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**TSE Code 9433**

May 31, 2005

## To Our Shareholders

3-10-10, Iidabashi, Chiyoda-ku, Tokyo  
(Headquarters: 2-3-2, Nishishinjuku, Shinjuku-ku, Tokyo)

**KDDI Corporation**

President, Member of the Board: Tadashi Onodera

## NOTICE OF THE 21ST ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 21st Annual Meeting of Shareholders.

**If you are unable to attend the meeting, you may vote by mail or on the Internet. In order to exercise your rights by mail or on the Internet, please review the attached reference materials, indicate your approval or disapproval of the proposals on the enclosed document, then sign and return it, or vote at the Exercise of Voting Rights site (<http://www.evotep.jp/>).**

### Notice of Meeting

1. **Date:** Friday, June 24, 2005 at 10:00 a.m.
2. **Place:** New Takanawa Prince Hotel, "Hiten" Main Banquet Hall, 3-13-1 Takanawa, Minato-ku, Tokyo
3. **Objectives of meeting:**
  - Reporting:**
    1. Presentation of the Business Report, Consolidated Balance Sheet, Consolidated Statement of Income, and Report of the Consolidated Financial Documents audited by the accounting auditors and the board of auditors for the 21st Business Period (from April 1, 2004 to March 31, 2005)
    2. Presentation of the Balance Sheet, Statement of Income, and Report of Treasury Stock Purchase conducted in accordance with the decision made at the Board Meeting based on the authorization given by the Articles of Incorporation for the 21st Business Period (from April 1, 2004 to March 31, 2005)

### Agenda:

**Proposal 1:** Appropriation of Retained Earnings for the 21st Business Period

**Proposal 2:** Partial Changes to the Articles of Incorporation

For the gist of the proposal, please refer to the reference material for the exercise of voting rights on page 3.

**Proposal 3:** Issue of New Stock Reservation Rights with Advantages to Non-shareholders

For the gist of the proposal, please refer to the reference material for the exercise of voting rights on pages 4-5.

**Proposal 4:** Election of 11 Members of the Board

**Proposal 5:** Election of 1 Auditor

Financial Documents, Consolidated Financial Documents and the copy of the auditing report to be attached to this notice are listed on the "Report for the 21st Business Period" (pages 2-30) provided separately.

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**If you plan to attend the meeting, please submit the enclosed Exercise of Voting Rights forms to the receptionist at the meeting.**

**If you exercise your voting rights from the site of Exercise of Voting Rights, please refer to "Procedure for exercising voting rights on the Internet" on pages 10-11.**

## Reference Material for the Exercise of Voting Rights

1. Number of voting rights of all shareholders: 4,167,405

### 2. Proposals and References

**Proposal 1:** Appropriation of Retained Earnings for the 21st Business Period

The Company's basic policy regarding the appropriation of profits for this period is described as follows, by giving overall consideration to reinforcing corporate standing and preparing for future business development. KDDI has been recognizing that returning our profits to our shareholders is important matter to our business, and so the Company's basic policy is to continue paying stable dividends, while maintaining the fiscal health. Regarding our business performance, it is making good progress supported by favorable condition of the cellular-phone business, and since the reduction of the interest-bearing debt has been made on schedule as the result of promoting the effective business investment and cost-cutting actively, our financial strength is improving.

As for the profit distribution proposal for this period, it is proposed that a year-end dividend be increased by 1,100 yen per share to 3,500 yen (The annual dividend will be 6,900 yen per share including the interim dividend of 3,400 yen (including commemorative dividend of 1,000 yen) per share paid in November 2004), in order to promote profit-sharing with our shareholders and to express our deep gratitude to your everyday support.

In addition, the bonus of 73,000,000 yen for members of the board (including auditors) is proposed.

### Appropriation of Retained Earnings

(Unit: Yen)

Abstract	Amount
Unappropriated retained earnings at the end of this period	143,120,132,226
Disposition of reserve for special depreciation	507,405,151
Total	143,627,537,377
These profits are appropriated as follows:	
Dividends (3,500 yen per share)	14,621,824,735
Total bonuses paid to directors and auditors (Bonus paid to auditors)	73,000,000 (11,500,000)
Reserve for special depreciation	607,692,690
Other reserves	98,950,000,000
Surplus profit carried over to the following period	29,375,019,952

Note: An interim dividend payment of 14,346,552,858 yen (3,400 yen per share) was executed on November 30, 2004.

**Proposal 2:** Partial Changes to the Articles of Incorporation

This proposal is for partially revising the current regulations. Details of this proposal (reasons for and contents of changes) are as follows:

- (1) Reasons for change
  - 1) Since the “Law to Revise Part of the Commercial Code in order to Introduce Electronic Announcement Systems” (2004, Law No. 87) took effect and the use of the electronic announcement is approved, with the growing rate of the Internet, improvements in the announcement function and availability and the cost-saving in the announcement, made by posting the Company’s announcement on the website continuously for a certain period of time rather than posting it temporary in a newspaper, are considered. Therefore, the necessary changes will be made to adopt an electronic announcement system and to establish a preliminary method for the announcement.
  - 2) To clarify the management responsibility in the Members of the Board and to establish a management organization to respond quickly to changes in business environment, the term of office of the Member of the Board will be shorten to one year from two years. Therefore, the necessary changes will be made.
  
- (2) Contents of change
 

The contents of changes are as follows. The time of changes is proposed to be at the close of this Annual Meeting of Shareholders.

(Changes are underlined.)

Present	New articles (Draft)
Article 4 (Means of announcement) The Company’s announcements are made in the Nihon Keizai Shimbun <u>published in Tokyo.</u>	Article 4 (Means of announcement) The Company’s announcements are made <u>electronically.</u> <u>However, in case of problems or other unavoidable circumstances which preclude electronic announcements, the announcements are made in the Nihon Keizai Shimbun.</u>
Article 5 to 17 (Omitted)	Article 5 to 17 (Not changed)
Article 18 (Term of the Member of the Board) The term of office of the Member of the Board expires at the close of the last Annual Meeting of Shareholders coming in <u>two years</u> after becoming the Member.	Article 18 (Term of the Member of the Board) The term of office of the Member of the Board expires at the close of the last Annual Meeting of Shareholders coming in <u>one year</u> after becoming the Member.
2. The term of office of the Member of the Board elected to fill a vacancy expires at the expiration of the term that the retired Member was supposed to have.	2. (Not changed)
3. The term of office of the Member of the Board elected to increase the number of Members expires at the expiration of the term that the other current Members have.	3. (Not changed)

**Proposal 3: Issue of New Stock Reservation Rights with Advantages to Non-shareholders**

The attendees shall be requested to approve the issue of new stock reservation rights to non-shareholders with advantages as follows, based on the regulations of Articles 280-20 and 280-21 of the Commercial Code.

- (1) Gists of issuing new stock reservation rights
  - 1) Persons who receive new stock reservation rights  
Members of the Board, Vice Presidents, Executive Directors, Advisers, Auditors, and employees of the Company and its affiliated companies, etc.
  - 2) Type of stock and number of shares targeted by new stock reservation rights  
Up to 600 shares of common stock of the Company  
When the Company splits or merges stocks, the number of shares shall be adjusted as shown below.  
This adjustment shall be made only for the number of shares targeted at by the new stock reservation rights that are not exercised as of the time of splitting or merging. Any fraction less than one share shall be discarded if occurring after the adjustment.  
Number of shares after adjustment = Number of shares before adjustment x Split (or merge) ratio
  - 3) Total number of new stock reservation rights issued  
Up to 600 (One new stock reservation right shall be targeted per one share of stock. If the number of shares is adjusted as provided in 2), however, a similar adjustment shall be carried out.)
  - 4) Issue price of new stock reservation right  
Free
  - 5) Amount of money to be paid at the exercise of new stock reservation right  
The amount to be paid per new stock reservation right shall be the product of the following amount to be paid per share multiplied by the number of shares per new stock reservation right provided in 3).  
The amount to be paid per share shall be the average of the daily closing price of the Company's stock on the Tokyo Stock Exchange (excluding days when there is no trading) for the past one month from the issue date of the new stock reservation rights multiplied by 1.1, with any fraction below one yen rounded up. However, if the price falls below the closing price on the issue date of the new stock reservation rights (closing price immediately before if transactions fail), the closing price shall be multiplied by 1.1.  
When the Company splits or merges stock after the issue of new stock reservation rights, the amount to be paid shall be adjusted as follows and any fraction below one yen shall be rounded up.

$$\text{Amount to be paid after adjustment} = \text{Amount to be paid before adjustment} \times \frac{1}{\text{Split or merge ratio}}$$

Moreover, when a new stock is issued at a price below the current stock price after the issue of new stock reservation rights (except for the cases of the capital increase through public offerings at market price, the allocation of new stocks to a third party, or the issue of new stock by exercising the new stock reservation rights), the amount to be paid shall be adjusted as follows and any fraction below one yen shall be rounded up.

$$\begin{aligned} & \text{Amount to be paid after adjustment} \\ &= \text{Amount to be paid before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Quotation}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}} \end{aligned}$$

- 6) Period of exercising new stock reservation rights  
From October 3, 2005 to September 29, 2006
- 7) Conditions under which new stock reservation rights shall be exercised
  - (i) The entitled person shall be a Member of the Board, Vice President, Executive Director, Adviser, Auditor, or employee of the Company and its affiliated companies, etc. at the exercise of rights.
  - (ii) If the entitled person dies, the successor may exercise the rights within six month of the death of the entitled person, up to the number of shares permitted to the entitled person (by the end of the period of exercising new stock reservation rights).
  - (iii) The rights can be exercised on the conditions different from (i) and (ii) when specially permitted by the Stock Option Committee of the Company.
  - (iv) The other conditions shall be as provided in "Contract of New Stock Reservation Right" concluded between the Company and the entitled person on the basis of resolutions from this Annual Meeting of Shareholders and the Board meeting.
- 8) Reason and conditions of repaying new stock reservation rights
  - (i) If a merger contract under which the Company ceases to exist is approved, or if a stock exchange contract proposal and stock transfer proposal under which the Company becomes a wholly-owned subsidiary are approved at the general shareholders meeting, new stock reservation rights may be repaid free of charge.
  - (ii) If new stock reservation rights cannot be exercised because the conditions of (i), (ii), or (iii) in 7) become invalid before the entitled person exercises the rights, the new stock reservation rights may be repaid free of charge.
- 9) Transfer of new stock reservation rights  
An approval from the Board meeting is required to transfer new stock reservation rights.
- (2) Reasons for issuing new stock reservation rights with advantages  
New stock reservation rights will be issued free of charge to the Members of the Board, Vice Presidents, Executive Directors, Advisers, Auditors, and employees of the Company and its affiliated companies, etc. as stock options to improve incentives to fulfill their duties and to enhance business achievements, and to enhance the credibility and the sound management of KDDI group by appropriate auditing.  
As stock options, the new stock reservation rights will be issued free of charge as provided in (1) above and the amount to be paid at the exercise of the rights will be based on the current stock price at the issue of the rights as provided in 5) above.

**Proposal 4:** Election of 11 Members of the Board

The term of office of all the 11 current Members of the Board expires at the close of this Annual Meeting of Shareholders. It is proposed that 11 Members of the Board be elected.

Meanwhile, if “Partial Changes to the Articles of Incorporation” of the Proposal 2 is approved, the term of office of new Members of the Board elected by this proposal is set to one year.

The candidates for Member of the Board are listed below.

Candidate Number	Name (Date of birth)	Primary Position and Profile, and Current Title at Other Company	Number of KDDI Corporation Shares Owned
1	Sadanori Amano (June 19, 1944)	January 2001: Supervisory Deputy Director-General of Ministry of Internal Affairs and Communications February 2002: Advisor of Japan Data Communications Association April 2002: Executive President of Postal Life Insurance Welfare Corporation August 2002: Executive President of Postal Service Center Foundation April 2003: Executive President of Research Institute of Telecommunications and Economics January 2004: Advisor of Daiwa Institute of Research Ltd. July 2004: Special Adviser (Current position)	0 Share
2	Tadashi Onodera (February 3, 1948)	June 1989: Member of the Board June 1995: Managing Director June 1997: Executive Vice President June 2001: President Member of the Board (Current position)	392.10 Shares
3	Masahiro Yamamoto (January 4, 1942)	June 1997: Member of the Board Executive Vice President, Representative Director of Kyocera Corporation April 2000: Senior Managing Director June 2001: Executive Vice President, Member of the Board (Current position)	21.00 Shares
4	Nobuhiko Nakano (October 12, 1945)	June 1995: Member of the Board June 1997: Managing Director June 2001: Associate Senior Vice President April 2003: Senior Vice President General Manager, “au” Business Sector June 2003: Member of the Board Senior Vice President (Current position) April 2005: Chief Sales and Marketing Officer (Current position)	16.00 Shares
5	Yasuhiko Ito (December 21, 1945)	June 1998: Director of Kokusai Denshin Denwa Co., Ltd. (KDD) June 1999: Managing Officer of KDD October 2000: Member of the Board June 2001: Associate Senior Vice President April 2003: Senior Vice President June 2003: Member of the Board Senior Vice President (Current position) April 2004: General Manager, Office of CTO April 2005: Chief Technology Officer and General Manager, Office of CTO (Current position)	14.34 Shares

6	Satoshi Nagao (October 29, 1946)	<p>March 1996: General Manager of ITS Planning Department of Toyota Motor Corporation</p> <p>January 2001: General Manager, Corporate Strategy Planning Department</p> <p>June 2001: Associate Senior Vice President</p> <p>April 2003: Senior Vice President</p> <p>June 2003: Member of the Board Senior Vice President (Current position)</p> <p>April 2004: General Manager, Corporate Communications Division (Current position)</p>	18.00 Shares
7	Nobuo Nezu (February 3, 1945)	<p>June 1996: Director of Kokusai Denshin Denwa Co., Ltd. (KDD)</p> <p>June 1999: Managing Officer of KDD</p> <p>October 2000: Member of the Board</p> <p>June 2001: Vice President</p> <p>April 2003: Associate Senior Vice President General Manager, Broadband &amp; Consumer Business Sector</p> <p>June 2003: Member of the Board Associate Senior Vice President (Current position)</p> <p>January 2005: General Manager, Broadband &amp; Consumer Business Sector and General Manager, "Metal Plus" Business Management Division (Current position)</p>	17.51 Shares
8	Hirofumi Morozumi (May 2, 1956)	<p>June 1995: Member of the Board</p> <p>June 2001: Vice President</p> <p>April 2003: Associate Senior Vice President</p> <p>June 2003: Member of the Board Associate Senior Vice President (Current position)</p> <p>April 2004: General Manager, Mobile Solution Business Sector</p> <p>April 2005: General Manager, "au" Business Sector (Current position)</p>	28.00 Shares
9	Jiro Ushio (February 12, 1931)	<p>April 1979: Chairman and Chief Executive Officer of USHIO, INC. (Current position)</p> <p>June 1984: The Company was established, Member of the Board</p> <p>April 2000: Chairman Member of the Board</p> <p>June 2003: Member of the Board (Current position)</p>	25.00 Shares
10	Yasuo Nishiguchi (October 9, 1943)	<p>June 1997: Member of the Board (Current position) Executive Vice President, Representative Director of Kyocera Corporation</p> <p>June 1999: President and Representative Director of Kyocera Corporation (Current position)</p>	0 Share
11	Hiroshi Okuda (December 29, 1932)	<p>August 1995: President of Toyota Motor Corporation</p> <p>December 1998: Director of KDD Corporation</p> <p>June 1999: Chairman Member of the Board of Toyota Motor Corporation (Current position)</p> <p>October 2000: Auditor</p> <p>June 2001: Member of the Board (Current position)</p>	5.00 Shares

- Notes: 1. Mr. Yasuo Nishiguchi is the President and Representative Director of Kyocera Corporation, and the Company has a business relationship with Kyocera Corporation involving the purchase of mobile devices, etc. Also, he is the Chairman of Kyocera Communication Systems Co., Ltd. and the Company has a competitive relationship with Kyocera Communication Systems Co., Ltd. in Data Center business, etc.
2. There are no special interests between other candidates and the Company.
3. Messrs. Yasuo Nishiguchi and Hiroshi Okuda satisfy the requirements for external directors as defined by Item 7-2, Section 2,

Article 188 of the Commercial Code.

**Proposal 5: Election of 1 Auditor**

Mr. Hideki Ishida will resign for personal reasons and retire as Auditor at the closing of this Annual Meeting of Shareholders. It is proposed that 1 Auditor be elected as an alternate.

For selection of candidate, the person who has the ability and insight for auditing from the independent position of the Members of the Board to audit appropriately is selected. As for the submission of this proposal, the agreement of the Board of Auditors has been obtained.

Candidate for Auditor is as follows.

Name (Date of birth)	Primary Position and Profile, and Current Title at Other Company	Number of KDDI Corporation Shares Owned
Yasuo Akashi (May 29, 1944)	June 1991: Director of Kyocera Corporation June 1993: Managing Director of Kyocera Corporation June 1997: Senior Managing Director and Representative Director of Kyocera Corporation June 2003: Full-time Corporate Auditor of Kyocera Corporation (Current position)	0 Share

Notes: 1. There are no special interests between the above-mentioned candidate and the Company.

2. The above-mentioned candidate satisfies the requirements for external auditors as defined by Section 1, Article 18 of the Law for Special Exceptions to the Commercial Code Concerning Corporate Audit, Etc.