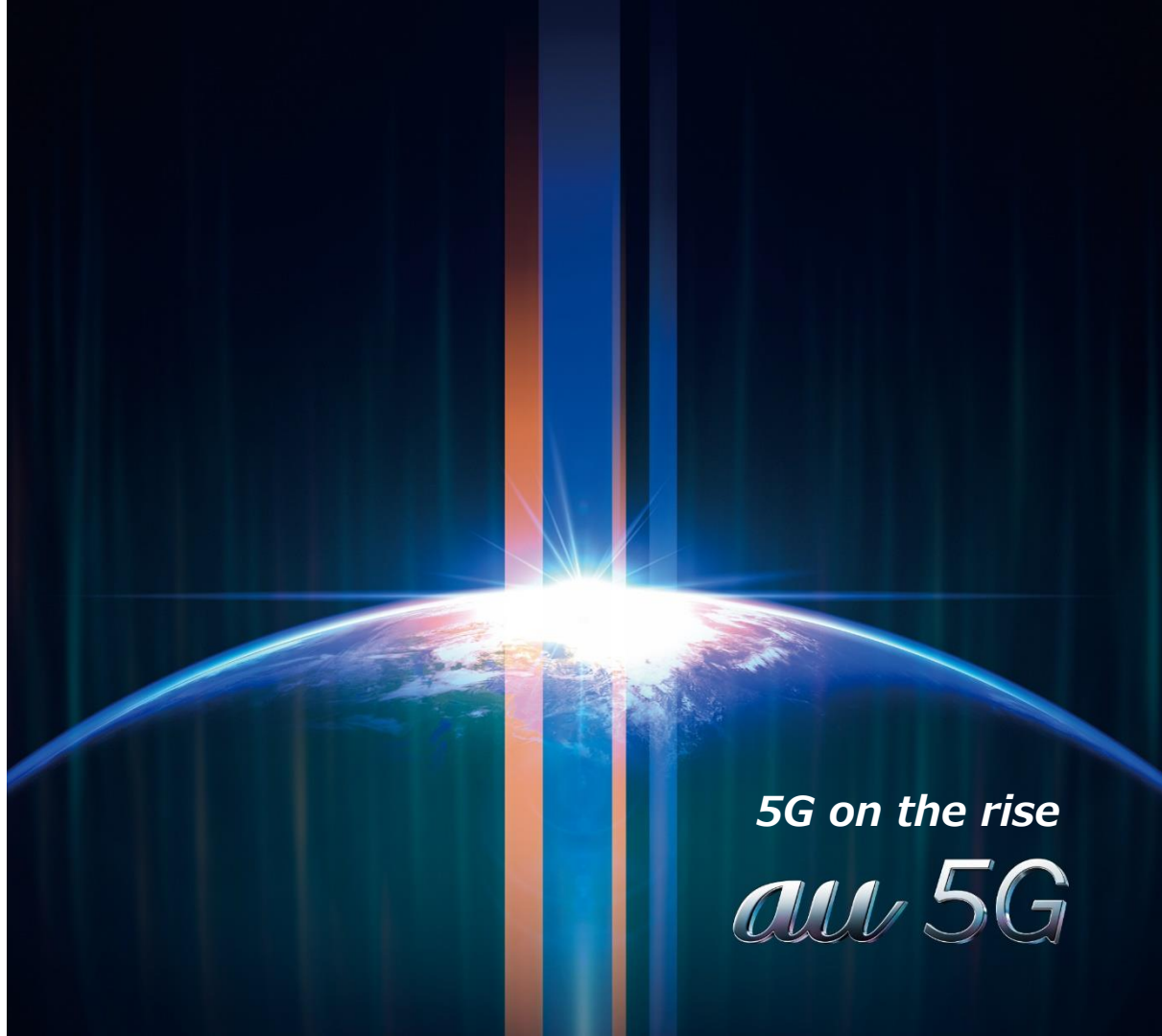


**Financial Results for the  
2<sup>nd</sup> Quarter of the Fiscal  
Year Ending March 2021**  
(from April to September 2020)

**October 30, 2020**  
**Makoto Takahashi**  
**President**  
**KDDI Corporation**



*5G on the rise*

*au 5G*

**1**

**5G for Everyone**

**2**

**Multi-Brand Strategy**

**3**

**KDDI Accelerate 5.0**

**4**

**Aiming to Expand Growth Fields  
and Achieve Medium-Term Targets**



**5G for Everyone**

# All "au" Models to be 5G

## Rolling out a broad lineup ranging from high-end to middle-range models



- XPERIA 1II
- Galaxy S20 5G
- Galaxy S20+ 5G
- Galaxy S20+ 5G BTS Edition
- Galaxy S20 Ultra 5G
- AQUOS R5G
- AQUOS zero5G basic  
DX
- OPPO Find X2 Pro
- Mi 10 Lite 5G
- ZTE a1
- Google Pixel 5
- XPERIA 5II
- Galaxy Note20 Ultra 5G
- Galaxy Z Fold2 5G
- Galaxy Z Flip 5G
- Galaxy A51 5G
- AQUOS sense5G

## New iPhone compatible with 5G released

Note) 5G availability is limited to certain areas. It will be expanded gradually. For details, check the au website

# Expanding Our 5G Area

## Accelerating area expansion using existing frequencies

### 5G Base Stations

Cover all 47 prefectures  
(scheduled for the end of December 2020)

March 2021:

Approx. **10,000** stations (plan)



March 2022:

Approx. **50,000** stations (plan)

Nationwide population coverage ratio\* : **90%**

### Applicable Frequencies

Existing frequencies will also  
quickly become 5G capable

28GHz band

New

3.7GHz/4.0GHz band

Existing

Steadily ramp up use of  
existing frequencies  
including 700MHz band  
and 1.7GHz band

\* Calculated based on the area where communication is possible in 50% or more of the approximately 500m section used for the national census

# 5G Pricing Plans

Expanding unlimited data plans to fully enjoy the benefits of 5G

## Data MAX 5G

for 6 months  
from the following month

**¥3,460/month~**

## Data MAX 5G Netflix Pack

NETFLIX TELASA

for 6 months  
from the following month

**¥4,060/month~**

## Data MAX 5G Television Pack

TELASA  Paravi  
FOD  
PREMIUM

for 6 months  
from the following month

**¥4,460/month~**

## Data MAX 5G ALL STAR Pack

NETFLIX  Apple Music  
 YouTube Premium TELASA

for 6 months  
from the following month

**¥5,460/month~**

More  
over

29歳までOK!

au  
ワイド学割

**[Students discount]**

**Customers 29 years old and under get a maximum discount of ¥1,600/month for six months of fees for new signups or handset model changes**

Note: There are data limits for tethering and other services. Telecommunication speeds may be controlled during periods of high internet usage, when video streaming, and in other situations. Subscribers to the "Family Discount Plus (four or more people)," "2-Year Contract N" (auto renewal/cancellation fees required), "au Smart Value" (required to sign up for home internet and other services, separate usage fees required), "Smartphone Support Discount III," or "5G Start Discount" are applied. Voice calling charge, handset model fees, and other charges are incurred separately.

Figures presented here do not include tax. 5G is offered in some areas. It will be expanded gradually. For details, check au's website

# au 5G Experience

Realized by strength of unlimited data plans and a wide 5G area

Rapid expansion of ordinary content

New iPhone compatible with 5G  
incorporates identifying functions

October 2020

TELASA

Data MAX Plan

November 2020  
(Plan)

SPORTS  
BULL

Only  
au

5G area

After December 2020  
(Plan)

smash.

au スマートパスプレミアム  
(au Smart Pass Premium)

# Multi-Brand Strategy





# Multi-Brand Strategy

The entire Group is meeting a wide range of customer needs

Stress-free  
unlimited plans\*

*au*

5G for Everyone

Simple,  
accessible prices

UQ mobile

20GB plan  
to be added

Advantageous and  
distinctive services

BIGLOBE mobile

Innovation

J:COM MOBILE

DX New Brand

\* There are data limits for tethering and other services. Telecommunication speeds may be controlled during periods of high internet usage, when video streaming, and in other situations

## Providing mobile plans with high quality services that are comparable to international price level

**SUMAHO Plan V**  
(to be provided after February 2021)

**20GB ¥3,980/month** \*1

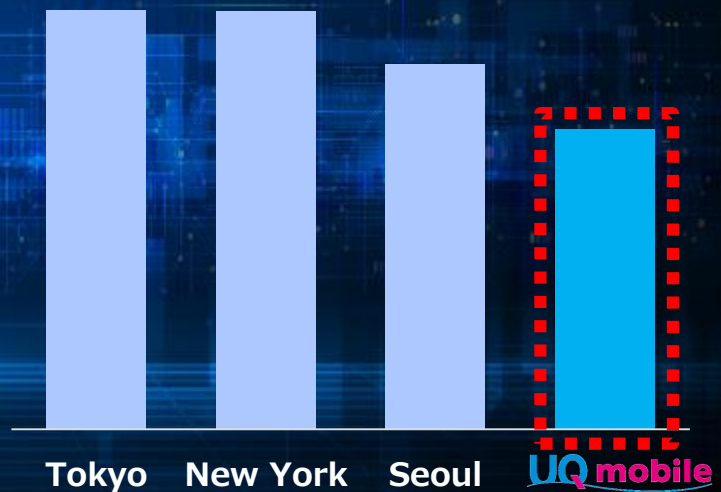
SUMAHO Plan R **10GB ¥2,980/month** \*1

SUMAHO Plan S **3GB ¥1,980/month** \*1

Call options\*2

Call pack (60 minutes/month) **¥500**  
(Maximum 60 minutes/month domestic call is flat rate)\*3

20GB monthly price comparison\*4



\*1) Voice calling charge, handset model fees, and other charges are incurred separately. Amount does not include tax  
 \*2) With either plan, unlimited call (10 minutes each time) ¥700/month and unlimited call (24 hours anytime) ¥1,700 /month can be available. Amount does not include tax  
 \*3) Up to ¥2,400/month for domestic call charge will be reduced. Some calls are not covered. A daily rate is applied to the reduced call charges. Amount does not include tax  
 \*4) Source : Created by the Company based on the Ministry of Internal Affairs and Communications "Survey on domestic and foreign price differences related to telecommunications services – Results of survey 2019 ([https://www.soumu.go.jp/menu\\_news/s-news/01kiban03\\_02000651.html](https://www.soumu.go.jp/menu_news/s-news/01kiban03_02000651.html))  
 Comparison among UQ mobile "SUMAHO Plan V" with Call pack (60 minutes/month) (tax included) before applying various discounts such as family discount and the charges including tax in each country

# DX New Brand

## Proposing new UX for digital natives



Completely online with eSIM

Simpler and faster procedure

Customer pricing customization

### Circles Life

- Singapore-based Digital Teleco
- UX improvement with high-speed cycle achieves high NPS
- Entered to Taiwan and Australia in 2019 with its own platform

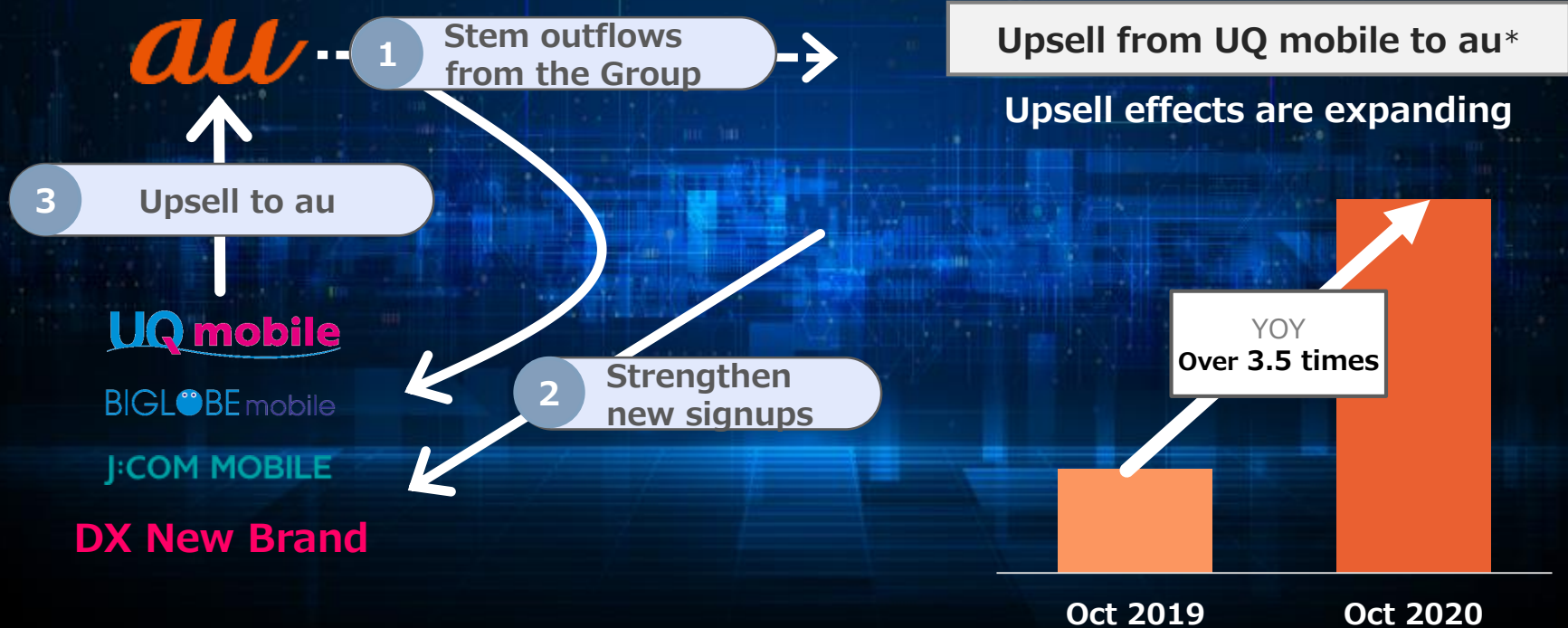
New  
UX

Establish  
new MVNO company,  
KDDI Digital Life  
to provide services

(November 2020)

# Overview of Multi-Brand Strategy

Further expanding ID base and promoting up-selling



\* Number of customers who switched to "au" among all MNPs from UQ mobile and kept the same phone number. Comparing two-week periods from each month

# KDDI Accelerate 5.0

# Looking toward 2030

Formulated KDDI Accelerate 5.0  
with the aim of realizing Society 5.0

Society 5.0 centered on sustainable consumers  
Realizing a rich society by blending with virtual spaces

Next-generation society concept



Released August 2020

# KDDI Accelerate 5.0

Accelerating Society 5.0 through seven technologies and three layers centering on 5G



**KDDI**  
KDDI Research

Launched a joint research project with prominent overseas universities and researchers in the fields of AI and wireless communication. Promoting KDDI Accelerate 5.0 with the aim of achieving world-class research results (October 2020)

# KDDI Accelerate 5.0 Initiatives

Promoting the DX of the 5G era with many partners

## KDDI 5G Business Co-Creating Alliance

Alliance Members  
(As of October 30, 2020)



Three KDDI Group bases  
in the Toranomon area are cooperating

ra KDDI research atelier

Open in December 2020



Applied R&D

Toranomon Triangle  
(Tokyo)

New base  
in Toranomon  
for corporate  
departments  
From August 2020



Business development



DX support

KDDI DIGITAL GATE



# Business and Capital Alliance with Toyota

16

Strengthening the alliance for a society  
in which towns, homes, people and cars are all connected

**TOYOTA**

**KDDI**

## "Connected" cars



Expansion

**Connected service**

## New initiatives that go beyond "mobility" and "telecommunications"

- Joint R&D focused on telecommunication platform
- Joint development of operation management systems for next-generation connected cars
- Co-building of services and service platforms to enrich people's lives and ensure their safety and security without being chained to the inside or outside of vehicles
- Joint promotion of solving social issues by using big data



**Aiming to Expand Growth Fields  
and Achieve Medium-Term Targets**

# 1<sup>st</sup> Half Results and Progress of Medium-Term Management Plan

Aiming to achieve medium-term targets, growth fields expand steadily in the 1<sup>st</sup> Half

## Consolidated Financial Results

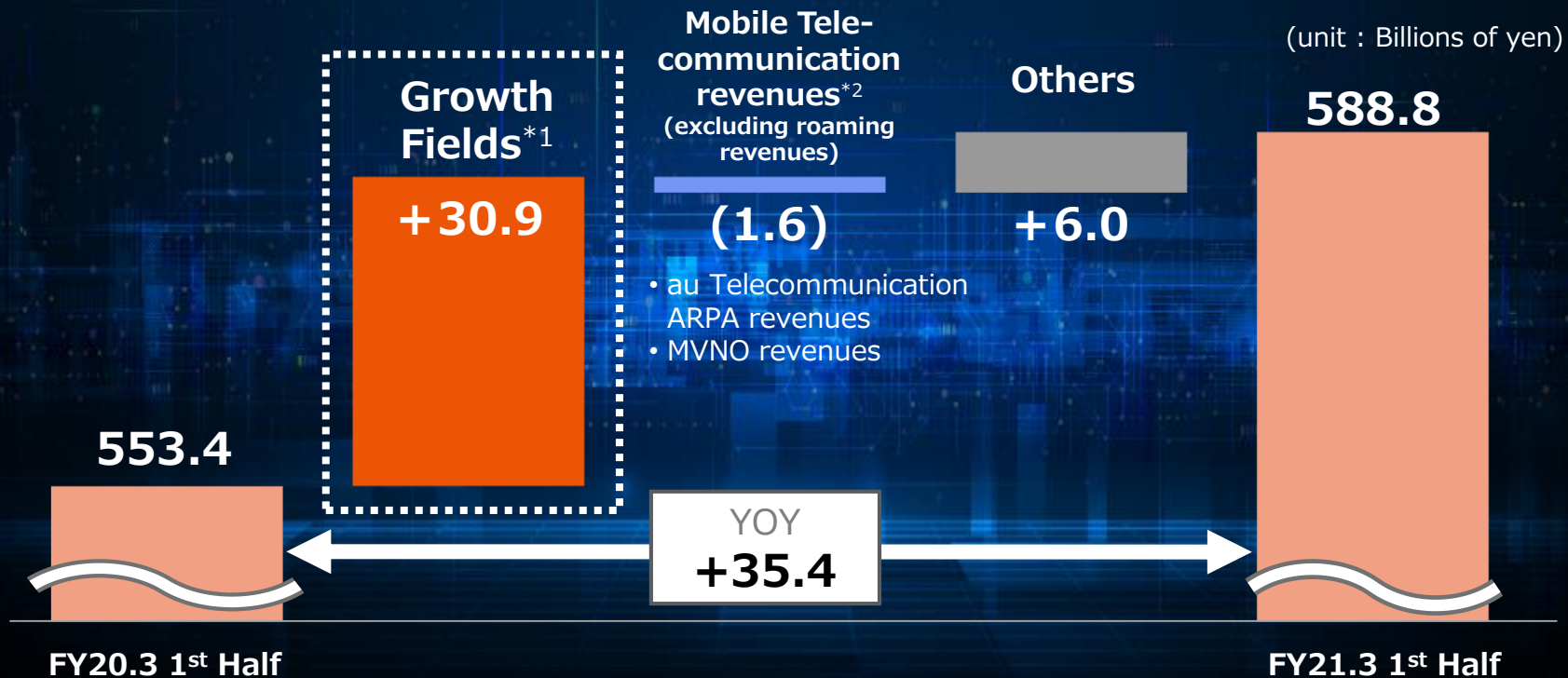
(unit : Billions of yen)	FY20.3	FY21.3	
	1 <sup>st</sup> Half	1 <sup>st</sup> Half	YOY
<b>Operating Revenue</b>	<b>2,564.5</b>	<b>2,537.2</b>	<b>(1.1%)</b>
<b>inc) Life Design Domain</b>	<b>574.0</b>	<b>603.0</b>	<b>+5.1%</b>
<b>inc) Business Services segment</b>	<b>459.3</b>	<b>476.2</b>	<b>+3.7%</b>
<b>Operating Income</b>	<b>553.4</b>	<b>588.8</b>	<b>+6.4%</b>

## Medium-Term Targets

<b>EPS Growth</b>
FY19.3⇒FY25.3 <b>1.5 times in 6 years</b>
<b>Operating Revenue Growth</b>
Operating Revenue of Life Design Domain Sales <b>FY22.3 Target 1.5 trillion yen</b>
Operating Revenue of Business Services segment <b>FY22.3 Target 1.0 trillion yen</b>

# Operating Income : Factor for change, YoY for 1<sup>st</sup> Half

## Growth fields drive profit growth



\*1) Life Design Domain and Business Services segment

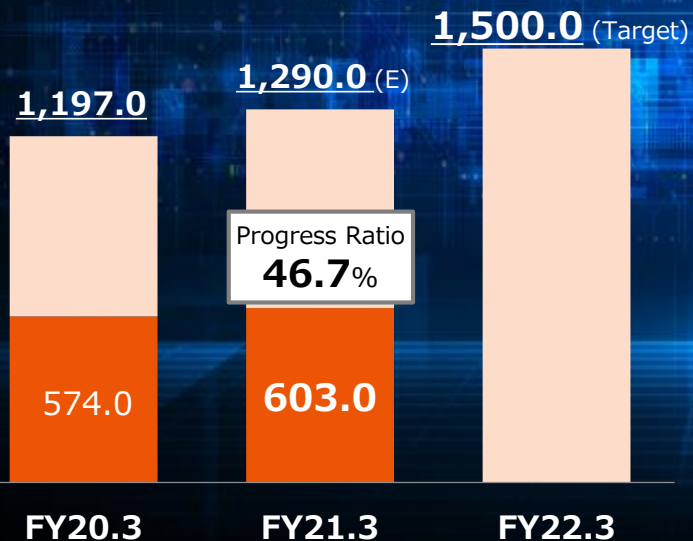
\*2) Personal Services segment

# Growth Fields

## Steadily progress against Medium-Term Targets

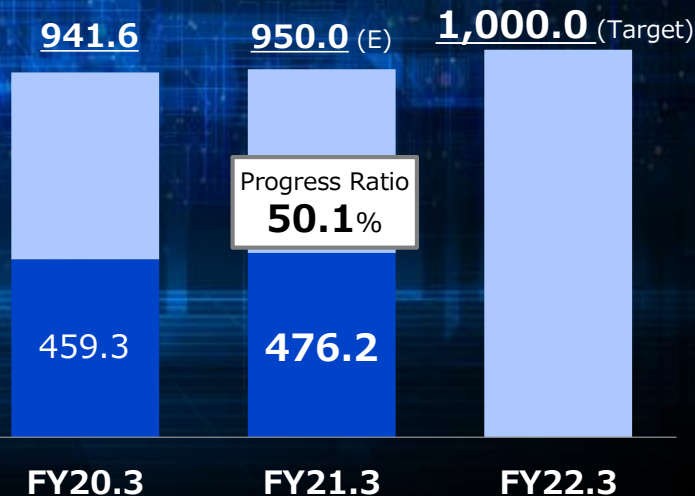
### Operating Revenue of Life Design Domain

(unit : Billions of yen)



### Operating Revenue of Business Services segment

(unit : Billions of yen)



## Aiming to achieve medium-term management targets through promoting 5G and growth fields

### Business Strategies

- ✓ **5G for Everyone** : Expand services that leverage our strengths by having all au handset models be 5G compatible, offering unlimited data plans, and expanding 5G areas
- ✓ **Meet wide range of customer needs through multi-brand strategy**
- ✓ **Formulate KDDI Accelerate 5.0 to realize Society 5.0.**
- ✓ **Agreement on business and capital alliance with Toyota for a society in which towns, homes, people and cars are all connected**

### Financial Results and Medium-Term Targets

- ✓ **For our 1<sup>st</sup> half performance, growth fields are the driving force. We aim to achieve our medium-term targets through further expansion**
- ✓ **Resolved to repurchase its own shares – Up to ¥200 billion**

# Appendix



# au Total ARPA

Contract numbers for “au Denki” are increasing  
and growth of “au Denki” ARPA is accelerating

Underlined is au Total ARPA

■ au Denki ARPA in au Total ARPA

(unit : yen)





Tomorrow, Together

おもしろいほうの未来へ。



## 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.