

Community Involvement and Development

KDDI conducts a variety of social contribution activities and aids community development through the development of technologies and grant activities. In these ways, we fulfill our role as a member of local communities.



Social Contribution Activity Promotion

Social Contribution Policy

Basic Principles

Operating in accordance with the KDDI Philosophy, by satisfying all its stakeholders the KDDI Group seeks to contribute to society's happiness by encouraging fulfilling lives for people around the world in a sustainable manner.

Behavioral Guidelines

1. As a company involved in information and communications business, KDDI recognizes its social responsibility to address societal issues through the use of information and communications technologies (ICT). We aim to provide appropriate communication environments that are safe and secure for all people.
2. KDDI has established medium-term themes for its social contribution activities in five areas: "bridging the digital divide*," "sound development of youth," "environmental conservation," "social and cultural support," and "support in times of disaster." By maximizing our application of such resources as networks, products and services, we conduct social contribution activities through ICT, in a manner characteristic of KDDI.
3. Through communications with stakeholders, we notify and share information concerning ongoing improvements in the content of our operations, thereby contributing to society's development.
4. By sharing with KDDI Group employees our directions on social contribution activities, we pursue independent-minded activities as a good corporate citizen in the aim of achieving sustainable growth in tandem with society.

* Issue where an information disparity occurs between people who have access to information and communication technology such as the computers and the internet and those who do not.

The "+α Project" for Employee-participatory Social Contribution Activities

DATA Total contributions through the "+α Project" in FY2012

¥6,304,120

The "+α Project" is a social contribution program run proprietarily by KDDI and driven by employee participation. In this project, we grant points to project members for their social contributions, whether performed in conjunction with or independent of KDDI. Accumulated points are converted to monetary amounts, at the rate of ¥100 per point, based on which KDDI makes donations to charity groups recommended by members. As of March 31, 2013, approximately 6,800 employees throughout Japan were registered as project members. In FY2012, we made contributions

to 30 charity groups, including "Tamashiro no Sato," an institution that provides support to people with hearing and other disabilities.

"Pieces of Hope" Click Donation Site

"Bring together many small friendly feelings to make a big hope." With this wish in mind, KDDI has opened a click-based donation site, "Pieces of Hope," on its Web site. Each click on the donation page is converted to ¥1, and KDDI donates the total amount to NPOs that undertake social contribution activities. In FY2012, total donations reached ¥2,966,701.

Project Aimed at Bridging the Digital Divide

As a company that provides information and communications services, we recognize bridging the digital divide in developing countries as a social issue that requires proactive initiatives. The KDDI Foundation* has been working to resolve this problem since FY2002.

To verify the effectiveness of broadband communications technology and wide-area applications in Bhutan, in FY2012 we built WiMAX and other pilot networks in 3 rural locations in the country. Also, in Micronesia we constructed systems to provide health clinics on remote islands that tend to be isolated from traffic and communications with access to the Internet and other modes of communication.

* This public interest incorporated foundation's mission is to share the benefits of ICT more broadly throughout society and to contribute to the creation of global harmony through ICT.

TOPICS

An Award from the Republic of the Marshall Islands

At the 9th Asia Pacific Telecommunication and ICT Development Forum, sponsored by Asia-Pacific Telecommunity (APT) and held in Bangkok, Thailand, in August 2012, KDDI received an Award from the Republic of the Marshall Islands for its promotion of a project to build an ICT environment on Mejit Island.



KDDI employees receiving the award from the Republic of the Marshall Islands

This Award was in recognition of the KDDI Foundation's efforts in FY2011 to design and build Internet and other communications systems linking the island of Mejit and Majuro, the capital of the Republic of the Marshall Islands, which had previously had access only to shortwave voice communications.

■ Educational Support for Local Communities

Educational Support via Tablet Terminals (Multifunctional Portable Terminals)

Since October 2011, KDDI embarked on a trial using Android™ tablets with cooperation from the Yokohama Municipal Shirahata Elementary School. For this trial, KDDI provided the tablet terminals and the network environment, as well as a variety of applications.



Pupil using a tablet to study math

In this initiative, based on the "Vision to Introduce Information Systems into Education" announced by Japan's Ministry of Education, Culture, Sports, Science and Technology, KDDI is contributing to the adoption of ICT for high-quality education, specifically for schools, home education, and personal learning.

In November 2012, the school offered education providers information on courses employing Android™ tablets. These courses used two types of applications. The first employs arithmetic drills whose difficulty is gauged according to a student's progress. The second is for English, which is becoming a compulsory subject at elementary schools in Japan. This application uses English-language cards and encourages children to learn by playing games and listening to words pronounced by native English speakers. The school is also making student progress visible and has introduced an "e-portfolio" for sharing this information with guardians and teachers.

* Arithmetic drills were provided by Shogakukan Inc., and English-language content by the National Institute of Information and Communications Technology.

Career Education

A growing need exists to provide students with career training, which encourages them to consider their future roles in society and helps them decide on areas that fit the sort of life they want to lead. KDDI is addressing this situa-



KDDI employee delivering a career lecture

tion by developing various types of career education for junior high school, senior high school, and university students.

In January 2013, KDDI employees delivered lectures about careers at the Tokyo Metropolitan Itabashiyutoku High School. Included as part of the school's career guidance for first-year students, the lectures were designed to give students the opportunity to speak directly with people who have already taken their places in working society, help them better understand different vocations, and encourage them to think about their path for the future. A total of 70 students attended the lectures, in which KDDI Group personnel from various divisions explained the types of work they do.

Charity Concerts and School Construction

Cambodia, which was embroiled in civil war from the 1970s through the early 1990s, is currently in a recovery phase, including on the educational front. Each year since 2005, the KDDI Foundation has held charity concerts to support Cambodia. KDDI augments the funds that are raised through these concerts, which are provided to World Assistance for Cambodia, an NGO, to build schools.

Through these activities, each year a "KDDI School" is constructed to cultivate human resources that are adapted to internationalization and the use of ICT. The 8th KDDI School opened its doors in January 2013 in Cambodia's Banteay Meanchey Province. Construction and opening of the school was 1 activity designated to publicly commemorate the 60th anniversary of friendship between Japan and Cambodia.

Yasuhiko Ito, president of the KDDI Foundation, commenced his speech at the opening ceremony with a greeting in Khmer and encouraged the children by saying "Study and you can define your own future, as well as that of your country."



KDDI School opening ceremony



Educational Support in Developing Countries

In addition to the KDDI School, in FY2012 we supported the Small Art School, an NGO that teaches painting to Cambodian children.

Students' creations were used in a charity concert program, where proceeds were donated to the Small Art School.

■ Development and Provision of Technological Expertise

Development of Grant Activities

The KDDI Foundation contributes to the proliferation and development of ICT through survey-based research, social and cultural activities at NPOs and other organizations, grant assistance to foreign exchange students and Japanese students studying overseas, and through awards for research projects of particular merit, providing approximately ¥70 million for such activities each year. The Foundation also conducts scientific demonstration classes for students at university-affiliated elementary and junior high schools.

Accepting Trainees from Overseas and Provision of Technological Consulting

The KDDI Foundation has conducted activities involving the "acceptance of trainees from overseas" since 1957, via Kokusai Denshin Denwa Co., Ltd. (KDD). As of March 2013, through this program the Foundation had accepted a total of 5,700 trainees, from 144 countries. As many of these trainees take up key positions after returning to their home countries, through this program the Foundation makes a major contribution to the cultivation of human resources in developing countries.



Hosting overseas trainees

The Foundation also conducts technological consulting as official development aid. Projects conducted in this vein include the "North-South Submarine Fiber Optical Cable Link Project in Vietnam" and the "Greater Mekong Telecommunications Backbone Network Project."

Declaration to Support JICA Volunteer Activities

KDDI provides ongoing support of the overseas volunteer activities of the Japan International Cooperation Agency (JICA).

KDDI has set up a system that supports employees serving as Japan Overseas Cooperation Volunteers (JOCVs) and senior overseas volunteers in developing countries while maintaining their positions at the Company. Since 1967, 62 KDDI employees have taken advantage of this opportunity.

We also support JICA activities by holding corporate lectures that explain KDDI's support structure as part of JICA's presentations to solicit JOCVs.

* As part of this support, companies and associations whose current employees are taking part in JOCV and other JICA volunteer activities describe their activities via JICA's public relations (PR) magazine and Web site to introduce and proactively promote their initiatives and encourage interest in JICA volunteer activities.

Supporting the Growth of Venture Companies

"KDDI ∞ Labo" (Mugen Labo)

In 2011, KDDI introduced a program called "KDDI ∞ Labo" to spark the imagination of young engineers toward the creation of innovative Internet services that could be used globally. From its perspective as a provider of communications services, KDDI screens applicants who have applied to the program through open recruitment, providing those selected with broad-ranging support, spanning development support, management support for business startups, and help with promotion, funding, and business alliances. We also provide space for communication within KDDI's offices and lend engineers the terminals and servers

they need to develop services while also offering support in various other areas. In the 3rd phase of this program, which commenced in September 2012, from around 100 applications we selected 5 teams to participate. These teams developed applications during the 3-month course of the program.

After development, we evaluated the applications for their originality, marketability, and level of completeness. "tixee," an application developed by Live Styles Inc., was selected as the winning application. This application allows smartphones to search for events, purchase tickets, and admit ticket holders. In March 2013, we began phase 4 of the program, providing ongoing support for the quest to commercialize original ideas and technologies.



Participants in phase four of the "KDDI ∞ Labo" program

KDDI Open Innovation Fund

We established the KDDI Open Innovation Fund, which is managed by Global Brain Corporation, in February 2012 as a corporate venture fund to support promising startup companies. We have begun providing applications developed by TOLOT Inc. (headquartered in Koto-ku, Tokyo), JMTY Inc. (Shibuya-ku, Tokyo), and 3rd Kind Inc. (Shibuya-ku Tokyo), with financial assistance from this fund on "au Smart Pass."

Providing the "SmaBI" Business Startup and Management Support Service

In February 2013, KDDI began providing the "SmaBI" business startup and management support service in cooperation with PROJECT NIPPON Inc. (headquartered in Shinjuku-ku, Tokyo).

Leveraging the expertise that PROJECT NIPPON has built up through the operation of "DREAMGATE*," "SmaBI" automatically creates a company's articles of incorporation at its time of establishment and offers a legal document generation tool. This tool creates documents from a repository of more than 100 legal documents used in personnel administration, including those required when an employee joins or leaves a company. "SmaBI" also allows for the online creation of a specialized consulting body to assist with business startup and operation through a management advisory service called "The President's Chief of Staff," providing a full range of support for business startups.

* Launched in April 2003, "DREAMGATE" is Japan's largest business startup support platform site and is backed by the Ministry of Economy, Trade and Industry. Used by more than 400,000 entrepreneurs, the site counts among its business startup support experts some 500 venture capitalists, attorneys, accountants, and small and medium-sized enterprise management consultants. In addition to operating the "DREAMGATE" portal site, the company conducts seminars, events, business plan contests, and an entrepreneur award system.