

Financial Results for the 1st Quarter of the Fiscal Year Ending March 2022

(from April to June 2021)

July 30, 2021

KDDI Corporation

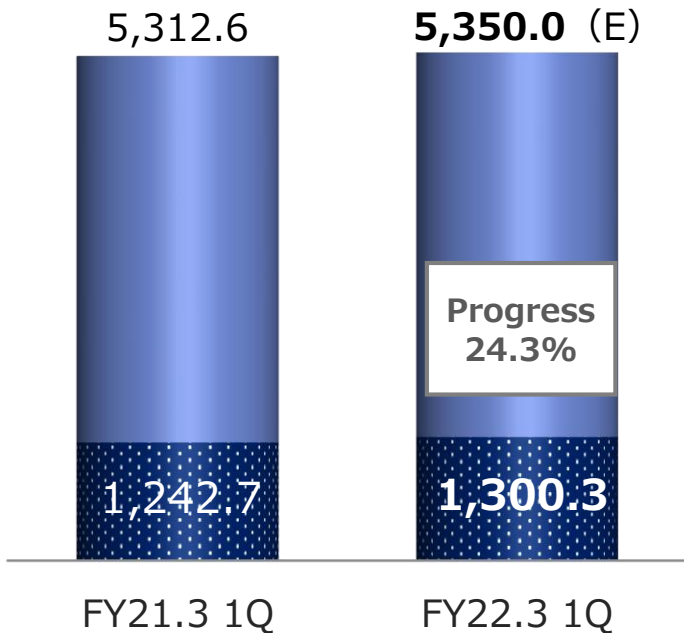


Highlights of Consolidated Financial Results for the 1st Quarter

Steady progress toward achieving our full-year forecast

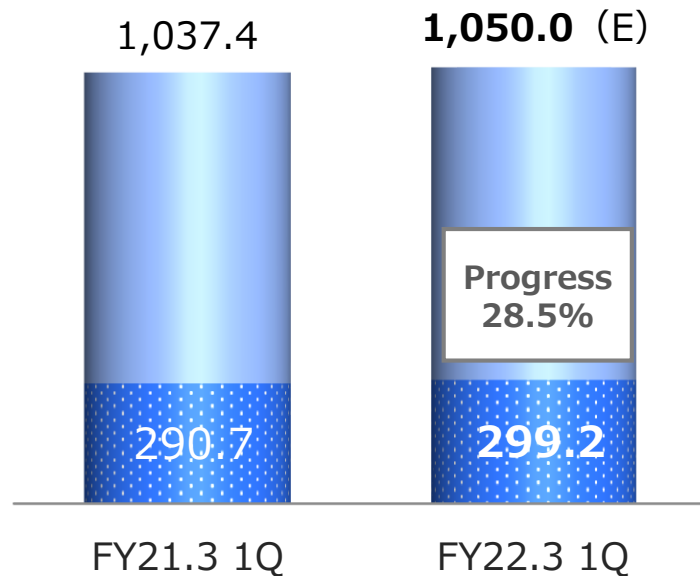
Operating Revenue

(Unit : Billions of yen)



Operating Income

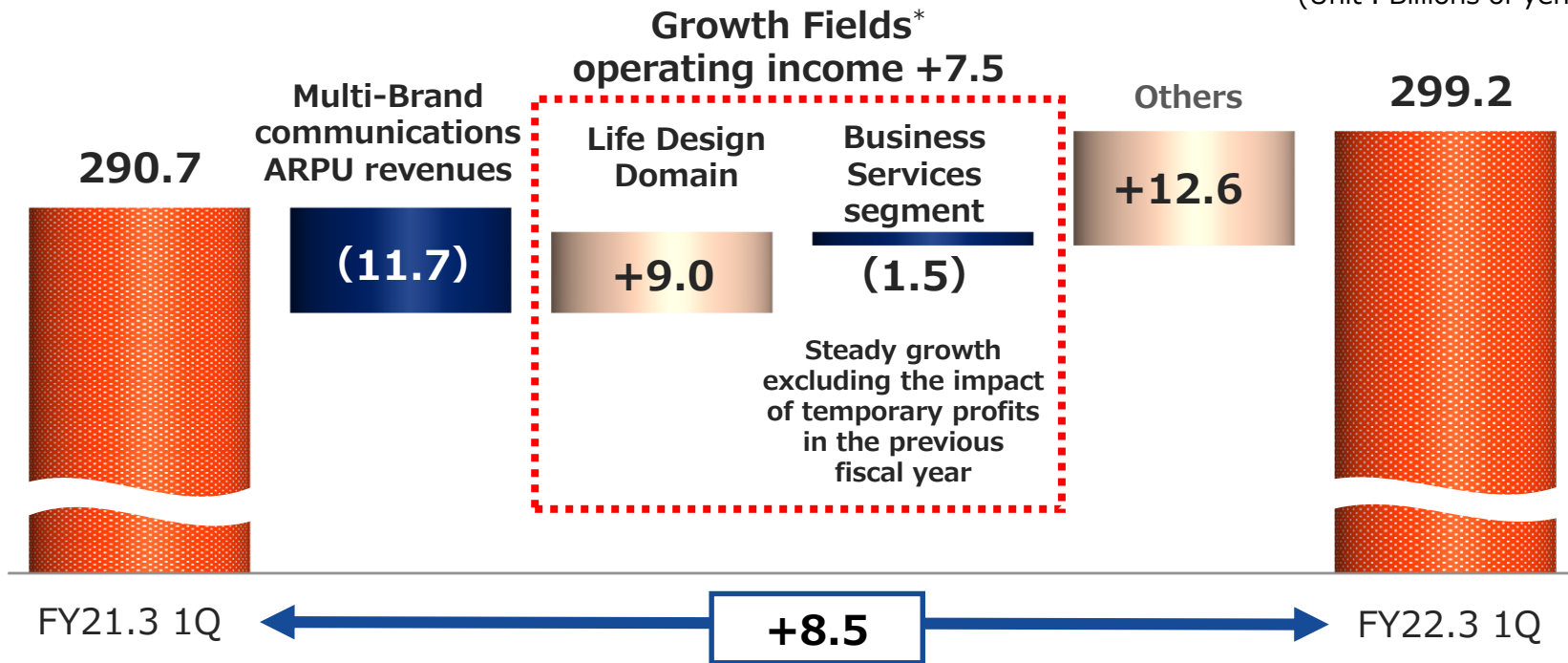
(Unit : Billions of yen)



Operating Income : Factor for Change, YoY for 1st Quarter

Offsetting the effects of lower telecommunication revenues mainly through growth fields

(Unit : Billions of yen)



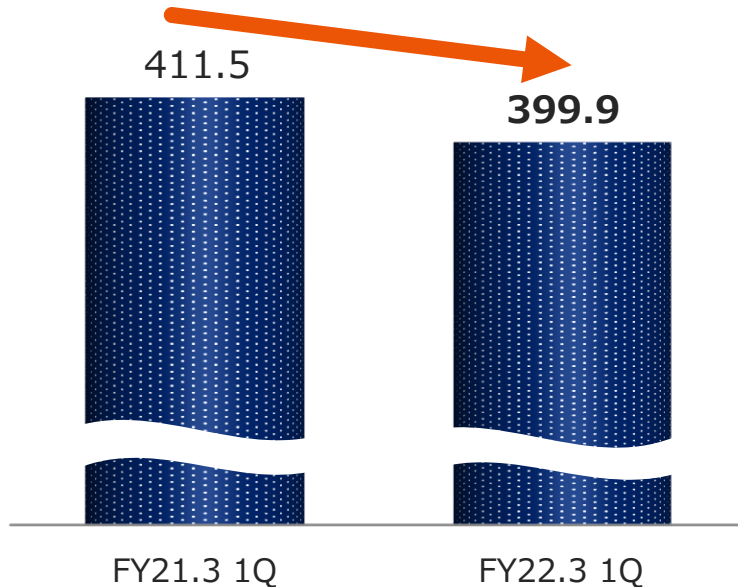
*Life Design Domain and Business Services segment

1st Quarter Operating Revenue

Despite telecommunication revenues is declining,
growth fields are steadily expanding

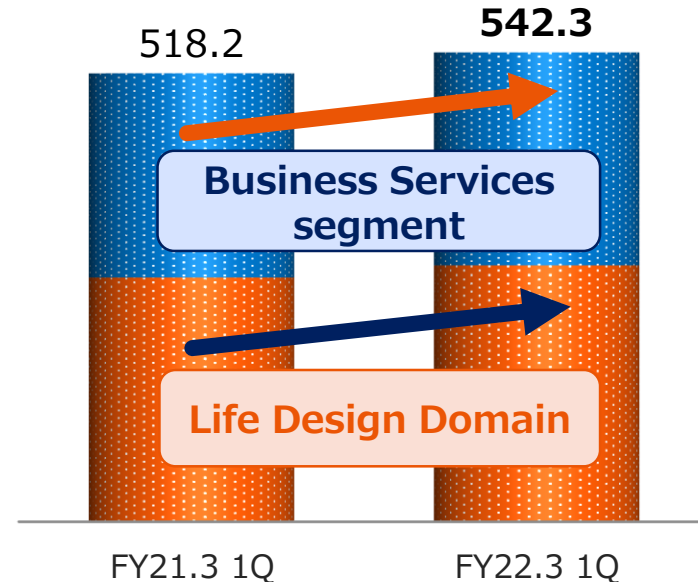
Multi-Brand communications ARPU revenues*

(Unit : Billions of yen)



Growth Fields

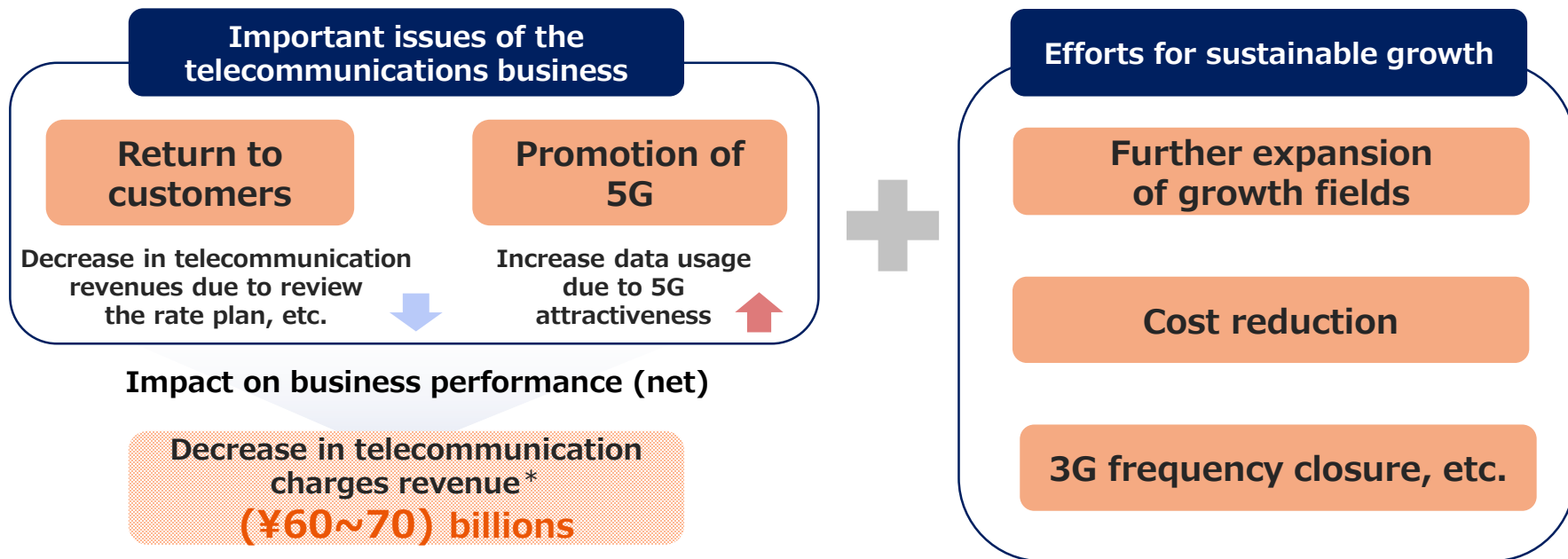
(Unit : Billions of yen)



*Personal segment base

Points of Financial Forecast

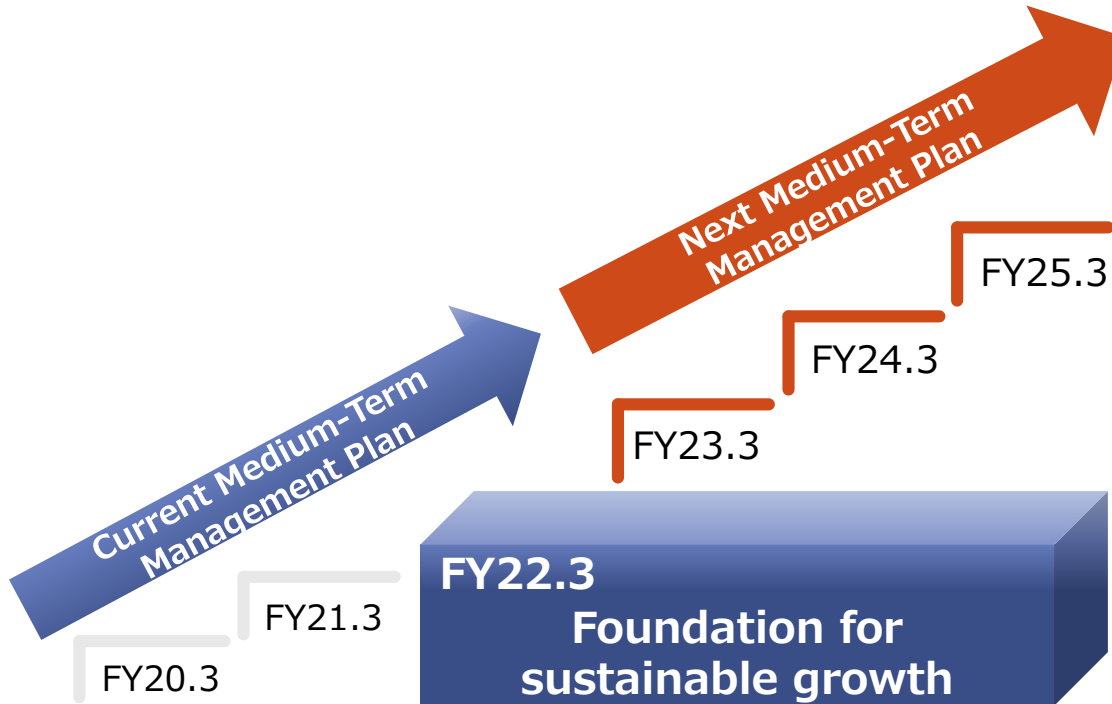
Aim for sustainable growth by fulfilling important issues of the telecommunications business



Towards Sustainable Growth

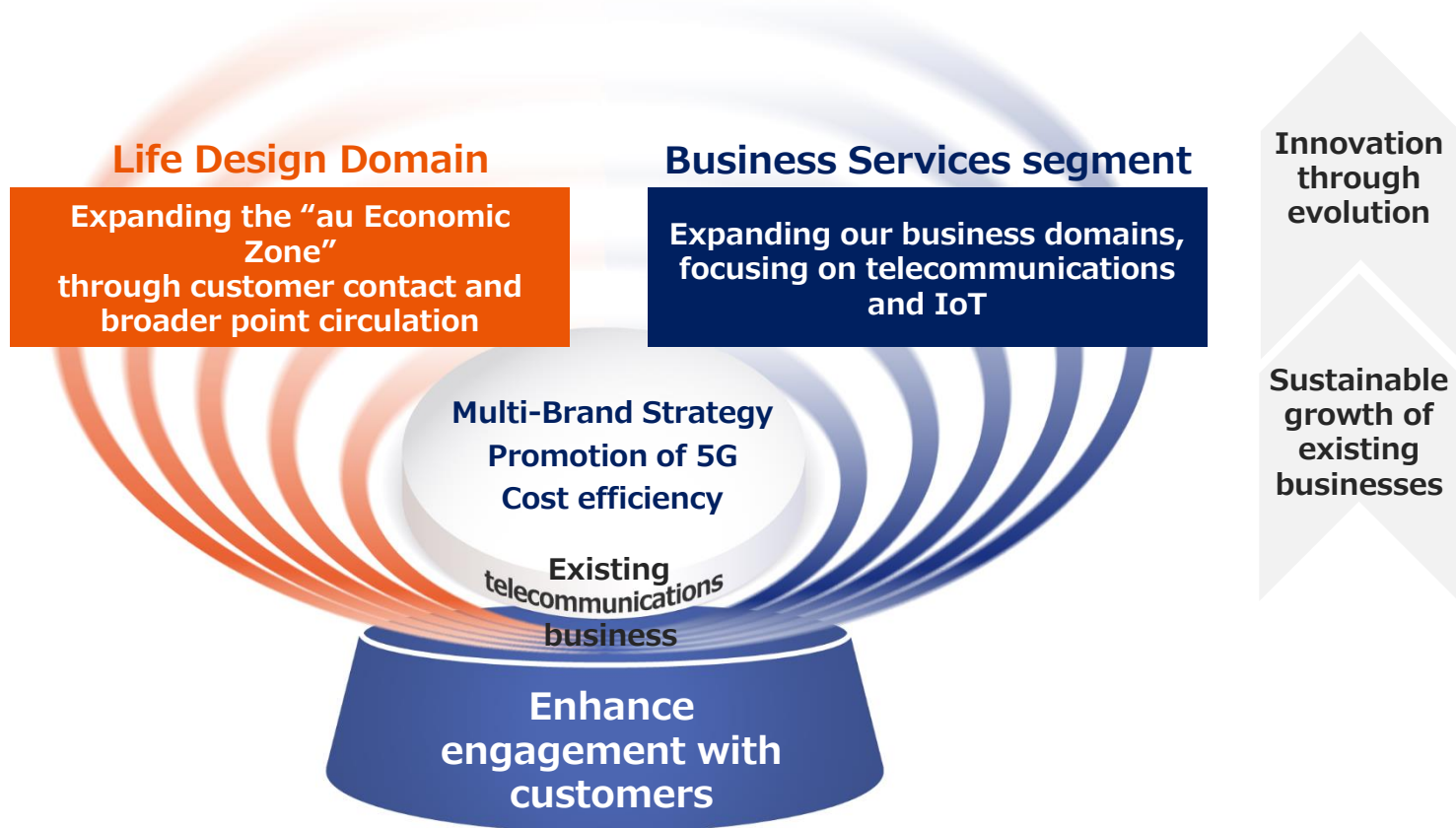
Strategic Roadmap of FY22.3

Completion of current Medium-Term Management Plan and building foundation for sustainable growth



Growth Strategies

First Priority : enhance engagement with customers



Enhance Engagement

Aiming to strengthen customer contacts
and to suggest value-added proposals

Retail Customers

Corporate Customers

Understand usage status
of "au Economic Zone"

Customer
contact points

Search for issues with
customers from the business
site

Have customers choose
for a long time

Convenient and comfortable
services

Continuous
offerings

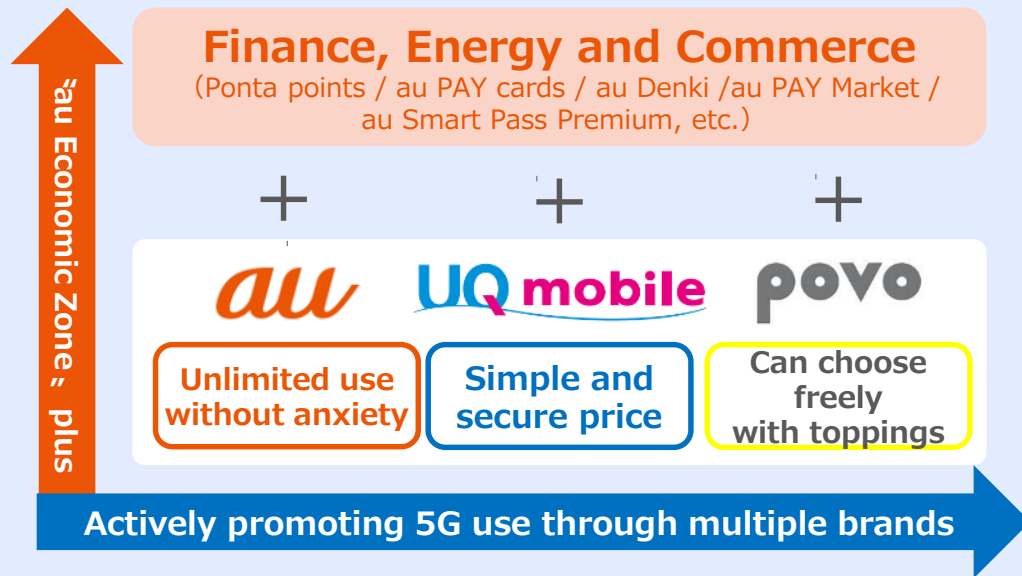
DX that transforms the business
model

Organizational Structure

Accelerate promotion of business strategy
by establishing new divisions



Multi-Brand Strategy



Closer to customers' lives

Discount with Denki (Electricity)

Always a discount for families and individuals



Discount with Denki (Electricity)
For Carry over Plan S

Pre-discount rate **¥1,480/month**
(tax included ¥1,628)

Data capacity 3GB/month

Per person **¥900/month~**
Forever (tax included)
¥990/month~)

Call charges (tax included ¥22/30seconds)
will be charged separately

“au Economic Zone” services on “UQ mobile” now too

Full support

Information at all au Style / au shops*



Can choose Smartphone

We offer everything from the latest iPhones to the latest budget-friendly phones



*Excluding some stores

au "Rail Line 5G Conversion" Declaration

Deploying 5G along rail lines integral to customers' lives

5G coverage on all station platforms on Yamanote Line and Osaka Loop Line



End of March 2022

Kanto **21** routes^(E)

Kansai **5** routes^(E)



Note) Survey method: Measure at the platform of each station and check the 5G pictogram display. Our research

Exciting 5G Experience

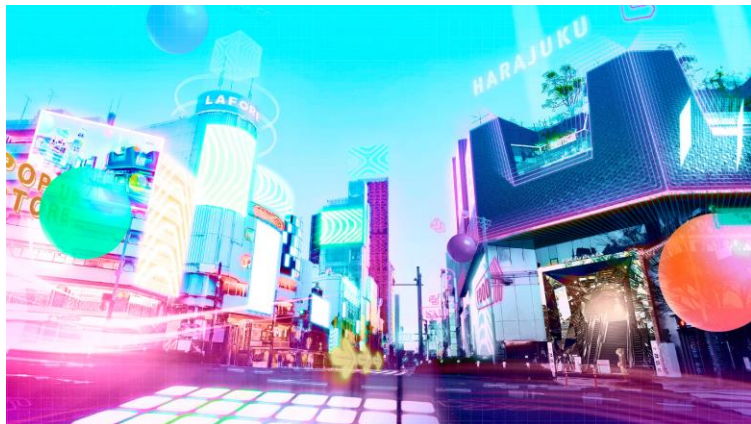
Working with partners to make 5G more attractive

Expansion of virtual space

“Virtual Shibuya” expands to “Harajuku” providing a cutting-edge experience with 5G / xR



Shibuya 5G Entertainment Project



AR experience with 3D content

Experience Tohoku in Tokyo “Nebuta” with advanced art AR

JR-EAST × au 5G

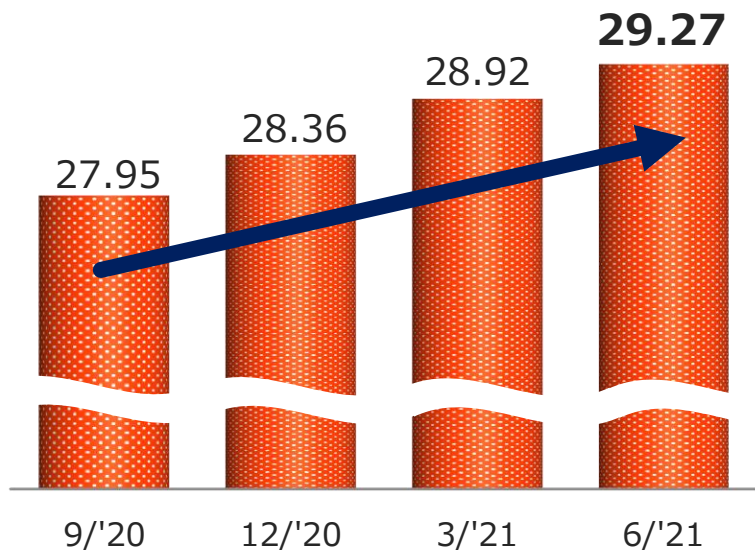


Smartphone Contracts

Number of contracts steadily rising. Actively promoting 5G

4G LTE+5G total subscriptions

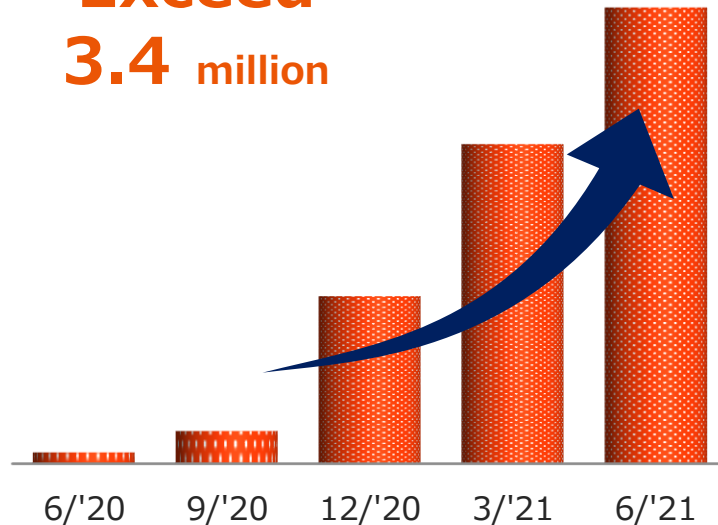
(Unit : Million)



5G unit sales

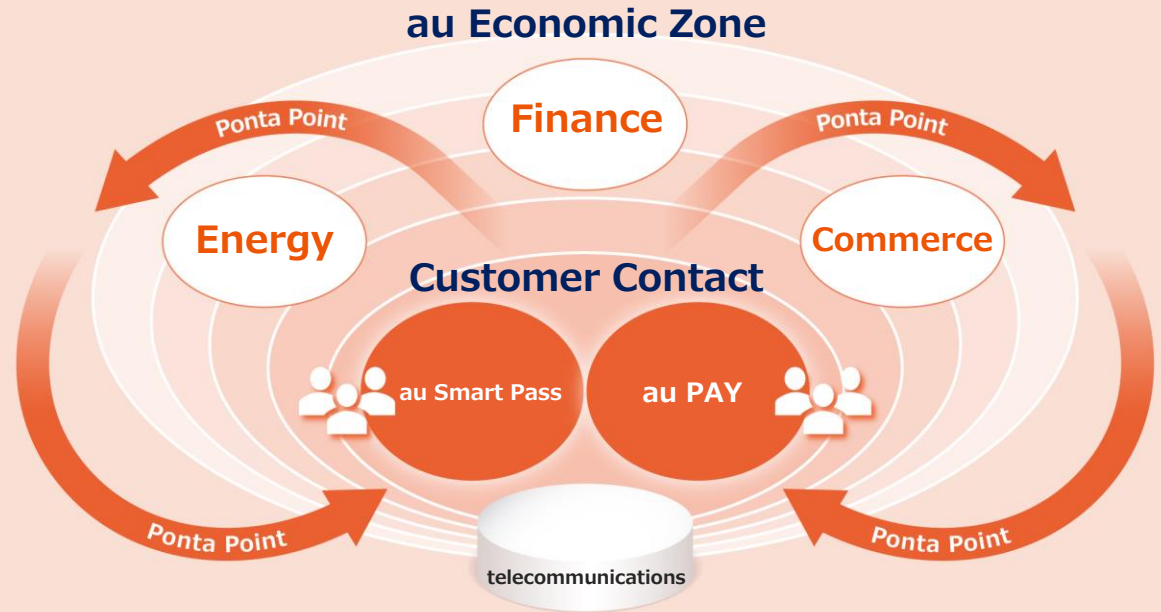
The end of June, 2021

Exceed
3.4 million



Note) Personal Services segment

Life Design Domain

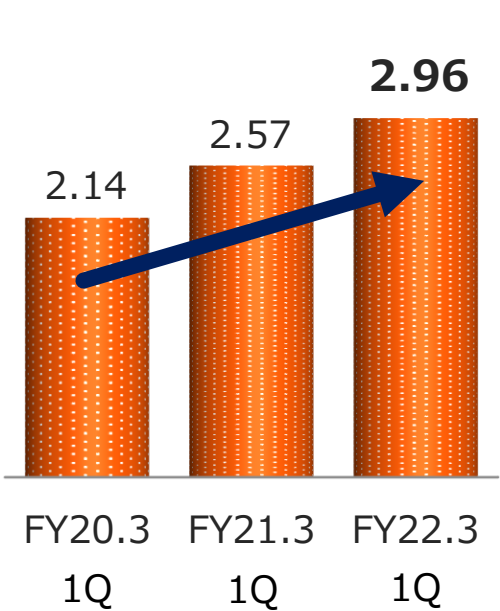


Life Design Domain KPI

Each of our core services grew steadily

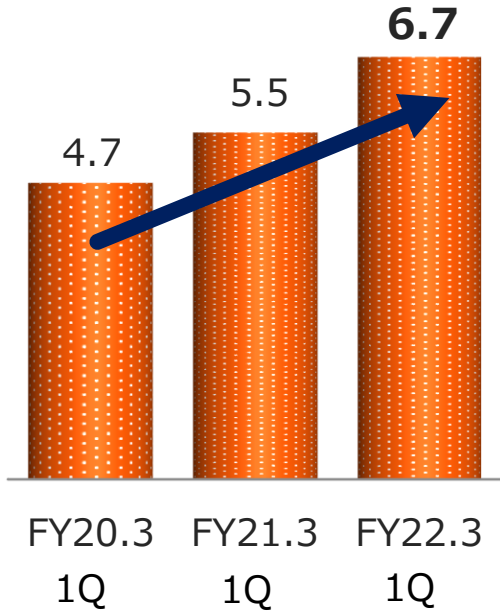
au Denki, etc. subscriptions

(Unit : Million)



au PAY Card members

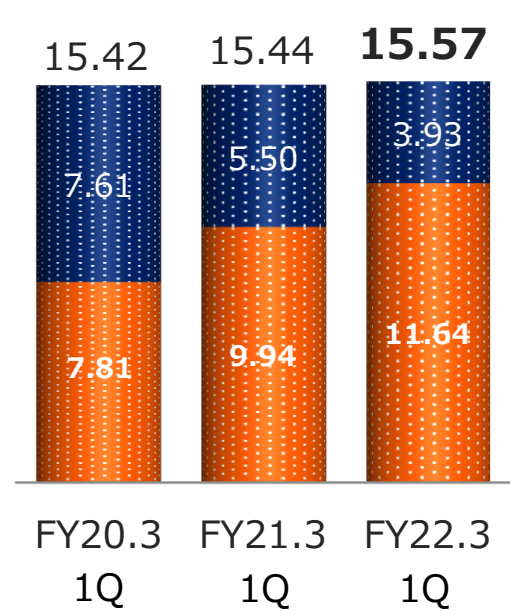
(Unit : Million)



au Smart Pass members

(Unit : Million)

■ au Smart Pass (Unit : Million)
■ au Smart Pass Premium

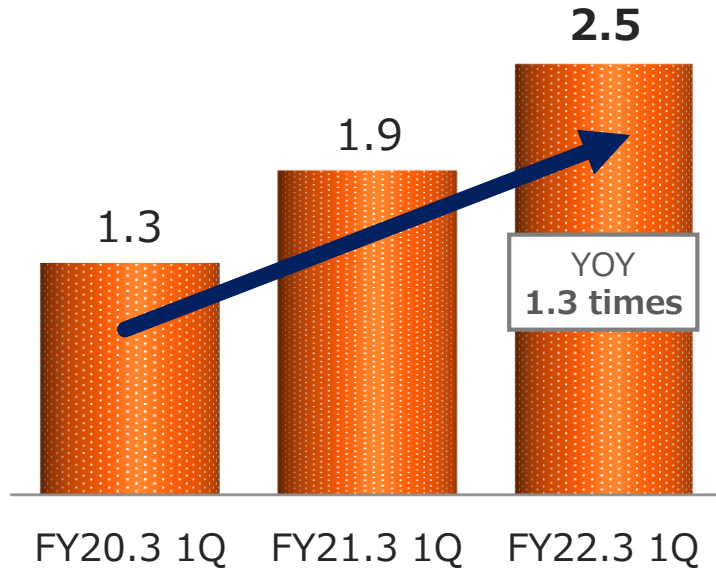


Financial Business

Transaction Volumes of Settlements / Loans steadily expanding, including mortgages

Transaction Volumes of Settlements / Loans

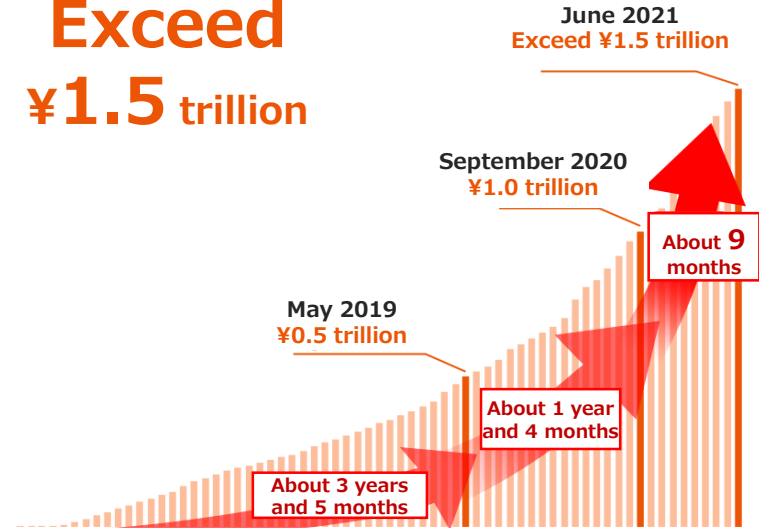
(Unit : Trillion yen)



au Jibun Bank Mortgage

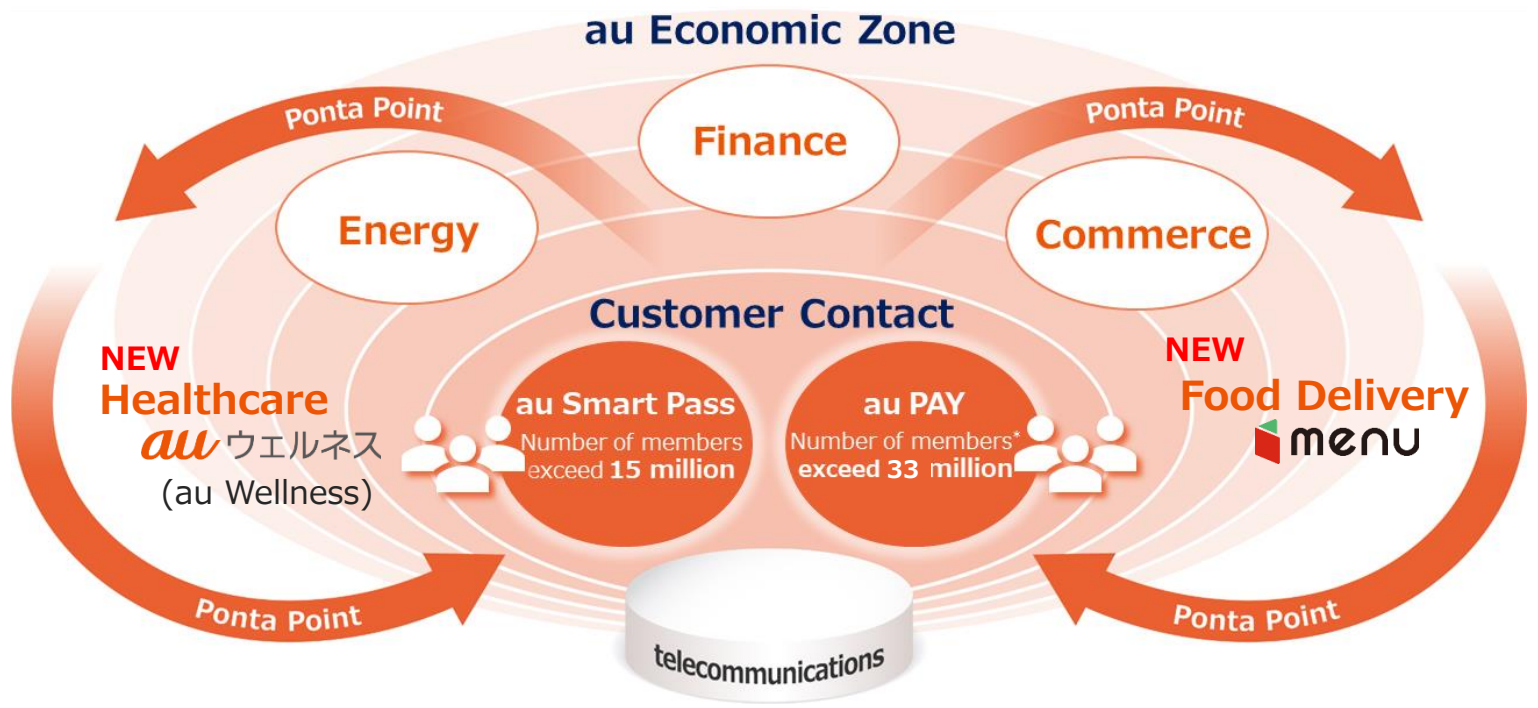
Loan execution amounts increased significantly

Exceed
¥1.5 trillion



Expansion of "au Economic Zone"

Launched food delivery and healthcare services



Note) The figures shown are as of the end of June 2021

* au PAY members and au PAY Card members

New Services for the New Normal Era(1)

19

The world is shifting online ever more rapidly and accelerating to become smartphone-centric

au PAY × Ponta

Promoting wider point circulation through "au PAY" campaigns



Earn points at stores, online charges, and more

- ✓ Up to 10% return when paying at the target store
- ✓ Up to 10% return when paying with the "menu" app
- ✓ 5 times return by charging from au PAY Card / au PAY Gold Card (July 20th-August 31st)

Making food delivery more common

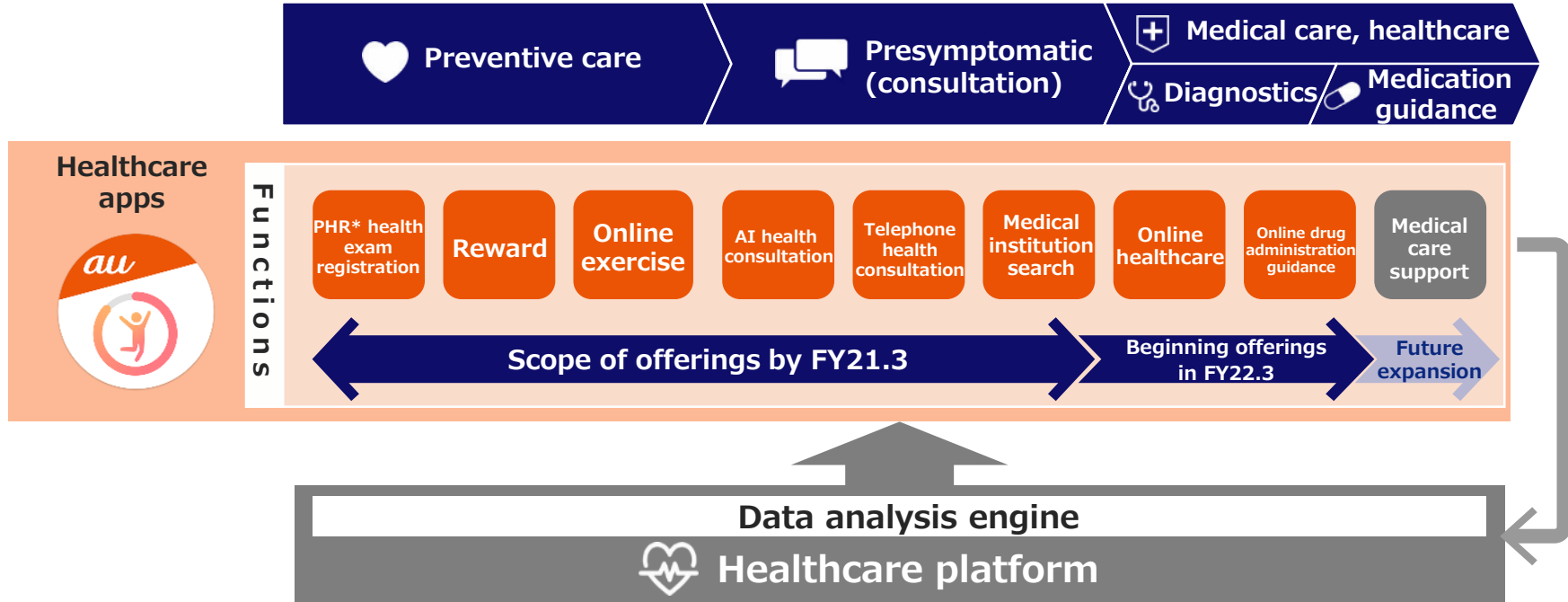
Expanding the "au Economic Zone" by offering experiential services



June 2021 : capital and business alliance with menu

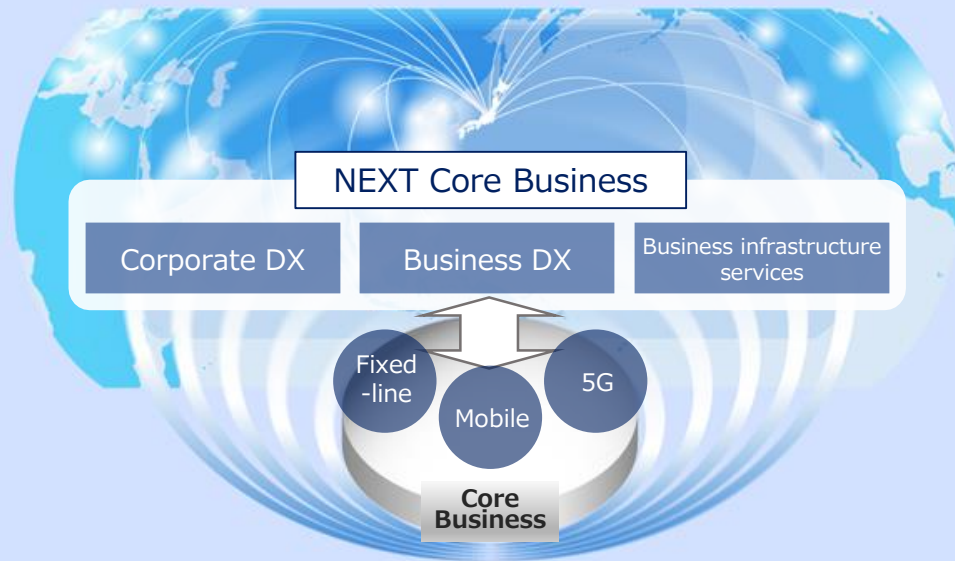
New Services for the New Normal Era(2)

Striving for total healthcare support



* Personal Health Record

Business Services segment



Business Services Segment Operating Revenue

NEXT Core Business grows significantly

NEXT Core Business (DX)

- ① **Corporate DX** (Remote work, zero-trust*, and SaaS, etc.)
- ② **Business DX** (IoT and cloud, etc.)
- ③ **Business infrastructure services**
(Data Centers and Call Centers, etc.)

Synergy

Expand ID and
enhancing engagement, etc.

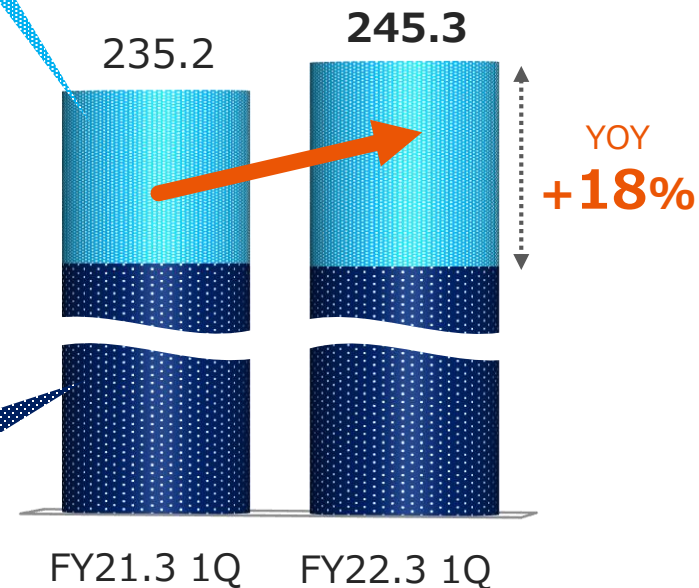
Core Business (Telecommunications)

Communication services

(Mobile, fixed-line and traditional solutions, etc.)

Operating Revenue

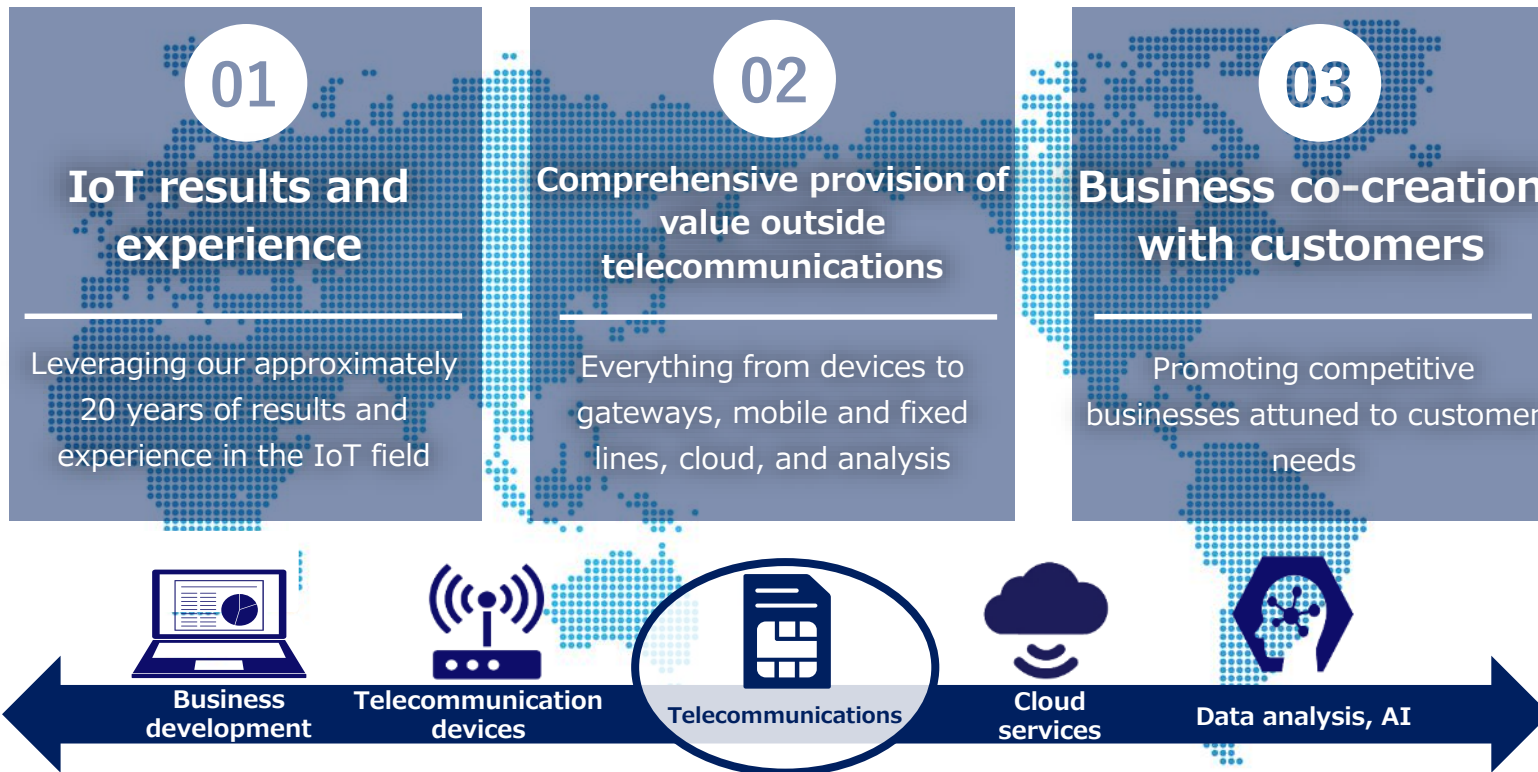
(Unit : Billions of yen)



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

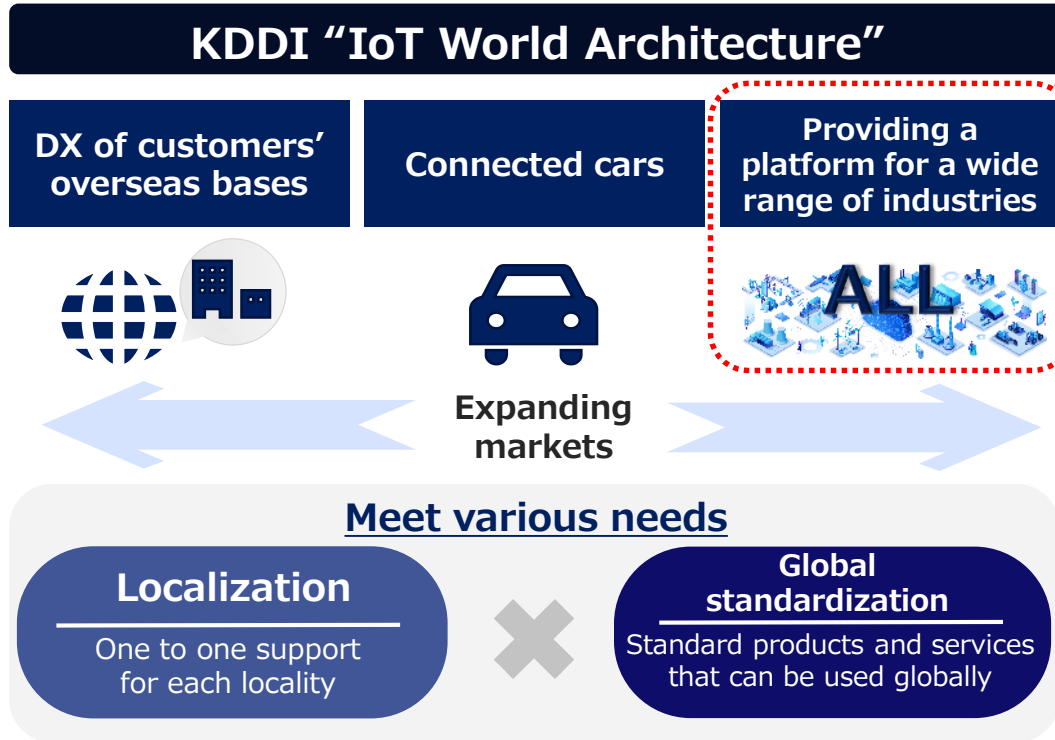
Strengths of the Business Services Segment

Supporting customers' DX on a global basis



KDDI "IoT World Architecture"

Meet various needs from localization to global standardization



NEW

Global IoT Access

Beginning offerings in June 2021

KDDI

Global career relations

SORACOM

IoT platform technologies



synergy

Affordable rates

Aiming to be one of the widest coverage providers worldwide
Planning to expand to over 200 countries and regions*

* Planning to extend KDDI's roaming services to over 200 countries and regions around the world by March 2022

Supporting Customers' Global Expansion

Offering optimal DX and IoT environments for each customer

SUBARU

Building partnerships to create safe and secure cars using telecommunications

Building partnerships using communications



Both companies promote the development of connected services that realize "connected safety"

Aiming for zero fatal traffic accidents in 2030

Connected safety




*SUBARU乗車中の死亡事故およびSUBARUとの衝突による歩行者・自転車等の死亡事故をゼロに

Localization

Global standardization

SEKISUI (WUXI) PLASTICS TECHNOLOGY (Sekisui Chemical's overseas group company)

Utilizing DX and IoT to improve productivity and planned equipment maintenance, etc



Visualization of production line



Localization

New Collaboration for a Mobility Society

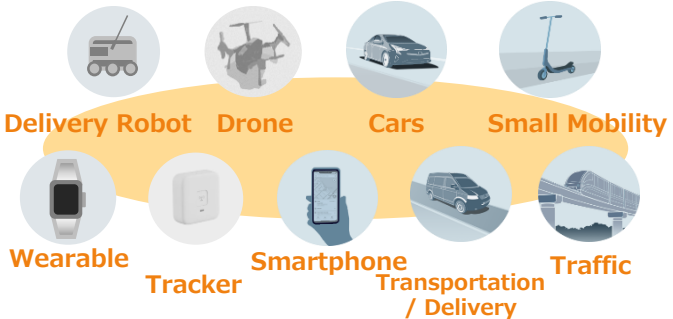
Collaboration with Swift^{*1} : aim to achieve high-precision positioning with margin for error of a few centimeters

Positioning method suitable for mobility



Focus on narrow range and accuracy

Wide area and effective for moving



Efforts to develop domestic services



Establishing original reference stations for high-precision positioning nationwide (scheduled to be completed in December 2021)

Start to provide high-precision positioning service (scheduled to start in the spring of 2022)

Compatible with various mobility scenes

*1) Swift Navigation Inc.
 *2) Precise Point Positioning Real Time Kinematic

KDDI Sustainable Action



Global Environmental Conservation



KDDI group initiatives for decarbonization

KDDI GREEN PLAN

Toward the goal of CO2 zero emissions substantially by 2050

Announcement of new environmental conservation plan



KDDI's CO2 emissions in FY2030 will be reduced by **50%** compared to FY2019

au Denki (Electricity)

Added environmentally friendly plan



(au Denki (Electricity) eco Plan)

Equivalent to use 100% renewable energy

Donate part of the electricity bill to environmental conservation organizations

Electricity charges remain the same*

Scheduled to be provided in September 2021

* Return of points for electricity charges is not applicable

To Reduce CO2 Emissions

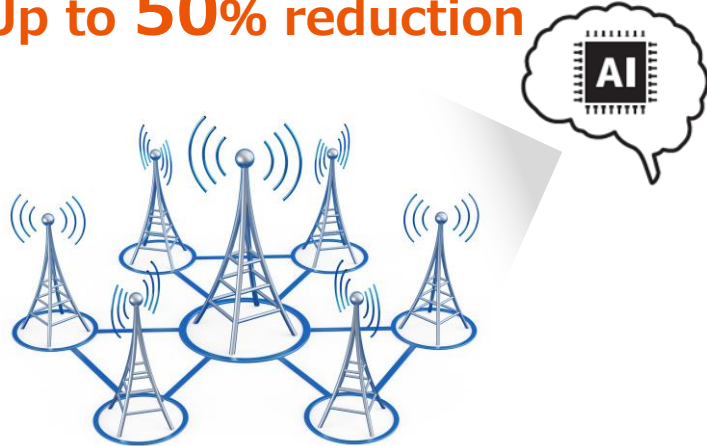


Efforts to reduce power consumption

Base Station

Joined with Nokia for the first*1 demonstration of AI control in Japan (June 2021)

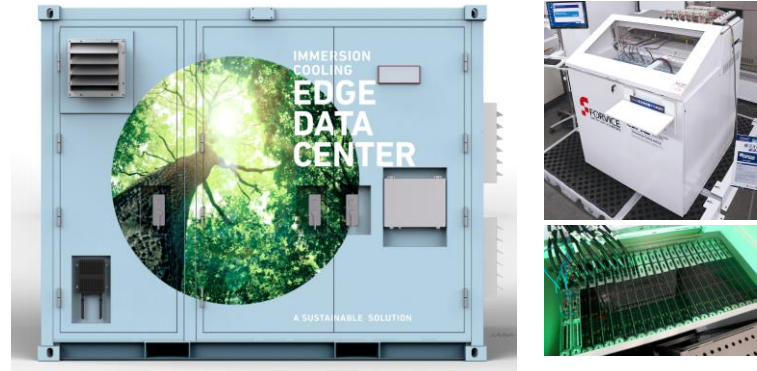
Up to **50% reduction**



Data Center

Deployed demonstration experiment with Mitsubishi Heavy Industries and NEC Networks & System Integration Corp (June 2021)

Approximately **35% reduction***2



Small Data Center (left), Immersion Cooling System (right)

*1) Introducing two technologies, base station AI control technology and base station liquid cooling technology, provided by Nokia to KDDI's commercial base stations. According to Nokia research. (As of June 1, 2021)

*2) Compared to Power Usage Effectiveness 1.7 data center

Summary

Aiming to enhance engagement with customers

Financial Results

- ✓ In financial results for the 1st quarter, operating revenue and profits increased by offsetting the effects of lower telecommunications revenues mainly through Growth Fields
- ✓ Steady progress toward achieving the current medium-term management plan and full-year forecast

Towards Sustainable Growth

- ✓ Aims to provide services that customers can feel closer to, such as the declaration of au "Rail Line 5G Conversion" and the enhancement of the overall strength of UQ mobile in Multi-Brand Strategy
- ✓ Promotes strengthening customer contact points and providing new added value in Life Design Domain
- ✓ Supports customers' DX on a global basis in Business Services segment
- ✓ Promotes KDDI Group initiatives for decarbonization

Tomorrow, Together



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