

# **Notice of Convocation of the 27th Ordinary General Meeting of Shareholders**

## **NTT DOCOMO, INC.**

This is an English translation of the Notice of Convocation of the Ordinary General Shareholders Meeting for the 27<sup>th</sup> Fiscal Year (“the Notice”) of NTT DOCOMO, INC. and its subsidiaries (“DOCOMO,” the “Company,” “we,” or “our Group”). This translation includes a translation of the audit report of KPMG AZSA LLC, DOCOMO’s independent auditor, of the financial statements included in the original Japanese language Notice. KPMG AZSA LLC has not audited and makes no warranty as to the accuracy or otherwise of the translation of the financial statements or other financial information included in this translation of the Notice.

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## The new of today, the norm of tomorrow

### Philosophy:

Based on our corporate philosophy of “creating a new world of communications culture,” DOCOMO will utilize our individual potential to provide highly personalized communication solutions that truly satisfy customers.

## **MESSAGE FROM THE PRESIDENT**

### **Dear Shareholders:**

I am delighted to present this convocation notice for the general shareholders meeting for the 27th fiscal year (from April 1, 2017 to March 31, 2018).

In April 2017, we announced our Medium-Term Strategy 2020 “Declaration beyond.” We positioned the fiscal year ended March 31, 2018 as a year to “Challenge to Evolve,” and we were able to deliver results in line with our six declarations by steadily implementing various initiatives. Accordingly, we posted operating revenues and operating income both exceeding the fiscal year ended March 31, 2017.

In the fiscal year ending March 31, 2019, we will initiate business transformation centered on “members” regardless of mobile phone subscription, with the key phrase “from subscribers to members.” We will expand our customer base by basing it on “members,” which goes beyond line subscription, understand individual customers and strengthen our ties with them, and offer our customers “benefits, convenience and amazement” that go a step beyond. We also aim to maximize the value that we offer to our customers, expand the businesses of our partners, and strengthen our revenue base as a result.

We have declared that we will begin offering 5G services in 2020. We will push ahead with co-creation with a wide range of partners, with a view to making new services for the 5G era available to customers when the deployment of 5G takes place. We are offering the “docomo 5G Open Partner Program” with the goal of expanding initiatives to create services. More than 1,300 companies and groups have already declared their intention to join this program, and I am confident that together with our partners, we will realize a richer future with 5G.

As always, I ask for your continued goodwill and support.

May 2018

Kazuhiro Yoshizawa  
Representative Director,  
President and Chief Executive Officer

These documents have been translated from Japanese originals for reference purposes only.  
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Tokyo Stock Exchange: 9437

May 28, 2018

To Shareholders

NTT DOCOMO, INC.  
11-1, Nagata-cho 2-chome  
Chiyoda-ku, Tokyo, Japan  
Kazuhiro Yoshizawa  
Representative Director,  
President and Chief Executive Officer

**NOTICE OF CONVOCATION OF  
THE 27<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 27<sup>th</sup> Ordinary General Meeting of Shareholders of the Company (the “Meeting”) will be held as described below.

Details

- 1. Date and Time:** Tuesday, June 19, 2018 at 10:00 a.m. (Japan Standard Time)
- 2. Place of the Meeting:** Tsuru-no-ma, The Main Banquet Floor  
Hotel New Otani  
4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan

### 3. Matters to be dealt with at the Meeting:

#### Matters to be reported:

- 1) Report on Business Report, Consolidated and Non-Consolidated Financial Statements for the 27<sup>th</sup> Fiscal Year (from April 1, 2017 to March 31, 2018).
- 2) Report on Results of Audit of Consolidated Financial Statements by Registered Public Accountants and Audit & Supervisory Board.

#### Matters to be resolved:

**First Item of Business:** Appropriation of Retained Earnings

**Second Item of Business:** Election of Fourteen (14) Directors

**Third Item of Business:** Election of One (1) Audit & Supervisory Board Member

A copy of the Business Report and our Consolidated and Non-Consolidated Financial Statements and a certified copy of the Independent Auditor's Report and the Audit Report of Audit & Supervisory Board for the 27<sup>th</sup> Fiscal Year required to be attached are included as pages 26-66 hereto.

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In accordance with the applicable laws and regulations, and the provisions of Article 16 of the Company's Articles of Incorporation, we have posted the matters concerning the Independent Auditor, systems for ensuring the propriety of the Company's business activities and their operational status, the Consolidated Statement Of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-Consolidated Statement of Changes in Net Assets, and the Notes to the Non-Consolidated Financial Statements, which comprise the Attachments to this Notice of Convocation of the 27th Ordinary General Meeting of Shareholders, at the Company's following web site:

(<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>) instead of including them herein.

In addition, the Consolidated Statement of Comprehensive Income is also posted on the Company's website for reference.

Our Consolidated and Non-Consolidated Financial Statements included in the Attachments to the Notice of Convocation of the 27<sup>th</sup> Ordinary General Meeting of Shareholders are part of our Consolidated and Non-Consolidated Financial Statements audited by the Independent Auditor in preparing the Independent Auditor's Report.

Should any revision be needed with regard to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report or Consolidated and Non-Consolidated Financial Statements, the Company will publish such revision on its website:

<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>

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## **REFERENCE MATERIALS FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**

### **Items of Business and Matters for Reference**

#### **First Item of Business: Appropriation of Retained Earnings**

Items relating to year-end dividends

Taking into account the consolidated results of operations, financial conditions and dividend payout ratio, the Company distributes dividends based on the principle of providing stable and sustainable dividends. The Company proposes to pay the year-end dividend for the 27<sup>th</sup> fiscal year as follows:

(1) Type of Dividend Asset

Cash

(2) Proposed Appropriation of Dividend Assets to Shareholders and Total Amount of Dividend Payment

¥50 per share of common stock of the Company

Total Amount of Dividend Payment: ¥179,659,225,650

(The Company paid an interim dividend in November 2017. Accordingly, the aggregate amount of annual dividends for this fiscal year, i.e., the sum of interim and year-end dividends, will be ¥100 per share.)

(3) Effective Date of the Appropriation of Dividends from Retained Earnings

Wednesday, June 20, 2018

<Reference>

|                             | 23 <sup>rd</sup> fiscal year | 24 <sup>th</sup> fiscal year | 25 <sup>th</sup> fiscal year | 26 <sup>th</sup> fiscal year | 27 <sup>th</sup> fiscal year |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Dividend per share (annual) | ¥60                          | ¥65                          | ¥70                          | ¥80                          | ¥100                         |

## Second Item of Business: Election of Fourteen (14) Directors

As the terms of office of fifteen (15) Directors will expire at the close of this meeting, it is proposed that fourteen (14) Directors be elected.

| Candidate Number | Name                                | Age | Years Served as Director | Positions, Responsibilities and Principal Concurrent Positions  | Attendance Rate of Board of Directors Meetings (Number of Meetings Attended) |
|------------------|-------------------------------------|-----|--------------------------|---|--|
| 1                | Kazuhiro Yoshizawa<br><Reappointed> | 62  | 7 years                  | President and Chief Executive Officer,<br>Representative Member of the Board of Directors   | 100%<br>(14/14)  |
| 2                | Hiroyasu Asami<br><Reappointed>     | 61  | 4 years                  | Senior Executive Vice President,<br>Responsible for Technology, Devices, Information Strategy and Preparation for 2020,<br>Representative Member of the Board of Directors                        | 100%<br>(14/14)  |
| 3                | Hiroshi Tsujigami<br><Reappointed>  | 59  | 2 years                  | Executive Vice President,<br>Executive General Manager of Sales and Marketing Division,<br>Responsible for Broadband Business,<br>Member of the Board of Directors                                | 100%<br>(14/14)  |
| 4                | Kouji Furukawa<br><Reappointed>     | 57  | 2 years                  | Executive Vice President,<br>Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office,<br>Member of the Board of Directors | 100%<br>(14/14)  |
| 5                | Hiroshi Nakamura<br><Reappointed>   | 56  | 1 year                   | Executive Vice President,<br>Executive General Manager of R&D Innovation Division,<br>Member of the Board of Directors  | 100%<br>(12/12)  |
| 6                | Hozumi Tamura<br><Reappointed>      | 55  | 1 year                   | Executive Vice President,<br>Executive General Manager of Network Division and General Manager of Network Department,<br>Member of the Board of Directors   | 100%<br>(12/12)  |
| 7                | Seiji Maruyama<br><Reappointed>     | 57  | 2 years                  | Senior Vice President,<br>General Manager of Human Resources Management Department,<br>Member of the Board of Directors   | 100%<br>(14/14)  |
| 8                | Osamu Hirokado<br><Newly appointed> | 55  | —                        | Senior Vice President,<br>General Manager of Frontline Support Department   | —  |

| Candidate Number | Name   | Age | Years Served as Director | Positions, Responsibilities and Principal Concurrent Positions  | Attendance Rate of Board of Directors Meetings (Number of Meetings Attended) |
|------------------|--|-----|--------------------------|---|--|
| 9                | Shigeto Torizuka<br><Newly appointed>  | 55  | —                        | Senior Vice President,<br>General Manager of Tokyo Branch   | —  |
| 10               | Kenichi Mori<br><Newly appointed>  | 54  | —                        | Senior Vice President,<br>General Manager of Product Department   | —  |
| 11               | Tooru Atarashi<br><Newly appointed>  | 55  | —                        | General Manager of General Affairs Department and General Manager of Improvement Action Office,<br>Member of the Board of Directors of Sumitomo Mitsui Card Company, Limited                            | —  |
| 12               | Teruyasu Murakami<br><Reappointed><br><Independent Director><br><Outside Director> | 72  | 5 years                  | Member of the Board of Directors,<br>Director of Research Institute for Industrial Strategy   | 100%<br>(14/14)  |
| 13               | Noriko Endo<br><Reappointed><br><Independent Director><br><Outside Director>       | 50  | 2 years                  | Member of the Board of Directors,<br>Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo,<br>Project Professor, Graduate School of Media and Governance, Keio University | 100%<br>(14/14)  |
| 14               | Shinichiro Ueno<br><Reappointed>   | 51  | 2 years                  | Member of the Board of Directors,<br>Vice President of R&D Planning Research and Development Planning Department of NTT   | 93%<br>(13/14)   |

| Candidate Number   | Name<br>(Date of Birth / Age)                               | History, Positions, Responsibilities and Principal Concurrent Positions |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|---|---|--|--|--------------------------------|---|
| 1  | Kazuhiro Yoshizawa<br>(June 21, 1955 / 62)<br><Reappointed> | April 1979  | Entered NTT Public Corporation   | 7 years  | 29,000                         | 100%<br>(14/14)   |
|  |   | June 2007   | Senior Vice President, General Manager of Corporate Sales and Marketing Department II of the Company   |  |                                |   |
|  |   | June 2011   | Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of the Company   |  |                                |   |
|  |   | June 2012   | Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company  |  |                                |   |
|  |   | July 2013   | Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company |  |                                |   |
|  |   | June 2014   | Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors of the Company  |  |                                |   |
|  |   | June 2016   | President and Chief Executive Officer, Representative Member of the Board of Directors of the Company (To the present)   |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Yoshizawa has been elected as candidate for director for his rich experience and insights as a corporate manager as represented by his initiatives in establishing and promoting Medium-Term Strategy 2020 “Declaration beyond” and enhancing the Company’s competitive edge and profitability as President and Chief Executive Officer, Representative Member of the Board of Directors, as well as for his excellent character and wealth of knowledge. |   |   |  |  |                                |   |

| Candidate Number | Name<br>(Date of Birth / Age)                               | History, Positions, Responsibilities and Principal Concurrent Positions |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|------------------|---|---|--|--|--------------------------------|---|
| 2                | Hiroyasu Asami<br>(September 8, 1956 / 61)<br><Reappointed> | April 1980  | Entered NTT Public Corporation   | 4 years  | 15,500                         | 100%<br>(14/14)   |
|                  |   | June 2009   | Senior Vice President, General Manager of Consumer Services Department of the Company  |  |                                |   |
|                  |   | April 2011  | Senior Vice President, General Manager of Smart Communication Services Department of the Company   |  |                                |   |
|                  |   | June 2012   | Senior Vice President, General Manager of Smart Communication Services Department, Engages in Multimedia of the Company  |  |                                |   |
|                  |   | March 2013  | Executive Vice President, Responsible for Multimedia Services of the Company   |  |                                |   |
|                  |   | July 2013   | Executive Vice President, Executive General Manager of Smart-life Business Division of the Company   |  |                                |   |
|                  |   | June 2014   | Executive Vice President, General Manager of Corporate Strategy and Planning Department, Member of the Board of Directors of the Company   |  |                                |   |
|                  |   | June 2015   | Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Broadband Business, Member of the Board of Directors of the Company                         |  |                                |   |
|                  |   | June 2016   | Senior Executive Vice President, Responsible for Technology, Devices, Network, Information Strategy and Preparation for 2020*, Representative Member of the Board of Directors of the Company        |  |                                |   |
|                  |   | June 2017   | Senior Executive Vice President, Responsible for Technology, Devices, Information Strategy and Preparation for 2020, Representative Member of the Board of Directors of the Company (To the present) |  |                                |   |

|  |  |   |
|--|--|---|
|  |  | <p>Reasons for election as candidate for director:</p> <p>Mr. Asami has been elected as candidate for director for his rich experience and insights as a corporate manager as represented by his initiatives in establishing and promoting Medium-Term Strategy 2020 “Declaration beyond” and enhancing the Company’s competitive edge and profitability as Senior Executive Vice President, Responsible for technology, devices and information strategy, Representative Member of the Board of Directors, as well as for his excellent character and wealth of knowledge.</p> |
|--|--|---|

| Candidate Number   | Name<br>(Date of Birth / Age)                                  | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|--|---|---|--|--------------------------------|---|
| 3  | Hiroshi Tsujigami<br>(September 8, 1958 / 59)<br><Reappointed> | April 1983  | Entered NTT Public Corporation  | 2 years  | 4,700                          | 100%<br>(14/14)   |
|  |  | July 2003   | Senior Manager of Corporate Strategy Planning Department of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”)  |  |                                |   |
|  |  | July 2007   | General Manager of Business Management Corporate Strategy Planning Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)   |  |                                |   |
|  |  | June 2008   | Outside Member of the Board of Directors of the Company   |  |                                |   |
|  |  | June 2012   | Senior Vice President of Corporate Strategy Planning, Member of the Board of Directors of NTT   |  |                                |   |
|  |  | June 2012   | Member of the Board of Directors of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT EAST”)  |  |                                |   |
|  |  | June 2016   | Executive Vice President, Executive General Manager of Sales and Marketing Division, Member of the Board of Directors of the Company  |  |                                |   |
|  |  | June 2017   | Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Broadband Business, Member of the Board of Directors of the Company (To the present) |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Tsujigami has been elected as candidate for director for his rich experience and insights as a corporate manager as represented by his initiatives in establishing and promoting Medium-Term Strategy 2020 “Declaration beyond” and enhancing the Company’s competitive edge and profitability as a person responsible for consumer sales and broadband business, as well as for his excellent character and wealth of knowledge. |  |   |   |  |                                |   |

| Candidate Number   | Name<br>(Date of Birth / Age)                               | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|---|---|---|--|--------------------------------|---|
| 4  | Kouji Furukawa<br>(July 31, 1960 / 57)<br><br><Reappointed> | April 1984  | Entered NTT Public Corporation  | 2 years  | 6,800                          | 100%<br>(14/14)   |
|  |   | July 2005   | Senior Manager of Human Resources Management Department of the Company  |  |                                |   |
|  |   | June 2008   | General Manager of Carrier and Regulatory Affairs Office of the Company   |  |                                |   |
|  |   | June 2012   | General Manager of Corporate Sales and Marketing Department I of the Company  |  |                                |   |
|  |   | June 2013   | Senior Vice President, General Manager of Corporate Sales and Marketing Department I of the Company   |  |                                |   |
|  |   | June 2016   | Executive Vice President, Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office, Member of the Board of Directors of the Company (To the present) |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Furukawa has been elected as candidate for director for his engagement in corporate sales and marketing and other operations and in the Company's management as a member of the Board of Directors, his rich business experience at the Company and insights pertaining to business management, as well as for his excellent character and wealth of knowledge. |   |   |   |  |                                |   |

| Candidate Number   | Name<br>(Date of Birth / Age)  | History, Positions, Responsibilities and Principal Concurrent Positions |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|--|---|--|--|--------------------------------|---|
| 5  | Hiroshi Nakamura<br>(April 4, 1962 / 56)<br><Reappointed>  | April 1987  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)           | 1 year   | 9,900                          | 100%<br>(12/12)   |
|  |  | October 2006  | Senior Manager of Core Network Development Department of the Company |  |                                |   |
| July 2010  | General Manager of Core Network Development Department of the Company  |   |  |  |                                |   |
| June 2014  | Senior Vice President, General Manager of Core Network Development Department of the Company   |   |  |  |                                |   |
| October 2014   | Senior Vice President, General Manager of R&D Strategy Department of the Company   |   |  |  |                                |   |
| June 2017  | Executive Vice President, Executive General Manager of R&D Innovation Division, Member of the Board of Directors of the Company (To the present) |   |  |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Nakamura has been elected as candidate for director for his engagement in R&D and other operations and in the Company’s management as a member of the Board of Directors, his rich business experience at the Company and insights pertaining to business management, as well as for his excellent character and wealth of knowledge. |  |   |  |  |                                |   |

| Candidate Number   | Name<br>(Date of Birth / Age)                                  | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|--|---|---|--|--------------------------------|---|
| 6  | Hozumi Tamura<br>(December 12, 1962 / 55)<br><br><Reappointed> | April 1987  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)  | 1 year   | 8,200                          | 100%<br>(12/12)   |
|  |  | June 2012   | General Manager of Procurement and Supply Department of the Company   |  |                                |   |
|  |  | July 2013   | General Manager of Smart-life Planning Department of the Company  |  |                                |   |
|  |  | June 2014   | Senior Vice President, General Manager of Smart-life Planning Department of the Company   |  |                                |   |
|  |  | June 2017   | Executive Vice President, General Manager of Network Department, Responsible for Network, Member of the Board of Directors of the Company   |  |                                |   |
|  |  | July 2017   | Executive Vice President, Executive General Manager of Network Division and General Manager of Network Department, Member of the Board of Directors of the Company (To the present) |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Tamura has been elected as candidate for director for his engagement in network and other operations and in the Company’s management as a member of the Board of Directors, his rich business experience at the Company and insights pertaining to business management, as well as for his excellent character and wealth of knowledge. |  |   |   |  |                                |   |

| Candidate Number   | Name<br>(Date of Birth / Age)                            | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|--|--|---|---|--|--------------------------------|---|
| 7  | Seiji Maruyama<br>(April 20, 1961 / 57)<br><Reappointed> | April 1985  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)  | 2 years  | 8,400                          | 100%<br>(14/14)   |
|  |  | May 2007  | Senior Manager of Corporate Strategy and Planning Department of the Company   |  |                                |   |
|  |  | July 2008   | Senior Manager of Human Resources Management Department of the Company  |  |                                |   |
|  |  | June 2010   | General Manager of Product Department of the Company  |  |                                |   |
|  |  | June 2014   | Senior Vice President, General Manager of Product Department of the Company   |  |                                |   |
|  |  | June 2016   | Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of the Company (To the present) |  |                                |   |
|  |  | June 2016   | President and Chief Executive Officer, Representative Member of the Board of Directors of DOCOMO PlusHearty, Inc. (To the present)                |  |                                |   |
| <p>Reasons for election as candidate for director:<br/> Mr. Maruyama has been elected as candidate for director for his engagement in human resources management, product planning, corporate strategy and planning, and other operations and in the Company’s management as a member of the Board of Directors, his rich business experience at the Company and insights pertaining to business management, as well as for his excellent character and wealth of knowledge.</p> |  |   |   |  |                                |   |

| Candidate Number  | Name<br>(Date of Birth / Age)                                   | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|---|---|---|---|--|--------------------------------|---|
| 8   | Osamu Hirokado<br>(July 14, 1962 / 55)<br><br><Newly appointed> | April 1985  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)  | —  | 6,500                          | —   |
|   |   | June 2007   | Senior Manager of Finance and Accounting Department of NTT  |  |                                |   |
|   |   | July 2008   | General Manager of Investor Relations Department of the Company   |  |                                |   |
|   |   | June 2012   | General Manager of Public Relations Department and Deputy General Manager of Mobile Society Research Institute of the Company |  |                                |   |
|   |   | June 2014   | Senior Vice President, Executive General Manager of Shikoku Regional Office of the Company                                    |  |                                |   |
|   |   | June 2017   | Senior Vice President, General Manager of Frontline Support Department of the Company (To the present)                        |  |                                |   |
| <p>Reasons for election as candidate for director:<br/> Mr. Hirokado has been elected as candidate for director for his rich experience in business execution gained from his engagement in support of the customer relations department, finance, IR and other operations, in addition to his experience in serving as executive general manager of a regional office, as well as for his excellent character and wealth of knowledge.</p> |   |   |   |  |                                |   |

| Candidate Number  | Name<br>(Date of Birth / Age)  | History, Positions, Responsibilities and Principal Concurrent Positions |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|---|--|---|--|--|--------------------------------|---|
| 9   | Shigeto Torizuka<br>(October 26, 1962 / 55)<br><br><Newly appointed> | April 1986  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)                             | —  | 4,400                          | —   |
|   |  | July 2008   | Senior Manager of Human Resources Management Department of the Company                 |  |                                |   |
|   |  | July 2011   | General Manager of Niigata Branch of the Company                                       |  |                                |   |
|   |  | June 2013   | General Manager of Sales Promotion Department of the Company                           |  |                                |   |
|   |  | June 2015   | Senior Vice President, General Manager of Sales Promotion Department of the Company    |  |                                |   |
|   |  | June 2017   | Senior Vice President, General Manager of Tokyo Branch of the Company (To the present) |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Torizuka has been elected as candidate for director for his rich experience in business execution gained from his engagement in sales and marketing, human resources management and other operations, in addition to his experience in serving as general manager of branches, as well as for his excellent character and wealth of knowledge. |  |   |  |  |                                |   |

| Candidate Number | Name<br>(Date of Birth / Age)                                 | History, Positions, Responsibilities and Principal Concurrent Positions   |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|------------------|---|---|--|--|--------------------------------|---|
| 10               | Kenichi Mori<br>(June 23, 1963 / 54)<br><br><Newly appointed> | April 1988  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)                                   | —  | 4,800                          | —   |
|                  |   | July 2004   | Senior Manager of Product Department of the Company  |  |                                |   |
|                  |   | July 2009   | Senior Manager of Corporate Strategy and Planning Department of the Company                  |  |                                |   |
|                  |   | May 2014  | General Manager of Kanagawa Branch of the Company  |  |                                |   |
|                  |   | June 2015   | Senior Vice President, General Manager of Kanagawa Branch of the Company                     |  |                                |   |
|                  |   | June 2016   | Senior Vice President, General Manager of Product Department of the Company (To the present) |  |                                |   |
|                  |   | Reasons for election as candidate for director:<br>Mr. Mori has been elected as candidate for director for his rich experience in business execution gained from his engagement in product planning, corporate strategy and planning and other operations, in addition to his experience in serving as general manager of a branch, as well as for his excellent character and wealth of knowledge. |  |  |                                |   |

| Candidate Number | Name<br>(Date of Birth / Age)                                    | History, Positions, Responsibilities and Principal Concurrent Positions   |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|------------------|--|---|--|--|--------------------------------|---|
| 11               | Tooru Atarashi<br>(March 17, 1963 / 55)<br><br><Newly appointed> | April 1988  | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)   | —  | 4,000                          | —   |
|                  |  | August 2006   | Senior Manager of Accounts and Finance Department of the Company   |  |                                |   |
|                  |  | July 2009   | General Manager of Planning and Accounts and Finance Department of Shikoku Regional Office of the Company                      |  |                                |   |
|                  |  | July 2012   | Senior Manager of Credit Card Business Division of the Company   |  |                                |   |
|                  |  | July 2013   | Senior Manager of Financial Business Department of the Company   |  |                                |   |
|                  |  | June 2016   | General Manager of General Affairs Department and General Manager of Improvement Action Office of the Company (To the present) |  |                                |   |
|                  |  | (Principal concurrent positions)<br>Member of the Board of Directors of Sumitomo Mitsui Card Company, Limited   |  |  |                                |   |
|                  |  | Reasons for election as candidate for director:<br>Mr. Atarashi has been elected as candidate for director for his rich experience in business execution gained from his engagement in finance, general affairs and other operations, as well as for his excellent character and wealth of knowledge. |  |  |                                |   |

| Candidate Number | Name<br>(Date of Birth / Age)   | History, Positions, Responsibilities and Principal Concurrent Positions  |  | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|------------------|---|--|--|--|--------------------------------|---|
| 12               | Teruyasu Murakami<br>(October 15, 1945 / 72)<br><Reappointed><br><Outside Director><br><Independent Director> | April 1968   | Entered Nomura Research Institute, Ltd. ("NRI")                                  | 5 years  | 7,100                          | 100%<br>(14/14)   |
|                  |   | April 2001   | Representative Director, Executive Managing Director, Member of the Board of NRI |  |                                |   |
|                  |   | April 2002   | Chief Corporate Counselor of NRI   |  |                                |   |
|                  |   | June 2008  | Outside Director of Benesse Holdings, Inc.                                       |  |                                |   |
|                  |   | April 2012   | Director of Research Institute for Industrial Strategy (To the present)          |  |                                |   |
|                  |   | June 2013  | Outside Member of the Board of Directors of the Company (To the present)         |  |                                |   |
|                  |   | (Principal concurrent positions)<br>Director of Research Institute for Industrial Strategy   |  |  |                                |   |
|                  |   | Reasons for election as candidate for outside director:<br>Mr. Murakami has been elected as candidate for outside director for his rich experience and insights pertaining to corporate management and information industry, and the Company's expectations that, in view of his excellent character and wealth of knowledge, he will contribute to strengthening the supervisory function over business execution and provide advice from a broad managerial perspective, and will be able to properly fulfill the role of an outside director. |  |  |                                |   |

**Independence:**

The Company has no business relationship with Mr. Murakami as well as with Research Institute for Industrial Strategy, where Mr. Murakami holds a concurrent position. Mr. Murakami also satisfies the independence criteria set by the Company as well as the independent director/auditor requirements stipulated by the Tokyo Stock Exchange. The Company therefore has determined that he is fully independent with no risk of conflicts of interest with general shareholders, and thus has notified the Tokyo Stock Exchange of the designation of him as an independent director.

| Candidate Number | Name<br>(Date of Birth / Age)  | History, Positions, Responsibilities and Principal Concurrent Positions   |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|------------------|--|---|---|--|--------------------------------|---|
| 13               | Noriko Endo<br>(Name on Family Register:<br>Noriko Tsujihiro)<br>(May 6, 1968 / 50)<br><br><Reappointed><br><Outside Director><br><Independent Director> | June 1994   | Entered DIAMOND, Inc.   | 2 years  | 1,800                          | 100%<br>(14/14)   |
|                  |  | April 2004  | Concurrently serve as Director of Kyushu University Tokyo Office                                    |  |                                |   |
|                  |  | April 2006  | Deputy Editor of Diamond Weekly, DIAMOND, Inc.  |  |                                |   |
|                  |  | September 2013  | Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo (To the present) |  |                                |   |
|                  |  | April 2015  | Project Professor, Graduate School of Media and Governance, Keio University (To the present)        |  |                                |   |
|                  |  | April 2015  | Adjunct Researcher, Environmental Research Institute, Waseda University                             |  |                                |   |
|                  |  | June 2016   | Outside Member of the Board of Directors of the Company (To the present)                            |  |                                |   |
|                  |  | (Principal concurrent positions)<br>Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo<br>Project Professor, Graduate School of Media and Governance, Keio University   |   |  |                                |   |
|                  |  | Reasons for election as candidate for outside director:<br>Dr. Noriko Endo has been elected as candidate for outside director for her rich experience and insights accumulated through her news gathering activities as an editor of an economic magazine and research on public policies, and the Company's expectations that, in view of her excellent character and wealth of knowledge, she will contribute to strengthening the supervisory function over business execution and provide broad advice from both a customer perspective and female perspective, and will be able to properly fulfill the role of an outside director. |   |  |                                |   |

**Independence:**

The Company has no business relationship with Dr. Noriko Endo. While the Company has business relationships with the University of Tokyo and Keio University, where Dr. Endo holds concurrent positions, as well as Waseda University, where Dr. Endo had a position within the past 3 years, Dr. Endo satisfies the independence criteria set by the Company as well as the independent director/auditor requirements stipulated by the Tokyo Stock Exchange. The Company has determined that Dr. Endo is fully independent with no risk of conflicts of interest with general shareholders and thus the Company has notified the Tokyo Stock Exchange of the designation of her as an independent director.

| Candidate Number  | Name<br>(Date of Birth / Age)                                | History, Positions, Responsibilities and Principal Concurrent Positions            |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings<br>(Number of Meetings Attended) |
|---|--|--|---|--|--------------------------------|---|
| 14  | Shinichiro Ueno<br>(June 21, 1966 / 51)<br><br><Reappointed> | April 1991   | Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)  | 2 years  | 1,000                          | 93%<br>(13/14)  |
|   |  | October 2004   | Senior Manager of Corporate Strategy Planning Department of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT EAST”)                    |  |                                |   |
|   |  | July 2009  | General Manager of Plant Department, Kanagawa Branch, Senior Manager of Wide-Area Network Center, Network Business Headquarters of NTT EAST |  |                                |   |
|   |  | July 2009  | Member of the Board of Directors of NTT East-Kanagawa, Inc.   |  |                                |   |
|   |  | July 2012  | Senior Manager of Technology Planning Department of NTT   |  |                                |   |
|   |  | July 2015  | Vice President of R&D Planning Research and Development Planning Department of NTT (To the present)   |  |                                |   |
|   |  | June 2016  | Member of the Board of Directors of the Company (To the present)  |  |                                |   |
| (Principal concurrent positions)  |  | Vice President of R&D Planning Research and Development Planning Department of NTT |   |  |                                |   |
| Reasons for election as candidate for director:<br>Mr. Ueno has been elected as candidate for director for his extensive experience and insights accumulated through his long career in the telecommunications business, and the Company’s expectation that, in view of his excellent character and wealth of knowledge, he will contribute to strengthening the supervisory function over business execution and provide advice from a broad managerial perspective. |  |  |   |  |                                |   |

\* “2020” refers to the anticipated increase in tourism and general economic activity, between now and 2020 and the opportunity to develop various new products and services to capture this anticipated increase in demand.

Notes:

1. NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”) is the parent of the Company. NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT EAST”) and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”) are subsidiaries of NTT. DOCOMO PlusHearty, Inc. is a subsidiary of the Company. NTT East-Kanagawa, Inc. was formerly a subsidiary of NTT EAST, but was dissolved in July 2014 upon the change of trade name to NTT East-Minami Kanto Corporation as a result of the merger of NTT East-Kanagawa, Inc., NTT East-Yamanashi, Inc., NTT East-Chiba, Inc., NTT East-Ibaraki, Inc. and NTT East-Solutions, Inc. with NTT East-Tokyo, Inc., the surviving company.

2. Mr. Kazuhiro Yoshizawa has served as President and CEO of NTT DOCOMO Ventures, Inc. for the past five years.
3. Mr. Seiji Maruyama is expected to resign from President and CEO of DOCOMO PlusHearty Inc. on June 8, 2018.
4. Mr. Osamu Hirokado has served as President and Chief Executive Officer of DOCOMO CS Shikoku, a subsidiary of the Company for the past five years.
5. Mr. Shigeto Torizuka is currently an Executive Vice President of DOCOMO CS, Inc., a subsidiary of the Company as well as General Manager of Tokyo Branch.
6. Mr. Kenichi Mori has served as Executive Vice President of DOCOMO CS, Inc. as well as General Manager of Kanagawa Branch for the past five years.
7. If the elections of Mr. Teruyasu Murakami, Dr. Noriko Endo and Mr. Shinichiro Ueno are approved, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company plans to continue the limited liability contract with each of Mr. Murakami, Dr. Endo and Mr. Ueno, which sets forth the upper limit of damage compensation liability as provided in Article 423, Paragraph 1 of the Companies Act of Japan.

### Third Item of Business: Election of One (1) Audit & Supervisory Board Member

As Audit & Supervisory Board Member, Mr. Yutaka Kawataki, will resign at the close of this meeting, it is proposed that one (1) Audit & Supervisory Board Member be elected to fill the vacancy.

The candidate for Audit & Supervisory Board Member, to whom the Audit & Supervisory Board has given its approval, is as follows:

| Name<br>(Date of Birth / Age)  | History, Positions, Responsibilities and Principal Concurrent Positions |   | Years Served as Director<br>(As of the Close of the Meeting) | Number of Company Shares Owned | Attendance Rate of Board of Directors Meetings/<br>Audit & Supervisory Board Meeting |
|--|---|---|--|--------------------------------|--|
| <b>Mikio Kajikawa</b><br>(March 23, 1959 / 59)<br><br>< Newly appointed ><br>< Outside audit & supervisory board member ><br>< Independent audit & supervisory board member >  | April 1982  | Entered the Ministry of Finance   | -  | 1,000                          | - / -  |
|  | June 2013   | Senior Deputy Director-General of the International Bureau of the Ministry of Finance |  |                                |  |
|  | July 2014   | Executive Director of the International Monetary Fund (IMF)                           |  |                                |  |
|  | June 2016   | Director-General of the Customs and Tariff Bureau of the Ministry of Finance          |  |                                |  |
|  | December 2017   | Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (To the present)           |  |                                |  |
| Reasons for election as candidate for outside audit & supervisory board member:<br>Mr. Kajikawa has been elected as candidate for outside audit & supervisory board member for his long career in the Ministry of Finance, and the Company's expectations that he will perform an audit and supervisory function based on his rich experience and insights as a specialist accumulated through his career experience as well as properly carry out auditing duties as an outside audit & supervisory board member. |   |   |  |                                |  |

#### Independence:

The Company has no business relationship with Mr. Mikio Kajikawa. While the Company has business relationships with Tokio Marine & Nichido Fire Insurance Co., Ltd. where Mr. Kajikawa holds a concurrent position, as well as the Ministry of Finance, where Mr. Kajikawa had a position within the past three years, Mr. Kajikawa satisfies the independence criteria set by the Company as well as the independent director/audit & supervisory board member requirements stipulated by the Tokyo Stock Exchange. The Company has determined that he is fully independent with no risk of conflicts of interest with general shareholders and thus the Company has notified the Tokyo Stock Exchange of the designation of him as an independent audit & supervisory board member.

#### Notes:

- Mr. Mikio Kajikawa is expected to resign from an advisor to Tokio Marine & Nichido Fire Insurance Co., Ltd. on June 18, 2018.
- If the election of Mr. Mikio Kajikawa is approved, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company plans to the new limited liability contract with Mr. Kajikawa, which sets forth the upper limit of damage compensation liability as provided in Article 423 Paragraph 1 of the Companies Act of Japan.

(Reference) Independence Criteria for outside member of the board of directors/outside audit & supervisory board member

The Company designates outside members of the board of directors and outside audit & supervisory board members that meet the following criteria as well as the independence criteria stipulated by the Tokyo Stock Exchange, as independent directors and independent audit & supervisory board members.

In order to meet the independence criteria, a person may not fall under any of the categories below in the last three fiscal years.

- (1) A person who executes business in a client company that exceeds the Company's standards<sup>\*1</sup>
- (2) A person who executes business in a lending company that exceeds the Company's standards<sup>\*2</sup>
- (3) A consultant, accounting specialist, lawyer, or any other person providing professional services, who received monetary payments or any other financial benefits equal to or more than ¥10 million, excluding directors' or audit & supervisory board members' compensation, from the Company or its major subsidiaries<sup>\*3</sup> in any of the last three fiscal years
- (4) A person who executes business in an organization that received donations exceeding the Company's standards<sup>\*4</sup>

Even if any of (1) through (4) applies to a person, where it has been decided that a person meets the independence criteria, the reasons shall be explained and disclosed at the time of that person's appointment as an independent Director or an independent Audit & Supervisory Board Member.

\*1 "A client company that exceeds the Company's standards" is defined as a company that had any business transactions with the Company and its major subsidiaries<sup>\*3</sup> in any of the last three fiscal years, with the total transaction value equal to or more than 2% of the total operating revenues of the Company and its major subsidiaries for the applicable fiscal year.

\*2 "A lending company that exceeds the Company's standards" is defined as a company from which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals or is more than 2% of the Company's consolidated total assets as of the end of the applicable fiscal year.

\*3 The major subsidiaries are DOCOMO CS, Inc., DOCOMO Support, Inc., DOCOMO Systems, Inc., DOCOMO Technology, Inc., DOCOMO CS Hokkaido, Inc., DOCOMO CS Tohoku, Inc., DOCOMO CS Tokai, Inc., DOCOMO CS Hokuriku, Inc., DOCOMO CS Kansai, Inc., DOCOMO CS Chugoku, Inc., DOCOMO CS Shikoku, Inc., and DOCOMO CS Kyushu, Inc.

\*4 "An organization that received donations exceeding the Company's standards" is defined as an organization that received donations from the Company and its major subsidiaries<sup>\*3</sup> in any of the last three fiscal years, in the total amount exceeding ¥10 million or 2% of the total revenues of the organization, whichever is larger, during the applicable fiscal year.

## **(Attachments)**

### **BUSINESS REPORT**

(For the fiscal year from April 1, 2017 to March 31, 2018)

#### Note:

The term “FY2017” hereinafter refers to the fiscal year ended March 31, 2018, and other fiscal years are referred to in a corresponding manner. All non-consolidated figures regarding results of operations in this report were prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), unless otherwise stated herein. Consolidated results contained herein were prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), unless otherwise noted.

#### (Reference) Medium-Term Strategy 2020 “Declaration beyond”

Looking ahead to the year 2020 and beyond, we will aim to amaze and inspire our customers and create new values hand-in-hand with our partners by exceeding customers’ expectations.

The word “beyond” reflects our will to transform ourselves to realize a richer future with 5G. For our customers, we will offer enhanced benefits and convenience as well as value and inspiration, such as enjoyment, surprise, satisfaction and peace of mind, and realize the co-creation of new values through “+d” initiatives such as making contributions to industries, solving social issues and expanding our partners’ businesses.

“Declaration beyond” outlines six declarations we have set for these initiatives.

By delivering three declarations intended for our customers and three for our partners, we will aim to reform our business structure, strengthen our business foundation by improving returns to our customers and investing in growth, and fuse and evolve various types of added value using 5G technology.

- “Declaration beyond”

- <Declaration 1: Market Leader>

- We will aspire to become a market leader in delivering benefits and convenience through further convergence and evolution of services, billing plans and point programs.

- <Declaration 2: Style Innovation>

- Taking advantage of the distinctive properties of 5G, as well as technologies such as VR, AI and IoT, we will devise enjoyable and exciting new services that bring innovation to customers’ various usage styles.

- To achieve this goal, we will pursue nine challenges under the companywide “empower+d challenge” project.

- <Declaration 3: Peace-of-Mind and Comfort Support>

- Toward the goal of realizing services that ensure the peace of mind and satisfaction of customers, we will continue to evolve our customer touchpoints through the adoption of AI.

- <Declaration 4: Industry Creation>

- Leveraging the 5G network that enables high-speed, large-capacity and low-latency transmission and simultaneous connections with a massive number of devices, we will strive to broaden the business opportunities of our partners and drive advancements across all industries in Japan.

- <Declaration 5: Solution Co-creation>

- Aiming to bring about growth and social abundance to Japan, we will further accelerate our “+d” initiatives to solve social issues.

- <Declaration 6: Partner Business Expansion>

- By further expanding and evolving the business platforms built upon DOCOMO’s assets, we will support our partners’ businesses and promote measures to grow the flow of transactions

|  |  |
|--|--|
| <p>&lt;Reference&gt; Principal Initiatives for Implementing Medium-Term Strategy 2020 “Declaration beyond”<br/> May 2017</p> | <p>Conducted world’s first live 8K ultra high-definition video streaming using test radio spectrum allocated for 5G at Tokyo SKYTREE &lt;Declaration 4&gt;</p> |
| <p>May 2017</p>  | <p>Launched “Simple Plan” and “Ultra Share Pack 30” &lt;Declaration 1&gt;</p>  |
| <p>June 2017</p>   | <p>Launched “docomo with” &lt;Declaration 1&gt;</p>  |
| <p>June 2017</p>   | <p>Launched the first step of “docomo Smart Island Project” in Guam &lt;Declaration 1&gt;</p>  |
| <p>August 2017</p>   | <p>Launched “AI Agent API” &lt;Declarations 2 and 6&gt;</p>  |
| <p>September and November 2017, and March 2018</p>   | <p>Provided “new sensory music live events” &lt;Declaration 2&gt;</p>  |
| <p>October 2017</p>  | <p>Commenced customer support via live chat for “docomo Online Application” &lt;Declaration 3&gt;</p>  |
| <p>October 2017</p>  | <p>Established LANDLOG Ltd. &lt;Declaration 5&gt;</p>  |
| <p>October 2017</p>  | <p>Launched “Location Net” &lt;Declarations 4 and 5&gt;</p>  |
| <p>October and November 2017</p>   | <p>Took part in “YOYOGI CANDLE 2020” &lt;Declarations 2 and 4&gt;</p>  |
| <p>November 2017</p>   | <p>Held “docomo R&amp;D Open House” &lt;Declarations 2 and 4&gt;</p>   |
| <p>January 2018</p>  | <p>Enhanced “docomo Smartphone class” &lt;Declaration 3&gt;</p>  |
| <p>January 2018</p>  | <p>Launched “dTV channel” and commenced sales of “docomo TV terminal” &lt;Declarations 1 and 2&gt;</p>   |
| <p>February 2018</p>   | <p>Increased “docomo Hikari bundle discount” for “Ultra Pack” options &lt;Declaration 1&gt;</p>  |
| <p>February 2018</p>   | <p>Launched “AI Taxi” &lt;Declarations 2 and 5&gt;</p>   |
| <p>February 2018</p>   | <p>Made “d Payment” available at Matsumoto Kiyoshi online store &lt;Declaration 6&gt;</p>  |
| <p>February 2018</p>   | <p>Launched “docomo 5G Open Partner Program” &lt;Declarations 4 and 5&gt;</p>  |
| <p>February 2018</p>   | <p>Developed drone platform “docomo sky” &lt;Declarations 2, 5 and 6&gt;</p>   |
| <p>February 2018</p>   | <p>Renewed “Osusume Pack” to newly provide “Ichioshi Pack” &lt;Declaration 1&gt;</p>   |

## 1. Business Matters of the Corporate Group

### (1) Main Business Activities (As of March 31, 2018)

The main business activities of our Group are summarized in the table below.

| Business Segment            | Main Business Areas  |
|-----------------------------|--|
| Telecommunications business | Mobile phone services (LTE(Xi) services and FOMA services), optical-fiber broadband services, satellite mobile communications services, international services and the equipment sales related to these services, etc. |
| Smart life business         | Services offered through “dmarket” portal such as distribution of video, music and electronic books, etc., finance/payment services, online shopping service and other life-related services, etc.                     |
| Other businesses            | “Mobile Device Protection Service,” commissioned development/sales and maintenance of systems, etc.  |

### (2) Developments and Results of Operations

#### i. Summary of principal initiatives

In Japan’s telecommunications market, competition has intensified due to the government’s pro-competition policy, the spread of low-cost smartphone services by MNO\*<sup>1</sup> sub-brands and MVNOs, new entrants from other industries into the MNO market and other factors. MNOs are working to expand and strengthen their customer base by reinforcing non-telecommunications business through various initiatives such as providing loyalty point programs and payment platforms. Competition beyond the conventional boundaries of the telecommunications business is shifting into high gear, as players accelerate collaboration, investment and alliances with other industries in pursuit of future growth through the use of new technologies such as artificial intelligence (AI), IoT\*<sup>2</sup> and drones, with a view to the transition to 5G network.

Amid this market environment, we developed and unveiled our Medium-Term Strategy 2020 “Declaration beyond” in April 2017 to realize a richer future with 5G network. We positioned the fiscal year ended March 31, 2018 as a year to “Challenge to Evolve” by taking the first steps towards the realization of our Medium-Term Strategy 2020 “Declaration beyond.” We made efforts for the creation and evolution of services, the evolution of our businesses through “+d” initiatives with partners to co-create new values, and the reinforcement and evolution of all our foundations.

As part of our efforts for the creation and evolution of services, we conducted “new sensory music live events” that provide a new viewing experience. Also in order to enhance customer returns, we launched “Simple Plan,” a billing option for customers with limited voice calling outside their family members, and “docomo with,” targeting customers who use a single handset for an extended period of time. Furthermore, to improve on customer touch points, we commenced a customer support service via live chat on “docomo Online Application”.

For the evolution of our businesses through “+d” initiatives, we launched 5G network trial sites and the “docomo 5G Open Partner Program” to create scenarios for the use of 5G network and put them into practical application. We also introduced “AI Agent API” as an initiative using AI, and began offering “AI Taxi,” which forecasts demand for taxi rides. Furthermore, as an effort toward the expansion of IoT, we began working to provide an IoT platform to increase the efficiency of work at construction sites through LANDLOG Ltd., which we established jointly with Komatsu Ltd., and others. As a result of our efforts, the number of “+d” partners increased to 468 at the end of this fiscal year.

Lastly, for the reinforcement and evolution of our foundations, we strived to boost the usage and enhance the convenience of “d POINTs” by trying to promote business management centered on the “d POINT CLUB” membership base. For example, the agreement of a business alliance with Matsumotokiyoshi Holdings Co., Ltd. to jointly provide new services among others. As a result, we achieved a total of 65.60 million “d POINT Club” members and 22.32 Million “d POINT CARD” registrants.\*<sup>3</sup>

\*1 Abbreviation for Mobile Network Operator: A mobile telecommunications service provider that provides mobile telecommunications services through wireless stations that it establishes or operates itself

\*2 Abbreviation for Internet of Things: A concept that describes a world in which everything is connected to the Internet, enabling remote control and management of devices, etc.

\*3 The number of users who can earn and use “d POINTs” at participating stores by registering their personal information.

## ii. Results of operations for the FY2017

| Item   | 26th Fiscal Year<br>(FY2016) | 27th Fiscal Year<br>(FY2017) | Year-on-Year<br>Change |
|--|------------------------------|------------------------------|------------------------|
| Operating revenues   | 4,584.6                      | 4,769.4                      | 4.0%                   |
| Operating income   | 944.7                        | 973.3                        | 3.0%                   |
| Income before income taxes and equity in net income (losses) of affiliates | 949.6                        | 1,096.6                      | 15.5%                  |
| Net income attributable to NTT DOCOMO, INC.                                | 652.5                        | 744.5                        | 14.1%                  |

For the fiscal year ended March 31, 2018, operating revenues increased by ¥184.9 billion from the previous fiscal year to ¥4,769.4 billion. This was mainly due to the increase in optical-fiber broadband service revenues as a result of the growth in the number of “docomo Hikari” users, the recovery of mobile telecommunications services revenues as a result of a decrease in the negative impact of the “Monthly Support” discount program, as well as the increase in equipment sales due to an increase in the number of smartphone handsets sold, despite the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers, due mainly to our provision of lower cost services.

Operating expenses increased by ¥156.3 billion from the previous fiscal year to ¥3,796.1 billion, due mainly to an increase in expenses associated with the expansion of “docomo Hikari” revenues, an increase in equipment cost due to an increase in number of smartphone handsets sold, an increase in expenses associated with point programs as a result of an increase in our provision of “d POINTs,” as well as an increase in depreciation expenses.

As a result, operating income increased by ¥28.5 billion from the previous fiscal year to ¥973.3 billion.

Income before income taxes and equity in net income (losses) of affiliates increased by ¥147.1 billion from the period of the previous fiscal year to ¥1,096.6 billion, due mainly to recognition of an arbitration award from Tata Sons Limited in “Other income,” and net income attributable to NTT, INC. increased by ¥92.0 billion from the period of the previous fiscal year to ¥744.5 billion for the fiscal year ended March 31, 2018.

iii. Trend of business segments

Operating revenues and income (expense) in each business segment in the fiscal year ended March 31, 2018 are indicated in the table below.

(Billions of yen)

| Category                      |                                | 26th Fiscal Year<br>(FY2016) | 27th Fiscal Year<br>(FY2017) | Year-on-Year<br>Change |
|-------------------------------|--------------------------------|------------------------------|------------------------------|------------------------|
| Operating<br>revenues         | Telecommunications<br>business | 3,711.2                      | 3,898.4                      | 5.0%                   |
|                               | Smart life business            | 501.9                        | 466.7                        | (7.0)%                 |
|                               | Other businesses               | 400.4                        | 436.5                        | 9.0%                   |
|                               | Elimination                    | (28.9)                       | (32.2)                       | (11.4)%                |
|                               | Total                          | 4,584.6                      | 4,769.4                      | 4.0%                   |
| Operating<br>income<br>(loss) | Telecommunications<br>business | 832.8                        | 832.8                        | (0.0)%                 |
|                               | Smart life business            | 57.9                         | 62.9                         | 8.6%                   |
|                               | Other businesses               | 54.0                         | 77.6                         | 43.6%                  |
|                               | Total                          | 944.7                        | 973.3                        | 3.0%                   |

■ Telecommunications Business

Operating revenues from telecommunications business for the fiscal year ended March 31, 2018 were ¥3,898.4 billion, an increase of ¥187.2 billion, or 5.0% from the previous fiscal year. This was mainly due to the increase in optical-fiber broadband service revenues as a result of the growth in the number of “docomo Hikari” users, the recovery of mobile telecommunications services revenues as a result of a decrease in the negative impact of the “Monthly Support” discount program, as well as the increase in equipment sales due to an increase in the number of smartphone handsets sold, despite the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers, due mainly to our provision of lower cost services.

Operating expenses from the telecommunications business increased by ¥187.3 billion or 6.5% from the previous fiscal year to ¥3,065.6 billion, owing primarily to an increase in expenses associated with the expansion of “docomo Hikari” revenues, an increase in equipment cost due to an increase in number of smartphone handsets sold, an increase in expenses associated with point programs as a result of an increase in our provision of “d POINTs,” as well as an increase in depreciation expenses.

Consequently, operating income from telecommunications business was ¥832.8 billion, the same amount as the period of the previous fiscal year.

## &lt;&lt;Number of Subscriptions for Principal Services&gt;&gt;

(Thousands of subscriptions)

| Category  | 26th Fiscal Year<br>(FY2016) | 27th Fiscal Year<br>(FY2017) | Increase or<br>Decrease | Year-on-Year<br>Change |
|---|------------------------------|------------------------------|-------------------------|------------------------|
| Mobile telecommunications services                  | 74,880                       | 76,370                       | 1,491                   | 2.0%                   |
| Including:<br>“Kake-hodai & Pake-aeru” billing plan | 37,066                       | 41,964                       | 4,899                   | 13.2%                  |
| LTE(Xi) services                                    | 44,544                       | 50,097                       | 5,553                   | 12.5%                  |
| FOMA services                                       | 30,336                       | 26,273                       | (4,062)                 | (13.4)%                |
| Churn rate (%)                                      | 0.59%                        | 0.65%                        | 0.05point               | —                      |
| Including:<br>Handset churn rate (%)                | 0.47%                        | 0.51%                        | 0.04point               | —                      |
| “docomo Hikari” optical broadband service           | 3,404                        | 4,762                        | 1,358                   | 39.9%                  |

## Notes:

1. Number of subscriptions to Mobile telecommunications services, Mobile telecommunications services (LTE(Xi)) services and Mobile telecommunications services (FOMA) services include Communication Module services subscriptions.
2. Churn rate (including handset churn rate) is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.
3. Handset churn rate is the churn rate of Basic Plans (excluding Data Plans and Device Plus 500), Xi/FOMA Billing Plans and Type Limit Value/Type Limit for smartphones, feature phones, etc.

**Topics**

## ● Enhanced Customer Returns

We continued working to strengthen returns to our customers and encourage use of smartphones, mainly by leveraging our “Kake-hodai & Pake-aeru” billing scheme in an effort to address their diverse needs.

In May 2017, we launched the “Simple Plan,” a billing plan for customers with limited voice calling outside their family members, and “Ultra Share Pack 30,” which is designed for customers with high data usage.

In June 2017, we introduced “docomo with,” a billing plan targeting customers who use a single handset for an extended period of time, and in December 2017, the number of subscriptions topped 1 million.

Furthermore, in March 2018, we launched the “Packet Pack Kaigai Option,” a service that enables subscribers to use data from their current data subscriptions overseas.

As a result of these undertakings, the total number of subscriptions for the “Kake-hodai & Pake-aeru” billing scheme as of March 31, 2018 reached 41.96 million, recording an increase of 4.9 million from March 31, 2017. In addition, the number of smartphone and tablet users as of March 31, 2018 was 38.30 million.

## ● Strengthened Customer Touchpoints

In an effort to enhance our support system for resolving customer problems, in September 2017, we introduced AI-based support for answering customer inquiries in the form of an automated voice response system of the docomo Information Center to shorten waiting times for customers who contact us. Additionally, in October 2017, we commenced a customer support service via live chat for “docomo Online Application” so that the troubled customers can utilize the system and the operator can address problems on the spot.

Furthermore, starting in January 2018, we enhanced the “docomo Smartphone classes” organized by docomo shops to dispel customers’ anxieties about smartphones and allow them

to make full use of the devices. In addition to updating the curriculum, we increased the number of classes to make it easier for customers to participate.

- Actions to Expand Adoption of “docomo Hikari”

For customers who want to use data both at home and outside without worrying about data volume, in February 2018, we revised the “docomo Hikari bundle discount” that applies when smartphones and “docomo Hikari” are used as a set, and increased the amounts of the “docomo Hikari bundle discount” for the “Ultra Pack” options by a maximum of 500 yen per month.

In addition, we expanded the number of eligible partners under the “docomo Hikari Type C” rate plan, which allows subscribers to use the optical-fiber broadband and Internet access services offered by our partner cable TV operators as a set, to nine companies nationwide.

As a result of these initiatives and the various promotional campaigns we conducted, the total number of “docomo Hikari” subscriptions grew to 4.76 million as of March 31, 2018, posting a net increase of 1.36 million over the previous fiscal year.

- Actions for Reinforcement of Communication Network

In an effort to reinforce our networks, we expanded the coverage of our “PREMIUM 4G” service to 1,637 cities across Japan as of March 31, 2018. In addition, in September 2017, we commenced a communication service that offers Japan’s fastest maximum downlink speed of 788Mbps by further evolving transmission techniques. In October 2017, we launched a new carrier aggregation\*<sup>1</sup> using “4CA” that aggregates four carrier frequencies.

Through these measures, we have successfully created a high-speed communication environment that provides customers with comfortable network experience.

We conducted surveys of effective data speeds adhering to the “Guidelines for the Effective Speed Measurement Method of Internet Connection Services Provided by Mobile Telecommunications Carriers and Information Providing Method, etc. for Users” defined by the Ministry of Internal Affairs and Communications. The results indicated that we achieved improvements in our download over the previous year. Our download speed\*<sup>2</sup> was 182Mbps (up 64Mbps from the previous year) and our upload speed was 23Mbps (same as the previous year).

\*1 A technology that enhances the communication speed by aggregating multiple carrier frequencies

\*2 Median value (Android + iOS)

- Smart Life Business

Operating revenues from smart life business for the fiscal year ended March 31, 2018 were ¥466.7 billion, a decrease of ¥35.2 billion, or 7.0%, from the previous fiscal year. This was mainly due to a decrease in revenues from a subsidiary which began recording revenues on a net basis as a result of a change in its business model effective from April 1, 2017. This decrease in revenues was greater than increases in revenues from our finance/payment services and other services.

Operating expenses from smart life business were ¥403.8 billion, a decrease of ¥40.2 billion, or 9.0%, from the previous fiscal year, due mainly to a decrease in expenses attributable to a subsidiary as a result of the change in its business model as described above, as well as a decrease in expenses due to our increased efficiency in sales. This decrease in expenses was greater than an increase in expenses associated with various initiatives that we undertook towards future growth.

Consequently, operating income from smart life business was ¥62.9 billion, an increase of ¥5.0 billion, or 8.6%, from the previous fiscal year.

#### Topics

- Improved Convenience of “d POINTs”

For the Smart life business segment, we improved the convenience of “d POINTs” by expanding the brands and websites where “d POINTs” can be earned and used.

In August 2017, we reached an agreement regarding a business alliance with Matsumotokiyoshi Holdings Co., Ltd. to jointly provide new services, with a view to improving convenience and services for customers of Matsumotokiyoshi Holdings Co., Ltd. and “d POINT Club.” As one of the measures based on the business alliance, “d Payment” became available at the Matsumoto Kiyoshi online store in February 2018. In June 2017, we also enabled the use of “d POINTs” at participating stores in Guam, as one of our efforts under the “docomo Smart Island Project.”

As a result of these efforts, as of March 31, 2018, the total number of “d POINT Club” members reached 65.60 million, the total number of “d POINT Card” registrants\* reached 22.32 million, and the total number of partners participating in the “d POINTs” program was 217.

\* The number of users who can earn and use “d POINTs” at participating stores by registering their personal information

#### ● Actions to Expand Services Toward Realization of Smart Life

We worked to expand “dmarket” services to allow a wide range of customers to enjoy these services.

In August 2017, we started offering “d enjoypass,” which enables customers to receive special discounts on various services in categories including leisure, hot springs, beauty, lifestyle, accommodations, and gourmet. In September 2017, we introduced “d job,” which allows users to retrieve a range of job information via smartphone or other device. In November 2017, we launched “d car share,” through which customers can use a single “d account” to choose among various car-sharing businesses, rent-a-car businesses and privately owned cars, according to their purpose, location or date of use. In addition, in January 2018, we began providing “dTV channel,” a video service that offers easy, unlimited access to 31 specialty channels including movies, drama, animation, and hobbies on a smartphone or other devices. At the same time, we commenced sales of “docomo TV terminal,” a set-top box with which customers can view all our video services on a home television.

Furthermore, the number of subscriptions for the “DAZN for docomo” sports live streaming service topped 1 million in March 2018. In addition to various contents for “DAZN for docomo,” we set up “DAZN for docomo SPORTS LOUNGE” for a limited of time, where visitors were able to experience our vision of sports entertainment of the future.

Additionally, we have changed the name of “Osusume Pack,” which enables subscribers to use our three services “Sugotoku-Contents,” “i-concier” and “Cloud Storage Option Plus 50GB” at discounted prices, to “Ichioishi Pack” from February 2018, and added benefits and expanded the service menu.

#### ● Actions for Proliferation of “d CARD”

The total number of “d CARD GOLD” subscribers topped 3 million in September 2017, mainly due to a campaign for acquiring new subscribers in our credit card service “d CARD.”

The total number of “d CARD” subscribers\* as of March 31, 2018 grew to 18.93 million, an increase of 1.26 million from March 31, 2017.

In addition, the total amount of transactions through our finance/payment services reached ¥3,171.9 billion for the fiscal year ended March 31, 2018, an increase of ¥564.5 billion from the previous fiscal year.

\* The combined members of “d CARD” and “d CARD mini”

#### ■ Other businesses

Operating revenues from other businesses for the fiscal year ended March 31, 2018 amounted to ¥436.5 billion, an increase of ¥36.1 billion, or 9.0%, from the previous fiscal year, driven mainly by an increase in the number of subscriptions for our “Mobile Device Protection Service” and the growth of revenues relating to IoT businesses.

Operating expenses from other businesses were ¥358.9 billion, an increase of ¥12.5 billion, or 3.6%, from the previous fiscal year, as a result of rises in expenses associated with IoT businesses, despite a decrease in expenses as a result of pursuing further cost efficiency.

Consequently, operating income from other businesses was ¥77.6 billion, an increase of ¥23.6 billion, or 43.6%, from the previous fiscal year.

## Topics

### ● “Top Gun” Initiatives

Through cooperation between the R&D Group and Corporate Sales and Marketing Group, we are implementing “Top Gun” initiatives to realize prompt sales activities, business verification and service creation. As an example of the results, in October 2017, we started the provision of “Location Net” that enables users to monitor children and elderly people or to track the location of business equipment, by attaching a dedicated tag using short-range wireless technology (BLE) to persons and objects.

### ● Initiatives Using AI

We are actively pursuing practical applications of AI-based services. In April 2017, together with ZENRIN Co., Ltd. and our group company ZENRIN DataCom Co., Ltd., we began offering a voice agent service for automobiles, “AI infotainment,” that takes advantage of various AI techniques such as “natural dialogue<sup>\*1</sup>,” “behavior prediction<sup>\*1</sup>” and “advanced information search<sup>\*1</sup>.” In February 2018, we launched “AI Taxi,” a service that forecasts future demand for taxi rides through the real-time traffic forecasting technology<sup>\*1</sup> using AI and population statistics based on mobile phone network systems (real-time version of mobile spatial statistics)<sup>\*2</sup>.

\*1 A constituent technology of “corevo,” NTT Group’s AI technologies, or systems that use this technology

\*2 Population statistics using information that indicates the sizes of groups of people by area or by attribute, without including any information that could identify specific customers

### ● Supporting Program for Business Startups

We made investments in startup companies that have various technologies and expertise in areas including drones, security, home delivery and storage services, and e-book platform development, with the aim of supporting and strengthening collaboration with startups that possess innovative technologies and groundbreaking business models in a range of fields. For example, in November 2017, we invested in PRENAV, INC. (hereinafter, “PRENAV”), a U.S.-based developer of commercial-use drones for infrastructure inspection, and are using PRENAV’s drone solutions to inspect our wireless base stations and other facilities.

Furthermore, in October 2017, we established the DOCOMO Innovation Fund II, L.P. with NTT FINANCE CORPORATION, in order to strengthen support for and collaboration with startup companies with the aim of realizing our Medium-Term Strategy 2020 “Declaration beyond”

### ● Initiatives for Proliferation of IoT

In an effort to expand IoT, in October 2017, we began offering new billing schemes “IoT Plan” and “IoT Plan HS” to meet the various needs and usage patterns of customers. In addition, we began working to provide an IoT platform to increase the efficiency of work at construction sites through LANDLOG Ltd., which we established jointly with Komatsu Ltd. and others. We also introduced “LoRaWAN\*,” an IoT network service using LPWA (Low Power Wide Area) telecommunications technology that enables long-range communications with multiple connections and low power consumption.

\* A wide-area network using “LoRa,” an LPWA standard

### (3) Trend of Capital Expenditures

- Expansion of Telecommunications Facilities

As a result of our aggressive roll-out of “PREMIUM 4G” service in the high-traffic areas in urban centers to construct a network that can offer “greater comfort of access” to our customers, the total number of “PREMIUM 4G”-compatible base stations increased from previously 69,700 stations as of March 31, 2017 to 108,300 stations as of March 31, 2018.

In addition, in pursuit of further coverage improvement of our LTE service, we increased the total number of LTE base stations from 161,900 as of March 31, 2017 to 185,000 as of March 31, 2018.

- Measures for More Efficient Use of Capital Expenditures

Toward the goal of further strengthening our managerial structure, we continued to pursue more efficient use of capital expenditures through reduction of equipment procurement and other costs, and further improvement of the efficiency of telecommunications facilities construction. We also aggressively promoted the integration and/or capacity expansion of our facilities with the introduction of high-performance equipment for the purpose of reducing our future network operation costs.

As a result of the above measures, the total capital expenditures for the fiscal year ended March 31, 2018 decreased by 3.5% from the previous fiscal year to ¥576.4 billion.

### (4) Financing Activities

During the fiscal year ended March 31, 2018, we did not make any long-term financing through capital increase, issuance of corporate bonds or long-term borrowings.

### (5) Research and Development Activities

In order to provide the 5G network and develop businesses such as AI, IoT and drones, etc., we have been working on R&D for communication networks, devices and services. We also have been proactively working on open innovation with external companies to create new value through initiatives including the “docomo R&D Open House” held in November 2017 to exhibit our efforts related to technologies such as 5G, AI and IoT.

#### <<Technology Put to Practical Use During the Fiscal Year Ended March 31, 2018>>

- Low Power Consumption Technology for IoT (eDRX/eTAU)

In order to reduce power consumption by IoT devices, we developed a function that makes it possible to extend the communication cycle and lengthen the sleep state while the device is on standby, and to optimize the transmission timing of position registration signals and reduce the processing count.

- Product Shelf Image Recognition

Using our AI technology, we developed a product shelf image recognition engine\* that can analyze the state of product displays on shelves in retail stores such as supermarkets and convenience stores in real time using photos taken by smartphones, etc.

\* A constituent technology of “corevo,” NTT Group’s AI technologies

## <<Technology Developments to be Implemented>>

### ● Initiatives for 5G network

- Initiatives toward 5G network commercialization

Using the results of R&D related to 5G network, including demonstration tests on various 5G wireless technologies, we contributed to the formulation of the first 5G NR (New Radio) specifications by the 3GPP, the organization that formulates standards for mobile communications systems.

- New sensory experience events

In September and November 2017 and March 2018, we provided “new sensory music live events,” which used a range of image technologies such as head-mounted displays, 3D hologram displays and holographic image projection technology to offer a new type of entertainment experience, giving viewers the sense of a live performance taking place before their eyes even while they are at a separate place from the actual venue.

- Initiatives toward creating usage scenes with our partners

In May 2017, we launched the “5G trial site,” where we create businesses through wide-ranged collaboration with our partners to develop various services leveraging 5G technology, and allow customers to experience such services. As one of the results, we conducted verification experiments<sup>\*1</sup> aimed at remote control of construction and mining machinery using 5G network. Furthermore, we carried out verification tests<sup>\*2</sup> aimed at remote diagnosis as part of the “Comprehensive Verification Tests Aimed at Creating New Markets through the Realization of 5G” led by the Ministry of Internal Affairs and Communications. In order to further broaden these initiatives, in February 2018 we started the “docomo 5G Open Partner Program,” which provides information about 5G technology and specifications and a 5G technology testing environment at no charge.

\*1 Conducted jointly with Komatsu, Ltd.

\*2 Conducted jointly with Wakayama Prefecture and Wakayama Medical University

- A new sensory experience in projection mapping

At YOYOGI CANDLE 2020, an event held in October and November 2017 to mark the 1,000-days point before the Tokyo 2020 Olympic/Paralympic games, a performance given by athletes on the venue stage was projected onto the outside wall of NTT DOCOMO Yoyogi Building in real time, using 5G network to provide real-time transmission of spatial information.

### ● Initiatives Related to AI

- Promotion of “docomo AI Agent Open Partner Initiative”

Our newly developed “AI Agent API,” an artificial intelligence (AI) application programming interface (API), will be at the core of a new AI agent service that will bring innovation to customer lifestyles. We are promoting the “docomo AI Agent Open Partner Initiative” to facilitate joint development of new ways of providing services through a service-agnostic and device-agnostic speech interface.

- AI-based congestion prediction

In December 2017, we began demonstration tests of traffic congestion forecasting on the Tokyo Bay Aqua-Line Highway through “AI-based congestion prediction<sup>\*1</sup>” using population statistics based on mobile phone network systems (real-time version of mobile spatial statistics)<sup>\*2</sup> and past traffic records held by East Nippon Expressway Company Limited.

\*1 A constituent technology of “corevo,” NTT Group’s AI technologies

\*2 Population statistics using information that indicates the sizes of groups of people by area or by attribute, without including any information that could identify specific customers

- Initiatives Related to IoT and Devices

- Launch of drone platform

In February 2018, we developed the drone platform “docomo sky,” a total-support platform for drone operations, for companies that provide services using drones, and began offering it on a trial basis in March 2018.

- Mirainoie Project

In June 2017, we began the “Mirainoie Project<sup>\*1</sup>,” which studies and promotes future houses that use AI and IoT to remind residents of their living conditions, etc. through visualization of their lifestyle, and to create and promote a comfortable interior environment. As one of the project initiatives, in December 2017 we launched verification trials<sup>\*2</sup> of lifestyle monitoring using an IoT smart home in Yokohama City.

\*1 Implemented jointly with Yokohama City and and factory, inc.

\*2 Implemented jointly with Yokohama City, and factory, inc., Sotetsu Group and FUJITSU CONNECTED TECHNOLOGIES LIMITED.

As a result of the above, total research and development costs for the fiscal year ended March 31, 2018 increased by 10.5% from the previous fiscal year to ¥91.8 billion.

## (6) Activities Toward Realization of Sustainable Society

We aspire to help build a society in which everyone can share in a prosperous life of safety, security and comfort, beyond borders and across generations.

We believe it is our corporate social responsibility (“CSR”) to fulfill the two aspects : (i) “Innovative docomo” to solve various social issues through the “co-creation of social values,” an initiative that we plan to pursue together with various partners to create new services and businesses, and (ii) “Responsible docomo” to thoroughly ensure fair, transparent and ethical business operations as a foundation for the creation of such values. Accordingly, we will strive to enhance services for our customers while pursuing sustainable corporate development.

DOCOMO was selected as a component of the DJSI World Index of the Dow Jones Sustainability Indices (DJSI), which are global indices for ESG<sup>\*1</sup> investment, and three indices<sup>\*2</sup> adopted for ESG investment by the Government Pension Investment Fund (GPIF). In addition, DOCOMO was ranked first place overall in the Fiscal 2018 Toyo Keizai CSR Corporate Ranking, rated five stars in the NIKKEI Smart Work survey, which is the top rated category, and also received an award in the innovation department of the NIKKEI Smart Work Awards 2018.

\*1 An investment method that is named after and focuses on the three elements of “Environment,” “Social” and “Governance”

\*2 “FTSE Blossom Japan Index,” “MSCI Japan ESG Select Leaders Index” and “MSCI Japan Empowering Women Index”

## CSR Medium-Term Target

The CSR Medium-Term Target outlines the goals toward FY2020 in order to realize “a society in which everyone can share in a prosperous life of safety, security and comfort,” a goal stated in DOCOMO’s CSR policy.

In setting the goals for the CSR Medium-Term Target, we first identified eight sustainability focuses that we should pursue in order to fulfill our social responsibility, and set out specific medium-term goals and KPIs for each focus.

### <<Innovative docomo>>

- Start of Provision of “MieruRusuden” and Enhancement of “Mierudenwa” Functions

We have started the provision of “MieruRusuden,” a service that converts spoken messages left on the “Voice Mail Service” into text and displays them on a smartphone.

We also enhanced the functions of “Mierudenwa,” a service currently offered on a trial basis for customers with hearing difficulties that automatically converts and displays a caller’s spoken words into text in real time, and began offering an “input-to-speech function” that converts text input into spoken words. In addition, “Mierudenwa” was recognized among the “Good Design Best 100” at Good Design Award 2017.

### <<Responsible docomo>>

- Actions for Disaster Response and Preparedness

During the Torrential Rains of July 2017 in northern Kyushu, we worked to quickly restore communication services through measures such as deploying mobile base station vehicles and sending portable base stations by helicopter. We also carried out efforts including lending satellite mobile phones to local governments and other entities and providing free battery-charging services to support those affected by the disaster, in addition to setting up a charity website and making donations.

In May 2017, with the aim of speedily restoring services during disasters regardless of ground conditions, we conducted a verification experiment on a “drone relay station” in Naganohara Town, Agatsuma County, Gunma Prefecture, and successfully provided coverage using test frequencies.

- Participation in the Tokyo 2020 Medal Project

We have participated in the “Tokyo 2020 Medal Project: Towards an Innovative Future for All,” a project to create medals for the Tokyo 2020 Olympic and Paralympic games from used mobile phones and other compact home appliances, sponsored by the Tokyo Organising Committee of the Olympic and Paralympic Games, and started collecting used mobile phones and other devices at nationwide docomo shops, etc.

- Continued Efforts in “Smartphone and Mobile Phone Safety Class” and “DOCOMO Hearty Lecture”

DOCOMO’s “Smartphone and Mobile Phone Safety Classes” enlighten participants on the rules and manners of using smartphones and mobile phones, as well as how to respond to troubles that may arise with their use. In the fiscal year ended March 31, 2018, we held a total of approximately 7,900 sessions attended by approximately 1.35 million people, with a cumulative participation of over 10 million people since these courses were started. We also engaged in initiatives such as holding our “Smartphone and Mobile Phone Safety Class” jointly with the “Cyber Class” held by the Metropolitan Police Department in September 2017.

We also held 99 sessions of our “DOCOMO Hearty Lecture” for people with disabilities, introducing convenient features and usage tips for smartphones and other mobile devices. The lectures had a participation of a total of approximately 1,000 people.

- Mobile Communication Fund Activities

The Mobile Communication Fund (MCF) is a non-profit organization established by DOCOMO with the aim to support research activities. In the fiscal year ended March 31, 2018, the Fund continued its sponsorship of the “DOCOMO Mobile Science Award,” given to outstanding research and dissertations relating to mobile communications technologies. The MCF presented an Award of Excellence (with ¥6.00 million in prize money) in each of the following divisions: Advanced Technology, Basic Science and Social Science. The Fund also provided scholarships totaling ¥56.76 million to 40 international students from Asia and provided subsidies totaling ¥34.64 million to 59 different civic activities undertaken for the health and development of children and for the support of children facing financial hardship.

## (7) Activities for Work Style Reform

In order to continue to deliver “new values” to society, work styles that foster “self-discipline” and “a challenging mindset” in each of our employees are necessary. Through “diversity management,” “broader work style options” and “health and productivity management,” we are promoting work style reforms of our employees.

### ● Diversity Management

We recognize and embrace individual differences in race, ethnicity, nationality, gender (including gender identity and sexual orientation), restriction of work hours, disability, vocational skills and values. We are also pushing forward on endeavors to create a corporate culture that not only accepts, but also allows each and every employee to exert their full potential and contribute to the Company’s business. For example, we proactively employ persons with severe intellectual disabilities at a special purpose subsidiary and provide support for learning and instruction to help them function better physically so that they can vigorously perform their capabilities continuously throughout employment. In addition, we received a “gold” rating for two consecutive years on the PRIDE Index\* created by the volunteer organization “work with Pride” (“wwP”) to recognize LGBT-related efforts.

\* An index developed by wwP to support the creation of LGBT-friendly workplaces, publicize best practices, and promote broad social awareness of specific ways to create such workplaces and their degree of adoption, in order to realize comfortable workplaces for LGBT and other gender minorities in Japan

### ● Broader Work Style Options

We expanded work style options for enhanced productivity, including increasing the number of business units that are allowed to adopt flexible work hours and expanding usage patterns and Group companies eligible for working at home. In addition, we were among the recipients of the Top Hundred Telework\* Pioneers Award of the Minister for Internal Affairs and Communications for FY 2017, which were selected by the Ministry of Internal Affairs and Communications, for efforts such as providing in-house examples of improved efficiency along with ICT tools to many companies.

\* A flexible work style, regardless of place or time, through use of ICT

### ● Health and Productivity Management

We are promoting initiatives aimed at maintaining the physical and mental health and enhancing the vitality and productivity of employees. Examples include an intra-company step-count competition “DOCOMO Let’s Walk Campaign 2017,” publishing a “Health White Paper,” and performing stress checks to introduce workplace improvement measures. As a result of these efforts, we were recognized as an organization in the large enterprise category (White 500) under the 2018 Certified Health & Productivity Management Organization Recognition Program\* for two years in a row.

\* A program jointly organized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi to recognize corporations that practice excellent health and productivity management in cooperation with health insurance societies and associations

(8) Consolidated Financial Results and Assets

|   | 24th Fiscal Year<br>(FY 2014) | 25th Fiscal Year<br>(FY 2015) | 26th Fiscal Year<br>(FY 2016) | 27th Fiscal Year<br>(FY 2017) |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Operating revenues<br>(millions of yen)   | 4,383,397                     | 4,527,084                     | 4,584,552                     | 4,769,409                     |
| Operating income<br>(millions of yen)   | 639,071                       | 783,024                       | 944,738                       | 973,264                       |
| Income before income taxes<br>and equity in net income<br>(losses) of affiliates<br>(millions of yen) | 643,883                       | 778,021                       | 949,563                       | 1,096,625                     |
| Net income attributable to<br>NTT DOCOMO, INC.<br>(millions of yen)                                   | 410,093                       | 548,378                       | 652,538                       | 744,542                       |
| Earnings per share attributable<br>to NTT DOCOMO, INC.<br>(yen)                                       | 101.55                        | 141.30                        | 175.12                        | 201.73                        |
| Total assets (millions of yen)  | 7,146,340                     | 7,214,114                     | 7,453,074                     | 7,748,290                     |
| Total NTT DOCOMO, INC.<br>Shareholders' equity<br>(millions of yen)                                   | 5,380,072                     | 5,302,248                     | 5,530,629                     | 5,680,409                     |

(9) Issues to be Addressed by the Group

The Group formulated its Medium-Term Strategy 2020 “Declaration beyond.” (For reference, the details of Medium-Term Strategy 2020 “Declaration beyond” are included on page 26.) The priority initiatives for the fiscal year ending March 31, 2019, which have been set based on Medium-Term Strategy 2020 “Declaration beyond,” are as follows.

FY2018 Priority Initiatives

We have positioned FY2018 as a year to “deliver the fruits of ‘Declaration beyond’ to customers” and “start the transformation of our business foundation.” We will implement and promote “Declaration beyond” and build a new business foundation centered on our member base.

i. Implementation and promotion of “Declaration beyond”  
<Providing customers with greater value and excitement>

We will implement continuous returns to our customers and provide benefits and convenience tailored to individual customers by overhauling the “d POINT Club,” establishing the new “Basic Pack/Basic Share Pack” option, and other measures. We will also implement a business for style innovation using cutting-edge technologies, such as the full-fledged provision of AI agent services. We will also strive to evolve our customer touchpoints by launching AI-based inquiry support and other measures.

<Co-creating value with partners>

We will further promote the “docomo 5G Open Partner Program,” creating new usage scenarios with a broad range of partners so that 5G services are available when the deployment of 5G network takes place. We will establish and develop fact cases of the co-creation of solutions aimed at addressing social issues and regional vitalization. We will also promote partners’ business expansion through our open business platform.

ii. Business innovation centered on our membership base

We will promote business innovation centered on our membership base, regardless of the presence or absence of mobile phone subscriptions. We will use digital marketing and AI agents to better understand individual customers and deepen our connections with them, providing greater value to all customers under our membership program.

In the fiscal year ending March 31, 2019, we will continue to do our utmost to improve customer service and ensure corporate sustainable development by continuously implementing and promoting “Declaration beyond,” and will carry out business operations in order to increase operating free cash flow and improve shareholder returns.

<<FY2018 Target>>

| Item                                   | FY2018 Target                      | < Reference ><br>Toward 2020  |
|--|------------------------------------|---|
| Operating free cash flow <sup>*1</sup> | ¥960.0 billion                     | Cash generation capability exceeding previous fiscal year continuously by realizing efficient investment activities in 5G and EBITDA growth |
| Shareholder returns                    | Annual Dividend <sup>*2</sup> ¥110 | Continuous increase in dividends and expeditious share repurchase   |

\*1 Operating free cash flow = EBITDA - Capital Expenditures. The target was calculated based on International Financial Reporting Standards (IFRS).

\*2 Dividend per share

(10) Principal Offices (As of March 31, 2018)

(a) Headquarters: 11-1, Nagata-cho, 2-chome, Chiyoda-ku, Tokyo, Japan

(b) Regional Offices:

|                          |  |
|--------------------------|--|
| Hokkaido Regional Office | : Chuo-ku, Sapporo, Hokkaido Prefecture    |
| Tohoku Regional Office   | : Aoba-ku, Sendai, Miyagi Prefecture       |
| Tokai Regional Office    | : Higashi-ku, Nagoya, Aichi Prefecture     |
| Hokuriku Regional Office | : Kanazawa, Ishikawa Prefecture            |
| Kansai Regional Office   | : Kita-ku, Osaka, Osaka Prefecture         |
| Chugoku Regional Office  | : Naka-ku, Hiroshima, Hiroshima Prefecture |
| Shikoku Regional Office  | : Takamatsu, Kagawa Prefecture             |
| Kyushu Regional Office   | : Chuo-ku, Fukuoka, Fukuoka Prefecture     |

(11) Employees (As of March 31, 2018)

| Number of Employees<br>(change from March 31, 2017) | Average Age | Average Length of Employment |
|---|-------------|------------------------------|
| 27,464 (increase of 730)                            | 41.3        | 15.1 years                   |

Notes:

1. The number of employees includes 297 employees seconded from companies other than the Company or its subsidiaries, but does not include 146 employees seconded to companies other than the Company or its subsidiaries.
2. In calculating the average age of employees, employees at overseas subsidiaries are not included.

3. In calculating the average length of service for employees transferred from NTT, other companies in the NTT Group, the former NTT Central Personal Communications Network, Inc., or the eight regional companies in the Personal Communications Network, years of employment at their respective prior employers are included in the calculation. Employees seconded from companies other than the Company or its consolidated subsidiaries and employees at overseas subsidiaries are not included in the calculation.

## (12) Status of Parent Company and Principal Subsidiaries

### (a) Relationship with Parent Company

NTT, our parent company, currently owns 2,394,485,400 shares of our company (66.64% of all shares\*) as of March 31, 2018. The Company conducts business mainly in the mobile communication field under its own managerial responsibilities within the NTT Group.

\* The percentage of shares held is calculated excluding treasury shares.

### (b) Transactions with Parent Company

The Company and NTT have concluded agreements on the content of services and benefits provided by NTT to the Company, and compensation for the same, with respect to basic research and development and group management conducted by NTT. Including such agreements, any material contracts concluded between the Company and NTT are subject to legal review by the Legal Department and auditing by the audit & supervisory board members. In addition particularly important agreements must be approved at a meeting of the Board of Directors at which both independent outside directors and independent outside audit & supervisory board members are present.

Additionally, in the fiscal year ended March 31, 2018, as stated in “Note regarding related party transactions” in the Notes to Non-Consolidated Financial Statements, the Company acquired shares of its common stock from NTT. From the standpoint of shareholder equality and transaction transparency, the Company carried out a tender offer to ensure that shareholders other than NTT would also have the opportunity to accept the offer after having been given a certain period of time to review it and observe the trend in the market price. From the standpoint of respecting the interests of the shareholders who do not accept the offer and continue to hold its common stock, the Company also decided to purchase shares at a certain discount from the market price so as to stem the flow of assets from the Company to the extent possible. Furthermore, because its Director, Shinichiro Ueno, concurrently serves as an employee of NTT, he did not participate in the Board of Directors’ discussions or decisions concerning the tender offer and did not participate in the deliberations or negotiations with NTT on behalf of the Company, from the standpoint of eliminating arbitrariness in the decision-making process when examining and deciding the tender offer. In light of the above, the Board of Directors of the Company has determined that the substance and terms of the transaction were determined through fair and appropriate procedures and that the interests of the Company have not been harmed.

### (c) Principal Subsidiaries

There are no subsidiaries that are considered to be principal subsidiaries as of March 31, 2018. There were 108 subsidiaries and 22 affiliates as of March 31, 2018.

### (d) Material Contracts for Management of the Company

We have entered into a basic agreement for billing and collection activities for telecommunications services charges, as well as a receivables assignment agreement pursuant that agreement, with NTT Finance Corporation (“NTT Finance”). Under these agreements we have assigned the receivables associated with our telecommunications services to NTT Finance.

### (13) Principal Creditors

There were no principal creditors as of March 31, 2018

### (14) Other Principal Materials about Present Situation of the Company

The Company exercised to Tata Sons Limited (Tata Sons) on July 2014 its right (option) to request that a suitable buyer be found to purchase its Tata Teleservices Limited (TTSL) shares for 50% of the acquired price, or a fair market value, whichever is higher, and submitted a request for arbitration to the London Court of International Arbitration (LCIA) on January 2015.

DOCOMO received a binding arbitration award from the LCIA on June 2016. The award ordered that Tata Sons pay damages to DOCOMO in the amount of approximately \$1,172 million (or ¥132.6 billion<sup>\*1</sup>) for Tata Sons' breach of the Agreement, upon DOCOMO's tender of its entire stake in TTSL to Tata Sons or its designee.

On July 2016, DOCOMO submitted an application to the High Court in India ("the Court") requesting enforcement of the LCIA Award in India. On February 2017, DOCOMO and Tata Sons submitted a joint application to the Court requesting that the Court declare the LCIA Award enforceable in India. On April 2017, the Court delivered a court decision approving the joint application.

On October 2017, DOCOMO received payment of an arbitration award<sup>\*2</sup> from Tata Sons in accordance with the Court decision. As a result of this transaction, DOCOMO recorded the award amount of ¥147.6 billion as "Income from arbitration award" on its consolidated statement of income for the fiscal year ended March 31, 2018.

Concurrent with the receipt of the above award amount, all shares in TTSL held by DOCOMO were transferred to Tata Sons and companies designated by Tata Sons. Upon the transfer of DOCOMO's shares in TTSL, DOCOMO discontinued the application of the equity method to the investment in TTSL. As a result, DOCOMO recorded ¥29.8 billion of loss on transfer of investment in an affiliate, equal to the reclassification adjustments of foreign currency translation adjustments, in "Other, net" on its consolidated statement of income for the fiscal year ended March 31, 2018.

\*1 \$1 = ¥113.16 as of October 31, 2017

\*2 The amount received included interest earned and other costs awarded.

(Reference) Background of the receipt of the arbitration award amount relating to investments in TTSL

| Date                     | Event   |
|--------------------------|---|
| March 2009               | The Company acquires a stake in TTSL (Capital contribution ratio: approx. 26%).   |
| May 2014                 | TTSL fails to achieve performance targets and the Company acquires an option to request a buyer for its TTSL shares.  |
| July 2014                | The Company exercises the option to request a buyer for its TTSL shares.  |
| January 2015             | The Company files a request for arbitration with the London Court of International Arbitration.   |
| June 2016                | The Company receives a binding arbitration award from the London Court of International Arbitration.  |
| July 2016                | The Company files for an enforcement order of the arbitration award with the courts in UK and India.  |
| February 2017            | The Company and Tata Sons jointly apply to the Delhi High Court for enforcement of the arbitration award according to the terms agreed upon between the two parties.  |
| April 2017               | The Company receives the decision to enforce the arbitration award from the Delhi High Court.   |
| October to November 2017 | The Company confirms receipt of the arbitration award amount and reports approx. ¥147.6 billion as income from arbitration award.<br>TTSL is eliminated from the scope of affiliates under the equity method. |

## 2. Company Shares (as of March 31, 2018)

(1) Total number of authorized shares: 17,460,000,000 shares

(2) Total number of issued shares: 3,782,299,000 shares\*

\* The “total number of issued shares” decreased year-on-year by 117,264,000 due to the cancellation of treasury stock on March 30, 2018.

(3) Number of shareholders: 288,941

(4) Principal Shareholders

| Shareholders  | Holdings in the Company |                        |
|---|-------------------------|------------------------|
|   | Number of Shares Held   | Shareholding Ratio (%) |
| NIPPON TELEGRAPH AND TELEPHONE CORPORATION                                    | 2,394,485,400           | 66.64                  |
| THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)                          | 81,940,900              | 2.28                   |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)                             | 68,059,300              | 1.89                   |
| STATE STREET BANK WEST CLIENT – TREATY 505234                                 | 30,943,565              | 0.86                   |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT5)                            | 27,760,800              | 0.77                   |
| JPMorgan Securities Japan Co., Ltd.   | 25,595,188              | 0.71                   |
| JP MORGAN CHASE BANK 380072   | 25,477,127              | 0.71                   |
| THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS | 23,672,667              | 0.66                   |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)                           | 23,211,300              | 0.65                   |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)                           | 22,516,800              | 0.63                   |

Notes:

1. The Company’s holding of treasury stock (189,114,487 shares) is not included in the above.
2. The Shareholding Ratio calculation excludes treasury stock.

(5) Other Principal Issues on the Company Shares

The Company acquired 111,400,937 common shares for an acquisition price of ¥300.0 billion during this period based on a resolution of the Board of Directors in order to strengthen shareholder returns and improve capital efficiency.

Furthermore, we cancelled 117,264,000 treasury stocks (approximately 3.01% of the total number of issued shares before retirement) on March 30, 2018 based on a resolution of the Board of Directors.

### 3. The State of Corporate Governance and the State of Directors, Corporate Officers and Audit & Supervisory Board Members, etc.

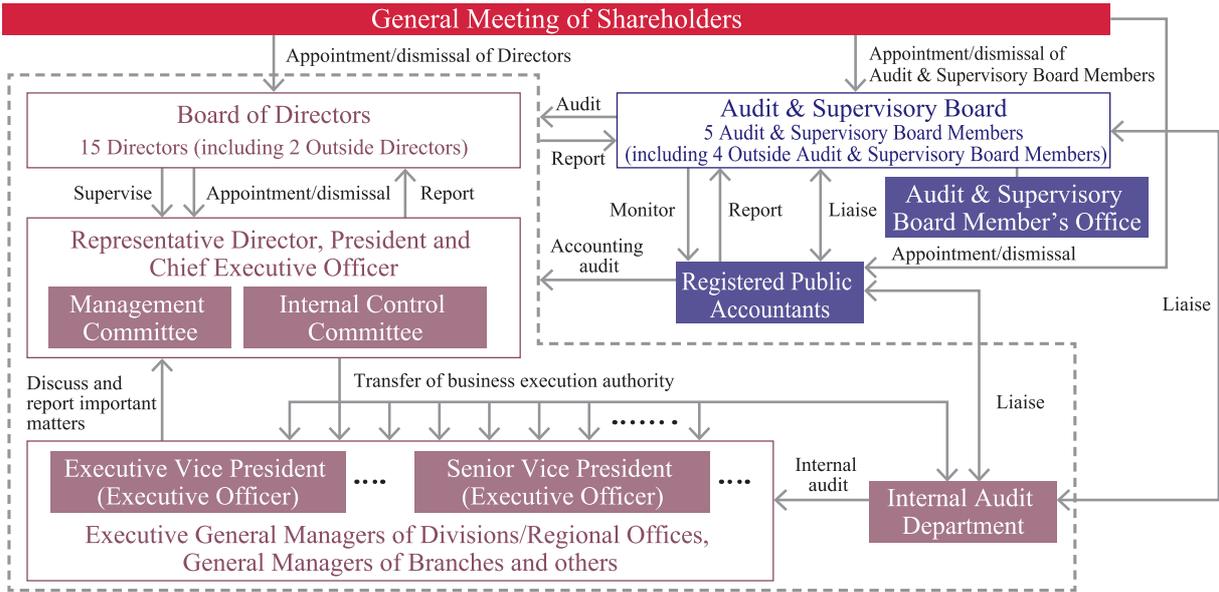
#### (1) Overview of Corporate Governance Structure

We recognize that to maximize corporate value while meeting the expectations of our various stakeholders including our shareholders, customers, employees, partners and local communities. It is essential that we ensure the effective function of corporate governance through the reinforcement of the governance structure in line with the objectives of each principle of the Corporate Governance Code.

Under this philosophy, we have adopted a corporate governance structure consisting of the Board of Directors, Audit & Supervisory Board Members and the Audit & Supervisory Board, aiming both to realize consistent and stable business operations and to bolster auditing and governance functions, while striving to boost management speed. In regard to our core telecommunications businesses, we recognize that mobile phones have come to play a vital role as social infrastructure in line with market expansion for these products. Accordingly, this structure reflects a desire for Directors to play a key role in important business execution matters from the standpoint of realizing consistent and stable business operations through the effective utilization of management resources. From the perspective of ensuring sound and efficient management, this configuration also reflects a desire for a structure in which Directors who concurrently serve as executive officers supervise each other for their respective actions, while Audit & Supervisory Board Members perform audits of overall management.

We also appoint independent Directors and independent Audit & Supervisory Board Members, with a view to further enhancing monitoring and auditing functions. In addition, we have introduced the executive officer system (27 men and 2 women serve as executive officers and 8 executive officers concurrently hold the post of Director) to clearly delineate the roles of business execution and monitoring, and to better reinforce business execution functions. This system enables higher responsiveness to changes in the operating environment.

Our corporate governance system is as follows:



## (2) Directors and Audit &amp; Supervisory Board Members (as of March 31, 2018)

| Position   | Name                | Primary Responsibilities and Affiliations  |
|--|---------------------|--|
| President and Chief Executive Officer<br>Representative Member of the Board of Directors | Kazuhiro Yoshizawa  |  |
| Senior Executive Vice President<br>Representative Member of the Board of Directors       | Hiroyasu Asami      | Responsible for Technology, Devices, Information Strategy and Preparation for 2020*  |
| Senior Executive Vice President<br>Representative Member of the Board of Directors       | Toshiki Nakayama    | Responsible for Global business, Corporate and CSR   |
| Executive Vice President<br>Member of the Board of Directors                             | Hiroataka Sato      | General Manager of Accounts and Finance Department<br>Responsible for Finance and Business Alliance  |
| Executive Vice President<br>Member of the Board of Directors                             | Kiyohiro Omatsuzawa | General Manager of Corporate Strategy & Planning Department<br>Responsible for Mobile Society Research Institute   |
| Executive Vice President<br>Member of the Board of Directors                             | Hiroshi Tsujigami   | Executive General Manager of Sales and Marketing Division<br>Responsible for Broadband Business  |
| Executive Vice President<br>Member of the Board of Directors                             | Kouji Furukawa      | Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office  |
| Executive Vice President<br>Member of the Board of Directors                             | Kyoji Murakami      | Executive General Manager of Smart-life Business Division  |
| Executive Vice President<br>Member of the Board of Directors                             | Hiroshi Nakamura    | Executive General Manager of R&D Innovation Division   |
| Executive Vice President<br>Member of the Board of Directors                             | Hozumi Tamura       | Executive General Manager of Network Division and General Manager of Network Department  |
| Senior Vice President<br>Member of the Board of Directors                                | Seiji Maruyama      | General Manager of Human Resources Management Department   |
| Member of the Board of Directors   | Kaoru Kato          | Corporate Advisor  |
| Outside Member of the Board of Directors   | Teruyasu Murakami   | Director of Research Institute for Industrial Strategy   |
| Outside Member of the Board of Directors   | Noriko Endo         | Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo<br>Project Professor, Graduate School of Media and Governance, Keio University<br>Adjunct Researcher, Environmental Research Institute, Waseda University |
| Member of the Board of Directors   | Shinichiro Ueno     | Vice President of R&D Planning Research and Development Planning Department of NTT   |
| Full-time Audit & Supervisory Board Member   | Shoji Suto          |  |
| Full-time Outside Audit & Supervisory Board Member                                       | Toshimune Okihara   |  |
| Full-time Outside Audit & Supervisory Board Member                                       | Yutaka Kawataki     |  |

|  |                |   |
|--|----------------|---|
| Full-time Outside Audit & Supervisory Board Member | Hironobu Sagae |   |
| Outside Audit & Supervisory Board Member           | Eiko Tsujiyama | Professor, Faculty of Commerce, Waseda University<br>Outside Director of ORIX Corporation<br>Outside Corporate Auditor of Lawson, Inc.<br>Outside Audit & Supervisory Board Member of Shiseido Company, Limited |

\* “2020” refers to the anticipated increase in tourism and general economic activity, between now and 2020 and the opportunity to develop various new products and services to capture this anticipated increase in demand.

Notes:

1. Directors and Audit & Supervisory Board Members who resigned or retired during the fiscal year ended March 31, 2018 are as follows:

| Name            | Retirement date | Reason   | Position/responsibility at time of retirement  |
|-----------------|-----------------|----------|--|
| Akira Terasaki  | June 20, 2017   | Resigned | Senior Executive Vice President, Representative Member of the Board of Directors, Responsible for Corporate business, Improvement of Business Operations and CSR |
| Seizo Onoe      | June 20, 2017   | Resigned | Executive Vice President, Member of the Board of Directors, Executive General Manager of R&D Innovation Division   |
| Tooru Kobayashi | June 20, 2017   | Resigned | Full-time Audit & Supervisory Board Member   |
| Naoto Shiotsuka | June 20, 2017   | Resigned | Full-time Outside Audit & Supervisory Board Member   |

2. Directors and Audit & Supervisory Board Members elected at the 26<sup>th</sup> Annual General Meeting of Shareholders held on June 20, 2017 are as follows:

| Name             | Inauguration Date | Position of Inauguration                                   | Responsibility of Inauguration                                 |
|------------------|-------------------|--|--|
| Hiroshi Nakamura | June 20, 2017     | Executive Vice President, Member of the Board of Directors | Executive General Manager of R&D Innovation Division           |
| Hozumi Tamura    | June 20, 2017     | Executive Vice President, Member of the Board of Directors | General Manager of Network Department, Responsible for Network |
| Shoji Suto       | June 20, 2017     | Full-time Audit & Supervisory Board Member                 | -  |
| Hironobu Sagae   | June 20, 2017     | Full-time Outside Audit & Supervisory Board Member         | -  |

3. Changes in responsibilities of Directors during the fiscal year ended March 31, 2018 are as follows:

| Name                | Effective date | Current Positions and Responsibilities   | Previous Positions and Responsibilities   |
|---------------------|----------------|--|---|
| Hiroyasu Asami      | June 20, 2017  | Senior Executive Vice President, Responsible for Technology, Devices, Information Strategy and Preparation for 2020, Representative Member of the Board of Directors       | Senior Executive Vice President, Responsible for Technology, Devices, Network, Information Strategy and Preparation for 2020, Representative Member of the Board of Directors |
| Toshiki Nakayama    | June 20, 2017  | Senior Executive Vice President, Responsible for Global Business, Corporate and CSR, Representative Member of the Board of Directors                                       | Senior Executive Vice President, Responsible for Global Business and Corporate, Representative Member of the Board of Directors   |
| Kiyohiro Omatsuzawa | June 20, 2017  | Executive Vice President, General Manager of Corporate Strategy & Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors | Executive Vice President, General Manager of Corporate Strategy & Planning Department, Responsible for Broadband Business, Member of the Board of Directors                   |
| Hiroshi Tsujigami   | June 20, 2017  | Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Broadband Business, Member of the Board of Directors                  | Executive Vice President, Executive General Manager of Sales and Marketing Division, Member of the Board of Directors   |
| Hozumi Tamura       | July 1, 2017   | Executive Vice President, Executive General Manager of Network Division and General Manager of Network Department, Member of the Board of Directors                        | Executive Vice President, General Manager of Network Department, Responsible for Network, Member of the Board of Directors  |

4. Directors Teruyasu Murakami and Noriko Endo are Outside Directors as provided in Article 2, Item 15 of the Companies Act.
5. Full-time Audit & Supervisory Board Members Toshimune Okihara, Yutaka Kawataki, Hironobu Sagae and Audit & Supervisory Board Member Eiko Tsujiyama are Outside Audit & Supervisory Board Members as provided in Article 2, Item 16 of the Companies Act.
6. Outside Audit & Supervisory Board Member Hironobu Sagae has experience in corporate management and extensive knowledge pertaining to finance and accounting through his career in the Finance Department of NTT DATA Corporation.
7. Outside Audit & Supervisory Board Member Eiko Tsujiyama has considerable knowledge in finance and accounting gained through her years of experience as a university professor and outside director/auditor of private companies, along with being a Certified Public Accountant.
8. Outside Audit & Supervisory Board Member Eiko Tsujiyama also serves as outside corporate auditor at Lawson, Inc., with which we have a business alliance. We have no special relationship with other firms than Lawson, Inc. where Ms. Tsujiyama was or is concurrently serving as director/auditor, with Research Institute for Industrial Strategy where Outside Director Teruyasu Murakami is acting as director, and with universities where Outside Director Noriko Endo is acting as researcher/professor.
9. We have designated each of Outside Directors Teruyasu Murakami and Noriko Endo, and Outside Audit & Supervisory Board Members Yutaka Kawataki and Eiko Tsujiyama as an independent Director/Audit & Supervisory Board Member, respectively, pursuant to the Securities Listing Regulations of Tokyo Stock Exchange, and we have notified the Tokyo Stock Exchange of such designation.
10. Outside Director Noriko Endo retired from adjunct researcher at the Environmental Research Institute, Waseda University as of March 31, 2018.
11. Outside Audit & Supervisory Board Member Eiko Tsujiyama retired from Professor at the Faculty of Commerce, Waseda University as of March 31, 2018.

- Indemnity agreements

The Company has concluded agreements with Directors Teruyasu Murakami, Noriko Endo and Shinichiro Ueno and Audit & Supervisory Board Members to indemnify them for personal liability as provided in Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the same act. The compensation of liability is the minimum amount in accordance with Article 425, Paragraph 1 of the Companies Act.

(3) Policies Concerning, and Total Compensation of, Directors and Audit & Supervisory Board Members

(a) Policies

Compensation for Directors is decided based on the following policies from the perspective of reflecting medium- to long-term business results of the Company.

- (i) Compensation for Directors consists of a monthly salary and bonuses. The Company determines monthly salaries based on the scope of roles and responsibilities of each Director, and bonuses by taking into account the Company's business results for the current term. In addition, starting from the fiscal year ended March 31, 2018, performance-based compensation was expanded, and a new stock-based compensation plan was introduced. Under this plan, when the Company's business performance exceeds a certain level, Directors are paid an amount equivalent to the purchase of the Company's shares as part of their bonuses and required to contribute the amount to the Directors' Shareholders Association.
- (ii) From the perspective of reflecting medium- to long-term business results, Directors with executive authority over operations, in addition to the stock-based compensation mentioned above, make monthly contributions of at least a certain amount, out of their monthly cash salaries, for the purchase of the Company's shares through the Director Shareholding Association, and all purchased shares are held by the Directors during their terms in office.
- (iii) In order to ensure a high level of independence, the Company pays only monthly salaries as compensation for independent Outside Directors with no links to business results.

Compensation for Audit & Supervisory Board Members is determined through consultation with the Members, and in order to ensure a high level of independence, only monthly salaries are paid with no links to business results.

(b) Total compensation for directors and audit & supervisory board members for the fiscal year ended March 31, 2018

| Position                         | Number of Persons | Total Compensation (Millions of yen) |
|----------------------------------|-------------------|--------------------------------------|
| Director                         | 16                | 532                                  |
| Audit & Supervisory Board Member | 7                 | 132                                  |
| Total                            | 23                | 664                                  |

Notes:

1. Upper limits on compensation for Directors and Audit & Supervisory Board Members were set at ¥600 million annually for Directors and ¥150 million annually for Audit & Supervisory Board Members at the 15th ordinary general meeting of shareholders held on June 20, 2006.
2. The above includes two Directors and two Audit & Supervisory Board Members who retired at the conclusion of the 26th ordinary general meeting of shareholders held on June 20, 2017.
3. Total compensation for Directors includes ¥103 million in bonuses paid in the fiscal year ended March 31, 2018.

(4) Outside Directors and Outside Audit & Supervisory Board Members

(a) Principal activities of outside directors and outside audit & supervisory board members

| Position                                  | Name              | Attendance Rate of Board of Directors Meetings (Number of Meetings Attended) | Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended) | Principal Comments Activities  |
|---|-------------------|--|---|--|
| Outside Members of the Board of Directors | Teruyasu Murakami | 100% (14/14)   | —   | He used his extensive experience in corporate management and information industries to make appropriate comments from a perspective independent from the Company's business operations.  |
|   | Noriko Endo       | 100% (14/14)   | —   | She used her extensive experience in her news gathering activities as editor of an economic magazine and research on public policies to make appropriate comments from a perspective independent from the Company's business operations as well as customer and female perspectives. |
| Outside Audit & Supervisory Board Members | Toshimune Okihara | 100% (14/14)   | 100% (14/14)  | He made appropriate comments from his experience and extensive knowledge due to his career and engagement in businesses pertaining to telecommunications and corporate management.   |

|  |                 |                  |                  |   |
|--|-----------------|------------------|------------------|---|
|  | Yutaka Kawataki | 92.9%<br>(13/14) | 92.9%<br>(13/14) | He made appropriate comments from his expert perspective gained through his work experience in the Board of Audit of Japan.   |
|  | Hironobu Sagae  | 100%<br>(12/12)  | 100%<br>(9/9)    | He made appropriate comments from his experience in corporate management and the accounts and finance department of a company and his extensive knowledge of finance and accounting.  |
|  | Eiko Tsujiyama  | 85.7%<br>(12/14) | 92.9%<br>(13/14) | She made appropriate comments from her expert perspective in finance and accounting as a Certified Public Accountant and gained through her years of experience as a university professor and as an outside director on corporate boards. |

Note:

The principal activities of Outside Audit & Supervisory Board Member Hironobu Sagae are after his inauguration in June 2017.

(b) Total compensation to outside directors in the fiscal year ended March 31, 2018

| Number of persons | Total compensation (Millions of yen) |
|-------------------|--------------------------------------|
| 7                 | 126                                  |

Notes:

1. The above includes one Audit & Supervisory Board Member who retired at the conclusion of the 26th ordinary general meeting of shareholders held on June 20, 2017.
2. Other than the above, compensation received by outside directors as executives from subsidiaries of the Company's parent company is ¥1.83 million for the fiscal year ended March 31, 2018.

■ **The State of the Company’s Corporate Governance**  
**The Opinion of Independent Outside Director, Noriko Endo:**

The Company introduced a system of independent outside directors in the fiscal year ended March 31, 2014 and increased the number of independent outside directors to two in the fiscal year ended March 31, 2018. Representing the interests of general shareholders, I have been actively participating in the formulation of strategies for improving medium- to long-term corporate value while also carefully examining and supervising concrete PDCA measures in business execution.

I receive accurate information in advance, express my opinion at the Board of Directors meetings of the Company on all proposals considered important from the viewpoint of an independent outside director, and participate in discussions. In formulating Medium-Term Strategy 2020 “Declaration beyond,” both inside and outside directors engaged in vigorous discussions that culminated in a consensus. I rate this transparent process highly from a corporate governance perspective. In addition, the Company has effectively constructed a support system that provides numerous opportunities for interactions between independent outside directors and management executives, employees in mid-grade positions and younger members of staff, not limited to the Board of Directors; this allows opinions and recommendations to be freely given.

In the past, the business model of the telecommunications business had extremely high barriers to entry, requiring widespread and extensive networking equipment. However, the strategic business areas aimed at in “Declaration beyond” are areas of extremely fierce competition, where diverse global service providers are players. Continuing to meet the expectations of general shareholders will require further process improvements and transformations in the ways of thinking. In light of the special nature of the Company, where the government holds a certain percentage of shares of its parent company NTT, as an independent outside director I will do my utmost to strengthen corporate governance so that the Company demonstrates fair competitiveness and uniqueness in the new market environment.

Progress is being made in the promotion of new strategic forces with an eye on diversity, such as the appointment of two new female Senior Vice Presidents in the fiscal year ended March 31, 2018, and I hope that this ushers in a new phase of business operations. I look forward to the Company achieving sustainable growth by recognizing the latent abilities of individual employees with diverse backgrounds and paving paths for fair and steady career advancement.

## (5) Capital Policy (Basic Policies for Profit Distribution)

We believe that providing adequate returns to shareholders is one of the most important issues in corporate management while raising corporate value through the growth and expansion of our businesses. We plan to pay dividends by taking into account our consolidated results, consolidated financial position and consolidated dividend payout ratio based on the principle of stable and sustainable dividend payments. We will also continue to take a flexible approach regarding share repurchases. We intend to keep the repurchased shares as treasury stock and in principle to limit the amount of such treasury stock to approximately 5% of our total issued shares, and will consider retiring any treasury stock held in excess of this limit in a lump around the end of the fiscal year or at other appropriate times.

In addition, we will allocate internal reserves to research and development efforts, capital expenditures, strategic investments and others for the purpose of generating innovative technologies, offering attractive services and expanding our business domains.

## (6) Efforts Related to Information Security

The Company, recognizing that proper information management is an important management issue, therefore declares the Information Security Policy is the Company's action policy for information security and will abide by the Information Security Policy and the separate Privacy Policy regarding our customers' personal information in order to ensure that customers are able to use the Company's services safely.

Information assets to which the Information Security Policy applies shall include information obtained or learned in the course of the Company's business activities, as well as all information owned by the Company for business purposes.

The Company has designated each November as "Information Security Month" in its efforts to continuously educate and enlighten all employees.

Specifically, in the fiscal year ended March 31, 2018, we worked on drills on the hypothesis of receiving "targeted attack e-mails" that are increasing and becoming more sophisticated in recent years. Furthermore, we endeavored to further bolster information security by taking personal, organizational and technical measures including the establishment and operation of a dedicated division which enables Internet monitoring and detection, as well as multilayer protection to shore up the protection system.

Please refer to the Company's website for further details on the "Information Security Policy" and the "Privacy Policy":

<https://www.nttdocomo.co.jp/english/utility/security/>

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Throughout this report, amounts prepared based on accounting principles generally accepted in Japan are rounded down to the nearest unit. Amounts prepared in accordance with U.S. generally accepted accounting principles are rounded up or down to the nearest unit.

Names of companies, products, etc., contained in this release are the trademarks or registered trademarks of their respective organizations.

**CONSOLIDATED BALANCE SHEET [U.S. GAAP]**

|   | Millions of yen    |
|---|--------------------|
|   | March 31, 2018     |
| <b>ASSETS</b>   |                    |
| <b>Current assets:</b>                                |                    |
| Cash and cash equivalents                             | ¥ 392,749          |
| Short-term investments                                | 370,627            |
| Accounts receivable                                   | 243,684            |
| Receivables held for sale                             | 901,483            |
| Credit card receivables                               | 432,082            |
| Other receivables                                     | 408,400            |
| Allowance for doubtful accounts                       | (24,899)           |
| Inventories   | 187,402            |
| Prepaid expenses and other current assets             | 125,618            |
| <b>Total current assets</b>                           | <b>3,037,146</b>   |
| <b>Property, plant and equipment:</b>                 |                    |
| Wireless telecommunications equipment                 | 5,133,128          |
| Buildings and structures                              | 917,216            |
| Tools, furniture and fixtures                         | 448,760            |
| Land  | 199,202            |
| Construction in progress                              | 202,963            |
| Accumulated depreciation and amortization             | (4,305,239)        |
| <b>Total property, plant and equipment, net</b>       | <b>2,596,030</b>   |
| <b>Non-current investments and other assets:</b>      |                    |
| Investments in affiliates                             | 384,890            |
| Marketable securities and other investments           | 199,478            |
| Intangible assets, net                                | 599,147            |
| Goodwill  | 224,264            |
| Other assets  | 478,503            |
| Deferred tax assets                                   | 228,832            |
| <b>Total non-current investments and other assets</b> | <b>2,115,114</b>   |
| <b>Total assets</b>                                   | <b>¥ 7,748,290</b> |
| <b>LIABILITIES AND EQUITY</b>                         |                    |
| <b>Current liabilities:</b>                           |                    |
| Current portion of long-term debt                     | ¥ 110,000          |
| Short-term borrowings                                 | 1,632              |
| Accounts payable, trade                               | 888,722            |
| Accrued payroll                                       | 60,574             |
| Accrued income taxes                                  | 155,037            |
| Other current liabilities                             | 278,193            |
| <b>Total current liabilities</b>                      | <b>1,494,158</b>   |
| <b>Long-term liabilities:</b>                         |                    |
| Long-term debt (exclusive of current portion)         | 50,000             |
| Accrued liabilities for point programs                | 99,305             |
| Liability for employees' retirement benefits          | 202,663            |
| Other long-term liabilities                           | 166,584            |
| <b>Total long-term liabilities</b>                    | <b>518,552</b>     |
| <b>Total liabilities</b>                              | <b>2,012,710</b>   |
| <b>Redeemable noncontrolling interests</b>            | <b>23,436</b>      |
| <b>Equity:</b>  |                    |
| NTT DOCOMO, INC. shareholders' equity                 |                    |
| Common stock  | 949,680            |
| Additional paid-in capital                            | 326,356            |
| Retained earnings                                     | 4,789,229          |
| Accumulated other comprehensive income (loss)         | 63,547             |
| Treasury stock  | (448,403)          |
| <b>Total NTT DOCOMO, INC. shareholders' equity</b>    | <b>5,680,409</b>   |
| Noncontrolling interests                              | 31,735             |
| <b>Total equity</b>                                   | <b>5,712,144</b>   |
| <b>Total liabilities and equity</b>                   | <b>¥ 7,748,290</b> |

(Note) Amounts are rounded off to the nearest 1 million yen.

**CONSOLIDATED STATEMENT OF INCOME [U.S.GAAP]**

Millions of yen

Year ended March 31, 2018  
(April 1, 2017 - March 31, 2018)

|   |             |
|---|-------------|
| <b>Operating revenues:</b>  |             |
| Telecommunications services   | ¥ 3,137,870 |
| Equipment sales   | 755,138     |
| Other operating revenues  | 876,401     |
| Total operating revenues  | 4,769,409   |
| <b>Operating expenses:</b>  |             |
| Cost of services (exclusive of items shown separately below)  | 1,348,100   |
| Cost of equipment sold (exclusive of items shown separately below)                                      | 833,714     |
| Depreciation and amortization   | 485,502     |
| Impairment loss   | 12,088      |
| Selling, general and administrative   | 1,116,741   |
| Total operating expenses  | 3,796,145   |
| <b>Operating income</b>   | 973,264     |
| <b>Other income (expense):</b>  |             |
| Interest expense  | (63)        |
| Interest income   | 499         |
| Income from arbitration award   | 147,646     |
| Other, net  | (24,721)    |
| Total other income (expense)  | 123,361     |
| <b>Income before income taxes and equity in net income (losses) of affiliates</b>                       | 1,096,625   |
| <b>Income taxes:</b>  |             |
| Current   | 282,055     |
| Deferred  | 55,720      |
| Total income taxes  | 337,775     |
| <b>Income before equity in net income (losses) of affiliates</b>  | 758,850     |
| Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates) | (12,229)    |
| <b>Net income</b>   | 746,621     |
| Less: Net (income) loss attributable to noncontrolling interests  | (2,079)     |
| <b>Net income attributable to NTT DOCOMO, INC.</b>  | ¥ 744,542   |

(Note) Amounts are rounded off to the nearest 1 million yen.

**NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2018)**

(Millions of yen)

| ASSETS  |                    | LIABILITIES  |                  |
|---|--------------------|--|------------------|
| <b>Non-current assets</b>   |                    | <b>Long-term liabilities</b>                         |                  |
| <b>Non-current assets for telecommunications businesses</b>       |                    | Bonds  | ¥ 50,000         |
| <b>Property, plant and equipment</b>                              |                    | Lease obligations                                    | 297              |
| Machinery and equipment   | ¥ 1,111,645        | Liability for employees' retirement benefits         | 156,146          |
| Antenna facilities  | 537,762            | Accrued liabilities for point programs               | 127,492          |
| Telecommunications line facilities                                | 28,540             | Provision for loss on business withdrawal            | 1,811            |
| Pipe and hand holes   | 13,940             | Asset retirement obligations                         | 3,289            |
| Building  | 281,815            | Other long-term liabilities                          | 5,635            |
| Structures  | 67,188             | <b>Total long-term liabilities</b>                   | <b>344,672</b>   |
| Other machinery and equipment                                     | 2,344              | <b>Current liabilities</b>                           |                  |
| Vehicles  | 698                | Accounts payable, trade                              | 287,846          |
| Tools, furniture and fixtures                                     | 59,863             | Lease obligations                                    | 182              |
| Land  | 196,488            | Accounts payable, other                              | 626,835          |
| Lease assets  | 435                | Accrued expenses                                     | 12,606           |
| Construction in progress  | 169,149            | Current portion of non-current liabilities           | 110,000          |
| <b>Total property, plant and equipment</b>                        | <b>2,469,872</b>   | Accrued income taxes                                 | 144,778          |
| <b>Intangible assets</b>  |                    | Advances received                                    | 52,922           |
| Rights to use utility facilities                                  | 10,687             | Deposits received                                    | 102,127          |
| Software  | 487,114            | Provision for loss on business withdrawal            | 927              |
| Patents   | 69                 | Asset retirement obligations                         | 641              |
| Leasehold rights  | 57,393             | Other current liabilities                            | 38,530           |
| Lease assets  | 4                  | <b>Total current liabilities</b>                     | <b>1,377,396</b> |
| Other intangible assets   | 29,369             | <b>Total liabilities</b>                             | <b>1,722,068</b> |
| <b>Total intangible assets</b>                                    | <b>584,639</b>     | <b>NET ASSETS</b>                                    |                  |
| <b>Total non-current assets for telecommunications businesses</b> | <b>3,054,511</b>   | <b>Shareholders' equity</b>                          |                  |
| <b>Investments and other assets</b>                               |                    | Common stock   | 949,679          |
| Investment securities   | 290,608            | <b>Capital surplus</b>                               |                  |
| Shares of affiliated companies                                    | 298,706            | Capital legal reserve                                | 292,385          |
| Other investments in affiliated companies                         | 9,022              | <b>Total capital surplus</b>                         | <b>292,385</b>   |
| Contributions in affiliated companies                             | 5,131              | <b>Earned surplus</b>                                |                  |
| Long-term loan receivable in affiliated companies                 | 18,153             | Earned legal reserve                                 | 4,099            |
| Long-term prepaid expenses  | 34,139             | Other earned surplus                                 |                  |
| Long-term accounts receivable, other                              | 225,798            | Accelerated depreciation reserve                     | 4                |
| Deferred tax assets   | 112,080            | General reserve                                      | 358,000          |
| Other investments and other assets                                | 117,310            | Earned surplus brought forward                       | 4,215,805        |
| Allowance for doubtful accounts                                   | (597)              | <b>Total earned surplus</b>                          | <b>4,577,909</b> |
| <b>Total investments and other assets</b>                         | <b>1,110,351</b>   | Treasury stock                                       | (448,402)        |
| <b>Total non-current assets</b>                                   | <b>4,164,863</b>   | <b>Total shareholders' equity</b>                    | <b>5,371,571</b> |
| <b>Current assets</b>   |                    | <b>Valuation and translation adjustments</b>         |                  |
| Cash and bank deposits  | 118,216            | Net unrealized holding gains or losses on securities | 45,359           |
| Accounts receivable, trade  | 566,027            | <b>Total valuation and translation adjustments</b>   | <b>45,359</b>    |
| Accounts receivable, other  | 1,390,080          | <b>Total net assets</b>                              |                  |
| Inventories and supplies  | 203,492            | 5,416,930  |                  |
| Advances  | 8,763              | <b>Total liabilities and net assets</b>              |                  |
| Prepaid expenses  | 36,541             | ¥ 7,138,999  |                  |
| Deposits  | 571,053            |  |                  |
| Deferred tax assets   | 61,414             |  |                  |
| Other current assets  | 42,086             |  |                  |
| Allowance for doubtful accounts                                   | (23,542)           |  |                  |
| <b>Total current assets</b>                                       | <b>2,974,135</b>   |  |                  |
| <b>Total assets</b>   | <b>¥ 7,138,999</b> |  |                  |

(Note) Amounts are rounded down to the nearest 1 million yen.

## NON-CONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(Millions of yen)

|   |           |             |
|---|-----------|-------------|
| <b>Recurring profits and losses</b>                                     |           |             |
| <b>Operating revenues and expenses</b>                                  |           |             |
| <b>Telecommunications businesses</b>                                    |           |             |
| Operating revenues  |           |             |
| Voice transmission services   | ¥ 967,539 |             |
| Data transmission services  | 2,288,106 |             |
| Other   | 60,911    | ¥ 3,316,556 |
| Operating expenses  |           |             |
| Sales expenses  | 897,396   |             |
| Facility maintenance expenses   | 330,582   |             |
| General expenses  | 47,216    |             |
| Administrative expenses   | 56,766    |             |
| Research expenses   | 65,022    |             |
| Depreciation and amortization   | 451,158   |             |
| Loss on disposal of property, plant and equipment and intangible assets | 61,944    |             |
| Communication network charges   | 387,997   |             |
| Taxes and public dues   | 47,719    | 2,345,803   |
| <b>Operating income from telecommunications businesses</b>              |           | 970,753     |
| <b>Supplementary businesses</b>   |           |             |
| Operating revenues  |           | 1,490,572   |
| Operating expenses  |           | 1,542,647   |
| <b>Operating income (losses) from supplementary businesses</b>          |           | (52,074)    |
| <b>Total operating income</b>   |           | 918,678     |
| <b>Non-operating revenues and expenses</b>                              |           |             |
| Non-operating revenues  |           |             |
| Interest income   | 523       |             |
| Interest income-securities  | 126       |             |
| Dividend income   | 45,169    |             |
| Rental income   | 7,274     |             |
| Miscellaneous income  | 9,703     | 62,797      |
| Non-operating expenses  |           |             |
| Interest expense  | 37        |             |
| Interest expense-bonds  | 2,566     |             |
| Write-down of investment securities                                     | 3,163     |             |
| Loss on debt forgiveness of an affiliated company                       | 2,816     |             |
| Miscellaneous expenses  | 3,530     | 12,114      |
| <b>Recurring profit</b>   |           | 969,361     |
| <b>Extraordinary profit</b>   |           |             |
| Income from arbitration award   | 147,646   | 147,646     |
| <b>Extraordinary Loss</b>   |           |             |
| Write-down of investment in affiliated companies                        | 35,459    | 35,459      |
| <b>Income before income taxes</b>                                       |           | 1,081,548   |
| Income taxes-current  |           | 244,300     |
| Income taxes-deferred   |           | (10,487)    |
| <b>Net income</b>   |           | ¥ 847,735   |

(Note) Amounts are rounded down to the nearest 1 million yen.

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

**Independent Auditor's Report**

May 8, 2018

The Board of Directors  
NTT DOCOMO, INC.

KPMG AZSA LLC

Kensuke Sodekawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kotetsu Nonaka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masafumi Nakane (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of NTT DOCOMO, INC. as at March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 444-4 of the Companies Act.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 applied mutatis mutandis pursuant to Article 120-3-3 of the Ordinance on Company Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those

risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-1 applied mutatis mutandis pursuant to Article 120-3-3 of the Ordinance on Company Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, present fairly, in all material respects, the financial position and the results of operations of NTT DOCOMO, INC. and its subsidiaries for the period, for which the consolidated financial statements were prepared.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## **Independent Auditor's Report**

May 8, 2018

The Board of Directors  
NTT DOCOMO, INC.

KPMG AZSA LLC

Kensuke Sodekawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kotetsu Nonaka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masafumi Nakane (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of NTT DOCOMO, INC. as at March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 436-2-1 of the Companies Act.

### **Management's Responsibility for the non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the non-consolidated financial statement audit is not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of NTT DOCOMO, INC. for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

[English Translation]

## **Audit Report of Audit & Supervisory Board**

Based on audit reports from each audit & supervisory board member, and following due discussion at meetings, the Audit & Supervisory Board has prepared this audit report regarding the execution of the duties of the Board of Directors in the 27th fiscal year from April 1, 2017 to March 31, 2018. The Board reports as follows.

### 1. Outline of Audit Methodology

The Audit & Supervisory Board established an auditing plan and received reports from each audit & supervisory board member on the status of the implementation of audits and the results thereof, as well as reports from the Board of Directors and the Independent Auditors regarding the status of execution of their duties, and requested explanations as necessary.

Also, on the basis of the Audit & Supervisory Board Rules established by the Audit & Supervisory Board, and in accordance with its auditing plan, the audit & supervisory board members sought mutual understanding with the Directors, the internal auditing department, other employees and the Independent Auditors in their efforts to collect information, and carried out the audit as follows:

- (1) attended meetings of the Board of Directors and other important meetings, and received reports from Directors and employees regarding performance of their duties, requested explanations as necessary, perused important documents regarding decisions and approvals made and investigated the status of operations and the financial position at the company's head office and major offices of business;
- (2) carried out an audit and verification of the particulars of Board of Directors resolutions relating to the establishment of structures necessary to ensure that the Board of Directors' performance of its duties is in conformity with laws and regulations and the Company's Articles of Incorporation and to otherwise ensure the appropriateness of the business of a *kabushiki kaisha*, as well as the structures established pursuant to such resolutions (internal control system);
- (3) regarding the subsidiaries, the Audit & Supervisory Board sought to achieve a mutual understanding and exchange of information with directors and other persons and audit & supervisory board members of the subsidiaries, and, where necessary, received business reports from the subsidiaries;
- (4) regarding related party transactions including transactions with our parent company, concerning matters taken into account to ensure that such transactions did not negatively impact the Company's earnings and the Company's judgment and rationale whether such

transactions would negatively impact the Company's earnings, evaluated the particulars of such transactions, based on, among other factors, the Board of Directors' review and other review processes; and

- (5) audited and verified whether the Independent Auditors maintained their independence and carried out their audits appropriately, received reports from the Independent Auditors regarding the execution of their duties and, where necessary, requested explanations. Also, the Audit & Supervisory Board received notification from the Independent Auditors to the effect that the structure to ensure that duties are executed appropriately has been established and requested explanations as necessary.

Based on the above methodology, the Audit & Supervisory Board evaluated business reports, supplementary schedules, the non-consolidated financial statements related to the fiscal year ended March 31, 2015 (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, and the related notes), and the supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes).

## 2. Audit Results

- (1) Results of the audit of the Business Report
  - i. We find that the Business Report and its supplementary schedules accurately reflect the conditions of the company in accordance with laws and regulations and the Articles of Incorporation.
  - ii. No inappropriate conduct concerning the execution of duties by Directors or material facts in violation of law or the Articles of Incorporation were found.
  - iii. We find that the particulars of Board of Directors' resolutions concerning the internal control systems are appropriate. Further, no matters requiring note on our part were found with respect to Directors' execution of duties in regards to the internal control system.
  - iv. Regarding related party transactions including transactions with our parent company, concerning matters taken into account to ensure that such transactions did not negatively impact the Company's earnings and the Company's judgment and rationale whether such transactions would negatively impact the Company's earnings, no matters requiring note on our part were found.
- (2) Results of the audit of the non-consolidated financial statements, supplementary schedules and the consolidated financial statements

We find that the methodology and results of the audit by the Independent Auditor, KPMG AZSA LLC, are appropriate.

May 10, 2018

**Audit & Supervisory Board Members of NTT DOCOMO, INC.**

|  |      |
|--|------|
| Shoji Suto, Full-time Audit & Supervisory Board Member                   | seal |
| Toshimune Okihara , Full-time (Outside) Audit & Supervisory Board Member | seal |
| Yutaka Kawataki , Full-time (Outside) Audit & Supervisory Board Member   | seal |
| Hironobu Sagae, Full-time (Outside) Audit & Supervisory Board Member     | seal |
| Eiko Tsujiyama, (Outside) Audit & Supervisory Board Member               | seal |