

# Financial Results for the 3<sup>rd</sup> Quarter of the Fiscal Year Ending March 2021

(From April to December 2020)

January 29, 2021  
KDDI Corporation



*5G on the rise*  
**au 5G**

**1**

**Highlights of Financial Results for 1-3Q**

**2**

**Personal Services segment**

**3**

**Initiatives in Growth Fields**

**4**

**Initiatives in Non-Financial Part**

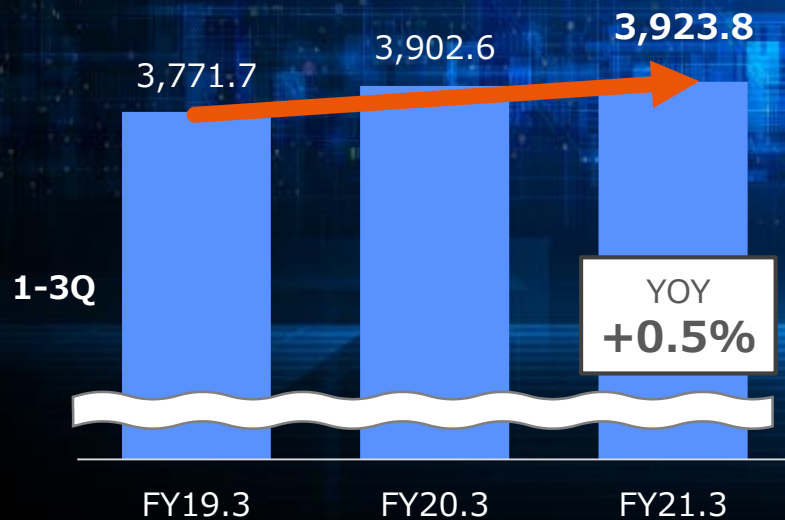
The background is a dark blue gradient with a complex digital pattern. It features a grid of thin, glowing blue lines that intersect to form a mesh. Scattered throughout are small, bright blue and white dots, resembling data points or stars. The overall effect is a high-tech, futuristic aesthetic. The text is centered in the upper half of the image.

# Highlights of Financial Results for 1-3Q

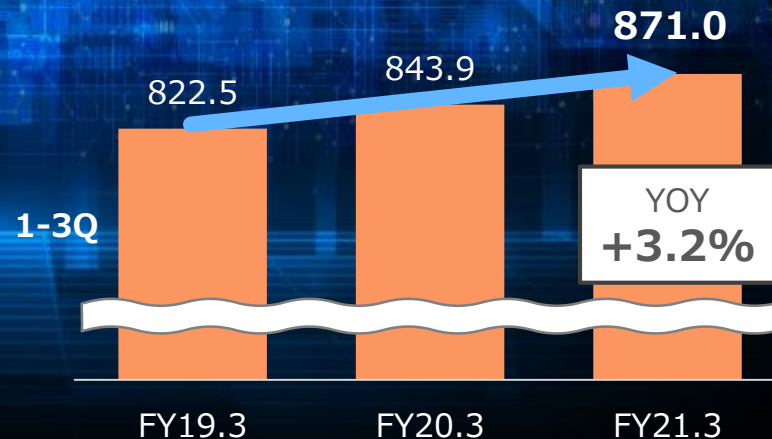
# Highlights of Consolidated Financial Results for 1-3Q

## Increase in both operating revenue and operating income

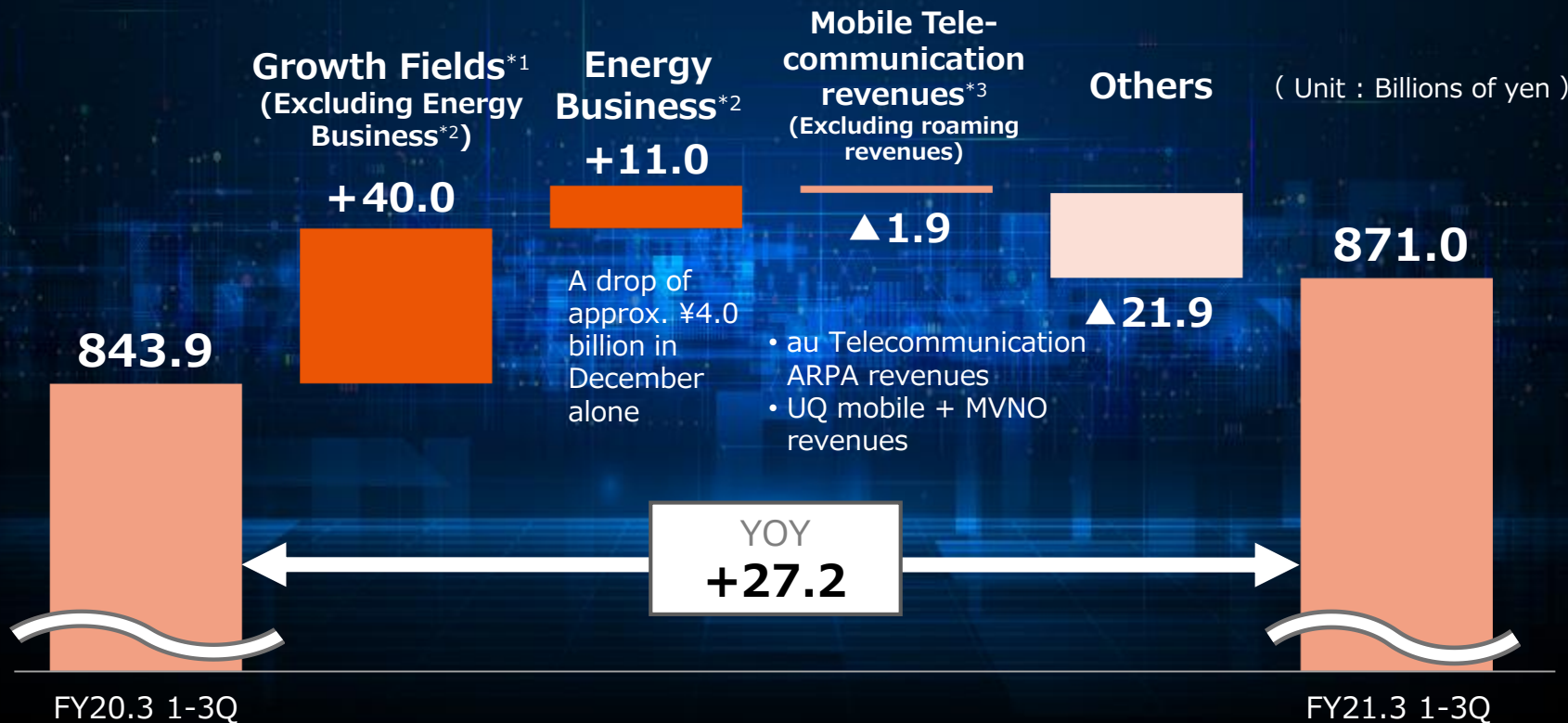
**Operating Revenue** (Unit : Billions of yen)



**Operating Income** (Unit : Billions of yen)



# Operating Income : Factor for Change, YoY for 1-3Q Performance in growth fields drove results



\*1) Life Design Domain and Business Services segment

\*2) "au Denki," etc. and the energy business operated by other Group companies in Life Design Domain

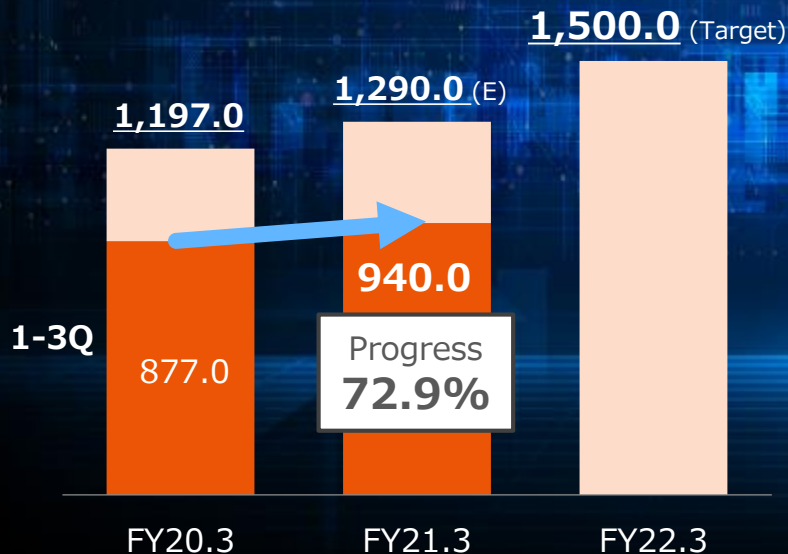
\*3) Personal Services segment

# Growth Fields

Steady progress toward targets set  
at the beginning of the fiscal year

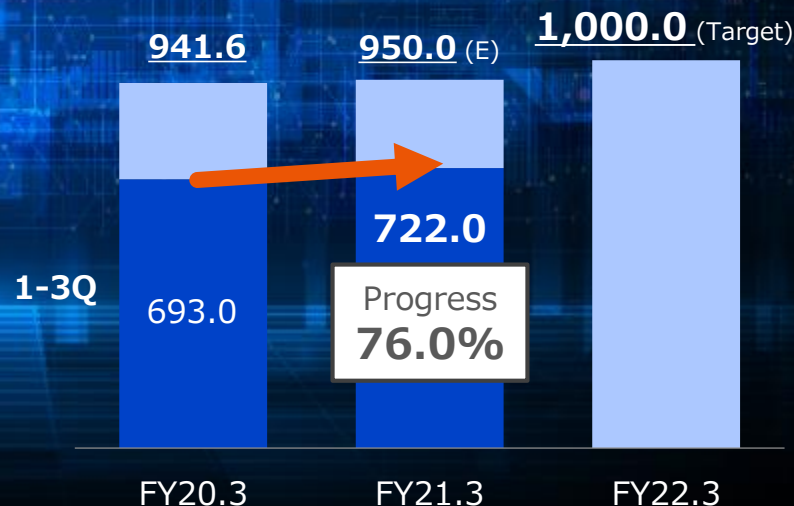
## Life Design Domain Sales

(Unit : Billions of yen)



## Business Services segment

Operating Revenue (Unit : Billions of yen)





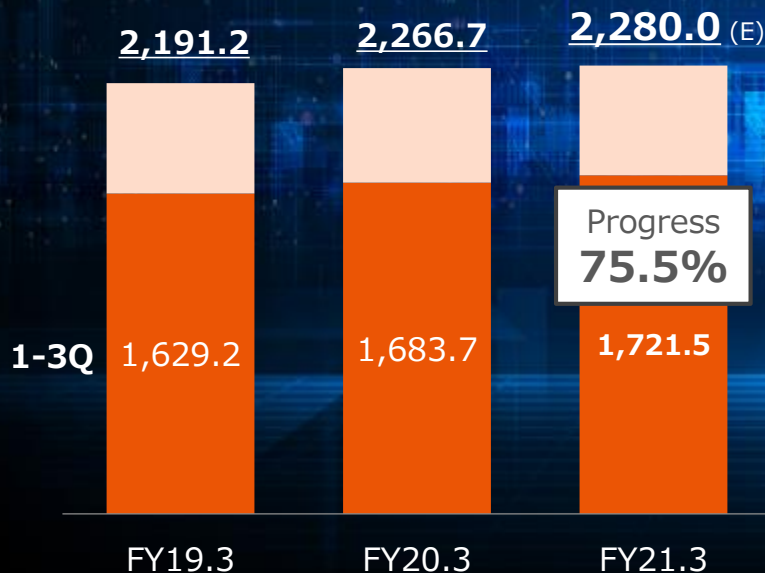
# Personal Services segment

# Personal Services segment

Steady progress toward targets set  
at the beginning of the fiscal year

## au Total ARPA Revenues

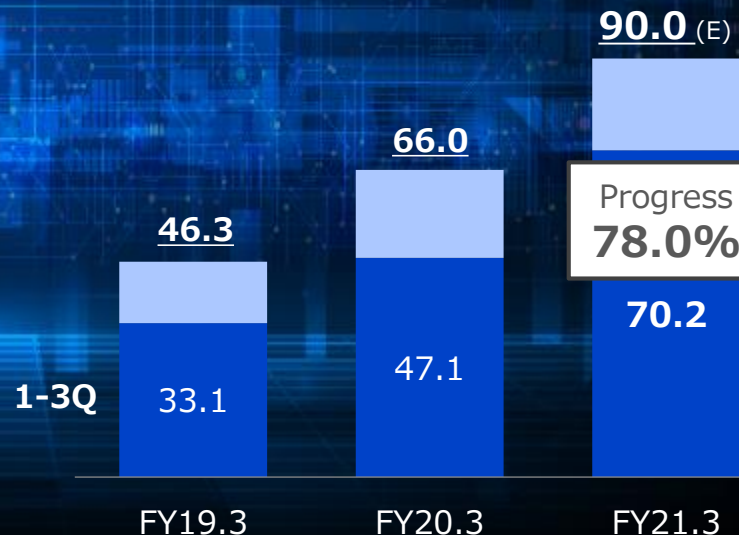
(Unit : Billions of yen)



## UQ mobile

## + MVNO Revenues

(Unit : Billions of yen)





5G for Everyone

みんなの  
5G

8

## Everyone is “Every One!” Freedom to choose for each plan

**au**

Start in March

**Data  
Unlimited**

**¥6,580/month**

Control during congestion and  
communication with videos  
Total 30GB for tethering, data  
sharing, and global data flat rate

**Unlimited use  
without anxiety**

**povo**  
on au

Start in March

**20GB**

**¥2,480/month**

**Toppings online**

**UQ**  
mobile

**Carry over plan**

Start on Feb 1

**3GB**

**¥1,480/month**

**15GB**

**¥2,480/month**

**25GB**

**¥3,480/month**

**Simple and secure price**

(Note) A separate call charge is required due to the pay-as-you-go system. 5G is provided in some areas. Amount does not include tax.



## “Toppings” that meet the needs

Monthly charge  
(4G / 5G)

¥2,480

20GB

Domestic call :  
¥20/30 seconds

Simple & low price  
without  
discount conditions!



Domestic call

¥500/month

Unlimited phone calls  
of 5 minutes or less\*1

Only when  
you want to  
use a lot of data

¥200

24 hour  
Unlimited data\*2

Add  
Services  
as toppings

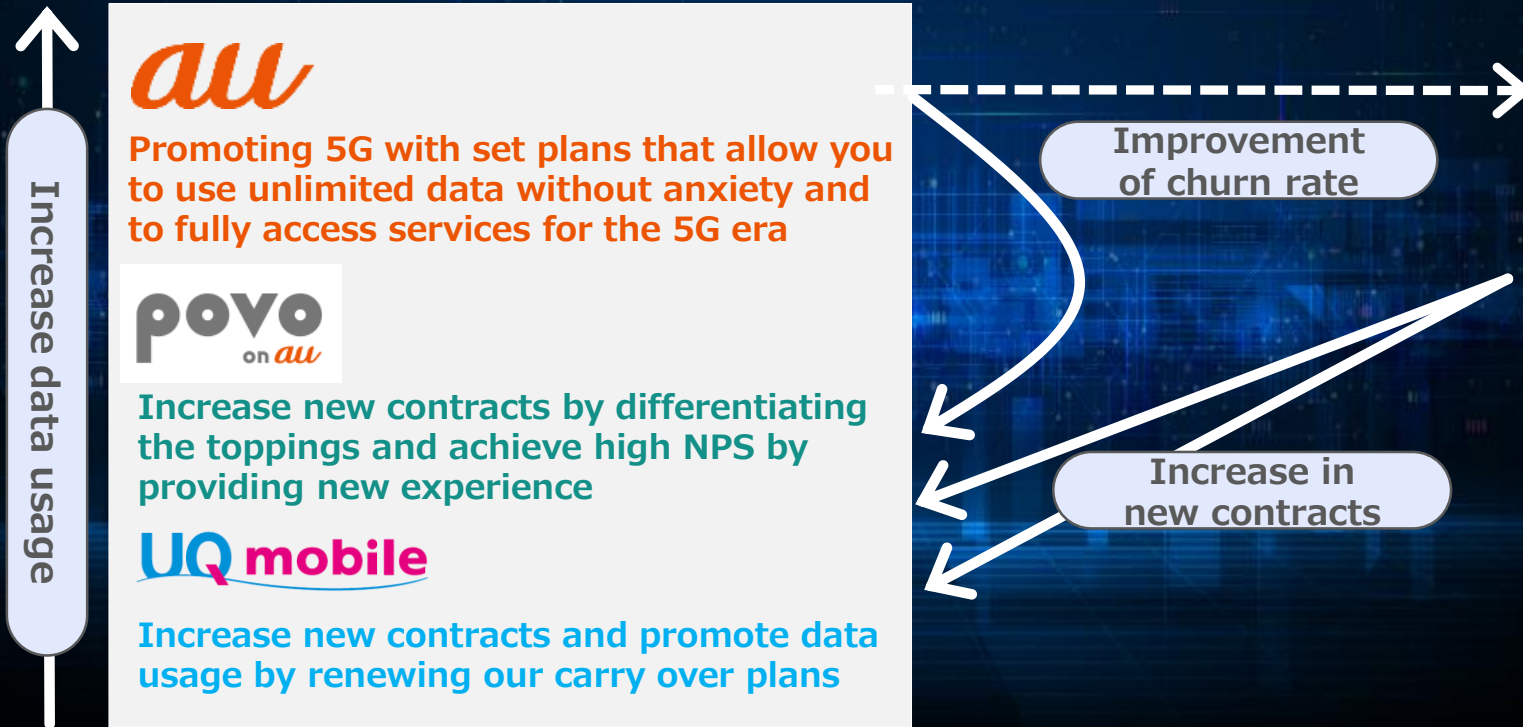
(Added in order)

Note) 5G support is scheduled for this summer



# Working to Strengthen Our Momentum

Appealing the strengths of our three brands while actively promoting 5G



# Expanding the 5G Areas

## Using existing frequencies to accelerate area expansion

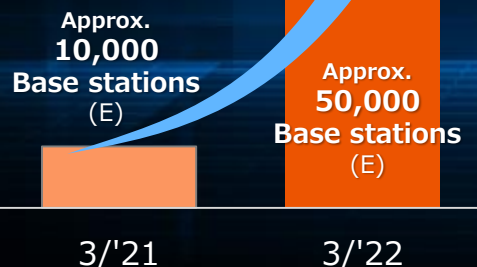
### 5G base stations and area deployment

**Plan to expand rail line areas\*1  
in spring 2021**

(All areas around the Tokyo Yamanote Line  
and the Osaka Loop Line)

**Nationwide population coverage ratio**

**90%\*2 (E)**



### Using existing frequencies

**28GHz band**

**New**

**3.7GHz/4.0GHz band**

**3.5GHz band** (Started in December 2020)

**Existing**

**700MHz band** (Scheduled for this spring)

**Other existing frequencies bands**

\*1) This does not guarantee use of 5G services inside train stations \*2) Nationwide population coverage ratio is calculated based on the area where communication is possible in 50% or more of the approximately 500m section used for the national census. 700MHz is the target for this coverage ratio

Note) Supported frequencies and service areas differ depending on the handsets. Software update may be required

# Sales of 5G Devices

12

**Exceed 1.2 million  
in total**

**Steadily moving toward  
targets set at the  
beginning of the fiscal  
year**

**Cumulative 5G unit sales\***

**Exceed  
1.2 million units  
(December 2020)**

**New 5G compatible  
iPhones performed well**





# Services in The 5G Era

To experience value unique to 5G  
by using unlimited and services set

## au 5G Experience

New iPhone compatible  
with 5G  
incorporates identifying  
functions

Unlimited use  
without anxiety

Automatically  
improve image quality

New set plan price scheduled  
to be announced in March

Entering an era  
where services choose the network

NETFLIX

amazon prime



Apple Music

YouTube Premium

TELASA

Paravi

FOD  
PREMIUM

smash.

From the material released on December 9, 2020



The background is a dark blue field filled with a complex network of glowing blue lines and dots, resembling a digital or data visualization. The lines form a grid-like pattern with various intersections and paths, while the dots are scattered throughout, some appearing as small clusters. The overall effect is a sense of depth and technological sophistication.

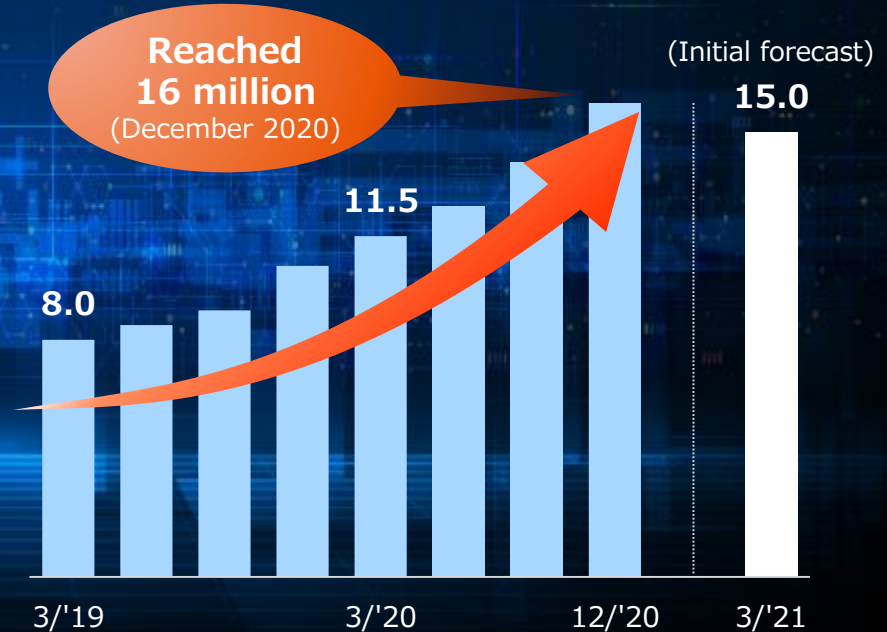
# Initiatives in Growth Fields

## IoT Connections

**Achieved target  
for cumulative total  
ahead of initial forecasts**

### IoT Connections

(Unit : Millions)



# Expansion of IoT

**Expansion of IoT due to the steady growth of connected cars and applications for smart meters and infectious disease control**



**Global deployment expanded through partnership with Toyota Motor Corporation**



**Promoting partnerships with major domestic manufacturers**

Adopted in new car models, one after another



**TOYOKEIKI**

Partnerships making further progress over two years



**ECOMOT**

エコモット株式会社

Using thermal cameras for identifying infected individuals at border control\*

\* September 2020: Jointly developed the "KDDI IoT Cloud Standard Thermal Camera Package"

## Integration of “traffic” and “telecommunications”

Basic agreement  
for aiming joint  
commercialization



### Joint promotion and development study of the project

(Core city, satellite city, and mobility services)



Pilot test in bullet  
train workplaces



Core city “Shinagawa  
Development Project”



# Creating New Businesses with Our Partners

## Promoting KDDI Accelerate 5.0

Three KDDI Group bases  
in the Toranomon area are cooperating

**ra** KDDI  
research  
atelier



Applied R&D

**Toranomon  
Triangle**  
(Tokyo)

New base  
in Toranomon  
for corporate  
departments



Business development

DX support

 **KDDI DIGITAL GATE**

Opened a development base  
for Applied R&D

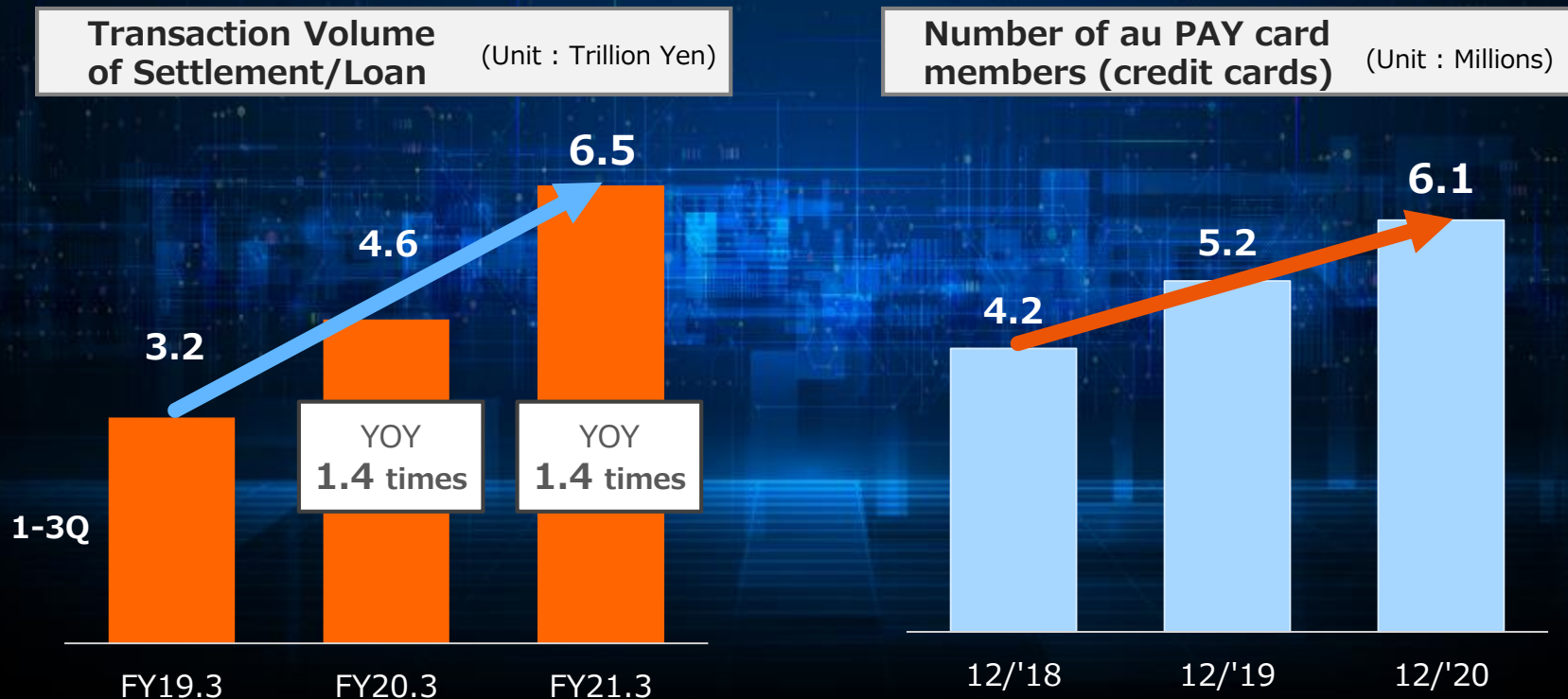
**“KDDI research atelier”**  
Opened in December 2020



Offering new lifestyles and building  
communities for sharing and discussion

# Life Design Domain's KPI

Transaction volume of settlement/loan has grown significantly.  
Credit cards holders exceed 6 million





# Cashless Payment Via Smartphone

Expanding the number of points and settlement stores.  
Promoting the alliance of au PAY and Ponta points

Number of points and  
settlements participating stores

Exceed **3.55** million  
(December 2020)

YOY  
Approx.  
2 times

12/'19

12/'20

au PAY (QR code payment)

December 2020  
Installed in digital Ponta Cards\*



# Financial Services

Aiming to expand usage  
by making various services attractive



au Jibun Bank Corporation

## Mortgage “au” mobile preferential discount

(Scheduled to be available  
in March 2021)

When used in combination with  
“Jibun Denki,” the interest rate will be  
reduced by up to 0.1%\* per year



## au PAY Gold card privilege enhancement

(Scheduled to be available  
in February 2021)

It's easier to collect Ponta points  
by using au communication services  
and au related services



au Kabucom Securities Co., Ltd.

## Investment by points (Available in September 2020)

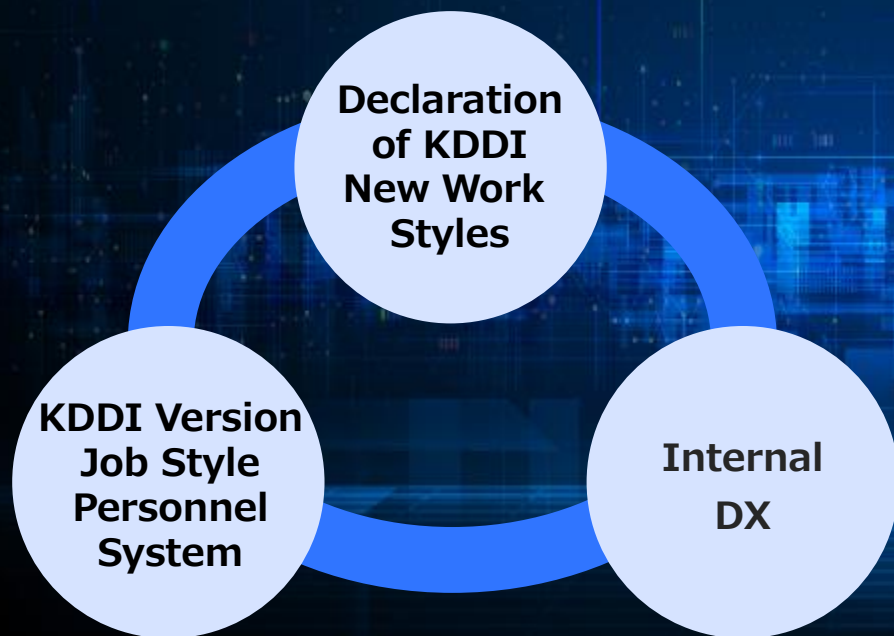
Feel free to start investing with  
accumulated Ponta points

\* Total of “Mortgage Jibun Denki Preferential discount” (0.03% reduction per year) and “Mortgage “au” mobile preferential discount” (0.07% reduction per year)

# Initiatives in Non-Financial Part

# Transformation into a Human Resources First Company

## Simultaneously promoting a unified three-part reform



Announced in December 2020  
Reducing KDDI Head Office seats by 40%  
and accelerating a hybrid workstyle  
combining telework and office work



Setting up one-on-one meeting spaces  
and PCs based on the zero-trust\* concept, etc.

\* A concept of not trusting any internal or external traffic, inspecting each device when accessing services, and acquiring logs to strengthen security



# Regional Revitalization

## Promoting various initiatives to build a sustainable business model

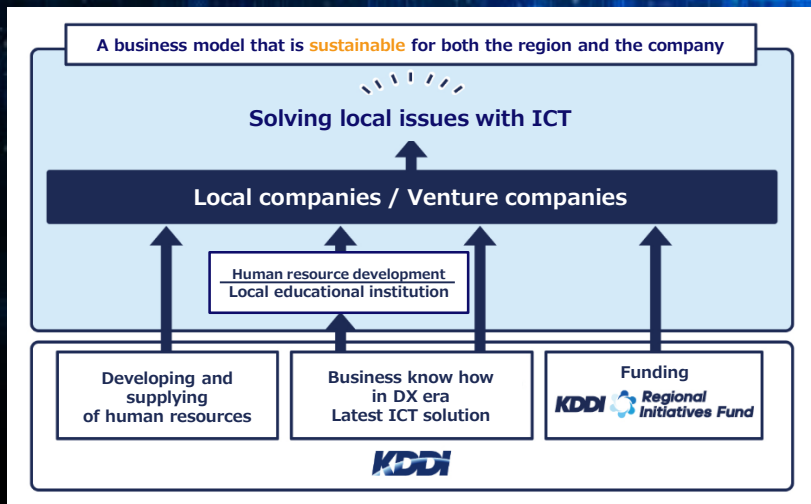
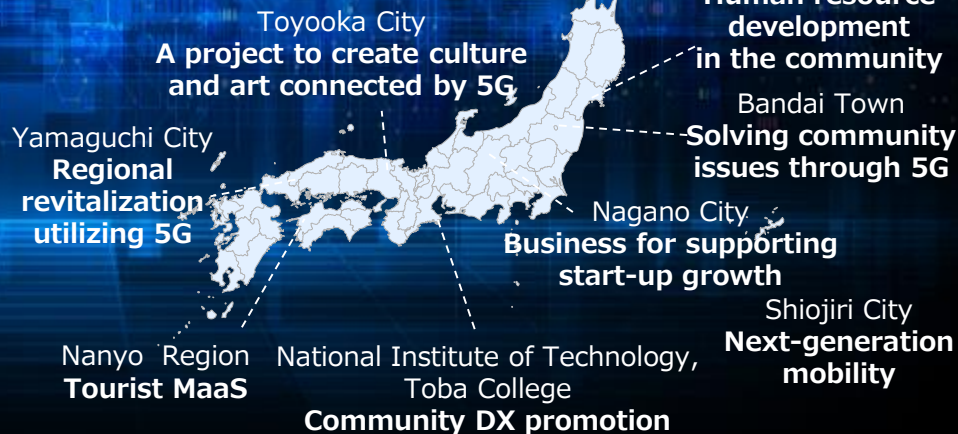


Working  
hand in hand  
for our town's  
tomorrow



Major initiatives in 3Q

Entering into the investment contract  
a total of ¥5.0 billion for "Japan Platform  
of Industrial Transformation, Inc."



# Summary

## Aiming for business growth by promoting 5G and growth fields

### Financial Results and Medium-Term Targets

- ✓ Performance in growth fields drove results
- ✓ Steady progress toward targets set at the medium-term management plan

### Business Strategies

- ✓ Respond to a wide range of customer needs with a new rate plan and appealing the strengths of our three brands while actively promoting 5G
- ✓ Achieving target for cumulative total IoT connections ahead of initial forecasts
- ✓ Aiming to expand usage by making various services attractive in financial services
- ✓ Promoting DX together with customers and communities and contribute to the sustainable growth of society



# Appendix

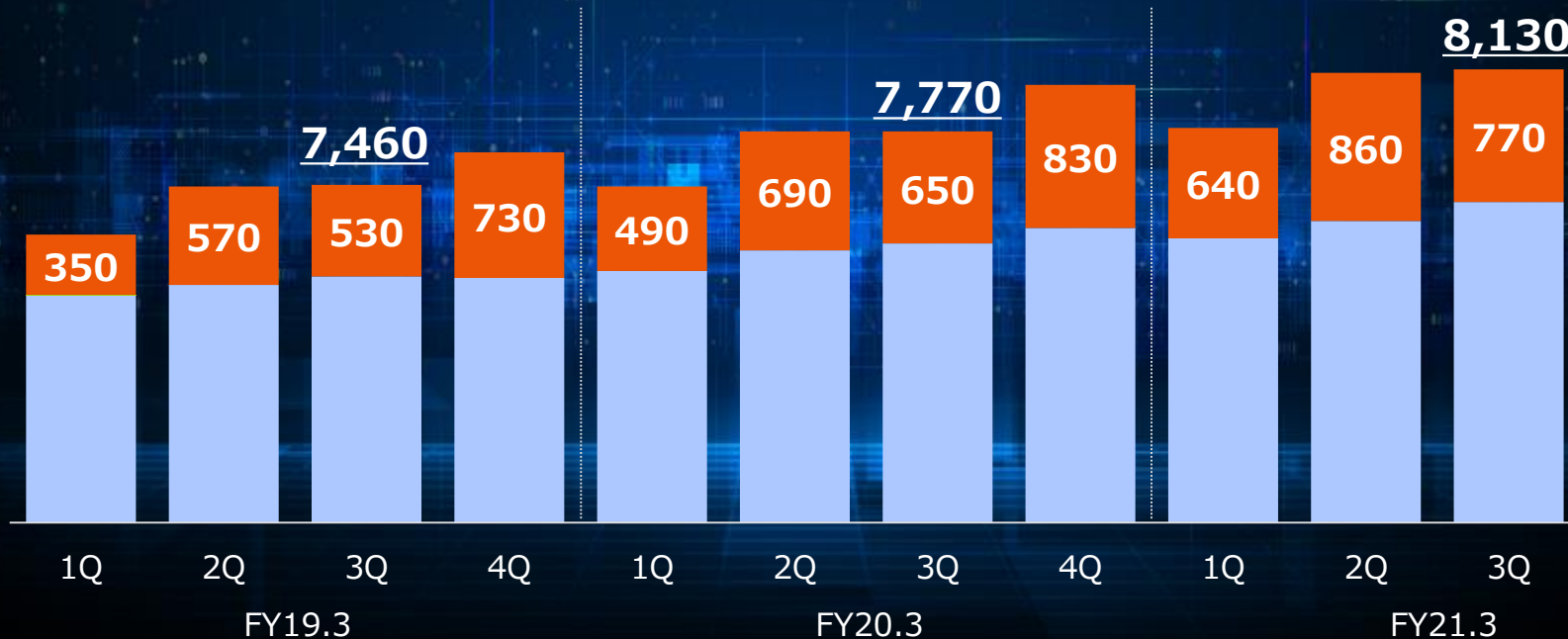
# au Total ARPA

27

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.