Being KDDI,
Being More
INSPIRED

KDDI considers all its stakeholders to be its customers. Voices of our customers are the source for creating new values. Support from our customers are the base for our continuous growth. With close attention, we will continue listening to our customers' voices.

CORPORATE GOVERNANCE

DIRECTORS AND AUDITORS

As of June 17, 2010

Directors

Tadashi Onodera
President and Chairman

'97.6 Executive Vice President, Member of the Board
'01.6 President
'05.6 President and Chairman (Current position)

Kanichiro Aritomi
Vice Chairman

'09.8 Special Adviser
'10.6 Vice Chairman (Current position)

Hirofumi Morozumi
Executive Vice President
Member of the Board

'07.6 Senior Vice President, Member of the Board
'10.4 General Manager, Corporate Sector (Current position)
'10.6 Executive Vice President, Member of the Board (Current position)

Takashi Tanaka
Senior Vice President
Member of the Board

'07.6 Associate Senior Vice President, Member of the Board
'10.4 Consumer Business, Solution Business, and Product Development Sector (Current position)
'10.6 Senior Vice President, Member of the Board (Current position)

Makoto Takahashi
Senior Vice President
Member of the Board

'07.6 Associate Senior Vice President, Member of the Board
'10.4 General Manager, Group Strategy Sector (Current position)
'10.6 Senior Vice President, Member of the Board (Current position)

Yoshiharu Shimatani
Associate Senior Vice President
Member of the Board

'03.4 Vice President
'09.6 Associate Senior Vice President, Member of the Board (Current position)
'10.4 General Manager, Technology Sector (Current position)

Masahiro Inoue
Associate Senior Vice President
Member of the Board

'05.1 Associate Senior Vice President
'10.4 General Manager, Mobile Technology Sector (Current position)
'10.6 Associate Senior Vice President, Member of the Board (Current position)

Yuzo Ishikawa
Associate Senior Vice President
Member of the Board

'01.6 Vice President
'09.4 General Manager, Solution Business Sector (Current position)
'10.6 Associate Senior Vice President, Member of the Board (Current position)

Hideo Yuasa
Associate Senior Vice President
Member of the Board

'03.4 Vice President
'10.4 General Manager, Consumer Business Sector (Current position)
'10.6 Associate Senior Vice President, Member of the Board (Current position)

Hiromu Naratani
Associate Senior Vice President
Member of the Board

'03.5 Vice President
'10.4 General Manager, Corporate Communications & Marketing Sector (Current position)
'10.6 Associate Senior Vice President, Member of the Board (Current position)

Makoto Kawamura[1]
Member of the Board

'05.6 President and Representative Director of Kyocera Corporation
'09.4 Chairman of the Board and Representative Director of Kyocera Corporation (Current position)
'09.6 Member of the Board (Current position)

Shinichi Sasaki[1]
Member of the Board

'05.6 Senior Managing Director of Toyota Motor Corporation
'09.6 Member of the Board (Current position) Executive Vice President and Representative Director of Toyota Motor Corporation (Current position)

Tsunehisa Katsumata[1]
Member of the Board

'02.10 President of Tokyo Electric Power Company
'06. 6 Member of the Board (Current position)
'08. 6 Chairman of Tokyo Electric Power Company (Current position)

Auditors

Standing Statutory Auditors
Masataka Iki
Yoshinari Sanpei
Masayuki Yoshinaga[2]

Statutory Auditors
Yoshihiko Nishikawa[2]
Katsuaki Watanabe[2]

[1] Outside Directors
[2] Outside Auditors

Mr. Tsunehisa Katsumata and Mr. Masayuki Yoshinaga are independent directors pursuant to Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

MANIFESTO

Established in October 2000 through the merger of three companies—DDI, KDD, and IDO—KDDI commenced operations as a comprehensive telecommunications company, providing a wide variety of telecommunications services, ranging from mobile to fixed-line communications. Amid increasingly intense competition in the Japanese telecommunications market, the three companies pooled their assets, human resources, and technologies in an effort to transform themselves into an entity capable of offering higher quality, more convenient, and innovative telecommunications services that would meet society's expectations, while achieving sustainable growth in tandem with society's changing needs.

From the outset, the new company formalized the KDDI Philosophy, as it recognized that the fostering of shared values among employees hailing from different corporate cultures was essential. We worked to thoroughly instill the tenets of this philosophy—which corresponds to what is typically termed a "company philosophy" or "corporate principles"—calling for all employees to take the initiative. Since that time, 16 companies have been merged into KDDI, driving its growth through diversity. However, the KDDI Philosophy, with its unfailingly customer-oriented perspective, has remained intact as we continue to embrace new challenges and create new value.

Fundamental Principles of the KDDI Philosophy

SECURING CUSTOMER SATISFACTION AND TRUST
by providing with our services the value that customers expect;

A HAPPY WORKFORCE, A VITAL COMPANY
by continuing to be the kind of dynamic company that inspires all its employees with a sense of worth and fulfillment;

THE CONFIDENCE OF OUR SHAREHOLDERS AND BUSINESS PARTNERS
by justifying the trust placed in us by our shareholders, business associates, and all with whom we have dealings;

THE ADVANCEMENT OF THE INTERNATIONAL COMMUNITY
by bringing an ever-broadening array of communications to bear in serving the development of the global community.

BASIC POLICY REGARDING CORPORATE GOVERNANCE

KDDI considers strengthening corporate governance to be a vital issue in terms of enhancing corporate value for shareholders, and is working to improve management efficiency and transparency.

With regard to business execution, an executive officer system was introduced in June 2001 to assign authority, clarify responsibilities, and ensure that operations are conducted effectively and efficiently. The Company is also working to systematize internal decision-making flow with a view to ensuring timely management decisions.

KDDI is making active efforts to vitalize the General Meeting of Shareholders and ensure smooth exercise of voting rights. Convocation announcements are issued early, and the Company strives to avoid scheduling the meeting on days when many other companies hold their shareholders' meetings. KDDI also allows shareholders to exercise their voting rights via PC and mobile phone platforms.

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 agenda items for the Board of Directors, as well as important matters relating to the execution of business, are decided by the Corporate Management Committee, composed of directors and executive officers. The Board of Directors also has the right to appoint and dismiss executive officers.

Auditors attend meetings of the Board of Directors, as well as other important internal meetings. The Board of Directors and the Internal Auditing Department provide, in an appropriate and timely manner, all data necessary to the execution of auditors' duties, exchange opinions, and collaborate with auditors. The Board also periodically listens to reports from the accounting auditors on the annual accounting audit plan, the progress, and the result of accounting audits. It also makes recommendations and exchanges of opinion as necessary. In addition, KDDI established the Auditing Office to assist auditors with their duties in 2006. The opinions of the auditors are taken into account when selecting personnel for assignment to the office.
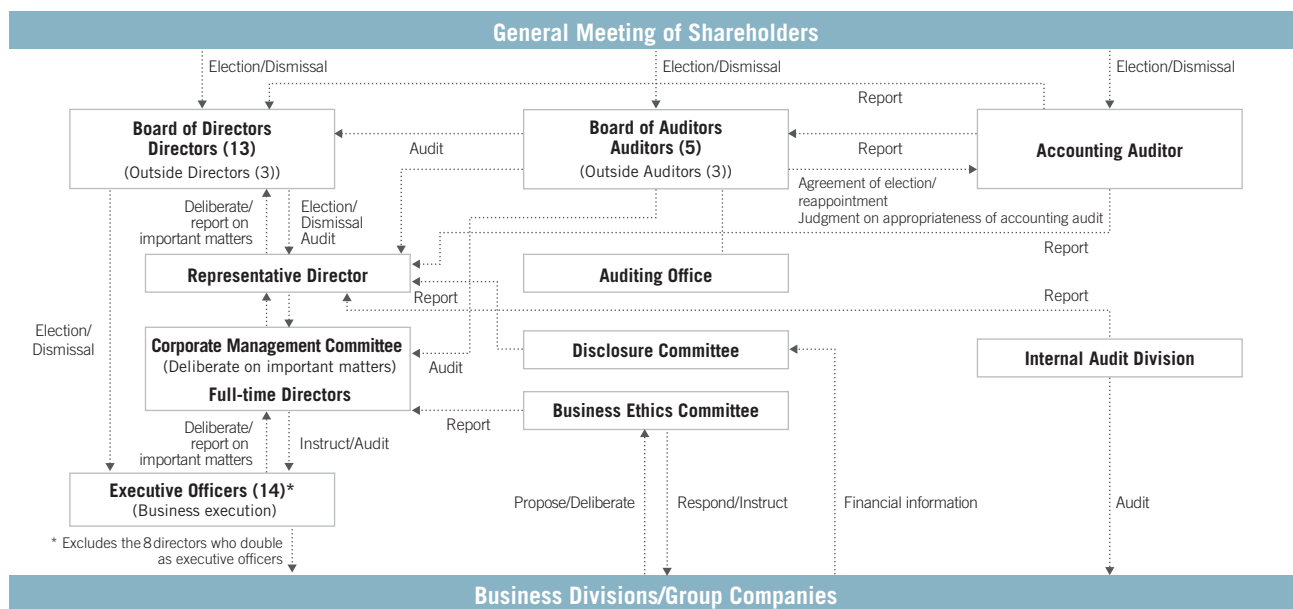
All KDDI Group operations are subject to internal audits to regularly assess the appropriateness and effectiveness of internal controls. The results of internal audits are reported to the president and to auditors, along with recommendations for improvement and correction of problem areas.

KDDI also has a Business Ethics Committee, which makes decisions on compliance-related issues, and a Disclosure Committee, which oversees disclosure of information. By bringing together the various systems and frameworks for managing each Group company, KDDI is working to enhance governance across the entire Group.

KDDI's corporate governance structure is as shown in the following chart.

BASIC POLICY REGARDING CORPORATE GOVERNANCE

Corporate Governance Framework

General Meeting of Shareholders

Election/Dismissal — Election/Dismissal — Election/Dismissal

Board of Directors Directors (13) (Outside Directors (3)) — Audit — **Board of Auditors** Auditors (5) (Outside Auditors (3)) — Report — **Accounting Auditor**

Report

Agreement of election/reappointment
Judgment on appropriateness of accounting audit

Deliberate/report on important matters — Election/Dismissal Audit

Representative Director — Report

Auditing Office

Report

Election/Dismissal

Corporate Management Committee (Deliberate on important matters) **Full-time Directors** — Audit — **Disclosure Committee**

Internal Audit Division

Deliberate/report on important matters — Instruct/Audit — Report — **Business Ethics Committee**

Executive Officers (14)* (Business execution)

* Excludes the 8 directors who double as executive officers

Propose/Deliberate — Respond/Instruct — Financial information — Audit

Business Divisions/Group Companies

(As of June 17, 2010)

Major Activities of Outside Directors and Outside Auditors

Directors

- In his post as director, Makoto Kawamura attended five of the eight meetings of the Board of Directors.
- In his post as director, Shinichi Sasaki attended five of the eight meetings of the Board of Directors.
- In his post as director, Tsunehisa Katsumata attended eight of the nine meetings of the Board of Directors.

Note: The outside directors attended Board of Directors' meetings as indicated above. At these meetings, they asked questions to clarify points and provided opinions based on their expertise, insight, and specialized knowledge.

Auditors

- In his post as auditor, Masayuki Yoshinaga attended nine of the nine meetings of the Board of Directors and eight of the eight meetings of the Board of Auditors.
- In his post as auditor, Yoshihiko Nishikawa attended seven of the eight meetings of the Board of Directors and six of the seven meetings of the Board of Auditors.
- In his post as auditor, Katsuaki Watanabe attended four of the nine meetings of the Board of Directors and five of the eight meetings of the Board of Auditors.

Note: Directors Makoto Kawamura and Shinichi Sasaki, and Auditor Yoshihiko Nishikawa began attending meetings after being newly appointed to their respective positions at the 25th Annual Meeting of Shareholders, held on June 18, 2009.

Note: The outside auditors attended Board of Directors' and Board of Auditors' meetings as indicated above. At these meetings, they asked questions to clarify points and provided opinions based on their expertise, insight, and specialized knowledge.

Remuneration for Directors and Auditors

		No. of Directors/Auditors	Remuneration (Millions of yen)
Directors	Outside Directors	5	22
	Others	9	316
Auditors	Outside Auditors	4	32
	Others	2	39

Notes:
1. The above-stated remuneration for directors includes amounts for two outside directors and two directors who stepped down at the end of the 25th Annual Meeting of Shareholders, held on June 18, 2009.
2. The above-stated remuneration for auditors includes amounts for one outside auditor who stepped down at the end of the 25th Annual Meeting of Shareholders, held on June 18, 2009, and one auditor who stepped down as of December 31, 2009.
3. The maximum monthly remuneration for directors was set at ¥40 million by a resolution of the 17th Annual Meeting of Shareholders, held on June 26, 2001. This does not include employee salaries for directors concurrently occupying posts as employees. Furthermore, directors may receive up to an additional ¥40 million of annual remuneration in the form of stock acquisition rights issued as stock options, as decided by a resolution of the 22nd Annual Meeting of Shareholders, held on June 15, 2006.
4. The maximum annual remuneration for auditors was set at ¥84 million by a resolution of the 25th Annual Meeting of Shareholders, held on June 18, 2009. This amount is based on the Company's fiscal year.
5. Remuneration amounts outlined above included the following Board members' bonuses, as determined by a resolution of the 26th Annual Meeting of Shareholders, held on June 17, 2010.
   10 directors: ¥61.29 million (3 outside directors: ¥7.50 million)
6. Remuneration amounts for directors included: Stock acquisition rights granted to seven directors by a resolution of the Board of Directors at a meeting held on July 21, 2006; Stock acquisition rights granted to eight directors by a resolution of the Board of Directors at a meeting held on July 23, 2007; Stock acquisition rights granted to eight directors by a resolution of the Board of Directors at a meeting held on July 22, 2008; and Stock acquisition rights granted to seven directors by a resolution of the Board of Directors at a meeting held on July 23, 2009.
7. In addition to the above, at the 20th Annual Meeting of Shareholders, held on June 24, 2004, it was decided to pay a retirement allowance to directors and auditors in connection with the cancellation of the executive retirement bonus system. As a result of this decision, ¥12.71 million was paid to one director who stepped down at the end of the 26th Annual Meeting of Shareholders, held on June 17, 2010.

RISK MANAGEMENT

KDDI's risk management is centered on various committees composed of directors and other managers as well as the Corporate Risk Management Division that regularly assesses risk data and provides integrated control for risk. Based on relevant internal regulations, all departments and managers work together, to provide proper management of risks facing the KDDI Group and to achieve management targets in an appropriate and efficient manner.
   The KDDI Group has assigned Internal Control System Managers to be responsible for executing related activities autonomously.

Risk Management Structure

(1) The committee for management strategies rigorously analyzes business risks and prioritizes businesses to achieve sustainable growth for the Group, in addition to formulating appropriate management strategies and plans. To achieve these aims, the committee for performance management meets monthly to monitor business risks and ensure thorough management of performance data.

(2) The committee for Total Customer Satisfaction (TCS) works on a monthly basis to evaluate and improve TCS activities so as to better respond to customer needs and complaints in a timely and appropriate manner. KDDI also ensures compliance with product safety laws and regulations and works to provide customers safe, reliable, and high-quality products and services. It provides easy-to-understand information and full instructions to ensure customers select and use these products and services properly.

(3) The KDDI Group works to further enhance its public relations and investor relations (IR) activities, ensure the transparency of Group management, and gain the acceptance and trust of all stakeholders.
   Business risks facing the Group are properly clarified and disclosed in a timely and appropriate manner by the committee responsible for disclosure.

(4) For issues that exert a significant, long-term impact on Company business, KDDI is working to formulate a business continuity plan (BCP) containing response strategies that will lessen as much as possible the interruption of business or other risks.

Structure to Improve Operation Quality

(1) The KDDI Group is making a Companywide effort to evaluate and improve the status of internal controls and operational processes on financial reporting in order to further raise its level of reliability.

(2) The KDDI Group strives to implement and augment structures to improve the quality of its operations by raising operational effectiveness and efficiency, as well as by conducting appropriate acquisition, management and disposal of assets.

Structure as a Telecommunications Carrier

(1) The protection of telecommunications privacy is fundamental to the KDDI Group's corporate management, and we take steps to ensure that privacy is strictly protected.

(2) For the management of corporate information assets, including preventing leaks of customer data and protecting against cyber-terrorism in telecommunications service networks, the committee for information security formulates measures and works together with managers and regular employees to guarantee information security.

(3) KDDI implements measures to improve network reliability and prevents the disruption of service in order to lessen as much as possible such risks as the interruption or termination of communication services due to a serious accident, damage, or a major disaster.
   In an emergency situation a special task force will be established as quickly as possible in order to rapidly restore service.
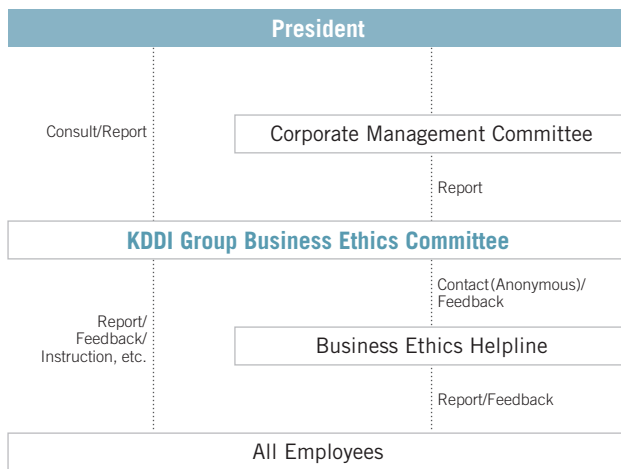
KDDI Group Risk Management Structure
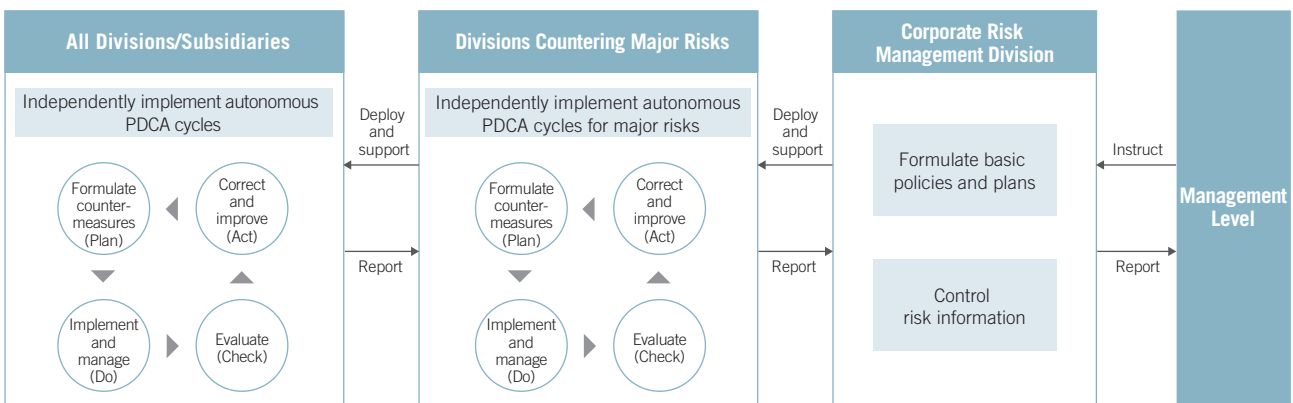
APPROACH TO COMPLIANCE

KDDI is improving and reinforcing its compliance structures, based on its belief that compliance with the law—including strict observance of the privacy of communications established in the Telecommunications Business Law—is fundamental to business operations. In conjunction with these efforts, the Company is working to improve awareness of compliance to ensure that all employees maintain a high sense of ethics at all times and execute their duties appropriately. To this end, KDDI codified its business ethics in January 2003, establishing basic principles for executives and employees to follow in the course of day-to-day business.

Compliance Promotion System

KDDI has also put in place a KDDI Group Business Ethics Committee to deliberate and make decisions on compliance-related items. The committee formulates policies for educational activities, and, in the event that a violation of compliance occurs, it deals with the situation, discloses information outside of the Company, and deliberates on measures to prevent recurrence. The status of the committee's activities is made available to all employees via the intranet.

President

Consult/Report

Corporate Management Committee

Report

KDDI Group Business Ethics Committee

Report/
Feedback/
Instruction, etc.

Contact(Anonymous)/
Feedback

Business Ethics Helpline

Report/Feedback

All Employees

Compliance Education and Training

In addition to the existing management training, compliance training during reassignment training, and Companywide e-learning, KDDI has also conducted compliance training as part of its training sessions for new employees since April 2008.

Key Training Accomplishments

	FY2009
General employee training	Approx. 700 people
Management/line manager training	Approx. 1,300 people
New employee training	Approx. 300 people
e-learning	Approx. 19,000 people

Business Ethics Helpline

KDDI established the Business Ethics Helpline to serve as a contact point for all employees with questions or concerns about business ethics and legal compliance. By establishing a contact point in collaboration with external experts, the Company is creating an environment where it is easy for employees to report concerns. The Company has also established internal regulations in response to the enforcement of Japanese legislation designed to protect public informants, and actively conducts educational activities on this topic.

Enhancing the Compliance Structure of KDDI Group Companies

KDDI has also codified its business ethics for Group companies, and has established company-based Business Ethics Committees and Business Ethics Helplines. The Business Ethics Committees convene semi-annually to ascertain the situation at each company and support the establishment and reinforcement of compliance structures.

The Company has introduced the KDDI Philosophy as its canon for managing one's activities—based on a corporate mission statement that calls for integrity of mind—and formulated the KDDI Group Business Ethics Committee to facilitate the implementation of these principles in business operations.

By acting in accordance with high ethical standards and respect for the law, we work to be a company that is deeply trusted and respected by customers and society.

To achieve this, we regularly conduct systematic, continuous education, training, and awareness activities based on our philosophy and principles, working to instill a compliance-aware mindset among all executives and employees. We will continue striving to enhance and establish an even stronger compliance structure.

Kanichiro Aritomi
Vice Chairman
KDDI Group Business Ethics Committee
Chairman

INFORMATION SECURITY

KDDI has established an Information Security Committee composed of management-level employees, along with the heads of the sales, technology, and corporate administrative divisions. This committee is part of a structure that carefully recognizes the status of information security controls for the entire company, and when necessary readily implements Groupwide measures to enhance information security.

Security Management Structure
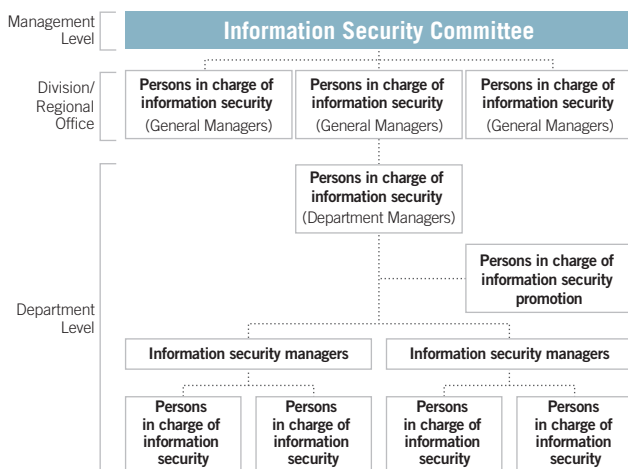
KDDI strictly manages the private customer information and sensitive corporate data it handles in providing a safe and stable telecommunications service, and continually implements measures to enhance information security from a variety of angles.

In April 2009, KDDI obtained information security management system (ISMS) certification for all divisions. In the year ended March 31, 2010, we have focused on maintaining the certification as the main activity to proceed with our continuous improvement on information security. At the same time, to raise employees' awareness, we have established a month-long period to strengthen information security management where employees engage in e-learning, self-checking, and group discussions. As for technological measures, we refined e-mail software to guard against operational errors and improved business systems. We have also set up office appliance environments employing measures to ensure safe processing of customer information, while securing safe remote access to our in-house network and usage of our business systems. We also collect information and take adequate measures to protect our telecommunications facilities used in operations from potential vulnerabilities and virus infections that could permit fraudulent access.

As a part of our achievements involving initiatives on information security during the year ended March 31, 2010, KDDI Group subsidiaries Okinawa Cellular Telephone Company, KDDI Technical & Engineering Service Corporation, and KDDI R&D Laboratories, Inc., obtained ISMS certification, while Chubu Telecommunications Co., Inc., acquired PrivacyMark certification. The KDDI Group is building a structure to ensure ongoing improvements in information security and the protection of private information.

Going forward, the KDDI Group will make continuous efforts as a whole to strengthen its information security management by improving the management system.

ISMS Certification at KDDI

Registration No.	Organization Name	Initial Registration
IS 76406	Shibuya Data Center	July 4, 2003
IS 85329	Information Systems Division	September 28, 2004
IS 88665	Koto Technical Center	December 13, 2004
IS 95253	KDDI Corporation[*1]	June 7, 2005
IS 94986	Otemachi Technical Center	July 11, 2005
IS 500630	Network Operations Center	April 18, 2006
IS 506507	Osaka Technical Center	October 27, 2006
IS 507482	Security Operations Center	October 27, 2006
IS 521724	Service Operations Division	October 22, 2007
IS 537749	FMBC Operations Center	September 30, 2008
IS 544901	KDDI Corporation[*2]	April 10, 2009

[*1] Corporate, customer support, engineering, technology, and sales divisions and KDDI KYO-SAIKAI, KDDI Health Insurance Union, KDDI Pension Fund, and KDDI Research Institute
[*2] Operations Sector Engineering Operations Division, Service Operations Division, and Japan Telecommunication Engineering Service

Yoshiharu Shimatani

Associate Senior Vice President
Member of the Board
Information Security Committee
Chairman

As an electronic communications operator, the entire KDDI Group works to improve information security so that its customers can feel safe and secure in using its information transmission services. In order to protect our facilities from outside threats, we conduct around-the-clock monitoring and make repairs as necessary. Moreover, in order to protect the confidentiality of information and keep safe customer information and other important data, we respect and thoroughly implement information handling processes for all employees and contractors throughout the Group.

It is essential to raise the awareness of individual employees for maintaining information security. We will use the framework of ISMS certification, which the Company obtained for all of its divisions in April 2009, to conduct continuous efforts for improvement at every workplace.
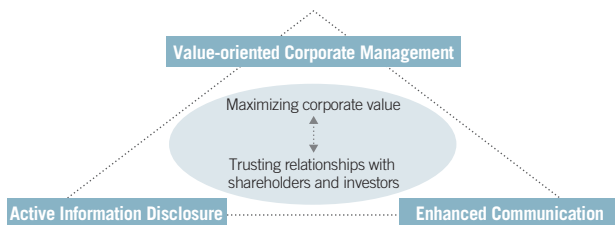
Information security activities must be firmly rooted in everyday operations, and we must ensure that we are perpetually engaged in these activities. With the Information Security Committee as the central organization, we will implement necessary measures promptly and conduct PDCA cycles continuously to improve these activities and further strengthen our information security management.

DISCLOSURE AND IR

KDDI is fully committed to undertaking fair and timely disclosure of any information that could have a material bearing on the investment decisions of investors. Such disclosure is conducted on an ongoing basis and in a comprehensible manner, and is focused on the requirements of shareholders and investors. The Company's policy in this regard is in line with the Financial Instruments and Exchange Law and related rules. KDDI discloses its investor relations (IR) basic policy on its website, explaining such matters as fundamental thinking regarding IR activities and the system for disclosing pertinent information. With regard to quarterly financial disclosure in particular, KDDI has set up a Disclosure Committee that concentrates on determining what information should be disclosed with the goal of improving business transparency and supplying appropriate information to the public. KDDI takes the opinions expressed by investors seriously, communicating them not only to management but also to employees in general. Such opinions are considered an extremely valuable reference in the formation of business and management strategies.

IR Basic Policy

KDDI's IR program is aimed at increasing the level of satisfaction among shareholders and investors through ongoing, proactive, and fulfilling dialogue, and enhancing trust in KDDI's management.

Value-oriented Corporate Management

Maximizing corporate value

Trusting relationships with shareholders and investors

Active Information Disclosure

Enhanced Communication

IR Activity Guidelines

KDDI aims to build long-term trusting relationships with its shareholders and investors and to maximize its corporate value by engaging in IR adhering to the following activity guidelines.

Three IR Activity Guidelines

• Open IR Activities

We value interactive dialogue with our shareholders and investors as well as ensuring accountability to our shareholders and investors through honest and fair information disclosure.

• Proactive IR Activities

By always incorporating new ideas into our IR activities, we strive to make KDDI known to more people and promote further knowledge of the Company.

• Organized IR Activities

Under the leadership of management, all officers and employees — including those of Group companies—will engage in organized IR activities to increase our corporate value.

IR Activities during the Year Ended March 31, 2010

Open and In-depth Communication

Earnings presentation meetings were held quarterly to allow management to directly explain the Company's results. KDDI also held individual and small group meetings with investors from Japan and overseas. We also participated in various conferences and seminars for individual investors sponsored by securities companies for better communication.

Also, timely feedback was provided to management based on responses from shareholders and investors.

Extensive IR Tools and Third-Party Ratings

By using various tools, KDDI takes a proactive approach for the disclosure of information. We offer both Japanese and English versions of videos from our earnings presentations and shareholder meetings on our website. We also provide financial statements and various other accounting information on our website, distribute e-mail alerts, and maintain an IR website for mobile phone users.

Representing the achievements of KDDI's IR activities in the year ended March 31, 2010, we received the "Internet IR Best Company Award in 2009" by Daiwa Investor Relations Co., Ltd., making it the fifth consecutive year of receiving the award. Moreover, we ranked third in the Best Corporate Website 2009 Survey's overall ranking and second in the information and telecommunications category by Nikko Investor Relations Co., Ltd.

KDDI has also been included in the Morningstar Socially Responsible Investment Index in Japan, a principal indicator of socially responsible investments, as of April 2010.

Note: Morningstar, Inc. selects the best 150 Japanese listed companies, in terms of social performance, for inclusion in its index of socially responsible companies, Japan's first index of socially responsible stocks.

IR Contact

Investor Relations Department, Corporate Management Division
Garden Air Tower, 10-10, Iidabashi 3-chome, Chiyoda-ku,
Tokyo 102-8460, Japan
Tel: +81-3-3347-0077 (switchboard number)   Email: kddi-ir@kddi.com

INTERNAL CONTROLS—MEASURES TO IMPROVE OVERALL CORPORATE QUALITY

KDDI, at meetings of its Board of Directors held on April 19, 2006, January 25, 2008, and March 11, 2010, adopted basic policies for the creation of an internal control system in accordance with Article 362-5 of the Companies Act, in order to ensure that the execution of duties by directors complies with applicable laws and regulations, as well as the Company's corporate charter.

Under this basic policy, KDDI is working to establish an effective internal control system that will ensure fairness, transparency, and efficiency in its business operations, and improve corporate quality.

Initiatives in Response to the Internal Control Reporting System

In response to the Internal Control Reporting System based on the Financial Instruments and Exchange Law implemented in the year ended March 31, 2009, KDDI established the Internal Control Department to manage the Company's efforts, and to ensure reliability in its financial reporting put in place internal control systems at the Company and major Group subsidiaries, and conducted evaluations of its internal controls. The results of these evaluations were compiled in an internal controls report, which was submitted to the Japanese Prime Minister in June 2010, as well as disclosed to investors.

Enhancing Operational Quality to Improve Overall Corporate Quality

KDDI considers its initiatives in response to the Internal Control Reporting System to be part of its ongoing effort to improve overall corporate quality. The Internal Control Department, established as part of the response to this system, acts as the managing authority for the entire Company's internal control efforts, working to improve overall corporate quality by enhancing operational efficiency and providing standardization, while at the same time raising the quality of operations and the degree of added value.

From the year ending March 31, 2011, KDDI and its principal Group subsidiaries appointed 37 Internal Control System Managers, as well as nine Internal Control System Directors, to oversee their activities. Under this system, the entire organization will implement and operate an internal control system, furthering the improvement in overall corporate quality.

We will also conduct regular training and e-learning for all employees in order to deepen their understanding of internal control.

Internal Control Promotion System Concerning Financial Reporting

Auditors
- Audit directors' business execution in accordance with laws and articles of incorporation

Auditor
- Audit evaluations by managers

Board of Directors
- Decides basic policies for building internal control system

Corporate Management Committee (President)
- Internal control system evaluation/announcements

Internal Control Department
- Formulates implementation plans
- Manages overall progress
- Supports activities of implementing divisions

KDDI Group

Internal Control System Directors (9)

Internal Control System Managers (37)

Parent Company Operating Divisions	Parent Company Corporate and Support Divisions	Subsidiaries
Offices	Offices	Offices
Individual Organizational Units	Individual Organizational Units	Individual Organizational Units