

beyond

Annual Report 2017

Year Ended March 31, 2017

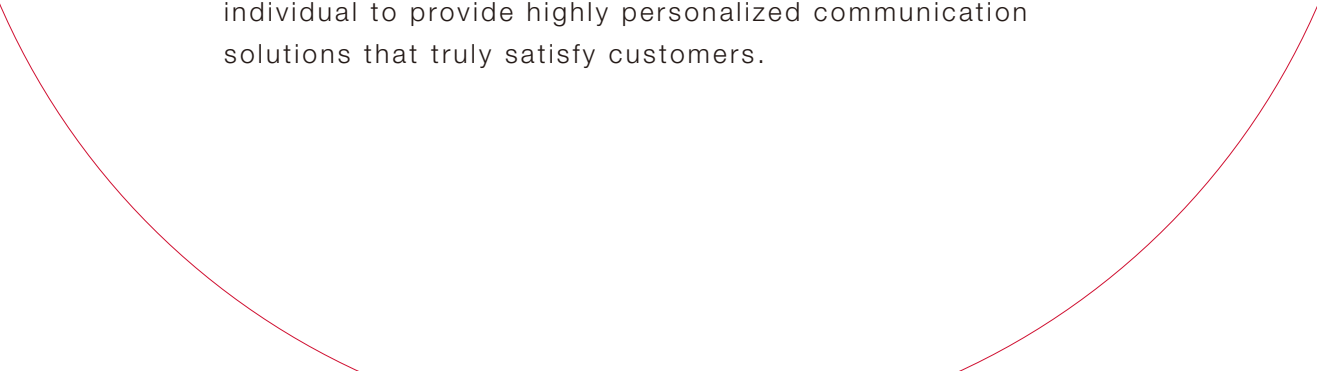


The new of today, the norm of tomorrow



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 2017 is intended as an integrated report, one which presents financial as well as non-financial content to give a holistic picture of NTT DOCOMO, INC.'s corporate value. We have made changes to the way we present this content, particularly non-financial content, in order that our shareholders, investors, and other stakeholders can better understand how our accumulated assets will contribute to value creation in the future and thus deliver sustainable growth. In April 2017, we announced our Medium-Term Strategy 2020 “Declaration beyond.” Under the slogan of “connecting dreams, for a richer future with 5G,” we are aiming to deliver excitement and inspiration to customers, and new value to our partners. You can find out more about our medium-term strategy and its specific initiatives in the strategy and special feature section.

Definition of Fiscal Year (FY)

“FY2016” refers to our fiscal year ended March 31, 2017, and other fiscal years are referred to in a corresponding manner.

In principle, information in this annual report is accurate as of March 31, 2017. As used in this annual report, “DOCOMO,” “the Company,” “the Group,” “we,” “our” and “us” refer to NTT DOCOMO, INC. and its consolidated subsidiaries. Names of companies or products presented in this annual report are the trademarks or registered trademarks of their respective organizations. Apple, the Apple logo, and iPhone are trademarks of Apple Inc., registered in the U.S. and other countries. The trademarks for iPhone and Apple Pay are used under a license from Apple Inc., Ltd.

TM and © 2017 Apple Inc. All rights reserved.

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.

02	Introduction	<ul style="list-style-type: none"> 02 Progress in DOCOMO's Value Creation 04 DOCOMO's Aspirations and Business Model 06 Overview of DOCOMO's Aspirations 08 DOCOMO's Seven Strengths Supporting Value Creation 10 Highlights 14 Business Topics
16	Strategy Section	<ul style="list-style-type: none"> 16 Message from the President & CEO 22 Message from the CFO 24 Measures to Address Major Management Risks
26	Special Feature	<ul style="list-style-type: none"> 26 Guidelines of Medium-Term Strategy 2020 "Declaration beyond" 30 Style Innovation 34 Industry Creation
36	Core Section	<ul style="list-style-type: none"> 36 Network 38 Research and Development 40 Human Resources 42 Customer Touchpoints 44 Environment 46 Community Investment 48 Supply Chain Management
49	Management Section	<ul style="list-style-type: none"> 50 Messages from Outside Directors 52 Management Team 55 Corporate Governance 56 NTT DOCOMO's Corporate Governance System 58 Initiatives to Strengthen the Governance System 59 Dialogue with Shareholders and Investors 60 Information Management 61 Internal Control
62	Data Section	<ul style="list-style-type: none"> 62 Operating Data 64 11-Year Summary of Selected Financial and Non-Financial Data 66 FY2016 Financial Review 74 Consolidated Balance Sheets 76 Consolidated Statements of Income 77 Consolidated Statements of Comprehensive Income 78 Consolidated Statements of Changes in Equity 79 Consolidated Statements of Cash Flows 80 Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures 81 Subsidiaries and Affiliates 82 Organizational Structure 83 Corporate Information/Stock Information

For more detailed IR-related information:

Investor Relations website

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

- Earnings releases
- Timely disclosure materials
- Management policy
- Message from the CEO
- 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
- DOCOMO's CSR
- CSR evaluations by third parties
- CSR procurement, etc.



Progress in DOCOMO's Value Creation

Value Delivered by DOCOMO

1992

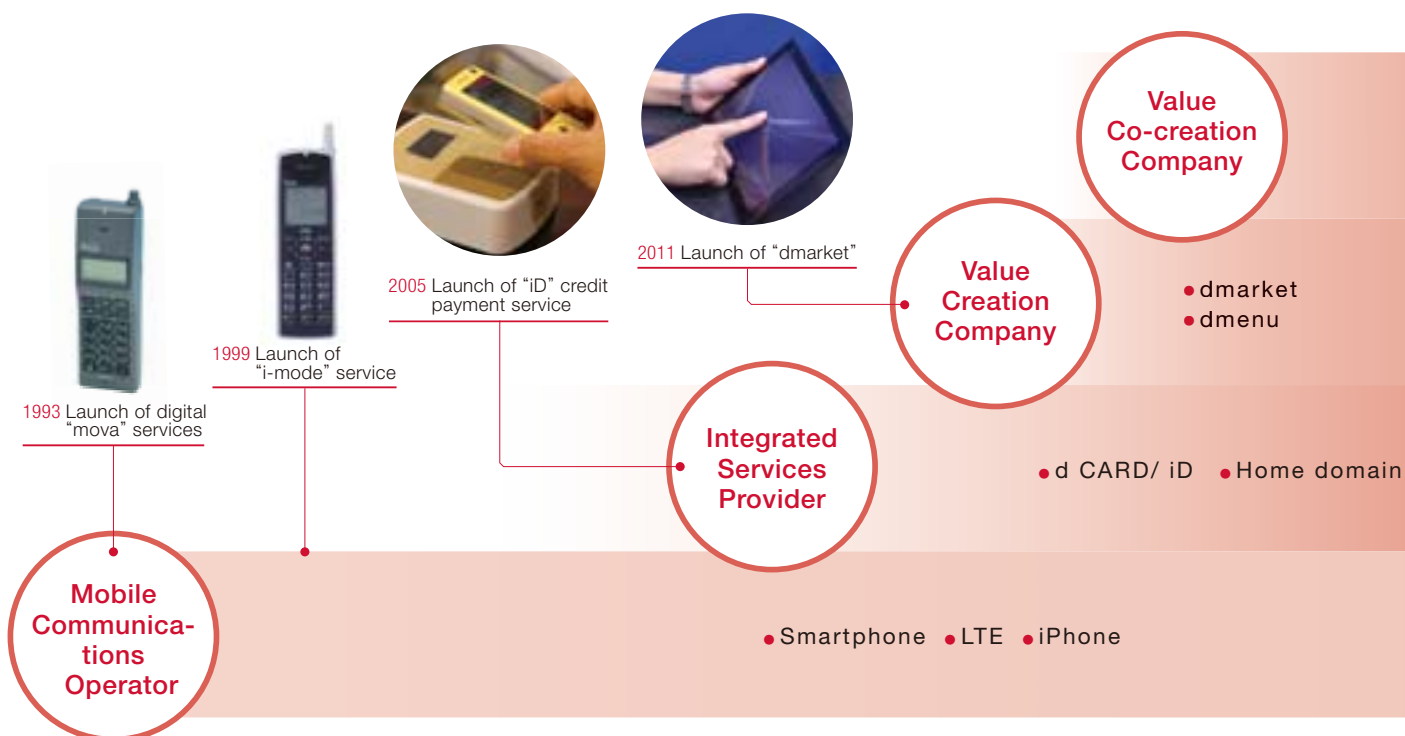
Anytime, anywhere,
anyone

From volume
to value

Mobile phones that are
useful in life and business

Becoming a smart life partner

Changes at DOCOMO



Company Vision

Challenging the Mobile Frontier

Pursuing Smart Innovation —HEART—



- AI
- IoT
- Solution of social issues
- Regional vitalization
- 2020
- Loyalty point/iD linkage
- +d

- Point distribution
- Point card

- LTE-Advanced
- docomo Hikari
- 5G

DOCOMO has developed seven strengths over the course of its history

With a history of innovation and safety, DOCOMO has one of the largest customer bases in Japan, strong brand power, and research and development capabilities that continue to lead the world. DOCOMO has outstanding human resources to support its own unique strengths.

- 1 Human resources



- 2 Customer base



- 3 Financial capital



- 4 Brand and social reputation



- 5 Partnership



- 6 R&D capabilities

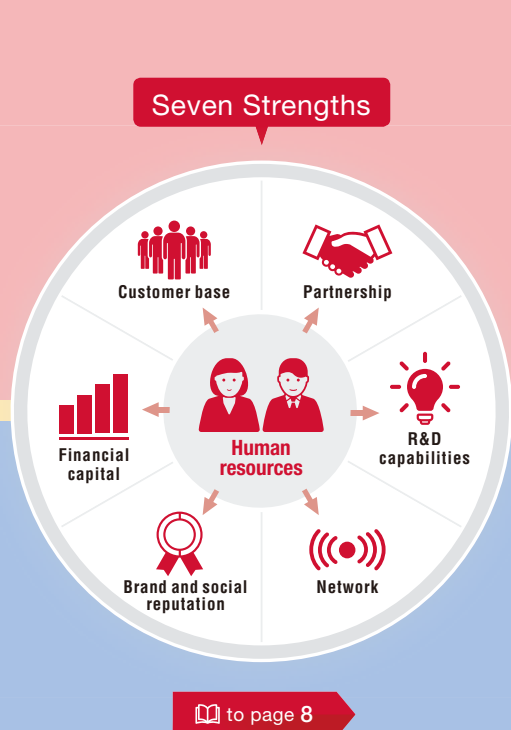


- 7 Network



DOCOMO's Aspirations and Business Model

Through activities designed to contribute value from our customers' point of view, DOCOMO has built a solid foundation for growth and a unique business model. DOCOMO aims to create new value toward 2020 and beyond.



FY2017	
Business Targets	Plan
Operating FCF (EBITDA - Capital expenditures) ¥910 billion	Operating revenues ¥4,750 billion
Annual dividend per share ¥100	Operating income ¥960 billion
	(Smart life business and other businesses segment) ¥130 billion
	Cost efficiency improvement -¥90 billion

[to page 22](#)

A red circle containing the text "5G" in white, bold, sans-serif font.

5G

A circular, fisheye view of a city skyline with various skyscrapers and buildings, set against a blue sky with white clouds. The city is surrounded by a body of water.

DOCOMO's Aspirations

beyond

to page 6

Overview of DOCOMO's Aspirations

We envision a richer future with 5G. By creating new value hand-in-hand with our partners through “+d,” we aim to amuse and inspire our customers beyond expectations.

Value and excitement to our customers

Benefit and Convenience

By combining and developing services, billing plans, and points, we will aim to be the market leader in benefit and convenience.

In every aspect of our customers' lives, d POINT aims to create a world that has greater benefit and is easier to use.



Enjoyment and Surprise

We will provide new and exciting experiences through new entertainment that has “Experience innovation,” including next-generation mobility and sharing.

[to page 31](#)

In “Lifestyle innovation,” we will provide a new lifestyle free from frustration by using AI agents, FinTech, and total healthcare.

[to page 32](#)



In “Workstyle innovation,” we will stimulate innovation to provide active and vibrant ways of working that are full of fun and wonder through the use of drone robotics, work innovation, and work matching.

[to page 33](#)

Satisfaction and Peace of Mind

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

[to page 42](#)

We will coordinate the activities of every customer touchpoint in order to provide our customers with the best possible solutions.



5

G

Contributions to industries



Through the use of 5G, we will expand the possibilities of our partners' businesses with the goal of contributing to the development of industries throughout Japan.

➡ to page 34

Solution of social issues and Regional vitalization



We will contribute to the growth of the Japanese economy with the aim of creating a richer society, and will promote “+d” initiatives toward the resolution of social issues and regional vitalization.

Expansion of partners' business



We will further grow and develop business platforms by fully utilizing our assets.

We will support our partners' businesses and expand commercial transactions by using open business platforms.

Value and co-creation with **+d** partners

DOCOMO's Seven Strengths Supporting Value Creation

We will improve DOCOMO's seven strengths, which we have developed over time, and accelerate activities toward the creation of value.

2 Customer base

Number of mobile phone subscriptions **74.88** million

With a 46.0% share of all mobile phone subscriptions, DOCOMO is the leading carrier in Japan. We provide our customers with peace of mind and security as part of the social foundation for people's lives. We have one of the largest customer bases in Japan.

3 Financial capital

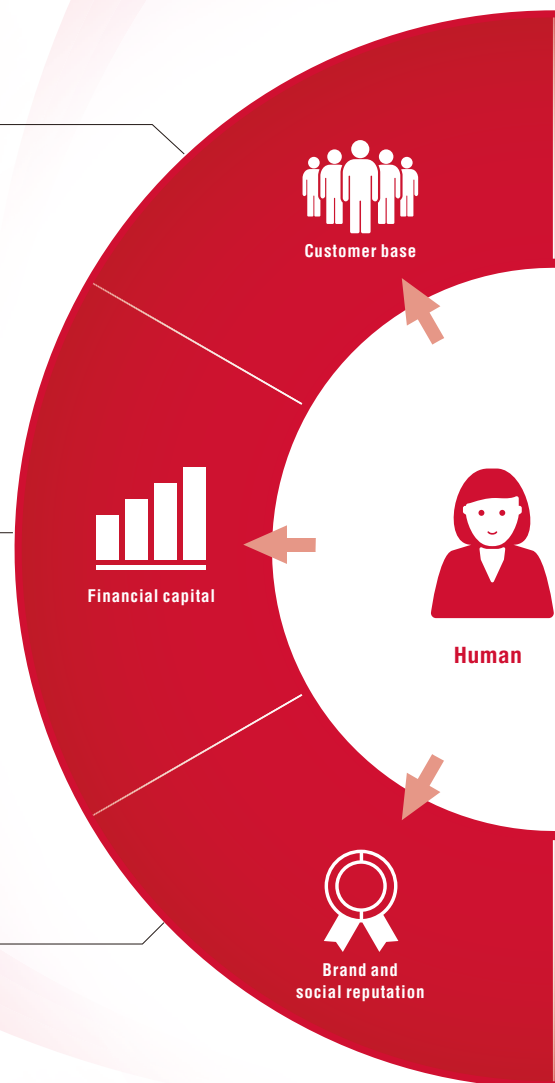
Shareholders' equity **¥5.5** trillion

A strong financial foundation makes it possible for DOCOMO to pursue an expeditious investment strategy. At the same time, we have earned the strong trust of our diverse stakeholders.

4 Brand and social reputation

Brand value of **\$9,543** million*

We will continue to build a brand that is closely linked to the lives of each and every one of our customers, a brand that provides fun, peace of mind, benefit, and convenience. We will continue to be the brand that customers choose.



* 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 2017* released on February 16, 2017.)

1 Human resources

Number of employees **26,734**

By putting the right employees in the right places and promoting the development of individual talents and capabilities, DOCOMO will maximize the abilities and ambitions of each and every one of our employees. In this way, DOCOMO will be able to meet the diverse and sophisticated needs of customers.

[to page 40](#)

5 Partnership

Number of “+d” partners **236**

We are working to resolve social issues through collaborations with partners to create new services and businesses in a wide variety of fields.

6 R&D capabilities

Number of foreign patents owned **9,100**

DOCOMO acts swiftly and boldly to create innovation. We constantly monitor emerging social trends with a view to developing business opportunities in cutting-edge areas beyond the mobile domain, such as AI, IoT, and drones.

[to page 38](#)

7 Network

Number of
LTE base stations **161,900**

We have built reliable telecommunications networks by maintaining and continuously upgrading the telecommunications environment, and by making it faster so our customers can communicate anytime, anywhere. We provide our customers with a telecommunications environment that is extremely convenient and stress-free.

[to page 36](#)

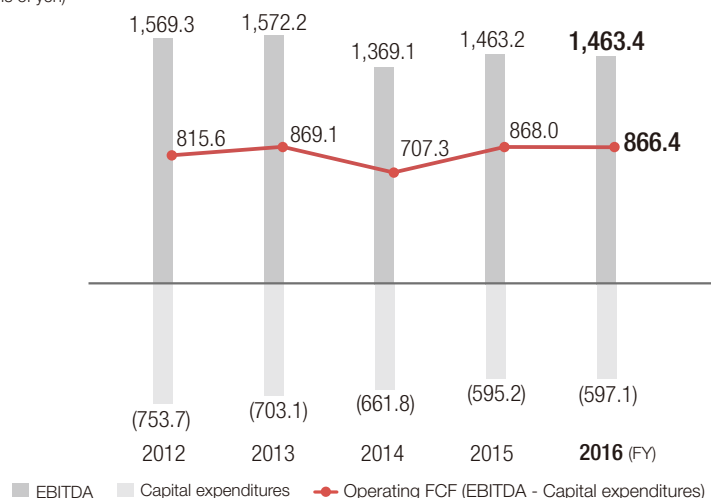
Note: As of March 31, 2017

Highlights

Financial Related

Operating FCF

(Billions of yen)

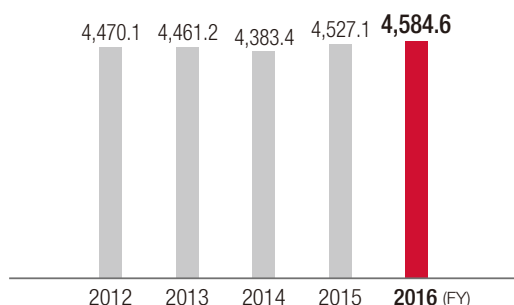


Note: The EBITDA calculation method changed in FY2016. (As a result, the figures for FY2014 and FY2015 have been revised).

DOCOMO believes that it is important to continuously improve cash generation capability, which we demonstrate by using operating FCF as an indicator (EBITDA minus capital expenditures). Over the medium-term, DOCOMO will manage its businesses to maintain efficient control over EBITDA growth and our capital expenditures as we advance into the 5G era.

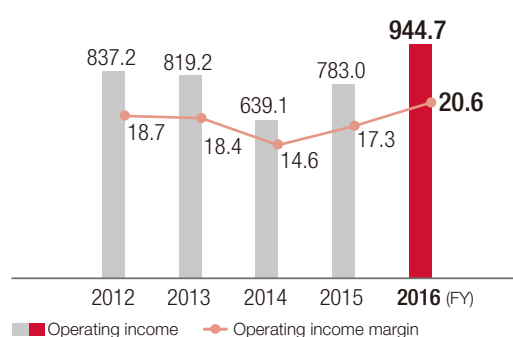
Operating revenues

(Billions of yen)



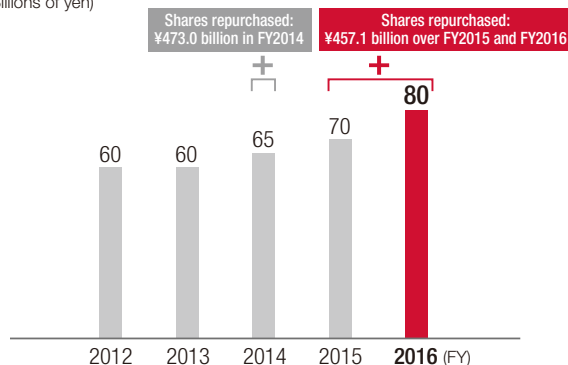
Operating income / Operating income margin

(Billions of yen/%)



Annual dividend per share / Shares repurchased

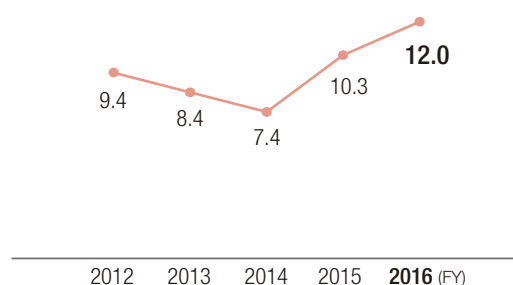
(Yen/Billions of yen)



Note: The dividend amount takes into account the 1:100 stock split that took effect on October 1, 2013.

ROE

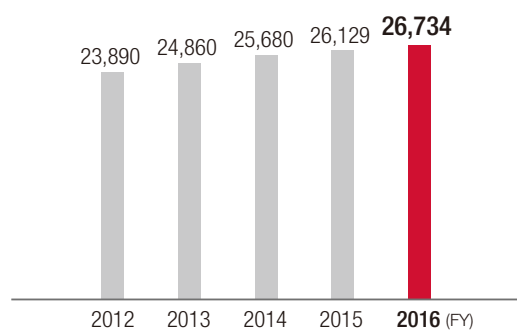
(%)



Note: ROE = Net income attributable to NTT DOCOMO, INC. ÷ Shareholders' equity. Shareholders' equity is calculated using the end-of-period average.

Seven Strengths

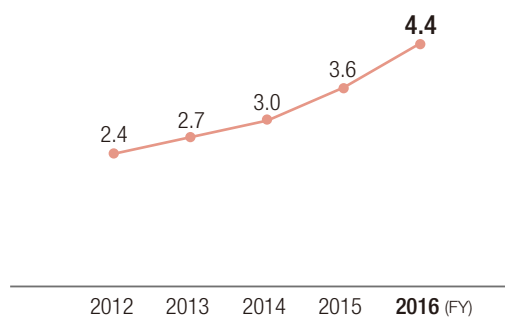
Number of employees



Note: Number of employees includes employees on loan from other companies; does not include employees of DOCOMO temporarily transferred to other companies.

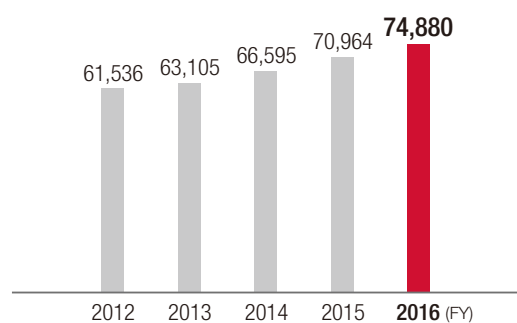
Ratio of female officers and managers

(%)



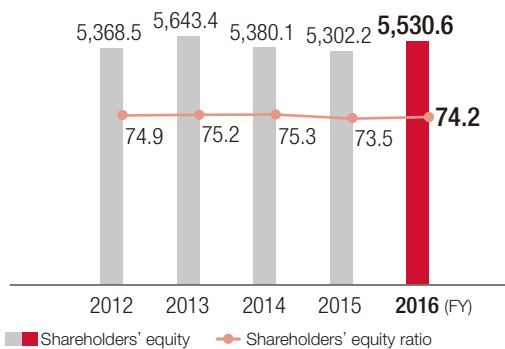
Number of mobile phone subscriptions

(Thousands)



Shareholders' equity / Shareholders' equity ratio

(Billions of yen/%)

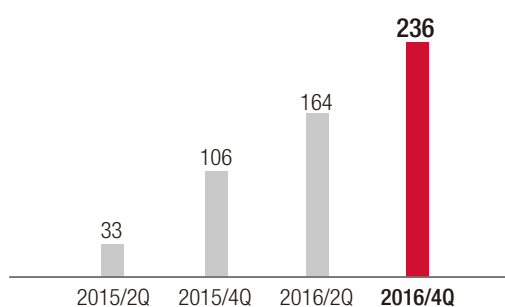


Brand and social reputation



	2014	2015	2016
Brand value			
Interbrand Japan	No.1	No.1	No.1
DJSI (Dow Jones Sustainability Indices)	—	—	Selected as a Component Stock for the "DJSI Asia Pacific"
CSR ranking Toyo Keizai Japan CSR Ranking	No.2 (9th)	No.5 (10th)	No.4 (11th)

Number of "+d" partners

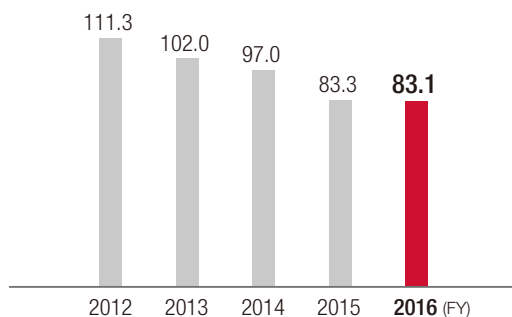


Highlights

Seven Strengths

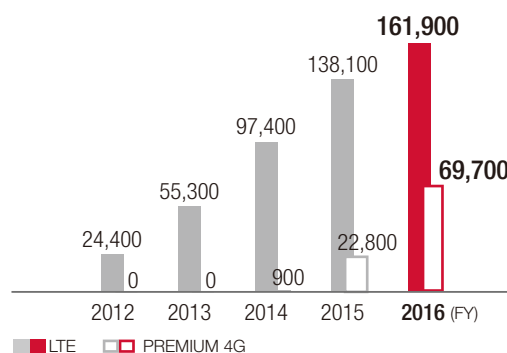
R&D expenditures

(Billions of yen)



Number of LTE/PREMIUM 4G base stations

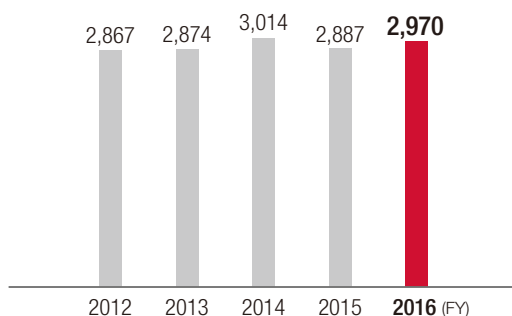
(Stations)



Environmental / Community Investment Data

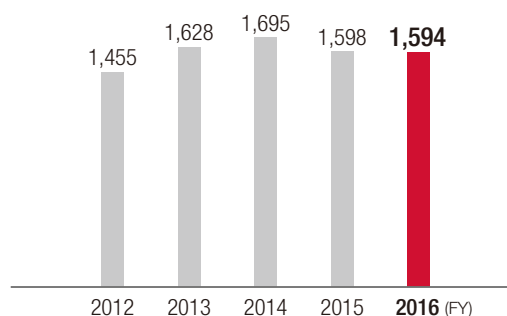
Total electricity consumption

(Thousand MWh)



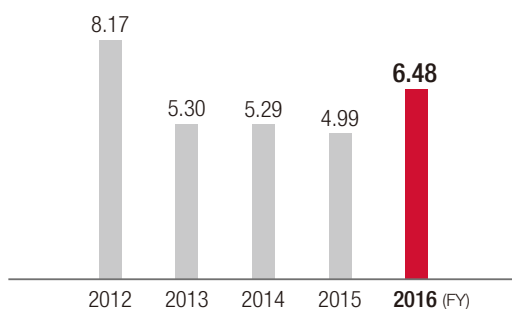
Greenhouse gas emissions

(Thousand t-CO₂)



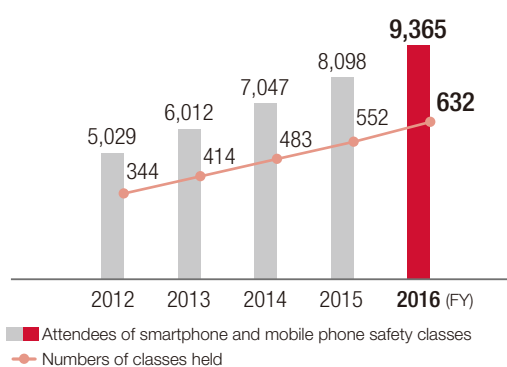
Community investment expenditures

(Billions of yen)



Attendees of Smartphone and Mobile Phone Safety Classes / Number of classes held (Cumulative)

(Thousands of attendees / Hundreds of times)

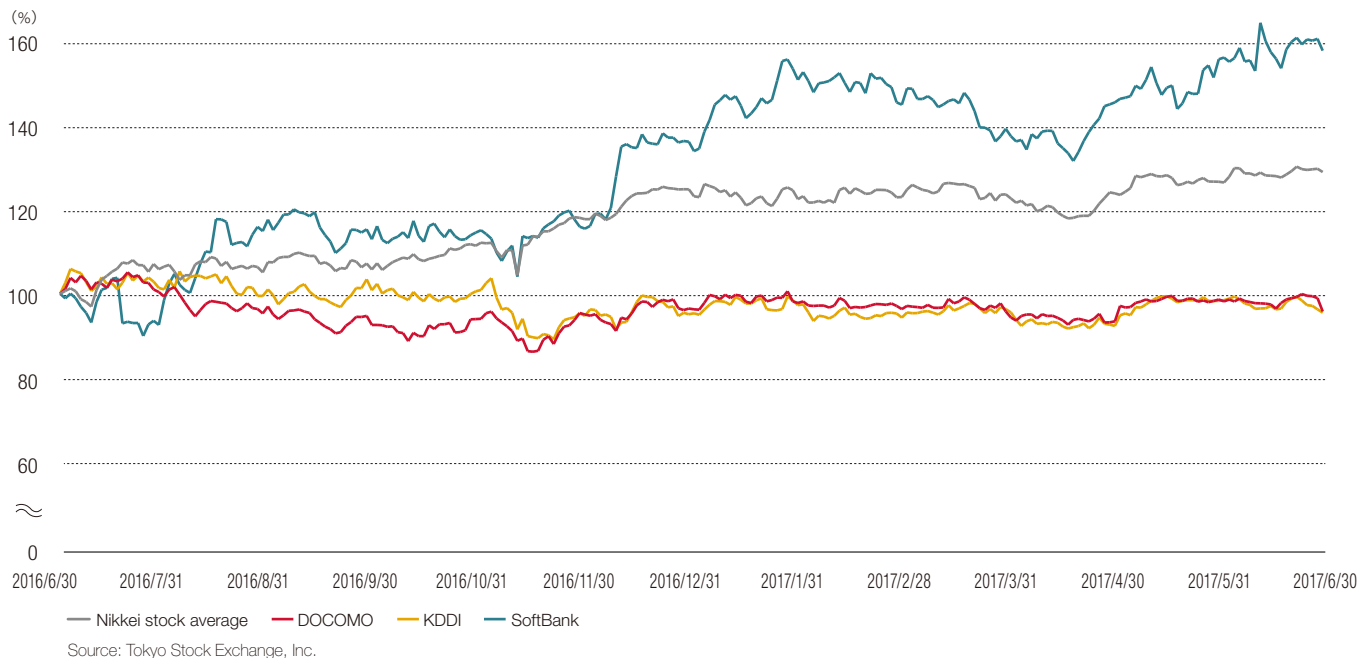


Note: Community investment expenditures refers to sums appropriated for expenses associated with social contribution activities, including environmental conservation, social welfare, and support for disaster-stricken areas.

Stock and Financial Data

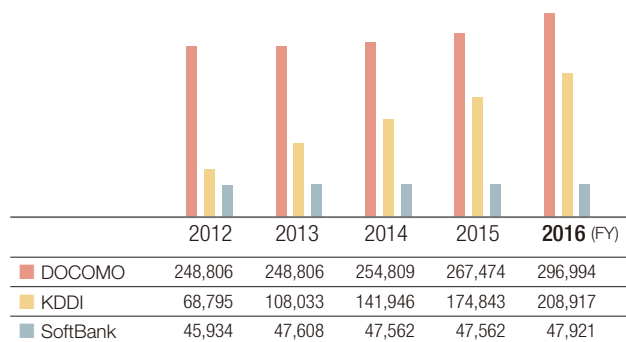
Stock price performance from June 2016 to June 2017

(Changes compared with the prices on June 30, 2016 as 100%)



Total cash dividends for the year

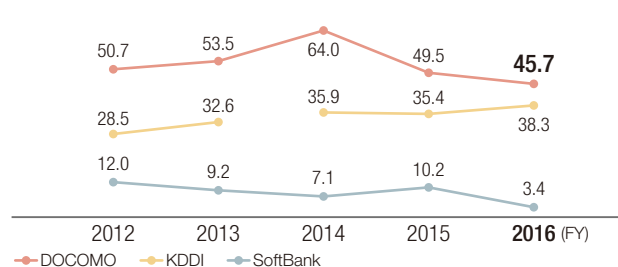
(Millions of yen)



Source: Figures announced by each company.

Payout ratio

(%)

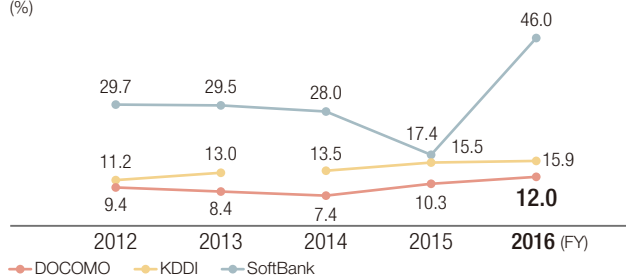


Source: Figures announced by each company.

Note: For KDDI, FY2012-2013 are JGAAP and FY2014-2016 are IFRS.
For SoftBank, all years are IFRS.

ROE

(%)



Source: Figures announced by each company.

Note: For KDDI, FY2012-2013 are JGAAP and FY2014-2016 are IFRS.
For SoftBank, all years are IFRS.

Components of ROE

(FY2016)


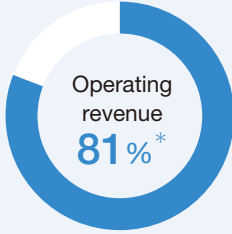
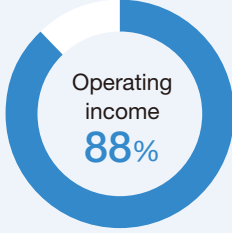



(%)

	ROE	Components of ROE		
		Net income margin (Net income/Operating revenues)	Asset turnover (Operating revenues/Total assets*)	Leverage ratio (Total assets*/Shareholders' equity*)
DCOMO	12.0	14.2	62.5	135.4
KDDI	15.9	11.5	78.2	177.0
SoftBank	46.0	16.0	39.3	731.3

Source: Figures announced by each company.

* Total assets and Shareholders' equity are period average. The data for KDDI and SoftBank are calculated by DCOMO from figures announced by each company.

Business Topics

	Business overview and main services	Operating revenue and operating income (FY2016)
 <p>Telecommunications business</p>	<p>Mobile telecommunications services</p> <ul style="list-style-type: none"> • LTE (Xi) services • FOMA services • International services • Sales of handsets/equipment, etc. <p>Optical-fiber broadband service and other telecommunications services</p> <ul style="list-style-type: none"> • Optical-fiber broadband service • Satellite communications services 	 <p>Operating revenue 81%*</p>  <p>Operating income 88%</p>
 <p>Smart life business and Other businesses segment</p>	<p>Smart life business</p> <ul style="list-style-type: none"> • Content services • Financial/Payment services • Group companies <p>Other businesses</p> <ul style="list-style-type: none"> • Enterprise solutions • Support services for customers' peace of mind, etc. 	 <p>Operating revenue 19%*</p>  <p>Operating income 12%</p>

1. Definition of ARPU

ARPU (Average monthly Revenue Per Unit) 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.

2. 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" ARPU 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.

Main operational indicators
(FY2015 ▶ FY2016)

Mobile phone subscriptions

70.96 million ▶ **74.88 million**

ARPU

¥4,170 ▶ **¥4,430**

“docomo Hikari” subscriptions

1.57 million ▶ **3.40 million**

Main initiatives

- Reinforcing returns to our customers with billing plans “Kake-hodai & Pake-aeru”
- Promoting smartphone use by providing “Smartphone Debut Discount” and starting sales of our first original smartphone, “MONO MO-01 J.”
- Expanding and promoting “docomo Hikari” services by providing “docomo Hikari Denwa,” “docomo Hikari TV option,” and “docomo Hikari Type C” (a model jointly provided with cable TV operators.)

“dmarket” subscriptions

15.54 million ▶ **16.08 million**

“d CARD” subscriptions

16.43 million ▶ **17.67 million**

“Anshin Pack” subscriptions

14.51 million ▶ **17.52 million**

- Offering “d healthcare pack,” an integrated package that combines four health-related services, including the “Aruteotoku” application that allows users to earn “dPOINTS” from the number of steps recorded on their smartphones.
- Promoting the use of the “d CARD” through the “d CARD” credit card service and the initialization of Apple Pay for our contactless payment service “iD.”
- Expanding “Anshin Pack” subscriptions in association with the shift from feature phones to smartphones.

3. 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:

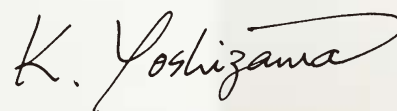
- Subscriptions of communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunication services and interconnecting telecommunications facilities that are provided to MVNOs; and
- Data plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name

- 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.

*The ratios of operating earnings in our telecommunications businesses and in the smart life business and other businesses segment are calculated using amounts after eliminating inter-segment transactions.

I am committed to leading DOCOMO in implementing strategies toward the creation of new value centered on 5G.

DOCOMO has announced its Medium-Term Strategy 2020 "Declaration beyond." In this declaration we clarify what DOCOMO needs to undertake and express our commitment to all stakeholders in this time of dynamic socio-economic change. Looking to the year 2020 and beyond, we will act on our six declarations to achieve new value and excitement for customers and new value co-creation with partners through 5G, working to create a richer future. And through the transformation of our business structure, we will both improve customer service and achieve sustained corporate growth.



Kazuhiro Yoshizawa
President and Chief Executive Officer



DOCOMO's 25th anniversary

DOCOMO began business operations in 1992, and this year marks our 25th anniversary. This achievement is thanks to the support of our customers, shareholders and investors, partners, and all other stakeholders, who have our sincerest gratitude. For 25 years, we have continuously innovated our business structure. Mobile phones have become more compact and lightweight, and have changed in form from feature phones to smartphones. Our networks have made great progress from 2G "mova" to 4G "LTE (Xi)." Starting from telecommunications that made voice and data communications possible, we have led the way in the spread of mobile internet through the launch of our "i-mode" platform and by providing services together with our partners. In addition, we have extended the boundaries of our business through endeavors that include offering a variety of original services, transforming DOCOMO itself. At present, we are engaged in the co-creation of new value based on cooperation with partners through our "+d" initiatives. You could say that our growth over the past 25 years has been supported by our passion for providing value to customers in the form of a complete package of network, device, platform and service.

It is my opinion that the 2G PDC network we built in our early years is what allowed us to grow this far. From the start, we devoted ourselves to constructing a network of base stations covering the entire country. This basic network serves as the foundation of DOCOMO today. Telecommunications have become an indispensable part of the infrastructure of our daily lives. We cannot allow any interruption in this. This mission is a part of DOCOMO's DNA, and is now a driving force behind the creation of added value.

Since our foundation, we have upheld our corporate philosophy of "creating a new world of communications culture." We have continued to approach our business with constant innovation to our business structure and the steady generation of new value, with a mandate to rapidly deliver this value to customers. In conjunction with these structural innovations, we have ensured that our operations have the necessary underlying support by recruiting and training personnel and strengthening research and development. With the number of mobile phone subscriptions now reaching 75 million, we know that it is thanks to the support of a great number of customers that we are where we are today.

Looking back on FY2016

I am pleased to say that we were able to achieve all targets for our previous medium-term strategy one year ahead of schedule. Our "Kake-hodai & Pake-aeru" billing plan, launched in 2014 was a new plan with flat monthly rates for voice calls (compared to pay-as-you-go rate plans at the time) and tiered pay-as-you-go rates for data communications (flat rates at the time). When the plan was first introduced, profits fell temporarily as customers making the most voice calls switched over in the initial period. However, the entire company pulled together in offering customers attractive services, including our "dmarket," and billing plans that we enhanced in various ways by carefully listening to customer requests. As a result, a wide range of customers including those with heavy data usage, enrolled in our "Kake-hodai & Pake-aeru" plan, and we were able to restore profits in a short period of time.

Enhancement and evolution of our network infrastructure has also been a key endeavor, and we can say that our LTE network maintains the highest global standards. Furthermore, revenue in many of our services in the smart life business and other businesses segment, including "dmarket," finance/payment services, and enterprise solutions, has steadily increased. FY2016 has given us solid proof of our ability to grow these businesses, and for exponential growth moving forward.

Personally, during my first year as president, I initially focused on steadily driving forward the business plan in place, and ensuring that the previous medium-term plan achieved its goals. Also, I took time to consider what kind of company I want DOCOMO to become: "open," "fun" and "sound." These three words I myself hold dear when working, and to share this with our employees I actively toured the Company.

What I mean by "open" is an attitude to be open to outside opinions and actively incorporate new ideas, so that DOCOMO can continue to make great strides. There isn't much that DOCOMO can do entirely on its own. The number of "+d" partners stands at 236, and collaboration is leading to tangible results. Also, if for example in R&D we promote open innovation through external collaboration, combined with agile development methods, we can upgrade our own development capabilities. I feel that this open way of thinking is beginning to take hold within the Company. Next, a company should be "fun." Fun itself is a motivation to take on the challenge of creating unprecedented and exciting new value. Lastly, a "sound" company is one that generates profits, and grows steadily while both investing those profits in the future and returning profits to customers and investors.

In FY2016 we implemented various initiatives, and I am convinced of DOCOMO's steady progress.

Medium-Term Strategy 2020 “Declaration beyond”

Underlying ideas

DOCOMO's business environment is undergoing great change. In addition to evolution in technologies such as AI¹, IoT² and drones, we face many social issues as the result of the falling birthrate and aging population. In this environment, when formulating our medium-term strategy, our starting point was to cherish the point of view of our customers and partners, not DOCOMO's. We asked ourselves the question, “What value can we provide?” This is the basis for “Declaration beyond.”

Looking forward 3 or 4 years, DOCOMO's extremely powerful asset “5G” will finally be realized. The year 2020 will also feature the Tokyo 2020 Olympic and Paralympic Games.³ Moving toward that point, DOCOMO is working to establish its 5G network and use it as the focal point for developing various new businesses and services. The “how” of our strategies, “+d,” which involves co-creation with partners, has yielded positive outcomes, and we will further accelerate these initiatives. Also, in looking forward to the 5G era, we believe it is important to be specific about “what” we are going to engage in. Therefore, we clarified this “what” in the form of “Declaration beyond.” By making a declaration, we indicate our absolute determination to commit to customers. A summary of the six declarations is as follows.

1. AI: Artificial Intelligence

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



Market leader

offering visible benefits and convenience

We aim to be a market leader in benefits and convenience by further evolving and combining our services, billing plans and point programs. We have already actively strengthened smart life services and returns to our customers, and reviewed billing plans. We will also provide our customers with concrete benefits and convenience in ways that only DOCOMO can, such as linking and combining our services, billing plans and points. In particular, by fiscal 2020, we will expand our “dPOINT” partners to more than 300, with the aim of establishing the “dPOINT” program as one of Japan's largest.



Style innovation

for a richer future for all

By leveraging the strengths of 5G through the creative application of VR⁴, AI and IoT, we will offer “Experience innovation,” “Lifestyle innovation” and “Workstyle innovation.” Specifically, initiatives will target nine challenges in three fields under a company-wide project called “empower+d challenge” (empowered challenge), which will promote creation of services that innovate style. They include:

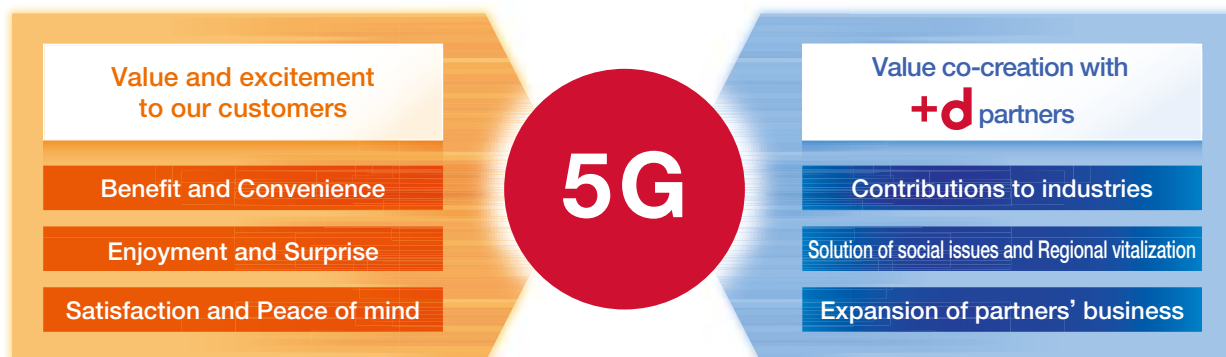
- Experience innovation
 - New entertainment, Next-generation mobility and Sharing

3. NTT DOCOMO is a Gold Partner (Telecommunications Services) of the Tokyo 2020 Olympic and Paralympic Games.

4. VR (Virtual Reality): Computer-generated imaginary environments that appear real to the user.

beyond

Connecting dreams, for a richer future with 5G





- Lifestyle innovation
 - AI agent, FinTech and Total healthcare
- Workstyle innovation
 - Drone robotics, Work innovation and Work matching

[to page 30](#)

Declaration 3 Peace of mind and comfort support always by our customers' side

We will use AI to develop our customer touchpoints for the provision of customer support that emphasizes comfort and peace of mind. A new system will enable customers to consult their smartphones about issues they have, and they will be able to solve simple problems on the spot. Customer touchpoints will be strengthened to enable optimal communication regarding issues that cannot be solved using a smartphone alone. By linking every customer touchpoint, including docomo Shops, smartphones, self-service terminals and call centers, and understanding each customer better, we can reduce customer wait times and always provide the optimal solution anytime, anywhere. This will allow us to achieve faster and more hospitable customer support than ever before.

[to page 42](#)

Declaration 4 Industry creation jointly pursuing innovations with 5G

We will lead the world in telecommunication infrastructure innovation and increase opportunities for our partners through 5G-related activities. In this way, we aim to help all types of industries across Japan.

[to page 34](#)

Declaration 5 Solution co-creation to solve social issues

We will strengthen “+d” initiatives with the aim of contributing to further growth and prosperity in Japan. We will also work toward solving social issues and vitalizing regional economies by collaborating with partners in sectors such as primary industries, education, sports, healthcare, mobility and workstyle reform.

Declaration 6 Partner business expansion leveraging business platform

We will further enhance and evolve open business platforms that utilize points, customer referrals, FinTech, AI agents, IoT, drones and other assets. In this way, we will support our partners' businesses and simultaneously expand commercial transactions.

Innovation and growth of business structure

In the future, the fusion and continued evolution of optical-fiber broadband and 5G services will give birth to hitherto unseen types of businesses, creating new value. DOCOMO's business model will also evolve further as a business structure that fuses platforms and services. Many different kinds of business could develop from the services this delivers: for instance, realistically reproducing the experience of a live concert being held in a dome at an entirely different venue, which is possible thanks to the network and service integration of 5G.

In addition, we can expect to further expand the market by constructing new platforms, then opening them up to other

companies. Thus, 5G holds huge potential to be at the center of new industries, and forms the core of DOCOMO's vision.

Furthermore, in business management we will emphasize cash generation capability, and establish operating FCF, which subtracts capital expenditure from EBITDA, as our management objective.

While increasing EBITDA through steady business growth, we will keep an eye on capital expenditures as we proceed with the introduction of 5G, and aim to continuously realize cash generation capability exceeding the previous fiscal year's.

Toward the steady execution of "Declaration beyond"

Since its announcement, we have continued to conduct activities to directly inform employees of the content of Medium-Term Strategy 2020 "Declaration beyond." I myself have conducted an in-house lecture for managing directors and general managers at the head office, general managers of branches, presidents of group companies, etc. The lecture was broadcast live and also made available on video to all of our offices. In addition, management has visited each regional office and branch in their charge, and I myself actively visit branches and offices in Japan and overseas. Such visits create opportunities to communicate with employees directly. All operations fall under one of the "beyond" declarations. It is my wish that employees fully understand the meaning behind and the contribution toward our declaration that their projects and daily tasks hold.

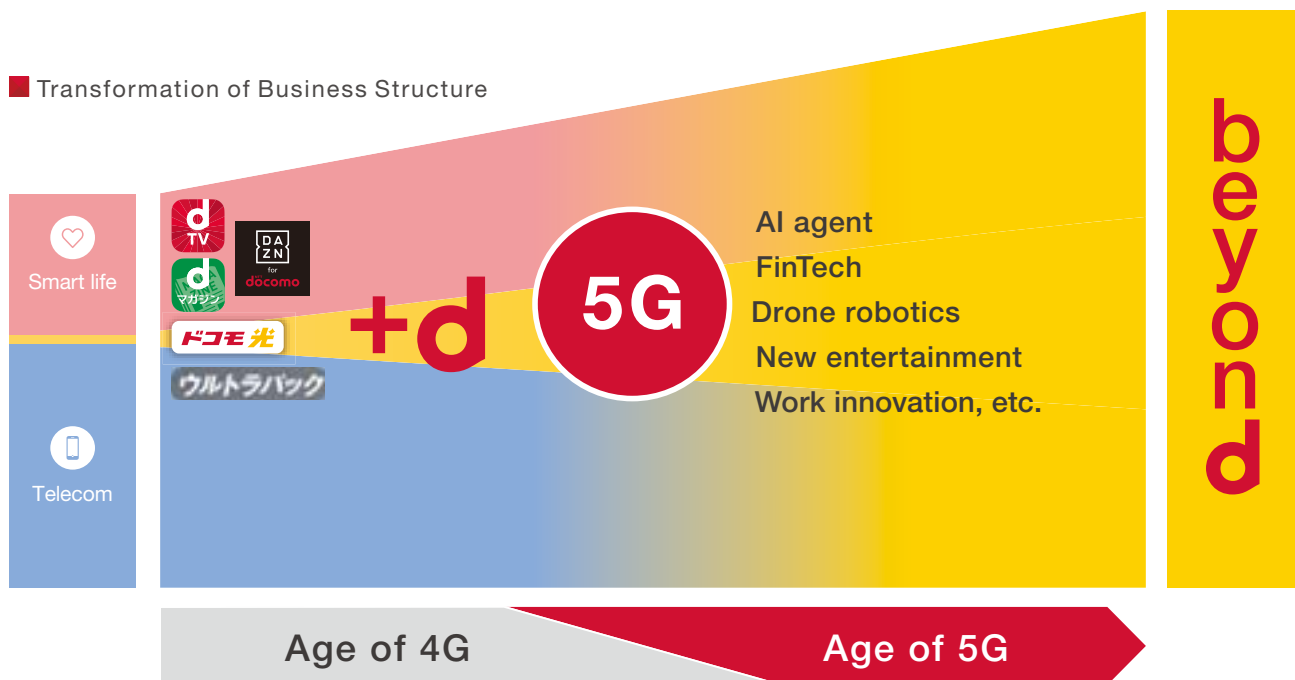
Human resources/organization management that reflects social change

In order to create services that give birth to new value, we need to build a new system that can transform our business structure. Specifically, we have created several business development offices that specialize in advanced themes such as sports and live venues, connected cars, FinTech and digital marketing to accelerate collaboration with partners. Moreover, together with maintaining a human resource appointment system not limited to internal personnel, we also include mid-career recruitment, and promote human resource exchange with our partner companies for more agile response capability.

As the social environment changes dramatically, we will continue to focus on workstyle reform with the goal of encouraging each employee to be autonomous and challenge-seeking. This workstyle reform consists of three pillars: 1) diversity management, 2) choice of workstyle and 3) health and productivity management.

The important thing about 1) diversity management is to proactively incorporate people with various points of view and knowledge from people outside the Company. Beyond the empowerment of female employees, an obvious issue, we will expand opportunities for our diverse workforce, regardless of nationality. Concerning 2) choice of workstyle, we are working to accommodate various workstyles by incorporating sliding work schedules, working from home, and flex time systems. We also

Transformation of Business Structure



plan to implement systems that expand the choice of working environments available in the future. As one example of effectively using time, I conduct standing meetings at the high counter in my office to shorten meeting times. With 3) health and productivity management, one example is our implementation of the “DOCOMO Let’s Walk Campaign,” in which employees and docomo Shop staff compete over how many steps they walk. In such ways we have made efforts to raise company-wide awareness about health.

[to page 40](#)

Evolution of governance toward increasing corporate value

DOCOMO complies with all of the principles of the corporate governance code, and treats it as an important issue. In addition, it is my belief that within governance, there is both an “offense” and a “defense.”

The “offense” in governance is the establishment of a mechanism for sufficient discussion of what kind of value DOCOMO will provide in the medium and long term, and what strategies to deploy to facilitate this. In formulating our medium-term strategy, the members of the Board of Directors, including the outside directors, held many animated discussions on how to express our commitment through “Declaration beyond.” There were opinions from outside directors suggesting that DOCOMO should work to exhibit leadership in provision of services. We also exchanged views on what management indicators most appropriately signify growth potential.

The “defense” in governance is sound business execution. In particular, we recognize that as DOCOMO is entrusted with customer information of over 75 million accounts, information security is our highest priority. We employ extreme caution in handling customer information, taking various measures at touchpoints such as docomo Shops. Also, DOCOMO as well as our Group companies will continue to make every effort to deal with external threats such as increasing cyber terrorism, including maintaining security systems, cultivating security personnel, and conducting group-wide training and exercises.

[to page 55](#)

Fulfilling our corporate social responsibilities

We believe that CSR is inseparable from our business activities; it is synonymous with our business activities. We aspire to achieve sustainable growth and development hand-in-hand with society. In order for DOCOMO to remain a company that is open, enjoyable and sound, we must be a trustworthy company. We refer to “+d” initiatives for addressing social issues as “Innovative docomo,” and



initiatives for fulfilling our social responsibilities as “Responsible docomo.” These dual CSR policy drivers constitute our efforts to contribute to the development of a sustainable society.

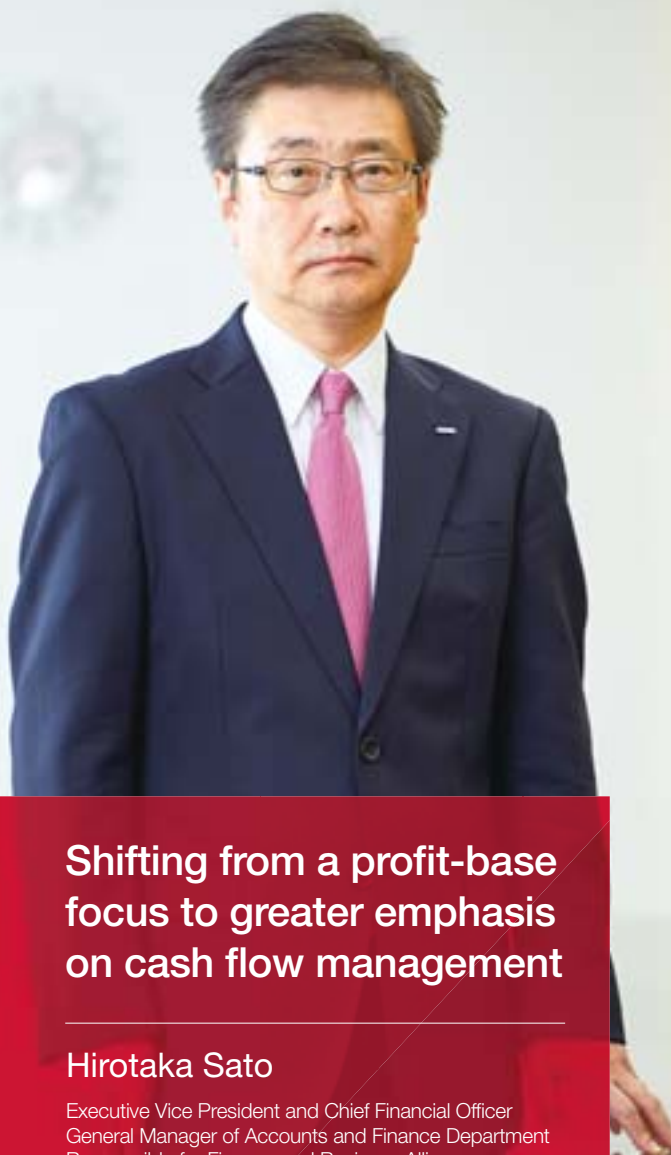
As a member of the telecommunications industry, we work toward solving global social issues, and serve as a board member of the GSM Association (GSMA), the world’s largest industry organization of mobile phone manufacturers and operators. The GSMA actively contributes to the promotion of the Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015. Telecommunications operators are independently evaluating and indicating the areas of activity that have the greatest impact on the 17 global SDGs that are particularly relevant to the mobile industry. In addition, DOCOMO ties SDGs to Eight Sustainability Focuses, which contribute to resolving social issues.

To our shareholders and investors

In Medium-Term Strategy 2020 “Declaration beyond,” we clarify what we will accomplish in regards to our growth strategy and what value we will provide. We have presented six declarations to assist our stakeholders in understanding both the strategy behind DOCOMO’s growth and that growth itself.

Moving forward, we will provide timely updates on our achievements as well as the state of our progress. We also plan to maximize return from these results to our shareholders and investors. I hereby declare that I will lead DOCOMO and do everything in my power toward the steady realization of “Declaration beyond.” I ask for your continued understanding and support as we go forward.

Message from the CFO



Shifting from a profit-base focus to greater emphasis on cash flow management

Hirotaka Sato

Executive Vice President and Chief Financial Officer
General Manager of Accounts and Finance Department
Responsible for Finance and Business Alliance

Achievement of the medium-term objectives formulated in FY2014 one year ahead of schedule

Financial results for FY2016 were strong. In just two years we have recovered from the large fall in operating income experienced in FY2014. Not only did the telecommunications business recover, but the smart life business and other businesses segment also experienced steady growth. Contributing factors were cost reductions that were accomplished well ahead of schedule and the increase in subscriptions to the “Take-hodai & Pake-aeru” plan introduced in FY2014, supporting a movement toward larger data plans. As CFO, I took the lead in instigating cost reduction efforts for the entire company. I began by touring our branches across the country and instilling a sense of urgency in employees. Now, each employee understands the importance of these initiatives. We have made large-scale cost reductions ahead of schedule, but in order to continue making cost reductions on a scale that will contribute to profits, we are discussing a review of the way we

work, as well as the cost structure itself. When the “Take-hodai & Pake-aeru” billing plan was introduced, it had a large negative impact on revenue. However, given the current sales trend, we can now be confident that its introduction was not a mistake.

Achieved Previous Medium-Term Targets

	FY2016 results	Medium-term targets for income recovery (FY2017) ⁶
Operating income	¥944.7 billion (¥862.7 billion ¹)	¥820 billion or higher (FY2013 level or higher)
Smart life business and Other businesses segment	¥111.9 billion ²	¥100 billion or higher
Cost efficiency improvement (Compared to FY2013 level)	-¥470.0 billion ³	-¥400 billion or higher
Capital expenditures	¥597.1 billion	¥650 billion per annum or lower ⁷
Shareholder returns	<div>Dividend ¥80 (+ ¥20⁴)</div> <div>Share repurchase Approx. ¥930 billion⁵ (cumulative)</div>	Enhance shareholder returns through dividend hike and share repurchase

1. Excluding the impact on operating income from the change in depreciation method, etc. and “Packet CarryOver.”

2. Operating income result is inclusive of impairment loss (-¥8.1 billion).

3. Cumulative amount of cost efficiency improvements achieved in FY2014 (¥120 billion), FY2015 (¥240 billion) and FY2016 (¥110 billion).

4. Compared to annual dividend for FY2013

5. Total price of shares repurchased in the periods between August 7, 2014 and March 27, 2015 (¥473.0 billion) and between February 8, 2016 and December 28, 2016 (¥457.1 billion)

6. Announced October 31, 2014

7. FY2015–2017

Medium-term strategy objectives — operating FCF and returns to shareholders

A significant factor in the management objectives of the medium-term strategy is the shift from a conventional profit-base focus to one that emphasizes cash generation capability. The background to this was the change in our depreciation method introduced in FY2016. Because operating income may fluctuate significantly due to changes in accounting standards, it is not necessarily appropriate to set a target for operating income. Furthermore, through dialogue with investors, we came to realize that they desire real cash generation capability and deemed it necessary to respond to these demands. EBITDA alone is adequate as a cash flow concept, but based on a management strategy aiming for medium-term EBITDA growth and efficient control of capital expenditures towards a 5G era, we chose operating FCF⁸ based on the two parameters of EBITDA and capital expenditures.

By carefully handling these two parameters, we aim to generate cash flow that surpasses the previous fiscal year.

While returns to shareholders have always been as an important management issue, we are now committing ourselves to

continuous increases in dividends, and we are clearly sending the message that dividends will not decrease. From here on, we will steadily generate cash and hope it will be taken as a sign that we are confident in the strength of our financial foundation.

8. Operating FCF = EBITDA – Capital expenditures

■ Managerial Targets of “Declaration beyond”

	FY16	FY17	2020
Operating FCF (EBITDA – CAPEX)	¥866.4 billion	¥910.0 billion	Cash generation capability continuously exceeding previous fiscal year's by realizing efficient investment activities in 5G and EBITDA growth
Shareholder returns	Annual dividend ¥80	Annual dividend ¥100	Continuous increase in dividends and expeditious share repurchase

Business plan for FY2017 to both enhance customer service and achieve sustainable corporate growth

We plan to achieve operating income of ¥960 billion in FY2017. Looking at only the PL figures it may appear that growth has slowed, but if you exclude irregular factors, it is clear that the difference in year-to-year earnings growth is not significant. It may be possible to achieve even greater profits in FY2017, but we will plant the seeds for the future by making investments in advance. By cultivating the innovation portion of the six declarations of the medium-term strategy, especially that of Style innovation, we will foster business that will contribute to medium- and long-term profits.

■ FY2017 Full-Year Guidance

(Billions of yen)	FY2016 Full year results (1)	FY2017 Full year forecast (2)	Change (2) – (1)
Operating revenues	4,584.6	4,750.0	+165.4
Operating expenses	3,639.8	3,790.0	+150.2
Operating income	944.7	960.0	+15.3
(Excluding irregular factors ⁹)	862.7	910.0	+47.3
Smart life business and Other businesses	111.9	130.0	+18.1
Operating FCF (EBITDA – CAPEX)	866.4	910.0	+43.6
EBITDA ¹⁰	1,463.4	1,480.0	+16.6
Capital expenditures	597.1	570.0	-27.1
Cost efficiency improvement	-110.0	-90.0	+20.0

9. The impact on operating income from the change in depreciation method, etc. and “Packet CarryOver.”

10. Definition of EBITDA has changed from the fiscal year ended March 31, 2017. Impairment losses of goodwill and unamortizable intangible assets, which were not previously included, are recorded in EBITDA under the new definition.

New definition of EBITDA: Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss (of property, plant and equipment, amortizable intangible assets, goodwill, and unamortizable intangible assets)

Another point is the continuation of returns to customers. The intrinsic aim of returns to customers is not to reduce profits through simple price reductions, but rather to strengthen our customer base through retention. Taking a medium-term perspective, we know we must strengthen our customer base, which is our source of revenue, to make further growth possible, and we are approaching this with a sense of urgency.

In FY2017, we will expand profits while making necessary investments and expenditures. We will approach both challenges of “enhancing customer service” and “achieving sustainable corporate growth” as if they were two wheels on a cart.

A financial strategy that emphasizes growth investment and capital efficiency

We will make investments with an eye to growth, solid returns and synergies. We will not start from a mindset focused on mergers and acquisitions. But in realizing “Declaration beyond” we will follow a business model that is underpinned by co-creation with partners and providing added value through “+d,” and will consider mergers and acquisitions to be an extension of that. At the moment, we are not considering investment in global carriers, but there are various other possibilities. In particular, we will prioritize the investment required to accelerate growth in the smart life business and other businesses segment, such as platform-related items and those that contribute to innovation. Because change is fierce in the realm of technological innovation, and we are heading more and more into uncharted territory, we are trying to maintain an agile response capability by taking measures in a wide range of areas, including venture investments. When we invest in companies, it is desirable that we acquire at least the 20% or more in common stock that constitutes a company accounted for using the equity method, or the 50% or more that constitutes a subsidiary, ensuring that we can contribute to performance with the possibility of control.

To improve capital efficiency, we certainly also must manage ROE. The fact that we have a very strong financial foundation at present, can conversely be taken to mean that we are not making effective use of leverage. One proposal would be, for example, to cover investment in fixed-scale growth with borrowing. On the other hand, we also plan to realize continuous increase in dividends and expeditious share repurchase, and will work to improve capital efficiency from both a borrowing and capital perspective.

Finally, in fiscal 2017 we want to change from a phase of restoring profits to one of creating steady profits. DOCOMO is a company that will continue to grow steadily in the future and I am convinced that it will be able to meet the expectations of our shareholders.

Measures to Address Major Management Risks

In order to fulfill its mission to provide 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 towards the steady execution of “Declaration beyond.” Accordingly, the Group works to strike a balance between advanced sensitivity to risk and an ongoing commitment to seeking out and meeting challenges.

Details of major risks	The Group's measures to reduce risks
Changes in the telecommunications industry market environment (such as intensifying competition from other businesses or other technologies, the expansion of competitive layers, or the participation or cooperation of mobile service providers in other industry sectors leading to the invigoration of these sectors) 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.	<ul style="list-style-type: none"> • Carrying out multifaceted research and analyses of market trends, as well as developing new products and services that incorporate market feedback (demand) • Establishing billing plans that earn continued customer loyalty, based on detailed analyses of customer usage trends, sales, etc. • Appropriately communicating to customers the Company's initiatives to strengthen network quality, simplify billing plans, expand after-sales services, and make services more convenient <p>For related information ▶ to page 69</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.	<ul style="list-style-type: none"> • 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 • Streamlining management resources through selection and concentration of services based on regular service evaluations that reflect customer usage trends and changes in the environment • Regularly collecting and analyzing information concerning the sales, subscriptions, and usage of products and services, and identifying declines in subscriptions or sales early on
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 impose restrictions on our business operations. This may adversely impact the Group's operational outcomes.	<ul style="list-style-type: none"> • Gathering information about changes in policies, such as administrative and legislative policies that may impact business operations • 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
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.	<ul style="list-style-type: none"> • Building systems that can flexibly accommodate changes in capital expenditure plans through regular monitoring of traffic • Analyzing customer feedback with respect to network areas, and implementing and promoting initiatives designed to improve customer satisfaction in each network area • Encouraging users of existing radio stations to move to other frequencies so that services in new frequency bands can be implemented as planned <p>For related information ▶ to page 36</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.	<ul style="list-style-type: none"> • Gathering and conveying information by participating in the activities of organizations involved in international standardization, as well as through alliances with overseas telecommunications operators • 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 <p>For related information ▶ to page 38</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.	<ul style="list-style-type: none"> • 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 • 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 <p>For related information ▶ to page 81</p>

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 at the end of July 2017—this overview presents those risks considered especially strongly connected to the Group's business strategies.

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"> • Conducting extensive quality checks before introducing new handsets or applications • Promoting the adoption of virus countermeasure services and phishing countermeasure services • 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.
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"> • Continuing to work toward achieving a safe and secure mobile society by promoting and expanding appropriate services and countermeasures, providing educational activities, and promoting awareness • Training and alerting sales agents as necessary to ensure that they fully verify the identity of mobile phone subscribers and abstain from inappropriate sales methods, and working with sales agents (such as sharing customer feedback with them) to ensure that their sales methods are appropriate <p>For related information link to page 46</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"> • 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 • Building robust information systems and carrying out regular testing based on established security standards <p>For related information link to page 60</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"> • Securing the relevant 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. • 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
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"> • Establishing basic principles for responses to large-scale natural or other disasters, as well as carrying out training on a regular basis • Formulating business continuity procedures and establishing backup systems for our most important platforms and internal systems <p>For related information link to page 36</p>
Concerns may spread about the adverse health effects of wireless telecommunications.	<ul style="list-style-type: none"> • Conducting ongoing studies and research relating to the effects of radio waves on human health, as well as publishing the results of such research
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"> • Sharing with our parent company the opinions and demands of non-parent company shareholders, as well as opinions obtained from the Company's experts in various fields • Constructing a system enabling the opinions of independent outside directors to be reflected in business operations <p>For related information link to page 56</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>

Guidelines of Medium-Term Str

Premise for medium-term strategy formulation

Under the medium-term objectives formulated in October 2014, we have been striving forward, advocating profit recovery, growing smart life profits and promoting cost efficiency improvements. As a result, we achieved all management objectives a year ahead of schedule. In addition to recouping profits, we managed to take an even greater leap forward via network acceleration, promotion of co-creation through “+d,” and other initiatives.

■ Review of Measures for Previous Medium-Term Goals

	Initiative	Achievement / forward progress
Early recovery of telecommunications business	Encourage enrollment in billing plan, “Kake-hodai & Pake-aeru” and “docomo Hikari”	“Kake-hodai & Pake-aeru” subscriptions increased to 37.07 million as a result of new billing plans in accordance with the needs of long-term customers, high-usage customers, young and senior customers, etc., and by improving customer satisfaction. For “docomo Hikari,” in addition to the launch of “docomo Hikari Denwa” and “docomo Hikari TV Option,” various promotional campaigns were also favorably received. As a result, subscriptions increased to 3.40 million.
	Network acceleration (LTE-Advanced)	With the introduction of new advanced technologies, we launched a telecommunications service with reception speeds of up to 682 Mbps, the fastest in Japan. Also, the number of LTE base stations increased to 161,900, and the number of PREMIUM 4G base stations increased to 69,700.
	Maintaining cost efficiency improvements	Due to network and marketing-related cost efficiency improvements, by FY2016 we had implemented cumulative cost efficiency improvements of ¥470 billion, and surpassed our previous medium-term objective of ¥400 billion.
	Improving efficiency of capital expenditures	Through initiatives to reduce equipment costs, including the introduction of new technology and new equipment and utilizing know-how for infrastructure development, we kept costs to ¥597.1 billion in FY2016 – below the previous medium-term goal of ¥650 billion.
Value creation through strengthening and co-creation in the smart life business and other businesses segment	Accelerating dmarket initiatives	We worked to enhance the dmarket lineup by offering new services closely aligned with customer health and lifestyles, and thereby increased the number of dmarket subscriptions to 16.08 million.
	“+d” expansion	By partnering with many companies and municipalities, we have steadily increased our number of partners to 236.
	Co-creation of social value	We are currently promoting co-creation of social value by strengthening business directly linked to solving social issues in multiple sectors including primary industries, education and healthcare.

Strategy 2020 “Declaration beyond”

Based on the slogan of “connecting dreams, for a richer future with 5G,” we announced “Declaration beyond” expressing three pursuits: “beyond as in time, to the future beyond 2020,” “beyond the expectations of customers and partners” and “beyond for ourselves, to transform and climb to new heights.” Also, as the basis for realizing the six declarations, we will continue to engage in service creation/evolution, business evolution with “+d” and reinforcement/evolution of all foundations.

■ Overview of Medium-Term Strategy 2020 “Declaration beyond”

beyond

Connecting dreams, for a richer future with 5G





■ Guidelines of Medium-Term Strategy

A medium-term strategy that makes clear the world that DOCOMO aspires to, and the 5G networks that support this strategy

Kiyohiro Omatsuzawa

Executive Vice President
General Manager of Corporate Strategy and Planning Department,
Responsible for Mobile Society Research Institute

Q

Your medium-term strategy features six declarations. Could you give us specific examples of the initiatives you will pursue under each of these declarations?

A

The underlying message of Medium-Term Strategy 2020 “Declaration beyond” is encapsulated in the slogan “connecting dreams, for a richer future with 5G.” In order to take the next step forward, “Declaration beyond” clarifies the kind of world that DOCOMO should be helping to create and outlines the kind of values to strive for in such a world. DOCOMO will tie together multiple vectors into a single large force that will propel us toward 2020 and beyond, into the prosperous future we hope to build.

Building a 5G network is, of course, an essential step toward achieving “Declaration beyond,” but before this, we will step up our initiatives under each of the declarations.

Take returns to customers for example. To cater to increasingly diverse customer needs regarding minutes of use, usage volume and the like, we have introduced new subscriber plans: “Simple Plan,” “Ultra Share Pack 30” and, for customers who intend to use the same handset for a long time, “docomo with.” We want to further expand our range of billing options and introduce into society various other propositions to give customers a tangible sense of value and convenience. To this end, we are also striving to make the necessary cost efficiency improvements. These improvements are being driven forward by the dedicated efforts of DOCOMO’s employees, each of whom understands that they have a role to play in this area. While monitoring progress in

the cost efficiency strategy, we will reinforce our customer network by delivering returns to customers in a manner that reflects their feedback.

To further raise customer satisfaction, we will increasingly adopt an omnichannel approach with a view to providing safe, secure and comfortable support to customers. In an effort to minimize customer wait times, docomo Shops have already started using tablets to facilitate optimal response to customer requests. However, we understand that DOCOMO’s customer touchpoints lie not only in its real-world shops but also in its telecommunications itself. In other words, we also recognize how important it is to customers to always have their mobile phone at hand and to be connected to DOCOMO 24 hours a day, 365 days a year. Accordingly, we plan to introduce simpler user interfaces and chat services that customers can use to carry out certain procedures online. We will also use an automatic reply function in the information center and introduce various other state-of-the-art technologies.

These initiatives correspond to “Declaration 1: Market leader” and “Declaration 3: Peace of mind and comfort support,” and as such, we will pursue each of them under the framework of the relevant declaration to achieve “Declaration beyond.”

Note: This feature section also describes the other initiatives of “Declaration beyond.”
For Outline of Medium-Term Strategy 2020 “Declaration beyond”

▶ to page 18

Q

Please tell us about the 5G networks that will support “Declaration beyond.”

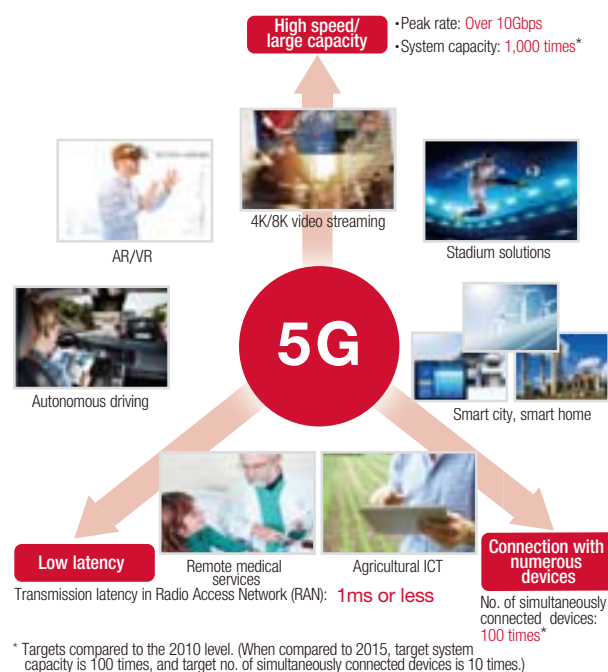
A

First of all, let me explain the position of 5G in our medium-term strategy. FY2017 will be an epoch-making year for the new 5G technology, a year in which international standardization will progress dramatically. The potential of 5G networks has

finally begun to take shape. We have thoroughly analyzed this potential and, after discussing the findings, resolved that we should adopt the slogan I mentioned earlier, that is, “connecting dreams, for a richer future with 5G.”

5G features high speed, large capacity, low latency and massive device connectivity. It also holds the potential to lead to the expansion of various industries and creation of new ones.

Mobile communications use complex technology to establish comfortable communications between base station antennae and customer devices (which today are usually smartphones), resulting in processing delays. When large amounts of data are being exchanged by a huge number of devices, the issue of the upper limits to wireless capacity cannot be realistically ignored. Furthermore, there are also issues with concurrent connectivity when there are many IoT devices that simply connect without continuously transmitting data. A 5G network will be able to resolve all three issues of processing delays, capacity and concurrent connectivity. Because mobile communications connect wirelessly, the freedom to connect anytime, anywhere will immediately expand their range of possibilities. Therefore, 5G is an immensely powerful asset underlying the new medium-term strategy.



Q Can you talk about DOCOMO's strengths in 5G network construction?

A DOCOMO's R&D team members are central players in the standardization of world mobile communications, and have been the most globally active of participants from Japan. In practice, the format advocated by DOCOMO up until now has been accepted for international standardization. Regarding 5G implementation as well, we have led the global telecommunications industry in proactively promoting standardization activities and proof-of-concept with each company. In light of this leadership in standardization efforts, DOCOMO's strength is its thorough knowledge of the 5G format.

While capital investment is needed to introduce 5G, the investments we are currently making are being leveraged against our accumulated know-how to smooth the introduction of 5G. As we are implementing these as a continuation of initiatives from LTE, we are able to investment in only the necessary amounts, items and areas to make sure the intro-

duction of 5G does not require extremely large investments.

While the 3-to-6 GHz and 28 GHz frequency bands are being considered for 5G use when it is first introduced, DOCOMO has been allocated the 3.5 GHz frequency band, and has been utilizing it for LTE. We are already promoting network development in this frequency band, the radio properties of which DOCOMO understands. By wholeheartedly advancing such network construction in anticipation of 5G, we will steal a march on our rivals.

We also set up a 5G trial site in May of this year, and are conducting technical verification of 5G in a commercial environment, while working to develop a new industry.

Lastly, 5G truly holds the energy and power to be the foundation of a more prosperous future. Please keep an eye on our efforts as we move forward with this revolutionary technology.

[to page 38](#)

	2016	2017	2018	2019	2020
Actions toward 5G standardization	Examine technical requirements		Call for standards proposals		IMT2020 standardization
	Basic examination of 5G standards	3GPP 5G standardization (Release 15)	3GPP 5G extensibility standardization (Release 16)		
DOCOMO's initiatives	5G commercial system development				5G commercial services
	5G trial site (Odaiba, Asakusa area)				

[Declaration 2] Style Innovation

9 Challenges for Style Innovation

Experience innovation

New entertainment (AR*/VR/Sport)



Next-gen mobility (Automobile)



Sharing



Lifestyle innovation

AI agent



FinTech



Total healthcare



Workstyle innovation

Drone robotics



Work innovation



Work matching



* AR (Augmented Reality): Technology that presents a real-world environment and augments this environment by adding computer-generated sensory input.

The 5G network, which features high speed, large capacity, low latency and massive device connectivity, will break new ground and open up unprecedented possibilities. Leveraging the strengths of 5G and applying technologies such as VR, AI, and IoT, DOCOMO will work with its partners to deliver "Experience innovation," "Lifestyle innovation," and "Workstyle innovation." We will pursue these initiatives under the company-wide project "empower+d challenge" (empowered challenge) with the aim of energizing 5G innovation and with an eagerness for ground-breaking challenges through "+d" initiatives.

With a view to achieving "Experience innovation," "Lifestyle

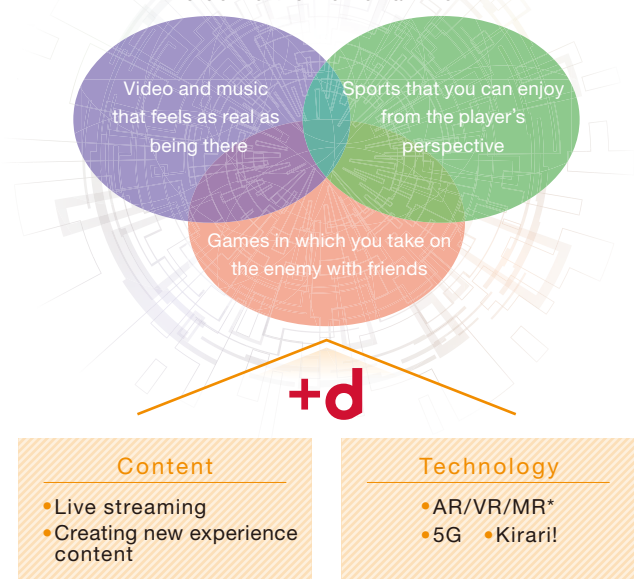
innovation," and "Workstyle innovation," we will relentlessly pursue the nine challenges for style innovation and create services that innovate the various "styles" among customers and society at large. For "Experience innovation," we will deliver exciting experiences through new entertainment, next-generation mobility, and sharing; for "Lifestyle innovation," we will deliver new, frustration-free lifestyle propositions through AI agent, FinTech and Total healthcare; and for "Workstyle innovation," we will use drone robotics, work innovation, and work matching to usher in new, vivacious workstyles, and deliver fun and astonishment.

From “watching and listening,” to thrilling experiences through “highly realistic sensations”

DOCOMO will create innovative services that combine content with 5G augmented reality/virtual reality technologies to bring new entertainment experiences to the world. For example, for video and music we aim to provide an experience that replicates the feeling of being in the live venue, and even let you experience the artists closer up than in reality. For sports you could experience the exhilaration of your fellow fans in the stadium, or see things from the point of view of the players or officials. In the realm of games, you could see the world of the game, not through a monitor, but with your own eyes, and share the experience of defeating enemies with your friends. This is the kind of world we are aiming for. Also, looking toward 2020, DOCOMO will strive to create new added value in the fields of sports and live performances.

Providing customers with unprecedented entertainment experiences

Integrating content, device, and space, to deliver new entertainment



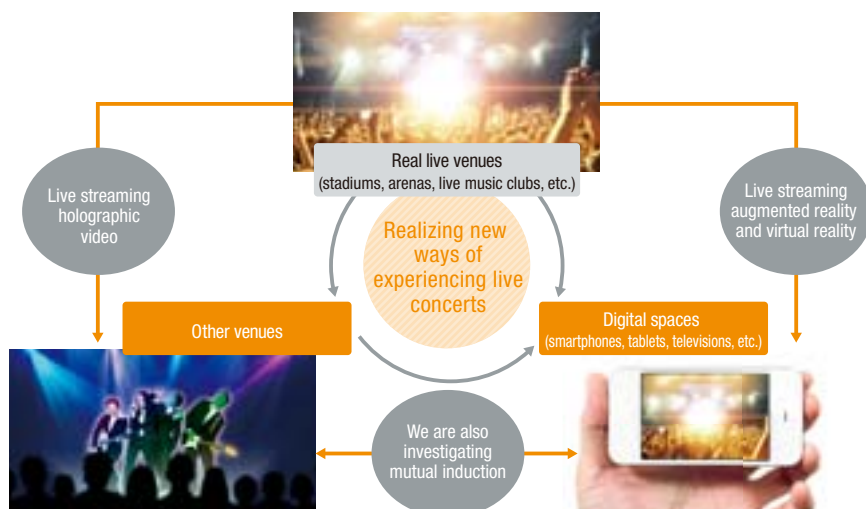
* MR (Mixed Reality): Spatial representation technology that merges real and virtual environments via a computer.

Evolution of Medium- to Long-Term Video and Music Businesses

We will build an environment that allows you to enjoy live concerts anytime, anywhere, in order to create advanced services that can offer new viewing experiences and develop them into peripheral businesses. By distributing 3D holographic images, we hope to provide an environment that allows even people in places far away from actual live venues to enjoy high-level realism and an immersive feeling,

as if they were at the actual venue. In addition, by using 5G high-speed communication to deliver augmented reality and virtual reality images in real time to smartphones and tablets, we will provide the best production possible depending on the customer's environment.

In this way we aim to use cutting-edge technology to realize new ways to experience live concerts.

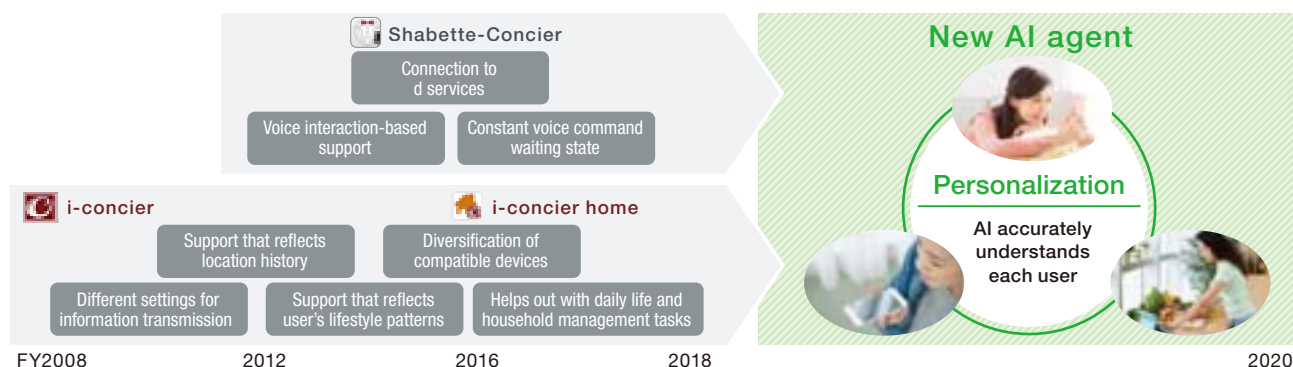


Providing the ultimate AI agent to all customers

We believe that we can achieve ultimate personalization through AI agents that understand each individual customer and can provide personalized value at the optimum timing. AI holds great potential for future development and distribution of services. And DOCOMO plans to further improve and evolve the AI agent learning function in order to develop: Natural Dialogue Communication that allows customers to be

better understood, a communication channel that connects customers and DOCOMO and enables us to propose usage scenarios that match personal characteristics, and a “+d” collaboration platform that makes it easy to develop agent services with our partners. Looking to 2020 and the 10 years beyond, we aim to provide the ultimate AI agent service.

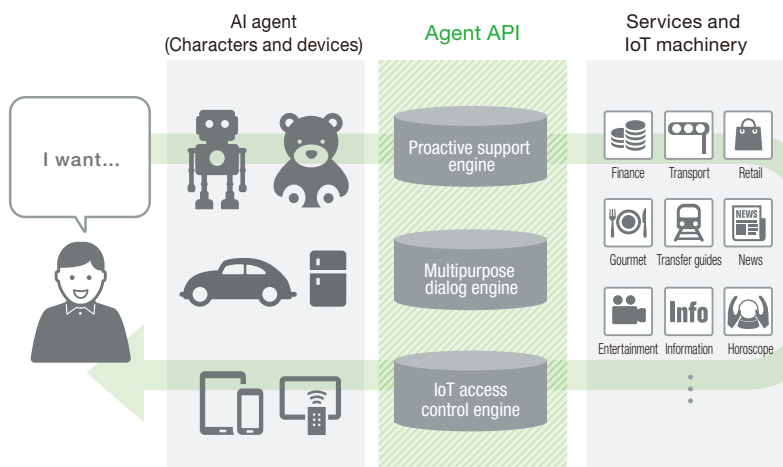
Evolution of Agent Service



Initiatives Relating to “+d” Partner Collaboration Platform

DOCOMO has worked to build foundational technology and know-how related to agent services, and has developed “i-concier” and “Shabette-Concier” to deliver information matching your lifestyle and living area at the optimum timing. For “Declaration beyond” we plan to evolve the service by strengthening contacts through engaging in further dialogue, utilizing big data and machine learning, and developing an agent

API, which is a core part of building an AI agent. Specifically, we will strengthen functions that aggregate technologies we have built up thus far, including a proactive support engine, a multipurpose dialog, and an IoT access control engine. By working with services and devices from partner companies, we will provide new AI agents that more closely align with each customer.



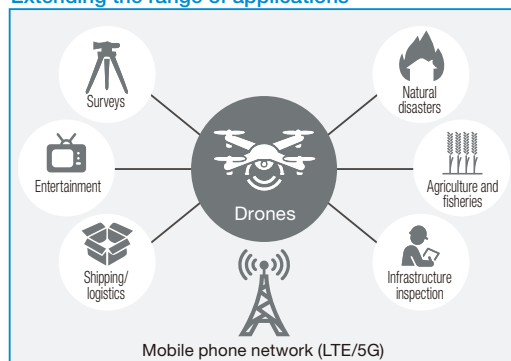
Creating social infrastructure based on drones

Utilizing our full range of business assets, we aim to create new value with drones. Using the mobile phone network to communicate with drones securely and in real-time will extend the range of applications for drones. For example, it will enable drones to be controlled from remote areas and allow data to be collected during flight, which cannot be achieved with conventional drone communication. In the future, we look forward to working with various partners to provide new added

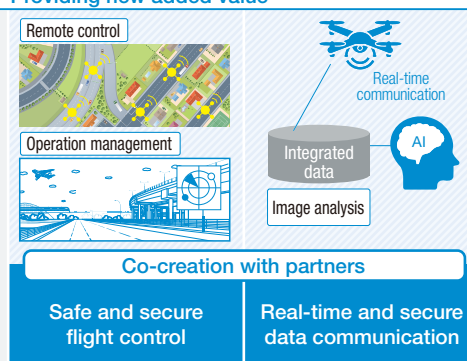
value with drones, believing that these efforts will contribute to solving social issues such as a declining labor force and aging infrastructure. After 2020, we will use the high-speed, large-capacity, and low-latency telecommunications made possible by 5G to further expand the range of applications for drones. In this way, we aim for a future in which drones form a part of the social infrastructure and revolutionize people's workstyles.

Future Outlook

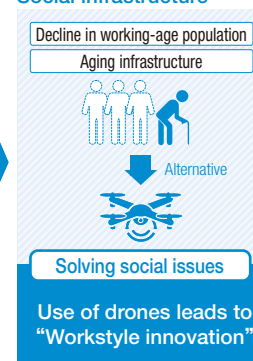
Extending the range of applications



Providing new added value



Social infrastructure



Initiatives in Entertainment and Media

This Spherical Drone Display comprises a spherical external frame, an internal LED frame, and a drone fitted inside the sphere. During flight, the LED frame spins rapidly, forming an afterimage effect that creates the illusion of a solid sphere of motionless LEDs. It is possible to use it to create dynamic performances at concerts and live venues as spherical displays that fly through the air, or as a floating advertising medium.



Initiatives in Logistics and Shipping

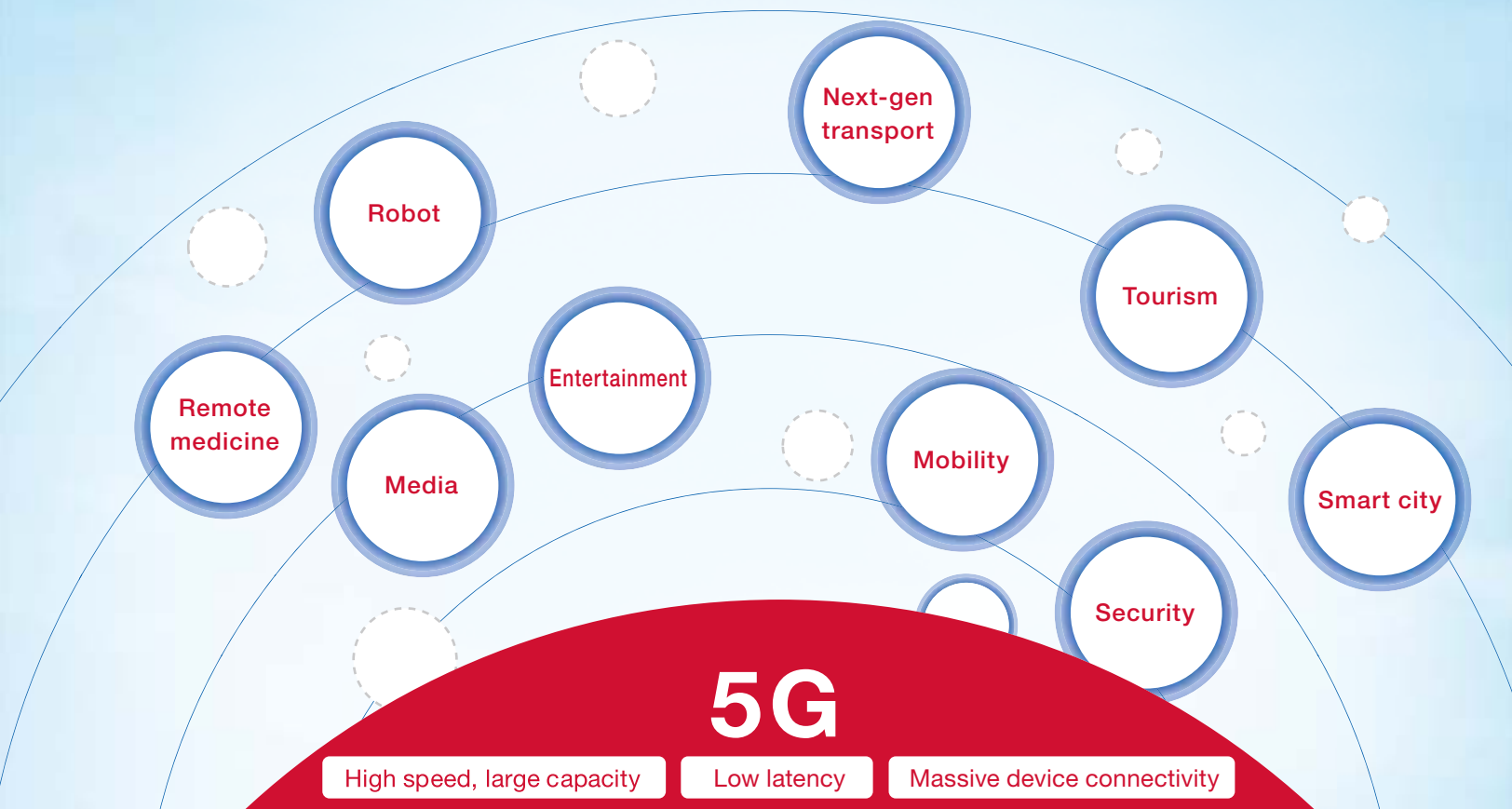
With the support of Fukuoka City, we conducted verification trials for a drone-based delivery system in Fukuoka City in November and December 2016. In the trials, which we jointly conducted with two other companies (MIKAWAYA21 Co., Ltd. and ENROUTE CO., LTD.), we operated a drone via a cellular network, flying it between Nokono Island and mainland Kyushu. The purpose of the trial was to examine the potential for a proxy shopping service that helps the elderly with shopping, a growing social issue as the population ages, and to test the drone's connection quality in flight as well as its impact on above-ground mobile phone networks.



[Declaration 4] Industry Creation

Contribute to social and industrial development through 5G technologies

By allowing partners to utilize superior 5G networks that feature high speed, large capacity, low latency and massive device connectivity, not only will partners' businesses grow, but the initiative will also contribute to the creation of an environment in which various industries can expand and new industries be created.



■ Trial Sites: Joint Ventures That NTT DOCOMO is Considering with Our Partners

Partner company	Outline of joint venture under consideration
TOBU RAILWAY CO., LTD.	Tour guide contents and live streaming service using VR, etc.
SOHGO SECURITY SERVICES CO., LTD. (ALSOK) / NEC Corporation	Sophisticated security service using cutting-edge technology
TOPPAN PRINTING CO., LTD.	High-quality VR tour content
Japan Display Inc.	Cutting-edge multimedia services (4K/8K ultra HD video, VR, etc.) combining 5G and next-gen display technology
Fuji Television Network, Inc.	Technological verification trials, including remote control of transmission devices and content of new entertainment experiences that utilize the strengths of 5G
Continental Automotive Corporation	Expansion of connected car infotainment system, joint demonstration using 5G and other cellular V2X (vehicle to everything) technology
Komatsu Ltd.	Verification trials, including the remote control of construction equipment by utilizing the strength of 5G
Panasonic Corporation	Trial transmission of high-presence, high-resolution video (e.g., 360 degree video) using 5G, etc.
Crescent, Inc.	Free viewpoint real-time video transmission system

Collaboration with partners who co-create 5G services

Case 1 TOBU RAILWAY CO., LTD.

The world's first 8K live video distribution using an experimental 5G signal

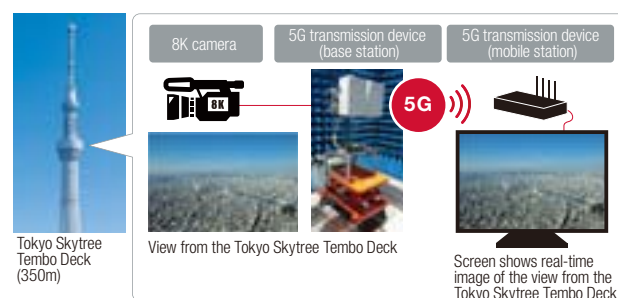
In May 2017, in collaboration with Tobu Railway, we succeeded in transmitting 8K video over an experimental 5G signal for the first time in the world, broadcasting live images from the Tokyo Skytree Tembo Deck. We were able to use 5G to transmit 8K video in an actual communications environment, something that would be possible with LTE only in an ideal communications environment. 8K video transmission is ideal for customers who want more realistic live images of sports and music. In combination with technologies like augmented reality and virtual reality, it has the potential to change the way we enjoy these things in the future.

We broadcasted 180 degrees of live video from six 4K cameras placed on the observation deck, to three large LCD monitors set up as a viewing space in the east yard of Tokyo

Solamachi. In this way, customers were able to experience the powerful images made possible by the high speeds and large capacity of 5G.

Special characteristics

- An 8K screen showed a real-time image relayed wirelessly from an 8K-resolution camera via an experimental 5G device
- Enabled smooth, lag-free video at 16 times the resolution of HDTV.



* Tokyo Skytree is the registered trademark of TOBU RAILWAY CO., LTD. and TOBU TOWER SKYTREE CO., LTD.

VOICE

Kenji Shimada,

General Manager of Corporate Planning Department of TOBU RAILWAY CO., LTD.

In May 2017, TOBU RAILWAY and NTT DOCOMO successfully conducted a joint demonstration of 5G at TOKYO SKYTREE, an iconic landmark of the capital.

I believe that the practical application of 5G will generate many new kinds of services in rail and bus transportation, as well as in the tourism industry.

In the future, we will work with DOCOMO and many other partners to conduct further demonstrations, using places like Asakusa, Tokyo Skytree Town, and Nikko as cutting-edge technological showcase areas. Through these demonstrations, we will contribute to technological progress in Japan.



Case 2 Komatsu Ltd.

The future of construction sites opened up by 5G

In collaboration with Komatsu, we began demonstration experiments in May 2017 utilizing 5G to develop remote control systems for construction and mining machines (hereinafter referred to as construction machines). Specifically, we verified that real-time images captured with multiple cameras mounted on construction machines, and control signals for construction machines, could be transmitted bi-directionally in

real time with low latency using high-speed communications. Up until now, Komatsu has collected information on various construction sites using IoT and used this electronic data to implement construction control services (construction visualization). Utilizing 5G makes possible on-site construction services and management services that allow users to grasp the situation on-site in real time even from remote offices, enabling accurate and efficient construction.

Core Section



Network

Providing a Communication Environment That Can be Utilized Easily Anytime, Anywhere

We are devising ways to offer a better, more satisfying network to customers.

Thorough coverage of Japan

LTE base stations

161,900

Speed for more enjoyable use

Maximum download speed

682Mbps

Reliable disaster response

Large-zone base stations

106 locations

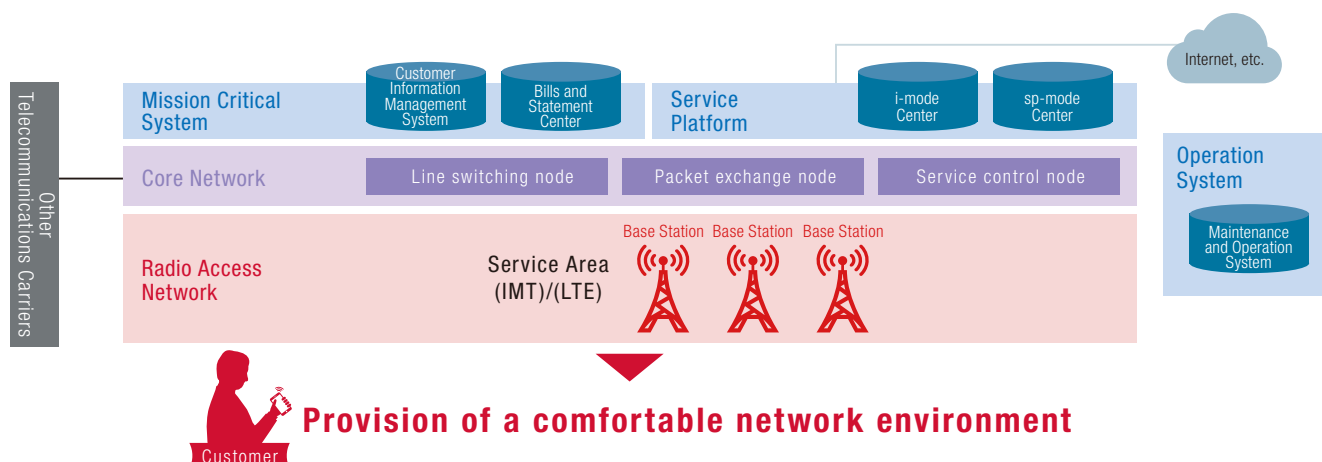
Basic Policy

DOCOMO strives every day to offer a better network, which in turn will bring about a communication environment that can be utilized easily anytime, anywhere. We maintain our network 24 hours a day, 7 days a week, and with the provision of large-zone base stations and the introduction of virtual technology, we achieve reliability and stability that allow customers to connect "anytime," not only under normal conditions, but also when special events or disasters lead to heavy mobile phone usage. By setting up more base stations in cities, subways, and buildings, we also hope to expand our service area so

customers can truly connect "anywhere."

Through a strong network that gives customers the ability to connect anytime, anywhere, we offer a continuous sense of security. Furthermore, by conducting detailed network investigations and improving the network, as well as by flexibly and speedily introducing new technology in response to usage patterns, we have improved communication speed and given customers a more enjoyable experience. Through initiatives like these, we will continue to offer a network that always satisfies customer needs.

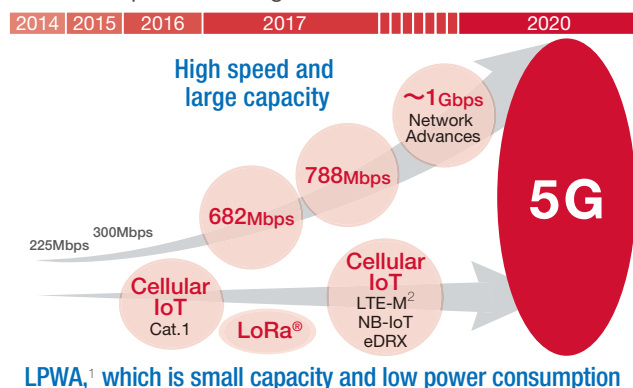
DOCOMO's Network Layout



Network in Our Medium-Term Strategy

At DOCOMO, two important initiatives in our medium-term strategy are to promote advances that increase our network's speed and capacity, and to reduce the prices and power consumption of IoT devices. In the "speed and capacity" initiative, our maximum reception speed was 75Mbps when we launched our LTE service in December 2010, but the introduction of new technology boosted this to 682Mbps in March 2017. The next step in this evolution is the introduction of our 5G service planned for 2020, for which we continue our verification trial cooperation with major vendors around the world. In the "low-cost, low-power consumption" initiative, we are working to respond to the diverse needs of our customers by offering LTE bases with both cellular and non-cellular IoT.

Roadmap to Realizing 5G



1. Low Power Wide Area
2. LTE-M is the generic term for LTE Cat-M1, or "Long Term Evolution (4G), category M1." Cat-M1 is a communication category for IoT devices that use the evolving 4G technology. However, under the existing 3GPP framework, Cat-M1 is referred to as Cat-M (Category M). Accordingly, there are no technical differences.

Initiatives to Achieve Our Medium-Term Strategy

Network Advances

To enhance the user experience and offer the fastest network in Japan, we are working to increase our number of routes through multiple input multiple output (MIMO) expansion, and to increase data density through quadrature amplitude modulation (QAM). In MIMO expansion, the employment of 4x4MIMO with maximum quadruple multiplexing at data transmission time has enabled us to approximately double transmission speed. In QAM expansion, the employment of 256QAM, which increases the amount of data carried at one time, has raised transmission speed by approximately 1.33 times. By coupling 4x4MIMO with 256QAM, DOCOMO created a communication service with a reception speed of 682Mbps (March 2017), the fastest in Japan.³ At the same time, we have been installing LTE-Advanced base stations for our PREMIUM 4G service. In fiscal 2016, we provided this service to 1,421 cities and towns throughout Japan, and the number of base stations tripled from the previous fiscal year to 69,700.

3. As of March 31, 2017. Among mobile phone carriers in Japan (DOCOMO studies)

Connectivity Improvement

We solicit customer feedback on connectivity as part of our effort to maintain communication quality and expand our service area. At customers request, we propose ways to optimize their connectivity (about 67,000 cases in fiscal 2016). Using the DOCOMO Repeater, a device that amplifies radio waves and improves indoor connectivity, and super-compact base stations for Femtocells, which emit radio waves and improve indoor connectivity, we survey connectivity and take continuous action to improve connectivity throughout Japan, based on customer feedback.

 Service Area: <https://www.nttdocomo.co.jp/support/area/feedback/index.html>

Speedy Area Recovery after Disasters

In the case of natural disasters and other unexpected events, to offer a communication environment that customers can access

anytime, we continually carry out training aimed at strengthening our response to various natural disasters. To help speed rescue efforts in areas where disasters render DOCOMO's services difficult to access, we have discussed introducing drone-based relay stations, and in May we succeeded in implementation tests to demarcate areas for these operations. With this type of station, drones carrying specialized compact relay stations will pick up radio waves from nearby DOCOMO base stations in mid-flight, and by transmitting them will establish a temporary service area on the ground below. Drone-based stations are superior to truck-based stations in terms of mobility, and since they are not affected by topographical changes, they are expected to speed up recovery after disasters.



Drone-based stations

Technology Development in the IoT Field

We are developing LPWA, a wireless communication technology that is IoT-compatible and saves energy. Multiple formats exist within LPWA, and we are pursuing technological innovation in each one. Our approach reduces the need for manpower in cases where someone would normally have to visit a site to understand its environment. It also enables greater flexibility in various usages, such as infrastructure observation and disaster-related applications. More specifically, LPWA can be used in remote management of industrial machinery, such as reading smart meters or checking inventory in vending machines, and in vast areas such as farms and ranches. The IoT arena as a whole features various other promising applications that are based on coordination with AI and big data. Examples include crime prevention using devices that signal when an irregularity has been detected, and in the automotive field, the collection of automobile and traffic data.



Research and Development

New Technologies to Solve Social Issues

We are reinforcing existing businesses and proceeding with R&D in new directions.

R&D investment

R&D expenditures
¥83.1 billion

R&D structure

Number of R&D staff
Approx. **900**

R&D results

Number of foreign patents owned
9,100

Basic Policy

The information and communication industry is rapidly expanding, and new technologies and ideas in this field can profoundly influence society. In addition to strengthening the core of our existing mobile phone business based on Medium-Term-Strategy 2020 "Declaration beyond," we are conducting R&D initiatives aimed at developing business opportunities in the AI, IoT, and

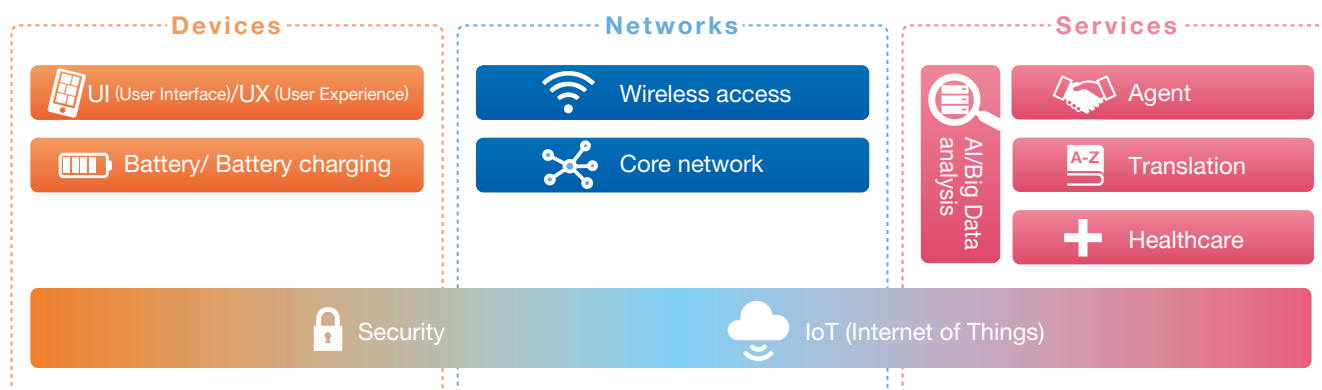
drone fields. Also, in addition to using the technologies of the NTT Group including the AI technology "corevo," we will strongly engage in open innovation, forming project organizations with our external partners to use external technologies such as the new business creation program "39works." We will pursue innovation at every opportunity to meet our customers' and society's needs.

The World We Envision and Our Main R&D Themes

We are proceeding with R&D that will bring our customers and society a sense of excitement as we push forward with the reinforcement of existing businesses and creation of new value. More specifically, we aim to liberate our customers from

the various kinds of stress that attend communications and to break down the barriers standing in the way of everyday smartphone use. To these ends, we are pouring our energy into three focus areas.

Focus Areas



R&D in Our Medium-Term Strategy

DOCOMO is creating new value to promote evolution in the three domains of devices, networks, and services. In devices, we are bringing about UI/UX, which not only enhances comfort and convenience, but also enables new experiences via smartphones and a diverse range of other devices. It will also free people from dead battery concerns and the stress of recharging.

In networks, we will construct an advanced, flexible network

that links all manner of things and provides secure and stress-free services to customers. Building on this, we will create a new digital ecosystem that goes beyond industrial frameworks.

In services, we are building “the ultimate concierge,” on an AI platform to support users in all sorts of situations. We also aim to optimize social systems in a way that resolves social problems.

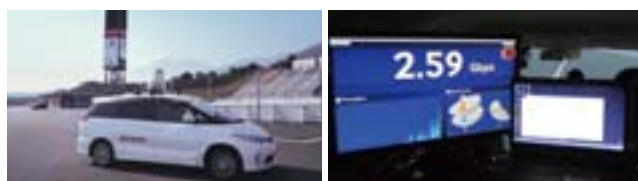
Initiatives to Achieve Our Medium-Term Strategy

Verification Tests with the World’s Major Vendors before Rolling Out 5G

In preparation for the 5G network launch, we are conducting wide-ranging verification tests of mobile communication technology with 13 of the world’s major vendors.

In addition to the frequency bands now in use, 5G employs high-frequency bands to ensure wide frequency bandwidth to achieve high-speed, high-volume transmission. At DOCOMO, we combine the high- and low-frequency bands in dual conductivity technology that facilitates stable high-speed transmission. We are also focusing on researching massive MIMO that makes use of multiple antenna elements to effectively use high frequencies in transmission.

As a result, we have been able to achieve over 20Gbps in transmission tests and have succeeded at transmitting wireless data in excess of 2.5Gbps to a mobile terminal installed in a vehicle traveling at 150 kph. The results obtained from these tests are being released to research groups and international conferences. In fact, we have released over 150 research papers. Moreover, DOCOMO is actively engaged in standardization activities for 5G based on the knowledge obtained from these initiatives. We have shown leadership in standardization activities by contributing more papers than any other telecommunications carrier in the world and by serving as the chairperson and in other important leadership capacities.



High-speed tests and measurement vehicle Interior of measurement vehicle

Natural Dialog Platform and Communication Robot

A natural dialog platform is a platform that, through AI, enables natural speech between customers and their smartphones using the basic technology and know-how in the Talking Concierge dialog agent service, which interprets the user’s intention when simply spoken to.

At DOCOMO, we offer “Oshaberi Robot for Biz,” which is built

on this platform and allows customers to customize their own scenarios. We are also jointly developing a communication robot called ATOM.

The communication partner Kokokuma went on sale in January 2017. Kokokuma is a communication robot in the form of a stuffed toy (bear). It allows the owner to communicate by voice with family members living far away, and is outfitted with a human sensor that helps to provide security to those living alone. Kokokuma can easily be operated by smartphone.

We will continue working on the ultimate concierge.



ATOM



Kokokuma

AI in the Taxi Business: Forecasting Demand

Together with taxi companies and an electrical machinery manufacturer, we are conducting verification tests on a system that will forecast taxi demand and provide drivers with information. Using population statistics composed by the DOCOMO mobile phone network, the system analyzes taxi’s ridership and weather information. AI is used to forecast taxi demand in designated areas over the following 30 minutes, with updates every 10 minutes. Relaying this information to taxi drivers will make it easier to match taxi supply with demand, which will in turn improve efficiency by alleviating taxi shortages and reducing wait times.



Forecast information distribution screen



Driver use scene



Human Resources

Fostering Energetic Personnel

To strengthen human resources, the source of our growth, we are creating a lively, supportive environment.

Growth opportunities for employees

Hours of training per person

Approx. **30** /year

Support for new challenges

In-house recruitment

274 people
(cumulative)

Promoting women's careers

Percentage of women in new employees

Approx. **30** %

Basic Policy

DOCOMO strives to place the right person in the right job. Through accurate personnel appraisals, we draw out each employee's ability and motivation. We work to eliminate discrimination from recruitment and hiring, and achieve fairness in both opportunity and treatment. We promote the hiring of human

resources that respects the abilities of each individual, regardless of nationality. Further, in accordance with the law, we promote initiatives to prohibit child labor and forced labor, and to ensure that the minimum wage is observed.

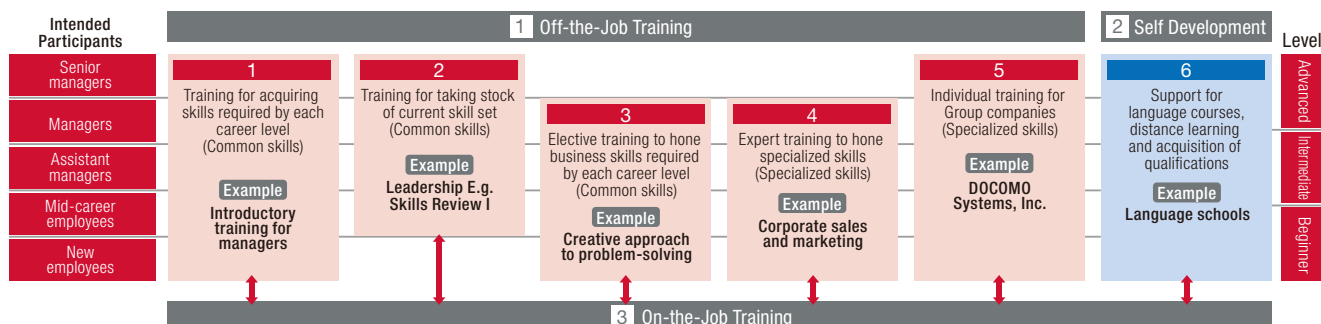
Promotion of Skill Development

DOCOMO has set up a skill development support program for employees. We implement a program in line with a career map that takes each person's aptitude into consideration, and each training plan is devised with an eye to the medium to long term. In response to diversifying and sophisticated customer needs, we provide finely calibrated training under titles such as "training at each career level," "expert training," and "elective training," and the content of each is upgraded as necessary. In fiscal 2016, we collaborated with a partner to foster "+d personnel" who can

offer new value. When we added "+d training" to our selected training courses, we also overhauled the whole lineup.

If employees are going to make the most of their skills, accurate personnel appraisals and placing the right person in the right job are important considerations. Personnel appraisals are carried out in two steps (three in some cases) to ensure fairness. In job assignment, each person's state of skill development and their career plan are weighed comprehensively in periodic human resources rotations.

Business Skill Development Programs



Human Resources in Our Medium-Term Strategy

For DOCOMO to achieve the goals in its medium-term strategy, each employee needs to have a forward-looking orientation and autonomously lead the way to change. To this end, we are reforming work patterns to make a livelier environment for our

diverse employees. Based on the three pillars of diversity management, workstyle choices, and health and productivity management, we are promoting autonomy and fighting spirit.

Initiatives to Achieve Our Medium-Term Strategy

Diversity Management:

Female Career Development Program

As one aspect of diversity management, we are developing a female career development program called “Win-d.” In Win-d, we offer career development menus necessary for everyone from general employees to managers aiming for an executive position. Female employees of five years receive mentoring by female managers, which starts with giving them a firm idea of their career possibilities. We also offer leadership skill training and role-model activities for mid-level female employees. For female managers (i.e. section heads), we offer numerous icebreaker events with executive and other higher-level managers, as well as mentoring. From FY2012 to FY2018, we aim to double the ratio of female managers in the Company to 5%, and to have at least 10 female executives (including DOCOMO Group companies). We are also working to promote workplace understanding of active support for individuals who are raising children or caring for family members, individuals with foreign nationality, people with disabilities, and LGBT and other sexual minorities.

Workstyle Choices: Telework

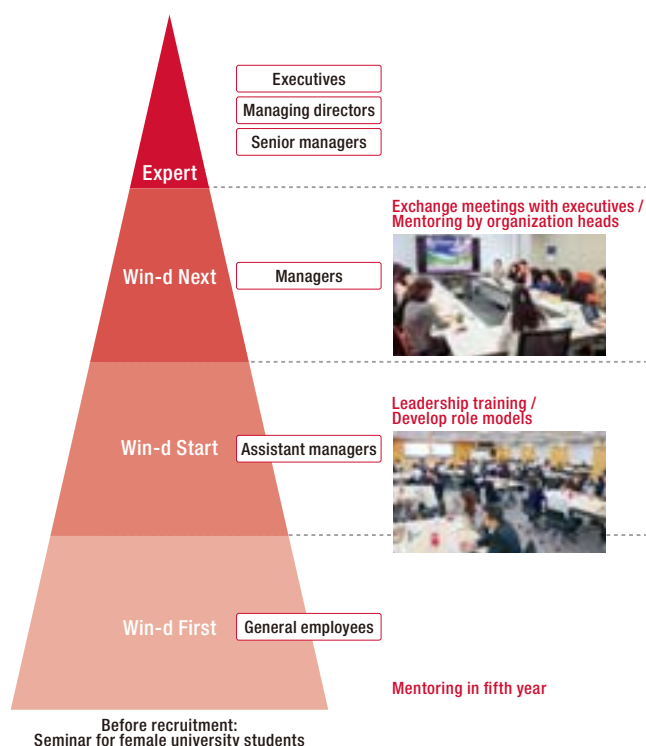
DOCOMO actively promotes different work formats as valid workstyle choices, such as slide work, which allows the individual to shift their working hours, and flex-time, which offers even greater independence and the possibility of higher efficiency by matching work hours to lifestyles, as well as telework (work from home). We are promoting telework as a way of using the time saved from commuting for study and participation in housework and childcare duties. This is also a way of improving work methods and raising the quality of work and workplace communication.

Working from Home Program Users: FY2015: 170 employees
FY2016: 1,054 employees

Health Management: DOCOMO Let's Walk Campaign

We are implementing the DOCOMO Let's Walk Campaign as a means of getting employees to be more aware of their health. This campaign, using the MOVEBAND 3 activity measurement application from DOCOMO Healthcare, is also intended for employees of Group companies and docomo Shops. Both organizations and individuals are encouraged to compete for the highest number of steps, leading to health maintenance and improvement among employees and staff. The DOCOMO Let's Walk Campaign has also received high appraisal for stimulating interpersonal communication and motivation.

■ Overview of Female Career Development Program “Win-d”



MOVEBAND 3



Informational poster



Customer Touchpoints

Customer Support That Offers Ease and Peace of Mind

Artificial intelligence is being used to improve customer touchpoints and solve the problem of excessive customer wait times.

Customer's voice

From the customer

Nearly **5** million
comments/year

docomo Shops

Number of shops

2,377

Information center

Number of calls answered

Approx. **31** million
calls/year

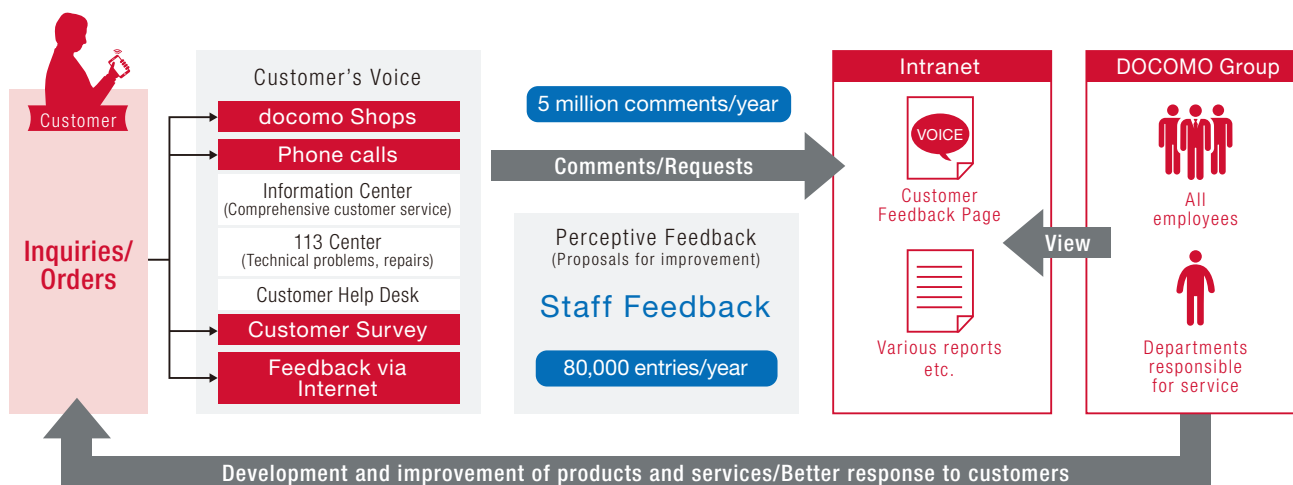
Basic Policies

At shops, information centers, the internet, and other sources, DOCOMO has a variety of customer touchpoints. Through these touchpoints, we collect information from nearly 5 million "Customer's voice" comments and around 80,000 "Voice of perceptive feedback" entries from DOCOMO staff in the course of the year. DOCOMO employees can check this information at any time, and the information is also transmitted virtually in real time to all employees in the DOCOMO group. As a result, each and

every employee has the opportunity to get an accurate understanding of what our customers are saying. DOCOMO people can use this information to develop and improve the products and services we offer to our customers while improving the way we respond to our customers' needs.

Not only do we listen directly to what our customers are saying; DOCOMO digs deeply into issues using quantitative and qualitative data at all times to improve overall customer satisfaction.

■ DOCOMO Group System for Collecting Customer Feedback



Customer's Touchpoints in Our Medium-Term Strategy

Using artificial intelligence, we are developing customer relations to provide our customers with support that offers ease and peace of mind.

We have created an environment where our customers' smartphones become a place where they can share issues with DOCOMO and get them resolved without stress. And when an issue is simply too complex to be resolved using a smartphone, we try to provide our customers with the information they need to resolve their issues.

By resolving issues through the various points of contact we have with our customers—the docomo Shops, information centers, as well as their smartphones—we strive to understand each and every customer's needs. We provide our customers with the most appropriate information and friendlier support than ever before, anytime, anywhere. Our goal through these initiatives is to resolve the issue of customer wait times and to improve customer satisfaction with our services as a whole.

Initiatives to Achieve Our Medium-Term Strategy

Developing Customer Contact Systems That Eliminate Wait Times

We are revamping docomo Shops to make them places where we can interact with customers wherever they are. We are also installing tablets that have a new customer reception system. These systems are creating new ways to support our customers – right there on the shop floor. By getting rid of store counters, we are able to eliminate customer wait times in the stores. We can provide our customers with a one-stop experience, from the moment they come into the store to receive information, to get explanations of products and services, or to get suggestions. DOCOMO staff can demonstrate our products and services on tablets, making recommendations that suit each customer. In this way, customers gain a deeper understanding of what DOCOMO can offer them, which in turn leads to customers signing up for and using more DOCOMO services.

Going forward, we will be introducing a user-friendly interface and chat features for customer reception over the Internet. At the same time, we are creating a standard platform for our customer base, which will enable shared customer recognition by seamlessly coordinating and rebuilding our channels to provide the highest level of responsiveness.

DOCOMO's goal is to solve the problem of customer wait times by developing these touchpoints with our customers.

Smartphone Classes

As part of DOCOMO's efforts to implement support services that offer ease and peace of mind, we started offering smartphone classes at our docomo Shops. These free classes, which are offered nationwide, provide the opportunity for a wide range of customers to try out a smartphone or tablet for the first time, or to learn how to make better use of smartphone or tablet features. docomo Shop staff will work closely with customers to recommend methods of use for smartphones and tablets that suit each customer.



docomo Shops, where we come into contact with our customers



Smartphone class



Environment

Towards Creating a Sustainable Society

DOCOMO is setting environment goals of global standards and leading the way to their achievement.

Greenhouse gas emissions

Company-wide emissions

0.3 % reduction
(compared to FY2015)

CO₂ emissions across society

Amount of contribution to the reduction of CO₂ emissions by use of ICT

32.7 million tons

Waste disposal

Final disposal ratio

1.53 %

Basic Policies

The NTT DOCOMO group views global environmental problems as important issues to be addressed by management. By developing and providing services centered on mobile ICT, we will stimulate innovation in diverse aspects of lifestyle and business,

and work with customers to support society's efforts to protect the environment. We will also work to reduce the environmental impacts of our business activities.

DOCOMO Group's Environmental Declaration

The Paris Agreement was adopted at the COP21 Climate Conference (COP21) in Paris in 2015. Under the agreement, each country will work on initiatives to achieve the targets set for combating climate change for the year 2030 and even further into the future. Among the initiatives, a high expectation is also set on the contribution of information and communication technologies. Taking into account such global trends, DOCOMO has developed the new DOCOMO Group Environmental Declaration, which presents its vision for global environmental protection, and Green Action Plan 2030, which summarizes the Group's environmental targets through to 2030.

The DOCOMO Group's Environmental Declaration sets five targets for 2030, which include contributing to society by reducing CO₂ emissions by at least 40 million tons and bringing about at least a 10-fold increase in power efficiency in the communications business (compared to fiscal 2013).

DOCOMO will continue to improve customer services and achieve sustainable corporate growth by creating a society where all people, across borders, cultures and generations, can live safely and comfortably.

DOCOMO Group Environmental Charter

The DOCOMO Group's basic philosophies and policies concerning global environmental protection

DOCOMO Group's Environmental Declaration

The DOCOMO Group's vision for global environmental protection

Green Action Plan 2030

The DOCOMO Group's environmental targets through to 2030

DOCOMO will lead successful environmental management systems for the future of people, society and the Earth.

We will create new value for environmental protection by providing mobile ICT services. We will ensure that our businesses are conducted with honesty in harmony with the global environment.

Themes of Our Initiatives and Actions

The DOCOMO Group takes on challenges to achieve environmental goals for 2030 with three focuses.

1

Realizing a Low Carbon Future

We are contributing to the reduction of CO₂ emissions and facilitating adaptation to climate change.

2

Implementing Closed-Loop Recycling

We are working toward more effective resource allocation.

3

Planning a Future of Natural Harmony

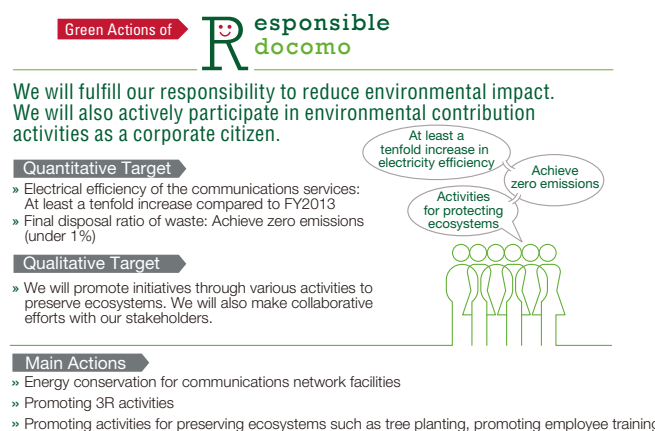
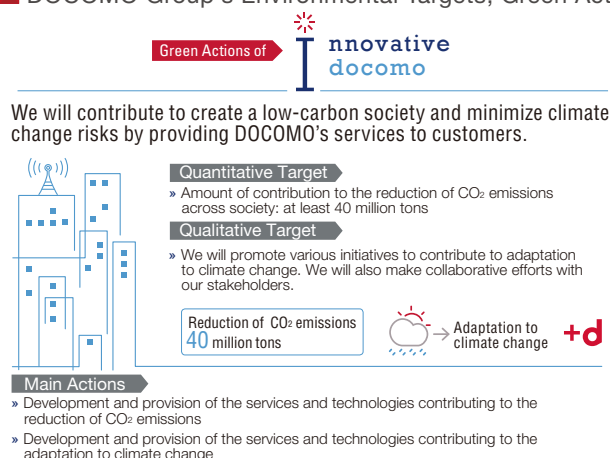
We are contributing to the preservation of ecosystems.

Green Action Plan 2030

Green Action Plan 2030 defines two categories in innovation and responsibility in the context of the CSR policy of the DOCOMO Group: The first is the Green Actions of Innovative docomo, which aims to contribute to creating a low-carbon society and minimize climate change risks. The second is the Green Actions of Responsible docomo, which are intended to fulfill our respon-

sibility to reduce the Company's environmental impact. Five targets have been set in the context of these categories. We will announce the results of the Green Action Plan 2030 for each fiscal year and examine the necessity of taking measures such as improvements concerning the initiatives and target values of the plan based on the results every five years.

■ DOCOMO Group's Environmental Targets, Green Action Plan 2030



Next-Generation Green Base Stations Using Renewable Energy

Nearly three-quarters of the power consumed by DOCOMO is used by our mobile network base stations throughout the country. To reduce the amount of CO₂ emissions generated by electricity consumption at base stations, DOCOMO is working on turning our existing base stations into "Green Base Stations" by installing solar panels and high-capacity storage batteries. A total of 93 such stations were in operation as of the end of March 2017. Solar panels are used to power wireless equipment, and surplus power is stored in lithium-ion batteries. This also helps to ensure continuation of service in the event of a power failure.

"docomo Woods" Forest Maintenance Activities

DOCOMO is engaged in the docomo Woods program, which involves planting and improving forests throughout Japan to contribute to the protection of the natural environment. docomo Woods engages employees and their families in weed control, tree limbing, and other forest management activities. The program is designed to raise employees' awareness of environmental protection and the spirit of voluntarism while bringing people into contact with nature. In FY2016, nearly 1,880 people participated in 45 docomo Woods activities. The program is ongoing and will continue to contribute to protecting our natural environment and to the preservation of biodiversity.

Tokyo 2020 Medal Project: Towards an Innovative Future for All

DOCOMO participates in "Tokyo 2020 Medal Project: Towards an Innovative Future for All," an initiative that was launched across Japan in April 2017. In this project, the Tokyo Organizing Committee of the Olympic and Paralympic Games will create nearly 5,000 gold, silver, and bronze medals to be used in the Tokyo 2020 Olympic and Paralympic Games. The metal will be sourced from collected old mobile phones, computers, and other small appliances, and will be the first such experiment in history. DOCOMO has started collecting used mobile devices (smartphones and tablets) at approximately 2,400 docomo Shops throughout Japan. In this way, we actively participate in the effective use of resources.



docomo Woods



Community Investment

A Company That Leads the Industry

We contribute to realizing a society in which people can live with greater security, safety, comfort and affluence across national and regional borders and across generations.

Indicators of community investment initiatives

Number of initiatives
Approx. **1,100**

Community investment funds

Activity costs
Approx. **¥6.48** billion

Smartphone and Mobile Phone Safety Classes

Number of attendees
Approx. **10** million
(As of July 6, 2017: cumulative)

Basic Policies

We of 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.

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 following five priority areas.

Priority areas of the NTT DOCOMO group's community investment initiatives

- 1 Safety and security
- 2 Nurturing the next generation
- 3 Disaster prevention and response
- 4 The environment
- 5 The local community

Management Structure

Every DOCOMO group company has established a system for promoting CSR by appointing a CSR officer, and they exchange information on a regular basis. As a member of the One-Percent Club of the Nippon Keidanren (Japan Business Federation),

DOCOMO has fully adopted its commitment to voluntarily contribute at least 1% of our ordinary profit to community investments. The following is an overview of our main activities.

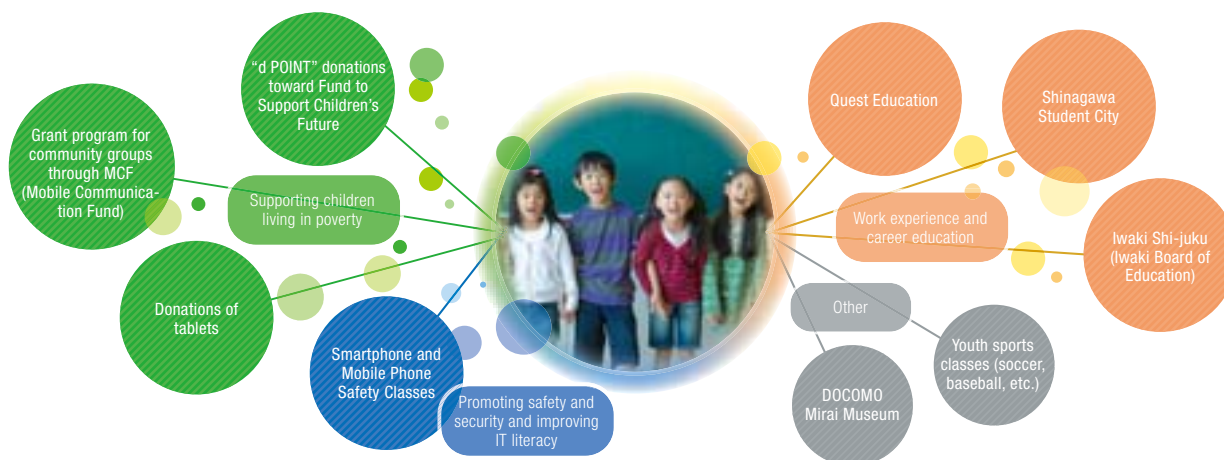
Major Areas of Our Community Investments	Number*	Number of Participants	Expenditures
Environmental conservation	91	5,846 individuals	Approx. ¥690 million
Social welfare	66	857 individuals	Approx. ¥590 million
Support for disaster-stricken areas	101	2,096 individuals	Approx. ¥370 million
Education and cultural promotion	147	624 individuals	Approx. ¥1,500 million
Local community development and dialogue	555	26,324 individuals	Approx. ¥750 million
Sports promotion	53	1,570 individuals	Approx. ¥1,530 million
International exchange activities, and others	105	1,302 individuals	Approx. ¥1,050 million
TOTAL	1,118	38,619 individuals	Approx. ¥6,480 million

* Monetary contributions, contributions of goods and free use of facilities are each counted as one community investment.

Community Investment in Our Medium-Term Strategy

Toward the goal of building a society in which all children living in Japan can follow their dreams and ambitions, DOCOMO is engaged in a wide variety of activities, from promoting the safe

and secure use of smartphones and mobile phones to programs providing real-world work experience and career education. We also provide support for children living in poverty.



Initiatives for Achieving the Goals of the Medium-Term Strategy

Smartphone and Mobile Phone Safety Classes

Free smartphone and mobile phone safety classes provided throughout Japan are one of our efforts to provide safe and secure services. In these classes, users are instructed on how to manage the risks and problems related to the use of smartphone and mobile phones in order to prevent their occurrence. The classes are arranged into levels by various segments of users: introductory, advanced, parent/teacher, special-needs schools and classes for the elderly. These classes have been held nearly 66,000 times in the 13 years since the program started in July 2004, and nearly 10 million students have participated (as of July 2017).



Smartphone and mobile phone safety class

Shinagawa Student City

DOCOMO takes a part in Shinagawa Student City, an initiative supporting the next generation of leaders, in which fifth-grade elementary school students living in Tokyo's Shinagawa Ward learn through social interaction. The curriculum that Student City provides enables students to acquire the skills to be socially independent by learning about their relationship with society, economic systems, money, jobs and more. DOCOMO provides students and their guardians opportunities to learn about our initiatives for communications networks, the environment and safe and secure services through our business operations. The program was held 22 times in FY2016, with about 2,120 students participating and 14 DOCOMO employees participating as volunteers.

Tablet Donations for Children

The Matching Network Promotion Council was started in 2017 as a joint project of the Cabinet Office and organizations that have nationwide networks to match the needs of NPOs and other organizations with corporate support and other resources. DOCOMO supports the spirit of these activities, and as part of its engagement has donated a total of 500 tablets to 26 groups belonging to the National Association for Supporting Poverty and Education for Children. Going forward, these tablets will be used by these groups in classroom and after-school activities.



Tablet donation ceremony

Participation in Quest Education

In FY2017, as part of its efforts to support career education, DOCOMO began participating in "Quest Education," which is a next-generation educational program for junior high school and high school students designed to promote life skills with a focus on actual society. DOCOMO employees visit schools, participate in business problem-solving workshops, and provide a range of advice and follow-up support.



Supply Chain Management

Promoting CSR Procurement in the Context of DOCOMO's Responsibilities to Society

We provide opportunities for fair transactions and make economically rational decisions to source for competitive products and services that meet DOCOMO's business needs.

Promoting CSR

Number of CSR procurement check sheets received

63 (Response rate 100%)

Conflict minerals survey

Response rate

100%

Basic Policies

DOCOMO has a basic policy of providing domestic and overseas suppliers with opportunities to compete in a fair and open manner and procuring competitive products and services in line with business needs on the basis of sound economic principles. In 2009, we formulated the NTT DOCOMO CSR Procurement Guidelines with the belief that it is important to fulfill social responsibilities during the whole production process of products procured from suppliers, i.e., respecting human rights, upholding labor practices in production processes, and ensuring occupational health and safety. The NTT Group adopted CSR procurement in December 2013, and we strengthened our

efforts on that occasion by changing the title of the guidelines to "NTT DOCOMO Guidelines for CSR in Supply Chain" and updating its content to correspond with current social needs. We itemized rules for seven CSR-related areas: human rights and labor, occupational health and safety, the environment, fair trade and ethics, product quality and safety, information security, and contribution to society. The guidelines apply to suppliers of telecommunications equipment and communication devices. We conduct CSR procurement by formulating guidelines, requesting the cooperation of other businesses, monitoring progress and providing support for improvements.

Steady Application of the Guidelines

The senior executive vice president responsible for technology has overall responsibility for procurement. The senior vice president's fundamental approach to procurement is based on supplier engagement and CSR procurement according to the guidelines, and both are used in the promotion of CSR. To ensure that DOCOMO's suppliers understand these policies, the Company makes the guidelines available on its website and also holds presentations for suppliers. We further require that DOCOMO device and equipment contract manufacturing suppliers submit a CSR procurement check sheet to DOCOMO in principle once a year. These check sheets are used by DOCOMO to assess the status of CSR implementation and request improvements where indicated.

In FY2016, we received responses from all 63 suppliers. The

check sheet contains a total of 140 items in the above-mentioned seven CSR-related areas. For example, in the area of human rights, we monitor our suppliers to ensure that they respect their workers' freedom of association and right to collective bargaining. We also monitor suppliers in connection with child labor and forced labor. Also, we conducted a study of mineral resource procurement routes in regions with ongoing conflict, like the Congo. The goal here is to prevent mineral resources from falling into the hands of armed insurgents and becoming a way to pay for arms purchases.



CSR Procurement (handling of conflict minerals and green procurement policy):
https://www.nttdocomo.co.jp/corporate/disclosure/procure/policy/csr_procurement/index.html

Communication with Suppliers

DOCOMO endeavors to build stronger partnerships with its suppliers through meetings and other opportunities to discuss our respective needs and ideas. Following on the events held during the previous year, in FY2016 we held Business Partner Kick-off events for 36 of our main suppliers, 12 telecommunication

construction contractors, and 10 NTT Group companies with a total of 169 participants. At events such as these, we are able to talk about the business environment in which DOCOMO operates and exchange ideas toward the goal of continually and consistently sourcing competitive, high-quality products from our suppliers.

49 Management Section

50	Messages from Outside Directors
52	Management Team
55	Corporate Governance
56	NTT DOCOMO's Corporate Governance System
58	Initiatives to Strengthen the Governance System
59	Dialogue with Shareholders and Investors
60	Information Management
61	Internal Control

62 Data Section

62	Operating Data
64	11-Year Summary of Selected Financial and Non-Financial Data
66	FY2016 Financial Review
74	Consolidated Balance Sheets
76	Consolidated Statements of Income
77	Consolidated Statements of Comprehensive Income
78	Consolidated Statements of Changes in Equity
79	Consolidated Statements of Cash Flows
80	Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures
81	Subsidiaries and Affiliates
82	Organizational Structure
83	Corporate Information/Stock Information

Messages from Outside Directors



I have witnessed open-minded discussions during and outside of the Board of Directors meetings and contributed to the formulation of the new medium-term strategy.

Teruyasu Murakami

Director of Research Institute for Industrial Strategy

Ever since I became an independent outside director in 2013, I have offered extensive advice on how NTT DOCOMO can achieve sustainable growth and improve its corporate value, as well as endeavored to represent the interests of general shareholders and ensure that their viewpoints are reflected at the Board of Directors' meetings. I have made a point of commenting on virtually all proposals considered important from general shareholders' point of view in order to bring a fresh breeze into the Board of Directors' meetings and invigorate discussions so that corporate governance is strengthened. For example, since I took up my post, I have leveraged the insights I gained from my background in service-ology to push for spirited company-wide discussions on the smart life business. Both during and outside the Board of Directors meetings, not only the directors in charge of the smart life business but all the directors have engaged in discussions about the strategic outlook for the smart life business. As a result, it accounted for approximately 20% of total operating revenues (¥4,584.6 billion), which shows the way to the steady progress of the transformation of the NTT DOCOMO's business structure.

During the process of formulating Medium-Term Strategy 2020 "Declaration beyond," there were plenty of occasions when both inside and outside directors contributed their views and opinions. During discussions on how to evaluate the effectiveness of

the Board of Directors, the members spontaneously agreed to the idea of assessing the progress of "Declaration beyond" through a PDCA cycle of the Board that was initiated by President Kazuhiro Yoshizawa. I am favorably impressed by the willingness to earnestly engage in corporate governance.

We have seen thus far the rise of ubiquitous computing and then smart computing, and I believe that the next big wave of information technology will be autonomous computing.* The new medium term plan is ready for the next big wave and takes into account technological innovations in AI, deep learning, IoT, big data, autonomous driving, drones, and service robotics. Under this plan, I trust that NTT DOCOMO will continue to push the frontiers of technological progress as a deliberate extension of its business strategy, and continue to create new value together with its customers and partners. Looking ahead to the technological trends of tomorrow, it will be necessary not only to understand these new technologies but also to create new businesses and raise a large workforce of globally-minded entrepreneurs. I believe that human resources development will become increasingly important in the years ahead, and I firmly hope that NTT DOCOMO will smoothly facilitate human resources development in the same way as business reform.

* Autonomous computing: ICT systems that are designed to operate at a certain distance from the user and behave independently, as if they had a will of their own, for the purpose of providing advanced services to the environment and the user.



I look forward to seeing diverse talent utilized as we make breakthroughs in new service areas.

Noriko Endo

Project Professor, Graduate
School of Media and
Governance, Keio University

In formulating the Medium-Term Strategy 2020 “Declaration beyond,” we had much lively discussion and debate, involving both inside and outside directors, before reaching a consensus. This transparent process is praiseworthy from a corporate governance standpoint. In addition, by defining six declarations and clarifying strategic business fields, we have taken the first steps toward growing alongside our stakeholders.

Looking back on my years as an editor responsible for reporting and writing, as well as my time as a university professor and researcher, I have witnessed at close hand the way technological innovation prompts a transformation in industrial structures, causes upheaval in the competitive environment, and forces companies to overhaul their business models. As a result, I have gained deep insight into its impact from business and industrial standpoints, and have recognized that supporting the growth of NTT DOCOMO based on my experience is one of my roles as an independent director. Looking ahead, the members of the Board of Directors should consider implementing a specific PDCA cycle for putting business strategies into action.

Until now, the telecommunications business has required extensive network maintenance, and the barriers to market entry have been high. However, the strategic business fields we are now targeting in “Declaration beyond” feature diverse and global

service providers, making for a fiercely competitive environment. Amid these circumstances, for NTT DOCOMO to demonstrate its originality and continue meeting the expectations of customers, the Company must further refine its business processes and improve its mindset.

In some respects, “Declaration beyond” embodies open innovation. In FY2016, the Company increased the number of female executive officers to two. This and other efforts the Company is making to promote new talent will, I believe, bring a fresh breeze to management. Thus, it is necessary to transcend the company framework, and assemble and integrate diverse knowledge. I hope that NTT DOCOMO will do more to recognize the untapped potential not only of female employees but of employees from diverse backgrounds, and ensure that each and every employee has fair opportunities to develop their careers. I believe that such efforts will lead to sustainable growth of the Company.

Management Team

Members of the Board of Directors

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

1 Kazuhiro Yoshizawa

2011 25,000 shares

April 1979 Entered NTT Public Corporation
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, General Manager of Sales and Marketing Division of the Company
June 2016 President and Chief Executive Officer of the Company (To the present)

Senior Executive Vice President,
Member of the Board of Directors

3 Toshiki Nakayama

2014 8,100 shares

April 1981 Entered NTT Public Corporation
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
June 2017 Senior Executive Vice President, Responsible for Global business, Corporate and CSR of the Company (to the present)

Executive Vice President,
Member of the Board of Directors

6 Hiroshi Tsujigami

2016 2,600 shares

April 1983 Entered NTT Public Corporation
June 2012 Senior Vice President of Corporate Strategy Planning, Member of the Board of Directors of NTT, Member of the Board of Directors of NTT EAST
June 2016 Executive Vice President, Executive General Manager of Sales and Marketing Division of the Company
June 2017 Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Broad-band business of the Company (To the present)

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

2 Hiroyasu Asami

2014 14,100 shares

April 1980 Entered NTT Public Corporation
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 (CIO, CISO, CPO), Responsible for Technology, Devices, Network, Information Strategy and Preparation for 2020 of the Company
June 2017 Senior Executive Vice President (CIO, CISO, CPO), Responsible for Technology, Devices, Information Strategy and Preparation for 2020 of the Company (To the present)

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

4 Hirotaka Sato

2012 16,400 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

7 Kouji Furukawa

2016 5,500 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

5 Kiyohiro Omatsuzawa

2014 19,200 shares

April 1981 Entered NTT Public Corporation
July 2015 Executive Vice President, Responsible for Network and Preparation for 2020 of the Company
June 2016 Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Broadband business of the Company
June 2017 Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Mobile Society Research Institute of the Company (To the present)

Executive Vice President,
Member of the Board of Directors

8 Kyoji Murakami

2016 6,400 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)



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

9 Hiroshi Nakamura

2017 8,900 shares

April 1987 Entered NTT
June 2014 Senior Vice President, General Manager of Core Network Development Department of the Company
Oct. 2014 Senior Vice President, General Manager of R&D Strategy Department of the Company
June 2017 Executive Vice President (CTO), General Manager of R&D Innovation Division of the Company (To the present)

Member of the Board of Directors,
Corporate Advisor

12 Kaoru Kato

2008 39,400 shares

April 1977 Entered NTT Public Corporation
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)

Member of the Board of Directors

15 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)

Executive Vice President
Member of the Board of Directors

10 Hozumi Tamura

2017 6,600 shares

April 1987 Entered NTT
June 2014 Senior Vice President, General Manager of Smart-life Planning Department of the Company
June 2017 Executive Vice President, General Manager of Network Department, Responsible for Network of the Company
July 2017 Executive Vice President, Executive General Manager of Network Division and General Manager of Network Department of the Company (To the present)

Outside Member of the Board of Directors

13 Teruyasu Murakami ^{1,2}

2013 6,700 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)

Senior Vice President,
Member of the Board of Directors

11 Seiji Maruyama

2016 7,500 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)

Outside Member of the Board of Directors

14 Noriko Endo ^{1,2}

2016 1,400 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)

Profile

Position

Name

Appointment year / Number of shares held

Career summary

1. Outside director
2. Independent officer





Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member

1 Shoji Suto

2017 12,900 shares

April 1980 Entered NTT Public Corporation
July 2014 Executive Vice President, Responsible for Consumer Sales, Member of the Board of Directors of the Company
June 2015 Senior Executive Vice President, Member of the Board of Directors of DOCOMO CS, Inc.
June 2017 Audit & Supervisory Board Member of the Company (To the present)

Full-time Audit & Supervisory Board Member

3 Yutaka Kawataki^{1,2}

2015 3,200 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
June 2015 Outside Audit & Supervisory Board Member of the Company (To the present)

Audit & Supervisory Board Member

5 Eiko Tsujiyama^{1,2}

2011 3,800 shares

April 2003 Professor, School of Commerce and Graduate School of Commerce, Waseda University (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)

Full-time Outside Audit & Supervisory Board Member

2 Toshimune Okihara¹

2014 4,700 shares

April 1979 Entered NTT Public Corporation
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 Outside Audit & Supervisory Board Member of the Company (To the present)

Full-time Audit & Supervisory Board Member

4 Hironobu Sagae¹

2017 0 shares

April 1981 Entered NTT Public Corporation
June 2014 Executive Vice President, General Manager of Accounts and Finance Department, Member of the Board of Directors of NTT DATA Corporation
June 2016 President, Member of the Board of Directors of NTT DATA MANAGEMENT SERVICE Corporation
June 2017 Outside Audit and Supervisory Board Member of the Company (To the present)

Profile

Position

Name

Appointment year / Number of shares held

Career summary

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

Executive Officers

Executive Vice Presidents

Executive General Manager of Kansai Regional Office

Hajime Kii

Executive General Manager of Kyushu Regional Office

Kazuhiro Takagi

Senior Vice Presidents

Executive General Manager of Hokkaido Regional Office

Kouji Tsubouchi

Executive General Manager of Tohoku Regional Office

Michio Fujiwara

Executive General Manager of Tokai Regional Office

Makoto Tani

Executive General Manager of Hokuriku Regional Office

Hiroko Kawasaki

Executive General Manager of Chugoku Regional Office

Tomohisa Ueno

Executive General Manager of Shikoku Regional Office

Mayumi Tateishi

General Manager of Tokyo Branch

Shigeto Torizuka

General Manager of Kanagawa Branch

Hikaru Kawachiyama

General Manager of R&D Strategy Department, General

Manager of Innovation Management Department

Tomoyoshi Oono

General Manager of Platform Business Department

Yoshiaki Maeda

General Manager of Smart-life Solutions Department

Koichi Takahara

General Manager of Financial Business Department

Ken Yoshizaki

General Manager of Product Department

Kenichi Mori

General Manager of Radio Access Network Engineering Department

Taku Yamazaki

General Manager of Sales Promotion Department

Kan Takamoto

General Manager of Frontline Support Department

Osamu Hirokado

General Manager of Corporate Sales and Marketing Department II

Toshiaki Sakurai

General Manager of IoT Business Department and

General Manager of Connected Car Business Office

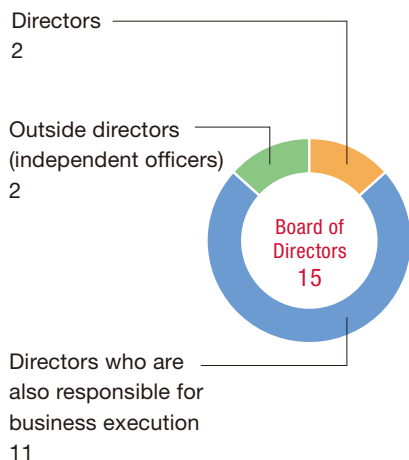
Naoki Tani

Executive General Manager of Global Business Division

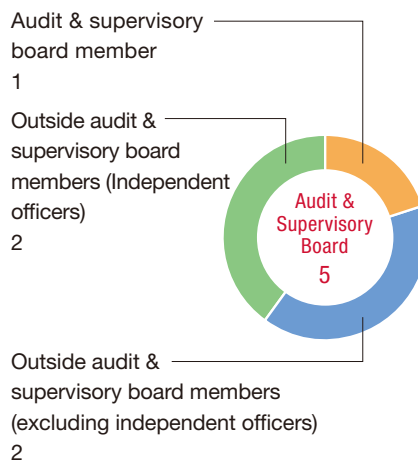
Katsuyuki Takagi

► Highlights

Composition of the Board of Directors



Composition of the Audit & Supervisory Board



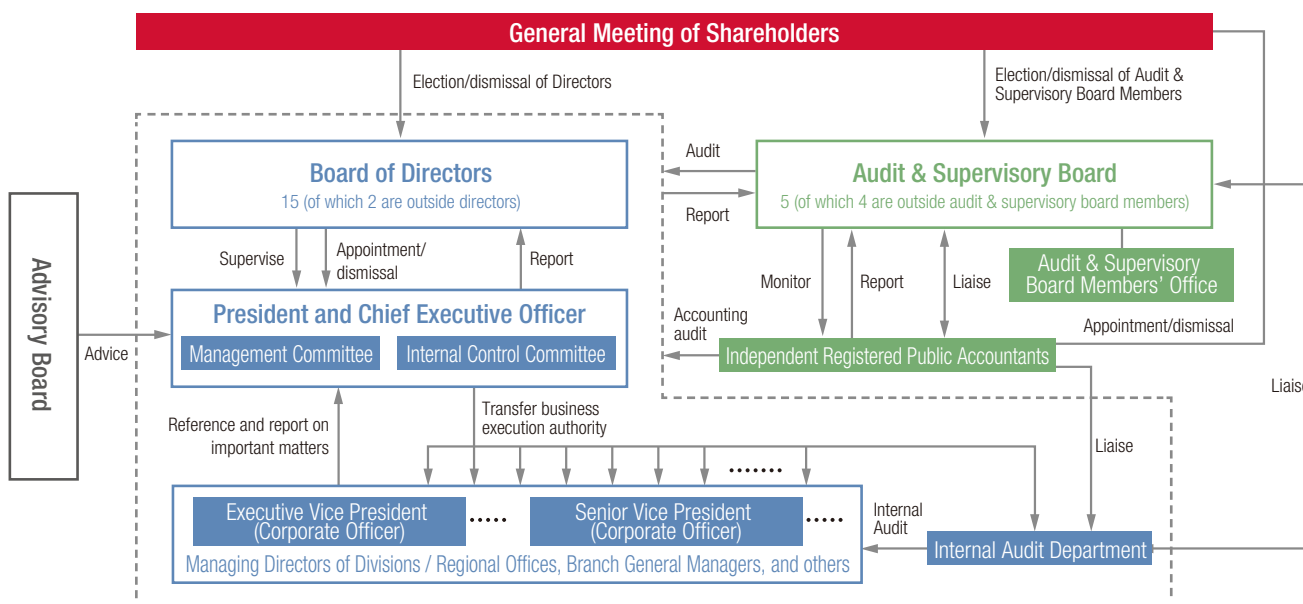
Meetings of the Board of Directors

**13 times
(FY2016)**

► Initiatives during the Fiscal Year

- 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.

► 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.

NTT DOCOMO Basic Policy on Corporate Governance (in Japanese only): https://www.nttdocomo.co.jp/corporate/ir/binary/pdf/management/governance/governance_rule_151030.pdf

► Overview of the Corporate Governance Structure

Regarding our core telecommunications businesses, we recognize that as the market expands, mobile phones have come to play a vital role as social infrastructure. To use management resources effectively and to maintain consistent and stable business operations, we believe it is desirable for directors 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, serving concurrently as executive officers responsible for business execution, supervise each other's actions, while audit & supervisory board members conduct management audits. 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 with the aim of further enhanced monitoring and audit functions.

In addition, we use an executive officer system (27 of them are men, two are women, and eight serve concurrently as directors) to clarify the roles of business execution and monitoring, and to further reinforce our business execution functions. This system enables 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.

► 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, 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
- Building a system of support in which independent outside directors advise directors and other members of the management team with the opinions of general shareholders and other stakeholders in mind.
- Allowing independent outside directors to participate in management training and various company activities.
- Providing opportunities for independent outside directors, directors, and executive officers, to exchange opinions on the direction of our corporate strategies, etc.
- 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

► Assessment of Board of Directors

We 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 review conducted in May 2017 by the Corporate Governance Council, which consists of all members of the Board of Directors and the Audit & Supervisory Board.

We also verified that there have been improvements to the vigorousness of the Board of Directors' discussions and the diversity of its membership. For example, in June 2016, the number of outside independent directors was increased to two.

With a view to further strengthening corporate governance, we have decided that members of the Board of Directors should periodically evaluate the efforts being taken to achieve the direction of our corporate strategies, which have been determined through discussions.

► 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, 2017, NTT owned 66.65% of the voting rights of the DOCOMO Group and was in a position to influence the Company's management decision making through the exercise of majority shareholder rights. However, the Company retains its own management responsibility and conducts operations in accordance with its own decision-making authority.

► Major Subjects Discussed by the Board of Directors in FY2016

- Increased customer returns
- Introduction of "Free Course" and "Zutto DOCOMO Discount Course," further expansion of "Zutto DOCOMO Discount," providing "reward points"
- Service creation / evolution
- Business evolution with "+d"
- Reinforcement / evolution of all foundations

► 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.

- 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.
- 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.
- 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 total of compensation paid to directors and audit & supervisory board members during fiscal 2016 was as follows:

Position	Number	Total compensation
Directors	18 ¹	¥526 million ²
Audit & supervisory board members	5	¥131 million
Total	23	¥658 million

1. This figure includes the compensation paid to four directors who retired at the conclusion of the 25th Ordinary General Meeting of Shareholders held on June 16, 2016

2. The total of compensation paid to directors and audit & supervisory board members includes ¥99 million in bonuses in FY2016.

The total of compensation includes the following compensation paid to outside directors.

Position	Number	Total compensation
Total amount of compensation paid to outside directors	6	¥121 million

Initiatives to Strengthen the Governance System

► Changes in the Corporate Governance System

		Number of Members (Board of Directors)		Number of Members (Audit & Supervisory Board)	
		Total	Of which, outside directors	Total	Of which, outside audit & supervisory board members
February 1999	Establishment of Advisory Board From experts in various fields, we receive objective opinions and proposals in such areas as management issues and the role of communications technology in society.	23	0	4	0
December 2000	Establishment of U.S. Advisory Board We receive opinions and proposals from a global viewpoint in regard to the role of communications technology in society and information technology trends.	28	0	4	2
June 2002	Appointment of outside director The Company appointed one outside director from within the NTT Group.	27	1	4	2
June 2003	Outside members account for majority of audit & supervisory board members. The Company exceeded the stipulations of the Companies Act, which calls for outside members to account for half or more of audit & supervisory board members, when outside members became a majority of audit & supervisory board members.	27	1	5	4
June 2005	Introduction of the executive officer system Reduced the number of members of the Board of Directors by more than half in accordance with the introduction of the executive officer system.	13	1	5	3
June 2013	Number of outside directors on Board of Directors increased by one Designated as an independent director The Company appointed the first outside director from outside the NTT Group.	14	2 (Of which, 1 is an independent director)	5	3 (Of which, 2 are independent audit & supervisory board members)
June 2015	Reelection of outside audit & supervisory board members One independent outside audit & supervisory board member retired, and one independent outside audit & supervisory board member was newly appointed.	14	2 (Of which, 1 is an independent director)	5	4 (Of which, 2 are independent audit & supervisory board members)
June 2016	System with two independent outside directors 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 2016, we held five meetings of the Advisory Board.

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 has held four board meetings.



The 9th Advisory Board (October 2015 to September 2017)

Board members	
Motoshige Itoh	Professor Emeritus, The University of Tokyo, 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
Hideo Miyahara	Professor Emeritus, Osaka University

The 8th U.S. Advisory Board (November 2015 to April 2017)

Board members	
Chair	David A. Gross Partner, Wiley Rein LLP Former Ambassador, U.S. Coordinator for International Communications and Information Policy
Member	Matthew P. Goodman Chair in Political Economy, Center for Strategic & International Studies (CSIS)
Guest speaker (November 2015)	
	Ragu Gurumurthy Chief Innovation Officer, Deloitte LLP
Guest speaker (April 2016)	
	Amy Walter National Editor of <i>The Cook Political Report</i>
Guest speaker (November 2016)	
	Eric Bovim Managing Director SIGNAL Group
Guest speaker (April 2017)	
	Jan Dawson Chief Adviser Jackdaw Research

► Policy

We proactively engage in information disclosure and dialogue with shareholders and investors as 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 or the senior executive vice presidents, as well as the executive corporate officer in charge of corporate finance, explain recent results, future initiatives, and the return of profits to shareholders, among other topics. In fiscal 2016, we held presentations in Tokyo and Osaka in August 2016 (more than 510 and 370 attendees, respectively); in Fukuoka in November 2016 (more than 130 attendees); in Kanazawa in February 2017 (more than 100 attendees); and in Nagoya in March 2017 (more than 270 attendees). 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 FY2016. 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. Furthermore, we post videos about the medium-term strategy together with the president's comments.	None
IR-related department assigned (person in charge)	The department involved with IR is the Investor Relations Department. The corporate officer responsible for IR is an executive vice president. The liaison officer is the head of investor relations.	None

YouTube

YouTube broadcast of President's explanation of Medium-Term Strategy 2020 "Declaration beyond"
<https://www.youtube.com/watch?v=qb5pXjVS9Vk>



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	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 four 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	We held the Ordinary General Meeting of Shareholders on June 20, 2017.
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).
Other	<ul style="list-style-type: none"> On the day of the shareholders meeting, we held a smartphone and tablet class in a separate meeting hall. Disclosure of the situation at the General Meeting of Shareholders over the Internet

Information Management

► Enhancement of Information Management System

The DOCOMO Group has been entrusted with the personal information (customer information) of approximately 75 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 information security 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 policy for data privacy 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

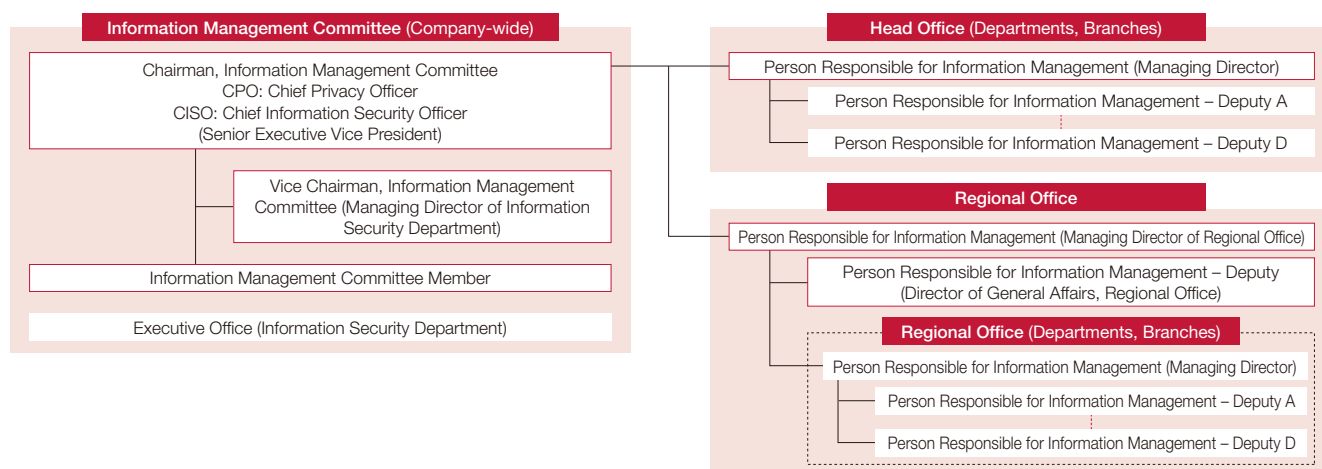
(3) Physical Security

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, 2017)



► 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.

to page 24

► Compliance (Ethics and Legal Compliance)

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

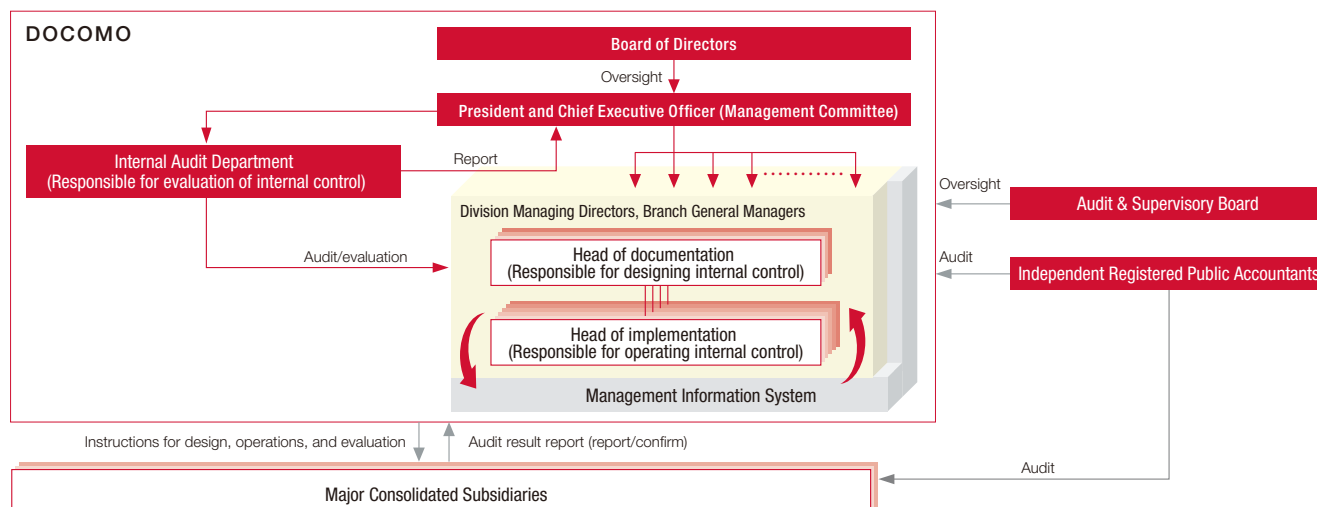
among all employees while continuing to meet the steadily increasing demands and expectations of society based on high ethical standards, including respect for human rights. Accordingly, we have built a compliance promotion system, which is centered on the Compliance Committee. Specifically, we have 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

► Ensuring Reliability of Financial Reporting

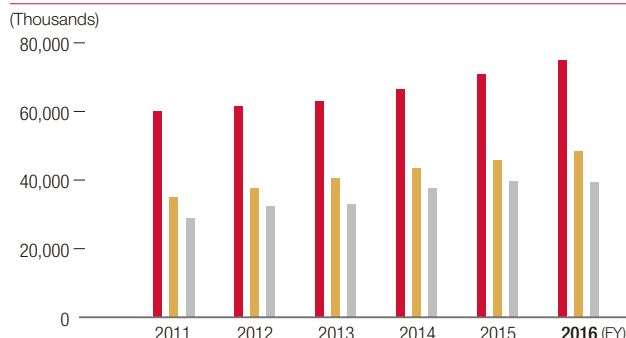
To meet the requirements of the Sarbanes-Oxley Act and the Financial Instruments and Exchange Act of Japan, we employ the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) 2013 framework for the design, operation, and evaluation of our internal control system related to financial reporting. In fiscal 2016, 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



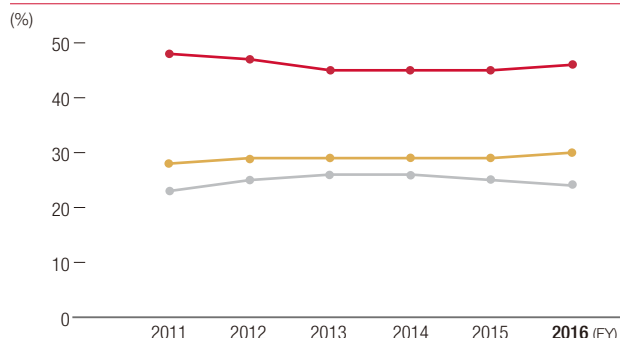
Operating Data (As of and for fiscal years ended March 31)

Number of mobile phone subscriptions Source: Telecommunications Carriers Association



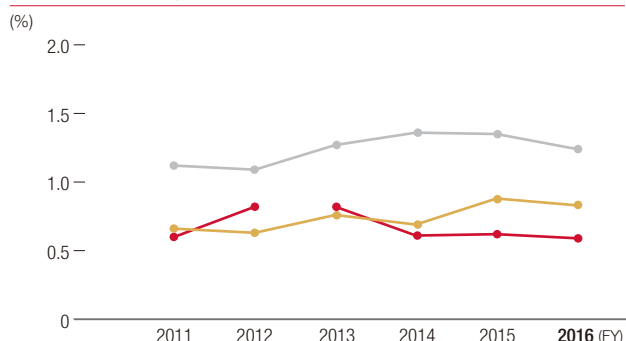
DCOMO	60,130	61,536	63,105	66,596	70,964	74,880
au	35,109	37,709	40,522	43,478	45,910	48,540
SoftBank ²	28,949	32,480	32,925	37,766	39,586	39,310

Share of mobile phone subscriptions Source: Telecommunications Carriers Association



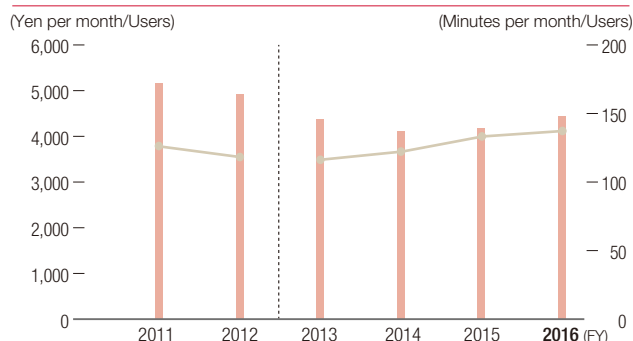
DCOMO	48	47	45	45	45	46
au	28	29	29	29	29	30
SoftBank ²	23	25	26	26	25	24

Churn rate Source: Figures announced by each company



DCOMO ¹	0.60	0.82	0.82	0.61	0.62	0.59
au	0.66	0.63	0.76	0.69	0.88	0.83
SoftBank ²	1.12	1.09	1.27	1.36	1.35	1.48

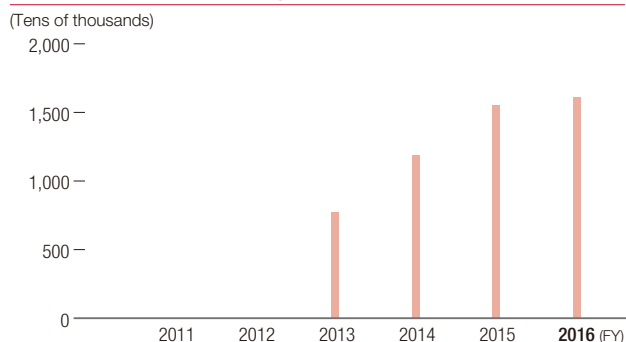
ARPU³/MOU⁴



ARPU	5,140	4,900	4,370	4,100	4,170	4,430
MOU	126	118	116	122	133	137

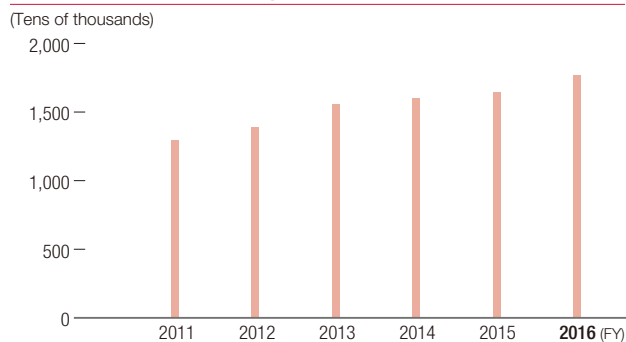
Note: The method of calculating ARPU and MOU changed from FY2015. Accordingly, the figures for FY2013 and FY2014 have been adjusted.

Number of "dmarket" subscriptions



Number of subscriptions			769	1,188	1,554	1,608
-------------------------	--	--	-----	-------	-------	-------

Number of "d CARD" subscriptions⁵

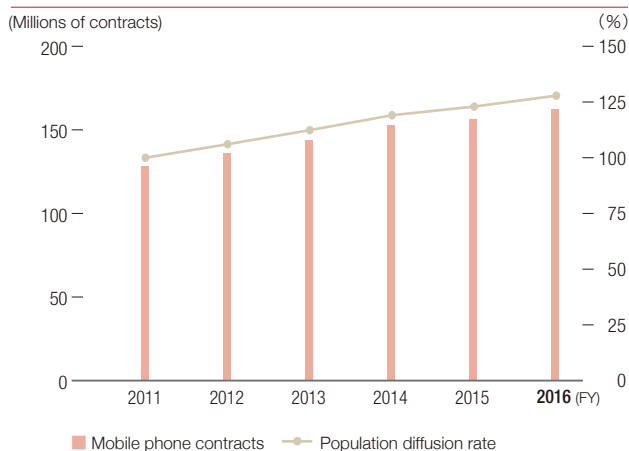


Number of subscriptions	1,295	1,385	1,557	1,599	1,643	1,767
-------------------------	-------	-------	-------	-------	-------	-------

1. The definition of churn rate changed from FY2015, and MVNO subscription and cancellation numbers are no longer included. Accordingly, the figures for FY2013 and FY2014 have been adjusted.
2. The figures for SoftBank from FY2011-2014 do not include EMOBILE (currently Y!mobile). The figures for FY2015 and FY2016 include Y!mobile.
3. ARPU: Average monthly revenue per unit
4. MOU: Average monthly communication time per user
5. The number of "d CARD" subscriptions is the total of "d CARD" and "d CARD mini" members.

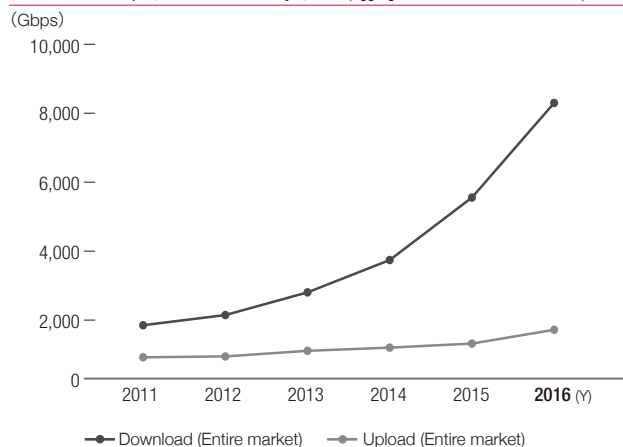
Number of mobile phone contracts/Population diffusion rate in Japan

Source: MIC, Information & Communications Statistics Database



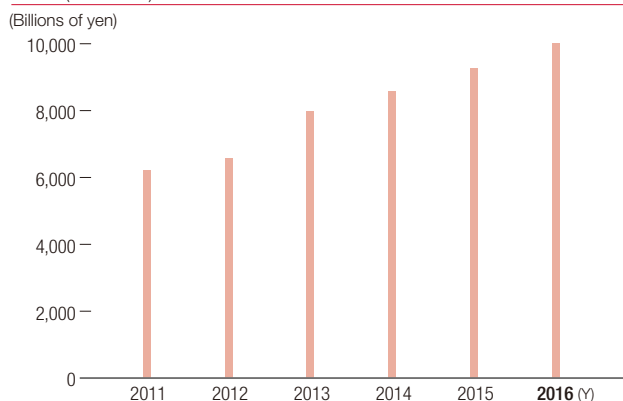
Mobile communications traffic in Japan

Source: Ministry of Internal Affairs and Communications (MIC), Statistics and Estimates Regarding Internet Traffic in Japan, released on February 7, 2017 (Aggregate results for November 2016)



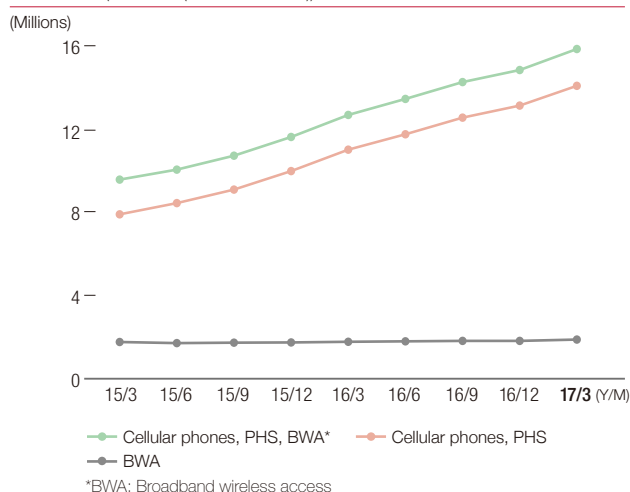
Credit card shopping transaction volume

Source: Japan Consumer Credit Association, Credit Statistics of Japan: Trends in Consumer Credit Balance (2016 edition)



Number of MVNO service subscriptions in Japan

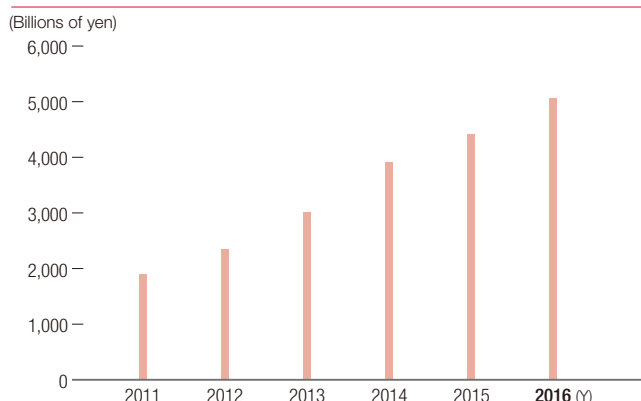
Source: MIC, Quarterly Data on the Number of Telecommunications Service Subscriptions and Market Shares (FY2014 Q3 (End of March 2017))



*BWA: Broadband wireless access

Scale of market for mobile content industry

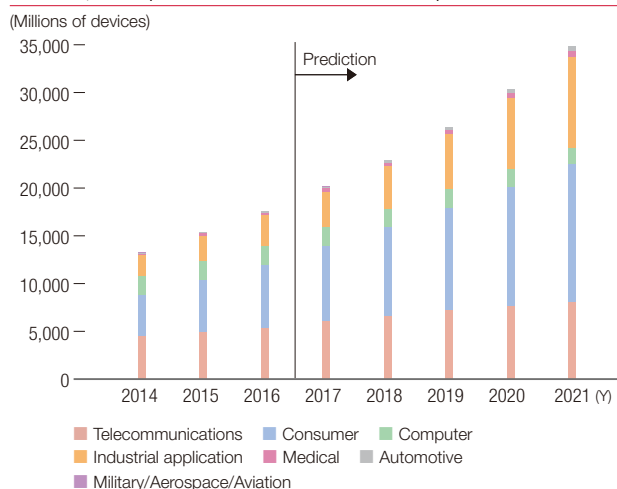
Source: MIC, White Paper on Information and Communications in Japan 2017



<http://www.soumu.go.jp/johotsusintokei/whitepaper/ja/h29/pdf/index.html>

Global trend and prediction of IoT devices

Source: MIC, White Paper on Information and Communications in Japan 2017



<http://www.soumu.go.jp/johotsusintokei/whitepaper/ja/h29/pdf/index.html>

11-Year Summary of Selected Financial and Non-Financial Data NTT DOCOMO, INC. and Subsidiaries

	2006	2007	2008	2009
Operating results:				
Operating revenues	4,788,093	4,711,827	4,447,980	4,284,404
Telecommunications services ^{1, 2}	4,201,090	4,008,267	3,631,391	3,462,783
Equipment sales ²	473,953	546,593	606,898	507,495
Other operating revenues ^{1, 2}	113,050	156,967	209,691	314,126
Operating expenses	4,014,569	3,903,515	3,617,021	3,450,159
Operating income	773,524	808,312	830,959	834,245
Net income attributable to NTT DOCOMO, INC. ³	457,278	491,202	471,873	494,781
Comprehensive income attributable to NTT DOCOMO, INC. ³	448,214	478,738	405,774	523,091
Total assets ³	6,116,215	6,210,834	6,488,220	6,756,775
Total interest-bearing liabilities	602,965	478,464	639,233	610,347
Total shareholders' equity ³	4,161,303	4,276,496	4,341,585	4,635,877
Debt-to-equity ratio (Times) ^{3, 4}	0.145	0.112	0.147	0.132
Shareholders' equity ratio ³	68.0%	68.9%	66.9%	68.6%
Net cash provided by operating activities	980,598	1,560,140	1,173,677	1,182,818
Net cash used in investing activities	(947,651)	(758,849)	(1,030,983)	(1,163,926)
Adjusted free cash flows ^{5, 6}	192,237	442,410	93,416	416,878
Capital expenditures	934,423	758,743	737,606	686,508
Research and development expenses	99,315	100,035	100,793	109,916
Depreciation and amortization	745,338	776,425	804,159	701,146
Operating income margin	16.2%	17.2%	18.7%	19.5%
EBITDA ^{6, 7}	1,574,570	1,639,096	1,678,422	1,568,126
EBITDA margin ^{6, 7}	32.9%	34.8%	37.7%	36.6%
Operating FCF ⁸	640,147	880,353	940,816	881,618
ROE	11.1%	11.6%	11.0%	11.0%
Price-earnings ratio (Times)	20.97	13.26	11.97	12.00
Payout ratio ³	38.5%	42.1%	43.0%	43.8%
Per share data (Yen):⁹				
Earnings per share attributable to NTT DOCOMO, INC. ³	103.96	113.91	111.72	118.64
Shareholders' equity per share ³	954.57	1,003.21	1,039.66	1,114.24
Cash dividends declared per share ¹⁰	40	48	48	52
Shares:⁹				
Average common shares outstanding	4,398,508,200	4,312,058,600	4,223,871,500	4,170,573,800
Non-financial data:				
Number of directors (of which independent outside directors) ¹¹	12 (0)	13 (0)	13 (0)	13 (0)
Number of consolidated employees (of which NTT DOCOMO, INC.) ^{12, 13}	21,591 (5,947)	22,100 (5,843)	21,831 (11,463)	22,297 (11,053)
Ratio of female officers and managers (NTT DOCOMO, INC.) ^{12, 13, 14}	—	—	—	—
Greenhouse gas emissions (t-CO ₂) ¹⁵	1,111,156	1,090,169	1,243,286	1,249,456
Electricity usage (MWh)	2,655,428	2,762,238	2,766,979	2,735,061
Paper usage (t) ¹⁶	—	—	35,142	35,770

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 2006 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 communications, overseas cable TV, and other services) are included in "Telecommunications services." Accordingly, data from fiscal 2006 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.

6. For the reconciliations of these Non-GAAP Financial Measures, see page 80.

7. In previous consolidated statements of income, impairment loss associated with goodwill and unamortized intangible assets was included under the item "Selling,

(Millions of yen)

2010	2011	2012	2013	2014	2015	2016
4,224,273	4,240,003	4,470,122	4,461,203	4,383,397	4,527,084	4,584,552
3,361,235	3,334,036	3,176,931	2,963,980	2,747,155	2,815,507	2,985,094
477,404	498,889	758,093	872,000	904,089	860,486	719,161
385,634	407,078	535,098	625,223	732,153	851,091	880,297
3,379,544	3,365,543	3,632,942	3,642,004	3,744,326	3,744,060	3,639,814
844,729	874,460	837,180	819,199	639,071	783,024	944,738
490,485	463,912	491,026	464,729	410,093	548,378	652,538
450,909	436,338	546,443	523,431	453,102	510,667	662,281
6,791,593	6,948,082	7,169,725	7,508,030	7,146,340	7,214,114	7,453,074
428,378	256,680	253,766	230,346	222,651	222,164	221,880
4,850,436	5,062,527	5,368,475	5,643,366	5,380,072	5,302,248	5,530,629
0.088	0.051	0.047	0.041	0.041	0.042	0.040
71.4%	72.9%	74.9%	75.2%	75.3%	73.5%	74.2%
1,287,037	1,110,559	932,405	1,000,642	962,977	1,209,131	1,312,418
(455,370)	(974,585)	(701,934)	(703,580)	(651,194)	(375,251)	(943,094)
589,777	503,479	225,589	257,209	295,590	598,744	664,531
668,476	726,833	753,660	703,124	661,765	595,216	597,078
109,108	108,474	111,294	102,039	96,997	83,315	83,050
693,063	684,783	700,206	718,694	659,787	625,934	452,341
20.0%	20.6%	18.7%	18.4%	14.6%	17.3%	20.6%
1,565,728	1,583,298	1,569,264	1,572,196	1,369,092	1,463,176	1,463,444
37.1%	37.3%	35.1%	35.2%	31.2%	32.3%	31.9%
897,252	856,465	815,604	869,072	707,327	867,960	866,366
10.3%	9.4%	9.4%	8.4%	7.4%	10.3%	12.0%
12.39	12.28	12.00	14.53	20.54	18.06	14.80
44.1%	50.1%	50.7%	53.5%	64.0%	49.5%	45.7%
117.97	111.87	118.41	112.07	101.55	141.30	175.12
1,169.69	1,220.84	1,294.62	1,360.91	1,386.09	1,409.94	1,492.91
52	56	60	60	65	70	80
4,157,685,900	4,146,760,100	4,146,760,100	4,146,760,100	4,038,191,678	3,880,823,341	3,726,266,553
13 (0)	13 (0)	14 (1)	15 (1)	14 (1)	15 (2)	15 (2)
22,954 (11,062)	23,289 (11,053)	23,890 (10,903)	24,860 (10,973)	25,680 (7,344)	26,129 (7,616)	26,734 (7,609)
—	—	2.4%	2.7%	3.0%	3.6%	4.4%
1,210,437	1,266,880	1,454,815	1,628,381	1,694,763	1,598,434	1,593,638
2,814,866	2,944,856	2,866,617	2,873,781	3,013,666	2,887,216	2,970,041
29,934	33,026	33,086	21,314	15,601	10,498	11,859

general and administrative," but as of FY2016, it is recorded as "Impairment loss." Thus, in the above statements, "Impairment loss" for FY2014 and FY2015, has been reclassified in accordance with the presentation method for FY2016.

8. Operating free cash flow = EBITDA – Capital expenditures

9. 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 FY2006 to FY2013 are based on the number of shares after the stock split.

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

11. The data on the numbers of directors are as of July 1 of the following fiscal year.

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

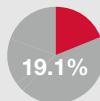
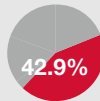
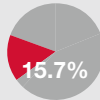
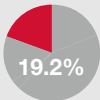
13. Due to the effect of employees seconded to DOCOMO CS, Inc., which was established in July 2014, the number of employees for the fiscal year ended March 31, 2015 declined on a non-consolidated basis.


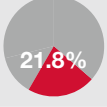
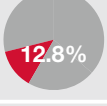
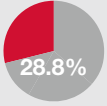
14. The data on the ratios of female officers and managers prior to FY2012 are not disclosed.

15. Some of the calculation methods were changed in FY2008.

16. In FY2016, we revised the calculation method for some of the items. The results from FY2008 and onward have been reclassified accordingly.

FY2016 Financial Review

Operating revenues			Principal components of revenues	Results of fiscal year ended March 2017 and percentage of consolidated revenues
Telecommu- nications services	Mobile communica- tions services revenues	Voice revenues	<ul style="list-style-type: none">■ Basic monthly charges■ Calling charges■ Packet communications charges	¥875.2 billion (Increased 3.0% YOY) 
		Packet communi- cations revenues		¥1,968.8 billion (Increased 2.6% YOY) 
	Optical-fiber broadband service and other telecommunications services revenues			<ul style="list-style-type: none">■ Revenues from optical-fiber broadband service, satellite communications services, and overseas cable TV service
Equipment sales			<ul style="list-style-type: none">■ Revenues from sales of mobile phone handsets that the Company purchases from manufacturers and sells to its agent resellers	¥719.2 billion (Decreased 16.4% YOY) 
Other operating revenues			<ul style="list-style-type: none">■ Revenues from content and services provided for smartphones and tablets through “dmarket” operated by DOCOMO■ “Mobile Device Protection Service”-related revenues■ Revenues from services developed on platforms built for mobile communications devices, such as education and healthcare services■ Revenues from various smart life business developed by subsidiaries■ Revenues from “iD,” a payment system, and “d CARD,” a credit card business	¥880.3 billion (Increased 3.4% YOY) 

Operating expenses	Principal components of expenses	Results of fiscal year ended March 2017 and percentage of consolidated expenses
Cost of services	Costs that are directly incurred by providing telecommunications services and other services <ul style="list-style-type: none"> Telecommunications equipment charges Telecommunications equipment maintenance cost Insurance premiums associated with the provision of mobile device protection service (compensation cost lost or damaged handsets), etc. 	¥1,335.5 billion (Increased 7.0% YOY) 
Cost of equipment sold	Purchase cost of equipment that the Company wholesales to sales agents, etc.	¥792.1 billion (decreased 10.1% YOY) 
Depreciation and amortization / Impairment loss*	<ul style="list-style-type: none"> Depreciation and amortization Impairment loss (property, plant and equipment; depreciable intangible assets; goodwill; unamortizable intangible assets), etc. 	¥464.5 billion (decreased 27.8% YOY) 
Selling, general and administrative*	Primarily, expenses associated with acquiring new subscriptions and retaining existing subscribers <ul style="list-style-type: none"> Commission to sales agents Point service expenses Expenses associated with after-sales services such as repair of damaged handsets Advertising expenses, etc. 	¥1,047.7 billion (increased 8.0% YOY) 

* In previous consolidated statements of income, impairment loss associated with goodwill and unamortizable intangible assets was included under the item "Selling, general and administrative," but as of FY2016, it is recorded as "Impairment loss."

► DOCOMO's Revenue Structure

DOCOMO's revenue base in the telecommunications business is comprised of communications revenues received from customers, such as charges for voice communications, packet communications, and optical-fiber broadband services. In this business, DOCOMO invests in network equipment on a continuing basis, and expenses include depreciation and maintenance operation. For sales of equipment, DOCOMO records equipment sales revenues, and it also records revenue-linked expenses such as cost of equipment sold and commissions to agent resellers. In the smart life business segment, which comprises the smart life business and other businesses, DOCOMO provides services such as content distribution through "dmarket," finance/payment services, and a "Mobile Device Protection Service" offering compensation for customer handsets lost or damaged by water exposure. DOCOMO records expenses accompanying these services.

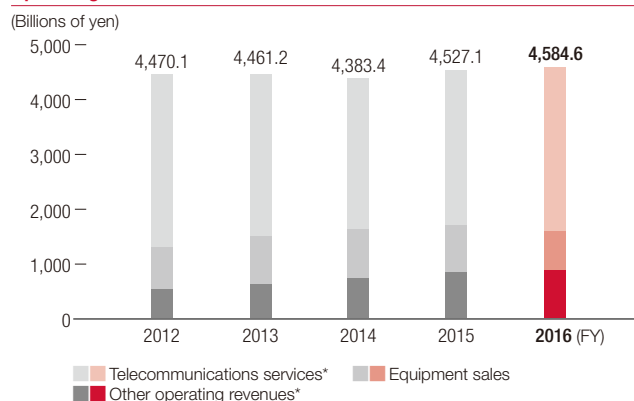
► Operating Revenues

Having positioned the current fiscal year as "a vibrant leap towards further growth beyond income recovery," DOCOMO endeavored to deliver further value to customers. To this end, we are strengthening the telecommunications business while simultaneously developing the smart life business and

other businesses segment based on "+d" initiatives, which are designed to drive the evolution of open collaboration with various partners and provide new added value.

Operating revenues increased ¥57.5 billion, or 1.3%, year on year to ¥4,584.6 billion. While being negatively affected by the strengthening of shareholder returns, operating revenues benefitted from recovery in the telecommunications business and profit growth in the smart life business segment.

Operating revenues



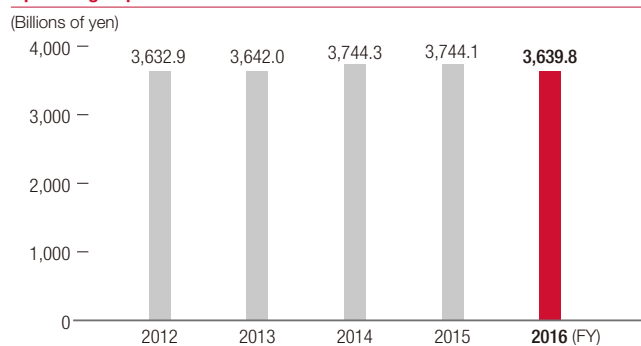
* In the fiscal year ended March 31, 2015, some elements that were previously included in other operating revenues (revenues from satellite telephone, overseas cable TV, and other services) are included in optical-fiber broadband service and other telecommunications services revenues. Accordingly, other 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

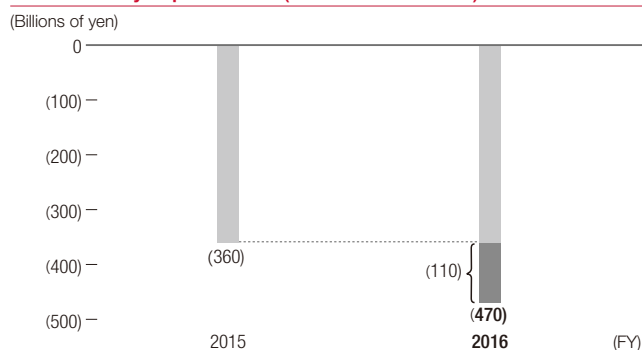
Operating expenses decreased ¥104.2 billion year, or 2.8%, on year to ¥3,639.8 billion. Despite a rise in expenses linked to the increase in operating revenues, operating expenses decreased on the whole because of a decline in depreciation and amortization expenses following a change in the method for calculating depreciation of property, plant, and equipment. The result also reflected our ongoing efforts to improve cost efficiency.

DOCOMO's efforts to improve cost efficiency have yielded ¥110 billion in cost reductions, exceeding the initial forecast.

Operating expenses



Cost efficiency improvement* (cumulative amounts)



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

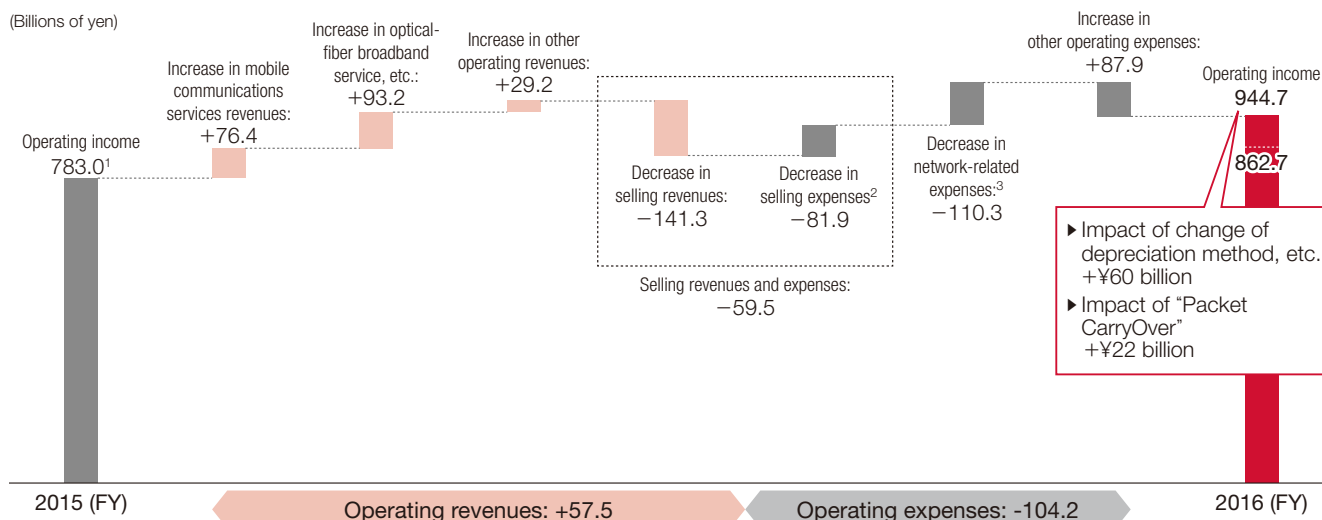
► Operating Income

As a result of the above initiatives, operating income in FY2016 increased ¥161.7 billion, or 20.7%, year on year to ¥944.7 billion, exceeding the mid-year revised operating

revenues forecast of ¥940.0 billion. EBITDA* increased slightly year on year to ¥1,463.4 billion.

* As of FY2016, DOCOMO changed the definition of EBITDA. Unlike in previous years, EBITDA now includes impairment loss associated with goodwill and unamortizable intangible assets.

Operating Income in FY2016



1. Including impact of change in "Zutto CarryOver," etc. (-¥18 billion)

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

3. Sum of depreciation and amortization, loss on disposal of property, and usage cost of telecommunications equipment

► Performance by Segment

Telecommunications Business

Operating revenues in the telecommunications business increased ¥21.4 billion, or 0.6%, year on year to ¥3,711.2 billion. Revenues from equipment sales declined and there was also a decline in revenues from mobile communications services after DOCOMO enhanced its billing plan “Kake-hodai & Pake-aeru” with the aim of strengthening shareholder returns. However, this negative impact was outweighed by an increase in packet use by subscribers to the billing plan above, an increase in smartphone use and demand for second devices such as tablets, and the fact that “docomo Hikari” subscribers increased to 3.4 million.

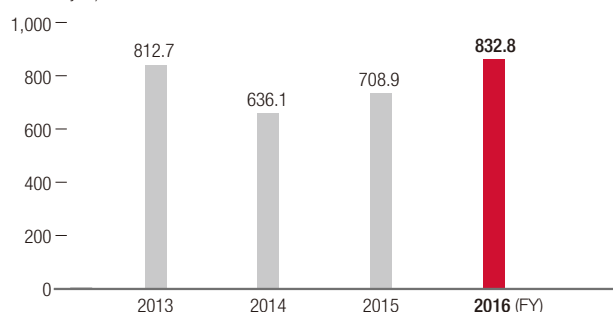
Operating expenses in the telecommunications business declined ¥102.6 billion, or 3.4%, year on year to ¥2,878.4 billion. Costs for the use of telecommunications equipment increased, and there was an increase in costs associated with initiatives to strengthen returns to our customers, including “Renewal Points” and “Child Raising Support Program.” However, expenses

decreased on the whole because of a decline in depreciation and amortization expenses following a change in the method for calculating depreciation of property, plant, and equipment, a decline in the cost of equipment sold, and ongoing efforts to improve cost efficiency.

As a result, operating income in the telecommunications business increased ¥123.9 billion, or 17.5%, year on year to ¥832.8 billion.

Telecommunications business/Operating income

(Billions of yen)



[Telecommunications Business] Key Topics

Ongoing efforts to strengthen returns to our customers based on the billing plan “Kake-hodai & Pake-aeru”

- We enhanced “Zutto DOCOMO Discount,” which offers greater value to long-term users, and introduced “Renewal Points.”
- We started offering the “Ultra pack” to customers who frequently use data transmission services.
- We started offering “Kake-hodai Light Plan (for feature phones),” a billing plan allowing unlimited domestic voice calls of less than five minutes for a flat rate, to customers who use an LTE-enabled docomo Feature Phone.
- The number of subscribers to “Kake-hodai & Pake-aeru” increased 7.36 million year on year to 37.07 million.



“Renewal Points”

Promoting further usage of smartphones

- We started offering “Smartphone Debut Discount,” a discount on basic monthly charges applied up to two years, to new users of smartphones.
- We enhanced our handset lineup; for example, we started marketing “MONO MO-01J,” DOCOMO’s first original smartphone, which is simple and easy to use.



“MONO MO-01J”

Enhancing and expanding use of optical-fiber broadband service “docomo Hikari”

- We started marketing “docomo Hikari Denwa” and “docomo Hikari TV Option.” In this way, we started providing integrated support, from application to after-sales support, for fixed-line phones and TV viewing services in addition to the optical-fiber broadband service.
- We pursued sales promotion initiatives, such as the promotional gift campaign “d POINT.”
- The number of subscribers to “docomo Hikari” increased 1.84 million year on year to 3.4 million.



“docomo Hikari”

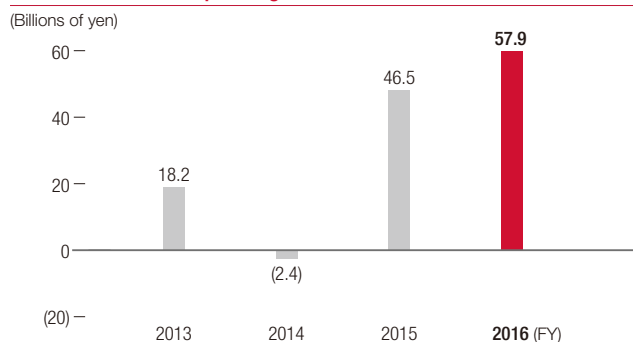
Smart Life Business

Operating revenues in the smart life business declined ¥2.2 billion, or 0.4%, year on year to ¥501.9 billion because of lower revenues from Group companies, which outweighed the increase in revenues from content services such as “dmarket.”

Operating expenses in the smart life business declined ¥13.7 billion, or 3.0%, year on year to ¥444.0 billion because of a decrease in expenses associated with Group company revenues, which outweighed the increase in expenses associated with the content services revenues.

As a result, operating income in the smart life business increased ¥11.5 billion, or 24.7%, year on year to ¥57.9 billion.

Smart life business/Operating income



[Smart Life Business] Key Topics

Enhancing “dmarket” lineup

- We started providing health-related services under “d healthcare pack,” including “Aruiteotoku,” a service that enables users to earn “d POINTs” just by walking with a smartphone. We also introduced “d living,” a service that assists users in daily lives.
- The enhancement of the “dmarket” lineup, coupled with brisk sales of “d magazine,” brought the number of subscribers* to 16.08 million.

* The total number of users using “dTV,” “d anime store,” “d hits,” “d kids,” “d magazine,” “d gourmet,” “d healthcare pack” and “d living” services under a monthly subscription arrangement



“d healthcare pack”



“d living”

Introducing new sports content service “DAZN for docomo”

- In collaboration with the Perform Group, we launched a new sports content service, “DAZN for docomo.” The service offers both live and on-demand video with unlimited viewing access to Meiji Yasuda J. League soccer games and other popular sports programs from Japan and overseas.



“DAZN for docomo”

Expanding “d CARD”

- We made the credit card service “d CARD,” and the non-contact card payment service “iD,” available for Apple Pay.
- We started offering “d CARD PREPAID,” which combines the functions of a pre-paid card and “d POINT CARD,” and can be used in all iD-accepting stores in Japan as well as in MasterCard member stores worldwide.



“d CARD”



“d CARD GOLD”

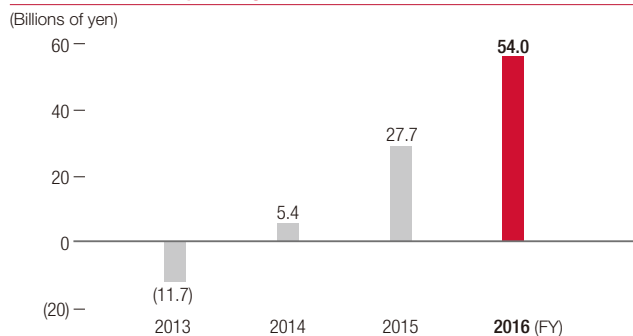
Other Businesses

Operating revenues in other businesses increased ¥41.1 billion, or 11.4%, year on year to ¥400.4 billion because of an increase in “Mobile Device Protection Service” subscriptions and service revenue related to the IoT business.

Operating expenses in other businesses increased ¥14.8 billion, or 4.5%, year on year to ¥346.4 billion because of a rise in costs associated with the increase in revenues from the “Mobile Device Protection Service” and other services.

As a result, operating income in other businesses increased ¥26.3 billion, or 94.9%, year on year to ¥54.0 billion.

Other businesses/Operating income



[Other Businesses] Key Topics

Expanding IoT

- We started marketing LTE-enabled ubiquitous communication module “UM04-KO.” The module enables remote control for applications such as remote video surveillance, and IoT solutions in areas such as business support, which require high speed and large capacity.

Promoting global platform business

- We regard the global financial platform business as a pillar of future growth. We are expanding this business by providing service providers and mobile phone operators around the world with a financial platform in which customers can pay for any content they may purchase (such as payable smartphone apps) together with their monthly mobile phone charges.

Operating Revenues, Operating Income (Loss) and Assets by Segment for FY2016

	Telecommunications business	Smart life business	Other businesses	Total	Elimination	Consolidated
(Millions of yen)						
Segment operating revenues:						
External customers	3,709,947	486,547	388,058	4,584,552		4,584,552
Intersegment	1,209	15,371	12,342	28,922	(28,922)	—
Subtotal	3,711,156	501,918	400,400	4,613,474	(28,922)	4,584,552
Segment operating income (loss)	832,798	57,919	54,021			944,738

	Telecommunications business	Smart life business	Other businesses	Total	Elimination	Corporate	Consolidated
(Millions of yen)							
Segment assets	5,243,470	677,182	258,531	6,179,183	(1,381)	1,275,272	7,453,074
Depreciation and amortization	418,669	16,190	17,482	452,341			452,341
Capital expenditure	576,151	14,391	6,536	597,078			597,078

► Financial Position

Total assets as of March 31, 2017, increased ¥239.0 billion, or 3.3%, year on year to ¥7,453.1 billion. This result was due mainly to increases in short-term investments and in total property, plant and equipment (net), the latter of which reflected the decline in depreciation and amortization expenses following a change in the method for calculating depreciation of property, plant and equipment.

Total liabilities as of March 31, 2017, decreased ¥14.2 billion, or 0.8%, year on year to ¥1,869.0 billion. This result was due mainly to decreases in accrued income taxes and long-term debt, which offset an increase in the current portion of long-term debt. Interest-bearing liabilities totaled ¥221.9 billion, a year-on-year decrease of ¥300 million, or 0.1%.

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 telecommunication operators.

► Cash Flows

Net cash provided by operating activities increased ¥103.3 billion, or 8.5%, year on year to ¥1,312.4 billion. This result was due to factors such as a decline in receivables held for sale, which reflected the decreased proceeds from customers in relation to the collection of installment receivables for customers' handset purchases.

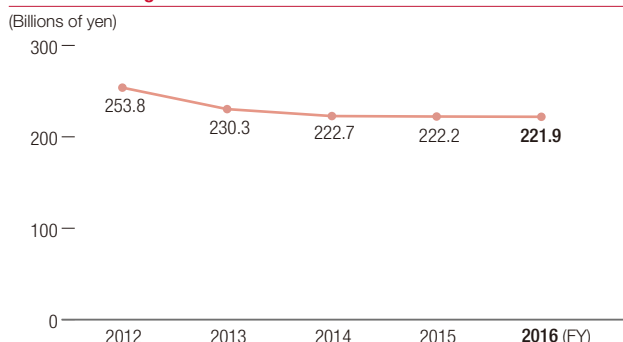
Net cash used in investing activities increased ¥567.8 billion, or 151.3%, year on year to ¥943.1 billion. This increase was mainly attributable to an increase in short-term bailment for consumption to a related party and a decline in proceeds from redemption of long-term bailment for consumption to a related party.

Net cash used in financing activities decreased ¥150.5 billion, or 25.8%, year on year to ¥433.1 billion. This result was due to a decrease in expenditures for share repurchases.

As a result, the balance of cash and cash equivalents totaled ¥289.6 billion as of March 31, 2017, a decrease of ¥64.8 billion, or 18.3%, from the previous fiscal year-end. Also, free cash flows* in FY2016 increased ¥65.8 billion, or 11.0%, to ¥664.5 billion.

*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

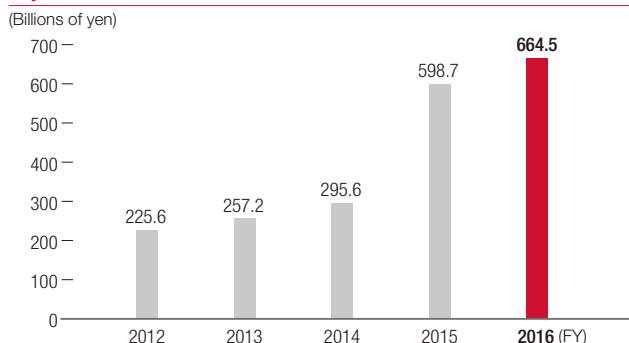


DOCOMO's ratings

(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)	—	a-1+

Adjusted free cash flows*



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

► Outlook for FY2017

For fiscal 2017, we are forecasting increases in operating revenues and operating income. The environment surrounding our business has changed significantly. In Japan's telecommunications market, competition has intensified due to the government's pro-competition policy, the rise of low-cost smartphones offered by Mobile Virtual Network Operators (MVNOs) and other factors. In addition, we have seen technical advancements in areas such as artificial intelligence (AI), IoT and drones, as well as an expansion of customer touchpoints by various service providers leveraging shared loyalty point programs and other means. These changes have brought about both active competition in the telecommunications market and collaboration with new players from other industries, accelerating competition in new markets that transcend the conventional boundaries of the telecommunications business.

We position the fiscal year ending March 31, 2018 as the year to "tackle evolution," taking the first steps towards the delivery of our Medium-Term Strategy 2020 "Declaration beyond." We will do so by moving forward with the creation and evolution of services, business evolution with "+d," and reinforcement & evolution of all foundations. Under the Medium-Term Strategy 2020 "Declaration beyond," we will maintain customer returns by improving cost efficiency, and aim to achieve the management indicator of ¥910.0 billion in operating FCF* by developing broadband services such as "docomo Hikari" and integrating and evolving added value. In addition, with a view to strengthening shareholder returns, we have set an estimated dividend of ¥100 per year.

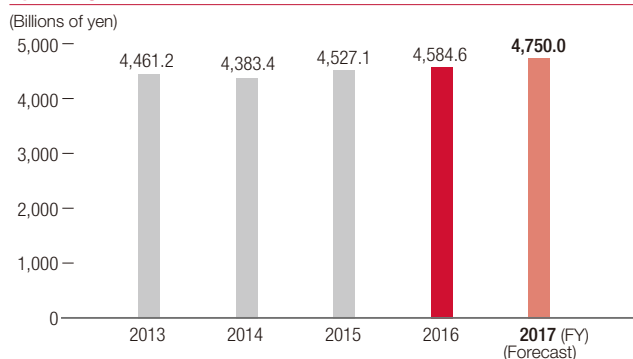
We estimate our operating revenues will increase ¥165.4 billion, or 3.6%, from the previous fiscal year to ¥4,750.0 billion, driven by an increase in optical-fiber broadband service and other telecommunications service revenues due to the projected growth of "docomo Hikari" users, an increase in mobile communications services revenues due to the reduction of negative impact from "Monthly Support" discount program, and other factors.

On the expenses side, we estimate our operating expenses will increase ¥150.2 billion, or 4.1%, to ¥3,790.0 billion, due to an increase in expenses associated with the growth of revenues from "docomo Hikari," an increase in depreciation expenses, and other factors.

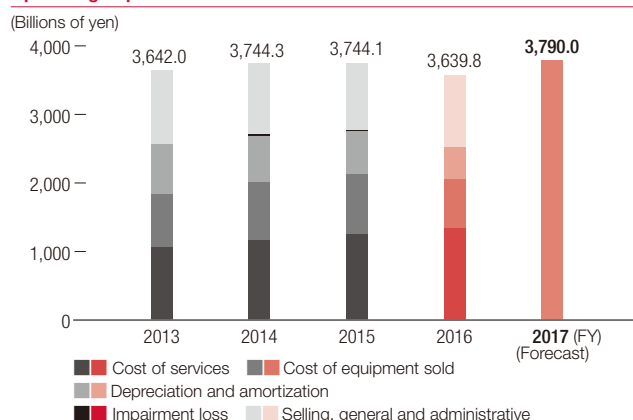
Accordingly, we estimate our operating income for the fiscal year ending March 31, 2018 will be ¥960.0 billion, an increase of ¥15.3 billion, or 1.6%, from the previous fiscal year.

*Operating FCF = EBITDA - Capital expenditures

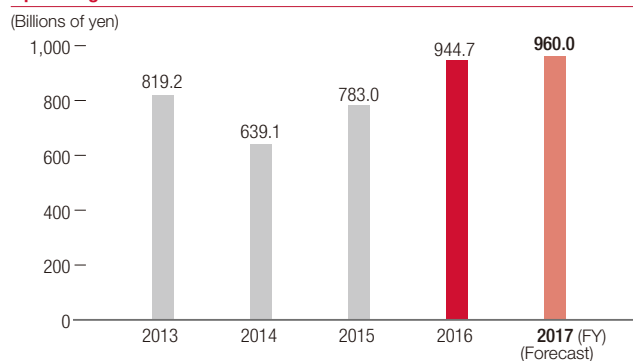
Operating revenues



Operating expenses



Operating income



Consolidated Balance Sheets

NTT DOCOMO, INC. and Subsidiaries
March 31, 2016 and 2017

	Millions of yen	
ASSETS	2016	2017
Current assets:		
Cash and cash equivalents	354,437	289,610
Short-term investments		
Third parties	5,872	41,070
Related parties	—	260,000
Accounts receivable		
Third parties	230,125	230,361
Related parties	6,915	8,776
Receivables held for sale	972,851	936,748
Credit card receivables	276,492	347,557
Other receivables		
Third parties	61,334	62,926
Related parties	319,762	335,916
Total accounts receivable, receivables held for sale, credit card receivables and other receivables	1,867,479	1,922,284
Less: Allowance for doubtful accounts	(17,427)	(19,517)
Total accounts receivable, receivables held for sale, credit card receivables and other receivables, net	1,850,052	1,902,767
Inventories	153,876	153,388
Deferred tax assets	107,058	81,025
Prepaid expenses and other current assets		
Third parties	101,790	102,055
Related parties	7,108	6,357
Total current assets	2,580,193	2,836,272
Property, plant and equipment:		
Wireless telecommunications equipment	5,084,416	5,084,923
Buildings and structures	896,815	906,177
Tools, furniture and fixtures	468,800	441,513
Land	199,054	198,980
Construction in progress	190,261	204,413
Sub-total	6,839,346	6,836,006
Accumulated depreciation and amortization	(4,398,970)	(4,295,111)
Total property, plant and equipment, net	2,440,376	2,540,895
Non-current investments and other assets:		
Investments in affiliates	411,395	373,758
Marketable securities and other investments	182,905	198,650
Intangible assets, net	615,013	608,776
Goodwill	243,695	230,971
Other assets		
Third parties	468,895	426,797
Related parties	10,208	7,515
Deferred tax assets	261,434	229,440
Total non-current investments and other assets	2,193,545	2,075,907
Total assets	7,214,114	7,453,074

Millions of yen

LIABILITIES AND EQUITY	2016	2017
Current liabilities:		
Current portion of long-term debt	200	60,217
Short-term borrowings	1,764	1,623
Accounts payable, trade		
Third parties	610,502	612,349
Related parties	182,582	241,189
Accrued payroll	53,837	59,187
Accrued income taxes	165,332	105,997
Other current liabilities		
Third parties	198,292	188,092
Related parties	7,310	6,402
Total current liabilities	1,219,819	1,275,056
Long-term liabilities:		
Long-term debt (exclusive of current portion)	220,200	160,040
Accrued liabilities for point programs	75,182	94,639
Liability for employees' retirement benefits	201,604	193,985
Other long-term liabilities		
Third parties	136,602	144,277
Related parties	1,381	989
Total long-term liabilities	634,969	593,930
Total liabilities	1,854,788	1,868,986
Redeemable noncontrolling interests	16,221	22,942
Equity:		
NTT DOCOMO, INC. shareholders' equity		
Common stock, without a stated value-	949,680	949,680
Authorized shares		
17,460,000,000 shares as of March 31, 2016 and 2017		
Issued shares		
3,958,543,000 shares as of March 31, 2016		
3,899,563,000 shares as of March 31, 2017		
Outstanding shares		
3,760,616,750 shares as of March 31, 2016		
3,704,585,533 shares as of March 31, 2017		
Additional paid-in capital	330,482	326,621
Retained earnings	4,413,030	4,656,139
Accumulated other comprehensive income (loss)	14,888	24,631
Treasury stock	(405,832)	(426,442)
197,926,250 shares as of March 31, 2016		
194,977,467 shares as of March 31, 2017		
Total NTT DOCOMO, INC. shareholders' equity	5,302,248	5,530,629
Noncontrolling interests	40,857	30,517
Total equity	5,343,105	5,561,146
Commitments and contingencies		
Total liabilities and equity	7,214,114	7,453,074

Consolidated Statements of Income

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2015, 2016 and 2017

Millions of yen

	2015	2016	2017
Operating revenues:			
Telecommunications services			
Third parties	2,724,753	2,780,377	2,939,594
Related parties	22,402	35,130	45,500
Equipment sales			
Third parties	903,231	859,875	718,557
Related parties	858	611	604
Other operating revenues			
Third parties	682,967	806,491	828,198
Related parties	49,186	44,600	52,099
Total operating revenues	4,383,397	4,527,084	4,584,552
Operating expenses:			
Cost of services (exclusive of items shown separately below)			
Third parties	876,285	933,027	939,426
Related parties	283,229	315,526	396,031
Cost of equipment sold (exclusive of items shown separately below)	853,062	881,471	792,145
Depreciation and amortization	659,787	625,934	452,341
Impairment loss	30,161	17,683	12,205
Selling, general and administrative			
Third parties	835,882	798,006	872,829
Related parties	205,920	172,413	174,837
Total operating expenses	3,744,326	3,744,060	3,639,814
Operating income	639,071	783,024	944,738
Other income (expense):			
Interest expense	(797)	(512)	(277)
Interest income	1,283	987	608
Other, net	4,326	(5,478)	4,494
Total other income (expense)	4,812	(5,003)	4,825
Income before income taxes and equity in net income (losses) of affiliates	643,883	778,021	949,563
Income taxes:			
Current	218,552	267,249	238,172
Deferred	19,515	(55,530)	49,507
Total income taxes	238,067	211,719	287,679
Income before equity in net income (losses) of affiliates	405,816	566,302	661,884
Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates)	(7,782)	(5,060)	(11,273)
Net income	398,034	561,242	650,611
Less: Net (income) loss attributable to noncontrolling interests	12,059	(12,864)	1,927
Net income attributable to NTT DOCOMO, INC.	410,093	548,378	652,538
Per share data:			
Weighted average common shares outstanding – Basic and Diluted (Shares)	4,038,191,678	3,880,823,341	3,726,266,553
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (Yen)	101.55	141.30	175.12

Consolidated Statements of Comprehensive Income

Data Section

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2015, 2016 and 2017

	Millions of yen		
	2015	2016	2017
Net income	398,034	561,242	650,611
Other comprehensive income (loss):			
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	22,468	(4,715)	12,821
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	120	(1,278)	(1,082)
Unrealized gains (losses) on cash flow hedges, net of applicable taxes	(20)	(148)	37
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	16	31	48
Foreign currency translation adjustment, net of applicable taxes	29,678	(10,324)	(13,557)
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	—	(263)	582
Pension liability adjustment, net of applicable taxes			
Actuarial gains (losses) arising during period, net	(9,159)	(21,634)	8,313
Less: Amortization of prior service cost	(894)	(824)	(742)
Less: Amortization of actuarial gains and losses	1,104	1,417	3,105
Less: Amortization of transition obligation	72	33	33
Total other comprehensive income (loss)	43,385	(37,705)	9,558
Comprehensive income	441,419	523,537	660,169
Less: Comprehensive (income) loss attributable to noncontrolling interests	11,683	(12,870)	2,112
Comprehensive income attributable to NTT DOCOMO, INC.	453,102	510,667	662,281

Consolidated Statements of Changes in Equity

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2015, 2016 and 2017

Millions of yen

	NTT DOCOMO, INC. shareholders' equity					Total NTT DOCOMO, INC. shareholders' equity	Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock			
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	949,680	330,482	4,413,030	14,888	(405,832)	5,302,248	40,857	5,343,105
Purchase of treasury stock					(149,607)	(149,607)		(149,607)
Retirement of treasury stock			(128,997)		128,997	—		—
Cash dividends declared (¥75 per share)			(280,432)			(280,432)		(280,432)
Cash distributions to noncontrolling interests						—	(3,500)	(3,500)
Acquisition of new subsidiaries						—	49	49
Changes in interest in subsidiaries		(3,861)				(3,861)	(4,095)	(7,956)
Net income			652,538			652,538	(2,610)	649,928
Other comprehensive income (loss)				9,743		9,743	(184)	9,559
Balance as of March 31, 2017	949,680	326,621	4,656,139	24,631	(426,442)	5,530,629	30,517	5,561,146

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

Consolidated Statements of Cash Flows

Data Section

NTT DOCOMO, INC. and Subsidiaries
Years ended March 31, 2015, 2016 and 2017

Millions of yen

	2015	2016	2017
Cash flows from operating activities:			
Net income	398,034	561,242	650,611
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	659,787	625,934	452,341
Deferred taxes	19,515	(55,530)	49,507
Loss on sale or disposal of property, plant and equipment	40,073	36,535	54,160
Inventory write-downs	13,716	18,880	11,043
Impairment loss	30,161	17,683	12,205
Impairment loss on marketable securities and other investments	902	636	2,305
Loss on sale of a subsidiary	—	13,117	—
Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates)	7,782	5,060	11,273
Dividends from affiliates	17,591	13,929	10,401
Changes in assets and liabilities:			
(Increase) / decrease in accounts receivable	17,489	22,406	(2,690)
(Increase) / decrease in receivables held for sale	(110,540)	(74,852)	36,103
(Increase) / decrease in credit card receivables	(7,497)	(22,551)	(34,410)
(Increase) / decrease in other receivables	(13,467)	(46,331)	(17,735)
Increase / (decrease) in allowance for doubtful accounts	2,931	3,884	7,240
(Increase) / decrease in inventories	32,270	13,125	(10,565)
(Increase) / decrease in prepaid expenses and other current assets	(10,565)	(4,966)	(767)
(Increase) / decrease in non-current receivables held for sale	(55,468)	(13,601)	57,626
Increase / (decrease) in accounts payable, trade	5,278	(32,544)	58,680
Increase / (decrease) in accrued income taxes	(107,166)	97,176	(59,290)
Increase / (decrease) in other current liabilities	16,964	31,638	(11,925)
Increase / (decrease) in accrued liabilities for point programs	(23,072)	(14,747)	19,457
Increase / (decrease) in liability for employees' retirement benefits	13,209	27,752	(7,608)
Increase / (decrease) in other long-term liabilities	11,925	11,488	9,804
Other, net	3,125	(26,232)	14,652
Net cash provided by operating activities	962,977	1,209,131	1,312,418
Cash flows from investing activities:			
Purchases of property, plant and equipment	(493,189)	(434,919)	(450,826)
Purchases of intangible and other assets	(170,203)	(179,010)	(192,625)
Purchases of non-current investments	(5,107)	(3,465)	(2,155)
Proceeds from sale of non-current investments	1,753	9,345	6,452
Purchases of short-term investments	(34,613)	(9,523)	(156,779)
Redemption of short-term investments	50,806	4,659	121,572
Proceeds from redemption of long-term bailment for consumption to a related party	—	240,000	—
Short-term bailment for consumption to a related party	—	—	(380,000)
Proceeds from redemption of short-term bailment for consumption to a related party	—	—	120,000
Other, net	(641)	(2,338)	(8,733)
Net cash used in investing activities	(651,194)	(375,251)	(943,094)
Cash flows from financing activities:			
Proceeds from short-term borrowings	221,606	146,880	25,094
Repayment of short-term borrowings	(229,065)	(147,022)	(25,214)
Principal payments under capital lease obligations	(1,729)	(1,389)	(1,167)
Payments to acquire treasury stock	(473,036)	(307,486)	(149,607)
Dividends paid	(243,349)	(271,643)	(280,527)
Cash distributions to noncontrolling interests	(1,061)	(2,390)	(3,500)
Other, net	(7,623)	(558)	1,824
Net cash provided by (used in) financing activities	(734,257)	(583,608)	(433,097)
Effect of exchange rate changes on cash and cash equivalents	1,107	(1,388)	(1,054)
Net increase (decrease) in cash and cash equivalents	(421,367)	248,884	(64,827)
Cash and cash equivalents at beginning of year	526,920	105,553	354,437
Cash and cash equivalents at end of year	105,553	354,437	289,610
Supplemental disclosures of cash flow information:			
Cash received during the fiscal year for:			
Income tax refunds	1,539	8,241	758
Cash paid during the fiscal year for:			
Interest, net of amount capitalized	876	400	46
Income taxes	326,107	176,806	297,765
Non-cash investing and financing activities:			
Assets acquired through capital lease obligations	940	965	1,138
Assets of wireless telecommunications equipment acquired through exchanges of similar equipment	3,605	3,844	6,581
Retirement of treasury stock	490,986	260,872	128,997

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, 2013 to 2017

EBITDA and EBITDA Margin

	Billions of yen				
Years ended March 31	2013	2014	2015	2016	2017
a. EBITDA^{1,2}	1,569.3	1,572.2	1,369.1	1,463.2	1,463.4
Depreciation and amortization ⁴	(699.8)	(718.7)	(659.8)	(625.9)	(452.3)
Loss on sale or disposal of property, plant and equipment	(31.9)	(34.3)	(40.1)	(36.5)	(54.2)
Impairment loss ²	(0.5)	—	(30.2)	(17.7)	(12.2)
Operating income	837.2	819.2	639.1	783.0	944.7
Other income (expense) ³	(3.8)	13.9	4.8	(5.0)	4.8
Income taxes ³	(323.1)	(308.0)	(238.1)	(211.7)	(287.7)
Equity in net income (losses) of affiliates, net of applicable taxes ³	(29.6)	(69.1)	(7.8)	(5.1)	(11.3)
Less: Net (income) loss attributable to noncontrolling interests ³	10.3	8.8	12.1	(12.9)	1.9
b. Net income attributable to NTT DOCOMO, INC.	491.0	464.7	410.1	548.4	652.5
c. Operating revenues	4,470.1	4,461.2	4,383.4	4,527.1	4,584.6
EBITDA margin (= a/c)^{1,2}	35.1%	35.2%	31.2%	32.3%	31.9%
Net income margin (= b/c)(%)³	11.0%	10.4%	9.4%	12.1%	14.2%

1. Fiscal years up to and including the fiscal year ended March 31, 2014: EBITDA = Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss (property, plant and equipment; depreciable intangible assets)
Fiscal year ended March 31, 2015, and onward: EBITDA = Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss (property, plant and equipment; depreciable intangible assets; goodwill; unamortizable intangible assets)
2. 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.
Impairment loss associated with goodwill and unamortizable intangible assets was previously included under the item "Selling, general and administrative," but as of the year ended March 31, 2017, it is recorded as "Impairment loss." Thus, in the above statements, "Impairment loss" for the year ended March 31, 2015 and 2016, have been reclassified in accordance with the presentation method for the year ended March 31, 2017.
3. Consolidated financial statements for the fiscal year ended March 31, 2013 have been revised due to the reinstatement of the equity method for an investee.
4. While historically the Group has principally used the declining-balance method for calculating the depreciation of property, plant and equipment, from the fiscal year ended March 31, 2017, we began using the straight-line method for calculating the depreciation of property, plant and equipment in all cases.

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

	Billions of yen				
Years ended March 31	2013	2014	2015	2016	2017
Net cash provided by operating activities	932.4	1,000.6	963.0	1,209.1	1,312.4
Net cash used in investing activities ¹	(701.9)	(703.6)	(651.2)	(375.3)	(943.1)
Free cash flows ²	230.5	297.1	311.8	833.9	369.3
Irregular factors ³	147.0	—	—	—	—
Effect of transfer of receivables ⁴	(242.0)	—	—	—	—
Changes in investments for cash management purposes ⁵	99.9	39.9	16.2	235.1	(295.2)
Adjusted free cash flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes)	225.6	257.2	295.6	598.7	664.5

1. Net cash used in investing activities includes changes in investments for cash management purposes.
2. Net cash provided by operating activities + Net cash used in investing activities
3. Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of periods.
4. Effect of transfer of receivables represents the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION.
5. 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

Data Section

(As of July 1, 2017)

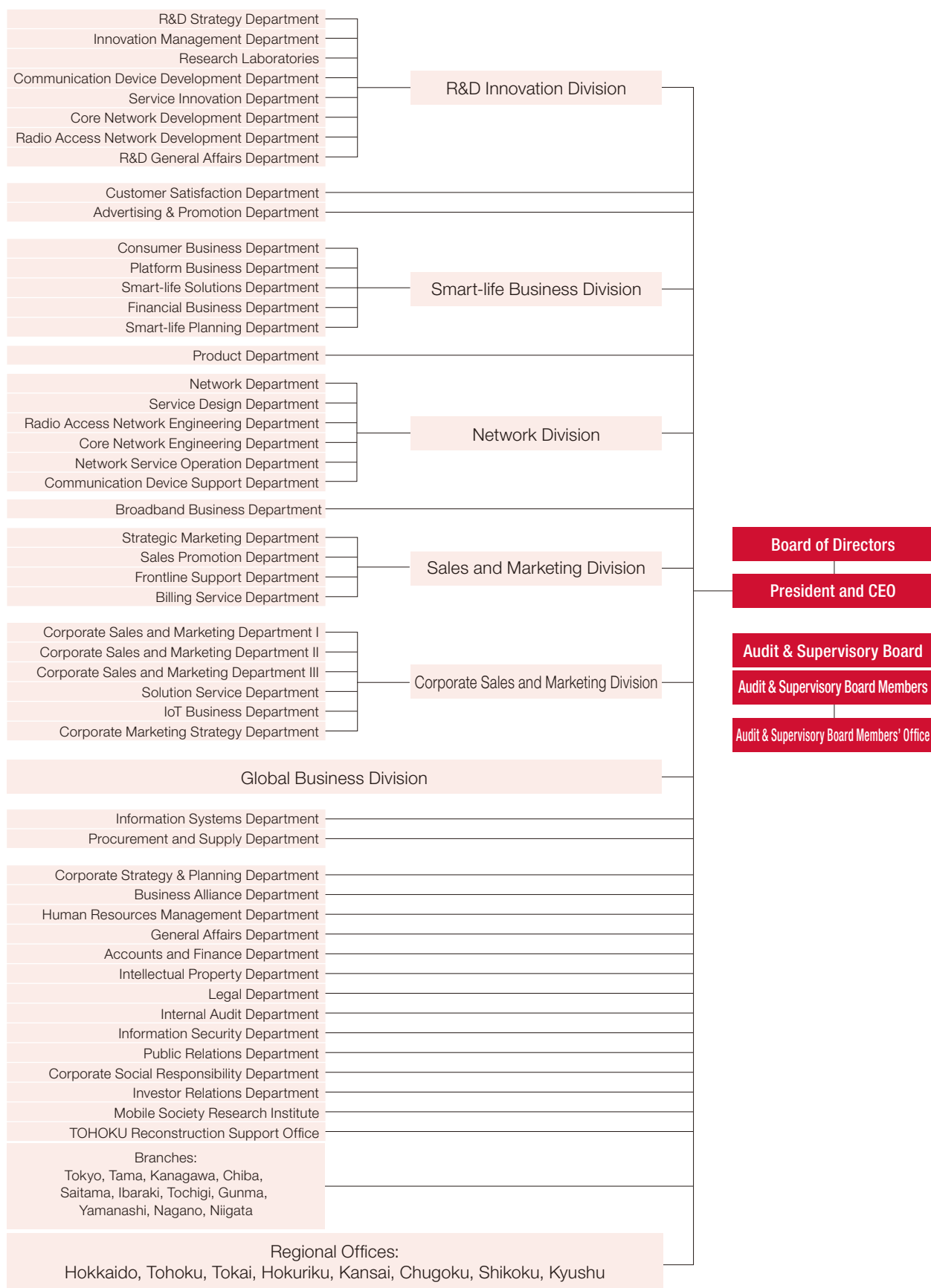
Subsidiaries: 116

Company name	Voting rights ownership	Business activities
DOCOMO CS, Inc.	100.00%	Network construction; marketing support
DOCOMO Support, Inc.	100.00%	Marketing support
DOCOMO Systems, Inc.	100.00%	System development
DOCOMO Technology, Inc.	100.00%	Research and development business
DOCOMO CS Hokkaido, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Tohoku, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Tokai, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Hokuriku, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Kansai, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Chugoku, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Shikoku, Inc.	100.00%	Network construction; marketing support
DOCOMO CS Kyushu, Inc.	100.00%	Network construction; marketing support
ABC Cooking Studio Co., Ltd.	51.00%	Cooking classroom business
OAK LAWN MARKETING, INC.	55.75%	TV mail-order business
Tower Records Japan Inc.	50.25%	Sales of music, video software, and music-related merchandise
D2C Inc.	51.00%	Production and operation of advertising through mobile contents websites
DOCOMO ANIME STORE, INC.	60.00%	Production of anime video distribution service
DOCOMO Datacom, Inc.	66.24%	System development
docomo Healthcare, Inc.	66.00%	Provision of platform for managing, using, and sharing health-related data
Nihon Ultramarc INC.	100.00%	Construction and sales of doctor and medical facility database
MAGASseek Corporation	75.00%	Fashion e-commerce business
Radishbo-ya Co., Ltd.	100.00%	Membership-based home delivery service of organic and low-chemical agricultural products as well as additive-free foods
DCM Reinsurance Company, Inc.	100.00%	Reinsurance business
DOCOMO Communications Laboratories Europe GmbH	100.00%	Research and development business
DOCOMO Digital Limited	100.00%	Management of platforms related to mobile content distribution and billing
DOCOMO Innovations, Inc.	100.00%	Investing in and gathering data on start-ups that develop promising technologies
DOCOMO PACIFIC, INC.	100.00%	Mobile communications, cable TV, and internet business in Guam
and 89 other companies		

Affiliates: 23

Company name	Voting rights ownership	Business activities
Avex Broadcasting & Communications Inc.	30.00%	Mobile video distribution business
NTT Broadband Platform, Inc.	22.00%	Wi-Fi network business
NTT Resonant Incorporated	33.33%	Communications business; portal business
ZENRIN DataCom CO., LTD.	18.09%	Map and net navigation businesses for mobile phones
Nippon Telecommunications Network Co., Ltd.	37.43%	Network services business
FeliCa Networks, Inc.	38.00%	Development and licensing of Mobile FeliCa IC chip
Sumitomo Mitsui Card Company, Limited	34.00%	Credit card business
RecoChoku Co., Ltd.	34.17%	Music distribution business
NTT Plala Inc.	33.33%	Video distribution service, internet connection service
Hutchison Telephone Company Limited	24.10%	Mobile communications business in Hong Kong and Macau
PLDT Inc.	8.56%	Fixed and mobile communications business in the Philippines
Tata Teleservices Limited	21.63%	Fixed and mobile communications business in India
VMG Media Joint Stock Company	24.52%	Development and management of content applications and platforms in Vietnam
and 10 other companies		

Organizational Structure NTT DOCOMO, INC. (As of July 1, 2017)



Corporate Information (As of March 31, 2017)

Company Name

NTT DOCOMO, INC.

Address

Head Office:

Sanno Park Tower

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)

26,734

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, 2017)

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

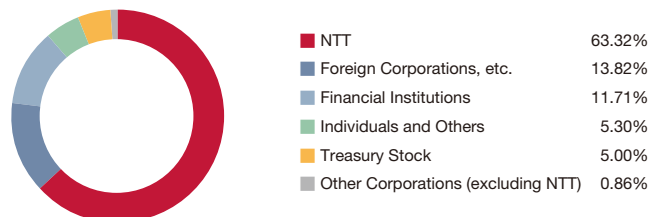
Total Number of Authorized Shares: 17,460,000,000

Total Number of Issued Shares: 3,899,563,000

Number of Shareholders

251,169

Distribution of Ownership among Shareholders



* The figures are based on the list of shareholders as of March 31, 2017.

Principal Shareholders

Company	Number of shares held	Percentage of total issued shares (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2,469,084,400	63.32
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	72,187,700	1.85
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	65,400,700	1.68
BARCLAYS CAPITAL INC.	40,000,000	1.03
STATE STREET BANK AND TRUST COMPANY	33,113,565	0.85
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	27,095,600	0.69
STATE STREET BANK WEST CLIENT - TREATY 505234	22,470,637	0.58
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS	21,129,496	0.54
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	21,098,200	0.54
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 1)	20,146,000	0.52
Total	2,791,726,298	71.59

* Treasury stocks are not included in the above list.