

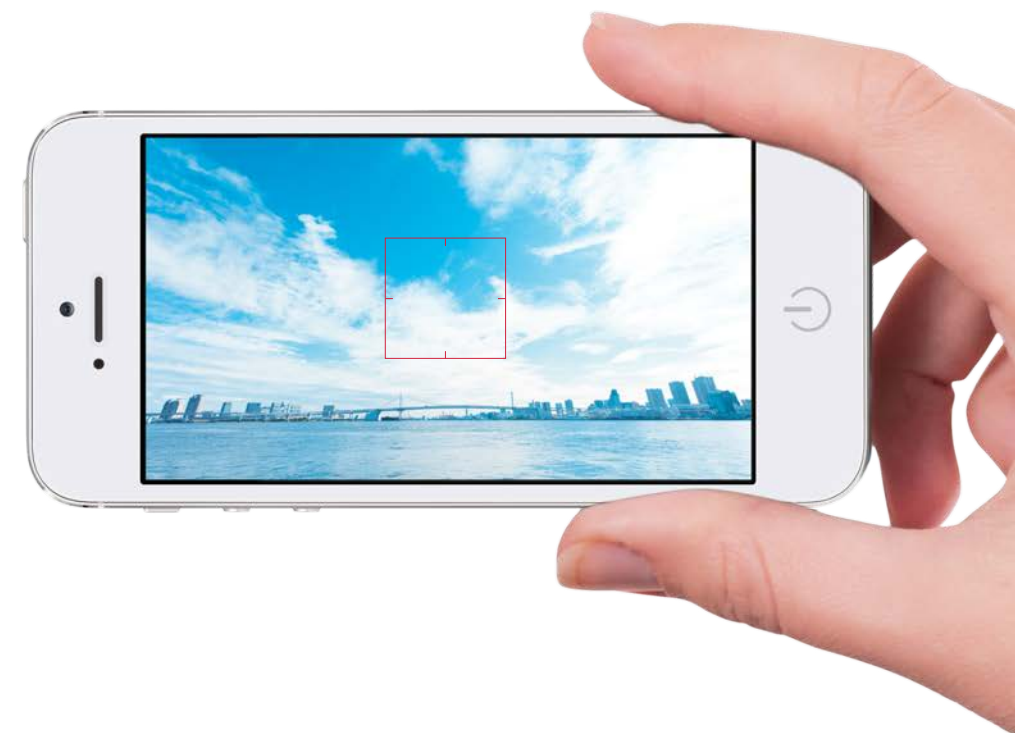
The new of today, the norm of tomorrow





Making our way forward with “smart innovation”

DOCOMO is taking on the challenge of moving to the next stage. The driver of these initiatives is “Smart Innovation,” which links tangible and intangible elements to realize entirely new levels of comfort and inspiration. By pursuing Smart Innovation, we are developing and providing services that address potential needs. We are also working in Smart Innovation that facilitates innovation in the businesses of our partners. By constantly taking on the challenge of creating new value, DOCOMO will continue to move forward and pursue growth.



Contents

Introduction

03

Fiscal 2014 Highlights

04

Who we are: DOCOMO's operational scale and market position

06

What we do: DOCOMO's revenue structure

08

Where we operate: Trends in the domestic market

10

What we have: DOCOMO's management resources

12

Financial Highlights

16

Stock, Financial and Operating Performance Data

Strategy

18

To Our Stakeholders
Where we are heading

24

CFO's Comments on DOCOMO's Results and the Medium-Term Management Plan

26

Special Feature: In-Depth Analysis of DOCOMO's Path Toward Achievement of Medium-Term Targets

31

The Path to and beyond the Medium-Term Targets

Operational Results

34

Fiscal 2014 Business Overview

Management Systems

44

Management Systems

Financial and Corporate Data

58

DOCOMO's Revenue and Expense Structure

60

FY2014 Financial Review

64

Financial Data

71

Corporate Data

Unless specifically stated otherwise, information in this annual report is as of July 2015. As used in this annual report, references to "DOCOMO," "the Company," "the Group," "we," "our" and "us" are to NTT DOCOMO, INC. and its consolidated subsidiaries except as the context otherwise requires. Names of companies or products presented in this annual report are the trademarks or registered trademarks of their respective organizations. iPhone is a trademark of Apple Inc. The iPhone trademark is used under a license by AIPHONE CO., LTD.

Definition of Term
"Fiscal 2014" refers to our fiscal year ended March 31, 2015, and other fiscal years are referred to in a corresponding manner.

Forward-Looking Statements
This annual report contains forward-looking statements. These forward-looking statements are based on our current predictions, plans, expectations, acknowledgements and estimates based on the information obtained by us until the date of this annual report. The projections of figures such as the outlook for results in this annual report require us to make certain assumptions that are indispensable for making such projections in addition to the definitive and precisely recognized historical facts. These forward-looking statements are subject to certain inherent risks, uncertainties and other factors that could cause our actual results to differ from the outlook for or projections of such results or figures.

Quick Indexes

DOCOMO's Business Model and Revenue Structure

DOCOMO's revenue structure

See pages 06-07

Revenues and business segments

See pages 36-37

Revenue and expense structure

See pages 58-59

Growth Strategy

President and CEO's message

See pages 18-23

CFO's message

See pages 24-25

Initiatives toward delivery of medium-term targets

See pages 26-33

Fiscal 2014 Operational Results

Selected management indicators

See pages 14-15

Stock, financial and operating performance

See pages 16-17

Telecommunications business

See pages 38-40

Smart life business

See pages 41-42

Other businesses

See page 43

Fiscal 2014 financial review

See pages 60-63

Financial statements

See pages 64-70

Corporate Governance

See pages 44-51

Management Resources
All Group employees, including the people on the inside cover and pages 1, 4, 6, 8, 10, 34 and 35. See also pages 10-11.

For further information about non-financial performance, such as management resources, labor practices, human rights, relationships with suppliers, the environment, and social contribution, please refer to the NTT DOCOMO Group Sustainability Report 2015.



Sustainability Report 2015

Fiscal 2014 Highlights



Financial results

| | |
|--------------------|------------------|
| Operating revenues | ¥4,383.4 billion |
| Operating income | ¥639.1 billion |
| EBITDA | ¥1,369.1 billion |
| ROE | 7.4% |
| EBITDA margin | 31.2% |
| Free cash flow | ¥295.6 billion |

Shareholder return

| | |
|---|---------|
| Earnings per share attributable to NTT DOCOMO, INC. | ¥101.55 |
| Cash dividends declared per share | ¥65 |
| Payout ratio | 64.0% |

Non-financial evaluation

| | |
|--|-------|
| After-Sales Service Rankings 2014 Mobile phone / PHS communications companies By <i>Nikkei Business</i> , November 3, 2014 | No. 1 |
| 9th TOYO KEIZAI CSR Ranking Report By Toyo Keizai Inc., released on March 9, 2015 Overall ranking | No. 2 |



“We are a company that provides leading-edge excitement through mobile phones.”



Who we are

DOCOMO's operational scale and market position

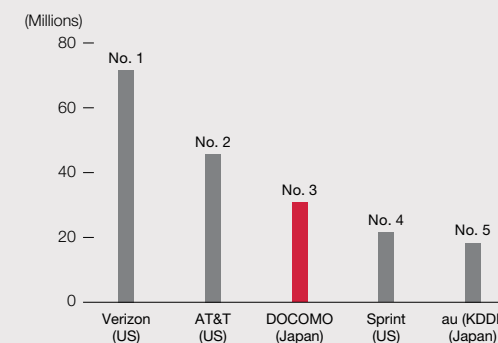
Since we started operations in 1992, we have continued to open up new markets as a leading company in Japan's mobile communications services business. The position that we have earned is demonstrated by our No. 1 rank in Japan in mobile communications services subscriptions and by our top level of market capitalization among mobile telecommunications operators worldwide. In addition, our continued efforts in the areas of financial stability and social responsibility have earned high evaluations, and we are included in a variety of SRI-related indexes.



“A creator of the future, aiming to realize new lifestyles by working together with partners in Japan and overseas.”



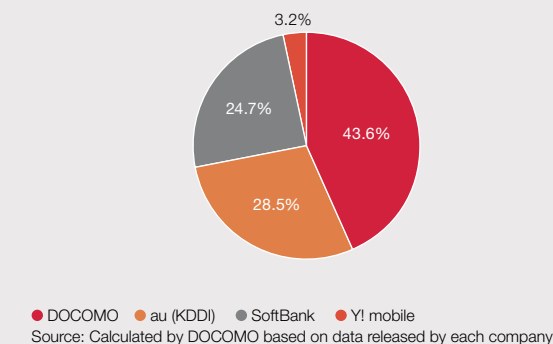
Number of LTE subscriptions



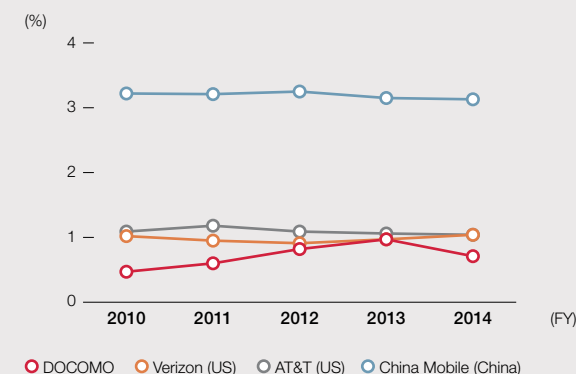
Source: GSMA Intelligence, Connections, excluding cellular M2M, LTE, Q1 2015

Share of subscriptions among domestic mobile telecommunications operators

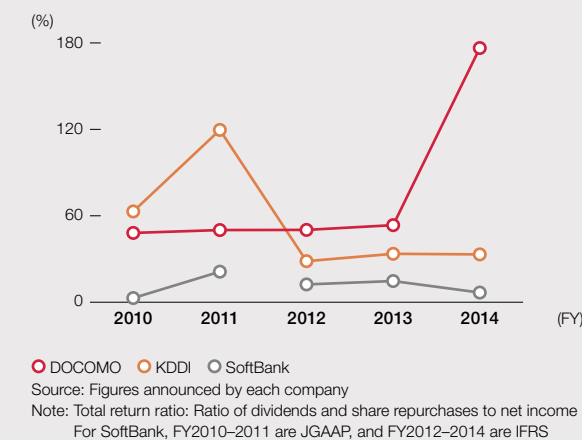
As of March 31, 2015



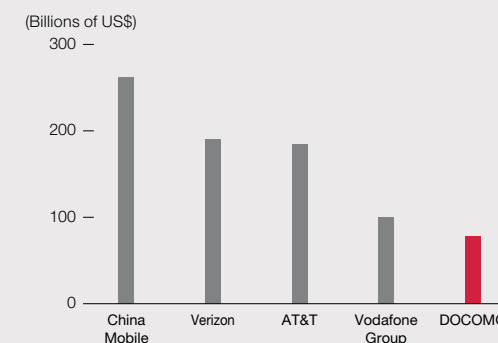
Churn rate: Global mobile telecommunications operators



Total return ratio: Domestic mobile telecommunications operators



Market capitalization: Global mobile telecommunications operators



Inclusion in SRI-related indexes





“At the frontlines of telecommunications, we bring leading-edge technologies to the world.”

What we do

DOCOMO’s revenue structure

In addition to the mobile communications business, which is a pillar of our revenues, from March 2015, we have expanded into the optical-fiber broadband business. DOCOMO has grown into a company that provides comprehensive communications services.

Moreover, in line with the theme of becoming a Smart Life Partner, since fiscal 2012, we have worked to expand services in the Smart life and Other businesses segments, and revenues in these areas are recording steady growth. We pursue growth by leveraging our capability for innovation. To that end, we create services that generate new value from innovative technologies.



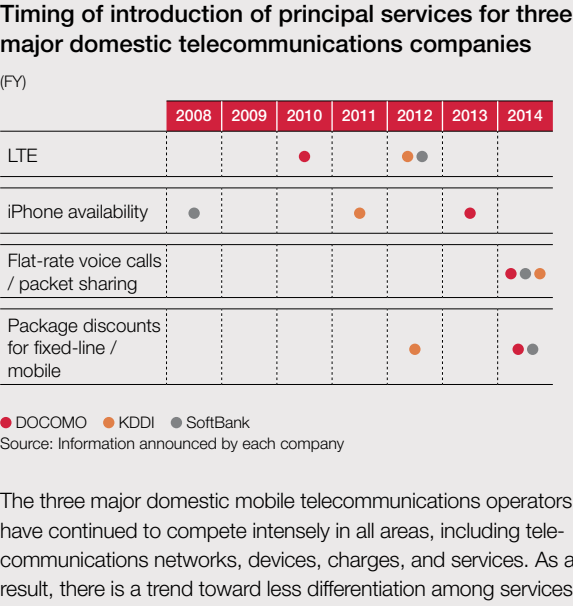
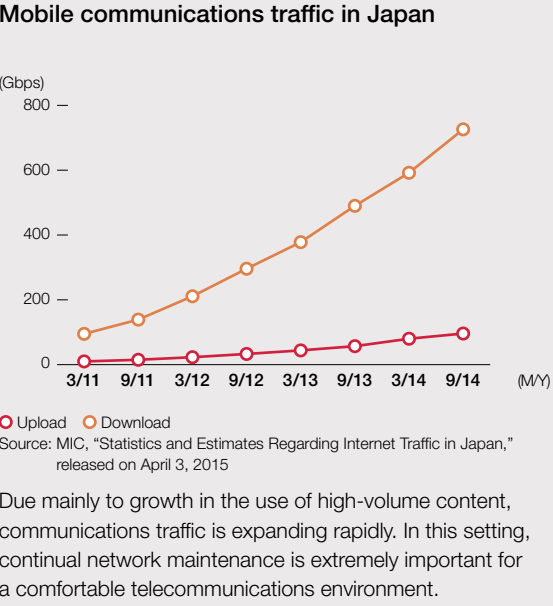
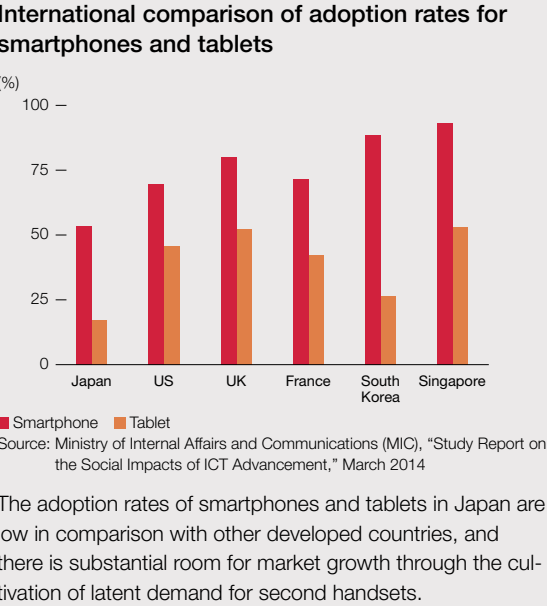
“We are making the availability of high-quality telecommunications environments and content the norm.”

| Operating revenues | | | Principal components of revenues | Results of fiscal year ended March 2015 |
|-----------------------------|---|--------------------------------|---|---|
| Telecommunications services | Mobile communications services revenues | Voice revenues | <ul style="list-style-type: none">■ Basic monthly charges■ Calling charges■ Packet communications charges | ¥883.8 billion (Decreased 17.0% YOY) |
| | | Packet communications revenues | | ¥1,852.8 billion (Decreased 2.0% YOY) |
| | Optical-fiber broadband service and other telecommunications service revenues | | <ul style="list-style-type: none">■ Revenues from optical-fiber broadband service, satellite communications services, and overseas cable TV service | ¥10.5 billion (Increased 28.2% YOY) |
| Equipment sales revenues | | | <ul style="list-style-type: none">■ Revenues from sales of mobile phone handsets that the Company purchases from manufacturers and sells to its agent resellers | ¥904.1 billion (Increased 3.7% YOY) |
| Other operating revenues | | | <ul style="list-style-type: none">■ Revenues from content and services provided for smartphones and tablets through “dmarket” operated by DOCOMO■ “Mobile Device Protection Service”-related revenues■ Revenues from services developed on platforms built for mobile communications devices, such as education and healthcare services■ Revenues from various new business areas developed by subsidiaries■ Revenues from “iD,” a payment system using mobile communications devices, and “DCMX,” a credit card business | ¥732.2 billion (Increased 17.1% YOY) |

DOCOMO's business segments and initiatives

See pages 36-37

“We work in an exciting market where innovative services are created one after another.”



Where we operate

— Trends in the domestic market —

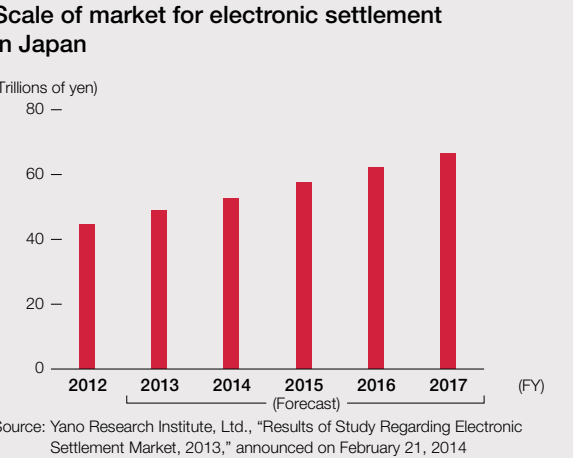
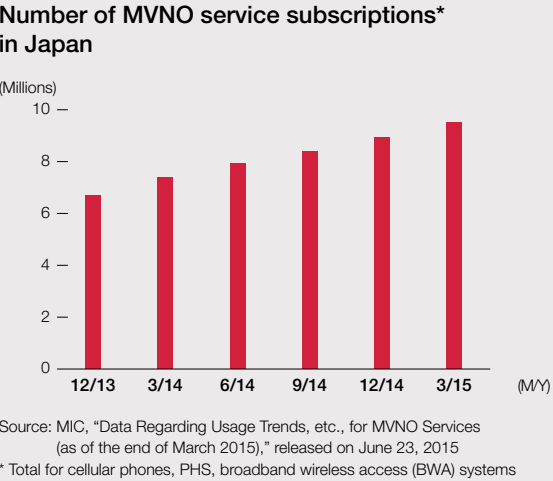


“Customers that depend on DOCOMO services extend nationwide, from cities to mountain villages and outlying islands.”

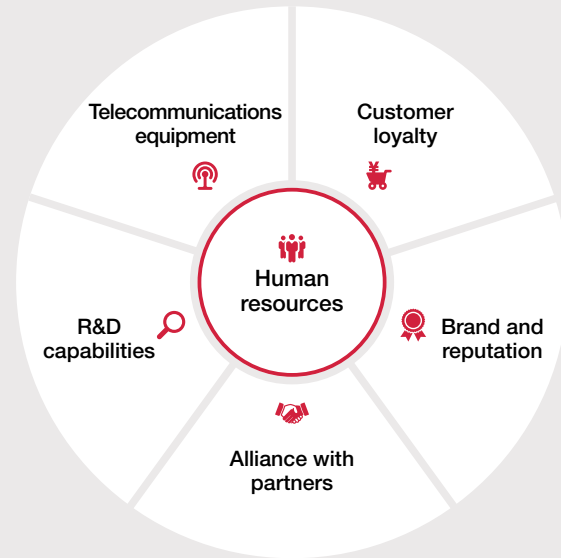
Principal services offered by DOCOMO and competitive situation

| | DOCOMO Services | Major competing services provided by companies other than telecommunications operators |
|--|----------------------|--|
| Platform | i-mode / dmenu | Google, Apple |
| Voice services | FOMA, LTE (Xi) | LINE, MVNOs |
| Mail services | docomo mail | Google, Apple |
| Settlement services | iD, DCMX | Google Wallet |
| Content / applications distribution services | dmarket | Google Play, iTunes Store |
| of which, music distribution services | dhits | Apple Music, LINE Music |
| of which, video distribution services | dTV, danime store | TSUTAYA TV, Hulu |
| of which, shopping | dshopping, d fashion | Amazon, Rakuten Market |

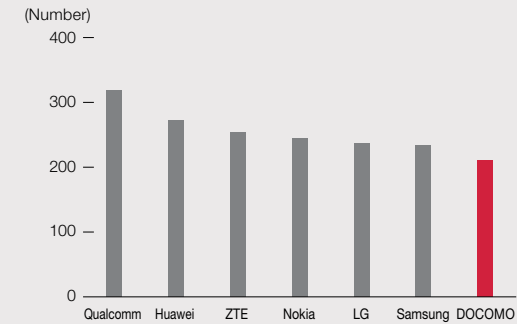
DOCOMO has expanded its business to include the provision of services in the upper layer of the telecommunications network. At the same time, a number of companies are providing new services related to mobile communications. The competitive environment is becoming more complex.



“Customer trust and satisfaction
built to date”



Number of LTE essential patents (Estimate based on registered patents)

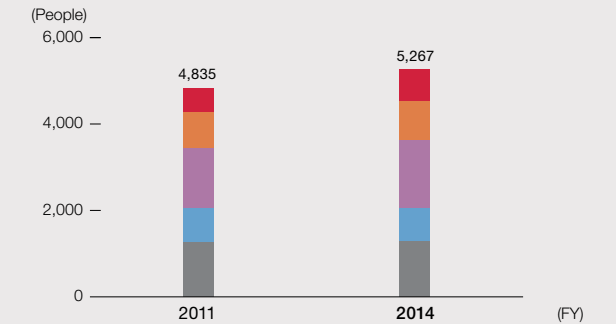


Source: Cyber Creative Institute Co. Ltd., *Evaluation of LTE essential patents declared to ETSI*, Version 3.0, June 2013

DOCOMO is ranked No. 1 in the world among mobile telecommunications operators in the number of patents related to functions that are essential in the use of LTE (essential patents). The Company's ability to turn research results into intellectual property is highly regarded.



Human resources allocation in accordance with growth strategies



Note: NTT DOCOMO, INC. only. Excluding data for DOCOMO CS, established through a corporate separation in fiscal 2014, and its predecessor branches.

To boost competitiveness in the mobile telecommunications business, record growth in the Smart life and Other businesses segments, and strengthen business creation in corporate sales, we are working to maximize the value from human resource allocation.

What we have

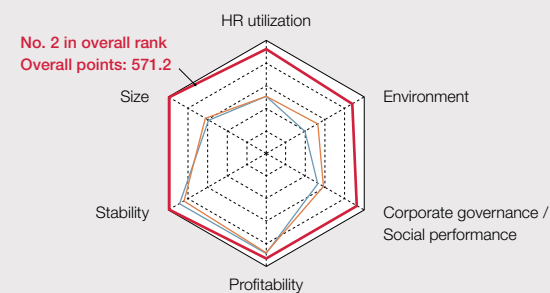
DOCOMO's management resources



“Platforms that support free
human expression”



9th TOYO KEIZAI CSR Ranking Report



— NTT DOCOMO — Information & communication industry average

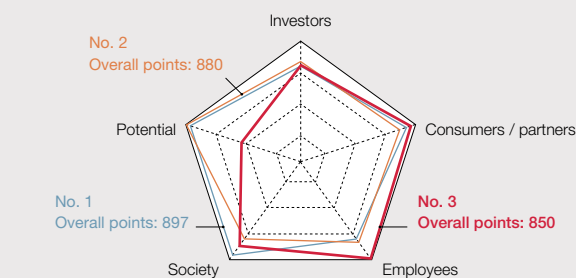
— All companies average

Source: Toyo Keizai Inc., released on March 9, 2015

In an annual CSR ranking conducted by Toyo Keizai Inc., a publisher of business magazines, DOCOMO received an overall rank of No. 2, exceeding the rankings of other companies in the same industry, with KDDI at No. 15 and SoftBank at No. 257.



NICES ranking



— Toyota Motor — Seven & i Holdings — NTT DOCOMO

Source: Nikkei Inc., November 27, 2014, morning edition

In the NICES ranking of companies, which comprehensively evaluates listed companies from the viewpoint of stakeholders, DOCOMO received high scores in “employees” and “consumers / business partners,” and was ranked No. 3 overall.



Japan's top 30 domestic brands (excerpt)

| 2015 rank | 2014 rank | Brand | Sector | Brand value (US\$ million) |
|-----------|-----------|---------------------------------|----------------|----------------------------|
| 1 | 1 | NTT DOCOMO | Communications | 9,572 |
| 2 | 2 | Mitsubishi UFJ Financial Group | Finance | 7,122 |
| 3 | 3 | SoftBank | Communications | 7,107 |
| 4 | 5 | Mitsui Sumitomo Financial Group | Finance | 4,214 |
| 5 | 6 | au | Communications | 4,200 |

Source: InterBrand, *Japan's Best Global / Domestic Brands 2015*
Brand value of domestic brands with overseas sales ratios of less than 30% (Fiscal 2012 consolidated results)

DOCOMO's brand value is highly regarded. As an operator that provides high-quality telecommunications services throughout Japan, we have established a high level of name recognition and earned the trust of customers.

11-Year Summary of Selected Financial and Non-Financial Data

NTT DOCOMO, INC. and Subsidiaries
Fiscal years

Please refer to Form 20-F for more information.
Form 20-F is also available on DOCOMO's IR website:
 URL: <https://www.nttdocomo.co.jp/english/corporate/ir/library/sec/>

| | (Millions of yen) | | | | | | | | | | |
|---|-------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Operating results: | | | | | | | | | | | |
| Operating revenues | ¥4,844,610 | ¥4,765,872 | ¥4,788,093 | ¥4,711,827 | ¥ 4,447,980 | ¥ 4,284,404 | ¥4,224,273 | ¥4,240,003 | ¥4,470,122 | ¥4,461,203 | ¥4,383,397 |
| Telecommunications services ^{1, 2} | — | 4,204,003 | 4,201,090 | 4,008,267 | 3,631,391 | 3,462,783 | 3,361,235 | 3,334,036 | 3,176,931 | 2,963,980 | 2,747,155 |
| Equipment sales ² | — | 470,016 | 473,953 | 546,593 | 606,898 | 507,495 | 477,404 | 498,889 | 758,093 | 872,000 | 904,089 |
| Other operating revenues ^{1, 2} | — | 91,853 | 113,050 | 156,967 | 209,691 | 314,126 | 385,634 | 407,078 | 535,098 | 625,223 | 732,153 |
| Operating expenses | 4,060,444 | 3,933,233 | 4,014,569 | 3,903,515 | 3,617,021 | 3,450,159 | 3,379,544 | 3,365,543 | 3,632,942 | 3,642,004 | 3,744,326 |
| Operating income | 784,166 | 832,639 | 773,524 | 808,312 | 830,959 | 834,245 | 844,729 | 874,460 | 837,180 | 819,199 | 639,071 |
| Net income attributable to NTT DOCOMO, INC. ³ | 747,564 | 610,481 | 457,278 | 491,202 | 471,873 | 494,781 | 490,485 | 463,912 | 491,026 | 464,729 | 410,093 |
| Comprehensive income attributable to NTT DOCOMO, INC. ³ | 723,818 | 579,653 | 448,214 | 478,738 | 405,774 | 523,091 | 450,909 | 436,338 | 546,443 | 523,431 | 453,102 |
| | | | | | | | | | | | |
| Total assets ³ | 6,136,521 | 6,365,257 | 6,116,215 | 6,210,834 | 6,488,220 | 6,756,775 | 6,791,593 | 6,948,082 | 7,169,725 | 7,508,030 | 7,146,340 |
| Total interest-bearing liabilities | 948,523 | 792,405 | 602,965 | 478,464 | 639,233 | 610,347 | 428,378 | 256,680 | 253,766 | 230,346 | 222,651 |
| Total shareholders' equity ³ | 3,907,932 | 4,052,017 | 4,161,303 | 4,276,496 | 4,341,585 | 4,635,877 | 4,850,436 | 5,062,527 | 5,368,475 | 5,643,366 | 5,380,072 |
| | | | | | | | | | | | |
| Debt-to-equity ratio ^{3, 4} (Times) | 0.243 | 0.196 | 0.145 | 0.112 | 0.147 | 0.132 | 0.088 | 0.051 | 0.047 | 0.041 | 0.041 |
| Shareholders' equity ratio ³ | 63.7% | 63.7% | 68.0% | 68.9% | 66.9% | 68.6% | 71.4% | 72.9% | 74.9% | 75.2% | 75.3% |
| | | | | | | | | | | | |
| Net cash provided by operating activities | ¥1,181,585 | ¥1,610,941 | ¥ 980,598 | ¥1,560,140 | ¥ 1,173,677 | ¥ 1,182,818 | ¥1,287,037 | ¥1,110,559 | ¥ 932,405 | ¥1,000,642 | ¥ 962,977 |
| Net cash used in investing activities | (578,329) | (951,077) | (947,651) | (758,849) | (1,030,983) | (1,163,926) | (455,370) | (974,585) | (701,934) | (703,580) | (651,194) |
| Adjusted free cash flows ^{5, 6} | 1,003,583 | 510,905 | 192,237 | 442,410 | 93,416 | 416,878 | 589,777 | 503,479 | 225,589 | 257,209 | 295,590 |
| | | | | | | | | | | | |
| Capital expenditures | 861,517 | 887,113 | 934,423 | 758,743 | 737,606 | 686,508 | 668,476 | 726,833 | 753,660 | 703,124 | 661,765 |
| Research and development expenses | 101,945 | 110,509 | 99,315 | 100,035 | 100,793 | 109,916 | 109,108 | 108,474 | 111,294 | 102,039 | 96,997 |
| Depreciation and amortization | 735,423 | 738,137 | 745,338 | 776,425 | 804,159 | 701,146 | 693,063 | 684,783 | 700,206 | 718,694 | 659,787 |
| | | | | | | | | | | | |
| Operating income margin | 16.2% | 17.5% | 16.2% | 17.2% | 18.7% | 19.5% | 20.0% | 20.6% | 18.7% | 18.4% | 14.6% |
| EBITDA ⁶ | ¥1,625,661 | ¥1,606,776 | ¥1,574,570 | ¥1,639,096 | ¥ 1,678,422 | ¥ 1,568,126 | ¥1,565,728 | ¥1,583,298 | ¥1,569,264 | ¥1,572,196 | ¥1,369,092 |
| EBITDA margin ⁶ | 33.6% | 33.7% | 32.9% | 34.8% | 37.7% | 36.6% | 37.1% | 37.3% | 35.1% | 35.2% | 31.2% |
| ROE | 19.6% | 15.3% | 11.1% | 11.6% | 11.0% | 11.0% | 10.3% | 9.4% | 9.4% | 8.4% | 7.4% |
| Price-earnings ratio (Times) | 11.41 | 12.90 | 20.97 | 13.26 | 11.97 | 12.00 | 12.39 | 12.28 | 12.00 | 14.53 | 20.54 |
| Payout ratio ³ | 12.7% | 29.6% | 38.5% | 42.1% | 43.0% | 43.8% | 44.1% | 50.1% | 50.7% | 53.5% | 64.0% |
| | | | | | | | | | | | |
| Per share data⁷ (Yen): | | | | | | | | | | | |
| Earnings per share attributable to NTT DOCOMO, INC. ³ | ¥ 157.71 | ¥ 134.91 | ¥ 103.96 | ¥ 113.91 | ¥ 111.72 | ¥ 118.64 | ¥ 117.97 | ¥ 111.87 | ¥ 118.41 | ¥ 112.07 | ¥ 101.55 |
| Shareholders' equity per share ³ | 844.55 | 911.09 | 954.57 | 1,003.21 | 1,039.66 | 1,114.24 | 1,169.69 | 1,220.84 | 1,294.62 | 1,360.91 | 1,386.09 |
| Cash dividends declared per share ⁸ | 20 | 40 | 40 | 48 | 48 | 52 | 52 | 56 | 60 | 60 | 65 |
| | | | | | | | | | | | |
| Shares⁷: | | | | | | | | | | | |
| Average common shares outstanding | 4,740,115,400 | 4,525,003,100 | 4,398,508,200 | 4,312,058,600 | 4,223,871,500 | 4,170,573,800 | 4,157,685,900 | 4,146,760,100 | 4,146,760,100 | 4,146,760,100 | 4,038,191,678 |
| | | | | | | | | | | | |
| Non-financial data (People): | | | | | | | | | | | |
| Number of directors (of which independent outside directors) ⁹ | 13 (0) | 13 (0) | 12 (0) | 13 (0) | 13 (0) | 13 (0) | 13 (0) | 13 (0) | 14 (0) | 15 (1) | 14 (1) |
| Number of consolidated employees (of which NTT DOCOMO, INC.) ^{10, 11} | 21,527 (5,856) | 21,646 (6,013) | 21,591 (5,947) | 22,100 (5,843) | 21,831 (11,463) | 22,297 (11,053) | 22,954 (11,062) | 23,289 (11,053) | 23,890 (10,903) | 24,860 (10,973) | 25,680 (7,344) |
| Ratio of female officers and managers (NTT DOCOMO, INC.) ^{10, 11, 12} | — | — | — | — | — | — | — | — | 2.4% | 2.7% | 3.0% |

1 In fiscal 2012, some elements that had previously been included in "Wireless services" were reclassified into "Other operating revenues," and the title "Wireless services" was changed to "Mobile communications services." Accordingly, data from fiscal years 2005 to 2011 have been reclassified in the same manner.

2 In fiscal 2014, "Mobile communications services" are presented as "Telecommunications services," and some elements that were previously included in "Other operating revenues" (revenues from satellite telephone, overseas cable TV, and other services) are included in "Telecommunications services." Accordingly, data from fiscal 2005 to 2013 have been reclassified in the same manner. For fiscal 2004, reclassified data are not presented.

3 The consolidated financial statements for fiscal 2012 have been revised due to the reinstatement of the equity method for an investee.

4 Debt-to-equity ratio = Interest-bearing liabilities / Shareholders' equity

5 Adjusted free cash flows exclude the effects of uncollected revenues due to bank holidays at the end of the period, the effects of the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION, and changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

6 For the reconciliations of these Non-GAAP Financial Measures, see page 70.

7 In the calculation of per share data, treasury stocks are not included in the number of issued shares during or at the end of the year. As we conducted a 1:100 stock split with an effective date of October 1, 2013, "Per share data" and "Shares" for fiscal 2004 to 2013 are based on the number of shares after the stock split.

8 Cash dividends declared per share are presented in the fiscal year to which each record date for the dividends belongs.

9 The data on the numbers of directors is as of July 1 of the following fiscal year.

10 Includes employees on loan from other companies; does not include employees of DOCOMO temporarily transferred to other companies

11 Due to the effect of employees seconded to DOCOMO CS, Inc., which was established in July 2014, the number of employees for the fiscal year ended March 31, 2015 declined on a non-consolidated basis.

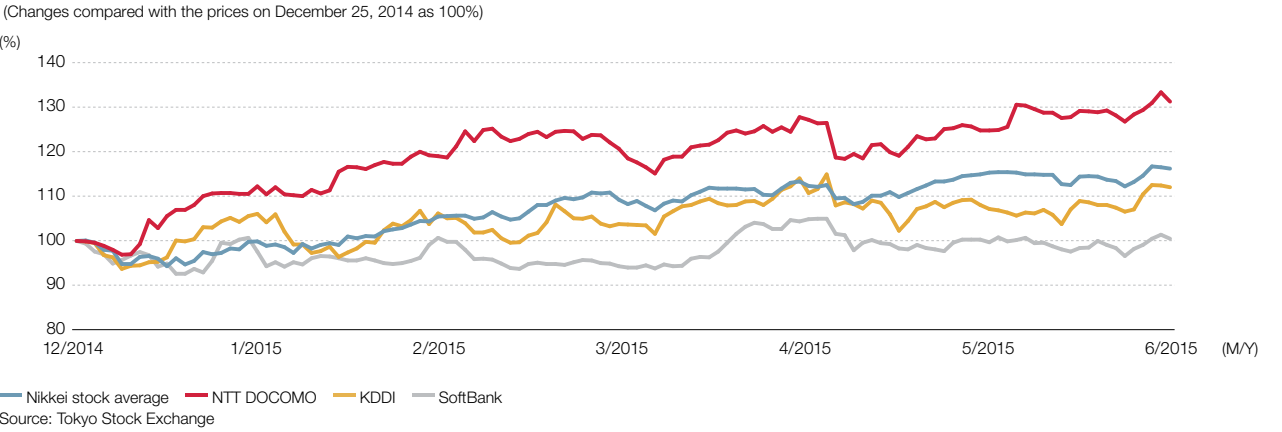
12 The data on the ratios of female officers and managers prior to FY2012 is not disclosed.

Selected Management Indicators

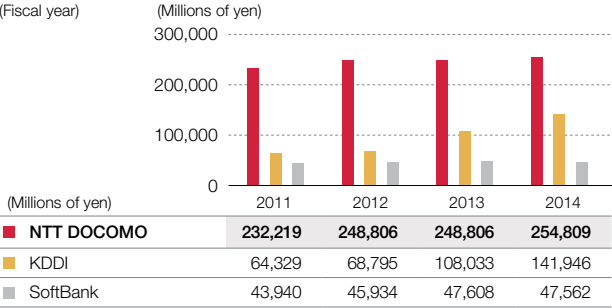


Stock and Financial Data

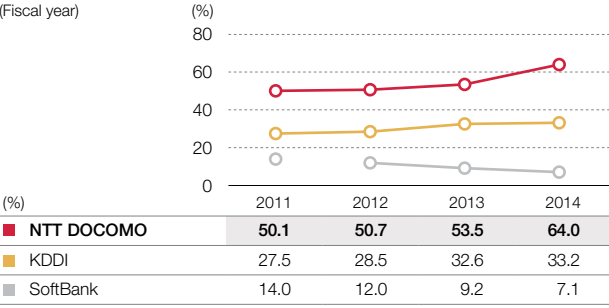
Stock price performance from December 2014 to June 2015



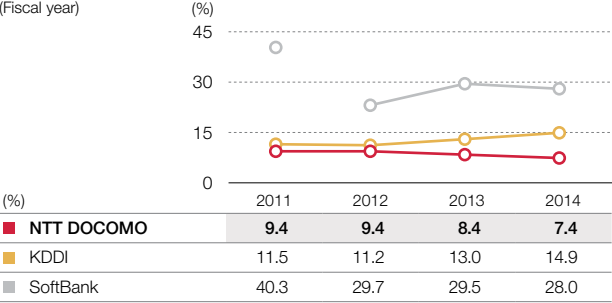
Total cash dividends for the year



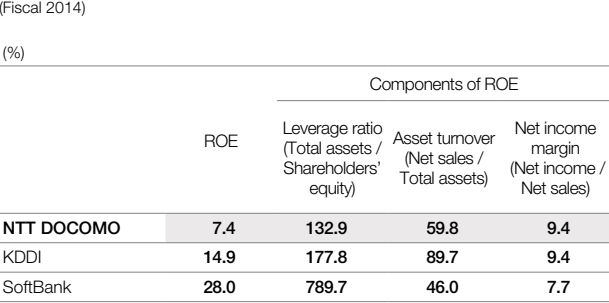
Payout ratio



ROE

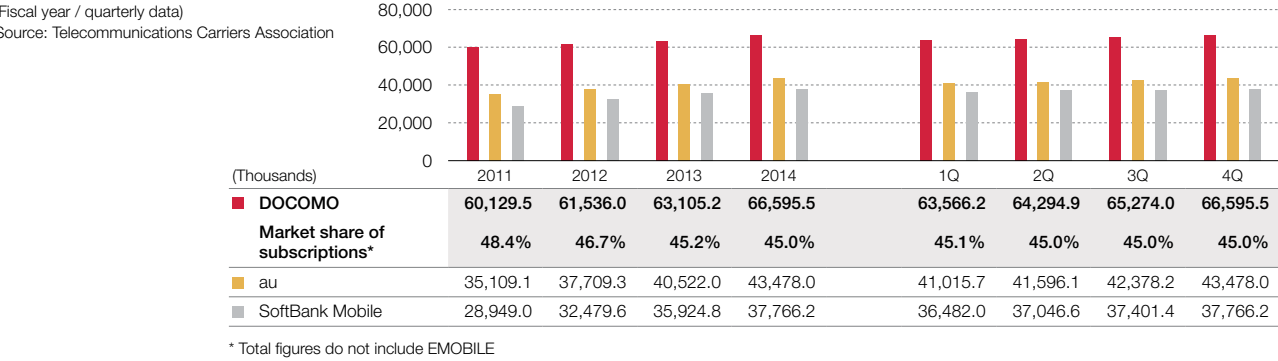


Components* of ROE

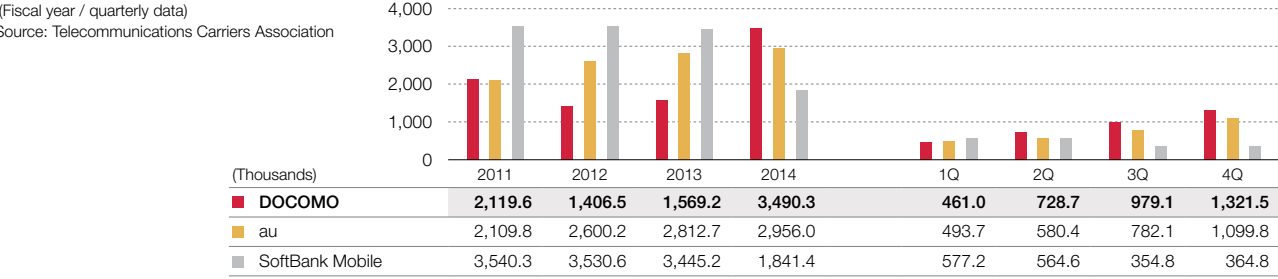


Operating Data

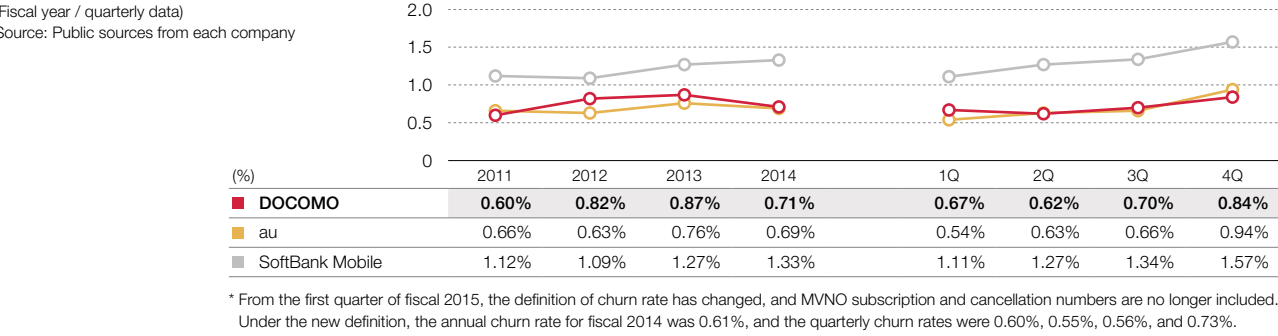
Number of subscriptions



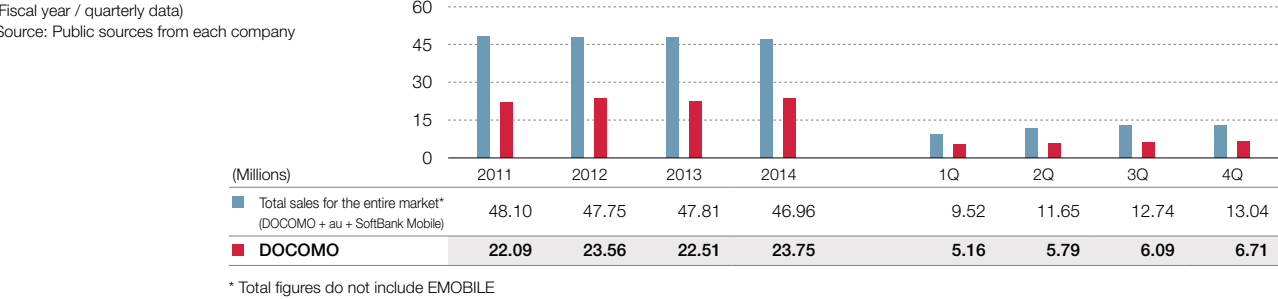
Net additions



Churn rate*



Number of handsets sold



Where we are heading

Kaoru Kato
President and Chief Executive Officer

I will focus my efforts on the achievement of our medium-term targets. In addition, my responsibilities as the leader of DOCOMO also include sowing seeds for long-term growth.

In fiscal 2014, we recorded declines in revenues and profits, with operating revenues of ¥4,383.4 billion and operating income of ¥639.1 billion. We know that our shareholders and investors are not satisfied with this performance, and as DOCOMO's president and CEO, I take these results very seriously.

I would like to point out, however, that the overall atmosphere inside the Company is far from negative. This is because we are already seeing signs of improvement. Our results in the past fiscal year are a consequence of the popularity of our new billing plan, which was launched as a bold, aggressive initiative. We have since established a plan especially for heavy data users, and we are taking steps to encourage the transition to larger data plans. We are now seeing signs of growth in revenues, and consequently,

despite the aforementioned results, the atmosphere within the Company is optimistic. We have carefully analyzed the reasons for our substantial decline in profits, and we will apply the lessons learned as we move forward. Nonetheless, I believe that we should not be overly cautious about taking bold, strong measures due to concerns about the outcome. Moving forward, the Company, and I personally, will continue to boldly take on challenges without fearing change.

To clarify our commitment, in October 2014, we announced medium-term targets for the three-year period from fiscal 2015 to fiscal 2017, and we promised our stakeholders that we would achieve those targets. Over the next two and a half years, the achievement of these targets will be my most important management challenge. I and the other company leaders have committed ourselves to this task.

I Overview of Business Development Initiatives Since I Became President

Three years have passed since I became president in June 2012. Over that period, I regret to say that the Company's results have failed to meet the expectations of our stakeholders. The mobile communications business has undergone tremendous change, including the migration from feature phones to smartphones, the market domination of the iPhone, a lack of clear differentiation between the services of competing companies, and the resulting intensification of competition among those companies. However, we recognize that some people believe that, in general, the pace of change at DOCOMO itself has been too slow, and this is the reason behind the three consecutive years of lower profits. There is no doubt that we could have chosen better approaches in certain areas, such as the timing of our offering of the iPhone and the introduction of the new billing plan, which became the primary reason for the decline in profits during the year. Nonetheless, since I became president I have consistently emphasized a focus on speed, and moreover, within the Company our employees are embracing new opportunities. These are key points in understanding DOCOMO.

The starting point of our approach to change is a desire to break new ground in the competition in the mobile communications industry. In other words, we would like to change the competitive stage. We would like to put an end to the unsound use of cash-back incentives for smartphone sales and place priority on long-term users. We also would like customers to enjoy more comfortable mobile communications services with a billing plan that is easier to use. On that basis, we will strive to provide new services, help customers to realize a Smart Life, and achieve growth. These concepts are driving our initiatives.

To return to a growth path, over the past three years we have implemented three major initiatives. The addition of the iPhone in September 2013 brought our handset selection into line with those of our competitors. In June 2014, we moved ahead of other companies with the introduction of the new billing plan, which allows customers to use voice services for a flat rate and enables family members to share packet charges. And in March 2015, we launched the "docomo Hikari" optical-fiber broadband service, thereby establishing a system for the comprehensive provision of communications services. These three initiatives have substantially increased our competitiveness, and their success can be seen in the improvement in three key

operational indicators. Specifically, we have improved net additions, rapidly decreased MNP port-outs, and reduced the churn rate. [See page 38](#)

The new billing plan will significantly change the revenue structure in the mobile communications business, and we are proud that we have led that change. Voice calls had previously been billed on a pay-for-use system, but the new billing plan offers voice calls on a flat-rate basis. In addition, packet communications volume had previously been set for each handset, but with the new plan we introduced a system for sharing packet communications volume among family members and multiple handsets. This measure increased family-unit subscriptions and enhanced benefits from the use of multiple handsets. The use of voice communications is declining, while packet communications have become the central mode of mobile usage, and the new billing plan was an appropriate response to this situation, as demonstrated by the fact that other companies quickly launched similar plans.

Moreover, in line with the theme of becoming a Smart Life Partner, we are providing a broad lineup of services that support the daily activities of our customers, including not only communications but also entertainment, education, shopping, and health maintenance. For example, the "dmarket" platform, which provides content and products through smartphones and tablets, is recording favorable growth in usage. With DOCOMO as content provider, we offer a variety of services to customers through "dmarket," and those services are provided without regard to whether or not the customer has a DOCOMO communications subscription. "dmarket" includes a wide range of services. In digital content, customers can watch films and TV dramas through "dTV" and read magazines on "dmagazine," and in direct marketing services, "dfashion" offers fashion items and "dshopping" provides a variety of items, centered on daily goods. "dmarket" has grown to a scale where it is competitive with various other services, and it now has a solid market presence. [See page 41](#)

In these ways, we have implemented a range of measures that contribute to reinforced competitiveness and create new growth opportunities, and as a result I am confident that we have been able to lay the foundation for growth. In regard to our medium-term targets, we promise our stakeholders that we will stand on this strong foundation and reverse the trend in our performance.

Medium-Term Targets Based on Changes in the Business Environment

Before I discuss the details of the medium-term targets and our initiatives for achieving those targets, I would like to discuss my view of DOCOMO's current operating environment.

As mentioned, we are implementing initiatives to achieve a recovery in our competitiveness. We took the lead with the introduction of the new billing plan, and competitors subsequently followed. As a result, Japan's three mobile telecommunications operators now provide services that are basically equivalent, with all three companies offering packages of handsets, network environments, mobile communications services, and optical-fiber broadband services. [See page 9](#) DOCOMO's share of domestic mobile telecommunications subscriptions is currently more than 40%, and to sustain and increase this share we must create value that can only be provided by DOCOMO.

Other companies are now competing with mobile phone companies in the mobile communications industry, and the market presence of these new entrants is increasing. For example, Mobile Virtual Network Operators (MVNOs)* are recording growth in the number of subscriptions, and they have reached a certain operational scale as players in the mobile communications industry. [See page 9](#) DOCOMO is approaching MVNOs from the perspectives of both competition and collaboration. There is no doubt that we must

enhance the originality of our services while maintaining a focus on future trends.

In addition, the reevaluation of the Ministry of Internal Affairs and Communications (MIC)'s competition policy for the mobile communications industry will substantially change DOCOMO's operating environment. DOCOMO's market share in terms of profits is high, and as a result we operate under regulations that prohibit us from taking certain actions. This means that we are constrained by a variety of restrictions that do not apply to our competitors. To provide a simple example, in regard to the MVNOs discussed above, under the current system, DOCOMO has an obligation to provide every MVNO with service under impartial, identical conditions. However, the market composition by share of subscriptions is changing due to intensifying competition among mobile telecommunications operators, and in this setting MIC has been reevaluating the competition policy since 2014. Due to this reevaluation, the system preventing the Company from taking certain actions is expected to be significantly eased. As a result, DOCOMO will be able to engage in strategic collaboration with other companies in other industries, including MVNOs.

* Operators that lease certain communications facilities from operators that have installed their own mobile phone network, including DOCOMO, and use the leased facilities to provide mobile phone services.

Responding to changes in the business environment

```
graph LR; A[Lack of differentiation among services of domestic telecommunications operators] --- B[Creation of value that can only be provided by DOCOMO]; C[Entry of various companies] --- B; D[Reevaluation of competition policies] --- E[Open strategic collaboration with other companies]; B --- E
```

Path Toward Achievement of Medium-Term Targets

My mission over the next three years will be to reverse the trend in the Company's performance as we pursue two themes fostered by the changes in the business environment—"DOCOMO's originality" and "strategic alliances with other companies." In particular, the entire Company—including myself, other senior leaders, and all employees—is committed to ensuring that we do not disappoint our shareholders, investors, and other stakeholders a second time. I consider our medium-term quantitative targets, including

operating income of more than ¥820.0 billion, to be the minimum level of results that we must achieve.

To achieve these targets, we will implement initiatives in two areas: increasing telecommunications services revenues and creating value through co-creation in the Smart life business and Other businesses segments. For the latter, we will aim to be a "value co-creation company" that realizes growth by creating value through collaboration with partner companies.

Medium-term targets for income recovery

| Item | Target |
|---|--|
| Operating income | ¥820 billion or higher in FY2017 |
| Smart life business and Other businesses segments | Operating income Over ¥100 billion in FY2017 |
| Cost efficiency improvement | −¥400 billion or more compared with FY2013 |
| Capital expenditures | FY2015-2017 ¥650 billion per annum or less |
| Shareholder returns | Enhance shareholder returns through dividend hike and share repurchase |

Increasing Telecommunications Services Revenues

To increase telecommunications services revenues, we made efforts to change the competitive stage, which had produced results by the end of fiscal 2014. In addition, we will further increase our cost competitiveness by investing the resources generated by continued cost efficiency initiatives. At the same time, the new billing plan and "docomo Hikari" will serve as drivers as we strive to maintain and expand our customer base.

We launched the "docomo Hikari" optical-fiber broadband service in March 2015. For DOCOMO, this service will play a key role in expanding our points of customer contact from the field of mobile communications services, which are principally used outside the home, to a more-comprehensive range of communications services, including those used in the home. In mobile communications services, we have taken steps to address the needs of users at the family level, such as promoting discount plans for families. In the first three months after the launch of the "docomo Hikari" service, we have already seen results in attracting new customers and enhancing customer retention. [See page 40](#) We expect the contribution from "docomo Hikari" to increase in the future.

Growth in the Smart Life Business and Other Businesses Segments

In the Smart life business and Other businesses segments, in accordance with the concept of being a "value co-creation company," we will shift our focus from revenue growth to the generation of profits, and we will aim for operating income of more than ¥100.0 billion in fiscal 2017. We will utilize "+d," which refers to the utilization of DOCOMO's original business assets through collaboration with partners. This will be a key driver of growth in profits.

In regard to the utilization of our business assets, we have formed a companywide project team and conducted intensive discussions, starting with the identification of our hidden strengths not typically considered to be assets. One example is our customer base of over 65 million subscriptions. A number of factors work to further increase the value of our customer base. These include a detailed database of customer information; our billing and payment platforms, which are directly connected to customers; and a widely used loyalty points program.

To date, we have utilized this foundation to support the introduction of services developed originally by DOCOMO, such as "dmarket." In the future, however, our approach will be to create new value by working in collaboration with partners to leverage assets that are helpful to our partners and their customers. We have already started concrete initiatives with partners targeting the "co-creation of added value." For example, in May 2015, we announced a partnership with Lawson, Inc., a leading convenience store company that has about 11,000 stores in Japan, and in June 2015, we announced the joint development of a product with TOMY Company, Ltd., a major toy manufacturer. [See pages 28-29](#)

Organizational Management Reforms

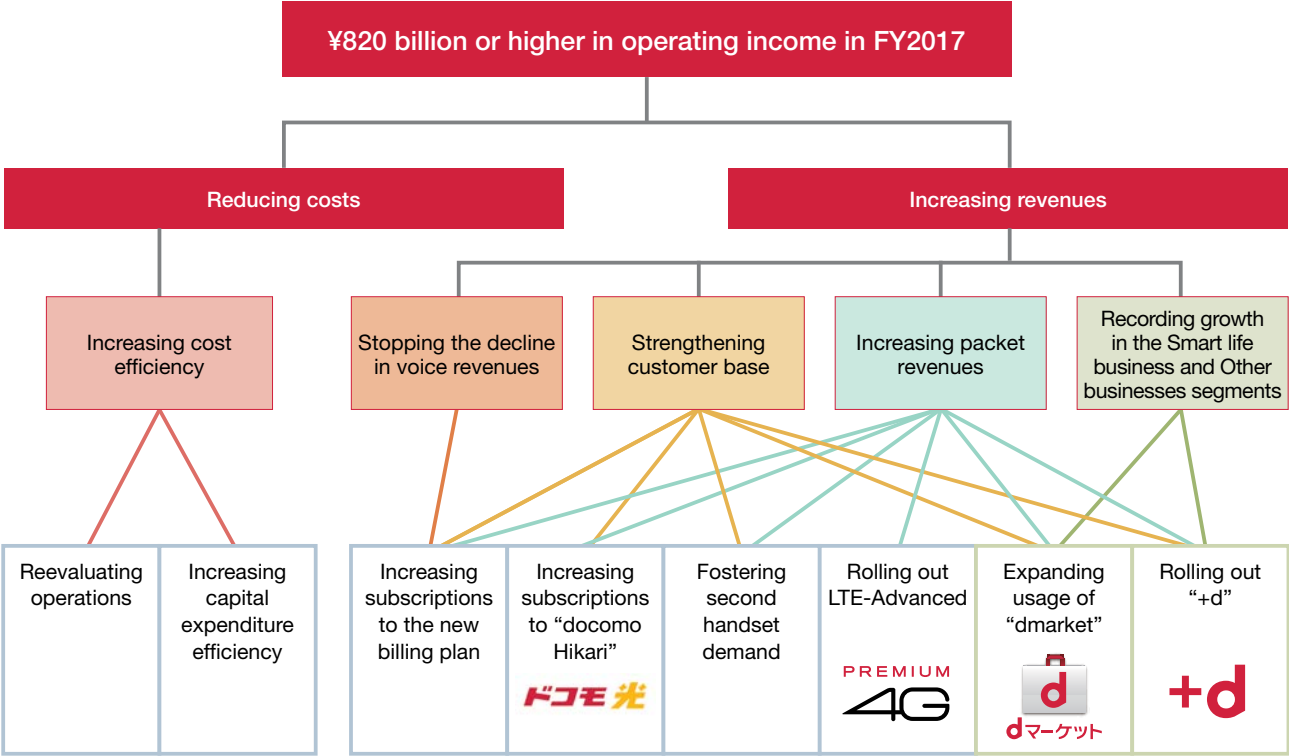
In conjunction with our business policies of targeting growth in telecommunications services revenues and fostering growth in the Smart life business and Other businesses segments, we have implemented two organizational reforms. First, from fiscal 2014 we have reorganized our business segments into the Telecommunications business segment, the Smart life business and the Other businesses segments, thereby clarifying management responsibility, especially for revenues and profits. In addition, on July 1, 2015, we implemented a reorganizing initiative that integrated our management and organizational system. [See page 72](#)

Under the new system, the newly established Sales and Marketing Division will be responsible for revenues and expenses in the mobile telecommunications business. The main responsibilities of the Sales and Marketing Division will be the formulation and advancement of strategies in the mobile telecommunications business, as well as initiatives targeting individual customers. In addition, the Broadband

Business Department was newly established as the organization that will implement overall promotion of the “docomo Hikari” business, including services and equipment. Furthermore, we expanded the role and capability of the Corporate Sales and Marketing Division, which will reinforce the generation of corporate business. The Smart-life Business Division, which was established in July 2013, will continue to plan and develop businesses that help customers to realize a Smart Life and will focus on achieving the target of operating income of ¥100.0 billion in fiscal 2017, which we consider to be the level of performance that we must achieve.

We have set clear targets and formulated business policies to achieve those targets. We have also created a new organization suitable for implementing those initiatives. Now, the only thing left to do is to take bold actions and achieve our targets.

Initiatives toward delivery of medium-term targets



Fiscal 2015 Targets and Initiatives

In fiscal 2015, the first year of initiatives directed at the medium-term targets, we announced that we will focus on achieving operating income of ¥680.0 billion. In telecommunications services, we will step up promotion of the new billing plan and “docomo Hikari,” and we will promote the transition to larger data plans for packet communications. In these ways, we will strive to realize gains in ARPU. In the Smart life business and Other businesses segments, we will work to expand our earnings base by fostering the uptake of “dmarket” and other services, accelerating the household use of original DOCOMO services through “docomo Hikari,” and reinforcing our corporate business. Furthermore, with our alliances with Lawson and TOMY as a starting point, we plan to achieve concrete results with “+d” initiatives targeting the “co-creation of added value.”

Cost efficiencies are the key to the achievement of the medium-term targets, and accordingly, we will strive to achieve a reduction in costs of ¥210.0 billion in comparison with fiscal 2014. However, cost efficiencies are not simply a means of generating profits. Rather, we are aiming to change our corporate culture so that everyone at DOCOMO is continually focused on profits, and to establish a corporate constitution that can generate profits no matter how competitive the environment. In fiscal 2013 and fiscal 2014, our internal cost awareness changed significantly. As we move forward, we need to question everything from the ground up, asking not only if certain operational procedures are necessary but also if the operation itself is necessary. We are determined to rigorously promote cost efficiencies until this type of questioning becomes a habitual practice throughout the Company.

Targeting Long-Term Growth in Corporate Value

With “+d,” we are also planning a range of initiatives aimed at resolving social issues, and we have already commenced services in the fields of agriculture, education, health & medicine, and retail. These initiatives have just gotten under way, and we are taking a long-term perspective on their contribution to revenues. In the past, DOCOMO has principally targeted individual customers. However, to foster long-term growth and gains in corporate value we think it is important to sow seeds for the future by taking a broader approach to our businesses and identifying new business opportunities in potential markets.

The provision of services that resolve social issues is also meaningful from the perspective of employees. Those employees engaged in these services can directly experience the results of their own efforts, and these services foster further pride in being an employee of DOCOMO. These initiatives also open up future business opportunities, and at the same time they contribute to developing employees who hold high levels of awareness, have broad viewpoints, and are not limited by past business practices. In this sense, I believe that these activities transcend the scope of conventional CSR activities.

In Closing

Moving forward, we will continue to focus on increasing corporate value over the long-term. In addition, I vow to keep our promises to our stakeholders over the short and medium term and achieve results that meet expectations. Through “+d,” we will pursue growth and strive to resolve social issues, and at the same time expand the potential of our businesses and ensure that we achieve a reversal of the trends in our revenues and profits. It is my belief that only when we achieve these goals will we be able to say, for the first time, that we are a public institution.

Over the next three years, I will do my utmost to ensure DOCOMO achieves its medium-term targets. I would like to ask for your support as we take steps to reverse the current trend and go on the offensive.

August 2015

Kaoru Kato
President and Chief Executive Officer

CFO’s Comments on DOCOMO’s Results and the Medium-Term Management Plan



We are committed to reaching our medium-term target of operating income of ¥820.0 billion, and we are determined to achieve results that demonstrate DOCOMO’s true strengths.

Hirotaka Sato
Executive Vice President
Chief Financial Officer
Managing Director of Accounts and Finance Department

Analysis of Results in Fiscal 2014 and Future Outlook

In fiscal 2014, operating revenues were down 1.7% year on year, to ¥4,383.4 billion, and operating income declined substantially, decreasing 22.0%, to ¥639.1 billion.

The principal factors for the decline in operating income were the new billing plan and the “Monthly Support” discount program*, which had adverse impacts of ¥107.0 billion and ¥117.0 billion, respectively. We did our utmost to offset these effects through cost-efficiency measures including the streamlining of capital expenditures, and as a result, the total amount of cost savings in fiscal 2014, in comparison with the previous fiscal year, exceeded the planned amount and reached ¥120.0 billion. However, this could not completely offset the lower revenues, and as a result, we recorded a decline in operating income. [See pages 60-61](#)

Moving forward, we expect to see improvement in the adverse impacts of the new billing plan and the “Monthly Support” discount program. The negative impact of the new billing plan already bottomed out in November 2014, and we will strive to make the plan’s impact turn positive on a single-month basis in fiscal 2015. We also anticipate improvement in the impact of the “Monthly Support” discount program. Due to efforts to reduce handset prices and other initiatives, we expect the adverse impact of this program to grow at a more moderate rate from fiscal 2016.

* A service under which a portion of the cost of purchasing mobile phones, principally smartphones, is deducted from the monthly usage charges for up to 24 months. (See page 59)

Financial highlights of FY2014

| | FY2013 | FY2014 plan | FY2014 results | YOY | | vs. plan | |
|---|---------|-------------|----------------|-----------------|-------|-----------------|------|
| | | | | Billions of yen | % | Billions of yen | % |
| Operating revenues | 4,461.2 | 4,400.0 | 4,383.4 | -77.8 | -1.7 | -16.6 | -0.4 |
| Operating expenses | 3,642.0 | 3,770.0 | 3,744.3 | 102.3 | 2.8 | -25.7 | -0.7 |
| Operating income | 819.2 | 630.0 | 639.1 | -180.1 | -22.0 | 9.1 | 1.4 |
| Net income attributable to NTT DOCOMO, INC. | 464.7 | 420.0 | 410.1 | -54.6 | -11.8 | -9.9 | -2.4 |
| Capital expenditures | 703.1 | 690.0 | 661.8 | -41.4 | -5.9 | -28.2 | -4.1 |

Achieving Medium-Term Targets

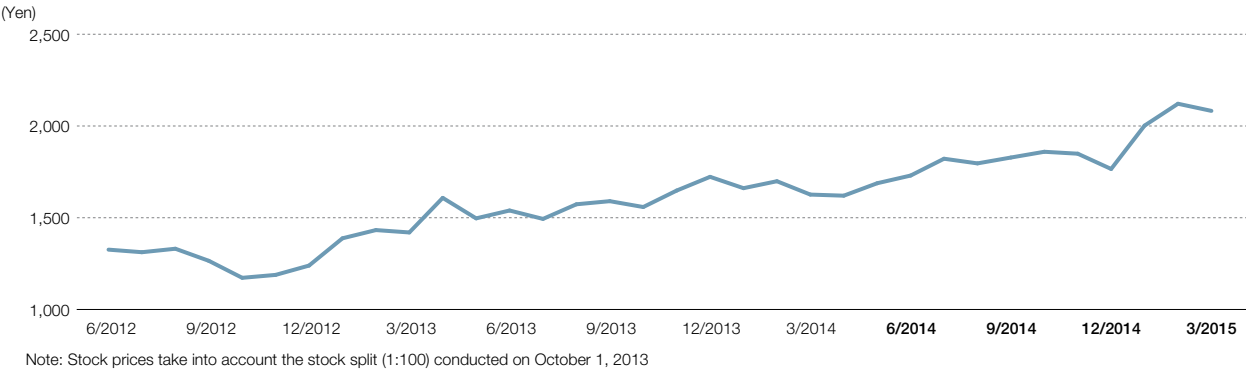
Looking at revenues, we will work to reduce the negative impact of the new billing plan, control the impact of the “Monthly Support” discount program by implementing handset streamlining and other initiatives to further reduce handset prices, and pursue strengthened competitiveness in the telecommunications business through “docomo Hikari” sales. In addition, along with our announcement of the profit target for the Smart life business and Other businesses segments, we will rigorously step up profit management on a service-by-service basis.

Looking at costs, we will continue to move forward with measures to improve cost efficiency, in order to achieve our medium-term target of “over ¥400.0 billion in cost efficiencies in fiscal 2017 in comparison with fiscal 2013.” In capital expenditures, we have set a goal to control this

at under ¥650.0 billion a year. We see this figure as the minimum amount that we must achieve, and we will continue to search for additional cost efficiencies. Cost efficiencies generate profits, and working on cost efficiency measures presents us with an opportunity not only to expand those profits but also to reexamine operations that have become routine. We have fostered a sense of urgency among all of our employees, and that urgency is generating increases in productivity. The core of our financial strategy for achieving our medium-term targets is the rigorous implementation of the principle of controlling our expenses in accordance with our revenues.

Going forward, we will strive to increase the EBITDA margin and ROE by achieving more than ¥820.0 billion in operating income in fiscal 2017, a medium-term target.

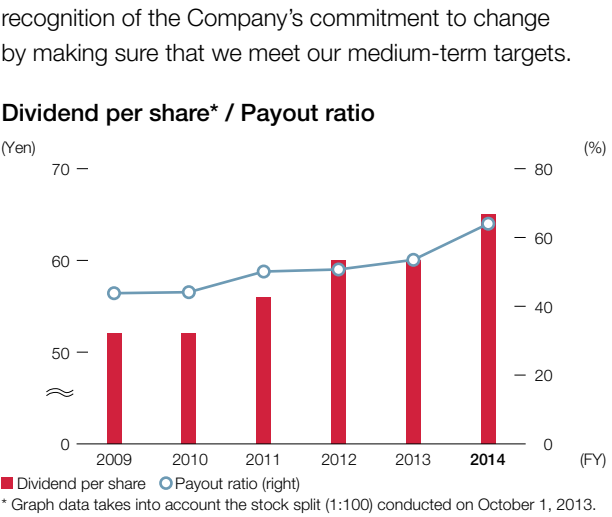
Stock price changes on Tokyo Stock Exchange



Strengthening Shareholder Return and Increasing Corporate Value

Despite our current unsatisfactory results, many people have high expectations for DOCOMO’s future and continue to support the Company. To reward these supporters, our policy is to reinforce our shareholder return through increased dividends and share repurchases in the period through fiscal 2017. In accordance with this policy, for fiscal 2014, we paid dividends of ¥65 per share, an increase of ¥5 year on year, for a dividend payout ratio of 64.0%. At the same time, to further strengthen shareholder return and increase capital efficiency, we implemented a large-scale share repurchase totaling ¥473.0 billion. As a result, including both dividends and share repurchases, our total return ratio was 177.5%.

As CFO, I am determined to achieve a growth in earnings in fiscal 2015. Also, I will do my utmost to earn our shareholders’



Background and Objectives of “Initiatives toward Delivery of Medium-Term Targets”

In October 2014, DOCOMO announced three-year medium-term targets for the period from fiscal 2015 to fiscal 2017. Leveraging the results achieved to date, we will strive to overcome our management challenges and achieve growth through new initiatives in the “co-creation” of added value.

1 Before the Medium-Term Targets: Initiatives and Objectives Under the Medium-Term Vision 2015

For about three years prior to the announcement of the medium-term targets, DOCOMO implemented initiatives in accordance with the Medium-Term Vision 2015, which had the theme of “Becoming a Smart Life Partner.” In accordance with this vision, we worked to achieve a recovery in competitiveness in the mobile telecommunications business and to open up new business areas. Specifically, we took steps to achieve growth through the implementation of four initiatives, and our growth drivers were the full-scale adoption of smartphones and the provision of LTE services.

Medium-Term Vision 2015 — Initiatives, indicators, targets, and results

| Initiatives | Progress Indicators | Medium-Term Vision 2015 Targets | Fiscal 2014 Results |
|---|--|---------------------------------|-----------------------------|
| 1. Increasing smartphone sales / Promoting LTE “Xi” | Number of smartphone subscriptions | 40 million subscriptions | 28.75 million subscriptions |
| | Number of LTE “Xi” subscriptions | 30 million subscriptions | 30.74 million subscriptions |
| 2. Providing cloud-based services | Packet communications revenues | ¥2.7 trillion | ¥1.9 trillion |
| 3. Evolving into an integrated service company with mobile services at its core | Revenues from new fields (Smart life business and Other businesses segments) | ¥1 trillion | ¥756.8 billion |
| 4. Evolution of mobile network | LTE area coverage ratio | 98% (end of fiscal 2014) | 99% |

“dmarket,” the pillar of our initiatives to expand revenues from new business areas, posted rapid growth in the scope of services and the number of subscriptions by the end of fiscal 2014. We also took steps to promote the use of LTE “Xi,” and have already achieved the target for the number of subscriptions as of the end of fiscal 2014. In this way,

initiatives to reinforce our competitiveness in the mobile communications business have been successful and customer satisfaction has increased. However, our progress on other indicators has been delayed due to such factors as intense competition with other companies and the strong popularity of feature phones.

2 Starting Point for Medium-Term Targets: Results and Challenges Under the Medium-Term Vision 2015

The status of progress toward the Medium-Term Vision 2015 targets does not contradict the appropriateness of the strategies themselves. Rather, the validity of our strategic direction is demonstrated by the improvement in operational indicators in the telecommunications business. [See pages 38-40](#) In addition, through the implementation of a variety of

initiatives, we are reinforcing our operational foundation and realizing a transition to a competitive stage upon which we can leverage our strengths. Moreover, in the face of intense competition, we have stepped up deliberations regarding management challenges and taken steps to prepare for the resolution of those challenges.

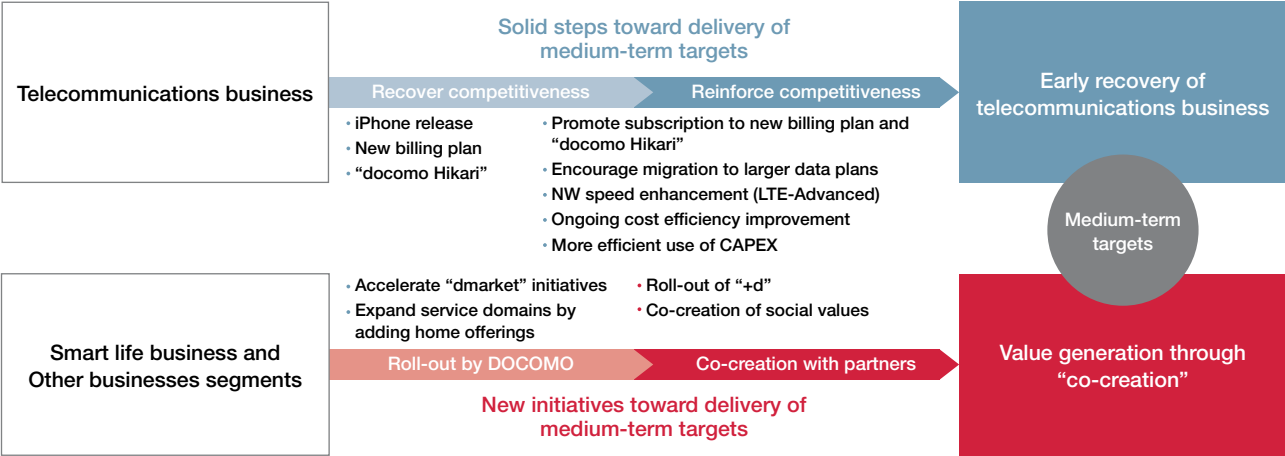
| Achievements | Laying the foundation for a growth track | Challenges | Establishing a growth track through a recovery in profits |
|---|--|---|---|
| ■ Eliminating the gap between our product lineup and those of other companies through the introduction of the iPhone (September 2013) | | □ Working to increase telecommunications services revenues through the retention of existing customers, acquisition of new customers, and increases in packet communications revenues | |
| ■ Securing family-unit subscriptions and working to stop the long-term decline in voice revenues through the introduction of the new billing plan (June 2014) | | □ Realizing rigorous cost efficiencies through increased efficiency in capital expenditures and structural reforms | |
| ■ Selling packages of mobile communications services and optical-fiber broadband services and further advancing sales of family-unit subscriptions through the introduction of “docomo Hikari” (March 2015) | | □ Generating earnings from the utilization of DOCOMO's “hidden assets” | |

3 Medium-Term Targets and New Initiatives

We are aiming to move to the next competitive stage by building on the foundation of the results and challenges of the Medium-Term Vision 2015. DOCOMO's new medium-term targets for the three-year period from fiscal 2015 to fiscal 2017 are “early recovery in the telecommunications

business” and “generating value through co-creation.” Our strategies to achieve those targets are “reinforcing our competitiveness in telecommunications” and “co-creation with partners in the Smart life business and Other businesses segments.”

Initiatives for delivery of medium-term targets



Moving forward, we will draw on the results and challenges of the past three years to make progress in “reinforcing our competitiveness in telecommunications.” We will continue and step up our implementation of initiatives and work to ensure that we achieve the target of “operating income of ¥820.0 billion or more in fiscal 2017.”

The “co-creation with partners in the Smart life business and Other businesses segments” is a new initiative towards the challenge of utilizing and generating profits from DOCOMO's business assets. To that end, we have announced our intention to transform ourselves from a “value creation company” to a “value co-creation company.”

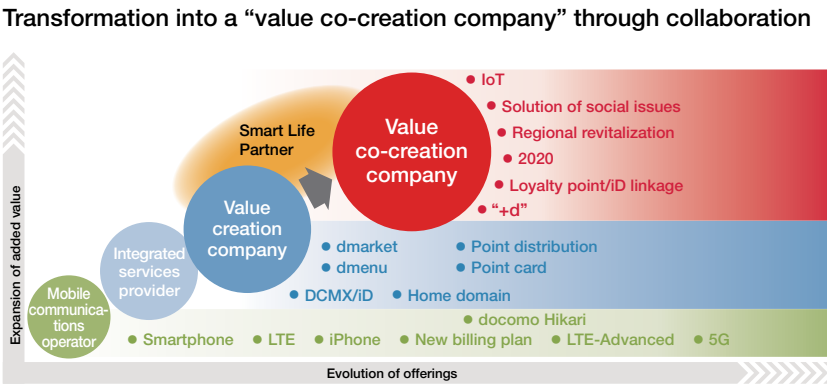
What Is a Value Co-creation Company?

DOCOMO has announced its commitment to advancing beyond the “creation” of added value to the “co-creation” of added value. Specifically what types of added value will be created? What is the meaning of “co-create”? And how will DOCOMO leverage its strengths in “generating value through co-creation”? In this section, Hiroyasu Asami, Executive Vice President and Managing Director of Corporate Strategy & Planning Department, who has been on the frontlines of the generation of services and has called for “value co-creation,” answers these questions.

Q Why is DOCOMO aiming to be a “value co-creation company”? From the viewpoint of increases in corporate value, which are demanded by shareholders and investors, what will be achieved by a “value co-creation company”?

A Our objective is to secure opportunities to increase our operational scale in ways that we could not accomplish on our own, as well as opportunities to create services in genres that are new for DOCOMO. To that end, we will engage in partnerships and collaborations. Smartphones have been widely adopted and customer needs are diversifying. In this setting, we want to provide new value through partnerships and to realize new added value as a Smart Life Partner.

“Value co-creation” will contribute to the growth of the Group’s businesses and to increases in our corporate value. In fiscal 2017, the year for the medium-term targets, “value co-creation” should make a contribution to the achievement of operating income of more than ¥100.0 billion in the Smart life business and Other businesses segments.



Hiroyasu Asami
Executive Vice President
Managing Director of
Corporate Strategy &
Planning Department

Q Specifically, what will DOCOMO accomplish through partnerships and collaborations?

A Through collaboration leveraging the use of the diverse assets cultivated by DOCOMO in the telecommunications business and the assets of our partners, we will provide new added value to customers. We call these initiatives “+d.”

A good example is our collaboration with Lawson, Inc., a major convenience store chain, announced in May 2015.

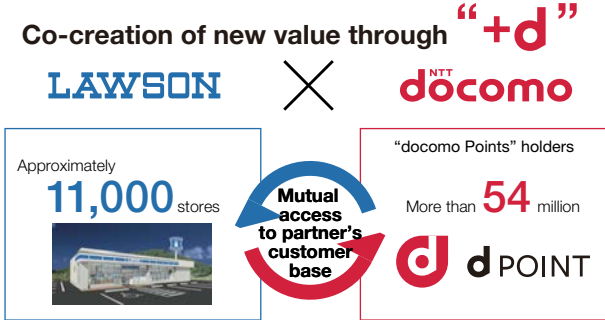
The DOCOMO assets that hold the key to this initiative are “DCMX/iD,” which offer simple cashless payment, and our loyalty program under which DOCOMO issues points¹ to customers. Previously, points were issued only to subscribers to DOCOMO communications services or other services, and the use of those points was mainly limited to goods and services provided by DOCOMO, such as for the cost of purchasing a mobile phone and for “dmarket.” Following this collaboration, the scope for the use of these points will be expanded, and from December 2015 it will be possible to receive points and to use points for payment when shopping at Lawson stores. In addition, customers will also be able to use the points received for shopping for monthly mobile phone usage charges, the cost of purchasing a mobile phone, and “dmarket.” We expect the “+d” initiative with Lawson to enable customers to directly experience benefits, simplicity, and fun.

This “+d” initiative could also be called the “opening up” of DOCOMO assets. By opening up the loyalty program, which is a DOCOMO asset, we are expanding the scope of usage possibilities and making it much easier for our customers to

use their points. In addition, Lawson can expect an increase in store visits by customers who have DOCOMO points. By activating the flow of commercial transactions through the use of points, we will strive to expand usage of “DCMX/iD” as well as “dmarket” and of other services.

Collaboration between a loyalty program and a convenience store operator will provide benefits to customers and will contribute to growth in the business of both DOCOMO and Lawson. This is one example of the collaborative initiatives that DOCOMO pursues as a “value co-creation company.”

¹ Currently “docomo Points.” The name will be changed to “d POINTs” from December 2015.



Q In regard to the creation of new services through “+d”, what other initiatives will DOCOMO implement?

A A good example is “OHaNAS²,” which we developed jointly with TOMY Company, Ltd., a major toy manufacturer. OHaNAS, which is scheduled for launch by TOMY in fall 2015, is a cloud-type communication toy in the motif of a sheep. TOMY has strengths in the development and marketing of toys, while DOCOMO has natural-language processing technologies developed through “Shabette-Concier.” Through collaboration, the two partners created a toy that has a friendly appearance and convenient size and can communicate naturally, as if it were conversing with a member of the family.

In addition, aiming to “resolve social issues,” which is a major theme of “+d,” we are advancing collaboration with municipalities in the fields of agriculture, education, and medicine. Working with frontline partners having a strong understanding of the current situation, such as municipalities, is an effective method to address specific issues. By establishing successful examples of these initiatives, we can

expect an increase in the scale of our activities, such as developing initiatives with other municipalities.

² Website: <http://www.takaratomy.co.jp/products/omnibot/ohanas/>



OHaNAS © TOMY

Q In addition to the loyalty point program and technologies, what other DOCOMO assets do you expect to be utilized in “+d”?

A One of our notable assets is our billing and settlement platform. In Japan, almost all subscribers to mobile communications services use a post-paid system, and accordingly, DOCOMO has a system for billing and settlement³ between the Company and customers. From the viewpoint of a partner, our base of over 65 million customers and our billing and settlement platform are extremely attractive assets.

If we open up the assets that we created for our own services and work in collaboration with partners, it will lead to differentiation in the market not only for DOCOMO but also for our partners, as well as to an increase in the added value that we co-create. This is the new value that will be generated by “+d.”

³ See page 42, Finance/Payment Services.

Q What indicator will be used to evaluate the growth and progress of “+d”?

A I believe it will be the business “transaction volume.” In communications, we are conducting B2C business, where we provide products and services and receive payments from subscribers, who are our customers. Accordingly, to a considerable extent business equals sales. However, “+d” will be B2B2C business, where we are working with partners to create new

businesses or expand the distribution of points. In that context, it is difficult to evaluate the growth in our own business by looking at sales. It may be easier to understand with an example from the credit card business, where the entire flow of commercial transactions handled through a credit card service is a more appropriate indicator of business growth than the amount of the charges recorded as revenues.

Q DOCOMO is aiming to be a “value co-creation company.” Does this mean that in the future the Company will move away from its foundation in the communications business?

A Our aim in striving to be a “value co-creation company” is not to change ourselves from a communications company into something else but rather to step-up business development initiatives that effectively utilize the business assets that we have cultivated in the communications business. Through “+d,” our goal is to open up points of entry for the use of DOCOMO services by customers in areas other than communications services.

Examples include growth in the use of “dmarket” prompted by an increase in the scope of use of loyalty points and the use of DOCOMO's billing and settlement system when customers purchase services provided by partners. DOCOMO is recognized among customers for mobile communications, but the point of entry for the use of DOCOMO services by customers has expanded to areas other than mobile communications.

We have already introduced customer management through “docomo ID⁴,” and “dmarket” and certain other services are offered on a carrier-free basis. In other words,

we are ready to provide a wide range of services to all customers, including those who do not have a DOCOMO communications subscription.

Moving forward, we will strive to provide services to a broad array of customers and have them directly experience DOCOMO's strengths, thereby securing new communications subscribers. Stepped-up initiatives will also contribute to the communications business.

⁴ ID needed to confirm a person's identity when using the services for smartphones and PCs provided by DOCOMO or sites compatible with “docomo Login.” We have realized “carrier free,” under which services are available even without a communications subscription, as well as “device free,” “OS free,” and “network free.” Plans call for the name to be changed to “dACCOUNT” in December 2015.



The Path to and beyond the Medium-Term Targets

Vol. 1

“dmarket” to Date, and Coordination with “+d”

Yoshiaki Maeda
Managing Director of
Consumer Business Department

Providing Services Ourselves, Achieving Continued Usage

To realize our vision of becoming a Smart Life Partner, we are directly offering customers a lineup of products through “dmarket,” which can be enjoyed on smartphones and tablets. This lineup extends from digital content to merchandise. The reason why we focus on providing services ourselves is that we want to draw on the accumulation of knowledge related to the actual activities and reactions of our customers. In this way, we will strive to continually enhance the quality of services and encourage repeated use.



To expand our customer base in the Internet business, the challenge that we faced was to broaden the types of services and simultaneously increase the amount of content and product items. DOCOMO has built strong relationships with partners who are indispensable for the management of each store, such as record companies for our music store and publishing companies for magazines.

These relationships offer benefits for DOCOMO and partner companies. In this way, we have overcome this challenge.

Another important task is the personalization of services in accordance with customer needs and preferences. Specifically, we will address this challenge by anticipating needs based on such factors as past usage and by leveraging the function of recommending appropriate goods and services. When we understand our customers, we can provide services that satisfy them. Improvements in customer satisfaction not only contribute to gains in the number of subscriptions but also lead to efficient growth in profits.

As a result of these initiatives, the percentage of customers who visit more than one of the 13 stores while using “dmarket” has increased. As of the end of March 2015, there were about 11.88 million subscribers to monthly billable services, and the total “dmarket” transaction volume had grown to ¥72.8 billion.

Increasing Recognition through Synergies with “+d”

In contrast to “dmarket,” which is a B2C business, “+d” is a B2B2C business; however, the two businesses share the same concept. Collaboration with partners is the foundation for the creation of value for both services. “+d” aims to increase the value of services by using DOCOMO's assets, and in the same way “dmarket” will enhance services by using the asset comprising the “accumulation of knowledge regarding customer reactions and activities.”

We believe that after the full-scale implementation of “+d” initiatives, synergies between “dmarket” and “+d”

will steadily take effect. We consider the expansion of the point ecosystem and the DOCOMO ID to be growth opportunities for “dmarket.” We will further enhance the

appeal of “dmarket” so that it becomes a place where customers use accumulated “DOCOMO Points.” In addition, when we make “+d” the focus of attention, we expect that it will be an opportunity to promote all of our services to customers who are not subscribers to DOCOMO telecommunications services.



The Path to and beyond the Medium-Term Targets

Vol. 2

Innovation that Leverages DOCOMO's Unique View of the Future

Minoru Etoh
Senior Vice President
Managing Director of
Innovation Management
Department



Objectives of the Innovation Management Department

DOCOMO started operations in 1992, and from that time until today, the Company has been a pioneer in the provision of mobile communications technologies and the services that utilize those technologies. To foster innovation with our technological capabilities, a powerful asset, we need a deep knowledge of technology, insight into the market, and business sense that finds opportunities in collaborations with other companies. Accordingly, in October 2014, DOCOMO established the Innovation Management Department.

I think of management as a “two-story building” of

business construction and creation. Telecommunications services are DOCOMO's business foundation, and for DOCOMO the stable, reliable operation of our telecommunications network is the “ground floor.” Innovation, meanwhile, is the creation of businesses on the “upper floor.” In the Innovation Management Department, we are gathering human resources who can investigate and discover challenges, link them to new businesses, and connect the dots to put everything together. We want to foster decisive innovation while working in collaboration with external partners.

Fostering Innovation through Partnerships

Our theme is open innovation. We will open up the technologies that we have accumulated, work together with start-up companies and other partners, and create new value. With this approach, we expect to get on course toward the Companywide strategy of being a “value co-creation company” through “+d,” thereby gaining momentum.

Over the medium to long term, the advance of IoT and the adoption of services using artificial intelligence

have the potential to change the world. For IoT, the development and standardization of platforms for communications modules will be the principal battlefield, while for AI the accumulation of IP related to core systems will determine the business trend. To remain an innovative company that can address these changes and the business opportunities that they generate, we will strive to advance open innovation at DOCOMO.

Innovation in mobile communications technologies

| Decades | 1980s | 1990s | 2000s | 2010s | 2020s | | |
|-------------------------------|----------------|--------------|---------|-----------------|-----------|------------------|---|
| Principal new services | | DoPa | i-mode | Osaifu-Keitai | i-concier | Shabette-Concier | dmarket |
| Types of communication | Voice-centered | Voice + data | | High speed data | | Super speed data | |
| Telecommunication generations | 1st | 2nd | 3rd | 3.5th | 3.9th | 4th | 5th |
| Telecommunications system | Analog system | PDC | W-CDMA | HSPA | LTE | LTE-Advanced | Next-generation mobile telecommunications |
| Maximum speed | | 28.8kbps | 384kbps | 14Mbps | 150Mbps | 3Gbps | 10Gbps or more |

The Path to and beyond the Medium-Term Targets

Vol. 3

Becoming the Norm of Tomorrow

Nobutaka Aotani
Managing Director of
Advertising &
Promotion Department



Ideas Included in DOCOMO's New Brand Slogan

In June 2015, DOCOMO announced its new brand slogan—“The new of today, the norm of tomorrow.” Our previous slogan was focused on personal communications, such as mobile phones, but in the future, networks will incorporate a wide range of items, including in the field of industry, and communications will move beyond the scope of the “personal.” On the other hand, even when technology progresses further, we want the value that DOCOMO provides to customers and society to be readily usable by anyone, without feeling that it is backed up by complex, advanced technologies. Our new slogan reflects these ideas.

In devising the new brand slogan, discussions were

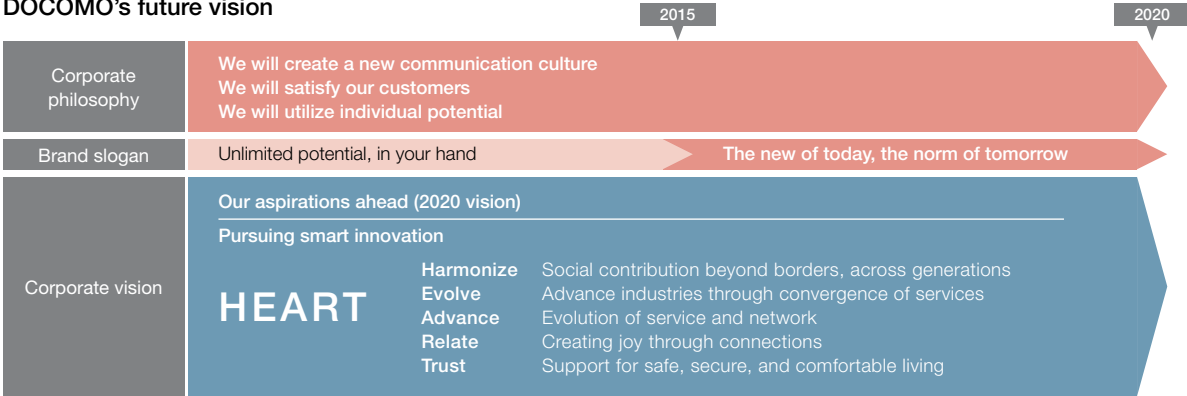
held with multiple employees, including the president. What came up in those discussions is that we want people to notice once again that DOCOMO is a leading company that enables future lifestyles. In the midst of intense competition with other companies, perhaps DOCOMO's characteristic dynamic approach in the provision of pioneering, innovative services has become less visible. We asked ourselves once again about DOCOMO's value—our ability to provide to customers services that are not only new but also create true abundance. After gathering this type of feedback, we created the new brand slogan.

Increasing Corporate Value through the Resolution of Social Issues

Information and communication technology (ICT) holds the potential to create new value in a growing number of fields, such as health and medicine, agriculture, and education. A major theme of the new initiatives toward delivery of medium-term targets is the resolution of

social issues in these fields through our services. By drawing out the latent potential of ICT and providing value that can only be created by a leading company, we will work to further increase DOCOMO's corporate value in the years ahead.

DOCOMO's future vision



“Drawing on network quality, support systems, and cost competitiveness to provide enhanced services for corporations”



“Continually overturning the typical approaches and taking on the challenge of creating new value”



“Contributing to the creation of an environment in which anyone can use a smartphone with peace of mind”



“Realizing a future that is more convenient, more fun, and more exciting”



“People who steadily accumulate innovation and results, from conducting basic telecommunications research to providing services to customers”



“Technologies, services, overseas networks ... All around, comprehensive strengths”



Progress with Our Initiatives

As a Smart Life Partner that supports the activities and lifestyles of its customers, DOCOMO has advanced from its base in the mobile communications business into a variety of other business fields and has worked to provide added value to its customers. In accordance with new initiatives aiming for the medium-term targets that we announced in April 2015, we will aim for further business growth as a “co-creator of added value” that leverages its assets in working together with business partners to generate added value.

In conjunction with this expansion of our business fields, we have taken steps to set the Company on a new growth track. Specifically, from fiscal 2014, we have realigned our business segments and clarified our management focus on two key areas—(1) the Telecommunications business segment and (2) the Smart life business and Other businesses segments. The Telecommunications business segment comprises communications businesses that provide mobile

communications services as well as optical-fiber broadband and satellite telephone services. In the Smart life business we offer a variety of services that transcend conventional mobile communications and help customers to realize a Smart Life. Centered on “dmarket,” these services include media and content, e-commerce, and finance / payment services. In Other businesses, we offer mobile device protection and other services.

| | | | | | | | |
|-----------------------------|---------------------------------|--|---|---|--|---------------------|--|
| By business segment | Business segments | Telecommunications business | | Smart life business and Other businesses segments | | | |
| | | | | Smart life business | | Other businesses | |
| | Revenues | ¥3,654.6 billion (83%) | | ¥437.0 billion (10%) | | ¥319.8 billion (7%) | |
| | Operating income (loss) | ¥636.1 billion (99%) | | ¥(3.9) billion (—%) | | ¥6.9 billion (1%) | |
| | Main services | <div>Mobile communications services</div> <div>▪ LTE (“X”) services</div> <div>▪ “FOMA” services</div> <div>▪ International services</div> <div>▪ Sales of handsets / equipment</div> <div>Optical-fiber broadband services and other telecommunications services</div> <div>▪ Optical-fiber broadband services</div> <div>▪ Satellite communications services</div> <div>▪ Submarine cable TV service</div> | <div>“dmarket”</div> <div>▪ Video distribution service</div> <div>▪ Music distribution service</div> <div>▪ Electronic book store service</div> <div>▪ Online shopping service</div> <div>Finance / Payment services</div> <div>▪ Credit service</div> <div>▪ Proxy bill collection</div> <div>Shopping services (commerce)</div> <div>▪ Home shopping service</div> <div>▪ Music software sales</div> <div>▪ Food delivery</div> <div>Life-related services</div> <div>▪ Cooking studio</div> <div>▪ Health management</div> <div>▪ Medical database</div> | <div>▪ “Mobile Device Protection Service”</div> <div>▪ M2M</div> <div>▪ System development / sales / maintenance services</div> | | | |
| Main operational indicators | Number of subscriptions P38 | | Number of “dmarket” subscriptions P41 | | | | |
| | Net additions / Churn rate P38 | | Total amount of “dmarket” transactions P41 | | | | |
| | Number of LTE subscriptions P38 | | “dmarket” usage charges per person P41 | | | | |
| | Handset sales P38 | | “iD” membership P42 | | | | |
| | Number of LTE base stations P40 | | | | | | |



Telecommunications Business

Segment Results

In the Telecommunications business segment, operating revenues decreased 4.5% year on year, to ¥3,654.6 billion, due mainly to the influence of the “Monthly Support” discount program and the new billing plan. Despite ongoing cost reduction efforts, centered on network-related expenses, the decline in operating revenues had a significant effect, and the segment’s operating income decreased 21.7%, to ¥636.1 billion.

Number of Subscriptions

As of the end of fiscal 2014, the number of mobile phone subscriptions was 66.60 million, up 3.49 million from the previous fiscal year-end. This total included 28.75 million smartphone users, an increase of 18.1%. Smartphones accounted for 43.2% of all subscriptions, compared with 38.6% a year earlier. The number of LTE “Xi” service subscriptions rose to 30.74 million at fiscal year-end, an increase of 40.0%, and the share of LTE-compatible smartphones increased to 92% of all smartphones. In terms of the number of LTE subscriptions at the end of March 2015, DOCOMO was ranked number one in Japan and number three¹ world-wide, after Verizon and AT&T of the United States.

¹ GSMA Intelligence, Connections, excluding cellular M2M, LTE, Q1 2015

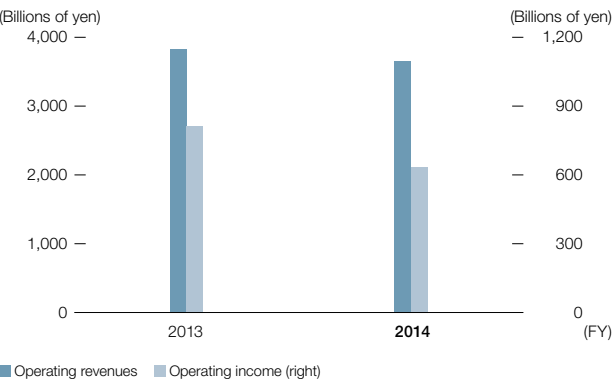
Net Additions, MNP, Churn Rate

In fiscal 2014, DOCOMO secured 3.49 million net additions. We did not reach our annual plan of 3.90 million net additions, but we did achieve 2.2 times the previous year’s level of 1.57 million. This growth in net additions was supported by improvement in MNP port-outs, which were limited to 0.38 million subscriptions, about 70% less than in the previous fiscal year. Related factors included the success of initiatives to provide services to entire families through the new billing plan and the introduction of “docomo Hikari,” and as a result, among younger customers up to 25 years old, MNP port-ins exceeded MNP port-outs. We also succeeded in reversing the trend in the churn rate, which had been increasing since 2009. The churn rate improved by 0.16 percentage points, from 0.87% in fiscal 2013 to 0.71% in fiscal 2014. Due to an inability to accurately track MVNO cancellations, from the first quarter of fiscal 2015, calculation methods for churn rate data has been changed, and MVNO subscription and cancellation numbers are no longer included. Under the new definition, the churn rate for fiscal 2014 was 0.61%.

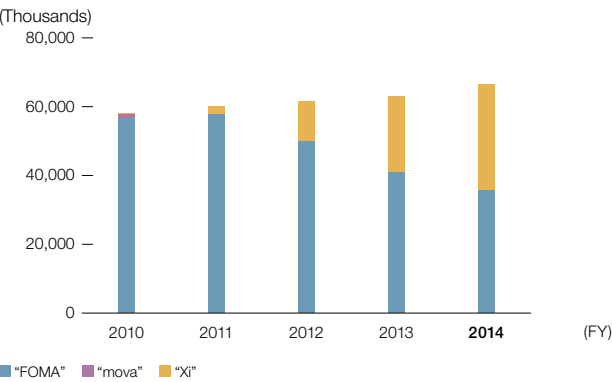
Handset Sales

The total number of handsets sold, which includes new sales of smartphones and feature phones as well as

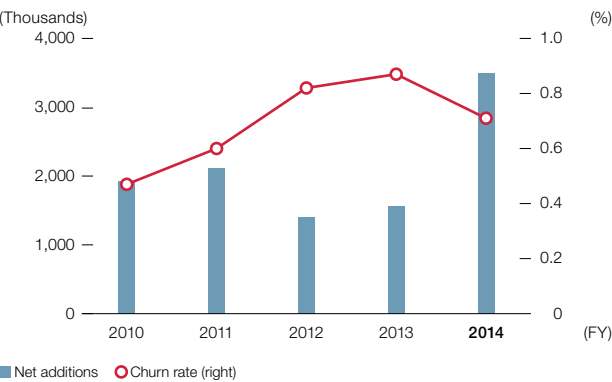
Operating revenues / Operating income



Number of subscriptions



Net additions / Churn rate



subscriptions and model upgrades, rose 5.5% year on year, to 23.75 million units, exceeding our annual target of 22.80 million units. Through the new billing plan, we succeeded in providing services to entire families, and with the enhancement of our tablet lineup, we also fostered demand for second devices. We also recorded higher sales of communications modules, centered on automotive- and energy-related areas. As a result, new unit sales rose 11.9%, to 8.98 million units, with unit sales of smartphones rising 5.9%, to 14.60 million units, due to higher demand stemming from the launch of the iPhone 6 and iPhone 6 Plus.

ARPU and MOU

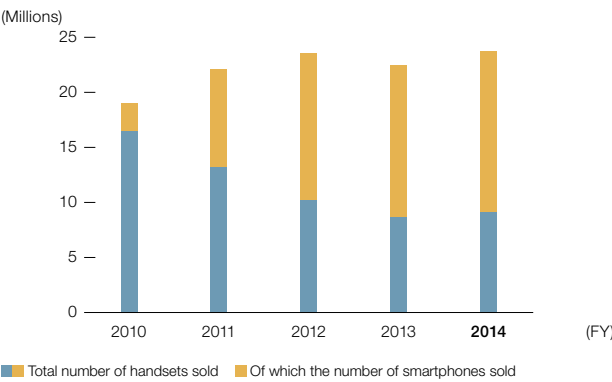
Aggregate ARPU in fiscal 2014 was ¥4,370, down by ¥240 from ¥4,610 in the previous fiscal year. Voice ARPU declined 16.3% year on year, to ¥1,180, due principally to the “Monthly Support” discount program, which had an impact of ¥100, and to the concentrated shift of users with high voice communications charges to the new billing plan. Packet ARPU was down 3.7%, to ¥2,600. This decline resulted from the impact of the “Monthly Support” discount program and from the fact that immediately after the launch of the new billing plan subscriptions were concentrated on the option with the lowest packet communications charges. On the other hand, Smart ARPU rose 18.0%, to ¥590. Contributions to this growth were made by a higher number of “dmarket” users and initiatives to promote sales of two monthly billable service packs, the “Recommendation Pack²” and the “Peace-of-mind Pack³.”

In light of various changes in our operating environment, we have changed calculation methods of ARPU from the first quarter of fiscal 2015 in order to disclose information in better alignment with actual conditions. These conditions include the start of the optical-fiber broadband service; growth in multiple subscriptions, such as for tablets; and, under the carrier-free initiative, the expansion of the provision of services to customers who do not have a DOCOMO mobile telecommunications subscription. [See page 42](#)

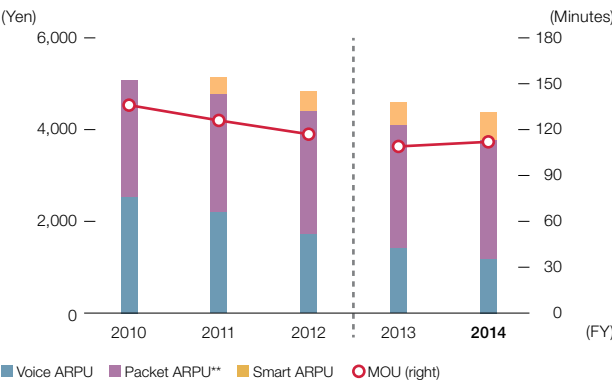
By the new calculation methods, ARPU in fiscal 2014 was ¥4,030, with voice ARPU of ¥1,210 and data ARPU, which combines the previous packet ARPU and “docomo Hikari” ARPU, of ¥2,820.

MOU⁴, which had been declining, increased by 3 minutes year on year, to 112 minutes in fiscal 2014. This was the result of our utilization of a flat-rate plan to increase the use of basic telephone voice call services, which was one of the aims of the new billing plan.

Total number of handsets sold



ARPU and MOU*



* The method of calculating ARPU and MOU changed from the second quarter of fiscal 2014. Accordingly, the ARPU and MOU figures for fiscal 2013 have been adjusted.
** Packet ARPU for fiscal 2009 and 2010 includes the amount of Smart ARPU.

2 Package offering use of more than 100 varieties of established, popular content; recommendation services based on user lifestyles and location information; option of additional 50-gigabytes of cloud-based storage, etc.
3 Package of three services: a service offering protection against trouble with handsets, such as damage or loss; a security service for smartphones, including countermeasures for viruses, dangerous sites, and spam e-mail; and a service offering support with an employee remotely operating the smartphone or tablet while confirming the situation.
4 Average monthly communication time per subscription.

“docomo Hikari”

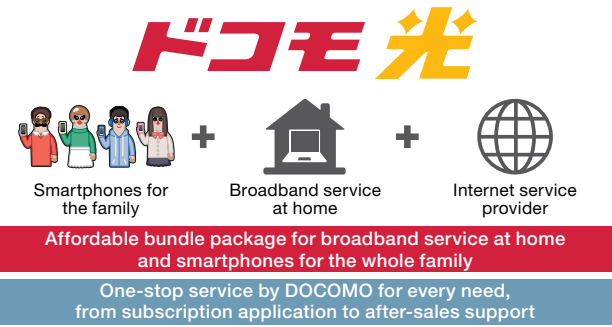
In March 2015, we launched “docomo Hikari”, the optical-fiber broadband service that we will utilize to deliver one-stop solutions for mobile and fixed-line communications, to roll out smart home services, and to boost the competitiveness of our mobile communications business. With “docomo Hikari”, we have begun to offer new value through the convergence of fixed-line and mobile communications services. We received 230 thousand applications in the first month after the launch, and we are aiming to add more than 1.80 million subscriptions in fiscal 2015.

Number of LTE Base Stations

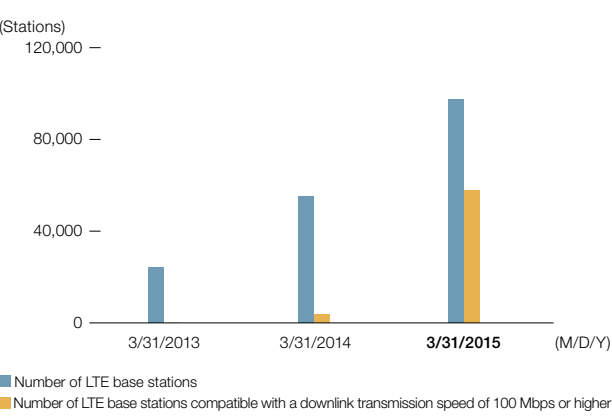
Telecommunications facilities are the foundation of competitiveness in the telecommunications business and are one of the key factors in determining customer satisfaction. Accordingly, the Company continuously works to bolster these facilities, especially its LTE network. As of the end of fiscal 2014, the number of LTE base stations in our network had reached 97,400, an increase of 42,100 from the level of 55,300 a year earlier. Of these base stations, 57,700 are high-speed base stations compatible with a downlink transmission speed of more than 100 Mbps. In addition, in the Tokyo, Nagoya, and Osaka areas, we have increased the number of 150-Mbps-compatible base stations. Furthermore, in March 2015, we introduced LTE-Advanced, which offers the highest downlink transmission speed—225 Mbps—through the use of carrier aggregation and other new technologies.

Customer Satisfaction

DOCOMO places priority on customer satisfaction as an indicator of the Company's efforts to further strengthen the competitiveness of its communications services. According to the November 3, 2014, issue of *Nikkei Business* magazine, DOCOMO placed No. 1 among mobile phone / PHS communications companies in the magazine's 2014 after-sales service customer satisfaction survey, a third-party survey. This achievement is the result of our launch of a Companywide project to increase customer satisfaction in 2012. We made efforts to better address customer needs at DOCOMO shops, such as reducing customer wait times; made improvements to call center response efficiency; and enhanced on-line support services. Moreover, in June 2014, DOCOMO shops were awarded first place in the customer service category⁵ at the Nikkei Research Awards—Japan Shop Awards 2014, which were sponsored by Nikkei Research Inc. In these ways, DOCOMO shops have made a significant contribution to enhancing customers' image of the DOCOMO brand.



Number of LTE base stations



Customer service contest among DOCOMO shop staff
To enhance customer service skills, once a year DOCOMO shop staff participate in a nationwide customer service contest.

⁵ Nikkei Research measured consumer attitudes toward visiting the store or restaurant, gaining a time consumption premium, making a purchase at the store or dining at the restaurant, and recommending the store or restaurant. In addition to the overall evaluation, stores and restaurants were evaluated in terms of value drivers that create appeal, such as the tangible aspects of stores themselves and the intangible aspects of the store's atmosphere and customer service. DOCOMO shops were ranked highly in the category of customer service and received an award.



Smart Life Business and Other Businesses Segments

Smart Life Business

Segment Results

In the Smart life business, operating revenues rose 22.5%, to ¥437.0 billion from the previous fiscal year, as a result of growth in service revenues across-the-board, centered on “dmarket.” Operating expenses increased 27.8% from the previous fiscal year, to ¥440.9 billion, due principally to higher expenses linked to service revenues and to an impairment loss on business assets related to multimedia broadcast services for mobile devices. Consequently, the Smart life business recorded an operating loss of ¥3.9 billion. However, excluding the impairment loss, operating income was ¥26.3 billion, 2.2 times the level of a year earlier.

Number of “dmarket” Subscriptions

To have a wide range of customers enjoy “dmarket” services, DOCOMO has implemented a broad array of initiatives to offer new services and content and to increase the number of subscriptions. In addition to the digital content services already launched, such as video and music, in June 2014 we began to provide “dmagazine,” which offers unlimited reading of popular magazines and articles in diverse genres, and in the nine months to the end of March 2015, we acquired 1.91 million “dmagazine” subscriptions. As a result of these initiatives, “dmarket” subscriptions are recording favorable growth.

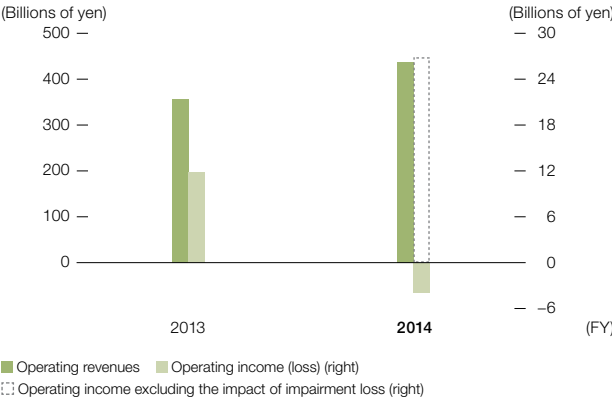
Furthermore, we took steps to enable customers to readily experience the appeal of “dmarket”, such as extending the initial free trial period for “dmarket” services, including “dTV⁶,” “danime store,” “dhits,” and “dmagazine.” As a result, the number of “dmarket” subscriptions⁷ surpassed 10 million in January 2015 and reached 11.88 million by the end of March 2015.

⁶ On April 22, 2015, the service brand was changed from “dvideo” to “dTV.”
⁷ Total number of subscriptions for “dTV,” “danime store,” “dhits,” “dkids,” and “dmagazine.”

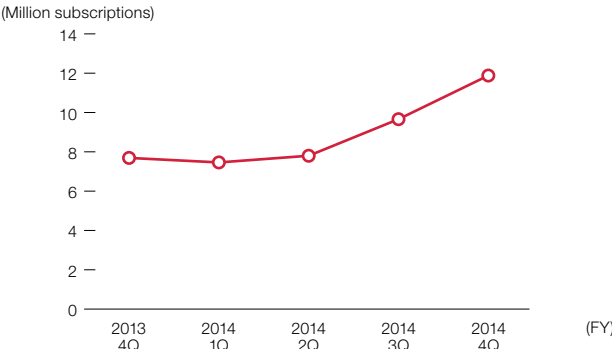
“dmarket” Transaction Amount and Usage Charges per Person

We have taken steps to enhance services that can be used in a wide range of lifestyle scenarios, such as daily goods, apparel, travel, and food delivery services, as well as digital content services, such as video, music, and electronic books and magazines. Against this backdrop, in fiscal 2014, the total amount of “dmarket” transactions was up 31.6% year on year, to ¥72.8 billion. Usage charges per person also increased, rising 34.7%, to ¥1,010.

Operating revenues / Operating income (loss)

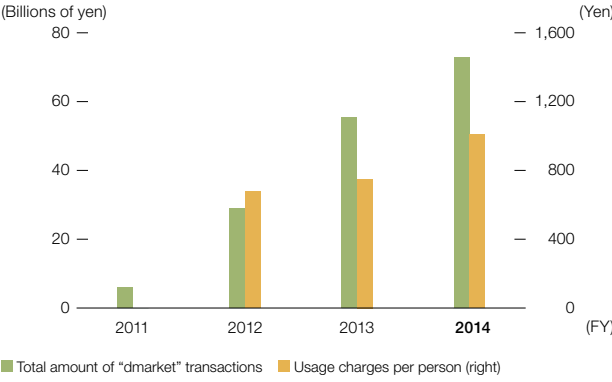


“dmarket” subscriptions*



* Number of subscriptions to monthly billable services

Total amount of “dmarket” transactions / Usage charges per person*



* Annual total of each month's “dmarket” revenues divided by annual total of each month's unique users. Does not include tax

Finance/Payment Services

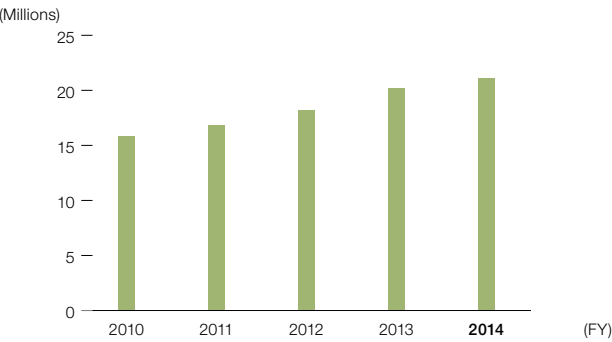
DOCOMO's initiatives to expand its finance/payment services will center on two key services. "iD" is a form of e-money, principally for mobile devices, while "DCMX" is a credit card. At the end of March 2015, "iD" had 21.15 million subscriptions, and "DCMX" had 15.99 million⁹ cardholders. Customer use of "iD" is increasing, and the payment infrastructure is also making progress, with the number of installed R/W terminals surpassing 560,000. "iD" has become a particularly important business asset for DOCOMO, which is working to foster the co-creation of added value. As one facet of our "New Initiatives toward Delivery of Medium-Term Targets," we entered a business partnership with Lawson, Inc. [See pages 28 to 29](#) From June 2015, we started a service that provides discounts when "DCMX" is used in Lawson stores. In December 2015, we plan to launch a service that will enable "docomo Points¹⁰" to be earned and used when shopping in Lawson stores. In these ways, we are working to promote the adoption and use of "DCMX."

8 Plans call for the name to be changed to "d CARD" from December 2015.
9 Total for "DCMX" and "DCMXmini"
10 Plans call for the name to be changed to "d POINT" from December 2015.

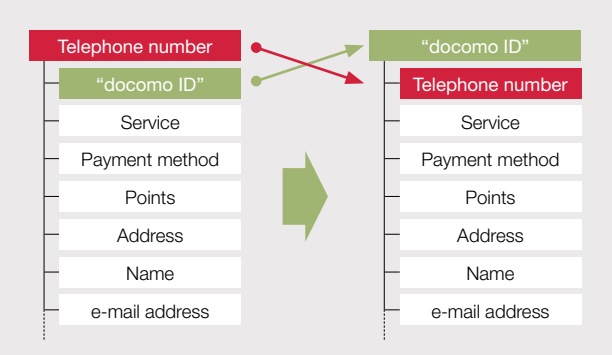
"docomo ID"

"docomo ID" is used to verify identity when using a variety of services provided by DOCOMO, including mail services and the above-mentioned "dmarket". The employment of "docomo ID" realizes our ability to provide services "network-free," "device-free," "OS-free," and "carrier-free." Customers can enjoy services regardless of the type of network and on multiple devices. In addition, services are also accessible with any handset OS, and are available even to users without a DOCOMO communications subscription. By changing the key point in customer management from mobile phone numbers to "docomo ID", we are able to transcend carriers in the provision of services and in the receipt and use of points. This will lead to an increased range of services and growth in the customer base. We are already providing services through "docomo ID", mainly on "dmarket." In December 2015, we will change the name of "docomo ID" to "daccount" as one of our "New Initiatives toward Delivery of Medium-Term Targets."

"iD" membership



Shift in customer management system



Number of subscriptions to principal services

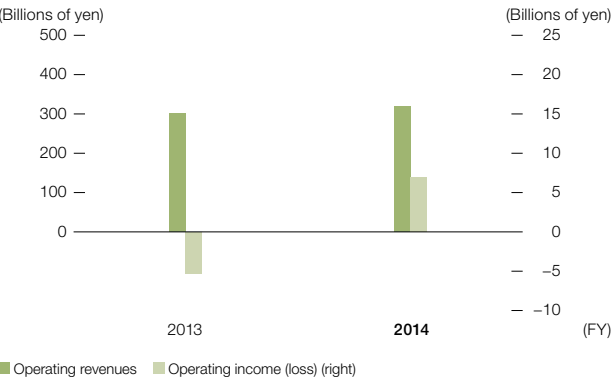
| (Millions) | 3/31/2014 | 3/31/2015 | Increase |
|-----------------------|-----------|-----------|----------|
| "dmarket" | | | |
| "dTV" | 4.41 | 4.68 | 0.27 |
| "dhits" | 2.08 | 3.04 | 0.96 |
| "danime store" | 1.15 | 1.83 | 0.68 |
| "dkids" | 0.05 | 0.41 | 0.36 |
| "dmagazine" | — | 1.91 | 1.91 |
| docomo Service Pack | | | |
| "Recommendation Pack" | 2.92 | 4.92 | 2.00 |
| "Peace-of-mind Pack" | 4.46 | 9.80 | 5.34 |
| Other services | | | |
| "Karada-no-Kimochi" | 0.41 | 0.66 | 0.25 |
| "NOTTV" | 1.61 | 1.75 | 0.14 |

Other Businesses

Segment Results

In Other businesses, operating revenues were up 5.8%, to ¥319.8 billion, mainly due to the growth of revenues from our "Mobile Device Protection Service." Operating expenses increased 1.7%, to ¥312.9 billion. Consequently, the segment recorded operating income of ¥6.9 billion, compared with an operating loss of ¥5.3 billion in the previous fiscal year.

Operating revenues / Operating income (loss)



Roll-out of M2M /IoT Business

There were about 4.9 million M2M lines at the end of March 2015, and we are recording favorable growth in net additions. We are implementing a wide range of business development initiatives, including for construction machinery, vending machines, automobiles, and smart meters, and in recent years, we have launched products and services for consumers, such as the "Docotch," a wristwatch-type handset that enables the condition and location of children to be monitored, and handsets for pets. In June 2014, we concluded an agreement with Tesla Motors, Inc., of the United States, to provide DOCOMO's M2M platform and data connectivity for Tesla's Model S electric vehicles marketed in Japan. As the age of IoT draws near, we are working to establish an environment that can accommodate stable communications for several hundred million devices.



"Docotch"



Standard equipment car navigation on Tesla's Model S

NTT DOCOMO's Corporate Governance System

Basic Approach

DOCOMO recognizes that mobile phones, our core business, have come to play a vital role as social infrastructure in line with market expansion for these products. From the viewpoint of realizing consistent and stable business operations through the effective utilization of management resources, we believe it is desirable for directors with high levels of expertise in telecommunications technologies, the foundation of the mobile telecommunications business, to participate in important business execution matters. In addition, from the viewpoint of ensuring sound and effective management, we believe it is desirable to have the following type of system. Directors who are highly knowledgeable in such areas as the development and latest trends in mobile telecommunications technologies, the regulatory environment, and a wide range of services, including both those of the Company and other companies and those in Japan and overseas, serve concurrently as executive officers responsible for business execution. These directors mutually supervise their respective actions and implement rapid decision-making, while audit & supervisory board members conduct audits of management. Accordingly, we have adopted a corporate governance structure consisting of the Board of

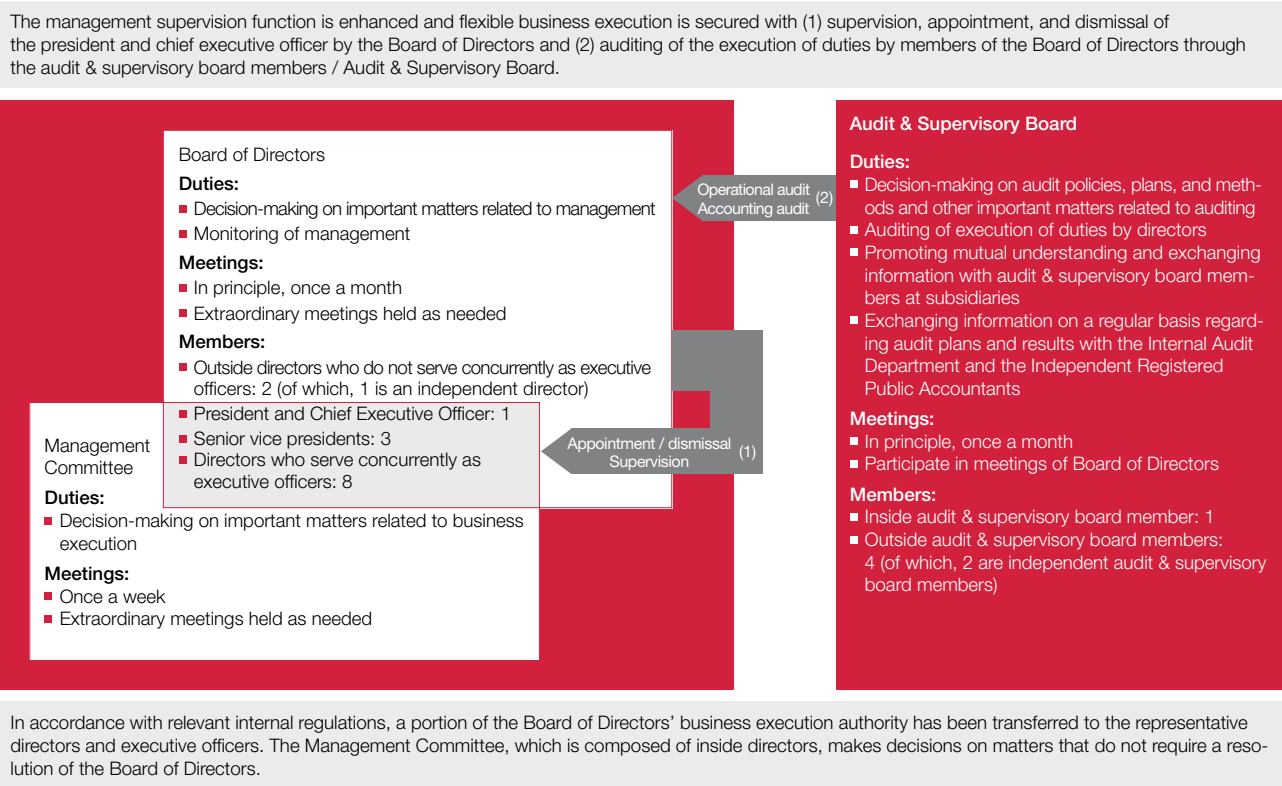
Directors, audit & supervisory board members, and the Audit & Supervisory Board. Similarly, we appoint outside directors and outside audit & supervisory board members with a view to further enhancing monitoring and audit functions.

In addition, we have introduced the executive officer system to clarify the roles of business execution and monitoring and to better reinforce business execution functions. This system enables rapid responses to changes in the operating environment.

Through these initiatives, we have established a corporate governance structure capable of both i) realizing consistent and stable business operations while increasing management speed and ii) strengthening the auditing and governance functions.

We have also transferred a portion of decision-making authority from the Board of Directors to the representative directors and executive officers to enable agile business execution by the responsible officers. In addition, more than half of the members of the Board of Directors serve concurrently as executive officers. This effectively enhances the mutual supervision of the members of the Board of Directors while simultaneously strengthening the management supervision function.

Two-Level Governance System Based on the Board of Directors and the Audit & Supervisory Board



Support System that Ensures the Effectiveness of Outside Officers

The Company has established the following framework so that outside directors and outside audit & supervisory board members can perform their duties by drawing on their management skills and insight as they participate in constructive discussions.

- Provision of explanations and materials prior to meetings of the Board of Directors
- Establishment of the Audit & Supervisory Board Members' Office as a specialized organizational unit to assist in audit & supervisory board member audits, and assignment of full-time personnel to that office
- Dialogue with current and potential institutional investors (when there are requests from investors or directors / audit & supervisory board members)
- Regular meetings between the outside directors and the audit & supervisory board members

Relationship with Parent Company

The corporate group led by the parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), operates the following main businesses: regional communications, long-distance and international communications, mobile communications, and data communications. As of March 31, 2015, NTT owned 66.65% of the voting rights of the DOCOMO Group and was in a position to influence the Company's management decision making through the exercise of majority shareholder rights. However, the Company retains its own management responsibility and conducts operations in accordance with its own decision-making authority.

In regard to the share repurchases made through a tender offer during the period from August 2014 through March 2015, from the viewpoint of protecting minority shareholders, the transaction details and conditions were decided through fair and appropriate procedures. To ensure fairness, in August 2014, written opinions were received from the Company's three independent officers, who do not have any interests with NTT and who are unlikely to have conflicts of interest with general shareholders. These written opinions stated that this tender offer was not disadvantageous to the Company's minority shareholders.

Also, the optical fiber broadband service that was commenced in March 2015 comprises optical fiber broadband circuits procured from NTT Group companies. However, the procurement transaction was conducted on the basis of fair conditions with other companies, presented no concern

about the emergence of a conflict of interest with the Company's general shareholders, and was highly transparent.

Major Measures Discussed at Meetings of the Board of Directors in Fiscal 2014

- Start of new billing plan
- Establishment of framework for share repurchase and implementation of share repurchase through tender offer
- Start of "docomo Hikari" optical-fiber broadband service
- Formulation of medium-term targets for fiscal 2017
- Other measures

Compensation of Directors and Audit & Supervisory Board Members

Matters regarding the compensation of directors are determined by the Board of Directors. The compensation of directors comprises monthly compensation as well as bonuses, with the monthly compensation based on the duties and responsibilities of each rank. Bonuses are paid in consideration of such factors as the Company's results. To reflect results over the medium-to-long term, a portion of monthly compensation is contributed to a director stock purchase plan through the Directors' Shareholders Association. The shares of the Company that are purchased through the plan are held throughout the term of office.

In consultation with audit & supervisory board members, it has been decided to pay only monthly compensation to audit & supervisory board members in order to ensure a high degree of independence.

The aggregate compensation paid to directors and audit & supervisory board members during fiscal 2014 was as follows:

| Position | Number | Total compensation |
|-----------------------------------|-----------------|--------------------|
| Directors | 21 ¹ | ¥524 million |
| Audit & supervisory board members | 7 ² | ¥129 million |
| Total | 28 | ¥654 million |

1 This figure includes seven directors who retired at the conclusion of the 23rd Ordinary General Meeting of Shareholders held on June 19, 2014.
2 This figure includes two audit & supervisory board members who retired at the conclusion of the 23rd Ordinary General Meeting of Shareholders held on June 19, 2014.

The total includes the following compensation paid to outside directors.

| | Number | Total compensation |
|--|--------|--------------------|
| Total amount of compensation paid to outside directors | 5 | ¥101 million |

Board of Directors and Audit & Supervisory Board Members

As of July 1, 2015



Board of Directors

- 1 Kaoru Kato**
President and Chief Executive Officer
2008
35,300 shares
- 2 Kazuhiro Yoshizawa**
Senior Executive Vice President
Chief Information Officer
Chief Information Security Officer
Chief Privacy Officer
Responsible for:
Technology
Device
Information strategy
2011
19,200 shares
- 3 Yoshikiyo Sakai**
Senior Executive Vice President
Managing Director of Sales and Marketing Division
Responsible for:
Global business
Corporate
2014
8,800 shares
- 4 Akira Terasaki**
Senior Executive Vice President
Responsible for:
Corporate business
Improvement of business operations
CSR
2014
2,900 shares



Board of Directors

- 11 Hajime Kii**
Executive Vice President
Managing Director of Human Resources Management Department
2014
5,400 shares
- 12 Makoto Tani**
Senior Vice President
Managing Director of General Affairs Department
Managing Director of Improvement Action Office
2014
3,800 shares
- 13 Teruyasu Murakami^{1, 3}**
Member of the Board of Directors
Director of Research Institute for Industrial Strategy
2013
6,000 shares
- 14 Takashi Nakamura¹**
Member of the Board of Directors
Senior Director of the Finance and Accounting Department,
NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2013
1,000 shares

Board of Directors

- 5 Seizo Onoe**
Executive Vice President
Chief Technology Officer
Managing Director of R&D Innovation Division
2012
17,400 shares
- 6 Kazuhiro Takagi**
Executive Vice President
Managing Director of Corporate Sales and Marketing Division
Managing Director of TOHOKU Reconstruction Support Office
2012
9,000 shares
- 7 Hirotaka Sato**
Executive Vice President
Chief Financial Officer
Managing Director of Accounts and Finance Department
Responsible for:
Finance
Business alliance
2012
13,600 shares



Audit & Supervisory Board Members

- 1 Tooru Kobayashi**
Full-time Audit & Supervisory Board Member
2014
17,800 shares
- 2 Naoto Shiotsuka²**
Full-time Audit & Supervisory Board Member
2013
4,900 shares
- 3 Toshimune Okihara²**
Full-time Audit & Supervisory Board Member
2014
2,500 shares
- 4 Yutaka Kawataki^{2, 3}**
Full-time Audit & Supervisory Board Member
2015
1,000 shares
- 5 Eiko Tsujiyama^{2, 3}**
Audit & Supervisory Board Member
Professor, Faculty of Commerce, Waseda University
Outside Corporate Auditor of Mitsubishi Corporation
Outside Director of ORIX Corporation
Outside Corporate Auditor of Lawson, Inc.
Outside Audit & Supervisory Board Member of Shiseido Company, Limited
2011
2,900 shares

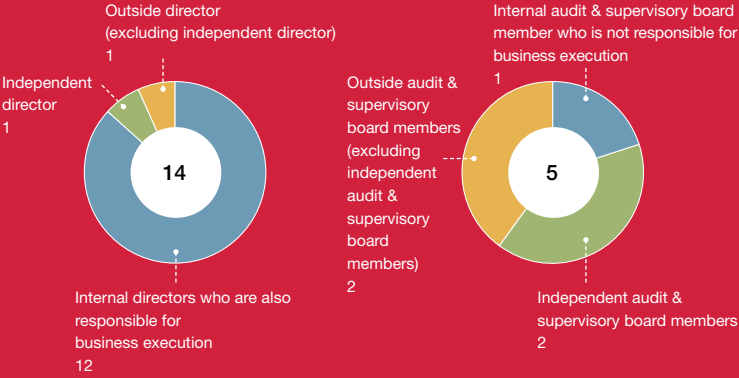


Board of Directors

- 8 Hiroyasu Asami**
Executive Vice President
Managing Director of Corporate Strategy & Planning Department
Responsible for:
Broadband business
2014
11,600 shares
- 9 Kiyohiro Omatsuzawa**
Executive Vice President
Managing Director of Network Department
Responsible for:
Network
Preparation for 2020
2014
15,500 shares
- 10 Toshiki Nakayama**
Executive Vice President
Managing Director of Smart-life Business Division
Managing Director of Smart-life Solutions Department
2014
5,700 shares

| ■ Name | |
|---|--|
| Position | |
| Organizational Responsibilities / Positions held concurrently at other companies by outside directors and outside audit & supervisory board members as of July 2015 | |
| Appointment year | |
| Number of shares held | |
| 1 Outside director | |
| 2 Outside audit & supervisory board member | |
| 3 Independent director / audit & supervisory board member | |

Membership Compositions of Board of Directors and Audit & Supervisory Board



Outside Directors and Outside Audit & Supervisory Board Members

| Name and biography | Reason for appointment as outside director / outside audit & supervisory board member | Role expected by the Company | |
|---|---|--|--|
| Outside Directors | | | Number of attendances at meetings of the Board of Directors in fiscal 2014 |
| Teruyasu Murakami Entered Nomura Research Institute, Ltd. (NRI) in 1968. Became Representative Director, Executive Managing Director, Member of the Board of NRI in 2001 and Chief Corporate Counselor of NRI in 2002. Senior Fellow of NRI from 2008, and Independent Director of Benesse Holdings, Inc. from 2008 to 2013. Director of Research Institute for Industrial Strategy from 2012 (current position). Doctor of Informatics at Kyoto University. | Appointed due to his long career on the frontlines of the telecommunications industry, his positions as a committee member and committee chair at MIC, METI, MEXT, etc., and his extensive experience and knowledge related to information industries, as well as his experience in corporate management as an inside director and an outside director. | Advice and checking as an expert well-acquainted with telecommunications policy, and in accordance with his knowledge as a business manager. | 16 times out of 16 |
| Takashi Nakamura Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) in 1987. After working as Senior Director of Accounts and Finance Department and Senior Director of Personnel Department of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, became Senior Director of Finance and Accounting Department of NTT from 2011 (current position). | Appointed due to his wide range of experience and knowledge related to financial management at telecommunications companies. | Advice and checks in accordance with his knowledge as an expert in financial management. | 15 times out of 16 |
| Outside Audit & Supervisory Board Members | | | Number of attendances at meetings of the Board of Directors / Audit & Supervisory Board in fiscal 2014 |
| Naoto Shiotsuka Entered NTT Public Corporation in 1977. After working as Senior Vice President, Senior Executive Manager of Finance Department of NTT DATA and Director and Senior Vice President, Senior Executive Manager of Finance Department (CFO) of NTT DATA, became Director and Executive Vice President, Senior Executive Manager of Finance Department (CFO), In charge of CSR of NTT DATA. President and Chief Executive Officer, NTT DATA MANAGEMENT SERVICE Corporation from 2011 to 2013. | Appointed due to a wide range of experience and knowledge related to finance and accounting based on his experience in corporate management and, in particular, his experience as CFO. | Management auditing and advice in accordance with his knowledge in financial / accounting management. | 16 times out of 16 / 14 times out of 14 |
| Toshimune Okihara Entered NTT Public Corporation in 1979. After working as Senior Vice President, General Manager of System Engineering Department, Member of the Board of Directors of NTT Communications Corporation, was President and Chief Executive Officer, Member of the Board of Directors of NTT Com Technology Corporation (currently, NTT Com Solutions Corporation) from 2011 to 2014. | Appointed due to his abundant experience in corporate management and knowledge in telecommunications technologies. | Management auditing and advice in accordance with his knowledge as an expert in telecommunications technologies. | 12 times out of 16 / 9 times out of 14 |
| Yutaka Kawataki Entered The Board of Audit of Japan in 1977. Became Deputy Secretary General of The Board of Audit of Japan in 2013. Secretary General of The Board of Audit of Japan from 2013 to March 2015. | Appointed due to his extensive experience and knowledge related to accounting auditing and legal auditing, acquired through work at The Board of Audit of Japan, and related to procurement and bidding systems for facilities, etc. | Management auditing and advice that reflects the public nature of a company that provides mobile services as social infrastructure. | Appointed in June 2015 |
| Eiko Tsujiyama After working as Assistant Professor, Humanities Department, Ibaraki University and Professor, Faculty of Economics, Musashi University, became Professor, Faculty of Commerce, Waseda University in 2003 (current position). Outside Corporate Auditor of Mitsubishi Corporation from 2008, Outside Director of ORIX Corporation from 2010, Outside Corporate Auditor of Lawson, Inc. from 2011, and Outside Audit & Supervisory Board Member of Shiseido Company, Limited from 2012 (all current positions). | Appointed on account of her capacity as a certified public accountant and her extensive insight in finance, accounting, and corporate management developed through her long years of experience as a university professor and her experience at companies as an outside director and outside audit & supervisory board member. | Management auditing and advice based on her knowledge as an expert in finance and accounting and on her experience as an outside director and outside audit & supervisory board member at other companies. | 15 times out of 16 / 14 times out of 14 |

Messages from Outside Director and Audit & Supervisory Board Member

Independent and Outside Director

Teruyasu Murakami

Director of Research Institute for Industrial Strategy



After working as a representative director at a company specializing in system development and system construction support, from the 2000s, my personal mission has been to contribute to service innovation at Japanese companies. I also have experience in deliberations on information and communications policy at advisory councils of the Ministry of Internal Affairs and Communications (MIC) over an eight-year period from 2003. Under the Telecommunications Business Act, regulations prohibit DOCOMO from taking certain actions. These regulations apply only to DOCOMO and not to any other mobile telecommunications operator, and to a certain extent they have limited the Company's freedom in management. With my background, I recognize that this is a serious issue for DOCOMO.

However, the Company is facing a major transition. Since 2014, MIC has continued deliberations on the reevaluation of the competition policy, and as a result, the regulations preventing the Company from taking certain actions is expected to be significantly eased. There is no doubt that DOCOMO will change into a company that conducts free and open competition, and will stand on a new stage. The Company has a management strategy to become a “value co-creation company” and working toward the achievement of the medium-term targets. I have high expectations for this strategy, which leverages the timing of this regulatory easing and also emphasizes “co-creation,” which holds the key to service innovation.

The Company's strategies have been formulated from a comprehensive perspective by those involved in business execution. I believe that the role of an outside director is to question these strategies from an objective viewpoint. Going forward, I will draw on my specialized knowledge related to the information and communications industry as I strive to contribute to the Company's realization of innovation and to participate even more actively in management as an outside director.

Independent and Outside Audit & Supervisory Board Member

Eiko Tsujiyama

Professor, Faculty of Commerce, Waseda University
Outside Corporate Auditor of Mitsubishi Corporation
Outside Director of ORIX Corporation
Outside Corporate Auditor of Lawson, Inc.
Outside Audit & Supervisory Board Member of Shiseido Company, Limited



I have completed four years as an outside audit & supervisory board member, and in June 2015, I started my fifth year. Since I became an audit & supervisory board member, I have acted on behalf of shareholders and aggressively asked questions about management risks, and I have worked to contribute to thorough deliberations at meetings of the Board of Directors and to enhancing management decision-making from my position as a specialist in accounting. The president and other directors frequently listen to the opinions of audit & supervisory board members, and lively discussions are conducted. The question of whether or not audit & supervisory board members contribute to increasing the effectiveness of governance is not determined by the institution of the audit & supervisory board. Rather, I think the decisive factor is the manner in which the audit & supervisory board members themselves take responsibility and are highly motivated to contribute to management based on their specialized knowledge.

Over the past four years, in a regulatory environment that does not treat all mobile communications companies on an equal basis, DOCOMO has faced intense competition with other companies in the same industry. The Board of Directors has considered and made decisions regarding strategies and policies that enable DOCOMO to demonstrate its competitive advantage. I believe the goal of being a “value co-creation company” and working toward the achievement of the medium-term targets incorporates the discussions held to this point and clearly states the strategic direction that the Company must follow.

However, to achieve its targets in a business environment undergoing dramatic change, DOCOMO needs to continually reevaluate its tactics and dynamically guide management. Moving forward, I will strive to contribute to the realization of innovation and growth for DOCOMO through deliberations at meetings of the Board of Directors and the Audit & Supervisory Board.

Initiatives to Strengthen the Governance System

Changes in the Corporate Governance System

| | | Number of Members (Board of Directors) | | Number of Members (Audit & Supervisory Board) | |
|---------------|---|---|---|--|--|
| | | Total | Of which, outside directors | Total | Of which, outside audit & supervisory board members |
| February 1999 | Establishment of Advisory Board From experts in various fields, we receive objective opinions and proposals in such areas as management issues and the role of communications technology in society. | 23 | 0 | 4 | 0 |
| December 2000 | Establishment of U.S. Advisory Board We receive opinions and proposals from a global viewpoint in regard to the role of communications technology in society and information technology trends. | 28 | 0 | 4 | 2 |
| June 2002 | Appointment of outside director The Company appointed one outside director from within the NTT Group. | 27 | 1 | 4 | 2 |
| June 2003 | Outside members account for majority of audit & supervisory board members. The Company exceeded the stipulations of the Companies Act, which calls for outside members to account for half or more of audit & supervisory board members, when outside members became a majority of audit & supervisory board members. | 27 | 1 | 5 | 4 |
| June 2005 | Introduction of the executive officer system In conjunction with the introduction of this system, the number of members of the board of directors was reduced from 27 to 13. | 13 | 1 | 5 | 3 |
| June 2013 | Number of outside directors on Board of Directors increased by one Designated as an independent director The Company appointed the first outside director from outside the NTT Group. | 14 | 2 (Of which, 1 is an independent director) | 5 | 3 (Of which, 2 are independent audit & supervisory board members) |
| June 2015 | Reelection of outside audit & supervisory board members One independent outside audit & supervisory board member retired, and one independent outside audit & supervisory board member was newly appointed. | 14 | 2 (Of which, 1 is an independent director) | 5 | 4 (Of which, 2 are independent audit & supervisory board members) |

Advice from Objective Experts

The Company periodically establishes advisory boards composed of experts in various fields, including prominent business leaders, university professors, commentators, and journalists. In this way, these experts can provide objective opinions and proposals in such areas as management issues and the role of communications technology in society, and DOCOMO can reflect those opinions and proposals in management. In fiscal 2014, four meetings of the Advisory Board were held.

The 8th Advisory Board, Board Members

| | |
|-----------------------|--|
| Dr. Motoshige Itoh | Professor, Faculty of Economics, The University of Tokyo President, National Institute for Research Advancement (NIRA) |
| Mr. Shin Kikuchi | Partner, Mori Hamada & Matsumoto |
| Ms. Main Kohda | Novelist |
| Mr. Masaaki Shintaku | Executive Vice President, Special Olympics Nippon |
| Mr. Jitsuro Terashima | CEO, Japan Research Institute President, Tama University |
| Mr. Taizo Nishimuro | Adviser to the Board, Toshiba Corporation President & CEO, Representative Executive Officer, Japan Post Holdings Co., Ltd. |
| Dr. Hideo Miyahara | Professor Emeritus, Osaka University |


U.S. Advisory Board

To receive advice from a more-global viewpoint in regard to management issues and the role of communications technology in society, the Company has established the U.S. Advisory Board, which has a chairman and a board member as well as a different guest speaker for each meeting. In fiscal 2014, two meetings of the U.S. Advisory Board were held.

The 7th U.S. Advisory Board, Board Members

| Board members | |
|-----------------------------------|--|
| Ambassador David A. Gross | Partner, Wiley Rein LLP Former Ambassador, U.S. Coordinator for International Communications and Information Policy |
| Mr. Matthew P. Goodman | William E. Simon Chair in Political Economy, Center for Strategic & International Studies (CSIS) |
| Guest speaker for the 3rd meeting | |
| Mr. Mark Lowenstein | Management Director, Mobile Ecosystem |
| Guest speaker for the 4th meeting | |
| Dr. T. Charles Clancy | Associate Professor of Electrical and Computer Engineering, Virginia Polytechnic Institute and State University |

Status of IR-Related Activities

| | Supplementary explanation | Briefing by representative in person |
|---|--|---|
| Regular presentations held for individual investors | We hold presentations for individual investors, in which the president explains recent results, future initiatives, and the return of profits to shareholders, among other topics. In fiscal 2014, we held presentations in Tokyo and Nagoya in October 2014 and in Osaka in February 2015. More than 350 people attended each event. | Yes |
| Regular presentations held for securities analysts and institutional investors | Quarterly results are explained by either the president or the senior executive vice presidents, as well as by the corporate officers in charge of corporate finance, corporate planning, sales and other areas. We also hold presentations when announcing new products and services to provide detailed product or service explanations, and to explain sales forecasts, among other matters. Moreover, we brief investors on the status of our businesses at conferences sponsored by securities companies. We held four presentations during fiscal 2014. | Yes |
| Live streaming of financial results presentations for overseas investors made available and individual presentations held | We provide a live streaming broadcast of the aforementioned presentations for securities analysts and institutional investors that take place in Japan with simultaneous interpretation in English on our website. We also hold individual meetings as necessary, mainly in Western countries and Asia, to explain recent results, future initiatives, and the return of profits to shareholders, among other matters. | Yes |
| IR materials posted on the Company's website | We post a variety of information on our website, including quarterly operational and financial data, video (for PCs and smartphones), and presentation documents for results presentations, and we have a special website for individual investors. We also post earnings information, securities reports, and briefing documents. In addition, the president's comments on the 2Q and fiscal year results are provided through video streaming.  DOCOMO's IR website: http://www.nttdocomo.co.jp/english/corporate/ir/ | |
| IR-related department assigned (person in charge) | The departments involved with IR are the Investor Relations Department and the General Affairs Department. The corporate officers responsible for IR are a senior executive vice president and an executive vice president. The liaison officers are the Head of Investor Relations and the Senior Manager in the General Affairs Department. | |

Initiatives to Invigorate the General Meeting of Shareholders and Promote Efficient Voting

| | Supplementary explanation |
|--|---|
| Early mailing of convocation notices for the general meeting of shareholders | In 2015, we mailed convocation notices six days before the statutory cut-off date (22 days before the general meeting date). |
| Scheduled the general meeting of shareholders so as to avoid days on which shareholder meetings are concentrated | In 2015, we held the Ordinary General Meeting of Shareholders on Thursday, June 19. |
| Electronic voting | We enabled voting from Internet-enabled mobile phones, smartphones and PCs. |
| Initiatives to facilitate a better voting environment for institutional investors, including participation in the electronic proxy voting platform | We enabled voting via the electronic proxy voting platform for institutional investors operated by Investor Communications Japan (ICJ). |
| Providing an English translation of the Notices of Convocation for the General Meeting of Shareholders | We made convocation notices available in both Japanese and English on our website. |
| Others | <ul style="list-style-type: none">• Disclosure of the situation at the general meeting of shareholders over the Internet• On the day of the shareholders meeting, a PR room was set up in a separate meeting hall to introduce the Company's initiatives, services, etc. |

Major Management Risks and DOCOMO's Risk Management Measures

To fulfill its mission of providing communications infrastructure that is indispensable to society, the Group continues to identify risks and to implement countermeasures and management initiatives to reduce risks. At the same time, the Group recognizes that as it implements new initiatives as a “co-creator of added value,” it is possible that new risks will arise. Accordingly, the Group is pursuing a balance between a higher level of risk sensitivity and the spirit of taking on challenges.

The following is an overview of the Group's major risk management measures. Of the diverse risks related to business, financial, legal, and other areas, this overview presents those risks that are considered to have an especially strong connection to the Group's business strategies as of the end of July 2015.

| Details of major risks | The Group's measures to reduce risk |
|---|--|
| Changes in the market environment in the telecommunications industry, such as intensifying competition from other businesses or other technologies, or the expansion of the areas of competition could limit the acquisition of new subscriptions and the retention of existing subscriptions by the Group, or it may lead to ARPU decreases or cost increases at greater than expected rates, etc. | <ul style="list-style-type: none">Implementing multifaceted research / analysis of market trends, etc.; developing new products and services that reflect market feedback (demand)Establishing billing plans that support the maintenance of customer loyalty based on detailed analyses of customer usage trends, sales, etc.Appropriately communicating to customers the Company's initiatives to strengthen network quality, easy-to-use billing plans, enhancement of after-sales service, and service convenience |
| If current and new services, usage patterns, and sales schemes proposed and introduced by the Group cannot be developed as planned, or if unanticipated expenses arise, the financial condition of the Group could be affected and our growth could be limited. | <ul style="list-style-type: none">Developing competitive new products and services by building an efficient development process that makes possible the timely provision of products and services with consideration for changes in the environmentBuilding effective, efficient organizational systems targeting the realization of strategies, in line with new strategies that reflect changes in the environmentWorking to increase efficiency in management resources through selection and concentration of services, based on regular service evaluations with consideration for changes in the environment and customer usage trends |
| The introduction or change of various laws or regulations inside and outside of Japan, or the application of such introductions or changes to the Group, could restrict our business operations, which may adversely affect our financial condition and results of operations. | <ul style="list-style-type: none">Gathering information about changes in policies, such as administration/legislation policies that could affect business operations (policies related to the status of NTT, SIM unlocking, regulation that prohibits certain actions, etc.)Working to build understanding among stakeholders about the Group's opinions, including offering opinions in public comment initiatives implemented by ministries and other government agencies |
| Limitations in the amount of frequency spectrum or facilities made available to us could affect our ability to maintain and improve our service quality and level of customer satisfaction and could increase our costs. | <ul style="list-style-type: none">Operating and monitoring network systems through the introduction of a “monitoring program” for the prevention of problemsIn preparation for system malfunctions, building mechanisms that enable information to automatically bypass problemsBuilding systems that can flexibly accommodate changes in capital expenditure plans through regular monitoring of trafficThrough in-house training, rigorously implementing measures to prevent human errors as well as security countermeasures |
| Other mobile service providers around the world may not adopt the technologies and the frequency bands that are compatible with those used by the Group's mobile communications system on a continuing basis, which could affect our ability to sufficiently offer international services. | <ul style="list-style-type: none">Gathering and transmitting information through participation in the activities of organizations involved in international standardization and through alliances with overseas telecommunications operatorsMinimizing the influence on handset and service development by taking into account the frequency bands of other overseas operators, and promoting the adoption of the frequency bands used by the Group |
| Our domestic and international investments, alliances, and collaborations as well as investments in new business fields may not produce the returns or provide the opportunities we expect. | <ul style="list-style-type: none">Working to clarify revenues and profits from investments and alliances and to create and demonstrate synergies, in accordance with the Group's overall strategyBuilding an understanding of the distinctive legal systems, practices, specialized knowledge, etc., of industries in which we participate, and creating a system for the regular evaluation of the progress and risk status of alliance partners and companies in which we have invested, as well as establishing exit rules in the event that risks materialize |
| Malfunctions, defects or imperfections in our products and services or those of other parties may give rise to problems. | <ul style="list-style-type: none">Conducting quality checks before introducing handsets/applicationsPromoting the adoption of virus countermeasure services and phishing countermeasure servicesEstablishing publication standards, building systems that facilitate the prompt removal of items judged to be inappropriate, and regularly confirming safety for content / services on platforms provided by the Group |

| Details of major risks | The Group's measures to reduce risk |
|--|--|
| Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image. | <ul style="list-style-type: none">Encouraging customers to enroll in Packet Pack or flat-rate services and prompting customers to be careful about increases in packet communications charges, such as those due to the use of rich contentContinuing to work toward the realization of a secure, safe mobile society by providing services and countermeasures, implementing educational activities, and encouraging customers to be careful |
| Inadequate handling of confidential business information, including personal information, by the Group, contractors, and others may adversely affect our credibility or corporate image. | <ul style="list-style-type: none">Rigorously implementing appropriate handling of management information through the use and updating of information management rules internally and externally (including business partners); implementing continued educational activitiesBuilding robust information systems and implementing regular testing in accordance with security standards |
| Owners of intellectual property rights that are essential for our business execution may not grant us a license for such intellectual property rights, which may result in our inability to offer certain technologies, products and/or services, and the Group may also be held liable for damage compensation if we infringe the intellectual property rights of others. In addition, the illicit use by a third party of the intellectual property rights owned by the Group could reduce our license revenues actually obtained and may inhibit our competitive superiority. | <ul style="list-style-type: none">Prior to the development of new products / services, securing the Group's rights and, through the investigation of the rights of other companies, taking measures necessary for the conclusion of licensing, etc.In regard to important technologies and services with a large impact on the Group's businesses, working to prevent the loss of licensing revenue opportunities by investigating the status of usage by other companies of rights, etc., held by the Group, and rapidly taking measures in the event that a rights infringement is discovered |
| Natural or human disasters, or other events or incidents, could cause damage to our networks, distribution channels, or other elements necessary for the Group's provision of service, and such incidents may adversely affect our credibility or corporate image, or lead to a reduction of revenues and/or increase of costs. | <ul style="list-style-type: none">Establishing basic matters related to responses at the time of natural disasters or other large-scale disasters and implementing training on a regular basisFor important platforms and internal systems, formulating business continuity planning procedures manual and establishing backup systems |
| Concerns about adverse health effects arising from wireless telecommunication may spread and consequently adversely affect our financial condition and results of operations. | <ul style="list-style-type: none">Implementing continued investigation and research related to the effect of radio waves on people's health and announcing the results |
| Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise influence that may not be in the interests of our other shareholders. | <ul style="list-style-type: none">Appropriately sharing with NTT the opinions and demands of shareholders other than NTT and the opinions obtained from the Company's Advisory BoardBuilding a system that makes it possible to reflect in business administration the opinions of independent outside directors |

The Company's measures to reduce risk are not a guarantee that the corresponding risks will be avoided.



For detailed information about risk factors, please refer to the Company's annual report on Form 20-F, submitted to U.S. Securities and Exchange Commission (SEC).
<https://www.nttdocomo.co.jp/english/corporate/ir/library/sec/index.html>

Information Management

■ Enhancement of Information Management System

The DOCOMO Group has been entrusted with the personal information (customer information) of approximately 65 million people, and accordingly, ensuring information security is an important management issue.

As a telecommunications company with public-oriented operations, the rigorous management and protection of customer information and administrative information is our most important duty. In recognition of this, we have assigned the position of Chief Privacy Officer (CPO) and Chief Information Security Officer (CISO) to the senior executive vice president level. The CPO heads the Information Management Committee, which meets on a regular basis. The committee considers and promotes personal information protection measures. To advance integrated information management, we have established the Information Security Department and each work site has an employee who is responsible for information management. Outside contractors who perform work for the Company are required to designate a person responsible for the handling of that work for each organization and policy. We have established and are advancing a system that assigns responsibility for information management.

■ Formulation of Management and Administration Rules

To fulfill our obligations above, in regard to the handling of information of customers, shareholders, employees, etc., we have systematically formulated internal regulations in accordance with the Personal Information Protection Act and the guidelines of related government ministries and

agencies, clarified internal rules regarding information management, and formulated and announced a privacy policy that clarifies detailed handling policies in accordance with basic principles regarding customer information protection.

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

■ Specific Initiatives

In working to strengthen information management, we are advancing and developing the following safety management measures:

(1) Organizational Security

- 1. Establishment of Information Security Policy
- 2. Enhancement of system for information security
- 3. Formulation of basic guidelines for information security / Establishment and application of regulations and manuals
- 4. Tracking and management of information assets
- 5. Implementation / application of audits / security checks
- 6. Implementation of measures to deal with accidents and violations

(2) Human Security

- 1. Mandatory written pledges regarding confidentiality
- 2. Mandatory information management compliance for outside contractors
- 3. Implementation of training and education for employees, contractors, and sales agents
- 4. Formulation and distribution of training tools, such as handbooks and DVDs

(3) Physical Security

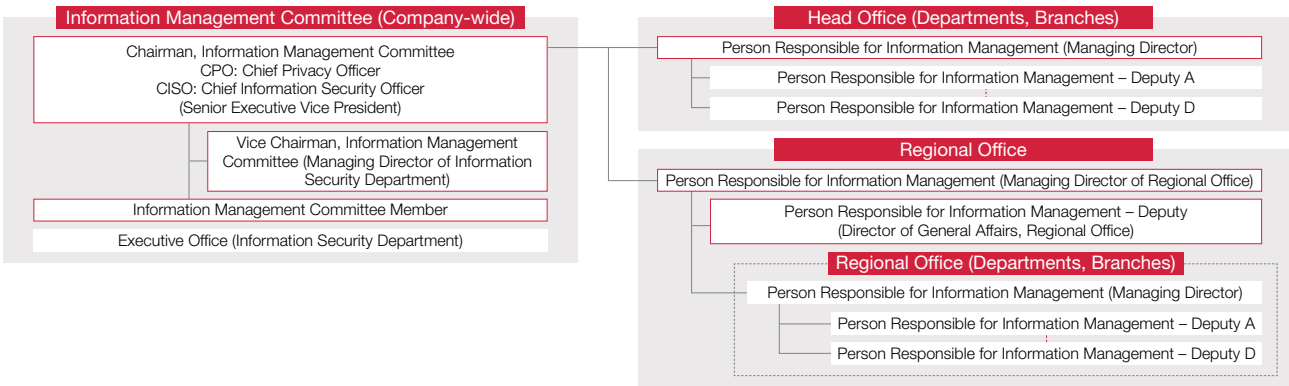
- 1. Restrictions on numbers of information management terminals and continuous optimization of installed locations and authorized people
- 2. Rigorous control of the lending and checking-out of portable equipment
- 3. Consolidation and special monitoring of terminals used to extract large amounts of customer information
- 4. Transition to paperless handling of documents, such as customer applications
- 5. Entrance/exit control in locations handling information.

(4) Technical Security

- 1. Access control, access-log retention, and periodic checks
- 2. Introduction of biometric identity confirmation for use of systems
- 3. Stricter customer information search parameters
- 4. Introduction of encryption software for information system terminals and communication channels
- 5. Strict monitoring to prevent unauthorized removal of information out of the office
- 6. Cyber attack countermeasures and system surveillance

Information management system

As of July 1, 2015



DOCOMO's Handling of Big Data and Protection of Personal Information

DOCOMO has the largest customer base of any domestic mobile telecommunications operator. We collect large volumes of data generated from a variety of sources, such as mobile handsets, sensors, and SNS, and we anticipate the utilization of this “big data” in new business development initiatives.

One example is mobile spatial statistics, which DOCOMO began to apply on a commercial basis in October 2013. In this field, we are using data that is derived from the number of mobile phones per base station, which is periodically recorded in the nationwide DOCOMO LTE “Xi” and “FOMA” service areas in Japan. Through mobile spatial statistics, it is possible to determine population distribution by region as well as population composition, such as by age and gender. The field of mobile spatial statistics began with applications in the public sector, such as urban planning and disaster prevention. Currently, these statistics are also actively utilized in the academic and industrial

fields, such as in store-opening plans, marketing area and competing store analysis, and research into the number of overseas visitors to Japan.

Mobile spatial statistics are population statistics that show only the numbers of people in groups, and accordingly, it is not possible to specify individual customers. In addition, DOCOMO is paying careful attention to privacy protection, including the announcement of guidelines for basic matters that must be strictly observed when mobile spatial statistics are prepared or provided. The use of big data is also expanding in fields other than mobile spatial statistics. For example, data acquired through wearable devices, such as in health management and during exercise, is starting to be used in services related to health care. In this setting, DOCOMO has established rules for the protection of personal information and is rigorously implementing those rules.

Security-Related Services that Provide “Peace of Mind” to Customers

Smartphones and other mobile devices contain vast amounts of personal information. The establishment of an environment in which each individual customer can manage information appropriately and in which customers can use mobile devices with peace of mind are prerequisites for growth in the use of mobile communications services. DOCOMO is working to develop and provide services that enable customers to implement appropriate information management and protection, without regard to their proficiency in the use of mobile devices.

One example of those efforts is our provision of a service that combines security services for smartphones, including countermeasures for viruses, dangerous sites, and spam e-mail. This service has been highly evaluated because it eliminates concerns about the eliciting of personal information unbeknownst to the customer, and about inadvertently accessing dangerous sites.

We also offer services for corporations, such as a service that enables customers to control mobile device functions and to prevent unapproved application installation, as well as a service that enables direct connections between the corporate network and DOCOMO and the prevention of unauthorized access.

Network security for “peace of mind”



Internal Control

■ Basic Policy for Internal Control

In accordance with the Basic Policy on Fortifying Internal Control Systems, as approved by the Board of Directors, we maintain a system for the purpose of securing rigorous compliance with laws and regulations, business effectiveness and efficiency, and financial reporting reliability. These initiatives are centered on the Internal Control Committee. Furthermore, the Company's Internal Audit Department implements audits with the objective of contributing to the minimization of risks and increased corporate value for the entire DOCOMO Group (Head Office, branches, and Group companies worldwide). The department's work includes evaluating the effectiveness of the internal control system.

■ Risk Management

We strive to strengthen risk management with the basic policy of identifying and responding to business risk as early as possible. Specifically, in accordance with our Risk Management Principles, business risks are regularly identified, and the Internal Control Committee designates risks that require Company-wide management. Management policies for those identified risks are formulated, and appropriate efforts are made to prevent such risks from materializing and to prepare for a quick response should they occur.

■ Compliance (Ethics and Legal Compliance)

The foundation of our compliance management is to promote strict observance of the NTT DOCOMO Group Code

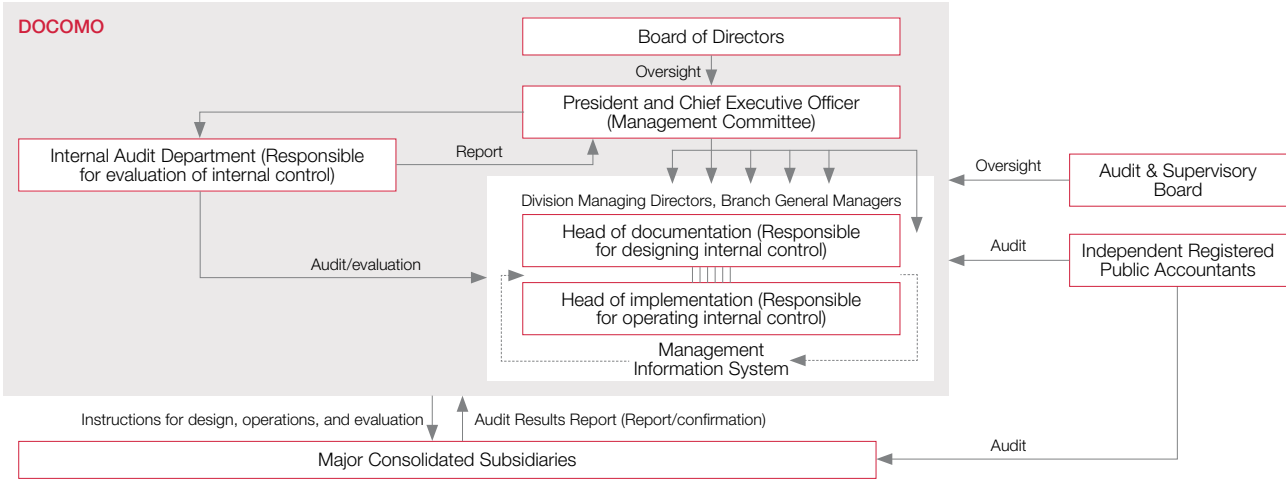
of Ethics among all employees while continuing to meet the steadily increasing demands and expectations of society based on high ethical standards, including respect for human rights. Accordingly, we have built a compliance promotion system, which is centered on Compliance Promotion Committees. Specifically, we have implemented rules that require employees to make a report if they notice any illegal or fraudulent incidents, and we have established avenues within and outside the Company for consulting on related issues. In addition, all divisions have employees with responsibility for compliance promotion, and we implement education and training in ethics and legal compliance for all employees. In these ways, we are implementing a range of compliance-related initiatives. Moreover, we have conducted a compliance and human rights awareness survey of every employee, the results of which have been reflected in our various measures to ensure compliance. Through such efforts, we are working to further advance ethical views.

■ Ensuring Reliability of Financial Reporting

To meet the requirements of the Sarbanes-Oxley Act and the Financial Instruments and Exchange Act of Japan, we employ the COSO (the Committee of Sponsoring Organizations of the Treadway Commission), 2013 framework for the design, operation, and evaluation of our internal control system related to financial reporting. In fiscal 2014, we evaluated the Company and 18 major consolidated subsidiaries and concluded that internal control over financial reporting was effective.

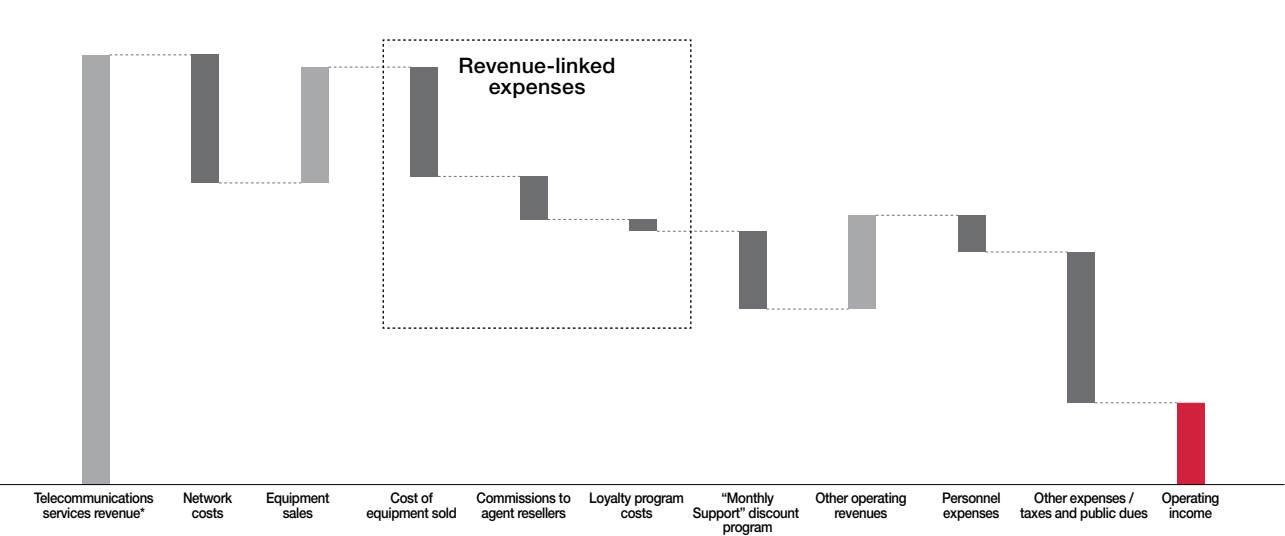
Sarbanes-Oxley Act, Section 404 organization chart

As of July 1, 2015



DOCOMO's Revenue and Expense Structure

Framework for operating revenues and expenses



* Excluding impact of “Monthly Support” discounts

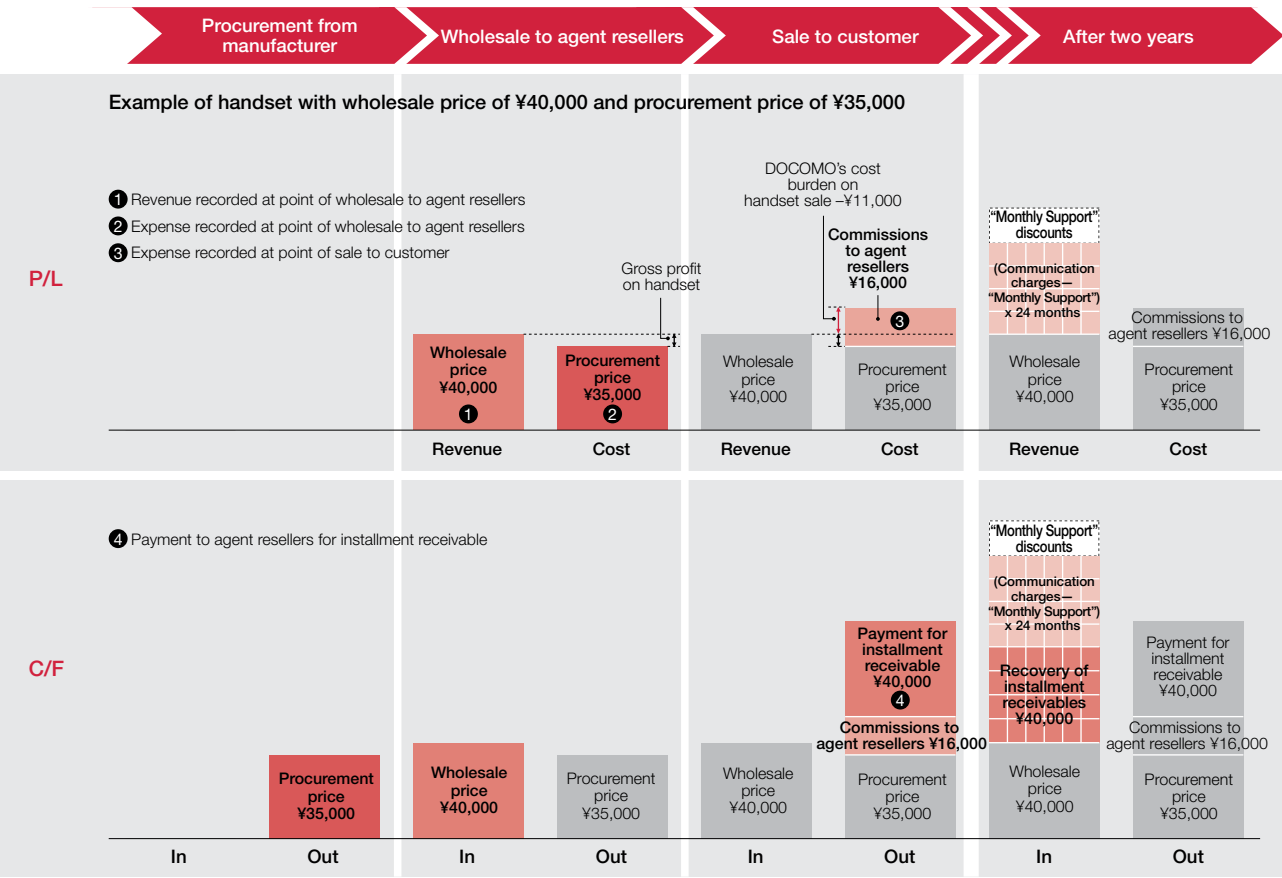
DOCOMO's revenue base is comprised of communications revenues received from customers, such as charges for voice communications and packet communications. [See page 7](#) In the telecommunications business, the Company invests in network equipment on a continuing basis in line with growth in communications volume, and expenses include base station installation, upkeep, maintenance, and operation as well as depreciation. For sales of equipment, DOCOMO records equipment sales revenues when handsets are provided to sales agents on a wholesale basis. Because the Company records revenue-linked expenses, such as cost of equipment sold and commissions to agent resellers, expenses exceed revenues in these sales-related processes. [See chart on right](#) These costs are recovered through monthly customer usage charges.

The Smart life business and Other businesses segments are positioned as a source of revenues in fields peripheral to communications. DOCOMO provides a wide variety of services such as content distribution through “dmarket” and finance/payment services as well as a “Mobile Device Protection Service,” which offers compensation for customer handsets lost or damaged by water exposure. Currently, the Smart life business and Other businesses segments make only a limited contribution to operating income, but moving forward, the Company will strive to expand revenues and increase profits through “New Initiatives toward Delivery of Medium-Term Targets” and other measures.

Operating revenues, Operating income (loss) and Assets by segment for fiscal 2014

| (Millions of yen) | | | | | | |
|---------------------------------|-----------------------------|---------------------|------------------|---------------|-------------|------------------------|
| | Telecommunications business | Smart life business | Other businesses | Segment total | Elimination | Consolidated |
| Segment operating revenues: | | | | | | |
| External customers | 3,653,344 | 421,384 | 308,669 | 4,383,397 | | 4,383,397 |
| Intersegment | 1,221 | 15,613 | 11,146 | 27,980 | (27,980) | 0 |
| Subtotal | 3,654,565 | 436,997 | 319,815 | 4,411,377 | (27,980) | 4,383,397 |
| Segment operating income (loss) | 636,076 | (3,896) | 6,891 | 639,071 | | 639,071 |
| (Millions of yen) | | | | | | |
| | Telecommunications business | Smart life business | Other businesses | | Elimination | Corporate Consolidated |
| Segment assets | 5,275,952 | 546,997 | 235,255 | | (1,875) | 1,090,011 7,146,340 |
| Depreciation and amortization | 614,821 | 24,252 | 20,714 | | | 659,787 |
| Capital expenditures | 635,445 | 17,195 | 9,125 | | | 661,765 |

Relationship between mobile phone transaction flow, profit and loss, and cash flow



Note: Amounts are all examples.

Many of the mobile phones sold by the Company have been jointly developed by the Company and mobile phone manufacturers. The Company procures handsets and other equipment from manufacturers and delivers them to agent resellers. The Company records “Cost of equipment sold” and “Equipment sales” on the consolidated statements of income at this point when inventory risk is transferred to the agent resellers. Next, when the agent resellers sell handsets and communications services to the users of the equipment (customers), the Company pays commissions to agent resellers, according to the handset model and contract details, then records those commissions on the consolidated statement of income. When a handset is sold to a customer on an installment plan, the Company, acting on behalf of the customer, pays the agent resellers for the cost of the equipment.

After the contract is concluded, the customer is invoiced each month for monthly basic charges and for communications charges, which are comprised of voice and packet communications charges, and the Company records sales. When equipment is sold on an installment plan, the Company collects the equipment installment payments along with communications charges over a 12- or 24-month period. In regard to the collection of installment payments, increases or decreases in installment receivables affect “Cash flows from operating activities” but are not recorded in profit or loss.

With the “Monthly Support” discount program, under which discounts based on the handset model are subtracted from monthly usage charges, a portion of communications charges are lost for a maximum of 24 months, and revenues after discounts are recorded in the consolidated statements of income.

FY2014 Financial Review

Operating Revenues

In fiscal 2014, DOCOMO's operating revenues decreased ¥77.8 billion (1.7%) year on year, to ¥4,383.4 billion, which was ¥16.6 billion (0.4%) less than the revised operating revenues forecast of ¥4,400.0 billion. By revenue category, equipment sales and other operating revenues were strong, with equipment sales revenues rising ¥32.1 billion year on year (3.7%), to ¥904.1 billion, and other operating revenues up ¥106.9 billion (17.1%), to ¥732.2 billion. On the other hand, telecommunications services revenues were down ¥216.8 billion (7.3%), to ¥2,747.2 billion.

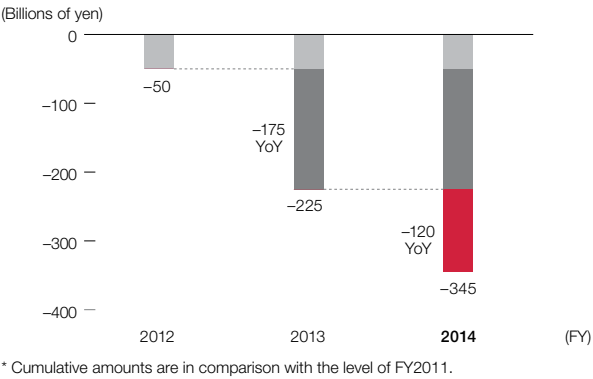
There were two key reasons for the decline in telecommunications services revenues. The first was the impact of the “Monthly Support” discount program. [See following page](#) The second was the new billing plan introduced in June 2014. In the four and a half months after the plan was introduced, subscriptions exceeded 10 million, an accomplishment in line with our expectations and which contributes to the

maintenance and expansion of our customer base. However, there were many applications from existing customers who had large voice communications charges, and there was a strong trend toward customers selecting the option with the smallest data volume. This had the impact of reducing revenues by ¥107.0 billion. This trend was reversed in November 2014, and since that time the situation has continued to improve.

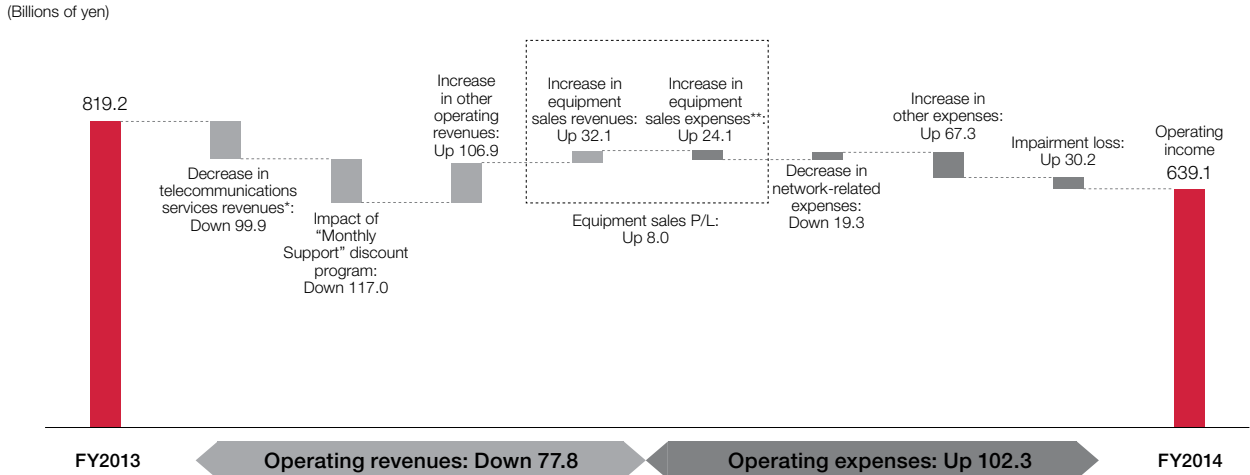
As a result, in mobile communications services revenues, voice revenues were down ¥181.4 billion (17.0%) year on year, to ¥883.8 billion, and packet communications revenues declined ¥37.8 billion (2.0%), to ¥1,852.8 billion. Optical-fiber broadband service and other telecommunications service revenues were ¥10.5 billion. Contribution from the optical-fiber broadband service to operating revenues was limited due to its launch in March 2015.

Our structural reform project launched in March 2012 was successful in increasing efficiency in capital expenditures and costs. In particular, capital expenditures were limited to ¥661.8 billion, a year-on-year decline of ¥41.4 billion and ¥28.2 billion less than the annual plan of ¥690.0 billion. This was achieved by pursuing consolidation and increased capacity in our facilities and by reducing construction and procurement costs. In addition, the amount of cost reductions in fiscal 2014 reached ¥120.0 billion year on year, an additional reduction of ¥15.0 billion more than the initial target for annual cost reductions of ¥105.0 billion. Total cumulative cost reductions over the three years from fiscal 2012 reached ¥345.0 billion.

Cost efficiency improvement* (cumulative amounts)



Key Factors behind YOY Changes in Operating Income



* Excluding impact of “Monthly Support” discount program
** Sum of cost of equipment sold and commissions to agent resellers

Operating Expenses

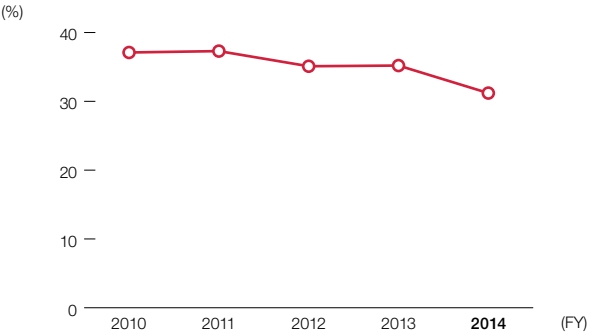
Operating expenses increased ¥102.3 billion (2.8%) year on year, to ¥3,744.3 billion. As a result of our efforts to achieve a balance between expansion of the LTE network and increased efficiency in capital expenditures, network-related expenses declined ¥19.3 billion year on year. On the other hand, as a result of increased sales of smartphones, equipment sales expenses, such as

cost of equipment sold and commissions to agent resellers, rose ¥24.1 billion. Accompanying the introduction of new services, other expenses, such as SG&A expenses, rose ¥67.3 billion. In addition, an impairment loss of ¥30.2 billion was recorded on business assets related to multimedia broadcast services for mobile devices.

Operating Income

Operating income was down ¥180.1 billion (22.0%) year on year, to ¥639.1 billion, which was ¥9.1 billion (1.4%) more than the revised forecast. EBITDA declined ¥203.1 billion, to ¥1,369.1 billion, and the EBITDA margin decreased 4.0 percentage points, to 31.2%.

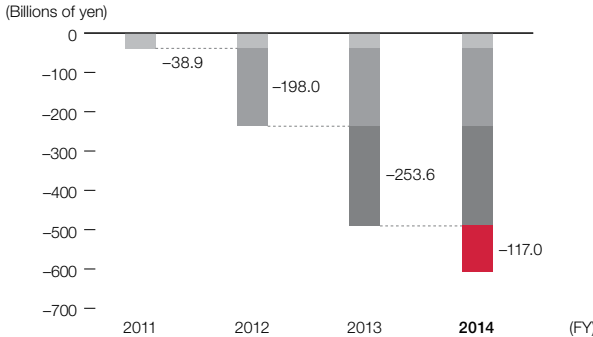
EBITDA margin



Impact of “Monthly Support” Discount Program

Under the “Monthly Support” discount program, a portion of the cost of purchasing a mobile phone is deducted from the monthly usage charges for a period of up to 24 months. This program has been an effective means of addressing competition with other companies and promoting the transition from feature phones to smartphones, but it has had an adverse impact on revenues. In fiscal 2014, voice communications revenues declined ¥181.4 billion year on year, of which ¥73.1 billion was attributable to the impact of the “Monthly Support” discount program. Excluding the impact of the “Monthly Support” discount program, packet communications revenues increased ¥6.1 billion. However, the expansion of the “Monthly Support” discount program had an adverse impact of ¥43.9 billion, and packet communications revenues ended up declining ¥37.8 billion. Nonetheless, the year-on-year increase in the impact of the “Monthly Support” discount program peaked in the previous fiscal year at ¥253.6 billion, and declined to ¥117.0 billion in fiscal 2014. Moving forward, we expect the impact to be stable in fiscal 2015 and subsequent years.

Impact of “Monthly Support” discount program (YOY increase)



Financial Position

Total assets at the end of fiscal 2014 were down ¥361.7 billion (4.8%) from the previous year-end, to ¥7,146.3 billion. This decrease was principally attributable to a decline in cash and cash equivalents resulting from higher expenditures for share repurchases.

Long-term liabilities increased but current liabilities decreased due primarily to lower accrued income taxes resulting from a decline in income taxes. As a result, total liabilities at the end of fiscal 2014 were down ¥86.4 billion (4.8%), to ¥1,728.1 billion. This total included interest-bearing liabilities of ¥222.7 billion, a decline of ¥7.7 billion (3.3%).

DOCOMO’s long-term debt obligations have been rated AA– by Standard and Poor’s and Aa3 by Moody’s, giving the Company’s financial soundness one of the highest level ratings among the world’s telecommunications operators.

Cash Flows

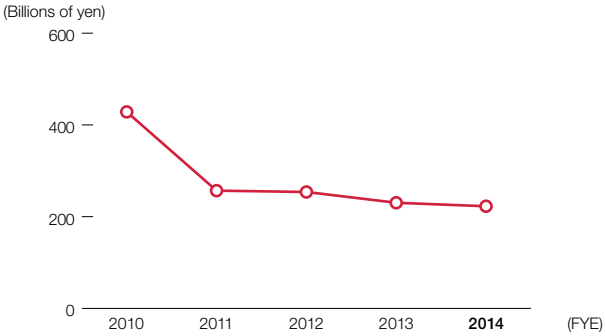
Net cash provided by operating activities declined ¥37.7 billion (3.8%), to ¥963.0 billion. This decrease was due to lower telecommunications services revenues and to an increase in income taxes paid, which offset an increase in collections of installment receivables for customers’ hand-set purchases. [See page 59](#)

Net cash used in investing activities decreased ¥52.4 billion (7.4%), to ¥651.2 billion. This decrease was mainly attributable to a decline in purchases of property, plant and equipment as a result of efficient network construction.

Net cash used in financing activities increased ¥464.5 billion (172.2%), to ¥734.3 billion. This increase was due to expenditures for share repurchases.

As a result, the balance of cash and cash equivalents was ¥105.6 billion as of March 31, 2015, a decrease of ¥421.4 billion (80.0%) from the previous fiscal year-end. Free cash flow* in fiscal 2014 was up ¥38.4 billion (14.9%), to ¥295.6 billion.

Interest-bearing liabilities

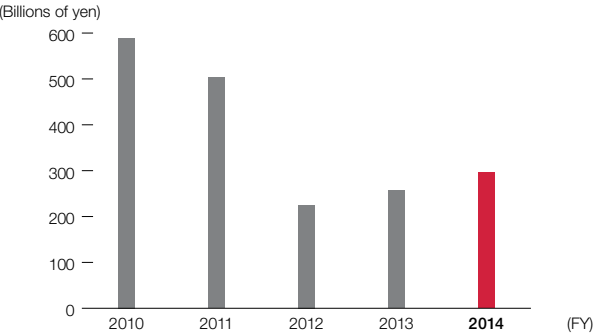


DOCOMO's ratings

(As of January 20, 2015)

| Rating agency | Long-term bonds | Short-term bonds |
|---|-----------------|------------------|
| Moody's | Aa3 | P-1 |
| Standard and Poor's (S&P) | AA– | A-1+ |
| Japan Credit Rating Agency, Ltd. (JCR) | AAA | – |
| Rating & Investment Information, Inc. (R&I) | AA+ | a-1+ |

Free cash flows*



* Adjusted free cash flows exclude the effects of uncollected revenues due to bank holidays at the end of the period, the effects of the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION, and changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

Outlook for Fiscal 2015

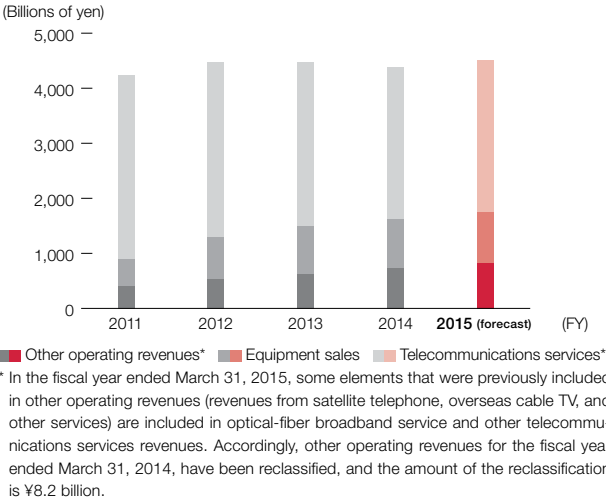
For fiscal 2015, we are forecasting an increase in operating revenues and an increase in operating income. Competition among companies in the mobile telecommunications industry remains intense. In this setting, we will strive to reinforce competitiveness of the Telecommunications business, and create new services that go beyond conventional mobile services and increase revenues. We will achieve these goals by using our new billing plan and optical-fiber broadband service as key components to strengthen our earnings capacity.

Operating revenues for fiscal 2015 are forecast to increase by ¥126.6 billion (2.9%) year on year, to ¥4,510.0 billion. The cumulative reduction in communications services revenues due to the impact of the “Monthly Support” discount program is forecast to increase by about ¥110.0 billion year on year. On the other hand, the decline in revenues due to the new billing plan was caused by a concentration of applications for the packet plan with the smallest data volume. That concentration has eased, and applications for larger packet plans are increasing. Accordingly, the decline in revenues due to the new billing plan is expected to improve. In addition, we expect contributions to an increase in telecommunications services revenues to be made by a growth in the number of smartphone users, higher packet usage under the new billing plan and optical-fiber broadband service subscriptions, and the achievement of net additions at the same level as in the previous year. Furthermore, we also anticipate growth in other operating revenues, centered on revenues from “dmarket.”

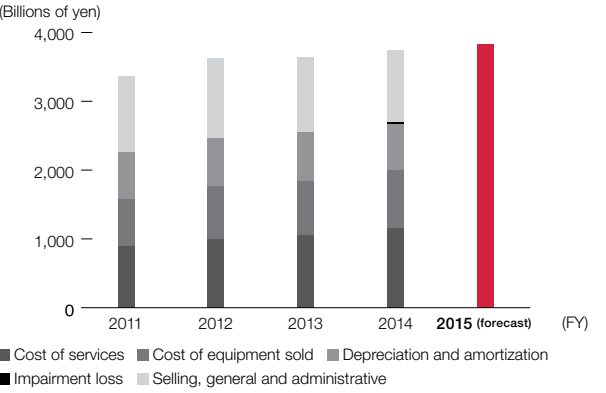
In operating expenses, we will strive to achieve cost efficiencies of ¥210.0 billion year on year through such means as increasing efficiency in capital expenditures. On the other hand, we expect operating expenses to increase ¥85.7 billion (2.3%), to ¥3,830.0 billion, due primarily to the higher cost of equipment sold accompanying an increase in units sold and to higher expenses linked to revenues in the Smart life business and Other businesses segments.

Accordingly, we are forecasting operating income in fiscal 2015 of ¥680.0 billion, an increase of ¥40.9 billion (6.4%).

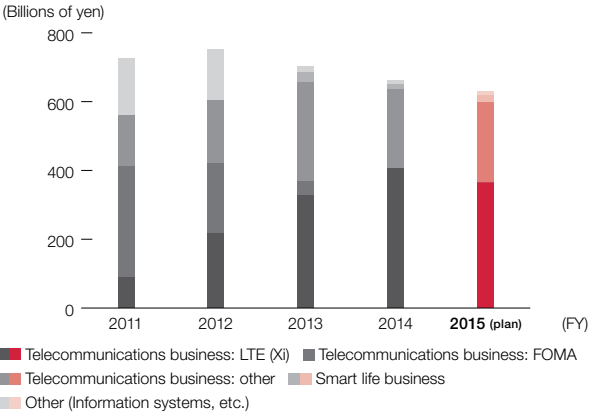
Operating revenues



Operating expenses



Capital expenditures



Consolidated Balance Sheets

NTT DOCOMO, INC. and Subsidiaries
March 31, 2014 and 2015

| ASSETS | Millions of yen | |
|--|--------------------|--------------------|
| | 2014 | 2015 |
| Current assets: | | |
| Cash and cash equivalents | ¥ 526,920 | ¥ 105,553 |
| Short-term investments | | |
| Third parties | 19,561 | 3,757 |
| Related parties | – | 240,000 |
| Accounts receivable | | |
| Third parties | 276,409 | 258,761 |
| Related parties | 5,100 | 5,830 |
| Receivables held for sale | 787,459 | 897,999 |
| Credit card receivables | 220,979 | 234,412 |
| Other receivables | | |
| Third parties | 34,127 | 30,576 |
| Related parties | 281,835 | 296,699 |
| Total accounts receivable, receivables held for sale, credit card receivables and other receivables | 1,605,909 | 1,724,277 |
| Less: Allowance for doubtful accounts | (15,078) | (14,100) |
| Total accounts receivable, receivables held for sale, credit card receivables and other receivables, net | 1,590,831 | 1,710,177 |
| Inventories | 232,126 | 186,275 |
| Deferred tax assets | 61,592 | 61,512 |
| Prepaid expenses and other current assets | | |
| Third parties | 86,991 | 98,618 |
| Related parties | 8,741 | 9,484 |
| Total current assets | 2,526,762 | 2,415,376 |
| Property, plant and equipment: | | |
| Wireless telecommunications equipment | 4,975,826 | 5,027,390 |
| Buildings and structures | 897,759 | 890,382 |
| Tools, furniture and fixtures | 553,497 | 508,810 |
| Land | 201,121 | 200,736 |
| Construction in progress | 158,173 | 193,497 |
| Sub-total | 6,786,376 | 6,820,815 |
| Accumulated depreciation and amortization | (4,228,610) | (4,309,748) |
| Total property, plant and equipment, net | 2,557,766 | 2,511,067 |
| Non-current investments and other assets: | | |
| Investments in affiliates | 424,531 | 439,070 |
| Marketable securities and other investments | 171,875 | 195,047 |
| Intangible assets, net | 665,960 | 636,319 |
| Goodwill | 262,462 | 266,311 |
| Other assets | | |
| Third parties | 369,593 | 430,633 |
| Related parties | 259,581 | 15,090 |
| Deferred tax assets | 269,500 | 237,427 |
| Total non-current investments and other assets | 2,423,502 | 2,219,897 |
| Total assets | ¥ 7,508,030 | ¥ 7,146,340 |

| LIABILITIES AND EQUITY | Millions of yen | |
|---|-------------------|-------------------|
| | 2014 | 2015 |
| Current liabilities: | | |
| Current portion of long-term debt | ¥ 248 | ¥ 203 |
| Short-term borrowings | 9,495 | 2,048 |
| Accounts payable, trade | | |
| Third parties | 643,822 | 664,945 |
| Related parties | 154,493 | 146,854 |
| Accrued payroll | 54,294 | 54,955 |
| Accrued income taxes | 175,683 | 68,563 |
| Other current liabilities | | |
| Third parties | 160,066 | 169,631 |
| Related parties | 7,885 | 7,103 |
| Total current liabilities | 1,205,986 | 1,114,302 |
| Long-term liabilities: | | |
| Long-term debt (exclusive of current portion) | 220,603 | 220,400 |
| Accrued liabilities for point programs | 113,001 | 89,929 |
| Liability for employees’ retirement benefits | 160,666 | 173,872 |
| Other long-term liabilities | | |
| Third parties | 112,558 | 127,932 |
| Related parties | 1,703 | 1,700 |
| Total long-term liabilities | 608,531 | 613,833 |
| Total liabilities | 1,814,517 | 1,728,135 |
| Redeemable noncontrolling interests | 14,869 | 15,589 |
| Equity: | | |
| NTT DOCOMO, INC. shareholders’ equity | | |
| Common stock, without a stated value– | | |
| Authorized shares | | |
| 17,460,000,000 shares as of March 31, 2014 and 2015 | | |
| Issued shares | | |
| 4,365,000,000 shares as of March 31, 2014 | | |
| 4,085,772,000 shares as of March 31, 2015 | | |
| Outstanding shares | | |
| 4,146,760,100 shares as of March 31, 2014 | | |
| 3,881,483,855 shares as of March 31, 2015 | 949,680 | 949,680 |
| Additional paid-in capital | 732,875 | 339,783 |
| Retained earnings | 4,328,389 | 4,397,228 |
| Accumulated other comprehensive income (loss) | 9,590 | 52,599 |
| Treasury stock | | |
| 218,239,900 shares as of March 31, 2014 | | |
| 204,288,145 shares as of March 31, 2015 | (377,168) | (359,218) |
| Total NTT DOCOMO, INC. shareholders’ equity | 5,643,366 | 5,380,072 |
| Noncontrolling interests | 35,278 | 22,544 |
| Total equity | 5,678,644 | 5,402,616 |
| Commitments and contingencies | | |
| Total liabilities and equity | ¥7,508,030 | ¥7,146,340 |

Consolidated Statements of Income

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2013, 2014 and 2015

| | Millions of yen | | |
|---|-----------------|---------------|---------------|
| | 2013 | 2014 | 2015 |
| Operating revenues: | | | |
| Telecommunications services | | | |
| Third parties | ¥3,155,984 | ¥2,942,847 | ¥2,727,891 |
| Related parties | 20,947 | 21,133 | 19,264 |
| Equipment sales | | | |
| Third parties | 754,521 | 870,597 | 903,231 |
| Related parties | 3,572 | 1,403 | 858 |
| Other operating revenues | | | |
| Third parties | 499,999 | 582,938 | 682,967 |
| Related parties | 35,099 | 42,285 | 49,186 |
| Total operating revenues | 4,470,122 | 4,461,203 | 4,383,397 |
| Operating expenses: | | | |
| Cost of services (exclusive of items shown separately below) | | | |
| Third parties | 782,352 | 805,685 | 892,178 |
| Related parties | 221,145 | 253,934 | 267,336 |
| Cost of equipment sold (exclusive of items shown separately below) | 767,536 | 785,209 | 853,062 |
| Depreciation and amortization | 699,754 | 718,694 | 659,787 |
| Impairment loss | 452 | – | 30,161 |
| Selling, general and administrative | | | |
| Third parties | 940,002 | 879,323 | 838,423 |
| Related parties | 221,701 | 199,159 | 203,379 |
| Total operating expenses | 3,632,942 | 3,642,004 | 3,744,326 |
| Operating income | 837,180 | 819,199 | 639,071 |
| Other income (expense): | | | |
| Interest expense | (1,786) | (1,211) | (797) |
| Interest income | 1,587 | 1,680 | 1,283 |
| Other, net | (3,639) | 13,381 | 4,326 |
| Total other income (expense) | (3,838) | 13,850 | 4,812 |
| Income before income taxes and equity in net income (losses) of affiliates | 833,342 | 833,049 | 643,883 |
| Income taxes: | | | |
| Current | 305,026 | 319,683 | 218,552 |
| Deferred | 18,033 | (11,704) | 19,515 |
| Total income taxes | 323,059 | 307,979 | 238,067 |
| Income before equity in net income (losses) of affiliates | 510,283 | 525,070 | 405,816 |
| Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates) | (29,570) | (69,117) | (7,782) |
| Net income | 480,713 | 455,953 | 398,034 |
| Less: Net (income) loss attributable to noncontrolling interests | 10,313 | 8,776 | 12,059 |
| Net income attributable to NTT DOCOMO, INC. | ¥ 491,026 | ¥ 464,729 | ¥ 410,093 |
| Per share data: | | | |
| Weighted average common shares outstanding – Basic and Diluted (Shares) | 4,146,760,100 | 4,146,760,100 | 4,038,191,678 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (Yen) | ¥ 118.41 | ¥ 112.07 | ¥ 101.55 |

Consolidated Statements of Comprehensive Income

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2013, 2014 and 2015

| | Millions of yen | | |
|---|-----------------|----------|----------|
| | 2013 | 2014 | 2015 |
| Net income | ¥480,713 | ¥455,953 | ¥398,034 |
| Other comprehensive income (loss): | | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 20,680 | 8,751 | 22,468 |
| Less: Reclassification of realized gains and losses, net of applicable taxes included in net income | 6,109 | (84) | 120 |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes | 31 | (76) | (20) |
| Less: Reclassification of realized gains and losses, net of applicable taxes included in net income | – | 59 | 16 |
| Foreign currency translation adjustment, net of applicable taxes | 34,041 | 31,653 | 29,678 |
| Less: Reclassification of realized gains and losses, net of applicable taxes included in net income | 155 | 6,010 | – |
| Pension liability adjustment, net of applicable taxes | | | |
| Actuarial gains (losses) arising during period, net | (5,895) | 11,929 | (9,159) |
| Prior service cost arising during period, net | – | 3,361 | – |
| Less: Amortization of prior service cost | (1,458) | (1,457) | (894) |
| Less: Curtailment gain | – | (3,294) | – |
| Less: Amortization of actuarial gains and losses | 1,805 | 1,963 | 1,104 |
| Less: Amortization of transition obligation | 80 | 80 | 72 |
| Total other comprehensive income (loss) | 55,548 | 58,895 | 43,385 |
| Comprehensive income | 536,261 | 514,848 | 441,419 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | 10,182 | 8,583 | 11,683 |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥546,443 | ¥523,431 | ¥453,102 |

Consolidated Statements of Changes in Equity

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2013, 2014 and 2015

| | Millions of yen | | | | | | | |
|--|---------------------------------------|----------------------------|-------------------|---|----------------|---|--------------------------|--------------|
| | NTT DOCOMO, INC. shareholders' equity | | | | | | | Total equity |
| | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income (loss) | Treasury stock | Total NTT DOCOMO, INC. shareholders' equity | Noncontrolling interests | |
| Balance as of March 31, 2012 | ¥949,680 | ¥ 732,592 | ¥3,861,952 | ¥(104,529) | ¥(377,168) | ¥5,062,527 | ¥ 46,244 | ¥5,108,771 |
| Cash dividends declared (¥58 per share) | | | (240,512) | | | (240,512) | | (240,512) |
| Cash distributions to noncontrolling interests | | | | | | – | (4) | (4) |
| Acquisition of new subsidiaries | | | | | | – | 6,957 | 6,957 |
| Changes in interest in subsidiaries | | 17 | | | | 17 | (1,045) | (1,028) |
| Others | | | | | | – | 120 | 120 |
| Net income | | | 491,026 | | | 491,026 | (10,313) | 480,713 |
| Other comprehensive income (loss) | | | | 55,417 | | 55,417 | 131 | 55,548 |
| Balance as of March 31, 2013 | ¥949,680 | ¥ 732,609 | ¥4,112,466 | ¥ (49,112) | ¥(377,168) | ¥5,368,475 | ¥ 42,090 | ¥5,410,565 |
| Cash dividends declared (¥60 per share) | | | (248,806) | | | (248,806) | | (248,806) |
| Cash distributions to noncontrolling interests | | | | | | – | (1,032) | (1,032) |
| Acquisition of new subsidiaries | | | | | | – | 2,588 | 2,588 |
| Changes in interest in subsidiaries | | 266 | | | | 266 | | 266 |
| Others | | | | | | – | 215 | 215 |
| Net income | | | 464,729 | | | 464,729 | (8,776) | 455,953 |
| Other comprehensive income (loss) | | | | 58,702 | | 58,702 | 193 | 58,895 |
| Balance as of March 31, 2014 | ¥949,680 | ¥ 732,875 | ¥4,328,389 | ¥ 9,590 | ¥(377,168) | ¥5,643,366 | ¥ 35,278 | ¥5,678,644 |
| Purchase of treasury stock | | | | | (473,036) | (473,036) | | (473,036) |
| Retirement of treasury stock | | (393,092) | (97,894) | | 490,986 | – | | – |
| Cash dividends declared (¥65 per share) | | | (243,360) | | | (243,360) | | (243,360) |
| Cash distributions to noncontrolling interests | | | | | | – | (1,061) | (1,061) |
| Acquisition of new subsidiaries | | | | | | – | 732 | 732 |
| Others | | | | | | – | (2) | (2) |
| Net income | | | 410,093 | | | 410,093 | (12,777) | 397,316 |
| Other comprehensive income (loss) | | | | 43,009 | | 43,009 | 374 | 43,383 |
| Balance as of March 31, 2015 | ¥949,680 | ¥ 339,783 | ¥4,397,228 | ¥ 52,599 | ¥(359,218) | ¥5,380,072 | ¥ 22,544 | ¥5,402,616 |

* Changes in the redeemable noncontrolling interest are not included in the table.

Consolidated Statements of Cash Flows

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2013, 2014 and 2015

| | Millions of yen | | |
|---|------------------|------------------|------------------|
| | 2013 | 2014 | 2015 |
| Cash flows from operating activities: | | | |
| Net income | ¥ 480,713 | ¥ 455,953 | ¥ 398,034 |
| Adjustments to reconcile net income to net cash provided by operating activities— | | | |
| Depreciation and amortization | 699,754 | 718,694 | 659,787 |
| Deferred taxes | 18,033 | (11,704) | 19,515 |
| Loss on sale or disposal of property, plant and equipment | 31,878 | 34,303 | 40,073 |
| Inventory write-downs | 12,662 | 4,415 | 13,716 |
| Impairment loss | 452 | – | 30,161 |
| Impairment loss on marketable securities and other investments | 10,928 | 3,055 | 902 |
| Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates) | 29,570 | 69,117 | 7,782 |
| Dividends from affiliates | 15,899 | 17,415 | 17,591 |
| Changes in assets and liabilities: | | | |
| (Increase) / decrease in accounts receivable | 706,742 | (9,269) | 17,489 |
| (Increase) / decrease in receivables held for sale | (638,149) | (149,310) | (110,540) |
| (Increase) / decrease in credit card receivables | (8,646) | (13,849) | (7,497) |
| (Increase) / decrease in other receivables | (229,252) | (21,875) | (13,467) |
| Increase / (decrease) in allowance for doubtful accounts | (7,024) | (2,815) | 2,931 |
| (Increase) / decrease in inventories | (35,037) | (55,264) | 32,270 |
| (Increase) / decrease in prepaid expenses and other current assets | (12,564) | (7,661) | (10,565) |
| (Increase) / decrease in non-current installment receivable for handsets | 88,075 | – | – |
| (Increase) / decrease in non-current receivables held for sale | (149,972) | (53,276) | (55,468) |
| Increase / (decrease) in accounts payable, trade | (39,377) | 65,083 | 5,278 |
| Increase / (decrease) in accrued income taxes | (15,844) | 39,691 | (107,166) |
| Increase / (decrease) in other current liabilities | 10,805 | (40,422) | 16,964 |
| Increase / (decrease) in accrued liabilities for point programs | (32,281) | (27,854) | (23,072) |
| Increase / (decrease) in liability for employees' retirement benefits | 9,539 | (10,732) | 13,209 |
| Increase / (decrease) in other long-term liabilities | (34,215) | (32,977) | 11,925 |
| Other, net | 19,716 | 29,924 | 3,125 |
| Net cash provided by operating activities | 932,405 | 1,000,642 | 962,977 |
| Cash flows from investing activities: | | | |
| Purchases of property, plant and equipment | (535,999) | (498,668) | (493,189) |
| Purchases of intangible and other assets | (242,918) | (213,508) | (170,203) |
| Purchases of non-current investments | (7,444) | (16,186) | (5,107) |
| Proceeds from sale of non-current investments | 1,731 | 5,235 | 1,753 |
| Acquisitions of subsidiaries, net of cash acquired | (17,886) | (19,213) | – |
| Purchases of short-term investments | (665,223) | (39,084) | (34,613) |
| Redemption of short-term investments | 915,105 | 68,937 | 50,806 |
| Long-term bailment for consumption to a related party | (240,000) | – | – |
| Proceeds from redemption of long-term bailment for consumption to a related party | – | 10,000 | – |
| Short-term bailment for consumption to a related party | – | (70,000) | – |
| Proceeds from redemption of short-term bailment for consumption to a related party | 90,000 | 70,000 | – |
| Other, net | 700 | (1,093) | (641) |
| Net cash used in investing activities | (701,934) | (703,580) | (651,194) |
| Cash flows from financing activities: | | | |
| Proceeds from long-term debt | 60,000 | 50,000 | – |
| Repayment of long-term debt | (82,181) | (74,989) | (248) |
| Proceeds from short-term borrowings | 20,750 | 13,740 | 221,606 |
| Repayment of short-term borrowings | (15,599) | (26,132) | (229,065) |
| Principal payments under capital lease obligations | (2,801) | (2,128) | (1,729) |
| Payments to acquire treasury stock | – | – | (473,036) |
| Dividends paid | (240,388) | (248,814) | (243,349) |
| Other, net | (748) | 18,530 | (8,436) |
| Net cash provided by (used in) financing activities | (260,967) | (269,793) | (734,257) |
| Effect of exchange rate changes on cash and cash equivalents | 2,092 | 5,977 | 1,107 |
| Net increase (decrease) in cash and cash equivalents | (28,404) | 33,246 | (421,367) |
| Cash and cash equivalents at beginning of year | 522,078 | 493,674 | 526,920 |
| Cash and cash equivalents at end of year | ¥ 493,674 | ¥ 526,920 | ¥ 105,553 |
| Supplemental disclosures of cash flow information: | | | |
| Cash received during the fiscal year for: | | | |
| Income tax refunds | ¥ 1,017 | ¥ 886 | ¥ 1,539 |
| Cash paid during the fiscal year for: | | | |
| Interest, net of amount capitalized | 1,840 | 1,578 | 876 |
| Income taxes | 321,453 | 280,434 | 326,107 |
| Non-cash investing and financing activities: | | | |
| Assets acquired through capital lease obligations | 1,931 | 1,513 | 940 |
| Assets of wireless telecommunications equipment acquired through exchanges of similar equipment | – | – | 3,605 |
| Retirement of treasury stock | – | – | 490,986 |

Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

NTT DOCOMO, INC. and Subsidiaries

EBITDA and EBITDA Margin

| Years ended March 31, | Billions of yen | | | | |
|--|-----------------|----------|----------|----------|----------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| a. EBITDA ¹ | ¥1,565.7 | ¥1,583.3 | ¥1,569.3 | ¥1,572.2 | ¥1,369.1 |
| Depreciation and amortization | (693.1) | (684.8) | (699.8) | (718.7) | (659.8) |
| Loss on sale or disposal of property, plant and equipment | (27.9) | (24.1) | (31.9) | (34.3) | (40.1) |
| Impairment loss | – | – | (0.5) | – | (30.2) |
| Operating income | 844.7 | 874.5 | 837.2 | 819.2 | 639.1 |
| Other income (expense) | (9.4) | 2.5 | (3.8) | 13.9 | 4.8 |
| Income taxes | (332.8) | (391.8) | (323.1) | (308.0) | (238.1) |
| Equity in net income (losses) of affiliates, net of applicable taxes | (10.5) | (24.2) | (29.6) | (69.1) | (7.8) |
| Less: Net (income) loss attributable to noncontrolling interests | (1.5) | 3.0 | 10.3 | 8.8 | 12.1 |
| b. Net income attributable to NTT DOCOMO, INC. | 490.5 | 463.9 | 491.0 | 464.7 | 410.1 |
| c. Operating revenues | 4,224.3 | 4,240.0 | 4,470.1 | 4,461.2 | 4,383.4 |
| EBITDA margin (= a/c) | 37.1% | 37.3% | 35.1% | 35.2% | 31.2% |
| Net income margin (= b/c) | 11.6% | 10.9% | 11.0% | 10.4% | 9.4% |

1 EBITDA: Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss
Note: EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10 (e) of regulation S-K and may not be comparable to similarly titled measures used by other companies.

Adjusted Free Cash Flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes)

| Years ended March 31, | Billions of yen | | | | |
|---|-----------------|----------|---------|----------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Net cash provided by operating activities ² | ¥1,287.0 | ¥1,110.6 | ¥ 932.4 | ¥1,000.6 | ¥ 963.0 |
| Net cash used in investing activities | (455.4) | (974.6) | (701.9) | (703.6) | (651.2) |
| Free cash flows | 831.7 | 136.0 | 230.5 | 297.1 | 311.8 |
| Irregular factors ³ | – | (147.0) | 147.0 | – | – |
| Effect of transfer of receivables ² | – | – | (242.0) | – | – |
| Changes in investments for cash management purposes ⁴ | 241.9 | (220.5) | 99.9 | 39.9 | 16.2 |
| Adjusted free cash flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes) | ¥ 589.8 | ¥ 503.5 | ¥ 225.6 | ¥ 257.2 | ¥ 295.6 |

2 Effect of transfer of receivables represents the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION. Net cash provided by operating activities includes the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION for cash management purposes for the year ended March 31, 2013.
3 Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of periods.
4 Changes in investments for cash management purposes were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

Subsidiaries and Affiliates

As of July 1, 2015

Subsidiaries: 166

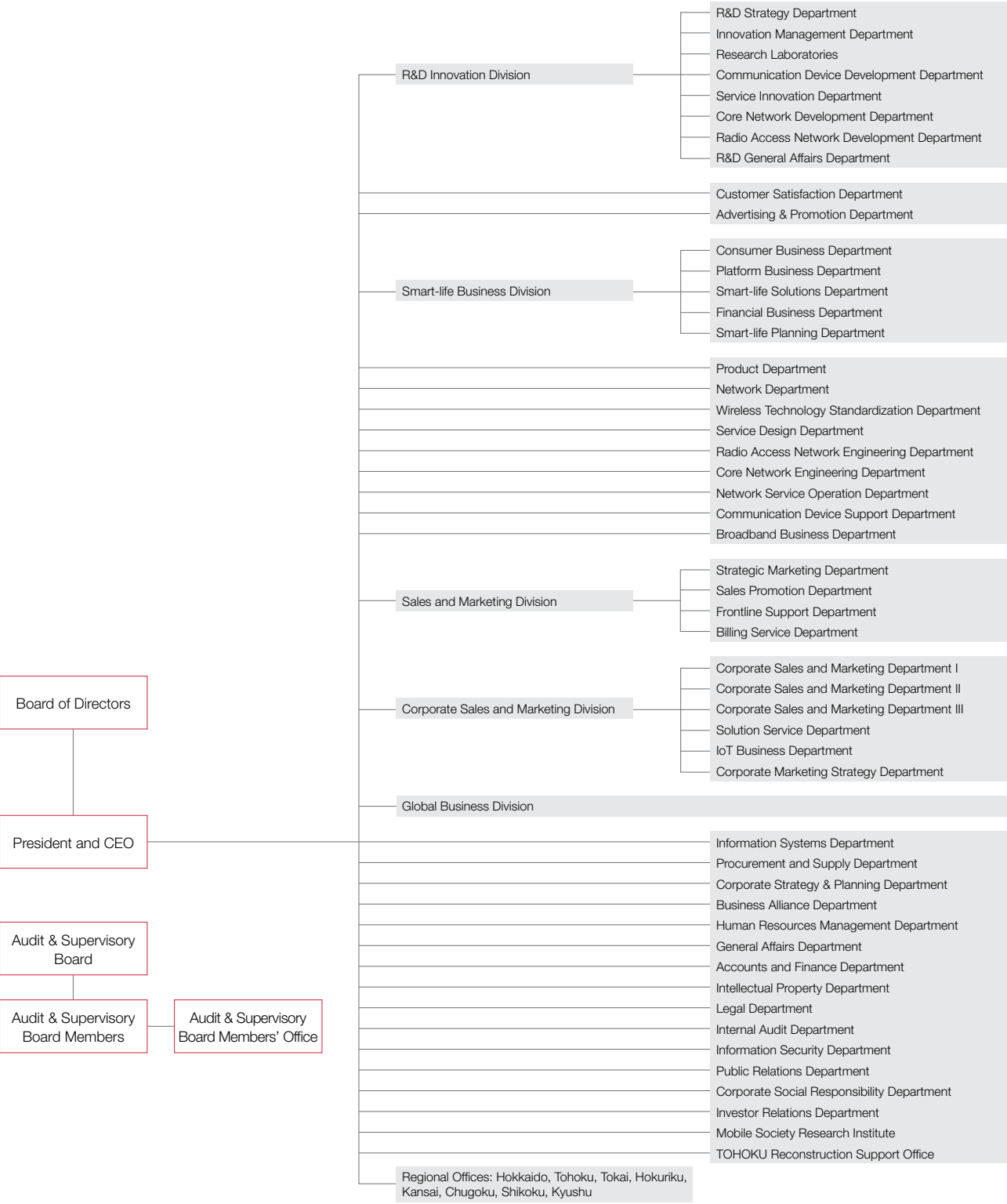
| Company name | Voting rights ownership | Business activities |
|--|-------------------------|--|
| Service subsidiaries: 12 | | |
| DOCOMO CS, Inc. | 100.00% | Network construction, maintenance, operation, and quality control; handset maintenance; merchandise distribution; sales agent support; corporate marketing; DOCOMO shop operations |
| DOCOMO Support, Inc. | 100.00% | Handling of telephone and online inquiries, such as through the Internet |
| DOCOMO Systems, Inc. | 100.00% | Development and maintenance of internal information systems and sales of hardware relating to information systems |
| DOCOMO Technology, Inc. and 8 other companies | 100.00% | Commissioned business from DOCOMO in research and development of mobile communication |
| Other subsidiaries: 154 | | |
| Buongiorno S.p.A. | 100.00% | Provision of mobile content and operation of content-distribution platform |
| DOCOMO Capital, Inc. | 100.00% | Search for and investment in venture companies with innovative state-of-the-art technology applicable to mobile communications services |
| DOCOMO Communications Laboratories Europe GmbH | 100.00% | Research on new mobile network technologies in Europe and participation in European standardization projects |
| DOCOMO Innovations, Inc. | 100.00% | Promotion of open innovation and network technology research in Silicon Valley |
| DOCOMO interTouch Pte. Ltd. | 100.00% | Provision of high-speed Internet connection services for hotels worldwide |
| DOCOMO PACIFIC, INC. | 100.00% | Mobile communications business in Guam and the Commonwealth of the Northern Mariana Islands |
| MCV Guam Holding Corp. | 100.00% | Cable television, Internet access, fixed-line business in Guam and the Commonwealth of the Northern Mariana Islands |
| net mobile AG | 87.36% | Management of platforms related to mobile content distribution and billing |
| NTT DOCOMO USA, Inc. | 100.00% | Support for DOCOMO overseas development in the United States |
| PacketVideo Corporation | 81.79% | Development of software for mobile phones, such as software to connect household electronics devices, and provision of content distribution services |
| OAK LAWN MARKETING, INC. | 51.00% | Mail-order business using televised media as main sales channel |
| Tower Records Japan Inc. | 50.25% | Music and video software sales business |
| DOCOMO ANIME STORE, INC. | 60.00% | Planning, development, and operation of anime-related content distribution services, centered on anime video |
| NTT DOCOMO Ventures, Inc. | 100.00% | Venture capital investment and incubation businesses |
| DOCOMO InsightMarketing, INC. | 51.00% | Research and promotion businesses |
| Nihon Ultmarc INC. | 100.00% | Medical database business |
| docomo Healthcare, Inc. | 66.00% | Platform business centered on management, use, and sharing of physical, health, and medical data |
| MAGASseek Corporation | 75.00% | Fashion e-commerce business, including operation of the MAGASseek comprehensive fashion e-commerce site |
| Radishbo-ya Co., Ltd. | 90.00% | Membership-based home delivery service of organic and low-chemical agricultural products as well as additive-free foods |
| mobidoors, Inc. | 52.38% | Sales of remote support for mobile devices and PCs |
| ABC Cooking Studio Co., Ltd. | 51.00% | Nationwide development of cooking classrooms; sales of kitchen and other goods |
| D2C Inc. | 51.00% | Mobile advertising media development and operations and advertising sales business |
| rmbi, Inc. | 60.45% | Basic broadcasting pursuant to Japan's Broadcast Act and provision of related services |
| LocationValue Inc. | 100.00% | Development and sales of sales promotion system and application using mobile phones |
| Mirai Translate, Inc. | 51.00% | Development of high-accuracy machine translation technology and software |
| DOCOMO BIKESHARE, INC. and 128 other companies | 85.00% | Bicycle sharing business |

Affiliates: 30

| Company name | Voting rights ownership | Business activities |
|---|-------------------------|---|
| Hutchison Telephone Company Limited | 24.10% | Mobile communications business in Hong Kong and Macau |
| Philippine Long Distance Telephone Company | 8.56% | Owns 100% of SMART, a fixed-line and mobile telecommunications operator in the Philippines |
| Robi Axiata Limited | 8.41% | Mobile communications business in Bangladesh |
| Tata Teleservices Limited | 26.50% | Mobile communications business in India |
| Weather Service Co. Ltd. | 35.00% | Provision of services offering a full range of weather-related information |
| A vex Broadcasting & Communications Inc. | 30.00% | Membership-based mobile video distribution business |
| NTT Broadband Platform, Inc. | 22.00% | Services pertaining to wireless network connections, plus merchandise sales utilizing information and communications systems |
| NTT Resonant Inc. | 33.33% | Media business, including operation of “goo” portal site, and e-commerce |
| EveryStar Co., Ltd. | 30.00% | UGC media operation via mobile |
| ZENRIN DataCom CO., LTD. | 18.09% | Map, net navigation, and map solutions businesses for mobile phones |
| 2Dfacto, Inc. | 19.45% | Management of bookstore services for sale of e-books and paper books via the Internet |
| Nippon Telecommunications Network Co., Ltd. | 37.43% | Provision of communications network facilities and applications and outsourcing of network construction |
| FeliCa Networks, Inc. | 38.00% | FeliCa licensing and platform management businesses |
| Boardwalk Inc. | 22.00% | Event ticketing sales and planning / production / sales of digital content |
| Sumitomo Mitsui Card Company, Limited | 34.00% | Services related to credit cards, loans, warranties, and gift cards |
| Mobile Internet Capital, Inc. | 30.00% | Support for venture firms in mobile Internet-related fields and investment fund management |
| Rakuten Auction, Inc. | 40.00% | Internet auction services business |
| Jibe Mobile K.K. | 34.48% | Software development |
| The JV, Ltd. | 30.00% | Management of McDonald's membership organization, and planning, execution, and management of membership-related services and promotions |
| and 11 other companies | | |

Organizational Structure

NTT DOCOMO, INC. As of July 1, 2015



Corporate Information

As of March 31, 2015

Company Name
NTT DOCOMO, INC.

Address
Head Office:
11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan
Tel: +81-3-5156-1111

Date of Establishment
August 1991

Capital
¥949,679,500,000

Fiscal Year-End
March 31

Number of Employees (Consolidated)
25,680

Corporate Website
<https://www.nttdocomo.co.jp/english/>

IR Information
<https://www.nttdocomo.co.jp/english/corporate/ir/>

Independent Registered Public Accounting Firm
KPMG AZSA LLC (the Japan member firm of KPMG International)

Stock Information

As of March 31, 2015

Stock Listings
Tokyo Stock Exchange, First Section listed October 1998
(Securities code: 9437)
New York Stock Exchange listed March 2002
(Ticker symbol: DCM)

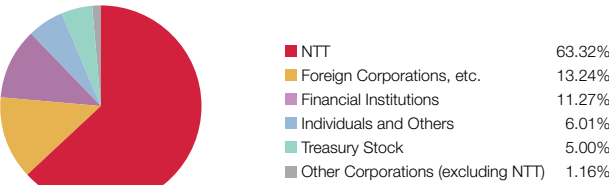
Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation,
Corporate Agency Department
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan
Tel: +81-3-3212-1211
Inquiries about procedures of stock: +81-120-232-711

Depository for American Depositary Receipts (“ADRs”)
The Bank of New York Mellon Corporation
BNY Mellon Shareowner Services
PO Box 30170, College Station, TX 77842-3170, U.S.A.
U.S. Callers: (888) BNY ADRS
Non-U.S. Callers: +1-201-680-6825

Number of Shares
Total Number of Authorized Shares: 17,460,000,000
Total Number of Issued Shares: 4,085,772,000

Number of Shareholders
282,559

Distribution of Ownership among Shareholders



* The figures are based on the list of shareholders as of March 31, 2015.

Principal Shareholders

| | Number of shares held | Percentage of total issued shares (%) |
|---|-----------------------|---------------------------------------|
| NIPPON TELEGRAPH AND TELEPHONE CORPORATION | 2,587,008,900 | 63.32 |
| THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT) | 67,391,700 | 1.65 |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT) | 60,063,400 | 1.47 |
| BARCLAYS CAPITAL INC. | 50,000,000 | 1.22 |
| STATE STREET BANK AND TRUST COMPANY WEST CLIENT TREATY 505234 | 22,893,637 | 0.56 |
| THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS | 21,765,312 | 0.53 |
| THE BANK OF NEW YORK MELLON SA/NV 10 | 21,345,755 | 0.52 |
| STATE STREET BANK AND TRUST COMPANY 505225 | 18,641,762 | 0.46 |
| JP MORGAN CHASE BANK 380055 | 17,559,423 | 0.43 |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5) | 16,926,100 | 0.41 |
| Total | 2,883,595,989 | 70.58 |

* The Company's holding of treasury stock (204,288,145 shares) is not included in the above.

IR Contact

NTT DOCOMO, INC., IR Department
11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan
Tel: +81-3-5156-1111



NTT DOCOMO, INC.



Printed in Japan