FY2017
Results Presentation

April 27, 2018

1. FY2017 Results Highlights

2. FY2018 Full-Year Guidance /Shareholder Returns

3. Medium-Term Strategy 2020 “Declaration beyond”

FY2017 Results Highlights

docomo

U.S. GAAP

YOY increase in both operating revenues/income

◆ **Financial data**

➢ Operating revenues:	¥4,769.4 billion	(Up 4.0% year-on-year)
➢ Operating income:	¥973.3 billion	(Up 3.0% year-on-year)
➢ Operating FCF:	¥933.5 billion	(Up 7.8% year-on-year)
EBITDA:	¥1,509.9 billion	(Up 3.2% year-on-year)
Capital expenditures:	¥576.4 billion	(Down 3.5% year-on-year)

◆ **Operating income by segment**

➢ Telecommunications business:	¥832.8 billion	(Down 0.0% year-on-year)
➢ Smart life business:	¥62.9 billion	(Up 8.6% year-on-year)
➢ Other businesses:	¥77.6 billion	(Up 43.6% year-on-year)

◆ Consolidated financial statements in this document are unaudited
◆ Operating FCF = EBITDA – capital expenditures

Here are the FY2017 results highlights.

Operating revenues increased by 4.0% over the previous fiscal year to ¥4,769.4 billion.
Operating income grew by 3.0% to ¥973.3 billion.
We thus recorded a year-on-year increase in both revenues and income.
Operating free cash flow also posted an increase of 7.8% to ¥933.5 billion.
With respect to operating income by segment, telecommunications business remained unchanged from the previous fiscal year at ¥832.8 billion, however, smart life business and other businesses increased by 25.5% to ¥140.5 billion.

Selected Financial Data

U.S. GAAP

(Billions of yen)	FY2016 full year (1)	FY2017 full year (2)	Changes (2) – (1)
Operating revenues	4,584.6	4,769.4	+184.9
Operating expenses	3,639.8	3,796.1	+156.3
Operating income	944.7	973.3	+28.5
Net income attributable to NTT DOCOMO, INC.	652.5	744.5	+92.0
Capital expenditures	597.1	576.4	-20.7
Adjusted free cash flow	664.5	862.5	+198.0

◆ 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.

Other selected financial data are provided here.

Net income was ¥744.5 billion, up ¥92.0 billion year-on-year.
Free cash flow grew by ¥198.0 billion to ¥862.5 billion.
Pleased be advised that these amounts include the impact of the arbitration award received from Tata Sons of India.

Results by Segment

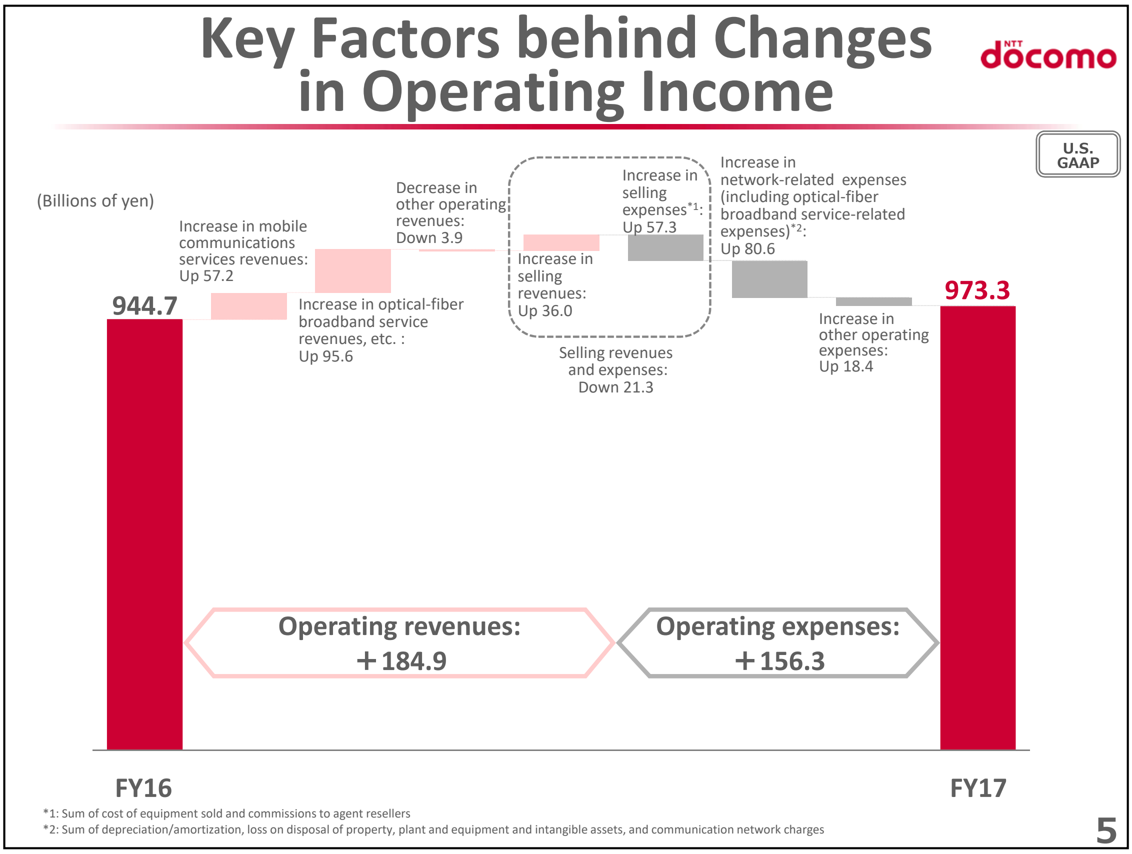
docomo

U.S. GAAP

(Billions of yen)		FY2016 full year (1)	FY2017 full year (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	3,711.2	3,898.4	+187.2
	Operating income	832.8	832.8	-0
Smart life business	Operating revenues	501.9	466.7	-35.2
	Operating income	57.9	62.9	+5.0
Other businesses	Operating revenues	400.4	436.5	+36.1
	Operating income	54.0	77.6	+23.6
<Ref.> Smart life business and Other businesses	Operating revenues	902.3	903.2	+0.9
	Operating income	111.9	140.5	+28.6

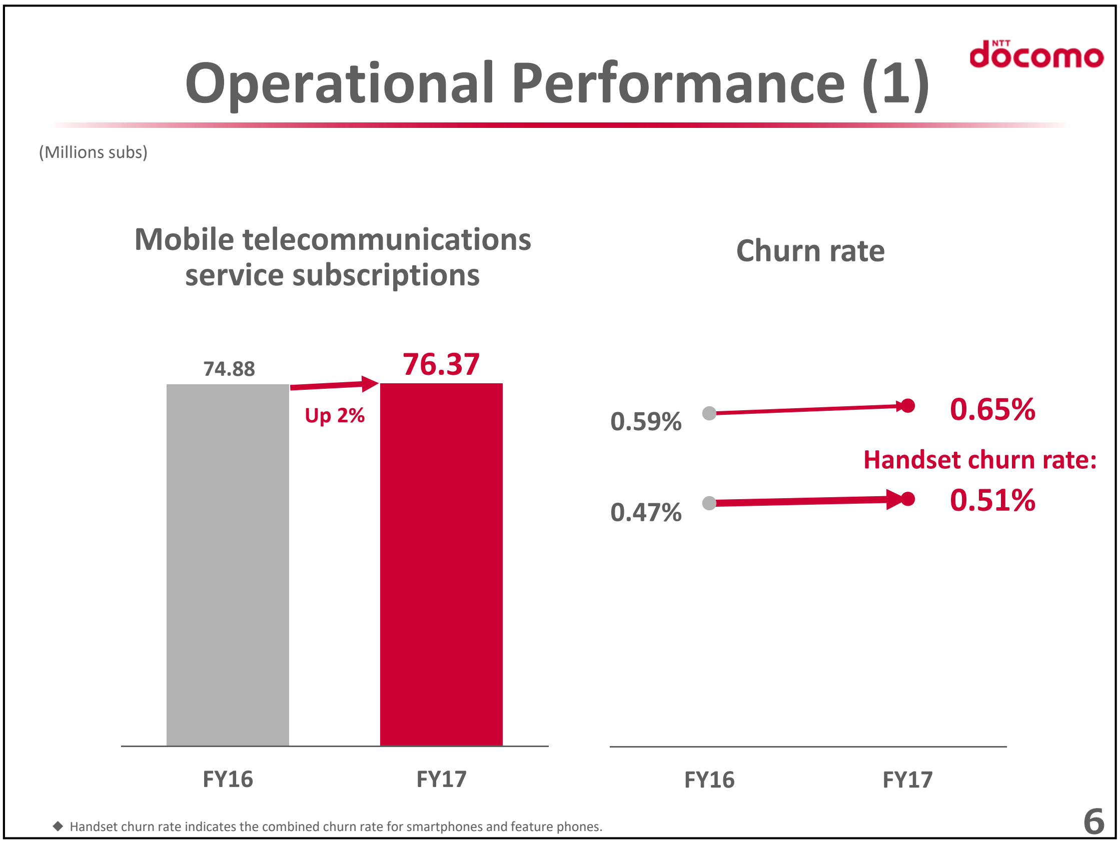
The table here shows the results by segment.

In telecommunications business, operating revenues grew by ¥187.2 billion year-on-year, but operating income remained unchanged from the previous fiscal year.
As for smart life business and other businesses combined, operating revenues and operating income increased by ¥900 million and ¥28.6 billion, respectively.
When we single out the smart life business, however, operating revenues recorded a year-on-year decrease. This was due mainly to a change in the method of recording revenues and expenses, from previously gross amount to net amount, at our group affiliate, D2C Inc.



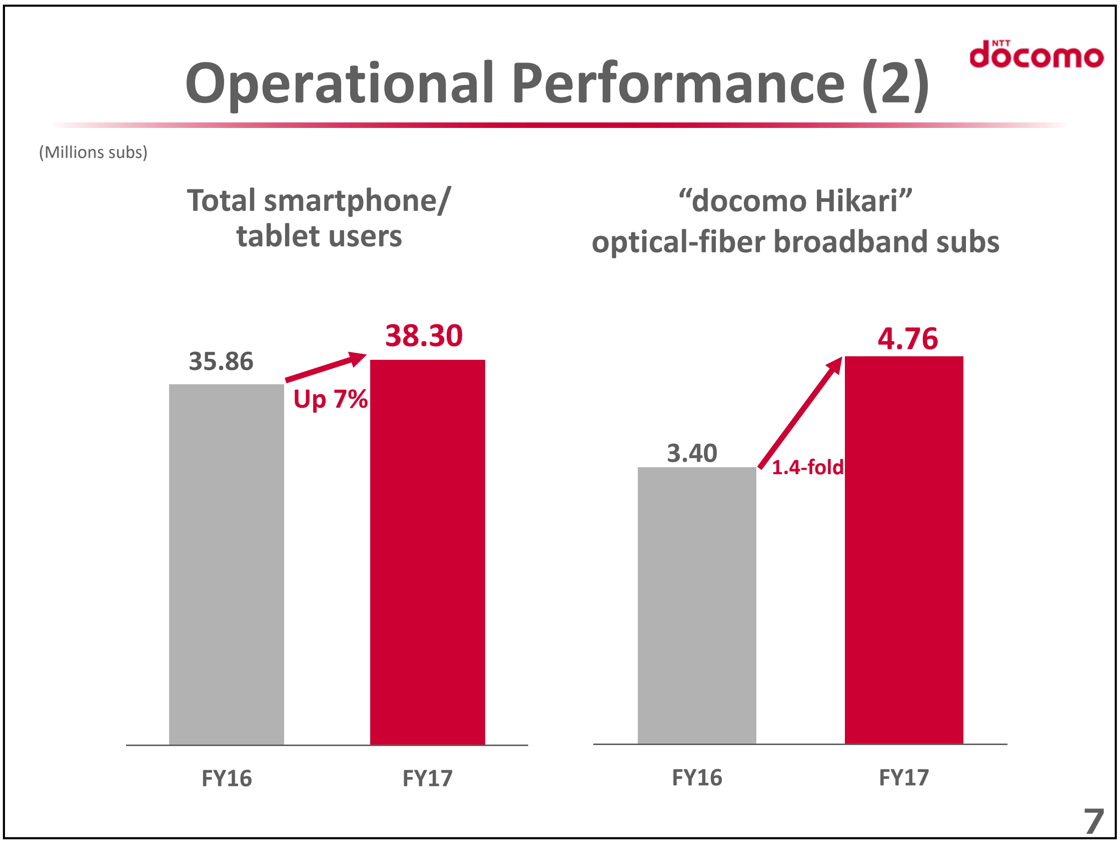
This explains the key factors behind the year-on-year changes in operating income.

Operating revenues grew by ¥184.9 billion year-on-year. The key factors behind this include an increase in mobile communications services revenues of ¥57.2 billion, and an increase in optical-fiber broadband service revenues of ¥95.6 billion.
Operating expenses recorded an increase of ¥156.3 billion.
This was driven primarily by the rise in network-related expenses associated with the growth in expenses linked with the optical-fiber broadband service revenues.
As a result of the foregoing, operating income posted an increase of ¥28.5 billion over the previous fiscal year to ¥973.3 billion.

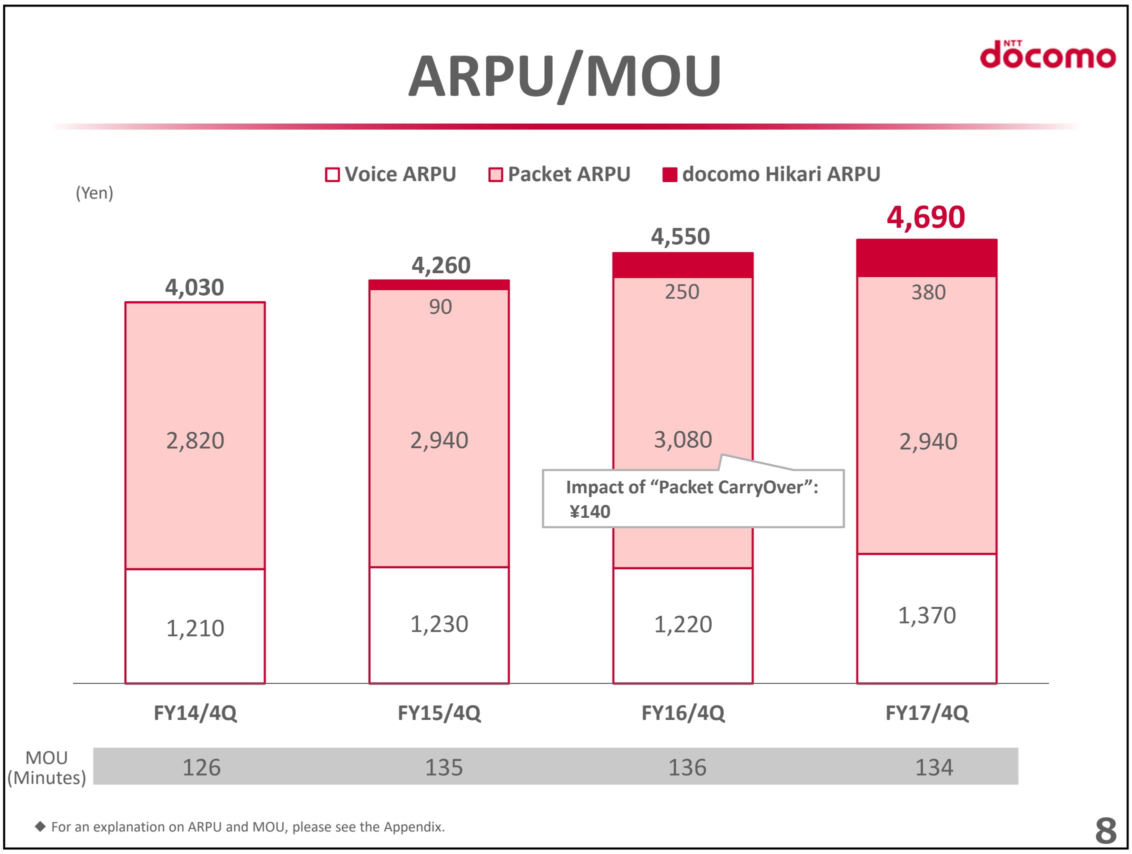


About our operational performance.

Our total mobile telecommunications service subscriptions reached 76.37 million, up 2% from the number a year ago.
Churn rate was 0.65%, and handset churn rate was 0.51%.
We will continue to strive to curb churns by stepping up our customer returns and other measures.



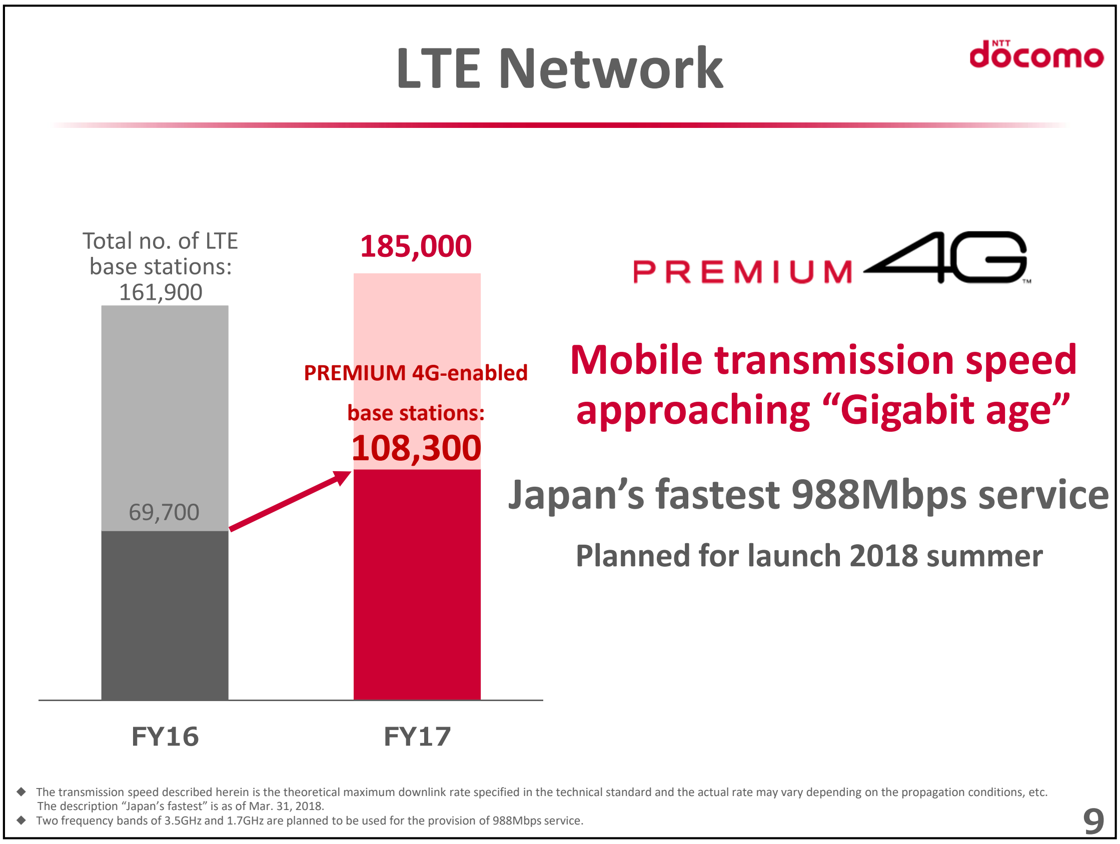
The total number of smartphone and tablet users increased by 7% year-on-year to 38.30 million.
The total number of "docomo Hikari" optical-fiber broadband subscriptions grew 1.4-fold in one year to 4.76 million.



The ARPU and MOU trends.

The aggregate ARPU for FY2018/4Q (including the impact of "Monthly Support" and other discounts) was ¥4,690, up ¥140 from the same quarter of the previous fiscal year.
Voice ARPU was ¥1,370, up ¥150 year-on-year.
Packet ARPU, on the other hand, decreased by ¥140 to ¥2,940.
However, the packet ARPU for FY2016/4Q included the impact of the accounting treatment change of "Packet CarryOver" service of ¥140. When this impact was excluded, the packet ARPU for FY2017/4Q remained flat from the same quarter of the previous fiscal year.
docomo Hikari ARPU recorded a year-on-year increase of ¥130 to ¥380.

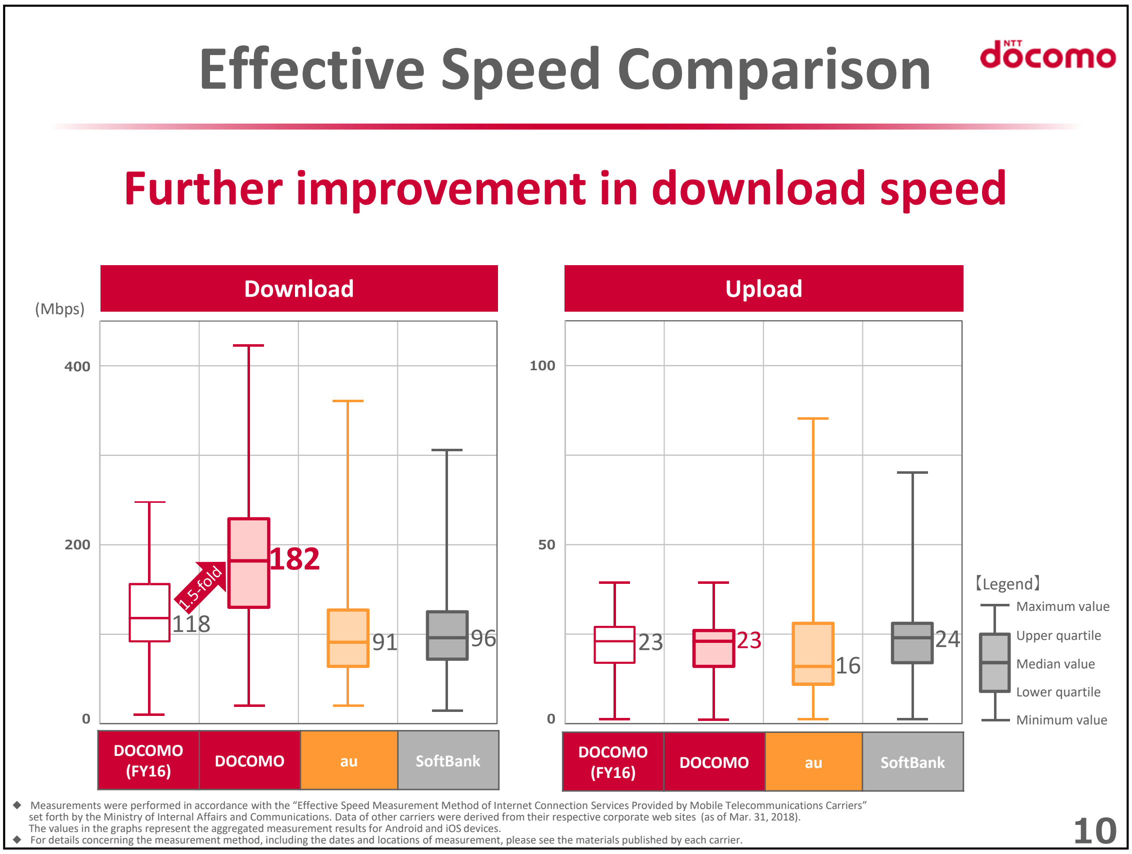
While continuing active customer returns, we have steadily increased our ARPU by cutting down on the "Monthly Support" discounts and expanding "docomo Hikari" subscriptions.



Some comments about our LTE network.

The total number of LTE base stations reached 185,000, of which PREMIUM 4G-enabed stations accounted for 108,300.

As a result of the planned network enhancements in view of 5G, our mobile transmission speed will approach the "gigabit age." In summer 2018, we plan to commence 988Mbps service.



Here is a comparison of the effective transmission speeds among mobile carriers.

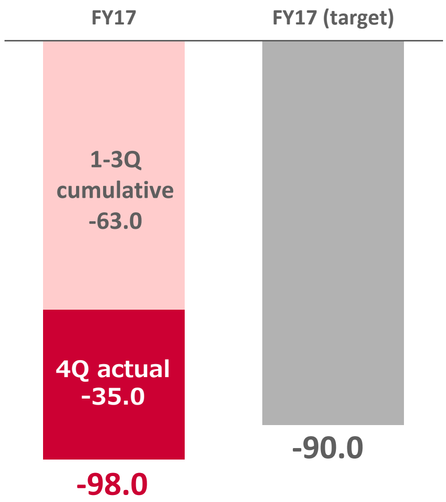
The graphs show the effective transmission speeds measured and announced by each carrier in accordance with the guidelines set forth by the Ministry of Internal Affairs and Communications.
As you can see, we achieved a 1.5-fold speed enhancement for downloads compared to our last measurement.
Toward the goal of constructing a comfortable network environment for customers, in FY2018, we will introduce carrier aggregation and other techniques for uploads to further improve our network speeds.

Cost Efficiency Improvement

docomo

Achieved efficiency improvement exceeding expectations

(Billions of yen)



Focus areas

【Network】
Capital expenditures,
maintenance outsourcing cost, etc.

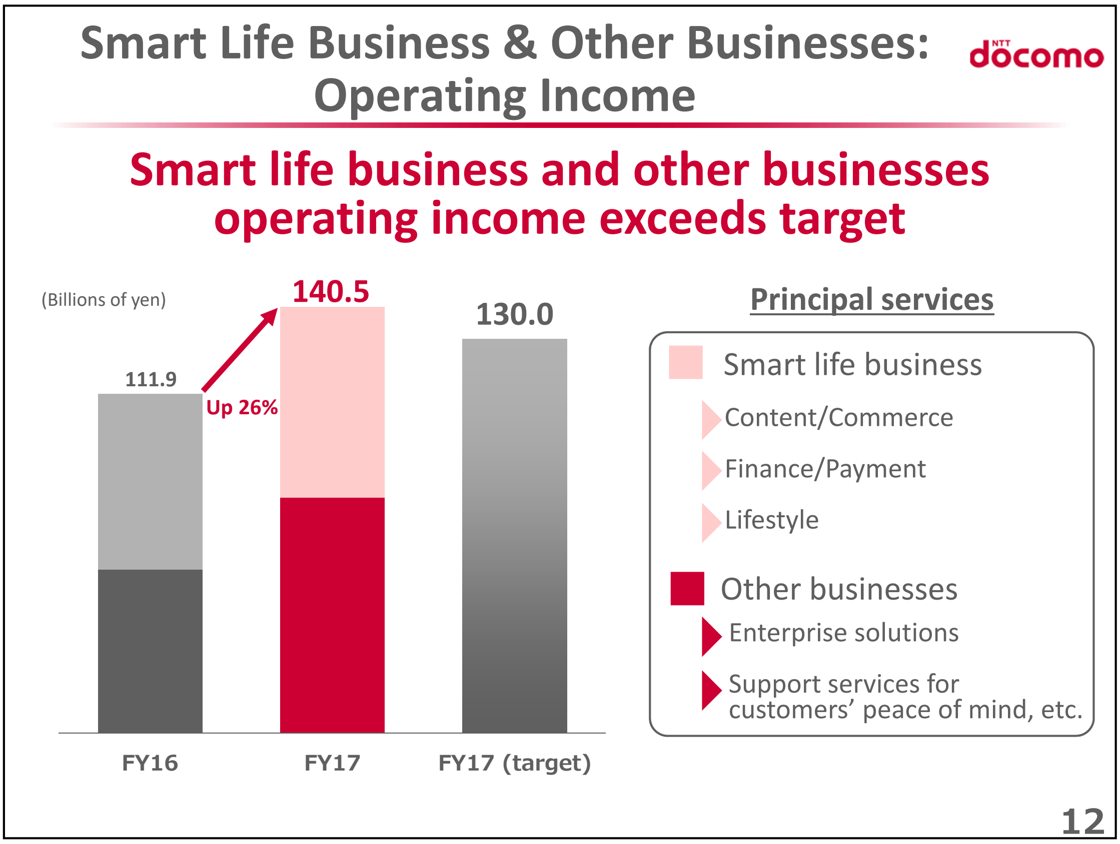
【Marketing】
Sales tools, handset repair, etc.

【Other】
R&D, information system, etc.

◆ The numbers above are the amount of cost reduction compared to FY2016.

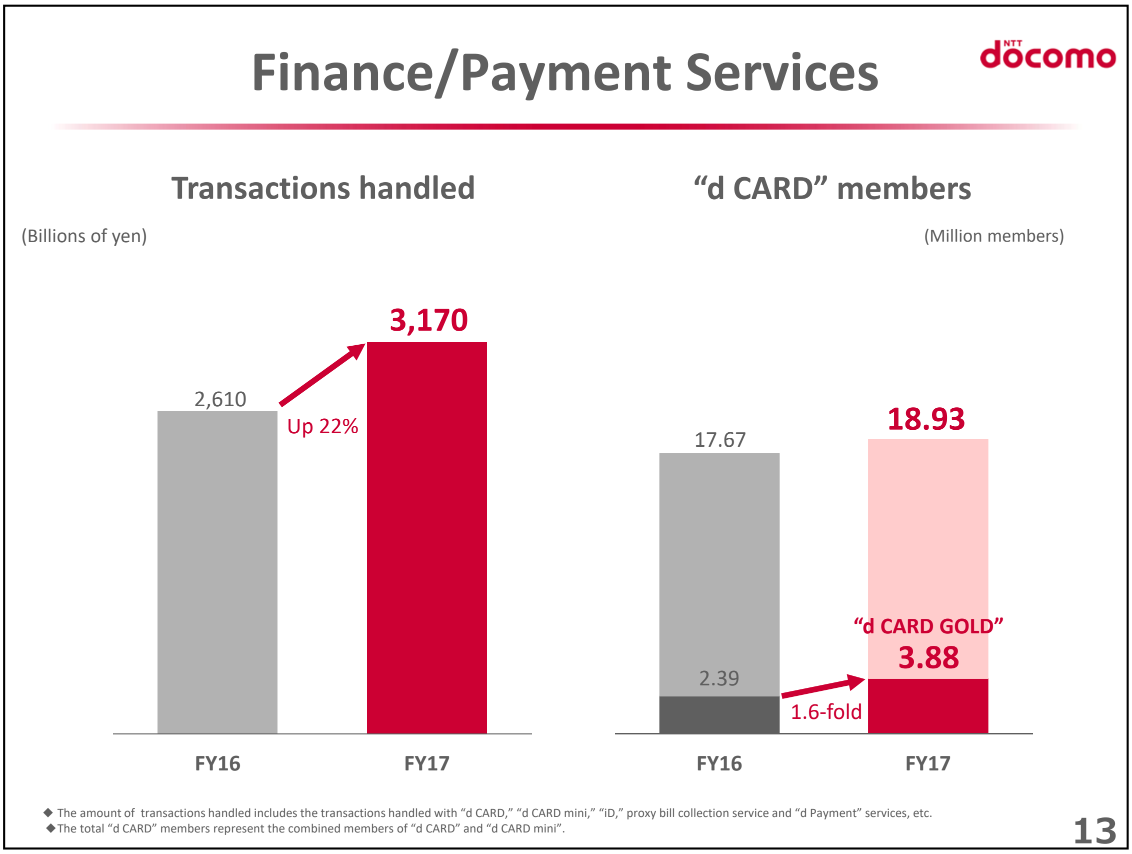
About cost efficiency improvement.

We achieved cost efficiency improvement totaling ¥35.0 billion in FY2017/4Q, and a cumulative ¥98.0 billion for the full year of FY2017, which exceeded our target of ¥90.0 billion.
In FY2018, we will continue to address further cost efficiency improvement.

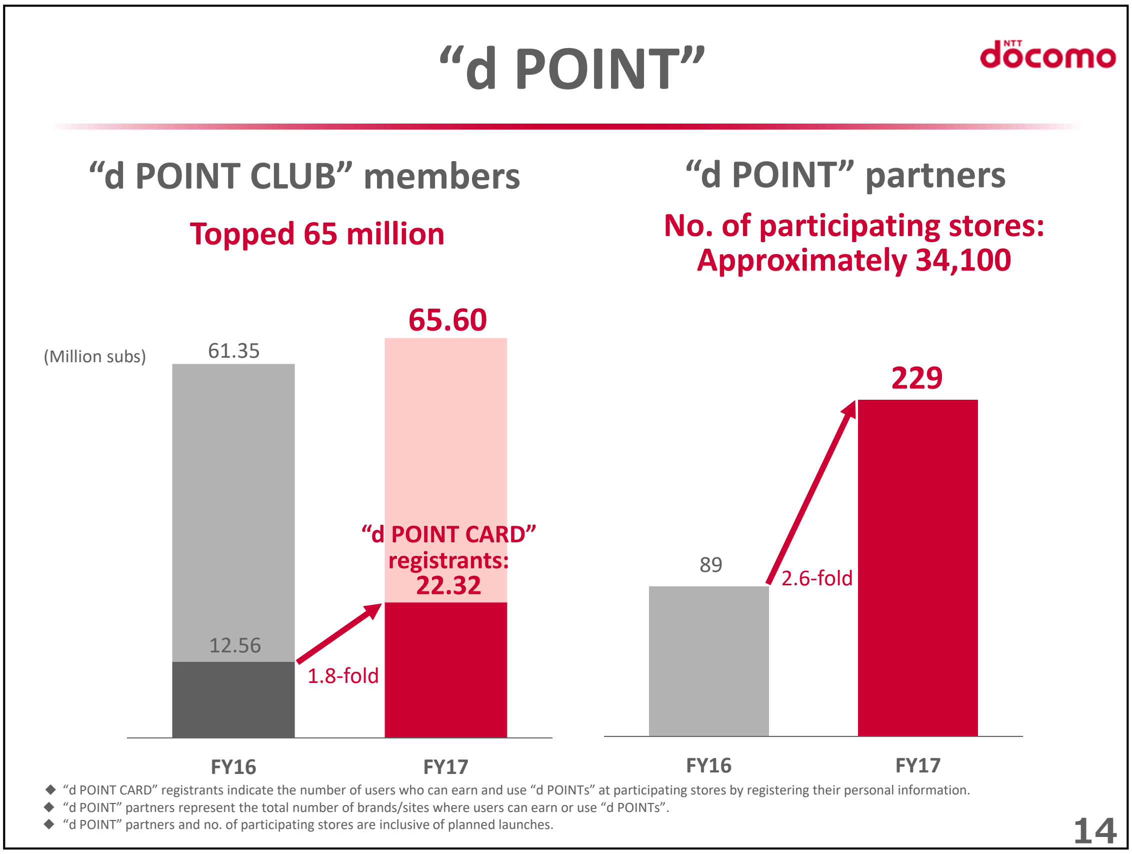


This slide presents the operating income generated from our smart life business and other businesses.

Operating income from smart life business and other businesses combined grew 26% year-on-year to ¥140.5 billion, exceeding our full-year guidance of ¥130.0 billion.
The major components contributing to this operating income of ¥140.5 billion include:
Support services for customers' peace of mind, e.g., the Mobile Device Protection Service, which accounted for approximately 40%;
Content/Commerce services, such as "dTV" and "DAZN for docomo," which accounted for some 20%; and
Finance/Payment services, e.g., "d CARD" and "d Payment," which accounted for approximately 20%.

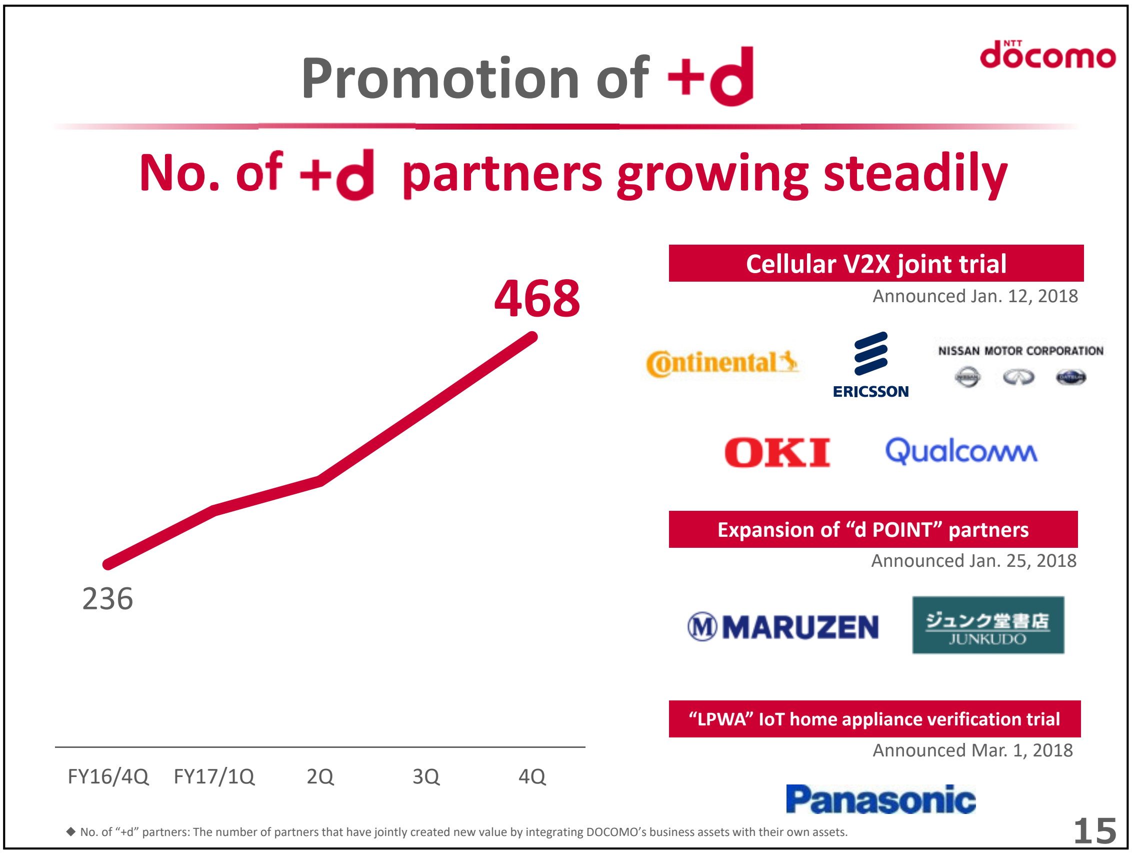


Regarding our Finance/Payment services, the total amount of transactions handled by our Finance/Payment solutions grew by 22% from the previous fiscal year to ¥3,170 billion.
The total number of “d CARD” members reached 18.93 million, of which “d CARD GOLD” members increased 1.6-fold from a year ago to 3.88 million as of March 31, 2018, and surpassed the 4-million mark on April 25, 2018 .
The total amount of transactions processed with our Finance/Payment services has expanded steadily in line with the growth of “d CARD” members, etc.



About the "d POINT" program.

The total number of "d POINT CLUB" members reached 65.60 million.
Among this, the number of "d POINT CARD" registrants, which represents the number of users who can earn and use "d POINTs" at partner shops, increased 1.8-fold to 22.32 million.
The number of "d POINT" partners, which indicates the total number of brands and sites where users can earn or use "d POINTs," increased 2.6 times to 229, and the number of participating stores grew to some 34,100.



This is about our "+d" value co-creation activities.

The number of "+d" partners continued to increase steadily to 468.

Going forward, we will further accelerate value co-creation through "+d" initiatives together with our partners.

ESG Evaluations

docomo

Toyo Keizai Corporate CSR Ranking

FY2018
Toyo Keizai
Corporate CSR Ranking

Ranked No. 1 in overall evaluation
Evaluates “reliable companies” based on adequacy of CSR initiatives and financial performance

NIKKEI Smart Work Survey

NIKKEI Smart Work Best13 ★★★★★ 2018

Received highest “5-star” rating
Rates companies based on the four elements of utilization of human resources, innovation, market development and management foundation

NIKKEI Smart Work 大賞2018 イノベーション力部門

Awarded NIKKEI Smart Work Grand Prize 2018 (Innovation Division)
Recognizes advanced companies that tackle productivity revolution through workstyle reform

The slide here shows the ESG evaluations we have earned.

We received the No. 1 overall evaluation in the “Toyo Keizai Corporate CSR Ranking.”
We were also awarded the highest 5-star rating in the “Nikkei Smart Work Survey” and the “Nikkei Smart Work Grand Prize 2018 (Innovation Division).”

Share Repurchase

- Method of purchase: Tender offer and purchase on Tokyo Stock Exchange
- Period for share repurchase: Oct. 27, 2017 - Mar. 31, 2018
- Aggregate no. of shares repurchased: 111,400,937 shares
- Aggregate price of shares repurchased: ¥299,999,956,647

【Reference】

Treasury shares cancelled: 117,264,000 shares

(3.01% of issued shares before cancellation)

◆ The cumulative no. of own shares repurchased in accordance with the resolution adopted by the Board of Directors on Oct. 26, 2017.

◆ Cancellation of shares was executed on Mar. 30, 2018.

The outcome of our recent share repurchase program.

During the period between October 27, 2017 through March 31, 2018, we repurchased some 111.4 million shares at an aggregate price of approximately 300.0 billion yen.

FY2017 Summary

- Recorded an increase in both operating revenues and income, with operating income reaching ¥973.3 billion.
- No. of "docomo Hikari" subscription grew steadily, contributing to retention and upsell of mobile users.
- Further advanced PREMIUM 4G service, with a plan to Mobile transmission speed approaching "Gigabit age" with a view to transition to the age of 5G.
- Achieved cost efficiency improvement exceeding full-year target of ¥98.0 billion.
- Operating income from smart life business and other businesses surpassed full-year guidance at ¥140.5 billion.
- Successfully increased the number of "+d" partners, accelerating the implementation of initiatives toward realization of "Declaration beyond".
- Received favorable ESG evaluations including "No. 1 overall score in Toyo Keizai Corporate CSR Ranking".
- Executed share repurchase of approximately ¥300.0 billion. Planned dividend payment of ¥100/share.

A summary of our FY2017 full-year performance is provided here.

1. FY2017 Results Highlights

2. FY2018 Full-Year Guidance /Shareholder Returns

3. Medium-Term Strategy 2020 “Declaration beyond”

FY2018 Full-Year Guidance

docomo

(Billions of yen)	US GAAP	IFRS		
	FY2017 Full year	FY2017 Full year (estimate*1) (1)	FY2018 Full year (2)	Changes (2) - (1)
Operating revenues	4,769.4	4,755.1	4,790.0	+34.9
Operating income	973.3	986.9	990.0	+3.1
Smart life business & Other businesses	140.5	134.2	140.0	+5.8
Operating FCF	933.5	947.0	960.0	+13.0
EBITDA	1,509.9	1,524.9	1,530.0	+5.1
Capital expenditures	576.4	577.9	570.0	-7.9
Cost efficiency improvement*2	-98.0	–	-120.0	–

*1: The estimate figures presented herein may change as a result of an audit on the accounts.
*2: The amount of projected cost efficiency improvement represents the improvement compared to the previous fiscal year.

This is our FY2018 full-year guidance.

Starting from FY2018, we switched to a new accounting standard, IFRS.
Operating revenues are projected to increase ¥34.9 billion to ¥4,790.0 billion.
Operating income is estimated to be ¥990.0 billion, up ¥3.1 billion.
Operating income from smart life business and other businesses is expected to grow by ¥5.8 billion to ¥140.0 billion.
Operating free cash flow is forecast to record an increase of ¥13.0 billion to ¥960.0 billion.
EBITDA and capital expenditures are estimated to be ¥1,530.0 billion and ¥570.0 billion, respectively.
We expect to achieve cost efficiency improvement exceeding the track record of last fiscal year of ¥120.0 billion.
We position FY2018 as the year to concentrate our managerial resources for the next phase of growth while securing an increase in income.

The key initiatives planned for implementation in FY2018 will be explained in the following slide.

FY2018 Key Initiatives

docomo

- Transformation to a business foundation centered on our membership base
- Growth investment for delivery of “Declaration beyond”

Telecommunications business	Reinforcement of customer returns
	Further expansion of “docomo Hikari”
Smart life business and Other businesses	Transition from quantitative expansion to qualitative enhancement
	Growth of finance/payment services, enterprise solutions

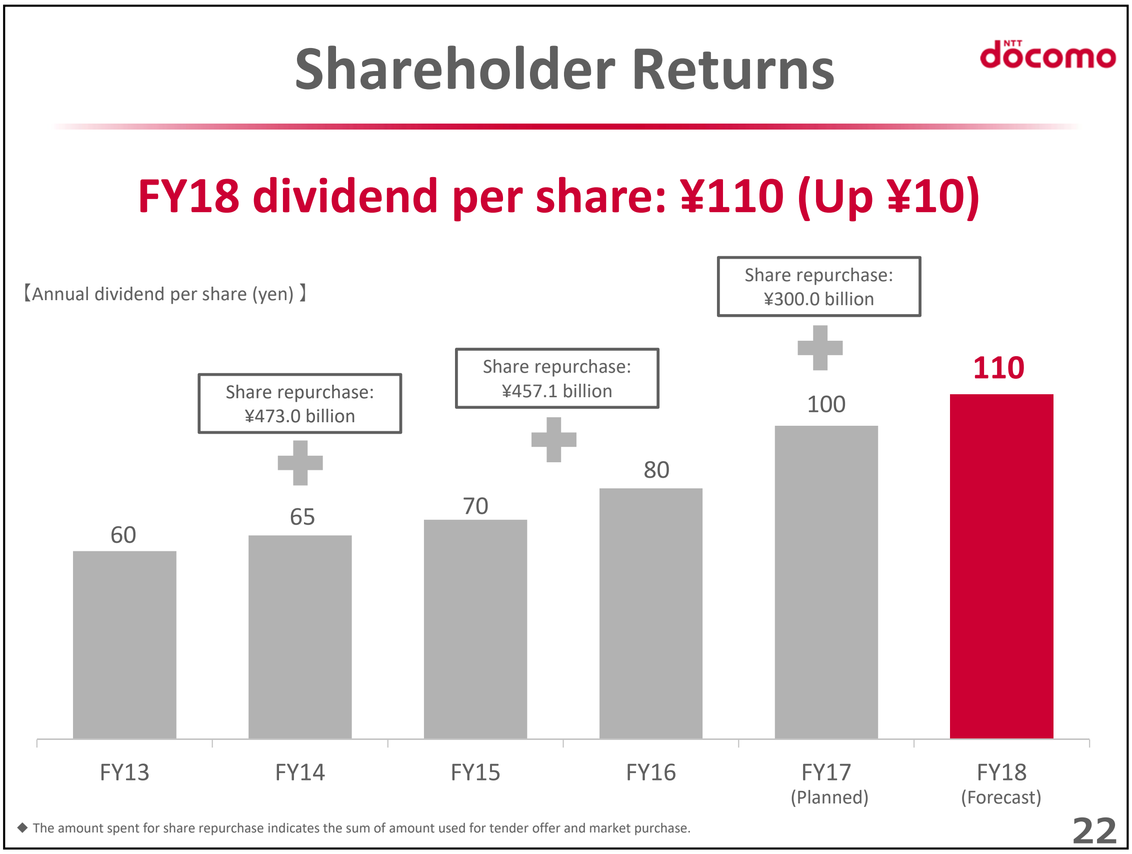
Cost efficiency improvement and drastic review of business operations

Our FY2018 activities are centered on two major pillars.

The first is the transformation of our business foundation. We intend to start full-fledged efforts to tackle the expansion of a customer base centered on “members.”
The second is investment for growth. Toward the delivery of “Declaration beyond,” we plan to execute investments for growth, including those required for the development of 5G technologies and membership platform as well as the creation of new services such as AI agent, etc.

Let me explain in more detail by segment.
In telecommunications business, we will aim to further enhance our competitiveness through customer returns and various other measures to solidify our customer base in anticipation of the changes in the business environment. In addition, we will aspire to achieve growth in the overall telecommunications business driven by the expansion of “docomo Hikari” optical-fiber broadband business. The concrete customer return measures to be newly introduced will be explained later in this presentation.
In smart life business and other businesses, we will facilitate the transition from the phase of “quantitative expansion” of the past, in which we pursued growth of subscriptions, to the phase of “qualitative enhancement” where we will aim to further boost customers’ usage of services. Furthermore, we will address “expansion of user base and transaction volume” in our Finance/Payment services, and “accelerate value co-creation through ‘+d’” in the area of corporate solutions.
To generate the funds to finance these actions, we will carry out a drastic review of our cost structure, seeking cost efficiency improvement without being bound by our conventional approaches.

Working on the above measures, we will make FY2018 a year to lay the groundwork for our next stage of growth.



Shareholder returns.

Considering shareholder returns one of the most important issues in our managerial agenda, we have strived over the years to improve our shareholder returns through dividends and share repurchases as shown in this graph.

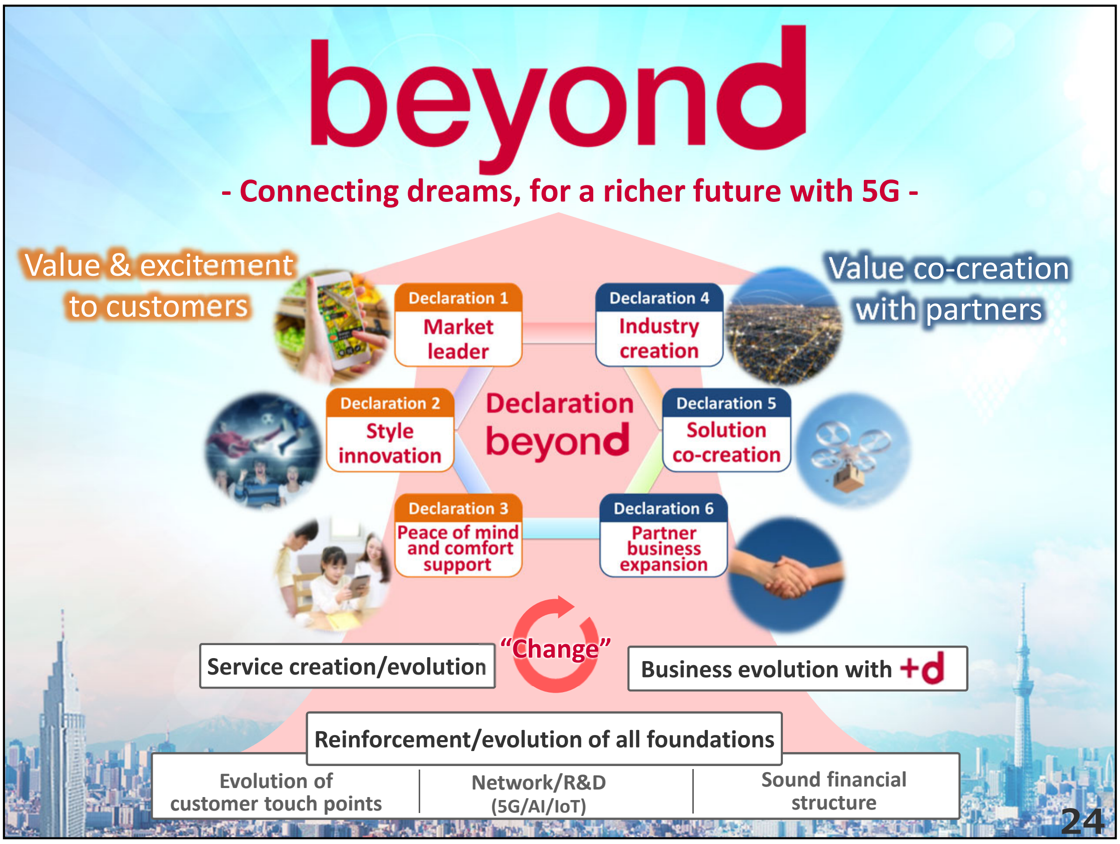
The annual dividend for FY2018 is forecast to be ¥110, up ¥10 from the previous fiscal year.

As we have committed in “Declaration beyond,” we will strive to achieve growth in operating free cash flow and look into the possibility of continual dividend hikes and flexible and expeditious share repurchases, so we can further improve the returns to our valued shareholders.

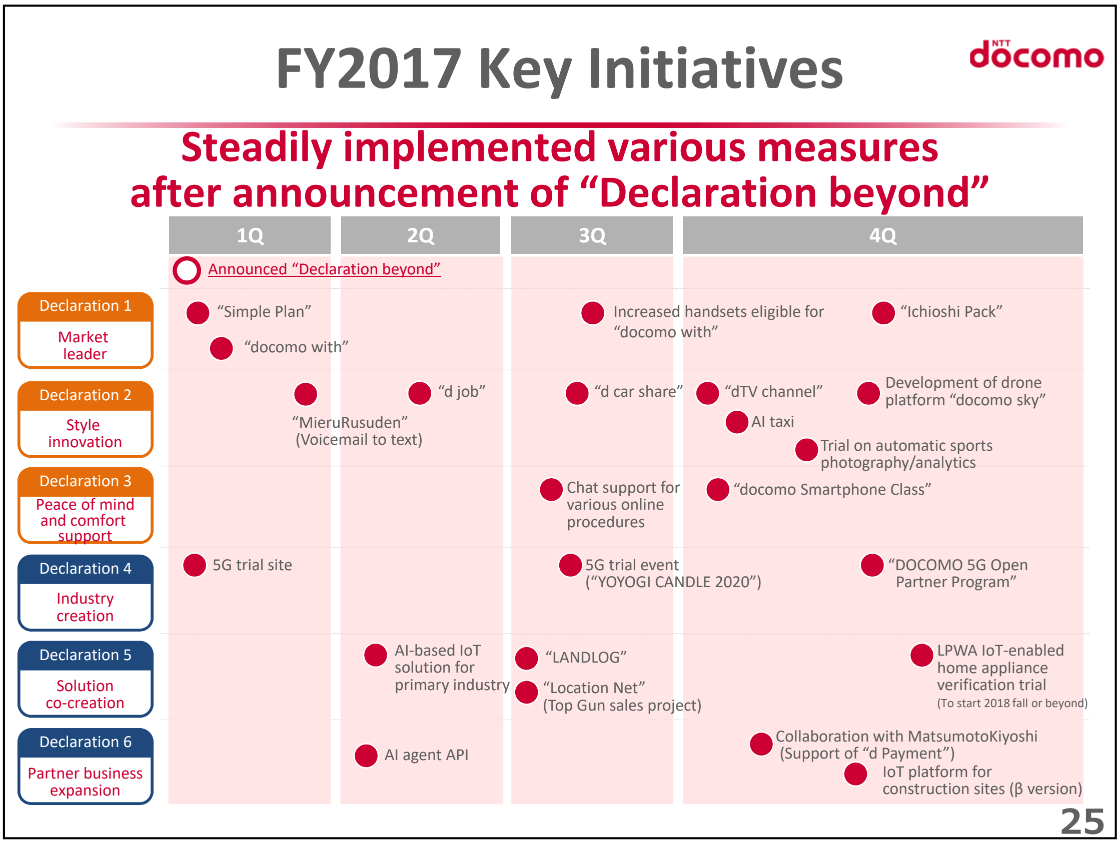
1. FY2017 Results Highlights

2. FY2018 Full-Year Guidance
/Shareholder Returns

3. Medium-Term Strategy 2020
"Declaration beyond"

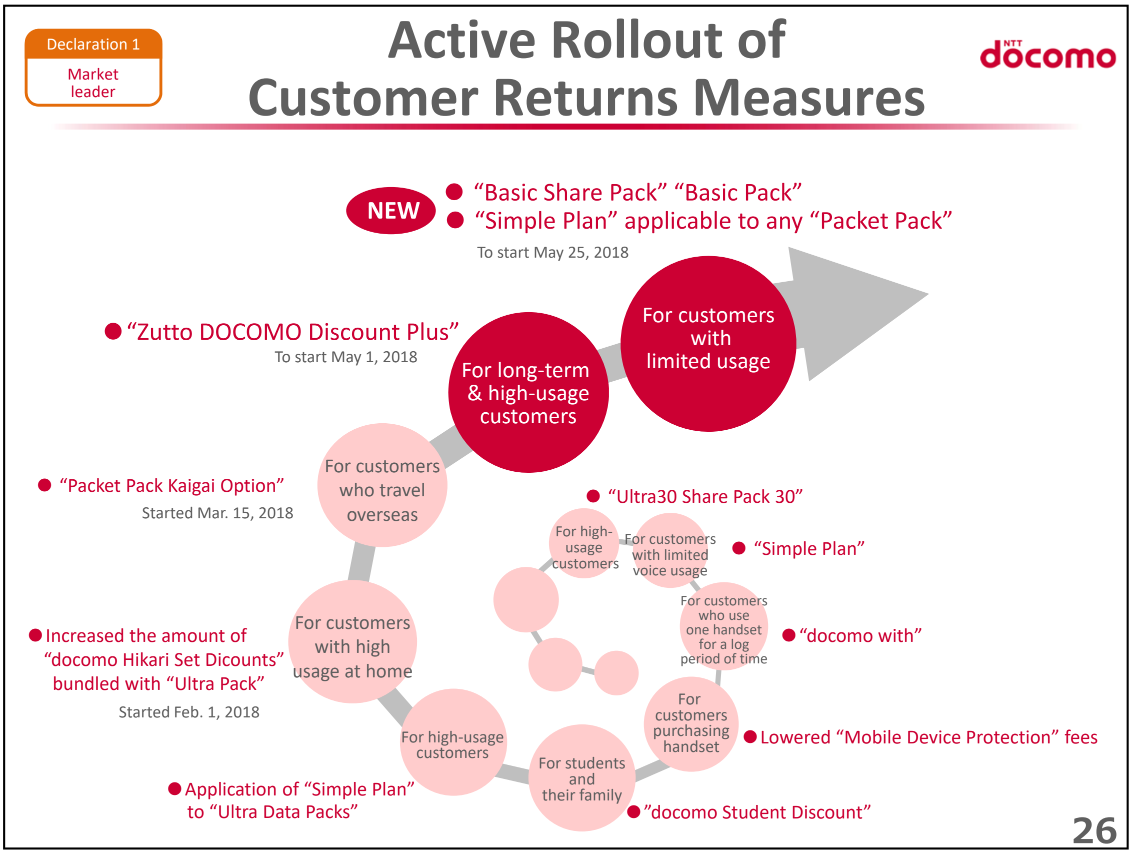


In April last year, we announced our Medium-Term Strategy 2020 “Declaration beyond” shown here.



In FY2017—the first year of "Declaration beyond," we have steadily implemented various initiatives under each of the Declarations 1 to 6.

Particularly, in the fourth quarter, we developed a new drone-based business assistance platform, "docomo sky" and conducted "a trial on auto-photography and game analytics" aimed at further advancing sport business. We also rolled out an "IoT platform for construction sites" that improves the productivity of construction sites and helps realize workstyle reform through the use of sensors and AI analytics.



From here, I will introduce the actions we have been undertaking after the start of FY2018.
First, about the rollout of customer return measures.

Under "Declaration 1: Market leader" of "Declaration beyond," in FY2017, we have steadily introduced various customer return measures, such as the "Simple Plan" and "docomo with" program.
In FY2018, as exemplified by the announcement today concerning the launch of "Basic Share Pack" and "Basic Pack", and the expansion of the applicability of "Simple Plan" that allows this voice package to be combined with any "Packet Pack," we will continue active customer returns responding to the requests of customers.

Let me give an explanation on the new "Basic Share Pack" and "Basic Pack".

Under the "Basic Share Pack" that we have decided to introduce this time around, in the case of a three-member family, the rate per user could go down to ¥1,980 a month, if this new family-sharable plan is subscribed together with "Simple Plan", "docomo with" and "Zutto DOCOMO Discount Plus". In the case of an individual user subscribing to "Basic Pack," the monthly rate could be lowered to ¥2,480.

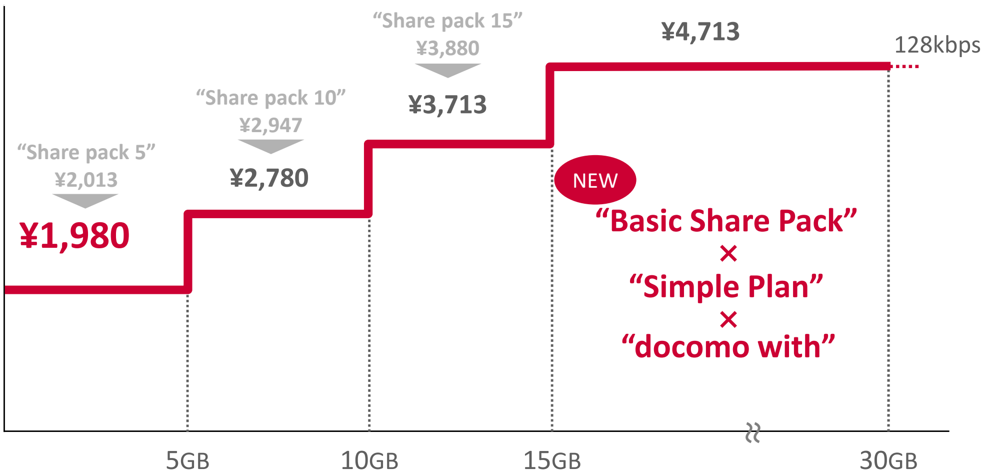
The "Basic Share Pack" and "Basic Pack" are planned for launch on May 25, 2018.

Declaration 1
Market leader

Launch of “Basic Share Pack”

docomo

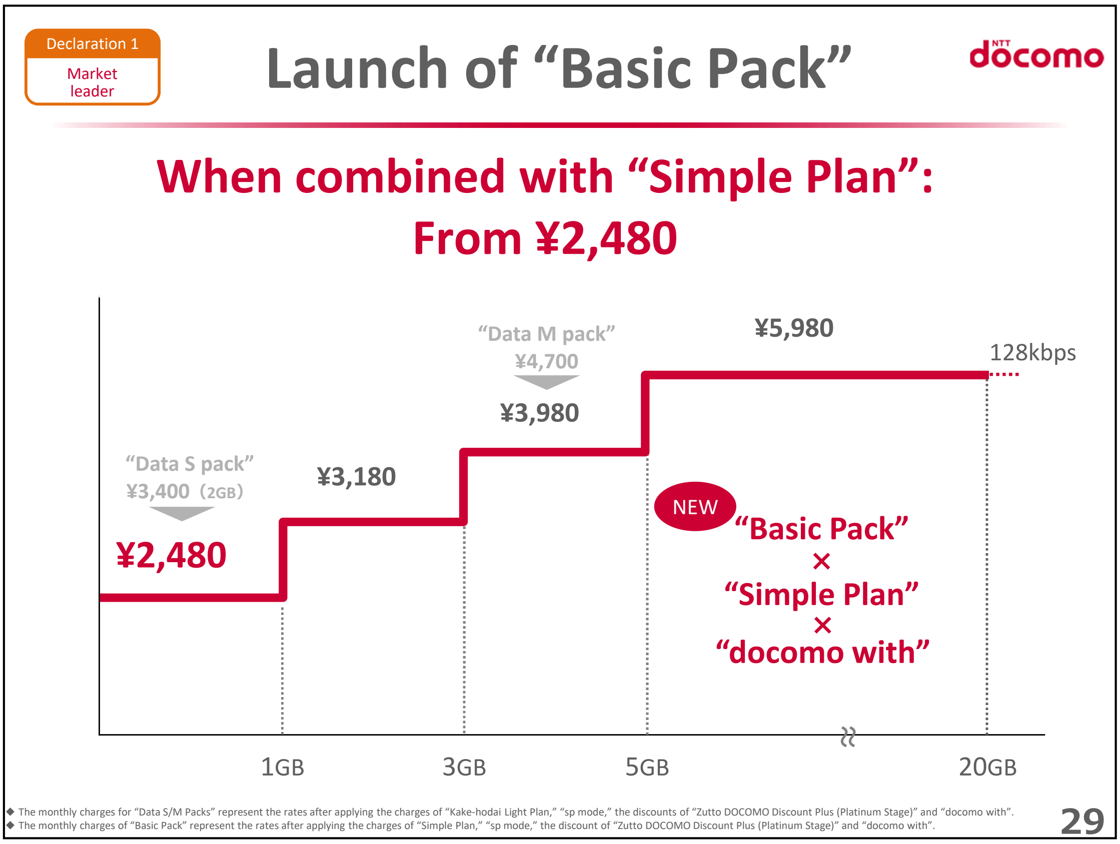
In case of three-member family: From ¥1,980/person



◆ The monthly charges represent the rates after applying the charges of “Simple Plan,” “sp mode,” the discounts of “Zutto DOCOMO Discount Plus (Platinum Stage)” and “docomo with”.
◆ The monthly charge per user is calculated by dividing the sum of the family’s monthly fees by three users (digits after the decimal point are rounded up).

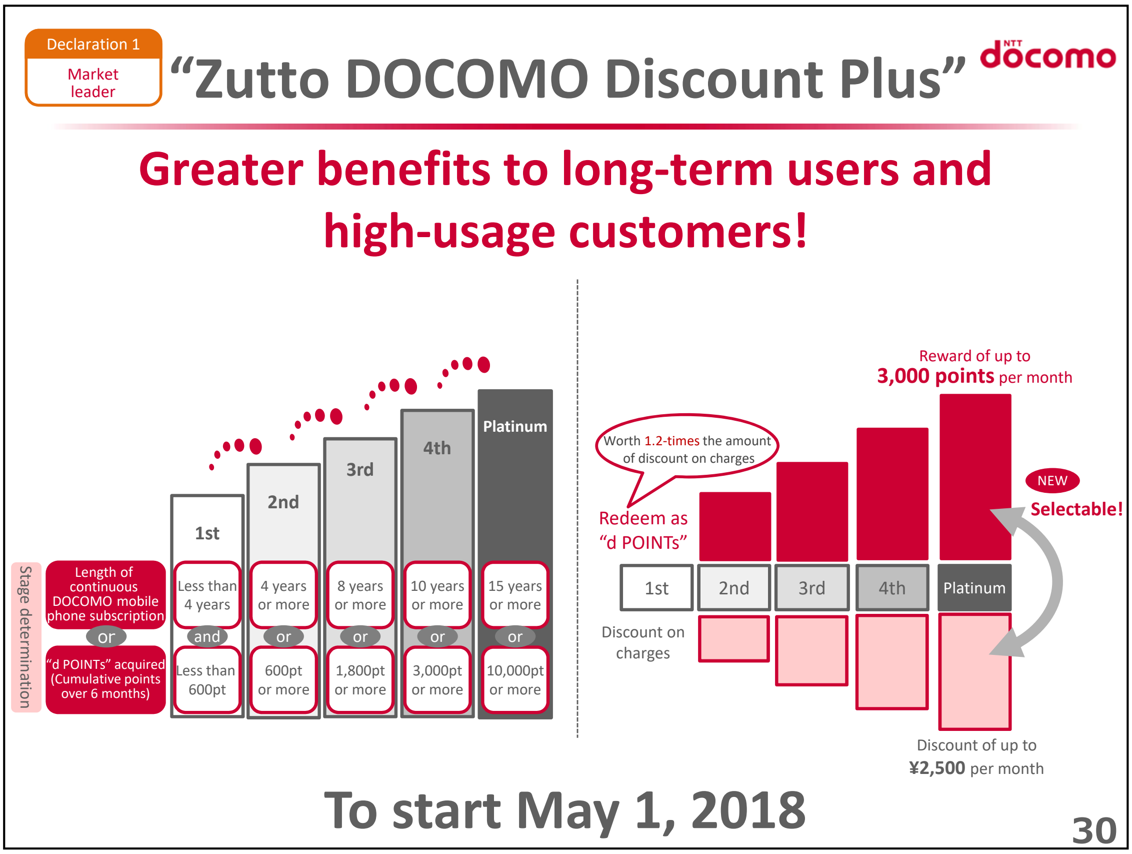
Some more details about the “Basic Share Pack”.

Traditionally, we have offered the choice of “Share Pack 5,” “Share Pack 10” and “Share Pack 15” for customers with limited data usage.
Eventually, we plan to integrate the “Packet Packs” designed for customers with limited data usage into the “Basic Share Pack.” The rates of “Basic Share Pack” are set lower compared to our conventional offerings.
Because the “Basic Share Pack” not only allows users to eliminate waste of data allowances through the family-sharing arrangement, but also automatically applies the optimal rate from its varying data size options based on the actual usage of the family, we believe users will be able to enjoy greater savings.



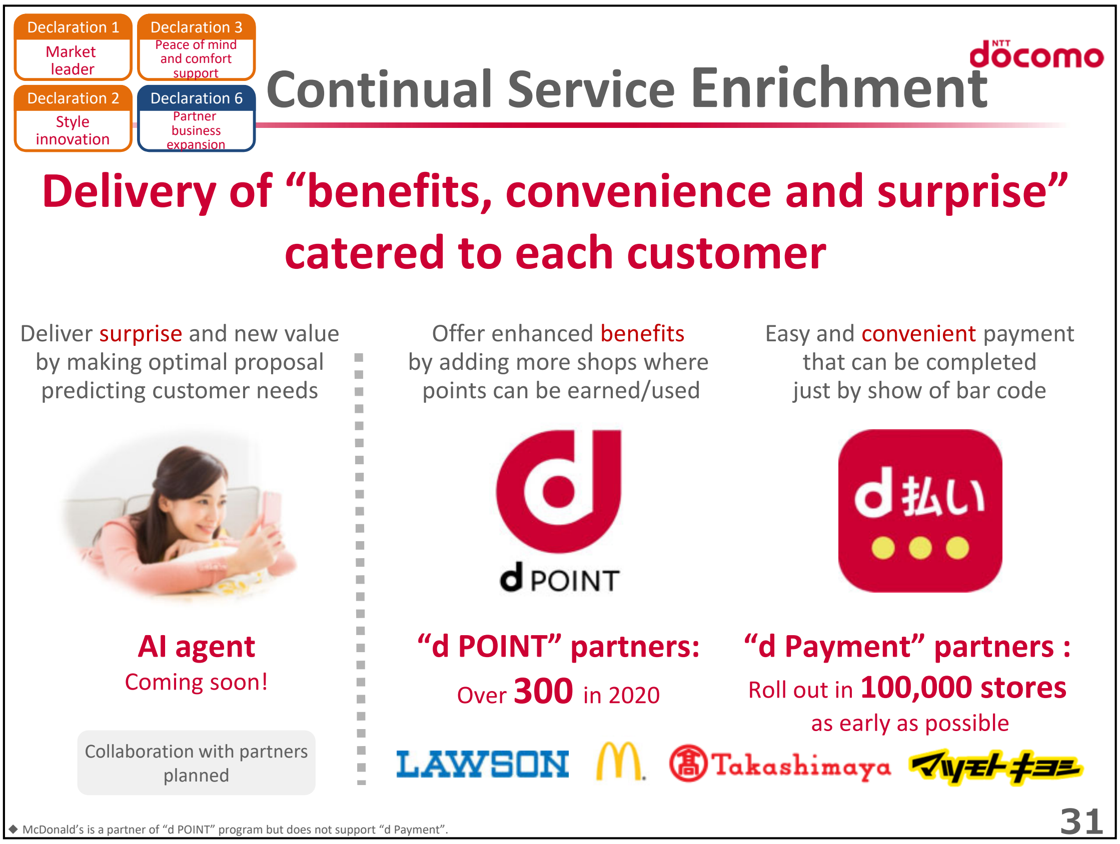
This slide explains the “Basic Pack”.

For individual users, we have hitherto provided the choice of the “Data S Pack (2GB)” or “Data M Pack (5GB).” In the future, however, we plan to unify our offerings into the “Basic Pack,” which starts from 1GB per month.
Also, in conjunction with the introduction of “Basic Pack,” we will expand the applicability of “Simple Plan” to all plans of “Packet Pack.” Previously, the “Simple Plan” could not be subscribed together with “Data S Pack” or “Data M Pack,” but we will lift this restriction and allow it to be combined with any “Packet Pack”.
When subscribed together with “Simple Plan,” the “Basic Pack” enables greater savings compared to our conventional offerings for customers with limited voice and data usage.



This is about our "Zutto DOCOMO Discount Plus" program.

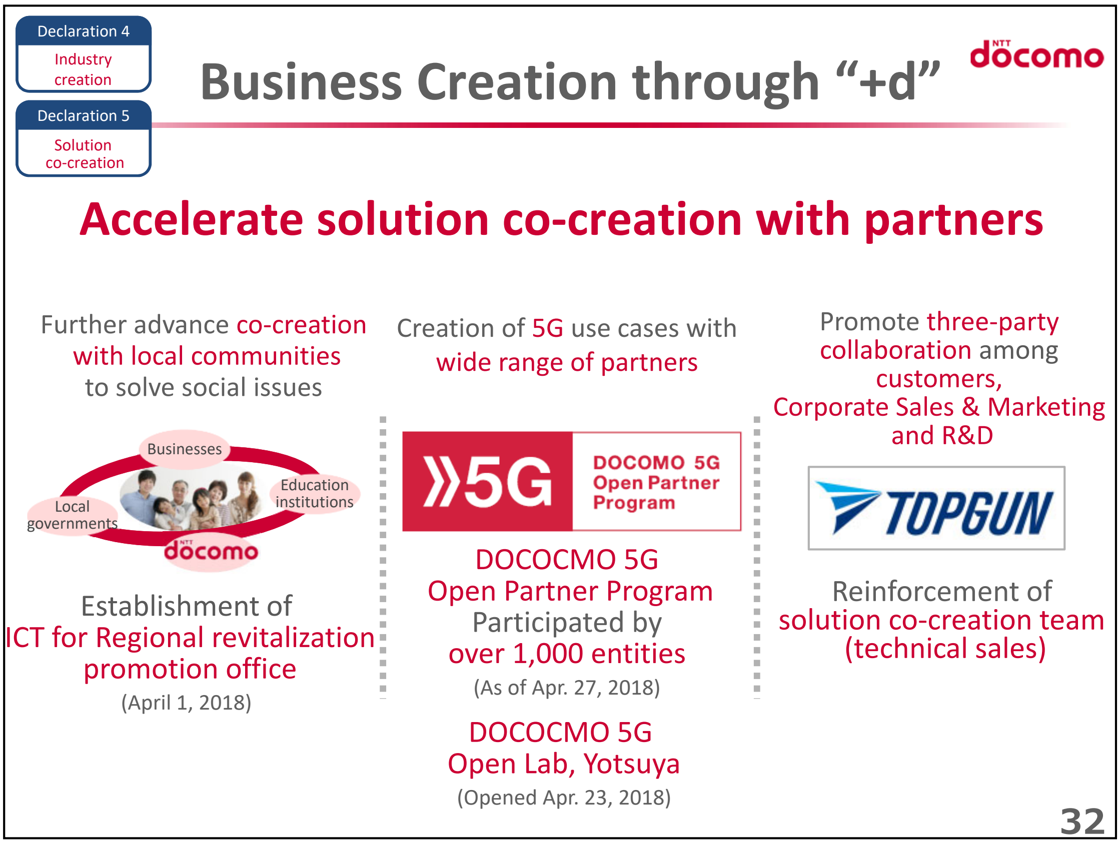
As we announced earlier, starting May 1, 2018, we will renew the "d POINT CLUB" program. As one of the privileges offered under the "d POINT CLUB," we will commence a new scheme, "Zutto DOCOMO Discount Plus," to provide improved benefits to both long-term users as well as high-usage customers. Please look forward to it.
We plan to further enrich our billing services on an ongoing basis to cater to the different lifestyle needs of each customer, so that they can continue to use our services for a long period of time free of any worries.



About our service enrichment plans.

In FY2018, we will at last commence a new AI agent service.
Details will be unveiled on a separate occasion, so please stay tuned.
To offer enhanced benefits to customers by allowing them to earn and use points at greater number of stores, we will aim to increase the number of “d POINT” partners to over 300 by the end of FY2020.
Also, with the launch of “d Payment” on April 25, 2018, payment using bar codes is now possible at various brick-and-mortar stores. Our goal is to roll out “d Payment” in 100,000 stores as early as possible to enable easy and convenient payment.

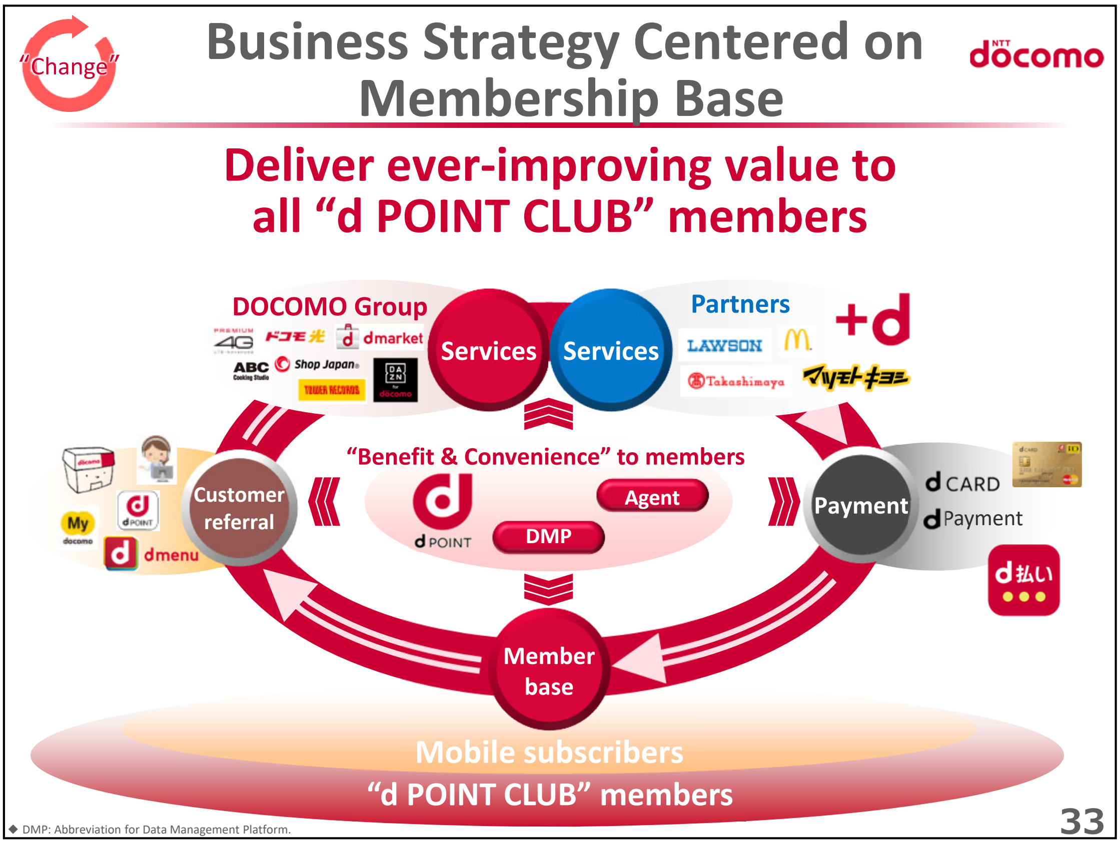
We will continue to create and evolve various services, to deliver “benefits, convenience and surprise” catered to the individual needs of each customer.



As for our undertakings in the area of corporate business, we will further step up our “+d” value co-creation activities with partners through three initiatives.

The first is the establishment on April 1, 2018 of ICT for Regional Revitalization Promotion Office. Through this new organization, we will promote value co-creation jointly with local governments, corporate clients and educational institutions, etc., to contribute to the revitalization of regional communities.
The second is the DOCOMO 5G Open Partner Program.
As of April 27, 2018, the number of partners participating in the program topped 1,000. On April 23, 2018, we opened DOCOMO 5G Open Lab, Yotsuya to provide an environment where people can experience 5G demos and verify 5G connectivity, with the aim of developing new 5G-based use cases. We intend to roll out DOCOMO 5G Open Labs in regions other than Tokyo further down the road.
And the third is the “Top Gun” sales approach.
By creating a small “Top Gun” team based on a three-party collaboration amongst customers, DOCOMO’s Corporate Sales & Marketing and R&D functions, we will realize solutions for sales, business verification and service development speedily in one stop.

Through these activities, we will facilitate co-creation activities with partners and speed up the commercialization of solutions.



The slide here shows our business strategy centered on our membership base.

We, at DOCOMO, will pursue a transition in our approach to customer base, breaking away from the conventional focus on mobile subscriptions to a new mobile subscription-agnostic concept pivoted on "d POINT CLUB."
Through this new business foundation, we would like to offer ever-improving "benefits and convenience" to all members of "d POINT CLUB".
Further, we will promote "+d" initiatives that leverage "d POINTs" to contribute to partners' business expansion.

Going forward, addressing the lifestyle needs of each and every customer in collaboration with partners, we will transform ourselves into a company that can be chosen by customers with confidence for a long period of time.

"Change"

docomo

ESG Practices

Realize long-term growth of corporate value and contribute to building a society in which everyone can live with safety, security, comfort and affluence.

Environment (E)

Contribute to reducing CO_2 emissions through new service/technology development

FY18 target: 37 million tons
FY20 target: 39 million tons

Promote resource recycling through collection of used mobile phones

FY18-20 target (cumulative): 10 million units (including reused devices)

Social (S)

Contribute to protection of children through Smartphone/Mobile Phone Safety Classes

FY18 target: 1.1 million attendees
FY20 target: 1.3 million attendees

Creation of ICT solutions that contribute to resolving social issues

FY18-20 target (cumulative): 100 solutions

Governance (G)

Strengthen corporate governance

Organize more constructive dialogue with stakeholders

Initiatives for further governance reinforcement

◆ The numerical targets for CO_2 emission reduction indicate the "amount of contribution to reduction of CO2 emissions by society"
◆ "Amount of contribution to reduction of CO_2 emissions by society" is calculated by converting the energy conservation benefits of the supplied ICT services into CO_2 emission per one mobile subscription. In comparing the energy conservation benefits of the supplied ICT service with the environmental burden of conventional solutions, the Company referenced the calculation methods included in the Telecommunication Technology Committee's Methodology for the Assessment of the Environmental Impact of Information and Communication Technology Goods, Networks and Services (JT-L1410).

Some comments on our ESG practice.

In our business activities, we will focus on the promotion of ESG to help build a society where everyone can live with safety, security, comfort and affluence.
For the environment, we set a target to achieve a 39 million-ton reduction in society's CO2 emission by FY2020 through the development and provision of services and technologies that contribute to decreasing CO2 emissions.
On the social front, we will organize Smartphone/Mobile Phone Safety Classes from the perspective of protection of children. The cumulative number of attendees to this program topped 10 million in July 2017 after its launch in July 2004. We plan to garner 1.3 million attendees in FY2020.
In the area of corporate governance, we will organize more constructive dialogue with stakeholders, and study and execute measures for further reinforcement of our governance.

Toward Sustainable Growth

docomo

Execution of “Declaration beyond” and business growth driven primarily by “members”

Strengthen customer base centered on “members”

～ Further evolve billing plans, point program and service offerings to address the needs of each customer ～

Step up growth investments

～ Infrastructure investment to create new businesses for the 5G era and further promotion of +d activities ～

Drastic cost efficiency improvement

～ Further improvement of network cost efficiency and operational reform leveraging AI and other new technologies ～

The slide here presents our approach to sustainable growth.

Through the execution of our Medium-Term Strategy 2020 “Declaration beyond,” we will provide ever-improving value to our customers and partners focusing on “d POINT CLUB” members, while at the same addressing three priority areas, i.e., “strengthen customer base,” “step up growth investments” and “drastic cost efficiency improvement,” to realize sustained growth of the Company.

In FY2018, we embarked on some initiatives that will hold the key to our future business, i.e., “business transformation centered on members,” “AI agent,” “investment for 5G technical development and studies on business creation.” After discerning the future outcome of these initiatives as well as the cost efficiency impact of our operational reform activities, we would like to reflect them in our Medium-Term Business Targets to be announced publicly around autumn this year.

"Always chosen to sustain connections as your robust ICT service provider"

Under this slogan, DOCOMO aspires to become a company that can continue to offer new values and inspirations, sustaining the connections with customers and society through ICT.

The new of today, the norm of tomorrow

Appendix

Impact on Financial Results due to Application of IFRS

Application of a new standard (IFRS 15) causes changes to the accounting treatment of "d POINT," however, impact on financial results is insignificant.

	FY2017 US GAAP (1)	FY2017 IFRS (estimate) (2)*1	Changes (2) – (1)
Operating revenues	4,769.4	4,755.1	-14.4
Operating income	973.3	986.9	+13.7
Income before income taxes*2	1,084.4	1,141.7	+57.3
Net income attributable to NTT DOCOMO, INC.	744.5	791.0	+46.5

* 1: The estimate figures presented herein may change as a result of an audit on the accounts.
*2: Income before income taxes: Operating income + other income/(losses) + equity in net income (losses) of affiliates

Services 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 healthcare" "d gourmet" "d photo" ・Oak Lawn Marketing, Inc. ・ABC Cooking Studio, Co. Ltd. etc.

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 and MOU

i. Definition of ARPU and MOU

a. 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. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations.

b. MOU (Minutes of Use):
Average monthly communication time per user.

ii. ARPU Calculation Methods

Aggregate ARPU = Voice ARPU + Packet ARPU + "docomo Hikari" ARPU

- Voice ARPU : Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
- Packet ARPU : Packet ARPU 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

- In addition, the sum of Packet ARPU and "docomo Hikari" ARPU is referred to as Data ARPU.

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 and MOU 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) 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 Reports on Form 20-F and Quarterly Securities Reports submitted to the U.S. Securities and Exchange Commission.