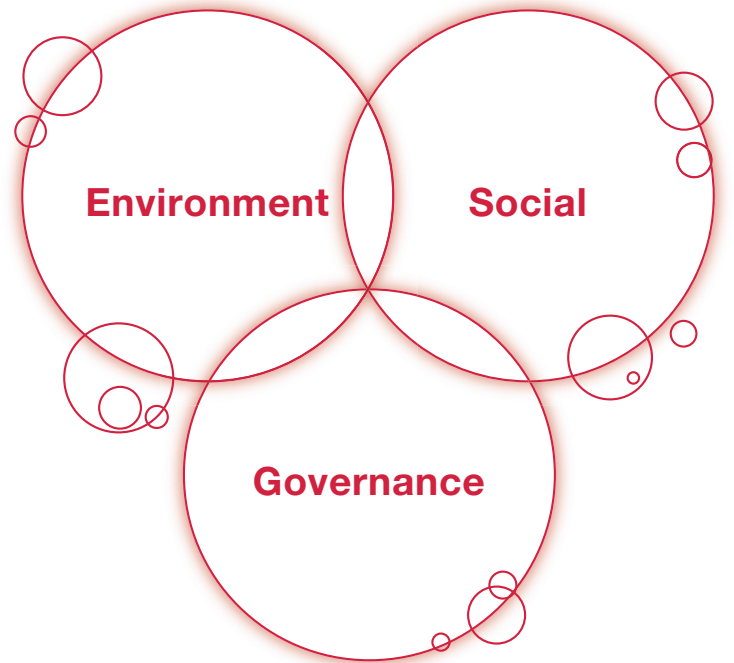




DOCOMO's ESG Management



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Message from Outside Director



Expectations and Proposals for NTT DOCOMO

Teruyasu Murakami
Member of the Board of Directors
Director of Research Institute for Industrial Strategy

DOCOMO's Governance Structure

DOCOMO's corporate governance has a somewhat unique characteristic stemming from having a parent company in which the state owns a meaningful percentages of equity shares, and is also a majority shareholder of NTT DOCOMO. Because of this structure, it can be said that DOCOMO is applied with "two layers of governance." However, in my six-year tenure as an outside director, I have never seen the government nor the parent company exerting force directly on DOCOMO's decision making, and I believe DOCOMO's Board of Directors has been able to make decisions freely with their own managerial responsibility.

When I talk about DOCOMO's governance, I sometimes hear concerns that DOCOMO could be influenced by the comments made by the administration in office at the time. However, it is the state and not the administration in charge at the time that we are held accountable for concerning the management of the Company. Still, if rules or other matters are discussed at councils or other fora participated by third parties and are eventually adopted as laws or rules, we respect such decisions and take the lead in abiding by them. In this way, DOCOMO

fulfills its responsibilities to the state or the parent company.

Outside directors undertake a basic mission to represent the position of general shareholders. In the context of requiring businesses to deliver the highest level of managerial efficiency and adequate returns to shareholders, outside directors' role can be considered very similar to that of a parent organization.

Having said that, however, as an outside director, I always endeavor to collect information and stay vigilant in supervising the Company, so that, for example, in the parent company's basic R&D activities that are partly financed by DOCOMO, adequate allocation is given to wireless-related R&D programs avoiding a disproportionate concentration on only fixed-line technology. I hope this shows that "two layers of governance" at DOCOMO does not affect the free and open-minded activities of outside directors.

DOCOMO's Board of Directors is carefully designed to ensure that there are plenty interactive discussions between the outside directors and the executive team. In such circumstances, the outside director of DOCOMO voluntarily started in June 2016 to explain the latest situation of the activities undertaken by the Board at the annual general meeting

of shareholders, and outside directors deliver on the self-imposed task to make comments on all agendas that are viewed important by, or could potentially impact the interest of, general shareholders or other stakeholders. We strive to enhance the quality of, our managerial decision making by constantly checking on whether the Board of Directors is fulfilling its accountability through these practices.

Dr. Endo has become increasingly active in her engagement ever since joining the Board as our second outside director in June 2016. I believe we have seen truly animated discussions in our recent Board sessions, with members of the Audit & Supervisory Board making comments not only from the perspective of audits but also from the angle of corporate management, sharing their respective insights and experiences. In view of these engagements, in our Board appraisal we unanimously confirmed the effectiveness of DOCOMO's Board of Directors.

On the other hand, as a researcher of industrial strategy, I believe a deliberate scientific approach must be adopted to evaluate the relationship between formal reinforcement of governance and management quality of Japanese firms. The consensus view of researchers specializing in this field seems to be that "while there are some cases that suggest the existence of a correlation between reinforcement of the formal structure of governance and improvement of business performance, no evidence has been found to prove the causal relationship between the two," and unquestioningly pressing ahead with an idea that is not backed by solid evidence does not benefit shareholders either. We must avoid governance for governance's sake. While maintaining a position that we put proper governance in place to enhance our business management, we aim to keep an appropriate distance between the generally accepted governance framework and a governance structure suited for the current state of DOCOMO.

Management Participation Making Full Use of Own Insights

To improve the effectiveness of the Board, DOCOMO has introduced a system called the "after-school" system, in which all members of the Board take part in free and open-minded discussions on important managerial issues without being constrained by their respective positions. This system was established immediately after I first joined the Board as an outside director by the decision of the CEO back then, which was triggered by my comment pointing to "a lack of sufficient discussion by the Board to mobilize the corporate management resources to tackle smart life business despite its designation as a priority area for the entire organization, because the actual initiatives are undertaken only at individual department levels."

At the "after-school" system meetings, we actively discuss issues pertaining to "investments for the Company's future," including the creation of new businesses, R&D agenda and human resource development. This culture of attaching emphasis on "investments for the Company's future" affected many tangible results, including the formulation of "Top Gun" sales & marketing approach where members of the Corporate Sales and Marketing team and R&D unit join forces for solution development (see [P.43](#) for more details) and our new carrier development scheme "Junior Professional System" (see [P.68](#) for more details), and reinforcement of the "Senior Professional System" (see [P.68](#) for more details). DOCOMO is now pushing forward the transition into a business management pivoted on our membership base from the subscriber base in accordance with our Medium-Term Business Strategy. Investment in human resources is essential as people play a central role for the accomplishment of this transition.

The environment surrounding our business has changed dramatically after we unveiled our Medium-Term Strategy 2020 "Declaration beyond" in 2017. I highly appreciate that the Company kept the flag flying, steadily implementing various measures toward the realization of "Declaration beyond" despite the emergence of new factors such as the price revisions and market entry by a new player. I believe we will head for a new paradigm of autonomization* of the 2020s where AI, IoT, autonomous vehicles, service robots and many other things will be connected to the network. As we go through this change, it is important that we, for the short term, survive the severe competition in the telecommunications market, and for the longer

term, maintain or even further expand our market share in the world of next-generation autonomous communications while making necessary preparations to secure reasonable grounds in the service domains that will be deployed on platforms. What is required for DOCOMO at present is to develop close ties with businesses that are expected to utilize autonomous technologies. Our undertakings aimed at establishing partnerships with many businesses through our "+d" strategy and DOCOMO 5G Open Partner Program will serve as a very important foundation toward this goal. We must accelerate the initiatives for further value co-creation maintaining these relationships going forward. This can present both risks and opportunities for us depending on how properly we can manage this process.

* Autonomization: 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

For Our Sustainable Growth in the 2020s

In our past rollout of new services and businesses, DOCOMO often relied on the innovativeness of technology or our scale advantage in database or other assets. In addition, there were cases where we only made concentrated allocation of resources in the start-up phase and have not made sufficient efforts to continue and expand our managerial efforts to deliver sustainable innovation over the medium to long term.

In the report "Transition to the Smart Economy in the Age of Diminishing Workforce" published by the Japan Productivity Center last year under my chairpersonship, it is advocated that "full-fledged implementation of service innovation" is indispensable for the future of the Japanese economy, and Japan should also adopt insights from "serviceology" and "service design"—the idea of taking a scientific or an engineering approach to innovation based on a deep understanding on the essence of each service. I hope that DOCOMO will also scientifically support the visualization, structuration, optimization and implementation of a new service model for our customers. I also look forward that DOCOMO will take leadership for a sustainable and "full-fledged implementation of service innovation" by not only pursuing the expansion of scale but also making efforts to improve productivity tracking KPIs.

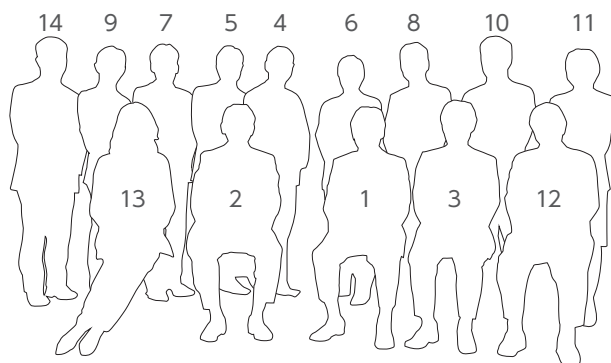


DOCOMO generated the highest amount of added value among the 1,400 publicly traded companies in the service sector in Japan (excluding holding companies) in FY2018. In fact, approximately 0.3% of Japan's GDP was produced by DOCOMO. Further, DOCOMO is not only large in its scale but also boasts very high productivity, and ranked No.2 in Japan in the total added value delivered per employee, i.e., an indicator that proves our superior labor productivity.

Despite these favorable results, our personnel expenses remained unchanged for the last several years and there is a significant difference between our R&D spending with that of GAFA. For DOCOMO to survive in the field of non-telecommunications services, we must appropriate higher amount of investments for the future. Striking a good balance between continued shareholder returns and "investments for the Company's future" requires a high-level management decision. An important role that I am required to fulfill as an outside Board member is to help the Company find the optimal avenue while continuing the dialogue with our shareholders.

Management Team (As of July 1, 2019)

Members of the Board of Directors

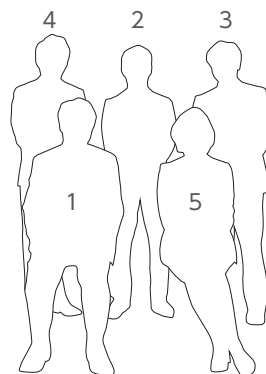


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|--|--|
| <p>1 Kazuhiro Yoshizawa
President and Chief Executive Officer (CEO)
Representative Member of the Board of Directors</p> <p>2 Hiroshi Tsujigami
Senior Executive Vice President (CCO, CLO, CRO)
Representative Member of the Board of Directors
Executive General Manager of Sales and Marketing Division
Responsible for Global business and Corporate</p> <p>3 Seiji Maruyama
Senior Executive Vice President (CDO, CIO, CISO, CPO)
Representative Member of the Board of Directors
Responsible for Technology, Devices, Information Strategy and Membership Base</p> <p>4 Hiroshi Nakamura
Executive Vice President (CTO)
Member of the Board of Directors
Executive General Manager of R&D Innovation Division</p> <p>5 Hozumi Tamura
Executive Vice President
Member of the Board of Directors
Executive General Manager of Network Division</p> <p>6 Osamu Hirokado*
Executive Vice President (CFO)
Member of the Board of Directors
General Manager of Accounts and Finance Department
Responsible for Finance and Business Alliance</p> <p>7 Shigeto Torizuka
Executive Vice President
Member of the Board of Directors
General Manager of Human Resources Management Department</p> | <p>8 Kenichi Mori
Executive Vice President
Member of the Board of Directors
Executive General Manager of Smart-life Business Division</p> <p>9 Kouji Tsubouchi
Executive Vice President
Member of the Board of Directors
Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office</p> <p>10 Michio Fujiwara
Executive Vice President
Member of the Board of Directors
General Manager of Corporate Strategy & Planning Department
Responsible for Mobile Society Research Institute and Preparation for 2020</p> <p>11 Mayumi Tateishi
Senior Vice President
Member of the Board of Directors
General Manager of General Affairs Department and General Manager of Improvement Action Office</p> <p>12 Teruyasu Murakami
Outside Member of the Board of Directors</p> <p>13 Noriko Endo
Outside Member of the Board of Directors</p> <p>14 Katsumi Kuroda
Member of the Board of Directors</p> |
|--|--|

* Responsible for Investor Relations

Management Team (As of July 1, 2019)

Audit & Supervisory Board Members



- 1 **Shoji Suto**
Full-time Audit & Supervisory Board Member
- 2 **Hironobu Sagae**
Full-time Outside Audit & Supervisory Board Member
- 3 **Mikio Kajikawa**
Full-time Outside Audit & Supervisory Board Member
- 4 **Katsumi Nakata**
Full-time Outside Audit & Supervisory Board Member
- 5 **Eiko Tsujiyama**
Outside Audit & Supervisory Board Member

Executive Officers

Executive Vice President

Yasuo Sakamoto Responsible for CSR

Senior Vice Presidents

Toshiaki Sakurai	Executive General Manager of Hokkaido Regional Office
Takanori Ashikawa	Executive General Manager of Tohoku Regional Office
Katsuyuki Takagi	Executive General Manager of Tokai Regional Office
Hiroko Kawasaki	Executive General Manager of Hokuriku Regional Office
Koichi Takahara	Executive General Manager of Kansai Regional Office
Tomohisa Ueno	Executive General Manager of Chugoku Regional Office
Tetsuya Mikajiri	Executive General Manager of Shikoku Regional Office
Taku Yamazaki	Executive General Manager of Kyushu Regional Office
Hikaru Kawachiyama	General Manager of Tokyo Branch
Tomoyoshi Oono	General Manager of Innovation Management Department
Takehiro Nakamura	General Manager of 5G Laboratories
Kikuko Shirakawa	General Manager of Digital & Marketing Department
Yoshiaki Maeda	General Manager of Platform Business Department
Tooru Atarashi	General Manager of Financial Business Department
Hiroshi Kobayashi	General Manager of Radio Access Network Engineering Department
Kan Takamoto	General Manager of Sales Promotion Department
Takeshi Saito	General Manager of Corporate Sales and Marketing Department I
Shinji Kume	General Manager of Corporate Sales and Marketing Department II
Seiichi Oka	General Manager of Corporate Sales and Marketing Department III
Naoki Tani	General Manager of IoT Business Department
Taku Hasegawa	General Manager of Information Systems 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 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.

- Apr. 1968 Joined 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)



Noriko Endo (Independent Director)

Dr. Noriko 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.

- Jun. 1994 Joined 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)
- Jun. 2019 Outside Director of Hankyu Hanshin Holdings, Inc. (To the present)

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

Outside Audit & Supervisory Board Members



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.

- Apr. 1981 Joined 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)



Katsumi Nakata

Mr. Nakata 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.

- Apr. 1980 Joined NTT Public Corporation
- Jun. 2015 Senior Executive Vice President, Head of Global Business, Member of the Board of Directors of NTT Communications Corporation
- Jun. 2016 Senior Executive Vice President, Member of the Board of Directors of NTT Communications Corporation
- Jun. 2018 CEO of NTT Security Corporation
- Jun. 2019 Full-time Outside Audit & Supervisory Board Member of the Company (To the present)



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.

- Apr. 1982 Joined 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)



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.

- 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)

Corporate Governance

Basic Policies and Philosophy


Guided by our corporate philosophy of “the creation of a new world of communications culture” and our Medium-Term Strategy 2020 “Declaration beyond,” we are aiming to contribute to the realization of a rich and vigorous society and to improve our corporate value in order to win greater trust and reputation from our shareholders and customers.

Under 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.”

Based on this approach, we have established the “NTT DOCOMO Basic Policy on Corporate Governance” for the purpose of attaining the sustained growth of our corporate group and the medium- to long-term improvement of corporate value.

The basic policy was revised in December 2018 in response to the revision of the “Corporate Governance Code” in June 2018.

encouraged to fulfill their ability and insight, under the supportive arrangements such as in-depth prior briefing on the proposals to be discussed at the Board of Directors meetings and holding of periodical meetings with representative directors and internal officers. With respect to the auditing function, all audit & supervisory board members (including independent outside audit & supervisory board members) attend important meetings such as the Board of Directors meetings, while conducting effective audits over directors’ execution of duties in coordination with the independent auditor and internal audit staff, to ensure management soundness. In addition, we have introduced the executive officer system (27 men and 3 women serve as executive officers and 8 executive officers concurrently hold the post of director) to clearly delineate the roles of business execution and monitoring, and to better reinforce business execution functions. This system enables us to speedily respond to changes in the operating environment.

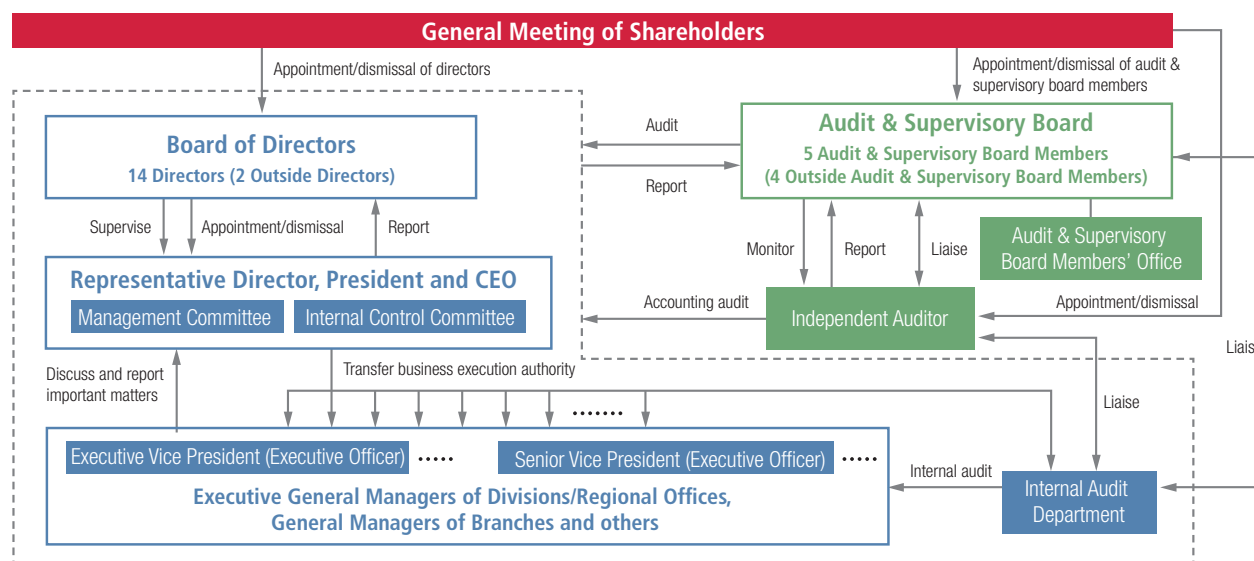
 [NTT DOCOMO Basic Policy on Corporate Governance \(in Japanese only\)](https://www.nttdocomo.co.jp/corporate/ir/binary/pdf/management/governance/governance_rule_181221.pdf)
https://www.nttdocomo.co.jp/corporate/ir/binary/pdf/management/governance/governance_rule_181221.pdf

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 monitoring and auditing functions, while striving to boost management speed. The reason why we adopt this structure, and we consider 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.

The monitoring function of the Board of Directors is strengthened through the framework in which independent outside directors are appointed and

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, Representative Director, Senior Executive Vice Presidents, 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 (FY2018)

15 meetings were held.

Attendance

Directors: 99.5%; Outside Directors: 100%

Audit & Supervisory Board Members: 98.7%; Outside Audit & Supervisory Board Members: 98.3%

Discussion by the Board of Directors and Other Structures

The Board of Directors is charged with making decisions on such agenda items as basic management policy and medium-term management plans. The Board of Directors also endeavors to reflect these policies and plans in its decision making when conducting important business execution matters. The Medium-Term Strategy 2020 “Declaration beyond” announced in 2017, and the medium-term management strategy announced in October 2018 were debated in detail by the Board of Directors and in other situations that included input from independent outside directors, with decisions made in light of the opinions made.

Main agenda items discussed by the Board of Directors in FY2018

- Medium-term management strategy
- Making NTT Plala Inc. into a subsidiary
- Implementation of Medium-Term Strategy 2020 “Declaration beyond”
- Investment in M3, Inc.
- Business innovation centered on membership base
- Acquisition of treasury stocks

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 from December 2018 to January 2019)
- 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 March 2019)

Evaluation Results and Future Operation Policy

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

Furthermore, it was confirmed that the effectiveness of the Board of Directors was improved as a result of regular verification of the state of measures used to implement the Medium-Term Strategy 2020 “Declaration beyond” and “business foundation centered on our membership base,” which had been identified as issues requiring improvement during the previous effectiveness evaluation, as well as the enhancement of governance functions, reflecting the revisions to the Corporate Governance Code.

In order to further increase our corporate value, we will continue to implement the Medium-Term Strategy 2020 “Declaration beyond” and “business foundation centered on our membership base,” and will also promote the medium-term management strategy we announced in October 2018. To this end, the Board of Directors will regularly verify the state of measures used to achieve these aims, the allocation of management resources and our responses to changes in the management environment, and will also create governance functions appropriate for the Company.

Status of Board of Directors Meetings Held and Other Matters

Compensation of Directors and Audit & Supervisory Board Members

The upper limit on total compensation for directors of the Company was set at ¥600 million annually at the 15th Ordinary General Meeting of Shareholders held on June 20, 2006. The Board of Directors determines compensation for directors for each fiscal year by comprehensively taking into account factors such as the scope of roles and responsibilities of each director, and the Company's achievement based on performance indicators such as operating profit for the current fiscal year. In addition, the Company explains the details of compensation to the parent company and independent outside directors to receive appropriate advice prior to the meeting of the Board of Directors.

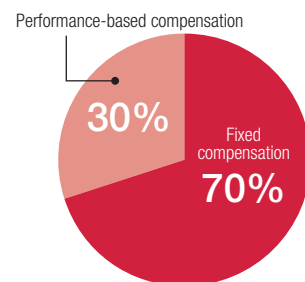
The determination of individual compensation for each director is entrusted to Representative Director, President and Chief Executive Officer by the Board of Directors. Representative Director, President and Chief Executive Officer determines the amount in accordance with the following policies and regulations on compensation for directors specified by a resolution of the Board of Directors.

i. Compensation of directors (excluding independent outside directors) consists of a monthly salary and bonuses. The Company pays monthly salaries based on the scope of roles and responsibilities of each director, and bonuses by taking into account the Company's achievement based on performance indicators such as operating profit for the current fiscal year. In addition, 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, out of their monthly salaries and bonuses, for the purchase of the Company's shares through the Director Shareholding Association, and all purchased shares are held by the directors during their terms in office. In the case of standard business performance, compensation is composed of "approximately 70% fixed compensation and 30% performance-based compensation."

The Company will also consider expanding the percentage of performance-based compensation, including stock-based compensation, in total compensation for the purpose of fostering stronger awareness with regard to achieving the medium-term management strategy and sustained growth, as well as enhancing medium- to long-term corporate value.

ii. 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.

Percentage of Fixed Compensation and Performance-Based Compensation



Compensation of 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 amount of compensation for audit & supervisory board members of the Company was set an upper limit at ¥150 million annually at the 15th ordinary general meeting of shareholders held on June 20, 2006.

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	Performance-based compensation	Retirement benefits	
Directors (excluding outside directors)	481	336	145	0	16
Audit & supervisory board members (excluding outside audit & supervisory board members)	30	30	0	0	1
Outside directors and outside audit & supervisory board members	126	126	0	0	7
Total	637	492	145	0	24

Notes: 1. As there is no director or audit & supervisory board member with consolidated compensation of ¥100 million or more in total, the information is not provided.

2. Directors include five directors who retired at the conclusion of the 27th ordinary general meeting of shareholders held on June 19, 2018.

3. Outside directors and outside audit & supervisory board members include one outside audit & supervisory board member who retired at the conclusion of the 27th ordinary general meeting of shareholders held on June 19, 2018.

Dialogue with Shareholders and Investors

DOCOMO is proactively expanding our investor relations (IR) activities by appointing an executive responsible for IR overall and establishing a designated IR department as well as engaging in information disclosure and dialogue with shareholders and investors as part of our efforts to realize sustainable growth and increase our corporate value over the medium and long term. DOCOMO also releases explanatory materials and minutes of financial results presentations and small meetings in English on our website while financial results presentations with simultaneous English interpretation are streamed live on our website to promote

Status of Activities

Event	Number of times
Individual meetings for securities analysts and institutional investors	373
Results presentations for securities analysts and institutional investors	4
Small meetings following financial results for securities analysts and institutional investors	4
Small meetings based on different themes for securities analysts and institutional investors	6
Conferences for securities analysts and institutional investors (Japan, overseas)	11
Roadshows for securities analysts and institutional investors (Japan, overseas)	12
Presentations for individual investors	11
Shareholder events (tours of network operation centers, etc.)	14

IR Site Awards History

DOCOMO's IR site has received high praise from third-party organizations.



Grand Prize in the Internet IR Award 2018 presented by Daiwa Investor Relations Co., Ltd.



Silver Prize in Gomez IR Site Ranking 2018 for companies with outstanding IR sites

fair disclosure that includes expanding and enhancing the information disseminated to overseas investors. In addition, we provide the views expressed by our shareholders and investors as feedback to top management every quarter 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.

Presentation for individual investors
(Presentation by Kazuhiro Yoshizawa, President and Chief Executive Officer)



Tour of a network operation center, one of DOCOMO's many shareholder events



Supply Chain Management

Promoting CSR Procurement in View of Responsibilities to Society

DOCOMO values our 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.

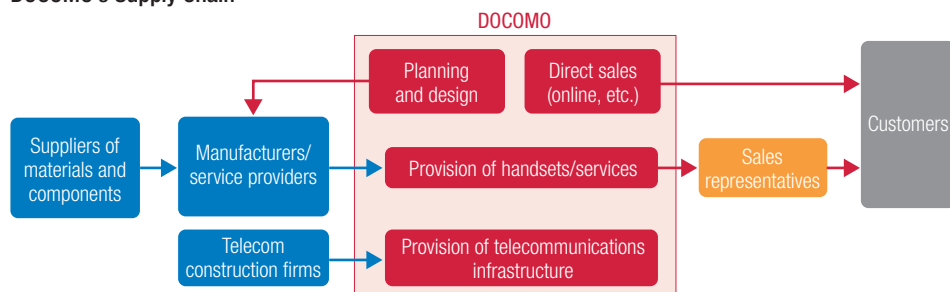
In addition, through social gatherings with suppliers we can listen to each other's requests and recommendations, which helps create a better partnership.



Business Partner Kickoff party

 [NTT DOCOMO Guidelines for CSR in Supply Chain](https://www.nttdocomo.co.jp/english/binary/pdf/corporate/procure/policy/supply_chain.pdf)
https://www.nttdocomo.co.jp/english/binary/pdf/corporate/procure/policy/supply_chain.pdf

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.

Conflict Minerals

Some of the minerals produced in the Democratic Republic of the Congo and other areas subject to ongoing conflict are believed to be funding inhuman activities by armed groups and thereby extending conflict or are thought to be otherwise implicated in human rights violations. The Dodd-Frank Act passed in the U.S. in July 2010 requires companies publicly listed in the U.S.*1 to make disclosures regarding their usage of conflict minerals**2 produced in the Democratic Republic of the Congo or neighboring countries.

In order to meet its procurement-related social responsibilities, the DOCOMO Group works with its suppliers to ensure supply chain transparency and, in view of the provisions of the Dodd-Frank Act, advances initiatives aimed at preventing the use of conflict minerals that would fund the activities of armed groups.

In FY2018, we surveyed tier-one suppliers regarding the country of origin for minerals contained in their products in response to demands from our business partners. Additionally, we used the Conflict Minerals Reporting Template (CMRT) and obtained a response rate of 100%.

*1 NTT DOCOMO, INC. delisted itself from the New York Stock Exchange in April 2018.

**2 Under the Dodd-Frank Act, conflict minerals include tantalum, zinc, gold, tungsten and other minerals specified by the U.S. Secretary of State.

 [NTT DOCOMO Group's Approaches to Conflict Minerals](https://www.nttdocomo.co.jp/english/corporate/procure/policy/csr_procurement/index.html)
https://www.nttdocomo.co.jp/english/corporate/procure/policy/csr_procurement/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.

Status of Internal Audit

The Internal Audit Department conducts internal audits from a position independent of other business execution. Audits are conducted over the status of business operations at the departments of Headquarters, regional offices, etc., to ensure compliance with laws and regulations, the effectiveness and efficiency of operations and the reliability of financial reporting. Setting unified audit items for high-risk matters for our corporate group, audits are performed at each group company. The Internal Audit Department carries out audit quality reviews to enhance the quality of audits performed by the audit departments of group companies. The department also evaluates the effectiveness of the internal control systems based on the Companies Act and of internal control related to financial reporting based on the Financial Instruments and Exchange Act of Japan, and works to strengthen internal control.

Coordination to Strengthen Internal Control

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.

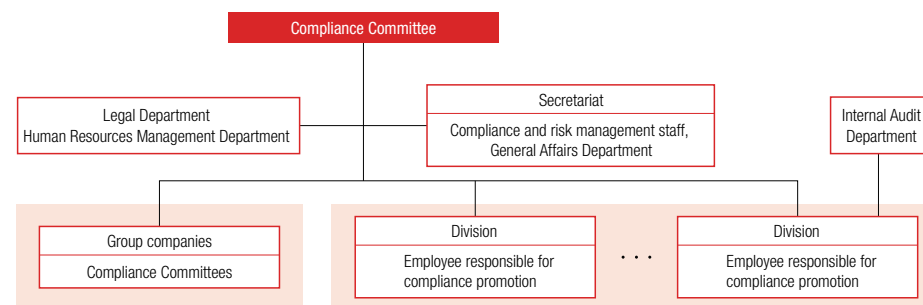
NTT DOCOMO Group Code of Ethics
https://www.nttdocomo.co.jp/english/corporate/about/group_ethic/index.html

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 Financial Instruments and Exchange Act of Japan, DOCOMO uses as our standard for the design, operation and evaluation of our internal control system related to financial reporting the basic framework set forth in "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Options)" published by the Business Accounting Council. In FY2018, we evaluated the Company and 13 major consolidated subsidiaries and concluded that internal control over financial reporting was effective.



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 the 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.

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Initiatives for Society

Respect for Human Rights

Creating a Corporate Culture Opposed to Any Form of Discrimination

Respecting the Human Rights of All Stakeholders

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.

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.

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.

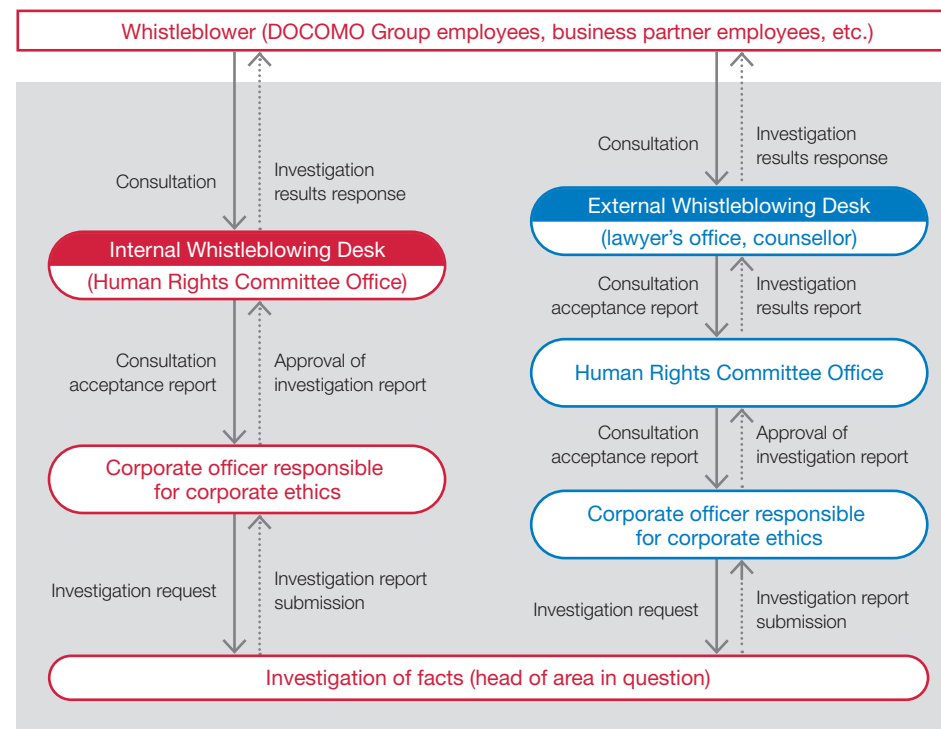
* Owing to discrimination which had been formed based on the structure of social status in the course of the historical development of Japanese society, some Japanese people have been forced to accept a lower status economically, socially and culturally, and they are subject to various kinds of discrimination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

Whistleblowing Desks for Human Rights and Harassment

DOCOMO has established points of contact inside and outside Company channels for all employees, including temporary employees and employees of business partners to consult with when they have problems or concerns related to human rights or harassment. These whistleblowing desks protect the privacy of the employees who consult with them and provide protection for whistleblowers while taking appropriate steps to resolve problems and concerns. Employees can also consult the point of contact outside Company channels, which is manned by counselors affiliated with an outside, specialized organization so as to ensure an environment where employees can have complete peace of mind and know that they will not receive any disadvantageous treatment as a result of engaging in consultation or whistleblowing.

In FY2018, there were 15 cases of violations of human rights and harassment. All 15 cases were associated with harassment and none with the violation of any other human rights.

Compliance Whistleblowing Desk System



Initiatives for Society

Human Resource Strategy and Development

Developing Human Resources to Implement “Declaration beyond”

Drawing Out Each Employee’s Ability and Motivation

As part of our Medium-Term Strategy 2020 “Declaration beyond,” DOCOMO seeks to provide excitement and inspiration to customers and realize the co-creation of new value with partners. In order to implement “Declaration beyond,” 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.

Human Resource 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, we now need personnel who can bring change and take on new challenges more than ever before.

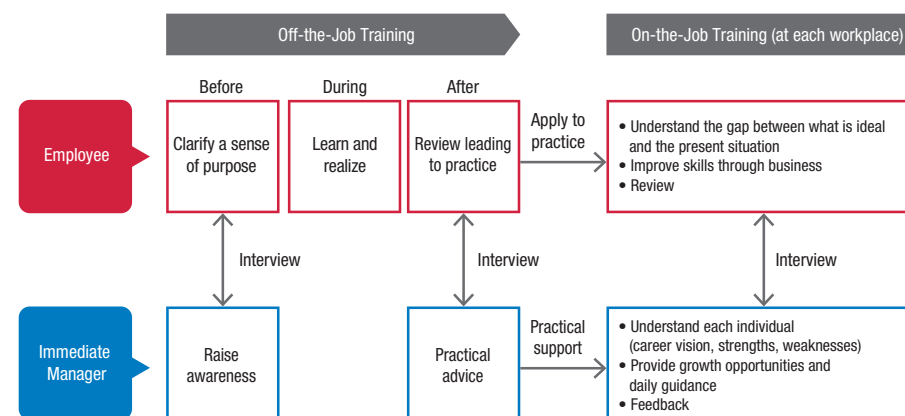
Management of Human Resource Development

In employee education, we emphasize a PDCA cycle that begins with learning and understanding through training and is followed by practice and review. In all our training programs, supervisors seek to raise employee awareness of their roles and then follow up with post-training interviews in which practical advice is offered. By linking off-the-job training and self-improvement with on-the-job training, we have created an environment where the effects of training are enhanced, and employees can apply at their respective worksites what they have learned.

In FY2016, we introduced “active learning,” which boosts learning and understanding during seminars. To maximize the effects of group-based training, participants prepare for the topic in advance and engage in a discussion on that topic or take part in a demonstration on the day of the seminar.

By reinforcing group-based training and on-the-job training at each workplace, we provide opportunities for appropriately evaluating the attitudes and behavior of employees. It also serves to improve the quality of work and support employees in realizing their dreams, which leads to personal growth.

Connection between Off-the-Job Training and On-the-Job Training





Initiatives for Society

Human Resource Strategy and Development

System Supporting Employees Making Bold Challenges

DOCOMO established a job posting system to provide opportunities for ambitious employees. The jobs that come up tend to require specific skills or are associated with new business activities. A total of 1,720 employees had applied by March 31, 2019, and of this total, 314 are currently working in their department of choice.

DOCOMO also started the “DOCOMO Degeiko Project” (on-the-job training at companies in different industries) in April 2016, whereby employees are dispatched to companies in different industries, in principle, for a one-year period, based on the idea of creating new value through co-creation with partner companies. This provides them with the chance to learn leading-edge skills with a view to the future, beginning with the use of Big Data and IoT. The 27 employees who have been dispatched to date pass on the fresh perspectives and skills to DOCOMO through the in-house system and at meetings for reporting on their activities. DOCOMO also promotes participation in joint training among several companies from different industries. The joint training offers valuable opportunities for employees to engage in friendly rivalry while learning the distinct culture and philosophy of each company and exchanging information. In FY2018, we organized eight types of joint training with 57 participants.

In addition, since 2015, DOCOMO has been continuously offering a practical development program within the R&D Innovation Division to bolster the generation of fresh ideas that serve as the basis of new products and services. Going forward, DOCOMO will seek to remain an enterprise that provides new value for society with a sense of speed by continuing to focus its efforts on developing human resources that can consistently generate innovation.



Training in progress

Employing and Developing Strategic Human Resources

DOCOMO established a senior professional system in April 2019 for the purpose of hiring human resources with advanced expertise. When recruiting, DOCOMO targets people with exceptional talents in specific job categories such as the smart life business and other businesses and AI in the R&D field and digital marketing, as well as people who will lead these areas of growth, with the objective of creating new businesses. The compensation offered is in line with market value, particularly the external human resource market.

In FY2018, DOCOMO started a junior professional system that recognizes those human resources in its ranks who can exercise their expertise in specific fields and job categories. The employees who have been selected are given the opportunity to develop a specialized career as a professional in their field. Those human resources with particularly exceptional talents are presented with special conditions and recognized as senior professionals. Their fields of expertise are designated based on our medium-term strategy and revised in line with management policy.

To respond to the globalized needs of our domestic operations, we are striving to develop global human resources. We promote a program with more emphasis on practical skills such as cooperation and negotiation with overseas vendors and over-the-top (OTT) players, and conduct employee exchange gatherings, which help to boost motivation. In addition to daily training, we also support overseas study by sending employees in at least their sixth year with DOCOMO to enroll in MBA/LLM courses at top schools for one to two years. Employees with at least four years work experience at DOCOMO are eligible for the Global OJT program, in which they are dispatched to overseas local affiliates, subsidiaries, investee companies and corporate partners. Besides developing foreign language skills, the program is intended to nurture business skills such as international sensitivity and business practices. The program is provided across a wide area that includes sales, service planning and development, depending on the background of each employee, and offers an opportunity to gain valuable experience that cannot be obtained in Japan. Looking ahead, we plan to continue offering the program by reviewing the companies to which employees are dispatched, with close attention given to the prevailing business environment and trends.

Initiatives for Society

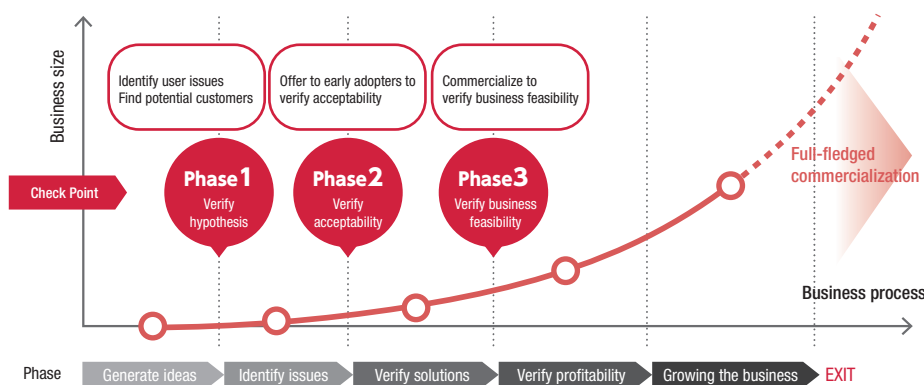
Human Resource Strategy and Development

docomo LAUNCH CHALLENGE

DOCOMO seeks to drive innovation through Small Starts, in which a business starts off small in scale with limited functions and services, in order to develop services that swiftly contribute to the resolution of social issues. As societal and customer issues become more diversified and complex, and business competition intensifies, it is becoming increasingly important to identify latent challenges and needs in order to quickly create and monetize solutions.

With docomo LAUNCH CHALLENGE, shape is given to ideas for new businesses, devised by DOCOMO Group employees, with a diverse team of mentors possessing various fields of expertise, such as entrepreneurs and designers. Different phases are implemented to identify the issue the business seeks to resolve, whether there is an actual need for the business and which solution would work best while taking into account opinions in the market. The ultimate goal is to give each employee the confidence to challenge the creation of businesses that will generate new revenue for DOCOMO and have an impact on society. In FY2018, DOCOMO continued to test some of the 186 ideas submitted with a view to future commercialization.

Process for the docomo LAUNCH CHALLENGE



From Employees

Unique Idea for Business Promoting "Communication through Art"

I majored in western art when I was a college student and always wanted to try something new using ICT in the art domain. After seeing a new art-related business proposal had been selected for docomo LAUNCH CHALLENGE in the company newsletter, I just had to take part. The business proposal was for ArtScouter, a platform for objectively choosing the best art for a space, particularly an office space, through the use of AI and including start-to-finish support right up to the presentation and introduction of the artworks. Japanese companies traditionally have minimal understanding of the benefits of art, so the challenge was getting them to fully appreciate the value that art can bring.

We faced numerous issues in the course of the project and found solutions to these through interviews held with galleries, artists and office managers. Once the project was finished, we secured a budget to conduct a demonstration test to verify the actual need for art in the office as well as business feasibility. Following the introduction of ART HOURS, owned media conveying the appeal of art, ArtScouter was launched by a partner company in May 2019 and concerted

efforts are currently being made to expand business in conjunction with various people inside and outside DOCOMO. The docomo LAUNCH CHALLENGE initiative provides an excellent opportunity to realize one's unique ideas. I hope more employees take up the challenge to broaden their horizons and their possibilities with this program.

This platform allows people to experience the benefits of art in the office.



Nagi Kamahara
Business Development & Investment
Innovation Management Department

Initiatives for Society

Employee Safety and Wellness

Creating a Vibrant and Motivating Workplace for Everyone

Employee Satisfaction

DOCOMO conducts an employee attitude survey every year to clarify current issues and understand the state of the workplace as well as employee awareness or job satisfaction.

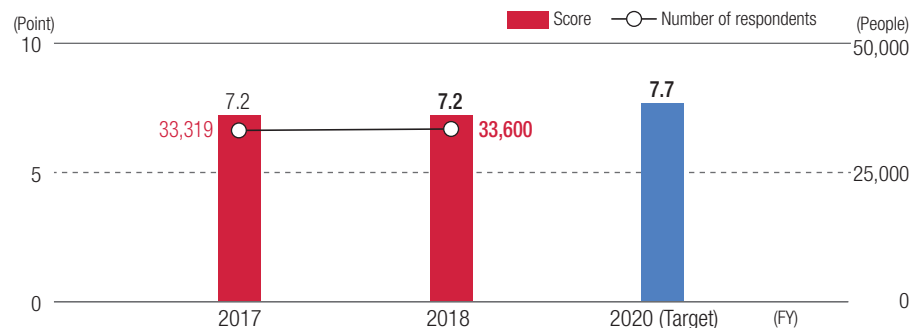
Since 2017, we have regularly improved the content of the survey as necessary, reviewing the questions and answer choices. As an example, we increased the number of questions regarding job satisfaction and a comfortable working environment, and enabled attribution analysis.

We consider the decline in results for job satisfaction and/or a comfortable working environment as a risk. Through the survey, we get a clearer picture of employee satisfaction/dissatisfaction and visualize the results to conduct an attribute analysis on an organizational basis, such as at the level of Group, company or company group, in order to make improvements. In addition, we respect LGBT respondents by including an "other/no response" option to the gender question in the questionnaire in addition to the "male" and "female" options.

Overview of Employee Attitude Survey

Frequency	Once a year (conducted between October and November in FY2018)
Respondents	All employees in DOCOMO Group and its 12 shared services subsidiaries
Method	In principle, survey format via our website (on a 10-point scale)

Job Satisfaction Results for FY2018 and Target for FY2020 (on a 10-Point Scale)



Promoting Women's Careers

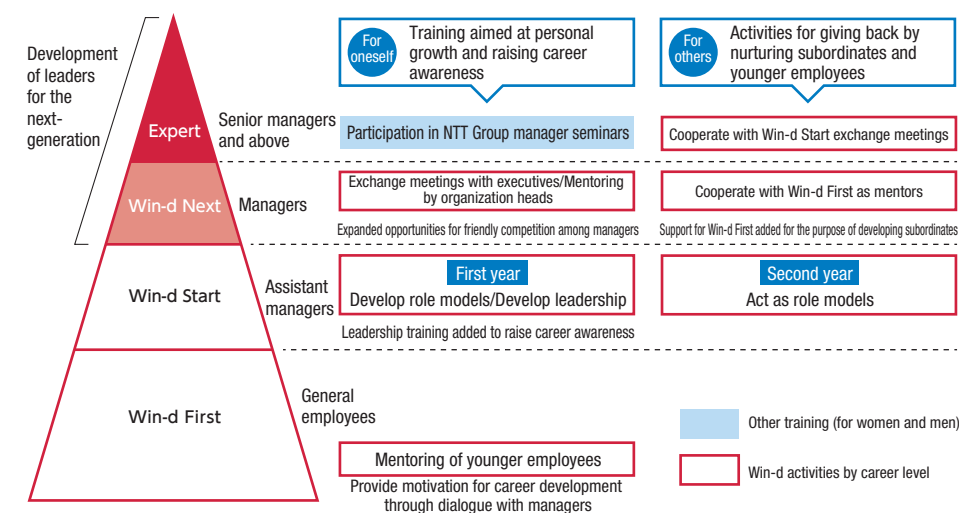
Among all of our diversity-related efforts, we have been making a particularly forceful drive to promote women's careers toward achieving our goal of increasing the ratio of female employees in managerial positions to 7.5% by the end of FY2020.

Over the years, we have organized various activities such as the Win-d* framework created in 2006 to provide support for the professional development of women at each stage of their career in order to raise their awareness of career development and develop an environment in which they can fully demonstrate their abilities. Additionally, we set up Win-d Next for female senior managers in FY2015 and Win-d First for younger employees in FY2016 to raise career awareness and build a strong vertical pipeline.

Moreover, we took the initiative to raise the awareness of supervisors overseeing female staff members in order to focus on each individual when developing employee careers. We did this by implementing a training program for supervisors through which they could learn and practice how to support career designing and skill building for career development support.

* Women's innovation network in DOCOMO (programs for promoting the careers of female managers)

Win-d Activities by Career Level



Initiatives for Society

Information Security Measures

For Protecting Customers' Important Information Assets

Dealing with Increasingly Sophisticated and Serious Security Threats

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 countermeasures 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.

If an information-related incident does occur, it is reported to the Information Security Department or the General Affairs Department upon identification of the details and degree of impact. Depending on the severity of the incident, DOCOMO will look at setting up a committee chaired by the President and CEO to investigate.

DOCOMO also conducts training that simulates a cyberattack to combat the growing threat of increasingly complex and serious attacks on a company's confidential information. Personal, organizational and technical countermeasures are also being taken, including the establishment of a dedicated division which enables Internet monitoring and detection, as well as multilayer protection to shore up the protection system.

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.

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

Information Security Education

DOCOMO strives to improve the information security literacy of all employees and provides continuous education on information security to ensure the suitable management of information assets.

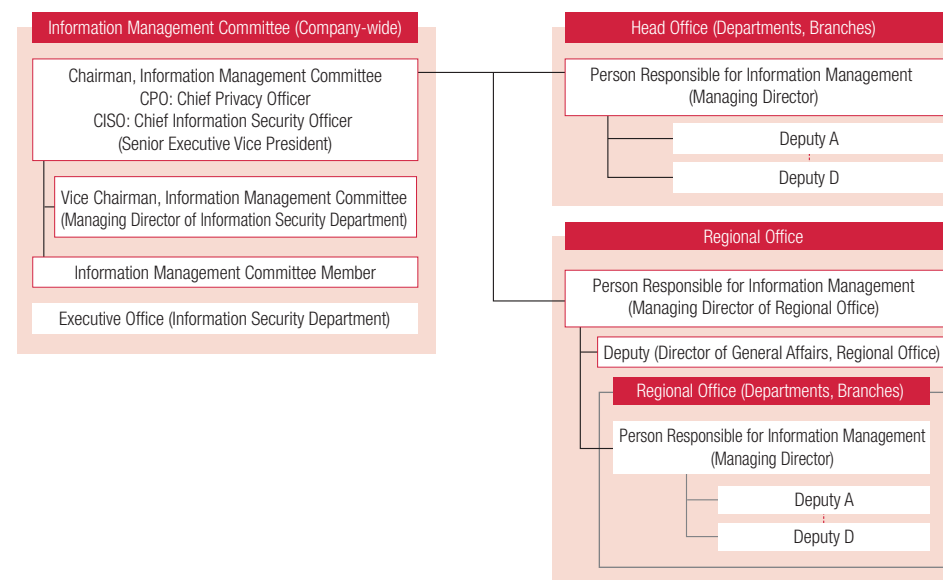
As part of a program aimed at enhancing awareness of information security and cyber security, e-learning and group training is provided, with lectures for executives, managers and employees set as mandatory. In FY2018, the training centered on trends related to the growing risk associated with changes in the environment, ways to handle pertinent laws and regulations, and information security, with a focus on targeted attacks and information management rules.

In addition, November of each year is designated as "Information Security Awareness Month" aimed at boosting each individual's consciousness concerning information security, which includes placing posters showing top management's commitment in all internal departments and all docomo shops.

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, 2019)

Initiatives for Society

Disaster Preparedness

To Connect with the People You Care about in a Disaster

Initiatives for Disaster Preparedness

Since its founding, DOCOMO has been striving to provide telecommunications services that are resilient even in a disaster in accordance with its Three Principles of Disaster Preparedness: enhance system reliability, ensure essential communications and rapidly restore telecommunications services.

With the Great East Japan Earthquake, however, telecommunications facilities were impacted in unprecedented ways, including destruction and submersion of telecommunications facilities, the failure of communications equipment resulting from power outages and the depletion of emergency power resources (batteries) from widespread and long-term scheduled power outages. In light of these lessons, DOCOMO formulated 10 new disaster preparedness as its basic policy based on the Three Principles of Disaster Preparedness and completed their implementation by the end of FY2012.

In addition, following initiatives in 2011, DOCOMO also announced and started implementing additional disaster preparedness measures in the amount of ¥20 billion over two years in 2018 to shore up measures for Japan's frequent natural disasters. This preparedness take into consideration the internal and external environment, including making DOCOMO's network more sophisticated and catering to customers' changing mobile phone usage patterns.

New Disaster Preparedness in Light of the Great East Japan Earthquake

<p>Securing communication for key areas Securing communication for densely populated areas and administrative centers</p>	<ol style="list-style-type: none"> (1) Install large-zone base stations throughout the nation in a total of 106 locations, covering 35% of the national population to secure communication in the event of a disaster. (2) Provide base stations with uninterruptible power supply (UPS) or 24 hours of battery power, covering 65% of the national population and 50% of the hospitals in a given area (about total 1,900 stations) to secure communication in prefectural and local town/city ward offices and other locations.
<p>Swift response to disaster-stricken areas</p>	<ol style="list-style-type: none"> (3) Quickly build mobile phone service using satellite systems. Increase number of satellite entrance base stations. (car-mounted type: 36 units and portable type: 45 units^{*1}). (4) Broaden service recovery using emergency microwave entrance systems (159 areas). (5) Immediate distribution of satellite mobile phones to secure communication in evacuation centers, etc. (3,000 units).
<p>Further improvement of customer convenience during disasters</p>	<ol style="list-style-type: none"> (6) Provide Disaster Voice Messaging services using packet communications resilient in a disaster. (7) Upgrade Restoration Area Map. (8) Enable voice interface for Disaster Message Board to enhance operability. (9) Expand Early Warning Area Mail service features (expand to tsunami warnings, etc.). (10) Increased use of ICT through SNS and other platforms for emergency communication.

*1 As of March 31, 2019

Swift Response Following Torrential Rains in Western Japan and the Hokkaido Eastern Iburi Earthquake of 2018

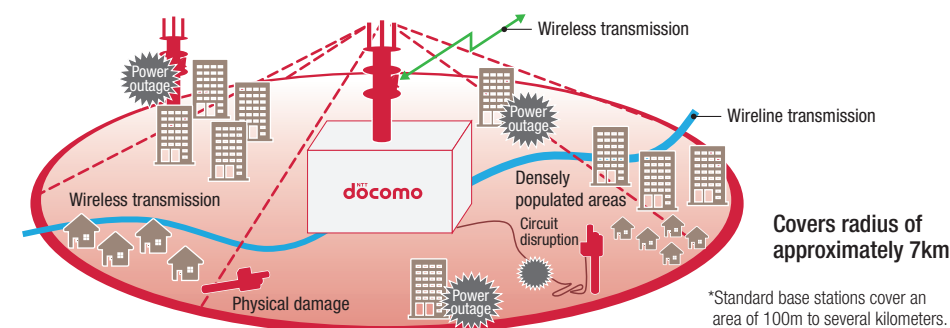
During the torrential rains and storms in western Japan, Kansai and the Tokai region of Honshu as well as the Hokkaido Eastern Iburi Earthquake that struck between July and September 2018, DOCOMO did its utmost to minimize the impact of these disasters on telecommunications services by deploying mobile base station vehicles and portable power supply vehicles to disaster areas and lending mobile phones to local governments and other entities in addition to our usual disaster response and prevention activities such as ensuring uninterrupted power and 24 hours of battery power to critical base stations.

Wide Area Relief through Large-zone Base Stations

Following the Hokkaido Eastern Iburi Earthquake in September 2018, DOCOMO activated large-zone base stations^{*2} for the first time to restore communications over a wide area in Kushiro City due to interruption of base station service over a wide area caused by prolonged power outages in the center of the city.

^{*2} Base stations solely for use in an emergency that cover a wider area (radius of approximately 7km) than standard base stations

Activation Image of Large-zone Base Station



Additional Disaster Preparedness

In response to the series of severe, wide-area natural disasters that struck different regions of Japan in 2018, DOCOMO will implement additional disaster preparedness such as further reinforcing its network, preparation for disaster on docomo shops and enhancing the sophistication of its systems preparedness for relief of disaster zones. As part of these additional disaster preparedness and given the possibility of simultaneous large-scale disasters, DOCOMO placed storage batteries in all docomo shops in preparation for wide-area, protracted power outages, an initiative that was completed in June 2019. DOCOMO also accelerated the provision of a restoration area map as part of efforts to strengthen support in disaster-stricken areas.

Initiatives for Society

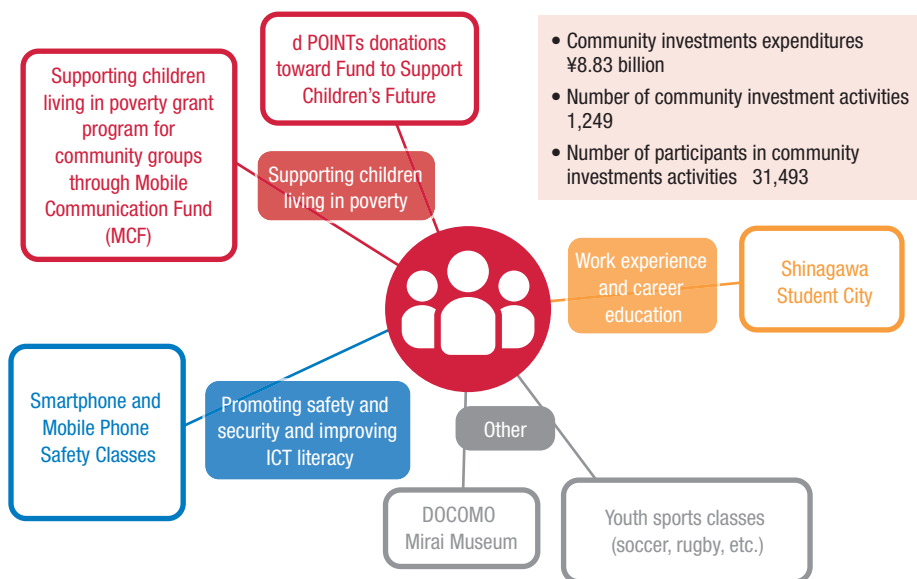
Community Involvement and Development For Local Communities in Which People Can Live with Greater Security, Safety and Affluence

Community Investments

As a good corporate citizen, the DOCOMO Group actively undertakes community investment initiatives toward the realization of a comfortable, prosperous society by cooperating and 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 the 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.

Community Investments in FY2018



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.

Disaster Relief Provided by DOCOMO

DOCOMO has been raising funds to support the people and communities of disaster-stricken areas by setting up a charity site and encouraging people to donate through DOCOMO. Our online fundraising site also accepts d POINTs to raise additional funds from more people. In FY2018, we ran three disaster fundraising campaigns for the Northern Osaka Prefecture Earthquake, the torrential rains in July and the Hokkaido Eastern Iburi Earthquake, raising a total of around ¥115 million. DOCOMO added another ¥10 million on top of the donations to interim support groups who dispatch volunteers and provide disaster relief.

Contribution to the Local Economy and Reconstruction of Industry through Business

In December 2011, nine months after the Great East Japan Earthquake struck, DOCOMO set up the TOHOKU Reconstruction Support Office (Team Rainbow) to construct a system for business management that would enable us to contribute more promptly to the reconstruction of affected regions, taking actions aimed at the recovery and rebirth of mainly the Iwate, Miyagi and Fukushima regions.

Team Rainbow is characteristic in the way it harnesses DOCOMO's business assets as an ICT company. Its members make frequent visits to the disaster-stricken area so they can think about the true needs of the region, and it maintains its activities by exploring solutions together with local people. DOCOMO aspires to provide support aimed at recovery and rebirth of the entire region with an eye on the long-term future and seek to ensure the continuity and sustainability of its activities by offering support through its business.

Web Rainbow Project for the Recovery and Rebirth of Tohoku (in Japanese only)
<http://rainbow.nttdocomo.co.jp/>



Supporting Sasanishiki brand rice through paddy sensors without the use of any fertilizer or pesticide



DOCOMO held a fair supporting the rehabilitation of the Tohoku region.

Initiatives for the Environment

Aiming to Be at the Forefront of Environmental Management

Steady Implementation of the Green Action Plan 2030

Initiatives to Resolve Environmental Issues through Provision of 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 information and communication (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.

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.

<p>Realizing a Low Carbon Future</p> <p>We are contributing to the reduction of CO₂ emissions and facilitating adaptation to climate change.</p>	<p>Implementing Closed-Loop Recycling</p> <p>We are working toward more effective resource allocation.</p>	<p>Planning a Future of Natural Harmony</p> <p>We are contributing to the conservation of biodiversity.</p>
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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."

<p>Innovative docomo</p> <p>Green Actions of</p> <p>We will contribute to create a low-carbon society and minimize climate change risks by providing DOCOMO's services to customers.</p> <p>Quantitative Target</p> <ul style="list-style-type: none"> Amount of contribution to the reduction of CO₂ emissions across society: at least 40 million tons <p>Qualitative Target</p> <ul style="list-style-type: none"> We will promote various initiatives to contribute to adaptation to climate change. We will also make collaborative efforts with our stakeholders. <p>Main Actions</p> <ul style="list-style-type: none"> 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 	<p>Responsible docomo</p> <p>Green Actions of</p> <p>We will fulfill our responsibility to reduce environmental impact. We will also actively participate in environmental contribution activities as a corporate citizen.</p> <p>Quantitative Target</p> <ul style="list-style-type: none"> Electrical efficiency of telecommunications services: at least a tenfold increase compared with FY2013 Final disposal ratio of waste: achieve zero emissions (under 1%) <p>Qualitative Target</p> <ul style="list-style-type: none"> We will promote initiatives through various activities for conservation of biodiversity. We will also make collaborative efforts with our stakeholders. <p>Main Actions</p> <ul style="list-style-type: none"> Energy conservation for telecommunications network facilities Promoting 3R activities Promoting activities for conservation of biodiversity such as tree planting, promoting employee training
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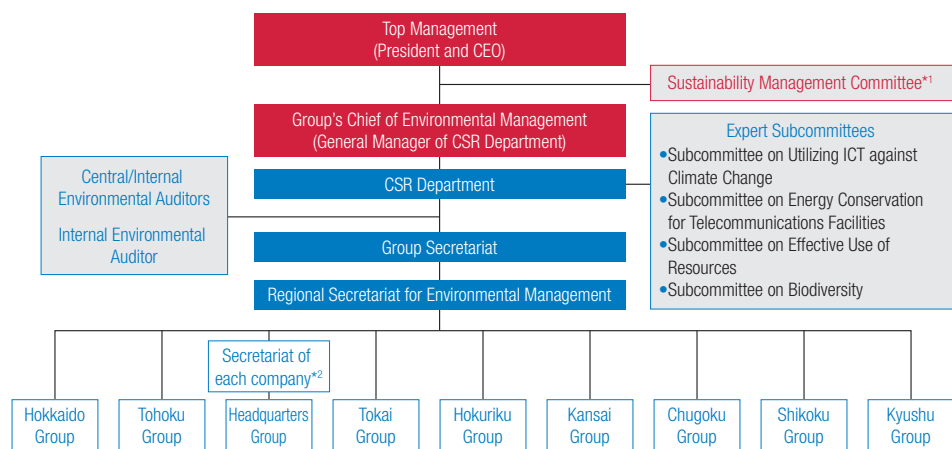
Initiatives for the Environment

Aiming to Be at the Forefront of Environmental Management

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 FY2018, we sought to implement more practical auditing for key audit items in line with ISO 14001 (FY2015 edition). 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.

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 2019)

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 the 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.

Strengthening Initiatives to Mitigate Climate Change Risks through the Endorsement of TCFD

DOCOMO has endorsed the Task Force on Climate-related Financial Disclosures (TCFD)*. During the period of November 2018 to March 2019, we trialed analysis based on two scenarios: a physical scenario (a future where the average temperature increases by 4 degrees Celcius) and a transition scenario (a future where global temperature rises are limited to below 2 degrees Celcius, such as 1.5 degrees). We then specified the phenomena that impact our operations. As a result, it was deemed that appropriate measures are being undertaken on the whole to combat the future potential impact of climate change on DOCOMO, as derived from the trial scenario analysis, through DOCOMO's initiatives to achieve our Medium-Term Strategy 2020 "Declaration beyond" and the DOCOMO Group's environmental targets under Green Action Plan 2030. Based on the findings of the trial scenario analysis, we will examine the financial impact of climate change on DOCOMO.



* The TCFD refers to a task force established by the Financial Stability Board (FSB) based on a request from the G20 with the aim of creating an information disclosure framework to help the financial sector appropriately evaluate climate change-related risks and opportunities. As of September 2, 2019, the number of organizations that had endorsed the TCFD had risen to over 800 worldwide and over 180 in Japan.

For details of DOCOMO's trial scenario analysis, refer to NTT DOCOMO Group Sustainability Report 2019.

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

Tokyo 2020 Medal Project: Towards an Innovative Future for All

DOCOMO, a Gold Partner in the Tokyo 2020 Olympic and Paralympic Games, has been participating in the "Tokyo 2020 Medal Project: Towards an Innovative Future for All", an initiative that has been fully underway since April 2017. We are nearing the end of our goal of securing the metal required to produce the medals for the Games. Accordingly, we ceased collecting the items that were used to source the metal on March 31, 2019. DOCOMO will continue with recycling efforts to contribute to the realization of a sustainable society.

FY2018 Statistics

- Mobile phones: 4.68 million
- Batteries: 3.4 million
- Chargers: 0.97 million

* The Tokyo Organizing Committee of the Olympic and Paralympic Games will produce nearly 5,000 gold, silver and bronze medals, which will be used in the Tokyo 2020 Games. Metals will be sourced from collected old mobile phones, computers and other small appliances. Moreover, this will be the first such experiment in all of history.