

Please note that the following is an English translation of the Japanese version (as of July 7, 2025), prepared for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the Japanese original shall prevail.

KDDI's corporate governance status is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

As a telecommunications operator that provides social infrastructure, KDDI (the "Company") has the important social mission of providing stable communications services on an ongoing basis, 24 hours a day and 365 days a year, regardless of conditions. Furthermore, as a telecommunications operator our business derives from utilizing radio waves—an important asset shared by all citizens. Accordingly, we recognize that we have the social responsibility to address the issues society faces and seek to resolve them through telecommunications.

Attaining sustainable growth and increased corporate value over the medium to long term is essential to achieving this social mission and social responsibility. Furthermore, we strive to engage in dialogue with all our stakeholders, including customers, shareholders, business partners, employees, and local communities and work in cooperation to proactively address societal issues. In this manner, we aim to contribute to the development of a safe, secure, and bountiful communications-oriented society.

We recognize reinforcing corporate governance as important to achieving sustainable growth and increased corporate value over the medium to long term. Accordingly, we are in accordance with the tenets of the "Corporate Governance Code" defined by the financial instruments exchange. While maintaining transparency and fairness, we endeavor to enhance our structures for ensuring timely and decisive decision-making.

In addition to our corporate credo and mission statement, we have formulated the "KDDI Group Philosophy," which defines perspectives, values, and code of conduct that officers and employees should share. We conduct activities to promote awareness of this philosophy throughout the Company.

By proactively adhering to Japan's Corporate Governance Code and practicing the "KDDI Group Philosophy," which we consider inseparable from the standpoint of corporate management, we will endeavor to enhance corporate governance throughout the KDDI Group, including its subsidiaries, to achieve sustainable growth and increased corporate value over the medium to long term.

[Reasons for Non-Compliance with the Principles of Japan's Corporate Governance Code]

To achieve sustainable growth and increase corporate value over the medium to long term, we are continuously working to strengthen our corporate governance, and we comply with all corporate governance codes.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] **[Updated]**

[Principle 1.4]

■ Policy on Strategic Shareholdings

KDDI believes that participating in tie-ups with a variety of companies is essential to providing our customers with increasingly diverse and advanced services.

KDDI possesses strategic shareholdings if such possession will contribute to the sustainable growth of KDDI's business and mid/long-term increase of corporate value.

Every year, Board of Directors reviews all the pros and cons of continuing the possession of each individual strategic holdings by judging the significance and economic rationale. We will sell a strategic shareholding which have tenuous significance, as promptly as possible.

The Company calculates the ratio of the contribution by the issuing company to the Company's profits within the most recent fiscal year. The economic rationale is verified by comparing the ratio with valuation of each strategic shareholding at the end of the most recent fiscal year, whether the ratio satisfies the capital cost standard established by the Company.

■ Standards for Ensuring Appropriate Exercise of Voting Rights on Strategic Shareholdings

Given the extensiveness and diversity of the KDDI Group's businesses, while respecting the intentions of share-issuing companies we set as our standard for exercising voting rights the sustainable growth and increased corporate value of the entire KDDI Group over the medium to long term, taking into overall consideration such factors as periodic business results and the results of dialogue with issuing companies.

To guard against decisions skewed toward short-term business interests, we have created a process for exercising voting rights that involves checks by the management team, thereby ensuring that management decisions are made from a companywide perspective.

[Principle 1.7]

In accordance with the Companies Act, KDDI requires competitive or conflict-of-interest transactions by directors to be approved by and reported to the Board of Directors.

Individual transactions with major shareholders are conducted in accordance with "IX. Appropriate Accounting and Adherence to Agreements," one of the basic principles of the "KDDI Code of Business Conduct."

In line with this principle, such transactions are decided upon in the same manner as other transactions, through internal requests for decision, rather than by setting special standards. In addition, internal requests for decision are checked by Audit & Supervisory Board Members.

(Supplement)

The representative director of Kyocera Corporation, which is a major shareholder of KDDI, serve as an outside director of the Company. Accordingly, we strike a balance between comprehensive approval by the Board of Directors and internal requests for decisions on individual transactions.

[Supplementary Principle 2.4.1]

We aim to achieve the “Sustainable Growth of Society” and enhance corporate value together with our partners, utilizing the Satellite Growth Strategy and the “Strengthening of Management” that supports this strategy. As part of our “Strengthening of Management,” we are promoting a transformation to a “Human Resources First Company.”

1. Policy on Securing Diversity; Autonomous, Measurable Goals, and Status of Implementation
“Taking advantage of diversity” is advocated in Chapter 1, “Our Vision,” of the “KDDI Group Philosophy.” This chapter states clearly that the mutual respect and understanding of diverse personalities and values, including sex, age, nationality, language, level of physical and mental ability, sexual orientation, and gender identity, is essential for the company’s sustainable growth. As such, we promote “Diversity, Equity & Inclusion” companywide.

(1) Women

In 2023, we evolved our D&I into DE&I by adding Equity, and since then, we have been accelerating the empowerment of diverse employees.

While continuing our emphasis on the promotion of women, we will also focus on initiatives aimed at leveraging individuals’ “unique personalities” for the greater good of the entire organization in the future.

(2) Mid-career employees

By bringing on board talent with diverse skills and experience, we aim to expand our focus areas such as finance, energy, and digital transformation (“DX”), mainly utilizing 5G telecommunications, AI, and data, and achieve sustainable growth by creating new business opportunities.

- Plan for FY2024: 200–300 employees (215 in FY2024)

(3) Foreign nationals

No quantitative targets have been set at this time.

Regardless of nationality or language, we evaluate and praise achievements, challenges, and abilities, rather than the number of hours worked, and we reflect these elements in compensation and promotions.

2. Human Resources Development Policy and Internal Environmental Improvement Policy for Ensuring Diversity, and Status of Implementation

(1) Toward the achievement of KDDI VISION 2030

To promote the Satellite Growth Strategy’s continued growth in the areas of strategic importance, such as DX, finance, and energy, and expand into new business opportunities, the KDDI Group aims to acquire a diverse range of specialist human resources and create innovations through the fusion of such human resources. This requires professional human resources who have extensive expertise and autonomy to continue taking on challenges and growing. The Group provides opportunities for them to demonstrate their individuality and capabilities, improve their skills by taking on challenges, and make increasingly ambitious attempts. We aim to realize a sustainable human resources portfolio that enables the entire Group to keep developing professional talent as a result of such individuals specializing in different areas, encouraging mutual respect, and helping each other improve.

(2) History and presence of human capital management

In 2020, the KDDI Version Job Style Personnel System was introduced to “develop and improve professional human resources” and significantly revise our seniority-based promotion system. Furthermore, since the introduction of the system, we have been working

to promote changes in employees' attitudes to enhance their motivation for growth. Consequently, the number of young employees under the age of 40 who have been promoted to managerial positions has increased by 2.6 times compared to before the introduction of the system (as of April 2024). Furthermore, we have also made progress in acquiring external human capital. One example is that we now tend to employ more mid-career employees than new graduates.

At present, we focus on encouraging business growth through the power of human capital. In the process, we need to not only collect professional human resources but also create new value by combining the different areas of specialty of various individuals.

To this end, we have updated our human capital strategy to shift toward a Human Resources-First Company. In more specific terms, we evolve our DE&I vision and reform our working styles to improve our internal environment and implement our human capital strategy. This approach benefits the entire organization by accelerating the job-specific development of human resources.

*For details on efforts regarding our Human Resources Development Policy and the Internal Environmental Improvement Policy, please refer to the "Annual Securities Report."

[Principle 2.6]

Operation of the Company's pension fund is managed by the KDDI Pension Fund (the "Fund"). The Company sends company executives and staffs with expertise in finance and human resources to the Fund, so as to increase the Fund's expertise in investing, and to be able to demonstrate the monitoring and other functions expected of an investment institution.

In addition, the Company confirms the soundness of overall fund operation through reviews during the quarterly fund investment committee meetings.

By rules of the Fund, the officer and the employee of the Fund are prohibited activities prejudicial to the proper management and investment of the contribution for the purpose of obtaining a profit for himself/herself or any other third parties except the Funds.

In addition to establishing such requirements in the rules, the fund ensures that no conflict of interest occurs between the Company and the beneficiaries, by entrusting the contribution investment to multiple foreign and domestic investment institutions, and leaving the selection of individual investments and voting up to each investment institution.

[Principle 3.1]

1. The KDDI Group Mission Statement, Management Strategies and Management Plans

(1) Medium- and long-term management strategies of KDDI

In a society where communications are integrated into every scene, their social roles are increasingly significant. Moreover, the evolution of AI technology is creating new value for the next era across all aspects of society, including everyday life and industry. In Japan, there are also expectations for changes in the structure of industries with the aim of achieving a sustainable society, such as increased productivity and a low-carbon society.

As we are responding to rapid changes in the environment surrounding society as a whole, including the development of a digital social infrastructure based on Data and Generative AI, we updated our business strategy, "Satellite Growth Strategy," last May. Under that revised strategy, we continue to aim to contribute to the sustainable growth of society and increase our corporate value by delivering a thrilling customer experience, always going beyond expectations. At the same time, we play essential roles in society with a mission of "connecting people's lives, day-to-day lives, and hearts and minds" to achieve the KDDI VISION 2030 (the creation of a society in which anyone can make their dreams a reality, by enhancing the power to connect), which

was adopted in May 2022.

■ **The KDDI Group Mission Statement**

The KDDI Group values and cares about the material and emotional well-being of all its employees, and delivers a thrilling customer experience by always going further than expected with the ultimate goal of achieving a truly connected society.

■ **Brand message**

Tomorrow, Together KDDI/Explore the extraordinary. au

■ **Our vision**

- (1) Be a company that customers can feel closest to
- (2) Be a company that continues to produce excitement
- (3) Be a company that contributes to the sustainable growth of society

■ **KDDI VISION 2030**

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

■ **Financial targets**

We will continue to enhance growth investment and shareholder returns for sustainable growth, while aiming to achieve a 1.5x increase in EPS* (vs. FY2018). Regarding shareholder returns, we will continue to pay stable dividends with a dividend payout ratio over 40%. We will also maintain a flexible position with regard to repurchase of our treasury stock, keeping in mind the status of growth investments, etc.

* Earnings Per Share

■ **Medium-Term Management Strategy —Sustainability Management—**

The medium-term management strategy (FY2022-25) focuses on sustainability management, which aims for sustainable growth of society and increased corporate value in conjunction with our partners. Based on high-quality, highly reliable "5G communications," we aim to create an era in which new value is created together with our partners, focusing on our core businesses of promoting "Data-Driven" practices and the social implementation of "Generative AI," while strengthening the management foundation that supports the strategy.

*For details on efforts regarding our Human Resources Development Policy and the Internal Environmental Improvement Policy, please refer to the "Annual Securities Report."

2. Basic Views and Guidelines on Corporate Governance

Please see the section of this report entitled "I.1. Basic Views."

3. Policies and Procedures for Determining Executive Remuneration

Please see the section of this report entitled "II.1. Items Related to Organizational Structure and Operation [Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods]."

4. Policies and Procedures for Nominating Executives

(1) Policy for the nomination and the election of Director and Audit & Supervisory Board Member candidates

In order to ensure the Board of Directors as a whole has a high degree of expertise and diverse perspectives in making decisions that include important management matters and in providing

oversight as required by law, the Company selects individuals who meet the following standards without distinction as to gender, age, nationality, race or ethnicity. (Standards of Nomination and Election)

To ensure independence, we aim to have a minimum ratio of independent outside directors on our board of directors of at least one-third, which is the standard required for companies listed on the Prime Market of the Tokyo Stock Exchange.

(2) Nomination/Appointment Criteria

- All Candidates : People who have no selfish and high ethical view and personality appropriate to an executive member
- Director Candidates : Meeting one or more of the following standards
 - People with specialized knowledge and experience in various fields of business
 - People who have management knowledge appropriate to a supervisor or possess specialized knowledge
 - People who are highly independent
- Audit & Supervisory Candidates : People who are able to supervise overall management from a perspective independent from directors and who have the extensive experience and broad-ranging insight to enhance audit appropriateness.

(3) Nomination Advisory Committee composition

To ensure transparency and fairness in the nomination of director and Audit & Supervisory Board Member candidates, the Company has established the "Nomination Advisory Committee" as advisory bodies to perform deliberations in consultation with the Board of Directors. The chairs, vice-chairs and half or more of the members of the committee are independent outside directors.

Chairman: Tsutomu Tannowa (Independent Outside Director)

Vice Chairman: Junko Okawa (Independent Outside Director)

Members of the Committee: Kyoko Okumiya (Independent Outside Director), Makoto Ando (Independent Outside Director), Makoto Takahashi, Hiromichi Matsuda

(4) Procedure for the nomination and the election of Director and Audit & Supervisory Board Member candidates

(Procedure for the nomination and the election of Director)

1. Selection of candidates based on the above standards
2. Deliberation by the Nomination Advisory Committee
3. Approval by the Board of Directors
4. Election by the General Shareholders Meeting

(Procedure for the nomination and the election of Audit & Supervisory)

1. Selection of candidates based on the above standards
2. Deliberation by the Nomination Advisory Committee
3. Agreement by the Audit & Supervisory Board
4. Approval by the Board of Directors
5. Election by the General Shareholders Meeting

(5) Policies and Procedures for the Dismissal of Directors

Company Directors shall be considered for dismissal, etc. in the event that any of the following conditions apply.

(Criteria for dismissal, etc.)

- The performance of the business for which they are responsible or the result of activities for the

division for which they are responsible is significantly unsatisfactory

- In the course of executing their duties, the Director inflicted damage upon the Company by violating legal statutes and the articles of association through other deliberate or seriously negligent means
- The Director significantly harmed the Company's standing and reputation by using their position and authority to wrongfully receive personal gains
- Any other aspects which the Company deems to be unsuitable for a Director

(Procedures for the dismissal, etc. of Directors)

- After a review by the designated advisory committee, the required measures for dismissal are reviewed in a Board of Directors meeting and carried out at the appropriate time.

(Executive compensation)

For those who have serious violations of the duties of directors, contrary to the delegation contract between KDDI and the directors, the payment of performance-linked remuneration shall be suspended or a request for refund shall be made.

5. Explanations of Individual Appointments and Nominations

The reasons for the appointment and nomination of directors and Audit & Supervisory Board Members, as well as their career histories, are contained in the "Notice of the General Shareholders' Meeting" and the "Annual Securities Report (Japanese only)."

Please also see the section of this report entitled "II.1. Items Related to Organizational Structure and Operation [Directors] and [Audit & Supervisory Board Members]."

[Supplementary Principle 3.1.3]

1. Sustainability Initiatives

Since its establishment, KDDI has made realizing a truly connected society part of the KDDI Group Mission Statement. Today, when IoT is being widely adopted in many different life and business situations, telecommunications have increasingly important roles to play. At the same time, the business environment is undergoing dramatic changes, such as increasingly diverse values, the growing importance of sustainability, and next-generation technological advances.

Amid such changes in the business environment, we formulated a new vision for 2030 in May 2022, KDDI VISION 2030 (the creation of a society in which anyone can make their dreams a reality, by enhancing the power to connect), to achieve the future society we want to be. We aim to evolve the power to connect in this era of increasingly ubiquitous telecommunications and become a platformer supporting society, providing added value in every business and every corner of daily living, by 2030.

Our mid-term management strategy, which we launched in 2022 to achieve by 2030, focuses on sustainability management and aims to create a positive cycle in which the sustainable growth of society helps increase our corporate value, which in turn will then give back to society, through cooperation with partners.

Under such sustainability management, we are promoting our business strategy (Satellite Growth Strategy) and reinforcing the management foundation to support the strategy (through attaining carbon neutrality, transforming to a Human Resources-First Company, and enhancing group governance).

*For details on our approaches and initiatives on sustainability, please refer to the "Annual Securities Report."

2. Investment in Human Capital and Intellectual Property

For more information on human capital, please refer to “[Supplementary Principle 2.4.1]” in this report.

With regard to intellectual property, we respect the intellectual property of others and endeavor not to infringe upon it, while at the same time creating, protecting, and utilizing our own intellectual property and intangible assets, which is an important management resource of our Group.

As themes of focus, we have pushed forward innovations and investments to gain competitive advantage and strategically acquire intellectual property in each of the Satellite Growth Strategy areas, including the core business areas of 5G telecommunications, data-driven, and generative AI, the areas coordinating with these core areas and driving the growth of KDDI (Orbit 1), such as DX, finance and energy, and the areas exploring new growth possibilities (Orbit 2), such as LX (life transformation). We have also actively promoted the enhancement of brand value and customer engagement, the promotion of data utilization, and the strengthening of partnerships with suppliers, startups, and other partners.

To realize our medium-term management strategy, we will continue to promote the acquisition and utilization of intellectual property and intangible assets in each area of "New Satellite Growth Strategy".

Recently, non-financial information disclosure has been attracting a great deal of attention. We will closely monitor these developments and, while engaging in dialogue with our stakeholders, enhance our disclosure on disclosure of information about intellectual property and intangible assets so that our medium-term management strategy and its implementation status can be properly understood.

*For details on our approaches and initiatives on intellectual property, please refer to the “Annual Securities Report.”

[Supplementary Principle 4.1.1]

At KDDI, Board of Directors resolutions determine:

- Matters prescribed by the Companies Act or other laws and regulations,
- Matters prescribed by the Articles of Incorporation,
- Matters delegated for resolution at the general shareholder meeting, and
- Other important management-related matters.

For other important management-related matters, their importance is determined according to such factors as the scale of money, business, assets, and investment involved.

These decision standards for importance are not permanent. Rather, they are reviewed appropriately in accordance with changes in the legal system and the environment in which the Company operates, with the aim of ensuring management speed and effectiveness.

[Supplementary Principle 4.1.3]

With regard to candidates for the successors to the President and other top executives, in order to continue the sustainable growth of our corporate value, we seek to secure successor candidates who can respond to changes in the business environment and accelerating shifts in the social environment due to global conditions, and who can take responsibility for realizing KDDI Medium-to-long-Term Strategy for the Company. To achieve this, we ensure the diversity of our candidates by giving them a wide range of work experience and placing them in key positions to promote the development of human resources that will enable the appointment of personnel with personality and managerial or professional knowledge and experience. The Board of Directors decides on the

appointment of candidates after reviewing them during the Board of Directors meetings and through deliberations by a Nomination Advisory Committee. The composition of the committee includes the Chairman, Vice Chairman, and at least half of the members being Independent Outside Directors.

Future candidates for management executive positions are selected regardless of age, gender, expertise or field of experience and are systematically trained through programs such as the “KDDI Business Cram School,” a management training program for executive candidates, and the “Executive Assistant System,” among other programs.

[Principle 4.9]

In addition to the requirements for outside directors under the Companies Act and the standards provided by the financial instruments exchange, these standards state that people hailing from business partners making up 1% or more of the Company’s consolidated net sales or orders placed are not independent.

[Supplementary Principle 4.10.1]

Please see the section of this report entitled “II.1. Items Related to Organizational Structure and Operation [Directors].

[Supplementary Principle 4.11.1]

In order to ensure the Board of Directors as a whole has a high degree of expertise and diverse perspectives in making decisions that include important management matters and in providing oversight as required by law, the Company selects individuals who meet the following standards without distinction as to gender, age, nationality, race or ethnicity.

(Regarding the standards set by our company, please refer to “[Principle 3.1]” in this report.)

To ensure independence, we aim to have a minimum ratio of independent outside directors on our board of directors of at least one-third, which is the standard required for companies listed on the Prime Market of the Tokyo Stock Exchange.

From the perspective of achieving sustainable growth for the KDDI Group, we have defined six skills in the expertise and experience areas which are considered important with regard to the Board of Directors of the Company. Please see Appendix 1 at the end of this report for skills held by each director and auditors.

Each of the six skills includes skills in Sustainability & ESG, which each director and auditor are required to have in order to demonstrate expected skills for KDDI, which promotes sustainability management.

[Supplementary Principle 4.11.2]

The status of directors’ and Audit & Supervisory Board Members’ concurrent executive appointments at other listed companies is described in the “Notice of the General Shareholders’ Meeting” and the “Annual Securities Report (Japanese only).”

The number of concurrent positions held by Directors and Audit & Supervisory Board Members at other listed companies is limited to no more than four (not including the Company).

[Supplementary Principle 4.11.3]

1. Board of Directors

■ Purpose of conducting evaluation

The Company conducts a self-evaluation of the Board of Directors regularly every year in order to correctly understand the situation of the Board of Directors and promote its consecutive improvement.

■ Process of evaluation

- The Company confirms the effectiveness of the Board of Directors based on evaluation by all of the Directors and Audit & Supervisory Board members.
- The evaluation takes the form of a questionnaire and aims to verify the effectiveness of the board's initiatives and discover where improvements can be made from two perspectives, quantitative evaluation and qualitative evaluation, through a combination of five-grade evaluation and free writing.
- To ensure objectivity and further improve effectiveness, a third-party organization is used once during the period of the medium-term management strategy (as a general rule, once every three years) to design questions, tabulate responses, and identify areas for improvement and remedial measures.
- The evaluation covers the most recent one-year period and is conducted annually.
- The results of the evaluation are reported to the Board of Directors and future measures are considered.
- The main evaluation items are as follows.
 - Operation of the Board of Directors (configuration of members, documents and explanations, provision of information, etc.)
 - Supervision of Executives (conflict of interest, risk management, management of subsidiaries, etc.)
 - Medium- and long-term discussions (participation in medium-term business planning, monitoring of plan enforcement, etc.)

■ Evaluation results

The evaluation confirmed that the Company's Board is operating appropriately and functioning effectively. The following matters were rated highly in particular.

- Improving the effectiveness of the Board of Directors through off-site meetings
By discussing important new projects and the progress of medium-term plans in advance at "off-site meetings" attended by all members of the Board of Directors, and then presenting said topics to the Board of Directors, the reliability of the decision-making process and content is ensured, and sufficient opportunities for discussion are created.
- Agenda design and provision of materials for Board of Directors meetings
The Board of Directors strives to be flexible in its approach to the agenda and themes to be discussed at Board of Directors meetings, by, for example, appropriately reflecting the opinions of outside directors and audit & supervisory board members. In addition, the materials clearly and precisely describe the facts, issues, and other points to be discussed, which helps to ensure an accurate understanding of the matters under consideration.

■ Future issues

- Further strengthening monitoring and supervision of progress of implementation plans
We aim to further strengthen the monitoring and supervisory functions of the Board of Directors by more clearly sharing the company's current status and issues in annual plans and quarterly progress reports, and by discussing measures based on them.
- Recognition and discussion of management issues from a long-term perspective
Toward the realization of the Company's "KDDI VISION 2030," we will further enhance discussions on the Group's management issues and human resources strategies based on our long-term outlook for the external environment, and strive to make the Board of Directors even more conducive to sustainability management.

2. Audit & Supervisory Board

■ Evaluation and review of effectiveness of audit activities by the Audit & Supervisory Board members

The Audit & Supervisory Board conducts evaluations and review of the effectiveness of its audit activities in order to accurately understand the current status of Audit & Supervisory Board audits and Audit & Supervisory Board operations, and to make ongoing improvements based on issues recognized at that time. In the 41st fiscal year, self-evaluation was made by all Auditors and Outside Directors as it was in the 40th fiscal year, and we commissioned a third-party institution to conduct questionnaire survey that ensured anonymity and object viewpoints and to analyze collected answers. Evaluation results are considered for future measures, etc. at the Audit & Supervisory Board. Evaluation results are also reported to the Board of Directors to provide feedback to Outside Directors who are the evaluators and share information with other Directors.

■ Overview of Evaluation Implementation Process

The effectiveness of Audit & Supervisory Board Member audit activities is verified based on self-evaluations by all Audit & Supervisory Board Members and evaluations by Outside Directors. The evaluation process involves a questionnaire, which combines a choice-type evaluation and open-ended questions to verify the effectiveness of Audit & Supervisory Board Members' audit activities and identify issues from both quantitative and qualitative perspectives.

■ Summary of Evaluation Results

The results of the questionnaire were mostly positive, indicating that the effectiveness of the Audit & Supervisory Board Members' audit activities is generally ensured. Especially, improvement was found in "collaboration with Outside Directors" and "reporting of audit activities by full-time Audit & Supervisory Board Members," which were pointed out as issues in the questionnaire survey result of the last fiscal year. There were some suggestions for improvement from Part-time Audit & Supervisory Board Members or Outside Directors regarding "Audit & Supervisory Board operation" and "the environmental arrangement for Audit & Supervisory Board audits."

■ Issues and Improvements

As points needing improvement, it was pointed out that the time secured for questions and opinion exchange was insufficient in the monthly Audit & Supervisory Board meetings. Thus, we improved this point during this period by changing the method of information sharing and enhancing time frames for Audit & Supervisory Board meetings so that more time can be spent for questions and opinion exchange. Also, to respond to request for more active opinion exchange in the communication meetings with Outside Directors, we will improve the operation of communication meetings in the 42nd fiscal year so as to provide more opportunities for active bidirectional opinion exchange.

The questionnaire also asked for opinions on topics such as the "future priority audit items when Audit & Supervisory Board Members conduct audits," and such opinions will be referred to when formulating the audit policy and audit plan for the next fiscal year.

[Supplementary Principle 4.14.2]

Upon appointment, newly appointed directors and Audit & Supervisory Board Members undergo the following types of training to acquire knowledge considered necessary to fulfilling their various responsibilities.

- Corporate Law Training (Lectures by legal advisors concerning directors' legal responsibilities)
- Financial Training (Certified public accountant lecture on accounting knowledge)

In addition, the Company is working to invigorate deliberations in Board of Directors meetings by providing opportunities for outside directors and outside Audit & Supervisory Board Members to undergo training by responsible persons in field concerning industry trends, an overview of the Company's management strategy and main business and technology development and corporate

area (business management, human resources, risk management, group governance, etc.), and improve their understanding of the Company.

Besides, individual training may be arranged if executives so request, and other opportunities for training and to augment knowledge are provided as necessary.

[Principle 5.1]

The Company considers its shareholders and investors to be important stakeholders. Accordingly, we make the building of trust-based relationships with shareholders and investors a management priority and strive for value-oriented corporate management, active information disclosure, and enhanced communication.

The Company's Board of Directors resolves its "IR Basic Policy," which outlines its basic views on IR activities and describes activity policies. This policy is available on the KDDI website.

<http://www.kddi.com/english/corporate/ir/policy/>

The officer responsible for the Corporate Sector takes charge of primary IR activities in accordance with this policy.

For details, please see the section of this report entitled "Ⅲ.2. IR Activities."

[Action to Implement Management That is Conscious of Cost of Capital and Stock Price]

The KDDI Group aims to maximize corporate value through attaining sustainable growth over the medium to long term. Therefore, the Group's basic policy for capital management is to maintain its current funding capacity and financial soundness, and to maintain an appropriate capital structure while being aware of the cost of capital.

In our medium-term management strategy, we aim to achieve both sustainable profit growth and enhanced shareholder returns by pushing forward with "business transformation with 5G at the core" and eyeing 2030.

Under these circumstances, we have been striving to our enhance corporate value while being aware of the cost of capital and stock price, and in addition to the sustainable growth of mobile income and profit growth centered on focused areas, we are making capital investments in 5G and focused areas and strategic business investments while maintaining stable dividends based on our financial policy of a payout ratio of over 40% as shareholder returns, and plan to implement flexible stock buybacks while also considering the status of growth investments and other factors.

In addition, the Board of Directors has started evaluating the past four years' worth of investments as a process to determine the sale or withdrawal of businesses that fall below the Company's established cost-of-capital criteria, and the cost of capital is also being used as a criterion for examining the significance of holding cross-shareholdings. Our management maintains an awareness of profitability relative to invested capital while working towards optimizing our business portfolio.

While we believe that these efforts have been well received, for example, our selection as one of the constituents of the JPX Prime 150 Index, we will continue to actively advance our initiatives, including by engaging in dialogue with our stakeholders, working towards maintaining a high ROE, and aiming to maximize corporate value.

*For specific details on our medium-term management strategy, please refer to [Principle 3-1] of this report as well as our website.

(Reference URL: <https://www.kddi.com/english/corporate/ir/management/target/2023-2026/>)

*The JPX Prime 150 Index is based on the top-ranked stocks listed on TSE Prime Market by market capitalization based on two measures of value creation: "return on capital," which is based on financial results, and "market valuation," which is based on future information and non-financial information.

2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%
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[Major Shareholders] **[Updated]**

Name of Corporate Entity	Number of Shares Held	Shareholding ratio
KYOCERA CORPORATION	335,096,000	16.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	329,451,800	16.55
TOYOTA MOTOR CORPORATION	203,294,600	10.21
Custody Bank of Japan, Ltd. (Trust Account)	144,706,550	7.27
STATE STREET BANK WEST CLIENT - TREATY 505234	36,190,275	1.81
STATE STREET BANK AND TRUST COMPANY 505001	26,748,607	1.34
JP MORGAN CHASE BANK 385781	21,402,114	1.07
STATE STREET BANK AND TRUST COMPANY 505103	21,363,316	1.07
JPMorgan Securities Japan Co., Ltd.	20,489,733	1.02
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	17,027,386	0.85

Controlling Shareholder (Except for Parent Company)	None
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Parent Company	None
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Supplementary Explanation **[Updated]**

*The status of major shareholders as of the end of March 2025 is shown. In addition, the Company conducted a 2-for-1 stock split of its common stock on April 1, 2025. The number of shares held above is the number of shares before the stock split.

* As of the end of March 2025, the Company held 202,618,866 treasury shares, which increased by 202,618,866 shares due to the stock split, to 405,237,732 shares. As of May 22, 2025, the Company subsequently cancelled 195,845,358 shares, and as of the same date, the Company held 209,392,374 treasury shares (excluding purchases and requests for additional purchases of shares less than one unit that occurred on or after April 1, 2025).

*The Company resolved to repurchase its own shares with a repurchase period from May 15, 2025, to December 23, 2025.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Business Category	Telecommunications
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Operating Revenue (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with

5. Other Special Circumstances That May Have Material Impact on Corporate Governance

Okinawa Cellular Telephone Company (hereafter, "Okinawa Cellular"), one of our subsidiaries, is listed on the Tokyo Stock Exchange (TSE) Standard Market.

1. Significance of having a publicly listed subsidiary in light of group management concept and policy

(1) Group management concept and policy

One of our business strategies under our medium-term management plan is "growth as a group." We are aiming to mutually maximize synergy as well as to expand and strengthen a new growth foundation for the entire group by making the best use of our assets to support the growth of group companies.

(2) Significance of having a publicly listed subsidiary in light of (1)

Okinawa Cellular was established thanks to the tremendous cooperation of a number of local leading companies, including Ryukyu Oil Corporation (currently Ryuseki Corporation), Bank of The Ryukyus, Limited, The Bank of Okinawa, Ltd., The Okinawa Electric Power Company, Incorporated., Ryukyu Broadcasting Corp., and Orion Breweries, Ltd. Due to this background, Okinawa Cellular is a community-based company that contributes to the local community in nature.

In light of this background, we consider there are the following benefits of Okinawa Cellular being a publicly listed company.

i. Return to contributors

By implementing shareholder return measures as a publicly listed company, Okinawa Cellular is able to return profits to contributors such as local companies who contributed to it at the time of establishment and to investors who have been supporting it since its public listing.

We consider that Okinawa Cellular's shareholder return policy should be determined by taking into account the balance between medium- to long-term business growth and shareholder return and in consideration of the profits of all shareholders. With respect to the implementation of these policies, Okinawa Cellular has made a decision based on its judgment made as an independent publicly listed company.

ii. Contribution to employment in Okinawa Prefecture and securing superior personnel

As of today, many people from Okinawa Prefecture who have joined Okinawa Cellular are actively involved in its business. In the light of its geographic characteristics, we believe that Okinawa Cellular has been able to hire superior personnel for the following reasons: the fact that the service area of Okinawa Cellular being limited to Okinawa Prefecture matches the needs of people from Okinawa Prefecture who desire employment in local companies, and because Okinawa Cellular is a publicly listed company.

iii. Promoting the use of and increasing subscriptions to Okinawa Cellular's services by gaining the trust of people in Okinawa Prefecture

In addition to services similar to ones we provide, Okinawa Cellular also provides its unique services based on the actual situation of the local community. We believe that Okinawa Cellular has been able to gain the trust of people in Okinawa Prefecture as a result of engaging in the management of business with the expectations of local people of it as a locally-based listed company, and that this has resulted in the promotion of the use of its services and increased subscriptions to its services.

Consequently, we consider there is significance in continuing to have Okinawa Cellular as a publicly listed subsidiary.

2. Measures to ensure effectiveness of the governance system of a publicly listed subsidiary

With regard to the operation of Okinawa Cellular's business, an agreement on the following was concluded at the time of its establishment and since then it has been managed in compliance with the agreement.

- As a basic principle, Okinawa Cellular shall contribute to the realization of an affluent life for local people and to the promotion of the local economy by providing mobile phone services which are a very convenient, high-quality, and inexpensive means of information communication to a wider group of customers as a community-based business.
- We shall consider and implement various necessary measures in cooperation with Okinawa Cellular from the viewpoint of the development of the mobile phone business.
- Okinawa Cellular shall voluntarily manage the business in light of the actual situation of the local community.

For transactions that may cause a conflict of interest, Okinawa Cellular determines whether or not to conduct such transactions through a multifaceted discussion among independent outside directors and independent outside auditors. In addition, Okinawa Cellular has established a voluntary committee consisting mainly of outside directors which deliberates appointment and remuneration of directors as an advisory body of the Board of Directors. By determining the appointment and remuneration of the management through a discussion among Okinawa Cellular's independent directors as such, transparency is ensured.

In order to appropriately control conflicts of interest, directors who concurrently serve as directors of both the Company and Okinawa Cellular do not participate in any resolutions or deliberations on matters related to both parties, thereby ensuring independence.

While ensuring transparency in management from a viewpoint of protecting the benefits of minority shareholders through these efforts, we will respond to the expectations of our shareholders by improving our corporate value and shareholder return.

Going forward, we will continue to strive to develop as a group by managing business in cooperation with Okinawa Cellular while mutually respecting the independence and autonomy with it.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management

1. Items Related to Organizational Structure and Operation

Organizational form	Company with Audit & Supervisory Board Members
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[Directors]

Number of directors in Articles of Incorporation	20
Tenure period of directors in Articles of Incorporation	1 year
Presiding officer of Board of Directors	Chairman (unless concurrently serving as president)
Number of directors	12
Selection process for outside directors	Appointed
Number of outside directors	6
Number of outside directors designated as independent directors	4

Relationship with the Company (1)

Name	Affiliation	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Goro Yamaguchi	From another company							○	○	△		
Keiji Yamamoto	From another company							○	○			
Tsutomu Tannowa	From another company											
Junko Okawa	From another company											
Kyoko Okumiya	Attorney at law											
Makoto Ando	Academic											

- * Selection criteria regarding the relationship with the Company
- * “○” when the director presently falls or has recently fallen under the category;
“△” when the director fell under the category in the past
- * “●” when a close relative of the director presently falls or has recently fallen under the category;
“▲” when a close relative of the director fell under the category in the past
- a Executive of the Company or its subsidiaries
- b Executive or non-executive director of a parent company of the Company
- c Executive of a fellow subsidiary company of the Company
- d A party whose major client or supplier is the Company or an executive thereof
- e Major client or supplier of the Company or an executive thereof
- f Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board Member
- g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- h Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f.) (the director himself/herself only)
- i Executive of a company, between which and the Company outside directors/Audit & Supervisory Board Member are mutually appointed (the director himself/herself only)
- j Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k Others

Name	Reason for selection
Goro Yamaguchi	Goro Yamaguchi has a wealth of corporate management experience and excellent knowledge cultivated as the President and Representative Director of a major electronic components and equipment manufacturer. On the Board of Directors, the Company has received his broad opinions related to business administration and operations from a medium- to long-term perspective, and he has contributed to improving the corporate value of the Company. Going forward, the Company expects that he will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a wide-ranging managerial perspective. Therefore, he has again been selected as a candidate for Outside Director.
Keiji Yamamoto	Keiji Yamamoto has excellent knowledge cultivated in IT development and electronics engineering divisions and abundant corporate management experience as a corporate manager at a major automobile manufacturer. On the Board of Directors, the Company has received his broad opinions on promoting 5G/IoT strategy, etc. from a medium- to long-term perspective, and he has contributed to improving the corporate value of the Company. Going forward, the Company expects that he will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a technical perspective in the field of information and communications, etc. Therefore, he has again been selected as a candidate for Outside Director.
Tsutomu Tannowa (Independent Director)	<p>Tsutomu Tannowa has a wealth of corporate management experience cultivated as President & CEO of a major chemical manufacturer, as well as excellent knowledge from a global perspective. On the Board of Directors, the Company has received his contribution to strengthening the supervisory function of business execution and broad opinions related to business administration and operations from a medium- to long-term perspective and from a perspective independent of the management team based on his management experience at other companies, and he has contributed to improving the corporate value of the Company. Going forward, the Company expects that he will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a wide-ranging managerial perspective. Therefore, he has again been selected as a candidate for Outside Director.</p> <p>Moreover, with this background we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has again been nominated as Independent Director.</p>
Junko Okawa (Independent Director)	Junko Okawa has a wealth of corporate management experience as a manager of a major airline company, in addition to excellent knowledge cultivated from her work experience at that airline company, especially in practical aspects such as customer service, corporate rehabilitation, and diversity promotion. On the Board of Directors, the Company has received her broad opinions related to business administration and operations from a medium- to long-term perspective and from a perspective independent of the management team, and she has contributed to improving the corporate value of the Company. Going forward, the Company expects that she will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a wide-ranging managerial perspective. Therefore, she has again been selected as a candidate for Outside

	<p>Director.</p> <p>Moreover, with this background we judge there to be no risk of a conflict of interest with general shareholders and accordingly she has again been nominated as Independent Director.</p>
Kyoko Okumiya (Independent Director)	<p>Kyoko Okumiya has abundant experience and superior knowledge, cultivated as the partner at a law firm and a committee member, etc. of committees. Although she does not have prior experience of direct involvement in corporate management other than as an Outside Director, the Company has received technical opinions related to legal risk management, etc. from a medium- to long-term perspective and from a perspective independent of the management team, and she has contributed to improving the corporate value of the Company. Going forward, the Company expects that she will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a specialist perspective as an attorney at law. Therefore, she has again been selected as a candidate for Outside Director.</p> <p>Moreover, with this background we judge there to be no risk of a conflict of interest with general shareholders and accordingly she has again been nominated as Independent Director.</p>
Makoto Ando (Independent Director)	<p>Makoto Ando has superior knowledge in the field of telecommunications and information technology, which is directly relevant to the business of the Company. Although he does not have prior experience of direct involvement in corporate management other than as an Outside Director, he has contributed to improving the corporate value of the Company by providing technical opinions related to strategy formulation and business operations as an information and telecommunications operator that plays a role in social infrastructure, from a medium- to long-term perspective and from a perspective independent of the management team. Going forward, the Company expects that he will contribute to the strengthening of the supervisory function for the execution of business and provide advice from a specialist perspective in the information and telecommunications field. Therefore, he has again been selected as a candidate for Outside Director.</p> <p>Moreover, with this background we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been nominated as Independent Director.</p>

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee

Established

Status of Establishment of Voluntary Committees, Composition of Members, Affiliation of Committee Chairperson

(Members)

	Committee Equivalent to Nominating Committee	Committee Equivalent to Compensation Committee
Committee Name	Nomination Advisory Committee	Remuneration Advisory Committee
Committee Members	6	6
Full-Time Members	0	0
Internal directors	2	2
Outside directors	4	4

Outside Experts	0	0
Others	0	0
Committee Chairperson	Outside director	Outside director

Supplementary Explanation **(Updated)**

To ensure transparency and fairness in the nomination of director and Audit & Supervisory Board Member candidates, as well as in executive compensation systems and levels, the Company has established the "Nomination Advisory Committee" and the "Remuneration Advisory Committee" as advisory bodies to perform deliberations in consultation with the Board of Directors.

The chairs, vice-chairs and half or more of the members of these two committees are independent outside directors.

Nomination Advisory Committee composition

Chairman: Tsutomu Tannowa (Independent Outside Director)

Vice Chairman: Junko Okawa (Independent Outside Director)

Members of the Committee: Kyoko Okumiya (Independent Outside Director), Makoto Ando (Independent Outside Director), Makoto Takahashi, Hiromichi Matsuda

The Committee met five times in FY2024 with all members in attendance, and provided advice on proposals submitted to the Board of Directors regarding the appointment of directors and Audit & Supervisory Board Members, and discusses CEO succession plans, etc.

Remuneration Advisory Committee composition

Chairman: Junko Okawa (Independent Outside Director)

Vice Chairman: Tsutomu Tannowa (Independent Outside Director)

Members of the Committee: Kyoko Okumiya (Independent Outside Director), Makoto Ando (Independent Outside Director), Makoto Takahashi, Hiromichi Matsuda

The Committee met three times in FY2024 with all members in attendance, and provided advice on proposals submitted to the Board of Directors for determining performance-linked and stock price-linked remuneration amounts, advice on proposals for revision of executive compensation, etc.

[Audit & Supervisory Board Members]

Existence of Audit & Supervisory Board	Exists
Number of auditors in Articles of Incorporation	5
Number of auditors	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditor, and Internal Auditors **(Updated)**

< Status of Cooperation between Audit & Supervisory Board Members and Accounting Auditors >

Audit & Supervisory Board members hold periodic meetings with accounting auditors during the period to enable the early sharing of information and exchange of opinions concerning audit-related issues, etc., in addition to receiving quarterly reports from accounting auditors on audit methods and results (including reviews during the period), with the aim of increasing the efficiency and effectiveness of accounting audits. Furthermore, we began to hold quarterly meetings called "Meeting for Coordination Between Three Forms of Audits" (a three-way joint meeting of the Audit & Supervisory Board, accounting auditors, and the Internal Auditing Division) last October to allow them to share the information they have obtained through their respective auditing activities and exchange views as to how the three parties should cooperate with one another.

<Status of Cooperation between Audit & Supervisory Board Members and Internal Auditors>

Audit & Supervisory Board Members and Internal Auditors share with each other audit plans and audit results, and they exchange opinions to ensure highly efficient and effective audits.

Appointment of outside Audit & Supervisory Board Members	Appointed
Number of outside Audit & Supervisory Board Members	3
Of Outside Audit & Supervisory Board Members, Number Designated as Independent Directors	3

Relationship with the Company (1)

Name	Affiliation	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	J	k	l	m
Naoki Fukushima	Others													
Kazutoshi Kogure	Certified public accountant													
Koji Arima	From another company													

* Selection criteria regarding the relationship with the Company

* "○" when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;

"△" when the Audit & Supervisory Board Member fell under the category in the past

* "●" when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category;

"▲" when a close relative of the Audit & Supervisory Board Member fell under the category in the past

a Executive of the Company or its subsidiaries

b Non-executive director or accounting advisor of the Company or its subsidiaries

c Executive or non-executive director of a parent company of the Company

d Audit & Supervisory Board Member of a parent company of the Company

e Executive of a fellow subsidiary company of the Company

f A party whose major client or supplier is the Company or an executive thereof

g Major client or supplier of the Company or an executive thereof

h Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member

i Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

j Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h.) (the Audit & Supervisory Board Member himself/herself only)

k Executive of a company, between which and the Company outside directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)

l Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)

m Others

Relationship with the Company (2)

Name	Reason for selection
Naoki Fukushima (Independent Auditor)	Naoki Fukushima has abundant experience and superior knowledge cultivated from many years of practical experience in the public sphere and involvement in the execution of business at various organizations. From the perspective of leveraging this experience and knowledge to monitor general management and to engage in appropriate audit activities, he has been selected as a candidate for Outside Audit & Supervisory Board Member. Moreover, he is scheduled to be nominated as a full-time Audit & Supervisory Board Member. Furthermore, with his background we judge there to be no risk of a conflict of interest with general shareholders and accordingly he is scheduled to be nominated as Independent Auditor.
Kazutoshi Kogure (Independent Auditor)	Kazutoshi Kogure has abundant experience and superior knowledge cultivated as a Certified Public Accountant, as a partner of an audit corporation, as the representative of an accountancy firm, etc. From the perspective of leveraging this primarily accounting-related experience and knowledge to monitor general management and to engage in appropriate audit activities, he has been selected as a candidate for Outside Audit & Supervisory Board Member. Furthermore, with his background we judge there to be no risk of a conflict of interest with general shareholders and accordingly he is scheduled to be nominated as Independent Auditor.
Koji Arima (Independent Auditor)	Koji Arima has abundant experience and excellent knowledge cultivated as the president and CEO of a major automotive parts manufacturer. From the perspective of leveraging this experience and knowledge to monitor general management and to engage in appropriate audit activities, he has been selected as a candidate for Outside Audit & Supervisory Board Member. Furthermore, with his background we judge there to be no risk of a conflict of interest with general shareholders and accordingly he is scheduled to be nominated as Independent Auditor.

[Independent Directors/Auditors]

Number of independent directors/auditors	7
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Other Matters Relating to Independent Directors/Auditors

All the Company's outside directors/auditors qualify as independent directors/auditors and are designated as independent directors/auditors.

As stipulated in Principle 4-9 of [Disclosure Based on the Principles of Japan's Corporate Governance Code,] trading partners that make up 1% or more of consolidated sales or orders placed are uniformly not treated as independent, and independent directors that do not apply to this rule are not checked as business partners in a relationship with the Company.

[Incentives]

Implementation of Measures to Provide Incentives to Members of the Managing Board	Introduction of a remuneration plan linked with consolidated operating performance, introduction of a system of stock acquisition rights
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Supplementary Explanation on This Matter

For details of the remuneration plan linked with consolidated operating performance, please see "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" below.

A decision was reached at the 22nd Annual Shareholders Meeting, held on June 15, 2006, to introduce a plan for issuing stock acquisition rights to serve as an incentive for executing operations and

increasing operating performance, with an upper limit of ¥40 million per year. However, no stock acquisition rights have been allocated based on this plan since the fiscal year ended March 31, 2011.

Recipients of Stock Options	Internal directors, employees, directors of subsidiaries
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Supplementary Explanation on This Matter

For employees, this system is limited to those in management positions. The system is also limited to the directors of only certain subsidiaries.

[Remuneration of Directors]

Disclosure of Remuneration (for Individual Directors)	Partial individual disclosure
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Supplementary Explanation on This Matter [Updated]

The following Directors' remuneration for Fiscal year ended March 31, 2024 is individually disclosed on the securities report (Japanese only).

Takashi Tanaka Total compensation 178 million yen (basic compensation: 76 million yen, bonuses: 79 million yen, stock-based compensation: 22 million yen)

Makoto Takahashi Total compensation 291 million yen (basic compensation: 98 million yen, bonuses: 135 million yen, stock-based compensation: 58 million yen)

Yasuaki Kuwahara Total compensation 137 million yen (basic compensation: 54 million yen, bonuses: 56 million yen, stock-based compensation: 27 million yen)

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Basic policy on director remunerations

(1) Policy on composition of director remunerations

The compensation of directors engaged in business execution is based on the group's business performance for each fiscal year, progress toward the goals of the medium-term management plan, and a compensation system linked to shareholder value in order to increase the willingness to contribute to the improvement of corporate value over the medium to long term. Specifically, it consists of four types: (i) basic remuneration, (ii) performance-linked bonus, (iii) performance-linked stock compensation, and (iv) stock price-linked bonus.

Outside directors who perform management supervising functions receive only fixed-amount remuneration that does not vary with the Company's business performance.

(2) Policy on individual compensation structure

According to the responsibilities expected of each position, the compensation composition of directors engaged in business execution has been set the remuneration portion linked to business performance (above (2) to (4)) in the range of 45% to 65%. For the president, the same portion will be 60% or more based on the standard amount.

(3) Policy on ensuring transparency and objectivity of director compensation

The company has established a Remuneration Advisory Committee to ensure transparency and objectivity in the process of determining system and levels for executive remuneration, along with the remuneration amounts based on these. The chairman, Vice-chairman and a majority of the members of this committee are independent outside directors.

The amount of basic remuneration, performance-linked bonus, performance-linked stock compensation, and stock price-linked bonus are not entrusted to the representative director, but rather are decided by resolution of the Board of Directors based on the advice of this committee.

The company's executive remuneration levels are decided through comparison with sector peer companies, or with other companies of the same scale, in Japan, and take into account factors that include the business environment of the company.

The appropriateness of the remuneration levels is also validated by the Remuneration Advisory Committee every year, with reference to objective survey data from an external specialized organization.

2. Policy on the content of remuneration (evaluation index, calculation method, payment timing)

(1) Basic remuneration

Basic remuneration is monetary remuneration that pays a fixed amount for each position on a monthly basis.

(2) Performance-linked compensation (bonuses and stock compensation)

Performance-linked bonuses and the performance-linked stock-type incentive program use operating revenue, operating income, profit, and other measures of "company performance" for the Group during each fiscal year, along with the "KPI achievement rate" of individual businesses, which is linked to medium-term management plan targets as evaluation metrics.

- Performance-linked bonus: Basic amount by position multiplied by the company operating performance and KPI achievement ratio.
- Performance-linked stock compensation: Basic points by position multiplied by the company operating performance and KPI achievement ratio.

For performance-linked bonus, the amount of compensation for each individual is calculated by following formula. It is paid in the first June after the end of each fiscal year.

For performance-linked stock compensation, points for each individual are calculated by following formula. Points will be awarded in the first June after the end of each fiscal year, and when the director retires, the company's shares will be delivered according to the cumulative number of points.

For those who have serious violations of the duties of directors, contrary to the delegation contract between the company and the directors, the payment of performance-linked remuneration will be suspended or a request for refund will be made.

In consideration of their importance, we increased the percentage of ESG-related items to approximately 30% of the total KPIs as of FY2022.

ESG-related KPIs include indicators for carbon neutrality, employee engagement, and enhancement of our group governance.

(3) Stock price linked compensation

Stock price-linked bonuses use "EPS growth rate" and "stock price fluctuation rate" as evaluation metrics. Calculate the amount of payment for each individual by following formula, and pay money in the first June after the end of each business year.

- Stock price-linked bonus: Basic amount by position multiplied by coefficient ((i) x 50%) + ((ii) x 50%)
- (i)EPS growth rate: EPS as of the end of the current fiscal year divided by EPS as of the end of the previous fiscal year.

- (ii) Stock price fluctuation rate: $(\text{fiscal year-end stock price of the company} / \text{previous fiscal year-end stock price of the company}) / (\text{fiscal year-end TOPIX} / \text{previous fiscal year-end TOPIX})$

[System for Supporting Outside Directors (Outside Audit & Supervisory Board Members)]

[Updated]

Board of Directors meeting dates and agenda items are provided in advance to Outside Directors and Outside Audit & Supervisory Board Members. In addition, agenda materials are distributed at least three business days prior to the meeting to foster understanding of the items in question and invigorate deliberations at Board of Directors meetings. Additionally, we provide opportunities for explanations of quarterly financial proposals before the Board of Directors meetings and accept questions in advance, and based on the content of these questions, we strive to enhance the content of explanations on the day of the Board of Directors meeting, thereby deepening substantive deliberations.

The Company is working to invigorate deliberations in Board of Directors meetings by providing opportunities for outside directors and outside Audit & Supervisory Board Members to undergo training by responsible persons in field concerning industry trends, an overview of the Company's management strategy and main business and technology development and corporate area (business management, human resources, risk management, group governance, etc.), and improve their understanding of the Company.

Besides, individual training may be arranged if executives so request, and other opportunities for training and to augment knowledge are provided as necessary.

In addition, the Company provides the opportunity to attend the social exhibition of the R&D results and to inspect the monitoring and maintenance center, the telecommunication facilities, etc.

The Company also reports on business ethics and risk management activities twice a year.

Furthermore, in order to strengthen the ability of Outside Directors to gather information, they are invited to attend the Audit & Supervisory Board when the Audit Firm reports the interim review results and the year-end audit, and liaison meetings with Audit & Supervisory Board Members are held every quarter.

Furthermore, liaison meetings only for Outside Directors are held to promote cooperation among Outside Directors; and liaison meetings between Outside Directors and Part-time Outside Audit & Supervisory Board Members are also held.

Through these activities, by deepening the understanding of KDDI's business, discussions on management strategies at the Board of Directors are accelerated and the effectiveness of management supervision is improved.

The Audit & Supervisory Board Members' Office has been established to assist all Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, in their duties.

[Status of Persons Who Have Retired from the President] [Updated]

Name and Other Information of Councils, Advisers or Others Who Have Formerly Served as the President of the Company

Name	Takashi Tanaka
Title / Position	Senior adviser
Duties	Economic organization activities, social contribution activities, etc.
Work Form / Conditions (Full-time or Part-time, Remuneration)	Part-time / Paid
Date of Retirement from the President	April 1, 2018
Term	1 year (renewed every year)

Total number of Councils, Advisers or others who have formerly served as the President of the Company	1
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Other Matters

2. Matters concerning Business Execution, Auditing and Supervision, Nomination, Determination of Remuneration and Other Functions (Overview of Current Corporate Governance System)

[Business Execution and Its Supervision]

KDDI has introduced an executive officer system to assign authority, clarify responsibilities, and ensure that operations are conducted effectively and efficiently.

Important matters related to business execution are deliberated and decided by the Corporate Management Committee, composed of internal directors and executive officers. Final decisions on other matters are made through internal requests for decision. In addition to mutual supervision of directors and executive officers through Corporate Management Committee and other important internal meetings, organizational checks are conducted through internal requests for decision.

[The Board of Directors and Directors]

The Board of Directors, which includes outside directors, makes decisions regarding important matters as prescribed by relevant statutes, and oversees the execution of business by directors and other managers to ensure proper conduct. The board is currently headed by the chairman, who is a non-executive director.

The board comprises 12 members (9 men and 3 women), of whom six are outside directors and four are independent outside directors.

In principle, the Board of Directors' meetings are scheduled so that an attendance rate of at least 75% will be achieved.

[Audit & Supervisory Board and Audit & Supervisory Board Members] **[Updated]**

The Audit & Supervisory Board meets to receive reports on, hold discussions on, and deliberate on important audit-related matters. Three of the five Audit & Supervisory Board Members (five men) are outside Audit & Supervisory Board Members. All three of these members are independent outside Audit & Supervisory Board members.

Audit & Supervisory Board Members conduct audit activities based on the audit policy, plans, methods, and work assignments determined by the Audit & Supervisory Board.

To perform audit activities, Full-time Audit & Supervisory Board Members attend meetings and express their opinions as necessary among the Board of Directors and Corporate Management Committee, as well as other important internal meetings.

[Advisory Committees]

To ensure transparency and fairness in the nomination of director and Audit & Supervisory Board Member candidates, as well as in executive compensation systems and levels, the Company has established the "Nomination Advisory Committee" and the "Remuneration Advisory Committee" as advisory bodies to perform deliberations in consultation with the Board of Directors.

The chairs, vice-chairs and half or more of the members of these two committees are independent outside directors.

[Remuneration of Directors and Audit & Supervisory Board Members]

For the Company's policy on the remuneration of directors, please see the section of this report entitled "II.1. Items Related to Organizational Structure and Operation [Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods]."

Remuneration of Audit & Supervisory Board Members is determined in consultation with Audit & Supervisory Board Members. These members receive fixed compensation that is not affected by fluctuations in the Company's operating performance.

[Nomination of Director and Audit & Supervisory Board Member Candidates]

For the Company's policy on the nomination of director and Audit & Supervisory Board Member please see the section of this report entitled "I.1. [Disclosure Based on the Principles of Japan's Corporate Governance Code], [Principle 3.1], 4. Policies and Procedures for Nominating Executives."

[Liability Limitation Agreements]

The Company concludes agreements with directors (excluding executive directors) and Audit & Supervisory Board Members limiting their liability for damages in accordance with Article 427-1 and Article 423-1 of the Companies Act. The limits on damage liability amounts based on these agreements are set in accordance with Article 425-1 of the Companies Act.

These limitations of liability are limited to acts by directors and Audit & Supervisory Board Members who are without knowledge and are not grossly negligent in performing duties that are the source of such responsibility.

[Accounting Audits] [Updated]

The Company employed PricewaterhouseCoopers Japan LLC to conduct its accounting audit for the fiscal year ended March 31, 2025. The certified public accountants who conducted the audit, their consecutive number of years in conducting accounting audits, and the status of assistants are as follows.

Engagement partner	Tetsuro Iwase (two year)
Engagement partner	Ryouichi Iwasaki (seven years)
Engagement partner	Takahiro Nomura (four years)
Engagement partner	Shinichi Shimabukuro (two year)
Assistants: 25 certified public accountants, 40 others (total of 65)	

[Internal Audits] [Updated]

In KDDI, the Internal Auditing Division of the Auditing Department, which reports directly to the president, conducts internal audits of the company and aims to contribute to the company's corporate governance primarily through risk-based internal audits (evaluating the effectiveness of internal control related to risks concerning the important businesses and strategies of the KDDI Group).

Annual plans and policies related to internal audits are approved by the President & CEO and other management members. At the same time, the results of internal audits are reported directly to the responsible directors and both full-time and part-time auditors after each audit and to management through quarterly business execution reports. Furthermore, follow-up reports on matters identified in previous audits are also reported to the management at regular intervals.

In addition, general reports on internal audits are submitted twice a year directly to directors and auditors to allow them to exchange opinions.

[Business Ethics] [Updated]

The KDDI Group has established the "Business Ethics Subcommittee within the Risk Management Committee," which makes decisions on compliance-related issues. This committee meets twice a year

to determine the status of Group companies and support the construction and enhancement of compliance systems.

Companywide study sessions are held to promote awareness of the “KDDI Group Philosophy.” Seminars are held to promote early response to and prevention of compliance violations, and training is conducted on an ongoing basis to raise awareness.

With regard to whistle-blowing, the Company has established a “Business Ethics Helpline” as a helpdesk for compliance with business ethics and laws and regulations. By establishing a contact point in collaboration with external experts, the Company is creating an environment in which it is easy for employees to report concerns. Furthermore, we have established internal regulations to protect whistle-blowers in accordance with the Companies Act and the Whistle-Blower Protection Act, and actively conduct educational activities on this topic.

Besides the above points of contact, we have also established a third-party helpdesk named “Helpline for Business Partners (Suppliers)” to accept inquiries and reports from our business partners regarding violations of corporate ethics, compliance, etc., including human rights issues.

[Internal Committees] [Updated]

In addition to the “Nomination Advisory Committee,” and “Remuneration Advisory Committee,” the Company has established the following committees in the interest of reinforcing governance.

- Sustainability Committee: This committee deliberates on sustainability-related matters such as solving social issues (SDGs), social contribution, and the environment through business.
- Disclosure Committee: Please see the section of this report entitled “V.2. Other Matters Concerning the Corporate Governance System.”
- Risk Management Committee: This committee is responsible for comprehensive risk management by evaluating and selecting important business risks, discussing response policies, and determining response organizations in order to realize the KDDI Group's vision.

[External Cooperation Related to Auditing and Supervision]

Necessary information is collected and opinions are stated by outside directors via the Board of Directors, and by outside Audit & Supervisory Board Members via the Board of Directors, Audit & Supervisory Board, and audit activities. The receipt of appropriate feedback ensures mutual cooperation between internal audits and accounting audits. Within the scope of this framework, the Corporate Risk Management Division strives to create cooperative relationships in the interest of reinforcing corporate governance and achieving sustainable growth and increased corporate value over the medium to long term.

Furthermore, the “Director and Audit & Supervisory Board Member Liaison Meeting,” the “Outside Directors and Audit & Supervisory Board Member Liaison Meeting,” the Outside Directors and part-time Audit & Supervisory Members Liaison Meeting,” and the “Outside Directors Liaison Meeting,” meet regularly to ensure smooth relations.

In addition, informal meetings are held twice each year to encourage free exchanges of opinion between part-time Audit & Supervisory Board Members and representative directors.

3. Reasons for Adoption of Current Corporate Governance System

From the perspective of the “proper and efficient business execution” and “appropriate auditing and supervision functions” expected of corporate governance, the Board of Directors is composed of half internal directors and half outside directors and adopts a system of cooperation with the Audit & Supervisory Board, which is made of a majority of outside auditors.

Regarding “proper and efficient business execution,” the Company believes swift decision-making by the Board of Directors, centered on internal directors, points to a high level of efficiency. With respect to “appropriate auditing and supervision functions,” the Company believes that its auditing and supervision functions are functioning appropriately, as outside executives—including independent executives—perform checks of the bodies performing business execution from diverse perspectives. In particular, Audit & Supervisory Board Members have no Board of Directors voting rights, enabling them to audit the execution of duties by directors objectively. Furthermore, we believe independent outside Audit & Supervisory Board Members are able to conduct audits from a perspective independent from other members of the management team.

III. Implementation of Measures for Shareholders and Other Stakeholders[Updated]

1. Measures to Vitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	For both digital provision (posting on the Company website) and mailing, the information is posted and the Company sends out its notifications around one week earlier than statutorily required, respectively.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	The Company endeavors to arrange its meeting to avoid the peak day.
Exercise of Voting Rights via the Internet	The Company makes use of a site that enables the exercise of voting rights over the Internet. The Company have also introduced a system that allows users to log into the voting website by reading the QR code, in order to improve the convenience of our shareholders.
Participation in Electronic Voting Platform and Other Measures for Enhancing the Environment for the Exercise of Voting Rights by Institutional Investors	The Company participates in an “exercise of voting rights platform.”
Providing Notice of Annual Shareholders Meeting (Summary) in English	The Company provides an English version of its Notice of Annual Shareholders Meeting on its website, site for the Internet-based exercise of voting rights and “exercise of voting rights platform.”
Other	<ul style="list-style-type: none"> •To encourage diverse shareholders to attend the General Meeting of Shareholders, the Company provides hearing loop and wheelchair space. •We have been broadcasting “live broadcast” so that shareholders can watch the proceedings and questions and answers on the day from remote location. In addition, we have introduced a real-time subtitling service for the live broadcast, so that shareholders can watch our shareholders' meeting with subtitles. •We receive “advance questions” on the Internet. By using these methods, we are striving to revitalize communication with our shareholders. •Streaming service is carried out to inform shareholders who are difficult to attend the General Meeting of Shareholders. In addition, subtitles and images are displayed during streaming services, which anyone can view without limitation.

2. IR Activities [Updated]

	Supplementary Explanation	Explanations by the Representative Himself/Herself
Preparation and Publication of Disclosure Policy	The “IR Basic Policy,” formulated by the Board of Directors, guides the Company’s IR activities. The Company posts this policy on its website.	
Regular Investor Briefings for Individual Investors	The Company discloses timely information on its website for individual investors and perceives the General Meeting of Shareholders as an opportunity for investor relations to deepen understanding of the Company.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	Four times each year, the company convenes earnings presentation meetings for analysts and institutional investors, coinciding with its disclosure of quarterly earnings. These meetings can be observed via live and on-demand video distribution.	Yes
Regular Investor meetings for Domestic and Overseas Investors	Although each quarter, the Company’s directors and other personnel visit institutional investors in regions including Europe, the United States, and Asia to provide explanations of the Company’s financial condition and future strategies. In the fiscal year ended March 31, 2025, the Company held approximately 714 interviews by conference calls and video conferences including 13 times participation in conferences sponsored by securities companies in Japan and overseas.	Yes
Posting of IR Materials on Website	The Company posts various IR materials on its website. https://www.kddi.com/english/corporate/ir/ (Materials posted) <ul style="list-style-type: none"> - Financial Statements - Data Book - Important news releases, including timely disclosure information - Reports related to corporate governance - Integrated Sustainability and Financial Report - Notice of the General Shareholders Meeting - Annual Securities Report (Japanese only) - Shareholder newsletter (Japanese only) <ul style="list-style-type: none"> - Presentations - Q&A of the financial results 	
Establishment of Department and/or Manager in Charge of IR	The Company has set up an Investor Relations Department within the Corporate Management Division.	
Other	The Company regularly holds various seminars on specific themes for analysts and institutional investors.	

3. Measures to Ensure Due Respect for the Position of Stakeholders **[Updated]**

	Supplementary Explanation
Internal Rules Stipulated for Respecting the Position of Stakeholders	We strive to respect the position of all our stakeholders, including customers, shareholders, business partners, employees and local communities, and solve societal issues through dialogue and collaboration. In this manner, we define our basic views on contributing to the development of a rich and truly connected society.
Implementation of Environmental Activities, CSR Activities, etc.	<p>Since its establishment, KDDI has made realizing a truly connected society part of the KDDI Group Mission Statement and has been promoting sustainability activities at the company.</p> <p>Another goal is to achieve carbon neutrality, toward which KDDI aims to bring the CO₂ emissions (Scope 1 and Scope 2) of the entire group to net zero by 2030 by promoting power savings at cell phone base stations and communication facilities, as well as a shift to renewable energy. Furthermore, we aim to achieve net zero CO₂ emissions (including Scope 3) from the entire supply chain by 2040.</p> <p>As part of our CSR activities, we provide classes to assist senior citizens and persons with disabilities who do not own smartphones or are not comfortable using them. We also carry out a cross-municipality initiative in the area of community co-creation to promote the elimination of digital divides and encourage the effective utilization of digital solutions.</p> <p>Another initiative is that we hold classes such as “Smartphone and Mobile Phone Safety Classes” and “Raise DRR Literacy with Your Smartphone” nationwide in accordance with our basic policy regarding the safety and security of young people. We also actively address social issues, such as people using their smartphones while multitasking, through awareness-building campaigns.</p>
Formulation of Policies on Information Provision to Stakeholders	Positioning the building of trust-based relationships with shareholders and investors as an important management matter, the Company’s “IR Basic Policy” established three IR activity guidelines: “open IR activities,” “proactive IR activities,” and “organized IR activities.” We publicize these activities both internally and externally and strive toward value-oriented corporate management, active information disclosure, and enhanced communication.

IV. Matters Related to the Internal Control System

1. Basic Views on the Internal Control System and Progress of System Development

Based on the provisions of Article 362, Paragraph 5 of the Companies Act, KDDI passed the Basic Policy for Constructing an Internal Control System at a meeting of the Board of Directors and issued a public announcement. KDDI aims to ensure fair, transparent and efficient execution of its corporate duties and to maintain an effective system for internal controls.

The Basic Policy for Constructing an Internal Control System is described below.

1 Corporate Governance

(1) The Board of Directors

The Board of Directors is composed of both internal and external Directors, who make decisions on matters such as management plans and important legal matters as stipulated by laws and ordinances based on the Board's regulations and Agenda standards. In addition, the Board oversees the competent execution of business duties by the Directors themselves.

Information pertaining to the execution of business duties by the Directors must be stored and managed appropriately in accordance with internal regulations.

(2) System for executing business duties

- [1] The Executive Officers' System aims to clarify both the delegation of authority and responsibility system, as well as ensure that tasks are executed effectively and efficiently.
- [2] The Corporate Management Committee, which is composed of Directors and Executive Officers', shall discuss and determine important matters pertaining to the execution of tasks, as well as discussing and determining the Board's Agenda items, based on the Corporate Management Committee regulations.

(3) System for ensuring the effective execution of business duties by Audit & Supervisory Board Members

- [1] Audit & Supervisory Board Members shall attend the Meetings of the Board of Directors and, additionally, steps shall be taken to allow them to attend the principle internal meetings of the company.
- [2] The Board of Directors, and staff, the Directors, etc. of subsidiaries, and the Internal Auditing Division shall provide the Audit & Supervisory Board Members with timely, appropriate reporting of information necessary for executing the business duties of the Audit & Supervisory Board Members, and if matters are discovered that pose a risk of significant damage to our company and the subsidiaries, they shall be reported immediately to the Audit & Supervisory Board Members. In addition, the Board of Directors and staff, the Directors, etc. of subsidiaries, and the Internal Auditing Division shall aim to collaborate with the Audit & Supervisory Board Members by exchanging opinions and ideas.
- [3] The Audit & Supervisory Board Members' Office is established to support the business duties of the Audit & Supervisory Board Members, and it deploys full-time staff. Each Audit & Supervisory Board Member has the right to provide instructions to such staff members, and consent must be obtained in advance from the Audit & Supervisory Board or the Audit & Supervisory Board Member specified by the Audit & Supervisory Board, prior to making staffing decisions related to the Audit & Supervisory Board Members' Office.
- [4] Steps shall be taken to ensure that a person who has reported to the Audit & Supervisory Board Members shall not suffer any consequences on account of having made such report.
- [5] The Audit & Supervisory Board Members shall receive payment, including advance payment, for

costs required by them to carry out their duties.

2 Compliance

- (1) All Directors and employees should continuously maintain high ethical standards in accordance with the basic principles set forth in the 'KDDI Action Guideline,' which should be complied with, and aim to execute their business duties properly.
- (2) Firm measures should be taken against antisocial forces, and efforts should be made to sever all such relationships.
- (3) Each KDDI Group company shall make efforts to promptly identify and resolve any serious violation of laws and ordinances or other compliance-related matters or incidents, at KDDI Group company meetings pertaining to business ethics.
- (4) KDDI shall aim to appropriately operate a whistle-blowing system internal reporting contact established both internally and externally to the company.
- (5) KDDI shall strive to improve understanding and awareness of compliance through in-house training and education as well as outside training lectures.

3 Risk management for achieving business goals fairly and efficiently

- (1) KDDI shall conduct business risk analyses, stringently prioritize business activities and formulate appropriate business strategies and business plans at meetings participated in by Directors concerning business strategy, with the objective of continuous growth for the KDDI Group. To achieve this, business risk should be monitored monthly at meetings pertaining to performance management, and this performance should be managed thoroughly.
- (2) KDDI shall appoint an Internal Control Officer in each division, and the Internal Control Officer shall autonomously promote the following initiatives so that business objectives may be achieved fairly and efficiently.
 - [1] All Divisions and their Directors shall work in cooperation with the Risk Management Division, which regularly identifies and uniformly manages risk information. The KDDI Group's risks shall be managed appropriately and in accordance with internal regulations, and efforts shall be made to achieve business objectives fairly and efficiently.
 - [2] KDDI shall examine measures for minimizing the risk of business interruptions as much as possible in order to respond to events which could have serious and long-term effects on corporate business.
 - [3] In accordance with the internal control reporting system based on the Financial Instruments and Exchange Act, KDDI shall implement documentation, assessment and improvement of the state of company-wide internal control and of important business processes on a consolidated basis, with the aim of further improving the reliability of financial reporting.
 - [4] KDDI shall aim to maintain and enhance the systems necessary to improve the quality of business duties of the KDDI Group, including enhancement of the effectiveness and efficiency of business duties and appropriate acquisition, safekeeping and disposal of assets.
- (3) In its role as a telecommunications carrier, KDDI shall pursue the following initiatives.
 - [1] Protecting the privacy of communications
Protecting the privacy of communications is at the very root of the KDDI Group's corporate management, and the Group will abide by this.
 - [2] Information Security

KDDI aims to manage the company's total information assets, including preventing leaks of customer information and cyber-terrorism of networks for telecommunications services, by formulating measures at meetings pertaining to information security to ensure this security in cooperation with the Directors and employees.

[3] Recovering networks and services in times of disaster

In order to minimize as much as possible the risk of a termination or interruption to telecommunications services in the event that a major accident, obstruction or large-scale disaster occurs, a Business Continuity Plan (BCP) shall be formulated and measures shall be implemented to improve network reliability and prevent the halting of services.

In order to facilitate a prompt recovery in times of emergency or disaster, a Disaster Response Headquarters shall be established as expeditiously as possible.

4 Initiatives relating to working together with stakeholders

(1) The whole company shall make efforts to gain support and trust for all KDDI Group activities, improve customer satisfaction, and strengthen and expand the company's customer base.

[1] By regarding all stakeholders as customers, and through the prompt and appropriate response to customer needs and complaints, all Directors shall engage in TCS (Total Customer Satisfaction) activities that aim to improve the level of customer satisfaction. To promote these activities, efforts shall also be made at meetings pertaining to TCS to evaluate and improve TCS activities.

[2] In addition to providing customers with safe, secure, high-quality products and services in compliance with the pertinent laws and regulations, information about products and services should be provided in an easy-to-understand format and indicated appropriately, so that customers can select and use the most appropriate product and/or service.

(2) In order to gain the understanding and trust of all stakeholders, transparency of KDDI Group management shall be ensured, and efforts shall be made to further enhance the PR and IR activities of the KDDI Group.

(3) The KDDI Group's business risk shall be fairly identified and disclosed in a timely and appropriate manner at meetings pertaining to information disclosure. In addition, our Sustainability reports "Integrated Report (Detailed ESG Version)" shall be created and disclosed, centering on those departments promoting sustainability, for matters pertaining to the KDDI Group's social responsibilities, including its environmental efforts and contributions to society.

5 Systems for ensuring business suitability of corporate groups

(1) To ensure business suitability in subsidiaries, regulations pertaining to the management of subsidiaries shall be defined, and the systems described below shall be established.

[1] The investment management division in charge of the management of each subsidiary, as well as the general management division that extends across the subsidiaries, shall be defined in order to establish a system of management and support for subsidiaries.

[2] Subsidiary management roles pertaining to the Directors, the Audit & Supervisory Board Members, and other staff dispatched to each subsidiary shall be defined in order to ensure the effectiveness of subsidiary governance.

[3] For decision-making on important matters at subsidiaries, the matters to be approved and approval procedures by the Board of Directors, the Corporate Management Committee, etc. shall be defined in order to establish the subsidiary management system.

[4] The matters covered in reports, as well as the procedures, shall be defined for subsidiaries in order to establish a system of collaboration with subsidiaries.

- (2) KDDI shall appoint an Internal Control Officer in each subsidiary to ensure appropriate business operations in each subsidiary, as well as to promote proper risk management and reduction measures, so as to achieve business goals fairly and efficiently.
- (3) In addition to working, through meetings in each subsidiary pertaining to the business ethics, to promptly identify and resolve any serious violation of laws and ordinances by a subsidiary or any other compliance-related matter or incident, a whistle-blowing system shall at all times maintain high ethical standards in accordance with the KDDI Action Guideline, and promotion shall be implemented to ensure a system is in place whereby business duties are carried out appropriately.

6 Internal Audits

Internal audits are conducted for all aspects of business of the KDDI Group, and the suitability and effectiveness of the Internal Control system is verified regularly. The results of internal audits are reported to the President with added suggestions for points that can be improved or revised, and a report is also made to the Audit & Supervisory Board Members.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

The Company's "Basic Policy for Constructing an Internal Control System" states that firm measures should be taken against anti-social forces, and efforts should be made to sever all such relationships.

In addition, the "KDDI Action Guideline," which sets forth the basic principles that all officers and employees should maintain when performing their duties, takes a firm stand against anti-social forces, rejecting any requests for illicit funds and refusing to comply with their demands.

V. Other

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	Not adopted
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Supplementary Explanation on This Matter

2. Other Matters Concerning the Corporate Governance System

1. Basic Policy on the Timely Disclosure of Corporate Information

KDDI considers building trust-based relationships with shareholders and investors a management priority. We endeavor to disclose corporate information that may affect investment decisions in a timely and appropriate manner, in accordance with the timely disclosure regulations stipulated by the Financial Instruments and Exchange Law and the Tokyo Stock Exchange.

2. Internal Systems for the Timely Disclosure of Corporate Information (Please see Appendix 2 at the end of this report)

(1) Designation of Person Responsible for Handling Information and Establishment of Secretariat

As defined in the timely disclosure regulations, KDDI has designated the general manager of the General Administration & Human Resources Division as the person responsible for managing corporate information and handling timely disclosure, and has established the General Administration Department of the General Administration & Human Resources Division as the secretariat.

We have established the “Disclosure Committee” to gather earnings information to be disclosed for fiscal periods and designated the Accounting and Finance Department of the Corporate Management Division as the secretariat.

(2) Internal Decision-Making and Disclosure of Corporate Information

The management of important internal corporate information is handled in accordance with the Company’s internal regulations.

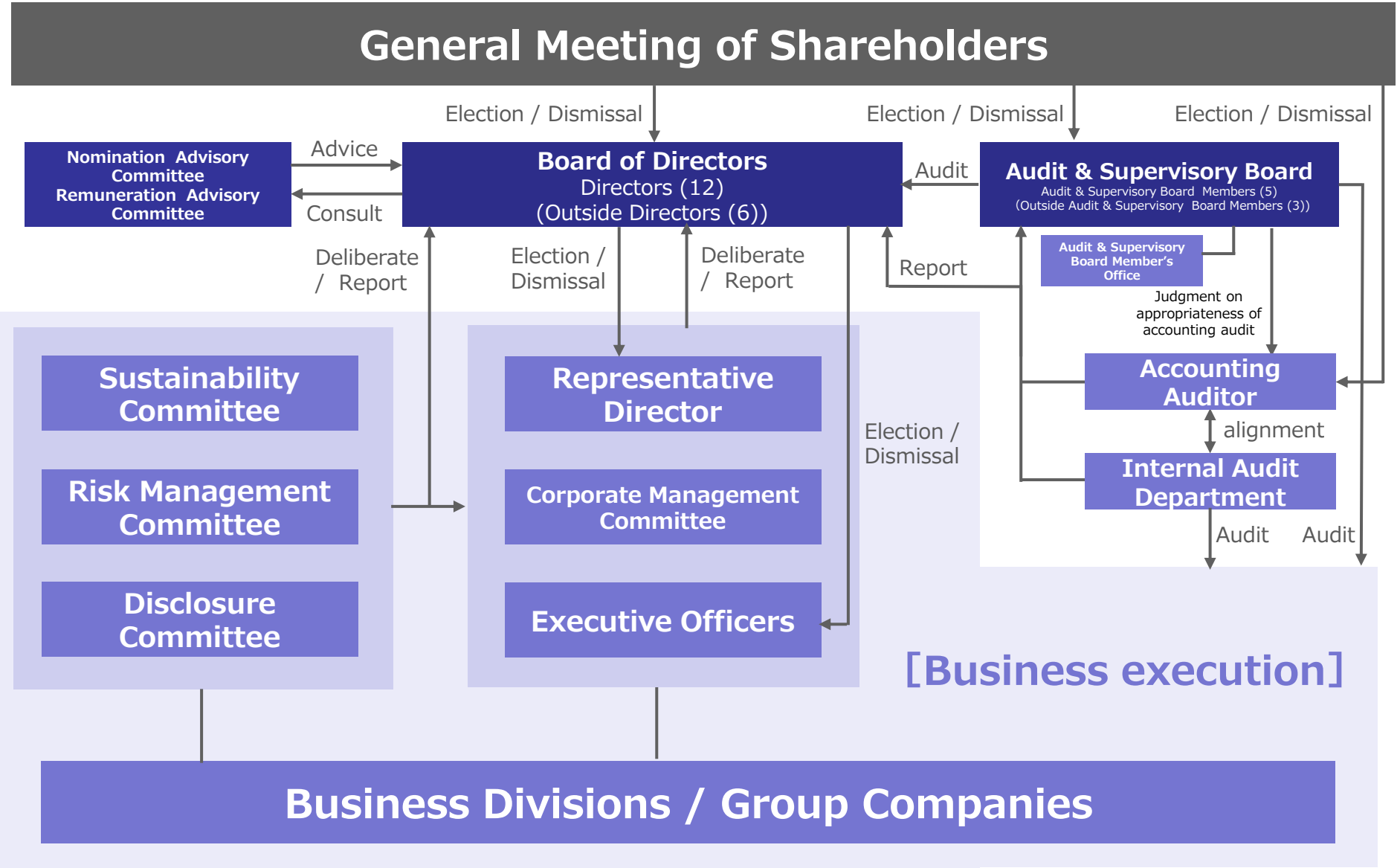
When disclosing corporate information, the General Administration Department first gathers such information from the Company’s departments. In principle, items to be disclosed are approved by the Board of Directors or the Corporate Management Committee before being disclosed to the Tokyo Stock Exchange by the person responsible for handling information. In the event of a matter requiring urgent disclosure, corporate information is disclosed promptly, based on the judgment of the president or the person responsible for handling information.

To ensure the more accurate disclosure of corporate information, financial information to be disclosed for fiscal periods is centrally deliberated on by the “Disclosure Committee.”

(3) Checking Function Related to Timely Disclosure

In line with the General Administration Department’s designation of the person responsible for handling information, in accordance with timely disclosure regulations the decision on whether to disclose information is made after confirming with the internal department associated with the disclosure content or, if necessary, the accounting auditor or an attorney at law.

[Corporate Governance Framework]



(Appendix 1) Skill Matrix Of Directors and Audit & Supervisory Board Members (Supplementary Principle 4.11.1)

From the perspective of achieving sustainable growth for the KDDI Group, we have defined six skills in the expertise and experience areas which are considered important with regard to the Board of Directors of the Company. Also, Each of the six skills includes skills in Sustainability & ESG, which each director and auditor are required to have in order to demonstrate expected skills for KDDI, which promotes sustainability management

	Name	Corporate Management	Sales/ Marketing	Global	Digital/ Technology	Finance/ Accounting	Legal/Risk Management
Internal directors	Makoto Takahashi	●	●	●	●	●	●
	Hiromichi Matsuda	●	●	●	●		
	Yashuaki Kuwahara	●	●		●		
	Nanae Saishoji	●				●	●
	Hiroshi Takezawa	●	●				
	Tomohiko Katsuki	●	●		●	●	●
Outside directors	Goro Yamaguchi	●	●	●			●
	Keiji Yamamoto	●		●	●		
	Tsutomu Tannowa	●	●	●			●
	Junko Okawa	●	●				
	Kyoko Okumiya						●
	Makoto Ando			●	●		
Audit & Supervisory Board Members	Noboru Edagawa	●		●	●		
	Kazuyasu Yamashita			●		●	●
	Naoki Fukushima						●
	Kazutoshi Kogure					●	●
	Koji Arima	●	●	●	●		●

(Appendix 2) [Timely Disclosure Organization Chart]

