

## Business Services Segment:

# New Growth Opportunities and Solutions



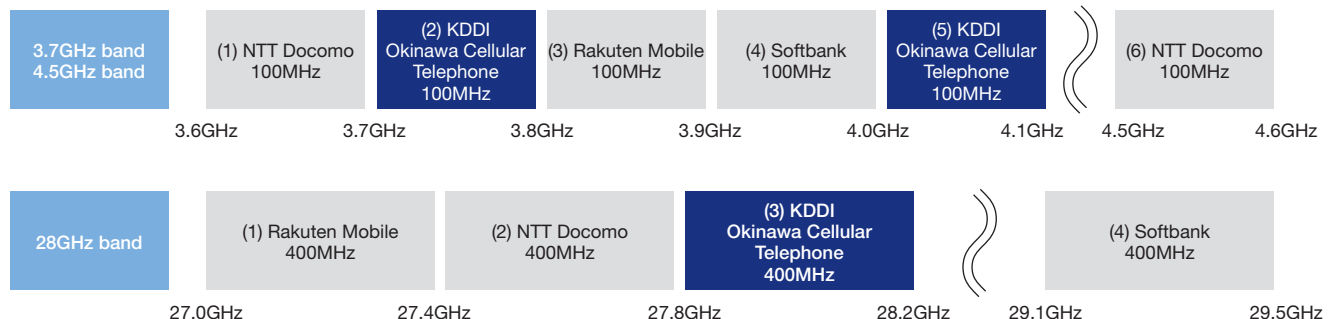
KDDI plans to commence commercial 5G services in 2020. In line with “creating innovation toward the 5G era,” one of our business strategies under the new medium-term management plan, we will pursue 5G innovation in diverse fields with partner companies.

Through this innovation, KDDI aims to further improve corporate value by supporting regional revitalization and the resolution of social issues, bringing novel business models to society.



## 5G Rollout Plan

3.7GHz band 100MHz x 2 ranges + 28GHz band 400MHz = total 600MHz



Source: Data prepared by KDDI based on materials from the Ministry of Internal Affairs and Communications  
[http://www.soumu.go.jp/main\\_content/000613734.pdf](http://www.soumu.go.jp/main_content/000613734.pdf)



### Hybrid Network

In April 2019, KDDI received its allocation of the 5G frequency. KDDI plans to launch trials of 5G services in limited regions from September 2019, before releasing 5G-compatible smartphones by the end of March 2020. While expanding its 5G coverage areas, KDDI will deploy a hybrid network based on its existing robust 4G network in order to ensure high-speed, high-quality services.

The frequency allocated to KDDI totals 600MHz, including two 100MHz ranges in the 3.7GHz band, and one 400MHz range in the 28GHz band. This represents the most

bandwidth that KDDI has ever been allocated. These frequencies are in close proximity to the 5G bandwidth already being introduced in the United States and South Korea, and these frequency bands are likely to be used around the world for 5G services. Having secured this desirable frequency, KDDI will be able to strengthen its competitiveness for the 5G era, and anticipates a reduction in network development costs and handset procurement costs. KDDI will also make capital outlays efficiently while sharing facilities with other companies.

# for Social Issues with 5G

## Innovations with 5G



Smart factories



Autonomous driving



Remote operations



Remote medical care



Free view point image stadium views

### Partner companies

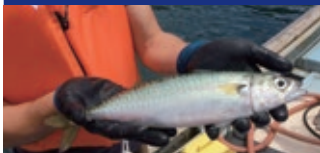


5G technology is likely to find applications in a broad range of fields, thanks to its high capacity, low latency, and massive connectivity. KDDI is keen to pursue 5G innovation through tie-ups with partners in diverse fields that range far beyond the telecommunications industry. KDDI DIGITAL GATE, which opened as a center for open innovation in September 2018, works with customers launching IoT businesses to devise

solutions to their problems. To date, it has helped over 200 companies. KDDI DIGITAL GATE's greatest advantage is its ability to solve customer issues with the latest technologies and to rapidly prototype ideas with agile development. By collaborating with startups, major enterprises and local government entities, we are expanding the scope of business development for the coming 5G/IoT era.

## Accelerating the use of 5G with partners

Mackerel restoration project



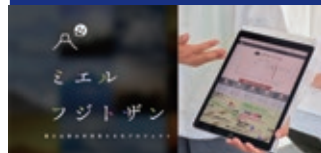
Obama City, Fukui Prefecture

Japanese sake brewery project



Aizuwakamatsu City, Fukushima Prefecture

Mt. Fuji trailhead visualization project



Gotenba City, Shizuoka Prefecture

ICT installation at Inland Abalone Farms



Hamamatsu City, Shizuoka Prefecture

KDDI entered into agreements for regional collaboration on 5G usage with 63 local governments in Japan in a bid to solve regional issues and realize regional revitalization.

### Established ¥3.0 billion KDDI Regional Initiatives Fund in April 2019

Contributed to SDGs by promoting digital transformation using 5G with regional venture firms

### Accelerated deployment of 5G with venture firms

Over the past few years, international movements to address social issues, like the United Nations SDGs, which identify global issues, have gained momentum. Companies are increasingly expected to contribute to the sustained growth of society through their business activities.

KDDI has identified utilizing 5G to promote regional revitalization as an initiative in line with KDDI's target SDGs outlined in its new medium-term management plan.

KDDI has long striven to solve social issues by collaborating with regional governments and local companies all over Japan. With the 5G era on the horizon, KDDI is promoting innovation through collaboration with partners and has formed similar ties with 63 local governments across the nation.

In April 2019, KDDI established the KDDI Regional Initiatives Fund, a regional revitalization fund. The Fund plans to invest ¥3.0 billion over the next five years in local companies and venture firms that are revitalizing regions by introducing innovative technologies and business models. KDDI is strongly pushing ahead with regional revitalization by supporting businesses through the KDDI Regional Initiatives Fund and by deploying KDDI resources, technologies, and expertise.

Through the use of 5G technology, KDDI aims to be "a company that contributes to the sustained growth of society" while growing alongside the regional communities it serves.