Corporate Governance

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DOCOMO seeks to enhance corporate value by placing priority on the customer’s perspective; rigorous and efficient operational execution; and quick, transparent and sound management based on effective corporate governance.

### Basic Policies and Philosophy
In accordance with our corporate philosophy of “the creation of a new world of communications culture” and our Medium-Term Strategy 2020 “Declaration beyond,” DOCOMO is 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 recognition 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.

### 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 auditing and governance functions, while striving to boost management speed. We have adopted this structure because it 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 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 of whom are men, 3 of whom are women and 8 who serve concurrently as directors) to clearly delineate the roles of business execution and monitoring and to better reinforce business execution functions. This system enables speedier responsiveness to changes in the operating environment.

### Governance Structure (as of June 30, 2019)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Meetings</td>
<td>15</td>
</tr>
<tr>
<td>Attendance Rate of Directors</td>
<td>99.5%</td>
</tr>
<tr>
<td>Attendance Rate of Outside Directors</td>
<td>100%</td>
</tr>
<tr>
<td>Attendance Rate of Audit &amp; Supervisory Board Members</td>
<td>98.7%</td>
</tr>
<tr>
<td>Attendance Rate of Outside Audit &amp; Supervisory Board Members</td>
<td>98.3%</td>
</tr>
</tbody>
</table>
Corporate Governance System

### General Meeting of Shareholders
- Election/dismissal of Directors
- Appointment/dismissal of Audit & Supervisory Board members
- Audit Report

### Board of Directors
14 directors (including 2 outside directors)
- Independent Registered Public Accountants
- Audit & Supervisory Board (as of June 30, 2019)

### President and CEO
- Management Committee
- Internal Control Committee
- Transfer business execution authority

### Executive Vice Presidents
- Senior Vice Presidents
- Division General Managers, Regional Office Managing Directors, Branch General Managers, Section Managers, and others

---

### Directors and Audit & Supervisory Board Members

#### Directors (as of June 30, 2019)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
<th>Attendance Rate of Board of Directors Meetings for FY2018 (Number of Meetings Attended)</th>
<th>Number of Principal Concurrent Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazuhiko Yoshizawa</td>
<td>President and Chief Executive Officer, Representative Member of the Board of Directors</td>
<td>100% (15/15)</td>
<td>0</td>
</tr>
<tr>
<td>Hiroshi Tsujigami</td>
<td>Senior Executive Vice President, Representative Member of the Board of Directors</td>
<td>100% (15/15)</td>
<td>0</td>
</tr>
<tr>
<td>Seiji Maruyama</td>
<td>Senior Executive Vice President, Representative Member of the Board of Directors</td>
<td>100% (15/15)</td>
<td>0</td>
</tr>
<tr>
<td>Hiroshi Nakamura</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>100% (15/15)</td>
<td>0</td>
</tr>
<tr>
<td>Hozumi Tamura</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>100% (15/15)</td>
<td>0</td>
</tr>
<tr>
<td>Osamu Hirokado</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>100% (13/13)</td>
<td>0</td>
</tr>
<tr>
<td>Shigeto Torizuka</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>100% (13/13)</td>
<td>0</td>
</tr>
<tr>
<td>Kenichi Mori</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>100% (13/13)</td>
<td>1</td>
</tr>
<tr>
<td>Kouji Tsuouchi</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Michio Fujwara</td>
<td>Executive Vice President, Member of the Board of Directors</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Mayumi Tateishi</td>
<td>Senior Vice President, Member of the Board of Directors</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Teruyasu Murakami</td>
<td>Outside Member of the Board of Directors (independent Director)</td>
<td>100% (15/15)</td>
<td>1</td>
</tr>
<tr>
<td>Noriko Endo</td>
<td>Outside Member of the Board of Directors (independent Director)</td>
<td>100% (15/15)</td>
<td>4</td>
</tr>
<tr>
<td>Katsumi Kuroda</td>
<td>Member of the Board of Directors</td>
<td>—</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Audit & Supervisory Board (as of June 30, 2019)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
<th>Attendance Rate of Directors Meetings for FY2018 (Number of Meetings Attended)</th>
<th>Attendance Rate of Audit &amp; Supervisory Board Meeting for FY2018 (Number of Meetings Attended)</th>
<th>Number of Principal Concurrent Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shoji Suto</td>
<td>Full-time Audit &amp; Supervisory Board Member</td>
<td>100% (15/15)</td>
<td>100% (14/14)</td>
<td>0</td>
</tr>
<tr>
<td>Hironobu Sagae</td>
<td>Full-time Outside Audit &amp; Supervisory Board Member</td>
<td>100% (15/15)</td>
<td>100% (14/14)</td>
<td>0</td>
</tr>
<tr>
<td>Mikio Kajikawa</td>
<td>Full-time Outside Audit &amp; Supervisory Board Member (Independent Board Member)</td>
<td>100% (13/13)</td>
<td>100% (9/9)</td>
<td>0</td>
</tr>
<tr>
<td>Katsumi Nakata</td>
<td>Full-time Outside Audit &amp; Supervisory Board Member</td>
<td>—</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Eiko Tsujiyama</td>
<td>Outside Audit &amp; Supervisory Board Member (Independent Board Member)</td>
<td>93.3% (14/15)</td>
<td>100% (14/14)</td>
<td>4</td>
</tr>
</tbody>
</table>
Business Execution and Audit System
The Board of Directors consists of 14 members, including two outside directors who are independent officers appointed in accordance with the rules and regulations of the Tokyo Stock Exchange, Inc. In principle it meets once a month and renders decisions on important business matters. Extraordinary meetings are convened as necessary. The directors serve one two-year term. The Board of Directors also receives status reports as needed from members of the Board of Directors who have been assigned responsibility for business execution, thereby conducting management supervision. For decision making on key issues related to business execution, the Company established the Management Committee, which includes the president and CEO as well as senior executive vice presidents, executive vice presidents and full-time Audit & Supervisory Board members. The Management Committee meets in principle once a week and extraordinary meetings are convened as necessary to facilitate flexible, rapid decision making by the president and chief executive officer. In addition, we established the Internal Control Committee, which meets as needed and is chaired by the president, thus ensuring that the chief executive officer himself takes the initiative in supervising internal control.

The Audit & Supervisory Board consists of five members, including four outside members, of whom two are independent officers appointed in accordance with the rules and regulations of the Tokyo Stock Exchange, Inc. They serve one four-year term. The board meets in principle once a month to make decisions on audit policies, plans, methods and other important issues related to the audit of the Company. In accordance with audit policies and audit plans determined by the Audit & Supervisory Board, members attend key meetings, such as those of the Board of Directors, and receive reports from directors, examine important documents and conduct on-site examinations of the head office, regional office and major subsidiaries. In this way, the Audit & Supervisory Board members effectively audit the execution of duties by directors and report on the status of audit implementation to the Audit & Supervisory Board. They also promote mutual understanding and information-sharing with the auditors of subsidiaries by holding the DOCOMO Group liaison meeting of auditors three times a year and DOCOMO Group training for new auditors once a year. In addition, they remain in close contact with the Internal Audit Department by regularly sharing information on audit plans and results to ensure the effectiveness of audits.

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.

Assessment Method
• All directors and Audit & Supervisory Board members completed the Directors’ Self-Assessment Questionnaire Survey conducted from December 2018 to January 2019.
• A discussion based on the results of the above survey took place in March 2019 during a meeting of the Corporate Governance Council, which consists of all members of the Board of Directors and Audit & Supervisory Board.

Results and Future Operating Policy
We confirmed that the duties, operation and composition of DOCOMO’s Board of Directors are appropriate and that the board is effective.
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.

Appointment and Dismissal of Directors and Developing Successors
With regard to the appointment and dismissal of directors, we provide details to the parent company and independent outside directors prior to the meeting of the Board of Directors in order to gather appropriate advice. Nominees are then presented to the board meeting for approval followed by deliberation at the shareholders meeting.

Future managerial candidates are given opportunities to deepen their knowledge of and experience in DOCOMO management by participating in the meeting of the board or the management meeting and engaging in decision making of material management matters through their responsibilities as directors with executive authority or executive officer. They also develop the skills required for Company management through various training programs for officers.
### Outside Directors and Outside Auditors

The name and reason for the appointment for two outside directors and four Audit & Supervisory Board members is as below.

<table>
<thead>
<tr>
<th>Outside Director</th>
<th>Reason for Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teruyasu Murakami (Independent Director)</td>
<td>We appointed him due to his long engagement and career in corporate management and information industries. Excellent both in character and judgment, we also expect that he will reinforce our supervisory function for business execution by incorporating management insight from a broader perspective based on his extensive experience and knowledge.</td>
</tr>
<tr>
<td>Noriko Endo (Independent Director)</td>
<td>We appointed her due to her wealth of experience and insight gained through her career as an editor of an economic magazine and her academic studies in public policy. Excellent both in character and judgment, we expect that she will reinforce our supervisory function for business execution and provide us with diverse and broad-based advice from a woman's standpoint, and we trust that she is capable of adequately fulfilling the responsibilities of an outside director.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outside Audit &amp; Supervisory Board Member</th>
<th>Reason for Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hironobu Sagae</td>
<td>We appointed him due to his experience in corporate management and extensive knowledge on finance and accounting that he gained from his position in the Finance Department at NTT DATA Corporation, and we expect that he will use his experience and extensive knowledge when performing audits.</td>
</tr>
<tr>
<td>Mikio Kajikawa (Independent Board Member)</td>
<td>We appointed him due to his long career in the Ministry of Finance and the Company's expectation that he will perform an audit and supervisory function based on his rich experience and insights as a specialist, accumulated throughout his career. We also trust that he is capable of properly carrying out auditing duties as an outside Audit &amp; Supervisory Board member.</td>
</tr>
<tr>
<td>Katsumi Nakata</td>
<td>We appointed him due to his experience in corporate management and long career in the telecom business, and we expect that he will use his extensive insights based on his experience while performing audits.</td>
</tr>
<tr>
<td>Eiko Tsujiyama (Independent Board Member)</td>
<td>We appointed her because we expect that she will use her extensive insights on finance and accounting, developed through years of experience as a university professor and outside director of private companies as well as a certified public accountant, when performing audits. We also trust that she is capable of properly carrying out auditing duties as an outside Audit &amp; Supervisory Board member.</td>
</tr>
</tbody>
</table>
Independence Criteria

DOCOMO appoints individuals who are free of any conflicts of interest with shareholders as independent outside directors or Audit & Supervisory Board members from the perspective of enhancing supervision and fairly conducting audits of the execution of duties of directors. In designating outside directors and Audit & Supervisory Board members as independent directors, DOCOMO complies with the independence criteria of the Tokyo Stock Exchange, Inc. (Guidelines on Listing Management, etc. III 5 (.3)-2) as well as DOCOMO’s own criteria for ensuring independence. A detailed explanation of the independence standards is provided below.

Independence Standards Stipulated by NTT DOCOMO

In order to meet the independence standards, a person may not fall under any of the categories below in the last three fiscal years.

1. A person who executes business in a partner company that exceeds NTT DOCOMO’s standards*1
2. A person who executes business in a lending company that exceeds NTT DOCOMO’s standards*2
3. A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than 10 million yen, excluding the Board members’ or Audit & Supervisory Board members’ compensation, from NTT DOCOMO or its major subsidiaries*3 in any of the last three fiscal years
4. A person who executes business in an organization that received donations exceeding NTT DOCOMO’s standards*4 Even if any of (1) through (4) applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of that person’s appointment as the independent member of the Board or Audit & Supervisory Board member.

*1 “A company that exceeds NTT DOCOMO’s standards” is defined as a company that has had any business dealing with NTT DOCOMO and its major subsidiaries*3 in any of the last three fiscal years equal to or more than 2% of the total operating revenues of NTT DOCOMO and its major subsidiaries for the respective fiscal year.

*2 “A lending company that exceeds NTT DOCOMO’s standards” is defined as a company in which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals to or is more than 2% of the total operating revenues of NTT DOCOMO’s consolidated total assets for the respective fiscal year.


*4 An “organization that received donations exceeding NTT DOCOMO’s standards” is defined as an organization that received donations from NTT DOCOMO and its major subsidiaries*3 in any of the last three fiscal years exceeding 10 million yen or 2% of the total income of the organization, whichever is larger, during the respective fiscal year.

Even if any of (1) through (4) applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of that person’s appointment as the independent member of the Board or Audit & Supervisory Board member.

In order to meet the independence standards, a person may not fall under any of the categories below in the last three fiscal years.

1. A person who executes business in a partner company that exceeds NTT DOCOMO’s standards*1
2. A person who executes business in a lending company that exceeds NTT DOCOMO’s standards*2
3. A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than 10 million yen, excluding the Board members’ or Audit & Supervisory Board members’ compensation, from NTT DOCOMO or its major subsidiaries*3 in any of the last three fiscal years
4. A person who executes business in an organization that received donations exceeding NTT DOCOMO’s standards*4 Even if any of (1) through (4) applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of that person’s appointment as the independent member of the Board or Audit & Supervisory Board member.

*1 “A company that exceeds NTT DOCOMO’s standards” is defined as a company that has had any business dealing with NTT DOCOMO and its major subsidiaries*3 in any of the last three fiscal years equal to or more than 2% of the total operating revenues of NTT DOCOMO and its major subsidiaries for the respective fiscal year.

*2 “A lending company that exceeds NTT DOCOMO’s standards” is defined as a company in which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals to or is more than 2% of the total operating revenues of NTT DOCOMO’s consolidated total assets for the respective fiscal year.


*4 An “organization that received donations exceeding NTT DOCOMO’s standards” is defined as an organization that received donations from NTT DOCOMO and its major subsidiaries*3 in any of the last three fiscal years exceeding 10 million yen or 2% of the total income of the organization, whichever is larger, during the respective fiscal year.

Board Diversity

A key DOCOMO management objective is to promote diversity in the workforce by creating a working environment in which individuals are exposed to enriching experiences and values and can effectively demonstrate their abilities.

As of June 30, 2019, the membership of the Board of Directors includes two women and the Audit & Supervisory Board includes one woman.

Members of the Board of Directors are appointed with due consideration for ensuring balance and diversity in terms of their areas of expertise, and they are chosen from candidates with broad perspectives and experiences that contribute to the development of the DOCOMO Group with excellent management capabilities and leadership skills as well as good business sense and enthusiasm.

With respect to members of the Audit & Supervisory Board, we appoint individuals who can be expected to perform proper audits based on their professional expertise and knowledge on finance and accounting.

NTT DOCOMO has appointed outside directors Teruyasu Murakami and Noriko Endo as well as Outside Audit & Supervisory Board Members Mikio Kajikawa and Eiko Tsujiyama as independent officers in accordance with the rules stipulated by the Tokyo Stock Exchange, Inc.
Policy on Compensation for Directors
The maximum aggregate compensation amount for the Company's directors and that of the Company's Audit & Supervisory Board members and any change in the amount is decided based on a resolution at a general meeting of shareholders. Matters regarding director compensation are determined by the Board of Directors.

Basic Policy on Corporate Governance (Article 16) Revised on December 21, 2018
In consideration of the Company's business performance over the medium to long term, we have determined the following policy with respect to directors' compensation.

1. The Company has determined that directors' compensation will consist of monthly compensation and bonuses. Monthly compensation is based on each director's roles and responsibilities, and bonuses reflect factors such as the Company's performance for the current fiscal year. The Company has a stock-based compensation plan, where, if the Company's business performance exceeds a certain level, the Company will pay the director an amount equivalent to the purchase of the Company's shares as part of their bonuses and require directors to contribute the amount to the Directors' Shareholders Association.

2. To reflect the Company's medium- to long-term business performance, directors with executive authority must contribute any monthly compensation above 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.

Composition of Director Compensation

(Determining Director Compensation)
(1) DOCOMO's Compensation for 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. The ratio between compensation per director in Japan, which constitutes an important base for the organization, and compensation per employee, is 3.4 to 1 (the ratio between the aggregate compensation paid to directors during fiscal 2018 divided by the number of directors and the average salary of employees at NTT DOCOMO, INC.).

We do not employ compensation consultants, independent legal counsel when making decisions on compensation for any of the members of the Board of Directors or of the Audit & Supervisory Board.

Aggregate Amount of Compensation for Directors and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Category</th>
<th>Aggregate Amount of Compensation for Directors and Audit &amp; Supervisory Board Members</th>
<th>Aggregate Compensation Amount by Category (Million Yen)</th>
<th>Number of Basic Eligible Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (excluding outside directors)</td>
<td>481</td>
<td>336</td>
<td>145</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board members (exclusive outside directors)</td>
<td>30</td>
<td>30</td>
<td>—</td>
</tr>
<tr>
<td>Outside Directors</td>
<td>126</td>
<td>126</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>637</td>
<td>492</td>
<td>145</td>
</tr>
</tbody>
</table>

1. No director received total consolidated compensation of 100 million yen or more in fiscal 2018. Therefore, no names are listed for disclosure purposes.
2. The above figures include compensation for five directors who retired at the conclusion of the 27th Ordinary General Meeting of Shareholders on June 19, 2018.
3. The above figures include compensation for an outside auditor who retired at the conclusion of the 27th Ordinary General Meeting of Shareholders on June 19, 2018.
Corporate Advisor and Senior Advisor System
DOCOMO has a Corporate Advisor and Senior Advisor System in place, as we believe that, in terms of increasing DOCOMO’s presence in the market, we can benefit from the activities of individuals with a wealth of experience and insights who take on external activities under DOCOMO’s name, and we therefore acknowledge that the Corporate Advisor and Senior Advisor System is advantageous to corporate management.

Matters to be entrusted to corporate advisors and consultants are defined in Article 25 of the Company’s Articles of Incorporation. Corporate advisors take on the role of answering questions from the president regarding overall management, and Senior Advisor answer questions regarding certain business operations. Also, they mainly undertake external activities requested by the president and do not wield influence over the current management, beyond what is expected from them, nor engage themselves in managerial judgements.

Relationship with Parent Company
The corporate group led by the parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), operates the following main businesses: regional communications, long-distance and international communications, mobile communications and data communications.

As of March 31, 2019, NTT owned 64.10% of the voting rights of the DOCOMO Group and was in a position to influence the Company’s management decision-making through the exercise of majority shareholder rights. However, the Company retains its own management responsibility and conducts operations in accordance with its own decision-making authority. (As of March 31, 2019, the Japanese Finance Minister owns 35.42% of NTT shares.)

Addressing Sustainability
In order to properly address various social, environmental, and other sustainability issues through business activity, DOCOMO incorporates CSR activities into its management approach while also considering management strategies and the demands and changes posed by society, regularly revising our Sustainability Management System, and striving to continuously improve CSR activities.

Important risks such as those impacting sustainability are managed comprehensively by the Internal Control Committee and reported to the meeting of the Board of Directors. Social and environmental risks are dealt with by establishing a Sustainability Management Committee dedicated to ensuring the enforcement of Plan, Do, Check, Act (PDCA) cycles for CSR efforts. In addition, organization heads participate in regular national conferences to report and discuss implementation of CSR activities and challenges.

The Sustainability Management Committee is chaired by the president and CEO and composed of senior executive vice presidents, directors, members of the Audit & Supervisory Board, executive vice presidents, and the heads of relevant departments. Major issues discussed by the Sustainability Management Committee are reported to the Board of Directors and/or Management Committee depending on each topic. In fiscal 2018, the discussed agenda included the status of initiatives on CSR Medium-term strategy, initiatives and topics related to the environment, the status of initiatives of each working group, SDG initiatives, and the status of the ESG index and rating.

As for suggestions and requests from stakeholders, information is identified and gathered by the department responsible for each stakeholder, and dialogues are set up as needed. The content of dialogues is shared by the Management Committee.

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.

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
Corporate Governance ▶ Risk Management ▶ Response to BCP ▶ Information Security and Privacy Protection ▶ Compliance ▶ Tax Planning Strategy

Strategic Shareholding ▶ Brand Management

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 extract component risks for the entire Group through evaluation and analysis based on the level of impact and frequency of occurrence, which are identified by conducting a materiality assessment. Group-wide risks are reflected in the Risk Factors disclosed in Form 20-F 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 arising in relation to initiatives towards achieving the medium-term management plan and provision of the 5G service, increasing competition due to new competitors entering the market, and changes in policy and requirements in laws and regulations.

Fostering and Expanding a Risk Management Culture

In accordance with our Risk Management Principles, risks are identified and designated by the Internal Control Committee headed by the president. The Board of Directors makes the final decision on management by paying due consideration to these risks.

Each year we update our business risks to reflect social trends, and this allows us to incorporate emerging risks as a preventive measure. While these risks are addressed appropriately through a Company-wide response, risks related to individual operations are handled in an appropriate manner by each division.

Risks relating to subsidiaries are handled in accordance with risk management principles. Risks inherent to the DOCOMO Group are managed accordingly, and subsidiaries conduct risk management based on its size and business.

Risks that have been identified are appropriately monitored as auditing targets. We have been working to foster and expand our risk management culture by including compliance-related risks in the criteria for employee performance assessment and disseminating information on responses to related risks through compliance education and training.

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**Functions of the Internal Control Committee**

The Board of Directors has established the Basic Policy on Fortifying Internal Control Systems. Under the policy, the Internal Control Committee takes the initiative in developing systems to ensure thorough legal compliance and effective, efficient business activities. The committee also identifies risks that require Company-wide management and formulates management policies for those risks. Based on these policies, appropriate efforts are made to prevent such risks from materializing and to prepare to quickly respond should they occur. Furthermore, the Company's Internal Audit Department conducts audits to minimize risks and increase corporate value for the entire DOCOMO Group.

The department's work includes evaluating the effectiveness of the internal control system. The committee reviews the risk management process to ensure it is functioning properly and confirms the status of the ongoing PDCA cycle. It also reviews specific risks as necessary.

We consistently manage risk under this comprehensive management system.

**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 extract component risks for the entire Group through evaluation and analysis based on the level of impact and frequency of occurrence, which are identified by conducting a materiality assessment. Group-wide risks are reflected in the Risk Factors disclosed in Form 20-F 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 arising in relation to initiatives towards achieving the medium-term management plan and provision of the 5G service, increasing competition due to new competitors entering the market, and changes in policy and requirements in laws and regulations.

Fostering and Expanding a Risk Management Culture

In accordance with our Risk Management Principles, risks are identified and designated by the Internal Control Committee headed by the president. The Board of Directors makes the final decision on management by paying due consideration to these risks.

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Response to Risks and Opportunities Surrounding DOCOMO
To realize our medium-term management strategy for sustainable growth in the 2020s, DOCOMO has selected five major risks from a comprehensive list created based on an analysis of the business environment. We are taking various steps to provide new value as measures to address these risks.

Major Risks in FY2019

1. Risk associated with intensifying competition due to new market entrants
   The market environment is changing dramatically due to such factors as new market entrants and an increase in users choosing low-cost services provided by Mobile Virtual Network Operators (MVNOs). This could limit the acquisition of new subscriptions and the retention of existing subscriptions by the Group, or it may lead to average revenue per user (ARPU) diminishing at a greater than expected rate.

2. Risk associated with the smart life area and 5G business
   If current and new services and usage patterns proposed and introduced by the Group cannot be developed as planned, or if higher than expected expenses arise, the ensuing intensifying competition with other operators could affect the financial condition of our corporate group and limit our growth.

3. Risk associated with the use of personal data and other information
   Inadequate handling of confidential business information including personal information by the Group, partners and otherwise may adversely affect our credibility or corporate image.

4. Risk associated with the provision of stable network and other factors
   Natural and manmade disasters and other events and incidents could cause failure in our networks, distribution channels and other business necessary for the provision of service, which may adversely affect our credibility or corporate image or lead to a reduction of revenues or an increase of costs.

5. Risk associated with laws, regulations and systems
   The introduction or revision of various laws, regulations or systems inside and outside of Japan, or the application of such laws and regulations to the Group, could restrict our business operations, which may adversely affect our financial condition and results of operations.

Measures to Reduce Risks and Create Opportunities

- We will aim to be a company continually chosen by customers through new rate plans started in June 2019; the quality of our networks and services, including after-sales services; and our comprehensive capability to utilize various assets such as our membership base.
- We will maintain and reinforce our customer base by further bolstering our competitiveness through new rate plans and swiftly offering great value to DOCOMO customers.
- We will steadily grow the smart life business by creating new markets in line with the introduction of 5G and becoming a market leader in addition to focusing on fields with remarkable growth in recent years, particularly finance/payment services and enterprise solutions services.
- We will accelerate commercial transactions, strengthen relationships with customers, provide solutions to other companies in collaboration with partners and create a new revenue model by promoting digital marketing based on our membership base.
- We will conduct comprehensive company-wide security management that includes the thorough management of confidential information such as personal information, employee education and the supervision of subcontractors and business partners.
- We will formulate and publicize the NTT DOCOMO Personal Data Charter with the aim of clarifying the appropriate handling of personal data to our customers and enabling them to use our services with peace of mind. We will also make our privacy policy easier to follow in terms of composition and expressions used, and provide tools enabling our customers to design to a certain degree their own policy regarding the internal use and third-party provision of personal information.
- We will endeavor to achieve reliability and stability, expand service area, inspect and improve reception quality, and enhance telecommunications speed. We will also make preparations for wide-area protracted power outages, ensure essential telecommunications and improve reliability, rapidly restore telecommunications services and reinforce our support of disaster-stricken areas.
- We will refine quality in 5G services we will start to provide in 2020 in the same manner as always.
- We will identify trends in cyberattacks, examine our preparations to counter such attacks, strengthen measures against unauthorized access and notify our customers of such problems so they can use our services safely and with peace of mind.
- We will present public comment gathered by the relevant authorities and work to build understanding of the Groups’ opinions among stakeholders with regard to changes in administrative and legislative policies and other matters, and the economic climate affecting our business operations.
Response to the Business Continuity Plan (BCP)

DOCOMO strives to strengthen initiatives relating to its BCP. In particular, as a communications network operator, our key responsibility is to secure communications networks when disaster strikes. In order to ensure the continuity of operations or, in the event that service is lost, to quickly restore operations to working order, DOCOMO has protocols for each department, outlined in its Disaster Preparedness Manual, for maintaining operations should a disaster occur. The manual is updated as needed to incorporate past experiences, including lessons learned from the Great East Japan Earthquake, and thereby strengthen our preparedness for ensuring business continuity.

Ensuring the Safety of Employees and Securing Communications in Times of Disaster

DOCOMO has been making various efforts to secure telecommunications services in the event of a major disaster. In addition to developing communications networks (deploying large- and medium zone base stations and implementing other measures) that are resilient against disasters, we conduct annual general disaster drills as well as drills designed to meet specialized regional needs. Furthermore, as a designated public institution under the Basic Act on Disaster Control Measures, we participate in joint disaster prevention drills with the national government, local governments and the Self Defense Forces. We are enhancing the safety and reliability of our networks through these activities.

In addition, we regularly conduct drills using DOCOMO's own employee safety confirmation system and earthquake response drill application to provide protection for our employees and their families, and to construct systems for promptly confirming safety and restoring communications networks.

Information Security and Privacy Protection

Ensuring Information Security

Information Security Policy Management

DOCOMO recognizes that proper management of information is an important management issue, and to offer secure services to customers we have declared our Information Security Policy as guidelines for the DOCOMO Group’s initiatives on information security, and we are committed to thoroughly complying with the Information Security Policy and Privacy Policy. Our Information Security Policy applies to information assets that consist of any information we obtain or learn in the course of our corporate activities, and all information we possess for the purpose of our operations.

To manage such information, we set up the Information Management Committee chaired by the senior executive vice president who also serves as Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), and an employee responsible for information management has been assigned to each worksite. By establishing a system for speedily implementing information security measures, we are protecting and appropriately managing all information assets in our possession.

If an information security incident occurs, we obtain details about the incident and its impact and inform the Information Security Department about it as well as the General Affairs Department of the head office. A designated committee chaired by the president may be set up depending on the degree of impact.

The use without justifiable reason of confidential communications or confidential and/or personal information that has come to one's knowledge in the course of their duties or leaking or attempting to leak the aforementioned will be subject to disciplinary action in accordance with company regulations.

We are also raising employee awareness of information security using a poster in the offices of all departments and at all docomo Shops that illustrates our CEO’s commitment to pursuing information security.
Specific Security Measures

Vulnerability Analysis
At each important stage in the system life cycle from construction to operation, we address vulnerabilities in the in-house system by implementing major security measures in accordance with internal regulations. The division responsible for the system and the division supervising security each monitors progress on the implementation of measures required to address vulnerable information. By following this process we seek to prevent the occurrence of unauthorized access, destruction, leaks and falsification related to our information assets and to minimize damage in the event of such incidents.

Information Security Training and Fostering Awareness
We provide continuous education and training to enhance information security literacy among all employees to implement appropriate management of information assets. These include web-based training and group-based training for raising awareness regarding information security and cyber security. They are provided in accordance with the learning program framework laid down under the General View of DOCOMO Security Education. Top management, other managers, and employees are all required to participate in the program. In fiscal 2018, we conducted training and educational activities focused on dealing with targeted attack and applying information management rules such as the increase in risks associated with environmental change, ways to address relevant regulations, and trends in information security.

Furthermore, we have designated the month of November as “Information Security Awareness Month” to raise employee awareness.

Security Measures by Category
(1) Organizational Security
1. Establishment of the Information Security Policy
2. Enhancement of a system for information security
3. Formulation of basic guidelines for information security and establishment and application of regulations and manuals
4. Tracking and management of information assets
5. Implementation and application of audits and security checks
6. Implementation of measures to deal with accidents and violations

(2) Human Security
1. Mandatory written pledges regarding confidentiality
2. Mandatory information management compliance for outside contractors
3. Implementation of training and education for employees, contractors and sales agents
4. Formulation and distribution of training tools, such as handbooks and DVDs
(3) Physical Security
1. Restrictions on the number of information management terminals and continuous optimization of installed locations and authorized people
2. Rigorous control of the lending and checking out of portable equipment
3. Consolidation and special monitoring of terminals used to extract large amounts of customer information
4. Transition to paperless handling of documents, such as customer applications
5. Entrance and exit control in locations handling information

(4) Technical Security
1. Access control, access-log retention and periodic checks
2. Introduction of biometric identity confirmation for use of systems
3. Stricter customer information search parameters
4. Introduction of encryption software for information system terminals and communication channels
5. Strict monitoring to prevent unauthorized removal of information from the office
6. Cyber attack countermeasures and system surveillance

Information Security Policy
https://www.nttdocomo.co.jp/english/privacy/security/

Major Initiatives for Fiscal 2018
Information including personal information is rigorously managed in accordance with the Information Management Rules and detailed regulations and manuals established in line with the Personal Information Protection Act and other guidelines as stipulated by relevant authorities. Such rules, regulations, and manuals apply to DOCOMO’s outside contractors and partner companies as well.

In addition, we are pushing ahead with initiatives to address changes in the environment surrounding information security such as the General Data Protection Regulation (GDPR) in the E.U. and the revised Installment Sales Act (relevant to the Payment Card Industry Data Security Standard). As for countermeasures to cyber-attacks, we have set up an organization dedicated to implementing necessary security measures to monitor attacks, make internal and external contacts, and carry out other measures in response to incidents.

We are continuing to develop experts on information security and raising employee awareness in the field.

During Information Security Awareness Month in fiscal 2018, the senior executive vice president who also serves as chief information security officer (CISO) and the managing director of the Information Security Department sent out heads-up messages to employees, and we also conducted web-based training as well as drills simulating targeted email attacks on specific individuals or organizations. The drill was carried out from September to November 2018.

We seek to reinforce information security across the DOCOMO Group through these initiatives that promote maintaining and increasing each employee’s understanding of information security while also attempting to foster an awareness of compliance.

Protection of Data Privacy

Establishing the Guidelines and Structure for Protecting Personal Information

DOCOMO believes that recognizing the importance of personal information and ensuring thorough protection represent its chief responsibility in its business. We strive to protect personal information by creating guidelines on providing security and reliability to customers, stipulating and disclosing our Privacy Policy, and applying these guidelines and policy to all Group companies, including subsidiaries.

When obtaining, using or providing personal information or handling anonymized information, we comply with the Personal Information Protection Act and other relevant laws and regulations and respond promptly to revisions under an established management system for protecting personal information. Also, we appropriately and carefully handle the information in accordance with internal rules. We inform our customers about the content of the personal information handled by the DOCOMO Group, clauses requiring customer approval for the use of data, policy on disclosure to third parties and other information by publishing them in the Privacy Policy. At docomo Shops, we only collect and retain customer information required for signing telecommunications business contracts and information within the scope approved by customers after clearly stating the intended use of such information. Also, any information we provide to a third party is strictly limited to the scope approved by the customer.

In compliance with the EU General Data Protection Regulation (GDPR), a new framework for personal information in the E.U. that sets out rules pertaining to personal data, we identified the services that fell under the scope of the regulation, held various GDPR-related training sessions to establish a firm awareness among all employees and formulated a GDPR Compliance Manual in May 2018 to reinforce the internal system.

There were no incidents warranting administrative guidance or legal violations related to information leakage incidents or complaints within the DOCOMO Group in fiscal 2018.

The number of cases involving leakage of personal information and theft or misplacement of data is shown in the following chart. DOCOMO reports on the occurrence of such incidents through its corporate website.
Use of Personal Data

A Progress related to artificial intelligence (AI) and IoT has brought forth diverse products and services that utilize big data. We are seeing that initiatives which work toward creating new value are gaining speed throughout our society. Guided by its corporate philosophy of "creating a new world of communications culture," DOCOMO is continuing its challenge to create innovation in order to realize a rich future. We will leverage our customers' personal data and data on various things and experiences as well as technologies such as AI that create various types of wisdom through the gathered data. Then we will give or return the data to our customers and society by generating new value.

Meanwhile, we consider it our mission to protect and pay due consideration to our customers' privacy as well as to comply with laws and regulations when using the particularly important personal data. While some customers may feel uncomfortable or experience concern over the use of their personal data, DOCOMO has and will act in good faith to keep living up to the trust of its customers and to continue providing a sense of security by responsibly handling personal data. Also, we will further cherish our bond with customers and earnestly listen to them. We will not stop on our path to discover new value that can be offered to customers and society by leveraging data and to find the best answers for protecting the privacy of every customer. We believe that the key lies in constantly considering and communicating with customers.

In order to offer optimum privacy protection for customers and continuously offer new value to customers and society by leveraging data, we will abide by the following principle of action as a basis of decision-making whenever we handle the personal data of customers in the course of our business activity.

NTT DOCOMO Personal Data Charter

Guided by its corporate philosophy of “creating a new world of communications culture,” DOCOMO is continuing its challenge to create innovation in order to realize a rich future. We view our innovation as connecting every experience and everyday items in order to offer comfort and aspirations to our customers and also as generating new solutions for the various challenges in our society to create a future where all people, regardless of nationality, region or age, can lead rich and comfortable lives. We will provide every customer with the optimum information and happiness they can discover while keeping a step ahead in terms of safety and security, health, and learning how to enjoy life. Moreover, we will support business innovation that leads to realizing our philosophy and initiatives for addressing social issues.

We are committed to making things better and seeking harmony with society as well as creating an ideal future together with customers. Furthermore, we will leverage our customers’ personal data and data on various things and experiences as well as technologies such as AI that create various types of wisdom through the gathered data. Then we will give or return the data to our customers and society by generating new value.

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Privacy Policy

https://www.nttdocomo.co.jp/english/utility/privacy/index.html
Six Principles of Action of the NTT DOCOMO Personal Data Charter

Principle of Action

Value Communication with Customers and Ensure Transparency
- We will ensure transparency to promote customer understanding of how we collect and use personal data.
- We will use plain language, information summaries and videos to simply explain how we collect and use personal data to promote customer understanding.
- We will offer sufficient communication to eliminate customer’s anxiety or concerns and ease their minds.

Consider Customer Benefits and Serving Society
- We will offer new value to customers and society by leveraging personal data.
- Before using personal data, we will consider whether such use will benefit customers or contribute to society and will not use it in any way that may damage the trust of our customers.
- We will pay due consideration to customer feelings when collecting and using personal data and will properly and legally conduct such activities.

Respect Each Customer’s Desire
- In view of the fact that each customer feels differently about the use of personal data, we will take into account the nature of personal data and the way it is used and then offer options such as an opt-out that allows customers to personally decide on the use of personal data.
- We will strive to provide options that are simple and easy to understand.

Pay Due Consideration to Customer Privacy in the Same Way as Collaborating with Partners
- In our effort to deliver new value to customers and society through cooperation with partners, such as open innovation, we will not only comply with laws but also pay due consideration to customer privacy when providing personal data, de-identified, or statistical data to partners.
- We will provide information to our partners in an appropriate manner while conforming to the nature of the information that is to be provided, for example, by confirming the reliability of the partner or limiting the use of or provision of information by each partner.

Implement Appropriate Security Measures to Protect the Personal Data of Customers
- We will protect customer information from leakage, theft, alteration, or other incident by adopting appropriate organizational, personal, physical, and/or technical approaches.
- We will regularly assess information security and implement measures to mitigate security risks.

Maintain and Operate a System to Promote Customer Privacy Protection
- We will abide by the principle of Privacy by Design and pay due consideration to the privacy of our customers when developing new products or services.
- We will rigorously pay consideration to privacy matters by continuing to conduct internal training, including education and information-sharing for those who handle the personal data of our customers.
- We will maintain and operate a system for assessing the impacts on customer privacy that accompany the use of personal data by establishing an advisory body within the Company to conduct a privacy impact assessment.

Personal Information Management and Employee Education

The number of employees with access to systems that manage customer information is kept to the minimum, and the information accessible to each employee is specified and limited. Biometric authentication* is required to use the system and access logs are regularly reviewed. Moreover, information is encrypted, rendering it useless in the event of unauthorized removal. We seek to ensure the accuracy and security of personal information by implementing these and other rational measures that address risks such as illegal access to personal information, loss and damage of personal information.

Along with these measures, we provide training at least once a year for all employees and executives, including temporary staff, and web-based training suited to each career level to ensure that security management measures are implemented and personal information is being handled in an appropriate manner.

*Biometric authentication confirms the identity of an individual by identifying physical characteristics such as fingerprints and facial features as well as voice.

Further Reinforcement of Information Security and Data Privacy Protection to Address the Increasingly Sophisticated and Serious Threats to Security

Threats against information security is increasing year after year as can be seen in malware that initiates targeted attacks by accessing company systems or illegal access made through Internet. One pillar for expanding the smart life business is “+d,” a collaborative effort with other industries for addressing social issues. As the sharing of information with +d partner companies increase, cyberattacks targeting our partners...
may emerge as an information security risk for DOCOMO. DOCOMO is further reinforcing information security by building an advanced information security system, holding cyber-attack drills, and carrying out information security education to address information threats that have become more sophisticated and serious.

In addition, treatment of personal data, or data privacy, has become more complex over time. Upon the enactment of the General Data Protection Regulation (GDPR) in the E.U. in May 2018, we formulated response manuals, held training, implemented a privacy impact assessment and initiated other measures. We will continue our efforts to protect data privacy by pursuing the protection and appropriate handling of personal data.

Security Measures at docomo Shops and Subcontractors
We provide training focused on information security at least once a year for docomo Shop staff and also support educational activities by issuing “Security News,” a compilation of security issues the shops are likely to experience. Also, since the risk of information leakage is highest at the point of sales, we conduct rigorous audits to check whether information is being managed appropriately, including quarterly branch audits and monthly self-inspections. We select subcontractors after confirming that they handle personal information appropriately, and our outsourcing agreements include clauses on security management measures, confidentiality, conditions for recommissioning and other issues related to the handling of personal information, and we provide the necessary and appropriate supervision.

Security Measures at +d Partners
DOCOMO carries out appropriate management against “+d” partner companies by requesting that they comply with the Personal Information Protection Law and follow guidelines issued by ministries and agencies as well as public organizations. Other measures taken to protect personal information include obtaining a customer’s consent prior to sharing their personal information with partner companies.

Compliance

Basic Policies and Philosophy
The foundation of our compliance management is to promote strict observance of the NTT DOCOMO Group Code of Ethics and respect for human rights while continuing to meet the steadily increasing demands and expectations of society based on high ethical standards.

We have built a Compliance Management System, centered on the Compliance Committee, and we are implementing a range of compliance-related initiatives. For example, we have created a system to support employees seeking consultation or filing a report on illegal or fraudulent incidents they have observed, assigned employees with responsibility for compliance promotion in all divisions, and implemented training in ethics and legal compliance for all employees. Moreover, we have conducted a compliance and human rights awareness survey of every employee, the results of which have been reflected in our measures to ensure compliance. Through such efforts, we are working to further advance ethical views.

We delivered messages through our intranet and the president’s speech on the thorough enforcement of compliance aimed at achieving the “Declaration beyond” as well as reinforcing defensive governance measure to enhance corporate value. Furthermore, when there is a conflict between ethics and the pursuit of profit, we will place top priority on corporate ethics. We believe that these initiatives will find a balance between customer service improvement and corporate sustainable development.

NTT DOCOMO Group Code of Ethics
The DOCOMO Group seeks to develop a shared awareness and thorough understanding of the basics of compliance, which should serve as the foundation of management. To that end, we are developing our ethical standards through ten defining articles, including legal and ethical compliance; securing the transparency of business operations through information disclosure; fair, open and free competition and trading; and respect for employee human rights. An English language version of this Code of Ethics has also been developed as a standard to be observed globally.

NTT DOCOMO Group Code of Ethics
https://www.nttdocomo.co.jp/english/corporate/about/group_ethic/index.html
Compliance Management Regulations
The Compliance Management Regulations define the standard issues for promoting activities aimed at establishing legal compliance and corporate ethics, which DOCOMO pursues from the standpoint of its corporate social responsibility. These regulations apply to all individuals employed by DOCOMO, including officers and outside directors, full-time employees and temporary staff.

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.

The Compliance Committee deliberates on matters such as the details of initiatives for the current fiscal year while reflecting the results of the previous year’s initiatives as well as the situation or trend analysis based on whistleblowing reports made during the prior year. Important matters, including the foregoing, are reported at the meeting of the Board of Directors.

Conduct daily activities to promote compliance as well as human rights practice within their respective organizations and respond quickly and effectively when a compliance risk materializes.

- Compliance Committee Office and Human Rights Committee Office
Promote compliance and human rights awareness across the Group. Collaborate with each RCL to address individual issues and exchange information.

Consultation and Reporting Mechanism
DOCOMO has established reporting channels, available to suppliers as well as DOCOMO Group employees and docomo Shop staff, for the prevention and early detection of compliance or risks related to human rights. Whistleblowing desks for compliance and human rights have been set up, as has an external channel at a legal office outside the Company for the purpose of ensuring the anonymity of those seeking consultation. We maintain an environment that encourages employees to file reports by accepting them by email, letter or fax in addition to stipulating rules to protect the privacy (anonymity) of individuals seeking consultation and ensure that they are not treated unfairly for coming forward. The email addresses of the whistleblowing desks are published on our corporate website, and we actively disseminate information by delivering email magazines and distributing posters. The topic of the consultation or report is investigated as needed by the Compliance Committee Office and Human Rights Committee Office in coordination with relevant employees responsible for compliance promotion (heads of organizations) and RCLs.

Any confirmed incidence of noncompliance is immediately reported to the director responsible for corporate ethics and
other members of management, as well as members of the Audit & Supervisory Board. Necessary steps are then taken and measures put into place to prevent any future recurrence. Incidents are analyzed and trends are reported to employees across Japan at regular internal meetings while also being used as topics in compliance training.

A total of 114 cases were brought to consultation in fiscal 2018. While the efforts for the workstyle reform have successfully promoted autonomy in the work environment, the number of reports relating to time and attendance management issues increased. However, the number of reports on misconduct involving economic incentives, such as the personal use of equipment, continues to decline.

All confirmed compliance violations are subject to disciplinary action in accordance with company regulations.

### Number of Consultations on Compliance over the Past Four Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Consultations on compliance</th>
<th>Compliance violations</th>
<th>Unauthorized use of expenses, etc.</th>
<th>Harassment</th>
<th>Other compliance violations</th>
<th>No violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>83</td>
<td>39</td>
<td>2</td>
<td>26</td>
<td>11</td>
<td>44</td>
</tr>
<tr>
<td>FY2016</td>
<td>111</td>
<td>50</td>
<td>9</td>
<td>18</td>
<td>23</td>
<td>61</td>
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<tr>
<td>FY2017</td>
<td>111</td>
<td>57</td>
<td>5</td>
<td>17</td>
<td>35</td>
<td>54</td>
</tr>
<tr>
<td>FY2018</td>
<td>114</td>
<td>56</td>
<td>2</td>
<td>15</td>
<td>39</td>
<td>58</td>
</tr>
</tbody>
</table>

### Status of Initiatives on Compliance

#### Ongoing Compliance Training

Training is conducted every year to raise awareness of compliance among corporate officers and employees (including temporary staff).

In web-based training for all employees of branches and Group companies (20 out of all consolidated subsidiaries), employees take part in discussions afterward to share their thoughts on compliance and human rights in an ongoing effort to raise awareness of compliance among all employees. RCLs, tasked with promoting compliance activities in their respective departments, are trained to create a common awareness of the roles expected of leaders and share information. A compliance seminar exclusively for members of upper management is also held.

In fiscal 2018, we held training programs for newly appointed senior managers in addition to newly appointed managers and employees on loan to subsidiaries and Group companies. In light of the large number of reports on supervisor harassment of subordinates, we conducted training for some supervisors for the first time with the objective of pushing them to recognize potential power harassment through individual counselling in order to prevent and reduce the problem.

#### Dissemination of Compliance Violations and Educational Activities

We regularly issue the Human Rights Mini-Knowledge Series on an internal website and conduct education and other activities based on the NTT DOCOMO Group Code of Ethics Handbook to enhance employee awareness of compliance and human rights.

Also, we review the status of our Group-wide initiatives on compliance and human rights education in the quarterly “Compliance Report” and report on the number and details of actual compliance violations at regular meetings to request that each organization implement measures that may prevent the occurrence and recurrence of such incidents. And we seek to spread awareness of both compliance and human rights by sharing that information with all Group employees.

In addition, directors twice a year call for special attention to all Group employees, from whom compliance with laws, regulations, rules, morals and manners are expected. This initiative includes not only engaging in inappropriate conduct that accompanies alcohol but also no smartphone-distracted walking as a DOCOMO Group employee.
Corporate Governance  Risk Management  Response to BCP  Information Security and Privacy Protection  Compliance  Tax Planning Strategy
Strategic Shareholding  Brand Management

Survey on Compliance and Human Rights
The DOCOMO Group conducts a unified employee survey on compliance and human rights every year.

Analysis of the survey conducted to all Group employees including temporary staff—a total of about 40,000 persons—showed that positive results have been maintained at high levels for each surveyed item, including communication.

In consideration of comments such as “nothing is being done to address our claims in surveys against harassment or compliance violations,” and “please find a way to receive an SOS from those who cannot come forward to the whistleblowing desk even if they want to,” we accepted consultation and reports in fiscal 2018 on matters related to compliance and human rights along with the survey. As a result, 85 cases were reported and 15 were investigated and addressed.

Employee Survey

<table>
<thead>
<tr>
<th>Category</th>
<th>Content</th>
<th>Previous</th>
<th>Latest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>(1) Seeks to communicate with the colleague by initiating the conversation</td>
<td>96.2</td>
<td>96.0</td>
</tr>
<tr>
<td>Respondent</td>
<td>(2) Seeks to communicate with the supervisor by initiating the conversation</td>
<td>92.1</td>
<td>91.0</td>
</tr>
<tr>
<td>Supervisor</td>
<td>(3) Seeks to communicate with subordinates by initiating the conversation</td>
<td>94.2</td>
<td>93.7</td>
</tr>
<tr>
<td>Organization head</td>
<td>(4) Seeks to communicate with subordinates by initiating the conversation</td>
<td>91.6</td>
<td>92.2</td>
</tr>
</tbody>
</table>

Initiatives for Preventing Bribery
The DOCOMO Group, which operates business at an international level, is subject to the bribery and corruption laws of a number of countries, including Japan’s own Unfair Competition Prevention Act, which prohibits activities such as the provision of unjust gains to foreign public officials, and the Foreign Corrupt Practices Act in the U.S.

To ensure thorough compliance with these laws, DOCOMO established its Guidelines on the Prevention of Bribery of Foreign Public Officials in October 2010, based on the NTT DOCOMO Group Code of Ethics, which seeks to unequivocally prevent bribery. These guidelines were revised after the Bribery Act was implemented in the U.K. and regulations were tightened in some other countries.

In fiscal 2014, the NTT Group created the “Anti-Bribery Handbook” as a tool for raising employee awareness. The handbook contains basic knowledge and examples of bribery and facilitation payments. It also covers even broader themes than the Guidelines on the Prevention of Bribery of Foreign Public Officials. The DOCOMO Group has sought to encourage understanding by distributing the Japanese and English language versions of the handbook to Group companies in and outside Japan in fiscal 2015. We have sought to bolster our efforts against bribery among Group companies by encouraging them to construct a system of compliance in accordance with the Code of Ethics, guidelines and the handbook while paying due consideration to the business models of each company and to the laws of the countries in which they are located. We will further bolster our efforts against bribery by holding training and organizing study groups to fully educate our employees.

NTT Group Anti-Bribery Handbook

Guidelines on the Prevention of Bribery of Foreign Public Officials
(Established October 2010)

Table of Contents
Introduction: Prohibition Against Acts of Bribery of Foreign Public Officials
1. Foreign Public Officials to Whom the Guidelines Apply
   (1) Officials of central and local governments of foreign countries
   (2) Staff engaged in administrative work at institutions related to a foreign government
   (3) Staff engaged in administrative work at public corporations of foreign countries
   (4) Staff with official responsibilities at international organizations
   (5) Persons working under consignment from foreign governments and other entities
   (6) Political parties of foreign countries and their staff members, or candidates for public office
   (7) Agents or family members of persons defined under 1. to 6., or persons with equivalent status
2. Prohibited Acts and Criteria for Judgment
   (1) Prohibited acts
   (2) Timing
   (3) Substance, monetary amount and other aspects
   (4) Frequency
   (5) Transparency
   (6) Compliance with local laws
3. Examples
   (1) Dinners and parties
   (2) Gifts
   (3) Golf excursions
   (4) Trips
   (5) Others
4. Selection of Consultants, Consignees and Other Persons
   Entrusted with Contacting and Negotiating with Foreign Public Officials
5. Individual Cases of Entertaining and Presenting Gifts
6. FAQ
Corporate Governance  Risk Management  Response to BCP  Information Security and Privacy Protection  Compliance  Tax Planning Strategy

Strategic Shareholding  Brand Management

Reports on bribery in Japan and overseas are submitted by divisions with management responsibilities in each operating company. As for our overseas joint ventures, a reporting line has been established between DOCOMO's head office and the holding company of the joint venture to manage and share information concerning bribery.

No legislative measures were taken against us, nor were we exposed to bribery or facilitation payments in fiscal 2018. Furthermore, prior to the season for sending summer gifts (ochugen) and winter gifts (oseibo), directors warn all Group employees to refrain from making any inappropriate payments to government officials or other public employees. This is to make them aware of compliance with regulations and to uphold ethics regarding gifts such as ochugen. They also must be especially careful not to violate laws such as the National Public Service Ethics Code, Unfair Competition Prevention Act and Foreign Corrupt Practices Act when making payments to government officials.

With respect to political donations, we make it absolutely clear that donations are to be extended through legitimate channels in accordance with the NTT DOCOMO Group Code of Ethics and NTT DOCOMO Guidelines for CSR in Supply Chain, and in compliance with the Political Funds Control Law in Japan. In fiscal 2018, DOCOMO made political donations totaling 7.0 million yen in Japan.

### Number of Legislative Measures and Exposures to Bribery and Facilitation Payments (Japan and Overseas)

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of legislative measures/exposures</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Political Donations</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

#### Initiatives on Fair Competition

In addition to the Antimonopoly Act, which constitutes the common rules of competition, NTT DOCOMO is also governed by articles of the Telecommunications Business Law, which are intended to promote fair competition in accordance with the special nature of the telecommunications business. To develop a fair and unrestricted competitive environment, the Fair Trade Commission and the Ministry of Internal Affairs and Communication formulated the “Guidelines for Promotion of Competition in the Telecommunications Business Field,” which reflects their declared policy on the manner in which the Antimonopoly Act and the Telecommunications Business Law are respectively applied.

#### Regulations Governing the Telecommunications Business

Specific problems are shown below.

<table>
<thead>
<tr>
<th>Regulations governing dominant market operators</th>
<th>Telecommunications Business Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Obligation to ensure interconnection</td>
<td>Articles of Agreement</td>
</tr>
<tr>
<td>• Obligation to formulate report, and disclose accounting information</td>
<td>Concerning interconnection</td>
</tr>
<tr>
<td>• Ban on anti-competitive practices</td>
<td>Obligation to ensure interconnectivity</td>
</tr>
<tr>
<td>• Obligation to disclose accounting information</td>
<td>Ban on anti-competitive practices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Antimonopoly Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ban on private monopolies</td>
<td>Articles of Agreement</td>
</tr>
<tr>
<td>• Ban on unreasonable restraint of trade</td>
<td>Concerning interconnection</td>
</tr>
<tr>
<td>• Ban on unfair business practices, etc.</td>
<td>Obligation to ensure interconnectivity</td>
</tr>
</tbody>
</table>

To ensure compliance with these laws and regulations, the NTT DOCOMO Group has consistently conducted training on fair competition online and by other means for all employees at its headquarters as well as employees at functional subsidiaries that bear some responsibility for corporate marketing and marketing through sales representatives. About 27,000 participants took part in the most recent training.

Moreover, when internally considering launching a new service, we seek to rigorously comply with laws and regulations by having the Corporate Strategy and Planning Department confirm that we are not in violation of the Telecommunications Business Law.

In December 2017, the Ministry of Internal Affairs and Communications held an “Investigative Commission on Promoting Fair Competition in Mobile Market.” The commission requests the promotion of fair competition in the mobile phone market, including MVNO, through approaches such as revising the renewal method of a two-year subscription to a more reasonable contract.

In August 2016, the Fair Trade Commission presented its views on issues concerning competitive policy in the mobile phone market, prompting the industry to review practices that may be problematic under the Antimonopoly Act. In June 2018, it again issued a report that pointed out practices that may create anti-monopoly issues, such as the practice of selling communications services and mobile terminals in a single package, a contract that states a contract period restriction and automatic renewal, plans based on a presupposition that the subscriber will trade in an old mobile phone or continue their subscription in the same program, a SIM lock, and the distribution of used devices.

In view of these developments, the DOCOMO Group will continue to provide pricing and services that comply with laws, regulations and guidelines as it strives to maintain and promote free and fair competition in the telecommunications market.
Avoiding Conflicts of Interest

Conflicts of interest are regulated under national laws from the standpoint of ensuring fairness. DOCOMO has established internal rules for avoiding such conflicts in accordance with Japan’s Companies Act and other relevant regulations.

A specific case may be when a member of senior management seeks to engage in a business transaction that may result in a conflict of interest. This requires prior approval by the Board of Directors if the member is a director or by the director responsible for corporate ethics. The director in question is not permitted to take part in the decision made by the Board of Directors.

By operating under this mechanism, we seek to ensure the fairness of business transactions to avoid conflicts of interest.

Refusing All Connections to Anti-Social Groups

DOCOMO long ago established its policy of refusing all connections to anti-social groups and has consistently upheld that policy over the years.

The Organized Crime Exclusion Ordinances was enforced throughout Japan (in all 47 prefectures) by October 2011. Following its full enforcement, we revised our policy on refusing all connections to anti-social groups and took steps such as adding exclusionary provisions to outsourcing and all other standard business agreement forms to reinforce our stance against such organizations.

Intellectual Property Initiatives

DOCOMO respects the intellectual property rights of other companies, even as we expand the scope of our own intellectual property management to increase the domestic and international competitiveness of our business.

For example, DOCOMO has promoted the research and development of technologies related to upgrading its networks such as W-CDMA, LTE, LTE-Advanced, and 5G as well as technologies related to new services such as AI and IoT, with the ultimate goal of enhancing mobile experiences for customers. As a result of encouraging patent applications for these technologies, as of March 31, 2018, DOCOMO holds around 4,100 patents in Japan and 7,200 patents overseas.

Intellectual Property Training for Employees

In view of the growing importance of intellectual property, DOCOMO has been encouraging employees to gain a deeper understanding of their relationship with intellectual property and its impact on daily operations through ongoing web-based training and annual group seminars. Moreover, we have developed an intellectual property handbook, which is available on the corporate intranet site and is a useful tool for enhancing awareness. It covers themes relevant to actual operations and guides employees in handling intellectual property through a Q&A format.

Tax Planning Strategy

Tax Planning Principles

All executives and employees of the NTT DOCOMO Group, regardless of the country in which they operate, will not only comply with laws, social norms and internal rules but will also adhere to the highest ethical standards in both their public and private activities. With this fundamental principle we handle practical tax matters by establishing internal rules and strive to maintain and enhance compliance through measures such as employee training.

In accordance with the Tax Policy, established by the NTT Group, all DOCOMO Group companies (consolidated subsidiaries) strive to maintain and improve their tax compliance by providing employee education and supervision and improving operational efficiencies to comply with regulations and fulfill their tax obligations. With respect to the application of preferential tax treatment, we will not interpret, apply or seek tax savings in a manner that is unlawful or not presumed by the laws and regulations. We strive to optimize the tax burden for the DOCOMO Group as a whole through the appropriate and effective use of tax incentives for research and development and other preferential tax treatment. In addition, with respect to transactions that carry potentially high taxation risks, we strive to reduce taxation risks by studying the transaction thoroughly before engaging in the business.

In view of the increasingly multinational nature of the NTT DOCOMO Group companies and rise in international transactions in and outside of the Group, as well as a strengthening of taxation by the tax authorities of countries, the importance of risk management has increased for transfer pricing taxation, tax haven countermeasures and other important tax systems related to international taxation, for which we will take the measures described below.
### Transfer Pricing Taxation

- Transaction prices applied in the NTT DOCOMO Group’s international transactions will be calculated in accordance with the laws and regulations of each country and the Transfer Pricing Guidelines published by the Organization for Economic Cooperation and Development as well as in accordance with the arm's length principle.
- When the laws and regulations of countries and regions require documentation of the method of price calculation or where such documentation is required due to factors such as the size of the transaction or possible taxation risks, we will prepare the relevant documentation in an appropriate manner.

### Anti-Tax Haven Rules

- When investing in a low-tax country or when a country or region in which we operate is newly categorized as a low-tax country due to the lowering of the tax rate, we will determine whether or not the anti-tax haven rules apply to the investment or operation based on the laws and regulations of the country or region. Where the rules do apply, we will make our tax payments by self-assessment in an appropriate manner by adding the income of the target company to that of the parent company. Where we are exempted from anti-tax haven rules, we clarify the process that has led to such a decision.

These guidelines are being observed by all consolidated subsidiaries of the NTT DOCOMO Group. Furthermore, in order to reduce the long-term tax burden ratio, we are working with the Japanese business community to request tax reform that contributes to the sustainable growth and strengthening of international competitiveness of Japanese companies.

### Relationship with Tax Authorities

The DOCOMO Group strives to communicate with the tax authorities and maintain good relations with them while also providing them with explanations based on facts and responding in good faith and with sincerity.

We will respond to any issue indicated by the authorities by promptly identifying the cause and then implementing appropriate measures for correction and improvement to prevent a recurrence except in the events that we are filing a formal objection or seeking litigation against measures and opinions taken by the tax authorities.

### Tax Payment Track Record and Reporting

The DOCOMO Group pays the taxes associated with its business management in an appropriate manner by complying with the related laws and regulations. Income taxes after adjustments for fiscal 2018 were 337,784 million yen, and the tax burden ratio to pretax income was 33.6%.

### Strategic Shareholding

DOCOMO seeks to bolster ties with partner companies in various industry and works to strengthen cooperation as well to increase its medium- to long-term corporate value. In light of these initiatives, DOCOMO’s Board of Directors examines the effect of holding or reducing strategic shares on the Company’s medium- to long-term corporate value. DOCOMO does not and will not engage in cross-shareholding as a means of creating long-term shareholder relationships.
Brand Slogan and Statement

DOCOMO upholds “the new of today, the norm of tomorrow” as its brand vision. Our slogan reflects the spirit of challenge with which we pursue innovations to provide greater convenience and comfort to the daily lives of our customers.

Brand Slogan

The new of today, the norm of tomorrow

Brand Statement

DOCOMO has embarked on a new challenge: connecting the separate elements of daily life to achieve levels of convenience and enjoyment never seen before. We call it “smart innovation.”

Security and peace of mind, health, education, and all the other pleasures that go to make up life— we are proposing optimum connections for each individual, taking the provision of information and enjoyment of life a giant step forward. To make this a reality, we are supporting innovation across a wide range of businesses. And beyond this, we are also actively developing novel solutions to the challenges facing society. This culture of challenge and innovation is deeply rooted at DOCOMO. For us, however, it’s not simply about creating products and services that are new; it’s about creating things, that before you know it, become essential or even taken for granted in daily life.

We firmly believe the lifestyles that “smart innovation” makes possible will become the standard, so deeply ingrained they are hardly noticed. We envisage a time when the new becomes everybody’s taken-for-granted standard, and we are working toward that day with everything at our command.
**Management of Names, Logos and Icons**

We formulated the Guidelines on Naming, Logos and Icons to systematically manage these aspects of services provided by DOCOMO, with implementation confirmed by the Brand Management Working Group and secretariat.

**Brand Management Indicators**

With regard to our corporate brand, we closely monitor indicators such as the TOYO KEIZAI, INC.’s CSR Company Ranking (ranked first in 2018), Health and Productivity Management (White 500) recognition for personnel-related issues, and ESG indices such as the Dow Jones Sustainability Indices for investor relations and corporate social responsibility.

**Brand Recognition and External Assessment**

The DOCOMO brand is highly regarded in Japan.

### Top Five Japanese Brands Recognized in Japan

<table>
<thead>
<tr>
<th>2019 Ranking</th>
<th>2018 Ranking</th>
<th>Brand Name</th>
<th>Sector</th>
<th>Brand Value (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>NTT DOCOMO</td>
<td>Tele-communication</td>
<td>9,732</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>SoftBank</td>
<td>Tele-communication</td>
<td>5,523</td>
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<tr>
<td>3</td>
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<td>4</td>
<td>4</td>
<td>Recruit</td>
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<td>5</td>
<td>5</td>
<td>Rakuten</td>
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<td>2,626</td>
</tr>
</tbody>
</table>

Source: Interbrand Japan, “Japan’s Best Domestic Brands 2018”

**Political Donations**
Use of Social Media
When using social media as a communication tool with customers, the NTT DOCOMO Group will conduct operations based on the social media policy on the right.

NTT DOCOMO Group's Social Media Policy

NTT DOCOMO Group will abide by the code of conduct and basic rules defined below as the social media policy when using official social media.

1. Purposes of this policy
   (1) To promote communication by appropriate means
   (2) To always have self-awareness and responsibility as a DOCOMO Group member when using social media.

2. Definition of social media
   Social media is defined as media that allows the general public to communicate with each other through information posted by individuals using the Internet and web technologies.

3. Basic rules to follow when using social media
   (1) To always respect and listen carefully to those you communicate with
   (2) To clarify the purpose of communication and provide valuable information
   (3) To use easy to understand language
   (4) To understand the characteristics of digital tools, such as instant transmission and inability to cancel it
   (5) To fully respect privacy
   (6) To fully respect copyrights

4. Information for customers
   Information posted on a social media site by an administrator who operates an account approved by DOCOMO is not always posted after it has been verified due to the characteristics of social media. In that regard, such information should not be regarded as official announcements and statements from DOCOMO. Please note that such information may be corrected later. Official announcements and statements from DOCOMO are posted on DOCOMO’s website.
   Specific operations (support hours and whether or not or how to respond to inquiries) vary depending on the account.