

**(1) Consolidated Balance Sheets (1/2)**

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Sept. 30, 2003		Sept. 30, 2004 (A)		March 31, 2004 (B)		Change (A)-(B)
	Amounts	% of the total	Amounts	% of the total	Amounts	% of the total	Amounts
		%		%		%	
I Fixed Assets							
A Telecommunications Assets							
Property, Plant and Equipment	1,576,611	58.4	1,446,445	57.4	1,485,452	56.3	(39,006)
Intangible Assets and Goodwill	258,191	9.5	225,142	8.9	239,650	9.1	(14,508)
Total Telecommunications Assets	1,834,803	67.9	1,671,587	66.3	1,725,103	65.4	(53,515)
B Other Business Assets							
Property, Plant and Equipment	36,731		33,487		34,325		(838)
Intangible Assets	4,956		3,137		5,019		(1,881)
Total Other Business Assets	41,688	1.5	36,624	1.5	39,344	1.5	(2,720)
C Investments and Other Assets							
Investments in securities	40,265		34,442		36,830		(2,387)
Deferred income taxes	10,367		17,385		13,687		3,698
Deposits and guarantee money	42,732		35,975		36,137		(162)
Other Assets	105,996		95,584		101,874		(6,290)
Allowance for loss on investments and other assets	(11,377)		(11,510)		(11,074)		(435)
Total Investments and Other Assets	187,985	7.0	171,877	6.8	177,455	6.7	(5,577)
Total Fixed Assets	2,064,476	76.4	1,880,090	74.6	1,941,903	73.6	(61,813)
II Current Assets							
Cash and cash equivalents	163,394		111,244		149,149		(37,904)
Accounts receivable	380,788		392,115		405,140		(13,024)
Marketable securities	-		23,160		47,836		(24,676)
Inventories	54,898		75,547		63,399		12,148
Deferred income taxes	27,113		27,504		31,087		(3,582)
Other current assets	31,463		30,407		21,429		8,978
Allowance for doubtful accounts	(21,027)		(18,524)		(20,365)		1,841
Total current assets	636,631	23.6	641,456	25.4	697,677	26.4	(56,220)
Total Assets	2,701,107	100.0	2,521,546	100.0	2,639,580	100.0	(118,033)

**(1) Consolidated Balance Sheets (2/2)**

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Sept. 30, 2003		Sept. 30, 2004 (A)		March 31, 2004 (B)		Change (A)-(B) Amounts
	Amounts	% of the total	Amounts	% of the total	Amounts	% of the total	
LIABILITIES AND SHAREHOLDERS' EQUITY		%		%		%	
I Non-Current Liabilities:							
Bonds	343,737		288,362		328,550		(40,187)
Long-term loans	709,082		460,993		<u>567,364</u>		(106,370)
Reserve for point service program	17,966		20,027		17,859		2,167
Other non-current liabilities	49,184		37,324		46,148		(8,823)
Total Non-Current Liabilities	1,119,971	41.5	806,708	32.0	<u>959,922</u>	36.4	(153,214)
II Current Liabilities:							
Short-term loans and current portion of long-term loans	240,547		260,191		<u>281,279</u>		(21,088)
Accounts Payable	233,523		252,975		249,916		3,058
Accrued expenses	16,864		10,427		16,762		(6,334)
Accrued income taxes	50,282		56,549		65,771		(9,221)
Allowance for bonuses	12,300		12,226		13,590		(1,363)
Other current liabilities	22,935		22,518		23,088		(569)
Total Current Liabilities	576,454	21.3	614,889	24.4	<u>650,410</u>	24.6	(35,520)
Total Liabilities	1,696,425	62.8	1,421,598	56.4	1,610,332	61.0	(188,734)
Minority Interests	17,529	0.7	21,250	0.8	19,857	0.8	1,393
Shareholders' Equity							
I Common stock	141,851	5.2	141,851	5.6	141,851	5.4	-
II Capital surplus	304,190	11.3	304,189	12.1	304,189	11.5	-
III Retained earnings	537,551	19.9	631,166	25.0	563,678	21.4	67,487
IV Net unrealized gains on securities	13,292	0.5	11,161	0.4	11,977	0.4	(815)
V Foreign Currency Translations Adjustments	991	0.0	(1,191)	(0.0)	(1,645)	(0.1)	453
VI Treasury stock, at cost	(10,726)	(0.4)	(8,479)	(0.3)	(10,661)	(0.4)	2,182
Total Shareholders' Equity	987,152	36.5	1,078,698	42.8	1,009,390	38.2	69,307
Total Liabilities and Shareholders' Equity	2,701,107	100.0	2,521,546	100.0	2,639,580	100.0	(118,033)

Revised as of December 7, 2004

Corrections made for underlined portions.