



# Annual Report 2016

Year Ended March 31, 2016

The new of today, the norm of tomorrow.



## Corporate Philosophy

To realize “the creation of a new world of communications culture,” DOCOMO will maximize the potential held by each individual to provide highly personalized communication solutions that truly satisfy customers.

### Editorial Policy

*Annual Report 2016* is presented as an integrated report that combines both financial and non-financial information in order to convey the corporate value of DOCOMO. Assets nurtured through our history lead to future value creation and sustainable growth. We worked to outline this process in a manner comprehensible to all stakeholders including shareholders and investors, paying particular attention to the enhancement of non-financial information. In addition, our efforts as an industry-leading company to contribute to resolving environmental and social issues and create a sustainable society are introduced in the Foundation for Value Creation section.

### Definition of Fiscal Year

“Fiscal 2015” refers to our fiscal year ended March 31, 2016, and other fiscal years are referred to in a corresponding manner.

For more detailed IR-related information:

▶▶▶ Shareholder/Investor Relations website

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

- Earnings releases
- Timely disclosure materials
- Management policy
- Message from the President
- Information for individual investors
- Stock-related information, etc.



For more detailed CSR-related information:

▶▶▶ CSR website

<https://www.nttdocomo.co.jp/english/corporate/csr/>

- Sustainability Report (CSR Report)
- DOCOMO's CSR
- CSR evaluations by third parties
- CSR procurement, etc.



Unless specifically stated otherwise, information in this annual report is as of August 2016. 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.

### 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.



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## Foundation for Value Creation

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# We have built the foundation of Japan's mobile ICT\* through countless innovations.



## Mobile phones for all

Once a luxury for only the privileged, the downsizing of the mobile phone and improvement in call quality expanded our customer base to the individual user. The expansion of our base station network also enabled customers to talk anytime, anywhere, to anyone.

**Launch of digital "mova" services**

**1993**



## From talking to using – the evolution of the mobile phone

With our revolutionary "i-mode" service, which connected the mobile phone to the Internet, along with other functions such as cameras, GPS, and "Osai-fu-Keitai" e-wallets, mobile phones became an essential part of the IT infrastructure.

**Launch of "i-mode" service**

**1999**



## A tool to support personal activities in lifestyle infrastructure

With the introduction of various services ranging from credit payment ("iD") to disaster information ("Area Mail"), we focused on various aspects of the everyday lives of our customers, to deliver more convenience, fun, safety and security.

**Launch of "iD" credit payment service**

**2005**



## A new era for mobile communications

As smartphones and tablets came into widespread use, we introduced "dmarket," a platform for content distribution and online shopping services. Our challenge to enrich our customers' lives and businesses for a "Smart Life" has only just begun.

**Launch of "dmarket"**

**2011**

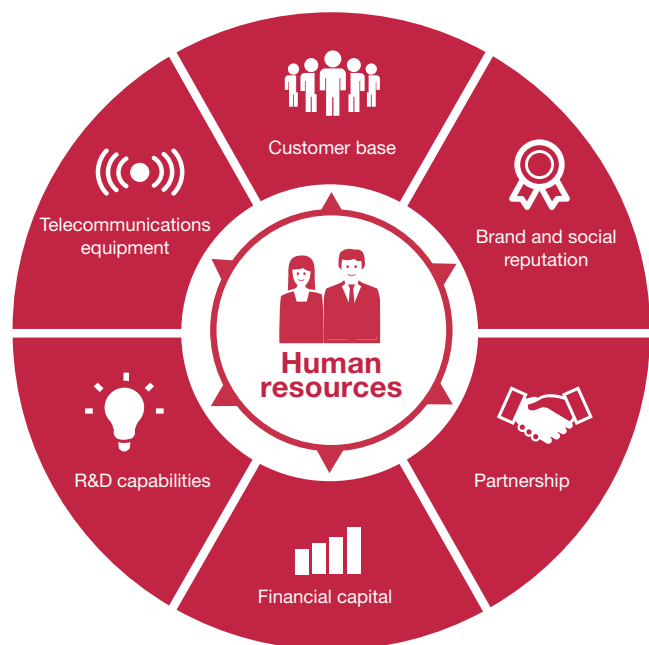
\*ICT: Information and Communication Technology



Based on our corporate philosophy of “creating a new world of communications culture,” DOCOMO has continued to deliver value to people’s lives and to society. We do this by developing innovative products and services that give the world new inspiration and abundance. We deliver safety and security to the social foundation that supports people’s lives. This is the distinctive value that we offer, developed through our growth in accordance with the evolution of mobile telecommunications technology.

Our unique strengths are the fruits of our countless endeavors for innovation and safety: the largest customer base in Japan, superior brand value and social reputation, alliances with multiple partners, extensive and sophisticated telecommunications equipment, global leadership in R&D, a rock-solid financial capital base, and at the core, human resources. Harnessing all our strengths, we continue to strive to create a new world of communications culture.

## DOCOMO’s Seven Strengths

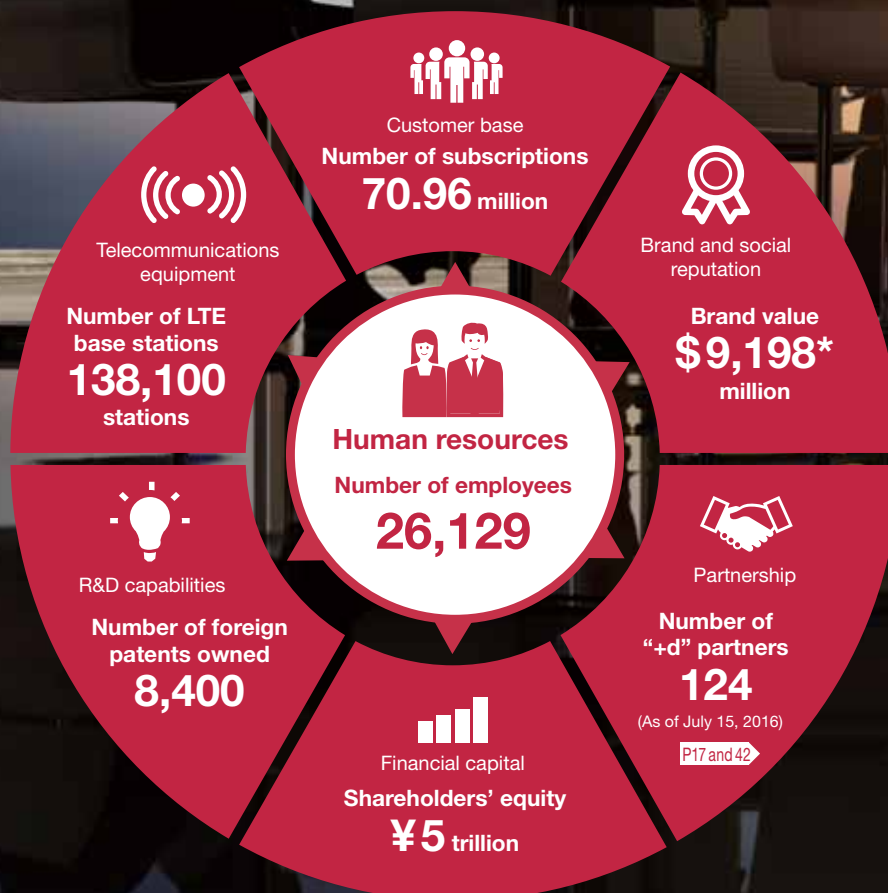




# Strengths we have nurtured throughout our history are now coming to fruition.

## Indicators illustrating our seven strengths

(As of March 31, 2016)



\* Brand value is a monetary value given to and ranking of domestic Japanese brands by Interbrand Japan using its unique methodology to evaluate brand value based the brand's financial performance, role and strengths. (*Best Japan Brands 2016* announced on February 17, 2016)

## Our valuation

Share of mobile phone subscriptions

**Domestic  
Ranked 1st**  
(43.6%)

Source: Calculated by DOCOMO based on data announced by each company. (As of March 31, 2016)

Customer satisfaction

**Domestic  
Ranked 1st**

Source: 2015 Japan Mobile Phone Service Satisfaction Study conducted by J.D. Power Asia Pacific

Brand value<sup>1</sup>

**Domestic  
Ranked 1st**

Source: Interbrand Japan, *Best Japan Brands 2016*

Market capitalization

**Domestic  
Ranked 2nd**  
(¥10,428.9 billion)

(As of March 31, 2016)

Number of LTE subscriptions

**Global  
Ranked 3rd**  
(38.68 million subscriptions)

Source: GSMA Intelligence (Connections excluding cellular M2M and LTE in Q1 2015)

Low churn rate

**Global  
Top class**  
(0.62%)

Source: Comparison of the annual churn rate of postpaid contracts from figures announced by each company. (Figures for DOCOMO are as of March 31, 2016)

CSR corporate ranking

**Domestic  
Ranked 5th**

Source: Toyo Keizai Inc., *10th Toyo Keizai CSR Corporate Ranking (2016)*

NICES Comprehensive Corporate Ranking<sup>2</sup>

**Ranked 6th**

Source: Nikkei Inc., *The Nikkei*, November 27, 2015 morning edition

New diversity management selection 100

**Winner**

Note: Ministry of Economy, Trade and Industry, "New Diversity Management Selection 100" in Fiscal 2015

Notes: 1. Brand value of domestic brands with overseas sales of less than 30% (Fiscal 2012 consolidated basis)

2. NICES Comprehensive Corporate Ranking, compiled by Nikkei Research Inc., is based on a comprehensive review of companies from a stakeholder's point of view.



# The new of today, the norm of tomorrow. We continue our challenge toward future goals.



P34-35



## Our aspirations ahead (2020 vision) Pursuing Smart Innovation

- Harmonize** Social contribution beyond borders, across generations
- Evolve** Evolution of service and network
- Advance** Advance industries through convergence of services
- Relate** Creating joy through connections
- Trust** Support for safe, secure, and comfortable living

### Striving for growth beyond recovery to achieve our medium-term targets a year ahead of schedule

Year of achievement	Operating income		Cost efficiency improvement (vs. FY2013)	Capital expenditures	Shareholder returns
		Smart life business and other businesses segment			
<b>FY2016</b>	<b>¥910 billion</b>	<b>¥120 billion</b>	<b>-¥440 billion</b>	<b>¥585 billion</b>	Enhance shareholder returns through dividend increases and share repurchases
<b>FY2017</b>	<b>¥820 billion or higher</b>	<b>¥100 billion or higher</b>	<b>-¥400 billion or higher</b>	<b>¥650 billion or lower</b>	

Note: Targets for FY2016 are as announced on April 28, 2016. Targets for FY2017 are medium-term targets as announced on October 31, 2014.





# Creation and evolution of services, promotion of “+d,” and reinforcement of all foundations — through these three key strategies we will offer “Ever-Improving Value” to customers and society.

## On becoming President & CEO

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I am Kazuhiro Yoshizawa, newly appointed President & CEO of NTT DOCOMO. I am highly honored to have been appointed to lead the company, and I intend to fully commit myself to DOCOMO's future. In my previous roles as General Manager of the Corporate Strategy and Planning Department and as Senior Executive Vice President, I worked to change the stage of competition to one of “value-added co-creation through services,” and to overhaul the Company's cost and organizational structure. I have also taken part in decisions that led to ground-breaking developments for DOCOMO: the addition of the iPhone to our lineup, the introduction of our billing plan “Kake-hodai & Pake-aeru” and the roll-out of “docomo Hikari.” As President & CEO, I am determined to take up this challenge and further accelerate the initiatives and reforms that we have embarked upon. I will continue to do everything I can to provide our customers and society with “Ever-Improving Value.”

## Three key strategies for offering “Ever-Improving Value”

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Last year, we revised our brand slogan to “The new of today, the norm of tomorrow” to illustrate our long-term corporate vision. This sentiment indicates that we will pursue innovation so that all of our customers will be able to lead lives of comfort and convenience. Japan is currently facing many domestic social issues as it deals with a low birthrate, an aging population and a population decline. In addition, lifestyles are changing. At the same time, the telecommunications industry is undergoing drastic changes on a global level, as many different kinds of players are entering the industry and the positions of telecommunications carriers are evolving. Amidst this change, we will continue to pursue smart innovations.

By doing so, we believe that we will be able to create new value for our customers and society through advances in telecommunications technologies and ICT. The major strategic focus in our efforts to provide “Ever-Improving Value” is the three pillars of creation and evolution of services, the promotion of “+d” and reinforcement of all foundations. **P17**

## Becoming a sound company with a focus on speed

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We strive to be a sound company that achieves both the enhancement of customer service and continuous corporate growth. We will realize this by offering “Ever-Improving Value” and strengthening corporate governance. To us, a sound company means one that constantly provides its customers with the best and most satisfying services while continuously reinventing itself so that it can maintain and grow its profits. And the keyword for achieving this is “speed.” With the constantly accelerating pace of societal change and diversification of the business environment, we believe that it will be the fast beating the slow, regardless of one's size, and will push forward with business developments with a speed-focused strategy. We are working vigorously in line with our corporate philosophy to create a new communications culture.

August 2016



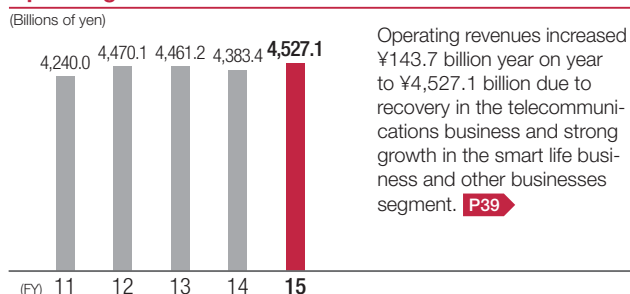
**Kazuhiro Yoshizawa**  
President and Chief Executive Officer



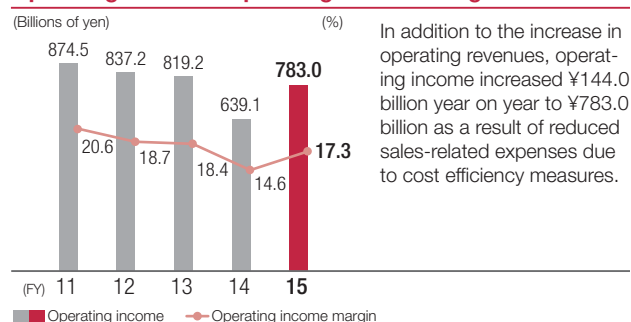
## ► Highlights

### Growth and Profitability

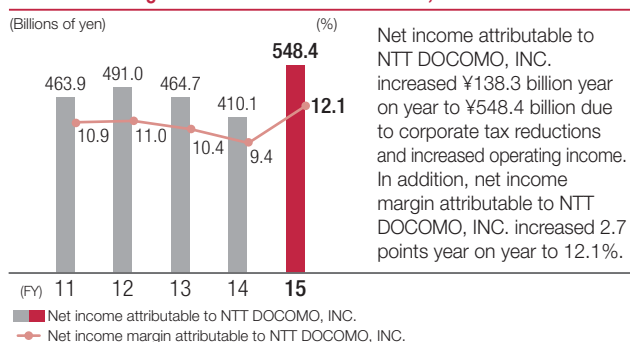
#### Operating revenues



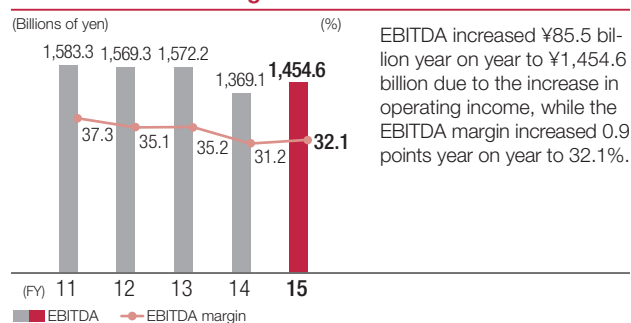
#### Operating income / Operating income margin



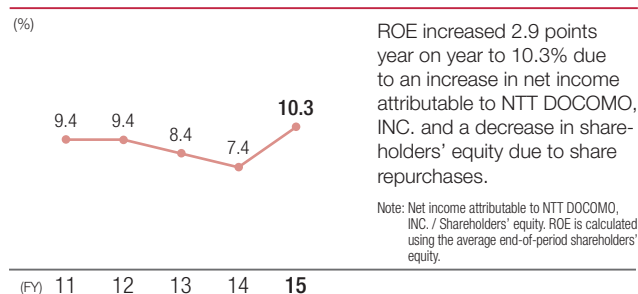
#### Net income attributable to NTT DOCOMO, INC. / Net income margin attributable to NTT DOCOMO, INC.



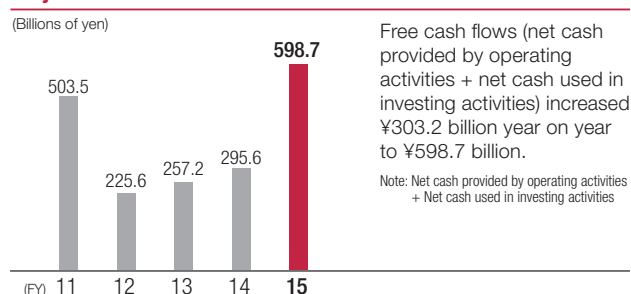
#### EBITDA / EBITDA margin



#### ROE

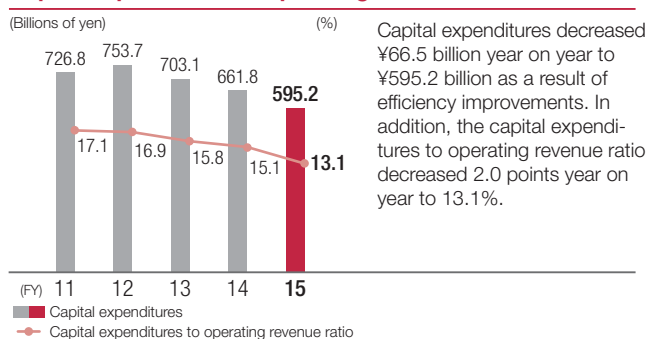


#### Adjusted free cash flows<sup>1</sup>

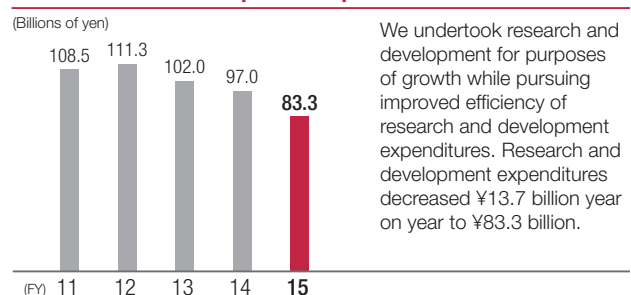


1. Adjusted free cash flows exclude the effects of uncollected revenues due to bank holidays at the end of the period, the effects of the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION, and changes in investment derived from purchases, redemption at maturity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

#### Capital expenditures / Capital expenditures to operating revenue ratio

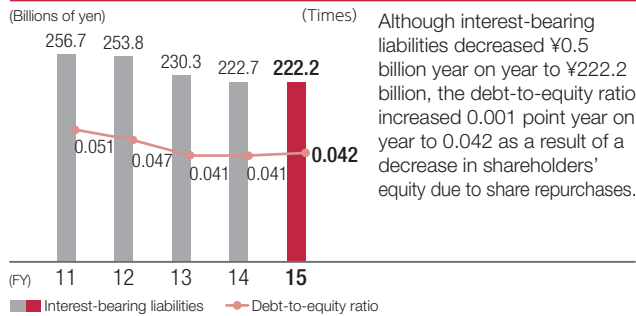


#### Research and development expenditures

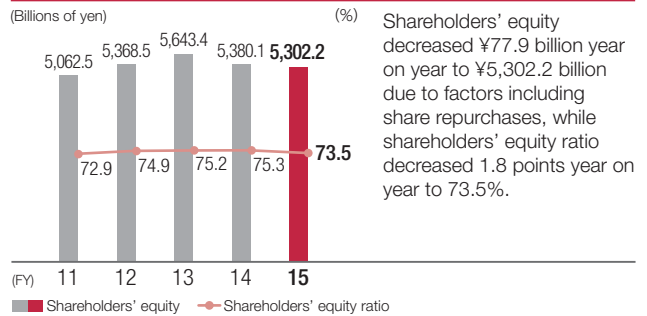


## Financial Position

### Interest-bearing liabilities / Debt-to-equity ratio

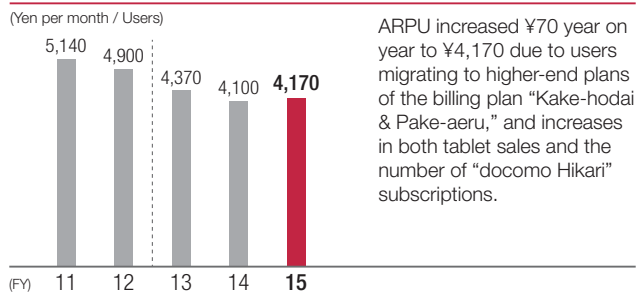


### Shareholders' equity / Shareholders' equity ratio

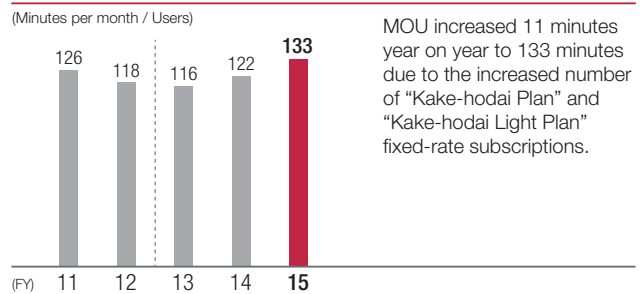


## Operating Indicators

### ARPU<sup>2</sup>

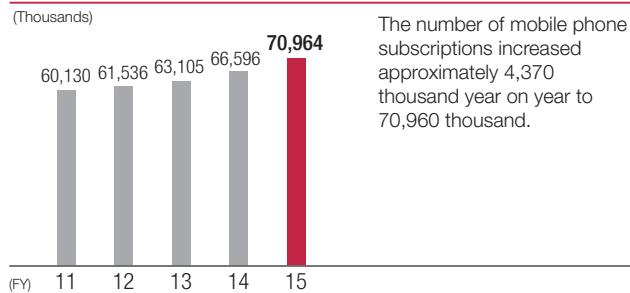


### MOU<sup>2</sup>

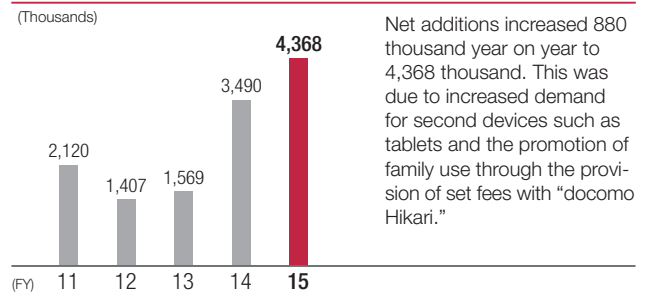


2. The method of calculating ARPU and MOU changed from fiscal 2015. Accordingly, the figures for fiscal 2013 and fiscal 2014 have been adjusted. **P38**

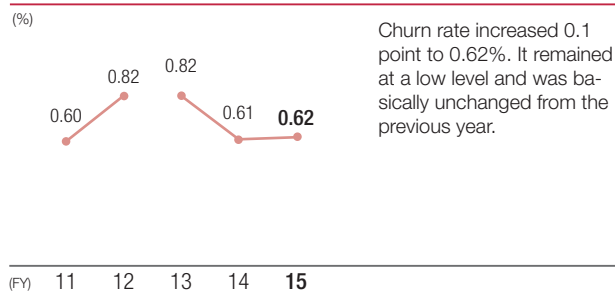
### Number of mobile phone subscriptions



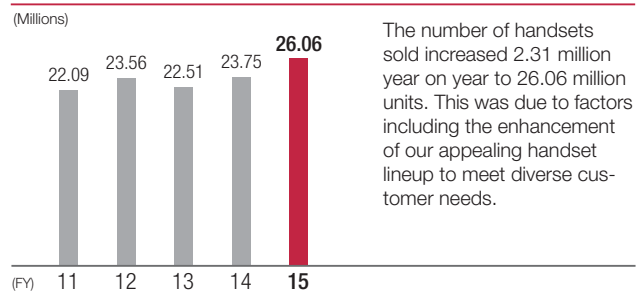
### Net additions



### Churn rate<sup>3</sup>



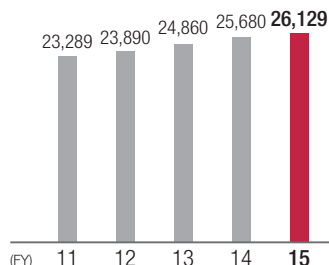
### Total number of handsets sold



3. The definition of churn rate changed from fiscal 2015, and MVNO subscriptions and cancellation numbers are no longer included. Accordingly, the figures for fiscal 2013 and fiscal 2014 have been adjusted.

## Human Resources and the Environment

### Number of employees<sup>4</sup>

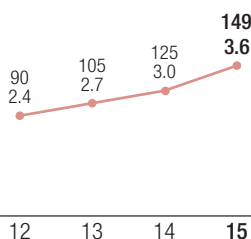


The number of employees increased by 449 from the previous fiscal year to 26,129.

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

### Number / Percentage of female employees in managerial positions<sup>5</sup>

(Women / %)

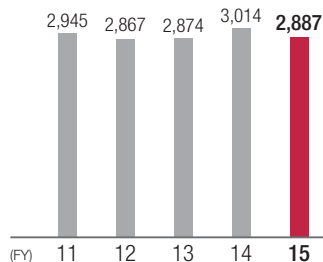


The number of female employees in managerial positions increased by 24 from the previous fiscal year to 149, and the percentage of managerial positions held by female employees increased by 0.6 points to 3.6%.

5. Data prior to FY2012 is not disclosed.

### Total electricity usage

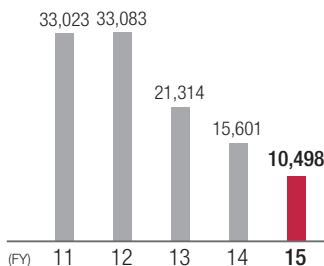
(Thousands of MWh)



Total electricity usage decreased by 127 thousand MWh to 2,887 thousand MWh.

### Paper usage

(t)

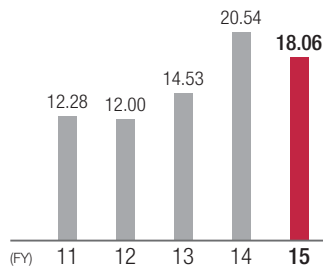


Paper usage decreased by 5,103 tons to 10,498 tons.

## Share-Related

### Price-earnings ratio

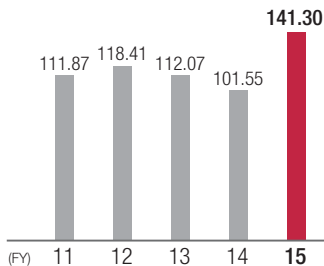
(Times)



The price-earnings ratio (PER) decreased by 2.48 points from the previous fiscal year to 18.06.

### Earnings per share attributable to NTT DOCOMO, INC.

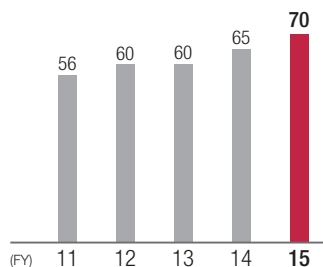
(Yen)



Earnings per share attributable to NTT DOCOMO, INC. increased by ¥39.75 from the previous fiscal year to ¥141.30.

### Cash dividends declared per share<sup>6</sup>

(Yen)

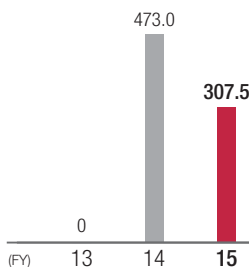


Cash dividends declared per share increased by ¥5 from the previous fiscal year to ¥70.

6. Figures take into account the stock split (1:100) conducted on October 1, 2013.

### Share repurchases

(Billions of yen)



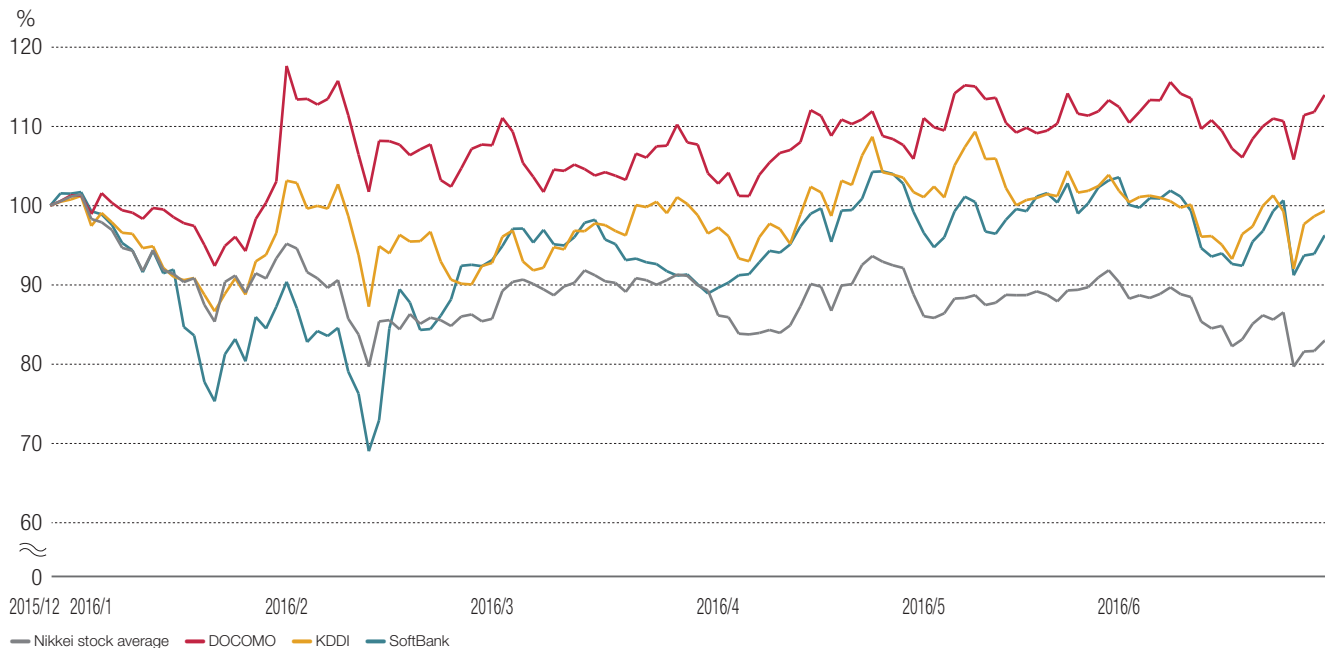
In January 2016, NTT DOCOMO announced share repurchases to take place from February 1 to December 31, 2016, up to a limit of ¥500 billion. During fiscal 2015, the Company repurchased shares worth ¥307.5 billion.



## Stock and Financial Data

### Stock price performance from December 2015 to June 2016

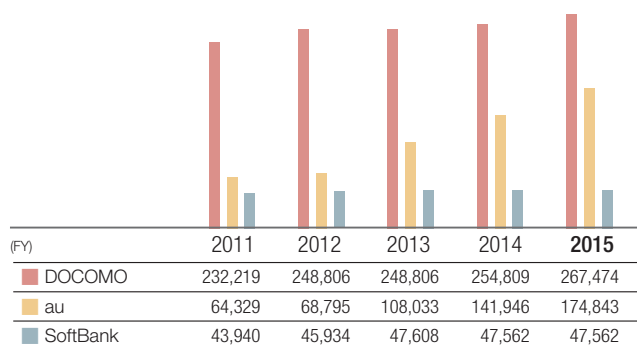
(Changes compared with the prices on December 25, 2015 as 100%)



Source: Tokyo Stock Exchange, Inc.

### Total cash dividends for the year

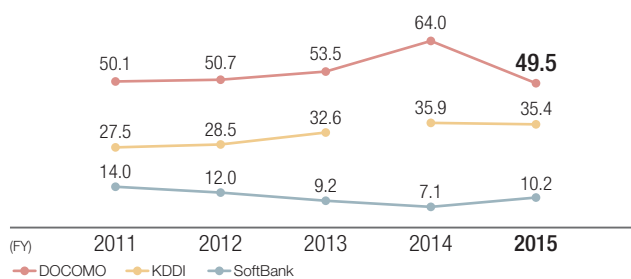
(Millions of yen)



Source: Figures announced by each company.

### Payout ratio

(%)

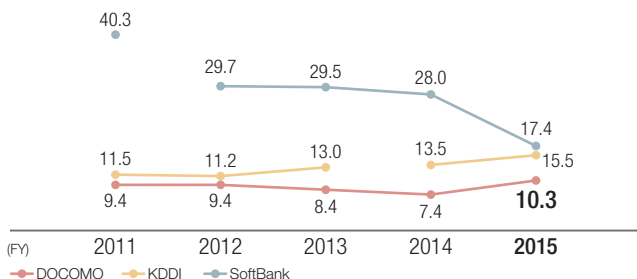


Source: Figures announced by each company.

Note: For KDDI, FY2011-2013 are JGAAP and FY2014-2015 are IFRS. For SoftBank, FY2011 is JGAAP and FY2012-2015 are IFRS.

### ROE

(%)



Source: Figures announced by each company.

Note: For KDDI, FY2011-2013 are JGAAP and FY2014-2015 are IFRS. For SoftBank, FY2011 is JGAAP and FY2012-2015 are IFRS.

### Components of ROE

(Fiscal 2015)

(%)

ROE	Components of ROE		
	Net income margin (Net income/ Net sales)	Asset turnover (Net sales/ Total assets)	Leverage ratio (Total assets/ Shareholders' equity*)
DOCOMO	10.3	12.1	63.0
KDDI	15.5	11.1	78.1
SoftBank	17.4	5.2	43.5

Source: Figures announced by each company.

\* Shareholders' equity is period average. The data for KDDI and SoftBank are calculated by DOCOMO from figures announced by each company.

# Strategy

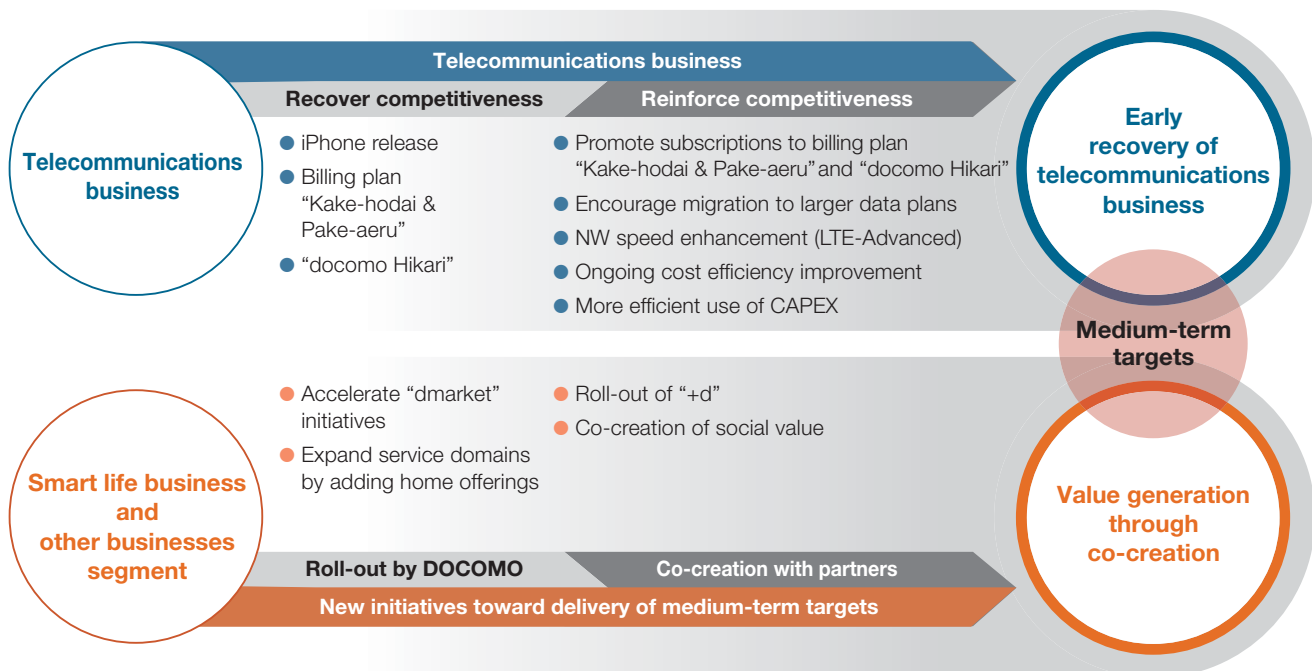
## DOCOMO's future vision

2020

Corporate philosophy	<p>We will create a new communications culture          We will satisfy our customers          We will utilize individual potential</p>
Brand slogan	<p>The new of today, the norm of tomorrow</p>
Corporate vision	<p>Our aspirations ahead (2020 vision)</p> <hr/> <p>Pursuing Smart Innovation</p> <p><b>HEART</b></p> <ul style="list-style-type: none"> <li><b>Harmonize</b> Social contribution beyond borders, across generations</li> <li><b>Evolve</b> Evolution of service and network</li> <li><b>Advance</b> Advance industries through convergence of services</li> <li><b>Relate</b> Creating joy through connections</li> <li><b>Trust</b> Support for safe, secure, and comfortable living</li> </ul>



## Initiatives for delivery of medium-term targets





## Overview of Strategy by the CEO

Early achievement of our medium-term targets lies just ahead. We will accelerate our initiatives aimed at co-creation of added value.

**Kazuhiro Yoshizawa**

President and  
Chief Executive Officer



### Looking back on fiscal 2015

#### Initiatives to meet our medium-term targets a year ahead of schedule

Our medium-term target for fiscal 2017 is consolidated operating income of ¥820.0 billion or more. Of that total, we expect the smart life business and other businesses segment to account for ¥100.0 billion or more. Fiscal 2015, the first in the three-year target, was an extremely important year for us. In response to the year-on-year decline in income in fiscal 2014, we positioned fiscal 2015 as a year to manage our business with utmost emphasis on results aimed at future growth, and worked together as a company toward the recovery of profits. The result was operating income of ¥783.0 billion, exceeding our initial target of ¥680.0 billion (revised upward to ¥710.0 billion in October 2015). We are continuing our recovery, to the point that we forecast operating income of ¥910.0 billion for fiscal 2016 and aim to achieve our medium-term targets a year ahead of schedule.

Underpinning this performance was the recovery in our telecommunications business. [P36](#) While it is true that our billing plan “Kake-hodai & Pake-aeru” (launched in June 2014) was a factor in the decline in profits in fiscal 2014, our sound

recovery in fiscal 2015 is evidence that the billing plan is by no means a failure. Movement toward larger data plans and the increase in demand for second tablets and other devices, signs of which had begun to appear in fiscal 2014, became increasingly apparent in fiscal 2015. Other successful initiatives included the promotion of family-unit usage through “Share Pack” and “docomo Hikari,” as well as a gain in new mobile subscriptions due to an increase in “docomo Hikari” subscriptions.

We also achieved increased income in the smart life business and other businesses segment. In addition to our “dmarket” and other content services and our finance/ payment services, our group companies and other businesses have grown to the level at which they are generating solid income and improving results. In the future, growth in the top line of our telecommunications business will slow, but we will continue to improve our overall top line by expanding the smart life business and other businesses segment. [P39](#)

Cost efficiencies in capital expenditures, marketing expenses and other areas also yielded results. Acting in unison across the Company, we achieved substantial cost efficiency improvement of ¥240.0 billion compared with fiscal 2014. Looking ahead, we will continue to maintain a sound management foundation.

▶ Aim for early achievement of medium-term targets

(Billions of yen)

	FY2015 results	FY2016 forecasts		FY2017 medium-term targets
Operating income (Excluding impact of change of depreciation method, etc.)	783.0	910.0 (860.0)	Move up 1 year	820.0 or higher
Incl.) Smart life business & other businesses	74.2	120.0		Over 100.0
Cost efficiency improvement (Compared with FY2013)	-360.0	-440.0*		-400.0 or more
Capital expenditures	595.2	585.0		650.0 each year or less

\* Cumulative amount of cost efficiency improvement achieved in FY2014 (¥120.0 billion), FY2015 (¥240.0 billion) and planned for FY2016 (¥80.0 billion)  
 Note: Targets for FY2017 are medium-term targets as announced on October 31, 2014.

Our future direction

Key strategies are creation and evolution of services, promotion of “+d” and reinforcement of all foundations

The increase in sophistication of devices, networks, and software will continue in mobile information and communication technology (ICT). Devices, for example, hold broad possibilities that include integration with artificial intelligence (AI), wearables, and sheet-type displays. Working towards our 2020 vision “HEART: Pursuing Smart Innovation,” DOCOMO will provide services that support more convenient, enjoyable, safe and secure lifestyles for customers and that resolve various social issues. Looking at the results of our initiatives so far, we are in a good position to make these goals a reality. In order to continue providing value amid changes in a challenging operating environment, we will actively move forward with the following three key strategies.

● Creation and evolution of services

Leveraging our research and development capabilities, an asset that we have built up through our business operations, we will create and evolve services that fit our customers’ lifestyles, that are convenient and fun, and that promote peace of mind. For example, we are working toward further convenience and security through advances in technology such as biometric identity confirmation, and in services like natural-language dialogue and image recognition technologies that will evolve through research and development into AI. We will continue with initiatives that let our creations deliver

“Ever-Improving Value” to customers and become a natural part of their lives.

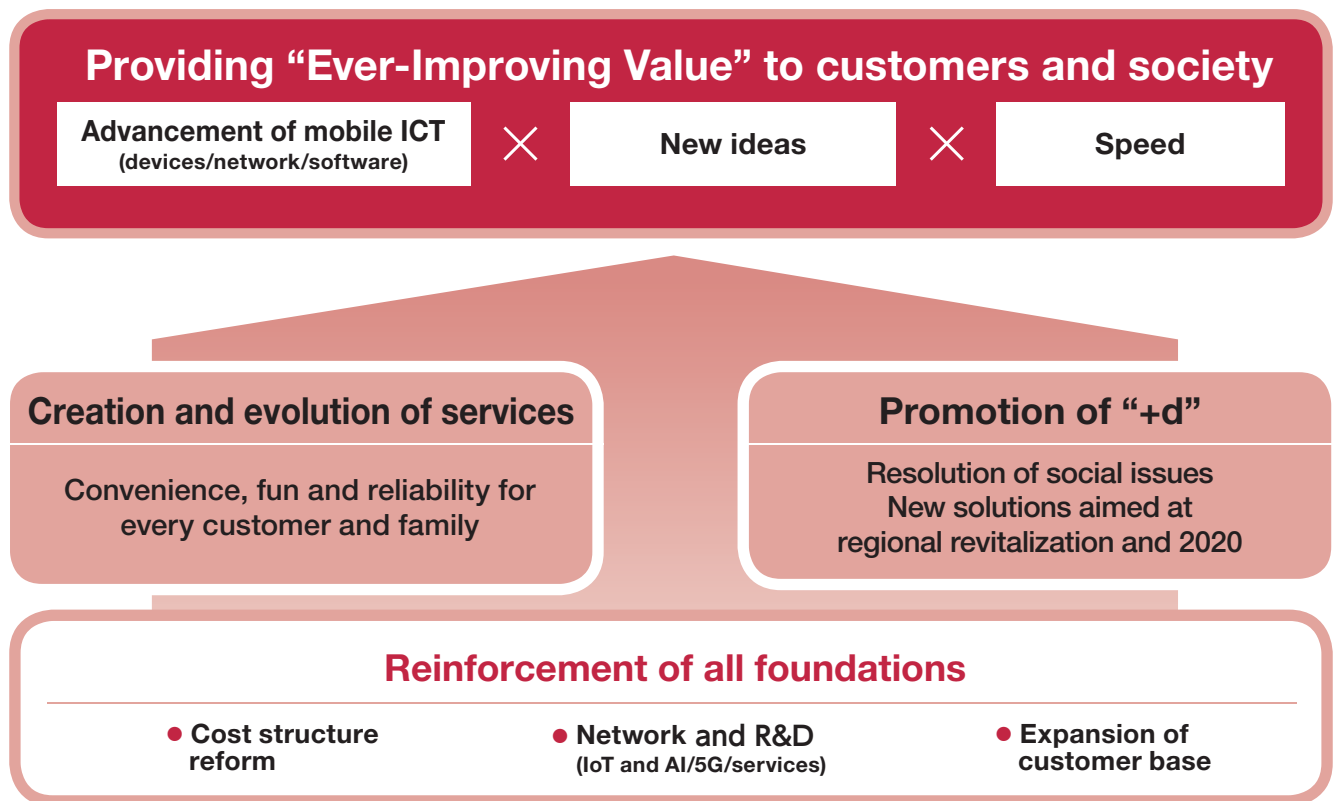
● Promotion of “+d”

It is no longer easy for a single company to generate new value in the telecommunications market, particularly the mobile market. We refer to our collaboration with partners as “+d,” based on the “d” concept in our service brand. We will engage in co-creation with partners through “+d,” bringing together our abundant assets to provide new value and services. In collaboration with local governments, corporations and research institutions in a variety of fields such as agriculture, health and medicine, and education, we are working toward regional revitalization and the resolution of social issues. **P26**  
 I used to be involved in corporate sales, in what would be called solutions sales. Amid the cutthroat competition among telecommunications carriers, I worked to expand the business by working together with customers on matters such as fusing mobile with systems. Through “+d,” we will make a shift toward becoming a value co-creation company, and will undertake innovative challenges.

● Reinforcement of all foundations

Achieving services that are widely adopted by society requires that we strengthen the various foundations that are essential assets of the Company. First, we will further advance our network foundation, in particular by conducting research and development to achieve high-speed, high-capacity and low-latency 5G by 2020. **P47** Next, along with the improvement of customer satisfaction through

- ▶ **Three key strategies:**  
Creation and evolution of services, promotion of “+d” and reinforcement of all foundations



high-value-added services, we will grow our customer base through membership-based businesses for customers who do not have NTT DOCOMO subscriptions. We will also continue our cost structure reforms and will aim for sustainable growth based on our sound management foundation.

### Initiatives in fiscal 2016

#### Future initiatives and the development of the telecommunications business and the strengthening of the smart life business and other businesses segment, with “+d” at the core

What, then, are the things that DOCOMO should be addressing now?

First, in the telecommunications business, an area in which we have successfully achieved recovery, we will aim for further progress. We will continue to enhance billing plans that meet the

diverse needs of customers such as “Kake-hodai & Pake-aeru,” and improve customer service. In addition, we are promoting family unit-usage through “Share Pack” and “docomo Hikari” as we continue to lead the market in a shift from price-based competition to value-added competition through comprehensive offerings of mobile phones, “docomo Hikari” and other services. At the same time, we are building sophisticated telecommunications networks that allow users to actually experience the comfort of high-speed communications. [P36](#)

Second, we are looking to grow our smart life business and other businesses segment to the same scale as our telecommunications business. This fiscal year, we are making efforts to sow seeds as well as grow our top line. Together with further expansion of our “d CARD,” “d POINT,” and “d ACCOUNT,” [P41](#) we will make efforts to create business models and develop partners for the promotion of “+d.” While profits in the telecommunications business are generated by subscribers, profits in the smart life business and other

businesses segment come from the acquisition of members. In short, we are transforming our business from subscriber-based to member-based.

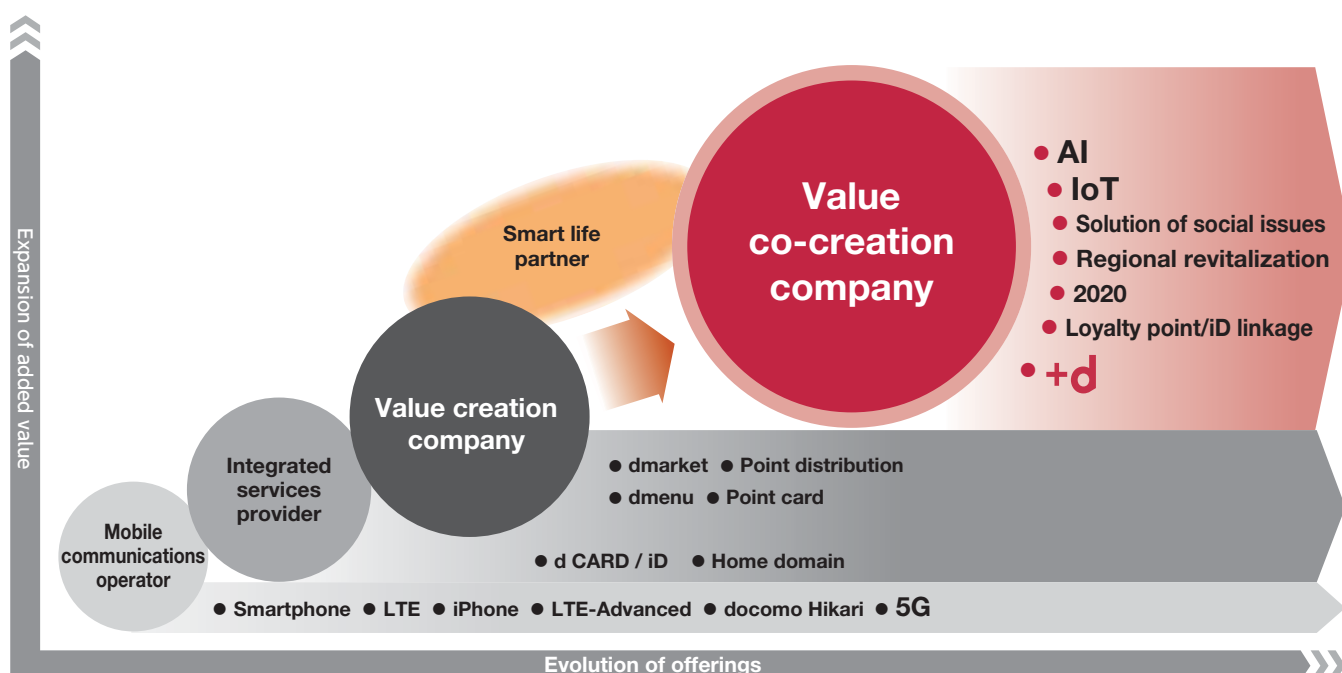
For future growth, we are sowing seeds to create new services centered on “+d.” For example, we are considering new sports-related content and services in light of the 2020 Tokyo Olympic and Paralympic Games. In addition, in the field of tourism, to meet the increased number of foreign tourists to Japan, we are further enhancing translation services **P32** and considering new services that will support visitors during their stay. In the field of health care, we have packaged our various services in a more comprehensive manner. **P41** Covering a wider range of health care services, we will continue to study the ways in which we can contribute to extending healthy life expectancy through disease detection and prevention.

Third, we will undertake initiatives that look to the future. We are leading developments in AI, Internet of Things (IoT)\* and 5G networks, as well as new services to accompany these technologies. Our research and development assets boast a long history and successful track record, a strength that is second to none among our competitors. **P47** Regarding AI, we are moving ahead with “the ears and

mouth”—the development of natural-language technology (a natural language dialogue platform) that enables interaction with customers through natural word selection and machine translation technology that removes the barrier of language. We are also developing image recognition technology that becomes “the eyes,” and technology that anticipates the actions and predicts the demands of customers, i.e. “the heart” (comprehensive faculty). We believe that in the future these technologies can be applied in a variety of areas, including referral marketing that links the Internet and the real world, traffic and transportation, and living-at-home support. We are also working on medium- to long-term business development related to IoT, an area recently receiving much attention. We recognize that this field is one that calls for sophisticated research, and that simply connecting devices to the Internet is not enough. Advanced mechanisms such as systems tied to productivity improvements and greater cost efficiency, and the construction of platforms that integrate the whole—in other words, the fusion of devices, networks, and software—are necessary. We will strengthen initiatives to achieve IoT as only we can.

\*Internet of Things (IoT): A concept describing a world in which everything is connected to the Internet, enabling remote control and management of devices, etc.

## ▶ Becoming a value co-creation company





## Our CSR policy

### Co-creation of social value through “+d” and execution of social responsibilities

We create new value for customers and society through our businesses and aim for sustainable growth and development together with society. At the same time, bearing responsibility as a provider of infrastructure, we must remain committed to the achievement of a safe and secure society. We must address a variety of risks, through means such as information management and preparation for natural disasters. We recognize that CSR is a key management issue, and our CSR policy adheres to the two axes of “Innovative docomo” and “Responsible docomo.” Contributing to the sustainable

growth of society from both perspectives is our mission. Under “Innovative docomo,” in the belief that mobile networks and ICT are deeply connected to the resolution of a variety of issues, we will undertake the development of innovative services built around “+d” that contribute to the resolution of social issues, and will co-create new social value. Under “Responsible docomo,” throughout all of our business undertakings we will engage in activities with integrity and fulfill our social responsibilities as a leading company in the mobile and IT industries. By actively addressing social issues, we hope to heighten our presence in society. **P44**

## ► For the sustainable growth of society

## Society & DOCOMO



## For A Brighter Future

Our view of the future is a society in which people can live with greater security, safety, comfort and affluence across national and regional borders and across generations.

With a deep sense of mission, DOCOMO is working diligently toward a better tomorrow in increasingly innovative ways.

### Innovative docomo

**We will create new value through every facet of our business activities.**

**Target**

Addressing social issues across six value-creation domains

**Action**

Providing services that employ DOCOMO's ICT and co-creation with partners

### Responsible docomo

**We will carry out our corporate activities with the utmost integrity.**

**Target**

Establishing a corporate culture that customers trust

**Action**

Promoting business activities across seven core subjects

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## Improving corporate value

### Pursuing profit growth and continuing to strengthen shareholder returns

With regard to increasing our corporate value, in quantitative terms we are committed to achieving our fiscal 2016 medium-term target of ¥910.0 billion in operating income a year ahead of schedule. We are aiming for medium-term growth in profits and the expansion of free cash flow. At the same time, we recognize that the enhancement of medium-term returns to shareholders is also a key management issue, and intend to continue strengthening shareholder dividends and to make share repurchases. **P23** We plan to increase our annual dividend per share by ¥10 to ¥80 in fiscal 2016, and to continue with share repurchases with an upper limit of ¥500.0 billion by the end of December 2016 taking into consideration market conditions and other factors. **P12**

## In conclusion

The motto “Of thy sorrow be not too sad, of thy joy be not too glad” expresses a spirit that I treasure. In both our personal lives and in business activities we experience both good times and bad. It is important to stay calm when things do not go well, as well as to be humble when they do. I also believe that a company must have integrity and humility. Integrity is the foundation of corporate governance. **P54** Humility is important for open partnerships in the creation of innovation, requiring that we have an open mind to listen to others. DOCOMO asks the same of its employees. It is my wish to build a company in which every employee enhances his or her sensitivity, like that of a base station antenna, to detect changes and to undertake new challenges. **P45**

Looking ahead, we will continue to be a sound company. Fortunately, our company is full of fun and energy, and I am confident that we can scale the walls that lie before us, no matter how high or difficult they may be. I hope that you hold high expectations for us as we go forward.





**Increasing shareholder and corporate value through improved profitability**

**Hiroataka Sato**

Executive Vice President and Chief Financial Officer  
General Manager of Accounts and Finance Department

## Review of fiscal 2015 results and future outlook

In fiscal 2015, we recorded higher revenues and higher profits, with 3.3% growth in operating revenues to ¥4,527.1 billion, and 22.5% growth in operating income to ¥783.0 billion. This was the result of a recovery in the telecommunications business, profit growth in the smart life business and other businesses segment and cost efficiencies. Although profit declined substantially in fiscal 2014, we resolved to concentrate on improving our results in fiscal 2015, and our business performance recovered thanks to the concerted efforts of all employees. Although our billing plan “Kake-hodai & Pake-aeru” was the subject of some criticism at the time of its introduction, we continued its expansion with conviction. As a result, we were able to achieve operating income that outperformed even the upward revisions we made to our targets during the year.

In fiscal 2016, we are looking to meet our medium-term targets a year ahead of schedule. We definitely will not rest on our laurels and will aim to grow our profits in both the telecommunications business and smart life business and other businesses segment. Although our target for operating income in fiscal 2016 is ¥910.0 billion, this target reflects the impact of a change in our depreciation method.<sup>1</sup> The actual operating income we are aiming for is about ¥860.0 billion. Within this amount, we have targeted operating income from our smart life business and other businesses segment at an aggressive ¥120.0 billion. We will therefore need to work even harder to reach this target. **P39** In addition, in the telecommunications business we expect about ¥70.0 billion

### ► Fiscal 2015 results and fiscal 2016 outlook

(Billions of yen)	Fiscal 2015 (1)	Fiscal 2016 Outlook (2)	Difference (2)-(1)
Operating revenues	4,527.1	4,620.0	+92.9
Operating expenses	3,744.1	3,710.0	-34.1
Operating income	783.0	910.0	+127.0
Net income attributable to NTT DOCOMO, INC.	548.4	640.0	+91.6
Capital expenditures	595.2	585.0	-10.2
Adjusted free cash flows	598.7	600.0	+1.3

in returns to our customers, based on further enhancements to our billing plans. Under these circumstances, we look to secure profits through the recovery of ARPU, led by the expansion of our billing plan “Kake-hodai & Pake-aeru” and “docomo Hikari,” reduced impact of the “Monthly Support”<sup>2</sup> discount program and further cost efficiencies. **P36**

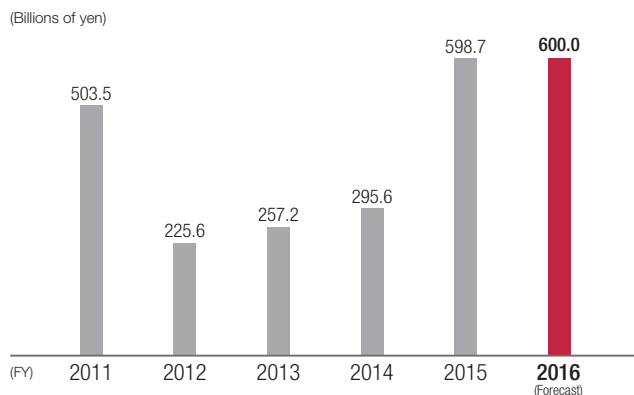
1. While historically the Group has principally used the declining-balance method for calculating the depreciation of property, plant and equipment, from the fiscal year ending March 31, 2017, as a general rule, we plan to begin using the straight-line method for calculating the depreciation of property, plant and equipment.
2. 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.

## Financial and capital strategy

From the viewpoint of increasing corporate value, consistent profit growth is a critical issue for a business enterprise like ours. At the same time, we also realize the importance of capital efficiency, and that we have improvements to make in this regard. While striving to surpass our previous level of profitability, we are also currently working to improve capital efficiency. We consider ROE to be a key financial indicator, and target ROE of 12.0% for fiscal 2016.

We also need to consider our use of cash. Looking ahead five or even ten years into the future, we need to invest in new growth areas. At present, growth investments consist mainly of “+d” business alliances, but in situations where we can expect future business development, we may consider engaging in initiatives such as capital tie-ups and joint ventures. In making investments, we will pay attention to

### ▶ Adjusted free cash flows<sup>3</sup>



3. 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.

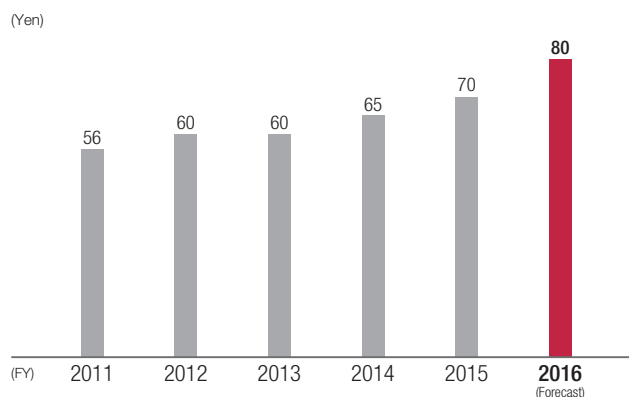
the balance between capital expenditures and returns. Our goal is to make growth investments that balance business strategy and financial return.

## Dialogue with stakeholders

As the first head of the IR office when DOCOMO went public, I have always placed emphasis on dialogue with our investors. In both good times and bad, I held regular meetings with investors, and gave feedback to management. I have been open to various opinions, even those critical of the Company. Going forward, I would like to create more opportunities for dialogue with both domestic and overseas institutional investors, as well as individual investors. I would also like to approach more potential investors. **P58**

DOCOMO holds shareholder returns as one of its most important management issues. As our basic dividend policy, we take into account stability and continuity while also considering our business results, financial condition and dividend payout ratio. We have also executed large-scale share repurchases for two consecutive years. We will continue our efforts to enhance shareholder returns.

### ▶ Cash dividends declared per share\*



DOCOMO, as a company that provides social infrastructure, has a mission to provide safety and security, and to maintain the confidence and trust of all of its stakeholders. It is my wish for DOCOMO to be a company that stands for stability as it makes dreams come true and epitomizes growth. We already have a 24-year history since the start of our business, yet we are still a young company that is pursuing a growth scenario. I will do my utmost to keep us on this growth path.



## ■ Measures to Address Major Management Risks

In order to fulfill its mission to provide society's essential communications infrastructure, the Group continues to identify risks and to implement management initiatives and countermeasures designed to reduce risks. At the same time, we are aware of the possibility that new risks may arise whenever we implement new initiatives as a value co-creation company. Accordingly, the Group works to strike a balance between advanced sensitivity to risk and an ongoing commitment to seeking out and meeting challenges.

An overview of the Group's major risk management measures is provided below. From among the broad range of risks—in business, financial, legal, and other areas—this overview presents those risks considered especially strongly connected to the Group's business strategies as of the end of June 2016.

Details of major risks	The Group's measures to reduce risks
<p>Changes in the telecommunications industry market environment (such as intensifying competition from other businesses or other technologies or the expansion of competitive layers) could limit the Group's acquisition of new subscriptions or our retention of existing subscriptions, and could also lead to unanticipated ARPU decreases, cost increases, etc.</p>	<ul style="list-style-type: none"> <li>• Carrying out multifaceted research and analyses of market trends, as well as developing new products and services that incorporate market feedback (demand)</li> <li>• Establishing billing plans that earn continued customer loyalty, based on detailed analyses of customer usage trends, sales, etc.</li> <li>• Appropriately communicating to customers the Company's initiatives to strengthen network quality, simplify billing plans, expand after-sales services, and make services more convenient</li> </ul> <p>For related information <a href="#">P36</a></p>
<p>If the current and new services, usage patterns, and sales formats proposed and provided by the Group cannot be developed according to plan, or if unanticipated expenses arise, this could impact the financial condition of the Group or restrict our growth.</p>	<ul style="list-style-type: none"> <li>• Developing competitive new products and services by constructing an efficient development process that enables the timely provision of products and services that take into account changes in the environment</li> <li>• Constructing effective and efficient organizational systems to realize new strategies that reflect changes in the environment</li> <li>• Streamlining management resources through selection and concentration of services based on regular service evaluations that reflect customer usage trends and changes in the environment</li> </ul>
<p>Introduction of or changes to various laws, regulations, or systems (both inside and outside Japan), or the application of such introductions or changes to the Group, could restrict our business operations. This may adversely impact the Group's operational outcomes.</p>	<ul style="list-style-type: none"> <li>• Gathering information about changes in policies, such as administrative and legislative policies that may impact business operations (introduction of billing plans in response to the various needs of customers, adjustment for subsidies for smartphones, policies related to NTT's circumstances or direction, etc.)</li> <li>• Working to build understanding of the Group's opinions among stakeholders. This includes indicating Group opinions via public comment initiatives implemented by ministries or other government agencies</li> </ul>
<p>Limitations in the frequency spectrum or facilities available to us could impact our ability to maintain or improve our service quality and our level of customer satisfaction, and could also increase our costs.</p>	<ul style="list-style-type: none"> <li>• Operating and monitoring network systems, including the introduction of a monitoring program designed to prevent problems in advance</li> <li>• Preparing for system malfunctions by building mechanisms enabling information to automatically bypass problematic areas</li> <li>• Building systems that can flexibly accommodate changes in capital expenditure plans through regular monitoring of traffic</li> <li>• Preventing human error and ensuring the implementation of security countermeasures through in-house training</li> </ul> <p>For related information <a href="#">P46</a></p>
<p>Mobile service providers around the world may fail to adopt technologies or frequency bands compatible with those used by the Group's mobile communications system. This could impact our ability to offer a full range of international services.</p>	<ul style="list-style-type: none"> <li>• Gathering and conveying information by participating in the activities of organizations involved in international standardization, as well as through alliances with overseas telecommunications operators</li> <li>• Minimizing the impact of changes in frequency bands used by overseas operators on development of our handsets and services, as well as promoting the adoption of the frequency bands used by the Group</li> </ul>
<p>Our domestic and international investments, alliances, collaborative partnerships, or investments in new business fields may not produce the returns or provide the opportunities we expect.</p>	<ul style="list-style-type: none"> <li>• Working to better clarify revenues and profits from our investments and partnerships, as well as creating and demonstrating synergies, based on the Group's overall strategy</li> <li>• Building a better understanding of the distinctive legal systems, practices, specialized knowledge, etc., of the industries in which we are involved; creating systems to regularly evaluate the progress and risk status of our business partners and other companies in which we have invested; and establishing exit rules in the event that risks do materialize</li> </ul> <p>For related information <a href="#">P79</a></p>

Details of major risks	The Group's measures to reduce risks
Malfunctions, defects, or imperfections in our products or services (or those of other providers) may give rise to problems.	<ul style="list-style-type: none"> <li>• Conducting extensive quality checks before introducing new handsets or applications</li> <li>• Promoting the adoption of virus countermeasure services and phishing countermeasure services</li> <li>• Establishing publication standards for content and services on platforms provided by the Group, as well as regularly verifying safety and building systems that enable prompt removal of any items judged to be inappropriate</li> </ul>
Social problems arising from potential misuse of our products or services may adversely impact our credibility or corporate image.	<ul style="list-style-type: none"> <li>• Encouraging our customers to subscribe to Packet Pack or flat-rate services, as well as prompting awareness of increased packet communications charges (such as those incurred by use of rich content, etc.)</li> <li>• Continuing to work toward achieving a safe and secure mobile society by providing appropriate services and countermeasures, providing educational activities, and promoting awareness</li> </ul> <p>For related information <a href="#">P49</a></p>
Unsatisfactory handling of confidential business information, including personal information, by the Group, our contractors, or others may adversely impact our credibility or corporate image.	<ul style="list-style-type: none"> <li>• Rigorously implementing the appropriate handling of managed information by introducing and updating information management rules both internally and externally (including suppliers and other business partners), as well as providing ongoing educational activities</li> <li>• Building robust information systems and carrying out regular testing based on established security standards</li> </ul> <p>For related information <a href="#">P59</a></p>
Owners of intellectual property rights essential for our business operations may fail to grant us licenses for these intellectual property rights. This may render us unable to offer certain technologies, products and/or services, and the Group could also be held liable for damage compensation if the intellectual property rights of others end up being infringed. In addition, any illegal use by third parties of the intellectual property rights owned by the Group could reduce our projected license revenues and could adversely impact our competitive superiority.	<ul style="list-style-type: none"> <li>• Securing the Group's rights prior to the development of any new products or services, as well as investigating rights of other companies and undertaking measures necessary to conclude licensing contracts, etc.</li> <li>• Investigating the use of our intellectual properties by other companies in regard to important technologies and services that have a significant impact on the Group's business, and working to prevent the loss of licensing revenue opportunities by taking immediate action in the event that any infringement of rights is discovered</li> </ul> <p>For related information <a href="#">P47</a></p>
Natural or human-caused disasters (or similar events or incidents) could damage our networks, distribution channels, or any other elements necessary for the Group's provision of service. Such incidents may adversely impact our credibility or corporate image, and may lead to reduced revenues or increased costs.	<ul style="list-style-type: none"> <li>• Establishing basic principles for responses to large-scale natural or other disasters, as well as carrying out training on a regular basis</li> <li>• Formulating business continuity procedures and establishing backup systems for our most important platforms and internal systems</li> </ul> <p>For related information <a href="#">P46</a></p>
Concerns may spread about the adverse health effects of wireless telecommunications.	<ul style="list-style-type: none"> <li>• Conducting ongoing studies and research relating to the effects of radio waves on human health, as well as publishing the results of such research</li> </ul>
Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise its influence in ways that may not benefit our other shareholders.	<ul style="list-style-type: none"> <li>• Sharing with NTT the opinions and demands of non-NTT shareholders, as well as opinions obtained from the Company's Advisory Board</li> <li>• Constructing a system enabling the opinions of independent outside directors to be reflected in business operations</li> </ul> <p>For related information <a href="#">P54-58</a></p>

Actions taken by the Group to address certain risks do not constitute a guarantee that these risks will be avoided.

For more details about business risks, please refer to the Company's annual report on Form 20-F, submitted to the U.S. Securities and Exchange Commission (SEC).

▶▶▶ <https://www.nttdocomo.co.jp/english/corporate/ir/library/sec/index.html>

# Transformation into a Value Co-Creation Company



## Seven Strengths for Becoming a Value Co-Creation Company





Expanding Commercial Transactions through  
“d POINT” and “d CARD”

P28



Innovation to Pioneer the Future of  
Japan’s Agriculture

P30



Creation of an Innovative Translation Service  
for 2020

P32



# Expanding Commercial Transactions through “d POINT” and “d CARD”

**Tsutomu Tahara**  
Senior Manager,  
Partner Alliance Office,  
Platform Business  
Department



**I work on increasing our “peers” for “d POINT.” Together with partners, we deliver benefits, convenience and fun to customers.**

## ▶▶ Business value

### “+d” delivers new added value to customers

DOCOMO began offering a new point program “d POINT Club” in December 2015. An evolution of our “docomo Points” that accumulate through monthly mobile phone usage charges and other payments, “d POINTs” can be earned and used when shopping at participating neighborhood stores or online. As values diversify in modern society, changes are also taking place in consumer behavior. These include a growing number of customers who want shopping to be more convenient and to offer higher value. We created “d POINT” to meet such needs.

Through this program, we will leverage our payment services, customer base, customer referrals, and other business assets to add a new platform, consumer behavior, to the lifestyle infrastructure known as mobile phones, thereby delivering more benefits, fun and convenience to customers every day.

Our “d POINT Club,” is also based on the “+d” concept of aiming for the creation of new value with partner companies—in other words, “co-creation.” We will expand our smart life business and other businesses segment while realizing the benefits of collaboration with an array of partner companies. Through the distribution and expansion of “d POINTs,” for customers we expect to realize benefits, convenience and fun in consumer behavior, and for our partner companies we expect to realize mutual referrals of customers holding “d POINTs” and “d CARD.”

## Seven strengths for achieving growth ▶▶ See page 3 for more information

### Partnership



We have constructed the industry's largest-scale and most powerful partnerships through collaboration with approximately 21,000 “d POINT” participating stores and 33 “d CARD” store chains nationwide, and will use this scale to offer new value.


### Customer base



With a solid customer base of approximately 58.5 million “d POINT Club” members and the top domestic share of mobile phone subscriptions at 43.6%, we make the adoption of new services and the development of new business models possible.

## ▶▶ Initiatives by DOCOMO

### Expanding “+d” with “d POINT” at the core

With the launch of “d POINT Club,” we also reformed our earlier “docomo Point” and “DCMX” credit card to further heighten the advantages they offer. In addition to earning points through mobile phone usage, “d POINT” users can earn points by shopping at neighborhood “d POINT” participating stores or online through “dmarket”  and at sites that use “d Mobile Payment Plus,” which allows customers to make payments for these purchases through their mobile phone bills. At present, we have constructed an attractive network of approximately 21,000 “d POINT” participating stores,<sup>1</sup> including the major convenience store chain Lawson and McDonald’s, and 33 “d CARD” store chains.<sup>2</sup> We plan to continue our expansion of this network. Our “DCMX” service has also been renewed as “d CARD,” with added point card functionality and easier ways to earn “d POINTS.”

Our payment platforms such as carrier payments and e-money credit brand business “iD” are based on our mobile phone billing and payment system. This asset that we have accrued through our operations is now a key strength in developing services through “+d.” Combining our strength with further development of “+d” through “d POINT,” we will expand commercial transactions for “d CARD,” “d market,” and other businesses.

1. Number of “d POINT” participating stores (including those planning adoption by fall 2016)
2. Number of “d CARD” store chains (as of May 2016)

## ▶▶ Growth strategy

### Creation of value through “+d”

Looking ahead, we will accelerate commercial transactions using “d POINTS” by increasing the number of partner companies, while highlighting differences from similar competing programs. At the same time, we will leverage the advantage of a program that is carrier-free<sup>3</sup> and easily usable by anyone, and plan to grow the number of “d POINT Club” members. The expansion of the number of “d POINT” participating stores will offer more points of contact in

the “d POINT” trading area, and increase the number of our “peers.” For customers, increasing places to earn and spend points means that the points are even easier to use. By offering customers value in the form of points that are easy to understand, we plan to increase the usage rate and maximize the advantage of our ability to make referrals to partner companies from a customer base of 58.5 million users.<sup>4</sup> Our customers will earn and use even more points, and partner companies will make use of points to attract more customers. Stimulating this cycle will raise the rate of usage of our payment platform and enhance profitability, while offering customers a richer and more convenient lifestyle platform together with our partner companies.

3. Customers are able to use our services regardless of whether or not they have a mobile phone subscription with DOCOMO
4. Number of “d POINT CLUB” members (as of June 30, 2016)

### A valued partner (Lawson, Inc.)

#### With “d CARD” and “d POINTS,” Lawson offers greater value to customers.

We formed a business tie-up with DOCOMO in May 2015. From June 2015, we have offered a 3% discount for “d CARD” payments, and in December 2015 we began accepting “d POINT CARDS.”

DOCOMO customers include many persons in the housewife and senior citizen demographics, who are seen as generally difficult targets for convenience stores. Our tie-up with DOCOMO has broadened opportunities for attracting these customers to Lawson.

We hope to grow recognition through our continuing initiatives with DOCOMO, and hope to strengthen the partnership and generate synergies to attract even more customers.



**Tooru Tachibana**  
Deputy Division Director,  
Sales Strategy and Marketing  
Division, Lawson, Inc.

### Brand and social reputation



We will work to establish new services, making use of the high name recognition and customer trust that we have built up as a business operator that continuously provides high-quality communications services throughout Japan.

### Financial capital



With a shareholders’ equity ratio of 73.5% and a debt-to-equity ratio of 0.04, we possess a strong financial foundation, and will accelerate our development of services by leveraging investment capabilities based on abundant capital.

# Innovation to Pioneer the Future of Japan's Agriculture



## ▶▶ Business value

### Nurturing the seeds of agricultural innovation with “+d”

Agriculture in Japan is now facing a major transitional period, and we recognize that there are major issues facing agricultural management. The aging of persons engaged in agriculture, and the associated decline in the agricultural labor force present a serious dilemma, while price competition from imported agricultural goods is becoming fiercer. At the same time, as national policy turns from protectionism to self-reliance, there are increasing opportunities to reconsider agriculture as a business. One example is the movement by large-scale retailers and the restaurant industry to produce their agricultural product offerings through contracted farms or their own farms. With such movements taking place in the agriculture sector, DOCOMO believes that we can play a major role in agricultural innovation by making use of our telecommunications network and other business assets. Our mobile network, which provides a stable telecommunications environment in farmland and mountain valleys around the country, will be at the core. Through “+d,” we are able to partner with companies and local governments that have varied skills and idea generation capabilities, aggregate their learning and know-how, and spur the development of agricultural innovation by reducing required labor.



**Hiroshi Uehara**  
Senior Manager,  
Agriculture ICT Promotion  
Project Team, Corporate Sales  
and Marketing Department I

**Initiatives to resolve issues in agriculture in Japan have just begun. We will energize agriculture with “+d.”**

## Seven strengths for achieving growth ▶▶ See page 3 for more information

### Partnership



Rice paddy sensors and the collected and analyzed digital data, which are provided by partner companies, connect over our mobile network. We believe this is one solution that will help resolve social issues.

### Telecommunications equipment



Our stable telecommunications environment supports the evolution of agricultural innovation through an expansive and intricate mobile network that extends over residential areas, farmland, and even mountain valleys throughout the country.



## ▶▶ Initiatives by DOCOMO

### Organizing an agricultural ICT platform in Niigata City

Partnering with Niigata City and agricultural venture companies, we have launched a project using sensor applications and mobile telecommunications networks in a new form of agricultural business. Niigata City, which has Japan's largest cultivated rice paddy area, is one of Japan's designated National Strategic Economic Growth Areas. The Cloud-Based Rice Paddy Management System that we have developed, deployed in rice paddies in Niigata City as a way to reduce labor in rice farming, has attracted considerable attention. In this system, sensors placed in rice paddies collect information on the status of the paddies, aggregating the data on cloud-based servers via DOCOMO's mobile network. Water levels in each paddy section can be measured to the millimeter, and water temperature, air temperature and other data can be checked on tablets and smartphones. The sensors use an original design developed by a partner company (Vegetalia, Inc.) that has refined its sensor technology in the agricultural field. The system successfully creates data from the instincts and experience of veteran producers, allowing producers with less experience and in smaller numbers to manage a greater number of rice paddies. In addition, for agricultural producers who perform much of their work outdoors, the ability to check information at any time and any place using tablets and smartphones is a big merit. The synergy born from our partner company's advanced technology and our own full-fledged mobile network has made the construction of a stable system possible. We believe that the agricultural system born of this partnership will make a great contribution to the consolidation of rice paddies and the resolution of the labor problem.

## ▶▶ Growth strategy

### Accelerating sales activities for nationwide expansion

DOCOMO plans to establish this advanced initiative in Niigata City as a model case and expand it to other regions. In order to do so,

we are constructing an enterprise sales structure capable of covering the entire nation and expanding in any direction. Through this initiative we hope to capture the circumstances and needs of every region and uncover partner companies that possess outstanding know-how. In addition, female sales representatives nationwide are voluntarily carrying out sales activities as "Agri-girls." The Agri-girls are female employees on the Agriculture ICT Promotion Project Team who have already delivered solid results in initiatives such as the rollout of the "Mobile Gyuonkei" calving monitoring service in collaboration with the JA Group. DOCOMO's mobile network covers not only urban areas but also extends widely to farmlands and mountain valleys, offering great potential for the creation of wide-area systems. We will continue utilizing the agriculture "+d" framework in initiatives to resolve Japan's agricultural issues in livestock, dairy, crop and other areas of farming, and aim to create new agricultural businesses.

### A valued partner (Niigata City)

#### We will realize innovation in agricultural with DOCOMO.

Our project in cooperation with DOCOMO received high praise from various agricultural parties, and through verification trials last fiscal year we reduced the labor required for water management. In May 2016, Minister of State for the National Strategic Special Zones Shigeru Ishiba observed the project and commented, "Niigata is at the forefront of Japan's agricultural sector."

By actively incorporating ICT into agricultural management in partnership with DOCOMO, we will put innovative agriculture into practice.



**Akira Shinoda**  
Mayor of Niigata City

### Human resources



We have a 200-person enterprise sales structure, including the Agriculture ICT Promotion Project Team, and will continue to accumulate the skills and know-how needed to conduct speedy sales activities nationwide.

### Brand and social reputation



We are the number one domestic brand in terms of brand value\* and have the ability to smoothly and steadily execute projects on a nationwide scale.

\*Source: Interbrand Japan, *Best Japan Brands 2016*



# Creation of an Innovative Translation Service for 2020



**Daisuke Nagatsuma**  
Senior Manager,  
Platform Business  
Strategy Office,  
Smart-life Planning  
Department

**We will quickly capture the widening inbound market and achieve “B to B to C.”**

## ▶▶ Business value

### **Making languages barrier-free will accelerate globalization**

The number of foreign visitors to Japan increased 47% year on year, reaching about 20 million persons in 2015.\* Moreover, with the Tokyo Olympic and Paralympic Games planned for 2020, the number of foreigners visiting Japan is expected to increase even more, ushering in an age that calls for everyday communication in different languages even within Japan. This language barrier is a very large problem at present, and demands prompt resolution. Using original technology, DOCOMO has developed a translation service through which we are contributing to the development of a truly global society.

\* Source: Japan National Tourism Organization (JNTO)

## ▶▶ Initiatives by DOCOMO

### **An innovative translation service born from voice recognition and machine translation technologies**

The “Hanashite Hon’yaku” service we released in 2012 is a translation application that makes use of voice recognition technology and machine translation technology under research for many years by DOCOMO. The application, which translates spoken words into another target language and works with the varied conversational content of general consumers, has been well-received worldwide, and led to the 2014 release of our “JSpeak” service for overseas use

## Seven strengths for achieving growth ▶▶ See page 3 for more information

### R&D capabilities



We have been involved in the development of voice recognition, machine translation and other translation-related technologies for many years, and are creating innovative and high-quality services.

### Partnership



The combination of technologies and know-how from multiple partner companies with translation technologies researched and developed by DOCOMO, makes possible new translation services that offer high levels of convenience.

of “Hanashite Hon’yaku.” Following additional research and development, we now also offer “Tegaki Hon’yaku,” which can translate text written by hand on a tablet or smartphone. In addition to recognition of hand-written text, the service can be used in combination with illustrations and images. The function is helpful in scenarios such as guiding travelers to their destination along a hand-drawn map on the screen, providing translation along the way. A trial run of the service conducted at Haneda Airport received a positive response, and nationwide corporate sales activities have led to its adoption by many companies. Looking ahead to 2020, in 2014 DOCOMO established Mirai Translate, Inc., a company dedicated to the machine translation business. Developments in technology and services that realize the world’s highest level of translation precision give us opportunities to enter markets where people have traditionally performed translations. Furthermore, we will create new markets for machine translation, and aim to develop services such as real-time translation services for consumers in everyday scenarios such as shopping and tourism, and expert domain translation services for enterprises.

## ▶▶ Growth strategy

### Toward the realization of “B to B to C”

In June 2016, DOCOMO launched “Hanashite Hon’yaku for Biz,” a new enterprise service for use in interaction with customers from overseas. We customized our “B to C” service to create a “B to B to C” service, employing a face-to-face interface specialized for customer interaction. Within a single application, we offer an integrated service that combines multilingual set expressions, automatic translation and operator translation for enterprise customers who need to interact with guests from overseas. The service leverages DOCOMO’s unique and superior speech translation with accumulated customer interactions in the retail and hotel industries. At the same time, operator translation services through our call center make higher-level interactions possible. With a proven track record in the telecommunications business, the combination of these components make up a service unique to DOCOMO.

In addition, in July 2016 we launched “Hanashite Hon’yaku for Biz Premium” as an ASP service for enterprises. Targeting enterprise customers that require in-house integrated translation functions, this service provides DOCOMO’s speech translation functions through the use of API. Going forward, we aim for continued profitability and business expansion by meeting the various needs for translation. In order to quickly capture the growing inbound market, we plan to both expand services and strengthen our enterprise sales structure, and realize the “B to B to C” goal of “+d.”

### A valued partner (RIGHT-ON Co., Ltd.)

#### DOCOMO helps us promote conversation and put staff at ease.

RIGHT-ON, a specialty retailer of jeans and other casual clothing, receives many visitors from other countries. The resulting language barrier can often be a source of stress for our store staff. “Hanashite Hon’yaku for Biz,” which we adopted to conduct verification trials, is compatible with multiple languages, and allows the entry of unique phrases often used in our stores, such as “second item half price.” This lets staff respond to customers with ease.

Looking ahead, we plan to incorporate the service in stores with a large volume of duty-free sales, particularly in the Osaka and Okinawa areas.



**Kazuhiro Hamada**  
Systems Team,  
Operations Reform Office  
Enterprise Division  
RIGHT-ON Co., Ltd.

### Customer base



Machine translation services learn and grow in precision in correlation with the number of times they are used. Offered by DOCOMO, with the top share of mobile phone subscriptions in Japan, the service can undergo dramatic growth in quality.


### Human resources



From telecommunications to networks and translation, we develop innovative services through collaboration between R&D staff, who continually create innovation, and business development staff, who make speedy commercialization possible.

# Value Creation



<b>Business segments</b>	 <b>Telecommunications Business</b>	
<b>Operating revenues</b>	<b>¥3,689.8 billion (82%)</b>	
<b>Operating income</b>	<b>¥708.9 billion (91%)</b>	
<b>Main services</b>	<b>Mobile communications services</b> <ul style="list-style-type: none"> <li>• LTE (Xi) services</li> <li>• FOMA services</li> <li>• International services</li> <li>• Sales of handset/equipment for each service</li> </ul> etc.	<b>Optical-fiber broadband service and other telecommunications services</b> <ul style="list-style-type: none"> <li>• Optical-fiber broadband service</li> <li>• Satellite communications services</li> </ul> etc.
<b>Main operational indicators</b>	Operating revenues and operating income margin Number of mobile phone subscriptions Net additions and churn rate	Total number of handsets sold ARPU and MOU Number of LTE base stations

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Note: The amounts in parentheses represent the percentage of total consolidated operating revenues and operating income, respectively.



♡ Smart Life Business and Other Businesses Segment

Smart life business			Other businesses
¥504.1 billion (11%)			¥359.3 billion (8%)
¥46.5 billion (6%)			¥27.7 billion (4%)
<b>Content services</b> <ul style="list-style-type: none"> <li>• “dmarket”</li> <li>• “Anshin Net Security”</li> <li>• “Sugotoku-Contents”</li> <li>• “Cloud Storage Options”</li> <li>etc.</li> </ul>	<b>Finance/Payment services</b> <ul style="list-style-type: none"> <li>• Credit service</li> <li>• Proxy bill collection</li> <li>• “docomo Mobile Payment”</li> <li>etc.</li> </ul>	<b>Group companies</b> <ul style="list-style-type: none"> <li>• OAK LAWN MARKETING, INC.</li> <li>• ABC Cooking Studio Co., Ltd.</li> <li>• docomo Healthcare, Inc.</li> <li>etc.</li> </ul>	<b>Enterprise solutions</b> <ul style="list-style-type: none"> <li>• Enterprise M2M</li> <li>• System development/sales/maintenance services etc.</li> </ul> <b>Support services for customers peace of mind</b> <ul style="list-style-type: none"> <li>• “Mobile Device Protection Service”</li> <li>• “Anshin Remote Support” etc.</li> </ul>

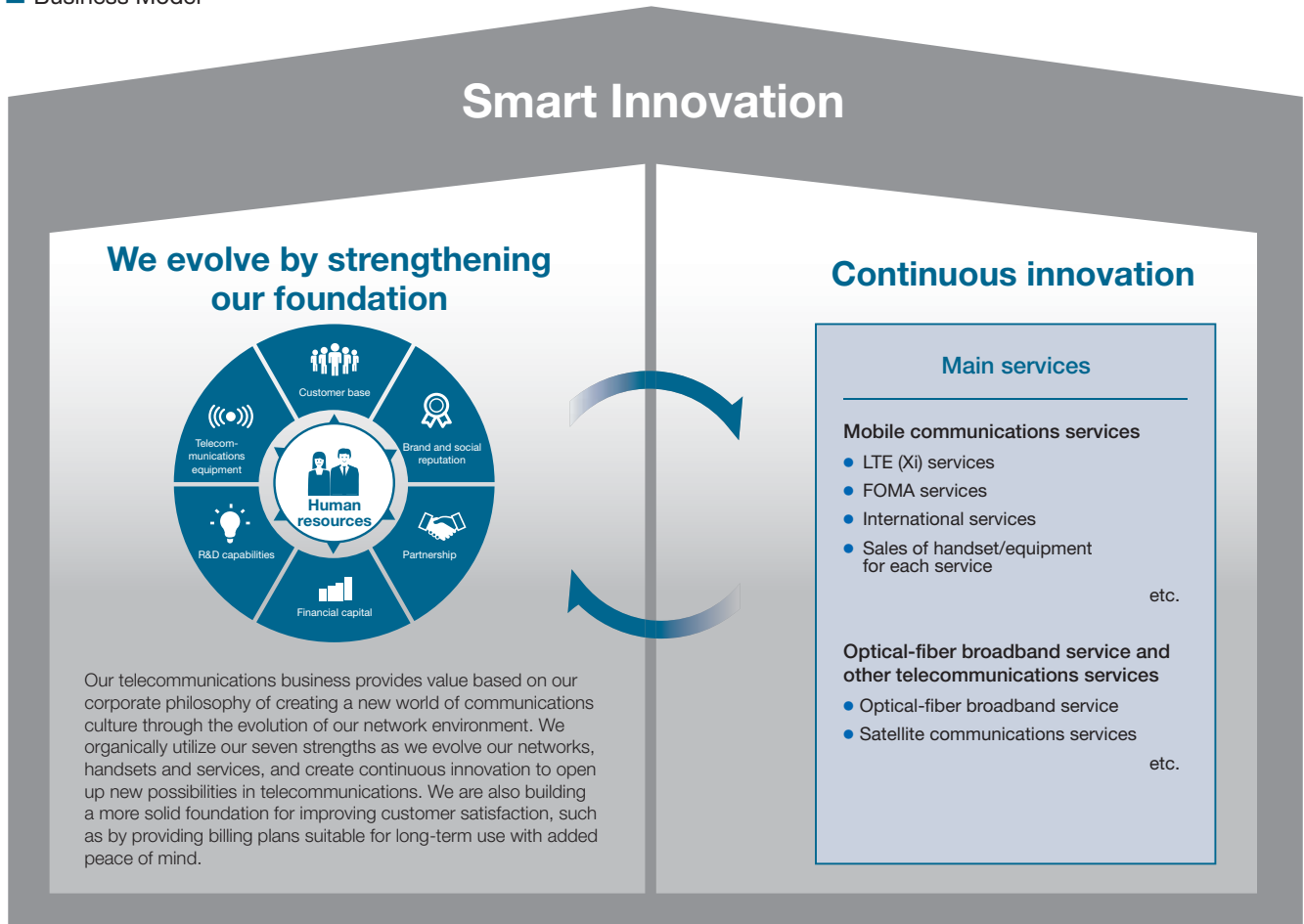
Operating revenues and operating income margin  
 Number of “dmarket” subscriptions  
 “dmarket” usage fees per user  
 Number of “d CARD” members

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## Business Model



### Providing value

**Creating a new world of communications culture on one of Japan's largest telecommunications networks**

Based on our corporate philosophy of creating a new world of communications culture, we contribute to achieving a vibrant and rich society through services useful to both business and our customers' lives, built around our core telecommunications business, which consists of mobile communications services including FOMA and LTE (Xi) services and optical-fiber broadband and other telecommunications services. Above all, we utilize our advantage of operating one of Japan's largest telecommunications networks, on which customers can experience breadth, speed and comfort, to contribute to the creation of a new world of communications culture.

### Meeting customer needs and achieving steady growth by improving satisfaction

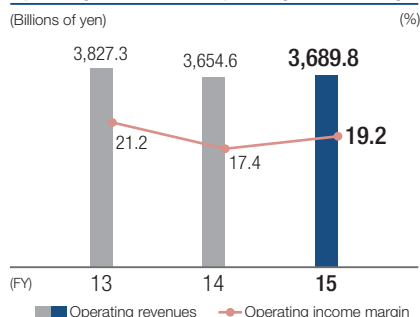
#### Enhancing the billing plan "Kake-hodai & Pake-aeru"

In September 2015, we started offering unlimited domestic voice calls of less than five minutes under the "Kake-hodai Light Plan." In addition, in March 2016 we made enhancements to better meet the needs of customers using less data communications. "Share Pack 5," our smallest data package, now enables families to share up to 5GB of data per month, and the "Kake-hodai Light Plan" can now be combined with smaller data packages.

These enhanced billing services enable customers to more freely select combinations of basic plans and share packets to suit their voice and data communications usage needs.

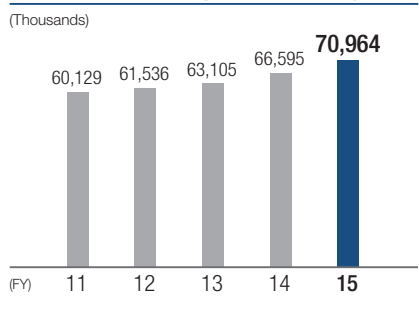
■ Review of Indicators

**Operating revenues and operating income margin**



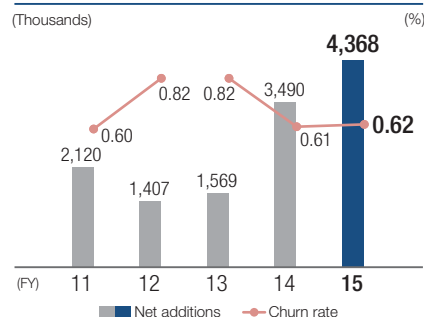
Due to the recovery of ARPU from increased demand for second devices such as tablets, as well as more users migrating to higher-end billing services, and expansion of "docomo Hikari" subscriptions, operating revenues increased 1.0% year on year to ¥3,689.8 billion. Operating income increased 11.4% year on year to ¥708.9 billion, due to reduced sales-related expenses and network-related expenses following cost efficiency initiatives.

**Number of mobile phone subscriptions**



Mobile phone subscriptions increased 4.37 million year on year to 70.96 million. LTE (Xi) subscriptions totaled 38.68 million. Smartphone and tablet subscriptions increased 14.5% year on year to 32.91 million, with the proportion of smartphone and tablet subscriptions among the total number of subscriptions rising from 43.2% at the end of March 2015 to 46.4%.

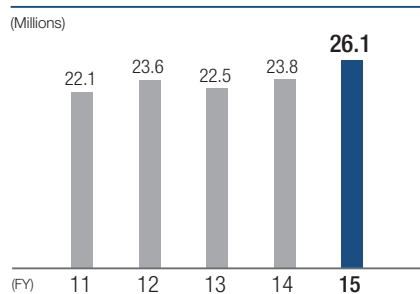
**Net additions and churn rate\***



Net additions increased 0.88 million year on year to 4.37 million subscriptions. This was due to increased demand for second devices such as tablets, an increase in new mobile subscriptions accompanied by the expansion of "docomo Hikari" subscriptions and the improvement in MNP. The churn rate was basically unchanged at 0.62% compared with 0.61% at the end of the previous fiscal year.

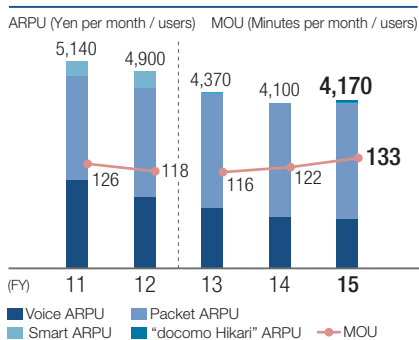
\* The definition of churn rate changed from fiscal 2015, and MVNO subscriptions and cancellation numbers are no longer included. Accordingly, the figures for fiscal 2013 and fiscal 2014 have been adjusted.

**Total number of handsets sold**



The number of handsets sold increased 9.7% year on year to 26.06 million units. Smartphone sales increased 6% year on year to 15.44 million units. Of this total, tablet sales increased 27% to 2.18 million units.

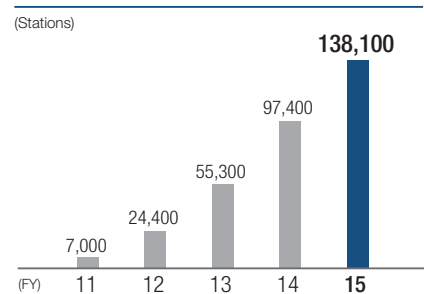
**ARPU and MOU\***



Aggregate ARPU increased ¥70 year on year to ¥4,170 from ¥4,100 due to increased demand for second devices and the expansion of "docomo Hikari" subscriptions. Breaking this down, voice ARPU decreased 5.5% year on year to ¥1,210, and data ARPU increased 5.0% to ¥2,960. MOU increased 9.0% to 133 minutes.

\* The method of calculating ARPU and MOU changed from fiscal 2015. Accordingly, the ARPU and MOU figures for fiscal 2013 and 2014 have been adjusted.

**Number of LTE base stations**



As of the end of fiscal 2015, the number of LTE base stations increased 42% year on year to 138,100 stations, more than the 130,000 stations in the original plan. Of these, 22,800 were base stations supporting the PREMIUM 4G format.

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**Net additions and MNP continue to improve**

In fiscal 2015, net additions increased 1.3 times year on year, part of a continuous growth trend. Growing demand for second devices, especially tablets, has led to the expansion of net additions. In addition, new acquisitions resulting from the provision of set fees with "docomo Hikari" as well as the promotion of family-unit usage through the billing plan "Kake-hodai & Pake-aeru" resulted in improvements in net additions. Port-outs via MNP have also improved, with a reduction of about 70% year on year. Churn rate remained at a low level and was basically unchanged from the previous fiscal year.

**Enhanced lineup in response to customer needs**

Number of handsets sold, which is the total of new sales of smartphones and feature phones as well as contract/model changes, modules and sales by MVNOs,<sup>1</sup> increased 9.7% year on year. We have worked to make our handset lineup more attractive, such as by introducing the iPhone 6s and iPhone 6s Plus,<sup>2</sup> as well as 2015 summer model and 2015-2016 winter/spring model Android smartphones and tablets. We believe that these sales results reflect our response to the diverse needs of customers.

Notes: 1. Mobile Virtual Network Operator: A business that borrows the communication infrastructure of other companies to provide services.  
2. iPhone is a trademark of Apple Inc. The iPhone trademark is used under a license by AIPHONE CO., LTD.

## Ongoing recovery of ARPU and MOU

From fiscal 2015, we have newly defined ARPU so that this indicator measures our efforts to increase telecommunications services revenues. Demand for tablets and Wi-Fi routers, etc. has been growing and more users have multiple contracts. To better reflect this trend, we have redefined ARPU in terms of “per person” instead of “per contract.” Also, in accordance with the launch of our optical-fiber broadband service, we added “docomo Hikari ARPU” to our “voice ARPU” and “packet ARPU” indicators. In regard to the smart life business and other businesses segment, we excluded revenue from this segment from ARPU calculations, because we aim to expand revenue from customers who do not have a DOCOMO mobile phone subscription.

Under the new definition, total ARPU in fiscal 2015 was ¥4,170, a year-on-year increase of ¥70. Breaking this down, although voice ARPU fell ¥70 year on year, packet ARPU increased by ¥90 and “docomo Hikari” ARPU increased by ¥50.

Average minutes of use per user per month (MOU) increased 9.0% (representing 11 minutes) year on year.

### i. Definition of ARPU and MOU

#### a. ARPU (Average monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users to our wireless services in the relevant periods, as shown below under “ARPU Calculation Method.” We believe that our ARPU figures provide useful information to analyze the average usage per user and the impacts of changes in our billing arrangements. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations.

#### b. MOU (Minutes of Use): Average monthly communication time per user.

### ii. ARPU Calculation Methods

Aggregate ARPU = Voice ARPU + Packet ARPU + “docomo Hikari” ARPU

- Voice ARPU: Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / Number of active users
- Packet ARPU: Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / Number of active users
- “docomo Hikari” ARPU: “docomo Hikari”-related revenues (basic monthly charges, voice communication charges) / Number of active users

In addition, the sum of Packet ARPU and “docomo Hikari” ARPU is referred to as Data ARPU.

### iii. Active Users Calculation Method

Sum of number of active users for each month (number of users at the end of previous month + number of users at the end of current month) / 2 during the relevant period

Notes: 1. The number of “users” used to calculate ARPU and MOU is the total number of subscriptions, excluding the subscriptions listed below:

- Subscriptions of communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunication services and interconnecting telecommunications facilities that are provided to MVNOs; and
  - Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name
2. Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to MVNOs are not included in the ARPU calculation.

## Growth by expanding our partner network and providing new services

In our “docomo Hikari” optical-fiber broadband service, the number of Internet provider partners has expanded from an initial 14 companies to 23 companies as of March 31, 2016.

As a result, our customers have a wider range of providers to choose from, with more customers able to use their current provider when transferring from the FLET’S Hikari service. In addition, to meet the needs of customers, we have started offering new billing services, such as “docomo Hikari Mini” (enabling use of telecommunications speeds up to 100Mbps under a two-stage flat-rate plan) and “docomo Hikari Business Wi-Fi” (a cloud-based Wi-Fi service offering extra support for enterprise customers). As a result, total applications as of March 31, 2016 exceeded 1.8 million, with a total of 1.57 million subscriptions. In addition, total applications in June 2016 topped 2.0 million.

## Steady expansion of telecommunications infrastructure

Development of the telecommunications environment is one of the most important factors determining customer satisfaction. Specifically, we are continuously working to enhance our LTE network. During the past year we expanded the PREMIUM 4G network area, covering 976 cities nationwide as March 31, 2016. We have also taken advantage of new technologies such as carrier aggregation<sup>1</sup> to offer communications services with reception speeds up to 300Mbps in 644 cities nationwide as of March 31, 2016. In addition, maximum reception speeds of up to 375Mbps, the fastest in Japan, have been available in several areas since June 2016.

1. Carrier aggregation: A technique for improving telecommunications speed by bundling multiple frequency bands.

## Further improving customer satisfaction

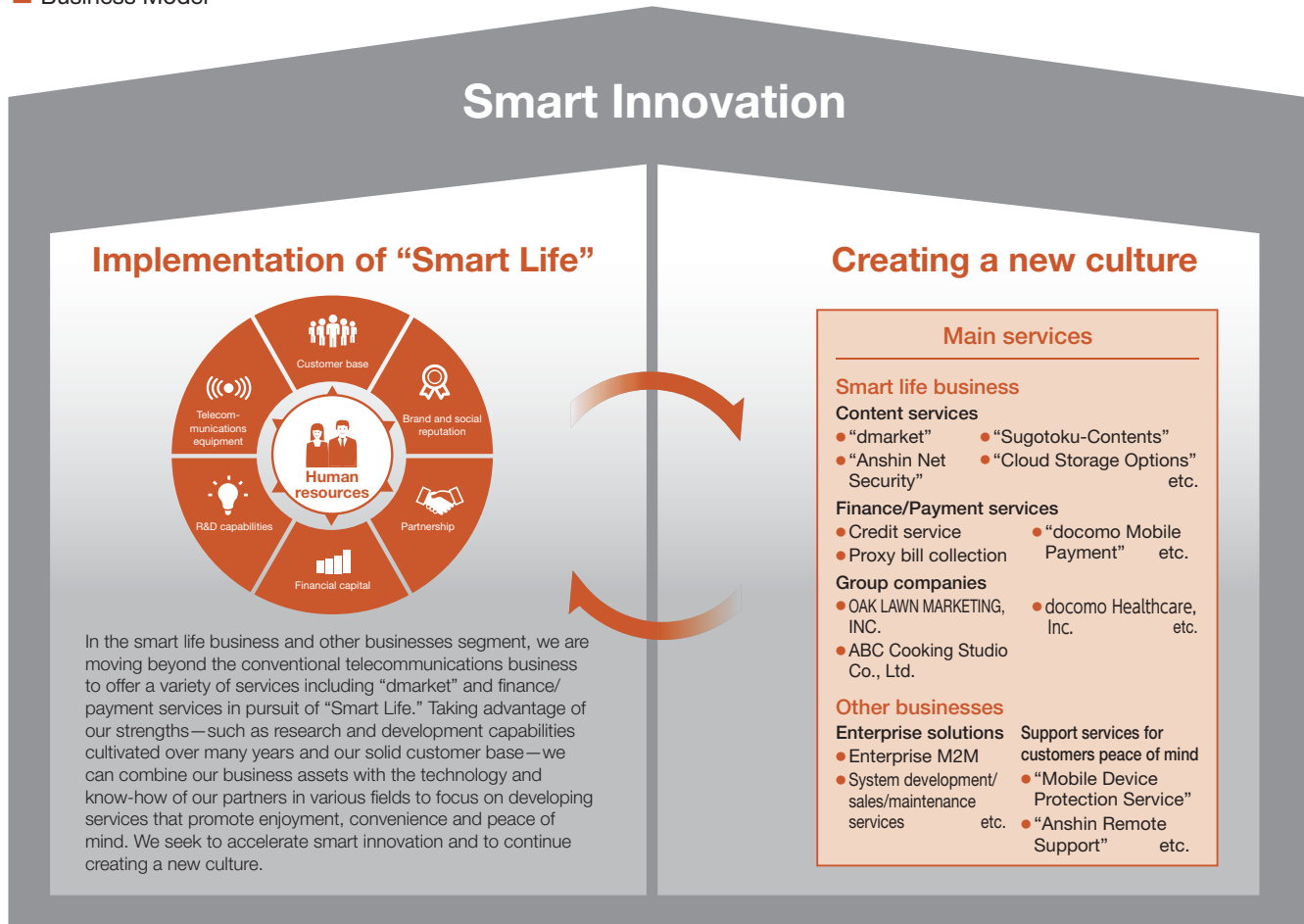
We place emphasis on customer satisfaction as an indicator of our efforts to further strengthen competitiveness. In fiscal 2015, we were awarded first place for overall satisfaction in the 2015 Japan Mobile Phone Service Satisfaction Study.<sup>2</sup> In addition, we were highly evaluated for communications quality and area coverage in the 2015 survey of mobile phones and smartphones for personal use conducted by Nikkei BP Consulting, winning first place for smartphone satisfaction. We believe that various activities have led to an improvement in overall customer satisfaction. At DOCOMO shops, we have taken initiatives to reduce waiting time, and have made drastic reforms in our staff training system to enhance service levels of all store staff. In other areas, our call centers have worked to improve response rates, and we have enhanced online support services.

2. The 2015 Japan Mobile Phone Service Satisfaction Study conducted by J.D. Power. The results of the 2015 survey (conducted in July 2015) reflected responses obtained from a total of 31,200 mobile phone users in Japan. (japan.jdpower.com)



# Smart Life Business and Other Businesses Segment

## ■ Business Model



## ■ Providing value

By creating new value, we contribute to realizing a rich society

Under our brand slogan of “The new of today, the norm of tomorrow,” we are working to expand our telecommunications business and strengthen our smart life business and other businesses segment as the dual foundations of our business operations. In the smart life business and other businesses segment, in order to continue to meet the needs of our customers, we are driving the evolution of open collaboration with various partners and promoting “+d” initiatives that provide new added value to our customers. By utilizing our business assets, which include payment infrastructure, “d POINT” and “d CARD,” we provide value, convenience and enjoyment to customers.

## Smart Life Business

### ■ “dmarket”

Providing new value by expanding “dmarket”

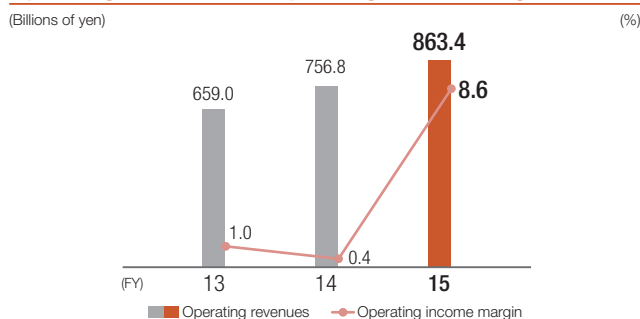
“dmarket” is a service that conveniently provides a variety of content and products from entertainment to shopping. We have been working to introduce new services, enhance content and expand subscriber numbers to have a broad range of customers use “dmarket” services.

In May 2015, we launched “dgourmet” as a new “dmarket” service. Customers can access cooking lessons, recipes, restaurant information, and discount coupons for use at restaurants nationwide. For “dmagazine,” which allows users unlimited reading access to more than 160 popular magazines in a variety of genres, we have added browser viewing on personal computers in addition to smartphones



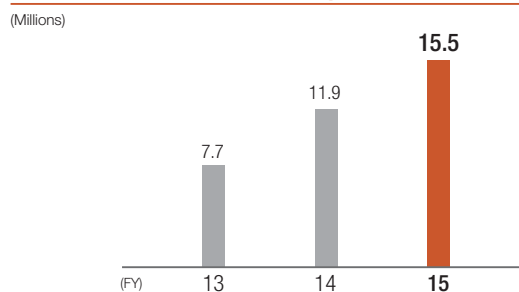
## Review of Indicators

### Operating revenues and operating income margin



Operating revenues increased 14.1% year on year to ¥863.4 billion. This was due to expanded revenue from our content services in “dmarket,” expanded transaction volume for the finance/payment services of “d CARD,” as well as shopping services offered by group companies, and the increase in “Mobile Device Protection Service” subscriptions and service revenue related to the IoT business. Due to this growth in revenue, operating income totaled ¥74.2 billion, an increase of ¥71.2 billion.

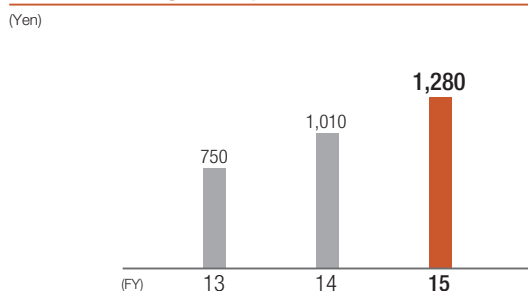
### Number of “dmarket” subscriptions



As a result of the launch of the new “d gourmet” service and enhancement of other “dmarket” content such as “dTV,” “danime store,” “dhits,” “dkids,” and “dmagazine,” the number of subscribers expanded to 15.54 million as of the end of March 2016.

Note: Monthly billed services only

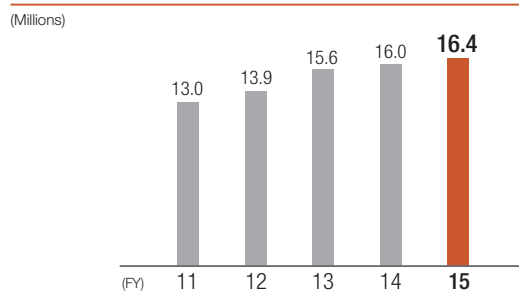
### “dmarket” usage fees per user



Due to the introduction of new services and the enhancement of content for each service, usage fees per user in fiscal 2015 increased ¥270 year on year to ¥1,280 from ¥1,010.

Note: These values represent the total number of “dmarket” users in each quarter divided by the total number of unique monthly users for the quarter. Amounts exclude tax.

### Number of “d CARD” members



The number of “d CARD” members has been steadily expanding and totaled 16.43 million as of March 31, 2016, an increase of 440,000 members from the previous fiscal year end.

Notes: 1. Total of “d CARD” and “d CARD mini” members  
2. Name changed from “DCMX” to “d CARD” in December 2015

and tablets. For “dTV,” among the largest in Japan in terms of the number of titles and members, customers can now watch video content on a large-screen TV using a designated terminal. In this way, we are expanding services in addition to enhancing content.

We have also successfully increased “dmarket” usage fees per user with services such as “dshopping” and “ddelivery,” making efforts to enhance services and digital content for use in a wide range of lifestyle options, including daily necessities, consumer electronics, food delivery services, clothing and travel. We will continue to strengthen

content services, further enhance the foundation for “dmarket” and accelerate our efforts to expand business.

## “d POINT” and “d CARD”

### Offering more value and convenience with our new “d POINT” and “d CARD” services

In December 2015, we launched our new point service “d POINT.” An evolution of our “docomo Points” that accumulate through monthly mobile phone usage charges and other payments, “d POINTs” can be earned and used when shopping at participating neighborhood stores or online.

In conjunction with the service launch, we issued a dedicated card “d POINT CARD.” Our “DCMX” credit service has also been renewed as “d CARD.” Because the “d CARD” has “iD” and “d POINT” functions built into the card, users are able to save “d POINTS” for better discounts.

## ■ “d ACCOUNT”

### Renamed from “docomo ID,” and expanding our customer base

In December 2015, we renamed the previous “docomo ID” “d ACCOUNT.” This account handles identity authentication, which enables users to take advantage of a variety of services provided by DOCOMO, including email and “dmarket” services. Using “d ACCOUNT,” customers without subscriptions to DOCOMO can also use our services—effectively, a “carrier-free” format. We have also achieved “network-free” and “device-free” services that function on multiple devices regardless of telecommunication lines, as well as “OS-free” services, which function regardless of handset operating system. By converting our customer management from mobile phone number to “d ACCOUNT,” we enable our customers to accumulate and use points and services regardless of carrier. By providing a wider variety of services to customers, we are able to expand our customer base.

## Other Businesses

### ■ Enterprise solutions

#### Focus on IoT business and expanding services

Aiming to promote further usage within the IoT business, we have started providing the “LTE Ubiquitous Plan” within Japan, enabling the use of telecommunications modules on

LTE lines. We have also started providing solutions that utilize eSIM. For example, when overseas in Brazil, customers can benefit from eSIM technology by switching from a DOCOMO phone number to a Vivo telephone number without replacing the SIM card. Our collaboration with Vivo is a first for a Japanese telecommunications company to provide solutions using eSIM with an overseas service provider. Once incorporated into the export products of Japanese manufacturers, we expect these solutions to be utilized for remote information services, such as managing operational status, running diagnostic maintenance and preventing theft.

### ■ Peace-of-mind support

#### Expanding services to accompany the increase in smartphone users

In other businesses, in conjunction with the expansion of smartphone use, revenues are also growing for peace-of-mind support services, such as the “Mobile Device Protection Service” (which offers compensation in the unlikely event of handset trouble), “AppleCare+,” and “Anshin Remote Support,” which enables remote operators to assist smartphone users. Moreover, our “Anshin Pack,” bundled with our security service “Anshin Net Security,” reached 14.51 million subscribers by the end of fiscal 2015, ensuring that in addition to convenience, we also deliver peace of mind as a service.

### ■ Launch of “dHealth Care Pack”

From April 2016, we started providing services to support the total health of our customers. We provide 4 health-related services and 14 applications (as of July 2016). Applications include “Karada-no-Tokei WM,” which supports better timing for meals, sleep and exercise to build an ideal body; “Karada-no-Kimochi” health management for women; “Runtastic for docomo” enabling full-fledged training; and the newly developed “Aruite-Otoku,” which enables users to earn “d POINTS” just by walking with a smartphone. These services offer broad support for a variety of personal health-related goals ranging from daily walks to full fitness training.



## dHealth Care Pack

## Column

## “+d” New Value Co-Creation Initiatives

We have embarked on a new initiative, called “+d,” to create new value in collaboration with various external partners. Principal “+d” initiatives undertaken during the fiscal year ended March 31, 2016 are summarized in the table below:

Category	Alliance partner	Objectives
Agriculture	Niigata City, Niigata Prefecture, Vegetalia, Inc., Water Cell Inc.	Verification trial on an innovative rice production management system
Education	Koga City, Ibaraki Prefecture	Educational ICT solution based on LTE-enabled tablets
Health/Medicine	Maibara City, Shiga Prefecture, RENAISSANCE, INC.	Provision of “Children Health Promotion Program”
	RENAISSANCE, INC.	Provision of healthcare services using wearable devices
	Tokyu Sports OASIS, Inc.	Launch of new health support service, “OASIS LINK”
Insurance	Nippon Life Insurance Company	Marketing support business for sales of life insurance policies
IoT	GE Energy Japan, Inc.	Collaboration on rollout of GE’s industrial routers in Japan
	NIPPON SYSTEMWARE CO., LTD.	Provision of IoT cloud service for enterprises
	Omachi City and Tenryu Village, Nagano Prefecture	Provision of “oranotablet” life-support service for the elderly
	Sansan, Inc.	Provision of business card management services for enterprises
	TOMY Company, Ltd.	Joint development of communication toy “OHaNAS”
Retail	Laox Co., Ltd.	Delivery of new services targeting foreign travelers to Japan
	Lawson, Inc.	Mutual customer referral leveraging point program
	McDonald’s Company (Japan), Ltd.	Mutual customer referral leveraging point program
	Takashimaya Company, Limited	Mutual customer referral leveraging point program
Social	Facebook, Inc.	Functional collaboration with “dmarket”
Transportation	Japan Airlines Co., Ltd.	Mutual customer referral leveraging point program
	Panasonic Corporation	Verification trial for expansion of bicycle sharing business

### MM Research Institute Awards 2016

In the MM Research Institute Awards 2016 announced on June 15, 2016, DOCOMO’s “+d” was awarded the Grand Prize for a product or service that contributed most to the development of the ICT industry. DOCOMO was recognized for its efforts to resolve social issues in collaboration with partners in a variety of fields. Efforts included the creation of new services and businesses and the revitalization of industries and regions using DOCOMO’s business assets that encompass telecommunications networks, customer base, secure payment systems and referral mechanisms.



# Foundation for Value Creation





## ▶ Message from the Executive Responsible for CSR



### Strengthening our business foundation leads to solving various social issues and advancing society

**Akira Terasaki**

Senior Executive Vice President,  
Responsible for CSR

#### ▶ Contributing to sustainability under the themes of people, the environment and society

Sustainability is a perennial topic in corporate management and daily life. The issues involved in achieving sustainability can be divided into three basic categories. The first is people. Global population growth and other factors are causing such problems as food shortages, energy and resource depletion, water shortages, and employment mismatches. The second is the environment. Environmental issues include climate change. And the third is society. The increasing disparity among communities has become an issue. In my opinion, the efficient use of resources, streamlining of social activities, and the upgrade and universalization of access to information are the major topics in the pursuit of sustainability, and the use of ICT is the key to solving these issues. So far, the role of ICT has concentrated on phones and email to connect people with each other. However, I expect that ICT, working behind the scenes, will serve to assist every corner of society as it expands to provide new value that combines the application of IoT, AI, Big Data and other technologies.

#### ▶ Using human resources to accomplish “Innovative docomo” and “Responsible docomo”

NTT DOCOMO is proud to be a prime mover in the field of mobile ICT. We are advancing along two fronts as we seek to put our strengths into play and thus contribute to society. The first is “Innovative docomo,” in which we are attempting to create new value through our “+d” initiatives, addressing education, health and medicine, regional revitalization, and other social issues. The second is “Responsible docomo,” in which we aim to create a trustworthy company that fulfills its social responsibilities. Incorporating these two aspects into all of our corporate activities will advance our mission to solve various social issues and contribute to the sustainability of a society in which people will be able to lead safer, more secure, more comfortable and richer lives.

Human resources are the bedrock of corporate activity. I believe that we can maximize our capabilities by supporting the personal growth of each and every individual. We cannot create added value with our “+d” initiatives using only our information and communications knowledge and experience. For example, we offer a program in which we send our employees to gain work experience at companies in other industries. We are also working to broaden our HR programs to cover more diverse approaches to how we conduct our work. We will continue making efforts to improve the workplace environment so that everyone can perform to their fullest.

#### ▶ Addressing social issues head on as the industry’s leader

Moving forward, we will continue to lead technology innovation in telecommunications and mobile ICT and to promote the expansion of advanced infrastructure. In addition, we are creating state-of-the-art services through co-creation with our partners. For instance, we are actively carrying out verification testing and standardizing 5G **P47** capabilities for 2020. In addition, as ESG investment grows in Japan along with changes in the investment climate, we are looking at global ESG assessments and raising the level of our CSR activities. By doing so, it is my belief that we will be able to contribute to solving various social issues and advancing society in general, thereby increasing our corporate value.

For more in-depth information about non-financial areas 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*.

▶▶ <https://www.nttdocomo.co.jp/english/corporate/csr/report/index.html>

■ Human Resources | Spreading “+d” further through individual growth

**DOCOMO's Growth**

By promoting diversity management and providing employees with a variety of opportunities to develop their skills, we maximize individual strengths.

**Value We Provide**

Creating new value through innovation, and producing human resources to lead future businesses

**Percentage of female employment**

Approx. **30%**

In addition to creating a workplace environment in which women can play an active role, we have actively sought to hire more women. As a result, the percentage of female employment is approximately 30%.

**Hours of training per employee**

Approx. **50** hours/year

We provide training in professional, business and other skills, offering our employees a variety of opportunities to develop skills tailored to the requirements at each level.

**Employing people with disabilities**

Employment rate **2.16%**

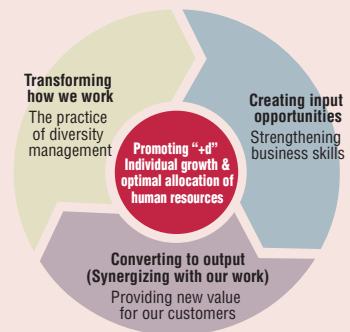
Our special subsidiary DOCOMO PlusHearty, Inc. actively recruits people with severe disabilities and undertakes measures to improve their skills. By offering support suited for each individual, we strive to create a workplace where people with disabilities can play an active role.

**Human resources strategy**

Working towards our 2020 vision of “pursuing smart innovation,” it is important to expand our telecommunications business in the midst of intense environmental changes, and to strengthen our smart life business and other businesses segment. In particular, we must create new value in cooperation with our partner companies through our “+d” initiative. In order to do this, we need to develop a work environment in which each of our diverse employees can grow and be active. Because we understand that individual growth leads to our growth as a company, NTT DOCOMO emphasizes three points to encourage employee growth — creating input opportunities, converting to output and transforming how we work.

In addition, in order to provide an environment in which every individual employee can play an active role, DOCOMO is focusing on creating workplaces where employees can work in safety and good health. The same applies to our suppliers as well, and we conduct procurement in compliance with laws and social norms, and in consideration of the environment and human rights.

**Spreading “+d” further through individual growth**



**DOCOMO chosen for the New Diversity Management Selection 100**

DOCOMO was chosen for inclusion in the fiscal 2015 New Diversity Management Selection 100, an initiative run by the Japanese Ministry of Economy, Trade and Industry (METI). This initiative recognizes companies that have made full use of diverse human resources and enhanced their corporate value through diversity management. DOCOMO launched its Diversity Development Office in 2006, and since then has pursued the creation of a corporate culture and organizational climate that views diversity as a shared value.

The fiscal 2015 award recognized our various diversity initiatives, including the promotion of women's careers, enhancement of the role of management and awareness-raising among men, and ongoing medium- and long-term support for flexible work styles and careers.

Through diversity management, DOCOMO will continue to pursue sustainable corporate growth by encouraging each employee to play a unique role in a diverse workplace.





**DOCOMO's Growth**

We make best use of our advanced technologies, leading the market with our extensive, fast and easy-to-use network, to earn the confidence of our customers.

**Value We Provide**

In our increasingly sophisticated ICT society, we will continue to provide stable infrastructure.

**Communication speeds**

Maximum speeds up to **375Mbps**

In order to achieve our goal of easy-to-use communications, we are working to enhance our communication speeds even further. Taking advantage of new technologies such as carrier aggregation, we have achieved communication services with maximum reception speeds of up to 375Mbps, the fastest in Japan.

**Feedback from customers about connectivity**

Approx. **30,000** cases

We gather a wide range of information about connectivity through a feedback page on our website. Based on this information, we continue to improve the quality of our communications.

▶▶ (Japanese only)  
<https://www.nttdocomo.co.jp/support/area/feedback/index.html>

**Number of large-zone base stations**

**106** locations

In addition to our normal base stations (covering a radius of few hundred meters to 2 kilometers), we have a number of large-zone base stations dedicated for use during major disasters. Covering a radius of about 7 kilometers, these stations are used only when normal base stations suffer damage during a larger-than-expected disaster, and serve to secure continuity of the telecommunications lifeline.

**Policy on providing network services**

At NTT DOCOMO, to ensure consistent customer satisfaction, we consider it important to provide an “anywhere, anytime” network environment consisting of the wireless access networks, core networks, services platforms, main systems, and operating systems essential to the communication business. Aiming for an “anywhere” network connection, we are expanding our service area by maintaining and increasing the number of base stations to establish a network environment that is widely accessible—in urban areas, underground, sparsely populated areas and remote locations. Aiming to provide better “anytime” network services, our operations center monitors the network 24 hours a day, 7 days a week, and we also work to ensure network connectivity—for example, by deploying mobile base station vehicles during large-scale events.

**NTT DOCOMO disaster response measures**

At DOCOMO, we believe advance preparation during normal operations is essential for disaster response and recovery. Since our founding, when we formulated the Three Principles of Disaster Preparedness, we have been committed to securing communications whenever disaster strikes. These three principles are “enhance system reliability,” “ensure essential communications” and “rapidly restore communications services.” Based on these principles, we aim to build a strong, disaster-resistant communications network, and are working to improve its safety and reliability. As a designated public body since 1999, we also aim to cooperate with administrative agencies and local governments to engage in a broad range of efforts to ensure communications services in times of disaster.

The Kumamoto earthquake of April 2016 caused power outages and disrupted transmission routes, forcing us to interrupt our services. However, we promptly established a disaster response headquarters, backed up by a support system drawn from all over Japan. This support system included more than 1,000 people, all working to restore communications services as soon as possible. We also provided a disaster message board service, offered free charging services in temporary shelters, removed speed caps on data communications, provided free accessory products, and offered postponement of fee payment deadlines, which all helped to secure communications for our customers. We also worked in cooperation with administrative agencies on loans of mobile phones, etc.



**Research and Development** | Creating the new technology that the world needs

**DOCOMO's Growth**

We have R&D capabilities built up over many years that are centered on the development and evolution of communications technology. We are world leaders in mobile communications development.

**Value We Provide**

Achieving smart innovation highly relevant to the daily life of every single customer; offering ease and excitement like never before

**Research and development expenditures**

**¥83.3 billion**

NTT DOCOMO engages in continuous research and development aimed at generating innovation. In fiscal 2015, we moved ahead with development of our "OHaNAS" next-generation communication toy, along with development aimed at further increasing the speed of our PREMIUM 4G network.

**Number of R&D employees**

**Approx. 900**

Technology is one of DOCOMO's most powerful assets in creating original and unique innovations. Our R&D Innovation Division continues to lead the world in research and development efforts.

**Number of foreign patent registrations**

**8,400**

In order to connect DOCOMO's research and development results to the Company's growth, we are proactively working to acquire patents both in Japan and overseas. In fiscal 2015, we accelerated the filing of patents for 5G-related technologies.

**Innovation policy**

Development in the information and communications industry is moving ahead dramatically, and the potential for significant social impact from new technology and ideas is high. Not only in the field of mobile communications (such as devices and networks), which is our core business, but also in "software" (such as usability and production efficiency), we need innovation with a sense of speed.

To ensure that we keep our sights on social trends and respond to requests from our customers and society, NTT DOCOMO actively employs open innovation and agile development that make use of outside technologies. We develop technology through the various departments in our R&D Innovation Division. To respond to technological innovation overseas, we also have R&D bases in the United States, Germany and China. These bases work in cooperation with the R&D Innovation Division to evolve technology further.

**Research and development of next-generation 5G technology**

NTT DOCOMO is conducting research and development on the 5G next-generation mobile communications format. With the aim to facilitate a super-advanced information society from 2020 and beyond, further dramatic improvements in performance are expected from 5G, such as transmission rates 100 times faster than the current LTE format and a thousand-fold increase in capacity (based on values from 2010).

In fiscal 2015, NTT DOCOMO held the 5G Tokyo Bay Summit 2015 at which invited representatives of industry, academia, and government discussed and shared information on technology. In addition, with the cooperation of major global vendors, we achieved speeds of 2Gbps and higher in 5G milliwave communications experiments using commercial facilities and other usage environments, and formed a cooperative agreement on 5G experiments with MediaTek Inc. of Taiwan. We are also promoting cooperation with the world's major carriers and are steadily moving ahead with the realization of 5G through means including agreement on the launch of the 5G Open Trial Specification Alliance that will develop common specifications for verification trials.







**DOCOMO's Growth**

Realizing a sustainable, environmentally considerate society with the goal of comfortable living for all

**Value We Provide**

Contributing to environmental conservation by society overall, through mobile ICT services and the reduction of environmental impact from our own business activities

**Power consumption per data communication unit**

**Reduction by 58%**  
(compared with fiscal 2012)

Efficient introduction of the LTE system has reduced the amount of power required by the network to carry our customers' data.

**Paper used in promotional and sales materials**

**Reduction by 63%**  
(compared with fiscal 2012)

We are working to reduce the amount of paper used in promotional and sales materials through digitization. By providing these materials in PDF format on our website, we continue to reduce total paper usage without impact on actual sales.

**Final waste disposal ratio**

**Final disposal ratio: 1.6%**

DOCOMO actively promotes the three R's—Reduce, Reuse and Recycle—for all resources used in our business activities.

**Environmental policy**

As part of our efforts to contribute to a society in which people can lead full and rich lives, as per our 2020 vision, we have established the DOCOMO Global Environmental Charter to serve as guidelines for promoting environmental conservation activities. Based on this Charter, and in order to promote environmental conservation activities throughout the entire Group, we have established an environmental management system with the DOCOMO Group ECO Committee, chaired by the President, as its highest-level decision-making body.

We believe that our ICT services can help to reduce the environmental impact of our lifestyles and society. For example, the use of cloud services can reduce energy consumption by storing customer data servers in the cloud.

In addition, we assess our suppliers' products and efforts toward environmental conservation and ensure these are reflected in procurement, and proactively procure environmentally friendly products and materials based on our guidelines for green procurement.



**Reduction of network power consumption**

As an initiative to reduce network power consumption, we are working to construct environmentally considerate networks that feature energy-saving telecommunications equipment, active adoption of environmental impact-reducing technologies in electric power and air conditioning equipment, and the use of renewable energy.

Specifically, we are developing smaller installed devices and high-efficiency base stations that significantly reduce power consumption. We are also introducing "Smart DASH" intelligent air conditioning that simultaneously controls multiple air conditioning units, and are introducing green base stations that make effective use of renewable solar energy.



Green base station in Sapporo, Hokkaido

**DOCOMO's Growth**

As a good corporate citizen, we work to introduce diverse initiatives that lead to a stable and secure society

**Value We Provide**

We cross national, regional and generational boundaries to contribute to safe, secure and affluent local communities

**Social contribution expenditures**

Approx. **¥4.9 billion**

NTT DOCOMO conducts Mobile Phone Safety Classes as an awareness-raising activity for keeping users including children safe when using smartphones and mobile phones. We also contribute to local communities through initiatives such as donations for disaster relief, and classes for rugby, soccer and other sports.

**Employees engaged in social contribution activities**

**35,600 employees**

We engage in activities that include improving the 49 "docomo Woods" located around the nation, dispatching company volunteers to support post-disaster reconstruction in the Tohoku region, and activities to clean up the neighborhoods, rivers, beaches and other areas surrounding our workplaces.

**Mobile Communication Fund**

Approx. **¥116 million**

The Mobile Communication Fund encourages the growth of future generations and the creation of a sound social environment. Activities sponsored by the fund include the DOCOMO Mobile Science Award that supports young researchers, scholarships for international students from Asia, and donations to NPOs and other organizations that support children's welfare.

**Social contribution activities and priority themes**

Based on our social contribution policy and priority themes, we not only contribute to the resolution of social issues through our business activities but also go beyond national, regional and generational boundaries to contribute to the realization of a society where people can live safely, securely and comfortably in affluence.

**Initiatives related to social contribution activities**

We, the NTT DOCOMO Group, seek to engage with the local community in the public and private domains as a good corporate citizen, and we will actively strive to bring comfort and fulfillment to the local community through activities that contribute to society.

We will also strive to eliminate the negative aspects associated with smartphones and mobile phones amid the rapid development of ICT, with the aim of being a company that contributes to the sound development of society. We will specifically center our efforts on the five priority themes listed on the right.

**Priority Themes**

1. Safety and Security
2. The Next Generation
3. Disasters
4. The Environment
5. The Local Community

**Safety and security for users including children**

To help prevent the danger and trouble sometimes associated with the use of smartphones and mobile phones, we offer free Mobile Phone Safety Classes nationwide, teaching people the safest way to use their phones. These classes encourage awareness of common problems, with lecturers using animation and slides to explain that we need to observe rules and etiquette in the safe use of smartphones and mobile phones. Five courses of study are available, tailored to student age and level, starting from lower elementary school grades and ranging up to senior students. These classes commenced in July 2004, with about 55,300 classes provided to approximately 8.1 million students over an 11-year period (as of March 31, 2016).

In addition to the above, from 2006 we have conducted the DOCOMO Hearty Class aimed at persons with disabilities. This course teaches the use of mobile phones and smartphones, while introducing convenient features of these increasingly multi-functional devices. In fiscal 2015, we held the course 69 times primarily for persons with visual disabilities, with about 800 participants.



# Management Team

## Members of the Board of Directors



President and Chief Executive Officer,  
Member of the Board of Directors

### Kazuhiro Yoshizawa

2011 21,000 shares

April 1979 Entered NTT Public Corporation  
July 2013 Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute of the Company  
June 2014 Senior Executive Vice President, Chief Information Officer, Chief Information Security Officer and Chief Privacy Officer, Responsible for Technology, Devices and Information Strategy of the Company  
June 2016 President and Chief Executive Officer of the Company (To the present)



Senior Executive Vice President (CIO, CISO, CPO),  
Member of the Board of Directors

### Hiroyasu Asami

2014 12,700 shares

April 1980 Entered NTT Public Corporation  
July 2013 Executive Vice President, Executive General Manager of Smart-life Business Division of the Company  
June 2014 Executive Vice President, General Manager of Corporate Strategy and Planning Department of the Company  
June 2015 Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Broadband Business of the Company  
June 2016 Senior Executive Vice President, Chief Information Officer, Chief Information Security Officer and Chief Privacy Officer, Responsible for Technology, Devices, Network, Information Strategy and Preparation for 2020 of the Company (To the present)



Senior Executive Vice President,  
Member of the Board of Directors

### Toshiki Nakayama

2014 6,800 shares

April 1981 Entered NTT Public Corporation  
June 2014 Executive Vice President, Executive General Manager of Smart-life Business Division, General Manager of Smart-life Solutions Department of the Company  
June 2015 Executive Vice President, Executive General Manager of Smart-life Business Division of the Company  
June 2016 Senior Executive Vice President, Responsible for Global Business and Corporate of the Company (To the present)



Senior Executive Vice President,  
Member of the Board of Directors

### Akira Terasaki

2014 4,900 shares

April 1976 Entered Ministry of Posts and Telecommunications  
July 2010 Special Advisor to Ministry of Internal Affairs and Communications  
October 2010 Professor, Graduate School of Science and Engineering, Tokyo Institute of Technology  
July 2011 Advisor, Nomura Research Institute, Ltd.  
June 2014 Senior Executive Vice President, Responsible for Corporate Business, Improvement of Business Operations and CSR of the Company (To the present)



Executive Vice President (CTO),  
Member of the Board of Directors

### Seizo Onoe

2012 18,500 shares

April 1982 Entered NTT Public Corporation  
June 2012 Executive Vice President, Chief Technology Officer, General Manager of R&D Center of the Company  
July 2014 Executive Vice President, Chief Technology Officer, Executive General Manager of R&D Innovation Division of the Company (To the present)  
June 2015 President of DOCOMO Technology, Inc. (To the present)



Executive Vice President (CFO),  
Member of the Board of Directors

### Hirotaka Sato

2012 15,000 shares

April 1982 Entered NTT Public Corporation  
June 2011 Senior Vice President, General Manager of Corporate Sales and Marketing Department I of the Company  
June 2012 Senior Vice President, General Manager of Accounts and Finance Department of the Company  
June 2014 Executive Vice President, Chief Financial Officer, General Manager of Accounts and Finance Department, Responsible for Finance and Business Alliance of the Company (To the present)



Executive Vice President,  
Member of the Board of Directors

### Kiyohiro Omatsuzawa

2014 17,300 shares

April 1981 Entered NTT Public Corporation  
June 2014 Executive Vice President, General Manager of Network Department, Responsible for Network and Preparation for 2020 of the Company  
July 2015 Executive Vice President, Responsible for Network and Preparation for 2020 of the Company (To the present)  
June 2016 Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Broadband Business of the Company (To the present)



Executive Vice President,  
Member of the Board of Directors

### Hiroshi Tsujigami

2016 1,000 shares

April 1983 Entered NTT Public Corporation  
July 2007 General Manager of Business Management Corporate Strategy Planning Department of NTT  
June 2008 Outside Director of the Company  
June 2012 Senior Vice President of Corporate Strategy Planning, Member of the Board of Directors of NTT  
June 2012 Member of the Board of Directors of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT EAST")  
June 2016 Executive Vice President, Executive General Manager of Sales and Marketing Division of the Company (To the present)



Executive Vice President,  
Member of the Board of Directors  
**Kouji Furukawa**

**2016 4,200 shares**

April 1984 Entered NTT Public Corporation  
June 2012 General Manager of Corporate Sales and Marketing Department I of the Company  
June 2013 Senior Vice President, General Manager of Corporate Sales and Marketing Department I of the Company  
June 2016 Executive Vice President, Executive General Manager of Corporate Sales and Marketing Division, General Manager of TOHOKU Reconstruction Support Office of the Company (To the present)



Executive Vice President,  
Member of the Board of Directors  
**Kyoji Murakami**

**2016 5,300 shares**

April 1986 Entered NTT  
June 2013 Senior Vice President of the Company, Senior Executive Vice President of docomo Healthcare, Inc., Responsible for Medical/Healthcare Business Promotion  
June 2015 Senior Vice President, General Manager of Smart-life Solutions Department of the Company  
June 2016 Executive Vice President, Executive General Manager of Smart-life Business Division of the Company (To the present)



Senior Vice President,  
Member of the Board of Directors  
**Seiji Maruyama**

**2016 6,500 shares**

April 1985 Entered NTT  
June 2010 General Manager of Product Department of the Company  
June 2014 Senior Vice President, General Manager of Product Department of the Company  
June 2016 Senior Vice President, General Manager of Human Resources Management Department of the Company (To the present)



Member of the Board of Directors,  
Corporate Advisor  
**Kaoru Kato**

**2008 37,700 shares**

April 1977 Entered NTT Public Corporation  
April 2009 Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Mobile Society Research Institute of the Company  
July 2009 Executive Vice President, General Manager of Corporate Strategy and Planning Department of the Company  
June 2012 President and Chief Executive Officer of the Company  
June 2016 Corporate Advisor of the Company (To the present)



Outside Member of the Board of Directors  
**Teruyasu Murakami**<sup>1,3</sup>

**2013 6,400 shares**

April 1968 Entered Nomura Research Institute, Ltd. ("NRI")  
April 2002 Chief Corporate Counselor of NRI  
June 2008 Independent Director of Benesse Holdings, Inc.  
April 2012 Director of Research Institute for Industrial Strategy (To the present)  
June 2013 Outside Director of the Company (To the present)



Outside Member of the Board of Directors  
**Noriko Endo**<sup>1,3</sup>

**2016 1,000 shares**

June 1994 Entered DIAMOND, Inc.  
April 2006 Deputy Editor of Diamond Weekly, DIAMOND, Inc.  
Sept. 2013 Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo (To the present)  
April 2015 Project Professor, Graduate School of Media and Governance, Keio University (To the present)  
April 2015 Adjunct Researcher, Environmental Research Institute, Waseda University (To the present)  
June 2016 Outside Director of the Company (To the present)



Member of the Board of Directors  
**Shinichiro Ueno**

**2016 1,000 shares**

April 1991 Entered NTT  
July 2012 Senior Manager, Technology Planning Department of NTT  
July 2015 Vice President of R&D Planning Research and Development Planning Department of NTT (To the present)  
June 2016 Director of the Company (To the present)

### Profile

Position

Name

Appointment year / Number of shares held

Career summary

1. Outside director
2. Outside audit & supervisory board member
3. Independent officer



## Audit & Supervisory Board Members



Full-time Audit & Supervisory Board Member

**Tooru Kobayashi**

2014 18,900 shares

April 1976 Entered NTT Public Corporation  
 April 2012 Representative Director, Senior Executive Vice President, Member of the Board of Directors of Sumitomo Mitsui Card Co., Ltd.  
 June 2013 President, Representative Director of DOCOMO Service, Inc.  
 June 2014 Full-time Audit and Supervisory Board Member of the Company (To the present)



Full-time Outside Audit & Supervisory Board Member  
**Naoto Shiotsuka**<sup>2</sup>

2013 6,400 shares

April 1977 Entered NTT Public Corporation  
 June 2009 Director and Executive Vice President, Senior Executive Manager of Finance Department (CFO), Responsible for CSR of NTT DATA  
 June 2011 President and Chief Executive Officer, NTT DATA MANAGEMENT SERVICE Corporation  
 June 2013 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



Full-time Outside Audit & Supervisory Board Member  
**Toshimune Okihara**<sup>2</sup>

2014 3,600 shares

April 1979 Entered NTT Public Corporation  
 June 2006 Senior Vice President, General Manager of System Engineering Department, Member of the Board of Directors of NTT Communications Corporation ("NTT Com")  
 June 2010 Executive Vice President, General Manager of System Engineering Department, Enterprise Sales Division, Director of NTT Com  
 June 2011 President and Chief Executive Officer of NTT Com Technology Corporation (currently known as NTT Com Solutions Corporation)  
 June 2014 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



Full-time Outside Audit & Supervisory Board Member  
**Yutaka Kawataki**<sup>2,3</sup>

2015 2,100 shares

April 1977 Entered The Board of Audit of Japan  
 March 2013 Deputy Secretary General of The Board of Audit of Japan  
 April 2014 Secretary General of The Board of Audit of Japan (Retired in March 2015)  
 June 2015 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



Outside Audit & Supervisory Board Member  
**Eiko Tsujiyama**<sup>2,3</sup>

2011 3,300 shares

April 2003 Professor, School of Commerce and Graduate School of Commerce, Waseda University (To the present)  
 June 2008 Outside Corporate Auditor of Mitsubishi Corporation (To the present)  
 June 2010 Outside Director of ORIX Corporation (To the present)  
 May 2011 Outside Corporate Auditor of Lawson, Inc. (To the present)  
 June 2011 Outside Audit & Supervisory Board Member of the Company (To the present)  
 June 2012 Outside Audit & Supervisory Board Member of Shiseido Company, Limited (To the present)

### Profile

Position

Name

Appointment year / Number of shares held

Career summary

1. Outside director
2. Outside audit & supervisory board member
3. Independent officer

### Composition of Board of Directors and Audit & Supervisory Board





## Messages from Outside Directors



Outside Director  
**Teruyasu Murakami**  
Director of Research Institute  
for Industrial Strategy

As NTT DOCOMO's first independent outside director, it has been my mission since my appointment to represent the interests of general shareholders and contribute to the improvement of corporate value and the sustained growth of the Company. To do this, I have endeavored to understand the actual condition of the Company's management and deepen strategic thinking.

I have made it a point to comment on all proposals considered important from the viewpoint of general shareholders at Board of Directors meetings. As a result, the total number of statements made by all members at Board of Directors meetings has increased by about 70% since my appointment. Although this in and of itself does not lead to improved corporate governance, a fundamental precondition for improving corporate governance is free and candid discussions stimulated by a variety of external opinions at Board of Directors meeting. I can say that NTT DOCOMO is satisfactorily meeting this precondition.

NTT DOCOMO is a pioneer in service innovation among global telecommunications carriers. The Company has dedicated itself to strengthening its technology and upgrading the systems and organization of its service businesses. These efforts are starting to show results, and we can now see the road to further growth after surviving a period of competition and achieving a V-shaped recovery. However, the domestic and global business environment will continue to change drastically and rapidly. I will continue my efforts to promote corporate governance through a strong Board of Directors with free and candid discussions.



Outside Director  
**Noriko Endo**  
Project Professor, Graduate  
School of Media and  
Governance, Keio University

I was appointed as an independent outside director in June 2016. While maintaining a neutral perspective toward management oversight, I will work with the Company's management team to achieve a medium- to long-term increase in corporate value.

Looking back on 18 years of reporting and writing for an economic magazine, I have spent over two-thirds of that time focusing on the electronics and IT industries. I have watched digital technology, the Internet, and other technological innovations shake industrial structures on a global scale, and have seen how companies have had to transform their business models. Technology has developed at an exponential pace during that time, and a major socioeconomic revolution centered on AI and the IoT is now about to take place. Competition among companies is extending across industry sectors and national borders, and is sure to become more complex.

In this age of constant change, it is important that growth strategies be created through the integration of knowledge from many domains. The "value co-creation company" in NTT DOCOMO's "new initiatives toward delivery of medium-term targets" embodies open innovation, and I have expectations that the Company's diversity management, which actively appoints women to management positions, will bring a fresh breeze to management. I intend to eagerly take part in discussions at Board of Directors meetings and elsewhere, while offering knowledge in public policy and risk governance, my current areas of research.

## Executive Officers

Name	Position	Responsibility
Hajime Kii	Executive Vice President	Executive General Manager of Kansai Regional Office
Kazuhiro Takagi	Executive Vice President	Executive General Manager of Kyushu Regional Office
Syohei Sakaguchi	Senior Vice President	Executive General Manager of Hokkaido Regional Office
Michio Fujiwara	Senior Vice President	Executive General Manager of Tohoku Regional Office
Makoto Tani	Senior Vice President	Executive General Manager of Tokai Regional Office
Ichiro Nishino	Senior Vice President	Executive General Manager of Hokuriku Regional Office
Yohji Maruyama	Senior Vice President	Executive General Manager of Chugoku Regional Office
Osamu Hirokado	Senior Vice President	Executive General Manager of Shikoku Regional Office
Tomohisa Ueno	Senior Vice President	General Manager of Tokyo Branch
Hikaru Kawachiyama	Senior Vice President	General Manager of Kanagawa Branch
Hiroshi Nakamura	Senior Vice President	General Manager of R&D Strategy Department

Name	Position	Responsibility
Minoru Etoh	Senior Vice President	General Manager of Innovation Management Department
Koichi Takahara	Senior Vice President	General Manager of Smart-life Solutions Department
Ken Yoshizaki	Senior Vice President	General Manager of Financial Business Department
Hozumi Tamura	Senior Vice President	General Manager of Smart-life Planning Department
Kenichi Mori	Senior Vice President	General Manager of Product Department
Taku Yamazaki	Senior Vice President	General Manager of Radio Access Network Engineering Department
Shigeto Torizuka	Senior Vice President	General Manager of Sales Promotion Department
Kouji Tsubouchi	Senior Vice President	General Manager of Public Relations Department Deputy General Manager of Mobile Society Research Institute
Mayumi Tateishi	Senior Vice President	Senior Executive Vice President of OAK LAWN MARKETING, INC. Engages in: Commerce Business Promotion

Note: Directors who concurrently serve as an executive officer are not included in the above list.

# ■ Corporate Governance

## Highlights

### Number of Directors

15

Outside directors (independent officers): 2

### Number of Audit & Supervisory Board Members

5

Outside audit & supervisory board members (independent officers): 2

### Meetings of the Board of Directors

Once per month

### Number of Shareholders

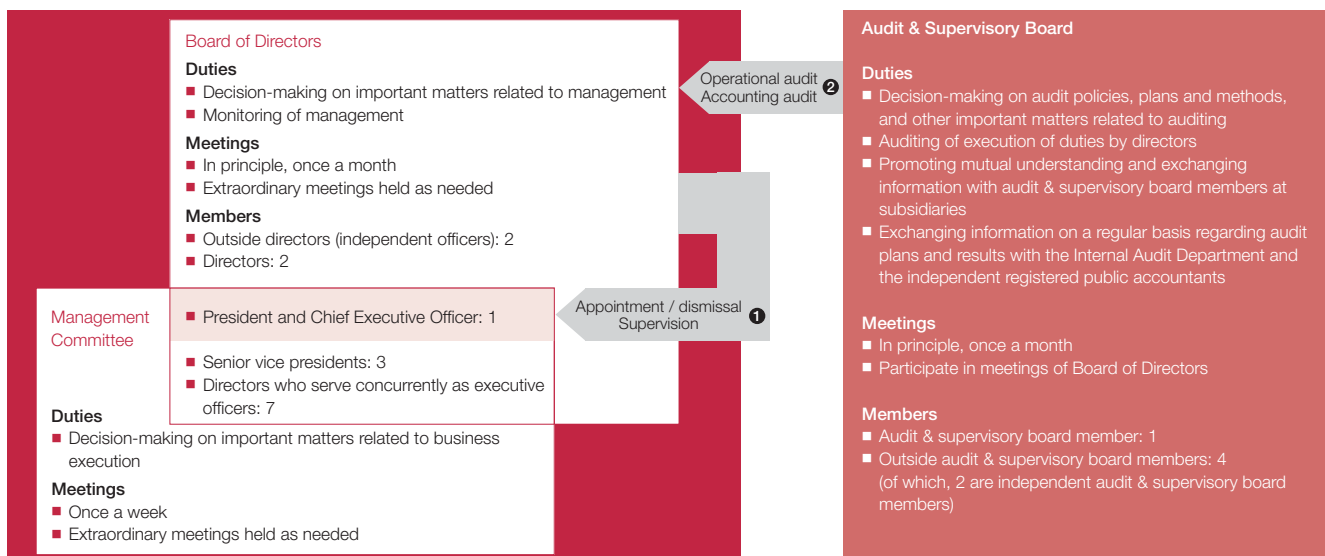
Approx. 255 thousand

## ■ Initiatives during the fiscal year

- Verified the status of implementation of each principle of our Corporate Governance Code
- Continued deliberations on increasing the number of independent outside directors (Two independent outside directors were elected at the 25th Ordinary General Meeting of Shareholders held on June 16, 2016)
- Verified the effectiveness of the Company's Board of Directors through a Directors' Self-Assessment Questionnaire completed by all directors and audit & supervisory board members and a meeting by the Corporate Governance Council, which consists of all members of the Board of Directors and the Audit & Supervisory Board.

## ■ Two-level governance system based on the Board of Directors and the Audit & Supervisory Board

The management supervision function is enhanced and flexible business execution is secured with ① supervision, appointment, and dismissal of the president and chief executive officer by the Board of Directors and ② auditing of the execution of duties by members of the Board of Directors through the audit & supervisory board members / Audit & Supervisory Board.



In accordance with relevant internal regulations, a portion of the Board of Directors' business execution authority has been transferred to the representative directors and executive officers. The Management Committee, which is composed of inside directors, makes decisions on matters that do not require a resolution of the Board of Directors.

## NTT DOCOMO's Corporate Governance System

### Basic approach to corporate governance

Guided by our corporate philosophy of “creating a new world of communications culture,” we are striving to develop our telecommunications business while also supporting our customers so that they may have a safe and secure, comfortable, and convenient life. In our endeavors to build a rich and vigorous society, the foundation of our management policy is the attainment of a high degree of trust and recognition from shareholders and customers through the improvement of corporate value. Maintaining effective corporate governance is crucial to the continuous improvement of corporate value, and we continue to take steps in strengthening corporate governance.

### Overview of the corporate governance structure

Regarding our core telecommunications businesses, we recognize that mobile phones have come to play a vital role as social infrastructure. To use management resources effectively and maintain consistent and stable business operations, we believe it is desirable for directors with high levels of expertise and knowledge in telecommunications businesses to participate in important business execution matters. In addition, to ensure sound and effective management, we believe it is desirable to have a governance system in which directors serve concurrently as executive officers responsible for business execution, while audit & supervisory board members shall conduct management audits. Directors shall be highly knowledgeable in the trends and developments in telecommunications technologies, the regulatory environment, and the wide range of services offered by both our Company and other companies, both in Japan and overseas, and supervise each other's actions while making timely decisions. Accordingly, we have adopted a corporate governance structure that consists of a Board of Directors and an Audit & Supervisory Board. We have also appointed outside directors and outside audit & supervisory board members to further enhance monitoring and audit functions.

In addition, we use an executive officer system to clarify the roles of business execution and monitoring, and to further reinforce our business execution functions. A portion of decision-making authority has been transferred from the Board of Directors to the representative directors and executive

officers to enable agile business execution by the responsible officers. This system makes possible rapid responses to changes in the operating environment.

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

#### Compliance with the Corporate Governance Code

Based on the spirit of each of the governing rules of Japan's Corporate Governance Code of Tokyo Stock Exchange, Inc., NTT DOCOMO established the NTT DOCOMO Basic Approach to Corporate Governance on October 30, 2015, and is working on further enhancement of corporate governance. As for implementation of each of the governing rules of the Corporate Governance Code, by newly electing independent outside directors at the 25th Ordinary General Meeting of Shareholders held on June 16, 2016, we are in compliance with each of the applicable governing rules.

### 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.

- Providing explanations and materials prior to meetings by the Board of Directors
- Establishing the Audit & Supervisory Board Members' Office as a dedicated organizational unit to assist in audits by audit & supervisory board members, and assigning full-time personnel to that office
- Having conversations with current and potential institutional investors (when there are requests from investors or directors/audit & supervisory board members)
- Holding regular meetings between the outside directors and the audit & supervisory board members

## Relationship with parent company

The corporate group led by our 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, 2016, NTT owned 65.66% 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.

The share repurchase program executed from February to March 2016 was conducted through a tender offer to protect minority shareholders, giving them the opportunity to tender shares in accordance with movements in our stock price. Also, from the standpoint of respecting the interests of those who would remain shareholders and not tender shares at the price offered during this program, we made these repurchases at a discount to the market price. In addition, because one of our directors at the time, Takashi Nakamura, was also an employee of NTT, he did not participate in the Board of Directors' deliberations or decision-making process with respect to this tender offer so as to avoid any conflicts of interest and he has not participated in negotiations or consultations with NTT on our behalf. We therefore are of the opinion that the Board of Directors employed fair and proper procedures in coming to its decisions regarding the content and terms of this repurchase program and that the Company's interests were not contravened.

## Major proposals discussed by the Board of Directors in fiscal 2015

- Introduction of the "Kake-hodai Light Plan"
- Addition of new billing plans\*  
(Introduction of "Share Pack 5" and the expansion of data packages available with the "Kake-hodai Light Plan" to include "Share Pack 5" and "Share Pack 10")
- Exit from the multimedia broadcast services business
- Establishment of a framework for share repurchases, implementation of share repurchases through a tender offer, etc.

\* "Kake-hodai & Pake-aeru"

## Compensation of directors and Audit & Supervisory Board Members

In consideration of the Company's business performance over the medium to long term, we have determined the following policy with respect to directors' compensation.

- (i) The Company has determined that directors' compensation will consist of monthly compensation and bonuses. Monthly compensation is based on each director's roles and responsibilities, and bonuses reflect factors such as the Company's performance for the current fiscal year.
- (ii) To reflect the Company's medium- to long-term business performance, directors with executive authority must contribute any monthly compensation above a certain amount 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.
- (iii) To maintain a high degree of independence among our independent outside directors, we do not link the compensation of these directors to our performance, and thus they receive only monthly compensation.

In consultation with audit & supervisory board members, it has been decided to pay only monthly compensation, not linked to our performance, 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 2015 was as follows:

Position	Number	Total compensation
Directors	14 <sup>1</sup>	¥518 million
Audit & supervisory board members	6 <sup>2</sup>	¥129 million
Total	20	¥648 million

1. This figure includes one director who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders held on June 18, 2015.

2. This figure includes one audit & supervisory board member who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders held on June 18, 2015.

The total includes the following compensation paid to outside directors.

Position	Number	Total compensation
Total amount of compensation paid to outside directors	6 <sup>3</sup>	¥109 million

3. This figure includes one outside audit & supervisory board member who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders held on June 18, 2015.

## 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	<b>Establishment of Advisory Board</b> 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	<b>Establishment of U.S. Advisory Board</b> 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	<b>Appointment of outside director</b> The Company appointed one outside director from within the NTT Group.	27	1	4	2
June 2003	<b>Outside members account for majority of audit &amp; supervisory board members.</b> 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	<b>Introduction of the executive officer system</b> 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	<b>Number of outside directors on Board of Directors increased by one</b> 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	<b>Reelection of outside audit &amp; supervisory board members</b> 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)
June 2016	<b>System with two independent outside directors</b> One outside director retired, and one independent outside director was newly appointed. The number of independent outside directors increased to two.	15	2 (Of which, 2 are independent directors)	5	4 (Of which, 2 are independent audit & supervisory board members)

### Advice from objective experts

#### Advisory Board

Our Advisory Board is composed of experts in various fields, including prominent business leaders, university professors, commentators and journalists. We expect these experts to provide objective opinions and proposals in such areas as management issues and the role of communications technology in society. DOCOMO receives and reflects these opinions and proposals in its business operations. In fiscal 2015, we held two meetings of the Advisory Board.

#### The 9th Advisory Board

Board members	
Motoshige Itoh	Professor, Faculty of International Social Sciences, Gakushuin University
Shin Kikuchi	Partner, Mori Hamada & Matsumoto
Main Kohda	Author
Masaaki Shintaku	Special Olympics Nippon Executive Vice President
Jitsuro Terashima	Japan Research Institute CEO Tama University President
Taizo Nishimuro	Honorary advisor of the Board, Toshiba Corporation Senior advisor of Japan Post Holdings Co., Ltd.
Hideo Miyahara	Osaka University Professor Emeritus

#### U.S. Advisory Board

To receive advice from a global viewpoint in regard to management issues and the role of communications technology in society, the Company has established the U.S. Advisory Board, composed of a chairman and a board member, as well as a different guest speaker for each meeting. The 8th U.S. Advisory Board (November 2015 to October 2017) has already held two board meetings, and plans a total of four meetings.

#### The 8th U.S. Advisory Board

Board members	
Ambassador David A. Gross	Partner, Wiley Rein LLP Former Ambassador, U.S. Coordinator for International Communications and Information Policy
Matthew P. Goodman	William E. Simon Chair in Political Economy, Center for Strategic & International Studies (CSIS)
Guest speaker (November 2015)	
Ragu Gurusurthy	Chief Innovation Officer, Deloitte LLP
Guest speaker (April 2016)	
Amy Walter	National Editor of <i>The Cook Political Report</i>



## Dialogue with Shareholders and Investors

### Policy

We proactively engage in information disclosure and dialogue with shareholders and investors as a part of our efforts to maintain our growth and increase our corporate value over the long term. We are actively expanding our IR activities by appointing an executive responsible for IR overall and

establishing a designated IR department. In addition, we share the views expressed by our shareholders and investors not only among the management team but across the Company, as these views help us to improve our services and business performance.

### 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 2015, we held presentations in Tokyo and Osaka in October 2015 (more than 300 and 240 attendees, respectively); in Osaka in February 2016 (more than 260 attendees); and in Fukuoka and Sendai in March 2016 (more than 140 and 130 attendees, respectively). In addition, the person in charge of IR held presentations for individual investors at seminars sponsored by securities companies, and held online presentations.	Yes
Regular presentations held for securities analysts and institutional investors	We hold presentations of quarterly results. The results are explained by either the president or one of 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 about new products and services to provide detailed product or service explanations, and to explain sales forecasts, among other matters. We held two such presentations in fiscal 2015. Moreover, we brief investors on the status of our businesses at conferences sponsored by securities companies.	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.	
IR-related department assigned (person in charge)	The department involved with IR is the Investor Relations Department. The corporate officer responsible for IR is a senior executive vice president. The liaison officer is the head of investor relations.	

### 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 2016, we mailed convocation notices six days before the statutory cut-off date (22 days before the general meeting date). In addition, we disclosed the convocation notice (Japanese and English versions) to the Tokyo Stock Exchange five days prior to mailing it, and made it available on our website.
Scheduled the general meeting of shareholders so as to avoid days on which shareholder meetings are concentrated	In 2016, we held the Ordinary General Meeting of Shareholders on Thursday, June 16.
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"> <li>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.</li> <li>Disclosure of the situation at the General Meeting of Shareholders over the Internet</li> </ul>

## Information Management

### Enhancement of information management system

The DOCOMO Group has been entrusted with the personal information (customer information) of approximately 70 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.

▶▶▶ Privacy Policy

<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 the Information Security Policy
2. Enhancement of a system for information security
3. Formulation of basic guidelines for information security and establishment and application of regulations and manuals
4. Tracking and management of information assets
5. Implementation and application of audits and 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

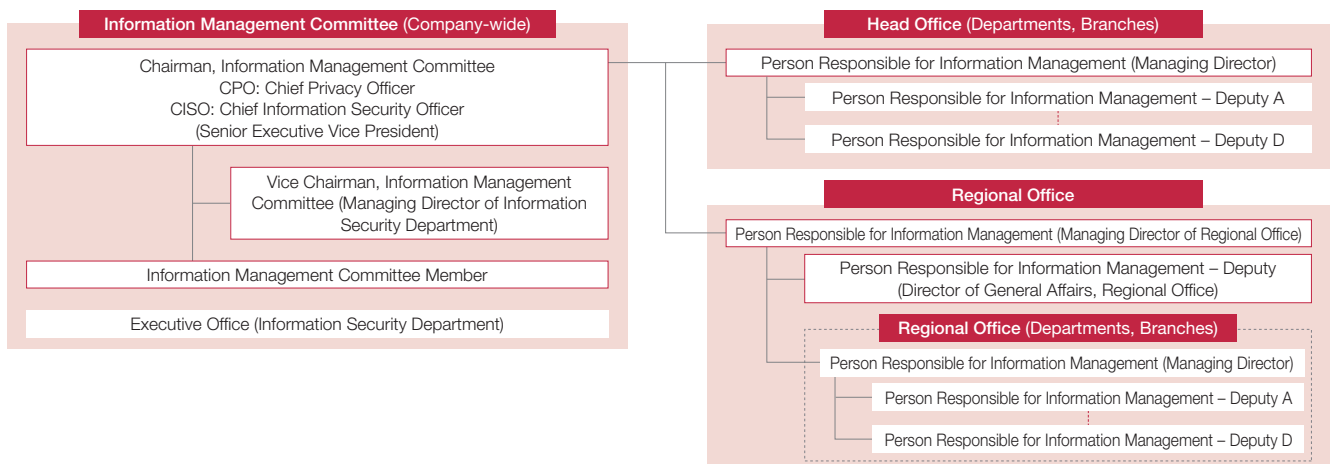
#### (3) Physical Security

1. Restrictions on the number 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 and 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 from the office
6. Cyber attack countermeasures and system surveillance

### Information management system (As of July 1, 2016)



## 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 carried out primarily by the Internal Control Committee. Furthermore, the Company's Internal Audit Department implements audits with the objective of contributing to the minimization of risks and the maximization of 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. **P24-25**

### 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 the Compliance Promotion Committee. 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.

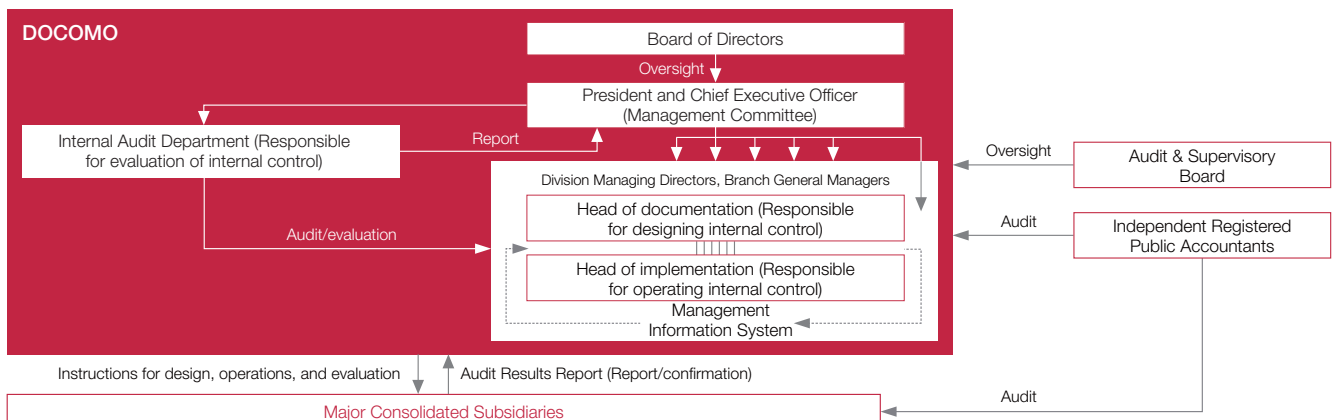
▶▶▶ NTT DOCOMO Group Code of Ethics

[https://www.nttdocomo.co.jp/english/corporate/about/group\\_ethic/index.html](https://www.nttdocomo.co.jp/english/corporate/about/group_ethic/index.html)

### 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 2015, we evaluated the Company and 19 major consolidated subsidiaries and concluded that internal control over financial reporting was effective.

### Sarbanes-Oxley Act, Section 404 organization chart



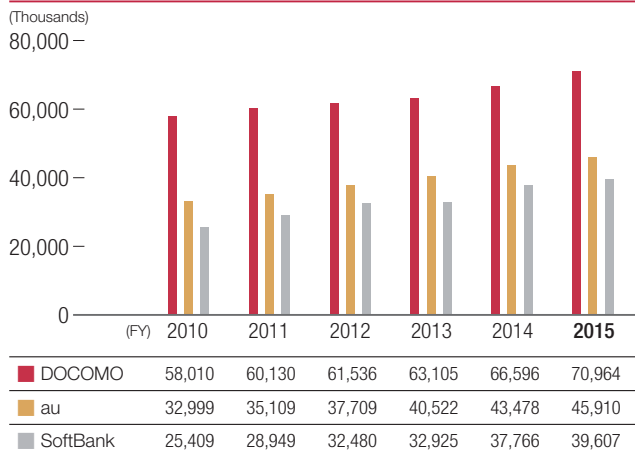
# Financial and Corporate Data

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# Operating Data (As of and for fiscal years ended March 31)

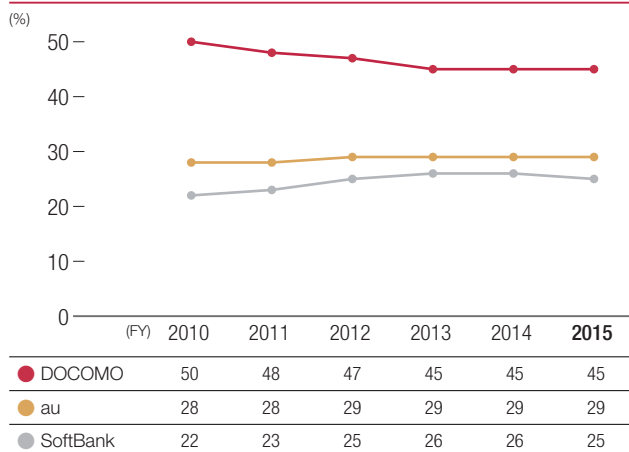
## Number of mobile phone subscriptions

Source: Telecommunications Carriers Association



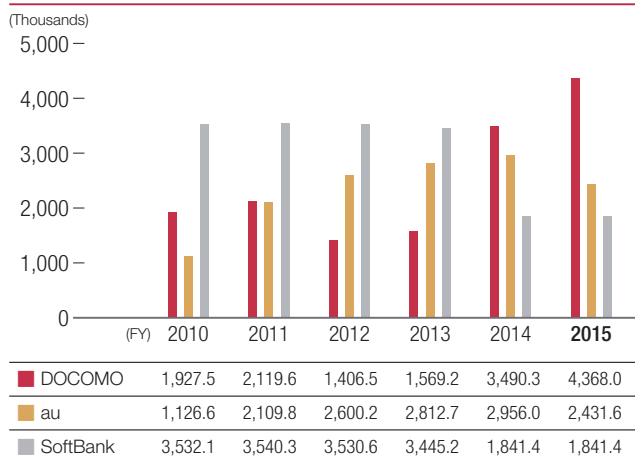
## Share of mobile phone subscriptions

Source: Telecommunications Carriers Association



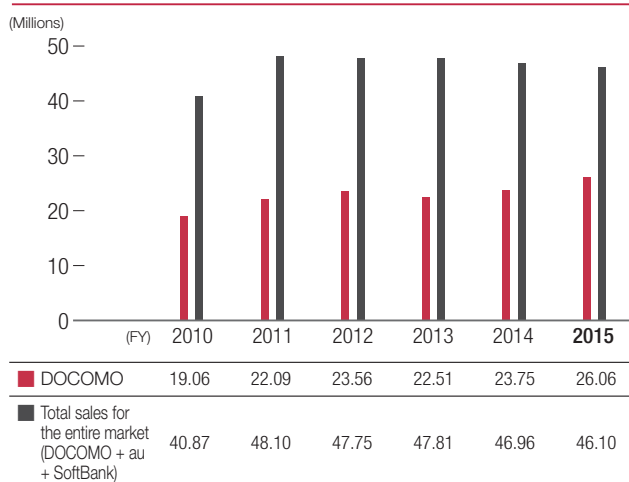
## Net additions

Source: Telecommunications Carriers Association



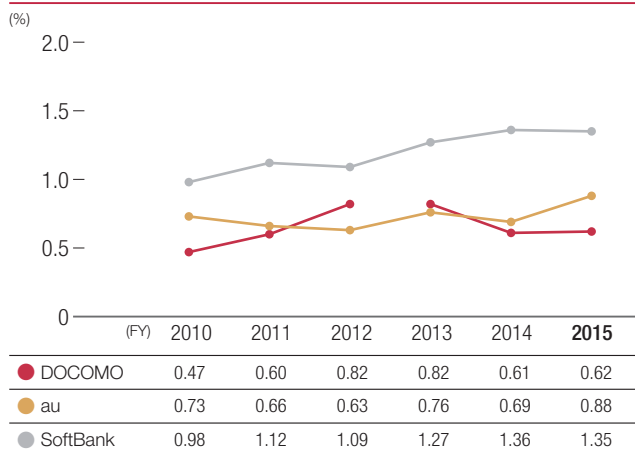
## Number of handsets sold

Source: Figures announced by each company



## Churn rate\*

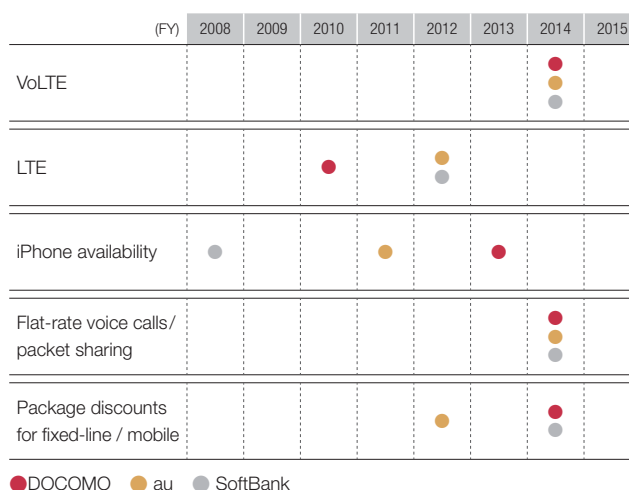
Source: Figures announced by each company



\* The definition of churn rate changed from fiscal 2015, and MVNO subscription and cancellation numbers are no longer included. Accordingly, the figures for fiscal 2013 and fiscal 2014 have been adjusted.

## Timing of introduction of principal services for three major domestic telecommunications companies

Source: Based on announcements by each company

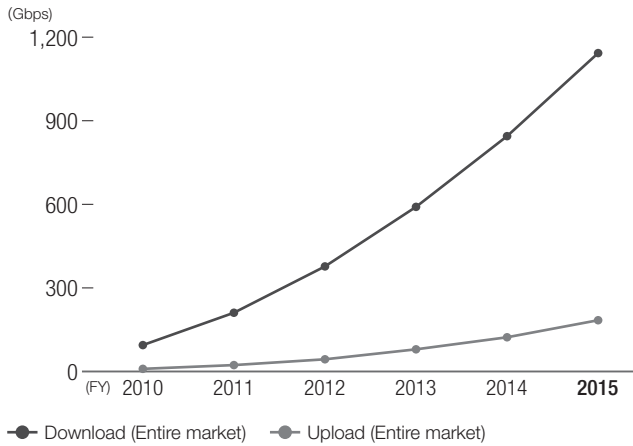


Note: The figures for SoftBank from FY2010-2014 do not include EMOBILE (currently Y!mobile). The figures for FY2015 include Y!mobile.



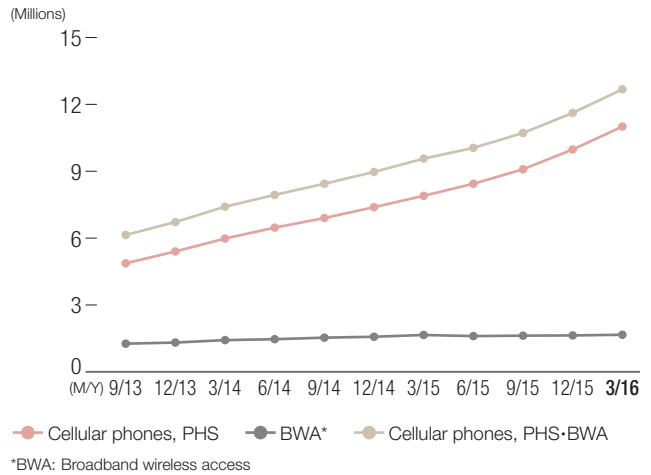
### Mobile communications traffic in Japan

Source: Ministry of Internal Affairs and Communications (MIC), *Statistics and Estimates Regarding Internet Traffic in Japan*, released on July 22, 2016 (Aggregate results for May 2016)



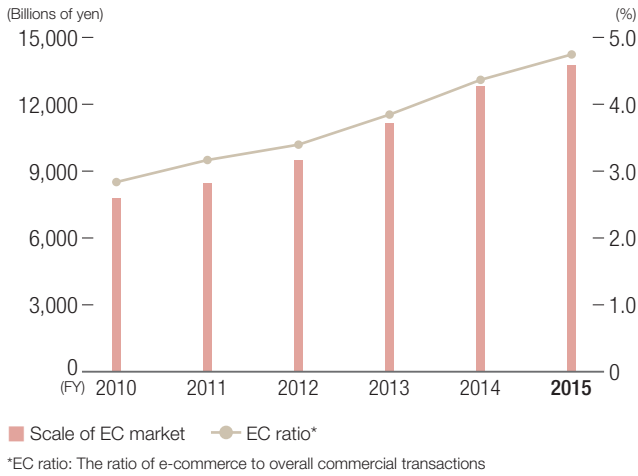
### Number of MVNO service subscriptions

Source: MIC, *Quarterly Data on the Number of Telecommunications Service Subscriptions and Market Shares (FY2015 Q4 (End of March 2016))*



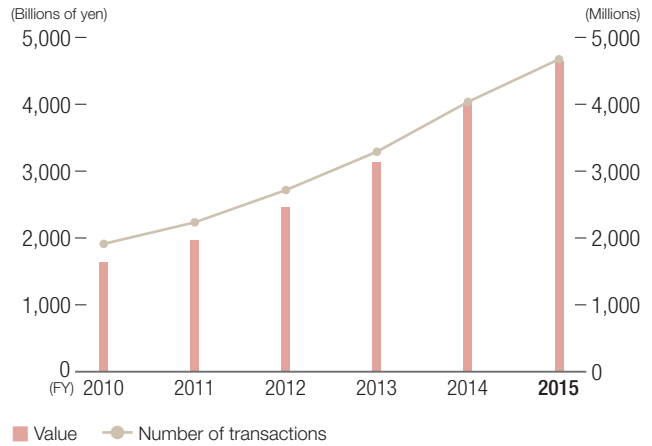
### Scale of B to C-EC market and EC ratio

Source: METI, *FY2015 E-Commerce Market Survey* (June 14, 2016)



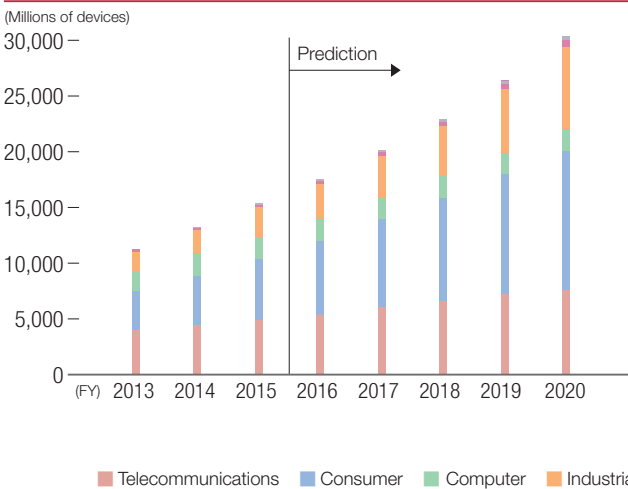
### Scale of market for electronic settlement

Source: Bank of Japan, *Payment and Settlement Statistics* (March 2016)



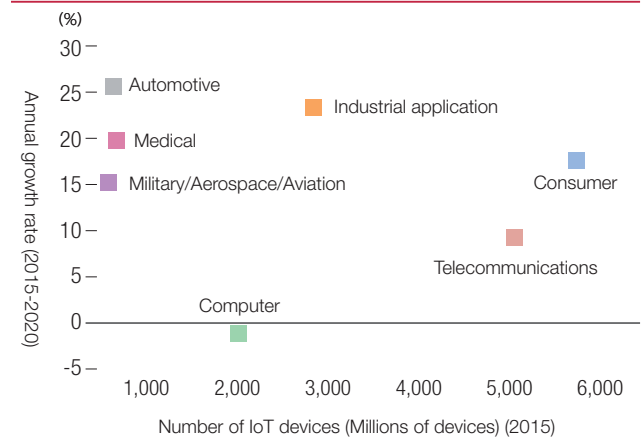
### International scale and prediction of IoT devices

Source: MIC, *White Paper on Information and Communications in Japan 2015*,\* July 2016



### Number and growth rate of IoT devices by field/industry

Source: MIC, *White Paper on Information and Communications in Japan 2015*,\* July 2016



\* <http://www.soumu.go.jp/johotsusintokei/whitepaper/ja/h28/pdf/28point.pdf> (Japanese only)

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

NTT DOCOMO, INC. and Subsidiaries

Fiscal years	2005	2006	2007	2008
<b>Operating results:</b>				
Operating revenues	4,765,872	4,788,093	4,711,827	4,447,980
Telecommunications services <sup>1,2</sup>	4,204,003	4,201,090	4,008,267	3,631,391
Equipment sales <sup>2</sup>	470,016	473,953	546,593	606,898
Other operating revenues <sup>1,2</sup>	91,853	113,050	156,967	209,691
Operating expenses	3,933,233	4,014,569	3,903,515	3,617,021
Operating income	832,639	773,524	808,312	830,959
Net income attributable to NTT DOCOMO, INC. <sup>3</sup>	610,481	457,278	491,202	471,873
Comprehensive income attributable to NTT DOCOMO, INC. <sup>3</sup>	579,653	448,214	478,738	405,774
Total assets <sup>3</sup>	6,365,257	6,116,215	6,210,834	6,488,220
Total interest-bearing liabilities	792,405	602,965	478,464	639,233
Total shareholders' equity <sup>3</sup>	4,052,017	4,161,303	4,276,496	4,341,585
Debt-to-equity ratio <sup>3,4</sup> (Times)	0.196	0.145	0.112	0.147
Shareholders' equity ratio <sup>3</sup>	63.7%	68.0%	68.9%	66.9%
Net cash provided by operating activities	1,610,941	980,598	1,560,140	1,173,677
Net cash used in investing activities	(951,077)	(947,651)	(758,849)	(1,030,983)
Adjusted free cash flows <sup>5,6</sup>	510,905	192,237	442,410	93,416
Capital expenditures	887,113	934,423	758,743	737,606
Research and development expenses	110,509	99,315	100,035	100,793
Depreciation and amortization	738,137	745,338	776,425	804,159
Operating income margin	17.5%	16.2%	17.2%	18.7%
EBITDA <sup>6</sup>	1,606,776	1,574,570	1,639,096	1,678,422
EBITDA margin <sup>6</sup>	33.7%	32.9%	34.8%	37.7%
ROE	15.3%	11.1%	11.6%	11.0%
Price-earnings ratio (Times)	12.90	20.97	13.26	11.97
Payout ratio <sup>3</sup>	29.6%	38.5%	42.1%	43.0%
<b>Per share data<sup>7</sup> (Yen):</b>				
Earnings per share attributable to NTT DOCOMO, INC. <sup>3</sup>	134.91	103.96	113.91	111.72
Shareholders' equity per share <sup>3</sup>	911.09	954.57	1,003.21	1,039.66
Cash dividends declared per share <sup>8</sup>	40	40	48	48
<b>Shares<sup>7</sup>:</b>				
Average common shares outstanding	4,525,003,100	4,398,508,200	4,312,058,600	4,223,871,500
<b>Non-financial data:</b>				
Number of directors (of which independent outside directors) <sup>9</sup>	13 (0)	12 (0)	13 (0)	13 (0)
Number of consolidated employees (of which NTT DOCOMO, INC.) <sup>10, 11</sup>	21,646 (6,013)	21,591 (5,947)	22,100 (5,843)	21,831 (11,463)
Ratio of female officers and managers (NTT DOCOMO, INC.) <sup>10, 11, 12</sup>	—	—	—	—
Electricity usage (MWh)	2,441,270	2,655,428	2,762,238	2,766,979
Paper usage (t)	31,693	32,306	37,484	35,142

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.

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.

(Millions of yen)

2009	2010	2011	2012	2013	2014	2015
4,284,404	4,224,273	4,240,003	4,470,122	4,461,203	4,383,397	<b>4,527,084</b>
3,462,783	3,361,235	3,334,036	3,176,931	2,963,980	2,747,155	<b>2,815,507</b>
507,495	477,404	498,889	758,093	872,000	904,089	<b>860,486</b>
314,126	385,634	407,078	535,098	625,223	732,153	<b>851,091</b>
3,450,159	3,379,544	3,365,543	3,632,942	3,642,004	3,744,326	<b>3,744,060</b>
834,245	844,729	874,460	837,180	819,199	639,071	<b>783,024</b>
494,781	490,485	463,912	491,026	464,729	410,093	<b>548,378</b>
523,091	450,909	436,338	546,443	523,431	453,102	<b>510,667</b>
6,756,775	6,791,593	6,948,082	7,169,725	7,508,030	7,146,340	<b>7,214,114</b>
610,347	428,378	256,680	253,766	230,346	222,651	<b>222,164</b>
4,635,877	4,850,436	5,062,527	5,368,475	5,643,366	5,380,072	<b>5,302,248</b>
0.132	0.088	0.051	0.047	0.041	0.041	<b>0.042</b>
68.6%	71.4%	72.9%	74.9%	75.2%	75.3%	<b>73.5%</b>
1,182,818	1,287,037	1,110,559	932,405	1,000,642	962,977	<b>1,209,131</b>
(1,163,926)	(455,370)	(974,585)	(701,934)	(703,580)	(651,194)	<b>(375,251)</b>
416,878	589,777	503,479	225,589	257,209	295,590	<b>598,744</b>
686,508	668,476	726,833	753,660	703,124	661,765	<b>595,216</b>
109,916	109,108	108,474	111,294	102,039	96,997	<b>83,315</b>
701,146	693,063	684,783	700,206	718,694	659,787	<b>625,934</b>
19.5%	20.0%	20.6%	18.7%	18.4%	14.6%	<b>17.3%</b>
1,568,126	1,565,728	1,583,298	1,569,264	1,572,196	1,369,092	<b>1,454,556</b>
36.6%	37.1%	37.3%	35.1%	35.2%	31.2%	<b>32.1%</b>
11.0%	10.3%	9.4%	9.4%	8.4%	7.4%	<b>10.3%</b>
12.00	12.39	12.28	12.00	14.53	20.54	<b>18.06</b>
43.8%	44.1%	50.1%	50.7%	53.5%	64.0%	<b>49.5%</b>
118.64	117.97	111.87	118.41	112.07	101.55	<b>141.30</b>
1,114.24	1,169.69	1,220.84	1,294.62	1,360.91	1,386.09	<b>1,409.94</b>
52	52	56	60	60	65	<b>70</b>
4,170,573,800	4,157,685,900	4,146,760,100	4,146,760,100	4,146,760,100	4,038,191,678	<b>3,880,823,341</b>
13(0)	13(0)	13(0)	14(1)	15(1)	14(1)	<b>15(2)</b>
22,297(11,053)	22,954(11,062)	23,289(11,053)	23,890(10,903)	24,860(10,973)	25,680(7,344)	<b>26,129(7,616)</b>
—	—	—	2.4%	2.7%	3.0%	<b>3.6%</b>
2,735,061	2,814,866	2,944,856	2,866,617	2,873,781	3,013,666	<b>2,887,216</b>
35,770	29,934	33,203	33,083	21,314	15,601	<b>10,498</b>

6. For the reconciliations of these Non-GAAP Financial Measures, see page 78.

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 2005 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.

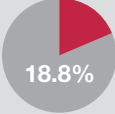
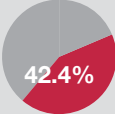


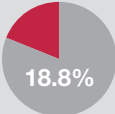
9. The data on the numbers of directors is as of July 1 of the following fiscal year.

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.

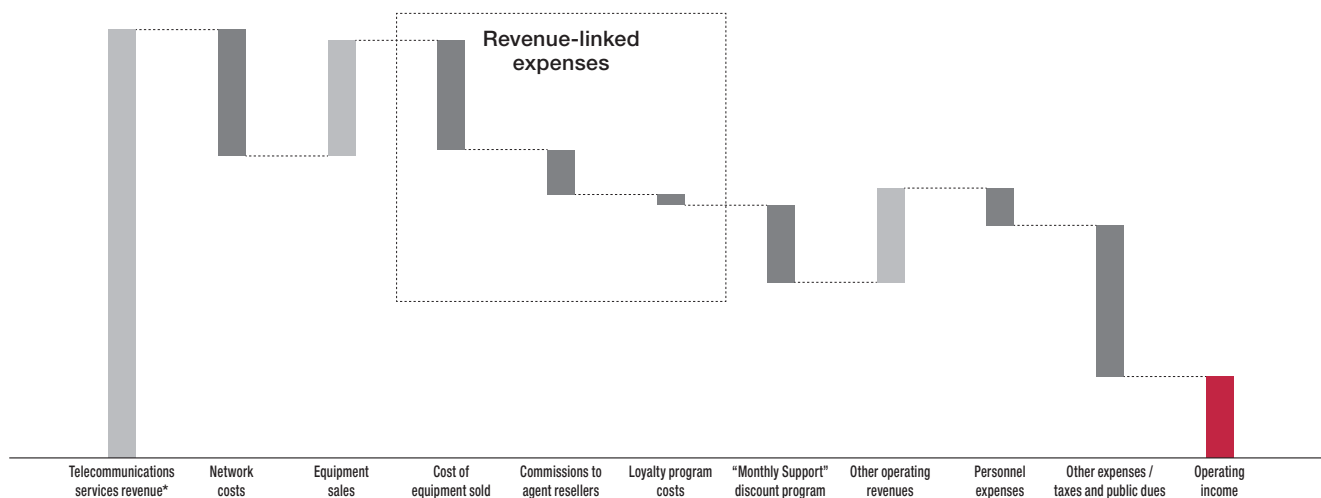
12. The data on the ratios of female officers and managers prior to FY2012 is not disclosed.

## ■ DOCOMO's Revenue and Expense Structure

Operating revenues		Principal components of revenues	Results of fiscal year ended March 2016 and percentage of consolidated revenues	
Telecommunications services	Mobile communications services	Voice	<ul style="list-style-type: none"> <li>Basic monthly charges</li> <li>Calling charges</li> <li>Packet communications charges</li> </ul>	<b>¥849.4 billion</b> (Decreased 3.9% YOY) 
		Packet communications		<b>¥1,918.2 billion</b> (Increased 3.5% YOY) 
	Optical-fiber broadband service and other telecommunications service	<ul style="list-style-type: none"> <li>Revenues from optical-fiber broadband service, satellite communications services, and overseas cable TV service</li> </ul>	<b>¥47.9 billion</b> (Increased 356.1% YOY) 	
Equipment sales		<ul style="list-style-type: none"> <li>Revenues from sales of mobile phone handsets that the Company purchases from manufacturers and sells to its agent resellers</li> </ul>	<b>¥860.5 billion</b> (Decreased 4.8% YOY) 	
Other operating revenues		<ul style="list-style-type: none"> <li>Revenues from content and services provided for smartphones and tablets through "dmarket" operated by DOCOMO</li> <li>"Mobile Phone Device Protection &amp; Delivery Service"/"Mobile Device Protection Service"-related revenues</li> <li>Revenues from services developed on platforms built for mobile communications devices, such as education and healthcare services</li> <li>Revenues from various new business areas developed by subsidiaries</li> <li>Revenues from "iD," a payment system using mobile communications devices, and "d CARD," a credit card business</li> </ul>	<b>¥851.1 billion</b> (Increased 16.2% YOY) 	



## 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. 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 and records revenue-linked expenses, such as cost of equipment sold and commissions to agent resellers.

The smart life business and other businesses segment is 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. Going forward, we will expand the smart life and other businesses segment to a similar scale as the telecommunications business and aim for growth in revenues and profit.

## Operating revenues, operating income and assets by segment for fiscal 2015

	(Millions of yen)					
	Telecommunications business	Smart life business	Other businesses	Total	Elimination	Consolidated
Segment operating revenues:						
External customers	3,688,486	491,234	347,364	4,527,084		4,527,084
Intersegment	1,293	12,895	11,912	26,100	(26,100)	—
Subtotal	3,689,779	504,129	359,276	4,553,184	(26,100)	4,527,084
Segment operating income	708,854	46,450	27,720	783,024		783,024

	(Millions of yen)						
	Telecommunications business	Smart life business	Other businesses	Total	Elimination	Corporate	Consolidated
Segment assets	5,309,327	601,601	237,862	6,148,790	(1,988)	1,067,312	7,214,114
Depreciation and amortization	592,073	16,892	16,969	625,934			625,934
Capital expenditures	573,893	13,855	7,468	595,216			595,216

# Fiscal 2015 Financial Review

## Operating Revenues

In fiscal 2015, DOCOMO's operating revenues increased ¥143.7 billion (3.3%) year on year to ¥4,527.1 billion, which was ¥37.1 billion (0.8%) higher than the mid-year revised operating revenues forecast of ¥4,490.0 billion. By revenue category, equipment sales revenues decreased ¥43.6 billion (4.8%) year on year to ¥860.5 billion, while other operating revenues increased by ¥118.9 billion (16.2%) to ¥851.1 billion, and telecommunications services revenues increased ¥68.4 billion (2.5%) to ¥2,815.5 billion.

Even though the negative impact of the "Monthly Support" discount program on telecommunications services continued, with the expansion of the tablet line-up and sales promotions, an increasing number of customers are buying multiple devices and migrating to higher usage plans, leading to a year-on-year increase in packet communications revenues.

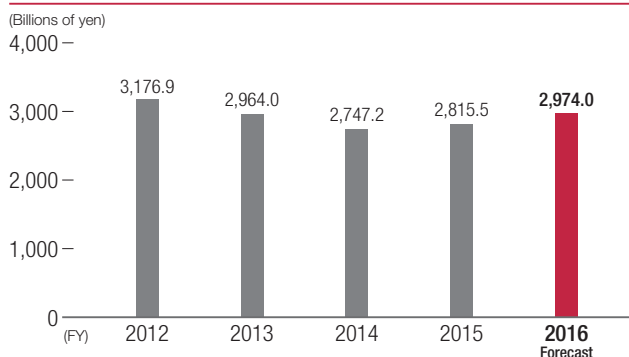
As a result, in mobile communications services revenues, voice revenues decreased ¥34.4 billion (3.9%) year on year to ¥849.4 billion. Packet communications revenues increased ¥65.3 billion (3.5%) to ¥1,918.2 billion. Also, optical-fiber broadband service and other telecommunications service revenues increased ¥37.4 billion (356.1%) to ¥47.9 billion.

The growth of revenues in the smart life and other businesses segment contributed to an increase in other operating revenues. The main factors behind this growth were the expansion in content services revenues from "dmarket" among others, an increase in the transaction volume of "d CARD" and other finance/payment services transactions, an expansion of revenues from Group company services such as shopping services, the increased number of "Mobile Device Protection Service" contracts, and the growth of revenues relating to IoT businesses.

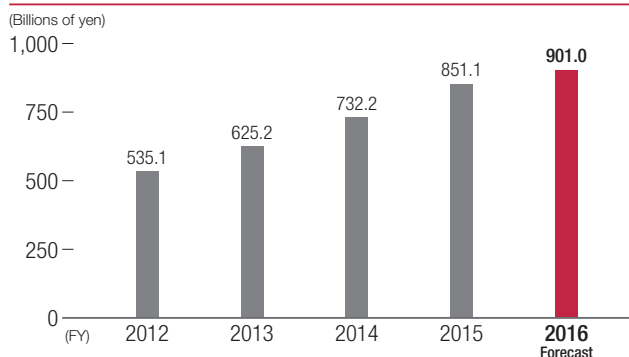
## Operating Expenses

Operating expenses decreased ¥0.3 billion year on year, to ¥3,744.1 billion. Operating expenses from the telecommunications business were ¥2,980.9 billion, a decrease of ¥37.6 billion (1.2%) year on year. This was due mainly to decreases in selling expenses and network-related expenses as a result of cost efficiency improvements, despite an increase in costs associated with increased revenues in the smart life and other businesses segment. However, operating expenses from the smart life business were ¥457.7 billion, an increase of ¥12.0 billion (2.7%) year on year. The main factor was an increase in expenses associated with the growth in content services revenues from "dmarket," etc., which more than offset the reduction of impairment loss of the multimedia broadcasting

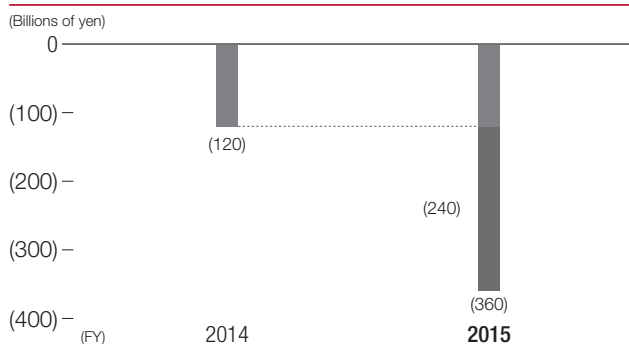
### Telecommunications services revenues



### Other operating revenues



### Cost efficiency improvement\* (cumulative amounts)

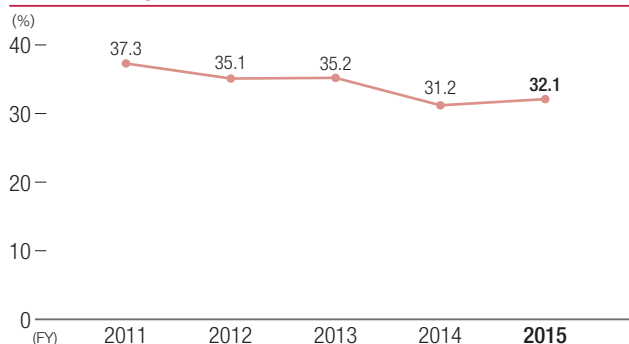


\* Cumulative amounts are in comparison with the level of FY2013.

business for mobile devices assets, which has been included from the previous fiscal year.

Furthermore, cost reductions in fiscal 2015 totaled ¥240.0 billion, exceeding the initial annual target. With regard to the ¥400.0 billion cumulative cost efficiency medium-term target for fiscal 2017 (compared with fiscal 2013), by the end of fiscal 2015 we had achieved ¥360.0 billion. A wide range of efforts for cost efficiency improvements in capital expenditures have been implemented in terms of network-related expenses through a decrease in depreciation and amortization and the streamlining of maintenance outsourcing costs, sales-related marketing expenses as well as in the areas of R&D and information systems.

### EBITDA margin



### Operating Income

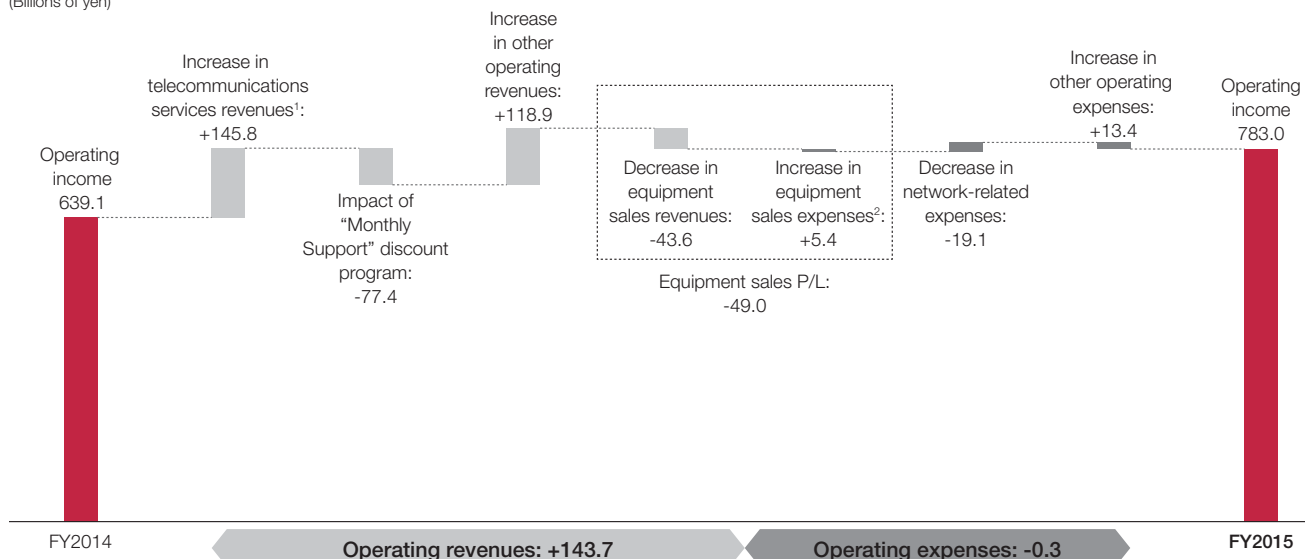
As a result, operating income increased ¥144.0 billion (22.5%) year on year to ¥783.0 billion, which was ¥73.0 billion (10.3%) more than the mid-year revised forecast. EBITDA increased ¥85.5 billion to ¥1,454.6 billion, and the EBITDA margin increased 0.9 percentage points to 32.1%.

### Financial Position

Total assets as of March 31, 2016 increased ¥67.8 billion (0.9%) from the previous year-end to ¥7,214.1 billion. This increase was due mainly to an increase in cash and cash equivalents resulting from growth in earnings in the telecommunications business and cost efficiency improvements.

### Key factors behind YOY changes in operating income

(Billions of yen)



1. Excluding impact of "Monthly Support" discount program

2. Sum of cost of equipment sold and commissions to agent resellers

Total liabilities as of March 31, 2016 increased ¥126.7 billion (7.3%) year on year to ¥1,854.8 billion, due mainly to increases in liability for employees' retirement benefits and accrued income taxes. Interest-bearing liabilities totaled ¥222.2 billion, a decrease of ¥0.5 billion (0.2%).

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 position a high-level rating, even when compared to global telecommunications operators.

## Cash Flows

Net cash provided by operating activities increased ¥246.2 billion (25.6%) year on year to ¥1,209.1 billion. This increase was due to an increase in proceeds from customers in relation to collection of installment receivables for customers' handset purchases and a decrease in expenditures resulting from a decrease in the amount of income taxes paid.

Net cash used in investing activities decreased ¥275.9 billion (42.4%) year on year to ¥375.3 billion. This decrease was mainly attributable to an increase in proceeds from redemption of long-term bailment for consumption to a related party and a decrease in expenditures for purchases of property, plant and equipment as a result of the streamlining of "advanced C-RAN"<sup>1</sup> assets at the beginning of the period. In particular, capital expenditures decreased by ¥66.5 billion (10.1%) year on year. This decrease was due to pursuing more efficient use of capital expenditures through the consolidation and increased capacity of our facilities by introducing new technologies or equipment, such as "advanced C-RAN." We also pursued further improvement of construction efficiency in telecommunications facilities and reduction of equipment procurement costs.

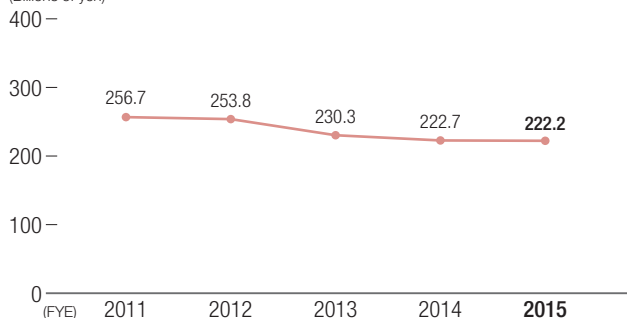
Net cash used in financing activities decreased ¥150.6 billion (20.5%) year on year to ¥583.6 billion. This was due mainly to a decrease in expenditures for share repurchases.

As a result, the balance of cash and cash equivalents totaled ¥354.4 billion as of March 31, 2016, an increase of ¥248.9 billion (235.8%) from the previous fiscal year-end. Also, free cash flows<sup>2</sup> in fiscal 2015 increased ¥303.2 billion (102.6%), to ¥598.7 billion.

1. Technology for increasing the utilization efficiency of frequencies by simultaneously controlling base stations covering broad areas and base stations covering localized areas.
2. Free cash flows = Net cash provided by operating activities + Net cash used in investing activities (excluding changes in investments derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.)

## Interest-bearing liabilities

(Billions of yen)



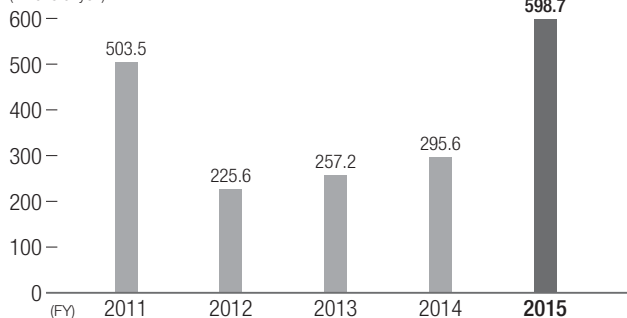
## DOCOMO's ratings

(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+

## Adjusted free cash flows\*

(Billions of yen)



\* 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 2016

For fiscal 2016, we are forecasting increases in operating revenues and operating income. In addition to continuing intense competition among existing companies in the industry, the market is seeing dramatic changes due to the entry of a wide range of new players and the government's policy of promoting competition. We will accelerate our “+d” value co-creation initiatives with the aim of delivering new value by combining the business assets that we have accumulated through our operations, such as our payment platform and loyalty program. At the same time, we will strive to reinforce the competitiveness of the telecommunications business by enhancing our fee services and expanding the adoption of optical-fiber broadband service as key components to strengthen our earnings capacity.

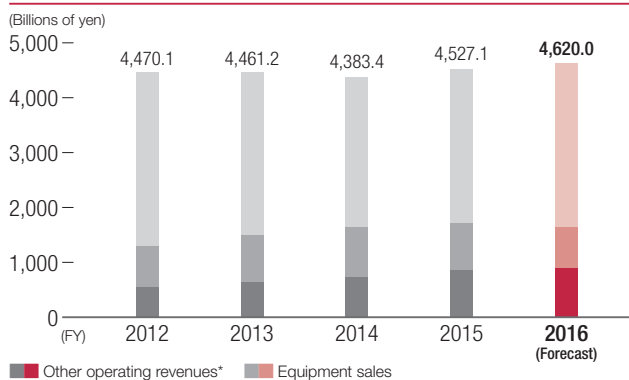
Operating revenues for fiscal 2016 are forecast to increase ¥92.9 billion (2.1%) year on year to ¥4,620.0 billion. Although a decline in revenues from equipment sales is expected, we anticipate an increase in optical-fiber broadband service revenues from the projected growth in the number of “docomo Hikari” users. We also expect an increase in packet communications revenues from initiatives to increase packet use by subscribers to the billing plan “Kake-hodai & Pake-aeru” and an increase in data use through tablets and other devices. Furthermore, we also anticipate growth of revenues from the smart life business and other businesses segment.

In terms of operating expenses, we project an increase in expenses associated with the growth of revenues from the smart life and other businesses segment and the expansion of “docomo Hikari” revenues. Operating expenses are expected to decrease by ¥34.1 billion (0.9%) to ¥3,710.0 billion year on year, due primarily to a decline of depreciation and amortization expenses as a result of changing our method for calculating depreciation,\* as well as a decrease in cost of equipment sold and initiatives to pursue further cost efficiencies.

Accordingly, we are forecasting operating income in fiscal 2016 of ¥910.0 billion, an increase of ¥127.0 billion (16.2%) year on year.

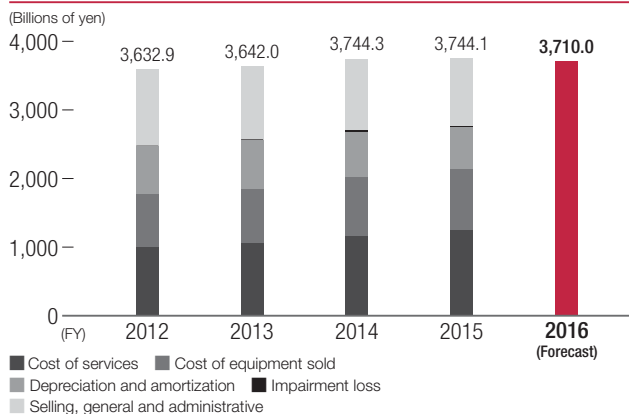
\* While historically the Group has principally used the declining-balance method for calculating the depreciation of property, plant and equipment, from the fiscal year ending March 31, 2017, as a general rule, we plan to begin using the straight-line method for calculating the depreciation of property, plant and equipment.

## Operating revenues

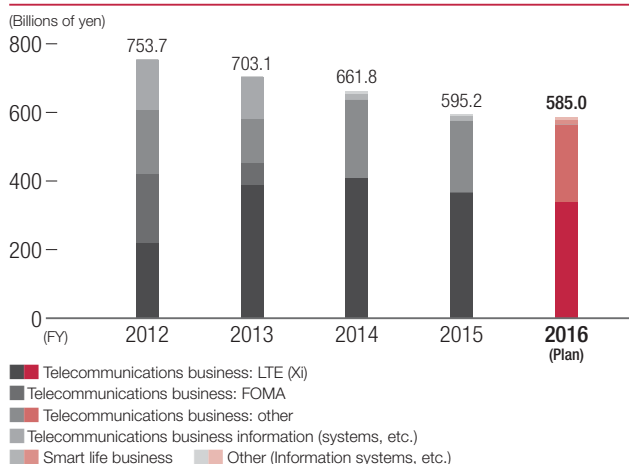


\* In the fiscal year ended March 31, 2015, some elements that were previously included in other operating revenues (revenues from satellite telephone, overseas cable TV, and other services) are included in optical-fiber broadband service and other telecommunications services revenues. Accordingly, other operating revenues for the fiscal year ended March 31, 2014, have been reclassified, and the amount of the reclassification is ¥8.2 billion.

## Operating expenses



## Capital expenditures





# Consolidated Balance Sheets

NTT DOCOMO, INC. and Subsidiaries  
March 31, 2015 and 2016

Millions of yen

ASSETS	2015	2016
<b>Current assets:</b>		
Cash and cash equivalents	105,553	354,437
Short-term investments		
Third parties	3,757	5,872
Related parties	240,000	—
Accounts receivable		
Third parties	258,761	232,698
Related parties	5,830	4,342
Receivables held for sale	897,999	972,851
Credit card receivables	234,412	276,492
Other receivables		
Third parties	30,576	61,334
Related parties	296,699	319,762
Total accounts receivable, receivables held for sale, credit card receivables and other receivables	1,724,277	1,867,479
Less: Allowance for doubtful accounts	(14,100)	(17,427)
Total accounts receivable, receivables held for sale, credit card receivables and other receivables, net	1,710,177	1,850,052
Inventories	186,275	153,876
Deferred tax assets	61,512	107,058
Prepaid expenses and other current assets		
Third parties	98,618	101,790
Related parties	9,484	7,108
Total current assets	2,415,376	2,580,193
<b>Property, plant and equipment:</b>		
Wireless telecommunications equipment	5,027,390	5,084,416
Buildings and structures	890,382	896,815
Tools, furniture and fixtures	508,810	468,800
Land	200,736	199,054
Construction in progress	193,497	190,261
Sub-total	6,820,815	6,839,346
Accumulated depreciation and amortization	(4,309,748)	(4,398,970)
Total property, plant and equipment, net	2,511,067	2,440,376
<b>Non-current investments and other assets:</b>		
Investments in affiliates	439,070	411,395
Marketable securities and other investments	195,047	182,905
Intangible assets, net	636,319	615,013
Goodwill	266,311	243,695
Other assets		
Third parties	430,633	468,895
Related parties	15,090	10,208
Deferred tax assets	237,427	261,434
Total non-current investments and other assets	2,219,897	2,193,545
<b>Total assets</b>	<b>7,146,340</b>	<b>7,214,114</b>

Millions of yen

LIABILITIES AND EQUITY	2015	2016
<b>Current liabilities:</b>		
Current portion of long-term debt	203	200
Short-term borrowings	2,048	1,764
Accounts payable, trade		
Third parties	664,945	611,835
Related parties	146,854	181,249
Accrued payroll	54,955	53,837
Accrued income taxes	68,563	165,332
Other current liabilities		
Third parties	169,631	198,292
Related parties	7,103	7,310
Total current liabilities	1,114,302	1,219,819
<b>Long-term liabilities:</b>		
Long-term debt (exclusive of current portion)	220,400	220,200
Accrued liabilities for point programs	89,929	75,182
Liability for employees' retirement benefits	173,872	201,604
Other long-term liabilities		
Third parties	127,932	136,602
Related parties	1,700	1,381
Total long-term liabilities	613,833	634,969
Total liabilities	1,728,135	1,854,788
<b>Redeemable noncontrolling interests</b>	15,589	16,221
<b>Equity:</b>		
NTT DOCOMO, INC. shareholders' equity		
Common stock, without a stated value—		
Authorized shares		
17,460,000,000 shares as of March 31, 2015 and 2016		
Issued shares		
4,085,772,000 shares as of March 31, 2015		
3,958,543,000 shares as of March 31, 2016		
Outstanding shares		
3,881,483,855 shares as of March 31, 2015		
3,760,616,750 shares as of March 31, 2016	949,680	949,680
Additional paid-in capital	339,783	330,482
Retained earnings	4,397,228	4,413,030
Accumulated other comprehensive income (loss)	52,599	14,888
Treasury stock		
204,288,145 shares as of March 31, 2015		
197,926,250 shares as of March 31, 2016	(359,218)	(405,832)
Total NTT DOCOMO, INC. shareholders' equity	5,380,072	5,302,248
Noncontrolling interests	22,544	40,857
Total equity	5,402,616	5,343,105
<b>Commitments and contingencies</b>		
<b>Total liabilities and equity</b>	7,146,340	7,214,114

# Consolidated Statements of Income

NTT DOCOMO, INC. and Subsidiaries  
Years ended March 31, 2014, 2015 and 2016

Millions of yen

	2014	2015	2016
<b>Operating revenues:</b>			
Telecommunications services			
Third parties	2,942,847	2,727,891	<b>2,789,673</b>
Related parties	21,133	19,264	<b>25,834</b>
Equipment sales			
Third parties	870,597	903,231	<b>859,875</b>
Related parties	1,403	858	<b>611</b>
Other operating revenues			
Third parties	582,938	682,967	<b>806,491</b>
Related parties	42,285	49,186	<b>44,600</b>
Total operating revenues	4,461,203	4,383,397	<b>4,527,084</b>
<b>Operating expenses:</b>			
Cost of services (exclusive of items shown separately below)			
Third parties	808,790	876,285	<b>933,027</b>
Related parties	250,829	283,229	<b>315,526</b>
Cost of equipment sold (exclusive of items shown separately below)	785,209	853,062	<b>881,471</b>
Depreciation and amortization	718,694	659,787	<b>625,934</b>
Impairment loss	—	30,161	<b>9,063</b>
Selling, general and administrative			
Third parties	876,903	835,882	<b>806,626</b>
Related parties	201,579	205,920	<b>172,413</b>
Total operating expenses	3,642,004	3,744,326	<b>3,744,060</b>
<b>Operating income</b>	819,199	639,071	<b>783,024</b>
<b>Other income (expense):</b>			
Interest expense	(1,211)	(797)	<b>(512)</b>
Interest income	1,680	1,283	<b>987</b>
Other, net	13,381	4,326	<b>(5,478)</b>
Total other income (expense)	13,850	4,812	<b>(5,003)</b>
<b>Income before income taxes and equity in net income (losses) of affiliates</b>	833,049	643,883	<b>778,021</b>
<b>Income taxes:</b>			
Current	319,683	218,552	<b>267,249</b>
Deferred	(11,704)	19,515	<b>(55,530)</b>
Total income taxes	307,979	238,067	<b>211,719</b>
<b>Income before equity in net income (losses) of affiliates</b>	525,070	405,816	<b>566,302</b>
Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates)	(69,117)	(7,782)	<b>(5,060)</b>
<b>Net income</b>	455,953	398,034	<b>561,242</b>
Less: Net (income) loss attributable to noncontrolling interests	8,776	12,059	<b>(12,864)</b>
<b>Net income attributable to NTT DOCOMO, INC.</b>	464,729	410,093	<b>548,378</b>
<b>Per share data:</b>			
Weighted average common shares outstanding – Basic and Diluted (Shares)	4,146,760,100	4,038,191,678	<b>3,880,823,341</b>
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (Yen)	112.07	101.55	<b>141.30</b>

# Consolidated Statements of Comprehensive Income

NTT DOCOMO, INC. and Subsidiaries  
Years ended March 31, 2014, 2015 and 2016

	2014	2015	Millions of yen 2016
<b>Net income</b>	455,953	398,034	<b>561,242</b>
<b>Other comprehensive income (loss):</b>			
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	8,751	22,468	<b>(4,715)</b>
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	(84)	120	<b>(1,278)</b>
Unrealized gains (losses) on cash flow hedges, net of applicable taxes	(76)	(20)	<b>(148)</b>
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	59	16	<b>31</b>
Foreign currency translation adjustment, net of applicable taxes	31,653	29,678	<b>(10,324)</b>
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	6,010	—	<b>(263)</b>
Pension liability adjustment, net of applicable taxes			
Actuarial gains (losses) arising during period, net	11,929	(9,159)	<b>(21,634)</b>
Prior service cost arising during period, net	3,361	—	—
Less: Amortization of prior service cost	(1,457)	(894)	<b>(824)</b>
Less: Curtailment gain	(3,294)	—	—
Less: Amortization of actuarial gains and losses	1,963	1,104	<b>1,417</b>
Less: Amortization of transition obligation	80	72	<b>33</b>
Total other comprehensive income (loss)	58,895	43,385	<b>(37,705)</b>
<b>Comprehensive income</b>	<b>514,848</b>	<b>441,419</b>	<b>523,537</b>
Less: Comprehensive (income) loss attributable to noncontrolling interests	8,583	11,683	<b>(12,870)</b>
<b>Comprehensive income attributable to NTT DOCOMO, INC.</b>	<b>523,431</b>	<b>453,102</b>	<b>510,667</b>

# Consolidated Statements of Changes in Equity

NTT DOCOMO, INC. and Subsidiaries  
Years ended March 31, 2014, 2015 and 2016

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, 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 (¥60 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
Purchase of treasury stock					(307,486)	(307,486)		(307,486)
Retirement of treasury stock			(260,872)		260,872			
Cash dividends declared (¥70 per share)			(271,704)			(271,704)		(271,704)
Cash distributions to noncontrolling interests							(2,390)	(2,390)
Acquisition of new subsidiaries							22	22
Changes in interest in subsidiaries		(9,301)				(9,301)	8,489	(812)
Others							(46)	(46)
Net income			548,378			548,378	12,232	560,610
Other comprehensive income (loss)				(37,711)		(37,711)	6	(37,705)
Balance as of March 31, 2016	<b>949,680</b>	<b>330,482</b>	<b>4,413,030</b>	<b>14,888</b>	<b>(405,832)</b>	<b>5,302,248</b>	<b>40,857</b>	<b>5,343,105</b>

\* 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, 2014, 2015 and 2016

Millions of yen

	2014	2015	2016
<b>Cash flows from operating activities:</b>			
Net income	455,953	398,034	561,242
Adjustments to reconcile net income to net cash provided by operating activities –			
Depreciation and amortization	718,694	659,787	625,934
Deferred taxes	(11,704)	19,515	(55,530)
Loss on sale or disposal of property, plant and equipment	34,303	40,073	36,535
Inventory write-downs	4,415	13,716	18,880
Impairment loss	—	30,161	9,063
Impairment loss on marketable securities and other investments	3,055	902	636
Loss on sale of a subsidiary	—	—	13,117
Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates)	69,117	7,782	5,060
Dividends from affiliates	17,415	17,591	13,929
Changes in assets and liabilities:			
(Increase) / decrease in accounts receivable	(9,269)	17,489	22,406
(Increase) / decrease in receivables held for sale	(149,310)	(110,540)	(74,852)
(Increase) / decrease in credit card receivables	(13,849)	(7,497)	(22,551)
(Increase) / decrease in other receivables	(21,875)	(13,467)	(46,331)
Increase / (decrease) in allowance for doubtful accounts	(2,815)	2,931	3,884
(Increase) / decrease in inventories	(55,264)	32,270	13,125
(Increase) / decrease in prepaid expenses and other current assets	(7,661)	(10,565)	(4,966)
(Increase) / decrease in non-current receivables held for sale	(53,276)	(55,468)	(13,601)
Increase / (decrease) in accounts payable, trade	65,083	5,278	(32,544)
Increase / (decrease) in accrued income taxes	39,691	(107,166)	97,176
Increase / (decrease) in other current liabilities	(40,422)	16,964	31,638
Increase / (decrease) in accrued liabilities for point programs	(27,854)	(23,072)	(14,747)
Increase / (decrease) in liability for employees' retirement benefits	(10,732)	13,209	27,752
Increase / (decrease) in other long-term liabilities	(32,977)	11,925	11,488
Other, net	29,924	3,125	(17,612)
Net cash provided by operating activities	1,000,642	962,977	1,209,131
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(498,668)	(493,189)	(434,919)
Purchases of intangible and other assets	(213,508)	(170,203)	(179,010)
Purchases of non-current investments	(16,186)	(5,107)	(3,465)
Proceeds from sale of non-current investments	5,235	1,753	9,345
Acquisitions of subsidiaries, net of cash acquired	(19,213)	—	15
Purchases of short-term investments	(39,084)	(34,613)	(9,523)
Redemption of short-term investments	68,937	50,806	4,659
Proceeds from redemption of long-term bailment for consumption to a related party	10,000	—	240,000
Short-term bailment for consumption to a related party	(70,000)	—	—
Proceeds from redemption of short-term bailment for consumption to a related party	70,000	—	—
Other, net	(1,093)	(641)	(2,353)
Net cash used in investing activities	(703,580)	(651,194)	(375,251)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	50,000	—	—
Repayment of long-term debt	(74,989)	(248)	(203)
Proceeds from short-term borrowings	13,740	221,606	146,880
Repayment of short-term borrowings	(26,132)	(229,065)	(147,022)
Principal payments under capital lease obligations	(2,128)	(1,729)	(1,389)
Payments to acquire treasury stock	—	(473,036)	(307,486)
Dividends paid	(248,814)	(243,349)	(271,643)
Cash distributions to noncontrolling interests	(1,032)	(1,061)	(2,390)
Other, net	19,562	(7,375)	(355)
Net cash provided by (used in) financing activities	(269,793)	(734,257)	(583,608)
Effect of exchange rate changes on cash and cash equivalents	5,977	1,107	(1,388)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>33,246</b>	<b>(421,367)</b>	<b>248,884</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>493,674</b>	<b>526,920</b>	<b>105,553</b>
<b>Cash and cash equivalents at end of year</b>	<b>526,920</b>	<b>105,553</b>	<b>354,437</b>
<b>Supplemental disclosures of cash flow information:</b>			
<b>Cash received during the fiscal year for:</b>			
Income tax refunds	886	1,539	8,241
<b>Cash paid during the fiscal year for:</b>			
Interest, net of amount capitalized	1,578	876	400
Income taxes	280,434	326,107	176,806
<b>Non-cash investing and financing activities:</b>			
Assets acquired through capital lease obligations	1,513	940	965
Assets of wireless telecommunications equipment acquired through exchanges of similar equipment	—	3,605	3,844
Retirement of treasury stock	—	490,986	260,872

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

NTT DOCOMO, INC. and Subsidiaries  
Years ended March 31, 2012 to 2016

## EBITDA and EBITDA Margin

Years ended March 31	Billions of yen				
	2012	2013	2014	2015	2016
<b>a. EBITDA<sup>1</sup></b>	1,583.3	1,569.3	1,572.2	1,369.1	<b>1,454.6</b>
Depreciation and amortization	(684.8)	(699.8)	(718.7)	(659.8)	<b>(625.9)</b>
Loss on sale or disposal of property, plant and equipment	(24.1)	(31.9)	(34.3)	(40.1)	<b>(36.5)</b>
Impairment loss	—	(0.5)	—	(30.2)	<b>(9.1)</b>
Operating income	874.5	837.2	819.2	639.1	<b>783.0</b>
Other income (expense)	2.5	(3.8)	13.9	4.8	<b>(5.0)</b>
Income taxes	(391.8)	(323.1)	(308.0)	(238.1)	<b>(211.7)</b>
Equity in net income (losses) of affiliates, net of applicable taxes	(24.2)	(29.6)	(69.1)	(7.8)	<b>(5.1)</b>
Less: Net (income) loss attributable to noncontrolling interests	3.0	10.3	8.8	12.1	<b>(12.9)</b>
<b>b. Net income attributable to NTT DOCOMO, INC.</b>	<b>463.9</b>	<b>491.0</b>	<b>464.7</b>	<b>410.1</b>	<b>548.4</b>
<b>c. Operating revenues</b>	<b>4,240.0</b>	<b>4,470.1</b>	<b>4,461.2</b>	<b>4,383.4</b>	<b>4,527.1</b>
<b>EBITDA margin (= a/c)</b>	<b>37.3%</b>	<b>35.1%</b>	<b>35.2%</b>	<b>31.2%</b>	<b>32.1%</b>
<b>Net income margin (= b/c)</b>	<b>10.9%</b>	<b>11.0%</b>	<b>10.4%</b>	<b>9.4%</b>	<b>12.1%</b>

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				
	2012	2013	2014	2015	2016
Net cash provided by operating activities <sup>2</sup>	1,110.6	932.4	1,000.6	963.0	<b>1,209.1</b>
Net cash used in investing activities	(974.6)	(701.9)	(703.6)	(651.2)	<b>(375.3)</b>
Free cash flows	136.0	230.5	297.1	311.8	<b>833.9</b>
Irregular factors <sup>3</sup>	(147.0)	147.0	—	—	—
Effect of transfer of receivables <sup>2</sup>	—	(242.0)	—	—	—
Changes in investments for cash management purposes <sup>4</sup>	(220.5)	99.9	39.9	16.2	<b>235.1</b>
<b>Adjusted free cash flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes)</b>	<b>503.5</b>	<b>225.6</b>	<b>257.2</b>	<b>295.6</b>	<b>598.7</b>

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, 2016)

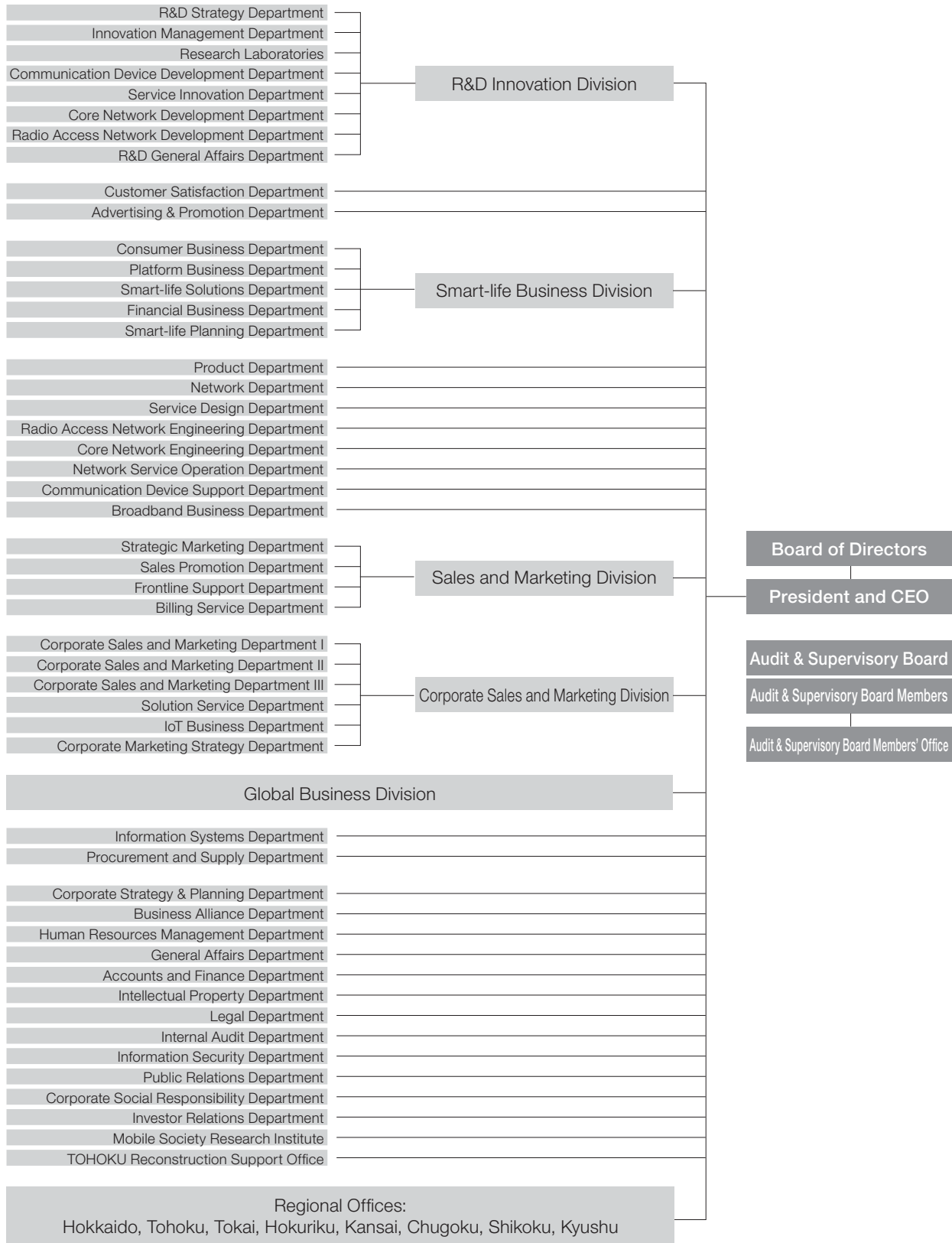
### Subsidiaries: 123

Company name	Voting rights ownership	Business activities
<b>Service subsidiaries: 12</b>		
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.	100.00%	Commissioned business from DOCOMO in research and development of mobile communications
and 8 other companies		
<b>Other subsidiaries: 111</b>		
Buongiorno S.p.A.	100.00%	Provision of mobile content and operation of content-distribution platform
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 PACIFIC, INC.	100.00%	Mobile and fixed-line communications business in Guam and the Commonwealth of the Northern Mariana Islands
net mobile AG	95.79%	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
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 cooking-related products and development of content information services
D2C Inc.	51.00%	Mobile advertising media development and operations and advertising sales business
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.	85.00%	Bicycle sharing business
DOCOMO gacco, Inc.	95.30%	Management of a school that offers free college-level lectures
and 89 other companies		

### Affiliates: 27

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
Avex 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.	15.71%	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
Automagi Inc.	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 9 other companies		

# Organizational Structure NTT DOCOMO, INC. (As of April 1, 2016)



## ■ Corporate Information (As of March 31, 2016)

### 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)

26,129

### 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, 2016)

### 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

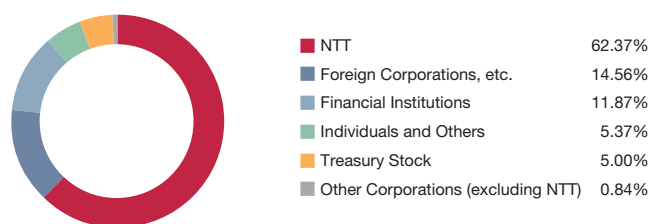
### Number of Shares

Total Number of Authorized Shares: 17,460,000,000  
Total Number of Issued Shares: 3,958,543,000

### Number of Shareholders

254,972

### Distribution of Ownership among Shareholders



\* The figures are based on the list of shareholders as of March 31, 2016.

### Principal Shareholders

Company	Number of shares held	Percentage of total issued shares (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2,469,084,400	65.66
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	79,961,200	2.13
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	70,624,200	1.88
BARCLAYS CAPITAL INC.	50,000,000	1.33
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	26,026,500	0.69
STATE STREET BANK WEST CLIENT - TREATY 505234	25,534,337	0.68
JP MORGAN CHASE BANK 380055	24,863,642	0.66
STATE STREET BANK AND TRUST COMPANY	22,451,874	0.60
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS	21,981,508	0.58
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)	19,872,100	0.53
Total	2,810,399,761	71.06

\* Treasury stocks are not included in the above list.



**NTT**  
**docomo**

NTT DOCOMO, INC.

