Looking to the year 2020 and beyond, the DOCOMO Group will strive to create a richer future by acting on the six declarations it upholds in its “Declaration beyond” Medium-Term Strategy to 2020, with the aim of achieving new value and excitement for customers and new value co-creation with partners through 5G. And through the transformation of our business structure, we will both improve customer service and achieve the sustainable growth of society.

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

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

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

**Corporate Vision “HEART: Pursuing Smart Innovation”**
In 2010, DOCOMO established its corporate vision for 2020, called “HEART: Pursuing Smart Innovation” and has been broadly expressing DOCOMO’s future direction to both inside and outside the Company.

Going forward, DOCOMO will strive to realize this corporate vision by expanding the possibilities of communication and seeking fun and surprise together with our customers, and by actively engaging in efforts to provide solutions to various social issues. Also, we intend to continue contributing to bring about a society where people lead prosperous lives by pursuing smart evolution in our daily lives and society at large.
HEART: Pursuing Smart Innovation

Harmonize: Social contribution beyond borders and across generations
DOCOMO is strengthening and adding value to industries and daily lives through further evolution of mobile technologies. The aim is to help realize a modern society in which people interact more closely and experience the richness of life.

Evolve: Evolution of services and networks
Leveraging its vast mobile-centered technologies and knowhow, DOCOMO is helping to create ever-faster and higher-capacity broadband networks, easy-to-use services and truly seamless devices and connections.

Advance: Industrial advancement through convergence
Diverse devices are being interconnected for ever-increasing convenience. By converging devices, networks, services and companies, DOCOMO facilities smart innovation and the advancement of industries and mobile infrastructure.

Relate: Relationships created through connections
DOCOMO enables users to connect with people, machines and information—free of time and space limits—in order to create and enjoy new value anywhere, anytime.

Trust: Customer trust based on safety, security and comfort
DOCOMO provides timely assistance and support for greater safety, security and comfort not only in daily life, but also special fields such as the environment, healthcare and education.

Smart Innovation
DOCOMO will strive to bring about continuous innovation to realize a society in which everyone can live in safety, security and prosperity beyond borders and across generations.
Looking ahead to the year 2020 and beyond, we will aim to amaze and inspire our customers and create new values hand-in-hand with our partners by exceeding customers’ expectations. The word “beyond” reflects our will to transform ourselves to realize a richer future with 5G.

For our customers, we will offer enhanced benefits and convenience as well as value and inspiration, such as enjoyment, surprise, satisfaction and peace of mind. For our partner, we will realize the co-creation of new values through “+d” initiatives such as making contributions to industries, solving social issues and expanding our partners’ businesses.

We formulated “Declaration beyond” as initiatives toward these goals. By delivering “Declaration beyond,” we will aim to reform our business structure, strengthen our business foundation by improving returns to our customers and investing in growth, and fuse and evolve various types of added value using 5G technology.

Declarations 1 to 3, which are focused on our customers, and Declarations 4 to 6, which address our business partners, as outlined below.

**Declaration 1: Market Leader**

DOCOMO aims to lead the market in value propositions by further integrating and evolving its services, actively returning value to customers through a wide array of tangible benefits, including strengthened loyalty programs and attractive billing plans. By fiscal 2020, the total number of “d POINT” partners will be increased to more than 300 partners, with the aim of establishing “d POINT” as one of Japan’s largest point programs.

**Declaration 2: Style innovation**

Leveraging the strengths of 5G, DOCOMO will launch a wide range of exciting and unexpected services under a company-wide project called “empower+d challenge” (empowered challenge), which will enable customers to realize their aspirations and achieve greater affluence. In particular, through the creative application of virtual reality, artificial intelligence (AI) and IoT technologies, DOCOMO will offer all-new innovation for customer experiences, lifestyles and work styles. Initiatives will target nine sectors in three fields: Experience innovation—New entertainment, Next-generation mobility and Total healthcare; Life style innovation—AI agent, FinTech and other fields; and Work style innovation—Drone robotics, Work innovation and Work matching.

**Declaration 3: Peace of mind and comfort support**

DOCOMO will use AI to develop all-new customer contact points for the provision of optimal, stress-free support for each customer, anytime and anywhere, with a special emphasis on reducing customer wait times. A new system will enable customers to consult their smartphones about a wide range of issues, and measures for enhanced communication will be implemented for issues requiring specialized assistance.

**Declaration 4: Industry creation**

DOCOMO, the leader in emerging 5G technologies and services, will collaborate with partners across a wide range of industries to contribute to social and industrial development through 5G technologies. From late May 2017, 5G trial sites will be launched to enable partner companies and DOCOMO to collaborate in creating standard-setting new services that leverage 5G strengths including low latency, ultra-high speed, ultra-large capacity and massive device connectivity.

**Declaration 5: Solution co-creation**

DOCOMO also will collaborate with partners in six key fields—primary industries, education, sports, healthcare, mobility and work style reform—aiming to contribute to further growth and prosperity in Japan, including through the vitalization of regional economies. In the case of work style reform, collaborations will facilitate telework environments and share offices, to be introduced this year.

**Declaration 6: Partner business expansion**

The plan’s sixth declaration is the further enhancement and evolution of DOCOMO’s business platforms for loyalty points, customer referrals, FinTech, AI agents, IoT, drones and other business areas, which partners will use to expand transaction flows, develop new business and realize higher levels of productivity.

Going forward, DOCOMO will steadily implement its “Declaration beyond” medium-term strategy to establish an increasingly innovative business structure. At the same time, the company will continue to strengthen its business platform, aiming to pass on value to customers and invest in further growth, as well as leverage advanced 5G technologies for the ongoing evolution of its value propositions.
Medium-Term Management Strategy

In October 2018, we announced specific strategies and quantitative targets as our medium-term management strategy based on “Declaration beyond.” In this medium-term management strategy, we set our new basic policy that takes a new direction focusing on “transformation into a business foundation centered on our membership base” and “5G rollout and business creation.”

Under this basic policy, while we will reinforce our customer base through new efforts to return to customers through our new rate plans in FY2019, we will leverage our customer base to create new revenue opportunities in business areas such as smart life business, enterprise business and 5G business by promoting digital marketing. We will also continue to improve cost efficiency to achieve sustained growth in the 2020s.

Through these measures, we plan to achieve ¥5 trillion in operating revenue in FY2021, and ¥990 billion in operating profit in FY2023, equivalent to the level of FY2017. Our shareholder return policy in this medium-term management strategy will be to accelerate shareholder returns through continuous dividend increases and our expeditious share purchase.

Revenue opportunity creation centered on customer base

Promotion of +d

By focusing on expanding the number of “d POINT CLUB” members and corporate partners, we aim to reach 78 million members and 5,000 corporate partners in FY2021. We will link our membership base and corporate partners through DOCOMO’s assets to provide new value and create revenue opportunities in business areas such as smart life business and enterprise business.

Growth of Finance/Payment Business

For finance/payment business in the smart life business segment, we plan to expand the number of locations where “d POINTs,” “d Payment,” and “iD” can be used to two million locations in FY2021 with a view to improving customer convenience, and aim to reach ¥6 trillion in transactions.

Growth of Enterprise Business

In the enterprise business, our customers, the Corporate Sales and Marketing team and the R&D unit will work together as one in small “Top Gun” teams. Furthermore, we will conduct measures such as the “DOCOMO 5G Open Partner Program.” Through these efforts, we aim to bring in ¥120 billion in enterprise solutions revenue in FY2021.

Growth driven by 5G

Construction of 5G network

We will invest a total of ¥1 trillion in 5G network construction between FY2019 and FY2023. We will start offering 5G pre-services from September 2019, and aim to launch commercial services in spring of 2020.

In April 2019, three 5G frequency bands, “3.7 GHz band,” “28 GHz band,” and “28 GHz band,” were allocated.

5G Services and Solutions

For general customers, our 5G-based services and solutions will include stadium solutions and new sensory experience services such as VR, AR and MR. For corporate customers, we will work on remote medical services, disaster prevention and disaster mitigation, remote operation of construction machines and other services together with our diverse partners to contribute to the development of society and industry.

Execution of customer returns and evolution of customer touchpoints

Providing returns to customers through new rate plans

In order for DOCOMO to continue being the choice of customers, we will offer the simple and great-value new rate plans “Gigaho” and “Gigalight” at rates up to 40% lower than previous plans from June 2019. The special features of the new rate plans are as follows.

1. Combines the Basic Plans, ISP and Packet Pack in one package
2. Simple structure offers choice of “Gigaho” with maximum 30GB data usage (available network access at speeds of up to 1Mbps after exceeding 30GB) or “Gigalight” with billing based on data usage
3. Stepped up benefits for family members through “Minna DOCOMO Wari” and “docomo Hikari bundle discount,” which give lasting discounts to everyone if just one family member/relative is a docomo or docomo Hikari subscriber
Providing customers with comfortable experiences
In addition to the drastic simplification of our billing plans, we will carry out measures such as expanding use of our store visit reservations, reviewing and revising our methods of providing explanations, assigning specialists (initial settings, data migration) at docomo shops, improving our docomo Smartphone classes, enhancing our website, promoting micro-marketing, and carrying out cross-channel integration. We aim to reduce docomo shop wait and attendance time, which exceeds two hours on average*, to less than half that amount during FY2019.

*Wait and attendance time represents the average time required for a customer to purchase a smartphone, calculated based on DOCOMO’s independent shop survey (conducted in 2018 with a sample size of approximately 850 shops).

FY2019 Priority Initiatives
Our Group expressed in the medium-term management strategy its new basic policy that takes a new direction focusing on “transformation into a business foundation centered on our membership base” and “5G rollout and business creation,” and positioned FY2019 as the “year to execute ‘change’ to propel further growth.” In the fiscal year ending March 31, 2020, we will transform ourselves so that we can grow in the future. In order to respond to the dramatic changes in the competitive environment, such as the entry into the market of enterprises from other business fields, in June 2019, we introduced new rate plans “Gigaho” and “Gigalight” and other measures aimed at reinforcing our customer base. This is expected to cause a temporary decline in profit, but we will conduct business management as outlined below by promoting digital marketing, with the aim of achieving sustained growth during the 2020s.

(1) Enhancement of our competitive strengths to be continuously chosen by customers based on trust and persuasiveness
As the market leader, we will provide new rate plans as well as review and revise our handset sales methods. In conjunction with this, we will make sweeping changes to docomo shop operations and will halve the wait and attendance time compared with FY2018 to create comfortable experiences for customers. Furthermore, we will comprehensively propose a variety of services to match our customer lifestyles, actively promote changeovers from 3G feature phones to smartphones, and reinforce our customer base.

(2) Creation of new revenue opportunities through marketing model transformation
We will expand our customer touchpoints by growing our “membership base” and increasing the number of customers who regularly use “d POINTs”. We will use optimized approaches for each customer to create new revenue opportunities and secure our customer base. We will also develop deep relationships with partners, combining our assets with theirs to create new businesses.

(3) Further growth of smart life area and acceleration of preparations for 5G commercialization
In our smart life business, we will enhance our payment platforms and achieve further finance/payment business growth, particularly by expanding the number of places where d Payment and d POINTs, etc. can be used and by promoting their use. In our enterprise business, we will create new solutions and business opportunities through co-creation with partners, leveraging the “DOCOMO 5G Open Partner Program” and other resources. With regard to 5G, we will start offering preliminary services with the “Rugby World Cup 2019™,” which will be held in September 2019, and will accelerate our preparations for a smooth commercial rollout. In conjunction with this, we will also enhance our video services to expand new video businesses.

(4) Process reforms and thorough cost efficiency improvement
In all activities, our Group will work as one to thoroughly improve cost efficiency. We will also focus efforts on business processes reform through digital transformation and transforming work styles through self-discipline and a challenging mindset.
**DOCOMO’s Value Creation Story**

**Management Strategies toward Sustainable Growth**
DOCOMO aims to drive change and therefore sustainable growth by realizing new value for customers and partners through efforts to commercialize advanced technologies such as 5G and to create new business models and expand business fields.

**Future Business Model Due to Revenue Structure**
DOCOMO aims to expand our customer base by reinforcing connections with customers and will provide new value by creating new revenue opportunities and expanding the smart life area through co-creation with members and partners.

**Initiatives toward Expansion of Business Fields**
DOCOMO is working to expand business fields from various perspectives in order to boost our customer base centered on members and strengthen the value we provide to them.

**Business Promotion Centered on Our Membership Base**
DOCOMO seeks to expand business with our partners by delivering “benefits, convenience and amazement” at an even greater level to customers who are members of the d POINT CLUB through the business foundation centered on our membership who are not affected by the presence or absence of mobile phone subscriptions.
Value Creation Process

To realize "the creation of a new world of communications culture," DOCOMO promotes a business model aimed at driving sustainable growth in the 2020s and in the process provides a variety of value to stakeholders. This business model is based on the strengths that we have built up throughout our history and on our CSR Policy, the bedrock of all of our corporate activities.

We identify Eight Sustainability Focuses from the standpoints of stakeholders and the DOCOMO Group. In this process, consideration was also given to the requirements of various guidelines and outside rating agencies as well as the Sustainable Development Goals (SDGs) and other aspects of the external environment.
Roadmap for Value Creation

DOCOMO is making steady progress along our roadmap toward “the creation of a new world of communications culture” by setting specific strategies and quantitative medium-term targets based on our Medium-Term Strategy 2020 “Declaration beyond” and further solidifying corporate foundations through initiatives relating to Sustainability Focuses.

Medium-Term Operational Indicators

- Revenue opportunity creation centered on customer base
  - “d POINT CLUB” members: 70.15 million → FY2021 Targets: 78 million
  - Corporate partners: 2,487 → 5,000
  - Locations where payment/point service can be used: 1.05 million → 2 million
  - Transactions handled by finance/payment business: ¥3.9 trillion → ¥6 trillion
  - Enterprise solution revenues: ¥73.0 billion → ¥120.0 billion

Growth driven by 5G

- Cumulative investment for 5G infrastructure bold-out, etc. (total of FY2019 to FY2023): ¥1 trillion

Evolution of customer touchpoints

- Wait time + attendance time (within FY2019): Roughly half the current level