

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 seniors 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.

Ensuring Safety and Security

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 Basic Guidelines Concerning Safe and Secure Communication for Young People

At KDDI we are working to safeguard young people from troubles arising from communications services such as mobile phones and the Internet. We will continue to work to create a truly safe and secure society while building smooth communications services for young people.

Holding KDDI Mobile Phone Learning Class Safety and Security Seminars

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 FY2012, KDDI held this class 1,965 times for some 335,000 participants, bringing the total number of classes to 6,700, for 1.2 million people since FY2005. During this time, the communications methods that children use have grown more sophisticated and diverse, including mobile phones, smartphones, and the Internet. As a result, we have received requests from schools to provide more detail in our classes. In FY2012, we completely revamped our program to respond appropriately to these needs. We have incorporated quiz sessions and workshops and made

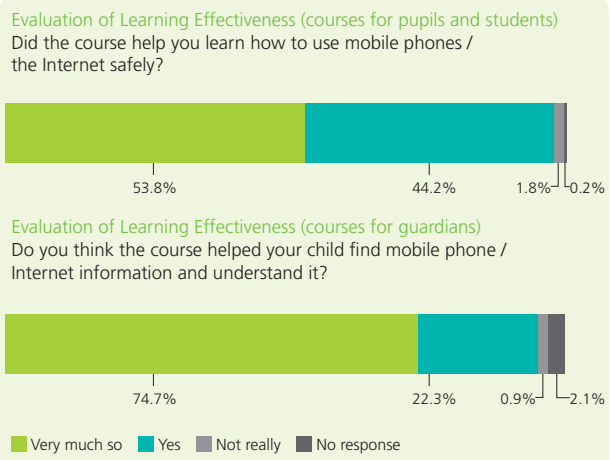
more effective use of video content, encouraging children to think independently and aiming to deepen their understanding. Furthermore, we have prepared detailed programs to respond to schools' requests, such as one involving the safe use of smartphones.



KDDI Mobile Phone Learning Class Safety and Security Seminar under way

In addition to courses targeting elementary, junior high, and senior high schools, as well as guardians, we offer a course designed for people with disabilities. Our objective is to augment our courses so that everyone can use mobile phones and the Internet safely and securely.

Results of questionnaire given to participants in KDDI Mobile Phone Learning Classes in FY2012



Offering the KDDI Mobile Phone Learning Class for Seniors

KDDI has also begun offering classes for seniors aged around 65 and older. We offer the Mobile Phone Course for Seniors, designed for people who do not have mobile phones or are not really sure how to use them, and the Smartphone Course for Seniors, for people who are planning to purchase smartphones.



KDDI Mobile Phone Learning Class for Seniors

KDDI employees serve as instructors in these courses. After liaising with government bodies, they visit regional facilities, providing video content and lend an au Simple Phone or smartphone to each person taking the class. Participants learn the basics of how to operate mobile phones and smartphones, gaining experience in sending e-mail and using the Internet. In FY2012, we held these classes 59 times, for approximately 1,100 participants.

Going forward, we plan to continue this support with the aim of helping seniors enjoy using mobile phones and smartphones effectively, as well as safely and securely.

Participating in "Tsukuba Science Edge 2013," a Science and Technology Presentation Event

In March 2013, KDDI took part in "Tsukuba Science Edge 2013", sponsored by the Tsukuba Science Edge Executive Committee and held in the city of Tsukuba, Ibaraki Prefecture. The event was effectively a "Science Workshop" provided by participating companies, and included a contest where junior high and senior high school students presented the research they had done in science-related courses and club activities. Participants also had the opportunity to experience companies' advanced, leading-edge technologies, thereby encouraging the development of scientists-to-be. We introduced several of our new technologies, including the "smart sonic receiver," which allows the accurate transmission of voices even amid the hubbub, and our audio technologies from the conservation project to measure aquatic behavior of the Ganges River dolphin.



Students listening attentively to a KDDI employee's presentation

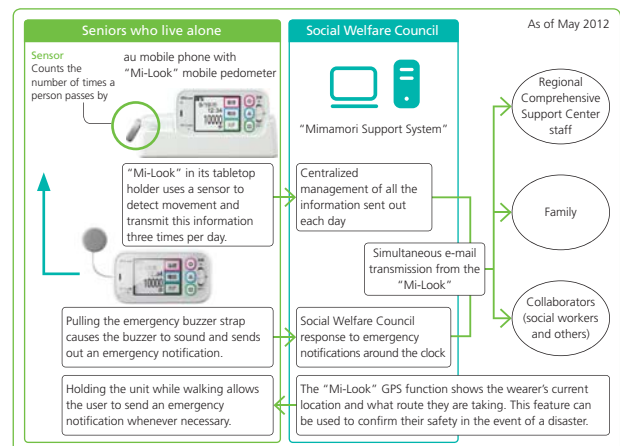
KDDI plans to remain actively involved in encouraging children's interest in science and motivation toward research and development.

Providing Products and Services that Offer Users Peace of Mind

Supporting the Use of "Mi-Look" Mobile Pedometers in Municipalities

KDDI is providing municipalities with "Mi-Look" mobile pedometers to help them address the problems they face as the population ages. The "Mi-Look" mobile pedometer, which we launched to meet the needs of families wanting to help look after elderly members living on their own, has a sensor to detect a person's movement as well as a pedometer function. The device then regularly sends this data to a pre-registered contact person on a daily basis. The pedometer also has a GPS function that can be used to notify the contact person of the wearer's whereabouts. This feature could be useful in confirming a person's safety in the event of a disaster. Faced with ongoing depopulation, the town of Iide, Yamagata Prefecture, is working on a system to look after its elderly residents. We have provided the town with "Mi-Look" mobile pedometers for elderly residents living on their own. Information from these devices is managed centrally by the town, addressing the question of how to care for its senior citizens.

System Employing a "Mi-Look" Mobile Pedometer being Used in the Town of Iide to Help Look After Elderly Residents



VOICE Stakeholder Feedback

A model that elderly people could operate easily was our precondition when selecting a device. The "Mi-Look" mobile pedometer is equipped with a strap that the wearer can simply pull to sound an emergency buzzer if needed. The main unit can be carried into the bedroom or bathroom, which is reassuring. Even better, the unit transmits information automatically on a daily basis. These were our reasons for selecting the "Mi-Look" when creating a new system for looking after our citizens. In the town of Iide, which faces ongoing depopulation, we are building a system to look after our elderly residents by linking government and regional facilities. This system also sends out care information via e-mail, so registered family members can confirm that their loved ones living apart are safe.

Ms. Yoko Shida

Center Director
Regional Comprehensive Support Center
Iide, Yamagata Prefecture

Material Issue 2 Offering Reliable Information and Communications Services

As a telecommunications operator that supports 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.

Initiatives in Preparation for Emergencies

Conducting Demonstration Experiments on Shipboard Base Stations

In November 2012, we conducted a shipboard test (aboard the patrol vessel *Kurose*) in the city of Kure, Hiroshima Prefecture, in cooperation with the Ministry of Internal Affairs and Communications' Chugoku Bureau of Telecommunications and the Japan Coast Guard. This demonstration experiment involved installing a mobile phone base station and satellite communications equipment on the *Kurose* and checking voice and data communications between land and sea. Radio waves sent from the ship's mobile phone base station were received in the coastal area, and we tested voice and data communications to see how they were affected by factors such as changes in tide levels and the rocking of the ship.

Learning from its experiences during the Great East Japan Earthquake, KDDI has been working on measures to quickly restore coverage in its service area following a disaster by transmission from the ocean, which is not affected by disaster conditions on land.



Satellite antenna (inside the cylindrical cover) toward the bow of the patrol vessel *Kurose*
Source: Study Team for Shipboard Installation of Mobile Phone Base Stations for Use in Emergencies

Technological Development to Improve Communications Quality

Responding to the Surge in Asian Communications Demand with the SJC High-Capacity Optical Submarine Cable

In November 2012, the South-East Asia Japan Cable (SJC), an international submarine fiber-optic cable linking Japan and Southeast Asia that is under construction by 10 companies including KDDI, was connected to the KDDI Chikura Cable Landing

Station. This high-capacity cable is expected to meet the surge in demand for data communications in Asia. The SJC provides a direct link between Japan and Singapore, and connects with the Unity, a submarine cable between Japan and the United States. The new cable follows essentially the shortest distance between Southeast Asia and the United States.



The SJC rising from the sea

Once the cable commences operation in FY2013, KDDI will serve as an international submarine cable "hub," providing direct links between Japan, Southeast Asia, and the United States.

Providing a Convenient Usage Environment

"Employees Building the au Area!" Working Together Companywide on Bandwidth Reorganization Initiatives

In line with mobile phone bandwidth reorganization, from April 2012 KDDI has launched the "Employees Building the au Area!" initiative to increase the post-reorganization signal area and to improve points of deterioration. As part of this movement, employees use specialized handsets and applications to search out points where the new bandwidth cannot be used. We have set up an internal scheme that allows failure points to be declared and are publicizing progress toward their improvement on a portal site. By working together on this initiative throughout the Company, we have succeeded in improving signal quality to the same level as or better than before the bandwidth reorganization.

Following bandwidth reorganization, we plan to leverage this initiative to increase ultrahigh-speed "4G LTE" data communications and Wi-Fi quality. Amid ongoing changes in the radio wave environment, this scheme, whereby employees take the initiative to enhance quality throughout the service area, is bringing the Company closer together.

Apology for and Report on Communications Outages

KDDI's high-speed LTE service for mobile phones experienced communications outages that affected some handsets twice, on December 31, 2012 and January 2, 2013.

As a result of the outage that occurred on December 31, 2012, LTE handset access momentarily took 7 times the typical amount of time, caused by a mistaken setting during data processing. The January 2, 2013 communications outage occurred because of a communications-related software defect that caused a failure. When restoring service, a control system was mistakenly halted.

To prevent recurrences, by the end of January 2013 KDDI had taken measures such as augmenting its data-processing servers, conducting a full check of LTE-related systems, and redeveloping its restoration manuals.

Communications outages again occurred in April and May. We offer our sincerest apologies for the inconvenience and concern that these serial outages have caused. We are working to prevent such mistakes from happening again, as we aim to provide a convenient communications environment to our customers, and are doing our utmost to recover their trust.

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.

Striving to Maximize Customer Satisfaction (CS)

KDDI CS Policy

We have formulated the KDDI CS Policy to embody our "customer-first" philosophy and to assert that this basic guideline 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.

Using Twitter® to Provide Active Support

The proliferation of smartphones and the surge in use of social networking services (SNS) has enabled customers to express their dissatisfaction via "tweets" and made them increasingly visible.

Realizing that it is becoming more difficult to provide support that satisfies customers through telephone inquiries and consultations at au shops, we have begun using Twitter®—a particularly prolific SNS—to provide "active support" by proactively searching for problems. One approach that has helped us to resolve issues among customers who tweet, but in an offhand manner without really intending to ask for help, has been to respond with our own

tweet, saying "We saw your tweet. We may be able to help, so could you provide us with more details?" Using an open forum like an SNS allows us to simultaneously address areas that many people may find inconvenient or dissatisfying. We have received strong positive feedback outside of the company for this initiative.

Holding the "au CS AWARDS" in Pursuit of Quality Customer Service

Each year, KDDI holds the "au CS AWARDS" in locations throughout Japan in an attempt to enhance the customer service skills of au shop staff, thereby increasing customer satisfaction at au shops.



au shop staff demonstrating their customer service skills

The theme of the FY2012 contest—our 9th—was to "Exceed customers' expectations. Show your new self." Staff members who won the contest's qualifying round in different regions went on to pit their customer service skills against their peers, scoring points for the overall selling skills they cultivate on a daily basis, covering items such as customer service etiquette, hospitality, and other fundamental customer service skills, as well as "cross-selling satisfaction*" based on our 3M Strategy. Retailers and au shop staff attend the contest, sharing outstanding customer service skills. We aim to maximize customer satisfaction by encouraging the spread of customer service on display at this contest to all our shops.

* A technique for proposing combinations of related products and services

Holding the "Front Skills Contest"

KDDI is working to augment the skills of the staff that provide technical support to corporate customers. As part of this initiative, we hold the "Front Skills Contest," aimed at improving their customer response skills when fielding reports of malfunctions. In this contest, representatives are elected by every technical support department throughout Japan and judged by an internal panel on aspects such as the appropriateness of their explanations and their communication skills. We aim to hold this contest regularly to boost the skills of our technical support staff even further.



Winner selected for the contest's top prize