

# Executive Members

(As of June 19, 2019)

## Directors



### Takashi Tanaka

**Chairman, Representative Director**  
Number of the Company's shares held: 62,500

Feb. 1957 Born  
Apr. 2003 Executive Officer  
Jun. 2007 Managing Executive Officer, Director  
Jun. 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: 28,800

May 1956 Born  
Jun. 1995 Director  
Jun. 2001 Executive Officer  
Apr. 2003 Managing Executive Officer  
Jun. 2003 Managing Executive Officer, Director  
Jun. 2007 Senior Managing Executive Officer, Director  
Jun. 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: 27,300

Oct. 1961 Born  
Apr. 2003 Executive Officer  
Jun. 2007 Managing Executive Officer, Director  
Jun. 2010 Senior Managing Executive Officer, Representative Director  
Jun. 2016 Executive Vice President, Representative Director  
Apr. 2018 **President, Representative Director (Current position)**  
Apr. 2019 **Executive Director, Corporate and Marketing Communications (Current position)**



### Yoshiaki Uchida

**Executive Vice President, Representative Director**  
Number of the Company's shares held: 16,700

Sept. 1956 Born  
Apr. 2013 Executive Officer  
Apr. 2014 Managing Executive Officer  
Jun. 2014 Managing Executive Officer, Director  
Apr. 2016 Executive Director, Technology Sector (Current position)  
Jun. 2016 Senior Managing Executive Officer, Director  
Jun. 2018 **Executive Vice President, Representative Director (Current position)**



### Takashi Shoji

**Senior Managing Executive Officer, Director**  
Number of the Company's shares held: 11,400

Sept. 1958 Born  
Oct. 2010 Executive Officer  
Apr. 2014 Managing Executive Officer  
Jun. 2016 Managing Executive Officer, Director  
Jun. 2018 **Senior Managing Executive Officer, Director (Current position)**  
Apr. 2019 **Executive Director, Consumer Business, Global Consumer Business, and Product & Customer Service Sector (Current position)**



### Shinichi Muramoto

**Senior Managing Executive Officer, Director**  
Number of the Company's shares held: 9,100

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



### Keiichi Mori

**Senior Managing Executive Officer, Director**  
Number of the Company's shares held: 11,100

Feb. 1960 Born  
Oct. 2014 Executive Officer  
Apr. 2017 Managing Executive Officer  
Jun. 2017 Managing Executive Officer, Director  
Apr. 2019 **Executive Director, Solution Business Sector (Current position)**  
Jun. 2019 **Senior Managing Executive Officer, Director (Current position)**



### Kei Morita

**Managing Executive Officer, Director**  
Number of the Company's shares held: 11,800

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)**



### Toshitake Amamiya

**Managing Executive Officer, Director**  
Number of the Company's shares held: 36,800

Jun. 1960 Born  
Apr. 2012 Executive Officer  
Apr. 2019 Managing Executive Officer  
**Deputy Executive Director, Consumer Business Sector and General Manager, Consumer Business Strategy Division (Current position)**  
Jun. 2019 **Managing Executive Officer, Director (Current position)**

**Goro Yamaguchi** ●

**Outside Director**  
Number of the Company's shares held: 4,500

Jan. 1956 Born  
Jun. 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)**  
Jun. 2017 **Outside Director of KDDI (Current position)**

**Keiji Yamamoto** ●

**Outside Director**  
Number of the Company's shares held: 0

Mar. 1961 Born  
Apr. 2016 Executive General Manager of TOYOTA MOTOR CORPORATION  
Apr. 2017 Managing Officer of TOYOTA MOTOR CORPORATION  
Jun. 2019 **Outside Director of KDDI (Current position)**  
Jul. 2019 **Operating Officer, President, Connected Company of TOYOTA MOTOR CORPORATION (Current position)**

**Yoshiaki Nemoto** ●●

**Outside Director, Independent Director**  
Number of the Company's shares held: 1,500

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)  
Jun. 2016 **Outside Director of KDDI (Current position)**

**Shigeo Ohyagi** ●●

**Outside Director, Independent Director**  
Number of the Company's shares held: 700

May 1947 Born  
Jun. 2005 Executive Officer, Member of the Board of Teijin Limited  
Jun. 2006 Senior Executive Officer, Member of the Board of Teijin Limited  
Jun. 2008 President and CEO, Representative Director of the Board of Teijin Limited  
Apr. 2014 Chairman, Member of the Board of Teijin Limited  
Jun. 2014 **Outside Audit & Supervisory Board Member of JFE Holdings, Inc. (Current position)**  
Apr. 2018 Senior Advisor, Member of the Board of TEIJIN LIMITED  
Jun. 2018 **Senior Advisor of TEIJIN LIMITED (Current position)**  
**Outside Director of KDDI (Current position)**  
**Member of the Board of Directors (Outside), Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. (Current position)**

**Riyo Kano** ●●

**Outside Director, Independent Director**  
Number of the Company's shares held: 0

May 1966 Born  
Apr. 1993 Registered as attorney at law  
Jan. 2005 **Partner, Tanabe & Partners (Current position)**  
Aug. 2014 **Member of Commission on Policy for Persons with Disabilities of Cabinet Office (Current position)**  
June 2015 **Outside Director of The Yamanashi Chuo Bank, Ltd. (Current position)**  
Feb. 2017 **Member of Examination Committee for Relief Assistance of Ministry of Health, Labour and Welfare (Current position)**  
Jun. 2019 **Outside Director of KDDI (Current position)**

## Audit & Supervisory Board Members

**Koichi Ishizu**

**Full-time Audit & Supervisory Board Member**  
Number of the Company's shares held: 12,900

**Akira Yamashita** ●●

**Full-time Audit & Supervisory Board Member**  
Number of the Company's shares held: 600

**Yasuhide Yamamoto**

**Full-time Audit & Supervisory Board Member**  
Number of the Company's shares held: 14,000

**Kakuji Takano** ●●

**Audit & Supervisory Board Member**  
Number of the Company's shares held: 2,100

**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		●			●	●	●	
Yoshiaki Uchida		●			●			
Takashi Shoji					●			
Shinichi Muramoto					●			
Keiichi Mori					●			
Kei Morita					●			
Toshitake Amamiya	●				●			
Goro Yamaguchi				●		●	●	
Keiji Yamamoto	●			●		●	●	
Yoshiaki Nemoto			●	●		●	●	
Shigeo Ohyagi			●	●		●	●	
Riyo Kano	●		●	●		●	●	

\* During the fiscal year ended March 31, 2019, the Nomination Advisory Committee met on three occasions and the Remuneration Advisory Committee met on two occasions.

# Corporate Governance

## Basic Views on Corporate Governance, Composition of Board of Directors, Corporate Governance Framework

### 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.

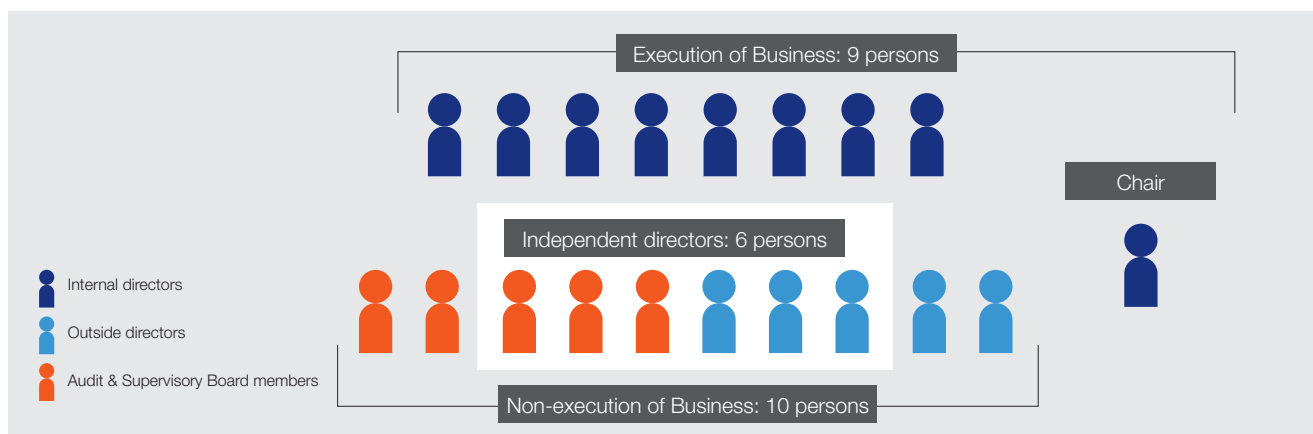
Attaining sustainable growth and increased corporate value over the medium to long term is essential to achieving this social mission and social responsibility. Furthermore, we strive to engage in dialogue with all our stakeholders, including customers, shareholders, business partners, employees, and 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 exchanges. 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



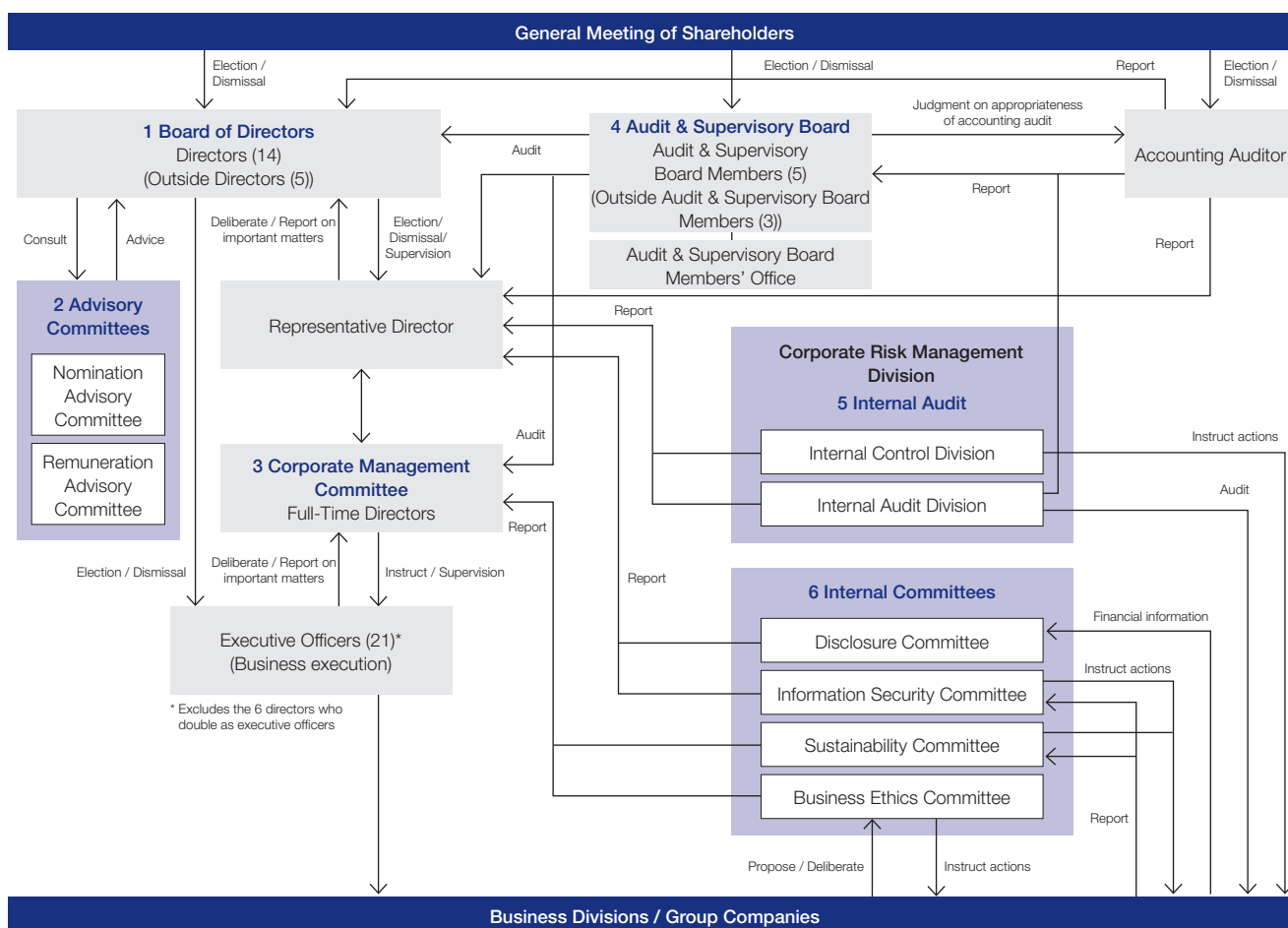
### Changes in the Corporate Governance Framework

		2000—				2005—				2010—				2015—		2019—		(Year)	
		Yusai Okuyama		From June 2001 Tadashi Onodera						From December 2010 Takashi Tanaka				From April 2018 Makoto Takahashi					
Directors	Number of directors	53 <sup>*2</sup>	13	12	11					→ 10	13	12		→ 13	→ 14			→	
	Outside directors			2	3					→ 4	3			→ 2	→ 3	4	5		→
Assurance of diversity <sup>*1</sup>	Number of female directors													1					→
Audit & Supervisory Board members	Number of Audit & Supervisory Board members	5		→ 4						→ 5									→
Ensure independence	Number of independent directors <sup>*3</sup>										2	1	3		→ 4	5	6		→
	Advisory Committee																		→
Transparency in executive remuneration																			→
																			→
The KDDI Group Philosophy																			→

<sup>\*1</sup> Number of people at the conclusion of each Annual General Meeting of Shareholders

<sup>\*2</sup> Number of people at the conclusion of an Extraordinary Meeting of Shareholders convened in October 2000

<sup>\*3</sup> 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 Committees**

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. 41) to deliberate and make decisions on compliance-related items for the Group. We have also established a Disclosure Committee (P. 43) 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.

## Corporate Governance

### Effectiveness evaluation, appointment of outside officers and support

#### 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

KDDI 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 (consideration for 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 two points were found to be rated particularly highly.

- Meaningful questions and opinions are actively expressed by outside directors and Audit & Supervisory Board with diverse backgrounds, including a management executive, attorney at law, certified public accountant and expert in information engineering, thereby achieving due consideration of each agenda item.
- In order to fulfill their role as outside directors, the outside directors, Audit & Supervisory Board members, and accounting auditors cooperate and share information on company issues, etc. as well as providing information from the company.

##### Improvements over the Previous Evaluation

Themed discussion of the next medium-term management plan was held four times in 2018. On each occasion, opinions were vigorously exchanged from various angles, so that awareness of issues and in-depth discussion of key strategies were further enhanced. Thus, the Company's Board confirmed that an issue raised in the previous evaluation, "further expansion of discussion of medium- and long-term business strategies," had been accomplished.

##### Future Issues to be Addressed

We will work toward continued improvement of the following two key issues, aimed at sustainable growth of corporate value.

- While pursuing expansion into different industries and fields centered on the telecommunications business, we will discuss the Company's social mission and business strategies and what kind of company we want to be from various perspectives.
- In order to grow the business of Group companies and reinforce corporate governance, we will monitor the management status and operating structure of subsidiaries in Board of Directors meetings in a timely manner.

#### 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.

#### 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 deepening more substantial deliberations.

Outside of the Board of Directors, in addition to business strategy and management status, we provide information on research and development, and technology are offered.

Regarding business outlines, the heads and general managers of each business headquarters explain the overall picture and issues in detail, and the management status of subsidiaries is regularly reported. We also have opportunities to inspect sites such as social exhibitions of research and development results, telecommunication facilities, and monitoring and maintenance centers. In addition, we report twice a year on corporate ethics and risk management activities.

In addition, in order for outside directors to maintain their independence and strengthen their ability to collect information, collaboration with auditors has been strengthened, and regular liaison meetings between outside directors and auditors have been held. Auditors also explain audit results to outside directors.

In addition, in order to strengthen information exchange and information sharing among outside directors, we hold liaison meetings for only outside directors and liaison meetings for outside directors and part-time auditors.

Through these efforts, we are deepening our understanding of KDDI's business, thereby invigorating discussions on management strategies at the Board of Directors and improving the effectiveness of management supervision and monitoring.

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

## Reasons for Appointment as Outside Officers and Principal Activities (FY2019.3)

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 components 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 an outside director.	Attended 12 of the 12 meetings of the Board of Directors
Keiji Yamamoto	Mr. Yamamoto has excellent knowledge cultivated in IT development and electronics engineering divisions and abundant management experience as a management at the one of the world's leading automobile manufacturers. The Company has determined that he can contribute to improving the corporate value of the Company by giving broad opinions on promoting 5G/IoT strategy, etc. from a medium- to long-term perspective, and for these reasons he has been selected as an outside director.	—
Yoshiaki Nemoto	Mr. Nemoto has a superior knowledge in information processing, telecommunications 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 an outside 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 an outside 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 9 of the 10 meetings of the Board of Directors*
Riyo Kano	Ms. Kano has abundant experience and superior knowledge, cultivated as a partner at a law firm and a committee member of government committees. The Company has determined that she can contribute to improving the corporate value of the Company by giving technical opinions related to legal risk management from her experience based on a medium- to long-term perspective independent of the management team, and for these reasons she has been selected as an outside 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 nominated as 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 cultivated 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 10 of the 12 meetings of the Board of Directors Attended 10 of the 12 meetings of the Audit & Supervisory Board

\* Attendance and number of meetings following new appointment as director at the 34th Annual Shareholders Meeting held on June 20, 2018

## Policy on Strategic Shareholdings

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

KDDI possesses strategic shareholdings if such possession will contribute to the sustainable growth of KDDI's business and the mid- long-term increase of corporate value.

Every year, the Board of Directors reviews all the pros and cons of continuing the possession of each individual strategic

holding by judging the significance and economic rationale. Which have tenuous significance, we will sell a strategic shareholding as promptly as possible.

The Company calculates the ratio of the contribution by the issuing company to the Company's profits within the most recent fiscal year. The economic rationale is verified by comparing the ratio with valuation of each strategic shareholding at the end of the most recent fiscal year, whether the ratio satisfies the capital cost standard established by the Company.

## Messages from Outside Directors



**Yoshiaki Nemoto**  
Outside Director and  
Independent Director

**Shigeo Ohyagi**  
Outside Director and  
Independent Director

**Riyo Kano**  
Outside Director and  
Independent Director

---

## Yoshiaki Nemoto **Outside Director and Independent Director**

The information and communication technologies movement that KDDI is a part of has contributed enormously to the world as an essential element of social infrastructure with cutting-edge technologies. The 5th Generation Mobile Communications System (5G) being constructed now is the product of innovative technologies, and its use has the potential to substantially change the lifestyles of people everywhere. Against this backdrop, I believe KDDI and other MNOs have the responsibility not only to provide services at affordable rates, but also to support their customers' lifestyles by maintaining the reliability of the communication networks and systems as a part of the fabric of society, and by providing the information they need, whenever and wherever they need it.

Since becoming an Outside Director at KDDI in 2016, I have expressed my opinions and made suggestions at meetings of the Board of Directors, especially regarding the state of R&D and telecommunications services, based on my extensive knowledge and experience in the communications network engineering and information processing fields.

KDDI has unveiled a new medium-term management plan with measures to advance the transformation of its services with an eye on changing communications technologies.

As KDDI makes inroads into new fields, as an Outside Director, I will continue to contribute to improving the Company's corporate value.

---

## Shigeo Ohyagi **Outside Director and Independent Director**

KDDI is expected to accomplish great things as a leader in the information industry and society for the future. The "integration of telecommunications and life design" is one of its initiatives in this regard. I have real-world experience in business areas other than telecommunications so I am extremely interested in improving customer convenience and satisfaction by providing physical products and services through virtual spaces free from constraints of time and place.

When the Company was formulating the new medium-term management plan, the details of the plan were examined carefully from a long-term perspective and broad scope. As an Outside Director, I offered my

opinions and ideas about the Company's initiatives in growth fields, such as life design and global business, as well as its efforts to solve social issues.

Looking ahead, the expectations for leading companies and the missions they are being demanded to undertake will only grow larger. I believe KDDI's mission is to work toward genuinely helping solve social issues in Japan, including an increasingly elderly population, regional disparities, and environmental issues.

As an Outside Director, with this mission in mind, I will engage in lively debate, while relying on my own experiences and insights, at meetings of the Board of Directors.

---

## Riyo Kano **Outside Director and Independent Director**

In 1993, when I registered as an attorney, mobile phones had just started to take off in Japan. Back then, I was in charge of a project related to the mobile phone business, and I remember the pride I felt being at the pinnacle of a new business venture.

The situation has changed in various ways since then. Smartphones and mobile communications have become an essential lifeline in people's lives. Having been appointed an Outside Director of KDDI, I feel a great weight of responsibility as the Company engages in the telecommunications business, such an essential

lifeline, with a diverse range of other businesses centered around this core.

Amid rapid and significant changes in the environment and society, I will make every effort to fulfill my duties as an Outside Director so that KDDI will be able to pursue its mission. Without forgetting where I came from, I will leverage my knowledge and experience as an attorney and, as a representative in various public capacities, to advise the Board of Directors from the perspective of a long-term customer.



# Corporate Governance

## Executive Remuneration

### Executive Remuneration

To ensure the transparency and fairness in executive compensation systems and levels, the Company has established a Remuneration Advisory Committee to conduct deliberations and provide advice to the Board of Directors in accordance with the consultation thereof. Compensation (base salary, bonus, stock compensation) for each director is decided at the Board of Directors meeting based on the advice of the Compensation Advisory Committee.

#### Remuneration for Executive Members (Fiscal year ended March 31, 2019)

Executive classification	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)			Number of recipients (people)
		Basic remuneration	Bonus	Stock compensation	
Directors (excluding outside directors)	710	390	136	184	10
Outside directors	75	75	—	—	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	52	52	—	—	3
Outside Audit & Supervisory Board members	50	50	—	—	3

Notes: 1 Above payment to directors includes three directors (of which two were an outside director) who retired at the conclusion of the 34th Annual General Meeting of Shareholders held on June 20, 2018. The number of Directors received bonuses is nine, excluding said retired Directors.

2 Above payment to Audit and Supervisory Board members includes one auditor (who was not an outside director) who retired at the conclusion of the 34th Annual General Meeting of Shareholders held on June 20, 2018.

3 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.

#### Types and Methods for Determining Remuneration and others

	Type of Remuneration	Composition Ratio	Method of Determination	Maximum Amount of Remuneration	General Meeting of Shareholders Approval Date
Directors	Basic remuneration	Flat-rate remuneration 55%	<ul style="list-style-type: none"> <li>Based on such factors as directors' professional ranking and the management environment.</li> <li>Reference values are considered and set at appropriate levels using information from outside experts</li> </ul>	Maximum monthly remuneration of ¥50 million.	June 18, 2014 30th General Meeting of Shareholders
	Bonus	Performance-linked stock compensation* 45%	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 (net additions of Mobile IDs, au churn rate, value added ARPA, etc.)	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
	Stock compensation (trust type)			<b>Applies to directors, executive officers and administrative officers:</b> Total number of points (maximum) granted per fiscal year to those eligible: 357,000 points (Converted at a rate of 1 point = 1 share)	<b>Introduced:</b> June 17, 2015 31st General Meeting of Shareholders <b>Revised:</b> 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

#### \* Performance-linked stock compensation

The Company has been introducing performance-linked stock compensation since 2015 in order to clarify the link between management's compensation, performance and stock value, and to increase the willingness to contribute to medium- to long-term performance improvement and corporate value improvement.

The system we introduced was partially revised in 2018, and the ratio of performance-based compensation to total compensation was 45%\*\*.

\*\* A numerical value calculated based on the assumption that the achievement rate is 100%, based on the ratio of bonuses and stock compensation that fluctuate depending on the performance.

#### Formula for performance-linked 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

#### Results of Remuneration Advisory Committee Meeting (FY2019.3)

- The Remuneration Advisory Committee met twice, and all members attended.
- They discussed the level of performance-linked compensation and the revision of the executive remuneration system (partial revision and continuance of the stock compensation system).

# Compliance

## Compliance Policy

We recognize that in order to fulfill our social responsibilities through our business activities, raising compliance awareness throughout the group is a fundamental issue of corporate management.

As a global corporate group, we continue to further enforce our group-wide compliance framework.

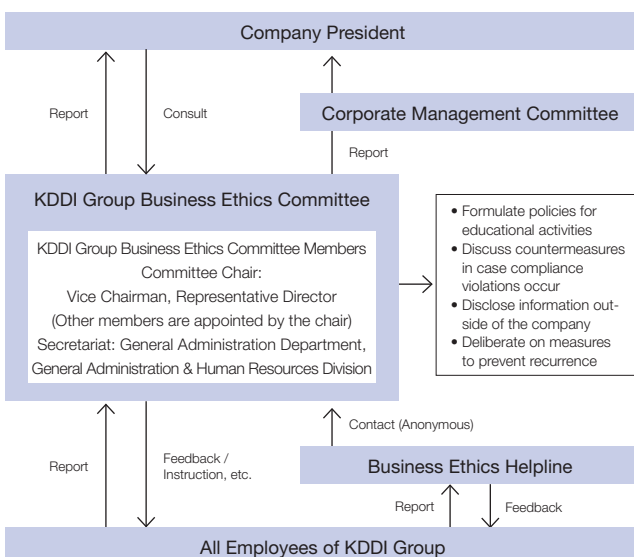
## KDDI Group Compliance and Enforcement Framework

We created the KDDI Code of Business Conduct to encourage ethical behaviors of employees with a compliance mindset. It's published on the intranet to ensure that it is shared and practiced, enabling employees to check it whenever they are unsure what action to take.

Also, we established the KDDI Group Business Ethics Committee as a decision making body for KDDI Group's compliance related matters. The KDDI Group Business Ethics Committee is chaired by the Vice Chairman, Representative Director, and members include directors and additional nominees appointed by the chair as required. They hold a meeting once every half-year, and in addition to assessing the conditions of Group companies, the committee builds and supports enhancement of compliance frameworks. The committee is also responsible for helpline issues, corruption prevention and compliance issues such as breaches of competition laws.

In addition, the committee formulates policies on raising awareness as well as discusses countermeasures in case compliance violations occur, and is responsible for disclosure of such information and prevention of recurrence, too. The report on their activities is made available to all employees via the intranet.

### KDDI Group Compliance and Enforcement Framework



## Business Ethics Helpline (Grievance Mechanism)

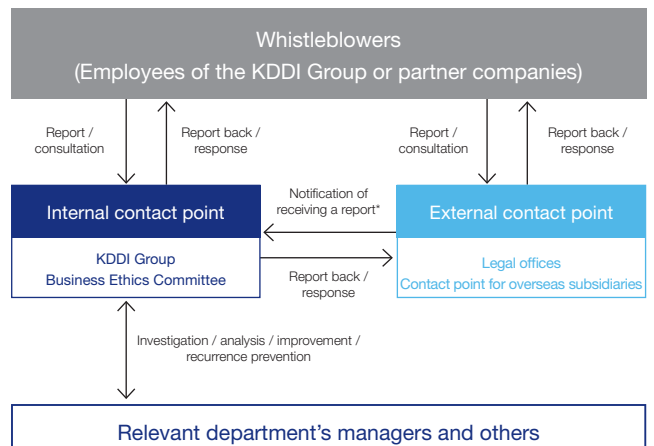
We established the Business Ethics Helpline in 2006 to serve as a contact point for all employees of KDDI, KDDI Group companies and business partners who have questions or concerns about business ethics and legal compliance. The helpline is available anytime and can receive reports through an internal or external contact point established in collaboration with external experts (Reports can be received by e-mail, phone call or letter, in multiple languages).

Furthermore, we have established company regulations to enable anonymous whistleblowing based on the Whistleblower Protection Act enacted in Japan in April 2006.

In the fiscal year ended March 31, 2019, we received 330 reports and inquiries, but there were no reports of serious issues that lead to disciplinary action or require external announcement.

The KDDI Group Business Ethics Committee conducts investigation of the issues reported as required while protecting privacy, and when the problems are detected, the committee members as well as the management team and the Audit & Supervisory Board members receive the report and take corrective actions along with measures to prevent recurrence.

### Business Ethics Helpline



\* Reports that the external contact point received are delivered to the internal contact point, keeping anonymity for the whistleblowers

## Preventing Anti-Competitive Behaviors

The KDDI Code of Business Conduct defines rules that prohibit anti-competitive behaviors, and we make efforts to ensure that all employees comply with competition laws.

In addition to competition laws, we stipulate that local laws and regulations in each country and region on labor, tax, the environment, monopoly and consumer protection must be examined thoroughly to ensure full compliance.

Under the KDDI Guidelines for CSR in Supply Chain, we demand our business partners not engage in any activities that inhibit fairness, transparency or freedom of competition.

In the fiscal year ended March 31, 2019, there were no legal actions against us concerning anticompetitive or monopolistic conduct.

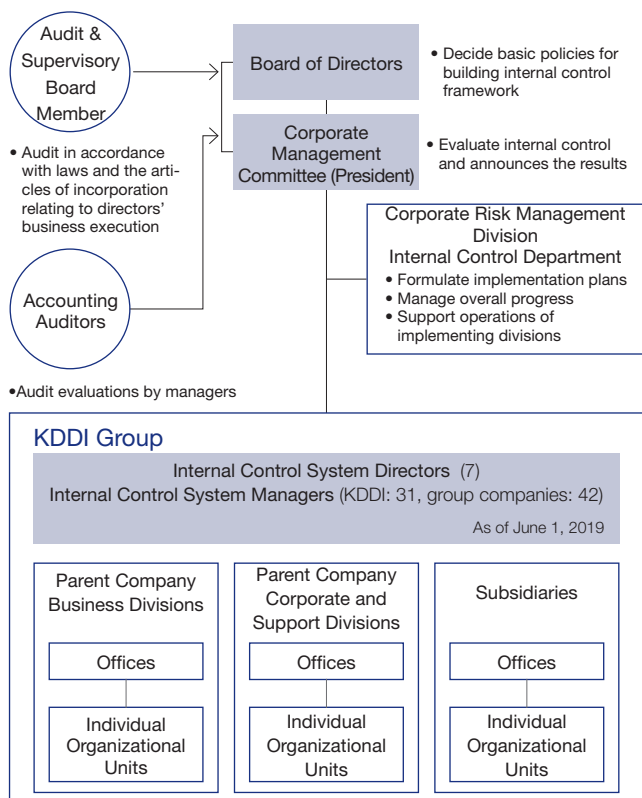
We fully adhere to these related regulations and continue appropriate business operations.

# Risk Management and Internal Controls

## Risk Management and Internal Controls

In the ever changing business environment, the risks that companies face are more diverse and complicated. We define factors and events that negatively influence the achievement of our business goals as risks and consider enforcing risk management a material business challenge. In order to be sustainable and responsible to society, we promote risk management initiatives throughout the KDDI Group.

### KDDI Group Internal Control Framework

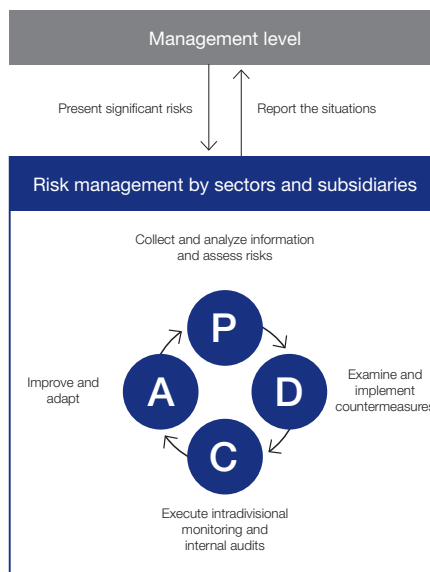


## Our Risk Management and Internal Control

We have established a system to centralize the management of risks, which we define as factors that have the potential to block the achievement of our business goals, with the Corporate Risk Management Division at the core. Furthermore, we are working to promote risk management throughout the KDDI Group, including subsidiaries, in order to realize continuous growth of the entire group. We have appointed 31 Internal Control System Managers within KDDI and 42 at group companies, as well as 7 Internal Control System Directors to oversee their activities. Under their leadership, we introduce and run internal control systems, carrying out risk management activities and run operational quality improvement activities to foster a company culture in which risks are less likely to arise.

## Risk Management Activity Cycle

In order to prevent critical events for the company, we at KDDI consider that it is important to recognize signs of danger and implement preventive measures before the situation worsens. Based on this idea, we follow the PDCA cycle for risk management. We also have an organizational framework for risk management in place to ensure any risks we find will be addressed promptly and appropriately.



## Risk Identifying Process

We regularly examine information about risks to identify significant risks that seriously influence corporate business, and discuss measures to reduce such risks and their impacts as much as possible in case we face them. In order to ensure the achievement of our business goals, in the fiscal year ended March 31, 2019, we selected 25 significant risks based on issues that manifested in the past and changes in the business environment, and held internal audits based around risk prediction, reduction of significant risks, as well as risk approach. The selected significant risks include cyber-attacks, which is becoming increasingly complex, global businesses and issues relating to new business fields we are entering such as e-commerce, finance and accounting and energy, which aim to make the Integration of Telecommunications and Life Design a reality. We have also identified risks arising from the expansion of the group through M&A as significant risks and have implemented more robust measures against them.

In order to minimize information security risks, we have also established a common standard applicable group-wide to improve the level of information security across the group including newly joined group companies. The status of these significant risks is also reflected on business risks that are revealed in the Securities Report since it relates to the finance as well.

# Disclosure and IR

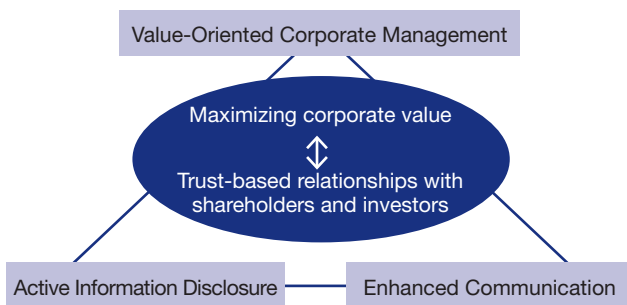
## Fundamental Thinking

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, 2019

### 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, 2019

Individual meetings with institutional investors	Approx. 800 times
Financial results briefings	4 times
Overseas road shows	12 times
Number of participants or/ viewers of seminars for individual investors	Approx. 1,200 people

### Key External Recognition

Overseas	<ul style="list-style-type: none"> <li>• FTSE4Good Index Series</li> <li>• MSCI ESG Leaders Indexes</li> <li>• Euronext Vigeo Eiris World Index 120</li> <li>• Ethibel® Sustainability Index Excellence Global etc.</li> </ul>	 
In Japan	<ul style="list-style-type: none"> <li>• DBJ Environmentally Rated Loan Program</li> <li>• MS-SRI</li> <li>• Gold Award in the PRIDE Index</li> <li>• Second overall in the 13th CSR Company Ranking etc.</li> </ul>	 

### 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. This data can also be viewed on our IR app and website, which are compatible with multiple devices.

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, 2019, KDDI has received excellent evaluations. The Company was selected for a third consecutive year to receive the Daiwa Investor Relations Internet IR 2018 Grand Prize. We were also ranked Gold Prize in the "Gomez IR Website Overall Ranking 2018" by Morningstar Japan K.K. In addition, we achieved third place (first award) in the "Disclosure to Individual Investors" category of the "Securities Analysts Selection of Best Companies for Disclosure" (FY2019.3) by the Securities Analysts Association of Japan.

