



*K. Yoshizama*

President & CEO

## Top Message

Pave the Way to a Brand New Future  
Fulfilling Our Mission as a  
Telecommunications Carrier

DOCOMO has always delivered services that can bring enjoyment and convenience to our customers adhering to our corporate philosophy of “creating a new world of communications culture” while faithfully fulfilling our “mission to never cause a disruption of telecommunications services.” Let me give you an in-depth explanation on the multifaceted values that we have accumulated in the history of our business and our approach toward sustained growth for the future.



Present

## What value does DOCOMO offer?

### Unwavering Mission as a Mobile Telecommunications Carrier with the No. 1 Market Share in Japan

DOCOMO commands 44.1% wireless subscriber share in Japan (as of March 31, 2020). Since our inception in 1992, we have continuously provided “smooth telecommunications services that can be used anywhere, anytime and with peace of mind,” constantly enjoying the No. 1 market share in the domestic market.

With mobile penetration surpassing the 100%-mark, the telecommunications network has become an indispensable infrastructure that sustains people’s livelihoods and industries. DOCOMO strives to deliver reliable and stable telecommunications

services that ensure connectivity “anytime”—not only in normal times but also during congested hours caused by irregular events or in disasters—through our 24/7 surveillance system, deployment of large-zone base stations and employment network virtualization, while reinforcing our coverage to make sure our services are accessible “anywhere,” for example, in urban centers, on subways or inside buildings, by increasing the number of base stations.

“Never cause a disruption of telecommunications services and thoroughly defend the reliability and stability of infrastructure”—this is the mission expected of us as the No. 1 mobile telecommunications carrier in Japan. We are proud of our long track record of providing customers with “peace of mind” through our robust network that ensures connectivity anytime and anywhere. The “sense of responsibility and diligence” among our workforce that underpin this achievement represents our corporate culture and DNA passed down over generations.

### For Our Sustained Growth in the 2020s and for a Richer Future

When we look at the market environment surrounding us, competition has intensified as a result of the revision of the Telecommunications Business Act, proliferation of low-cost smartphone services, market entry by a new player from a different industry and other factors. With all operators stepping up their efforts in non-telecommunications business, the competition in areas transcending the conventional boundaries of telecommunications is gaining momentum and the launch of commercial 5G has triggered a new phase of competition based on services.

After I assumed the position of CEO, in April 2017 we developed our medium-term strategy “Declaration beyond,” which was followed by the announcement in October 2018 of our medium-term management strategy laying down the concrete initiatives and quantitative targets. The “Declarations” embody our strong intention of running business with an unswerving resolve of making commitments to customers.

Several years ago, DOCOMO commenced the “+d” initiative aimed at “co-creation” of new value jointly with a wide range of partners, under which we have strived to expand our smart life business and other businesses to bring more affluence to people’s everyday lives. In formulating “Declaration beyond” and our medium-term management strategy, I redefined the concrete value we plan to offer and the initiatives to be executed. Although we are still on the way to our targets, I have been personally tackling these initiatives from the beginning with a fierce determination so we can prevail over the competition in the current market environment. As the head of the Company, I am determined to deliver on these targets.

In the medium-term management strategy for our sustained growth in the 2020s, we adopted a policy that is grounded in the two new directions of “transformation into a business foundation centered on our membership base” that is not tied to mobile subscriptions and “5G rollout and business creation,” and we are currently making favorable progress toward the attainment of our goals. Our “d POINT CLUB” has grown to one of the largest membership programs in Japan with its total membership base exceeding 75 million as of March 31, 2020, and the number of our enterprise partners grew to over 3,400. Because customer base is a very important source of competitiveness in pursuing strong business management, I hope to grow our membership base to over 100 million as quickly as possible. Digital marketing is another element that will become increasingly necessary as we move forward. We plan to create new revenue sources in our smart life business and enterprise business by multiplying our customer base with our partnerships and digital marketing. The total amount of transactions processed with our finance/payment services amounted to ¥5.3 trillion in FY2019, and the number of locations where our payment and point service can be used reached 1.71 million, both increasing at a much faster pace than what we had initially planned. As finance/payment services offer promising prospects for their large contribution to the revenue growth of our smart life business, we will strive to further expand the total transaction volume and revenues.



### Trust Garnered over the Years is DOCOMO's Strength

What I value most when we engage with customers and partners is "trust." If something inconvenient happens during a project, we tackle the issue with the concerted effort of the entire company. At DOCOMO, there has been an unwavering attitude among our staff to try to gain the confidence of customers and partners by always being considerate of their feelings and persistently responding to their requirements.

In January 2020, one of our customers had an unpleasant experience at a docomo shop due to inappropriate actions taken by a staff member and this incident was extensively covered by the media. We must never let this kind of incident happen as it could potentially shake the "trust" that we have built with customers. At every customer touchpoint, we have implemented measures to enhance awareness on proper sales practices and compliance through the provision of regular training programs for knowledge acquisition and improvement of customer attendance skills. We will double down on our efforts and provide more thorough guidance to all nationwide shops to prevent recurrence. We should never forget to assume an attitude of humbleness when we interact with customers, partners or even between employees.

We have been highly evaluated by customers and partners for our stable communications, rich variety of content services and after-sales support, i.e., the non-price value that cannot be expressed in numbers, which has led to the successful expansion of our customer base. By maintaining our humbleness and constantly refining the value we offer, all of us at DOCOMO will brace ourselves and strive to build lasting and robust ties based on trust.

### Bringing a Breath of Fresh Air While Taking Our Corporate Philosophy That Hasn't Changed since Our Inception to Heart

We have a corporate philosophy—"creating a new world of communications culture"—that has not changed since the inception of the Company. This also represents our *raison d'être* as it profusely expresses our pioneer spirit of creating "new wind" on our own in uncharted territory. Even today, we are strongly motivated to

make contributions to the advancement and technical innovation of industries and society as a whole, and this ambition is crystalized in our co-creation activities that we promote together with customers and partners.

As a pioneer in the mobile industry, we have actively engaged ourselves in the standardization activities of technical specifications, playing a leading role in the international standardization efforts of 5G, which was launched on a fully commercialized basis in March 2020. As a result, we acquired the largest number of 5G essential patents among the telecommunications carriers in the world. While we have generated new wind by exerting global leadership in the telecommunications business, we also aspire to develop new wind in our non-telecommunications (i.e., smart life) domain in collaboration with partners going forward. As the representative of top management, I will properly steer the Company toward "creating a new world of communications culture."



Past

## What value have we offered so far?

### Reinforced Our Customer Base Even Further by Proactively Responding to the Voices of Customers

At present, connectivity anytime and anywhere is taken for granted with DOCOMO's telecommunications network. However, in the early days after the Company's establishment in 1992, we often received complaints about the "difficulty of getting a connection" or "dropped calls," thus, the enhancement of network quality and expansion of coverage was a key issue in our corporate agenda back then. We immediately responded by employing measures to reinforce our telecommunications infrastructure, expanding our coverage primarily in urban areas across the nation spending ¥50 billion in a time span of

approximately one year. From 1993, we embarked on the rollout and expansion of a digital network in the metropolitan area around Tokyo and started offering a wide array of high-quality services.

To ensure "connectivity anytime and anywhere" and "affordable rates for everyone," we have also actively reviewed our rate structure from time to time. Following the abolishment of the ¥100,000 handset guarantee deposit in 1993, we lowered the new subscription fee in phases from 1994 before completely getting rid of the system in 1996. Thereafter, we have constantly revised our rate plans to meet the requirements of the time, including, among other things, the transition from usage-based billing plans to a flat-rate structure for data services in 2004 and the introduction of flat-rate plans for voice calling in 2014.

The price structure is one of the most important pillars for our strategy, and it is also a very important factor when customers choose a carrier. Before assuming the role of CEO, I had been directly involved in various rate revision projects and tackled them as an extremely important initiative for our corporate management. While rate reductions are sometimes perceived negatively by investors, we have voluntarily addressed this to fulfill our responsibility as a leading company and to respond to the requests of our customers. The rate revisions we executed in the past have sometimes resulted in a short-term deterioration of revenues. For the longer term, however, I believe rate reductions implemented at an appropriate timing is a necessary measure for "further reinforcement of customer base," which serves as a foundation for our sustained growth toward the future.

### Transform the World of Communications with Brand New Services

DOCOMO has taken on the challenge of developing new services that never existed before, toward the "creation of a new world of communications culture."

The monumental achievement of this endeavor was the launch of "i-mode" service in 1999. The service, which enabled Internet access via a single mobile handset, was a real breakthrough and received broad acceptance among general consumers, expanding the user base

of the Internet, which was previously confined to mainly business users who had made access via PCs. By 2001, i-mode became a smash hit with its total user count topping 30 million, drawing tremendous attention from society as a tool that can open up a new era of mobile multimedia.

The development of i-mode was triggered by the dialogue between the top management and employees in a forum for direct communication and our policy to utilize diverse talents. Our then-CEO had a view that the capabilities of an individual as opposed to an organization can cause a larger impact for “new value” creation and attached a strong importance on “to whom to assign the job.” As such, he appointed a person with no experience in consumer business as the leader for i-mode development. Recruitment of outside talent, including a former content creator and a former editor-in-chief of an information magazine, as members of the project was also another factor that led to success.

Human resource development initiatives are the driving force behind DOCOMO's new value creation. Following i-mode, we launched the world's first mobile NFC-based e-wallet service, dubbed “Osaifu-Keitai,” and the “iD” mobile credit platform that can be used to process “Osaifu-Keitai” transactions, making positive contributions to the expansion and proliferation of cashless payments in Japan. To further grow our smart life business and other businesses that offer services that can transform the world of communications, such as finance/payment and content/lifestyle services, we believe it is indispensable to hire talents with diverse backgrounds and make full use of their capabilities.

### Innovation Cannot Happen without an Open Organization

I also value direct communication with employees very much. Although it is currently difficult to hold these meetings due to the outbreak of the novel coronavirus (COVID-19), I used to actively travel across Japan for direct dialogue with employees and staff. I intend to visit as many regional offices, branches and docomo shops in Japan as possible to explain our mid- to long-term strategies and planned actions in person.

The voices of people in the field provide me with many enlightening inputs, and I would like to make DOCOMO an even more open organization by actively incorporating these learnings in our business management.

We are also putting efforts into the development of talent who can challenge themselves and tackle new value creation. We have enriched our human resource development programs for all levels with the introduction of an “in-house job posting system” designed to identify people with a challenging spirit; the “DOCOMO Degeiko cross-industry OJT project,” an external exchange program broadly open to general employees; the “Win-d program” aimed at women's career development; and other schemes targeting executive team members.

Furthermore, the open innovation initiatives pursued in cooperation with external organizations have resulted in joint development activities with a wide range of partners, solution proposals leveraging the “Top Gun” scheme\* and strategic recruitment activities.

Something new can be created if we break away from the practice of thinking and working within our own boundaries and foster friendly competition within our diverse workforce. In other words, innovation will never happen if the company is not open.

\* Top Gun: A project aimed at speedily solving customers' pain points through the collaboration of the three organizations of the client, DOCOMO's Corporate Sales and Marketing Department and R&D team



## What kind of value do we offer over the long term?

### Roles to Be Fulfilled by DOCOMO amid the Transition to a Remote-style Society

The outbreak of COVID-19 is expected to induce a new normal, where there will be a transition from the conventional lifestyle predicated upon face-to-face interactions to remote styles, and a shift from the concentration of activities in metropolitan areas to a more regionally distributed society. DOCOMO is requested to fulfill two key roles as we go through this major change.

The first is the provision of stable telecommunications services. Many enterprises now encourage telework and the demand for remote monitoring of networks is on the upswing. Building on to the proposals for telework and enrichment of online education we have made so far, we plan to establish a mechanism that will allow us to continue



providing stable telecommunications services to fulfill our mission as a telecommunications carrier while ensuring the safety of our employees amid the COVID-19 crisis.

The second is “new value creation” and the “solution of social issues” capturing the demands arising from the new normal. Through 5G and other ICT services, we will offer enterprise solutions that enable telemedicine and online diagnosis, remote education and workstyle reform to help solve the issues that will surface along with the changes in society. We also plan to reinforce our healthcare offerings centered on daily health management tools as well as live video and sport distribution services to deliver new styles of entertainment and experiences that can be enjoyed remotely.

Under the COVID-19 crisis, I believe the role DOCOMO fulfills through the provision of “connectivity” bears greater importance than before. Amid the growing demand for solutions that can prevent human contact and support remote operations/communications, we have been offering population dynamics analysis using our “Mobile Spatial Statistics” technology as well as the “Congestion Map” function of “docomo map navi” as a free-of-charge service that enables users to spot congested areas at a glance, while also implementing support measures for users of age 25 and under. Going forward, we will strongly promote new value creation and the solution of social issues through early rollout of 5G services and solutions.

Given the current circumstances, we must now also step up the initiatives for our human resources, an important capital for our business, more than ever. We will earmark the proper amount of investment for safety measures to protect our employees and staff of docomo shops as well as for workstyle reform, so we can take the lead in establishing a corporate structure that can cope with the new norms of society.

### Conception and Development Capabilities Formulate a Brand New Future

New technologies and services cannot be created in just one stride. Accordingly, it is vital for us to acquire the “power of imagination,”

i.e., the capability to thoroughly envisage the future society and anticipate what it would request to DOCOMO 10 years from now and further down the road. It is also indispensable that we accumulate the “development capability” to realize the ideas and visions created with “the power of imagination.”

Even with 5G, DOCOMO will continue to brush up our “power of imagination,” giving thought to how we can further please customers in various domains such as sports, music and tourism, or how we can deliver more efficient solutions for pressing social issues like the declining birth rate and aging population, regional vitalization and decrease in the working population.

We have also embarked on the development of 6G technology that lies ahead of 5G, publishing a white paper that describes its use cases, target performance and element technologies. I am convinced that we can shape a new future if we combine our “development capability” with which we spearheaded the mobile industry with an additional layer of “development capability” that we will accumulate through our co-creation activities with partners driven by open innovation.

### DOCOMO's ESG Management for the Realization of a Sustainable Society

I have constantly repeated on various occasions that our business activities are not independent from our corporate social responsibility (CSR). We must consider CSR an integral part of our business activities, and promote environmental, social and governance (ESG) management adhering to the fundamental philosophy that we will keep providing new value in order to make contributions to society.

In “Declaration beyond,” we adopted a declaration committing to “solution co-creation to solve social issues,” which is also positioned as one of the key pillars of our 5G initiatives. There are high expectations for the initiatives that DOCOMO can uniquely execute to make contributions to society through our telecommunications services. The development and widespread adoption of 5G technology that DOCOMO is currently working on will lead to the construction of a resilient infrastructure. As we are pursuing sustainable industrial development

and innovation that will benefit everyone, our undertakings also make positive contributions to the UN's Sustainable Development Goal No. 9, “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.”

In June 2020, we changed our institutional setup and made a transition to a company with the Audit & Supervisory Committee, while at the same time increasing the number of independent Outside Directors to one third of the total in order to incorporate diverse insights in our discussions on our managerial strategy. Under the new governance structure, we will strive to fulfill our responsibilities as a telecommunications carrier and deliver new value through our businesses, thereby contributing to a society that is undergoing a major change.

### Toward the Future beyond 5G

Four years have elapsed since I was appointed as CEO. From early on, I have constantly communicated to employees that I would like to make DOCOMO an “open,” “fun” and “healthy” organization. The “fun” element will serve as a motivation for employees to take on the challenge of creating exciting new value that never existed before. In addition to our corporate DNA of being sincere and diligent, I would like to more than ever connect our strengths, i.e., our diverse talents, with “fun” and instill it into our corporate culture.

“Fun” that can conjure up excitement and the “power of imagination” unleashed from common sense will pave the way for 6G and unlock the unlimited potential of future mobile telecommunications beyond 6G, including the possible “expansion of communication coverage into the sky, ocean and space,” something that has been difficult to realize with conventional mobile telecommunications systems. Through the steadfast execution of “Declaration beyond” and our medium-term management strategy, we will aim to realize sustained growth of DOCOMO and society and explore the possibilities of communications with a long-term perspective. This is the role expected of us, and as the representative of top management of the Company it is my responsibility to properly discern which way the new wind is blowing.

Top Message

Special Feature 1

Special Feature 2

Special Feature

# DOCOMO's 5G Strategy

DOCOMO's View on the Significance of the 5G Rollout

DOCOMO's 5G started in March 2020.

DOCOMO has two major goals to achieve using 5G.

One is to create new value, launching new services in a variety of fields, including sports, music and tourism.

The other is to contribute to solving a number of social issues in Japan, including the declining birth rate and aging population, regional vitalization and the labor shortage.

DOCOMO is undertaking a variety of initiatives, aspiring to change the world through 5G.

Gaming



Sports



New value creation



Music

Automatic translation



Declining birth rate and aging population



Regional vitalization



Solution of social issues

Shrinkage of workforce



Telemedicine



VR tourism

## Features of 5G

High speed and large capacity

Low latency

Massive device connectivity

## Effects of 5G

Drastic UI/UX improvement

Creation of innovative services

Productivity enhancement

## DOCOMO's 5G Initiatives

Network

Device

Service

Solution

DOCOMO will create a new world that no one has experienced and make life more convenient and comfortable by taking full advantage of the features of 5G to develop innovative services and to encourage digital transformation.

# DOCOMO's 5G Initiatives

## Network

### Aggressive Deployment of High Speed, Large Capacity 5G Using New Frequency Bands

To create new value, we will deploy a high speed, large capacity nationwide 5G network, making full use of new frequency bands. In particular, our 5G network will cover 500 cities in FY2020, and we will build 20,000 or more base stations during FY2021. We will increase the 5G infrastructure development rate, an important indicator for expanding 5G areas rapidly and flexibly to match demand in society, to 97% during FY2023. We will develop infrastructure for the 5G network across the country, which will create new services and solve social issues.

### Aggressive Development of High Speed, Large Capacity 5G



## Device

### Providing 7 Models, 6 Smartphones and 1 Data Device

We are providing six smartphone models and one data device model that will connect customers to 5G. We will continue to enhance the product lineup to provide appealing products. In addition to smartphones, we will expand peripherals to promote the "MY NETWORK" concept to solve social issues and provide innovative entertainment experiences.



## Service

### Start Offering Services in the 4 Areas of "Music/Live," "Gaming," "Video" and "Sports"

As for services, we are focusing on enabling customers to create "experiences that are completely new." Primarily in the areas of "music/live," "gaming," "video" and "sports," where the features of 5G are likely to be directly reflected, we will provide distinct experiences, combining functions enabled by 5G, including 8KVR (virtual reality using 8K camera), multi-angle viewing and XR: VR (virtual reality), AR (augmented reality) and MR (mixed reality).



"Shintaikan Live Connect" enables viewing the live distribution of music events using smartphones, among other devices. The "multi-angle" live function enables the user to choose from videos shot from different angles. Using cutting-edge video technology, we connect artists and fans and link fans together and provide "new live experiences."

## Solution

### Expand Number of Partners to 5,000 and Promote Business Matching

DOCOMO considers co-creation with partners to be the most important. The number of partners in the "DOCOMO 5G Open Partner Program," which started in February 2018, was 3,400 in March 2020. We plan to increase the number to 5,000 by the end of FY2021. We will expand the number of solution partners, which provide services, and will provide optimal solutions to field partners, which use the services, to promote business matching between partners and expand a circle of partners for co-creation to solve social issues.

### Number of Partners



## Special Feature Our Response to COVID-19

DOCOMO has been proactively implementing measures to prevent the spread of COVID-19, placing the highest priority on the safety and security of all stakeholders, including customers, partners and employees. At the same time, toward a new post-COVID-19 society, we will step up our efforts to create new value and solve social issues while pursuing the boundless potential of information and communication technology (ICT), including the 5th generation mobile communications system (5G).

### Contributing to Society through Mobile Solutions and Data Utilization Business

We have provided related products and services free of charge to support companies and local governments encouraging work-from-home and telework and temporarily closed schools engaging in remote education. In addition, we have been providing map information and services, showing real-time population shifts in an area where a customer lives or is visiting, also free of charge.

### Other Responses and Initiatives

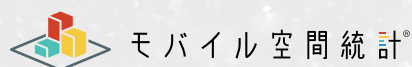
Given that students are now receiving education through remote classes and online learning programs, we have implemented support measures to ensure an appropriate communication environment for them. We have also undertaken a range of initiatives, including providing features to go through various procedures on our website and other online services, both of which are simple to use and convenient for customers.

#### Telework and remote education realization support

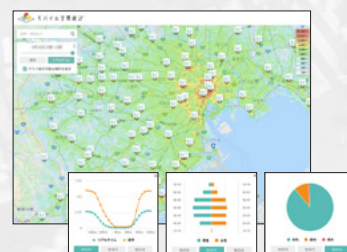
Free provision of products and services that help realize telework and remote education  
Applications from over 600 companies in a short period of time



#### "Mobile Spatial Statistics®" population map



Limited-time offer of real-time demographics data for free



#### docomo map navi "Congestion Map"



Limited-time offer of "Congestion Map" for free



Support measures for users under 25 years old	Free-of-charge provision of "Additional 1GB Option" and "Speed Mode" for up to 50GB to users under 25 years old during the period between April and August 2020
Encouragement of web procedures and shop visit reservation	Encouraging use of web channel for various procedures and shop visit reservation to avoid "3Cs" (Closed spaces, Crowded places, Close-contact settings)
Measures for preventing spread of infections upon customers' shop visit	Customer attendance with adequate distance between seats, obliging shop staff to wear face coverings, installation of virus protection shields on customer counters, provision of protective goggles for shop staff, etc.
Provision of "docomo Smartphone classes" online version	Online version of "docomo Smartphone classes" providing smartphone operations guidance and enjoyable usage tips in video
Provision of population dynamics analysis using "Mobile Spatial Statistics®"	Analysis of demographic changes in principal areas before and after the declaration of state of emergency using "Mobile Spatial Statistics" and provision of analysis results to national and local governments, media, etc.
Extension of payment due for mobile phone charges, etc.	Deferral of payment deadline of phone charges originally due on and after February 29 to July 31, 2020 for customers who filed an application for extension
Re-grant of expired "d POINTs"	Re-grant "d POINTs" expired in March, April and May 2020
Free online health consultation through "d healthcare" app	Limited-time provision (through June 30, 2020) to "d Account" users of a free 24-hour chat service with medical doctors for consultation of COVID19-related and other anxieties or health concerns