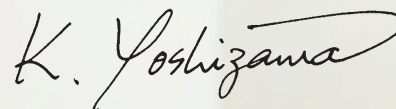


I am committed to leading DOCOMO in implementing strategies toward the creation of new value centered on 5G.

DOCOMO has announced its Medium-Term Strategy 2020 “Declaration beyond.” In this declaration we clarify what DOCOMO needs to undertake and express our commitment to all stakeholders in this time of dynamic socio-economic change. Looking to the year 2020 and beyond, we will act on our six declarations to achieve new value and excitement for customers and new value co-creation with partners through 5G, working to create a richer future. And through the transformation of our business structure, we will both improve customer service and achieve sustained corporate growth.



K. Yoshizawa

Kazuhiro Yoshizawa
President and Chief Executive Officer



DOCOMO's 25th anniversary

DOCOMO began business operations in 1992, and this year marks our 25th anniversary. This achievement is thanks to the support of our customers, shareholders and investors, partners, and all other stakeholders, who have our sincerest gratitude. For 25 years, we have continuously innovated our business structure. Mobile phones have become more compact and lightweight, and have changed in form from feature phones to smartphones. Our networks have made great progress from 2G "mova" to 4G "LTE (Xi)." Starting from telecommunications that made voice and data communications possible, we have led the way in the spread of mobile internet through the launch of our "i-mode" platform and by providing services together with our partners. In addition, we have extended the boundaries of our business through endeavors that include offering a variety of original services, transforming DOCOMO itself. At present, we are engaged in the co-creation of new value based on cooperation with partners through our "+d" initiatives. You could say that our growth over the past 25 years has been supported by our passion for providing value to customers in the form of a complete package of network, device, platform and service.

It is my opinion that the 2G PDC network we built in our early years is what allowed us to grow this far. From the start, we devoted ourselves to constructing a network of base stations covering the entire country. This basic network serves as the foundation of DOCOMO today. Telecommunications have become an indispensable part of the infrastructure of our daily lives. We cannot allow any interruption in this. This mission is a part of DOCOMO's DNA, and is now a driving force behind the creation of added value.

Since our foundation, we have upheld our corporate philosophy of "creating a new world of communications culture." We have continued to approach our business with constant innovation to our business structure and the steady generation of new value, with a mandate to rapidly deliver this value to customers. In conjunction with these structural innovations, we have ensured that our operations have the necessary underlying support by recruiting and training personnel and strengthening research and development. With the number of mobile phone subscriptions now reaching 75 million, we know that it is thanks to the support of a great number of customers that we are where we are today.

Looking back on FY2016

I am pleased to say that we were able to achieve all targets for our previous medium-term strategy one year ahead of schedule. Our "Kake-hodai & Pake-aeru" billing plan, launched in 2014 was a new plan with flat monthly rates for voice calls (compared to pay-as-you-go rate plans at the time) and tiered pay-as-you-go rates for data communications (flat rates at the time). When the plan was first introduced, profits fell temporarily as customers making the most voice calls switched over in the initial period. However, the entire company pulled together in offering customers attractive services, including our "dmarket," and billing plans that we enhanced in various ways by carefully listening to customer requests. As a result, a wide range of customers including those with heavy data usage, enrolled in our "Kake-hodai & Pake-aeru" plan, and we were able to restore profits in a short period of time.

Enhancement and evolution of our network infrastructure has also been a key endeavor, and we can say that our LTE network maintains the highest global standards. Furthermore, revenue in many of our services in the smart life business and other businesses segment, including "dmarket," finance/payment services, and enterprise solutions, has steadily increased. FY2016 has given us solid proof of our ability to grow these businesses, and for exponential growth moving forward.

Personally, during my first year as president, I initially focused on steadily driving forward the business plan in place, and ensuring that the previous medium-term plan achieved its goals. Also, I took time to consider what kind of company I want DOCOMO to become: "open," "fun" and "sound." These three words I myself hold dear when working, and to share this with our employees I actively toured the Company.

What I mean by "open" is an attitude to be open to outside opinions and actively incorporate new ideas, so that DOCOMO can continue to make great strides. There isn't much that DOCOMO can do entirely on its own. The number of "+d" partners stands at 236, and collaboration is leading to tangible results. Also, if for example in R&D we promote open innovation through external collaboration, combined with agile development methods, we can upgrade our own development capabilities. I feel that this open way of thinking is beginning to take hold within the Company. Next, a company should be "fun." Fun itself is a motivation to take on the challenge of creating unprecedented and exciting new value. Lastly, a "sound" company is one that generates profits, and grows steadily while both investing those profits in the future and returning profits to customers and investors.

In FY2016 we implemented various initiatives, and I am convinced of DOCOMO's steady progress.

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

Underlying ideas

DOCOMO’s business environment is undergoing great change. In addition to evolution in technologies such as AI¹, IoT² and drones, we face many social issues as the result of the falling birthrate and aging population. In this environment, when formulating our medium-term strategy, our starting point was to cherish the point of view of our customers and partners, not DOCOMO’s. We asked ourselves the question, “What value can we provide?” This is the basis for “Declaration beyond.”

Looking forward 3 or 4 years, DOCOMO’s extremely powerful asset “5G” will finally be realized. The year 2020 will also feature the Tokyo 2020 Olympic and Paralympic Games.³ Moving toward that point, DOCOMO is working to establish its 5G network and use it as the focal point for developing various new businesses and services. The “how” of our strategies, “+d,” which involves co-creation with partners, has yielded positive outcomes, and we will further accelerate these initiatives. Also, in looking forward to the 5G era, we believe it is important to be specific about “what” we are going to engage in. Therefore, we clarified this “what” in the form of “Declaration beyond.” By making a declaration, we indicate our absolute determination to commit to customers. A summary of the six declarations is as follows.

1. AI: Artificial Intelligence
2. IoT (Internet of Things): A concept that describes a world in which everything is connected to the Internet, enabling remote control and management of devices, etc.

Declaration 1 Market leader
offering visible benefits and convenience

We aim to be a market leader in benefits and convenience by further evolving and combining our services, billing plans and point programs. We have already actively strengthened smart life services and returns to our customers, and reviewed billing plans. We will also provide our customers with concrete benefits and convenience in ways that only DOCOMO can, such as linking and combining our services, billing plans and points. In particular, by fiscal 2020, we will expand our “dPOINT” partners to more than 300, with the aim of establishing the “dPOINT” program as one of Japan’s largest.

Declaration 2 Style innovation
for a richer future for all

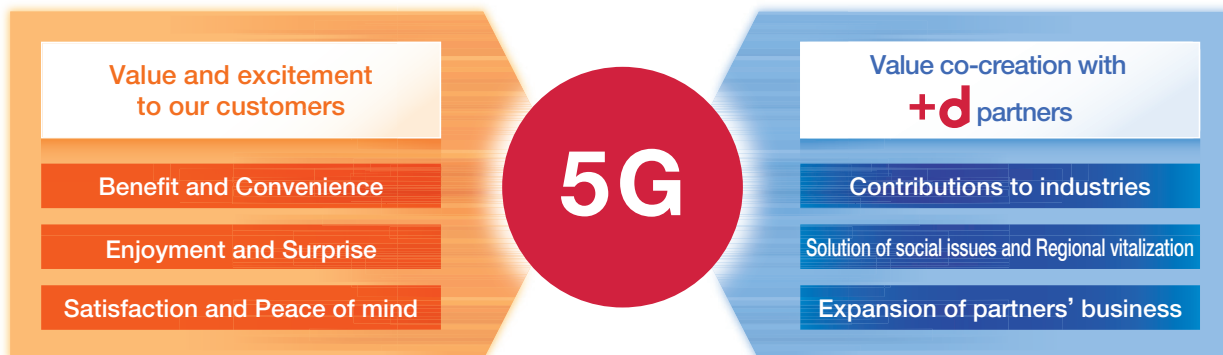
By leveraging the strengths of 5G through the creative application of VR⁴, AI and IoT, we will offer “Experience innovation,” “Lifestyle innovation” and “Workstyle innovation.” Specifically, initiatives will target nine challenges in three fields under a company-wide project called “empower+d challenge” (empowered challenge), which will promote creation of services that innovate style. They include:

- Experience innovation
 - New entertainment, Next-generation mobility and Sharing

3. NTT DOCOMO is a Gold Partner (Telecommunications Services) of the Tokyo 2020 Olympic and Paralympic Games.
4. VR (Virtual Reality): Computer-generated imaginary environments that appear real to the user.

beyond

Connecting dreams, for a richer future with 5G





- Lifestyle innovation
 - AI agent, FinTech and Total healthcare
- Workstyle innovation
 - Drone robotics, Work innovation and Work matching

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Declaration 3 Peace of mind and comfort support always by our customers' side

We will use AI to develop our customer touchpoints for the provision of customer support that emphasizes comfort and peace of mind. A new system will enable customers to consult their smartphones about issues they have, and they will be able to solve simple problems on the spot. Customer touchpoints will be strengthened to enable optimal communication regarding issues that cannot be solved using a smartphone alone. By linking every customer touchpoint, including docomo Shops, smartphones, self-service terminals and call centers, and understanding each customer better, we can reduce customer wait times and always provide the optimal solution anytime, anywhere. This will allow us to achieve faster and more hospitable customer support than ever before.

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Declaration 4 Industry creation jointly pursuing innovations with 5G

We will lead the world in telecommunication infrastructure innovation and increase opportunities for our partners through 5G-related activities. In this way, we aim to help all types of industries across Japan.

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Declaration 5 Solution co-creation to solve social issues

We will strengthen “+d” initiatives with the aim of contributing to further growth and prosperity in Japan. We will also work toward solving social issues and vitalizing regional economies by collaborating with partners in sectors such as primary industries, education, sports, healthcare, mobility and workstyle reform.

Declaration 6 Partner business expansion leveraging business platform

We will further enhance and evolve open business platforms that utilize points, customer referrals, FinTech, AI agents, IoT, drones and other assets. In this way, we will support our partners' businesses and simultaneously expand commercial transactions.

Innovation and growth of business structure

In the future, the fusion and continued evolution of optical-fiber broadband and 5G services will give birth to hitherto unseen types of businesses, creating new value. DOCOMO's business model will also evolve further as a business structure that fuses platforms and services. Many different kinds of business could develop from the services this delivers: for instance, realistically reproducing the experience of a live concert being held in a dome at an entirely different venue, which is possible thanks to the network and service integration of 5G.

In addition, we can expect to further expand the market by constructing new platforms, then opening them up to other

companies. Thus, 5G holds huge potential to be at the center of new industries, and forms the core of DOCOMO's vision.

Furthermore, in business management we will emphasize cash generation capability, and establish operating FCF, which subtracts capital expenditure from EBITDA, as our management objective.

While increasing EBITDA through steady business growth, we will keep an eye on capital expenditures as we proceed with the introduction of 5G, and aim to continuously realize cash generation capability exceeding the previous fiscal year's.

Toward the steady execution of "Declaration beyond"

Since its announcement, we have continued to conduct activities to directly inform employees of the content of Medium-Term Strategy 2020 "Declaration beyond." I myself have conducted an in-house lecture for managing directors and general managers at the head office, general managers of branches, presidents of group companies, etc. The lecture was broadcast live and also made available on video to all of our offices. In addition, management has visited each regional office and branch in their charge, and I myself actively visit branches and offices in Japan and overseas. Such visits create opportunities to communicate with employees directly. All operations fall under one of the "beyond" declarations. It is my wish that employees fully understand the meaning behind and the contribution toward our declaration that their projects and daily tasks hold.

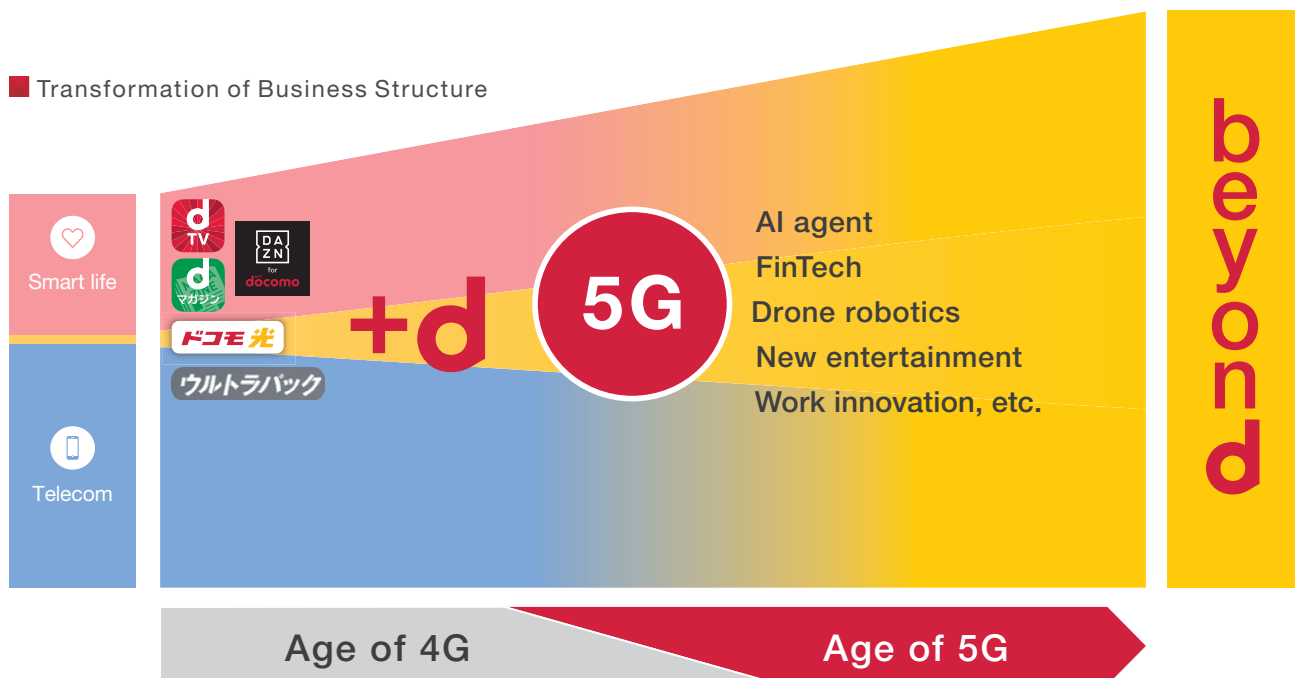
Human resources/organization management that reflects social change

In order to create services that give birth to new value, we need to build a new system that can transform our business structure. Specifically, we have created several business development offices that specialize in advanced themes such as sports and live venues, connected cars, FinTech and digital marketing to accelerate collaboration with partners. Moreover, together with maintaining a human resource appointment system not limited to internal personnel, we also include mid-career recruitment, and promote human resource exchange with our partner companies for more agile response capability.

As the social environment changes dramatically, we will continue to focus on workstyle reform with the goal of encouraging each employee to be autonomous and challenge-seeking. This workstyle reform consists of three pillars: 1) diversity management, 2) choice of workstyle and 3) health and productivity management.

The important thing about 1) diversity management is to proactively incorporate people with various points of view and knowledge from people outside the Company. Beyond the empowerment of female employees, an obvious issue, we will expand opportunities for our diverse workforce, regardless of nationality. Concerning 2) choice of workstyle, we are working to accommodate various workstyles by incorporating sliding work schedules, working from home, and flex time systems. We also

Transformation of Business Structure



plan to implement systems that expand the choice of working environments available in the future. As one example of effectively using time, I conduct standing meetings at the high counter in my office to shorten meeting times. With 3) health and productivity management, one example is our implementation of the “DOCOMO Let’s Walk Campaign,” in which employees and docomo Shop staff compete over how many steps they walk. In such ways we have made efforts to raise company-wide awareness about health.

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Evolution of governance toward increasing corporate value

DOCOMO complies with all of the principles of the corporate governance code, and treats it as an important issue. In addition, it is my belief that within governance, there is both an “offense” and a “defense.”

The “offense” in governance is the establishment of a mechanism for sufficient discussion of what kind of value DOCOMO will provide in the medium and long term, and what strategies to deploy to facilitate this. In formulating our medium-term strategy, the members of the Board of Directors, including the outside directors, held many animated discussions on how to express our commitment through “Declaration beyond.” There were opinions from outside directors suggesting that DOCOMO should work to exhibit leadership in provision of services. We also exchanged views on what management indicators most appropriately signify growth potential.

The “defense” in governance is sound business execution. In particular, we recognize that as DOCOMO is entrusted with customer information of over 75 million accounts, information security is our highest priority. We employ extreme caution in handling customer information, taking various measures at touchpoints such as docomo Shops. Also, DOCOMO as well as our Group companies will continue to make every effort to deal with external threats such as increasing cyber terrorism, including maintaining security systems, cultivating security personnel, and conducting group-wide training and exercises.

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Fulfilling our corporate social responsibilities

We believe that CSR is inseparable from our business activities; it is synonymous with our business activities. We aspire to achieve sustainable growth and development hand-in-hand with society. In order for DOCOMO to remain a company that is open, enjoyable and sound, we must be a trustworthy company. We refer to “+d” initiatives for addressing social issues as “Innovative docomo,” and



initiatives for fulfilling our social responsibilities as “Responsible docomo.” These dual CSR policy drivers constitute our efforts to contribute to the development of a sustainable society.

As a member of the telecommunications industry, we work toward solving global social issues, and serve as a board member of the GSM Association (GSMA), the world’s largest industry organization of mobile phone manufacturers and operators. The GSMA actively contributes to the promotion of the Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015. Telecommunications operators are independently evaluating and indicating the areas of activity that have the greatest impact on the 17 global SDGs that are particularly relevant to the mobile industry. In addition, DOCOMO ties SDGs to Eight Sustainability Focuses, which contribute to resolving social issues.

To our shareholders and investors

In Medium-Term Strategy 2020 “Declaration beyond,” we clarify what we will accomplish in regards to our growth strategy and what value we will provide. We have presented six declarations to assist our stakeholders in understanding both the strategy behind DOCOMO’s growth and that growth itself.

Moving forward, we will provide timely updates on our achievements as well as the state of our progress. We also plan to maximize return from these results to our shareholders and investors. I hereby declare that I will lead DOCOMO and do everything in my power toward the steady realization of “Declaration beyond.” I ask for your continued understanding and support as we go forward.

Message from the CFO



Shifting from a profit-base focus to greater emphasis on cash flow management

Hirotaka Sato

Executive Vice President and Chief Financial Officer
General Manager of Accounts and Finance Department
Responsible for Finance and Business Alliance

Achievement of the medium-term objectives formulated in FY2014 one year ahead of schedule

Financial results for FY2016 were strong. In just two years we have recovered from the large fall in operating income experienced in FY2014. Not only did the telecommunications business recover, but the smart life business and other businesses segment also experienced steady growth. Contributing factors were cost reductions that were accomplished well ahead of schedule and the increase in subscriptions to the “Kake-hodai & Pake-aeru” plan introduced in FY2014, supporting a movement toward larger data plans. As CFO, I took the lead in instigating cost reduction efforts for the entire company. I began by touring our branches across the country and instilling a sense of urgency in employees. Now, each employee understands the importance of these initiatives. We have made large-scale cost reductions ahead of schedule, but in order to continue making cost reductions on a scale that will contribute to profits, we are discussing a review of the way we

work, as well as the cost structure itself. When the “Kake-hodai & Pake-aeru” billing plan was introduced, it had a large negative impact on revenue. However, given the current sales trend, we can now be confident that its introduction was not a mistake.

Achieved Previous Medium-Term Targets

	FY2016 results	Medium-term targets for income recovery (FY2017) ⁶				
Operating income	¥944.7 billion (¥862.7 billion ¹)	¥820 billion or higher (FY2013 level or higher)				
Smart life business and Other businesses segment	¥111.9 billion ²	¥100 billion or higher				
Cost efficiency improvement (Compared to FY2013 level)	-¥470.0 billion ³	-¥400 billion or higher				
Capital expenditures	¥597.1 billion	¥650 billion per annum or lower ⁷				
Shareholder returns	<table border="0"> <tr> <td>Dividend</td> <td>¥80 (+ ¥20⁴)</td> </tr> <tr> <td>Share repurchase</td> <td>Approx. ¥930 billion⁵ (cumulative)</td> </tr> </table>	Dividend	¥80 (+ ¥20 ⁴)	Share repurchase	Approx. ¥930 billion ⁵ (cumulative)	Enhance shareholder returns through dividend hike and share repurchase
Dividend	¥80 (+ ¥20 ⁴)					
Share repurchase	Approx. ¥930 billion ⁵ (cumulative)					

1. Excluding the impact on operating income from the change in depreciation method, etc. and “Packet CarryOver.”
2. Operating income result is inclusive of impairment loss (-¥8.1 billion).
3. Cumulative amount of cost efficiency improvements achieved in FY2014 (¥120 billion), FY2015 (¥240 billion) and FY2016 (¥110 billion).
4. Compared to annual dividend for FY2013
5. Total price of shares repurchased in the periods between August 7, 2014 and March 27, 2015 (¥473.0 billion) and between February 8, 2016 and December 28, 2016 (¥457.1 billion)
6. Announced October 31, 2014
7. FY2015–2017

Medium-term strategy objectives — operating FCF and returns to shareholders

A significant factor in the management objectives of the medium-term strategy is the shift from a conventional profit-base focus to one that emphasizes cash generation capability. The background to this was the change in our depreciation method introduced in FY2016. Because operating income may fluctuate significantly due to changes in accounting standards, it is not necessarily appropriate to set a target for operating income. Furthermore, through dialogue with investors, we came to realize that they desire real cash generation capability and deemed it necessary to respond to these demands. EBITDA alone is adequate as a cash flow concept, but based on a management strategy aiming for medium-term EBITDA growth and efficient control of capital expenditures towards a 5G era, we chose operating FCF⁸ based on the two parameters of EBITDA and capital expenditures.

By carefully handling these two parameters, we aim to generate cash flow that surpasses the previous fiscal year.

While returns to shareholders have always been as an important management issue, we are now committing ourselves to

continuous increases in dividends, and we are clearly sending the message that dividends will not decrease. From here on, we will steadily generate cash and hope it will be taken as a sign that we are confident in the strength of our financial foundation.

8. Operating FCF = EBITDA – Capital expenditures

■ Managerial Targets of “Declaration beyond”

	FY16	FY17	2020
Operating FCF (EBITDA – CAPEX)	¥866.4 billion	¥910.0 billion	Cash generation capability continuously exceeding previous fiscal year's by realizing efficient investment activities in 5G and EBITDA growth
Shareholder returns	Annual dividend ¥80	Annual dividend ¥100	Continuous increase in dividends and expeditious share repurchase

Business plan for FY2017 to both enhance customer service and achieve sustainable corporate growth

We plan to achieve operating income of ¥960 billion in FY2017. Looking at only the PL figures it may appear that growth has slowed, but if you exclude irregular factors, it is clear that the difference in year-to-year earnings growth is not significant. It may be possible to achieve even greater profits in FY2017, but we will plant the seeds for the future by making investments in advance. By cultivating the innovation portion of the six declarations of the medium-term strategy, especially that of Style innovation, we will foster business that will contribute to medium- and long-term profits.

■ FY2017 Full-Year Guidance

(Billions of yen)	FY2016 Full year results (1)	FY2017 Full year forecast (2)	Change (2) – (1)
Operating revenues	4,584.6	4,750.0	+165.4
Operating expenses	3,639.8	3,790.0	+150.2
Operating income	944.7	960.0	+15.3
(Excluding irregular factors ⁹)	862.7	910.0	+47.3
Smart life business and Other businesses	111.9	130.0	+18.1
Operating FCF (EBITDA - CAPEX)	866.4	910.0	+43.6
EBITDA ¹⁰	1,463.4	1,480.0	+16.6
Capital expenditures	597.1	570.0	-27.1
Cost efficiency improvement	-110.0	-90.0	+20.0

9. The impact on operating income from the change in depreciation method, etc. and “Packet CarryOver.”

10. Definition of EBITDA has changed from the fiscal year ended March 31, 2017. Impairment losses of goodwill and unamortizable intangible assets, which were not previously included, are recorded in EBITDA under the new definition.

New definition of EBITDA: Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss (of property, plant and equipment, amortizable intangible assets, goodwill, and unamortizable intangible assets)

Another point is the continuation of returns to customers. The intrinsic aim of returns to customers is not to reduce profits through simple price reductions, but rather to strengthen our customer base through retention. Taking a medium-term perspective, we know we must strengthen our customer base, which is our source of revenue, to make further growth possible, and we are approaching this with a sense of urgency.

In FY2017, we will expand profits while making necessary investments and expenditures. We will approach both challenges of “enhancing customer service” and “achieving sustainable corporate growth” as if they were two wheels on a cart.

A financial strategy that emphasizes growth investment and capital efficiency

We will make investments with an eye to growth, solid returns and synergies. We will not start from a mindset focused on mergers and acquisitions. But in realizing “Declaration beyond” we will follow a business model that is underpinned by co-creation with partners and providing added value through “+d,” and will consider mergers and acquisitions to be an extension of that. At the moment, we are not considering investment in global carriers, but there are various other possibilities. In particular, we will prioritize the investment required to accelerate growth in the smart life business and other businesses segment, such as platform-related items and those that contribute to innovation. Because change is fierce in the realm of technological innovation, and we are heading more and more into uncharted territory, we are trying to maintain an agile response capability by taking measures in a wide range of areas, including venture investments. When we invest in companies, it is desirable that we acquire at least the 20% or more in common stock that constitutes a company accounted for using the equity method, or the 50% or more that constitutes a subsidiary, ensuring that we can contribute to performance with the possibility of control.

To improve capital efficiency, we certainly also must manage ROE. The fact that we have a very strong financial foundation at present, can conversely be taken to mean that we are not making effective use of leverage. One proposal would be, for example, to cover investment in fixed-scale growth with borrowing. On the other hand, we also plan to realize continuous increase in dividends and expeditious share repurchase, and will work to improve capital efficiency from both a borrowing and capital perspective.

Finally, in fiscal 2017 we want to change from a phase of restoring profits to one of creating steady profits. DOCOMO is a company that will continue to grow steadily in the future and I am convinced that it will be able to meet the expectations of our shareholders.

Measures to Address Major Management Risks

In order to fulfill its mission to provide essential communications infrastructure, the Group continues to identify risks and to implement management initiatives and countermeasures designed to reduce risks. At the same time, we are aware of the possibility that new risks may arise whenever we implement new initiatives towards the steady execution of “Declaration beyond.” Accordingly, the Group works to strike a balance between advanced sensitivity to risk and an ongoing commitment to seeking out and meeting challenges.

Details of major risks	The Group's measures to reduce risks
<p>Changes in the telecommunications industry market environment (such as intensifying competition from other businesses or other technologies, the expansion of competitive layers, or the participation or cooperation of mobile service providers in other industry sectors leading to the invigoration of these sectors) could limit the Group's acquisition of new subscriptions or our retention of existing subscriptions, and could also lead to unanticipated ARPU decreases, cost increases, etc.</p>	<ul style="list-style-type: none"> • Carrying out multifaceted research and analyses of market trends, as well as developing new products and services that incorporate market feedback (demand) • Establishing billing plans that earn continued customer loyalty, based on detailed analyses of customer usage trends, sales, etc. • Appropriately communicating to customers the Company's initiatives to strengthen network quality, simplify billing plans, expand after-sales services, and make services more convenient <p>For related information to page 69</p>
<p>If the current and new services, usage patterns, and sales formats proposed and provided by the Group cannot be developed according to plan, or if unanticipated expenses arise, this could impact the financial condition of the Group or restrict our growth.</p>	<ul style="list-style-type: none"> • Developing competitive new products and services by constructing an efficient development process that enables the timely provision of products and services that take into account changes in the environment • Streamlining management resources through selection and concentration of services based on regular service evaluations that reflect customer usage trends and changes in the environment • Regularly collecting and analyzing information concerning the sales, subscriptions, and usage of products and services, and identifying declines in subscriptions or sales early on
<p>Introduction of or changes to various laws, regulations, or systems (both inside and outside Japan), or the application of such introductions or changes to the Group, could impose restrictions on our business operations. This may adversely impact the Group's operational outcomes.</p>	<ul style="list-style-type: none"> • Gathering information about changes in policies, such as administrative and legislative policies that may impact business operations • Working to build understanding of the Group's opinions among stakeholders. This includes indicating Group opinions via public comment initiatives implemented by ministries or other government agencies
<p>Limitations in the frequency spectrum or facilities available to us could impact our ability to maintain or improve our service quality and our level of customer satisfaction, and could also increase our costs.</p>	<ul style="list-style-type: none"> • Building systems that can flexibly accommodate changes in capital expenditure plans through regular monitoring of traffic • Analyzing customer feedback with respect to network areas, and implementing and promoting initiatives designed to improve customer satisfaction in each network area • Encouraging users of existing radio stations to move to other frequencies so that services in new frequency bands can be implemented as planned <p>For related information to page 36</p>
<p>Mobile service providers around the world may fail to adopt technologies or frequency bands compatible with those used by the Group's mobile communications system. This could impact our ability to offer a full range of international services.</p>	<ul style="list-style-type: none"> • Gathering and conveying information by participating in the activities of organizations involved in international standardization, as well as through alliances with overseas telecommunications operators • Minimizing the impact of changes in frequency bands used by overseas operators on development of our handsets and services, as well as promoting the adoption of the frequency bands used by the Group <p>For related information to page 38</p>
<p>Our domestic and international investments, alliances, collaborative partnerships, or investments in new business fields may not produce the returns or provide the opportunities we expect.</p>	<ul style="list-style-type: none"> • Working to better clarify revenues and profits from our investments and partnerships, as well as creating and demonstrating synergies, based on the Group's overall strategy • Building a better understanding of the distinctive legal systems, practices, specialized knowledge, etc., of the industries in which we are involved; creating systems to regularly evaluate the progress and risk status of our business partners and other companies in which we have invested; and establishing exit rules in the event that risks do materialize <p>For related information to page 81</p>

An overview of the Group's major risk management measures is provided below. From among the broad range of risks—in business, financial, legal, and other areas at the end of July 2017—this overview presents those risks considered especially strongly connected to the Group's business strategies.

Details of major risks	The Group's measures to reduce risks
Malfunctions, defects, or imperfections in our products or services (or those of other providers) may give rise to problems.	<ul style="list-style-type: none"> • Conducting extensive quality checks before introducing new handsets or applications • Promoting the adoption of virus countermeasure services and phishing countermeasure services • Establishing publication standards for content and services on platforms provided by the Group, as well as regularly verifying safety and building systems that enable prompt removal of any items judged to be inappropriate.
Social problems arising from potential misuse of our products or services may adversely impact our credibility or corporate image.	<ul style="list-style-type: none"> • Continuing to work toward achieving a safe and secure mobile society by promoting and expanding appropriate services and countermeasures, providing educational activities, and promoting awareness • Training and alerting sales agents as necessary to ensure that they fully verify the identity of mobile phone subscribers and abstain from inappropriate sales methods, and working with sales agents (such as sharing customer feedback with them) to ensure that their sales methods are appropriate <p>For related information link to page 46</p>
Unsatisfactory handling of confidential business information, including personal information, by the Group, our contractors, or others may adversely impact our credibility or corporate image.	<ul style="list-style-type: none"> • Rigorously implementing the appropriate handling of managed information by introducing and updating information management rules both internally and externally (including suppliers and other business partners), as well as providing ongoing educational activities • Building robust information systems and carrying out regular testing based on established security standards <p>For related information link to page 60</p>
Owners of intellectual property rights essential for our business operations may fail to grant us licenses for these intellectual property rights. This may render us unable to offer certain technologies, products and/or services, and the Group could also be held liable for damage compensation if the intellectual property rights of others end up being infringed. In addition, any illegal use by third parties of the intellectual property rights owned by the Group could reduce our projected license revenues and could adversely impact our competitive superiority.	<ul style="list-style-type: none"> • Securing the relevant Group's rights prior to the development of any new products or services, as well as investigating rights of other companies and undertaking measures necessary to conclude licensing contracts, etc. • Investigating the use of our intellectual properties by other companies in regard to important technologies and services that have a significant impact on the Group's business, and working to prevent the loss of licensing revenue opportunities by taking immediate action in the event that any infringement of rights is discovered
Natural or human-caused disasters (or similar events or incidents) could damage our networks, distribution channels, or any other elements necessary for the Group's provision of service. Such incidents may adversely impact our credibility or corporate image, and may lead to reduced revenues or increased costs.	<ul style="list-style-type: none"> • Establishing basic principles for responses to large-scale natural or other disasters, as well as carrying out training on a regular basis • Formulating business continuity procedures and establishing backup systems for our most important platforms and internal systems <p>For related information link to page 36</p>
Concerns may spread about the adverse health effects of wireless telecommunications.	<ul style="list-style-type: none"> • Conducting ongoing studies and research relating to the effects of radio waves on human health, as well as publishing the results of such research
Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise its influence in ways that may not benefit our other shareholders.	<ul style="list-style-type: none"> • Sharing with our parent company the opinions and demands of non-parent company shareholders, as well as opinions obtained from the Company's experts in various fields • Constructing a system enabling the opinions of independent outside directors to be reflected in business operations <p>For related information link to page 56</p>

Actions taken by the Group to address certain risks do not constitute a guarantee that these risks will be avoided.

For more details about business risks, please refer to the Company's annual report on Form 20-F, submitted to the U.S. Securities and Exchange Commission (SEC).

<https://www.nttdocomo.co.jp/english/corporate/ir/library/sec/index.html>