

## Providing Products and Services that Offer Peace of Mind to Customers

### Policy

#### Responsibility for Products and Services

KDDI implements total integrated quality control from product design to after-sales service.

Together with mobile phone manufacturers, KDDI pays due regard to the impact of products on customer safety, presenting KDDI standards for durability and safety to mobile phone manufacturers, without relying solely on the manufacturer's standards. When products are shipped, they are delivered after checking the software and hardware quality, as well as the labels required under the associated regulations.

In addition, if any defects or quality issues arise after products are released, KDDI makes efforts to quickly identify the causes and take all available measures to improve the quality of both the hardware and software. KDDI operates a system whereby, if any serious defects are found, policy is determined by the market response screening committee under the chairmanship of the company president, ensuring prompt action is taken.

### Activity and Results

#### Offering Secure and Safe Products

With the widespread popularity of smartphones and mobile phones, the Internet has come to play an essential role in daily life. However, with the rising number of cases in which Internet users experience trouble or become victims of crime, particularly among children and senior citizens, it is increasingly important for individuals to have proper Internet usage skills.

KDDI aims to provide products that can be used securely

and safely regardless of the user's level of information literacy, by developing functions based on an understanding of the rapidly expanding range of safety issues that users face. For example, KDDI offers devices with functions that are limited to the specific requirements of children, or functions that can restrict voice calls and email communications to registered users. In addition, devices are equipped with a variety of safety features that take advantage of the fact that users always carry their smartphone or mobile phone with them. Features such as the security buzzer or the Security Navi and location notification functions, which let you track the current location of the device, provide greater peace of mind in daily life.

Furthermore, to ensure comfortable use for all customers, KDDI promotes the concept of friendly design, which incorporates the elements of universal design with an emphasis on aesthetics and fun.

#### ■ Product (1) mamorino Watch, Japan's first voice-call-capable wristwatch-type mobile phone for children

KDDI released the mamorino Watch, a touch-panel-equipped wristwatch-type mobile phone that is resistant to water, dust, and impact. Designed to be comfortably attached to the body for easy operation, the device is intended for use by young school-age children who are starting to move around without the close supervision of their parents or guardians.

KDDI adopted this wristwatch-type design after considering the views of all stakeholders, including parents and guardians who wanted a device that could reduce their worries of being unable to reach their children if they put their device aside when playing, or if they forget or lose the device. The device is the first kids' watch product in Japan to be equipped with voice call functionality\*, which was another heavily requested feature. The device also



mamorino Watch

includes the popular GPS and SMS functions of the previously released mamorino3 GPS security buzzer.

In addition, the device can be used with the mamorino Watch Plan, a special price plan that offers free voice calls and SMS between family members in Japan, so that customers do not have to worry about the frequency of voice calls and email to and from their children.

Features of mamorino Watch

- ◇ Wearable either as a wristwatch or as a pendant
- ◇ Equipped with functions to check the current location and prevent your child from becoming lost
- ◇ Simple voice call and SMS (message) operations using voice or touch

\* The first wristwatch-type communication device for children that supports VoLTE voice calls, as of February 4, 2016, according to research by ZTE.

#### ■ Product (2) BASIO, the first au smartphone for seniors

KDDI offers the BASIO, a smartphone for seniors that is easy even for first-time users to use.

The BASIO is equipped with a variety of features designed to improve readability and usability, including a Home screen with easy-to-read text size and contrast, separate hard buttons for phone and email functions, and a shortcut icon that connects users directly to the au Customer Service Center when they have a question about how to operate the device. The user-friendly features make this model easy to operate and master, even for seniors who are using a smartphone for the first time. It is also equipped with functions that provide easy-to-hear sound.

#### ■ Product (3) Junior Smartphone "miraie"

miraie is the first au smartphone for children. In addition to an impact resistant design, the device features a variety of functions to ensure the security and safety of young users. For example, the Secure

## Providing Products and Services that Offer Peace of Mind to Customers

Character Input function displays an alert if the user enters any inappropriate words or words that may harm others when using email, the browser, or other applications.

In recognition of this Secure Character Input function, the miraie received the Ninth Kids Design Award (presented by the Kids Design Association) in July 2015.

### Activity and Results

### Offering Safe and Secure Services

#### Smartphone Use While Walking Caution App

KDDI provides a Smartphone Use While Walking Caution app in an effort to prevent accidents caused by walking while looking at the smartphone screen and to improve manners.

If you are looking at the smartphone screen while walking, the app displays a warning message until you come to a stop. The app accurately detects the smartphone orientation and type of shaking that occurs while walking, and it does not respond to the type of movement that occurs when you are in a motor vehicle or train, or when you simply shake the device itself. With the ability to use the screen even when the warning message is displayed, you can save the email that you are writing or the status of the game you are playing.



Example of warning screen display

#### Provision of "Age Confirmation Service"

KDDI provides the "Age Confirmation Service". With prior consent from the customer, this service transmits age information<sup>[1]</sup> from KDDI to the site provider when the customer uses a community site that requires age confirmation, such as social networking sites and blogs.

This is in compliance with the requirement for CGM<sup>[2]</sup> content providers to ensure age authentication as part of the youth protection policy in relation to using CGM services. We believe that the introduction of this service will be conducive to the improved safety and security of our customers.

[1] Age information: Information that indicates whether the potential user has reached or is under the age specified by the content provider. This information is based on the customer's date of birth used in the mobile phone subscription, or if user registration is submitted, the user's date of birth used in the registration; the actual date of birth and age are not transmitted. If user registration is submitted, user's age information is transmitted.

[2] CGM (Consumer Generated Media): Collective term for media in which consumers contribute their own content; examples include social networking services (SNS), blogs, and word-of-mouth sites.

#### Spreading Awareness of Filtering Services

In conjunction with the "Spring Term Campaign for Safe Internet Use" led by the Ministry of Internal Affairs and Communications to coincide with the spring graduation season and start of the new school year, KDDI promotes safe and secure internet use by young people.

When a new contract is concluded for an au mobile phone that will be used by a minor, the au shop provides information about the Safety Access for Android™/iOS/feature phone filtering services, along with assistance in configuring the settings. KDDI also launched a Net Skills Checkup homepage that assesses the Internet literacy of children and offers recommendations based on their age and the devices that they use. By answering questions in a quiz format, children can deepen their knowledge of how to use the Internet more safely and securely.

In addition, the Telecommunications Carriers Association (TCA) has created video content and posters for retailers nationwide that can be widely used at events and in shops to improve internet literacy and is mounting efforts to encourage the spread and awareness of filtering.

#### Measures Against Money Transfer Scams

Money transfer scams are on the rise again. KDDI is fully aware that this is a societal problem, and we are taking the following measures to prevent fraudulent mobile telephone and PHS subscriptions through the Telecommunications Carriers Association (TCA).

KDDI's measures include the enhancement of identity confirmation by restricting the payment methods for usage fees in individual subscriptions, the prevention of mass fraudulent subscriptions by restricting the number of subscribed lines, and the enhancement of screening by enhancing the sharing between mobile telephone and PHS providers of subscriber information for lines where identity confirmation is not possible.

In 2015, KDDI introduced the Nuisance Call Light-up service, which utilizes colored lights on a dedicated device to indicate the risk level of calls to the user's fixed-line phone, and automatically blocks incoming calls that have a high possibility of being a nuisance call (such as a scam call or cold call).

The database used to detect nuisance calls utilizes nuisance call number data provided by the police, local governments, etc.

KDDI will continue to strive to prevent fraudulent subscriptions and increase awareness of money transfer scams as well as enhance our efforts to eradicate crime.

### Policy, System, and Infusion

### Responsible Advertising and Marketing

KDDI advertisements are created based on the rules and provisions of the Act against Unjustifiable Premiums and Misleading Representations as well as voluntary standards and guidelines on placement of telecommunication service advertisements, to avoid advertisement placement that may constitute unfair customer enticement.

## Providing Products and Services that Offer Peace of Mind to Customers

When creating an advertisement, the departments share thorough and accurate information about the purpose of the advertisement and the details of the product or service. After it is created, the advertisement is inspected by each department before it is submitted to the review department for final approval. As a rule that has been in place since 2013, advertisements cannot be used without passing the final review.

In FY2015, the review department evaluated 5,188 advertisements.

In addition, education activities are periodically conducted for all employees to ensure the appropriateness of advertising. In FY2015, KDDI conducted an e-learning class that focused on the contents of the Revised Act against Unjustifiable Premiums and Misleading Representations, which became effective in December 2014.

To continue providing services that will earn and maintain customer loyalty, KDDI will observe related laws and regulations and voluntary industry standard guidelines as well as continuing to place importance on improving the in-house system and employee training and working to ensure the rectification of advertisement displays related to telecommunication services.

Furthermore, in FY2015, KDDI did not violate any regulations related to marketing or communication (in the Revised Act against Unjustifiable Premiums and Misleading Representations).

### Policy and System

## Safety of Electrical Waves

### Policy

In regard to radio wave safety standards related to KDDI mobile phones and all KDDI base stations in Japan, KDDI complies with the provisions of laws and regulations regarding radio waves and operates at an electromagnetic wave level below the Radio Radiation

Protection Guidelines.

### Awareness of current situation and organization

Over the past few years, mobile phones and other wireless systems have come to be used in daily life. As we gain more opportunities to use such emitters of electrical waves in familiar settings, there has been a rising interest in the effects of such radiation on the human body and on medical devices. The Ministry of Internal Affairs and Communications created the "Radio Radiation Protection Guidelines" to enable the safe use of electromagnetic fields, and regulations have been introduced in accordance with these guidelines. The Radio Radiation Protection Guidelines are equivalent to international guidelines advocated by the World Health Organization (WHO) and were created to keep electromagnetic radiation within a range ensuring an adequate safety ratio, in accordance with the results of international research. Experts from WHO and other international institutions are in consensus that safety will be ensured if these guidelines are met.

We take great care to ensure that the electromagnetic radiation from our base stations poses no threat to safety. In order to ensure this, we design, build, maintain and periodically inspect our mobile phone base stations in strict compliance with the relevant laws and regulations, including the Radio Radiation Protection Guidelines stipulated in the Radio Law and the Building Standards Law, as well as local government ordinances. In addition, we provide mobile phone terminals that comply with the permissible values for radio wave strength and radio wave absorption by the human body stipulated in laws and regulations relating to radio waves.

In November 2002, KDDI began conducting joint experiments with NTT DOCOMO Inc. and SoftBank Corp., using cells of human origin to evaluate the impact of mobile phone radio waves on living organisms. Some results of the experiments were released in an interim report in 2005, and the final report released in 2007 concluded

that radio waves have no confirmed effect on living organisms at the cellular level or gene level. By serving as an example of scientific evidence that refutes claims that radio waves have a cancer-causing effect on cell structure and function, the research reaffirms the safety of radio waves emitted from mobile phone base stations.

KDDI is also committed to providing accurate information to all. We will continue to actively collaborate with relevant organizations on research and testing relating to the impact of electromagnetic radiation from mobile phones on the human body and on medical equipment, and we continue striving to stay abreast of trends in research into the safety of electromagnetic waves, both in Japan and internationally.

In addition, KDDI will continue providing information regarding the safety of radio waves emitted by mobile phone handsets via the website and other sources. When constructing mobile phone base stations, KDDI strives to provide adequate explanations in response to inquiries from local residents regarding the safety of radio waves, in an effort to ensure their full understanding and cooperation.

Organizations to which KDDI belongs: The Association of Radio Industries and Businesses, The National Institute of Information and Communications Technology.