

The new of today, the norm of tomorrow

NTT
docomo

Integrated Report 2018

Year Ended March 31, 2018



NTT DOCOMO *Integrated Report 2018*

Editorial Policy

Integrated Report 2018 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 analyzed the corporate value we offer from four perspectives – Business Value, Financial Value, Management Value and Sustainable Value – in order that shareholders, investors and other stakeholders can better understand how the assets we have accumulated for more than 25 years alongside growth in the telecommunications market will contribute to value creation in the future and thus deliver sustainable growth. We have also included a section at the beginning of the report on the Core Value that lays the foundation for DOCOMO's value creation.

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 unprecedented new value as we look forward to 2020 and beyond. In the special feature section, we introduce specific achievements over the year toward the realization of “Declaration beyond.”

We hope that through this report many more people have a more comprehensive picture of DOCOMO's business and better understand our management strategy based on our medium- to long-term vision.

Presentation of Names of Companies and Products

In principle, information in this report is accurate as of March 31, 2018. As used in this report, “DOCOMO,” “DOCOMO Group,” “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 report are the trademarks or registered trademarks of their respective organizations.

Definition of Fiscal Year (FY)

“FY2017” refers to the fiscal year ended March 31, 2018, and other fiscal years are referred to in a corresponding manner.

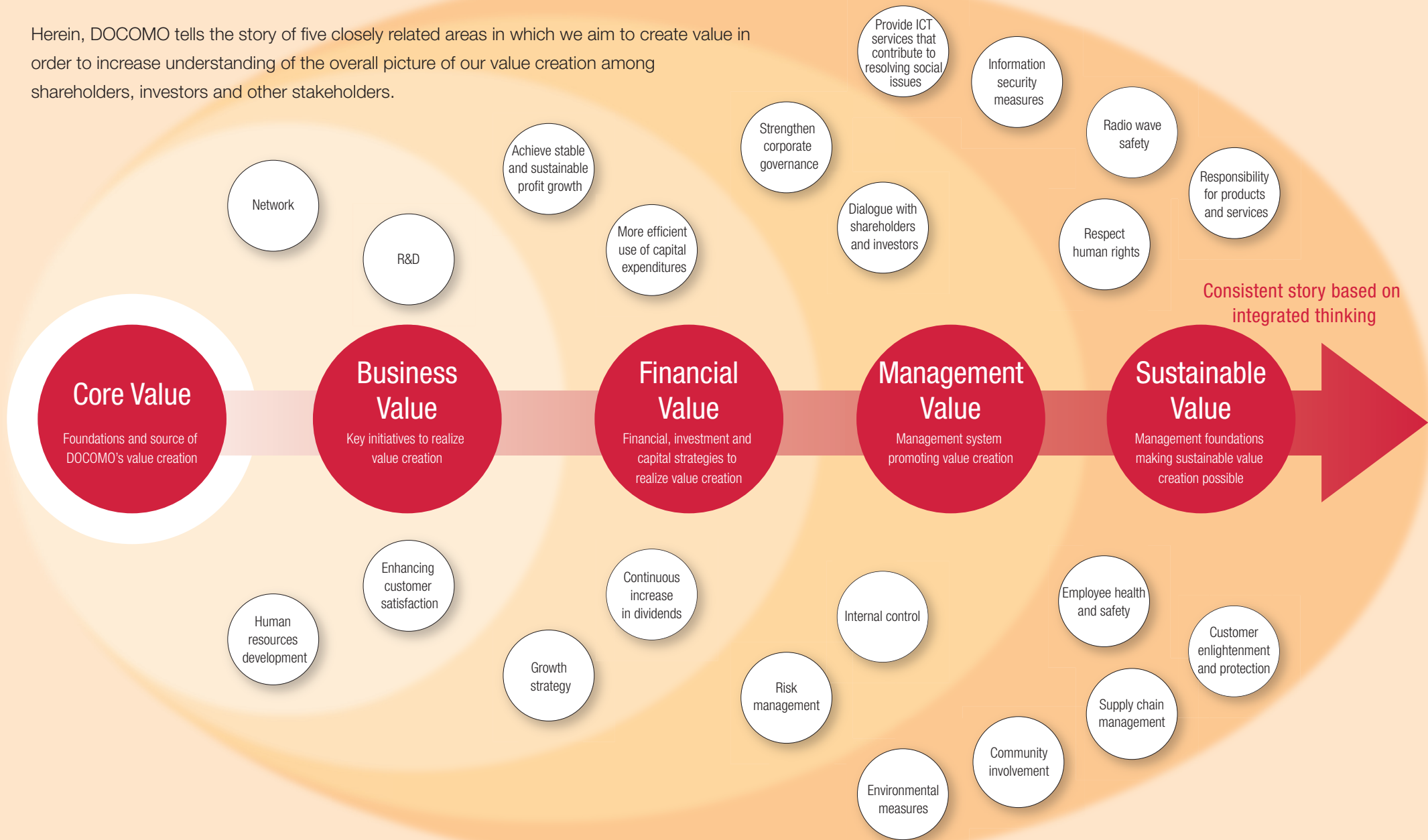
Forward-Looking Statements

All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information available as of the filing date of this report. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. With regard to various known and unknown risks, uncertainties and other factors, please see our latest Annual Securities Reports and Quarterly Securities Reports.

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Five Types of Value Covered in the *Integrated Report 2018*

Herein, DOCOMO tells the story of five closely related areas in which we aim to create value in order to increase understanding of the overall picture of our value creation among shareholders, investors and other stakeholders.



Contents

Core Value

Message from the President	P. 1
Corporate Philosophy	P. 2
DOCOMO's Businesses	P. 3
DOCOMO's History	P. 4
Visions and Strategies	P. 5
Value Creation Process	P. 6
Response to Risks and Opportunities Surrounding DOCOMO	P. 8
Financial/Non-Financial Highlights	P. 13
Dialogue—President Yoshizawa × Ms. Chieko Matsuda (Professor, Graduate School of Management, Tokyo Metropolitan University)	P. 17

Special Feature

Review of the First Year of “Declaration beyond”

Medium-Term Strategy 2020 “Declaration beyond”	P. 21
Topics over the Year	P. 22
Employee Discussion	P. 23
Shift to a “Customer Base Centered on Members”	P. 27

Business Value

Message from the CTO	P. 28
Provision of Network Service	P. 30
Enhancing Customer Satisfaction	P. 32
R&D and Innovation	P. 34
Human Resource Strategy and Development	P. 36

Financial Value

Message from the CFO	P. 38
FY2017 Financial Review	P. 41

Management Value

Members of the Board of Directors	P. 47
Message from Outside Director	P. 48
Management Team	P. 50
Reasons for Appointment and Insights of Outside Directors and Outside Audit & Supervisory Board Members	P. 57
Corporate Governance	P. 58
Status of Board of Directors Meetings Held and Other Matters	P. 60
Dialogue with Shareholders and Investors	P. 62
Status of Audits by the Audit & Supervisory Board and Internal Audits	P. 63
Internal Control	P. 64
Risk Management	P. 65

Sustainable Value

CSR Policy	P. 66
CSR Mid-Term Target and Sustainability Focuses	P. 67
Results of Sustainability Focuses and KPI Initiatives	P. 68
Contribute to Society and Environment through ICT	P. 72
Information Security Measures	P. 74
Radio Wave Safety	P. 75
Corporate Responsibility for Products and Services	P. 76
Respect Human Rights	P. 77
Customer Enlightenment and Customer Protection	P. 78
Employee Safety and Wellness	P. 79
Supply Chain Management	P. 80
Community Involvement and Development	P. 81
Environment (Address Climate Change and Effectively Use Resources)	P. 82

Data Section

Operating Data	P. 84
11-Year Summary of Selected Financial and Non-Financial Data	P. 86
Subsidiaries	P. 91
Affiliates	P. 92
Organizational Structure	P. 93
Corporate Information/External Evaluations	P. 94
Stock Information	P. 95
Usage Guide	P. 96



DOCOMO's Core Value

One of the most indispensable pillars of DOCOMO's business is to keep providing stable telecommunications services to customers at all costs. Also, another major pillar of our operations is the ability to continue offering new value to individuals and to society.

In April 2017, we announced our Medium-Term Strategy 2020 "Declaration beyond." As we look forward to 2020 and beyond, this new strategy clarifies the key challenge of providing unprecedented new value at a time when the industrial structure is undergoing immense change. To realize an enriched future, we will work to offer "value and excitement to our customers" and attain "value and co-creation with +d partners."

In this report, we focus on the foundations and source of DOCOMO's value creation.

President and Chief Executive Officer

Message from the President	P. 1
Corporate Philosophy	P. 2
DOCOMO's Businesses	P. 3
DOCOMO's History	P. 4
Visions and Strategies	P. 5
Value Creation Process	P. 6
Response to Risks and Opportunities Surrounding DOCOMO	P. 8
Financial/Non-Financial Highlights	P. 13
Dialogue—President Yoshizawa × Ms. Chieko Matsuda (Professor, Graduate School of Management, Tokyo Metropolitan University)	P. 17

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.

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● Satisfying Customers

DOCOMO strives to fulfill the expectations of its customers through industry leadership in service quality, advanced networks, functionality and service area coverage. In addition, diversifying customer needs are being satisfied with an increasingly broad range of upgraded services at competitive rates.

We satisfy our customers.

We create a new communication culture.

We fully utilize individual potential.

Concept Tree

● Creating a New Communication Culture

DOCOMO is working to deliver and strengthen these benefits by improving service quality, aggressively moving forward with the development of new services and researching and developing more user-friendly communications interfaces. In addition, services and technologies are being provided in a diversifying range of business fields and platforms.

● Utilizing Human Resources

DOCOMO empowers individuals to achieve their utmost capabilities and thereby discover new potential. The Company motivates employees not only by providing a dynamic workplace, but also by offering enlightened labor conditions and enhanced health and welfare benefits.

DOCOMO's Businesses

The DOCOMO Group engages in businesses in three segments: the telecommunications business centered on mobile phone services; the smart life business, which includes distribution of video, music and electronic books; and other businesses such as the mobile device protection service.

Main Business Areas



Telecommunications Business

Mobile phone (LTE(Xi) and FOMA) services, optical-fiber broadband services, satellite communications services, international services and equipment sales related to these services



Smart Life Business and Other Businesses Segment

● Smart life business

Services offered through "dmarket" portal such as distribution of video, music and electronic books, etc., finance/payment services, online shopping services and other life-related services, etc.

● Other businesses

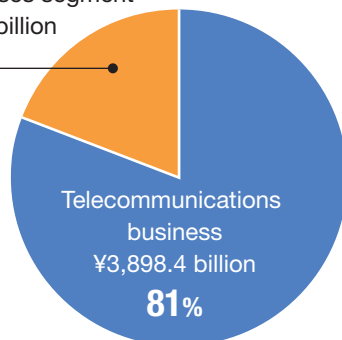
Mobile device protection service, commissioned development/sales and maintenance of systems, etc.

Operating revenues

(Year ended March 2018)

Smart life business and other businesses segment
¥903.2 billion

19%

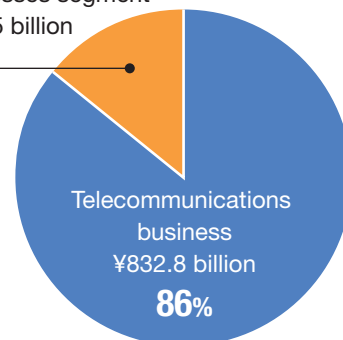


Operating income

(Year ended March 2018)

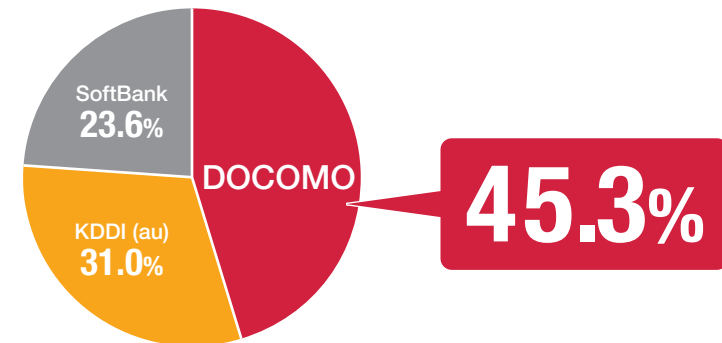
Smart life business and other businesses segment
¥140.5 billion

14%



No. 1 in Domestic Market Share

Number of mobile phone subscriptions

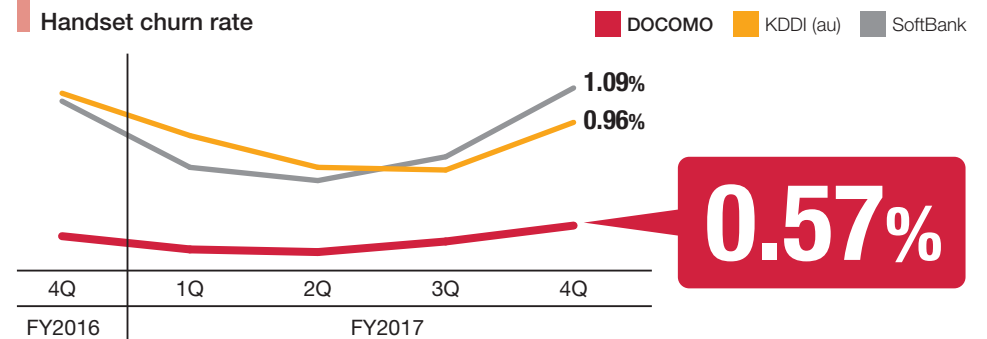


*Source: Telecommunications Carriers Association

*As of March 31, 2018

Best-in-Class Low Churn Rate Globally

Handset churn rate



*Data from figures announced by each company

*Churn rate for DOCOMO in Basic Plans (excluding Data Plans and Device Plus 500), Xi/FOMA Billing Plans and Type Limit Value/Type Limit for smartphones and feature phones, etc.

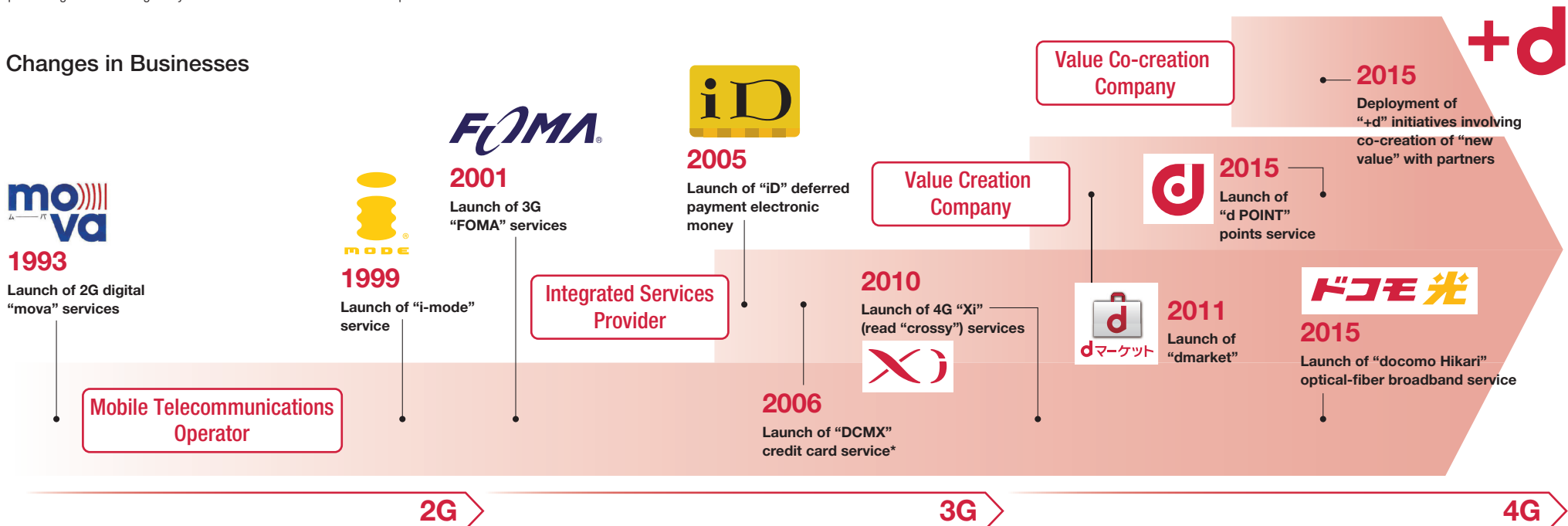
DOCOMO's History

DOCOMO has continued to provide "new value" to customers since it started business in 1992.

Value Delivered by DOCOMO



Changes in Businesses

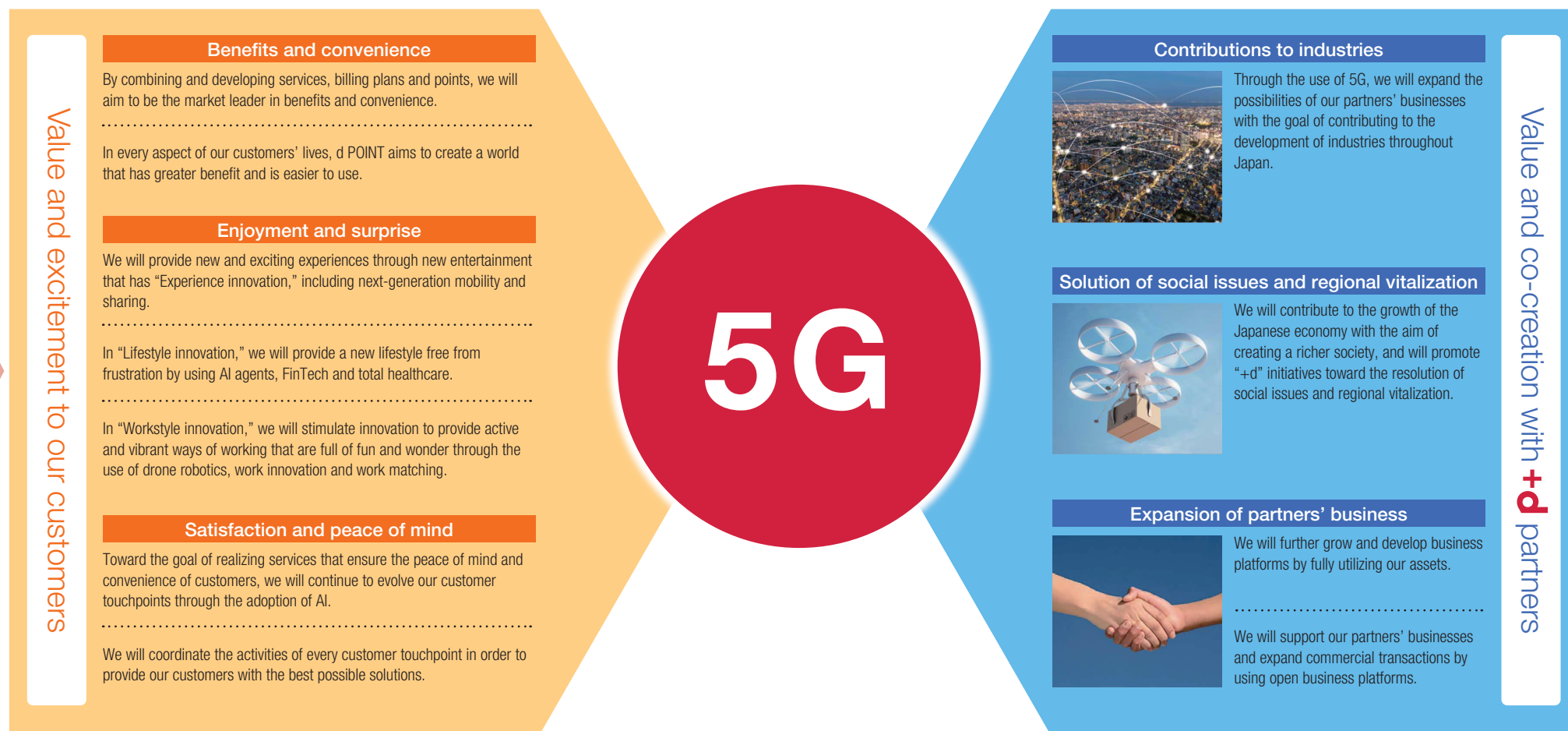


*The credit service "DCMX" was upgraded in December 2015 and the "d CARD" was newly issued that adds credit card settlement functionality to the "d POINT CARD."



Visions and Strategies

Through activities designed to contribute value from our customers' point of view, DOCOMO has built a model for a solid foundation for growth. We will deliver excitement and inspiration to our customers beyond their expectations by implementing our Medium-Term Strategy 2020 "Declaration beyond." [P. 21](#)





Value Creation Process

DOCOMO aims to realize sustainable value creation through a business model based on the "Seven Strengths" we have built up through activities designed to contribute value.

DOCOMO has developed Seven Strengths over the course of its history

1 Human resources



Number of employees

27,464

2 Customer base



Number of d POINT Club members

65.60 million

3 Financial capital



Shareholders' equity

¥5,680.4 billion

4 Brand and social reputation



DJSI* World Index

* DJSI (Dow Jones Sustainability Indices)

5 Partnership



Number of "+d" partners

468

6 R&D capabilities



R&D expenditures

¥91.8 billion

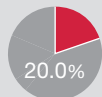


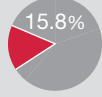
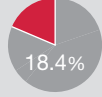
7 Network



Number of LTE base stations

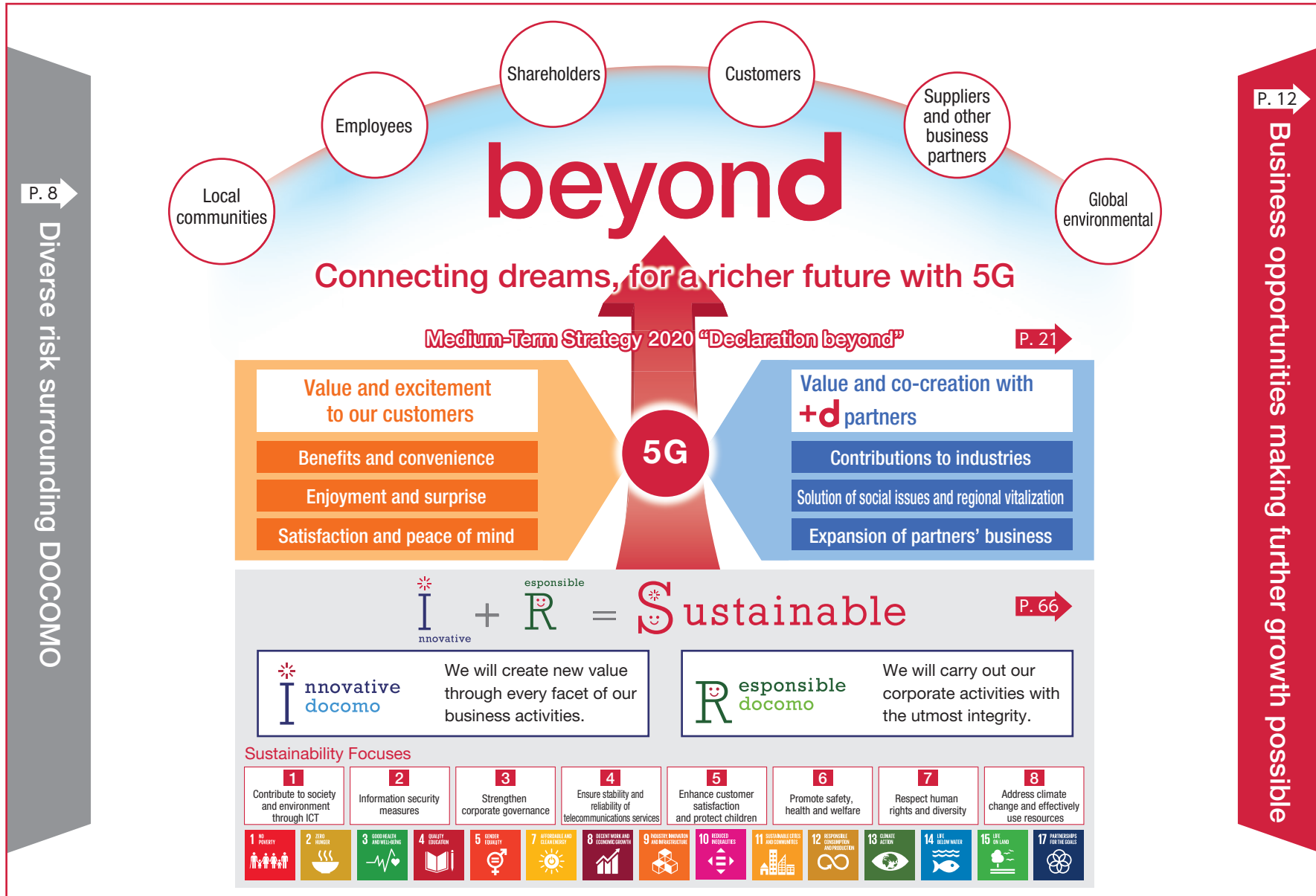
185,000

Revenue structure

Operating revenues		Principal components of revenues	Results of FY2017 and percentage of consolidated revenues
Telecommunications services Telecommunications business	Voice revenues	<ul style="list-style-type: none"> Basic monthly charges Calling charges Packet communications charges 	¥951.7 billion (Increased 8.7% YOY) 
	Mobile telecommunications services revenues	<ul style="list-style-type: none"> Revenues from optical-fiber broadband services, satellite communications services and overseas cable TV service 	¥1,949.5 billion (Decreased 1.0% YOY) 
	Packet communications revenues	<ul style="list-style-type: none"> Revenues from sales of mobile phone handsets that the Company purchases from manufacturers and sells to its agent resellers 	¥236.7 billion (Increased 67.7% YOY) 
Equipment sales Telecommunications business		<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 	¥755.1 billion (Increased 5.0% YOY) 
Other operating revenues Telecommunications business Smart life business and Other businesses segment		<ul style="list-style-type: none"> Revenues from services developed on platforms built for mobile telecommunications 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 	¥876.4 billion (Decreased 0.4% YOY) 

Business model realizing sustainable value creation

We will create sustainable value for our stakeholders by implementing "Declaration beyond" toward 2020 and further into the future while taking into account the risks and opportunities surrounding DOCOMO based on our view that corporate social responsibility (CSR) forms the foundation of our business.



P. 8

Diverse risk surrounding DOCOMO

P. 12

Business opportunities making further growth possible

P. 21

P. 66



Response to Risks and Opportunities Surrounding DOCOMO

DOCOMO constantly identifies risk factors that may impact value creation and implements measures to address these risks. At the same time, we are working to create business opportunities.



Market environment



Products and services



Laws, regulations or systems



International services



Investments and alliances



Information security



Intellectual property



Disasters or similar events or incidents



Effects on human health

NTT

Influence by parent company

Details of major risks

Measures to reduce risks



Changes in the market environment

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 average revenue per user (ARPU) decreases, cost increases, etc.

- 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



Development of services and expenses

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.

- 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

Details of major risks

Measures to reduce risks



Introduction or changes to laws, regulations or systems

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.

- 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 to available frequency spectrum or facilities

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.

- 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



Provision of international services

Mobile service providers around the world may fail to adopt technologies or frequency bands compatible with those used by the Group's mobile telecommunications system. This could impact our ability to offer a full range of international services.

- 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 the development of our handsets and services, as well as promoting the adoption of the frequency bands used by the Group



Investments, alliances and partnerships

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.

- 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

Details of major risks

Measures to reduce risks

**Quality of products and services**

Malfunctons, defects or imperfections in our products or services (or those of other providers) may give rise to problems.

- Conducting extensive quality checks before introducing new handsets or applications
- Promoting the adoption of virus countermeasure services and phishing countermeasure services
- Establishing standards concerning quality, etc., for contents and services on platforms provided by the Group, and swiftly investigating and dealing with causes of malfunctons, etc.

**Misuse of products and services**

Social issues arising from potential misuse of our products or services may adversely impact our credibility or corporate image.

- 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

**Information management**

Unsatisfactory handling of confidential business information, including personal information, by the Group, our contractors or others may adversely impact our credibility or corporate image.

- 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

**Intellectual property rights**

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.

- 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

Details of major risks

Measures to reduce risks

**Natural or human-caused disasters or incidents**

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.

- 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

**Effects of wireless telecommunications to health**

Concerns may spread about the adverse health effects of wireless telecommunications.

- Conducting ongoing studies and research relating to the effects of radio waves on human health, as well as publishing the results of such research

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Relationship with parent company

Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise its influence in ways that may not benefit our other shareholders.

- Sharing with our parent company the opinions and demands of non-parent company shareholders, as well as opinions obtained from experts in various fields
- Constructing a system enabling the opinions of independent outside directors to be reflected in business operations

*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 Securities Reports published on the IR Documents section of our web site.

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



Details of major opportunities

Measures to create opportunities

**Changes in the market environment**

There is heightened expectation from the market concerning actions to resolve social issues and growing demand for the Group's high-quality technologies, etc., from companies and other customers based on this expectation. In addition, actions to resolve social issues may generate new profit-earning opportunities for the Group. Further technological advancements are also being made in artificial intelligence (AI) and Internet of things (IoT) fields, etc., on the back of the Fourth Industrial Revolution (4IR).

- Promoting collaboration with partner companies based on “+d”
- Advancing R&D into 5G, AI and IoT, etc., aimed at generating new innovations

**Stable provision of services**

The Company is able to provide services in a stable manner through initiatives to enhance service quality, improvements in the operational quality of suppliers and other business partners by way of supply chain management, etc., and solid financial foundations.

- Establishing a quality check flow that includes a meeting to determine introduction prior to starting service provision
- Conducting different kinds of monitoring of suppliers based on DOCOMO's Guidelines for CSR in Supply Chain
- Setting up a meeting body to discuss medium- and long-term strategy, etc., including investment projects, outside of the Board of Directors

**Introduction or changes to laws, regulations or systems**

Introduction of or changes to various laws, regulations or systems both inside and outside Japan, including the easing of regulations, could have a positive impact on the Group's business operations.

- Striving to promote understanding among stakeholders of the Group's opinions, which includes submitting an opinion when the relevant authorities call for public comment, so as to set the tone for a favorable outcome for the Company

**Potential earnings and opportunities provided by investment and partnerships, etc.**

Investments in the Group and our partner companies, tie-ups and the creation of cooperative relationships, etc., may lead to suitable earnings or opportunities.

- Promoting collaboration with partner companies based on “+d”

**Acquisition and exercise of intellectual property rights**

The acquisition of intellectual property rights, etc., may enable the Group to provide specific technologies, products or services. Exercising these and other rights can lead to licensing income as well as a dominant competitive position.

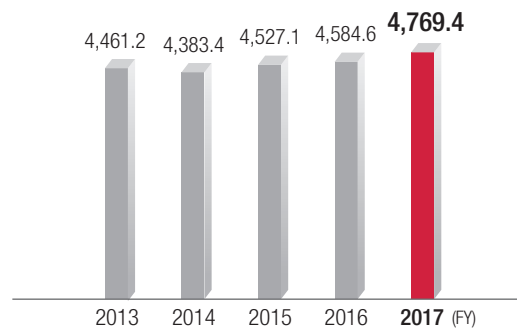
- Advancing R&D into 5G, AI and IoT, etc., aimed at generating new innovations

Financial/Non-Financial Highlights

Financial Related

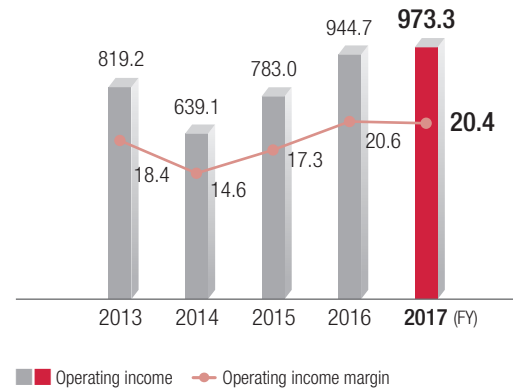
Operating revenues

(Billions of yen)



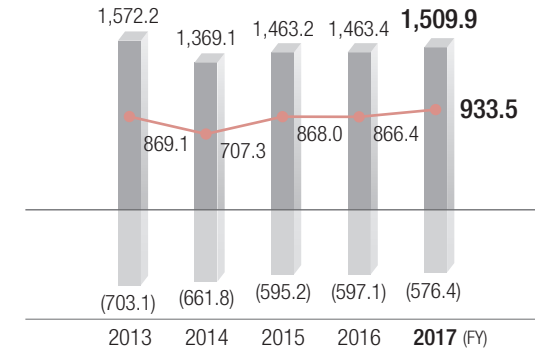
Operating income/Operating income margin

(Billions of yen/%)



Operating FCF

(Billions of yen)

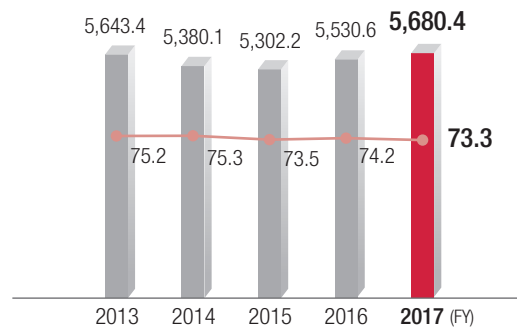


■ EBITDA ■ Capital expenditures — Operating FCF (EBITDA - Capital expenditures)

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

Shareholders' equity/Shareholders' equity ratio

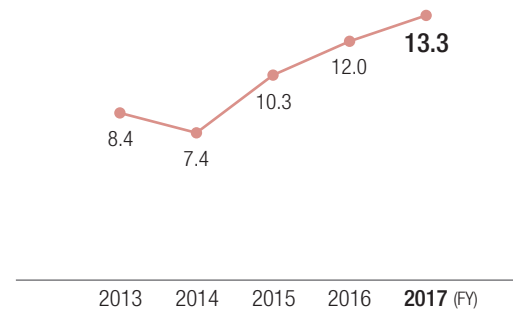
(Billions of yen/%)



■ Shareholders' equity — Shareholders' equity ratio

ROE

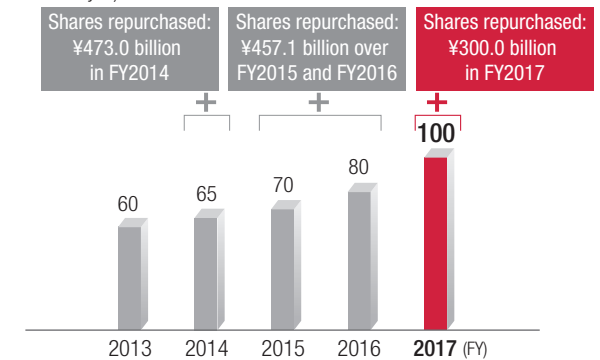
(%)



Note: ROE = Net income attributable to NTT DOCOMO, INC. ÷ Shareholders' equity × 100
Shareholders' equity is calculated using the end-of-period average.

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.

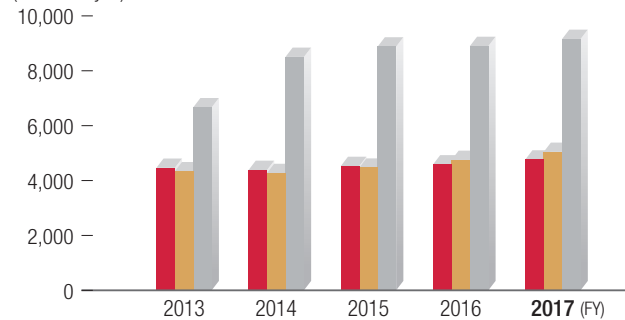
Financial/Non-Financial Highlights

Financial/Stock Related (Comparison with Other Companies)

Note: For DOCOMO, FY2013-2016 are U.S.GAAP and FY2017 is IFRS. For KDDI, FY2013 is JGAAP and FY2014-2017 are IFRS. For SoftBank Group, all years are IFRS.

Operating revenues

(Billions of yen)

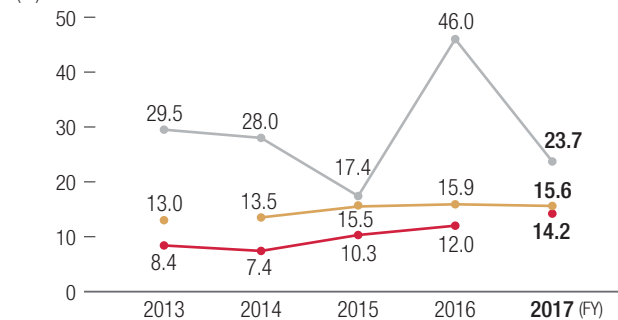


DOCOMO	4,461.2	4,383.4	4,527.1	4,584.6	4,762.3
KDDI	4,333.6	4,270.1	4,466.1	4,748.3	5,042.0
SoftBank Group	6,666.7	8,504.1	8,881.8	8,901.0	9,158.8

Source: Figures announced by each company

ROE

(%)



● DOCOMO ● KDDI ● SoftBank Group

Source: Figures announced by each company

Components of ROE (FY2017)

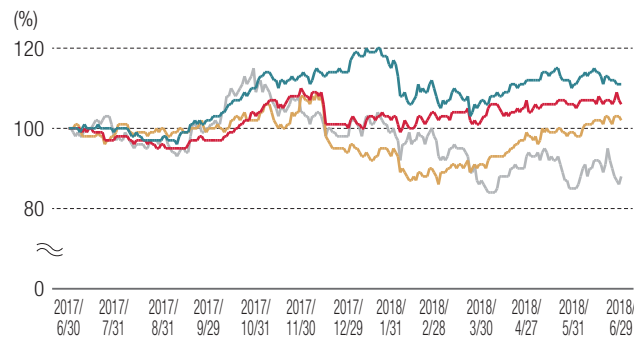
ROE (%)	Profit attributable to shareholders of the Parent ÷ Income before income taxes × 100 (%)	Income before income taxes ÷ Operating profit × 100 (%)	Operating profit ÷ Operating revenues × 100 (%)	Operating revenues ÷ Total assets (times)	Total assets ÷ Equity attributable to shareholders* (times)	
DOCOMO	14.2	69.3	115.7	20.7	1.37	
KDDI	15.6	59.9	99.2	19.1	1.79	
SoftBank Group	23.7	270.1	29.5	14.2	0.29	7.11

*Equity attributable to shareholders is calculated by averaging the total for the previous and current fiscal periods.

Source: Figures announced by each company

Stock price performance from June 2017 to June 2018

(Changes compared with the prices on June 30, 2017 as 100%)

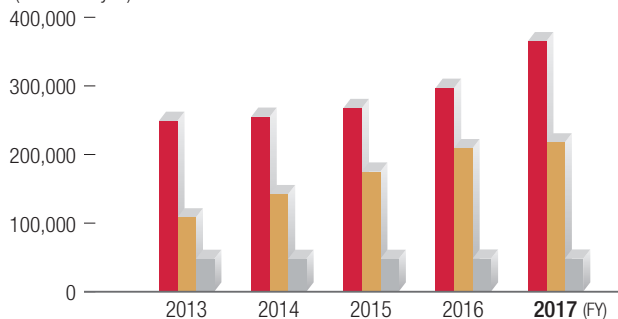


— Nikkei stock average — DOCOMO — KDDI — SoftBank Group

Source: Tokyo Stock Exchange, Inc.

Total cash dividends for the year

(Millions of yen)

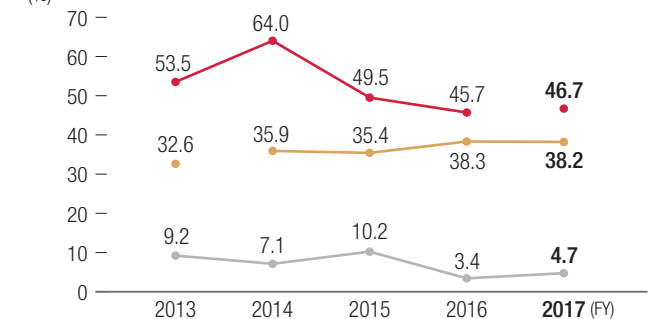


DOCOMO	248,806	254,809	267,474	296,994	364,889
KDDI	108,033	141,946	174,843	208,917	217,339
SoftBank Group	47,608	47,562	47,562	47,921	47,938

Source: Figures announced by each company

Payout ratio

(%)



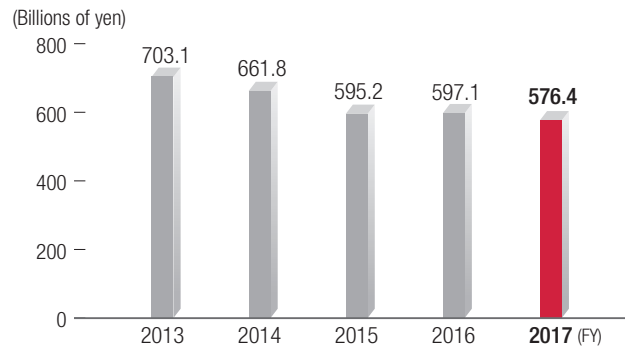
● DOCOMO ● KDDI ● SoftBank Group

Source: Figures announced by each company

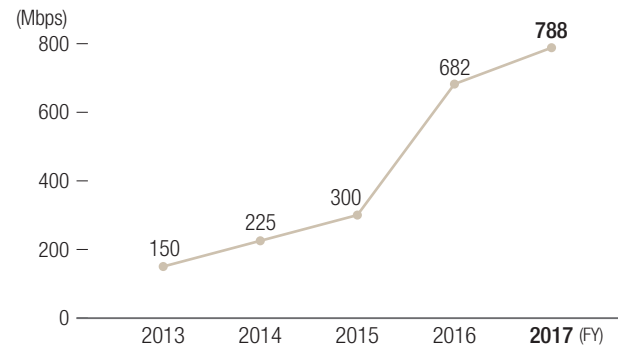
Financial/Non-Financial Highlights

Financial/Business Related

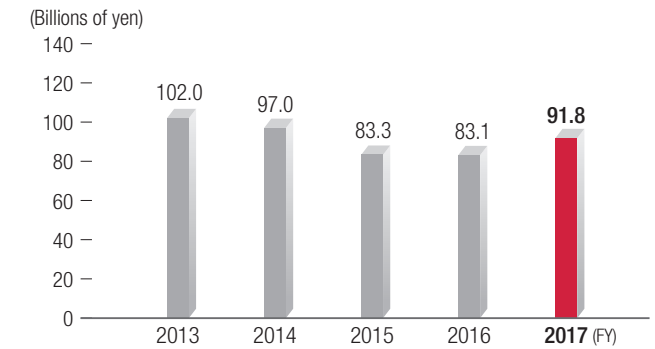
Capital expenditures



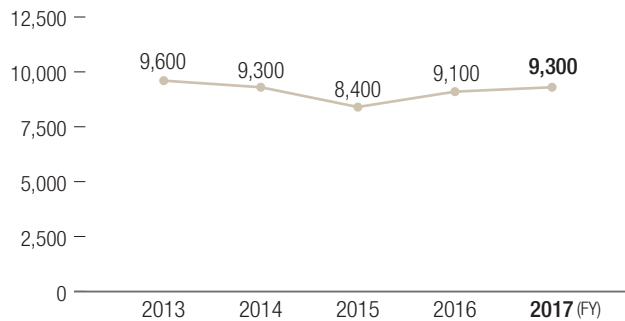
Maximum reception speed



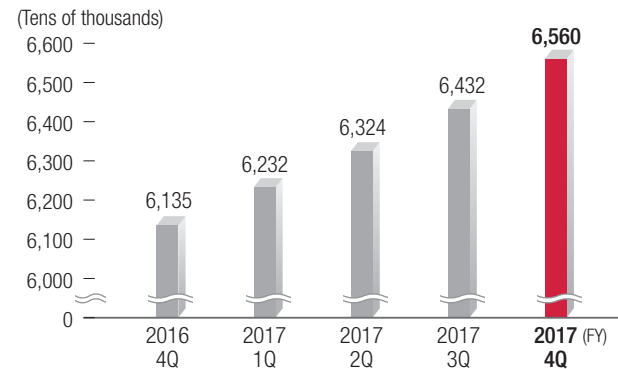
R&D expenditures



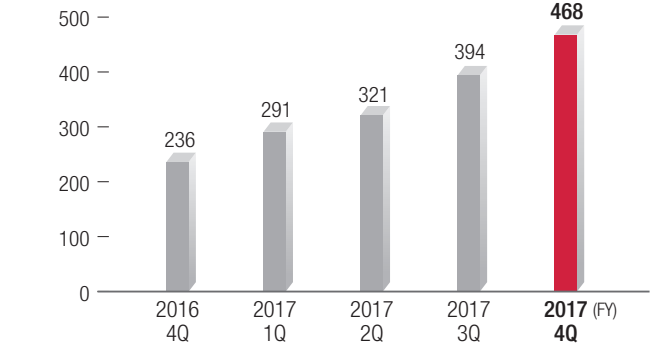
Number of foreign patents owned



Number of “d POINT Club” members



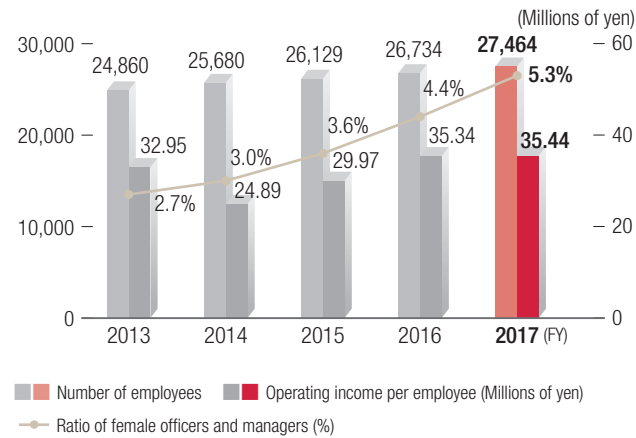
Number of “+d” partners



Financial/Non-Financial Highlights

Business/Social/Environment Related

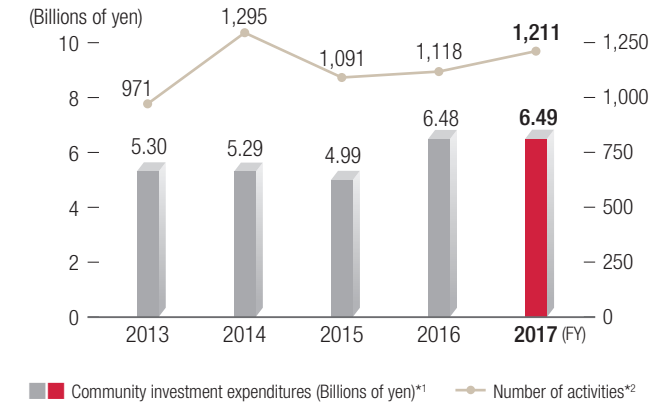
Number of employees, Operating income per employee and Ratio of female officers and managers



Brand and sustainability reputation

(FY)	2014	2015	2016	2017
Brand value				
Interbrand Japan	No.1	No.1	No.1	No.1
Sustainability Indices				
DJSI (Dow Jones Sustainability Indices)	—	—	Selected as a Component Stock for the Asia Pacific	Selected as a Component Stock for the World Index
CSR ranking				
Toyo Keizai CSR Company Ranking	No.2 (9th)	No.5 (10th)	No.4 (11th)	No.1 (12th)

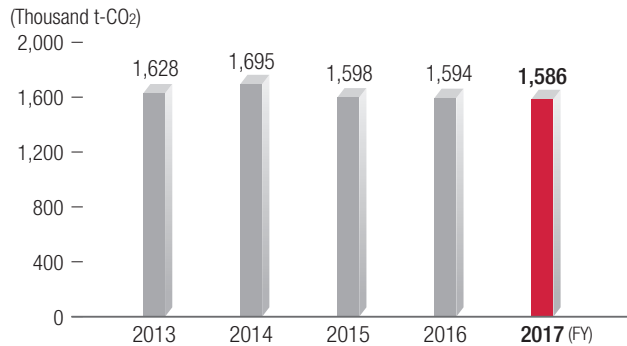
Community investment expenditures/Number of activities



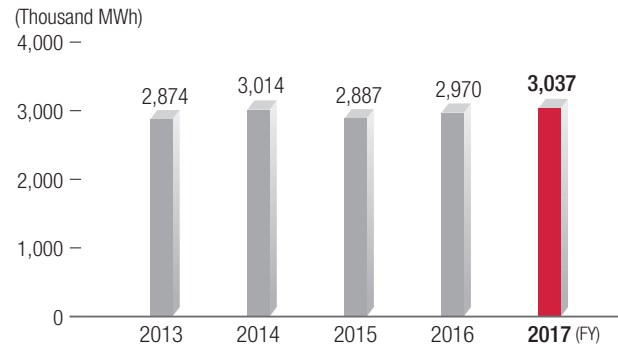
*1 Costs allotted to social contribution activities, including environmental conservation, social welfare and support for disaster-stricken areas.

*2 Each monetary donation, donation of goods and free use of facilities is counted as one activity.

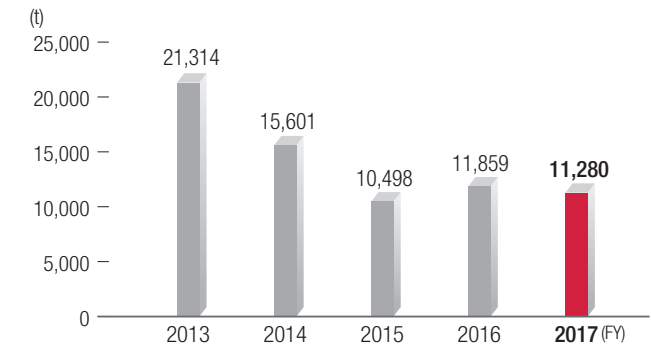
Greenhouse gas emissions



Electricity usage



Paper usage





Dialogue with the President

Looking Forward to 2020 and Beyond

DOCOMO holds dialogues with shareholders, investors and other stakeholders in order to reflect opinions in our management. Here, we welcome Ms. Chieko Matsuda as a representative of our stakeholders with extensive knowledge in management theory and practice to talk with President Yoshizawa about DOCOMO's approach to value creation and initiatives to drive sustainable growth.



Kazuhiro Yoshizawa
President and Chief
Executive Officer,
Representative Member
of the Board of
Directors



Chieko Matsuda
Professor, Graduate School
of Management,
Tokyo Metropolitan
University

DOCOMO will provide "new value" through a variety of business platforms.

with this.

Amid this wave of digital transformation, it's important to co-create with partners in order to generate services that offer new value to society and outperform the competition. With this in mind, we formulated our [Medium-Term Strategy 2020 "Declaration beyond."](#) Accordingly, DOCOMO is aiming to create business that contributes to industry and helps resolve social issues. In the year since announcing the strategy, we have taken steps to launch new businesses, including a trial aimed at commercializing technology associated with [5G \(5th generation mobile communications\)](#) and artificial intelligence (AI). [P. 22](#)

Matsuda: It seems that DOCOMO stands at the forefront of the industry and is helping to pioneer a new age. What areas of strength are you looking to enhance and what are your priority challenges? Can you explain your strategy in this regard?

Yoshizawa: One of DOCOMO's core strengths is our stable telecommunications networks that can be used comfortably anytime, anywhere. We also plan to steadily refine the quality of our network for 5G, which we will start providing in 2020, in a manner similar to past efforts. Providing a network alone, however, does not make a service. In addition to our efforts to build the optimum networks, a priority challenge is to expand and deepen co-creation by providing different business platforms to partners in an open manner. As examples, we

will supply platforms for personal authentication, payment and billing, and for awarding points. Our strategy is to create unique, strong business foundations and offer new value based on the concept ["+d,"](#) in which we add DOCOMO assets to those of our partners.

In the past, we gave weight to the business to consumer (B2C) business model, which is to find ways to enhance convenience for individual customers. Going forward, however, we believe the need will grow in the business to business to X (B2B2X) business model, in which we can provide platforms for various industries through supporting service providers—the second "B" in B2B2X.

Shift from Mobile Subscribers to "Members"

Matsuda: With a company as big as DOCOMO, it's no doubt possible to provide platform-based service in any field. Which areas will you prioritize?

Yoshizawa: Basically, we have every industry in our sights. We just have to focus on the priorities of each partner and the themes that enable us to resolve social issues.

To give an example, priorities in the automobile industry may revolve around automated driving and cars that can connect to a network as means to resolve the social issue of a declining birthrate and an aging society. I believe DOCOMO has the ability to provide assistance in a



Expanding and Deepening Co-Creation with Partners

Matsuda: First, can you tell us about the business environment surrounding DOCOMO's business?

Yoshizawa: Competition has become increasingly severe in DOCOMO's business environment. This is because mobile networks have become an essential infrastructure, not only for individuals but in industry terms as well. On top of this, further advancements in technology have heightened expectations of services that can offer never-seen-before value. Competition has intensified in accordance

Medium-Term Strategy 2020 "Declaration beyond"

Announced in April 2017, the aim of DOCOMO's medium-term strategy that looks forward to 2020 and beyond is to realize new value centered on 5G. [P. 21](#)

5G (5th generation mobile communications)

This next-generation mobile communications system boasts high speed, high volume, minimal delay and connectivity with a wide array of terminals. [P. 35](#)

+d

This is the name of a DOCOMO initiative for co-creating new value together with partners, with the "d" taken from the first letter of DOCOMO.



As business grows, more cohesive Group management and governance will be increasingly important.

number of other areas as well, such as with university hospitals giving remote diagnostics advice in support of local physicians.

Matsuda: Can you tell us about an initiative DOCOMO is undertaking for your customers?

Yoshizawa: We hope to forge deeper connections with individual customers by delivering “benefits, convenience and amazement” that go a step beyond. In concrete terms, we will continue proposing plans that offer enhanced benefits and give back through [“d POINTs.”](#) By adding more participating stores where “d POINTs” can be earned and used in various retail stores such as pharmacies and convenience stores, we are expanding customer benefits, while at the same time this leads to more customer referrals as well as commercial transactions for our partners. We have also started a [service that offers investment experience using “d POINTs.”](#) Going forward, we will look to expand the scope of use of “d POINTs.”

Matsuda: Rather than changing points for cash, DOCOMO will provide benefits in place of currency. That sounds just like a “DOCOMO virtual currency,” which is a real possibility in today’s digital world.

Yoshizawa: DOCOMO has re-defined the meaning of “customers” as we expand services outside of the telecommunications field. DOCOMO has spent years trying to increase the number of mobile subscribers, but Japan’s population is limited and the penetration rate of mobile

phones has already exceeded 100%. As such, we will shift from a customer base centered on mobile subscription to a customer base centered on members. [P. 27](#)

Our “members” refer to customers who use DOCOMO services regardless of the presence or absence of mobile phone subscriptions. Such customers include people who use “d POINTs,” a DOCOMO credit card like “d CARD” or [AI agent service “my daiz”](#) while subscribing to a different mobile carrier. In addition, by using the personal data from these services held by DOCOMO, we can send customized information to individuals as well as information on recommended products and services.

Matsuda: One-to-one marketing has become increasingly popular in recent times, and with DOCOMO taking this on board, it feels like big changes are happening.

Toward an Open Company Through Communication

Matsuda: I think cohesive group management and soundly functioning governance will become important as business grows.

Yoshizawa: In order for DOCOMO employees to take a positive approach in business and have the desire to tackle new challenges, we implement “proactive governance,” in which we formulate business plans based on key performance indicators (KPIs) and key goal



Chieko Matsuda

Ms. Matsuda graduated with a BA from Tokyo University of Foreign Studies. She received her MBA at École nationale des ponts et chaussées in France and earned a PhD in Management from the Graduate School of Business Science, University of Tsukuba. After working at The Long-Term Credit Bank of Japan, Limited, Moody’s Japan K.K. as a company ratings analyst, Corporate Directions, Inc. and as Vice President (Partner) of Booz and Company, Inc., Ms. Matsuda serves as Professor of the Graduate School of Management and Faculty of Economics and Business Administration at Tokyo Metropolitan University. Presently, she also serves as an outside independent director in several top tier companies in Japan.

d POINTs

This refers to DOCOMO’s points service in which points can be earned and used when shopping in-store or online in addition to gaining points when paying mobile phone fees.

Point investment service

DOCOMO began providing the “THEO + docomo” service in May 2018, allowing users to experience investment using d POINTs.

AI agent “my daiz”

With this agent service, DOCOMO and its partner companies propose information and services that customers may require at the appropriate timing.

indicators (KGIs), and execute them via a plan-do-check-act (PDCA) cycle that helps us monitor progress.

In terms of defensive governance, we are very thorough in our information management from both individual and system perspectives since we handle a high volume of personal information in our operations.

With regard to compliance, I am focusing on communication between employees. I always tell people to be on equal terms, whether they are in a managerial position or not. That means having a sense of humility, seeing eye to eye and listening carefully to each other's opinions. Inconsistency in communication can cause compliance to break down, which in turn may lead to misconduct.

Matsuda: I agree. In typical Japanese pyramid-type organizations of the past, communication from the top down was common whereas

treating others as equal was not. As workstyles have changed, employees have come to be seen as stakeholders. This has in turn altered the way people perceive governance and compliance at Japanese companies.

With regard to communication, you actively attend meetings with investors and visit docomo Shops throughout Japan, right?

Yoshizawa: I often have discussions with investors through investor relations (IR) roadshows overseas, which are held twice a year in North America and Europe; IR activities in Japan; investor meetings following financial results for both interim and full year periods; and individual meetings. I also visit docomo Shops around Japan every month and speak with managers and staff to inquire about the views of customers. In the two years since being appointed president, I have been to over 100 shops.

I try to reflect on what I have obtained through such communication in management to make DOCOMO a more open company. Also, new ideas are born when diverse human resources pursue joint growth and mutual improvement rather than being bound by one's ideas and staying inside one's comfort zone. In other words, innovation requires openness.

Matsuda: Human resources with similar values and backgrounds working earnestly in a closed organization does not lead to enhanced productivity anymore. Maximizing the potential of the individual and encouraging collaboration both within and outside the company will help create true value, just as DOCOMO is doing.

Looking forward to 2020 and beyond, I have high expectations that DOCOMO will be a leader for change in the world and achieve sustainable growth by creating unique value.



Special Feature

Review of the First Year of “Declaration beyond”

DOCOMO undertakes a variety of actions companywide aimed at realizing our Medium-Term Strategy 2020 “Declaration beyond.” In this Special Feature, we introduce the principal initiatives implemented over the year related to this strategy.

Medium-Term Strategy 2020 “Declaration beyond”	P. 21
Topics over the Year	P. 22
Employee Discussion	P. 23
Shift to a “Customer Base Centered on Members”	P. 27

The underlying objectives of “Declaration beyond” are the following six declarations, consisting of three declarations to customers (Declarations 1-3) and three declarations to partners (Declarations 4-6).

**Declaration 1 Market leader**

We aim to be a market leader in benefits and convenience by further evolving and combining our services, billing plans and point programs.

Declaration 2 Style innovation

By leveraging the strengths of 5G through the creative application of virtual reality (VR), artificial intelligence (AI) and the Internet of Things (IoT), we will offer “Experience innovation,” “Lifestyle innovation” and “Workstyle innovation.”

Declaration 3 Peace of mind and comfort support

We will use AI to develop our customer touchpoints for the provision of customer support that emphasizes comfort and peace of mind.

Declaration 4 Industry creation

We will lead the world in telecommunications 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.

Declaration 5 Solution co-creation

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 co-creation with partners in sectors such as primary industries, education, sports, healthcare, mobility and workstyle reform.

Declaration 6 Partner business expansion

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.



Topics over the Year

May/June 2017

Declaration 1

Launched “Simple Plan,” “Ultra Share Pack 30” and “docomo with”

We started a service for customers with limited voice calling outside their family members and a billing plan for customers who use a single handset for an extended period of time. We aim to expand and enhance services befitting individual lifestyles in order that customers can continue using them for a long time with peace of mind.

October/November 2017

Declaration 2

Held “YOYOGI CANDLE 2020”

This event showcased a futuristic technology providing real-time transmission of spatial information using 5G to project sports to fans on the walls of buildings. With the breakthrough experiential projection mapping, athlete performances were projected onto the NTT DOCOMO Yoyogi Building.



January 2018

Declaration 3

Enhanced “docomo Smartphone class”

We strengthened initiatives for docomo Smartphone classes held at docomo Shops nationwide. The various courses we provide range from basic smartphone operation to effective ways to make full use of the devices.



docomo Shop Yokosuka

February 2018

Declaration 2

Developed drone platform “docomo sky”

We developed a drone-based business assistance platform, “docomo sky.” As the first initiative, we started providing a trial for auto-inspection of solar panels together with an analysis service.

Declaration 5

Declaration 6

2017 April May June July August September October November December 2018 January February March

September/November 2017, March 2018

Declaration 2

Provided “new sensory music live events”

We conducted events providing people the opportunity to experience music live performances away from the actual venue that give a real sense of the performer playing right in front of their eyes. Various imaging technologies are used to provide such innovation for customer experiences.



New sensory live music event

October 2017

Declaration 5

Established LANDLOG Ltd.

We founded a new company together with a construction company and other entities to provide the “LANDLOG” platform that connects data from all kinds of objects used in construction operations in order to optimize the entire construction and production process and realize safe and productive construction sites in the future.

LANDLOG

February 2018

Declaration 2

Declaration 5

Launched “AI Taxi”

We started providing this service, which forecasts future demand for taxi rides through DOCOMO’s real-time traffic forecasting technology* using AI, to corporations throughout Japan.



Graphical representations are provided to drivers

February 2018

Declaration 4

Declaration 5

Launched “docomo 5G Open Partner Program”

With this program, we provide information about 5G technology and specifications to partners as well as a platform for exchanging opinions. We also provide a 5G technology testing environment at no charge, which includes experimental 5G base station equipment and image transmission equipment that connects to experimental mobile terminals.

* Real-time traffic forecasting technology comprising NTT Group’s AI technology “corevo”

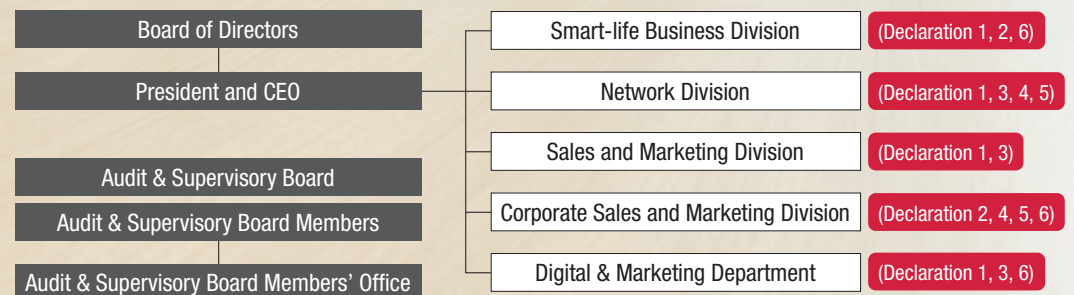


Employee Discussion



DOCOMO's Medium-Term Strategy 2020 "Declaration beyond" clearly outlines our future course of action and expresses our commitment to all stakeholders. To report the activity status to readers, we held a discussion meeting of employees representing the organizations implementing the six declarations made under our "Declaration beyond."

Organizational Structure (As of July 1, 2018)



* This summary organizational chart only shows participants' divisions and department, along with their mainly responsible "Declaration beyond" numbers.

Individual Commitments and Initiatives for the Implementation of “Declaration beyond”

Sekizaki: In the Consumer Business Department, we mainly handle Declaration 2: Style innovation and our goal is “to provide the ultimate agent to all customers.” I’m in charge of agent services, and my recent effort involved commercialization of a new artificial intelligence (AI) agent service called “my daiz,” which was released in May 2018 after about one year of planning and development. In “my daiz,” AI learns about customers’ behavior and situation and provides matching information and services interactively or graphically through their smartphones and tablet devices. This new service is just a starting point, and we have a lot to do before achieving our goal. What we aim for is the ultimate agent, in which AI accurately understands individual customers based on the information gathered via smartphones, tablet devices and these new services and offers personalized contents to each customer.

Yoshida: The Corporate Sales and Marketing Division focuses on Declaration 5: Solution co-creation and uses mobile information and communication technology (ICT) to help resolve such social issues as a declining birthrate and an aging society as well as a decrease in the working age population. We are going a step beyond the previous B2B model that mostly deals with corporate customers and making a drastic shift to a B2B2X business model.

As an example, we rolled out an initiative in October 2017 to provide “LANDLOG,” a platform that helps the construction industry, which is suffering from an aging workforce and labor shortages, to improve work efficiency and promote workstyle reform.

Another example is “AI Taxi” launched in February 2018. This service responds to issues in the taxi industry, including driver shortages, lower vehicle use efficiency and an expected surge in

tourist demand toward the year of the 2020 Olympics, and supports efficient taxi operation by forecasting future taxi demand 30 minutes thereafter.

Hikuma: The Network Division had engaged in network expansion and enhancement even before the announcement of “Declaration beyond,” and our efforts mainly correspond to Declaration 3: Peace of mind and comfort support. Mobile phones play an important, “lifeline” role to collect information particularly as part of a disaster countermeasure and during a typhoon or earthquake. As such, we are making all-out efforts to maintain resilient telecommunications networks to bring a sense of security to customers.

Also, individual customers have been the main users of mobile phones. With 5G, we hope more companies will become users of 5G networks as well to support the B2B2X business model. I think increasing their understanding of the 5G network will lead to industrial innovation.

Kitamura: With a focus on Declaration 3: Peace of mind and comfort support, the Sales Promotion Department started an initiative in January 2018 to enhance the docomo Smartphone classes held at docomo Shops. The aim is to make customers’ lives more convenient, joyful and enriching. As a first step, we provided training to the shop staff to improve the class quality, and in tandem, totally

revamped the class curriculum and textbooks. We also increased the number and frequency of classes so that customers can freely choose when and where to participate. Against the annual target number of participants of 1 million for the fiscal year ending March 31, 2019 (FY2018), more than 90,000 persons joined the class in April alone.

Ueno: The Digital & Marketing Department is promoting a shift from the existing customer base centered on mobile phone subscription to a customer base centered on members regardless of subscription and is working to expand the membership of the d POINT CLUB. As the definition of a customer changes, we are placing greater emphasis on activities to increase the attractiveness of “d POINTs,” which are awarded as a member benefit, and enable the members to use these points in an easier and more convenient manner.

By turning our total customer base into members, we aim to achieve a membership of 100 million in the future. The number could be infinite if we count foreign tourists visiting Japan and customers living overseas.



Norihito Sekizaki
Senior Manager
Consumer Business Department
Smart-life Business Division



Kazuhiro Yoshida
Senior Manager
Corporate Marketing Strategy
Department
Corporate Sales and
Marketing Division

*Transferred to Shikoku Regional Office in July 2018



How “Declaration beyond” Is Regarded by Customers and Partners

Ueno: Customers are providing favorable feedback on the “d POINT” program, saying it has become easier to earn and use points. The number of partner companies has also grown steadily to over 200. We aim to increase the number to more than 300 companies in 2020.

What is important for and very appealing to partners are customer referrals. We can guide more than 65 million DOCOMO members to their real and online shops, including convenience stores, hamburger shops and department stores. We intend to bolster our membership base to provide even more customer referrals to partners and deepen our relationship with them.

Yoshida: For the “AI Taxi” service, we engaged in feasibility tests as well and feel confident that we have achieved some positive results in terms of the accuracy of demand forecasts and increased sales. We expect a further expansion of usage as we roll out the service nationwide.

The “LANDLOG” platform is in a business start-up phase and is still soliciting partner companies. We have already received inquiries from

nearly 200 companies. This is another promising field.

Sekizaki: Our concept is to deliver services deeply rooted in daily living. We have divided people’s daily lives into four categories: going out, buying, enjoying and living. With partners in these four categories, we intend to roll out a diverse range of services through “my daiz,” which is equipped with an interactive interface and information distribution feature.

Kitamura: The results of questionnaires on our “docomo Smartphone classes” show 90% of the participants were either satisfied or very satisfied with the class. More than 90% also stated they wanted to participate again. Of the more than 200 comments on the class we gathered through our call centers and by other means, 70% were compliments, saying they were glad to have participated in the class and the class provided a sense of ease when buying smartphones. The remaining 30% requested us to open the class on weekends and make it more accessible.

In response to the feedback, we are making preparations, including

setting up a required system, to receive class reservations over the telephone at call centers in addition to shop counters to increase accessibility. We are also enhancing our safety and security program to better protect elderly smartphone users against the increasing cases of phishing and other scams.

Moreover, in collaboration with the Digital & Marketing Department, we are preparing a program for use in the Smartphone class to explain to docomo Shop customers the benefits of becoming members and how to use earned points. We hope to expand our membership base by increasing their understanding of DOCOMO to make an informed decision to join the membership.

Nagatsuma: As we shift our customer base from one centered on subscribers to one comprising members, we have to pay more close attention to the distance between DOCOMO and customers. Previously, we had carried out rather “fits-all” type operations for subscribers. With members, we need to have more timely and varying interactions matched to each. This will be a challenge, but taking on that challenge



Daisuke Nagatsuma
Senior Manager
Digital & Marketing Department



Sadahiko Kitamura
Senior Manager
Sales Promotion Department
Sales and Marketing Division



Ueno Hidetoshi
Senior Manager
Digital & Marketing Department



Akihiro Hikuma
Senior Manager
Network Department
Network Division

“Declaration beyond” to Expand and Change DOCOMO’s Business

will make DOCOMO more attractive to partners who will be sharing our membership base. Also, joint efforts with partners to build in such a challenge is a very unique initiative among telecommunications companies around the world.

Hikuma: From a partners’ perspective, DOCOMO is a network company with sound operations and excellent shop staff, has strong brand presence and is trusted by customers. Our strength lies in our ability to offer true value to customers while upholding these traits as a basis of our operations.

Nagatsuma: I’ve been engaging in operation of a data management platform (DMP). It is a system to consolidate the data accumulated in-house into a single platform for easier utilization. The purpose is to increase customer satisfaction, and our task is to decide how we should put together and utilize data.

For example, we have to seek ways to utilize our accumulated data in customer response. Also, in promoting co-creation with partners, the key will be to start up a new business based on our customer data and the data we accumulated through our operations and create new things together.

Yoshida: As Mr. Nagatsuma just said, accumulation and utilization of data are essential in conducting business in the future. Our “LANDLOG” platform can collect various data of workers, including their biological data, and there is an idea to use such data to determine insurance premium rates.

Hikuma: With 5G, how we create a network will be driven by customers’ preferences. Up until now, DOCOMO had provided a ready-made network for use by customers. This will change, and we will create a network where necessary in accordance with individual

requests of corporate customers.

For customers needing advanced solutions, we will provide specialized networks tailored to their respective purposes. For example, we may see growing demand for a mission-critical network with a shorter latency, which can shut down a plant immediately when a problem occurs.

Sekizaki: Capturing data of additional value will lead to the advancement of systems and services that consolidate and utilize the data. Growth in 5G-based networks will expand the possibilities of solutions we provide. In such a process of change, DOCOMO’s business should evolve in line with the changing social environment and on the basis of the “Declaration beyond” strategy.

From PARTNERS



Kosaku Igawa

President and Chief Executive Officer, LANDLOG Ltd.

LANDLOG is an “open Internet of Things (IoT) platform” designed to collect various data in construction sites and improve the productivity of construction work. LANDLOG Ltd., which was established in October 2017, officially opened the platform in February 2018. After having individual briefing sessions with about 400 potential partners, we are currently providing applications on the platform to the 41 companies participating in our partner program and having more detailed discussion with them. Looking ahead, we are considering extending our reach from Japan to overseas and hope to increase the scope of collaboration with DOCOMO to cover a broader range of fields in addition to telecommunications.



Daisuke Akimoto

Manager, docomo Shop Yokosuka

For our docomo Smartphone classes, we now offer three courses every day, including Saturdays and Sundays, to make it available to as many customers as possible. Elderly customers, anxious at first, often gain confidence through the class and become regular users of smartphones to communicate with friends in the class. Lecturers also find the work rewarding as they receive compliments directly from participants. We will continue to enhance our curriculum as a class readily available for everyone, from children to elderly customers, and make their life with smartphones more enriching and enjoyable.



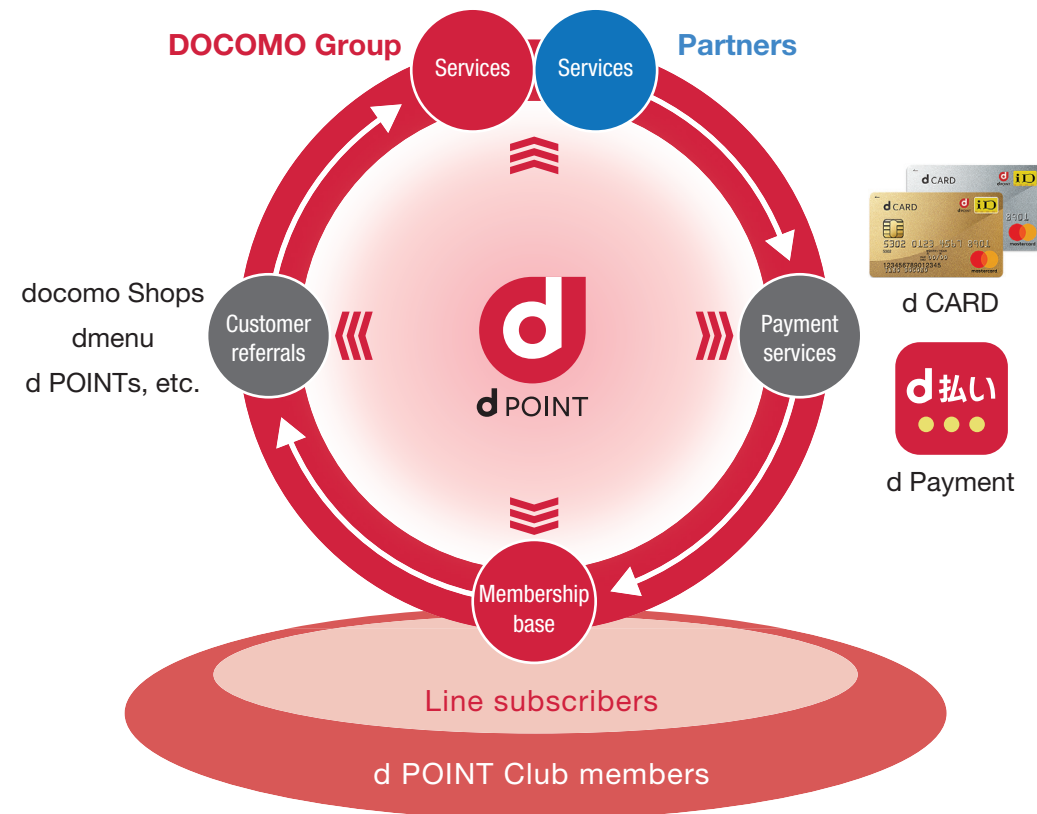
Shift to a “Customer Base Centered on Members”

DOCOMO is pushing ahead with a shift from a customer base determined by line subscription to a customer base centered on members irrespective of whether the person has a line subscription or not. The following section explains this strategy.

“Members” refers to people who have registered with the “d POINT CLUB” regardless of whether they have a line subscription or not. There were approximately 65.6 million members of this club as of the end of March 2018.

Looking to build on its customer base with members, DOCOMO aims to achieve 100 million members in the future. To make this a reality, in May 2018 we have developed a membership base in order to strengthen the provision of value to all customers who are members. Accordingly, we will deepen bonds by getting to know each customer better and deliver benefits, convenience and amazement at an even greater level. In addition, we will promote “+d” initiatives centered on d POINTs, maximizing the value we provide to customers and expanding business for our partners. As a result of these efforts, we aim to strengthen our revenue base.

Provide Further Value to All d POINT Club Members





DOCOMO's Business Value

Message from the CTO	P. 28
Provision of Network Service	P. 30
Enhancing Customer Satisfaction	P. 32
R&D and Innovation	P. 34
Human Resource Strategy and Development	P. 36

Hiroshi Nakamura

Executive Vice President and Chief Technology Officer
Executive General Manager of R&D Innovation Division
Member of the Board of Directors

Keep Creating New Futures in Pursuit of All “Connections”

The scope of DOCOMO's recent research and development (R&D) themes has been rapidly expanding from the fields of telecommunications and telecommunications devices to services using mobile phones, and most recently, to artificial intelligence (AI) and Internet of Things (IoT) technologies. Amid this change, we have formulated our R&D vision, “Keep creating new futures in pursuit of all ‘connections’,” to clearly define the direction the R&D departments should follow and to clarify our roles in DOCOMO's Medium-Term Strategy 2020 “Declaration beyond.”

The word “connections” represents an idea embodied in our corporate philosophy of the “creation of a new world of communications culture” and signifies a very fundamental aspect of DOCOMO's business. In our business, the word has truly diverse definitions. It could mean a simple “connection” to link all people and things in a safe, secure and more reliable manner via telecommunications networks. It could also mean

“relation” to deepen our ties with customers and partner companies by increasing the understanding of their assets through AI and big data, or “matching” to link the needs and expectations of customers and companies to create a new world, where one plus one could be 10, or even 20.

Capitalizing on its technological capabilities, DOCOMO intends to keep creating new futures in pursuit of all “connections” that exceed the expectations of customers.

Leveraging Our Strengths: Open Innovation and Co-Creation with Partners

One of DOCOMO's strengths in pursuit of all "connections" derives from our open innovation approach. With various technologies becoming increasingly complex, a closed approach to think, create and use everything in-house is no longer suited for swift and efficient research. As for the 5G infrastructure that forms the core of our "Declaration beyond," we have engaged in a series of open discussions from early on with 13 major vendors in the world. As a result, we were able to formulate the first set of 5G global standards six months earlier than planned. I believe that among the world's telecommunications carriers, DOCOMO has submitted the largest number of proposals for standardization of telecommunications and other technologies.

Meanwhile, DOCOMO has been proactively tackling new fields through co-creation and collaboration with partners engaging in a broad range of businesses, including a construction machinery manufacturer and

drone operators. I think that the best tactic now is to capture competitive technologies from outside and make them even more competitive by adding DOCOMO's distinctive technologies.

New, Effective Ways of Utilizing R&D Personnel to Lead Full-Fledged AI Services and Faster Issue Resolution

DOCOMO originally started R&D of AI in around 2007. We are in the third boom of the technology, following the first boom in the 1960s to 70s and the second one in the 1980s.

The previous two booms did not result in the practical use of AI. After these booms, DOCOMO has promoted the development of "data scientists" who can play a comprehensive role from identifying issues to devising solutions, while also taking advantage of increasing computing power and high-quality big data collected by utilizing our customer base, making the provision of full-fledged AI services a reality.

Currently, some 1,000 researchers are working for DOCOMO, with

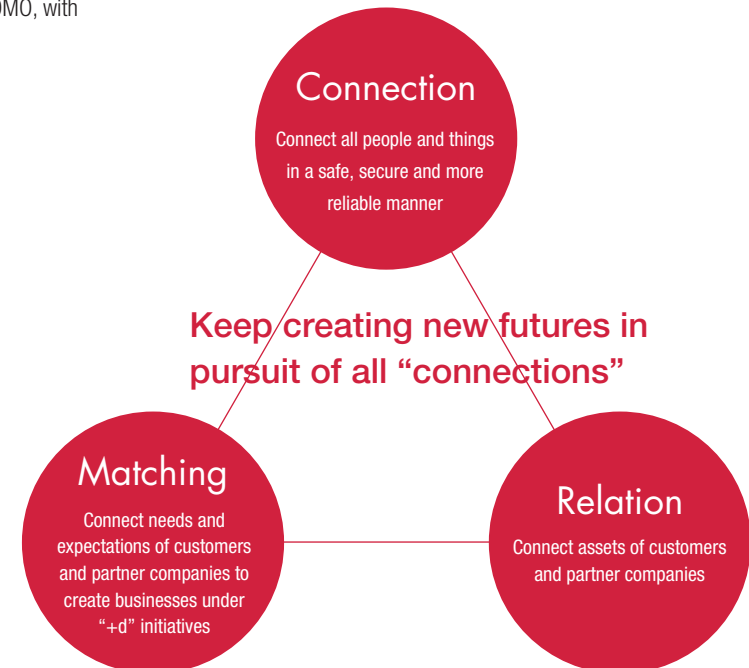
about 900 in the Yokosuka Research Park and about 100 in overseas local affiliates. In carrying out R&D activities, what is vital is to capture "the aspirations" of these individual researchers and integrate them into our research fields. Our efforts have already begun to bear fruitful results filled with their aspirations, with the most interesting example being "a spherical drone display," etc.

We also engage in "Top Gun" initiatives, in which our researchers and the corporate sales and marketing departments work together to visit customers and help them resolve their issues. A team of three parties, namely customers, researchers and sales personnel, identifies the root of an issue and finds a solution accordingly. Our "Top Gun" initiatives have drawn much public attention as a unique and unprecedented effort.

Through these new, effective ways of utilizing personnel in our R&D operations, DOCOMO will keep creating new futures in pursuit of all "connections" surpassing customers' expectations.



The word "connections" embraces DOCOMO's aspirations for its R&D operations.



Provision of Network Service

Mobile phone population diffusion rate

(Excluding PHS and BWA)

133.8%

Source: This figure is calculated by dividing the number of mobile phone subscribers, 170,090,000, as referenced in FY2017 Q4 (End of March) Quarterly Data on the Number of Telecommunications Service Subscriptions and Market Shares (Ministry of Internal Affairs and Communications (MIC)) by the population of Japan, 127,094,745, as stated in MIC's National Census for FY2017.



DOCOMO's initiatives

(As of March 31, 2018)

Number of LTE base stations
185,000

Maximum download speed
988^{*1} Mbps

Large-zone base stations
106 locations

*1 As of May 2018



Mobile base station vehicles during disasters

A Telecommunications Environment That Can Be Easily Utilized Anytime, Anywhere and with Peace of Mind

The mobile phone population diffusion rate in Japan exceeds 100%, which means telecommunications networks have become indispensable to the infrastructure supporting the lives of the people and industry.

DOCOMO is constantly striving to offer a better network, which in turn will bring about a telecommunications environment that can be easily utilized anytime, anywhere and with peace of mind. 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. We also started a new process to enhance area quality called "area planner^{*2}" in April 2018. In addition to this, 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 are striving to improve telecommunications speed and give customers a more enjoyable experience.

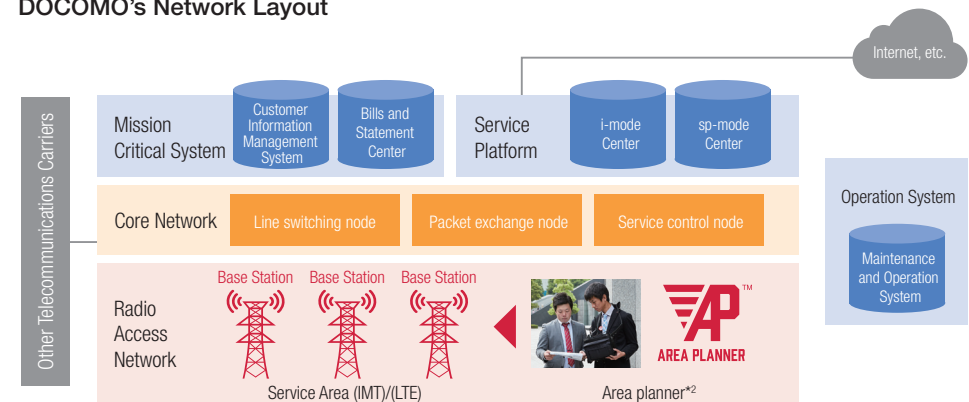
Achievement of reliability and stability

Network investigations and improvement

Expansion of service area

Improvement in telecommunications speed

DOCOMO's Network Layout



Provision of a comfortable network environment

*2 "Area planner" refers to an expert who is tasked with designing an area (town or region) that he or she has been assigned and is very familiar with in order to maintain a comfortable telecommunications environment at all times. This includes responding quickly to changes in the townscape and to customers' usage and application. The expert employs a diverse array of techniques to improve and advance the area.

Provision of Network Service

Achievement of Reliability and Stability

Mobile phones play a critical role in rescue operations, reconstruction and confirmation of personal safety during disasters and emergencies. Since its founding, DOCOMO has been continuously working to secure telecommunications during disasters in accordance with its Three Principles of Disaster Preparedness: enhance system reliability, ensure essential telecommunications and rapidly restore telecommunications services.

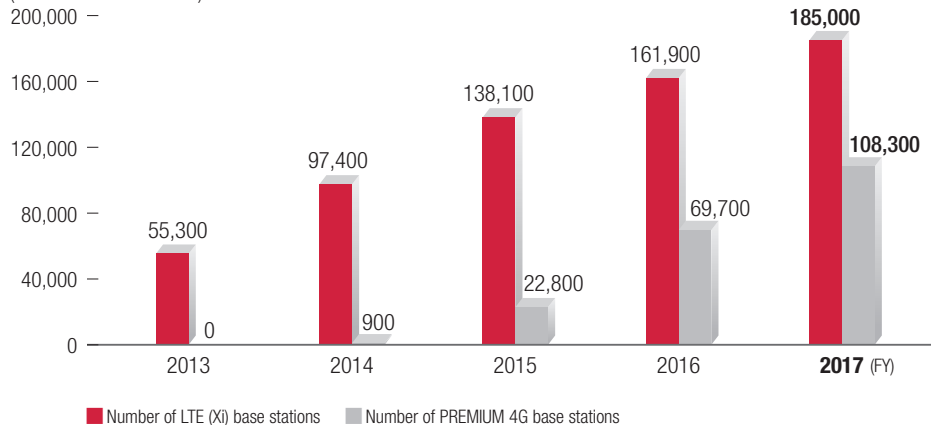
Web DOCOMO's disaster preparedness (in Japanese only)
<https://www.nttdocomo.co.jp/corporate/csr/disaster/>

Expansion of the Service Area

We are proactively building base stations to further enhance voice communication and data transmission as well as to expand our service area. The number of base stations has been increasing every year, with a total of 109,200 FOMA base stations and 185,000 LTE base stations operating in FY2017.

Number of LTE/PREMIUM 4G Base Stations

(Number of base stations)



Network Investigations and Improvement

We solicit customer feedback on connectivity as part of our efforts to maintain telecommunications quality and expand our service area. At customers' requests, we propose ways to optimize their connectivity (Number of door-to-door surveys in FY2017: Approximately 19,000). 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.

Web Service Area (in Japanese only)
<https://www.nttdocomo.co.jp/support/area/feedback/>

Improvement in Telecommunications Speed

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 combining carrier aggregation technology, which bundles multiple frequencies together, with 4x4MIMO and 256QAM, DOCOMO created telecommunications services with a reception speed of 988Mbps (May 2018), the fastest in Japan*. At the same time, we have been installing LTE-Advanced base stations for our PREMIUM 4G service. In FY2017, we provided this service to 1,637 cities and towns throughout Japan, and the number of base stations increased by over 1.5-fold from the previous fiscal year to 108,300.

* As of May 2018. Among mobile phone carriers in Japan (DOCOMO studies)

Enhancing Customer Satisfaction

Rate of personal smartphone ownership

60.9%

Source: Communications Usage Trend Survey in 2017 by the Ministry of Internal Affairs and Communications (MIC)

DOCOMO's initiatives

(Year ended March 2018)

Customer's voice

Approx. **5.2** million/year

Number of docomo Shops

2,350

Number of calls Information Center answered

Approx. **35.5** million calls/year



docomo Shops around Japan serve as customer points of contact (docomo Shop Tokyo Station Otemachi)

Working to Comprehensively Enhance Customer Satisfaction

With the evolution in mobile equipment such as smartphones, new services for mobile phones are constantly being generated, which has led to an increase in the number of customers contacting us to confirm or inquire about various aspects of our services as well as to share opinions and requests. In order to meet these needs, at shops, information centers, on the Internet and other sources, DOCOMO has various customer touchpoints. Through these points of contact, we collect information from nearly 5.2 million "Customer's voice" comments and around 70,000 "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 persons 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 delves into issues using quantitative and qualitative data at all times. We aim to maintain and expand the number of mobile phone subscriptions by working to comprehensively enhance customer satisfaction.

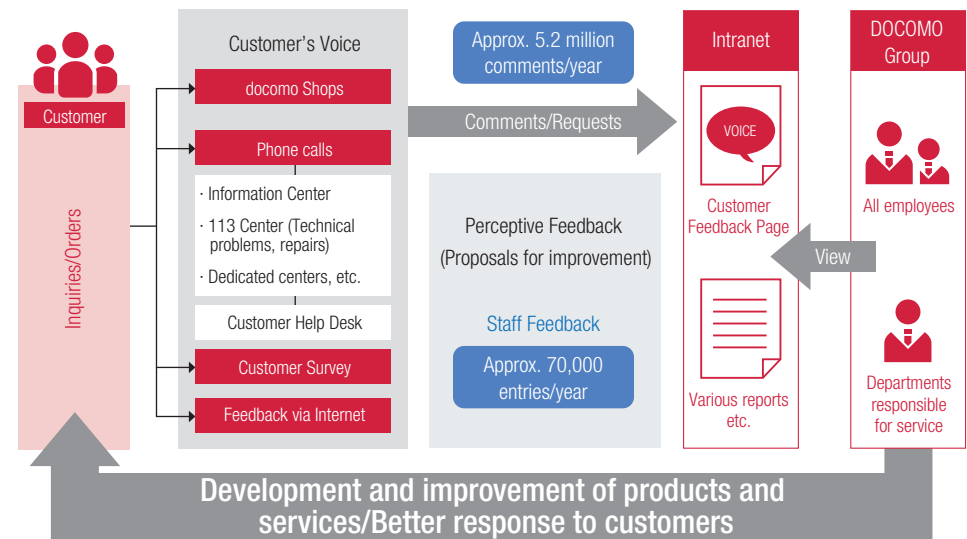
Initiatives through customer points of contact

Enhancing customer response

Evolution of customer touchpoints

Quantitative and qualitative data

DOCOMO Group System for Collecting Customer Feedback



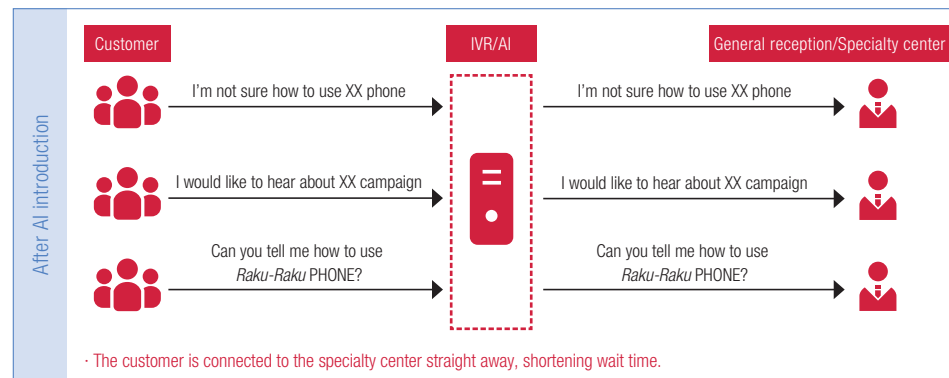
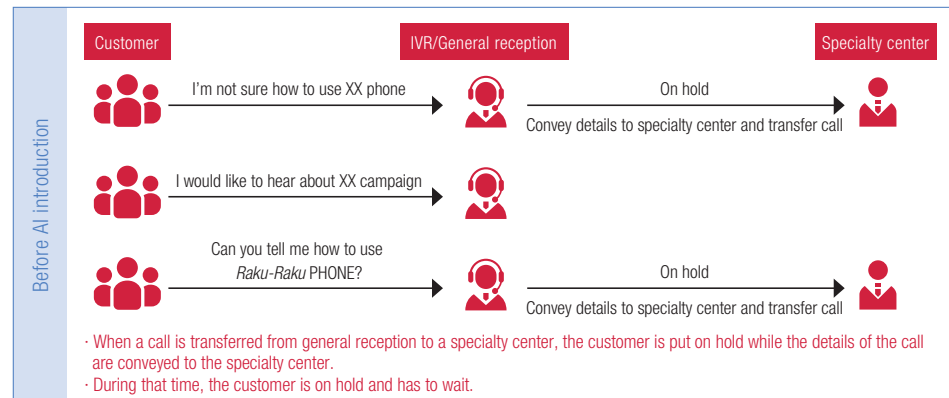


Enhancing Customer Satisfaction

Evolution of Customer Touchpoints

In an effort to enhance our support system for resolving customer issues, in September 2017 we introduced AI-based support for answering customer inquiries in the form of an automated voice response system of the “DOCOMO Information Center” to shorten waiting time for customers when they contact us for inquiries. Additionally, in October 2017, we commenced a customer support service via live chat in “docomo Online Procedure service,” enabling operators to address customer problems on the spot using text-based chats.

Introduction of AI at DOCOMO Information Center



“docomo Smartphone class” (docomo Shop Yokosuka)

Further, starting January 2018, we enhanced the “docomo Smartphone classes” organized by docomo Shops to dispel customers’ anxieties about smartphones and allow them to use the devices more conveniently, enjoyably and fully. In addition to updating the curriculum, we increased the number of classes to make it easier for customers to participate.

Enhancing Customer Response

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 shop counters, we are able to eliminate customer wait times in shops. We can provide our customers with a one-stop experience, from the moment they come into the shop to receive information, to get explanations of products and services or to get advice. DOCOMO staff demonstrate our products and services on tablets, making recommendations that suit each customer, in an effort to promote customer understanding.

Quantitative and Qualitative Data

DOCOMO conducts a survey of customers who have subscribed for any of a variety of services at docomo Shops and retailers or made inquiries at our Information Center. In FY2017, we received around 4.63 million comments from customers from across the nation, and all comments and evaluations are sent back to docomo Shops, retailers and call centers.

Customer feedback serves as an indicator of our customer response capability, and we seek to make good use of such information to raise the level of our customer response by further enhancing the positive aspects while improving aspects that have been pointed out to us by customers.

R&D and Innovation

Effect of creating demand with new ICT service (full-year)

Maximum
1.8 trillion

Source: "Prospects for extending the 2016-2017 positive cycle in the Japanese economy" issued by the Cabinet Office, Government of Japan (January 2017)



DOCOMO's initiatives

(As of March 31, 2018)

R&D expenditures (full-year)

¥91.8 billion

Number of R&D staff

Approx. **900**

Number of foreign patents owned

9,300



Conducting a drone experiment at Yokosuka Research Park (YRP)

Aiming for Social and Industrial Development by Providing New Value

Innovation in industry and technology, known as the fourth industrial revolution, continues apace around the world, particularly in the realms of the Internet of Things (IoT), big data, artificial intelligence (AI) and robotics, leading to the generation of new economic value.

DOCOMO has been delivering innovation to society since it began sales. In addition to the area of mobile telecommunications central to our business, such as devices and networks, we have created a variety of services that enhance customer convenience and industrial efficiency. To realize our Medium-Term Strategy 2020 "Declaration beyond," we are pursuing R&D in three key areas: the next-generation mobile communications standard "5G"; "AI," which is gaining in prominence for use as a personal agent; and the next new "device" to smartphones. Also, we are pushing ahead with open innovation together with external corporate partners and working to create "new value" by connecting all people, things, customers and partner companies. Through these activities, we aim to realize social and industrial development through information and communication technology (ICT) while providing valued services for customers and our partner companies.

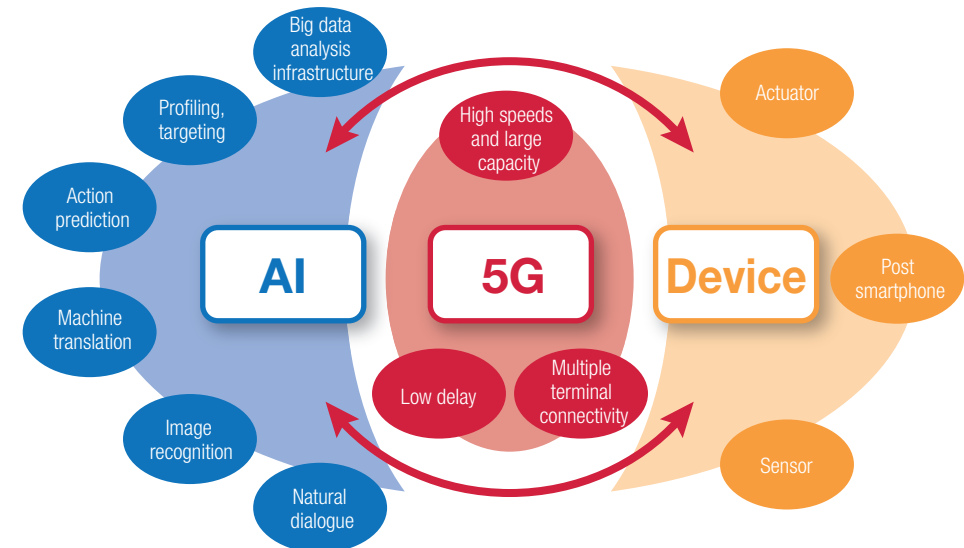
Initiatives to realize 5G

New device development

Evolution of AI technology

Promotion of open innovation

Three Key R&D Themes under the Medium-Term Strategy



R&D and Innovation

Initiatives to Realize 5G

In addition to the frequency band now in use, 5G employs high frequency bands to ensure wide frequency bandwidth to achieve high speed, large capacity 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 Multiple Input Multiple Output (MIMO) technology that makes use of multiple antenna elements to effectively use high frequencies in transmission. In July 2018, DOCOMO achieved the world's first* maximum 8 Gbps 5G communications at a moving speed of approximately 100 km/h using an On-Glass antenna on the vehicle as part of a demonstration test aimed at making connected cars a reality in conjunction with AGC Inc. and Ericsson Japan K.K.

Further, to expand initiatives to create new usage settings for the 5G era together with a wide range of partners, we are deploying the docomo 5G Open Partner Program. This involves providing the space for workshops free of charge to exchange information on 5G technology and specifications and to exchange opinions with partners. In April 2018, we opened DOCOMO 5G Open Lab Yotsuya, which also includes a 5G base station, for our partners to experience 5G firsthand as early as possible, and this has led to business creation. Over 1,600 partner companies have already committed to participate (as of July 31, 2018).

*As of July 2018, DOCOMO studies

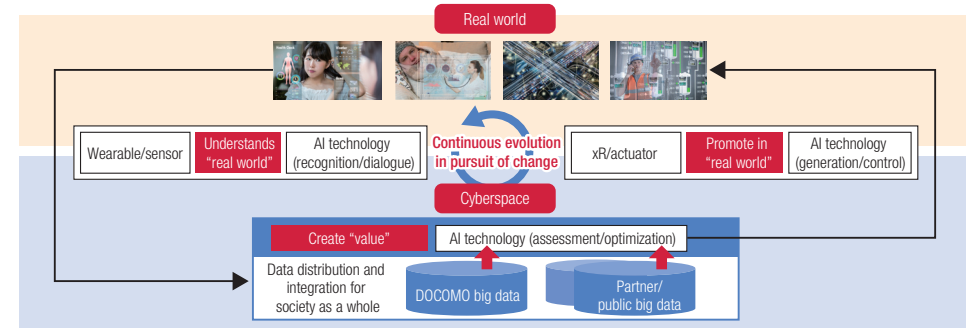


Demonstration test

Evolution of AI Technology

DOCOMO is aiming for a world in which AI pervades all aspects of society and the lives of our customers are made more convenient and efficient by further improving and advancing AI technology. By making platforms from data collected using AI and expanding and deepening co-creation with partners, we aim to resolve social issues and create new business, and thereby enhance the quality of our customers' lives. We have been providing the "my daiz" agent service using AI technology since May 2018, which uses extensive knowledge of each individual customer to provide the optimal information to smartphones or tablet devices at the best timing.

Aiming for a World Based on the Evolution of AI Technology



New Device Development

For individual customers, DOCOMO aims to generate new services and devices that are a step beyond the smartphone. Specifically, this will mean concentrating every functional area into the smartphone and bolstering its connectivity with peripheral equipment. Our mission is to create new usage scenarios for services and devices that befit the 5G era, in which all devices are connected and people can use those in their vicinity as their own without being reliant on a specific terminal.

For partner companies, we are driving evolution from two directions, namely "high speeds and large capacity" and "small capacity and energy saving," for devices that can be used in diverse and varied settings, with the objective of enabling usage in different industries and contributing to the resolution of social issues.



Human Resource Strategy and Development

Feel motivated at work

49% of people say they have increased their skills and experienced personal growth

Source: en-japan inc. survey concerning "Things People Want from Work" (conducted from August 1-31, 2017, with 8,707 valid responses)



DOCOMO's initiatives

(FY2017)

Hours of training per person

Approx. **37** /year

Work from home program users:

3,403 employees

Employee satisfaction

7.2 (out of 10)



Training in progress

Drawing Out Each Employee's Ability and Motivation

Nowadays, more and more workers are seeking companies that offer a more independent rather than collaborative style of work. As such, an increasing number of people are finding work more rewarding when they enhance their skills or experience personal growth. At DOCOMO, we aim to develop employees with high aspirations who seek growth, build relationships with enthusiasm and modesty, and boldly take on challenges. With this in mind, we encourage each employee to strive for personal growth and develop his or her skills. To achieve this, DOCOMO is enhancing and expanding its internal systems, for example, by assigning the right jobs to the right people, promoting skill development and conducting appropriate performance assessments.

Additionally, we strive for equal opportunity and fair compensation. By promoting diversity management in its myriad forms—diversity of gender, age, nationality and values—we strive to create a corporate culture in which all employees can feel comfortable and secure in their jobs and demonstrate their aptitude regardless of their diverse attributes, as this leads to corporate growth. Our overall aim is to create new value. In addition to steadily offering more options in working styles to enhance productivity, we also pursue health and productivity management initiatives for raising the vitality and productivity of our organization by ensuring the mental and physical soundness of our employees.

Promotion of skill development

Workstyle choices

Diversity management

Health and productivity management

Human Resources Development Policy

- **An individual with high aspirations who thinks deeply and takes action independently**
Personal growth is a prerequisite for organizational growth. It is therefore important that each individual pursues self-improvement toward achieving their goals while also viewing corporate challenges as personal issues.
- **An individual who is both curious and modest, and is capable of working with others to create new value**
To create new value for society through collaboration with "+d" partner companies, it is important to relate to others with interest and modesty.
- **An individual who strives for change and boldly takes on challenges without fear of failure**
Since the Company's growth currently depends on bolstering its telecommunications business and further expanding its smart life business and other businesses segments, we now need personnel who can bring change and take on new challenges more than ever before.



Human Resource Strategy and Development

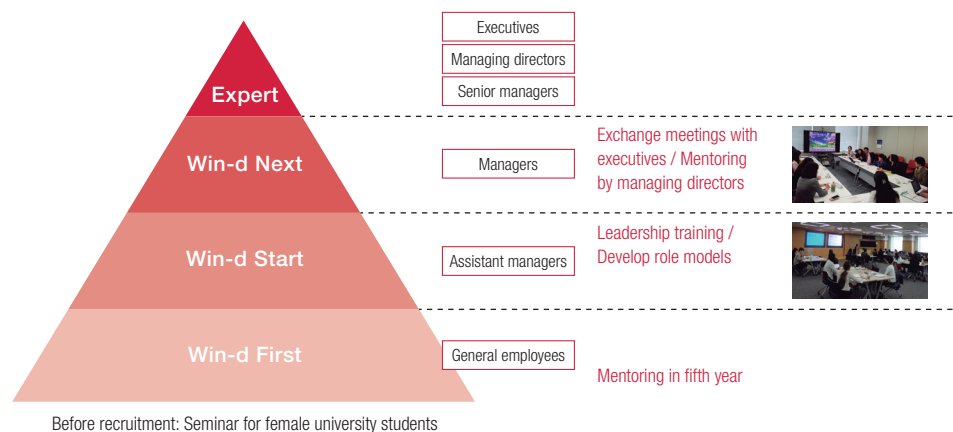
Promotion of Skill Development

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.

Additionally, DOCOMO has introduced "Win-d (Women's innovative network in docomo)," a program that aims to raise the awareness of women regarding career development. Here, 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 executives and managing directors, as well as mentoring. We aim to raise the ratio of female managers in the company to 7.5% in FY2020.

We are also working to promote workplace understanding of active support for employees who are raising children or caring for family members, employees with foreign nationality, employees with disabilities and LGBT and other sexual minorities.

Overview of Female Career Development Program "Win-d"



Diversity Management

In 2006, we established the Diversity Development Office as a dedicated organization and have been working on establishing diversity, empowering women, helping employees balance work with childcare and nursing care and raising awareness of diversity. In FY2017, we continued to cultivate a corporate culture that respects diversity, collaborating with diversity promotion managers at each regional office and Group company to pursue common Group initiatives while also addressing the issues that are specific to each company or region. In doing so, we placed particular emphasis on promoting women's careers, encouraging male participation in childcare, reforming workstyles through telework and other measures and developing a deeper understanding of diversity.

Workstyle Choices

As a major aspect of our diversity management, we are seeking to offer more options in working styles in response to the shift to increasingly diverse lifestyles. In addition to the flex time systems, we have introduced programs such as personalized shifts (sliding working hours), regular work hours augmented by early morning shifts (priority work) and working from home (telework), which has enabled us to create a working environment where employees can choose from a broad range of options. The number of employees working from home increased from 1,054 in FY2016 to 3,403 in FY2017.

Health Management

We are pursuing initiatives for raising the vitality and productivity of our organization by ensuring the mental and physical soundness of our employees by holding competitions for the most steps walked, publishing the "Health White Paper" and improving the workplace environment to reflect the Group analysis results of stress checks.

The DOCOMO Let's Walk Campaign uses the activity measurement App from DOCOMO Healthcare, a Group company, and is intended for employees of Group companies and docomo Shops. With the campaign, 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 campaign has also received high appraisal for stimulating interpersonal communication and motivation.

DOCOMO's Financial Value

Message from the CFO P. 38

FY2017 Financial Review P. 41

Achieved Increases in Operating Revenues and Operating Income Exceeding Forecast

We positioned the fiscal year ended March 31, 2018 (FY2017) as the year to “Challenge to Evolve” by taking the first steps toward the realization of our Medium-Term Strategy 2020 “Declaration beyond.” We have accordingly worked to reinforce our business foundation and achieve stable and sustainable profit growth.

As a result, we attained increases in operating revenues and operating income in FY2017, both exceeding our forecast. We posted operating revenues of ¥4,769.4 billion, an increase of 4.0% year-on-year, and operating income of ¥973.3 billion, up 3.0%. Net income attributable to NTT DOCOMO, INC. also increased 14.1% over the previous fiscal year to ¥744.5 billion.

While maintaining our ongoing efforts for cost efficiency improvement, we will continue to channel management resources into growth investment toward the realization of “Declaration beyond” and commit ourselves to ensuring “continuous increases in dividends” as returns to shareholders.

Osamu Hirokado

Executive Vice President and Chief Financial Officer
General Manager of Accounts and Finance Department
Responsible for Finance, Business Alliance and
Investor Relations
Member of the Board of Directors



	FY2016 results	Forecast (Announced in Apr. 2017)	FY2017	
			Results	Year-on-year comparison
Operating revenues	¥4,584.6 billion	¥4,750.0 billion	¥4,769.4 billion	+ ¥184.9 billion (+4.0%)
Operating income	¥944.7 billion	¥960.0 billion	¥973.3 billion	+¥28.5 billion (+3.0%)
Net income attributable to NTT DOCOMO, INC.	¥652.5 billion	¥655.0 billion	¥744.5 billion	+¥92.0 billion (+14.1%)

Attaching Equal Importance to Income-Based Business Indicators

In the fiscal year ended March 31, 2017 (FY2016), DOCOMO shifted its management focus from income-based targets to those emphasizing cash generation capability and started using operating free cash flow (FCF), which is calculated by subtracting capital expenditures from earnings before interest, taxes, depreciation and amortization (EBITDA), as a new business target. The reason for the shift was to provide an indicator that is easier to compare over time following a change in our depreciation method in FY2016, as we expected a large fluctuation in operating income after the change.

Nevertheless, even though operating FCF is an important indicator, we have come to rethink that investors and other stakeholders may prefer simpler indicators after all, such as operating income and net income. In the fiscal year ending March 31, 2019 (FY2018), our accounting standards will transition from the U.S. Generally Accepted Accounting Principles (U.S. GAAP) to the International Financial Reporting Standards (IFRS). Given that the transition is not expected to cause a significant impact on our financial status, we have decided to attach equal importance to profit-based business indicators in the future.

More Efficient Use of Capital Expenditures to Further Reinforce Our Management Foundation

Building telecommunications networks requires large capital expenditures. Recently, network traffic tends to increase among smartphone users as contents become more diverse and new services are launched. We are required to respond to the rising traffic demand and increase the speed of our networks.

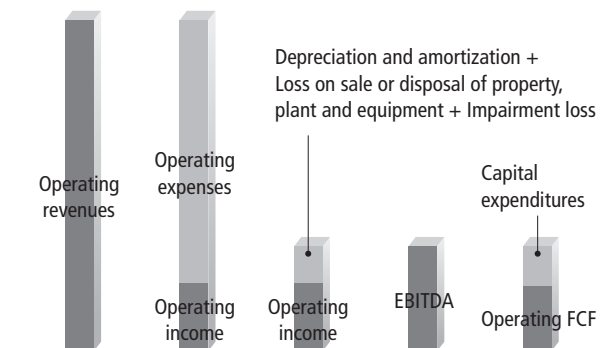
DOCOMO has been promoting the establishment of a powerful network with an eye to providing greater ease of access and has provided a high-quality telecommunications environment for customers. In FY2017, we increased the number of "PREMIUM 4G" base stations from 69,700 to 108,300 to make our network more reliable and stress-free. We also increased the number of LTE base stations from 161,900 to 185,000 throughout Japan with the aim of expanding the area coverage of our LTE service.

As a result, DOCOMO's total capital expenditures for FY2017 amounted to ¥576.4 billion, down ¥20.7 billion, or 3.5%, from the previous fiscal year. The decrease was attributable to our pursuing more efficient use of capital expenditures in relation to telecommunications networks for further strengthening our business

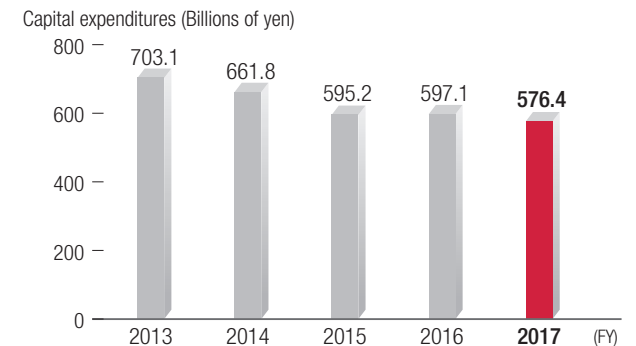
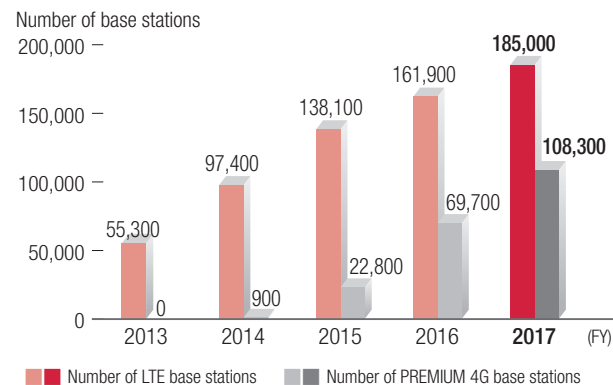
foundation. Specifically, we reduced equipment procurement and other costs and improved the efficiency of telecommunications facilities construction. In addition, we proactively promoted the consolidation and capacity expansion of our facilities through the introduction of high-performance equipment for the purpose of reducing our future network operation costs.

In FY2018, we will promote investment to ensure our competitive advantage in terms of network quality by responding to the increasing traffic and expanding the service area of "PREMIUM 4G" as well as to gain competitiveness through the introduction of cutting-edge technologies. In FY2019, we will also start making the necessary investment to prepare ourselves for the introduction of 5G. We plan to maintain our annual capital expenditures at around ¥570.0 billion by continuing to ensure efficient investment through appropriate management while effectively utilizing our existing facilities.

Relationship between operating income and operating FCF



Number of base stations and capital expenditures – Increasing the number of base stations while making more efficient use of capital expenditures



Entering a Phase to Translate the Outcomes of “Declaration beyond” into Profits

We position FY2018 as the year to “innovate and take action” and will encourage business innovation centered on our membership base and make investments with an eye to growth as the two pillars of our efforts in implementing “Declaration beyond.”

In FY2018, during which we launched our “Declaration beyond” strategy, we carried out trial projects mainly focusing on co-creation with partners. In FY2018, we will move on to the next phase of the strategy to yield substantial results and translate them into profits. DOCOMO engages in a stable subscription-based business, which is underpinned by one of the largest customer bases in the industry and is characterized by its relatively low financial risk. To maximize profit in and after FY2018, my duty is to make sure to carry out the necessary investment in an efficient and timely manner while keeping our risk at an appropriate level.

For our medium-term plan, which we will be announcing this fall, we will have thorough discussion with each department and closely examine every figure in the plan so that we can create realistic business targets that are in agreement with stakeholders.

Increasing Corporate Capability through Dialogue

In holding dialogues with investors and analysts, I will take the lead myself and sincerely listen to their requests and comments in order to facilitate a level higher, more refined communications with them.

Institutional investors supporting the stock markets represent a pool of knowledgeable people who have been following the latest developments in the telecommunications industry. They were the ones to predict, before anyone else, that mobile phones will become the main player and dominate the telecommunications market. I hope to increase our corporate capability by obtaining their comments and advice based on their forward-looking perspective about our management and future vision.

As for shareholder returns, we are committed to a continuous increase in dividends and expeditious share repurchase. For FY2017, DOCOMO increased annual cash dividends by ¥20 over the previous fiscal year and paid annual cash dividends per share of ¥100, as well as carried out repurchase of its shares amounting to approximately ¥300 billion.

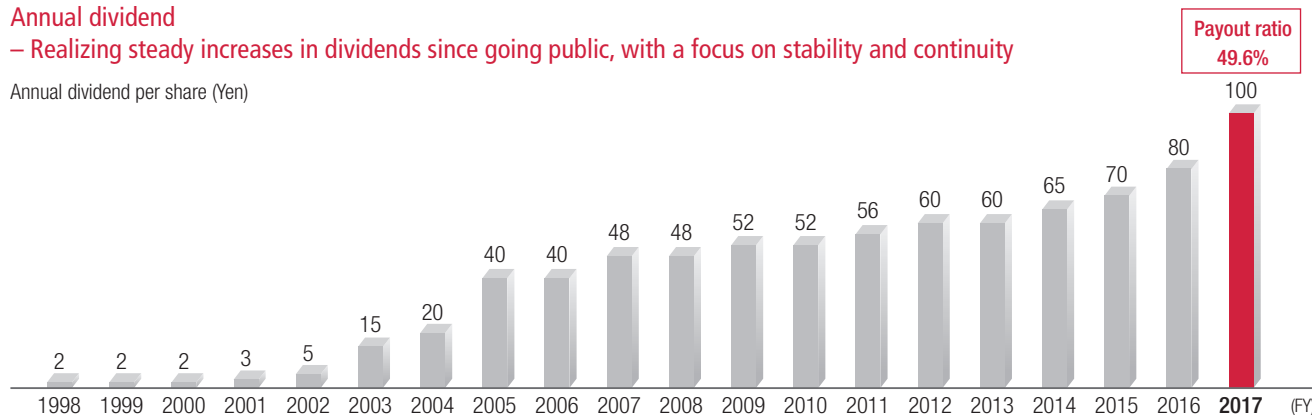
We will continue to meet the expectations of shareholders as a company that keeps taking on challenges and achieves steady growth.

We will carry out necessary investment in an efficient and timely manner while keeping our risk at an appropriate level.

Annual dividend

– Realizing steady increases in dividends since going public, with a focus on stability and continuity

Annual dividend per share (Yen)



Figures take into consideration the stock splits conducted in FY1999, FY2002 and FY2013.

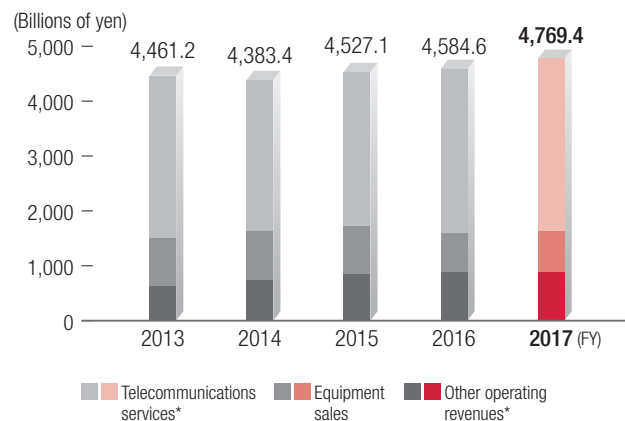


FY2017 Financial Review

Operating Revenues

For the fiscal year ended March 31, 2018 (FY2017), operating revenues increased by ¥184.9 billion, or 4%, from ¥4,584.6 billion in the previous fiscal year to ¥4,769.4 billion. This was due mainly to the recovery of mobile telecommunications services revenues as a result of a decrease in the negative impact of the “Monthly Support” discount program, the increase in optical-fiber broadband service revenues as a result of the growth in the number of “docomo Hikari” users, as well as the increase in equipment sales following the higher number of smartphone handsets sold. These factors outweighed the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers.

Operating revenues



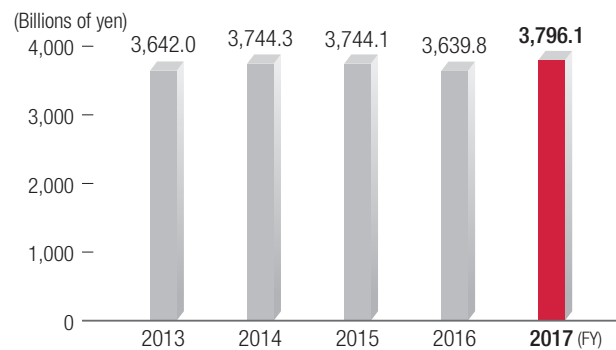
* In the fiscal year ended March 31, 2015, some elements that were previously included in other operating revenues (revenues from satellite mobile communications, overseas cable TV and other services) are included in optical-fiber broadband service and other telecommunications services revenues. Accordingly, 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 increased by ¥156.3 billion, or 4.3%, from ¥3,639.8 billion in the previous fiscal year to ¥3,796.1 billion. This was due mainly to an increase in the proportion of smartphones and tablet devices with a high unit purchase price, an increase in equipment cost due to the impact of a rising number of items sold wholesale to sales representatives and an increase in the cost of services associated with rising “docomo Hikari” revenues.

Depreciation expenses rose as a result of investment made mainly in response to an increase in traffic and to expand coverage of our “PREMIUM 4G” service. Impairment loss decreased by ¥100 million, or 1.0%, from ¥12.2 billion in the previous fiscal year to ¥12.1 billion. The

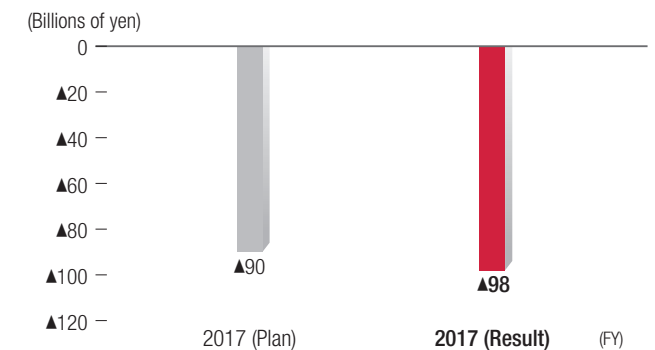
Operating expenses



impairment losses recorded in the fiscal years ended March 31, 2018 and 2017 were primarily due to the impairment of goodwill on reporting units related to our subsidiaries. Selling, general and administrative expenses increased due primarily to an increase in expenses incurred in relation to our “d POINT” customer loyalty program.

In terms of cost efficiency improvement, a reduction in costs of ¥98 billion was realized, which exceeded the initial target of ¥90 billion. This was the result of efforts to broadly increase efficiency in network-related areas, such as capital expenditures and maintenance outsourcing cost, and in marketing-related areas such as sales.

Cost efficiency improvement



FY2017 Financial Review

Operating Income

As stated on the previous page, operating expenses increased over the previous fiscal year due to the growth in cost of services, cost of equipment sold, depreciation and amortization, and selling, general and administrative expenses, which outweighed the decline in impairment loss.

As a result, operating income for FY2017 increased by ¥28.5 billion, or 3.0%, from ¥944.7 billion in the previous fiscal year to ¥973.3 billion. The operating income margin dropped from 20.6% in the previous fiscal year to 20.4%.

Net Income Attributable to NTT DOCOMO, INC.

Other income of ¥123.4 billion was recognized for FY2017, up ¥118.5 billion as compared to ¥4.8 billion in the previous fiscal year. The major factor behind this growth was the receipt and recognition in “Other income” of the arbitration award from Tata Sons Limited in India during FY2017.

As a result of the aforementioned, income before income taxes and equity in net income (losses) of affiliates increased by ¥147.1 billion, or 15.5%, to ¥1,096.6 billion for FY2017 from ¥949.6 billion for the previous fiscal year. Income taxes increased by ¥50.1 billion, or 17.4%, to ¥337.8 billion from ¥287.7 billion in the previous fiscal year. This was

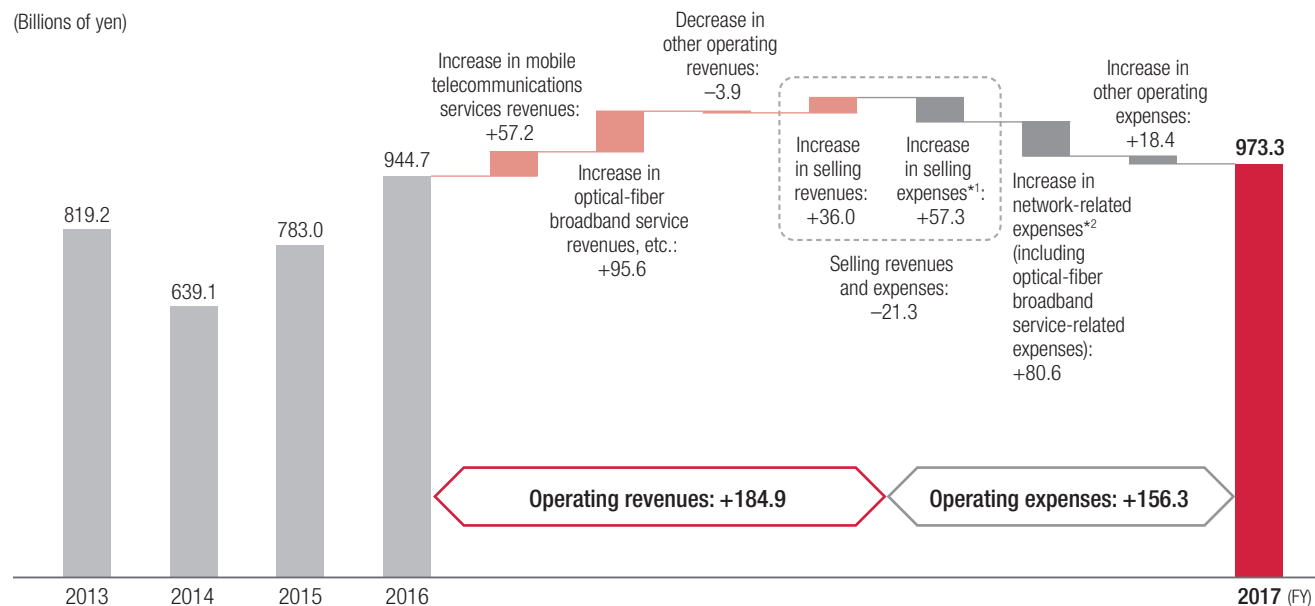
due mainly to the increase in income before income taxes and equity in net income (losses) of affiliates. The effective income tax rate for FY2017 and the fiscal year ended March 31, 2017 (FY2016) was 30.8% and 30.3%, respectively.

Equity in net losses of our affiliates increased by ¥1.0 billion, or 8.5%, to ¥12.2 billion for FY2017 from ¥11.3 billion in the previous fiscal year.

As a result of the aforementioned, net income attributable to NTT DOCOMO, INC. of ¥744.5 billion was recorded, representing an increase of ¥92.0 billion, or 14.1%, from ¥652.5 billion in the previous fiscal year.

Operating income

(Billions of yen)

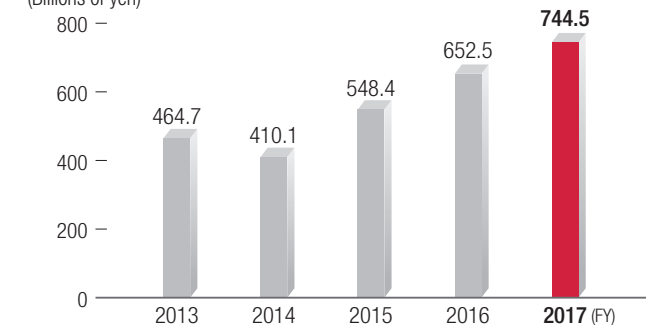


1. Sum of cost of equipment sold, commissions to agent resellers

2. Sum of depreciation and amortization, loss on disposal of property, plant and equipment and intangible assets and communication network charges

Net income attributable to NTT DOCOMO, INC.

(Billions of yen)



FY2017 Financial Review

Performance by Segment

■ Telecommunications Business

For FY2017, operating revenues from the telecommunications business increased by ¥187.2 billion, or 5.0%, to ¥3,898.4 billion compared with the previous fiscal year. This was due mainly to the increase in optical-fiber broadband service revenues as a result of the growth in the number of “docomo Hikari” users, the recovery of mobile telecommunications services revenues as a result of a decrease in the negative impact of the “Monthly Support” discount program, as well as the increase in revenues from equipment sales due to an increase in the number of smartphone

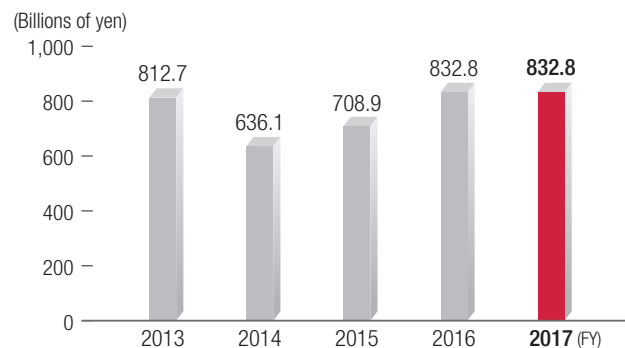
handsets sold, despite the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers.

Operating expenses from the telecommunications business increased by ¥187.3 billion, or 6.5%, from the previous fiscal year to ¥3,065.6 billion. This was due primarily to an increase in expenses associated with the expansion of “docomo Hikari” revenues, an increase in equipment cost due to an increase in the number of smartphone handsets sold,

an increase in expenses associated with point programs as a result of an increase in our provision of “d POINTs,” as well as an increase in depreciation expenses.

As a result, operating income in the telecommunications business was ¥832.8 billion, the same amount as the previous fiscal year.

Telecommunications business/Operating income



Number of subscriptions for principal services

(Thousands of subscriptions)

Category	FY2016	FY2017	Increase or Decrease	Year-on-Year Change
Mobile telecommunications services	74,880	76,370	1,491	2.0%
Including: “Kake-hodai & Pake-aeru” billing plan	37,066	41,964	4,899	13.2%
LTE(Xi) services	44,544	50,097	5,553	12.5%
FOMA services	30,336	26,273	(4,062)	(13.4)%
Churn rate	0.59%	0.65%	0.05 point	—
Handset churn rate	0.47%	0.51%	0.04 point	—
“docomo Hikari” optical broadband service	3,404	4,762	1,358	39.9%

Notes:

- Number of subscriptions to Mobile telecommunications services, Mobile telecommunications services (LTE(Xi)) and Mobile telecommunications services (FOMA) includes Communication Module services subscriptions.
- Churn rate is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.
- Handset churn rate is the churn rate of Basic Plans (excluding Data Plans and Device Plus 500), Xi/FOMA Billing Plans and Type Limit Value/Type Limit for smartphones, feature phones, etc.



FY2017 Financial Review

Performance by Segment

Smart Life Business

Operating revenues from our smart life business for FY2017 were ¥466.7 billion, a decrease of ¥35.2 billion, or 7.0%, from the previous fiscal year. This was due mainly to a decrease in revenues and expenses from a subsidiary, which began recording revenues on a net basis as a result of a change in its business model. This decrease in revenues was greater than increases in revenues from our finance/payment services and other services.

Operating expenses from the smart life business were ¥403.8 billion, a decrease of ¥40.2 billion, or 9.0%, from the previous fiscal year.

This was due primarily to the aforementioned decrease in expenses attributable to a subsidiary as a result of the change in its business model, as well as a decrease in expenses due to our increased efficiency in sales. This decrease in expenses was greater than an increase in expenses associated with various initiatives that we undertook toward future growth.

As a result, operating income from the smart life business was ¥62.9 billion, an increase of ¥5.0 billion, or 8.6%, from the previous fiscal year.

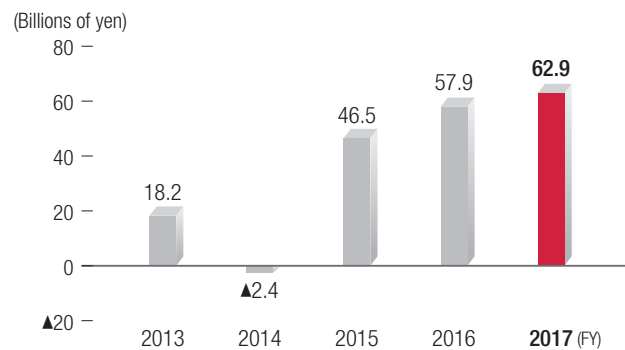
Other Businesses

Operating revenues from other businesses for FY2017 amounted to ¥436.5 billion, an increase of ¥36.1 billion, or 9.0%, from the previous fiscal year. This was driven mainly by an increase in the number of subscriptions for our “Mobile Device Protection Service” and the growth of revenues relating to IoT businesses.

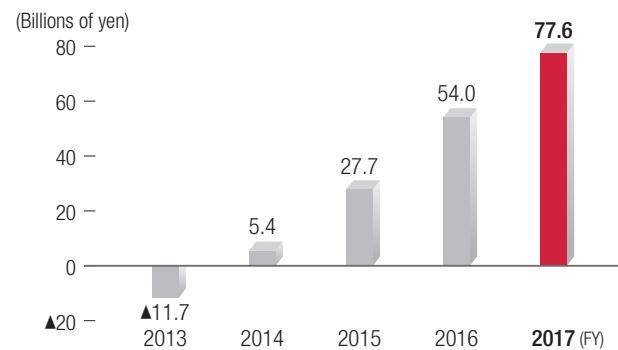
Operating expenses from other businesses were ¥358.9 billion, an increase of ¥12.5 billion, or 3.6%, from the previous fiscal year, as a result of rises in expenses associated with IoT businesses, despite a decrease in expenses as a result of pursuing further cost efficiency.

Consequently, operating income from other businesses was ¥77.6 billion, an increase of ¥23.6 billion, or 43.6%, from the previous fiscal year.

Smart life business/Operating income



Other businesses/Operating income



FY2017 Financial Review

Long-Term Debt

As of March 31, 2018, we had ¥160.0 billion in long-term interest-bearing liabilities including the current portion. This amount was in bonds due from the fiscal years ending March 31, 2019 to 2024 with a weighted average coupon rate of 1.5% per annum. Our long-term debt obligations were rated AA- by Standard & Poor's and Aa3 by Moody's, with the soundness of our finances receiving the highest ratings among mobile telecommunications operators around the world.

Cash Flows

For FY2017 net cash provided by operating activities was ¥1,511.5 billion, an increase of ¥199.1 billion, or 15.2%, from the previous fiscal year. This was due mainly to the receipt of the arbitration award from Tata Sons Limited.

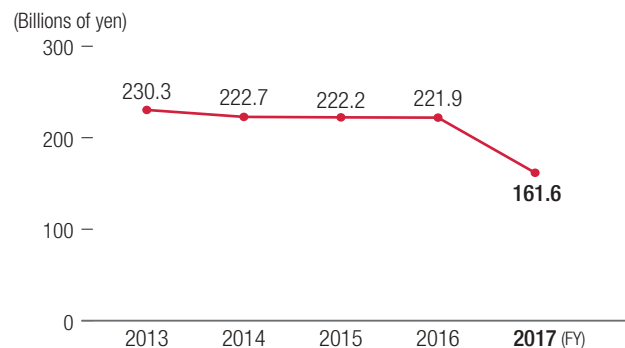
Net cash used in investing activities was ¥718.4 billion, a decrease of ¥224.7 billion, or 23.8%, from the previous fiscal year. This was due primarily to an increase in cash inflows through proceeds from redemption of short-term bailment for consumption to a related party, which was greater than the increase in cash outflows for short-term bailments for consumption to a related party.

Net cash used in financing activities was ¥690.4 billion, an increase

of ¥257.3 billion, or 59.4%, from the previous fiscal year. This was due mainly to an increase in cash outflows for payments to acquire treasury stock as well as in cash outflow for dividends paid.

As a result of the aforementioned, the balance of cash and cash equivalents was ¥392.7 billion as of March 31, 2018, an increase of ¥103.1 billion, or 35.6%, from the previous fiscal year end. The balance of investments with original maturities of longer than three months, which were made to manage a part of our cash efficiently, was ¥370.6 billion as of March 31, 2018 compared with ¥301.1 billion as of March 31, 2017.

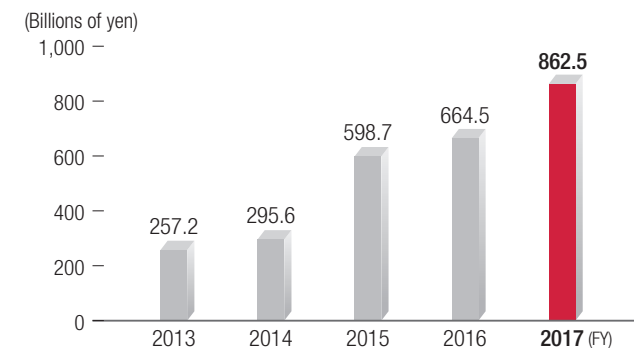
Interest-bearing liabilities



DOCOMO's ratings

Rating agency	Type of rating	Long-term bonds	Outlook
Moody's	Long-term obligation rating	Aa3	Stable
Standard & Poor's	Long-term obligation rating	AA-	Stable
Japan Credit Rating Agency, Ltd.	Long-term obligation rating	AAA	Negative
Rating and Investment Information, Inc.	Issuer rating	AA+	Stable

Adjusted free cash flows*



*Adjusted free cash flows exclude the 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.



FY2017 Financial Review

Outlook for FY2018

The environment surrounding our business has changed significantly. In the Japanese 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 points of contact by various service providers leveraging loyalty point programs and other means. These changes have accelerated competition in a new market that transcends the boundaries of the telecommunications business.

Against this backdrop, we position the fiscal year ending March 31, 2019 (FY2018) as the year to "innovate and take action." As we steadily implement our Medium-Term Strategy 2020 "Declaration beyond," we are also initiating a transformation to business foundations centered on our membership base. Through these endeavors, we are forecasting consolidated financial results for FY2018 as outlined below.

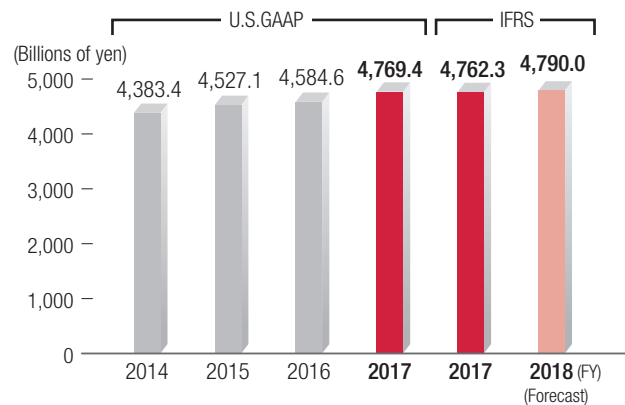
Operating revenues for FY2018 are estimated to be ¥4,790.0 billion, driven by the projected expansion of "docomo Hikari" users, the growth of the smart life business and other businesses segment, and other factors.

Operating expenses are expected to be ¥3,800.0 billion due mainly to an increase in expenses associated with the growth of revenues from "docomo Hikari."

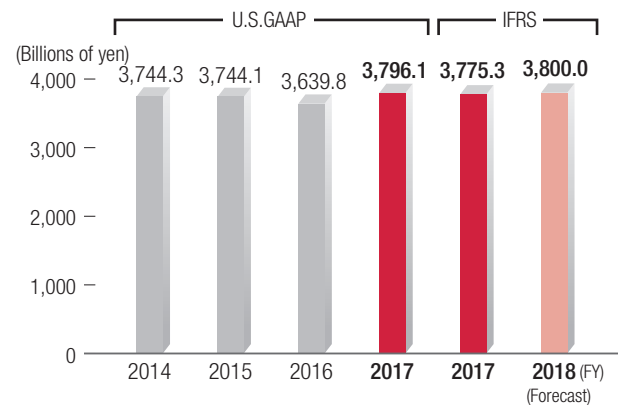
As a result, operating profit for FY2018 is projected to be ¥990.0 billion.

Consolidated financial forecasts for FY2018 are estimates based on IFRS, which we now use in place of U.S. GAAP.

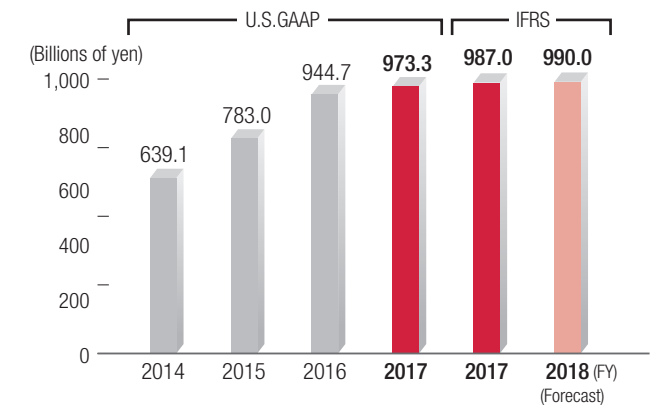
Operating revenues



Operating expenses



Operating profit





DOCOMO's Management Value

Message from Outside Director
Management Team

P. 48
P. 50

Reasons for Appointment and Insights of Outside Directors and
Outside Audit & Supervisory Board Members
Corporate Governance

P. 57
P. 58

Status of Board of Directors Meetings Held and Other Matters

P. 60

Dialogue with Shareholders and Investors

P. 62

Status of Audits by the Audit & Supervisory Board and Internal Audits

P. 63

Internal Control

P. 64

Risk Management

P. 65

Members of the
Board of Directors





Message from Outside Director

Free and Open-Minded Discussion to Raise the Level of Governance and Make Strategic Moves toward a New Paradigm of Information and Communication Technology (ICT)

Teruyasu Murakami

Member of the Board of Directors

Director of Research Institute for Industrial Strategy



Excellent System for Achieving a Higher Level of Governance

Free and open-minded discussion is essential for enhancing corporate governance. Since becoming an outside director of DOCOMO in 2013, I have acted accordingly and tried to share my view when anything that I believe is important from the perspective of general shareholders comes up as a discussion topic.

Generally it is said that, in Japanese companies, board members' discussion tends to focus on monthly, quarterly or annual business results, and this seemingly hinders strategic discussions over the medium to long term. DOCOMO instead has what we call an "after-school" system, in which all board members gather after an official meeting for a frank exchange of views on medium- to long-term business strategies, formation of a required corporate culture and other topics not on the meeting agenda. I think it is an excellent system of operation, which fully leverages the functions of the Board of Directors.

Through this system and other means, we have had animated discussions on a business "selection and concentration" strategy for several years. As examples of business "selection," DOCOMO has withdrawn from the joint ventures with the Indian conglomerate Tata

Group and sold Radishbo-ya Co., Ltd., a subsidiary providing a natural and organic food home delivery service in Japan. In contrast, more efforts are still needed in terms of business "concentration", which involves investment in new fields and M&As. I believe that DOCOMO can exercise more appropriate business management by promoting "selection and concentration" in a balanced manner while looking five years and 10 years ahead.

Toward a Paradigm Shift to Autonomous Service

There are two aspects to the role of an outside director. One is to "create value" by providing a broad range of advice based on one's knowledge and experience, and the other is to "maintain discipline" by monitoring any conflict of interest among a company, its management and majority shareholders. DOCOMO has a distinctive governance characteristic of being a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) partially owned by the Japanese government. NTT holds more than 60% of DOCOMO's shares, while the Japanese government owns a one-third stake in NTT. In spite of this unique standing, DOCOMO has maintained an independent and appropriate relationship with its parent and with other shareholders

since I became a member of the board, and there have been no major issues in relation to conflict of interest between these parties.

As such, I think creating value counts more in my role as an outside director. In the world of information and communication, a paradigm of ubiquitous networking, which was advocated at the turn of the century, was replaced by a paradigm of smart platforms with explosive growth in the use of smartphones. Currently, it is undergoing another drastic shift toward autonomous service*. What is needed now are the technological capability to flexibly utilize artificial intelligence (AI), the Internet of Things (IoT), and other new information technologies; knowledge and skills on serviceology (scientific and engineering approach to a service) to create effective services; global business deployment capability; and power to co-create value by delivering the outcomes to customers.

Once, DOCOMO led the creation of ubiquitous networks. Now, its task over the medium to long term is to think carefully about what to seek and what strategic moves to make toward a paradigm shift to autonomous service. While carrying out this task, I strongly expect that DOCOMO will work to produce next-generation leaders with an entrepreneurial spirit in fields yet to be explored by any company.

*Autonomous service: 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



Message from Outside Director

Expecting Human Resources to Play a Key Role in Supporting Future Growth amid a Drastic Transformation of the Business Structure

Noriko Endo

Member of the Board of Directors
Project Professor, Graduate School of
Media and Governance, Keio University



Bringing in Different Insight While Sharing the Same Objectives

The Company has in place an excellent corporate governance system. At board meetings, members hold free and open-minded discussions, and the system of sharing information on management strategies and current corporate status is functioning properly. Board members engage in other activities as well to discuss management strategies and medium- to long-term visions, periodically exchange views with the president and inside directors, participate in offsite meetings of directors and visit business locations such as research laboratories and wireless base stations. We are also given opportunities to talk directly with young and mid-career employees, who serve as the backbone of DOCOMO's operations, to capture their awareness of issues and sense of urgency.

I believe that one of the important roles of an independent outside director is to back up the Company's growth over the medium to long term. As a former editor of a business journal and an industrial policy and business researcher, I have witnessed a shift in industrial structure driven by technological innovation, which in turn caused an upheaval in companies' competitive environment and forced them to overhaul their business models. Based on this insight and as a

representative of general shareholders, I will provide my opinions and advice to help DOCOMO achieve growth, and at the same time, fulfill another important role of supervising its business execution.

As you can see, outside directors serve to bring in different insight based on a unique perspective while sharing the same objectives with employees.

Needing a Higher, Cross-Sectional Perspective to View the Entire Company

Toward achieving the goals of its Medium-Term Strategy 2020 "Declaration beyond," DOCOMO is in the process of transforming its business structure from the one based on communications services to the one providing services utilizing its membership base. In order to provide service platforms that are user-friendly and comprehensively meet user needs, DOCOMO requires a higher and cross-sectional perspective to view the entire company across organizational boundaries. While passing on its accumulated management resources, everyone, including management, must share a determination to move forward into new domains.

The DOCOMO Group has top-notch technologies and R&D

capabilities not only in Japan but also in the global ICT sector. I am confident that these capabilities will also provide an advantage to DOCOMO in promoting its service-based business.

Lastly, the Company's growth in the future will be supported by human resources. Fulfilling "Declaration beyond" requires diverse talent having varying experience and skills, regardless of gender or nationality. To enable employees of different backgrounds to learn from each other and grow, I believe it will be increasingly important for DOCOMO to establish an organizational system to accurately assess human resources and assign them to appropriate positions.



Management Team (As of August 1, 2018)

Members of the Board of Directors



Kazuhiro Yoshizawa

President and Chief Executive Officer (CEO)
Representative Member of the Board of Directors
2011 29,300 shares

- Apr. 1979 Entered NTT Public Corporation
- Jun. 2012 Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company
- Jul. 2013 Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company
- Jun. 2014 Senior Executive Vice President (CIO, CISO, CPO), Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors of the Company
- Jun. 2016 President and Chief Executive Officer (CEO), Representative Member of the Board of Directors of the Company (To the present)



Hiroshi Tsujigami

Senior Executive Vice President
Responsible for Global business and Corporate
Executive General Manager of Sales and Marketing Division
Representative Member of the Board of Directors
2016 4,900 shares

- Apr. 1983 Entered NTT Public Corporation
- Jun. 2016 Executive Vice President, Executive General Manager of Sales and Marketing Division, Member of the Board of Directors of the Company
- Jun. 2017 Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Broadband Business, Member of the Board of Directors of the Company
- Jun. 2018 Senior Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Global business, Corporate and Broadband Business, Representative Member of the Board of Directors of the Company
- Jul. 2018 Senior Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Global business and Corporate, Representative Member of the Board of Directors of the Company (To the present)



Hiroyasu Asami

Senior Executive Vice President (CIO, CISO, CPO, CDO)
Responsible for Technology, Devices, Information Strategy and Membership Base
Representative Member of the Board of Directors
2014 15,600 shares

- Apr. 1980 Entered NTT Public Corporation
- Jun. 2017 Senior Executive Vice President (CIO, CISO, CPO), Responsible for Technology, Devices, Information Strategy and Preparation for 2020, Representative Member of the Board of Directors of the Company
- Jun. 2018 Senior Executive Vice President (CIO, CISO, CPO), Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors of the Company
- Jul. 2018 Senior Executive Vice President (CIO, CISO, CPO), Responsible for Technology, Devices, Information Strategy and Membership Base, Representative Member of the Board of Directors of the Company
- Aug. 2018 Senior Executive Vice President (CIO, CISO, CPO, CDO), Responsible for Technology, Devices, Information Strategy and Membership Base, Representative Member of the Board of Directors of the Company (To the present)

Profile

Name

Position

Appointment year / Number of shares held

Career summary

*Number of shares held as of June 20, 2018



Management Team (As of August 1, 2018)

Members of the Board of Directors



Kouji Furukawa

Executive Vice President
Executive General Manager of Corporate Sales and Marketing
Division and General Manager of TOHOKU Reconstruction Support
Office
Member of the Board of Directors

2016 6,900 shares

Apr. 1984 Entered NTT Public Corporation
Jun. 2008 General Manager of Carrier and Regulatory Affairs Office of the
Company
Jun. 2012 General Manager of Corporate Sales and Marketing Department I of
the Company
Jun. 2013 Senior Vice President, General Manager of Corporate Sales and
Marketing Department I of the Company
Jun. 2016 Executive Vice President, Executive General Manager of Corporate
Sales and Marketing Division and General Manager of TOHOKU
Reconstruction Support Office, Member of the Board of Directors of
the Company
(To the present)



Hozumi Tamura

Executive Vice President
Executive General Manager of Network Division and General
Manager of Network Department
Member of the Board of Directors

2017 8,300 shares

Apr. 1987 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jul. 2013 General Manager of Smart-life Planning Department of the Company
Jun. 2014 Senior Vice President, General Manager of Smart-life Planning
Department of the Company
Jun. 2017 Executive Vice President, General Manager of Network Department,
Responsible for Network, Member of the Board of Directors of the
Company
Jul. 2017 Executive Vice President, Executive General Manager of Network
Division and General Manager of Network Department, Member of the
Board of Directors of the Company
(To the present)



Hiroshi Nakamura

Executive Vice President (CTO)
Executive General Manager of R&D Innovation Division
Member of the Board of Directors

2017 10,000 shares

Apr. 1987 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jul. 2010 General Manager of Core Network Development Department of the
Company
Jun. 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
Jun. 2017 Executive Vice President (CTO), Executive General Manager of R&D
Innovation Division, Member of the Board of Directors of the Company
(To the present)



Seiji Maruyama

Executive Vice President
Responsible for Mobile Society Research Institute and Preparation
for 2020
General Manager of Corporate Strategy & Planning Department
Member of the Board of Directors

2016 8,500 shares

Apr. 1985 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jun. 2010 General Manager of Product Department of the Company
Jun. 2014 Senior Vice President, General Manager of Product Department of the
Company
Jun. 2016 Senior Vice President, General Manager of Human Resources
Management Department, Member of the Board of Directors of the
Company
Jun. 2018 Executive Vice President, General Manager of Corporate Strategy
& Planning Department, Responsible for Mobile Society Research
Institute and Preparation for 2020, Member of the Board of Directors
of the Company
(To the present)



Management Team (As of August 1, 2018)

Members of the Board of Directors

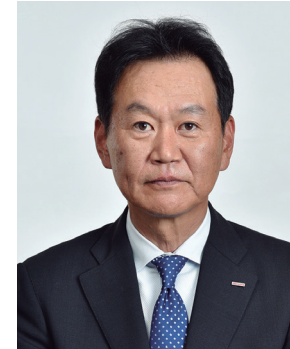


Osamu Hirokado

Executive Vice President (CFO)
Responsible for Finance, Business Alliance and Investor Relations
General Manager of Accounts and Finance Department
Member of the Board of Directors

2018 6,600 shares

Apr. 1985 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jun. 2012 General Manager of Public Relations Department and Deputy General Manager of Mobile Society Research Institute of the Company
Jun. 2014 Senior Vice President, Executive General Manager of Shikoku Regional Office of the Company
Jun. 2017 Senior Vice President, General Manager of Frontline Support Department of the Company
Jun. 2018 Executive Vice President (CFO), General Manager of Accounts and Finance Department, Responsible for Finance, Business Alliance and Investor Relations, Member of the Board of Directors of the Company (To the present)



Kenichi Mori

Executive Vice President
Executive General Manager of Smart-life Business Division
Member of the Board of Directors

2018 4,800 shares

Apr. 1988 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
May 2014 General Manager of Kanagawa Branch of the Company
Jun. 2015 Senior Vice President, General Manager of Kanagawa Branch of the Company
Jun. 2016 Senior Vice President, General Manager of Product Department of the Company
Jun. 2018 Executive Vice President, Executive General Manager of Smart-life Business Division, Member of the Board of Directors of the Company (To the present)



Shigeto Torizuka

Executive Vice President
General Manager of Human Resources Management Department
Member of the Board of Directors

2018 4,500 shares

Apr. 1986 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jun. 2015 Senior Vice President, General Manager of Sales Promotion Department of the Company
Jun. 2017 Senior Vice President, General Manager of Tokyo Branch of the Company
Jun. 2018 Executive Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of the Company (To the present)
Jun. 2018 President and Chief Executive Officer, Representative Member of the Board of Directors of DOCOMO PlusHearty, Inc. (To the present)



Tooru Atarashi

Senior Vice President
General Manager of General Affairs Department and General Manager of Improvement Action Office
Member of the Board of Directors

2018 4,000 shares

Apr. 1988 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
Jul. 2012 Senior Manager of Credit Card Business Division of the Company
Jul. 2013 Senior Manager of Financial Business Department of the Company
Jun. 2016 General Manager of General Affairs Department and General Manager of Improvement Action Office of the Company
Jun. 2018 Senior Vice President, General Manager of General Affairs Department and General Manager of Improvement Action Office, Member of the Board of Directors of the Company (To the present)



Management Team (As of August 1, 2018)

Members of the Board of Directors



Teruyasu Murakami

Outside Director Independent Director

Member of the Board of Directors

2013 7,100 shares

- Apr. 1968 Entered Nomura Research Institute, Ltd. ("NRI")
- Apr. 2002 Chief Corporate Counselor of NRI
- Jun. 2008 Outside Director of Benesse Holdings, Inc.
- Apr. 2012 Director of Research Institute for Industrial Strategy (To the present)
- Jun. 2013 Outside Member of the Board of Directors of the Company (To the present)



Shinichiro Ueno

Member of the Board of Directors

2016 1,000 shares

- Apr. 1991 Entered NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")
- Jul. 2009 General Manager of Plant Department, Kanagawa Branch, Senior Manager of Wide-Area Network Center, Network Business Headquarters of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT EAST")
- Jul. 2009 Member of the Board of Directors of NTT East-Kanagawa, Inc.
- Jul. 2012 Senior Manager of Technology Planning Department of NTT
- Jul. 2015 Vice President of R&D Planning Research and Development Planning Department of NTT (To the present)
- Jun. 2016 Member of the Board of Directors of the Company (To the present)



Noriko Endo

Outside Director Independent Director

Member of the Board of Directors

2016 1,800 shares

- Jun. 1994 Entered DIAMOND, Inc.
- Apr. 2006 Deputy Editor of *Diamond Weekly*, DIAMOND, Inc.
- Sep. 2013 Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo
- Apr. 2015 Project Professor, Graduate School of Media and Governance, Keio University (To the present)
- Apr. 2015 Adjunct Researcher, Environmental Research Institute, Waseda University
- Jun. 2016 Outside Member of the Board of Directors of the Company (To the present)
- Jul. 2018 Outside Director of AIN HOLDINGS INC. (To the present)



Management Team (As of August 1, 2018)

Audit & Supervisory Board Members



Shoji Suto

Full-time Audit & Supervisory Board Member

2017 14,200 shares

- Apr. 1980 Entered NTT Public Corporation
- Jun. 2014 Executive Vice President, Responsible for Consumer Sales and Branches in Kanto and Koshinetsu areas, Member of the Board of Directors of the Company
- Jul. 2014 Executive Vice President, Responsible for Consumer Sales, Member of the Board of Directors of the Company
- Jun. 2015 Senior Executive Vice President, Member of the Board of Directors of DOCOMO CS Inc.
- Jun. 2017 Full-time Audit & Supervisory Board Member of the Company (To the present)



Toshimune Okihara Outside Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member

2014 5,800 shares

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



Management Team (As of August 1, 2018)

Audit & Supervisory Board Members



Hironobu Sagae Outside Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member

2017 1,000 shares

- Apr. 1981 Entered NTT Public Corporation
- Jun. 2012 Senior Vice President, General Manager of Accounts and Finance Department, Member of the Board of Directors of NTT DATA Corporation
- Jun. 2014 Executive Vice President, General Manager of Accounts and Finance Department, Member of the Board of Directors of NTT DATA Corporation
- Jun. 2016 President, Member of the Board of Directors of NTT DATA MANAGEMENT SERVICE Corporation
- Jun. 2017 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



Eiko Tsujiyama Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Audit & Supervisory Board Member

2011 4,200 shares

- Jun. 2010 Outside Director of ORIX Corporation (To the present)
- May 2011 Outside Corporate Auditor of Lawson, Inc. (To the present)
- Jun. 2011 Outside Audit & Supervisory Board Member of the Company (To the present)
- Jun. 2012 Outside Audit & Supervisory Board Member of Shiseido Company, Limited (To the present)
- Apr. 2018 Professor emeritus, Waseda University (To the present)



Mikio Kajikawa Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member

2018 1,000 shares

- Apr. 1982 Entered the Ministry of Finance
- Jul. 2014 Executive Director of the International Monetary Fund (IMF)
- Jun. 2016 Director-General of the Customs and Tariff Bureau of the Ministry of Finance
- Dec. 2017 Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Jun. 2018 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



Management Team (As of August 1, 2018)

Executive Officers

Executive Vice Presidents

Yasuo Sakamoto

Responsible for CSR

Senior Vice Presidents

Kouji Tsubouchi

Executive General Manager of Hokkaido Regional Office

Taku Yamazaki

Executive General Manager of Kyushu Regional Office

Kan Takamoto

General Manager of Sales Promotion Department

Michio Fujiwara

Executive General Manager of Tohoku Regional Office

Hikaru Kawachiyama

General Manager of Tokyo Branch

Toshiaki Sakurai

General Manager of Corporate Sales and Marketing Department II

Makoto Tani

Executive General Manager of Tokai Regional Office

Tomoyoshi Oono

General Manager of Innovation Management Department

Naoki Tani

General Manager of IoT Business Department

Hiroko Kawasaki

Executive General Manager of Hokuriku Regional Office

Takehiro Nakamura

General Manager of 5G Laboratories

Katsuyuki Takagi

Executive General Manager of Global Business Division

Koichi Takahara

Executive General Manager of Kansai Regional Office

Takanori Ashikawa

General Manager of Consumer Business Department

Taku Hasegawa

General Manager of Information Systems Department

Tomohisa Ueno

Executive General Manager of Chugoku Regional Office

Yoshiaki Maeda

General Manager of Platform Business Department

Kikuko Shirakawa

General Manager of Digital & Marketing Department

Mayumi Tateishi

Executive General Manager of Shikoku Regional Office

Ken Yoshizaki

General Manager of Financial Business Department



Reasons for Appointment and Insights of Outside Directors and Outside Audit & Supervisory Board Members

The reasons for appointment and insights of the two outside directors and four outside audit & supervisory board members are as follows.

Outside Directors

Teruyasu Murakami (Independent Director)

Mr. Murakami has rich experience and insights pertaining to corporate management and the information industry. He has been elected as an outside director due to the Company's expectations that, in view of his excellent character and wealth of knowledge, he will contribute to strengthening the supervisory function over business execution and provide advice from a broad managerial perspective.

Noriko Endo (Independent Director)

Dr. Endo has rich experience and insights accumulated through her news gathering activities as an editor of an economic magazine and research on public policies. She has been elected as an outside director due to the Company's expectations that, in view of her excellent character and wealth of knowledge, she will contribute to strengthening the supervisory function over business execution and provide broad and diverse advice from both a customer perspective and female perspective, and will be able to properly fulfill the role of an outside director.

Outside Audit & Supervisory Board Members

Toshimune Okihara

Mr. Okihara has experience in corporate management and has long been engaged in businesses pertaining to telecommunications. He has been elected as an outside audit & supervisory board member due to the Company's expectations that he will conduct audits based on his experience and knowledge.

Hironobu Sagae

Mr. Sagae has experience in corporate management and has considerable knowledge pertaining to finance and accounting gained through his experience in the Finance Department of NTT DATA Corporation. He has been elected as an outside audit & supervisory board member due to the Company's expectations that he will conduct audits based on his experience and knowledge.

Mikio Kajikawa (Independent Audit & Supervisory Board Member)

Mr. Kajikawa had a long career in the Ministry of Finance, and has been elected as an outside audit & supervisory board member due to the Company's expectations that he will conduct audits based on his rich experience and insights as a specialist accumulated through his career experience, as well as properly carry out his duties as an outside audit & supervisory board member.

Eiko Tsujiyama (Independent Audit & Supervisory Board Member)

Ms. Tsujiyama has been elected as an outside audit & supervisory board member due to the Company's expectations that she will conduct audits from the perspective of her extensive knowledge pertaining to finance and accounting as a certified public accountant and accumulated through her years of experience as a university professor and an outside director on corporate boards.



Corporate Governance

Basic Policies and Philosophy

Based on our corporate philosophy of “the creation of a new world of communications culture” and our Medium-Term Strategy 2020 “Declaration beyond,” DOCOMO is aiming to contribute to the realization of a vibrant and enriched society and attain a high degree of trust and recognition from shareholders and customers through the improvement of corporate value.

Based on this management policy, we recognize that to maximize corporate value while meeting the expectations of our various stakeholders, including our shareholders, customers, employees, partners and local communities, it is essential that we ensure the effective function of corporate governance through the reinforcement of the governance structure in line with the objectives of each principle of the Corporate Governance Code.

In line with the objective of each principle of the Corporate Governance Code, we established the NTT DOCOMO Basic Policy on Corporate Governance in October 2015 to ensure the sustainable growth of the DOCOMO Group and enhance mid- to long-term corporate value so as to earn a high degree of trust and recognition from shareholders, customers and other stakeholders.

Following the revision to the Corporate Governance Code in June 2018, we will examine the specific implementation of each principle in order and once preparations are complete, we will disclose our policy and the status of implementation.

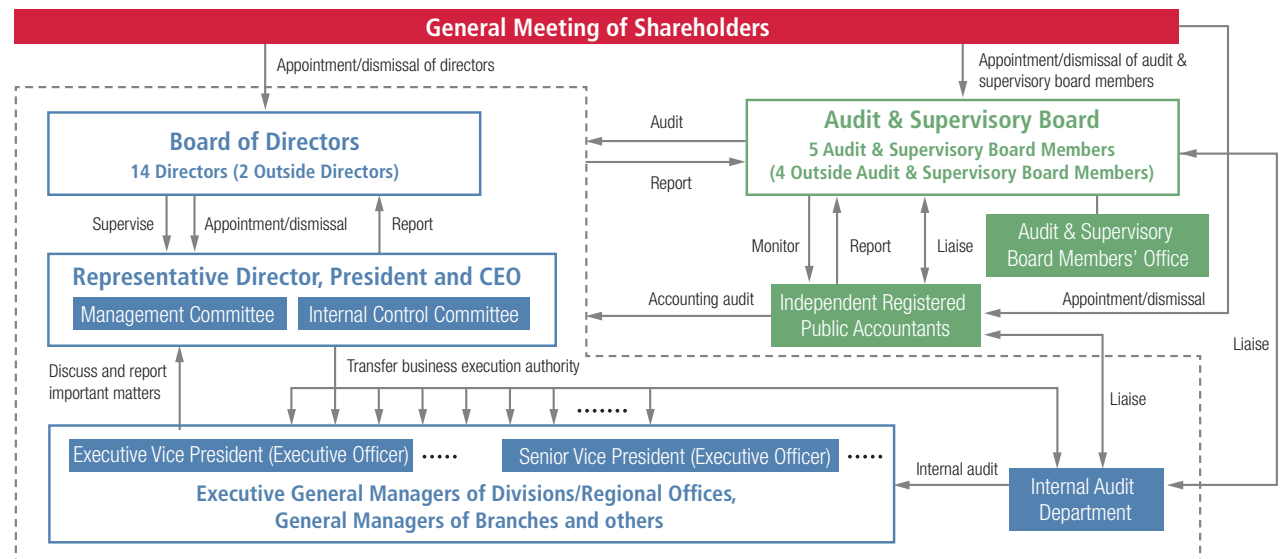
 NTT DOCOMO Basic Policy on Corporate Governance
(in Japanese only)
https://www.nttdocomo.co.jp/corporate/ir/binary/pdf/management/governance/governance_rule_151030.pdf

Overview of the Corporate Governance Structure

We have adopted a corporate governance structure consisting of the Board of Directors, audit & supervisory board members and the Audit & Supervisory Board, aiming both to realize consistent and stable business operations and to bolster auditing and governance functions, while striving to boost management speed. In regard to our core telecommunications businesses, we recognize that mobile phones have come to play a vital role as social infrastructure in line with market expansion for these products. Accordingly, this structure reflects a desire for directors to play a key role in important business execution matters from the standpoint of realizing consistent and stable business operations through the effective utilization of management resources. From the perspective of ensuring sound and efficient management, this configuration also reflects a desire for a structure in which directors who concurrently serve as executive officers supervise each other for their respective actions, while audit & supervisory board members perform audits of overall management.

Similarly, we appoint independent outside directors and independent outside audit & supervisory board members, with a view to further enhancing monitoring and audit functions. In addition, we have introduced the executive officer system (26 of whom are men, 3 of whom are women and 8 who serve concurrently as directors) to clearly delineate the roles of business execution and monitoring, and to better reinforce business execution functions. This system enables speedier responsiveness to changes in the operating environment.

The Company's Corporate Governance System





Corporate Governance

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
- Inspecting various sites (research centers, branches, docomo Shops, wireless base stations, etc.)

- Providing opportunities for independent outside directors, directors and executive officers to exchange opinions on the direction of our corporate strategies, etc.
- Creating opportunities to exchange opinions with mid-career and young employees
- 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 dialogue with current and potential institutional investors (when there are requests from investors or directors/audit & supervisory board members)
- Holding regular meetings between the independent outside directors and audit & supervisory board members

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 telecommunications 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 telecommunications 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 a 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 in the Articles of Incorporation 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 The Company appointed the first independent 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 2016	System with two independent outside directors 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)



Status of Board of Directors Meetings Held and Other Matters

Status of Meetings of the Board of Directors Held

The Board of Directors, in principle, meets once a month and renders decisions on important management matters. Extraordinary meetings are convened as necessary. The Board of Directors also receives status reports as needed from directors, serving concurrently as executive officers responsible for business execution, thereby monitoring management.

For decision-making on important matters related to business execution, the Company has established the Management Committee, which consists of the representative director, president and chief executive officer, senior executive vice presidents, members of the Board of Directors, executive vice presidents and full-time audit & supervisory board members, among others. The Management Committee meets, in principle, once a week, with extraordinary meetings convened as necessary, to facilitate flexible, swift decision making by the representative director, president and chief executive officer.

Meetings of the Board of Directors (FY2017)

14 meetings were held.

Attendance

Directors: 98.6%; outside directors: 100 %

Audit & supervisory board members: 95.7 %; outside members: 94.6 %

Analysis and Evaluation of the Effectiveness of the Board of Directors

With the aim of achieving sustainable enhancement of its corporate value, the Company conducts an analysis and evaluation of the effectiveness of the Board of Directors in an ongoing effort to make improvements by identifying issues or points to be improved with respect to the responsibilities, operation, composition, etc., of the Board of Directors.

■ Evaluation Method

- “Directors’ Self-Assessment Questionnaire” completed by all directors and audit & supervisory board members (conducted in February to March 2018)
- Discussions based on the results of Directors’ Self-Assessment Questionnaire during a meeting by the Corporate Governance Council, which consists of all members of the Board of Directors and the Audit & Supervisory Board (held in May 2018)

■ Evaluation Results and Future Operation Policy

We verified the effectiveness of the Board of Directors and the appropriateness of its responsibilities, operation, composition, etc.

In addition to confirming steady progress with regard to the periodic evaluation of efforts being taken to achieve the direction of the Company’s corporate strategies, which was identified as an issue in the previous evaluation of the effectiveness of the Board of Directors, we have decided to develop more substantive governance functions based on the Company’s characteristics in light of trends such as revisions to the Corporate Governance Code.

With the aim of achieving further enhancement of corporate value and promoting our Medium-Term Strategy 2020 “Declaration beyond” announced in April 2017 and “business operations centered on our membership base” announced in April 2018, the members of the Board of Directors will periodically evaluate the efforts being made to achieve these goals.



Status of Board of Directors Meetings Held and Other Matters

Compensation of Directors and Audit & Supervisory Board Members

Compensation for directors is decided based on the following policies from the perspective of reflecting medium- to long-term business results of the Company.

- 1) Compensation for directors consists of a monthly salary and bonuses. The Company determines monthly salaries based on the scope of roles and responsibilities of each director, and bonuses by taking into account the Company's business results for the fiscal year ended March 31, 2018 (FY2017). In addition, starting FY2017, performance-based compensation was expanded, and a new stock-based compensation plan was introduced. Under this plan, when the Company's business performance exceeds a certain level, directors are paid an amount equivalent to the purchase of the Company's shares as part of their bonuses and required to contribute the amount to the Director Shareholding Association.
- 2) From the perspective of reflecting medium- to long-term business results, directors with executive authority over operations make monthly contributions of at least a certain amount, from their monthly cash salary, for the purchase of the Company's shares through the Director Shareholding Association, apart from the stock-based compensation mentioned above, and all purchased shares are held by the directors during their terms in office.
- 3) In order to ensure a high level of independence, the Company pays only monthly salaries as compensation for independent outside directors with no links to business results.
- 4) We explain the details of compensation of directors to the parent company and independent outside directors to receive appropriate advice prior to the meeting of the Board of Directors, where a decision is made on the amount within the limit approved at the general meeting of shareholders.

Compensation for audit & supervisory board members is determined through consultation with the members, and in order to ensure a high level of independence, only monthly salaries are paid with no links to business results.

Total Compensation by Position, Breakdown of Compensation and Number of Recipients

(Millions of yen, unless otherwise stated)

Directors / Audit & Supervisory Board Members	Total Compensation	Total Compensation by Type				Number of Recipients (Persons)
		Base Salary	Stock Option	Bonus	Retirement Benefits	
Directors* ² (excluding outside directors)	508* ¹	405	0	103	0	14
Audit & supervisory board members* ³ (excluding outside audit & supervisory board members)	30* ¹	30	0	0	0	2
Outside directors and outside audit & supervisory board members* ⁴	126	126	0	0	0	7
Total	664	561	0	103	0	23

1. Upper limits on compensation for directors and compensation for audit & supervisory board members were set at ¥600 million annually and at ¥150 million annually, respectively, at the 15th ordinary general meeting of shareholders held on June 20, 2006.
2. Directors include two directors who retired at the conclusion of the 26th ordinary general meeting of shareholders held on June 20, 2017.
3. Audit & supervisory board members include one audit & supervisory board member who retired at the conclusion of the 26th ordinary general meeting of shareholders held on June 20, 2017.
4. Outside directors and outside audit & supervisory board members include one outside audit & supervisory board member who retired at the conclusion of the 26th ordinary general meeting of shareholders held on June 20, 2017.

Relationship with Parent Company

The corporate group led by our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), operates the following main businesses: regional telecommunications, long-distance and international telecommunications, mobile telecommunications and data telecommunications. As of March 31, 2018, NTT owned 66.64% 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.



Dialogue with Shareholders and Investors

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 investor relations (IR) activities by appointing an executive responsible for IR overall and establishing a

designated IR department. In addition, we provide the views expressed by our shareholders and investors as feedback to top management as appropriate and share them 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, senior executive vice presidents, the executive corporate officer in charge of corporate finance and the executive corporate officer in charge of corporate strategy & planning explain recent results, future initiatives and shareholder returns, among other matters. In FY2017, we held presentations in 15 cities throughout Japan, including Tokyo, Osaka, Nagoya, Sendai and Fukuoka, with around 3,000 people in attendance. Other presentations were also shown online.	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 strategy & 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 the fiscal year ended March 31, 2018 (FY2017). 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 shareholder returns, 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/sound 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. Furthermore, we post videos about the Medium-Term Strategy 2020 together with the president's comments.	Yes
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



Investor Relations

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

Status of Audits by the Audit & Supervisory Board and Internal Audits

Status of Meetings of the Audit & Supervisory Board Held

The Audit & Supervisory Board holds meetings, in principle, once a month, and makes decisions about the auditing policy, plan and methodology, as well as other important matters related to audits. Based on the auditing policy and auditing plan decided by the Audit & Supervisory Board, the audit & supervisory board members appropriately conduct audits of the status of execution of duties by directors by attending the Board of Directors meetings and other important meetings, hearing reports from directors and others, examining important documents and other materials, and conducting onsite investigations at the Headquarters, main business offices and subsidiaries, etc., and report to the Board of Directors on the status of implementation of audits. In addition, the audit & supervisory board members ensure the effectiveness of audits through close collaboration with the audit & supervisory board members at subsidiaries based on mutual understanding and exchanges of information.

Internal Audits

The Internal Audit Department conducts internal audits from a position independent of other business execution, with a structure comprising 45 members. Audits are conducted to ensure compliance with laws and regulations, the effectiveness and efficiency of operations, and the reliability of financial reporting by verifying and evaluating the status of business operations at the departments of Headquarters, regional offices and branches, etc., based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) 2013 framework, with the aim of improving internal control. In addition to setting unified audit items for high-risk matters for our corporate group and performing audits at each Group company, the Internal Audit Department also carries out audit quality reviews to enhance the quality of audits at Group companies. As part of these efforts, the Internal Audit Department also evaluates the effectiveness of internal control related to financial reporting based on the U.S. Sarbanes-Oxley Act and the Financial Instruments and Exchange Act of Japan.

Role of the Audit & Supervisory Board Members and the Internal Audit Department

The audit & supervisory board members strive to strengthen collaboration with the independent auditor through timely exchanges of opinions by receiving a report on the auditing plan, holding preliminary discussions regarding any significant changes in accounting policies for each quarterly fiscal period, receiving reports on the quarterly audit results and attending audits by the independent auditor. They also receive explanations and make confirmation regarding the independent auditor's audit quality system. In addition, the audit & supervisory board members receive reports from the Internal Audit Department regarding the plan and results of internal audits and hold regular meetings, in principle, once a month to strengthen mutual collaboration by exchanging opinions on the status of implementation of internal audits.

In terms of relationship with the Internal Control Group, the audit & supervisory board members monitor and verify the establishment and status of the internal control systems and give advice and instructions to the Internal Control Group as necessary. The Internal Audit Department also evaluates the effectiveness of the internal control systems and reports the results to the Board of Directors and the Internal Control Group. Based on these advice, instructions and reports, etc., the Internal Control Group makes improvements to the internal control systems as needed.



Internal Control

Basic Policies and Philosophy

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.

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 management 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 channels 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.

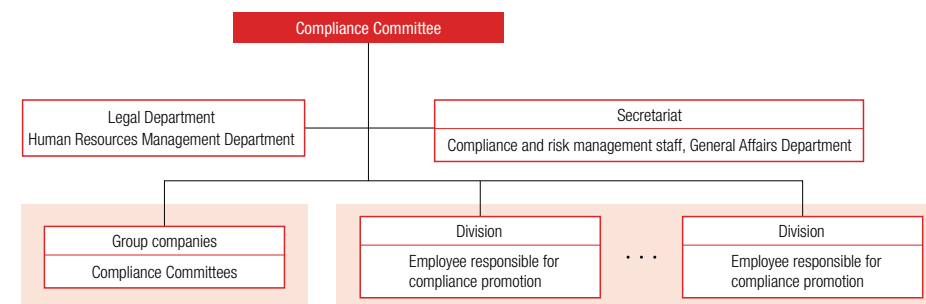
 NTT DOCOMO Group Code of Ethics
https://www.nttdocomo.co.jp/english/corporate/about/group_ethic/index.html

Compliance Management System

DOCOMO has established the Compliance Committee at its head office and each branch and Group company to ensure that employees know and understand the NTT DOCOMO Group Code of Ethics. The committee decides on policies related to legal and ethical compliance and identifies issues and areas in need of improvement in terms of compliance management. It also monitors the progress of activities that promote compliance.

The committee at DOCOMO's head office is chaired by the president and CEO and comprises the executive vice president, executive general manager of regional offices, general manager of each division and audit & supervisory board members and others appointed by the chairperson as needed.

Compliance Management System



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 FY2017, we evaluated the Company and 17 major consolidated subsidiaries and concluded that internal control over financial reporting was effective.

* On March 19, 2018, DOCOMO announced the schedule of the Company's delisting of its American Depository Shares from the New York Stock Exchange. The delisting was completed as planned on April 13, 2018.

Risk Management

Basic Policies and Philosophy

DOCOMO strives to strengthen risk management under the basic policy of identifying and responding to business risk as quickly as possible. We define risks as situations that may adversely affect our credibility or corporate image or lead to a reduction of revenues and/or increase of costs, such as natural and human-caused disasters, including natural calamities and power shortages; inadequate handling of confidential business information, including personal information; changes in the market environment for the telecommunications industry; and intensifying competition from other businesses. We are making our best efforts to prevent and mitigate such risks.

Risk Management Mechanism

In accordance with our Risk Management Principles, business risks are regularly identified, and the Internal Control Committee, headed by the president and CEO, designates risks that require Company-wide management. Management policies for the identified risks are formulated and appropriate efforts are made to prevent such risks from materializing and to prepare to quickly respond should they occur.

In addition, the Internal Audit Department conducts an audit to monitor the status of our response to risk and follow-up surveys as necessary. Environmental and social considerations, including regulatory compliance, have been incorporated into our operational regulations and are also subject to an internal audit for monitoring.

Furthermore, we implement sound risk management for aspects related to information management and compliance by establishing internal regulations and encouraging collaboration between relevant committees.

Risk Identification Process

DOCOMO reviews the potential risks and its methods for managing such risks on an annual basis to keep abreast of changes in the social environment. The first step in identifying risks is considering both internal and external circumstances in order to incorporate social change into an assessment of the current status and thereby extract new potential risks. We identify risks for the entire Group through evaluation and analysis based on the level of impact and frequency of occurrence, and a materiality assessment. Group-wide risks are reflected in the Risk Factors disclosed in Annual Securities Report and other documents in view of their impact on financial performance.

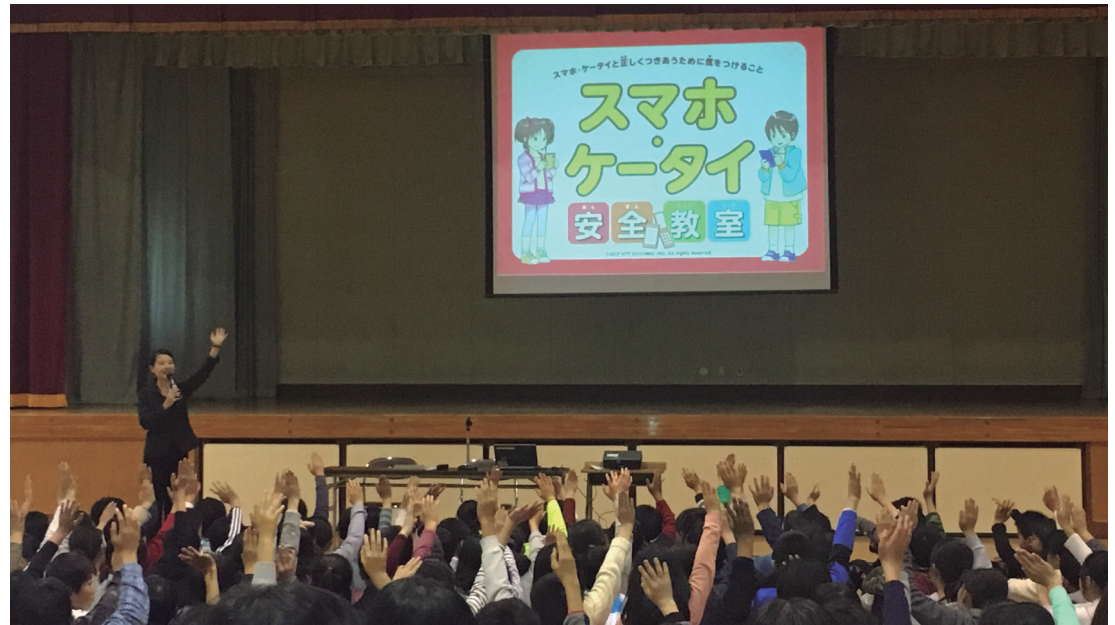
In recent years, we have expanded consideration of the risks DOCOMO should address to encompass our response to issues associated with the realization of our Medium-Term Strategy 2020 and efforts to provide 5G, intensifying competition due to new entrants to the market, and policy changes and demands in laws and regulations.

P. 8 



DOCOMO's Sustainable Value

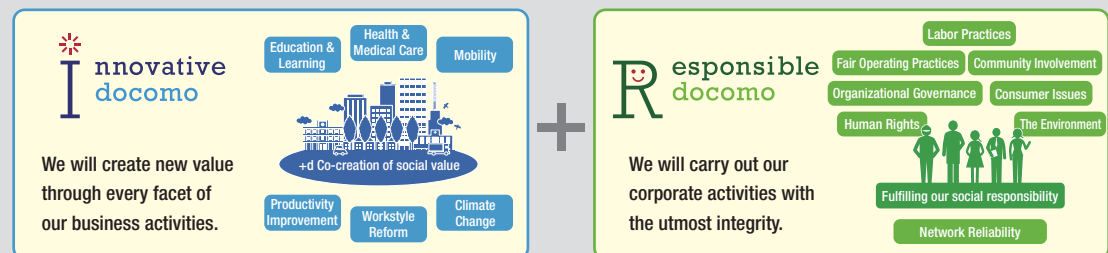
CSR Policy	P. 66
CSR Mid-Term Target and Sustainability Focuses	P. 67
Results of Sustainability Focuses and KPI Initiatives	P. 68
Contribute to Society and Environment through ICT	P. 72
Information Security Measures	P. 74
Radio Wave Safety	P. 75
Corporate Responsibility for Products and Services	P. 76
Respect Human Rights	P. 77
Customer Enlightenment and Customer Protection	P. 78
Employee Safety and Wellness	P. 79
Supply Chain Management	P. 80
Community Involvement and Development	P. 81
Environment (Address Climate Change and Effectively Use Resources)	P. 82



Attendees of Smartphone and Mobile Phone Safety Classes

To protect users against the dangers and other problems associated with smartphone and mobile phone use, DOCOMO holds Smartphone and Mobile Phone Safety Classes nationwide. The classes are provided free of charge and are mainly for elementary / junior high school, high school and special support school students.

DOCOMO is pursuing CSR along two fronts. The first is “Innovative docomo,” in which we are attempting to co-create new value through our “+d” initiatives, addressing education, health and medicine, workstyle reform and other social issues. In accordance with our philosophy that we serve society at large as our customers, we provide new value through co-creation with our partners in a variety of fields. The second is “Responsible docomo,” in which we aim to create a trustworthy company that fulfills its social responsibilities. Throughout all of our business undertakings we will engage in activities with integrity and meet those responsibilities as a leading company in the mobile and IT industries. DOCOMO's CSR consists of creating a sustainable society by incorporating these two aspects.



= **Sustainable**



NTT DOCOMO Group CSR Policy

<https://www.nttdocomo.co.jp/english/corporate/csr/about/message/index.html>

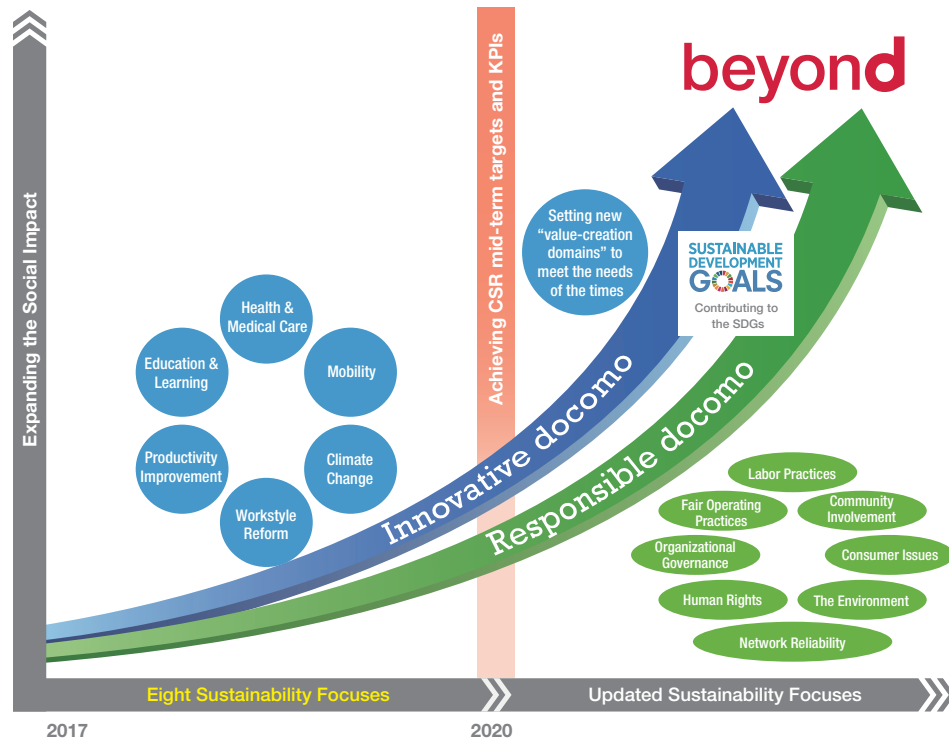


CSR Mid-Term Target and Sustainability Focuses

CSR Mid-Term Target

DOCOMO formulated the CSR Mid-Term Target 2020 with goals to be attained by 2020 toward realizing “a society in which people can live with security, safety, comfort and affluence,” an objective stated in the DOCOMO Group’s CSR Policy. We will press ahead with initiatives with a vision that looks beyond 2020 as shown in the roadmap below.

Roadmap for the CSR Mid-Term Target

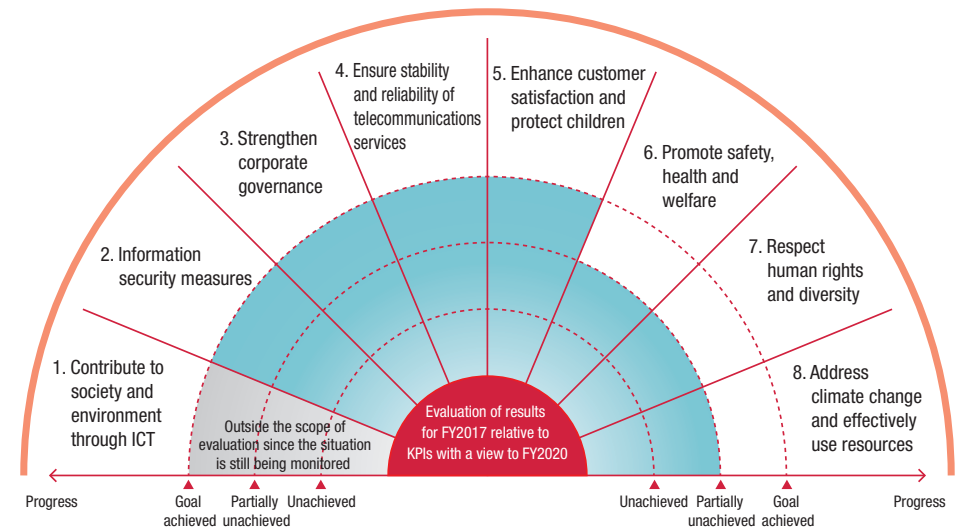


Sustainability Focuses

In setting the targets for the Mid-Term CSR Target, we identified the Eight Sustainability Focuses from the standpoints of stakeholders and the DOCOMO Group and then the specific mid-term targets and Key Performance Indicators (KPIs) were set for each issue. In this process, consideration was also given to the requirements of various guidelines and outside rating agencies as well as the Sustainable Development Goals (SDGs) and other aspects of the external environment.

In FY2020, the final year of the Mid-Term Target, we will verify the progress and results of our activities addressing the Eight Sustainable Focuses to derive our new Sustainable Focuses for 2021 and beyond.

Evaluation of Results for FY2017 Relative to KPIs with a View to FY2020












*We provide detailed information on KPIs toward FY2020, and results and evaluation on pages 68-71.



Results of Sustainability Focuses and KPI Initiatives


Applying the Eight Sustainability Focuses identified in the CSR Mid-Term Target, we have set our concrete Mid-Term Goals and KPIs. We will advance initiatives aimed at resolving social issues by linking our key achievements and evaluations for FY2017 to the Sustainable Development Goals (SDGs), which have been set by the United Nations for the entire globe.

Sustainability Focus 1. Contribute to society and environment through ICT

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Provide ICT services that contribute to resolving social issues	A: Cases in which ICT services contribute to resolving social issues	Monitor cases	Gather and report examples of solutions to social issues that are directly linked to "Innovative docomo" under our CSR Policy.	—*	        

* Outside the scope of evaluation since the situation is still being monitored

Sustainability Focus 2. Information security measures

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Protect customer information assets by addressing increasingly sophisticated and serious security risks	A: Number of information security incidents	0 cases	0 cases	Goal achieved	
	B: Conduct information security training	At least once a year for all employees	Conducted for all employees		
	C: Information security management carried out by subcontractors	Monitor the situation	Prescribed an manual on information security for outsourcing and thoroughly implemented management		




Results of Sustainability Focuses and KPI Initiatives

Sustainability Focus 3. Strengthen corporate governance

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Establish a corporate culture that society trusts	A: Organize more stakeholder dialogues	More than in the previous year	Held the same number of meetings with shareholders and investors through executive management as the previous fiscal year (52 times worldwide) [Reference] FY2016: 54 times (Small meetings previously held separately following results briefings were integrated into a single occasion in the third quarter of FY2017 to increase efficiency)	Goal achieved	
	B: Appoint two or more independent outside directors	Two or more	Two		
	C: Percentage of participation in compliance training	Monitor the situation	Percentage of participation: 97.9% Conducted for all employees		
	D: Number of compliance violations	Monitor the situation	57 compliance violations from 111 consultations on compliance		


Sustainability Focus 4. Ensure stability and reliability of telecommunications services

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Provide stable telecommunications services and promptly resume operations in the event of a disaster or other emergencies	A: Stable service provision rate	100%	100%	Goal achieved	
	B: Number of major accidents	0 cases	0 cases		
	C: Percentage of population covered by LTE than in the previous year	Higher than in the previous year	Same as previous year Percentage of population covered by LTE: 99.8% [Reference] FY2016: 99.8%		
	D: Large-zone base stations coverage of prefectural capital cities	100%	100%		


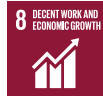


Results of Sustainability Focuses and KPI Initiatives

Sustainability Focus 5. Enhance customer satisfaction and protect children



Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Enhance customer satisfaction and protect children from problems related to smartphone and mobile phone use	A: Customer satisfaction and quality of customer service surveys	Monitor the results	<ul style="list-style-type: none"> Number of "customer's voice" comments collected: Approximately 5.2 million Number of service improvements made based on "perceptive feedback": Approximately 440 Customer's voice gathered and analyzed then reflected in development of products and services, improvements and customer handling quality 	Goal achieved	
	B: Number of Smartphone and Mobile Phone Safety Classes attendees	1.3 million attendees per year	Approximately 1.35 million attendees		

Sustainability Focus 6. Promote safety, health and welfare

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Promote employee safety and wellness to maintain vigorous business operations	A: Level of employee satisfaction	Exceed previous year ⇒ Target 7.7 points* ¹	Studied employee awareness (motivation) and work environment (pleasantness) for all employees Motivation 7.2 points	Partially unachieved	 
	B: Total annual hours worked	Approximately 1,800 hours	1,849.3 hours		
	C: Number of serious industrial accidents during construction work	0 cases	3 cases		
	D: Implementation rate of specific health guidance	60%	20.5%		
	E: Implementation rate of stress checks	95%	97.1%		

*1 The design of the study differs from the previous fiscal year, with the differing scale making it impossible to make year-on-year comparisons.

Sustainability Focus 7. Respect human rights and diversity




Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Respect the human rights of all stakeholders across all aspects of business activities	A: Ratio of female managers	7.5%	5.3%	Partially unachieved	 
	B: Ratio of persons with disabilities	2.0% ⇒ 2.2%* ²	2.22% (As of March 1, 2018)		
	C: Number of confirmed human rights violations	Monitor cases	17 cases		
	D: Percentage of participation in human rights training	Monitor the situation	93.7%		

*2 To raise the figure above the legally mandated level



Results of Sustainability Focuses and KPI Initiatives

Sustainability Focus 8. Address climate change and effectively use resources

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Steadily implement Green Action Plan 2030 and pursue the most advanced environmental management	A: Amount of contribution to the reduction of CO ₂ emissions	38 million tons ⇒ 39 million tons* ³	35.6 million tons	Partially unachieved	  
	B: Electrical efficiency of telecommunications services	Sevenfold increase	Fivefold increase		
	C: Final disposal ratio of waste	Under 1.4%	1.5%		
	D: Used mobile phone collection	16 million units (cumulative total for fiscal 2017–2020)	5.88 million units		

*³ Since the target for LTE subscribers used in the calculation of amount of contribution to the reduction of CO₂ emissions has been revised upward

Items common to all the Sustainability Focuses (for customers and local communities)

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Develop DOCOMO's image as a company that actively engages in CSR activities	A: CSR-related corporate rankings in Japan	Maintain high position	<ul style="list-style-type: none"> · No. 1 overall in Toyo Keizai CSR Company Ranking · Received 5-star rating in the NIKKEI Smart Work Survey · Awarded NIKKEI Smart Work Grand Prize 2018 in the Innovation Division 	Partially unachieved	
	B: ESG-related indexes in Japan	Selection to indexes	<ul style="list-style-type: none"> · FTSE Blossom Japan Index · MSCI Japan ESG Select Leaders Index · MSCI Japan Women Empowering Index 		
	C: Community investment	1% of profit	0.67% (Approximately ¥6.49 billion) [Reference] FY2016: 0.69% (approximately ¥6.48 billion)		
	D: Number of employees participating in volunteer activities	More than in the previous year	Number of participants: 34,944 [Reference] FY2016: 38,619		

Items common to all the Sustainability Focuses (for shareholders and investors)

Mid-Term Goals	KPI Toward FY2020		Key Achievements of FY2017	Evaluations	Related SDGs
Earn high marks from investors and other stakeholders in Japan and abroad by meeting the growing needs of ESG investment	A: Major ESG investment indexes	Selection to indexes	<ul style="list-style-type: none"> · DJSI World Index · FTSE4Good Index · Constituent of the MSCI ESG Leaders Indexes 	Goal achieved	

Contribute to Society and Environment through ICT

Providing services and solutions in collaboration with university and medical institutions

Number of members of “gacco”
(free university courses)

Over **450,000**

(As of August 2018)

Number of medical institutions
DOCOMO partners with

Approx. **300**

(As of March 31, 2018)

Provide ICT Services That Contribute to Resolving Social Issues

Amid increasing use and application of ICT in people's lives and in industry, DOCOMO is developing and providing services that create new value through collaboration with its partners and assisting with the generation of new frameworks that lead to the resolution of various social issues.

In education and learning, we are working to build an environment in which anyone has equal opportunity to receive high quality education. In collaboration with the Ibaraki Prefecture Koga Education Committee, we have created an environment that enables elementary school students of all grades in the city to learn using tablets anywhere, anytime. We also provide free online courses known as “gacco” that help with business and cultural education.

In health and medical care, DOCOMO has developed the Maternal & Child Health Handbook App, which broadens the potential of the handbook, as well as technology to measure personal stress using a smartphone in conjunction with The University of Tokyo and Keio University.

In workstyle reform and productivity improvement, we are working to save on labor and ensure a food production system in the dairy farming, agriculture and fishing industries, for example, through the development and provision of a Calving Monitoring System to assist with the birth of calves, a cloud-based paddy field management system and ICT Buoy.



Maternal & Child Health
Handbook App

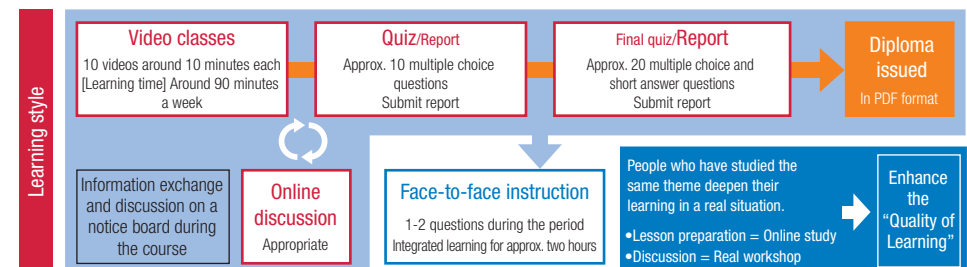
Education & learning

● Free University Courses “gacco”

DOCOMO has started an initiative called “gacco” in which members of the public can take free online courses that are helpful for business and education. The courses can be taken using a smartphone or tablet when people have a spare moment such as while commuting or before bed, with a large number of people already taking advantage of the scheme amid growing calls for a change in working styles and opportunities to relearn for working adults. The lectures are in a distinctive and easy-to-understand video format and offer a new learning style in which users can interact with each other via an online notice board. Diplomas and other incentives to continue studying are provided upon course completion. In addition to online courses, users can heighten their learning through face-to-face instruction.



Acceptance image of "gacco"



Education & learning

Mobility

Workstyle reform

Health & medical care

Productivity improvement

Climate change

Contribute to Society and Environment through ICT

Health & medical care

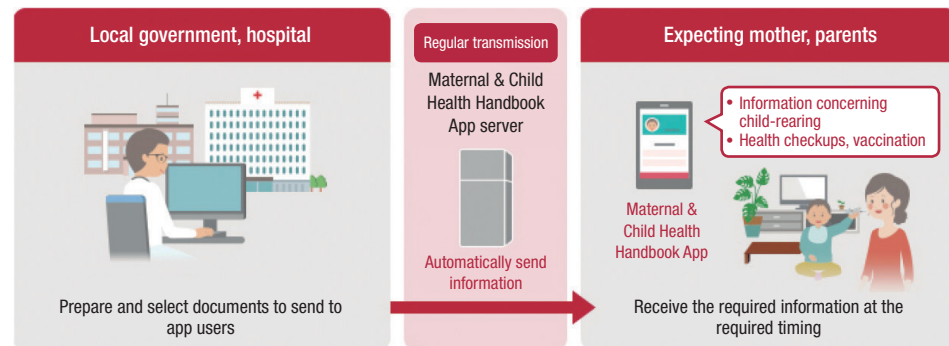
● Maternal & Child Health Handbook App

Maternal and child health handbooks have been distributed to expecting mothers in Japan for more than half a century, contributing to a reduction in the infant mortality rate and an improvement in the health of expecting and nursing mothers. The usefulness of the system has been recognized worldwide and introduced in over 30 countries. With the aim of leveraging the potential of the handbook, DOCOMO developed the Maternal & Child Health Handbook App in conjunction with its partner*1.

The app digitizes the health records of mother and child that have been entered on a smartphone while information related to local government systems and procedures can be accessed at suitable timing in accordance with the child's growth. Expecting and nursing mothers can also select the hospital they are receiving treatment at from a list of medical institutions that DOCOMO partners with (approximately 300 as of March 31, 2018) and obtain highly reliable information from their personal physician.

*1 The app is jointly planned, developed and operated by DOCOMO and HAKUHODO DY MEDIA PARTNERS INCORPORATED and promoted by the NPO Himawari-no-kai.

Flow chart of the Maternal & Child Health Handbook App



Productivity improvement

● Calving Monitoring System

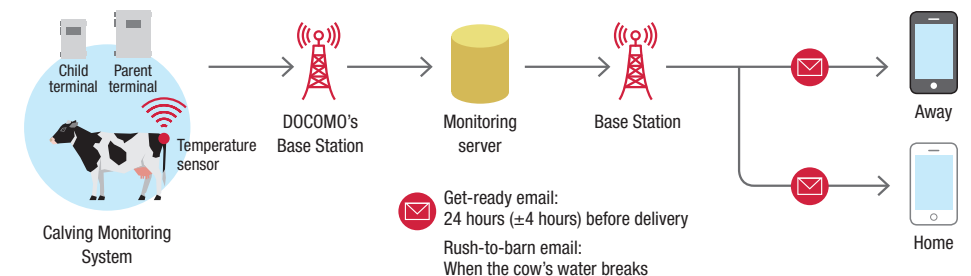
DOCOMO has developed a Calving Monitoring System in conjunction*2 with the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH) and Remote, Inc. as a system to inform the farmer when a cow is about to give birth to help avoid any problems with delivery.

The number of livestock farmers and cows has decreased in recent times due to such factors as the onset of foot-and-mouth disease in 2010, the bankruptcy of several major farms and the shift to other professions owing to the aging of livestock farmers, leading to a serious social issue. Against this backdrop, approximately 30,000 calves die each year due to birth-related problems, putting pressure on the business of livestock farmers.

A Calving Monitoring System monitors the cow's temperature using a temperature sensor and sends an email when there are signs that delivery is imminent so that farmers can be present at the time of delivery to help avoid complications. According to a calculation by JA ZEN-NOH, the system can be expected to reduce the rate of birth-related incidents from around 5% to 0.4%. It also frees livestock farmers from the burden of being constantly present at their barns, which has enhanced the work environment immensely. The app has also improved the private lives of farmers, enabling them to take part in important family events that were perhaps previously difficult to commit to.

*2 Remote, Inc. and DOCOMO are in charge of running the call center while Remote, Inc. handles products and DOCOMO deals with telecommunications. DOCOMO and the JA ZEN-NOH Group are responsible for sales.

Outline of Calving Monitoring System



Information Security Measures

Achieved zero information security incidents for 2nd consecutive year

Number of information security incidents

0 cases/FY

(As of March 31, 2018)

Number of leakage of personal information, theft or misplacement of data

0 cases/FY

(As of March 31, 2018)

Information security training (for all employees)

At least **once** a year

(As of March 31, 2018)

Protect Customer Information Assets by Addressing Increasingly Sophisticated and Serious Security Risks

There were some 386* cases of personal information leaks reported in the newspaper or online news in 2017. Amid the growing need for information security measures, DOCOMO complies with its Information Security Policy in order to ensure that customers can use its services with peace of mind. In addition, our Privacy Policy has been adopted by all Group companies in an effort to protect personal information.

DOCOMO implements vulnerability measures for its internal systems based on these information management systems to prevent the incidence of unauthorized access, destruction, leak and falsification of information assets and endeavors to minimize damage in the event of such incident. In addition, we strive to improve the information security literacy of all employees and provide continuous education to ensure the suitable management of information assets.

DOCOMO also conducts training that simulates a cyber attack to combat the growing threat of increasingly complex and serious attacks on a company's confidential information. Strenuous efforts are being made to strengthen information security throughout the DOCOMO Group, including the introduction of thorough security measures at docomo Shops and our contractors.

*Source: Survey Report of Information Security Incidents 2017 [Special Report] issued by the NPO Japan Network Security Association and the University of Nagasaki (June 13, 2018)

Establishment of information security system

Information security education

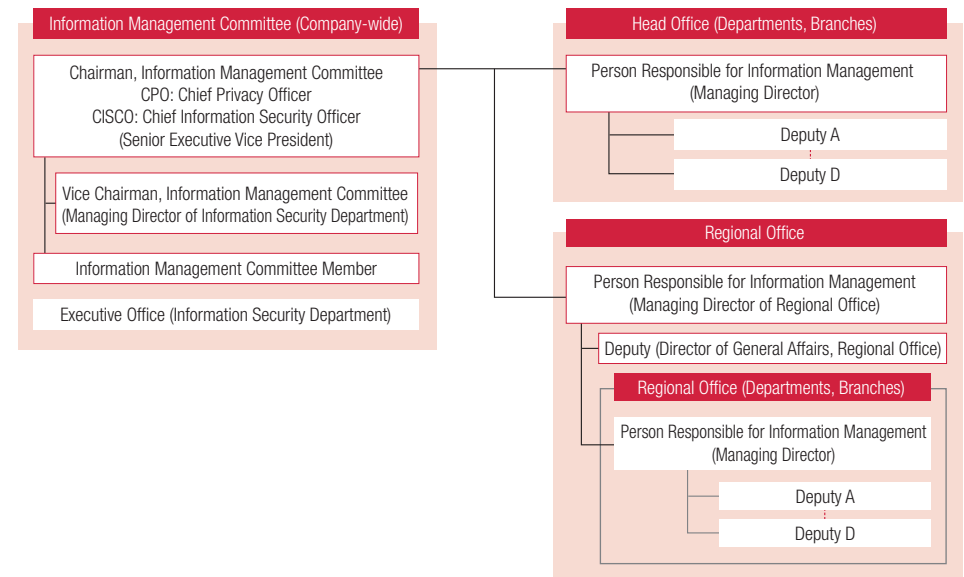
Vulnerability measures for internal systems

Strengthening the Group's information security

A poster showing top management's commitment to information security (at all docomo Shops and docomo's internal departments)



Information Management System



(As of July 1, 2018)



Information Security Policy

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



Radio Wave Safety

Operated at a level less than the Radio-Radiation Protection Guidelines

Radio waves emitted from mobile phone base stations and mobile phones, etc.

Less than SAR standard value of **2** W/kg*¹

(As of March 31, 2018)

Continuing with Efforts Related to Radio Wave Safety as the Social Responsibility of a Mobile Phone Operator

The health effects of radio waves from mobile devices have been researched for over 50 years in Japan and abroad. As a safety standard, the World Health Organization has published its recommended guidelines, while the Radio-Radiation Protection Guidelines serve as their equivalent in Japan. DOCOMO complies with related laws and regulations and ensures that the level of radio wave emissions from base stations and mobile phones remains below the limits specified in the Radio-Radiation Protection Guidelines.

Furthermore, DOCOMO discloses the Specific Absorption Rate (the rate at which energy emitted by radio waves is absorbed by the human body) for each mobile phone on its corporate website, and it strives to make mobile phones safe for customers to use.

In addition, DOCOMO has conducted experiments in collaboration with KDDI CORPORATION and SoftBank Corp. related to the possible impacts of radio waves on the human body at cellular and genetic levels and released a final report in 2007 stating that the research had identified no impact. DOCOMO supports the surveys and research concerning the safety of mobile phone radio waves being conducted by the Electromagnetic Environment Committee of the Association of Radio Industries and Businesses (ARIB) and is actively involved in these initiatives as a regular member.

*¹ 4W/kg for extremities

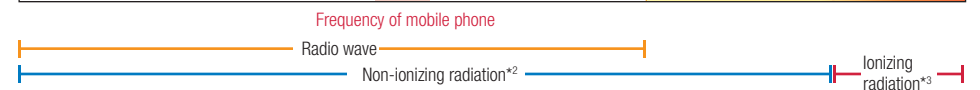
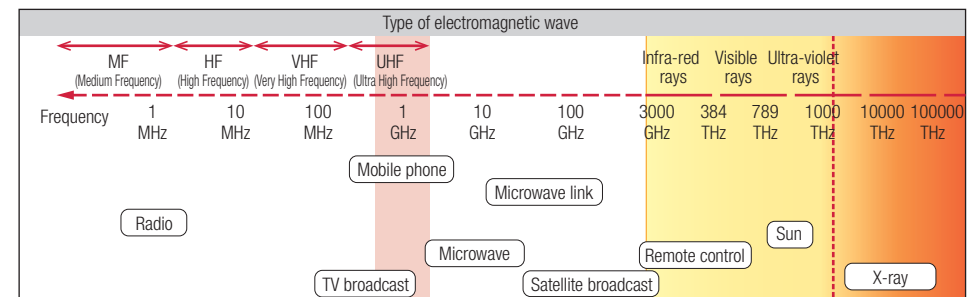


Experiment on the health effects of radio waves conducted jointly with KDDI CORPORATION and SoftBank Corp. (2007)

Web On radio wave safety (in Japanese only)
<https://www.nttdocomo.co.jp/corporate/csr/network/radio/index.html>

Web On Specific Absorption Rate (SAR) for mobile phones (in Japanese only)
<https://www.nttdocomo.co.jp/product/sar/index.html>

Type of Electromagnetic Wave and Frequency of Mobile Phone



*² Electromagnetic waves with low frequency that do not have ionizing effects

*³ Electromagnetic waves with extremely high frequency such as X-ray and gamma ray

Compliance with radio wave laws and regulations (appropriate radio wave operation)

Information disclosure on website

Promote research to verify safety

Corporate Responsibility for Products and Services

Enhancing customer support system

Number of Repair and Service Centers

2,350

(As of March 31, 2018)

Number of shops with videophones supporting sign language and different languages*

653

(As of March 31, 2018)

Providing Value to Many More Customers Through Enhanced Service with a Focus on Quality and due Consideration for Safety

DOCOMO is dedicated to maintaining the quality of products with due consideration for safety at every stage, from design to after-sales service. We formulate our own standards concerning the safety of mobile phones from the design stage, examine the safety of the products by testing prototypes and make a final decision on the launch of a product only after safety is confirmed. We stand by the quality of our products even after they are purchased by providing after-sales services.

Moreover, docomo Shops have videophones supporting sign language and different languages as well as writing boards available for the hearing impaired in an effort to improve service to customers. We carry out activities under the banner DOCOMO Hearty Style based on the universal design concept so that elderly persons, persons with disabilities, customers and people from different countries can use our services with peace of mind.

*Service available in English, Portuguese, Chinese and Spanish

Thorough quality control

Thorough customer response

Providing touchpoints

Considerations for the elderly and persons with disabilities



DOCOMO Hearty class

DOCOMO Hearty Style initiatives

Principles	Initiatives
Promote product and service development	Develop and provide products and apps that incorporate universal design principles (1) Provide mobile phones incorporating universal design, such as the Raku-Raku PHONE (2) Offer Hearty Discounts and other discount services on subscriptions (3) Issue Braille phone charge statements (4) Provide apps designed for persons with disabilities such as Move&Flick, Mierudenwa and Simple Flick
Enhance customer support	Establish customer service desks that are easy to use for all users and enhance response to customers (1) Make docomo Shops barrier-free (2) Operate docomo Hearty Plaza (Marunouchi) (3) Install videophones supporting sign language (4) Conduct training for docomo Shop staff
Disseminate safe and secure use	Organize classes on using smartphones and tablets for persons with disabilities (1) Participate in exhibitions for persons with disabilities (2) Organize free, nationwide DOCOMO Hearty class for organizations serving persons with disabilities (3) Organize free Smartphone and Mobile Phone Safety Classes for special-needs schools

Respect Human Rights

Employ more than the standard ratio of persons with disabilities

Ratio of persons with disabilities

2.32%

(As of June 1, 2018)

PRIDE Index*

Received "Gold" Award for

second year in a row

(As of March 31, 2018)



Respecting the Human Rights of All Stakeholders Across All Aspects of Business Activities

DOCOMO upholds the NTT Group Human Rights Charter established by the NTT Group in 2014 and based on the Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The charter also incorporates ideas from the Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework.

As a member of the NTT Group, DOCOMO is working to ensure that the background and purpose of establishing the NTT Group Human Rights Charter are understood, embraced and practiced by employees. Moreover, the NTT DOCOMO Group formulated its Basic Policies on Human Rights to define a more concrete policy for its initiatives and raise human rights awareness.

In conjunction with Human Rights Day and Human Rights Week, the senior executive vice president and chair of the Human Rights Committee sends a message of respect for human rights to all employees every year. We also conduct training to raise human rights awareness for all employees, including temporary workers.

*The PRIDE Index is a framework for evaluating corporate initiatives related to LGBT and other sexual minorities that was formulated by the voluntary organization work with Pride.

[NTT Group Human Rights Charter](http://www.ntt.co.jp/csr_e/communication/team-ntt/02.html)
http://www.ntt.co.jp/csr_e/communication/team-ntt/02.html

NTT Group Human Rights Charter

Promoting human rights awareness

NTT DOCOMO Group's Basic Policies on Human Rights

ForONES promotional campaign

ForONES

The ForONES promotional campaign expresses DOCOMO's initiatives and approach for keeping every individual in mind for a better tomorrow.

ForONES (in Japanese only)
https://www.nttdocomo.co.jp/special_contents/forones/

NTT DOCOMO Group's Basic Policies on Human Rights (revised in 2016)

Recognizing the importance of human rights, all NTT DOCOMO Group officers and employees are committed to taking the lead in creating a corporate culture that respects the human rights of all stakeholders while adhering to the NTT DOCOMO Group Code of Ethics, NTT Group Human Rights Charter and our CSR Policy with the aim of building a safer, more secure and richer society.

1. We will, through our business activities, strive for a solution on the Dowa issue* and other human rights issues.
2. We will respect diversity and strive to create a healthy working environment that is free of harassment issues by deepening communication and fostering a sense of mutual gratitude.
3. We will, from the standpoint of respect for human rights, review our operations as needed and adapt and improve our business activities.
4. We will cooperate with other NTT DOCOMO Group companies in constructing a proper structure to initiate and execute employee-focused human rights practices, including the establishment of the Human Rights Committee.

*Owing to discrimination which had been formed based on the structure of social status in the course of the historical development of Japanese society, some Japanese people have been forced to accept a lower status economically, socially and culturally, and they are subject to various kinds of discrimination in their daily lives even today. This is the Dowa issue, a human rights problem in Japan.

Customer Enlightenment and Customer Protection

Over 10 million customers have taken classes

Number of Smartphone and Mobile Phone
Safety Classes attendees

Approx. **1.35** million/FY

(As of March 31, 2018)

Protecting Customers from Accidents and Other Problems Through Safe Mobile Phone and Smartphone Use

Research has found that over half of young people use their smartphone to connect to the Internet*. In a pioneering move, DOCOMO has been dispatching instructors to schools and learning centers nationwide since FY2004 to provide Smartphone and Mobile Phone Safety Classes free of charge to ensure safe use of the devices.

Smartphone-distracted walking has been a growing public concern in recent years. In FY2012, DOCOMO embarked on an initiative though which we established the “smartphone manner mark” and developed a design manual to promote safe, more considerate use of smartphones. We stress this point in advertising materials and store promotional tools as well as in posters aimed at raising the awareness of customers and employees. In 2013, we began offering a function that prevents smartphone-distracted walking.

DOCOMO is also taking steps to prevent bank transfer scams, which are becoming increasingly sophisticated every year, in conjunction with relevant authorities and other mobile phone operators to combat a spate of such illegal activities committed using mobile phones.

* Source: “Survey on Internet Use Environment among Adolescents in FY2017” issued by the Cabinet Office

Raising awareness of the rules and acceptable behavior for mobile phones

Alert to the dangers of smartphone-distracted walking

Promoting safe charging

Measures to prevent remittance soliciting fraud



The “smartphone manner mark” aims to ensure safer and more comfortable smartphone use.

Main Measures to Prevent Remittance Soliciting Fraud

Overview	Details
Tougher screening upon subscription	Payment methods for usage charges for individual subscriptions are limited to credit card or direct account withdrawal in principle. Applicable credit cards and ATM cards can be confirmed at a docomo Shop or other outlets.
	Information on customers who fail to confirm their identity when requested by the police, and to whom services are discontinued, is commonly shared among all mobile providers and utilized in screening procedures.
	In order to prevent large volumes of fraudulent subscriptions under the same name, individual subscriber lines under the same name have been limited. In addition, tougher screening measures are being applied to corporate subscribers. Failure to meet the standards results in restricting the maximum number of lines they can use.
Cooperation with the police	Information is provided to the police when there is suspicion of fraudulent identification, such as a fake driver's license, after informing the customer in advance.
	At the request of the police, we cancel the subscription of, or reject for a certain period, any additional subscription requested by a rental operator who is found to have violated the Act for the Prevention of Illegal Mobile Phone Use.
Implementation of “network use restriction”	We use the “network use restriction**” system as a means for preventing the criminal use of mobile phones that have been stolen from docomo Shops or other retail outlets or obtained through fraud or other criminal behavior; or by forging identification or submitting applications with false information (name, address, birthdate, etc.)



Employee Safety and Wellness

Our goal is the safety and wellness of our 27,464 employees

Serious industrial accidents

Implementation rate of stress checks

Three

/FY

(As of March 31, 2018)

97.1

%

(As of March 31, 2018)

Promoting the Safety and Wellness of Employees for Business Operations Full of Vitality

The number of fatalities caused by industrial accidents exceeded 120,000 in Japan in 2017*. Against this backdrop, the DOCOMO Group is focusing on creating workplaces where employees can work in safety and good health in order to provide an environment in which every employee can play an active role. In addition to ensuring the health and safety of staff in the workplace in compliance with Japan's Labor Standards Act and Industrial Safety and Health Law, we formulated Safety Management Rules aimed at achieving zero accidents resulting in casualty to provide guidance to employees so that they can carry out their duties safely.

When doing construction or maintenance work at our base stations and network facilities, we pay the utmost attention in order to avoid the risks of falling during aerial work and electrocution. Based on the DOCOMO Safety Manual for Construction Work, we implement safety measures that are also extended to our suppliers and other business partners. We also hold DOCOMO Safety Training program for all DOCOMO Group employees across Japan with the aim of boosting safety management skills.

DOCOMO established Health Management Rules to promote the development of a pleasant working environment as a means to enhance the health management of employees. We provide annual physical examinations for all employees and are taking other steps that include administering stress checks to employees with an emphasis on preventing the onset of illness.

*Source: "The status of occurrence of occupational accidents in 2017" issued by the Ministry of Health, Labour and Welfare

Ensuring safety and wellness

Creation of a pleasant working environment

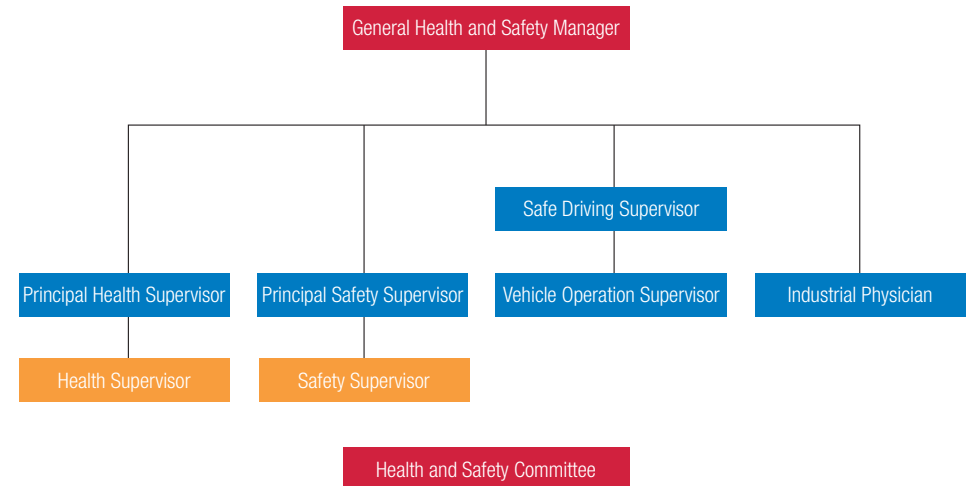
Safety measures during construction and maintenance

Efforts toward health management



The DOCOMO Safety Training program aims to enhance safety management skills.

Health and Safety Management System



Supply Chain Management

Response rate for CSR Promotion Check Sheet for suppliers: 100%

Number of companies that submitted
the CSR Promotion Check Sheet

62

(As of March 31, 2018)

Promoting CSR Procurement in View of Responsibilities to Society

DOCOMO values its relationship with suppliers and other business partners and strives to undertake CSR procurement in view of our responsibilities to society. We conduct procurement activities in accordance with our Basic Procurement Policies and have formulated items to be addressed in seven domains related to CSR based on the NTT DOCOMO Guidelines for CSR in Supply Chain (revised in December 2013). We revised our guidelines for Green Procurement in January 2018 and are urging consideration of the environment.

In particular, we request that all tier-one suppliers submit an NTT Group CSR Promotion Check Sheet. In the event of possible high risk, DOCOMO will dispatch its employee to the supplier to check status and formulate corrective actions together. Every year we provide feedback to each supplier on the content of the check sheet without revealing the company name and regularly provide education for our procurement staff.

In addition, through social gatherings with suppliers we can listen to each other's requests and recommendations, which helps create a better partnership.



NTT DOCOMO Guidelines for CSR in Supply Chain

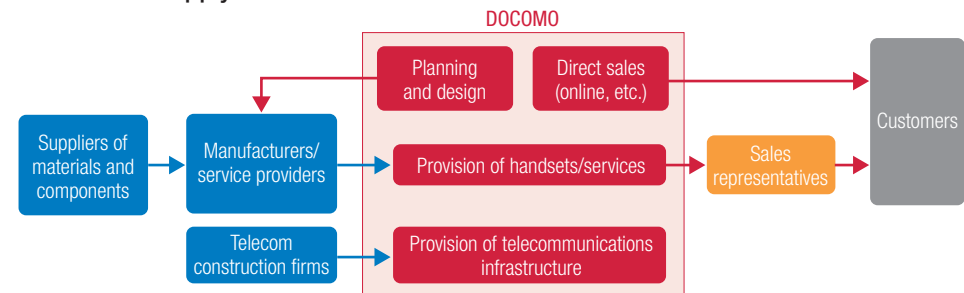
https://www.nttdocomo.co.jp/english/binary/pdf/corporate/procure/policy/supply_chain.pdf



Business Partner Kickoff party



DOCOMO's Supply Chain



Basic Procurement Policies

1. DOCOMO will strive to provide competitive opportunities with fairness to both domestic and foreign suppliers, and to build mutual trust and understanding.
2. DOCOMO will conduct economically rational procurement of competitive goods and services that meet its business needs, deciding on suppliers based on quality, price, delivery times and stable supply in a comprehensive manner.
3. DOCOMO will conduct procurement in a manner that follows laws and regulations as well as social norms, and takes the environment, human rights and other issues into account, to contribute to society.

Provide competitive opportunities with fairness

Establish a CSR procurement check system

Comply with the seven domains related to CSR

Establish better partnerships

Community Involvement and Development

Expenditures on community investment initiatives as a member of the One-Percent Club*1

Community investments expenditures
Approx.

¥6.49 billion

(As of March 31, 2018)

Number of community
investment activities*2

1,211

(As of March 31, 2018)

Number of participants in
community investments activities

34,944

(As of March 31, 2018)

Contributing to the Realization of a Society in Which People can Live with Greater Security, Safety and Affluence as a Company That Leads the Industry

As a good corporate citizen, the DOCOMO Group actively undertakes community investment initiatives toward the realization of a comfortable, prosperous society by collaborating with diverse stakeholders. We have established a system for promoting CSR that is unique to the DOCOMO Group, in which DOCOMO's head office sets out basic policies and overall direction of activities and a CSR officer at each Group company develops activities tailored specifically to the business operation and regional characteristics of each company and regularly exchanges information.

We believe that facilitating dialogue with local communities through our community investments will eventually benefit us in terms of business opportunities and risk avoidance. With this in mind, we are undertaking a variety of initiatives that include promoting the safe and secure use of smartphones and mobile phones, providing work experience and career education to the next generation, supporting children living in poverty, supporting the lives of people living in disaster zones and helping with reconstruction, and assisting with industrial development and regional revitalization.

DOCOMO encourages its employees to volunteer to ensure these activities are undertaken with optimum effectiveness. The President's Award for Community Investments is given to employees who have become outstanding role models in their steadfast participation in community investments. In addition to annual paid holidays, employees can take a "life planning vacation" when they want to take part in a volunteer activity.

*1 The One-Percent Club refers to a group consisting of volunteer companies and individuals that strive to contribute at least 1% of ordinary profit and disposable income to community investments. It was established by Keidanren (Japan Business Federation) in November 1990.

*2 Each monetary donation, donation of goods and free use of facilities is counted as one activity.

Safety and security

Disaster prevention and response

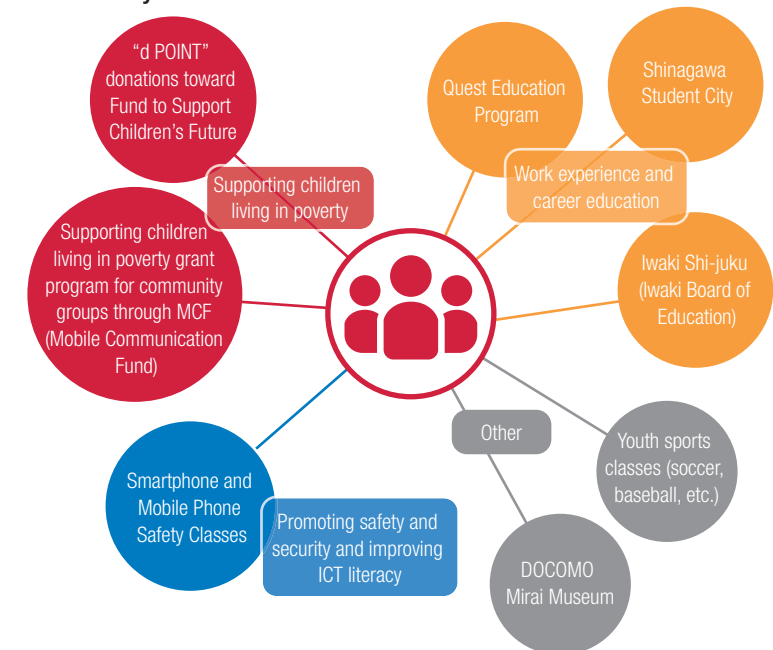
Nurturing the next generation

The local community



DOCOMO employees distribute tablets provided from the local government to each household in Fukushima Prefecture where the members have been forced to live in evacuation shelters over a prolonged period of time. The tablets are being used to maintain two-way communication between friends from hometowns and family members.

Community Investment in FY2017



Environment (Address Climate Change and Effectively Use Resources)

Promoting initiatives based on the Paris Agreement*

Amount of contribution to the reduction of CO₂ emissions

35.6 million tons/FY

(As of March 31, 2018)

Electrical efficiency of telecommunications services

Fivefold increase

(As of March 31, 2018)

Aiming to Be at the Forefront of Environmental Management by Resolving Global Environmental Issues Through ICT Services

The DOCOMO Group believes that our mission as a corporate citizen is to acknowledge environmental impacts associated with our business activities and make the utmost effort to reduce this burden on society by working together with our customers. We formulated the DOCOMO Group Environmental Charter as a guideline to achieve this goal and are striving to resolve global environmental issues by providing ICT services. ICT can help to curb the generation of CO₂ by reducing the consumption of materials and energy for the production of books and music as well as visual media; reducing work processes through increased operational efficiency; reducing the movement of people through network utilization; and reducing the movement and storage of goods through information digitization. All of these factors contribute to a reduction in environmental burden.

We also formulated the DOCOMO Group's Environmental Declaration with the aim of leading successful environmental management systems, and Green Action Plan 2030, which summarizes our environmental targets through to 2030.

*This refers to the global long-term goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

DOCOMO Group Environmental Charter (in Japanese Only)
https://www.nttdocomo.co.jp/corporate/csr/ecology/envIRON_management/charter_object/index.html

Conduct business with the environment in mind

Promote environmental communication

Strengthen environmental management

Preserve biodiversity

DOCOMO Group's Environmental Declaration

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.

Realizing a Low Carbon Future

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

Implementing Closed-Loop

Recycling
We are working toward more effective resource allocation.

Planning a Future of

Natural Harmony
We are contributing to the conservation 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 (including smartphones and tablets) at approximately 2,400 docomo Shops throughout Japan. The project is being implemented as part of efforts to ensure the effective use of resources.



Environment (Address Climate Change and Effectively Use Resources)

DOCOMO Group's Environmental Targets—Green Action Plan 2030

DOCOMO formulated the Green Action Plan 2030, which summarizes the Group's environmental targets through to 2030, and is challenging five targets from the perspectives of "Innovative docomo" and "Responsible docomo," which are the DOCOMO Group's CSR Policy. These targets include contributing to society by reducing CO₂ emissions by at least 40 million tons and bringing about at least a tenfold increase in power efficiency in the telecommunications business compared with FY2013. We will announce the results of the Green Action Plan 2030 for each fiscal year and consider taking measures such as improvements concerning the initiatives and target values of the plan based on the results every five years.

Green Action Plan 2030

Targets to be achieved by 2030 are set on the basis of our CSR Policy of "Innovative docomo" and "Responsible docomo."

Green Actions of **I**nnovative docomo

We will contribute to create a low-carbon society and minimize climate change risks by providing DOCOMO's services to customers.

Quantitative Target

- Amount of contribution to the reduction of CO₂ emissions across society: at least 40 million tons

Qualitative Target

- We will promote various initiatives to contribute to adaptation to climate change. We will also make collaborative efforts with our stakeholders.

Reduction of CO₂ emissions by 40 million tons → Adaptation to climate change +d

Main Actions

- Development and provision of the services and technologies contributing to the reduction of CO₂ emissions
- Development and provision of the services and technologies contributing to the adaptation to climate change

Environmental Management System

DOCOMO has created an environmental management system (EMS) to promote environmental preservation activities throughout the Group and conducts internal environmental audits to ensure the effective implementation of the EMS. In FY2017, we reviewed key audit items as part of an examination into a shift to new standards for ISO 14001 (FY2015 edition) and confirmed the status of initiatives at each organization. As a result, the audits found that every company was in compliance with the requirements of ISO 14001 and that activities were generally being conducted appropriately in conformance with environmental procedure manuals and other guidelines.

Green Actions of **R**esponsible docomo

We will fulfill our responsibility to reduce environmental impact. We will also actively participate in environmental contribution activities as a corporate citizen.

Quantitative Target

- Electrical efficiency of telecommunications services: at least a tenfold increase compared with FY2013
- Final disposal ratio of waste: achieve zero emissions (under 1%)

Qualitative Target

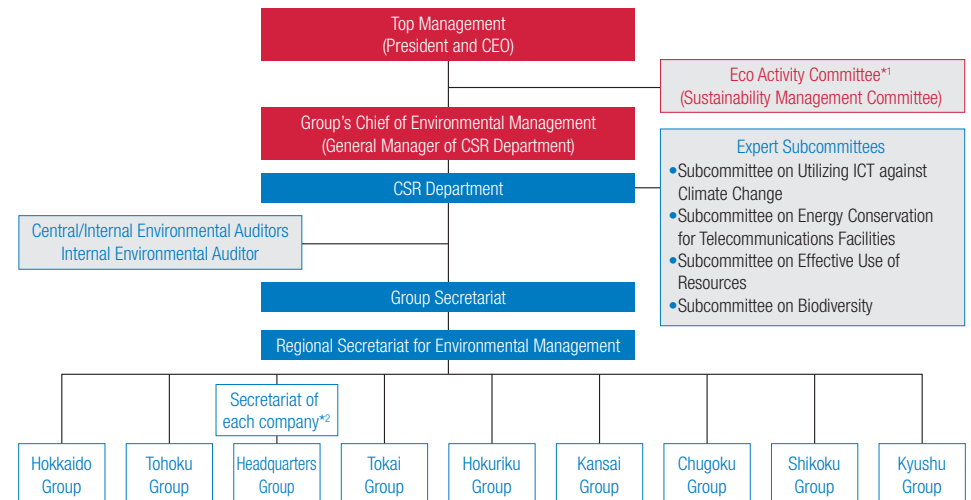
- We will promote initiatives through various activities for conservation of biodiversity. We will also make collaborative efforts with our stakeholders.

At least a tenfold increase in electricity efficiency
Achieve zero emissions
Activities for conservation of biodiversity

Main Actions

- Energy conservation for telecommunications network facilities
- Promoting 3R activities
- Promoting activities for conservation of biodiversity such as tree planting, promoting employee training

Organizational Structure for Environmental Management



*1 Including meetings attended by top management and executives

*2 Each of DOCOMO CS, Inc., DOCOMO Support, Inc., DOCOMO Systems, Inc. and DOCOMO Technology, Inc.

(As of April 2018)

Management Process for Risks and Opportunities Associated with Climate Change

DOCOMO regularly identifies business risk each year in accordance with our Risk Management Principles, and the Internal Control Committee chaired by the President & CEO designates risks that require company-wide management.

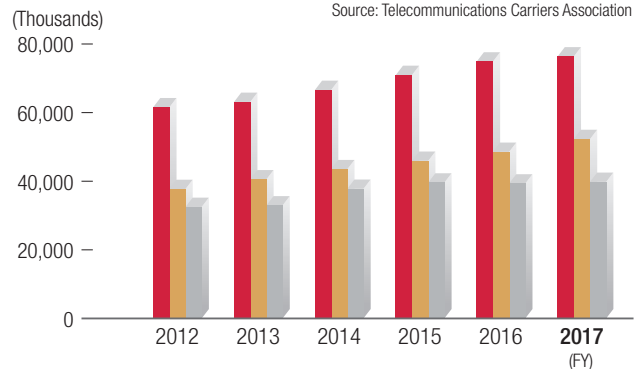
The CSR Department, which is exclusively responsible for promoting environmental measures throughout for the DOCOMO Group, monitors changes in the external and internal environments caused by climate change, and identifies risks and opportunities associated with climate change that may impact business. The Internal Control Committee then specifies those risks and opportunities with a high degree of impact and frequency of occurrence as company-wide risk.

After deciding on the risks and opportunities that need to be addressed, including other climate related risks, the CSR Department formulates a policy to prevent the risk from materializing that is conveyed to related committees. Response initiatives are then set in motion as part of the action plan of each committee.

Operating Data

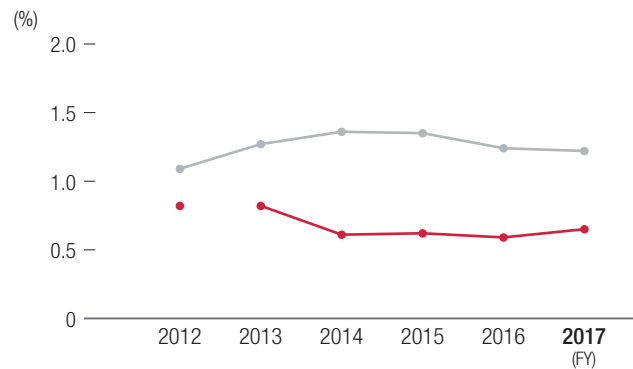
(As of and for fiscal years ended March 31)

Number of mobile phone subscriptions



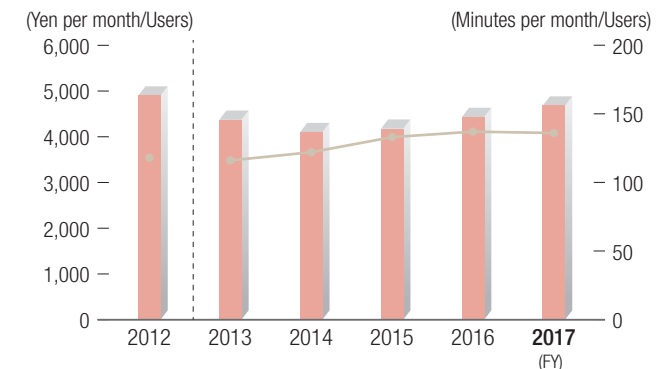
DOCOMO	61,536	63,105	66,596	70,964	74,880	76,370
au	37,709	40,522	43,478	45,910	48,540	52,283
SoftBank ¹	32,480	32,925	37,766	39,586	39,310	39,787

Churn rate



DOCOMO ²	0.82	0.82	0.61	0.62	0.59	0.65
au	1.09	1.27	1.36	1.35	1.24	1.22
SoftBank ¹	1.09	1.27	1.36	1.35	1.24	1.22

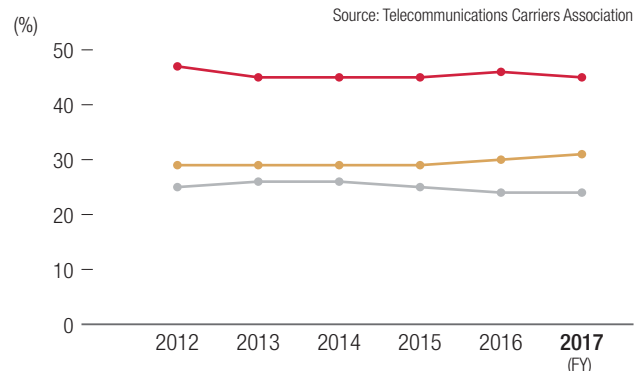
ARPU⁴/MOU⁵



ARPU	4,900	4,370	4,100	4,170	4,430	4,680
MOU	118	116	122	133	137	136

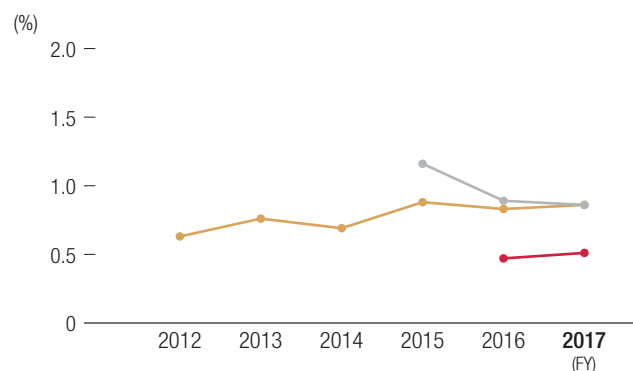
Note: The method of calculating ARPU and MOU changed from FY2015. Accordingly, the figures for FY2013 and FY2014 have been adjusted.

Share of mobile phone subscriptions



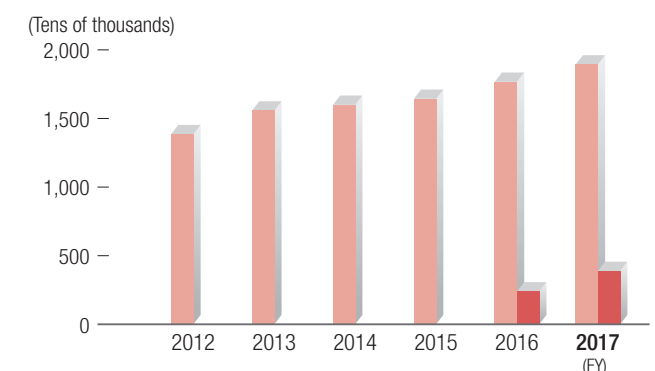
DOCOMO	47	45	45	45	46	45
au	29	29	29	29	30	31
SoftBank ¹	25	26	26	25	24	24

Handset churn rate



DOCOMO ³	0.63	0.76	0.69	0.88	0.83	0.86
au	0.63	0.76	0.69	0.88	0.83	0.86
SoftBank	1.16	0.89	0.86	0.47	0.51	0.51

Number of "d CARD" subscriptions



Number of "d CARD" subscriptions	1,385	1,557	1,599	1,643	1,767	1,893
Number of "d CARD GOLD" subscriptions					239	388

Note: The number of "d CARD" subscriptions is the total of "d CARD" and "d CARD mini" members.

1. The figures for SoftBank from FY2012-2014 do not include EMOBILE (currently Y!mobile). The figures for FY2015 and thereafter include Y!mobile.

2. 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.

3. Handset churn rate represents the churn rate in Basic Plans (excluding Data Plans and Device Plus), Xi/FOMA Billing Plans and Type Limit Value/Type Limit for smartphones and feature phones, etc.

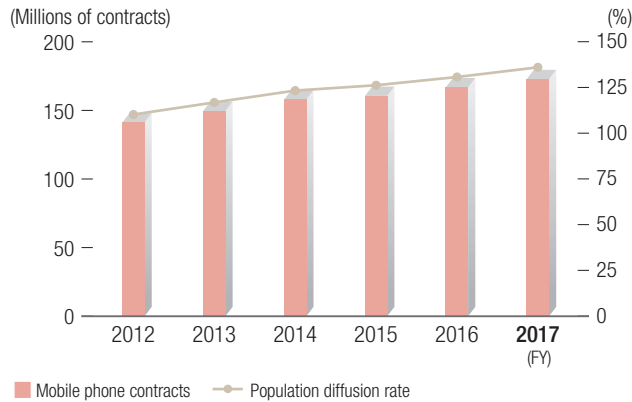
4. ARPU: Average monthly revenue per unit 5. MOU: Average monthly communication time per user



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

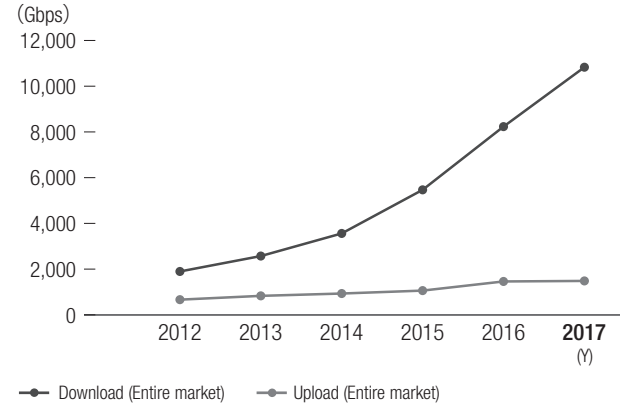
Number of mobile phone contracts/Population diffusion rate in Japan

Source: Ministry of Internal Affairs and Communications (MIC), Information & Communications Statistics Database



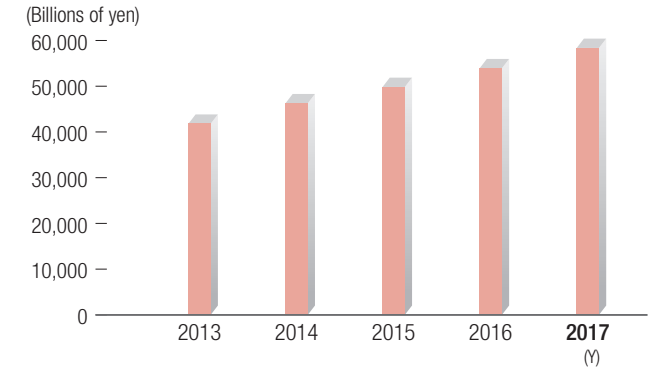
Communications traffic in Japan

Source: MIC, Statistics and Estimates Regarding Internet Traffic in Japan, released on February 27, 2018 (Aggregate results for November 2017)



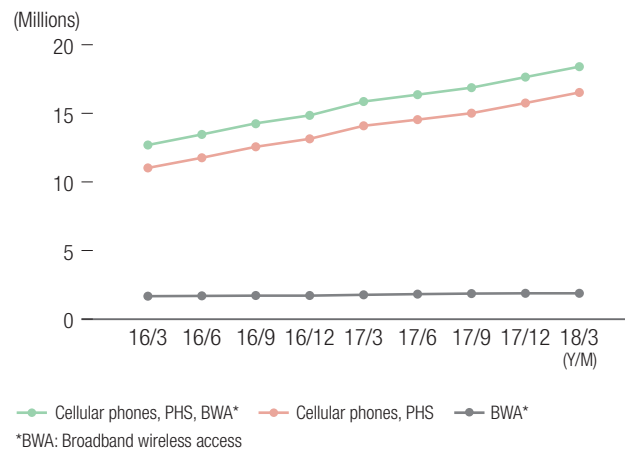
Credit card shopping usage amount

Source: Japan Consumer Credit Association, Credit Statistics of Japan: Trends in consumer credit amount to be provided (2017 edition)



Number of MVNO service subscriptions in Japan

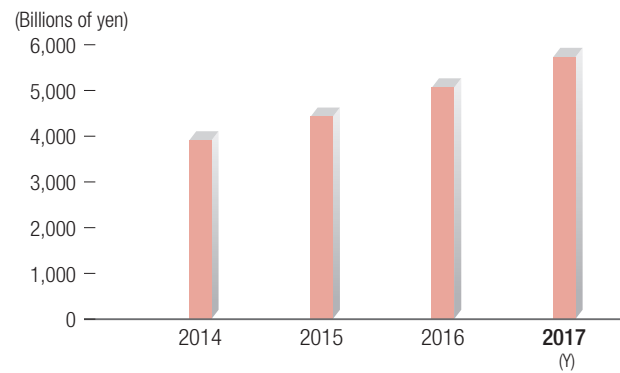
Source: MIC, Quarterly Data on the Number of Telecommunications Service Subscriptions and Market Shares (FY2017 Q4 (End of March 2018))



*BWA: Broadband wireless access

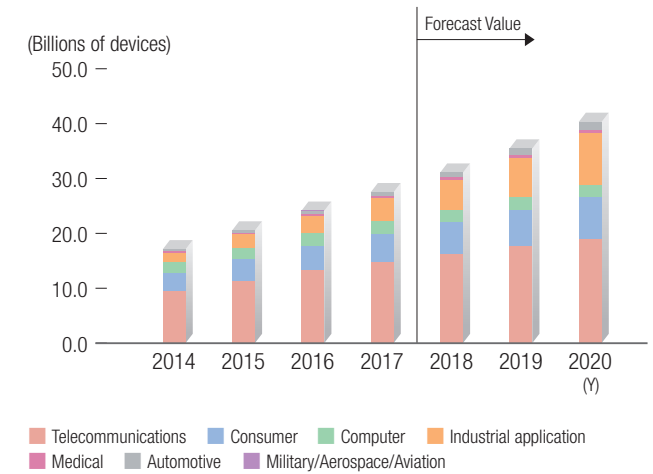
Scale of market for mobile content related

Source: Mobile Content Forum (MCF), The 2017 mobile content related markets report



Global trend and prediction of IoT devices

Source: MIC, White Paper on Information and Communications in Japan 2018 (Japanese edition)



Telecommunications Consumer Computer Industrial application
Medical Automotive Military/Aerospace/Aviation

<http://www.soumu.go.jp/johotsusintokei/whitepaper/ja/h30/pdf/index.html>



11-Year Summary of Selected Financial and Non-Financial Data (2007-2011)

NTT DOCOMO, INC. and Consolidated subsidiaries
(FY)

(Millions of yen)

	2007	2008	2009	2010	2011
Operating results:					
Operating revenues	4,711,827	4,447,980	4,284,404	4,224,273	4,240,003
Telecommunications services ^{1,2}	4,008,267	3,631,391	3,462,783	3,361,235	3,334,036
Equipment sales ²	546,593	606,898	507,495	477,404	498,889
Other operating revenues ^{1,2}	156,967	209,691	314,126	385,634	407,078
Operating expenses	3,903,515	3,617,021	3,450,159	3,379,544	3,365,543
Operating income	808,312	830,959	834,245	844,729	874,460
Net income attributable to NTT DOCOMO, INC. ³	491,202	471,873	494,781	490,485	463,912
Comprehensive income attributable to NTT DOCOMO, INC. ³	478,738	405,774	523,091	450,909	436,338
Total assets ³	6,210,834	6,488,220	6,756,775	6,791,593	6,948,082
Total interest-bearing liabilities	478,464	639,233	610,347	428,378	256,680
Total shareholders' equity ³	4,276,496	4,341,585	4,635,877	4,850,436	5,062,527
Debt-to-equity ratio (Times) ^{3,4}	0.112	0.147	0.132	0.088	0.051
Shareholders' equity ratio ³	68.9%	66.9%	68.6%	71.4%	72.9%
Net cash provided by operating activities	1,560,140	1,173,677	1,182,818	1,287,037	1,110,559
Net cash used in investing activities	(758,849)	(1,030,983)	(1,163,926)	(455,370)	(974,585)
Adjusted free cash flow (excluding changes in investments for cash management purpose) ⁵	442,410	93,416	416,878	589,777	503,479
Capital expenditures	758,743	737,606	686,508	668,476	726,833
Research and development expenses	100,035	100,793	109,916	109,108	108,474
Depreciation and amortization	776,425	804,159	701,146	693,063	684,783



11-Year Summary of Selected Financial and Non-Financial Data (2007-2011)

NTT DOCOMO, INC. and Consolidated subsidiaries
(FY)

(Millions of yen)

	2007	2008	2009	2010	2011
Operating income margin	17.2%	18.7%	19.5%	20.0%	20.6%
EBITDA ^{6,7}	1,639,096	1,678,422	1,568,126	1,565,728	1,583,298
EBITDA margin ^{6,7}	34.8%	37.7%	36.6%	37.1%	37.3%
Operating FCF ⁸	880,353	940,816	881,618	897,252	856,465
ROE	11.6%	11.0%	11.0%	10.3%	9.4%
Payout ratio ³	42.1%	43.0%	43.8%	44.1%	50.1%

Per share data (Yen)⁹:

Earnings per share attributable to NTT DOCOMO, INC. ³	113.91	111.72	118.64	117.97	111.87
Shareholders' equity per share ³	1,003.21	1,039.66	1,114.24	1,169.69	1,220.84
Cash dividends declared per share ¹⁰	48	48	52	52	56

Shares⁹:

Average common shares outstanding	4,312,058,600	4,223,871,500	4,170,573,800	4,157,685,900	4,146,760,100
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Non-financial data:

Number of directors (of which, independent outside directors) ¹¹	13 (0)	13 (0)	13 (0)	13 (0)	13 (0)
Number of consolidated employees (of which, NTT DOCOMO, INC.) ^{12,13}	22,100 (5,843)	21,831 (11,463)	22,297 (11,053)	22,954 (11,062)	23,289 (11,053)
Ratio of female officers and managers (NTT DOCOMO, INC.) ^{12,13,14}	—	—	—	—	—
Greenhouse gas emissions (t-CO ₂) ¹⁵	1,090,169	1,243,286	1,249,456	1,210,437	1,266,880
Electricity usage (MWh)	2,762,238	2,766,979	2,735,061	2,814,866	2,944,856
Paper usage (t) ¹⁶	—	35,142	35,770	29,934	33,026



11-Year Summary of Selected Financial and Non-Financial Data (2012-2017)

NTT DOCOMO, INC. and Consolidated subsidiaries
(FY)

(Millions of yen)

	2012	2013	2014	2015	2016	2017
Operating results:						
Operating revenues	4,470,122	4,461,203	4,383,397	4,527,084	4,584,552	4,769,409
Telecommunications services ^{1,2}	3,176,931	2,963,980	2,747,155	2,815,507	2,985,094	3,137,870
Equipment sales ²	758,093	872,000	904,089	860,486	719,161	755,138
Other operating revenues ^{1,2}	535,098	625,223	732,153	851,091	880,297	876,401
Operating expenses	3,632,942	3,642,004	3,744,326	3,744,060	3,639,814	3,796,145
Operating income	837,180	819,199	639,071	783,024	944,738	973,264
Net income attributable to NTT DOCOMO, INC. ³	491,026	464,729	410,093	548,378	652,538	744,542
Comprehensive income attributable to NTT DOCOMO, INC. ³	546,443	523,431	453,102	510,667	662,281	783,458
Total assets³	7,169,725	7,508,030	7,146,340	7,214,114	7,453,074	7,748,290
Total interest-bearing liabilities	253,766	230,346	222,651	222,164	221,880	161,632
Total shareholders' equity ³	5,368,475	5,643,366	5,380,072	5,302,248	5,530,629	5,680,409
Debt-to-equity ratio (Times) ^{3,4}	0.047	0.041	0.041	0.042	0.040	0.028
Shareholders' equity ratio ³	74.9%	75.2%	75.3%	73.5%	74.2%	73.3%
Net cash provided by operating activities	932,405	1,000,642	962,977	1,209,131	1,312,418	1,511,540
Net cash used in investing activities	(701,934)	(703,580)	(651,194)	(375,251)	(943,094)	(718,372)
Adjusted free cash flow (excluding changes in investments for cash management purpose) ⁵	225,589	257,209	295,590	598,744	664,531	862,503
Capital expenditures	753,660	703,124	661,765	595,216	597,078	576,412
Research and development expenses	111,294	102,039	96,997	83,315	83,050	91,773
Depreciation and amortization	700,206	718,694	659,787	625,934	452,341	485,502



11-Year Summary of Selected Financial and Non-Financial Data (2012-2017)

NTT DOCOMO, INC. and Consolidated subsidiaries
(FY)

(Millions of yen)

	2012	2013	2014	2015	2016	2017
Operating income margin	18.7%	18.4%	14.6%	17.3%	20.6%	20.4%
EBITDA ^{6,7}	1,569,264	1,572,196	1,369,092	1,463,176	1,463,444	1,509,939
EBITDA margin ^{6,7}	35.1%	35.2%	31.2%	32.3%	31.9%	31.7%
Operating FCF ⁸	815,604	869,072	707,327	867,960	866,366	933,527
ROE	9.4%	8.4%	7.4%	10.3%	12.0%	13.3%
Payout ratio ³	50.7%	53.5%	64.0%	49.5%	45.7%	49.6%
Per share data (Yen) ⁹ :						
Earnings per share attributable to NTT DOCOMO, INC. ³	118.41	112.07	101.55	141.30	175.12	201.73
Shareholders' equity per share ³	1,294.62	1,360.91	1,386.09	1,409.94	1,492.91	1,580.88
Cash dividends declared per share ¹⁰	60	60	65	70	80	100
Shares ⁹ :						
Average common shares outstanding	4,146,760,100	4,146,760,100	4,038,191,678	3,880,823,341	3,726,266,553	3,690,843,188
Non-financial data:						
Number of directors (of which, independent outside directors) ¹¹	14 (1)	15 (1)	14 (1)	15 (2)	15 (2)	14 (2)
Number of consolidated employees (of which, NTT DOCOMO, INC.) ^{12,13}	23,890 (10,903)	24,860 (10,973)	25,680 (7,344)	26,129 (7,616)	26,734 (7,609)	27,464 (7,767)
Ratio of female officers and managers (NTT DOCOMO, INC.) ^{12,13,14}	2.4%	2.7%	3.0%	3.6%	4.4%	5.3%
Greenhouse gas emissions (t-CO ₂) ¹⁵	1,454,815	1,628,381	1,694,763	1,598,434	1,593,638	1,585,502
Electricity usage (MWh)	2,866,617	2,873,781	3,013,666	2,887,216	2,970,041	3,037,221
Paper usage (t) ¹⁶	33,086	21,314	15,601	10,498	11,859	11,280

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

Notes

1. In FY2012, 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 telecommunications services.” Accordingly, data from FY2007 to FY2011 have been reclassified in the same manner.
2. In FY2014, “Mobile telecommunications services” are presented as “Telecommunications services,” and some elements that were previously included in “Other operating revenues” (revenues from satellite mobile communications, overseas cable TV and other services) are included in “Telecommunications services.” Accordingly, data from FY2007 to FY2013 have been reclassified in the same manner.
3. The consolidated financial statements for FY2012 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. Fiscal years up to and including FY2013: 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)
FY2014 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)
7. In previous consolidated statements of income, impairment loss associated with goodwill and unamortized intangible assets was included under the item “Selling, 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 FY2007 to FY2012 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 FY2014 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.



Subsidiaries (As of March 31, 2018)

108 companies

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%	Consignment of system development
DOCOMO Technology, Inc.	100.00%	Consignment of 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.	50.61%	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 InsightMarketing, INC.	51.00%	Mobile research and marketing support
DOCOMO Datacom, Inc.	66.24%	Consignment of system development
docomo Healthcare, Inc.	66.00%	Provision of platform for managing, using and sharing health-related data
Nihon Ultmarc INC.	100.00%	Construction and sales of doctor and medical facility database
MAGASseek Corporation	75.00%	Fashion e-commerce business
DCM Reinsurance Company, Inc. (Honolulu, U.S.)	100.00%	Reinsurance business
DOCOMO Digital Limited (London, U.K.)	100.00%	Management of platforms related to mobile content distribution and billing
DOCOMO Innovations, Inc. (Palo Alto, U.S.)	100.00%	Consignment of investment in and information gathering on start-ups that develop promising technology
DOCOMO PACIFIC, INC. (Guam, U.S.)	100.00%	Mobile telecommunications, cable TV and Internet business
other 82 subsidiaries		

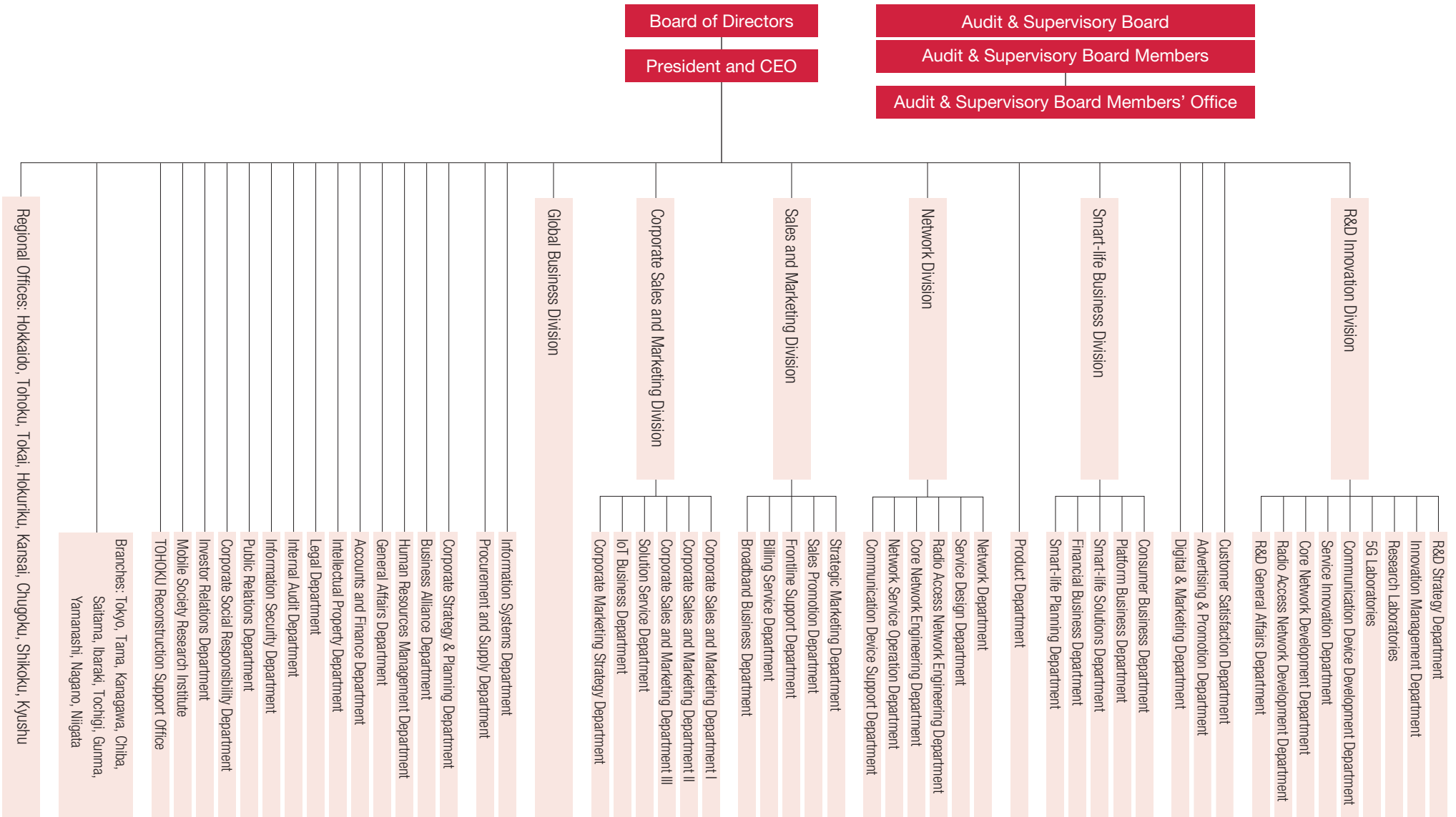


Affiliates (As of March 31, 2018)

22 companies

Company name	Voting rights ownership	Business activities
Avex Broadcasting & Communications Inc.	30.00%	Mobile video distribution business
NTT Plala Inc.	33.33%	Video distribution service; Internet connection service 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
Hutchison Telephone Company Limited (Hong Kong)	24.10%	Mobile telecommunications business in Hong Kong and Macau
PLDT Inc. (Manila, Philippines)	8.56%	Fixed and mobile telecommunications business in the Philippines
VMG Media Joint Stock Company (Hanoi, Vietnam)	24.52%	Development and management of content applications and platforms in Vietnam
other 10 affiliates		

Organizational Structure (As of July 1, 2018)





Corporate Information (As of March 31, 2018)

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)	27,464
Corporate Website	https://www.nttdocomo.co.jp/english/
IR Information	https://www.nttdocomo.co.jp/english/corporate/ir/
Independent Public Accounting Firm	KPMG AZSA LLC (the Japan member firm of KPMG International)

External Evaluations

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



MSCI | 2018 Constituent
MSCI ESG
Leaders Indexes



MSCI | 2018 Constituent
MSCI ジャパンESG
セレクト・リーダーズ指数

MSCI | 2018 Constituent
MSCI日本株
女性活躍指数 (WIN)





Stock Information (As of March 31, 2018)

Stock Listings

Tokyo Stock Exchange, First Section listed October 1998
(Securities code: 9437)

*On March 19, 2018, DOCOMO announced the schedule regarding the delisting of American Depositary Shares ("ADSs") from the New York Stock Exchange ("NYSE"). The delisting from the NYSE was completed as scheduled on April 13, 2018.

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation,
Corporate Agency Department

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan
Inquiries about procedures of stock: +81-120-232-711

Depository for American Depositary Receipts ("ADRs")

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286, U.S.A

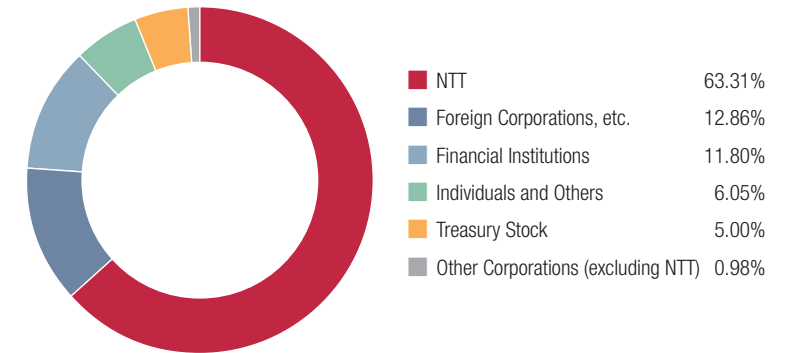
Number of Shares

Total Number of Authorized Shares: 17,460,000,000
Total Number of Issued Shares: 3,782,299,000

Number of Shareholders

287,096

Distribution of Ownership among Shareholders



* The figures are based on the list of shareholders as of March 31, 2018.

Principal Shareholders

Shareholders	Number of Shares Held (Shares)	Percentage of Total Issued Shares (Excluding Treasury Stock) (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2,394,485,400	66.64
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	81,940,900	2.28
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	68,059,300	1.89
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	30,943,565	0.86
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	27,760,800	0.77
JP Morgan Securities Japan Co., Ltd.	25,595,188	0.71
JP MORGAN CHASE BANK 380072 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	25,477,127	0.71
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	23,672,667	0.66
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	23,211,300	0.65
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)	22,516,800	0.63
Total	2,723,663,047	75.80

* Treasury stocks are not included in the above list.

Usage
Guide

How to use tabs

You can move to the first page of the chapter by clicking here.

Management Value Sustainable Value Data Section

Search within PDF file

Return to previous page

Return to last page opened

1
PAGE

Print

Move to table of contents

Go to next page

Organization of Information Tool

This Integrated Report summarizes primarily high-priority information directly related to enhancing corporate value, taken from the financial and non-financial content of the DOCOMO Group. The information has been put in a form that is easy to understand and relate to for shareholders, investors and other stakeholders.



Integrated Report

— DOCOMO Tsushin (in Japanese only)

This refers to the shareholder report delivered to our shareholders.

It is issued twice a year and mainly covers the latest topics and performance trends.

[Web https://www.nttdocomo.co.jp/corporate/ir/library/docotsu/index.html](https://www.nttdocomo.co.jp/corporate/ir/library/docotsu/index.html)

— Management Plan Presentation Materials

Presentation materials outlining NTT DOCOMO's aspirations, plans and initiatives.

[Web https://www.nttdocomo.co.jp/english/corporate/ir/library/midterm/index.html](https://www.nttdocomo.co.jp/english/corporate/ir/library/midterm/index.html)

— Sustainability Report

We compiled data based on boundaries related to our core telecommunications business to provide a comprehensive report on our CSR Policy and various initiatives in accordance with the GRI *Sustainability Reporting Guidelines*.

[Web https://www.nttdocomo.co.jp/english/corporate/csr/about/pdf/index.html](https://www.nttdocomo.co.jp/english/corporate/csr/about/pdf/index.html)

— CSR Communication Book (in Japanese only)

This book compiles key information related to DOCOMO's philosophy on and initiatives for CSR in an easy-to-understand way.

[Web https://www.nttdocomo.co.jp/special_contents/forones/](https://www.nttdocomo.co.jp/special_contents/forones/)

For more detailed IR-related information:

Investor Relations website

[Web https://www.nttdocomo.co.jp/english/corporate/ir/](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

[Web https://www.nttdocomo.co.jp/english/corporate/csr/](https://www.nttdocomo.co.jp/english/corporate/csr/)

- Sustainability Report
- DOCOMO's CSR
- Commitment to Mobile Telecommunications Services
- Environment/Community Investment, etc.