



Earnings Release

July 26, 2019

For the Three Months Ended June 30, 2019

[IFRS]

Name of registrant: **NTT DOCOMO, INC.** (URL <https://www.nttdocomo.co.jp/>)
 Code No.: 9437
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section
 Representative: Kazuhiro Yoshizawa, Representative Director, President and Chief Executive Officer
 Contact: Hideyuki Tsuchiya, Senior Manager, General Affairs Department / TEL +81-3-5156-1111
 Scheduled date for filing of quarterly report: August 1, 2019
 Scheduled date for dividend payment: -
 Supplemental material on quarterly results: Yes
 Presentation on quarterly results: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019 - June 30, 2019)

(1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

	Operating revenues		Operating profit		Profit before taxes		Profit		Profit attributable to shareholders of NTT DOCOMO, INC.		Total comprehensive income	
Three months ended June 30, 2019	1,159,285	(1.5)%	278,717	(10.1)%	285,380	(10.0)%	192,692	(12.0)%	192,307	(11.9)%	192,390	(13.1)%
Three months ended June 30, 2018	1,176,668	3.8 %	309,925	9.9 %	317,062	9.4 %	219,071	9.4 %	218,318	9.2 %	221,323	12.1 %

(Percentages above represent changes compared to the corresponding period of the previous year)

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2019	57.76 (yen)	—
Three months ended June 30, 2018	60.76 (yen)	—

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total assets	Total equity	Equity attributable to shareholders of NTT DOCOMO, INC.	Ratio of Equity attributable to shareholders of NTT DOCOMO, INC. to total assets
June 30, 2019	7,240,039	5,354,246	5,332,211	73.6 %
March 31, 2019	7,340,546	5,394,124	5,371,853	73.2 %

2. Dividends

	Cash Dividends per Share (yen)				
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year End	Total
Year ended March 31, 2019	—	55.00	—	55.00	110.00
Year ending March 31, 2020	—	—	—	—	—
Year ending March 31, 2020 (Forecasts)	—	60.00	—	60.00	120.00

(Note) Revisions to the forecasts of dividends: No

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen, except per share amounts)

	Operating revenues		Operating profit		Profit before taxes		Profit attributable to shareholders of NTT DOCOMO, INC.		Basic earnings per share	
Six months ending September 30, 2019	—	—%	—	—%	—	—%	—	—%	—	—
Year ending March 31, 2020	4,580,000	(5.4) %	830,000	(18.1) %	838,000	(16.4) %	575,000	(13.4) %	175.00	—

(Note) Revisions to the forecasts of consolidated financial results: No

* Notes:

(1) Changes in significant subsidiaries:		None
(2) Changes in accounting policies and Estimate		
i. Changes in accounting policies required by IFRS:		Yes
ii. Other change in accounting policies:		None
iii. Changes in accounting estimates:		None
(3) Number of issued shares (common stock)		
i. Number of issued shares (inclusive of treasury stock):	As of June 30, 2019:	3,335,231,094 shares
	As of March 31, 2019:	3,335,231,094 shares
ii. Number of treasury stock:	As of June 30, 2019:	19,450,838 shares
	As of March 31, 2019:	133 shares
iii. Number of weighted average common shares outstanding:	For the three months ended June 30, 2019:	3,329,162,693 shares
	For the three months ended June 30, 2018:	3,593,184,513 shares

* This earnings release is not subject to the quarterly review by independent auditors.

* Explanation for forecasts of operations and other notes:

Forecast of results

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 reports and Quarterly Securities Reports on our website.

(Resolution of share repurchase up to prescribed maximum limit)

The forecasts of "Basic Earnings per Share" for the fiscal year ending March 31, 2020 are based on the assumption that DOCOMO will repurchase up to 128.3 million shares for an amount in total not to exceed ¥300,000 million, as resolved at the board of directors' meeting held on April 26, 2019.

CONTENTS OF THE ATTACHMENT

	page
Contents of the Attachment	1
1. Summary Information	2
Prospects for the Fiscal Year Ending March 31, 2020	2
2. Summary Information (notes)	3
(1) Changes in Significant Subsidiaries	3
(2) Change in Accounting Policies	3
3. Condensed Consolidated Financial Statements	4-11
(1) Condensed Consolidated Statement of Financial Position	4-5
(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income	6-7
(3) Condensed Consolidated Statement of Changes in Equity	8-9
(4) Notes to Condensed Consolidated Financial Statements	10-11

1. Summary Information

Prospects for the Fiscal Year Ending March 31, 2020

None

2. Summary Information (notes)

(1) Changes in Significant Subsidiaries

None

(2) Change in Accounting Policies

DOCOMO has adopted IFRS 16 “Lease” (“IFRS 16”) from the beginning of the first quarter ended June 30, 2019 (April 1, 2019).

Upon the application of IFRS 16, leases that were previously classified as operating leases are recognized as right-of-use assets and lease liabilities. These items also include finance leases that were previously recognized as “Property, plant, and equipment” and “Other financial liabilities.” The change in the accounting policy mainly resulted in an increase of “Right-of-use assets” by ¥295,379 million and “Lease liabilities” by ¥286,503 million, while in a decrease of “Property, plant, and equipment” by ¥3,936 million, “Other current assets” (prepaid lease payments) by ¥8,775 million and “Other financial liabilities” by ¥4,057 million, respectively at the beginning of the first quarter ended June 30, 2019. The principal items recorded as right-of-use assets include the fees for use of office, the rent for the land and building required for the installation of telecommunications facilities and the fees for use of transmission lines. The impact on the opening balance of retained earnings is little. In addition, the change in the accounting policy also mainly resulted in an increase of “Depreciation and amortization” by ¥23,500 million, while in a decrease of “Cost of equipment sold and services, and other expenses” by ¥17,382 million and “Communication network charges” by ¥6,078 million, respectively for the three months ended June 30, 2019.

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	March 31, 2019	June 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 219,963	¥ 145,905
Trade and other receivables	2,128,156	2,083,452
Other financial assets	70,933	70,799
Inventories	178,340	141,121
Other current assets	91,308	86,526
Subtotal	2,688,699	2,527,804
Asset held for sale	234,160	—
Total current assets	2,922,859	2,527,804
Non-current assets:		
Property, plant and equipment	2,623,789	2,603,086
Right-of-use assets	—	273,092
Goodwill	33,177	32,799
Intangible assets	608,513	604,634
Investments accounted for using the equity method	151,741	149,699
Securities and other financial assets	439,742	466,267
Contract costs	297,733	300,562
Deferred tax assets	150,725	166,313
Other non-current assets	112,267	115,781
Total non-current assets	4,417,687	4,712,234
Total assets	¥ 7,340,546	¥ 7,240,039

Millions of yen

	March 31, 2019	June 30, 2019
LIABILITIES AND EQUITY		
Current liabilities:		
Trade and other payables	1,058,007	800,155
Lease liabilities	—	66,315
Other financial liabilities	10,495	30,414
Accrued income taxes	166,503	109,530
Contract liabilities	211,752	220,550
Provisions	29,086	26,365
Other current liabilities	150,805	113,812
Total current liabilities	1,626,647	1,367,141
Non-current liabilities:		
Long-term debt	50,000	50,000
Lease liabilities	—	191,960
Other financial liabilities	9,310	6,100
Defined benefit liabilities	207,425	208,831
Contract liabilities	37,054	37,781
Provisions	7,845	7,660
Other non-current liabilities	8,140	16,320
Total non-current liabilities	319,775	518,652
Total liabilities	1,946,422	1,885,793
Equity:		
Equity attributable to shareholders of NTT DOCOMO, INC.		
Common stock	949,680	949,680
Additional paid-in capital	169,083	169,083
Retained earnings	4,160,495	4,214,924
Treasury stock	(0)	(48,213)
Other components of equity	92,595	46,738
Total equity attributable to shareholders of NTT DOCOMO, INC.	5,371,853	5,332,211
Noncontrolling interests	22,271	22,035
Total equity	5,394,124	5,354,246
Total liabilities and equity	¥ 7,340,546	¥ 7,240,039

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Three months ended June 30, 2018 and 2019

Condensed Consolidated Statement of Profit or Loss

	Millions of yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating revenues:		
Telecommunications services	¥ 785,411	¥ 778,639
Equipment sales	178,619	167,659
Other operating revenues	212,638	212,987
Total operating revenues	1,176,668	1,159,285
Operating expenses:		
Personnel expenses	72,986	72,253
Cost of equipment sold and services, and other expenses	566,395	554,053
Depreciation and amortization	113,844	141,520
Communication network charges	103,154	104,037
Loss on disposal of property, plant and equipment and intangible assets	10,364	8,704
Total operating expenses	866,744	880,568
Operating profit	309,925	278,717
Finance income	4,039	8,974
Finance costs	1,274	3,317
Share of profits (losses) on equity method investments	4,373	1,006
Profit before taxes	317,062	285,380
Income taxes	97,991	92,688
Profit	¥ 219,071	¥ 192,692
Profit attributable to:		
Shareholders of NTT DOCOMO, INC.	218,318	192,307
Noncontrolling interests	754	385
Profit	¥ 219,071	¥ 192,692
Earnings per share attributable to shareholders of NTT DOCOMO, INC.		
Basic earnings per share	¥ 60.76	¥ 57.76

Three months ended June 30, 2018 and 2019

Condensed Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	¥ 219,071	¥ 192,692
Other comprehensive income (net of taxes):		
Items that will not be reclassified to profit or loss		
Change in the fair value of financial assets measured at fair value through other comprehensive income	6,850	59
Share of other comprehensive income of investments accounted for using the equity method	7,385	(457)
Total of items that will not be reclassified to profit or loss	14,235	(397)
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	(12,028)	105
Share of other comprehensive income of investments accounted for using the equity method	44	(10)
Total of items that may be reclassified subsequently to profit or loss	(11,984)	95
Total other comprehensive income (net of taxes)	2,252	(302)
Total comprehensive income	¥ 221,323	¥ 192,390
Total comprehensive income attributable to:		
Shareholders of NTT DOCOMO, INC.	220,565	192,009
Noncontrolling interests	758	381
Total comprehensive income	¥ 221,323	¥ 192,390

(3) Condensed Consolidated Statement of Changes in Equity

Three months ended June 30, 2018

	Millions of yen							
	Equity attributable to shareholders of NTT DOCOMO, INC.						Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of March 31, 2018	¥ 949,680	¥ 153,115	¥ 4,908,373	¥ (448,403)	¥ 102,342	¥ 5,665,107	¥ 27,121	¥ 5,692,228
Cumulative impact of adopting IFRS 9, "Financial Instruments"			2,665		9,371	12,035		12,035
Balance as of April 1, 2018	949,680	153,115	4,911,038	(448,403)	111,713	5,677,142	27,121	5,704,263
Profit			218,318			218,318	754	219,071
Other comprehensive income					2,247	2,247	5	2,252
Total comprehensive income	—	—	218,318	—	2,247	220,565	758	221,323
Dividends			(179,659)			(179,659)	(239)	(179,898)
Changes in ownership interests without loss control						—	1	1
Transfer from other components of equity to retained earnings			484		(484)	—		—
Total transactions with shareholders	—	—	(179,175)	—	(484)	(179,659)	(238)	(179,897)
Balance as of June 30, 2018	¥ 949,680	¥ 153,115	¥ 4,950,181	¥ (448,403)	¥ 113,476	¥ 5,718,048	¥ 27,641	¥ 5,745,689

Three months ended June 30, 2019

Millions of yen

	Equity attributable to shareholders of NTT DOCOMO, INC.						Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of March 31, 2019	949,680	169,083	4,160,495	(0)	92,595	5,371,853	22,271	5,394,124
Profit			192,307			192,307	385	192,692
Other comprehensive income					(298)	(298)	(4)	(302)
Total comprehensive income	—	—	192,307	—	(298)	192,009	381	192,390
Dividends			(183,438)			(183,438)	(837)	(184,275)
Purchase of treasury stock				(48,213)		(48,213)		(48,213)
Changes in ownership interests without loss of control						—	246	246
Change in ownership interests with loss of control						—	(26)	(26)
Transfer from other components of equity to retained earnings			45,559		(45,559)	—		—
Total transactions with shareholders	—	—	(137,879)	(48,213)	(45,559)	(231,651)	(617)	(232,268)
Balance as of June 30, 2019	¥ 949,680	¥ 169,083	¥ 4,214,924	¥ (48,213)	¥ 46,738	¥ 5,332,211	¥ 22,035	¥ 5,354,246

(4) Notes to Condensed Consolidated Financial Statements

i. Note to Going Concern Assumption

There is no corresponding item.

ii. Changes in NTT DOCOMO, INC. Shareholders' Equity

There is no corresponding item.

iii. Segment Information

DOCOMO's chief operating decision maker (the "CODM") is its Board of Directors. The CODM evaluates the performance and makes resource allocations of its segments based on the information provided by DOCOMO's internal management reports.

DOCOMO has three operating segments, which consist of telecommunications business, smart life business and other businesses.

The telecommunications business includes mobile phone services (LTE (Xi) services and FOMA services), optical-fiber broadband service, satellite mobile communications services, international services and the equipment sales related to these services. The smart life business includes distribution services such as video, music and electronic books as well as finance/payment services, shopping services and various other services to support our customers' daily lives. The other businesses primarily include "Mobile Device Protection Service," and enterprise IoT solutions as well as development, sales and maintenance of IT systems.

Segment operating revenues:

	Millions of yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Telecommunications business-		
External customers.....	¥ 963,232	¥ 944,736
Intersegment.....	339	404
Subtotal.....	963,571	945,141
Smart life business-		
External customers.....	105,946	106,886
Intersegment.....	3,705	4,462
Subtotal.....	109,651	111,349
Other businesses-		
External customers.....	107,490	107,662
Intersegment.....	1,580	1,745
Subtotal.....	109,070	109,407
Segment total.....	1,182,292	1,165,896
Elimination.....	(5,624)	(6,612)
Consolidated.....	¥ 1,176,668	¥ 1,159,285

Segment operating profit (loss):

	Millions of yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Telecommunications business.....	¥ 266,641	¥ 231,204
Smart life business.....	19,136	18,703
Other businesses.....	24,148	28,810
Operating profit.....	309,925	278,717
Finance income.....	4,039	8,974
Finance costs.....	1,274	3,317
Share of profits (losses) on equity method investments	4,373	1,006
Profit before taxes.....	¥ 317,062	¥ 285,380