

# Customer Relationship Management

## Policy

KDDI

### KDDI's Approach (Customer Relationship Management)

KDDI regards all its stakeholders as “customers” and is making efforts to increase customer satisfaction. KDDI has formulated the “KDDI CS Policy” as a guideline for the actions and judgements of employees to achieve TCS (Total Customer Satisfaction), an effort to improve customer satisfaction, as a company-wide activity that involves all our employees including executive managers in order to ensure an enduring relationship of trust with our customers by exerting the utmost effort for the benefit of our customers.



## System

KDDI

### Customer Satisfaction Promotion System

KDDI aims to become a “Life Design Company” capable of providing services other than in communication including payment, sales, energy, and financial services by transforming into a business that offers customer experiences that exceed customer expectations which was a business management policy established in FY2016. The Consumer Experience Promotion Department is making concerted efforts to improve customer experiences from the customer's perspective by discovering all points of contact between customers and KDDI through the customer journey, then identifying and eliminating pain points that are the areas of dissatisfaction to customers in order to provide valuable customer experiences. In order to provide better products and services, efforts are made to

resolve issues in various committees attended by the president and management executives, and initiatives for improved services and quality are posted on the website as the occasion arises.

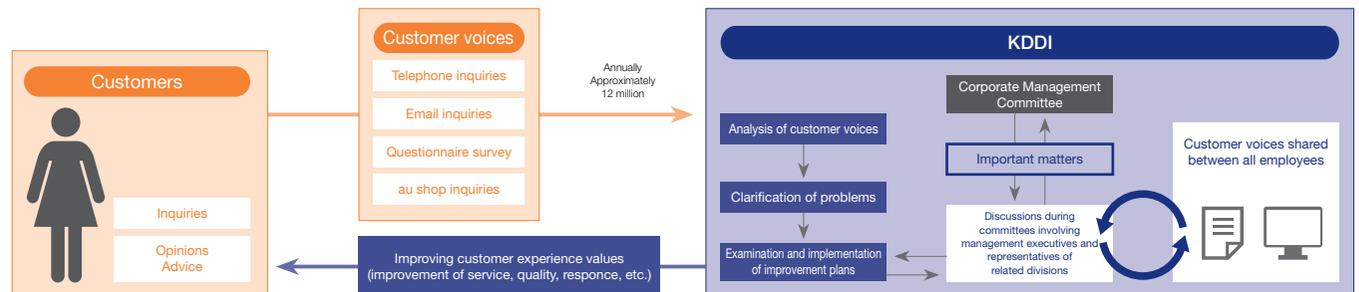
## System

KDDI

### Collection of Customer Voices

KDDI believes the basics of customer response involve listening closely to the voices of our customers, promptly translating their views into action, and continuing to refine our services and quality. The views and requests that we receive from our customers are processed through our in-house system that is updated daily and analyzed in order to highlight problems and issues. Problems that require prompt determination are discussed at committees attended by management executives as well as representatives of related divisions in order to solve them through a company-wide effort. In order to share the voices of our customers company-wide, the received opinions are publicized on our intranet excluding that customer's personal information.

### Framework for Collection of Customer Voices



## Activity

KDDI

### Services and Products That Have Been Improved through Customer Voices

KDDI has released products developed utilizing various customer voices for the 2016 summer models of “au +1 collection”, an official au accessory.

#### Examples of Development Implementing Customer Voices (Excerpt)

Customer voices	Improved items	
Smartphones and tablets slip out of my hand	Fall prevention ring and band, smartphone/tablet case with strap	
I want to maintain my flip mobile phones scratchless and clean	Dedicated hard cover, multi pouch, multi long strap	
I want to be able to operate my phone or check my calls and SNS while the case is closed	Book type case with window (compatible with all smartphone models)	
I want a USB cable that is easier to insert	KDDI-original dual end USB cable	

# Customer Relationship Management

## System and Activity

KDDI

### Initiatives for Customer Satisfaction

#### ■ Efforts to Improve Customer Experience Values at au Shops

KDDI, through its au shops that can be found at approximately 2,500\* nationwide, are facilities where customers actually come into contact with au, is making efforts to improve customer experience values.

As an example of a pain point from customer's point of view, we have received reports that the waiting time was too long. Following this, KDDI included a benefit (au STAR passport) to "au STAR", a flat-rate free membership program that was released in 2016, which allows customers make reservation at the shop in order to eliminate waiting time. In addition, in the shop facility and design aspect, KDDI is working to create a satisfying environment for customers by offering a shop design that makes them more accessible. KDDI is also working to make it more comfortable for customers to browse through products other than communication services and create a cozy layout environment where they can visit for detailed consultation.

\* Numbers of au shops including Okinawa Cellular Telephone Company

#### ■ Strengthening of Multilingual Support at au Shops

KDDI has prepared multilingual questionnaires for visitors to shops following the rise in foreign customers. Based on the results of the questionnaires, we aim to strengthen multilingual support at each branch, branch store, and au shop to improve experiences for foreign customers. With these activities, there has been a rise in customers that have chosen au.

Initiatives	Content
Maintenance of multilingual environment	Performed environment maintenance for multilingual response at over 1,300 au shops across Japan (as of June 2017)
Introduction of interpretation system through video conferencing	Promoting introduction of an interpretation system through video conferencing that supports a total of 12 languages (English, Chinese, Portuguese, Korean, Vietnamese, Tagalog, Spanish, French, Thai, Nepalese, Hindi, Russian)
Translation of each tool	Translated reports, information, catalogs, flyers, etc. for customers in up to 9 languages
Production of multilingual au video guides	Translated au service introductions and videos that explain common inquiries in up to 4 languages (English, Chinese, Portuguese, Vietnamese)

-  [Sign language support](#) (Page 43)
-  [Multilingual correspondence at au shops](#) (Website)

#### ■ Improvement of au International Services

KDDI and Okinawa Cellular Telephone Company is making efforts to improve international services so customers can comfortably and conveniently use communication services with peace of mind at their travel destinations.

Responding to customer opinions stating they are "worried about billing and setting methods" concerning data transmission overseas, KDDI started providing "World Data Flat" in July 2016. This service allows customers to use data communication for 24 hours in 32 countries and regions around the world available at a fee less than a third of the conventional overseas roaming services "Kaigai Double-Teigaku".

Concerning call quality, as a first in the domestic communication business\*, VoLTE (Voice over LTE), a high quality voice call service between Japan and America was released in June 2016, enabling clear voice calls even for long distances.

\* As of June 6, 2016, researched by KDDI

## Activity

KDDI

### Results and Initiatives for Customer Satisfaction

Name	Overview of initiatives
Action! (service improvement activities)	KDDI is promoting service improvement activities based on customer voices to enhance services and quality  <a href="#">Action! Making use of customer voices (Japanese)</a>
au CX AWARD	Each year, KDDI holds the customer service contest in locations throughout Japan in an attempt to enhance the customer service skills of au shop staff
au Support Movies	Explains how to operate smartphones and how to use popular apps through video guides  <a href="#">au Support Movies (Japanese)</a>
au Osekkai-bu	Introduces smartphone usage based on various lifestyles  <a href="#">au Osekkai-bu (Japanese)</a>
au Smart Support	KDDI offers a support service for members that provides the best support according to the customer's situation when using smartphones  <a href="#">au Smart Support (Japanese)</a>

# Customer Relationship Management

## Policy

## KDDI

### KDDI's Approach (Approach for Corporate Customer Satisfaction)

In an ever-changing market environment, customer needs are becoming more and more diversified and sophisticated. KDDI contributes to our customer's businesses through fine communication in our customer perspectives with the business management policy of transforming KDDI into a business that provides a positive customer experience.

development of new products.

Through exclusive observation tours and seminars, KUG aims to enliven the communication between KDDI and the group members.

FY2016 Activity Results	11
Example of initiatives	<ul style="list-style-type: none"> <li>Introduction of efforts concerning disaster response and service quality maintenance through tours of the KDDI Shinjuku Building and KDDI OCEAN LINK</li> <li>Organizing seminars to share new issues related to IoT and ICT solutions</li> </ul>

## Activity

## KDDI

### Initiatives for Corporate Customer Satisfaction

KDDI is performing various efforts including employee training to become the business partner chosen by customers and help them solve any problem they may have. Specifically, we are implementing in-company workshops as well as in-company contests, and are conducting several other measures including sharing of good practice that contributes to the main businesses of our customers.

#### ■ KUG: KDDI ENTERPRISE USERS' GROUP

KDDI ENTERPRISE USERS' GROUP (KUG) is an organization operated by corporate members who are users of KDDI's services. In KUG, which KDDI acts and supports as the organizer, member companies from various industries gather for seminars, observation tours, and workshops that are held for the purpose of interchange, study, and friendship. The member gatherings also serve as an opportunity for various activities to reflect the voices of our corporate users concerning improvements to KDDI's services and the

## Results and Analysis

## KDDI

### Customer Satisfaction Surveys

#### ■ Evaluation for au Services in the Consumer Market

Research name	Evaluation
J.D. Power "2016 Japan Mobile Phone Service Satisfaction Study"	Winner of the Satisfaction Award
J.D. Power "2016 Japan Mobile Data Communications Service Satisfaction Study"	Winner of the Satisfaction Award

#### ■ Evaluation for KDDI Services in the Consumer market

Research name	Evaluation
J.D. Power "2016 Japan Network Service Satisfaction Study" <Mass Market Segment>	Winner of the Satisfaction Award
J.D. Power "2016 Japan Business Mobile Phone Service Satisfaction Study" <Mass and Medium Market Segment>	Winner of the Satisfaction Award
J.D. Power "2016 Japan Business IP Phone & Direct Line Phone Service Satisfaction Study"	Winner of the Satisfaction Award (4 consecutive years)

## Policy

## KDDI

### KDDI's Approach (Providing Online Convenience)

Following the growth of the domestic communication market, it is difficult to assume major growth in the number of customers. To realize continuous growth and improvement in corporate value even under these social conditions, KDDI aims to change into a "Life Design Company" that proposes services following customer lifestyles and provides experiences that exceed customer expectations. KDDI is promoting services other than those in the communication field including billing, sales, energy, and financial services from both offline services at approximately 2,500 au shops nationwide and online services including billing platforms.

## Policy

## KDDI

### Approach to Online Use

KDDI is expanding its online strategies that make billing and procedures more useful and profitable based on au customer foundations and

## Customer Relationship Management

billing platforms. KDDI currently holds approximately 48.54 million au mobile phone contracts (as of March 2017) for conventional communication services. Aiming to become a “Life Design Company” from FY2016, KDDI is providing comprehensive products and services other than those in the communication field. Based on these customer foundations and billing platforms, KDDI plans to make use of omni-channeling by strengthening the link between online services including “au Smart Pass” and offline services at actual au shops.

To provide support for services that are becoming more sophisticated, the Customer Support platform on the website has been renewed with higher operability and easier-to-understand explanations. The net addition of FY2016 has increased to 2.63 million au users, with an au contract cancellation rate of 0.83%\*.

Moving forward, KDDI will continue working to expand the customer base by offering the advantages of online convenience along with the sense of security of face-to-face customer service at approximately 2,500 au shops nationwide.

\* Based on public terminals (feature phones including smartphones and prepaid phones) of personal segments

### Policy

KDDI

#### Lifestyle Offers Using Online Services

KDDI proposes lifestyles that fit each customer for 15.22 million members of “au Smart Pass” (end of March 2017) and 5.7 million customers registered to “au WALLEt Market” (as of June 2017), an online shopping service, by providing various au brand products and services in order to expand the “au Economic Zone”. Especially important are the “au WALLEt Prepaid Card”<sup>\*</sup> and “au WALLEt Credit Card”. In the past, KDDI pursued efforts to expand sales on

the basis of indicators such as the number of subscribers or the usage bill related to communication services, but from now on, KDDI will pursue efforts to expand value-added sales that are not related to communication services, which use these payment platforms.

As of March 2017, 20.8 million au WALLEt Cards have been issued. KDDI aims to expand the total value of “au Economic Zone” transactions to more than 2 trillion by the end of March 2019 through “au WALLEt Card”, online carrier billing (=au Simple Payment), etc.

\* The “au WALLEt Prepaid Card” is a payment service that can be used at most shops around the world that accept MasterCard®. (Some shops and services may not accept the card as a payment method.)

### System

KDDI

#### Improvement of the Online Platform

KDDI and Okinawa Cellular Telephone Company renewed the official au website in 2016 and it offers “My au” a new customer support platform, as one of the policies in the aim to change into a “Life Design Company”.

With “My au”, customers can check information including their mobile phone information, points, and notifications as well as the content of their contract and billing information of all services of the “au Economic Zone”.

### System

KDDI

#### Support System through Online Services

KDDI provides an “Anshin Total Support” service for a fee for customers using the “au one net” Internet service provider. This service includes operator support for various Internet problems that is available 365 days a

year from 9AM until 11PM.

Specialist operators on the “Anshin Total Support” service answer many different kinds of questions relating to network connections and settings as well as user guidance via telephone and remote operation. By meeting a wide range of customer needs concerning PC peripheral equipment and software settings as well as KDDI equipment, we are creating a more convenient Internet environment.



Anshin Total Support (Japanese)

### Policy

KDDI Group

#### Approach to the Use and Application of Personal Data

Personal data can now be used and applied to new services by anonymizing the information following the revision of the Act on the Protection of Personal Information in 2015. KDDI will monitor and maintain regulations within the company based on relevant laws and regulations and appropriately use personal information of our customers following the privacy policy.