

Tomorrow, Together



Fiscal Year Ending March 31, 2024 Q3 Financial Results

(April-December 2023)

February 2, 2024
KDDI Corporation

The creation of a society in which
anyone can make their dreams a reality,
by enhancing the power to connect.



To the victims of the
2024 Noto Peninsula Earthquake, and their families,
we offer our heartfelt support.

Restoration

Work with related parties to quickly restore telecommunication services and support

Early restoration and securing communication

Portable/existing
base stations
utilize Starlink (200 units)



Providing Starlink to
evacuation centers and
disaster response
agencies (550 units)



MNO
cooperation



Support for disaster areas

At evacuation centers:
wireless LAN and
charging facilities



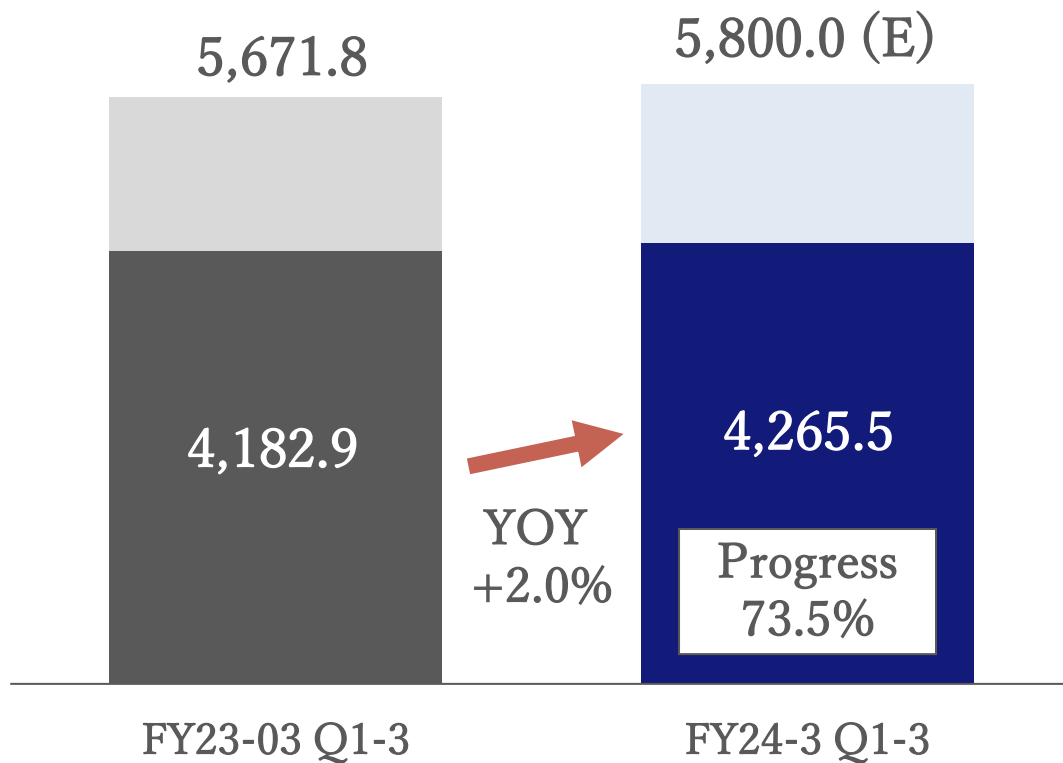
1. Consolidated Financial Results

Financial Highlights

Revenue and income increased. Continue to aim for full-year forecasts

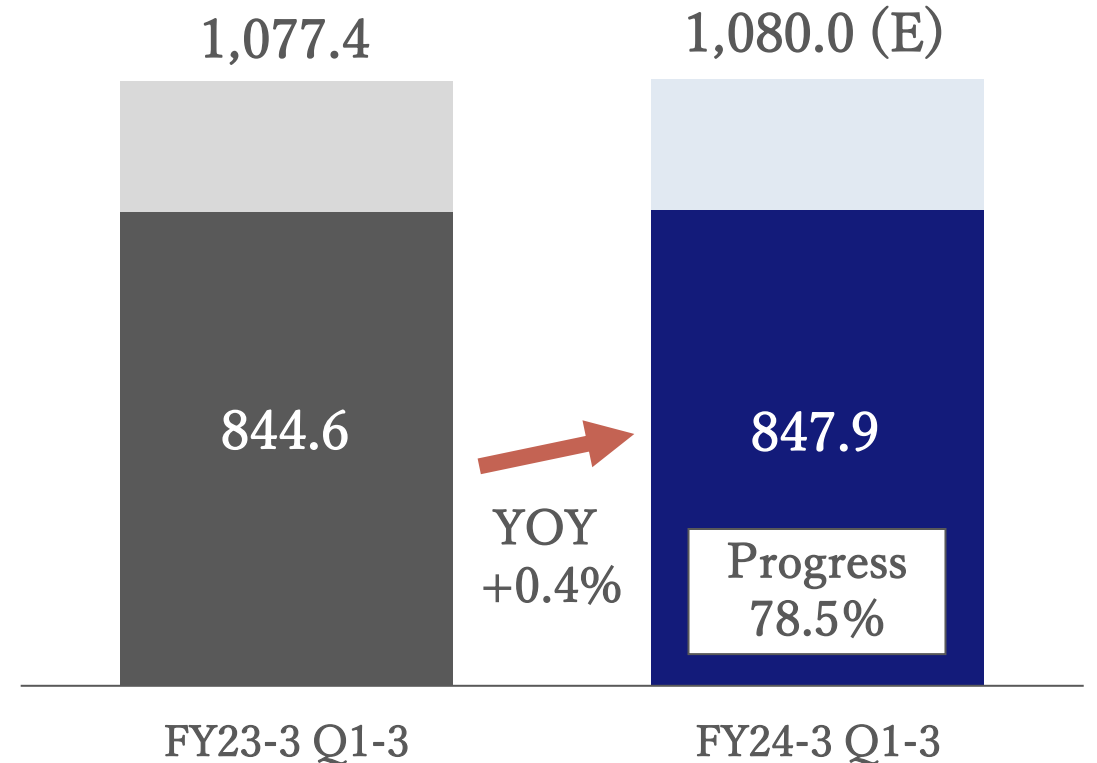
Operating revenue

(Unit: billions of yen)



Operating income

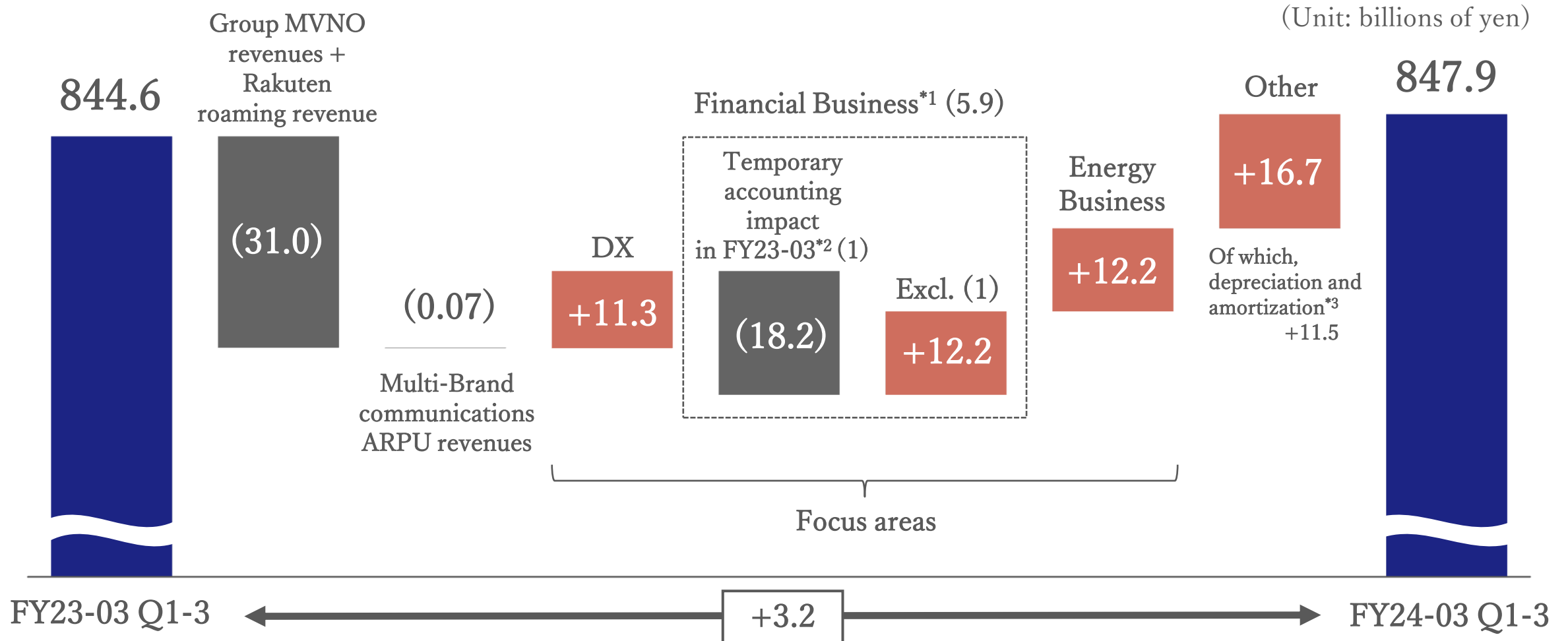
(Unit: billions of yen)



Note) Figures for FY2023-03 have been revised due to the adoption of IFRS 17 from FY2024-03

Q1-3 Operating Income - Factors for Change

Steady growth in focus areas overcame decrease in Rakuten roaming revenue



*1 au Financial Holdings (IFRS basis) *2 Temporary impact from change in accounting treatment of housing loans *3 Excluding depreciation and amortization in focus areas

Multi-brand ARPU revenue

Expect full-year communications ARPU revenues growth.
Total ARPU revenues are on upward trend

Communications ARPU revenues (YOY)

Expect higher revenue
in Q4

Q1-3 total
YOY flat

Q1-3

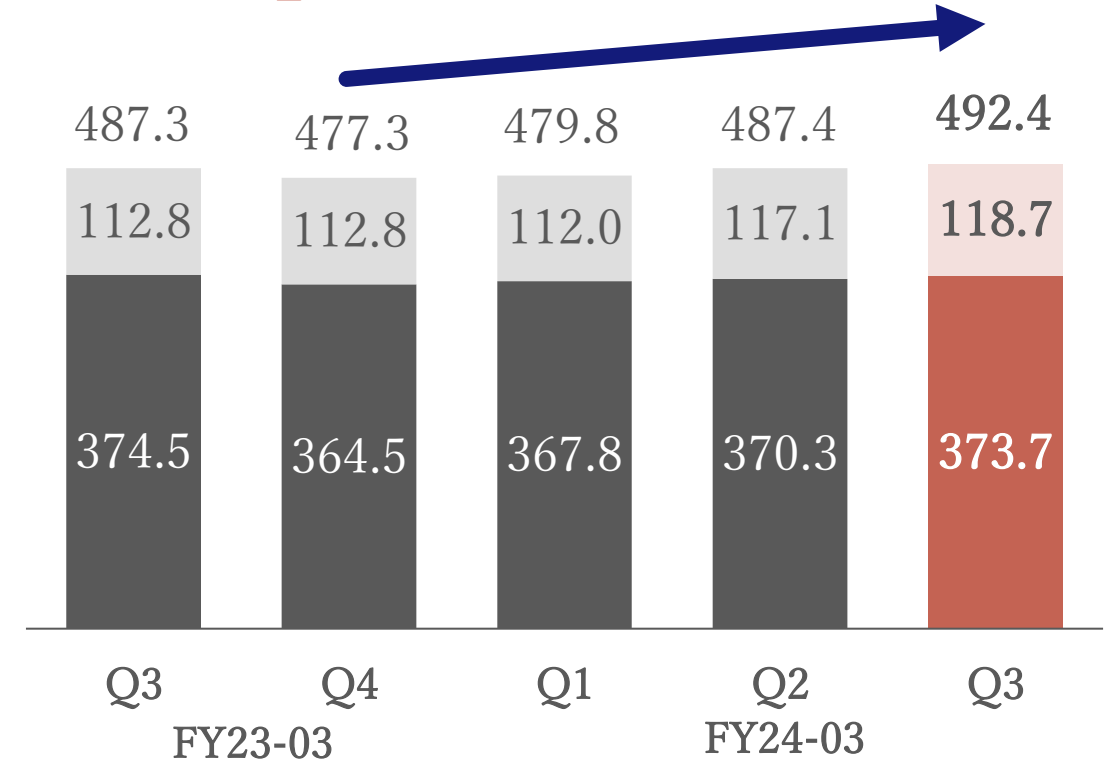
FY24-03

Q4 (E)

Total ARPU revenues

(Unit: billions of yen)

Value-added ARPU revenues
Communications ARPU revenues

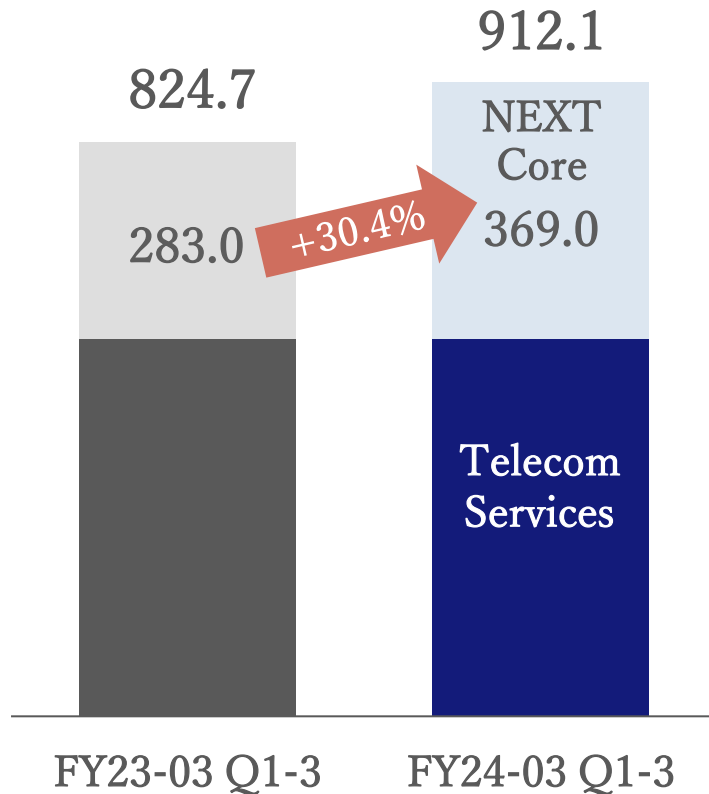


Business Segment

Steadily expanding profit growth. Aiming for full-year double-digit growth

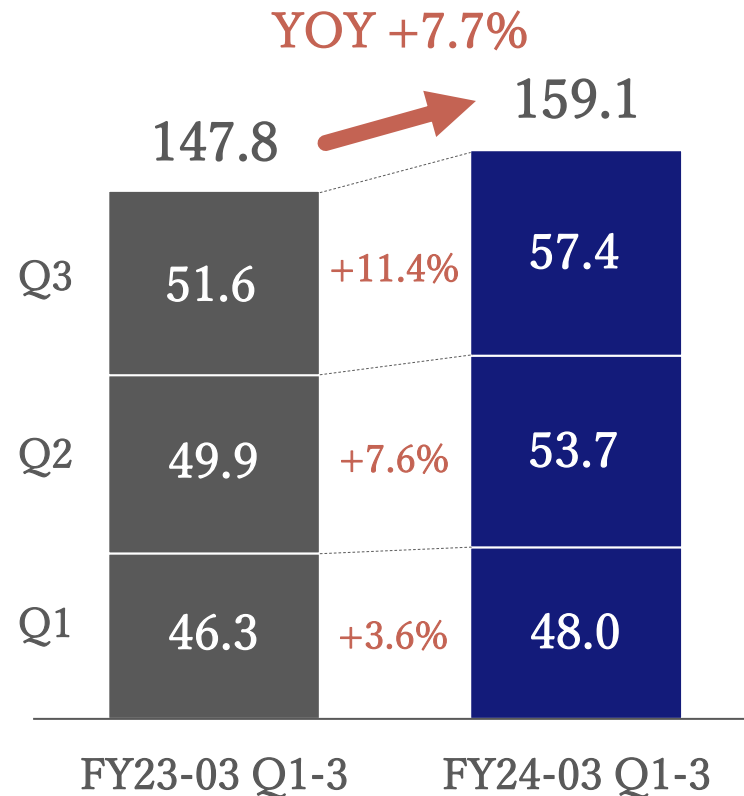
Operating revenue

(Unit: billions of yen)



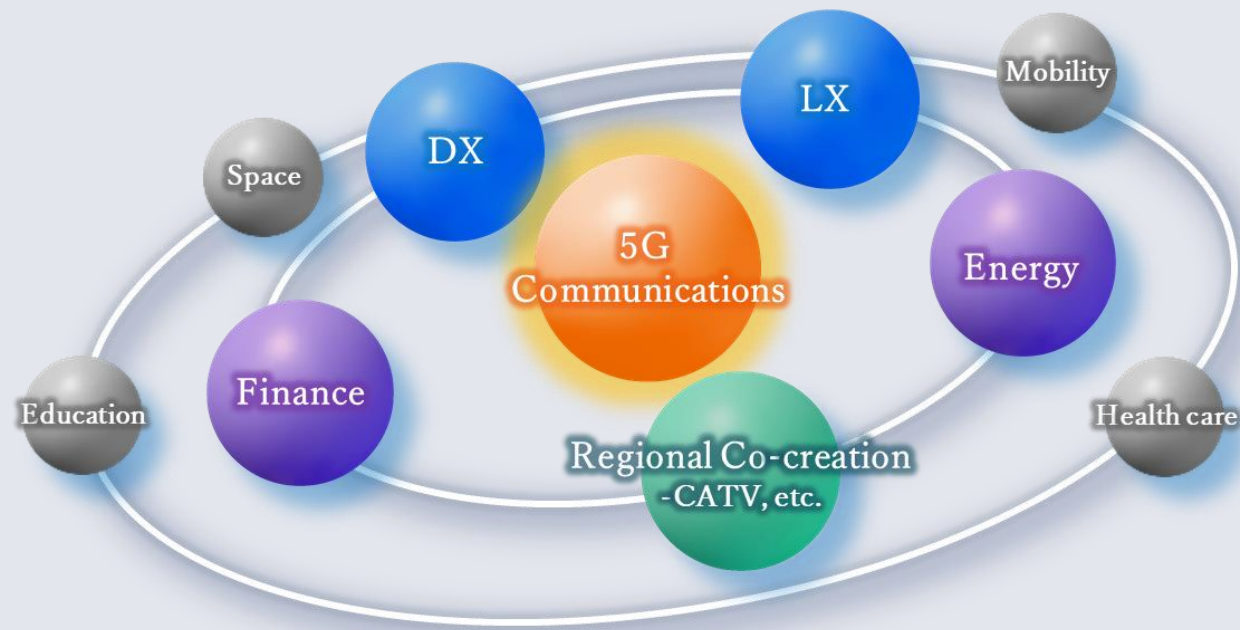
Operating income

(Unit: billions of yen)



- NEXT Core drives revenue growth with YOY+30.4%
- Steadily expanding profit growth
 - Q3 YOY +11.4%, Q1-3 YOY +7.7%
 - IoT and Data centers drive growth. Mobile communications revenue also increased
 - Aiming for full-year double-digit growth

2. Satellite Growth Strategy ~ Toward a further growth orbit



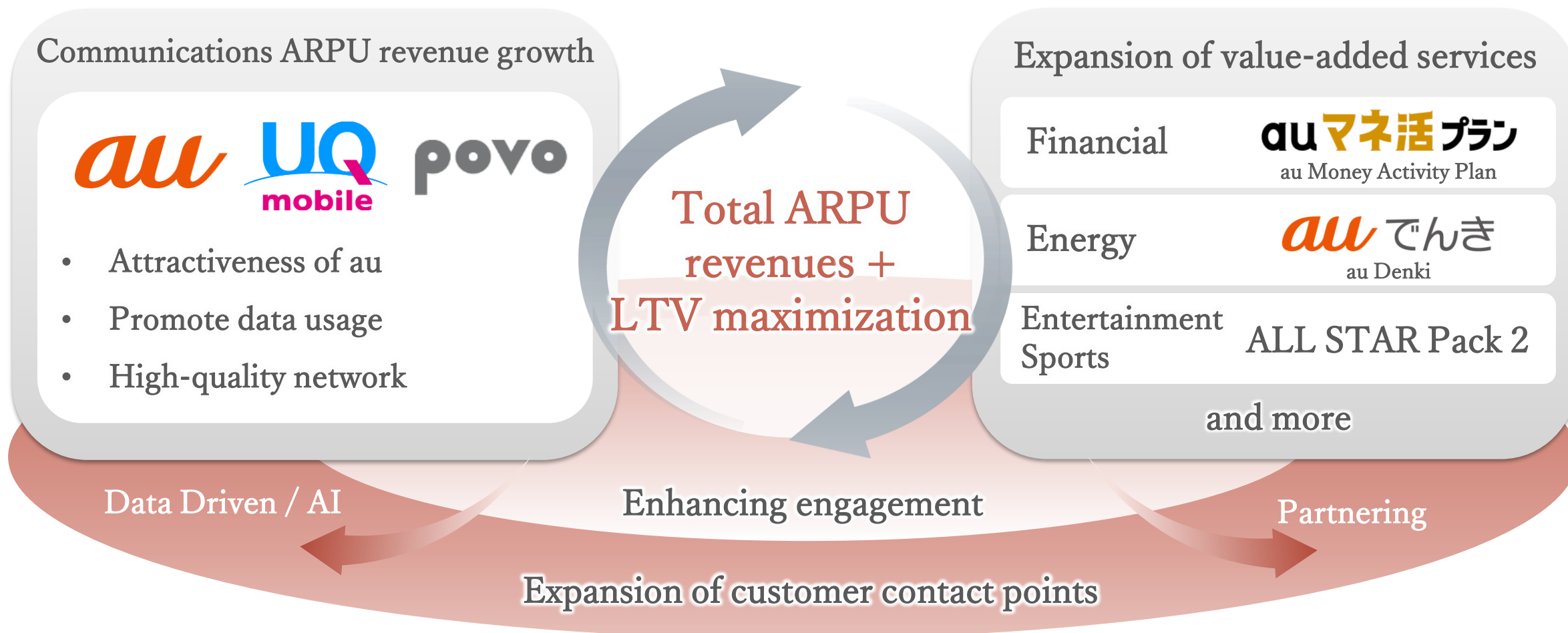
A circular logo with a gradient from orange to yellow, featuring the text "5G Communications" in white. The logo is surrounded by a soft, glowing yellow aura.

5G
Communications

- Sustainable ARPU revenue growth
- Network quality improvement

Growth Strategy

Promote initiatives in both communications and value-added services
Maximize total ARPU revenues and LTV

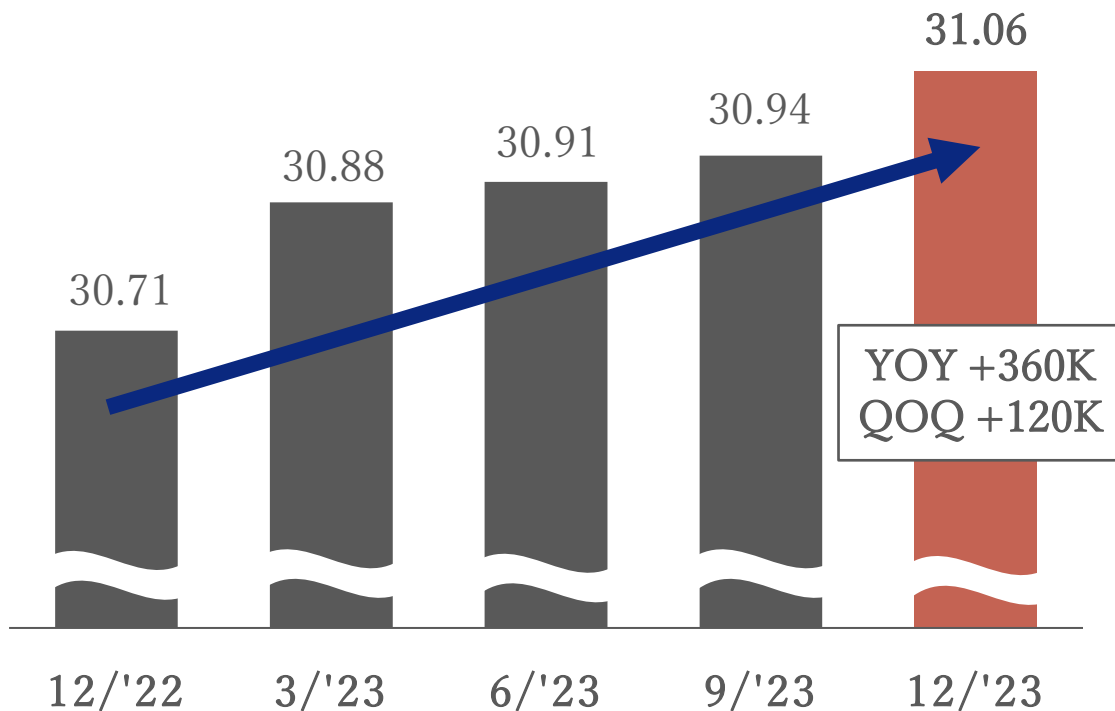


Momentum

IDs performed well. Promoting initiatives for further growth

Multi-brand IDs

(Unit: million)



Initial target of 31.0 million
achieved ahead of schedule

- Increase in new contracts, especially for UQ mobile
- au to UQ mobile migration slowed



Strengthening initiatives to continue
to be chosen by customers

au Attractiveness
of au

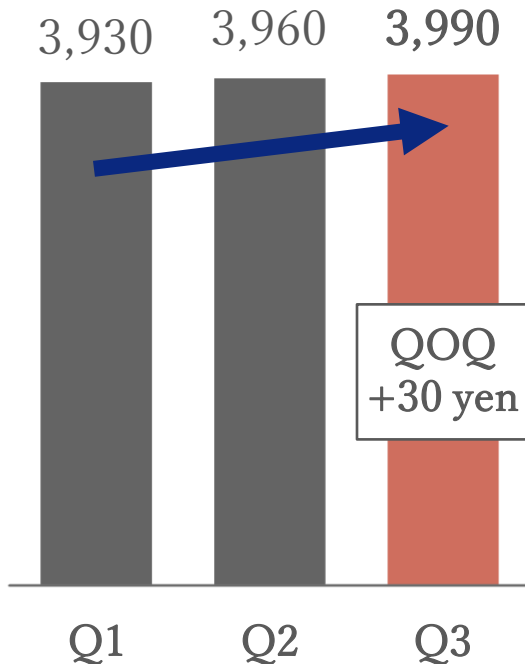
ずっと
もった
つなぐぞ *au* High quality
network

Multi-brand ARPU

Maintain upward trend in both communications and value-added ARPU

Communications ARPU

(Unit: Yen)



Increase / Decrease factors

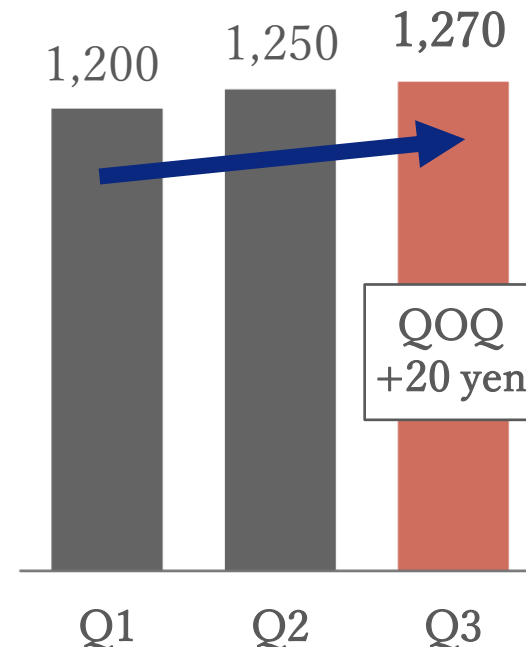
- +) au / UQ mobile ARPU growth (data increased)
-) Brand composition impact

au Over 80% select Unlimited usage plan* (Changing handsets)

UQ mobile Over 70% select medium / large plan* (New contracts)

Value-added ARPU

(Unit: Yen)



Increase / Decrease factors

- +) Product supports and loan & settlement drive growth
- Device support and in-store setup support increased
- Credit cards and mortgage loans are strong

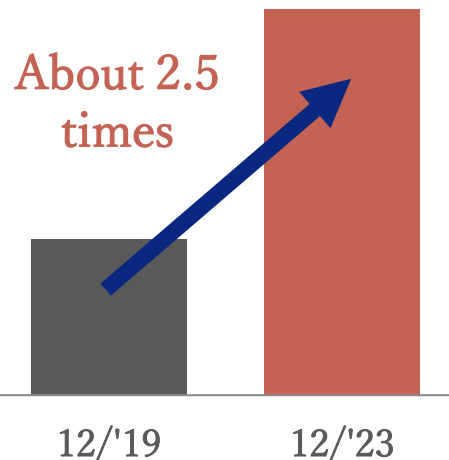
Attractiveness of au

Expanding telecommunication + value-added services to meet customers' needs

Changes in service use environment

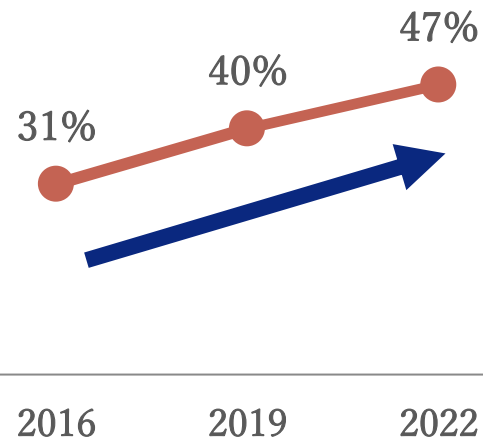
Growing demand for data

Data per smartphone*1



Growing interest in asset building

Investment experience, interest in investment*2



Accelerating synergy between telecom and value-added services

Meet customer needs and maximize value provided

auマネ活プラン
au Money Activity Plan

Unlimited MAX + Financial benefits

Strong subscriber growth

ARPU increase

Reduction of churn rate

*1 Personal segment, au results *2 Source: : Nomura Research Institute, Ltd. "Survey of 10,000 Sei-katsu-sha (Financial)" (2013-2022, every three years). Percentage of experienced and inexperienced investors (interested in investing)



Connecting the everyday with 5G

Further refinement of communication quality
in preparation for full-scale 5G SA deployment

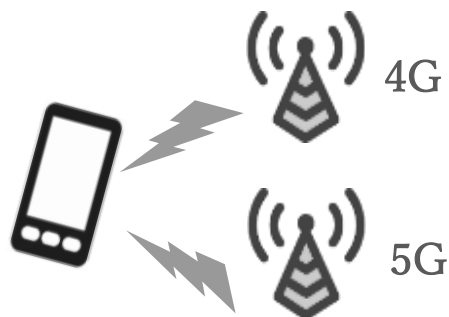
NSA: FY2020-

Promote area development along customer's life line

Acceleration of
area expansion

Quality enhancement for
both 4G and 5G

Automatic transition to
high quality bandwidth
with tuning technology



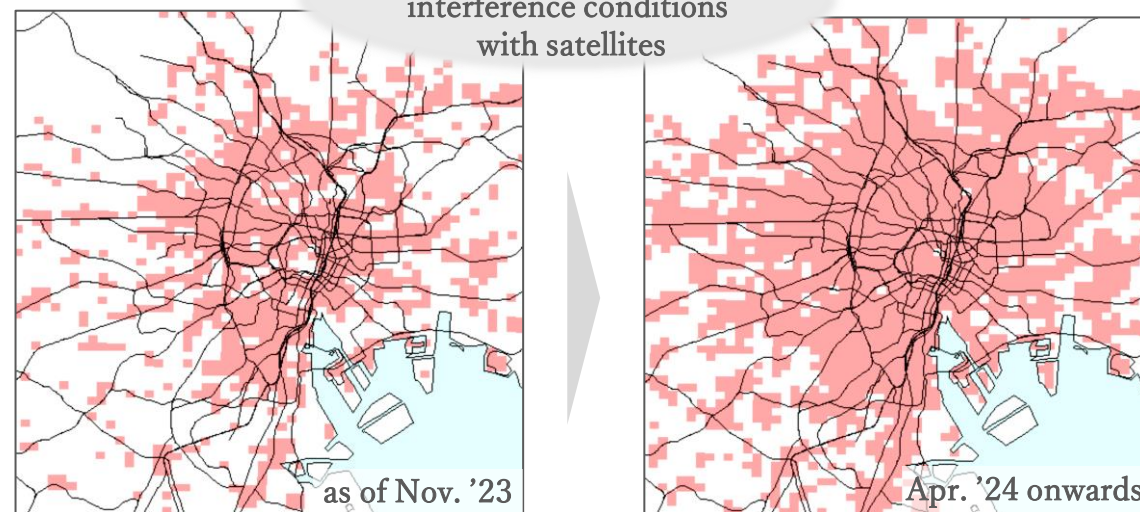
End of Mar.'24
(Forecast)

About **90K**
(5G base stations)

Full-scale SA: FY2024-

Full-scale utilization of new 5G frequencies
High-speed, large-capacity, low-latency

Area expansion by relaxing
interference conditions
with satellites



Plans to deploy largest number Sub6 base stations
(about 34K*)

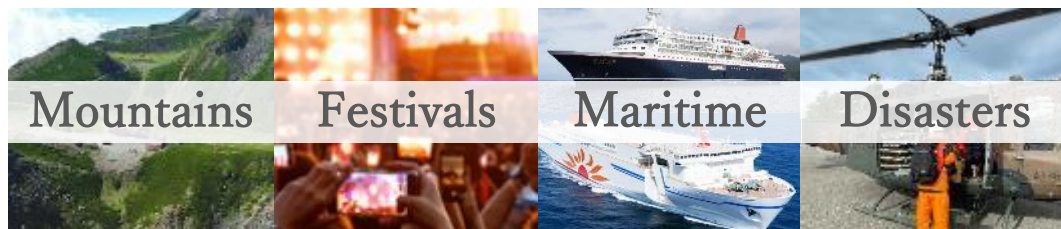


Starlink Utilization

Promoting efforts to respond to diversification of use scenes

Connecting the extraordinary

We support our customers in every situation



Mountains

Festivals

Maritime

Disasters

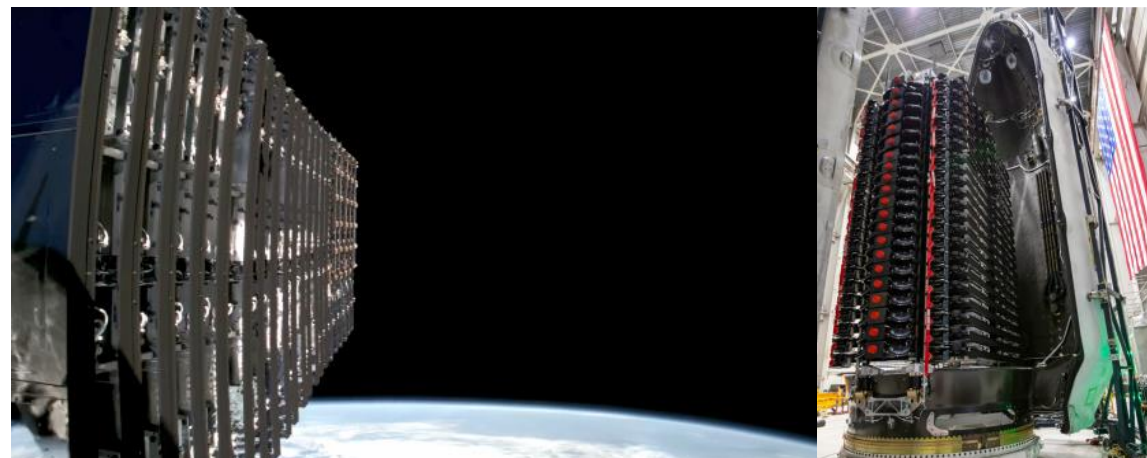


Use to secure communications during disasters

For disaster measures, scheduled to start handling Starlink in au stores*¹

Direct communication between satellite and smartphone

SpaceX launched six satellites and succeeded in communications test in Jan. 2024



Direct Communication Satellite

Towards the start of service*² in 2024, promote verification with SpaceX and telecom carriers in each country

*1 Specific release date, price, etc. will be announced as soon as details are finalized.

*2 Scheduled to be provided based on the preparation of radio related laws and regulations. Service launch date will be announced as soon as details are finalized.



KDDI BUSINESS

- Expansion of customer contact points
- Promote partnering

DX

KDDI BUSINESS

Launch a new corporate business brand.

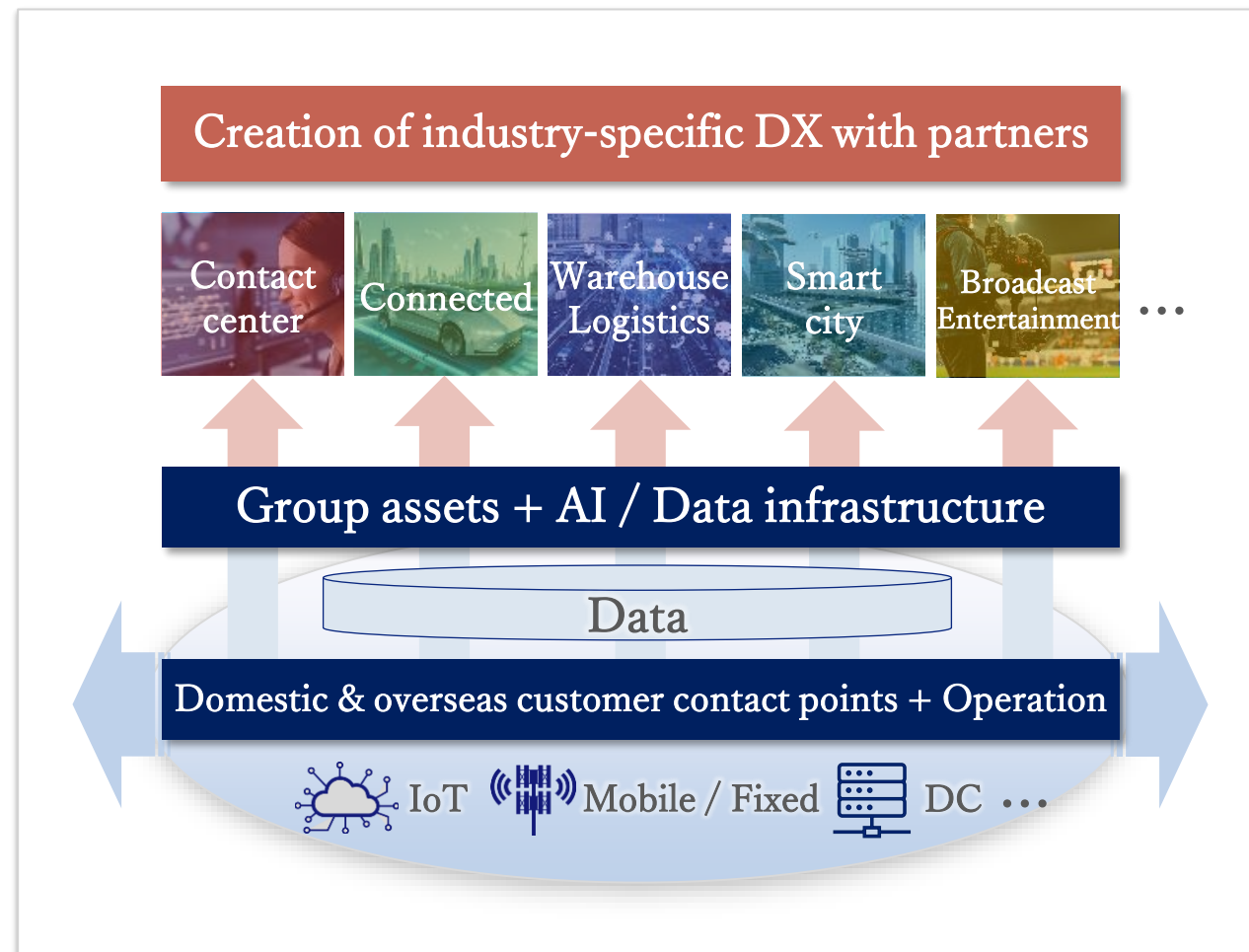
Accelerate customers' DX promotion based on strength in telecom

Toward strengthening corporate business

Tomorrow, Together

KDDI BUSINESS

Aim to promote customers' DX and contribute to solving social issues



IoT / Data Centers

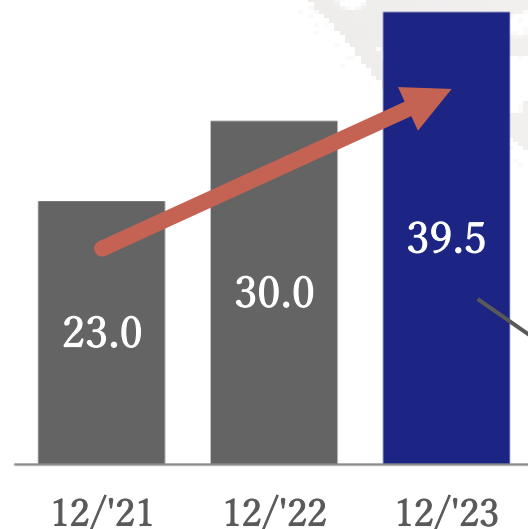
Global expansion of customer contact points to support data business

Number of IoT connections

Over 45.5 million combined with SORACOM

(Unit: million)

Initial target of 38.0 mil.
achieved ahead of schedule



Over 6.0 million
Preparing for listing
(Filed for listing in Nov. 2023)

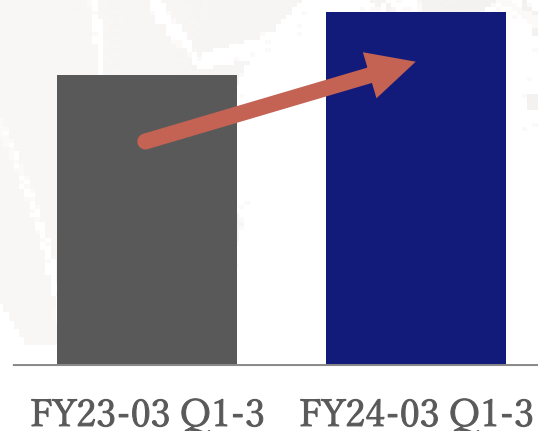
Of which, "Connected"
over 24.0 mil.
in Japan and overseas
(YOY +7.0 mil.)

Connectivity Data centers

Double-digit revenue growth due to increased demand. Aggressive investment in Europe, North America and Asia

DC business revenues

YOY +21.7%



New facilities opened
in 2023

- Frankfurt
- Paris (Magny)

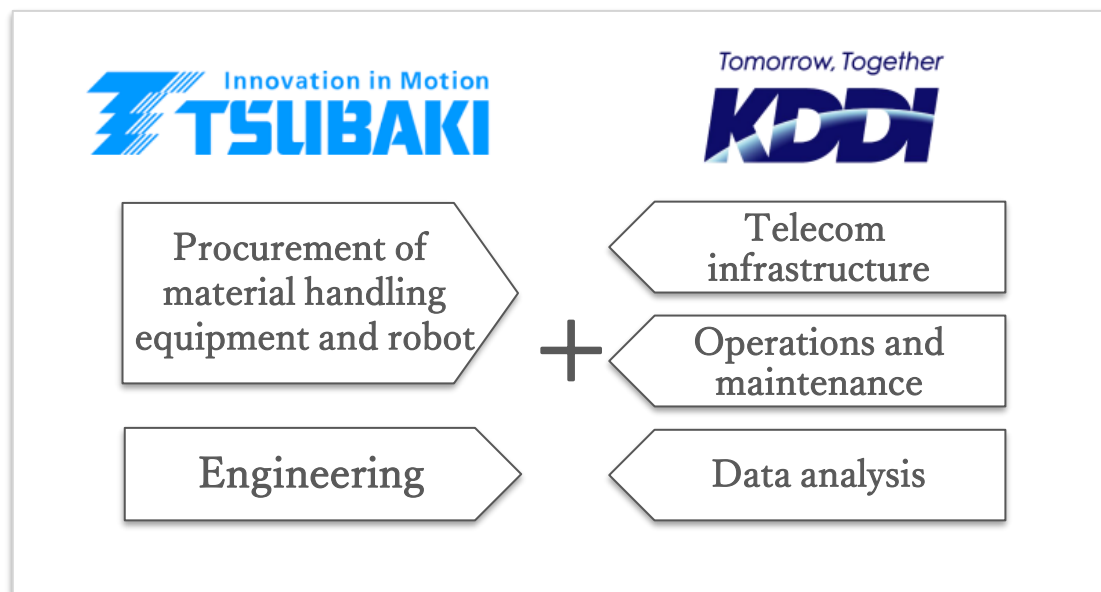


Promoting Partnerships

Accelerating initiatives with partners to solve social issues

DX promotion in the logistics industry

Establish new company "Nexa Ware" in Jan. 2024
Begin operations in April



Realize warehouse automation and optimization by data-driven

Promote use of drones as social infrastructure

Japan Airlines and KDDI Smart Drone capital and business alliance in Nov. 2023



Aiming for safe and secure flight management and expansion of usage



Finance



Energy

Expansion of customer base by
synergy with telecommunications

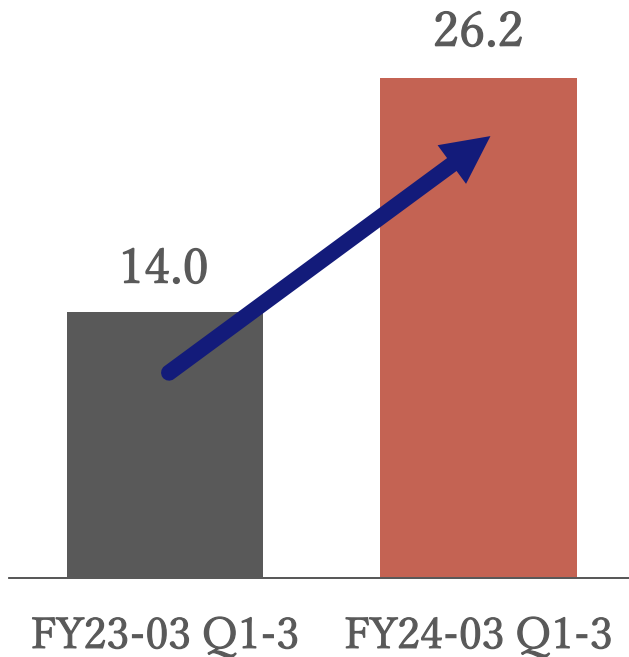
Financial Business

Steady progress. Steady expansion of customer base

Operating income*1

(Unit: billions of yen)

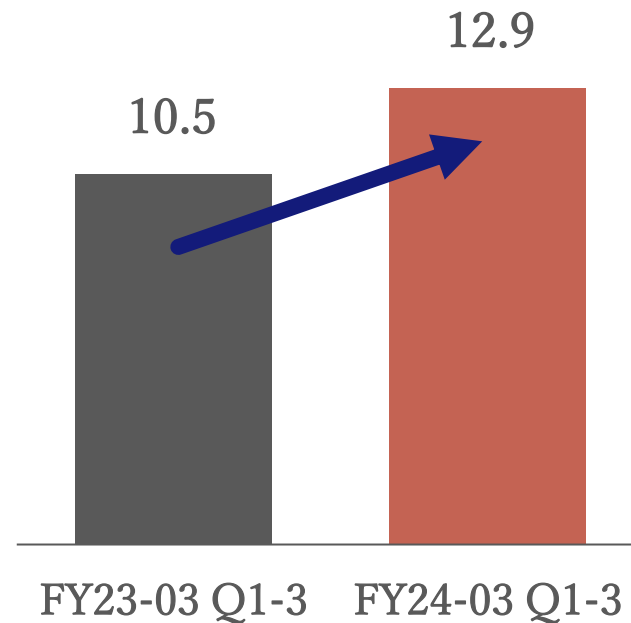
YOY +87.7%



Transaction volume of settlement/loan

(Unit: trillions of yen)

YOY +23.3%



Financial customer base



au PAY Card members
9.20 million (YOY +870K)



au PAY members*2
34.38 million (YOY +2.82 mil.)



au Jibun Bank accounts
5.74 million (YOY +720K)



au Kabucom securities accounts
1.64 million (YOY +130K)

*1 au Financial Holdings (IFRS basis) excluding the impact of accounting treatment changes in FY23-03 *2 Prepaid, code payment, online payment

Credit card / Bank

Significant growth in focused services. Accelerate growth through synergy with telecom

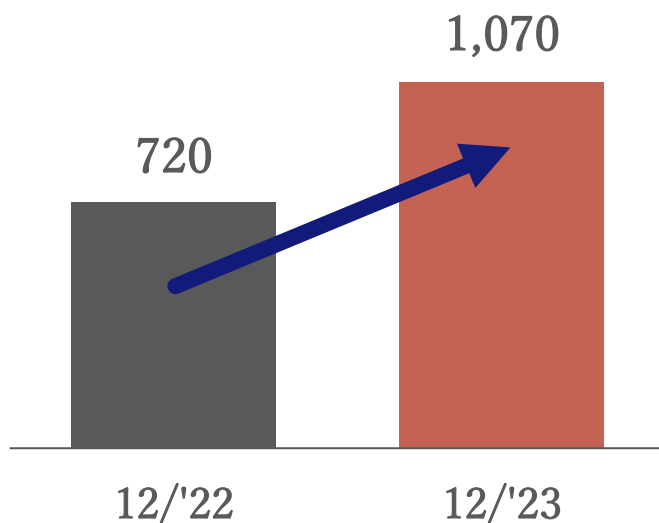
Credit card business

au Financial Service

au PAY Gold Card members

(Unit: thousand)

YOY +48.6%



Synergy with telecom

au マネ活プラン
au Money Activity Plan

Further accelerating growth

au Money Activity Plan vs other rate plans

au PAY Card
over-the-counter
subscription rate*

About 4.4 times

Of which, Gold Card
selection rate*

About 3.5 times

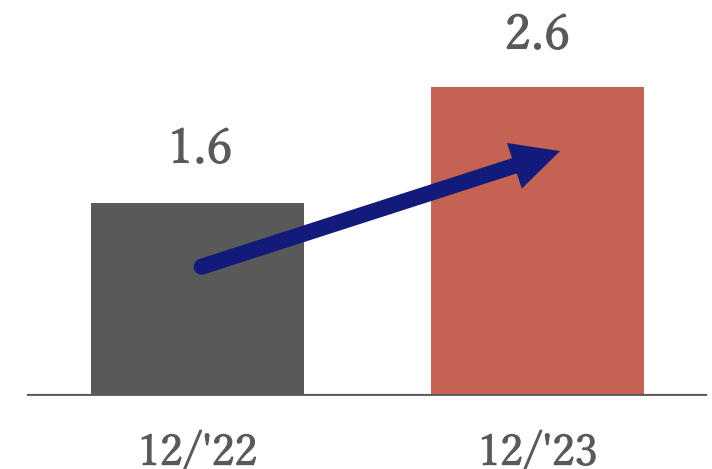
Banking business

au Jibun Bank

Mortgage loan balance

(Unit: trillions of yen)

YOY +60.6%



* Comparison of actual results for au Money Activity Plan applicants and other rate plan applicants at au shops, au Style, and UQ Spot from Oct. to Dec. 2023.

Telecommunications + Energy

In addition to expanding number of contracts,
promote initiatives for carbon neutrality

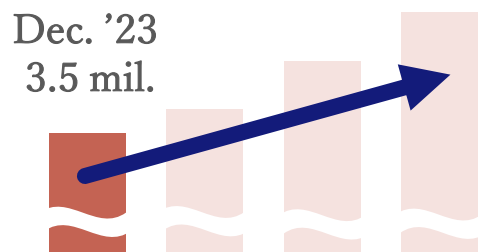
au Denki

Stabilized business by review of
procurement and sales method

- Ensure individual and stable procurement without price fluctuations
- Review of price structure and sales method



Toward sustainable
business growth by an
increase in contracts



Renewable energy generation

Utilize renewable energy generation for base stations



au Renewable Energy
started operation of solar
power plant

Supply to au base stations



Perovskite solar cell*

Power generation wrapped
around the base stations

* Collaboration with Enecoat Technologies, Inc.

Toward Further Growth

Further evolution of LX area for sustainable growth and realization of future society

February 2024 MWC Barcelona



Introducing DX and LX Initiatives for the future

For the next stage of growth

Evolving the LX area toward
realization of future society

Consumption
diversification

Mobility
society

New technology
utilization

LX

Mobility, Space
Web3 / Metaverse, etc.

Summary

Strengthening Satellite growth strategy initiatives for sustainable growth

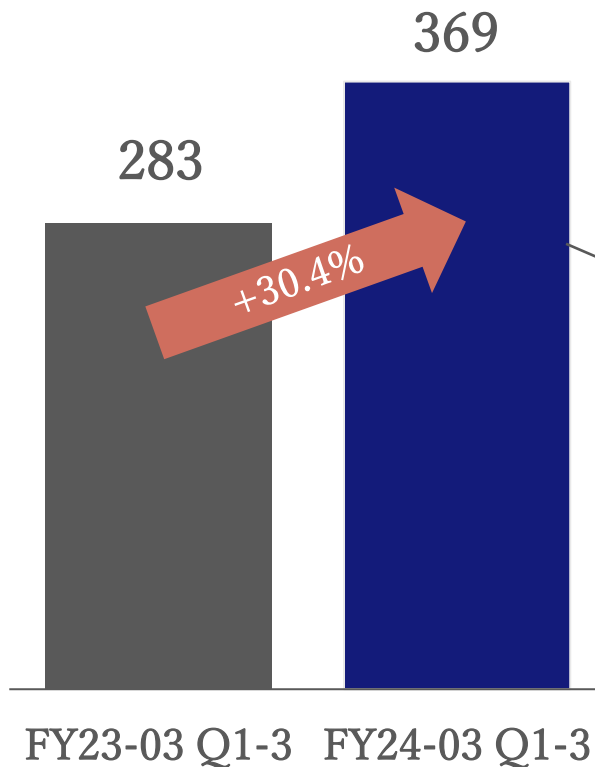
Consolidated results	<ul style="list-style-type: none">● Revenue and income increased. Continue to aim for full-year forecasts● Steady growth in focus areas overcame decrease in Rakuten roaming revenue
Toward a further growth orbit	<ul style="list-style-type: none">● Promote initiatives for sustainable ARPU revenue growth and network quality improvement● Promoting corporate business as “KDDI BUSINESS” Accelerating customers' DX promotion based on strength in telecom● In finance and energy, further expand customer base by synergy with telecommunications● Further evolve LX area for sustainable growth and realization of future society

Appendix

NEXT Core Operating revenues

NEXT Core revenue

(Unit: billions of yen)



Corporate DX

- ✓ YOY double-digit growth. Over 90 billion yen
- ✓ Growth in cloud and managed services

Business DX

- ✓ YOY double-digit growth. Over 120 billion yen
- ✓ IoT, including overseas connected, driving growth

Business infrastructure services

- ✓ YOY double-digit growth. Over 150 billion yen
- ✓ Double-digit growth in both Data centers and Contact centers

Statement of Financial Position

(as of the end of December 2023)

(Unit: billions of yen)

Property, plant and equipment Intangible assets Right-of-use assets 4,209.8	Interest-bearing debt 2,011.4
	Trade and other payables 806.0
	Borrowings for financial business*2*3 521.1
Goodwill 582.8	Deposits for financial business*3 3,229.3
Trade and other receivables 2,575.1	Other liabilities 1,115.3
Securities for financial business 473.6	
Loans for financial business*3*4 3,122.5	Equity 5,772.9
Cash and cash equivalents 623.5	
Other 1,868.7	

KDDI (Consolidated)*1
Total assets 13.46 trillion yen

(Unit: billions of yen)

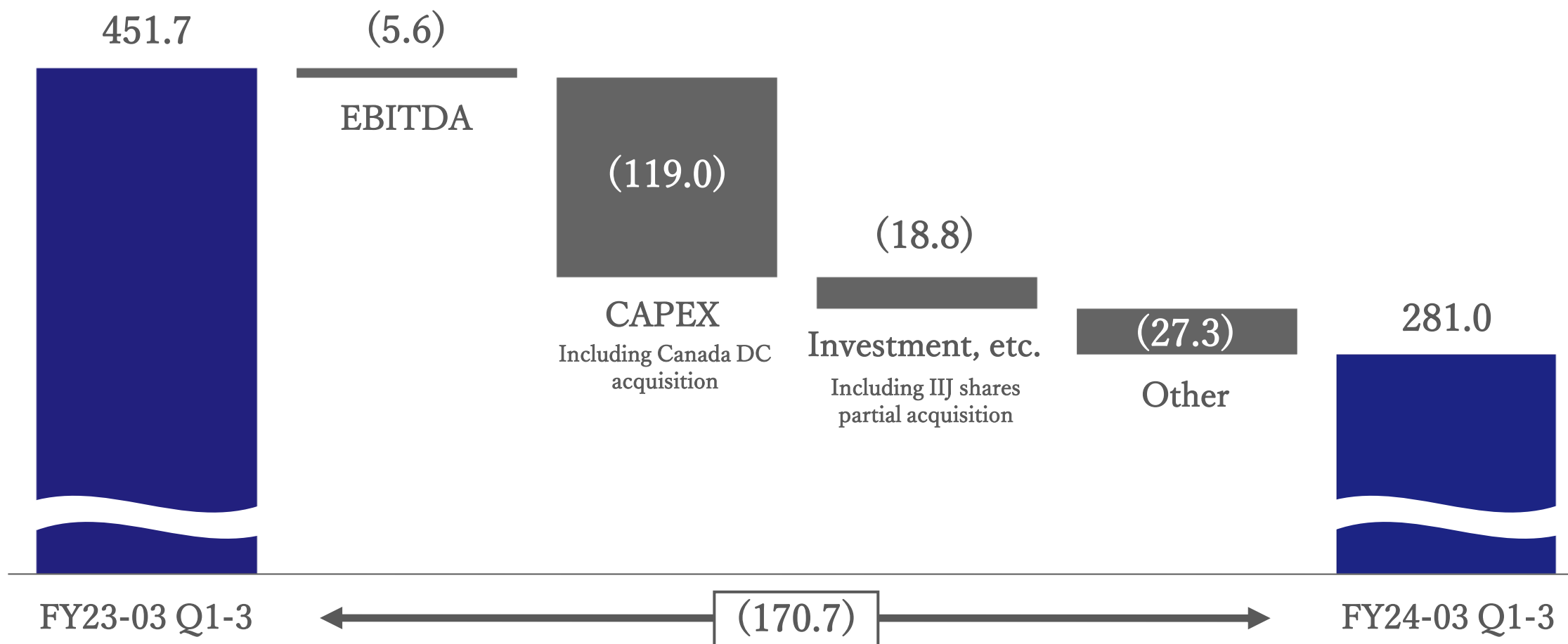
Cash and cash equivalents 445.1	Borrowings for financial business*2 535.1
Securities 473.6	
Loans 3,121.1	Deposits 3,255.1
Other 974.4	Other 1,224.1

au Financial Holdings (Consolidated)*1
Total assets 5.01 trillion yen

*1 Figures for both KDDI(consolidated) and au Financial Holdings (consolidated) are based on IFRS. *2 Borrowings for financial business are mainly from Bank of Japan with qualified collateral. *3 Excluding inter company transactions *4 Including loans of group companies other than au Financial Holdings

Consolidated FCF (excluding financial business) Factors for Change

(Unit: billions of yen)



Note) Financial business is au Financial Holdings

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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 situation, 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.