
FY2019

Results Presentation



April 28, 2020

1 . FY2019 Results Highlights

2 . FY2020 Principal Actions

FY2019 Results Highlights

(Billions of yen)

IFRS

	FY2018 (1)	FY2019 (2)	Changes (2) – (1)	Changes (%)
Operating revenues	4,840.8	4,651.3	-189.6	-3.9%
Operating profit	1,013.6	854.7	-159.0	-15.7%
Profit attributable to shareholders of NTT DOCOMO, INC.	663.6	591.5	-72.1	-10.9%
Adjusted free cash flow	619.4	798.6	+179.2	+28.9%
Capital expenditures	593.7	572.8	-21.0	-3.5%

◆ 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. In association with the adoption of IFRS16 "Lease" effective Apr. 1, 2019, lease-related expense items has been reclassified into "depreciation/amortization" from previously "cost of equipment sold and services, and other expenses" and "communication network charges." The figure above represents the amount excluding this impact, etc.

Results by Segment

IFRS

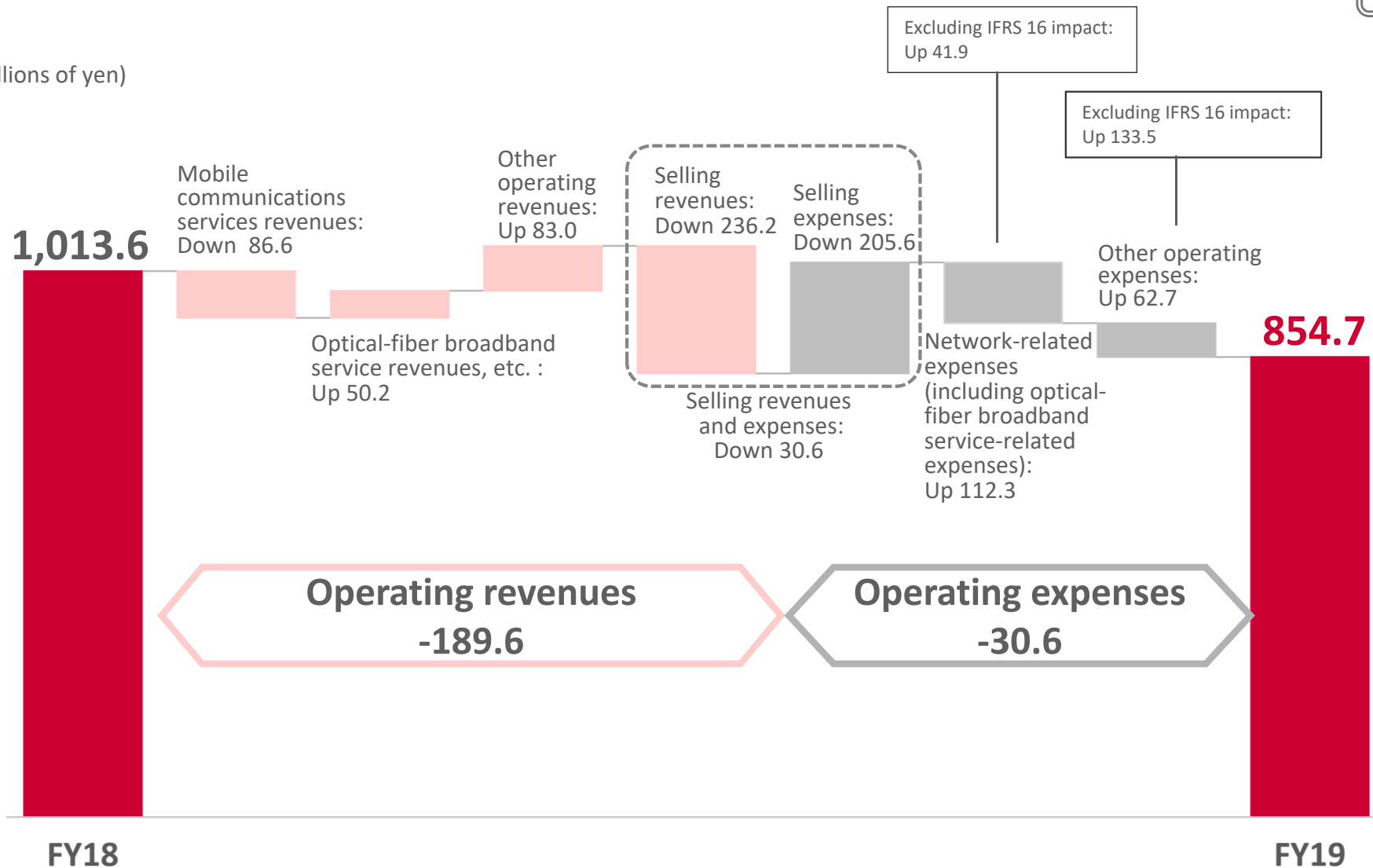
(Billions of yen)		FY2018 (1)	FY2019 (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	3,977.1	3,687.0	-290.1
	Operating profit	866.3	706.5	-159.8
Smart life business	Operating revenues	448.2	543.7	+95.5
	Operating profit	69.2	32.5	-36.7
Other businesses	Operating revenues	441.3	454.0	+12.7
	Operating profit	78.1	115.6	+37.5
<Ref.> Smart life business and Other businesses	Operating revenues	889.5	997.7	+108.2
	Operating profit	147.3	148.1	+0.8

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

Key Factors behind Changes in Operating Profit

IFRS

(Billions of yen)



◆ Selling expenses represent the sum of cost of equipment sold and commissions to agent resellers.

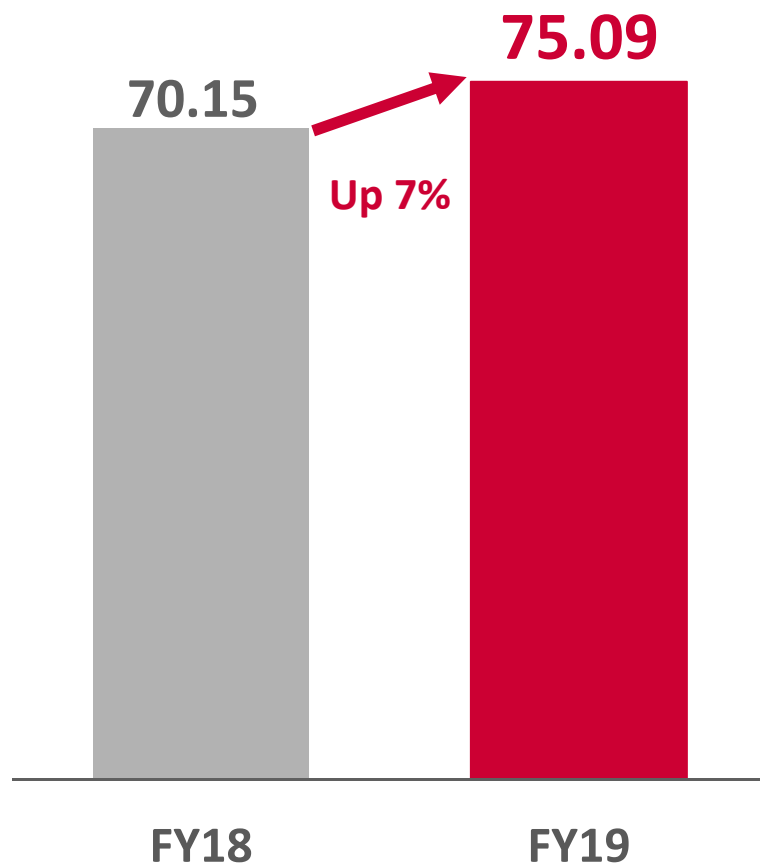
◆ Network-related expenses represent the sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges.

“d POINT CLUB” Members

“d POINT CLUB” members

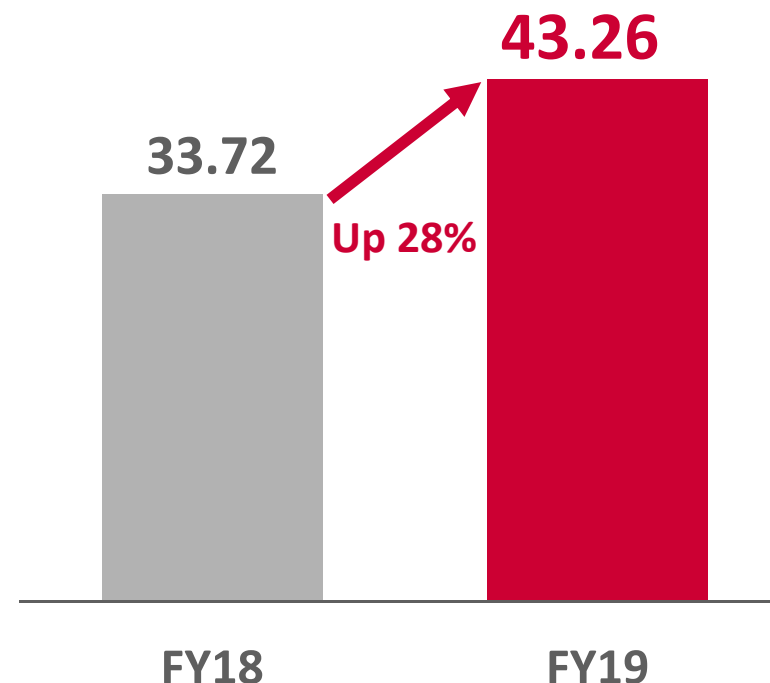
(Million members)

Topped 75 million



“d POINT CARD” registrants

(Million)

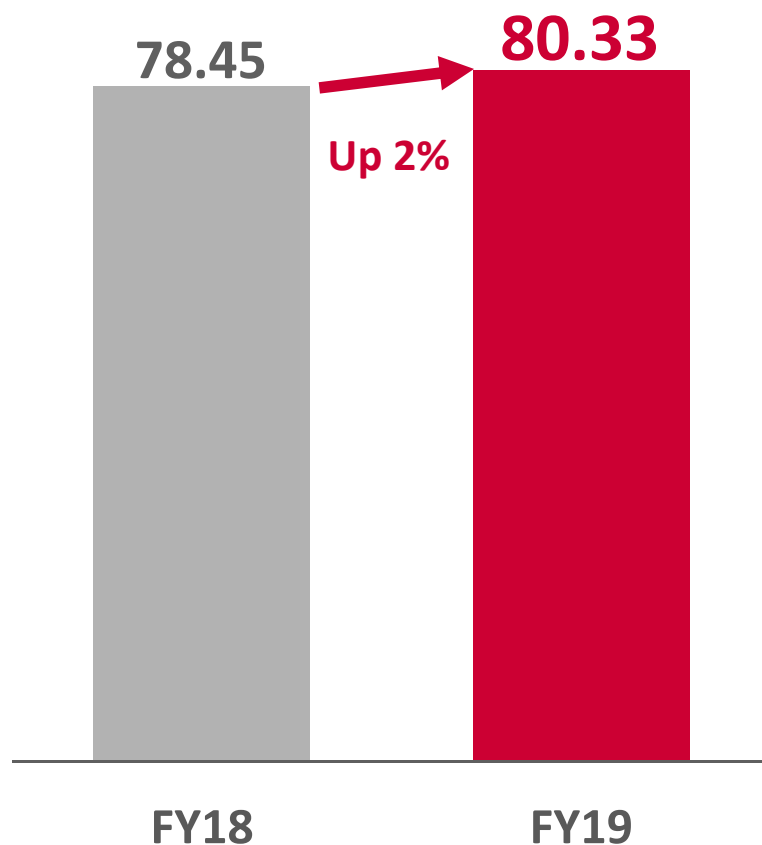


Telecommunications Business Operational Performance (1)

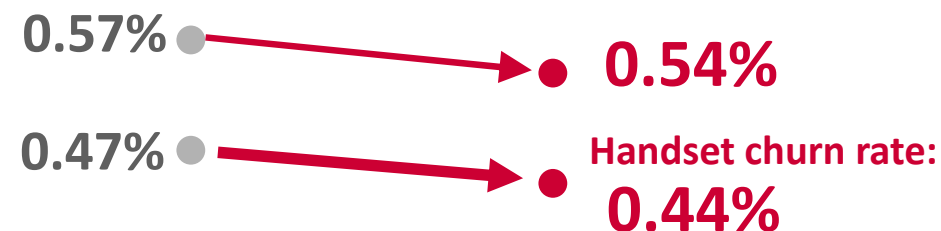
Mobile telecommunications service subscriptions

(Million subs)

Topped 80 million



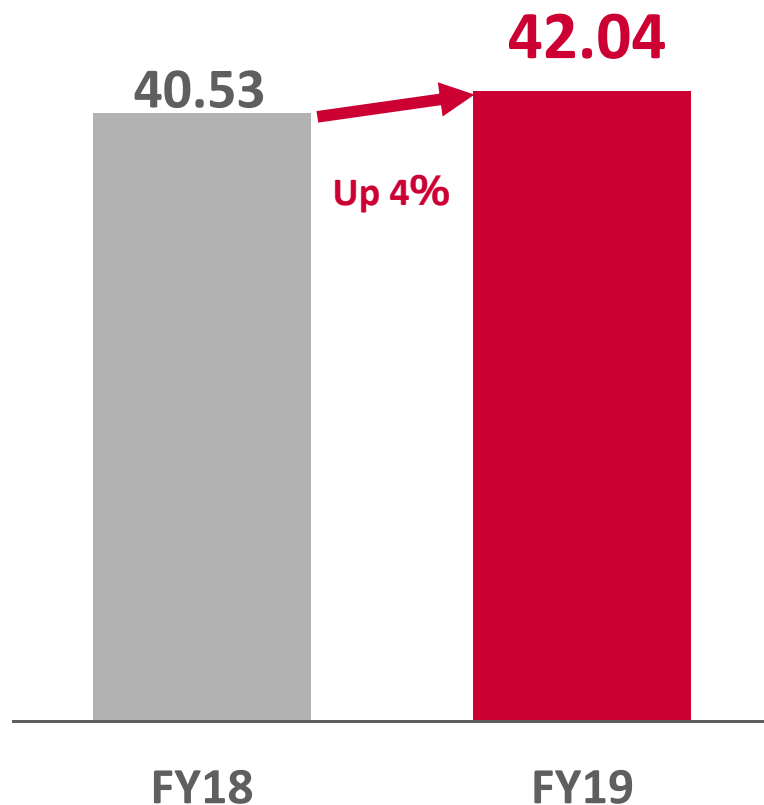
Churn rate



Telecommunications Business Operational Performance (2)

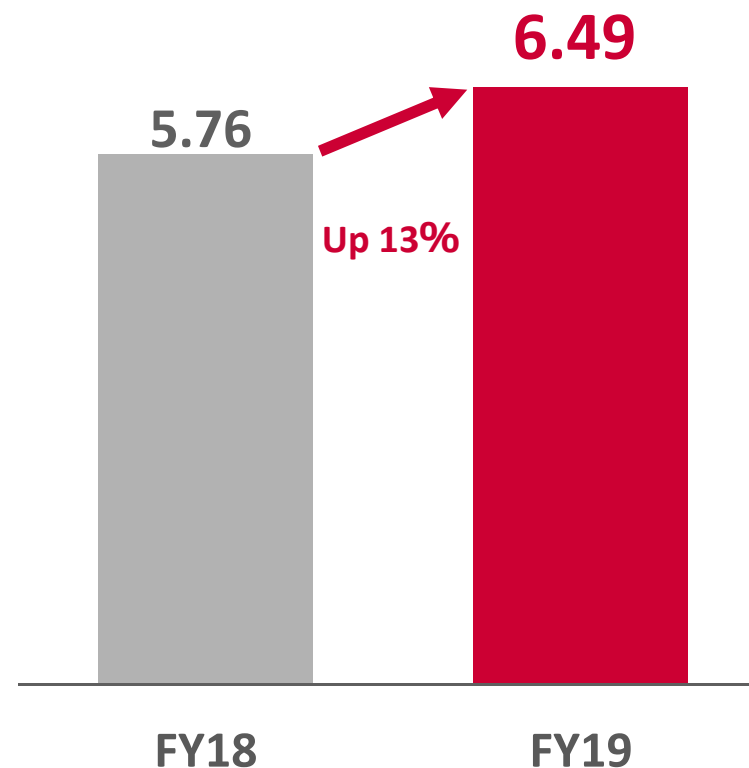
Total smartphone/ tablet users

(Million)



“docomo Hikari” optical-fiber broadband subs

(Million subs)



New Rate Plans

No. of applications: Topped 17 million

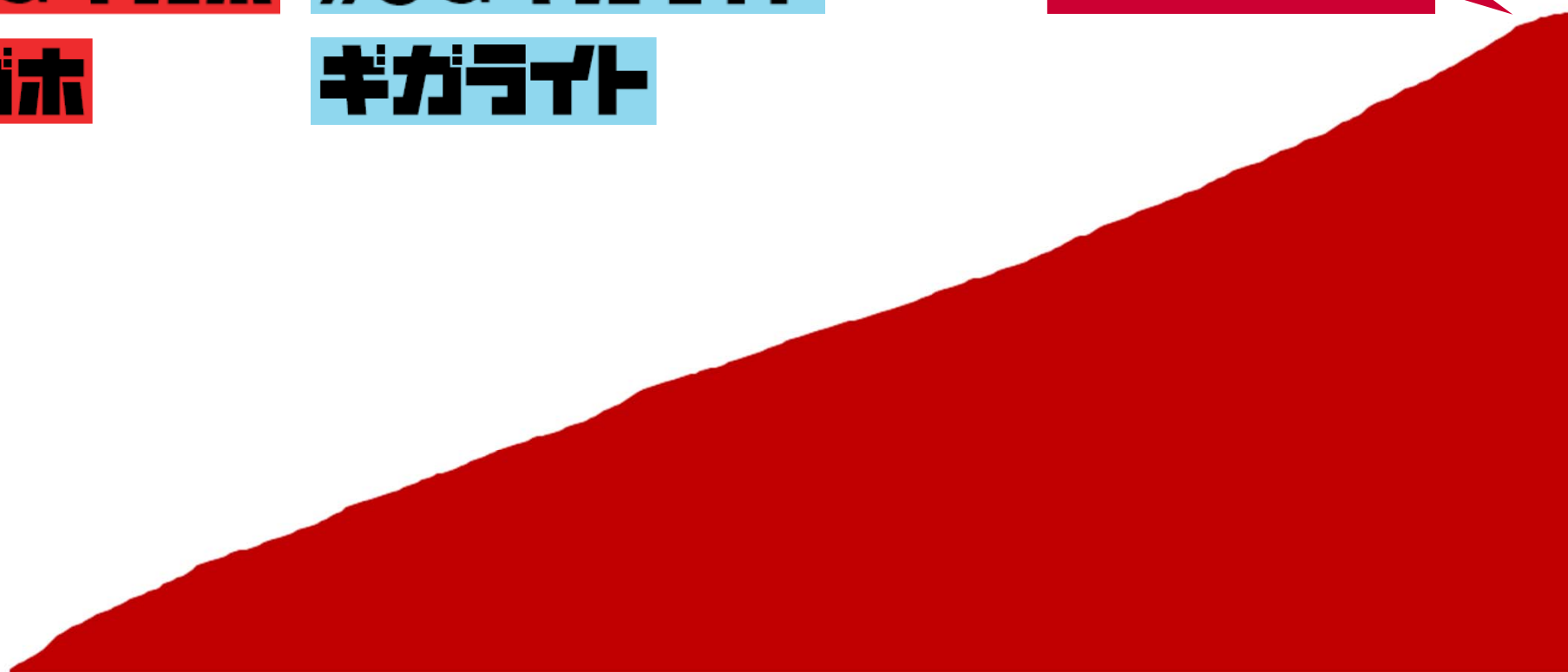
》5G ギガホ

ギガホ

》5G ギガライト

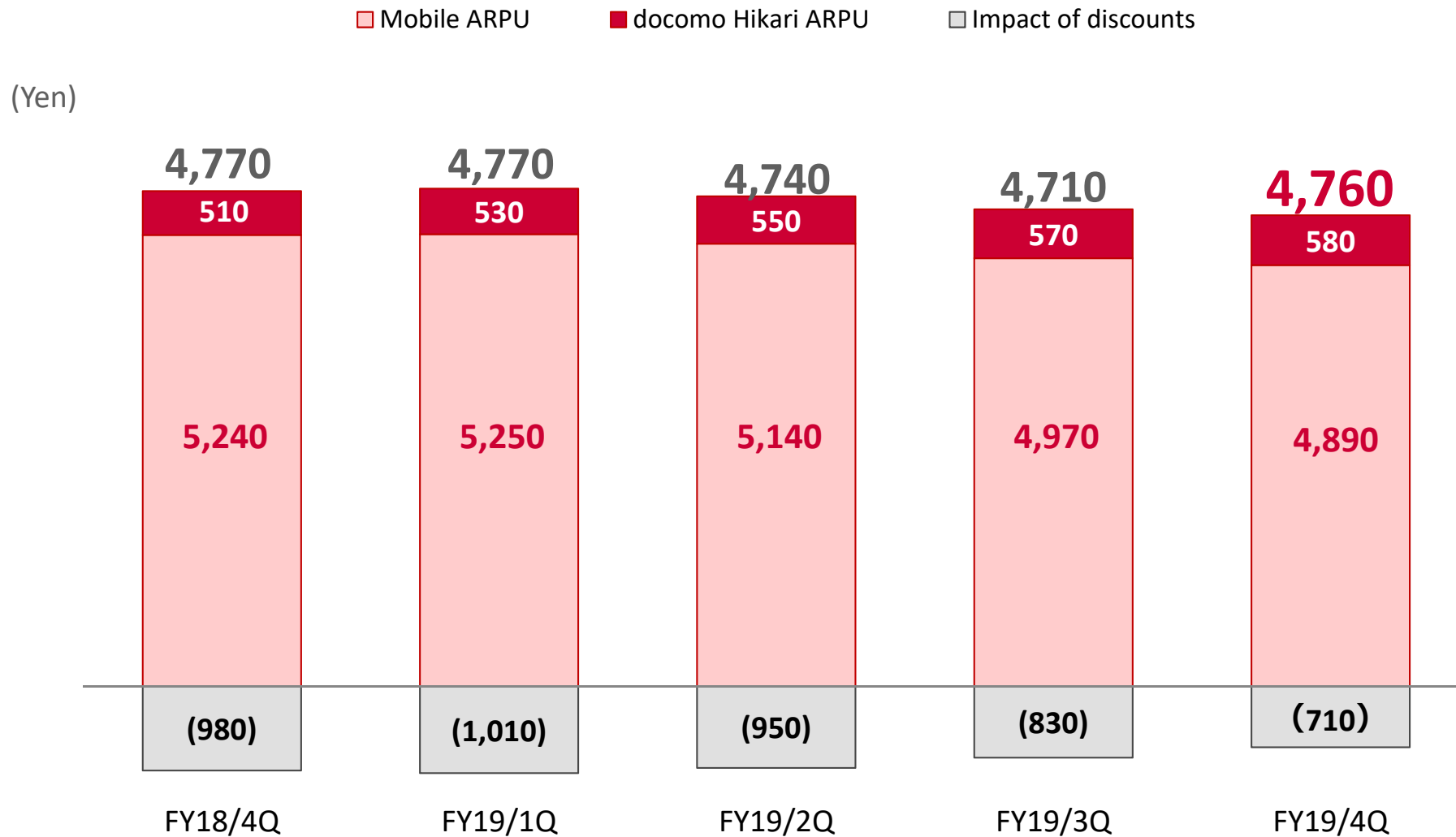
ギガライト

Mar. 31
16.51 mil



- ◆ New rate plans represent “Gigaho,” “5G Gigaho,” “Gigalight,” “5G Gigalight,” “Keitai Plan,” “Kids Keitai Plan,” “Data Plus” and “5G Data Plus.”
- ◆ No. of new rate plan applications topped 17 million on Apr. 17, 2020.

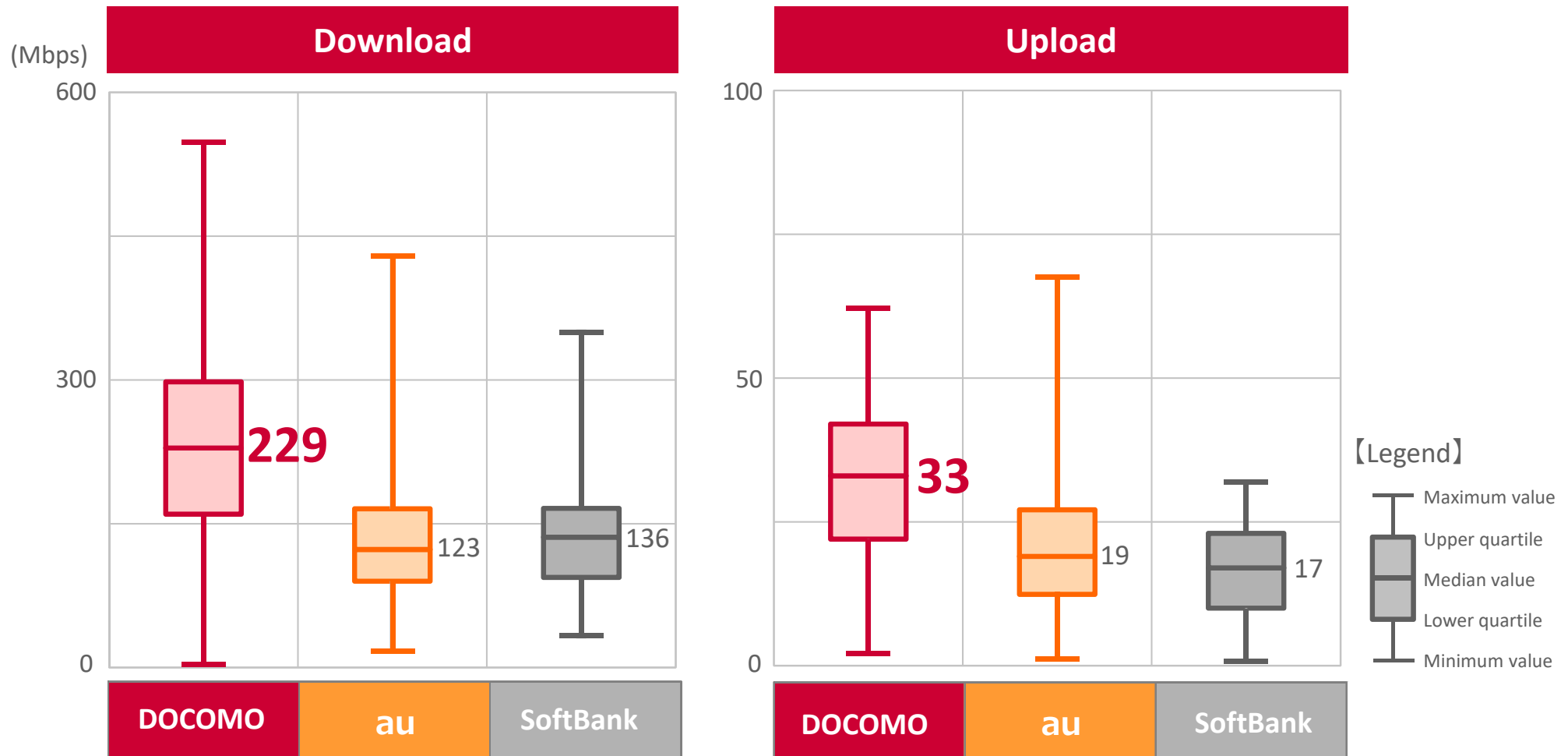
ARPU



- ◆ For an explanation of 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

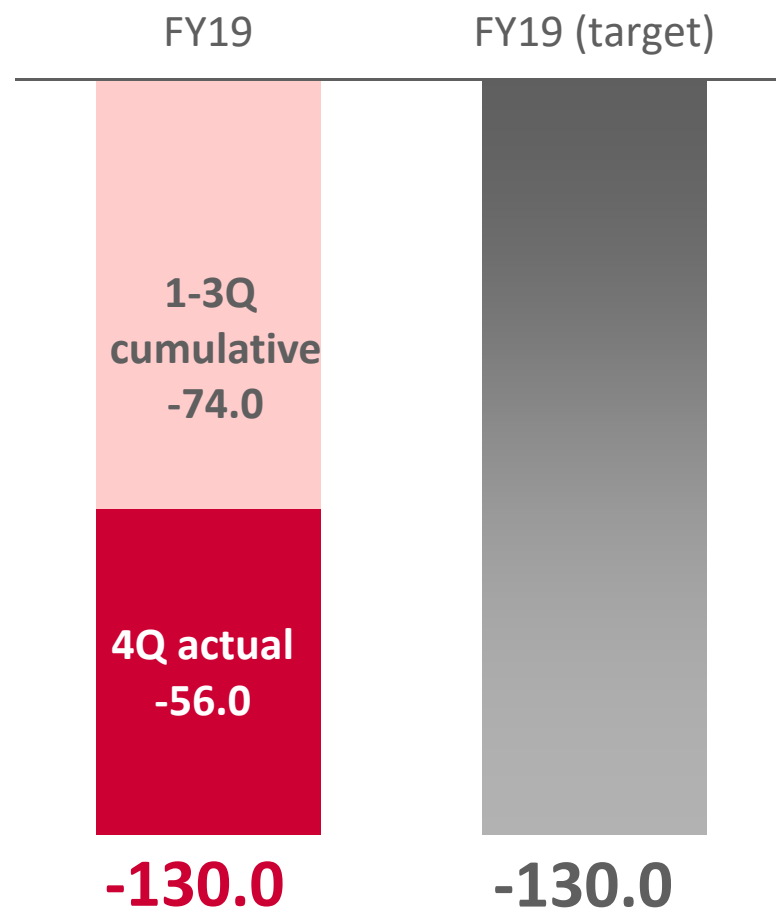
Delivered Japan's fastest speed for both downloads and uploads for two straight years



- ◆ 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, 2020). 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)

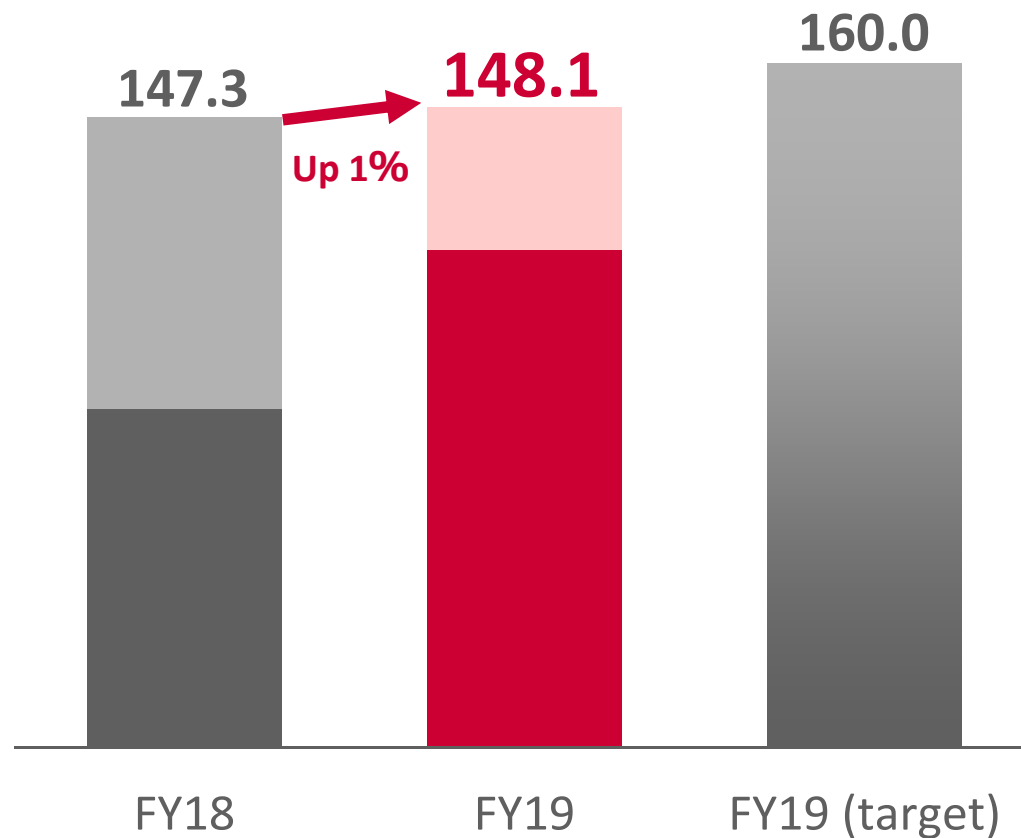


Focus areas

- ◆ **Marketing**
Sales promotion measures, after-sales support, etc.
- ◆ **Network**
Equipment integration, outsourcing cost, etc.
- ◆ **Other**
R&D, information systems, etc.

Smart Life Business & Other Businesses: Operating Profit

(Billions of yen)



Principal services

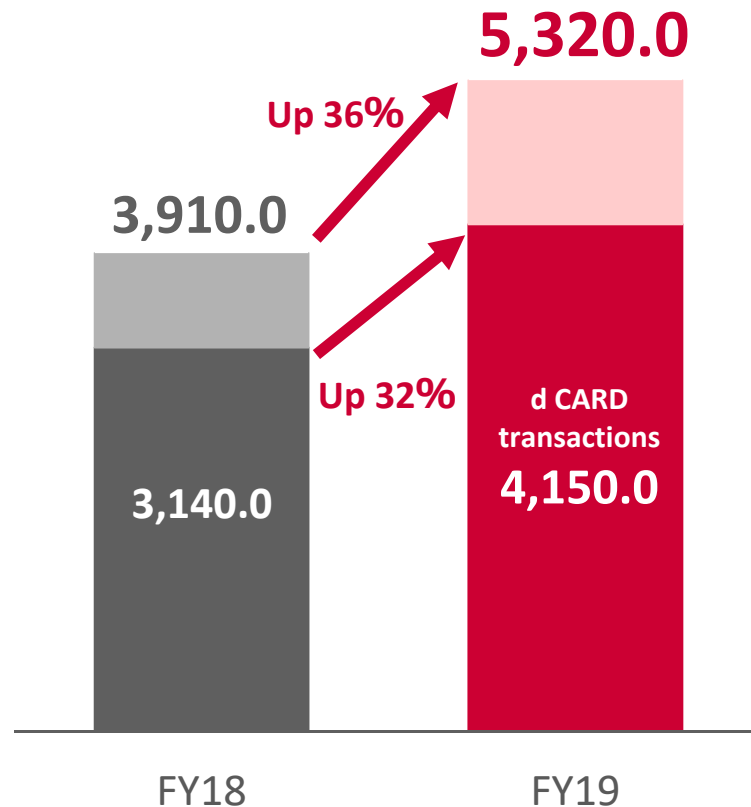
- Smart life business
 - Content/Lifestyle
 - Finance/Payment
- Other businesses
 - Support services for customers' peace of mind
 - Enterprise solutions

Finance/Payment Services

Finance/Payment Transactions handled

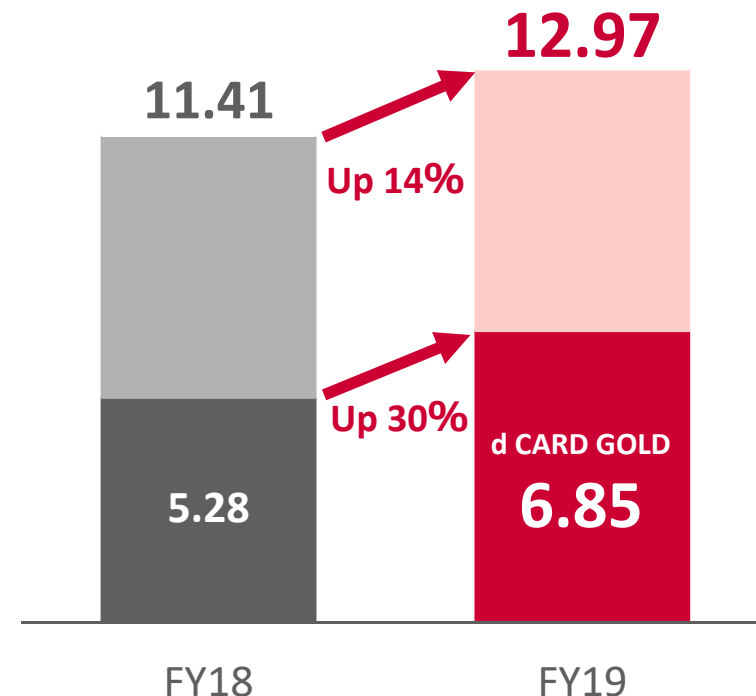
(Billions of yen)

Topped ¥5 trillion



“d CARD” members

(Million members)



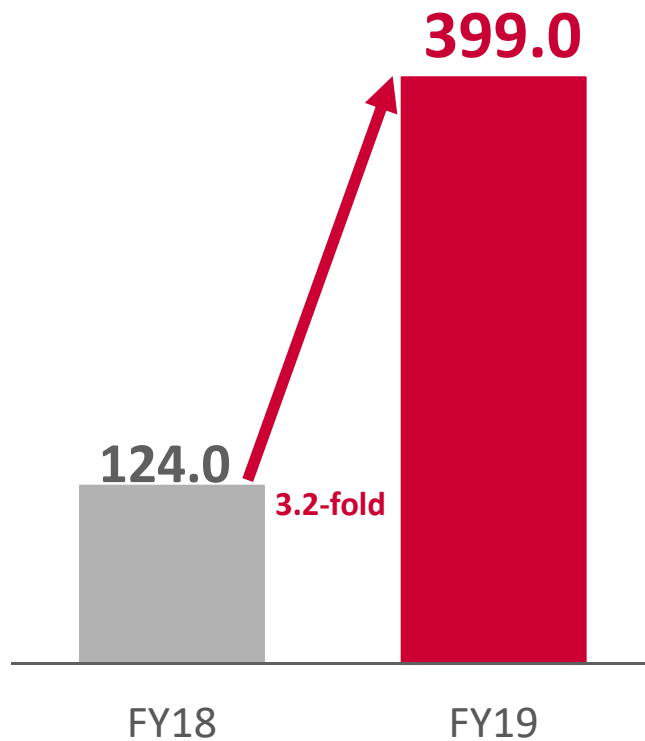
◆ The amount of transactions handled represent the cumulative amount for FY2019, which includes the transactions handled with "d CARD", "iD," "d Payment" and proxy bill collection service, etc.

◆ The following changes have been made in association with the integration of "d CARD mini" into "d Payment" service on Nov. 19, 2019: (i) Transactions handled with "d CARD mini" were excluded from the amount of transactions handled with "d CARD" and recorded as "d Payment" transactions; and (ii) "d CARD mini" members were excluded from "d CARD" members.

“d Payment”

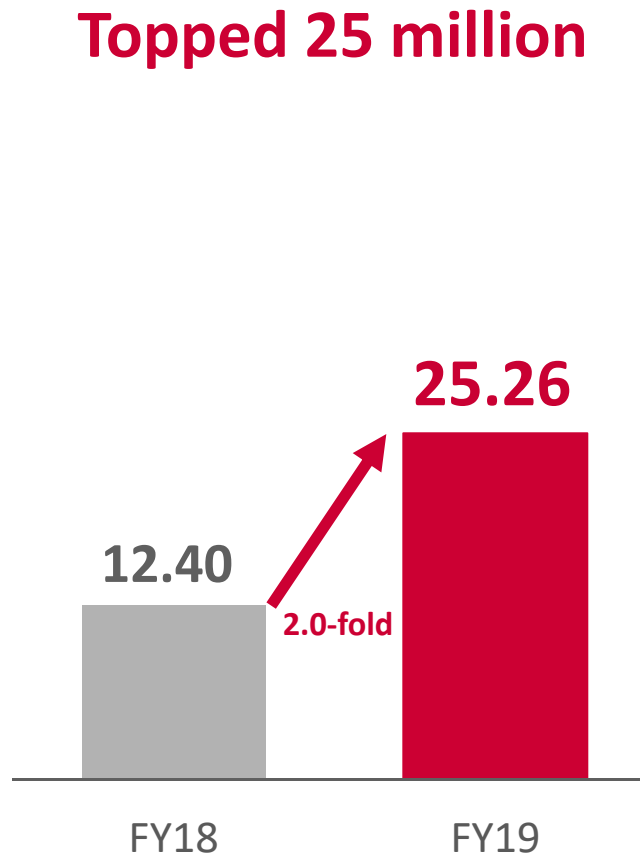
Transactions processed with “d Payment”

(Billions of yen)



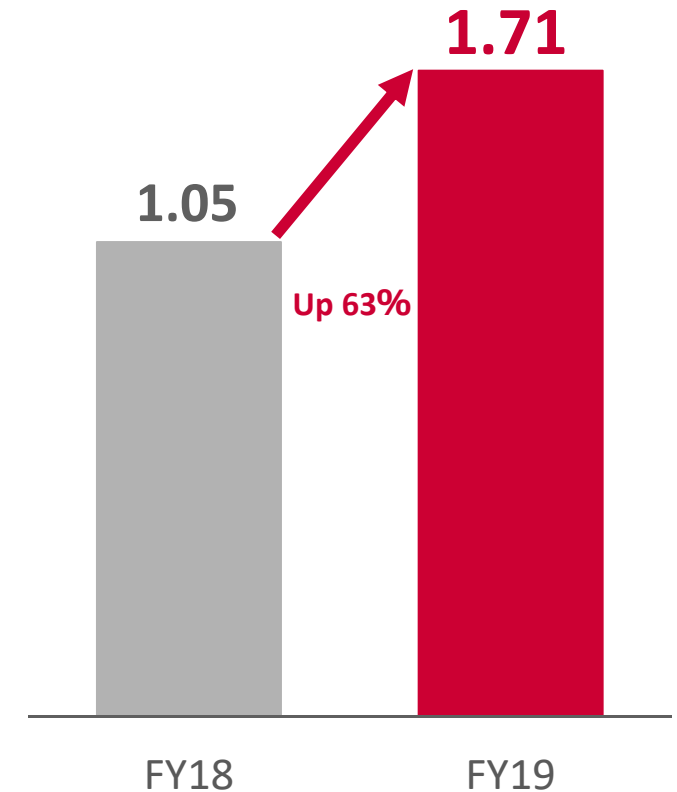
“d Payment” users

(Millions)



Locations where payment/point service can be used

(Million locations)



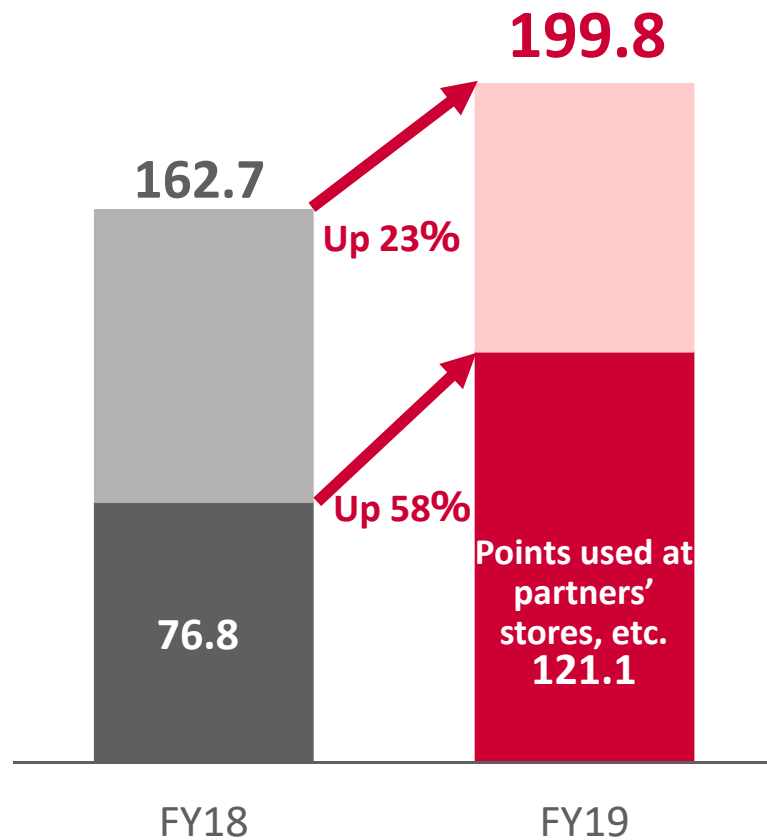
Topped 25 million

- ◆ The amount of transactions processed with “d Payment” represents the cumulative amount of payments made in FY2019 with “d Payment” (code and online payment) and “d Payment (iD)”.
- ◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.
- ◆ Locations where payment/point service can be used represent the combined no. of locations where “d POINT,” “iD” and “d Payment” (code and online payment) services can be used. The FY2019 data on the no. of locations where “iD” service can be used is based on the actual data as of Feb. 29, 2020.

“d POINT”

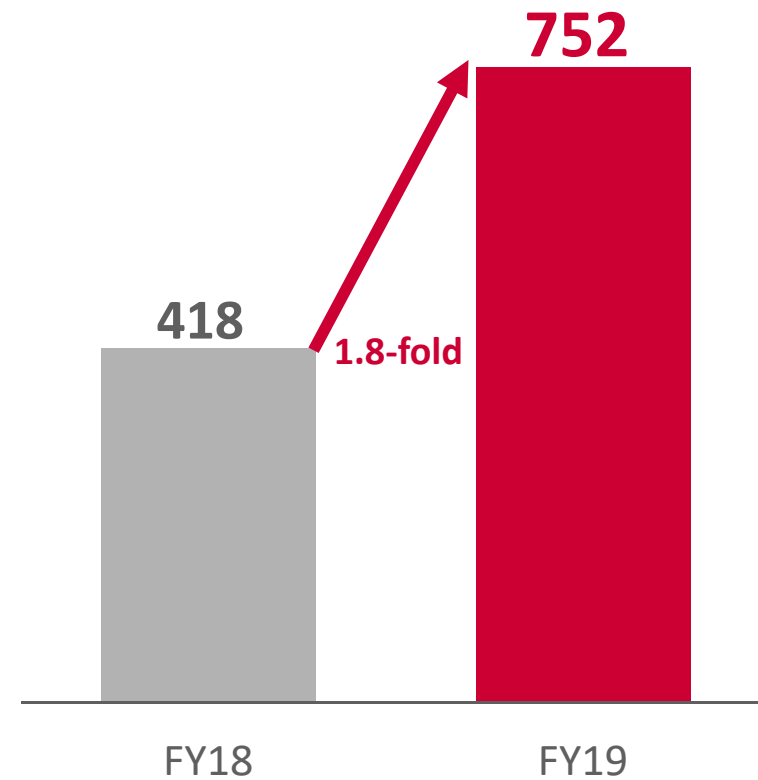
“d POINTs” used

(Billion points)



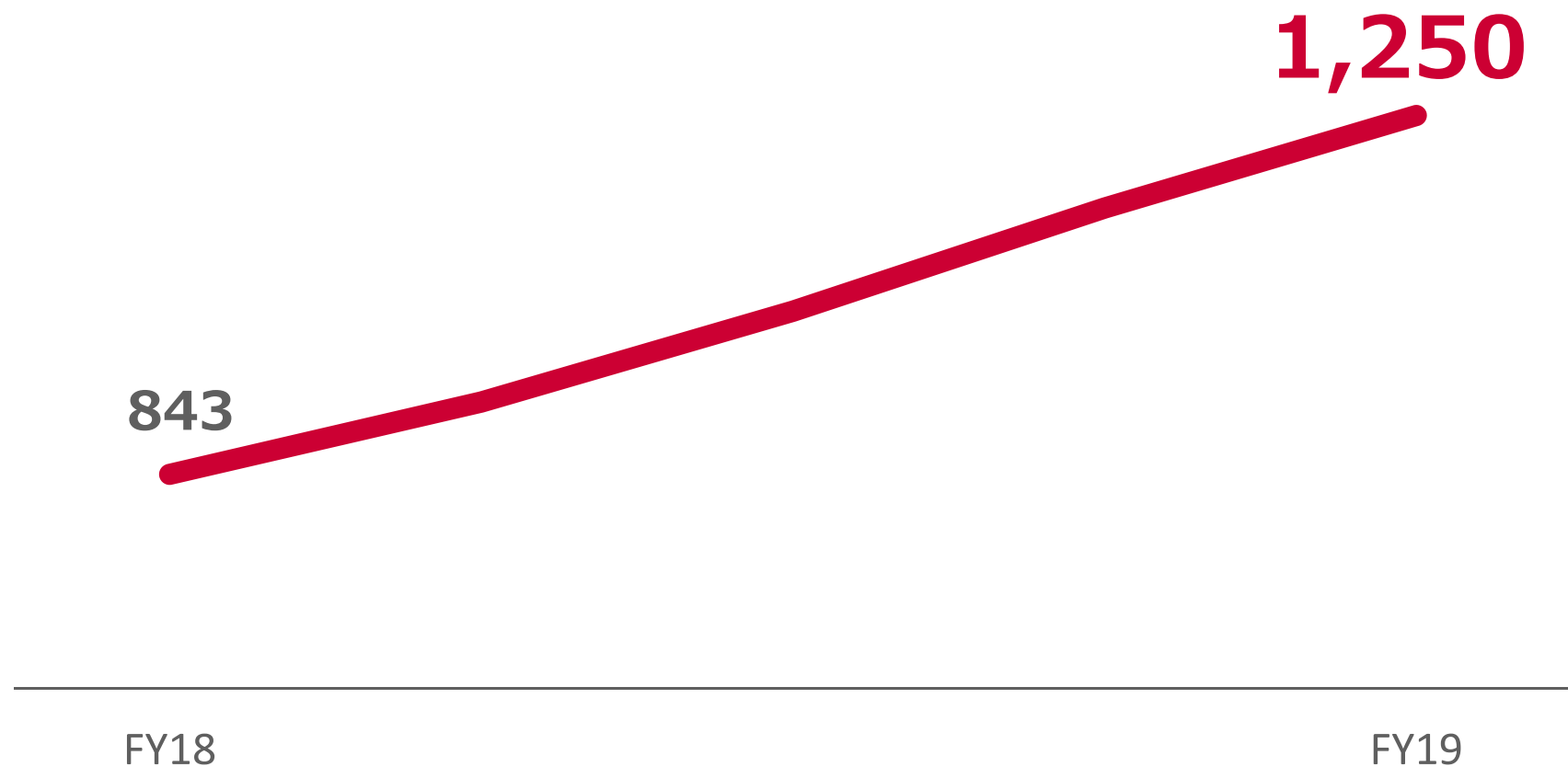
“d POINT” partners

(Brands)



Expansion of +d partners

No. of +d partners increased approx. 1.5-fold



Medium-Term Strategy

“Declaration beyond”: Actions Taken (1)

Value & excitement to customers

Declaration 1

Market
leader

Launched **5G commercial service**

Started operations in 150 locations (with 500 base stations) across Japan.
(Service commenced on Mar. 25, 2020)

Declaration 2

Style
innovation

Concluded **“Top Partner”** agreement with T. LEAGUE

Aim to enhance official video quality and maximize viewing experience by employing state-of-the-art technologies that leverage 5G. Promote digital marketing through federation of T.LEAGUE member ID and “d Account”. (Announced Mar. 18, 2020)

Declaration 3

Peace of mind
and comfort
support

Reinforced disaster preparedness of docomo Shops

Rolled out photovoltaic power generation systems in 245 stores (as of Mar. 31, 2020), with a plan to further increase installations to approx. 500 stores within FY2020. Deployed anti-inundation sandbags at all docomo Shops in Japan.

Medium-Term Strategy

“Declaration beyond”: Actions Taken (2)

Value co-creation with partners

Declaration 4

Industry
creation

Started providing “**docomo Open Innovation Cloud (dOIC)**”

Cloud service that offers the benefits of MEC (Multi-access Edge Computing) such as low latency and high security, etc. (Commenced on Mar. 25, 2020)

Declaration 5

Solution
co-creation

Joint creation of **a wide variety of 5G-enabled solutions** with partners

Started receiving applications for 22 co-creation solutions (Mar. 25, 2020)

Declaration 6

Partner business
expansion

Started **collaboration** with Cisco for **a cloud-based telephone system**

Help realize diverse workstyles through coordination of “Cisco Webex Calling” and DOCOMO’s cloud-based telephone solution (Launched Mar. 2, 2020)

Principal Actions Undertaken in FY2019 ^{NTT}docomo

Steadily executed various initiatives after unveiling “Declaration beyond”

	1Q	2Q	3Q	4Q
Declaration 1 Market leader	<ul style="list-style-type: none"> New rate plans “Gigaho” “Gigalight” + Message functional enhancement 	<ul style="list-style-type: none"> d Payment Wallet 	<ul style="list-style-type: none"> Amazon Prime comes with DOCOMO’s plan Disney DELUXE Set Wari 	<ul style="list-style-type: none"> 5G service launch Gigaho 60GB Zouryou Campaign
Declaration 2 Style innovation	<ul style="list-style-type: none"> FACE LOG 	<ul style="list-style-type: none"> d Meal Kit 	<ul style="list-style-type: none"> Joint business for embot 	<ul style="list-style-type: none"> Top Partner agreement with T.LEAGUE 7 5G-enabled services
Declaration 3 Peace of mind and comfort support		<ul style="list-style-type: none"> Anshin Pack Mobile Anshin Pack Home 	<ul style="list-style-type: none"> Free-of-charge data transfer, initial handset setting at docomo Shops 	<ul style="list-style-type: none"> d Wi-Fi Stepped up disaster preparedness measures at docomo Shops
Declaration 4 Industry creation	<ul style="list-style-type: none"> Touch-de-Kaiwa 	<ul style="list-style-type: none"> 5G service launch in Guam Oshaberi Annaiban 		<ul style="list-style-type: none"> 22 5G-enabled solutions
Declaration 5 Solution co-creation	<ul style="list-style-type: none"> docomo IoT Production Line Analysis 		<ul style="list-style-type: none"> Real-time population survey (domestic) OMNI edge 	<ul style="list-style-type: none"> dOIC
Declaration 6 Partner business expansion	<ul style="list-style-type: none"> d Point Fan Connect SP 	<ul style="list-style-type: none"> Lending platform 	<ul style="list-style-type: none"> Capital and business alliance with Showcase Gig 	<ul style="list-style-type: none"> Nikko FROGGY+ docomo

ESG Evaluations

Nikkei Smart Work Management Survey



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



Won Nikkei Smart Work Grand Prize 2020
“Technology Utilization Award”

Awarded to leading companies tackling productivity revolution
through workstyle reform

2020 Health & Productivity Management



Certified as a
“White 500” company for
the fourth straight year

PRIDE Index 2019



Awarded “Gold” rating for
the fourth straight year

- ◆ Nikkei Smart Work Management Survey: Ranking on companies based on four elements of human resource utilization, innovation capability, market development capability and management foundation.
- ◆ 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program: A Ministry of Economy, Trade and Industry program that recognizes enterprises taking strategic actions for the promotion of employees' health from a business management perspective.
- ◆ PRIDE Index: An index established by work with Price, an independent organization that assesses the workplace initiatives for LGBT and other sexual minorities.

Share Repurchase & Cancellation **NTT docomo**

**Completed repurchase of shares worth ¥300 billion
and cancelled all shares repurchased.**

	Result of execution	Authorization	Execution rate
▶ Aggregate price of shares repurchased:	¥300 billion	¥300 billion	100%
▶ Aggregate no. of shares repurchased:	106.6 million shares	128.3 million shares	83%
▶ No. of shares cancelled:	106.6 million shares - (Proportion to total issued shares before cancellation: 3.20%)		

◆ The aggregate no. of shares repurchased described above represents the cumulative number of shares repurchased pursuant to the resolution approved at the Board of Directors meeting held on Apr. 26, 2019. (Repurchase period: May 7, 2019 – March 9, 2020) (Counted on trade basis).

◆ Cancellation of treasury shares was executed on Apr. 2, 2020.

Medium-Term Operational Indicators: Progress **NTT docomo**

	FY2018	FY2019	Target (FY2021)
“d POINT CLUB” members	70.15 million	75.09 million	78.00 million
Enterprise partners	2,487	3,400	5,000
Locations where payment/point service can be used	1.05 million	1.71 million	2 million
Transactions handled by Finance/Payment business	¥3.9 trillion	¥5.3 trillion	¥6 trillion
Enterprise solution revenues	¥73 billion	¥89 billion	¥120 billion

	FY2018	FY2019	Target (FY2019)
Wait time + attendance time	Average over 2 hours	65 minutes	Approx. half of FY2018 level

	FY2018	FY2019	Target (FY2019-23 cumulative)
Investment for 5G infrastructure buildout, etc.	-	¥52.0 billion	¥1 trillion

◆ Locations where payment/point service can be used represent the combined no. of locations where “d POINT,” “iD” and “d Payment” (code and online payment) services can be used. The FY2019 data on the no. of locations where “iD” service can be used is based on the actual data as of Feb. 29, 2020.

FY2019 Summary

- ▶ Recorded ¥854.7 billion in operating profit achieving full-year guidance.
- ▶ Launched 5G commercial service to create new value and contribute to solving social issues.
- ▶ New rate plans garnered 16.51 million applications. Further reinforced customer base.
- ▶ No. of “d POINT CLUB” members topped 75 million. No. of participating stores and point usage also continued to expand at a favorable pace.
- ▶ Delivered Japan’s fastest effective network speed both for downloads and uploads for two consecutive years.
- ▶ Total amount of finance/payment transactions reached ¥5.32 trillion. “d Payment” transactions also recorded a significant increase.
- ▶ Achieved cost efficiency improvement of ¥130 billion delivering on full-year target.
- ▶ Executed share repurchase worth ¥ 300 billion. Driving business considering capital efficiency.

1 . FY2019 Results Highlights

2 . FY2020 Principal Actions

The Start Year for Growth in a New Era

Further reinforcement
of customer base

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

New value creation
for the 5G era

Structural reform underpinning the new era

FY2020 Principal Actions (2)

Further reinforcement of customer base

- Further refine customers' experience at shopfront and online, and enhance the attractiveness of "d POINT" program.
- Compelling rate plans and early roll out of 5G coverage.

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

- Build strong customer touchpoints for members and advance digital marketing.
- Reinforce growth areas, e.g., finance/payment, marketing solutions, etc.

New value creation for the 5G era

- Full-scale deployment of new solutions through co-creation with partners.
- Deliver new sensory services and experiences primarily through video.

Structural reform underpinning the new era

- Improve efficiency of operational processes through DX and reallocate resources to growth areas.
- Streamline business operations by stepping up efforts for 3G subscriber migration.

5G Service (1)



Create new value and promote solution of social issues

Launched March 25, 2020

Network

Started in 150 locations across Japan with 500 base stations

Device

Total 7 models
(6 smartphones, 1 data device)

Service

Started offering 7 services that take advantage of 5G's unique properties

Solution

Started offering "22 solutions" and "docomo Open Innovation Cloud"

Planned actions for FY20

Promotion of O-RAN
Deployment of millimeter wave

Increase variety of compatible devices
(Rollout of standard models)

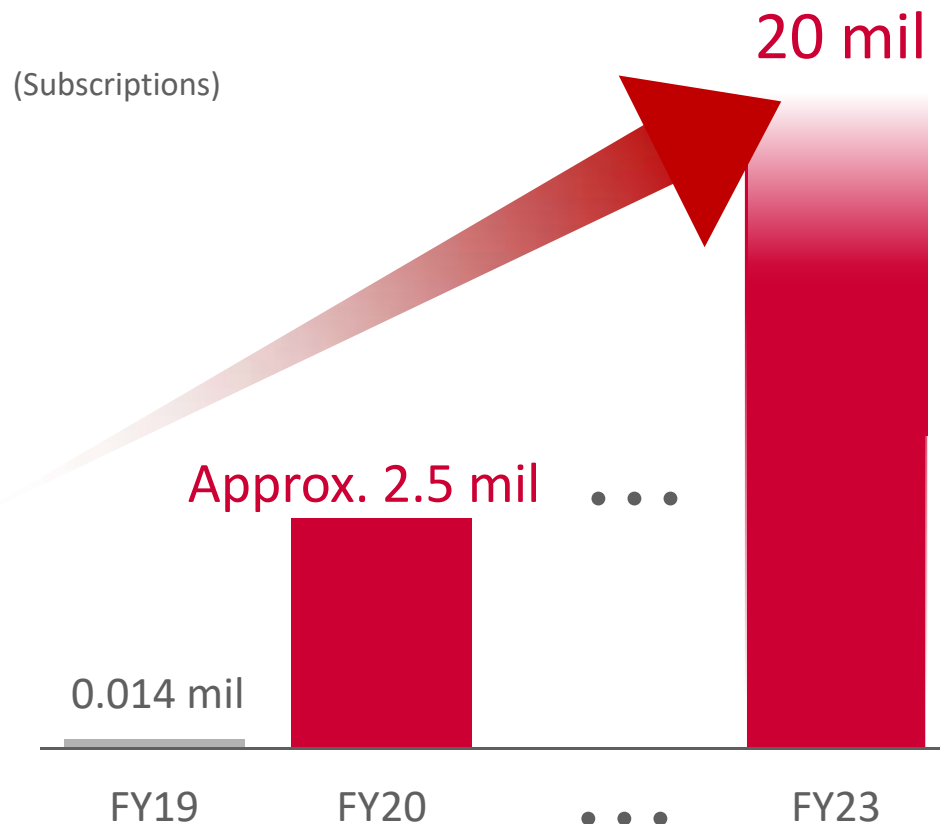
Pursuit of new experience and sensory services, e.g., music, gaming, video, sports, etc.

Value creation suited to remote-work society
(medical/education/manufacturing, etc.)

5G Service (2)

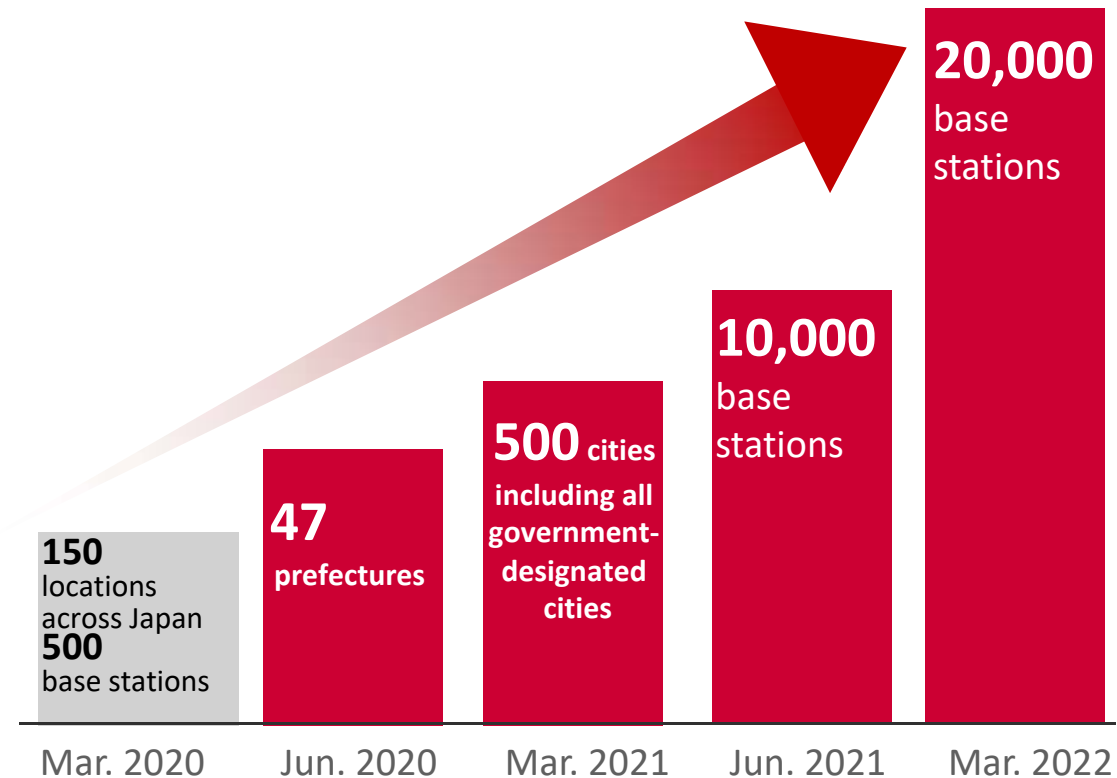
Subscriber growth (illustrative)

**Aim to acquire 20 mil subs
before end of FY2023**



5G Area Construction (illustrative)

Aggressive buildout of 5G coverage



Response to COVID-19

Extension of payment due for mobile phone charges, etc.	Deferred payment deadline of phone charges originally due on and after Feb. 29 to May 31 for customers who filed an application for extension.
Re-grant of expired “d POINTs”	Re-grant “d POINTs” expired in March and April 2020.
Support measures for users under 25 years old	Free-of-charge provision of “Additional 1GB Option” and “Speed Mode” for up to 50GB to users under 25 years old during the period between April and June 2020. (Extension of program period to June 30 announced today)
Free online health consultation through “d Healthcare” app	Limited-time provision to “d Account” users of a free 24-hour chat service with medical doctors for consultation of COVID19-related and other anxieties or health concerns.
Telework realization support	Provision of communications means for teleworking/work-from-home as well as other services that help smooth information sharing between distant locations.
Provision of population dynamics analysis using “Mobile Spatial Statistics®”	Ongoing analysis of demographic changes in principal areas before and after the declaration of state of emergency using “Mobile Spatial Statistics” and provision of analysis results to national and local governments, media, etc.

Principal Impacts from COVID-19

Element		Impact	Causes
Mobile communication traffic	Voice	Up	Increase in voice calls resulting from reduced opportunities for face-to-face communication
	Data	Slightly up	Internet usage is considered to have increased due to a rise in the number of people staying at home, but the impact on mobile data communication has been limited
	International roaming	Significantly down	Decrease in the no. of outbound and inbound travelers
Device and service sales		Down	Decrease in the no. of shop visitors due to shortened store hours Delay in supply of handsets and other products Deceleration in pace of subscriber migration to 4G and 5G
Smart life	Content/lifestyle	Slightly up	Increased usage due to heightened demand from users staying at home
		Slightly down	Lower user acquisition resulting from reduced sales at shops
	Finance/payment	Down	Decline of new user acquisition Decrease in finance/payment transactions processed resulting from voluntary restraint from going out and dampened consumption
Capital expenditures		Down	Slower progress of capital investments due to delay in supply of network equipment, construction schedule

◆ The table above summarizes the key elements that have already affected our business and are likely to continue in to the future together with their respective degrees of impact and causes. The actual business impact from COVID-19, however, may not be limited to the descriptions above. The degrees of impact are not necessarily indicative of any future changes in revenues and/or profit.

FY2020 Guidance

- Guidance for FY2020 will not be disclosed at this juncture given the difficulty of making a reasonable estimate on our financial results due to the COVID-19 outbreak.
- FY2020 guidance will be provided promptly once it becomes possible to perform a reasonable estimate following a careful determination of its future financial impact.
- Annual cash dividends per share for FY2020 is planned to be kept unchanged from the previous fiscal year at ¥120.

The background features a vibrant rainbow arching across the sky. Above the rainbow, several simple line drawings of houses in various colors (red, green, blue, yellow) are visible. At the bottom of the image, a row of orange silhouettes depicts a diverse group of people, including adults and children, holding hands in a line.

**Always chosen
to sustain connections
as your robust ICT service partner**

The new of today, the norm of tomorrow



Appendix

Principal Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

• 5G 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/ Lifestyle services

• “dTV” “d hits” “d shopping” “d fashion” “d travel” “d magazine” “d photo” “d healthcare”

• DAZN for docomo NTT Plala Inc. • Oak Lawn Marketing, Inc. • Tower Records Japan Inc. etc.

Finance/Payment services

• d CARD • d CARD GOLD • iD • d Payment • Proxy bill collection etc.

Other businesses

Support services for customers peace of mind

• “Mobile Device Protection Service” • “Anshin Remote Support” etc.

Enterprise solutions

• Enterprise IoT solutions • System development/sales/maintenance services 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 (basic monthly charges, voice charges, 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

iv.

1. The number of “users” used to calculate 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 “5G,” “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.

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