

Notice of Convocation of the 29th Ordinary General Meeting of Shareholders

In order to prevent the spread of the novel coronavirus (COVID-19), all shareholders are strongly requested to exercise their voting rights in advance via the Internet or by mail and, regardless of the condition of their health, to refrain from visiting the venue on the day of the meeting.

NTT DOCOMO, INC.

This is an English translation of the Notice of Convocation of the Ordinary General Shareholders Meeting for the 29th 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 KPMG AZSA LLC, DOCOMO’s independent auditor, of the financial statements included in the original Japanese language Notice. 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 29th fiscal year (from April 1, 2019 to March 31, 2020).

I would first like to express my deepest sympathy to those who have been affected by the novel coronavirus (COVID-19). To fulfill our social responsibility as a telecommunications carrier, we will continue our endeavors to provide stable telecommunications services while responding to the diverse needs of society, including the encouragement of telework.

In the fiscal year ended March 31, 2020, which was positioned as the “year to execute ‘change’ to propel further growth,” we implemented various initiatives to adapt to the changes in the external environment. Both operating revenues and operating profit came in higher than our initial forecasts, although both fell below the fiscal year ended March 31, 2019 as a result of our proactive customer return measures aimed at solidifying our customer base and other factors.

On March 25, 2020, we launched commercial 5G services. We believe that 5G will bring significant changes to the world, as the thickest pillar that supports the digital transformation of society. These changes have the potential to transform industries, our daily lives, and, as a consequence, even our culture and values. Through combining 5G and our other strengths with the ideas and technologies of our various partners, we will create as yet unseen “new value” to create a richer future.

Positioning the fiscal year ending March 31, 2021 as the “start year for growth in a new era” of the 2020s, we will work on “structural reforms” that maximize efficiency, and toward the following three key pillars:

- (1) “Further reinforcement of customer base”; enrichment of rate plans, early rollout of 5G, expansion of d POINTs partner stores, etc.
- (2) “Full-scale execution of a business foundation centered on our membership base”; enhancement of finance/payment services, optimization of digital marketing, full-fledged data utilization businesses through collaborations with strategic partners, etc.
- (3) “New value creation for the 5G era”; creation of new experiences centered on video, creation of new solutions that solve business and social issues, etc.

Through these efforts, we intend to achieve a recovery in profit over the medium term.

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

May 2020

Kazuhiro Yoshizawa
Representative Director,
President and Chief Executive Officer

(Reference) 5G Initiatives

On March 25, 2020, the Company launched telecommunications services that utilize 5G. We regard 5G as a particularly important pillar in utilizing various new technologies and advancing the digital transformation to create “new value” and “solve social issues.”

We will work toward the four strategies of “networks,” “devices,” “services” and “solutions” in order to promote 5G.

Networks

At the launch of 5G commercial services, we rolled out the 5G area to 150 locations across Japan with approximately 500 base stations. During FY2020 we will roll out 5G early to around 500 towns and cities, including government-designated cities, and construct more than 20,000 base stations by the end of FY2021.

In order to roll out a network that can maximize the potential of 5G, we will actively deploy a 5G area that makes full use of the new frequency bands, to realize a high-speed large-capacity network.

In addition, in order to establish a system with which we can develop solutions across Japan together with municipal governments and corporate partners, we will achieve an infrastructure deployment rate of 97% in FY2023.

Devices

In terms of 5G compatible terminals that connect customers to the world of 5G, following the launch of services, we are providing seven smartphone models and one data communications product sequentially. We will continue to offer an attractive lineup. Moreover, in addition to smartphones, we will expand peripheral devices and promote the ‘MY NETWORK’ concept to realize the solving of social issues and innovative entertainment experiences.

Services

We will actively work to create “experiences that are completely new” to customers. We will demonstrate our initiatives mainly in the areas in which it is easy to directly reflect the features of 5G, such as “music/live performances,” “games,” “videos” and “sports.” At the end of this fiscal year, we launched the “Shintaikan Live Connect” service, which is a video streaming service further evolved with 5G.

Solutions

The 5G Open Partner Program, launched in February 2018, has over 3,400 partners as of the end of this fiscal year. Going forward, we will continue to focus on collaborative creation with our partners and, working to expand, reach 5,000 partners by the end of FY2021. At the end of this fiscal year, we prepared 22 solutions born through collaborative creation with our partners, and we aim to continue to expand solutions across various fields.

Rate plans

In terms of rate plans supporting 5G, we launched “5G Gigaho” and “5G Gigalight” in March 2020. In addition, we are carrying out a campaign for unlimited monthly usable data volumes for “5G Gigaho” to enable customers to experience the unique value of 5G.

May 29, 2020

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 29th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 29th Ordinary General Meeting of Shareholders of the Company (the “Meeting”) will be held as described below.

Recently, the Japanese government and prefectural governors have firmly requested that people refrain from going out to prevent the spread of COVID-19, such as by the government’s declaration of a state of emergency and the emergency measures taken by the Tokyo Metropolitan Government. As a result of careful consideration in response to this situation, we have decided to hold the Ordinary General Meeting of Shareholders upon the implementation of appropriate infection control measures.

In view of the firm requests for the refraining from going out, as well as from the perspective of preventing the spread of infection, we request that shareholders exercise their voting rights in advance via the Internet or by mail. Regardless of the condition of your health, we strongly request that you refrain from visiting the venue on the day of the Meeting.

Please review the attached “REFERENCE MATERIALS FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS” from page 7 to page 40 and exercise your voting rights by 6 p.m. on Monday, June 15, 2020, Japan Standard Time.

- Please see the enclosed guide for a checklist of items taking into account of COVID-19.
- We may update our responses depending on the status of the spread of infection by the day of the Meeting or the content of announcements made by the government, etc. Please check the information announced via our website.

Details

1. Date and Time: Tuesday, June 16, 2020 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

This year, the number of seats that we are able to provide will greatly decrease compared with usual years, as the spacing between seats will be expanded to prevent the spread of infection. Accordingly, we may have to refuse admission to the venue on the day. Thank you for your understanding.

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 29th Fiscal Year (from April 1, 2019 to March 31, 2020).
- 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: Partial Amendments to the Articles of Incorporation

Third Item of Business: Election of ten (10) Directors who are not Audit & Supervisory Committee Members

Fourth Item of Business: Election of five (5) Directors who are Audit & Supervisory Committee Members

Fifth Item of Business: Determination of Compensation for Directors who are not Audit & Supervisory Committee Members

Sixth Item of Business: Determination of Compensation for Directors who are Audit & Supervisory Committee 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 29th Fiscal Year required to be attached are included as pages 41-77 hereto.

We will not distribute gifts to shareholders attending the Meeting. Thank you for your understanding.

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 principal offices, 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 29th Ordinary General Meeting of Shareholders, at the Company's following web site:

(<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 29th 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>

When exercising your voting rights in advance, please exercise them via the Internet when possible, to reduce the risk of infection which may be posed by exercising the voting rights via the Voting Rights Exercise Form through the processes of returning and counting of the forms.

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 29th fiscal year as follows:

(1) Type of Dividend Asset

Cash

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

¥60 per share of common stock of the Company

Total Amount of Dividend Payment: ¥193,717,755,360

(The Company paid an interim dividend in November 2019. Accordingly, the aggregate amount of annual dividends for this fiscal year, i.e., the sum of interim and year-end dividends, will be ¥120 per share.)

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

Wednesday, June 17, 2020

<Reference>

	25 th fiscal year	26 th fiscal year	27 th fiscal year	28 th fiscal year	29 th fiscal year
Dividend per share (annual)	¥70	¥80	¥100	¥110	¥120

<Reference> 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 consider taking 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.

Matters for Reference that are Common from the Second to Sixth Items of Business

Each item of business from the second to the sixth is related to the transition to a company with the Audit & Supervisory Committee and, therefore, upon these proposals, the Company shall explain the reason for such transition and other related matters as below.

(Past Initiatives for Enhancing the Corporate Governance Structure)

We recognize that to achieve sustainable growth for our Group and corporate value enhancement over the medium to long term while meeting the expectations of our various stakeholders including our shareholders, customers, employees, partners and local communities, it is essential that we continually strengthen our corporate governance structure in line with the objectives of each principle of the “Corporate Governance Code.”

Under this philosophy, we have established a corporate governance structure centered on the Board of Directors, audit & supervisory board members and the Audit & Supervisory Board, and have endeavored to bolster monitoring and auditing functions.

(Reason for Selecting Transition to a Company with the Audit & Supervisory Committee)

In order to establish a system to further enhance business strategy discussions at the Board of Directors and also further improve the mobility of management as an operating company, the Company wishes to transition to a company with the Audit & Supervisory Committee.

In addition, we propose the election of (5) independent outside directors at this meeting, in order to incorporate a diverse range of knowledge toward further reinforcing governance and energizing business strategy discussions.

If the second to fourth items of business are approved, the Board of Directors will be composed of fifteen (15) members (ten (10) directors who are not audit & supervisory committee members and five (5) directors who are audit & supervisory committee members) and, therefore, the ratio of independent outside directors in the Board of Directors will be above one third.

(Second to Sixth Items of Business)

In order to transition to a company with the Audit & Supervisory Committee, it is necessary to stipulate the establishment of an Audit & Supervisory Committee in the Articles of Incorporation and also make the required changes. The second item of business, “Partial Amendments to the Articles of Incorporation,” proposes amendments to that effect.

In addition, in a company with the Audit & Supervisory Committee, the appointments of and compensation amounts for directors who are not audit & supervisory committee members should be resolved separately from those of directors who are audit & supervisory committee members. Accordingly, the third and fourth items of business propose the respective appointments, and the fifth and sixth items of business propose the determination of the respective compensation amounts.

Second Item of Business: Partial Amendments to the Articles of Incorporation

1. Reason for Proposal

In order to establish a system to further enhance business strategy discussions at the Board of Directors and also further improve the mobility of management as an operating company, the Company wishes to transition to a company with the Audit & Supervisory Committee.

In connection with such transition, it is proposed that amendments be made to the Articles of Incorporation, such as the establishment of new provisions relating to Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the deletion of provisions relating to Audit & Supervisory Board Members and the Audit & Supervisory Board, the establishment of new provisions relating to the delegation of decisions in important business execution to Directors, and changes in the numbering of articles due to the aforementioned changes.

2. Amendments

The amendments are as follows.

The amendments to the Articles of Incorporation relating to this item of business shall take effect at the close of this meeting.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed Amendment
Article 1. - Article 3. [Article text omitted]	Article 1. - Article 3. [Unchanged]
Article 4. (Governing Bodies) The Company shall have the following governing bodies in addition to the general meeting of shareholders and directors (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Independent Auditors	Article 4. (Governing Bodies) The Company shall have the following governing bodies in addition to the general meeting of shareholders and directors (1) Board of Directors (2) <u>Audit & Supervisory Committee</u> [Deleted] (3) Independent Auditors
Article 5. - Article 18. [Article text omitted]	Article 5. - Article 18. [Unchanged]
Article 19. (Number of Directors) The Company shall have not more than fifteen (15) members of the board of directors.	Article 19. (Number of Directors) The Company shall have not more than fifteen (15) members of the board of directors <u>who are not audit & supervisory committee members and shall have not more than five (5) members of the board of directors who are audit & supervisory committee members.</u>
Article 20. (Manner in Which Directors are Elected) [Newly established]	Article 20. (Manner in Which Directors are Elected) <u>1. Members of the board of directors who are audit & supervisory committee members and members of the board of directors who are not audit & supervisory committee members of the Company shall be elected separately at a general meeting of shareholders.</u>
<u>1. Members of the board of directors of the</u>	<u>2. The election of members of the board of</u>

<u>Company</u> shall be <u>elected</u> by a resolution passed by a majority vote of the shareholders present at a general meeting of shareholders who shall hold voting rights representing in aggregate one-third (1/3) or more of the voting rights held by all shareholders having exercisable voting rights.	directors shall be <u>conducted</u> by a resolution passed by a majority vote of the shareholders present at a general meeting of shareholders who shall hold voting rights representing in aggregate one-third (1/3) or more of the voting rights held by all shareholders having exercisable voting rights.
2. [Article text omitted]	3. [Unchanged]
Article 21. (Term of Office of Directors) 1. The term of office of members of the board of directors shall expire at the close of the ordinary general meeting of shareholders for the latest business year ending within <u>two (2) years</u> after their assumption of office.	Article 21. (Term of Office of Directors) 1. The term of office of members of the board of directors <u>who are not audit & supervisory committee members</u> shall expire at the close of the ordinary general meeting of shareholders for the latest business year ending within <u>one (1) year</u> after their assumption of office.
[Newly established]	2. <u>The term of office of members of the board of directors who are audit & supervisory committee members shall expire at the close of the ordinary general meeting of shareholders for the latest business year ending within two (2) years after their assumption of office.</u>
2. The term of office of a member of the board of directors elected <u>to increase the number of members of the board of directors or to fill a vacancy caused by another member of the board of directors who has resigned prior to expiration of his term of office shall be identical to the remaining term of office of the other members</u> of the board of directors <u>then in office</u> .	3. The term of office of a member of the board of directors <u>who is an audit & supervisory committee member</u> elected to fill a vacancy caused by another member of the board of directors <u>who is an audit & supervisory committee member</u> who has resigned prior to expiration of his term of office shall be <u>until the expiration of the term of office of the resigned member of the board of directors who is an audit & supervisory committee member</u> .
Article 22. (Board of Directors) 1. [Article text omitted]	Article 22. (Board of Directors) 1. [Unchanged]
2. [Article text omitted]	2. [Unchanged]
3. [Article text omitted]	3. [Unchanged]
4. In order for a meeting of the Board of Directors to be convened, notice thereof shall be dispatched to each member of the board of directors <u>and each audit & supervisory board member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened if so required in urgent cases.	4. In order for a meeting of the Board of Directors to be convened, notice thereof shall be dispatched to each member of the board of directors at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened if so required in urgent cases.
5. [Article text omitted]	5. [Unchanged]
6. [Article text omitted]	6. [Unchanged]
[Newly established]	<u>Article 23. (Delegation of Decisions in Important Business Execution)</u> <u>The Company may, pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, delegate decisions in important business execution to Directors in whole or in part, excluding the matters stipulated in the items in Article 399-13, paragraph 5 of the Companies Act, by resolution of</u>

	<u>the Board of Directors.</u>
Article 23. (Representative Directors <u>and Directors with Executive Power</u>) 1. The Company shall have one President who shall be selected from among its members of the board of directors by resolution of the Board of Directors.	Article 24. (Representative Directors, <u>etc.</u>) 1. The Company shall have one President who shall be selected from among its members of the board of directors <u>who are not audit & supervisory committee members</u> by resolution of the Board of Directors.
2. The Company may have one chairman of the Board <u>as well as one or more vice presidents and managing directors.</u>	2. The Company may have one chairman of the Board <u>and one or more senior executive vice presidents as well as one or more executive vice presidents and senior vice presidents by resolution of the Board of Directors.</u>
3. <u>The provision of paragraph 1 shall apply mutatis mutandis to the selection of a chairman and one or more executive vice presidents and managing directors referred to in the preceding paragraph.</u>	[Deleted]
4. [Article text omitted]	3. [Unchanged]
5. In addition to the President, one or more members of the board of directors empowered to represent the Company shall be selected by resolution of the Board of Directors.	4. In addition to the President, one or more members of the board of directors empowered to represent the Company shall be selected <u>from among members of the board of directors who are not audit & supervisory committee members</u> by resolution of the Board of Directors.
6. [Article text omitted]	5. [Unchanged]
7. In the absence or disability of the President, one of the other members of the board of directors shall execute his duties in his place in the order of precedence previously determined by the Board of Directors.	6. In the absence or disability of the President, one of the other members of the board of directors <u>who are not audit & supervisory committee members</u> shall execute his duties in his place in the order of precedence previously determined by the Board of Directors.
Article 24. - Article 25. [Article text omitted]	Article 25. - Article 26. [Unchanged]
CHAPTER 5: <u>AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u>	CHAPTER 5: <u>AUDIT & SUPERVISORY COMMITTEE</u>
Article 26. (Number of Audit & Supervisory Board Members) The Company shall have not more than five (5) audit & supervisory board members.	[Deleted]
Article 27. (Manner in Which Audit & Supervisory Board Members are Elected) <u>Audit & supervisory board members of the Company shall be elected by a resolution passed by a majority vote of the shareholders present at a general meeting of shareholders who shall hold voting rights representing in aggregate one-third (1/3) or more of the voting rights held by all shareholders having exercisable voting rights.</u>	[Deleted]

<p><u>Article 28. (Term of Office)</u></p> <p>1. <u>The term of office of audit & supervisory board members shall expire at the close of the ordinary general meeting of shareholders for the latest business year ending within four (4) years after their assumption of office.</u></p>	<p>[Deleted]</p>
<p>2. <u>The term of office of an audit & supervisory board member elected to fill a vacancy caused by an audit & supervisory board member who has resigned prior to expiration of his term of office shall be identical to the remaining term of office of his predecessor.</u></p>	
<p><u>Article 29. (Audit & Supervisory Board)</u></p> <p>1. In order for a meeting of the <u>Audit & Supervisory Board</u> to be convened, notice thereof shall be dispatched to each <u>audit & supervisory board member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened if so required in urgent cases.</p>	<p><u>Article 27. (Audit & Supervisory Committee)</u></p> <p>1. In order for a meeting of the <u>Audit & Supervisory Committee</u> to be convened, notice thereof shall be dispatched to each <u>audit & supervisory committee member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened if so required in urgent cases.</p>
<p>2. Any other matters for the <u>Audit & Supervisory Board</u> shall be governed by the Regulations of the <u>Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>, unless otherwise provided for in laws and regulations or in these Articles of Incorporation.</p>	<p>2. Any other matters for the <u>Audit & Supervisory Committee</u> shall be governed by the Regulations of the <u>Audit & Supervisory Committee</u> established by the <u>Audit & Supervisory Committee</u>, unless otherwise provided for in laws and regulations or in these Articles of Incorporation.</p>
<p><u>Article 30. (Full-time Audit & Supervisory Board Members)</u></p> <p>The <u>Audit & Supervisory Board</u> shall select one or more full-time <u>audit & supervisory board member</u> by a resolution of the <u>Audit & Supervisory Board</u>.</p>	<p><u>Article 28. (Full-time Audit & Supervisory Committee Members)</u></p> <p>The <u>Audit & Supervisory Committee</u> shall select one or more full-time <u>audit & supervisory committee member</u> by a resolution of the <u>Audit & Supervisory Committee</u>.</p>
<p><u>Article 31. (Exemption from Liabilities of Audit & Supervisory Board Members)</u></p> <p>1. <u>The Company may, pursuant to Article 426, paragraph 1 of the Companies Act, exempt audit & supervisory board member(s) (including those who were audit & supervisory board members in the past) from damage compensation liabilities resulting from negligence of an audit & supervisory board member's duty to the extent permitted by laws and regulations by a resolution of the Board of Directors.</u></p>	<p>[Deleted]</p>
<p>2. <u>The Company may, pursuant to Article 427, paragraph 1 of the Companies Act, enter into an agreement with audit & supervisory board member(s) which sets forth the limitation on their damage compensation liabilities resulting from negligence of the audit & supervisory board member's duty, provided that the amount of the limitation on the damage</u></p>	

<p><u>compensation liabilities under the said agreement shall be that defined by the laws and regulations.</u></p>	
<p>Article <u>32.</u> - Article <u>35.</u> [Article text omitted]</p>	<p>Article <u>29.</u> - Article <u>32.</u> [Unchanged]</p>
<p>[Newly established]</p>	<p><u>Supplementary Provisions</u></p>
	<p><u>Article 1. (Transitional Measures Relating to Exemption from Liabilities of Audit & Supervisory Board Members)</u> <u>The Company may, pursuant to Article 426, paragraph 1 of the Companies Act, exempt audit & supervisory board member(s) (including those who were audit & supervisory board members in the past) from damage compensation liabilities resulting from negligence of an audit & supervisory board member's duty prior to the close of the 29th ordinary general meeting of shareholders, to the extent permitted by laws and regulations by a resolution of the Board of Directors.</u></p>

Third Item of Business: Election of Ten (10) Directors who are not Audit & Supervisory Committee Members

Subject to approval of the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with the Audit & Supervisory Committee. At the same time, as the term of office of the current (14) Directors of our company Corporation will expire when the amendment to the Articles of Incorporation takes effect in accordance with Article 332, Paragraph 7, Item 1 of the Companies Act, it is proposed that ten (10) Directors who are not Audit & Supervisory Committee Members be elected.

This Item of Business shall take effect on the condition that the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed and that the amendments to the Articles of Incorporation take effect.

The candidates for Directors who are not Audit & Supervisory Committee Members 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)
1	Kazuhiro Yoshizawa <Reappointed>	64	9 years	President and Chief Executive Officer, Representative Member of the Board of Directors	100% (16/16)
2	Motoyuki Ii <Newly appointed>	61	–		–
3	Seiji Maruyama <Reappointed>	59	4 years	Senior Executive Vice President Representative Member of the Board of Directors, Responsible for Technology, Devices, Information Strategy and Membership Base	100% (16/16)
4	Michio Fujiwara <Reappointed>	55	1 year	Executive Vice President Member of the Board of Directors General Manager of Corporate Strategy & Planning Department Responsible for Mobile Society Research Institute and Preparation for 2020	100% (13/13)
5	Takashi Hiroi <Newly appointed>	57	–		–

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)
6	Mayumi Tateishi <Reappointed>	57	1 year	Senior Vice President Member of the Board of Directors General Manager of General Affairs Department and General Manager of Improvement Action Office	100% (13/13)
7	Masaaki Shintaku <Newly appointed> <Independent Director> <Outside Director>	65	–	Counselor of Special Olympics Nippon Foundation, External Director of FAST RETAILING CO., LTD.	–
8	Noriko Endo <Reappointed> <Independent Director> <Outside Director>	52	4 years	Member of the Board of Directors, Project Professor, Keio University Global Research Institute, Outside Director of AIN HOLDINGS INC. Outside Director of Hankyu Outside Director of VLC HOLDINGS CO., LTD.	100% (16/16)
9	Shin Kikuchi <Newly appointed> <Independent Director> <Outside Director>	60	–	Partner, Gaien Partners	–
10	Katsumi Kuroda <Reappointed>	50	1 year	Member of the Board of Directors, Vice President of Corporate Strategy Planning of NTT	100% (13/13)

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	Kazuhiro Yoshizawa (June 21, 1955 / 64) <Reappointed>	April 1979	Joined NTT Public Corporation	9 years	37,600	100% (16/16)
		June 2007	Senior Vice President, General Manager of Corporate Sales and Marketing Department II of the Company			
		June 2011	Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of the Company			
		June 2012	Executive Vice President, General Manager of Corporate Strategy and Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company			
		July 2013	Executive Vice President, General Manager of Corporate Strategy and Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute, Member of the Board of Directors of the Company			
		June 2014	Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors of the Company			
		June 2016	President and Chief Executive Officer, Representative Member of the Board of Directors of the Company (To the present)			
<p>Reasons for election as candidate for director: Mr. Yoshizawa has been elected as candidate for director for his rich experience and insights as a corporate manager as represented by his initiatives in establishing and promoting the medium-term management strategy toward sustainable growth in the 2020s and enhancing the Company's competitive edge and profitability as President and Chief Executive Officer, Representative Member of the Board of Directors, 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	Motoyuki Ii (November 17, 1958 / 61) <Newly appointed>	April 1983	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION			
		June 2011	Senior Vice President, Executive Manager of the Plant Department of the Network Business Headquarters, Executive Manager of the Planning Department of the Network Business Headquarters, Member of the Board of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT EAST”)			
		July 2013	Senior Vice President, Executive Manager of the Plant Planning Department of the Network Business Headquarters, Member of the Board of NTT EAST			
		June 2014	Senior Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Member of the Board of NTT EAST			
		June 2015	Executive Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Representative Member of the Board of NTT EAST	–	0	–
		June 2016	Senior Executive Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Representative Member of the Board of NTT EAST			
		July 2017	Senior Executive Vice President, Senior Executive Manager of the Business Innovation Headquarters, Representative Member of the Board of NTT EAST			
		June 2018	Senior Executive Vice President, Head of Technology Planning, In charge of technical strategy and international standardization, Representative Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)			
		June 2019	President and Chief Executive Officer of NTT Anode Energy Corporation (Expected to resign on June 18, 2020),			

			Senior Executive Vice President, In charge of technical strategy and international standardization, Representative Member of the Board of NTT (Expected to resign on June 23, 2020)			
			Reasons for election as candidate for director: Mr. Ii has been elected as candidate for director for his broad experience of the telecommunications business and insights regarding corporate management that were acquired through his career, as represented by his service as Senior Executive Vice President, Representative Member of the Board of NTT and NTT EAST and his involvement in technical strategy operations for the entire NTT group, as well as for his excellent character and wealth of knowledge.			

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	Seiji Maruyama (April 20, 1961 / 59) <Reappointed>	April 1985	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	4 years	11,400	100% (16/16)
		June 2010	General Manager of Product Department of the Company			
		June 2014	Senior Vice President, General Manager of Product Department of the Company			
		June 2016	Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of the Company			
		June 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 of the Company			
		June 2019	Senior Executive Vice President, Responsible for Technology, Devices, Information Strategy and Membership Base, Representative Member of the Board of Directors of the Company (To the present)			
<p>Reasons for election as candidate for director: Mr. Maruyama has been elected as candidate for director for his rich experience and insights as a corporate manager as represented by his initiatives in establishing and promoting the medium-term management strategy toward sustainable growth in the 2020s and enhancing the Company’s competitive edge and profitability as Senior Executive Vice President, Responsible for technology, devices, information strategy and membership base, Representative Member of the Board of Directors, 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)
4	Michio Fujiwara (December 21, 1964 / 55) <Reappointed>	April 1989	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	1 year	6,400	100% (13/13)
		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			
		June 2019	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 of the Company (To the present)			
Reasons for election as candidate for director: Mr. Fujiwara has been elected as candidate for director for his engagement in strategy planning and other operations and in the Company’s management as Member of the Board of Directors, his rich business experience at the Company and insights pertaining to business management, as well as for his excellent character and wealth of knowledge.						

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)
5	Takashi Hiroi (February 13, 1963 / 57) <Newly appointed>	April 1986	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	-	0	-
		May 2005	Vice President of Corporate Business Strategy of NTT			
June 2008	Vice President of Strategic Business Development of NTT					
July 2009	Vice President of Corporate Strategy Planning of NTT					
June 2014	Head of Finance and Accounting of NTT					
June 2015	Senior Vice President, Head of Finance and Accounting of NTT, Member of the Board of Directors of NTT , (Expected to resign on June 23, 2020)					
<p>Reasons for election as candidate for director: Mr. Hiroi has been elected as candidate for director for his experience in financial operations and taking charge of management as Member of the Board at NTT, and his broad experience of the telecommunications business and insights regarding corporate management that were acquired through his career, 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)
6	Mayumi Tateishi (May 24, 1963 / 57) <Reappointed>	May 2001	Joined the Company	1 year	4,000	100% (13/13)
		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			
		June 2019	Senior Vice President, General Manager of General Affairs Department and General Manager of Improvement Action Office, Member of the Board of Directors of the Company (To the present)			
Reasons for election as candidate for director: Ms. Tateishi has been elected as candidate for director for her engagement in general affairs and other operations and in the Company's management as Member of the Board of Directors, her rich business experience at the Company and insights pertaining to business management, as well as for her excellent character and wealth of knowledge.						

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)
7	Masaaki Shintaku (September 10, 1954 / 65) <Newly appointed> <Outside Director> <Independent Director>	April 1978	Joined IBM Japan, Ltd. (Retired on November 30, 1991)	-	0	-
		December 1991	Joined Oracle Corporation Japan			
		August 2000	President & CEO of Oracle Corporation Japan			
		January 2001	Senior Vice President of Oracle Corporation (Resigned on August 23, 2008)			
		April 2008	Vice Chairman of Special Olympics Nippon (currently Special Olympics Nippon Foundation) (Resigned on March 4, 2019)			
		June 2008	Chairman of Oracle Corporation Japan (Resigned on August 23, 2008)			
		August 2008	Executive Advisor of Oracle Corporation Japan (Resigned on December 31, 2008)			
		November 2009	External Director of FAST RETAILING CO., LTD. (To the present)			
		July 2011	External Director of COOKPAD Inc. (Resigned on March 23, 2017)			
		December 2015	External Director of Works Applications CO., LTD. (Resigned on September 27, 2019)			
		March 2019	Counselor of Special Olympics Nippon Foundation (To the present)			
		(Principal concurrent positions) Counselor of Special Olympics Nippon Foundation External Director of FAST RETAILING CO., LTD.				
		Reasons for election as candidate for outside director: Mr. Shintaku has been elected as candidate for outside director for his rich experience and insights that were acquired through corporate management as the top of global companies for many years and his career as an outside officer of private companies, and the Company's expectations 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.				

Independence:

The Company has no particular business relationship with Mr. Masaaki Shintaku. While the Company and its major subsidiaries have donation relationships with Special Olympics Nippon Foundation, where Mr. Shintaku holds a position as Counselor, as indicated in the table below, Mr. Shintaku satisfies the independence criteria set

by the Company as well as the independence criteria stipulated by the Tokyo Stock Exchange. The Company has determined that Mr. Shintaku is fully independent with no risk of conflicts of interest with general shareholders and thus the Company plans to notify the Tokyo Stock Exchange of the designation of him as an independent officer.

Organization	Category	Compared to	Scale
Special Olympics Nippon Foundation where Mr. Shintaku holds a position as Counselor	Total amount of donations	Compared to the total annual revenue of the foundation	Less than 1%

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)
8	Noriko Endo (Name on Family Register: Noriko Tsujihiro) (May 6, 1968 / 52) <Reappointed> <Outside Director> <Independent Director>	June 1994	Joined DIAMOND, Inc.	4 years	2,700	100% (16/16)
		April 2004	Concurrently serve as Director of Kyushu University Tokyo Office (Resigned on March 31, 2006)			
		April 2006	Deputy Editor of Diamond Weekly, DIAMOND, Inc. (Retired on December 31, 2013)			
		September 2013	Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo (Resigned on August 31, 2018)			
		April 2015	Project Professor, Graduate School of Media and Governance, Keio University (Resigned on March 31, 2020)			
		June 2016	Outside Member of the Board of Directors of the Company (To the present)			
		July 2018	Outside Director of AIN HOLDINGS INC. (To the present)			
		June 2019	Outside Director of Hankyu Hanshin Holdings, Inc. (To the present)			
		June 2019	Outside Director of VLC HOLDINGS CO., LTD. (To the present)			
		April 2020	Project Professor, Keio University Global Research Institute (To the present)			
		(Principal concurrent positions) Project Professor, Keio University Global Research Institute Outside Director of AIN HOLDINGS INC. External Director of Hankyu Hanshin Holdings, Inc. Outside Director of VLC HOLDINGS CO., LTD.				
		Reasons for election as candidate for outside director: Dr. Endo has been elected as candidate for outside director for her rich experience and insights accumulated through her news gathering activities as an editor of an economic magazine, research on public policies and career as an outside officer of private companies, and the Company's expectations that, in view of her excellent character and wealth of knowledge, she will contribute to strengthening the supervisory function over business execution and provide advice from a broad managerial perspective.				

Independence:

The Company has no business relationship with Dr. Noriko Endo. While the Company and its major subsidiaries have business and donation relationships with the University of Tokyo, where she also had a position as Visiting

Researcher within the past 3 years, and Keio University, where she holds a position as Project Professor, as indicated in the table below, Dr. Endo satisfies the independence criteria set by the Company as well as the independence criteria stipulated by the Tokyo Stock Exchange. The Company has determined that Dr. Endo 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 her as an independent officer.

Organization	Category	Compared to	Scale
University of Tokyo where Dr. Endo had a position as Visiting Researcher	Total amount of business transactions	Compared to the sum of the total annual operating revenues of the Company and its major subsidiaries	Less than 1%
		Compared to the total annual revenue of the university	Less than 1%
	Total amount of donations	Compared to the total annual revenue of the university	Less than 1%
Keio University where Dr. Endo holds a position as Project Professor	Total amount of business transactions	Compared to the sum of the total annual operating revenues of the Company and its major subsidiaries	Less than 1%
		Compared to the total annual revenue of the university	Less than 1%
	Total amount of donations	Compared to the total annual revenue of the university	Less than 1%

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)
9	Shin Kikuchi (January 17, 1960 / 60) <Newly appointed> <Outside Director> <Independent Director>	April 1982	Joined the Ministry of Home Affairs (currently the Ministry of Internal Affairs and Communications) (Retired on March 31, 1987)	-	-	-
		April 1989	Admitted to the bar in Japan (41st class)			
		April 1989	Registered with Daini Tokyo Bar Association (To the present)			
		April 1989	Joined Mori Sogo (currently Mori, Hamada & Matsumoto)			
		September 1997	Admitted to the bar in New York (To the present)			
		April 1998	Founding Partner of Hibiya Park Law Offices (Retired on September 30, 2003)			
		October 2004	Partner of Mori Hamada & Matsumoto (Retired on March 31, 2020)			
		April 2005	Expert Adviser of Economy Law Committee of the Japan Chamber of Commerce and Industry (To the present)			
		June 2005	Outside Auditor of Jafco Co. Ltd. (Resigned on June 18, 2013)			
		April 2010	Visiting Professor, University of Tokyo Graduate Schools of Law and Politics (Retired on March 31, 2013)			
April 2020	Partner of Gaizen Partners (To the present)					
(Principal concurrent positions)		Partner of Gaizen Partners				
Reasons for election as candidate for outside director: Mr. Kikuchi has been elected as candidate for outside director for his many years of duty pertaining to law including corporate legal affairs, and his rich experience and insights as an expert accumulated through his career, and the Company's expectations 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.						

Independence:

The Company has no particular business relationship with Mr. Shin Kikuchi, and has no business relationship with Gaizen Partners, where Mr. Kikuchi holds a concurrent position. While the Company and its major subsidiaries have a business relationship with Mori Hamada & Matsumoto, where Mr. Kikuchi had a position as Partner within the past 3 years, as indicated in the table below, Mr. Kikuchi satisfies the independence criteria set by the Company as well as the independence criteria stipulated by the Tokyo Stock Exchange. The Company has

determined that Mr. Kikuchi is fully independent with no risk of conflicts of interest with general shareholders and thus the Company plans to notify the Tokyo Stock Exchange of the designation of him as an independent officer.

Organization	Category	Compared to	Scale
Mori Hamada & Matsumoto where Mr. Kikuchi had a position as Partner	Total amount of business transactions	Compared to the sum of the total annual operating revenues of the Company and its major subsidiaries	Less than 1%
		Compared to the total annual revenue of the law office	Less than 1%

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)
10	Katsumi Kuroda (November 9, 1969 / 50) <Reappointed>	April 1992	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”)	1 year	1,000	100% (13/13)
		July 2010	Senior Manager of Sales Department, Shizuoka Branch of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”)			
		July 2012	Senior Manager of Corporate Strategy Planning Department of NTT WEST			
		July 2015	Senior Manager, Head of Marketing Strategy Group of Corporate Strategy Planning Department of NTT WEST			
		July 2018	Vice President of Corporate Strategy Planning of NTT (To the present)			
		June 2019	Member of the Board of Directors of the Company (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 EAST CORPORATION (“NTT EAST”) , NTT Anode Energy and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT WEST”) are subsidiaries of NTT.
OAK LAWN MARKETING, INC. is a subsidiary of the Company.
2. Mr. Motoyuki Ii and Mr. Takashi Hiroi are expected to resign from the Board of Directors of NTT on June 23, 2020. If their elections are approved, they will be inaugurated as Directors who are not audit & supervisory committee members of the Company on June 23, 2020.
3. Mr. Seiji Maruyama has served as President and Chief Executive Officer of DOCOMO PlusHearty Inc., a subsidiary of the Company, during the past five years.
4. Mr. Michiaki Fujiwara has served as President and Chief Executive Officer of DOCOMO CS Tohoku, Inc., a subsidiary of the Company, during the past five years.
5. 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.
6. Dr. Noriko Endo and Mr. Shin Kikuchi 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 director, the Company believes that they will be able to properly carry out duties as outside director.
7. If the elections of Mr. Masaaki Shintaku, Dr. Noriko Endo, Mr. Shin Kikuchi and Mr. Katsumi Kuroda

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 Dr. Endo and Mr. Kuroda, and newly enter into the limited liability contract with Mr. Shintaku and Mr. Kikuchi, which sets forth the upper limit of damage compensation liability as provided in Article 423, Paragraph 1 of the Companies Act of Japan.

Fourth Item of Business: Election of Five (5) Directors who are Audit & Supervisory Committee Members

Subject to approval of the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with the Audit & Supervisory Committee. It is proposed that five (5) Directors who are Audit & Supervisory Committee Members be elected. The Audit & Supervisory Board has given its approval to this Item of Business.

This Item of Business shall take effect on the condition that the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed and that the amendments to the Articles of Incorporation take effect.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate Number	Name	Age	Years Served as Audit & Supervisory Board Member	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	Shoji Suto <Newly appointed>	63	3 years	Full-time Audit & Supervisory Board Member	100% (16/16)	100% (15/15)
2	Hironobu Sagae <Newly appointed> <Outside Director>	61	3 years	Full-time Audit & Supervisory Board Member	100% (16/16)	100% (15/15)
3	Katsumi Nakata <Newly appointed> < Outside Director >	63	1 year	Full-time Audit & Supervisory Board Member	100% (13/13)	100% (10/10)
4	Mikio Kajikawa <Newly appointed> <Independent Director> <Outside Director>	61	2 years	Full-time Audit & Supervisory Board Member	100% (16/16)	100% (15/15)
5	Eiko Tsujiyama <Newly appointed> <Independent Director> <Outside Director>	72	9 years	Audit & Supervisory Board Member Professor Emeritus, Auditor of Waseda University Outside Director of ORIX Corporation Outside Corporate Auditor of Lawson, Inc.	100% (16/16)	100% (15/15)

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Audit & Supervisory Board Member (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
1	Shoji Suto (March 4, 1957 / 63) <Newly appointed>	April 1980	Joined NTT Public Corporation	3 years	16,300	100% (16/16)	100% (15/15)
		June 2008	Senior Vice President, General Manager of Sales Promotion Department of the Company				
		June 2009	Executive Vice President, Executive General Manager of Marketing Business Department, Member of the Board of Directors of DOCOMO Business Net, Inc.				
		July 2009	Executive Vice President, Executive General Manager of Marketing Division, Member of the Board of Directors of DOCOMO Business Net, Inc.				
		June 2010	Executive Vice President, Executive General Manager of Corporate Marketing Division, Member of the Board of Directors of DOCOMO Business Net, Inc.				
		June 2011	Senior Vice President, Executive General Manager of Shikoku Regional Office of the Company				
		June 2014	Executive Vice President, Responsible for Consumer Sales and Branches in Kanto and Koshinetsu areas, Member of the Board of Directors of the Company				
		July 2014	Executive Vice President, Responsible for Consumer Sales, Member of the Board of Directors of the Company				
		June 2015	Senior Executive Vice President, Member of the Board of Directors of DOCOMO CS, Inc.				
		June 2017	Full-time Audit & Supervisory Board Member of the Company (To the present)				
Reasons for election as candidate for director who is audit & supervisory committee member: Mr. Suto has been elected as candidate for director who is audit & supervisory committee member for his performance in auditing as chairman of the Audit & Supervisory Board Meetings, and the Company's expectation that he will perform an audit and supervisory function based on his experience and insights, and as he has experience in corporate management through his service as Senior Executive Vice President of our group company and many years of duty pertaining to the telecommunications business, that he will contribute to strengthening the supervisory function over business execution based on his experience and insights.							

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Audit & Supervisory Board Member (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
2	Hironobu Sagae (March 3, 1959 / 61) <Newly appointed> <Outside Director>	April 1981	Joined NTT Public Corporation	3 years	3,100	100% (16/16)	100% (15/15)
		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)				
<p>Reasons for election as candidate for outside director who is audit & supervisory committee member: Mr. Sagae has been elected as candidate for outside director who is audit & supervisory committee member for his performance in auditing as an audit & supervisory board member and the Company's expectation that he will perform an audit and supervisory function based on his experience and extensive insights pertaining to finance and accounting accumulated through his career in accounts and finance at NTT DATA Corporation, and as he has experience of corporate management through his service as President of an NTT group company and many years of duty pertaining to the telecommunications business, that he will contribute to strengthening the supervisory function over business execution based on his experience and insights.</p>							

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Audit & Supervisory Board Member (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
3	Katsumi Nakata (December 12, 1956 / 63) <Newly appointed> <Outside Director>	April 1980	Joined NTT Public Corporation	1 year	1,800	100% (13/13)	100% (10/10)
		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				
		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 NTT Com				
		June 2018	CEO of NTT Security Corporation				
		June 2019	Full-time Outside Audit & Supervisory Board Member of the Company (To the present)				
<p>Reasons for election as candidate for outside director who is audit & supervisory committee member: Mr. Nakata has been elected as candidate for outside director who is audit & supervisory committee member for his performance in auditing as an audit & supervisory board member and the Company's expectation that he will perform an audit and supervisory function based on his experience and insights, and as he has experience of corporate management through his service as CEO of an NTT group company and many years of duty pertaining to the telecommunications business, that he will contribute to strengthening the supervisory function over business execution based on his experience and insights.</p>							

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Audit & Supervisory Board Member (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
4	Mikio Kajikawa (March 23, 1959/ 61) <Newly appointed> <Outside Director> <Independent Director>	April 1982	Joined the Ministry of Finance	2 year	1,800	100% (16/16)	100% (15/15)
		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) (Resigned on June 12, 2016)				
		June 2016	Director-General of the Customs and Tariff Bureau of the Ministry of Finance (Retired on July 11, 2017)				
		December 2017	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (Resigned on June 18, 2018)				
		June 2018	Full-time Outside Audit & Supervisory Board Member of the Company (To the present)				
<p>Reasons for election as candidate for outside director who is audit & supervisory committee member:</p> <p>Mr. Kajikawa has been elected as candidate for outside director who is audit & supervisory committee member for his performance in auditing as an audit & supervisory board member and the Company's expectation that he will perform an audit and supervisory function based on his experience and insights, and that he will contribute to strengthening the supervisory function over business execution based on his rich experiences and insights as an expert, accumulated through his long career in the Ministry of Finance.</p>							

Independence:

The Company has no business relationship with Mr. Mikio Kajikawa, and he had been an advisor at Tokio Marine & Nichido Fire Insurance Co., Ltd., and did not execute the business. Mr. Kajikawa satisfies the independence criteria set by the Company as well as the independence criteria stipulated by the Tokyo Stock Exchange. The Company has determined that Mr. Kajikawa 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 officer.

Candidate Number	Name (Date of Birth / Age)	History, Positions, Responsibilities and Principal Concurrent Positions		Years Served as Audit & Supervisory Board Member (As of the Close of the Meeting)	Number of Company Shares Owned	Attendance Rate of Board of Directors Meetings (Number of Meetings Attended)	Attendance Rate of Audit & Supervisory Board Meetings (Number of Meetings Attended)
5	Eiko Tsujiyama (December 11, 1947 / 72) <Newly appointed> <Outside Director> <Independent Director>	August 1980	Assistant Professor, Humanities Department, Ibaraki University	9 years	5,100		100% (15/15)
		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 (Resigned on March 31, 2018)				
		June 2008	Outside Audit & Supervisory Board Member of Mitsubishi Corporation (Resigned on June 24, 2016)				
		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 (Resigned on March 25, 2020)				
		April 2018	Professor Emeritus, Waseda University (To the present)				
April 2020	Auditor of Waseda University (To the present)						
(Principal concurrent positions) Professor Emeritus, Auditor of Waseda University Outside Director of ORIX Corporation Outside Corporate Auditor of Lawson, Inc.							
Reasons for election as candidate for outside director who is audit & supervisory committee member: Ms. Tsujiyama has been elected as candidate for outside director who is audit & supervisory committee member for her performance in auditing as an audit & supervisory board member 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 capacity as a Certified Public Accountant, long career experience as a university professor and an outside officer of private companies, and that she will contribute to strengthening the supervisory function over business execution based on her experience and insights.							

Independence:

The Company has no business relationship with Mr. Eiko Tsujiyama. While the Company and its major subsidiaries have business and donation relationships with Waseda University, where Ms. Tsujiyama had a position as Professor within the past 3 years, as indicated in the table below, Ms. Tsujiyama satisfies the independence criteria set by the Company as well as the independence criteria stipulated by the Tokyo Stock Exchange. The Company has determined that Ms. Tsujiyama 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 her as an independent officer.

Organization	Category	Compared to	Scale
Waseda University where Ms. Tsujiyama had a position as Professor	Total amount of business transactions	Compared to the sum of the total annual operating revenues of the Company and its major subsidiaries	Less than 1%
		Compared to the total annual revenue of the university	Less than 1%
	Total amount of donations	Compared to the total annual revenue of the university	Less than 1%

Notes:

1. DOCOMO Business Net, Inc. was a subsidiary of the Company, but was dissolved in July 2014 upon the establishment of DOCOMO CS, Inc. by merging the four companies of DOCOMO Engineering, Inc., DOCOMO Service, Inc., DOCOMO Mobile, Inc. and DOCOMO Business Net, Inc. In addition, DOCOMO CS, Inc. is a subsidiary of the Company.
2. 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.
3. Mr. Shoji Suto has served as President and Chief Executive Officer of Business Expert Inc., a subsidiary of DOCOMO CS, Inc. DOCOMO CS, during the past five years.
4. Mr. Hironobu Sagae has served as President and Chief Executive Officer of R-Cubic corporation, a subsidiary of NTT, during the past five years.
5. Mr. Katsumi Nakata has served as President and Chief Executive Officer of NTT Security Corporation and as Chairman of NTT Security (Japan) KK, a subsidiary of NTT, during the past five years.
6. 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 director who is audit & supervisory committee member, the Company believes that Mr. Kajikawa and Ms. Tsujiyama will be able to properly carry out duties as outside director who is Audit & Supervisory Committee Member.
7. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company entered into a limited liability contract with each of Mr. Shoji Suto, Mr. Hironobu Sagae, Mr. Katsumi Nakata, Mr. Mikio Kajikawa and Ms. Eiko Tsujiyama who are audit & supervisory board members, which sets forth the upper limit of damage compensation liability as provided in Article 423 Paragraph 1 of the Companies Act of Japan. If their elections are approved, the Company plans to newly enter into a limited liability contract of the same content with them.

Fifth Item of Business: Determination of Compensation for Directors who are not Audit & Supervisory Committee Members

The amount of compensation for Directors of the Company was determined to be less than ¥600 million annually at the 15th ordinary general meeting of shareholders held on June 20, 2006 and has been unchanged to date. Subject to approval of the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with the Audit & Supervisory Committee. Therefore, in lieu of the determination as to the amount of compensation for directors currently approved, it is proposed, in accordance with the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act of Japan, that the amount of compensation for directors who are not audit & supervisory committee members be less than ¥600 million annually (of which, the amount of compensation for outside directors shall be less than ¥100 million annually), upon considering various circumstances such as the economic situation. In addition, it is proposed that the specific amount of compensation, timing of payments, etc. for each director who is not an audit & supervisory committee member be decided by a resolution of the Board of Directors.

The amount of compensation for directors who are not audit & supervisory committee members does not include employee salaries for directors who also serve as employees.

If the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” and the Third Item of Business, “Election of Ten (10) Directors who are not Audit & Supervisory Committee Members,” are approved as originally proposed, the number of directors who are not audit & supervisory committee members will be ten (10) (including three (3) outside directors).

This Item of Business shall take effect on the condition that the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed and that the amendments to the Articles of Incorporation take effect.

Sixth Item of Business: Determination of Compensation for Directors who are Audit & Supervisory Committee Members

Subject to approval of the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with the Audit & Supervisory Committee. Therefore, it is proposed, in accordance with the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act of Japan, that the amount of compensation for directors who are audit & supervisory committee members be less than ¥200 million annually, upon considering various circumstances such as their duties, responsibilities and the economic situation. In addition, it is proposed that the specific amount of compensation, timing of payments, etc. for each director who is an audit & supervisory committee member be decided through consultation with directors who are audit & supervisory committee members.

If the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” and the Fourth Item of Business, “Election of Five (5) Directors who are Audit & Supervisory Committee Members,” are approved as originally proposed, the number of directors who are audit & supervisory committee members will be five (5).

This Item of Business shall take effect on the condition that the Second Item of Business, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed and that the amendments to the Articles of Incorporation take effect.

(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 that 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^{*1}
- (2) A person who executes business in a lending company that exceeds the Company's standards^{*2}
- (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^{*3} 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^{*4}

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^{*3} 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^{*3} 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.

(Attachments)

BUSINESS REPORT

(For the fiscal year from April 1, 2019 to March 31, 2020)

1. Business Matters of the Corporate Group

(1) Main Business Activities (As of March 31, 2020)

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

Business Segment	Main Business Areas
Telecommunications business	Mobile phone services (5G 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,” Enterprise IoT solutions, commissioned development/sales and maintenance of systems, etc.

(2) Developments and Results of Operations

i. Market trends

Looking at the market environment surrounding the Company, competition is further intensifying due to the revision of the Telecommunications Business Act, the spread of low-cost smartphone services through MVNO and MNO sub-brands, and new entrants from different industries. 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 such 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. In addition, new service competition is starting as each telecommunications carrier begins the provision of 5G.

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 release are the trademarks or registered trademarks of their respective organizations.

ii. Results of principal initiatives

Positioning FY2019 as the “year to execute ‘change’ to propel further growth,” the Company anticipated change itself and, together with its partners, continued to provide “new value” to customers and the world. We worked to provide value to our customers by providing returns to customers through the simple and great-value new rate plans “Gigaho” and “Gigalight,” introducing the new “d POINTs” return program, and continuing to make “d POINTs” available at more locations.

As a result, we achieved a total of 75.09 million “d POINT CLUB” members, the total “d POINTs” used amounted to 199.8 billion points, 3,400 corporate partners* and 1,250 “+d” partners. By linking these to our assets, we provided new value for our customers and partners, and carried out “revenue opportunity creation centered on customer base.” Meanwhile, in order to realize optimal privacy protection and ensure that customers are able to use our services safely, we published the NTT DOCOMO Personal Data Charter and, based on the behavioral principles stipulated in the Charter, reorganized and begun to apply the NTT DOCOMO Privacy Policy.

Additionally, we achieved 80.33 million mobile phone subscriptions, churn rate of 0.54% and 6.49 million “docomo Hikari” subscriptions.

Regarding 3G (FOMA services), we ended new registrations for 3G (FOMA service) at the end of FY2019 and announced that this service will be terminated at the end of FY2025. The Company, by providing a lineup of devices and various measures that will make it easy for customers to transition from 3G and proposing to corporate customers system migrations that utilize 4G modules, will work on a smooth transition to 4G and also concentrate management resources on 5G.

* Number of DOCOMO 5G Open Partner Program partners.

iii. Results of operations for the FY2019

IFRS

(Billions of yen)

Item	28th Fiscal Year (FY2018)	29th Fiscal Year (FY2019)	Year-on-Year Change
Operating revenues	4,840.8	4,651.3	(3.9)%
Operating profit	1,013.6	854.7	(15.7)%
Profit before taxes	1,002.6	868.0	(13.4)%
Profit attributable to shareholders of NTT DOCOMO, INC.	663.6	591.5	(10.9)%

Consolidated financial statements (including Business Report) have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

For the fiscal year ended March 31, 2020, operating revenues decreased by ¥189.6 billion from the previous fiscal year to ¥4,651.3 billion. This was mainly due to a decrease in equipment sales as well as a decrease in mobile telecommunications services revenues because of the expansion of customer returns. This decrease in revenues exceeded an increase in optical-fiber broadband service revenues due to growth in the number of “docomo Hikari” users. Operating expenses decreased by ¥30.6 billion from the previous fiscal year to ¥3,796.6 billion. This was mainly due to a decrease in the cost of equipment sold associated with the decrease in equipment sales. This decrease in expenses was greater than an increase in expenses attributable to NTT Plala Inc., which became a subsidiary in July 2019, and an increase in expenses associated with the expansion of “docomo Hikari” revenues.

As a result, operating profit decreased by ¥159.0 billion from the previous fiscal year to ¥854.7 billion for the fiscal year ended March 31, 2020.

iv. Trend of business segments

Operating revenues and profit (loss) in each business segment in the fiscal year ended March 31, 2020 are indicated in the table below.

IFRS		(Billions of yen)		
Category		28th Fiscal Year (FY2018)	29th Fiscal Year (FY2019)	Year-on-Year Change
Operating revenues	Telecommunications business	3,977.1	3,687.0	(7.3)%
	Smart life business	448.2	543.7	21.3%
	Other businesses	441.3	454.0	2.9%
	Elimination	(25.8)	(33.4)	(29.7)%
	Total	4,840.8	4,651.3	(3.9)%
Operating profit (loss)	Telecommunications business	866.3	706.5	(18.4)%
	Smart life business	69.2	32.5	(53.0)%
	Other businesses	78.1	115.6	48.0%
	Total	1,013.6	854.7	(15.7)%

■ Telecommunications Business

Operating revenues from telecommunications business for the fiscal year ended March 31, 2020 were ¥3,687.0 billion, a decrease of ¥290.1 billion, or 7.3%, from ¥3,977.1 billion for the previous fiscal year. This was mainly due to a decrease in equipment sales as well as a decrease in mobile communications services revenues because of the expansion of customer returns. This decrease in revenues exceeded an increase in optical-fiber broadband service revenues due to growth in the number of “docomo Hikari” users.

Operating expenses from the telecommunications business were ¥2,980.5 billion, a decrease of ¥130.3 billion, or 4.2%, from ¥3,110.8 billion for the previous fiscal year. This was mainly due to a decrease in cost of equipment sold associated with the decrease in equipment sales. This decreased in expenses was greater than an increase in expenses associated with the expansion of “docomo Hikari” revenues.

Consequently, operating profit from telecommunications business was ¥706.5 billion, a decrease of ¥159.8 billion, or 18.4%, from ¥866.3 billion for the previous fiscal year.

Topics

● Enhanced Customer Returns and Encouraging Switch to Smartphones

As the market environment changes drastically, in order to be competitive as a market leader, in June 2019 the Company launched the new rate plans “Gigaho,” “Gigalight” which feature simple structure and great value and the “Sumaho Okaeshi Program” that makes it easy for customers to purchase smartphone devices. In addition, together with lowering cancellation fees for two-year term contracts and monthly rates for non-term contracts in mobile telecommunications services from October, we launched the “d CARD Oshiharai Wari” discount program and expanded options for economical rate plans with no cancellation fees.

In addition, as a result of rolling out campaigns such as “Amazon Prime comes with DOCOMO’s plan” and working to provide optimal rate plans through “Shikkari Ryokin Simulation,” the number of applications* for the new rate plans totaled 16.51 million and, out of such, the number of subscriptions* topped 14.94 million.

Furthermore, due to the provision of the “Oshaberi Wari 60” and “Hajimete Sumaho Kounyu Support,” the number of smartphone and tablet users topped 42.04 million.

* The number of applications is the total number of subscriptions and reservations (including those cancelled after application). Each of the number of applications and the number of subscriptions is the total of “Gigaho,” “Gigalight,” “5G Gigaho,” “5G Gigalight,” “Keitai Plan,” “Kids Keitai Plan,” “Data Plus” and “5G Data Plus.”

Launch Date	Principal Initiatives
June 2019	“Gigaho” and “Gigalight,” simple and great-value new rate plans
June 2019	“Sumaho Okaeshi Program” in which, when a device is purchased in 36 installments, payments for up to 12 installments will be exempted if the purchased device is returned
October 2019	Lowered cancellation fees for two-year term contracts from ¥9,500 to ¥1,000
October 2019	“d CARD Oshiharai Wari” which enables the application of the same monthly rate as two-year term contracts even with non-term contracts when d CARD is selected as the payment method for docomo usage fees
November 2019	“Oshaberi Wari 60” which discounts voice call options for customers aged 60 or over who change to smartphone plans, and “Hajimete Sumaho Kounyu Support” which discounts device prices when customers switch to a smartphone from a FOMA phone
December 2019	“Amazon Prime comes with DOCOMO’s plan” which provides “Amazon Prime*,” Amazon’s paid membership program, for one year
December 2019	“Gigaho’ ‘Gigalight’ & ‘Disney DELUXE’ Set Discount” which provides a ¥700 discount from monthly rates for one year
December 2019	“docomo Student Discount” which provides a maximum ¥1,500 monthly discount for customers under 25 years old from “Gigaho” and “Gigalight” usage fees for one year
January 2020	“Gigaho Zouryou Campaign” which allows “Gigaho” subscribers to use up to 60GB monthly
March 2020	“5G Gigaho” and “5G Gigalight,” rate plans for 5G “Unlimited data campaign” which allows “5G Gigaho” subscribers unlimited use of monthly data

* Amazon Prime annual membership fee is ¥4,900 (tax included; as of April 28, 2020). The Company bears the Amazon Prime annual membership fee for one year.

● Evolved Customer Touchpoints

Aiming for thorough responses that satisfy customers, we worked to acquire further knowledge, enhance response skills and foster compliance awareness through regular training.

In addition, we sequentially opened “d garden” from April 2019 as a proof-of-concept shop for providing “new customer experience value” that meet the diverse needs of regions and customers. The shop provides a space to experience various services and contents, even for customers who do not have docomo subscriptions.

In order to enhance customer support at docomo shops, we worked to provide free “initial settings and data transfer” support for customers who purchased devices in shops, and increased shops with expanded store visit reservations so that we were able to accept many customers without having them wait. Moreover, at our “docomo Smartphone classes,” which have approximately 5 million participants annually, we developed programming classes, toward the 2020 mandating of programming education at elementary schools.

Further, working to raise customer satisfaction, we enhanced convenience and support at every customer contact point, such as by launching “simple procedures” on the docomo online shop so that devices can be purchased smoothly.

■ Smart Life Business

Operating revenues from smart life business for the fiscal year ended March 31, 2020 were ¥543.7 billion, an increase of ¥95.5 billion, or 21.3%, from ¥448.2 billion for the previous fiscal year. This was mainly due to an increase in revenues attributable to NTT Plala Inc., which became

a subsidiary in July 2019, as well as an increase in revenues from our finance/payment services and other services.

Operating expenses from smart life business were ¥511.2 billion, an increase of ¥132.2 billion, or 34.9%, from ¥379.0 billion for the previous fiscal year. This was mainly due to an increase in expenses attributable to NTT Plala Inc., which became our subsidiary in July 2019, as well as an increase in expenses associated with the increase in revenues from our finance/payment services.

Consequently, operating profit from smart life business was ¥32.5 billion, a decrease of ¥36.7 billion, or 53.0%, from ¥69.2 billion for the previous fiscal year.

* Certain services that had been included in the smart life business were reclassified to other businesses to reflect the change in the Company's internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the previous fiscal year has been restated to conform, respectively, to the presentation for the fiscal year ended March 31, 2020.

Topics

● Initiatives for Growth of Finance/Payment Businesses

Strengthening coordination between “d POINTs” and various payment services, such as the “d CARD” credit card, “iD” electric money service, and “d Payment” smartphone payments, we provided services for easy, convenient and beneficial experience.

For “d Payment,” together with adding wallet functions and launching “Kazasu (scanning)” payment via the “d Payment mini app” and “iD” electric money service, we performed various reward point campaigns for d POINTs throughout the year in order to increase the number of users. In addition, we worked to make “d Payment” available at more locations and, as a result, it became available for use at “7-Eleven” convenience stores, operated by SEVEN-ELEVEN JAPAN CO., LTD., and “Gyu-Kaku,” “Shabu-Shabu ONYASAI,” “Kappa-Sushi” and other restaurants, operated by group companies of COLOWIDE CO., LTD. Moreover, aiming to further improve customer convenience and services, promote cashless payments, and consider new businesses, we agreed on a business partnership with Mercari, Inc. and Merpay, Inc.

As a result of these initiatives, the total number of “d Payment” users^{*1*2} as of March 31, 2020 grew to 25.26 million, an increase of 12.86 million from March 31, 2019, and the amount of “d Payment” transactions^{*1*3} was ¥399.1 billion, an increase of ¥275.2 billion from the previous fiscal year. The total number of “d CARD” subscribers^{*1} as of March 31, 2020 grew to 12.97 million, an increase of 1.56 million from March 31, 2019. Of these, the total number of “d CARD GOLD” subscribers was 6.85 million, and the amount of “d CARD” transactions^{*1} was ¥4,147.0 billion, an increase of ¥1,007.2 billion from the previous fiscal year.

In addition, the total amount of transactions through our finance/payment services reached ¥5,323.6 billion for the fiscal year ended March 31, 2020, an increase of ¥1,412.1 billion from the previous fiscal year.

Launch Date	Principal Initiatives
September 2019	Added wallet functions to “d Payment” which allow charging and transfers as well as sending of “d POINTs”
November 2019	“d Payment mini app” which allows use of various services (pre-orders and coupons, etc.) provided via smartphone by “d Payment” affiliated stores
November 2019	Integrated “d CARD mini” into “d Payment” to enable “Kazasu (scanning)” payment (for Android) through “iD” electric money service
February 2020	Agreed on business partnership with Mercari, Inc. and Merpay, Inc.

*1 Due to the integration of “d CARD mini” into “d Payment” in the fiscal year ended March 31, 2020, the number of “d CARD mini” subscriptions and the amount of “d CARD mini” transactions contained in the number of “d CARD” subscriptions and the amount of “d CARD” transactions are transferred and calculated as the number of “d Payment” users and the amount of “d Payment” transactions.

*2 Total of the number of “d Payment” app downloads and the number of “d Payment (iD)” members.

*3 Total amount of transactions through “d Payment” code payments and online payments and “d Payment (iD)” payments.

- Initiatives for Marketing Solution Business -Improved Convenience of “d POINTs”

We worked to promote the use of and enhance the convenience of “d POINTs,” which became available for use at “FamilyMart” stores, operated by FamilyMart Co., Ltd., and at restaurants under the umbrella of Zensho Holdings Co., Ltd., including “Sukiya,” “Hamazushi” and “Coco’s,” and encouraged to expand our marketing solution business* by leveraging “d POINTs” membership base.

As a result of these initiatives, as of March 31, 2020, the total number of partners participating in the “d POINTs” program was 752, an increase of 334 from March 31, 2019.

* Marketing solution business consists of “d POINTs” business, advertising business and CRM business.

- Expansion of Services Toward Realization of Smart Life

In order to provide “virtual front row” experience via the live streaming of real-time VR videos utilizing the high speed and large capacity of 5G and offer value and excitement to our customers, we added “8KVR Live” to the “Shintaikan Live Connect*” menu from March 2020.

* Service which allows live streamed music concerts, etc. to be viewed on smartphones, computers, and televisions.

- Other businesses

Operating revenues from other businesses for the fiscal year ended March 31, 2020 amounted to ¥454.0 billion, an increase of ¥12.7 billion, or 2.9%, from ¥441.3 billion for the previous fiscal year, driven mainly by an increase in revenues relating to enterprise IoT services.

Operating expenses from other businesses were ¥338.4 billion, a decrease of ¥24.9 billion, or 6.8%, from ¥363.2 billion for the previous fiscal year, mainly due to a decrease in expenses as a result of pursuing further cost efficiency.

Consequently, operating profit from other businesses was ¥115.6 billion, an increase of ¥37.5 billion, or 48.0%, from ¥78.1 billion for the previous fiscal year.

* Certain services that had been included in the smart life business were reclassified to other businesses to reflect the change in the Company’s internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the previous fiscal year has been restated to conform, respectively, to the presentation for the fiscal year ended March 31, 2020.

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. Along with the increase of inbound visitors to Japan and diversifying customer needs, in July 2019 we launched the “Oshaberi Annaiban,” a 4-language AI information service that utilizes DOCOMO AI Agent API* for providing facility information through dialogue and touch operations, intended for use at commercial facilities, stations, airports, municipal facilities, etc. that are visited by many of such users.

* Interactive service that is part of “corevo,” NTT Group’s AI technologies.

- Initiatives for Proliferation of IoT

In April 2019, we commercially launched the “AI Bus” system at Kyushu University’s Ito

Campus at which we carried out numerous demonstration experiments. This service is an on-demand transportation system for vehicle allocations that calculates efficient vehicles/routes by using AI, based on bookings from smartphone apps and phones, to respond to real-time boarding/alighting requests. We position Japanese MaaS (Mobility as a Service) as a “solution to social issues related to mobility” and, as part of such efforts, we worked to enhance secondary transportation from rural areas to urban areas through the “AI Bus” system, and the number of people transported amounted to approximately 280,000*.

* Operational results up until the end of March 2020 (including demonstration experiments).

● Enhanced Support Services

We renewed the “Anshin Pack,” which has been provided to enable customers to use smartphones and other mobile devices safely and securely, to a service pack that also supports other digital devices used in the home, and began its provision in July 2019. In addition, regarding the “Mobile Device Protection Service,” we expanded the contents of the service by providing such as “Express delivery”* in which a replacement phone is delivered within four hours of application, whereas previously the delivery was on the next day at the earliest.

* The delivery area is a customer specified address within the 23 wards of Tokyo / Osaka City, Osaka Prefecture.

(3) Research and Development Activities

In order to develop businesses leveraging 5G, AI and IoT, we have been working on R&D for communication networks, devices and services and also proactively working on open innovation to create new value with various partners.

- Initiatives for the Commercialization and Further Enhancement of 5G

- R&D for the commercialization of 5G

Leading the international standardization of the Fifth-Generation Mobile Communications System (5G), we acquired the largest number of essential patents in the world as a telecommunications carrier and launched commercial 5G services on March 25, 2020. Founding and taking the lead in the international O-RAN alliance, which seeks to reduce network costs and enhance sustainability through the flexible combination of base station equipment from different manufacturers, we have swiftly implemented a network compliant with O-RAN specifications. In addition, we launched the DOCOMO Open Innovation Cloud with our partners, as a value-added cloud platform which achieves high security and low latency for service solutions. Going forward, we will accelerate collaborative creation with our partners through openly implementing our image recognition services, together with video transmission, VR/AR and other services provided by our partners.

- Initiatives for the further enhancement of 5G and toward 6G

Together with pushing forward with the further enhancement of 5G, we have initiated research on the Sixth-Generation Mobile Communications System (6G), assuming service provision around 2030, and published a white paper in January 2020 that summarizes use cases, target performance, technical elements, and others.

- Initiatives Relating to Collaborative Creation of Services and Solutions with Partners

Aiming to improve factory productivity, we have co-created with OMRON Corporation and Nokia Solutions and Networks Japan G.K. solutions that enable the free rearranging of production lines in accordance with product demand through wireless connectivity via 5G and that pass-on the knowhow of experts to workers through combining 5G with AI. To achieve this, we verified the effect of machine tools on 5G radio wave propagation in an actual factory and demonstrated the feasibility of using 5G within the factory.

- DOCOMO Open House 2020

We held “DOCOMO Open House 2020” in January 2020 to introduce over 260 service solutions we co-created with our partners, and it saw over 23,000 visitors. We promoted widely the creation of new value in the 5G era, such as Remote Control Robot Using Real Haptics and English lectures translated into Japanese in real time through AI.

As a result of the above and other initiatives, total research and development costs for the fiscal year ended March 31, 2020 increased by 2.0% from the previous fiscal year to ¥92.8 billion.

(4) Trend of Capital Expenditures

As a result of optimizing capital expenditures and reducing costs while promoting growth investment including 5G, the total capital expenditures for the fiscal year ended March 31, 2020 decreased by 3.5% from the previous fiscal year to ¥572.8 billion.

- Expansion of Telecommunications Facilities

Looking toward the continuous provision of a comfortable network, we strived to optimize capital expenditures and reduce costs while increasing the total number of LTE base stations nationwide from 208,500 as of March 31, 2019 to 228,100 as of March 31, 2020 and

“PREMIUM 4G”-compatible base stations from 145,600 as of March 31, 2019 to 168,800 as of March 31, 2020.

- Start of Shift of Resources to Growth Investments for the 5G Era

In order to concentrate management resources on 5G, we ended new registrations for 3G (FOMA service) at the end of FY2019 and announced that this service will be terminated at the end of FY2025.

Regarding the number of 5G base stations, we completed the installation of approximately 500 base stations as of March 31, 2020 and, looking toward the active rollout of the 5G area, we made further investment in order to accelerate the development and building of networks.

(5) Activities for Work Style Reform

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

For “diversity management,” we recognize and embrace individual differences in race, ethnicity, nationality, gender, restriction of work hours, disability, various vocational skills and values. We pushed forward on endeavors to create a corporate culture that allows each and every employee to exert their full potential and contribute to the Company’s business. As a result of these efforts, we received a “gold” rating for four consecutive years on the PRIDE Index created by the volunteer organization “work with Pride” to recognize LGBT-related efforts.

For “broader work style options,” we actively promoted existing measures relating to work style reforms, such as teleworking at home or in satellite offices and time difference commuting that utilizes the flexible working system, and strived to realize business efficiency and value creation.

For “health and productivity management,” together with holding an intra-company step-count competition for six years running, we worked to increase uterine cancer screening opportunities for female employees and introduced specified health guidance that utilizes ICT. As a result, we were recognized by the Nippon Kenko Kaigi as an “organization in the large enterprise category (White 500) under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program” for four years in a row.

(6) Activities Toward Sustained Social Development

We are promoting ESG^{*1} management and working toward sustained social development while contributing to the Sustainable Development Goals (SDGs). This is achieved 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.

As a result of the above and other efforts, DOCOMO was selected for three consecutive years as a component of the DJSI World Index of the Dow Jones Sustainability Indices (DJSI), which are global indices for ESG investment, and also selected for four indices^{*2} adopted for ESG investment by the Government Pension Investment Fund (GPIF). In addition, DOCOMO was ranked second place in the Toyo Keizai CSR Corporate Ranking, rated five stars in the NIKKEI Smart Work survey, which is the top rated category, and honored with The Nikkei Smart Work Grand Prize 2020 (Use of Technology Division).

*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”

- Initiatives for SBTs (Science-based Targets)

As an initiative to realize a decarbonized society, we have decided to set greenhouse gas emission reduction targets based on SBTs*.

* Greenhouse gas emission reduction targets based on scientific grounds in order to keep temperature rises below 2°C above pre-industrial levels, based on the Paris Agreement.

- Response to Recommendations of the TCFD (Task Force on Climate-related Financial Disclosures)

In accordance with the Final Report published by the TCFD*, we performed a scenario analysis regarding the Company's key climate change risks and opportunities, which we disclosed in our Sustainability Report.

* Task force established by the FSB (Financial Stability Board) in 2015 based on a request from the G20. The Final Report recommends the disclosure of information mainly centered on four core elements in organization management (governance, strategy, risk management, and metrics and targets) to appropriately assess and rate the climate change risks and opportunities of companies.

- Disaster Response and Preparedness Activities and Disaster Area Support Activities

Regarding large-scale disasters due to typhoons and others that occurred during the fiscal year ended March 31, 2020, we enacted support activities for customers in the areas specified under the Disaster Relief Act, such as providing free battery chargers and reducing repair charges to support victims. In addition, we first provided the "Disaster Data Unlimited Mode" in which we unlocked speed limits to enable customers to use mobile phones, etc. with high speed communication even when they reached the maximum amount of usable data. In disaster areas, we strived to minimize the impact on communications services by dispatching satellite mobile base station vehicles and mobile power generation vehicles. In addition, we utilized storage batteries deployed to all docomo shops in June 2019 to provide mobile phone charging services in disaster areas. We also lent mobile phones to the Self-Defense Forces and local governments and performed the early restoration of communications services and support for disaster areas, with up to about 2,000 staff per day.

- Responses Based on the Novel Coronavirus Pandemic

Based on the situation in which social and economic impacts are becoming more serious due to the novel coronavirus pandemic, we have provided measures aimed at supporting the financial burden on customers and their continued use of services with peace of mind.

We are extending payment deadlines upon applications from customers* who find it difficult to pay mobile phone service charges by the deadline. In addition, based on the fact that the use of "d POINTs" was difficult in March 2020 due to voluntary restraints on going out, we announced that the expiration date will be substantially extended by redeeming "d POINTs" in April that had expired during March.

* Applicable to all corporate customers (including wholesalers) and individual customers.

- Continued Efforts in "Smartphone and Mobile Phone Safety Class" and "DOCOMO Hearty Lecture"

We held sessions of "Smartphone and Mobile Phone Safety Classes," 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 Classes," which introduces convenient features and usage tips for smartphones to people with disabilities.

Name of session	Number of sessions held in FY2019	Number of participants in FY2019
Smartphone and Mobile Phone Safety Classes	Approx. 7,600 sessions	Approx. 1.37 million people (a cumulative participation of approx. 13.49 million people since 2004)
DOCOMO Hearty Classes	Approx. 90 sessions	Approx. 1,000 people (a cumulative participation of approx. 12,100 people since 2006)

● Activities of NPO Mobile Communication Fund (MCF)

In the fiscal year ended March 31, 2020, the MCF, which is established by DOCOMO, supported research activities relating to mobile communications technologies, provided support to international students, and provided subsidies to civic groups.

Major activities	Total amount
“DOCOMO Mobile Science Awards”: One Award in each of Advanced Technology Division, Basic Science Division, and Social Science Division	¥18.00 million
Scholarships for international students from Asia (21 recipients)	¥30.24 million
Subsidies to 38 different civic activities undertaken for the health and development of children	¥32.72 million

(7) Consolidated Financial Results and Assets

	26th Fiscal Year (FY 2016)	27th Fiscal Year (FY 2017)		28th Fiscal Year (FY 2018)	29th Fiscal Year (FY 2019)
Accounting standards	U.S. GAAP		IFRS		
Operating revenues (millions of yen)	4,584,552	4,769,409	4,762,269	4,840,849	4,651,290
Operating profit (millions of yen)	944,738	973,264	986,960	1,013,645	854,650
Profit attributable to shareholders of NTT DOCOMO, INC.* ¹ (millions of yen)	652,538	744,542	790,830	663,629	591,524
Earnings per share* ² (yen)	175.12	201.73	214.27	187.79	179.92
Total assets (millions of yen)	7,453,074	7,748,290	7,654,938	7,340,546	7,535,925
Total equity of NTT DOCOMO, INC.* ³ (millions of yen)	5,530,629	5,680,409	5,665,107	5,371,853	5,249,927

*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

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, our Group positions FY2020 as the “start year for growth in the new era,” in which we will execute initiatives to ensure sustainable growth for the new era.

The issues to be addressed by our Group include intensifying competition due to new entrants from different industries, the early construction of the 5G area to develop 5G services, intensifying competition in the cashless market following the consumption tax hike, and the creation of new revenue opportunities. In order to address these issues and realize growth in the new era, we will conduct business management as outlined on the next page.

● Medium-Term Operation Indicators (Quantitative Targets Defined in the Medium-Term Strategy)

	FY2019 results	Targets	
“d POINT CLUB” members	75.09 million members	FY2021:	78 million members
Enterprise partners* ¹	3,400 partners	FY2021:	5,000 partners
Locations where payment/point service can be used	1.71 million places* ²	FY2021:	2 million places
Transactions handled by Finance/Payment business	¥5.3 trillion	FY2021:	¥6 trillion
Enterprise solution revenues	¥89.0 billion	FY2021:	¥120 billion
Investment for 5G infrastructure buildout, etc.	¥52.0 billion	FY2019 - FY2023 cumulative total:	¥1 trillion
Wait time + attendance time	65 minutes	FY2019:	Approx. half of FY2018 (more than 2 hours on average)

*1 Number of DOCOMO 5G Open Partner Program partners.

*2 Locations where payment/point service can be used are the total of places where d POINTs, iD and d Payment (code and online payment) can be used. In the FY2019 result of the number of locations where payment/points can be used, only places where iD can be used are as of the end of February 2020.

- FY2020 Priority Initiatives

Start Year for Growth in the New Era

- i. Further reinforcement of customer base

While we will enter a new competitive environment, such as the launch of commercial 5G services and the entry of new businesses, we will reinforce our customer base by working to roll out 5G early and enhance rate plans tailored to customer usage needs. In addition, through shortening attendance time, offering thorough basic support for customers, and strengthening website leads, we will work to improve customer experiences. Moreover, we will work to further enhance the attractiveness of membership programs and improve the “quality” of the membership base by expanding the number of “d POINTs” partner stores that are easier to use on a daily basis.

- ii. Full-scale execution of a business foundation centered on our membership base

We will go one step further in our pursuit of “a business foundation centered on our membership base,” one of the basic policies of our medium-term management strategy, to construct strong customer contact points and expand businesses by implementing optimal approaches through digital marketing. In addition, we will concentrate resources on growth areas. We will further expand finance/payment businesses by increasing the number of member stores and promoting the daily use of the “d CARD” and “d Payment,” and strengthen contents businesses centered on video and entertainment. Moreover, we will establish marketing solutions businesses that utilize our extensive membership base, such as by expanding advertising businesses according to member attributes and enhancing CRM through data collaborations with strategic partners.

- iii. New value creation for the 5G era

For our sustained growth in the 2020s, we will tackle new value creation primarily through our commercial 5G service. We will realize new sensory and physical experiences in the 5G era focusing on video, such as 8KVR live video, multi-angle viewing and games. In addition, we will promote collaborative creation with our partners in order to create industries and resolve social issues, such as through the creation of new solutions that utilize the features of 5G. We will also work to create new businesses in XR, healthcare, sports, MaaS, etc.

Furthermore, we will promote structural reforms that support the new era. Looking toward the streamlining of business operations by strengthening 3G migration, we will work to make a smooth transition, including communication modules, and the early deconstruction of 3G areas. In addition, we will also focus on improving business process efficiency through the active utilization of the digital transformation, as well as shifting resources to growth areas.

- Response to the Novel Coronavirus Pandemic

We consider the continuation of operations and the maintenance of communication network equipment as our challenge, and we will strive to operate those systems that are needed for the provision of our Group’s services safely and stably.

In addition, we will utilize our assets so we can contribute to meeting the various needs of society, such as through the provision of telework realization support, demographic analyses using “Mobile Spatial Statistics,” learning support measures for customers under the age of 25*, and the free provision of online health consultation through the “d healthcare” app.

Hereafter, we will correspond to the changes in social structure, which is shifting to remote, and work on creating new values and solving social issues.

* “1GB addition option” and “speed mode” are provided free up to 50GB for those under 25 years old.

(9) Employees (As of March 31, 2020)

Number of Employees (change from March 31, 2019)	Average Age	Average Length of Employment
27,558 (increase of 994)	41.8	15.3 years

Notes:

1. The number of employees includes 255 employees seconded from companies other than the Company or its subsidiaries, but does not include 110 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.

(10) 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 (66.21% of all shares^{*}) as of March 31, 2020. 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 106,601,838 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.

iii. Principal Subsidiaries

There are no subsidiaries that are considered to be principal subsidiaries as of March 31, 2020. There were 96 consolidated subsidiaries and 27 affiliates as of March 31, 2020.

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 that agreement, with NTT Finance Corporation (“NTT Finance”). Under these agreements we have assigned the receivables associated with our telecommunications services to NTT Finance.

(11) Financing Activities and Principal Creditors

During the fiscal year ended March 31, 2020, 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, 2020.

2. Company Shares (as of March 31, 2020)

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

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

(3) Number of shareholders: 269,181

(4) Principal Shareholders

Shareholders	Holdings in the Company	
	Number of Shares Held	Shareholding Ratio (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2,137,733,200	66.21
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	102,642,300	3.18
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	73,635,000	2.28
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)	35,719,300	1.11
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	29,520,900	0.91
STATE STREET BANK WEST CLIENT – TREATY 505234	27,645,552	0.86
STATE STREET BANK AND TRUST COMPANY 505103	21,081,905	0.65
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	20,481,200	0.63
JP MORGAN CHASE BANK 385151	20,094,977	0.62
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 1)	15,143,200	0.47

Notes:

1. The Company's treasury stock (106,601,838 shares) is not included in the above table.
2. The Shareholding Ratio calculation excludes treasury stock.

(5) Other Principal Issues on the Company Shares

The Company acquired 106,601,600 common shares for an acquisition price of ¥300.0 billion during this period based on a resolution of the Board of Directors in order to strengthen shareholder returns.

Furthermore, we cancelled 106,601,688 treasury stocks (approximately 3.2% of the total number of issued shares before retirement) on April 2, 2020 based on a resolution of the Board of Directors.

(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 2019 to January 2020)
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 2020)

<<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, at the Board of Directors meetings, of the state of measures used to implement the medium-term management strategy, the allocation of management resources, and responses to changes in the operating environment, which had been identified as issues requiring improvement during the previous effectiveness evaluation.

Going forward, in order to establish a system to further enhance business strategy discussions at the Board of Directors and also further improve the mobility of management as an operating company, the Company will transition to a company with the Audit & Supervisory Committee, following approval of the relevant item of business at the 29th ordinary general meeting of shareholders.

In addition, in order to incorporate a diverse range of knowledge toward further reinforcing governance and energizing business strategy discussions, the Company shall have a ratio of independent Outside Directors in the Board of Directors of above one third, following approval of the items of business relevant to the election of Directors at the 29th ordinary general meeting of shareholders.

In addition to the transition to a company with the Audit & Supervisory Committee, the Board of Directors will continue to regularly verify the measures used to implement the medium-term management strategy, the allocation of management resources, and responses to changes in the operating environment, in order to further increase our corporate value.

(3) Directors and Audit & Supervisory Board Members (as of March 31, 2020)

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	Hiroshi Tsujigami	Executive General Manager of Sales and Marketing Division Responsible for Global business and Corporate
Senior Executive Vice President Representative Member of the Board of Directors	Seiji Maruyama	Responsible for Technology, Devices, Information Strategy and Membership Base
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
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 Outside Director of M3, Inc.
Executive Vice President Member of the Board of Directors	Kouji Tsubouchi	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	Michio Fujiwara	General Manager of Corporate Strategy & Planning Department Responsible for Mobile Society Research Institute and Preparation for 2020
Senior Vice President Member of the Board of Directors	Mayumi Tateishi	General Manager of General Affairs Department and General Manager of Improvement Action Office
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. Outside Director of Hankyu Hanshin Holdings, Inc. Outside Director of VLC HOLDINGS CO., LTD.
Member of the Board of Directors	Katsumi Kuroda	Vice President of Corporate Strategy Planning of NTT
Full-time Audit & Supervisory Board Member	Shoji Suto	
Full-time Outside Audit & Supervisory Board Member	Hironobu Sagae	
Full-time Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Mikio Kajikawa	
Full-time Outside Audit & Supervisory Board Member	Katsumi Nakata	

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.
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Notes:

1. Directors and Audit & Supervisory Board Members who resigned or retired during the fiscal year ended March 31, 2020 are as follows:

Name	Retirement date	Reason	Position/responsibility at time of retirement
Hiroyasu Asami	June 18, 2019	Resigned	Senior Executive Vice President, Representative Member of the Board of Directors, Responsible for Technology, Devices, Information Strategy and Membership Base
Kouji Furukawa	June 18, 2019	Resigned	Executive Vice President, Member of the Board of Directors, Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office
Tooru Atarashi	June 18, 2019	Resigned	Senior Vice President, Member of the Board of Directors, General Manager of General Affairs Department and General Manager of Improvement Action Office
Shinichiro Ueno	June 18, 2019	Resigned	Member of the Board of Directors
Toshimune Okihara	June 18, 2019	Term expired	Full-time Outside Audit & Supervisory Board Member

2. Directors and Audit & Supervisory Board Members elected at the 28th Annual General Meeting of Shareholders held on June 18, 2019 are as follows:

Name	Inauguration Date	Position of Inauguration	Responsibility of Inauguration
Kouji Tsubouchi	June 18, 2019	Executive Vice President Member of the Board of Directors	Executive General Manager of Corporate Sales and Marketing Division and General Manager of TOHOKU Reconstruction Support Office
Michio Fujiwara	June 18, 2019	Executive Vice President Member of the Board of Directors	General Manager of Corporate Strategy & Planning Department, Responsible for Mobile Society Research Institute and Preparation for 2020
Mayumi Tateishi	June 18, 2019	Senior Vice President Member of the Board of Directors	General Manager of General Affairs Department and General Manager of Improvement Action Office
Katsumi Kuroda	June 18, 2019	Member of the Board of Directors	–
Katsumi Nakata	June 18, 2019	Full-time Outside Audit & Supervisory Board Member	–

3. Directors Teruyasu Murakami and Noriko Endo are Outside Directors as provided in Article 2, Item 15 of the Companies Act.
4. Full-time Audit & Supervisory Board Members Hironobu Sagae, Mikio Kajikawa, Katsumi Nakata and Audit & Supervisory Board Member Eiko Tsujiyama are Outside Audit & Supervisory Board Members as provided in Article 2, Item 16 of the Companies Act.
5. 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.

6. 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.
7. Outside Audit & Supervisory Board Member Eiko Tsujiyama also serves as outside corporate auditor at Lawson, Inc., with which we have a business 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.
8. 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.
9. Outside Director Noriko Endo retired from her position as Project Professor at Graduate School of Media and Governance, Keio University as of March 31, 2020.

- Indemnity agreements

The Company has concluded agreements with Directors Teruyasu Murakami, Noriko Endo and Katsumi Kuroda 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

The total compensation for Directors was resolved to be within an annual amount of ¥600 million at the 15th ordinary general meeting of shareholders held on June 20, 2006. Compensation for Directors in each business year is determined at a meeting of the Board of Directors upon a comprehensive consideration of the scope of roles and responsibilities of each position and achievement levels using operating profit, etc. for the current fiscal year as a performance indicator. In addition, prior to the meeting of the Board of Directors, the details of compensation are explained to the parent company and independent Outside Directors, and appropriate advice is obtained. The determination of the amount of individual compensation for each Director is entrusted to the President and Representative Director by the Board of Directors. The President and Representative Director makes determinations in accordance with the following policies, as well as the rules concerning compensation for Directors determined by resolution of the Board of Directors.

- (i) Compensation for Directors (excluding independent Outside 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 consolidated operating profit, etc. for the current fiscal year. From the perspective of reflecting medium- to long-term business results, Directors with executive authority over operations make contributions of at least a certain amount, out of their monthly cash salaries and bonuses, 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, compensation for independent Outside Directors consists of only monthly salaries with no links to 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 business results.

(b) Total compensation for directors and audit & supervisory board members for the fiscal year ended March 31, 2020

Position	Number of Persons	Total Compensation (Millions of yen)
Director	16	463
Audit & Supervisory Board Member	6	132
Total	22	595

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 four Directors and one Audit & Supervisory Board Member who retired at the conclusion of the 28th ordinary general meeting of shareholders held on June 18, 2019.
3. Total compensation for Directors includes ¥75 million in bonuses paid in the fiscal year ended March 31, 2020.

(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% (16/16)	—	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% (16/16)	—	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.
Outside Audit & Supervisory Board Members	Hironobu Sagae	100% (16/16)	100% (15/15)	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% (16/16)	100% (15/15)	He made appropriate comments from his expert perspective gained through his work experience in the Ministry of Finance.
	Katsumi Nakata	100% (13/13)	100% (10/10)	He made appropriate comments from his experience and extensive knowledge due to his career and engagement in businesses pertaining to telecommunications and corporate management.
	Eiko Tsujiyama	100% (16/16)	100% (15/15)	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 Katsumi Nakata are after his inauguration in June 2019.

(b) Total compensation to outside directors in the fiscal year ended March 31, 2020

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

Notes:

1. The above includes one Audit & Supervisory Board Member who retired at the conclusion of the 28th ordinary general meeting of shareholders held on June 18, 2019.
2. Other than the above, the total amount of compensation that Outside Directors received as a Director from the Company's subsidiaries in the fiscal year ended March 31, 2020 is ¥5 million.

(6) Efforts Related to Information Security

The Company, recognizing that proper information management is an important management issue, therefore declares 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 each 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. In addition, based on changes in the environment surrounding information security, we have developed a system to examine company-wide security strategies, such as making security more sophisticated, together with enhancing our cyber attack response framework. We also strived to further strengthen information security by taking measures from "human," "organizational," "physical" and "technical" perspectives.

■ **The State of the Company's Corporate Governance**
The Opinion of Independent Outside Director, Teruyasu Murakami:

The Company regularly evaluates the effectiveness of the Board of Directors in order to understand the overall state of its corporate governance. I would like to report that, as a result of serious discussions from diverse aspects that involved Outside Directors, it was unanimously verified that the Board's effectiveness was secured again for the fiscal year ended March 31, 2020. During the current response to the novel coronavirus, the Company's emergency governance is fully functional, such as maintaining the wireless communication infrastructure at the risk of infection, promoting and supporting telework, and the rapid development of social contributions through mobile spatial statistics.

The Company introduced an independent outside director system in FY2013. Since then, based on the governance characteristic of the Company, the Company has strived to actively respond to social demands to strengthen corporate governance. As the first independent Outside Director, I, representing the interests of ordinary shareholders, have focused on the continuous improvement of corporate value, and have strived for the scientific pursuit and implementation of what an ideal independent Outside Director of the Company should be.

In the period up to the present, the Company has not experienced any significant scandals and, as mentioned in this business report, has continued to achieve stable business performance, almost at the pinnacle of Japan's share company system. Regarding the Company's institutional design, in order to further strengthen such efforts and be able to adapt to the new business environment, the Company proposes the introduction of an audit & supervisory committee system and innovations to realize an independent Outside Director ratio of above one third.

I am convinced that this will be a governance reform that enables flexible management to enhance strategic discussions, while also strengthening business innovation capabilities that will break through the complicated and rapid changes in the post-coronavirus competitive environment, as well as crisis management capabilities to carefully respond to frequent unforeseen situations such as pandemics and disasters, as these capabilities will be necessary for the Company in the future.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION [IFRS]

	Millions of yen
	March 31, 2020
ASSETS	
Current assets:	
Cash and cash equivalents	¥ 398,745
Trade and other receivables	2,154,593
Other financial assets	1,022
Inventories	90,009
Other current assets	70,957
Total current assets	2,715,326
Non-current assets:	
Property, plant and equipment	2,653,145
Right-of-use assets	252,412
Goodwill	30,518
Intangible assets	656,435
Investments accounted for using the equity method	140,976
Securities and other financial assets	451,532
Contract costs	312,618
Deferred tax assets	188,608
Other non-current assets	134,354
Total non-current assets	4,820,599
Total assets	7,535,925
LIABILITIES AND EQUITY	
Current liabilities:	
Trade and other payables	¥ 1,135,855
Lease liabilities	69,635
Other financial liabilities	7,618
Accrued income taxes	141,064
Contract liabilities	214,020
Provisions	37,939
Other current liabilities	134,022
Total current liabilities	1,740,153
Non-current liabilities:	
Long-term debt	50,000
Lease liabilities	175,223
Defined benefit liabilities	210,675
Contract liabilities	32,995
Provisions	8,067
Other non-current liabilities	46,551
Total non-current liabilities	523,512
Total liabilities	2,263,665
Equity:	
Equity attributable to shareholders of NTT DOCOMO,INC.	
Common stock	949,680
Additional paid-in capital	152,695
Retained earnings	4,441,034
Treasury stock	(300,000)
Other components of equity	6,519
Total equity attributable to shareholders of NTT DOCOMO,INC.	5,249,927
Noncontrolling interests	22,334
Total equity	5,272,261
Total liabilities and equity	¥ 7,535,925

(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, 2020
(April 1, 2019-March 31, 2020)

Operating revenues:	
Telecommunications services	¥ 3,094,278
Equipment sales	608,228
Other operating revenues	948,784
Total operating revenues	4,651,290
Operating expenses:	
Personnel expenses	288,213
Cost of equipment sold and services, and other expenses	2,422,206
Depreciation and amortization	580,839
Communication network charges	431,668
Loss on disposal of property, plant and equipment and intangible assets	71,532
Impairment loss	2,183
Total operating expenses	3,796,640
Operating profit	854,650
Finance income	15,261
Finance costs	5,594
Share of profits on equity method investments	3,634
Profit before taxes	867,951
Income taxes	273,170
Profit	594,781
Profit attributable to:	
Shareholders of NTT DOCOMO,INC.	591,524
Noncontrolling interest	3,257
Profit	¥ 594,781

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

NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2020)

(Millions of yen)

ASSETS		LIABILITIES	
Non-current assets		Long-term liabilities	
Non-current assets for telecommunications businesses		Bonds	¥ 50,000
Property, plant and equipment		Lease obligations	1,785
Machinery and equipment	¥ 1,184,896	Liability for employees' retirement benefits	160,344
Antenna facilities	548,735	Accrued liabilities for point programs	149,569
Telecommunications line facilities	30,500	Provision for loss on business withdrawal	1,358
Pipe and hand holes	13,793	Asset retirement obligations	3,159
Building	261,471	Other long-term liabilities	10,045
Structures	64,598	Total long-term liabilities	376,263
Other machinery and equipment	5,102	Current liabilities	
Vehicles	287	Accounts payable, trade	317,515
Tools, furniture and fixtures	85,597	Short-term borrowings	55,500
Land	196,402	Lease obligations	636
Lease assets	2,257	Accounts payable, other	796,641
Construction in progress	154,055	Accrued expenses	12,601
Total property, plant and equipment	2,547,698	Accrued income taxes	126,364
Intangible assets		Advances received	59,593
Rights to use utility facilities	9,129	Deposits received	126,774
Software	533,396	Provision for loss on business withdrawal	226
Patents	0	Other current liabilities	11,219
Leasehold rights	58,155	Total current liabilities	1,507,072
Lease assets	130	Total liabilities	1,883,335
Other intangible assets	39,036		
Total intangible assets	639,847		
Total non-current assets for telecommunications businesses	3,187,546	NET ASSETS	
Investments and other assets		Shareholders' equity	
Investment securities	275,616	Common stock	949,679
Shares of affiliated companies	164,536	Capital surplus	
Other investments in affiliated companies	12,638	Capital legal reserve	292,385
Contributions in affiliated companies	5,038	Total capital surplus	292,385
Long-term loan receivable in affiliated companies	14,666	Earned surplus	
Long-term prepaid expenses	61,828	Earned legal reserve	4,099
Long-term accounts receivable, other	213,468	Other earned surplus	
Deferred tax assets	153,184	General reserve	358,000
Other investments and other assets	119,023	Earned surplus brought forward	3,687,902
Allowance for doubtful accounts	(932)	Total earned surplus	4,050,002
Total investments and other assets	1,019,068	Treasury stock	(300,000)
Total non-current assets	4,206,614	Total shareholders' equity	4,992,066
Current assets		Valuation and translation adjustments	
Cash and bank deposits	19,980	Net unrealized holding gains or losses on securities	29,805
Accounts receivable, trade	533,067	Total valuation and translation adjustments	29,805
Accounts receivable, other	1,649,150		
Inventories and supplies	107,871	Total net assets	5,021,872
Advances	10,363	Total liabilities and net assets	¥ 6,905,208
Prepaid expenses	45,015		
Deposits	319,946		
Other current assets	50,196		
Allowance for doubtful accounts	(36,998)		
Total current assets	2,698,593		
Total assets	¥ 6,905,208		

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

NON-CONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen)

Recurring profits and losses		
Operating revenues and expenses		
Telecommunications businesses		
Operating revenues		
Voice transmission services	¥ 1,020,891	
Data transmission services	2,183,808	
Other	50,173	¥ 3,254,873
Operating expenses		
Sales expenses	960,059	
Facility maintenance expenses	351,106	
General expenses	44,742	
Administrative expenses	65,677	
Research expenses	69,567	
Depreciation and amortization	442,580	
Loss on disposal of property, plant and equipment and intangible assets	63,404	
Communication network charges	453,134	
Taxes and public dues	53,259	2,503,531
Operating income from telecommunications businesses		751,342
Supplementary businesses		
Operating revenues		1,384,205
Operating expenses		1,405,999
Operating income (losses) from supplementary businesses		(21,793)
Total operating income		729,548
Non-operating revenues and expenses		
Non-operating revenues		
Interest income	663	
Interest income-securities	0	
Dividend income	69,155	
Miscellaneous income	11,573	81,392
Non-operating expenses		
Interest expense	140	
Interest expense-bonds	365	
Foreign exchange losses	1,668	
Loss on investments in investment partnerships	1,590	
Miscellaneous expenses	1,344	5,109
Recurring profit		805,832
Extraordinary profit		
Gain on sales of investment in affiliated companies	151,513	151,513
Extraordinary Loss		
Write-down of investment securities	56,202	
Write-down of investment in affiliated companies	22,034	78,236
Income before income taxes		879,109
Income taxes-current		257,400
Income taxes-deferred		20,026
Net income		¥ 601,682

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

Independent Auditor's Report

May 12, 2020

The Board of Directors
NTT DOCOMO, INC.

KPMG AZSA LLC
Tokyo Office, Japan

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

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

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

Opinion

We have audited the consolidated financial statements, which comprise 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. (“the Company”) and its subsidiaries (collectively referred to as “the Group”), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note to change in accounting policies to the consolidated financial statements, which describes that the Group has adopted IFRS 16 "Lease" from the beginning of the fiscal year ended March 31, 2020. Our conclusion is not modified in respect of this matter.

Responsibilities of Management and Corporate auditors and the board of corporate auditors 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are 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, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied

with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to 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 for the conveniences of the reader.

Independent Auditor's Report

May 12, 2020

The Board of Directors
NTT DOCOMO, INC.

KPMG AZSA LLC
Tokyo Office, Japan

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

Opinion

We have audited the non-consolidated financial statements, which comprise 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. ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

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 the Company 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial

statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors 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 misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and the supplementary schedules, including the disclosures, and whether the non-consolidated financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

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 29th fiscal year from April 1, 2019 to March 31, 2020. 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) 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.

(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 13, 2020

Audit & Supervisory Board Members of NTT DOCOMO, INC.

Shoji Suto, Full-time 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
Katsumi Nakata, Full-time (Outside) Audit & Supervisory Board Member	seal
Eiko Tsujiyama, (Outside) Audit & Supervisory Board Member	seal