

Brand Management

Policy

KDDI

KDDI's Approach (Brand Management)

The telecommunications market continues to grow more homogeneous, making it difficult for companies to differentiate themselves from competitors in terms of the functions and performance of products, services and prices. Under such harsh conditions, to ensure that customers continue to choose KDDI in future, it is imperative for us to undertake exhaustive efforts to consider the customer's perspective and continuously pursue activities that boost customer satisfaction. We believe that these efforts help our brand become more established.

KDDI is making a company-wide effort to promote the improvement of customer experience by identifying the establishment of a strong brand as a key issue.

Furthermore, we are striving to raise awareness among our employees so as not to bring any disadvantage to our customers or society due to unauthorized use of trademarks or inappropriate use of logos by third parties.

System

KDDI

Brand Management Promotion System

KDDI is making efforts to encourage deeper understanding and practice among our employees in order to strengthen our brand management.

Efforts in FY2016

- Group classes
- Distribution of e-learning for all employees
- Employee attitude survey within the company
- Distribution of related information through the company intranet

Policy

KDDI

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.

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 addition, education activities are periodically conducted for all employees to ensure the

appropriateness of advertising displays.

Going forward, KDDI will observe related laws and regulations and voluntary industry standard guidelines as well as continue to focus on improving and spreading internal systems, and strive to ensure the optimization of advertisement displays related to telecommunication services.

Furthermore, in FY2016, KDDI did not violate any regulations related to marketing or communication (in the Revised Act against Unjustifiable Premiums and Misleading Representations).

	FY2016 Result
Number of advertisements inspected by the review department	5,550
Results of review	Advertisements that might violate laws and regulations were all rectified
Implementation of measures to ensure spreading of policy within the company	Implementation of e-learning for all employees (Topic: About the Revised Act against Unjustifiable Premiums and Misleading Representations, 81.5% attendance rate)

Brand Management

Activity

KDDI

Improving Brand Value by Maintaining the Popularity of the Santaro TVCM Series and through Sponsorship Agreements

Starting in January 2015, KDDI rolled out the Santaro TVCM series in an effort to spread the brand image of au under the brand slogan of "New Freedom". In FY2017, we continued to run the Santaro series with the aim of further increasing the popularity.

In addition, we signed new sponsorship agreements with sporting events and organizations as one of our initiatives to improve brand value. KDDI hopes that new values can be created together with the sponsored organizations through such support.

HAKUTO	Provision of support using communication technology for HAKUTO - the first and only private-sector lunar exploration team from Japan to participate in the lunar exploration race, Google Lunar XPRIZE.
Japan national soccer team	Signing of an agreement with the Japan Football Association to be a supporting company of the national soccer team.
Sport climbing	Signing of an official sponsor agreement in the sport climbing category with the Japan Mountaineering & Sports Climbing Association. "TEAM au" was formed with 4 sport climbing athletes.

Activity and Results

KDDI

External Assessment (Subject: The Santaro TVCM Series)

Name	Evaluation
CM Research Center FY2016 Commercial Popularity Ranking by Company FY2016 Commercial Popularity Ranking by Brand	First place
2016 56th ACC CM FESTIVAL Film Division Category A	The Minister for Internal Affairs and Communications Prize / ACC Grand Prix
Nippon TV Network CM Awards 2016	Nippon TV Network CM grand prize
46th Fuji Sankei Group Advertising Awards Media Mix Division Media Division - TV Public Division	Award of excellence
54th Galaxy Awards CM Division	Award of excellence