May 14, 2025

Company name KDDI Corporation
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Notice Regarding the Continuation of and Partial Revision to the Performance-linked Stock Compensation Plan for Directors and Other Executives

KDDI Corporation (hereinafter "KDDI"), at the meeting of the Board of Directors held today, resolved to submit a proposal (hereinafter the "Proposal") regarding the continuation of and partial revision to the performance-linked stock compensation plan (hereinafter the "Plan") for KDDI's Directors, Executive Officers, Administrative Officers, and Senior Directors (excluding those residing overseas, Outside Directors, and Part-time Directors; hereinafter collectively "Directors and Other Executives"), which was introduced in fiscal 2015, to the Annual Shareholders Meeting scheduled to be held on June 18, 2025 (hereinafter the "Annual Shareholders Meeting").

1. Continuation of the Plan

(1) At the meeting of the Board of Directors held today, KDDI resolved to submit the Proposal to the Annual Shareholders Meeting with the aim of clarifying the linkage between the compensation of Directors and Other Executives and KDDI's operating performance and share price, and to enhance awareness of contributing to the improvement of medium- to long-term performance and the enhancement of corporate value. If the Proposal is approved, the compensation plan for Directors will continue to consist of fixed compensation, performance-linked bonuses, performance-linked stock compensation, and stock-price-based bonuses.

(2) The continuation of and partial revision to the Plan is contingent upon its approval at the Annual Shareholders Meeting.

(3) The Plan is based on the Board Incentive Plan (BIP) trust (hereinafter the "BIP trust"). The BIP trust is an incentive plan for Officers based on the U.S.-performance-based share compensation (Performance Share) plan and the restricted stock compensation (Restricted Stock) plan, under which KDDI shares acquired by the BIP trust are granted to Directors and Other Executives in accordance with their degree of achievement of performance targets and their positions in the company.

2. Partial revision to the Plan

Continuation of the Plan is contingent upon its approval at the Annual Shareholders Meeting. Except for the matters described below, the details of the Plan as introduced in fiscal 2015 will basically remain unchanged.

（Changes are underlined.）

	Before Revision	After Revision
Target Audience	KDDI's Directors, Executive Officers, Administrative Officers, and Senior Directors (excluding those residing overseas, Outside Directors, and Part-time Directors; hereinafter collectively "Directors and Other Executives")	KDDI's Directors, Executive Officers, and Senior Directors (excluding those residing overseas, Outside Directors, and Part-time Directors; hereinafter collectively "Directors and Other Executives")
Target period	FY2022-2024	FY2022-2025 From FY2026, the period will be linked to our Medium-Term Management Strategy.
Total amount of money to be contributed to the Trust	3,750 million yen (total for the three years from FY2022 to 2024)	5,000 million yen (total for the four years from FY2022 to 2025) From FY2026, the amount will be 1,250 million yen per year multiplied by the number of years in the target period.
Maximum number of points to be granted to Directors and Other Executives and total number of shares to be acquired by the Trust	The number of shares is calculated by multiplying the number of years in the target period by the upper limit of 400,000 points (equivalent to 400,000 shares) per fiscal year.	The number of shares is calculated by multiplying the number of years in the target period by the upper limit of 800,000 points (equivalent to 800,000 shares) per fiscal year. *This is based on the stock split ratio implemented on April 1, 2025 (1 common share split at a ratio of 2 shares). The initial target period after the revision of this plan will be one fiscal year in 2025, so the upper limit will be 800,000 points.
Decision-making body for continuation and revision	Resolution at the general shareholders meeting	If there is a change in the upper limit of the number of Company shares to be granted to Directors,

		etc., and approval at the General Meeting of Shareholders is required, the change will be resolved at the General Meeting of Shareholders. In all other cases, the change will be resolved at the Board of Directors meeting.

For further details, please see the Appendix.

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(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan under which KDDI shares are acquired through a trust using funds contributed by KDDI as compensation for Directors and Other Executives (hereinafter the "Trust"), and KDDI shares and cash equivalent to the converted amount of KDDI shares (hereinafter "KDDI shares, etc.") shall be granted to Directors and Other Executives in accordance with their degree of achievement of performance targets and their positions, etc. The timing of granting of KDDI shares, etc. to Directors and Other Executives shall, in principle, be after their retirement.

The fiscal years covered by KDDI's Medium-Term Management Strategy shall, in principle, be eligible for the Plan. The first fiscal year of the eligible period after the revision of the Plan shall be FY2025 (from April 2025 to March 2026), which is the final fiscal year of the period covered by the current Medium-Term Management Strategy.

(2) Trust period after the extension

The trust period after the extension shall be approximately one year from September 1, 2025 (scheduled) to the end of August 2026 (scheduled).

Upon the expiration of the trust period of the Trust, the Trust may be continued by amending the trust agreement, in which case the period covered by the Medium-Term Management Strategy as of that day shall become the new eligible period of the Trust, and the trust period of the Trust shall be extended for the same period as the new eligible period. If no amendments are made to the trust agreement at the end of the trust period (or at the end of the trust period after extension in the case that the Trust is continued), no points shall be granted to Directors and Other Executives thereafter. However, the trust period may be extended for up to 15 years until the Directors and Other Executives who may meet the beneficiary requirements retire and granting of KDDI shares, etc. to such Directors and Other Executives is complete.

(3) Total amount of money to be contributed to the Trust

KDDI shall contribute money to the Trust as compensation for Directors and Other Executives for every eligible period, up to an amount equal to 1,250 million yen multiplied by the number of years in the eligible period (for the first fiscal year of the eligible period after the revision of the Plan, 1,250 million yen). In accordance with the instructions of the trust administrator, the Trust shall acquire KDDI shares from KDDI (through the disposal of treasury shares) or from the stock market using the money entrusted to the Trust as funds. (Note that no additional shares of KDDI stock shall be acquired upon the continuation of the Plan for the current fiscal year.) In addition, in the event that the period of the Trust is extended, any KDDI shares (excluding KDDI shares to be granted to Directors and Other Executives) and cash remaining in the Trust as of the last day of the period of the Trust prior to the extension (hereinafter the "remaining shares, etc.") shall be transferred to the extended Trust. The total amount of the remaining shares, etc. and trust money to be additionally contributed shall be limited to the amount calculated by multiplying 1,250 million yen by the number of years in the eligible period newly set.

(4) Maximum number of points to be granted to Directors and Other Executives and total number of shares to be acquired by the Trust

The total number of points to be granted to Directors and Other Executives under the Plan per fiscal year shall not exceed 800,000 points. In the eligible period, the number of shares of KDDI stock to be acquired for the purpose of granting shares to the Directors and Other Executives shall be limited to the number of shares calculated by multiplying 800,000 points, which is the maximum number of points per fiscal year, by the number of years in the eligible period (for the first fiscal year of the eligible period after the revision to the Plan, the maximum number of shares shall be 800,000 shares). (Note that no additional shares of KDDI stock shall be acquired upon the continuation of the Plan this year.)

(5) KDDI shares, etc. to be granted to Directors and Other Executives

A certain number of points shall be granted to the Directors and Other Executives each year during the trust period in accordance with their degree of achievement of performance targets and their positions, etc. After the retirement of the Directors and Other Executives, KDDI shares equivalent to a certain percentage of the cumulative total number of points (including points already awarded) shall be granted; the remaining KDDI shares shall be converted into cash within the Trust in accordance with the provisions of the Share Grant Regulations; and an amount of cash equivalent to the proceeds from such conversion shall be granted.

While the Trust continues, by each June, the number of points to be awarded to the Directors and Other Executives for the fiscal year ended March 31 of the preceding fiscal year shall be determined based on their degree of achievement of performance targets and their positions, etc. in the relevant fiscal year. One point shall be equivalent to one share of KDDI stock, and in the event that a stock split, stock consolidation, or other similar event occurs during the trust period, the value of one point shall be adjusted in accordance with the relevant split ratio, consolidation ratio, and so forth.

The number of points to be granted to each of the Directors and Other Executives shall be determined as follows based on the grant rate calculated according to their degree of achievement of (i) KDDI performance targets and (ii) other indicators determined based on the Remuneration Advisory Committee report, as well as their positions, etc.

(i) [KDDI performance targets] Operating revenue, operating income, profit for the year, etc.
(ii) [Remuneration Advisory Committee reporting targets] KPI numerical targets tied to the growth of KDDI's operations and increases in operating performance

Note that targets for operating performance and KPI numerical targets for each fiscal year during the eligible period are set at the beginning of the relevant fiscal year.

[Calculation formula] Point grant percentage calculated according to the degree of achievement of performance × position-based points

(6) Clawback system, etc.

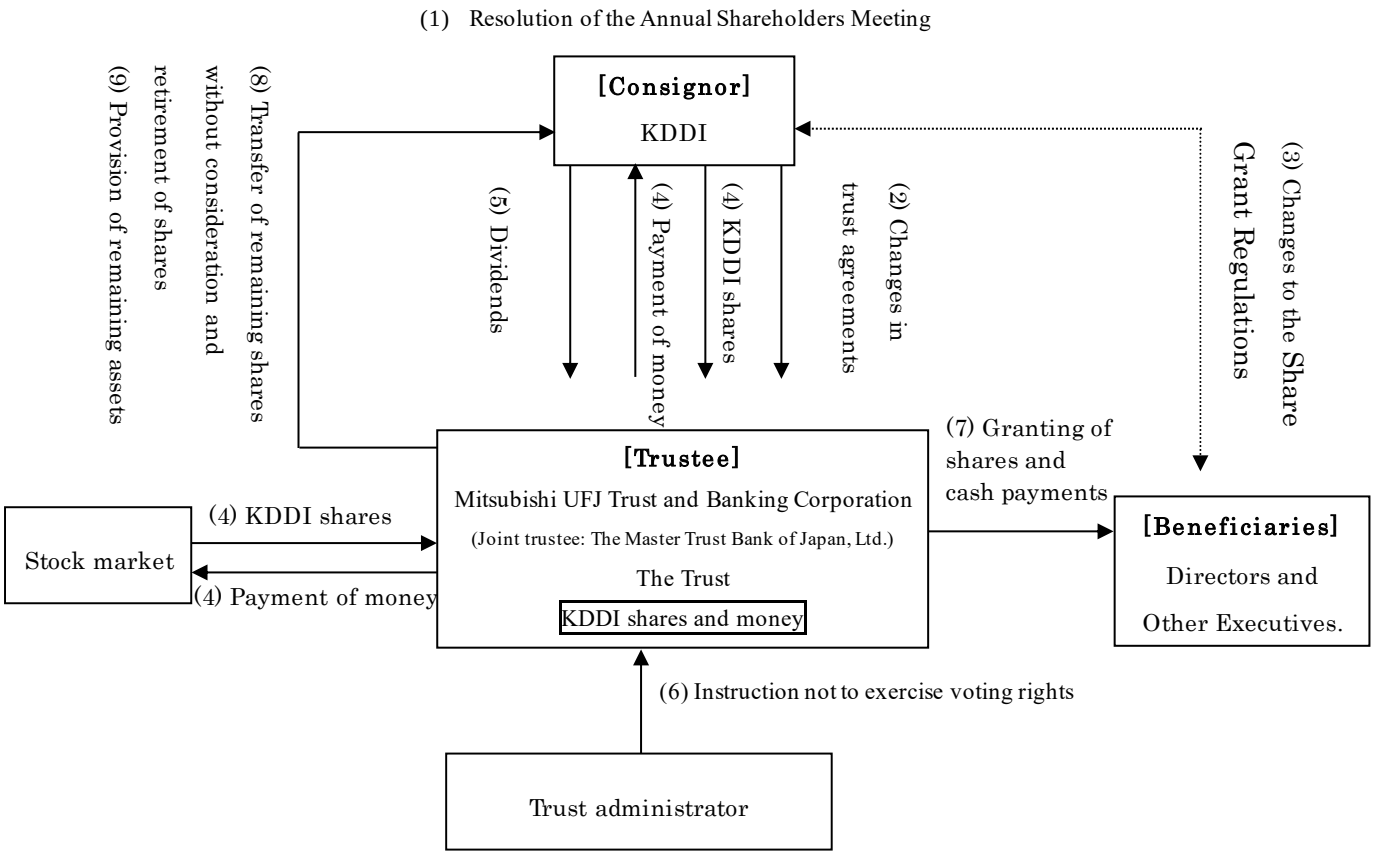
For cases in which Directors and Other Executives commit serious improper or illegal conduct, etc., KDDI has established a system that allows it to revoke the rights of such Directors and Other Executives

to receive KDDI shares, etc. under the Plan, or to request that they return an amount of money equivalent to the KDDI shares, etc. already granted to such Directors and Other Executives (clawback).

(7) Treatment of dividends of surplus for KDDI shares held in the Trust

Dividends paid on KDDI shares held in the Trust shall be used to pay the Trust's trust fees and expenses after receipt by the Trust, and an amount equivalent to the dividends corresponding to the cumulative number of points held by the Directors and Other Executives as of each dividend record date arriving during the trust period shall be paid to each of the Directors and Other Executives after their retirement. If any residual assets exist at the time of termination of the Trust, such assets shall be granted to the Directors and Other Executives and then donated to organizations in which KDDI and its Directors and Other Executives have no interest.

(8) The structure of the Plan



(1) KDDI shall obtain approval at the Annual Shareholders Meeting for the partial revision to the Plan.

(2) Based on the agreement to revise the trust agreement, KDDI shall entrust money within the scope approved by resolution at the Annual Shareholders Meeting as described in (1) and extend the trust period of the Trust, for which the beneficiaries are the Directors and Other Executives who satisfy the beneficiary requirements.

(3) Upon the continuation of the Plan, KDDI shall partially revise the Share Grant Regulations.

(4) The Trust shall, in accordance with the instructions of the trust administrator, acquire KDDI shares from KDDI (through the disposal of treasury shares) or from the stock market using as the source of funds the money remaining in the Trust at the time of revision of the trust agreement and the cash contributed as described in (2). (Note that no additional shares of KDDI stock shall be acquired upon the continuation of the Plan in the current fiscal year.) The number of shares to be acquired by the Trust shall be within the scope approved by the Annual Shareholders Meeting as described in (1).

(5) Dividends of surplus for KDDI shares within the Trust shall be paid in the same manner as dividends on other shares of KDDI.

(6) KDDI shall not exercise voting rights for its shares held in the Trust throughout the trust period.

(7) During the trust period, each fiscal year, points shall be awarded to Directors and Other Executives in accordance with KDDI's Share Grant Regulations, based on their degree of achievement of performance targets and their positions, etc. Directors and Other Executives who meet certain beneficiary requirements shall be granted KDDI shares equivalent to a certain percentage of the cumulative total of points after their retirement. Other remaining shares of KDDI shall be converted into cash within the Trust in accordance with the provisions of the Share Grant Regulations, and an amount of cash equivalent to the converted amount shall be granted to the Directors and Other Executives. In addition, with respect to the dividends paid on KDDI shares held in the Trust, an amount of cash equivalent to the number of points on each dividend record date arriving in the trust period shall be paid to the Directors and Other Executives after their retirement.

(8) If, due to a failure to achieve performance targets during the trust period or other reason, residual shares exist at the end of the trust period, such residual shares shall be transferred from the Trust to KDDI without consideration, and KDDI shall retire such shares by resolution of the Board of Directors.

(9) The residual assets in the Trust at the time of termination shall belong to KDDI within the scope of the trust expense reserve, which is the amount of entrusted money minus the funds used to acquire shares. Any amount exceeding the trust expense reserve shall be granted to the beneficiaries and then donated to organizations in which KDDI and its Directors and Other Executives have no interest.

[Reference] Details of the trust agreement

(1) Type of trust	Money trust other than a money trust for specific individual management (Trust for the benefit of others)
(2) Purpose of trust	Granting of incentives to Directors and Other Executives
(3) Consignor	KDDI
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Persons who have retired from positions as Directors and Other Executives and who meet the beneficiary requirements
(6) Trust administrator	Third party who has no interest in KDDI
(7) Trust agreement date	September 1, 2015 (Scheduled to be changed to August 2025)
(8)Trust period	September 1, 2015 to the end of August 2025 (Planned to be extended in August 2025 until the end of August 2026 in accordance with the changes to the trust agreement)
(9) Effective date of the Plan	September 1, 2015
(10) Exercise of voting rights	Voting rights shall not be exercised.
(11) Type of shares to be acquired	KDDI common stock
(12) Maximum amount of entrusted money	1,250 million yen (planned) (including trust fees and expenses)
(13) Beneficial owner	KDDI
(14) Residual assets	The residual assets that KDDI, as the owner of the rights, can receive shall be limited to the amount of the trust expense reserve after deducting the funds used to acquire shares from the trust funds.