

Ubiquitous Solution Company

Annual Report 2009

Results for the year ended March 31, 2009



The Challenge: Creating New Value That Is Unique To KDDI

KDDI strives to achieve the No. 1 ranking in customer satisfaction in every service area while also seeking sustainable growth. In order to achieve sustainable growth, KDDI considers it essential to continuously work to enhance the business base to create new value that is unique to KDDI.

We hope that through this report readers will gain a greater understanding of KDDI's businesses and feel the power of KDDI's growth potential as we rise to the challenge of creating new value and improving our corporate value.



About the Cover

The theme of this year's annual report is The Challenge: Creating New Value That Is Unique To KDDI. The cover expresses the Company's resolution to deliver new, high-value-added services to its customers.

Disclaimer Regarding Forward-Looking Statements

Statements contained in this annual report concerning KDDI's plans, strategies, beliefs, expectations or projections about the future, and other statements other than those of historical fact, are forward-looking statements based on management's assumptions in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these statements. Potential risks and uncertainties include, but are not limited to, domestic and overseas economic conditions; fluctuations in currency exchange rates, particularly those affecting the U.S. dollar, euro and other overseas currencies in which KDDI or KDDI Group companies do business; and the ability of KDDI and KDDI Group companies to continue developing and marketing services that enable them to secure new customers in the communications market—a market characterized by rapid technological advances, the steady introduction of new services and intense price competition.

Contents

	2 Market Trends
	6 Financial Highlights
 <p>8</p>	8 Management Message 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." 8 Message to Shareholders and Investors 10 Interview with the President
 <p>16</p>	16 Special Feature The Challenge: Creating New Value That Is Unique To KDDI KDDI strives to achieve sustainable growth, enhance existing businesses, and create new, high-value-added businesses based on communications. 17 iida 22 Jibun Bank 23 UQ Communications
 <p>26 40 50</p>	24 Overview of Operations 24 Business at a Glance 26 Mobile Business 40 Fixed-line Business 50 Other Business
 <p>52</p>	52 Corporate Governance
 <p>68</p>	68 Financial Section
	111 Corporate Information
	111 Organization
	112 Major Consolidated Subsidiaries
	113 Corporate History
	114 Stock Information
	115 Corporate Overview