
FY2018

Results Presentation

NTT
docomo
April 26, 2019

I will now begin the presentation of the results for the fiscal year ended March 31, 2019 (FY2018). The presentation consists of three sections.

1. FY2018 Results Highlights

2. FY2019 Guidance/Shareholder Returns

3. Actions Envisaging FY2020 and Beyond

In the first section, I will explain the highlights of FY2018 results;

In the second section, the guidance and shareholder returns for FY2019; and

In the third section, the actions we plan to implement envisaging FY2020 and beyond.

FY2018 Results Highlights

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IFRS

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

◆ Consolidated financial statements in this document are unaudited

◆ Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months

◆ Operating FCF = EBITDA – capital expenditures

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The FY2018 results are summarized here.

Operating revenues grew by 78.6 billion yen year-on-year to 4,840.8 billion yen. Operating profit increased by 26.7 billion yen to 1,013.6 billion yen.

We thus recorded an increase in both operating revenues and profit.

However, net profit attributable to shareholders of NTT DOCOMO, INC. decreased by 127.2 billion yen year-on-year to 663.6 billion yen, because the amount for FY2017 was impacted by the arbitration award that we received from Tata Sons of India.

Accordingly, adjusted free cash flow also declined by 243.4 billion yen to 619.4 billion yen.

Results by Segment

IFRS

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

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The slide here shows the results by segment.

In “Telecommunications Business,” operating revenues and profit grew by 82.7 billion yen and 12.1 billion yen, respectively.

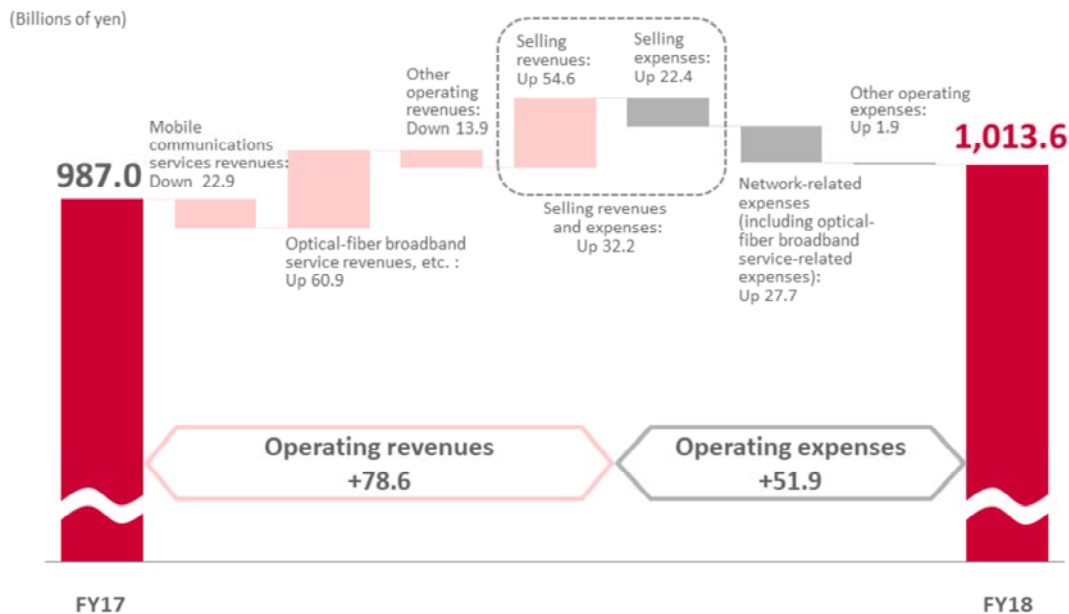
As for “Smart life business” and “Other businesses” combined, operating revenues recorded a decrease of 1.1 billion yen, but operating profit grew by 14.6 billion yen.

The drop of operating revenues from “Smart life business” was primarily attributable to the year-on-year decrease in sales revenues of our subsidiaries resulting from the divestiture of Radishbo-ya, Co. Ltd and other factors.

Key Factors behind Changes in Operating Profit

NTT docomo

IFRS



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

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

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The key factors behind the year-on-year changes in operating profit are explained here.

Operating revenues grew by 78.6 billion yen impacted mainly by:

- A drop in mobile telecommunications services revenues of 22.9 billion yen resulting from stepped up customer return measures;
- An increase of optical fiber broadband service revenues of 60.9 billion yen;
- A decrease in other operating revenues of 13.9 billion yen due to the transfer of Radishbo-ya business and other factors; and
- A growth in selling-related revenues of 54.6 billion yen owing to an increase in the wholesale unit price of handsets.

Operating expenses, on the other hand, recorded a year-on-year increase of 51.9 billion yen.

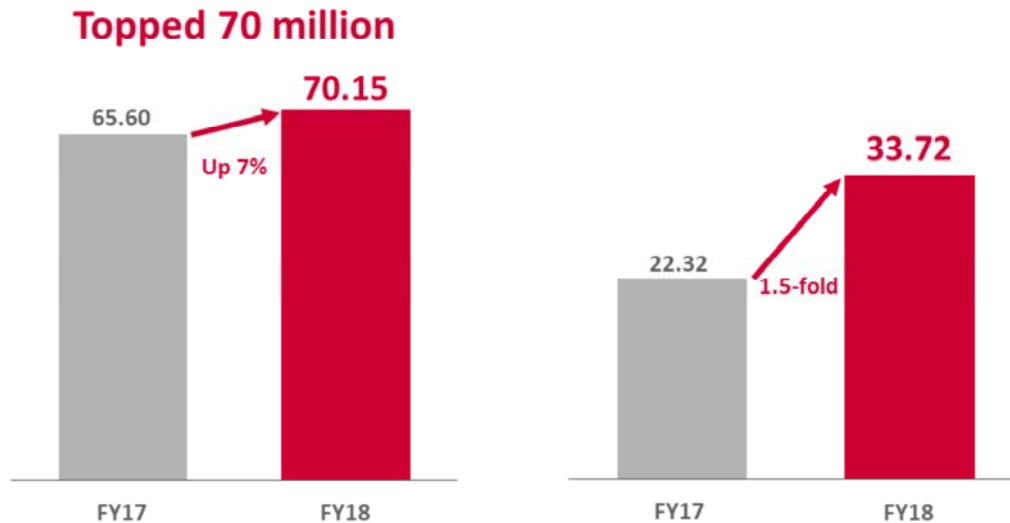
As a consequence, operating profit posted an increase of 26.7 billion yen from the previous fiscal year to 1,013.6 billion yen.

“d POINT CLUB” Members

“d POINT CLUB” members

“d POINT CARD” registrants

(Million members)



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

About “d POINT CLUB” membership.

We have declared to make a transition to a business operation pivoted on our membership base.

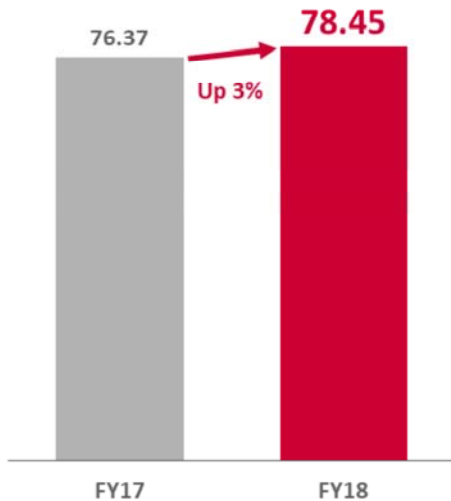
The total number of “d POINT CLUB” members surpassed the 70 million mark and reached 70.15 million as of Mar. 31, 2019, recording a year-on-year increase of 7%.

Among them, the total number of “d POINT Card registrants” (which represents the number of users who can earn and use “d POINTs” at participating stores) increased by 1.5-fold from the number a year ago to 33.72 million.

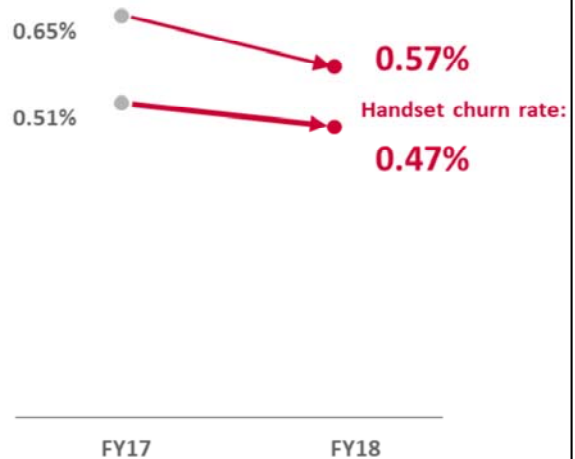
Telecommunications Business Operational Performance (1)

Mobile telecommunications service subscriptions

(Million subs)



Churn rate



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

From here, I will explain the operational performance of our telecommunications business.

The total mobile telecommunications subscriptions grew by 3% year-on-year to 78.45 million.

Churn rate excluding MVNO subscriptions was 0.57%.

The handset churn rate, in particular, was maintained low at 0.47%, recording an improvement over the previous fiscal year as a result of stepped our customer support measures (e.g., rate plan consultation fairs and smartphone classes, etc.)

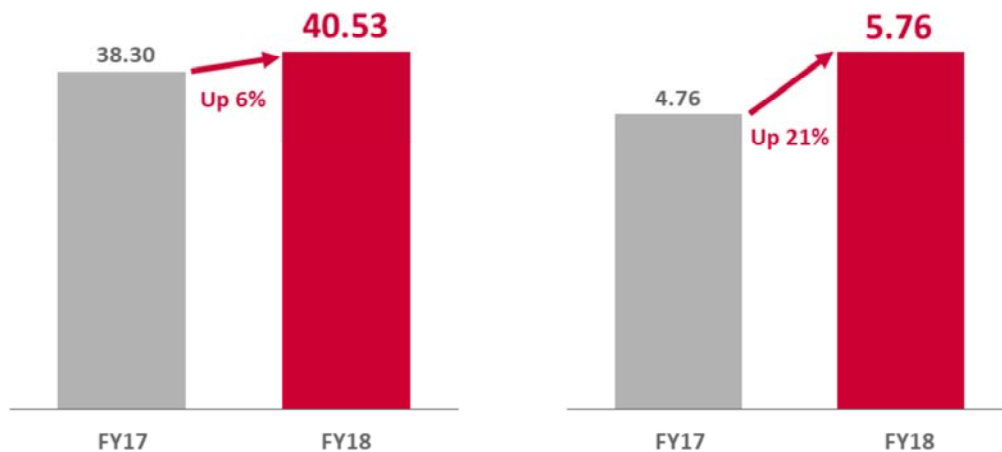
Telecommunications Business Operational Performance (2)

Total smartphone/
tablet users

“docomo Hikari”
optical-fiber broadband subs

(Million subs)

Topped 40 million

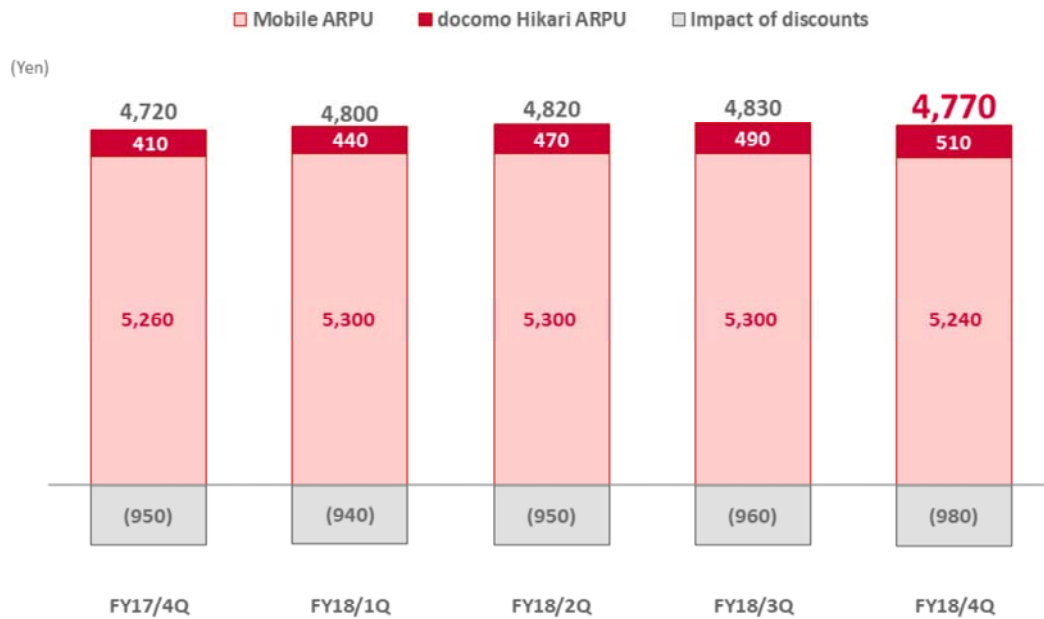


The total number of smartphone and tablet users increased by 6% year-on-year to 40.53 million, exceeding the 40 million mark.

As we still have a large number of feature phone users on our network, in FY2019, we will strive to further accelerate their migration to smartphones leveraging the new rate plans.

The total number of “docomo Hikari” optical fiber broadband subscriptions reached 5.76 million, recording an increase of 1 million in the last 12 months.

ARPU

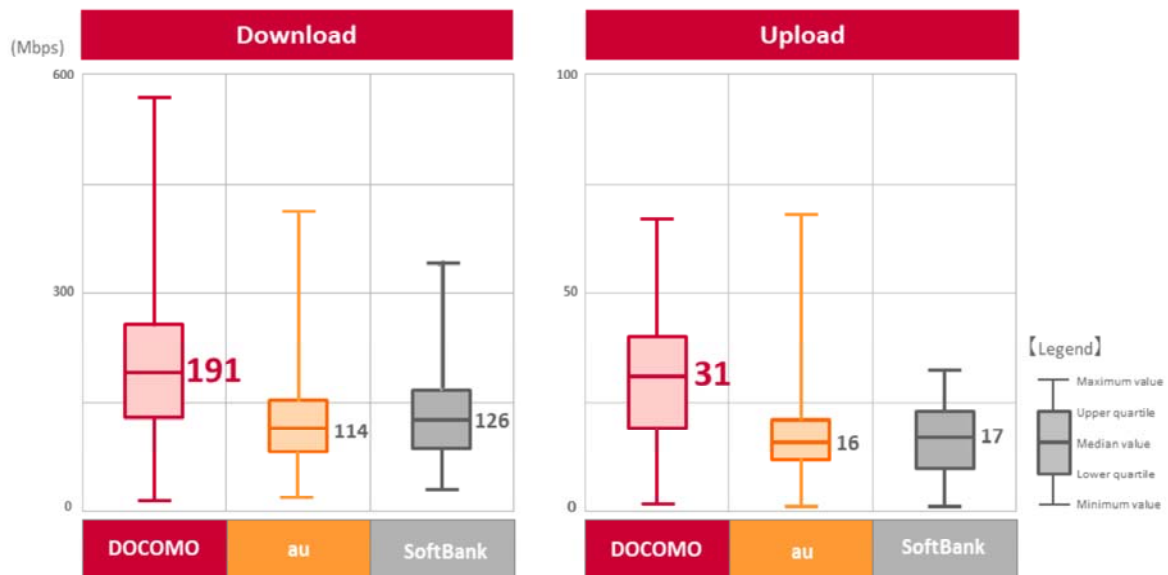


◆ For an explanation on ARPU, please see the Appendix.
 ◆ Mobile ARPU and docomo Hikari ARPU exclude the impact of discounts.
 ◆ The impact of discounts include those from "Monthly Support," "docomo with" and "docomo Hikari set discount."

About our ARPU performance.

The aggregate ARPU (including the impact of Monthly Support and other discount programs) for FY2018/4Q increased by 50 yen year-on-year to 4,770 yen as we successfully offset the negative impact from the customer return measures with the expansion of "docomo Hikari" subscriptions and other factors.

Japan's fastest for both downloads and uploads



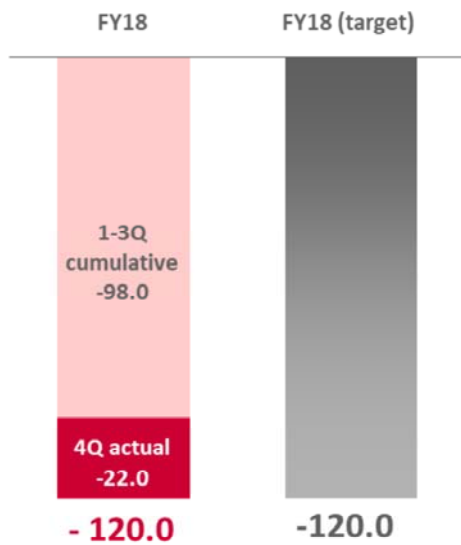
Some comments about our network.

We slightly changed the format of presentation here to provide the results of the effective network speed comparison with other mobile network operators. The results here are based on the effective speeds measured and announced by each company in accordance with the guidelines set forth by the Ministry of Internal Affairs and Communications.

As shown in the slide, DOCOMO offers the fastest speed in Japan for both uploads and downloads. We will continue our efforts to build a comfortable network environment for our customers.

Cost Efficiency Improvement

(Billions of yen)



Focus areas

- ◆ Network
Outsourcing cost, improved investment efficiency, etc.
- ◆ Marketing
After-sales support, sales promotion measures, etc.
- ◆ Other
R&D, information systems, etc.

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

Next, about our cost efficiency improvement.

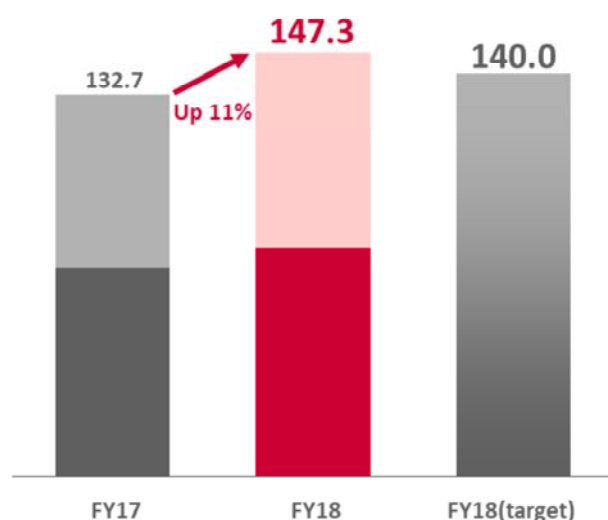
We delivered cost efficiency improvement totaling 22 billion yen in the fourth quarter of FY2018 and a cumulative 120 billion for the full year of FY2018, achieving our annual target.

We will continue to tackle cost efficiency improvement in FY2019.

Smart Life Business & Other Businesses: ^{NTT}docomo Operating Profit

Smart life business and other businesses operating profit exceeds target

(Billions of yen)



Principal services

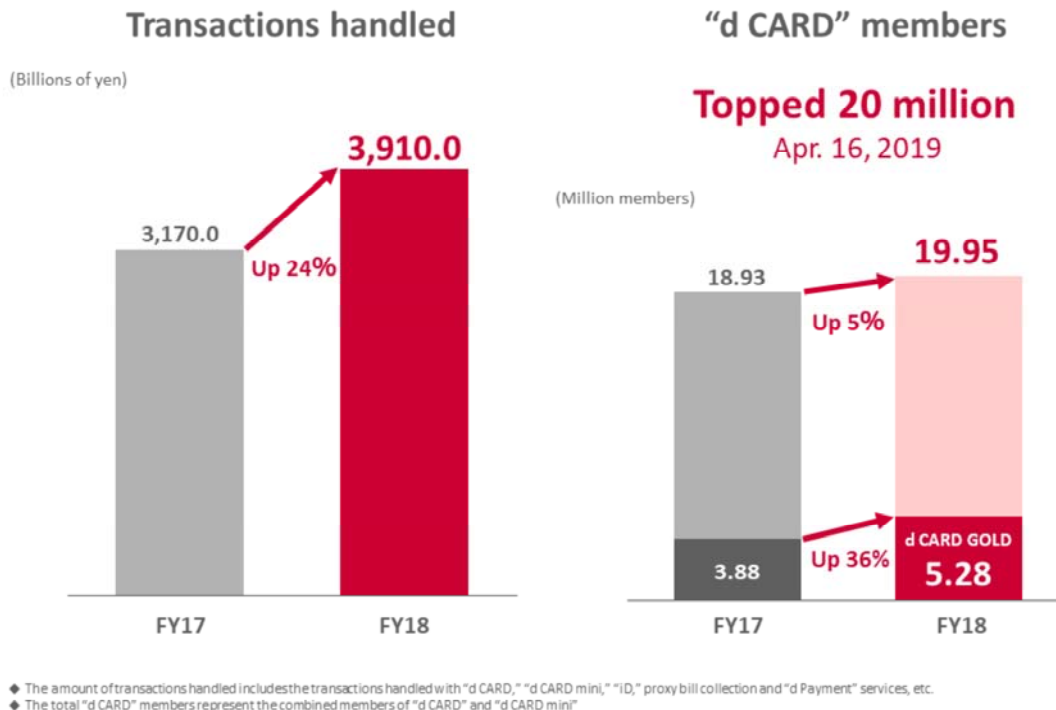
- Smart Life business
 - Content/Commerce
 - Finance/Payment
 - Lifestyle
- Other businesses
 - Enterprise solutions
 - Support services for customers' peace of mind

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The operating profit from Smart life business and Other businesses, as presented in this slide, increased by 11% year-on-year to 147.3 billion yen. We managed to exceed our guidance of 140 billion yen despite recording impairment losses from our overseas subsidiaries.

The contribution from each service category listed on the right was as follows:

- Mobile Device Protection Service and other “support services for customers’ peace-of-mind” accounted for approximately 45% of the total;
- dTV, DAZN for docomo and other “content/commerce” services roughly 20%
- d CARD, d Payment and other “finance/payment” services approximately 20%; and
- Enterprise IoT and other “enterprise solutions” about 15%.



Regarding our finance/payment services, the total amount of transactions processed with our finance/payment services grew by 24% year-on-year to 3,910 billion yen.

The total number of "d CARD" members stood at 19.95 million as of Mar. 31, 2019, and topped 20 million on Apr. 16, 2019.

The total number of "d CARD GOLD" members continued to grow, reaching 5.28 million as of Mar. 31, 2019, up 36% from a year earlier.

The total amount of transactions handled with our finance/payment services continued to expand steadily as a result of expanded adoption and usage of "d CARD" and "d Payment."

“d Payment”

NTT docomo

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

“d Payment”-compatible websites & stores



No. of app downloads:

Over 4 million

amazon

mercari

LAWSON

あなたと、コンビニに、
FamilyMart



EDI
エディオン

ビックカメラ

Joshin

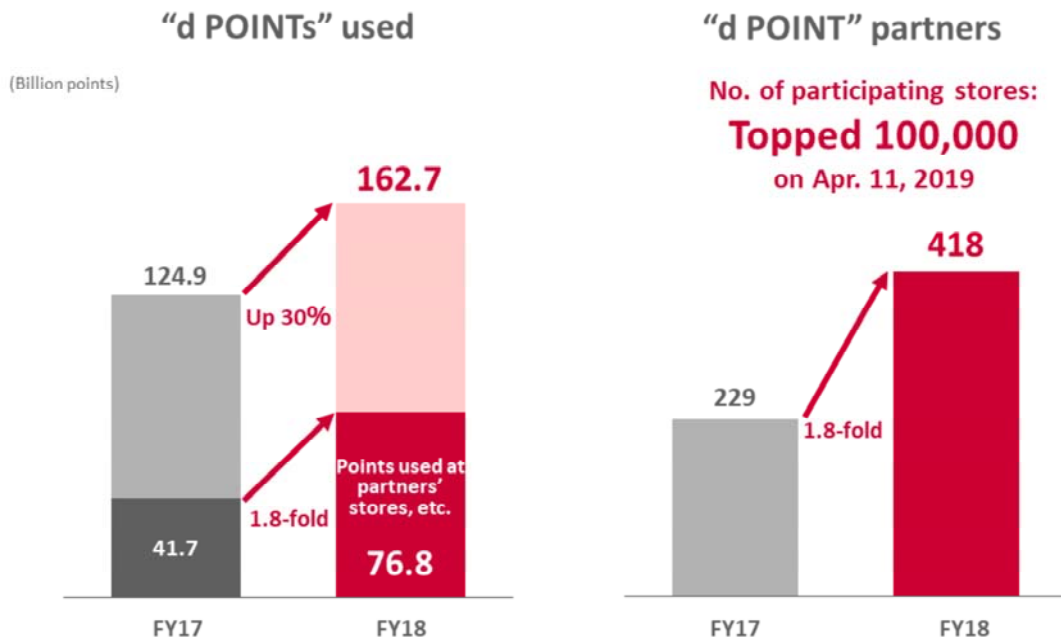
ケースデンキ

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

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We have seen a steady increase both in the number of “d Payment” users and merchants, and the total number of “d Payment” apps downloaded exceeded 4 million on Apr. 7, 2019.

We will continue our endeavors to further expand “d Payment” service working together with a large number of partners, including the websites and merchants listed here.



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

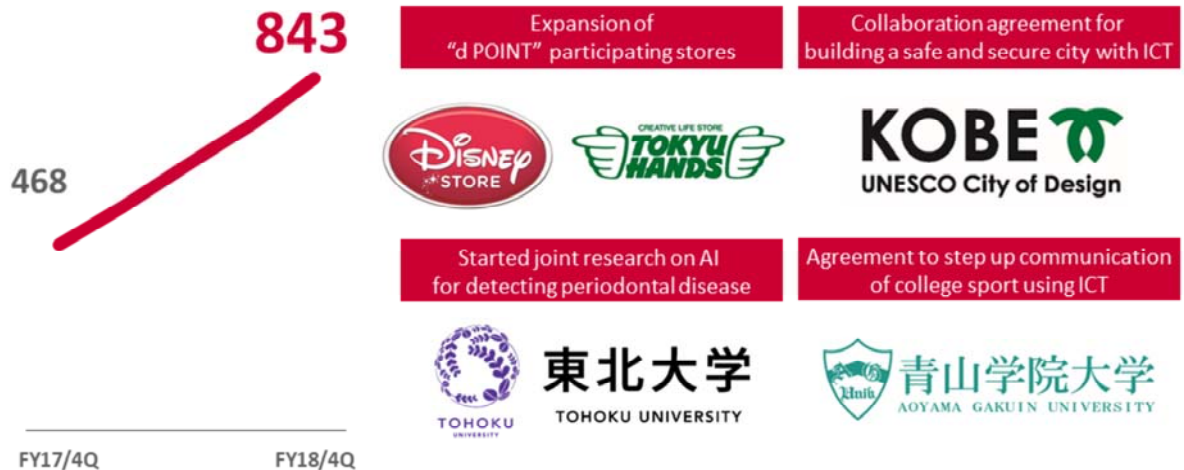
This is about our "d POINT" program.

The total "d POINTs" used grew by 30% year-on-year to 162.7 billion points, of which usage at "d POINT" partners stores accounted for 47%, of 76.8 billion points, recording an increase of 1.8-fold from the level a year ago.

In addition, the number of "d POINT" partners increased by 1.8-fold to 418. and the number of participating stores topped 100,000 on Apr. 11, 2019.

Going forward, we will actively implement measures to make our point program even more attractive and convenient both for "d POINT CLUB" members as well as our partners.

No. of +d partners growing steadily



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

Regarding the "+d" value co-creation activities, the number of "+d" partners has continued to expand at a favorable pace, reaching 843 as of March, 31, 2019, including the new partners listed on this slide.

We will further accelerate the value co-creation activities under the "+d" program in collaboration with our partners.

Medium-Term Strategy

“Declaration beyond”: Actions Taken (1)

Value & excitement to customers

Declaration 1

Market
leader

Provision of **“Disney DELUXE,”** an official entertainment service of Disney

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

Declaration 2

Style
innovation

Launched **AI-based on-demand shared transportation service, “AI-operated bus”**

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

Declaration 3

Peace of mind
and comfort
support

Promotion of **“measures for shortening attendance/wait time”**

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

Next, I will talk about the progress of the implementation of our Medium-Term Strategy 2020 “Declaration beyond.”

As for the initiatives to deliver “value and excitement to customers,” under Declaration 1, we launched “Disney DELUXE.” Under Declaration 2, we started “AI-operated” bus service. And under Declaration 3, we have promoted various measures to “shorten the attendance time and wait time” at our shops.

Medium-Term Strategy

“Declaration beyond”: Actions Taken (2)

Value co-creation with partners

Implemented measures toward **5G commercialization one after another**

Declaration 4

Industry creation

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

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

Declaration 5

Solution co-creation

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

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

Declaration 6

Partner business expansion

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

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

For “value co-creation with partners,” we have taken the following steps:

Under Declaration 4, we rolled out a number of measures toward the commercialization of 5G one after another. Under Declaration 5, we entered into a capital and business collaboration agreement with M3, Inc. And under Declaration 6, we established a new digital OOH advertising company, LIVE BOARD, INC., jointly with Dentsu Inc.

Principal Actions Undertaken in FY2018 ^{NTT}docomo

Steadily executed various initiatives after unveiling "Declaration beyond"

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

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The slide here summarizes the initiatives that we implemented in FY2018 toward the delivery of "Declaration beyond."

We have steadily executed all Declarations, from Declaration 1 through 6, such as implementing various customer return measures, actively expanding 5G Open Labs and promoting other measures envisaging the age of 5G.

Medium-Term Operational Indicators: Progress



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

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

The slide here presents our medium-term operational indicators that we announced upon the results presentation for FY2018/1H. We believe we are making favorable progress toward the achievement of our FY2021 targets.

Progress of Additional Disaster Preparedness Measures

Steadily implemented measures to prepare for natural disasters

Preparation for wide-area & hours-long power outage Storage batteries at docomo Shops  Installed at 1,100 shops	Securing important communication & reliability enhancement Use of multiple transmission routes  Completed roll-out in Hokkaido Underway in various regions across Japan
Early restoration of communications services Expand bandwidth of satellite links	Strengthen support for disaster-stricken areas Timely data update of restoration area map Increase no. of rental smartphones/tablets

As part of the additional disaster preparedness measures we announced upon the results presentation for FY2018/1H, we installed storage batteries at 1,100 docomo Shops. We plan to complete the deployment for the remaining 1,200 stores by the end of May, with which we will have covered a total of 2,300 shops.

We also completed the construction for the rollout of multiple transmission routes in Hokkaido.

We will continue our efforts to strengthen and expand our disaster preparedness day by day to further enhance the safety and reliability of our network.

ESG Evaluations

Toyo Keizai Corporate CSR Ranking 2019

Earned No.1 overall ranking for the second straight year

Nikkei Smart Work Management Survey



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

Nadeshiko Brand



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

Eruboshi Certification



Awarded highest certification of "Grade 3"

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

Our ESG evaluations.

In the Toyo Keizai Corporate CSR Ranking, we earned the No. 1 overall ranking for the second straight year.

In the Nikkei Smart Work Management Survey, we also received the highest 5-star rating for two years in a row.

In addition, as a recognition for our active efforts to promote the empowerment and advancement of women in our workplace, we were selected as a Nadeshiko Brand and awarded the highest "Grade 3" evaluation in the Eruboshi Certification.

FY2018 Summary

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

A summary of our FY2018 results is provided here.

1. FY2018 Results Highlights

2. FY2019 Guidance/Shareholder Returns

3. Actions Envisaging FY2020 and Beyond

I will now move on to the second part, in which I will explain our FY2019 guidance and planned shareholder returns.

FY2019 Guidance

IFRS

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

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

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First, about our FY2019 guidance.

With the introduction of the new rate plans, “Gigaho” and “Gigalight,” which aims to reinforce our customer base, we will provide customer returns totaling some 200 billion yen this fiscal year.

As a result, we expect a decline in both revenues and profit. Operating revenues is projected to drop by 260.8 billion yen year-on-year to 4,580 billion yen, and operating profit is estimated to be 830 billion yen, down 183.6 billion yen year-on-year.

The operating profit from Smart life business and Other businesses is projected to grow by 12.7 billion yen to 160 billion yen.

For capital expenditures, we plan to appropriate 570 billion yen.

Adjusted free cash flow is estimated to be 530 billion yen.

We also plan to execute cost efficiency improvement measures of 130 billion yen, which is larger than last fiscal year.

Year to execute “change” to propel further growth

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

These are the key actions we plan to implement in FY2019.

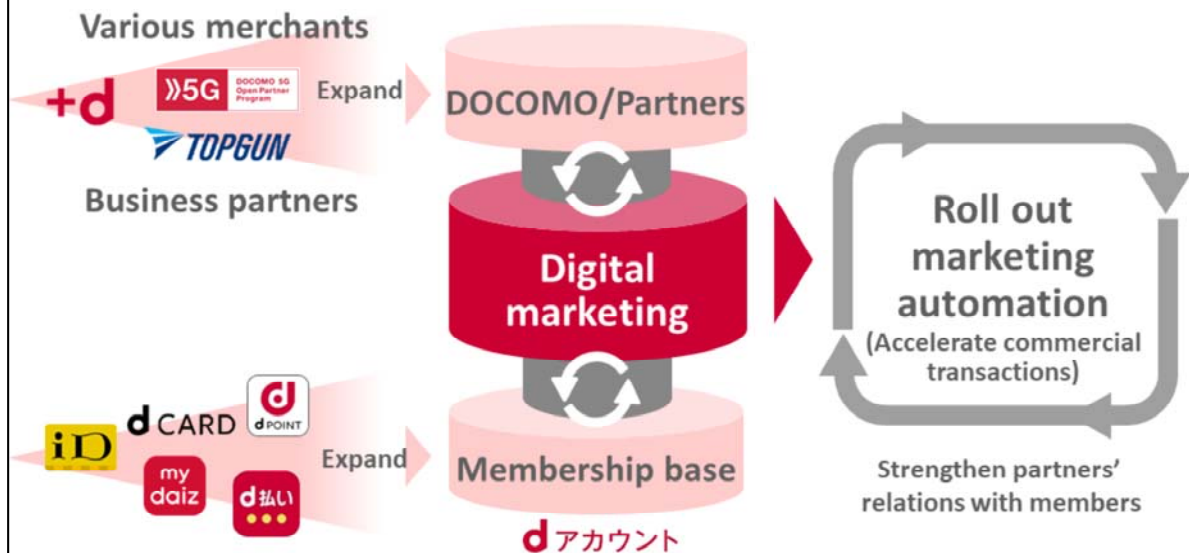
We position FY2019 as the year to “execute ‘change’ to propel further growth.”

In a preemptive move to enhance our competitiveness ahead of other players in anticipation of a major change in market environment, we will launch the new rate plans, “Gigaho” and “Gigalight,” to further strengthen our bonds with customers and make optimal proposals for each customer. Through these measures, we aim to solidify our customer base and thereby boost our revenues down the road.

For our medium-term growth, we will strive to steadily expand our Smart life business primarily focusing on finance/payment and enterprise solutions. At the same time, we will work on the commercialization of 5G service while pursuing cost efficiency improvement in a larger scale than last year, totaling 130 billion yen.

Although we are projecting a decline in revenues and profit for FY2019, we will accelerate the above-mentioned activities through digital marketing in an effort to make FY2019 the bottom year of profit and thereafter achieve the earliest possible recovery.

Expand business jointly with partners leveraging DOCOMO's membership base



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This slide explains our plans concerning digital marketing.

We have hitherto expanded our business partners through the promotion of “+d” value co-creation activities. At the same time, in accordance with our management policy to transition into business operation pivoted on membership, we have worked to solidify our membership base by having customers (including those without a mobile subscription with DOCOMO) register as a “d POINT CLUB” member.

Going forward, leveraging our membership base which is over 70 million, we will promote digital marketing to further expand the uptake of the services and solutions offered by us and our partners.

Specifically, we will accelerate commercial transactions and strengthen partners' relations with customers by implementing marketing automation. This encompasses everything from advertisement to customer referral, signage, payment, point program and agent services, etc. We will aim to create new value for customers through these offerings.

New Rate Plans

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**Simple rate structure
providing choice from only two plans**

To start from Jun. 1 (Sat)

"Gigaho"

By applying "Gigaho Wari",

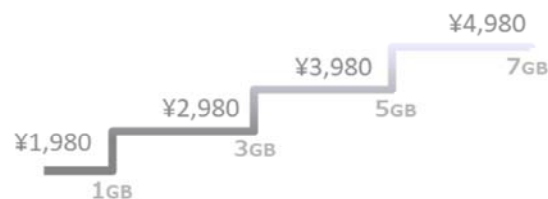
¥4,980

for up to 6 months



"Gigalight"

from **¥1,980**



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

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

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Here, I will provide you with a recap on our new rate plans.

The first highlight of the new rate plans is its simplicity.

We designed a very simple rate structure providing choice from only two options of "Gigaho"—the plan that offers unlimited internet access, and "Gigalight"—the plan in which the rates are charged based on amount of data consumed.

The new rate plans include all fees such as basic monthly charge, ISP fee and packet pack rates in a single package. Users can also make voice calls just by signing up with the new rate plan.

“Minna DOCOMO Wari”

NTT docomo

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



◆ No. of members in family discount group for voice plans subscriptions.
◆ “Gigaho” rates represent the amount after applying “Gigaho Wari” discounts.

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Another major highlight is the “Minna DOCOMO Wari” discount program.

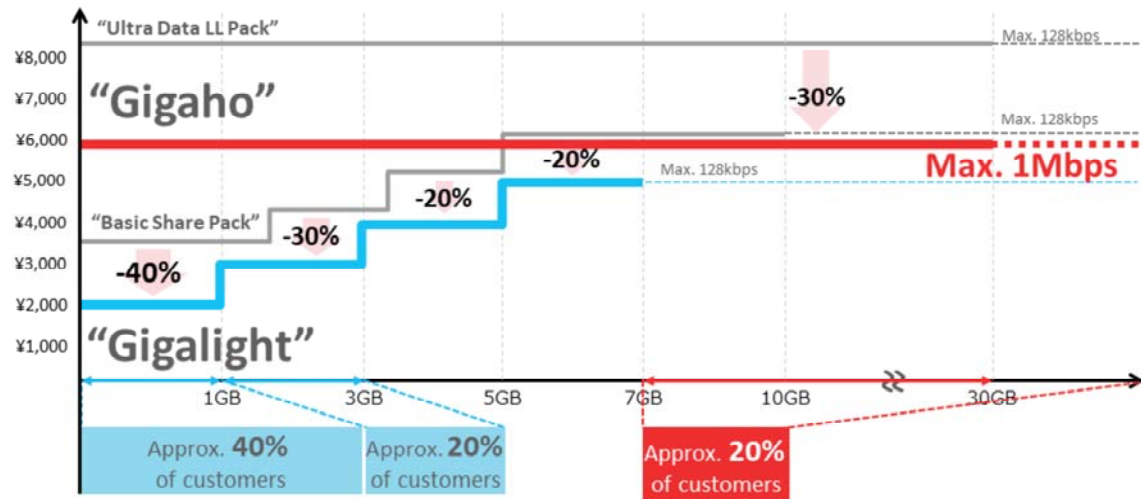
Under this program, discounts will be provided to all customers included in the family discount group. If customers have trouble understanding what a family discount group is, or whether they are included in a family discount group or not, all they need to do is contact our call center. We can immediately provide an answer to these inquiries. Customers can also join a family discount group by contacting our call center.

Currently, approximately 70% of our customer base have formed a family discount group of three or more members, and some 15% of customers have joined the discount service with a group of two people. This implies that 85% of our customers will be able to continually enjoy greater savings with the “Minna DOCOMO Wari” program.

Again, customers can easily apply for family discount through a phone call to us or other simple procedures.

Comparison with Existing Rates NTT docomo

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



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

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Here, let me explain the how much savings customers can achieve with the new rate plans compared to our existing plans.

"Gigaho" is set 30% cheaper compared to the conventional "Ultra Data LL Pack."

With "Gigalight," the rates for the volume zone—i.e., users with monthly data usage less than 1GB—will be lowered by 40%.

At present, some 40% of our smartphone users consume less than 1GB of data per month. Those with monthly data usage of 1-3GB account for approximately 20% of the total, and the rate for this segment will be lowered by 30% under the new plan. Customers with data usage of more than 7GB, who account for approximately 20% of the total, will also see a rate reduction of 30% with the new plan. We therefore expect that the vast majority of customers will be able to enjoy a rate reduction of over 30% compared to the conventional plans.

Due to the launch of the new rate plans, in FY2019, we expect an impact of 200 billion yen from customer return measures.

Continue dividend increase and share repurchase

Dividend

Annual dividend per share (forecast): ¥120
(Increase of ¥10 from previous fiscal year)

Share repurchase (market purchase)

Total acquisition cost: ¥300.0 billion (maximum)

Total no. of shares: 128,300,000 (maximum)
(Percentage to total no. of issued shares: 3.85%)

Repurchase period: May 7, 2019 to April 30, 2020

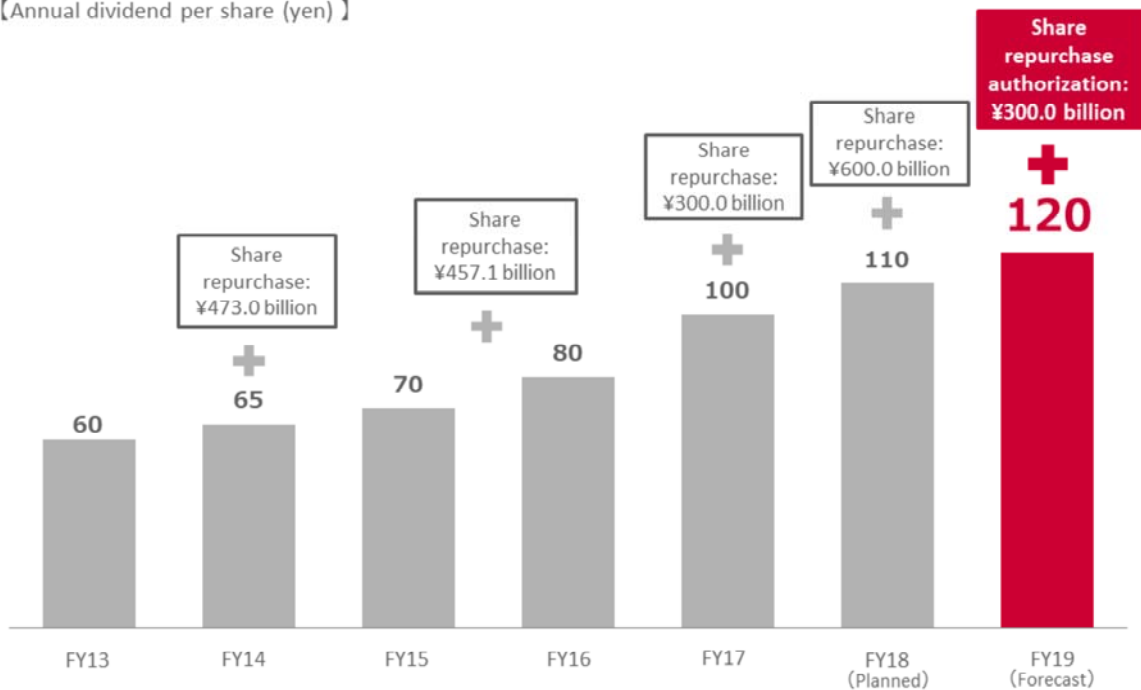
This explains our plans for shareholder returns. In FY2019, we plan to execute a dividend increase and continue our share repurchase program.

The annual dividend for FY2019 is planned to be 120 yen per share, an increase of 10 yen from the previous fiscal year.

Also, our Board of Directors resolved today to authorize “a share repurchase up to a prescribed limit” through “market purchase.” We plan to repurchase shares worth up to 300 billion yen in the period from May 7, 2019 through April 30, 2020, to improve our shareholder returns and further enhance our capital efficiency.

Historical Expansion of Shareholder Returns

【Annual dividend per share (yen)】



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

The graph here shows the historical expansion of our shareholder returns.

This will be our sixth consecutive year of providing an increase in the dividend per share, and the sixth straight year of executing share repurchase since FY2014.

Going forward, we will continually strive to further reinforce our shareholder returns.

1. FY2018 Results Highlights
2. FY2019 Guidance/Shareholder Returns
- 3. Actions Envisaging FY2020 and Beyond**

In the third part from here, I will explain the actions we plan to implement envisaging FY2020 and beyond.



5G spectrum allocated on April 10

200MHz of bandwidth in 3.7GHz and 4.5GHz bands

400MHz of bandwidth in 28GHz band



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

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About our 5G network.

We received the spectrum allocation for 5G service from the Ministry of Internal Affairs and Communications on April 10, 2019.

We were awarded a bandwidth of 200MHz in the 3.7GHz and 4.5GHz bands, and 400MHz in the 28GHz band.

Following the spectrum allocation, we commenced area construction taking advantage of 5G's unique properties, starting the preparations for 5G pre-commercial service scheduled for launch in September this year.



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

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



New sensory experience service

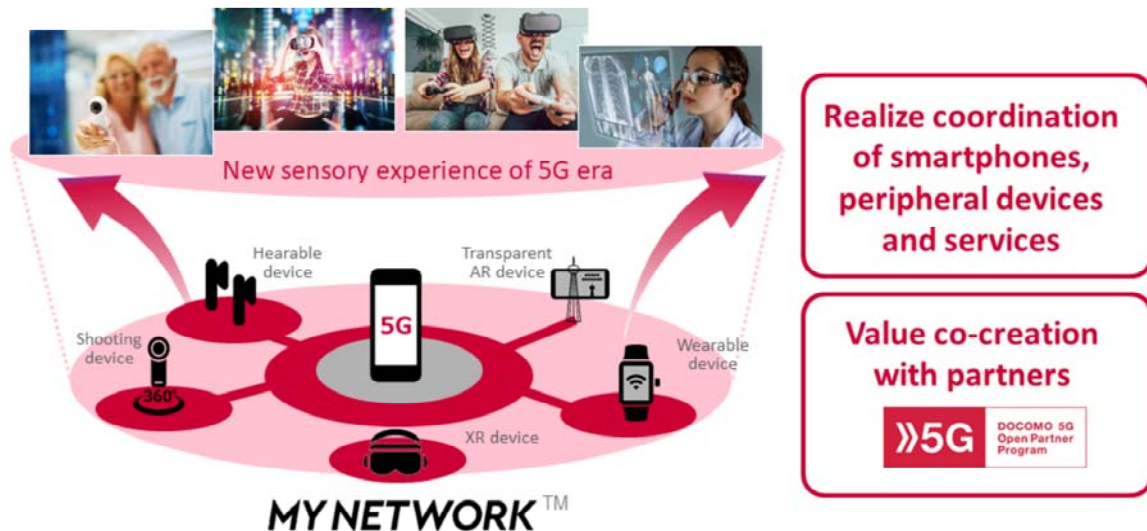
Industry creation, solution of social issues

Some details concerning the 5G pre-commercial service.

We plan to launch the 5G pre-commercial service on Sept. 20, 2019, taking the opportunity of Rugby World Cup 2019™ games. We plan to offer brand new services that leverage 5G's unique properties, such as multi-angle sports viewing at stadiums or live viewing venues, e-sports and new sensory live experience services, etc.

At the same time, we will move ahead with co-creation activities with a wide range of partners, with the aim of creating new industries and solving various social issues. Joining forces with over 2,500 organizations that have joined our 5G Open Partner Program, we will develop concrete use cases for 5G.

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



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

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As a new initiative in the age of 5G, we plan to promote what is called "MY NETWORK KOUSOU".

As opposed to coordination with only smartphones, we will aim to achieve coordinated operations of smartphones, various peripheral devices such as XR products and the new 5G services and solutions. Leveraging our 5G Open Partner Program, we will work together with various device/service vendors to create a new worldview.

In the age of 5G, one's worldview will not be constructed by only smartphones. We intend to have users create their individual network around themselves, making smartphones function as a hub or gateway and placing MR devices, cameras and wearable/hearable devices in their surroundings. This is the world we envisage to deliver.

Capital Alliance with Magic Leap ^{NTT} docomo

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



Create XR market putting MR at the core



♦ "MAGIC LEAP, MAGIC LEAP ONE, and the Magic Leap logo are registered and unregistered trademarks of Magic Leap, Inc."

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As a major step toward that goal of delivering new added value in the age of 5G, as we announced today, we have agreed on a capital and business alliance with Magic Leap, Inc. to strengthen our initiatives in the field of MR leveraging spatial computing technology.

Magic Leap possesses an outstanding technical asset, i.e., the state-of-the-art spatial computing technology. By combining this with DOCOMO's membership base and other assets, we will create and expand an XR market centered on MR that is uniquely available with DOCOMO.

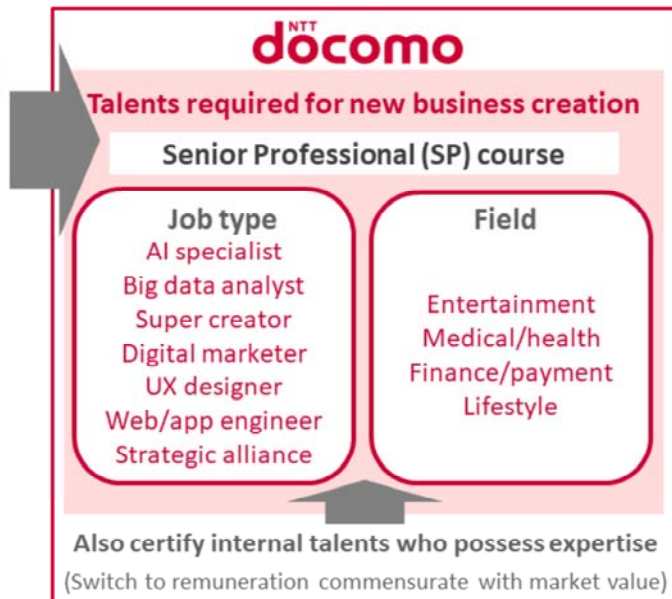
Specifically, we intend to deliver services that offers users with a whole new experience, such as immersive games and live services that deliver a strong sense of presence through the use of 3D images in users' living space. We also plan to offer solutions that can help enterprises acquire technical capabilities or improve operational efficiency through the use of 3D images at plants or hospitals.

Strengthen Recruitment of External Professional Talent

Establishment of “Senior Professional” system

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


Started April 2019



We have established what is known as “Senior Professional” system to strengthen the recruitment of highly professional external talent.

We plan to secure, both from inside and outside of the company, talents with outstanding expertise, experience and know-how, who can make immediate contributions for the development of new businesses with remuneration commensurate with market value.

We will seek experts for each job type and field of business listed in the slide.



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

Finally, we position FY 2019 as the year to “execute ‘change’ to propel further growth.”

While we project a decline in operating revenues and profit for FY2019, we will endeavor to achieve the earliest possible recovery after FY2020.

We will make ongoing efforts as a company that can continually deliver new value and excitement, connecting with our customers and society through ICT.

The new of today, the norm of tomorrow



Appendix

Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

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

Optical fiber broadband service and other telecommunications services

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

Smart life business

Content/Commerce services

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

Finance/Payment services

• "d CARD" "d CARD mini" "ID" • Proxy bill collection • "d Payment" etc.

Lifestyle services

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

Other businesses

Enterprise solutions

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

Support services for customers peace of mind

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

Definition and Calculation Methods of ARPU

i. Definition of ARPU

ARPU (Average monthly Revenue Per Unit):

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

ii. ARPU Calculation Methods

Aggregate ARPU = Mobile ARPU + "docomo Hikari" ARPU

- Mobile ARPU : $\frac{\text{Mobile ARPU Related Revenues (Voice-Related Revenues (basic monthly charges, voice communication charges) + Packet-Related Revenues (basic monthly charges, packet communication charges))}}{\text{No. of active users}}$
- "docomo Hikari" ARPU : $\frac{\text{"docomo Hikari"-related revenues (basic monthly charges, voice communication charges)}}{\text{No. of active users}}$

*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 $((\text{No. of users at the end of previous month} + \text{No. of users at the end of current month}) / 2)$ during the relevant period

Note:

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 "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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