

Notice Regarding Repurchase of Treasury Shares and Tender Offer for Treasury Shares

At the board of directors' meeting held today, as stated below, the Company resolved to repurchase treasury shares pursuant to the provisions of Article 156 of the Companies Act (Act No. 86, 2005, including subsequent revisions, the "Companies Act") as applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act and the Company's articles of incorporation, and as a specific method thereof, the Company resolved to conduct a tender offer of treasury shares (the "Tender Offer").

1. Objective of the Tender Offer

In order to realize a desirable future society while responding to changes in our business environment, the Company has created "KDDI VISION 2030: The creation of a society in which anyone can make their dreams a reality, by enhancing the power to connect," and aims to become by 2030 "a platformer supporting society," namely, a presence that can provide added value to all industries and life situations.

In the Mid-Term Management Strategy for the fiscal year ending in March 2023 to March 2025, with a view to 2030, as the Company promotes "business transformation centered on 5G" and aims to strengthen both sustainable profit growth and shareholder return, the Company have extended the period of the Mid-Term Management Strategy by one year and updated the business strategy as the "New Satellite Growth Strategy" in May of this year, in order to identify business opportunities and achieve steady and sustainable growth by foreseeing changes in the environment. In the "New Satellite Growth Strategy", the Company will accelerate the enhancement of "the power to connect" and create new values with our partners, by thoroughly improving the quality of the customer experience in "5G communications", the core of our business, and by implementing the "utilization of generative AI" and "data-driven management", in which decisions and actions are made based on objective data. From this perspective, in addition to sustainable growth in communications ARPU revenue (mobile communications fee revenue) and profit growth centered on focus areas, the Company will make capital expenditures and strategic business investments in 5G and its focus areas, continue stable dividends in the form of shareholder returns under its financial policy of a dividend payout ratio of over 40%, and conduct share repurchases in a flexible manner in consideration of its investment for growth status.

Furthermore, the Company's basic policy is to pay dividends from surplus twice a year, an interim dividend, as well as a year-end dividend. For the fiscal year ended March 2023, the Company paid an interim dividend of 65 yen per share and a year-end dividend of 70 yen per share, resulting in an annual dividend of 135 yen per share (consolidated dividend payout ratio: 43.5%). For the fiscal year ending in March 2024, the Company paid an interim dividend of 70 yen per share and plans to pay a year-end dividend of 70 yen per share, resulting in an annual dividend of 140 yen per share (consolidated dividend payout ratio: 46.5%).

Additionally, pursuant to Article 165, Paragraph 2 of the Companies Act, the Company provides in its articles of incorporation that it may repurchase its treasury shares by a resolution of the board of directors, and has repurchased its ordinary shares as follows up to now, in order to enhance profit returns to its shareholders:

Date of resolution	Cumulative acquisition period	Cumulative number of acquired shares (Note)	Cumulative total acquisition cost
Annual shareholders' meeting held on June 25, 2002	July 19, 2002 - July 31, 2002	24,000 shares (14,400,000 shares)	9,124,040,000 yen
Annual shareholders' meeting held on June 24, 2003	September 22, 2003	1,800 shares (1,080,000 shares)	1,075,600,000 yen
Board of directors' meeting held on October	October 29, 2004 - February 15, 2005	44,691 shares (26,814,600 shares)	24,180,593,000 yen

28, 2004			
Board of directors' meeting held on September 28, 2006	September 29, 2006 - October 31, 2006	35,000 shares (21,000,000 shares)	25,758,500,000 yen
Board of directors' meeting held on January 25, 2007	January 26, 2007 - March 23, 2007	22,258 shares (13,354,800 shares)	19,999,835,000 yen
Board of directors' meeting held on October 22, 2010	October 25, 2010 - January 18, 2011	208,271 shares (124,962,600 shares)	99,999,873,000 yen
Board of directors' meeting held on November 28, 2011	November 29, 2011	424,126 shares (254,475,600 shares)	220,969,646,000 yen
Board of directors' meeting held on February 9, 2016	February 10, 2016 - February 23, 2016	16,584,700 shares	49,999,948,250 yen
Board of directors' meeting held on May 12, 2016	May 13, 2016 - September 13, 2016	31,650,800 shares	99,999,744,600 yen
Board of directors' meeting held on May 11, 2017	May 12, 2017 - September 15, 2017	33,526,600 shares	99,999,394,503 yen
Board of directors' meeting held on January 31, 2018	February 1, 2018 - March 23, 2018	18,953,100 shares	49,999,824,150 yen
Board of directors' meeting held on May 10, 2018	May 11, 2018 - March 7, 2019	55,039,300 shares	149,999,888,350 yen
Board of directors' meeting held on May 15, 2019	May 16, 2019 - December 23, 2019	51,194,000 shares	149,999,385,150 yen
Board of directors' meeting held on October 30, 2020	November 2, 2020 - May 31, 2021	61,259,100 shares	199,999,952,655 yen
Board of directors' meeting held on May 14, 2021	June 1, 2021 - May 12, 2022	54,059,000 shares	199,999,874,416 yen
Board of directors' meeting held on May 13, 2022	June 1, 2022 - March 23, 2023	47,864,700 shares	199,999,972,200 yen
Board of directors' meeting held on May 11, 2023	June 1, 2023 - March 13, 2024	75,112,600 shares	299,999,809,500 yen

(Note)The Company conducted (i) a share split at a ratio of 100 shares per ordinary share of the Company effective as of October 1, 2012, (ii) a share split at a ratio of 2 shares per ordinary share of the Company effective as of April 1, 2013, and (iii) a share split at a ratio of 3 shares per ordinary share of the Company effective as of April 1, 2015. Figures in parentheses in the above table reflect the effects of the above share splits.

Furthermore, as a part of the repurchase of treasury shares based on the resolution at the board of directors' meeting held on May 11, 2023 mentioned above, the Company repurchased its ordinary shares (Note 1) through a tender offer for treasury shares based on the resolution at the board of directors' meeting held on July 28, 2023 (the "2023 Tender Offer").

(Note 1) The Company repurchased 64,102,500 shares (the ratio to the number of shares (2,157,313,544 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of June 2023 (145,398,764 shares) (including 1,127,219 shares held by the executive compensation BIP Trust account) from the total number of shares issued by the Company as of July 31, 2023, which was the date of submission of the tender offer statement related to the tender offer (2,302,712,308 shares): 2.97% (rounded to the second decimal place)) during the purchase period from July 31, 2023 to August 28, 2023.

On February 20, 2024, Toyota Motor Corporation (“Toyota Motors”), the Company’s third largest shareholder (as of the end of September 2023 (when the Company could ascertain its shareholding status immediately before February 20, 2024); the number of shares held as of the end of September 2023 was 253,094,600 shares (holding ratio (Note 2): 12.11%)) informed the Company of its intention to sell a portion of the Company’s ordinary shares that it holds (the “Shares Offered for Sale”).

(Note 2) “Holding ratio” refers to the ratio to the number of shares (2,089,132,764 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of December 2023 (213,579,544 shares) (including 1,074,019 shares held by the executive compensation BIP Trust account) described in “Financial Results for the Third Quarter of the Fiscal Year Ending in March 2024 [IFRS] (Consolidated)” that the Company submitted on February 2, 2024 from the total number of shares issued by the Company as of the end of December 2023 (2,302,712,308 shares) described in the “Report for the Third Quarter of the 40th Fiscal Year” that the Company submitted on February 7, 2024 (rounded to the second decimal place).

Toyota Motors entered the communications business in the 1980s, during the trend towards liberalization of the communications sector, and became the Company’s major shareholder after the launch of the Company in October 2000. From 2002 onward, the Company and Toyota Motors collaborated on Toyota Motors’ connected service (Note 3), among others. While the “*tsunagaru-ka* (connectivity)” of automobiles to the internet progressed, the Company and Toyota Motors accelerated measures to provide safety and comfort through the integration of automobiles and communications. An example of this is the joint development of a global communications platform that does not depend on conventional roaming services, etc., in order to secure high quality and stable global communications between in-vehicle communication systems and the cloud, which has been promoted since 2016. After the announcement of the strengthening of the business and capital alliance in October 2020, the Company disposed of 18,301,600 treasury shares to Toyota Motors (the number of shares held as of the end of September 2020 (when the Company could ascertain its shareholding status immediately before January 2021) was 298,492,800 shares (holding ratio (Note 4): 12.98%)). However, according to Toyota Motors, it has recently engaged in reforms to become a mobility company, in order to win against strong competition and to realize mid- to long-term growth. It is focused on the effective use of assets and the reduction of cross-shareholding, as a large amount of investments with themes of “electrification,” “intelligence,” and “diversification” will be necessary. As part of these efforts, the Company received an offer for sale of a part of the Company shares from Toyota Motors, and as a result of the Company’s various deliberations, the Company implemented the 2023 Tender Offer (for details of the Company’s deliberations on the 2023 Tender Offer, please see the “tender offer statement” that the Company submitted on July 31, 2023).

(Note 3) “Connected service” is the collective name of safe, secure, comfortable and convenient services provided through communication of automobiles.

(Note 4) “Holding ratio” refers to the ratio to the number of shares (2,300,062,466 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of September 2020 (4,117,084 shares) (including 4,117,083 shares held by the executive compensation BIP Trust account and the stock-granting ESOP Trust account) described in the “Financial Results for the Second Quarter of the Fiscal Year Ending March 2021 [IFRS] (Consolidated)” that the Company

submitted on October 30, 2020 from the total number of shares issued by the Company as of the end of September 2020 (2,304,179,550 shares) described in the “Report for the Second Quarter of the 37th Fiscal Year” that the Company submitted on November 5, 2020 (rounded to the second decimal place).

Under such circumstances, following the implementation of the 2023 Tender Offer, Toyota Motors continued to deliberate on the optimal capital relationship with the Company while focusing on further reducing its cross-shareholding, and on February 20, 2024, it offered the sale of a portion of the Company shares.

In response, the Company commenced deliberations on how to respond to the offer for sale of a portion of the Company shares from Toyota Motors, and at the same time, the Company deliberated on a repurchase of treasury shares with the aim of further strengthening shareholder returns by repurchasing treasury shares, as it had done previously.

Specifically, the Company decided that it would be appropriate to repurchase shares from Toyota Motors in light of the effects on the market price of the Company shares when the Shares Offered for Sale are released into the market, considering the fact that since Toyota Motors held 253,094,600 ordinary shares of the Company (as of the end of September 2023), if it intends to sell those ordinary shares of the Company, the number to be sold is expected to be reasonably large even if the sale is only for a part of those shares held. In addition, with a view toward continuing the current business and capital alliance with Toyota Motors, the Company concluded that it would be desirable for the number of shares to be repurchased from Toyota Motors to be at a level allowing for the number of voting rights held by Toyota Motors to be maintained at 10% or more among the number of voting rights of all shareholders of the Company in order for Toyota Motors to continue holding a certain amount of the Company shares.

On the other hand, considering that previous share repurchases were made mainly through market purchases, the Company decided that it would be desirable to also purchase treasury shares partly from the market even in the case of repurchasing shares from Toyota Motors, as it did in the previous fiscal year’s share repurchase.

As a result of such deliberations, and in light of the number of shares held by Toyota Motors and the ratio of the number of voting rights held by Toyota Motors after the share repurchase, the Company concluded that it would be appropriate to repurchase shares in order to further strengthen shareholder returns, and among them, to repurchase 49,800,000 shares (holding ratio (Note 5): 2.39%) from Toyota Motors.

(Note 5) “Holding ratio” refers to the ratio to the number of shares (2,082,254,148 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of March 2024 (220,458,160 shares) described in the “Share Buyback Report” that the Company submitted on April 4, 2024 from the total number of shares issued by the Company as of the end of December 2023 (2,302,712,308 shares) described in the “Report for the Third Quarter of the 40th Fiscal Year” that the Company submitted on February 7, 2024 (rounded to the second decimal place).

Furthermore, the Company concluded that a tender offer would be appropriate as the specific method when repurchasing shares from Toyota Motors in light of the following factors: (i) equality among the shareholders; (ii) transparency of the transaction; (iii) since it would be possible to purchase ordinary shares of the Company at a price discounted to a certain extent from the market price, if a purchase is indeed made at that discounted price, a tender by shareholders other than those of Toyota Motors is expected to be limited from the perspective of economic rationality as a result of a divergence from the price at which the shares are sold on the market, ensuring that the Company would repurchase all of Toyota Motors’ Shares Offered for Sale, and therefore, control over outflow of the Company assets outside the Company; and (iv) securing the opportunity to tender shares in light of the trend in market price after providing shareholders other than Toyota Motors with a certain deliberation period.

The Company plans to allocate all funds for the Tender Offer from its own capital. According to the Report for the Third Quarter of the 40th Fiscal Year, the Company’s consolidated on-hand liquidity (cash and cash equivalents) as of the end of December 2023 was approximately 623.5 billion yen (on-hand liquidity ratio: 1.3

month) (Note 6). Even taking into consideration that it would require approximately 214.8 billion yen (Note 7) in order to conduct the Tender Offer, the Company's consolidated on-hand liquidity is still expected to be around 408.7 billion yen (on-hand liquidity ratio: 0.9 month). In light of the fact that the funds required for the Tender Offer will be necessary on and after the date of commencement of settlement for the Tender Offer (scheduled for July 2, 2024), in addition to the Company's consolidated on-hand liquidity as of the end of December 2023, since cashflow generated from the Company's business is expected to increase (consolidated cashflow from business activities for the fiscal year ended March 2023 was 1,078.9 billion yen), the Company concluded on April 12, 2024 that it will be able to secure sufficient funds for its business operations, and that even if it repurchases treasury shares of considerable value, there will be little effect on the Company's financial situation and distribution policy.

(Note 6) This was obtained by dividing cash and cash equivalents as of the end of December 2023 stated in the Report for the Third Quarter of the 40th Fiscal Year by monthly operating revenue (namely, the figure obtained by dividing consolidated cumulative operating revenue for the third quarter of the fiscal year ending March 2024 by 9).

(Note 7) This was the provisional amount obtained by multiplying the closing price of 4,314 yen of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market on April 12, 2024 by 49,800,000 shares.

In light of the above deliberations, on April 15, 2024, the Company informed Toyota Motors that it wishes to repurchase 49,800,000 ordinary shares of the Company (holding ratio (Note 5 above): 2.39%), and proposed that it repurchase such shares by way of tender offer. In response, on April 17, 2024, Toyota Motors indicated its intention to deliberate on the Company's proposal in a forward looking manner.

In deciding the purchase price of the Tender Offer (the "Tender Offer Price"), the Company took into consideration the fact that the Company's ordinary shares are listed on financial instruments exchanges and that share repurchases by listed companies are often conducted by market purchases through financial instruments exchanges because listed companies are able to purchase treasury shares in a flexible manner in line with share price levels formed based on market supply and demand. Therefore, the Company assessed the clarity and objectivity of the base price of the purchase and decided that the base price should be the market price of the Company's ordinary shares. Furthermore, in order to respect the interests of shareholders who choose not to tender in the Tender Offer and continue to hold the Company's ordinary shares, the Company decided that it would be desirable to make the purchases at a price that is discounted to a certain extent from the market price of the Company's ordinary shares in order to prevent assets from flowing outside the Company to the extent possible.

The Company analyzed 65 tender offer cases for treasury shares which were resolved on or after January 1, 2021 and for which the tender offer period ended before the end of March 2024 in order to enable the Company to grasp the range of the discount rate for a certain number of recent similar projects. Out of the 65 confirmed tender offer cases, 58 cases were conducted using the discount rate (the "Cases"). Among the Cases, the discount rate of approximately 10% (9% to 10%) had the most cases with a total of 41 and the Company decided that even taking into consideration volatility in the share price of the Company's ordinary shares, it would still be appropriate to set the discount rate at 10%. Furthermore, with respect to the price of the Company's ordinary shares which is the basis of the discount, the Company considered that instead of using a certain point in time as the basis, adopting a levelled value of the average share price over a certain period of time would enable the elimination of special factors such as temporary share price fluctuations, and secure objectivity and reasonableness as the basis of calculation. On the other hand, the Company considered that the Company's latest performance would be more fully reflected in the share price if a more recent share price is used. Accordingly, the Company determined on April 18, 2024 that, instead of using the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 3 months and 6 months prior to the business day immediately preceding the date of the board of directors' resolution, it would be more appropriate to use, as the basis for the calculation, a shorter period of time; namely,

the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month prior to the business day immediately preceding the date of the board of directors' resolution.

Subsequently, on April 19, 2024, in light of the trend in the share price of the Company's ordinary shares, the Company proposed to Toyota Motors to set the Tender Offer Price at the price calculated by applying the 10% discount rate to the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding May 10, 2024, the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer. On May 10, 2024, Toyota Motors (as of the date of submission of this notice, holding 253,094,600 shares (holding ratio(Note 8): 12.15%) responded by stating that it would tender 49,800,000 shares (holding ratio: 2.39%) for the Tender Offer (the "Intended Tendering Shares") if the Company conducts the Tender Offer under such terms.

(Note 8) "Holding ratio" refers to the ratio to the number of shares (2,082,254,148 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of March 2024 (220,458,160 shares) (including 1,074,019 shares held by the executive compensation BIP Trust account) from the total number of shares issued by the Company as of the same day (2,302,712,308 shares) described in the "Financial Results for the Fiscal Year Ending March 2024 [IFRS] (Consolidated)" (the "Financial Results for the Fiscal Year Ending March 2024") that the Company submitted on May 10, 2024 (rounded to the second decimal place); hereinafter the same applies to the calculation of the holding ratio.

Considering the above, at the board of directors' meeting held on May 10, 2024, the Company resolved: to repurchase treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act and the Company's articles of incorporation; to conduct the Tender Offer as the specific method thereof; to set the Tender Offer Price at 3,896 yen (rounded to the nearest yen; hereinafter the same applies to the calculation of the Tender Offer Price), which was calculated by applying a 10% discount rate to 4,329 yen (rounded to the nearest yen; hereinafter the same applies to the calculation of the simple average value of the closing price), which is the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer; to set the maximum number of share certificates planned for purchase in the Tender Offer at 54,780,000 shares (holding ratio: 2.63%); and to conduct market purchases on the Tokyo Stock Exchange Prime Market within the total acquisition cost obtained by subtracting the total acquisition cost of the Company's ordinary shares repurchased through the Tender Offer from the total acquisition cost (300 billion yen), during the period from July 3, 2024, the business day following the day of commencement of settlement for the Tender Offer, to October 31, 2024.

Based on the total acquisition cost of 300 billion yen for the share repurchase in the previous fiscal year, the Company has set the upper limit of the total acquisition cost at 300 billion yen, the same amount as the previous fiscal year.

The Company's board of directors is composed of twelve directors. Mr. Keiji Yamamoto, the Company's director, concurrently holds the position of Toyota Motors' Senior Fellow; and in order to eliminate arbitrariness in the Company's decision making processes with respect to deliberating over and making decisions on the Tender Offer, he did not participate in any deliberations or resolutions concerning the Tender Offer proposal during the board of directors' meeting held on May 10, 2024 or in any discussions and negotiations with Toyota Motors in the capacity of the Company.

The Tender Offer Price of 3,896 yen is as follows: (i) 4,283 yen, the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market on May 9, 2024, the business day immediately preceding the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer, minus

9.04% discount (rounded to the second decimal place; hereinafter the same applies to the calculation of the discount); (ii) 4,329 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 1 month before May 9, 2024, minus 10.00% discount; (iii) 4,463 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 3 months before May 9, 2024, minus 12.70% discount; and (iv) 4,568 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 6 months before May 9, 2024, minus 14.71% discount.

In addition, regarding the number of share certificates planned for purchase in the Tender Offer, as a result of deliberations on providing an opportunity for tendering to shareholders other than Toyota Motors, the Company believes that the number of shares calculated by adding around 10% to the number of the Intended Tendering Shares of Toyota Motors is appropriate since in 30 cases, which is the largest number, among the 58 Cases, the number of shares calculated by adding around 10% to the number of shares that a specific shareholder planned to tender was set as the number of shares certificates planned for purchase; therefore, 54,780,000 shares (holding ratio: 2.63%) has been set as the maximum number.

If the total number of share certificates tendered in the Tender Offer exceeds the number of share certificates planned for purchase, the purchase will be made using a pro rata method, and the Company will repurchase part of the Intended Tendering Shares. On May 10, 2024, the Company received an answer from Toyota Motors to the effect that if as a result of the total number of share certificates tendered in the Tender Offer exceeding the number of share certificates planned for purchase, a purchase is made using a pro rata method, and not all 49,800,000 shares (holding ratio: 2.39%) of the Intended Tendering Shares are purchased, it will continue to hold the Company's ordinary shares that the Company was unable to repurchase.

In addition, on May 10, 2024, the Company and Toyota Motors concluded that Toyota Motors will remain as the major shareholder of the Company, and that their amicable business relationship will continue, and the Company received an answer from Toyota Motors to the effect that currently, it will continue to hold 203,294,600 shares (holding ratio after the Tender Offer (Note 9) : 10.00%) of the Company's ordinary shares that Toyota Motors holds other than the Intended Tendering Shares. With regard to the strengthening of the business and capital alliance with Toyota Motors announced in October 2020, both companies are steadily progressing research and development, and are engaged in order to incorporate the results thereof into development of next-generation global communication platform, and the Company and Toyota Motors confirmed to continue to cooperate and promote for the purpose of enhancement of corporate values of both companies, and for further contribution towards the society.

(Note 9) "Holding ratio after the Tender Offer" refers to the holding ratio of the Company's shares after the Tender Offer calculated on the assumption that Toyota Motors tendered all of the Intended Tendering Shares in the Tender Offer and that no shareholder other than Toyota Motors tendered its shares in the Tender Offer. It refers to the ratio to the number of shares (2,032,454,148 shares) obtained by subtracting the number of treasury shares that the Company held as of the end of March 2024 (220,458,160 shares) (including 1,074,019 shares held by the executive compensation BIP Trust account) and the Intended Tendering Shares of Toyota Motors (49,800,000 shares) from the total number of shares issued by the Company as of the same day (2,302,712,308 shares) described in the Financial Results for the Fiscal Year Ending March 2024 that the Company submitted on May 10, 2024 (rounded to the second decimal place); hereinafter the same applies to the calculation of the holding ratio after the Tender Offer.

The plan for the treatment of the treasury shares that will be repurchased through the Tender Offer and market purchases made after the Tender Offer has not been decided at present.

2. Details of the resolution of the board of directors on the acquisition of treasury shares

(1) Details of resolution

Type of share certificates	Total	Total acquisition cost
Ordinary shares	87,000,000 shares (Upper limit)	300,000,000,000 yen (Upper limit)

(Note 1) Total number of shares issued: 2,302,712,308 shares (As of May 10, 2024)

(Note 2) Percentage of the number of share certificates planned for purchase to the total shares issued: 3.78 %
(rounded to the second decimal place)

(Note 3) Acquisition period: From Monday, May 13, 2024 to Thursday, October 31, 2024

(Note 4) Among the total acquisition cost, for portions that were not repurchased through the Tender Offer, the Company decided to conduct a purchase on the Tokyo Stock Exchange Prime Market during the period beginning on Wednesday, July 3, 2024, which is the business day immediately following the date of commencement of the settlement of the Tender Offer, and ending on Thursday, October 31, 2024.

(Note 5) There is a possibility that a portion of the acquisition may not take place due to market conditions and other factors.

(2) Listed share certificates relating to own shares already repurchased based on the resolutions

There are no relevant matters.

3. Tender Offer outline

(1) Schedule, etc.

1) Date of Resolution of Board of Directors	Friday, May 10, 2024
2) Publication date for commencing the Tender Offer	Monday, May 13, 2024 Electronic public notice will be posted, and the posting of the electronic public notice will be published in the Nihon Keizai Shimbun. (Internet address for electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
3) Filing date for the tender offer registration statement	Monday, May 13, 2024
4) Period of the Tender Offer	From Monday, May 13, 2024 to Monday, June 10, 2024 (21 business days)

(2) Tender Offer Price

3,896 yen per share of ordinary shares

(3) Basis for Calculation of Tender Offer Price

1) Basis for Calculation

In deciding the Tender Offer Price, the Company took into consideration the fact that the Company's ordinary shares are listed on financial instruments exchanges and that share repurchases by listed companies are often conducted by market purchases through financial instruments exchanges because listed companies are able to purchase treasury shares in a flexible manner in line with share price levels formed based on market supply and demand. Therefore, the Company assessed the clarity and objectivity of the base price of the purchase and decided that the base price should be the market price of the Company's ordinary shares. Furthermore, in order to respect the interests of shareholders who choose not to tender in the Tender Offer and

continue to hold the Company's ordinary shares, the Company decided that it would be desirable to make the purchases at a price that is discounted to a certain extent from the market price of the Company's ordinary shares in order to prevent assets from flowing outside the Company to the extent possible.

With respect to the discount rate, among the Cases, the discount rate of approximately 10% (9% to 10%) had the most cases with a total of 41. Therefore, the Company decided that even taking into consideration volatility in the share price of the Company's ordinary shares, it would still be appropriate to set the discount rate at 10%. Furthermore, with respect to the price of the Company's ordinary shares which is the basis of the discount, the Company considered that instead of using a certain point in time as the basis, adopting a levelled value of the average share price over a certain period of time would enable the elimination of special factors such as temporary share price fluctuations, and secure objectivity and reasonableness as the basis of calculation. On the other hand, the Company considered that the Company's latest performance would be more fully reflected in the share price if a more recent share price is used. Accordingly, the Company determined on April 18, 2024 that, instead of the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 3 months and 6 months prior to the business day immediately preceding the date of the board of directors' resolution, it would be more appropriate to use, as the basis for the calculation, a shorter period of time; namely, the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month prior to the business day immediately preceding the date of the board of directors' resolution.

Subsequently, on April 19, 2024, in light of the trend in the share price of the Company's ordinary shares, the Company proposed to Toyota Motors to set the Tender Offer Price at the price calculated by applying the 10% discount rate to the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding May 10, 2024, the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer. On May 10, 2024, Toyota Motors responded by stating that it would tender for the Tender Offer if the Company conducts the Tender Offer under such terms.

Considering the above, at the board of directors' meeting held on May 10, 2024, the Company resolved: to repurchase treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act and the Company's articles of incorporation; to conduct the Tender Offer as the specific method thereof; to set the Tender Offer Price at 3,896 yen, which was calculated by applying a 10% discount rate to 4,329 yen, which is the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer; to set the maximum number of share certificates planned for purchase in the Tender Offer at 54,780,000 shares (holding ratio: 2.63%); and to conduct market purchases on the Tokyo Stock Exchange Prime Market within the total acquisition cost obtained by subtracting the total acquisition cost of the Company's ordinary shares repurchased by the Tender Offer from the total acquisition cost (300 billion yen), during the period from July 3, 2024, the business day following the day of commencement of settlement for the Tender Offer, to October 31, 2024.

The Tender Offer Price of 3,896 yen is as follows: (i) 4,283 yen, the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market on May 9, 2024, the business day immediately preceding the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer, minus 9.04% discount; (ii) 4,329 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 1 month before May 9, 2024, minus 10.00% discount; (iii) 4,463 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 3 months before May 9, 2024, minus 12.70% discount; and (iv) 4,568 yen, the simple average value of the closing price of the Company's ordinary shares on the same market for the past 6 months before May 9, 2024, minus 14.71% discount.

2) Calculation Background

In deciding the Tender Offer Price, the Company took into consideration the fact that the Company's ordinary shares are listed on financial instruments exchanges and that share repurchases by listed companies are often conducted by market purchases through financial instruments exchanges because listed companies are able to purchase treasury shares in a flexible manner in line with share price levels formed based on market supply and demand. Therefore, the Company assessed the clarity and objectivity of the base price of the purchase and decided that the base price should be the market price of the Company's ordinary shares. Furthermore, in order to respect the interests of shareholders who choose not to tender in the Tender Offer and continue to hold the Company's ordinary shares, the Company decided that it would be desirable to make the purchases at a price that is discounted to a certain extent from the market price of the Company's ordinary shares in order to prevent assets from flowing outside the Company to the extent possible.

With respect to the discount rate, among the Cases, the discount rate of approximately 10% (9% to 10%) had the most cases with a total of 41. Therefore, the Company decided that even taking into consideration volatility in the share price of the Company's ordinary shares, it would still be appropriate to set the discount rate at 10%. Furthermore, with respect to the price of the Company's ordinary shares which is the basis of the discount, the Company considered that instead of using a certain point in time as the basis, adopting a levelled value of the average share price over a certain period of time would enable the elimination of special factors such as temporary share price fluctuations, and secure objectivity and reasonableness as the basis of calculation. On the other hand, the Company considered that the Company's latest performance would be more fully reflected in the share price if a more recent share price is used. Accordingly, the Company determined on April 18, 2024 that, instead of using the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 3 months and 6 months prior to the business day immediately preceding the date of the board of directors' resolution, it would be more appropriate to use, as the basis for the calculation, a shorter period of time; namely, the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month prior to the business day immediately preceding the date of the board of directors' resolution.

Subsequently, on April 19, 2024, in light of the trend in the share price of the Company's ordinary shares, the Company proposed to Toyota Motors to set the Tender Offer Price at the price calculated by applying the 10% discount rate to the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding May 10, 2024, the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer. On May 10, 2024, Toyota Motors responded by stating that it would tender for the Tender Offer if the Company conducts the Tender Offer under such terms.

Considering the above, at the board of directors' meeting held on May 10, 2024, the Company resolved: to repurchase treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act and the Company's articles of incorporation; to conduct the Tender Offer as the specific method thereof; to set the Tender Offer Price at 3,896 yen, which was calculated by applying a 10% discount rate to 4,329 yen, which is the simple average value of the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for the past 1 month before May 9, 2024, the business day immediately preceding the date of the board of directors' meeting at which a resolution was made to conduct the Tender Offer; and to set the maximum number of share certificates planned for purchase in the Tender Offer at 54,780,000 shares (holding ratio: 2.63%).

(4) Number of Share Certificates Planned for Purchase

Type of share certificates	Number of share certificates planned for purchase	Number of share certificates planned to be in excess	Total
Ordinary shares	54,780,000 shares	- shares	54,780,000 shares

(Note 1) If the total number of share certificates sold, etc. in response to the Tender Offer (the “Tendered Share Certificates”) does not exceed the number of share certificates planned for purchase (54,780,000 shares), the Company will purchase all of the Tendered Share Certificates. If the total number of Tendered Share Certificates exceeds the number of share certificates planned for purchase (54,780,000 shares), the Company will not purchase all or some of the surplus. The Company will conduct delivery related to the purchase of share certificates and other settlements according to the pro rata method provided in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent revisions, the “Act”) that is applied *mutatis mutandis* pursuant to Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers (Ministry of Finance Order No. 95 of 1994, including subsequent revisions).

(Note 2) Even if the shares are less than one unit, such shares are also subject to the Tender Offer. If the shareholders exercise their right to demand purchase of shares less than one unit in accordance with the Companies Act, the Company may purchase its own shares during the period for purchase, etc. in the Tender Offer (the “Tender Offer Period”) in accordance with the procedures under laws and regulations.

(5) Funds Required for Tender Offer

213,454,880,000 yen

(Note) Total of the purchase costs where all of the shares planned for purchase (54,780,000 shares) were purchased, plus the estimated total of purchase handling charges and other expenses (expenses required for the public notice regarding the Tender Offer, and various expenses such as printing expenses for the tender offer statement and other necessary documents).

(6) Settlement Method

1) Name and address of the head office of financial instruments business operator/bank that will conduct settlement of the Tender Offer

(Tender Offer Agent)

Daiwa Securities Co., Ltd., 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

2) Commencement Date of Settlement

Tuesday, July 2, 2024

3) Settlement Method

When the Tender Offer Period ends, a written notice for purchase, etc. will be sent by mail without delay to the address or location of any person who consents to the application for the purchase, etc., or persons who apply for the sale, etc. of share certificates in relation to the Tender Offer (the “Tendering Shareholders”) (standing proxies in the case of shareholders, etc. who are residents of foreign countries (including corporate shareholders, the “Non-Japanese Shareholders.”)).

The purchase will be made in cash. The amount after deducting the applicable withholding tax (Note) from the purchase price will be remitted to the place designated by Tendering Shareholders (standing proxies in the

case of Non-Japanese Shareholders) by the tender offer agent, or paid at the tender offer agent's head office or each branch throughout Japan, where applications to tender for the Tender Offer were accepted, without delay after the commencement date of settlement.

(Note) Regarding tax-related matters on shares purchased through the tender offer

Shareholders should make their own decisions after consulting a certified tax accountant or other professional regarding any specific questions and concerns on tax matters.

(a) In the case of individual shareholders

(i) If the Tendering Shareholders are residents of Japan or non-residents holding permanent establishments in Japan

If the amount of proceeds received through the application for the Tender Offer exceeds the amount corresponding to the attributable shares for the purchase out of the amounts of stated capital, etc. of the Company, the amount of the excess portion shall be treated as dividend income, and taxed.

As a general rule, the amount equivalent to 20.315% will be withheld for the amount deemed as such dividend income. (The tax rate of 20.315% comprising the income tax and the special income tax for reconstruction (pursuant to the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake," (Act No. 117 of 2011, including subsequent revisions) (the "Special Income Tax for Reconstruction")) of 15.315% and the 5% inhabitants tax) (Special collection of 5% inhabitants tax will not be made for non-residents holding permanent establishments in Japan.). Provided, however, that if the individual shareholder corresponds to a large shareholder (the "Large Shareholder") specified in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, including subsequent revisions), the amount equivalent to 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld. In addition, the amount obtained by deduction of the amount deemed to be dividend income out of the amount of money to be delivered by tendering in the Tender Offer shall be the income from the transfer of share certificates. As a general rule, the amount after deducting the acquisition cost of shares from income from the transfer of shares is subject to separate self-assessment taxation.

When applying for the Tender Offer with shares in the tax-free accounts (the "Tax-Free Accounts") provided in Article 37-14 (tax exemptions on income from transfers of small amounts of publicly-traded shares in the Tax-Free Accounts) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions), if the Tax-Free Accounts are accounts opened at Daiwa Securities Co., Ltd., which is a financial instruments business operator, as a general rule, tax will be exempted on income from the transfer of shares in the Tender Offer. In the case where the Tax-Free Accounts are accounts at financial instruments business operators other than Daiwa Securities Co., Ltd., the treatment may differ from the above.

(ii) In the case where the Tendering Shareholders are non-residents not holding permanent establishments in Japan

For the amount deemed as dividend income, the amount of 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld. In the case of applicability as a Large Shareholder, the amount of 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld. Income incurred due to such transfer of shares shall not be taxed, as a general rule.

(b) In the case of corporate shareholders

Regarding taxation for a deemed dividend, for the portion of the Tender Offer Price exceeding the amount of stated capital, etc. per share, as a general rule, the amount equivalent to 15.315% of such difference (income tax and Special Income Tax for Reconstruction only) shall be withheld.

Among the Non-Japanese Shareholders, shareholders wishing to receive a reduction or exemption of income tax and Special Income Tax for Reconstruction on the deemed dividend in accordance with the applicable tax treaty are requested to submit a registration document concerning the tax treaty, etc. to the tender offer agent by June 10, 2024.

(7) Other

- 1) The Tender Offer is not carried out within the United States or aimed at the United States, directly or indirectly, or implemented using United States mail or methods or means of interstate commerce or international commerce (including but not limited to telephone, telex, facsimile, electronic mail, and internet communication) or through securities exchange facilities in the United States. Application to the Tender Offer cannot be conducted by using the aforementioned methods or means or through the aforementioned facilities or from within the United States.

In addition, the tender offer registration statement and related purchase documents will not be sent or distributed by mail or by other methods in, to, or from the United States, and such dispatch or distribution may not be conducted. Applications for the Tender Offer that violate the aforementioned restrictions directly or indirectly cannot be accepted.

Any person applying for the Tender Offer may be requested to represent and warrant the following.

Tendering Shareholders were not located in the United States either at the time of application for the Tender Offer or at the time of sending the tender offer application form. Tendering Shareholders did not receive or send any information or documents (including copies) related to the Tender Offer, directly or indirectly, in, to, or from the United States. Tendering Shareholders did not use United States mail or other methods or means of interstate commerce or international commerce (including but not limited to telephone, telex, facsimile, electronic mail, and internet communication) or securities exchange facilities in the United States, directly or indirectly, for the purchase or signing and delivering of the tender offer application form. Tendering Shareholders are not acting as proxies or entrusted persons/delegates without discretion for any principal in the United States (excluding cases in which the principal provides all of the instructions related to the Tender Offer outside of the United States).

- 2) The Company obtained on May 10, 2024 from Toyota Motors an answer to the effect that Toyota Motors will tender in the Tender Offer, the 49,800,000 Intended Tendering Shares (holding ratio: 2.39%), if the Company resolved to implement the Tender Offer. Also, the Company obtained on May 10, 2024 from Toyota Motors an answer to the effect that if all of the Intended Tendering Shares (49,800,000 shares) (holding ratio: 2.39%) are not purchased, as a result of the total number of share certificates tendered in the Tender Offer exceeding the number of shares planned to be purchased, and the purchase being made using the pro rata method, Toyota Motors will continue to hold the Company's ordinary shares which the Company was unable to repurchase.

In addition, on May 10, 2024, the Company and Toyota Motors concluded that Toyota Motors remains the major shareholder of the Company, and may maintain amicable business relationship in the future, and the Company obtained an answer from Toyota Motors to the effect that regarding the policy for holding the 203,294,600 shares of ordinary shares of the Company that are not the Intended Tendering Shares (holding ratio after the Tender Offer (Note 9) : 10.00%), currently, Toyota Motors will continue to hold the shares. Also, regarding strengthening of the business and capital alliance with Toyota Motors announced in October 2020, both companies are steadily progressing research and development, and are engaged in order to incorporate the results thereof into development of next-generation global communication platform, and

the Company and Toyota Motors confirmed they will continue to cooperate and promote for the purpose of enhancement of corporate values of both companies, and for further contribution towards the society.

- 3) On May 10, 2024, the Company announced: “Financial Results for the Fiscal Year Ending March 2024.” An overview of the Company’s Financial Results based on the relevant announcement is as follows. The details of the announcement have not been subject to an audit by an audit firm in accordance with the provisions of Article 193-2, Paragraph 1 of the Act. See the relevant announcement for details.

(a) Profit and loss (Consolidated)

Accounting period	Fiscal Year Ending March 2024 (from April 1, 2023 to March 31, 2024)
Operating revenue	5,754,047 million yen
Operating income	961,584 million yen
Profit for the period before income tax	992,725 million yen
Profit for the period	656,104 million yen
Profit for the period attributable to owners of the parent	637,874 million yen

(b) Operating results per share (Consolidated)

Accounting period	Fiscal Year Ending March 2024 (from April 1, 2023 to March 31, 2024)
Basic earnings per share for the period	301.26 yen

(Reference) Status of treasury shares holdings as of March 31, 2024

Total number of shares issued (excluding treasury shares): 2,302,712,308 shares

Number of treasury shares: 220,458,160 shares

*Number of treasury shares stated includes 1,074,019 shares of the Company’s shares owned by the executive compensation BIP Trust account.

End