

# 13 Governance

I nnovative

R esponsible

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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.

## 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. By resolution of the 29th Ordinary General Meeting of Shareholders on June 16, 2020, we became a company with an audit and supervisory committee. Subsequently and on the same day, the Board of Directors’ meeting resolved to revise this basic policy.

[NTT DOCOMO Basic Policy on Corporate Governance \(in Japanese only\)](#)

[DOCOMO Corporate Governance Report \(in Japanese only\)](#)

### Overview of the Corporate Governance Structure

We became a company with an audit and supervisory committee by resolution of the 29th Ordinary General Meeting of Shareholders on June 16, 2020 to enrich management strategy discussions at the Board of Directors’ meeting and strengthen the driving force of our management as a business corporation.

The monitoring function of the Board of Directors has been strengthened through the framework in which several 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. To strengthen governance and incorporate diverse knowledge toward revitalizing discussions on management strategy, we increased the share of independent outside directors to more than one-third of the Board of Directors by resolution of the 29th Ordinary General Meeting of Shareholders. With respect to the auditing function, Audit and Supervisory Committee members (including full-time members) attend important meetings such as those of the Board of Directors, while the Audit and Supervisory Committee conducts effective audits over directors’ execution of duties in coordination with independent registered public accountants and the Internal Audit Department, to continue to ensure management soundness. In addition, we continued to maintain the executive officer system (of which 28 are men, 3 are women, and 3 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 change in the operating environment.

### Composition of Board of Directors (as of June 30, 2020)

(Number of members)

Category	Male	Female	Total
Directors who are not Audit and Supervisory Committee members*1	8 (including 2 outside directors)	2 (including 1 outside director)	10
Directors who are Audit and Supervisory Committee members	4 (including 3 outside members)	1 outside director	5
(Reference) Executive officers*2	26	2	28

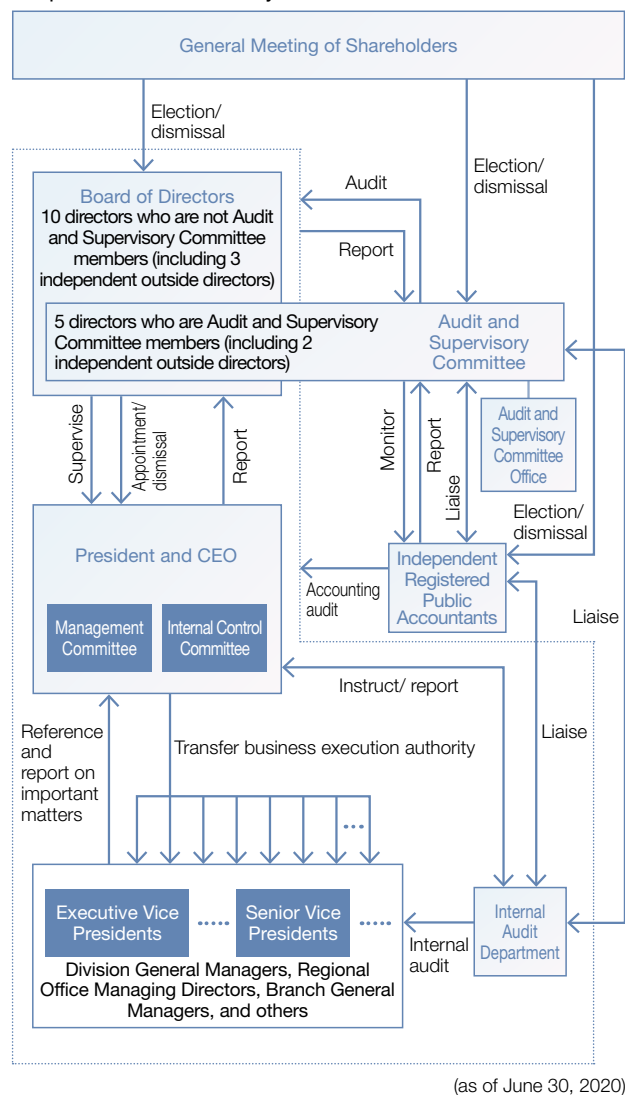
\*1 Includes 3 directors who concurrently serve as executive officers.

\*2 Excludes 3 executive officers who concurrently serve as directors.

### Meetings of the Board of Directors (FY2019)

Category	Fiscal 2019
Number of Meetings	16
Attendance Rate of Directors	100%
Attendance Rate of Outside Directors	100%
Attendance Rate of Audit & Supervisory Board Members	100%
Attendance Rate of Outside Audit & Supervisory Board Members	100%

## Corporate Governance System



## Directors

Directors who are not Audit and Supervisory Committee members (as of June 30, 2020)

Name	Title/Position	Attendance Rate of Board of Directors Meetings for FY2019 (Number of Meetings Attended)	Number of Principal Concurrent Positions
Kazuhiro Yoshizawa	President and Chief Executive Officer, Representative Member of the Board of Directors	100% (16/16)	—
Motoyuki Ii	Senior Executive Vice President, Representative Member of the Board of Directors	—	—
Seiji Maruyama	Senior Executive Vice President, Representative Member of the Board of Directors	100% (16/16)	—
Michio Fujiwara	Executive Vice President, Member of the Board of Directors	100% (13/13)	—
Takashi Hiroi	Executive Vice President, Member of the Board of Directors	—	—
Mayumi Tateishi	Senior Vice President, Member of the Board of Directors	100% (13/13)	—
Masaaki Shintaku	Outside Member of the Board of Directors	—	2
Noriko Endo	Outside Member of the Board of Directors	100% (16/16)	4
Shin Kikuchi	Outside Member of the Board of Directors	—	1
Katsumi Kuroda	Member of the Board of Directors	100% (13/13)	1

Directors who are Audit and Supervisory Committee members (as of June 30, 2020)

Name	Title/Position	Attendance Rate of Board of Directors Meetings for FY2019 (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meeting for FY2019 (Number of Meetings Attended)	Number of Principal Concurrent Positions
Shoji Suto	Member of the Board of Directors (Full-time Audit & Supervisory Committee Member)	100% (16/16)	100% (15/15)	—
Hironobu Sagae	Member of the Board of Directors (Full-time Audit & Supervisory Committee Member)	100% (16/16)	100% (15/15)	—
Katsumi Nakata	Outside Member of the Board of Directors (Full-time Audit & Supervisory Committee Member)	100% (13/13)	100% (10/10)	—
Mikio Kajikawa	Outside Member of the Board of Directors (Full-time Audit & Supervisory Committee Member)	100% (16/16)	100% (15/15)	—
Eiko Tsujiyama	Outside Member of the Board of Directors (Audit & Supervisory Committee Member)	100% (16/16)	100% (15/15)	2

## Business Execution and Audit System

In June 2020, we became a company with an Audit and Supervisory Committee to enrich the management strategy discussions by the Board of Directors' and strengthen the driving force of our management as a business corporation. In addition, we raised the ratio of our independent outside directors to more than one-third of our Board of Directors to bolster our governance and incorporate diverse knowledge to revitalize management strategy discussions.

The Board of Directors consists of 15 members, including 7 outside directors, of whom 5 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 who are not Audit and Supervisory Committee members serve one one-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 executive vice presidents and full-time Audit and Supervisory Committee 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 and Supervisory Committee consists of five directors, including four outside directors, of whom two are

independent directors appointed in accordance with the rules and regulations of the Tokyo Stock Exchange, Inc., and four full-time members. They serve one two-year term. The Audit and Supervisory Committee Office has been established as a dedicated organization to assist with the execution of the committee's duties, with full-time employees assigned to follow the committee's instructions and orders.

The Audit and Supervisory Committee makes decisions on audit policies, plans, methods and other important issues related to the audit of the Company. In accordance with those determined by the committee, 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 and major business offices and subsidiaries. In this way, the Audit and Supervisory Committee members audit the execution of duties by directors. Through these audit activities, they monitor and verify the maintenance and operational status of the Company's internal control system.

The Audit and Supervisory Committee reports on the results of an internal audit by regularly meeting with the Internal Audit Department in principle once a month. They also promote mutual understanding and information-sharing with the auditors of subsidiaries. In addition, they remain in close contact with the Internal Audit Department and the Independent Registered Public Accountants 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 2019 to January 2020.
- A discussion based on the results of the above survey took place in March 2020 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 their regular verification of the state of measures used to implement the medium-term management strategy, allocation of management resources, response to changes in the management environment, and other actions, which had been identified as issues requiring improvement during the previous effectiveness evaluation.

To increase our corporate value following the shift to a company with an Audit and Supervisory Committee, the Board of Directors will continue to regularly verify the state of measures used to implement the medium-term management strategy, the allocation of management resources, and our responses to changes in the management environment.

## 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

The name and reason for the appointment for seven outside directors is as below.

Outside Directors Who Are Not Audit and Supervisory Committee Members	Reason for Appointment
Masaaki Shintaku (Independent Director)	We appointed him due to his long engagement and career in corporate management as the president of a global company and other posts as well as the extensive experience and insight gained through his career as an outside officer of a company. He is excellent both in character and judgment, and so we also expect that he will help reinforce our supervisory function for business execution and provide us with advice from a broad management perspective.
Noriko Endo (Independent Director)	We appointed her due to her wealth of experience and insight gained through her news gathering activities as an editor of an economic magazine, research on public policy, and her career as an outside officer of a company. She is excellent both in character and judgment, and so we expect that she will help reinforce our supervisory function for business execution and provide us with advice from a broad management standpoint.
Shin Kikuchi (Independent Director)	We appointed him due to his long engagement in law such as corporate legal affairs and his considerable experience and insight gained through his career as an expert. He is excellent both in character and judgment, and so we also expect that he will help reinforce our supervisory function for business execution and provide us with advice from a broad management perspective.

Outside Directors Who Are Audit and Supervisory Committee Members	Reason for Appointment
Hironobu Sagae	We appointed him because we expect that he will perform audits by drawing upon his achievements in audit work as an Audit & Supervisory Board Member of the Company and his extensive knowledge on finance and accounting gained from his position in the Finance Department at NTT DATA Corporation. He was also appointed with the expectation that he will help reinforce our supervisory function for business execution by utilizing his experience in corporate management as the president of an NTT Group company and other positions and the experience and knowledge gained through his long career in the telecommunications business.
Katsumi Nakata	We appointed him because we expect that he will perform audits utilizing the experience and insight gained through his achievements in audit work as an Audit & Supervisory Board Member of the Company and that he will also help enhance our supervisory function for business execution by using his experience in corporate management as the president of an NTT Group company and other positions along with the experience and knowledge gained through his long career in the telecom business.
Mikio Kajikawa (Independent Board Member)	We appointed him because we expect that he will perform audits utilizing the experience and insight gained through his achievements in audit work as an Audit & Supervisory Board Member of the Company and that he will also help strengthen our supervisory function for business execution with his abundant expert experience and knowledge, developed through his long career in the Ministry of Finance.
Eiko Tsujiyama (Independent Board Member)	We appointed her because we expect that she will use her achievements in audit work as an Audit & Supervisory Board Member of the Company as well as her extensive insights on finance and accounting, developed through years of experience as a university professor and a certified public accountant, when performing audits. We also expect that she will utilize the experience and insight gained through her considerable experience as an outside officer of a company to help strengthen our supervisory function for business execution.



## Independence Criteria

DOCOMO appoints individuals who are free of any conflicts of interest with shareholders as independent outside directors from the perspective of enhancing supervision and fairly conducting audits of the execution of duties of directors. In designating outside directors 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\*<sup>1</sup>
2. A person who executes business in a lending company that exceeds NTT DOCOMO's standards\*<sup>2</sup>
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' compensation, from NTT DOCOMO or its major subsidiaries\*<sup>3</sup> 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\*<sup>4</sup> 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 member.

\*<sup>1</sup> "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\*<sup>3</sup> 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.

\*<sup>2</sup> "A lending company that exceeds NTT DOCOMO's borrowing 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.

\*<sup>3</sup> The major subsidiaries are DOCOMO CS, Inc., DOCOMO Support Inc., DOCOMO Systems, Inc., DOCOMO Technology, Inc., DOCOMO CS Hokkaido Inc., DOCOMO CS Tohoku, Inc., DOCOMO CS Tokai, Inc., DOCOMO CS Hokuriku, Inc., DOCOMO CS Kansai, Inc., DOCOMO CS Chugoku, Inc., DOCOMO CS Shikoku Inc., and DOCOMO CS Kyushu, Inc.

\*<sup>4</sup> 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\*<sup>3</sup> 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.

NTT DOCOMO has appointed outside directors Masaaki Shintaku, Noriko Endo, Shin Kikuchi, Mikio Kajikawa and Eiko Tsujiyama as independent officers in accordance with the rules stipulated by the Tokyo Stock Exchange, Inc.

## 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.

Therefore, our Board of Directors consists of members with due consideration for overall balance of expertise and diversity including gender and internationality, in accordance with the NTT DOCOMO Basic Policy on Corporate Governance. As of June 30, 2020, the membership of the Board of Directors includes three women.

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.

Furthermore, with respect to members of the Audit and Supervisory Committee who are directors, we appoint individuals who can be expected to perform proper audits based on their professional expertise and knowledge on finance and accounting.

## Policy on Compensation for Directors

Compensation for directors is determined as follows.

### NTT DOCOMO Basic Policy on Corporate Governance (Article 16) Revised on June 16, 2020

Compensation for directors who are not Audit and Supervisory Committee members in each fiscal year of the Company shall be determined by the Board of Directors within the amount resolved at the general meeting of shareholders, taking into consideration the roles and responsibilities of each position, the Company's achievement based on operating profit, and other figures for the current fiscal year. In addition, prior to the Board of Directors' meeting, the details of compensation shall be explained to the parent company, independent outside directors who are not Audit and Supervisory Committee members, and directors who are Audit and Supervisory Committee members, and appropriate advice shall be obtained. The amount of individual compensation for each director shall be left to the president and CEO by the Board of Directors and decided by the president and CEO in accordance with the following policy and the rules regarding compensation for directors stipulated by resolution of the Board of Directors.

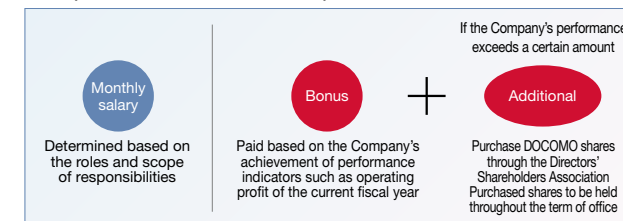
1. Compensation for directors (excluding independent outside directors) shall consist of monthly compensation and bonuses. Monthly compensation is based on the roles and responsibilities of each position, and bonuses reflect factors such as the level of achievement based on operating profit and other figures for the current fiscal year as performance indicators. To reflect the Company's medium- to long-term business performance, directors with executive authority must contribute any monthly compensation and bonus above certain amounts to a director stock purchase plan through the Directors' Shareholders Association. The shares of the Company that are purchased through the plan are held throughout the term of 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 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.
2. To maintain a high degree of independence among our independent outside directors, we do not link the compensation of these directors to our performance, and thus they receive only monthly compensation.

### Determining Director Compensation

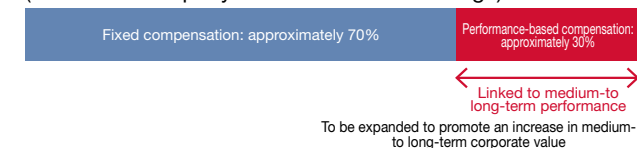
DOCOMO's compensation for directors who are not Audit and Supervisory Committee members (excluding independent outside directors) consists of a monthly salary and bonuses. The Company pays monthly salaries based on the scope of roles and responsibilities of each post, and bonuses by taking into account 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. 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 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\*



### Composition of Director Compensation (When the Company's Performance Is Average)\*



\* Independent outside directors are excluded.

In order to ensure a high level of independence, the Company pays only monthly salaries as compensation for independent outside directors who are not Audit and Supervisory Committee members with no links to business results.

Compensation for directors who are Audit and Supervisory Committee members is determined through consultation with the directors of Audit and Supervisory Committee member, and in order to ensure a high level of independence, only monthly salaries are paid with no links to business results.

The ratio between compensation per director in Japan, which constitutes an important base for the organization, and compensation per employee, is 3.32 to 1 (the ratio between the aggregate compensation paid to directors during fiscal 2019 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.

### Aggregate Amount of Compensation for Directors and Audit & Supervisory Board Members (FY2019)

Category	Aggregate Amount of Compensation (Million Yen)	Aggregate Compensation Amount by Category (Million Yen)		Number of Basic Eligible Persons
		Fixed Persons Compensation	Performance-based Compensation	
Directors (excluding outside directors)	439	327	112	14
Audit & Supervisory Board members (excluding outside directors)	30	30	—	1
Outside Directors	126	126	—	7
Total	595	483	112	22

\*1 No director received total consolidated compensation of 100 million yen or more in fiscal 2019. Therefore, no names are listed for disclosure purposes.

\*2 The above figures include compensation for three directors who retired at the conclusion of the 28th Ordinary General Meeting of Shareholders on June 18, 2019.

\*3 The above figures include compensation for an outside auditor who retired at the conclusion of the 28th Ordinary General Meeting of Shareholders on June 18, 2019.

### 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, 2020, NTT owned 66.21% 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, 2020, the Japanese Finance Minister owns 34.69% of NTT shares.)

NTT announced on September 29, 2020 that it resolved to implement a tender offer for shares of the Company to make a wholly owned subsidiary and the Company agreed with the policy.

### 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, Audit and Supervisory Committee members, 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. In fiscal 2019, the discussed agenda included the status of initiatives on CSR Medium-term Target, initiatives and topics related to the environment, the 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 for monitoring.

Furthermore, we implement sound risk management for aspects related to information management and compliance

by establishing internal regulations and encouraging collaboration between relevant committees.

### 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.

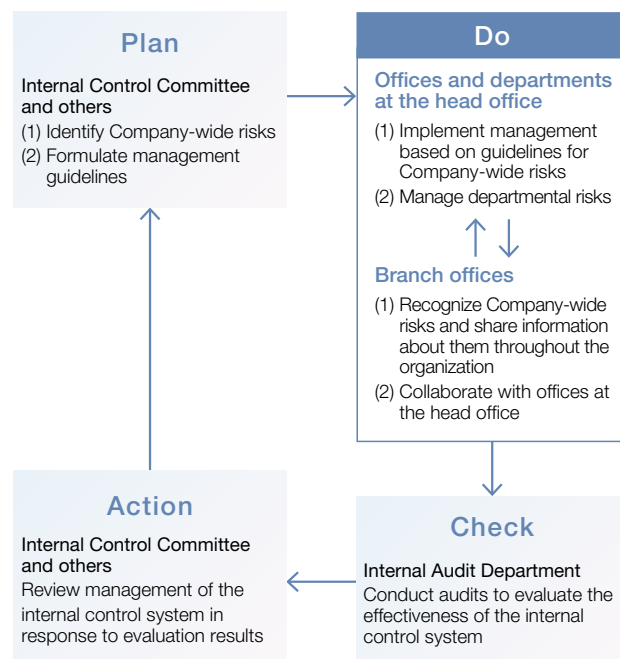
### Fostering and Expanding a Risk Management Culture

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.

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 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.

### Risk Management Cycle



### Risks Relating to Subsidiaries

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.

## Response to Risks and Opportunities Surrounding DOCOMO

In the context of achieving sustainable growth, DOCOMO has identified five major risks in light of changes in the medium to long-term business environment, management strategies, and the impact of these risks on stakeholders and the supply chain. We are taking various steps to provide new value as measures to address these risks.

[For more details about major risks, please refer to the Company's Annual Securities Reports. \(in Japanese only\).](#)

### Major Risks in FY2020

Risk	Description	Measures to Reduce Risks and Create Opportunities
<b>1. Risk associated with intensifying competition due to new market entrants</b>	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.	<ul style="list-style-type: none"> <li>• Solidify our customer base by encouraging customers to switch to new rate plans that benefit them during a smartphone migration promotion.</li> <li>• Enhance rate plans catering to customer usage needs.</li> <li>• Implement an early rollout of 5G to gain a competitive advantage.</li> <li>• Improve customer experiences through such efforts as reducing wait times and strengthening Internet channels.</li> <li>• Create more attractive membership programs and improve the quality of our membership services.</li> <li>• Aim to be a company that customers consistently choose for our comprehensive capabilities through various assets.</li> </ul>
<b>2. Risk associated with the smart life area and 5G business</b>	While aiming to expand smart life business and corporate business through co-creation with partners and creation of new value in the 5G era, if current services provided and proposed by the Group cannot be developed fully, 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.	<ul style="list-style-type: none"> <li>• Build strong customer contact points, such as apps and other media that customers use every day, to enable the execution of optimal digital marketing for increasing the use of services offered by the Group and its partners and expanding the solution business.</li> <li>• Focus resources on growth fields including finance/payment and content/lifestyle services as well as marketing solutions.</li> <li>• Achieve further growth in the Smart Life Business by realizing new experiences in the 5G era and providing total solutions to business and social challenges through expanded co-creation with partners.</li> </ul>
<b>3. Risk associated with the use of personal data and other information</b>	While aiming to expand profit opportunities through promotion of digital marketing by utilizing the membership base, inadequate handling of confidential business information including personal information by the Group or partners may adversely affect our credibility or corporate image.	<ul style="list-style-type: none"> <li>• Conduct comprehensive Company-wide security management that includes the thorough management of confidential information, such as personal information and employee education, and the thorough supervision of subcontractors and business partners while also strengthening technical security.</li> <li>• Clearly communicate how we handle customers' personal data by referring to the NTT DOCOMO Personal Data Charter established and published in August 2019.</li> <li>• Improve the structure and wording of our privacy policy so that customers can more clearly understand our use of personal data, and set up a means for them to review and to a certain extent modify agreements on the handling of personal data, so that we can provide optimum privacy protection for customers and continuously offer new value to customers and society by leveraging data.</li> </ul>

Risk	Description	Measures to Reduce Risks and Create Opportunities
<b>4. Risk of natural or manmade disasters and incidents to stable business operations</b>	<p>Natural and manmade disasters and other events and incidents (including infectious diseases and cyber-attacks) 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 the Group's financial condition and results of operations.</p>	<ul style="list-style-type: none"> <li>• Take action to control COVID-19 infections with top priority on the health and safety of our customers and employees while maintaining telecommunications services to fulfill our social responsibilities.</li> <li>• Continuously strive to secure communications during disasters in accordance with the Three Principles of Disaster Preparedness.</li> <li>• Strengthen disaster preparedness including the uninterrupted supply of power at base stations, installation of large-zone base stations, increased deployment of mobile power generation vehicles, and decentralization of critical facilities, by applying experiences and lessons learned from the Great East Japan Earthquake, frequent heavy rains and typhoons.</li> <li>• Annually conduct comprehensive emergency drills for large-scale disasters and disaster prevention drills with consideration for local characteristics.</li> <li>• Maintain preparedness to respond to incidents through a dedicated unit capable of implementing the necessary security measures.</li> <li>• Continuously conduct employee seminars and training programs to raise awareness of information security.</li> <li>• Study cyber-attacks trends and examine the Company's preparedness.</li> <li>• Alert customers to the need to protect themselves from unauthorized access.</li> </ul>
<b>5. Risk associated with laws, regulations and systems</b>	<p>The introduction or revision of various laws, regulations or systems inside and outside of Japan, or the application of such laws, regulations or systems to the Group, could restrict our business operations, which may adversely affect the Group.</p>	<ul style="list-style-type: none"> <li>• Collect information on changes in administrative and legislative policies as well as the economic climate affecting our business operations.</li> <li>• Present public comments gathered by the relevant authorities and work to increase stakeholder understanding of the Group's position.</li> <li>• Conduct business by understanding every clause of the Corporate Governance Code to earn a high degree of trust and positive evaluations from all stakeholders including shareholders and customers, and strive to achieve sustainable growth and medium- to long-term improvement of corporate value.</li> </ul>

## Response to the Business Continuity Plan (BCP)

### 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

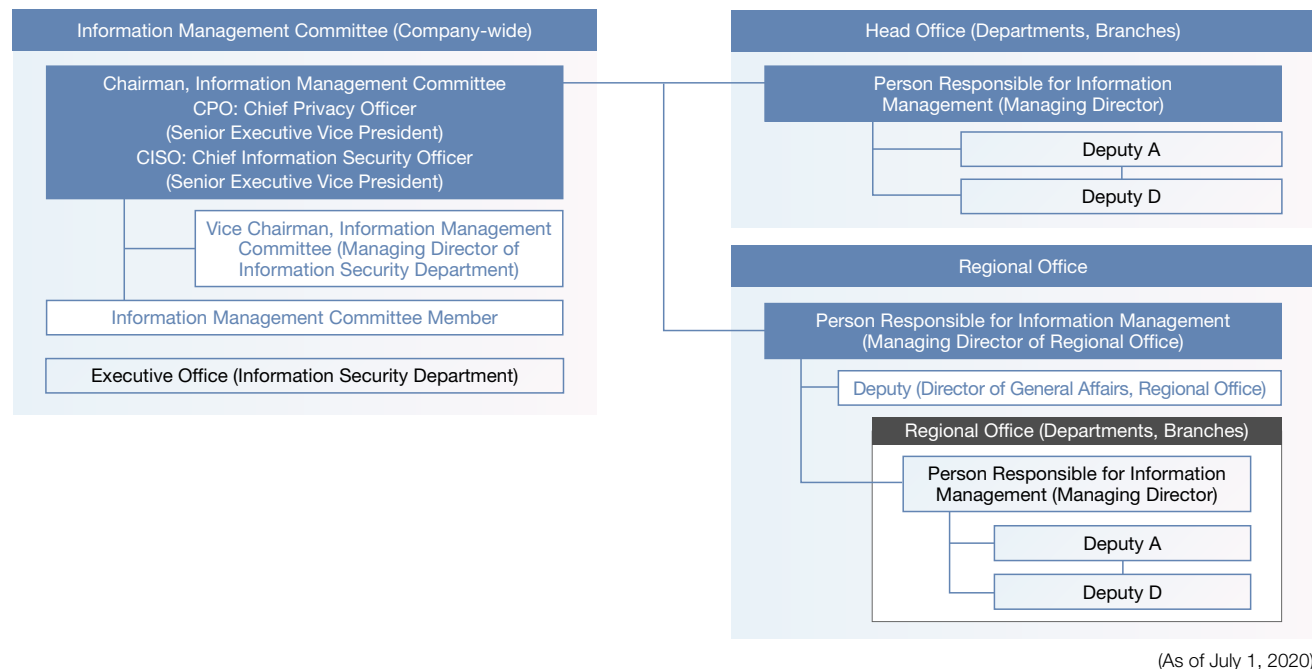
about the incident and its impact and inform the Information Security Department about it as well as the General Affairs Department of the head office. A designated committee chaired by the president will be set up to respond to the incident depending on the degree of impact.

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.



## Information Management System



### Specific Security Measures

#### Vulnerability Analysis

At each important stage in the system life cycle from construction to operation, we address vulnerabilities in the inhouse 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 2019, 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

#### ■ Major Initiatives for Fiscal 2019

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.

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. In fiscal 2019, we strengthened our information security incident response system and conducted training assuming cyber-attacks for the Tokyo 2020 Olympic Games. In addition, we are continuing to develop experts on information security and raising employee awareness in the field.

During Information Security Awareness Month in fiscal 2019, 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 held a seminar for executives and employees on the latest trends in cyber security.

In addition, we conducted web-based training three times a year by job title and employee classification. We also conducted annual drills simulating targeted email attacks, for which we increased the variations of emails and took steps to maintain vigilance.

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 throughout the year 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 formulated the "Information Management Regulations (Handling of EU Personal Data)" as an internal reference that stipulates the handling of EU personal information in April

2019, following a GDPR Compliance Manual formulated in May 2018.

There were no incidents warranting administrative guidance or legal violations related to information leakage incidents or complaints within the DOCOMO Group in fiscal 2019.

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.

Number of cases involving leakage, theft, or NTT DOCOMO Personal Data Charter misplacement of personal information

(Cases)

	2016	2017	2018	2019
Number of Cases	1	0	0	0

[Privacy Policy](#)

### 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 customers’ particularly important personal data. DOCOMO has and will act upon a strong faith to continue living up to the trust of its customers by handling personal data with responsibility.

In August 2019, we published the Personal Data Charter

### NTT DOCOMO Personal Data Charter

#### NTT DOCOMO Personal Data Charter

##### Behavioral Principles for Innovation Creation

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.

as a company policy on the use of data. We also set out the following six principles of action which we comply with when using the data to offer optimum privacy protection for customers and continuously offer new value to customers and society by leveraging data.

DOCOMO recognizes its duty as protecting and paying due consideration to customer privacy as well as complying 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.

## 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.

\* Details of the Principle of Action and its use will be constantly examined and reviewed as necessary to ensure our ability to continue living up to the trust of our customers.

## 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 and leakage, 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 cyberattack 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. In December 2019, under the Behavioral Principles set forth in the NTT DOCOMO Personal Data Charter, we made the NTT DOCOMO Privacy Policy simpler and easier to understand, in terms of the structure and expressions used, without changing the scope of handling personal data to date. We also released “Understand by knowing! DOCOMO’s Use of Personal Data,” which clearly explains these efforts through illustrations.

Moreover, we provide the Personal Data Dashboard on our website, allowing customers to check, set, and change\* their consent to the handling of personal data. Looking ahead, we will continue our efforts to protect data privacy by pursuing the

protection and appropriate handling of personal data.

\* No changes are allowed to the part of consent required for our service offering.

### 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 among all employees 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](#)

## 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.

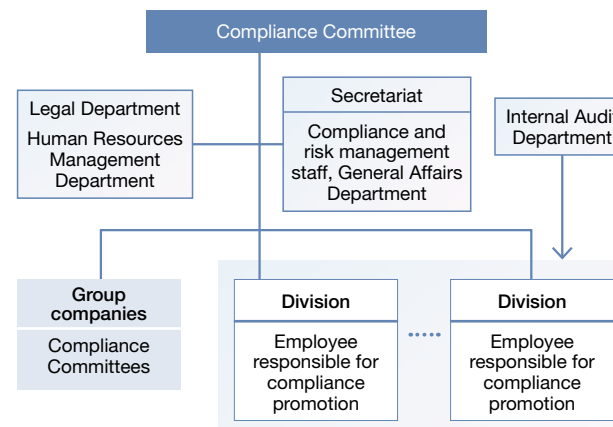
## Compliance Management System

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 directors who are Audit & Supervisory Committee 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.

### Compliance Management System



### ►Employees responsible for compliance promotion

Assigned in all divisions to create an implementation plan for legal and ethical compliance for their respective organizations to identify

compliance risks, to develop deeper sense of respect for human rights as well as to create measures for improving inappropriate aspects.

Monitor the status of compliance within the assigned organization and report the results to the director responsible for corporate ethics (or the president of a regional office).

### ►Risk Compliance Leaders (RCL)

Appointed by employees responsible for compliance promotion to take the initiative in promoting risk management, compliance and human rights practice within their respective organizations.

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.

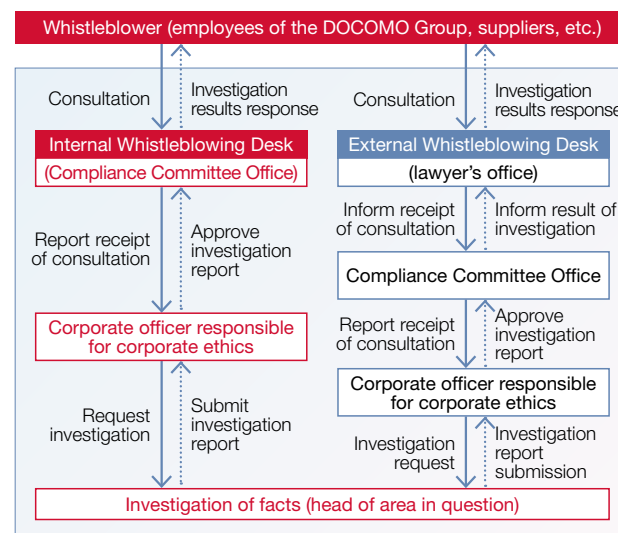
The topic of the consultation or report is investigated as needed by the Compliance Committee Office and Human Rights Committee Office in coordination with relevant employees responsible for compliance promotion (heads of organizations) and RCLs. Any confirmed incidence of noncompliance is immediately reported to the director responsible for corporate ethics and other members of management, as well as members of the Audit & Supervisory Committee. 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 103 cases were brought to consultation and reporting in fiscal 2019. The number of declarations regarding power harassment increased due to growing concern about the enforcement of the Labor Measures Comprehensive Promotion Act. On the other hand, the number of reports relating to time and attendance management issues is declining as workstyle reform has taken root. All confirmed compliance violations are subject to disciplinary action in accordance with company regulations.

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

	FY2016	FY2017	FY2018	FY2019
Consultations on compliance	111	111	114	103
Compliance violations	50	57	56	47
Unauthorized use of expenses, etc.	9	5	2	3
Harassment	18	17	15	22
Other compliance violations	23	35	39	22
No violations	61	54	58	56

#### Compliance Whistleblowing Desk System



#### 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 (21 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 2019, we held training programs for newly appointed managers and employees on loan to Group companies. In light of growing concern about power harassment and the Labor Measures Comprehensive Promotion Act, enforced as of June 2020, we conducted training for supervisors to reduce the risk of power harassment.

##### 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.

##### 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 with all Group employees including

temporary staff, a total of about 40,000 individuals. 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 2019 on matters related to compliance and human rights along with the survey. As a result, 112 cases were reported and 30 were investigated and addressed.

#### Employee Survey

Category		Content	(Previous) Oct. 2018	(Latest) Sep. 2019
Communi- cation	Respondent	Seeks to communicate with the colleague by initiating the conversation	96.0	95.5
		Seeks to communicate with the supervisor by initiating the conversation	91.0	90.7
	Supervisor	Seeks to communicate with subordinates by initiating the conversation	93.7	93.9
	Organization head	Seeks to communicate with subordinates by initiating the conversation*	92.2	—

\* Excluded from fiscal 2019.

#### 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)

##### 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

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 2019.

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 contributions, 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 2019, DOCOMO made political contributions totaling 12 million yen in Japan.

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

	FY2016	FY2017	FY2018	FY2019
Number of legislative measures/exposures	0	0	0	0

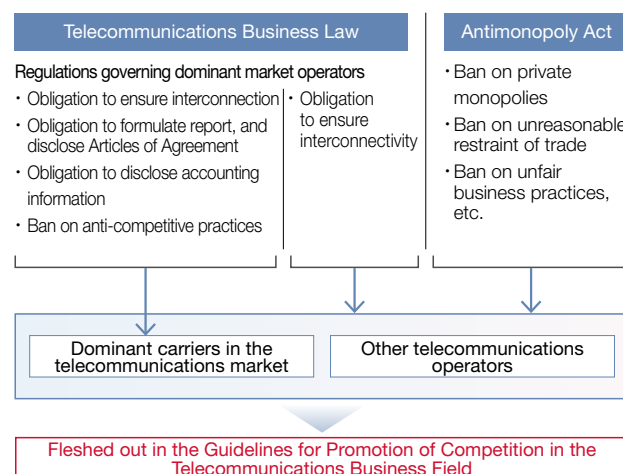
#### Political Contributions (million yen)

	FY2016	FY2017	FY2018	FY2019
Political Contributions (telecommunications administration)	7.0	7.0	7.0	12.0

### 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 encourage new entries and 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. Since the revised Telecommunications Business Law and related ministerial ordinances came into effect in October 2019, we are now required to promote fair competition in the mobile phone market through a complete separation of communication charges from terminal prices and the correction of excessive lock-in practices.

#### Regulations Governing the Telecommunications Business



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 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.

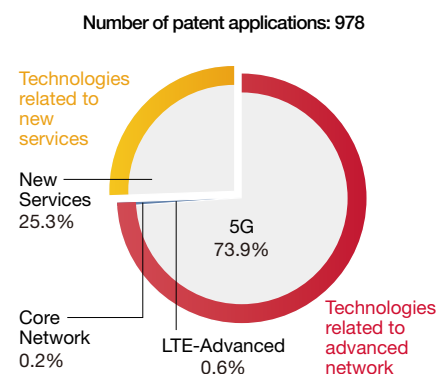
The Organized Crime Exclusion Ordinances was enforced throughout Japan (in all 47 prefectures) by October 2011. Following its full enforcement, we revised our policy on refusing all connections to anti-social groups and took steps such as adding exclusionary provisions to outsourcing and all other standard 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, 2019, DOCOMO holds around 3,900 patents in Japan and 7,600 patents overseas.

### Patent Applications



### 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 Strategy

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.



## 1. 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.

## 2. Anti-Tax Haven Rules

- We will not exploit a low-tax country to avoid taxes. For business reasons, when investing in a low-tax country, we will pay the appropriate tax in accordance with the laws and regulations of the country and region.

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 2019 were 273,170 million yen, and the tax burden ratio to pretax income was 31.5%. The table below summarizes revenues, profits before taxes, and taxes in Japan and overseas.

### Domestic and Overseas Revenues, Profits Before Taxes, and Taxes (FY2018)

(billion yen)

	Domestic	Overseas	Total
Revenue	5,008.6	134.8	5,143.4

(billion yen)

	Domestic	Overseas	Total
Profit before taxes	970.7	53.3	1,024.0

(billion yen)

	Domestic	Overseas	Total
Taxes	274.4	14.2	288.6

The above amounts are based on the Country by Country Report submitted by Nippon Telegraph and Telephone Corporation to Japan's National Tax Agency and are not directly related to DOCOMO's consolidated financial statements.

## 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 Management

### Corporate Identity

#### Origin of the Company Name

The Company name is an abbreviation for “Do Communications Over The Mobile Network” and reflects the aspiration and commitment of all our employees to seek customer satisfaction wherever they are and in whatever situation.

#### Corporate Logo

The logo is written in small letters and in the custom color of “DOCOMO red.” It expresses DOCOMO’s new brand image of “Human Touch,” “Glimpse into the Future” and “Security and Reliability” as well as our desire to encourage people to feel an even greater affinity with the brand and a sense of expectation for the changes that DOCOMO will undergo. We chose red for its dynamic, uplifting impression as a vigorous statement of our corporate stance on innovation.



### 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.

## Brand System

NTT DOCOMO Corporate Brand (Carrier Brand)



### Service Brands

#### Network Services

5G, Premium 4G, Xi, FOMA, docomo Hikari, etc.

#### Communications Services/New Service Domains (Provided by DOCOMO, Inc.)

iD, Anshin Security, Ichioshi Pack, Shintalkan live CONNECT, Sugotoku-Content, DAZN for docomo, d account, d anime store, d apps & review, d enjoy pass, d car sharing, d CARD, d kids, d game, d shopping, d job, dTV, dTV channel, d delivery, d travel, d Payment, d hits, d fashion, d photo, d book, d healthcare, d POINT CLUB, d market, d magazines, d meal kit, d music, d menu, Disney+, docomo Service Pack, docomo Map Navi, Hikari TV for docomo, FACE LOG, +Message, Point Investment, my daiz, MARKERS, etc.

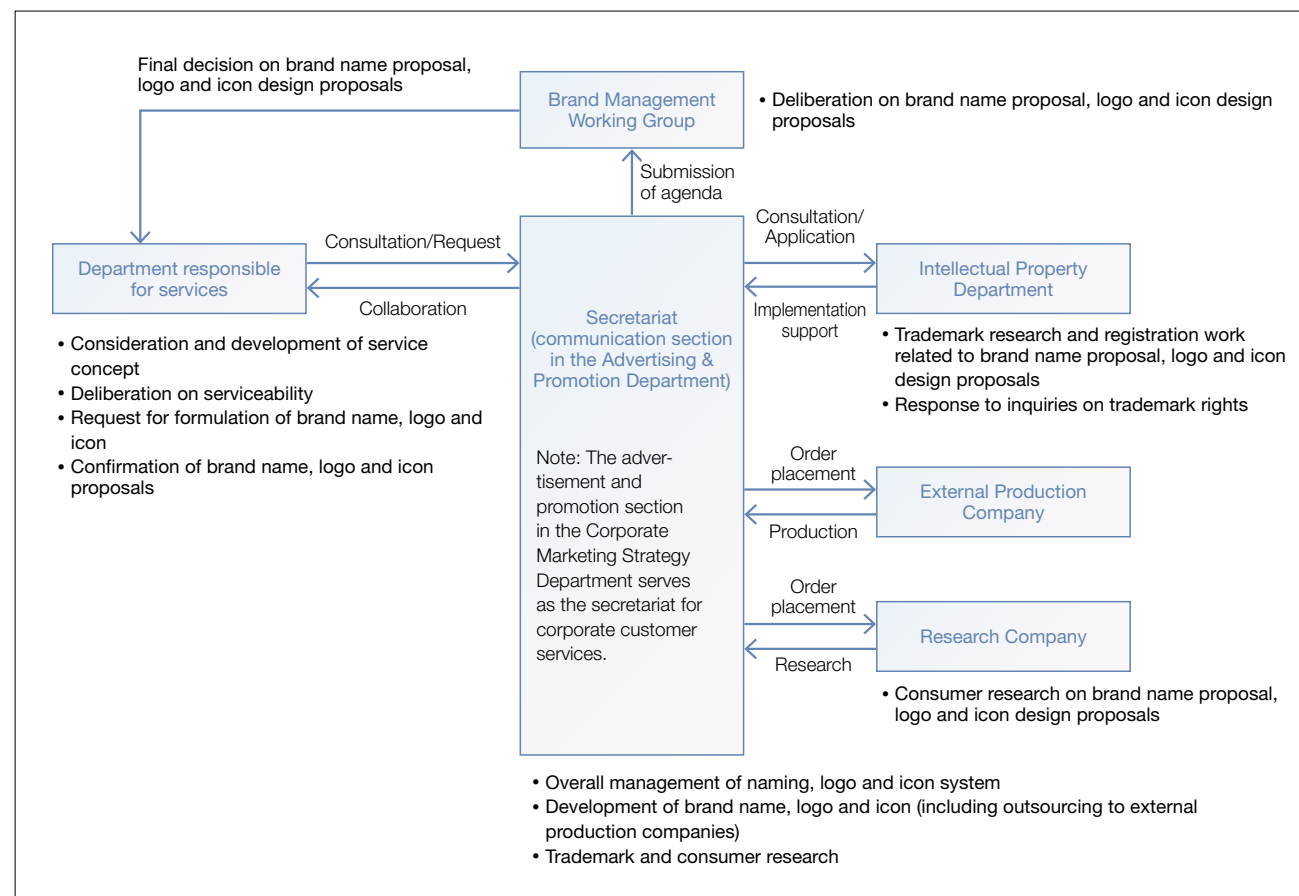
#### New Service Domains (Provided by Subsidiaries)

Shop Japan, Tower Records, MAGASEEK, ModuleApps, Mirai Translator™, etc.

## 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.

### Management of Names, Logos and Icons



## Brand Management Indicators

With regard to our corporate brand, we closely monitor indicators such as the TOYO KEIZAI, INC.'s CSR Company Ranking (ranked second in 2020), 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

2020 Ranking	Brand Name	Brand Value (USD million)
1	TOYOTA	56,246
2	HONDA	24,422
3	NISSAN	11,502
4	SONY	10,514
5	Canon	9,482
6	NTT docomo	8,267

Source: Interbrand Japan, "Japan's Best Domestic Brands 2020"

## 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.