This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

Financial Statements Summary for the three-month period ended June 30, 2021 [IFRS]

July 30, 2021

Company name:	**KDDI CORPORATION** URL https://www.kddi.com
Stock listing:	Tokyo Stock Exchange - First Section
Code number:	9433
Representative:	Makoto Takahashi, President
Scheduled date of quarterly report filing:	August 4, 2021
Scheduled date of dividend payment:	−
Supplemental materials of quarterly results:	Yes
Presentation for quarterly results:	Yes (for institutional investors and analysts)

(Amount Unit : Millions of yen, unless otherwise stated)

(Amounts are rounded off to nearest million yen)

1. Consolidated Financial Results for the three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

(1) Consolidated Operating Results

(Percentage represents comparison change to the corresponding previous quarterly period)

	Operating revenue		Operating income		Profit for the period before income tax		Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		%		%		%		%		%		%
Three-month period ended June 30, 2021	1,300,264	4.6	299,193	2.9	300,180	3.5	208,133	4.7	189,890	4.1	215,068	5.8
Three-month period ended June 30, 2020	1,242,679	(0.3)	290,718	13.7	289,927	14.0	198,850	12.8	182,324	12.2	203,253	22.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three-month period ended June 30, 2021	84.04	83.97
Three-month period ended June 30, 2020	79.27	79.22

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
				%
As of June 30, 2021	10,288,708	5,249,165	4,761,876	46.3
As of March 31, 2021	10,535,326	5,259,469	4,759,720	45.2

2. Dividends

	Dividends per share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	−	60.00	−	60.00	120.00
Year ending March 31, 2022	−				
Year ending March 31, 2022 (forecast)		60.00	−	65.00	125.00

Note: Changes in the latest forecasts released : No

3. Consolidated Financial Results Forecast for Year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentage represents comparison to previous fiscal year)

	Operating revenue		Operating income		Profit for the year attributable to owners of the parent		Basic earnings per share
		%		%		%	Yen
Entire fiscal year	5,350,000	0.7	1,050,000	1.2	655,000	0.5	292.68

Note: Changes in the latest forecasts released : No

*The above forecasts reflects the impact of the COVID-19 pandemic based on the information currently available. The update for forecast will be disclosed promptly if the situation is changed.

Notes

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation) during the three-month period ended June 30, 2021 : None

Addition: None

Exclusion: None

(2) Changes in accounting policies and estimates

1) Changes in accounting policies required under IFRSs:	None
2) Other changes in accounting policies:	None
3) Changes in accounting estimates:	None

(3) Numbers of outstanding shares (Common Stock)

1) Number of shares outstanding (inclusive of treasury stock)	As of June 30, 2021	2,304,179,550
	As of March 31, 2021	2,304,179,550
2) Number of treasury stock	As of June 30, 2021	46,891,175
	As of March 31, 2021	28,782,253
3) Number of weighted average common stock outstanding	For the three-month period ended June 30, 2021	2,259,552,413
(cumulative for all quarters)	For the three-month period ended June 30, 2020	2,299,951,273

Note: The 3,933,577 shares as of June 30, 2021 and the 4,114,964 shares as of March 31, 2021 of KDDI's stock owned by the executive compensation BIP Trust account and the stock-granting ESOP Trust account are included in the total number of treasury stock.

This quarterly earnings report is not subject to quarterly review procedure.

Explanation for appropriate use of forecasts and other notes

1. The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to KDDI and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors. Please refer to P.9 "1. Qualitative Information / Consolidated Financial Statements, etc (3) Explanation Regarding Future Forecast Information of Consolidated Financial Results" under [the Attachment] for the assumptions used and other notes.

2. On July 30, 2021, KDDI will hold a financial result briefing for the institutional investors and analysts. Presentation materials will be webcasted on the same time as the release of this earnings report, and the live presentation and Q&A summary will be also posted on our website immediately after the commencement of the financial result briefing. In addition to the above, KDDI holds the briefing and the presentations on our business for the individual investors timely. For the schedule and details, please check our website.

[the Attachment]

Index of the Attachment

1. Qualitative Information / Consolidated Financial Statements, etc.

(1) Explanation of Financial Results

1) Results Overview

Industry Trends and KDDI's Position

Due to the COVID-19 pandemic, the structure of day-to-day life as we know it has been completely upended and, amid an ongoing rapid digital shift affecting every aspect of society, telecommunications have taken on an increasingly important role. In addition, with new telecommunications providers entering the market and competition heating up, services and pricing plans are diversifying and the telecommunications industry itself is undergoing major changes.

In 2020, KDDI and KDDI Research, Inc. announced KDDI Accelerate 5.0, which aims to build a society for the next generation by 2030 and accelerate the realization of Society 5.0*1 through 5G as promoted by the government. We are launching measures to establish new lifestyles for consumers and build a resilient future society that supports Japan's economic development and provides solutions to social issues. To this end, we will utilize orchestration*2 and other technologies*3 in seven fields that support the evolution of the network layer, platform layer, and business layer, including 5G networks.

To ensure its ability to promptly adapt to the changes of this era and promote its medium- to long-term vision, KDDI aims to achieve overall growth through sustainable growth in existing businesses as well as new innovations under its Medium-Term management plan spanning the period of April 1, 2019 to March 31, 2022 (FY2020.3–FY2022.3) and now in its final fiscal year.

For individual customers, we strive to offer pricing plans that meet various needs and are adapted to diverse lifestyles through unlimited use without anxiety "au," simple and secure pricing "UQ mobile," and toppings to choose freely "povo" services. In addition, by working with partners to provide video distribution services and other content, we will rapidly create an environment that can fully realize our "AUGMENTED EXPERIENCE," which provides experience value that is unique to 5G. Also, by further accelerating the adoption of "au PAY" as a customer contact point, we will steadily bolster the "integration of telecommunications and life design" and deliver new experience value to our customers.

For corporate customers, companies' digital transformation (DX) is accelerating across a wide range of industries and uses, and corporate business models are changing profoundly. KDDI is undertaking DX with customers, aiming to grow our businesses in tandem. By fully leveraging KDDI DIGITAL GATE, which is a new business development center, DXGoGo Inc., a new company founded in May 2021, and various Group company assets, we will promote the creation of new experience value and businesses with the aim of becoming a digital integrator for this era, in which telecommunications are becoming seamlessly integrated with all kinds of physical things.

In addition, KDDI considers human resources its most important resource. With the aim of transforming into a company that puts human resources first and has made their development and enhancement the foundation of management, we are working on this across three pillars: introducing the KDDI Version Job Style Personnel System, realizing the Declaration of KDDI New Work Styles, and promoting Internal DX.

Furthermore, to achieve KDDI's SDGs for 2030 we formulated the KDDI Sustainable Action initiatives. These initiatives target sustainable growth with society by "connecting and protecting lives," "connecting day-to-day lives," and "connecting hearts and minds" through the pursuit of business partnerships that utilize 5G, IoT, and other technologies. Every year, the effects of global warming grow more severe, and the resulting climate-driven disasters are increasing in Japan and around the world. In April 2021, KDDI announced its agreement with the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, we will continue promoting initiatives aimed at achieving zero CO2 emissions by 2050, such as forcefully promoting the shift toward renewable energy and making disclosures and announcement in line with the TCFD.

*1. One of the medium- to long-term growth strategies of Japan, which refers to an ideal human-centric society achieved by using systems that highly integrate cyberspace with physical space.
*2. Technologies that enable data to automatically flow between and to be employed by multiple systems
*3. Particularly networks, security, IoT, platforms, AI, XR, and robotics

<u>Financial Results</u>

For the three-month period ended June 30, 2021

(Amount unit: Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021	Increase (Decrease)	Increase (Decrease)%
Operating revenue	1,242,679	1,300,264	57,585	4.6
Cost of sales	640,316	665,120	24,805	3.9
Gross profit	602,364	635,144	32,780	5.4
Selling, general and administrative expenses	316,076	339,758	23,682	7.5
Other income and expense (Net)	4,111	2,679	(1,432)	(34.8)
Share of profit(loss) of investments accounted for using the equity method	319	1,128	809	253.7
Operating income	290,718	299,193	8,475	2.9
Finance income and cost (Net)	(831)	989	1,819	—
Other non-operating profit and loss (Net)	40	(2)	(42)	—
Profit for the period before income tax	289,927	300,180	10,253	3.5
Income tax	91,077	92,046	970	1.1
Profit for the period	198,850	208,133	9,283	4.7
Attributable to owners of the parent	182,324	189,890	7,566	4.1
Attributable to non-controlling interests	16,526	18,244	1,717	10.4

During the three-month period ended June 30, 2021, operating revenue increased by 4.6% year on year to ¥1,300,264 million mainly due to an increase in handset sales revenues and revenue in mobile telecommunication fee including roaming fee. Operating income increased by 2.9% year on year to ¥299,193 million mainly due to an increase in operating revenue. Profit for the period attributable to owners of the parent increased by 4.1% year on year to ¥189,890 million.

The business environment surrounding the KDDI group is affected by COVID-19. However, the KDDI group continues working on implementation of business strategy and enhancement of management base and there are no significant impact on consolidated financial results for the three-month period ended June 30, 2021.

2) Results by Business Segment

Personal Services

The Personal Services segment provides services to individual customers.
In Japan, KDDI aims to provide new experience value by expanding and coordinating various life design services, including those related to commerce, finance, energy, entertainment, education, and healthcare, while focusing on conventional telecommunications services, such as those related to smartphones, cell phones, FTTH, and CATV. We dynamically provide services attuned to customer needs and market conditions through a multi-brand strategy that encompasses “au,” “UQ mobile,” and “povo.” In the life design domain, we provide financial, energy and commerce services focused on the customer contact points of “au PAY” and “au Smart Pass.” We aim to expand the “au Economic Zone” going forward by enhancing these customer points and circulating reward points.
Overseas, we use know-how cultivated in Japan to actively provide telecommunications and life design services to individual customers, especially those in Myanmar, Mongolia, and other Asian regions.

Quarterly Highlights

● We provide pricing plans that meet the needs of every customer through a multi-brand strategy encompassing reliable and unlimited-use “au,” simple and good-value “UQ mobile,” and “povo” with free-to-choose toppings. Through UQ mobile, we provide additional new experience value in response to customer feedback, such as significantly expanding our handset lineup and, from June 2021, offering the “Denki Set Discount,” which starts from just \990 per month (tax included) and makes the “Rollover Plan” an even better value. In addition, at “au Style” and “au Shop,” we have expanded the offerings of both the “au” and “UQ mobile” brands, surpassing the boundaries of both brands. We thereby promote initiatives that enable every family member to continue living life their own way through not only in-person support services but also the various life design services offered by KDDI.

● Under the slogan Zutto, Motto, Tsunagu Zo, au (Connecting more and always with au), we aim to provide telecommunications services that continue to connect people, and the entire Company is working to construct 5G-capable service areas.
In June 2021, we began providing 5G service at platforms on all 30 JR East Japan Yamanote Line stations and all 19 JR West Japan Osaka Loop Line stations.*1 In addition, we announced the “Train Line 5G Conversion” declaration, which aims to create 5G-capable areas at the platforms, stations, and trains running along major sections of 21 Kanto lines and 5 Kansai lines, including JR and private rail companies, by March 31, 2022. We will continue providing 5G experience value to customers through a multi-brand strategy encompassing “au,” “UQ mobile,” and “povo” by swiftly establishing 5G areas centered on the platforms, stations, and inter-station areas of major train lines that are integral to customers’ lives.*2

● In the life design domain, in June 2021, we expanded the functions of the health support app “au Wellness” and collaborated with MICIN Inc. to begin providing “curon for KDDI,” a telehealth service connected with around 5,000 registered medical institutions. Furthermore, we announced that from September 2021 we will begin providing new online medicine-taking guidance service in cooperation with MICIN and Whitehealthcare Inc.

● KDDI and menu, Inc., which runs a food delivery business, began a capital and business alliance in June 2021 to create new value through collaboration in both companies’ economic zones by stimulating the restaurant industry in Japan. In addition, through this alliance, KDDI acquired a portion of menu’s issued shares, making it an equity method affiliate.

● In Myanmar,*3 since the political change in February 2021, we have been striving to maintain our telecommunications services, which serve as social infrastructure indispensable to the lives of Myanmar’s people, while prioritizing the safety of our associated personnel in accordance with the KDDI Group Human Rights Policy. In Mongolia,*4 we lifted our performance while protecting the employment of our workers during the pandemic. We received an award from the Mongolian tax authority as one of the “High taxpaying companies with highest employee retention,” lauding us for contributing to the development of Mongolia.

*1. Survey method: Measurements taken at the platforms of each station confirmed the 5G icon is displayed. Based on KDDI’s own research.
*2. We plan to begin providing 5G service on “UQ mobile” and “povo” in summer 2021.
*3. The Myanmar telecommunications business is jointly operated by KDDI Summit Global Myanmar Co., Ltd., a consolidated subsidiary, and Myanma Posts & Telecommunications (MPT).
*4. Our subsidiary MobiCom Corporation LLC runs the telecommunications business in Mongolia.

Operating performance in the Personal Services segment for the three-month period ended June 30, 2021 is described below.

Results

For the three-month period ended June 30, 2021

(Amount unit: Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021	Increase (Decrease)	Increase (Decrease)%
Operating Revenue	1,073,881	1,120,169	46,288	4.3
Operating Income	243,170	250,622	7,452	3.1

During the three-month period ended June 30, 2021, operating revenue increased by 4.3% year on year to ¥1,120,169 million mainly due to an increase in handset sales revenues and revenue in mobile telecommunication fee including roaming fee. Operating income increased by 3.1% year on year to ¥250,622 million mainly due to an increase in operating revenue.

Business Services

The Business Services segment mainly provides a wide range of corporate customers in Japan and overseas with TELEHOUSE brand data center services and a variety of solutions encompassing network and cloud services, smartphones and other devices, and the KDDI IoT Worldwide Architecture, which supports customers' IoT businesses.
In collaboration with partner companies and using 5G, IoT, and other technology, we support customers' digital transformation by providing one-stop services and solutions that help customers develop and expand their businesses on a global scale.
For small and medium-sized corporate customers in Japan, our consolidated subsidiary, the KDDI MATOMETE OFFICE GROUP is building a regional support network offering close contact throughout Japan.

Quarterly Highlights

● Recently, regardless of their scale or industry, many companies facing calls to pursue digital innovation, business transformation, and productivity enhancement using 5G, AI, IoT, and other digital technologies have launched DX initiatives. KDDI has provided customers with various services that are necessary for promoting DX, focusing on high-quality telecommunications. Nevertheless, aiming for further expansion and adoption, we established the joint venture DXGoGo Inc. with OPTiM Corp. in May 2021. Leveraging both companies' strengths, this venture will contribute to the DX of every industry by planning and providing products and services that utilize digital technologies.

● In June 2021, via KDDI IoT World Architecture, a business platform promoting global business expansion, KDDI began providing Global IoT Access, a connected service that can be used in over 200 countries and regions around the world (by March 2022). The KDDI IoT World Architecture not only supports the automotive industry with this service, it also provides customers in a wide range of industries, such as manufacturing and service industries, with flexible and smooth global business development.

● KDDI is working with Mitsubishi Heavy Industries and NEC Networks & System Integration Corporation on initiatives to reduce power consumption and achieve decarbonization. In June 2021, we three companies launched pilot tests of small-scale data centers that house immersion cooling equipment that uses liquid as a cooling medium with the aim of bringing them online in fiscal 2022. The three companies bring their unique strengths from different industries to these pilot tests, and the servers and immersion cooling equipment are housed in shipping containers with the aim of realizing optimal cooling performance and the highest level of energy efficiency. We forecast that the power consumption of the data centers will be reduced by around 35% and can that this technology will contribute to solving the common data center issue of consuming massive amounts of power while helping to rein in carbon dioxide emissions.

Going forward, we will continue to transform our business with the aim of being customers' true first choice of business partner and helping develop and expand the business of corporate customers.

Operating performance in the Business Services segment for the three-month period ended June 30, 2021, is described below.

Results

For the three-month period ended June 30, 2021

(Amount unit: Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021	Increase (Decrease)	Increase (Decrease)%
Operating Revenue	235,158	245,271	10,113	4.3
Operating Income	45,884	44,391	(1,493)	(3.3)

During the three-month period ended June 30, 2021, operating revenue increased by 4.3% year on year to ¥245,271 million mainly due to an increase in revenue in mobile telecommunication fee and an increase in revenue in solution business. Operating income decreased by 3.3% year on year to ¥44,391 million mainly due to a decrease in gross profit from handset sales despite of an increase in operating revenue.

(2) Explanation of Financial Position

1. Financial Position

(Amount unit: Millions of yen)

	As of March 31, 2021	As of June 30, 2021	Increase (Decrease)
Total assets	10,535,326	10,288,708	(246,618)
Total liabilities	5,275,857	5,039,543	(236,314)
Total equity	5,259,469	5,249,165	(10,304)
Equity attributable to owners of the parent	4,759,720	4,761,876	2,156
Ratio of equity attributable to owners of the parent to total assets	% 45.2	% 46.3	% 1.1

(Assets)

Total assets decreased by ¥246,618 million from the previous fiscal year-end to ¥10,288,708 million as of June 30, 2021 mainly due to a decrease in cash and cash equivalents and trade and other receivables despite an increase in loans for financial business.

(Liabilities)

Total liabilities decreased by ¥236,314 million from the previous fiscal year-end to ¥5,039,543 million as of June 30, 2021 mainly due to a decrease in trade and other payables and income taxes payables despite an increase in borrowings and bonds payable.

(Equity)

Total equity amounted to ¥5,249,165 million mainly due to a decrease in non-controlling interests from the previous fiscal year-end. As a result, ratio of equity attributable to owners of the parent to total assets increased from 45.2% as of March 31, 2021, to 46.3% as of June 30, 2021.

2. Consolidated Cash Flows

(Amount unit: Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021	Increase (Decrease)
Net cash provided by (used in) operating activities	234,939	15,698	(219,242)
Net cash provided by (used in) investing activities	(182,120)	(200,296)	(18,177)
Free cash flows (Note)	52,820	(184,599)	(237,418)
Net cash provided by (used in) financing activities	(45,353)	(185,446)	(140,093)
Effect of exchange rate changes on cash and cash equivalents	(139)	58	196
Net increase (decrease) in cash and cash equivalents	7,328	(369,987)	(377,315)
Cash and cash equivalents at the beginning of the period	369,202	809,802	440,600
Cash and cash equivalents at the end of period	376,530	439,815	63,285

Note: Free cash flows are calculated as the sum of "net cash provided by (used in) operating activities" and "net cash provided by (used in) investing activities."

Net cash provided by operating activities decreased ¥219,242 million year on year to ¥15,698 million mainly due to a smaller range of increase in deposits for financial business.

Net cash used in investing activities increased ¥18,177 million year on year to ¥200,296 million mainly due to an increase in purchases of intangible assets.

Net cash used in financing activities increased ¥140,093 million year on year to ¥185,446 million mainly due to a decrease in net increase of short-term borrowings.

Reflecting these factors and an increase in ¥58 million in the effect of exchange rate changes on cash and cash equivalents, the total amount of cash and cash equivalents as of June 30, 2021, decreased by ¥369,987 million from March 31, 2021 to ¥439,815 million.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results

For the fiscal year ending March 31, 2022, the Group forcasts operating revenue of ¥5,350,000 million, operating income of ¥1,050,000 million and profit for the year attributable to owners of the parent of ¥655,000 million. No changes have been made from the details stated in the Summary of Financial Results for the fiscal year ended March 31, 2021 (disclosed on May 14, 2021).

If it becomes necessary to revise the forecast due to future changes in circumstances, we will disclose the revision as soon as possible.

2. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Non-current assets :		
Property, plant and equipment	2,492,985	2,495,617
Right-of-use assets	396,772	394,049
Goodwill	540,420	540,463
Intangible assets	1,024,831	1,022,498
Investments accounted for using the equity method	233,921	240,396
Long-term loans for financial business	1,148,805	1,302,895
Securities for financial business	276,065	265,820
Other long-term financial assets	325,201	330,373
Retirement benefit assets	38,364	38,225
Deferred tax assets	11,396	8,838
Contract costs	466,316	484,005
Other non-current assets	21,321	21,911
Total non-current assets	6,976,398	7,145,092
Current assets :		
Inventories	69,821	72,538
Trade and other receivables	2,229,435	2,144,788
Short-term loans for financial business	233,605	241,961
Call loan	33,846	36,471
Other short-term financial assets	69,955	63,039
Income tax receivables	7,969	17,044
Other current assets	104,496	127,960
Cash and cash equivalents	809,802	439,815
Total current assets	3,558,928	3,143,616
Total assets	10,535,326	10,288,708

(Unit: Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities and Equity		
Liabilities		
Non-current liabilities :		
Borrowings and bonds payable	1,151,664	1,151,770
Long-term deposits for financial business	32,850	35,299
Lease liabilities	288,650	276,027
Other long-term financial liabilities	14,172	13,852
Retirement benefit liabilities	12,109	12,537
Deferred tax liabilities	100,071	124,624
Provisions	77,476	77,626
Contract liabilities	71,669	73,108
Other non-current liabilities	10,813	11,074
Total non-current liabilities	1,759,474	1,775,916
Current liabilities :		
Borrowings and bonds payable	92,892	176,823
Trade and other payables	754,345	568,076
Short-term deposits for financial business	1,817,240	1,845,422
Call money	115,815	90,608
Lease liabilities	112,275	109,417
Other short-term financial liabilities	1,655	1,701
Income taxes payables	200,886	63,450
Provisions	38,925	32,321
Contract liabilities	100,889	92,287
Other current liabilities	281,461	283,521
Total current liabilities	3,516,383	3,263,627
Total liabilities	5,275,857	5,039,543
Equity		
Equity attributable to owners of the parent		
Common stock	141,852	141,852
Capital surplus	278,675	283,370
Treasury stock	(86,719)	(150,022)
Retained earnings	4,409,000	4,463,541
Accumulated other comprehensive income	16,912	23,136
Total equity attributable to owners of the parent	4,759,720	4,761,876
Non-controlling interests	499,749	487,289
Total equity	5,259,469	5,249,165
Total liabilities and equity	10,535,326	10,288,708

(2) Condensed Interim Consolidated Statement of Income

(Unit: Millions of yen)

	For the three-month period ended June 30, 2020	For the three-month period ended June 30, 2021
Operating revenue	1,242,679	1,300,264
Cost of sales	640,316	665,120
Gross profit	602,364	635,144
Selling, general and administrative expenses	316,076	339,758
Other income	4,714	4,597
Other expense	603	1,918
Share of profit of investments accounted for using the equity method	319	1,128
Operating income	290,718	299,193
Finance income	1,568	3,032
Finance cost	2,399	2,043
Other non-operating profit and loss	40	(2)
Profit for the period before income tax	289,927	300,180
Income tax	91,077	92,046
Profit for the period	198,850	208,133
Profit for the period attributable to:		
Owners of the parent	182,324	189,890
Non-controlling interests	16,526	18,244
Profit for the period	198,850	208,133
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	79.27	84.04
Diluted earnings per share (yen)	79.22	83.97

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	For the three-month period ended June 30, 2020	For the three-month period ended June 30, 2021
Profit for the period	198,850	208,133
Other comprehensive income		
Items that will not be transferred subsequently to profit or loss		
Changes measured in fair value of financial assets through other comprehensive income	6,203	5,518
Share of other comprehensive income of investments accounted for using the equity method	121	124
Total	6,325	5,642
Items that may be subsequently reclassified to profit or loss		
Changes in fair value of cash flow hedge	235	(41)
Translation differences on foreign operations	(2,063)	733
Share of other comprehensive income of investments accounted for using the equity method	(94)	601
Total	(1,922)	1,293
Total other comprehensive income	4,403	6,935
Total comprehensive income for the period	203,253	215,068
Total comprehensive income for the period attributable to:		
Owners of the parent	187,313	197,328
Non-controlling interests	15,940	17,740
Total	203,253	215,068

(Note) Items in the statement above are presented net of tax.

(4) Condensed Interim Consolidated Statement of Changes in Equity

For the three-month period ended June 30, 2020

(Unit: Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Treasury stock	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2020	141,852	280,591	(156,550)	4,138,195	(19,665)	4,384,424	474,684	4,859,108
Comprehensive income								
Profit for the period	−	−	−	182,324	−	182,324	16,526	198,850
Other comprehensive income	−	−	−	−	4,989	4,989	(587)	4,403
Total comprehensive income	−	−	−	182,324	4,989	187,313	15,940	203,253
Transactions with owners and other transactions								
Cash dividends	−	−	−	(138,026)	−	(138,026)	(30,248)	(168,274)
Transfer from accumulated other comprehensive income to retained earnings	−	−	−	1,472	(1,472)	−	−	−
Retirement of treasury stock	−	(150,000)	150,000	−	−	−	−	−
Transfer from retained earnings to capital surplus	−	150,000	−	(150,000)	−	−	−	−
Changes in interests in subsidiaries	−	(29)	−	−	−	(29)	(494)	(523)
Other	−	248	305	−	−	553	−	553
Total transactions with owners and other transactions	−	219	150,305	(286,554)	(1,472)	(137,502)	(30,742)	(168,245)
As of June 30, 2020	141,852	280,810	(6,245)	4,033,966	(16,147)	4,434,235	459,881	4,894,116

For the three-month period ended June 30, 2021

(Unit: Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Treasury stock	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2021	141,852	278,675	(86,719)	4,409,000	16,912	4,759,720	499,749	5,259,469
Comprehensive income								
Profit for the period	－	－	－	189,890	－	189,890	18,244	208,133
Other comprehensive income	－	－	－	－	7,438	7,438	(504)	6,935
Total comprehensive income	－	－	－	189,890	7,438	197,328	17,740	215,068
Transactions with owners and other transactions								
Cash dividends	－	－	－	(136,564)	－	(136,564)	(30,575)	(167,139)
Transfer from accumulated other comprehensive income to retained earnings	－	－	－	1,214	(1,214)	－	－	－
Purchase and disposal of treasury stock	－	(59)	(63,913)	－	－	(63,973)	－	(63,973)
Changes in interests in subsidiaries	－	4,636	－	－	－	4,636	375	5,011
Other	－	118	610	－	－	728	－	728
Total transactions with owners and other transactions	－	4,694	(63,303)	(135,349)	(1,214)	(195,172)	(30,200)	(225,372)
As of June 30, 2021	141,852	283,370	(150,022)	4,463,541	23,136	4,761,876	487,289	5,249,165

(5) Condensed Interim Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	For the three-month period ended June 30, 2020	For the three-month period ended June 30, 2021
Cash flows from operating activities		
Profit for the period before income tax	289,927	300,180
Depreciation and amortization	174,833	185,123
Impairment losses	1,441	15
Share of (profit) loss of investments accounted for using the equity method	(319)	(1,128)
Loss (gain) on sales of non-current assets	(1,923)	(1,556)
Interest and dividends income	(1,488)	(2,944)
Interest expenses	1,876	1,674
(Increase) decrease in trade and other receivables	81,243	93,116
Increase (decrease) in trade and other payables	(135,621)	(147,698)
(Increase) decrease in loans for financial business	(103,977)	(162,445)
Increase (decrease) in deposits for financial business	114,123	30,631
(Increase) decrease in Call loans	23,348	(2,625)
Increase (decrease) in Call money	25,259	(25,207)
(Increase) decrease in inventories	(17,426)	(2,729)
Increase（decrease） in retirement benefit assets	―	138
Increase (decrease) in retirement benefit liabilities	1,290	428
Other	(37,909)	(46,407)
Cash generated from operations	414,675	218,564
Interest and dividends received	3,233	5,070
Interest paid	(2,002)	(1,716)
Income tax paid	(180,967)	(206,220)
Net cash provided by (used in) operating activities	234,939	15,698

(Unit: Millions of yen)

	For the three-month period ended June 30, 2020	For the three-month period ended June 30, 2021
Cash flows from investing activities		
Purchases of property, plant and equipment	(121,001)	(128,745)
Proceeds from sales of property, plant and equipment	2,977	1,866
Purchases of intangible assets	(45,670)	(72,843)
Purchases of securities for financial business	(29,835)	(55,999)
Proceeds from sales and redemption of securities for financial business	17,800	68,268
Purchases of other financial assets	(7,605)	(5,991)
Proceeds from sales and redemption of other financial assets	3,068	2,479
Purchases of stocks of associates	(500)	(8,890)
Other	(1,354)	(441)
Net cash provided by (used in) investing activities	(182,120)	(200,296)
Cash flows from financing activities		
Net increase (decrease) of short-term borrowings	218,500	84,000
Payments from redemption of bonds and repayments of long-term borrowings	(50,069)	(69)
Repayments of lease obligations	(45,762)	(46,110)
Payments from purchase of shares of subsidiaries from non-controlling interests	(579)	(214)
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	−	6,750
Proceeds from stock issuance to non-controlling interests	10	103
Payments from purchase of treasury stock	−	(63,913)
Cash dividends paid	(137,257)	(135,507)
Cash dividends paid to non-controlling interests	(30,194)	(30,486)
Other	(1)	(1)
Net cash provided by (used in) financing activities	(45,353)	(185,446)
Effect of exchange rate changes on cash and cash equivalents	(139)	58
Net increase (decrease) in cash and cash equivalents	7,328	(369,987)
Cash and cash equivalents at the beginning of the period	369,202	809,802
Cash and cash equivalents at the end of the period	376,530	439,815

(6) Going Concern Assumption

None

(7) Notes to Condensed Interim Consolidated Financial Statements

1. Reporting entity

KDDI Corporation ("the Company") was established as a limited company in accordance with Japanese Company Act. The location of the Company is Japan and the registered address of its headquarter is 2-3-2, Nishishinjuku, Shinjuku-ku, Tokyo, Japan. The Company's condensed interim consolidated financial statements as of and for the three-month period ended June 30, 2021 comprise the Company and its consolidated subsidiaries ("the Group") and the Group's interests in associates and joint ventures. The Company is the ultimate parent company of the Group.

The Group's major business and activities are "Personal Services" and "Business Services".

For the details, please refer to "(1) Outline of reporting segments" of "Note 4. Segment information."

2. Basis of preparation

(1) Compliance of condensed interim consolidated financial statements with IFRSs

The Group's condensed interim consolidated financial statements have been prepared in accordance with IAS 34 of IFRSs as prescribed in Article 93 of Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No.64 of 2007), hereinafter referred to as "Ordinance on Quarterly Consolidated Financial Statements" as they satisfy the requirement of a "specific company" set forth in Article 1-2 of Ordinance on Quarterly Consolidated Financial Statements.

The condensed interim consolidated financial statements, which do not contain all the information required in annual consolidated financial statements, should be read in conjunction with the annual consolidated financial statements for the previous fiscal year ended March 31, 2021.

(2) Basis of measurement

The Group's condensed interim consolidated financial statements have been prepared under the historical cost basis except for the following significant items on the condensed interim consolidated statement of financial position:

・Derivative assets and derivative liabilities (measured at fair value)
・Financial assets or financial liabilities at fair value through profit or loss
・Financial assets at fair value through other comprehensive income
・Assets and liabilities related to defined benefit plan (measured at the present value of the defined benefit obligations, net of the fair value of the plan asset)

(3) Presentation currency and unit of currency

The Group's condensed interim consolidated financial statements are presented in Japanese yen, which is the currency of the primary economic environment of the Company's business activities, and are rounded to the nearest million yen.

(4) Use of estimates and judgement

The preparation of condensed interim consolidated financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on the management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of the estimates or assumptions, however, actual results may differ from those estimates and assumptions.

The estimates and assumptions are reviewed on an ongoing basis. The effect of adjusting accounting estimates is recognized in the fiscal year in which the estimates are adjusted and in the subsequent fiscal years.

The judgments, estimates and assumptions that have significant impact on the amount in the condensed interim consolidated financial statements are consistent with those described in the annual consolidated financial statements for the previous fiscal year in principle. No significant changes have been made in the accounting estimates and assumptions affected by COVID-19 from those in the consolidated financial statements for the previous fiscal year.

(5) Application of new standards and interpretations

The Group doesn't have significant standards and interpretations applied from the three-month period ended June 30, 2021.

(6) Standards not yet adopted

The following new standards and amendments announced by the approval date of the condensed interim consolidated financial statements are not mandatory as of June 30, 2021. They have not been early adopted by the Group.

Standard	The title of Standard	Mandatory adoption (from the fiscal year beginning)	To be adopted by the Group from	Outline of new standards and amendments
IFRS 17	Insurance contracts	January 1, 2023	fiscal year ending March 31, 2024	IFRS 17 will replace IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Under the IFRS 17 model, entities are required to estimate total fulfillment cash flows for insurance contracts and contractual service margin at initial recognition. Fulfillment cash flows comprise estimates of future cash flows, adjustments reflecting the time value of money, and risk adjustments for non-financial risk. At the time of reporting, fulfillment cash flows are remeasured using the latest basis for measurement. Unearned income (contractual service margin) is recognized over the coverage period.

All the standards and amendments above will be reflected in the condensed interim consolidated financial statements for the relevant fiscal year described above. The Company is currently evaluating the impact of the application and estimate is currently not available.

3. Significant accounting policies

The significant accounting policies applied in this condensed interim consolidated financial statements are consistent with those of the annual financial statements, as described in the consolidated financial statements for the previous fiscal year . Also, income tax expenses on condensed interim consolidated statement of income are calculated based on the estimated average annual effective income tax rate.

4. Segment information

(1) Outline of reportable segments

The reportable segments of the Group are units of the Group of which separate financial information is available, and which are periodically monitored for the board of directors to determine the allocation of the business resources and evaluate the performance results.

The Group has the two reportable segments of Personal Services and Business Services as well as operating segments.

The Personal Services segment provides services to individual customers.

In Japan, KDDI aims to provide new experience value by expanding and coordinating various life design services, including those related to commerce, finance, energy, entertainment, education, and healthcare, while focusing on conventional telecommunications services, such as those related to smartphones, cell phones, FTTH, and CATV. We dynamically provide services attuned to customer needs and market conditions through a multi-brand strategy that encompasses “au,” “UQ mobile,” and “povo.” In the life design domain, we provide financial, energy and commerce services focused on the customer contact points of “au PAY” and “au Smart Pass.” We aim to expand the “au Economic Zone” going forward by enhancing these customer points and circulating reward points.

Overseas, we use know-how cultivated in Japan to actively provide telecommunications and life design services to individual customers, especially those in Myanmar, Mongolia, and other Asian regions.

The Business Services segment mainly provides a wide range of corporate customers in Japan and overseas with TELEHOUSE brand data center services and a variety of solutions encompassing network and cloud services, smartphones and other devices, and the KDDI IoT Worldwide Architecture, which supports customers’ IoT businesses.

In collaboration with partner companies and using 5G, IoT, and other technology, we support customers’ digital transformation by providing one-stop services and solutions that help customers develop and expand their businesses on a global scale.

For small and medium-sized corporate customers in Japan, our consolidated subsidiary, the KDDI MATOMETE OFFICE GROUP is building a regional support network offering close contact throughout Japan.

Beginning in the three-month period ended June 30, 2021, the reportable segments for some subsidiary companies were changed due to organization change. Accordingly, the segment information for the first quarter of the fiscal year ended March 31, 2020 has been presented based on the segment classification after this change.

(2) Calculation method of revenue, income or loss, assets and other items by reportable segment

Accounting treatment of reported business segments is consistent with “Note 3.

Income of the reportable segments is based on the operating income.

Inter segment transaction price is determined based on the price by arm’s length transactions or gross costs after price negotiation.

Assets and liabilities are not allocated to reportable segments.

(3) Information related to the amount of revenue, income or loss and other items by reportable segment

The Group's segment information is as follows:

For the three-month period ended June 30, 2020

(Unit: Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts on the consolidated financial statements
	Personal	Business	Sub-total				
Revenue							
Revenue from external customers	1,055,159	183,519	1,238,678	4,001	1,242,679	－	1,242,679
Inter-segment revenue or transfers	18,721	51,639	70,360	11,484	81,844	(81,844)	－
Total	1,073,881	235,158	1,309,038	15,485	1,324,523	(81,844)	1,242,679
Segment income	243,170	45,884	289,054	1,732	290,787	(69)	290,718
Finance income and finance cost (Net)							(831)
Other non-operating profit and loss (Net)							40
Profit for the period before income tax							289,927

For the three-month period ended June 30, 2021

(Unit: Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts on the consolidated financial statements
	Personal	Business	Sub-total				
Revenue							
Revenue from external customers	1,103,986	192,640	1,296,627	3,637	1,300,264	－	1,300,264
Inter-segment revenue or transfers	16,183	52,630	68,813	14,717	83,530	(83,530)	－
Total	1,120,169	245,271	1,365,440	18,355	1,383,795	(83,530)	1,300,264
Segment income	250,622	44,391	295,013	5,103	300,116	(923)	299,193
Finance income and finance cost (Net)							989
Other non-operating profit and loss (Net)							(2)
Profit for the period before income tax							300,180

(Note 1) "Other" is a segment not included in reportable segment, and includes construction and maintenance of facilities, and research and development of leading-edge technology.

(Note 2) Adjustment of segment income shows the elimination of inter-segment transactions.