CORPORATE PROFILE

KDDI
2019-2020

Tomorrow, Together

おもしろいほうの未来へ。

KDDI au

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.

Table of Contents

Brand Statement

Who determines the future? And where does it start?

The future isn't a mystery someone conjures up somewhere.
It's not something long-awaited that comes from afar.
The future exists inside each and every one of us.

That's why KDDI wants to connect the people of the world,
linking ideas and businesses as closely as possible and
connecting possibilities like dots across a page to
transcend borders, defy convention, and overcome limitations.

We know that encounters spark inspiration and nurture creativity.
That's why we want to keep connecting.
By combining communications with life design,
we will help the world grow in a powerful, sustainable way.

No one knows what the future holds,
but that's exactly what makes life interesting.
With a reliable partner like KDDI at your side,
every obstacle becomes a welcome challenge.

The future is more exciting when you create it yourself.
So let's move forward, together, and explore the extraordinary.

If two roads stretch out before you,
choose the one you've never traveled,
because you will embark on a journey of discovery.

If there are two ways of doing something,
choose the more challenging one,
because you will learn something new.

If two futures unfold before you,
choose the one you could never have imagined,
because it will thrill and excite you.

If the future is born of the choices we make,
boring choices lead to a boring future.
So let's throw destiny a curve ball.
Let's look beyond our usual partner
and work with someone different,
breaking old rules and conventions.
Something new is sure to take shape.
A new story is bound to begin.

It's time to take a bold step forward. To approach life with zeal.
Because the world is an incredibly interesting place.
So let your heart soar further than ever before.
Move towards a future that no one could ever have dreamed.
Fusing communications and life design,
au wants to be the force that brings everyone together.
We want to make tomorrow brighter for us all.

Together, we can do anything.

Tomorrow, Together **KDDI**

おもしろいほうの未来へ。 **au**

Message from the President

Takashi Tanaka
Chairman

Makoto Takahashi
President

Tomorrow, Together

In addition to realizing the "integration of telecommunications and life design," we endeavor to provide solutions to social issues and help achieve a truly connected society.

In accordance with the KDDI Group Mission Statement, which calls for contribution to the development of an affluent communications-oriented society, our mission as a telecommunications operator in charge of a critical lifeline has been to maintain strong and high-quality communications. At the same time, we collaborate with a variety of partner companies to offer proposals with new experience value to customers.

The business and social environment around the world is in a period of major change. With the progress in full-scale digitization through the development of technologies such as 5G (5th generation mobile communications systems), IoT, AI, and big data, we are transforming into a data-driven society that places even greater value on data. In addition, governments are aiming to realize Society 5.0[1] by incorporating these advanced technologies into a variety of industries and aspects of social life, both for economic development and for solutions to social issues. Against this backdrop, the telecommunications business environment is undergoing major changes, as competition grows increasingly intense due to factors such as the entry of new telecommunications providers, and we embark on an era of digital transformation (DX) that spurs innovation in all industries through the use of telecommunications and the Internet.

To achieve sustainable growth while quickly responding to such changes in the business environment, KDDI established the medium-term management plan (FY2019–FY2021) for the next three years. With regard to individual customers, we will strive to deepen customer engagement by using telecommunications together with a variety of life design services, thereby leading to the maximization of lifetime value, which is calculated as the number of customers (IDs) including those in the group companies x total ARPA x usage period (retention rate).

With regard to corporate customers, we will support the DX of customers by leveraging KDDI's IoT and ICT related technology and expertise, thereby contributing to the customers' core businesses. At the same time, we will also create new business through open innovation with partner companies and develop business models that we can grow together with the partner companies. By expanding the growth businesses with a focus on telecommunications services, we will make further progress in the integration of telecommunications and life design, which is central to the business strategies, and we will achieve new value creation in the 5G/IoT era, both in Japan and around the globe.

Furthermore, in conjunction with the establishment of the medium-term management plan, KDDI has re-examined the question of how best to exist in this new era with respect to customers and society and created the revamped brand message "Tomorrow, Together."

The entire company is pursuing sustainability activities to contribute to the sustainable growth of society. In addition, we have established KDDI's target SDGs[2] in the medium-term management plan (FY2019–FY2021). KDDI aims to achieve sustainable growth together with society by engaging in the resolution of social issues for the purpose of achieving targets related to the business strategies as well as the Company's business activities.

I wish to express my sincere appreciation for your continued guidance and support of the KDDI Group going forward.

May 2019

Makoto Takahashi
President

[1] Society 5.0 is one of Japan's medium-to-long term growth strategies to achieve a human-centered society through a system which integrates cyberspace (virtual spaces) and physical space (real-world spaces) to a high degree.
[2] SDGs (an abbreviation of "Sustainable Development Goals") are a collection of global goals that were adopted at the United Nations Summit in September 2015.

Medium-term Management Plan (FY2019–FY2021)

Thus far, KDDI has emphasized sustainable profit growth and the strengthening of shareholder returns, established a robust customer base, and achieved steady growth by promoting the Company's transformation into a business which provides "customer experience value" that exceeds the expectations of customers.

Going forward, significant changes in the competitive environment are expected in addition to the advances in full-scale digitization through the development of technologies such as 5G. In order to rapidly respond to changes in such an era and realize the "integration of telecommunications and life design" that the Company is targeting, we formulated the medium-term management plan (FY2019–FY2021) for the next three years.
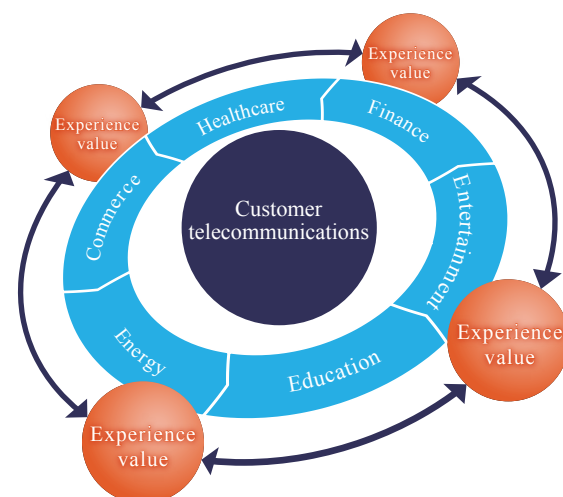
Company Vision

1. The company that customers can feel closest to
2. The company that continues to produce excitement
3. Contributing to the sustainable growth of society

KDDI Group Mission Statement

Brand Message

Company Vision

Business Strategy and Financial Objectives

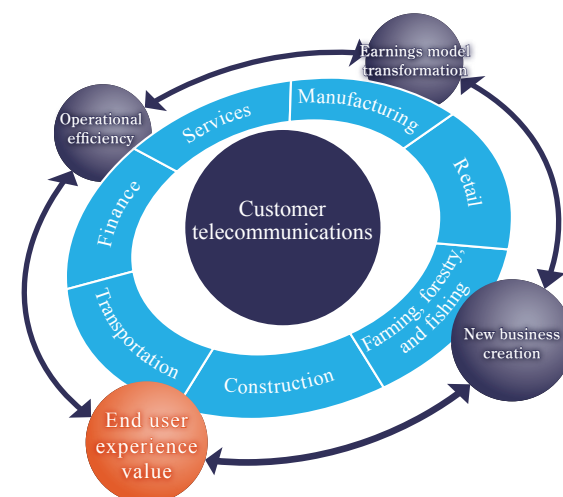Strengthen Management Infrastructure

Strategies

KDDI will further promote the "integration of telecommunications and life design" to expand its businesses around telecommunications and aims to achieve sustainable growth in accordance with the seven business strategies on the following page to realize new value creation in the 5G/IoT era in Japan and around the world.

For individual customers

Experience value · Healthcare · Finance · Commerce · Entertainment · Energy · Education · Customer telecommunications · Experience value

For corporate customers

Earnings model transformation · Operational efficiency · Services · Manufacturing · Finance · Retail · Transportation · Construction · Farming, forestry and fishing · New business creation · Customer telecommunications · End user experience value

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1 ## Creating Innovation toward the 5G Era

We will actively deploy 5G to form the next-generation of social infrastructure and create new forms of experience value through business development by means of co-creation with various partner companies and open innovation which incorporates the original ideas of startup companies and advanced technologies while also positively utilizing 5G in regional revitalization projects.

2 ## The Integration of Telecommunications and Life Design

We aim to expand our growth businesses around the core telecommunications infrastructure. For individual customers, we will offer "exciting" experiences which originate from the smartphone while together with corporate customers we will build new business models focusing on the keywords of "main business contribution" and help drive their digital transformation.

3 ## Further Expansion of Global Business

In addition to applying the telecommunications business developed through our domestic consumer business and the knowledge and know-how from our life design business to the consumer business in Myanmar and Mongolia, we aim to expand into markets in the Asian region where there is room for growth. Moreover, in the corporate business segment, we will further expand our global ICT business in Japan and around the world in an integrated manner around our data center business and the "IoT Worldwide Architecture" which is KDDI's comprehensive IoT platform for domestic and overseas markets.

4 ## Utilizing Big Data

We will utilize data to thoroughly understand customers and maximize the experience value through "appealing proposals" based on the customer's perspective. Furthermore, we will promote the digital transformation of our customers' companies by using big data in various industries with the rapid expansion of the digitization and networking of devices due to 5G and IoT in the future.

5 ## Expanding the Finance Business

We aim to strengthen customer engagement and achieve profit growth through the smartphones which have become the center of our lifestyles by making payment and financial services a regular part of our customers' daily lives and by proposing smartphone-centric financial experiences.

6 ## Growth as the Group

We aim to utilize company assets to the utmost and support the growth of group companies to maximize mutual synergies as well as to expand and strengthen the new foundations of growth for the entire group.

7 ## Sustainability

We have established targets for sustainable development goals, which are being addressed through business and corporate activities, and we are promoting sustainability activities throughout the Company. We aim to achieve targets that are tied to business strategies encompassing telecommunications, global business, regional revitalization, education, and finance, as well as targets tied to corporate activities including developing human resources, promoting the advancement of women, respecting human rights, promoting D&I* and conserving the environment to further improve the value of the firm and realize sustainable growth together with society.
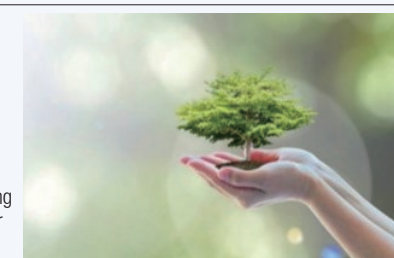
*Diversity and Inclusion

au 5G

The 5G Era Starts Here

KDDI will launch services for the fifth generation mobile communication system (hereinafter, "5G") in March 2020. These services will fully utilize the characteristics of the new 5G communication method to deliver forms of experience value that excite customers through integration with life design services.

We will provide new services together with all kinds of partners to drive support for the digital transformation of our customers while also actively undertaking the application of 5G to regional revitalization as an important issue.

5G spectrum and area deployment plans

In April 2019, the Ministry of Internal Affairs and Communications assigned 5G frequency spectrum to four mobile operators. KDDI obtained two slots in the 3.7 GHz band and one slot in the 28 GHz band which are already being used in early 5G launches in North America and South Korea. This spectrum, which is already in use around the world, will enable KDDI to provide 5G experiences to many customers earlier than expected. Furthermore, we plan to install 42,863 outdoor 5G base stations by FY2024 to actively expand our service area with an industry-leading infrastructure deployment rate of 93.2%.

3.7 GHz and 4.5 GHz bands

Europe, South Korea, etc.

	3.7 GHz		3.9 GHz		4.1 GHz	4.5 GHz
Other companies	KDDI	Other companies	Other companies	KDDI		Other companies
3.6 GHz		3.8 GHz		4.0 GHz		4.6 GHz

28 GHz band

South Korea, etc.

North America

	27.4 GHz		28.2 GHz		29.1 GHz
Other companies	Other companies	KDDI			Other companies
27 GHz		27.8 GHz			29.5 GHz

For consumers

au UNLIMITED WORLD

Under the slogan announcing an "UNLIMITED WORLD," KDDI will be the first company to deliver a "world of excitement which is free from restrictions on data and experiences."

Toward a data free world

In July 2019, KDDI began offering the "au Data MAX Plan" which is the first unlimited data plan in Japan. We are offering this plan in advance on 4G instead of waiting for the start of 5G services in anticipation of lifestyles in an era when users are constantly connected to the network and are able to use various services without worrying about the rates.
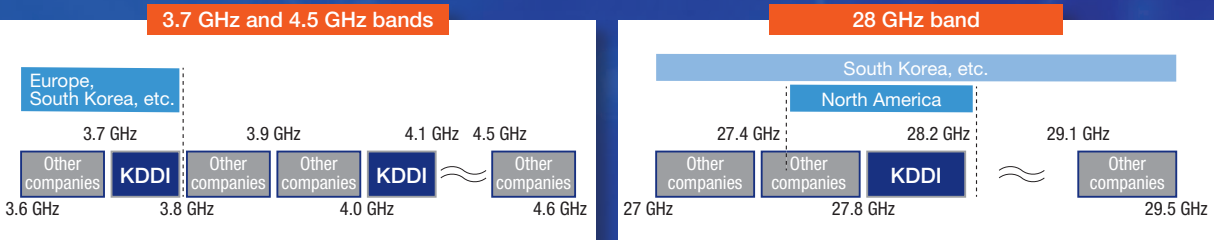
Toward a world of excitement

Removing data restrictions will lead to an expanding world that unleashes the possibilities of AR, VR, free viewpoint video, and various other technologies. KDDI will combine such technologies to deliver more exciting experiences in various locations and offer thrilling possibilities to customers.

For corporate customers

The 5G era will continuously connect all kinds of devices to the network and transition to a stage in which telecommunications blend into the fabric of society. Data obtained from sensing devices and IoT will be utilized in AI and personalization to continuously provide better services and develop deeper relationships with customers. "Trust and innovation" are the keys to realizing such an era.

Trust

KDDI has experience in offering IoT business services for close to 20 years and has continued to provide a highly trusted network during that time. Since 2002, we have been advancing the "connected car" initiative together with Toyota Motor Corporation to provide drivers with peace of mind 24 hours a day, 365 days a year by analyzing and utilizing vehicle data.

Innovation

KDDI is investigating cutting-edge technologies together with SORACOM, a KDDI Group company. Together we built a mobile core network on top of the Amazon Web Services (AWS) cloud, and 1.5 million companies are now using our IoT services.

For IoT/M2M | Batch operation via API | Cloud support | Low initial investment

SORACOM

5G | 4G | LTE-M | Sigfox LoRa
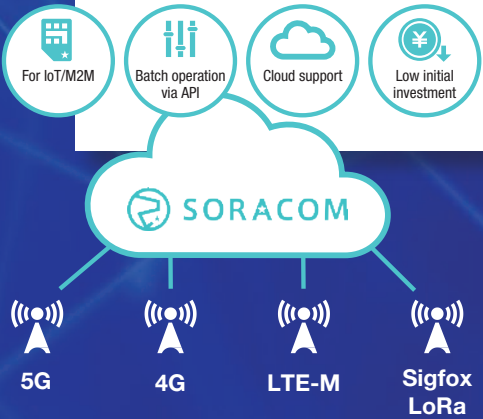
◀ KDDI has been providing telecommunications for telematics services to Toyota Motor Corporation since 2002.

New Branding
Corporate Strategy
Business Overview
Targeting Sustainable Growth
Company Information

Personal Segment

Pursuing a More Enjoyable Future Together with Customers

Smartphones,
mobile phones

Internet
connections

au HOME

Entertainment

Shopping

Points, payment

au Denki

au Insurance &
Loans, iDeCo
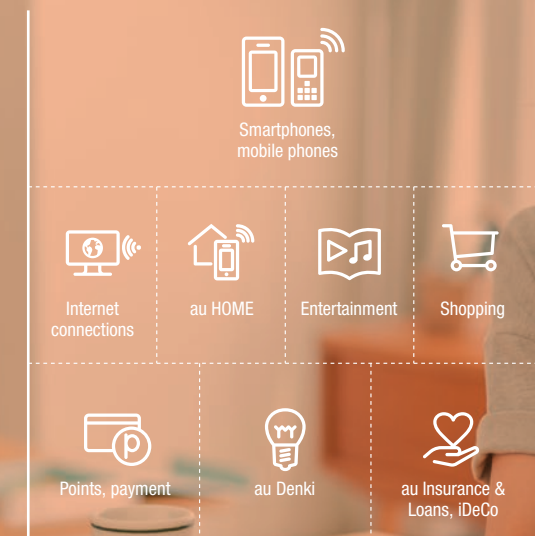
Personal Segment

Making customer lifestyles more enjoyable and convenient through the integration of telecommunications and life design

With au, you can enjoy all types of content in various locations at any time through a network that is comfortable to use. We deliver pleasant experiences to customers by enhancing the life design services which make the daily lives of customers more enjoyable and convenient with a focus on telecommunications services.

Delivering excitement to the lifestyles of each individual

To individual customers, we provide smartphone, mobile phone, and other mobile communication services as well as fixed-line services including "au HIKARI." Furthermore, we are also providing MVNO services within group companies such as UQ Communications in addition to mobile services under the au brand.

Going forward, we will further expand and integrate telecommunications services with life design services such as commerce, finance, energy, entertainment, and education to provide new forms of experience value for the enjoyment and convenience of our customers. In order to do so, our goal is to understand customers' needs by analyzing various types of data, offering appealing proposals, and becoming an important part of our customers' lives.

> Rate plans that match customer usage patterns and thorough, reassuring customer support. A network that always connects. au is packed with "affordable" and "reliable" services.

Rate plans chosen by customers

In 2017, we separated the smartphone and other mobile device charges from the communications charges and introduced the well-received "au Adjust Plan" and "au Flat Plan" which are the industry's first affordable rate plans that can be selected based on the volume of data used. Starting in 2018, we expanded our rate plans optimized according to usage patterns to offer an affordable rate plan which includes Netflix as a set for users who wish to enjoy video content and a partnership with Apple Music for users who wish to enjoy music-oriented content. au has continued to lead other companies in offering rate plans which change according to customer usage such as the introduction of the Student Discount plan in 2000 and the flat packet rate plan in 2003, and that approach continues today.
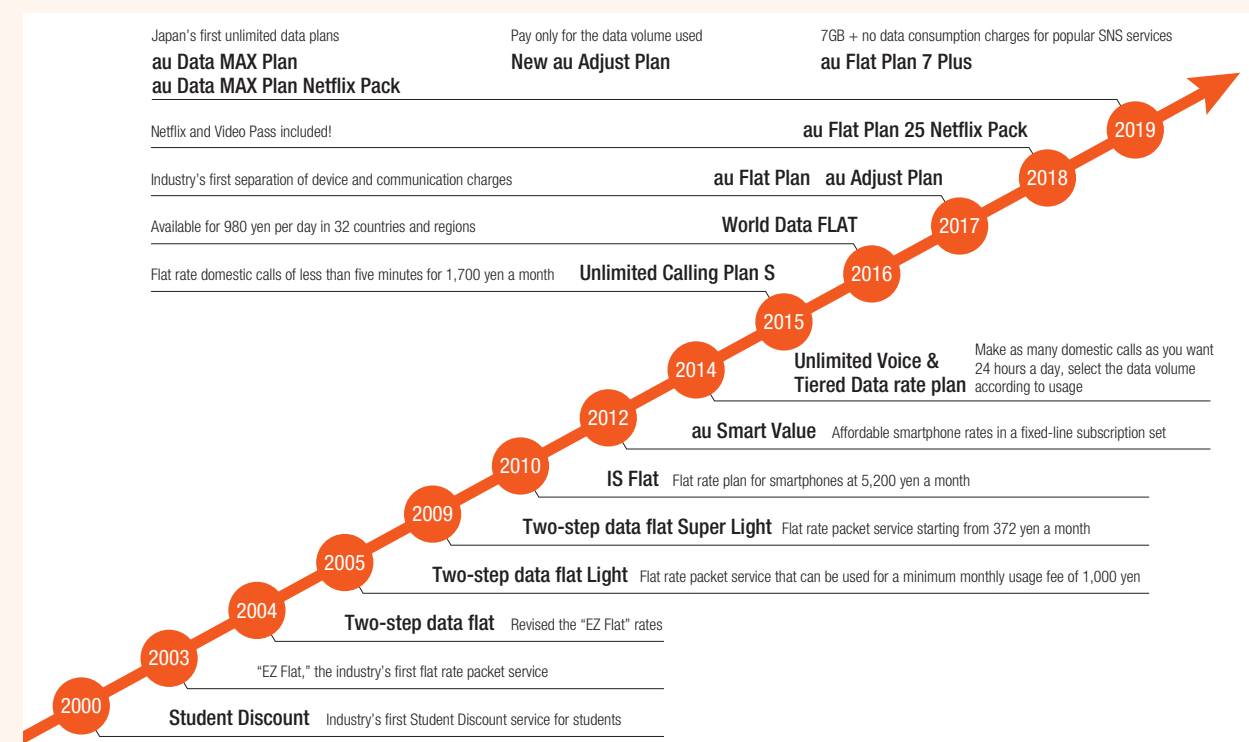
Full-fledged support

au naturally receives inquiries by telephone and email, provides full-time advisers to help paying subscribers use devices and services through "au Smart Support," and operates an official Twitter account to advise users on how to solve problems. Moreover, "My au," which allows subscribers to check usage charges and contract conditions on the web, has also expanded the app features for smartphones and can send inquiries 24 hours a day from the app using the messaging features. Furthermore, compensation services have been prepared with the expectation of device loss, theft, and failure to enable subscribers to use their devices with a sense of reassurance at all times.

High-quality network

The 4G LTE network that supports au's mobile communications provides a service area with a population coverage ratio of over 99%* in the 800 MHz platinum band. In addition, we have implemented separate measures to ensure that the network is easy to connect to and provide a highly reliable network quality in areas where large numbers of people gather such as around city train stations, tourist sites, sporting events, and live concerts. Using this high-quality network as a foundation, we will build a network based on the 5G next-generation communication standard to provide customers with new, more enjoyable experiences that are unique to 5G in a communication environment that is always easy to use.

*The population coverage ratio is calculated based on areas where communication is available in more than 50% of locations in the approximately 500m² sections used for the national census.

Japan's first unlimited data plans **au Data MAX Plan** **au Data MAX Plan Netflix Pack**	Pay only for the data volume used **New au Adjust Plan**	7GB + no data consumption charges for popular SNS services **au Flat Plan 7 Plus**
Netflix and Video Pass included!		**au Flat Plan 25 Netflix Pack** 2019
Industry's first separation of device and communication charges		**au Flat Plan** **au Adjust Plan** 2018
Available for 980 yen per day in 32 countries and regions	**World Data FLAT** 2017	
Flat rate domestic calls of less than five minutes for 1,700 yen a month	**Unlimited Calling Plan S** 2016	
	2015	
	2014	**Unlimited Voice & Tiered Data rate plan** Make as many domestic calls as you want 24 hours a day, select the data volume according to usage
	2012	**au Smart Value** Affordable smartphone rates in a fixed-line subscription set
	2010	**IS Flat** Flat rate plan for smartphones at 5,200 yen a month
	2009	**Two-step data flat Super Light** Flat rate packet service starting from 372 yen a month
	2005	**Two-step data flat Light** Flat rate packet service that can be used for a minimum monthly usage fee of 1,000 yen
	2004	**Two-step data flat** Revised the "EZ Flat" rates
	2003	"EZ Flat," the industry's first flat rate packet service
	2000	**Student Discount** Industry's first Student Discount service for students

*All information as of the end of August 2019. Includes services and plans which are no longer available to new subscribers. Please see the au web site for the latest information.

Making smartphone-centric financial services the core of life design
—Toward a more convenient and secure cashless society—

Smart money concept

KDDI is promoting the "smart money concept" to comprehensively provide "smartphone-centric" payment, financial, and other services around the smartphone. The "smart money concept" will make smartphone finance a more familiar practice and further enhance engagement with the customer by providing one-stop financial services including "saving," "payments," "investment," "borrowing," "preparations," and "planning" centered around the "au WALLET." KDDI aims to use the au WALLET points, which automatically accrue according to the use of communication and life design services, as an advantage to further expand the au Economic Zone.

"au WALLET app" as the gateway

The au WALLET app will become the entryway to all financial services and expand our financial business. In addition to conventional features which let you charge the au WALLET and check the remaining point balance from the app, all financial services will be available from the app including features to directly charge the saved points, payments via au PAY, and the ability to transfer and pay funds from your own bank account. Going

forward, KDDI plans to continue using the au WALLET app as a gateway to provide financial services to customers.

Realizing the smart money concept

KDDI has been actively involved in financial services for a long time. The "Jibun Bank" established in 2008 and the "au Kantan Kessai (Easy Payment)" introduced in 2010 made it possible to combine and pay charges for digital content and shopping together with the au communications charges. We further enhanced our service offerings by launching "au WALLET" in 2014, "au Insurance & Loans" in 2016, and "au iDeCO" in 2018.

In April 2019, we commenced operations of the "au Financial Holdings" intermediate financial holding company for the purpose of further enhancing our payment and financial business, placed "Jibun Bank," "KDDI Financial Service," "WebMoney," "au Asset Management," and "au Reinsurance" under the control of KDDI, and created an organization to realize the smart money concept. Furthermore, our objective going forward will be to further promote the smart money concept by integrating each of these subsidiaries' company names into the au brand.
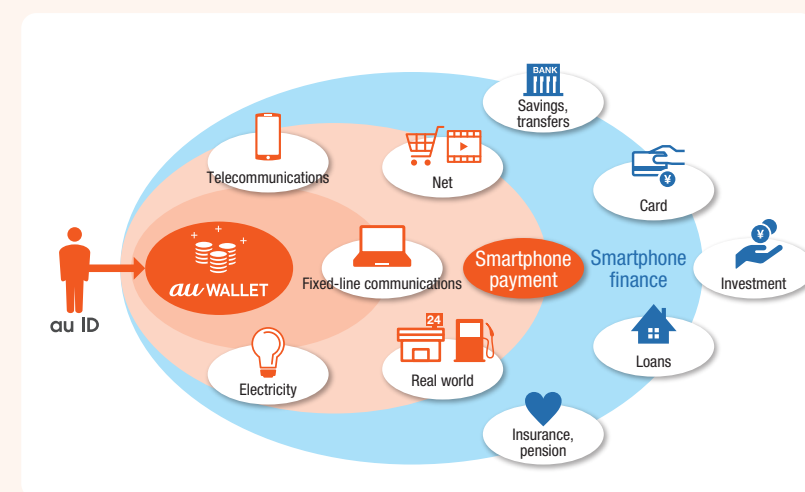
▲Smart money concept

▲au WALLET app
(Screen is shown for illustrative purposes)

▲au PAY
(Screen is shown for illustrative purposes)

Expanding entertainment services

Since November 2019, "au Smart Pass Premium" has significantly expanded its selection of videos, music, books, and other digital contents as well as exclusive member benefits such as advance concert ticket reservations to evolve into an "unlimited entertainment" service. In addition, au announced the new "au Data MAX Plan Netflix Pack" which has no upper limit on the volume of data used and allows you to enjoy the Netflix "Basic Plan" as a combined set. Going forward, we will continue to launch various services and experiences that make customer lifestyles even more enjoyable.

au Smart Home enriches lifestyles

IoT technologies which make daily life more convenient are starting to penetrate into the home. "au HOME" is an IoT service that watches over pets using sensors and cameras and makes daily life safe and convenient through smartphone app based operation of household appliances. Furthermore, "au Denki" not only reduces monthly electric bills but also allows users to use a smartphone to view their electricity usage at a glance and receive advice on how to conserve energy. au is realizing the smart home using technologies which connect various devices to the Internet.
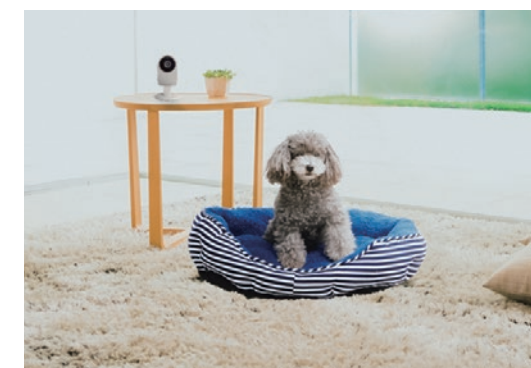
Education x 5G, IoT

au's life design services are also expanding into the field of education. The company created a comprehensive partnership with KCJ Group, which operates the "KidZania" facilities that allow children to role-play occupations and experience how society works, to integrate learning spaces for the cultivation of children's physical and intellectual vitality with 5G, IoT, and other cutting-edge technologies. In addition, the English conversation school AEON is applying ICT and data analysis technologies from au (KDDI) to promote "EdTech" for the purpose of maximizing learning efficiency and creating spaces for comfortable English language study.

Deploying au services and technologies around the world

au is deploying its business experience, know-how, and highly trusted technical capabilities cultivated through the operation of au services in Japan to delight overseas customers as well. Through a joint enterprise with Myanma Posts and Telecommunications (MPT) and Sumitomo Corporation in Myanmar as well as an investment to establish MobiCom Corporation in Mongolia, au is improving its services and expanding its service area as the leading general telecommunications carrier in terms of revenue and market share.
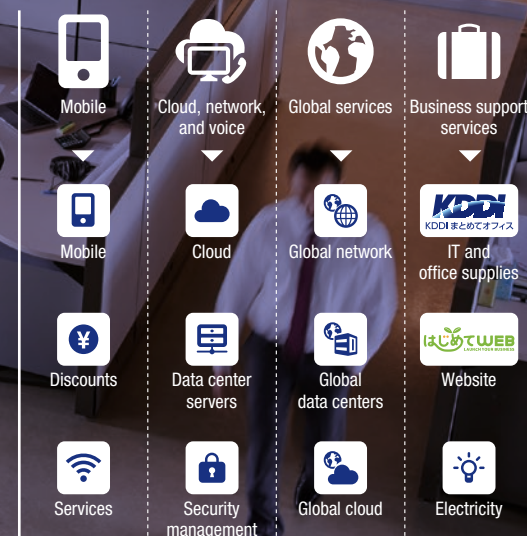
▲MPT Shop Myanmar Plaza store in Myanmar

▲MobiCom flagship shop in Mongolia

Business Segment

Pursuing the Tomorrow of Growth and Evolusion, Together with Customers

Mobile | **Cloud, network, and voice** | **Global services** | **Business support services**

Mobile | Cloud | Global network | IT and office supplies

Discounts | Data center servers | Global data centers | Website

Services | Security management | Global cloud | Electricity

Business Segment

Becoming a true partner and contributor for customer's business

KDDI believes that digital transformation (DX) is about creating new forms of business value through collaboration with partners who set their sights on a diverse set of values. The KDDI Group is mobilizing its network technologies and know-how to fully support our customers' businesses in the 5G/IoT era.

ALL KDDI Contributes to Customers' Business

KDDI has proposed cutting-edge, optimal solutions based on our resilient and high-quality telecommunications infrastructure. It is said that in the coming 5G/IoT era, the relationships between customers and companies will be reconfigured due to the advances in telecommunications and sensor technology. This is because the application of data obtained from sensors and telecommunications to AI and personalization will make it possible to continuously provide even better services and trigger a change to a recurring model (cyclical business). The KDDI Group will mobilize AI, IoT, security, data analysis, and other group resources on top of our highly reliable network to continue helping our customers transform their businesses to the best of our ability.

Business Development through IoT

KDDI provides a one-stop destination indispensable for promoting IoT from sensors to network infrastructure, data accumulation, visualization and analysis. In addition to preparing a menu of IoT solutions according to the needs of our customers, we will jointly resolve issues and promote transformation in our customers' businesses by combining data which uses au smartphone location information with customer data. In addition to mackerel cultivation management, AI-based watering and fertilization systems, child protection services which link IoT with the backpacks of schoolchildren, and the detection of failure indicators in plant equipment, we are also carrying out tests in airports and maintenance facilities aimed at the practical application of such solutions. Going forward, we hope to live up to our customers' expectations by accumulating solutions to various problems.

KDDI "IoT Worldwide Architecture" supporting global business

KDDI "IoT Worldwide Architecture" is a business platform for supporting the global expansion of our customers which combines the assets of various partner companies with a focus on "data services" that accumulate and analyze data gathered through IoT devices, "connectivity services" that provide telecommunication lines and line management environments according to customer needs, and "professional services" that survey the frequencies and relevant legal regulations in each country to help customers obtain certifications for IoT devices.

Since 2016, KDDI and Toyota Motor Corporation have been jointly promoting the construction of a global telecommunications platform to provide high-quality and stable telecommunications between the cloud and the on-board equipment needed for connected cars. After applying and developing this global telecommunications platform, KDDI began accepting trial applications for the KDDI "IoT Worldwide Architecture" from May 2019.

The KDDI "IoT Worldwide Architecture" helps customers in various industries utilize IoT worldwide by selecting and providing the optimal network including roaming, data storage and analysis features offered in cooperation with Hitachi and Toshiba, and support for relevant laws and device certifications. In addition, we will vigorously support the corporate transition to a recurring model (cyclical business) by combining 5G and other cutting-edge technologies with various industries.

Furthermore, we will also coordinate with KDDI Group's SORACOM to enable the use of IoT in over 120 countries and regions with the goal of using this advantage to further expand global business.

Creating innovation together with diverse partner companies

KDDI is actively engaged in open innovation. Through collaboration with a diverse range of partners including large companies, startup companies, and local governments, we are aiming for sustainable growth together with our customers by envisioning new business strategies and models for the 5G/IoT era and creating a series of new businesses and services.

KDDI DIGITAL GATE

"KDDI DIGITAL GATE" is a base of business development in the 5G/IoT era which builds teams together with corporate customers to achieve digital transformation, discovers latent end user issues through agile development, and uses cutting-edge digital technologies to rapidly build and verify solutions to problems.

KDDI DIGITAL GATE is equipped with a space that allows customers to experience various solutions implemented using 5G, IoT, AR, VR, AI and other digital technologies, a dedicated space for holding co-creation workshops based on design thinking, and multiple development rooms where agile development teams can focus on development full time.

It mobilizes all of the assets which have been built up by the entire KDDI Group to date, utilizes these advantages to rapidly build new services that integrate business with digital technology, and has been used by over 200 corporate customers* since it opened in September 2018.

KDDI DIGITAL GATE expanded to Osaka and Okinawa in September 2019 and developed an organization to vigorously support new business creation by local companies.

*As of the end of June 2019

JAL x KDDI DIGITAL GATE

Japan Airlines and KDDI DIGITAL GATE designed a new service for employees and also developed and tested a prototype in three months. During the initial two months, the partners designed the service to be developed through workshops and user interviews. Next, they used agile development methods to develop a prototype through four iterations (iterative development) over a one-month period. As a result of this experience, the two companies agreed in June 2019 to strengthen their partnership to jointly develop aviation-related services utilizing 5G/IoT technologies. Going forward, both parties will jointly promote the verification of new businesses aimed at the practical application of 5G in airports and maintenance facilities as well as the research and development of new services which integrate 5G with other technologies.

Business creation through partnerships with startup companies

Together with startup companies promoting new services, KDDI started "KDDI ∞ Labo" in 2011 as a business co-creation platform aimed at the creation of new businesses with a social impact and has partnered with 66 companies[1] to date. In addition to creating businesses with KDDI, the KDDI ∞ Labo has connected startup companies with 33 major companies in diverse areas such as railways, finance, and real estate to produce over 50 partnership examples so far.

Corporate venture capital investments in startup companies through the "KDDI Open Innovation Fund (KOIF)" have been made in 60 companies[1] since the fund was started in 2012. Established in 2018, "KOIF 3" strengthens initiatives in fields which are becoming increasingly important in the 5G era such as AI, IoT, and big data, and the fund is creating a system for discovering promising venture companies.

Moreover, KDDI was selected two years in a row as the winner of the "Innovative Major Corporations Ranking[2]" survey of startup companies. Our proactive stance toward open innovation has been well received by startup companies.

[1] As of the end of June 2019
[2] According to a survey by the Innovation Leaders Summit (ILS) Executive Committee
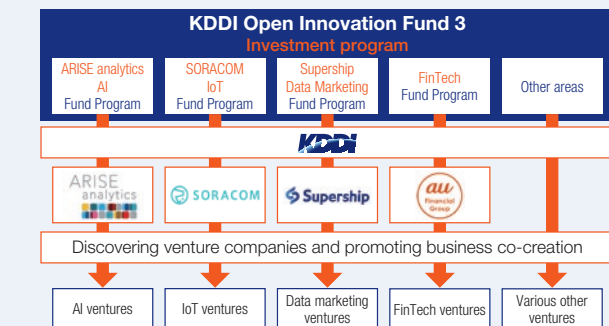
▲KDDI Open Innovation Fund 3

Promoting regional revitalization through local partnerships

Solving local issues

Example 1
Ina City, Nagano Prefecture
Project to build a drone logistics business

Due to the population decrease and the decreasing birthrate and aging population in recent years, logistics and traffic functions have deteriorated in hilly and mountainous regions, and an increasing number of largely elderly people are finding it difficult to purchase daily necessities. To solve such problems, we were contracted by the city of Ina in Nagano Prefecture to build a new logistics system using drones under the "Flying Delivery Service Construction Business" project in FY2018.

Through this project, we are currently building a drone logistics business which uses the air space above rivers via a "smart drone platform" based on 4G LTE.

▲Smart drones carrying daily necessities

Example 2
"Kids Job Challenge 2019 in Hirado —Out of KidZania—" booth exhibit

KDDI also setup an exhibition booth at the "Kids Job Challenge 2019 in Hirado—Out of KidZania—" supervised by the KCJ GROUP (KDDI Group) and hosted in Hirado City, Nagasaki Prefecture in March 2019.

We exhibited a "Future Job Experience Booth" to nurture children who can create solutions to regional problems using cutting-edge technologies. The booth provided visitors with a place to rediscover local occupations and attractions while also learning about the new possibilities of primary industries through drones programmed to check the growing conditions of strawberry fields and experiencing future tourism at sightseeing spots in Hirado City via self-propelled mobility systems.
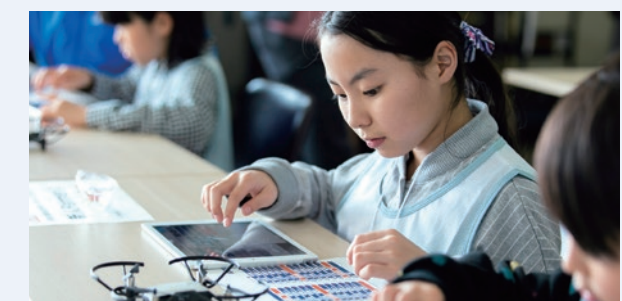
▲Kids engaged in programming drones

Global Business

Connecting the world through trusted networks

Since its founding as KOKUSAI DENSHIN DENWA, KDDI has connected Japan with over 190 countries around the world through telecommunications for more than 60 years as a pioneer of international telecommunications in Japan. Built from wireless technologies, satellites, and undersea cables, KDDI's high-quality and high-reliability international telecommunications network supports the creation of a comfortable communication society in business and daily life.

Americas

- KDDI America, Inc.
- KDDI DO BRASIL SOLUÇÕES EM TECNOLOGIA LTDA.
- UBIK do Brazil Soluções em Tecnologia Ltda.
- TELEHOUSE International Corp. of America

Europe / Africa

Asia / Oceania

Americas

Over **100** bases
in **62** cities overseas

Year	Event
1953	KOKUSAI DENSHIN DENWA CO., LTD. (KDD) is established.
1956	The first international telex line is established between Tokyo and San Francisco.
1963	The first television broadcast between the Japan and the US is successfully received at the Ibaraki Space Communications Research Facility.
1964	The first trans-pacific cable (TCP-1) enters service. Joined the International Telecommunications Satellite Organization (INTELSAT).
1966	Opened the Ibaraki Satellite Communication Center and began television transmissions between Japan and the US.
1969	Opened the Yamaguchi Satellite Communication Center and established a satellite channel between Japan and Europe.
1973	Launched international direct dialing services.
1977	Joined the International Maritime Satellite Organization (INMARSAT).
1989	Established the first "Telehouse" data center in the New York area (USA). The first optical undersea cable in the Pacific Ocean and the third trans-pacific cable (TPC-3) entered service.
1990	Established a "Telehouse" data center in London (UK).
1995	Invested in MobiCom (Mongolia).
1999	Established a "Telehouse" data center in Paris (France).
2000	Established a "Telehouse" data center in Hong Kong.
2001	Launched the world's first international IP-VPN service for corporations.
2007	Established a "Telehouse" data center in Beijing (China).
2008	Established a "Telehouse" data center in Singapore.
2009	Established the first "Telehouse" data center on the African continent.
2010	Established "Telehouse" data centers in Hanoi (Vietnam) and Shanghai (China). The "Unity" optical undersea cable between Japan and the US begins operation.
2012	Started providing the shortest route between Japan and Europe via the "RJCN (Russia-Japan Cable Network)" optical undersea cable between Japan and Russia. Established "Telehouse" data centers in Frankfurt (Germany) and Moscow (Russia).
2014	Entered the telecommunications business in Myanmar.
2016	The "FASTER" optical undersea cable between Japan and the US begins operation. Established the fifth data center in London (UK), "Telehouse London Docklands North Two."

Side tabs: New Branding / Corporate Strategy / Business Overview / Targeting Sustainable Growth / Company Information

Europe and Africa

- KDDI EUROPE Ltd.
- KDDI DEUTSCHLAND GmbH
- KDDI FRANCE SAS
- KDDI Russia LLC
- TELEHOUSE International Corp. of Europe
- TELEHOUSE Deutschland GmbH
- TELEHOUSE Moscow
- TELEHOUSE Istanbul
- TELEHOUSE Cape Town
- TELEHOUSE Johannesburg
- KDDI European Research Office

Asia and Oceania

- KDDI CHINA CORPORATION
- KDDI SHANGHAI CORPORATION
- Shanghai KDDI Communications Engineering Co., Ltd.
- KDDI GUANGZHOU CORPORATION
- KDDI HONG KONG LTD.
- KDDI TAIWAN CORPORATION
- KDDI Korea CORPORATION
- TELEHOUSE Beijing
- TELEHOUSE BEIJING BDA Co., Ltd.
- TELEHOUSE SHANGHAI Zhangjiang
- TELEHOUSE SHANGHAI Jinqiao
- TELEHOUSE HONG KONG CCC
- KDDI Beijing Representative Office
- KDDI Shanghai Representative Office
- KKBOX Inc.

- KDDI Singapore Pte Ltd
- KDDI (Thailand) Ltd.
- KDDI MALAYSIA Sdn. Bhd
- KDDI India Private Limited
- KDDI PHILIPPINES Corporation
- KDDI Vietnam Corporation
- KDDI AUSTRALIA Pty Ltd.
- PT. KDDI INDONESIA
- KDDI Myanmar Co., Ltd.
- TELEHOUSE International Corp. of VIETNAM
- MobiCom Corporation
- KDDI Summit Global Myanmar Co., Ltd.
- FunCreate Myanmar LTD.
- BRACNet Limited

Supporting business on a global scale with ICT

The KDDI Group supports companies that are expanding their business on a global scale through more than 100 bases in 62 overseas cities. In particular, our data centers deployed under the "Telehouse" brand have expanded to over 40 bases in 20 cities and 12 countries and regions around the world. As a result of operating data centers and earning the trust of customers over 30 years, the KDDI Group has established a strong reputation with the world's leading Internet exchanges, telecommunications carriers, and cloud providers, and over 3,000 corporate customers use our data centers as the core of their business platform. Telehouse London Docklands North Two, Europe's largest data center

▲Telehouse London Docklands North Two, Europe's largest data center

Sustainability

Connecting customers and society through telecommunications and moving forward together into the future

KDDI aspires to become a company that is loved and trusted by all stakeholders through the utilization of resilient telecommunications infrastructure and cutting-edge technologies to support customer communications and by contributing to the resolution of various issues faced by society.

Contributing to the sustainable growth of society

In accordance with the KDDI Group Mission Statement, which calls for "achieving a truly connected society," we have been engaged in resolving social issues as an infrastructure company which supports the information platform of society. In the medium-term management plan (FY2019–FY2021), we outlined "contributing to the sustainable growth of society" as the new vision of the type of company that we wish to become, established "KDDI's target SDGs" in coordination with the business strategy and corporate activities, and announced that the entire company would be engaged in resolving social issues through our businesses. The foundation of these goals consists of the six Material Sustainability Issues.

■KDDI's 6 Material Sustainability Issues

1	Safer and more resilient connected world	4	Rewarding workplace for diverse talents
2	Cyber security and privacy protection	5	Respect for human rights and fairness in business
3	Fullfilled life brought through ICTs	6	An energy-efficient, circular economy

Steady promotion of sustainability activities

In order to steadily promote sustainability activities, we established "KDDI's target SDGs" in the medium-term management plan (FY2019–FY2021). We set targets that are tied to business strategies, encompassing telecommunications, global business, regional revitalization, education, and finance, as well as corporate activities, including developing human resources, supporting women's advancement in the workplace, respecting human rights, promoting diversity and inclusion, and conserving the environment. The entire company will continue working together over the medium to long-term to resolve social issues.

■KDDI's target SDGs

Social Issues to Be Solved through Business	Comparable SDGs
Telecommunications Building a safe and resilient information and telecommunications-based society	
Global Business Promoting economic development in countries with inadequate infrastructure	
Regional Revitalization Building communities where everyone can prosper	
Education Training the next-generation of human resources	
Finance Providing financial services that can easily be used by anyone	

Social Issues to Be Solved through Corporate Activities	Comparable SDGs
Human Resource Development Enhancing expertise and providing autonomous career development	
Support for Women's Advancement Realizing workplaces where diversity is respected	
Respect for Human Rights, Diversity and Inclusion Realizing diverse work styles	
Environmental Conservation Contributing to a sustainable global environment	

Partnerships	Contribute to solution of social issues in partnership with stakeholders	

Example 1 **Providing year-round stable telecommunications services**

KDDI recognizes that as a telecommunications company providing social infrastructure, it has the responsibility of providing stable telecommunications services that are available around the clock, 365 days a year, regardless of conditions. In anticipation of every possible large-scale disaster scenario, we prepare and implement measures on a daily basis including the construction of disaster-resistant networks and the ongoing implementation of disaster response training. In the event that a disaster occurs, we have prepared "vehicle-mounted base stations" and other ways to temporarily ensure that people have access to means of communication. During the 2018 Hokkaido Eastern Iburi earthquake, we operated Japan's first ship-mounted base station to provide coverage in the communications area from the sea. In addition, to prepare for situations in which land and sea routes are unavailable, "unmanned aircraft (drones) base stations" which use air routes are being developed and tested ahead of practical application.

Example 2 **Solving the digital divide**

In addition to building telecommunication networks as a form of social infrastructure through our telecommunications business in Myanmar and Mongolia, KDDI is contributing to the development of local communities in countries with insufficient infrastructure development through the KDDI Foundation. In Cambodia, we opened 11 schools over a 14-year period from 2005 to 2018 including schools in which classes are held using PCs.

Moreover, in 2018 we constructed a broadband regional network in Dullu in the west of Nepal, combining Wi-Fi and optical fiber which was laid in accordance with ITU-T standards (L.1700 and L.110) which recommend "the use of robust cables with a very similar structure to undersea cables to deploy cables without using pipes at low cost." This network can be expected to make telemedicine and other services a reality going forward.
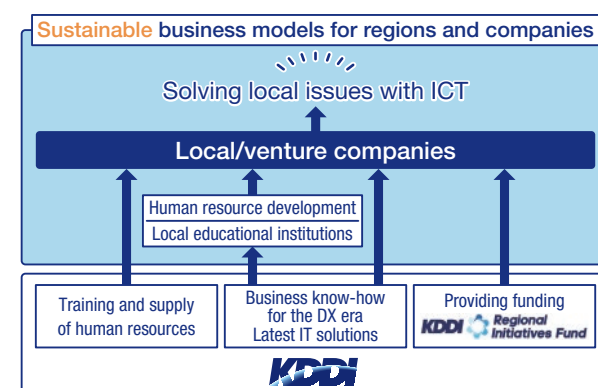

▲"KDDI Ocean Link" cable ship equipped with a ship-mounted base station

▲Ship-mounted base station

▲Construction work by local government volunteers to lay the cables

Sports Sponsorship

Example **3** Realizing sustainable regional revitalization through local constituents

KDDI believes that cultivating local companies and human resources to continuously provide on-site support is the "key" to solving local issues in a sustainable manner.

KDDI is advancing the training of local companies and human resources by providing 5G, IoT, drones, and other technologies as well as business know-how in the digital transformation era through partnerships with local educational institutions. Furthermore, we are supporting local companies and venture companies which promote regional revitalization through funding provided by the "KDDI Regional Initiatives Fund."

Sustainable business models for regions and companies

Solving local issues with ICT

Local/venture companies

Human resource development
Local educational institutions

Training and supply of human resources | Business know-how for the DX era Latest IT solutions | Providing funding KDDI Regional Initiatives Fund

KDDI

Example **5** Promoting diversity and inclusion

One aspect of the "KDDI Philosophy" which outlines the kind of company that we wish to become is the idea that "diversity is fundamental." This philosophy clearly states that mutual respect and understanding of people regardless of gender, age, nationality, disability, sexual orientation, religion, and other diverse characteristics and values are essential to the sustainable growth of the company, and we are engaged in promoting diversity and inclusion to enable diverse human resources to accept one another and work together. At our "KDDI Challenged" special subsidiary, we focus on the capabilities of each employee with disabilities to create a working environment which is suited to each individual situation for the purpose of expanding and creating jobs and work places where each individual can succeed. Furthermore, we support active roles and diverse work styles for non-Japanese, seniors and lesbian, gay, bisexual, transgender (LGBT) people to create a workplace environment that is amenable to all types of people.

Example **4** Creating a healthy and lively work environment

Based on the "KDDI Group Declaration of Health-focused Management," we at KDDI believe that the "health" of our employees is an important management issue and promote health-focused management to support the health of each employee at an organizational level. We will cultivate a climate and culture in which employees can work in a healthy and lively manner, maximize the performance of individuals and the organization, and support the sustainable growth of the Company.

The KDDI Group Declaration of Health-focused Management

Based on our mission statement of "pursuing the physical and spiritual happiness of all employees while simultaneously contributing to the development of an affluent communications-oriented society by delivering excitement which exceeds customer expectations," we believe that the success of the Company depends on a happy and energized workforce, see the health of our employees as a key management issue for the KDDI Group, and declare our commitment to health-focused management which supports the health of each employee at the organizational level as we strive for a prosperous future.

1. We proactively support initiatives by employees to independently maintain and improve their own health.
2. The company, the KDDI health insurance association, and the KDDI labor union are working together to promote the development of mental and physical health so that employees and their families can happily spend their time together.
3. Through initiatives to maintain and improve the mental and physical health of employees, we are establishing a "culture which values health" within the KDDI Group in pursuit of employee vitality and productivity improvements.

Example **6** Initiatives to conserve the global environment

KDDI established and is steadily executing the "KDDI GREEN PLAN 2017–2030," which is the Fourth Medium-term Environmental Conservation Plan covering the period from FY2017 to FY2030. This plan defines "climate action," "the creation of a recycling-oriented society," and "the conservation of biodiversity" as priority measures and sets specific targets such as "reducing the volume of CO_2 emissions by KDDI (Japan, non-consolidated basis) in FY2030 by 7% compared to FY2013," and "maintaining the 99.8% material recycling rate for used mobile telephones." To attain these targets in addition to reducing its own environmental impact, KDDI will provide ICT services that help to reduce the environmental impact of society and promote environmental preservation activities which involve customers and employees.

As part of its initiatives to improve the value of the au brand, KDDI has signed sponsorship agreements with sporting events, teams, and other organizations. In addition to contributing to the development of local communities and the sporting world by supporting sports, KDDI will create new experience value such as sports spectating experiences which utilize various communications technologies including 5G.

Support for the Japan national football team

au is a supporting company of the Japan national football team. It has also entered into supporting company agreements with the Asia Football Confederation, which controls the final Asian qualifying rounds and the AFC Asian Cup, as well as with the East Asian Football Federation (EAFF), which oversees the EAFF E-1 Football Championship, and will provide its full support for the Japan national football team. In addition, au will use its communications technology to attempt to create new "football spectating experiences" as it wholeheartedly supports the Japan national football team.

Support for the Japan esports Union (JeSU)

au is an official sponsor of the "Japan esports Union (JeSU)" esports league. Esports are a diverse form of competition which does not depend on physical characteristics or gender that anyone can participate in. As part of the Company's efforts to contribute to the development of a rich communication society, au is supporting the popularization of esports and the development of young athletes in Japan by further expanding 5G services, au Hikari, and other communications services.

Support for sport climbing

The novelty and freedom offered by sport climbing resonates with au values, and in the interest of creating new experience value, au has become a sport climbing official sponsor. It has also assembled "TEAM au," consisting of talented climbers who have left their mark in competitions at home and abroad, and are aiming for the top spot in global competitions. This support is aimed at helping to develop and popularize sport climbing in Japan as a major sport that can be enjoyed by many, from children to adults.

Support for "LEXUS TEAM TOM'S"

au is sponsoring "LEXUS TEAM au TOM'S" in the "SUPER GT," which is Japan's largest GT race. Continuing from last year, drivers Kazuki Nakajima and Yuhi Sekiguchi are aiming to win the long-standing series championship behind the wheel of "au TOM'S LC500." In addition, au will also take on the bruising battle with "LEXUS TEAM au TOM'S" by supporting the communications infrastructure which transmits the massive volume of race data that impacts the outcome of the race in real-time to the engineers who are developing the race strategy.

New Branding
Corporate Strategy
Business Overview
Targeting Sustainable Growth
Company Information

Research & Development

Research & Development

Creating a prosperous future through the development and social implementation of new technologies

KDDI is taking on the challenge of new technology development and the advancement of communications technologies through research and development utilizing world-class technologies and cooperation with many partners while also helping to resolve social issues and realize a prosperous society that customers can feel excited about.

Research and development that aims to be the best in the world

Aiming for the realization of a new world and challenging high-level objectives

In June 2019, KDDI Research, Inc. joined "Team KUROSHIO," Japan's first undersea exploration team, to compete and win the runner-up prize in the "Shell Ocean Discovery XPRIZE," a competition based on the mission to rapidly map the seabed across a wide area using exploration robots. KDDI has previously cultivated technologies for maintaining undersea cables such as autonomous underwater robots and underwater acoustic communication. During the competition, KDDI succeeded in rapidly mapping the seabed across a wide area by coordinating and operating multiple underwater robots utilizing these technologies with its own exploration technique.

▲An unmanned boat. This robotic vessel transmitted the data received from the autonomous underwater robots in the ocean via satellite communication. It proved that remote operation via satellite communication is possible.

▲Photograph of the awards ceremony (XPRIZE organization and the members of Team KUROSHIO)

Research and development to advance communications

Realization of a highly efficient network operation through the coexistence of 4G and 5G within the same spectrum

KDDI is promoting the research and development of communication technologies towards 5G and beyond. In September 2018, we successfully demonstrated a new technology to suppress inter-system interference for realizing the highly efficient 4G and 5G coexistence in the same spectrum. As a result, this technology will enable a high-efficient operation of cellular systems during the migration period from 4G to 5G and alleviate a degradation of spectral efficiency and communication quality caused by unbalanced user distribution such as a situation where the most of the users connect to either of one specific systems.

Realizing a stable network through operation automation using AI

KDDI is engaged in the research and development of operation automation technologies for communication networks to provide a stable communication infrastructure. In July 2018, the Company contracted with the Ministry of Internal Affairs and Communications in connection with the theme of "research and development of innovative AI network integration core technologies." This project aims to establish network operation technologies which enable the provision of stable communication infrastructure while satisfying diverse service requirements by using machine learning and AI to design, control, and operate networks which are becoming increasingly complex in the 5G era.

Research and development to resolve social issues

Realizing safe and secure communication

KDDI is actively promoting the research and development of cryptography to ensure the safety of communication. In particular, the Company is engaged in researching next-generation public key cryptography which is safer and faster to cope with the advent of quantum computers that are able to decode existing public key cryptography in a realistic span of time and the spread of IoT devices with limited computing power. In addition to setting a world record in a lattice-based cryptography decoding contest, KDDI established its own lattice-based cryptography method which generates keys roughly 10,000 times faster and decodes around 200 times faster than conventional methods.

Realizing a free and safe mobility society

KDDI is advancing the improvement of autonomous driving technologies to realize a free and safe mobility society. In February 2019, the Company successfully tested Japan's first remotely-monitored autonomous driving of multiple vehicles using 5G on public roads. The use of low latency and high capacity 5G makes it possible to monitor and control self-driving cars in a safer manner. During the test, one supervisor simultaneously monitored two self-driving cars with an unmanned driver's seat from a remote location and demonstrated that it was possible to switch to remote control and drive the vehicles in an emergency.

▲Self-driving vehicle. The low latency and high capacity of 5G makes it possible safely drive at a speed of 30 km/h.

Corporate Profile (As of March 31, 2019)

Company Name	KDDI CORPORATION
Date of Establishment	June 1, 1984
Main Business	Telecommunications business
Head Office	3-10-10, Iidabashi, Chiyoda-ku, Tokyo, Japan
Registered Place of Business	2-3-2, Nishishinjuku, Shinjuku-ku, Tokyo, Japan
President	Makoto Takahashi
Capital	141,852 million yen
Total Employees	41,996 (consolidated base)

Major Shareholders

Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
KYOCERA Corporation	335,096,000	14.22
Toyota Motor Corporation	298,492,800	12.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	217,873,800	9.25
Japan Trustee Services Bank, Ltd. (Trust Account)	128,821,400	5.46

Note: KDDI excludes the treasury stocks (176,630,845 shares) that it holds from the list of major shareholders above. In addition, the ratio of shareholding is calculated by subtracting the treasury stocks. Furthermore, the treasury stocks do not include the company shares (4,322,928 shares) held by the "Board Incentive Plan" (BIP) trust and the "Employee Stock Ownership Plan" (ESOP) trust.

Consolidated Statements (IFRS)

	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2019
Operating Revenues (Millions of Yen)	4,748,259	5,041,978	5,080,353
Compared with Previous Year (Growth Rate)	(+6.3%)	(+6.2%)	(+0.8%)
Operating Income (Millions of Yen)	912,976	962,793	1,013,729
Compared with Previous Year (Growth Rate)	(+9.7%)	(+5.5%)	(+5.3%)

Executive Members (As of June 19, 2019)

Directors	Chairman, Representative Director	Takashi Tanaka	
	Vice Chairman, Representative Director	Hirofumi Morozumi	
	President, Representative Director	Makoto Takahashi	
	Executive Vice Presidents, Representative Directors	Yoshiaki Uchida	
	Senior Managing Executive Officers, Directors	Takashi Shoji	Shinichi Muramoto
		Keiichi Mori	
	Managing Executive Officers, Directors	Kei Morita	Toshitake Amamiya
	Directors	Goro Yamaguchi[*1]	Keiji Yamamoto[*1]
		Yoshiaki Nemoto[*1 *3]	Shigeo Ohyagi[*1 *3]
		Riyo Kano[*1 *3]	
Audit & Supervisory Board Members	Full-time Audit & Supervisory Board Members	Koichi Ishizu	Akira Yamashita[*2 *3]
		Yasuhide Yamamoto	
	Audit & Supervisory Board Members	Kakuji Takano[*2 *3]	Nobuaki Katoh[*2 *3]

*1. Goro Yamaguchi, Keiji Yamamoto, Yoshiaki Nemoto, Shigeo Ohyagi, and Riyo Kano are outside directors.
*2. Akira Yamashita, Kakuji Takano, and Nobuaki Katoh are outside Audit & Supervisory Board members.
*3. Directors Yoshiaki Nemoto, Shigeo Ohyagi, and Riyo Kano as well as Audit & Supervisory Board members Akira Yamashita, Kakuji Takano, and Nobuaki Katoh are independent officers pursuant to Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Organization Chart (As of October 1, 2019)

Shareholders' Meeting
Board of Directors
Chairman
Vice Chairman
President
Corporate Management Committee

Audit & Supervisory Board
Audit & Supervisory Board Members
Audit & Supervisory Board Members' Office

- HOKKAIDO Regional Office
- TOHOKU Regional Office
- KITA-KANTO Regional Office
- MINAMI-KANTO Regional Office
- CHUBU Regional Office
- HOKURIKU Regional Office
- KANSAI Regional Office
- CHUGOKU Regional Office
- SHIKOKU Regional Office
- KYUSHU Regional Office
- Corporate Risk Management Division
- Corporate Strategy Planning Division

Corporate Sector
- Corporate Management Division
- General Administration Division
- Human Resources Division
- Corporate Procurement Division

Corporate & Marketing Communications Sector
- Corporate Communications Division
- Marketing Communications Division

Technology Sector
- Technical Planning Division
- Mobile Network Technical Development Division
- Network Technical Development Division
- Platform Development Division
- Information Systems Division
- Engineering Division
- Advanced Operations Management Division
- Operations Division
- Global Engineering & Operations Division

Global Consumer Business Sector
- Global Consumer Business Planning Division
- Global Consumer Business Division

Personal Business Sector
- Consumer Business Strategy Division
- Consumer Sales Division
- Customer Service Division
- Media and CATV Business Division
- Service Development Division
- Business Management Division
- Business Aggregation Division
- Business Development Division
- Energy Business Division

Solution Business Sector
- Solution Business Planning Division
- Solution Sales Division
- Solution Engineering Division
- IoT Business Development Division
- Global ICT Business Division

New Branding
Corporate Strategy
Business Overview
Targeting Sustainable Growth
Company Information

Main Domestic Companies and Affiliates (As of July 1, 2019)

KDDI **au**

Mobile Business
- OKINAWA CELLULAR TELEPHONE COMPANY
- SORACOM, INC.
- UQ Communications Inc.
- Wire and Wireless Co., Ltd.

Fixed-line Business
- Chubu Telecommunications Co., Inc.

Internet-related Business
- BIGLOBE Inc.
- Ecomott Inc.
- Japan Internet Exchange Co., Ltd.
- Japan Network Enabler Corporation
- KDDI Web Communications Inc.

Data Communications Engineering
- ARISE analytics Inc.
- Datasection Inc.
- Data4C's K.K.
- D-FIVE CONSULTING Co.,Ltd.
- iret Inc.
- KDDI Digital Security Inc.
- KDDI Digital Design Inc.
- KYOCERA COMMUNICATION SYSTEMS Co., Ltd.
- LAC Co., Ltd.
- Scrum Inc. Japan

Network Construction, Operation and Maintenance
- Japan Telecommunication Engineering Service Co., Ltd.
- KDDI Engineering Corporation
- KOKUSAI CABLE SHIP Co., Ltd.
- K&N System Integrations Corporation
- TEPCO OPTICAL NETWORK ENGINEERING INC.

Community Antenna Television Business
- Jupiter Telecommunications Co., Ltd.

Sales & Marketing
- KDDI MATOMETE OFFICE CORPORATION

Telemarketing Business & Human Resource Solutions
- KDDI Evolva Inc.

Research & Development of Cutting-edge Technology
- KDDI Research, Inc.
- KDDI Technology Corporation

Grant Activities & Social Contribution
- KDDI Foundation

KDDI's Directly Operated Shops
- KDDI PRECEDE CORPORATION

Special Subsidiary
- KDDI Challenged Corporation

Energy-related Business
- ENERES Co., Ltd.
- Kagoshima Mega Solar Power Corporation

Education Business
- AEON Holdings Corporation
- KDDI LEARNING CORPORATION

Theme Park Operation Business
- KCJ GROUP INC.

Drone Business
- Prodrone Co., Ltd.

Content & Media Business
- A-Sketch Inc.
- booklista Co., Ltd.
- Connehito Inc.
- every, Inc.
- Gunosy Inc.
- Jupiter Entertainment Co., Ltd.
- Kakaku.com, Inc.
- mediba Inc.
- Natasha, Inc.
- Supership Holdings Co., Ltd.
- TOLOT Inc.

Financial Business
- au Financial Holdings Corporation
  - au Asset Management Company, Limited
  - Jibun Bank Corporation
  - KDDI Financial Service inc.
  - WebMoney Corporation
- au Insurance Co., Ltd.
- LIFENET INSURANCE COMPANY

Product Sales Business
- au Commerce & Life, Inc
- Jupiter Shop Channel Co., Ltd.
- Loco Partners Inc.
- Mobaoku Co., Ltd.
- Mt. Fuji Springs Inc.

History

1953	Mar.	•KOKUSAI DENSHIN DENWA CO., LTD. (KDD) is established.
1984	Jun.	•Daini-Denden Planning Company is established.
1985	Apr.	•DDI CORPORATION (DDI) launches operations.
	Dec.	•Long-distance call service connection numbers are decided for new common carriers (DDI→0077, TWJ→0070, JT→0088).
1986	Oct.	•DDI begins leased circuit service between Tokyo, Nagoya, and Osaka.
1987	Mar.	•NIPPON IDOU TSUSHIN CORPORATION is established.
	Sep.	•The three new common carriers begin domestic long-distance call services between Tokyo, Nagoya, and Osaka.
1988	Dec.	•IDO launches car telephone service using the Hi-Cap analog cellular system within the 23 wards of Tokyo.
1989	May	•IDO launches Handy Phone Service (a compact lightweight cellular phone).
1992	Dec.	•DDI completes national service network.
1994	Jun.	•IDO launches PDC systems.
1997	Mar.	•DDI and IDO decide to jointly introduce the CDMA system.
	Jul.	•"DION" (now "au one net") Internet connection service is launched.
1998	Dec.	•KOKUSAI DENSHIN DENWA CO., LTD. (KDD) and Teleway Japan Corporation merge to create KDD Corporation.
1999	Apr.	•IDO and DDI CELLULAR Group complete the nationwide, seamless cdmaOne network. •IDO and DDI CELLULAR Group launch the "EZweb" and "EZaccess" Internet connection services.
2000	Jul.	•IDO and DDI CELLULAR Group launch the "au," a uniform nationwide mobile communications brand.
	Oct.	•DDI CORPORATION, KDD Corporation, and IDO CORPORATION merge and form a new company. The trade name of the new entity is DDI CORPORATION, and it operates under the new KDDI corporate brand.
	Nov.	•The seven companies of the DDI CELLULAR Group merge to form "au CORPORATION."
2001	Apr.	•Corporate name is changed to "KDDI CORPORATION."
	Oct.	•au CORPORATION is merged with KDDI CORPORATION.
2002	Apr.	•Third-generation (3G) mobile phone service (CDMA2000 1x) is launched.
	Dec.	•"Chaku-Uta®" service is launched.
2003	Oct.	•"KDDI Hikari Plus" (now "au Hikari"), a suite of optical fiber-based services, is launched.
	Nov.	•Sales of "INFOBAR," the first model from the au design project, begin. •"CDMA 1X WIN," an enhanced 3G mobile phone service based on CDMA2000 1x EV-DO technology, is launched.
2004	Oct.	•"KDDI Hikari Direct" (for corporate customers) service is launched.
	Nov.	•EZ "Chaku-Uta-Full®" service is launched.

2005	Feb.	•"KDDI Metal Plus" service is launched.
	Oct.	•"Cable-plus Phone" fixed-telephone service integrated with CATV is launched.
2006	Jan.	•The comprehensive music service "LISMO" is launched.
	Jun.	•"HIKARI one" (now "au Hikari"), a joint FTTH service with TEPCO, is launched.
	Dec.	•"EV-DO Rev. A," an upgraded version of "CDMA2000 1x EV-DO" is adopted.
2008	Mar.	•Converted Wireless Broadband Planning to an operating company, setting the stage to launch UQ Communications Inc.
	Jul.	•Jibun Bank, the mobile network bank jointly established with The Bank of Tokyo-Mitsubishi UFJ, begins service.
	Oct.	•Data center brands from both inside and outside of Japan are integrated with "Telehouse".
2011	Feb.	•KDDI MATOMETE OFFICE CORPORATION is established.
	May	•au Insurance, mobile phone-based general insurance established jointly by KDDI and Aioi Nissay Dowa Insurance, begins service.
	Aug.	•Joint business creation platform "KDDI∞LABO (Mugen Labo)" started.
2012	Feb.	•Corporate venture capital "KDDI Open Innovation Fund" is established.
	Mar.	•"au Smart Value" and "au Smart Pass" are launched.
	Sep.	•"au 4G LTE," the next-generation LTE standard for high-speed communication, is launched.
2014	Mar.	•Achieved an actual population coverage ratio of 99% for "platinum" band 800MHz "au 4G LTE service."
	May	•"au WALLET" service is launched.
	Jul.	•Started distribution of the LTE-Advanced technology "Carrier Aggregation (CA)."
	Jul.	•Entered into agreement and commenced joint business with Myanma Posts and Telecommunications (MPT).
	Dec.	•"au VoLTE," a next-generation voice call service, is launched.
2016	Apr.	•"au Denki" electricity supply service is launched. •"au Insurance & Loans" financial service is launched.
	Aug.	•"au STAR" membership program is launched.
2017	Jul.	•To separate the smartphone and other mobile device charges from the communications charges, new rate plans "au Adjust Plan" and "au Flat Plan" are launched. •"au HOME" IoT service for households is launched.
2018	Jan.	•IoT communication service "KDDI IoT Connect LPWA" is launched.
	Sep.	•"KDDI DIGITAL GATE," a digital business development site, has opened in Tokyo (Toranomon).
2019	Feb.	•Midway bank holding company "au Financial Holdings Corporation" is established. Initiated the SmartMoney concept.
	Apr.	•Smartphone payment service "au PAY" is launched.
	May	•Renewed the brand slogan "KDDI: Tomorrow, Together," "au: Explore the extraordinary."
	Jul.	•"au Data MAX Plan," the first unlimited data plan in Japan, is launched.

KDDI CORPORATION

https://www.kddi.com/english/