

Implementing The KDDI Group Philosophy and contributing to the development of an affluent communications-oriented society



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Introduction

I would like to extend my heartfelt sympathies to all of those who have been affected by the recent earthquakes in Kumamoto and Oita prefectures. I would also like to reaffirm the KDDI Group's commitment to continuing our full-scale efforts in support of disaster reconstruction activities.

The KDDI Group Philosophy is the Basis of CSR Management

KDDI aims to be a company that is loved and trusted by all our stakeholders through implementation of The KDDI Group Philosophy. As a telecommunications carrier that provides social infrastructure, our societal mission is to deliver stable services regardless of conditions, 24 hours a day, 365 days a year. As our business derives from utilizing radio waves, which are an important asset shared by all citizens, we recognize that we have a social responsibility to aim high and contribute to addressing the various issues facing society. The KDDI Group Philosophy defines our stance as a company and the perspectives that our employees should maintain, and I see this as the essence of CSR management.

In addition, with our recent progress in actively expanding our business around the globe, I firmly believe that it is essential for us to conduct our activities while holding values that are shared by all employees, in order to strengthen the partnerships between the various business divisions and create synergy. Following the revisions to The KDDI Group Philosophy in 2013, KDDI has been conducting educational activities in Japan and abroad to spread this philosophy. Moving forward, KDDI will strive to ensure that The KDDI Group Philosophy is shared by all employees, and we will work together in unison to carry out our mission.

Paying Close Attention to Customer Feedback and Creating Value Together

Providing stable telecommunications services and fulfilling our responsibilities to society are fundamental to our business. To be the company of choice for our customers, we need to take this concept to the next stage. This understanding is central to exceeding customers' expectations and stimulating them, and is inherent in the commitment of our company philosophy. We recognize that listening humbly to feedback from our customers about their needs and anticipating the things that will trouble them is essential to

our ability to exceed their expectations and maintain their trust. Going forward, we will actively seek out dialogue with a variety of stakeholders, including the customers who underpin our businesses, partner companies, shareholders, local communities and government institutions, as we seek to resolve issues in a host of fields. We aim to make contributions to society through our business, working in harmony to deliver new societal value.

We will continue to innovate in KDDI's own distinctive way

In FY2016, we established the three-year medium-term business management policy of transforming KDDI into a business that provides a positive customer experience. Based on this policy, KDDI aims to achieve continuous growth in the telecommunications business in Japan, as well as expand the au economic zone and actively deploy our business around the globe in an effort to establish a new axis of growth.

To achieve continuous growth in the telecommunications business in Japan, KDDI will further promote our 3M Strategy* of growth in an effort to foster innovation in numerous fields that relate to our customers' lives and livelihoods, and we will continue working to resolve the problems facing society and contribute to sustainable development. To expand the au economic zone through the growth of the au customer base, KDDI aims to transform from a telecommunications company into a "Life Design Company" and provide services that suit various customers in different stages of life, thereby strengthening the foundation for providing customers a positive experience.

In terms of actively deploying our business around the globe, MobiCom Corporation, which is the largest mobile phone operator in Mongolia, became a consolidated subsidiary of KDDI in March of this year. In July 2014, KDDI established a joint venture with Myanma Posts & Telecommunications (MPT) and entered the Myanmar telecommunications business. KDDI aims to develop the economy and industry in these countries and contribute to enriching the lives of citizens, while focusing on these efforts as a pillar of KDDI's growth strategy. By utilizing the experience and expertise that we have accumulated in Japan and abroad, KDDI aims to expand our telecommunications-related business in line with the cultural, social, and economic circumstances of each country and region around the world, thereby contributing to the development of an affluent communications-oriented society.

A workforce rich in individuality will shape KDDI's future

With the diversification of society's needs and values, it is important for companies themselves to diversify so that they can continue creating new value. We are using our approach to diversity and inclusion to utilize the individualities and capabilities of our diverse employees in our organization, regardless of gender, age, nationality, language, disability or sexual orientation. In particular, KDDI is actively engaged in a variety of activities aimed at promoting the advancement of women in the workplace. Since FY2012, the company has been focused on cultivating and advancing female leaders so that many women can participate in our decision-making processes. In recognition of our efforts to proactively promote women in the workplace, KDDI was selected as a "Nadeshiko Meigara" for the fourth consecutive year. KDDI was also selected for the "Diversity Management Selection 100" award, which is presented by Japan's Ministry of Economy, Trade and Industry to recognize companies that improve their corporate value through diversity management. Furthermore, as a new goal for this fiscal year, we have set a target to promote 200 females to line manager positions by FY2020.

We will continue to deepen our efforts for the equality of a diverse workforce to become an active dynamic company.

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I hereby pledge support for the "Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine".

* KDDI is pursuing a "3M Strategy" named after the initial letters of "Multi-Use," "Multi-Network" and "Multi-Device." Through this strategy, we aim to provide a communications environment that gives customers seamless access via their devices of choice – such as smartphones, tablets or others – to attractive and diverse services and content, over optimized networks.