



Kaoru Kato

President and
Chief Executive Officer

DOCOMO will make wide-ranging use of its latent power and strive to achieve growth and higher corporate value.

DOCOMO announced the Medium-Term Vision 2015 in November 2011. Targeting the realization of a Smart Life, we stated that we would strive to become an “Integrated Service Company, placing mobile at the core.” Some people questioned the need for high-speed wireless communications based on the belief that existing infrastructure was sufficient, yet LTE *Xi* has now achieved 22 million subscriptions. In much the same way, the provision of content by mobile telecommunications operators was looked on with doubt, yet *dmarket* has acquired 7.7 million subscriptions. In fact, each of these services has become an integral part of the daily lives of many customers.

Over the past two years and a few months, our vision, which describes our view of the future, has been strengthened as it has taken shape in the form of specific

initiatives. In the midst of intense competition with other companies, DOCOMO has not achieved a level of results that is satisfactory to shareholders and investors. We are acutely aware that we need to improve our results. Nevertheless, I am proud of our ability to execute, which has turned our ambitious vision into actual services. Through our growth strategy, the management capital that we have accumulated over more than 20 years, such as our customer base, brand strength, R&D capabilities, and human resources, is now demonstrating our latent power, and the ongoing creation of new services and technologies is very exciting.

We are determined to do our utmost to use our latent power and ability to execute to drive gains in corporate value so that our shareholders and investors are also proud of DOCOMO.

Fiscal 2013 Results and Future Challenges

Targeting increases in customer satisfaction and growth over the medium-to-long term, in fiscal 2013 we implemented initiatives more dynamically than we had ever done before. Consequently, we achieved three results.

First, we introduced the highly popular iPhone. We were at last able to meet the needs of customers who had waited a long time for the launch of the iPhone from DOCOMO, and, with the iPhone as a trigger, we also recorded improvement in net additions. Second, we continued working to enhance the LTE *Xi* network, and our consistent efforts paid off with strong evaluations from customers, such as “DOCOMO is the best.” I will say more about this point later. Third, we achieved strong growth with *dmarket*, which has recorded rapid growth in the number of stores and the number of subscribers that has exceeded our initial expectations.

On the other hand, we need to continue working on increasing our share of subscribers, further promoting the transition to smartphones, and generating a contribution to profits from services in new business areas. More than anything else, we acknowledge that our results in fiscal 2013—year-on-year declines in revenues and profits—disappointed shareholders and investors who expected growth.

I regret that our forecasts for fiscal 2014 call for higher revenues but lower profits, but I can say that I am confident about our prospects for growth in subsequent years. In fiscal 2014, we will become stronger as we take steps to target growth, and in fiscal 2015 and thereafter we will definitely achieve increased profits and higher corporate value.

Result 1	Start of iPhone sales The launch of the iPhone contributed to net additions in the second half of fiscal 2013.
Result 2	Customer evaluations of LTE <i>Xi</i> DOCOMO successfully implemented the plan to double the number of LTE base stations and consequently was rated number one by customers.
Result 3	Growth of <i>dmarket</i> Accompanying expansion of the service menu, the number of users increased beyond our expectations.
Issue 1	Increasing our share of subscribers The number of subscribers has expanded favorably, but this has not translated into growth in our share of subscribers.
Issue 2	Promoting transition to smartphones At the end of fiscal 2013, smartphones were still only 38.6% of all subscriptions.
Issue 3	Increasing profits from services in new business areas We will work to translate growth in content and user numbers into higher profits.

DOCOMO's Growth Strategy—Objective and Initiatives

Investors sometimes ask us “Where is DOCOMO headed?” We have taken this question as an indication that we need to provide more information, and I believe that we must do a better job of communicating with customers and investors. To begin with, based on the idea that “it is the first step that counts,” I would like to explain the fundamental point of our growth strategy.

The objective of our strategy is to realize growth by strengthening our competitiveness in the mobile communications field and by expanding our sources of revenue in new business areas. In other words, our aim is to take on the dual challenges of implementing a straightforward strategy as a mobile telecommunications operator while also becoming a service company.

In this way, our strategy can be expressed in a few words, but the strategy itself comprises a wide range of initiatives. Even as we develop various initiatives in a comprehensive manner, we must integrate and coordinate them to realize specific targets.

The new billing plan that we introduced in June 2014 represents the best of a wide range of initiatives. Actually, to increase the impact of the announcement of the new plan, its development was kept a closely guarded secret, even within the Company. The decision to keep the plan secret meant that we were able to ensure that the announcement was big news, but it also meant that substantial preparations did not begin until the plan was announced in April. We had only two months until the plan was introduced on June 1, but multiple departments within the Company were able to work together and make rapid progress in a wide range of areas, including network capacity, billing plan preparations, DOCOMO shop preparations, promotions, and marketing initiatives for corporate customers. This effort is representative of how we can bring together multiple initiatives.

Strategic Progress and Results to Date

The introduction of this billing plan puts an end to the unsound market environment characterized by overheated competition to secure customers through cash-back incentives. It could be called a declaration that DOCOMO will change the mobile communications services environment. The new billing plan had already garnered 3 million subscriptions 10 days after service began on June 1, and that number has been increasing steadily. In services, we have taken various steps to give shape to a Smart Life, such as increasing the number of *dmarket* stores and offering healthcare-related services. In the areas of corporate marketing and M2M services, we are also implementing new activities that transcend the conventional voice-centered services. Multiple initiatives that target the realization of our strategy have begun to mesh and work together, and I believe that we have reached a stage at which we can make wide-ranging use of our latent power.

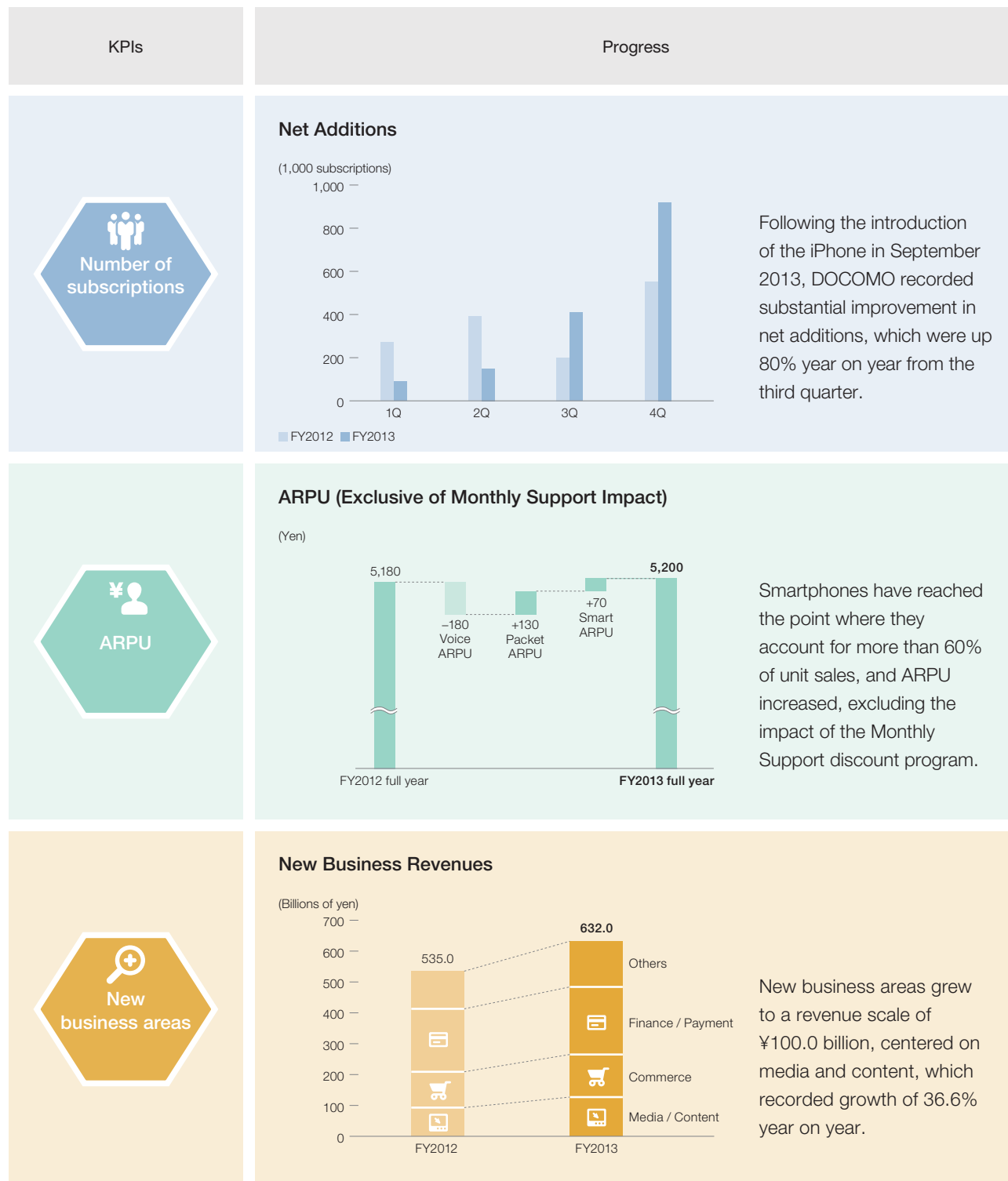
Further, we were highly rated in a survey* of the satisfaction of smartphone users with their network usage experience. The results of this survey were announced in May

2014 by Nikkei BP Consulting, Inc., and DOCOMO was ranked number one in all three survey factors—network area, voice call quality, and communications quality. The Company also performed strongly in separate satisfaction rankings for five different usage scenarios, such as at home or on the move. These results were very good news for us because they show that we did what was necessary for future growth, and those efforts were rewarded.

We are starting to see the results in our management indicators. As I mentioned earlier, we have recorded substantial gains in net additions from the third quarter of fiscal 2013. Smartphone unit sales and the total number of smartphone users have grown, and excluding the impact of the Monthly Support discount program, ARPU increased for fiscal 2013. In addition, we achieved growth of about 20% year on year in revenue from new business areas in fiscal 2013.

* Web-based survey of 55,000 smartphone users from throughout Japan aged 15 to 59, from April 11 to April 22, 2014. The survey was based on five levels of evaluation—satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, and dissatisfied. Respondents were asked about their network area satisfaction, voice call quality satisfaction, and communications quality satisfaction as well as their satisfaction for each of five different usage scenes.

Progress with the Growth Strategy



Business Reform and Restructuring

I believe that strategies and initiatives are “correct” if they generate results. My role is first to create an environment in which all employees can focus their comprehensive strengths to implement our strategies, and then to produce results.

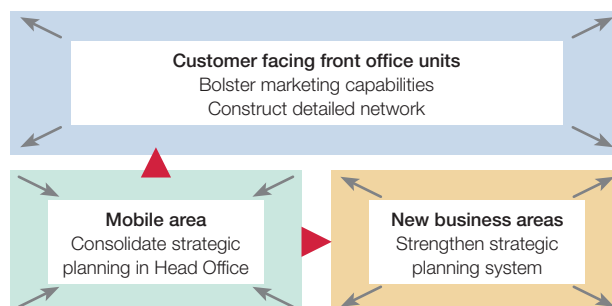
The first step in creating such an environment was the reform of our organizational structure on July 1, 2014. Specifically, over a period of about three years, we will add approximately 2,000 to 3,000 people in new business areas and corporate marketing. In new business areas, we will focus on enhancing our ability to create new services and expanding the scale of our operations. In corporate marketing, we will strive to strengthen our relationships with customers and to expand customer touchpoints.

Also, we established a new company, DOCOMO CS Inc. This move was intended to raise the level of service to

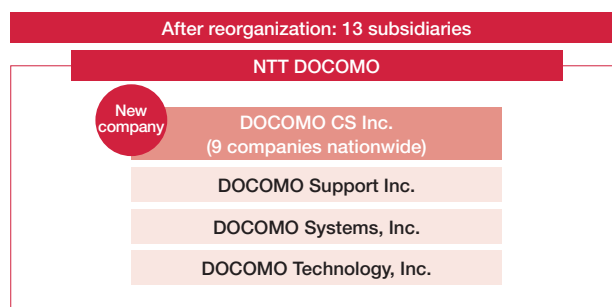
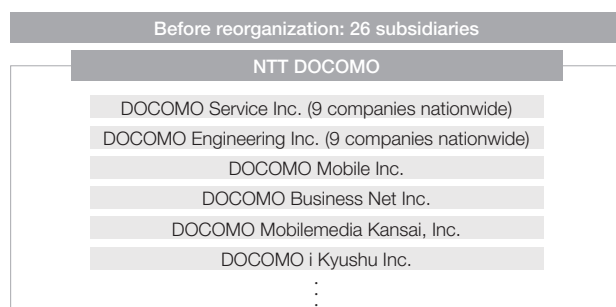
customers with a system that is close to regional areas. Accompanying the establishment of DOCOMO CS, we reduced the number of Group companies from 25 to 12, thereby facilitating more rapid decision making and more efficient administrative management for the Group as a whole.

On the day of the announcement of the new billing plan, I spoke with an employee in the elevator. She said, “I am glad that DOCOMO has taken the lead with this announcement.” This comment reconfirmed my belief that we must have an organization that can go on the offensive. To achieve ongoing progress in the mobile communications market, which continues to evolve, we will work to build a dynamic organization that can stay in the lead.

Purpose of Organizational Reforms



Group Reorganization



Utilization of Management Capital

Human resources are the key to the realization of the Company's growth strategy. In advancing the growth strategy, it is human resources that play the main role and serve as the driving force behind the management capital that we invest, including our brand, customer base, R&D capabilities, alliances, and facilities.

We want employees not to simply focus on their own jobs but rather to be curious and get involved in whatever strikes their interest. The reason is that if we are satisfied with "business as usual plus a little bit more," then it is unlikely that we will be successful in realizing our vision of being a Smart Life Partner. I even want people to speak up and let us know if they think the work they are doing is unnecessary. We need

the energy to break away from "business as usual." The structural reforms that we implemented were based on this approach, and through them we will strive to draw out

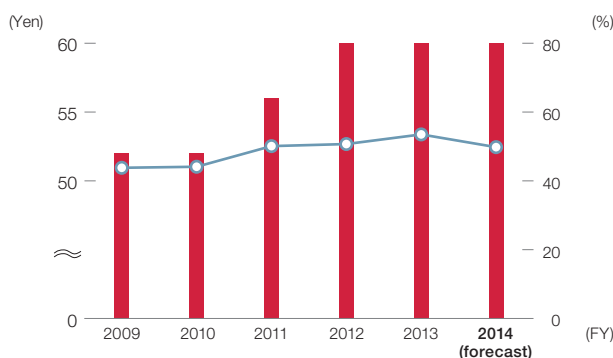
constructive energy by aggressively reallocating our resources. In this way, we will rapidly implement powerful initiatives to advance our growth strategy.



Shareholder Return and Corporate Value

DOCOMO considers the return of profits to shareholders to be one of its most important management issues, and the Company has worked to provide stable dividends and a dividend payout ratio that is in the top ranks in Japan. In fiscal 2014, to maintain a solid shareholder return, we plan to pay dividends of ¥60 per share, the same as in fiscal 2013.

Dividend per Share / Payout Ratio



■ Dividend per share ● Payout ratio (right)

* Graph data takes into account the stock split (1:100) conducted on October 1, 2013.

In addition, to strengthen our return to shareholders and investors, we have established a framework for share repurchases, with an upper limit of ¥500.0 billion. At the end of March 2014, our cash and cash equivalents totaled

more than ¥500.0 billion, and we determined that we needed to increase capital efficiency.

Moving forward, we will aggressively advance shareholder return. Of course, we realize that the best way to meet the expectations of shareholders and investors is to raise corporate value through growth. In fiscal 2014, we broke new ground with the introduction of our billing plan. We have also formulated a range of initiatives to achieve growth, and we will advance the realization of our growth strategy with heightened force and speed.

As we progress toward our vision of being a Smart Life Partner, we will continue to take on challenges to realize growth. That is our promise to our shareholders and investors.

July 2014

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President and Chief Executive Officer