FY2018
Results Presentation

NTT docomo

April 26, 2019

1. FY2018 Results Highlights

2. FY2019 Guidance/Shareholder Returns

3. Actions Envisaging FY2020 and Beyond

FY2018 Results Highlights

IFRS

(Billions of yen)	FY2017 full year (1)	FY2018 full year (2)	Changes (2) – (1)	Changes (%)
Operating revenues	4,762.3	4,840.8	+78.6	+1.7%
Operating profit	987.0	1,013.6	+26.7	+2.7%
Profit attributable to shareholders of NTT DOCOMO, INC.	790.8	663.6	- 127.2	- 16.1%
Adjusted free cash flow	862.8	619.4	- 243.4	- 28.2%
Operating FCF	948.0	965.2	+17.2	+1.8%
EBITDA	1,525.1	1,559.0	+33.9	+2.2%
Capital expenditures	577.0	593.7	+16.7	+2.9%

◆ Consolidated financial statements in this document are unaudited
◆ Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months
◆ Operating FCF= EBITDA – capital expenditures

Results by Segment

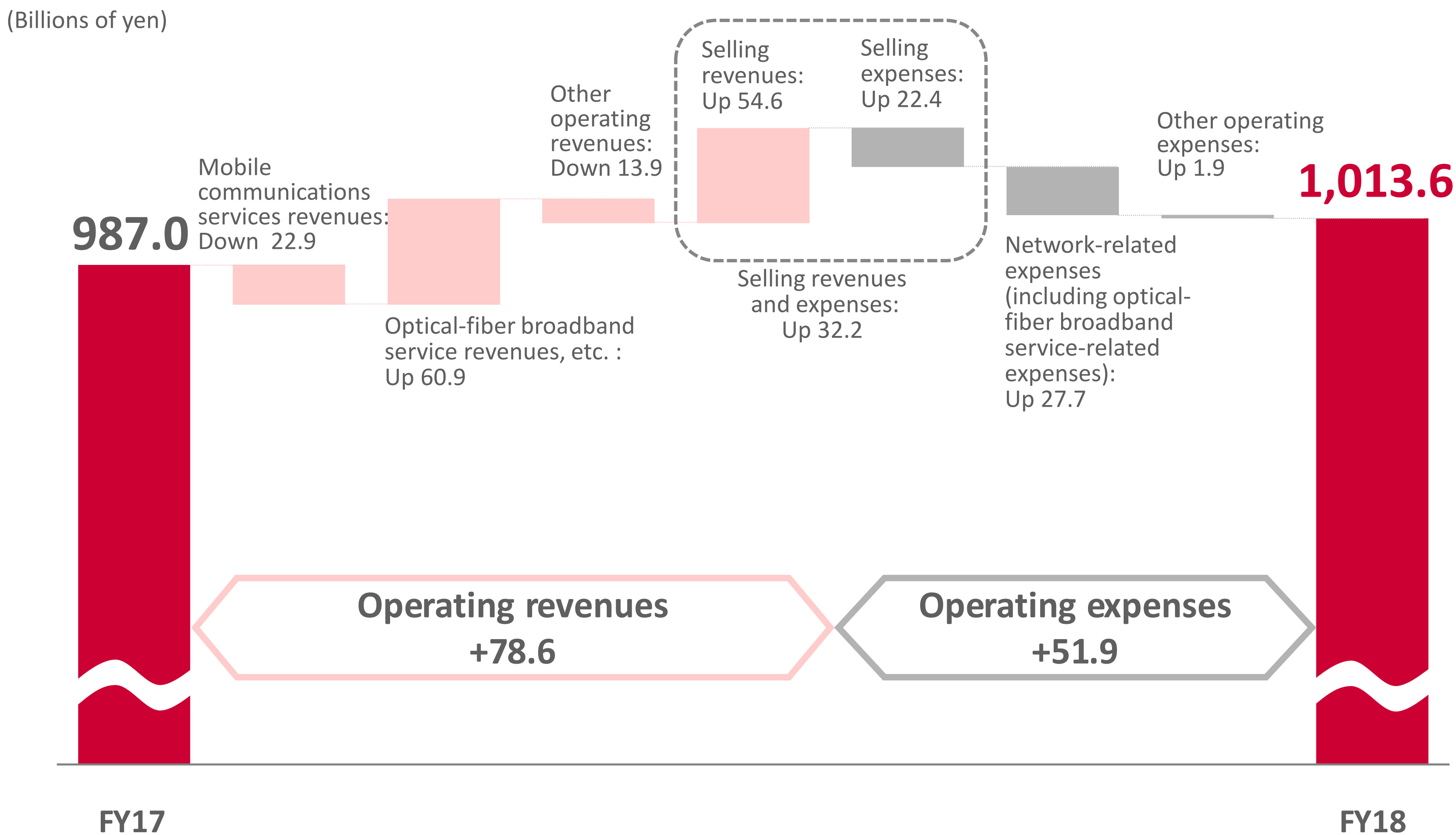
IFRS

(Billions of yen)

		FY2017 full year (1)	FY2018 full year (2)	Changes (2) –(1)
Telecommunications business	Operating revenues	3,894.4	3,977.1	+82.7
	Operating profit	854.2	866.3	+12.1
Smart life business	Operating revenues	450.8	448.8	- 2.0
	Operating profit	60.3	68.1	+7.8
Other businesses	Operating revenues	439.8	440.7	+0.9
	Operating profit	72.4	79.2	+6.8
<Ref.> Smart life business and Other businesses	Operating revenues	890.6	889.5	- 1.1
	Operating profit	132.7	147.3	+14.6

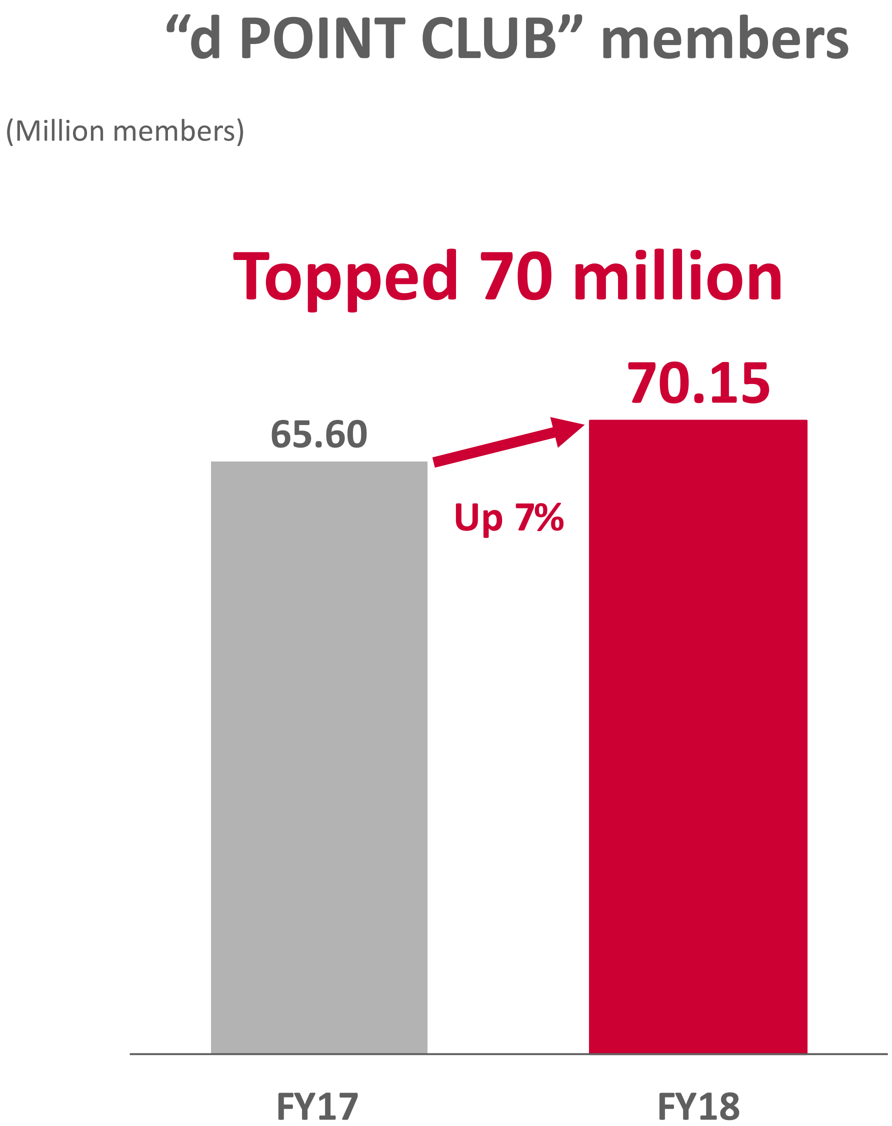
Key Factors behind Changes in Operating Profit

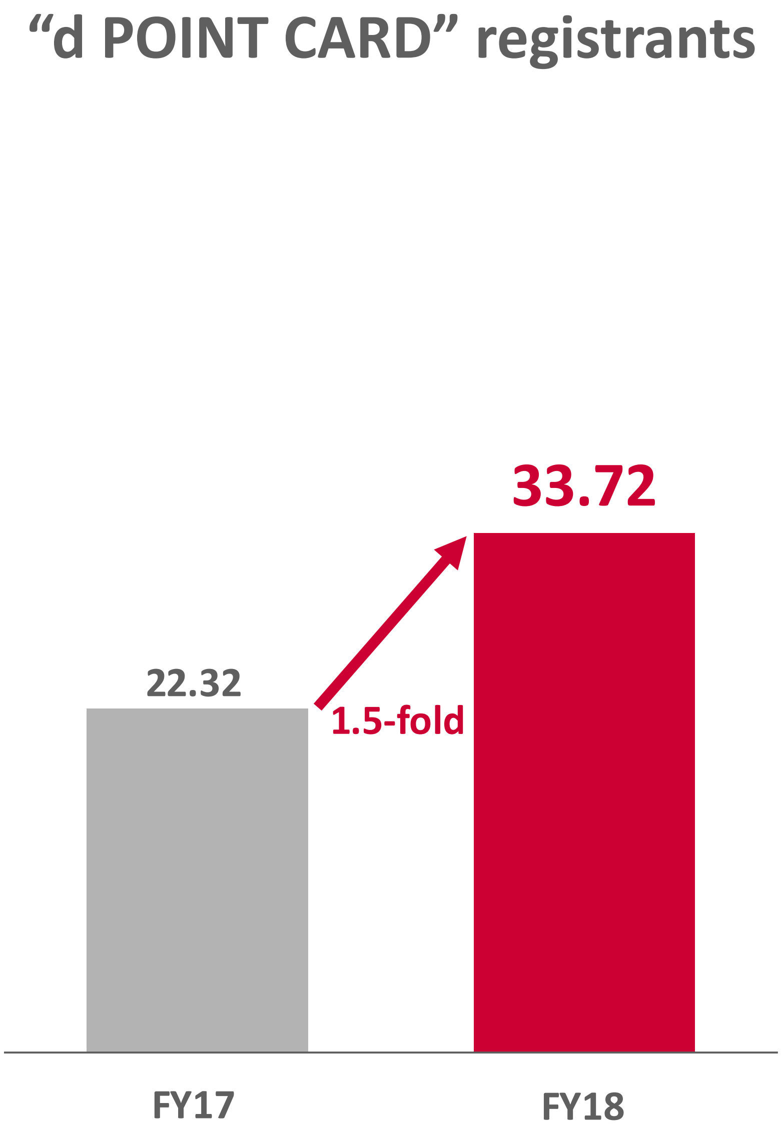
IFRS



◆ Selling expenses represent the sum of cost of equipment sold and commissions to agent resellers
◆ Network-related expenses represent the sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges

"d POINT CLUB" Members

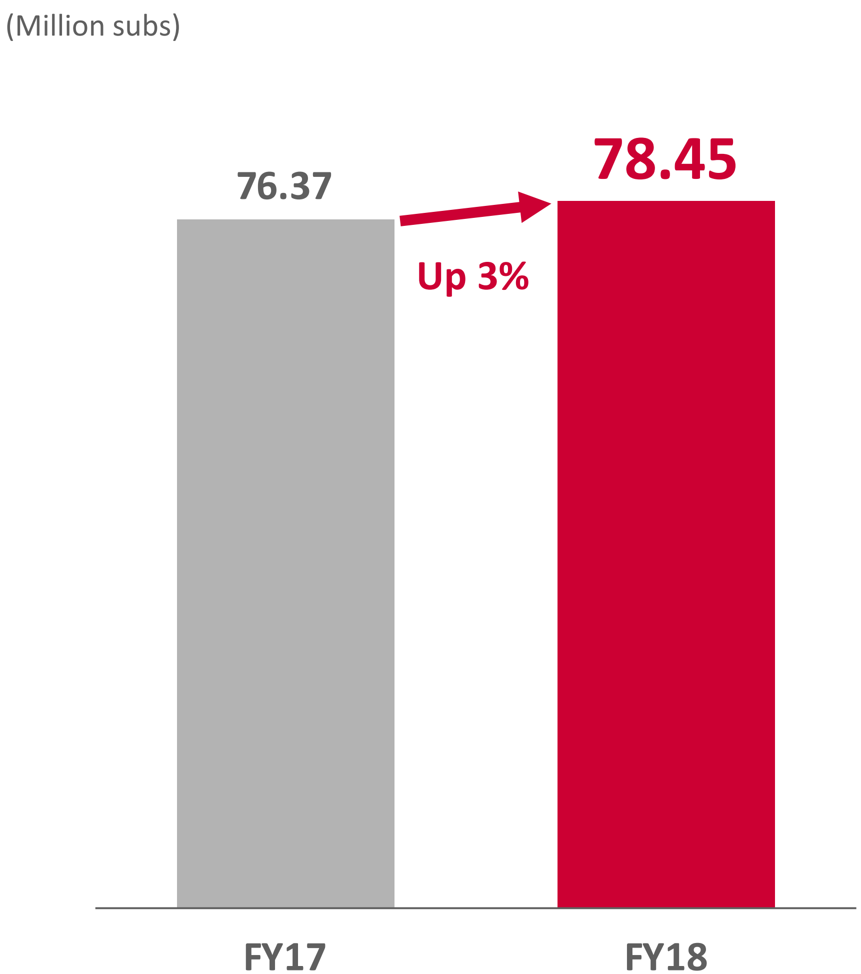




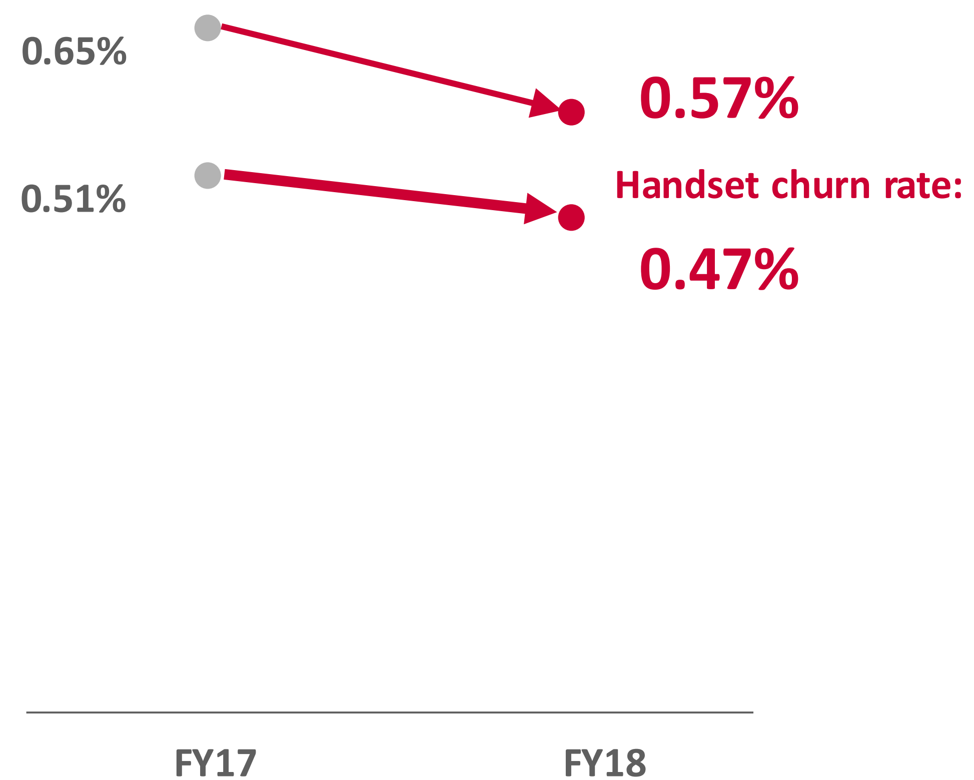
◆ "d POINT CARD" registrants indicate the no. of users who can earn and use "d POINTs" at participating stores by registering their personal information

Telecommunications Business Operational Performance (1)

Mobile telecommunications service subscriptions



Churn rate



◆ Handset churn rate indicates the combined churn rate for smartphones and feature phones

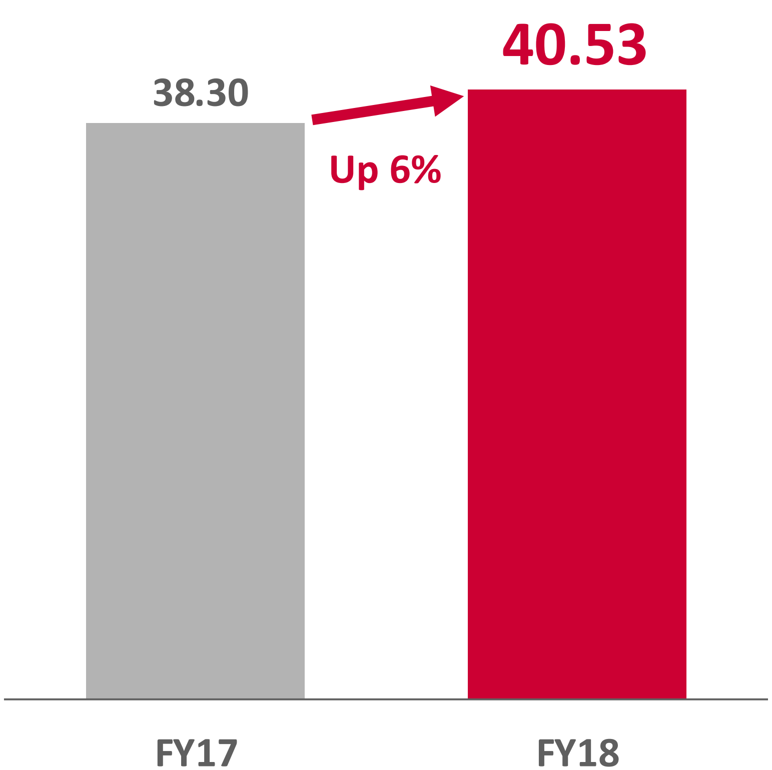
Telecommunications Business Operational Performance (2)

docomo

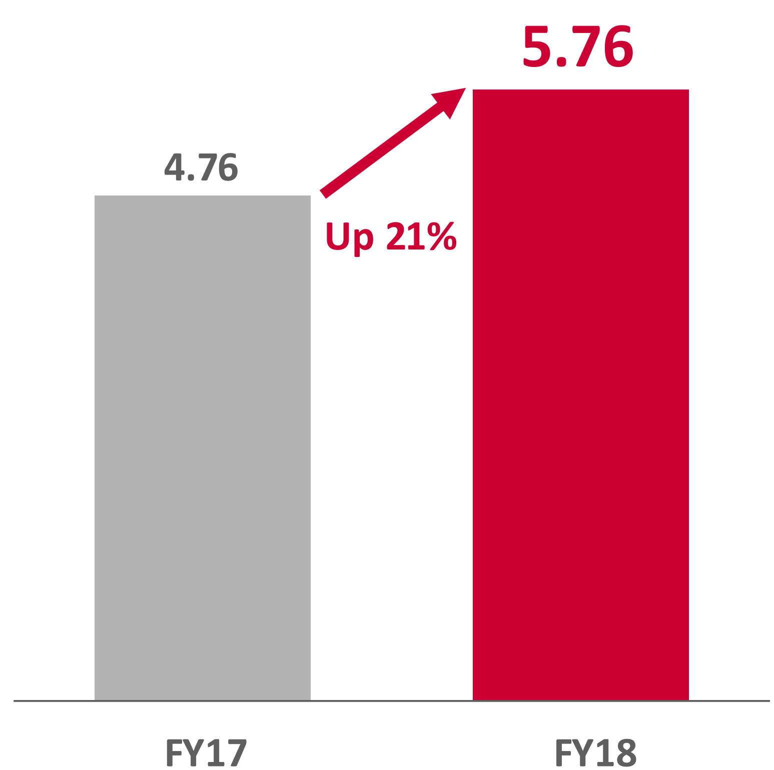
Total smartphone/ tablet users

(Million subs)

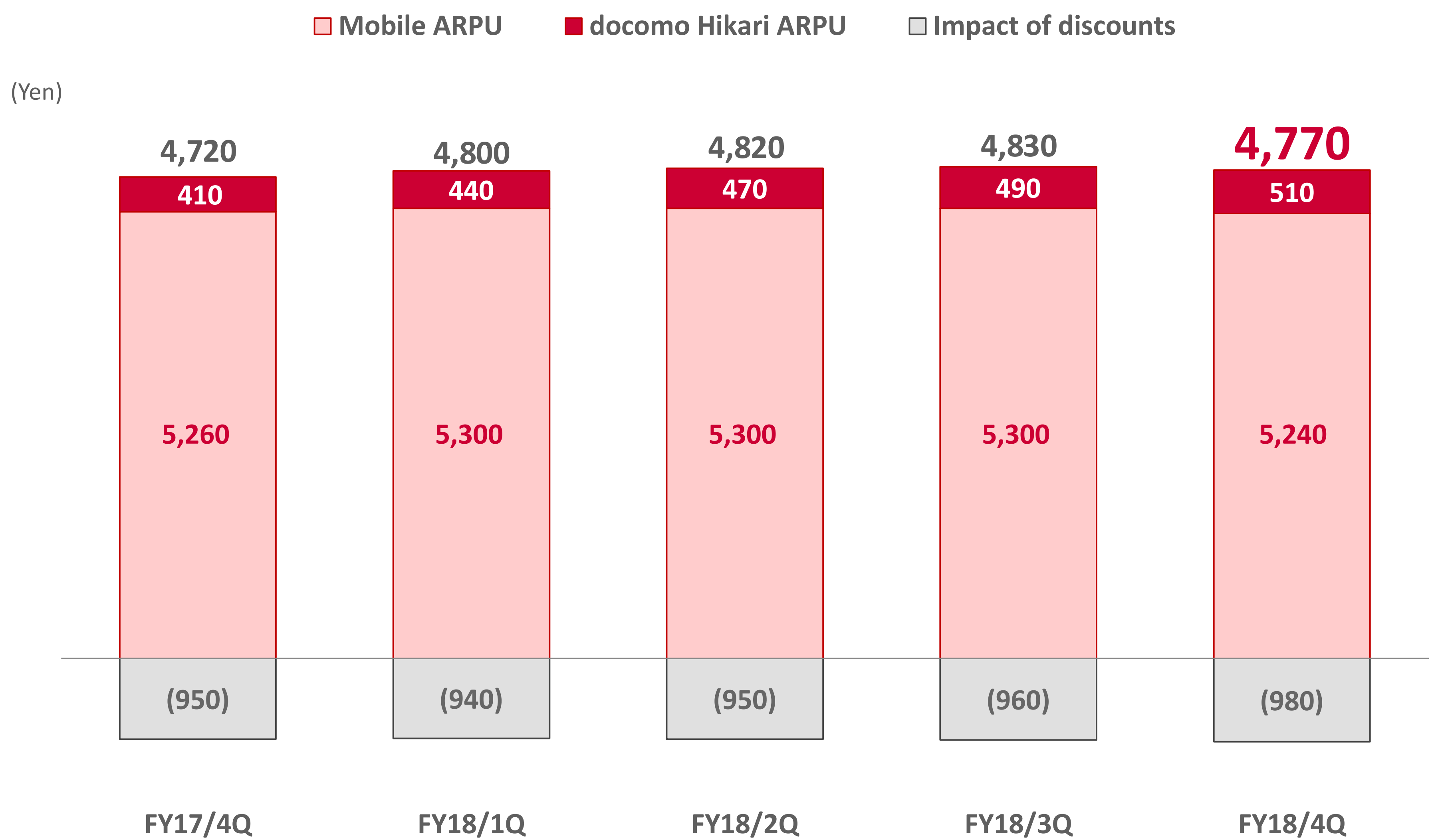
Topped 40 million



"docomo Hikari" optical-fiber broadband subs



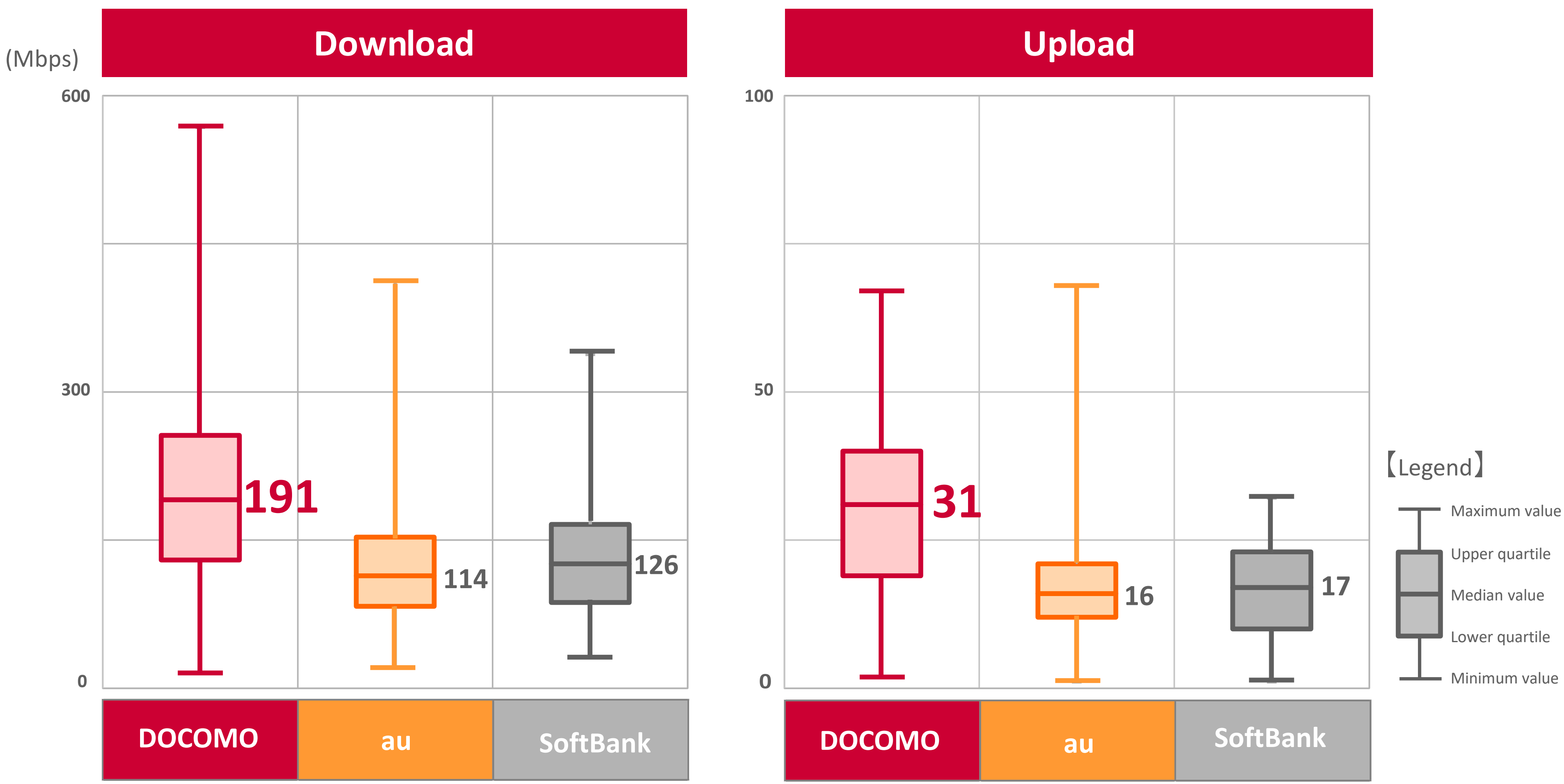
ARPU



◆ For an explanation on ARPU, please see the Appendix.
◆ Mobile ARPU and docomo Hikari ARPU exclude the impact of discounts.
◆ The impact of discounts include those from “Monthly Support,” “docomo with” and “docomo Hikari set discount.”

Effective Network Speed

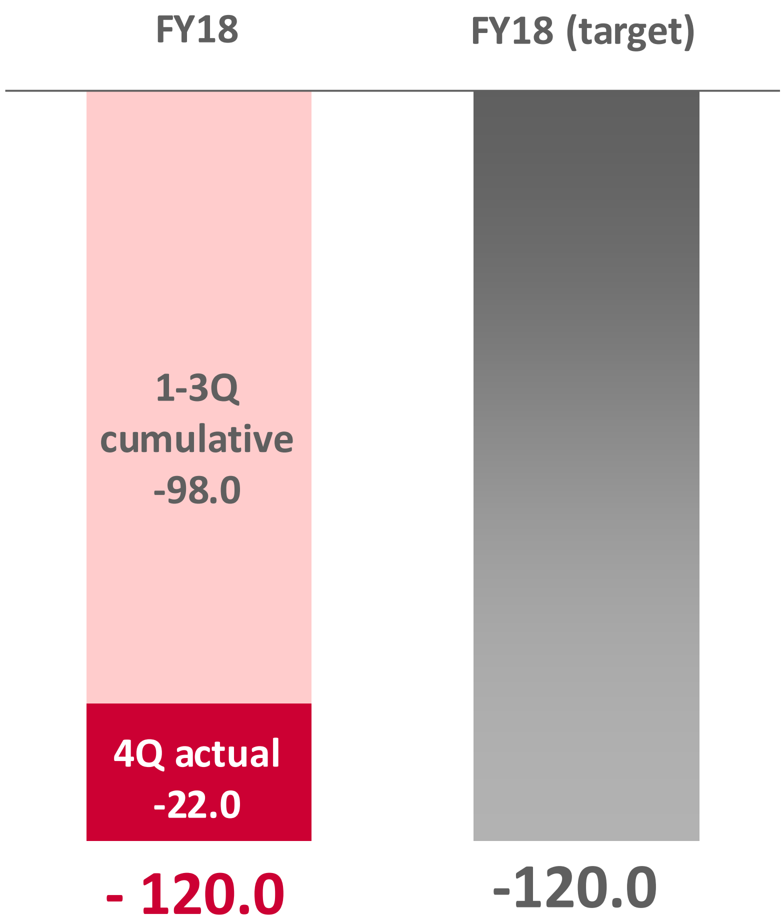
Japan's fastest for both downloads and uploads



- Measurements were performed in accordance with the "Effective Speed Measurement Method of Internet Connection Services Provided by Mobile Telecommunications Carriers" set forth by the Ministry of Internal Affairs and Communications. Data of other carriers were derived from their respective corporate web sites (as of Mar. 31, 2019). The values in the graphs represent the aggregated measurement results for Android and iOS devices.
- For details concerning the measurement method, including the dates and locations of measurement, please see the materials published by each carrier.
- The expression "Japan's fastest" is based on the comparison of median values.

Cost Efficiency Improvement

(Billions of yen)



Focus areas

◆Network
Outsourcing cost, improved investment efficiency, etc.

◆Marketing
After-sales support, sales promotion measures, etc.

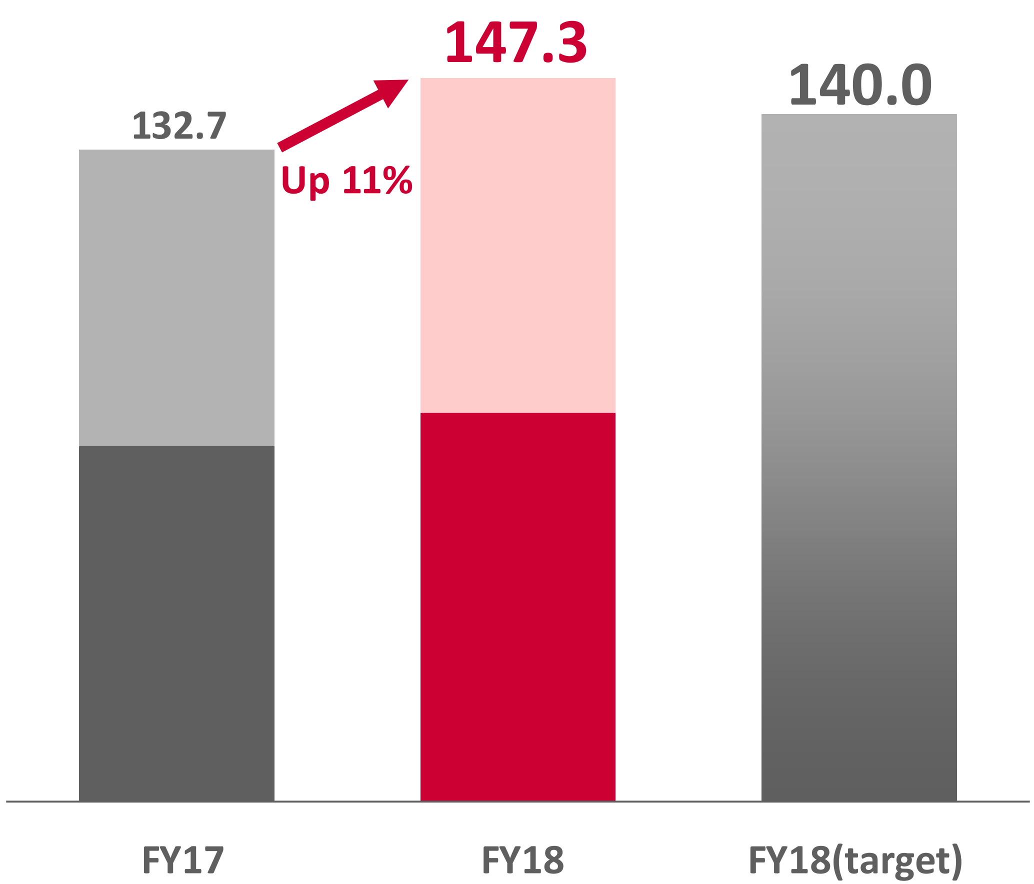
◆Other
R&D, information systems, etc.

◆ The numbers above are the amount of cost reduction compared to FY2017

Smart Life Business & Other Businesses: Operating Profit

Smart life business and other businesses operating profit exceeds target

(Billions of yen)

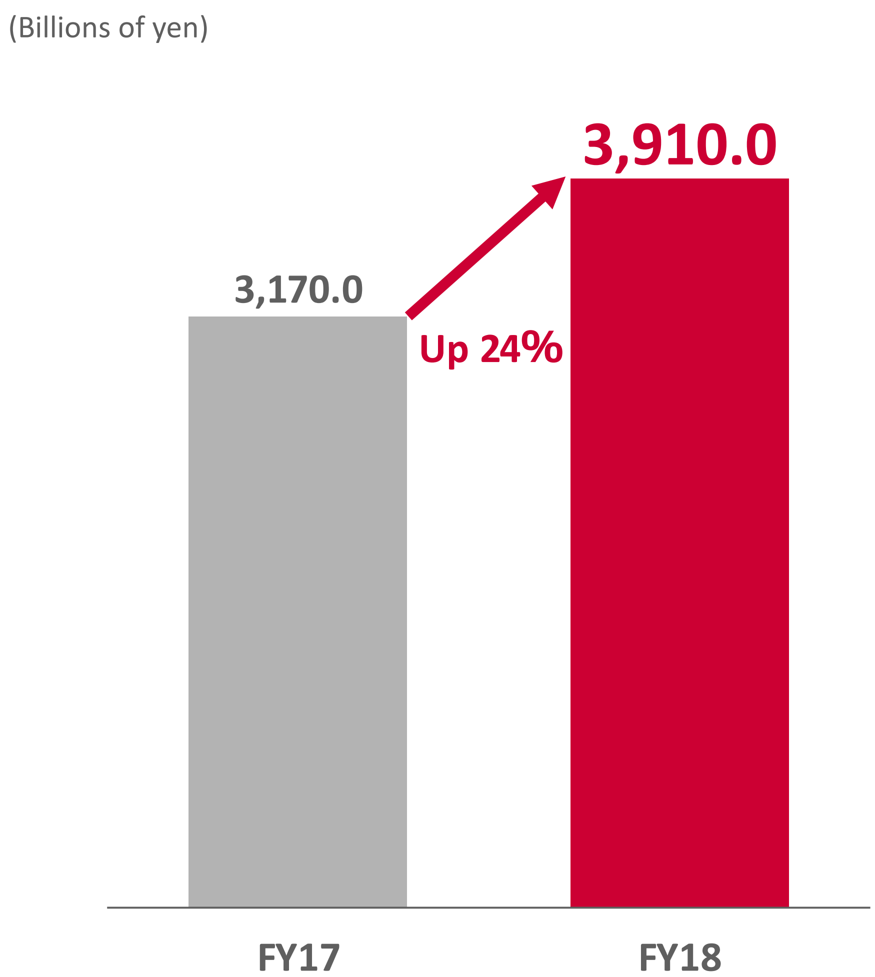


Principal services

- Smart Life business
  - Content/Commerce
  - Finance/Payment
  - Lifestyle
- Other businesses
  - Enterprise solutions
  - Support services for customers' peace of mind

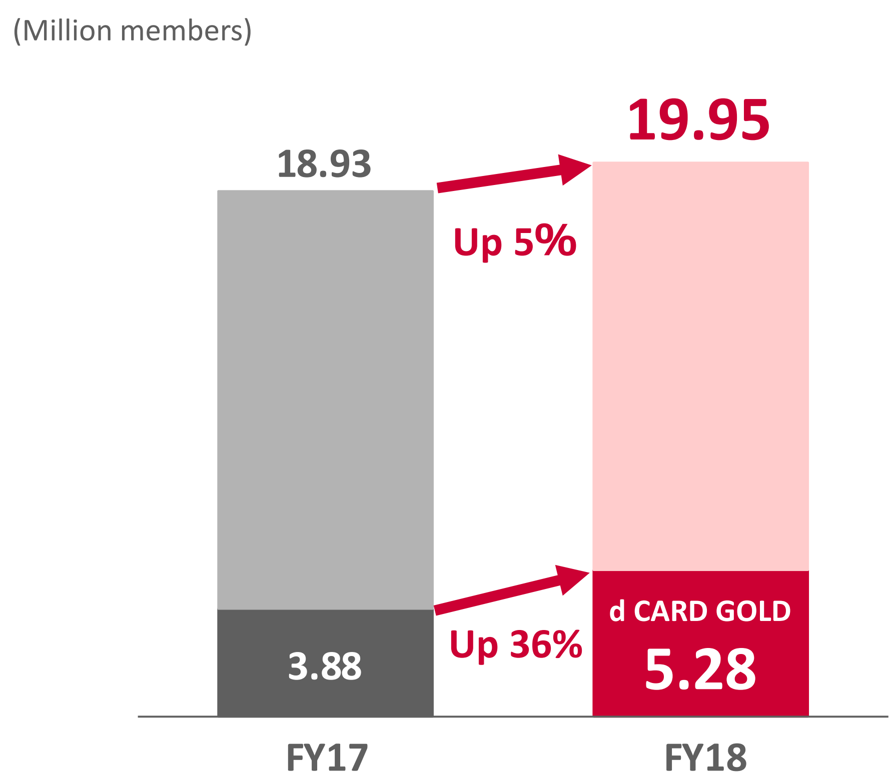
Finance/Payment Services

Transactions handled



"d CARD" members

Topped 20 million
Apr. 16, 2019



◆ The amount of transactions handled includes the transactions handled with "d CARD," "d CARD mini," "iD," proxy bill collection and "d Payment" services, etc.
◆ The total "d CARD" members represent the combined members of "d CARD" and "d CARD mini"

"d Payment"

Both number of "d Payment" users and merchants growing at a favorable pace

"d Payment"-compatible websites & stores

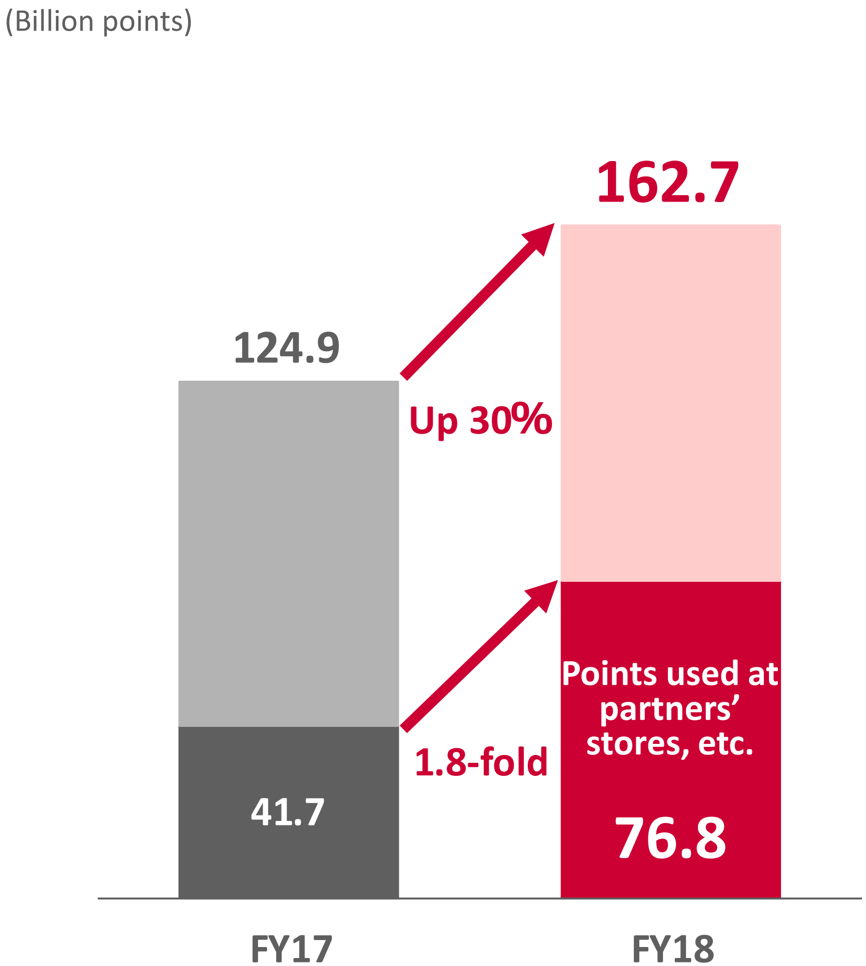
No. of app downloads:

Over 4 million

◆ The total no. of downloads of "d Payment" app topped 4 million on Apr. 7, 2019, after its release on Apr. 25, 2018

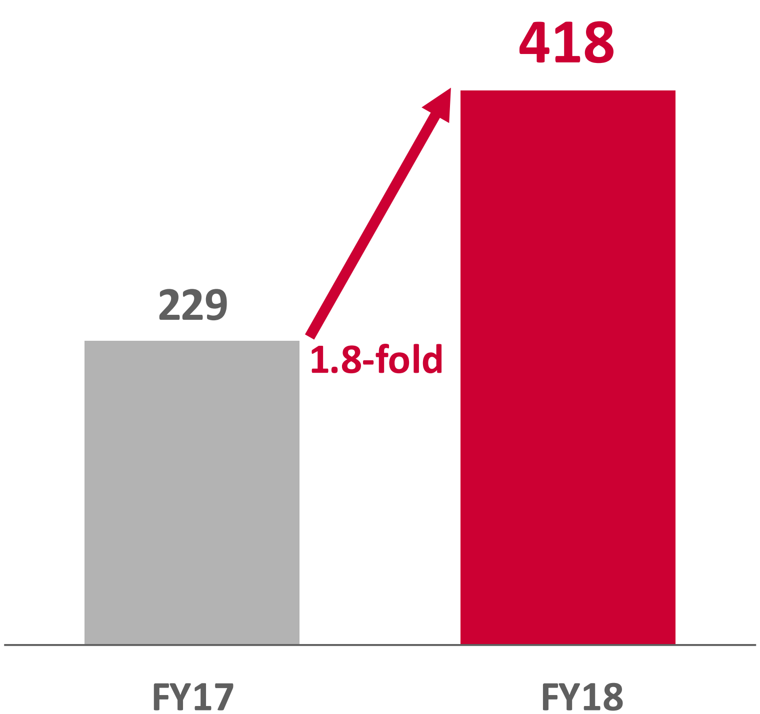
"d POINT"

"d POINTs" used



"d POINT" partners

No. of participating stores:
Topped 100,000
on Apr. 11, 2019



◆ "d POINT" partners represent the total no. of brands/sites where users can earn or use "d POINTs"
◆ "d POINT" partners and no. of participating stores are inclusive of planned launches

Promotion of +d

No. of +d partners growing steadily

Expansion of "d POINT" participating stores

Collaboration agreement for building a safe and secure city with ICT

Started joint research on AI for detecting periodontal disease

Agreement to step up communication of college sport using ICT

◆ No. of "+d" partners: The no. of partners that have jointly created new value by integrating DOCOMO's business assets with their own assets

Medium-Term Strategy
"Declaration beyond": Actions Taken (1)

docomo

Value & excitement to customers

Declaration 1
Market leader

Provision of "Disney DELUXE," an official entertainment service of Disney

First-of-its-kind in Japan providing unlimited access to a complete collection of titles from Disney, Pixar, Star Wars and Marvel （Launched Mar. 26, 2019)

Declaration 2
Style innovation

Launched AI-based on-demand shared transportation service, "AI-operated bus"

Aim for improved convenience in mobility and regional vitalization (Launched Apr. 1, 2019)

Declaration 3
Peace of mind and comfort support

Promotion of "measures for shortening attendance/wait time"

Increased shops introducing shop visit reservation service to 300 stores. No. of DOCOMO Smartphone Class attendees topped 1.5 million. Expanded use of chat-based support (370,000 cases for online shop; 360,000 cases for online orders).

Medium-Term Strategy "Declaration beyond": Actions Taken (2)

Value co-creation with partners

Declaration 4
Industry creation

Implemented measures toward 5G commercialization one after another

Established 5G Open Lab in Guam, expanding venue of verification trials to overseas (Announced Mar. 27, 2019). Succeeded in 13 joint verification trials with 26 partners conducted as part of "5G Comprehensive Verification Tests" organized by Ministry of Internal Affairs and Communications (Announced Mar. 19, 2019)

Declaration 5
Solution co-creation

Entered into capital & business collaboration agreement with M3, Inc.

Establishment of empheal, Inc. to support corporate health management (Announced Feb. 28, 2019)

Declaration 6
Partner business expansion

Established a new digital OOH advertising company, LIVE BOARD, INC., jointly with Dentsu Inc.

Aim to realize sales of Japan's first impression-based OOH advertisement using the operating data of our mobile phone network. (Announced Jan. 16, 2019)

◆ OOH (Out Of Home) is a general term for an advertisement media that get exposure to viewers outside of home such as advertisements in public transportation services and outdoor signs.

Principal Actions Undertaken in FY2018

Steadily executed various initiatives after unveiling “Declaration beyond”

	1Q	2Q	3Q	4Q
Declaration 1 Market leader	“Basic Pack”/ “Basic Share Pack”	docomo Hikari Contract renewal loyalty points	“Welcome Sumaho Wari” discount	Disney DELUXE Official launch of Packet Pack Overseas Option: Limited Area plan DOCOMO Smartphone program for over 60
Declaration 2 Style innovation	“my daiz” “d Payment”	“Hikari TV for docomo”		New live performance experience “Shintaikan Live” AI-operated bus (Started Apr. 1, 2019)
Declaration 3 Peace of mind and comfort support		Improved service offerings of online shop	Full-scale introduction of shop visit reservation Lowered max. repair fee of Mobile Device Protection Service	Mieru Denwa
Declaration 4 Industry creation	5G Open Lab Yotsuya PLAY 5G	5G Open Lab OSAKA docomo 5G Open Cloud		5G Open Lab OKINAWA 5G Open Lab GUAM
Declaration 5 Solution co-creation			LTE-M “Glass antenna” base stations DOCOMO Open House	Establishment of empheal, Inc.
Declaration 6 Partner business expansion		Globiot Ad Wi-Fi		Establishment of LIVE BOARD, Inc.

Medium-Term Operational Indicators: Progress

	FY2017 full year	FY2018 full year	FY2021 target
"d POINT CLUB" members	65.60 million	70.15 million	78 million
Enterprise partners	684	2,487	5,000
Locations where payment/point service can be used	840,000	1,050,000	2 million
Transactions handled by Finance/Payment business	¥3.2 trillion	¥3.9 trillion	¥ 6 trillion
Enterprise solution revenues	¥60 billion	¥73 billion	¥ 120 billion

◆ Locations where payment/point services can be used represent the total number of locations where d POINT, iD, and d Payment services can be used.

Progress of Additional Disaster Preparedness Measures

Steadily implemented measures to prepare for natural disasters

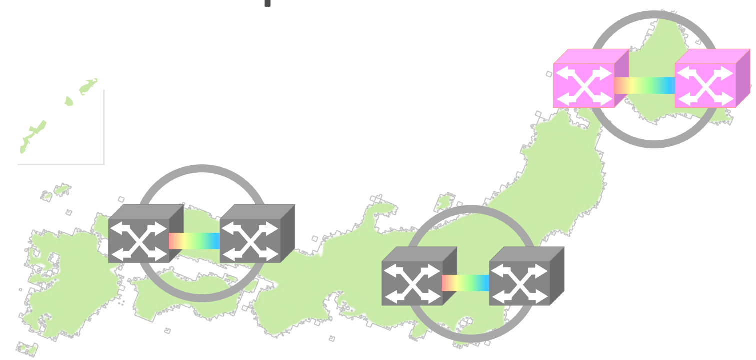
Preparation for wide-area & hours-long power outage

Storage batteries at docomo Shops

Installed at 1,100 shops

Securing important communication & reliability enhancement

Use of multiple transmission routes



Completed roll-out in Hokkaido
Underway in various regions across Japan

Early restoration of communications services

Expand bandwidth of satellite links

Strengthen support for disaster-stricken areas

Timely data update of restoration area map
Increase no. of rental smartphones/tablets

ESG Evaluations

Toyo Keizai Corporate CSR Ranking 2019

Earned No.1 overall ranking for the second straight year

Nikkei Smart Work Management Survey

Awarded the highest 5-star rating for the second straight year

Nadeshiko Brand

Selected for the first time as a listed company that is outstanding in encouraging empowerment of women

Eruboshi Certification

Awarded highest certification of "Grade 3"

- ◆ Toyo Keizai Corporate CSR ranking: A ranking system on "trustworthy companies" evaluated based on the richness of CSR initiatives and financial performance.
- ◆ Nikkei Smart Work Management Survey: Ranking on companies based on four elements of human resource utilization, innovation capability, market development capability and management foundation.
- ◆ Nadeshiko Brand: An initiative promoted jointly by Ministry of Economy, Trade and Industry and Tokyo Stock Exchange to highlight companies that actively promote the empowerment and advancement of women for investors who attach importance on "mid-to-long term improvement of enterprise value".
- ◆ Eruboshi Certification: A certification granted by the Minister of Health, Labor and Welfare to recognize companies that are outstanding in implementation of initiatives for promotion of women's participation and advancement in the workplace.

FY2018 Summary

- Recorded year-on-year increase in both operating revenues and profit, with operating profit reaching ¥1,013.6 billion.
- No. of “d POINT CLUB” members topped 70 million. No. of participating stores reached over 100,000. Point usage continued to expand at a favorable pace.
- Delivered fastest effective network speed in Japan for both uploads and downloads.
- Achieved planned cost efficiency improvement target of ¥120.0 billion.
- Operating profit from Smart life business and Other businesses was ¥147.3 billion, exceeding our full-year guidance.
- No. of “+d” partners expanded steadily to 843.
- Received outstanding ESG evaluations including “No. 1 overall ranking in Toyo Keizai Corporate CSR Ranking” for two years in a row.

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FY2019 Guidance

IFRS

(Billions of Yen)	FY2018 full year (1)	FY2019 full year (2)	Changes (2) − (1)
Operating revenues	4,840.8	4,580.0	- 260.8
Operating profit	1,013.6	830.0	- 183.6
Smart life business & Other businesses	147.3	160.0	+12.7
Capital expenditures	593.7	570.0	- 23.7
Adjusted free cash flow	619.4	530.0	- 89.4
Cost efficiency improvement	—	130.0	—

- Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months
- Due to the application of IFRS16 (lease) effective Apr. 1, 2019, lease-related expense items will be reclassified into deprecation from expenses. The impact from this change of ¥100 billion yen is excluded from the projected amount of adjusted free cash flow for FY2019 taking into consideration comparability with the result for FY2018.
- The amount of cost efficiency improvement indicate the amount of cost reduction compared to FY2018

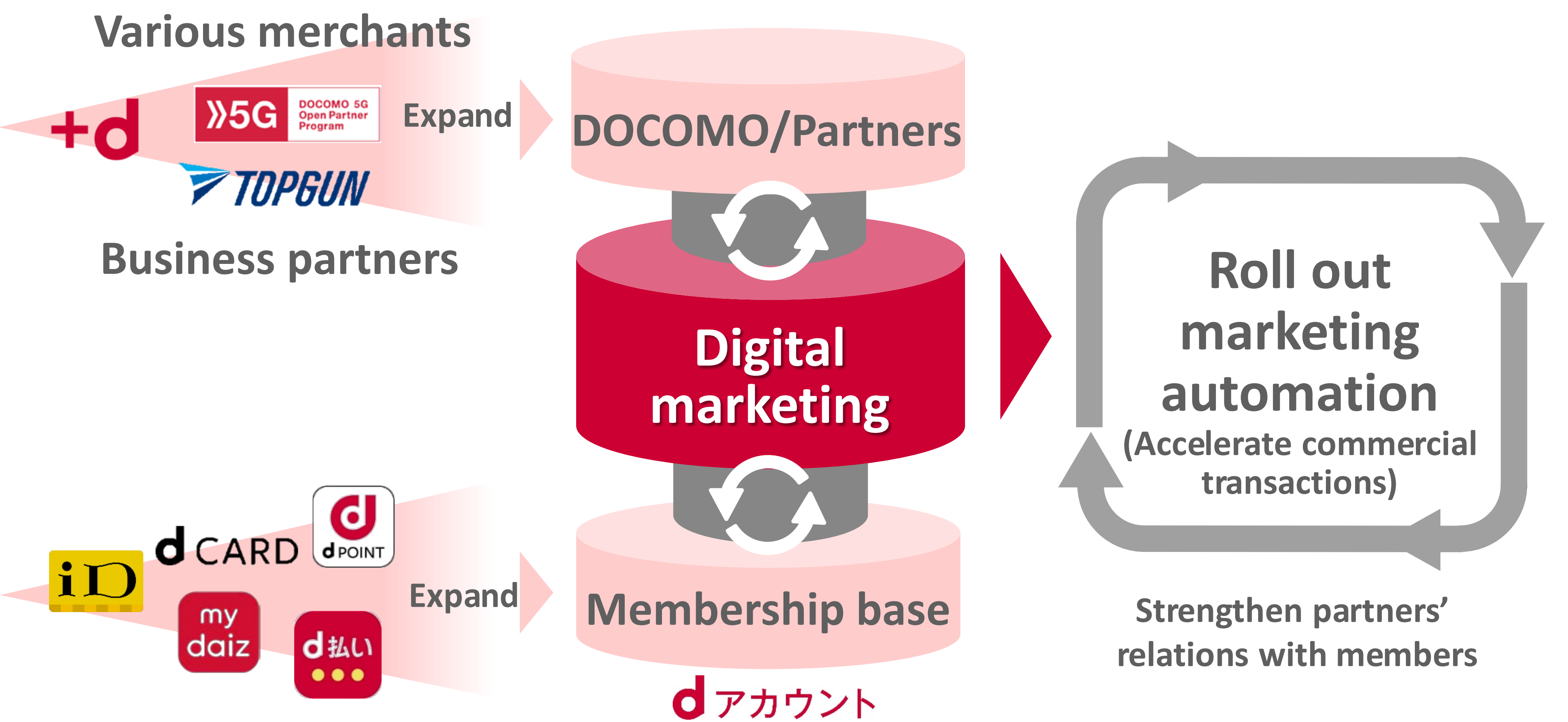
FY2019 Key Actions

Year to execute "change" to propel further growth

Strengthen customer base	Introduction of "Gigaho" & "Gigalight" and "review of handset sales method"	**Promotion of digital marketing**
	Expand membership base and make optimal proposal for each customer	
Medium-term growth	Growth of finance/payment services, enterprise solutions	
	Step up actions for 5G commercialization (pre-commercial service, "My Network", etc.)	
	Achieve cost efficiency improvement of up to 130 billion yen, higher than FY2018	

Promotion of Digital Marketing

Expand business jointly with partners leveraging DOCOMO's membership base



New Rate Plans

Simple rate structure providing choice from only two plans

To start from Jun. 1 (Sat)

"Gigaho"

By applying "Gigaho Wari",

¥4,980

for up to 6 months

Up to 30GB

"Always" available after exceeding 30GB

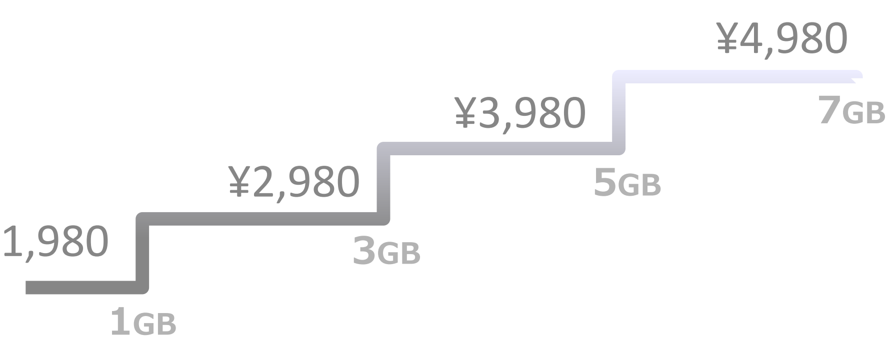
Ultra-high speed access

High-speed access of up to **1Mbps** both up/downlink

Max. 128kbps (up/downlink)

"Gigalight"

from **¥1,980**

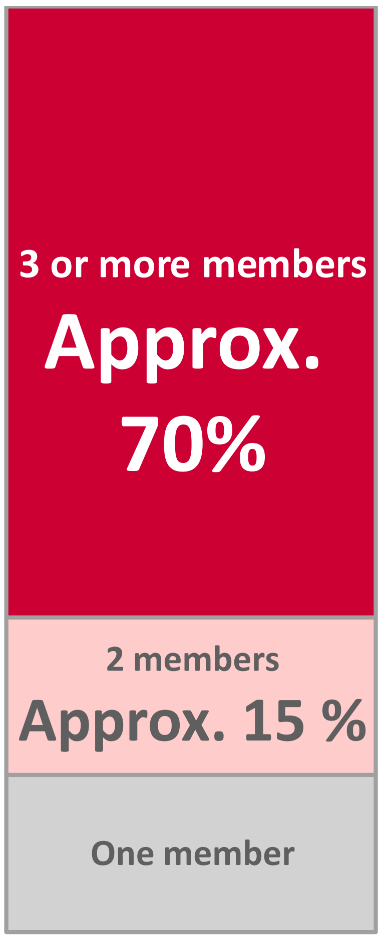


◆ Applied with "Minna DOCOMO Wari (3 or more lines)." Contingent on 2-year subscription (automatic contract renewal with cancellation fee for early termination). Voice communication charge not included.

◆ "Gigaho Wari" will be offered to subscription applications submitted by Sept. 30, 2019.

“Minna DOCOMO Wari”

“Minna DOCOMO Wari” allows most DOCOMO customers to enjoy “lasting” savings



Lasting saving -¥1,000 | Lasting saving -¥1,000 | Lasting saving -¥1,000

“Gigaho” ¥4,980

“Gigalight” from ¥1,980

Lasting saving -¥500 | Lasting saving -¥500

“Gigaho” ¥5,480

“Gigalight” from ¥2,480

“Gigaho” ¥5,980

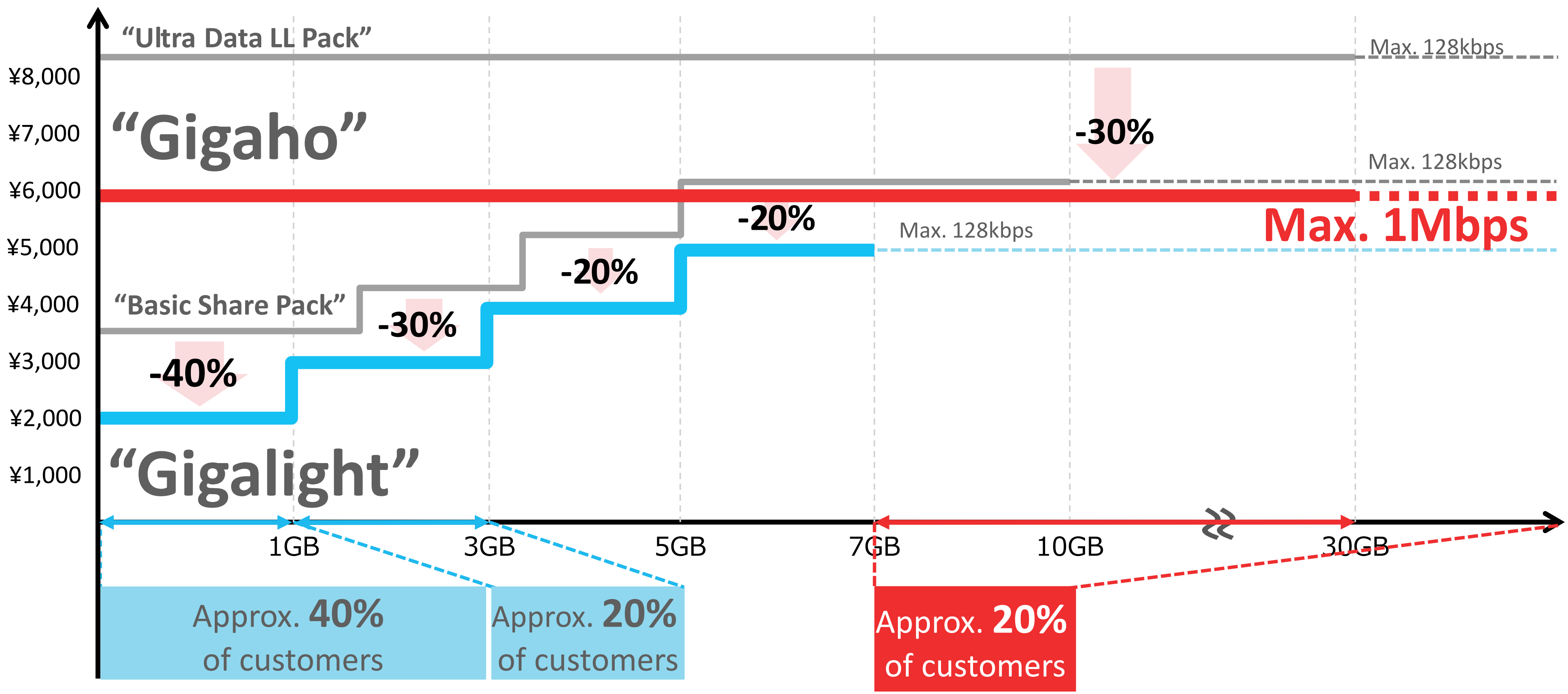
“Gigalight” from ¥2,980

◆ No. of members in family discount group for voice plans subscriptions.

◆ “Gigaho” rates represent the amount after applying “Gigaho Wari” discounts.

Comparison with Existing Rates

Up to 40% rate reduction.
FY2019 total customer returns: approx. ¥200 billion



- The customer breakdown data above are calculated based on the actual data usage of "Xi"(smartphone) subscribers.
- Contingent on 2-year subscription (automatic contract renewal with cancellation fee for early termination). Voice communication charge not included.
- "Gigaho" and "Gigalight" rates represent the amount after applying "Minna DOCOMO Wari (3 lines or more).
- Existing plan assumes the use of "Simple Plan," "ISP" and "Zutto DOCOMO Wari Plus (Platinum Stage).
- "Basic Share Pack" rates represent the rate per one user in the case where data allowance is shared by three family members.

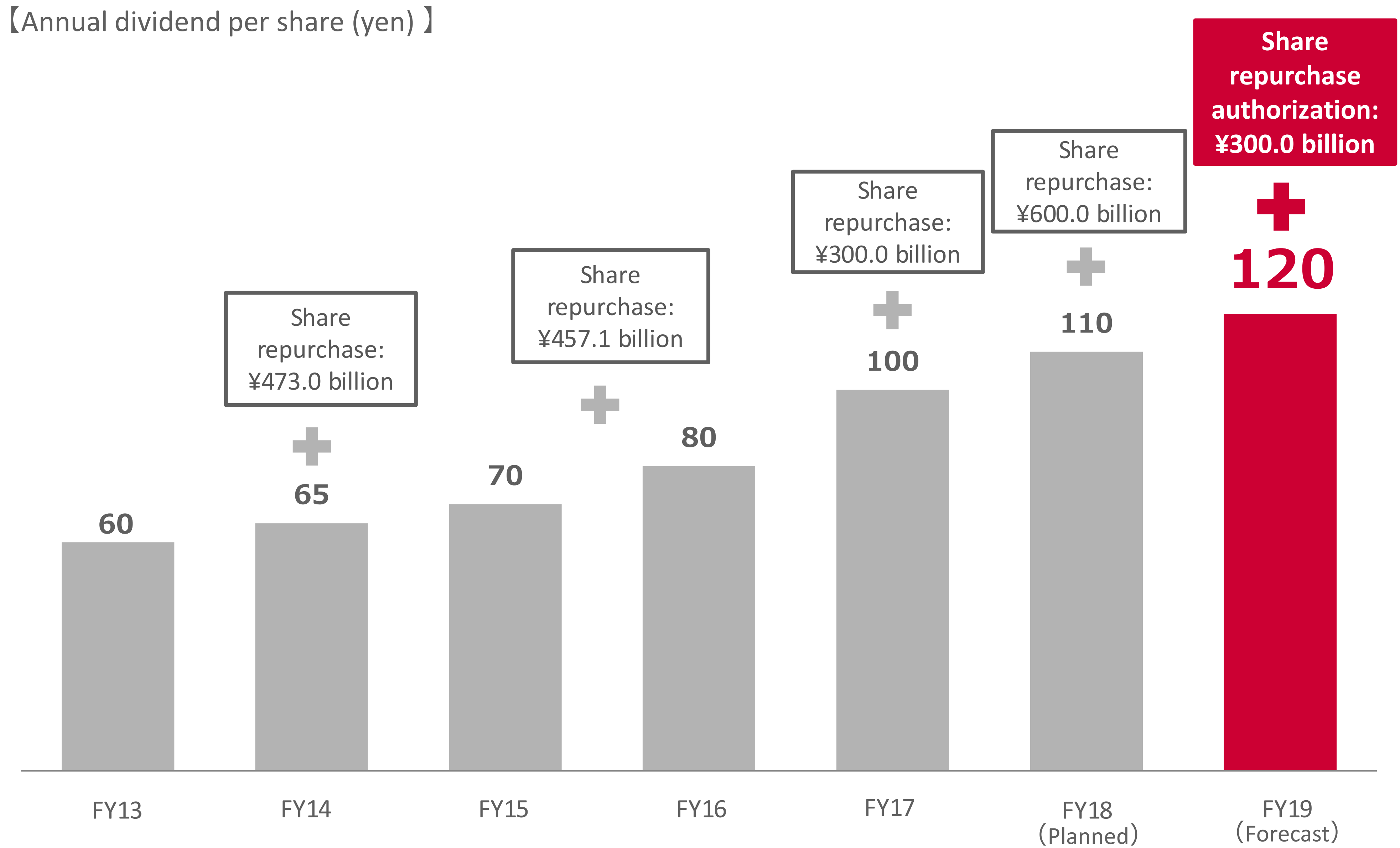
FY2019 Shareholder Returns

docomo

Continue dividend increase and share repurchase

Dividend	Annual dividend per share (forecast): ¥120 (Increase of ¥10 from previous fiscal year)
Share repurchase (market purchase)	Total acquisition cost: ¥300.0 billion (maximum)
	Total no. of shares: 128,300,000 (maximum) (Percentage to total no. of issued shares: 3.85%)
	Repurchase period: May 7, 2019 to April 30, 2020

Historical Expansion of Shareholder Returns



◆ The amount spent for share repurchase indicates the sum of amount used for tender offer and market purchase.

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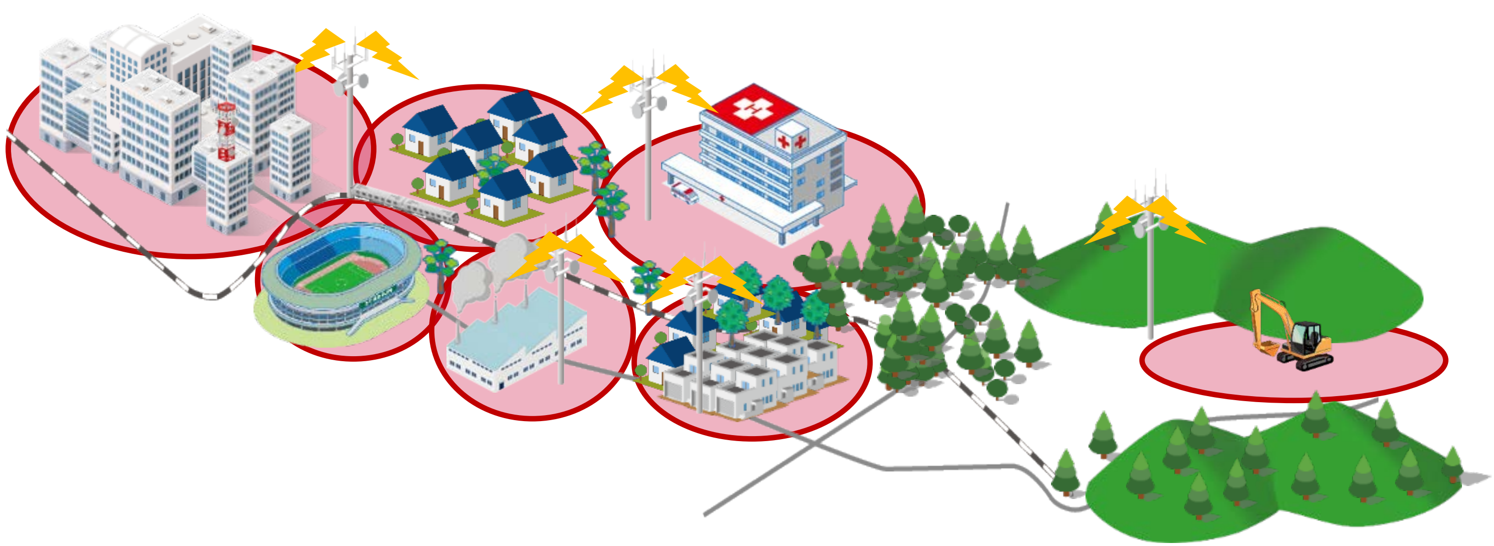
5G Network

HERE COMES
5G
JAPAN 2020

5G spectrum allocated on April 10

200MHz of bandwidth in 3.7GHz and 4.5GHz bands

400MHz of bandwidth in 28GHz band



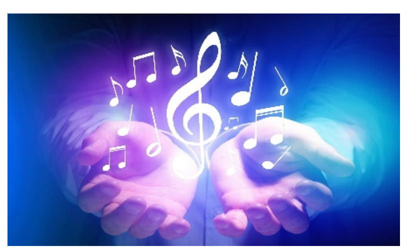
Commenced area construction that take advantage of 5G's unique properties

5G Pre-Commercial Service

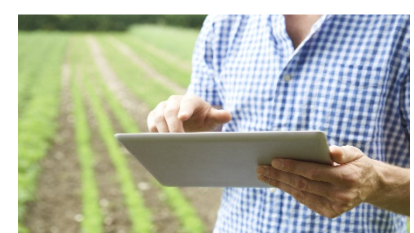
RUGBY
WORLD CUP™
JAPAN日本2019
TOURNAMENT SUPPLIER

5G pre-commercial service to be launched on Sept. 20, 2019

Deliver new sensory experience service
and realize solution creation leveraging 5G
taking the opportunity of Rugby World Cup 2019™



New sensory experience service

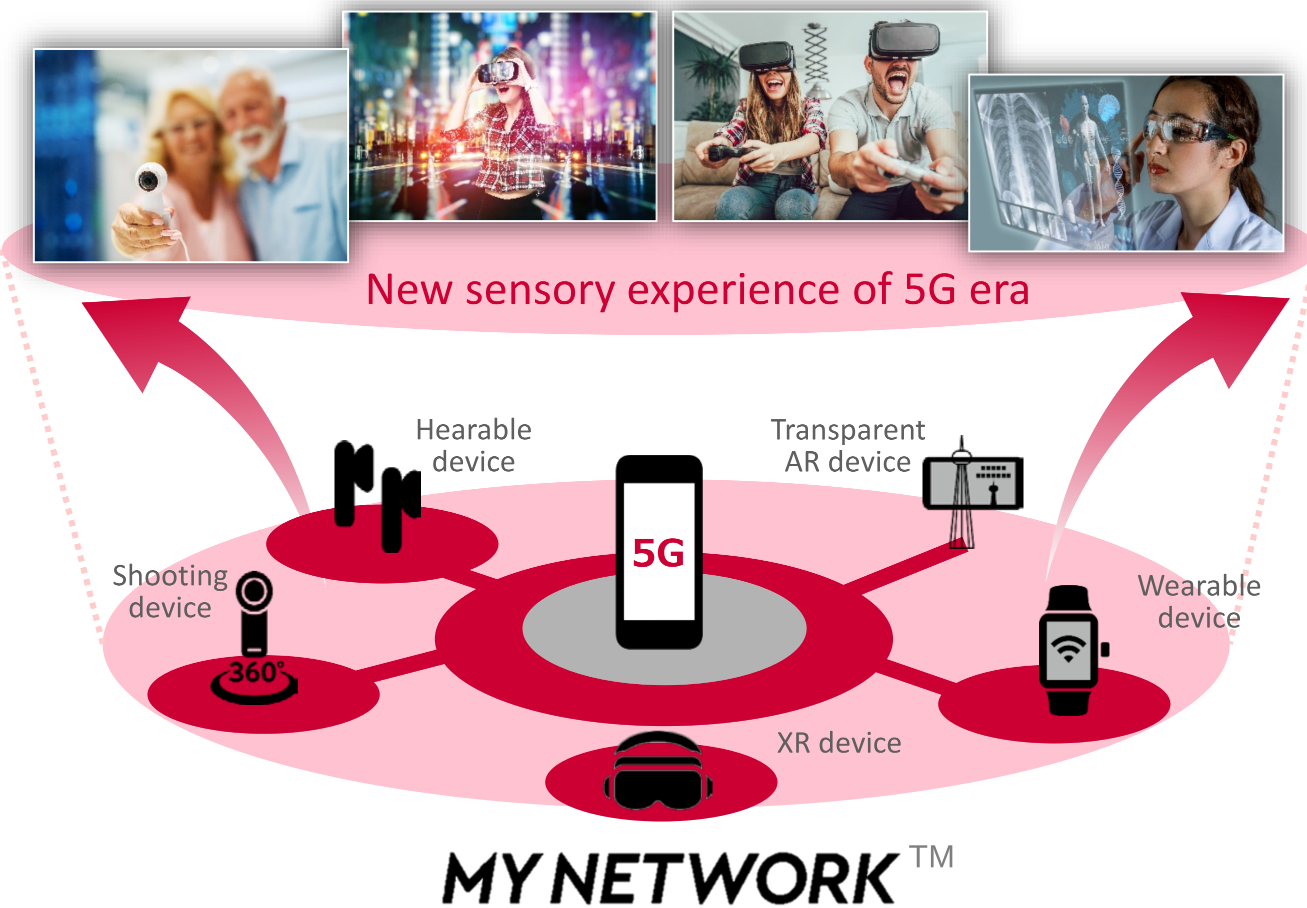


Industry creation, solution of social issues

MY NETWORK KOUSOU™

docomo

Deliver new sensory experience through peripheral devices and compatible services using 5G smartphone as a hub



Realize coordination of smartphones, peripheral devices and services

Value co-creation with partners

DOCOMO 5G Open Partner Program

◆ "MY NETWORK KOUSOU" and "MY NETWORK" are trademarks of NTT DOCOMO, Inc.

Capital Alliance with Magic Leap

Accelerate initiatives for development of XR that broadly capitalize on the unique properties of 5G

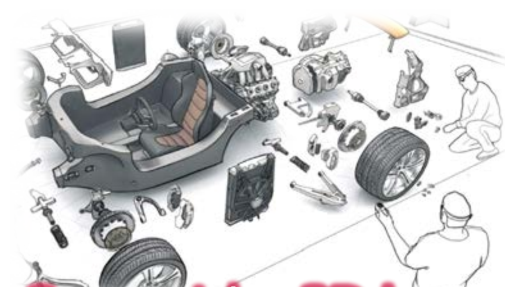
magic leap

Spatial Computing

NTT docomo

5G network
Membership base
5G partners

Create XR market putting MR at the core



Strengthen Recruitment of External Professional Talent

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Establishment of "Senior Professional" system

Hire outside talents with outstanding expertise and leaders who can spearhead the development of new growth areas with remuneration commensurate with market value

Started April 2019

docomo

Talents required for new business creation

Senior Professional (SP) course

Job type	Field
AI specialist Big data analyst Super creator Digital marketer UX designer Web/app engineer Strategic alliance	Entertainment Medical/health Finance/payment Lifestyle

Also certify internal talents who possess expertise

(Switch to remuneration commensurate with market value)

Always chosen
to sustain connections
as your robust ICT service partner

The new of today, the norm of tomorrow

Appendix

Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

・LTE (Xi) services ・FOMA services (3G) ・International services ・Sales of handset/equipment for each service etc.

Optical fiber broadband service and other telecommunications services

・Optical-fiber broadband services ・Satellite communications services etc.

Smart life business

Content/Commerce services

・"dTV" "d hits" "d magazine" "d shopping" "d travel" ・DAZN for docomo ・Tower Records Japan Inc. etc.

Finance/Payment services

・"d CARD" "d CARD mini" "iD" ・Proxy bill collection ・"d Payment" etc.

Lifestyle services

・"d photo" "d healthcare" "d gourmet" ・Oak Lawn Marketing, Inc.

Other businesses

Enterprise solutions

・Enterprise IoT solutions ・System development/sales/maintenance services etc.

Support services for customers peace of mind

・"Mobile Device Protection Service" ・"Anshin Remote Support" etc.

Definition and Calculation Methods of ARPU

i. Definition of ARPU

ARPU (Average monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users of our wireless services in the relevant periods, as shown below “ARPU Calculation Method.” We believe that our ARPU figures provide useful information to analyze the average usage per user and the impacts of changes in our billing arrangements.

ii. ARPU Calculation Methods

Aggregate ARPU = Mobile ARPU + “docomo Hikari” ARPU

- Mobile ARPU : Mobile ARPU Related Revenues (Voice-Related Revenues (basic monthly charges, voice communication charges) + Packet-Related Revenues (basic monthly charges, packet communication charges)) / No. of active users
- “docomo Hikari” ARPU : “docomo Hikari”-related revenues (basic monthly charges, voice communication charges) / No. of active users

*ARPU excluding the impact of discounts are calculated without including the amounts of discounts applied in the relevant revenues.

iii. Active Users Calculation Method

Sum of No. of active users for each month ((No. of users at the end of previous month + No. of users at the end of current month) / 2) during the relevant period

Note:

1. The number of “users” used to calculated ARPU is the total number of subscriptions, excluding the subscriptions listed below:
   a. Subscriptions of communication modules services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
   b. Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name.
2. Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) , and impact on revenues from "d POINT" program, etc.,are not included in the ARPU calculation.

Special Note Regarding Forward-Looking Statements

All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information available as of the filing date of this document. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. With regard to various known and unknown risks, uncertainties and other factors, please see our latest Annual Securities Report and Quarterly Securities Reports.