About Material Issues

KDDI'S Material Issues for CSR

KDDI has identified four material issues for CSR where it is focusing its efforts. From the various issues we face in the course of our business activities, we have identified issues with significant social concerns that we need to focus our efforts on to grow sustainably and with society at large.

| Material Issue: Society |
Creating a Safe and Secure Information and Communications Society

The phenomenon of children using mobile phones to access the Internet and getting trouble is becoming a social problem. KDDI is addressing this situation by conducting the KDDI Mobile Phone Learning Class, through which it aims to raise children's "information literacy." We also encourage the use of filtering to block harmful content. These are some of the many initiatives under way at KDDI with the aim of creating a safe and secure information and communications society. We are also strengthening efforts to close the digital divide among seniors.

Key Performance Indicators (KPI)

KDDI Mobile Phone Learning Class	FY2014 Goal	FY2014 Result
Level of satisfaction for children's lectures	**90%**	**91.6%**
Level of understanding for senior's lectures	**80%**	**82.7%**

| Material Issue: Society |
Vitalizing the Company by Developing a Diverse Workforce

At KDDI, promoting diversity is one aspect of its management strategy for achieving sustainable corporate growth. Respecting the individuality of employees, 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. Encouraging diversity puts into practice "Chapter 1: Vision" of the KDDI Philosophy, namely "Embracing diversity."

Key Performance Indicators (KPI)

	FY2015 Goal	FY2014 Result
Female line managers	**90 (7%)**	**74 (5.7%)**

| Material Issue: Environment |
Initiatives to Conserve the Global Environment

Environmental preservation is a need that all mankind faces, and one that requires long-term initiatives. Accordingly, every 5 years KDDI formulates a Medium-term Environmental Conservation Plan including initiatives involving a "low-carbon society," "recycling-oriented society," and "biodiversity." To achieve these objectives, in addition to reducing its own environmental impact, KDDI provides ICT services that help to reduce the environmental impact of society and promotes a host of activities involving customers and employees.

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Key Performance Indicators（KPI）

	FY2016 Goal	FY2014 Result
Amount of power consumption (compared to when energy conservation measures are not taken)	**30% constraint**	**Progressing at pace to achieve this goal**
Amount of power consumption per subscriber (compared to FY2011)	**15% reduction**	**31.9% reduction**
Number of Tribrid Base Stations established	**100 stations (FY2012 Goal)**	**Achieved at the end of March 2013**
Achieve zero emissions for retired telecommunications facilities (* Zero emissions is defined as having a final disposal rate of 1% or less.)	**Final disposal rate of 1% or less**	**Final disposal rate of 0.4%**
Recycling rate of used mobile phone material	**Over 99.8%**	**99.8%**
Recycling rate of general waste material for KDDI buildings and headquarters	**Over 90.0%**	**87.5%**

| Material Issue: Governance |

Offering Reliable Information and Communications Services

ICT provides important "lifelines" for society. The biggest responsibility KDDI faces in its operations is to provide customers with stable information and communications services.

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 communications services 24 hours a day 365 days a year.

Key Performance Indicators（KPI）

	FY2014 Goal	FY2014 Result
Rate of issues improved extracted from disaster response training	**100%**	**100%**

| Initiative |

Process for Identifying Material Issues for CSR

We are engaged in addressing social issues that surround KDDI. We identify four issues that we should focus our efforts on from the many issues which result from dialogues with stakeholders and experts. The four themes rate high in importance in terms of social concern and issues for the sustainable growth of KDDI. Afterwards, a committee that is committed to CSR and the environment selects the material issues.

We also hold dialogues between the management including the President and experts. After careful consideration of everyone's opinions, the President decides on the continuation of material issues.

We use the Global Reporting Initiative (GRI) Guidelines 4th Edition, ISO26000, SASB (TELECOMMUNICATIONS Research Brief), and other documentation as check items for more specific initiatives for the four material issues and reflect those initiatives in our business activities.

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| Initiative | **Promotion Activities**

The CSR & Environment Management Department is the main body responsible for spreading awareness of the promotion of the four material issues.

The material issues cover the 147 companies of KDDI and the Group.

We have also begun sharing the issues with business partners through the KDDI CSR Procurement Policy implemented on February 2014. Furthermore, we hold proactive dialogues with stakeholders, and apply the opinions and advice obtained from them to the promotion of future CSR activities.

Social Issues and the Four Material Issues for CSR

Degree of social (stakeholder) concern — High

Material Issues

Material Issue : Society
Creating a Safe and Secure Information and Communications Society
- Safe and secure information and communications services and products
- Support for sound development of youth (e.g., measures against harmful content)
- Closing the digital Divide for seniors

Material Issue : Governance
Offering Reliable Information and Communications Services
- Provision of reliable information and communications services
- Response to and actions to be taken in the event of large-scale disasters

Material Issue : Environment
Initiatives to Conserve the Global Environment
- Climate change
- Biodiversity
- Reducing the environmental impact of products and services
- Reducing waste and recycling resources

Material Issue : Society
Vitalizing the Company by Developing a Diverse Workforce
- Diversity
- Promoting diverse work styles
- Low childbirth and aging society
- Occupational safety and health

Social Issues that KDDI is Working on
- Universal support
- Vitalizing local communities
- Developing new technologies and services
- Supply chain management
- Respect for human rights
- Corporate governance
- Information security
- Information disclosure
- Creation of employment opportunities
- Rehabilitation of areas damaged by earthquake and tsunami disaster
- Support for developing countries (poverty, refugees, food problems, etc.)

Issues Extant in the Society

CSR issues for sustainable growth High