# New Initiatives toward Delivery of Medium-Term Targets



**April 28, 2015** 

## From "Competition" to "Co-Creation"

## Transition from customer acquisition competition to the age of added value co-creation

- With the introduction of the new billing plan and "docomo Hikari" optic-fiber broadband service, DOCOMO induced a phase change in the competitive landscape, breaking away from the conventional competition focused on customer acquisition to start offering values to customers based on the length of use of service
- Going forward, to accommodate the diversifying needs of customers, we will undertake initiatives for "co-creation", creating new added value in collaboration with a wide range of external partners
- Through co-creation with partners, we will aim to generate new services and businesses, bring more abundance to our lives, and contribute to revitalizing industries and solving various social issues

## **Initiatives For Delivery of Medium-Term Targets**

Telecommunications business

Solid steps toward delivery of Medium-Term Targets

Recover competitiveness

Reinforce competitiveness

- iPhone release
- New billing plan
- "docomo Hikari"
- Promote subscription to new billing plan and "docomo Hikari"
- Encourage migration to larger data plans
- NW speed enhancement (LTE-Advanced)
- Ongoing cost efficiency improvement
- More efficient use of CAPEX

Early
recovery of
telecommunications
business

Medium-Term Targets

Value generation through "co-creation"

Accelerate "dmarket" initiatives

Expand service domains by adding home offerings Co-creation of social values

Roll-out of "+d"

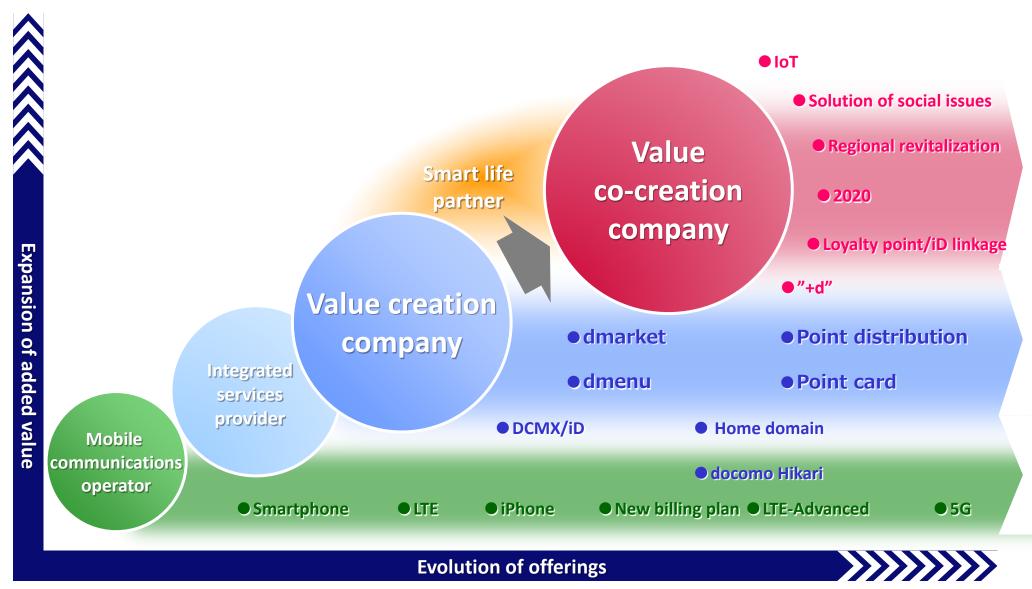
Roll-out by DOCOMO

**Co-creation with partners** 

Smart Life domain

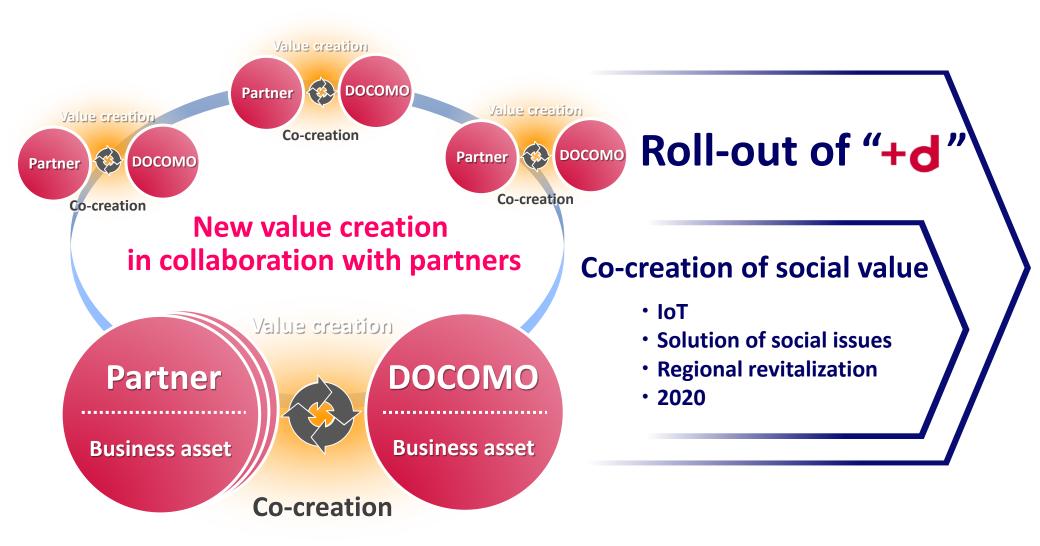
New initiatives toward delivery of Medium-Term Targets

## Transformation into a "Value Co-Creation Company" through Collaboration



## Generating Value through "Co-Creation"





## Roll-out of "+d"



Partner + More benefits

More fun

More convenience

Offer new values to customers through co-creation by DOCOMO and its partners

Actions for roll-out of "+d"

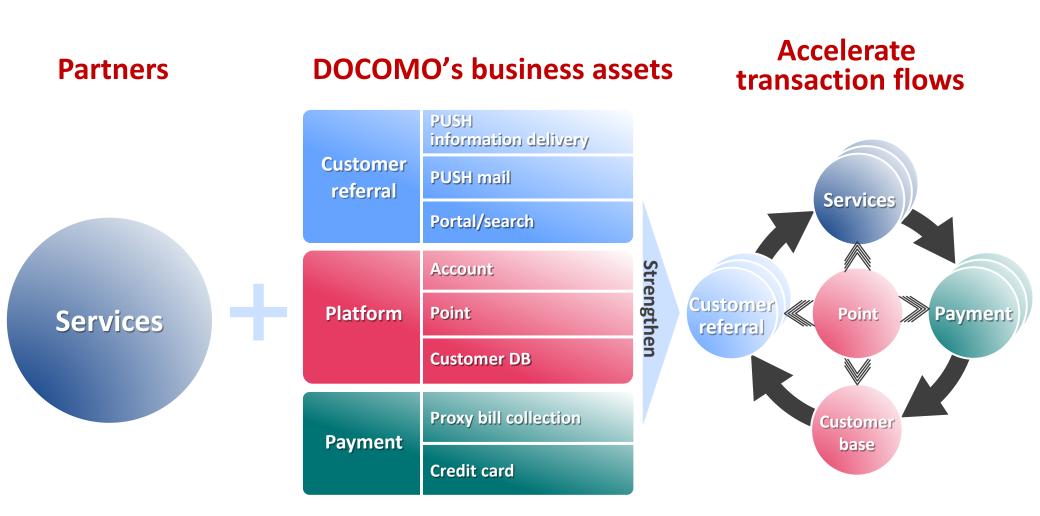
Reinforcement of business assets

Alignment of service brands

### **Reinforcement of Business Assets**



Accelerate the transaction flows of partners' services with "+d"



## **Alignment of Service Brands**



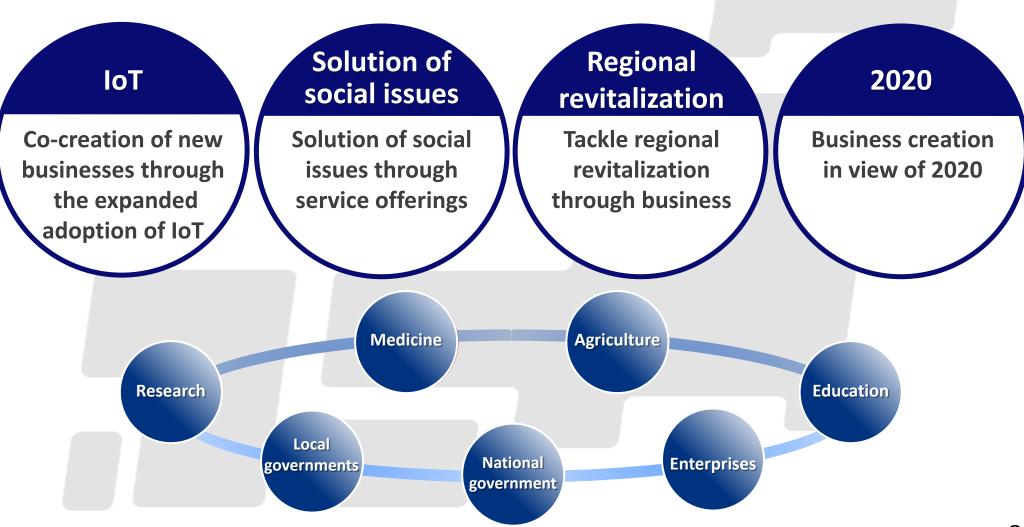
More benefits, more fun and more convenient—and instantly noticeable!



### **Co-Creation of Social Values**



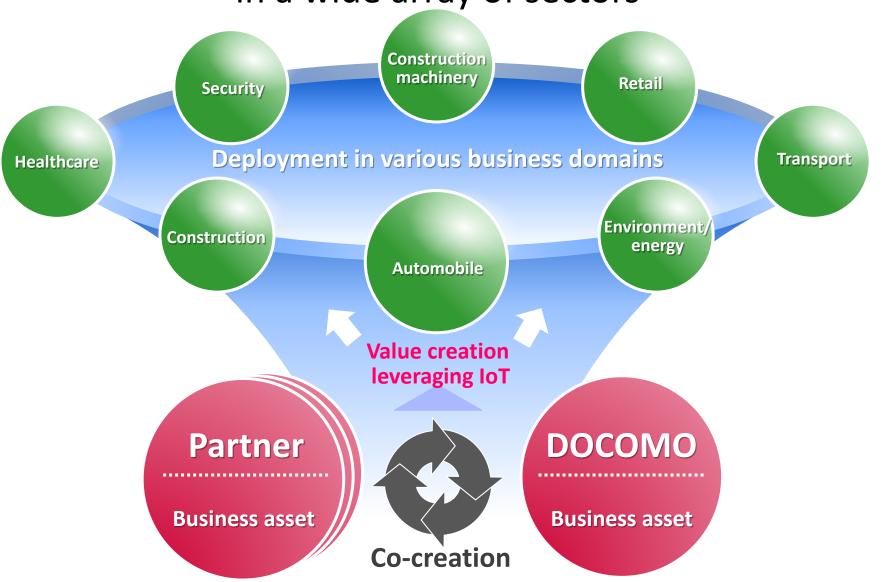
Contribute to Japan's growth and help build an affluent society through collaboration with various external players



## Co-Creation of New Businesses through Expanded Adoption of IoT

"+d"
Social value

Contribute to building business framework in a wide array of sectors



## **Solution of Social Issues through Services**

### Provide support through ICT-based information collaboration

#### **Health/Medical Care**

#### **Education/Learning**

#### **Agriculture**

Promotion of information collaboration in health/medical field

Bring advancements to medical services by facilitating community health care cooperation using "Join" and other solutions, and by assisting preventive medicine through the integration of healthcare data and genome analysis



Promotion of ICT-Based
Education &
Learning Support

Realize meticulous learning support by constructing a seamless education environment between school and home using tablet devices







Promotion of ICT Use in Agriculture

Enable highly productive agriculture avoiding dependence on farmers' intuition or experience by combining tablets with rice field sensors and the "Gyuonkei" calving monitoring system, etc.







## Promotion of Information Collaboration in Health/Medical Field

Offer a complete range of support covering every need before, during and after hospitalization, leveraging the "health/medical care collaboration cloud"









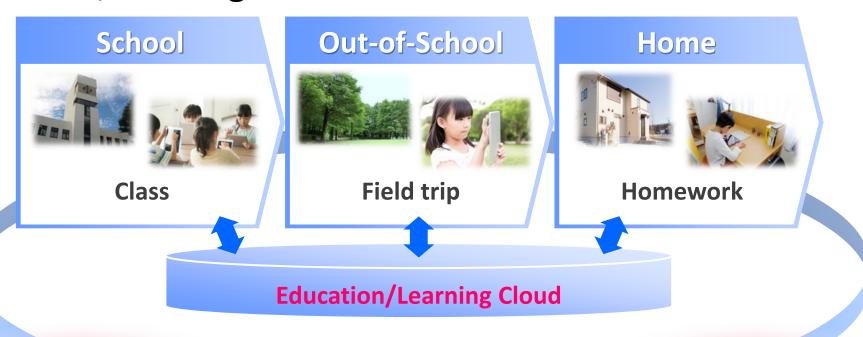


**Health/Medical Care Collaboration Cloud** 



## Promotion of ICT-Based Education & Learning Support

Deliver meticulous support by constructing a seamless education/learning environment between school and home



High-speed NW offering great connectivity over a broad area

Early construction of tablet-based learning environment enabled by the unique properties of cellular technology

Assist children's learning with wide variety of education content

Enrichment of education content in collaboration with external partners

Safe, secure and hassle-free tablet usage environment

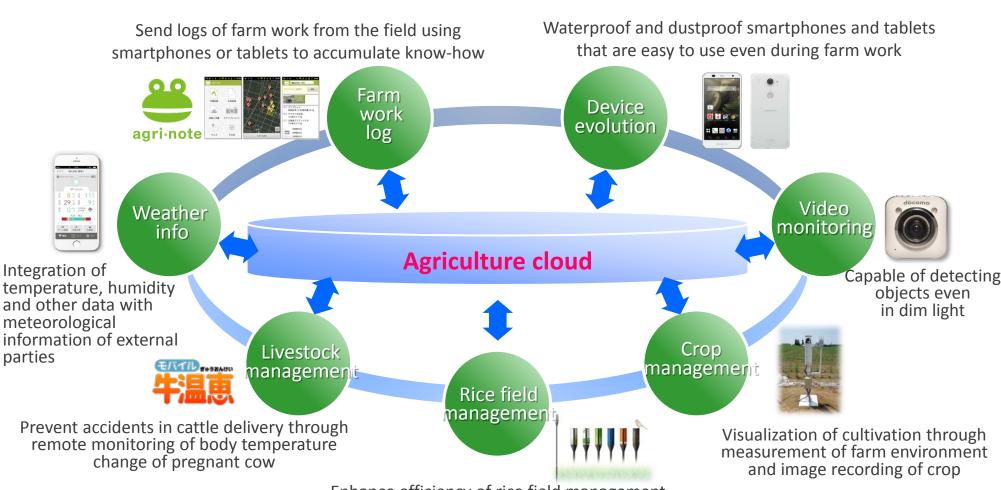
Enable blocking of harmful sites and remote device control in case of misplacement with DOCOMO's services



### lucation Agri

## **Promotion of ICT Use in Agriculture**

Realize highly productive agriculture avoiding dependence on farmers' intuition or experience using a platform connecting sensors and smart devices

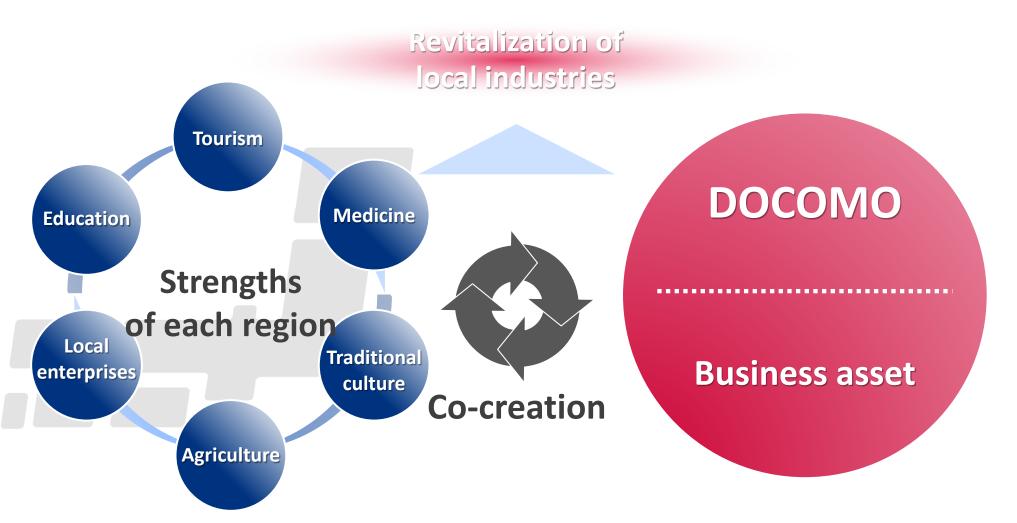


Enhance efficiency of rice field management by notifying water level changes or pest breeding forecasts using sensors

## **Regional Revitalization Through Business**



Create new businesses by combining the strengths of each region with DOCOMO's assets, thereby contributing to revitalization of local industries



### **Business Creation In View of 2020**



## Drive and disseminate innovation, and facilitate creation of new businesses

#### State-of-the-art translation service



Overwhelmingly high translation accuracy

Enable natural communication in multiple languages

#### **Environment for comfortable transportation**



Comfortable transportation means and advanced navigation system

Offer comfortable means of transportation with bicycle sharing service as well as route guidance all the way to inside facilities using advanced navigation system

#### **NW** infrastructure for comfortable access



Cutting-edge network services

Roll out super high-speed & large capacity 5G network suited for 4K/8K video and prepare WiFi environment that can be used easily by foreign travelers visiting Japan

#### **Sports promotion using ICT**







Sport services incorporating vital data

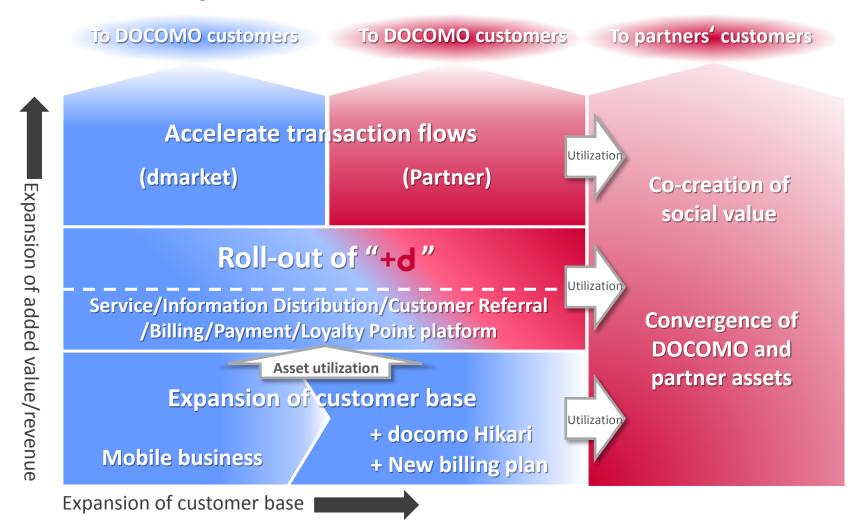
Transform smartphones into a personal trainer for each user through the use of vital data

## **Directions of Business Expansion**

Cultivate new businesses through co-creation with partners leveraging DOCOMO's assets

**Provided by DOCOMO** 

**Co-creation with partners** 



## docomo

This earning release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

- (1) Changes in the market environment in the telecommunications industry, such as intensifying competition from other businesses or other technologies caused by Mobile Number Portability, development of appealing new handsets, new market entrants, mergers among other service providers and other factors, or the expansion of the areas of competition could limit the acquisition of new subscriptions and retention of existing subscriptions by our corporate group, or it may lead to ARPU diminishing at a greater than expected rate, an increase in our costs, or an inability to reduce expenses as expected.
- (2) If current and new services, usage patterns, and sales schemes proposed and introduced by our corporate group cannot be developed as planned, or if unanticipated expenses arise the financial condition of our corporate group could be affected and our growth could be limited.
- (3) The introduction or change of various laws or regulations inside and outside of Japan, or the application of such laws and regulations to our corporate group, could restrict our business operations, which may adversely affect our financial condition and results of operations.
- (4) Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction and could increase our costs.
- (5) Other mobile service providers in the world may not adopt the technologies and the frequency bands that are compatible with those used by our corporate group's mobile communications system on a continuing basis, which could affect our ability to sufficiently offer international services.
- (6) Our domestic and international investments, alliances and collaborations, as well as investments in new business fields, may not produce the returns or provide the opportunities we expect.
- (7) Malfunctions, defects or imperfections in our products and services or those of other parties may give rise to problems.
- (8) Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.
- (9) Inadequate handling of confidential business information including personal information by our corporate group, contractors and others may adversely affect our credibility or corporate image.
- (10) Owners of intellectual property rights that are essential for our business execution may not grant us a license or other use of such intellectual property rights, which may result in our inability to offer certain technologies, products and/or services, and our corporate group may also be held liable for damage compensation if we infringe the intellectual property rights of others. In addition, the illicit use by a third party of the intellectual property rights owned by our corporate group could reduce our license revenues actually obtained and may inhibit our competitive superiority.
- (11) Events and incidents caused by natural disasters, social infrastructure paralysis such as power shortages, the proliferation of harmful substances, terror or other destructive acts, the malfunctioning of equipment, software bugs, deliberate incidents induced by computer viruses, cyber-attacks, equipment misconfiguration, hacking, unauthorized access and other problems could cause failure in our networks, distribution channels, and/or other factors necessary for the provision of service, disrupting our ability to offer services to our subscribers and such incidents may adversely affect our credibility or corporate image, or lead to a reduction of revenues and/or increase of costs.
- (12) Concerns about adverse health effects arising from wireless telecommunications may spread and consequently adversely affect our financial condition and results of operations.
- (13) Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise influence that may not be in the interests of our other shareholders. T