

Okinawa Cellular  
Sustainability  
Report  
2024



## Brand Message

# *Our Mind, Timeless*

# *Our*



# Challenge, Timeless

Since Okinawa Cellular's establishment in 1991, we have worked to create a resilient and high-quality network as the total communications provider for Okinawa with contributing to the development of Okinawa's economy through our business as our corporate philosophy. Thanks to the support of many local companies and partners, we have achieved growth.

Going forward, Okinawa Cellular will seek to become a top brand that creates "smart and comfortable lives for all" using communications and information technologies based on the overwhelming experiential value we have accumulated by creating close ties with customers and local communities in Okinawa. We will contribute to the Okinawa that we cherish while growing and developing with our customers and business partners.

Our brand message, "Our Mind, Timeless Our Challenge, Timeless," includes the idea of "with hearts full of love and gratitude for Okinawa, our challenge will continue. Now and always."



## Credo

# Raise People's Spirits

Act with good motives or non-selfish motives

## Management Principles

- Contribute to the development of Okinawa's economy through our business
- In light of the Company's highly public nature, strive to be a company worthy of familiarity and respect of prefectural residents
- Pursue the physical and mental wellbeing of employees
- Become a leading company in Okinawa in name and in fact

## Fundamental Principles

For all of our stakeholders—our customers, employees, shareholders, business partners, and society as a whole.

As a member of the KDDI Group, Okinawa Cellular strives to adhere to the following four fundamental principles in our corporate practices.

### Customer Satisfaction

by providing with our services the value that customers expect;

### A Happy Workforce

by continuing to be the kind of dynamic company that inspires all its employees with a sense of worth and fulfillment;

### The Confidence of Our Shareholders

by justifying the trust placed in us by our shareholders, business associates and all with whom we have dealings;

### The Advancement of the International Community

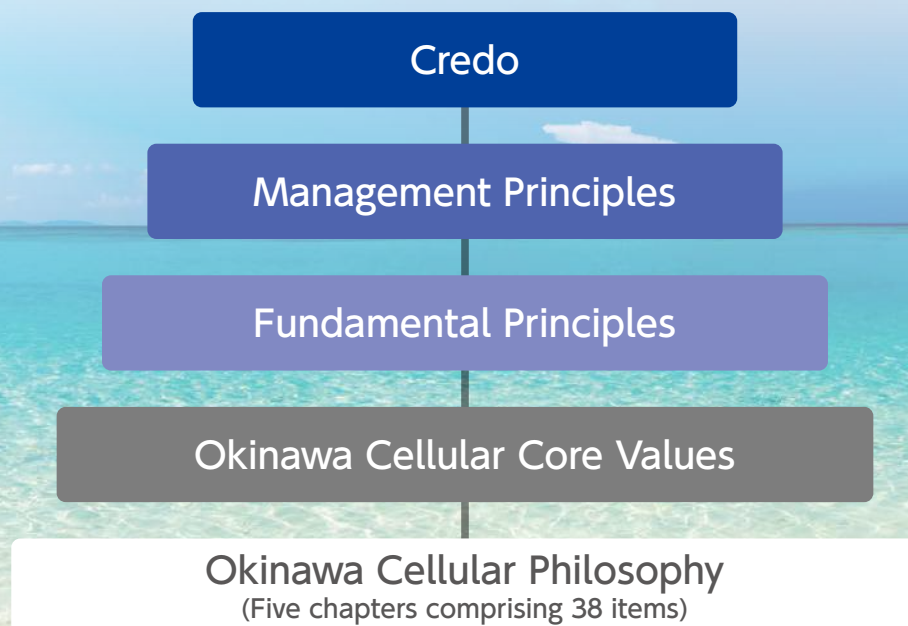
by bringing an ever broadening array of communications to bear in serving the development of the global community.

# Okinawa Cellular Philosophy

Okinawa Cellular philosophy has a five-layer structure, comprising our credo, management principles, fundamental principles, the Okinawa Cellular core values, and the Okinawa Cellular philosophy. It is a statement of the mindset, values, and code of conduct that employees should embrace so that the Company and society can achieve sustainable growth.

The thoughts of our predecessors, who worked hard to establish the Company, the social mission that we should fulfill as the total communications provider for Okinawa, ideas that we should never forget and should put into practice, and our vision for Okinawa Cellular are all included throughout the philosophy.

It is also a statement of the fundamental stance that Okinawa Cellular employees should adopt and a foundation for sustainable management. We seek to be a company that is cherished and trusted by all stakeholders through putting this philosophy into practice.



## History of the Okinawa Cellular Philosophy

Okinawa Cellular philosophy system including the Company credo, which has been handed down since the Company's foundation, emphasizes universality. The philosophy was revised in 2016 to be familiar and relatable, and employees have been involved from the revision discussion stage, including the creation of new Okinawa Cellular Core Values as a concept for organizing and integrating diverse philosophies. As a result, a culture that values the principles has become firmly established.



## Initiatives Relating to the Okinawa Cellular Philosophy

At Okinawa Cellular, we believe that it is crucial for each individual to put the Okinawa Cellular philosophy into practice so that we can disseminate our management principles and sustainability management. In fiscal 2022, we started distribution of Cellular Core Values Lectures, in which company officers speak to employees about the importance of the philosophy, including their own experience and values. To expand the dissemination even further, we expanded lecturers to include general managers in fiscal 2023, leading to increased understanding and practice of the philosophy.

We also hold a monthly Cellular Core Values Meeting at which employees with diverse backgrounds and values can exchange opinions in topics relating to the philosophy. Officers and employees are united and develop shared values with the aim of making it a strength for Okinawa Cellular's future sustainable growth.

For disseminating our management principles and sustainability management  
**Each individual puts the Okinawa Cellular Philosophy into practice**

### Opportunities for officers and managers to speak to employees

- Importance of the philosophy and its practice
- Communicate the importance with their own experiences and value

**Cellular Core Values Lectures**  
 (Lectures by officers and general managers)

### Opportunities for employees to get to know each other and share values

- Cross-departmental membership, accepting the diversity of backgrounds and values of each employee
- Monthly meetings to establish employees' decision making criteria

**Meetings for exchanging opinions on the philosophy**  
 (Cellular Core Values Meetings)





## Our Vision

Connecting thoughts and connecting smiles

Our mission is to protect communications 365 days a year

Delivering excitement to our customers beyond surprise

# Okinawa Cellular, a comprehensive telecommunications company for Okinawa, is committed to serving the local community!





# Okinawa Cellular Core Values

## I Never Forget the Founding Thoughts

Faithfully and sincerely embody the management principles and fundamental principles without forgetting the thoughts of our predecessors.

## I Meet the Expectations of the Local Community in Okinawa

Pursue profits fairly and honestly and meet the expectations of the local community in Okinawa through sustainable business growth.

## I Be of Service to Customers

Always value customer thoughts and feelings and take on the challenges of creating great excitement and new value that exceed customer expectations and imagination.

## I Do Good Work, Have a Good Life

Always remember to be grateful and altruistic, approach everything with a bright and positive attitude, and create a fulfilling life.

## I Value Principles

Follow principles, think for oneself without forgetting the spirit of fair play, and always tackle the challenges of creative work from a higher perspective.

## I Be the Real Thing

All employees embrace their dreams and pride with a professional mindset, work together to achieve goals, and foster a healthy corporate culture.

## I Have High Aspirations and Repeatedly Take on Challenges

All employees set high goals based on their own aspirations, challenge those goals with creativity, and keep trying until the goals are achieved.



Environment



Food  
and  
agriculture

# Okinawa Cellular Sustainability Report 2024

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## Editorial Policy

This report is prepared as a communication tool for our investors and other diverse stakeholders to share information on and promote understanding of Okinawa Cellular's sustainability initiatives. For information on sustainability initiatives not included in this report, please refer to our corporate website.

### Period of Reporting

This report covers business activities during fiscal 2023 (April 1, 2023 to March 31, 2024). Some activities before March 2023 and after April 2024 are also reported.

### Scope of Reporting

The scope of this report covers the business activities of Okinawa Cellular Telephone Company and its three group companies.

### Issue Date

December 2024

### Reference Guidelines

- Environmental Reporting Guidelines by the Ministry of the Environment
- GRI Standards by the Global Reporting Initiative (GRI)
- ISO 26000:2010 Guidance on social responsibility
- Guidance on Climate-related Financial Disclosures 2.0 (TCFD Guidance 2.0) by the TCFD Consortium
- Guidance for Collaborative Value Creation 2.0 by the Ministry of Economy, Trade and Industry
- The Integrated Reporting Framework by IFRS Foundation

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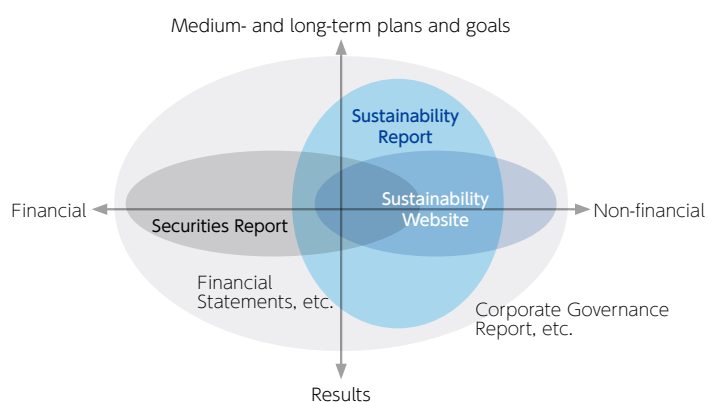


### Investor Relations

<https://okinawa-cellular.jp/english/ir/>



## Positioning of the Sustainability Report



## How to Use This Report

### Navigation Buttons

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### Link Buttons

- Move to the relevant page within this report
- Navigate to external websites, etc. outside of this report  
\* Some links direct to Japanese websites

# The History of Okinawa Cellular

## June 1991

Establishment of Okinawa Cellular Telephone Company

## October 1992

Start of Mobile Car Phone TACS (Analog) service

Uchina-phone, a low-price service for Okinawan residents

## January 1993

The early model of mobile phone terminals

The first model equipped with lithium-ion batteries in Japan was extremely successful. In Okinawa, the model was given the nickname "Chibariphone," which encouraged the Company's growth.

Achieved 70% share in the prefecture

## January 1994

The Cellular Spot opened



## November 1995

Start of service on Kume Island, Iheya Island, and Izena Island

## February 1996

Start of service on Miyako Island and Ishigaki Island

## April 1997

The Company's shares were registered with the Japan Securities Dealers Association for over-the-counter trading

## July 1998

Adoption of CDMA system

The CDMA system, "cdmaOne" was introduced, which was attracting attention as the "next digital" system.

## January 1999

Mobile phone numbers increased to 11 digits

## May 1999

Launch of "EZweb" service

Access to the Internet and e-mail communication became possible using only a mobile phone device.



## July 2000

Introduction of "au" unified brand



## October 2000

Establishment of KDDI



## November 2000

Launch of "Gakuwari" discount service for students



## December 2002

Launch of "Chaku-uta" music download service

## November 2003

Launch of CDMA 1X WIN service

High-speed data transmission of up to 2.4 Mbps became available. "EZ Flat," the first flat-rate packet

communication fee plan among mobile phone carriers in Japan, was introduced.



## August 2004

Launch of "Double-Teigaku," packet fixed rate service

## November 2004

Launch of EZ "Chaku-uta Full" music download service

## December 2004

Creation of the "au Deer!", a character limited to the Okinawa area



A character created by employees in collaboration with a designer in Okinawa Prefecture gained popularity.

Over-the-counter registration with the Japan Securities Dealers Association was cancelled, and the Company's shares were listed on the JASDAQ Securities Exchange

## February 2005

Launch of the au Joy Project



## May 2005

au store sales staff began wearing original Kariyushi wear

## January 2006

KDDI launched "au LISTEN MOBILE SERVICE"

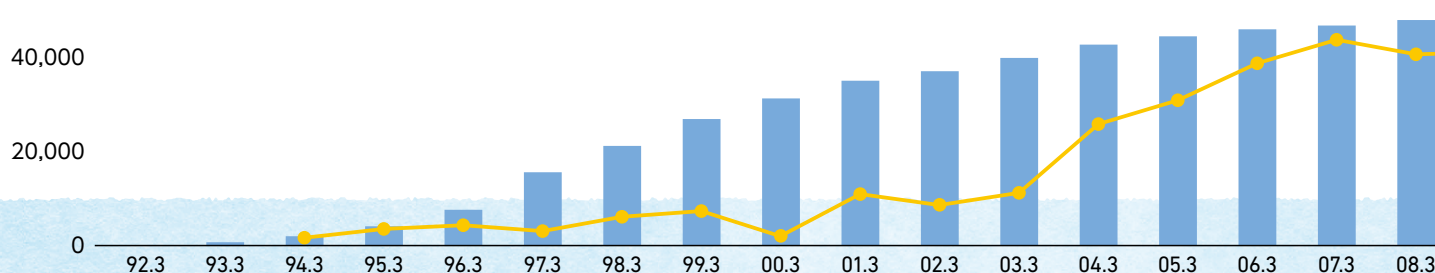


## November 2008

Opening of Nanjo Network Center

(million yen) ■ Operating revenues (Left axis)  
 ● Operating income (Right axis)

\* Data of operating revenues and operating income are on a non-consolidated basis until the FY ended March 2009, and on a consolidated basis from the FY ended March 2010.



**January 2010**

Okinawa Telecommunication Network Co., Inc. (currently OTNet Co., Inc.) became a subsidiary through the underwriting of a third-party allotment of new shares

**OTNet****March 2010****Launch of "au HIKARI Chura" service**

"au HIKARI Chura," an optical fiber Internet service was launched, in Naha, Urasoe and Tomigusuku cities.

**April 2010****Inauguration ceremony of Okinawa Cellular Stadium Naha and Okinawa Cellular Park Naha**

The Company obtained the naming rights of these facilities: a stadium with a large roof and full-scale night game facilities that can accommodate 15,000 people in the infield and 15,000 people in the outfield stands, and an indoor sports facility.

**August 2013****Completion of Okinawa Cellular head office building****April 2015****Offering Mobile Service Grant**

The program supports high school students by providing free smartphone handsets and waiving mobile phone fees, and has issued grants to a cumulative total of 446 students by 2024.

**March 2016****Opening of Tomigusuku Network Center****September 2017**

Okinawa Cellular Agri&Marche Corporation was established through a corporate spin-off

沖縄セルラー  
アグリ&マルシェ

**June 2018****World's first successful real-time distribution of free viewpoint video via "5G" mobile communication system**

The world's first successful real-time distribution of free viewpoint video at an official Japanese professional baseball game held at Okinawa Cellular Stadium Naha, utilizing "5G" compatible tablet terminals

**July 2018****First shipment of ICT-based fully enclosed strawberries (Churashima Berry) in the prefecture****September 2019****Opening of "KDDI DIGITAL GATE Okinawa"**

Accelerate corporate DX and work with corporate customers to create new business solutions.

**November 2019****Launch of "au Denki," an electricity service provided by au**

au でんき

**February 2020****Launch of a demonstration project to transport goods using drones in Taketomi Town**

Launched an initiative to build a network of remote island logistics using all-weather drones.

**April 2020****Start of the Okinawa-Kyushu submarine cable operations****July 2020**

Free distribution of eco-friendly bags to au cell phone subscribers as part of SDGs activities

**March 2021****Launch of the Okinawa Health Management Plus 1 Project**

Provided "JOTO Home Doctor," a health management application for residents of Okinawa Prefecture.

**June 2021****30th anniversary of the Company's establishment****July 2021****Operation of taxicabs decorated with the "au Deer!" corporate character**

As a project to express gratitude for the Company's 30th anniversary, two fully decorated free taxicabs were operated for a limited time.

**November 2021****Completion of Okinawa Cellular Forest Building****April 2022**

Moved from the JASDAQ market to the Standard market due to the revision of the market classification of the Tokyo Stock Exchange

**July 2023**

Start of optical submarine cable "YUI" operation Okinawa Main Island-Kume Island -Miyako Island-Ishigaki Island

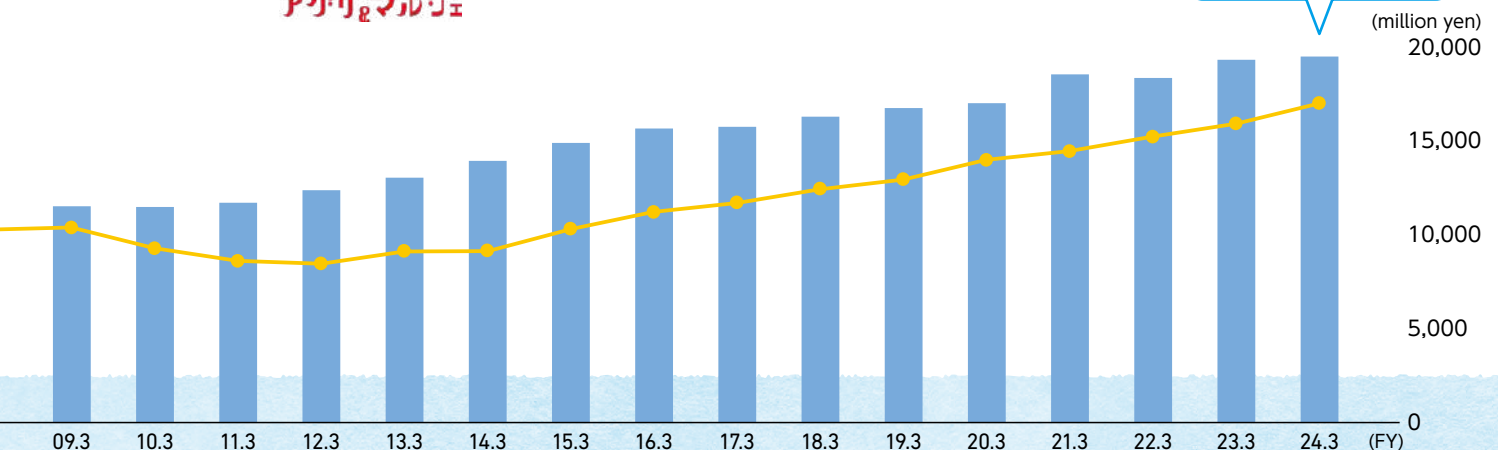
**August 2023**

Launch of "Starlink Business" service in Okinawa area

**November 2023**

Acquired MC Okinawa Co., Ltd. as a subsidiary through a third-party allocation of new shares and changed its name to Okinawa Cellular Mirai Create Co., Ltd.

Operating revenues  
**77,990** million yen  
Operating income  
**17,014** million yen



## Message from the President



Okinawa Cellular Telephone Company  
Representative Director and President

**Yasuaki Miyakura**

# Contributing to the Economic Development in Okinawa Through Our Business and Connecting People, Communities, and Nature to the Future

## On Assuming the Office of Representative Director and President

I am Yasuaki Miyakura, appointed as Representative Director and President in June 2024. In my discussions with stakeholders both within and outside the Company, I have been deeply moved by the warmth of the Okinawan people and the high expectations placed on Okinawa Cellular. I have been involved in the mobile communications industry for many years. Back when mobile phones were just starting to become popular, I personally delivered mobile phones to each customer. What remains vivid in my memory is the beaming smiles of customers the moment they held the phone to their ear and experienced their first call during the activation test. It was a truly rewarding moment, realizing that our work brought smiles to our customers and contributed positively to their lives. Our Company has many employees who are eager to make a meaningful contribution to Okinawa. As a leader, I see it as my role to cultivate a corporate culture where they can pursue their visions with pride and continually take on new challenges.

## Aiming for Sustainable Growth of Business That Develops Together With Okinawa

Okinawa Cellular was founded with a thought, “contributing to the development of Okinawa’s economy.” In 1990, at the Okinawa Konwakai, a forum aimed at promoting the Okinawan economy, discussions took place on how to contribute to the then stagnant Okinawan economy. At that time, Kazuo Inamori, then-chairman of DDI Corporation, the predecessor of KDDI, suggested, “Why not establish a mobile phone company in Okinawa?” This led to the founding of Okinawa Cellular in 1991, with KDDI and 43 leading Okinawan companies joining as shareholders. Since then, guided by our management principles of “Contributing to the development of Okinawa’s economy through our business,” we have developed our business centered on telecommunications and committed to the economic development of Okinawa and its prosperous future.

In the early days of mobile phone services, we offered “Uchina-phone,” a low-price mobile phone service for the residents of Okinawa. As the only telecommunications carrier headquartered in Okinawa, we have been quick to respond to the needs of local businesses and residents of Okinawa. For example, whenever we heard concerns about weak signals, we immediately rushed to the scene to improve the network, etc. We have supported and been supported by the people of Okinawa, fostering mutual growth. Thanks to this partnership, we have achieved continuous growth since our founding, including ranking as the top company in corporate profits in Okinawa Prefecture for five consecutive years as of 2022. Going forward, we will continue to give back the support of Okinawans to the community and contribute to the development of Okinawa by providing robust, high-quality telecommunications services and ensuring sustainable business growth.

## Aiming for Further Growth by Responding to Changes and Taking on Challenges, and Bringing More Smiles to Okinawa

To ensure our continued growth in the ever-evolving telecommunications industry, we must respond flexibly and swiftly to external changes such as rapid technological innovation, social issues like population decline and aging society, and increasingly serious climate change. The Company has not only focused on consumer services like au and UQ but has also embraced these social issues as business opportunities. We have ventured into new sectors beyond telecommunications, including energy, solutions, healthcare, and agriculture. With sustainability management as our core, we will aim to further expand into growth areas by addressing social issues while leveraging AI and digital transformation (DX).

Our Mid-Term Management Plan is built on two pillars of business strategy: enhancing existing businesses and expanding growth areas, and it features the ambidextrous management approach centered on telecommunications.

In terms of enhancing existing businesses, we have been focused on maximizing revenue through our 5G network strategy and the promotion of multiple brands with au, UQ, and povo. In our 5G network strategy, we set a target to achieve over 95% population coverage of 5G communications across the entire Okinawa, including remote islands. As of the end of March 2024, we reached 96.7% coverage, achieving this target one year earlier. Furthermore, in maximizing the average revenue per user (ARPU) of communications services, we achieved an ARPU rebound after hitting bottom in fiscal 2023, a target set in our Mid-Term Management Plan, one year ahead of schedule.

For expanding growth areas, we strive to expand into new growth areas such as energy, solutions, healthcare, and agriculture businesses, with the aim of increasing net sales to around 15 billion yen. We aim at solving Okinawa's social issues through business creation and achieving both sustainable development of local communities and earnings growth. In the healthcare business, Okinawa, once renowned for its longevity, now faces serious health issues, highlighted by its lowest national ranking for findings during regular health checkups for twelve consecutive years. In response, we launched the JOTO Home Doctor health management application in 2021 to raise health awareness and encourage proactive health behaviors among Okinawan residents. In the agriculture business, we are developing a business model aimed at industrializing plant factory operations to address various agricultural issues in Okinawa and help new industry creation. Furthermore, we are expanding these efforts overseas into Southeast Asia.

Through collaboration with a diverse range of partner companies, we aim to create a sustainable cycle that contributes to the development of the Okinawan economy. This initiative involves building a model for solving the problems Okinawa faces and increasing the value-added output of not only our Company, but of Okinawa as a whole.

[Sustainability Management](#) ➔ P. 25[Materiality 1](#) ➔ P. 31



## Summary of the Mid-Term Management Plan and Outlook for the Next Plan

In our Mid-Term Management Plan, we have set a financial target of achieving a 15% increase in earnings per share (EPS) compared to fiscal 2021. With the improvement of capital efficiency through share buybacks and tender offers, we achieved an EPS of 245 yen in fiscal 2023, a 23% increase from fiscal 2021, achieving the target one year ahead of schedule. For fiscal 2024, we anticipate further growth, projecting an EPS of 254 yen. Fiscal 2024 marks a pivotal year as we conclude this Mid-Term Management Plan. Our KPIs are progressing smoothly, with several targets already achieved one year ahead of schedule. We will make every effort not only to achieve our targets, but also to deliver results beyond expectations.

Furthermore, fiscal 2024 is also the time to formulate our next Mid-Term Management Plan, and we need to present a new vision for growth. The next plan will place particular emphasis on the process, incorporating a cycle of bottom-up and top-down approaches. Through this cycle, we hope to develop a plan that reflects the thoughts and opinions of each employee, so that the vector of all employees' thoughts and ideas will be aligned.

[Mid-Term Management Plan](#) ↻ P.26

## The Source of Sustainable Growth Lies in People

The source of sustainable growth for any company lies in its people. Especially in the telecommunications industry, where commoditization is progressing, and the strategies of companies tend to be similar, we believe that "people" is the decisive factor for success. Therefore, we will focus on human capital management that maximizes personnel value and promote our unified three-part reforms: new personnel system, internal DX, and workstyle reforms. Through these initiatives, we will nurture a high degree of autonomy and growth of employees and organization. We will also focus on developing DX professionals who will lead companies in the prefecture.

[Materiality 5](#) ↻ P.48

## Coexisting With Okinawa's Nature and Fulfilling Our Responsibility to Preserve the Richness of Nature for the Future

When I arrived to take up my position in Okinawa in April 2023, I was truly moved by the sight of white clouds drifting across the blue sky and the stunning emerald-green sea. I believe that preserving this beautiful natural environment of Okinawa, cherished for generations, and passing it on to the future is one of the missions to be fulfilled by our Company, which was started with the thought of "contributing to Okinawa Prefecture." In 2021, we launched the Okinawa Nature Conservation Project, supporting environmental preservation activities at World Natural Heritage sites and assisting in AI-based biological activity research. In June 2024, Okinawa Cellular became the first company in Okinawa Prefecture to issue a TNFD Report to assess the impacts of our business activities on nature and biodiversity and identify risks and opportunities. We are actively promoting nature-positive initiatives.

The Okinawa Cellular Group has also been advancing initiatives toward a decarbonized society, including the deployment of Sustainable Base Stations powered by solar energy and the transition to renewable energy-derived electricity using Okinawan resources. In June 2024, with a clear pathway to achieving net-zero CO<sub>2</sub> emissions across the entire Group, we became the first company in Okinawa Prefecture to declare carbon neutrality. This achievement comes six years ahead of our original target of fiscal 2030. Going forward, we will continue to recognize the importance of natural capital as the foundation of sustainable economic activities and lead environmental initiatives from Okinawa.

[Materiality 4](#) ↻ P.42

## Creating New Value to Bring More Smiles to Okinawa

With the largest number of branches in Okinawa Prefecture, we have been committed to providing face-to-face communication and attentive, customer-centered service. We believe that prioritizing the field over meetings, focusing on our customers rather than competitors, seizing opportunities for value creation, and fostering conversations to share ideas and aspirations will differentiate us from other companies.

With our commitment to Okinawa and deep sense of pride, we will continue to develop businesses that enhance the quality of life and convenience for the people of Okinawa. We sincerely appreciate your continued warm support for the Okinawa Cellular Group.

# About Okinawa Cellular Group

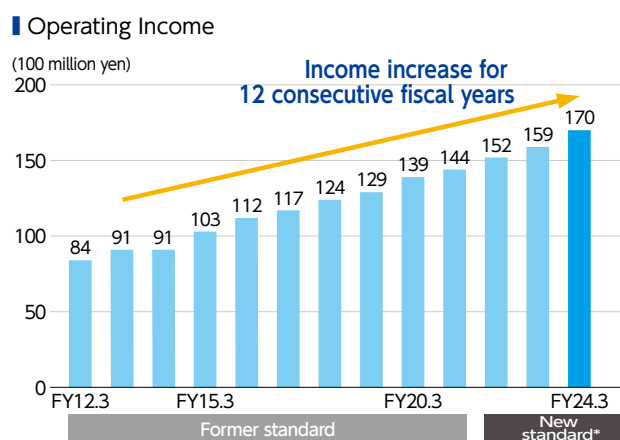
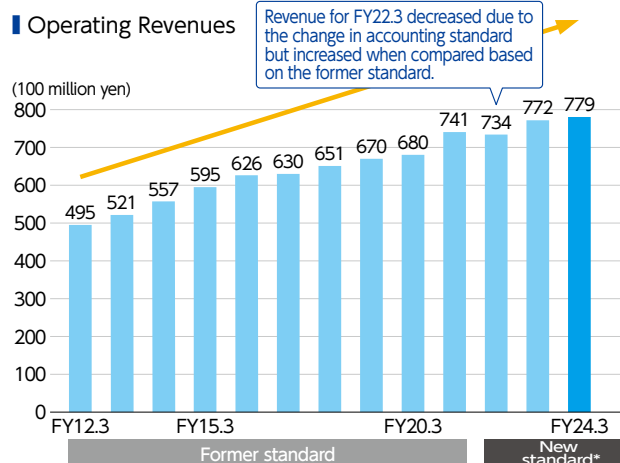
Okinawa Cellular was established in 1991 with the support of KDDI and 43 major companies in Okinawa Prefecture for the development of Okinawa's economy. Since then, as a member of the KDDI Group, we have not limited ourselves to the telecommunications business, but have also developed tourism and agriculture businesses that give shape to new ideas using telecommunications. Through our businesses, we are contributing to solving social issues and developing the economy of Okinawa.

Company name	Okinawa Cellular Telephone Company
Establishment	June 1, 1991
Location	1-2-1 Matsuyama, Naha City, Okinawa, Japan
Representative Director and President	Yasuaki Miyakura
Capital	1,414 million yen
Number of employees	468 (Consolidated)
Total assets	115.5 billion yen
Total net assets	97.4 billion yen
Capital adequacy ratio	82.3%
Operating revenues	77.9 billion yen
Operating income	17.0 billion yen
Net income	12.1 billion yen * Net income attributable to owners of the parent

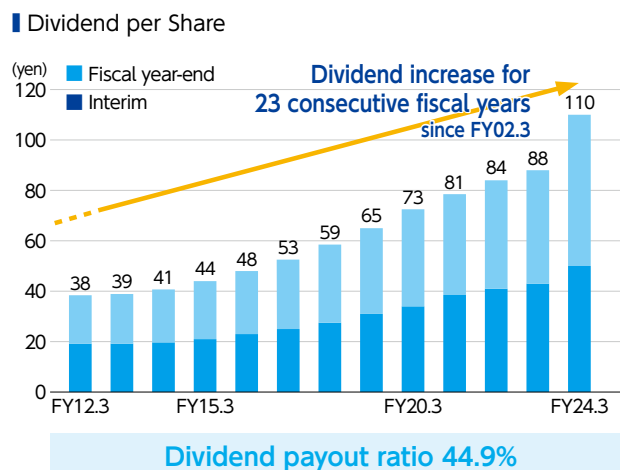
As of March 31, 2024

## Management Policy

- **3 increases**  
(in revenues, income, and consecutive dividends)
- Dividend payout ratio of **over 40%**



\* The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other rules are applied from the beginning of the fiscal year.



## Group Structure

Tomorrow, Together



51.8%



77.5%

OTNet

Telecommunications Business

100%

沖繩セルラー  
アグリ&マルシェ

Okinawa Cellular Agri&Marche Corporation

Tourism and Agriculture business

51%

沖繩セルラー  
みらいクリエイイト

Okinawa Cellular mirai create Co., Ltd.

Sales Solutions Business



As of March 2024  
\*Figures represent the percentage of shares held to the total number of shares issued (excluding treasury shares).

## Business Overview

### Telecommunications business

Mobile service



FTTH service



### Growth Areas

Energy business



Solution business

Solving social issues in Okinawa through business creation



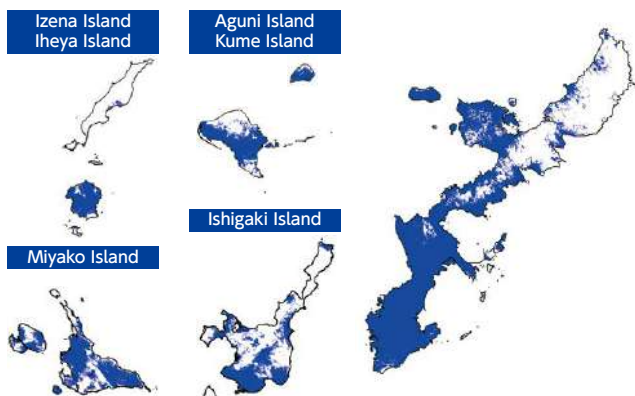
Okinawa Cellular Agri&Marche Corporation



JOTO Home Doctor

## Comprehensive Telecommunications Operator in Okinawa

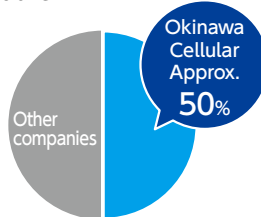
● 5G coverage of the population area on all islands: **97.5%**  
Provide high quality and robust network



As of September 30, 2024

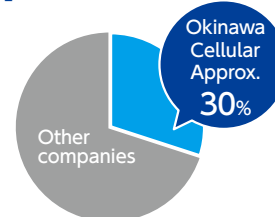
● Share of mobile service: **50%**

Mobile



● Share of FTTH service: **30%**

FTTH



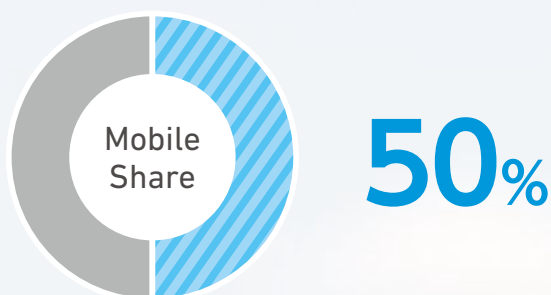
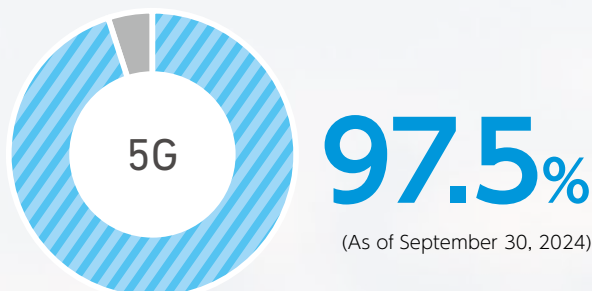
One in two persons in Okinawa is an Okinawa Cellular user.

## At a Glance

## Okinawa Cellular in Numbers

## Strengths

## Mobile share

5G network coverage  
on the entire Okinawa

## Dividend per share

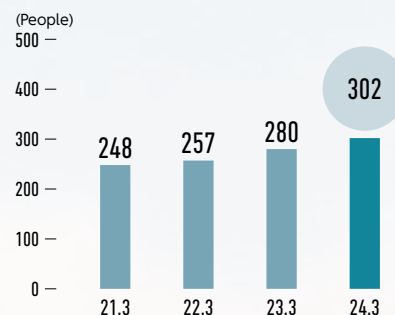


## Human capital

## Number of employees

(Non-consolidated)

302



Awarded WELL Platinum  
Certification of the WELL  
Building Standard™ version 2

Total points achieved:

**97** points  
(highest score in Japan)



Ratio of female managers:

10.6%



Return-to-work ratio after childcare leave:

100%

Ratio of employees taking paternal leave:

100%



Employment ratio of people with disabilities:

2.8%

Materiality 5 [P. 48](#)

# Environment

CO<sub>2</sub> emissions   
2024

Projected to achieve carbon neutrality



Green Network

Green Network  
by Okinawa Cellular

Supporting and participating in biodiversity conservation initiatives  
Participation in TNFD Forum



30 by 30 Alliance for Biodiversity



Materiality 4 [P. 42](#)

## Special Feature

# Heart Rate Monitoring Service Attending to People With Health Concerns After Leaving Hospitals

## Delivering Peace of Mind Through the Power of ICT

To support the safety and peace of mind of people with heart disease, Okinawa Cellular launched the Heart Rate Monitoring Service connected with smartwatches in June 2024. We are leveraging the unique power of ICT to address health issues in Okinawa and providing a new form of support for health.



### Monitoring the Heart Rate 24 Hours a Day and Giving Peace of Mind to People With Heart Concerns



Cardiac disease, a lifestyle-related disease, is on the rise in Okinawa Prefecture. A particular problem is the high rate of re-hospitalization after cardiac disease treatment. Self-management (self-care) of the disease is important to prevent recurrence and worsening of the condition, but many patients feel uncertain about managing their health on their own. In cases of heart failure, there are instances where patients may feel unwell after discharge, but the symptoms cannot be detected during hospital examinations.

To address these issues, Okinawa Cellular has launched a new health support service, Heart Rate Monitoring Service by JOTO Home Doctor, built on its existing healthcare platform, the JOTO Home Doctor application. This provides comprehensive health management service to support the daily lives of heart disease patients. It utilizes the latest wearable technology to monitor the safety and peace of mind of patients 24 hours a day. By combining the capabilities of telecommunications with medical expertise, we aim to alleviate anxiety for those with heart concerns, improve their quality of life, collaborate effectively with medical institutions, and promote preventive care to improve the health of the entire community.



Heart Rate Monitoring Service Attending to People With Health Concerns After Leaving Hospitals  
Delivering Peace of Mind Through the Power of ICT



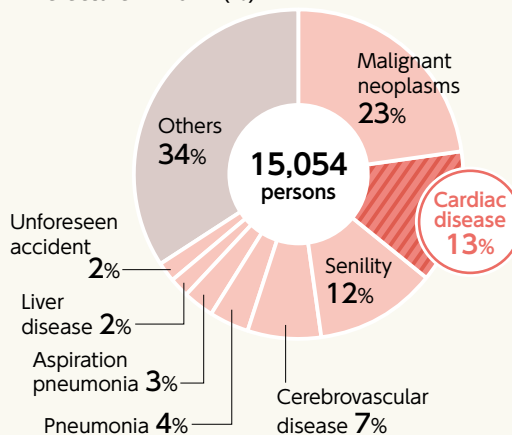
Social Issues

Prompt Emergency Transport is Key to Treatment of Heart Disease, accounting for 13% Cause of Death

Heart disease is the second leading cause of death in Okinawa Prefecture, with approximately 2,000 people dying from heart disease in 2022. This accounts for 13% of all deaths, with the issue being particularly prevalent among the elderly. In fact, approximately 67% of heart failure patients are over the age of 75, and the number of heart failure patients is increasing as the elderly population grows.

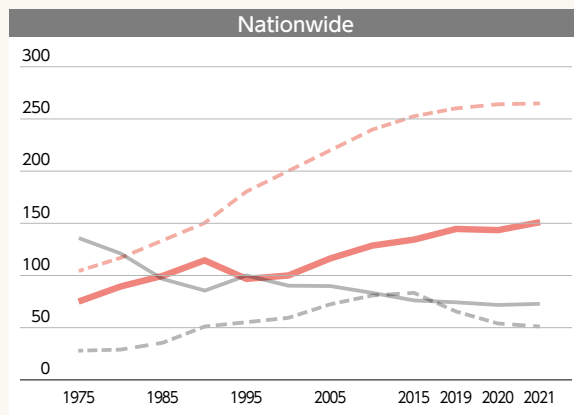
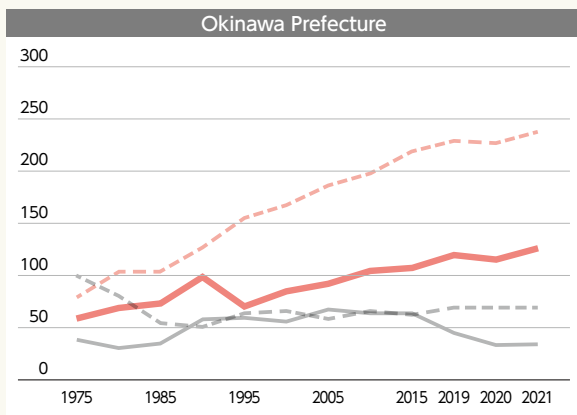
Particularly for cardiovascular diseases such as acute myocardial infarction, a quick response from illness onset to treatment is said to make the difference between life and death. Acute myocardial infarction occurs when a coronary artery is suddenly blocked, while aortic dissection involves a tear in the vessel wall, both causing severe damage to the heart. These symptoms occur without preliminary signs. Promptly requesting emergency transport at the onset of heart disease and, if necessary, providing appropriate life-saving treatment for cardiac arrest are critical for reducing mortality rates and improving prognosis.

Breakdown of Causes of Death in Okinawa Prefecture in 2022 (%)



Reference: "March 2024 Okinawa Prefecture Cardiovascular Disease Prevention Promotion Plan (Phase 2)" (by Okinawa Prefecture)

Annual Mortality Rates (per 100,000 People) for Major Causes of Death in Okinawa Prefecture



--- Malignant neoplasms    — Cardiac disease    --- Cerebrovascular disease    — Pneumonia

Partially modified from "March 2024 Okinawa Prefecture Cardiovascular Disease Prevention Promotion Plan (Phase 2)" (by Okinawa Prefecture)

## Heart Rate Monitoring Service Attending to People With Health Concerns After Leaving Hospitals Delivering Peace of Mind Through the Power of ICT

### Heart Rate Monitoring Service for Daily Monitoring of Health Conditions

The Heart Rate Monitoring Service by JOTO Home Doctor is an ICT-based healthcare solution that utilizes a smartwatch and a dedicated application to daily monitor the health status of patients with heart concerns such as heart failure, myocardial infarction, and angina pectoris. This service was made possible through a partnership with SECOM Ryukyu Co. and Urasoe General Hospital.

Through this service, the smartwatch worn by users continuously tracks key health metrics such as heart rate, metabolic equivalents (METs), and oxygen saturation (SpO<sub>2</sub>). These data can be viewed in real time, and historical data can also be visually checked, allowing users to monitor their health status and use it for improving health. If an abnormality is detected, SECOM Ryukyu immediately calls the patient and his/her family to confirm the situation. Additionally, the service allows data recorded in the application to be shared with participating medical institutions. This enables doctors to diagnose patients by referring to their daily health data in addition to in-clinic examination data.

#### Four Functions of the Heart Rate Monitoring Service

##### Vital functions

- Easily record data on heart rate, metabolic equivalents (METs), and oxygen saturation (SpO<sub>2</sub>) by connecting to a smartwatch
- Graph historical data to visually monitor health trends



##### Watching function

- Sends an email notification to family members when the heart rate exceeds the preset rate
- Phone call from SECOM Ryukyu to check on the situation



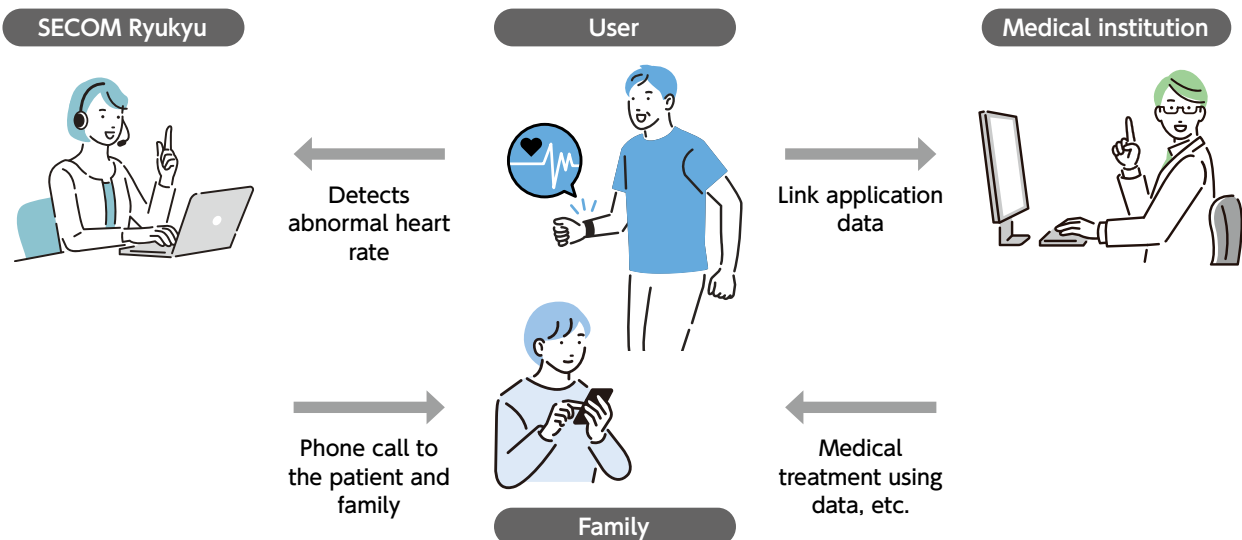
##### Self-management support function

- Record and monitor symptoms and signs of discomfort
- Provides exercise menu videos supervised by a cardiac rehabilitation instructor and keeps exercise records



##### Hospital collaboration function

- Data sharing with participating medical institutions (record on heart rate, METs, SpO<sub>2</sub>, and signs of discomfort)



#### Highly Evaluated by Participants in the Demonstration Test

Thirty-one post-cardiac catheterization patients participated in the demonstration test conducted in cooperation with Urasoe General Hospital (period: October 25, 2022–January 20, 2023). During the demonstration period, three to four notifications were made per day, and participants gave high marks to the service, saying, “I would like to have this smartwatch.” Medical professionals also suggested the possibility of using the service for rehabilitation.



## Heart Rate Monitoring Service Attending to People With Health Concerns After Leaving Hospitals Delivering Peace of Mind Through the Power of ICT



### Comments From the Persons in Charge

Through discussions with medical institutions, we learned that there are issues for both medical institutions and patients after the treatment of heart disease has been completed. Early detection and treatment intervention are crucial for preventing recurrence of heart disease. However, after discharge from the hospital, it is difficult for medical institutions to detect abnormalities other than at scheduled in-clinic examinations. On the patient side, they are anxious about their post-discharge life with the risk of recurrence. To solve these issues, we developed the Heart Rate Monitoring Service as a system that enables real-time acquisition and sharing of data such as patients' heart rate using smartwatches. We would be happy if this service, which was created using telecommunications technology, helps people with heart disease live with greater peace of mind.

Uchina-SmartLife Promotion Group, Business Development Department, Solutions Sales Division  
Masashi Miyatake



From the demonstration project in fiscal 2022 to the launch of the service, I was mainly responsible for interactions with users as well as coordination with doctors and nurses at medical institutions. Among our primary target group of the elderly, telephone calls from SECOM Ryukyu were found to be more noticeable and well-received than application notifications when the heart rate exceeds the threshold. Another feature highly requested by users and on-site medical professionals was a function to record what the user was doing when experiencing vague symptoms and to track heart rate and METs before and after the action through the application. We consider the inclusion of this function essential for the full-scale rollout of the service. Going forward, we will continue striving to incorporate feedback from users and on-site medical professionals into our services wherever possible.

Uchina-SmartLife Promotion Group, Business Development Department, Solutions Sales Division  
Kazuki Kinjo



### Comment From the Supervising Physician

Heart failure is simply defined as a condition where the heart's impaired function causes symptoms like shortness of breath and swelling. Over time, it progressively worsens, ultimately shortening life expectancy. Heart disease is the second leading cause of death after cancer, with heart failure accounting for the highest proportion of heart disease-related deaths. For reference, when comparing mortality rates with other diseases, heart failure has surprisingly a comparable rate to colorectal cancer, and it is not a disease with favorable prognosis.

The one-year mortality rate for heart failure patients is 7.3%, and the re-hospitalization rate within one year is quite high at 35%. With each re-hospitalization, the condition tends to worsen, and prolonged hospital stays put a strain on hospital beds. This has become an urgent issue that needs to be addressed. The number of heart failure patients is increasing by 10,000 each year and it is currently estimated to have reached 1.2 million. We can now say that we have entered an era of a heart failure pandemic.

The causes of heart failure include myocardial infarction, cardiomyopathy, valvular disease, and arrhythmias. Invasive treatments are also provided for each of these conditions, but advances in pharmacological therapy have been improving prognosis. Self-care, which enables patients to understand their condition and helps prevent worsening, is also gaining attention. As part of these efforts, heart failure diaries are being distributed for early detection, and more recently, systems have been developed where patients can measure their blood pressure and oxygen levels at home, with the data automatically transmitted to hospitals in real-time via a network.

The Heart Rate Monitoring Service by JOTO Home Doctor utilizes a smartwatch that allows real-time monitoring of vital signs such as pulse. I believe this offers a significant advantage of quicker treatment interventions. In the near future, heart failure may be treated by the entire community, making full use of ICT.

Department of Cardiology, Urasoe General Hospital  
Hiroki Uehara, Medical Doctor



## Alleviating Concerns of Patients and Their Families and Enriching Their Lives With Peace of Mind



Through the Heart Rate Monitoring Service by JOTO Home Doctor, Okinawa Cellular aims to alleviate any concerns of patients and their families, providing an environment where they can enjoy their daily lives with peace of mind. By promoting healthcare digital transformation (DX) and integrating cutting-edge technology with community-based services, we will work to support the health and wellbeing of the people of Okinawa and provide a safe, secure, and warmly supportive living environment.

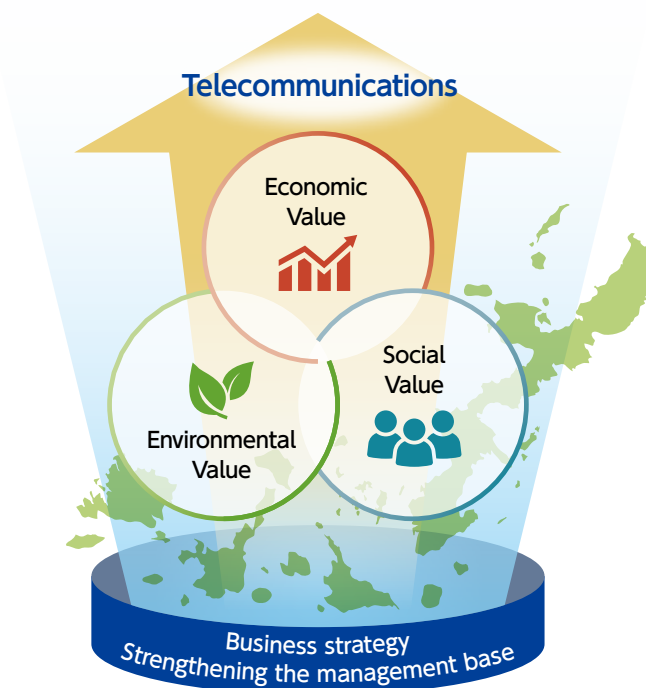
# Sustainability Management

The Okinawa Cellular Group places sustainability management at its core and will create sustainable value by promoting its ambidextrous organization centered on telecommunications and strengthening its management base. The Group also aims to achieve sustainable growth of society and enhance our corporate value.

Among these, as for strengthening the management base, we will promote efforts for achieving carbon neutrality, which is an important social issue, our unified three-part reforms focusing on human capital management, and DX personnel development. First, we are actively working on carbon neutrality, which is a major challenge on a global scale. With the aim of achieving net zero CO<sub>2</sub> emissions for the entire Group by 2030, we will vigorously promote power saving and a shift to renewable energy at mobile phone base stations and telecommunications facilities.

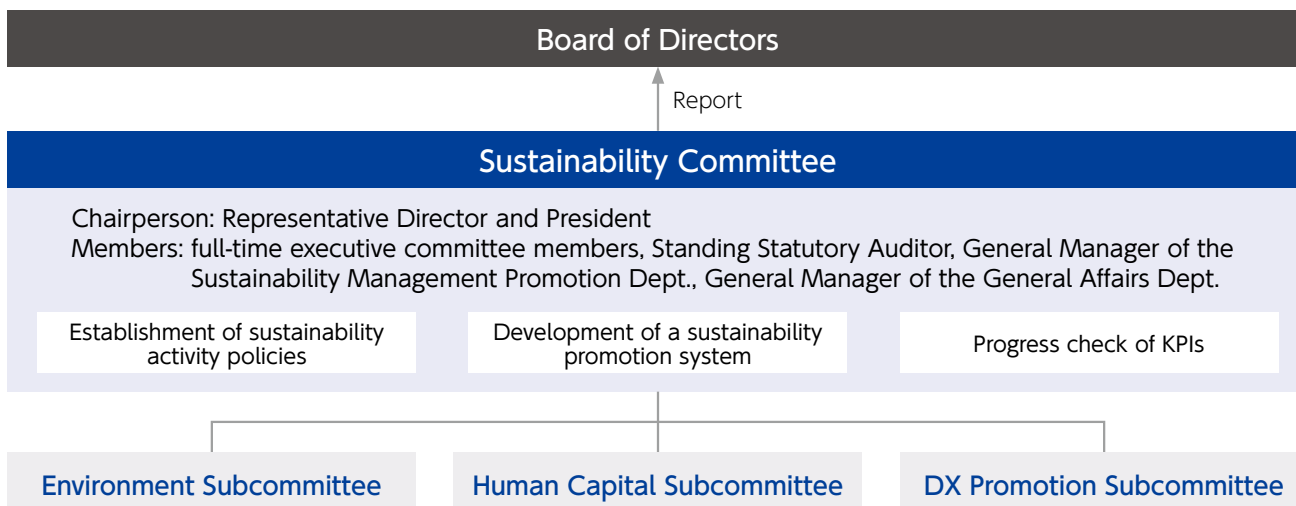
Furthermore, to continue sustainable growth in a rapidly changing business environment, we will promote our unified three-part reforms: new personnel system, internal DX, and workstyle reforms, focusing on human capital management that maximizes personnel value. Along with this, we will nurture a high degree of autonomy and growth of employees and organization, and DX professionals who will lead companies in the prefecture.

## Contributing to Economic Development in Okinawa through Our Business and Connecting to a Prosperous Future



## Sustainability Promotion System

Okinawa Cellular has established a Sustainability Committee chaired by Representative Director and President. The Committee consists of full-time executive committee members, Standing Statutory Auditor, the General Manager of the Sustainability Management Promotion Department, and the General Manager of the General Affairs Department, and is committed to achieving sustainability as a pillar of the company-wide management strategy. The Committee regularly reports its activities to the Board of Directors, thereby enabling the Board of Directors to monitor the Committee.



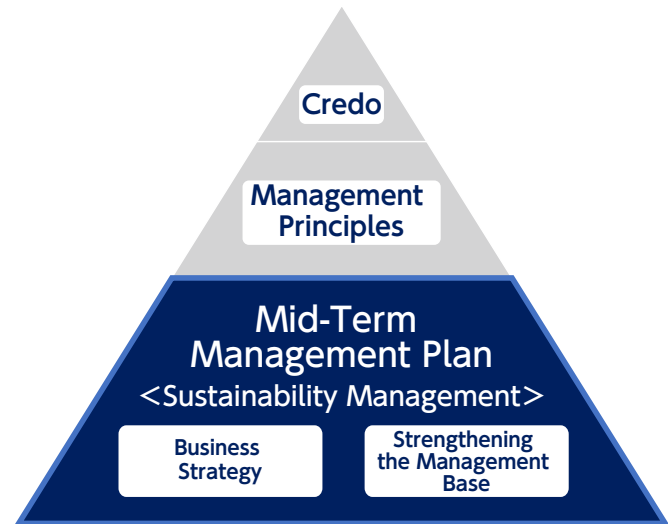
## Mid-Term Management Plan

Since its establishment in 1991, Okinawa Cellular has achieved sustainable growth owing to the support of Okinawa residents. As we celebrated our 30th anniversary in 2021 and entered a phase of further growth, the environment surrounding our business is changing rapidly with unstable global conditions, soaring resource prices, and diversifying customer needs. Also, the role of the telecommunications business is becoming increasingly important as the trend toward digitization is accelerating in people's daily lives and businesses.

Considering these changes in the business environment, we have formulated our Mid-Term Management Plan to achieve sustainable growth going forward. This plan identifies six key issues (materiality) to which we should give priority to contribute to solving various social issues through our core business. [▶P. 29](#)

We will work to contribute to sustainable growth of society and increase our corporate value over the medium to long term, while striving to further develop ourselves and become a driving force of Okinawa's economy.

### Overview of Mid-Term Management Plan



## Business Strategy

We will promote our ambidextrous organization centered on telecommunications, while enhancing existing 5G businesses and expanding growth areas. Especially, we aim to maximize corporate value by focusing on the following five areas of priority.

### Enhancing Existing Businesses

#### (1) A 5G network strategy that supports enhancement

We will expand 5G areas in the prefecture, aiming to achieve a population coverage of 95% or higher in fiscal 2024, and build a 5G area where people can experience the convenience.

#### (2) Maximizing revenues through 5G strategy and Multi-Brand promotion

By promoting the Multi-Brand strategy with three brands (au, UQ, and pov) to meet a wide range of customer needs and increase customer engagement, we aim to steadily increase the number of subscriptions and maximize revenue.

### Expanding Growth Areas

#### (3) Promotion of energy business

We will continue to promote "au Denki," a service provided in cooperation with a local company, Okinawa Electric Power Company, aiming to increase sales by 40% in fiscal 2024 (compared to fiscal 2021).

#### (4) Promotion of solutions business

We will strengthen our solutions business to meet the rapidly expanding digitization needs of enterprises. We aim to grow together with our customers by promoting "Business DX" to solve management issues and social issues for each company through the capabilities of digital technology.

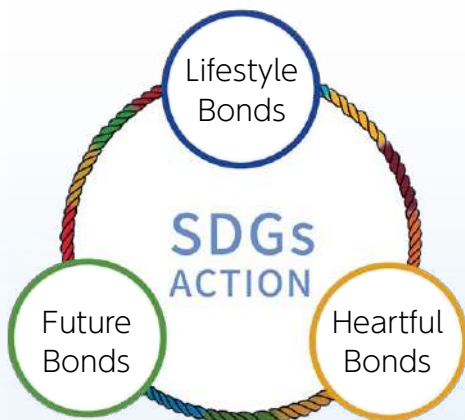
#### (5) Solving Okinawa's social issues through business creation

We will address the social issues facing Okinawa and work to solve them through the capabilities of telecommunications. We contribute to the development of Okinawa's economy by achieving both sustainable development of local communities and earnings growth through business creation.

# SDGs Declaration by Okinawa Cellular

We have formulated the SDGs Declaration by Okinawa Cellular aiming to contribute to the goals of the Sustainable Development Goals (SDGs) proposed by the United Nations in 2022. We have focused on the word *Yui* in *Yuimaaru*\* that expresses bonds and connections between people. The three bonds of “Lifestyle Bonds,” “Future Bonds,” and “Heartful Bonds” represent our goal of creating a society that progresses along with the thoughts of the Okinawan people. We will strive to contribute to the Okinawan people not only through our telecommunication services, but also through social aspects such as environmental preservation and community contributions.

\* *Yuimaaru*: Okinawan dialect word for mutual support



Lifestyle Bonds

わたしたちの「ゆいまーる」のココロは、  
沖縄のため、未来のためにある



Our *Yuimaaru* (Mutual Support) Spirit is for Okinawa and for the Future

As society moves toward full-fledged digitization, the Okinawa Cellular Group is building a robust, disaster-resistant telecommunications infrastructure to forge even stronger interpersonal connections. We will use the capabilities of telecommunications to contribute to the healthy development of society in order to create a more beautiful and enjoyable Okinawa for the future.

Future Bonds

The Okinawa Cellular Group is committed to achieving both environmental conservation and economic development, and to ensuring that Okinawa's rich natural environment and society of mutual respect are passed on to future generations.

Heartful Bonds

The Okinawa Cellular Group considers the ideal society to be one that respects diversity and enables all kinds of people to work together, and we will contribute to building a social infrastructure in which everyone can work and live happily and healthfully.

Long before the term “SDGs” was coined, Okinawa Cellular has been working to solve social issues in Okinawa centered on its telecommunications business under the management philosophy of contributing to development of Okinawa's economy through our business. The purpose of this initiative is to ensure that Okinawa's rich natural environment and society where everyone respects each other will be passed on to the children of the future.

The Okinawa Cellular Philosophy states the following as the first line of our vision: “Connecting thoughts, connecting smiles.”

We will continue to push forward with the activities we have continued to date, while also positioning them as part of our SDGs vision.



## Six Major Initiative Themes

We have set six major initiative themes for our efforts to create an Okinawa that is rich in both nature and people's minds. Okinawa Cellular's vision of *Yuimaaru* is more than just connections through telecommunications infrastructure. It also symbolizes heartfelt connections with the nature, society, and the hearts of the people of Okinawa. We will continue to contribute to Okinawa's future with our capabilities in telecommunications technology so that we can connect people to greater peace of mind and an exciting future for Okinawa.



**A communications infrastructure that provides peace of mind even in the event of an emergency**

Through a communications infrastructure that keeps us always connected, we will develop a full recovery and support system throughout the prefecture in the event of a disaster, which has become more severe in recent years. We will continue to serve as a lifeline that supports the lives of the people of the prefecture.



Lifestyle Bonds



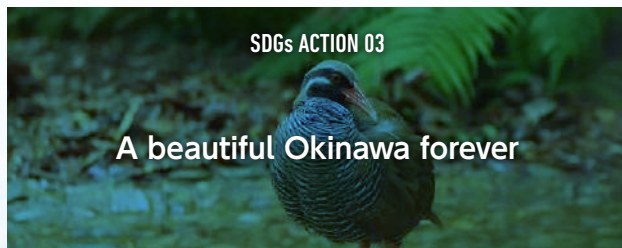
**Cutting-edge communication technology that connects "lifestyle" and "future"**

Okinawa continues to evolve in the course of daily life. We will use advanced technologies such as 5G networks and IoT to solve diverse issues in the prefecture and create an Okinawa future that we can be proud of in the world.



Lifestyle Bonds

Future Bonds



**"Telecommunications x Technology" to preserve Okinawa's beautiful nature for the future**

To preserve the rich Yanbaru forests and crystal-clear ocean for the children of the next generation, we will promote cooperation and collaboration with the local communities and pass on Okinawa's nature to the future generations by combining telecommunications and other technology.



Lifestyle Bonds

Future Bonds



**A future full of hope for the children of Okinawa**

To realize a future full of hope for the children of Okinawa, we will continue to support them to nurture their ability to survive in society while staying close to their individual hearts and minds.



Future Bonds

Heartful Bonds



**A healthy and fulfilling future for all of Okinawa**

By utilizing cutting-edge ICT and promoting the health and purpose in life of Okinawan people, we will realize a healthy and fulfilling future for all of Okinawa.



Future Bonds

Heartful Bonds



**A Yuimaaru society where no one is left behind**

We respect the diversity of all people living in Okinawa and realize a *Yuimaaru* society where the hearts of Okinawa people are connected and no one is left behind.

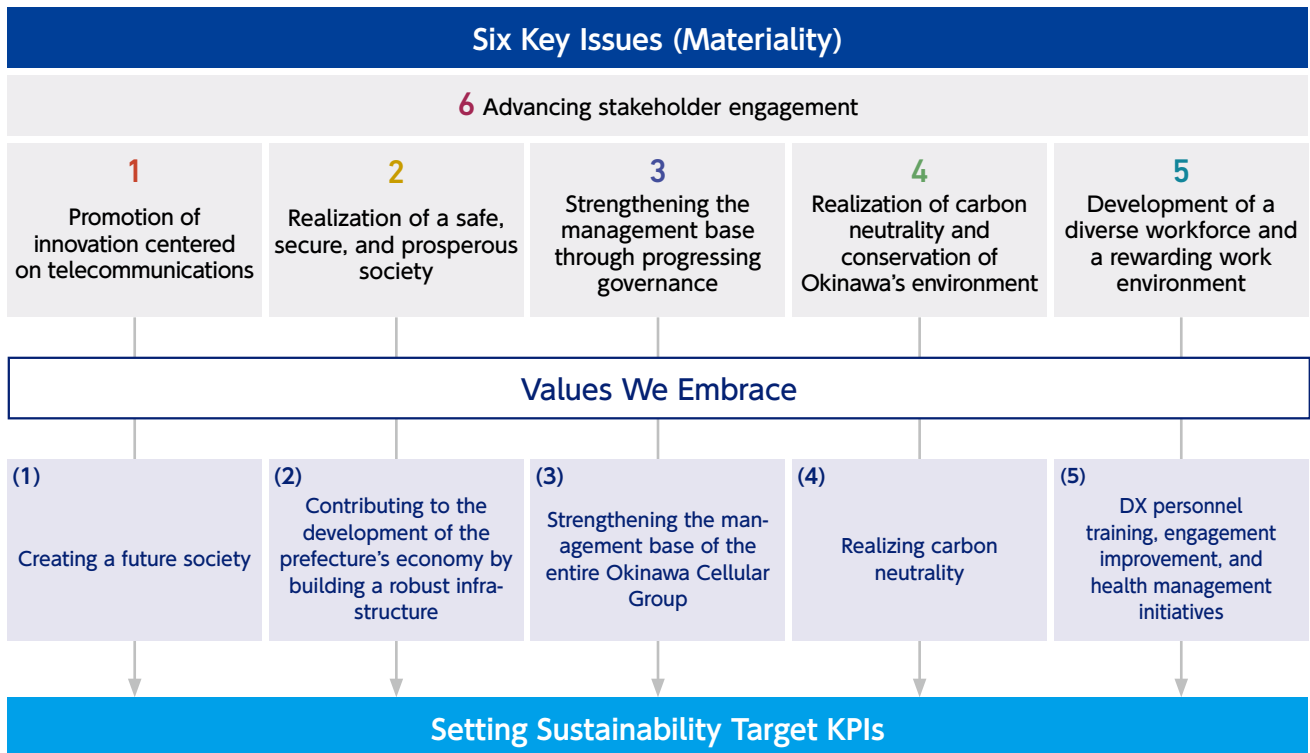


Heartful Bonds

# Key Issues (Materiality)

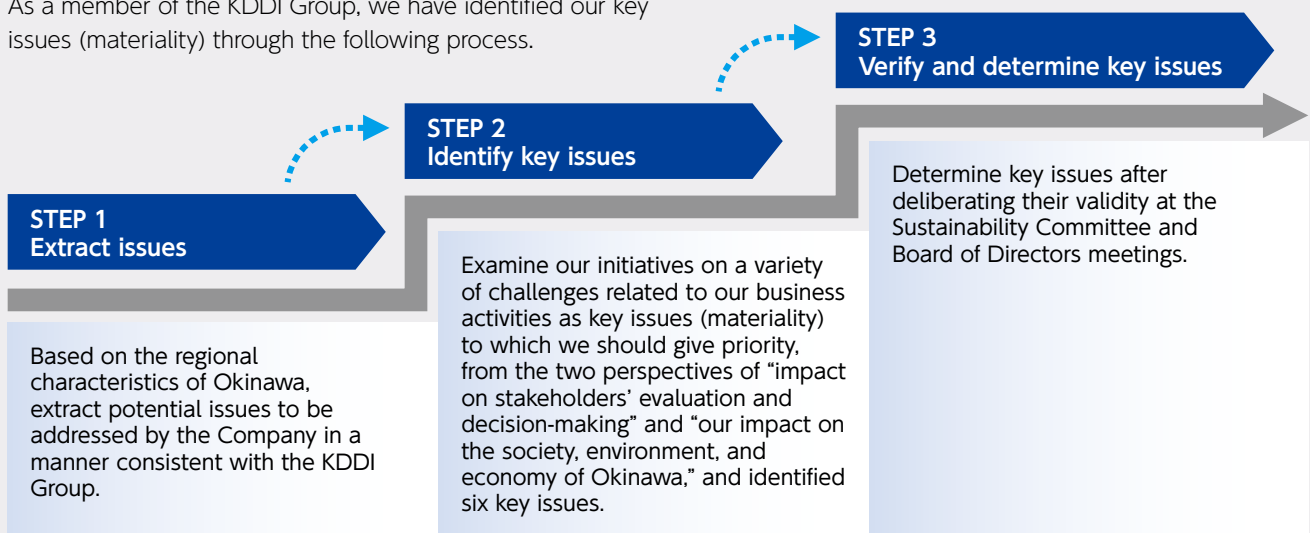
## Six Key Issues (Materiality)

We have identified six key issues (materiality) to which we should give priority for solving various social issues through our core business. We will work to contribute to the growth of a sustainable society, increase our corporate value over the medium to long term, and become a driving force in the Okinawan economy.



## Materiality Selection Process

As a member of the KDDI Group, we have identified our key issues (materiality) through the following process.



## Materiality

1

## Promotion of innovation centered on telecommunications

Values We Embrace (1)

## Molding Future Society

- Creating an exciting future society for Okinawan people by promoting innovation centered on telecommunications

## Materiality

2

## Realization of a safe, secure, and prosperous society

Values We Embrace (2)

## Contributing to the development of the prefecture's economy by building a robust infrastructure

- Contributing to the development of the prefecture's economy by building a robust infrastructure
- Eliminating the information divide on remote islands and co-creating with remote island industries

## Materiality

3

## Strengthening the management base through progressing governance

Values We Embrace (3)

## Strengthening the management base of the entire Okinawa Cellular Group

- Strengthening Risk Management
- Ensuring Compliance
- Fair and proactive information disclosure

## Materiality

4

## Realization of carbon neutrality and conservation of Okinawa's environment

Values We Embrace (4)

## Realizing carbon neutrality

- Realizing the clean energy roadmap
- Improving energy efficiency and using clean energy
- Reducing the environmental impact of society by using ICT

## Materiality

5

## Development of a Diverse Workforce and Rewarding Work Environment

Values We Embrace (5)

## DX personnel training, engagement improvement, initiatives for Health-Focused Management

- Human resources training and career development (DX personnel training)
- Pursuit of hybrid work styles (Declaration of New Work Styles)
- Initiatives for Health-Focused Management
  - Pursuit of employee satisfaction

## Materiality

6

## Advancing stakeholder engagement

- Building strong relationships with all stakeholders, including local communities, employees, customers, agents, suppliers, and shareholders

## Consistency of Key Issues (Materiality) with the SDGs Declaration

Key Issues (Materiality)



SDGs Declaration by Okinawa Cellular

Key Issues (Materiality)	Social Issues					
	Communication security even during disasters	A fuller digital society	A beautiful Okinawa forever	Human resources to lead future generations	Health and purpose in life	Joining forces with people from all walks of life
1 Promotion of innovation centered on telecommunications	●	●			●	
2 Realization of a safe, secure, and prosperous society	●	●				
3 Strengthening the management base through progressing governance						●
4 Realization of carbon neutrality and conservation of Okinawa's environment			●			
5 Development of a Diverse Workforce and Rewarding Work Environment				●	●	●
6 Advancing stakeholder engagement				●	●	●

## Materiality 1

# Promotion of Innovation Centered on Telecommunications

### Values We Embrace (1) Molding Future Society

- Creating an exciting future society for Okinawan people by promoting innovation centered on telecommunications

## Regional Business Creation Through “mobi,” a Next Generation Mobile Service

In Haeburu Town, Okinawa Prefecture, there is a lack of transportation options within the community. Providing mobility support to people with mobility difficulties, such as the elderly who have returned their driver's licenses and children, as well as tourists, has become a significant issue. To address this situation, Okinawa Cellular, in June 2024, signed a comprehensive partnership agreement with Haeburu Town and Community Mobility Inc. and is working to introduce the AI-powered on-demand transportation service “mobi.”

“mobi” offered by Community Mobility Inc., is an on-demand ride-sharing taxi service with a flat-rate unlimited ride option within the designated area. Users can easily request a vehicle via the application or by phone. As a new style of carpooling service that replaces walking, cycling, or short trips in personal vehicles, it can be used in various everyday situations, such as daily shopping, hospital visits, commuting to and from work or school, and transporting family members.

The increased convenience of transportation with the introduction of “mobi” will also promote outings for the elderly, reduce the burden of transporting children to and from school during child-rearing years, and increase the total amount of travel by tourists within the region. Through the provision of next-generation mobile services, Okinawa Cellular will continue to revitalize the local community and improve services for residents in Haeburu Town.



Whenever you want to go out, just call “mobi” and it will come

Via the smartphone app

By phone



Pick you up at the location you specify!  
Go where you want to go



Hundreds of stops for getting on and off, about every 200 meters on foot!

Shows the expected time of pick-up or arrival and the location of the vehicle



Get to your destination efficiently by carpooling and taking the best routes

The system automatically generates optimal routes





## Business Creation of New Customer Experience Through High-Speed Communications Connecting Okinawa's Main Island and Ishigaki Island

At the Okinawa Cellular Thanks Festival held on February 10 and 11, 2024, Okinawa Cellular conducted an e-sports event utilizing the optical submarine cable "YUI," completed last year. This submarine cable connects Okinawa's main island to Ishigaki Island, providing high-speed communications at up to 10 Gbps with low latency. Over the distance of approximately 460 km, the children enjoyed online interaction through the popular game "FORTNITE."

The YUI cable not only enables high-speed, large-capacity communications such as 5G network on remote islands, but also serves as a stable communications infrastructure in case of disasters. It was also established to enhance the convenience of the local community and revitalize the area, and this e-sports event was planned as part of that effort.

This event aims to promote exchanges between children from the remote islands and the main island, and to build new bonds between them. As a local company, Okinawa Cellular is actively working to solve the issues facing the remote islands. Through the development of services utilizing the YUI cable, we aim to strengthen the connection between the remote islands and the main island, thereby revitalizing the entire region and improving the quality of life of its residents.

This e-sports event was a valuable opportunity to provide local children with new experiences and opportunities for interaction. As a company rooted in the local community, Okinawa Cellular will continue to create new values connecting the remote islands with the main island and contribute to paving the way for Okinawa's future.



## Using Drones to Build a Network of Supplies for Remote Islands

In Taketomi Town, which consists of many islands, ships connecting the islands are an important logistics infrastructure that supports the lives of residents. However, there are issues with unstable supply of medicines and daily consumables when shipping is cancelled due to the natural environment (seasonal winds, typhoons, etc.). Especially from November to March, when strong winds blow, the services are often cancelled, which has caused a serious impact on the lives of residents.

Okinawa Cellular established a joint venture with Blue Ocean Okinawa Inc. to solve such logistics infrastructure issues. We have been commissioned by Taketomi Town to undertake a demonstration project for the supply transportation using drones. In December 2020, we succeeded in a demonstration of delivery by a drone carrying over-the-counter medicines under adverse weather conditions (with regular ferry service cancelled, and strong wind and wave advisories issued, under rainy weather with wind speed of 4 to 13 m) in the sea between Uehara Port on Iriomote Island and Hatoma Port on Hatoma Island (approx. 6.8 km). This was the first time in Japan that a drone has been used for transportation in strong wind and rain.

We will continue to actively build our business in the logistics domain by utilizing the KDDI SmartDrone Platform, which enables out-of-sight flights using mobile communication networks, with the aim of expanding the industrial application of drones.



## Promotion of Digital Transformation (DX) Through Collaboration With KDDI DIGITAL GATE Okinawa

KDDI DIGITAL GATE is a 5G and IoT business development center that creates new business solutions together with customers. In 2019, KDDI established KDDI DIGITAL GATE Okinawa (in Naha City) as a new base for KDDI DIGITAL GATE activities. The Agile Development Team stationed at the facility has collaborated with IT Innovation and Strategy Center Okinawa (ISCO) in the past to identify the issues facing companies and communities and provide solutions applying methods such as design thinking. KDDI DIGITAL GATE Okinawa has been contributing to Okinawa by utilizing its resources to address issues faced by Okinawan companies and local communities.

In addition, our Smart Work Promotion Office is promoting DX-based work style reform through the introduction of tools to improve work efficiency and DX literacy training for employees. This initiative is aimed at increasing productivity and building a foundation for sustainable growth. This year, in collaboration with KDDI DIGITAL GATE Okinawa, a prototype chatbot was developed and deployed within the company, in which a generative AI answers questions based on internal documents that had been loaded in advance. We will continue to accumulate DX promotion knowledge through advancing the project and contribute to the development of companies and engineers in Okinawa Prefecture in cooperation with our Solution Sales Division and KDDI DIGITAL GATE Okinawa. We will also work to realize new businesses originating from Okinawa Prefecture through open innovation and to improve the productivity of all industries in the prefecture.

### Comment From the Person in Charge



This year, the Smart Work Promotion Office introduced agile development methods and design thinking through the training at KDDI DIGITAL GATE Okinawa. This initiative has allowed us to build an agile work system. Furthermore, in May 2024, we deployed a chatbot that utilizes generative AI based on the identification of issues from the user's perspective through design thinking to improve internal operational efficiency.

We will continue to work with KDDI DIGITAL GATE Okinawa to contribute to the development of the entire Okinawa Prefecture through DX and help revitalize the local communities and realize a sustainable future.

Smart Work Promotion Office Yusaku Miyagi

## Materiality 2

### Realization of a Safe, Secure, and Prosperous Society

#### Values We Embrace (2)

#### Contributing to the Development of the Prefecture's Economy by Building a Robust Infrastructure

- Contributing to the development of the prefecture's economy by building a robust infrastructure
- Eliminating the information divide on remote islands and co-creating with remote island industries

#### Offering Mobile Service Grant for New High School Students From Remote Islands

Our Mobile Service Grant program is an initiative designed to support children who leave their home islands to attend high school. It aims to support their communications with their families and in daily lives while easing their financial burdens so that they can enjoy a vibrant and fulfilling high school experience.

The program initiated in fiscal 2015 has delivered support to 446 high school students to date. Through this program, Okinawa Cellular will continue to support bright, positive, and highly motivated children so that they can pursue their studies with peace of mind.



#### Partnership Between Okinawa Cellular and Motobu Town

Okinawa Cellular signed a comprehensive partnership agreement with Motobu Town on March 25, 2024, for the revitalization and sustainable development of the local community. The purpose of this agreement is to promote cooperation in various fields, such as bridging the digital divide, disaster prevention measures, and health promotion, utilizing ICT technology.

Motobu Town has been working to improve the digital literacy of all residents, with a particular focus on bridging the digital divide for the elderly. Through this initiative, Okinawa Cellular will support the town's residents to use government services more smoothly and improve the standard of living of the local community.

Also, in case of disaster, prompt and accurate communications of information are indispensable. Through Okinawa Cellular's ICT technology, we aim to minimize damage from disasters by quickly providing necessary information to every resident of the town.

We will support the overall development of Motobu Town by leveraging our ICT solutions to help the town achieve its vision of a virtuous cycle where "business" attracts "people" and in turn "people" bring in more "business."

## Enhancing Operational Efficiency Through Automated Inspection of Telecommunication Base Stations Using Drone Photography and AI Image Analysis Technology

Inspection of tower-type base stations, which involves work at high elevations, requires skilled workers and thorough safety assurance during the work. It entails difficulties in terms of inspection time and cost. As part of efforts to solve this issue, Okinawa Cellular has conducted a demonstration test of automated inspection of tower-type base stations and completed its implementation in the operation. This utilizes image capture by the Skydio 2+™ drone equipped with auto-flight software and Okinawa Cellular's AI image analysis technology.

The inspection can identify areas of deterioration such as peeling paint, rust, and corrosion, and has improved the accuracy of the damaged area identification and the speed of assessment process. It takes about 20 minutes per tower to completely take photographs of the entire base station, reducing the inspection time to about one-fifteenth of the time required by conventional methods. The photographs taken are high-resolution and comparable to close-up photographs taken by working at high elevations, and the AI image analysis models enables us to identify areas of deterioration.

Through this initiative, we will improve operational safety, reduce costs, and collect detailed data quickly, thereby contributing to the development of local communities and the realization of safe and secure life.

## Providing the First Wi-Fi Environment of International Standard in Okinawa Prefecture to “Okinawa Zoo & Museum”

Okinawa Cellular, in collaboration with Wire and Wireless Co., Ltd., has launched a safe and highly convenient free Wi-Fi service at the experiential complex facility “Okinawa Zoo & Museum” in Okinawa City. This service is compatible with OpenRoaming\*1, an international wireless LAN roaming platform promoted by the Wireless Broadband Alliance\*2 (WBA), making it the first implementation of this platform in Okinawa Prefecture.

Okinawa Zoo & Museum aims to become Japan's most unique zoo and launched the country's first permanent nighttime opening in fiscal 2024. With the anticipated increase in tourists from outside the prefecture and abroad, there was a growing need to establish a reliable communications environment that allows visitors to enjoy their stay with peace of mind. In response, Okinawa Cellular is providing free Wi-Fi at Okinawa Zoo & Museum that supports OpenRoaming, enabling seamless connectivity both domestically and internationally. Once registered, users can enjoy secure, automatic connections. The service is available in 14 languages, making it accessible to a wide variety of language users. Users can authenticate with their social media accounts or email addresses, and the high-security measures help reduce the risk of personal information theft from spoofed access points.

This initiative not only provides a comfortable and secure communications environment for visitors from Japan and abroad but also helps establish a network that can serve as a vital communications tool for the local community during disasters. Moving forward, we will continue to provide a secure communications environment while enhancing the convenience for visitors through this initiative.

\*1 An international wireless LAN roaming infrastructure jointly developed by the WBA and its participating companies. Users will be able to connect seamlessly in domestic and international OpenRoaming-supporting areas with a single registration. Wire and Wireless Co., Ltd. is working with Cityroam, a member of the WBA and operator of roaming infrastructure in Japan, to provide OpenRoaming-supporting services.

\*2 Industry association of public wireless LAN service providers, including telecommunications carriers, that operates on a global scale



Okinawa City



Okinawa Cellular



Okinawa Zoo &amp; Museum



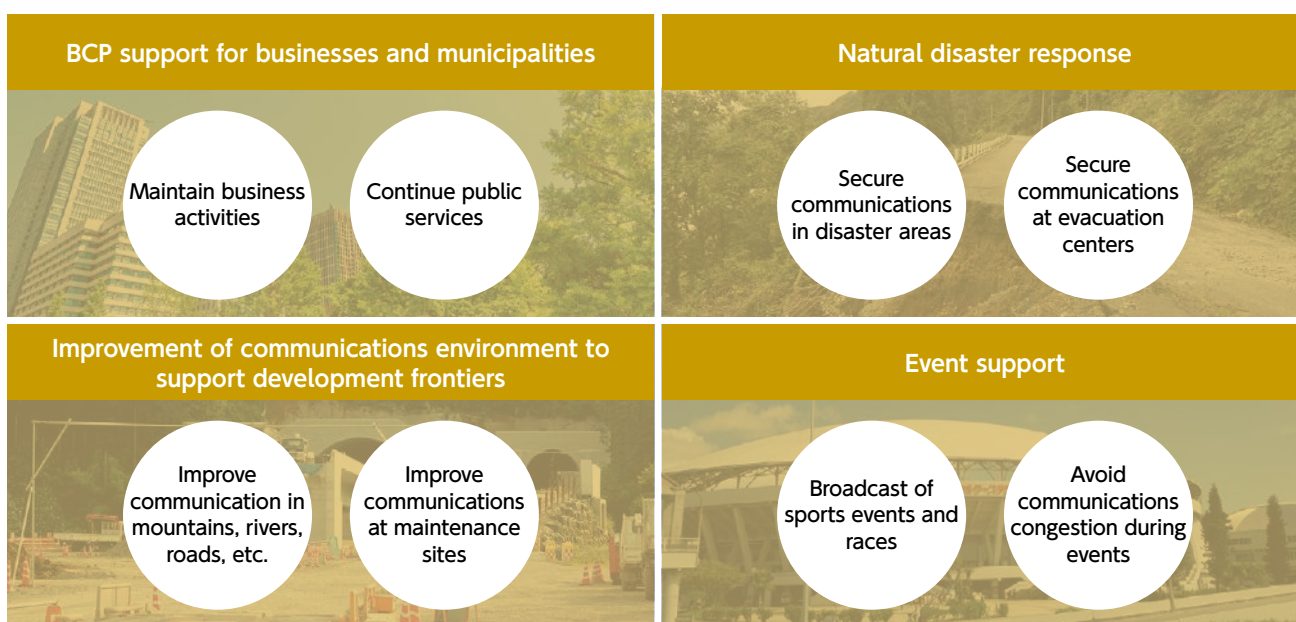
Top of Wi-Fi usage screen

## Ishigaki City's Emergency Communications Infrastructure Supported by Starlink Business

Okinawa Cellular offers "Starlink," the satellite communications service developed by SpaceX, within Okinawa Prefecture. In 2024, we supported the introduction of "Starlink Business" in Ishigaki City to ensure reliable communications during emergencies such as natural disasters.

Starlink Business is the latest satellite broadband service developed by SpaceX and offered by Okinawa Cellular to businesses and municipalities. By utilizing satellites positioned in low Earth orbit at an altitude of 550 km, Starlink Business achieves significantly lower latency and higher-speed communications compared to traditional geostationary satellites. This technology serves as an alternative communications method when fiber-optic cables or terrestrial base stations are damaged during disasters. It also provides a stable communications solution in areas where signal coverage is typically weak.

Okinawa Cellular leverages Starlink's advanced technology to strengthen the communications infrastructure within Okinawa Prefecture and ensure reliable connectivity during disasters.



## Okinawa Smartphone Summit 2024 to Learn Safe Internet Use

In August 2024, we hosted the Okinawa Smartphone Summit 2024, an event aimed at middle and high school students in Okinawa.

The summit aims to encourage middle and high school students to actively think and learn about the mindset and rules for safe internet use based on their own experiences, as well as expand the circle of initiatives. On the day of the event, approximately 30 participants, including middle and high school students and educators from across the prefecture, gathered to exchange views on internet usage time and practices, inviting Professor Kazuo Takeuchi from the University of Hyogo.

The open forum, where adults and students engaged in discussion together, provided a valuable opportunity to elicit honest opinions from both sides, and to help the students recognize the importance and enjoyment of taking proactive roles in addressing the issue themselves.

Okinawa Cellular will continue its support initiatives to ensure that everyone can use mobile phones and smartphones safely and securely, and that children can develop the ability to think independently and avoid risks.





## Materiality 3

# Strengthening the Management Base through Progressing Governance

Values We Embrace (3)

## Strengthening the Management Base of the Entire Okinawa Cellular Group

- Strengthening risk management
- Ensuring compliance
- Fair and proactive information disclosure

### Strengthening Risk Management

#### Approach (risk management and concept of internal control)

In a constantly changing business environment, the risks faced by companies are also becoming more diverse and complex. Okinawa Cellular recognizes that strengthening risk management is an important management issue in order to continue its business and fulfill its responsibilities to society. We position causes and events that may affect the achievement of management goals as "risks" and promote risk management activities throughout the Group.

#### Risk management and internal control activities

Okinawa Cellular has a system in place to promote risk management activities in an integrated manner. The Representative Director and President is designated as Chief Internal Control Manager, and the Risk Management Department serves as the Internal Control Secretariat. Under the supervision of the Chief Internal Control Manager, we promote the development and operation of an internal control system and risk management activities, as well as develop activities to improve the quality of operations to foster a corporate culture that is less prone to the occurrence of risks.

#### Risk management activity cycle

We have established a PDCA cycle for risk management activities based on the recognition that it is important to identify signs of a company crisis to prevent it from occurring, and to take countermeasures before the situation worsens. Furthermore, we have a crisis management system in place that allows us to respond quickly and appropriately in the event of the occurrence of risk.

#### Risk identification process

We regularly identify risk information and position risks that may have a significant impact on the Company's business as material risks, and consider and implement countermeasures to reduce the occurrence of these material risks and the impact of their occurrence as much as possible. In fiscal 2023, to ensure the achievement of our management goals, we focused on 23 material risks based on the issues that have emerged in the past and changes in the business environment, and conducted internal audits applying risk foresight, material risk mitigation activities, and a risk approach. In our information security activities, we have unified the standards of all Group companies to promote the improvement of information security levels throughout the Group and to reduce information security risks.

## Ensuring Compliance

For Okinawa Cellular, which supports the telecommunications infrastructure essential for daily life and business, it is necessary to earn and maintain the trust of society. Okinawa Cellular is committed to ensuring compliance as follows.

1. All officers and employees shall always maintain high ethical standards and perform their duties properly in accordance with the Okinawa Cellular Code of Conduct, which sets forth the basic principles to be observed in the performance of their duties.
2. We will take a firm stand against antisocial forces and work to sever all relationships with them.
3. In the corporate bodies pertaining to the corporate ethics of the Group, we will work on early detection and handling of serious violations of laws and regulations and other compliance-related problems and accidents at each of the Group companies.
4. We ensure the proper operation of the whistle-blowing systems for compliance, which have been established both internally and externally.
5. We will strive to improve understanding and awareness of compliance through internal and external training, internal education activities, and other means.

## Business Ethics Compliance System

Okinawa Cellular has established the Okinawa Cellular Business Ethics Committee as a body to deliberate and decide on compliance-related matters. The Committee is chaired by the Representative Director and President and consists of directors in charge of each division, the general managers of the General Affairs Department, the Human Resources Department, and the Risk Management Department, full-time corporate auditors and other persons designated by the Chairman of the Committee.

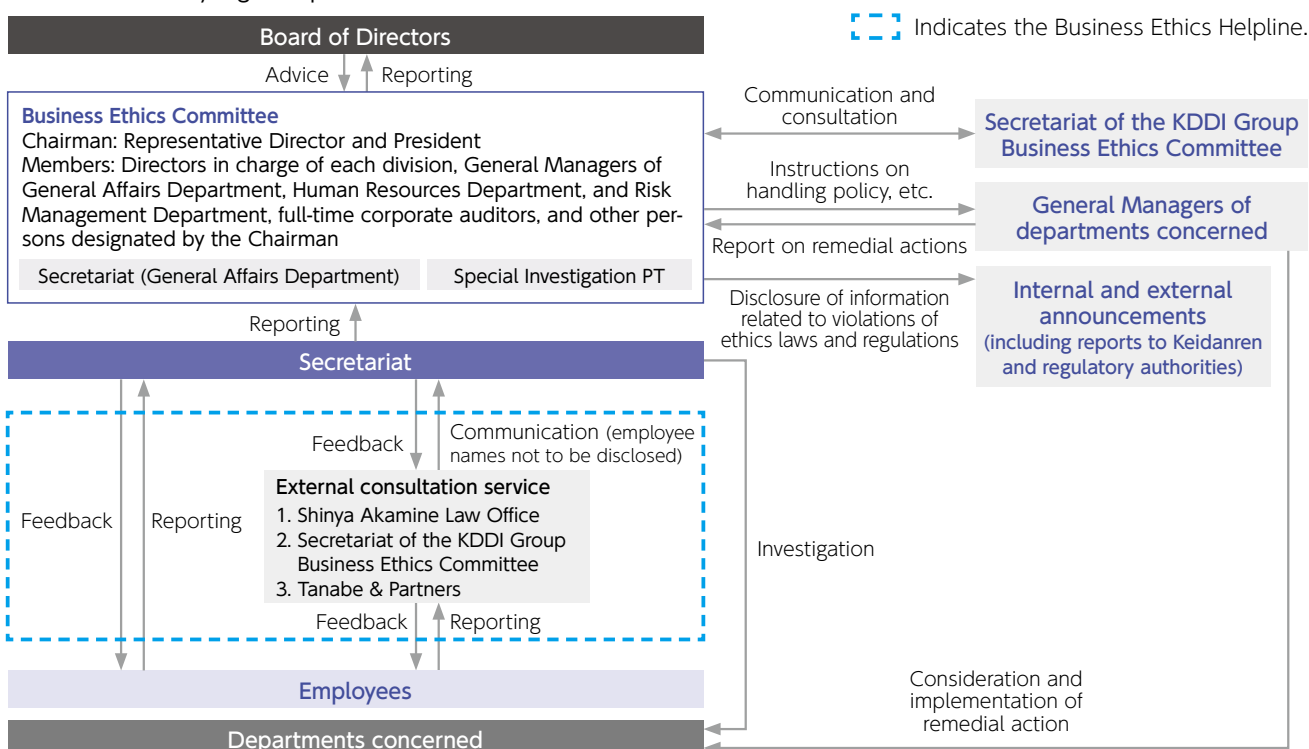
Every year, the Committee meets semiannually to ascertain the status of compliance-related activities within the Company and to build and strengthen compliance systems. We have also established the Business Ethics Helpline as a consultation service to provide an environment and system that facilitates reporting, and to ensure early detection and correction of misconduct, etc.

If a violation of business ethics occurs, or if an employee finds such a matter, the Okinawa Cellular Business Ethics Committee will conduct an investigation and determine a course of action, while communicating and consulting with the KDDI Group Business Ethics Committee. We will then announce the information internally and externally and provide feedback to the reporting party.

### Internal System for Business Ethics (Operation of the Business Ethics Committee and the Business Ethics Helpline)

Normal route (daily regular operations)

(As of September 1, 2024)



## Corporate Governance

### Corporate governance system

#### 1. Board of Directors

The Board of Directors consists of directors, including outside directors, and makes decisions on important matters as stipulated by laws and regulations in accordance with the Rules of the Board of Directors and the Criteria for Agenda Items for the Board of Directors, and supervises the directors to ensure that they execute their duties appropriately. Information related to the execution of duties by directors is appropriately stored and managed in accordance with internal rules.

#### 2. Business Execution System

1. We will clarify the authority and responsibility structure to ensure effective and efficient operations.
2. In addition to the agenda items for the Board of Directors, important matters related to business execution are deliberated and decided by the Full-time Executive Committee, consisting of full-time directors, executive officers, etc., in accordance with the regulations of the Full-time Executive Committee.

#### 3. System to ensure the effectiveness of corporate auditors' performance of duties

1. Corporate Auditors shall attend major internal meetings in addition to meetings of the Board of Directors, and we will take measures to enable them to inspect the minutes of important meetings, requests for approval, contracts, etc.
2. Directors and employees, directors of subsidiaries, and the internal audit division shall report to corporate auditors any information necessary for them to perform their duties in a timely and appropriate manner and shall immediately report to corporate auditors any facts discovered that may cause significant damage to the Company or its subsidiaries. Also, directors and employees, directors of subsidiaries, and the internal audit division shall exchange opinions with the corporate auditors and cooperate with them.
3. We will create a system to support the duties of corporate auditors, and regarding the personnel matters of employees engaged in their duties, we will respect the opinions of corporate auditors in terms of the qualifications, number of employees, etc., and ensure that appropriate personnel are assigned.
4. We will take measures to ensure that no person who makes a report to corporate auditors will be disadvantaged as a result of making such a report.
5. We will ensure necessary funds to enable corporate auditors to effectively perform their duties.

#### Compliance with internal control reporting system (J-SOX)

In response to the internal control reporting system based on the Financial Instruments and Exchange Law, which became effective in fiscal 2008, we conducted an internal control evaluation for the Company and one consolidated subsidiary to ensure reliability of financial reporting. The results of the evaluation were compiled into an internal control report, which has been submitted to the Prime Minister in June 2023 and disclosed to our investors.



## Appropriate Taxation

### Basic tax policy

The Okinawa Cellular Group is committed to maximize corporate value by fulfilling its corporate social responsibility through the following initiatives: improving customer satisfaction and pursuing profit, complying with international rules and tax-related laws and regulations in each country and region, and respecting the spirit of such regulations and paying appropriate taxes in a manner that ensures tax fairness.

### Tax governance system

Comprehensive responsibility for the Company's tax affairs rests with the General Manager of the Corporate Division. The General Manager shall establish and maintain the Company's tax management system and properly execute duties related to taxation. The General Manager also oversees the status of tax management throughout the Group and reports to the Board of Directors as necessary, when identifying significant issues.

### Initiatives to maintain and improve tax governance

The Representative Director and President and other members of the management team need to be properly aware of tax risks, and these risks are important issues directly related to the business management. From this perspective, we strive to develop and promote tax strategies, including the use of outside experts to acquire the latest tax knowledge.

Furthermore, by conducting regular training sessions for employees, we endeavor to penetrate and establish awareness of tax compliance within the Company, maintain and improve tax governance, and will promptly take remedial measures when tax-related issues are identified.

### Tax transparency and relationships with tax authorities

The Group places the highest priority on compliance with laws and regulations, and strives to pay an appropriate amount of tax within the scope of normal business activities by taking advantage of preferential taxation and other taxation systems. We never apply preferential tax treatment based on interpretations that deviate from the legislative intent of laws and regulations or engage in intentional tax avoidance that is not in line with our business objectives or engage in abusive tax planning by taking advantage of light-tax jurisdictions.

We will endeavor to build constructive relationships with tax authorities. If a transaction arises for which the tax interpretation is unclear, we will strive to reduce tax risks by consulting with outside experts and making preliminary inquiries to the authorities, as necessary.

If a problem is identified by the tax authorities, we will immediately clarify the cause of the problem and take appropriate corrective and remedial actions to prevent recurrence, except for cases in which we file objections or lawsuits against the measures or opinions of the authorities.

### Initiatives to prevent tax avoidance

In accordance with the action plans of the Base Erosion and Profit Shifting (BEPS) proposed by the Organization for Economic Cooperation and Development (OECD), we are working on BEPS-compliant tax system reforms to ensure that the location of corporate economic activity and value creation is aligned with the location of taxation and that taxes are paid appropriately, in Japan and other countries.

In terms of international taxation, most of the Group's business is related to telecommunications and other ancillary businesses in Japan, and the number of foreign-related transactions is small.

Currently, there are no foreign-related transactions that are subject to transfer pricing taxation or tax haven taxation in the Group. If such transactions arise in the future, we will handle them in accordance with the following policy.

### Compliance with the transfer pricing taxation

When a foreign-related transaction is conducted, the rationality of the transaction is verified in compliance with the laws and regulations of each country, and transfer pricing documentation is prepared. Depending on the size of the transaction, we will consult with the tax authorities and utilize various systems to ensure appropriate tax payment.

### Compliance with the anti-tax haven taxation system

We will not use tax-free or low-tax jurisdictions (so-called tax haven jurisdictions) for the purpose of tax avoidance. When an investment is made in a tax haven area for business reasons, the application of the anti-tax haven taxation system will be determined in accordance with the laws and regulations of each country. As a result, if we are subject to anti-tax haven taxation, we will properly file tax returns.

Specifically, we have established the Secretariat of the Business Ethics Committee, law firm hotlines, a parent company helpline, and a dial service hotline. These channels provide appropriate responses and advice on issues such as harassment, compliance, workplace environment, labor issues, discrimination, and unfair treatment. Anonymous reporting is also available, and we are committed to protecting the privacy of whistleblowers.

Through these channels, Okinawa Cellular listens to employee feedback and remains dedicated to maintaining a healthy workplace environment.

## Information Security Initiatives

Okinawa Cellular regards information security as an important management issue and has established a basic policy to ensure the proper management of information. As a provider of safe and reliable telecommunications services, we handle customer information and company confidential data with the utmost care. We continuously implement appropriate safeguards against information leakage risks to earn and maintain the trust of all stakeholders.

Led by the Information Security Committee, we manage risks at a company-wide level and implement multi-layered security measures, including physical, technical, operational, and personnel measures. We also promote the proper management of information assets by continuously educating employees to enhance their information security literacy.

Furthermore, we strictly audit the management systems of our subcontractors to ensure that they maintain the security level equivalent to ours and strive to ensure information security in compliance with laws and regulations. Through internal audits and continuous improvement, we continue to provide our customers with a high level of reliability and peace of mind.

## Human Rights Initiatives

Okinawa Cellular is promoting initiatives that respect human rights to fulfill its responsibilities to all stakeholders and contribute to the sustainable growth of society. In line with our management principles, we build healthy relationships with our employees and partner companies by complying with international human rights norms and laws, and by constantly monitoring and improving our human rights impacts throughout our supply chain. We also provide a safe working environment for employees through our consultation service and the Business Ethics Helpline and have strengthened our systems to prevent negative impacts on human rights.

[📄 Okinawa Cellular Group Human Rights Policy](#)

## Establishment of Consultation Service and Helpline

Okinawa Cellular has established its consultation service and helpline to provide a safe working environment for employees and has built a system that can respond promptly and appropriately to problems faced by employees.

Specifically, we have established the Secretariat of the Business Ethics Committee, law firm hotlines, a parent company helpline, and a dial service hotline. These channels provide appropriate responses and advice on issues such as harassment, compliance, workplace environment, labor issues, discrimination, and unfair treatment. Anonymous reporting is also available, and we are committed to protecting the privacy of whistleblowers.

Through these channels, Okinawa Cellular listens to employee feedback and remains dedicated to maintaining a healthy workplace environment.

## Basic Policy on Customer Harassment

The Okinawa Cellular Group has adhered to its Code of Conduct of “providing services that earn customer trust” and has aimed to become “the company that is closest to our customers.” We take the valuable feedback and requests from our customers seriously and are dedicated to delivering services and products that continually enhance customer satisfaction.

On the other hand, there have been cases where employees of the Group and its subcontractor companies have been confronted with verbal abuse and unreasonable demands. In response to this situation, we believe it is important to respect the human rights of our employees and maintain a safe and secure working environment. Therefore, we have established a “Policy on Customer Harassment.”

[📄 Initiatives for Respect for Human Rights \(Japanese Only\)](#)

## Materiality 4

# Realization of Carbon Neutrality and Conservation of Okinawa's Environment

### Values We Embrace (4)

## Realizing Carbon Neutrality

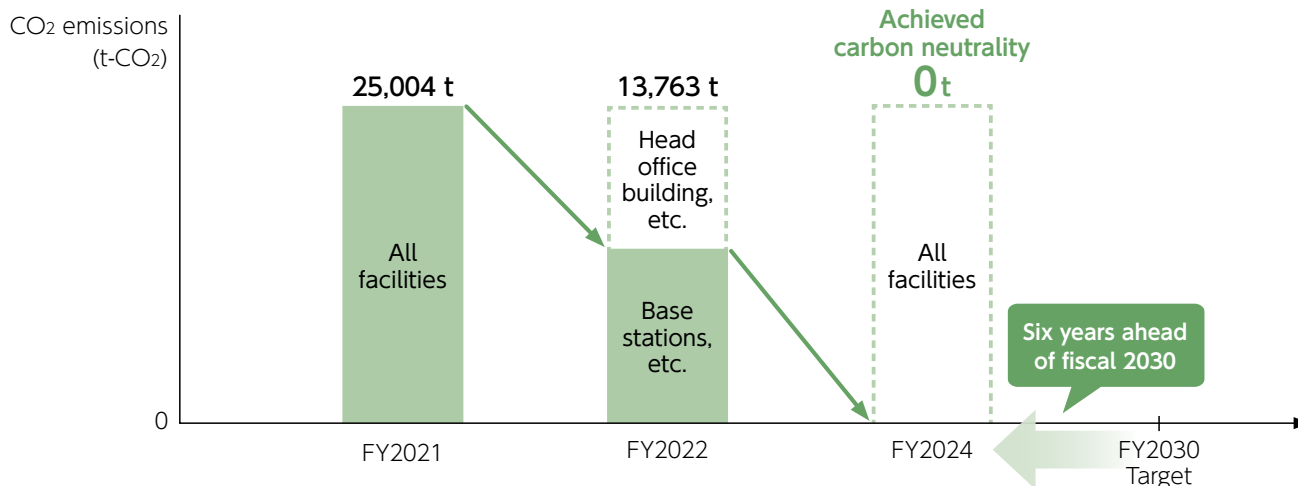
- Realizing the clean energy roadmap
- Improving energy efficiency and using clean energy
- Reducing the environmental impact of society by using ICT

## Declaration of Carbon Neutrality in Fiscal 2024

### —Achievement of Fiscal 2030 Target Six Years Ahead of Schedule—


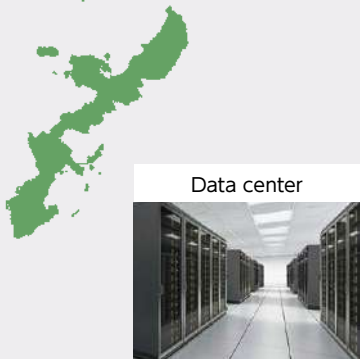
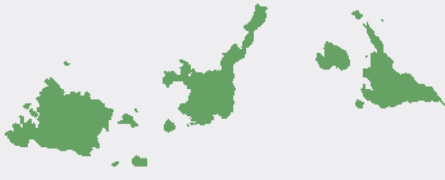
Okinawa Cellular has pledged to achieve carbon neutrality by fiscal 2030. To this end, the Company has deployed sustainable base stations powered by solar energy and transitioned to renewable energy-derived power using local Okinawan resources for electricity used in key facilities, such as its head office building and network centers. In response to the growing global environmental awareness, and to further accelerate Okinawa Prefecture's efforts toward a decarbonized society, we have decided to achieve our carbon neutrality goal six years ahead of original schedule. Through this initiative, we anticipate a reduction in CO<sub>2</sub> equivalent to the amount absorbed annually by approximately 2.84 million cedar trees.

## Declaration of Carbon Neutrality in Fiscal 2024



## Methods for Achieving Carbon Neutrality

Starting in 2024, we have expanded the supply of renewable energy-derived electricity from some facilities to all facilities including base stations (excluding remote islands). In remote islands where it is difficult to supply renewable energy-derived electricity, carbon neutrality will be achieved by applying the non-fossil certificate\* for electricity generated in Okinawa Prefecture.

Main island	Application of renewable energy-derived electricity menu	Remote islands	Application of non-fossil certificate*
 <p>Base station</p>	 <p>Data center</p>		<p>* Certificate issued for the "environmental value," which is extracted separately from "electricity" from renewable energy-derived electricity</p>

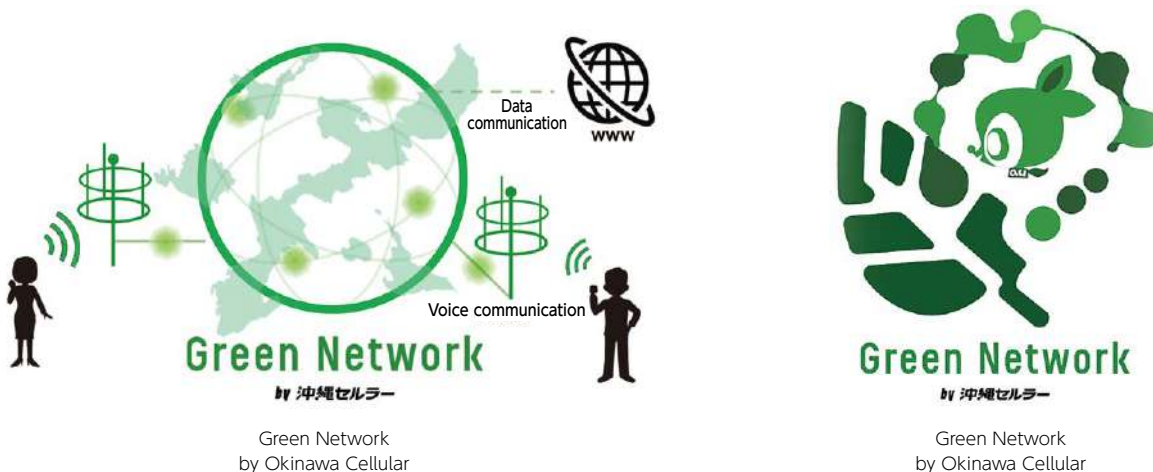
## Provision of "Green Network by Okinawa Cellular"

By transitioning the electricity used in Okinawa Cellular's base stations and network centers to renewable energy-derived electricity, we can offer all our customers an environmentally friendly communication network powered by renewable energy.

The logo for "Green Network by Okinawa Cellular" features a leaf of the banyan tree, which symbolizes Okinawa, and the design surrounding the "au Deer" incorporates an organic motif, representing the fusion of networks and nature.

In addition, three circles representing Okinawa used in the Okinawa Cellular's logo are placed in the lower right corner.

### Diagram of Communication Network



## TCFD Initiatives

Okinawa Cellular has established a Sustainability Committee, chaired by the Representative Director and President, to accelerate the Company's efforts to achieve a sustainable society. We also disclose information in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

### Governance

#### ■ Sustainability Committee

In April 2022, we established the Sustainability Committee, chaired by the Representative Director and President and composed of key members of the Board of Directors, as a body to systematically and efficiently discuss issues related to sustainability (SDGs, social contributions, climate change countermeasures, etc.) and confirm progress on KPIs.

The Committee is responsible for reviewing and discussing climate-related risks and opportunities, as well as monitoring and overseeing the situation, and approving matters to be reported. The Committee meetings are held semiannually, and its contents are reported to the Board of Directors, which oversees and directs the implementation of measures and initiatives to address important issues.

#### ■ Environment Subcommittee

We have restructured our organization by transitioning from the former Carbon Neutral Subcommittee to the Environmental Subcommittee, for more integrated management of a wide range of environmental issues, including biodiversity and natural capital, in addition to climate change.

### Indicators and Targets

Okinawa Cellular calculates greenhouse gas emissions (Scope 1, 2, and 3), including those of its Group companies, and strives to manage the risks and opportunities that climate change poses to the Company through regular and quantitative monitoring of its environmental impact. Based on the following indicators and targets, we will work with KDDI to reduce greenhouse gas emissions.

Category		Emissions in fiscal 2021 (t-CO <sub>2</sub> )	Target (compared to fiscal 2021)
Scope 1	Direct greenhouse gas emissions by the business enterprise itself	15	Net zero emissions from fiscal 2024
Scope 2	Indirect emissions from the use of electricity supplied by others, heat, and steam	25,004	Net zero emissions from fiscal 2024
Scope 3	Indirect emissions other than Scope 2	—	Net zero emissions by fiscal 2040

### Scenario Analysis

In the scenario analysis, we referred to scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and "Climate Change in Japan 2020" published by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Japan Meteorological Agency (JMA). We then analyzed two scenarios: the 2°C scenario, which is the goal of the Paris Agreement (assuming a global average temperature increase of less than 2°C from pre-industrial times), and the 4°C scenario (global greenhouse gas emissions increase from the current level without any climate change countermeasures).

As a result of the scenario analysis, energy price hikes, a key risk in the 2°C scenario, are expected to continue over the long term. Therefore, we will plan and implement continuous energy conservation and decarbonization efforts. Under the 4°C scenario, we would be affected by the rise in temperature, increased energy consumption due to extreme weather conditions, and more severe and frequent disasters. For these risks, we will work to minimize their impacts by reviewing our BCP plans as needed and conducting periodic drills.

## 2°C Scenario

Risk	Risk factor	Time frame	Impact on business	Countermeasures
Transitional risk	<Policies and regulations> Tighter GHG emission regulations, introduction of enhanced carbon tax	Short- to medium-term	Increase in costs due to the introduction of carbon pricing, and increase in expenditures for energy-saving measures due to the introduction of the Act on the Rational Use of Energy and Conversion to Non-Fossil Energy, etc.	<ul style="list-style-type: none"> <li>Plan to switch from fossil fuel electricity to renewable energy electricity</li> <li>Introduce energy-saving measures</li> </ul>
	Changes in energy policy, demand, and supply	Medium- to long-term	<ul style="list-style-type: none"> <li>Cost increase due to higher fuel prices</li> <li>Increase in transportation cost</li> </ul>	Plan to switch from fossil fuel electricity to renewable energy electricity
	Stakeholders' demand for decarbonization	Short- to long-term	Deterioration in reputation and ESG ratings due to delays in the Clean Energy Roadmap 2030 initiatives and failure to meet the targets	Plan to switch from fossil fuel electricity to renewable energy electricity
Physical risk	Rise in temperature	Long-term	Average annual temperature in Okinawa is expected to rise about 1.4°C.	The impact on the Company's business under this scenario is within expectations, with no significant change in capital and operating costs.

## 4°C Scenario

Risk	Risk factor	Time frame	Impact on business	Countermeasures
Transition risk	Energy mix	Medium- to long-term	Dependence on fossil fuels will lead to a 40% increase in oil prices in 2050, which will be accompanied by a sharp rise in various energy prices and a significant increase in expenditures.	Plan to switch from fossil fuel electricity to renewable energy electricity
Physical risk	Increased intensity and frequency of typhoons and other extreme weather conditions	Long-term	Failures and disruptions of telecommunication facilities due to larger and more frequent typhoons, resulting in higher operating costs and lower earnings due to business interruptions, etc.	Minimizing the impact by reviewing BCP plans and conducting disaster recovery drills
	Increased heat intensity and frequency	Long-term	Annual average temperature in Okinawa will rise by about 4.5°C, and the number of extremely hot days and nights will increase significantly, leading to increased electricity consumption and increased countermeasure costs for telecommunication facilities, etc.	Introduction of high-efficiency energy-saving equipment and other measures

## Risk Management

The Environment Subcommittee will discuss and verify the degree of impact and likelihood of occurrence of risks related to climate change, and identify and manage key risks and opportunities. For risks to be addressed, quantitative annual targets for risk reduction are established in each of the departments in charge, and their progress is supervised and evaluated. The status of progress is repeatedly discussed, verified, and shared by the Environment Subcommittee, and improvement measures will be taken as necessary. Details of improvements and the status of progress are reported to the Sustainability Committee and the Board of Directors.

## Issuing the First TNFD Report in Okinawa Prefecture —Visualizing the Impact of Business on Nature—

On June 7, 2024, referencing the final TNFD Recommendations v1.0, we published the TNFD Report 2024, which outlines Okinawa Cellular's stance on natural capital and biodiversity. Since the characteristics of nature and biodiversity vary significantly depending on the region and location, it is crucial to conduct assessments based on location-specific information. The report focuses primarily on our core business, the telecommunications business, and assesses and grasps the importance and integrity of biodiversity concerning (1) base stations, (2) retail stores (sales branches such as au Style/au Shop), and (3) submarine cables. From the perspective of natural capital, key areas have been identified.

Okinawa Cellular will contribute to a "nature-positive" future by continuously assessing its impact and dependence on natural capital and risks in developing its business. We will work together with its stakeholders to achieve the sustainable growth of society and enhance corporate value.

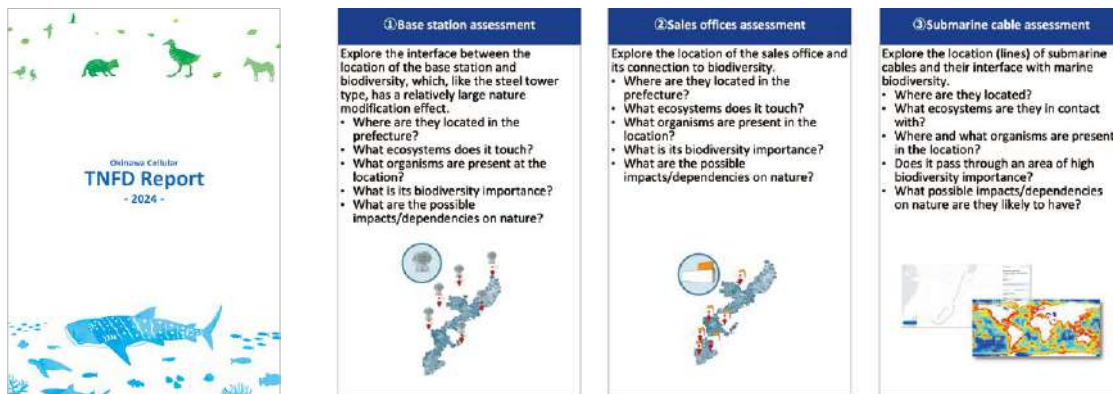


Figure 8 Location-based assessment of the importance of biodiversity and other factors and the evaluation of dependencies and impacts on nature

Okinawa Cellular endorses the philosophy of the Taskforce on Nature-related Financial Disclosures (TNFD)\* and has joined the TNFD Forum to support its activities. We also joined the 30by30 Alliance, an initiative of the Ministry of the Environment to establish a mechanism for achieving its goal: preserving and protecting at least 30% of the land and sea as healthy ecosystems.

\* International initiative established in June 2021 to create a framework for corporate risk management and information disclosure related to natural capital and biodiversity, aiming at transition toward a nature positive future to halt the declining trend in biodiversity and restore it.



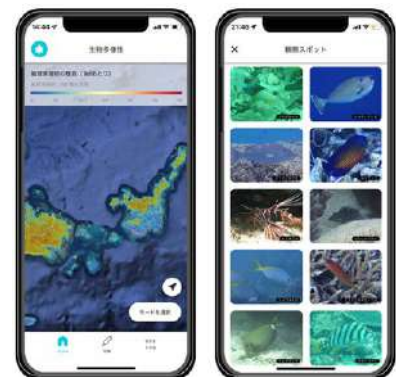
TNFD Report

## Investment in Think Nature Inc. to Achieve a Nature Positive Future

In May 2024, Okinawa Cellular invested in Think Nature Inc., a green tech startup originating from the University of the Ryukyus, composed of researchers with outstanding achievements in biodiversity science. So far, we have also collaborated with Think Nature to release DugongsAI\*, a biodiversity visualization application developed by Think Nature and sponsored by Okinawa Cellular.

Through this investment, we aim to combine Okinawa Cellular's communications technology with Think Nature's big data on biodiversity and AI technology. Thus, by contributing to the realization of a nature positive future, we will work towards the sustainable growth of society and the enhancement of corporate value.

\* Application that utilizes big data on biodiversity and AI technology, and when launched, allows users to view information on the flora and fauna of each region on a map, from rare animals such as the dugong and the Okinawa rail to more familiar animals



<https://services.think-nature.jp/dugongsai/> (Japanese only)



## Holding of “Coral Reef Lab” in Okinawa Nature Conservation Project

In March 2024, as part of the Okinawa Nature Conservation Project, Okinawa Cellular held a “Coral Reef Lab” focusing on coral conservation and environmental education at the Okinawa Cellular head office building. This event was arranged with the cooperation of Innoqua Inc., the first company in the world to successfully conduct artificial coral spawning in midwinter. A total of 200 elementary school students and their parents participated.

This event program included quizzes to learn about coral ecology in front of actual live coral, and the experience of touching and comparing live and dead coral. It provided an opportunity for children to deepen their familiarity with and understanding of the ocean and coral. Participating elementary school students commented, “It was fun to touch coral and learn about its ecology,” and “Coral is necessary for people to live, so I want to take good care of it.”

Going forward, we will actively host educational events to bring environmental issues closer to children. This initiative aims to provide opportunities for children, who will be responsible for the next generation to see nature conservation as a personal responsibility and take action.



## Message Ads Appealing for Biodiversity Preservation and Environmental Protection

On September 24, 2023, Okinawa Cellular placed an advertisement in the Ryukyu Shimpo and the Okinawa Times introducing rare plants and animals that inhabit Okinawa in full size to promote the importance of biodiversity conservation and environmental protection. In this advertisement, the newspaper was used as a representation of Okinawa’s unique ecosystem, and each page introduced creatures inhabiting Okinawa, including humpback whales, coconut crabs, Okinawa rails, and the Iriomote cats. The message conveyed in the advertisement says, “Biodiversity, which is a natural part of Okinawa, is the natural capital that supports our lives. Biodiversity is an asset that we can take pride in, both for the longevity of people and for the enrichment of Okinawan life.”

The approach of occupying an entire newspaper’s advertising space was rare, and this initiative attracted attention as it carried an advertisement with a highly public message of protection of the natural environment. This advertisement won many awards for outstanding advertising works, including the Newspaper Advertising Prize and the Dentsu Advertising Award.



Land creatures featured in the Ryukyu Shimpo



Marine creatures featured in the Okinawa Times





## Materiality 5

# Development of a Diverse Workforce and Rewarding Work Environment

### Values We Embrace (5)

## DX Personnel Training, Engagement Improvement, Initiatives for Health-Focused Management

- Human resources training and career development (DX personnel training)
- Pursuit of hybrid work styles (Declaration of New Work Styles)
- Initiatives for Health-Focused Management
- Pursuit of employee satisfaction

## Basic Policy for Human Capital Management

We have specified “development of a diverse workforce” and “rewarding work environment” among the six key issues (materiality) that we have set for our sustainable growth and contribution to the development of Okinawa Prefecture. We have set these as the cornerstones of our human capital strategy and aim to transform ourselves into “a company where diverse human resources gain fulfillment from their work.”

In evaluating the process of addressing the key issues, we will monitor the ongoing status through engagement surveys and lead to appropriate initiatives.

[📄 Basic Policy for Human Capital Management \(Japanese only\)](#)

## Declaration of New Work Styles: Challenge 2.0 for Connecting Personal Growth to Organizational Growth

Okinawa Cellular has formulated the “Declaration of New Work Styles: Challenge 2.0” with an eye toward further growth and the next 30 years. We have established new regulations and renovated offices to adapt to new work styles.

We believe that enabling each employee to adapt their “work styles” to their life stages, values, and various challenges allows them to deliver their best results, and such employees’ growth can connect to organizational growth. As specific initiatives for this purpose, we are promoting the internal digital transformation (DX) through the introduction of a new personnel system that values a culture of challenge and individuals who embrace challenges, as well as the implementation of a free-seating system in the office, a hybrid system of in-office work and remote work, and a flextime system. We will realize diverse work styles tailored to each employee’s lifestyle, and take significant social changes such as technological advancements and a shrinking workforce as opportunities to “change our employees and change the company.” Through this initiative, we aim to become a new Okinawa Cellular that leads Okinawa.

## Okinawa Cellular Declaration of New Work Styles

—Transforming Our Work Styles to Reach the Next Level—



We will support individuals who take on challenges on their own by transforming work styles tailored to their life stages, values and various challenges. Through this effort, we aim to foster their personal growth and self-fulfillment, as well as organizational growth, and to position Okinawa Cellular as a leader in Okinawa.

### Okinawa Cellular will become the top-leading company in Okinawa

#### Organizational growth

#### Challenge and support

#### Self-growth and self-realization

#### Company changes as well

#### Employees also change

##### Working environment

Establishing an environment that utilizes hybrid work styles and advanced technology  
Reform of systems that are also friendly to childcare

##### New personnel system

Embracing new work styles, then assessing both the achievements and challenges

##### Work styles

Innovative value creation through collaboration beyond divisions and corporate boundaries for solving Okinawa's issues

##### Mindset

Self-discipline, self-directed learning, and a mindset that contributes to the organization's success



## From a Seniority-Based System to a Performance-Based Personnel System

Okinawa Cellular revamped its personnel system (evaluation, compensation, and grading system) in fiscal 2023 to assess a culture of challenge and individuals who embrace challenges. The previous seniority-based personnel system based on years of service has been revised to a system that allows promotions within as little as one year, based on the appropriate assessment of challenges, processes, and achievements according to role grades. By assessing not only achievements but also “challenges” and “processes,” we emphasize the pursuit of ambitious goals in evaluation and offer support to those who embrace challenges. We will also cultivate a culture and mindset where employees set ambitious goals of their own volition and continuously seek innovative solutions and improvements to achieve them.

#### Challenge



Not being satisfied with the current situation, setting ambitious goals by one's own will, and continually achieving new things

#### Process



Always being mindful of issues related to precedents and conventional methods, constantly considering opportunities for further improvement and enhancement, looking beyond today to tomorrow, and beyond tomorrow to the day after, and aiming for one step or even two steps ahead

#### Achievements



For a company to sustainably grow, it's essential to create new value. This requires a continuous pursuit of maximizing revenue while minimizing expenses and enhancing the quality of operations.

**We evaluate not only achievements but also “challenges” and “processes.”**

## Developing Diverse Human Resources to Create New Value

Okinawa Cellular is aiming to enhance sustainable corporate value through “an ambidextrous organization centered on telecommunications,” which drives both the enhancing of existing businesses and the expansion of growth areas.

In the future, we will collaborate with companies from various industries, with our core telecommunications business at the center of our operations, to implement a transformation towards becoming a company that solves the social issues of Okinawa. To achieve this, we believe it is important to update our traditional concept of human resources and to acquire and develop diverse human resources who can advance our business strategy.

We respect the diversity of our human resources in terms of career, experience, skills, values, thoughts, not to mention differences in gender, age, and physical disabilities. By bringing together the individuality of each employee and the experiences and ideas they have cultivated over the years, we will enhance creativity and generate new value.

## Career Development With Respect for the Diversity of All Employees

Okinawa Cellular is committed to employee career development that respects the diversity of each employee’s experiences, skills, values, and thoughts, leading to organizational growth.

To support career development, we conduct career self-assessment and interview sessions for all employees once a year. Additionally, we have developed and launched an education system aligned with the new personnel system introduced in fiscal 2023. Based on the roles expected at each level, options of learning methods are offered to employees, including Off-JT (group training), e-learning, and license/certification programs. This system supports employees in independently engaging in their work and skill development, while aligning their career vision with the Company’s vision and mission.

## DX Personnel Training

Okinawa Cellular positions the promotion of internal digital transformation (DX) as a crucial initiative for strengthening the management base. All employees, including executives, aim to enhance their skills levels through participation in the DX foundation training. For more advanced DX core professional skills, we aim to foster professional talent in each specialized area by selecting and training employees.

Index	FY2022	FY2023	FY2024 (Target)
Number of participants in DX foundation training	146	311	371
Total DX foundation training hours	2,628 hours	5,598 hours	—
Average training time per participant	18 hours	18 hours	—
Number of participants in DX core specialized skills training	31	54	85
Total DX core specialized skills training hours	496 hours	1,303 hours	—
Average training time per participant	16 hours	35 hours	—

\* Number of participants and training hours are cumulative figures.

\* Average training hours per participant are figures for a single fiscal year.

## Diversity and Inclusion

For Okinawa Cellular to achieve sustainable growth, it must adapt to rapidly changing times and continually drive innovation. To achieve this, it is essential to develop a workplace environment where employees with diverse values can maximize their individual potential. Okinawa Cellular is committed to promoting diversity and inclusion, fostering a culture of mutual respect and continuously taking on new challenges. We aim to create a workplace environment that enables both employee self-fulfillment with the Company’s growth.

## Diversification of Recruiters and Recruitment Methods

Okinawa Cellular recognizes that acquiring diverse human resources is essential to adapt to recent accelerated environmental changes, expansion of business areas, and the increasing sophistication and complexity of operations.

We are strengthening our capabilities to acquire human resources by examining and implementing recruitment methods aligned with our business strategies. These include hiring experienced talents through career recruitment and introducing programs for new graduates to guarantee their initial placements.

## Promoting Women's Participation

Okinawa Cellular has established its basic policy for diversity in the Okinawa Cellular Philosophy and the Okinawa Cellular Code of Business Conduct. Through the cultivation of a corporate culture where employees support each other and the establishment of a telework environment, as well as the implementation of a flexible working system, the return rate for women after taking childcare leave has been maintained at 100%. Furthermore, for male employees taking childcare leave, we introduced leave for childcare purposes in fiscal 2022 to encourage men's participation in childcare. The rate of men taking childcare leave or leave for childcare purposes has been 100%.

### Gender Ratio in Managerial Positions as of the End of March 2024 (Non-consolidated)

	Number of employees in managerial positions	Ratio of managerial positions
Males	42	89.4%
Females	5	10.6%
Total	47	100.0%

### Return Rate of Female Employees After Taking Childcare Leave

Index	FY2022	FY2023	FY2024 (Target)
Return rate of female employees after taking childcare leave	100%	100%	100%

### Rate of Male Employees Taking Childcare Leave and Leave for Childcare Purposes

Index	FY2022	FY2023	FY2024 (Target)
Rate of male employees taking childcare leave and leave for childcare purposes	100%	100%	100%

As part of our initiatives to promote women's participation, we are focusing on enhancing workplace accessibility and fostering a shift in awareness across the organization.

### Enhancement of Benefit Programs

#### Wellness leave

The name of "menstrual leave" has been changed, and the scope of reasons eligible for the leave has been expanded.

- Difficulty working due to menstruation
- Need to consult a doctor due to menopause **added**
- Visits for infertility treatment **added**
- Follow-up examinations after a medical checkup or physical examination **added**

#### Introduction of flexible work arrangements/systems for employees with childcare or caregiving responsibilities.



### Holding Seminars and Workshops

#### Women's Health Seminar

A seminar to deepen knowledge and understanding of menopause, conducted by an external speaker.

\* Open to all employees, not just female employees.

#### Household and Childcare Inventory Workshop

A workshop aimed at employees in their 20s to 40s, where both men and women reflect on their views of household chores and childcare.

## Initiatives for LGBTQ+

Okinawa Cellular is committed to providing a safe and inclusive workplace environment for all employees that respects diversity, and actively promote understanding and support for LGBTQ+ individuals. We believe it is important to promote understanding of LGBTQ+ issues beyond the boundaries of companies, not just for those involved and some who are interested. Therefore, to increase the number of Allies (individuals who support and stand with the LGBTQ+ community) and to establish a community framework, we collaborated with five companies from different industries in the prefecture to host a joint seminar. Its goal is to create an environment where LGBTQ+ individuals can play an active role by promoting understanding of diversity and expanding the community. We also have a system in place that allows employees to enjoy benefits with their partners. Upon registration, employees can take marriage leave and use company recreation facilities and housing in the same manner as legally married couples. Additionally, we regularly conduct awareness surveys to promote understanding of LGBTQ+ issues within the Company and implement measures to prevent harassment and unwanted disclosure (outing) related to sexual orientation and gender identity. Through these efforts, we work to educate employees and improve the workplace environment. As a corporate signatory, we also support Business for Marriage Equality, which promotes marriage equality, contributing to the advancement of the rights of the LGBTQ+ community.

Okinawa Cellular will make further efforts to foster its workplace environment where every employee's identity is respected and treated equally.

## Initiatives for Health-Focused Management

To remain a company where employees are happy and full of vitality, we consider the "health" of our employees as critical management issues. Under the management principles of "pursuing the physical and mental wellbeing of employees," we are promoting health-focused management within the organization to support the wellbeing of each individual employee.

Appointing Representative Director and President as the Chief Health Officer, the "Health Promotion Working" (and its secretariat) has been established under the Chief Health Officer. We are also collaborating with the Safety and Health Committee to promote initiatives for employees' health. We established the Wellbeing Room where employees can consult with resident industrial health nurses about their health in fiscal 2020, and the Wellbeing Office, an organization dedicated to health-focused management, in fiscal 2023, strengthening our structure. Going forward, we will continue to prevent and mitigate lifestyle-related diseases among employees, promote exercise habits, and reduce smoking rates, with the aim of maintaining and improving our employees' health.



## Development of Rewarding Work Environment

Toward the realization of Okinawa Cellular's vision, which is to become "a company where diverse human resources gain fulfillment from their work," we have monitored the current situation through the engagement survey introduced in fiscal 2021, to achieve employees' fulfillment from their work and promote the development of rewarding work environment.

At Okinawa Cellular, "employee engagement" is defined as a state in which employees are motivated to contribute voluntarily and proactively to the organization and their work. We assess this employee engagement through nine elements from the perspectives of teams, individuals, and the organization. These elements are useful for addressing various organizational issues, including visualizing the organizational state, reducing turnover rates, improving productivity, and providing management support to those in managerial positions.

The survey results are shared in real-time with both the HR department and the group leaders of each organization. Considering the characteristics and changes in the organizations, the HR department and group leaders identify issues within their respective organizations through dialogues and implement a PDCA cycle to examine how to make employees feel fulfilled with their duties and work enthusiastically.

### Employee Engagement

	FY2022 average	FY2023 average
Overall score	75.2	74.3

## ■ Nine Indicators

Employee engagement is measured by nine indicators of self-growth, personal relationships, environment, visionary strategy, culture of organization, health, approval, support, and duties, to visualize organizational characteristics and changes in status.



### Comment From the Person in Charge



One of our management principles is “contributing to the development of Okinawa’s economy through our business,” and we are working daily to be a leading company in our hometown of Okinawa. We consider each employee who shares this belief is an “asset.” Believing that the growth of our human “assets” drives the Company’s growth, and in turn, contributes to the development of Okinawa, we have developed a human capital strategy. The cornerstones of our human capital strategy are the “development of a diverse workforce” and “rewarding work environment,” and we aim to achieve sustainable corporate growth by addressing these issues. While respecting each employee’s individuality and values, we not only support their career development, but also take on the challenge of implementing and supporting new human resource initiatives through trial and error, aiming to further pursue workplace comfort and foster employees’ fulfillment from their work. By creating a workplace environment where diverse human resources can play an active role, we aim to become a top company that leads Okinawa in both name and reality.

Recruitment and Education Group, HR Department, Corporate Division **Kaori Uechi**

## Head Office Building Designed for Employee Health and Wellbeing

In recent years, employee wellbeing has been the focus of attention in the growing movement toward human capital management and health-focused management in companies. In April 2024, Okinawa Cellular obtained the highest rank, “Platinum,” under the WELL Building Standard™ v2\* (hereafter WELL certification v2) for the Okinawa Cellular Building, its head office building located in Naha City.

In 2022, Okinawa Cellular celebrated its 30th anniversary and formulated the “Okinawa Cellular Declaration of New Work Styles: Challenge 2.0.” As part of this initiative, we carried out a complete renewal of our office environment to accommodate new work styles, focusing on creating a comfortable and healthy work environment for our employees. Under WELL certification v2, evaluation ranks are classified into Bronze, Silver, Gold, and Platinum based on the points earned. Okinawa Cellular has obtained the highest rank, Platinum. The score earned was 97 points, the highest score ever publicly announced in Japan.

At the head office building, we have established the Wellbeing Office, headed by the Representative Director and President, and have introduced new personnel systems and health support programs to promote the health and wellbeing of our employees.

Okinawa Cellular will continue to foster an environment where employees can work in good health and find fulfillment in their work, enhance workplace comfort, and fulfill its role as a company that contributes to the local community.

\* An assessment system that measures, evaluates, and certifies various functions that affect people’s health and wellbeing (physical, mental, and social wellbeing) on a performance basis





## Materiality 6

# Advancing Stakeholder Engagement

- Build strong relationships with all stakeholders, including local communities, employees, customers, distributors, suppliers, and shareholders

## Giving New Value to Non-Standard Agricultural Products and Contributing to Food Waste Reduction

Okinawa Cellular Agri&Marche effectively utilizes non-standard agricultural products grown by Okinawan farmers and transforms them into marketable products through its proprietary processing technology. This initiative contributes to reducing food waste and stabilizing farmers' business.

The company has been working to reduce food waste by instantly freezing non-standard strawberries with poor shape and color from its own brand, Churashima Berry, grown in its plant factory. These frozen strawberries are sold to confectionery manufacturers in the prefecture as ingredients for Western-style confectioneries. Since fiscal 2021, we have collaborated with farmers facing issues in handling non-standard products to instant-frozen and commercialized five types of fruits, including pineapples, mangoes, and passion fruits, which may lack ideal size or color but taste the same as the standard products. Looking ahead, we are considering expanding this initiative to include vegetables such as pumpkins, tomatoes, and cucumbers.

Our handling of non-standard products increased from approximately 1.5 tons (fiscal 2021) to 10 tons (fiscal 2022) and 16 tons (fiscal 2023). Correspondingly, sales also grew from around 1 million yen (fiscal 2021) to around 10 million yen (fiscal 2022) and 1.5 million yen (fiscal 2023). Moving forward, we plan to strengthen our collaboration with fruit and vegetable processing companies both within and outside Okinawa. Our goal is to increase the annual transaction volume including non-standard products to 50 tons by 2027 and expand the annual value of agricultural products handled to approximately 200 million yen by 2030.

This project contributes to reducing food waste by giving new value to previously discarded agricultural products and turning them into marketable products. Additionally, since frozen products can be sold year-round, they are expected to help stabilize farmers' business.



Products commercialized through peeling, cutting, and freezing



Cheesecake with confiture of Gold Barrel pineapple from Higashison, Okinawa, handled by Okinawa Cellular Agri&Marche

## Recognized for the Six Consecutive Years as a White 500 Enterprise of the 2024 Health Outstanding Organizations Recognition Program

Okinawa Cellular has been recognized for the sixth consecutive year as a “White 500” enterprise under the large enterprise category of the 2024 Health Outstanding Organizations Recognition Program implemented by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi. This program was designed by the METI as a system in which the Nippon Kenko Kaigi certifies large enterprises, small and medium-sized enterprises, and other corporations that practice particularly excellent health-focused management based on initiatives tailored to local health issues and health promotion efforts promoted by the Nippon Kenko Kaigi.

In April 2023, we established the Wellbeing Office to support employees in autonomously maintaining and improving their health through walking events, mental health seminars, and consultations with public health nurses. We have implemented other various measures, including work restrictions for employees with abnormal health screening results, recommendations for medical consultations, and the promotion of the three health elements of sleep, exercise, and diet. Alongside these efforts, we have developed a health-focused management strategy map to clarify issues and track progress, and actively promoted health-focused management that prioritizes the health and wellbeing of employees. Going forward, guided by our management principles of “pursuing the physical and mental wellbeing of employees,” we will continue to promote initiatives that foster the physical and mental health of our employees and their families, enabling them to live with a smile.



## Using ICT to Support the Health of Local Citizens Through Industry-Academia-Government Collaboration

Okinawa Cellular, under the collaboration agreement with Ginowan City and University of the Ryukyus, has been working on the Ginowan Smart Health Promotion Project since fiscal 2024, to support the health of local citizens utilizing ICT.

Taking the opportunity of the relocation of the Faculty of Medicine and University Hospital of University of the Ryukyus, Ginowan City has been developing the main health and medical center of Okinawa with the aim of creating a city where all citizens can “naturally lead healthy lives.” As part of this initiative, Okinawa Cellular is utilizing its health management application, JOTO Home Doctor, to create an environment where citizens can easily manage their health checkup data and receive professional health advice.

The application features healthcare functions that allow users to manage their diet, exercise, and daily calorie intake, as well as reliable support functions such as online medical consultations. In future initiatives, we will work on developing health advice service supervised by University of the Ryukyus, based on citizens' health checkup results. This will enable citizens to accurately understand their health status while receiving advice grounded in the academic expertise of University of the Ryukyus. Additionally, we are planning to introduce a system where points earned by participating in events within the application can be used at local commercial facilities.

By combining the academic expertise of University of the Ryukyus, the administrative capabilities of Ginowan City, and the digital technology of Okinawa Cellular, we aim to enhance residents' health awareness and encourage specific health-oriented actions.

JOTO HOME DOCTOR

JOTO Home Doctor



JOTO Home Doctor



University of the Ryukyus



Okinawa Cellular



Ginowan City

## Solving Social Issues and Contributing to Local Communities Through the Children's Fund

Okinawa Cellular has established the Okinawa Cellular Children's Fund, funded by a portion of the Okinawa Cellular Group's revenues, and has been making donations to organizations that support children within the Okinawa Prefecture. In fiscal 2023, we donated a total of 3 million yen, with each of ten local organizations working to address child poverty issues receiving 300,000 yen.





## “Connecting Remote Islands, Expanding Okinawa”: Establishment of Future Education Fund with University of the Ryukyus

Okinawa Cellular and University of the Ryukyus have established the Future Education Fund with the aim of improving educational environments in remote islands and the northern part of Okinawa Island. In addition to providing ICT-based interaction between schools and educational programs, we will actively work toward the development of digital content and remote classes.

Furthermore, in the ICT Island-based Education Innovation Project with University of the Ryukyus and partner companies, we are working to address the educational gaps between remote islands and urban areas by using telecommunications. We will create the innovation in island-based education by blending the rich educational resources of remote islands with the diversity of urban areas, leveraging the advantages of both, and connecting local communities.



## Realizing an Inclusive Live Performance Environment Through “Music Festivals × Starlink Business”

At the HY SKY Fes 2024 music festival held in Okinawa Prefecture, Okinawa Cellular provided high-speed and stable internet communications through its Starlink Business service, contributing to the realization of an inclusive live performance environment that enables everyone to participate in the event.

The Starlink antenna, with its compact size and easy installation, can be quickly deployed even in large outdoor event venues. At this music event, we provided a range of services, including a real-time subtitle service that converts lyrics of performed songs, artists’ commentaries, and venue announcements into textual information, as well as a live video streaming service that allows people with low vision or visual impairments to view the stage on personal tablets. At the same event held last year, the subtitle service experienced problems with some delays and interruptions due to weak network connectivity. This year, however, the implementation of Starlink Business resolved these problems, creating a more comfortable environment that allowed users to enjoy the services seamlessly.



Installment of Starlink



Real-time subtitle service at the festival venue

Images provided by Okinawa Television Broadcasting Co., Ltd.

### Comment From the Person in Charge



At the HY SKY Fes event, to ensure that people with hearing or visual impairments can enjoy the music, we offer services such as real-time subtitling that converts lyrics of performed songs, artists’ commentaries, and venue announcements into textual information, as well as live video streaming to personal tablets. Stable telecommunications are essential to deliver these services, and we were able to provide them without any issues by utilizing the high-speed satellite communications of Starlink Business.

Starlink Business is useful not only for music events, but also in various other situations, such as serving as a backup for internet connections disrupted during disasters and as a measure for business continuity planning (BCP) of customers’ businesses.

We believe that the value of Okinawa Cellular lies in creating new values for our customers through our telecommunications services.

Sales Management Division, Solution Sales Department **Shinsyun Moromizato**

## Third-party Evaluation

### Awarded the Highest Rating of Gold in the PRIDE Index

The PRIDE Index is an evaluation standard established in 2016 by the voluntary organization “work with Pride,” and Japan’s first index for assessing workplace initiatives related to LGBTQ+. Evaluations are based on the following five indexes.

1. Policy (Action Declaration)
2. Representation (LGBTQ+ Network)
3. Inspiration (Raising Awareness)
4. Development (Human Resources Management Policy and Programs)
5. Engagement/Empowerment (Social Responsibility and External Activities)



Okinawa Cellular met the requirements for all five of these indexes and received the highest rating of Gold in the PRIDE Index 2023.

### Recognized as a White 500 Enterprise of the 2024 Health Outstanding Organizations Recognition Program

Okinawa Cellular was certified as a White 500 enterprise of the 2024 Health Outstanding Organizations Recognition Program. This program recognizes and evaluates companies that strategically implement employee health management from a business perspective. The top 500 companies in the large enterprise category are awarded the title of White 500.



Health and Productivity Management 2024 (White 500)

### Received the Platinum Certification of WELL Building Standard™ v2

The WELL certification v2 is an international building rating system focused on the health and wellbeing of building users. Okinawa Cellular achieved the highest rank of Platinum certification under the WELL Building Standard™ v2 for its head office building, the Okinawa Cellular Building. Our workplace environment that places importance on health and wellbeing of employees received high praise, including personnel systems introduced under the Declaration of New Work Styles, activities of the newly established Wellbeing Office, and the healthy employee cafeteria, and earned the highest score in the country of 97 points.



### Certified as a DX Certified Operator Under the DX Certification System by the METI

The Digital Transformation (DX) Certification System is a program under which the Ministry of Economy, Trade and Industry (METI) certifies businesses that are ready to promote DX, such as by formulating a management vision and by developing a DX strategy and system, as DX Certified Operators. Okinawa Cellular Group’s DX initiatives and appropriate disclosure of information to stakeholders were recognized, leading to our certification as a DX Certified Operator in 2023.



# ESG Data

## Environmental Data

	Unit	FY2021	FY2022	FY2023	Boundary
Scope 1 GHG emissions	t-CO <sub>2</sub>	15	24	85 <input checked="" type="checkbox"/>	Consolidated
Scope 2 GHG emissions	t-CO <sub>2</sub>	25,004	13,763	12,497 <input checked="" type="checkbox"/>	Consolidated
Electricity consumption	thousand kWh	39,909	30,014	27,661 <input checked="" type="checkbox"/>	Consolidated
City gas consumption	sm <sup>3</sup>	3,363	4,287	3,522 <input checked="" type="checkbox"/>	Consolidated
Kerosene consumption	kl	3,248	6,045	31,052 <input checked="" type="checkbox"/>	Consolidated
Water use (tap water, recycled water, well water, sewage water, water supply and sewerage)	m <sup>3</sup>	14,230	19,011	20,075 <input checked="" type="checkbox"/>	Consolidated
Industrial waste generation	t	108	591	461 <input checked="" type="checkbox"/>	Non-consolidated

\* Figures marked with  are subject to the third-party verification for KDDI, including its consolidated group companies. For details, please click [here](#).

## Social Data

### Employment

#### Number of Employees

	Unit	FY2020	FY2021	FY2022	FY2023	Boundary
Male	people	167	171	187	194	Non-consolidated
Female	people	81	86	93	108	
Total	people	248	257	280	302	
Retirement rate	%	1.2	1.5	3.3	2.8	

\* Retirement rate: excluding those who have reached the mandatory retirement age

#### Employees Retired in FY24.3

	Unit	Early retirement	Voluntary retirement	Involuntary retirement	Transfer	Others*1	Mandatory retirement	Total*2	Total number of retirees	Boundary
Male	people	0	4	0	0	1	0	5	5	Non-consolidated
Female	people	0	3	0	0	0	0	3	3	
Total	people	0	7	0	0	1	0	8	8	

\*1 Retirement due to expiration of period of sickness or injury leave, etc. \*2 Excluding those who have reached the mandatory retirement age.

### Recruitment

	Unit	Gender	FY2020	FY2021	FY2022	FY2023	Boundary
New graduate recruitment	people	Male	6	8	3	6	Non-consolidated
		Female	2	8	3	6	
		Total	8	16	6	12	
Career recruitment		Male	0	3	18	15	
		Female	2	1	8	12	
		Total	2	4	26	27	

## Employment of Persons with Disabilities

	Unit	FY2020	FY2021	FY2022	FY2023	Boundary
Employment of Persons with Disabilities	%	2.82	2.57	2.63	2.83	Consolidated

## Employee Training

### DX Basic Training

	Unit	FY2022	FY2023	Boundary
Training hours per employee	hours/person	18	18	Non-consolidated
Total training hours	hours	2,628	2,970	

### DX Core Specialized Skills Training

	Unit	FY2022	FY2023	Boundary
Training hours per employee	hours/person	16	35	Non-consolidated
Total training hours	hours	496	807	

## Social Contribution Expenses

	Unit	FY2020	FY2021	FY2022	FY2023	Boundary
Total donation	million yen	42	125	24	112	Non-consolidated

\* In addition, other social contribution activities are conducted by utilizing the Company's technology and human resources.

## Information Security

	Unit	FY2020	FY2021	FY2022	FY2023	Boundary
Number of infringements by computer viruses, etc.	cases	0	0	0	0	Non-consolidated

## Governance Data

### Anti-Corruption and Legal Compliance

	Unit	FY21.3	FY22.3	FY23.3	FY24.3	Boundary
Political donations (in Japan)	10 thousand yen	20	1	0	0	Consolidated
Number of corruption case	cases	0	0	0	0	Non-consolidated

# Third Party Assurance

## Environmental Data

### Third Party Assurance by LRQA (limited assurance)



**LRQA Independent Assurance Statement**  
Relating to KDDI Corporation's Environmental Data within its Sustainability Report 2024 for the fiscal year 2022

This Assurance Statement has been prepared for KDDI Corporation in accordance with our contract.

**Terms of Engagement**  
LRQA was commissioned by KDDI Corporation ("the Company") to provide Independent assurance of its Environmental data ("the report") within its Sustainability Report 2024 for the fiscal year 2022, that is, 1 April 2022 to 31 March 2023, against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using ISAE 3000 (Revised) and ISO 14064-3:2019 for greenhouse gas ("GHG") emissions.

Our assurance engagement covered the Company's operations and activities in Japan and overseas<sup>1</sup> and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected environmental datasets listed below
- Evaluating the accuracy and reliability of data for the selected environmental datasets listed below:<sup>2,3</sup>
  - Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)<sup>4</sup>
  - Scope 2 GHG emissions (Market-based and Location-based) (tonnes CO<sub>2</sub>e)
  - Energy consumption (MWh)
  - Water consumption (m<sup>3</sup>)
  - Waste disposal volume (tonnes)

Our assurance engagement excluded the other data and information of the Company's suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

**LRQA's Opinion**  
Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable environmental data.

The opinion expressed is formed on the basis of a limited level of assurance<sup>5</sup> and at the materiality of the professional judgement of the verifier.

<sup>1</sup> The business operations of the company's 100 wholly owned and controlled consolidated subsidiaries.  
<sup>2</sup> LRQA undertook limited assurance engagement of the environmental data not listed with "a" in the Sustainability Report 2024.  
<sup>3</sup> GHG assessment is subject to inherent uncertainty.  
<sup>4</sup> Scope 1 GHG emissions include only energy related CO<sub>2</sub>.  
<sup>5</sup> The extent of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements because aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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**LRQA's Approach**  
LRQA's assurance engagements are carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the collected historical environmental data and records for the fiscal year 2022; and
- The effectiveness of the data management system for Wire and Wireless Co., Ltd and Yamaguchi Technical Maintenance Center was confirmed by remote verification using e-mail and web conference systems.

**Observations**  
The Company should further demonstrate the accuracy and reliability of its future reports. In particular, it is recommended to improve the data management of consolidated subsidiaries and improve the accuracy and reliability of the data.

**LRQA's Standards, Competence and Independence**  
LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 2: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LR for Company and as such does not compromise our Independence or impartiality.

Signed:  Dated: 20 March 2024

Kazuyori Yukinaka  
Lead Verifier  
On behalf of LRQA Limited  
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN  
LRQA reference: YMA4005450

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\* This assurance is subject to the third-party verification for KDDI, including its consolidated group companies.

#### <Target data>

Scope 1 GHG emissions

Scope 2 GHG emissions (market-based and location-based)

Energy consumption

Water use

Waste disposal volume



**OKINAWA CELLULAR TELEPHONE COMPANY**

<https://okinawa-cellular.jp/english/>