

Executive Members

(As of June 20, 2018)

Directors



Takashi Tanaka

Chairman, Representative Director

Number of the Company's shares held: 61,100

Feb. 1957 Born
 June 2007 Managing Executive Officer, Director
 June 2010 Senior Managing Executive Officer, Representative Director
 Dec. 2010 President, Representative Director
 Apr. 2018 Chairman, Representative Director (Current position)



Hirofumi Morozumi

Vice Chairman, Representative Director

Number of the Company's shares held: 28,600

May 1956 Born
 June 2003 Managing Executive Officer, Director
 June 2007 Senior Managing Executive Officer, Director
 June 2010 Executive Vice President, Representative Director
 Apr. 2018 Vice Chairman, Representative Director (Current position)



Makoto Takahashi

President, Representative Director

Number of the Company's shares held: 25,800

Oct. 1961 Born
 June 2007 Managing Executive Officer, Director
 June 2010 Senior Managing Executive Officer, Representative Director
 June 2016 Executive Vice President, Representative Director
 Apr. 2018 President, Representative Director (Current position)
 June 2018 Executive Director, Corporate Strategy Planning Division, and Corporate and Marketing Communications (Current position)



Yuzo Ishikawa

Executive Vice President, Representative Director

Number of the Company's shares held: 40,100

Oct. 1956 Born
 June 2010 Managing Executive Officer, Director
 June 2011 Senior Managing Executive Officer, Director
 June 2014 Senior Managing Executive Officer, Representative Director
 June 2016 Executive Vice President, Representative Director (Current position)
 Apr. 2018 Executive Director, Consumer Business, Media and CATV Business, and Product and Customer Service Sector (Current position)



Yoshiaki Uchida

Executive Vice President, Representative Director

Number of the Company's shares held: 14,300

Sept. 1956 Born
 June 2014 Managing Executive Officer, Director
 Apr. 2016 Executive Director, Technology Sector (Current position)
 June 2016 Senior Managing Executive Officer, Director
 June 2018 Executive Vice President, Representative Director (Current position)



Takashi Shoji

Senior Managing Executive Officer, Director

Number of the Company's shares held: 10,400

Sept. 1958 Born
 Oct. 2010 Executive Officer
 Apr. 2014 Managing Executive Officer
 June 2016 Managing Executive Officer, Director
 Apr. 2017 Executive Director, Solution Business and Global Business Sector (Current position)
 June 2018 Senior Managing Executive Officer, Director (Current position)



Shinichi Muramoto

Senior Managing Executive Officer, Director

Number of the Company's shares held: 8,300

Mar. 1960 Born
 Oct. 2010 Executive Officer
 Apr. 2016 Managing Executive Officer
 June 2016 Managing Executive Officer, Director
 Apr. 2018 Executive Director, Corporate Sector (Current position)
 June 2018 Senior Managing Executive Officer, Director (Current position)



Keiichi Mori

Managing Executive Officer, Director

Number of the Company's shares held: 7,800

Feb. 1960 Born
 Oct. 2014 Executive Officer
 Apr. 2017 Managing Executive Officer Deputy General Manager, Solution Business Sector and General Manager, IoT Business Development Division (Current position)
 June 2017 Managing Executive Officer, Director (Current position)



Kei Morita

Managing Executive Officer, Director

Number of the Company's shares held: 11,000

Nov. 1961 Born
 Apr. 2015 Executive Officer
 Apr. 2017 General Manager, Life Design Business Sector (Current position)
 Apr. 2018 Managing Executive Officer
 Jun. 2018 Managing Executive Officer, Director (Current position)

Goro Yamaguchi

Director

Number of the Company's shares held: 1,700

Jan. 1956 Born
 June 2009 Director and Managing Executive Officer of Kyocera Corporation
 Apr. 2013 President and Representative Director, President and Executive Officer of Kyocera Corporation
 Apr. 2017 Chairman of the Board and Representative Director of Kyocera Corporation (Current position)
 June 2017 Director of KDDI (Current position)

Tatsuro Ueda

Director

Number of the Company's shares held: 0

Oct. 1961 Born
 Apr. 2013 Managing Officer of Toyota Motor Corporation
 Apr. 2014 Chief Officer, General Administration & Human Resources Group of Toyota Motor Corporation (Current position)
 Apr. 2017 Senior Managing Officer of Toyota Motor Corporation (Current position)
 Jan. 2018 Chief Officer, Business Planning Division of Toyota Motor Corporation (Current position)
 June 2018 Chief Executive Officer, China & Asia Region of Toyota Motor Corporation (Current position)
 Director of KDDI (Current position)

Kuniko Tanabe

Director

Number of the Company's shares held: 2,100

Apr. 1945 Born
 Mar. 1973 Registered as attorney at law
 Feb. 1982 Joined Tanabe & Partners, Partner (Current position)
 June 2003 Audit & Supervisory Board Member of Daido Metal Co., Ltd. (Current position)
 June 2015 Director of KDDI (Current position)

Yoshiaki Nemoto

Director

Number of the Company's shares held: 900

Dec. 1945 Born
 Apr. 1995 Professor, Graduate School of Information Sciences, Tohoku University
 Apr. 2000 Head of Information Synergy Center, Tohoku University
 Apr. 2004 Councillor of Educational Research Board, Tohoku University
 Apr. 2008 Director, Tohoku University
 Apr. 2012 Director General of Resilient ICT Research Center, the National Institute of Information and Communications Technology (NICT)
 June 2016 Director of KDDI (Current position)

Shigeo Ohyagi

Director

Number of the Company's shares held: 0

May 1947 Born
 June 2005 Executive Officer, Member of the Board of Teijin Limited
 June 2006 Senior Executive Officer, Member of the Board of Teijin Limited
 June 2008 President and CEO, Representative Director of the Board of Teijin Limited
 Apr. 2014 Chairman, Member of the Board of Teijin Limited
 June 2014 Outside Audit & Supervisory Board Member of JFE Holdings, Inc. (Current position)
 June 2018 Senior Advisor of Teijin Limited (Current position)
 Director of KDDI (Current position)

Audit & Supervisory Board Members

Koichi Ishizu

Full-time Audit & Supervisory Board Member

Number of the Company's shares held: 12,800

Akira Yamashita

Full-time Audit & Supervisory Board Member

Number of the Company's shares held: 300

Yasuhide Yamamoto

Full-time Audit & Supervisory Board Member

Number of the Company's shares held: 6,300

Kakuji Takano

Audit & Supervisory Board Member

Number of the Company's shares held: 1,300

Nobuaki Katoh

Audit & Supervisory Board Member

Number of the Company's shares held: 0

Outside directors and Audit & Supervisory Board members
 Independent directors and Audit & Supervisory Board members

Composition of Directors and Advisory Committees

Name	Newly appointed	Representative rights	Independent	Outside	Execution of business	Nomination Advisory Committee	Remuneration Advisory Committee	Other
Takashi Tanaka		○			○	○	○	Chairman of Board of Directors
Hirofumi Morozumi		○			○			
Makoto Takahashi		○			○	○	○	
Yuzo Ishikawa		○			○			
Yoshiaki Uchida		○			○			
Takashi Shoji					○			
Shinichi Muramoto					○			
Keiichi Mori					○			
Kei Morita	○				○			
Goro Yamaguchi				○		○	○	
Tatsuro Ueda	○			○		○	○	
Kuniko Tanabe			○	○		○	○	
Yoshiaki Nemoto			○	○		○	○	
Shigeo Ohyagi	○		○	○		○	○	

* During the fiscal year ended March 31, 2018, the Nomination Advisory Committee met on two occasions and the Remuneration Advisory Committee met on one occasion.

Corporate Governance



Basic Views on Corporate Governance

As a telecommunications operator that provides social infrastructure, the Company has the important social mission of providing stable communications services on an ongoing basis, 24 hours a day and 365 days a year, regardless of conditions. Furthermore, as a telecommunications operator, our business derives from utilizing radio waves—an important asset shared by all citizens. Accordingly, we recognize that we have the social responsibility to address the issues society faces and seek to resolve them through telecommunications.

Attaining sustainable growth and increased corporate value over the medium to long term is essential to achieving this social mission and social responsibility. Furthermore, we strive to engage in dialogue with all our stakeholders, including customers, shareholders, business partners, employees, and local communities, and work in cooperation to proactively address societal issues. In this manner, we aim to contribute to the development of a safe, secure, and truly connected society.

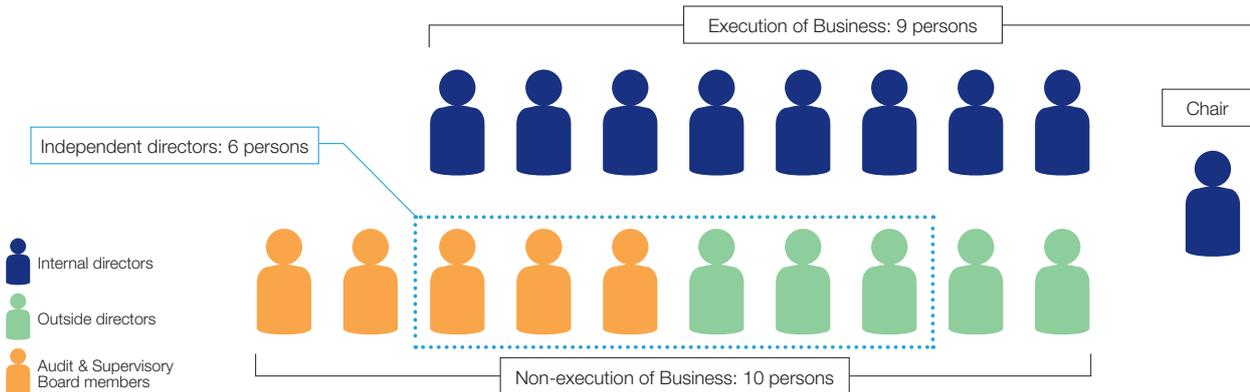
We recognize reinforcing corporate governance as

important to achieving sustainable growth and increased corporate value over the medium to long term. Accordingly, we are in accordance with the tenets of the “Corporate Governance Code” defined by the Financial Instruments and Exchange Act. While maintaining transparency and fairness, we endeavor to enhance our structures for ensuring timely and decisive decision-making.

In addition to our corporate credo and mission statement, we have formulated the “KDDI Group Philosophy,” which defines perspectives, values, and a code of conduct that officers and employees should share. We conduct activities to promote awareness of this philosophy throughout the Company.

By proactively adhering to Japan’s Corporate Governance Code and practicing the KDDI Group Philosophy, which we consider inseparable from the standpoint of corporate management, we will endeavor to enhance corporate governance throughout the KDDI Group, including its subsidiaries, to achieve sustainable growth and increased corporate value over the medium to long term.

Composition of Board of Directors



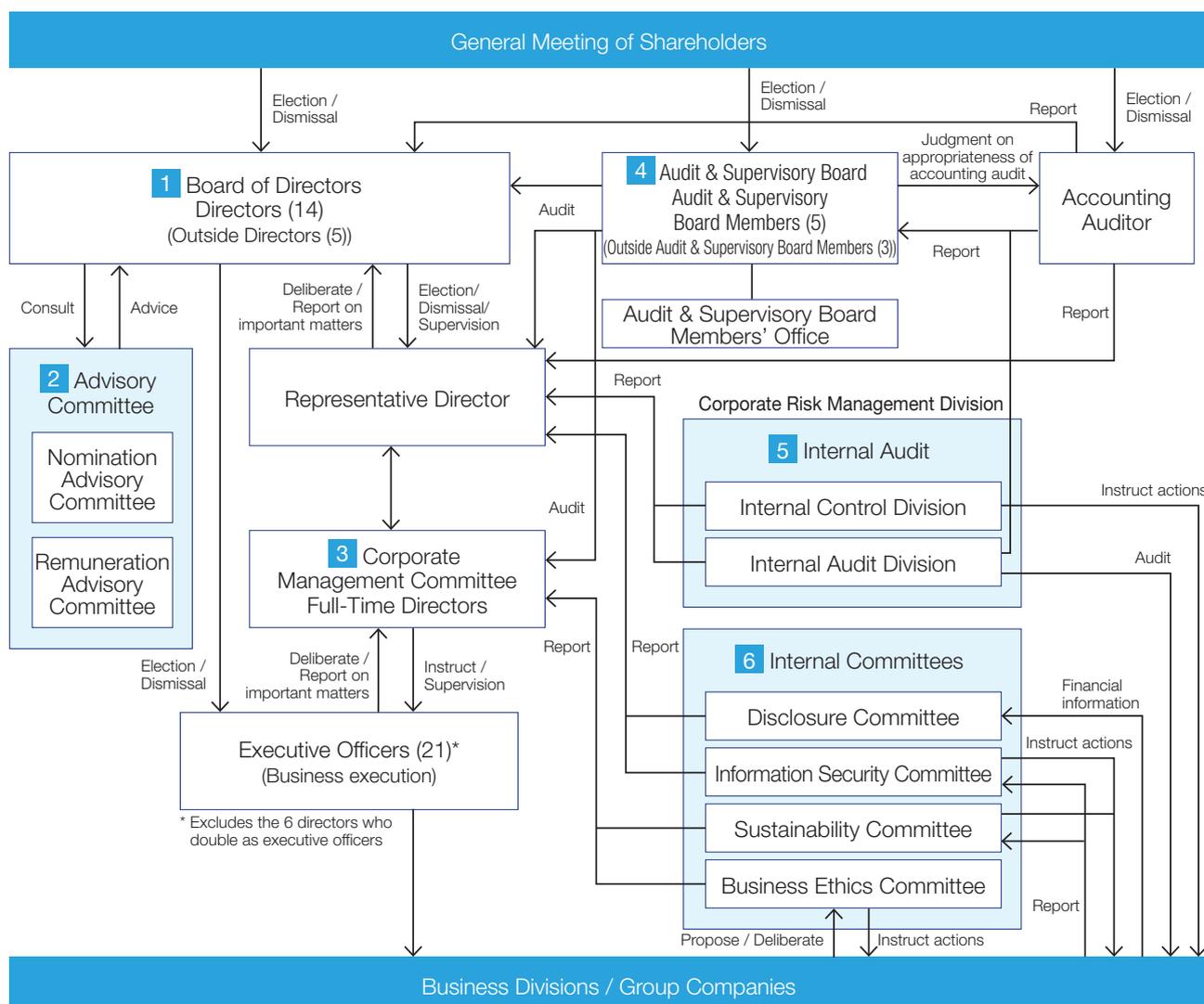
Changes in the Corporate Governance Framework

		2000–			2005–			2010–			2015–		2018
		Yusai Okuyama			From June 2001 Tadashi Onodera			From December 2010 Takashi Tanaka			From April 2018 Makoto Takahashi		
President													
Directors	Number of directors	53 ^{*2}	13	12	11								
	Outside directors			2	3								
Assurance of diversity ^{*1}	Number of female directors										1		
Audit & Supervisory Board members	Number of Audit & Supervisory Board members	5		4									
Ensure independence	Number of independent directors ^{*3}							2	1	3	4	5	6
	Advisory Committee											Nomination Advisory Committee established in 2015	
Transparency in executive remuneration				Introduction of a stock option system in 2002									
												Remuneration Advisory Committee established in 2011	
												Introduction of a performance-based bonus system for executives in 2011	
												Introduction of stock compensation plan for directors in 2015	Revision of stock compensation plan for directors in 2018
The KDDI Group Philosophy		Enactment in October 2000										Revised, continued promotion activities from 2013	

*1 Number of people at the conclusion of each Annual General Meeting of Shareholders

*2 Number of people at the conclusion of an Extraordinary Meeting of Shareholders convened in October 2000

*3 Independent officers pursuant to Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.



1 | Board of Directors |

At KDDI, Board of Directors resolutions determine:

- Matters prescribed by the Companies Act or other laws and regulations,
- Matters prescribed by the Articles of Incorporation,
- Matters delegated for resolution at the general shareholder meeting, and
- Other important management-related matters.

For other important management-related matters, their importance is determined according to such factors as the scale of money, business, assets, and investment involved.

These decision standards for importance are not permanent. Rather, they are reviewed appropriately in accordance with changes in the legal system and the environment in which the Company operates, with the aim of ensuring management speed and effectiveness.

2 | Advisory Committee |

KDDI has formed a Nomination Advisory Committee and a Remuneration Advisory Committee to discuss with and provide advice to the Board of Directors to maintain both transparency and fairness in the system of nomination of executive candidates and Audit & Supervisory Board member candidates and the level of remuneration for executives.

The Chairman, Vice Chairman and half or more of the members of these committees are outside directors.

3 | Corporate Management Committee |

Comprised of internal directors, executive officers and others, the Corporate Management Committee deliberates and decides on important matters related to business execution at the Company and its subsidiaries.

4 | Audit & Supervisory Board/ Audit & Supervisory Board Members |

Audit & Supervisory Board members conduct their audit work based on audit policies and plans established by the Audit & Supervisory Board and carry out their work by attending meetings of the Board of Directors, the Corporate Management Committee, and other major internal meetings. The Audit & Supervisory Board receives reports on the audit methods of Audit & Supervisory Board members and their results, discusses them, and offers its opinions, as appropriate, at meetings of the Board of Directors.

5 | Internal Audit |

KDDI conducts periodic internal audits targeting all the operations of the Group, and regularly reviews the appropriateness and effectiveness of internal controls.

The results of these internal audits are reported to the president and the Audit & Supervisory Board members, along with recommendations for improvement and correction of any problems.

6 | Internal Committees |

KDDI has put in place the KDDI Group Business Ethics Committee (P. 37) to deliberate and make decisions on compliance-related items for the Group. We have also established a Disclosure Committee (P. 38) to gather financial results information to be disclosed at fiscal period-ends, as well as an Information Security Committee to ensure overall information security regarding information assets, and a Sustainability Committee, set up to deliberate on sustainability related matters such as CSR and the environment.

Analysis and Evaluation of the Effectiveness of the Board of Directors

■ Objective of Board of Director Evaluations

To ensure a correct understanding of the current status of its Board of Directors and to work toward continuous improvement, KDDI has its Board of Directors conduct regular annual self-evaluations.

■ Overview of the Evaluation Process

The Company verifies the effectiveness of its Board of Directors based on an evaluation by the directors and the Audit & Supervisory Board members. The evaluation is conducted in questionnaire form, combining a four-grade rating scale with free space for comments. This supports our efforts to validate the effectiveness of our initiatives and uncover any areas for improvement from both a quantitative and qualitative perspective.

The evaluation targets the most recent one-year period and is conducted regularly on an annual basis. The results are reported to the Board of Directors, which then considers future countermeasures.

Key items for evaluation are as listed below.

- Operation of the Board of Directors (including composition, documentation and explanations, provision of information, etc.)
- Management supervision (including conflicts of interest, risk management, and management of subsidiaries, etc.)
- Medium to long-term discussions (participation in medium-term management planning, monitoring of plan execution, etc.)

■ Overview of Evaluation Results

Summary

The Company's Board of Directors was found to be managed appropriately and functioning effectively.

The following points were found to be rated particularly highly.

- Outside directors and Audit & Supervisory Board members with a wide range of experience in each field join discussions with diverse and multi-faceted perspectives.
- Adequate time is secured for outside directors and Audit & Supervisory Board members to speak, and sincere responses are made to their opinions and questions.

Improvements over the Previous Evaluation

Issues indicated in the previous evaluation were found to have been improved, such as sharing the status of achieving the medium-term management plan and periodically providing opportunities for discussing long-term prospects for the management environment and strategies such as policies for handling environmental changes.

Future Issues to be Addressed

The Company has received an opinion stating that it would be desirable to further enhance discussions on the medium- to long-term management strategy from various perspectives in the future.

Therefore, in the fiscal year ending March 31, 2019 we plan to have several debates on how to formulate the next medium-term management plan.

We will continue to work toward ongoing improvement.

Decision Standards for Independence of Outside Executives

In addition to the independence standards provided by financial instruments exchanges, the Company has formulated its own standards. Specifically, these standards state that people hailing from business partners making up 1% or more of the Company's consolidated net sales or orders placed are not independent. Other matters are given individual consideration depending on circumstances.

Appointment of a New President

Appointment of President Makoto Takahashi, promoting the "integration of telecommunication and life design"

President Makoto Takahashi was appointed on April 1, 2018 through meetings of the Nomination Advisory Committee and the Board of Directors held in January 2018.

Mr. Takahashi was a member of KDDI's predecessor, DDI CORPORATION, from the time of its founding and has long been involved with business development in the value-added domain based on telecommunications. Moreover, he has a wealth of experience in new business development and promotion.

The Company's business environment is changing with competition increasing beyond the boundary of telecommunications and non-telecommunications businesses. In this situation, the Board of Directors judged Mr. Takahashi to be the best person to lead KDDI forward.

The fiscal year ending March 31, 2019 is the final year of the current medium-term targets, and an important year for formulating the next medium-term targets. Under President Takahashi's leadership, KDDI will promote new experience value proposals through the integration of telecommunications and life design, and continue to advance with sustainable profit growth and strengthening shareholder returns.



The news conference to announce the appointment of the new president
 Right side: Makoto Takahashi, President
 Left side: Takashi Tanaka, Chairman

Reasons for Appointment as Outside Officers and Principal Activities (FY2018.3)

Name	Reason for appointment as an outside director of the Company	Principal activities
Goro Yamaguchi	Mr. Yamaguchi has a wealth of corporate management experience and excellent knowledge cultivated as the president and representative director of one of the world's leading electronic component and equipment manufacturers. In the Board of Directors meetings, the Company has received a large number of broad opinions related to business administration and operations from him based on a medium- to long-term perspective and has determined that he can continue to contribute to improving the corporate value of the Company. Accordingly, he has again been appointed as a director.	Attended 9 of the 10 meetings of the Board of Directors*
Tatsuro Ueda	Mr. Ueda has abundant experience and excellent knowledge in the General Administration & Human Resources Group and the Business Planning Division, as an officer of one of the world's leading automobile manufacturers. The Company determined that he can continue to contribute to improving the corporate value of the Company by giving broad opinions on improving productivity, cultivating human resources, and promoting global strategy, etc., from a medium- to long-term perspective. Accordingly, he has been appointed as a director.	—
Kuniko Tanabe	Ms. Tanabe has abundant experience and superior expert insight, cultivated as the partner at a law office. In the Board of Directors meetings, she has offered many expert opinions from an independent position from the management team regarding legal risk management, taking a medium- to long-term perspective. We wish to continue benefitting from her contributions to the enhancement of the Company's corporate value. Accordingly, she has again been appointed a director. Moreover, with this background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly she has been appointed as an independent director.	Attended 12 of the 12 meetings of the Board of Directors
Yoshiaki Nemoto	Mr. Nemoto has a high level of knowledge in information processing, communications and network engineering, which is directly relevant to the business of the Company, as well as a deep understanding of disaster prevention that is valuable for the operation of our business. In the Board of Directors meetings, he has offered many expert opinions from an independent position from the management team regarding operational policy as an information communications operator providing social infrastructure, taking a medium- to long-term perspective. We wish to continue benefitting from his contributions to the enhancement of the Company's corporate value. Accordingly, he has again been appointed a director. Moreover, with this background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been appointed as an independent director.	Attended 12 of the 12 meetings of the Board of Directors
Shigeo Ohyagi	Mr. Ohyagi has a wealth of corporate management experience and excellent knowledge cultivated as the president and CEO of one of the world's leading companies in the fields of synthetic fibers, chemical products, medicines and medical treatment, and distribution and retail. The Company determined that he can contribute to improving the corporate value of the Company by giving broad opinions from a medium- to long-term perspective, especially focusing on the field of life design business that the Company will promote in the future, global strategy and M&A. Accordingly, he has been appointed a director. Moreover, with this background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been appointed as an independent director.	—

Name	Reason for appointment as an outside Audit & Supervisory Board member of the Company	Principal activities
Akira Yamashita	Mr. Yamashita has cultivated abundant experience and knowledge gained from many years of practical experience in the public sphere and involvement in the execution of business at various organizations. From the perspective of leveraging this knowledge and experience to monitor general management and to engage in appropriate audit activities, he has been appointed as an Audit & Supervisory Board member. Furthermore, with his background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been appointed as an independent auditor.	Attended 12 of the 12 meetings of the Board of Directors Attended 12 of the 12 meetings of the Audit & Supervisory Board
Kakuji Takano	Mr. Takano has abundant experience as a Certified Public Accountant, as the representative of an accountancy firm and as an auditor for other companies, in addition to which he has cultivated extensive experience and knowledge in the execution of business at various organizations. From the perspective of leveraging this primarily accounting-related knowledge and experience to monitor general management and to engage in appropriate audit activities, he has been appointed as an Audit & Supervisory Board member. Furthermore, with his background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been appointed as an independent auditor.	Attended 12 of the 12 meetings of the Board of Directors Attended 12 of the 12 meetings of the Audit & Supervisory Board
Nobuaki Katoh	Mr. Katoh has abundant experience as a director of listed companies and has extensive experience and knowledge as an auditor and through execution of business at various organizations. From the perspective of leveraging this knowledge and experience to monitor general management and to engage in appropriate audit activities, he has been appointed as an Audit & Supervisory Board member. Furthermore, with his background, we judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been appointed as an independent auditor.	Attended 11 of the 12 meetings of the Board of Directors Attended 11 of the 12 meetings of the Audit & Supervisory Board

* Attendance and number of meetings following new appointment as director at the 33rd Annual Shareholders Meeting held on June 21, 2017

Support for Outside Directors and Audit & Supervisory Board Members

In addition to notifying outside directors and outside Audit & Supervisory Board members in advance of the schedule and agenda for meetings of the Board of Directors, proposal materials are also distributed prior to the meetings to encourage understanding of the agenda items and invigorate discussion at the meetings.

Questions are also accepted in advance and are used to enhance explanations on the day of the meeting, in an effort to provide for more substantial deliberations.

Besides the Board of Directors meeting, the Company ensure sufficient opportunities and time for meetings between executive directors and outside directors and Audit & Supervisory Board members, or meetings without executive directors, in order to receive appropriate involvement and advice from outside directors/Audit and Supervisory Board members regarding various management issues.

On April 1, 2006, KDDI established the Auditing Office to support Audit & Supervisory Board members, including outside members.

Policy on Strategic Shareholdings

KDDI believes that participating in tie-ups with a variety of companies is essential to providing its customers with increasingly diverse and advanced services.

To this end, our basic policy is to engage in strategic shareholdings after comprehensively judging that such holdings will contribute to KDDI's business and support the sustainable growth and increased corporate value of the entire KDDI Group over the medium to long term.

Accordingly, if determined to be necessary given such factors as the scale and importance of these holdings, the purpose and rationality of such holdings is explained to the Board of Directors.

* This article is based on details before the June 2018 revision of Japan's Corporate Governance Code



Executive Remuneration

To ensure transparency and fairness in systems and standards of executive compensation, the Board of Directors determines such matters based on advice from the Remuneration Advisory Committee, which is comprised primarily of outside directors.

Types and Methods for Determining Remuneration

Type of Remuneration	Method of Determination	Maximum Amount of Remuneration	General Meeting of Shareholders Approval Date	
Directors	Flat-rate remuneration	<ul style="list-style-type: none"> Based on such factors as directors' professional ranking and the management environment. Reference values are considered and set at appropriate levels using information from outside experts 	Maximum monthly remuneration of ¥50 million.	June 18, 2014 30th General Meeting of Shareholders
	Bonus	Bonuses are linked to and determined by the rate of achievement of the Group's consolidated revenue, operating income and profit for each fiscal year, as well as the achievement of certain KPIs, including net increase in mobile IDs, au churn rate and added-value ARPA.	Within 0.1% of consolidated net income (profit attributable to owners of the parent under IFRS) during the applicable fiscal year	June 16, 2011 27th General Meeting of Shareholders
	(Partially revised)* Stock Compensation (trust type)		(Applies to directors, executive officers and administrative officers) Total number of points (maximum) granted per fiscal year to those eligible: 357,000 points (Converted at a rate of 1 point = 1 share)	Introduced: June 17, 2015 31st General Meeting of Shareholders Revised: June 20, 2018 34th General Meeting of Shareholders
Audit & Supervisory Board members	Flat-rate remuneration only	Paid only basic remuneration that is not affected by fluctuations in the Company's operating performance.	Maximum annual remuneration of ¥130 million (for each business year)	June 22, 2016 32nd General Meeting of Shareholders
Formula for calculating bonus and stock compensation		Bonus: Basic amount by position multiplied by the Company operating performance and KPI evaluation Stock compensation: Basic points by position multiplied by the Company operating performance and KPI evaluation		

***Partial revision to stock compensation**

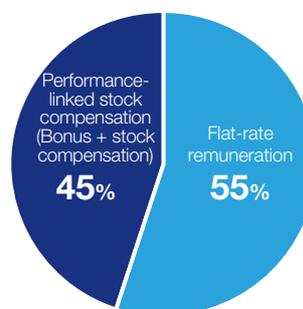
KDDI partially revised and will continue the performance-linked stock compensation plan it introduced in the fiscal year ended March 31, 2016.

Aligning stock compensation with the period of the following year's medium-term management plan is intended as one effort toward achieving the follow year's medium-term targets.

Note that this revision is expected to result in an increase in the ratio of performance-linked stock compensation as a percentage of overall remuneration to 45%.

* When target achievement rate is 100%.

Remuneration Distribution Ratio for Directors (excluding Outside Directors)*



Remuneration for Executive Members (FY2018.3)

Executive classification	Number of recipients (people)	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)		
			Basic remuneration	Bonus	Stock compensation
Directors (excluding outside directors)	10	650	393	146	111
Outside directors	6	75	75	—	—
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	52	52	—	—
Outside Audit & Supervisory Board members	3	50	50	—	—

Notes: 1. Above payment to directors includes two directors (of which one was an outside director) who resigned at the conclusion of the 33rd Annual General Meeting of Shareholders held on June 21, 2017. Note that the number of bonus recipients was nine people, excluding the two in question.
 2. In addition to the above, a resolution of the 20th General Meeting of Shareholders held on June 24, 2004, was passed that determined directors and Audit & Supervisory Board members receive a retirement allowance in connection with the cancellation of the executive retirement bonus system.

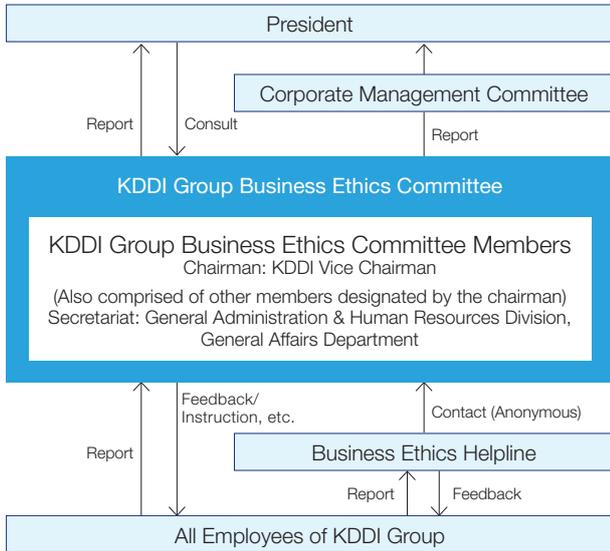
Compliance, Risk Management and Internal Controls



Compliance

KDDI recognizes that promoting awareness of rules is a fundamental management issue for enforcing a corporate code to fulfill its social responsibility in addition to observing laws and regulations. As a global corporation, KDDI is working to enhance its compliance systems throughout the entire Group.

Compliance Framework



To provide a guideline for employees to act ethically and with an awareness of compliance, KDDI has established the KDDI Code of Business Conduct and published it on its intranet to ensure employees are familiar with and

act in accordance with it, making it available so that anyone can refer to it when dealing with doubts about their own judgement.

The Company has also put in place the KDDI Group Business Ethics Committee to deliberate and make decisions on compliance related items. The KDDI Group Business Ethics Committee is headed by the vice chairman, representative director, and comprises committee members including directors and other people that the chairman appoints as necessary. The committee meets semi-annually to ascertain the situation at each company and support the establishment and reinforcement of compliance structures. The KDDI Group Business Ethics Committee is also in charge of matters related to the helpline, preventing corruption, and compliance infringement such as violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

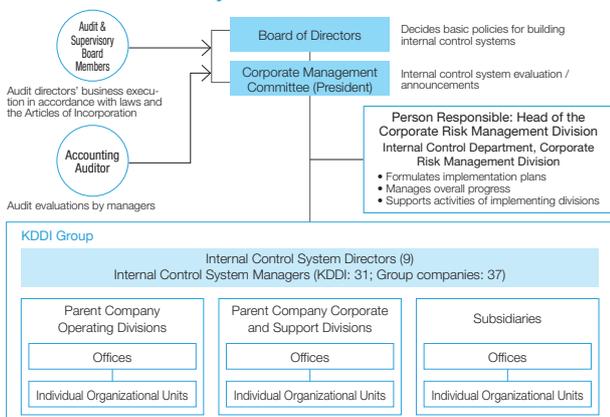
The KDDI Group Business Ethics Committee also formulates policies for educational activities and, in the event a compliance violation occurs, discloses information outside the Company and deliberates on measures to prevent recurrence. The status of the committee's activities is made available to all employees via the intranet.



Risk Management and Internal Controls

As corporations deal with constantly-changing business conditions, they also face increasingly diverse, complex risks. KDDI defines risks as those factors and phenomena that influence the achievement of management objectives. We recognize that strengthening risk management is an important management issue. To ensure the continuation of business and fulfill our responsibilities to society, we promote risk management activities across the Group as a whole.

Internal Control Systems



KDDI has established a system to centralize the management of risks, which it defines as factors that have the potential to block the achievement of management objectives. The Corporate Risk Management Division is the core of this system.

To ensure the sustainable growth of the entire Group, we are promoting risk management initiatives that encompass risk management Groupwide, including KDDI and its subsidiaries.

KDDI and its Group companies have respectively appointed 31 and 37 Internal Control System Managers, as well as nine Internal Control System Directors, to oversee their activities. Under these personnel, we promote maintenance and operation of the internal control system, as well as risk management activities. We also promote operational quality enhancement activities to realize a corporate constitution that prevents risks from materializing.

Risk Management Activity Cycle

KDDI recognizes that in order to prevent a corporate crisis from occurring, it is important to understand the signs of such crises and to put countermeasures in place before the situation worsens. To that end, we have built a PDCA cycle for risk management activities. We have also put in place a structure for managing risks to ensure they are dealt with rapidly and appropriately when they are discovered.

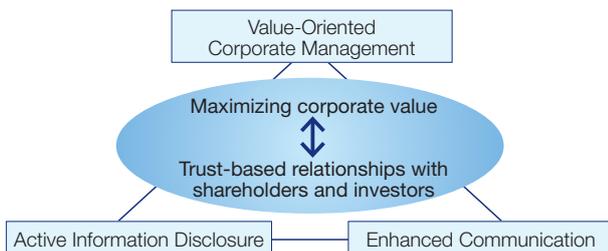


The Company is fully committed to undertaking fair and timely disclosure in an easily understandable manner of any information that could have a material bearing on the investment decisions of investors. Such disclosure is conducted on an ongoing basis, and is focused on the requirements of shareholders and investors. The Company's policy in this regard is in line with the Financial Instruments and Exchange Act and the Securities Listing Regulations of Tokyo Stock Exchange, Inc. governing the timely disclosure of information concerning the issuers of publicly listed securities. KDDI discloses its IR Basic Policy* on its website, explaining such matters as fundamental thinking regarding IR activities and the system for disclosing pertinent information. 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.

* Matters to be decided by the Board of Directors.

IR Basic Policy

KDDI places top management priority on building a trusting relationship with its shareholders and investors, ensuring value-oriented corporate management, active information disclosure, and enhanced communication.



Three IR Activity Guidelines

Through IR based on the activity guidelines outlined below, KDDI strives to build long-term, trust-based relationships with shareholders and investors, as well as maximize its corporate value.

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 of our officers and employees, including those of Group companies, engage in organized IR activities to further increase corporate value.

IR Activities in the Fiscal Year Ended March 31, 2018

Enhancing Communication

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

KDDI takes the opinions expressed by shareholders and 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.

Results of IR Activities in the Fiscal Year Ended March 31, 2018

	(Times)
Individual meetings with institutional investors	851
Financial results briefings	4
Overseas road shows	14
Seminars for individual investors	13

Key External Recognition

Overseas	<ul style="list-style-type: none"> • FTSE4Good Index Series • MSCI ESG Leaders Indexes • Euronext Vigeo World 120 • Ethibel Sustainability Index Excellence Global
In Japan	<ul style="list-style-type: none"> • MS-SRI • Nadeshiko Brand • Gold Award in the PRIDE Index • Second overall in the 12th CSR Company Ranking

Active Information Disclosure

KDDI provides webcasts of its results presentations on its website, and also posts an English-language version of its results presentations. Earnings reports, financial statements and operational data, information related to corporate governance, and other types of disclosure documents are made available. Information is prepared for use on multiple devices, including various web browsers, smartphones, and tablets.

Moreover, in our small meetings, we provided on-demand streaming of certain briefings on the Company website.

As a result of our IR activities, in the fiscal year ended March 31, 2018, KDDI has received excellent evaluations. The Company was selected for a second consecutive year to receive the Daiwa Investor Relations Internet IR 2017 Grand Prize. We were also ranked second in the Fiscal 2017 All Japanese Listed Companies' Website Ranking of Nikko Investor Relations Co., Ltd. and third (Gold Prize) in the "Gomez IR Website Overall Ranking 2017" by Morningstar Japan K.K. In addition, we achieved third place in the "Telecommunications and Internet" category of the "Securities Analysts Selection of Best Companies for Disclosure" (fiscal year 2017) by the Securities Analysts Association of Japan.

