
FY2019/2Q

Results Presentation



October 29, 2019

Before starting my presentation on the results for the second quarter of the fiscal year ending March 31, 2020 (FY2019/2Q), I would like to extend my deepest sympathies to those affected by Typhoons No. 15 and No. 19 of 2019.

I will explain our responses to the recent typhoons and the measures we plan to employ to further reinforce our disaster preparedness in the course of today's result presentation.

Now, let me start my explanation on our FY2019/2Q results.

FY2019/1H Results Highlights



IFRS

(Billions of yen)	FY2018/1H (1)	FY2019/1H (2)	Changes (2) – (1)	Changes (%)
Operating revenues	2,389.5	2,330.0	- 59.5	- 2.5%
Operating profit	610.5	540.3	- 70.3	- 11.5%
Profit attributable to shareholders of NTT DOCOMO, INC.	407.1	372.4	- 34.7	- 8.5%
Adjusted free cash flow	374.7	439.1	+64.4	+17.2%
Capital expenditures	255.4	218.4	- 37.0	- 14.5%

◆ Consolidated financial statements in this document are unaudited.

◆ Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months. In association with the adoption of IFRS16 "Lease" effective Apr. 1, 2019, lease-related expense items are reclassified into "depreciation/amortization" from previously "cost of equipment sold and services, and other expenses" and "communication network charges." The figure above represents the amount excluding this impact, etc.

1

The highlights of our FY2019/1H results are summarized here.

Although operating revenues decreased by 59.5 billion yen year-on-year to 2,330 billion yen and operating profit by 70.3 billion yen year-on-year to 540.3 billion yen, we achieved a good progress toward our full-year guidance.

Net profit attributable to shareholders of NTT DOCOMO, INC. recorded a year-on-year decrease of 34.7 billion yen to 372.4 billion yen.

Adjusted free cash flow, on the other hand, grew by 64.4 billion yen to 439.1 billion yen.

Despite recording a decrease in both revenues and profit, following the first quarter, we continued to steadily implement measures to address our priorities for this fiscal year, i.e., strengthening our customer base through the new rate plans, "Gigaho" and "Gigalight," steadfast expansion of Smart life business and Other businesses and cost efficiency improvement of a scale larger than FY2018.

Results by Segment

IFRS

(Billions of yen)		FY2018/1H (1)	FY2019/1H (2)	Changes (2) - (1)
Telecommunications business	Operating revenues	1,960.8	1,871.1	- 89.7
	Operating profit	524.5	445.7	- 78.8
Smart life business	Operating revenues	222.4	253.2	+30.8
	Operating profit	37.8	34.7	- 3.0
Other businesses	Operating revenues	218.4	220.1	+1.7
	Operating profit	48.2	59.8	+11.6
<Ref.> Smart life business and Other businesses	Operating revenues	440.8	473.3	+32.5
	Operating profit	86.0	94.5	+8.5

◆ Certain services that had been included in the smart life business were reclassified to other businesses from the second quarter of the fiscal year ending March 31, 2020 to reflect the change in its internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the six months ended September 30, 2018 has been restated to conform to the presentation for the six months ended September 30, 2019.

2

The results by segment.

In “Telecommunications Business,” operating revenues and profit decreased by 89.7 billion yen and 78.8 billion yen, respectively, compared to the same period of the previous fiscal year.

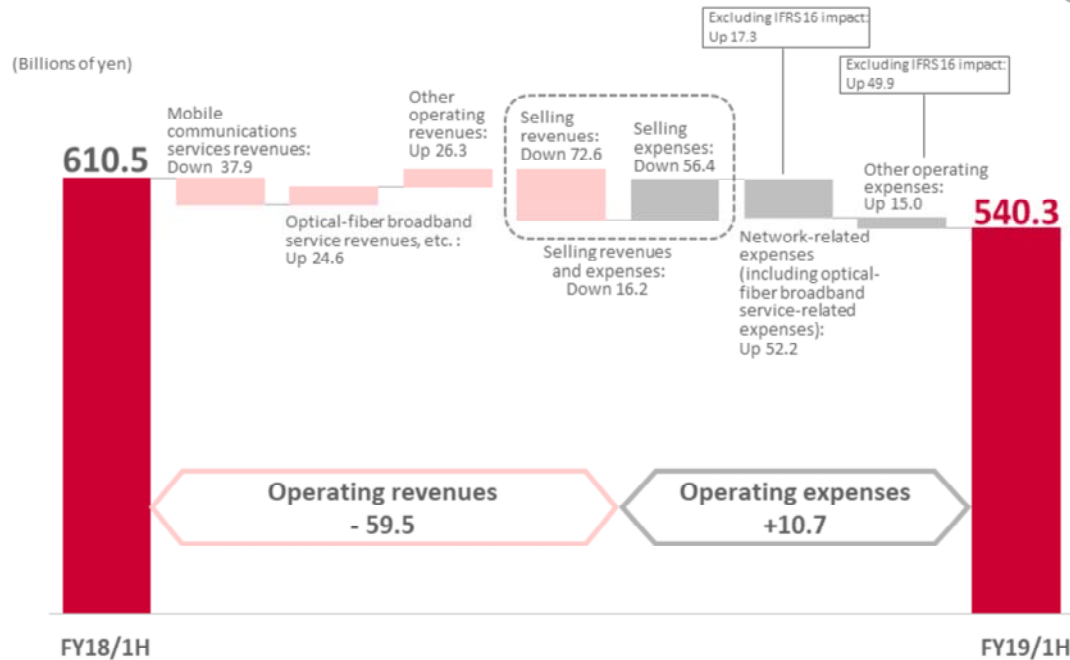
For “Smart life Business” and “Other businesses” combined, operating revenues and operating profits recorded a year-on-year increase of 32.5 billion yen and 8.5 billion yen, respectively.

Please note that the results for Smart life business include the impact of consolidating NTT Plala Inc. as our subsidiary effective July 2019.

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.

3

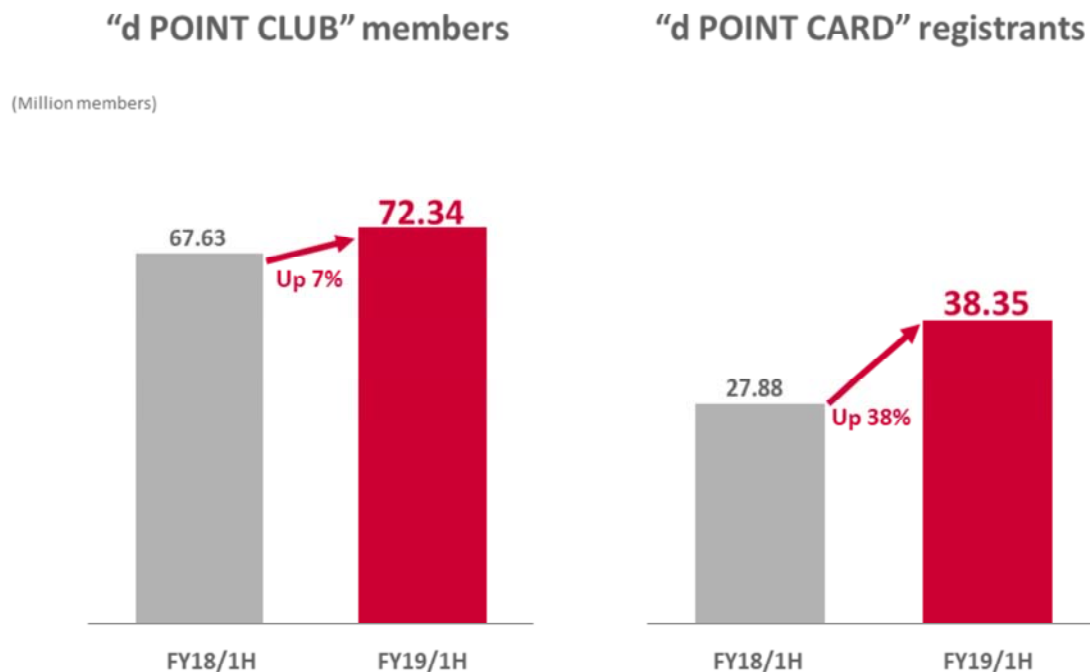
This slide explains the key factors behind the year-on-year changes in operating profit. Operating revenues posted a decrease of 59.5 billion yen due mainly to:

- A decrease in mobile communications services revenues of 37.9 billion yen due to the expanded impact from the customer return measures, etc.;
- An increase of optical fiber communication services revenues of 24.6 billion yen;
- An increase in other operating revenues of 26.3 billion yen as a result of NTT Plala's inclusion as a consolidated subsidiary and other factors; and
- A drop in selling revenues of 72.6 billion yen owing to a reduction in the number of wholesale handsets sold, etc.

Operating expenses recorded an increase of 10.7 billion yen due mainly to consolidating NTT Plala as a subsidiary and a rise in point expenses.

Consequently, operating profit dropped by 70.3 billion yen from the same period of the previous fiscal year to 540.3 billion yen.

“d POINT CLUB” Members



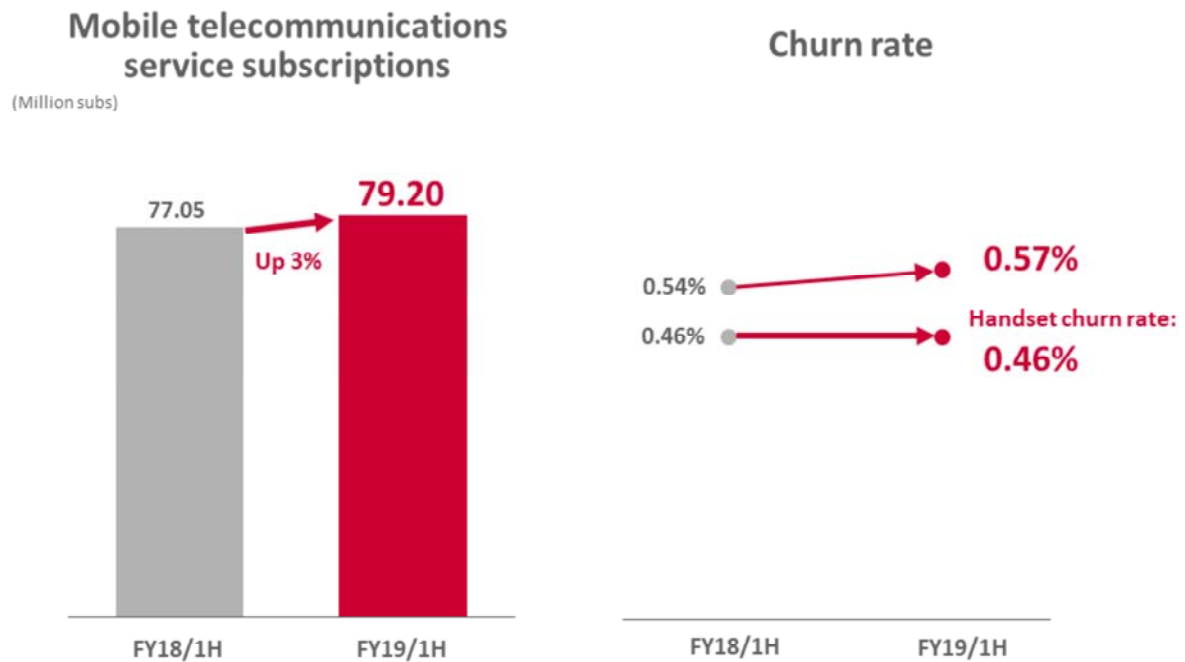
◆ “d POINT CARD” registrants indicate the no. of users who can earn and use “d POINTs” at participating stores by registering their personal information.

About “d POINT CLUB” membership.

The total number of “d POINT CLUB” members reached 72.34 million as of September 30, up 7% from the number a year ago.

Among them, the total number of “d POINT CARD registrants” (i.e., the number of users who can earn and use points at participating stores) grew 38% in the last 12 months to 38.35 million.

Telecommunications Business Operational Performance (1)



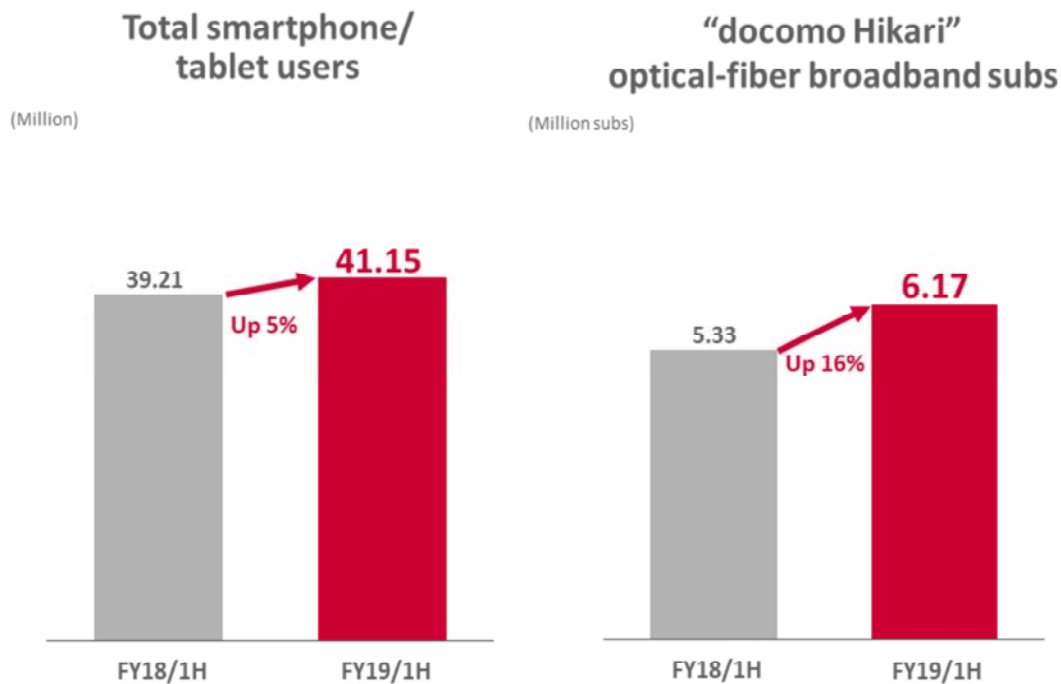
◆ Handset churn rate indicates the combined churn rate for smartphones and feature phones.

As for the operational performance of telecommunications business, the total number of mobile telecommunications subscriptions grew to 79.20 million, up 3% year-on-year.

Churn rate excluding MVNO subscriptions was 0.57%, marking a slight increase from the same period of last fiscal year, but still maintained at a low level.

The handset churn rate, on the other hand, remained unchanged from the same period of the previous fiscal year at 0.46% despite a harsh competitive environment, as we successfully reduced churns through the introduction of new rate plans, enrichment of our “d POINT” loyalty point program and evolution of our customer touchpoints.

Telecommunications Business Operational Performance (2)



The total number of smartphone and tablet users increased by 5% from the level a year ago to 41.15 million.

From November 1, we plan to start offering new programs, "Hajimete Sumaho Kounyu Support" and "Oshaberi Wari 60," for customers switching from 3G feature phones to smartphones. I will come back to the details of these programs later.

We will continue our efforts to accelerate subscriber migration to smartphones.

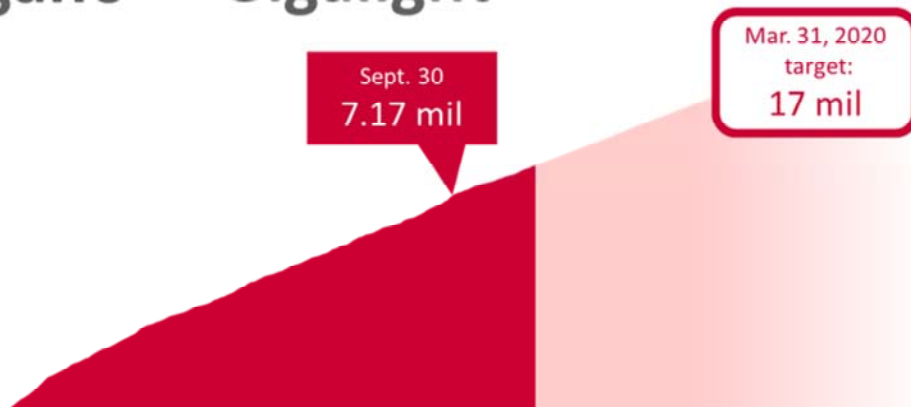
The total number of "docomo Hikari" subscriptions increased by 16% year-on-year to 6.17 million as of September 30.

New Rate Plans

No. of applications: Topped 8 million

Progressing favorably toward full-year target

“Gigaho” “Gigalight”



◆ New rate plans represent “Gigaho,” “Gigalight,” “Keitai Plan,” “Kids Keitai Plan” and “Data Plus.”
◆ No. of new rate plan applications topped 8 million on Oct. 21, 2019

The new rate plans continue to enjoy great reviews. With their total number of applications exceeding eight million on October 21, we are making a favorable progress toward our annual target to acquire 17 million applications by March 31, 2020.

To deliver on our annual target, we will aggressively promote users’ migration to the new rate plans by encouraging feature phone users to switch to smartphones and leveraging “rate consultation fairs” and one-to-one approaches, etc.

Increased Rate Plan Options

NTT docomo

Started offering “d CARD Oshiharai Wari” from Oct. 1 to provide service from ¥1,980/month with no cancellation fee



“d CARD Oshiharai Wari” lowers user’s monthly charge to the same rate as that of users with a two-year contract without requiring a fixed-term subscription



Perpetually waived d CARD annual membership fee



Lowered the cancellation fee for two-year contract subs from previously ¥9,500 to ¥1,000



Differential of monthly rates between subs without term contract and subs with a two-year contract lowered to ¥170

8

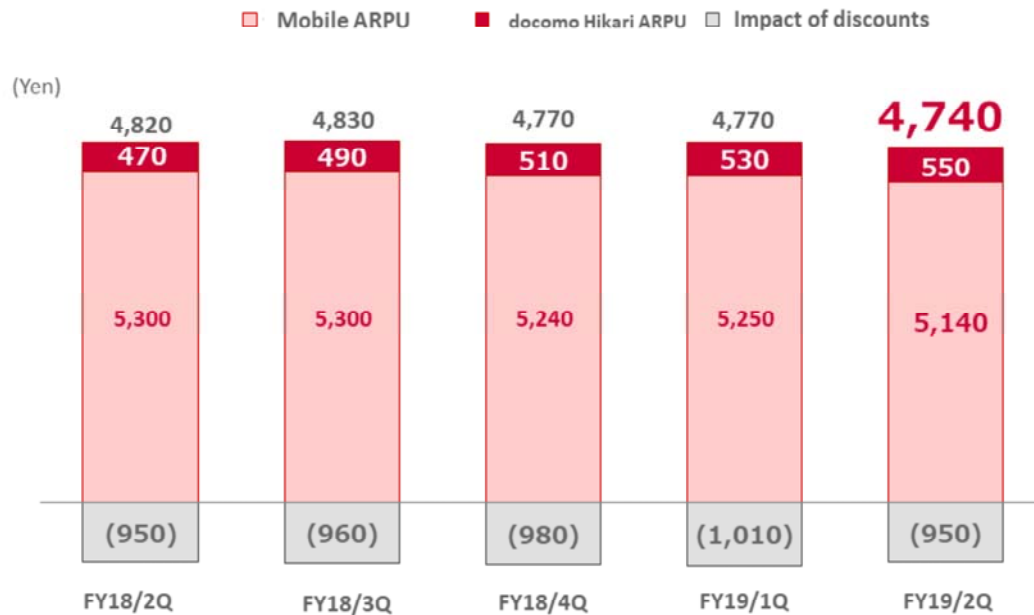
The slide here shows the newly introduced rate options.

On October 1, we launched “d CARD Oshiharai Wari” service, which provides a discount of 170 yen a month to customers who have applied for the new rate plan and agreed to pay their monthly bill with “d CARD.” This program allows customers to use service at the same monthly rate as that of users with a two-year contract without requiring a fixed-term contract.

Meanwhile, we also reduced the cancellation fee for two-year contract subscribers to 1,000 yen.

Going forward, we will make ongoing efforts to further enrich our rate services so that customers can continue to use our services with a peace of mind.

ARPU



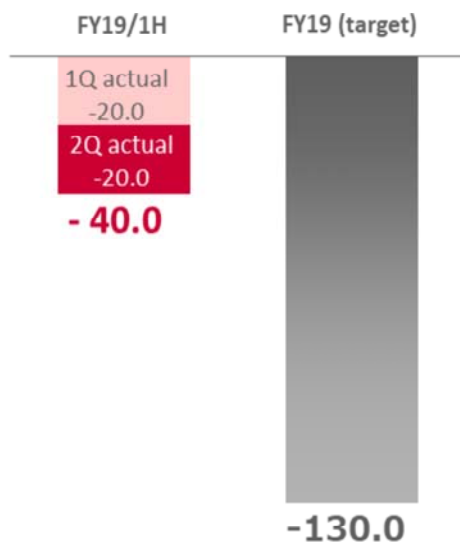
◆ For an explanation of ARPU, please see the Appendix.
 ◆ Mobile ARPU and docomo Hikari ARPU exclude the impact of discounts.
 ◆ The impact of discounts include those from "Monthly Support," "docomo with" and "docomo Hikari set discount."

Regarding our ARPU performance, the FY2019/2Q aggregate ARPU (including the impact of discounts) was 4,740 yen.

Despite the steady increase in "docomo Hikari" subscriptions, the aggregate ARPU dropped by 80 yen year-on-year due primarily to the expanded impact from the new rate plans and other customer return measures.

Cost Efficiency Improvement

(Billions of yen)



Focus areas

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

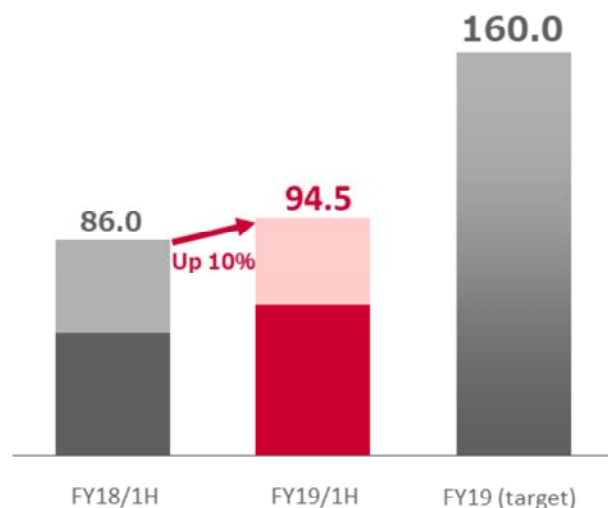
◆ The amount of cost efficiency improvement above indicates the cost reduction compared to the previous fiscal year.

About our cost efficiency improvement efforts.

In the first two quarters of FY2019, we delivered cost efficiency improvement totaling 40 billion yen, a progress more or less in line with our plan. We will continue to address efficiency improvement to achieve our full-year target of 130 billion yen.

Smart Life Business & Other Businesses: Operating Profit

(Billions of yen)



Principal services

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

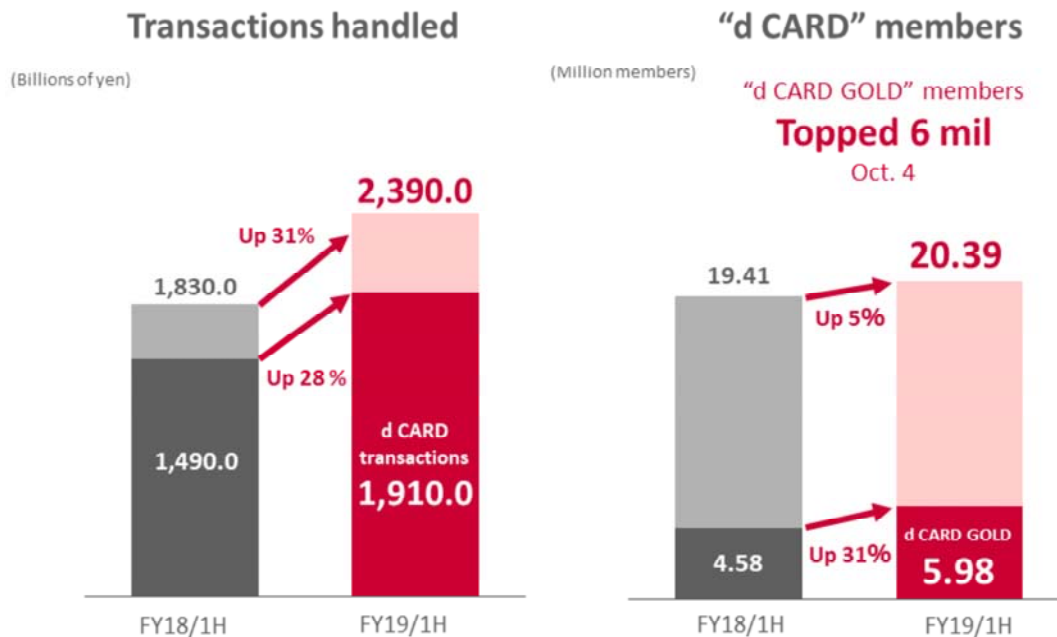
Operating profit from Smart life business and Other businesses for FY2019/1H increased by 10% year-on-year to 94.5 billion yen.

The contribution from each category to the FY2019/1H operating profit of 94.5 billion yen was as follows:

- Content/lifestyle (e.g., dTV, DAZN for docomo, etc.) accounted for approximately 15%;
- Finance/payment (e.g., d CARD, d Payment, etc.) approximately 15%;
- Support services for customers' peace of mind (e.g., Mobile Device Protection Service) approximately 45%; and
- Others (e.g., enterprise solutions, etc.) approximately 20%.

Please note that NTT Plala Inc., which became our consolidated subsidiary effective July 2019, is included under the "content/lifestyle" category.

Finance/Payment Services



◆ The amount of transactions handled includes the transactions handled with "d CARD", "iD", "d Payment" and proxy bill collection service, etc.
◆ The amount of "d CARD" transactions and no. of "d CARD" members include those of "d CARD", "d CARD GOLD" and "d CARD mini."

This is about our finance/payment services.

The total transactions processed with our finance/payment services grew by 31% year-on-year to 2,390 billion yen, of which transactions handled with "d CARD" accounted for 1,910 billion yen, recording an increase of 28% year-on-year. The amount of transactions has been expanding at a steady pace due to the effects of various campaigns and other factors.

The total "d CARD" members grew by 5% from the number a year ago to 20.39 million.

The number of "d CARD GOLD" members continued to increase, reaching 5.98 million as of September 30, up 31% from a year earlier, and surpassed the six million mark on October 4.

Expansion of Smartphone Payment **dōcocomo**



“d Payment” app downloads:
Topped 10 million

Introduced a
wallet function

“d Payment” mini app
planned for launch

Transactions processed with “d Payment”

¥121.0 billion

Locations where payment/
point services are available:

1.22 million



タクシーが呼べるアプリ。
JapanTaxi

dōcocomo
bike share

LAWSON

吉野家
YOSHINOYA

Reservation/
order

LAWSON

スギ薬局

ファミマ

Coupon

上島珈琲店

かっぱ寿司

4A

First Kitchen

First Kitchen

First Kitchen

◆ “d Payment” app downloads topped 10 million on Oct. 5, 2019 after its release on Apr. 25, 2018.

◆ The total transactions processed with “d Payment” is the cumulative amount for FY2019/1H.

◆ Locations where payment/point services are available represent the combined no. of locations where “d POINT,” “iD” and “d Payment” services can be used.

13

Here are the initiatives we have undertaken to expand smartphone payments.

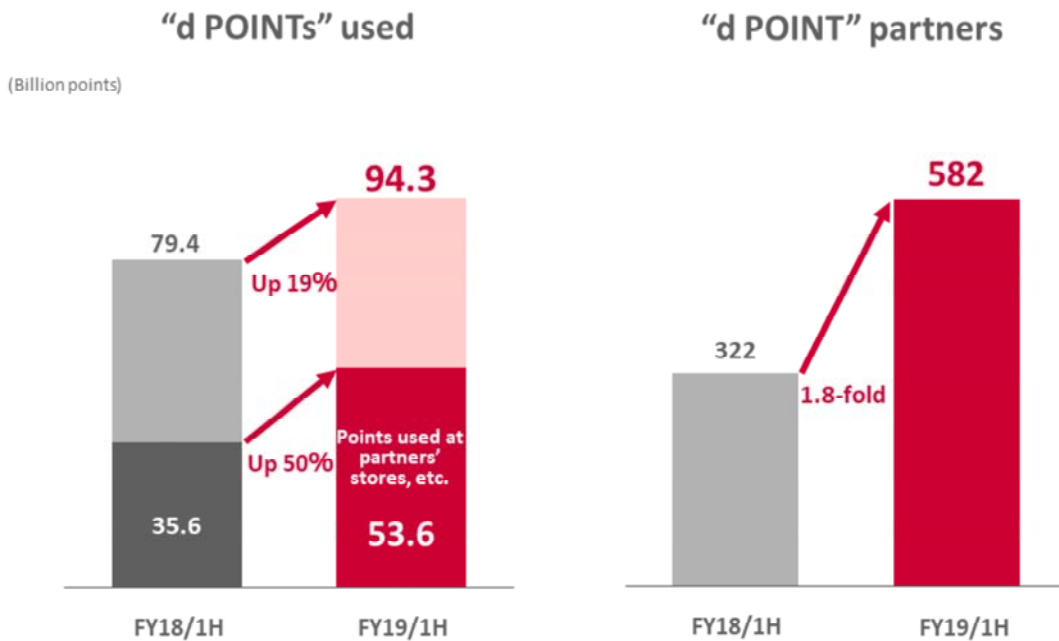
For “d Payment,” we have successfully expanded its user base and merchant network, and the cumulative number of “d Payment” app downloads topped 10 million on October 5. The total amount of “d Payment” transactions processed in FY2019/1H amounted to 121 billion yen.

The total number of locations where our payment/point services are available increased at a favorable pace to 1.22 million locations nationwide.

In September, we introduced a new wallet function to “d Payment” to enable money remittance between the app users. Further down the line, we plan to install mini apps within the “d Payment” app, which will allow our partners listed in this slide to offer various services such as taking pre-orders or distributing coupons.

We will continue to add new features and expand our partner network so that users can use “d Payment” in a wide variety of payment opportunities, thereby providing extra convenience and benefits to our customers’ everyday lives.

“d POINT”



◆ “d POINT” partners represent the total no. of brands/sites where users can earn or use “d POINTs.”

Some comments on our “d POINT” program.

As a result of our continued efforts to expand “d POINT” partner stores, the total “d POINTs” used grew by 19% year-on-year to 94.3 billion points.

Meanwhile, the number of “d POINT” partners reached 582 and continues to grow at a favorable pace.

Expansion of +d partners

NTT docomo

No. of +d partners topped 1,000



15

This slide shows the expansion of "+d" value co-creation program.

The number of partners continued to increase at a steady pace, surpassing the 1,000 mark to 1,028 organizations as of September 30.

Joining forces with our partners, we will continue to accelerate the value co-creation activities under the "+d" program.

5G pre-commercial service available in various locations across Japan since Sept. 20

5G service experience



Multi-angle viewing



High-presence live viewing



5G area expanding progressively

Co-creation with partners



Remote monitoring



Remote golf lesson

Creation of various 5G services & solutions will continue going forward

16

From here, I will talk about our 5G initiatives.

On September 20, we launched 5G pre-commercial service in various locations across Japan.

Taking the opportunity of the Rugby World Cup 2019™ games, we started offering new experience through our 5G-enabled smartphones, such as real-time multi-angle sport viewing, and received very positive feedbacks.

Further, in collaboration with partners, we started verification trials on a fully autonomous driving solution of remotely controlled agrimotors in Iwamizawa, Hokkaido, as well as remote golf lessons using AI-based video analysis tools jointly with the PGA.

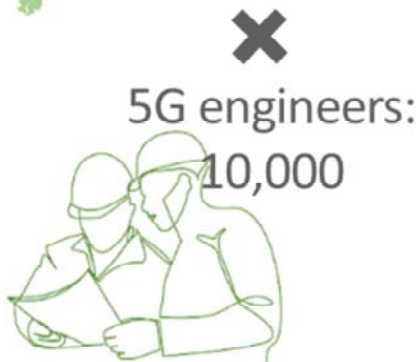
Further down the line, we plan to execute various 5G events and initiatives in various places across Japan, including the Tokyo International Film Festival, to create a wide array of 5G services and solutions in the runup to its full commercial launch scheduled for spring 2020.

5G Base Station Deployment Plan



5G network to be rolled out across Japan

No.1 development rate of 5G infrastructure maintenance in Japan: 97.02%

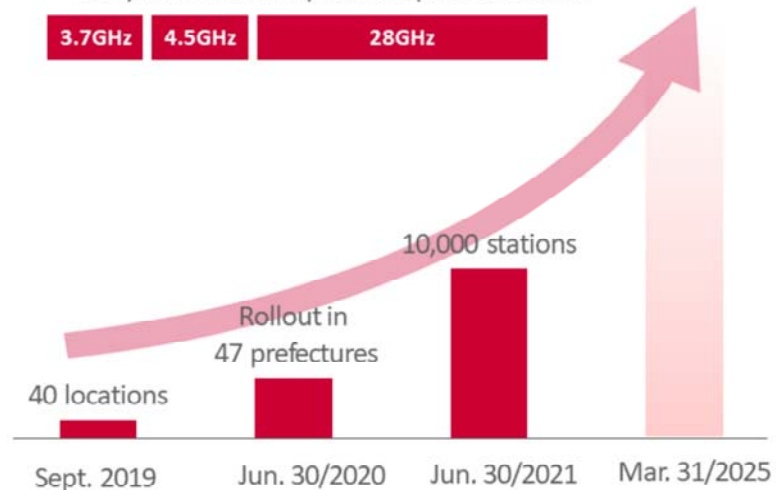


Only DOCOMO to operate 3 spectrum bands

3.7GHz

4.5GHz

28GHz



◆ Development rate of 5G infrastructure maintenance indicates the planned rate to be achieved by Mar. 31, 2025.

17

Our 5G base station deployment plan is summarized here.

In the 5G base station rollout plan that we submitted to the Ministry of Internal Affairs and Communications, we declared to complete the deployment of 26,334 5G base stations and achieve a development rate of 5G infrastructure maintenance of 97% within FY2024.

This is the minimal level that we can deliver with certainty. In fact, we plan to bring forward the construction schedule to allow as many people as possible to experience the 5G world earlier.

Also, we will mobilize more than 10,000 5G engineers including the engineers of our affiliates, uniting the forces of the entire group for the rollout.

With this structure, we will deploy 5G base stations in all 47 prefectures of Japan by Jun. 30, 2020, and complete the rollout of a cumulative 10,000 stations by Jun. 30, 2021.

We will continue to aggressively push forward 5G network buildout across Japan.

Termination of FOMA (3G) Service

Terminate 3G service on Mar. 31, 2026



◆ Stop accepting new applications for 3G after Mar. 31, 2020

◆ Terminate service on Mar. 31, 2026

**PREMIUM
4G**

◆ Max. download speed of 1,576Mbps to be offered from winter 2019

»5G

Commercial launch in spring 2020

◆ Acceptance of new applications for FOMA Voice Plans and i-mode has been finished on Sept. 30, 2019. Acceptance of new applications for all FOMA billing plans including FOMA Data Plans and Ubiquitous Plans, etc. will be finished on Mar. 31, 2020.

18

Here is our plan for the termination of FOMA (3G) service.

We already stopped accepting new applications for 3G voice plans and i-mode service. The acceptance of applications for other services will also be finished on March 31, 2020, and we will terminate the 3G service on March 31, 2026.

For customers who are currently using our 3G service, we will prepare a wide variety of 4G smartphones as well as other handsets that realize the same look and feel as the models they are accustomed to, so they can switch to the 4G network comfortably free of any concerns.

Meanwhile, we will also continue to advance our network capabilities toward the 5G era by further enhancing the speeds of our 4G network.

Acceleration of Subscriber Migration ^{NTT} docomo

Additional benefits to be offered to smartphone debutants from Nov. 1

Enriched 4G product lineup

Richer variety of standard models

Galaxy A20

AQUOS sense3



“Hajimete Sumaho Kounyu Support”

Users switching to a 4G contract: Up to **¥20,000** discount on handset cost

“Oshaberi Wari 60”

When combined with “Hajimete Sumaho Wari” discount, users aged 60 and above will be entitled to free domestic voice calling for all calls under 5 minutes from **¥980/month** for up to 12 months

◆ “Hajimete Sumaho Kounyu Support” can be also applied to 3G feature phone users of other carriers.

◆ The basic monthly charge above indicates the rate after applying “Minna DOCOMO Wari (3 lines or more)”, two-year term contract (with automatic rollover and cancellation fee) or “d CARD Oshihari Wari.” Calls longer than 5 minutes will incur separate charges.

19

As we announced during our recent new product presentation session, our 2019-2020 winter/spring handset collection features a rich variety of standard models which will be offered at affordable prices. Leveraging the enriched 4G product lineup, we hope to attract many customers to our smartphones.

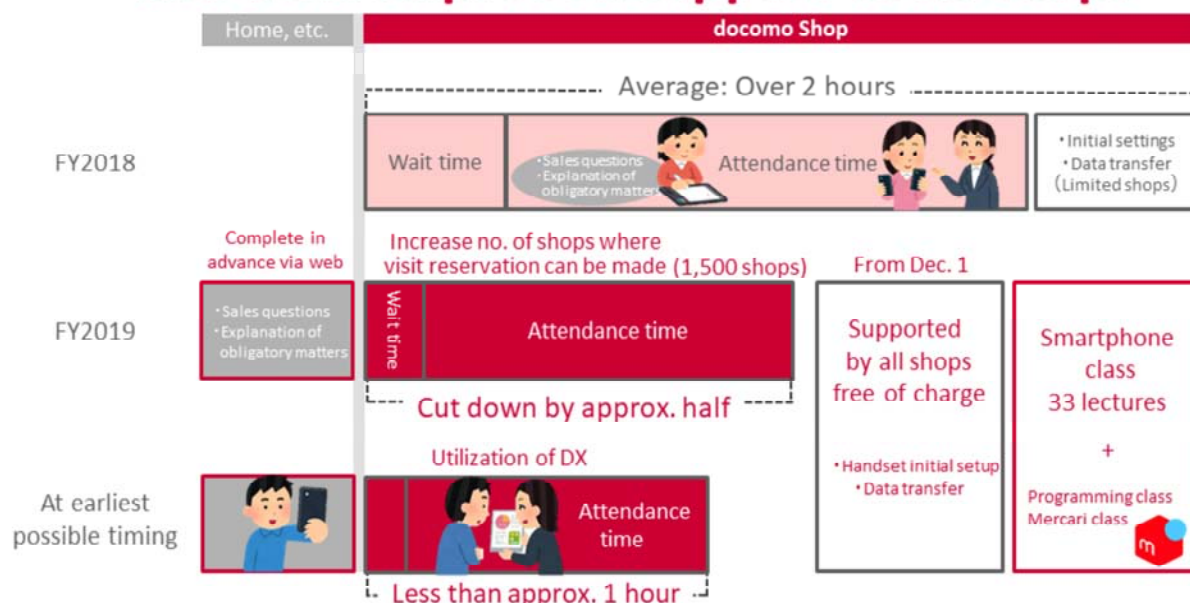
Further, from November 1, we will start offering the “Hajimete Sumaho Kounyu Support” program to assist the purchase of smartphones by customers who currently use 3G feature phones.

We will also launch the “Oshaberi Wari 60” service to customers of age 60 and above who have switched from a 3G feature phone to a 4G smartphone. When this package is applied together with the “Hajimete Sumaho Wari,” a discount program for first-time smartphone users that already enjoys great acceptance, users will be able to use our services from only 980 yen per month.

Through these measures, we will accelerate the migration of subscribers to 4G.

Reinforcement of Customer Touchpoints (docomo Shops)

**Shorten attendance time even further
and offer improved support at all shops**



Here, I will explain the reinforcement of customer touchpoints.

We implemented various measures to reduce customers' wait time and attendance time at docomo Shops. Our goal is to cut down the attendance time by half within this fiscal year, and further down to less than one hour at the earliest possible timing by employing DX.

Also, from December, we will start offering basic support, such as the initial setting and data transfer of handsets upon replacement, free of charge at all docomo Shops across Japan.

We also improved the curriculum of our smartphone classes by adding programming and Mercari classes.

Reinforcement of Customer Touchpoints (Web)

NTT docomo

Further improve customers' web experience

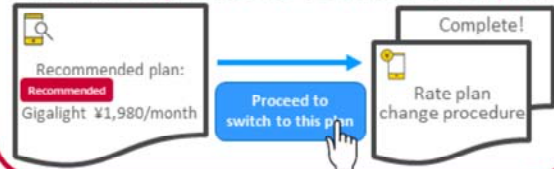
Procedures

Improved chat support for change of rate plan and other web procedures

- Extended support hours to up to 24:00
- Provide assistance sharing the same screen with customer



User can receive optimal rate plan proposal simulated based on actual usage and directly switch to recommended plan



Handset purchase

Simplified steps to save time



No. of pages for ordering cut down by half

Same day delivery (Only for Tokyo 23 wards)



21

The slide here explains the measures we implemented for our web channel.

We extended the service hours of our chatbot support in order to assist customers during night hours when many users access our web service for various procedures after the shops and call centers stop accepting customers.

We also offer a service that proposes the optimal rate plan for each customer based on their most recent usage record through our rate plan simulation site.

For purchase of handsets through our web channel, we shortened the time required to complete the purchase by halving the number of screen transitions of the ordering process.

From November 5, we plan to offer same-day handset delivery service, responding to the voices of customers who want to receive their newly ordered smartphones immediately.

Medium-Term Strategy

“Declaration beyond”: Actions Taken (1)

Value & excitement to customers

Declaration 1

Market leader

User base of “+Message” service topped 10 million

Executed a campaign offering a chance to win reward points (total of 10 million points), etc. (Announced Aug. 9)

Declaration 2

Style innovation

Concluded alliance with Paronym Inc. for next-generation **interactive video technology**

Explore new viewing experience for music lives and sports viewing using “TIG” interactive video technology (Announced Sept. 6)

Declaration 3

Peace of mind and comfort support

Revamped after-sales support to deliver greater peace of mind

Provision of “Anshin Pack Mobile” and “Anshin Pack Home” (Launched July 24)
Started replacing handsets of “Mobile Device Protection Service” at shops on the same day (from Sept. 3)

Here, I will give you an update on the progress of implementation of our Medium-Term strategy 2020 “Declaration beyond.”

With respect to the initiatives to deliver “value and excitement to customers”;

In relation to Declaration 1, the total number of “+Message” service users of the three Japanese mobile carriers combined exceeded 10 million.

Under Declaration 2, we formed an alliance with Paronym Inc. for “TIG” interactive video technology, which displays detailed information of user’s interest just by a touch on the screen of the relevant part of the video.

And under Declaration 3, we added the “Anshin Pack Home” service that provides insurance coverage also for home digital devices. We also started providing the replacement handsets for Mobile Device Protection Service at select docomo Shops on the same day of claim application.

Medium-Term Strategy

“Declaration beyond”: Actions Taken (2)

Value co-creation with partners

Declaration 4

Industry
creation

Launch of 5G service in Guam (FWA for enterprises)

Offer affordable and high-speed 5G communication service that can substitute optical fiber circuits (Launched Oct. 29)

Declaration 5

Solution
co-creation

Entered into investment and business alliance agreement with EDGEMATRIX, Inc. to commercialize “Edge AI Platform”

Aim to bring edge AI technology closer to people and build an ecosystem that vitalizes AI-based solutions (Announced Aug. 29)

Declaration 6

Partner business
expansion

Started offering “DOCOMO Lending Platform” to financial institutions

Support provision of new loan services through credit scoring and repayment advice on app (Launched Aug. 29)

◆ FWA: Abbreviation for Fixed Wireless Access, a data communication system that connects the subscriber circuit connecting the users and Internet service provider with wireless access.

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

Under Declaration 4, at DOCOMO Pacific Guam, we started from today the commercial 5G service as a fixed wireless access (FWA) solution for enterprises.

Under Declaration 5, we entered into an investment and business alliance agreement with EDGEMATRIX, Inc. with the aim of building an ecosystem for the vitalization of AI-based solutions.

And under Declaration 6, we started providing “DOCOMO Lending Platform” for financial institutions.

Other than what I introduced today, many other initiatives are currently underway. We will accelerate these initiatives to deliver on “Declaration beyond” and realize a richer future.

ESG Evaluations

Global

Continued to be adopted in prominent ESG indices

MEMBER OF
**Dow Jones
Sustainability Indices**

In collaboration with



FTSE4Good

MSCI



2019 Constituent
MSCI ESG
Leaders Indexes

Japan

Continued to be adopted as constituents of
all ESG indices selected by GPIF



FTSE Blossom
Japan

MSCI



MSCI Japan ESG
Select Leaders Index

MSCI



MSCI Japan Empowering
Women Index (WIN)



◆ GPIF is an abbreviation for Government Pension Investment Fund, Japan. GPIF announced the selection of 3 ESG indices in July 2017, and added another ESG index in September 2018.
◆ The inclusion of NTT DOCOMO, INC. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of NTT DOCOMO, INC. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

This is about our ESG evaluations.

As shown here, we were continually adopted in three globally prominent ESG indices as well as all ESG indices selected by GPIF.

ESG Initiatives

Endorsement of TCFD Recommendations

First telecom company in Japan
to declare endorsement



Publication of "NTT DOCOMO Personal Data Charter"

Clearly presented corporate policies for data handling



Promotion of Smartphone and Mobile Phone Safety Classes

Cumulative no. of sessions held: Approx. 83,000
Cumulative no. of participants: Approx. 13 million

(As of Sept. 30, 2019)



Solution of Social Issues

Started natural communication-enabled
AI guidance service "Oshaberi Annaiban™"



Here, let me introduce the key ESG-related initiatives undertaken this fiscal year.

As for climate-related initiatives, we became the first company in Japan's telecommunications industry to declare endorsement of TCFD (Task Force on Climate-Related Financial Disclosures). We are committed to making proper climate-related disclosures going forward.

As an action for privacy protection, we published "NTT DOCOMO Personal Data Charter" so that customers can utilize our services without any worries about the handling of their privacy data.

We held a some 83,000 sessions of Smartphone and Mobile Phone Safety Classes in which we provide tips to prevent danger or troubles arising from the use of smartphones/mobile phones and garnered some 13 million participants on a cumulative basis in the period through Sept. 30.

Finally, in an effort to solve social issues, we started natural communication-enabled AI guidance service "Oshaberi Annaiban™".

We will continue our endeavors to realize a sustainable society through the execution of "Declaration beyond."

Response to Typhoons No. 15 & 19 ^{NTT} docomo

Responded quickly to minimize impact on service

Executed restoration/support activities mobilizing up to approx. 2,000 people/day

Dispatch of satellite
mobile base stations



Standby of onboard-vessel
base station, etc.



Deployment of emergency
microwave links



Free battery charging/Wi-Fi services

Provided at docomo Shops, shelters, etc. in stricken areas



Disaster info for foreigners visiting Japan

Delivered SMS messages to approx. 240,000 people



Distributed links to disaster
information in English,
Chinese and Korean

Typhoon No. 19

**"Disaster Data Unlimited Mode" will continue to be applied in November
in areas where Disaster Relief Act is applied**

26

Some comments concerning our responses to Typhoon No. 15 and No. 19 of 2019.

We executed restoration and support activities mobilizing up to some 2,000 people per day.

We also strived to minimize the impact of the disaster by offering free-of-charge battery charging and Wi-Fi services and delivering disaster information to foreigners visiting Japan.

Furthermore, we operated the "Disaster Data Unlimited Mode" service, which provides unlimited data access with no speed limitation without requiring any extra charges to the monthly rate that was in force at the time of activation of "Disaster Data Unlimited Mode".

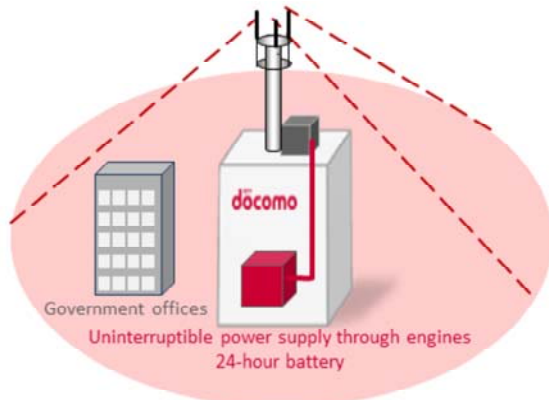
We will continue to provide "Disaster Data Unlimited Mode" in November in areas where the Disaster Relief Act is applied for Typhoon No. 19.

DOCOMO's Disaster Preparedness Measures ^{NTT}docomo

Minimize communication failure by implementing stepped up disaster preparedness measures

Actions for strengthening emergency power supply

Areas where local government offices, etc. are located as well as medium-zone base stations are furnished with uninterruptible power supply or 24-hour battery



*Areas where local government offices are located: Furnishing completed in FY2011
Medium-zone base station: Furnishing planned to be completed within FY2019

Planned future reinforcements

Disaster preparedness measures leveraging AI



- Swift release of restoration area map to customers
- More advanced area restoration through automatic antenna tilt

Reliability improvement of node buildings



- Additional flood control measures at key node buildings (Wall reinforcement, water stops, etc.)

This explains our stepped up disaster preparedness measures.

To reinforce our emergency power supply, we have furnished the sites where local government offices are located as well as medium-zone base stations with uninterruptible power supply or 24-hour battery. Also, core disaster hospitals and other important locations have been converted into 72-hour power supply as much as possible, and we are considering further reinforcements for the future.

Going forward, to further improve our preparedness, we will employ AI-based disaster measures and equip key node buildings with additional flood control.

We will continue to strengthen and improve our disaster preparedness in our day-to-day activities to enhance the safety and reliability of our network.

Share Repurchase: Progress

- ▶ Acquisition method: Purchase on the Tokyo Stock Exchange market
- ▶ Period for share repurchase: May 7, 2019 - Sept. 30, 2019
- ▶ Aggregate no. of shares repurchased: Approx. 47.71 million shares
- ▶ Aggregate price of shares repurchased: Approx. ¥122.8 billion
- ▶ Remaining share repurchase authorization: Approx. ¥177.2 billion
(through Apr. 30, 2020)

◆ The aggregate no. of shares repurchased described above represents the cumulative number of shares repurchased pursuant to the resolution approved at the Board of Directors meeting held on Apr. 26, 2019 (as of Sept. 30, 2019). (Counted on delivery basis).

About our share repurchase program.

The progress achieved through the second quarter is presented here.

In the period between May 7 through September 30, 2019, we acquired approximately 47.71 million shares worth approximately 122.8 billion yen through market purchase on the Tokyo Stock Exchange.

The remaining authorization is approximately 177.2 billion yen.
We will continue to buy back shares through market purchase.

FY2019 Guidance (Revised)

IFRS

(Billions of yen)	FY2019 Initial guidance (1)	FY2019 Revised guidance (2)	Changes (2) - (1)
Operating revenues	4,580.0	4,640.0	+60.0
Operating profit	830.0	830.0	0
Smart life business & Other businesses	160.0	160.0	0
Capital Expenditures	570.0	570.0	0
Adjusted Free Cash Flow	530.0	530.0	0
Cost efficiency improvement	130.0	130.0	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. In association with the adoption of IFRS16 "Lease" effective Apr. 1, 2019, lease-related expense items are reclassified into "depreciation/amortization" from previously "cost of equipment sold and services, and other expenses" and "communication network charges." The figure above represents the amount excluding this impact, etc.

◆ The amount of cost efficiency improvement above indicates the cost reduction compared to the previous fiscal year.

This is the revised guidance for FY2019.


As you see, we made some revisions to the FY2019 guidance that we announced in the beginning of the year.

Operating revenues were revised upwards by 60 billion yen to 4,640 billion yen. Operating profit remains unchanged due to the planned implementation of measures to accelerate the migration of subscribers to smartphones and initiatives to reinforce Smart Life and Other Businesses including the promotion of cashless payment, etc.

FY2019/1H Summary

- ▶ Recorded ¥540.3 billion in operating profit, making a favorable progress toward full-year guidance.
- ▶ New rate plans garnered over 8 million applications. Started offering “d CARD Oshiharai Wari.”
- ▶ Launched 5G pre-commercial service, and moving forward with 5G network construction toward full-commercial launch.
- ▶ No. of “d POINT CLUB” members grew to 72.34 million. No. of participating stores and point usage also continued to expand at a favorable pace.
- ▶ Operating profit from Smart life business and Other businesses was ¥94.5 billion. Adoption of smartphone payment service expanding steadily.
- ▶ Achieved cost efficiency improvement of ¥40.0 billion, making progress as planned toward delivery of full-year target.
- ▶ Repurchased shares worth approx. ¥122.8 billion. Plan to continue market purchase.

A summary of our FY2019/1H results is provided here.



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

31

In the second quarter, we worked to reinforce our customer foundation by executing measures to expand the adoption of the new rate plans and smartphone payment amid intense competition.

Today, we announced the termination of 3G service. We will aim to achieve enhanced efficiency in our business operation by tackling subscriber migration and network advancement more aggressively than ever.

In the second half of the year, we will move forward with the 5G network construction across Japan toward the full commercial launch scheduled for spring 2020 leveraging the experience accumulated during the pre-commercial phase.

The new of today, the norm of tomorrow



Appendix

Principal 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/Lifestyle services

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

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

Finance/Payment services

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

Other businesses

Support services for customers peace of mind

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

Enterprise solutions

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

Definition and Calculation Methods of ARPU

i. Definition of ARPU

ARPU (Average monthly Revenue Per Unit):

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

ii. ARPU Calculation Methods

Aggregate ARPU = Mobile ARPU + "docomo Hikari" ARPU

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

- "docomo Hikari" ARPU : "docomo Hikari"-related revenues (basic monthly charges, voice communication charges) / No. of active users

*ARPU excluding the impact of discounts are calculated without including the amounts of discounts applied in the relevant revenues.

iii. Active Users Calculation Method

Sum of No. of active users for each month ((No. of users at the end of previous month + No. of users at the end of current month) / 2) during the relevant period

iv.

1. The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:

- 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
- 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.

Names of companies, products, etc., contained in this presentation are the trademarks or registered trademarks of their respective organizations.