

Message to Shareholders and Investors



An eighth consecutive year of record earnings. With the earnings structure changing significantly, KDDI's next tasks are to strengthen the business structure and boldly take on "the challenge of New Value Creation."

The global economic crisis precipitated by the subprime loan problems in the United States led to an unprecedented serious situation for the Japanese economy. Despite these circumstances, and although consolidated operating revenues were down in FY 2009.3, we achieved record earnings for the eighth consecutive fiscal period.

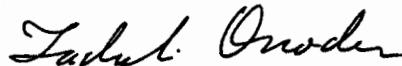
In the Mobile Business, the consumer market has matured, and handset sales have fallen significantly with the prevalence of pricing plans separating tariffs from handset prices. This has increased competition to acquire customers, and led to a major shift in the earnings structure that existed before. In response, we recognize that we are required to introduce attractive products and services to meet diverse customer needs, generating a positive business cycle. We also recognize that it is vital for us to continue efforts to increase already high levels of customer satisfaction.

In the Fixed-line Business, the market is undergoing a transformation to IP and broadband services. We are expanding “the direct-access business” in which we provide the access lines ourselves, and stepping up efforts to reduce costs and secure new sources of revenues.

Today, we are facing an era of significant transformation not only in the earnings structure, but in the communications market itself as technology steadily advances. The reforms that KDDI makes of its own accord, anticipating the shifts in the market, should create new value. We are confident that these will allow us to further meet customer expectations, and we will continue to boldly take on challenges.

I would like to offer my sincere appreciation to our shareholders and investors for your continued support of KDDI.

July 2009



Tadashi Onodera

President and Chairman