NTT DOCOMO FACTBOOK

February 1, 2019
About NTT DOCOMO
NTT DOCOMO, INC. is one of the world’s leading mobile communications companies with over 77 million customers, as of end-Dec. 2018.

DOCOMO launched the world’s first 3G mobile service based on W-CDMA in 2001, followed by LTE service in 2010.

DOCOMO launched its “PREMIUM 4G” service in March 2015, using LTE-Advanced technology.

DOCOMO’s profit in FY2018 (as of 1-3Q, end-Dec. 2018) stands at JPY 902.0 Bln (USD 8.13 Bln) on operating revenues of JPY 3,654.1 Bln (USD 32.9 Bln) (JPY111.00= USD1.00; Dec. 31, 2018)

HQ located in Tokyo, Japan; employees number 27,464 (consolidated, as of Mar. 2018); listed on Tokyo Stock Exchange (9437).

1991—1999
- NTT Mobile Communications Planning established (Aug. 1991)
- Corporate Name changed to NTT DOCOMO (Apr. 1992)
- Launched “i-mode” mobile Internet service (Feb. 1999)

2000—2005
- Commercialized world’s first WCDMA-based 3G service (Oct. 2001)
- Listed on NYSE (Mar. 2002)
- Launched NFC-based mobile wallet service (July. 2004)
- Launched mobile credit card service (Apr. 2005)

2006—2010
- Achieved 100% population coverage for 3G service (Dec. 2008)
- Commercialized LTE service (Dec. 2010)

2015—2020
- Commercialized LTE-Advanced service (Mar. 2015)
- Planning commercialization of 5G service (2020)
President & CEO

- Assumed the posts of President & CEO in June 2016

Biography

Kazuhiro Yoshizawa was named President and CEO of NTT DOCOMO, INC. in June 2016. Concurrently, he retains his position as a Member of the Board of Directors, which he assumed in June 2011.

Mr. Yoshizawa was a Senior Executive Vice President, Chief Information Officer, Chief Information Security Officer, and Chief Privacy Officer, and was responsible for technology, devices and information strategy from June 2014. He became General Manager of the Structural Reform Office in July 2013, while concurrently serving as an Executive Vice President and General Manager of the Corporate Strategy and Planning Department, and was responsible for the Mobile Society Research Institute from June 2012. Mr. Yoshizawa entered NTT Public Corporation in April 1979.

Management Policy

Ever-improving value propositions to customers and society

Advancement of mobile ICT (Device/Network/Software) × New ideas × Speed

Service creation/evolution
- Deliver fun, convenience and peace of mind to every single customer/family

Promotion of “+d”
- Address social issues and invent new solutions for regional revitalization & 2020

Reinforcement of all foundations

- Cost structure reform
- Network/R&D (IoT, AI/5G/Services)
- Expansion of customer base

× Reinforce corporate governance
||

A healthy company that achieves both enhanced customer service and sustainable business growth
(Gain the confidence of customers, society, shareholders, business partners and employees)
Japan’s mobile phone market reached a penetration rate of 100% in 2012 and surpassed 172 million subscriptions in 2018.

### Subscriber Share Snapshot

- **DOCOMO**: 44.9% (77.5 million)
- **au**: 31.4% (54.3 million)
- **SoftBank**: 23.7% (40.8 million)

### Subscriber Growth in 3G & LTE

- **DOCOMO**:
  - 2005: 100 million
  - 2018: 180 million
- **au**:
  - 2005: 60 million
  - 2018: 150 million
- **SoftBank**:
  - 2005: 40 million
  - 2018: 140 million

Source: Telecommunications Carriers Association (TCA)
Operating revenue in FY2018 is targeted to reach JPY4,790.0 Bln (approx. USD43.2 Bln). (USD1.00 = JPY111.00)*

DOCOMO aims to expand “Smart ARPU” to achieve sustainable growth of business.

**Growth of Revenues**

(Billions of yen) [ ] = USD

- **Telecommunications services**
  - FY2014: 4,383.4 [41.3Bln]
  - FY2015: 4,527.1 [42.6Bln]
  - FY2016: 4,584.6 [43.2Bln]
  - FY2017: 4,769.4 [44.9Bln]
  - FY2018 (Forecast): 4,790.0 [43.2Bln]

- **Equipment sales**

- **Other operating revenues**

**ARPU**

(Oct-Dec 2018)

- **Aggregate ARPU**: JPY4,830 (≒USD43.5)
- **Mobile ARPU**: JPY5,300 (≒USD47.7)
- **“docomo Hikari” ARPU**: JPY490 (≒USD4.4)
- **Impacts of discount**: JPY960 (≒USD8.6)

Aggregate ARPU = Mobile ARPU + “docomo Hikari” ARPU (incl. impact of discount)

[Mobile ARPU]
Mobile ARPU Related Revenues (Voice-Related Revenues (basic monthly charges, voice communication charges) + Packet-Related Revenues (basic monthly charges, packet communication charges) ) / No. of active users

[Packet ARPU]
Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users

[“docomo Hikari” ARPU]
“docomo Hikari”-related revenues (basic monthly charges, voice communication charges) / No. of active users

◆ Mobile ARPU and “docomo Hikari” ARPU exclude the impacts of discount
◆ The impacts of discount include those from “Monthly Support,” “docomo with” and “docomo Hikari set discount”
 Operating income of “Smart Life Business and Other Businesses” grew substantially.

Principal services
- Smart life business
- Content/Commerce
- Finance/Payment
- Lifestyle

Other businesses
- Enterprise solutions
- Support services for customers’ peace of mind, etc.
Product Lineup

- Diverse range of sophisticated smartphones and tablets, enhanced with value-added features and original, innovative services from DOCOMO

**docomo Smartphone / Google Pixel**

Xperia™ XZ3 SO-01L  
GALAXY NOTE9 SC-01L  
GALAXY S9 SC-02K  
AQUOS sense2 SH-01L  
Google Pixel 3XL

... and more

**docomo Raku-Raku PHONE**

Raku-Raku PHONE F-02J  
Raku-Raku SMART PHONE F-03K

**docomo Tablet**

dtab Compact d-02K  
arrows Tab F-02K

**docomo Feature Phone**

Card Keitai KY-01L  
AQUOS Keitai SH-02L  
P-smart Keitai P-01J

**Others**

One Number Phone ON-01  
Wi-Fi STATION HW-01L
Total Subscriptions & Smartphone/Tablet Users

- Total subscriptions and smartphone/tablet users recorded a year-on-year increase.

■ Mobile telecommunications service subscriptions
  (Million subs)

■ Total smartphone/tablet users
  (Million subs)
Affordable, Easy and Convenient!

Combined services

- DOCOMO’s mobile services
- “docomo Hikari”
- More affordable rates

One-stop service

“docomo Hikari”

- Services combining mobile and fiber
- Service launch: Mar. 1, 2015
- “docomo Hikari” subs topped 5 million in 2018.

■ “docomo Hikari” optical-fiber broadband subs (Million subs)

Topped 5 million

FY17/3Q: 4.48
FY18/3Q: 5.54
Up 24%
Promotion of \( +d \)

- Address social issues and invent new solutions for regional revitalization & 2020
- Create new added value in collaboration with a wide range of external partners

No. of \( +d \) partners growing steadily

<table>
<thead>
<tr>
<th>Expansion of “d POINT” participating stores</th>
<th>Trial of real-time AI sales prediction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Announced October</td>
<td>Announced November</td>
</tr>
</tbody>
</table>

Collaboration agreement with Kumamoto City for promoting use of ICT in education

Announced October

Agreement for economic vitalization of Miura Peninsula region

Announced November

\* No. of “+d” partners: The no. of partners that have jointly created new value by integrating DOCOMO’s business assets with their own assets
Network Expansion
NW Coverage & Subscriber Migration

- Achieved 100% population coverage for 3G in 2008
- Commercialized LTE in 2010
- 2G services terminated on Mar. 31, 2012 after more than 99% of the total subscriber base migrated to 3G/LTE
- Launched “PREMIUM 4G” service in March 2015, using LTE-Advanced technology

■ Service Coverage

100% population coverage for 3G (incl. HSDPA)

■ Subscriber Segment by NW

77.5 Mil subscribers (end-Dec. 2018)

- 3G (30.6%)
- LTE (69.4%)

[Expanding Coverage in Mountainous Areas]

DOCOMO subscribers are able to enjoy 3G, LTE, and LTE-Advanced service even on Mt. Fuji. During the official climbing season, DOCOMO prepares for boosters to respond to higher traffic expected.

Coverage survey of mountainous area (Bandai Asahi National Park)
LTE Network: Planned Advancements

<table>
<thead>
<tr>
<th>Year</th>
<th>Total LTE Base Stations</th>
<th>PREMIUM 4G-Enabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17/3Q</td>
<td>175,100</td>
<td></td>
</tr>
<tr>
<td>FY18/3Q</td>
<td>199,500</td>
<td>131,800</td>
</tr>
</tbody>
</table>

1Gbps+ service to be launched in over 340 cities across Japan

- The transmission speed described herein is the theoretical maximum downlink rate specified in the technical standard and the actual rate may vary depending on the propagation conditions, etc.
- The transmission speed of 1Gbps+ is planned to be supported with devices to be released in or after February 2019.
The World Envisaged by 5G

High speed/large capacity
- Peak rate: Over 20 Gbps
- System capacity: 100 times*

Low latency
Transmission latency in Radio Access Network (RAN): 1ms or less

Connection with numerous devices
No. of simultaneously connected devices: 1,000,000/km²

Remote medical services
AR/VR
4K/8K video streaming
Stadium solution
Smart city, smart home
Agricultural ICT

*: Compared to the Premium 4G (LTE-Advanced), launched in 2015.
5G Network Rollout

Steadily build coverage in areas where 5G is considered necessary

FY2018

FY2019

FY2020

FY202x

▲ Rugby World Cup 2019™

▲ The Olympic and Paralympic Games Tokyo 2020

Network rollout/development toward pre-commercial service

Pre-commercial service (from September 2019)

Commercial service (from Spring 2020)

¥1 trillion investment for 5G infrastructure buildout, etc.
(FY2019-2023 cumulative)

◆ NTT DOCOMO is a Gold Partner of the Tokyo 2020 Olympic and Paralympic Games (in the telecommunications services category).
5G Services & Solutions

Creation underway in cooperation with a wide range of partners toward full-scale launch of 5G

New sensory experience services

Solutions for social issues/Regional vitalization

Stadium solutions

High presence

Here comes 5G Japan 2020

Interactive

Remote medicine

VR/AR/MR

New sensory live events

Anomaly detection through video analysis (Disaster prevention/mitigation)

Remote operation of construction equipment, etc.
Full-Scale Development of Low Power Consumption IoT

LPWA network/solutions for various IoT devices rolled out from spring 2017

Cellular IoT

- Cat.M / NB-IoT
- eDRX
- Cat.1 (currently in service)

LoRa®

Low speed/
low data volume

Low power consumption
(10 years operation on a single battery)

Low price

◆ Cat.M, eDRX and LoRa services are currently provided on a trial basis for verification.
Initiatives Toward Delivery of Medium-Term Targets
Business Creation through “+d”

Accelerate solution co-creation with partners

- Further advance co-creation with local communities to solve social issues

- Creation of 5G use cases with wide range of partners

- Promote three-party collaboration among customers, Corporate Sales & Marketing and R&D

- Establishment of ICT for Regional revitalization promotion office (April 1, 2018)

- DOCOCMO 5G Open Partner Program Participated in by over 2,000 entities (As of Dec. 31, 2018)

- Reinforcement of solution co-creation team (technical sales)

- DOCOCMO 5G Open Lab
  - Yotsuya (Opened Apr. 22, 2018)
  - Osaka (Opened Sep. 2018)
  - Okinawa (Opened Jan. 9, 2019)
Business Strategy Centered on Membership Base

Deliver ever-improving value to all “d POINT CLUB” members

"Benefit & Convenience" to members

Member base

Mobile subscribers
“d POINT CLUB” members

DOCOMO Group

Partners

+ d

Services

Services

Customer referral

Agent

Payment

d CARD
d Payment

d払い

DMP: Abbreviation for Data Management Platform.
ESG Practices

Realize long-term growth of corporate value and contribute to building a society in which everyone can live with safety, security, comfort and affluence.

Environment (E)

Contribute to reducing CO₂ emissions through new service/technology development
FY18 target: 37 million tons
FY20 target: 39 million tons

Promote resource recycling through collection of used mobile phones
FY18-20 target (cumulative): 10 million units (including reused devices)

Social (S)

Contribute to protection of children through Smartphone/Mobile Phone Safety Classes
FY18 target: 1.1 million attendees
FY20 target: 1.3 million attendees

Creation of ICT solutions that contribute to resolving social issues
FY18-20 target (cumulative): 100 solutions

Governance (G)

Strengthen corporate governance

Organize more constructive dialogue with stakeholders

Initiatives for further governance reinforcement

◆ The numerical targets for CO₂ emission reduction indicate the “amount of contribution to reduction of CO₂ emissions by society”

◆ “Amount of contribution to reduction of CO₂ emissions by society” is calculated by converting the energy conservation benefits of the supplied ICT services into CO₂ emission per one mobile subscription. In comparing the energy conservation benefits of the supplied ICT service with the environmental burden of conventional solutions, the Company referenced the calculation methods included in the Telecommunication Technology Committee’s Methodology for the Assessment of the Environmental Impact of Information and Communication Technology Goods, Networks and Services (JT-L1410).
**NIKKEI Smart Work Survey**

**Toyo Keizai Corporate CSR Ranking**

**FY2018 Toyo Keizai Corporate CSR Ranking**

Ranked No. 1 in overall evaluation
Evaluates “reliable companies” based on adequacy of CSR initiatives and financial performance

**NIKKEI Smart Work Survey**

Received highest “5-star” rating
Rates companies based on the four elements of utilization of human resources, innovation, market development and management foundation

Awarded NIKKEI Smart Work Grand Prize 2018 (Innovation Division)
Recognizes advanced companies that tackle productivity revolution through workstyle reform
Toward Sustainable Growth

Execution of “Declaration beyond” and business growth driven primarily by “members”

Strengthen customer base centered on “members”
~ Further evolve billing plans, point program and service offerings to address the needs of each customer ~

Step up growth investments
~ Infrastructure investment to create new businesses for the 5G era and further promotion of +d activities ~

Drastic cost efficiency improvement
~ Further improvement of network cost efficiency and operational reform leveraging AI and other new technologies ~
Connecting dreams, for a richer future with 5G

Value and excitement to customers
Benefit Convenience

Enjoyment Surprise
Satisfaction Peace of mind

Value co-creation with partners

Declaration beyond

Declaration 1: Market leader
Declaration 2: Style innovation
Declaration 3: Peace of mind and comfort support
Declaration 4: Industry creation
Declaration 5: Solution co-creation
Declaration 6: Partner business expansion

Benefit
Contribution to industries
Solution of social issues
Regional vitalization
Expansion of partners’ business

Promote ESG management and strive to realize sustainable development of society by addressing the two aspects of “Innovative docomo” and “Responsible docomo”
Global Business
# Global Presence

## Americas/Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Company Name</th>
<th>Percentage of Voting Shares</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>São Paulo</td>
<td>NTT DOCOMO Brasil Serviços de Telecomunicação Ltda.</td>
<td>100.0%</td>
<td>Enterprise solutions &amp; information gathering</td>
</tr>
<tr>
<td>Guam</td>
<td>Tamuning</td>
<td>DOCOMO PACIFIC, INC.</td>
<td>100.0%</td>
<td>Mobile/fixed line operator</td>
</tr>
<tr>
<td>United States of America</td>
<td>New York</td>
<td>NTT DOCOMO USA, Inc.</td>
<td>100.0%</td>
<td>Enterprise solutions &amp; information gathering</td>
</tr>
<tr>
<td></td>
<td>Palo Alto</td>
<td>DOCOMO Innovations, Inc.</td>
<td>100.0%</td>
<td>R&amp;D</td>
</tr>
<tr>
<td></td>
<td>Honolulu</td>
<td>DCM Reinsurance Company, Inc.</td>
<td>100.0%</td>
<td>Reinsurance business</td>
</tr>
<tr>
<td></td>
<td>Redwood City</td>
<td>Evernote Corporation</td>
<td>-</td>
<td>Information storage service</td>
</tr>
<tr>
<td>Germany</td>
<td>Munich</td>
<td>DOCOMO Communications Laboratories Europe GmbH</td>
<td>100.0%</td>
<td>R&amp;D</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>London</td>
<td>DOCOMO Digital Limited</td>
<td>100.0%</td>
<td>Platform business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DOCOMO Europe Ltd.</td>
<td>100.0%</td>
<td>Enterprise solutions &amp; information gathering</td>
</tr>
</tbody>
</table>

* as of Dec. 31, 2018
## Global Presence

### Asia

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<tr>
<th>Country</th>
<th>City</th>
<th>Company Name</th>
<th>Percentage of Voting Shares</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Dhaka</td>
<td>Robi Axiata Limited</td>
<td>6.3%</td>
<td>Mobile operator</td>
</tr>
<tr>
<td>China</td>
<td>Shanghai</td>
<td>NTT DOCOMO China Co., Ltd.</td>
<td>100.0%</td>
<td>Enterprise solutions &amp; information gathering</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>DOCOMO Beijing Communications Laboratories Co., Ltd.</td>
<td>100.0%</td>
<td>R&amp;D</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>-</td>
<td>Hutchison Telephone Company Ltd.</td>
<td>24.1%</td>
<td>Mobile operator</td>
</tr>
<tr>
<td>Philippines</td>
<td>Manila</td>
<td>PLDT Inc.</td>
<td>8.6%</td>
<td>Mobile/fixed line operator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Philippines Branch</td>
<td>-</td>
<td>Advisory business</td>
</tr>
</tbody>
</table>

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## Global Presence

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<th>City</th>
<th>Company Name</th>
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<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>-</td>
<td>NTT DOCOMO ASIA Pte. Ltd.</td>
<td>100.0%</td>
<td>Enterprise solutions &amp; information gathering</td>
</tr>
<tr>
<td>South Korea</td>
<td>Seoul</td>
<td>KT Corporation</td>
<td>5.8%</td>
<td>Mobile/fixed line operator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RSUPPORT Co., Ltd.</td>
<td>15.7%</td>
<td>Remote solution business</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Taipei</td>
<td>Far EasTone Telecommunications Co., Ltd.</td>
<td>4.7%</td>
<td>Mobile operator</td>
</tr>
<tr>
<td>Thailand</td>
<td>Bangkok</td>
<td>Mobile Innovation Co., Ltd.</td>
<td>72.6%</td>
<td>Platform business</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Hanoi</td>
<td>VMG Media Joint Stock Company</td>
<td>24.5%</td>
<td>Platform business</td>
</tr>
</tbody>
</table>

* as of Dec. 31, 2018
Mobile Alliance Partners

**SCFA**
- Business cooperation committee with China Mobile (China) and KT (South Korea)
- Cooperation in the areas of international roaming, network technologies, etc.

**Conexus**
- One of the largest carrier alliances in Asia with 9 participating companies
- Business collaboration primarily in the fields of international roaming and enterprise services

*SCFA* (DOCOMO + 2 operators)
- China Mobile (China)
- KT (South Korea)
- HTCL (Hong Kong)
- FET (Taiwan)
- Smart (Philippines)
- True (Thailand)
- StarHub (Singapore)
- Indosat (Indonesia)
- VNPT (Vietnam)

**SCFA* (DOCOMO + 2 operators)**
- Investee
- Alliance partner
International Roaming Services

**Outbound Roaming**
- Expansion of int’l roaming areas incl. LTE / VoLTE roaming

<table>
<thead>
<tr>
<th></th>
<th>Voice / SMS</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of countries/regions</td>
<td>230</td>
<td>221</td>
</tr>
<tr>
<td>3G</td>
<td>174</td>
<td>175</td>
</tr>
<tr>
<td>LTE</td>
<td>12 (VoLTE)</td>
<td>96</td>
</tr>
</tbody>
</table>

* as of December 31, 2018

**Inbound Roaming**
- Provision of a new service to foreign travelers in Japan in collaboration with overseas carriers and partner shops in Japan

Providing coupons to travelers in Japan

- **DOCOMO**
  - Send coupons when attached to DOCOMO NW

- **Travelers in Japan**
  - Shopping with coupons

- **Partner Shops**
  - Laox (tax free shop)
  - shopping malls
  - drug stores
  - etc.
The new of today, the norm of tomorrow