

New DOCOMO Group Medium-Term Strategy

Changing worlds with you.



October 25, 2021

1 Challenge of the New DOCOMO Group

2 Medium-Term Strategy/ Management Target

3 Execution Schedule

Changing worlds with you.

Creating innovation with our partners,
and bring about big changes to society

Challenge of the New DOCOMO group

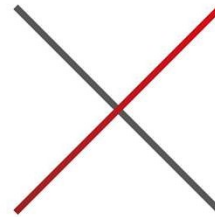
Pursue **Customer First**,

Provide new values beyond customer expectations

Accelerate pace of **DX** and
leveraging Data in operations,
realize better CX and business reform

Leveraging service/solution/technology
developed and nurtured in Japan,
roll out our businesses **globally**

Pursue business and ESG as one,
contribute to creating a **sustainable** society



One Step Ahead

Not following; predict and move in advance
Keep challenging with positive thinking

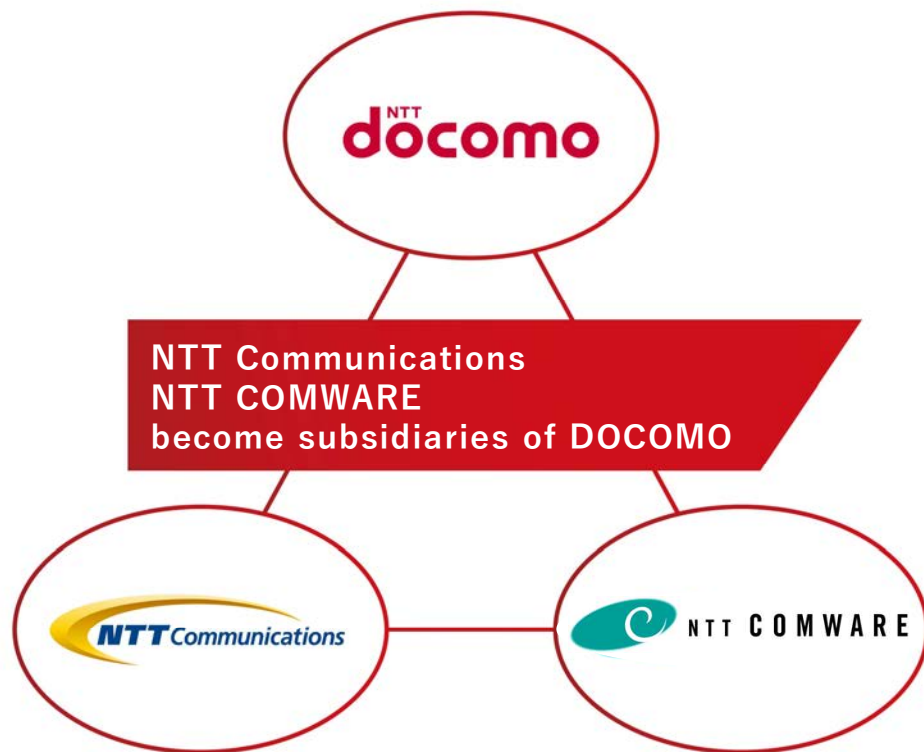
Openness

Create innovations with customers and
partners

Trust

Gain a trust from customers/partners by
committing words to action,
and fair interactions

As the New DOCOMO Group, we are expanding our business domain to encompass mobile, services, and solutions and create a new world



- Integration of the three companies
- Clear business responsibilities
- Structural reform of telecommunications business and expansion of enterprise/smart life businesses

Synergy Through Integration

Expansion of enterprise business

Integrate all enterprise business under the New DOCOMO Group; support all corporate customers through one stop - contribute toward DX of society and industry

More competitive network

Fixed and Mobile convergence brings higher quality and economical network; provide inexpensive cost, easy-to-use services and accelerate evolution toward 6G/IOWN

Strengthening the power of service creation and development and promoting DX

Integrate R&D of DOCOMO, services of Communications and software capability of COMWARE, leading to quick response in creating innovative services, and accelerating DX of the New DOCOMO Group

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Challenge of the New DOCOMO Group

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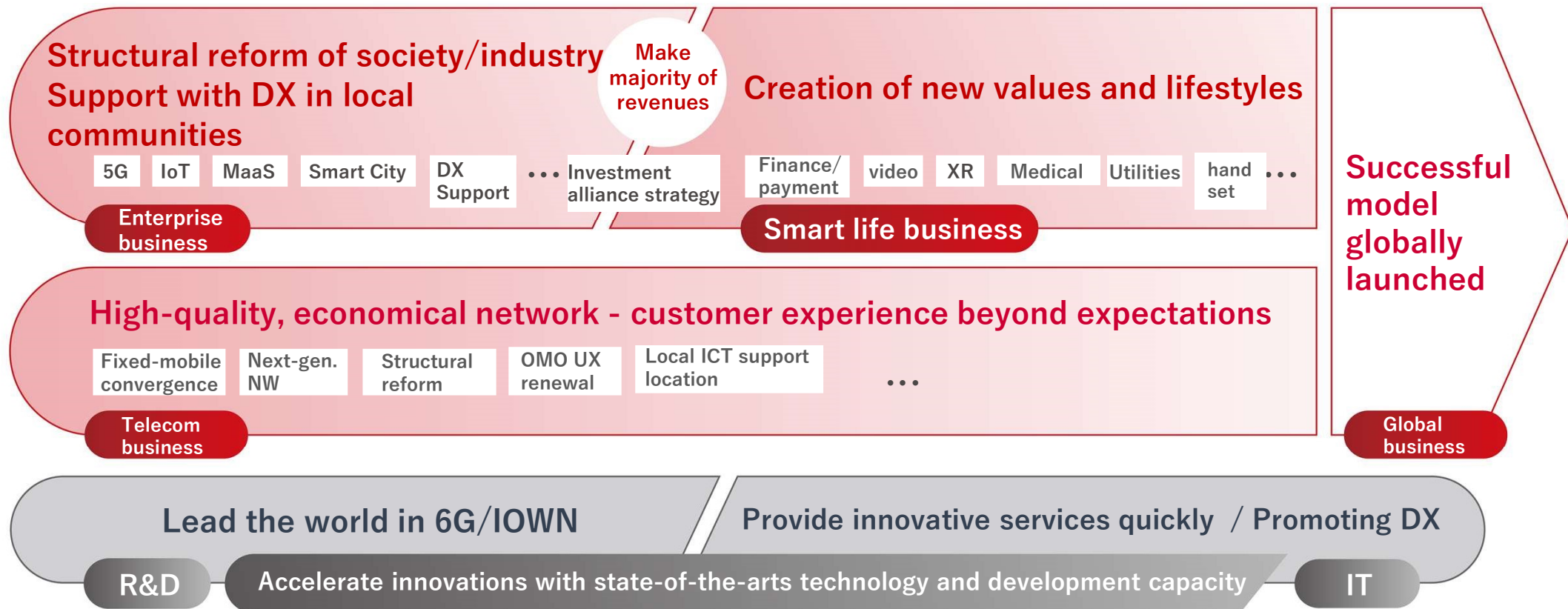
**Medium-Term Strategy/
Management Target**

3

Execution Schedule

With 'Structural Reform' and 'Creation of New Lifestyles' we are...

Changing worlds with you.



- ▀ **Integrate enterprise business as the New DOCOMO Group**
- ▀ **Support all corporate customers with one stop through building up sales organization and enhancing FMC services/solutions**

Expand enterprise revenue to over ¥2trillion in FY 2025

Create innovations in society and industry with '*Mobile Cloud First*'

Structural reform of society/industry

With FMC services and advanced solution like 5G/IOT, create innovations with customers, leading to change in society/industry

Support with DX in local communities

With enhanced sales support and services for SME's nationwide, support DX adoption of all companies, and contribute toward solution of challenges in local communities

New brand

Launch a new enterprise business brand as the new DOCOMO Group



Smart Life Business

- Through seamlessly linking membership base, data usage and services with a variety of handsets, co-create new values and lifestyles with partners
- Boosting existing businesses like *finance/payment* and *video/entertainment*, plus expansion into new domain will lead the growth of the new DOCOMO Group

Make the majority of revenues of the new DOCOMO Group in FY2025 with smart life business and enterprise business

Endeavors for Further Growth

Boosting existing business	Finance/ payment	Towards enhanced financial service that originates in payment, in addition to bank accounts, insurance, we are boosting the loan business
	Video/ entertainment	To boost the content, and create new customer experience, we are integrating businesses of DOCOMO and Plala
Expansion of new areas	Utilities	Newly launching electricity retail business. With docomo Denki, accelerate the use of green power
	Medical	With integrated service from check-up through diagnosis and filling prescription as a final goal, d-Account/data linkage on online diagnosis commences
	XR	Looking toward a global launch, provide contents platform/handset using VR/AR/MR, and create a new market



Linkage with services/smart devices

Services and a variety of handsets seamlessly linked, in indoors/public spaces, in response to usage scenes, creating new experiences, values

- ▶ Quick expansion of 5G, and integration of network of DOCOMO and Communications realizes a higher-quality, economical network, enabling inexpensive, easy-to-use fixed/mobile services
- ▶ We realize with partners rates/services that meet diverse needs as well as reform of sales channels, and create customer experience beyond their expectations

**Maintain mid-term profit in telecommunications business/
Realize a shift to the growth trajectory**

Realizing High-quality, Economical Network

Quick expansion of 5G

- Coverage area superior to competition in speed, area and convenience, pursuing faster, higher quality customer experience
- Enhancement and sophistication of enterprise solution with 5G/SA

FMC Network

- Integrate infrastructure such as buildings, utilities and transmission network
- Looking toward 6G/IOWN, build next-generation network, e.g. transfer network/non-terrestrial system

Integrating and streamlining operations

- Non-touch operation using monitoring/analyzing/remote control, realize improvement and streamlining of network
- Through unified management from planning through operation, provide more reliable and secure network

Customer Experience Beyond Their Expectations

Response to diverse needs of customers

- In addition to Premier, ahamo, through 'economy' collaboration with MVNO operators, respond to the needs of low-end, small volume customer needs
- In addition to economy rates, provide customers with affordable/convenient values such as d POINT linkage and sale at docomo shops

Sales channel reform

- A shift to digital sales/procedures, plus the use of DX at docomo shops and call centers enable streamlining and improved customer experience
- Shift the role of docomo shops to providing new values as a center of ICT support for customers with use of DX

Global business

Develop Global Businesses Through converging Capabilities of DOCOMO and NTT Communications and Linkage with NTT Data, and NTT Ltd.

B2B2X business

Launch 5G/IoT solutions and Private 5G that are currently operated in Japan globally

O-RAN

Targeting overseas operators, build up organizations for creating new businesses with O-RAN, such as 5G network integration

Smart Life

Leveraging B2C business assets in Japan, pursue finance/payment PF or XR businesses

IT

Strengthen the software development capability to quickly provide new services to customers , and to accelerate DX of the whole group

Service creation capabilities

Expand our organization for Agile Development to 5,000 experts in FY 2025, bring quick provision of smart life/enterprise services into reality

Bolster data utilization

Expand human resources for data utilization to 5,000 in FY 2025, and bring up the sophistication level of digital marketing/accelerate data driven management

Accelerate DX

Streamline development/operation by integrating COMWARE and DOCOMO Systems, and accelerate DX of the whole group

R&D

Lead the Open Innovation, and Change the World with Partners

Creating values with partners

- Create new values with partners in *Platform for Co-creating Innovation* and *Lifestyle Co-creation Lab*, leveraging technologies such as AI/IoT/XR

6G·IOWN

- Linking with NTT laboratories, DOCOMO leads R&D of practical usage side, aiming to quickly bring to practical application
- Non-terrestrial network using satellites/ HAPS
- Lead the world even in 6G standardization also and obtain indispensable patents

Pursue Business and ESG Comprehensively, and Contribute Toward Creation of Sustainable Society

Realize carbon neutral in 2030

- Thorough power saving of network/data center;
Use of renewable energy
- Provide green power through eco-friendly *Green 5G* and *docomo Denki*
- Providing '*Caboneu*' platform everyone can participate and contribute toward reduction of CO2 in the world

Pursue diversity; work style reform

- Promote woman to managers/promote to executives, actively hire outside human resources
- Set the environment, pursue DX, change the system toward change to, and early realization of *Work in Life*, where employees themselves determine work location, residence and work hours, with remote work as its basis

Medium-term Management Goals

		FY 2025
Growth	Ratio of smart life plus enterprise business revenue	50% or more
	Enterprise business revenue	2 trillion yen or more
Efficiency	Telecom CAPEX to Sales	16.5% or less
Capital productivity	ROIC	12% or more

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Execution Schedule

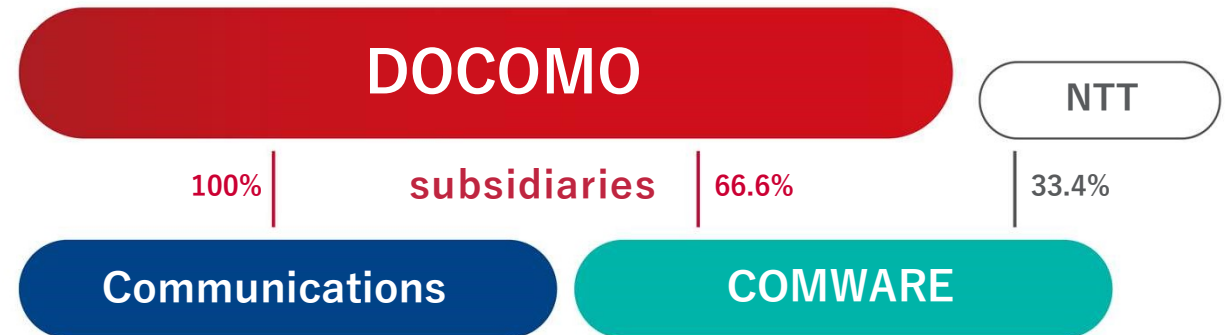
2-Step Execution To Move To the New Formation

STEP

1

January 2022

Communications and COMWARE becomes subsidiaries

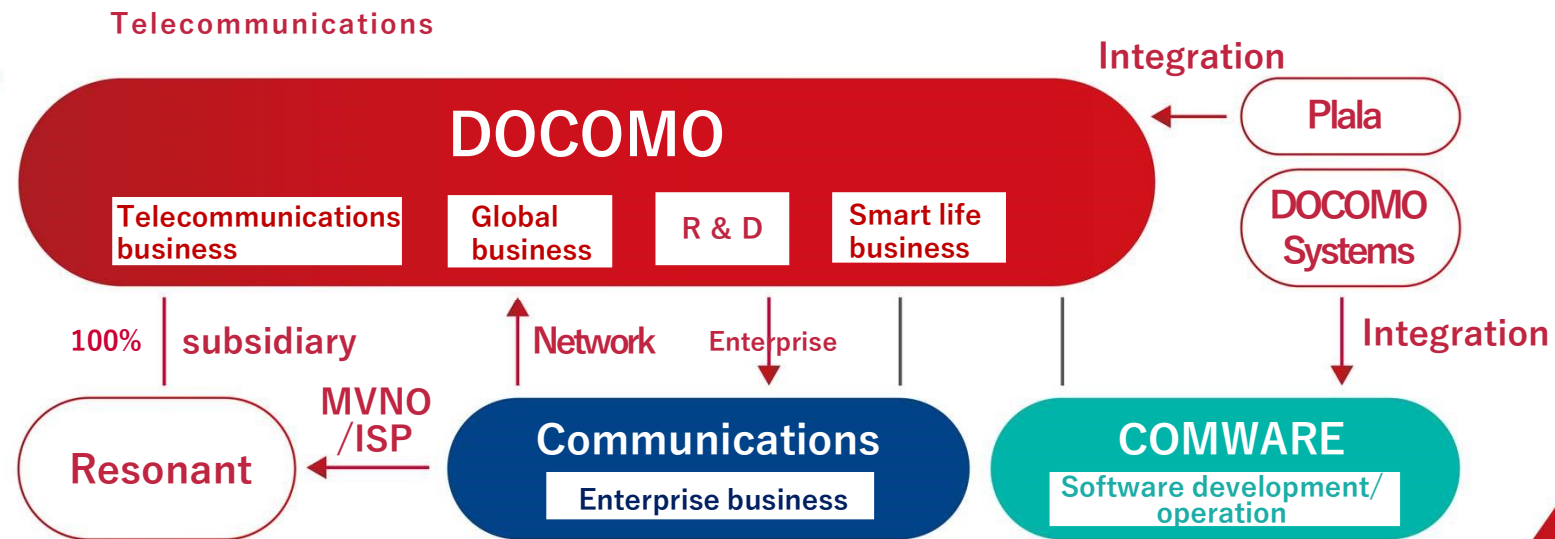


STEP

2

Around Q2 FY2022
(direction set)

Integration of functions and business responsibilities clearly defined





Mid-Term Strategy of Enterprise Business

Corporate Vision

Realize a sustainable future through co-creation with customers and partners, defining new values in *With/After COVID-19 era*, and “*Re-connecting*” society/industry with fixed-mobile convergence services/solutions

ReconnectX

Challenges

As the core company for enterprise business of the New DOCOMO Group

- Provide one-stop service to enterprise customers, from large enterprises to small and medium-sized enterprises
- Strive to being a leading company in DX of society/industry through “*Mobile/Cloud First*”

1.6 trillion
yen
FY2020



FY2025

Enterprise
business
revenue

2 trillion yen or more

Values We Can Present and Realize in *Mobile/Cloud First*

Structural reform of society/industry

- Promote DX in society/industry through co-creation with customers and partners by adding COMWARE's software development capabilities and rapidly providing new services/solution in a global scale
- Enhancing platforms and total managed & security services to realize flexible, secure and safe utilization of diverse data generated from IT/OT environments in a distributed society

New work style

- Through our own experiences, we can co-create flexible and hybrid workstyle with customers in *With/After COVID-19* era

Support for DX of local communities

- Integrate DOCOMO and Communications' nationwide enterprise sales function and create an organization that provides one-stop service to customers in the local community
- Provide SMEs with mobile-based applications and DX support that can compensate shortage of IT personnel
- Provide safe and convenient digital touch points such as business d account and marketplaces for enterprise customers

For Sustainable Growth of Enterprise Business

Energy and environment

- Carbon neutrality in data centers and networks (by 2030*)
- Visualizing CO2 emissions of major services and solutions
- Implement IOWN in the data centers and promote open innovation

New enterprise business brand

- Launch new enterprise business brand as the New DOCOMO Group

Venue for co-creating with partners - real and digital

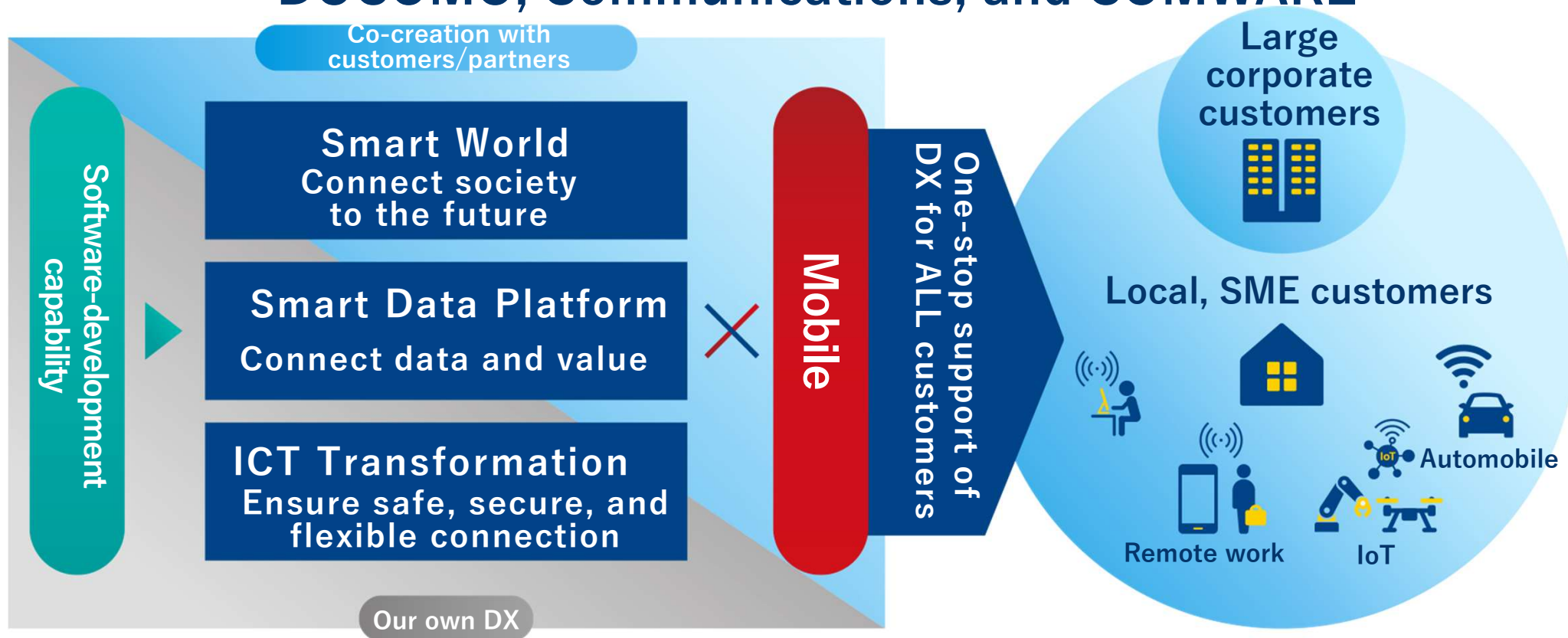
- Interact with customers/partners and create inspiration for the future
 - *OPEN HUB for Smart World* (Workplace planned for launch in February 2022)
 - *CROSS LAB for Smart City* (Launched in April 2021)

* Subject of Carbon Neutral are Scope 1 (direct emissions of own greenhouse gases) and Scope 2 (Indirect emission from the use of electricity, heat and steam supplied by other companies)

(For info.)

Growth Strategy for Enterprise Business

Integrate the enterprise business capabilities of DOCOMO, Communications, and COMWARE





NTT COMWARE

Business Growth with Software Development Capability

Service creation capability

Create new customer experiences by pursuing agile development linking business with IT in-house

Next-generation network/platform architecture

Participate in the next-generation network/platform from the most upstream process, bringing flexible, expandable/operable architecture into reality

Accelerate DX

Being the core company for IT strategy for DOCOMO Group, through integration with DOCOMO Systems we create synergy in development/operation, accelerating DX, and bring its results to customers

Boosting Software Development Capabilities

Agile development experts
5,000 (FY2025)

Data utilization experts
5,000 (FY2025)

Design capability

Design systems as a whole and experiences, with awareness of architecture

Software development capability

Engineering capability

Develop software in a timely and assured manner, we provide stable, efficient services

Technical expertise

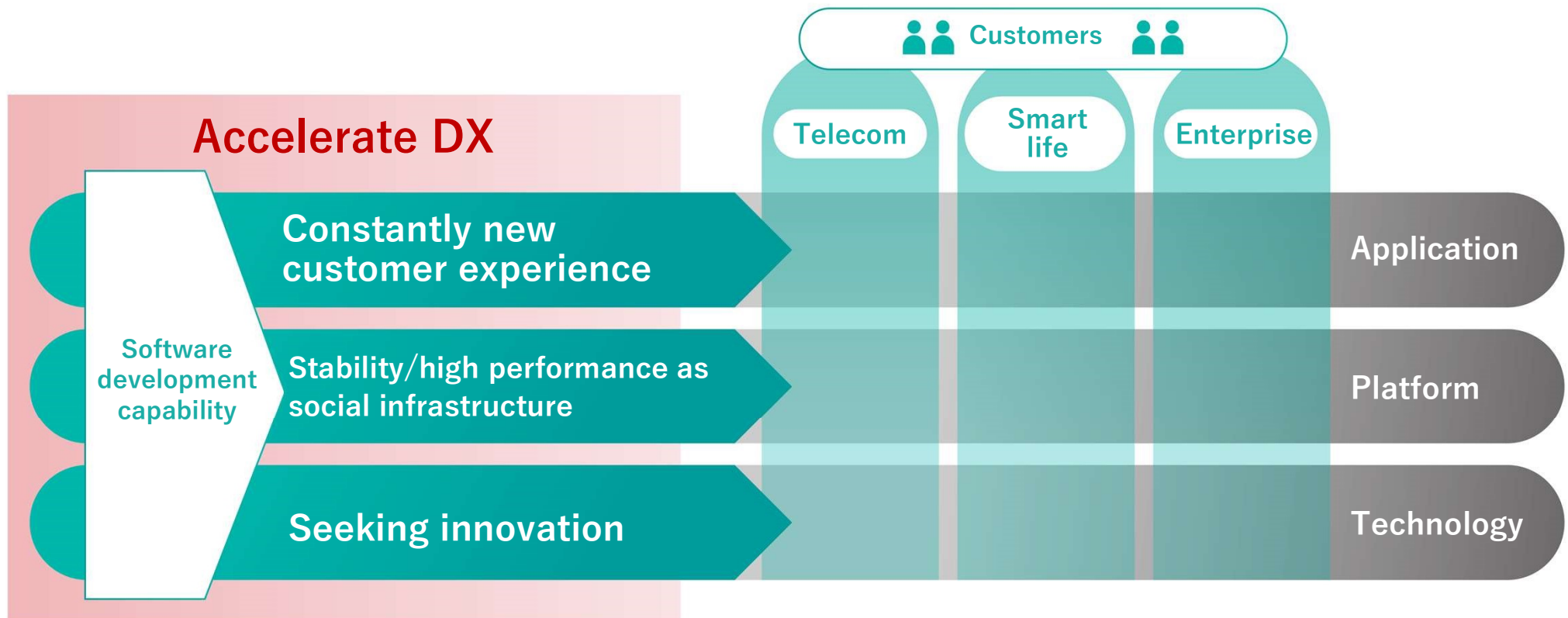
Making the best use of individual elements, e.g. cloud, AI

As the New DOCOMO Group, boost HR assets centered around software development capability

Values We Can Present and Realize in *Software Development Capability*

Quickly provide innovative
services and the fruits of DX

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Special Note Regarding Forward-Looking Statements

All forward-looking statements and projected figures concerning our future performance contained or referred to in this document are based on a series of assumptions, projections, estimates, judgments and beliefs of the management that have been made in light of the information currently available to it. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These projections and estimates may be affected by our future business operations, the state of the economy in Japan and abroad, possible fluctuations in the securities markets or other changes in circumstances that could cause the actual results to differ materially from the forecasts contained or referred to herein.

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