

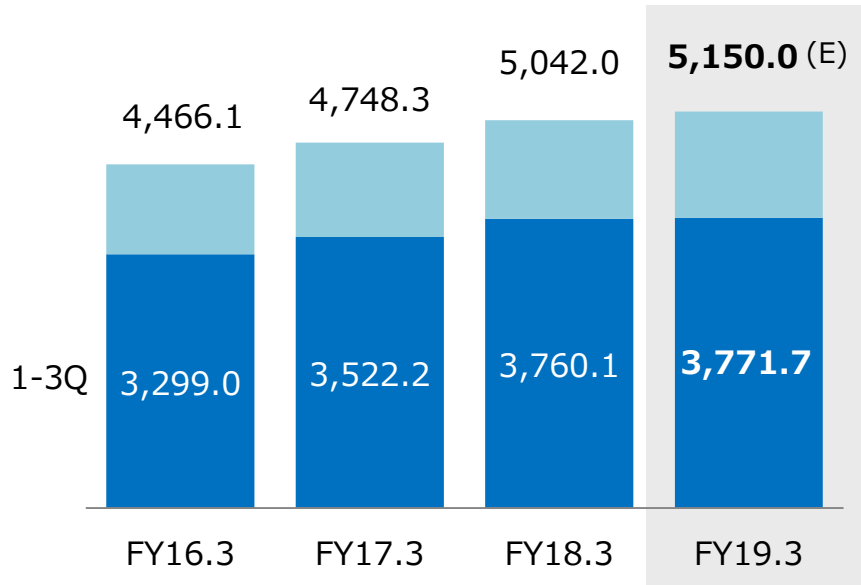
Highlights of Financial Results for 1-3Q



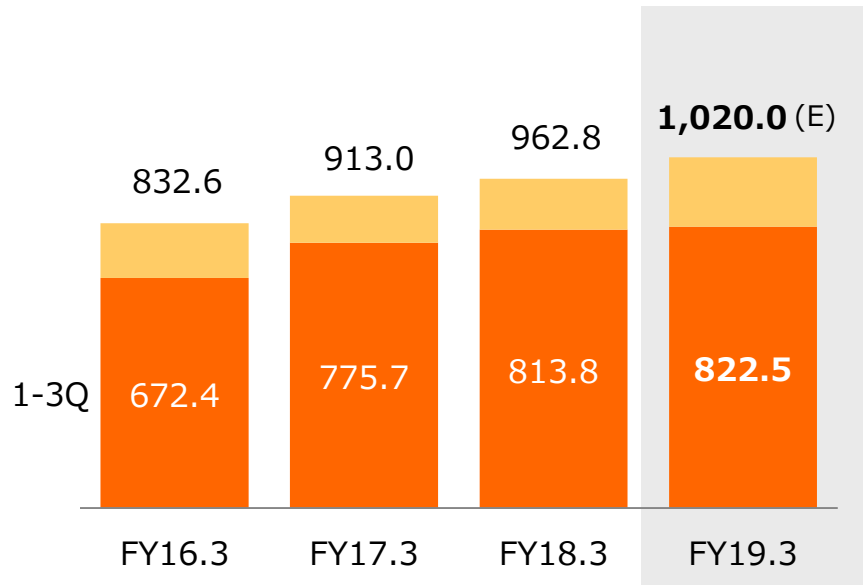
Highlights of Consolidated Financial Results for 1-3Q

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Operating Revenue (Unit: Billions of yen)

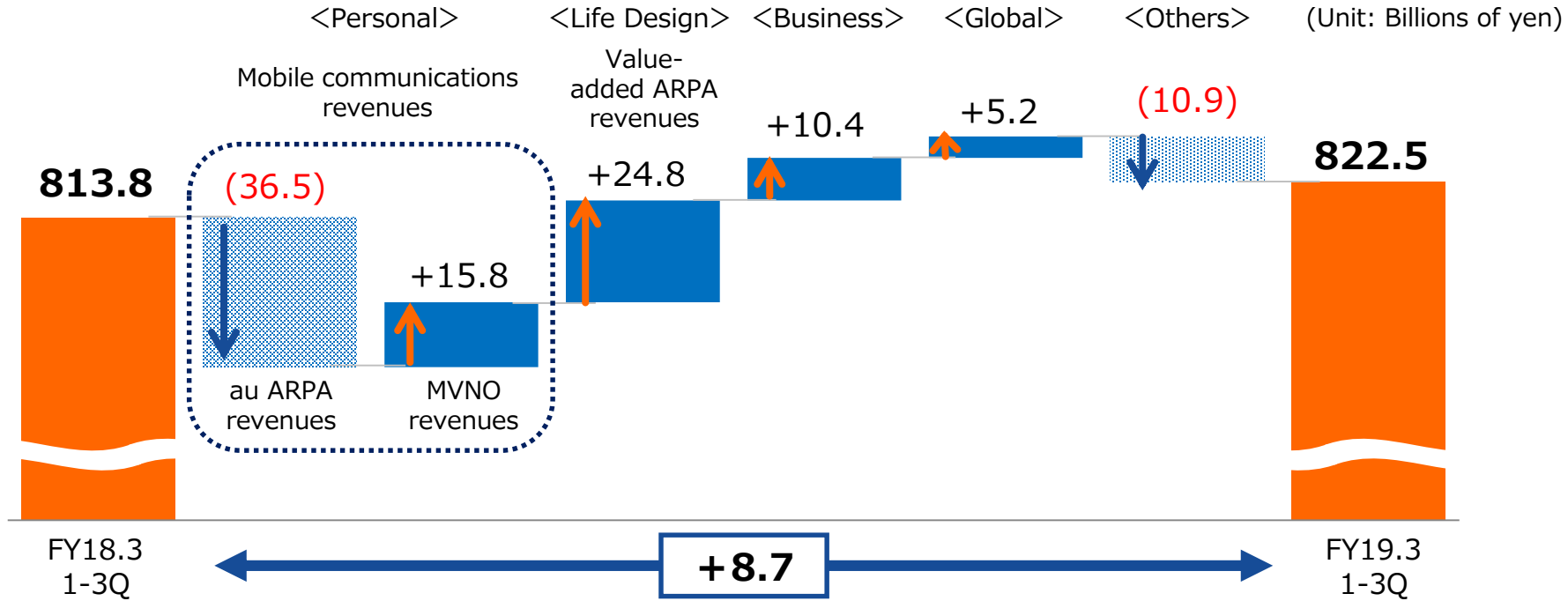


Operating Income (Unit: Billions of yen)



Continuous growth in both operating revenue and operating income

Operating Income: Factor for Change, YOY for 1-3Q



**Decrease in mobile communications revenues
absorbed by new fields of growth**

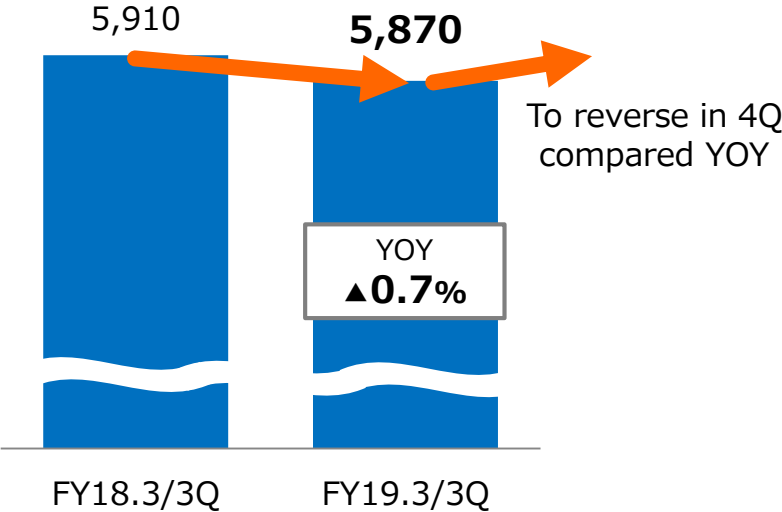
Domestic Telecommunications Business



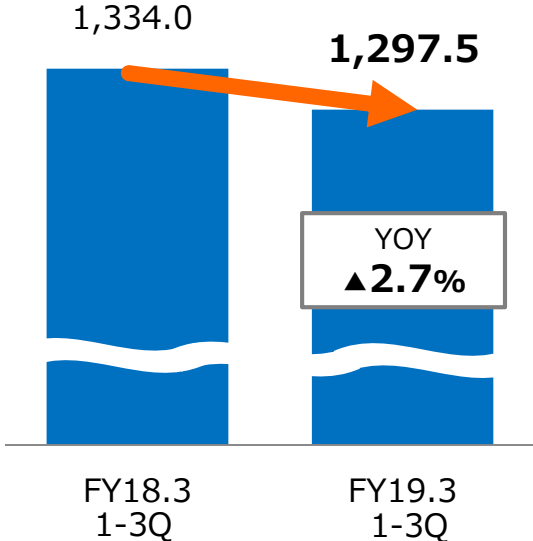
au ARPA / au ARPA Revenues

au ARPA (Unit: Yen)

* Telecommunications revenues of smartphone, feature phone, data card, tablet and module, per au account



au ARPA Revenues (Unit: Billions of yen)



Decreased YOY, due to the impact of au Pitatto Plan / Flat Plan

Student Discount Campaign

au Zero Student Discount

au ゼロ学割

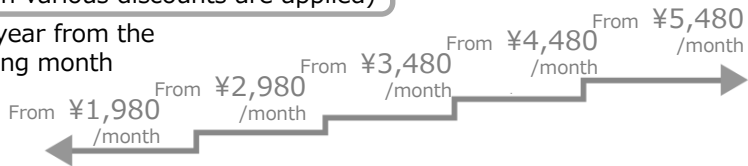
For 3 months from the following month

¥1,980/month

Discounts on au Pitatto Plan
(Super kakeho)

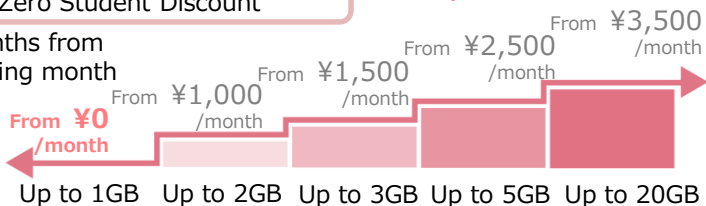
au Pitatto Plan
(When various discounts are applied)

For 1 year from the following month



In addition,
au Zero Student Discount

For 3 months from the following month



au Flat Plan

5GB

Flat Student Discount 5

(For student discount plan only/Simple plan)

For 1 year from the following month
From ¥3,000/month
(Discounts applied)

For 3 months from the following month

From ¥980/month

20GB

Flat Student Discount 20

(Simple plan)

For 1 year from the following month
From ¥4,000/month
(Discounts applied)

For 3 months from the following month

From ¥1,980/month

25GB

NETFLIX Plan Student Discount

(Simple plan)

For 1 year from the following month
From ¥5,150/month
(Discounts applied)

For 3 months from the following month

From ¥3,130/month

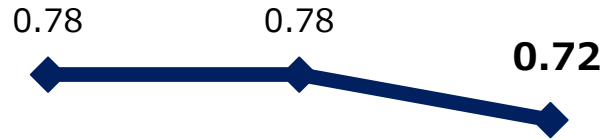
Offer customers a choice of sales promotions to suit their needs

Note) Voice call charges, fixed-line service charges, etc., are separate. Contract cancellation fees may apply depending on the contract period
 Note) Application period (From December 1, 2018 to May 31, 2019)
 Note) Indicated figures exclude taxes

au Churn Rate / Mobile IDs

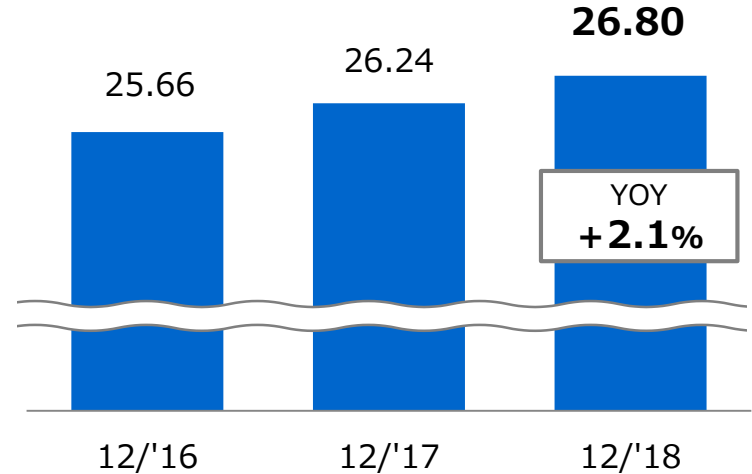
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au Churn Rate (Unit: %)



FY17.3/3Q FY18.3/3Q FY19.3/3Q

Mobile IDs* (Unit: Millions)



au churn rate significantly improving, mobile IDs steadily growing

Note) Personal Services segment basis

*au accounts + MVNO subscriptions

Top in the TV Commercial Popularity Ranking in Four Consecutive Years



To be the company that customers can feel closest to

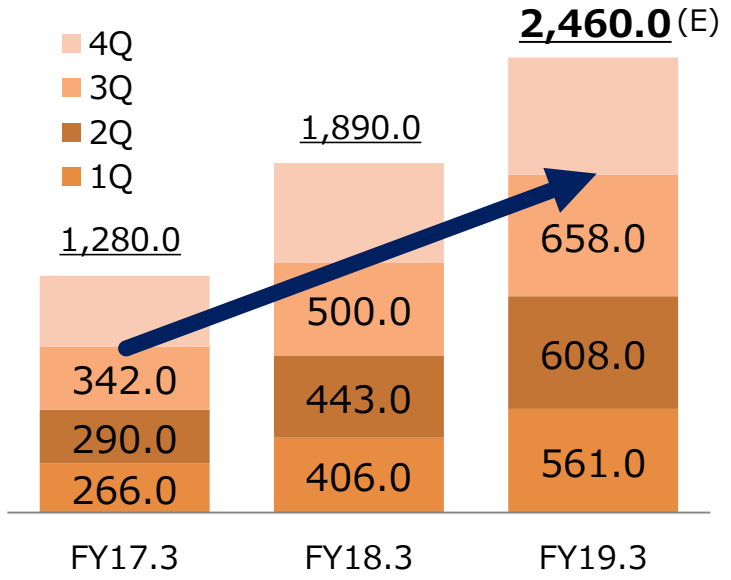
Note) CM Soken Consulting announced brands with outstanding commercial broadcasting effect and customer appeal for consumers from commercials for 7,098 brands that aired on the five key Tokyo networks from November 2017 to October 2018

New Fields of Growth

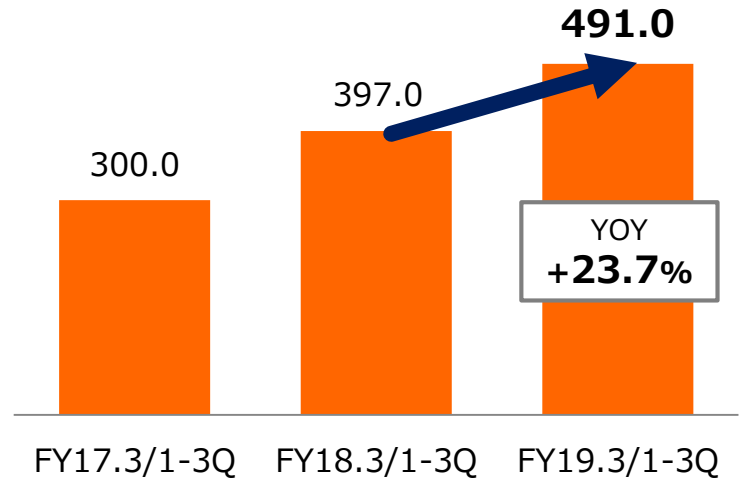


au Economic Zone Gross Merchandise Value / Sales

au Economic Zone
Gross Merchandise Value
(Unit: Billions of yen)

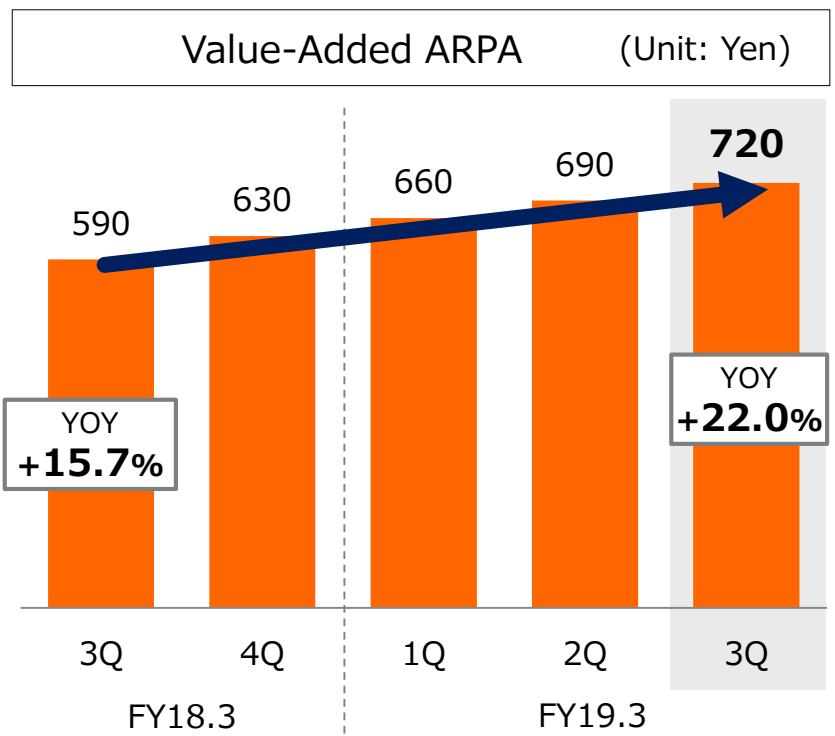


au Economic Zone Sales
(Unit: Billions of yen)



Steadily growing in both gross merchandise value and sales

Value-Added ARPA



NETFLIX Plan

Exciting content has proven highly popular

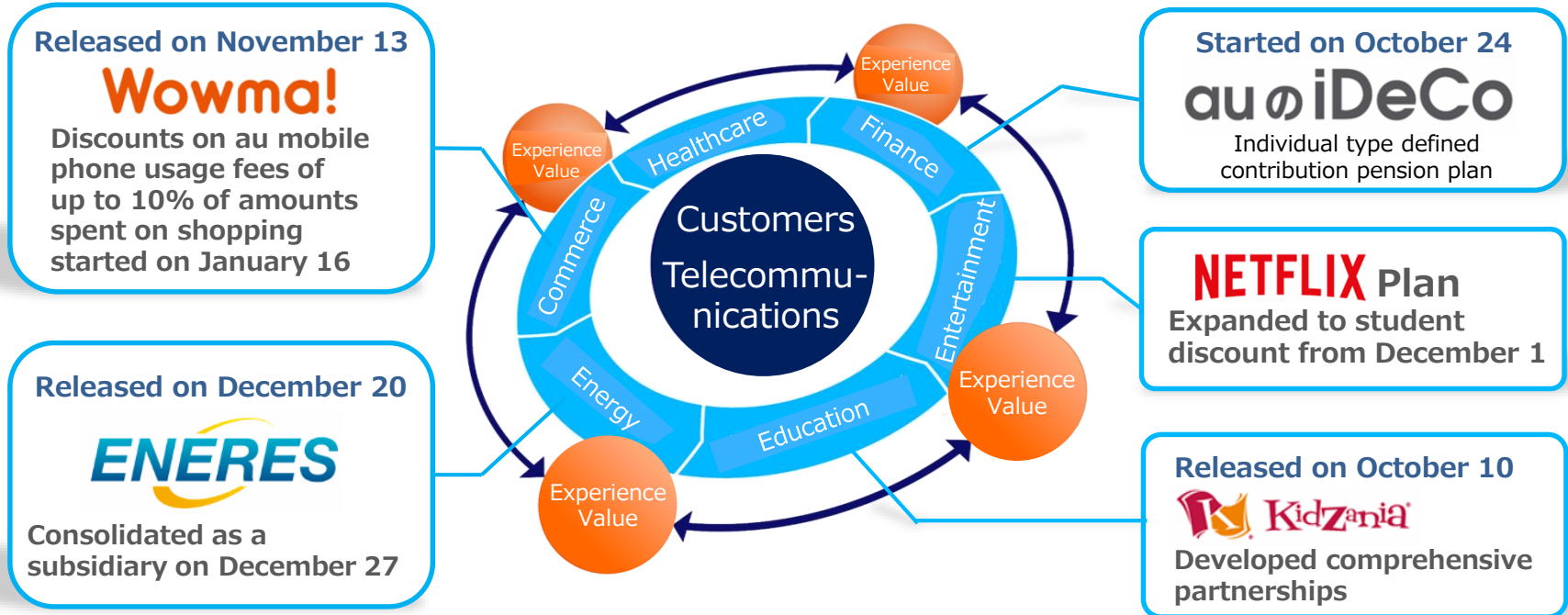
au Smart Pass Premium

6.50M members
(As of December 31, 2018)

Expanding non-telecommunications domain revenue base is driving growth acceleration

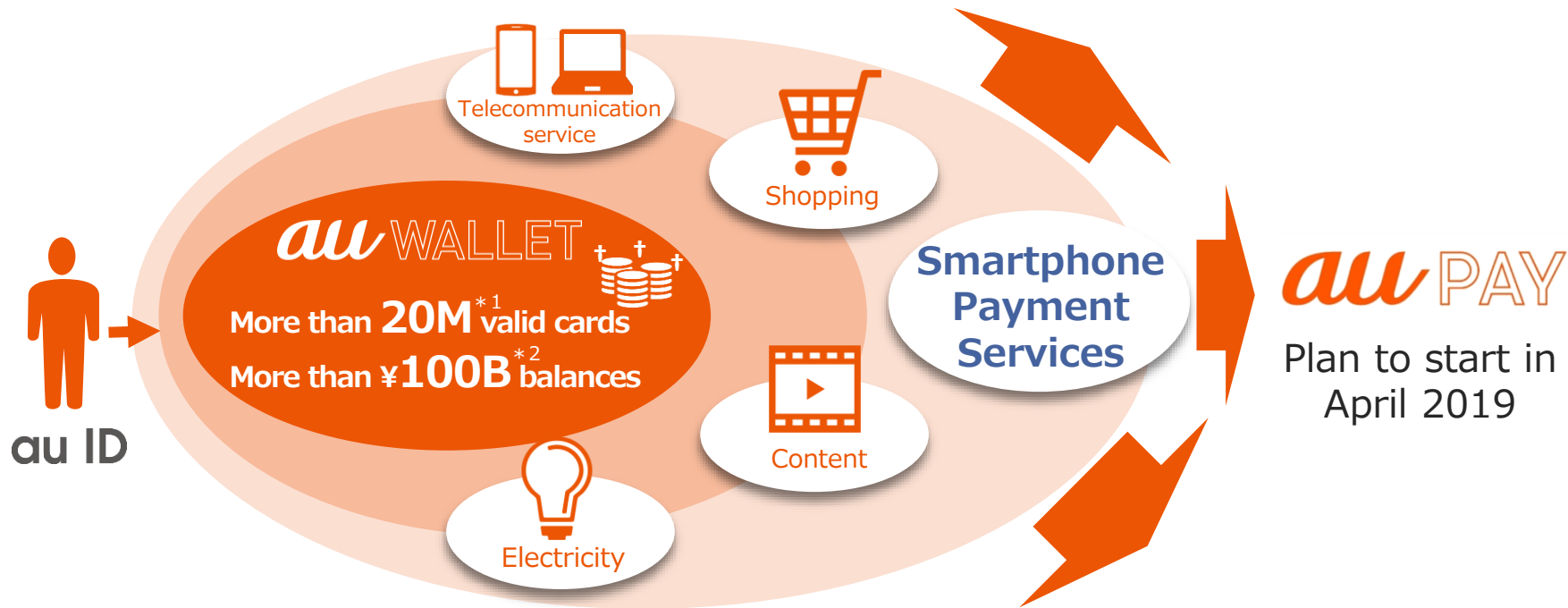
Integration of Telecommunications and Life Design

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Promoting expansion of the Life Design business domain and strengthening customer retention

Expand au Economic Zone



Expanding services to promote circulation of point and prepaid card balances

* 1) au WALLET valid cards of prepaid and credit cards * 2) Point and prepaid card balances

Towards the 5G Era

3G

4G

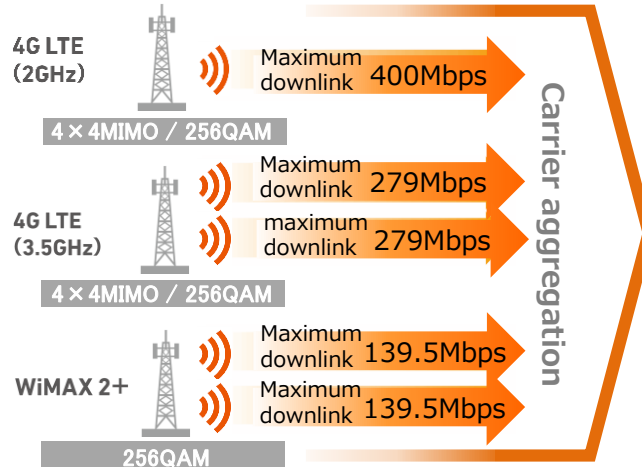
5G

Announced that services will end on March 31, 2022

Promote migration to smartphone compatible with VoLTE

Enhance first smartphone discounts and provide support service, etc.

Achieved more than 1 Gbps* maximum downlink speed



Preparing to start from certain areas in 2019

Move to full-fledged technology development and capital investment

Moving towards a simple and high quality network for the 5G era

Initiatives with Toyota Motor Corporation

Toyota Smart Center (TSC)

Global Communications Platform

Integrated management and monitoring
of communications networks

Carrier



Country X

Carrier



Country Y



AT&T



TOYOTA



LEXUS

In 2019, we plan to provide
connected environment
using Global Communication
Platform in the U.S.,
Japan, and China

In the U.S., implement
in 2020 year model car
to be sold
in the fall of 2019
all over the 50 states

Promote global deployment with partners

5G Demonstration Experiment

5G features

- High speed / Large data volume
- Increase connected devices
- Low latency

[Construction field]



Remotely control two construction machines simultaneously

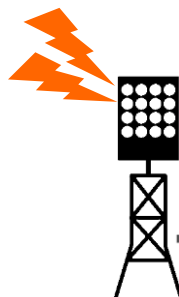
Partners



大林組

NEC

5G (28GHz)



5G Base Station

Assuming a disaster and connecting by wireless

[Remote control room]



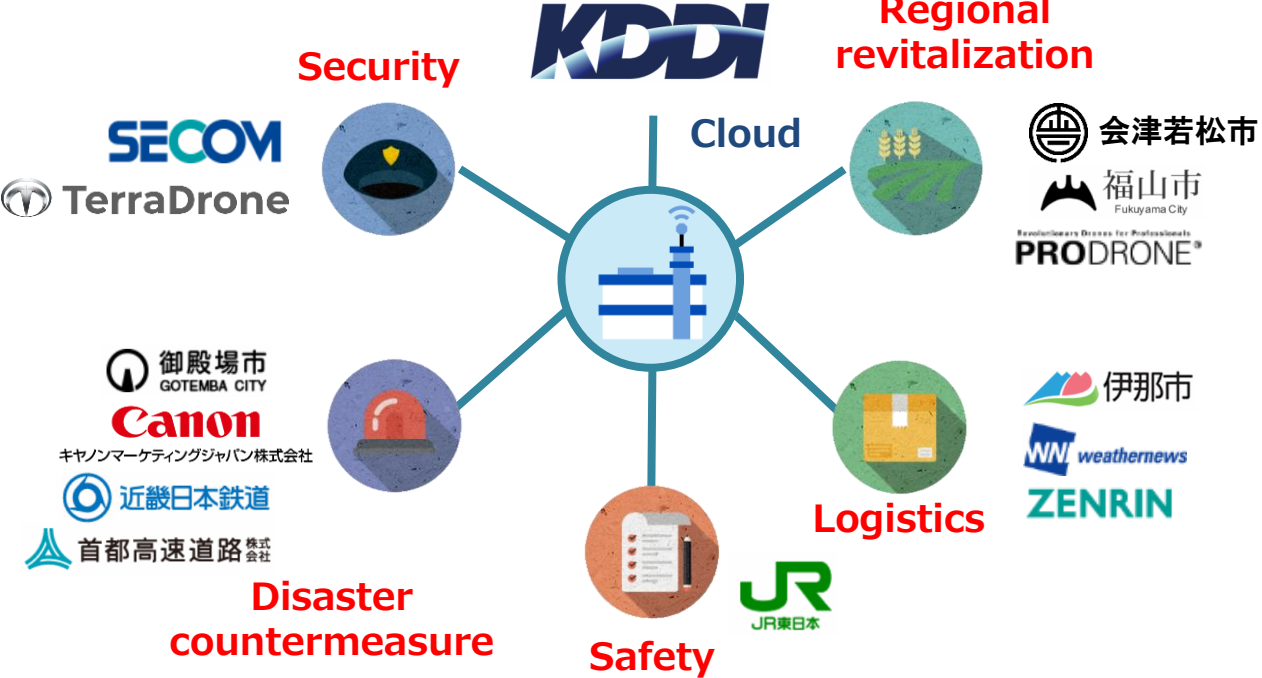
Real operability

Promote initiatives with partners aimed at leveraging the advantages of 5G

Note) Performed as part of a comprehensive 5G field test for the Ministry of Internal Affairs and Communications in fiscal 2018

Note) Conducted using part of the construction area for the Ai River dam, currently under construction in Ibaraki City, Osaka Prefecture from December 3 to 14, 2018

Smart Drone Platform



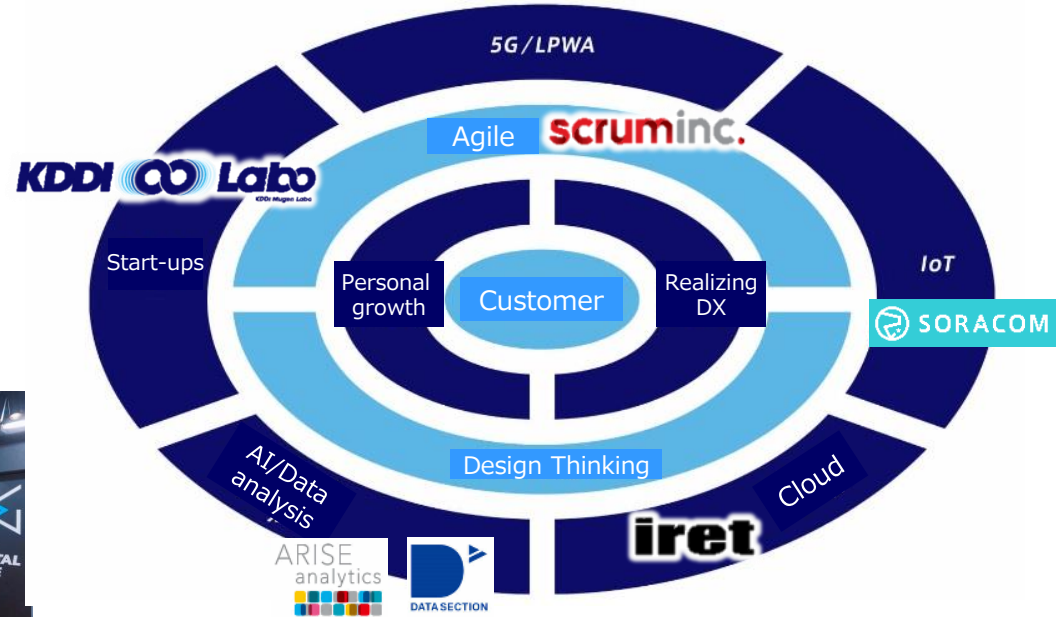
Providing B2B total solution

Construct a drone platform conforming to international standards

KDDI DIGITAL GATE

Participant company

More than **100***



Our full support for digital transformation

Create diverse IoT business models with corporate clients

* From September 6 to December 31, 2018

Summary

1-3Q Performance

- Revenue and income have both grown continuously throughout 1-3Q
- The revenue base in the non-telecommunications field is expanding steadily

Business Strategy

- Promote integration of telecommunications and Life Design
- Promoting initiatives towards the 5G era
- Expand 5G/IoT initiatives with partners

Promoting business strategy towards the current mid-term targets



Disclaimer

Statements made in these documents with respect to the KDDI Group's performance targets, projected subscriber numbers, future forecasts and strategies that are not historical facts are forward-looking statements about the future performance of the KDDI Group, based on company's assumptions and beliefs in light of the information available at the time they were made. They therefore include certain risks and uncertainties. Actual results can differ from these statements due to reasons including, but not limited to, domestic and overseas economic trends, competitive position, formulation, revision or abolition of laws and ordinances, regulations or systems, government actions or intervention and the success or lack thereof of new services. Consequently, please understand that there is a possibility that actual performance, subscriber numbers, strategies and other information may differ significantly from the forecast information contained in these materials or other envisaged situations.