

15th December, 2011

KDDI Corporation

## **Repurchase of Shares and Issue of Euro Yen Convertible Bonds due 2015**

Tokyo: KDDI Corporation (the “Company”) announced that its Board of Directors had resolved to repurchase up to 450,000 shares of common stock of the Company (the “Shares”) at a maximum cost of JPY250 billion. Acting within such repurchase plan, the Company repurchased 424,126 Shares including 357,541 Shares held by The Tokyo Electric Power Company, Incorporated (“TEPCO”). The Company ended the planned repurchase of Shares on 29th November, 2011.

For the purpose of financing the repurchase, the Company issued and sold the JPY 200,000,000,000 Zero Coupon Convertible Bonds due 2015 (the “Bonds”). The Bonds have been listed on the Singapore Exchange Securities Trading Limited from 15th December, 2011.

### **Overview of the Share Repurchase**

**Repurchase by the Company of Shares:** The Company announced on 28th November, 2011 that it intends to repurchase up to 450,000 Shares at a maximum cost of JPY250 billion from the market in the period from and including 29th November, 2011 to and including 30th December, 2011. The Company also announced that, as part of the above-mentioned Share repurchase plan, it intends to repurchase up to a maximum of 450,000 Shares at 8:45 a.m. (Tokyo time) on 29th November, 2011 at the closing price of the Shares on the Tokyo Stock Exchange on 28th November, 2011, through the off-market hour trading system of the Tokyo Stock Exchange for repurchases of its own shares by issuers at the Tokyo Stock Exchange's prior-day closing prices (the "ToSTNeT-3 system").

TEPCO announced on 28th November, 2011 that it intends to sell 357,541 Shares through the ToSTNeT-3 system on 29th November, 2011.

At 8:45 a.m. (Tokyo time) on 29th November, 2011, the Company repurchased 424,126 Shares (including TEPCO's shareholding of 357,541 Shares) at an aggregate purchase price of JPY220,969,646,000. On the date thereof, the Company completed its planned repurchase of Shares.

Note: This press release is not an offer of securities for sale in the United States. The Bonds issued by the Company and the Shares underlying the Bonds have not been and, at the time of the offering, will not be registered under the United States Securities Act of 1933 (the “Securities Act”), or any state securities laws, and may not be offered or sold in the United States absent registration under, or an applicable exemption from, the registration requirements of the Securities Act and applicable state securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and its management as well as its financial statements.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the Bonds or Shares, nor shall there be any sale of these Bonds or Shares in any state of jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such state or jurisdiction.

## Overview of the Bonds

Securities Offered:	Bonds convertible into the Shares.
Status:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without any preference among themselves and with all other present and future unsecured obligations (other than subordinated obligations, if any, and certain statutory exceptions) of the Company.
Base Issue Size:	JPY190,000,000,000.
Greenshoe Option:	JPY10,000,000,000. (The Greenshoe Option was fully exercised on 29th November, 2011 (London time).)
Launching/Pricing Date:	28th November, 2011.
Settlement Date:	14th December, 2011.
Maturity Date:	14th December, 2015.
Offer Price:	103.00%.
Issue Price:	100.50%.
Redemption Price on Maturity:	100.00%.
Denomination:	JPY10,000,000.
Coupon:	None.
Initial Conversion Price:	JPY573,100.
Conversion Premium:	10% above the closing price of the Shares on the Tokyo Stock Exchange on the Pricing Date.
Redemption at the Option of the Company upon Increased Share Prices:	At any time on or after 16th December, 2013, at 100.00%, provided, however, that no such redemption may be made unless the closing price of the Shares for each of the 20 consecutive trading days, the last of which occurs not more than 30 days prior to the date upon which the notice of such redemption is first published, is at least 120% of the Conversion Price in effect on each such trading day.
Acquisition at the Option of the Company (Soft Mandatory Option):	On or after 17th August, 2015 up to, and including 1st October, 2015, and subject to certain conditions, the Company may, but shall not be bound to, give notice (the "Acquisition Notice") to the Bondholders (which notice shall be irrevocable) to acquire from the Bondholders all, but not some only, of the Bonds outstanding on the date (the "Acquisition Option Date") fixed for such acquisition in the Acquisition Notice (being a date not less than 60 and not more than 75 days after the date that the Acquisition Notice is first given, provided that the Acquisition Option Date must in any event fall on a date that is on or prior to 30th November, 2015).
Rating of the Bonds:	None.
Use of Proceeds:	Funding for the repurchase by the Company of Shares.

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