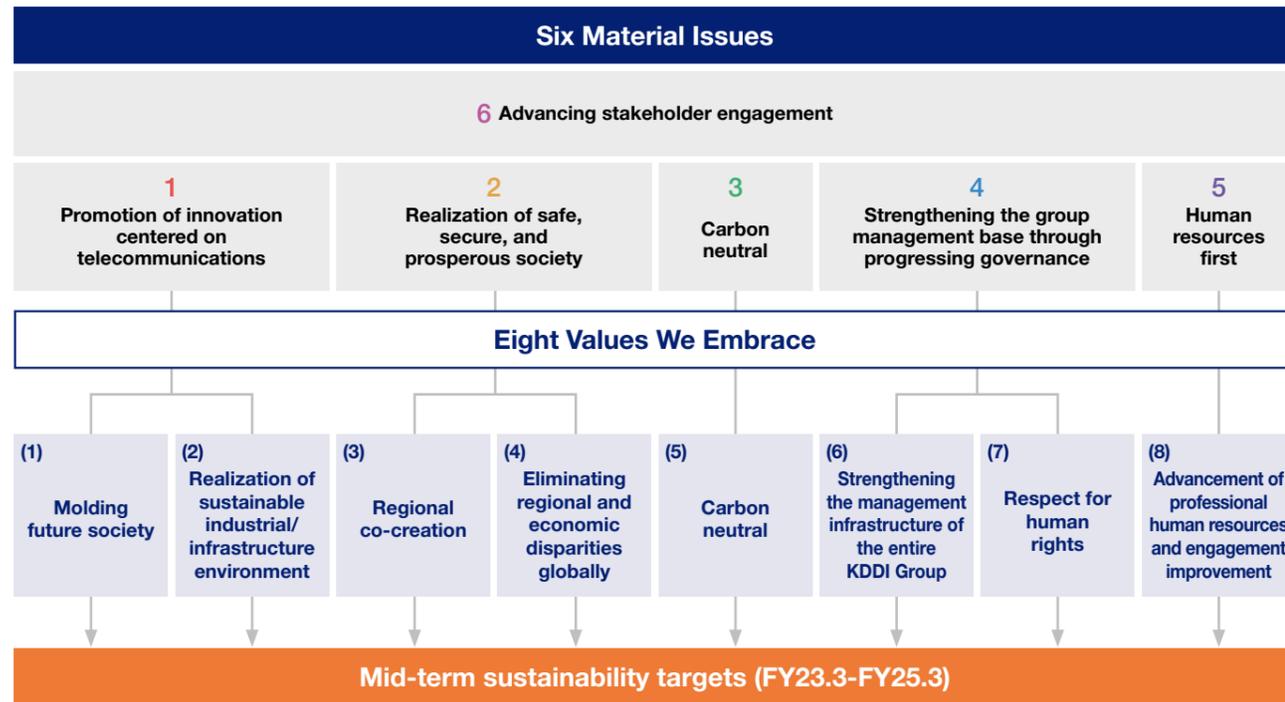


# New Materiality

## Six Material Issues

We have mapped and summarized the issues to be addressed in the New Mid-Term Management Strategy based on the concerns of long-term investors and other multi-stakeholder groups and their impact on our business. The changes are in the areas of promoting innovation necessary for our business transformation, strengthening human resources and governance in line with the diversification of our business, and responding to the growing awareness of issues in the international community, such as climate change.



**Materiality 1 Promotion of Innovation Centered on Telecommunications**  
 ▶ Values We Embrace  
 (1) Through Satellite Growth Strategy centered on communications, promote innovation that customers can experience in their daily lives and create a future society.  
 (2) Realize a sustainable industrial/infrastructure environment by providing innovative solutions for communications and other social infrastructure/connected vehicles.

**Materiality 2 Realization of Safe, Secure, and Prosperous Society**  
 ▶ Values We Embrace  
 (3) Realize regional co-creating by connecting people and regions together with DX centered on communication and solving information gaps and regional issues.  
 (4) Eliminate regional and economic disparities by contributing to local economic development through the maintaining and expanding of communications and peripheral services in emerging overseas countries.

**Materiality 3 Carbon Neutral**  
 ▶ Values We Embrace  
 (5) In addition to achieving carbon neutrality in 2030\*, we will provide customers with renewable electricity and contribute to solving the global climate change problem.  
 \* Scope1+2

**Materiality 4 Strengthening the Group Management Base Through Progressing Governance**  
 ▶ Values We Embrace  
 (6) Create social and environmental value by establishing a strong management infrastructure through the strengthening of governance in the entire KDDI Group.  
 (7) Respect human rights in all business activities, eradicate human rights violations in the supply chain, and contribute to the sustainable growth of society.

**Materiality 5 Human Resources First**  
 ▶ Values We Embrace  
 (8) Create innovation and contribute to the sustainable growth of society by fostering a corporate culture that encourages the active participation of diverse and professional talent while also providing a challenge.

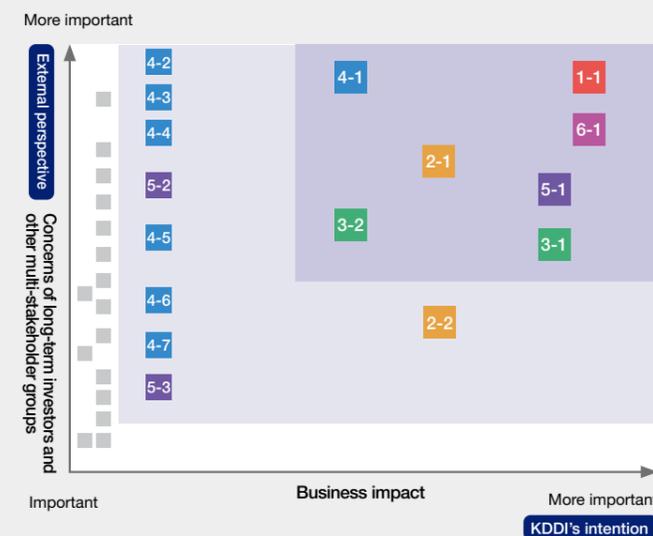
**Materiality 6 Advancing Stakeholder Engagement**

## Process for Re-Identifying Material Issues

KDDI has revised the Material Issues related to sustainability in conjunction with the establishment of its New Mid-Term Management Strategy (FY23.3-FY25.3).

1. Identify key issues based on the GRI requirements, international guidelines for sustainability information disclosure, and the requirements of ESG assessment for the information technology and telecommunications industry.
2. Priorities are set by scoring the “concerns of long-term investors and other multi-stakeholder groups (vertical axis)” and the “business impact (horizontal axis).”
3. Identify six material issues that reflect the opinions of external experts collected through interviews.
4. The Sustainability Committee and the Board of Directors deliberate on the appropriateness of the proposal and finalize it.

Matrix of Material Issues



- Materiality 1 Promotion of Innovation Centered on Telecommunications**  
 1-1 Through Satellite Growth Strategy centered on communications, promote innovation that customers can experience in their daily lives and create a future society.
- Materiality 2 Realization of Safe, Secure, and Prosperous Society**  
 2-1 Leverage technological innovation to provide resilient infrastructure, realize economic development, and a safe and secure society.  
 2-2 Eliminate the digital divide by creating new value through DX.
- Materiality 3 Carbon Neutral**  
 3-1 Achieve the sustainable growth of society by promoting decarbonization and leaving a prosperous planet for the future.  
 3-2 Achieve carbon neutrality in the KDDI group by FY2050.
- Materiality 4 Strengthening the Group Management Base Through Progressing Governance**  
 4-1 Ensuring customer privacy by building up strong data security.  
 4-2 Engage in thorough risk management.  
 4-3 Develop an effective and transparent governance structure.  
 4-4 Engage in thorough compliance.  
 4-5 Respect for human rights.  
 4-6 Engage in fair and proactive information disclosure.  
 4-7 Promotion of sustainable procurement
- Materiality 5 Human Resources First**  
 5-1 Pursue the well-being of our employees and promotion of diversity and inclusion.  
 5-2 Promote human resource development and career development.  
 5-3 Initiatives for health and productivity management.
- Materiality 6 Advancing Stakeholder Engagement**  
 6-1 Build strong relationships with all stakeholders, including employees, customers, distributors, suppliers, and shareholders.

## Eight Values We Embrace and Twenty-Five Mid-Term Sustainability Targets (FY23.3-FY25.3)

Values We Embrace	Mid-Term Sustainability Targets (FY23.3-FY25.3)			
	Details of implementation	Index	FY22.3 results	FY25.3
<b>(1) Molding future society</b>	Promoting business creations and R&D projects based on Satellite Growth Strategy	Number of projects (Mid-Term cumulative total)	21	60
	Providing virtual cities in collaboration with local governments	Growth of Monthly Active Users		
	Promoting innovation to strengthen intellectual capital	Number of patents held in 5G/Beyond 5G + Satellite Growth-related areas	—	Year on year grew 20%
<b>(2) Realization of sustainable industrial/ infrastructure environment</b>	Contribution to industry/ infrastructure DX	IoT connections	24.5 million connections	44 million connections
	Promoting customer work style reform	Percentage of KDDI customers (corporate customers) deploying zero-trust solutions	—	35%
	Expand 5G coverage	5G population coverage governmental target 95% by FY2024.3		
	Eradication of major incidents	Number of serious incidents <small>* Based on the Ministry of Internal Affairs and Communications' incident reporting guidelines.</small>	0	0
<b>(3) Regional co-creation</b>	Solving disparity in regions	Number of people supported (Mid-Term cumulative total) <small>* Services such as smartphone classes, in-store support, usage support, on-demand transportation, local education (lectures and seminars,) Simple TV Phone service, and disparity elimination for local governments, medium-sized and SMBs.</small>	5.7 million	15 million
	Development of regional experience support services	Number of users of regional experience support services (Mid-Term cumulative total)		
	Eliminating financial divides	Transaction volume of settlement/loan	11.7 trillion yen	16.3 trillion yen
<b>(4) Eliminating regional and economic disparities globally</b>	Expand global business in Myanmar	Ensure the safety of our employees, respect the human rights of the people in emerging countries, and strive to maintain the social infrastructure that is essential to people's daily lives.		
	Education and training of the next generation in Mongolia using telecommunications	Number of subscribers to Stars, a communications service for children aged 13 and under (cumulative total)	—	0.18 million

Values We Embrace	Mid-Term Sustainability Targets (FY23.3-FY25.3)			
	Details of implementation	Index	FY22.3 results	FY25.3
<b>(5) Carbon neutral</b>	KDDI's carbon neutrality including telecommunication facilities	KDDI's carbon neutrality including telecommunication facilities (Scope1+2) (KDDI non-consolidated)	CO <sub>2</sub> emissions: 1.09 million tCO <sub>2</sub>	Achievement of FY2030 carbon neutrality
		Achievement of carbon neutrality by the KDDI Group at its worldwide data centers <small>* Excluding data center facilities and equipment provided by other companies on a partial lease basis</small>	CO <sub>2</sub> emissions: 0.3 million tCO <sub>2</sub>	Achievement of FY2026 carbon neutrality
	Providing renewable energy to customers	Percentage of corporate contracts supplied with renewable energy	—	Over 60%
	Providing next-generation renewable energy solutions	Promote and streamline the use of renewable energy in society by providing next-generation energy solutions such as EV station installation, virtual power plants (VPP), and IoT-based renewable energy infrastructure maintenance through partner collaboration		
<b>(6) Strengthening the management infrastructure of the entire KDDI Group</b>	Strengthen the governance and information security of the Group as a whole	No. of serious incidents* <sup>1</sup> · Cybersecurity-induced divulgence of personal data and significant service outages · Inappropriate use of personal data · Serious incidents other than the above	0	0
		Number of initiatives of advanced security technology* <sup>2</sup> (Mid-Term cumulative total)	4	15
<b>(7) Respect for human rights</b>	Conduct business activities with respect for human rights	Respect for human rights in all KDDI Group business activities		
	Human rights due diligence* <sup>3</sup>	Improvement rate for suppliers that may be violating human rights (consider suspending business with them if they fail to respond) · Endorsement of KDDI Group Procurement Policy · Identification and dialogue with high-risk parties · Improvement support for high-risk parties	Check the status of respect for human rights with approximately 90% of top suppliers in terms of the purchase value (response rate: 98%)	Improvement rate: 100%
<b>(8) Advancement of professional human resources and engagement improvement</b>	Career development for skilled human resources	Percentage of professional human resources on all specialized fields	—	30% <small>* All areas</small>
		All employees who have completed DX basic skills training (KDDI non-consolidated: Mid-Term cumulative total) <small>* Learning opportunities to be expanded to the Group</small>	—	All employees
	Conduct the Employee Engagement Survey	Maintain and improve employee engagement score	72 <small>* Average of quarterly survey results (4 times/year)</small>	Maintain 72 or over
Promotion of diversity-oriented human resources (D&I)	Ratio of female directors	7.1%	20% or over	
	Percentage of females in managerial positions* <sup>4</sup> (KDDI non-consolidated)	9.4%	15% or over	

\*1 Cases that require reporting or notification to the competent authorities and cause severe damage to reputation.

\*2 Number of news releases and topics by KDDI non-consolidated and KDDI Research, Inc.

\*3 Top 90% of KDDI Group procurement amount and suppliers with known human rights risks are covered.

\*4 Personnel in managerial positions : Leaders who have personnel evaluation authority and experts in specialized area, the percentage is as of April 1st in next fiscal year.