

Labor Practices

Policy

KDDI

KDDI's Approach (Our Perspective on Diversity)

Chapter 1 of the KDDI Group Philosophy states "Embracing diversity," setting forth clearly our belief that mutual respect for and understanding of people regardless of gender, age, nationality, religion, disability, and other diverse characteristics and values is essential to the sustainable growth of society. We promote diversity and inclusion throughout the Company on this basis.



Diversity logo selected from internally solicited proposals

Message from Executive Officer

To ensure that KDDI continues to grow in our rapidly changing business environment, we must shift away from being a homogeneous organization, toward one that adopts a diverse range of values. As one of our medium-term targets, KDDI aims to improve the strength of employees, and one of the essential features of this aim is to utilize diverse human resources. Since the early 2000s, KDDI has embraced the advancement of women in the workplace, and has undertaken efforts to strengthen the cultivation and promotion of female leaders. In recent years, we have pursued measures to enhance the promotion of diversity with respect to persons with disabilities and LGBT* people, through efforts such as awareness raising activities within the company and the establishment of a comfortable environment. Furthermore, in FY2016, KDDI implemented a full-scale launch of work style reform initiatives, and has embraced the challenge of creating a work environment that is conducive to all. Moving forward, as we reaffirm our commitment to embodying the aspiration of "Embracing diversity" expressed in the KDDI Group Philosophy, KDDI endeavors to solve a variety of issues and transform into a company that elicits the maximum performance from all employees.



Hirofumi Morozumi
Executive Vice President, Director

* LGBT: Collective term for lesbian (L), gay (G), bisexual (B), and transgender (T) people. In this report, the term "LGBT" is used to refer generally to all sexual minorities, including LGBT people.

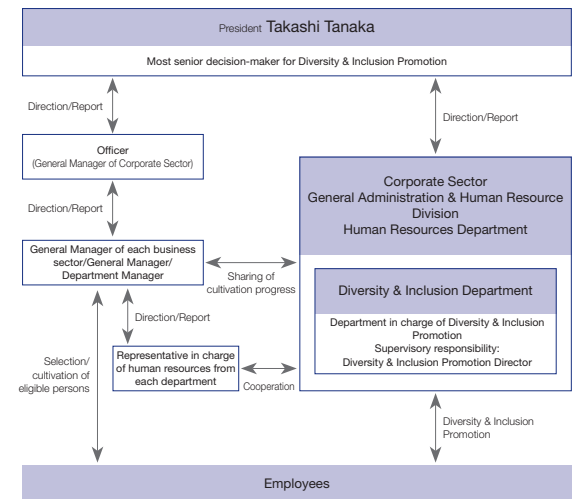
System

KDDI

Diversity Awareness

In April 2008, KDDI established the Diversity & Inclusion Department in the Human Resources Department. Under the leadership of the president, we are engaged in company-wide efforts to promote the professional advancement of female employees, diverse work styles, and the advancement of employees with disabilities and LGBT employees. In addition, the promotion of diversity is clearly positioned as a management issue, and efforts to cultivate and educate human resources, including the advancement of women's careers in the workplace, have been added as an evaluation item for executives and line managers.

KDDI's Diversity & Inclusion Promotion System



Labor Practices

Activity and Results

KDDI


External Assessments

 Selected as "Nadeshiko Meigara" for Five Consecutive Years



Selected as "Diversity Management Selection 100" award



 Winner of the Gold Award in the PRIDE Index



Policy

KDDI

Support for LGBT

There are laws in Japan regarding gender change for people with gender identity disorder, and while there is a growing trend toward recognition of same-sex marriage in an increasing number of countries and regions abroad, understanding and support for such human rights in companies is still inadequate. In light of this situation, KDDI has promoted activities within the company to raise awareness about LGBT issues since FY2013, which have advanced the understanding among employees and spread awareness to society. In line with these activities, KDDI revised its internal regulations on April 1, 2017 to include same-sex partners in the definition of spouses. Subsequent to this change, employees with

same-sex partners are eligible for all company programs* available to employees with spouses recognized by KDDI.

* Applicable company programs: Housing allowance, unaccompanied duty allowance, special payment for marriage, special leave (mourning, marriage, maternity, childcare, and family care), child-raising leave, use of company housing, etc.

LGBT Initiatives

Initiatives	Content
Establish provisions in KDDI Code of Business Conduct (Basic Principles)	Establish provisions to prohibit unjustifiable discrimination and harm to personal dignity on the basis of sexual orientation or identity, along with other personal characteristics such as gender, age, and nationality, and widely publicize them internally and externally to the company.
Conduct edification activities to promote understanding	Seminars and e-learning courses aimed at improving the understanding of LGBT issues have been conducted on an ongoing basis since FY2013.
Change the definition of spouse, and apply the change to company regulations	When KDDI recognizes an employee as having a same-sex partner, that employee is eligible for all company programs available to other employees with spouses.
Give consideration to work environment	For transgender employees, it is recommended to use working names, conduct health checks on an individual basis, and provide universal toilets.
Promote understanding of LGBT issues in society	<ul style="list-style-type: none"> Participate in forums and other events related to LGBT issues, and introduce KDDI initiatives as case examples. Make donations to LGBT support groups.
Apply changes to au "Family Discount" and other services	Expand the eligibility of family-oriented services, such as au "Family Discount", to include families with same-sex partners when formal certification of same-sex partnership is provided.

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KDDI

Expanding Employment Opportunities and Advancement of Persons with Disabilities

KDDI is striving to further expand employment opportunities for persons with disabilities in an effort to promote independence and success in their work life. In addition, as part of our efforts to promote diversity and inclusion, the training programs for new employees at the KDDI Group provide opportunities to work with persons with disabilities at KDDI Challenged.

KDDI Challenged, which KDDI established in 2008 as a special subsidiary, aims to instill in employees with disabilities the awareness of what they can achieve. With a working environment tailored to the needs of these individuals, KDDI Challenged seeks to create and expand the types and scope of activities of each of its employees. In FY2016, Cafe Challenged was opened in the KDDI headquarters building, and it is currently in operation. Also in FY2016, KDDI renewed efforts to publicize the counseling office for issues related to the advancement of persons with disabilities, and set up a system to facilitate communication between the company and employees with disabilities.

With the aim of increasing the employment of persons with mental disabilities by FY2018 as obligated, KDDI is continuing to expand job areas with a focus on developing diverse occupations. This is intended to enable people to realize their potential in their respective fields of expertise based on an understanding of their character through pre-employment training. At KDDI, the percentage of the workforce composed of people with disabilities is 2.38%* (as of June 2017), which exceeds the legal requirement (2.00%).

* This figure includes KDDI Challenged (special subsidiary) and KDDI Engineering.

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Work Status of Employees with Disabilities

Work location	Work details
KDDI Challenged	Work handled under contract from the KDDI Group includes disassembling mobile phone handsets, performing maintenance on business mobile phones, handling accounting procedures, PC kitting*, facility maintenance, Refresh Room operations, and Cafe Challenged operations.
KDDI Challenged, Osaka Office	Work includes cleaning (morning), disassembling mobile phone handsets (afternoon), and Cafe Challenged operations.

* The process of setting up a PC operating system, installing applications, and other activities

System KDDI

Support System for Employees with Disabilities

The Law on the Elimination of Discrimination Against Persons with Disabilities, which went into effect in Japan in 2016, mandates that “reasonable accommodation” be taken to remove all barriers to the lifestyles of people with disabilities. To ensure that employees with disabilities have a work life that suits the characteristics of their particular disability, KDDI strives to maintain an accommodating work environment through efforts such as providing support to the employees themselves and publishing guidebooks for their superiors.

Case Examples of Support for Employees with Disabilities

Measure	Content
Implementation of questionnaire surveys	Questionnaires are conducted on all employees with disabilities, to assess factors such as the inconveniences they face in the company and changes in their disability status, and the opinions are incorporated into KDDI's activities.
Publication of “Guide to Communication with Employees with Hearing Difficulties”	This guide, which was created with the participation of employees with hearing difficulties, provides easy-to-understand explanations on the rules of sign language interpretation and how to support summary writing in the workplace.
Participation in external “ACE Challenged Seminar”	Employees with disabilities and their senior staff participated in the “ACE Challenged Seminar” hosted by the Accessibility Consortium of Enterprises (ACE), which works to promote career design for employees with disabilities.
Introduction of app for persons with hearing difficulties	KDDI introduced the “UDTalk” speech translation app to enrich the access to information by employees with hearing difficulties.

Policy, System, and Activity KDDI

Promoting the Active Role of Senior Employees

KDDI has established a “re-employment” program for employees who have reached the retirement age of 60 and have satisfied certain requirements, enabling them to work as non-regular employees until age 65. This system employs open recruiting, allowing the employees to select their desired job type and activity while creating a mechanism for former full-time employees to make full use of their skills and experience in various workplaces. For employees nearing retirement age, we also hold seminars that inspire them to think about

their style of living and working after the age of 60.

Policy and System KDDI

Advancement of Foreign Employees

To ensure that foreign employees can work comfortably in Japan and make full use of their abilities, KDDI provides a variety of information related to company programs, on topics such as obtaining permanent resident status, dependents, and employee pension. In support of KDDI's efforts to become increasingly global, discussions were held with foreign employees in FY2016 aimed at improving the workplace environment.

Policy KDDI

KDDI's Approach (Diverse Work Styles)

In response to the social issues of a declining working-age population and labor shortage, there are growing moves in the public and private sectors to implement a fundamental review of work systems and to implement a variety of work styles. By implementing a work style that is conscious of time management, we can improve productivity while also ensuring greater employee health. In addition, we believe that each employee taking advantage of the extra time that is created to acquire experience can lead to the growth of both society and employees. At KDDI, we are promoting a system of work-life management that enables each employee to improve their own work efficiency and productivity on an individual basis.

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System

KDDI

Work, Childcare and Nursing Care Support Systems

To help employees balance work with other commitments, such as childbirth, childcare, and nursing, KDDI has established a system that exceeds legal standards and provides support to employees.

In addition, to ease the sense of uncertainty that employees may feel during childcare absence, KDDI provides a website that enables employees to stay in contact with their superiors and take e-learning courses. We also have an adjustable working hour system. The scheme is flexible and allows employees to adjust working hours to their availability. Thanks to programs such as these, more than 99% of employees who take childcare absence return to their positions in the company (100% for males, 99.0% for females), and the retention rate 12 months after returning is 96.8%.

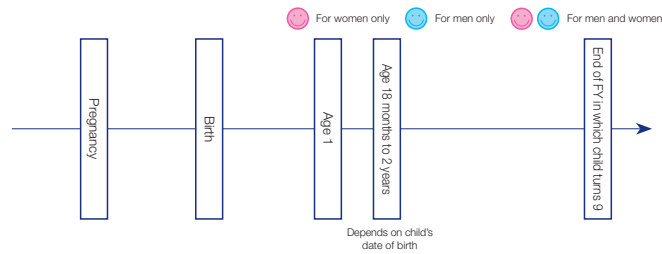
Furthermore, we have established programs for rehiring employees who previously left for reasons of childbirth or nursing care. In 2009, KDDI acquired "Kurumin" certification in recognition of our efforts to support the balance between work and home life.

<KDDI's efforts>

1. Improvement of employment environment to support both the work life and home life of employees such as those engaged in child-rearing
 - (1) Implementation of measures to promote the taking of childcare absence by male employees
 - (2) Implementation of measures to provide financial assistance to employees when using child-rearing support services
2. Improvement of various labor conditions conducive to revising work styles
 - (1) Implementation of measures to reduce overtime work

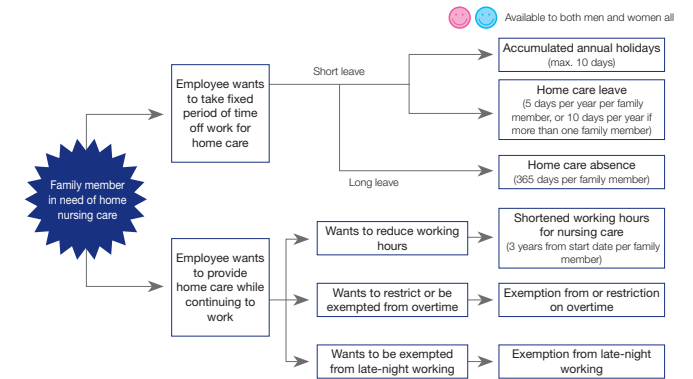
Furthermore, in FY2016, KDDI updated the work regulations with a provision to prohibit maternity harassment. We set up a counseling office, and provide training to spread awareness within the company.

Program for Work-Childcare Balance



Support during pregnancy	Less commuting to work Time for antenatal hospital checkups	Time for antenatal hospital checkups (only if so directed by doctor)	
Support before and after birth	Maternity leave Paternity leave		
Support during leave of absence	Childcare absence "wiiwi" support services for return to work after childcare absence		
Support for work-childcare balance	Childcare time Shortened working hours for childcare Flextime Sick/injured child care leave Exemption from overtime work Restrictions on overtime Exemption from late-night working		

Program for Work-Home Care Balance



Labor Practices

Activity and Results

KDDI

Efforts to Support Childcare and Nursing Care (Excerpt)

Measure	Target	Content
Supporting return to work after childcare absence	Employees planning to take childcare absence	Hold seminars on lifestyle during childcare absence.
	Employees planning to return to work	Hold seminars on improving awareness of issues employees may face after returning to work and on supporting a smooth transition back to work.
	Superiors of people planning to return to work	Share information needed by working mothers for career development.
Support for male employees' participation in childcare	Male employees with spouse expecting to give birth	Grant paid paternity leave in the period approximately one month before or after the expected delivery date or the birth (up to 3 days, on a day-by-day basis). · In FY2016, 279 employees took advantage of this program.
Supporting a balance between work and nursing care	All employees	Offer educational lectures on the balance between work and nursing care, and provide booklets on in-company programs.
Promoting the active role of employees with shortened working hours for childcare	Superiors of employees with shortened working hours for childcare	Create guidebooks on measures to promote the active role of the relevant employees, and publish them on the company intranet.

* Only measures that exceed the legal standards are described here as examples.

Results

Usage of Childcare and Nursing Care Support System (KDDI)

Unit: person

Program		Gender	FY2012	FY2013	FY2014	FY2015	FY2016
Childcare	Maternity leave	Female	157	168	190	185	181
	Paternity leave	Male	280	283	328	269	279
	Childcare absence	Male	5	15	11	14	16
		Female	268	270	275	281	276
	Childcare absence reinstatement rate ^[1]	Male	100.0%	100.0%	100.0%	100.0%	100.0%
		Female	95.7%	95.0%	96.5%	96.6%	99.0%
	Retention rate of employees who take childcare absence ^[2]	Male	100.0%	100.0%	100.0%	100.0%	–
		Female	99.1%	98.2%	100.0%	96.5%	–
	Shortened working hours for childcare	Male	2	2	1	2	1
		Female	356	378	394	417	440
Sick/injured child care leave	Male	638	520	320	290	344	
	Female	370	362	316	344	445	
Home care	Home care absence	Male	4	6	6	7	8
		Female	2	1	5	6	5
	Home care leave	Male	112	117	80	90	107
		Female	24	44	50	63	87
	Shortened working hours for nursing care	Male	1	2	1	4	1
Female		1	0	1	2	2	

[1] Total number of regular employees who returned to work after childcare absence ÷ Total number of regular employees who planned to return to work after childcare absence

[2] (Total number of regular employees who remain at KDDI 12 months after returning to work after childcare absence ÷ Total number of regular employees who returned to work after childcare absence) x 100

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Policy and System

Implementing Work Style Reform

In January 2017, KDDI implemented a full-scale launch of work style reform to encourage a fundamental transformation of our awareness and activities, and to shift away from the conventional work style toward a more highly productive work style.

<Purposes of work style reform>

- (1) Preserve employee health
- (2) Comply with labor-related regulations
- (3) Create free time to improve the strength of employees
- (4) Maintain human capital

To foster the understanding and full cooperation of employees on these efforts, work style reform assistance funds were paid to employees (non-managerial positions) in the 2017 summer bonus.

■ Usage Rate of Annual Paid Vacation Time

	FY2016 Goal	FY2016 Result
Usage rate of annual paid vacation time	70.0%	65.1%

Policy

Safety and Health Management System

In accordance with the Industrial Safety and Health Act, KDDI has established a safety and health management system and appoints general safety and health managers, safety officers, health officers, safety and health promoters, health promoters, and industrial physicians in each workplace. In addition, KDDI has established Health and Safety Committees that plan and conduct activities as joint labor-management efforts. In addition to exchanging opinions on occupational safety, fire and disaster risk prevention, mental health, long working hours, health management, traffic safety, talks by industrial doctors and other such themes, the committees work toward employee health management and maintenance and the prevention of workplace injuries.

The committees have been established at every office with 50 or more workers and they meet once a month. The minutes of the committee meetings held at each office enable the sharing of information among offices. By sharing health and safety measures, accidents can be prevented. In addition, a system is in place for reporting important items relating to health and safety to Executive Ofcer, CSR Environmental Sustainability (General Manager, General Administration & Human Resources Division).

KDDI

Policy

Priority Measures Relating to Occupational Health and Safety

KDDI is pursuing a variety of efforts aimed at the “elimination of long working hours” and the “reduction of number of employees absent due to mental health problems,” based on the company policy of “valuing human life, ensuring the safety of employees in the workplace at all times, maintaining and promoting their mental and physical health, and maintaining a pleasant working environment.” The final goal for these efforts is for there to be “no one who cannot work due to health disorder,” and to this end, KDDI has established a mechanism for reporting to management.

Activity and Results

KDDI Group

Diverse Work Styles

The KDDI Group is implementing a variety of work style reform initiatives designed to enable each employee to maximize their individual abilities, for the purposes of improving labor productivity, producing high-quality results, and creating new value.

Labor Practices

Activity

KDDI

Efforts to Implement Work Style Reform

In January 2017, KDDI established benchmarks for work hours, as the first step in work style reform. To achieve these benchmarks, KDDI is implementing company-wide measures urging employees to leave work by 8:00 PM. In addition, to promote work style reform at the organizational level, KDDI established a "work style reform promotion committee" composed of general managers of each department. To further strengthen efforts aimed at improving productivity, KDDI has set up working groups that span multiple departments, and is

implementing measures to encourage employees to systematically use their annual paid vacation time.

In addition, KDDI has pursued efforts such as thoroughly implementing the previously established "No Overtime Day," establishing rules for filing an application before performing overtime, and adding a provision to the work regulations that requires an interval of at least 8 hours between the end of one workday and the start of the next. Through these efforts, KDDI achieved an approximately 30% reduction in the average prescribed work hours among non-managerial employees from January to March 2017, compared to the same period in the previous year.

Programs That Support Diverse Work Styles

Program	Content
Telework program (Working at Home)	Introduced a telework program for all employees, to enable flexible work hours and to boost operational efficiency. Established a support program for employees who need to provide constant child care or nursing care, which only requires them to come into the office as little as once a month. * Selected as a "Telework Pioneer 100" certified by the Ministry of Internal Affairs and Communications (MIC), in April 2016.
Adjustable work hour system	Introduced an "Adjustable Work Hour System", through which an employee's prescribed number of working hours differs every month or every three months according to their working duties. The system is also available on a monthly basis to employees with shortened working hours due to childcare or nursing care responsibilities.
Flexible work hours	This program was decided following discussions between labor and management on whether or not the program should be introduced by job category, in accordance with the main purport of the Labor Standards Law. As of the end of March 2017, the program is used by 1,950 employees in the assistant manager class in the applicable departments, and by approximately 55.6% of company employees.
Work shift interval system	This system ensures at least 8 hours of off-time between the completion of a work shift (including work outside regular hours) and the start of the next work shift, for the purpose of improving awareness about the issues of health management, long working hours, and work-life management. The system applies to all company employees.
Spouse accompaniment leave system	This system, which was established in April 2017 to support the balance between work and home life with a long-term perspective, allows a maximum three-year leave of absence to employees whose spouse is assigned overseas, who accompany the spouse to the location to live together. The system also applies to employees whose spouse is not a KDDI employee.
Career-track employment with restricted work area (L course)	Established in 2016, this system of career-track employment (L course) where the work location is restricted to a certain area, and where employees are not transferred outside the specified area without their consent, enables KDDI to continue employing career-track workers who have difficulty relocating due to factors such as a changing home environment. Conventional all-area career-track employees are able to transfer to this system.

Activity and Results

KDDI

Promotion of Mental Healthcare

KDDI is making efforts to reduce absences due to mental health disorders. We are putting particular effort into preventing new onset and preventing recurrence of mental health disorders.

As a means of preventing new onset, KDDI conducts activities such as e-learning courses, training, and seminars at all levels within the company, and is proactively encouraging selfcare and line care. In FY2016, following the revision of the Industrial Safety and Health Act in December 2015, KDDI offered stress checks for all regular employees and contract employees, and achieved a participation rate of more than 80%. After the stress check results were analyzed and feedback was provided to the workplaces, information about issues was shared and improvement plans were examined.

In addition, KDDI is aggressively promoting the prevention of mental health problems by obligating employees who have worked longer than the prescribed number of hours to submit a questionnaire, and by providing consultations with an industrial doctor and individual follow-ups by industrial health staff. In addition, KDDI has established the Employee Counseling Center and an external counseling office, where industrial counselors offer counseling to employees regarding issues in both their professional and personal lives.

As measures to prevent recurrence, when an employee returns to the workplace following leave due to mental health issues, the industrial doctor always interviews the returnee and the returnee's superior, offering training (recommended participation in the Re-Work Program) before they return to work and reduced hours after they return, to ease the physical and mental burden of returning to work. In terms of the workplace environment, support is provided by the returnee's superior, and the returnee, his or her colleagues, superior,

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industrial doctor and industrial health staff work together to facilitate a smooth return to work.

Changes in Number of Employees Absent Due to Mental Health Problems (KDDI)

FY2013	FY2014	FY2015	FY2016
102	103	87	100

Status of Workplace Injuries (KDDI)

		FY2012	FY2013	FY2014	FY2015	FY2016
Injury/illness	Unit: person	20	14	14	19	21
Death	Unit: person	0	0	0	0	0
(Total)	Unit: person	20	14	14	19	21
Frequency rate ^[1]		0.82	0.48	0.52	0.62	0.78
Severity rate ^[1]		0.0032	0.0037	0.0078	0.0024	0.0102
Lost time injury frequency rates ^[2]		0.20	0.14	0.15	0.20	0.19

[1] Calculated based on the method used in the Survey on Industrial Accidents of the Ministry of Health, Labour and Welfare

[2] LTIFR: Lost time injuries frequency rate is the number of deaths and injuries due to industrial accidents divided by the cumulative hours worked multiplied by one million (lost time is defined as any period of one day or more)

Overtime Hours, Overtime Allowance, Total Annual Actual Hours Worked, Paid Vacation, Average Annual Salary (KDDI)

		FY2012	FY2013	FY2014	FY2015	FY2016
Average overtime hours per month ^[1]	Unit: hours/month	28.6	29.6	29.2	29.9	27.5
Average overtime allowance per month ^[1]	Unit: yen/month	–	–	101,218	100,197	96,395
Total annual actual hours worked (average) ^[1]	Unit: hour	–	–	1,944.6	1,941.6	1,919.2
Rate of paid vacation taken	Unit: Number of days granted	20.0	19.8	19.8	19.8	19.7
	Unit: Number of days obtained	13.8	11.8	13.1	13.1	12.8
	Unit: %	69.3	59.5	66.4	66.3	65.1
Average annual salary ^[2]	Unit: yen	9,067,548	9,396,971	9,763,079	9,510,045	9,532,136

[1] Applicable to KDDI employees in non-managerial positions.

[2] Average annual salary includes bonuses and extra wages

Main Measures to Prevent New Onset

Measure	Target	Content
E-learning	All employees of KDDI Group	Acquisition of knowledge about selfcare
	Manager	Acquisition of knowledge about line care
	Newly appointed managers	Basic understanding of line care
	Newly appointed line managers	Basic understanding of line care
Group training	Employees transferred within the company	Learning about selfcare for transferees
	Newly appointed line managers	Studying case examples of line care
	Manager	Line care seminars by industrial psychiatrists
	Line managers	<ul style="list-style-type: none"> Mental health seminars by public health nurses and clinical nurses Mental health management seminars
Stress check	New employees	Health management seminars by public health nurses
	All employees of KDDI Group	Stress checks using check sheets, and interviews based on results
Individual interviews	Employees who have been at the company for up to 3 years	Health checks for employees who have worked longer than the prescribed number of hours
	Employees who have worked for 3 months after returning from absence	Interviews with superiors and notification of interview results to industrial doctor

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Policy and System

KDDI

Enhancing Employees' Health Management

■ Providing Health Checks That Exceed Legal Requirements

KDDI is pursuing efforts in health management to ensure that employees maintain good health and feel a sense of liveliness at work. In particular, the company provides regular health checks that are more detailed than the legal requirements, and a consultation rate of 100% has been maintained since FY2010. As a post-examination follow-up, KDDI provides emergency counseling through medical institutions to employees with conditions having a high degree of severity, which was accepted by 100% of those who were eligible in FY2016. For employees with conditions that do not appear to improve over time, we provide counseling with their work superiors and industrial doctors, and provide health guidance until their conditions improve. In addition, in FY2017, we introduced a company program to assist with complete medical checkups and breast cancer screening.

Furthermore, in partnership with the KDDI Health Insurance Union, we started implementing measures aimed at preventing the aggravation of diseases (data health planning) on a trial basis in FY2014, and began full-scale operations in FY2015. In addition, the KDDI Health Insurance Union provides e-learning courses on the prevention of lifestyle diseases, as well as health seminars on topics such as walking and getting in shape, as health promotion measures.

■ Other Health Management Measures

Measure	Target	Content
Healthcare room	Regular employees, contract employees, and temporary staff	When employees are not feeling well, they can take a temporary rest in this room and receive first-aid care and health counseling.
Refresh room	Regular employees, contract employees, and temporary staff	Services such as massage by nationally qualified practitioners are offered.
Wellness benefits	Employee	<ul style="list-style-type: none"> • KDDI Group Welfare Association provides subsidies for activities such as childbirth/child-rearing, nursing care, health maintenance, personal development, and domestic help. (Employees are free to choose how to carry out the activities.) • KDDI Health Insurance Union provides special benefits for the use of sports clubs

System

KDDI

Safety and Health Management for Employees and Family Members Transferring Overseas

KDDI is pursuing a variety of efforts aimed at maintaining the health and safety of employees working overseas. KDDI provides consultations with industrial doctors to employees before taking a new post overseas, and consultations with medical staff after they return to Japan. While employees are stationed overseas, medical staff monitor the results of their regular health checks. Since FY2015,

industrial doctors, public health nurses, and clinical nurses have traveled around to the overseas offices to visit the sites and provide consultations. In FY2015, KDDI also began providing stress checks and follow-ups to employees while they are stationed overseas.

Furthermore, KDDI has established a system to support the safety and health of all employees and accompanying family members in developing countries.

The level of medical care in Asia, particularly in Myanmar, India, Cambodia, Mongolia and Vietnam, is generally lower than in Japan, and it is difficult to receive the same level of medical services as in Japan due to language and cultural problems as well as the high risk of infectious diseases rarely found in Japan. Under these circumstances, KDDI has established and implemented the Vaccination and Health Report Guidelines for International Transferees and Business Travelers, from the perspective of health management and safety of employees who are transferring or traveling to these regions on business.

In FY2017, KDDI introduced a medical return program that covers the expenses of returning sick or injured employees or accompanying family members to Japan, if an industrial doctor determines that it is necessary to receive treatment in Japan. Furthermore, in FY2017, KDDI expanded the availability of emergency evacuation services and emergency medical transport services, which were provided as an emergency precaution to employees stationed in developing countries. These services are now available to all employees on business trips or stationed overseas, and efforts have been made to extend coverage across the entire globe.

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Policy

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KDDI's Approach (Sound Labor-Management Relations)

KDDI aims to achieve decent work for all employees by working toward maintaining and improving labor-management relations through honest discussion and negotiations with employee representatives.

Policy

KDDI

Creating Sound Labor-Management Relations

■ Signing of Union Shop Agreement and Cooperation between Labor and Management

KDDI guarantees the right to freedom of association and collective bargaining.

KDDI adopted a Union Shop Agreement that requires all employees in Japan, except for managers and non-regular employees, to become members of the KDDI Workers Union starting in January 2012, and we signed the Labor-Management Relations Agreement, Union Activities Agreement, and Collective Bargaining Agreement with the KDDI Workers Union.

As of the end of March 2017, 98% of all eligible company employees (11,150 people) belong to the Union.

Regarding items with a significant influence on the treatment of employees, such as organizational changes and institutional improvements related to human resources, discussions are held with the KDDI Workers Union, and their consent is obtained before implementing any changes. In addition, to facilitate labor-management cooperation, meetings between labor and management are held regularly to deliberate on a variety of issues, such as improving the

working environment. In FY2016, such meetings were held 39 times. Furthermore, the KDDI Workers Union provides union members with information about the contents of negotiations between labor and management.

In addition, through the Agreement on Handling of Personnel Transfers, KDDI has stipulated in the Labor Agreement that an employee shall be notified at least 5 days before a personnel transfer is officially announced, and we have established a system for receiving complaints from the person concerned.

Results

Status of Union Membership* (KDDI) (FY2016)

		FY2016
Total number of union members	Unit: person	11,150
Union membership rate (Percentage of employees covered by collective agreements)	Unit: %	98.4

* Includes KDDI's currently serving regular employees and contract employees, as well as employees on loan from KDDI.

System

KDDI Group

Pension System

KDDI has introduced its own retirement benefit and pension system, which is managed by the KDDI Pension Fund (a separate organization). The retirement benefit savings plan offered to employees is structured as a "defined-benefit pension plan," and the entire amount is borne by the company (374.915 billion yen* as of the end of March 2017).

KDDI strives to provide fair and strict management of the fund to ensure a stable lifestyle for fund subscribers and recipients in the future.

* Fund assets for the entire KDDI Group (including the companies affiliated with the fund)