

## Special Features

# Medium-Term Vision 2015

## “Shaping a Smart Life”

In November 2011, DOCOMO established Medium-Term Vision 2015 “Shaping a Smart Life” (hereinafter “Medium-Term Vision 2015”). Targeting evolution into an Integrated Service Company with mobile services at its core, “Medium-Term Vision 2015” is designed to expedite “DOCOMO’s Change and Challenge to Achieve New Growth,” an action plan released in fiscal 2008, to take us one solid step closer to achieving our Corporate Vision for 2020 “Pursuing Smart Innovation: HEART.” The following is a more detailed look at the “Medium-Term Vision 2015” that DOCOMO is striving to fulfill.

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## Awareness of Underlying Risks and “Medium-Term Vision 2015” Goals

Awareness of the risks faced in the business environment in recent years was one factor behind DOCOMO's formulation and implementation of “Medium-Term Vision 2015.”

Technological innovation is accelerating all over the world. A host of players in the Internet market have gone beyond conventional business boundaries, seizing new market opportunities to rapidly increase their presence and take markets by storm. The rise of these new players has the potential to turn preconceptions on their head, putting mobile communications providers like DOCOMO at risk of becoming “dumb pipes” for connectivity. Further, the spread of new communication styles like VoIP and Social Networking Services (SNS) in the smartphone era will directly erode the conventional mobile communications business.

In this business landscape, it will be imperative that we take the initiative to expand our business scope beyond a traditional mobile phone business driven by traffic revenues to secure additional sources of revenue.

With these risks in mind, our newly established “Medium-Term Vision 2015” sets out to help each and every customer lead a more fulfilling, smart life. It looks to achieve this by 1) bringing customers greater enjoyment and convenience with a wide array of devices focused on smartphones; 2) delivering innovations through the convergence of various industries and services, with the aim of becoming an Integrated Service Company with mobile services at its core; and 3) using the *docomo cloud* to expedite these initiatives.

### Changes in the Environment Surrounding DOCOMO

#### Market & Society

- Ongoing globalization
- Population decline, low birthrate, rapid aging in Japan
- Heightened desire for safety and security following the Great East Japan Earthquake
- More serious environmental problems, shift to sustainable society
- Various service and industry convergence tracking technological advancements

#### Competitors

- Uptake of social networking services (SNS) and other new communication styles
- Rise of global players promoting rival business models and advance of cloud services

#### DOCOMO

- Risk of decline in voice revenues due to widespread VoIP usage
- Traffic business growth saturation
- Awareness of communications network importance emphasized by the disaster
- Explosion in data traffic as a result of mobile broadband penetration and smartphone growth

## Evolving Core Businesses

DOCOMO has launched a myriad of devices led by smartphones, and spurred the evolution of services and handsets. Going forward, we will capitalize on the advantages of an open environment to take mobile services to the next level.

### Evolution of Smartphone Services

We will pursue advancements in services and ecosystems that only we can so that a broader range of customers can enjoy using smartphones.

For one, we will enhance site and content offerings leveraging smartphones' expressive power and operability that are accessible through DOCOMO's portal site, *dmenu*. Next, we will work to raise user numbers and content revenues from our directly-run content market, *dmarket*, by enhancing content merchandise and genres. Additionally, we will enrich our diverse lineup of original services that make the most of smartphone convenience.

For example, we will pursue new avenues for enjoyment and convenience through services enabling multiple devices to be used with one common ID, services linking address books and SNS, and the like.

### Evolution of Handsets

In an open environment, we will develop a diverse lineup of handsets with attractive functions suited to each customer. This will entail offering properties and models that are in high demand, like water resistance and the *Raku-Raku PHONE* series of simplified smartphones, new services like *NOTTV*, and functions focused on safety and peace of mind, such as *Disaster Voice Messaging* service. We look to spur this evolution even further through the incorporation of new technologies, including sensor technology enabling new services using environmental information like temperature, pressure, and radiation levels, as well as recommendation technology enabling sophisticated concierge services.

### Developing Services via Smartphones



### Further Evolution of Services

<b>Multi-device</b> Common ID for multiple devices	<b>Evolution in markets</b> Greater merchandise variation
<b>Evolution in address books</b> Links between address book and SNS	<b>Evolution in service linkages</b> Linking wide-ranging services and content
<b>Evolution in data storage</b> "Online safe-deposit" for personal information	<b>Evolution in real linkages</b> Expanded use in verification infrastructure for payments, coupons and other areas of everyday life

### Evolution of Devices via New Technologies

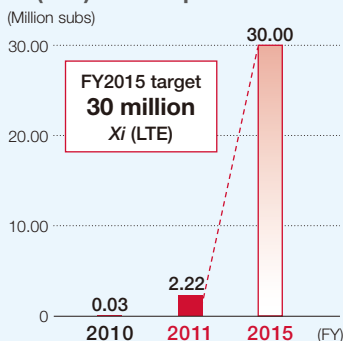
<b>Sensor technology</b> Sensor jacket (radiation sensors, etc.)	<b>Media linkages</b> Intuitive (touch, flick) data transmission
<b>Recommendation technology</b> Advancements in concierge functions	<b>Battery technology</b> High-speed charger/long-life battery
<b>User interface</b> Highly intuitive information provision UI	<b>Wearable technology</b> Eyewear-style devices

## Expanding Smartphone and Xi Service Uptake

We aim to grow smartphone subscriptions to 40 million by fiscal 2015 by propelling smartphones further into the mainstream by offering services for which DOCOMO is known and handsets matched to individual customer tastes. The driving force for this will be active expansion of the Xi service area and Xi-compatible device offerings, targeting 30 million Xi subscriptions by fiscal 2015.

By encouraging greater usage among customers through these comprehensive initiatives, we look to bring packet revenues to around ¥2.7 trillion in fiscal 2015—roughly 1.5 times the fiscal 2011 number.

### Xi (LTE) Subscriptions\*

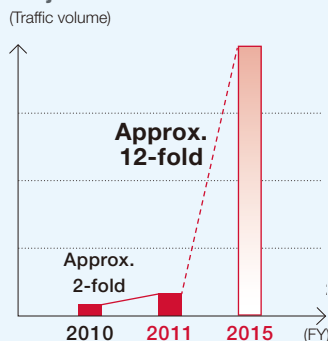


\* Xi subscriptions includes subscriptions to data communications devices, Wi-Fi and tablets.

## Bolstering Our Network Infrastructure

We will also work to accommodate increasing traffic as the uptake of smartphones gains momentum. We expect about 12 times as much traffic in fiscal 2015 as there was in fiscal 2011. With this in mind, we are bolstering our communications equipment, expanding network capacity—mainly for Xi service as it has excellent frequency usage efficiency, controlling transmission speeds (dynamic control) for especially heavy users of data communications, and utilizing “docomo Wi-Fi” public wireless LAN services to offload data. By taking steps along these lines, we will deliver stable communications quality to our customers.

### Projected Traffic Growth



#### Countermeasures [Radio access capacity-related measures]

Expansion of network capacity

Traffic control

Reduction of network load  
(Data offloading)

[Introduction of Xi new billing plans (from Oct. 2012)]

New billing plans

## Transforming Mobile Phones into “Personal Life Agents”

Smartphones and tablets featuring touch panels and large displays are moving rapidly into the mainstream, bringing monumental change to the mobile services market. Along with the emergence of the high-speed Xi network and business base reinforcement, smartphone uptake is projected to extend the scope of markets in areas like video services, e-books, and e-commerce where there have been issues with diffusion via feature phones and PCs.

DOCOMO will keep pace with changes in these mobile service markets by altering the way it provides services. We will move from a handset-driven to a network-led model. In other words, we will shift to a service provision model using a “cloud environment.” Doing so will enable us to provide recommendation functions and personalized service according to customers’ tastes and usage

history, a multi-device environment, network-based data storage services, and high value-added services like the *Shabette Concier* voice-agent application and *Translator Phone Service*.

I want us to transform mobile equipment into customers’ “personal life agents” through these initiatives, as part of wider moves to bring a “smart life” to customers as an Integrated Service Company.



Hiroyasu Asami

Senior Vice President  
Responsible for Multimedia  
Managing Director  
Smart Communication  
Services Department

## Developing New Businesses

With an eye to achieving its vision for 2020 “Pursuing Smart Innovation: HEART,” DOCOMO will go beyond its role as a mobile communications firm to become a “personal life agent,” helping each and every customer achieve greater levels of safety, security, convenience, and efficiency in their personal and professional lives.

### Convergence of Industries and Services

As a mobile communications provider, DOCOMO has led the advancement of mobile communications by pursuing the potential that the mobile world offers. Moving forward, we will use these advancements in mobile technologies to converge a wide spectrum of industries and services, sparking innovation and new value.

### Initiatives to Create New Markets

In fields where major synergies with mobile communications are likely, we will pursue alliances with various companies to create new markets.

Specifically, we are eyeing strategic investments primarily to acquire majority stakes in firms in the following eight business sectors: 1) media and content, 2) finance and payment, 3) commerce, 4) medical and healthcare, 5) machine-to-machine (M2M), 6) aggregation and platforms, 7) environment and ecology, and 8)

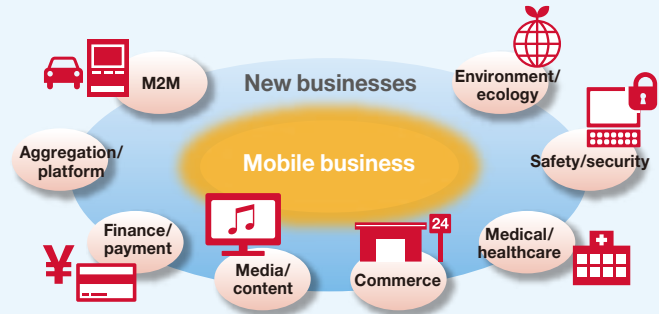
safety and security/other.

We generated sales of roughly ¥400 billion in these new business fields in fiscal 2011. We want to multiply this figure by around 2.5 times to reach the ¥1 trillion mark by fiscal 2015.

### Expansion of Global Businesses

Another task is to accelerate global development. We will aggressively develop our platform business as we enhance our business alliances and cooperation with overseas communications providers. Namely, we will drive the convergence of industries and services on a global scale with global platform services like the content aggregation and M2M businesses, services tailored to specific regions in areas like finance and payment, and similar offerings.

### Convergence of Various Industries and Services



## Expansion into New Business Fields

DOCOMO is constantly expanding its business horizons, leveraging the mobile know-how it has built up over the years and pursuing alliances with companies in an array of industries and service areas.

A key initiative in the media and content business is the provision of a new broadcasting service linking communications and broadcasting with the launch of the broadcasting station for smartphones, *NOTTV*, by mmbi, Inc.

In the commerce business, we made a tender offer for the shares of Radishbo-ya Co., Ltd., which provides a membership-based home-delivery service for organic and low-pesticide vegetables. In the field of food, which is at the root of everyday life, we aim to enhance customer convenience by offering a new mobile commerce platform. In addition, we established the joint venture DOCOMO Insight Marketing, Inc. with INTAGE Inc. to help further

high-value-added corporate marketing activities.

In the medical and healthcare business, we forged a basic agreement with OMRON HEALTHCARE Co., Ltd., to jointly establish a joint venture to develop and provide healthcare and medical assistance services.

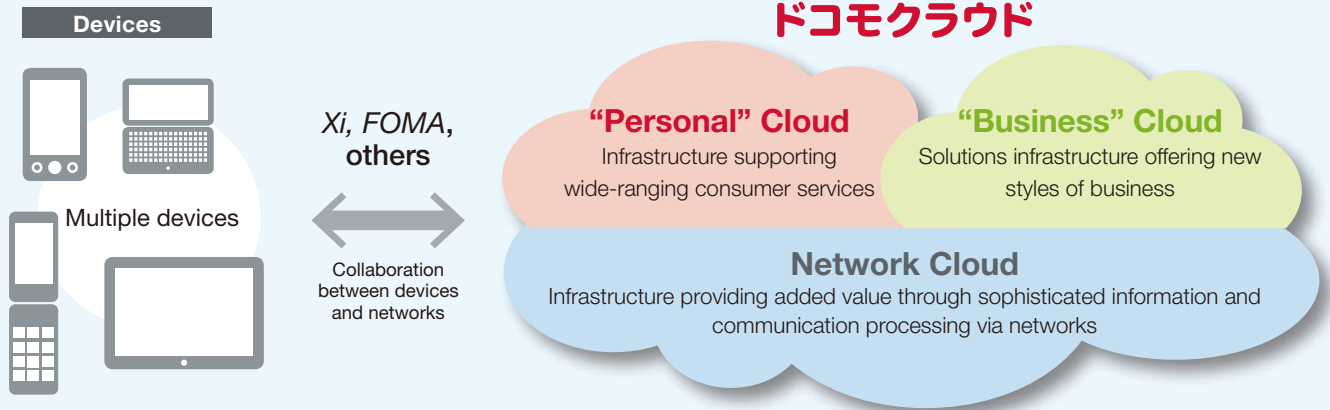
Moving ahead, we will continue to promote mobile integration with industries and services as part of moves to take us closer to becoming an Integrated Service Company with mobile services at its core.



**Toshiki Nakayama**  
Senior Vice President  
Managing Director  
Services Department

## Business Support via *docomo cloud*

### DOCOMO Cloud

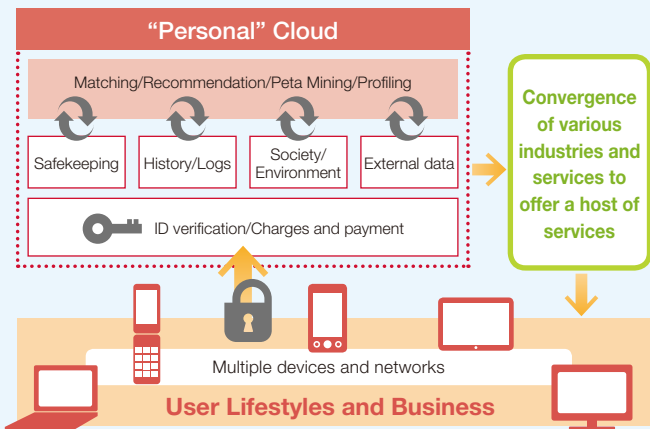


We are putting *docomo cloud*, which comprises three clouds, into play to speed up the evolution of mobile services (core businesses) and industry and service convergence (new businesses), envisioning a fulfilling, smart life.

#### “Personal” Cloud

By applying sophisticated information processing technology to large volumes of data stored in the secure personal cloud, we will create new value by providing a spectrum of customer lifestyle-oriented services that fuse diverse industries and services.

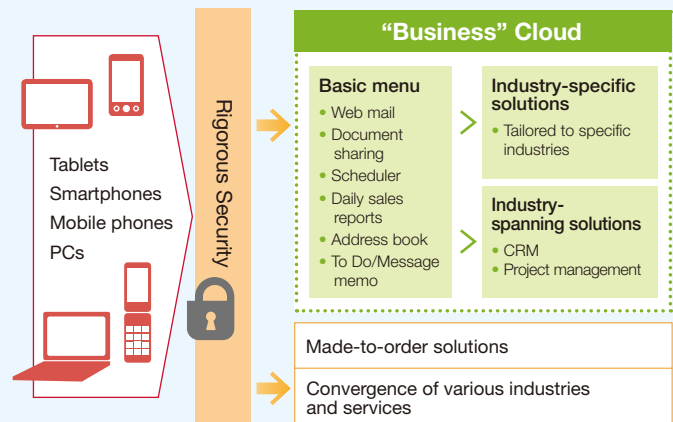
#### New Value Creation Targeted via “Personal” Cloud



#### “Business” Cloud

To meet our customers' wide-ranging needs, we are pursuing alliances with various partners to create diverse cloud services and spur innovation in the way business is done by offering a host of business solutions compatible with multiple devices.

#### New Business Model Enabled by the “Business” Cloud



## Work on the “Business” Cloud

*Docomo cloud* comprises the “personal” cloud, the “business” cloud, and the network cloud. The business cloud offers a variety of solutions to revolutionize the way customers do business.

In 2011, we offered the *Mobile Secure Desktop*, *Mobile Groupware*, and *Smartphone Remote Control Service*. Further, in August 2012, we will roll out Virtual PBX Type, a cloud-based version in the nationwide internal line connection service *Office Link*. Since fees for these services start at only a few hundred yen a month, we believe they can be marketed to a wide range of corporate customers considering introducing mobile devices like smartphones or tablets, irrespective of industry or business type. These services are available anytime, anywhere as they utilize DOCOMO’s high-quality mobile network and very reliable datacenter. This eliminates the need for in-house equipment and maintenance, and enables a

move to a paperless environment and the reduction of overtime. These services can also be used for things like daily report creation and customer management, playing a role in boosting customers’ sales.

In the future, we look to keep offering functions and services that showcase DOCOMO, filling out the “business” cloud’s lineup of security and other services while coordinating these efforts with those on the “personal” cloud and network cloud fronts.



**Tsutomu Shindou**

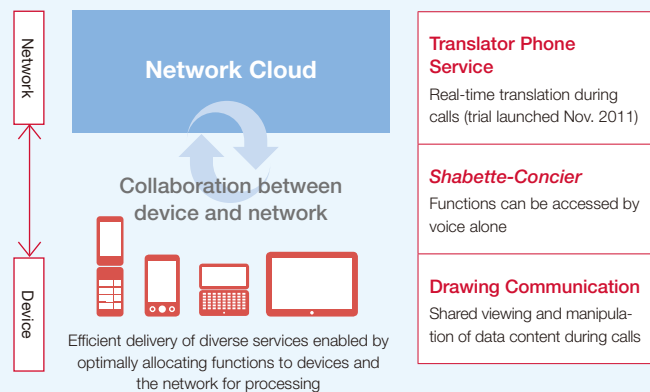
Executive Vice President  
Managing Director of Corporate Marketing Division  
Managing Director of TOHOKU Reconstruction Support Office  
Member of the Board of Directors

## “Network” Cloud

We will team up mobile devices and networks to deliver innovative services like our *Shabette-Concier* voice-agent application and *Translator Phone Service*. Using our networks for sophisticated information and communication processing, we will efficiently deliver an assortment of added value to our customers independent of the specific device used.

These varied cloud services will be developed under the *docomo cloud* brand.

## New Communication Style Enabled by the Network Cloud



## Raising Corporate Value by Making Smart Life a Reality

Using the business foundation that we have built together with our customers over the years as a strength, we will bring a smart life to each and every customer by evolving into an Integrated Service Company through the pursuit of “Medium-Term Vision 2015.” We also aim to expand revenues from our core business led by packet communications, and expanding our business scale in new businesses through convergence with new industries and services. Then, augmenting our growth and corporate value as well as shareholder value, we will keep working to provide our customers with a wide array of stress-free services that can be used almost anywhere.