New Initiatives toward Delivery of Medium-Term Targets
From “Competition” to “Co-Creation”

Transition from customer acquisition competition to the age of added value co-creation

• With the introduction of the new billing plan and “docomo Hikari” optic-fiber broadband service, DOCOMO induced a phase change in the competitive landscape, breaking away from the conventional competition focused on customer acquisition to start offering values to customers based on the length of use of service.

• Going forward, to accommodate the diversifying needs of customers, we will undertake initiatives for “co-creation”, creating new added value in collaboration with a wide range of external partners.

• Through co-creation with partners, we will aim to generate new services and businesses, bring more abundance to our lives, and contribute to revitalizing industries and solving various social issues.
Initiatives For Delivery of Medium-Term Targets

Telecommunications business

- Recover competitiveness
  - iPhone release
  - New billing plan
  - "docomo Hikari"

- Reinforce competitiveness
  - Promote subscription to new billing plan and "docomo Hikari"
  - Encourage migration to larger data plans
  - NW speed enhancement (LTE-Advanced)
  - Ongoing cost efficiency improvement
  - More efficient use of CAPEX

Smart Life domain

- Accelerate "dmarket" initiatives
- Expand service domains by adding home offerings

New initiatives toward delivery of Medium-Term Targets

Medium-Term Targets

- Early recovery of telecommunications business
- Value generation through "co-creation"
- Roll-out of "+d"
- Co-creation of social values

Solid steps toward delivery of Medium-Term Targets

Co-creation with partners

Roll-out by DOCOMO

Telecommunications business

- Promote subscription to new billing plan and "docomo Hikari"
- NW speed enhancement (LTE-Advanced)
- Ongoing cost efficiency improvement
- More efficient use of CAPEX

- "docomo Hikari"
Transformation into a “Value Co-Creation Company” through Collaboration

Evolution of offerings

Expansion of added value

Mobile communications operator

Integrated services provider

Value creation company

Value co-creation company

Smart life partner

● Smartphone
● LTE
● iPhone
● New billing plan
● LTE-Advanced
● 5G

● dmarket
● dmenu

● DCMX/iD

● Home domain

● docomo Hikari

● IoT

● Solution of social issues

● Regional revitalization

● Loyalty point/iD linkage

● “+d”

● Point distribution

● Point card
Generating Value through “Co-Creation”

New value creation in collaboration with partners

Partner
Business asset
Co-creation

Value creation

Partner
DOCOMO
Co-creation
Value creation

Partner
DOCOMO
Co-creation
Value creation

Roll-out of “+d”

Co-creation of social value
- IoT
- Solution of social issues
- Regional revitalization
- 2020

Social value
Roll-out of “+d”

Partner +d =

More benefits
More fun
More convenience

Offer new values to customers through co-creation by DOCOMO and its partners

Actions for roll-out of “+d”

Reinforcement of business assets
Alignment of service brands
Reinforcement of Business Assets

Accelerate the transaction flows of partners’ services with “+d”

Partners

DOCOMO’s business assets

- Customer referral
  - PUSH information delivery
  - PUSH mail
  - Portal/search
- Platform
  - Account
  - Point
  - Customer DB
- Payment
  - Proxy bill collection
  - Credit card

Accelerate transaction flows
Alignment of Service Brands

More benefits, more fun and more convenient—and instantly noticeable!

- **Point system**: docomo Point
- **Membership program**: docomo Premier Club
- **Credit service**: DCMX
- **Customer ID**: docomo ID

“+d” Social value
Co-Creation of Social Values

Contribute to Japan’s growth and help build an affluent society through collaboration with various external players.

IoT
Co-creation of new businesses through the expanded adoption of IoT

Solution of social issues
Solution of social issues through service offerings

Regional revitalization
Tackle regional revitalization through business

2020
Business creation in view of 2020

Research
Medicine
Agriculture
Education
Local governments
National government
Enterprises

"+d" Social value
Co-Creation of New Businesses through Expanded Adoption of IoT

Contribute to building business framework in a wide array of sectors

Deployment in various business domains

Value creation leveraging IoT

Partner Business asset

DOCOMO Business asset

Co-creation

Healthcare

Security

Construction machinery

Retail

Construction

Automobile

Environment/energy

Transport

“+d” Social value
Solution of Social Issues through Services

Provide support through ICT-based information collaboration

**Health/Medical Care**

Promotion of information collaboration in health/medical field

Bring advancements to medical services by facilitating community health care cooperation using “Join” and other solutions, and by assisting preventive medicine through the integration of healthcare data and genome analysis.

**Education/Learning**

Promotion of ICT-Based Education & Learning Support

Realize meticulous learning support by constructing a seamless education environment between school and home using tablet devices.

**Agriculture**

Promotion of ICT Use in Agriculture

Enable highly productive agriculture avoiding dependence on farmers’ intuition or experience by combining tablets with rice field sensors and the “Gyuonkei” calving monitoring system, etc.
Promotion of Information Collaboration in Health/Medical Field

Offer a complete range of support covering every need before, during and after hospitalization, leveraging the “health/medical care collaboration cloud”

Before hospitalization:
- Health management, preventive & emergency care
  - Smartphone app for emergency care support, "MySOS"
  - dōcomo HEALTHCARE
  - Preventive medicine using healthcare data, genome analysis
  - Medical history, drug use data, SOS transmission in case of emergency, AED search

During hospitalization:
- Diagnosis and treatment
  - Communication app for medical professionals, “Join”
  - Secure intra- and inter-hospital communication service

After hospitalization:
- Home medical/nursing care
  - Visiting nursing care, comprehensive community care support app, “Team”
  - Management of care giving, nursing, home medical treatment information

Health/Medical Care Collaboration Cloud
Promotion of ICT-Based Education & Learning Support

Deliver meticulous support by constructing a seamless education/learning environment between school and home

School

Class

High-speed NW offering great connectivity over a broad area

Early construction of tablet-based learning environment enabled by the unique properties of cellular technology

Out-of-School

Field trip

Assist children’s learning with wide variety of education content

Enrichment of education content in collaboration with external partners

Home

Homework

Safe, secure and hassle-free tablet usage environment

Enable blocking of harmful sites and remote device control in case of misplacement with DOCOMO’s services

Education/Learning Cloud
Promotion of ICT Use in Agriculture

Realize highly productive agriculture avoiding dependence on farmers’ intuition or experience using a platform connecting sensors and smart devices.

- Send logs of farm work from the field using smartphones or tablets to accumulate know-how.
- Waterproof and dustproof smartphones and tablets that are easy to use even during farm work.
- Integration of temperature, humidity and other data with meteorological information of external parties.
- Capable of detecting objects even in dim light.
- Visualization of cultivation through measurement of farm environment and image recording of crop.
- Prevent accidents in cattle delivery through remote monitoring of body temperature change of pregnant cow.
- Enhance efficiency of rice field management by notifying water level changes or pest breeding forecasts using sensors.
Regional Revitalization Through Business

Create new businesses by combining the strengths of each region with DOCOMO’s assets, thereby contributing to revitalization of local industries.

Revitalization of local industries

Strengths of each region

- Education
- Local enterprises
- Agriculture
- Tourism
- Medicine
- Traditional culture

Co-creation

DOCOMO

Business asset

Social value

“+d”
Business Creation In View of 2020

Drive and disseminate innovation, and facilitate creation of new businesses

State-of-the-art translation service

Overwhelmingly high translation accuracy

Enable natural communication in multiple languages

NW infrastructure for comfortable access

5G

Cutting-edge network services

Roll out super high-speed & large capacity 5G network suited for 4K/8K video and prepare WiFi environment that can be used easily by foreign travelers visiting Japan

Environment for comfortable transportation

Comfortable transportation means and advanced navigation system

Offer comfortable means of transportation with bicycle sharing service as well as route guidance all the way to inside facilities using advanced navigation system

Sports promotion using ICT

Sport services incorporating vital data

Transform smartphones into a personal trainer for each user through the use of vital data
Directions of Business Expansion

Cultivate new businesses through co-creation with partners leveraging DOCOMO’s assets

Provided by DOCOMO

Co-creation with partners

To DOCOMO customers

To partners’ customers

Accelerate transaction flows (dmarket) (Partner)

Roll-out of “+d”

Service/Information Distribution/Customer Referral/Billing/Payment/Loyalty Point platform

Expansion of customer base

Mobile business

+ docomo Hikari + New billing plan

Convergence of DOCOMO and partner assets

Utilization

Expansion of added value/revenue

Expansion of customer base
This earning release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management’s current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

1. Changes in the market environment in the telecommunications industry, such as intensifying competition from other businesses or other technologies caused by Mobile Number Portability, development of appealing new handsets, new market entrants, mergers among other service providers and other factors, or the expansion of the areas of competition could limit the acquisition of new subscriptions and retention of existing subscriptions by our corporate group, or it may lead to ARPU diminishing at a greater than expected rate, an increase in our costs, or an inability to reduce expenses as expected.

2. If current and new services, usage patterns, and sales schemes proposed and introduced by our corporate group cannot be developed as planned, or if unanticipated expenses arise the financial condition of our corporate group could be affected and our growth could be limited.

3. The introduction or change of various laws or regulations inside and outside of Japan, or the application of such laws and regulations to our corporate group, could restrict our business operations, which may adversely affect our financial condition and results of operations.

4. Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction and could increase our costs.

5. Other mobile service providers in the world may not adopt the technologies and the frequency bands that are compatible with those used by our corporate group’s mobile communications system on a continuing basis, which could affect our ability to sufficiently offer international services.

6. Our domestic and international investments, alliances and collaborations, as well as investments in new business fields, may not produce the returns or provide the opportunities we expect.

7. Malfunctions, defects or imperfections in our products and services or those of other parties may give rise to problems.

8. Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.

9. Inadequate handling of confidential business information including personal information by our corporate group, contractors and others may adversely affect our credibility or corporate image.

10. Owners of intellectual property rights that are essential for our business execution may not grant us a license or other use of such intellectual property rights, which may result in our inability to offer certain technologies, products and/or services, and our corporate group may also be held liable for damage compensation if we infringe the intellectual property rights of others. In addition, the illicit use by a third party of the intellectual property rights owned by our corporate group could reduce our license revenues actually obtained and may inhibit our competitive superiority.

11. Events and incidents caused by natural disasters, social infrastructure paralysis such as power shortages, the proliferation of harmful substances, terror or other destructive acts, the malfunctioning of equipment, software bugs, deliberate incidents induced by computer viruses, cyber-attacks, equipment misconfiguration, hacking, unauthorized access and other problems could cause failure in our networks, distribution channels, and/or other factors necessary for the provision of service, disrupting our ability to offer services to our subscribers and such incidents may adversely affect our credibility or corporate image, or lead to a reduction of revenues and/or increase of costs.

12. Concerns about adverse health effects arising from wireless telecommunications may spread and consequently adversely affect our financial condition and results of operations.

13. Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise influence that may not be in the interests of our other shareholders.