



Earnings Release

January 30, 2020

For the Nine Months Ended December 31, 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: February 5, 2020
 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 Nine Months Ended December 31, 2019 (April 1, 2019 - December 31, 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
Nine months ended December 31, 2019	3,516,037 (3.8)%	787,851 (12.7)%	796,434 (12.6)%	544,248 (10.7)%	542,313 (10.7)%	557,073 (7.8)%
Nine months ended December 31, 2018	3,654,116 1.8 %	902,023 5.4 %	911,635 (10.7)%	609,408 (12.8)%	607,551 (12.9)%	604,258 (15.4)%

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

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2019	164.26 (yen)	—
Nine months ended December 31, 2018	169.08 (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
December 31, 2019	7,387,649	5,380,217	5,359,145	72.5 %
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	—	60.00	—	—	—
Year ending March 31, 2020 (Forecasts)	—	—	—	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
Year ending March 31, 2020	4,640,000 (4.1) %	830,000 (18.1) %	838,000 (16.4) %	575,000 (13.4) %	175.00 (yen)

(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 December 31, 2019:	3,335,231,094 shares
	As of March 31, 2019:	3,335,231,094 shares
ii. Number of treasury stock:	As of December 31, 2019:	70,798,738 shares
	As of March 31, 2019:	133 shares
iii. Number of weighted average common shares outstanding:	For the nine months ended December 31, 2019:	3,301,512,099 shares
	For the nine months ended December 31, 2018:	3,593,184,510 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.

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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 fiscal year ending March 31, 2020.

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 fiscal year ending March 31, 2020. 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 ¥70,797 million, while in a decrease of “Cost of equipment sold and services, and other expenses” by ¥52,790 million and “Communication network charges” by ¥18,109 million, respectively for the nine months ended December 31, 2019.

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	March 31, 2019	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 219,963	¥ 157,781
Trade and other receivables	2,128,156	2,263,118
Other financial assets	70,933	1,099
Inventories	178,340	133,458
Other current assets	91,308	77,038
Subtotal	2,688,699	2,632,494
Asset held for sale	234,160	—
Total current assets	2,922,859	2,632,494
Non-current assets:		
Property, plant and equipment	2,623,789	2,603,835
Right-of-use assets	—	258,659
Goodwill	33,177	30,830
Intangible assets	608,513	619,023
Investments accounted for using the equity method	151,741	151,731
Securities and other financial assets	439,742	512,329
Contract costs	297,733	304,899
Deferred tax assets	150,725	145,679
Other non-current assets	112,267	128,170
Total non-current assets	4,417,687	4,755,155
Total assets	¥ 7,340,546	¥ 7,387,649

Millions of yen

	March 31, 2019	December 31, 2019
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	¥ —	¥ 30,000
Trade and other payables	1,058,007	911,604
Lease liabilities	—	69,884
Other financial liabilities	10,495	13,075
Accrued income taxes	166,503	106,023
Contract liabilities	211,752	216,634
Provisions	29,086	22,055
Other current liabilities	150,805	110,691
Total current liabilities	1,626,647	1,479,964
Non-current liabilities:		
Long-term debt	50,000	50,000
Lease liabilities	—	181,143
Other financial liabilities	9,310	—
Defined benefit liabilities	207,425	217,755
Contract liabilities	37,054	33,934
Provisions	7,845	8,088
Other non-current liabilities	8,140	36,547
Total non-current liabilities	319,775	527,467
Total liabilities	1,946,422	2,007,431
Equity:		
Equity attributable to shareholders of NTT DOCOMO, INC.		
Common stock	949,680	949,680
Additional paid-in capital	169,083	155,630
Retained earnings	4,160,495	4,390,734
Treasury stock	(0)	(190,690)
Other components of equity	92,595	53,791
Total equity attributable to shareholders of NTT DOCOMO, INC.	5,371,853	5,359,145
Noncontrolling interests	22,271	21,073
Total equity	5,394,124	5,380,217
Total liabilities and equity	¥ 7,340,546	¥ 7,387,649

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

Nine months ended December 31, 2018 and 2019

Condensed Consolidated Statement of Profit or Loss

	Millions of yen	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Operating revenues:		
Telecommunications services	¥ 2,357,777	¥ 2,327,189
Equipment sales	650,096	488,774
Other operating revenues	646,243	700,074
Total operating revenues	3,654,116	3,516,037
Operating expenses:		
Personnel expenses	217,872	218,683
Cost of equipment sold and services, and other expenses	1,826,680	1,721,455
Depreciation and amortization	348,596	430,947
Communication network charges	321,015	322,978
Loss on disposal of property, plant and equipment and intangible assets	37,930	32,404
Impairment Loss	—	1,719
Total operating expenses	2,752,093	2,728,186
Operating profit	902,023	787,851
Finance income	5,392	10,626
Finance costs	2,579	5,174
Share of profits (losses) on equity method investments	6,800	3,130
Profit before taxes	911,635	796,434
Income taxes	302,228	252,185
Profit	¥ 609,408	¥ 544,248
Profit attributable to:		
Shareholders of NTT DOCOMO, INC.	607,551	542,313
Noncontrolling interests	1,857	1,935
Profit	¥ 609,408	¥ 544,248
Earnings per share attributable to shareholders of NTT DOCOMO, INC.		
Basic earnings per share	¥ 169.08	¥ 164.26

Nine months ended December 31, 2018 and 2019

Condensed Consolidated Statement of Comprehensive Income

	Millions of yen	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	¥ 609,408	¥ 544,248
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	8,003	14,209
Share of other comprehensive income of investments accounted for using the equity method	(3,832)	(620)
Total of items that will not be reclassified to profit or loss	4,171	13,589
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	(9,363)	(731)
Share of other comprehensive income of investments accounted for using the equity method	41	(33)
Total of items that may be reclassified subsequently to profit or loss	(9,321)	(764)
Total other comprehensive income (net of taxes)	(5,150)	12,825
Total comprehensive income	¥ 604,258	¥ 557,073
Total comprehensive income attributable to:		
Shareholders of NTT DOCOMO, INC.	602,232	555,103
Noncontrolling interests	2,026	1,970
Total comprehensive income	¥ 604,258	¥ 557,073

(3) Condensed Consolidated Statement of Changes in Equity

Nine months ended December 31, 2018

	Millions of yen							
	Equity attributable to shareholders of NTT DOCOMO, INC.						Noncon- trolling 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			607,551			607,551	1,857	609,408
Other comprehensive income					(5,319)	(5,319)	169	(5,150)
Total comprehensive income	—	—	607,551	—	(5,319)	602,232	2,026	604,258
Dividends			(377,284)			(377,284)	(582)	(377,866)
Purchase and retirement of treasury stock				(0)		(0)		(0)
Changes in ownership interests without loss control		1				1	103	104
Transfer from other components of equity to retained earnings			7,104		(7,104)	—		—
Changes in equity corresponding to treasury stock to be purchased					(600,000)	(600,000)		(600,000)
Total transactions with shareholders	—	1	(370,181)	(0)	(607,103)	(977,284)	(479)	(977,763)
Balance as of December 31, 2018	¥ 949,680	¥ 153,116	¥ 5,148,409	¥ (448,403)	¥ (500,710)	¥ 5,302,091	¥ 28,668	¥ 5,330,759

Nine months ended December 31, 2019

Millions of yen								
Equity attributable to shareholders of NTT DOCOMO, INC.							Noncon- trolling 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			542,313			542,313	1,935	544,248
Other comprehensive income					12,789	12,789	35	12,825
Total comprehensive income	—	—	542,313	—	12,789	555,103	1,970	557,073
Dividends			(380,689)			(380,689)	(1,208)	(381,897)
Purchase of treasury stock				(190,689)		(190,689)		(190,689)
Changes due to business combinations under common control		(13,441)	17,154		(132)	3,580		3,580
Changes in ownership interests without loss of control		(13)				(13)	(1,935)	(1,947)
Changes in ownership interests with loss of control						—	(26)	(26)
Transfer from other components of equity to retained earnings			51,460		(51,460)	—		—
Total transactions with shareholders	—	(13,454)	(312,075)	(190,689)	(51,593)	(567,810)	(3,169)	(570,979)
Balance as of December 31, 2019	¥ 949,680	¥ 155,630	¥ 4,390,734	¥ (190,690)	¥ 53,791	¥ 5,359,145	¥ 21,073	¥ 5,380,217

(Note) Business combinations under common control are accounted for using book values. Regarding “Changes due to business combinations under common control”, the changes in “Additional paid-in capital” and “Retained earnings” represent the differences between the amount paid by NTT DOCOMO, INC. for a subsidiary that was acquired under common control and NIPPON TELEGRAPH AND TELEPHONE CORPORATION’s carrying amount of the investment in the subsidiary measured at the date of acquisition.

(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.

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 nine months ended December 31, 2018 has been restated to conform to the presentation for the nine months ended December 31, 2019.

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	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Telecommunications business-		
External customers.....	¥ 3,004,148	¥ 2,804,239
Intersegment.....	1,100	1,619
Subtotal.....	3,005,248	2,805,858
Smart life business-		
External customers.....	325,891	381,905
Intersegment.....	11,725	15,609
Subtotal.....	337,616	397,514
Other businesses-		
External customers.....	324,077	329,893
Intersegment.....	4,833	5,356
Subtotal.....	328,910	335,249
Segment total.....	3,671,773	3,538,621
Elimination.....	(17,658)	(22,584)
Consolidated.....	¥ 3,654,116	¥ 3,516,037

Segment operating profit (loss):

	Millions of yen	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Telecommunications business.....	¥ 767,244	¥ 651,402
Smart life business.....	59,815	47,722
Other businesses.....	74,964	88,727
Operating profit.....	902,023	787,851
Finance income.....	5,392	10,626
Finance costs.....	2,579	5,174
Share of profits (losses) on equity method investments	6,800	3,130
Profit before taxes.....	¥ 911,635	¥ 796,434