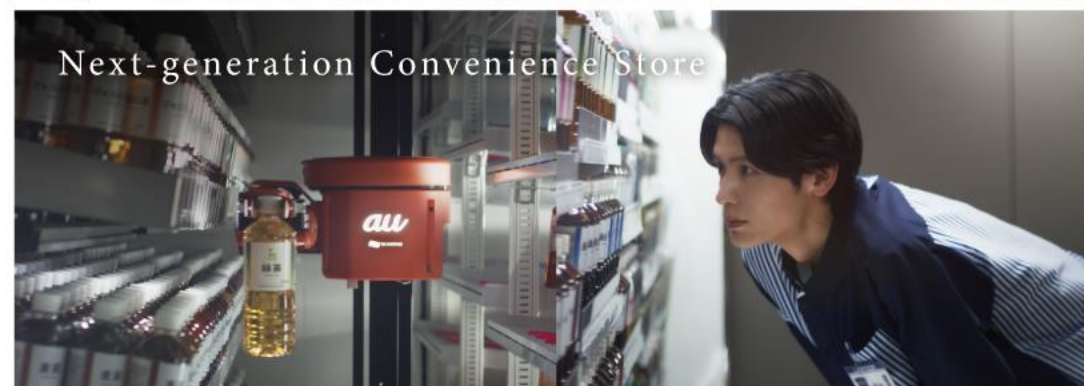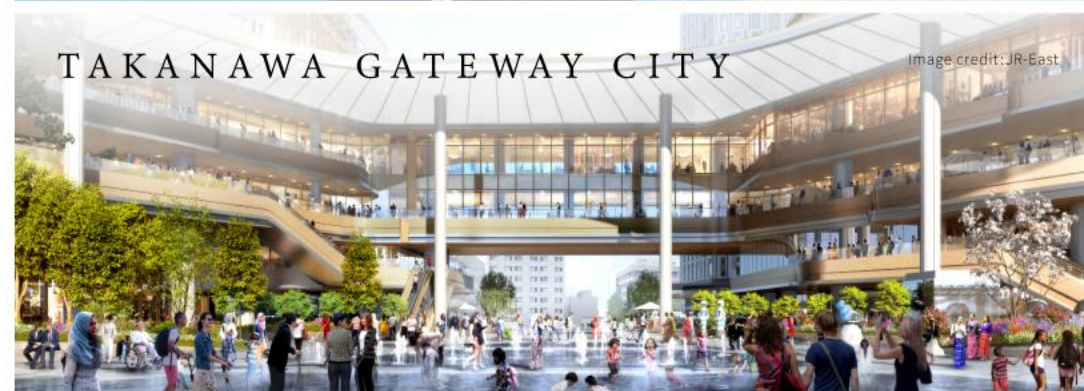Tomorrow, Together

**KDDI**

# Fiscal Year Ending March 2026
# Q1 Financial Results
**(April – June 2025)**

**August 1, 2025**

**KDDI Corporation**

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

**KDDI VISION 2030**



au Starlink Direct

SpaceX - au  📶 🔋100%

TAKANAWA GATEWAY CITY

Image credit: JR-East

Next-generation Convenience Store

# Consolidated Results: FY2026-03 Q1

# Consolidated Financial Results

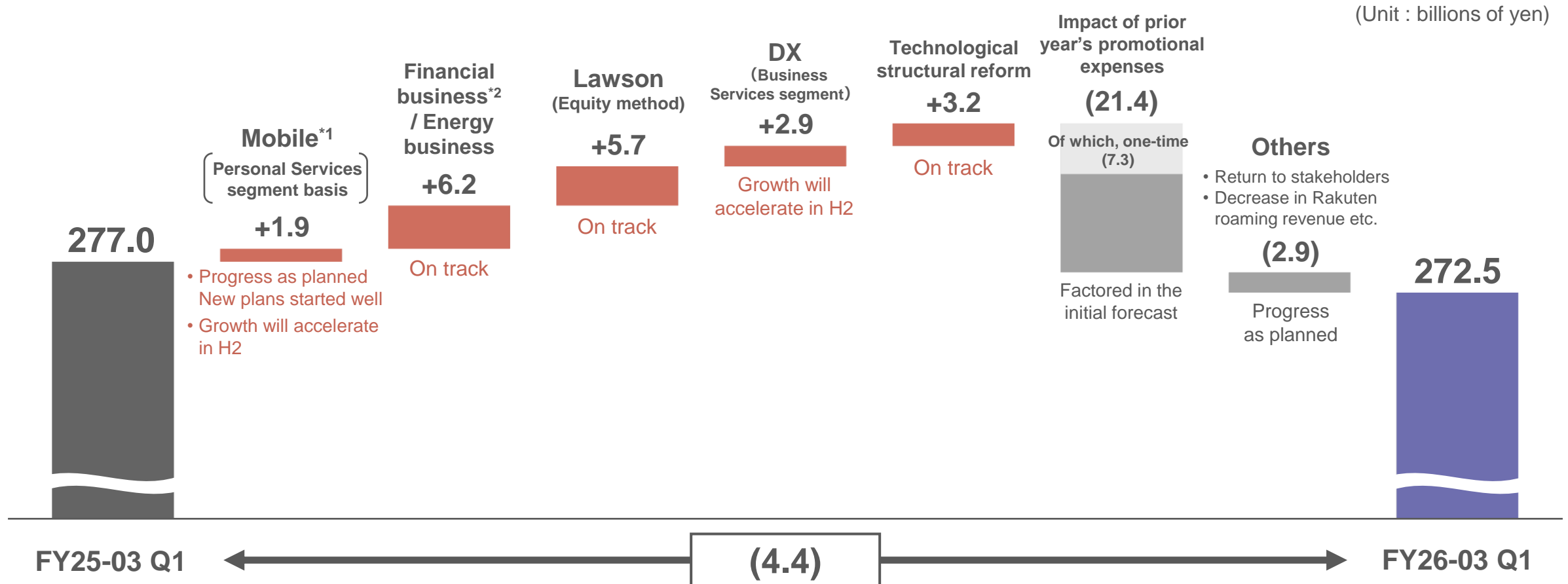## Although revenue increased and profit decreased in Q1, progress is in line with the initial forecast

(Unit : billions of yen)

|  | FY25-03 Q1 | FY26-03 Q1 | Rate of increase/decrease | FY26-03 Full-year forecast |
|---|---|---|---|---|
| Operating revenue | 1,389.1 | 1,436.3 | +3.4% | 6,330.0 |
| Operating income | 277.0 | 272.5 | (1.6)% | 1,178.0 |
| Profit for the period* | 176.9 | 171.1 | (3.3)% | 748.0 |

* Profit for the period attributable to owners of the parent

# Consolidated Operating Income - Factors for Change -

## Although profit decreased due to one-time factors, core businesses are growing. Steady progress against the initial forecast

(Unit : billions of yen)

**277.0**

**Mobile*1**

[Personal Services segment basis]

**+1.9**

• Progress as planned New plans started well

• Growth will accelerate in H2

**Financial business*2 / Energy business**

**+6.2**

On track

**Lawson (Equity method)**

**+5.7**

On track

**DX (Business Services segment)**

**+2.9**

Growth will accelerate in H2

**Technological structural reform**

**+3.2**

On track

**Impact of prior year's promotional expenses**

**(21.4)**

Of which, one-time (7.3)

Factored in the initial forecast

**Others**

• Return to stakeholders
• Decrease in Rakuten roaming revenue etc.

**(2.9)**

Progress as planned

**272.5**

**FY25-03 Q1** ← **(4.4)** → **FY26-03 Q1**

*1 Management-based profit figures  *2 au Financial Holdings (IFRS basis)

# Enhancing the Power to Connect

## Focus on the growth of the Power to Connect, the foundation for promoting Digital data x AI

【Our commitment for the Next Growth】

**Creating new value with Digital data x AI**

**Enhancing the Power to Connect**

**Core**
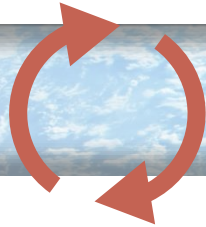
**Establish underlying communication network as KDDI's strong competitive foundation**

**Expand the telecom business foundation both toC and toB, while providing the value of "Connected Experience" etc.**

**KPI revised to the sum of Personal Services segment and Business Services segment**

**Focus on Mobile Revenues growth (communications and value-added services)**
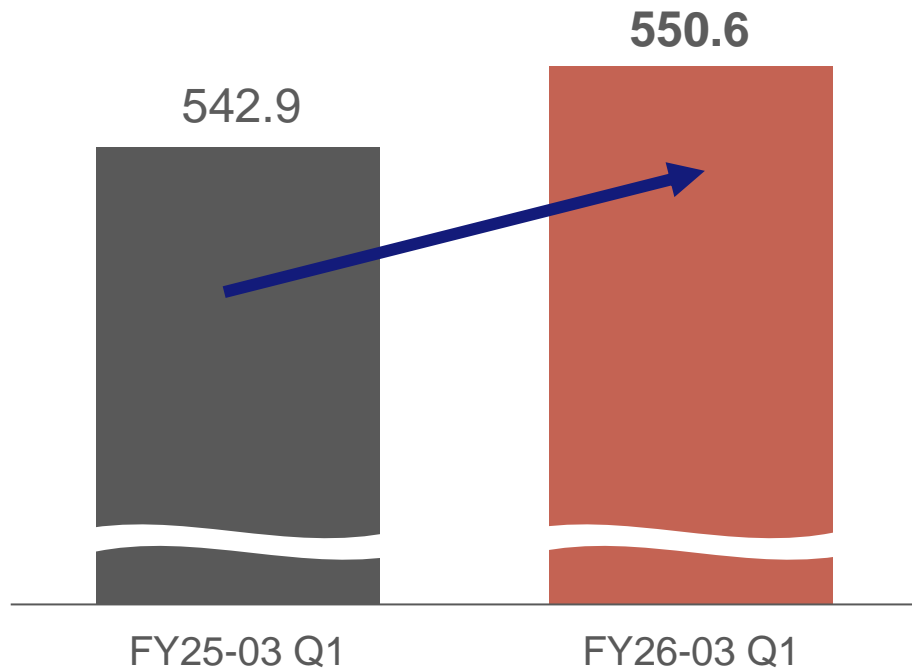
# Growth of Mobile Revenues

## Committed to enhancing the power to connect and aim for further growth

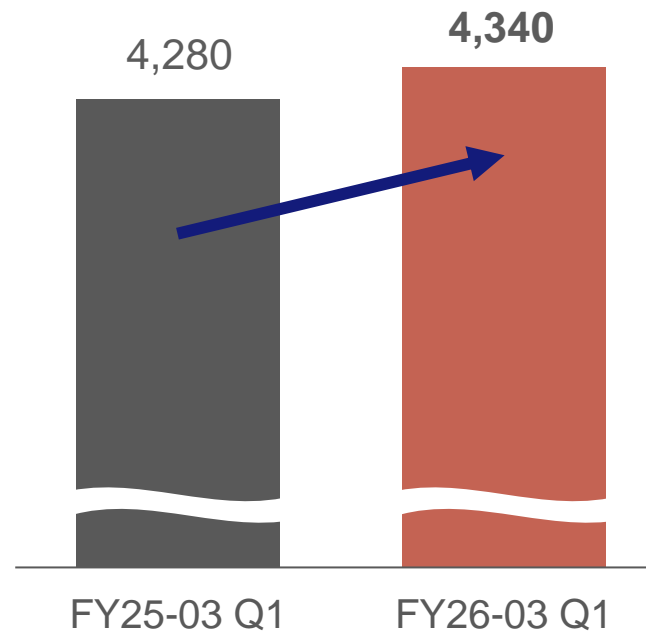| Mobile revenues*<br>(Personal Services segment + Business Services segment) | Mobile ARPU | Smartphone subscriptions |
|---|---|---|
| (Unit : billions of yen) | (Unit : yen) | (Unit : million) |
| **YOY+7.6 bil. yen** | **YOY+60 yen** | **YOY+0.45 mil.** |

**Mobile revenues**

542.9 → **550.6**

FY25-03 Q1 → FY26-03 Q1

**Mobile ARPU**

4,280 → **4,340**

FY25-03 Q1 → FY26-03 Q1

**Smartphone subscriptions**

32.46 → **32.91**

6/'24 → 6/'25
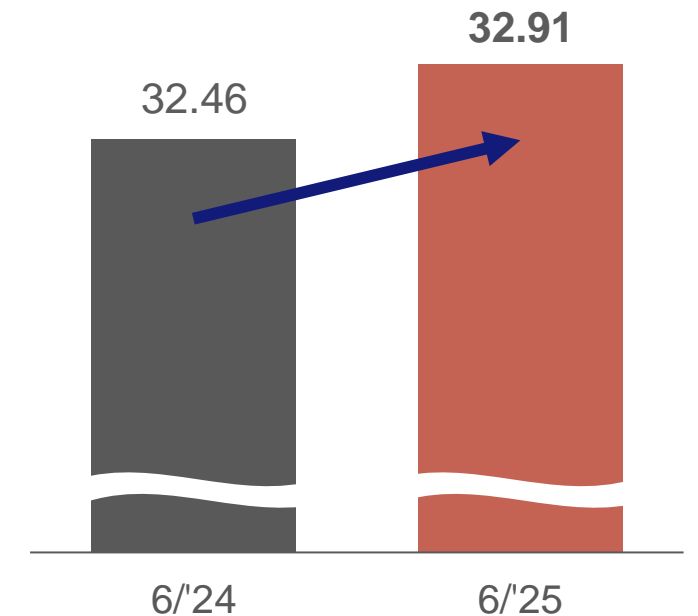
Note) Sum of Personal Services segment and Business Services segment
* Sum of communications revenues (data-related, basic charges/voice-related, various discount amounts), product support services etc. and content etc.. Financial and energy business revenues are not included
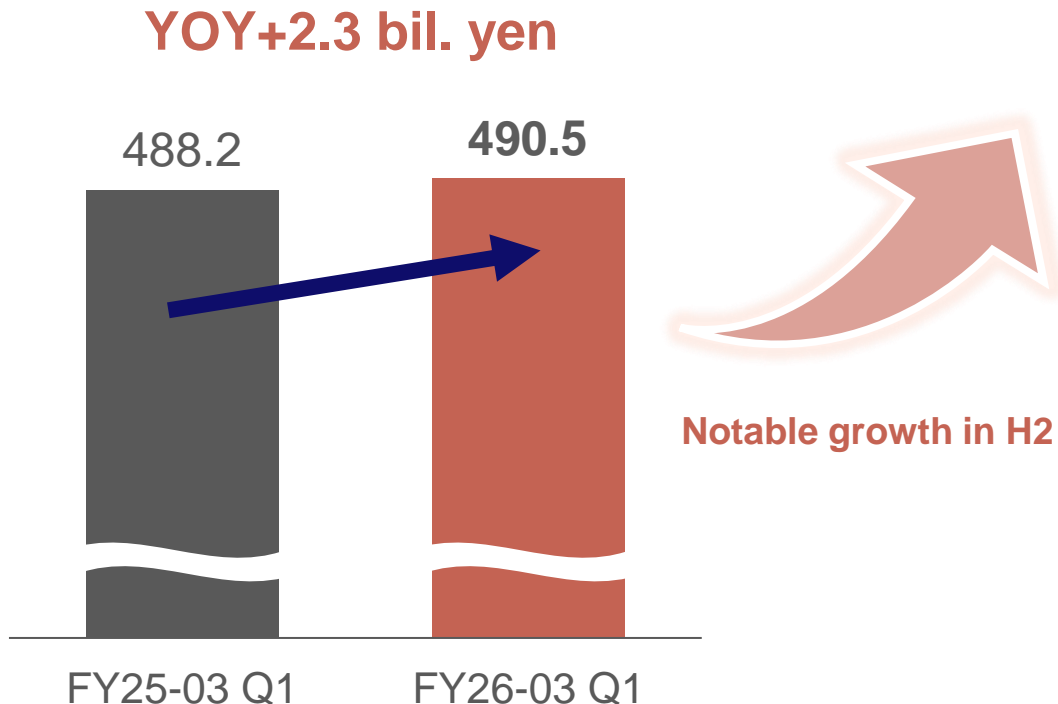
# Mobile Revenues

**(Personal Services segment basis)**

## Steady growth by promoting initiatives of communications and value-added

**Mobile revenues\***

(Unit: billions of yen)

**YOY+2.3 bil. yen**

488.2 — FY25-03 Q1

**490.5** — FY26-03 Q1

**Notable growth in H2**

### Key points for FY26-03 Q1

- **Mobile ARPU and smartphone subscriptions are steadily increasing**

- **New plans offering "Connected Experience" value are well received**

- **Both brand migration and churn rate trends have improved**

- **Aim to achieve a virtuous economic cycle**

* Sum of communications revenues (data-related, basic charges/voice-related, various discount amounts), product support services etc. and content etc.. Financial and energy business revenues are not included.  From FY26-03, the mobile KPI and the definition of mobile revenues have been changed.

# New Plans are Off to Great Start

## Driven by the value of "connected experience" and increasing data demand, our reliable large-capacity plans are highly popular

**au** — **New value of "connected experience" is well received**
au 5G Fast Lane / au Starlink Direct / au Unlimited Data Overseas

**Value of "Connected Experience" + Unlimited data[1] plan**
**Selection rate** (New subscription / Model change) **about 80%[2]**

New plan

**auバリューリンクプラン**
au Value Link Plan

**使い放題MAX＋**
Unlimited Data MAX+

"Connected experience" value

**UQ mobile** — **Large-capacity plan is well received due to increased data usage**

**Large-capacity plan**
**Selection rate** (New subscription / Model change)
**about 40%[2]**

New plan
**Komikomi plan value** — **35GB/month**

New plan
**Tokutoku plan 2** — **30GB/month** Automatic discount below 5GB

*1 Network speed to be restricted within the unaffected range (maximum 5Mbps) as use of over 200GB/month. There are upper limit of tethering use. Data throttling may be incurred during congestion
*2 The actual result from June 3 to June 30, 2025. au includes au Money Activity Plan+ and au Money Activity Value Link Plan.

# 5G Network

## Achieved multiple No.1 ratings for 5G SA as well. Enhancing our competitiveness with the strengths of network

### Full deployment of 5G SA

**5G SA Area No.1**

The largest number[*1] of
Sub6 base stations in Japan: **41,000**
5G SA available at all Sub6 base stations

**5G SA Rated No.1 in Japan**

Opensignal's network experience analysis

Achieved **No.1** in all 6 categories[*2] 👑

- Download speed
- Gaming experience
- UDP[*3] latency
- Upload speed
- Video experience
- Reliability

**Operating Sub6 base stations compatible with 2 frequency bands**

Simultaneous deployment of 2 frequency bands:

Installation efficiency **2x**
Communication speeds MAX **2x**[*4]

DB-MMU

### au 5G Fast Lane

Smooth communication during peak hours is well received
Leveraging network strengths for competitive advantage

【Customer feedback】

- It's great that I can watch video smoothly even near Shibuya Station.
- I can connect without stress, even in the heavy crowd at Tokyo Dome event.

Communication speed compared to inactive after the service launch in July 2025

Yamanote Line    about **1.9x**[*5]

# Starlink Direct / Unlimited Data Overseas

## Connect in out-of-service areas and overseas
## to support customers' daily lives and sense of security

### au Starlink Direct

**Highly rated for reliable connectivity even at sea and in the mountains
Further enhancing features that support this sense of security**

**July 2025**
SMS sending and receiving 4x faster[*1]

Capable of sending and receiving photos and videos via messages[*2]

**Summer in 2025**
Data communication scheduled to begin

【Customer feedback】

- I'm happy as I go to mountains and fishing at the sea.

- Remote campsite deep in the mountains with no signal. Feel safe to stay connected.

Supported devices **66** models
Expanded to over **9 mil.** devices[*3]

**1mil.** users since the service launch[*4]

### au 海外放題
au Unlimited Data Overseas

**Our competitive pricing, convenience, and communication quality have been well received.**

**Offer value to customers using other carriers and rental Wi-Fi**

【Customer feedback】

- New pricing plan includes 15 free days per month, enjoy using overseas.

- For overseas travel, rental Wi-Fi and eSIM can be troublesome. This is helpful.

- Smooth communication overseas with no stress.

**About 60% of users
subscribe the bundled communication plan[*5]**

*1 The original 2-minute duration has been shortened to within 30 seconds. This is based on the 90th percentile value compared to January 2025. The experience may vary depending on the customer's environment.
*2 This applies to Google Messages on Android devices, with some models excluded.  *3 As of August 1, 2025  *4 Number of connected users (unique users) from April 10 to July 10, 2025  *5 As of June 2025

# Multi-brand Redesign

## Service revisions performed as expected, leading to improved trends for both brands

| Brand migration | Churn rate |
|---|---|

**Trends improved by enhancing the attractiveness of au Flattening brand migration is insight for FY26-03**

**au maintains low level. UQ mobile recently improved. Redesign with more focus on LTV***
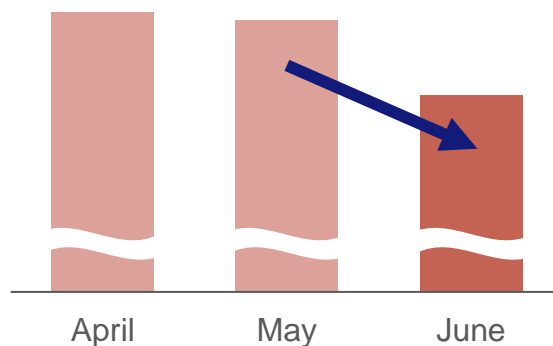
| UQ mobile→au | au→UQ mobile |
|---|---|

**Increasing trend continues. Further growth by promoting attractiveness of au**

**Significantly reduced in June due to brand redesign**

YOY

**1.4** x



April    May    June



FY25-03 Q3        FY25-03 Q4        FY26-03 Q1

Note) Personal Services segment basis  * LTV (Lifetime Value)
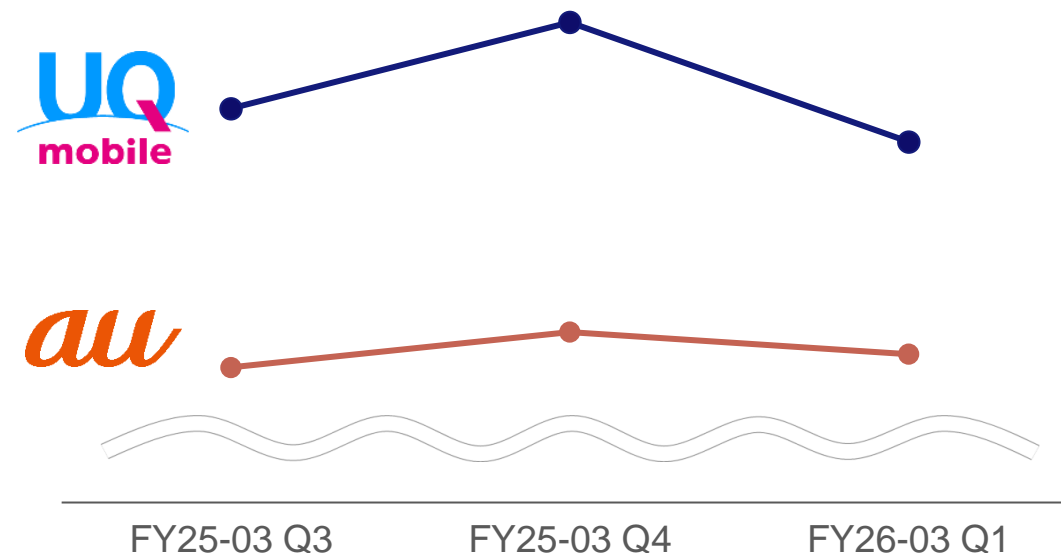
# Ponta Pass

## Contribute to KDDI and Lawson growth
## Aiming for net increase of 1mil. members[*1] in full-year

### Contribute to KDDI growth

**Bundle enrollment with the new plan lowered the au/UQ mobile churn rates[*2]**

### Contribute to Lawson growth

**Customers referred to LAWSON : 2x[*3]**

**Contribute to daily sales increase**

### Toward expanding membership

**Starting in June 2025, promote initiatives to enhance attractiveness of Ponta Pass**

| In-store membership registration at LAWSON | Mobile bundled plans |
|---|---|



About **80%** of new memberships are non-au ID users[*4]

au Value Link Plan

Komikomi plan value

©Ponta

**Offering plans with great deals**
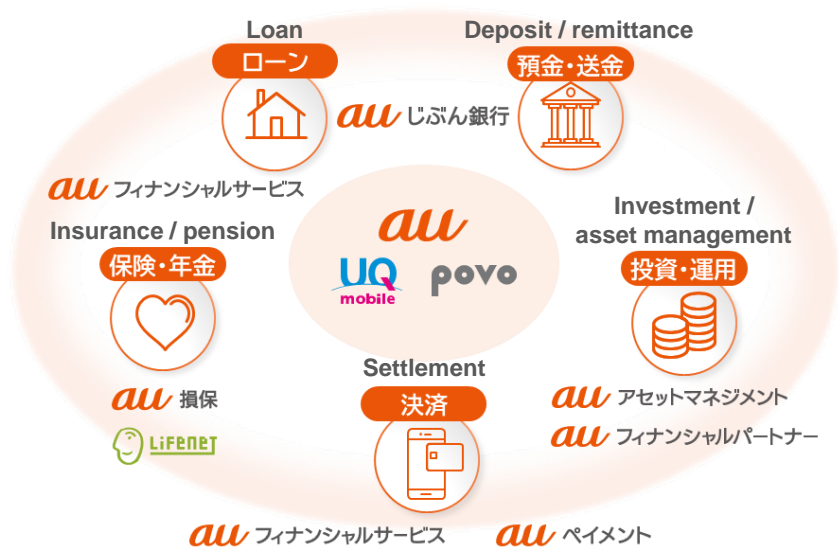
# Financial Services

## Strengthen financial functions to expand the value offered through Telecom x Finance

### Creating value with telecom x finance

2008 : Launch of Jibun Bank (now au Jibun Bank)

2019 : Establish of au Financial Group

2023 : Release of au Money activity plan



**Pioneered a synergy model ahead of competitors**

### Strengthen bank and security alliance

**Collaboration with SBI securities scheduled to begin in fall 2025**

Expand the alliance for
au Collective Preferential Interest Rates



**+0.10% per year preferential interest rate on deposits by au Jibun Bank with real-time direct debit setup**

**Enhance bank deposits through partnering Further expand alliance with securities firms**
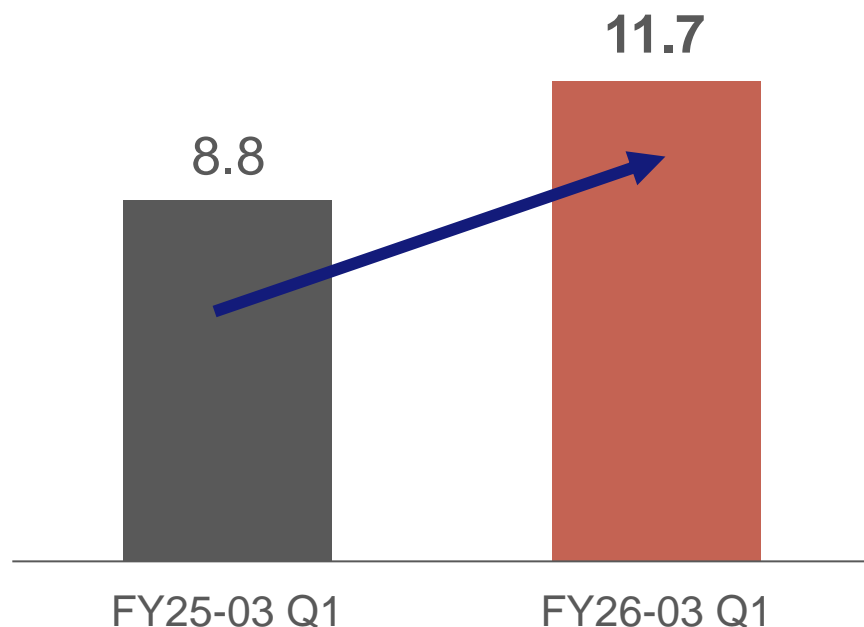
# Financial Business

## Leveraging bundled plans with telecom services to expand both business performance and customer base

### Operating income (au Financial Holdings)

(Unit : billions of yen)

**YOY+33.0%**

FY25-03 Q1: 8.8
FY26-03 Q1: 11.7

**au マネ活バリューリンクプラン**
au Money Activity Value Link Plan

**Cumulative number of subscribers exceeded 1.6 million***

**— au Financial Holdings —**

**FY26-03 Q1 transaction volume of settlement / loan 5.79 trillion yen (YOY+13.6%)**

| au PAY card members | Of Gold card members | Mortgage balance |
|---|---|---|
| **10.32 mil.** | **1.61 mil.** | **4.6 tri. yen** |
| YOY+7.0% | YOY+28.9% | YOY+35.5% |

**Bundled plan offering working out, the number of au PAY Gold card members increases**

Note) au PAY card members, au PAY Gold card members, and Mortgage balance are as of June 2025  * The sum of au Money Activity Plan, au Money Activity Plan + and au Money Activity Value Link Plan as of June 2025

# Business Services Segment Performance

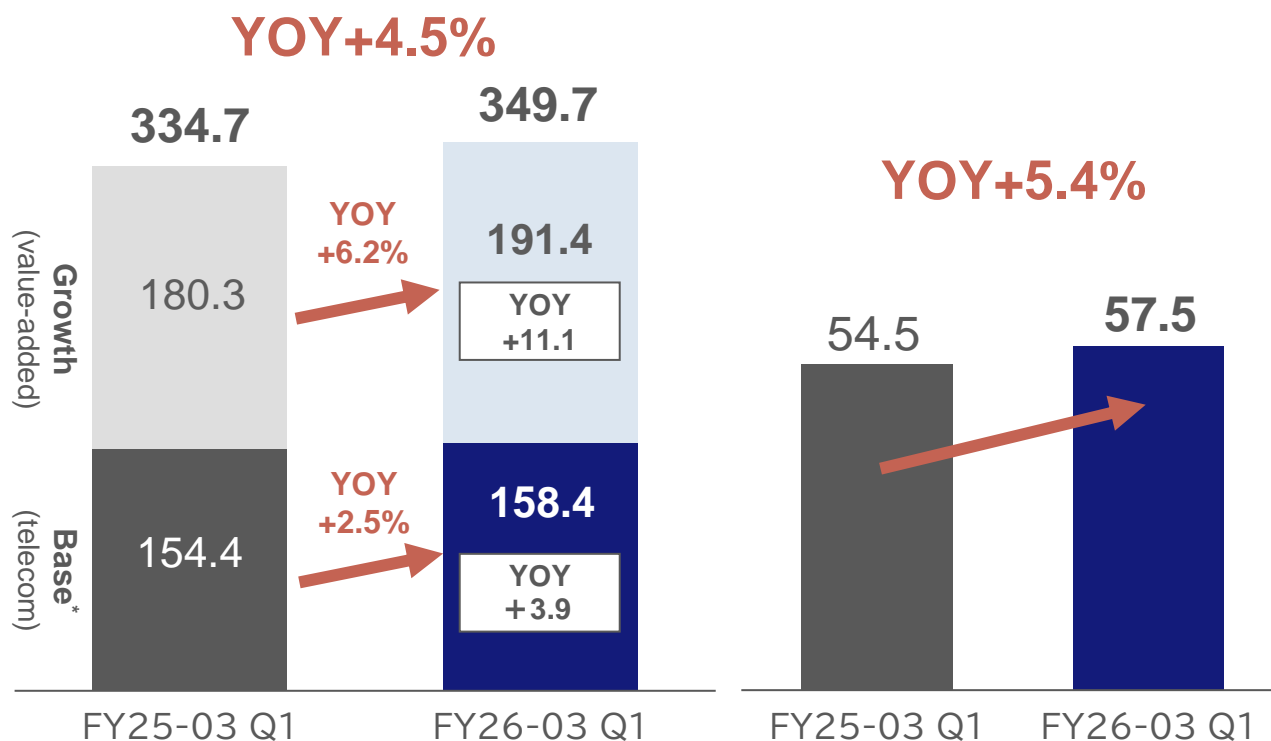## Strengthen initiatives in focus area and accelerate growth trend toward second half year

**Operating revenue**

(unit : billions of yen)

**YOY+4.5%**

334.7

349.7

**Growth (value-added)**

180.3

YOY +6.2%

191.4

YOY +11.1

**Base* (telecom)**

154.4

YOY +2.5%

**158.4**

YOY +3.9

FY25-03 Q1 — FY26-03 Q1

**Operating income**

(unit : billions of yen)

**YOY+5.4%**

54.5

57.5

FY25-03 Q1 — FY26-03 Q1

### Key points for Performance

- **Base**
  Mobile revenues increase
  Both ID and ARPU progress steadily

- **Growth area**
  Delays in integration of Altius Link
  Digital BPO underperforms

Aim to expand growth in focus areas such as Security and IoT, and bottom out and accelerate the BPO performance toward the end of fiscal year

* Mobile revenue (exclude some supplementary services) + fixed-line communications revenues + au Denki etc.

# Growth Area

## Focus on high-demand cyber security and IoT across various industries, aim for business growth

| Cyber security | IoT related services |
|---|---|

### Cyber security

**Generate synergies with network Support digitalization**

**WAKONX**

LAC × KDDI
Tomorrow, Together

Cyber security expertise

Network operation expertise track records in global

**JSOC** JAPAN SECURITY OPERATION CENTER

**One of Japan's largest security monitoring centers**
Implementation progress : **600 companies/organizations**[1]

**Orders received in 2025**

| Public sector | Build and monitor the internet security environment for 30,000 employees |
|---|---|
| Financial institutions | Network / PC security integrated monitoring and incident handling |

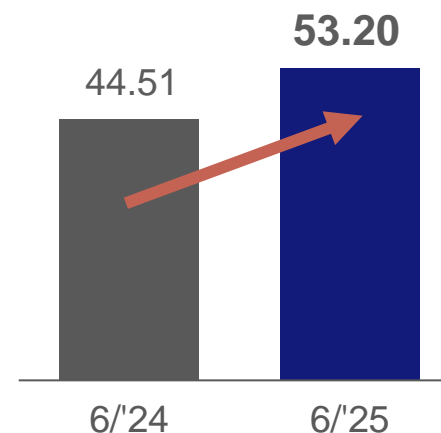**Starting in July 2025, full-scale global rollout has begun**

### IoT related services

**Connections that form foundation of the AI era expand steadily**

**IoT connections**[2]

（unit : million)

**YOY+19.5%**

53.20

44.51

| 6/'24 | 6/'25 |
|---|---|

**SORACOM**
Exceeded[3]
**8 mil. connections**
Build a platform that integrates IoT and AI

**ConnectIN**
Supported PC exceeded
**30 models**[4]
Adopted in GIGA school in municipalities

# Initiatives for Next Growth

# Digital Data x AI

## Develop core infrastructure to accelerate DX penetration for Japanese companies and customers

Accelerate DX penetration

Essential core assets

Domestic AI data centers
（GPU / cloud foundation）

High quality /
secure network

Japanese companies and
customers data
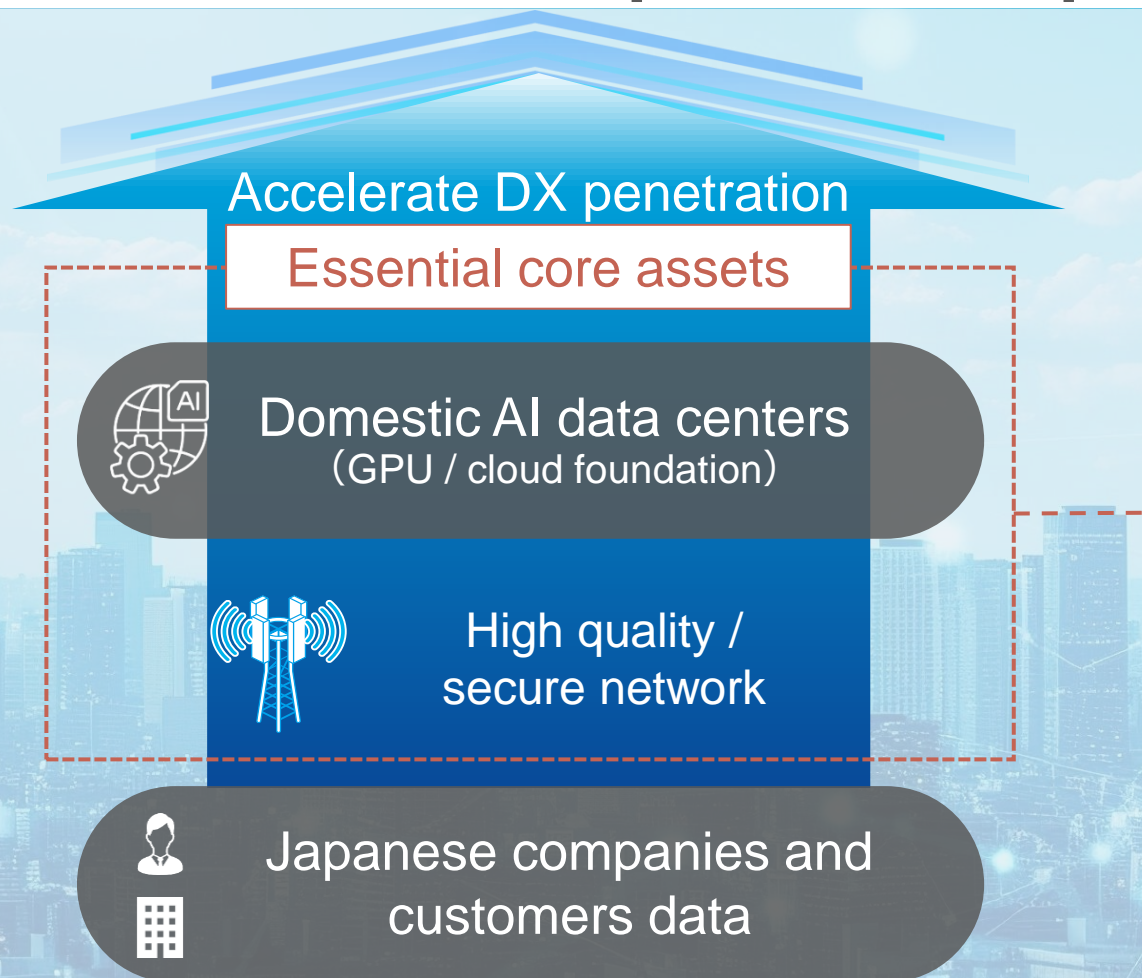
### Infrastructures for AI era

- **Network that supports huge data traffic**
- **Data centers that store and utilize data safely and seamlessly**

Medical history etc.

Grades etc.

**Healthcare**

**Education**

Financial assets etc.

Purchase history etc.

**Finance**

**Retail**

# Next Generation Network

## Promote initiatives for network building and stable operation that support huge traffic

### Network for AI

**Build high investment efficiency and flexible network with partners**

🤝 **AMD**

**Advancing virtualized networks**

Adopt AMD EPYC CPU to 5G virtualized networks

🤝 **DRIVENETS**
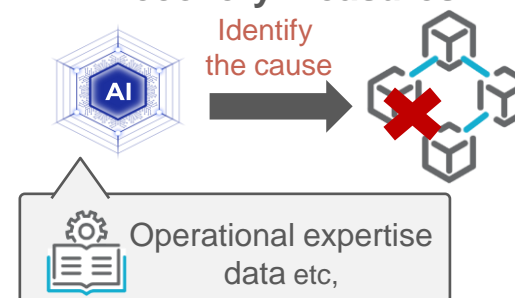
**Open network architecture**

Deploy DriveNets Network solution to OS servers at four main locations

### AI for Network

**Promote efficiency and quality improvement through AI utilization**

**Incident recovery**

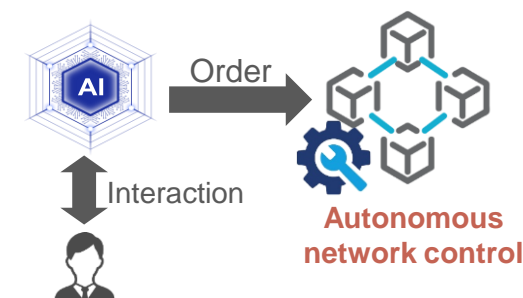Identify the cause using diverse data and propose recovery measures

Identify the cause

Operational expertise data etc,

Started developing a fault identification feature

**Interactive operation**

Natural language-based automatic control

Order

Interaction

**Autonomous network control**

Successfully validated a commercial use case

**Commercial implementation is scheduled to begin gradually from FY26-03**

# AI Data Center

## Create secure and reliable AI environment for Japanese companies and customers

**Establish domestic GPU infrastructure**

**– Sovereign Cloud / AI –**

**In major cities with high data concentration**

**Google** Cloud



**Osaka Sakai AI Data Center**

Utilize advanced cooling technology

Introduce high-performance GPU infrastructure

**Hewlett Packard Enterprise**



**TELEHOUSE TOKYO Tama 5-2nd**

**Scheduled to open in fall 2027**

**KDDI Encryption Key Management Service for Google Cloud**

**Confidential data is securely managed within Japan, ensuring data sovereignty**

**iret**       **Start in July 2025**

**Initiatives to ensure operational and technological sovereignty to be implemented in phases.**

**Gemini**   **Gemini to be offered on GPU platform at Osaka Sakai AI Data Center**

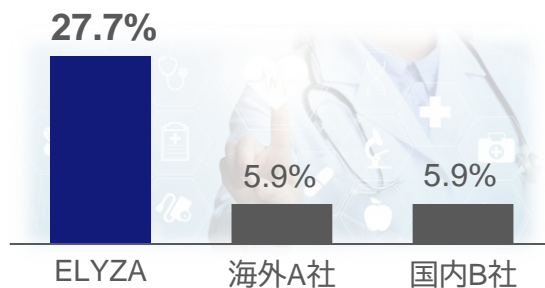Note) Gemini is a trademark of Google LLC.

# Towards AI Service Implementation

## Promote initiatives for domain-specific LLM, inference models, and AI agents

| Domain-specific LLM / Inference models | AI agents |
|---|---|

**ELYZA develop medical domain-specific LLM[1]
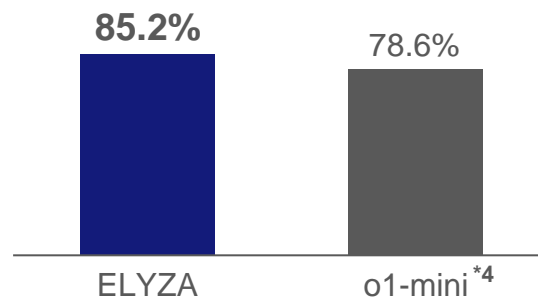that surpasses global standards, as well as inference model
comparable to o1-mini**

**Accumulating know-how in customer service using
digital humans**

| Medical domain-specific LLM | Inference models | Remote customer service | Customer support |
|---|---|---|---|

- Accuracy in judging the necessity of receipt corrections[2] -

**27.7%**   ELYZA

5.9%   海外A社

5.9%   国内B社

- Math benchmark[3] score-

**85.2%**   ELYZA

78.6%   o1-mini[4]

**Agent：Kaede**



Optimal tenant guidance
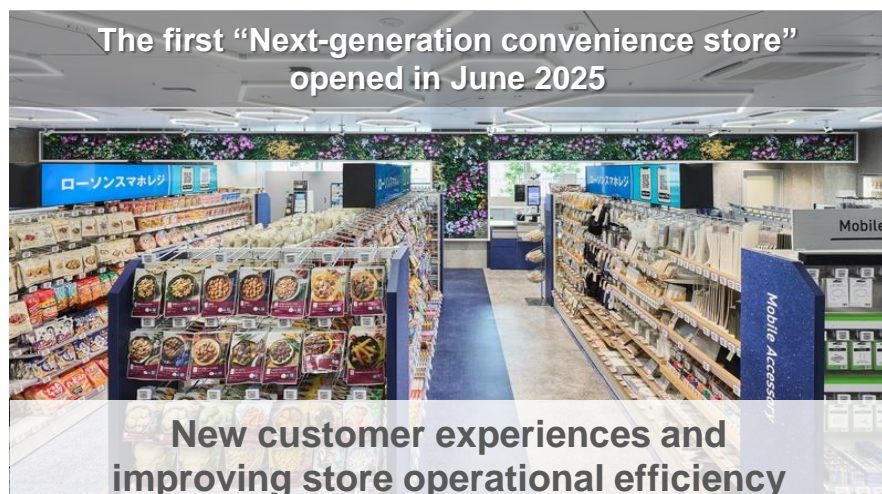Automation of procedures

**Agent：Nagisa**



Handling inquiries
regarding au services

**ELYZA**

**To promote adoption of AI services, we will develop solutions that handle data
from Japanese companies and customers**

*1 This research was supported by the Strategic Innovation Promotion Program(SIP) "Implementation of Integrated Healthcare Systems" (JPJ012425)  *2 Evaluation based on Precision. The f1 scores for each are 30.9%,11.2%, 11.2%, respectively.   *3 MATH-500  *4 For o1-mini, o1-mini-2024-09-12 was used.

# Launch of Real x Tech LAWSON

## Actively embrace advanced technology, and accumulate best practices and expertise

**The first "Next-generation convenience store" opened in June 2025**

**New customer experiences and improving store operational efficiency**

**Pilot store specializing in office environments began operations in July 2025**

**Improving office worker productivity**

---

**Next-generation remote customer service**

**Over 100**[1]
**in the first month**

Well received for its convenience in short breaks

**AI signage**

**Personalized recommendations**

To those stay longer in drink and desserts area

**Smartphone cash register**

**No wait at the register
Average dwell time
about 2min.**[2]

Average 1,000 people use per a day

**Delivery robots**

**Improving team productivity**

Deliver products during meetings
Snacks and light meals etc.

*1 Results from June 23 to July 23,2025  *2 Results from July 1 to July 8, 2025

# Sandbox for Future

## Create value with Digital data x AI in Takanawa
## Roll out the model nationwide

**- Creating new value with Digital data x AI -**

**Digital AI**

AI agents
suggestions / proposals /
sales etc.

**Physical AI**

Robots / mobility
Simulations etc.

To visitors

To workers

**WAKONX**

Robotic delivery

Office LAWSON

Machi app

People flow simulation

Digital twin
PF / OS

Camera data

Sensor data

Customer data

Facility access data

Train service data

**Roll out the "Takanawa model" in phases,
tailored to each region, starting this fiscal year**

# Summary

## Focus on enhancing power to connect to create the value with Digital data x AI

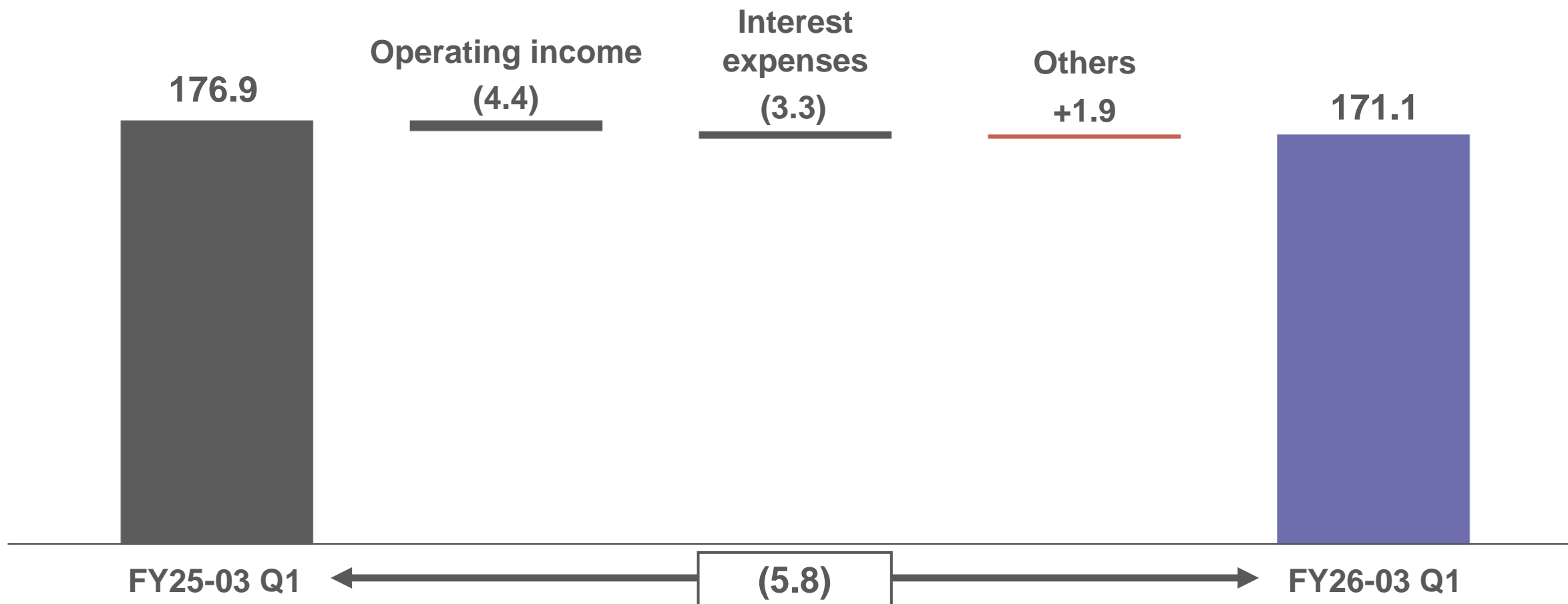| FY26-03 Q1 Consolidated results | • Although profit decreased compared to the previous period, progress is in line with the initial forecast. |
|---|---|
| | • New plans are off to great start and new "connected experience" values are well received. Multi-brand redesign works out. Trend has improved for both brand migration and churn rate. Aim to increase profit by +30 billion yen with mobile (Personal Services segment basis). |
| | • Financial business is enhancing banking and securities alliance. Further expand value of Telecom x Finance |
| | • For Business Services segment, strengthen initiatives in focus area such as cyber security and IoT, and accelerate growth trend. |
| Initiatives for next growth | • Develop core infrastructure to accelerate DX penetration for Japanese companies and customers. |
| | • Initiatives for Digital x AI in Takanawa, Real x Tech LAWSON, was launched. Roll out the Takanawa model nationwide. |

# Appendix

# Mobile KPI

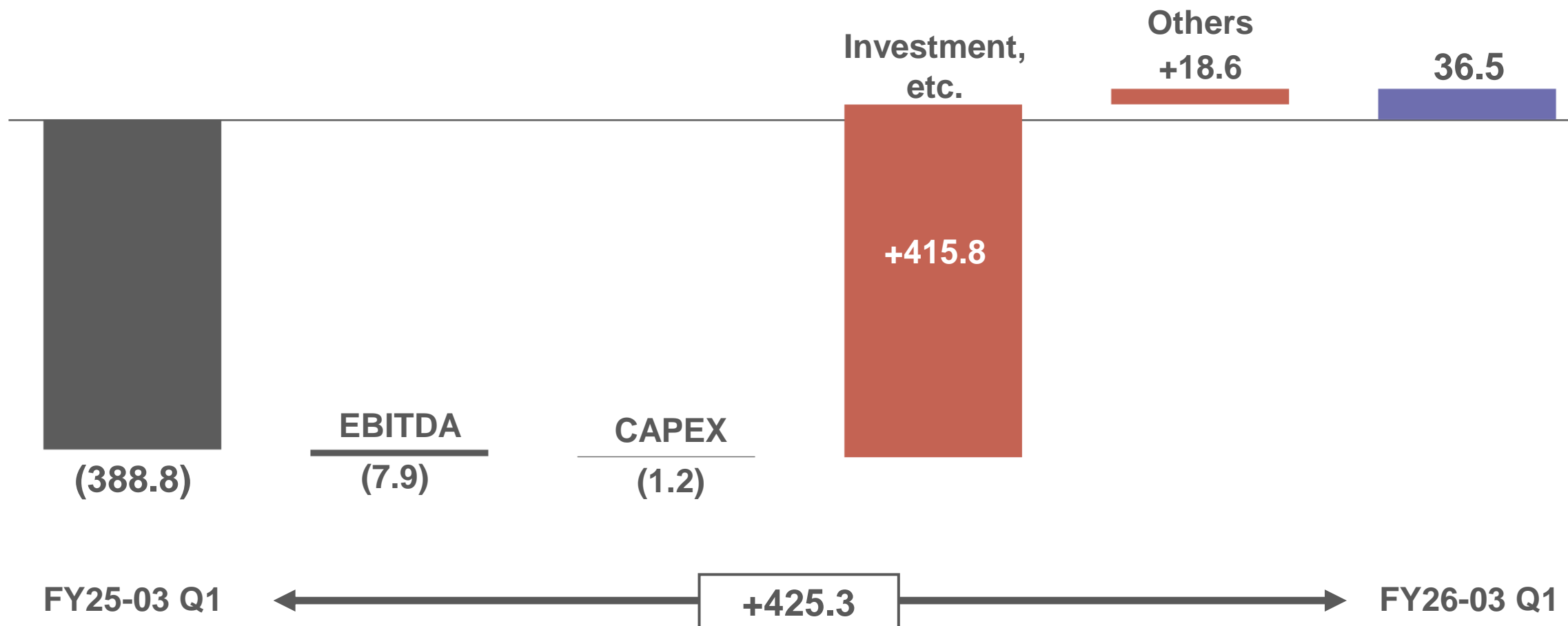| Items | | New<br>(Personal Services segment +<br>Business Services segment) | Old<br>(Personal Services segment) |
|---|---|---|---|
| **Subscriptions** | Disclosure items | Main subscriptions | Multi-brand IDs |
| | Target | SP, FP, data card, tablet etc. | SP, FP |
| **ARPU** | Disclosure items | Mobile ARPU | Communications ARPU , Value-added ARPU |
| | Formula | (Data-related + Basic charges, Voice-related + Various discounts + Product support services etc.+ Content etc.)<br>÷<br>Average number of main subscriptions | **Communications**<br>(Data-related + Basic charges, Voice-related+ Various discounts)<br>÷<br>Average number of active multi-brand IDs<br>**Value-added**<br>(Finance/settlement + Product support services etc.+ Content etc.)<br>÷<br>Average number of active multi-brand IDs |
| **Churn rate** | Disclosure items | Main subscriptions churn rate,<br>Smartphone churn rate | Multi-brand churn rate |
| | Target | Main subscriptions churn rate: SP, FP, data card, tablet etc.<br>Smartphone churn rate: SP | SP, FP |
| **Number of units shipped** | Target | SP, FP, data card, tablet etc. | SP, FP |

**Note) SP: smartphone, FP: feature phone**

# FY26-03 Q1 Profit for the period - Factors for Change -

(Unit：billions of yen)

176.9

**Operating income**
**(4.4)**

**Interest expenses**
**(3.3)**

**Others**
**+1.9**

171.1

FY25-03 Q1 ←————— (5.8) —————→ FY26-03 Q1

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

# FY26-03 Q1 FCF - Factors for Change -

(Unit：billions of yen)

**Investment, etc.**

**Others +18.6**

**36.5**

**+415.8**

**EBITDA**
**(7.9)**

**CAPEX**
**(1.2)**

**(388.8)**

**FY25-03 Q1** ⟵————— **+425.3** —————⟶ **FY26-03 Q1**

Note) Calculated excluding au Financial Holdings from the consolidated figures

# Statement of Financial Position
## (as of the end of June 2025)

(Unit : billions of yen)

(Unit : billions of yen)



**KDDI (Consolidated, excluding auFH)***
**Total assets   9.53 trillions yen**

Property, plant and equipment / Intangible assets / Rights-of-use asset 4,451.5
Goodwill 565.8
Trade and other Receivable 2,150.9
Cash and cash equivalents 221.5
Other 2,138.5

Interest-bearing debt 3,116.8
Trade and other payables 426.5
Other liabilities 648.1
Equity 5,336.8

**au Financial Holdings (Consolidated)**
**Total assets   8.07 trillion yen**

Cash and cash equivalents 742.0
Securities 505.5
Loans 5,547.3
Other 1,271.2

Borrowings for financial business 2,012.6
Deposits 4,801.3
Other 935.4
Equity 316.7

**Note) Figures for both KDDI and au Financial Holdings are based on IFRS  * Calculated excluding au Financial Holdings from the consolidated figures**

## Tomorrow, Together

## KDDI

## Disclaimer