

KDDI's CSR

Policy

KDDI's Approach to CSR

In order to promote its corporate philosophy of "contributing to the development of a prosperous communications-oriented society", KDDI recognizes that as a telecommunications operator that provides social infrastructure, it has the important social mission of providing stable services that are available 24 hours a day, 365 days a year, regardless of condition.

We believe that CSR is the axis needed to carry out this mission. Furthermore, we understand that the telecommunications business involves utilizing radio waves and other important assets of the Japanese people. Accordingly, it is our responsibility to aim high and contribute to society by addressing the numerous issues that society faces. The KDDI Group Philosophy describes the company that we need to become and the attitudes that employees of such a company need to maintain.

Philosophy

The KDDI Group Philosophy

The KDDI Group Philosophy expresses the attitudes, values and behavior that employees need to exhibit in order to achieve our corporate philosophy. The KDDI identity and KDDI vision that we must embrace as a telecommunications operator are incorporated throughout. By putting The KDDI Group Philosophy into practice, we aim to be a company admired and trusted by all stakeholders.

Infusion

Spreading The KDDI Group Philosophy

To encourage sharing and implementation of The KDDI Group Philosophy, the president and executives discuss the meaning of The KDDI Group Philosophy and good practices directly with all the employees and promote its spread. Study meetings are held at each

level, including monthly study meetings organized by the president and attended by all officers. In addition, study meetings planned and run by each division are held, as well as study meetings attended by all employees regardless of organization or division, in an effort to promote understanding and dissemination of The KDDI Group Philosophy.

Executives from Japan visit KDDI bases overseas to hold executive study meetings. In FY2015, a global voice-reading

The KDDI Group Mission Statement

The KDDI Group values and cares about the material and emotional well-being of all its employees, and delivers a thrilling customer experience by always going further than expected with the ultimate goal of achieving a truly connected society.

The KDDI Group Philosophy

Chapter 1: Vision

- 1.1 Connecting people "heart to heart", bringing smiles from "face to face"
- 1.2 Being global
- 1.3 Responsibility extending 24/7 and 365 days a year
- 1.4 Satisfying customers
- 1.5 Delivering a thrilling customer experience by always going further than expected
- 1.6 Keeping aspirations alive
- 1.7 Each one of us makes the KDDI Group what it is
- 1.8 Embracing diversity

Chapter 2: Management Principles

- 2.1 Fulfilling our corporate and social responsibilities
- 2.2 Clearly state the purpose and mission of our business
- 2.3 Pursue profit fairly
- 2.4 Transparent management
- 2.5 Maximizing revenues, minimizing expenses

- 2.6 Lean and mean management
- 2.7 Real-time business management

Chapter 3: Professional Mindset

- 3.1 We set specific goals with a pure and aspirational mind. Once our targets are set, we will drive ourselves to keep going with a strong commitment until we achieve success. Then we will share the fruits of our accomplishments.

Chapter 4: Way Forward

- 4.1 Be self-motivated
- 4.2 Keep your fighting spirit alive
- 4.3 Taking ownership
- 4.4 Open and direct communication
- 4.5 Be agile; think and act with a sense of urgency
- 4.6 Let's unite as a team to achieve our goals
- 4.7 Put yourself in the perspective of your boss

- 4.8 Look at what you do, from the outside in
- 4.9 Tackle a challenge head-on
- 4.10 Always be creative in your work
- 4.11 Every small effort counts
- 4.12 Believe in our potential
- 4.13 Go back to the basic principles
- 4.14 To know the problem, go, see and touch
- 4.15 Playing by the rules
- 4.16 Tough love at work

Chapter 5: Formula for Success

- 5.1 Achievement = Attitude x Effort x Ability
- 5.2 Do the right thing as a human being
- 5.3 Be altruistic
- 5.4 Be grateful to others
- 5.5 Have an open mind and a humble attitude
- 5.6 Be positive

KDDI's CSR

version of The KDDI Group Philosophy was released, increasing the opportunities for foreign employees to come into contact with The KDDI Group Philosophy. Through learning and implementation by these activities, KDDI aims to be a company that is loved and trusted by all our stakeholders.

Total number of study meetings held in FY2015: **829**

Total number of participants: **36,995**

Policy

KDDI Code of Business Conduct (Basic Principles)

KDDI established the KDDI Code of Business Conduct in 2003 as specific guidelines toward understanding and practicing the corporate vision and The KDDI Group Philosophy. All KDDI executives and employees maintain a high sense of ethics and execute their duties in compliance with the Code of Business Conduct.

In FY2015, the Code of Conduct was reviewed in response to the enacting or abolition of laws and regulations and changes in the social climate with the aim of promoting KDDI Group management. The Code of Conduct was then revised in April 2016 following deliberation by the Business Ethics Committee. With increasing awareness of human rights and diversity and heightened social demand for prohibition of anti-competitive practices and bribery, the revision defines in detail human rights and individual characteristics and explicitly prohibits anti-competitive practices and bribery.

Group companies will successively establish or review their code of conduct in consideration of the characteristics of their business based on the KDDI Code of Conduct.

■ KDDI Code of Business Conduct (Basic Principles) (Happiness of Our Employees and Vibrancy in the Company)

I. Respect for Human Rights and Individuality, II. Conscientious Performance of Duties, III. Respect for Intellectual Properties

(Earning our Customers' Satisfaction and Trust)

IV. Provision of Services that Respond to the Trust and Confidence of our Customers, V. Promotion of Fair Business Activities, VI. Management of Information to Protect the Secrecy of Communications and Customers' Information

(Confidence of Our Shareholders and Business Partners)

VII. Practice of Open and In-depth Communication, VIII. Prevention of Insider Trading, IX. Appropriate Accounting and Adherence to Agreements

(Development of the Society)

X. Environmental Conservation, XI. Rejection of Anti-social Forces
XII. Contribution to the Development of the International Community



Link Website

KDDI Code of Business Conduct (Basic Principles)

Infusion

Spreading KDDI Code of Conduct

Training is regularly provided to promote the spread of the KDDI Code of Conduct. In FY2015, e-learning classes were held for all employees to promote understanding and spread of the corporate approach to eliminating relationships with anti-social forces and operations related to purchasing contracts for individual credit. (The attendance rate was around 93%.) Training is also provided on a rolling basis for contract employees and temporary staff.

Since April 2016 the KDDI Code of Conduct E-mail Magazine has been distributed to all employees to encourage understanding of the code by explaining the purpose of its establishment and its basic principles.

Policy

KDDI Business Activities and Social Responsibility

The foundation of our business operations is the provision of stable telecommunications services. KDDI's CSR activities, which support the provision of such services, include TCS (a mechanism for listening to customers) and other stakeholder engagement, CSR procurement, promotion of diversity and BCP (Business Continuity Plan) response. Recognizing the impact on society of not only our business activities but also the CSR activities that underlie them, based on our value chain, will be increasingly important for KDDI's social responsibility.

Viewing the numerous social problems that occur in each link of the value chain, such as the digital divide, mobile phone and internet-related crime, and environmental burden, as risks, we are pursuing

KDDI's CSR

various CSR activities through our business operations aimed at solving these problems. By promoting CSR activities both through our operations and in support of our operations, KDDI will achieve both "business growth" and "development of a sustainable society."

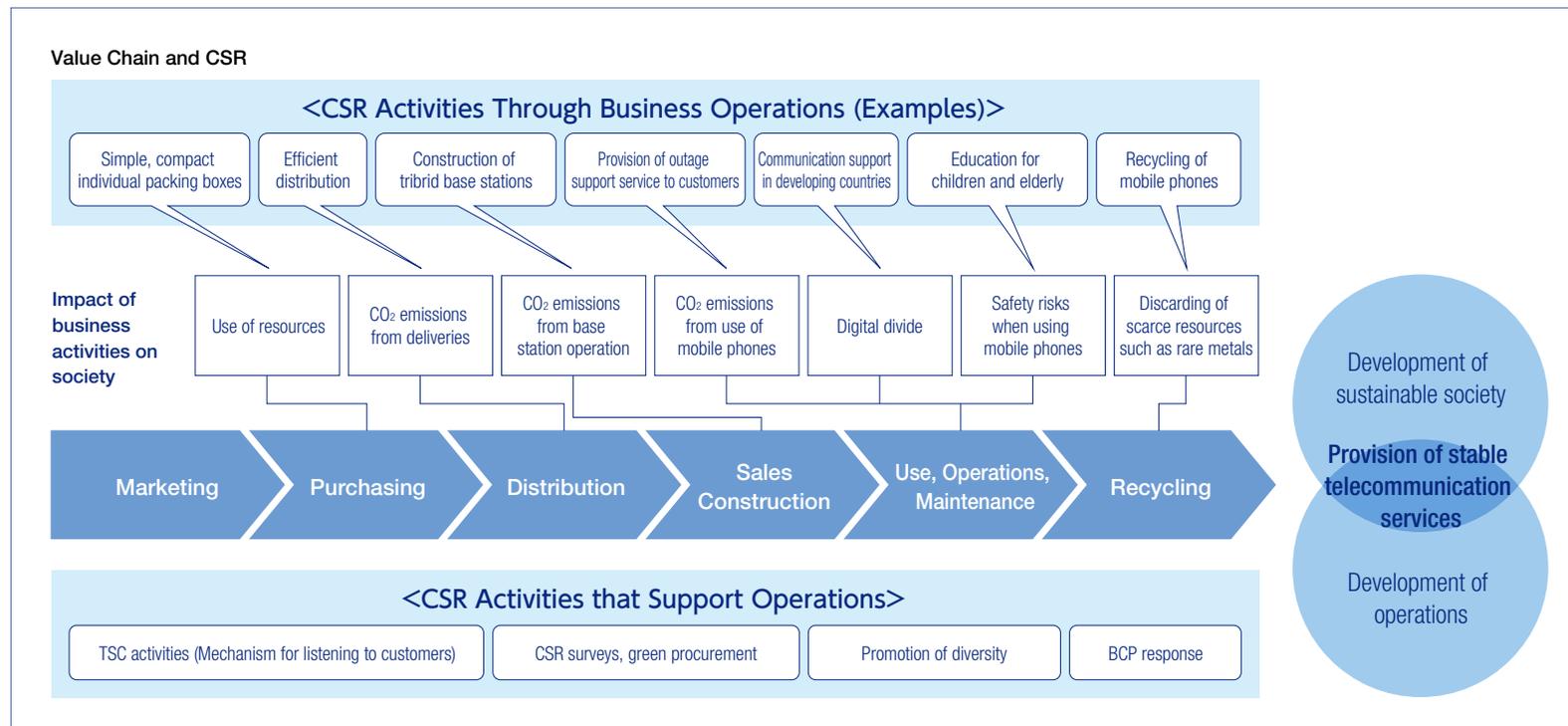
System

CSR Promotion System

In October 2005, KDDI created the CSR Management Department (currently the CSR & Environment Management Department) as the contact point for dialogue with society. The function of the department is to convey the demands and issues of society to the company and promote company-wide CSR activities.

To clearly define a unified approach to management and CSR, in March 2016 KDDI created the CSR Committee headed by the General Manager of the Corporate Sector (Executive Vice President, Representative Director) with the CSR & Environment Management Department as the secretariat. There are two subcommittees under the CSR Committee, the Human Rights Subcommittee and the Environment Subcommittee.

The committee meets twice a year to discuss important CSR issues and initiatives. The content of the CSR Committee's



KDDI's CSR

discussions is reported to the Corporate Management Committee.

In FY2015, a CSR Committee meeting was held in March 2016. Initiatives aimed at resolving social issues and environmental activities toward zero carbon were discussed at the meeting and progress toward achieving CSR goals was confirmed.

In FY2016, in addition to reporting on third party assurance of FY2015 environmental data, the committee plans to discuss measures for mitigation of environmental impacts, our response to studies related to various laws and regulations and ESG investment, and our approach to human rights.

The executives in charge of CSR and the environment conduct management under a system where the degree to which KPI in CSR and environmental issues is achieved is linked to remuneration and responsibility is clearly defined.

Human Rights Subcommittee

The Human Rights Subcommittee discusses measures, as needed, to ensure respect for human rights in all business activities of the KDDI Group based on KDDI's human right policy.

Human rights includes the following.

- Prohibition of child labor or forced labor
- Prohibition of racial discrimination in business activities (based on race, sex, religion, nationality, age, sexual orientation, etc.)
- (Relating to telecommunications business) Restrictions on protection of privacy of communications or freedom of expression, eviction demands related to construction of base stations, etc.

Environment Subcommittee

Following on from the KDDI Environment Committee, the Environment Subcommittee discusses matters related to policy and planning of the environmental protection activities of KDDI and the KDDI Group.

CSR Promotion System

