



# Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary

September 29, 2020

**Changes surrounding the telecommunications market environment**

**Integration of fixed-line and mobile communications**

**Multifaceted, multilayered market competition that transcends the level of communications**

**Changes in social trends**

**Remote world  
(decentralized society)**

**New Glocalism**



**Dynamic changes in the environment at the global level**

# Toward NTT's Medium-Term Growth and Development ①



## ◆ Goals Being Pursued

- ① **Development and offering of new services for a remote world**
- ② **Centralization of resources and promotion of DX**
- ③ **Promotion of research and development on a global scale**
- ④ **Strengthening of new types of businesses, including the Smart Life business**

# Toward NTT's Medium-Term Growth and Development ②



**In order to pursue our goals,**

**It is essential to strategically leverage resources and assets across the group and accelerate decision-making**

# Toward NTT's Medium-Term Growth and Development ③



## ◆ Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary

### Objective

- **Improved competitiveness of, and growth of, NTT DOCOMO**  
NTT DOCOMO can utilize the capabilities of NTT Communications and NTT Comware and promote new services/solutions and the development of 6G-focused communications infrastructure that integrates mobile and fixed-line services, to evolve into a comprehensive ICT company that also provides upper-layer services
- **Growth of NTT Group as a whole**

## ① Strengthening corporate sales capabilities

- ✓ **Creating services that integrate mobile and fixed-line services**
- ✓ **Creating integrated solutions through the combination of clouds and data**

## ② Strengthening service creation capabilities

- ✓ **Strengthening the smart life business and creating new businesses by collaborating with partners**
- ✓ **Strengthening software development capabilities and improving user experience**

## ③ Strengthening cost competitiveness

- ✓ **Optimizing resources and assets related to networks, buildings, IT infrastructure, etc.**

## ④ Strengthening R&D capabilities

- ✓ **6G-generation core network that spans mobile and fixed-line services**
- ✓ **Realization of the IOWN concept**
- ✓ **Research and development related to O-RAN + v RAN**

## ① Enhancing the international competitiveness of Japanese industry

- ✓ Development and production of telecommunications equipment, software and services that will be used around the world
- ✓ Contribution to international standards for telecommunications

## ② Resolving social issues

- ✓ Popularization of digitization and promotion of smart technology systems
- ✓ Revitalization of local communities and regional economies

## ③ Maintaining a reliable and secure communication infrastructure

- ✓ Improvement of business continuity, strengthening of telecommunications resilience in the event of a disaster and strengthening of cybersecurity

## ④ Achieving the development of the telecommunications industry and services that provide high levels of customer satisfaction

- ✓ Provision of services and rates that are more user-friendly and affordable

# Overview of Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary



## ■ Implement a Tender Offer for NTT DOCOMO Shares

### <Overview of the Tender Offer>

<b>Tender Offer Period</b>	<b>September 30 (Wednesday) to November 16 (Monday)</b>
<b>Tender Offer Price</b>	<b>¥3,900 per share</b>
<b>Shares to be Purchased</b>	<b>1,090,896,056 shares</b>

- **If all<sup>※</sup> of NTT DOCOMO 's shares cannot be acquired through the Tender Offer, NTT intends to separately conduct a series of procedures to make NTT DOCOMO a wholly owned subsidiary**

※ Excluding shares owned by NTT and treasury shares owned by NTT DOCOMO



## ◆ Financing

- ✓ **Tender Offer will be financed through a bridge loan**
- ✓ **Bridge loan is planned to eventually be taken out with domestic bonds, foreign bonds, bank loans or other forms of financing**
- ✓ **No stock issuances will be conducted**
- ✓ **Securitization of receivables and asset sales are also under consideration**

## ◆ Financial Policy

- ✓ **Aim to further improve cash flow generation ability through this initiative**
- ✓ **Preserve financial stability by steadily reducing level of indebtedness, which will temporarily increase (reduction of financial leverage)**
- ✓ **Shareholder returns policy will remain unchanged (fundamental policy of implementing steady dividend increases; flexibly carry out share buybacks)**

# Management System after the Transaction

- **While not yet determined at this point in time, after making NTT DOCOMO a wholly owned subsidiary, NTT intends to consider strengthening coordination throughout the group through measures such as transferring NTT Communications and NTT Comware to NTT DOCOMO**
- **There are no plans to make NTT DATA a wholly owned subsidiary**

***Your Value Partner***

The tender offer for which this Statement is being submitted (the “Tender Offer”) will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the United States Securities Exchange Act of 1934 (as amended, the “United States Securities Exchange Act of 1934”) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included in this Statement and the reference documents thereof do not conform to accounting standards in the United States and may not be equivalent to the financial statements of a company in the United States. Further, Nippon Telegraph and Telephone Corporation (“the Offeror”) and NTT DOCOMO, INC. (“the Target”) are companies that have been established outside of the United States and some or all of the directors of the Offeror and the Target reside outside of the United States, so it may be difficult to exercise any rights or make any claims under the federal securities laws of the United States. It also may be impossible to bring an action against a company that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. There is also no guarantee that a company that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a United States court.

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

Statements that constitute forward-looking statements are included in statements in this Statement and the reference documents thereof. There may be a significant difference between actual results and the express or implied predictions, etc. made as such forward-looking statements due to known or unknown risks, uncertainties, and other factors. None of the Offeror, the Target, and their affiliates guarantees that any express or implied prediction, etc. made as such a forward-looking statement will ultimately be correct. Such forward-looking statements in this Statement and the reference documents thereof have been prepared based on information that is available to the Offeror as of the date of this Statement, and unless required by applicable laws or regulations or the rules of a financial instruments exchange, none of the Offeror, the Target, and any of their affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

Before the commencement of the Tender Offer or during the purchase period of the Tender Offer (the “Tender Offer Period”), financial advisors of the Offeror and the Target and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of common stocks of the Target on their own account and the account of their client to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).