



Mid-term Management Strategy

(FY27-03 - FY29-03)

May 12, 2026

KDDI Corporation

Hikomichi Matsuda

President, Representative Director, CEO

The creation of a society in which
anyone can make their dreams a reality,
by enhancing the power to connect.

 KDDI VISION 2030



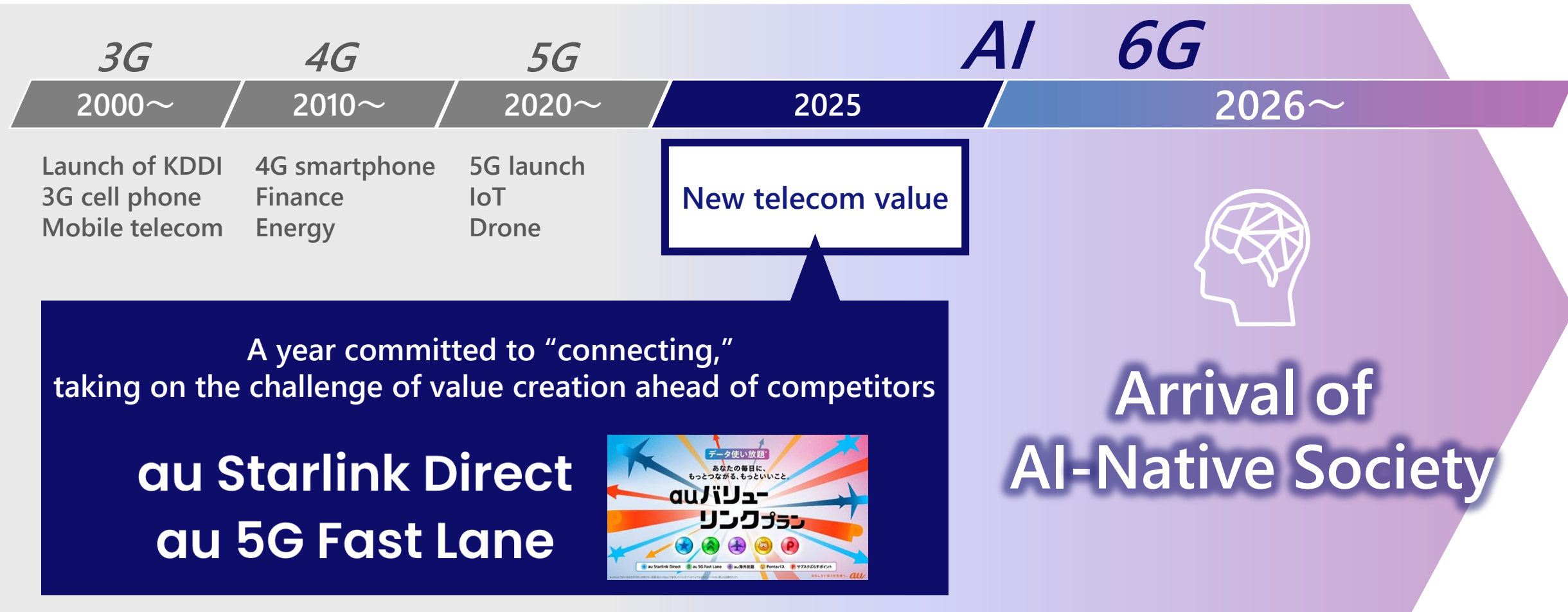
Mid-term Management Strategy

“Power-to-Connect 2028”

– Overall Strategy –

KDDI Group's Challenge for Sustainable Growth

Having completed the foundation for AI-driven society through the redefinition of telecom value, moving forward to shape a new growth structure



The AI-Native Society

From “era using AI” to “era where AI is embedded in everyday life”

A society where AI accelerates efficiency and enhances value creation across businesses



Commoditization in the long term



In an AI-pervasive society, “AI-resilient and hard-to-replace value” becomes a key source of competitive advantage.

Customer touchpoints



Infrastructure



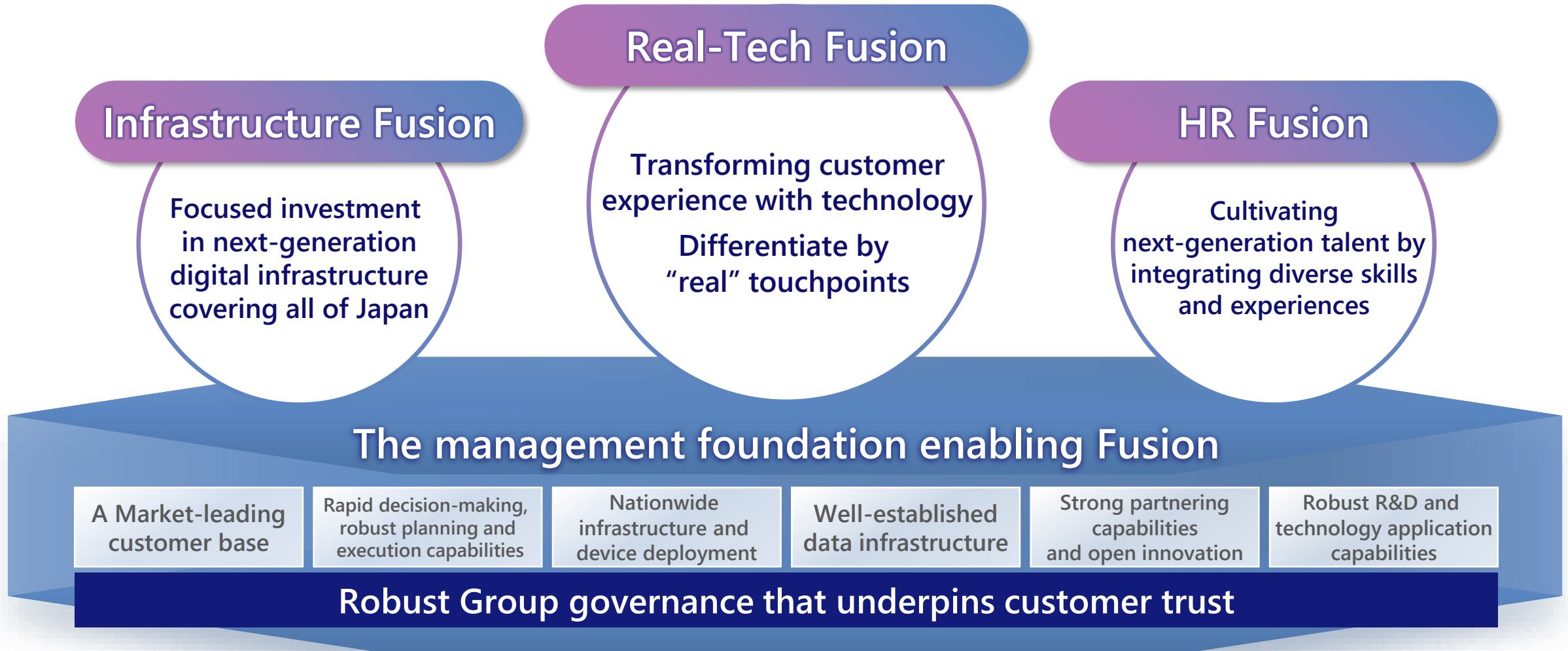
HR



“Fusion”

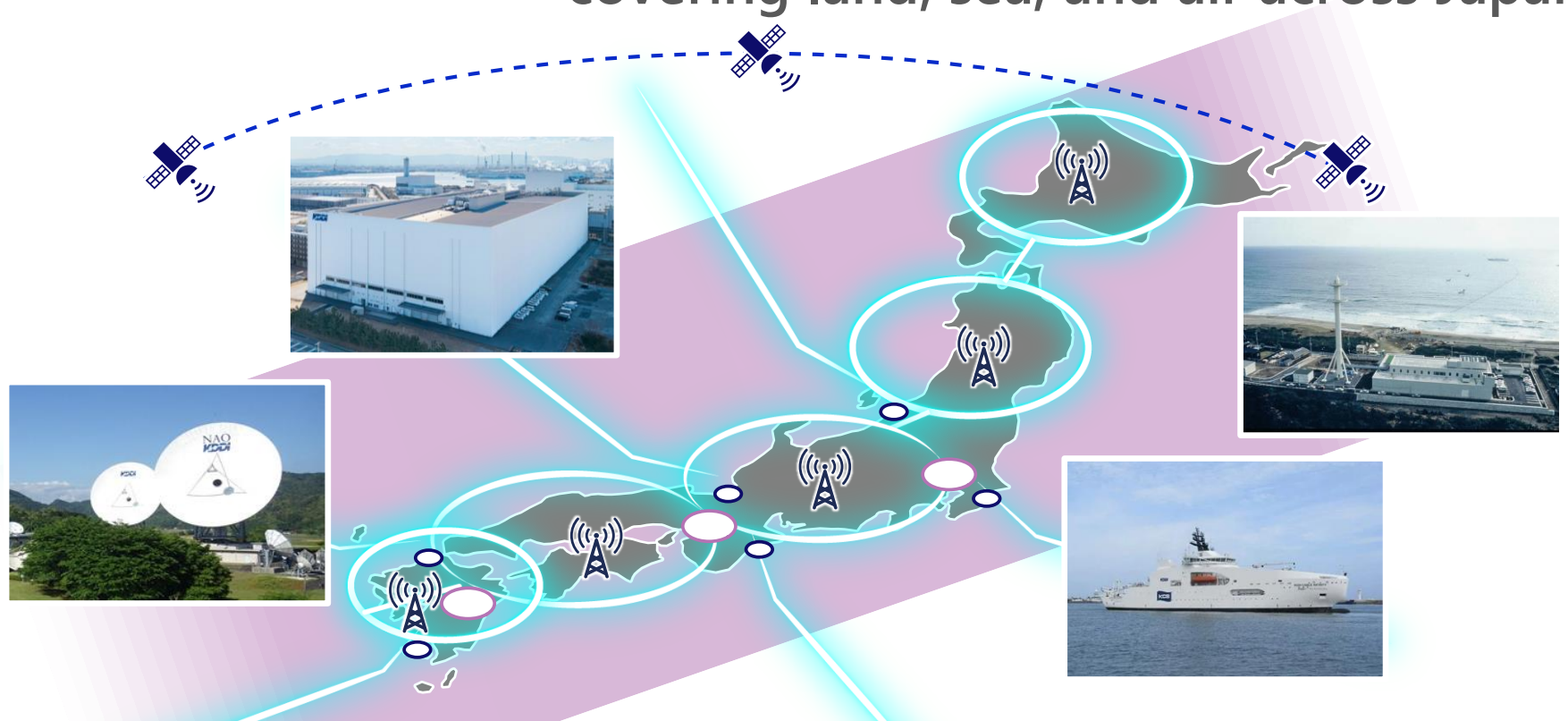
-Value Creation Model through Cross-domain Fusion-

Driving three “fusions” to further differentiate the value of AI-resilient real-world assets



The "Digital Belt" Initiative

Building "nationwide low-latency network and AI computing infrastructure" covering land, sea, and air across Japan



➔ In 6G era, integrating approx. 100,000 base stations nationwide as sensing hubs

Investment of 1.2 trillion yen over three years

Improving infrastructure operations efficiency through AI and automation

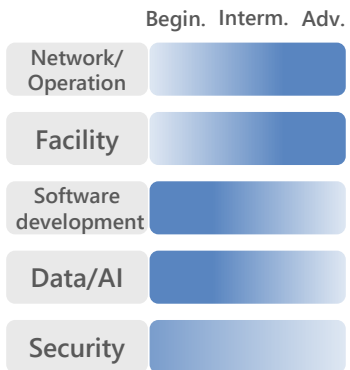
Succession and advancement of technologies (Submarine cables, AI and etc.)

	Telecom network		Low-earth orbit satellite (NTN)
	AI-DC		Base stations
	Cable landing stations and satellite ground stations		

Developing dual-skilled talents through hands-on experience at Group companies

Cultivating talent through experience-based added skill development

Telecom. engineers
Skill Visualization



Skill Acquisition

AI Engineers

KDDI iret

Parent+Group

Approx. **3,000** employees by FY29-03
"Frontline Deployment" to Customer Sites

Cybersecurity Engineers

LAC

Parent+Group

Approx. **2,000** employees by FY29-03
Providing Safety and Security to Our Customers

Enhancing sales capabilities with AI



Sales Support Companies

KDDI

KDDI Sonic-Falcon

Approx. **3,000** employees*
Preparing for the diversification of offerings and expansion of sales channels

DX Support for SMEs

KDDI

KDDI Biz Edge

Approx. **2,000** employees*
Enhancing proposal quality and response speed to accelerate our customers' DX realization

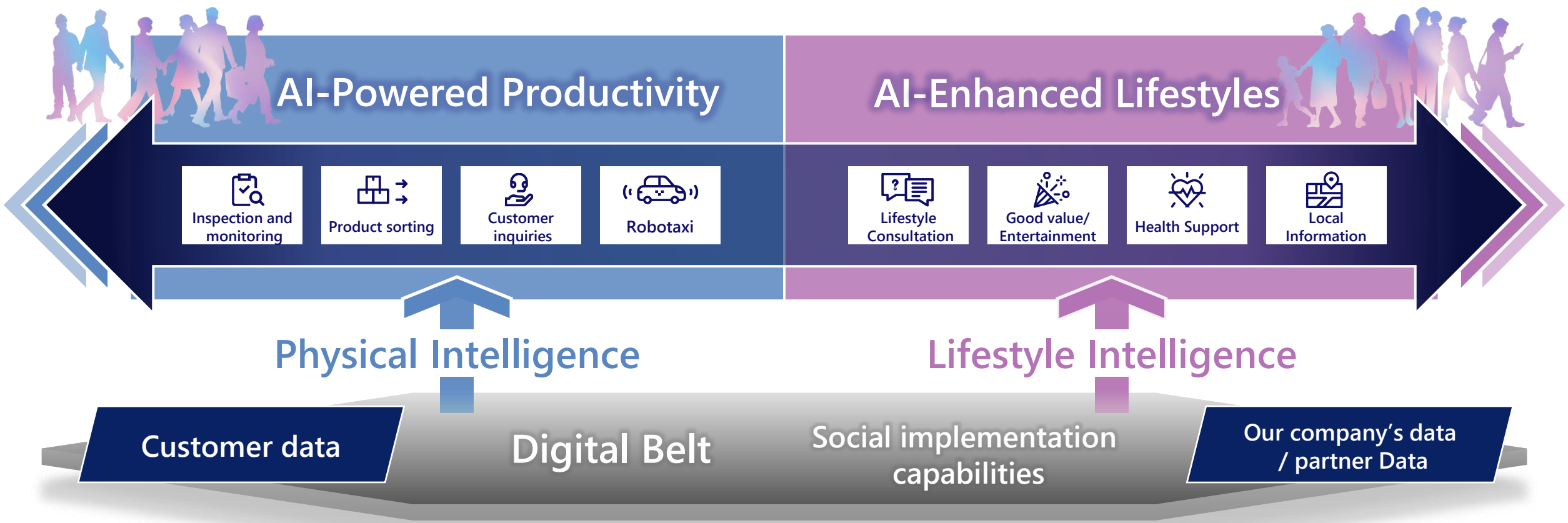
* Figures for each company, such as employee numbers and performance results are as of March 31, 2026, excluding temporary staff.

Becoming a Frontrunner in Social Implementation

Creating new businesses that enable AI-powered productivity and AI-enhanced lifestyles, starting from customer needs

Contributing to "our customers' business growth"

Transforming "our customers' lifestyles and experiences"



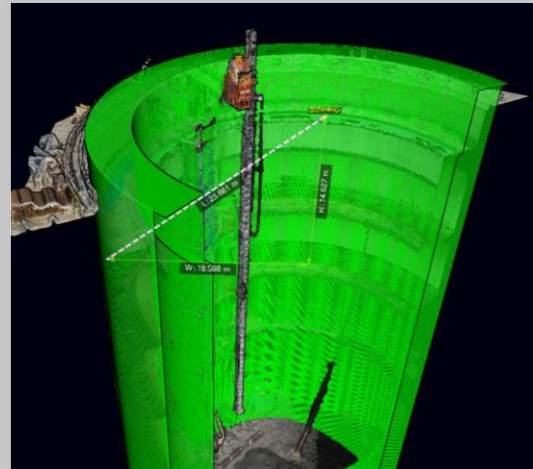
Customer Experience Transformation

Accurately reproducing the real world based on vast amounts of data, and simulating the future

On-site digital twin



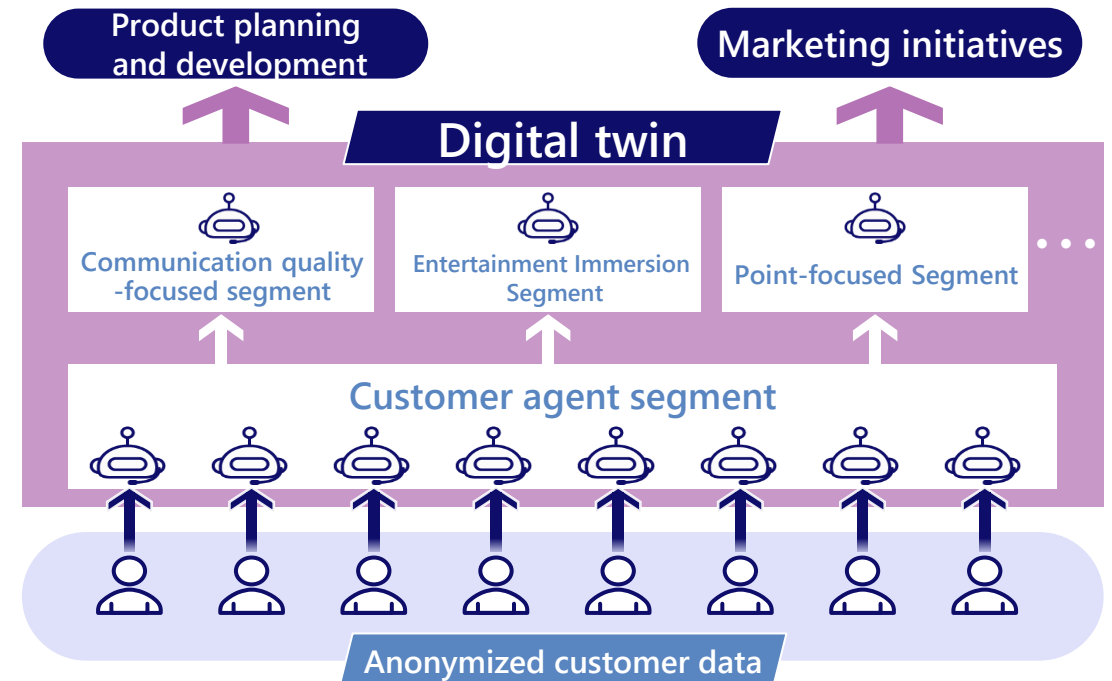
Enhancing inspection, maintenance, and construction by high-precision site replication with Drones + AI



Remotely creating 3D models of vertical shaft interiors, which are challenging for manual surveying

Customer digital twin

Enhancing customer understanding with data, delivering a personalized customer experience



Brand: Testament to Our Customer Bonds

2000~

Designing The Future

Communications shaping the future

As a telecom infrastructure company, we had demonstrated our resolve to forge our own future

2019~

Tomorrow, Together

Communications as the foundation of daily life

Moving into the next phase: Envisioning a new tomorrow through co-creation



Video (Approx. 2.5 minutes)

Spark Your Journey



KDDI connects people. Businesses. Quiet rural areas. Bustling cities. Beyond these connections lies more than just a single path; we see a world where every individual can craft a future uniquely their own.

A world where everyone has access to information and the freedom to find what captivates them.

A world of new friendships where people discover new sides of themselves.

Every KDDI technology and standard of quality exists for one purpose: to let people shine.

And for every unique future that takes shape, this land we call home becomes more vibrant

So dare to fuel the spark of excitement rising within you, because a future that is yours alone is waiting to unfold.

To those taking the first step,
and to those diving into the unknown,
KDDI will be the power that carries you forward.

[Spark Your Journey KDDI](#)

Mid-term Management Strategy

“Power-to-Connect 2028”

– Business Strategy –

Mid-term Management Strategy Theme

Enhancing enterprise value through sustainable growth and quality improvement

Sustainable Growth

- **Sustaining core business growth and creating new businesses**
 - Enhancing infrastructure value through building the digital belt
 - Driving growth across business domains through AI-enabled efficiency and advanced capabilities
 - A value creation model through cross-domain integration; "Fusion"

Quality Improvement

- **Return-based capital allocation**
 - CAPEX management
 - Leveraging financial flexibility to invest for growth, while maintaining disciplined investment and reviewing business portfolio
 - Maintaining a stable dividend growth, flexible share buybacks will be implemented after careful consideration against growth investments

Strengthening Growth Commitment

Defining new segments to clarify growth-driving domain and the role of each segment

“Business Growth” segment

“Personal Growth” segment

Achieving high growth

- Establishing an AI services foundation on the telecom core segment
- Creating the next pillar of growth

-Accelerating growth in Growth segments-
Effective cost allocation/
Resource reallocation

-Enhancing Core engagement-
Revenue growth/ reducing churn rate



Towards stable growth and a lean and mean profit structure

- Generating investment capital through business growth
- Improving cost efficiency through proactive use of AI and disciplined investment

-Refining Core-
Advancing competitive
infrastructure,
channels, and product

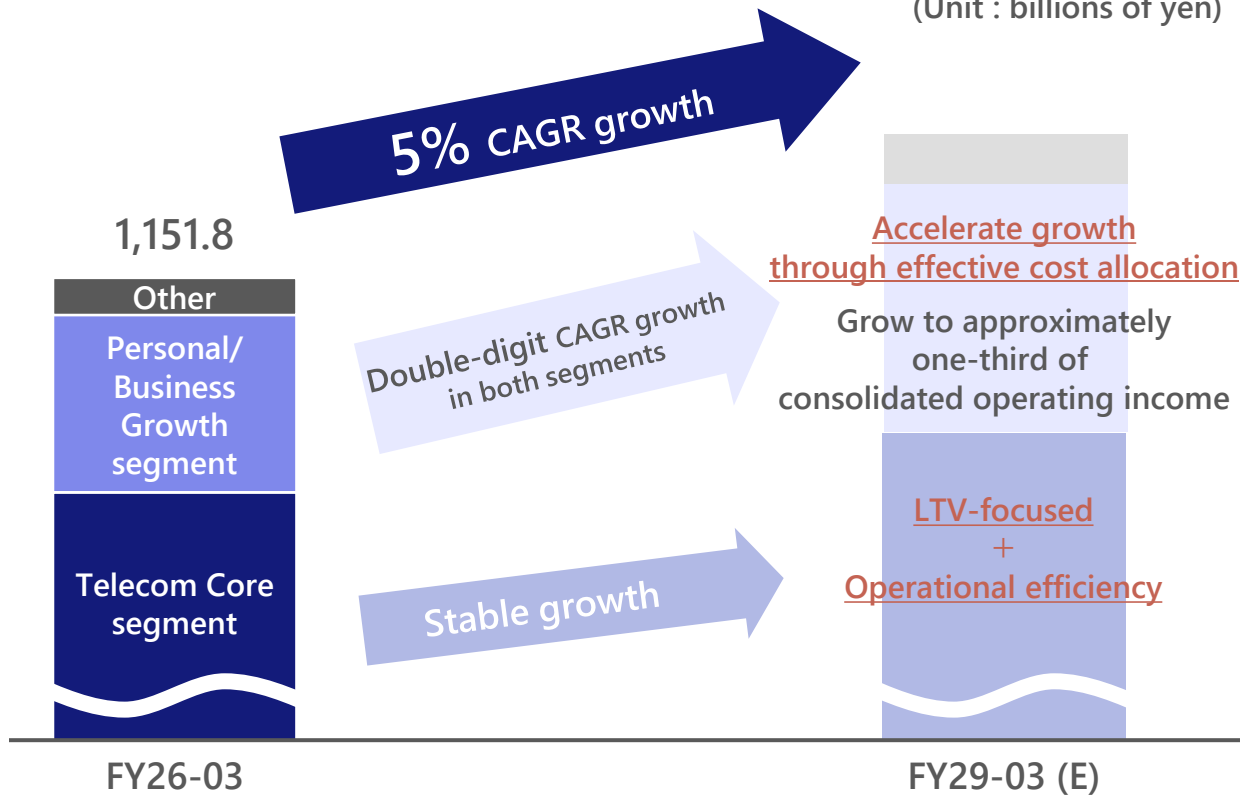
“Telecom Core” segment

Towards Sustainable Growth

Aim to achieve 5% CAGR growth in consolidated operating income while transforming the business structure

Operating income growth

(Unit : billions of yen)



Aim for business growth that surpasses the previous Mid-term Management Strategy

Previous Mid-term Management Strategy
EPS target period (FY20-03 - FY26-03)

Operating income* growth : CAGR 2.9%

Mid-term Management Strategy forecast
(FY27-03 - FY29-03)

Operating income growth : CAGR 5.0%

Note: Unless otherwise noted, both operating income and profit for the period are presented on an adjusted basis. The same applies to the following slides. See the Appendix for definitions.

* Underlying performance driven by business growth : excluding external outflows related to the fictitious transactions and contract cost impairment in FY26-03

Telecom Core Segment

LTV-focused: Aim to achieve stable growth in mobile revenues and operating income

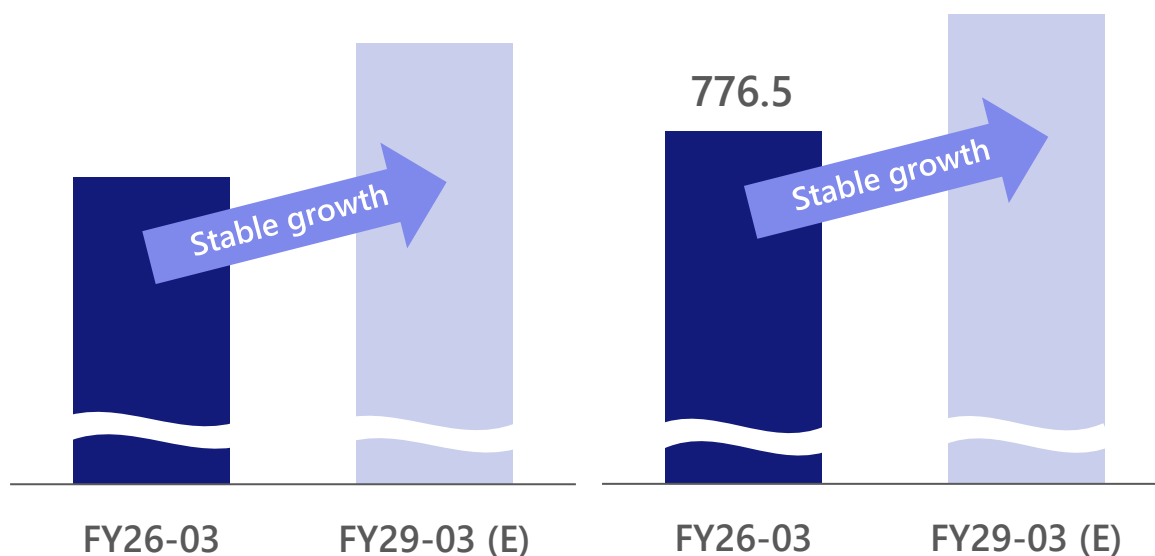
Stable growth in mobile revenues and operating income

Further accelerate mobile growth that returned to revenue growth in the previous mid-term strategy

(Unit : billions of yen)

Mobile revenues

Operating income



Key points for business growth

Advance LTV-focused structural transformation and drive optimization and efficiency

- Continued promotion of LTV-focused structural transformation

Mobile ARPU growth

Churn rate reduction

Maintain a positive net additions trend in smartphone subscriptions

LTV-focused cost allocation

- Optimization and efficiency improvements

Enhance one-to-one marketing through AI agents

Improve cost efficiency through proactive use of AI and efficient investment

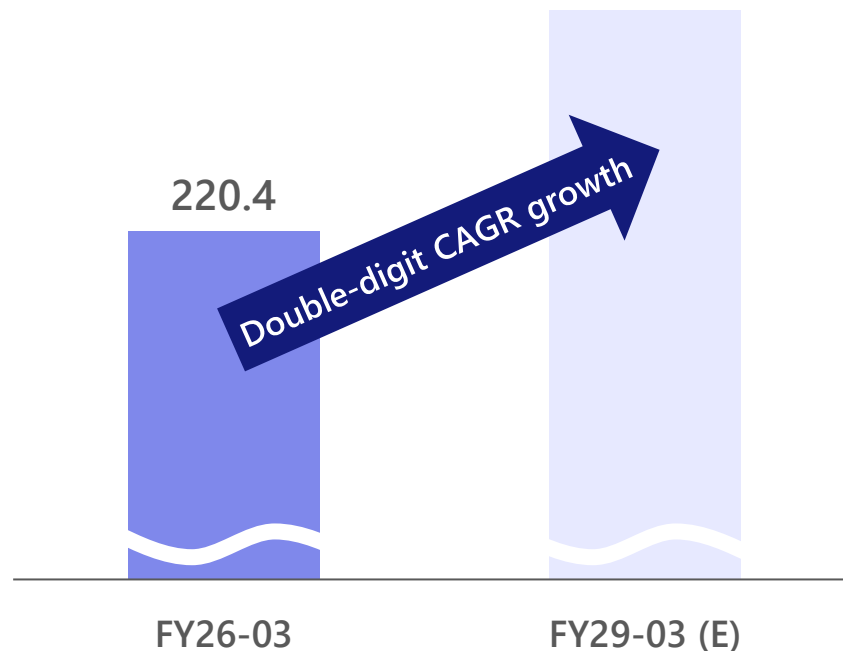
Personal Growth Segment

Aiming for double-digit growth through deeper service penetration into the telecom customer base and expanded touchpoints

Aiming for double-digit CAGR growth

Operating income

(Unit : billions of yen)



Five areas driving business growth

Penetrating the telecom customer base to drive revenue growth and enhance engagement

Finance

- Further penetration of services into the telecom customer base
- Accelerating the deployment of next-generation financial services into society

Energy

- No.1 in number of contracts among new power retailers in Japan
- Accelerating growth in new business domains

Device

- Enhancement of the product support services and expansion of sales for offerings such as "au+1 collection," leveraging group assets

Ponta Pass
Lawson

- Ponta Pass members to reach 20 mil.
- Lawson daily sales: +30% from FY25-02 (FY31-02)

Global

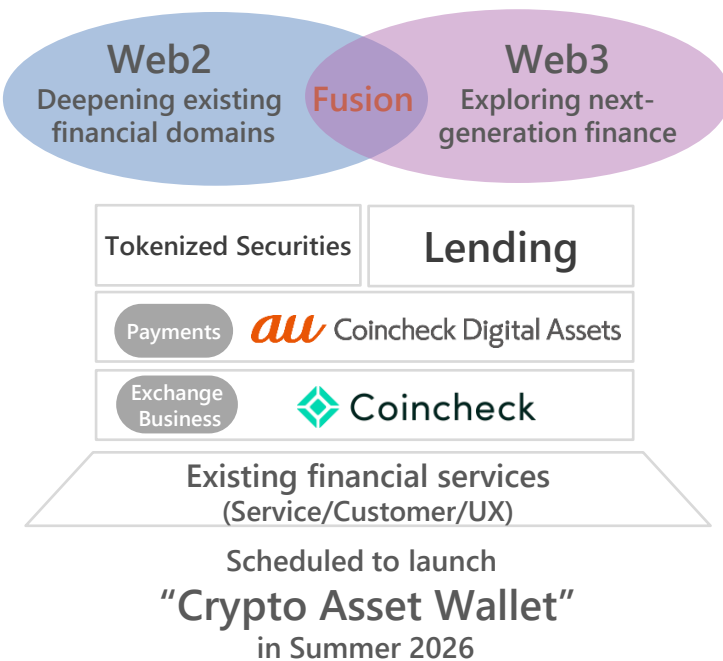
- Rolling out successful business models overseas, starting with the launch of the povo model in Vietnam

Personal Growth Segment

Creating new business models by leveraging partner assets and expertise

Finance

Proactively preparing for next-generation finance. Establishing competitive advantage on existing financial services



Lawson

Expanding sales channels by leveraging LAWSON network. Building a mutually growth-oriented model



Device

Rising device prices
Seizing new opportunities with the advent of "Post-Smartphone" devices



As AI agents are integrated into all devices, the optimal degree of "closeness" (proximity) becomes crucial

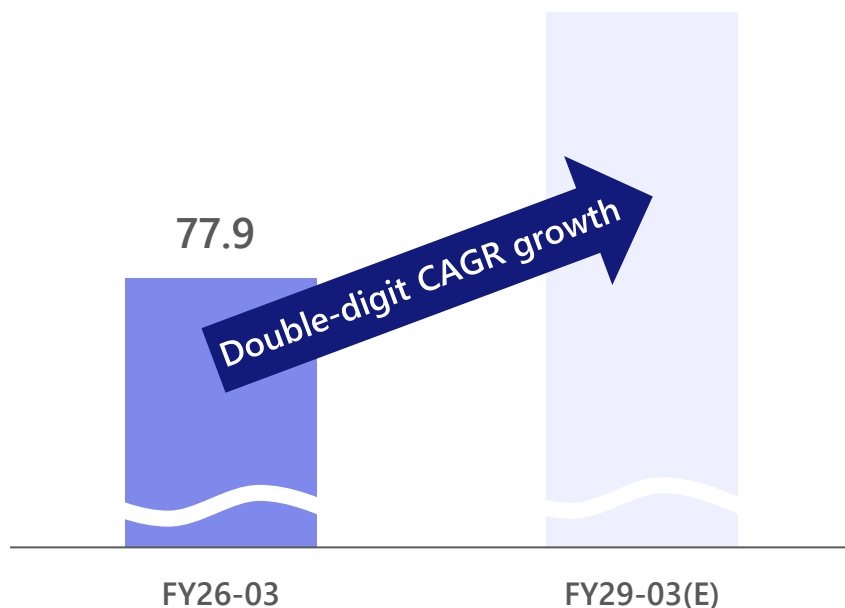
Business Growth Segment

Actively expand business domains that support the AI-Native Society
and aim for double-digit growth

Aiming for double-digit CAGR growth

Operating Income

(Unit: billions of yen)



Five areas driving business growth

Accelerate growth by capturing opportunities such as AI utilization needs and regulatory changes

AI Integration

- Strengthening our comprehensive proposals encompassing telecom, cloud, AI, and systems

Cybersecurity

- Launch of AI business company, KDDI iret
- Addressing expanding demand across domestic and international supply chains

Balancing high value-added offerings and stable growth as the next digital infrastructure

Connected Solutions*

- Connected Solutions" managed connections: 80 mil. (FY29-03)
- Globally providing end-to-end services from telecom to communication control and operations

Data Center AI+Connectivity

- Addressing AI and traffic demand, and expanding business both domestically and internationally

AI-BPO

- Leveraging AI to enhance customer experience value and transform corporate operations

* The IoT-related services under the previous Mid-term Management Strategy have been rebranded. Specifically, the IoT communication, communication control, and operation components are now designated as "Connected," while other related services have been transferred to areas such as AI Integration and Cybersecurity.

Business Growth Segment

Leveraging expanding domestic and international demand to accelerate business expansion through a virtuous cycle of growth

Data Center

Steadily capture opportunities as a pioneering DC provider by responding to AI and traffic demand both domestically and internationally



Plan to invest 300 billion yen over three years, both domestically and internationally, for further infrastructure enhancement

Cybersecurity

Demand is expanding across the entire supply chain, including overseas. Aiming for a virtuous cycle of growth both domestically and internationally



Pursuing New Business Creation

Co-creating AI-Powered Productivity and AI-Enhanced Lifestyles that address social issues with partners, and deploying them both domestically and internationally

Smart drone

Achieving standalone profitability in FY25-03,
and accelerating growth thereafter
Becoming a top runner in the drone market

KDDI
KDDI SmartDrone



Expanding use cases for social issue resolution

Establishment of a new autonomous driving company

Restarting as a wholly-owned subsidiary, inheriting "mobi" business

KDDI
KDDI Smart Mobility

On-demand mobility Autonomous driving



Route planning

Remote monitoring

Vehicle procurement

Fleet management

Global expansion

Rolling out Japanese problem-solving solutions overseas
("Exports of knowledge/solutions")

Rolling out the successful model of povo to Vietnam

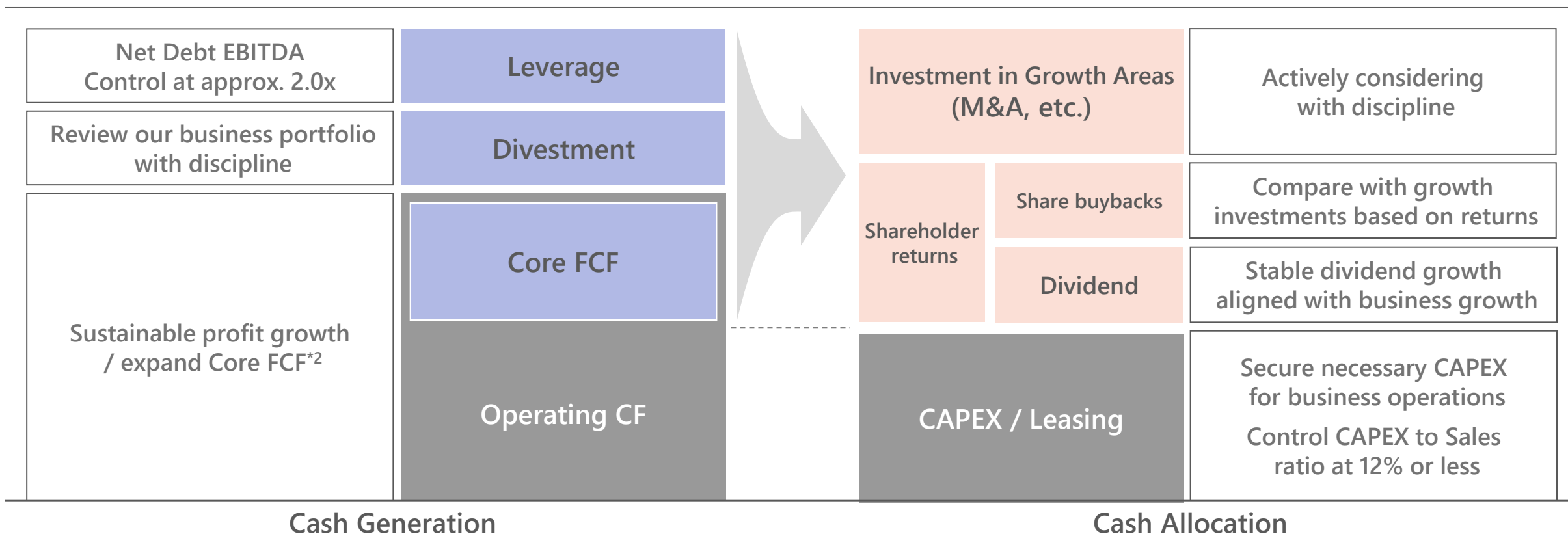


Aiming for joint service launch as a sub-brand of VNPT* within 2026

Capital Allocation

Maintaining a stable dividend growth policy, execute return-based capital allocation

Capital Allocation Policy*¹ (FY27-03 - FY29-03)



*1 Excluding Financial Business *2 Core FCF = "Operating CF" - "CAPEX" - "Leasing" + "Net Interest Expense after Tax" Repayment of principal and interest in Cash Allocation part is omitted from above description.

Towards Further Growth and Enhanced Capital Efficiency

Execute disciplined growth investments and a deepening of portfolio management

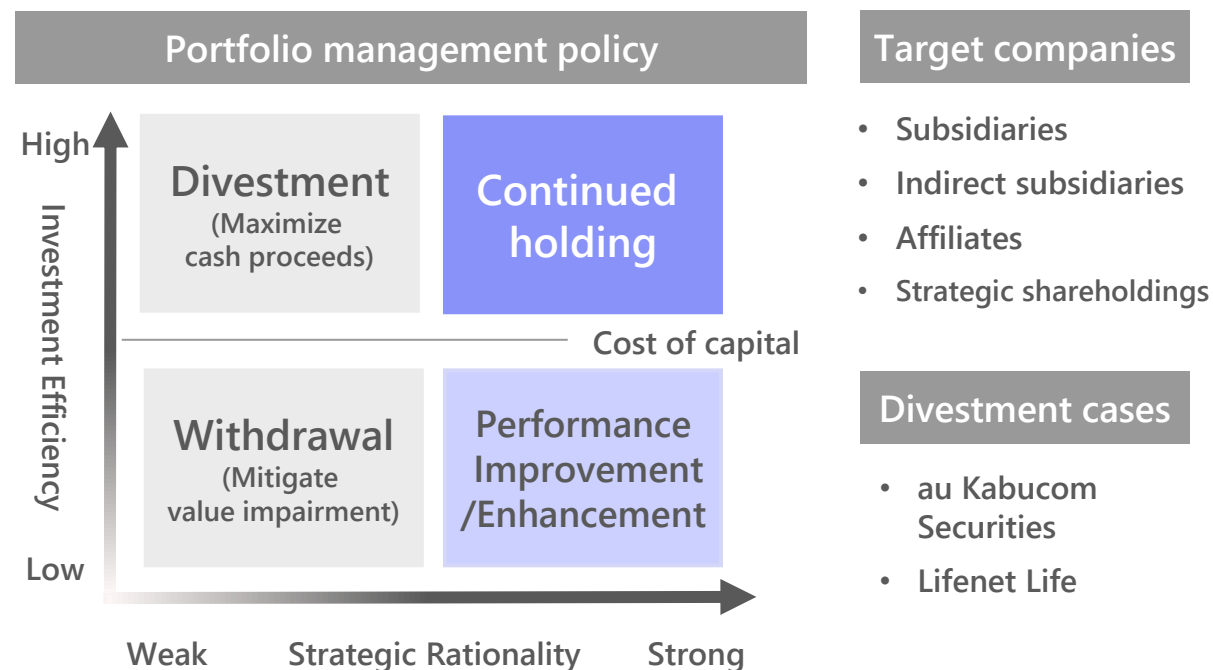
Investment consideration

Actively consider investments in growth areas with discipline, premised on compatibility with our corporate culture and ethos



Post-investment evaluation

Ongoing verification of investment efficiency and strategic rationality



au Financial Holdings

auFH begins considerations towards an IPO for further growth

auFH's capital policy

The policy is to begin considering a stock market listing based on the following considerations

KDDI	<ul style="list-style-type: none"> Considering optimization of KDDI's consolidated balance sheet Enhancing capital efficiency through business portfolio consolidation
auFH	<ul style="list-style-type: none"> A flexible capital policy Advancing strategic partnerships Maximizing growth investments

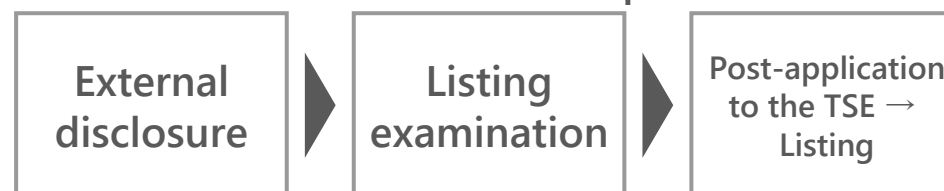
Post-listing operating policy

- KDDI: maintaining support for auFG as a major shareholder post-listing
- Continued use of the au brand and collaboration with the KDDI Group
- Creating shareholder value for both companies by leveraging synergies

Schedule

May 2026

Once preparations are completed



Market segment : TSE Prime Market (tentative)

Governance structure : Audit and Supervisory Committee model (tentative)

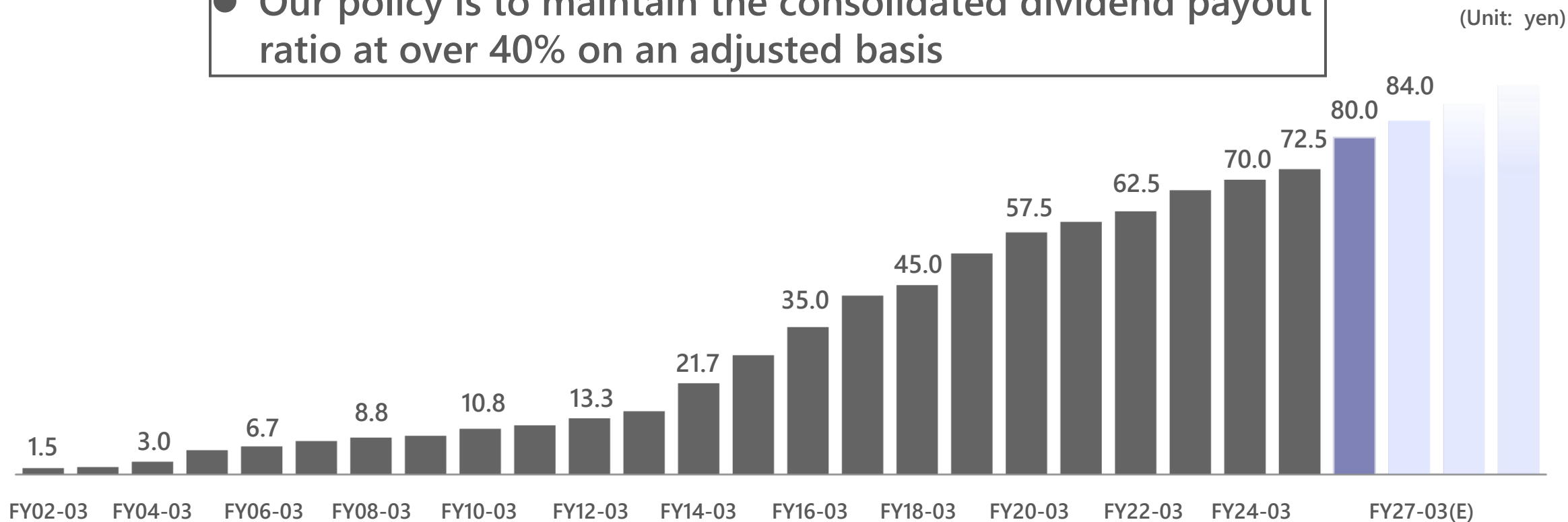
KDDI voting rights : TBD

Subject to approval by the relevant authorities, the consideration of a stock listing may be discontinued depending on the results of reviews during the preparation process

Dividend Policy

Projecting 24th consecutive dividend increase in FY26-03.
Remain committed to stable dividend growth aligned with business growth

- Stable dividend growth aligned with business growth
- Our policy is to maintain the consolidated dividend payout ratio at over 40% on an adjusted basis

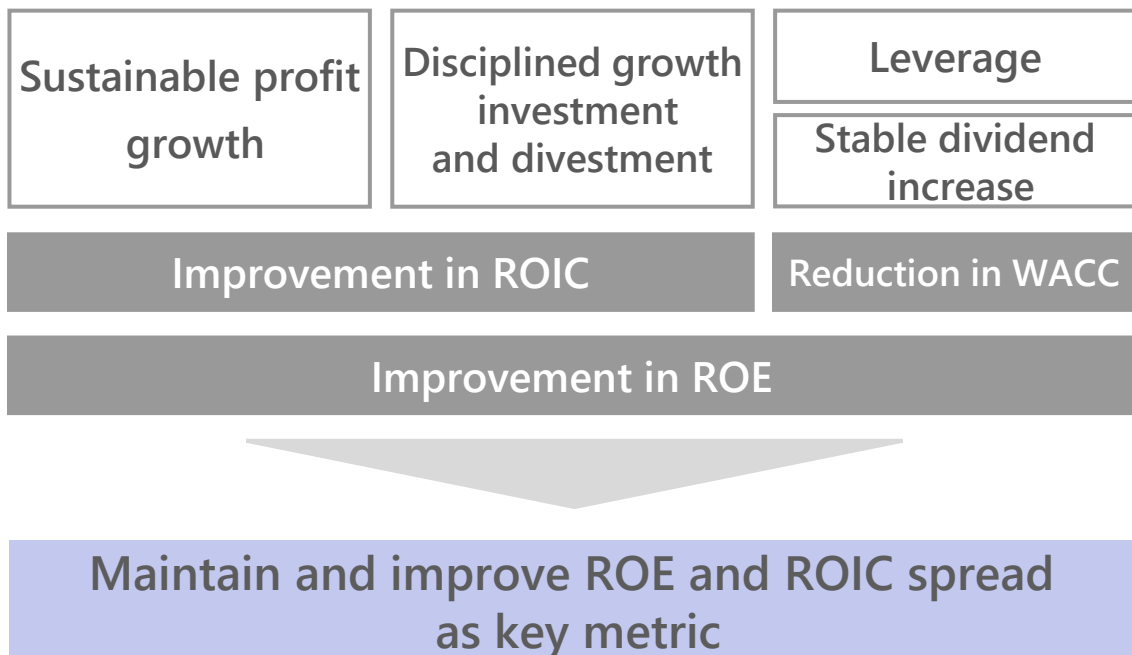


Enhancement of Capital Efficiency Management

To reinforce our commitment to capital efficiency management, revise our executive compensation performance indicator

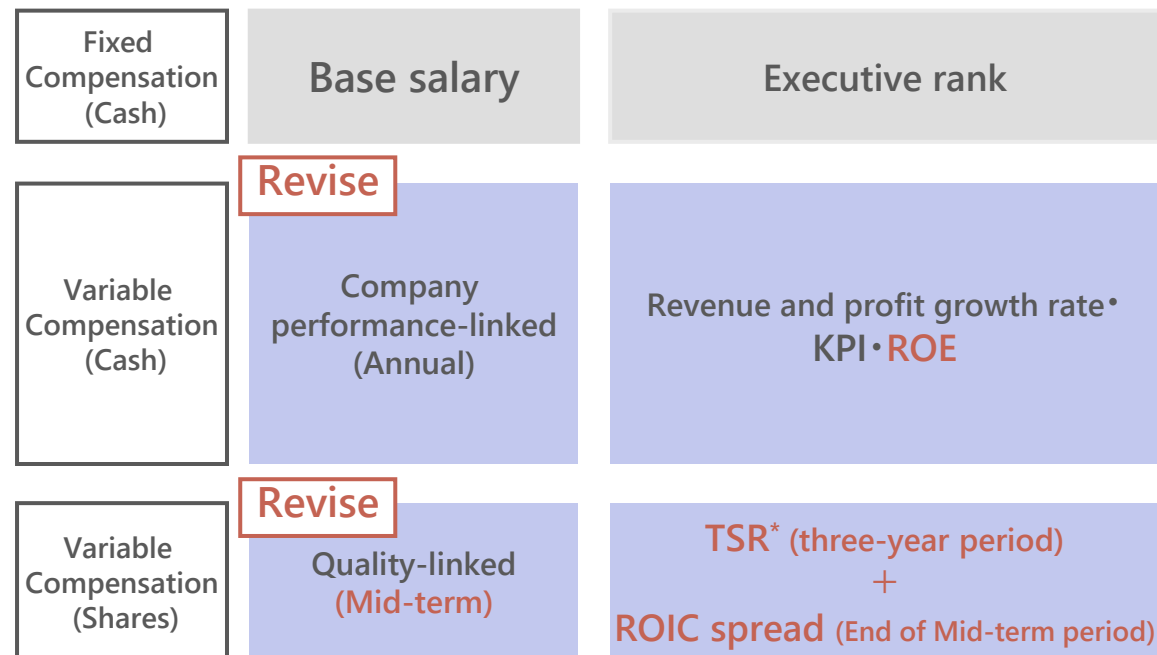
Measures to enhance capital efficiency

Execute capital allocation policy



Revision of executive compensation performance indicators

Add capital efficiency (ROE/ROIC spread) to our executive compensation performance indicators



Mid-term Financial Targets

Building on the foundation of the previous mid-term strategy, aim for sustainable growth and further quality improvement

Previous Mid-term Management Strategy (Results)

New Mid-term Management Strategy

Sustainable
growth

- EPS: Effectively achieved 1.5x increase compared with FY19-03*1
⇒ Profit growth: CAGR 2.9%*1
+ Contribution from shareholder returns: CAGR 3.2%*1
- Achieved a turnaround in mobile revenues
- Achieved double-digit growth in the Financial and Business Services segments

- Operating Income : 5% CAGR growth
⇒ Telecom Core segment:
Stable growth driven by promoting LTV-focused structural transformation
- ⇒ Personal / Business Growth segment:
Achieve double-digit CAGR growth through the creation of a high-value-added virtuous cycle with Telecom Core segment

Quality
improvement

- Control the level of CAPEX and strengthen next-generation investments such as AI DC, etc. (Average CAPEX to Sales of 11.8%*2)
- Maintain a dividend payout ratio of over 40%
- Flexible share buybacks

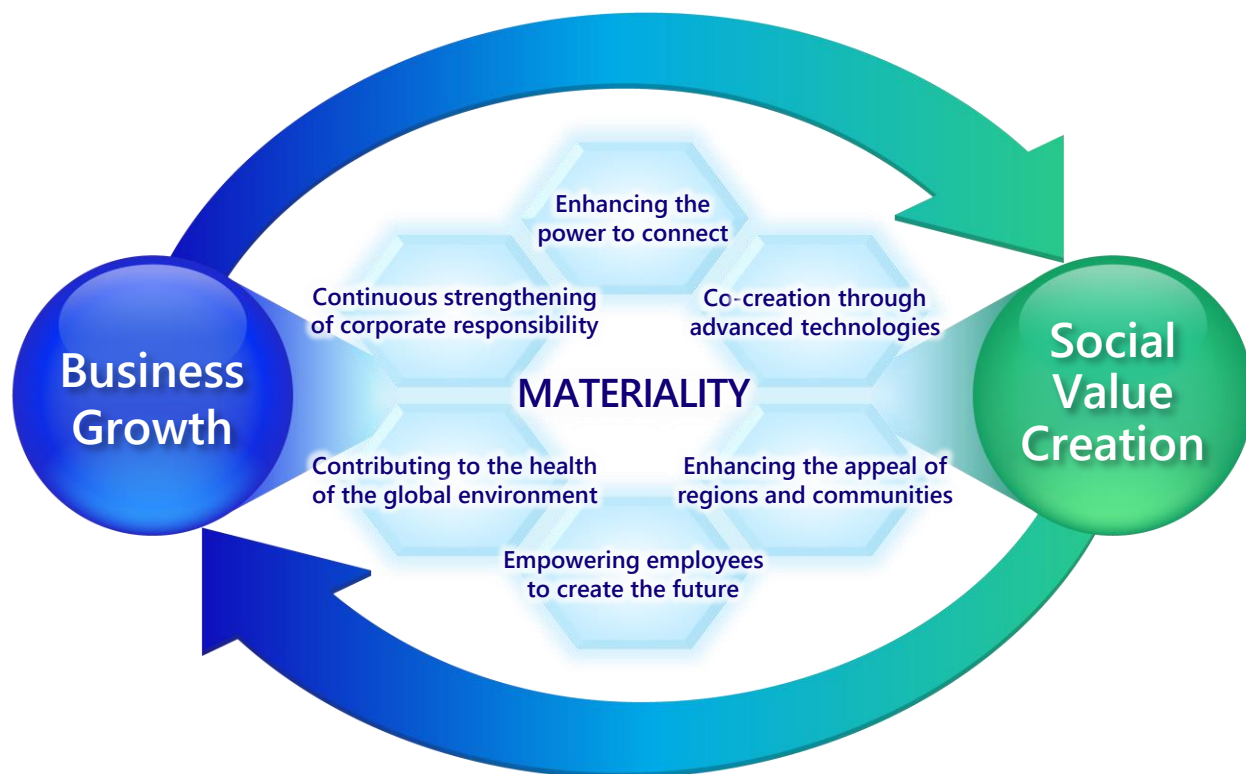
- Control CAPEX, with a focus on keeping CAPEX to Sales at 12% or less
- Leveraging for growth investments
- Disciplined growth investments and business portfolio review
- Aim to maintain and improve ROE/ROIC spread
- Dividend payout ratio of over 40% (Adjusted net income*3 basis)
- Maintaining a stable dividend growth, flexible share buybacks will be implemented after careful consideration against growth investments

Promotion of Sustainability Management

Enhancing sustainable enterprise value through addressing material issues

KDDI Sustainability Management

Virtuous Cycle for Enhanced Corporate Value



Materiality

Enhancing the power to connect

Realizing a safe and secure society by providing customers with diverse services centered on telecommunications

Co-creation through advanced technologies

Creating new value together with partners through data, AI, and technology

Enhancing the appeal of regions and communities

Contributing to the bountiful lives of people in Japan and around the world

Empowering employees to create the future

Empowering all employees to take on challenges with passion, grounded in strong human qualities and advanced expertise

Contributing to the health of the global environment

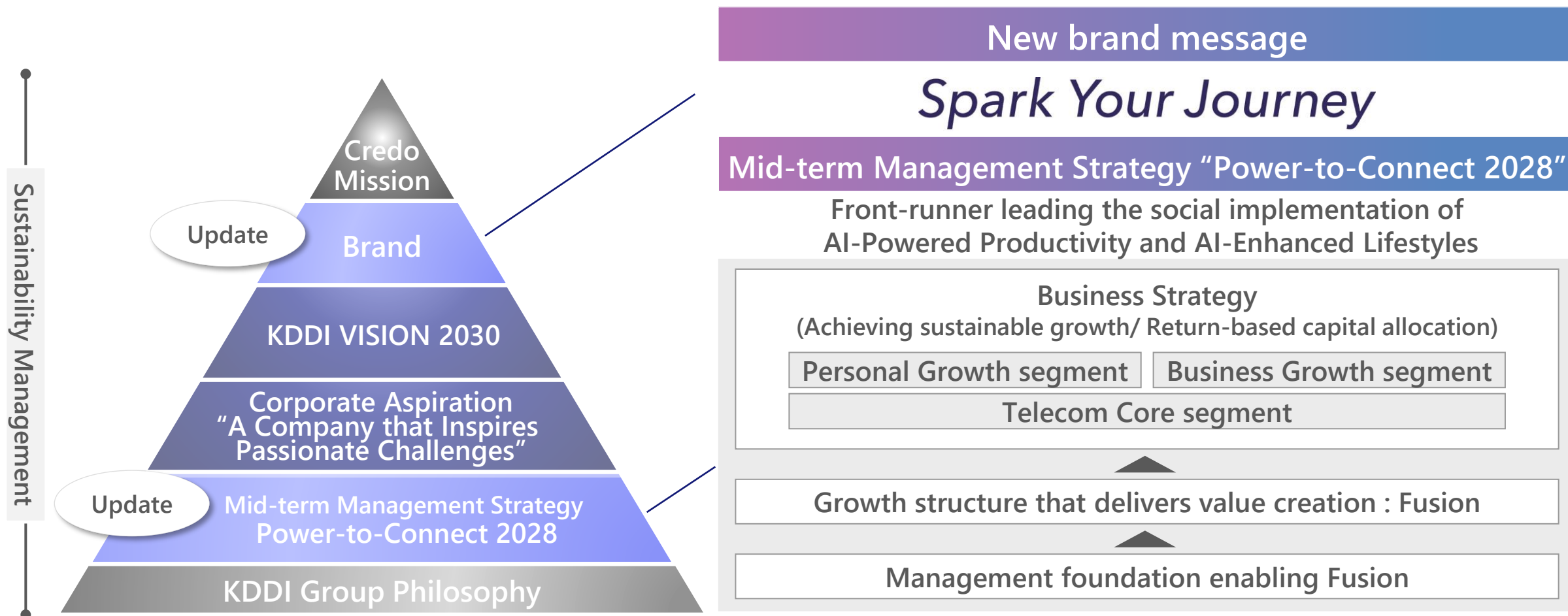
Realizing a sustainable future for the planet through our business activities

Continuous strengthening of corporate responsibility

Building strong data governance and a highly reliable management base

KDDI Management Framework

“Fusion” positioned as a growth structure for the AI-Native society, enabling sustainable growth through enhancing “The power to connect”



Consolidated Financial Forecast for FY27-03

Aiming for steady growth to achieve our mid-term targets

	FY26-03	FY27-03(E)	YOY
Operating revenue	6,071.9 bil. yen	6,410.0 bil. yen	+5.6%
Adjusted operating income	1,151.8 bil. yen	1,210.0 bil. yen	+5.0%
Adjusted profit for the year*1	712.0 bil. yen	731.0 bil. yen (Including impact of defense tax increase)	+2.7%

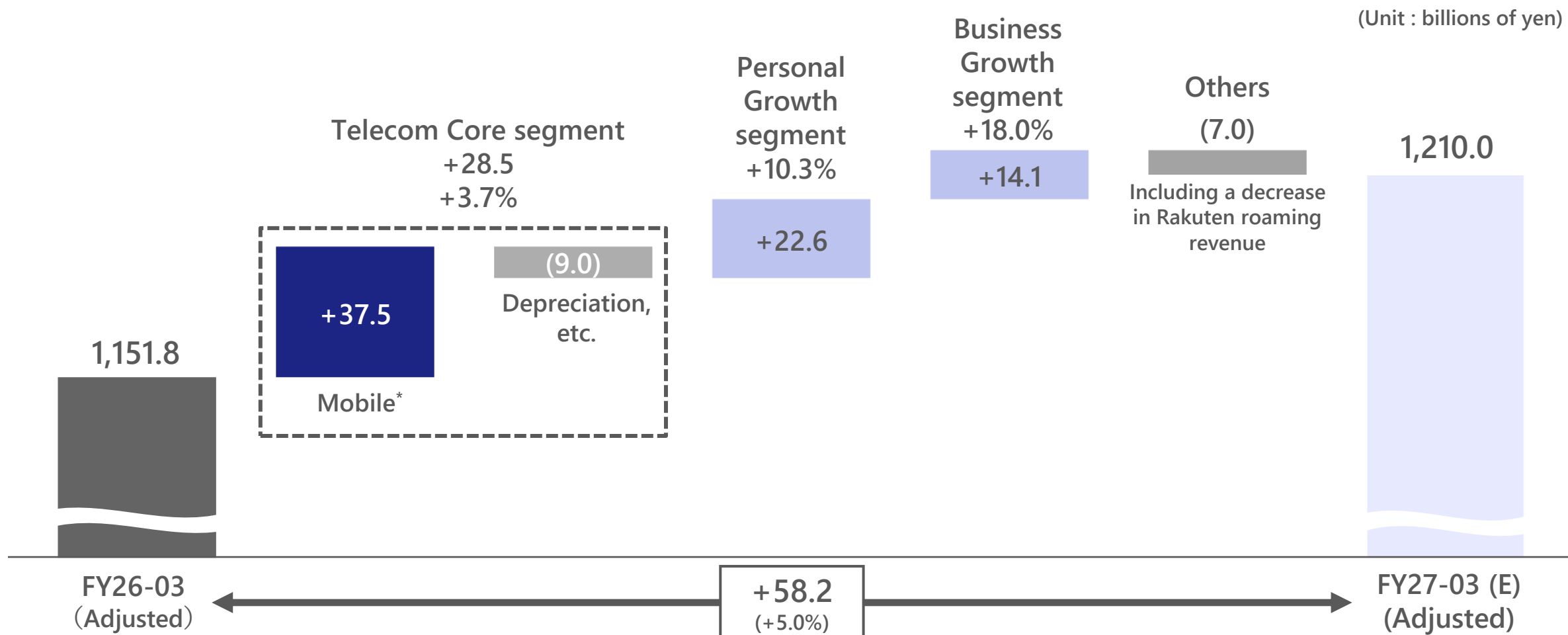
Shareholder returns

- FY27-03 DPS 84.0 yen
(YOY + 4.0 yen, + 5.0%)
- Share repurchase for a total amount of up to 300 billion yen
(Acquisition period: Scheduled from May 13, 2026 to January 31, 2027)
Of this amount, a tender offer for treasury shares of up to 250 billion yen was approved
- Cancel treasury shares exceeding 5% of the total outstanding shares was approved*3

Consolidated operating income and profit for the year for FY26-03 are presented on adjusted basis*2
Adjustments from IFRS-based results: Operating income +52.7 billion yen, Profit for the year +4.9 billion yen

Key points for Consolidated Operating Income FY27-03

Aim for stable growth in Telecom Core segment and double-digit growth in Growth domains



* Management-based profit figure

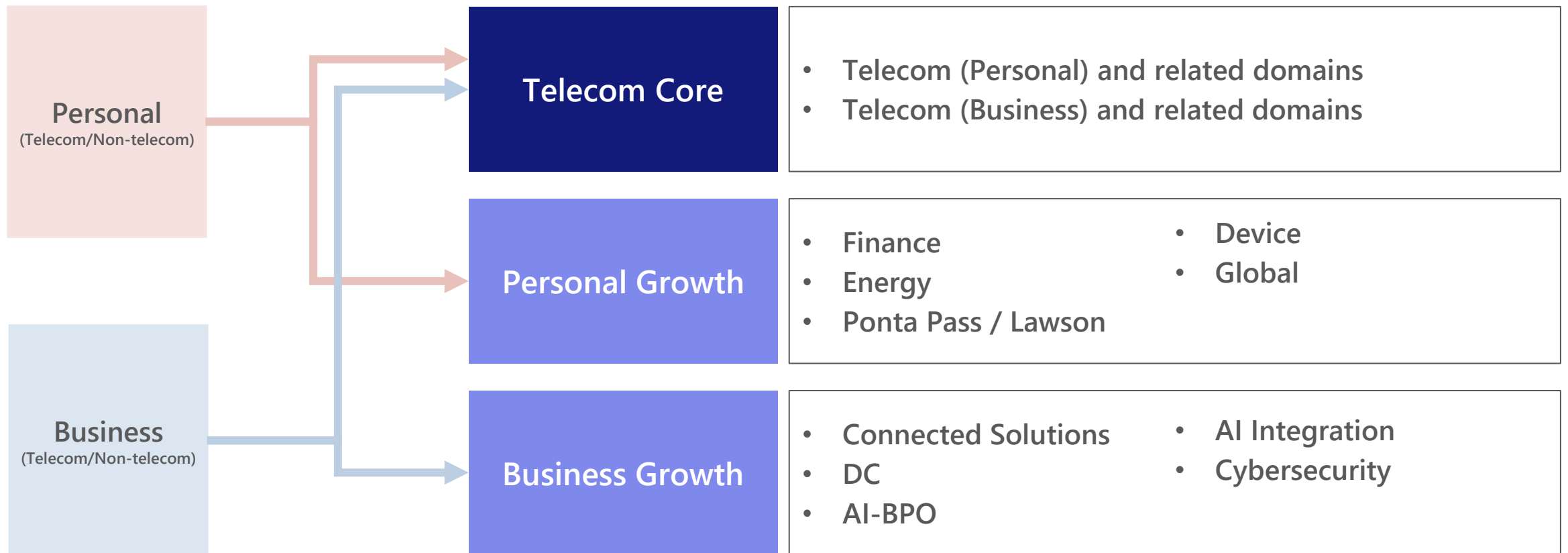
Mid-term Management Strategy Summary

A challenge toward a new growth structure		<ul style="list-style-type: none"> ● “Fusion” positioned as a growth structure for the AI-Native society, enabling sustainable growth through the evolution of “The power to connect”
Power-to-Connect 2028	Overall strategy	<ul style="list-style-type: none"> ● Creating new businesses that enable AI-powered productivity and AI-enhanced lifestyles, starting from customer needs, and becoming a front-runner leading the social implementation.
	Business strategy	<ul style="list-style-type: none"> ● Toward sustainable growth, telecom core segment targets stable growth, while growth domains aim double-digit CAGR growth. ● Consolidated operating profit is targeted to grow at 5% CAGR.
		<ul style="list-style-type: none"> ● Maintaining a stable dividend growth policy, execute return-based capital allocation. ● Towards quality improvement, execute disciplined growth investments.
Consolidated performance forecast for FY27-03 Shareholder returns		<ul style="list-style-type: none"> ● Adjusted operating income in FY27-03 : YOY+5.0% Aim to make steady progress toward achieving the mid-term targets. ● DPS in FY27-03: 84 yen (YOY+4 yen, +5.0%) Pursuing stable dividend growth in line with business growth. ● Share repurchase for a total amount of up to 300 billion yen, of this amount, a tender offer for treasury shares of up to 250 billion yen was approved. ● Cancel treasury shares exceeding 5% of the total outstanding shares was approved.

Appendix

New Segments

Clarified our growth areas that will drive future growth, with telecommunications positioned as core



Adjusted Profit

Ahead of adopting IFRS 18 (to be applied from FY28-03),
begin disclosing "Adjusted Profit" from FY27-03.

Strive to concurrently enhance growth visibility and sustainably improve capital efficiency

Definition of adjusted profit

Adjustments from Consolidated Operating Income and Profit for the year*

- ① **Exclusion of non-recurring and significant costs**
e.g. strategic facility upgrades,
business structural reforms
- ② **Exclusion of one-off gains and losses associated
with portfolio review**
e.g., gains/losses on sale of shares,
goodwill impairment

Adjusted profit for FY26-03

(Unit: billions of yen)

	Operating income	Profit for the year*
FY26-03 IFRS base	1,099.1	707.1
① Exclusion of non-recurring and significant costs (Contract cost impairment)	+48.2	+32.5
② Exclusion of one-off gains and losses associated with portfolio review	+4.5	(27.6)
FY26-03 Adjusted profit	1,151.8	712.0

* Profit for the year attributable to owners of the parent

Mid-term Non-Financial Targets

Establishing Mid-term sustainability targets to enhance sustainable enterprise value by addressing material issues

	Index	FY29-03 targets		Index	FY29-03 targets		
Enhancing the power to connect	①	Share of Major Cities with Dual-Band (3.7/4.0GHz) 5G Deployment	100%	Empowering employees to create the future	⑨	Percentage of females in managerial positions	16%
	②	Number of serious incidents (equipment failures)	0		⑩	Engagement score reflecting "passionate challenges" (KDDI non-consolidated)	74 (annual)
	③	Number of "Connected solutions" managed connections serving as next-generation social infrastructure	80 mil. connections		⑪	Ratio of organizations utilizing and implementing AI to support growth (KDDI non-consolidated)	Level3: 10% Level2: 60% Level1: 100%
	④	Advancement and expansion of security services to support a safe and secure society	—	Contributing to the health of the global environment	⑫	KDDI Group's carbon neutrality (FY2030) (Scope 1 + Scope 2)	CO ₂ emissions: 0.3 million tons (annual)
Co-creation through advanced technologies	⑤	Number of business co-creations leveraging intellectual property assets	40		⑬	KDDI Group's net-zero achievement (FY2040) (Scope 1 + Scope 2 + Scope 3)	—
	⑥	Number of business creation and R&D projects utilizing advanced technologies	70		⑭	Number of mobile devices for reuse and recycling	4.0 million devices
Enhancing the appeal of regions and communities	⑦	Number of business projects contributing to enhancing the appeal of regions and communities	800	⑮	CO ₂ emission reduction achieved through business activities	0.25 million tons (annual)	
	⑧	Number of participants in community contribution activities (customers and employees)	2.1 million	Continuous strengthening of corporate responsibility	⑯	Number of serious incidents (excluding equipment failures)	0
			⑰		Company-wide understanding and awareness rate on corporate responsibility and governance (KDDI non-consolidated)	100%	
			⑱		BCP exercise participation rate (KDDI non-consolidated)	100%	



Disclaimer

Statements made in these documents with respect to the KDDI Group's performance targets, projected subscriber numbers, future forecasts and strategies that are not historical facts are forward-looking statements about the future performance of the KDDI Group, based on company's assumptions and beliefs in light of the information available at the time they were made. They therefore include certain risks and uncertainties. Actual results can differ from these statements due to reasons including, but not limited to, domestic and overseas situation, economic trends, competitive position, formulation, revision or abolition of laws and ordinances, regulations or systems, government actions or intervention and the success or lack thereof of new services. Consequently, please understand that there is a possibility that actual performance, subscriber numbers, strategies and other information may differ significantly from the forecast information contained in these materials or other envisaged situations.