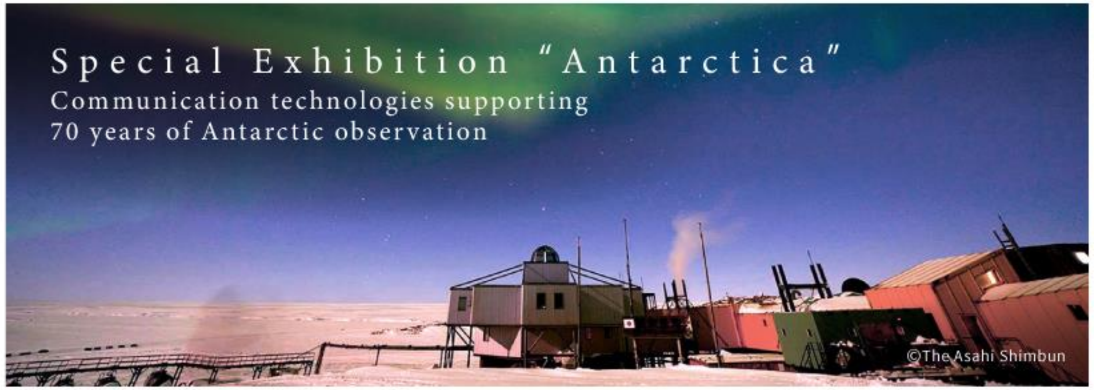
Spark Your Journey

KDDI

FY2027-03
Q1 Financial Results
(April - June 2026)



August 7, 2026

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

We extend our deepest sympathies to all those affected by the 2026 Kumamoto Earthquake and their families.

The KDDI Group will continue to do its utmost to support the recovery of the affected areas.

Key Highlights

FY27-03 Q1 Consolidated Results

FY27-03 Focus Points

Initiatives for Strengthening Governance

Progress of “Power-to-Connect 2028”

FY27-03 Q1 Consolidated Results

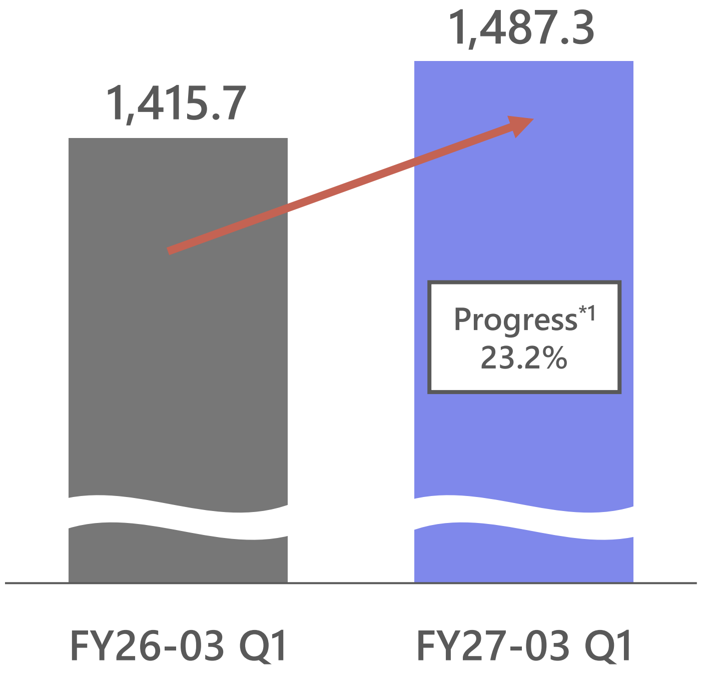
Consolidated Financial Results

Revenue and income increased. Strong start against the full-year forecast

Operating revenue

(Unit : billions of yen)

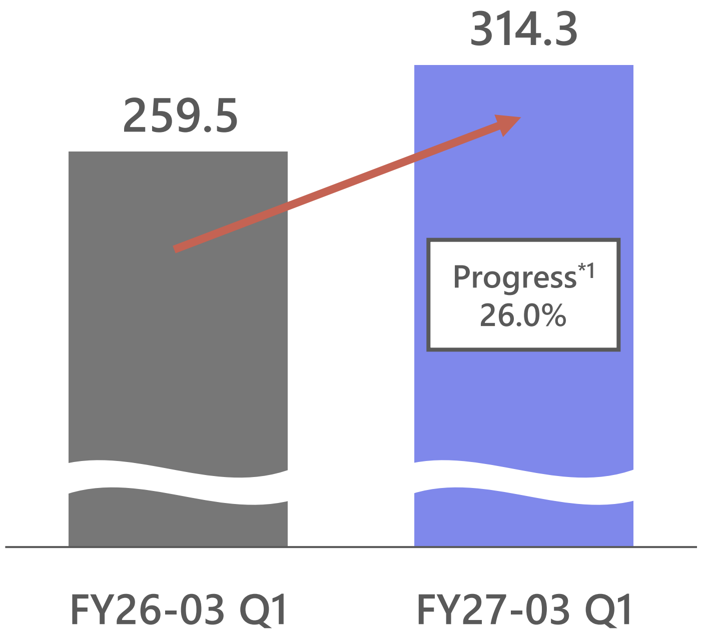
YOY+5.1%



Adjusted operating income

(Unit : billions of yen)

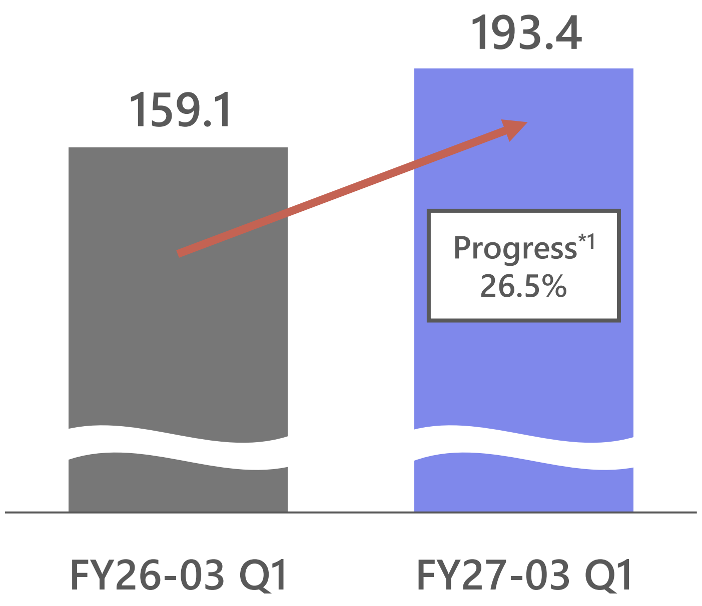
YOY+21.1%



Adjusted profit for the period*2

(Unit : billions of yen)

YOY+21.6%



Note) Adjusted profit is profit excluding non-recurring gains and losses and one-off gains and losses associated with portfolio review *1 Progress against full-year forecast *2 Adjusted profit for the period attributable to owners of the parent

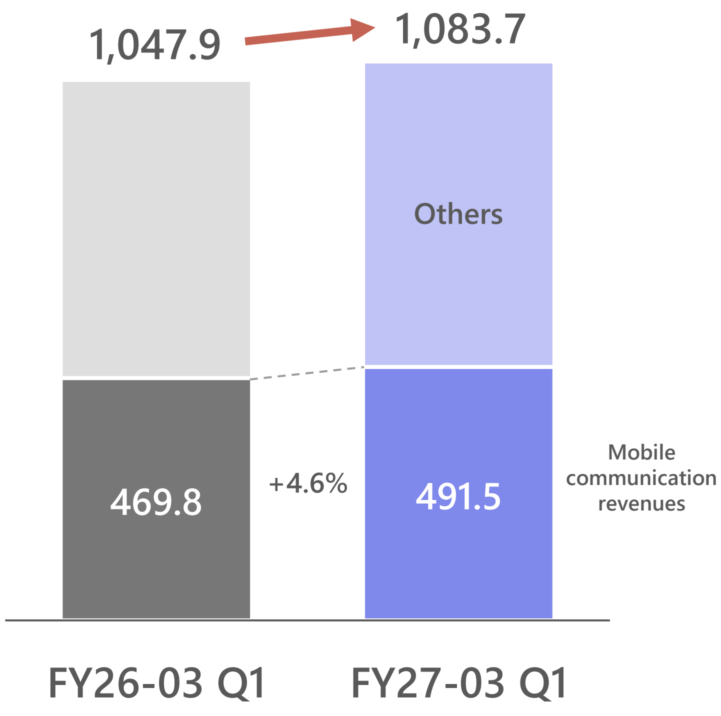
Operating Revenue by Segment

Revenue increased in all segments.
Growth in key growth areas, including mobile communication revenues

Telecom Core

(Unit : billions of yen)

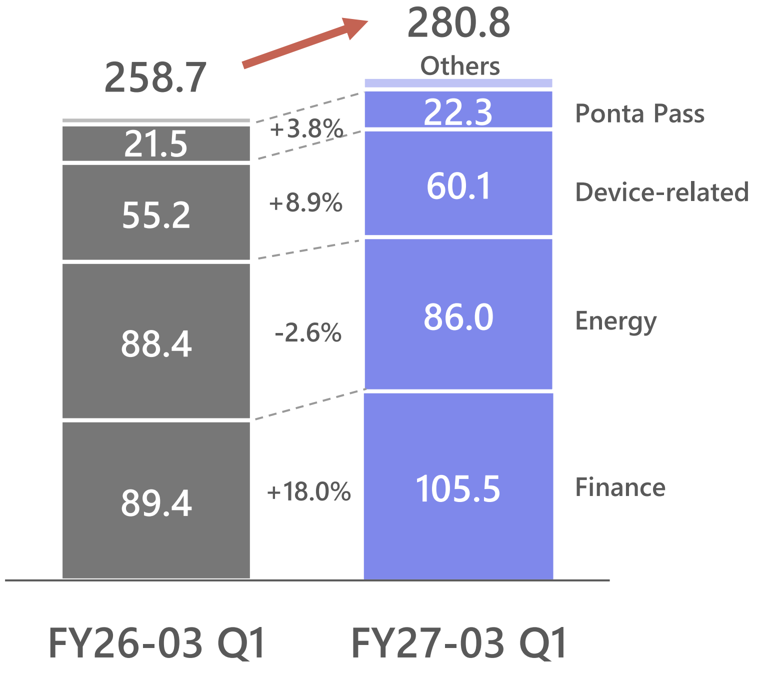
YOY+3.4%



Personal Growth

(Unit : billions of yen)

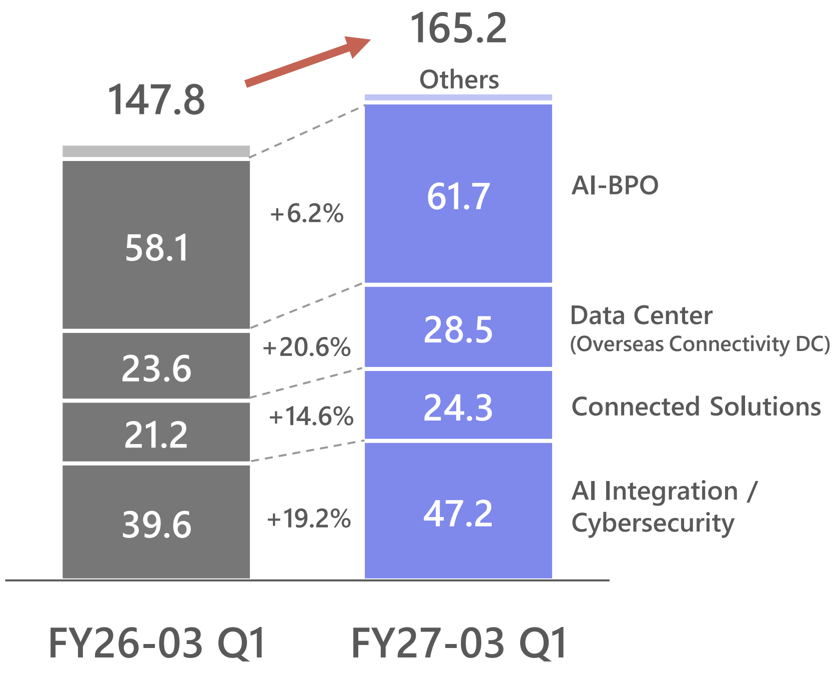
YOY+8.6%



Business Growth

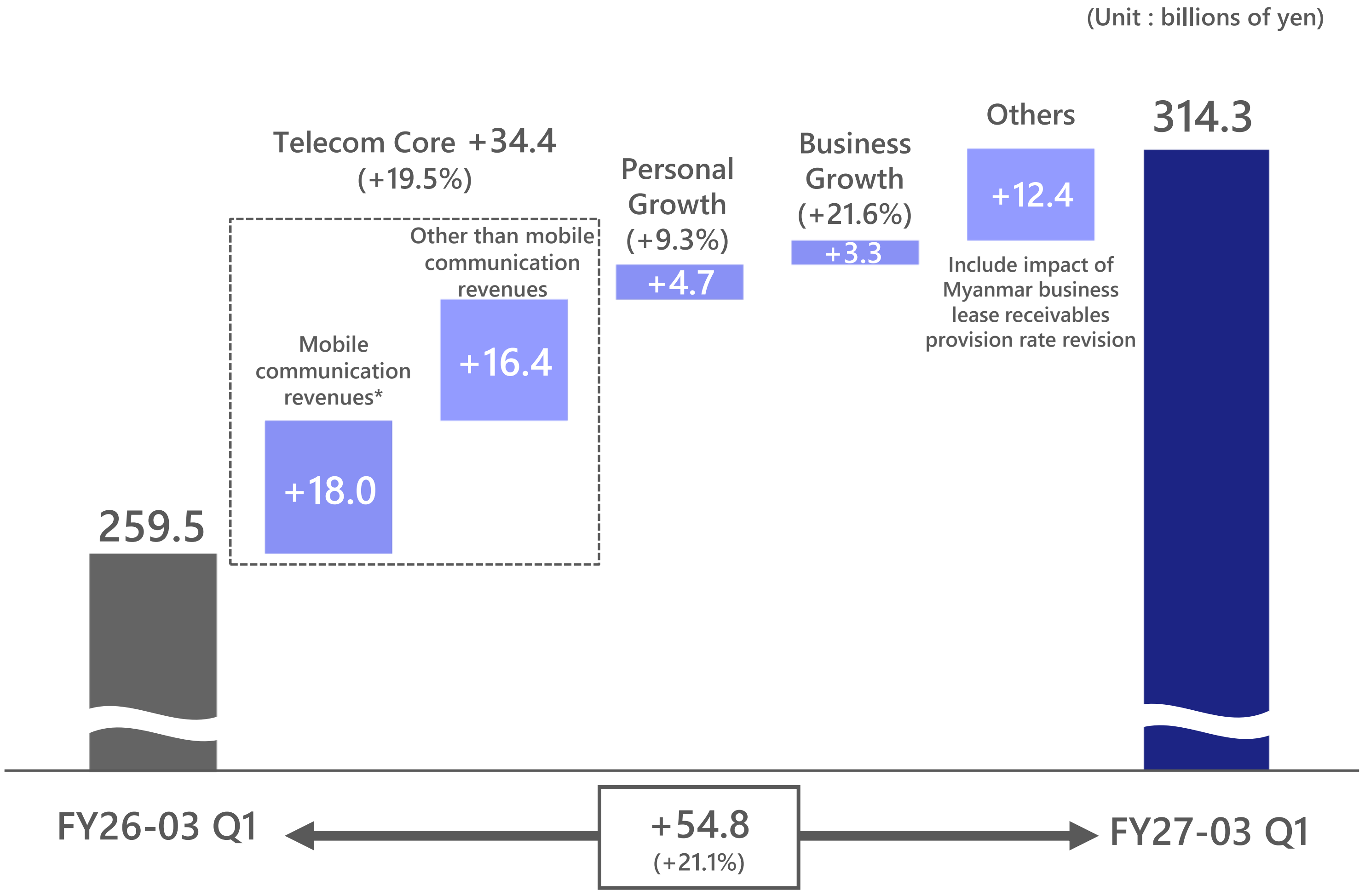
(Unit : billions of yen)

YOY+11.7%



Adjusted Operating Income -Factors for Change-

Mobile communication revenues drive profit growth.
Growth areas are also progressing steadily toward double-digit full-year growth



Outlook of full-year forecast

Adjusted operating income continues to aim for the full-year forecast of 1,210 billion yen

<H1>
Telecom Core drives profit growth, led by the effects of service revisions. Growth areas also off to a steady start

<H2>
Accelerate growth in Growth areas
Strategic cost investment with an eye on mid-term growth

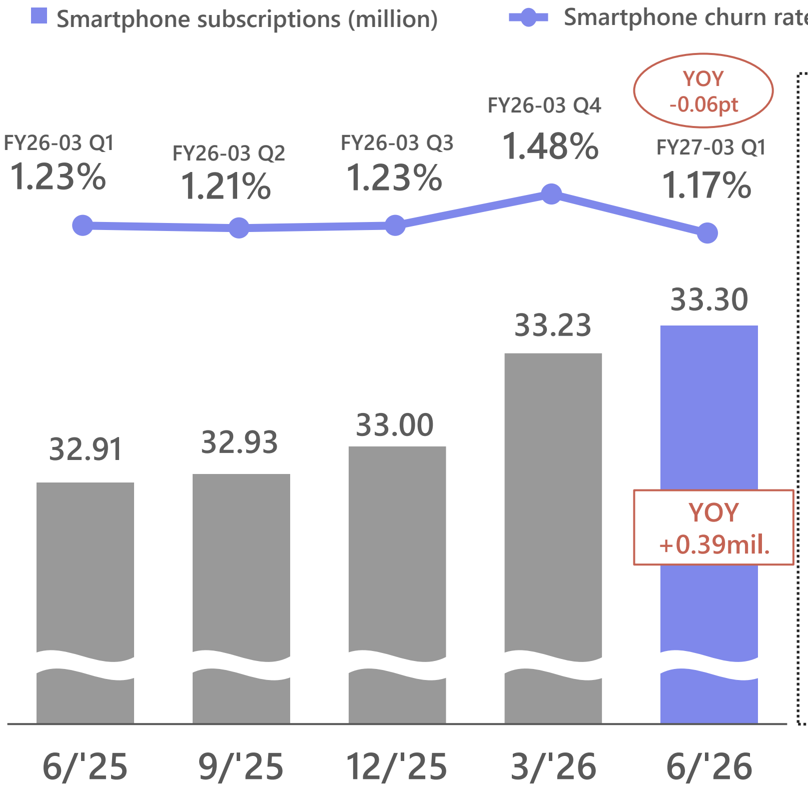
Note) From this page onward, unless otherwise noted, profits are on adjusted basis * Management-based profit figure

Progress in Mobile Structural Transformation

Realization of Transformation Effect

Initiatives focused on LTV, implemented ahead of competitors, are driving steady improvements in key KPIs

Momentum (ID / Churn rate)

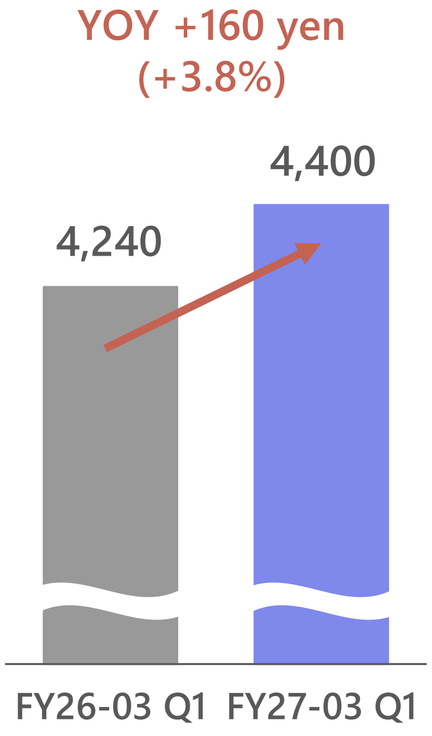


Points

- Churn rate reduction driven by structural transformation
- Capture demand from the younger generation and expand subscriptions from other carriers

Mobile ARPU

(Unit: yen)



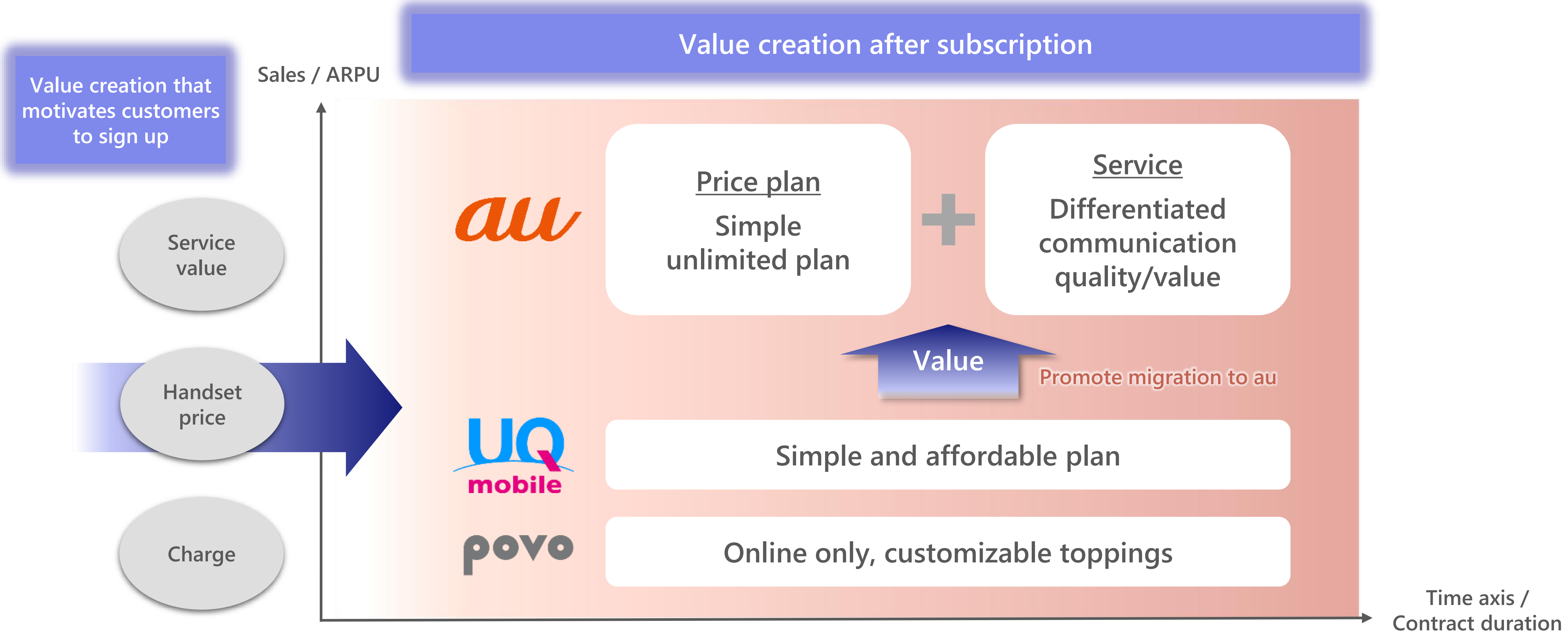
Points

- Steady subscriber growth in “au Value Link Plan” and “Komi-Komi Plan Value” drive ARPU growth

Note) LTV (Life Time Value)

Commitment to "Value Competition"

Strengthening multi-brand functions to ensure ID competitiveness and build a long-term foundation

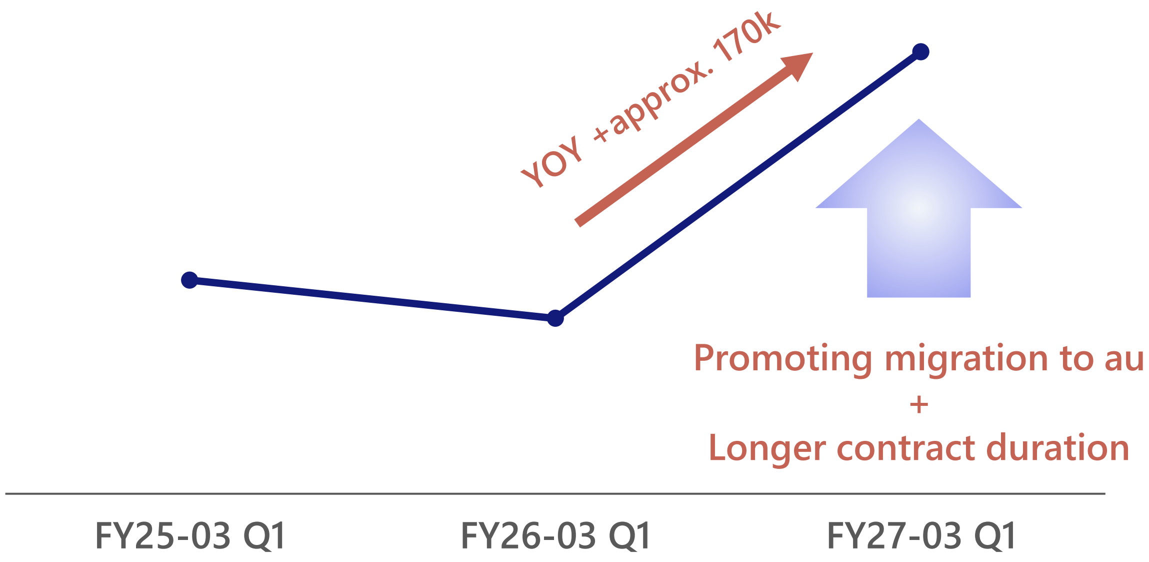


Explore the Extraordinary

Delivering reliable connectivity wherever needed and becoming an attractive main brand that continues to be chosen

Improving brand migration

“UQ mobile→au” migrations − "au→UQ mobile" migrations



Strengthening reliable connectivity

Expansion of 5G SA area

Population coverage*1
over 90%
(As of the end of March 2026)

au 5G Fast Lane*2

Cumulative number of users
Exceeded 3.1 million*3

Early launch advantage of au Starlink Direct*4

International roaming

Available in the U.S. and Canada
Expand to 4 countries planned
(within the year)

au Starlink Direct SOS*5

24/7 relaying SOS information from out of coverage areas
(Available from May 28, 2026)

*1 "Population coverage" is calculated based on areas where communication is possible in more than 50% of locations within approximately 500m blocks used for the national census. *2 Eligible plan with 5G SA contract/au 5G SA-compatible smartphone required *3 As of July 14, 2026 *4 Data communication for some apps is possible on compatible models. Voice calls are not supported (as of August 2026). *5 Compatible apps and messaging apps are required. Service may be unavailable during app maintenance, etc.

Simple for All

Strengthening product competitiveness by bundling financial services with mid-capacity plans that meet customer needs

UQ Komi-Komi Otoku Discount (35GB/month)

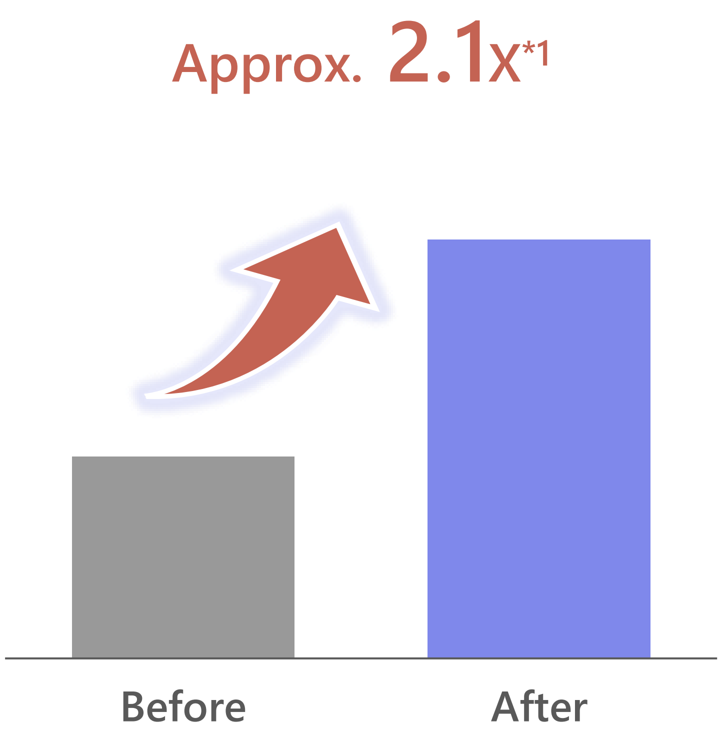
Simple and affordable

\+

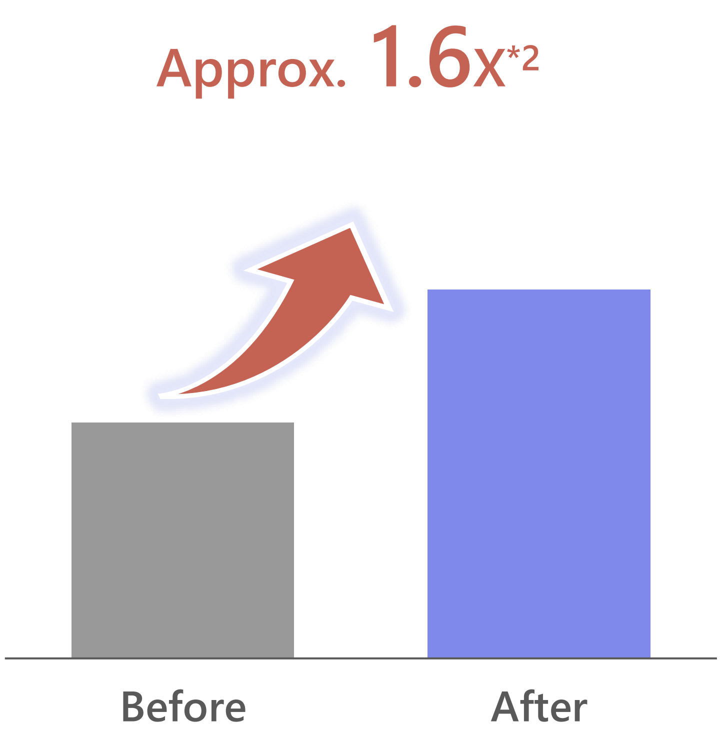
Enhanced credit card benefits (au PAY Gold card)

Available from June 25, 2026

Number of Komi-Komi Plan Value selections



au PAY Gold card selection rate



Note) Before the initiative: June 19–21, 2026; After the initiative: June 26–28, 2026 *1 Comparison of the number of new UQ mobile subscribers who selected Komi-Komi Plan Value before and after the initiative
*2 Comparison of the Gold card selection rate among au PAY Card applicants at the time of Komi-Komi Plan Value contract

povo

Together to the Freedom that is Right for You

Approaching various customers with communication quality and flexible service design that meets their needs

High-quality au network*1

Enjoy unlimited usage

Backup connectivity

Flexible service design that responds to customer voice

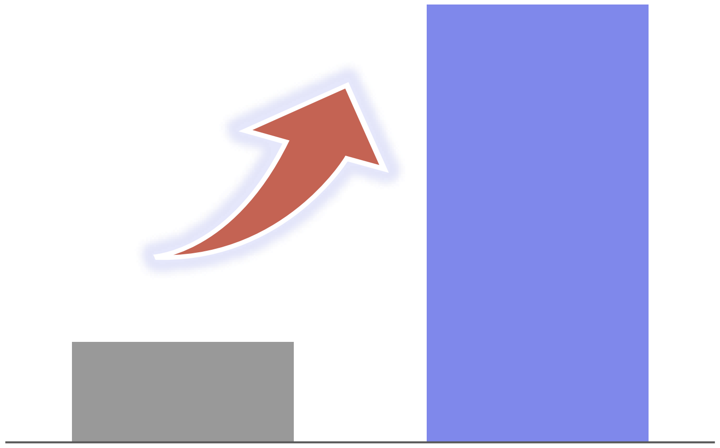
New toppings

Purchase at Lawson

Switching from other carriers

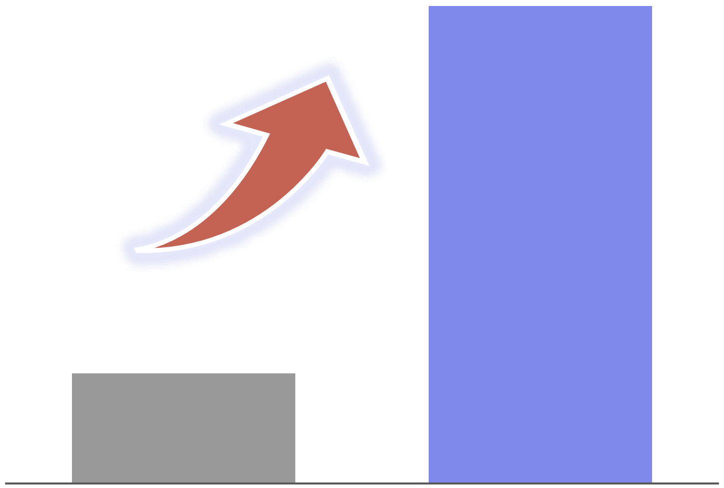
After the launch of new toppings

Approx. 4.4x*2



Number of Giga Charge cards sold

Approx. 4.3x



*1 povo is not compatible with au 5G Fast Lane and 5G SA. Except for communication restrictions based on the contract plan (such as when data capacity is exceeded), it has the same communication specifications as au. *2 Comparison of the number of new povo MNP subscriptions before (June 7–18, 2026) and after (June 19–30) the launch of toppings (10 free 24-hour unlimited passes and 0.5GB/month subscription topping)

Focus Points for FY27-03 in the Growth Areas

Toward Achieving Growth

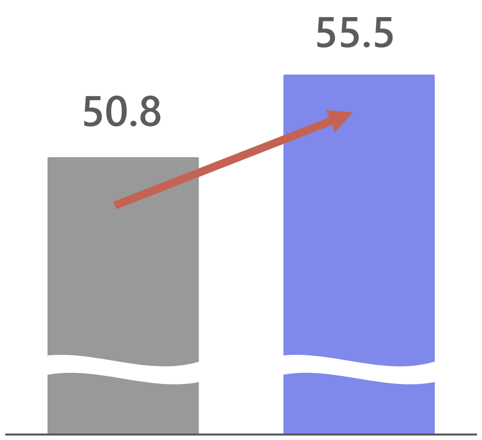
Steady progress in both Personal and Business Growth, clarifying initiatives toward full-year forecast

Personal Growth operating income

(Unit: billions of yen)

Steady progress in all 5 areas*1

YOY+4.7 billion yen (+9.3%)



FY26-03 Q1 FY27-03 Q1

Full-year focus points

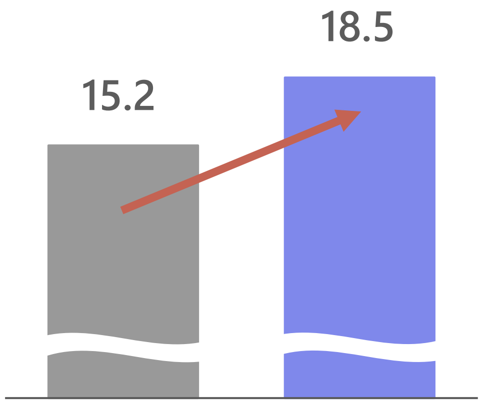
- Financial business remained on track despite declined profits. Expand Gold card customer base and strengthen deposits
- Together with Lawson, strengthening value creation in convenience store x telecom

Business Growth operating income

(Unit: billions of yen)

Revenue and income increased in all 5 areas*2

YOY +3.3 billion yen (+21.6%)



FY26-03 Q1 FY27-03 Q1

Full-year focus points

- AI Integration off to a steady start. Focusing on cloud foundation expansion
- Overseas Connectivity DC expansion capturing growing AI inference demand

*1 Five areas: Finance, Energy, Device related, Ponta Pass / Lawson and Global *2 Five areas: AI Integration, Cybersecurity, Connected Solutions, Data Center (Overseas Connectivity DC) and AI-BPO

Financial Business

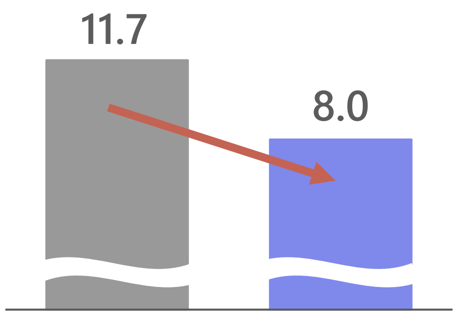
Core credit card and banking businesses are growing steadily.
Focusing on expanding the Gold card customer base and increasing deposits

Growth of credit card and banking business base

Operating income[*1]
(au Financial Holdings)

(Unit : billions of yen)

YOY -3.7 billion yen



- Q1 profit decline is as planned
- Impact of deposit enhancement and valuation losses

Expansion of key KPIs in core businesses

Credit card

au PAY Gold card members
2.07 million[*2] (YOY +0.46 mil.)

Banking

au Jibun Bank deposit balance
YOY 1.2x[*2]

Promoting initiatives for further strengthening

Expanding Gold card base

Promoting enrollment through new UQ mobile plan

"UQ Komi-Komi Otoku Discount"

Gold card benefit enhanced

Traffic from au PAY app to credit card

Instant credit card issuance and auto-charge setting from app

After launch in July 2026
Number of cards issued via au PAY app: approx. 1.2x[*3]
Auto-charge usage rate: +approx. 20%[*4]

*1 IFRS basis *2 As of June 30, 2026 *3 Comparison of results between June 1–17, 2026 (number of regular issuances from the au PAY app) and July 1–17, 2026 (number of issuances including instant issuances from the au PAY app)
*4 Comparison of auto-charge usage rates after card enrollment between June 1–17, 2026 and July 1–17, 2026

Device / Lawson and Ponta Pass

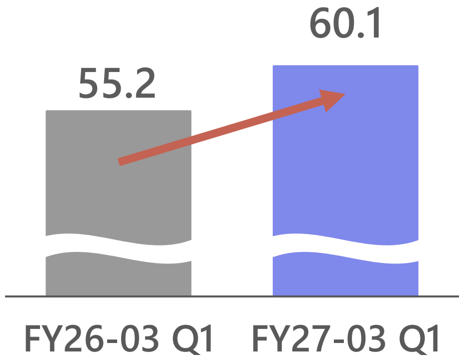
Expansion of business foundation contributing to LTV.
Strengthening synergy with Lawson to build competitive advantage

Expansion of business foundation essential for LTV maximization

(Unit : billions of yen)

Device-related revenue

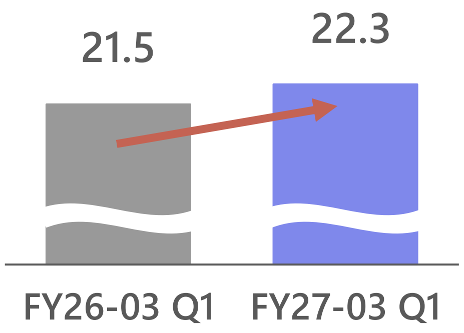
YOY +4.9 billion yen
(+8.9%)



- Growth in sales of repair/product support services and smartphone accessories
- Expansion of AI-related new products

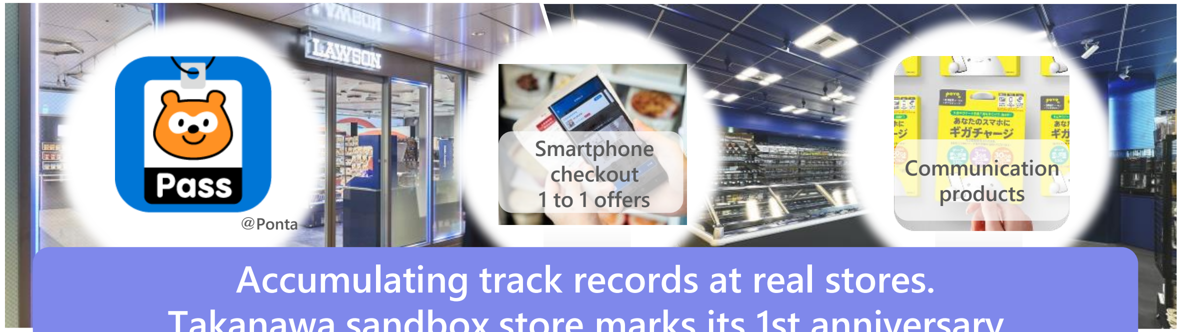
Ponta Pass revenue

YOY +0.8 billion yen
(+3.8%)



- Ponta Pass members 15.59 mil. (YOY +0.67 mil.)
- Active rate also improved

Building the advantages of Convenience store × Telecom



Accumulating track records at real stores.
Takanawa sandbox store marks its 1st anniversary

Enhancing coupon appeal

Reflecting track records and feedback from stores
Benefit updates

Data x Store operations

Store support through PoC
Planned for use in store opening strategies

In-store sales of mobile accessories

Strong sales trials at Lawson stores

Updating our value proposition based on data utilization and feedback from stores

Growth Opportunities for AI Integration

Secure cloud environment is a prerequisite for AI implementation. Leveraging our strengths to accelerate implementation support

Corporate challenges for AI-Ready

Most proprietary data used for AI is on on-premise systems

Cloud lift of proprietary data from on-premise systems
+
Secure/sovereign environment construction

Unit Price

[Further revenue opportunities]
AI solutions

Accelerate AI Implementation

(2) Integration, maintenance and operation
(AI, systems, cloud)

KDDI iret

Extensive track record for the shortest path to AI

Over 2,500 cloud implementations

Top-class cloud technology in Japan

Over 8,000 AWS/Google Cloud certifications held
Multi-cloud support available

(1) Expansion of cloud infrastructure

Expansion of Multi-Cloud Offerings

KDDI Corporate customer base
400k companies

FY27-03 Q1 Infrastructure sales
YOY+30% or more

Digital Belt ~ AI-Enhanced Lifestyles/ AI-Powered Productivity
Providing end-to-end solutions

(3) Sakai DC utilization
sovereign environment construction

Customer Base

Note) As of June 30, 2026

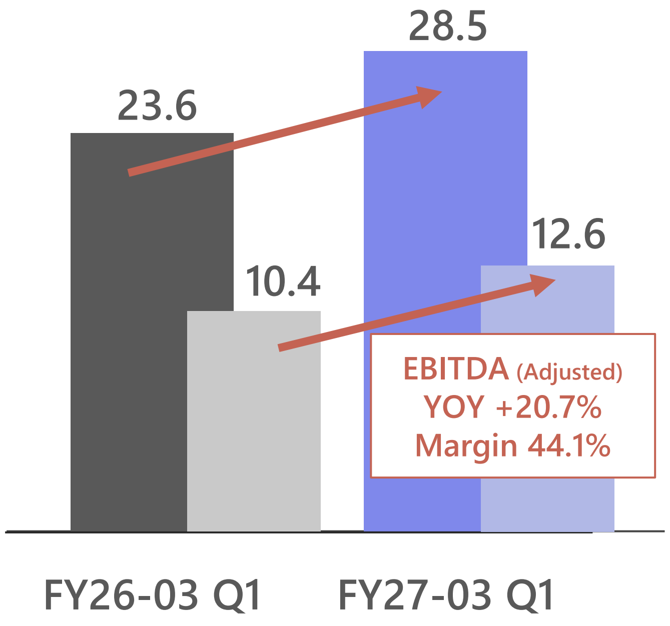
Connectivity DC

Connectivity value aligns with AI inference needs. Actively expanding with a view to mid- to long-term growth

Operating revenue / EBITDA

Steady business growth
+ high-profit structure

(Unit : billions of yen)



Further growth opportunities accompanying AI penetration

Realizing low-latency environment

Proximity to urban areas × Customer aggregation

Aligns with AI inference needs

FY27-03 Q1 Topics	● Acquired orders from AI inference and cloud operators in multiple regions including France and Canada ● Strategic partnership for building sovereign AI infrastructure

TELEHOUSE

France's No.1 connectivity*
×
One of France's leading sovereign cloud operators

Meeting growing European demand for secure AI inference environment

Note) Results are based on overseas Connectivity DC * Source: Peering DB, as the end of July 2026

Initiatives for Strengthening Governance

Response to Inappropriate Transactions

Executing recurrence-prevention measures across the entire company to strengthen Group governance

KDDI — Equal relationship / Strong collaboration — Group companies

~June 2026
Comprehensive governance inspection and establishment of new rules/structure

Within 2026
Building relationships of mutual trust
AI/system utilization

Mid- to long-term
Execution of measures to pass on lessons and prevent it from fading
Cultivation of autonomous deterrence against fraud and misconduct

[Implemented]

[Review and establishment of new operational rules]
- Completed comprehensive inspections of 110 target companies. Development of partner management operations (credit management, segregation of duties, etc.)
- Strengthening of cash flow management at Group companies
- Strengthening of Group finance management

[Establishment of new organizations/committees for strengthening governance]
- Examination and permeation of recurrence-prevention measures across the entire Group

[Ongoing/Future]

Operation and monitoring of new rules under the new structure

Psychological safety and improvement of the "quality" and "quantity" of communication

- Conducted visits by top management to major strategic subsidiaries (14 companies)
- Held "dialogue sessions" between KDDI and top management of Group companies (93 people)

Continued visits to Group companies by the supervising department

Balancing the strengthening of governance and operational efficiency through AI/systems

- Introduced AI system for credit screening
- Introduced anomaly detection tool using financial data

Start of use under new rules and promotion of development for comprehensive AI/system utilization

Note) As of August 7, 2026

Response to Unauthorized Access Incident

**We take the administrative guidance seriously and will do our utmost to prevent recurrence.
In addition, we will work to improve security standards and foster awareness across the industry**

Overview	Unauthorized access occurred in the email system provided to ISP providers, and we have confirmed that customer information was leaked.
Timeline	● May 16, 2026: Unauthorized access occurred at some customer operators ● June 17, 2026: Confirmed this unauthorized access incident
Cause	Exploitation of a vulnerability in third-party software that was not recognized by the vendor
Leaked Information	● Email addresses: 12.23 million ● Passwords: 7.62 million

Emergence of multiple security issues

Unknown vulnerabilities → Preventive security checks for potential issues using AI and other technologies

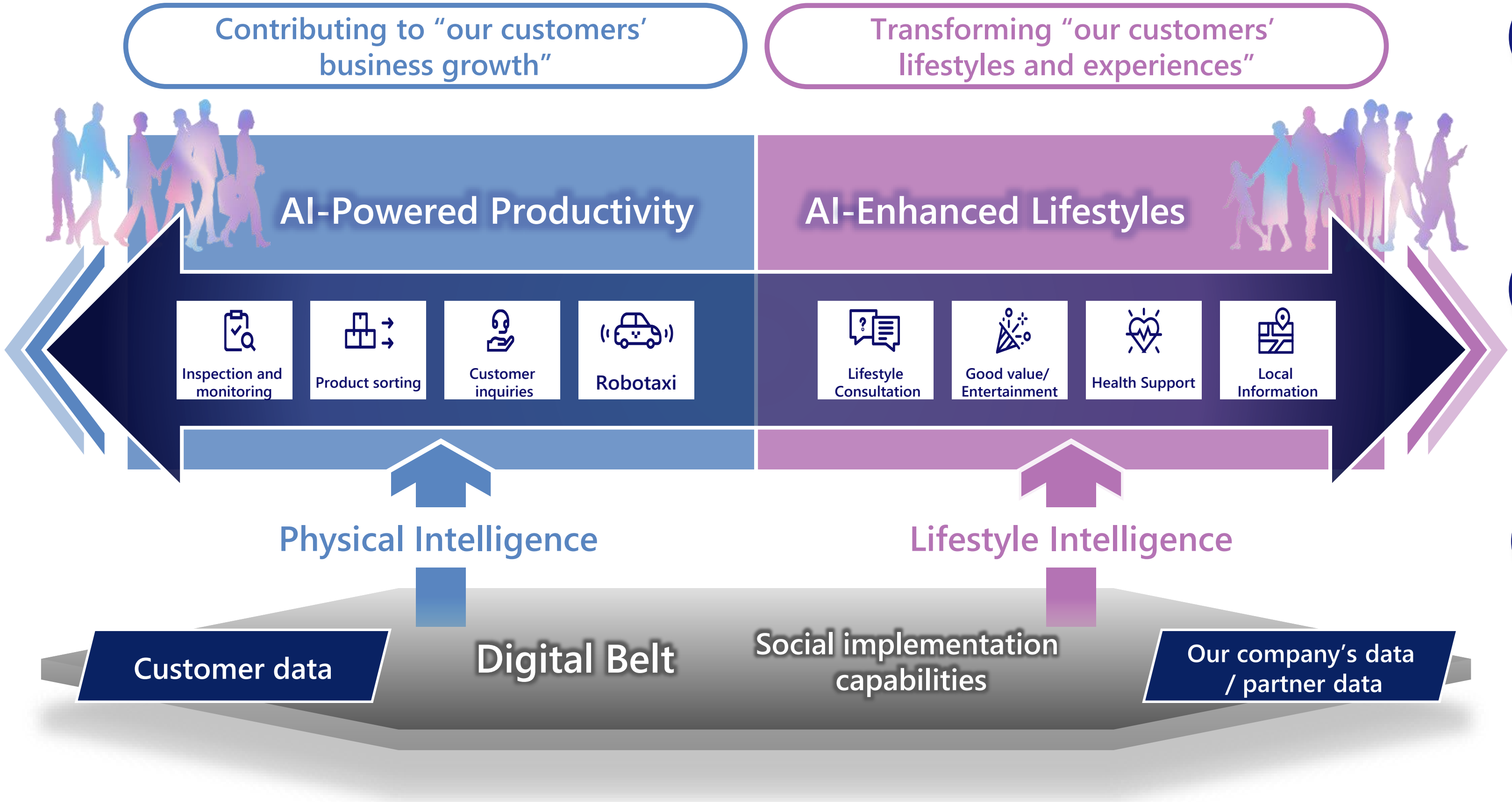
Email systems contain legacy communication standards → Early transition to high-security communication standards

Sequentially conduct diagnostics and implement countermeasures for systems holding important information that have internet connectivity

Progress of “Power-to-Connect 2028”

Becoming a Frontrunner in Social Implementation

Progress in initiatives to create new businesses starting from customer needs



1. Creation of AI-Powered Productivity and AI-Enhanced Lifestyles
2. Strengthening local touchpoints
3. Promotion of the "Digital Belt" Initiative

AI-Powered Productivity: Assisting Sales Frontlines

Solving industry challenges with AI to create an environment where staff can focus on customer service and sales

- Challenges of carrier shops -

Frustration in acquiring knowledge after joining

Huge manuals
Information overload
→
High staff turnover rate

Inconsistency in service quality

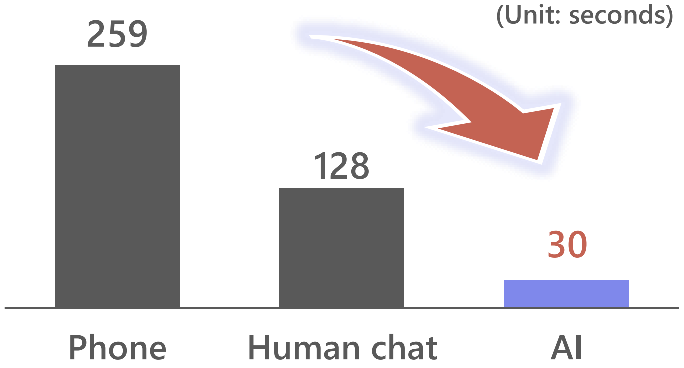
Discrepancy in knowledge between new and veteran
→
Lower proposal capability

au Sales Support AI

AI answers inquiries from shop staff

Contributing to a better working environment through smooth customer service support

Significant reduction in response time



Approx. 200K internal inquiries per month*

Halved

Introduced to all au shops (approx. 2,000 stores) in July 2026

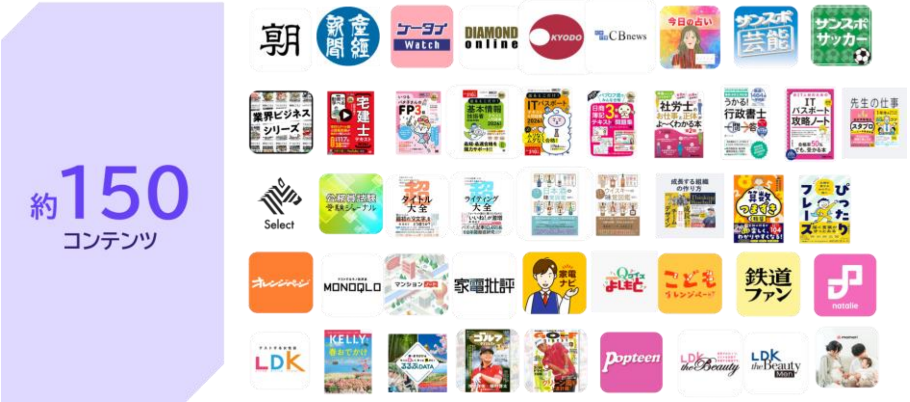
* Number of inquiries from shop staff to human support

AI-Enhanced Lifestyles: Supporting Your Growth

Providing new learning and hobby experiences through AI services that allow for dialogue based on reliable information

(Buffmee)

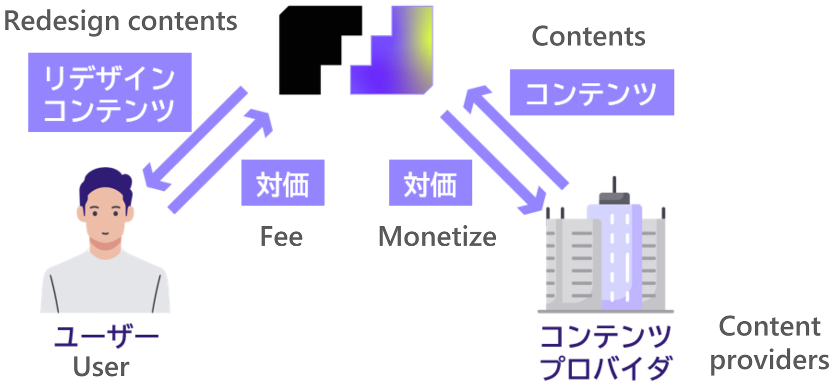
Answers based on reliable primary information



I was able to easily delve into accurate knowledge because I could efficiently search for professional information.

User (30s, Male)

Revenue share with content providers



I felt that this service could help build a future where the value of book is recognized.

Publisher (Business Books)

Protecting users from false information + **Protecting the copyrights of providers**

Initiatives for Social Implementation

Strengthening local touchpoints and infrastructure to create value unique to Real x Technology

Solving local issues rooted in the community

Lawson x KDDI (Happy LAWSON Town)

Creating communities where everyone can live with peace of mind and enjoyment, using stores as hubs

Expanding to all 47 prefectures nationwide

2030 Target: 100 Locations

Ikeda City, Osaka Pref. (Opening June 2026)

Opening in Hino City, Tokyo, August 2026

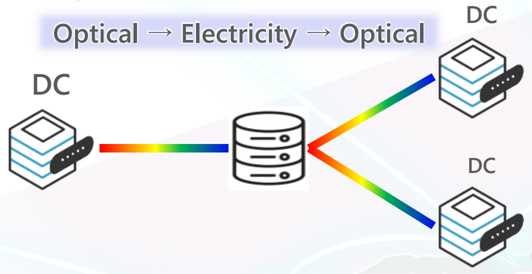
Technology development of All-Photonic Network

Successfully achieved APN[*1] from a single site to multiple sites in a commercial environment, leading international standardization

Conventional NW design

Multiple connections require optical-to-electrical conversion

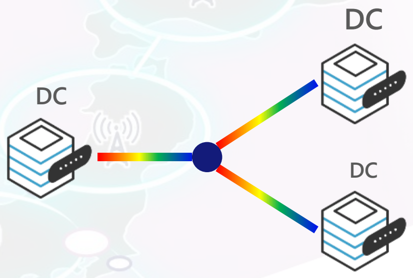
Optical → Electricity → Optical



Latency/Power increase

This project World's first [*2]

All-optical multiple connections



Power approx. 60% reduction

Connecting DCs across the country with low latency and power savings

*1 APN (All-Photonic Network) *2 World's first APN connection from a single site to multiple sites in a commercial environment including existing WDM transmission systems. As of May 27, 2026. Source: Nokia

Toward Improving "Quality"

Cash generation capability steadily expanding, strengthening fundamentals for growth investments

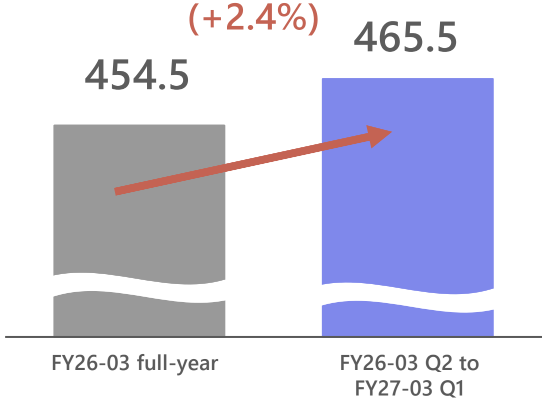
Strengths of stable cash flow (CF) supporting growth

Stable growth in Core FCF generation capability

(Unit : billions of yen)

Core FCF*1

YOY +10.9 billion yen
(+2.4%)



Core FCF Margin
(FY26-03 full-year vs. FY26-03 Q2 to FY27-03 Q1)

8.0% (+0.1pt)

Operating CF Margin
(FY26-03 full-year vs. FY26-03 Q2 to FY27-03 Q1)

21.6% (±0.0pt)

Strengthen framework and
expand pipeline for growth investments

Business portfolio review

11 divestments decided in total,
generating approx. 150 billion yen*2 in cash

- Major divestment projects

Company Name	Timing of Sale	Remarks
LIFENET INSURANCE	April 2026	Life insurance
Loco Partners	June 2026	Travel industry
Gunosy	August 2026	News, game, media
Kakaku.com	TBD	Internet media *Decision to sell made in May

7 cases in addition to the above (including sale of strategic shareholdings)

Note) Excluding Financial Business *1 Core FCF = Operating CF – CAPEX – Leasing + Net interest paid after tax *2 Includes pending sales. Based on the latest proposal amounts. As of August 7, 2026

Spark Your Journey
KDDI
一人ひとりを輝かせる
AIの可能性を、現実へ。
KDDI SUMMIT 2026
10.27 TUE - 28 WED

Summary

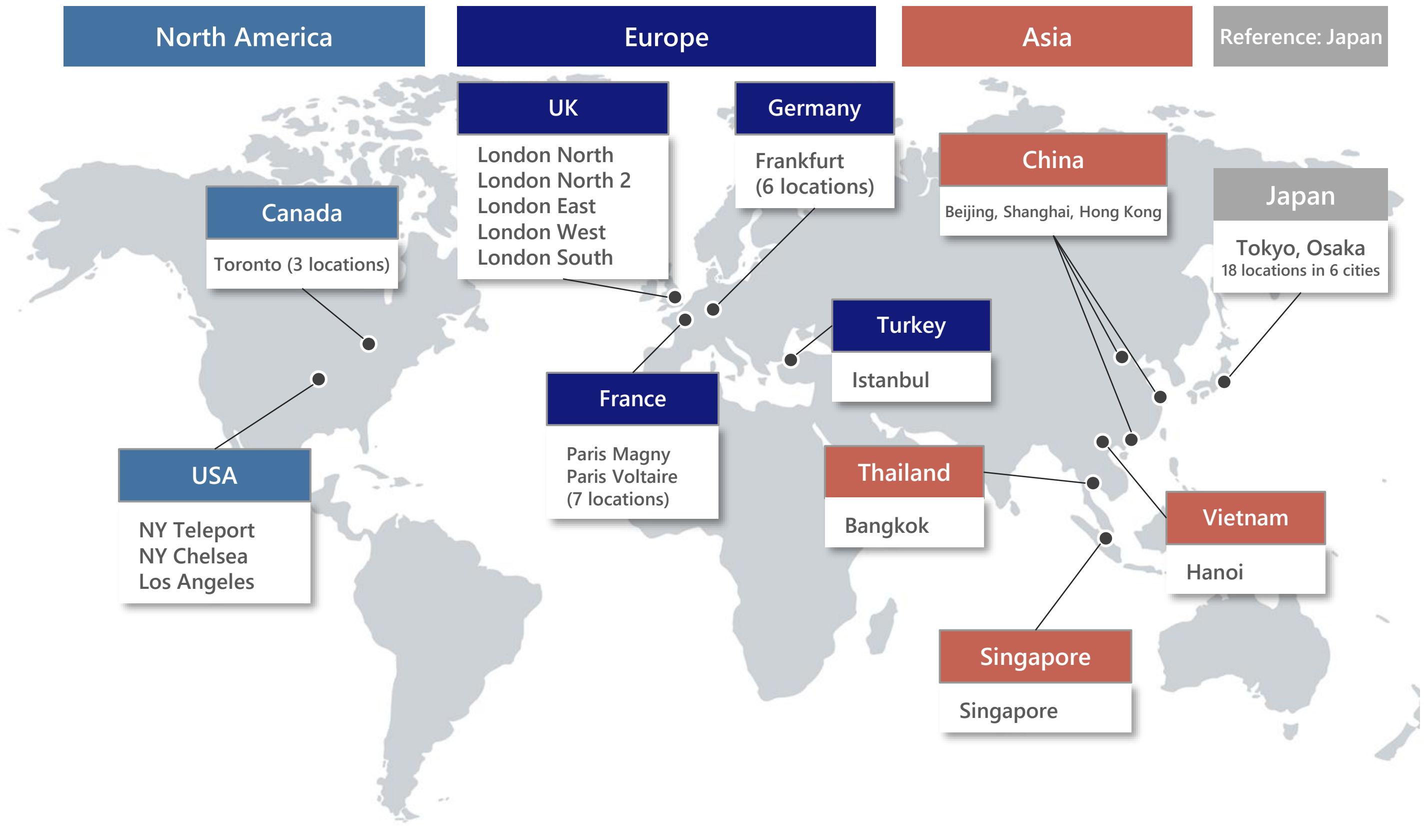
FY27-03 Q1 Consolidated Results	● Mobile communication revenues drive profit growth. Growth areas are also progressing steadily toward double-digit full-year growth
Progress in Mobile Structural Transformation + Focus Points for FY27-03 in the Growth Areas	● Initiatives focused on LTV are driving steady improvements in key KPIs ● Committed to value competition and further strengthening multi-brand strategy. Leveraging high-quality networks to support customers' lifestyles and demonstrate competitive advantage ● Steady progress in Growth areas. Clarifying initiatives toward full-year forecast
Initiatives for Strengthening Governance	● Steadily implementing recurrence-prevention measures across the entire company to strengthen Group governance ● Taking administrative guidance seriously and making every effort to prevent recurrence. In addition, working to improve and promote security standards across the industry.
Progress of "Power-to-Connect 2028"	● Progress in initiatives to create new businesses starting from customer needs ● Executing disciplined capital allocation to improve "Quality"

Appendix

Data Center Locations

Global expansion under the "Telehouse" brand

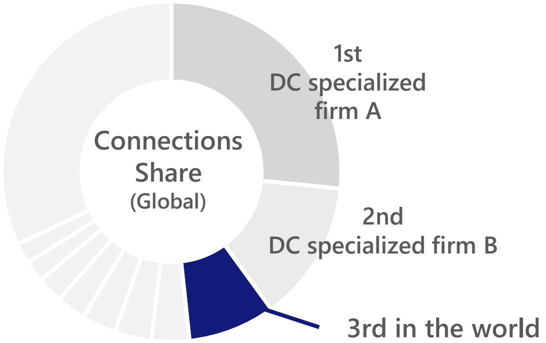
Providing services to over 3,000 companies across 45+ global locations



Expertise and strengths gained at Telehouse

Share of business connections*

3rd in the world,
1st in telecom carriers



TELEHOUSE

Locations close to urban areas

Connect to major cloud securely with low-latency

Site expansion

FY2023	Frankfurt, Germany (5th building), Paris Magny (4th building), Bangkok, Thailand (First entry. 1st building)
FY2024	Toronto, Canada (M&A. 3 buildings), London, UK (Power capacity expansion)
FY2025	Paris Magny (5th building)
FY2026~	Frankfurt, Germany (6th building) Future plans include Paris Magny (6th building), London, UK (6th building), Bangkok, Thailand (2nd building), etc., to be expanded sequentially

Note) As of the end of July 2026 * Source: Structure Research 2025 (August 2025), 2024 results

Inappropriate Transactions
- Toward Recovery of External Outflows -

	As of the end of March	As of August 7 (Progress)
Civil Procedures	File for provisional attachment against some agencies and promptly initiate civil litigation seeking damages	Initiated civil litigation seeking damages against 4 agencies regarding externally outflowed amounts (32.9 billion yen*)
Criminal Procedures	Began consultation with the police for filing criminal complaints	Continue cooperating with police investigations

Continue working toward early recovery of externally outflows and resolution

* Total amount of fees that flowed out from BIGLOBE and G-PLAN due to this matter

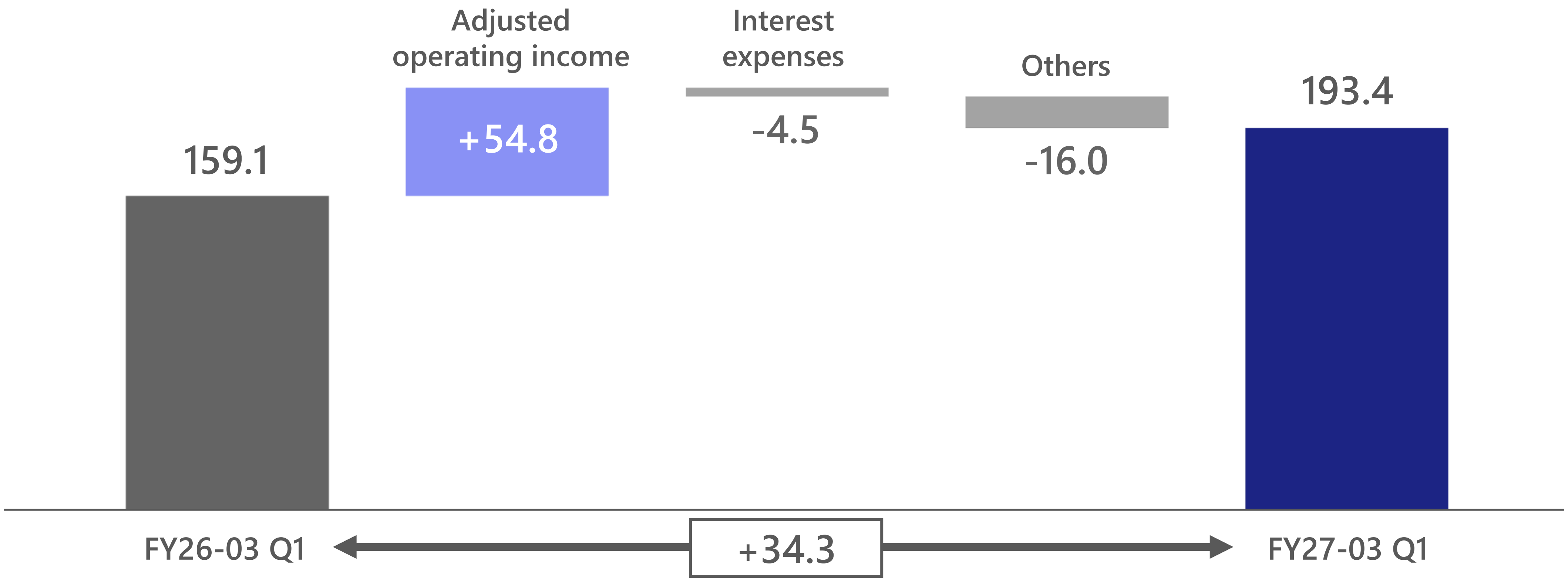
IFRS Base / Adjusted Profit

(Unit : billions of yen)

	Operating income			Profit for the period attributable to owners of the parent		
	FY26-03 Q1	FY27-03 Q1	YOY	FY26-03 Q1	FY27-03 Q1	YOY
IFRS base	259.5	314.2	+54.8	160.1	195.5	+35.4
(1) Exclusion of non-recurring gains and losses	—	—	—	—	—	—
(2) Exclusion of one-off gains and losses associated with portfolio review	—	+0	+0	-1.0	-2.0	-1.0
Adjusted profit	259.5	314.3	+54.8	159.1	193.4	+34.3

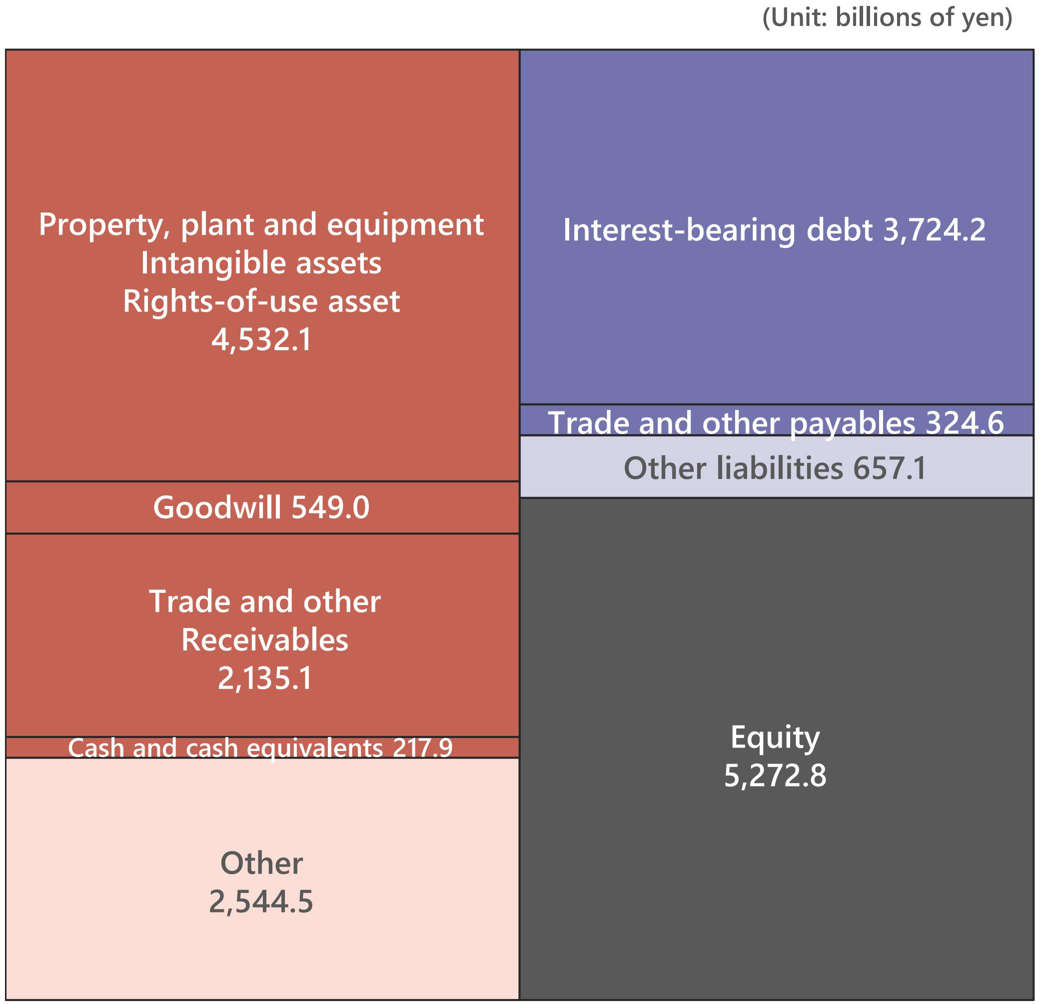
Adjusted Profit for the Period -Factors for Change-

(Unit: billions of yen)

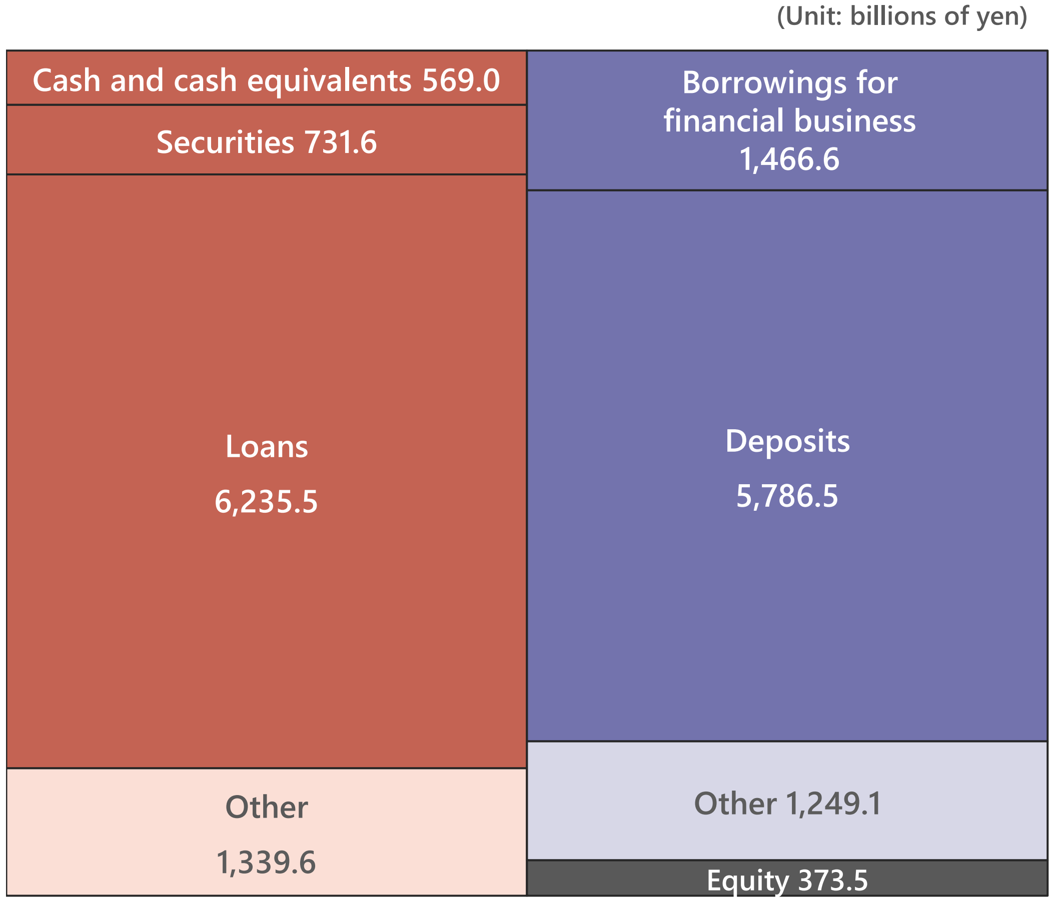


Note) Adjusted profit for the period attributable to owners of the parent

Statement of Financial Position
(as of the end of June 2026)



KDDI (Consolidated, excluding auFH)*
Total assets 9.98 trillion yen



au Financial Holdings (Consolidated)
Total assets 8.88 trillion yen

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

Spark Your Journey

KDDI

Disclaimer