

Consumer Issues

KDDI takes into sincere consideration the feedback from all its service users in order to improve customer satisfaction by providing more secure and higher-quality information and communications services.



Material Issue 1

Creating a Safe and Secure Information and Communications Society

KDDI supports increases in information literacy and strives to develop products that are easy to use, so that children and senior citizens can also employ mobile phones as beneficial tools. Through a variety of initiatives, we are working to provide safe and secure information and communications services for society to use.

Providing Services that Are Safe and Secure for Children

Basic Policy on Safety and Security

KDDI strives to create a social environment for information and telecommunications that allows children to communicate safely and securely. To that end, we have created the KDDI Basic Guidelines concerning Safe and Secure Communication for Young People.

KDDI's Basic Guidelines Concerning Safe and Secure Communication for Young People

At KDDI we are working to safeguard young people from trouble arising from communication services such as mobile phones and the internet.

We will continue to work to create a truly safe and secure society while building smooth communication services for young people.

Holding the KDDI Mobile Phone Learning Class

In FY2005, we began conducting the KDDI Mobile Phone Learning Class throughout Japan as a way to educate children on the safe and secure use of mobile phones and the Internet. The class provides necessary information on rules and etiquette and teaches them how to identify trouble and protect themselves.

In FY2011, KDDI conducted this class a total of 1,209 times for some 237,000 participants, bring the total number of classes to 4,700, for 900,000 people since FY2005. Mobile phones and the Internet have evolved dramatically during this time, and the environments in which children interact have grown more sophisticated and diverse. Owing to these changes, in April 2012 we completely revised the content of our program, taking into account detailed requests from schools in response to our inquiries. In addition to the core class, we have prepared an optional program that responds to schools' requests involving the safe use of smartphones. We have also updated the course's video content

and are conducting training to enhance instructors' skills. The upshot should be an enhanced course that helps children to use mobile phones and the Internet safely and securely.



KDDI Mobile Phone Learning Class

VOICE Stakeholder Feedback



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Nearly 20 years have elapsed since the Internet and mobile phones first began growing popular. Nowadays, searching for terminology, sending e-mails, Tweeting and updating blogs, referring to electronic dictionaries, and reading online newspapers are commonplace.

This situation puts children and adults in the same environment, viewing the same content. Children are adept at mimicking operations they see, but they cannot look behind the scenes to determine what information adults judge to be credible, and are less proficient at avoiding spam, disguised-sender spoof emails, phishing sites, and other negative influences. For this reason, before children gain access to mobile phones they should be taught how to assess the credibility of information and how to use the Internet and communicate appropriately. I have great hopes for the KDDI Mobile Phone Learning Class in this regard.

Holding the “Everyone’s Mobile Phone Summit”

In November 2011, we held “Symposium 2011: Everyone’s Mobile Phone Summit,” attended by experts from a number of fields, as well as children who use mobile phones. High school students participated in the planning of this



High school students attending “Everyone’s Mobile Phone Summit”

symposium, which was held for the third time and was designed to serve as a forum for the exchange of opinions among people with different perspectives on the current status of mobile phone and Internet use, as well as regulations and education on safe and secure use.

The high degree of information literacy common among high school students became apparent in their conversations on how they use mobile phones. Accustomed to using mobile phones and the Internet from a young age, they had become conversant in Internet etiquette and were able to speak knowledgeably on such topics as blogs and differentiating among the use of multiple social networking services (SNS).

Following the high school students’ opinions, experts discussed such topics as the status of smartphone use by children and debated filtering and other issues.

Providing Products and Services that Offer Users Peace of Mind

“Mi-Look” Mobile Pedometer to Help Look after Elderly People

As the number of elderly couples and senior citizens living alone increases, demand for ways to look after seniors has grown among the families living apart from them. In September 2011, we began offering the “Mi-Look” mobile pedometer to address this need.

The “Mi-Look” has a pedometer function to count a senior citizen’s steps and automatically sends e-mail notifications to a pre-registered contact at set intervals to notify him/her of a user’s activity. The device also serves as a safety tool in emergency situations; simply pulling a strap activates an emergency buzzer. The loud noise alerts surrounding people of a problem, and at the same time a notification of the event is sent, along with the user’s location, to the pre-registered contact person. When the “Mi-Look” is placed in its tabletop holder, the contact person is also notified at preset intervals of the number of times the senior is recorded passing in front of the sensor. Functions such as these allow families of elderly people to monitor their everyday situations, as well as emergencies, helping provide assurance to the families of senior citizens even when living apart.



“Mi-Look” mobile pedometer to help look after elderly people

“Anshin Security Pack” and “Anshin App Restriction” for Smartphones

KDDI has introduced “Anshin Security Pack” services for Android™ au smartphones in response to the surge in popularity of smartphones and to ensure their safe and secure use.

This service locks au smartphones remotely in the event that they are lost. 3LM’s*1 “3LM Security” platform is provided for unlocking or performing location searches. The package also includes the “Virus Buster™ Mobile for au” application to protect smartphones from accessing improper sites such as one-click frauds and dangerous applications by detecting Android™-targeting viruses and blocking incursions. Operators also act on customers’ behalf to make smartphone settings remotely using OPTiM Corporation’s*2 “remote support.” By packaging these three services together, KDDI provides a safe and secure environment that is easy to use for first-time au smartphone customers.

We also offer the “Anshin App Restriction” service, which is designed to allow children to use smartphones safely by enabling guardians to limit the applications and functions that they can use.

*1 A company that provides security platforms for Android™ devices

*2 A company that provides comprehensive IT support solutions

TOPICS KDDI Introduces Application Based on Its Own Screening and Verification Standards



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Smartphones allow users to add the apps that they like and enhance specific functions. This freedom to customize makes smartphones attractive, but at the same time it raises concerns about application security. In an effort to provide customers with peace of mind as they use their apps, we have established a proprietary technological development and security standard that provides a “secure app guarantee” to verify their safety. We added apps that meet this standard to the “au Smart Pass” (unlimited use of apps) that we introduced on March 1, 2012, thereby increasing safety.

The number of smartphone apps increases every day. Against this backdrop, through collaboration among KDDI R&D Laboratories, development divisions, and app production companies, we are working to provide customers with safe, high-quality apps.

Material Issue 2 Offering Reliable Information and Communications Services

As a telecommunications operator that supports the social infrastructure, KDDI believes that its utmost responsibility lies in continuing to provide customers with stable services of consistently high quality. We undertake a wide range of initiatives to achieve this goal.

Technological Development to Improve Communication Quality

Demonstration Experiment on Real-time HD Transmission for Android™ handsets

KDDI R&D Laboratories held a demonstration experiment using its "Compact Real-time HD Transmitter for Android™ Mobile Phones" and UQ WiMAX to transmit live over the Internet coverage of the "Nagaoka Festival" (city of Nagaoka, Niigata Prefecture) fireworks display, held in August 2011. The experiment demonstrated that live video broadcasting of full high-definition (HD) video was possible with a device that fits into the palm of a person's hand, without requiring access to large-scale broadcasting equipment. The prototype scored well both in



Demonstration experiment

terms of maneuverability and high image quality.

The laboratory plans to continue conducting such trials as it moves toward the commercialization of products based on this prototype.

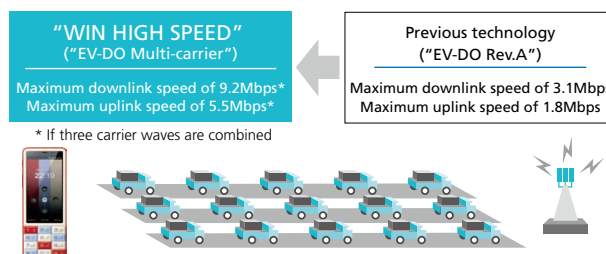
Providing a Convenient Usage Environment

Using "EV-DO Multi-carrier" Technology to Boost Communication Speeds

As part of its data communication infrastructure for au mobile phones, KDDI has introduced "EV-DO Multi-carrier" technology to expand the functionality of "EV-DO Rev.A." We started offering "WIN HIGH SPEED" for high-speed communications, which allows a maximum downlink speed of 9.2Mbps and an uplink speed of up to 5.5Mbps.

This technology boosts data communication speed by combining two or three "EV-DO Rev.A" carrier waves. Using multiple carrier waves simultaneously for a single mobile phone augments data transmission/reception efficiency, making communication speeds up to three times as fast as current "EV-DO Rev.A" technology.

Overview of the "WIN HIGH SPEED" Service



Increasing the number of data transmission/reception "paths" from one to three results in communication speeds up to three times as fast as were possible with the previous technology ("EV-DO Rev.A").

Easing Data Communication Congestion with "EV-DO Advanced" Technology

KDDI checks mobile phone base station congestion in real time and shifts au mobile phones connected to congested base stations to less-congested stations nearby. To make this possible, KDDI developed "EV-DO Advanced" technology to ease congestion across its networks. This service became available in April 2012. Introducing this technology raised data traffic capacity by around 1.5 times, and doubled* average effective communication speed in congested locations.

KDDI aims to create smooth and convenient data communication environments in all customer usage areas.

* Based on KDDI's simulation of mobile phone base station congestions and customer usage conditions

Responding to Administrative Guidance from the Ministry of Internal Affairs and Communications

KDDI received guidance from the Ministry of Internal Affairs and Communications concerning five communication failures and other major accidents related to its au mobile phone services, fixed-line communications services, and corporate services between April 2011 and February 2012. The guidance called for the swift introduction of full measures, including recurrence prevention measures, as well as the reporting on the results of implementation and on initiatives going forward.

Furthermore, a February 22, 2012, meeting of the Ministry of Internal Affairs and Communications liaison committee on countermeasures against mobile phone communication failures called for a report on the results of a complete check of measures to prevent such communication failures from recurring.

On February 14, 2012, KDDI established a Survey Committee, chaired by the president, aimed at preventing recurrence and responding to Ministry of Internal Affairs and Communications guidance and the complete check of the various items requested by the liaison committee on countermeasures against mobile phone communication failures. The committee reported to the Ministry of Internal Affairs and Communications concerning its improvement measures and their implementation.

KDDI offers its sincere apologies for the inconvenience and concern that were caused to customers and related parties as a result of these major accidents. We are introducing countermeasures to enhance reliability going forward by providing convenient communication environments for our customers.

Enhancing Customer Satisfaction

KDDI's commitment to customer satisfaction, by each person from top management down to individual employees, is the foundation of its business activities. We will do our utmost to improve our business and to create a stable, long-term, trust-based relationship with our customers.

Aiming to Enhance Customer Satisfaction

KDDI CS Policy

We have formulated the KDDI CS Policy to embody our "customer-first" management philosophy and to assert this basic guideline to be shared throughout the organization.

KDDI CS Policy

1. Realization of Satisfaction

KDDI treats the opinions and feelings of customers with utmost seriousness, realizing a level of satisfaction acceptable to customers.

2. Customer-orientated Thinking and Action

All KDDI employees, from management down, consider everything from the customer's point of view, respond quickly, and provide a quality service.

3. Working with Customers to Create Better Services

KDDI works together with customers to create better services and business operations.

4. Customer Evaluation

The flip side of customer expectation, KDDI appreciates customer criticism and welcomes the excellent opportunity it presents for realizing satisfaction.

5. Customer Trust

KDDI always keeps its promises to customers, providing thorough explanations acceptable to customers and consolidating customer trust with an honest and fair relationship.

6. Building and Repaying Customer Satisfaction

KDDI is able to increase sales by building customer satisfaction; increasing profits by minimizing costs ensures a return to customers, thus further increasing satisfaction.

7. Recognition of Excellence

KDDI strives to create a workplace environment in which each employee does their utmost for customers in their decisions and actions and employees recognize each others' efforts.

Providing "Anshin Total Support"

In September 2011, KDDI began offering the "Anshin Total Support" service, in which specialized operators address the various issues that customers encounter when using the Internet through its "au one net" Internet connection services.

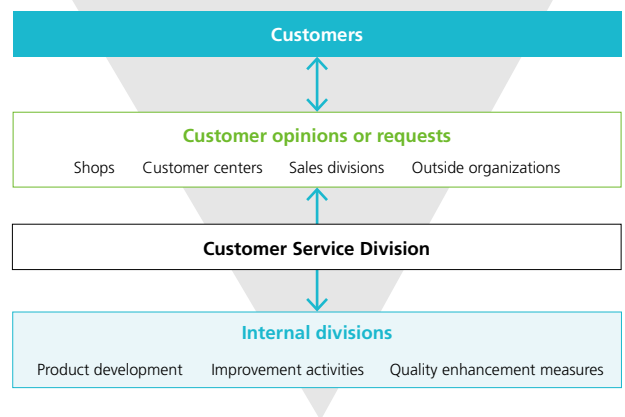
An add-on service for "au one net," "Anshin Total Support" employs specialized operators to handle telephone inquiries and provide remote operations in response to various customer questions regarding Internet network equipment connections and settings, as well as usage procedures. In addition to equipment provided by KDDI, this service addresses settings on PC peripheral equipment and software in a bid to meet broad-ranging customer needs and helps to make Internet environments more convenient.

Improving Operations based on Customer Feedback Received Through the Customer Service Division

KDDI conducts improvement activities based on consumer opinions and requests, suggestions from external organizations, and through other sources of input.

In addition to working swiftly to address suggestions and consultations on a host of fronts, the Customer Service Division liaises with upstream process service development departments, planning departments, management departments, and other related departments to prevent recurrence and enhance customer satisfaction.

Flow of Improvement Activities



Holding "H-1 Grand Prix" Customer Service Contest for "au HIKARI"

One of our initiatives aimed at increasing customer service skills at au shops is to hold the "H-1 Grand Prix" customer service contest, in which competitors explain the benefits of the "au HIKARI" communication environment and test their skills in making customer-satisfying proposals.

From this contest, which was held for the second time in January 2012, 11 members were selected from among the staff at 208 au shops, and the results of their everyday achievements were presented. Some 250 members of staff from agencies and au shops attended to share superior customer service skills.



au shop staff receiving award