

# Intellectual Property Management

## Basic Policy on Intellectual Property

KDDI regards our intellectual property (IP) as an important resource for sustainable business growth and promotes IP activities that are integrated into our business strategies.

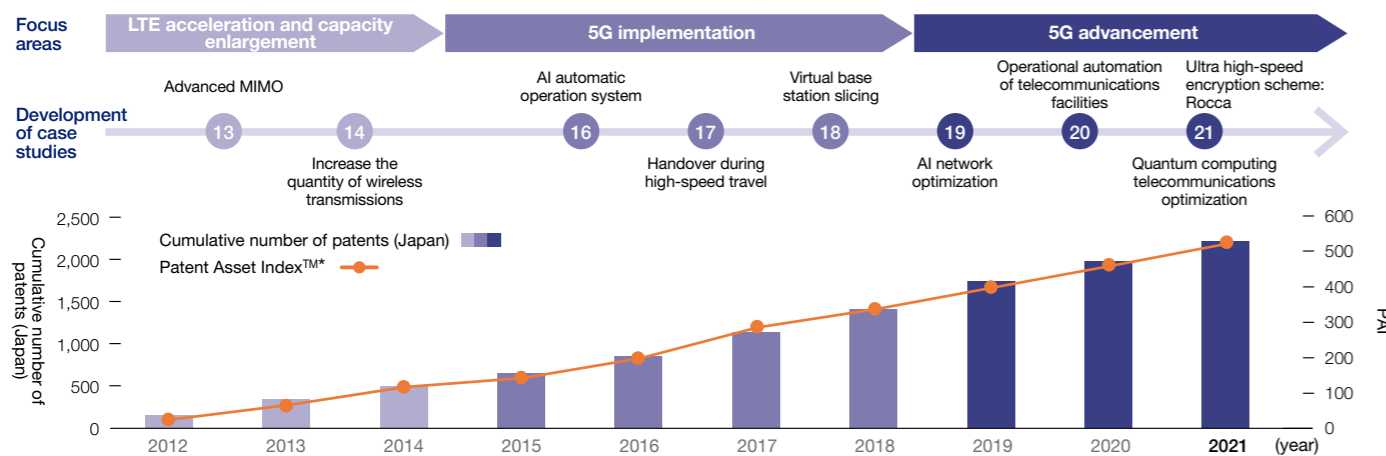
### [Basic Policy]

1. We promote innovation in line with short, medium, and long-term business strategies and obtain IP strategically and utilize it effectively.
2. We support the IP activities of all companies to help develop collaborative projects with KDDI's Group companies and partners, including the start-ups in which we invest.
3. We respect the IP rights of third parties and minimize the risk of infringing IP rights in our business.
4. We contribute to the planning and promotion of business strategies through the analysis of IP information using IP landscaping.

### 1. Promotion of Innovation Centered on Telecommunications and Improvement of Brand Value

KDDI promotes the innovation of telecommunications networks from the short, medium, and long-term perspectives to improve the quality of telecommunications services. These efforts include applying for patents for ideas that will be exclusive to our business. Additionally, ideas for which infringement is difficult to detect externally are kept secret and used as know-how. In recent years, the number of patents held by KDDI and its Patent Asset Index™ (PAI) has increased as a result of enhanced innovation related to 5G and Beyond 5G. Looking ahead to the Beyond 5G era, we will further promote the innovation of telecommunications networks, which are the core of our business.

#### Research and Technology Development Themes, Number of Patents, and Change in Patent Asset Index

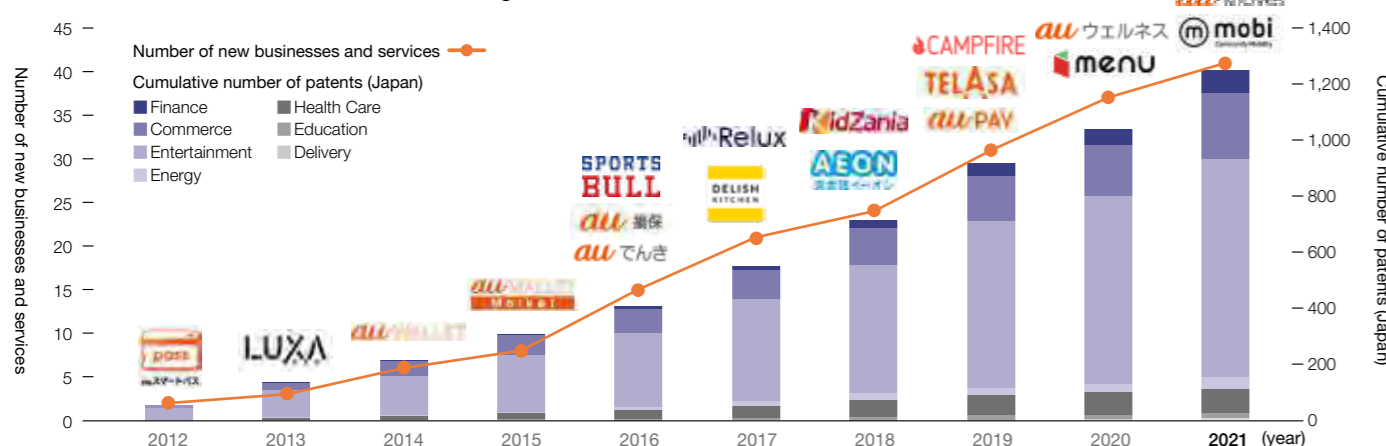


\* The Patent Asset Index™ is calculated using LexisNexis' PatentSight®, a patent analysis tool. The overall evaluation index of a patent is calculated by multiplying the "Technology Relevance," which is itself calculated based on the number of citations of the patent, and the "Market Coverage," which is calculated based on the country of application and other factors.

KDDI is also entering peripheral areas centered on telecommunications to provide new services through business collaborations with our partners. When entering new markets, we conduct a complete risk analysis and take measures to avoid infringing the IP rights of third parties. Additionally, to provide new experiential value from the customer's perspective, we are promoting innovation in collaboration with Group companies and start-ups and working to create a competitive patent portfolio. Furthermore, the entire company is united in its efforts to improve the brand value of "KDDI," "au," "UQ mobile," and "povo." The "au" brand recently placed 12th (brand value: \$4.478 billion) in the Best Japan Brands 2022\*.

\* Ranked by Interbrand Japan, Inc. based on a calculation of the monetary value of Japanese brands that operate globally.

#### Number of New Businesses and Services and Change in the Number of Patents



### 2. Strengthening of IP Activities and Governance for the Business Growth of the KDDI Group

The Intellectual Property Division holds regular discussions with business divisions and KDDI Research, Inc. on IP activities based on an analysis of industry trends in each business and information on KDDI's and other companies' IP.



Intellectual Property Achievement Awards

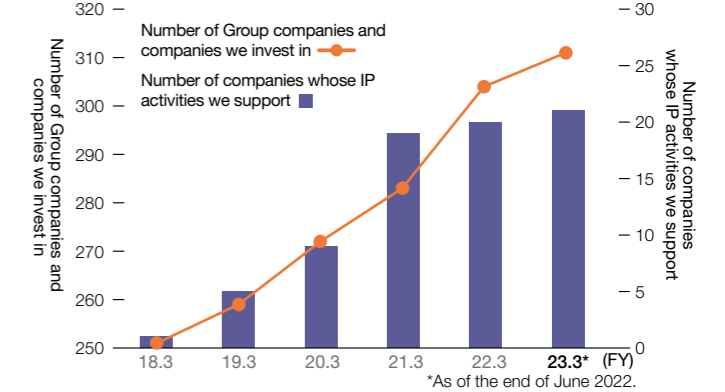
It is necessary for collaboration partners to appropriately implement their IP activities for the growth of co-creation projects with Group companies and start-ups. Thus, we support Group companies that face challenges in their IP management systems and start-ups in which we have invested to ensure that the most appropriate IP activities are conducted\*.

As the number of Group companies and companies in which we have invested has increased, so has the number of companies we support. In recognition of this support, we received the Economy, Trade and Industry Minister's Prize for companies that use IP ("open innovation promotion company" category) at the 2018 Intellectual Property Achievement Awards held by the Ministry of Economy, Trade and Industry and the Japan Patent Office. This was the first award for an open innovation promotion company.

Additionally, to improve the understanding of IP company-wide, we educate our employees on the use of IP, how to minimize the risk of infringing IP rights, and the management of know-how. The training content is tailored to the job description and role of the target audience, such as all employees, researchers, new employees, and service planning divisions. The status of these IP initiatives is reported to the Corporate Management Committee and the Board of Directors to strengthen their governance.

\* Approach to the handling of intellectual property and intangible assets to support start-ups (Japanese only)

#### Number of Group Companies and Companies We Have Invested in, and Change in the Number of IP Activities We Support



### 3. Intellectual Property-Related Activities in Line with Sustainability Management

In response to social issues such as the declining birthrate, the aging population, and labor shortages, in the future, drones are expected to provide services in place of humans in the fields of logistics, inspection, monitoring, and surveying.

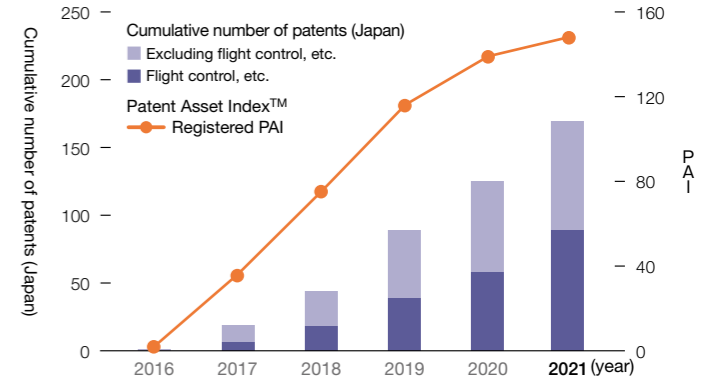
To realize this, KDDI is promoting innovation in the use of drones in the medium-to-long term.

IP landscaping is being used to conduct a comprehensive analysis of trends in the drone industry and related policies, regulations, and markets, as well as to examine our strengths and weaknesses in comparison with our competitors based on our patent information. These activities have led us to focus on "flight control and flight monitoring" using "telecommunication," which is one of our strengths, as a priority area for promoting innovation, and we are working to expand our patent portfolio.

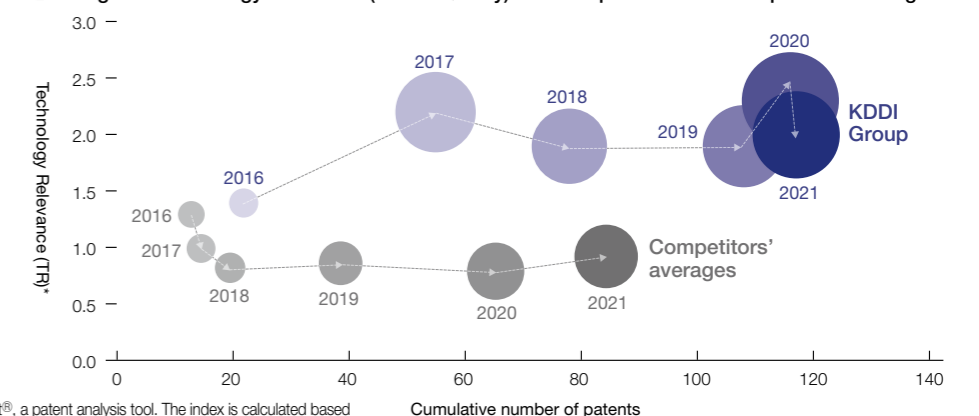
As a result of our efforts to obtain patents ahead of our competitors, according to our research, our Technology Relevance (patent quality) has exceeded the average of that of our competitors. We have thus developed a patent portfolio with a competitive advantage.

We will continue to promote IP activities for business growth as well as innovation to solve social issues.

#### Number of Patents Related to Smart Drones and Change in the Patent Asset Index



#### Changes in Technology Relevance (Patent Quality) and Comparisons with Competitors' Averages



\* Technology Relevance is calculated using LexisNexis' PatentSight®, a patent analysis tool. The index is calculated based on the number of citations a patent receives in comparison with other patents in the same technical field in the same year.