

TELECOMMUNICATION

NTT installs stalwart as Docomo president in clean break

Telecom group moves swiftly ahead of buyout as threat of fee cuts looms



NTT Docomo's incoming president, Motoyuki Ii, right, attends a news conference on Sept. 29 with outgoing President Kazuhiro Yoshizawa.

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TOKYO -- Nippon Telegraph & Telephone has moved quickly to take control of its listed wireless unit NTT Docomo ahead of a \$40 billion tender offer that will make it the sole owner, announcing Tuesday that a trusted ally of NTT President Jun Sawada will become head of Docomo.

Motoyuki Ii will become the new president as of Dec. 1, the company said. Ii has only had a brief tenure at Docomo, trading his position as executive vice president and board member from NTT to Docomo in June.

The speed with which the carrier is taking control of the unit suggests that it is concerned that new Prime Minister Yoshihide Suga will make a push for deep cuts in mobile fees, which is one of **his signature issues**.

By installing a person with minimal experience at Docomo as its head, NTT appears to be aiming for a clean break with the past at the wireless unit. Ii has a wide range of experience throughout his career at the telecom group, serving at the holding company and the regional unit NTT East, for example, and encompassing everything from corporate sales to network management.

Ii will replace current President Kazuhiro Yoshizawa, who will remain on the board in a nonrepresentative role. When Docomo was created as an independent company in 1992 as a spinoff from NTT, Yoshizawa followed, and has been with Docomo ever since.

The first change at the top in four and a half years is intended to help quickly develop and implement "management strategies that contribute to further increase in the corporate value" of the carrier, according to Docomo's news release. The company leads Japan's mobile market by subscribers, but reports the lowest profits of the big three carriers.

In an online news conference alongside Yoshizawa, Ii stressed the importance of innovation.

"We want to transform the company into a provider of total services, not just mobile communication," he said, indicating that Docomo no longer will focus only on sales of mobile devices and subscriptions, but also will engage in services such as data analysis for corporations.

Asked about the challenges involved in **the buyout**, he cited the need to figure out how NTT and Docomo will work together and deal with any problems caused by differences in corporate culture.

Both companies "have done their work with pride, and so when the integration happens, there will be employees who go along with it and employees who would prefer a different path," he said. "We can't have a successful integration without getting those workers on the same page."

Ii, a trusted ally of NTT President Jun Sawada, said he was sent to Docomo as part of an effort to make the carrier more competitive, something he had worked on while at NTT as well. And "around this summer, I was told to 'be ready to become president,'" he said.

The move to Docomo came amid concern at the parent company that customers were shunning smartphones offered by the carrier in favor of cheaper brands offered by rivals KDDI and SoftBank. An NTT executive complained of the lack of a "sense of urgency" about the issue, adding that it would be "unthinkable" to draw up a sales plan with a year-on-year drop.

Ii was completely new to Docomo and thus not bound by any political constraints. His presence raised suspicions among many at the carrier who suspected he was there to make the company do its parent's bidding.

Consequently, coming from outside, Ii potentially can shake up the culture of Docomo, which some insiders characterize a place where discussions drag on such as at sales meetings and the like.

A hint as to Sawada's intent could be found in the announcement of the last general shareholders meeting in June. In the past, NTT officials who were moved to Docomo's board would customarily buy stock in the carrier. Ii held none.

"That was probably in anticipation of the tender offer," a Docomo source said. Ii's lack of a stake eliminated any concerns about trading on insider information.