

CSR Report 2009

KDDI CSR Report [Digest Edition]



KDDI CSR Report 2009

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● Editorial Policy

We began publishing the KDDI CSR Report in fiscal 2006, with the goal of communicating KDDI's approach to CSR and CSR initiatives to our many stakeholders, in an honest and open manner. This year, we have worked to communicate our CSR activities even more clearly, documenting our four material issues, as well as challenges for our CSR activities, the status of our CSR initiatives, and challenges for the coming fiscal year. We are committed to continue advancing our CSR efforts, while maintaining communication with all of our stakeholders.

Structure of This Report

This report was written to be as clear and concise as possible, and to include as much feedback from our stakeholders as possible, with a focus on our four material issues.

Scope and Period Covered

This report covers business activities in the 2008 fiscal year (April 1st, 2008 to March 31st, 2009). If an activity falls outside this period, it is stated clearly. Although the scope of this report is the business activities of KDDI on a non-consolidated business, we also describe some of the activities of our group companies.

Publication Dates

Digest Edition: September 2009;
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Referenced Guidelines

Global Reporting Initiative (GRI)*, *Sustainability Reporting Guideline 2006*
Ministry of the Environment, *2007 Environmental Reporting Guideline*

* The Global Reporting Initiative (GRI) is an international organization founded in 1997 with the purpose of proposing and advocating international guidelines on sustainability reporting.

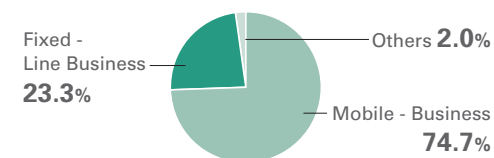
● Corporate Profile

- **Company Name** KDDI CORPORATION
- **Date of Establishment** June 1st, 1984
- **Businesses**
 - **Mobile Communications**
Mobile phone and mobile solutions services
 - **Fixed Telecommunications**
Local, long distance, and international communication services;
Internet services; solution services; data center services
 - **Other Businesses**
Content, research and development of leading-edge technologies;
cable television; etc.
- **Head Office** Garden Air Tower, 3-10-10, Iidabashi,
Chiyoda-ku, Tokyo, Japan
- **Representative Director** .. Tadashi Onodera, President & Chairman
- **Capital** ¥141,851,778,300
- **Total Employees** 16,967 (as of end-March 2009; consolidated basis)

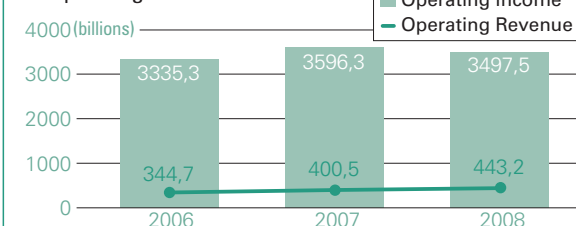
Trends in Major Business Indices

* See our Investor Relations Website for Detailed Business Indices.
<http://www.kddi.com/corporate/ir/index.html>

● Operating Income by Segment (Fiscal 2008)



● Operating Revenue and Income



We will help create a safe, secure, comfortable, prosperous, and creative society through the power of ICT

CSR Activities with Employee Involvement

Since we first created a dedicated division at our company for the promotion of CSR in October 2005, we have worked continuously to incorporate an awareness of CSR into a wide range of business activities. Thanks to these efforts, our employees have become increasingly aware of CSR, and more and more of our activities are being started by them: KDDI employees are volunteering to serve as employee instructors in our Mobile Phone Learning classes; they have proposed a system to collect used mobile-phone manuals and use them internally as recycled paper; and they have created services linked to donations for nature conservation.

I am overjoyed that this link between KDDI's CSR and the involvement of individual employees in CSR has occurred naturally. I also believe that these many activities that exceed the bounds of their day-to-day work are broadening our employees' horizons, and helping them to create new ideas.

At KDDI, we have set four material issues for CSR in order to further vitalize these activities and contribute to the sustainable development of society, and we have clearly documented our progress toward conquering these challenges. I believe that it is vital to vitalize communication through the promotion of CSR, without being caught up in sectionalism, to build links actively, both vertically and horizontally, and to carry out CSR efforts across organizational boundaries.



Message from the President

Four Material Issues

The first material issue is the creation of a safe and secure information and communication society. We are focused on helping to improve information literacy, in order to ensure safe, secure, and ubiquitous access to information and communication services. In particular, we give Mobile Phone Learning classes at elementary, junior high, and high schools across Japan, in order to prevent problems caused by the use of mobile phones by young people. In fiscal 2009, we will further expand the scale and eligibility of this program, expand our products and services (including filtering service and mobile phones for children), and continue to work to create an environment where our customers can use our information and communication services safely and securely.

The second challenge is to expand and enhance our disaster measures and improve the quality of our information and communication network services, in order to offer more reliable information and communication services. We will expand and enhance our hardware, as well as our operations through improved disaster training and the like.

The third challenge is conservation of the global environment. Indeed, this is a challenge that faces all of humanity. In order to combat global warming, we are working to reduce the CO₂ emissions from our business activities, and

have set targets to enhance our recovery and recycling of mobile phones. We are also working to reduce the environmental impact of society as a whole through the use of information and communication technologies (ICT). One example is video conferencing, which reduces environmental impact by making it unnecessary for people to travel. To this end, we conduct joint research with a wide range of corporate partners, and offer a variety of services. We also develop environmentally friendly products, such as mobile phones with built-in solar panels.

Our fourth challenge is to vitalize KDDI as a company by developing a diverse workforce. In order to meet this challenge, we have created a system that enables our employees to plan their own career paths while striking a work-life balance that includes things like childcare and care for elderly parents, and we have created frameworks to support this system as well. I also believe that we must take the time to change the awareness of management, in order to ensure that these systems and frameworks are actually utilized.

Taking on the four material issues above will truly allow us to pursue business activities based upon our long commitment to Total Customer Satisfaction (TCS). I believe that it is KDDI's corporate responsibility to society to overcome these material issues in all of our processes, working from a foundation of TCS dedicated to satisfying all of our stakeholders.

Helping to Achieve a Safe, Secure, and Comfortable Society through ICT

The development of information and communication services is creating an age of ubiquitous computing: an age in which anyone can access the network, any time and from anywhere. Just having obtained information, however, does not guarantee that one can use it effectively to improve one's creativity. What is needed is information literacy: the ability to identify and sort information in accordance with one's needs.

Recently, as people gain more freedom in obtaining and publishing personal information, problems are arising as the Internet and mobile phones are used in inappropriate ways. We at KDDI take this problem very seriously. In addition to responding to such issues consistently and reliably, one of our key roles is to communicate broadly about how people can use ICT wisely while protecting themselves. It does no good to tell people, "This is dangerous; don't use it." The Internet and mobile phones can only function effectively if people learn how to avoid danger.

Ahead in the future, we are getting glimpses of a coming age of "ambient computing," where ICT is a fully integrated and natural part of our lives, built on a ubiquitous network infrastructure. If the network can autonomously determine an individual's situation, and provide that individual with information suited to his or her particular situation, we expect the emergence of a society that is safe, secure, friendly to the environment, and supports people's creative activities. As a leader in ICT, we are contributing to the achievement of the age of ambient computing.

Our Core Principle is Heart to Heart Communication

KDDI offers telephone, Internet, and other information and communication services, but it could be said that information truly has meaning when these services are used for "heart to heart" communication. This is why we are not just an "IT" company; we are also a communication company, which is why we call ourselves an "ITC" company.

I believe that the core principle of communication is listening. Especially when you're busy, it is important to get back to basics and listen to what the other person has to say. You build good relationships by taking the time to telephone or speak face to face when it is needed, rather than just relying on email. Although we have very rich virtual experiences today, from video games to the Internet, the



other side of the coin is that we seem to be losing our ability to communicate. It is precisely at a time like now when we must not forget the basics of warm, person-to-person communication.

The age of ambient computing will enable each person to maximize his or her potential. At KDDI, we are committed to advancing ICT and giving back to society, in order to enable as many people as possible to conduct in safe, secure, heart-to-heart communication.

President and Chairman
KDDI CORPORATION

KDDI's CSR

We believe that our CSR lies in supporting social activities by offering information and communication services.

Manifesto

KDDI was created through the merging of different companies with diverse values and corporate cultures. We are committed to realizing our Manifesto, which defines the vision for KDDI, with a common focus on advancing our businesses by uniting our good corporate cultures.

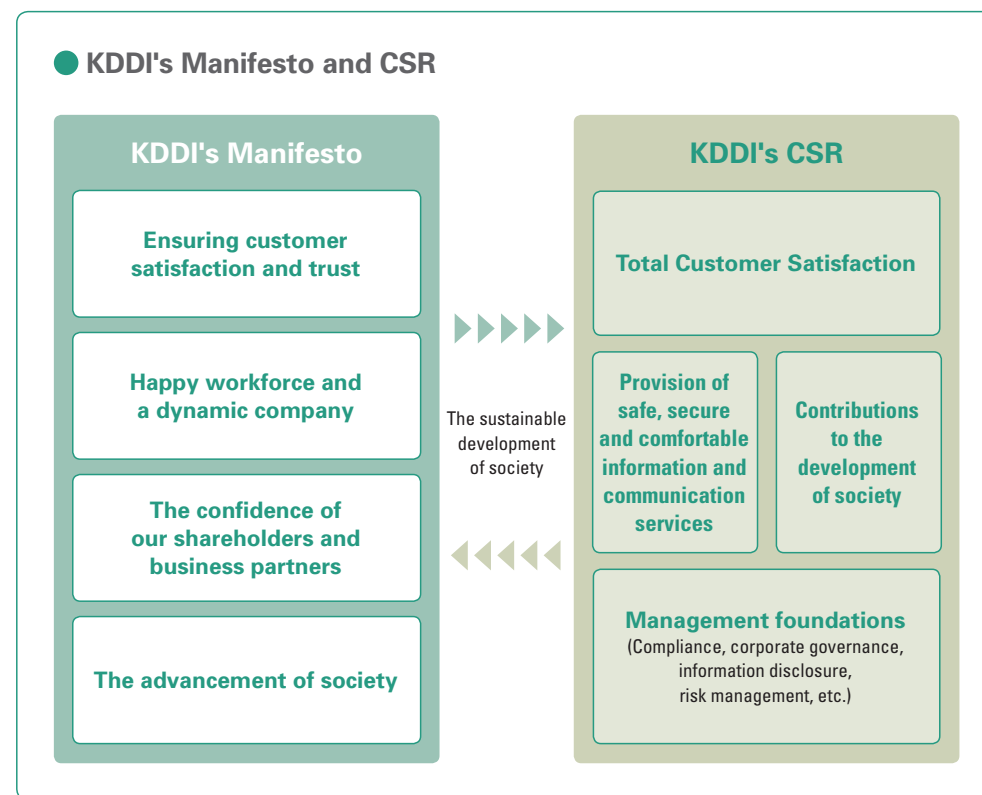
KDDI's Manifesto	<ul style="list-style-type: none"> Customer Satisfaction by providing with our services the value that customers expect; A Happy Workforce by continuing to be the kind of dynamic company that inspires all its employees with a sense of worth and fulfillment; The Confidence of Our Shareholders and Business Partners by justifying the trust placed in us by our shareholders, business associates and all with whom we have dealings; The Advancement of International Community by bringing an ever-broadening array of communications to bear in serving the development of the global community.
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KDDI's approach to CSR

Information and communication are essential elements of social infrastructure for modern society. Meanwhile, however, there are many societal challenges surrounding our businesses, including the public concern over children getting into trouble through mobile phones and the Internet, as well as the global environment and other issues. Moving forward, the development of information and communication services will make their potential impact increasingly large.

At KDDI, we are aware of the great impact that our businesses have on society. As such, we believe that our corporate social responsibility (CSR) lies in supporting

social activities by offering information and communication services. This is the very definition of our corporate activities: our Manifesto that each of our employees puts into practice in his or her day-to-day work, with a strong awareness of the social aspects of the information and communication business.



Total Customer Satisfaction (TCS) is the Foundation of CSR Activities

At KDDI, we consider all our stakeholders to be customers. This includes not only the users of our services, but also our suppliers, employees, shareholders, investors, and government institutions. We have additionally identified Total Customer Satisfaction (TCS) – the commitment to customer satisfaction of everyone from top management down to individual employees – to be the foundation of our business activities, in order to do what is really essential to improve our business for our customers, and create a stable, long-term relationship with our customers based on trust.

We believe that improving the satisfaction of all our stakeholders based on this concept of TCS will enable us to meet the expectations of society and tie into CSR activities that fulfill our social responsibility.

The basic concept of TCS

To maximize customer satisfaction, every operation is considered to be connected to the products and services, and every process is reviewed from the customer's viewpoint.

Targeting all stakeholders, from the top managers to the employees, each person makes it his or her own task to realize customer satisfaction on a company-wide basis.

This is the mission undertaken by all persons of the KDDI Group, and the basic conditions required of all.

The TCS framework

In 2003, we created the KDDI CS Policy as a basic policy for promoting TCS and corporate growth with a true customer focus. This policy documents missions and roles for improving customer satisfaction, and provides a decision-making and action guideline that applies to all officers and employees of the company.

We are also committed to improving customer satisfaction based on the plan-do-check-action management cycle. We have created a TCS Committee, headed by the company president. The TCS Committee is a cross-functional organization that discusses and makes decisions on issues based on customer feedback.

KDDI's Stakeholders



CSR Initiatives

In October 2005, we created a CSR Management Department (currently the CSR & Environment Management Department) in our General Administration Department. In addition to promoting CSR activities, this department works actively to raise our employees' awareness of CSR through such initiatives as in-house training, open seminars, providing information through our company newsletter and intranet, and e-learning.

In fiscal 2008, we changed the KDDI Environment Committee to the KDDI CSR & Environment Committee, creating an integrated system to study and promote the environmental-conservation efforts of KDDI and our group companies and affiliates, as well as their policies and planning relating to CSR activities.



Participants in open seminar learn about trouble that children can get into with mobile phones

Material Issues for KDDI's CSR

We identified four material issues for KDDI, in order to contribute to the sustainable development of society.

KDDI and Societal Challenges

The development of information and communication services is creating an age of ubiquitous network access: an age in which information is available to everyone, regardless of time and place. Telecommunications are making a contribution to the sustainable development of society. Information and communications have become the foundation for our social and economic activities. The mobile phone has become an essential personal tool for daily life, with the functionality of a media player, including music playback, television, and radio, as well as electronic money and GPS functionality. And advances in ICT are helping to create a low-carbon society by reducing the movement of people and goods.

Meanwhile, however, information and communications are raising challenges for society. For example, mobile phones and the Internet are getting children into trouble because they have not yet developed such skills as the ability to discriminate information. We believe that it is our social responsibility to identify the positive and negative aspects of information and communication, respond sincerely to societal issues, and work to create a society in which everyone has safe and secure access to information and communication.

Material Issues for KDDI's CSR

We closely examine our operations and business activities from the perspective of CSR. We also asked our stakeholders and experts about the societal challenges involving KDDI. In fiscal 2008, we identified four material issues on which to focus our efforts. We reported on our efforts at the meeting of the KDDI CSR & Environment Committee held in March 2009, confirming that CSR continues to be promoted at an even greater level throughout the company.

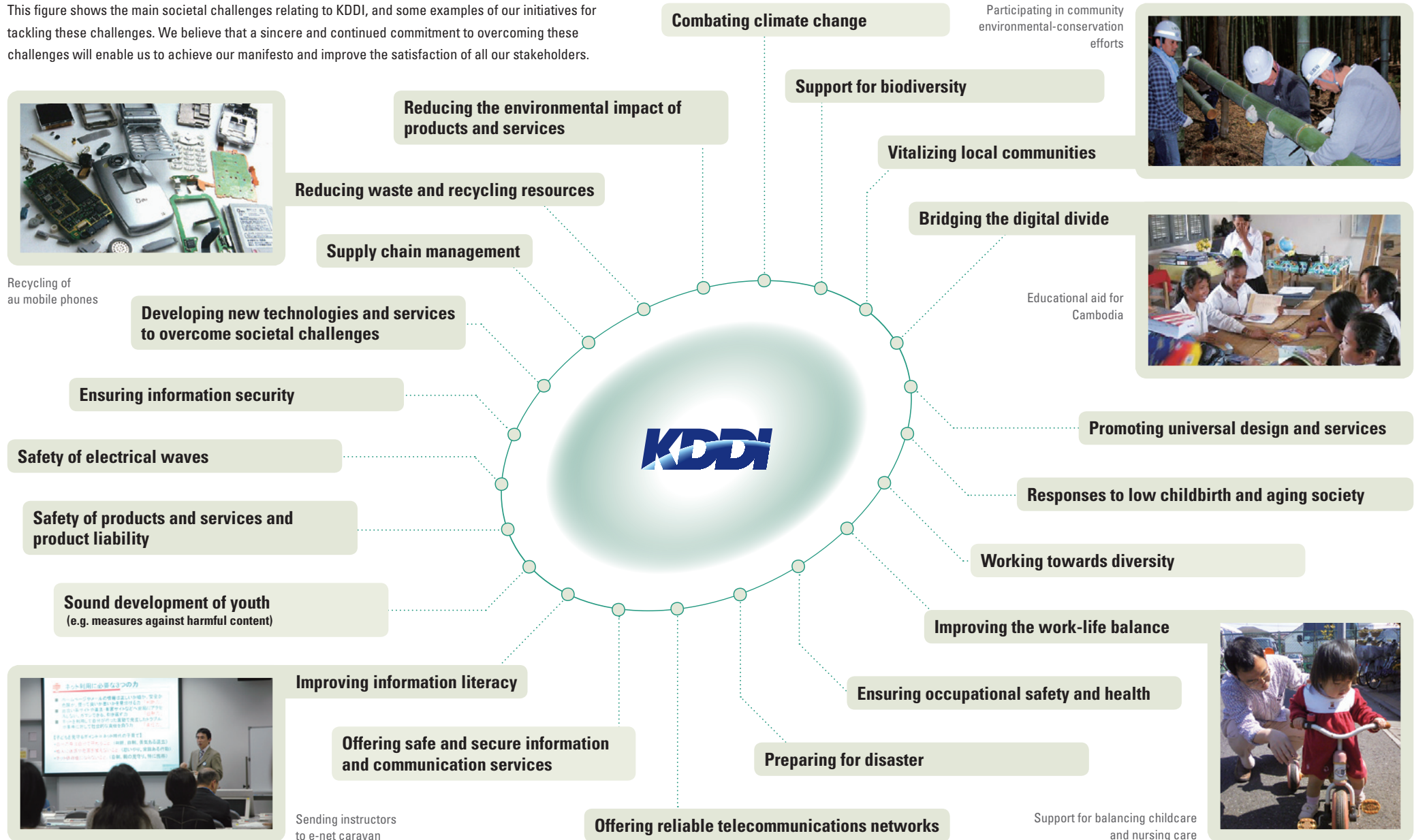
Material Issue 1	Creating a Safe and Secure Information and Communication Society	Material Issue 2	Offering Reliable Information and Communications Services
<p>According to a survey by the Tokyo Metropolitan government*¹, one in ten elementary-school students, and one in four junior high-school students has experienced trouble with mobile Internet.</p> <p>At KDDI, we are working to achieve a society in which everyone has safe and secure access to information and communication services. We help to education children about the ethical use of information actively providing Mobile Phone Learning classes. We also offer safe services that keep kids out of Net trouble, such as our filtering service.</p>		<p>Information and communication services are an essential lifeline for society. As a comprehensive telecommunications carrier offering a wide range of information and communication services, from fixed to mobile communications, we recognized that our greatest duty through our businesses is to offer our customers reliable information and communication services.</p> <p>We are therefore committed to avoiding network outages due to natural disasters and equipment failures to the greatest extent possible, and maintaining our ability to always offer high-quality information and communication services.</p>	
Material Issue 3	Initiatives to Conserve the Global Environment	Material Issue 4	Vitalizing the Company by Developing a Diverse Workforce
<p>We recognize that our corporate responsibility requires an active commitment to tackling the problem of global warming, a societal challenge shared by all of humanity. As society's use of information and communication increases, however, we expect the level of energy consumption by the information and communication field in Japan to increase. At KDDI, we are committed to reducing our energy usage by making our telecommunications equipment more energy efficient. We have also begun to investigate new initiatives, based on the results of research showing that the information and communication services we offer help to reduce the CO₂ emissions of society*².</p>		<p>Japanese society faces the double problem of low childbirth and an aging population. Amidst these issues, we see the promotion of diversity as one of our management strategies for continued corporate growth. Rather than forcing different people to fit into the same box, we are working to create an organization and environment that harnesses our employees' capabilities by leveraging external differences, internal differences, and differences in corporate organizations. Promotion of diversity can be traced back to one of our manifesto: remaining a vital company in which all employees can find fulfillment in their work.</p>	

*1 Education Bureau of the Tokyo Metropolitan Government, *Report on Fact-finding Survey of Internet and Mobile Phone Usage by Children (October 2008)*

*2 Ministry of Internal Affairs and Communications, *Report from Study Group on ICT Policy for Addressing Global Warming (April 2008)*

● KDDI's Business Domains and Societal Challenges

This figure shows the main societal challenges relating to KDDI, and some examples of our initiatives for tackling these challenges. We believe that a sincere and continued commitment to overcoming these challenges will enable us to achieve our manifesto and improve the satisfaction of all our stakeholders.



CSR Challenges and Results

Here, we report on the results of our CSR initiatives in fiscal 2008, and our CSR challenges for fiscal 2009.

A : Achieved; G : Generally achieved

Major CSR Challenge	Main Stakeholders	Fiscal 2008 Initiative	Fiscal 2008 Results	Score	Challenges for Fiscal 2009
Material Issue 1 Creating a Safe and Secure Information and Communication Society	Customers Society	Support improvement of information literacy	Gave 714 Mobile Phone Learning classes nationwide (KDDI group)	A	<ul style="list-style-type: none"> ● Enhance support of improvement of information literacy in society ● Develop products and services, and create a usage environment, that enable young people to use mobile phones and the Internet safely and securely
			Sent instructors to 114 e-net caravans	A	
		Provide an environment for safe and secure mobile-phone and Internet usage that takes young people into account	Launched sales of Security Junior Phone (K001) mobile phone for children	A	
			JUNIOR net educational site on information ethics for children	A	
			Expanded filtering service and promoted awareness of it	A	
			Joined Safer Internet of Japan, created through a partnership between industry and education	A	
			Offer reliable information and communications services in times of disaster	A	
Material Issue 2 Offering Reliable Information and Communications Services	Customers Society	Offer reliable information and communications services in times of disaster	Carried out disaster training	A	
			Created disaster control system in order to provide information and communication services in times of disaster	A	
		Offer high-quality, reliable information and communications services	Built a project structure to quickly improve information and communication networks based on customer feedback	A	
			Operated and managed quality of information and communication network	A	

Major CSR Challenge	Main Stakeholders	Fiscal 2008 Initiative	Fiscal 2008 Results	Score	Challenges for Fiscal 2009
Material Issue 3 Initiatives to Conserve the Global Environment	Society	Reduce greenhouse gas emissions	Carried out energy-conservation measures in order to meet our fiscal 2008 trend targets, based on our second Medium Term Environmental Conservation Plan	A	<ul style="list-style-type: none"> ● Combat global warming ● Reduce waste and recycle ● Improve the quality of environmental management ● Commitment to biodiversity
		Reduce waste and recycle	Promoted material recycling in order to meet our fiscal 2008 trend targets, based on our second Medium Term Environmental Conservation Plan	G	
			Surveyed operating facilities for reduction of office waste and improvement of resource recycling efficiency	G	
			Enhanced recycling of mobile-phone user's manuals	A	
		Improve the quality of environmental management	Enhanced internal-audit operations divisions	A	
		Support biodiversity	Enhanced internal environmental education and awareness-raising activities	A	
			Carried out forest conservation activities (forestation at Mt. Fuji, promoted forest conservation at Mt. Tennozan, etc.)	A	
Material Issue 4 Vitalizing the Company by Developing a Diverse Workforce	Employees	Promote diversity	Promoted advancement of female employees	A	<ul style="list-style-type: none"> ● Further promote diversity ● Develop rich human resources ● Create employee-friendly workplace ● Promote physical and mental health of employees
			Initiatives to hire senior employees	A	
			Established special subsidiary in order to increase hiring of persons with disabilities	A	
			Promoted work-life balance	A	
		Develop rich human resources	Created new Self Career Production System, enabling employees to apply for their desired divisions, and transfer there after undergoing a prescribed review process	A	
		Vitalize communication between employees	Held company-wide recreation events	A	
		Enhance measures to promote employees' physical and mental health	Instituted designated health exams and scheduled health guidance	A	
Revised return-to-work support to smooth process of return and settling in after personal or administrative leave, and prevent recurrence	A				

Major CSR Challenge	Main Stakeholders	Fiscal 2008 Initiative	Fiscal 2008 Results	Score	Challenges for Fiscal 2009
Enhance Foundations of CSR	Society	Promote risk management to improve corporate quality	Strengthened risk-management PDCA and reporting to management	A	● Enhance risk management of KDDI group
		Strengthen information security	Promoted ISMS certification at all company facilities	A	● Strengthen information security of KDDI group
		Create internal control system	Created internal control system compliant with Financial Instruments and Exchange Law that went into effect in fiscal 2008	A	● Establish and develop internal-control system
		Build high-quality corporate culture and establish more solid compliance regime	Implemented measures to prevent compliance violations (designated Compliance Month and expanded training regime)	A	● Ensure broader employee awareness of compliance and establish solid compliance regime
Improve Customer (Stakeholder) Satisfaction	Customers	Enhance regime to disseminate customer feedback in the company	Developed system enabling analysis of trends in customer feedback	A	● Put out best effort in order to satisfy customers
		Put out best effort in order to satisfy customers	TCS Committee found hidden issues and considered improvement measures based on customer feedback	A	
			Held Customer Satisfaction Gran Prix2008, an award system to improve customer satisfaction and support quality	A	
			Launched Let's build au-area together on website in order to allow users to give comments and make requests relating to au mobile phone service areas	A	
			Launched Naruhodo! au online community Q&A site linking a wide range of questions with quick resolutions, through exchanges of questions and answers between customers	A	

Major CSR Challenge	Main Stakeholders	Fiscal 2008 Initiative	Fiscal 2008 Results	Score	Challenges for Fiscal 2009
Improve Customer (Stakeholder) Satisfaction	Trading partners	Support au shops	Supported improvement of customer-support skills by introducing new certification system	A	● Improve business satisfaction of trading partners
		Implement partner surveys	Improved operations through satisfaction survey of enterprise partners	A	
	Shareholders and Investors	Enhance communication with investors	<ul style="list-style-type: none"> ● Hold conference calls every quarter ● Hold individual and small meetings ● Participate in conferences and seminars for individual investors 	A	● Improve the satisfaction of shareholders and investors through active disclosure
		Enhance investor relation tools	<ul style="list-style-type: none"> ● Improve and expand annual reports ● Publish more information on corporate website, including video of conference calls 	A	
	Society NPOs and NGOs Employees	Continue to raise awareness of CSR internally	Hold CSR seminars, continually publish in company newsletter and on company intranet, and conduct e-learning	A	<ul style="list-style-type: none"> ● Raise employee awareness of CSR ● Expand and enhance CSR activities with employee involvement ● Enhance social contribution activities in Japan and internationally
		Promote CSR activities with employee involvement	Rolled out "Plus Alpha Project" employee-participation program, sent instructors to Mobile Phone Learning classes and e-net caravans, and promoted activities to contribute to local communities	A	
		Expand and enhance social contribution activities	Carried out efforts to contribute to society through business activities	A	
			Partnered with NPOs and NGOs, and supported charitable organizations	A	
	International social contribution activities	Provided support to disaster-stricken areas	A		
		Historic international cooperation activities, including elimination of the digital divide in developing countries	A		
Social contribute activities at international operating facilities	A				

Working to Provide Mobile Phone Learning that Resonates with Children

We provide KDDI Mobile Phone Learning classes* to elementary, junior high, and high schools throughout Japan, with the goal of creating a society where everyone has safe and secure access to mobile phones. Mobile Phone Learning administrator Teruo Okubo and past class instructor Naomi Kasai spoke with classroom teachers, as we work to expand our initiative moving forward.

* We began teaching this class at elementary schools in June 2006, and have since gradually expanded the program to include junior high schools, parents, and teachers. As of April 2009, a cumulative total of 1,000 classes have been taught.



Mobile Phone Learning Classes using Familiar, Real-world Examples

Okubo: The other day, we held a Mobile Phone Learning class at First Inagi Elementary School and Third Inagi Junior High School. What were the children's reactions?

Murata: Seeing how intently the children were

listening in the class gave me the sense that elementary-school children also have high interest in mobile phones. In particular, many sixth graders get mobile phones when they graduate to junior high school (which starts in 7th grade), and I was impressed at how seriously they listened to familiar issues like profile pages*.

Ishimura: In the case of junior high school,

mobile phone ownership is very high. The children listened very intently, because some of them have actually received phony demands for money and spam. Junior high-school students tend to be interested in things that affect them directly, so I think that their understanding is enhanced by including lots of examples of familiar, real-world incidents, as well as creating a framework that allows them to learn

* Profile sites are pages where people can publish pages with their personal profiles on the Internet.



Shigeki Ishimura
Home Economics Teacher
Third Inagi Junior High School
Third-grade teacher in 2008 school year

while actually operating a mobile phone.
Kasai: I certainly agree. Mobile Phone Learning classes tend to turn into lectures, because there is so much information to communicate. Moving forward, it is important to develop the classes to be more participatory, enabling the students to experience convenient uses and risks.
Murata: And since the children are growing, the educational effect can be made greater by changing the content for each grade.

Partnering with Parents before Children Get Mobile Phones

Okubo: Although this may be due to lack of PR with children, mobile phones are starting to get an image of being dangerous, and this is unfortunate. While it's certainly true that using mobile phones incorrectly can be dangerous, when used correctly it is a convenient tool that can help keep children safe.

Murata: Schools certainly do get a lot of information about incidents and problems involving children, which inevitably leads to the perception of mobile phones being dangerous. We would also like to teach our students thoroughly about both the convenience and dangers of mobile phones, but we are not highly knowledgeable about mobile phones. This is why we have great expectations for the Mobile Phone Learning instructors.

Ishimura: At the city home-economics instructors' conference as well, people are saying that we should teach children both the convenience and dangers of mobile phones. It's important to communicate this information thoroughly, including to parents, before children get mobile phones. For example, the flat-rate

packet program* has the advantage that users don't need to worry about charges, but on the other hand, it has the adverse effect of making it hard to tell if children are using their mobile phones too much.

Okubo: While some parents teach their children about safety and security before giving them mobile phones, among children there is a strong image of mobile phones as fun tools. We started including Mobile Phone Learning classes for parents this fiscal year in order to fill this gap in awareness between parents and children.

Kasai: I hope that you can help give parents correct knowledge, and help them create household rules.

Improving Information Literacy for Safe and Secure Mobile Phone Usage

Ishimura: In the past on school trips, we have given each group a mobile phone with GPS positioning, and let them move about freely. One time, this enabled us to quickly discover that one of the groups at gotten on the train in the wrong direction, and helped us avoid a major incident.

Murata: In some families where both parents work, giving their children mobile phones with GPS tracking and alarm bells allows them to work with peace of mind.

Okubo: Mobile phones keep getting new and better features, including these types of safety and security aspects. It is more important than ever to teach children computer literacy, in order to enable them to use these many features correctly.

Ishimura: Mobile phones also play an important

role in communication. Recently, I've seen another good side to mobile phones: it appears that children who cannot speak their minds when speaking directly can say "thank you" and "I'm sorry" when using email.

Murata: On the other hand, written emails can cause misunderstandings and problems, because although the reading and writing abilities of upper elementary students are not well developed, they are starting to enter puberty, and get their feelings hurt easily.

Kasai: This dialog with teachers working in the classrooms, including this information about dangers, is very informative for me. It always energizes me to teach these Mobile Phone Learning classes, because the children look me right in the eyes and listen. I will work hard to improve this class, so that we can better benefit children by teaching them how to use mobile phones.

Okubo: We will use the valuable comments and guidance you have given us today to further improve the content of our class.



KDDI provides three versions of its class textbook: one for elementary school students, one for junior and senior high-school students, and one for parents and teachers.

We publish both a personal computer version and a mobile version of Junior Net, a site where kids can have fun learning about mobile phones.




Teruo Okubo
Secretariat of Mobile Phone Learning Class
CSR & Environment Management Department
General Affairs, General Administration & Human Resources Division



Naomi Kasai
Solutions Sales Division1
Solutions Sales Department 3
Past Instructor
Mobile Phone Learning

* Flat-rate fee structure for communication (packet) charges.

Working to Provide Communication that Gives Peace of Mind in Times of Disaster

At KDDI, we continually offer a wide range of reliable information and communication services. We are also advancing initiatives to ensure that these services are available in times of disaster through swift and accurate response.

Enhancing Disaster Preparedness

Information and communication services are a vital lifeline that must be available in times of disaster, in order to confirm people's safety and conduct rescue and relief activities. At KDDI, we have enhanced our disaster measures in order to provide stable and reliable information and communication services in times of disaster. These improvements include earthquake-proof designs for our communications equipment, as well as the installation of power generators at our base stations.

In addition to measures to improve our

equipment, we have created a disaster-prevention manual, and conducted general disaster training two times a year in order to enable our employees to make accurate decisions and respond quickly to issues, even in the event of unexpected communication difficulties in times of disaster.

Practical Training to Prepare for Large Scale Disaster

In January 2009, we conducted training to prepare for a large-scale earthquake in the Kyushu region. We set up the Disaster Countermeasure Headquarters at our Tokyo

home office, and about 50 people participated in the training, including the company president, who served as the General Manager of the disaster-control headquarters. The local countermeasure office at the disaster-affected area (Fukuoka City in Fukuoka Prefecture), the operational countermeasure office (Shinjuku, Tokyo), and the information systems countermeasure office (Chiyoda, Tokyo) were linked via a videoconferencing system and a teleconferencing system. Using these systems, they checked the status of the disaster, conducted operations to ensure communications, and the like, with about 300 people total participating in the training.



Headquarters for disaster control during the January 2009 disaster training exercise.



Kazunori Tanaka
General Affairs Division
General Administration
& Human Resources
Division

"When we conduct disaster training, we always start by considering what damage there will be. For example, a large-scale earthquake in the Tokyo metropolitan area would not only affect information and communication services, but we expect that it would also strand large numbers of people with no way to get home. We thus conduct our disaster training envisioning many different situations, including how to get our employees home safely. During this disaster training exercise, we include role-playing techniques to teach people to take action while making practical decisions on their own.

The operations sector is tasked with operating, managing, and monitoring our communications network. Trainees from this sector underwent realistic training, with one problem occurring after another, rather than handing them training scenarios. In the future, I think we should improve employees' ability to take accurate responses, even in a real disaster where a series of unexpected occurs one after the other, by conducting more realistic training that does not give the participants preset disaster scenarios."

Kazunori Tanaka (Secretariat for disaster prevention drill)

Building Emergency Response Reflexes through Repeated Operations Training

Our Mobile Operations Center (MOC) monitors our au mobile-phone services 24 hours a day, 365 days a year. The center must respond swiftly and accurately to provide stable information and communication services, even in the face of the typhoons, blizzards, and torrential rains that strike Japan each year. In

addition, when we expect a temporary surge in communications traffic, such as during fireworks displays and concerts, the center works to resolve issues swiftly through remote control, and in collaboration with local technical centers.

"Our role in supporting communications infrastructure gives us a great responsibility. For example, if communications are cut off in a disaster, then people might not be able to make sure that their loved ones or colleagues are safe. It also might not be possible to communicate information about the status of the disaster. Even when there is no disaster, where there are unexpected communication issues, the key is to remain calm, ascertain the situation, and swiftly take recovery measures. At the MOC, we conduct monthly operations training to prepare for earthquakes, in addition to the major disaster training exercises conducted company-wide twice per year. When there is a disaster, all the alarms are displayed at once. We get power outages and equipment failures, and mobile-phone lines become congested due to a huge surge in traffic as people try to make sure their loved ones and colleagues are safe.

Repeated training that recreates actual disaster situations enable us to make decisions calmly, respond swiftly, and communicate information accurately, even when an actual large-scale disaster occurs. When we spot a new issue through our training, we always implement improvements. This helps us to ensure that we can offer our customers reliable information and communication services and peace of mind, even in the event of a disaster."

Mitsuru Wakasugi (Monitor, MOC)

Support for Disaster Stricken Areas

KDDI created the company-wide Study Group for support and measures in order to quickly provide the right support to areas stricken by major earthquakes or other large-scale natural disasters. This study group has devised several new measures. Immediately after a major earthquake, we quickly set up a Disaster Message Board*1, providing our customers with the means to confirm the safety of their loved ones and colleagues. In order to ensure communications infrastructure of disaster-stricken areas, we additionally send out mobile power trucks and vehicle-mounted satellite base stations*2 as necessary, and we lend out au mobile phones, battery chargers, and the like. When an inland earthquake struck in Miyagi, Iwate in June 2008, we assisted actively in the local relief efforts, including loaning au mobile phones and iridium satellite phones*3 to the Land Self-Defense Forces involved in rescue and relief efforts.

*1 This service makes it possible for au mobile phone users nationwide to confirm the safety of their loved ones and colleagues in the event of a large-scale disaster, via EZweb and the Internet.



*2 Equipped with satellite communication capabilities, vehicle-mounted wireless base stations are a powerful tool for keeping the communications network up in times of disaster or other emergencies (left photo).



*3 These satellite mobile phone enable communication anywhere in Japan or internationally via iridium satellites (right photo).



Mitsuru Wakasugi
FMBC Operations
Center Mobile
Operations Center
Network Operations
Division
Operations Sector

Helping in the Fight against Global Warming with ICT

While the growing use of ICT increases CO₂ emissions, its use can also reduce the CO₂ emissions in society as a whole.

Tokyo University of Science professor Shunsuke Mori and

KDDI General Manager of Technology Sector Yutaka Yasuda spoke about ICT's contribution to combat global warming.

Initiatives to Counter Increasing CO₂ through the Development of ICT

Yasuda: At KDDI, we consume a great deal of energy by operating our communications equipment 24 hours a day, in order to provide reliable information and communication services. In particular, mobile-phone base stations account for about 60% of our power consumption. We are thus focusing our efforts on making our base stations more energy

efficient. Specifically, we are working to develop and quickly introduce base stations that do not require air conditioning. We are also making base stations that can be powered by solar power alone, in areas where electricity from power companies cannot reach.

Mori: When dealing with communications, the amount of power that each piece of equipment consumes may not be very large, but given their dense nationwide coverage, those kinds of efforts must have a huge effect.

Yasuda: We are studying and developing other

technical solutions as well. For example, we are reducing our overall CO₂ emissions by reducing our daytime power usage; we do this by replacing our base station batteries with lighter, more efficient versions, or through smart combinations of nighttime power and solar energy.

Mori: Communications infrastructure must be costly, because it relies completely on electricity. These kinds of efforts in line with your needs for electrical power saving are extremely vital.

Yutaka Yasuda (Dr., Eng.)
Vice President
General Manager,
Technology Sector KDDI

Yutaka Yasuda's work has included the research and development of digital satellite communication technologies at our R&D laboratories. He went on to develop PHS and IMT2000 systems, manage the ITS department, and manage the au engineering division, before taking his current position. He is currently developing IP-based learner network models in order to enhance KDDI's FMBC services.



Shunsuke Mori
Professor, Department of
Industrial Administration,
Faculty of Science and
Technology, Tokyo
University of Science

Professor Mori participates in a large number of governmental research groups, including the Ministry of Internal Affairs and Communications' "Study Group on ICT System and Network for Reducing Environmental Impacts" and "Study Group on ICT Policy for Addressing Global Warming".



It is a natural progression for information and communication services to increase, and the world to become more convenient. As this progression advances, it is vital to minimize CO₂.



Making it fun and cool to save energy makes society as a whole more motivated to conserve energy, while actively using mobile phones and other technologies.

Reductions of CO₂ in Society through Use of ICT

Mori: The advancements in mobile phones have been amazing. In addition to voice and text communication, it is now possible to use video, while the phones have become thinner and the batteries longer lasting. But even though users have a sense that the mobile phones have become more convenient, there probably is not much awareness that they have also grown more efficient.

Yasuda: Flat rate pricing could make it difficult for people to see how much information they are sending and receiving.

Mori: Apparently, installing a home's electric meter inside the house rather than outside conserves energy, because it makes it possible to see the electricity charges at a glance. Making many things visible on a mobile phone could also change people's awareness in many ways.

Yasuda: Using a mobile phone to visualize the reductions in CO₂ emissions in the home is an interesting idea. Being able to check your CO₂

emissions on your mobile phone should motivate people to conserve energy.

Mori: Information and communications services certainly make the world more convenient. The latest research reports that growing information and communication services increase energy consumption, but it can reduce the consumption in society as a whole (see graph). To give one example, using ICT to share digital medical charts uses electric power, but also reduces the movement of people between hospitals, thus reducing total CO₂ emissions.

Yasuda: KDDI is also researching and developing remote medical care using video. If home medical treatment can be performed remotely, it will significantly reduce hospital trips and ambulance usage.

Mori: The same results were seen in a case where agricultural cooperatives used satellite photos to manage harvests and farmland. Although the use of ICT increases power usage, it reduces waste in society as a whole, thus having a great energy-conservation effect. This is a key point.

Yasuda: Moving forward, greater intelligence will become even more important, won't it?

Pursuing the Potential of ICT for a Brighter Future

Mori: In regions with aging populations, I believe that demand will grow for on-demand transportation services using ICT. People will want to have transportation which can be utilized whenever they go out, rather than a regularly-operated bus service. One of the keys of an ideal society is ensuring that people in vulnerable positions can receive services. ICT

can help to provide services where they are needed without waste, and reduce CO₂ emissions in the bargain.

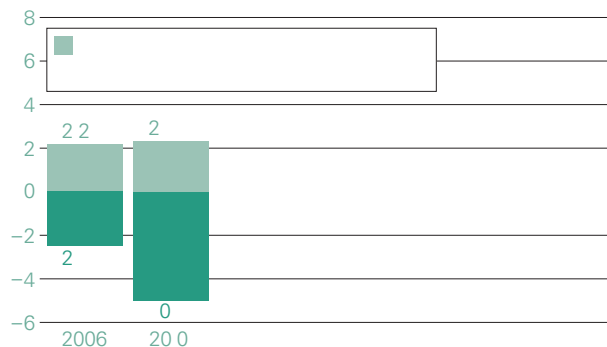
Yasuda: I now want to make mobile phones themselves function as sensors. I think it would be great if a room could detect when a person with a mobile phone enters and leaves, and turn the lights on and off automatically. This would conserve energy.

Mori: It would be extremely efficient if elevators and electrical devices could be controlled using mobile phones. This would be especially effective for building power consumption. Although the designs of buildings themselves are growing more energy efficient, linking this with ICT could allow fine-grained energy conservation.

Yasuda: I want the use of ICT to conserve energy, but also to help change lifestyles in society as a whole. It is important for conserving energy to be fun, rather than a burden. Our "au Smart Sports Run & Walk" service donates one yen for every kilometer that a user walks or runs. The donations are used for two campaigns: environmental conservation on Yakushima Island, and distribution of plant seeds. Both of these campaigns have earned acclaim.

Mori: ICT is truly creating new types of cross-disciplinary communication. I am confident that of the new types of community that mobile phones create, those that are friendly to people and the global environment will develop into new value.

● CO₂ emissions from ICT and effective reduction of CO₂ by ICT



Source: Ministry of Internal Affairs and Communications, *Report from Study Group on ICT Policy for Addressing Global Warming*



(Top) A poster calls for cooperation in environmental conservation on Yakushima Island.

(Bottom) Keio University's "Creating a Co-mobility Society" project tests healthcare consultations using remote medicine in Okutama (at Kurihara Clinic).

Why Are We Focused on Diversity Now?

Creating KDDI's Future: Diversity and Management Strategy

Why must companies promote diversity now? What is needed in order to achieve it? We invited Professor Yoshio Higuchi from Keio University to speak with Hirofumi Morozumi, Senior Vice President (in charge of general administration and human resources), and Mami Aonuma, General Manager of the Diversity & Inclusion Department.

Diversity as a Management Strategy

Higuchi: The financial crisis has created a severe business climate, and there are concerns that the promotion of diversity and work-life balance will be put off for later, but I believe that we must include diversity as part of our management strategy in order to become more competitive and sustainable.

Morozumi: Certainly, society is aging and

childbirth is falling at a rapid pace. The working population is declining, and the crisis of the social insurance system has become an issue facing society. In this situation, the promotion of diversity has become a key management challenge for the enterprise. We created a Diversity & Inclusion Department in April of 2008 in order to promote diversity at our company. We believe that it is necessary to create an environment where we can leverage the knowledge and experience of all employees,

especially women, foreigners, senior employees and those with disabilities. I believe that this will make us more competitive by enabling us to develop wider variety of products and services.

Higuchi: It is extremely vital to maximize diverse human resources. For example, if the current male-centric labor market continues, the workforce is estimated to fall by more than 10 million people by 2030. In the sense of securing labor as well, we need to create an environment in which diverse people can work according to



their ambitions and abilities, regardless of age, gender, or disability.

Morozumi: I want to create a workplace that optimize diversity and make all employees aware that the value added when we take maximum advantage of the unique qualities and abilities of each employee creates value for KDDI.

Change of Awareness and Mutual Understanding are Two Pillars for Promoting Diversity

Higuchi: Until now, the standard of our hiring system has been young, energetic men who could endure overtime and transfers. Long working hours, however, have caused serious problems: death due to overwork and mental-health issues. We urgently need to revise our approach to achieving goals through long working hours, and change to a sustainable working style that empowers everyone to harness their ambition and skills.

Aonuma: That's right. I feel that one of the missions of my office is to increase people's understanding, albeit gradually. Many employees still mistakenly believe diversity starts and ends with people who need to care for children or elderly family. It is important to drive in the awareness of diversity in the broad sense.

Higuchi: One way for this awareness to gain penetration would be for more mid-level managers to think that just working long hours at the office does not contribute to the company, and for these individuals to study and develop skills outside the company, and live fuller private lives at each life stage. I once spoke with the

employee of an IT company in Silicon Valley. This person taught computers at an elementary school, and had an impression when he told me that this gave him ideas for product development. Not just office work, but experiences at home and in one's life in society can also lead to results at work.

Morozumi: We have also created a number of programs to support work-life balance, but they have no meaning if they are not used. I think what is important is to create an environment that facilitates the use of these programs. Some people will use the programs, and some will not, but I think it is essential to enhance communication in the workplace.

Aonuma: It's very important to communicate with bosses and colleagues about the benefits of using these programs in accordance with one's life stage, and deepening mutual understanding.

A Corporate Culture of Taking on Challenges and Communication are What Power a Company

Morozumi: KDDI was established in October 2000, as a merger among three companies: DDI, KDD, and IDO. Considering that we merged three companies with different cultures, and later merged with more than 10 other companies, our very existence could be called diversity. Nevertheless, I feel that recently we have less of a culture of taking on challenges than our inception.

Aonuma: For example, I think as long as I'm a KDDI employee, I am constantly working to better society through ICT, and feeling the need to take on challenges with new ideas.

Higuchi: An organization is more successful when the employees have a common set of values, and are focused on the same goals. What is important is for management to continually put out their thoughts, and for the employees to share them. Communication is the key for diverse people to truly understand one another.

Aonuma: Communication is only possible when you not only put out your message, but also try to listen to what the other person has to say. As a company supporting communication, we should make the promotion of diversity a driving force for our company.

Morozumi: I will continue to promote diversity, working to create a company where each employee can be happy in his or her work, take on new challenges, and feel motivated and fulfilled with his or her job.



Mami Aonuma
General Manager,
Diversity & Inclusion
Department,
General Administration
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Division



Yoshio Higuchi
Professor, Faculty of
Business and
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University
Professor Higuchi
specializes in labor
economics and personnel
economics. He is a member
of the Cabinet Office's
"Council for Promotion of
Work-Life Balance."



Hirofumi Morozumi
Senior Vice President
Member of Board
KDDI Corporation

Case examples of initiatives by the Diversity & Inclusion Department

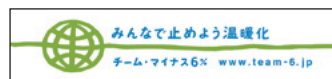


The first MOM's Forum for employees taking their maternity leave was held in November 2008 and 42 employees living in the Tokyo metropolitan area attended. The forum eliminated worries about returning to work: with brief explanation of the company's current situation as well as senior employees advice from their experiences concerning a good balance between work and childcare after returning from maternity leave.

In April 2009, the KDDI Diversity handbook was published, as a trigger to think about diversity for each employee.

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