

To Our Stakeholders



with Shared Purpose



## Building the New KDDI

KDDI's business environment is undergoing major change. In the Mobile Business, smartphones and other smart devices are experiencing a surge in popularity, and content is growing more diverse and richer, spanning music, video, book, and other items. Meanwhile, the Fixed-line Business is taking on new importance for its role in offloading mobile data traffic. Services that combine mobile and fixed-line aspects are being developed and the market is moving toward a new stage of competition.

Against this backdrop, we positioned the year ended March 31, 2012, as a new start for KDDI. Our initiatives focused on "Reconstruction of Foundational Business" and "Preparation for Medium-term Strategy."

With regard to "Reconstruction of Foundational Business," we made significant improvements against all four key performance indicators (KPIs) that we set for ourselves in the Mobile Business, fully recovering our au momentum. We also increased revenues and profit in the Fixed-line Business.

In "Preparation for Medium-term Strategy," we continued preparing to introduce our 3M Strategy, a growth strategy designed to maximize KDDI's strengths as a company that operates both mobile and fixed-line businesses.

The year ending March 31, 2013, will mark the full-scale implementation of KDDI's 3M Strategy. We will propose diverse content and services over networks that are convenient and offer easy connections, that customers can access anywhere and anytime, from their devices of choice.

Some things, however, will not change.

For example, we will continue leveraging information and communication technology (ICT) to provide high-value-added services based on highly reliable networks, helping to realize a society that is prosperous, safe, and secure. We see this as KDDI's overarching social responsibility as a telecommunications operator, as well as our *raison d'être*.

Through its widely varied business activities, KDDI intends to stimulate the people of the world, offering them safety and enjoyment and bringing smiles their faces. We aim to achieve sustainable growth that is in harmony with society.

July, 2012

**Takashi Tanaka**  
President, KDDI CORPORATION