This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

Financial Statements Summary for the three-month period ended June 30, 2026 [IFRS]

August 7, 2026

Company name:	**KDDI CORPORATION** URL https://www.kddi.com
Stock listing:	Tokyo Stock Exchange - Prime Market
Code number:	9433
Representative:	Hiromichi Matsuda, President and Chief Executive Officer
Dividend payment date (as planned):	—
Supplemental materials of quarterly results:	Yes
Presentation for quarterly results:	Yes (for institutional investors and analysts)

(monetary amounts rounded to the nearest million)
(yen in millions, unless otherwise stated)

1. Consolidated Financial Results for the three-month period ended June 30, 2026 (April 1, 2026 - June 30, 2026)

(1) Consolidated Operating Results

(Percentage represents comparison change to the corresponding previous quarterly period)

	Operating revenue		Operating income		Profit for the period before income tax		Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		%		%		%		%		%		%
Three-month period ended June 30, 2026	1,487,316	5.1	314,248	21.1	308,466	20.2	221,457	24.4	195,465	22.1	229,827	25.4
Three-month period ended June 30, 2025	1,415,734	3.0	259,473	(4.7)	256,704	(9.1)	177,996	(7.0)	160,069	(7.0)	183,290	1.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three-month period ended June 30, 2026	51.34	51.33
Three-month period ended June 30, 2025	40.23	40.22

(Reference) Other important management indicators

	Adjusted operating income		Adjusted profit for the period attributable to owners of the parent		Adjusted basic earnings per share
		%		%	Yen
Three-month period ended June 30, 2026	314,262	21.1	193,442	21.6	50.81
Three-month period ended June 30, 2025	259,473	—	159,094	—	39.99

Note: Adjusted profit is calculated by excluding extraordinary gains and losses, as well as one-time gains and losses resulting from portfolio restructuring.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
				%
As of June 30, 2026	18,854,231	5,646,278	5,127,098	27.2
As of March 31, 2026	19,063,364	5,592,690	5,076,738	26.6

2. Dividends

	Dividends per share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	—	40.00	—	40.00	80.00
Year ending March 31, 2027	—				
Year ending March 31, 2027 (forecast)		42.00	—	42.00	84.00

Note: Changes in the latest forecasts released: No

3. Consolidated Financial Results Forecast for Year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentage represents comparison to previous fiscal year)

	Operating revenue		Adjusted operating income		Adjusted profit for the period attributable to owners of the parent		Adjusted basic earnings per share
		%		%		%	Yen
Entire fiscal year	6,410,000	5.6	1,210,000	5.0	731,000	2.7	196.29

Note: Changes in the latest forecasts released: No

Notes

(1) Significant changes in the scope of consolidation during the three-month period ended June 30, 2026: Yes
Addition: None
Exclusion: 1 J:COM West Co., Ltd.

(2) Changes in accounting policies and estimates

1) Changes in accounting policies required under IFRSs:	None
2) Other changes in accounting policies:	None
3) Changes in accounting estimates:	None

(3) Numbers of outstanding shares (Common Stock)

1) Number of shares outstanding (inclusive of treasury stock)	As of June 30, 2026	4,007,450,967
	As of March 31, 2026	4,187,847,474
2) Number of treasury stock	As of June 30, 2026	200,111,982
	As of March 31, 2026	380,769,056
3) Number of weighted average common stock outstanding	For the three-month period ended June 30, 2026	3,807,195,280
(cumulative for all quarters)	For the three-month period ended June 30, 2025	3,978,573,272

Note: The 1,235,265 shares as of June 30, 2026 and the 1,495,908 shares as of March 31, 2026 of the Company's stock owned by the executive compensation BIP Trust account are included in the total number of treasury stock.

Review of attached quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes (mandatory)

Explanation for appropriate use of forecasts and other notes

1. The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors. Please refer to P.5 "1. Overview of Operating Results and Financial Position (3) Explanation Regarding Future Forecast Information of Consolidated Financial Results" under [the Attachment] for the assumptions used and other notes.

2. On August 7, 2026, the Company will hold a financial result briefing for the institutional investors and analysts. Presentation materials will be webcasted on the same time as the release of this earnings report, and the live presentation and Q&A summary will be also posted on our website immediately after the commencement of the financial result briefing. In addition to the above, the Company holds the briefing and the presentations on our business for the individual investors timely. For the schedule and details, please check our website.

[the Attachment]

Index of the Attachment

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

We would like to offer our sincere condolences to all who were affected by the Kumamoto Earthquake of 2026 and their families. The KDDI group will continue making every effort to support the recovery of the affected area.

For an overview of operating results for the three-month period ended June 30, 2026, please refer to the following resources made available on TDnet and KDDI's official website on the same day as this financial statements summary.

-Presentations

-Financial Results

*Latest IR Materials: https://www.kddi.com/english/corporate/ir/ir-library/presentation/

Financial Results

For the three-month period ended June 30, 2026

(yen in millions)

	Three Months Ended			
	June 30, 2025	June 30, 2026	Change	Percentage Change
Operating revenue	1,415,734	**1,487,316**	71,582	5.1%
Adjusted operating income	259,473	**314,262**	54,789	21.1%
Operating income	259,473	**314,248**	54,775	21.1%
Adjusted profit for the period attributable to owners of the parent	159,094	**193,442**	34,348	21.6%
Profit for the period attributable to owners of the parent	160,069	**195,465**	35,396	22.1%

Note: Adjusted profit is calculated by excluding extraordinary gains and losses, as well as one-time gains and losses resulting from portfolio restructuring.

During the three-month period ended June 30, 2026, operating revenue increased by 5.1% year on year to ¥1,487,316 million mainly due to increases in mobile revenue, financial business revenue, device-related revenue and cybersecurity and AI integration, as well as data center services.

Adjusted operating income increased by 21.1% year on year to ¥314,262 million mainly due to an increase in operating revenue.

Adjusted profit for the period attributable to owners of the parent increased by 21.6% year on year to ¥193,442 million.

Beginning in the three-month period ended June 30, 2026, the Group reporting segments were reorganized from two reporting segments of "Personal" and "Business" to three reporting segments of "Telecom Core," "Personal Growth," and "Business Growth," based on the allocation of management resources and their performance evaluation units in accordance with the management approach. Accordingly, the segment information for the three-month period ended June 30, 2025 has been presented based on the segment classification after this change.

Operating performance in the Telecom Core segment for the three-month period ended June 30, 2026 is described below.

Results

For the three-month period ended June 30, 2026

(yen in millions)

	Three Months Ended			
	June 30, 2025	**June 30, 2026**	**Change**	**Percentage Change**
Operating revenue	1,047,874	**1,083,671**	35,797	3.4%
Adjusted operating income	176,317	**210,706**	34,389	19.5%

During the three-month period ended June 30, 2026, operating revenue increased by 3.4% year on year to ¥1,083,671 million mainly due to an increase in mobile revenue.

Adjusted operating income increased by 19.5% year on year to ¥210,706 million mainly due to an increase in operating revenue.

Operating performance in the Personal Growth segment for the three-month period ended June 30, 2026, is described below.

Results

For the three-month period ended June 30, 2026

(yen in millions)

	Three Months Ended			
	June 30, 2025	**June 30, 2026**	**Change**	**Percentage Change**
Operating revenue	258,683	**280,820**	22,137	8.6%
Adjusted operating income	50,773	**55,491**	4,717	9.3%

During the three-month period ended June 30, 2026, operating revenue increased by 8.6% year on year to ¥280,820 million mainly due to increases in financial business revenue and device-related revenue.

Adjusted operating income increased by 9.3% year on year to ¥55,491 million mainly due to increases in device-related revenue and in share of profit of investments accounted for using the equity method from Lawson.

Operating performance in the Business Growth segment for the three-month period ended June 30, 2026, is described below.

Results

For the three-month period ended June 30, 2026

(yen in millions)

	Three Months Ended			
	June 30, 2025	**June 30, 2026**	**Change**	**Percentage Change**
Operating revenue	147,810	**165,152**	17,341	11.7%
Adjusted operating income	15,180	**18,453**	3,273	21.6%

During the three-month period ended June 30, 2026, operating revenue increased by 11.7% year on year to ¥165,152 million mainly due to increases in revenue from cybersecurity and AI integration, as well as data center services.

Adjusted operating income increased by 21.6% year on year to ¥18,453 million mainly due to an increase in operating revenue.

(2) Overview of Financial Position

1. Financial Position

(yen in millions)

	March 31, 2026	June 30, 2026	Change
Total assets	19,063,364	**18,854,231**	(209,133)
Total liabilities	13,470,674	**13,207,954**	(262,720)
Total equity	5,592,690	**5,646,278**	53,587
Equity attributable to owners of the parent	5,076,738	**5,127,098**	50,360
Ratio of equity attributable to owners of the parent to total assets	26.6%	**27.2%**	0.6%

(Assets)

Total assets decreased by ¥209,133 million from the previous fiscal year-end to ¥18,854,231 million as of June 30, 2026 mainly due to decreases in loans for financial business and trade and other receivables.

(Liabilities)

Total liabilities decreased by ¥262,720 million from the previous fiscal year-end to ¥13,207,954 million as of June 30, 2026 mainly due to decreases in trade and other payables and borrowings and bonds payable despite an increase in call money.

(Equity)

Total equity amounted to ¥5,646,278 million mainly due to increase in equity attributable to owners of the parent from the previous fiscal year-end. As a result, ratio of equity attributable to owners of the parent to total assets increased from 26.6% as of March 31, 2026, to 27.2% as of June 30, 2026.

2. Consolidated Cash Flows

(yen in millions)

	Three Months Ended		
	June 30, 2025	June 30, 2026	Change
Net cash provided by (used in) operating activities	331,099	**(113,535)**	(444,634)
Net cash provided by (used in) investing activities	(241,588)	**(144,380)**	97,208
Free cash flows *1	89,512	**(257,914)**	(347,426)
Net cash provided by (used in) financing activities	(45,144)	**(37,100)**	8,044
Effect of exchange rate changes on cash and cash equivalents	(2,036)	**3,133**	5,170
Net increase (decrease) in cash and cash equivalents	42,331	**(291,881)**	(334,212)
Cash and cash equivalents at the beginning of the period	921,175	**1,078,807**	157,632
Cash and cash equivalents at the end of the period	963,507	**786,926**	(176,581)

*1. Free cash flows are calculated as the sum of “net cash provided by (used in) operating activities” and “net cash provided by (used in) investing activities.”

Net cash used in operating activities increased by ¥444,634 million year on year to ¥113,535 million mainly due to a shift from an increase to a decrease in borrowing for financial business.

Net cash used in investing activities decreased by ¥97,208 million year on year to ¥144,380 million mainly due to an increase in proceeds from sales and redemption of securities for financial business.

Net cash used in financing activities decreased by ¥8,044 million year on year to ¥37,100 million mainly due to an increase in income as a result of the higher growth rate in short-term borrowings despite an increase in expenditures such as deposits for purchasing treasury stock.

Reflecting these factors and an increase in ¥3,133 million in the effect of exchange rate changes on cash and cash equivalents, the total amount of cash and cash equivalents as of June 30, 2026, decreased by ¥291,881 million from March 31, 2026 to ¥786,926 million.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results

For the fiscal year ending March 31, 2027, the Group forecasts operating revenue of ¥6,410,000 million, adjusted operating income of ¥1,210,000 million and adjusted profit for the period attributable to owners of the parent of ¥731,000 million. No changes have been made from the details stated in the Summary of Financial Results for the fiscal year ended March 31, 2026 (disclosed on May 12, 2026).
If it becomes necessary to revise the forecast due to future changes in circumstances, we will disclose the revision as soon as possible.

(4) Business Risk and Other Risk Factors

In the three-month period ended June 30, 2026 and as of the submission date of Financial Statements Summary for the three-month period ended June 30, 2026, there have been no material changes to the “Business Risk and Other Risk Factors” described in Annual Securities Report for Fiscal Year Ended March 31, 2026.
Furthermore, regarding “(2) Improper handling or leakage of private communications and customer information, and inappropriate use of products and services provided by the Company,” as part of the “Business Risk and Other Risk Factors” section, as stated in the press release “Regarding Unauthorized Access to Our Email System for ISPs” issued on June 23, 2026, and the press release “Report and Apology Regarding Unauthorized Access to Our Email System for ISPs” issued on July 6, 2026, it has been confirmed that email-related information (such as email addresses) from the email system the Company provides to Internet service providers (hereinafter ISPs) was leaked externally as a result of unauthorized access by a third party. The Company is working closely with the affected ISPs to implement the necessary measures and prevent similar incidents from recurring.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(yen in millions)

	March 31, 2026	June 30, 2026
ASSETS		
Non-current assets:		
Property, plant and equipment	2,999,321	2,981,189
Right-of-use assets	521,939	547,019
Goodwill	580,269	580,482
Intangible assets	1,058,151	1,061,190
Investments accounted for using the equity method	715,022	712,135
Long-term loans for financial business	5,534,048	5,657,589
Securities for financial business	708,845	731,580
Other long-term financial assets	543,633	549,229
Retirement benefit assets	8,112	6,780
Deferred tax assets	26,261	10,602
Contract costs	732,510	752,451
Other non-current assets	56,826	56,895
Total non-current assets	13,484,936	13,647,141
Current assets:		
Inventories	140,295	152,489
Trade and other receivables	3,227,074	3,085,942
Short-term loans for financial business	864,429	585,806
Call loans	33,372	63,931
Other short-term financial assets	40,055	43,472
Income tax receivables	4,225	3,785
Other current assets	190,171	484,739
Cash and cash equivalents	1,078,807	786,926
Total current assets	5,578,428	5,207,090
Total assets	19,063,364	18,854,231

(yen in millions)

	March 31, 2026	June 30, 2026
LIABILITIES AND EQUITY		
Liabilities		
Non-current liabilities:		
Borrowings and bonds payable	2,588,058	2,511,474
Long-term deposits for financial business	120,583	114,752
Lease liabilities	382,914	388,910
Other long-term financial liabilities	24,974	28,395
Retirement benefit liabilities	12,509	11,314
Deferred tax liabilities	250,231	242,812
Provisions	39,684	38,128
Contract liabilities	98,567	90,479
Other non-current liabilities	15,180	15,174
Total non-current liabilities	3,532,699	3,441,437
Current liabilities:		
Borrowings and bonds payable	2,279,998	2,137,203
Trade and other payables	973,109	788,862
Short-term deposits for financial business	5,546,369	5,645,963
Call money	2,718	130,000
Cash collateral received for securities lent	430,286	427,558
Lease liabilities	124,381	128,559
Other short-term financial liabilities	2,942	2,573
Income taxes payables	174,022	79,342
Provisions	49,970	53,047
Contract liabilities	102,966	122,420
Other current liabilities	251,213	250,990
Total current liabilities	9,937,974	9,766,517
Total liabilities	13,470,674	13,207,954
Equity		
Equity attributable to owners of the parent		
Common stock	141,852	141,852
Capital surplus	257,627	257,013
Treasury stock	(822,073)	(431,645)
Retained earnings	5,406,985	5,061,259
Accumulated other comprehensive income	92,347	98,619
Total equity attributable to owners of the parent	5,076,738	5,127,098
Non-controlling interests	515,952	519,180
Total equity	5,592,690	5,646,278
Total liabilities and equity	19,063,364	18,854,231

(2) Condensed Quarterly Consolidated Statement of Income

(yen in millions)

	Three Months Ended	
	June 30, 2025	June 30, 2026
Operating revenue	1,415,734	1,487,316
Cost of sales	800,256	835,234
Gross profit	615,478	652,082
Selling, general and administrative expenses	362,623	355,552
Other income	3,617	7,780
Other expense	6,500	1,427
Share of profit (loss) of investments accounted for using the equity method	9,500	11,365
Operating income	259,473	314,248
Finance income	4,313	5,930
Finance cost	7,948	11,619
Other non-operating profit (loss)	866	(93)
Profit for the period before income tax	256,704	308,466
Income tax	78,708	87,009
Profit for the period	177,996	221,457
Profit for the period attributable to:		
Owners of the parent	160,069	195,465
Non-controlling interests	17,928	25,992
Profit for the period	177,996	221,457
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	40.23	51.34
Diluted earnings per share (yen)	40.22	51.33

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(yen in millions)

	Three Months Ended	
	June 30, 2025	June 30, 2026
Profit for the period	177,996	221,457
Other comprehensive income		
Items that will not be transferred subsequently to profit or loss		
Remeasurements of defined benefit pension plans	(530)	—
Changes measured in fair value of equity instruments through other comprehensive income	3,446	1,903
Share of other comprehensive income of investments accounted for using the equity method	239	(3)
Total	3,155	1,900
Items that may be subsequently reclassified to profit or loss		
Changes in fair value of cash flow hedge	(378)	13
Translation differences on foreign operations	4,338	6,013
Changes measured in fair value of debt instruments through other comprehensive income	—	(496)
Share of other comprehensive income of investments accounted for using the equity method	(1,822)	939
Total	2,138	6,470
Total other comprehensive income	5,293	8,370
Total comprehensive income for the period	183,290	229,827
Total comprehensive income for the period attributable to:		
Owners of the parent	165,855	203,061
Non-controlling interests	17,434	26,765
Total	183,290	229,827

Note: Items in the statement above are presented net of tax.

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

For the three-month period ended June 30, 2025

(yen in millions)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Treasury stock	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
Balance at April 1, 2025	141,852	259,047	(819,072)	5,400,113	50,556	5,032,495	522,500	5,554,995
Comprehensive income								
Profit for the period	―	―	―	160,069	―	160,069	17,928	177,996
Other comprehensive income	―	―	―	―	5,787	5,787	(493)	5,293
Total comprehensive income	―	―	―	160,069	5,787	165,855	17,434	183,290
Transactions with owners and other transactions								
Cash dividends	―	―	―	(149,238)	―	(149,238)	(40,886)	(190,124)
Transfer from accumulated other comprehensive income to retained earnings	―	―	―	(1,890)	1,890	―	―	―
Purchase and disposal of treasury stock	―	―	(4)	―	―	(4)	―	(4)
Retirement of treasury stock	―	(396,515)	396,515	―	―	―	―	―
Transfer from retained earnings to capital surplus	―	396,515	―	(396,515)	―	―	―	―
Changes due to business combination	―	―	―	―	―	―	369	369
Changes in ownership interests in subsidiaries	―	(293)	―	―	―	(293)	(556)	(849)
Other	―	(127)	339	(1,045)	―	(834)	39	(795)
Total transactions with owners and other transactions	―	(420)	396,850	(548,687)	1,890	(150,368)	(41,035)	(191,403)
Balance at June 30, 2025	141,852	258,627	(422,222)	5,011,495	58,232	5,047,983	498,899	5,546,881

For the three-month period ended June 30, 2026

(yen in millions)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Treasury stock	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
Balance at April 1, 2026	141,852	257,627	(822,073)	5,406,985	92,347	5,076,738	515,952	5,592,690
Comprehensive income								
Profit for the period	―	―	―	195,465	―	195,465	25,992	221,457
Other comprehensive income	―	―	―	―	7,597	7,597	773	8,370
Total comprehensive income	―	―	―	195,465	7,597	203,061	26,765	229,827
Transactions with owners and other transactions								
Cash dividends	―	―	―	(152,366)	―	(152,366)	(26,724)	(179,090)
Transfer from accumulated other comprehensive income to retained earnings	―	―	―	1,325	(1,325)	―	―	―
Purchase and disposal of treasury stock	―	―	(0)	―	―	(0)	―	(0)
Retirement of treasury stock	―	(390,094)	390,094	―	―	―	―	―
Transfer from retained earnings to capital surplus	―	390,094	―	(390,094)	―	―	―	―
Changes due to business combination	―	―	―	―	―	―	314	314
Changes in ownership interests in subsidiaries	―	(413)	―	―	―	(413)	2,878	2,465
Other	―	(201)	335	(56)	―	78	(6)	72
Total transactions with owners and other transactions	―	(614)	390,429	(541,191)	(1,325)	(152,701)	(23,538)	(176,239)
Balance at June 30, 2026	141,852	257,013	(431,645)	5,061,259	98,619	5,127,098	519,180	5,646,278

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(yen in millions)

	Three Months Ended	
	June 30, 2025	June 30, 2026
Cash flows from operating activities		
Profit for the period before income tax	256,704	308,466
Depreciation and amortization	171,383	173,632
Impairment losses	53	—
Loss allowance	126	(931)
Share of (profit) loss of investments accounted for using the equity method	(9,500)	(11,365)
Loss (gain) on sales of non-current assets	(2)	(15)
Interest and dividend income	(3,869)	(3,382)
Interest expenses	5,642	10,307
(Increase) decrease in trade and other receivables	68,604	102,251
Increase (decrease) in trade and other payables	(114,988)	(127,719)
(Increase) decrease in loans for financial business	(403,494)	155,192
Increase (decrease) in deposits for financial business	212,596	93,763
Increase (decrease) in borrowings for financial business	360,000	(664,000)
(Increase) decrease in Call loans	(94,610)	(30,559)
Increase (decrease) in Call money	(879)	127,282
Increase (decrease) in cash collateral received for securities lent	47,487	(2,728)
(Increase) decrease in inventories	18,983	(12,138)
(Increase) decrease in retirement benefit assets	(179)	1,332
Increase (decrease) in retirement benefit liabilities	249	(1,196)
Other	(56,653)	(70,089)
Cash generated from operations	457,654	48,104
Interest and dividends received	44,834	19,998
Interest paid	(6,320)	(10,551)
Income tax paid	(165,069)	(171,085)
Net cash provided by (used in) operating activities	331,099	(113,535)

(yen in millions)

	Three Months Ended	
	June 30, 2025	June 30, 2026
Cash flows from investing activities		
Purchases of property, plant and equipment	(88,255)	(82,997)
Proceeds from sales of property, plant and equipment	82	107
Purchases of intangible assets	(66,291)	(72,913)
Purchases of securities for financial business	(78,757)	(54,592)
Proceeds from sales and redemption of securities for financial business	12,522	50,939
Purchases of other financial assets	(22,974)	(21,645)
Proceeds from sales and redemption of other financial assets	4,168	38,537
Payments for acquisition of subsidiaries	(2,592)	(92)
Purchases of stocks of affiliates	—	(500)
Proceeds from sales of stocks of subsidiaries and affiliates	1,198	—
Payments for loss of control of subsidiaries	—	(507)
Other	(688)	(716)
Net cash provided by (used in) investing activities	(241,588)	(144,380)
Cash flows from financing activities		
Net increase (decrease) of short-term borrowings	183,000	386,480
Net increase (decrease) of commercial papers	49,973	139,855
Payments from redemption of bonds and repayments of long-term borrowings	(40,002)	(82,002)
Repayments of lease obligations	(48,170)	(51,472)
Payments from purchase of subsidiaries’ equity from non-controlling interests	(807)	(862)
Proceeds from stock issuance to non-controlling interests	6	5
Payments from purchase of treasury stock	(4)	(0)
Cash dividends paid	(148,370)	(151,579)
Cash dividends paid to non-controlling interests	(40,816)	(27,526)
(Increase) decrease in deposits for purchasing treasury stock	—	(250,000)
Other	46	(0)
Net cash provided by (used in) financing activities	(45,144)	(37,100)
Effect of exchange rate changes on cash and cash equivalents	(2,036)	3,133
Net increase (decrease) in cash and cash equivalents	42,331	(291,881)
Cash and cash equivalents at the beginning of the period	921,175	1,078,807
Cash and cash equivalents at the end of the period	963,507	786,926

(6) Going Concern Assumption

None

(7) Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting Entity

KDDI Corporation ("the Company") was established as a limited company in accordance with Japanese Company Act. The location of the Company is Japan and the registered address of its headquarter is 2-3-2, Nishishinjuku, Shinjuku-ku, Tokyo, Japan. The Company's condensed quarterly consolidated financial statements as of and for the three-month period ended June 30, 2026 comprise the Company and its consolidated subsidiaries ("the Group") and the Group's interests in associates and joint ventures. The Company is the ultimate parent company of the Group.

The Group's major business and activities are described in "(1) Outline of reportable segments" of "4. Segment Information."

2. Basis of Preparation

(1) Compliance of condensed quarterly consolidated financial statements with IFRSs

The Group's condensed quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange (However, the omissions of statements defined in Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements are applied.).

The condensed quarterly consolidated financial statements, which do not contain all the information required in annual consolidated financial statements, should be read in conjunction with the annual consolidated financial statements for the previous fiscal year ended March 31, 2026.

(2) Basis of measurement

The Group's condensed quarterly consolidated financial statements have been prepared under the historical cost basis except for the following significant items on the condensed quarterly consolidated statement of financial position:

- Derivative assets and derivative liabilities (measured at fair value)
- Financial assets or financial liabilities at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Assets and liabilities related to defined benefit plan (measured at the present value of the defined benefit obligations, net of the fair value of the plan asset)

(3) Presentation currency and unit of currency

The Group's condensed quarterly consolidated financial statements are presented in Japanese yen, which is the currency of the primary economic environment of the Company's business activities, and are rounded to the nearest million yen.

(4) Use of estimates and judgement

The preparation of condensed quarterly consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on the management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of the estimates or assumptions, however, actual results may differ from those estimates and assumptions.

The estimates and assumptions are reviewed on an ongoing basis. The effect of adjusting accounting estimates is recognized in the fiscal year in which the estimates are adjusted and in the subsequent fiscal years.

The judgments, estimates and assumptions that have significant impact on the amount in the condensed quarterly consolidated financial statements are consistent with those described in the annual consolidated financial statements for the previous fiscal year in principle.

(5) Application of new standards and interpretations

The Group doesn't have material standards and interpretations applied from the three-month period ended June 30, 2026.

(6) Standards not yet adopted

The following is a list of newly established or revised standards and interpretations that have been disclosed prior to the approval date of the consolidated financial statements, but have not been early adopted by the Group. The impact on the consolidated financial statements of the Group is currently under evaluation.

Standard	The title of Standard	Mandatory adoption (from the fiscal year beginning)	To be adopted by the Group from	Outline of new standards and amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	fiscal year ending March 31, 2028	The new standard that replaces IAS 1 on Presentation of Financial Statements and Disclosure in the current accounting standards

3. Material Accounting Policies

The principal accounting policies applied by the Group in the preparation of these quarterly consolidated financial statements are the same as the accounting policies applied in the preparation of the consolidated financial statements of the previous fiscal year. Income tax is calculated by applying the estimated average effective tax rate to profit for the period before income tax. In addition, the Company and some domestic consolidated subsidiaries have adopted the Group tax sharing system.

4. Segment Information

(1) Outline of reportable segments

The reportable segments of the Group are units of the Group of which separate financial information is available, and which are periodically monitored for the board of directors to determine the allocation of the business resources and evaluate the performance results.

Beginning in the three-month period ended June 30, 2026, the Group reporting segments were reorganized from two reporting segments of “Personal” and “Business” to three reporting segments of “Telecom Core,” “Personal Growth,” and “Business Growth,” based on the allocation of management resources and their performance evaluation units in accordance with the management approach.

Within the “Telecom Core,” telecom (Personal) and related domains and telecom (Business) and related domains are included due to the similarity of their economic characteristics.

In the Telecom Core Segment, we provide personal and business customers with telecommunications and related services, including multi-brand telecommunications services under au, UQ, and povo, smartphone and mobile phone sales, and FTTH/CATV services.

The Group promotes structural reforms that focus on Life Time Value (LTV) and pursue the stable growth of mobile revenue and operating income. Moreover, the Group will create investment funds for Group growth by using AI to enhance telecommunication quality and operational efficiency and by transforming into a leaner profit structure.

In the Personal Growth Segment, we provide personal customers with non-telecommunications services, including finance, energy, device-related services such as mobile device repairs, and Ponta Pass/Lawson.

To provide an AI-powered lifestyle support that aligns with customers’ needs in daily life, the Group integrates a diverse range of services, with telecommunications at the core, and create new experience value. In the fields of devices, Ponta Pass, and Lawson, in addition to finance and energy, the Group will accelerate initiatives aimed at creating new business models and strive to deploy overseas the knowledge and success models gained in Japan with the aim of achieving further growth.

In the Business Growth Segment, we provide business customers with five business areas that support an AI-driven society, including AI integration, cybersecurity, connected services, datacenters, and AI-BPO.

In the AI integration and cyber security fields, the Group accelerates growth by identifying AI utilization needs, regulatory changes, and other factors. In the connected services and data center fields, the Group aim to achieve both stable growth and a shift to high-value-added products as the next digital infrastructure. In AI-BPO, the Group will continue working to utilize AI to enhance customer experiences and transform corporate operations.

As a result of this segment reorganization, the segment information for the three-month period ended June 30, 2025 has been presented based on the segment classification after this change.

(2) Calculation method of revenue, income or loss, assets and other items by reportable segment

Accounting treatment of reported business segments is consistent with “3. Material Accounting Policies.”

Beginning in the three-month period ended June 30, 2026, income of reportable segments is calculated by excluding extraordinary gains and losses, as well as one-time gains and losses resulting from portfolio restructuring, from operating income. Accordingly, the figures for the three-month period ended June 30, 2025 have also been restated to exclude these items.

Inter segment transaction price is determined by taking into consideration the price by arm’s length transactions or gross costs after price negotiation.

Assets and liabilities are not allocated to reportable segments.

(3) Information related to the amount of revenue, income or loss and other items by reportable segment

The Group's segment information is as follows:

For the three-month period ended June 30, 2025

(yen in millions)

	Reportable segments							
	Telecom core	Personal growth	Business growth	Sub-total	Other*1	Total	Adjustment*2	Consolidated
Revenue								
Revenue from external customers	1,026,674	241,951	118,855	1,387,479	28,255	1,415,734	—	1,415,734
Inter-segment revenue or transfers	21,200	16,732	28,956	66,888	31,224	98,112	(98,112)	—
Total	1,047,874	258,683	147,810	1,454,368	59,479	1,513,847	(98,112)	1,415,734
Segment income (Adjusted operating income)	176,317	50,773	15,180	242,270	17,809	260,079	(606)	259,473
Adjusted items								—
Operating income								259,473
Finance income (cost), net								(3,636)
Other non-operating profit (loss), net								866
Profit for the period before income tax								256,704

For the three-month period ended June 30, 2026

(yen in millions)

	Reportable segments							
	Telecom core	Personal growth	Business growth	Sub-total	Other*1	Total	Adjustment*2	Consolidated
Revenue								
Revenue from external customers	1,064,511	261,177	133,435	1,459,123	28,193	1,487,316	—	1,487,316
Inter-segment revenue or transfers	19,160	19,643	31,717	70,520	30,581	101,101	(101,101)	—
Total	1,083,671	280,820	165,152	1,529,643	58,775	1,588,418	(101,101)	1,487,316
Segment income (Adjusted operating income)	210,706	55,491	18,453	284,650	29,869	314,519	(257)	314,262
Adjusted items								(14)
Operating income								314,248
Finance income (cost), net								(5,689)
Other non-operating profit (loss), net								(93)
Profit for the period before income tax								308,466

*1. "Other" represents business segments that are not included in the reportable segments and includes construction and maintenance of facilities, among others.

*2. Adjustment of segment income shows the elimination of inter-segment transactions.