

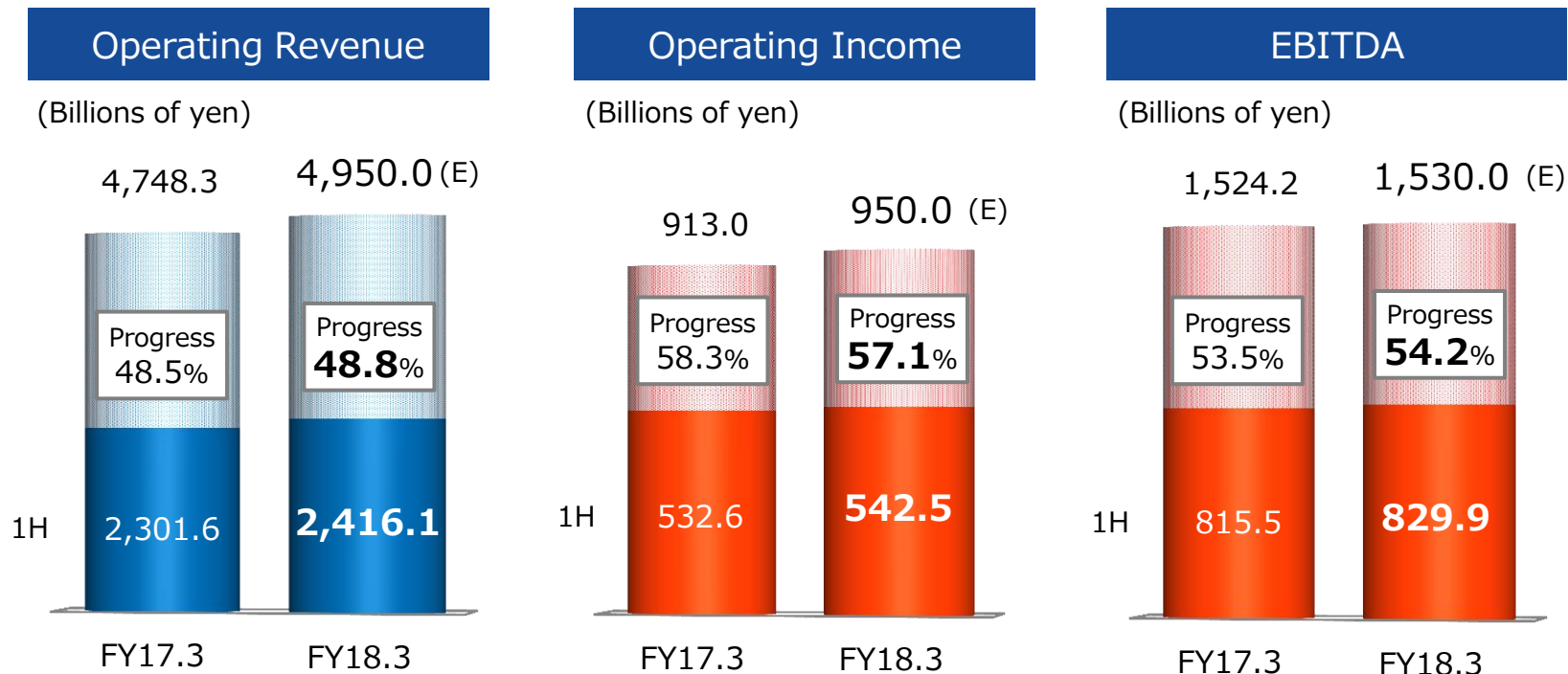
Financial Results for the 1st Half of the Fiscal Year Ending March 2018

November 1, 2017

KDDI Corporation

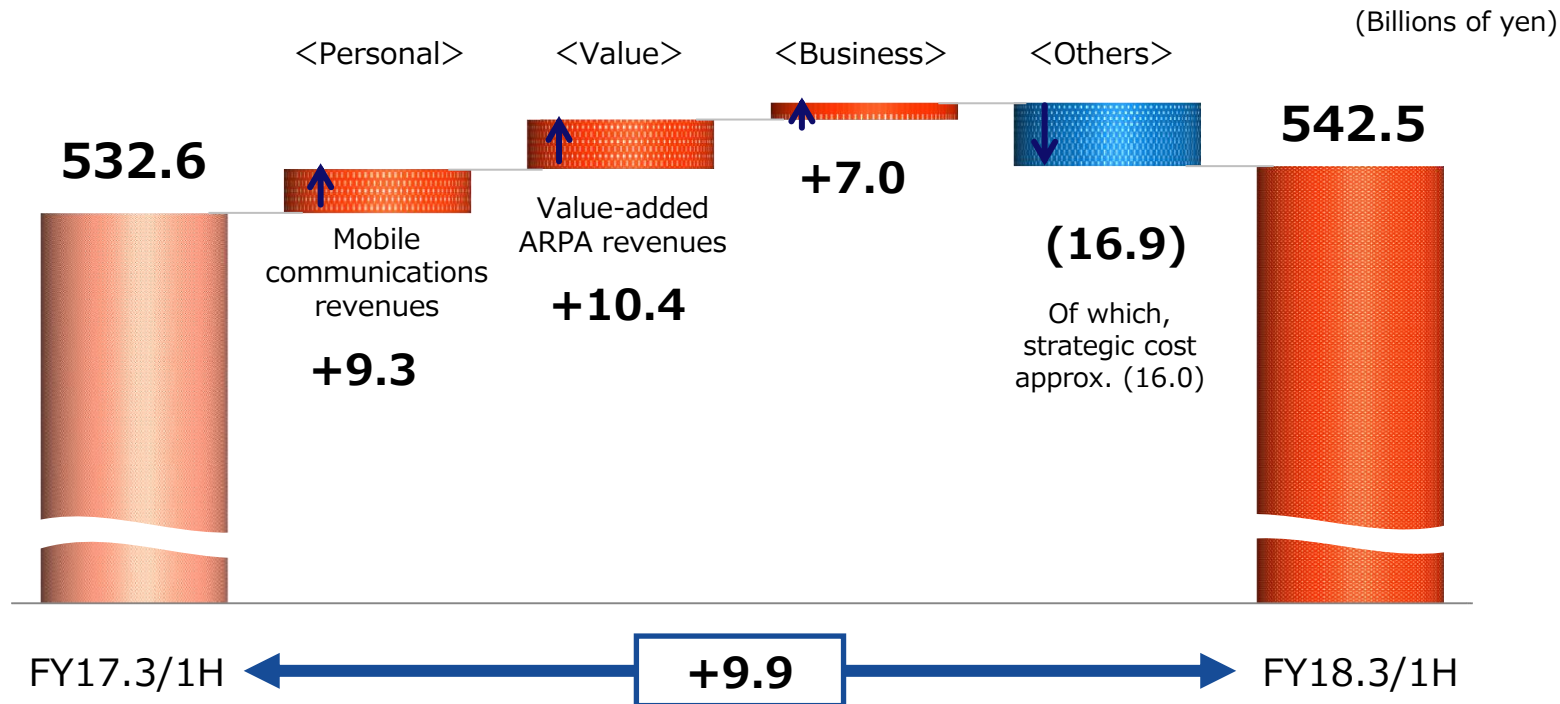


Steady Progress towards Full-Year Forecasts



Operating Income: Factor for Change, YOY for FY18.3/1H

Promoting Measures for Growth Next Year and Beyond



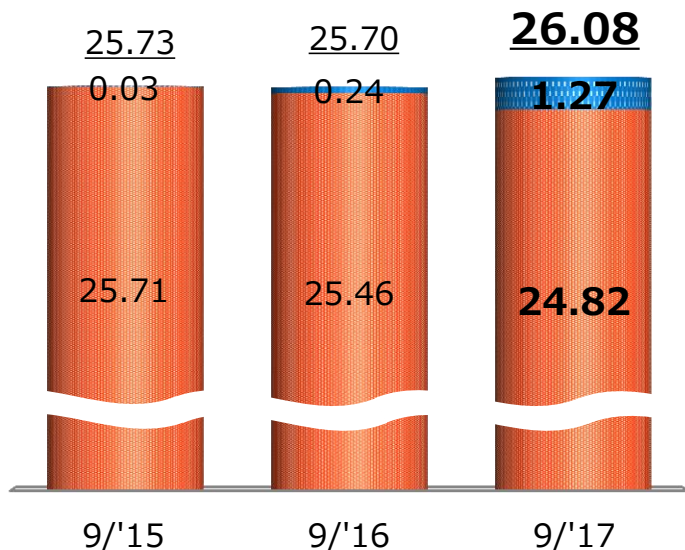
Note) <Personal> the Personal Services segment <Value> the Value Services segment <Business> the Business Services segment

Mobile IDs / Mobile Communications Revenues

Stable Growth of Communications Revenues Due to Expansion of IDs Across the Entire Consolidated Group

Mobile IDs*1

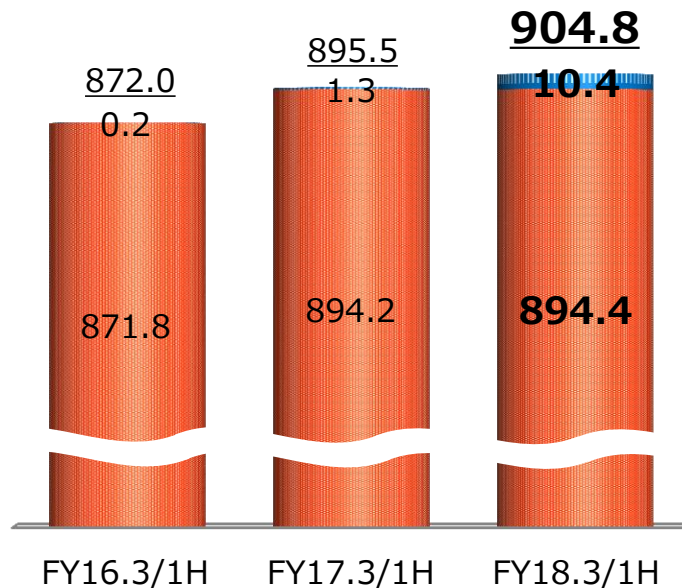
■ au accounts ■ MVNO subscriptions (Millions)



*1) au accounts + MVNO subscriptions

Mobile Communications Revenues*2

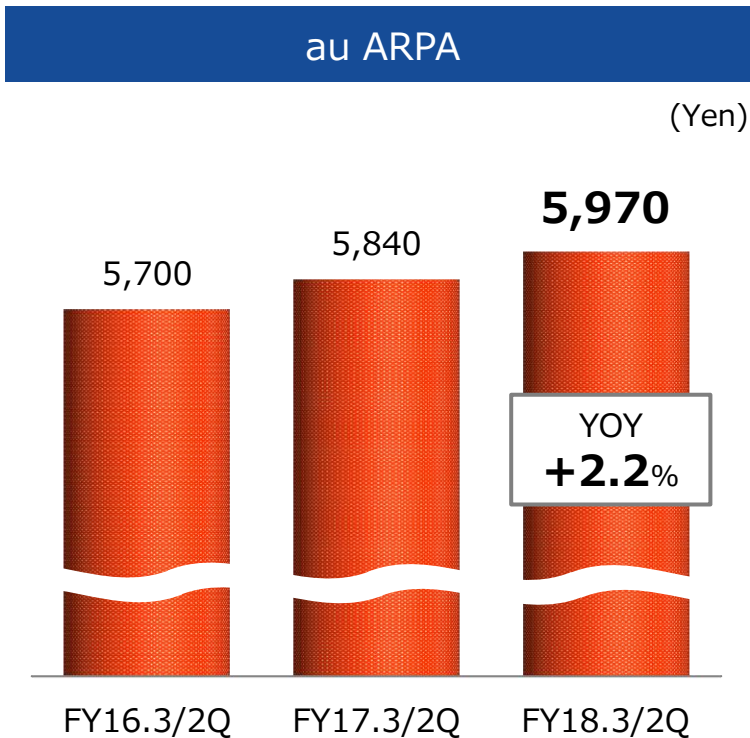
■ au ARPA revenues ■ MVNO revenues (Billions of yen)



*2) au ARPA revenues + MVNO revenues

au ARPA

Steady Growth



New Price Plan

Applied to All Handsets*¹
Including iPhone in addition to Android

NEW iPhone X is covered as well

au Pitatto Plan

From **¥1,980**^{*2} (For one year) /month

au Flat Plan

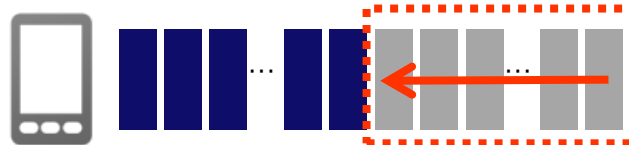
20GB **¥4,500**^{*2} (For one year) /month

30GB **¥6,500**^{*2} (For one year) /month



Upgrade Program EX/EX(a)

Handset price of iPhone/Android
to be reduced by up to half^{*3}



*1) Applied to 4G LTE smartphone

*2) The amount shown is monthly charge applied with "SuperKakeho," "au Smart Value," "LTE NET," "Everybody discount" and "Big news campaign (Application period is up to 2017/12/31)" (tax excluded)

*3) Firstly purchasing a 4G LTE smartphone with a designated installment contract, and at the same time joining a designated price plan. Then, upgrading and returning the model after a certain month of joining the program. The amount of exemption for installment obligation varies depending on month of model change.

Program fee, ¥390/month (non taxable) shall be charged. If Upgrade Program EX (a) is subscribed by December 31, 2017, the program fee shall be free

Note) Conditions apply

Note) Android is a trademark or a registered trademark of Google Inc. The iPhone trademark is used under license from Aiphone Co., Ltd

Customer Support Service

Enhance Handset Guarantee and Telephone Support

AppleCare+ & au Handset Support

NEW iPhone X is covered as well

“Guarantee Period”

prolonged to four years*

“With a quick phone call,”

ships a mint-condition handset
on next day delivery at shortest

Lost / Stolen



Phone call



Handset Delivery



Telephone Support

NEW Dedicated consultation available

To be launched on

2017/11/3



“Price Plan Consultant”

Telephone : 0120-944-152

Open 365 days a year : 9:00 a.m. - 8:00 p.m.

Trend of New Price Plan

The Number of Subscribers Grew Steadily after Applying iPhone as Well

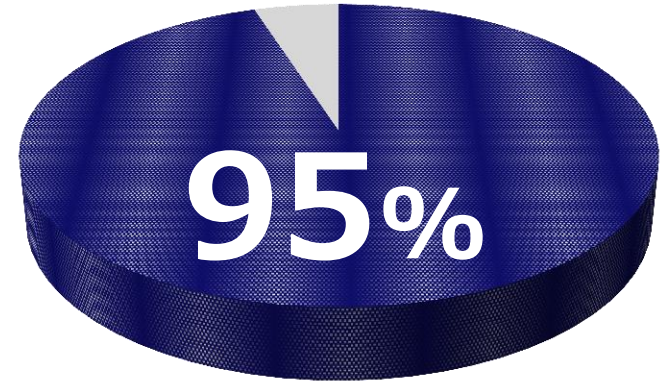
“au Pitatto Plan” and “au Flat Plan”
Cumulative Applications

Exceeded 2 millions
(as of October 14, 2017)



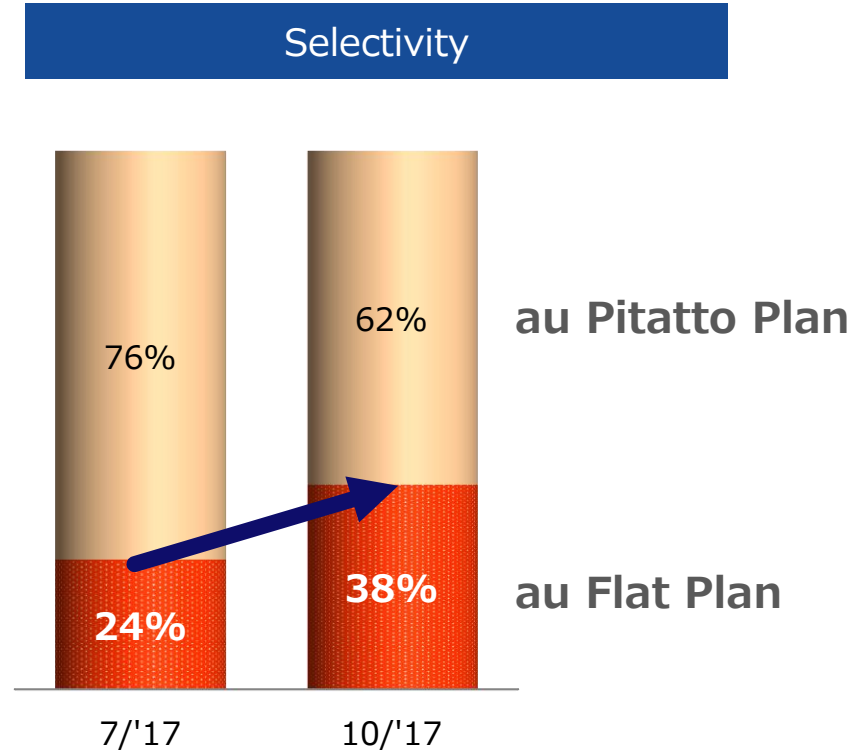
“Upgrade Program EX/EX(a)”
Selectivity in Installment Contract*

**Many customers of
iPhone 8 / iPhone 8 Plus
are choosing**



*Customers who purchased iPhone 8 / iPhone 8 Plus with installment contract and subscribed to a designated price plan from October 1 to 15, 2017

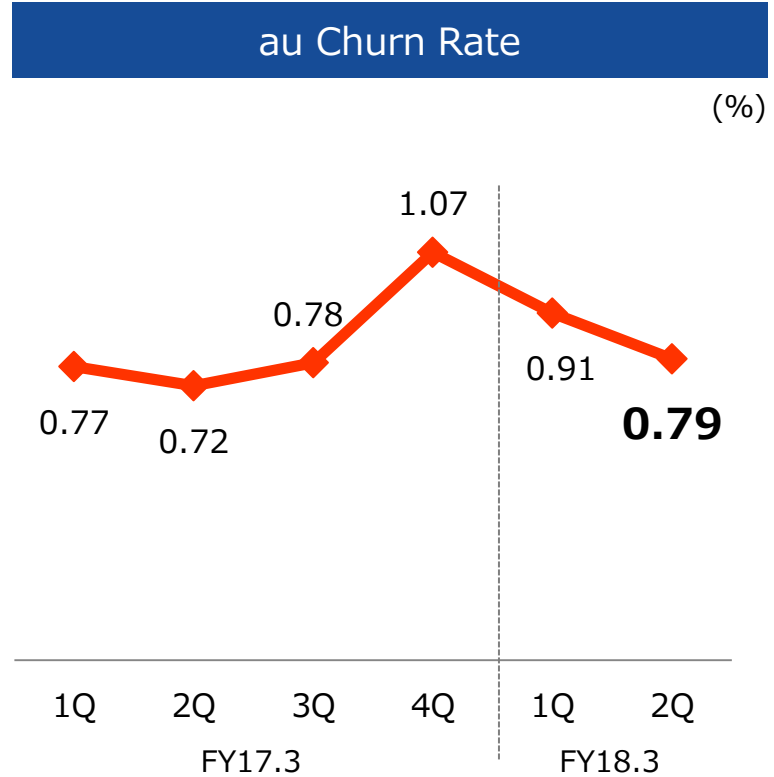
**High Volume
Data Plan
Increasing**



Note) Based on 4G LTE smartphone sales (Counting period: [7/'17] from July 14 to 31, [10/'17] from October 1 to 15)

au Churn Rate

**Tend to Improve
by Strengthening
Retention Measures**



Received Top Awards in Two Consecutive Years in Individual and Corporate Customer Satisfaction



J.D. Power “No.1 in Mobile Phone Service Satisfaction”

Best ranked in “Handsets,” “Services Offered,” “Cost,” and “Retailer experience”

Source: J.D. Power 2016-2017 Japan Mobile Phone Service Satisfaction Study.
Based on responses from 31,200 mobile phone users in Japan.
japan.jdpower.com

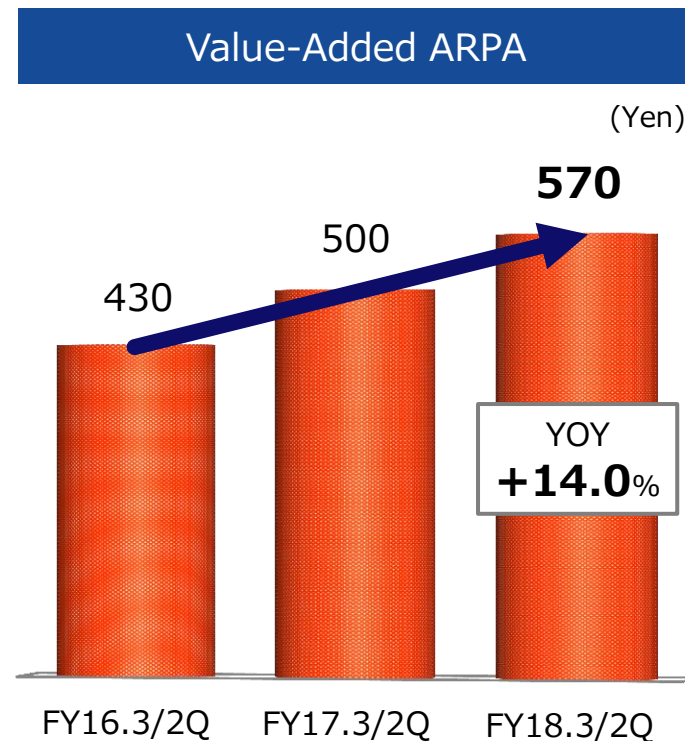
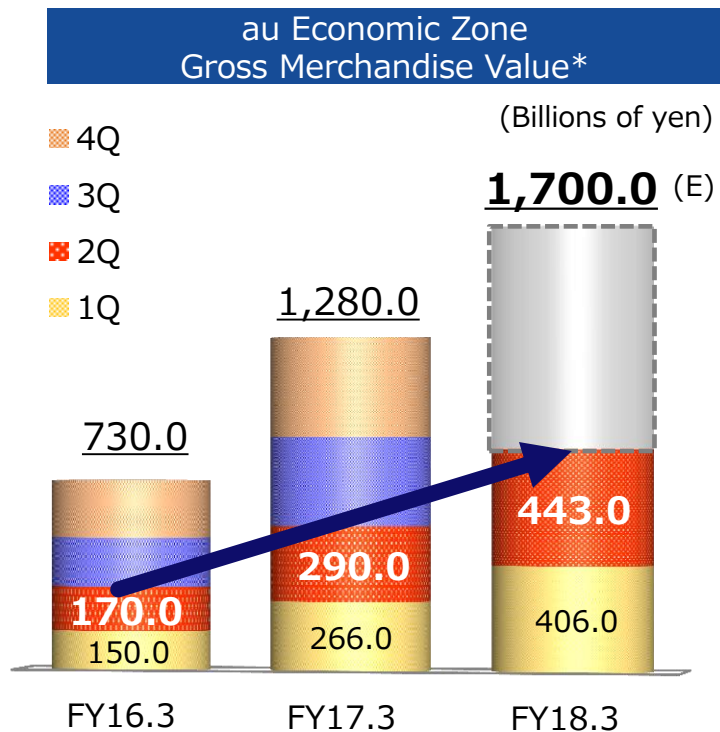


J.D. Power “No.1 in Business Mobile Phone Service Satisfaction”

<large and mid-sized corporation market segment>

Source: J.D. Power 2016-2017 Japan Business Mobile Phone Service Satisfaction Study.
Based on 2,974 responses received from 2,327 companies with 100 or more employees in a survey regarding mobile phone service providers (evaluations obtained from up to two operators per company.) japan.jdpower.com

Substantial Growth for YOY



*Including Jupiter Shop Channel and energy business, etc.

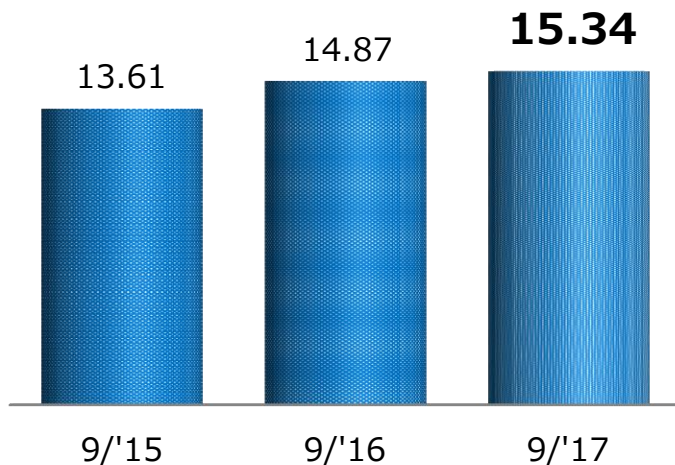
Number of Members and Cards Grew Steadily

au Smart Pass Members*

Of which, au Smart Pass Premium (Millions)

Exceeded 2 millions

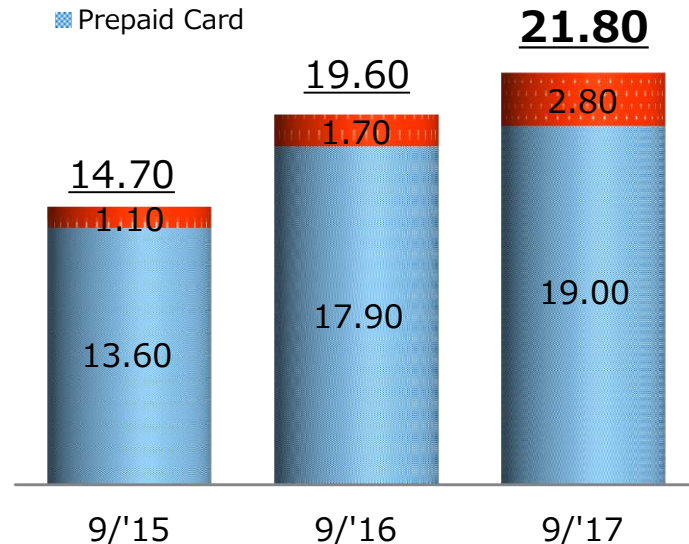
(as of September 17, 2017)



au WALLET Valid Cards

(Millions)

■ Credit Card
■ Prepaid Card



*Total of au Smart Pass and au Smart Pass Premium

Shop Channel

Carrier Billing, “au Simple Payment” Available



“WALLET Point” can be used for TV home shopping

STEP 1

Select “au Simple Payment”
when purchasing from au smartphone

- Credit Card
- au Simple Payment

STEP 2

Enter item number
and enter PIN



STEP 3

Purchase order
completed



Merchandise Value Significantly Expands by Promoting Service

“Wow!” Event Everyday



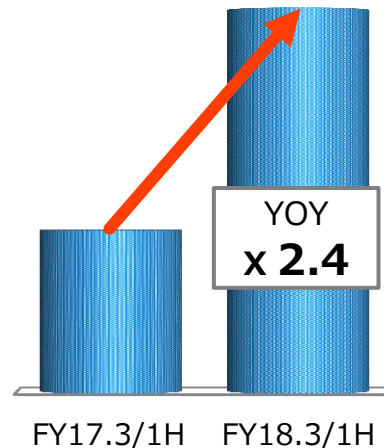
Enforced in September 2017

➤ **Apps renewal**
“Easy to view/
Easy to buy”

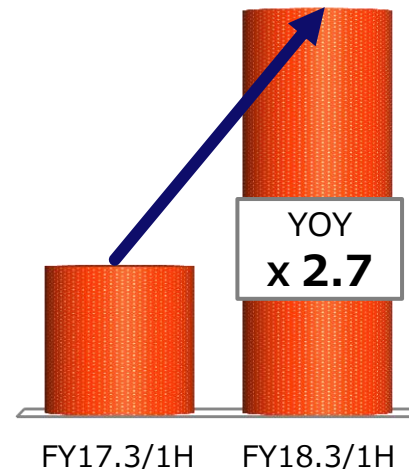
➤ **Good Luck Sales***1



Purchasers*2



Merchandise Value



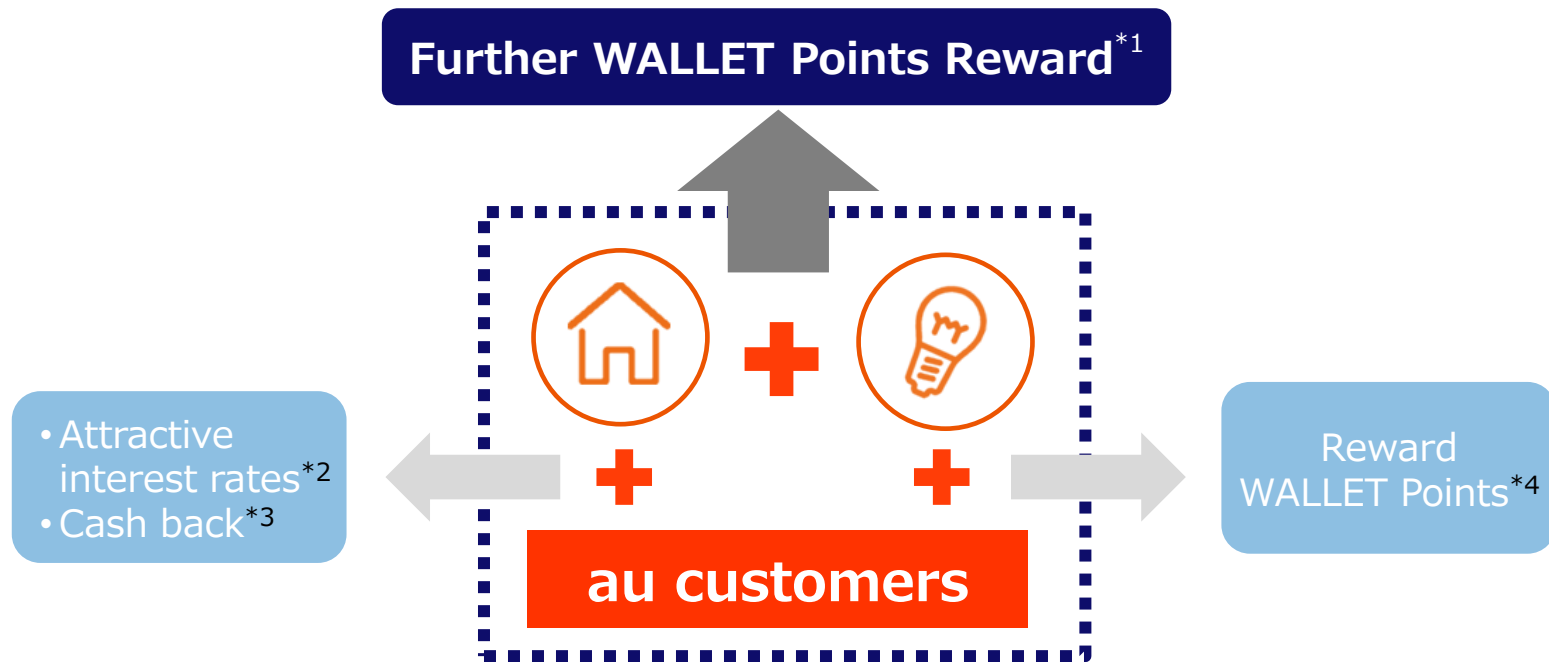
*1) WALLET Points or Wowma Points are rewarded to customers who registered to campaign and purchased (Implementation period: from September 27 to 30, 2017)

*2) Cumulative number of monthly unique purchasers

Note) “au Shopping Mall” up to December 2016. “DeNA Shopping” and “au Shopping Mall” were integrated into a new brand “Wowma!” in January 2017



Provide Further Benefit^{*1} by Subscribing to Both Services



*1) Customers who apply for au Home Mortgage and au Electric Power Service during the promotion period (2017/10/30-12/31) and start using the service by March 31, 2018 will receive 20,000 WALLET points (au Home Mortgage applicants are only eligible when applying via the designated promotion website. au Electric Power Service applicants who applied prior to the start of the promotion are also eligible.)

*2) Provided for au customers and other customers

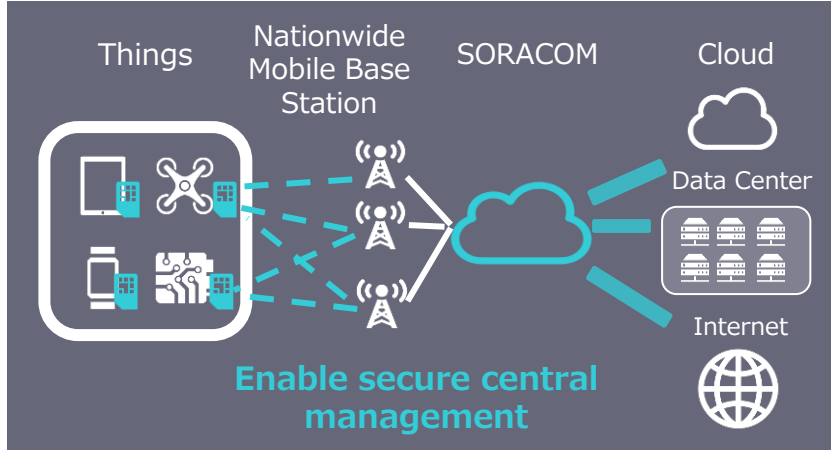
*3) When au Home Mortgage Set Discount is applied

*4) When Point Discount by au Electric Power Service is applied

Rapid Growth in the Number of Customers through Outstanding Technologies and Services

Technologies and Services

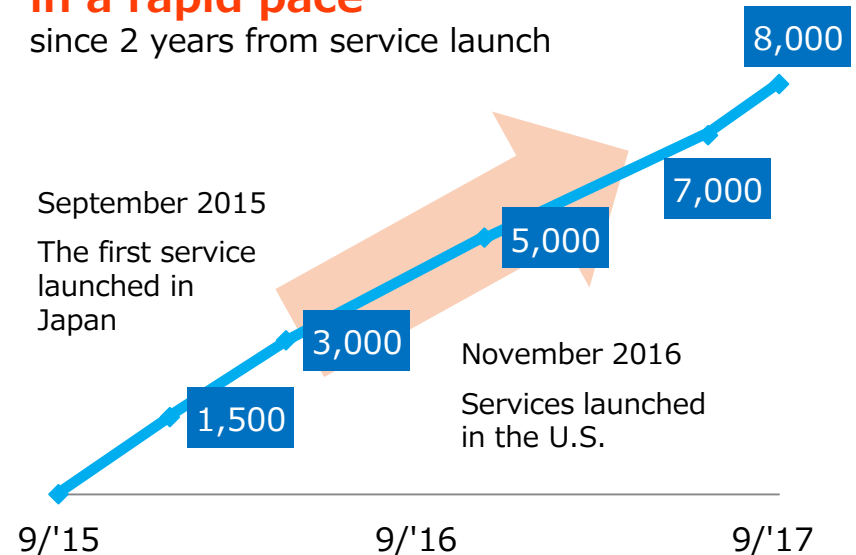
Built IoT communications platforms on the cloud at the earliest, enabling customers to provide IoT services with a speedy start



Customers

Customer base has expanded in a rapid pace

since 2 years from service launch

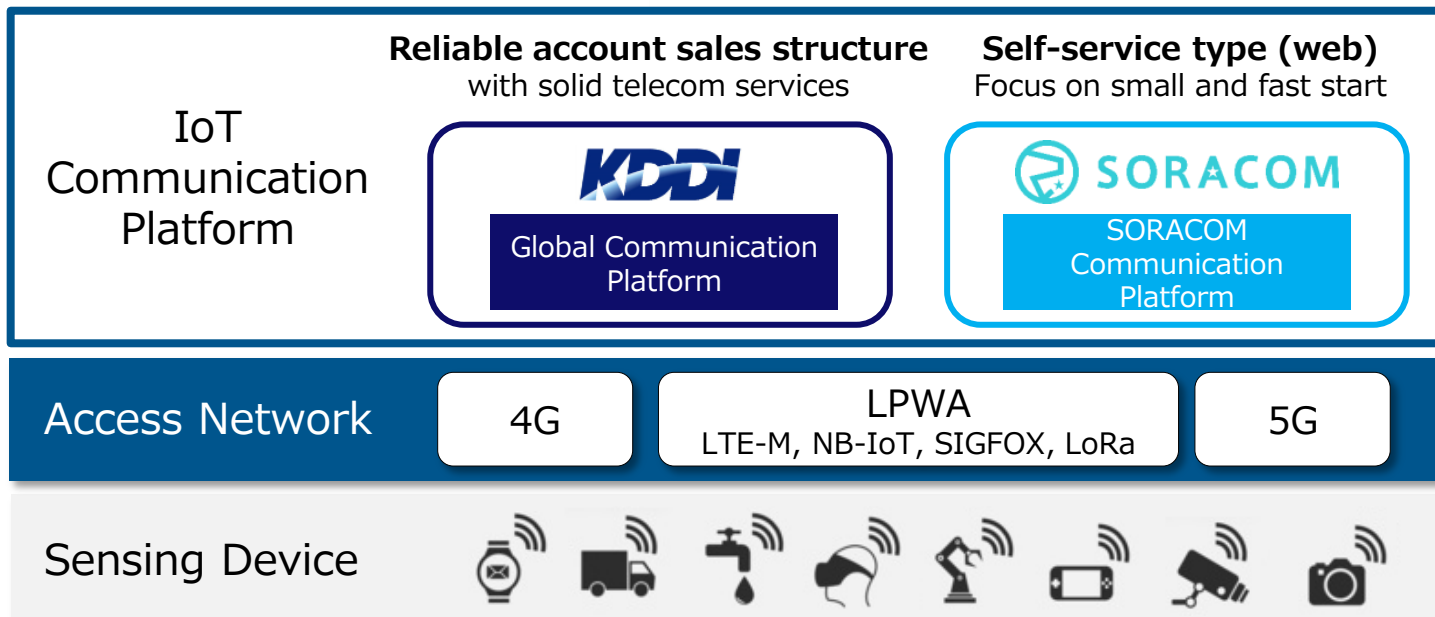


Toward the Creation of a Business Model Using IoT

Service standardization
/ Commercialization



Accumulation of use cases



Develop IoT Dedicated Network and Provide IoT Solutions

LPWA
LTE-M/NB-IoT
Both to commercialize

LTE-M

NB-IoT

^{*1}
SIGFOX

^{*2}
LoRa

Demonstration Experiment
of LTE-M

For solution of social problems

Remote monitoring of trash box with IoT sensor for efficient operation of garbage collection, etc.



IoT Solutions

**Water-saving and Room
occupancy management**

Reduce cost by water saving and improve efficiency of room usage



*1) Launched in commercial use of automatic meter reading system (March 2017)

*2) Provided LoRa PoC kit (since January 2017)

Approaches for the 5G Era

“Life Design in Future” Envisioned by 5G

Automatic driving society



Creating an automatic driving society utilizing communication x AI to realize safe and secure mobility

Free viewpoint image



Providing new viewing experience that allows viewers to watch videos with users' favorite viewpoint at an event such as sports

Tele-existence



Operating remote robots as if it were your alter ego. Expansion and supplement of human capacity for various life support scenes

ICT construction



Grasping site situation accurately without on-site workers by improving the quality of remote construction

Enhancing Corporate Value over Mid-to-Long Term

Selected as Constituents of
ESG Related Stock Index

MSCI  2017 Constituent
MSCI Japan ESG
Select Leaders Index *

MSCI  2017 Constituent
MSCI Japan Empowering
Women Index (WIN) *



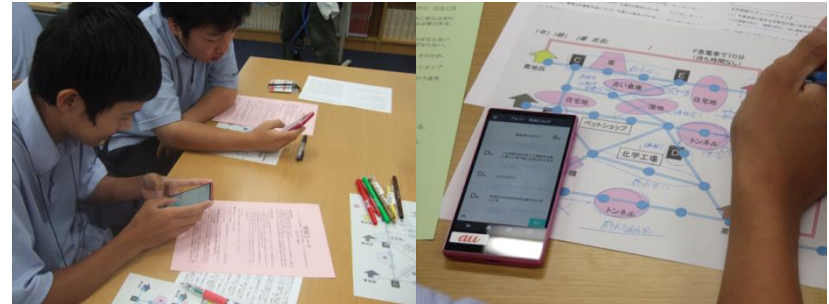
FTSE4Good



FTSE Blossom
Japan

New Approach to
Information Literacy Education

September 2017
Started workshop style
delivery lecture
“Disaster preparedness
literacy by smartphone”



* THE INCLUSION OF KDDI IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF KDDI BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES

Summary

Promoting Business Strategies for Achieving the Medium-Term Targets

1H
Results
[Consolidated]

- Steady progress towards full-year forecasts
- Promoting measures for growth next year and beyond

Business
Strategy

- Strengthening customer retention in domestic telecom business with good starts of both new price plans and iPhone sales
- Promoting measures for expansion of au Economic Zone GMV
- Promoting evolution of networks for diverse needs

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.

au supports Japan National Soccer Team.



(C)JFA Kirin Challenge Cup 2017 Starting lineup for the national match against Syria (June 7, 2017)

Designing The Future

KDDI

あたらしい自由。

au