



Financial Results for 1st Half of Fiscal Year Ending March 2025

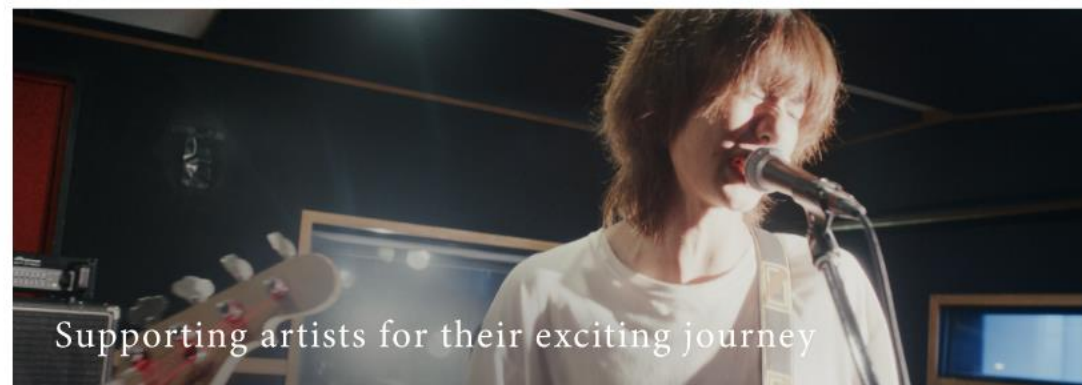
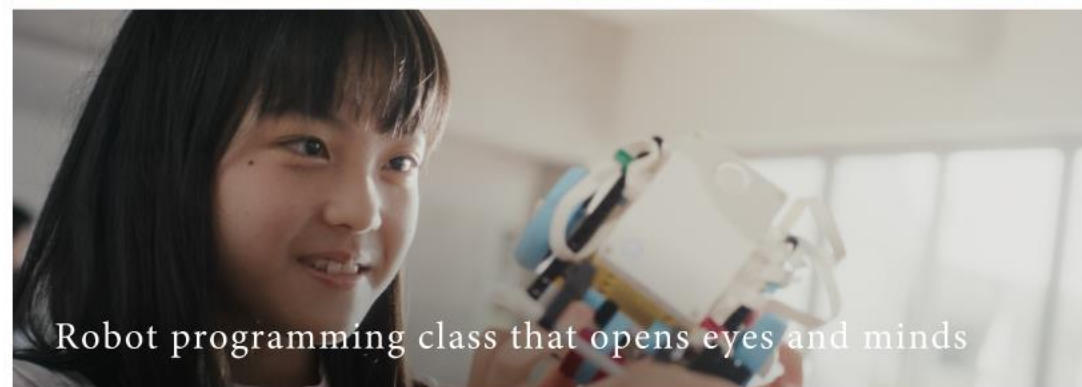
November 1, 2024

KDDI Corporation

Makoto Takahashi

President, Representative Director, CEO

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



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4. Strengthening of Management Base

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1 . Consolidated Financial Results

Financial Highlights

Revenue and income increased. In line with full-year forecasts

Operating revenue

(Unit: billions of yen)

5,754.0

5,770.0(E)

2,779.0

2,855.7

YOY
+2.8%

Progress
49.5%

FY24-03 H1

FY25-03 H1

Operating income

(Unit: billions of yen)

1,080.6*

1,110.0(E)

560.3

573.1

YOY
+2.3%

Progress
51.6%

FY24-03 H1

FY25-03 H1

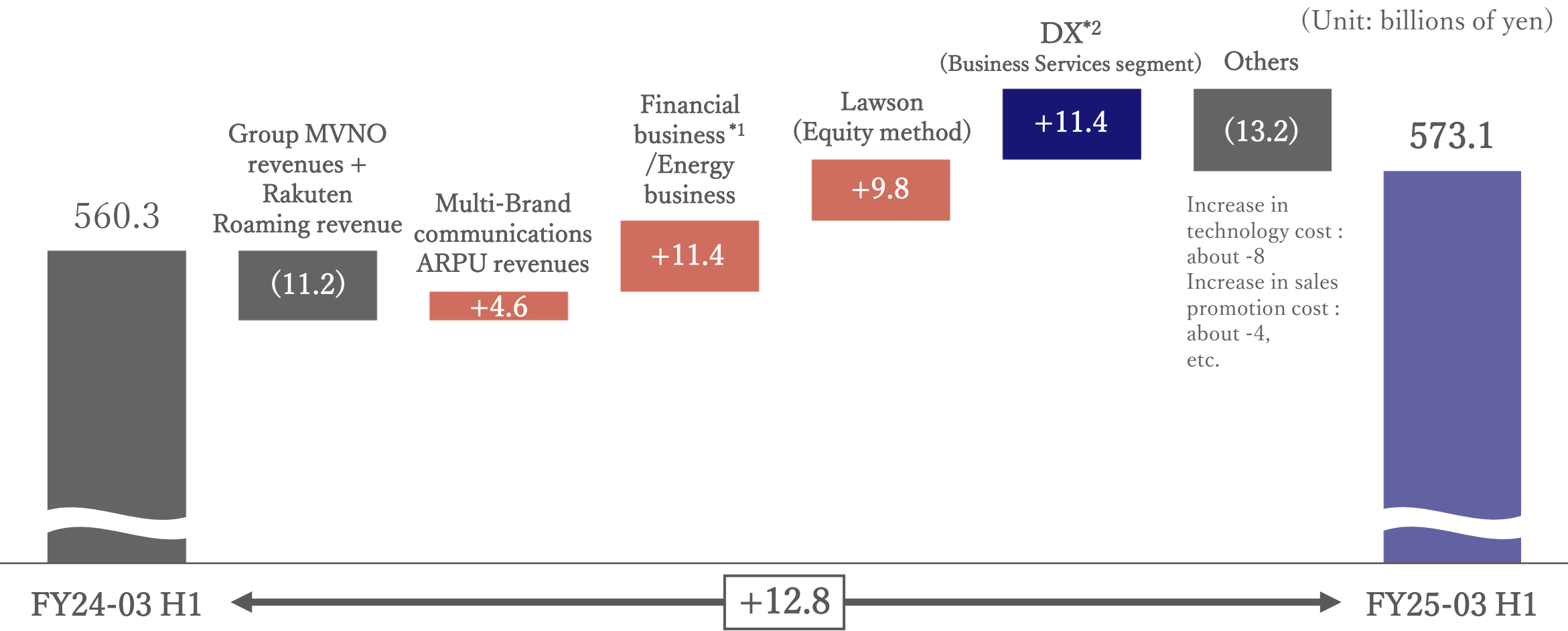
First Half Results

- Continued increase in communications ARPU revenues
- DX (Business Services segment) double-digit growth in operating income
- Financial and Energy businesses also increased income

* Excluding temporary impacts of provision for lease receivables for the Myanmar telecom business and impairment and provision for removal of low-utilized telecom equipment

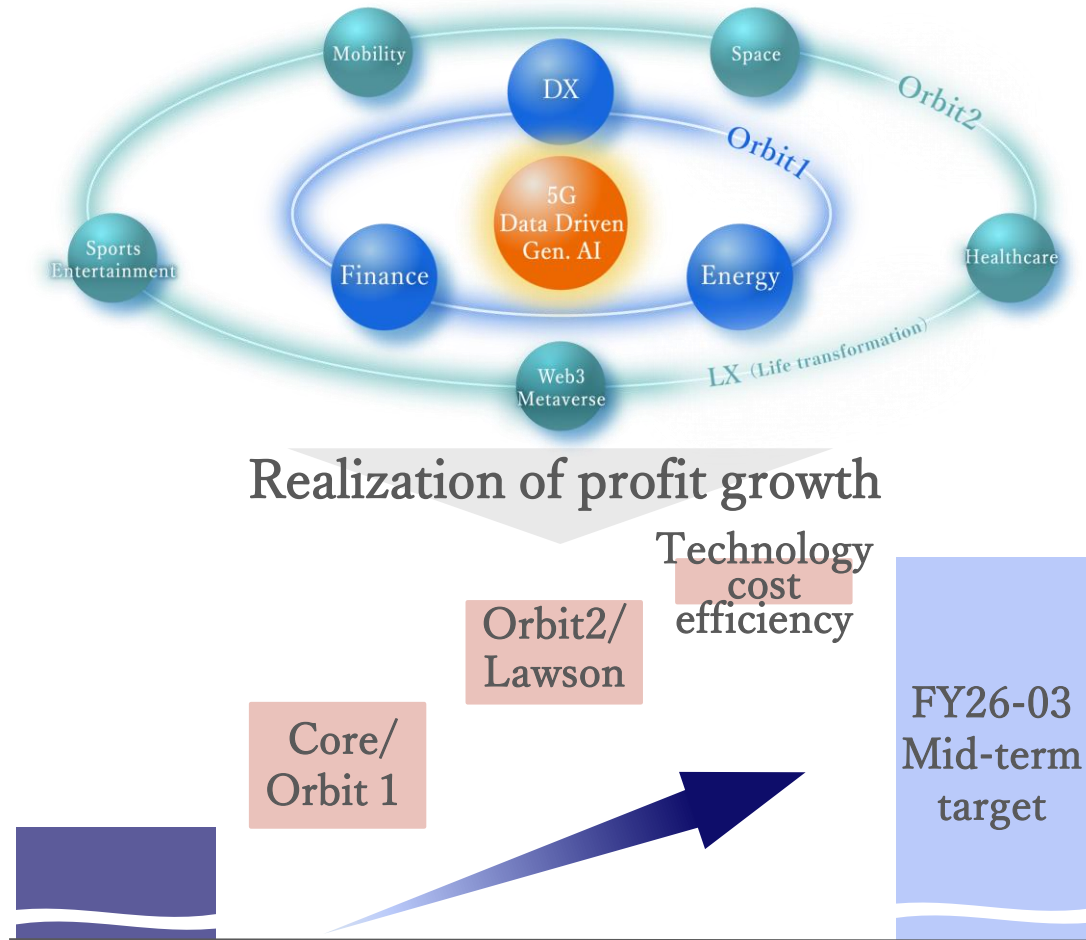
Consolidated Operating Income-Factors for Change

Steady growth in communications ARPU revenues
and major businesses such as DX



Towards Mid-term Growth

Promoting Satellite Growth Strategy,
aiming growth of major businesses and new business areas



【Core / Orbit1】

Continuing growth trends of major businesses

- Sustained growth in ARPU Revenues
- Growth in focus areas including DX

【Orbit2 / Lawson】

Realization of profits in new business areas

- Establishing a revenue base for drones, Starlink, etc.
- Increasing profits from Lawson

2 . Personal Services Segment

ARPU Revenues

Increase in total ARPU revenues

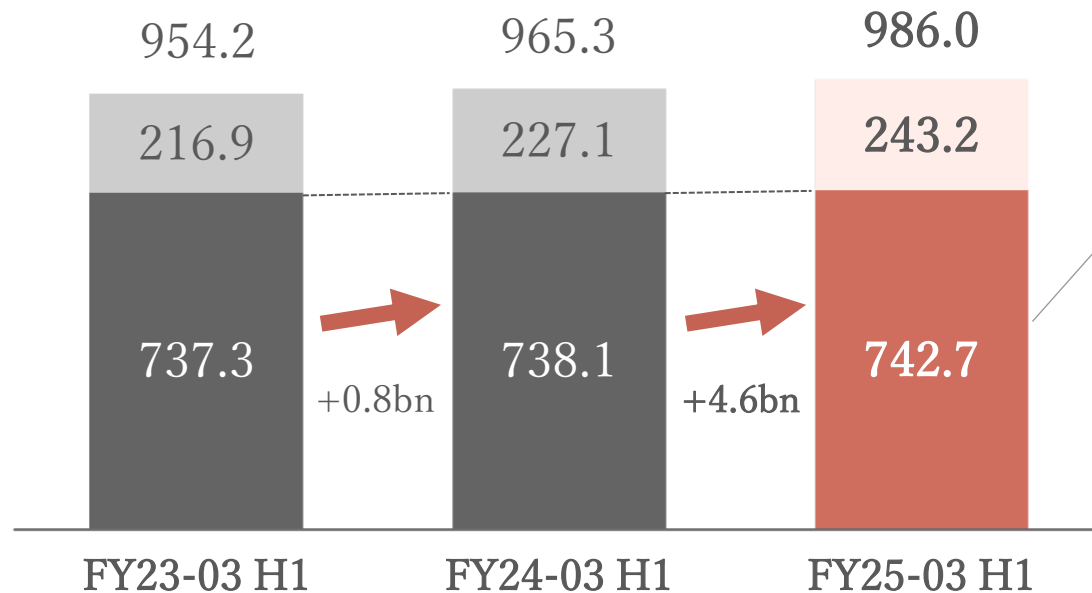
Steady progress in ARPU by brand and number of migrations to au

Total ARPU Revenues

Growth in both communications and value-added

(unit : billions of yen)

■ Communications ■ Value-added



Communications ARPU
by brand

おもしろいほうの未来へ。

au

H1 YOY
about +3%

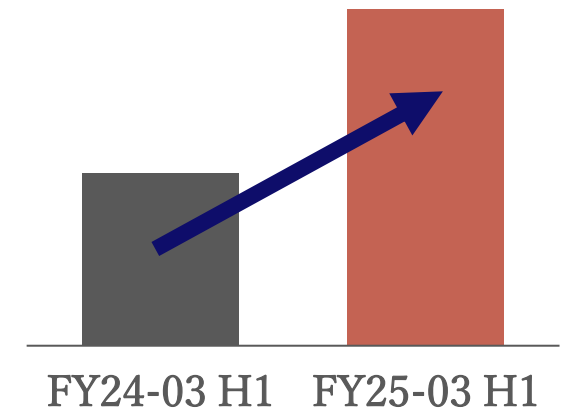
シンプルを、みんなに。

UQ mobile

H1YOY
about +7%

Migration from UQ to au

about 2.0 X

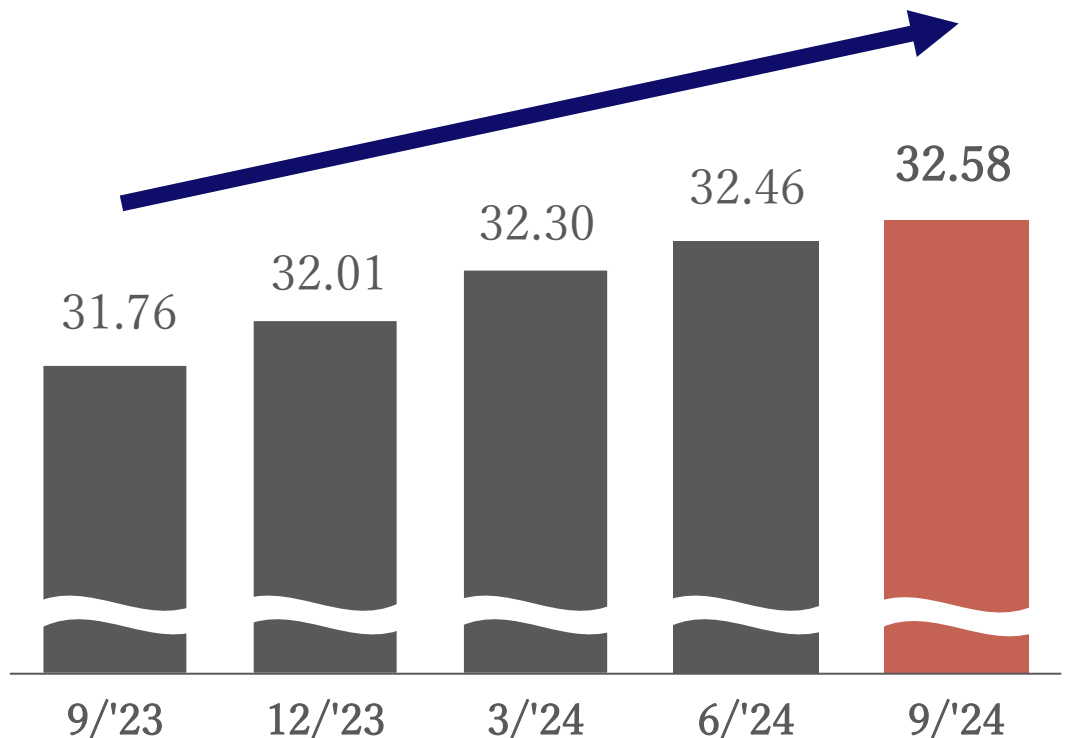


Smartphone Subscriptions / au Churn Rate

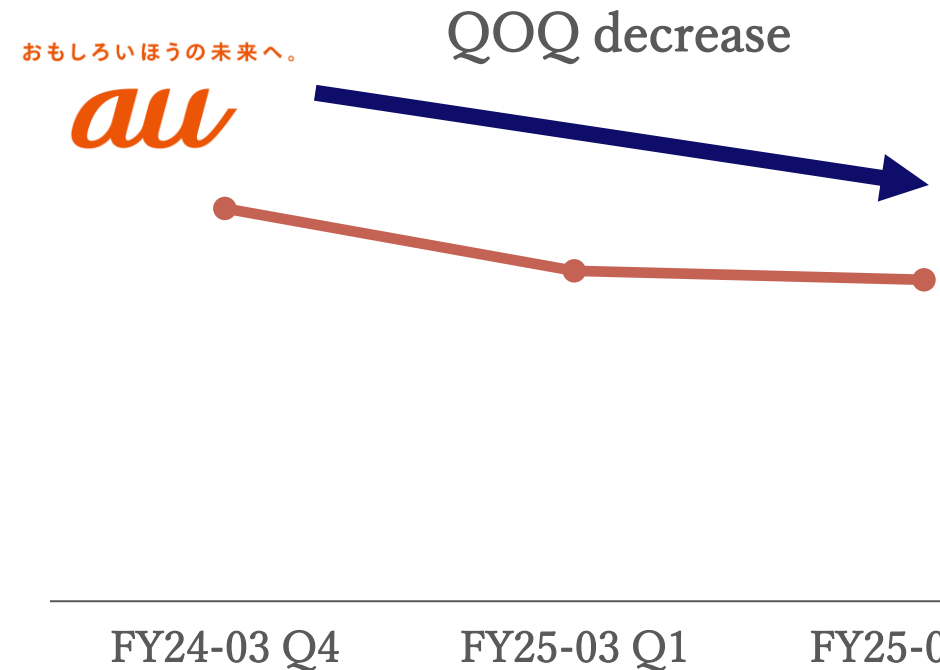
Smartphone subscriptions contributing to ARPU growth increased,
au churn rate decreased

Smartphone subscriptions*

(Unit : millions)



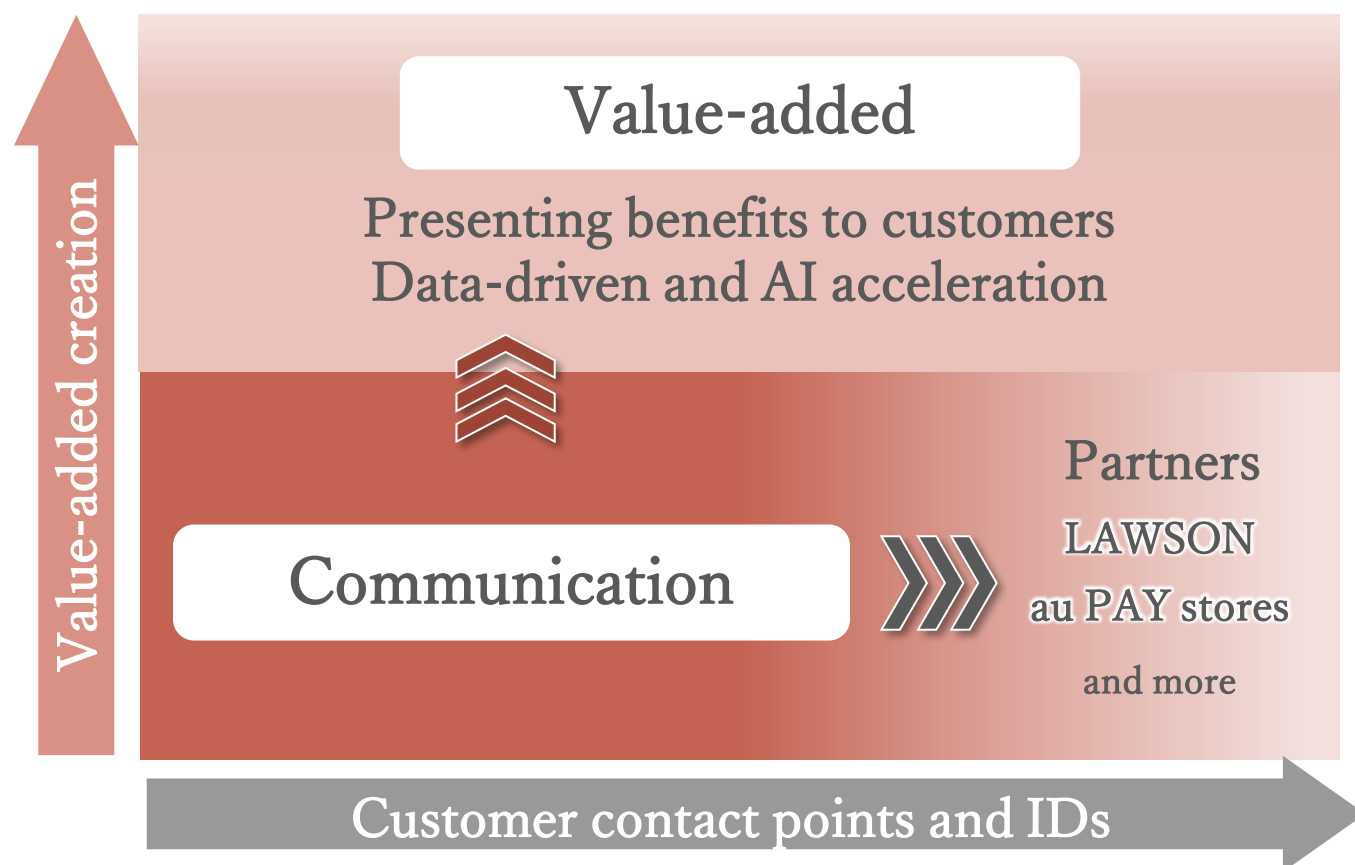
au churn rate



* Including corporate contracts

Maximizing Total ARPU Revenues

Promoting initiatives
for expanding customer base and creating added value



Topics

Full-scale launch of collaboration
with Lawson

LAWSON

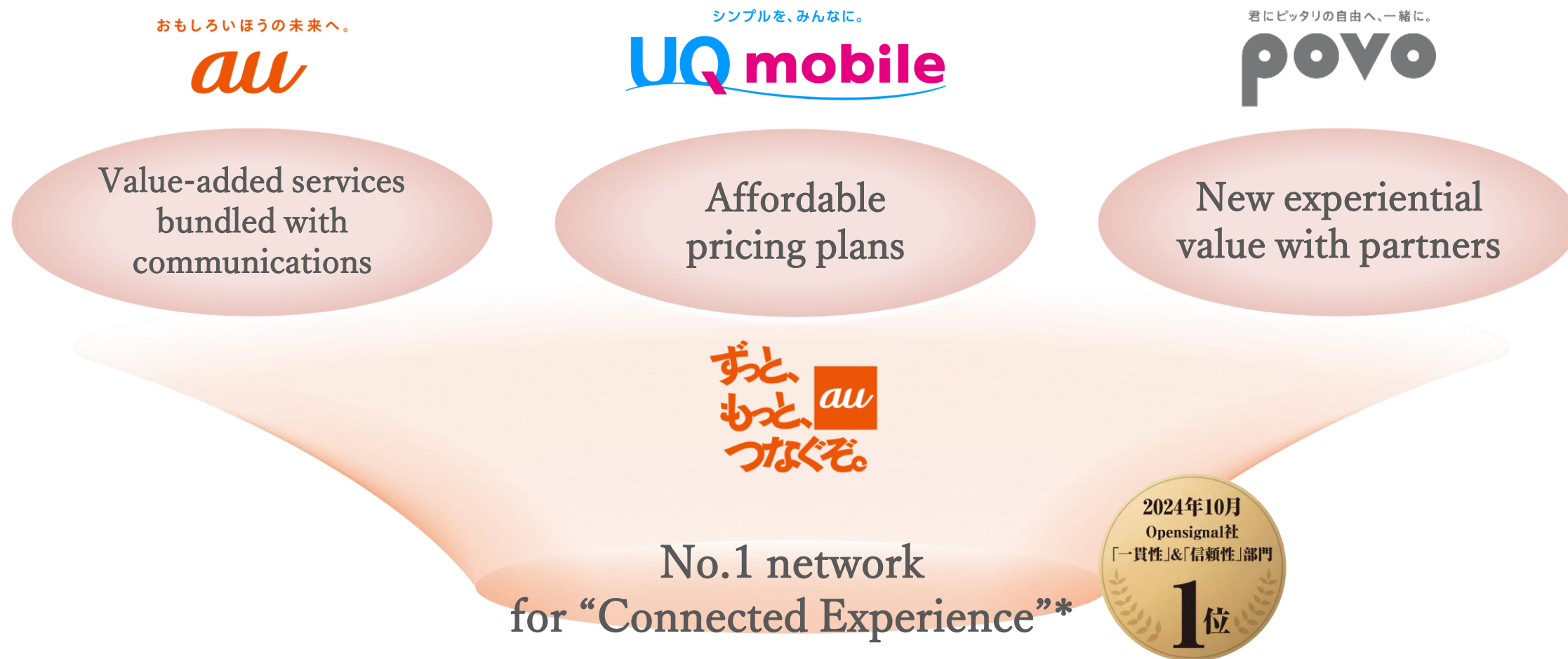
No.1 network
for “Connected Experience” * and
competitive pricing plans



* The 'Connected Experience' refers to providing customers with a more comfortable and stable support when connecting to the network through the au line, based on evaluations of 'consistent quality' and 'reliability experience' by Opensignal. For more details, please visit the Opensignal website. © 2024 Opensignal Limited.

Towards Strengthening Momentum

Promoting KDDI's strength with multi-brand strategy and high-quality network



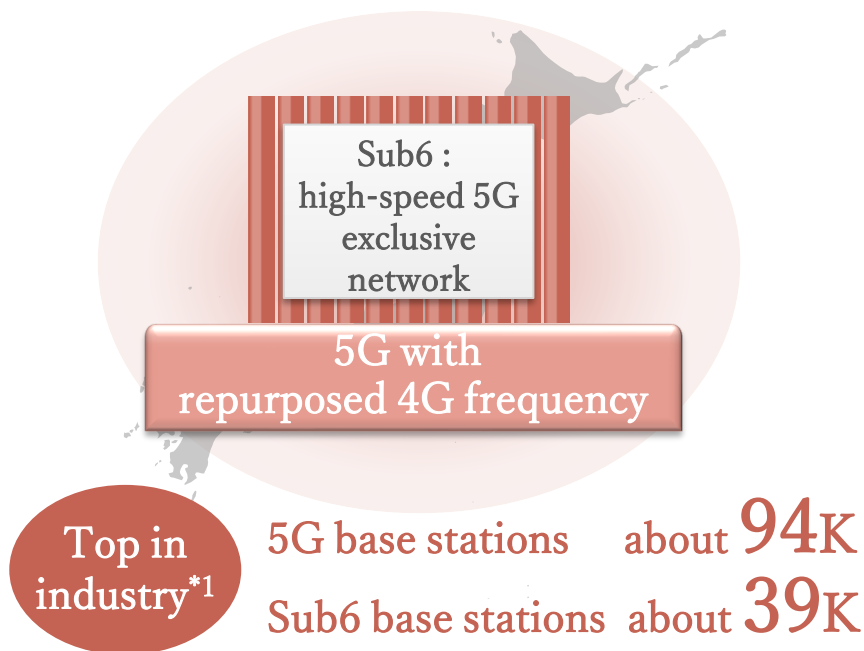
* The 'Connected Experience' refers to providing customers with a more comfortable and stable support when connecting to the network through the au line, based on evaluations of 'consistent quality' and 'reliability experience' by Opensignal. For more details, please visit the Opensignal website. © 2024 Opensignal Limited.

High-quality Network

Expand high-speed, high-quality 5G, achieve No.1 in experiential quality

Optimal utilization of Sub6

Area expansion focused on quality with repurposed 4G frequencies and Sub6

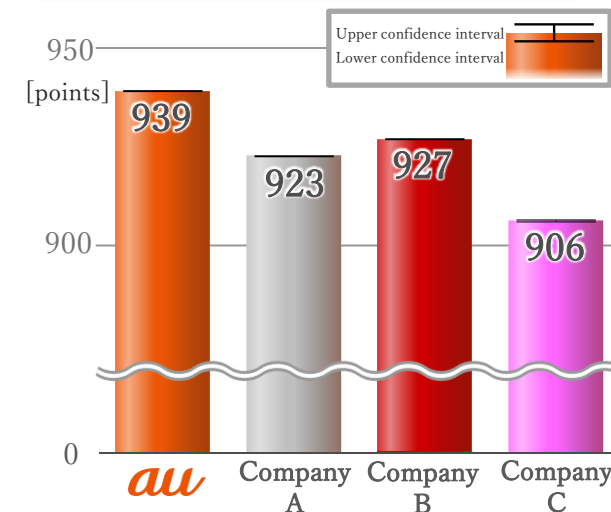


Opensignal user experience evaluation

Achieved No.1 in 13 out of 18 categories, including “Reliability” *²



Reliability Experience*⁴



* KDDI created a graph based on data from Opensignal

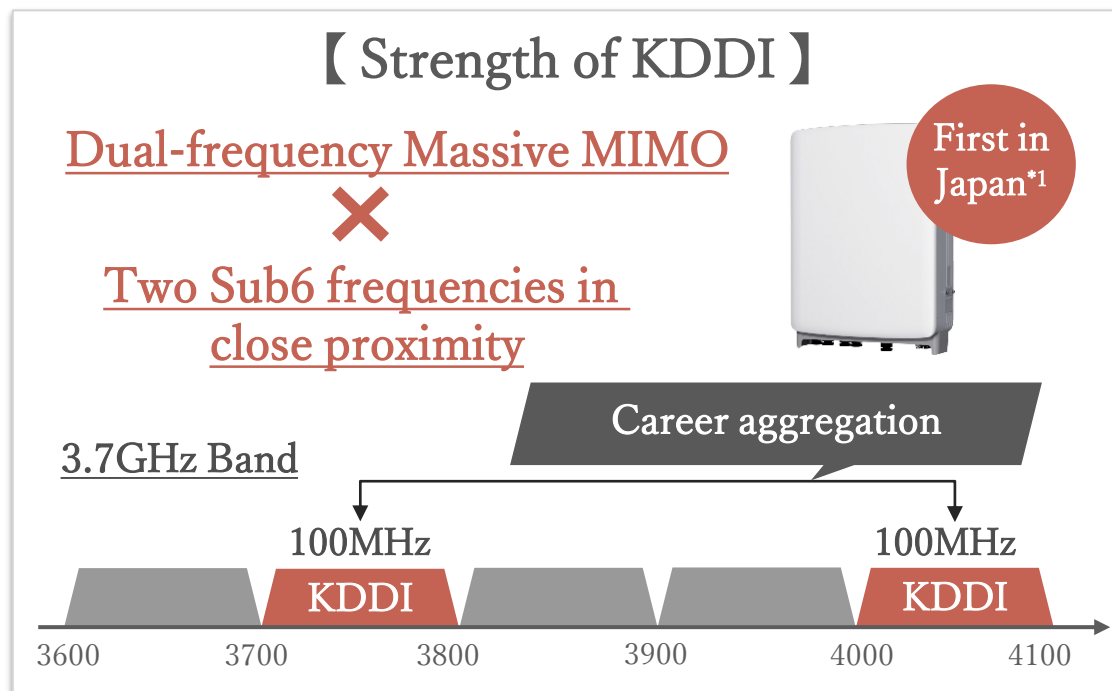
*¹ Comparison with 4 MNO carriers in Japan, “Plan for Establishment of Specified Base Stations for Introduction of 5th Generation Mobile Communications Systems” by MIC as of Jun. 13th, 2024. *² Based on the unique analysis of mobile measurements recorded from Jul. 1, 2024, to Sep. 28. *³ The ‘Connected Experience’ refers to providing customers with a more comfortable and stable support when connecting to the network through the au line, based on evaluations of ‘consistent quality’ and ‘reliability experience’ by Opensignal. Opensignal Awards - Japan: Mobile Network Experience Report October 2024 (in comparison with the 4 major domestic MNOs). For more details, please visit the Opensignal website. © 2024 Opensignal Limited. *⁴ Reliability experience : an indicator that evaluates the ability to connect to the network of a communication service provider and complete tasks.

Further Strengthening Network

Enhance quality and coverage with KDDI's unique initiatives

Further improvement of experiential quality

Improve connectivity with two Sub6 frequencies



Enabling communications in every situation

Successful demonstration experiment of Starlink Direct to Cell service



Preparations underway to begin use within the year*2

*1 As of October 16, 2024, according to KDDI research *2 Service launch date will be announced as soon as details are finalized.

UQ mobile / povo

Strengthen momentum with competitive new plans and new experience

New Pricing Plans



Available over 30GB at the same price

Before

Komikomi Plan

20GB/month ¥3,278 (incl. tax)

NEW

Komikomi plan +

30GB+3GB*¹/month ¥3,278 (incl. tax)



30GB per month at a great value

360GB (365days)
¥26,400/purchase (incl. tax)

Use of 30GB/month to be

¥2,200 (incl. tax)

In effect

¥1,980 (incl. tax)

One-year Topping Debut Discount*²
10% reward on au PAY balance

New Experience

povo Data Oasis

Data charge at LAWSON*³



To be released
in 2024

Sub-lines for all carriers

*¹ Bonus 10% data offering. Last sign-up date is to be determined. Even after this plan's sign-up date is over, it may be offered with bonus data capacity. *² Eligible for those purchasing one-year topping for the first time. Reward will be offered by the end of the next month of purchase. "povo2.0 data use only" is not applicable. *³ Up to 0.1GB(once a day) x 10 times/month

Attractiveness of au

Promote attractiveness of au by Communications + Value-added
and improve customer retention

au マネ活 プラン
au Money Activity Plan
Do "Money Activity" and
use unlimited data*¹

Number of
contractors
1million
exceeded*²



J.D. Power
“Wireless finance & payments bundled plan
the best Japan customer satisfaction”
in 2024 *³



*1 There are some monthly data usage limit such as tethering. Data usage limit may apply during peak times. *2 As of July 29th, 2024 *3 Source : Wireless finance & payments bundled plan, the best Japan customer satisfaction in 2024 by J.D. Power. Based on responses from 1,152 users of the finance and payments bundled plan provided by mobile carriers. jdpower.com/awards

Finance / Energy

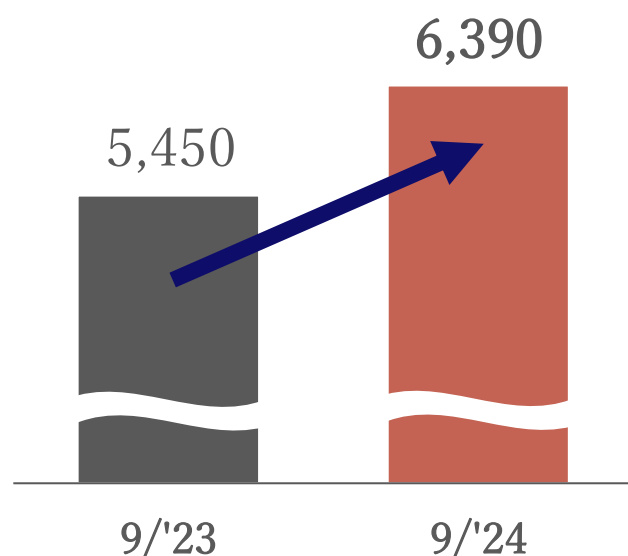
Steadily expanding customer base in value-added area
by synergy with communications

Financial business

au Jibun Bank savings accounts

(Unit : thousand)

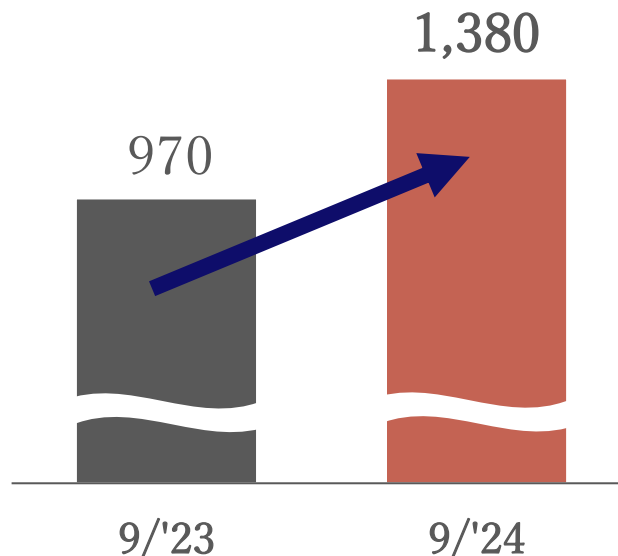
YOY+940K



au PAY Gold card members

(Unit : thousand)

YOY+410K

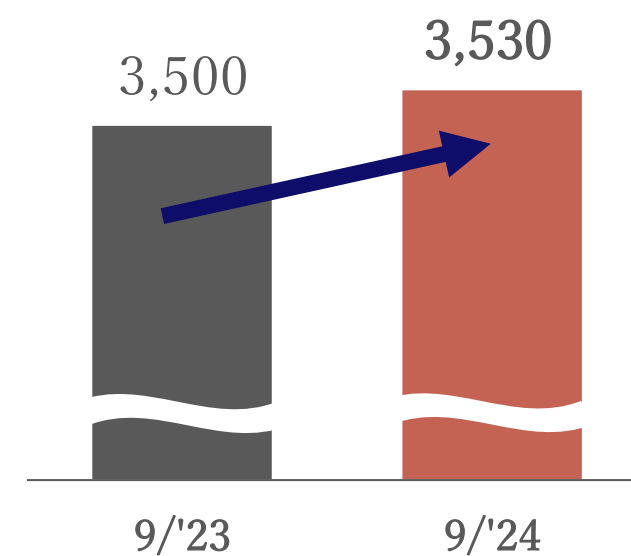


Energy business

au Denki, etc. subscriptions

(Unit : thousand)

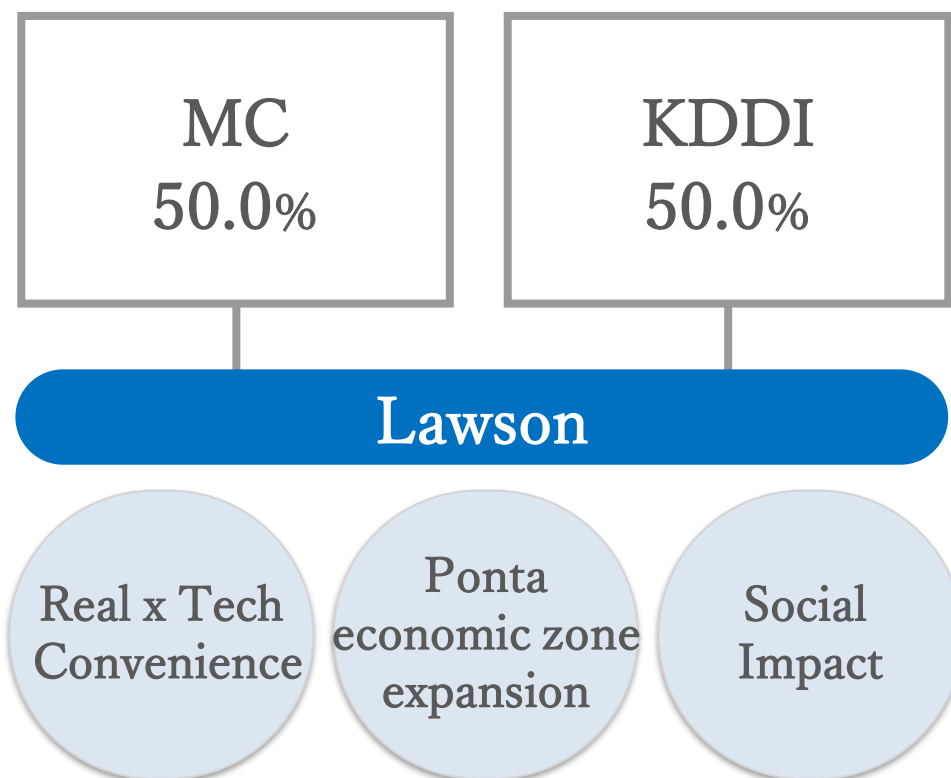
YOY+30K



Collaboration with Lawson Started

Support Lawson's growth by new convenience store experience and DX

New management structure



Real x Tech Convenience



Increase in daily sales through customer referrals
30% reduction in store operations (FY2030)



Improve Customer Experience Value

Aiming for increase of total ARPU revenues and retention

Enhance Value-added + Expand Ponta economic zone



Pontaパス

Ponta Pass

¥548/month
(incl. tax)

Great deals

Coupons
Entertainment

Safe and
secure services

Device support etc.

Great deals at LAWSON

Weekly coupons
Point UP



Strong
start

After launch, active users about 1.5x*

Towards 20 mil. members

Enlarge customer contact points

ご相談内容をお話してください

Remote customer
service

Multipurpose van



More opportunity to propose
communication and value-added services

* Track record of DAU (daily active users) of LAWSON special offerings from Oct. 2 to Oct 20. Comparison with the DAU of Smart Pass Premium

Social Impact

Solve social issues with Real x Tech and local strength

Cooperation with community

Strengthen partnership with local government to solve local issues



Comprehensive agreement signed with Ishikawa prefecture



Deploy multi-hubs, where digital technologies implemented, in local disaster prevention bases

Public service

Transportation

**Social Impact
with Your Town**

Disaster
prevention

Industrial
cooperation

3 . Business Services Segment

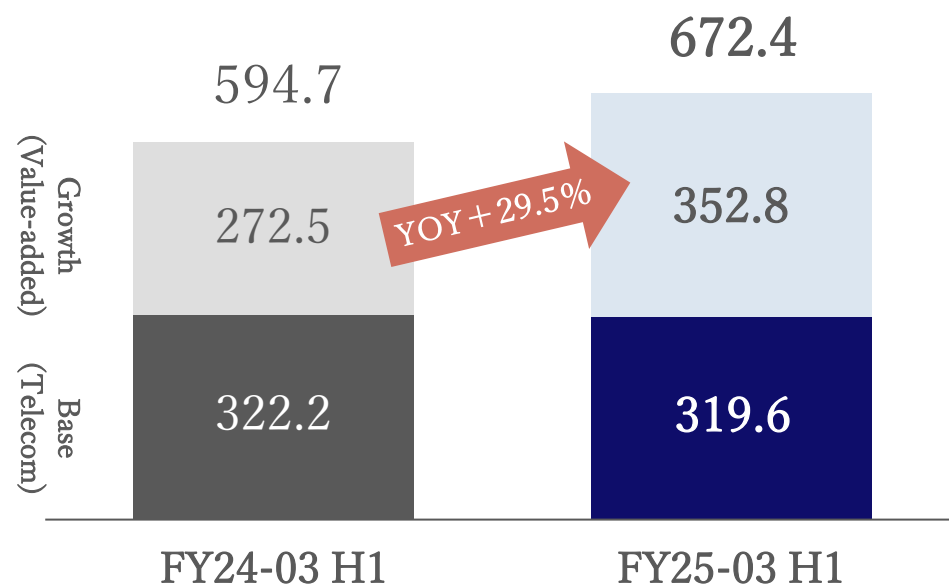
Business Services Segment Results

Growth area drives growth, steady progress

Operating revenue

Growth area drives growth

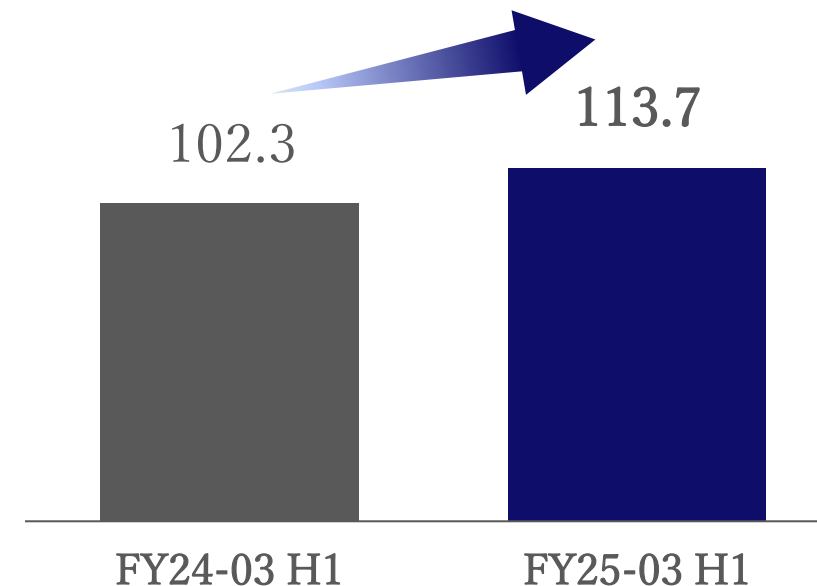
YOY+13.1% (Unit: billions of Yen)



Operating income

Aim for double-digit growth for full year, steady progress

YOY+11.1% (Unit: billions of Yen)



Growth Area Topics

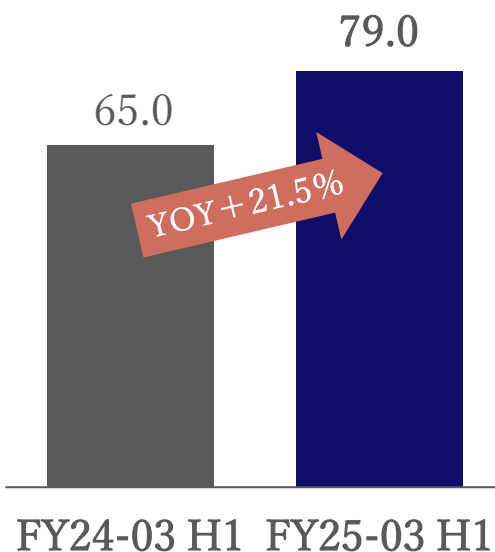
Highly profitable businesses drive growth of Business Services segment

IoT-related services

Aim for sales of 200 billion yen in FY26-03

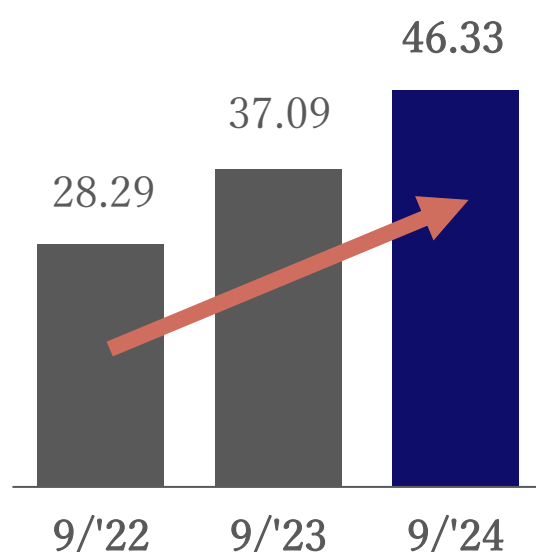
Operating revenue

(Unit: billions of yen)



IoT connections

(Unit: million)

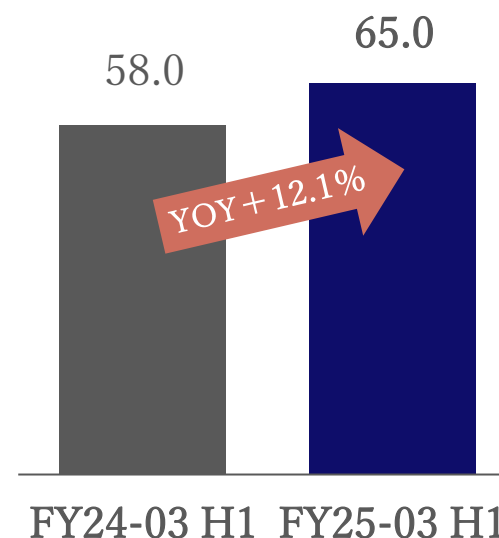


Data Center

Expand services to meet growing demand for generative AI

Operating revenue

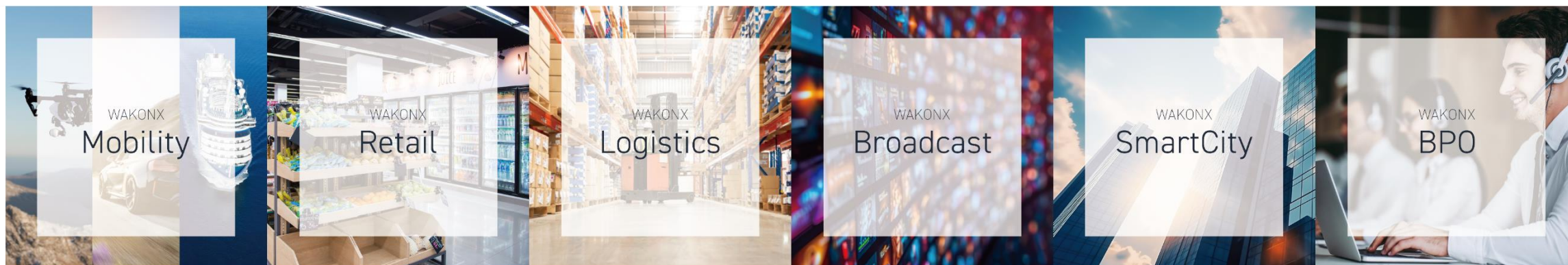
(Unit: billions of yen)





Accelerate customers' DX, by implementing AI as infrastructure to solve industry problems

Themes to be addressed for industry and social issues

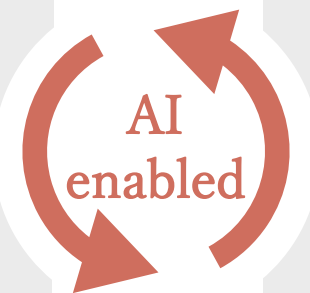


Operations/Security

Improve by using KDDI's network operation knowledge

Infrastructure

Provide AI data centers and large-scale computing infrastructure



AI services

Provide services tailored to business and field with partners

AI models

Develop AI models with startups to sophisticate services

Mobility

Support mobility society where communications and AI integrated

AI-enabled drone

 Skydio



Connected Car



Over 30 million
connections

7 regions worldwide
(83 countries and regions)

Robot



AI accelerates evolution for all types of mobility

KDDI's strength; Communications x AI managed services

Operations/Monitoring

Remote Control

Operation Management

Communications (Mobile/Fixed/Starlink/Local5G)/Line Management



Automation and
sophistication
through AI

Retail

Realize DX in retail industry through communications, data and AI

Accumulate know-how at “Real x Tech LAWSON” 1st Store in Takanawa new HQ

New Store Experience



AI smartphone cash register system



1 to 1 signage



Special presentation signage

AI Robotics Store Support



Stocking beverages robot



In-store cleaning robot



In-office delivery robot

Return value honed through practice to retail customers

AI Infrastructure

Leverage expertise in communication networks and data center operations,
build infrastructure that supports WAKONX

AI data center

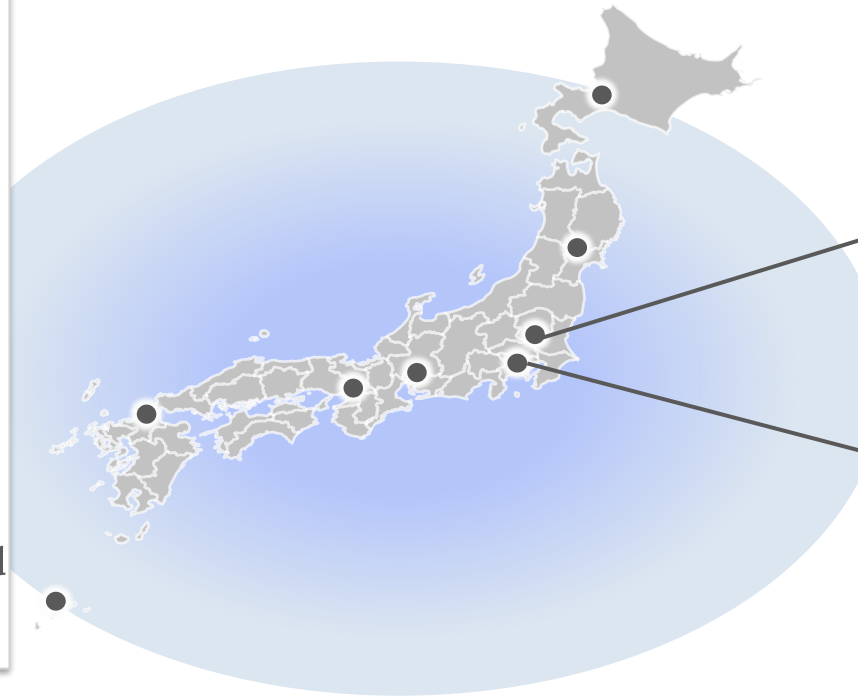
SHARP



Former Sakai plant site

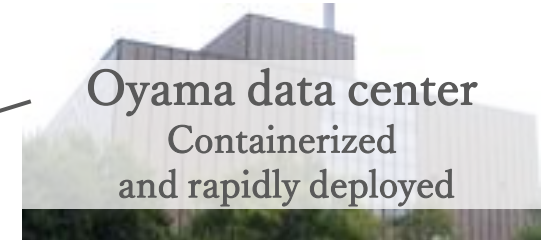
Repurposing ample power and extensive land
aiming for full-scale operation in FY26-03

High-speed data processing
near customers



Leveraging existing campuses

KDDI



Oyama data center
Containerized
and rapidly deployed



Tama data center
Carrier-grade robustness

8 bases in Japan

Rapidly develop AI infrastructure by effective utilization of existing land, buildings, and facilities

MWC25 Barcelona

Exhibit at "MWC25 Barcelona" to be held in March next year displaying communications and AI, mobility, retail-tech, etc.



4 . Strengthening of Management Base

Human Resource First

Progress in human resources strategy initiatives to support sustainable growth

Results of KDDI Version Job Style Personnel System recognized and selected as precedent for government personnel guidelines.



Mid-career Recruitment

385 people
(about 10 times in 10 years)

Professional Human Resources

Increased to about **40%**
in all 30 expertise areas

Young personnels in managerial positions*

283 people
(about 3 times in 3 years)

Capital Policy for Sustainable Growth

- Resolved reduction investment unit in order to attract new individual investors
- Resolved additional repurchase up to 100 billion yen of own shares through market purchases. Total amount of repurchase price in FY25-03 : up to 400 billion

Stock split

Split ratio 1 : 2

(two-for-one stock split of the common shares)

Record date : March 31, 2025

Effective date : April 1, 2025

Additional repurchase of own shares (Market purchases)

**Total amount of repurchase price:
Up to 100 billion yen**

**Repurchase period:
From November 5, 2024 to March 24, 2025**

Summary

Efforts towards Satellite Growth Strategies progressing steadily
for mid-term growth

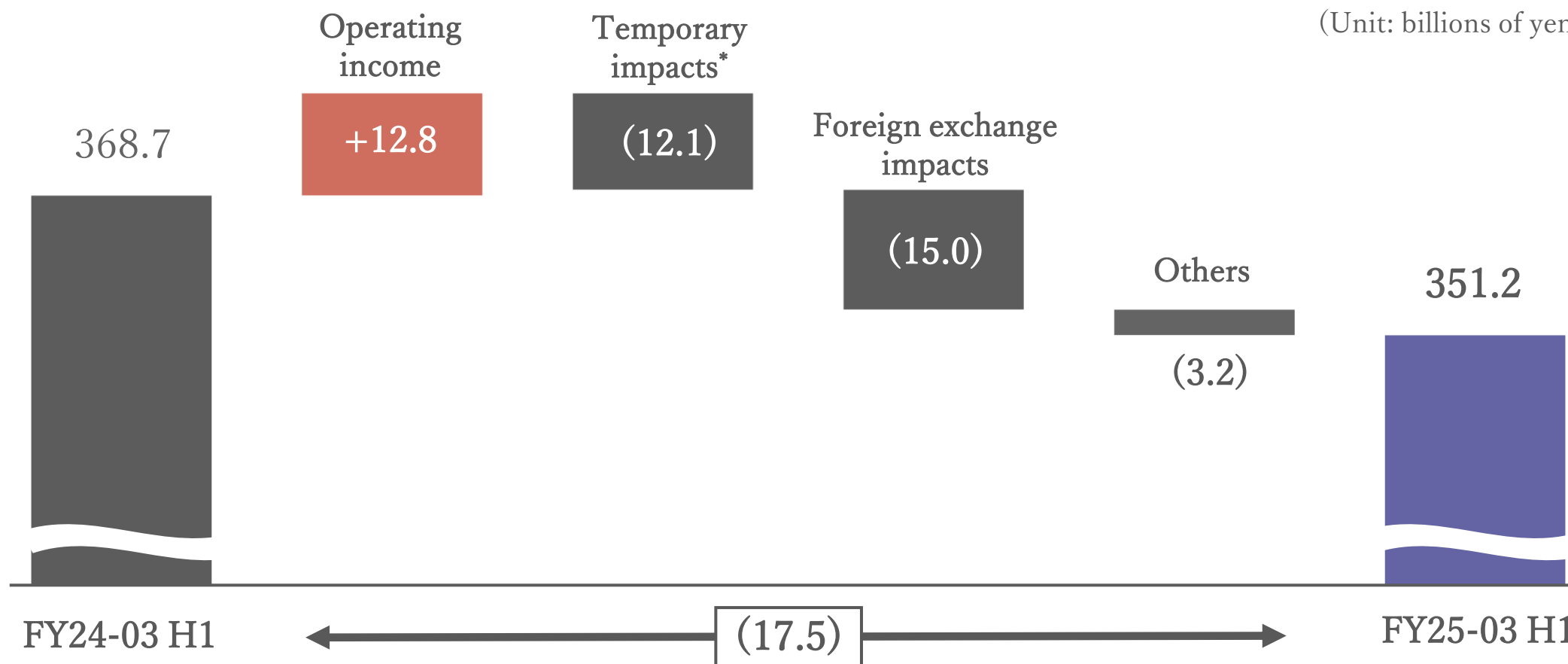
Consolidated Results	<ul style="list-style-type: none"> ● Revenue and income increased. In line with full-year forecasts.
Toward Mid-term Growth	<p><u>Personal Services segment</u></p> <ul style="list-style-type: none"> ● Total ARPU revenues increased. ARPU by brand and number of migration to au progressed steadily. ● Towards strengthening momentum, promote attractiveness of KDDI with multi-brand strategy and high-quality network. ● Collaboration with Lawson started. Create Social impact with power of “Real x Tech.” <p><u>Business Services segment</u></p> <ul style="list-style-type: none"> ● Double-digit growth in both operating revenue and income. Growth area drives growth. ● Promote WAKONX initiatives and construction of AI infrastructure to support it.
Capital Policy	<ul style="list-style-type: none"> ● Resolved reduction investment unit in order to attract new individual investors ● Resolved additional repurchase up to 100 billion yen of own shares through market purchases. Total amount of repurchase price in FY25-03 : up to 400 billion

Appendix

FY25-03 H1 Profit for the period – Factors for Change

Despite temporary and foreign exchange impacts,
steady progress towards full-year forecast

(Unit: billions of yen)



Note) Profit for the period attributable to owners of the parent

* Temporary impact from the reorganization of subsidiaries and affiliates in FY24-03

Statement of Financial Position

(as of the end of September 2024)

(Unit: billions of yen)

Property, plant and equipment Intangible assets Rights-of-use assets 4,260.5	Interest-bearing debt 2,459.7
	Trade and other payables 968.7
	Borrowings for financial business*2*3 1,311.0
Goodwill 579.3	
Trade and other receivables 2,728.3	Deposits for financial business*3 4,252.8
Securities for financial business 423.3	
Loans for financial business*3*4 4,351.8	Other liabilities 1,158.1
Cash and cash equivalents 1,134.1	Equity 5,658.4
Other 2,331.3	

KDDI (Consolidated)*1

Total assets 15.81 trillion yen

(Unit: billions of yen)

Cash and cash equivalents 919.5	Borrowings for financial business*2 1,325.6
Securities 423.3	
Loans 4,348.8	Deposit 4,277.8
Other 1,079.3	Other 1,167.5

au Financial Holdings (Consolidated)*1

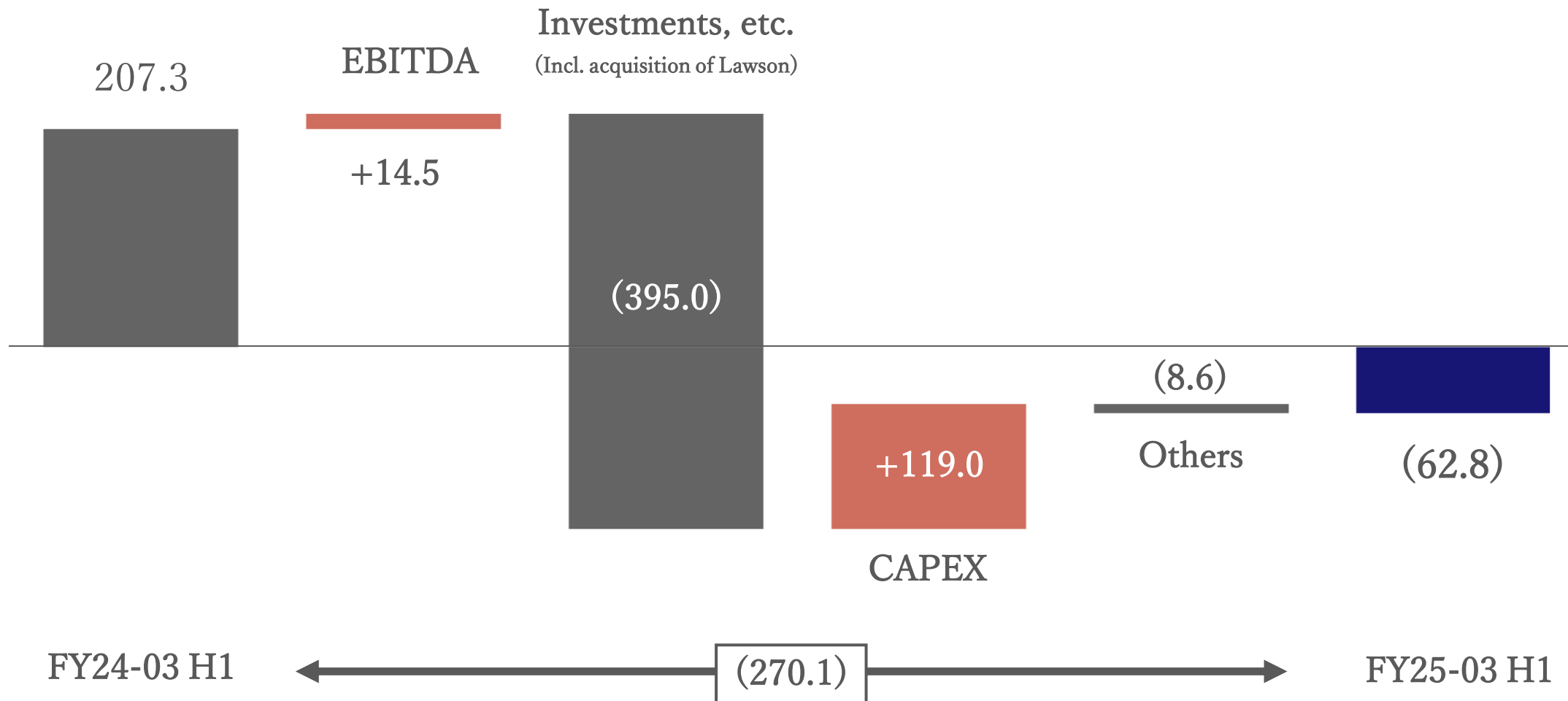
Total assets 6.77 trillion yen

*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

FY25-03 H1 FCF - Factors for Change

(Unit: billions of yen)



注) Free cash flows are calculated by deducting the financial business (au Financial Holdings) from the consolidated figures.



Disclaimer

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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.