Corporate IoT Business Initiatives

IoT is predicted to become a driving force in the solutions market going forward, supported by increasingly sophisticated information transmission methods—primarily smart devices—as well as advances in technology for data analysis. The IoT market is expected to expand from approximately ¥520 billion in 2015, to ¥3.2 trillion in 2022*.
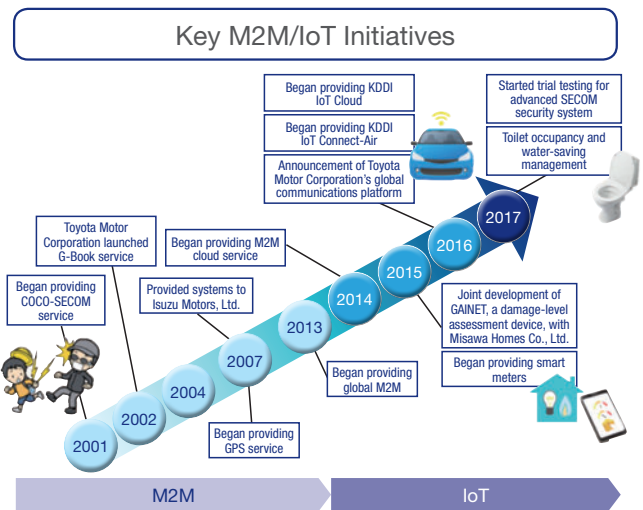
Prior to the advent of IoT, KDDI's corporate business focused primarily on providing partner companies with networks and servers. As IoT enables us to reach beyond those companies to the general public, we now aim to provide comprehensive support for the IoT services offered by our partners, with an eye to enhancing the lives of their customers.

* Source: Nomura Research Institute, Ltd.

Initiatives to Date

KDDI has both expertise and a customer base accumulated over more than 15 years of providing machine-to-machine (M2M) and IoT services. We have been involved in corporate IoT technology in a variety of industries, beginning with providing networks to Secom Co., Ltd. in 2001, and also including vehicle telematics, smart meters and others. In June 2016, KDDI partnered with Toyota Motor Corporation to build a global platform for Toyota's "connected cars." We will develop technologies aimed at a variety of scenarios, including connected cars and self-driving vehicles, with an eye to 5G and other near-future technologies, including cooperation with other automobile manufacturers.

Key M2M/IoT Initiatives

- Began providing KDDI IoT Cloud
- Began providing KDDI IoT Connect-Air
- Announcement of Toyota Motor Corporation's global communications platform
- Started trial testing for advanced SECOM security system
- Toilet occupancy and water-saving management
- Toyota Motor Corporation launched G-Book service
- Began providing M2M cloud service
- Began providing COCO-SECOM service
- Provided systems to Isuzu Motors, Ltd.
- Joint development of GAINET, a damage-level assessment device, with Misawa Homes Co., Ltd.
- Began providing global M2M
- Began providing smart meters
- Began providing GPS service

2001 · 2002 · 2004 · 2007 · 2013 · 2014 · 2015 · 2016 · 2017

M2M → IoT

Strategy for the IoT Business Going Forward

KDDI has established a track record in providing network-related solutions, including telecommunications lines and modules. Going forward, we aim to provide total IoT solution services that encompass not just networks, but also layers outside of telecommunications, such as sensors and other devices, cloud platforms, and data analysis services.

In the fiscal year ended March 31, 2017, KDDI took steps toward that goal, first by consolidating iret, Inc., whose strength is in agile development on the Amazon Web Services platform, and also by establishing ARISE analytics, a joint venture with Accenture Japan Ltd., which has extensive expertise in data analytics. These steps were part of an active effort to establish a foundation for the IoT business.

KDDI goes forward to contribute to the penetration and expansion of IoT in a wide range of industries, driving the creation of new IoT business and thereby supporting core businesses of its corporate customers.

IoT Strategy

Prepare a platform for creating new IoT businesses with partners

Co-Creation with Partners	Portals
	Data analysis
	Cloud development

| Data Accumulation ID, Settlement Platform | API GW | | |
| | Data accumulation | Device management | ID and settlement platform |

| Network | Line management | | |
| | 4G LTE | Connect-Air | 5G/LPWA |

Devices	Modules
	Sensors
	SIM security

iret — January 2017 Made a consolidated subsidiary Began providing cloud-based comprehensive IT solutions

ARISE analytics — April 2017 Started sales Strategic partnership with Accenture Japan Ltd.

SORACOM — August 2017 Made a consolidated subsidiary Provide IoT communication platform driven by cloud-native software development technology

Bolster structure for IoT enabler functions