

Please be advised that as of this year we will no longer be distributing gifts to shareholders attending the Ordinary General Meeting of Shareholders. Thank you for your understanding.

# **Notice of Convocation of the 28th Ordinary** **General Meeting of Shareholders**

NTT DOCOMO, INC.

This is an English translation of the Notice of Convocation of the Ordinary General Shareholders Meeting for the 28<sup>th</sup> Fiscal Year (“the Notice”) of NTT DOCOMO, INC. and its subsidiaries (“DOCOMO,” the “Company,” “we,” or “our Group”). This translation includes a translation of the audit report of the financial statements included in the original Japanese language Notice, prepared by KPMG AZSA LLC, DOCOMO’s independent auditor. KPMG AZSA LLC has not audited and makes no warranty as to the accuracy or otherwise of the translation of the financial statements or other financial information included in this translation of the Notice.

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These documents have been translated from Japanese originals for reference purposes only.

In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

## The new of today, the norm of tomorrow

### Philosophy:

Based on our corporate philosophy of “creating a new world of communications culture,” DOCOMO will utilize our individual potential to provide highly personalized communication solutions that truly satisfy customers.

## **MESSAGE FROM THE PRESIDENT**

### **Dear Shareholders:**

I am delighted to present this convocation notice for the general shareholders meeting for the 28th fiscal year (from April 1, 2018 to March 31, 2019).

Positioning the fiscal year ended March 31, 2019 as the year to “innovate and take action,” we steadily implemented measures to deliver on our Medium-Term Strategy 2020 “Declaration beyond” and initiated the transformation of our business foundations. As a result of our effort, we posted operating revenues and operating profit both exceeding the fiscal year ended March 31, 2018.

In our medium-term management strategy announced in October 2018, we declared that we are taking a new direction focusing on “transformation into a business foundation centered on our membership base” and “5G rollout and business creation.” We have positioned the fiscal year ending March 31, 2020, as the “year to execute ‘change’ to propel further growth.” We will succeed amid the competition by anticipating changes for ourselves and continuing to provide “new value” to our customers and the world at large together with our partners.

We will reinforce and execute our customer base by returning to customers through simple, great-value new rate plans such as “Gigaho” and “Gigalight” in order to further boost our competitiveness as the market leader ahead of our rivals amid major changes in the market environment, which will include the market entry of new players in the second half of the fiscal year ending March 31, 2020. In addition, we will realize sustained growth by further promoting digital marketing tailored to individual customers to reinforce our customer base centered on “members,” which goes beyond mobile line subscription, while integrating this with growth in “non-telecommunications business” by increasing our partners including participating stores and corporate customers. Although we anticipate a temporary decrease in profit due to these initiatives, we will ensure our operating profit recovery in an early period.

We believe that 5G will be a significant pillar of our digital transformation. We will implement 5G pre-service in time for the Rugby World Cup 2019™ scheduled in September 2019 in order to give customers a real 5G experience ahead of anyone else, and will launch commercial services in the spring of 2020. We are pushing ahead with co-creation with a wide range of partners, with a view to making services using the strengths of 5G available to customers when the deployment of commercial services takes place, and we are confident that together with our partners we will realize a richer future with 5G.

As always, I ask for your continued goodwill and support.

May 2019

Kazuhiro Yoshizawa  
Representative Director,  
President and Chief Executive Officer

## **(Reference) Medium-Term Management Strategy**

In April 2017, we formulated our Medium-Term Strategy 2020 “Declaration beyond,” and in October 2018, we announced specific strategies and quantitative targets as our medium-term management strategy based on “Declaration beyond.” In this medium-term management strategy, we set our new basic policy that takes a new direction focusing on “transformation into a business foundation centered on our membership base” and “5G rollout and business creation.”

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

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

### **Medium-Term Strategy 2020 “Declaration beyond”**

Looking ahead to the year 2020 and beyond, we will aim to amaze and inspire our customers and create new values hand-in-hand with our partners by exceeding customers’ expectations. The word “beyond” reflects our will to transform ourselves to realize a richer future with 5G.

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

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

#### ● “Revenue opportunity creation centered on customer base”

##### Promotion of “+d”

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

##### Growth of finance/payment business

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

##### Growth of enterprise business

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

- “Growth driven by 5G”

Construction of 5G network

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

In April 2019, three 5G frequency bands, “3.7 GHz band,” “4.5 GHz band” and “28 GHz band,” were allocated.

5G services and solutions

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

- “Execution of customer returns and evolution of customer touchpoints”

Providing returns to customers through new rate plans

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

- (1) Combines the Basic Plans, ISP and Packet Pack in one package
- (2) Simple structure offers choice of “Gigaho” with maximum 30GB data usage (available network access at speeds of up to 1Mbps after exceeding 30GB) or “Gigalight” with billing based on data usage
- (3) Stepped up benefits for family members through “Minna DOCOMO Wari” and “docomo Hikari bundle discount,” which give lasting discounts to everyone if just one family member/relative is a docomo or docomo Hikari subscriber.

Providing customers with comfortable experiences

In addition to the drastic simplification of our billing plans, we will carry out measures such as expanding use of our store visit reservations, reviewing and revising our methods of providing explanations, assigning specialists (initial settings, data migration) at docomo shops, improving our docomo Smartphone classes, enhancing our website, promoting micro-marketing, and carrying out cross-channel integration. We aim to reduce docomo shop wait and attendance time, which exceeds two hours on average\*, to less than half that amount during FY2019.

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

Tokyo Stock Exchange: 9437

May 27, 2019

To Shareholders

NTT DOCOMO, INC.  
11-1, Nagata-cho 2-chome  
Chiyoda-ku, Tokyo, Japan  
Kazuhiro Yoshizawa  
Representative Director,  
President and Chief Executive Officer

**NOTICE OF CONVOCATION OF  
THE 28<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 28<sup>th</sup> Ordinary General Meeting of Shareholders of the Company (the “Meeting”) will be held as described below.

Details

- 1. Date and Time:** Tuesday, June 18, 2019 at 10:00 a.m. (Japan Standard Time)
- 2. Place of the Meeting:** Tsuru-no-ma, The Main Banquet Floor  
Hotel New Otani  
4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan
- 3. Matters to be dealt with at the Meeting:**

**Matters to be reported:**

- 1) Report on Business Report, Consolidated and Non-Consolidated Financial Statements for the 28<sup>th</sup> Fiscal Year (from April 1, 2018 to March 31, 2019).
- 2) Report on Results of Audit of Consolidated Financial Statements by Registered Public Accountants and Audit & Supervisory Board.

**Matters to be resolved:**

**First Item of Business:** Appropriation of Retained Earnings

**Second Item of Business:** Election of Four (4) Directors

**Third Item of Business:** Election of Four (4) Audit & Supervisory Board Members

A copy of the Business Report and our Consolidated and Non-Consolidated Financial Statements and a certified copy of the Independent Auditor's Report and the Audit Report of Audit & Supervisory Board for the 28<sup>th</sup> Fiscal Year required to be attached are included as pages 23-59 hereto.

Please be advised that as of this year we will no longer be distributing gifts to shareholders attending the Ordinary General Meeting of Shareholders. Thank you for your understanding.

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In accordance with the applicable laws and regulations, and the provisions of Article 16 of the Company's Articles of Incorporation, we have posted the matters concerning the Independent Auditor, systems for ensuring the propriety of the Company's business activities and their operational status, the Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-Consolidated Statement of Changes in Net Assets, and the Notes to the Non-Consolidated Financial Statements, which comprise the Attachments to this Notice of Convocation of the 28th Ordinary General Meeting of Shareholders, at the Company's following website:

(<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>) instead of including them herein. In addition, the Consolidated Statement of Comprehensive Income is also posted on the Company's website for reference.

Our Consolidated and Non-Consolidated Financial Statements included in the Attachments to the Notice of Convocation of the 28<sup>th</sup> Ordinary General Meeting of Shareholders are part of our Consolidated and Non-Consolidated Financial Statements audited by the Independent Auditor in preparing the Independent Auditor's Report.

Should any revision be needed with regard to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report or Consolidated and Non-Consolidated Financial Statements, the Company will publish such revision on its website:

<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>

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## REFERENCE MATERIALS FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

### Items of Business and Matters for Reference

#### First Item of Business: Appropriation of Retained Earnings

Items relating to year-end dividends

Taking into account the consolidated results of operations, financial conditions and dividend payout ratio, the Company distributes dividends based on the principle of providing stable and sustainable dividends. The Company proposes to pay the year-end dividend for the 28<sup>th</sup> fiscal year as follows:

(1) Type of Dividend Asset

Cash

(2) Proposed Appropriation of Dividend Assets to Shareholders and Total Amount of Dividend Payment

¥55 per share of common stock of the Company

Total Amount of Dividend Payment: ¥183,437,702,855

(The Company paid an interim dividend in November 2018. Accordingly, the aggregate amount of annual dividends for this fiscal year, i.e., the sum of interim and year-end dividends, will be ¥110 per share.)

(3) Effective Date of the Appropriation of Dividends from Retained Earnings

Wednesday, June 19, 2019

<Reference>

	24 <sup>th</sup> (FY2014)	25 <sup>th</sup> (FY2015)	26 <sup>th</sup> (FY2016)	27 <sup>th</sup> (FY2017)	28 <sup>th</sup> (FY2018)
Dividend per share (annual)	¥65	¥70	¥80	¥100	¥110

**Second Item of Business: Election of Four (4) Directors**

As four (4) Directors, Mr. Hiroyasu Asami, Mr. Kouji Furukawa, Mr. Tooru Atarashi and Mr. Shinichiro Ueno, will resign at the close of this meeting, it is proposed that four (4) Directors be elected to fill the vacancies.

Candidate Number	Name	Age	Years Served as Director	Positions and Responsibilities in the Company, and Principal Concurrent Positions	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)
1	Kouji Tsubouchi <Newly appointed>	56	—	Senior Vice President, Executive General Manager of Hokkaido Regional Office	—
2	Michio Fujiwara <Newly appointed>	54	—	Senior Vice President, Executive General Manager of Tohoku Regional Office	—
3	Mayumi Tateishi <Newly appointed>	56	—	Senior Vice President, Executive General Manager of Shikoku Regional Office	—
4	Katsumi Kuroda <Newly appointed>	49	—	Vice President of Corporate Strategy Planning of NIPPON TELEGRAPH AND TELEPHONE CORPORATION	—

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)
1	<p>Kouji Tsubouchi (April 27, 1963 / 56)</p> <p>&lt;Newly appointed&gt;</p>	April 1987	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	-	12,500	-
		July 2008	Senior Manager of Public Relations Department of the Company			
June 2011	Senior Manager of General Affairs Department of the Company					
June 2014	General Manager of Public Relations Department and Deputy General Manager of Mobile Society Research Institute of the Company					
June 2016	Senior Vice President, General Manager of Public Relations Department and Deputy General Manager of Mobile Society Research Institute of the Company					
		June 2017	Senior Vice President, Executive General Manager of Hokkaido Regional Office of the Company (To the present)			
<p>Reasons for election as candidate for director: Mr. Tsubouchi has been elected as candidate for director for his rich experience in business execution gained from his engagement in public relations, general affairs and other operations, in addition to his experience in serving as executive general manager of a regional office, as well as for his excellent character and wealth of knowledge.</p>						

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)
2	<p>Michio Fujiwara (December 21, 1964 / 54)</p> <p>&lt;Newly appointed&gt;</p>	April 1989	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	-	5,000	-
		July 2004	Senior Manager of Corporate Strategy & Planning Department of the Company			
April 2007	Senior Manager of Core Network Engineering Department of the Company					
July 2009	General Manager of Planning and Accounts and Finance Department and General Manager of Information Systems Department of Hokkaido Regional Office of the Company					
July 2012	Senior Manager of Corporate Strategy & Planning Department of the Company					
June 2016	Senior Vice President, Executive General Manager of Tohoku Regional Office of the Company (To the present)					
<p>Reasons for election as candidate for director: Mr. Fujiwara has been elected as candidate for director for his rich experience in business execution gained from his engagement in corporate strategy &amp; planning, network engineering and other operations, in addition to his experience in serving as executive general manager of a regional office, as well as for his excellent character and wealth of knowledge.</p>						

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)
3	<p>Mayumi Tateishi (May 24, 1963 / 56)</p> <p>&lt;Newly appointed&gt;</p>	May 2001	Joined the Company	-	2,600	-
		July 2008	Senior Manager of Business Alliance Department of the Company			
		July 2014	Senior Manager of Online Marketplace Department of the Company Managing Director of OAK LAWN MARKETING, INC.			
		July 2015	Senior Manager of Smart-life Solutions Department of the Company Member of the Board, Senior Executive Vice President of OAK LAWN MARKETING, INC.			
		June 2016	Senior Vice President of the Company Member of the Board, Senior Executive Vice President, Commerce Business Promotion of OAK LAWN MARKETING, INC.			
June 2017	Senior Vice President, Executive General Manager of Shikoku Regional Office of the Company (To the present)	<p>Reasons for election as candidate for director: Ms. Tateishi has been elected as candidate for director for her rich experience in business execution gained from her engagement in service planning, support of group companies and other operations, in addition to her experience in serving as executive general manager of a regional office, as well as for her excellent character and wealth of knowledge.</p>				

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)
4	Katsumi Kuroda (November 9, 1969 / 49)  <Newly appointed>	April 1992	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	-	1,000	-
		October 2009	Senior Manager of Corporate Strategy Planning Department of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”) Senior Manager Sales Department, Shizuoka Branch of NTT WEST			
		July 2010	Senior Manager of Corporate Strategy Planning Department of NTT WEST			
		July 2012	Senior Manager, Head of Marketing Strategy Group of Corporate Strategy Planning Department of NTT WEST			
		July 2015	Vice President of Corporate Strategy Planning of NTT (To the present)			
		(Principal concurrent positions) Vice President of Corporate Strategy Planning of NTT				
		Reasons for election as candidate for director: Mr. Kuroda has been elected as candidate for director for his extensive experience and insights accumulated through his long career in the telecommunications business, and the Company’s expectation that, in view of his excellent character and wealth of knowledge, he will contribute to strengthening the supervisory function over business execution and provide advice from a broad managerial perspective.				

Notes:

1. NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”) is the parent of the Company. NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”) is a subsidiary of NTT.  
OAK LAWN MARKETING, INC. is a subsidiary of the Company.
2. Mr. Kouji Tsubouchi has served as President and Chief Executive Officer of DOCOMO CS Hokkaido, Inc., a subsidiary of the Company, during the past five years and currently serves as President and Chief Executive Officer of the company, but is expected to resign from the position on June 14, 2019.
3. Mr. Michio Fujiwara has served as President and Chief Executive Officer of DOCOMO CS Tohoku, Inc., a subsidiary of the Company, during the past five years and currently serves as President and Chief Executive Officer of the company, but is expected to resign from the position on June 12, 2019.
4. Ms. Mayumi Tateishi has served as President and Chief Executive Officer of DOCOMO CS Shikoku, Inc., a subsidiary of the Company, during the past five years and currently serves as President and Chief Executive Officer of the company, but is expected to resign from the position on June 14, 2019.
5. If the election of Mr. Katsumi Kuroda is approved, in accordance with the provisions of Article 427,

Paragraph 1 of the Companies Act of Japan, the Company plans to enter into a limited liability contract with Mr. Kuroda, which sets forth the upper limit of damage compensation liability as provided in Article 423, Paragraph 1 of the Companies Act of Japan.

**Third Item of Business:** Election of Four (4) Audit & Supervisory Board Members

As the terms of office of four (4) Audit & Supervisory Board Members, Mr. Toshimune Okihara, Mr. Hironobu Sagae, Mr. Mikio Kajikawa and Ms. Eiko Tsujiyama, will expire at the close of this meeting, it is proposed that four (4) Audit & Supervisory Board members be elected.

The candidates for Audit & Supervisory Board member, to whom the Audit & Supervisory Board has given its approval, are as follows:

Candidate Number	Name	Age	Years Served as Director	Positions and Responsibilities in the Company, and Principal Concurrent Positions	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
1	Hironobu Sagae <Reappointed> <Outside Audit & Supervisory Board Member>	60	2 years	Full-time Audit & Supervisory Board Member	100% (15/15)	100% (14/14)
2	Mikio Kajikawa <Reappointed> <Independent Audit & Supervisory Board Member> <Outside Audit & Supervisory Board Member>	60	1 year	Full-time Audit & Supervisory Board Member	100% (13/13)	100% (9/9)
3	Katsumi Nakata <Newly appointed> <Outside Audit & Supervisory Board Member>	62	—	—	—	—
4	Eiko Tsujiyama <Reappointed> <Independent Audit & Supervisory Board Member> <Outside Audit & Supervisory Board Member>	71	8 years	Audit & Supervisory Board Member Professor Emeritus, Waseda University Outside Director of ORIX Corporation Outside Corporate Auditor of Lawson, Inc. Outside Audit & Supervisory Board Member of Shiseido Company, Limited	93.3% (14/15)	100% (14/14)

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings/ Audit & Supervisory Board Meeting
1	Hironobu Sagae (March 3, 1959 / 60)  <Reappointed> <Outside Audit & Supervisory Board Member>	April 1981	Joined NTT Public Corporation	2 years	2,000	100% (15/15) / 100% (14/14)
		June 2011	Senior Vice President, General Manager of Accounts and Finance Department, General Manager of Human Resources Management Department, Member of the Board of Directors of NTT DATA Corporation (“NTT DATA”)			
		June 2012	Senior Vice President, General Manager of Accounts and Finance Department, Member of the Board of Directors of NTT DATA			
		June 2014	Executive Vice President, General Manager of Accounts and Finance Department, Member of the Board of Directors of NTT DATA			
		June 2016	President, Member of the Board of Directors of NTT DATA MANAGEMENT SERVICE Corporation			
		June 2017	Full-time Outside Audit & Supervisory Board Member of the Company (To the present)			
Reasons for election as candidate for outside audit & supervisory board member: Mr. Sagae has been elected as candidate for outside audit & supervisory board member for his experience in corporate management and his career in accounts and finance at NTT DATA Corporation, and the Company’s expectations that he will perform an audit and supervisory function based on his experience and extensive insights pertaining to finance and accounting.						

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings/ Audit & Supervisory Board Meeting
2	Mikio Kajikawa (March 23, 1959/60) <Reappointed> <Outside Audit & Supervisory Board Member > <Independent Audit & Supervisory Board Member >	April 1982	Joined the Ministry of Finance	1 year	1,300	100% (13/13) / 100% (9/9)
		June 2013	Senior Deputy Director-General of the International Bureau of the Ministry of Finance			
		July 2014	Executive Director of the International Monetary Fund (IMF)			
		June 2016	Director-General of the Customs and Tariff Bureau of the Ministry of Finance			
		December 2017	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd.			
		June 2018	Full-time Outside Audit & Supervisory Board Member of the Company (To the present)			
Reasons for election as candidate for outside audit & supervisory board member: Mr. Kajikawa has been elected as candidate for outside audit & supervisory board member for his long career in the Ministry of Finance, and the Company's expectations that he will perform an audit and supervisory function based on his rich experience and insights as a specialist accumulated through his career experience.						

**Independence:**

The Company has no business relationship with Mr. Mikio Kajikawa. While the Company has business relationships with Tokio Marine & Nichido Fire Insurance Co., Ltd. and the Ministry of Finance, where Mr. Kajikawa had a position within the past three years, Mr. Kajikawa satisfies the independence criteria set by the Company as well as the independent director/audit & supervisory board member requirements stipulated by the Tokyo Stock Exchange. The Company has determined that he is fully independent with no risk of conflicts of interest with general shareholders and thus the Company has notified the Tokyo Stock Exchange of the designation of him as an independent audit & supervisory board member.

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings/ Audit & Supervisory Board Meeting
3	<p><b>Katsumi Nakata</b> (December 12, 1956 / 62)</p> <p>&lt;Newly appointed&gt; &lt;Outside Audit &amp; Supervisory Board Member &gt;</p>	April 1980	Joined NTT Public Corporation			
		June 2010	Senior Vice President, Deputy General Manager of Global Business Division, and Executive Manager of Global Strategy Department Member of the Board of Directors of NTT Communications Corporation (“NTT Com”)			
		August 2011	Senior Vice President, Head of Global Business, Member of the Board of Directors of NTT Com			
		June 2014	Executive Vice President, Head of Global Business, Member of the Board of Directors of NTT Com	-	1,000	- / -
		June 2015	Senior Executive Vice President, Head of Global Business, Member of the Board of Directors of NTT Com			
		June 2016	Senior Executive Vice President, Member of the Board of Directors of NTT Com			
		June 2018	CEO of NTT Security Corporation (To the present)			
<p>Reasons for election as candidate for outside audit &amp; supervisory board member: Mr. Nakata has been elected as candidate for outside audit &amp; supervisory board member for his experience in corporate management and his long career in the telecommunications business, and the Company’s expectations that he will perform an audit and supervisory function based on his experience and insights.</p>						

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Director (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings/ Audit & Supervisory Board Meeting
4	<p style="text-align: center;">Eiko Tsujiyama (December 11, 1947 / 71)</p> <p>&lt;Reappointed&gt; &lt;Outside Audit &amp; Supervisory Board Member &gt; &lt;Independent Audit &amp; Supervisory Board Member &gt;</p>	August 1980	Assistant Professor, Humanities Department, Ibaraki University	8 years	4,600	93.3% (14/15) / 100% (14/14)
		April 1985	Assistant Professor, Faculty of Economics, Musashi University of the Nezu Foundation (“Musashi University”)			
		April 1991	Professor, Faculty of Economics, Musashi University			
		April 2003	Professor, Graduate School of Commerce (currently Faculty of Commerce), Waseda University			
		June 2008	Outside Audit & Supervisory Board Member of Mitsubishi Corporation			
		June 2010	Outside Director of ORIX Corporation (To the present)			
		May 2011	Outside Corporate Auditor of Lawson, Inc. (To the present)			
		June 2011	Outside Audit & Supervisory Board Member of the Company (To the present)			
		June 2012	Outside Audit & Supervisory Board Member of Shiseido Company, Limited (To the present)			
		April 2018	Professor Emeritus, Waseda University (To the present)			
		(Principal concurrent positions) Professor Emeritus, Waseda University Outside Director of ORIX Corporation Outside Corporate Auditor of Lawson, Inc. Outside Audit & Supervisory Board Member of Shiseido Company, Limited				
		Reasons for election as candidate for outside audit & supervisory board member: Ms. Tsujiyama has been elected as candidate for outside audit & supervisory board member for her capacity as Certified Public Accountant, and the Company’s expectations that she will perform an audit and supervisory function based on her extensive insights pertaining to finance and accounting accumulated through her long career experience as a university professor and an outside officer of private companies.				

Independence:

The Company has no business relationship with Ms. Eiko Tsujiyama. While the Company has business relationship with and gives a donation to Waseda University, where Ms. Tsujiyama holds a concurrent position, and has business relationship with ORIX Corporation, Lawson, Inc. and Shiseido Company, Limited, where Ms. Tsujiyama also holds a concurrent position, Ms. Tsujiyama satisfies the independence criteria set by the Company as well as the independent director/audit & supervisory board member requirements stipulated by the Tokyo Stock Exchange. The Company has determined that she is fully independent with no risk of conflicts of interest with general shareholders and thus the Company has notified the Tokyo Stock Exchange of her designation as an independent audit & supervisory board member.

Notes:

1. NTT DATA Corporation, NTT DATA MANAGEMENT SERVICE Corporation, NTT Communications Corporation and NTT Security Corporation are subsidiaries of NTT, which is the parent of the Company.
2. Mr. Hironobu Sagae has served as President and Chief Executive Officer of R-Cubic corporation, a subsidiary of NTT, but has not received compensation, etc. from the company.
3. Mr. Mikio Kajikawa and Ms. Eiko Tsujiyama have never been involved in corporate management except serving as an outside officer. However, as stated in the reasons for election as candidates for outside audit & supervisory board member, the Company believes that Mr. Kajikawa and Ms. Tsujiyama will be able to properly carry out duties as outside audit & supervisory board member.
4. Mr. Katsumi Nakata is expected to resign from his position as a member of the Board of Directors of NTT Security Corporation on June 17, 2019. Besides, Mr. Nakata has served as Chairman of NTT Security (Japan) KK, a subsidiary of NTT, during the past five years and currently serves as Chairman of the company, but is expected to resign from the position on June 17, 2019.
5. Mr. Katsumi Nakata has received compensation, etc. from NTT Communications Corporation and NTT Security Corporation as a member of the Board of Directors during the past two years, and is expected to continue receiving compensation, etc. as a member of the Board of Directors of these companies. Mr. Nakata has not received compensation, etc. from NTT Security (Japan) KK as a member of the Board of Directors during the past two years.
6. If the elections of Mr. Hironobu Sagae, Mr. Mikio Kajikawa, Mr. Katsumi Nakata and Ms. Eiko Tsujiyama are approved, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company plans to continue the limited liability contract with each of Mr. Sagae, Mr. Kajikawa and Ms. Tsujiyama, and plans to enter into a limited liability contract with Mr. Nakata, which sets forth the upper limit of damage compensation liability as provided in Article 423 Paragraph 1 of the Companies Act of Japan.

(Reference) Independence criteria for outside member of the board of directors/outside audit & supervisory board member

The Company designates outside members of the board of directors and outside audit & supervisory board members who meet the following criteria as well as the independence criteria stipulated by the Tokyo Stock Exchange, as independent directors and independent audit & supervisory board members.

In order to meet the independence criteria, 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 client company that exceeds the Company's standards<sup>\*1</sup>
- (2) A person who executes business in a lending company that exceeds the Company's standards<sup>\*2</sup>
- (3) A consultant, accounting specialist, lawyer, or any other person providing professional services, who received monetary payments or any other financial benefits equal to or more than ¥10 million, excluding directors' or audit & supervisory board members' compensation, from the Company 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 the Company'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 criteria, the reasons shall be explained and disclosed at the time of that person's appointment as an independent director or an independent audit & supervisory board member.

\*1 "A client company that exceeds the Company's standards" is defined as a company that had any business transactions with the Company and its major subsidiaries<sup>\*3</sup> in any of the last three fiscal years, with the total transaction value equal to or more than 2% of the total operating revenues of the Company and its major subsidiaries for the applicable fiscal year.

\*2 "A lending company that exceeds the Company's standards" is defined as a company from which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals or is more than 2% of the Company's consolidated total assets as of the end of the applicable fiscal year.

\*3 "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.

\*4 "An organization that received donations exceeding the Company's standards" is defined as an organization that received donations from the Company and its major subsidiaries<sup>\*3</sup> in any of the last three fiscal years, in the total amount exceeding ¥10 million or 2% of the total revenues of the organization, whichever is larger, during the applicable fiscal year.

(Reference) Policy and procedures for appointment/dismissal of directors\*

The Company's directors are appointed according to the following policy and procedures.

- (1) Candidates for director are appointed from among personnel who have wide-ranging perspectives and experience, outstanding management skills and leadership, and good business sense and motivation that will contribute to the total development of our Group.
- (2) Proposals for the appointment of directors are explained to the parent company and independent outside directors ahead of the Board of Directors meeting. After obtaining appropriate advice, the Board of Directors makes a resolution and submits it to the General Meeting of Shareholders for discussion.

Regarding the policy and procedures for dismissal of directors, if it is recognized that a director is not adequately performing his/her roles and responsibilities, the matter is explained to the parent company and independent outside directors ahead of the Board of Directors meeting. After obtaining appropriate advice, the Board of Directors makes a resolution and submits it to the General Meeting of Shareholders for discussion.

(Reference) Policy and procedures for appointment of audit & supervisory board members\*

The Company's audit & supervisory board members are appointed according to the following policy and procedures.

- (1) Candidates for audit & supervisory board members are appointed from among personnel who meet expectations that they will perform audits from viewpoints based on their professional experience, insights, etc.
- (2) Proposals for the appointment of audit & supervisory board members are deliberated by the Audit & Supervisory Board, the majority of which are outside audit & supervisory board members. After obtaining the approval of the Audit & Supervisory Board, the Board of Directors makes a resolution and submits it to the General Meeting of Shareholders for discussion.

\* Extract from "NTT DOCOMO Basic Policy on Corporate Governance"

**(Attachments)**

**BUSINESS REPORT**

(For the fiscal year from April 1, 2018 to March 31, 2019)

**1. Business Matters of the Corporate Group**

(1) Main Business Activities (As of March 31, 2019)

The main business activities of our Group are summarized in the table below.

Business Segment	Main Business Areas
Telecommunications business	Mobile telecommunication services (LTE(Xi) services and FOMA services), optical-fiber broadband services, satellite mobile communications services, international services and the equipment sales related to these services, etc.
Smart life business	Distribution services for video, music and electronic books, etc., finance/payment services, online shopping service and other life-related services, etc.
Other businesses	“Mobile Device Protection Service,” commissioned development/sales and maintenance of systems, etc.

(2) Developments and Results of Operations

i. Adoption of International Financial Reporting Standards (IFRS)

From the fiscal year ended March 31, 2019, the Group has adopted International Financial Reporting Standards (IFRS) instead of the previously used U.S. Generally Accepted Accounting Principles (U.S. GAAP). Comparisons and analysis involving figures from the previous fiscal year are performed after converting the figures to IFRS-based figures.

ii. Market trends

In the environment surrounding the Company, competition continues to intensify due to the enhanced government’s enhanced pro-competition policy, the spread of low-cost smartphone services by sub-brands of MNOs and MVNOs, new entrants from other industries deciding to enter the market, and other factors. All of these companies are pursuing various initiatives aimed at future growth in non-telecommunications businesses as well, with a focus on providing loyalty point programs and enhancing finance/payment businesses. In accordance with the expansion of business domains, competition beyond the conventional boundaries of the telecommunications business is shifting into high gear with new competitors from different industries such as EC.

iii. Results of principal initiatives

Amid this market environment, we developed and unveiled our Medium-Term Strategy 2020 “Declaration beyond” in April 2017 to realize a richer future with 5G network, and in October 2018 we announced specific strategies and quantitative targets as our medium-term management strategy based on “Declaration beyond,” accelerating various initiatives.

As a result, we achieved a total of 70.15 million “d POINT CLUB” members and 843 “+d” partners. By linking these to “d POINTs” and other of our assets, we provided new value to our

customers and partners, and carried out “revenue opportunity creation centered on customer base.” Furthermore, by working towards “execution of customer returns and evolution of customer touchpoints,” we achieved 78.45 million mobile phone subscriptions, churn rate of 0.57% and 5.76 million “docomo Hikari” subscriptions.

iv. Results of operations for the FY2018

IFRS		(Billions of yen)		
Item	27th Fiscal Year (FY2017)	28th Fiscal Year (FY2018)	Year-on-Year Change	
Operating revenues	4,762.3	4,840.8	1.7%	
Operating profit	987.0	1,013.6	2.7%	
Profit before taxes	1,141.7	1,002.6	(12.2)%	
Profit attributable to shareholders of NTT DOCOMO, INC.	790.8	663.6	(16.1)%	

For the fiscal year ended March 31, 2019, operating revenues increased by ¥78.6 billion from the previous fiscal year to ¥4,840.8 billion. This was mainly due to an increase in optical- fiber broadband service revenues due to growth in the number of “docomo Hikari” users as well as an increase in equipment sales due to an increase in the proportion of advanced smartphones in the number of handsets sold. The increase in revenues due to these factors exceeded a decrease in mobile telecommunications services revenues due to expansion of customer returns and a decrease in revenues driven by the sale of “Radish Boya” in February 2018. Operating expenses increased by ¥51.9 billion from the previous fiscal year to ¥3,827.2 billion. This was mainly due to an increase in expenses associated with the expansion of “docomo Hikari” revenues and an increase in the cost of equipment sold associated with an increase in equipment sales, despite a decrease in expenses attributable to the sale of “Radish Boya” in February 2018.

As a result, operating profit increased by ¥26.7 billion from the previous fiscal year to ¥1,013.6 billion.

Profit before taxes decreased by ¥139.1 billion from the previous fiscal year to ¥1,002.6 billion. The main reason for this is that in the previous fiscal year ended March 31, 2018, DOCOMO received payment of an arbitration award from Tata Sons Limited and recorded it as “Income from arbitration award.” Accordingly, profit attributable to shareholders of NTT DOCOMO, INC. decreased by ¥127.2 billion from the previous fiscal year to ¥663.6 billion for the fiscal year ended March 31, 2019.

v. Trend of business segments

Operating revenues and profit (loss) in each business segment in the fiscal year ended March 31, 2019 are indicated in the table below.

IFRS		(Billions of yen)		
Category		27th Fiscal Year (FY2017)	28th Fiscal Year (FY2018)	Year-on-Year Change
Operating revenues	Telecommunications business	3,894.4	3,977.1	2.1%
	Smart life business	450.8	448.8	(0.4)%
	Other businesses	439.8	440.7	0.2%

	Elimination	(22.7)	(25.8)	(13.4)%
	Total	4,762.3	4,840.8	1.7%
Operating profit (loss)	Telecommunications business	854.2	866.3	1.4%
	Smart life business	60.3	68.1	12.8%
	Other businesses	72.4	79.2	9.4%
	Total	987.0	1,013.6	2.7%

#### ■ Telecommunications Business

Operating revenues from telecommunications business for the fiscal year ended March 31, 2019 were ¥3,977.1 billion, an increase of ¥82.7 billion, or 2.1%, from ¥3,894.4 billion for the previous fiscal year. This was mainly due to an increase in optical-fiber broadband service revenues due to growth in the number of “docomo Hikari” users as well as an increase in equipment sales due to an increase in the proportion of advanced smartphones in the number of handsets sold. The increase in revenues due to these factors exceeded the decrease in mobile telecommunications services revenues due to the expansion of customer returns.

Operating expenses from the telecommunications business increased by ¥70.6 billion, or 2.3%, from ¥3,040.2 billion for the previous fiscal year to ¥3,110.8 billion. This was mainly due to an increase in expenses associated with the expansion of “docomo Hikari” revenues and an increase in cost of equipment sold associated with an increase in equipment sales, despite a decrease in depreciation expenses.

Consequently, operating profit from telecommunications business was ¥866.3 billion, an increase of ¥12.1 billion, or 1.4%, from ¥854.2 billion for the previous fiscal year.

## &lt;&lt;Number of Subscriptions for Principal Services&gt;&gt;

(Thousands of subscriptions)

Category	27th Fiscal Year (FY2017)	28th Fiscal Year (FY2018)	Increase or Decrease	Year-on-Year Change
Mobile telecommunications services	76,370	78,453	2,083	2.7%
Including: “Kake-hodai & Pake-aeru” billing plan	41,964	45,793	3,829	9.1%
LTE(Xi) services	50,097	55,872	5,775	11.5%
FOMA services	26,273	22,581	(3,692)	(14.1)%
Churn rate (%)	0.65%	0.57%	(0.08)point	–
Including: Handset churn rate (%)	0.51%	0.47%	(0.04)point	–
“docomo Hikari” optical broadband service	4,762	5,759	996	20.9%

## Notes:

1. Number of subscriptions to Mobile telecommunications services, Mobile telecommunications services (LTE(Xi)) services and Mobile telecommunications services (FOMA) services include Communication Module services subscriptions.
2. Churn rate (including handset churn rate) is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.
3. Handset churn rate is the churn rate of “Basic Plans (excluding Data Plans and Device Plus 500),” “Xi/FOMA Billing Plans,” and “Type Limit Value/Type Limit” for smartphones, feature phones, etc.

Topics

## ● Enhanced Customer Returns and Encouraging Switch to Smartphones

We continued working to enhance returns to our customers and encourage the switch to smartphones, mainly by leveraging our “Basic Share Pack,” “Basic Pack” and “Zutto DOCOMO Wari Plus” rate plans in an effort to address their diverse needs through “Rate Plan Consultation Fair” and more.

The number of subscriptions for “docomo with,” a rate plan targeting customers who use a single handset for an extended period of time, topped 5 million in March 2019, mainly as a result of expanding the number of eligible models. In addition, the number of smartphone and tablet users was 40.53million, due to the provision of services such as “Welcome Sumaho Wari” and “DOCOMO Smartphone program for over 60.”

Launch Date	Principal Initiatives
May 2018	“Basic Share Pack” and “Basic Pack” with billing plans applied based on usage
May 2018	“Zutto DOCOMO Wari Plus” which allows customers to choose a billing discount or provision of “d POINTs” depending on their “d POINT CLUB” stage
September 2018	“docomo Hikari Renewal Loyalty Points” which provide “d POINTs” to customers who use “docomo Hikari” for an extended period of time
November 2018	“Welcome Sumaho Wari” which discounts charges when customers first switch from a feature phone to a smartphone
December 2018	“docomo Student Discount” which discounts smartphone charges for customers aged under 25 years.
March 2019	“DOCOMO Smartphone program for over 60” a discount service that can be used by customers aged more than 60 years.

- Evolved Customer Touchpoints

In an effort to shorten wait and attendance times, we provided the “Otasuke Robot,” a chatbot\* that can consult about customer problems with smartphones or “docomo Hikari,” during the hours when docomo shops or docomo Information Center are congested or closed, and also expanded available shops for visit reservation.

We also organized “docomo Smartphone classes” at docomo shops to enable customers to use smartphones safely and conveniently, and reinforced the support system for all customer touchpoints.

\* A program or service that provides automated response to inquiries named after “chat” and “robot.”

- Reinforcement of Communication Network

In order to provide customers with comfortable network experience in a high-speed communication environment, we expanded the coverage of our “PREMIUM 4G” service to 1,684 cities across Japan as of March 31, 2019. In March 2019, we launched a communication service that offers Japan’s fastest maximum download speed\*<sup>2</sup> of 1,288Mbps by extending the carrier frequency bands aggregated by CA\*<sup>1</sup>. Additionally, in November 2018, we commenced a communication service that offers maximum upload speed of 131.3Mbps through the new introduction of CA.

As a result of these efforts, we achieved improvements in our download and upload speeds over the previous year. Our download speed was 191Mbps (up 5% from the previous year) and our upload speed was 31Mbps (up 35% from the previous year), based on the “Guidelines for the Effective Speed Measurement Method of Internet Connection Services Provided by Mobile Telecommunications Carriers and Information Providing Method, etc. for Users”\*<sup>3</sup> defined by the Ministry of Internal Affairs and Communications.

\*1 CA (carrier aggregation): A technology that aggregates multiple carrier frequency bands

\*2 As of March 31, 2019 (according to DOCOMO research)

\*3 Median value (Android + iOS)

- Smart Life Business

Operating revenues from smart life business for the fiscal year ended March 31, 2019 were ¥448.8 billion, a decrease of ¥2.0 billion, or 0.4%, from ¥450.8 billion for the previous fiscal year. This was mainly due to a decrease in revenues driven by the sale of “Radish Boya” in February 2018, and a decrease in contents service revenues, which exceeded the increase in revenues from our finance/payment services and other services.

Operating expenses from smart life business were ¥380.7 billion, a decrease of ¥9.8 billion, or 2.5%, from ¥390.5 billion for the previous fiscal year. This was mainly due to a decrease in expenses attributable to the sale of “Radish Boya” in February 2018 and a decrease in expenses associated with contents service revenues. This decrease in expenses was greater than an increase in expenses associated with the increase in revenues from our finance/payment services and other services.

As a result, operating profit from smart life business was ¥68.1 billion, an increase of ¥7.8 billion, or 12.8%, from ¥60.3 billion for the previous fiscal year.

### Topics

- Improved Convenience of “d POINTs”

For the smart life business segment, we worked to encourage the use and improve the convenience of “d POINTs” by continuing to make “d POINTs” available at more locations, including “Matsumoto Kiyoshi” stores operated by Matsumotokiyoshi Holdings Co., Ltd. and “BIG ECHO” operated by DAIICHIKOSHO CO., LTD. in order to accelerate “transformation into a business foundation centered on our membership base.”

We also made efforts to expand the number of stores that handle “d POINTs” overseas, and newly enabled the use of “d POINTs” at some stores in New York and Hawaii.

As a result of these efforts, as of March 31, 2019, the total number of partners participating in the “d POINTs” program was 418 at approximately 99,100 stores.

● Expansion of Services Toward Realization of Smart Life

We provided new entertainment experiences and services aimed at offering our customers value and excitement. Additionally, in February 2019, we decided to make NTT Plala Inc. a subsidiary in order to increase the added value of 5G contents and to diversify video viewing styles\*.

Launch Date	Principal Initiatives
May 2018	“my daiz” AI agent service that makes timely proposals of information and services needed in everyday life
September 2018	“Hikari TV for docomo” which lets customers enjoy specialty channels, video on demand, as well as terrestrial and BS digital broadcasting on their home television, smartphone or tablet using fiber optic lines
January 2019	“Shintaikan Live” service that allows customers to view live music streaming on smartphones or other devices from multiple angles
March 2019	“Disney DELUXE,” Disney’s official entertainment service

\*NTT Plala Inc. will become a subsidiary of the Company in July 2019.

● Initiatives for Growth of Finance/Payment Businesses

We provided new finance/payment services that let customers experience ease, convenience, benefit and safety, using our payment, points, authentication and credit base, along with AI, IoT and other devices, through co-creation with our partners. In April 2018, we launched “d Payment,” a new smartphone payment service using QR codes and barcodes, and the number of downloads of the “d Payment app” topped 3.8 million in the fiscal year ended March 31, 2019. “d Payment” became available for use at stores including “Lawson” local stores operated by Lawson, Inc., “FamilyMart” local stores operated by FamilyMart Co., Ltd., “Amazon.co.jp,” the general online store operated by Amazon Japan, G.K. and so on.

Moreover, the total number of “d CARD” members\* as of March 31, 2019 grew to 19.95 million, an increase of 1.03 million from March 31, 2018, and the total number of “d CARD GOLD” subscribers topped 5.0 million in January 2019. In addition, the total amount of transactions through our finance/payment services reached ¥3,911.4 billion for the fiscal year ended March 31, 2019, an increase of ¥739.5 billion from the previous fiscal year.

Launch Date	Principal Initiatives
April 2018	“d Payment,” a payment service that lets customers pay bills from local stores together with their monthly mobile phone bill while collecting and using “d POINTs”
May 2018	“Point Investment,” a service that allows customers to experience investment using “d POINTs”
May 2018	Offering of “THEO + docomo,” a service provided by Money Design Co., Ltd. that lets customers automatically manage assets starting from small amounts through the use of robot advisers

\* The combined members of “d CARD” and “d CARD mini”

## ■ Other businesses

Operating revenues from other businesses for the fiscal year ended March 31, 2019 amounted to ¥440.7 billion, an increase of ¥0.9 billion, or 0.2%, from ¥439.8 billion for the previous fiscal year. This was mainly due to an increase in revenues from IoT services and other services for corporate customers and an increase in revenues from our “Mobile Device Protection Service” driven by an increase in the proportion of advanced smartphones in the number of subscriptions to the service. The increase in revenues due to these factors exceeded the decrease in revenue from the mobile content distribution business of the overseas subsidiaries.

Operating expenses from other businesses were ¥361.5 billion, a decrease of ¥5.9 billion, or 1.6%, from ¥367.4 billion for the previous fiscal year. This was mainly due to a decrease in expenses resulting from cost efficiencies that exceeded an increase in expenses such as impairment loss incurred in the overseas mobile content distribution business.

Consequently, operating profit from other businesses was ¥79.2 billion, an increase of ¥6.8 billion, or 9.4%, from ¥72.4 billion for the previous fiscal year.

### Topics

#### ● “Top Gun” Initiatives

Through cooperation of the three parties of our clients, the R&D unit and Corporate Sales and Marketing team, we have been implementing “Top Gun” initiatives to realize prompt sales activities, business verification and service creation since October 2017. During the fiscal year ended March 31, 2019, we provided services such as “TANA SCAN-AI” that can check the state of product displays on shelves through AI image recognition.

#### ● Initiatives for Proliferation of IoT

We worked to increase productivity and added value for our corporate customers through various solutions as the spread and use of IoT becomes increasingly advanced and the global IoT market expands further with the approach of the 5G era.

We entered into a collaboration agreement with Valeo Group for the development and provision of next-generation connected cars and mobility services in April 2018. Valeo Group, a supplier of automotive components and systems, is engaged in the development of three core technologies that drive the automotive revolution that is currently taking place in the auto industry, i.e. electrification, autonomous driving and digital mobility. We have started the development of next-generation mobility services combining the technologies and the solutions owned by our two companies.

In addition, we began offering “Globiot” global IoT solutions that provide one-stop connectivity, operational support and consulting services in various countries for corporations that are deploying IoT services globally in July 2018.

Furthermore, in October 2018, we developed and launched “LTE-M,” a service that enables corporate customers to reduce the price and power consumption of IoT devices.

#### ● Supporting Program for Business Startups

We made investments in various startup companies to accelerate innovation in services, technologies and processes. For example, we invested in Locix, Inc., which develops wireless technologies with low power consumption in July 2018. Combining our image recognition engine with the low power consumption wireless camera developed and provided by Locix, Inc., we carried out demonstration tests to detect the status of pest occurrence from remote sites for the agriculture industry.

In addition, in February 2019, we invested in Hatch Entertainment Ltd., a provider of mobile game streaming services, with a view to offering new entertainment for the 5G era.

### (3) Research and Development Activities

In order to provide the 5G network and develop businesses such as AI and IoT, etc., we have been working on R&D for communication networks, devices and services, as well as proactively working on open innovation to create new value.

- Initiatives Toward Implementing 5G Network in 2020 and Creating Usage Scenes with Our Partners

- Initiatives toward creating usage scenes with our partners

We have opened four places of “DOCOMO 5G Open Lab” in Japan and abroad since April 2018. These labs are permanent 5G technology verification environments for use by companies and organizations participating in the DOCOMO 5G Open Partner Program.

We have built the “DOCOMO Open Innovation Cloud” as a technology verification environment that connects the DOCOMO 5G Open Lab to a cloud platform. We carried out measures for creating new 5G usage scenes together with diverse partners.

From October 2018, we collaborated with 26 partners, including municipal governments, companies and universities, in various verification tests using 5G conducted as part of the “Comprehensive Verification Tests Aimed at Creating New Markets through the Realization of 5G” led by the Ministry of Internal Affairs and Communications. One of the results was the verification of Japan’s first advanced emergency transport solution using 5G in the medical field, which confirmed that high-level information integration between ambulances, “Doctor car (Mobile medical car)”, and emergency hospitals contributed to greater survival rates.

- New sensory experience events

Since 2017, we have been carrying out the “FUTURE-EXPERIMENT” project, which uses cutting-edge communications technologies to provide people with unprecedented experiences. In December 2018, we implemented a new collaborative project with Japanese girl group Perfume, which leveraged the high speeds, high capacity and low latency of 5G, to create new, shared experiences.

- Initiatives Related to AI

- Use of AI-based prediction technology

We worked with Saizeriya Co., Ltd. (hereinafter, “Saizeriya”) and started a verification experiment in November 2018, aimed at improving efficiency in the operation of Saizeriya’s restaurants. In this verification experiment, the “real-time prediction technique<sup>\*2</sup>” for predicting a sales amount for each restaurant was developed by using our AI experience and knowledge and based on our “near-future traffic projection<sup>\*1</sup>” technology and actual sales and other data from individual restaurants held by Saizeriya. In addition, in November 2018, we started a verification experiment aimed at optimizing bicycle redeployment plans utilizing the “Shared transportation demand forecasting technology<sup>\*3</sup>” that used our AI, based on our “near-future traffic projection” technology and usage data from our Group’s bicycle sharing service. Trials using our AI-based forecasting technologies including these examples are expanding in various fields.

\*1 Real-time version of mobile spatial statistics (population statistics using information that indicates the sizes of groups of people by area or by attribute, without including any information that could identify specific customers)

\*2, 3 A constituent technology of “corevo,” NTT Group’s AI technologies

- Initiative Toward Creating New Value

- DOCOMO Open House 2018

In December 2018, we held “DOCOMO Open House 2018” at Tokyo International Exhibition Center (Tokyo Big Sight) to publicize co-creation initiatives we were taking in conjunction with our diverse partners. There were over 200 exhibits and lectures regarding the latest technologies, such as 5G, AI and the IoT, and business solutions using these technologies. The Open House was visited by roughly 14,000 people. Specifically, we exhibited our main initiatives, including the remote operation of humanoid robot “T-HR3,” which leverages 5G’s low latency, and a glass antenna, which realizes the world’s first\* “conversion of a window into a base station” that can be installed without interfering with the view.

\* According to research by DOCOMO and AGC Inc.

As a result of the above and other initiatives, total research and development costs for the fiscal year ended March 31, 2019 increased by 1.6% from the previous fiscal year to ¥91.0 billion.

#### (4) Trend of Capital Expenditures

- Expansion of Telecommunications Facilities

As a result of our aggressive roll-out of “PREMIUM 4G” service in the high-traffic areas in urban centers to construct a network that can offer “greater comfort of access” to our customers, the total number of “PREMIUM 4G”-compatible base stations increased from previously 108,300 stations as of March 31, 2018 to 145,600 stations as of March 31, 2019. In addition, in pursuit of further coverage improvement of our LTE service, we increased the total number of LTE base stations from 185,000 as of March 31, 2018 to 208,500 as of March 31, 2019.

- Measures for More Efficient Use of Capital Expenditures

Toward the goal of further strengthening our managerial structure, we continued to pursue more efficient use of capital expenditures through the reduction of equipment procurement and other costs, and further improvement of the efficiency of telecommunications facilities construction. We also promoted the integration and/or capacity expansion of our facilities with the introduction of high-performance equipment for the purpose of reducing our future network operation costs.

- Proactive Investment for the 5G Era

We made further investment in 5G to accelerate the development and building of networks for the start of pre-service in September 2019.

As a result of the above measures, the total capital expenditures for the fiscal year ended March 31, 2019 increased by 2.9% from the previous fiscal year to ¥593.7 billion.

#### (5) Activities Toward Sustained Social Development

We are promoting ESG<sup>\*1</sup> management and contributing to sustained social development through our twin pillars: (i) “Innovative docomo” to solve various social issues through the provision of “new value”, and (ii) “Responsible docomo” to create a corporate constitution that satisfies our corporate social responsibility and earns the trust of customers.

We have set the CSR Medium-Term Target as the goals toward FY2020 in order to realize “a society in which people can live with security, safety, comfort and affluence,” a goal stated in DOCOMO’s CSR policy. We identify eight sustainability focuses that we should pursue in order to fulfill our social responsibility, and set out specific medium-term goals and KPIs for each focus.

As a result of the above and other efforts, DOCOMO was selected as a component of the Dow Jones Sustainability Indices (DJSI) World Index of the DJSI, which are global indices for ESG investment, and four indices<sup>\*2</sup> adopted for ESG investment by the Government Pension

Investment Fund (GPIF). In addition, DOCOMO was ranked the first place for consecutive two years in the “Toyo Keizai CSR Corporate Ranking”, and rated five stars in the “NIKKEI Smart Work survey”, which is the top rated category.

\*1 Factors used to analyze companies in non-financial terms, standing for “Environment,” “Social” and “Governance”

\*2 “FTSE Blossom Japan Index,” “MSCI Japan ESG Select Leaders Index,” “S&P/JPX Carbon Efficient Index” and “MSCI Japan Empowering Women Index”

#### <<Innovative docomo>>

- Launch of “IoT × 5G × SDGs Partner Co-Creation Project”

In December 2018, we launched the “IoT × 5G × SDGs Partner Co-Creation Project.” This project investigates new business creation, and is targeted at partner companies and organizations participating in the “DOCOMO 5G Open Partner Program”, especially those that can collaborate in the creation of solutions and the achievement of SDGs in the IoT field.

- Start of Provision of “Mieru Denwa”

In March 2019, we began offering “Mieru Denwa,” a service for customers with hearing difficulties that automatically converts and displays a caller’s spoken words into text. This service was proposed and developed based on the experiences of an employee with hearing difficulties.

#### <<Responsible docomo>>

- Disaster Response and Preparedness Activities and Disaster Area Support Activities

During the “Torrential Rains of July 2018,” “Typhoon No. 21 of 2018,” “The Hokkaido Eastern Iburi Earthquake of 2018” and “Typhoon No. 24 of 2018,” we did our utmost to minimize the impact of these disasters on communications services by deploying mobile base station vehicles and portable power supply vehicles to disaster areas and lending mobile phones to local governments and other entities, in addition to our usual disaster response and prevention activities such as ensuring uninterrupted power and 24 hours of battery power to critical base stations. Furthermore, following “the Hokkaido Eastern Iburi Earthquake of 2018”, we operated large zone base stations for the first time in some parts of Kushiro City.

We also implemented support activities for customers in the areas specified under the Disaster Relief Act, such as providing free battery chargers and reducing repair charges. We set up a charity website that enabled users to donate using their docomo kouza (account) or “d POINTs,” and raised donations.

Given the possibility of simultaneous, large-scale disasters, we implemented disaster countermeasures, including placing storage batteries in approximately 1,100 docomo shops as part of our plan to place storage batteries in all docomo shops in preparation for large-scale, protracted power outages, and achieving the quick provision of a recovery area map as an enhancement of disaster area support activities.

- Participation in the Tokyo 2020 Medal Project

We have participated in the “Tokyo 2020 Medal Project: Towards an Innovative Future for All,” a project to create medals for the Tokyo 2020 Olympic and Paralympic games from used mobile phones and other compact home appliances, sponsored by the Tokyo Organising Committee of the Olympic and Paralympic Games. In October 2018, for the first time, we delivered metal for recycle we had collected to the Committee.

- Continued Efforts in “Smartphone and Mobile Phone Safety Class” and “DOCOMO Hearty class”

We held sessions of “Smartphone and Mobile Phone Safety Class,” in which participants can learn the rules and manners of using smartphones and mobile phones, as well as how to respond to troubles that may arise with their use, and sessions of “DOCOMO Hearty class,” which introduces convenient features and usage tips for smartphones to people with disabilities.

Name of session	Number of sessions held in FY2018	Number of participants in FY2018
Smartphone and Mobile Phone Safety Class	Approx. 7,600 sessions	Approx. 1.39 million people (a cumulative participation of approx. 12.11 million people since 2004)
DOCOMO Hearty class	Approx. 100 sessions	Approx. 1,000 people

- Activities of NPO, Mobile Communication Fund (MCF)

In the fiscal year ended March 31, 2019, the MCF, which is established by DOCOMO, supported research activities relating to mobile communications technologies, provided support to international students and social assistance recipients to help them take advantage of educational opportunities, as well as provided subsidies to civic groups.

Major activities	Total amount
“DOCOMO Mobile Science Award”: One Award of Excellence in each of Advanced Technology Division and Basic Science Division, and two Incentive Awards in Social Science Division	¥18.00 million
Scholarships for international students from Asia and social assistance recipients (41 recipients)	¥54.24 million
Subsidies to 46 different civic activities undertaken for the health and development of children and for the support of child poverty	¥34.68 million

## (6) Activities for Work Style Reform

In order to continue to deliver “new values” to society, work styles that foster “self-discipline” and “a challenging mindset” in each of our employees are necessary. Through “diversity management,” “broader work style options” and “health and productivity management,” we are promoting work style reforms of our employees.

- Diversity Management

We recognize and embrace individual differences in race, ethnicity, nationality, gender (including gender identity and sexual orientation), restriction of work hours, disability, vocational skills and values. We are also pushing forward to create a corporate culture that not only accepts, but also allows each and every employee to exert their full potential and contribute to the Company’s business.

With regard to the women’s empowerment, we have systematically implemented measures such as the Win-d women’s career development program since our Diversity Development Office was first launched. As a result of these efforts, DOCOMO is among “Nadeshiko Brands,” which are selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as publicly listed companies that are outstanding in terms of encouraging the empowerment of women in the workplace. We also received the highest ranking, “Level 3,” of “Eruboshi” certification, a certification system established by the Ministry of Health, Labour and Welfare based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace.

In addition, we received a “gold” rating for three consecutive years on the “PRIDE Index” created by the volunteer organization “work with Pride” to recognize LGBT-related efforts.

● Broader Work Style Options

We expanded work style options for enhanced productivity, including increasing the number of business units that are allowed to adopt flexible work hours and expanding usage patterns and Group companies eligible for working at home. Roughly 90% of our employees used teleworking during the fiscal year ended March 31, 2019, and the use of the system is growing. We encouraged eligible male employees to use our childrearing leave, and employees are able to more flexibly select their work styles.

We have also begun implementing support measures for the opening of childcare facilities for docomo shop operating agents in order to provide support to docomo shop staff.

● Health and Productivity Management

We are promoting initiatives aimed at maintaining the physical and mental health, as well as enhancing the vitality and productivity of employees. Such initiatives include an intra-company step-count competition, publishing a “Health White Paper,” and performing stress checks to introduce workplace improvement measures. As a result of these efforts, we were recognized as an organization in the large enterprise category (White 500) under the 2019 Certified Health & Productivity Management Organization Recognition Program for three years in a row.

(7) Consolidated Financial Results and Assets

	25th Fiscal Year (FY2015)	26th Fiscal Year (FY2016)	27th Fiscal Year (FY2017)		28th Fiscal Year (FY2018)
Accounting standards	U.S. GAAP			IFRS	
Operating revenues (millions of yen)	4,527,084	4,584,552	4,769,409	4,762,269	4,840,849
Operating profit (millions of yen)	783,024	944,738	973,264	986,960	1,013,645
Profit attributable to shareholders of NTT DOCOMO, INC. *1 (millions of yen)	548,378	652,538	744,542	790,830	663,629
Earnings per share *2 (yen)	141.30	175.12	201.73	214.27	187.79
Total assets (millions of yen)	7,214,114	7,453,074	7,748,290	7,654,938	7,340,546
Total equity of NTT DOCOMO, INC. *3 (millions of yen)	5,302,248	5,530,629	5,680,409	5,665,107	5,371,853

\*1 Presented as “net income attributable to NTT DOCOMO, INC.” under U.S. GAAP

\*2 Corresponding to “basic and diluted earnings per share attributable to NTT DOCOMO, INC.” under U.S. GAAP, whereas corresponding to “basic earnings per share” under IFRS

\*3 Presented as “NTT DOCOMO, INC. shareholders’ equity” under U.S. GAAP, whereas presented as “equity attributable to shareholders of NTT DOCOMO, INC.” under IFRS  
Total equity excluding noncontrolling interests

## (8) Issues to be Addressed by the Group

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

### FY2019 Priority Initiatives

- i. Enhancement of our competitive strengths to be continuously chosen by customers based on trust and persuasiveness

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

- ii. Creation of new revenue opportunities through marketing model transformation

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

- iii. Further growth of smart life area and acceleration of preparations for 5G commercialization

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

- iv. Process reforms and thorough cost efficiency improvement

In all activities, our Group will work as one to thoroughly improve cost efficiency. We will also focus efforts on business processes reform through digital transformation and transforming work styles through self-discipline and a challenging mindset.

## (9) Principal Offices (As of March 31, 2019)

(a) Headquarters: 11-1, Nagata-cho, 2-chome, Chiyoda-ku, Tokyo, Japan

(b) Regional Offices:

Hokkaido Regional Office	:	Chuo-ku, Sapporo, Hokkaido Prefecture
Tohoku Regional Office	:	Aoba-ku, Sendai, Miyagi Prefecture

Tokai Regional Office	:	Higashi-ku, Nagoya, Aichi Prefecture
Hokuriku Regional Office	:	Kanazawa, Ishikawa Prefecture
Kansai Regional Office	:	Kita-ku, Osaka, Osaka Prefecture
Chugoku Regional Office	:	Naka-ku, Hiroshima, Hiroshima Prefecture
Shikoku Regional Office	:	Takamatsu, Kagawa Prefecture
Kyushu Regional Office	:	Chuo-ku, Fukuoka, Fukuoka Prefecture

(10) Employees (As of March 31, 2019)

Number of Employees (change from March 31, 2018)	Average Age	Average Length of Employment
26,564 (decrease of 900)	41.8	15.6 years

Notes:

1. The number of employees includes 270 employees seconded from companies other than the Company or its subsidiaries, but does not include 130 employees seconded to companies other than the Company or its subsidiaries.
2. In calculating the average age of employees, employees at some subsidiaries are not included.
3. In calculating the average length of service for employees transferred from NTT, other companies in the NTT Group, the former NTT Central Personal Communications Network, Inc., or the eight regional companies in the Personal Communications Network, years of employment at their respective prior employers are included in the calculation. Employees seconded from companies other than the Company or its consolidated subsidiaries and employees at some subsidiaries are not included in the calculation.

(11) Status of Parent Company and Principal Subsidiaries

i. Relationship with Parent Company

NTT, our parent company, currently owns 2,137,733,200 shares of our company (64.10% of all shares\*) as of March 31, 2019. The Company conducts business mainly in the mobile communication field under its own managerial responsibilities within the NTT Group.

\* The percentage of shares held is calculated excluding 133 treasury shares.

ii. Transactions with Parent Company

The Company and NTT have concluded agreements on the content of services and benefits provided by NTT to the Company, and compensation for the same, with respect to basic research and development and group management conducted by NTT. Including such agreements, any material contracts concluded between the Company and NTT are subject to legal review by the Legal Department and auditing by the audit & supervisory board members. In addition, particularly important agreements must be approved at a meeting of the Board of Directors at which both independent outside directors and independent outside audit & supervisory board members are present.

Additionally, in the fiscal year ended March 31, 2019, as stated in “Note regarding related party transactions” in the Notes to Non-Consolidated Financial Statements, the Company acquired shares of its common stock from NTT. From the standpoint of shareholder equality and transaction transparency, the Company carried out a tender offer to ensure that shareholders other than NTT would also have the opportunity to accept the offer after having been given a certain period of time to review it and observe the trend in the market price. From the standpoint of respecting the interests of the shareholders who do not accept the offer and continue to hold its common stock, the Company also decided to purchase shares at a certain discount from the market price so as to stem the flow of assets from the Company to the extent possible. Furthermore, because its Director, Shinichiro Ueno, concurrently serves as an employee of NTT, he did not participate in

the Board of Directors' discussions or decisions concerning the tender offer and did not participate in the deliberations or negotiations with NTT on behalf of the Company, from the standpoint of eliminating arbitrariness in the decision-making process when examining and deciding the tender offer. In light of the above, the Board of Directors of the Company has determined that the substance and terms of the transaction were determined through fair and appropriate procedures and that the interests of the Company have not been harmed.

### iii. Principal Subsidiaries

No subsidiaries were considered to be principal subsidiaries as of March 31, 2019. There were 102 consolidated subsidiaries and 23 affiliates as of March 31, 2019.

### iv. Material Contracts for Management of the Company

We have entered into a basic agreement for billing and collection activities for telecommunications services charges, as well as a receivables assignment agreement pursuant to that agreement, with NTT Finance Corporation ("NTT Finance"). Under these agreements, we have assigned the receivables associated with our telecommunications services to NTT Finance.

### (12) Financing Activities and Principal Creditors

During the fiscal year ended March 31, 2019, we did not make any long-term financing through capital increase, issuance of corporate bonds or long-term borrowings. There were no principal creditors as of March 31, 2019.

## 2. Company Shares (as of March 31, 2019)

(1) Total number of authorized shares: 17,460,000,000 shares

(2) Total number of issued shares: 3,335,231,094 shares\*

\* The “total number of issued shares” decreased year-on-year by 447,067,906 due to the cancellation of treasury stock on February 28, 2019.

(3) Number of shareholders: 286,836

(4) Principal Shareholders

Shareholders	Holdings in the Company	
	Number of Shares Held	Shareholding Ratio (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2,137,733,200	64.10
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	90,191,400	2.70
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	71,257,400	2.14
STATE STREET BANK WEST CLIENT – TREATY 505234	28,598,152	0.86
JP MORGAN CHASE BANK 380055	25,000,196	0.75
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)	24,911,700	0.75
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT5)	24,380,600	0.73
JPMorgan Securities Japan Co., Ltd.	22,617,446	0.68
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	21,357,300	0.64
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 1)	18,153,000	0.54

Note:

The Shareholding Ratio calculation excludes treasury stock (133 shares).

(5) Other Principal Issues on the Company Shares

The Company acquired 257,953,469 common shares for an acquisition price of ¥600.0 billion during this period based on a resolution of the Board of Directors in order to strengthen shareholder returns.

Furthermore, we cancelled 447,067,906 treasury stocks (approximately 11.82% of the total number of issued shares before retirement) on February 28, 2019 based on a resolution of the Board of Directors.

On April 26, 2019, the Board of Directors resolved that the Company may repurchase up to 128,300,000 shares of its common stock for an amount in total not exceeding ¥300.0 billion during a period from May 7, 2019 through April 30, 2020.

### 3. The State of Corporate Governance and the State of Directors, Corporate Officers and Audit & Supervisory Board Members, etc.

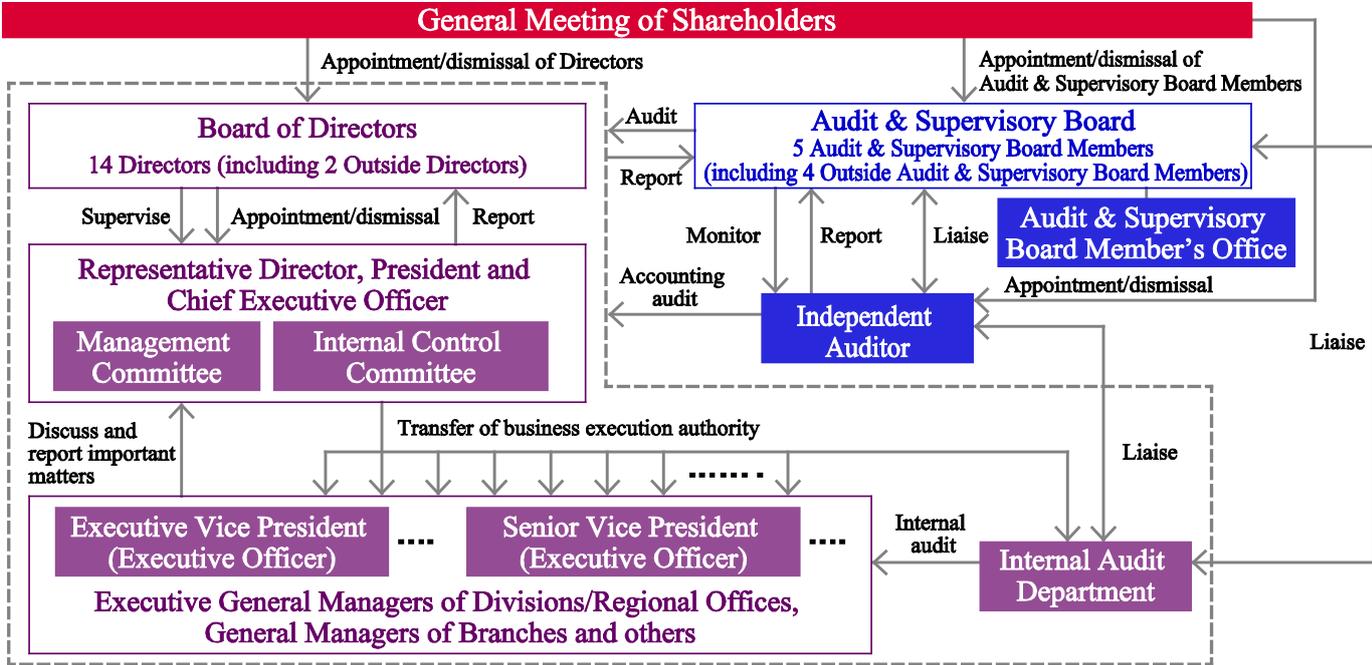
#### (1) Overview of Corporate Governance Structure

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”.

Under this philosophy, we have adopted a corporate governance structure consisting of the Board of Directors, Audit & Supervisory Board Members and the Audit & Supervisory Board, aiming both to realize consistent and stable business operations and to bolster monitoring and auditing functions, while striving to boost management speed.

The monitoring function of the Board of Directors is strengthened through the framework in which independent Outside Directors are appointed and encouraged to fulfill their ability and insight, under the supportive arrangements such as in-depth prior briefing on the proposals to be discussed at the Board of Directors meetings and holding of periodical meetings with Representative Directors and internal officers. With respect to the auditing function, all Audit & Supervisory Board Members (including independent Audit & Supervisory Board Members) attend important meetings such as the Board of Directors meetings, while conducting effective audits over Directors’ execution of duties in coordination with the Independent Auditor and internal audit staff, to ensure management soundness. In addition, we have introduced the executive officer system (26 men and 3 women serve as executive officers and 8 executive officers concurrently hold the post of Director) to clearly delineate the roles of business execution and monitoring, and to better reinforce business execution functions. This system enables us to speedily respond to changes in the operating environment.

Our corporate governance system is as follows:



## (2) Analysis and 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.

<<Evaluation method>>

1. “Directors’ Self-Assessment Questionnaire” completed by all directors and audit & supervisory board members (conducted from December 2018 to January 2019)
2. Discussions based on the results of Directors’ Self-Assessment Questionnaire during a meeting by the “Corporate Governance Council,” which consists of all members of the Board of Directors and the Audit & Supervisory Board (held in March 2019)

<<Evaluation results and future operation policy>>

We verified the effectiveness of the Board of Directors and the appropriateness of its responsibilities, operation, composition, etc. Furthermore, it was confirmed that the effectiveness of the Board of Directors was improved as a result of regular verification of the state of measures used to implement the Medium-Term Strategy 2020 “Declaration beyond” and “business foundation centered on our membership base,” which had been identified as issues requiring improvement during the previous effectiveness evaluation, as well as the enhancement of governance functions, reflecting the revisions to the Corporate Governance Code.

In order to further increase our corporate value, we will continue to implement the Medium-Term Strategy 2020 “Declaration beyond” and “business foundation centered on our membership base,” and will also promote the medium-term management strategy we announced in October 2018. To this end, the Board of Directors will regularly verify the state of measures used to achieve these aims, the allocation of management resources, and our responses to changes in the management environment, and will also create governance functions appropriate for the Company.

## (3) Directors and Audit &amp; Supervisory Board Members (as of March 31, 2019)

Position	Name	Primary Responsibilities and Affiliations
President and Chief Executive Officer Representative Member of the Board of Directors	Kazuhiro Yoshizawa	
Senior Executive Vice President Representative Member of the Board of Directors	Hiroyasu Asami	Responsible for Technology, Devices, Information Strategy and Membership Base
Senior Executive Vice President Representative Member of the Board of Directors	Hiroshi Tsujigami	Executive General Manager of Sales and Marketing Division Responsible for Global business and Corporate
Executive Vice President Member of the Board of Directors	Kouji Furukawa	Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office
Executive Vice President Member of the Board of Directors	Hiroshi Nakamura	Executive General Manager of R&D Innovation Division
Executive Vice President Member of the Board of Directors	Hozumi Tamura	Executive General Manager of Network Division and General Manager of Network Department
Executive Vice President Member of the Board of Directors	Seiji Maruyama	General Manager of Corporate Strategy & Planning Department Responsible for Mobile Society Research Institute and Preparation for 2020
Executive Vice President Member of the Board of Directors	Osamu Hirokado	General Manager of Accounts and Finance Department Responsible for Finance and Business Alliance
Executive Vice President Member of the Board of Directors	Shigeto Torizuka	General Manager of Human Resources Management Department
Executive Vice President Member of the Board of Directors	Kenichi Mori	Executive General Manager of Smart-life Business Division
Senior Vice President Member of the Board of Directors	Tooru Atarashi	General Manager of General Affairs Department and General Manager of Improvement Action Office Member of the Board of Directors of Sumitomo Mitsui Card Company, Limited
Outside Member of the Board of Directors Independent Director	Teruyasu Murakami	Director of Research Institute for Industrial Strategy
Outside Member of the Board of Directors Independent Director	Noriko Endo	Project Professor, Graduate School of Media and Governance, Keio University Outside Director of AIN HOLDINGS INC.
Member of the Board of Directors	Shinichiro Ueno	Vice President of R&D Planning Research and Development Planning Department of NTT
Full-time Audit & Supervisory Board Member	Shoji Suto	
Full-time Outside Audit & Supervisory Board Member	Toshimune Okihara	
Full-time Outside Audit & Supervisory Board Member	Hironobu Sagae	

Full-time Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Mikio Kajikawa	
Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Eiko Tsujiyama	Professor Emeritus, Waseda University Outside Director of ORIX Corporation Outside Corporate Auditor of Lawson, Inc. Outside Audit & Supervisory Board Member of Shiseido Company, Limited

Notes:

1. Directors and Audit & Supervisory Board Members who resigned or retired during the fiscal year ended March 31, 2019 are as follows:

Name	Retirement date	Reason	Position/responsibility at time of retirement
Toshiki Nakayama	June 19, 2018	Term expired	Senior Executive Vice President, Representative Member of the Board of Directors, Responsible for Global business, Corporate and CSR
Hiroataka Sato	June 19, 2018	Term expired	Executive Vice President, Member of the Board of Directors, General Manager of Accounts and Finance Department, Responsible for Finance and Business Alliance
Kiyohiro Omatsuzawa	June 19, 2018	Term expired	Executive Vice President, Member of the Board of Directors, General Manager of Corporate Strategy & Planning Department, Responsible for Mobile Society Research Institute
Kyoji Murakami	June 19, 2018	Term expired	Executive Vice President, Member of the Board of Directors, Executive General Manager of Smart-life Business Division
Kaoru Kato	June 19, 2018	Term expired	Member of the Board of Directors, Corporate Advisor
Yutaka Kawataki	June 19, 2018	Resigned	Full-time Outside Audit & Supervisory Board Member

2. Directors and Audit & Supervisory Board Members elected at the 27<sup>th</sup> Annual General Meeting of Shareholders held on June 19, 2018 are as follows:

Name	Inauguration Date	Position of Inauguration	Responsibility of Inauguration
Osamu Hirokado	June 19, 2018	Executive Vice President Member of the Board of Directors	General Manager of Accounts and Finance Department Responsible for Finance and Business Alliance
Shigeto Torizuka	June 19, 2018	Executive Vice President Member of the Board of Directors	General Manager of Human Resources Management Department
Kenichi Mori	June 19, 2018	Executive Vice President Member of the Board of Directors	Executive General Manager of Smart-life Business Division
Tooru Atarashi	June 19, 2018	Senior Vice President Member of the Board of Directors	General Manager of General Affairs Department and General Manager of Improvement Action Office
Mikio Kajikawa	June 19, 2018	Full-time Outside Audit & Supervisory Board Member	-

3. Changes in responsibilities of Directors during the fiscal year ended March 31, 2019 are as follows:

	Effective date	Current Positions and Responsibilities	Previous Positions and Responsibilities
Hiroyasu Asami	June 19, 2018	Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors	Senior Executive Vice President, Responsible for Technology, Devices, Information Strategy and Preparation for 2020, Representative Member of the Board of Directors
	July 1, 2018	Senior Executive Vice President, Responsible for Technology, Devices, Information Strategy and Membership Base, Representative Member of the Board of Directors	Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors
Hiroshi Tsujigami	June 19, 2018	Senior Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Global Business, Corporate and Broadband Business, Representative Member of the Board of Directors	Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Broadband Business, Member of the Board of Directors
	July 1, 2018	Senior Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Global Business and Corporate, Representative Member of the Board of Directors	Senior Executive Vice President, Executive General Manager of Sales and Marketing Division, Responsible for Global Business, Corporate and Broadband Business, Representative Member of the Board of Directors
Seiji Maruyama	June 19, 2018	Executive Vice President, General Manager of Corporate Strategy & Planning Department, Responsible for Mobile Society Research Institute and Preparation for 2020, Member of the Board of Directors	Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors

4. Directors Teruyasu Murakami and Noriko Endo are Outside Directors as provided in Article 2, Item 15 of the Companies Act.
5. Full-time Audit & Supervisory Board Members Toshimune Okihara, Hironobu Sagae and Mikio Kajikawa and Audit & Supervisory Board Member Eiko Tsujiyama are Outside Audit & Supervisory Board Members as provided in Article 2, Item 16 of the Companies Act.
6. Outside Audit & Supervisory Board Member Hironobu Sagae has experience in corporate management and extensive knowledge pertaining to finance and accounting through his career in the Finance Department of NTT DATA Corporation.
7. Outside Audit & Supervisory Board Member Eiko Tsujiyama has considerable knowledge in finance and accounting gained through her years of experience as a university professor and outside director/auditor of private companies, along with being a Certified Public Accountant.
8. Outside Audit & Supervisory Board Member Eiko Tsujiyama also serves as outside corporate auditor at Lawson, Inc., with which we have a business and capital alliance. We have no special relationship with other firms than Lawson, Inc. where Ms. Tsujiyama was or is concurrently serving as director/auditor, with Research Institute for Industrial Strategy where Outside Director Teruyasu Murakami is acting as director, and with firms where Outside Director Noriko Endo is acting as professor/director.
9. We have designated each of Outside Directors Teruyasu Murakami and Noriko Endo, and Outside Audit & Supervisory Board Members Mikio Kajikawa and Eiko Tsujiyama as an independent Director/Audit

& Supervisory Board Member, respectively, pursuant to the Securities Listing Regulations of Tokyo Stock Exchange, and we have notified the Tokyo Stock Exchange of such designation.

10. Director Tooru Atarashi retired from his position as Member of the Board of Directors of Sumitomo Mitsui Card Company, Limited as of March 31, 2019.
11. Outside Director Noriko Endo retired from her position as Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo as of August 31, 2018.

- Indemnity agreements

The Company has concluded agreements with Directors Teruyasu Murakami, Noriko Endo and Shinichiro Ueno and Audit & Supervisory Board Members to indemnify them for personal liability as provided in Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the same act. The compensation of liability is the minimum amount in accordance with Article 425, Paragraph 1 of the Companies Act.

#### (4) Policies Concerning, and Total Compensation of, Directors and Audit & Supervisory Board Members

##### (a) Policies

Policies concerning the compensation for Directors and its composition and levels are decided by the Board of Directors based on the following policies within the limits resolved at the General Meeting of Shareholders, after they are explained to the parent company and independent Outside Directors and appropriate advice is obtained.

- (i) Compensation for Directors consists of a monthly salary and bonuses. The Company determines monthly salaries based on the scope of roles and responsibilities of each Director, and bonuses by taking into account the Company's achievement based on performance indicators such as operating profit for the current term. In addition, starting from the fiscal year ended March 31, 2018, performance-based compensation was expanded, and a new stock-based compensation plan was introduced. Under this plan, when the Company's business performance exceeds a certain level, Directors are paid an amount equivalent to the purchase of the Company's shares as part of their bonuses and required to contribute the amount to the Directors' Shareholders Association. From the perspective of reflecting medium- to long-term business results, Directors with executive authority over operations, in addition to the stock-based compensation mentioned above, make monthly contributions of at least a certain amount, out of their monthly cash salaries, for the purchase of the Company's shares through the Director Shareholding Association, and all purchased shares are held by the Directors during their terms in office. In the case of standard business performance, compensation is composed of "approximately 70% fixed compensation and 30% performance-based compensation". The Company will also consider expanding the percentage of performance-based compensation, including stock-based compensation, in total compensation for the purpose of fostering stronger awareness with regard to achieving the medium-term management strategy and sustained growth, as well as enhancing medium- to long-term corporate value.
- (ii) In order to ensure a high level of independence, the Company pays only monthly salaries as compensation for independent Outside Directors with no links to the business results.

Compensation for Audit & Supervisory Board Members is determined through consultation with the Members, and in order to ensure a high level of independence, only monthly salaries are paid with no links to the business results.

(b) Total compensation for directors and audit & supervisory board members for the fiscal year ended March 31, 2019

Position	Number of Persons	Total Compensation (Millions of yen)
Director	18	505
Audit & Supervisory Board Member	6	132
Total	24	637

Notes:

1. Upper limits on compensation for directors and audit & supervisory board members were set at ¥600 million annually for Directors and ¥150 million annually for Audit & Supervisory Board Members at the 15th ordinary general meeting of shareholders held on June 20, 2006.
2. The above includes five Directors and one Audit & Supervisory Board Member who retired at the conclusion of the 27th ordinary general meeting of shareholders held on June 19, 2018.
3. Total compensation for Directors includes ¥108 million in bonuses paid in the fiscal year ended March 31, 2019.

(5) Outside Directors and Outside Audit & Supervisory Board Members

(a) Principal activities of outside directors and outside audit & supervisory board members

Position	Name	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)	Principal Comments Activities
Outside Members of the Board of Directors	Teruyasu Murakami	100% (15/15)	—	He used his extensive experience in corporate management and information industries to make appropriate comments from a perspective independent from the Company's business operations.
	Noriko Endo	100% (15/15)	—	She used her extensive experience in her news gathering activities as editor of an economic magazine and research on public policies to make appropriate comments from a perspective independent from the Company's business operations as well as customer and female perspectives.
Outside Audit & Supervisory Board Members	Toshimune Okihara	100% (15/15)	100% (14/14)	He made appropriate comments from his experience and extensive knowledge gained through his career and engagement in businesses pertaining to telecommunications and corporate management.

	Hironobu Sagae	100% (15/15)	100% (14/14)	He made appropriate comments from his experience in corporate management and the accounts and finance department of a company and his extensive knowledge of finance and accounting.
	Mikio Kajikawa	100% (13/13)	100% (9/9)	He made appropriate comments from his expert perspective gained through his work experience in the Ministry of Finance.
	Eiko Tsujiyama	93.3% (14/15)	100% (14/14)	She made appropriate comments from her expert perspective in finance and accounting as a Certified Public Accountant and gained through her years of experience as a university professor and as an outside director on corporate boards.

Note:

The principal activities of Outside Audit & Supervisory Board Member Mikio Kajikawa are after his inauguration in June 2018.

(b) Total compensation to outside directors in the fiscal year ended March 31, 2019

Number of persons	Total compensation (Millions of yen)
7	126

Note:

The above includes one Audit & Supervisory Board Member who retired at the conclusion of the 27th ordinary general meeting of shareholders held on June 19, 2018.

■ **The State of the Company’s Corporate Governance**  
**The Opinion of Independent Outside Director, Noriko Endo:**

Representing the interests of general shareholders as an independent outside director, I have been actively participating in the formulation of strategies for improving medium- to long-term corporate value while also carefully examining and supervising concrete measures in the PDCA (plan-do-check-act) cycle in business execution.

I receive accurate information in advance, express my opinion at the Board of Directors meetings of the Company on all proposals considered important from the viewpoint of an independent outside director, and participate in discussions. At executive training camps attended by Directors as well as Senior Vice Presidents, intensive discussions take place regarding the competitive and growth strategies of each business division, and the independent Outside Directors make recommendations and give advice based on their respective knowledge. Furthermore, the Company strives to provide opportunities for us to exchange opinions and to share issues and goals with employees in mid-grade positions and younger members of staff. I rate this transparent process highly from a corporate governance perspective.

The Company formulated its medium-term management strategy in October 2018, taking a new direction focusing on the basic policies of “transformation into a business foundation centered on our membership base” and “5G rollout and business creation,” and announced new rate plans in April 2019 that reflect these policies. I believe that this strategy, which allows for a temporary decline in profit, is a preemptive measure that will enable the Company to win out over the fierce competition with other companies expected in future, including the market entry of new businesses expected as early as this fall. It is also an essential initiative from the point of view of achieving sustained growth in the 2020s and improving medium- to long-term corporate value. The Board of Directors will continue to do its utmost to quickly recover performance and realize future growth through efforts such as strengthening the customer base and creating new revenue opportunities.

Progress is being made in the promotion of new strategic forces with an eye on diversity, such as the appointment of three new female Senior Vice Presidents in the fiscal year ended March 31, 2019, and this ushers in a new phase of business operations. I look forward to the Company accelerating sustainable growth by recognizing the latent abilities of individual employees with diverse backgrounds and paving paths for fair and steady career advancement.

## (6) Capital Policy (Basic Policies for Profit Distribution)

We believe that providing adequate returns to shareholders is one of the most important issues in corporate management while raising corporate value through the growth and expansion of our businesses. We plan to pay dividends by taking into account our consolidated results, consolidated financial position and consolidated dividend payout ratio based on the principle of stable and sustainable dividend payments. We will also continue to take a flexible approach regarding share repurchases. We will consider retiring all treasury stock resulting from share repurchases while taking into consideration the need to retain such stock.

In addition, we will allocate internal reserves to research and development efforts, capital expenditures, strategic investments and others for the purpose of generating innovative technologies, offering attractive services and expanding our business domains.

## (7) Efforts Related to Information Security

The Company, recognizing that proper information management is an important management issue, declares that the “Information Security Policy” is the Company’s action policy for information security and will abide by the Information Security Policy and the separate “Privacy Policy” regarding our customers’ personal information in order to ensure that customers are able to use the Company’s services safely.

Information assets to which the Information Security Policy applies shall include information obtained or learned in the course of the Company’s business activities, as well as all information owned by the Company for business purposes.

The Company has designated the months of November as “Information Security Enhancement Month” in its efforts to continuously educate and enlighten all employees. We also worked on drills on the simulation of receiving “targeted attack e-mails” that are increasing and becoming more sophisticated in recent years. Furthermore, we endeavored to further bolster information security by taking “personal,” “organizational” and “technical” measures including the establishment and operation of a dedicated division which enables Internet monitoring, etc., as well as multilayer protection to shore up the protection system.

Please refer to the Company’s website for further details on the “Information Security Policy” and the “Privacy Policy”:

<https://www.nttdocomo.co.jp/english/utility/security/>

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Throughout this report, amounts prepared based on accounting principles generally accepted in Japan are rounded down to the nearest unit. Amounts prepared in accordance with U.S. generally accepted accounting principles and IFRS are rounded up or down to the nearest unit.

Names of companies, products, etc., contained in this report are the trademarks or registered trademarks of their respective organizations.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION [IFRS]**

	Millions of yen
	March 31, 2019
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	¥ 219,963
Trade and other receivables	2,128,156
Other financial assets	70,933
Inventories	178,340
Other current assets	91,308
Subtotal	2,688,699
Asset held for sale	234,160
<b>Total current assets</b>	<b>2,922,859</b>
<b>Non-current assets:</b>	
Property, plant and equipment	2,623,789
Goodwill	33,177
Intangible assets	608,513
Investments accounted for using the equity method	151,741
Securities and other financial assets	439,742
Contract costs	297,733
Deferred tax assets	150,725
Other non-current assets	112,267
<b>Total non-current assets</b>	<b>4,417,687</b>
<b>Total assets</b>	<b>7,340,546</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Current liabilities:</b>	
Trade and other payables	¥ 1,058,007
Other financial liabilities	10,495
Accrued income taxes	166,503
Contract liabilities	211,752
Provisions	29,086
Other current liabilities	150,805
<b>Total current liabilities</b>	<b>1,626,647</b>
<b>Non-current liabilities:</b>	
Long-term debt	50,000
Other financial liabilities	9,310
Defined benefit liabilities	207,425
Contract liabilities	37,054
Provisions	7,845
Other non-current liabilities	8,140
<b>Total non-current liabilities</b>	<b>319,775</b>
<b>Total liabilities</b>	<b>1,946,422</b>
<b>Equity:</b>	
Equity attributable to shareholders of NTT DOCOMO,INC.	
Common stock	949,680
Additional paid-in capital	169,083
Retained earnings	4,160,495
Treasury stock	(0)
Other components of equity	92,595
Total equity attributable to shareholders of NTT DOCOMO,INC.	5,371,853
Noncontrolling interests	22,271
<b>Total equity</b>	<b>5,394,124</b>
<b>Total liabilities and equity</b>	<b>¥ 7,340,546</b>

(Note) Amounts are rounded off to the nearest 1 million yen.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS [IFRS]**

Millions of yen

Year ended March 31, 2019  
(April 1, 2018 - March 31,  
2019)

<b>Operating revenues:</b>	
Telecommunications services	¥ 3,130,660
Equipment sales	844,428
Other operating revenues	865,760
<b>Total operating revenues</b>	<b>4,840,849</b>
<b>Operating expenses:</b>	
Personnel expenses	288,940
Cost of equipment sold and services, and other expenses	2,533,708
Depreciation and amortization	470,922
Communication network charges	432,045
Loss on disposal of property, plant and equipment and intangible assets	68,768
Impairment loss	32,821
<b>Total operating expenses</b>	<b>3,827,204</b>
<b>Operating profit</b>	<b>1,013,645</b>
<b>Finance income</b>	<b>7,510</b>
<b>Finance costs</b>	<b>(6,506)</b>
<b>Share of losses on equity method investments</b>	<b>(12,013)</b>
<b>Profit before taxes</b>	<b>1,002,635</b>
<b>Income taxes</b>	<b>337,784</b>
<b>Profit</b>	<b>664,851</b>
<b>Profit attributable to:</b>	
Shareholders of NTT DOCOMO,INC.	663,629
Noncontrolling interest	1,222
<b>Profit</b>	<b>¥ 664,851</b>
<b>Earnings per share attributable to shareholders of NTT DOCOMO,INC.</b>	
<b>Basic earnings per share</b>	<b>¥ 187.79</b>

(Note) Amounts are rounded off to the nearest 1 million yen.

## NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2019)

(Note) Amounts are rounded down to the nearest 1 million yen.

(Millions of yen)

ASSETS		LIABILITIES	
<b>Non-current assets</b>		<b>Long-term liabilities</b>	
<b>Non-current assets for telecommunications businesses</b>		Bonds	¥ 50,000
<b>Property, plant and equipment</b>		Lease obligations	586
Machinery and equipment	¥ 1,167,923	Liability for employees' retirement benefits	162,278
Antenna facilities	546,143	Accrued liabilities for point programs	135,374
Telecommunications line facilities	31,294	Provision for loss on business withdrawal	1,584
Pipe and hand holes	13,967	Asset retirement obligations	3,120
Building	271,295	Other long-term liabilities	6,580
Structures	65,603	<b>Total long-term liabilities</b>	359,525
Other machinery and equipment	3,831	<b>Current liabilities</b>	
Vehicles	411	Accounts payable, trade	313,021
Tools, furniture and fixtures	71,074	Lease obligations	203
Land	196,262	Accounts payable, other	748,184
Lease assets	766	Accrued expenses	12,575
Construction in progress	160,520	Accrued income taxes	152,576
<b>Total property, plant and equipment</b>	2,529,093	Advances received	59,287
<b>Intangible assets</b>		Deposits received	115,739
Rights to use utility facilities	9,956	Provision for loss on business withdrawal	226
Software	509,117	Other current liabilities	14,972
Patents	20	<b>Total current liabilities</b>	1,416,787
Leasehold rights	57,672	<b>Total liabilities</b>	1,776,313
Lease assets	1		
Other intangible assets	32,553		
<b>Total intangible assets</b>	609,322		
<b>Total non-current assets for telecommunications businesses</b>	3,138,415	<b>NET ASSETS</b>	
<b>Investments and other assets</b>		<b>Shareholders' equity</b>	
Investment securities	256,282	Common stock	949,679
Shares of affiliated companies	252,547	<b>Capital surplus</b>	
Other investments in affiliated companies	9,311	Capital legal reserve	292,385
Contributions in affiliated companies	4,839	<b>Total capital surplus</b>	292,385
Long-term loan receivable in affiliated companies	18,843	<b>Earned surplus</b>	
Long-term prepaid expenses	51,859	Earned legal reserve	4,099
Long-term accounts receivable, other	221,926	Other earned surplus	
Deferred tax assets	176,678	Accelerated depreciation reserve	0
Other investments and other assets	119,334	General reserve	358,000
Allowance for doubtful accounts	(603)	Earned surplus brought forward	3,466,908
<b>Total investments and other assets</b>	1,111,020	<b>Total earned surplus</b>	3,829,008
<b>Total non-current assets</b>	4,249,435	Treasury stock	(0)
<b>Current assets</b>		<b>Total shareholders' equity</b>	5,071,072
Cash and bank deposits	15,196	<b>Valuation and translation adjustments</b>	
Notes receivable	8	Net unrealized holding gains or losses on securities	19,642
Accounts receivable, trade	577,861	<b>Total valuation and translation adjustments</b>	19,642
Accounts receivable, other	1,546,794		
Inventories and supplies	195,419	<b>Total net assets</b>	5,090,715
Advances	10,799	<b>Total liabilities and net assets</b>	¥ 6,867,028
Prepaid expenses	39,926		
Deposits	218,555		
Other current assets	43,085		
Allowance for doubtful accounts	(30,056)		
<b>Total current assets</b>	2,617,592		
<b>Total assets</b>	¥ 6,867,028		

## NON-CONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(Millions of yen)

<b>Recurring profits and losses</b>		
<b>Operating revenues and expenses</b>		
<b>Telecommunications businesses</b>		
Operating revenues		
Voice transmission services	¥ 999,022	
Data transmission services	2,273,381	
Other	52,814	¥ 3,325,218
Operating expenses		
Sales expenses	919,943	
Facility maintenance expenses	350,423	
General expenses	45,389	
Administrative expenses	62,591	
Research expenses	67,220	
Depreciation and amortization	434,477	
Loss on disposal of property, plant and equipment and intangible assets	54,724	
Communication network charges	429,378	
Taxes and public dues	49,532	2,413,681
<b>Operating income from telecommunications businesses</b>		911,536
<b>Supplementary businesses</b>		
Operating revenues		1,575,126
Operating expenses		1,567,779
<b>Operating income (losses) from supplementary businesses</b>		7,347
<b>Total operating income</b>		918,883
<b>Non-operating revenues and expenses</b>		
Non-operating revenues		
Interest income	631	
Interest income-securities	1	
Dividend income	52,005	
Gain on sales of investment securities	9,952	
Rental income	7,295	
Miscellaneous income	5,080	74,967
Non-operating expenses		
Interest expense	56	
Interest expense-bonds	964	
Write-down of investment securities	3,388	
Loss on debt forgiveness of an affiliated company	1,117	
Miscellaneous expenses	2,043	7,570
<b>Recurring profit</b>		986,280
<b>Extraordinary Loss</b>		
Write-down of investment in affiliated companies	35,759	35,759
<b>Income before income taxes</b>		950,521
Income taxes-current		270,000
Income taxes-deferred		440
<b>Net income</b>		¥ 680,080

(Note) Amounts are rounded down to the nearest 1 million yen.

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

**Independent Auditor's Report**

May 8, 2019

The Board of Directors  
NTT DOCOMO, INC.

KPMG AZSA LLC

Kensuke Sodekawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Hiroataka Nakata (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masafumi Nakane (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of NTT DOCOMO, INC. as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 444-4 of the Companies Act.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial

statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of NTT DOCOMO, INC. and its subsidiaries for the period, for which the consolidated financial statements were prepared.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## **Independent Auditor's Report**

May 8, 2019

The Board of Directors  
NTT DOCOMO, INC.

KPMG AZSA LLC

Kensuke Sodekawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Hiroataka Nakata (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masafumi Nakane (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of NTT DOCOMO, INC. as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

### **Management's Responsibility for the non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the non-consolidated financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of NTT DOCOMO, INC. for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## **Audit Report of Audit & Supervisory Board**

Based on audit reports from each audit & supervisory board member, and following due discussion at meetings, the Audit & Supervisory Board has prepared this audit report regarding the execution of the duties of the Board of Directors in the 28th fiscal year from April 1, 2018 to March 31, 2019. The Board reports as follows.

### 1. Outline of Audit Methodology

The Audit & Supervisory Board established an auditing plan and received reports from each audit & supervisory board member on the status of the implementation of audits and the results thereof, as well as reports from the Board of Directors and the Independent Auditors regarding the status of execution of their duties, and requested explanations as necessary.

Also, on the basis of the Audit & Supervisory Board Rules established by the Audit & Supervisory Board, and in accordance with its auditing plan, the audit & supervisory board members sought mutual understanding with the Directors, the internal auditing department, other employees and the Independent Auditors in their efforts to collect information, and carried out the audit as follows:

- (1) attended meetings of the Board of Directors and other important meetings, and received reports from Directors, employees and others regarding performance of their duties, requested explanations as necessary, perused important documents regarding decisions and approvals made and investigated the status of operations and the financial position at the company's head office and major offices of business;
- (2) carried out an audit and verification of the particulars of Board of Directors resolutions relating to the establishment of structures necessary to ensure that the Board of Directors' performance of its duties is in conformity with laws and regulations and the Company's Articles of Incorporation and to otherwise ensure the appropriateness of the business of a *kabushiki kaisha*, as well as the structures established pursuant to such resolutions (internal control system);
- (3) regarding the subsidiaries, the Audit & Supervisory Board sought to achieve a mutual understanding and exchange of information with directors and other persons and audit & supervisory board members of the subsidiaries, and, where necessary, received business reports from the subsidiaries;
- (4) regarding related party transactions including transactions with our parent company, concerning matters taken into account to ensure that such transactions did not negatively impact the Company's earnings and the Company's judgment and rationale whether such

transactions would negatively impact the Company' s earnings, evaluated the particulars of such transactions, based on, among other factors, the Board of Directors' review and other review processes; and

- (5) audited and verified whether the Independent Auditors maintained their independence and carried out their audits appropriately, received reports from the Independent Auditors regarding the execution of their duties and, where necessary, requested explanations. Also, the Audit & Supervisory Board received notification from the Independent Auditors to the effect that the structure to ensure that duties are executed appropriately has been established and requested explanations as necessary.

Based on the above methodology, the Audit & Supervisory Board evaluated business reports, supplementary schedules, the non-consolidated financial statements related to the fiscal year ended March 31, 2019 (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, and the related notes), and the supplementary schedules as well as the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes).

## 2. Audit Results

### (1) Results of the audit of the Business Report

- i. We find that the Business Report and its supplementary schedules accurately reflect the conditions of the company in accordance with laws and regulations and the Articles of Incorporation.
- ii. No inappropriate conduct concerning the execution of duties by Directors or material facts in violation of law or the Articles of Incorporation were found.
- iii. We find that the particulars of Board of Directors' resolutions concerning the internal control systems are appropriate. Further, no matters requiring note on our part were found with respect to Directors' execution of duties in regards to the internal control system.
- iv. Regarding related party transactions including transactions with our parent company, concerning matters taken into account to ensure that such transactions did not negatively impact the Company's earnings and the Company's judgment and rationale whether such transactions would negatively impact the Company's earnings, no matters requiring note on our part were found.

### (2) Results of the audit of the non-consolidated financial statements, supplementary schedules and the consolidated financial statements

We find that the methodology and results of the audit by the Independent Auditor, KPMG AZSA LLC, are appropriate.

May 9, 2019

**Audit & Supervisory Board Members of NTT DOCOMO, INC.**

Shoji Suto, Full-time Audit & Supervisory Board Member	seal
Toshimune Okihara, Full-time (Outside) Audit & Supervisory Board Member	seal
Hironobu Sagae, Full-time (Outside) Audit & Supervisory Board Member	seal
Mikio Kajikawa, Full-time (Outside) Audit & Supervisory Board Member	seal
Eiko Tsujiyama, (Outside) Audit & Supervisory Board Member	seal