

## **Systems for Ensuring the Propriety of NTT DOCOMO's Business Activities (Internal Control System)**

A summary of the Board of Directors resolutions concerning the development of systems to ensure the propriety of NTT DOCOMO's business activities (internal control systems) is set forth below.

### **I. Basic stance on fortifying internal control systems**

1. In fortifying the internal control systems, we aim to achieve legal compliance, management of loss risk and appropriate and efficient business operations and consider various measures, including regulations, organizational and structural improvement, formulation of action plans, and the monitoring of activities.
2. An internal control committee will be formed as an entity overseeing efforts to have the internal control systems function more efficiently. The committee will aim to fortify internal control systems from the cross-departmental perspective; upon assessing efficacy, necessary improvements will be carried out.
3. Appropriate efforts will be made with regard to ensuring the reliability of the internal control systems, which will be involved with the financial reporting based on the Financial Instruments and Exchange Act.
4. The Board of Directors will approve the basic policy on fortifying internal control systems (the Basic Policy), receive regular reports on the progress of the initiative to fortify internal control systems, and oversee and monitor the internal control systems of DOCOMO.
5. As chief executive officer, the president and representative director will oversee the efforts to build the internal control systems based on the Basic Policy approved by board members.

### **II. Fortifying structure relating to internal control systems**

#### **1. System to ensure that the performance of duties by directors and employees conform with laws and regulations and our Articles of Incorporation**

We institute the "NTT DOCOMO Group Code of Ethics" and compliance-related regulations and create requisite systems for ethical and legal compliance. In addition, when preparing financial statements, officers responsible for finance, audit & supervisory board members, and independent auditors hold preliminary discussions of significant accounting policies, and for disclosure of company information including financial statements in a manner that conforms with securities-related laws and regulations, matters are decided at meetings of the Board of Directors after the necessary internal procedures pursuant to in-house regulations have been completed. Also, internal audit staff conducts audits of our overall business activities to ensure conformity with laws and regulations and in-house regulations.

## **2. System for storage and maintenance of information relating to the performance of duties by directors**

Information relating to the performance of duties by directors is recorded and stored in accordance with rules stipulating the methods of storage and administration of documents and administrative information.

## **3. Regulations and other systems relating to the management of loss risks**

Executive directors responsible for risk management periodically summarize information relating to risks in their organizations in accordance with rules concerning risk management, and the internal control committee made up of directors, senior vice presidents, and others identifies risks as necessary for companywide risk management, and decides management policy for identified risks to prevent risks from occurring and to take rapid countermeasures in the event that risks do occur.

## **4. System to ensure that the performance of duties by directors is conducted efficiently**

The efficiency of the performance by directors of their duties is ensured by such means as decision-making rules based on internal regulations and the specification of powers relating to their duties, the formulation of medium-term management policies and business plans by the Board of Directors, and the establishment of committees composed of directors, senior vice presidents, and others.

## **5. System to ensure the propriety of the business activities of the corporate group consisting of NTT DOCOMO, its parent company, and its subsidiaries**

1. System for reporting matters concerning the execution of duties of directors, etc. of subsidiaries to the company

In accordance with the rules stipulating fundamental matters relating to the management of affiliated companies for the purpose of the comprehensive development and improvement of performance of the Group, affiliated companies will consult with or report to the Company.

2. Regulations and other systems relating to the management of loss risks of subsidiaries

Intrinsic risks in the Group are managed in accordance with the rules concerning risk management, and risk management for Group companies is conducted according to their scale and business type.

3. System to ensure that the performance of duties by directors, etc. of subsidiaries is conducted efficiently

Group companies establish decision-making rules and authority in duties according to their scale and business type, and consult or report on principal issues relating to the business operations of the Group as a whole.

4. System to ensure that the performance of duties by directors, etc. and employees of subsidiaries conform with laws and regulations and the Company's Articles of Incorporation  
We have established the "NTT DOCOMO Group Code of Ethics" as a uniform code of ethics for the Group, and all Group companies strive to comply with this code of ethics. Furthermore, subsidiaries' officers responsible to formulate and report the status of management system of code of ethics, as well as to report to the Company when they identify a problematic situation involving a management executive, and the Company provides the necessary guidance on the appropriate response.
5. Other systems to ensure appropriate operations  
With respect to unusual transactions with the parent company, investigations are conducted by legal personnel and audits are conducted by audit & supervisory board members. Further, audits by internal audit personnel are directed to cover its subsidiaries and affiliates, and whenever necessary they obtain and assess the results of the internal audits of those companies.

## **6. System to ensure the effectiveness of audits by audit & supervisory board members**

1. Matters relevant to employees assistance to the duties of audit & supervisory board members if their assignment is requested  
The Audit & Supervisory Board Member's Office is established as an organization dedicated to assisting the audit & supervisory board members with the performance of their duties, and specialist staff are assigned to it.
2. Matters relevant to the independence of the employees in 1. above from directors  
We provide the Audit & Supervisory Board with advance explanations concerning matters such as transfers and assessment of personnel who belong to the Audit & Supervisory Board Member's Office, and pay respectful attention to the board's opinions before acting on such matters.
3. Matters relevant to ensuring the effectiveness of instructions of audit & supervisory board members to the employees in 1. above  
Employees who belong to the Audit & Supervisory Board Member's Office exclusively follow the directions and commands of audit & supervisory board members.
4. System for reporting to audit & supervisory board members by directors and employees  
Directors, executive officers, and employees report promptly to the audit & supervisory board members and to the Audit & Supervisory Board concerning matters prescribed by laws and regulations as well as requested matters necessary for the performance by the audit & supervisory board members of their duties.

5. System for reporting to the Company's audit & supervisory board members by subsidiaries' directors, audit & supervisory board members and other equivalent persons and employees, or persons who have received reports from such persons

The matters to be reported in 4. above shall include material information reported by Group companies.

6. System to ensure that persons making reports in the above items 4. and 5. are not treated disadvantageously due to making the report

Persons who make reports in the above items 4. and 5. are not treated disadvantageously due to making the report.

7. Matters relevant to procedures policy on the expense or debts arising from the execution such an advance payment or reimbursement of expenses arising from the execution of duties by audit & supervisory board members

Audit & supervisory board members may claim necessary expenses for the execution of their duties, and the Company must make the necessary payments based on such claims.

8. Other systems for ensuring that auditing by audit & supervisory board members is conducted effectively

Representative directors and the Audit & Supervisory Board hold regular meetings and develop an auditing environment necessary for enabling the audit & supervisory board members to perform their duties. In addition, representative directors endeavor to establish a system enabling audit & supervisory board members to hold regular and occasional meetings with internal audit staff and independent auditors.