Questioner No. 1	
Q1	In relation to the liquidation of receivables, can you share with us the balance of "d CARD receivables" and handset installment receivables as of Dec. 31, 2019? Please also share with us your thoughts about the liquidation plan for FY2020.
A1	The balance of "d CARD receivables" was 740 billion yen as of Dec. 31, 2019, and we also have a similar amount in handset installment receivables of roughly 740 billion yen. While it may be difficult to liquidate the entire balance, we believe it will be possible to pursue liquidation of up to approximately 1 trillion yen. For the next fiscal year, we may use the proceeds from liquidation for growth investments or share repurchases. In the case of share repurchase, we can squeeze both our assets and liabilities by the same amount, which will result in reducing our capital cost and increasing ROIC. Nothing is decided about the size of share repurchases for the next fiscal year and beyond, but for the current fiscal year, we are in the middle of the execution of a one-year share repurchase program of 300 billion yen, continuing to purchase shares worth 10% of our daily trading volume from the market. Therefore, if we are to repurchase shares from the market setting aside the possibility of a tender offer for now, the maximum size of share repurchase that we can practically carry out in a year would be around 300 billion yen.
Q2	Can you comment on your plans as to how you plan to counter the new entrant that will start their mobile phone business from April? There are various options that you can possibly take, such as continuing the "Gigaho Zouryou Campaign" or increasing the "d POINTs" you grant to customers. Please let us know if you have any concrete measures in mind.
A2	I believe your question refers to the market entry by Rakuten. Since they have not unveiled their rate plans or any other details, it is difficult to directly answer your question concerning our countermeasures. However, we have already introduced our new rate plans in June 2019, and thereafter steadily increased their subscription applications toward our annual target of 17 million. Strong promotion of the new rate plans is one of our countermeasures against the new entrant. Meanwhile, we have also rolled our various campaigns, which are enjoying great reviews from customers and producing tangible results. How long to continue these offers will be decided in view of the market conditions and competitive environment. Further, customers no longer select carriers solely by the price and handsets. We therefore need to thoroughly brush up the source of our competitiveness in the mobile business, i.e., our network and after-sales support, etc., and at the same time expand the services that customers perceive to be useful for their everyday lives, especially our finance and payment offerings, to have customers choose us for our comprehensive strengths.

Questioner No. 2	
Q1	How do you assess the change of the regulatory framework for handset sales that took effect from October? Was it a favorable or unfavorable development for you? Please explain your thoughts and the reasons why you believe so.
A1	The enforcement of the amended Telecommunications Business Act in October provided equal competitive conditions to the three mobile network operators, and quieted down the fierce sales offensive including the cash rebates that had been provided by agent resellers. Against this backdrop, our handset subscription acquisitions improved significantly in FY2019/3Q compared to the previous quarter as a result of the launch of the new rate plans in June and the various campaigns (e.g., Amazon Prime privilege and discounts on Disney DELUXE.) However, we believe the true impact from the implementation of the amended law will manifest itself from now onwards. There was a change of regulatory framework aimed at increasing subscriber liquidity by bringing down the switching cost through lower cancellation fees, etc., and customers that make an application can move to a new plan from October. We plan to provide customers with extra convenience and benefits to their everyday lives by combining our rate plans and handsets with our network and services, thereby maintaining and expanding our customer base.

Q2	You achieved very favorable progress in the generation of operating profit vis-à-vis your full-year guidance. If you have not revised your internal projections, how do you foresee its landing? Please explain from the viewpoint of one-off expenses and the projected amount of EBITDA.
A2	Our operating profit for the fourth quarter of last fiscal year was 110 billion yen. If we achieve a similar amount this year, our full-year operating profit will end up significantly higher than our guidance. However, there are some factors that negatively affect our profit this year, i.e., the introduction of "Gigaho" and "Gigalight", which will likely decrease our profit by several tens of billions of yen. In addition, we have been promoting various measures, such as those to encourage subscriber migration to smartphones for the purpose of reinforcing our customer base, the handset discounts for customers switching from 3G feature phones to smartphones aimed at boosting our net additions, and the point-related campaigns and promotions to strengthen our finance/payment business. Furthermore, as a recurrent factor, the increase in 5G-related expenses and depreciation will also negatively affect our operating profit. For these factors, while we are very confident about the attainment of our full-year operating profit guidance of 830 billion yen, we do not foresee so much upsides and the landing is projected to be close to our target.
Q3	Does that imply you plan to spend a large sum of expenses in FY2019/4Q for your sales/marketing measures? Should I expect that you will stop heavily promoting these measures at some point during the next fiscal year?
A3	We do not implement or terminate programs at predefined timings of the year, e.g., executing in the fourth quarter and stopping in the first quarter. Rather, we always keep a close eye on the profit level and implement measures that are expected to lead to profit growth in the future if we have leeway. In the current quarter (FY2019/4Q), we have some extra capacity to carry out such measures. Because we cannot significantly raise the amount of "Direct Wari" discounts that are provided for the purchase of handsets due to regulatory constraints, we would like to focus the measures aimed at facilitating subscribers' migration from 3G feature phones to smartphones as well as point program-related measures.

Questioner No. 3	
Q1	This is a question relating to the customers returns to be provided through your new rate plans. You mentioned that the estimated size of its impact was 200 billion yen in your initial forecast, but you later revised it downwards by 10-20 billion yen after a review at the end of the first half. Was there any change to your views after finishing three quarters? If you have made any changes, please explain which element was reviewed and which factor (e.g., the impact from the new rate plans per se, or the impact from the Monthly Support program) was different from your earlier assumptions.
A1	The actual impact from the customer return measures, including the impact of Monthly Support program, for the first three quarters was approximately 90 billion yen, which was more or less in line with our initial forecast. Because the adoption of the new rate plans was slow in the early months of May and June, the full-year impact may come in lower than 200 billion yen, but we do not think it will be far off from that number. The mobile communications services revenues excluding the impact of the new rate plans is projected to come in slightly higher than our initial projections due to the generally favorable performance of the 1GB data top-up service, upselling to larger buckets and voice revenues. One point of slight concern is the lower-than-expected upsells within the new rate plans, while the upsells within the old rate plans has been faring better than expected. We will keep a close eye on the upsell trend, as this is an important element for our FY2020 results.
Q2	There are talks about the conversion of the existing 4G spectrum for 5G use. Can you share with us your views on this matter? Please also explain your policies as to how to respond to the possible tax incentives that may be applied to 5G-related capital expenditures. Do you have any plans to bring forward your plan to roll out 10,000 base stations by spring of next year?
A2	We are aware of the discussion concerning the conversion of the existing spectrum bands for use with NR (New Radio). However, as a telecommunications operator, we obtained a license on the

	assumption of rolling out 5G using the newly allocated spectrum bands. Therefore, we will first focus on delivering what we have committed in our buildout plan. We can then start looking into the deployment of NR converting the existing bands. However, it may not be possible to allow customers to experience 5G's unique properties of high-speed, large-capacity and low-latency transmission given the limited carrier bandwidth of the existing bands. We believe it is important to avoid misleading customers with a false perception that the existing spectrum bands can provide the full performance of 5G. In our understanding, the details of the tax incentives are not finalized yet. If such incentives become available, we will take full advantage of them and aim to roll out more than 10,000 base stations.

Questioner No. 4	
Q1	As you achieved a significant improvement in your churn rate performance, can you tell us which segment has stopped flowing out from DOCOMO? Was there any causal relationship between your churn rate and your earlier comment concerning the better-than-expected upsell records within the old rate plans? Please indicate the specific user segment (e.g., high-end or low-end) that showed an improvement.
A1	The enforcement of the revised Telecommunications Business Act from October leveled the playing field for all three mobile carriers. We introduced the so-called separation plans (that unbundle the handset prices from communication charges) including the "Sumaho Okaeshi" trade-in system from June ahead of the competition. However, other carriers kept providing handset cash rebates and continued various other sales measures via their agent resellers through the end of September. This put us on a defensive during the second quarter, but we were able to improve our churns significantly from the third quarter due partly to the effects of the revised law.
Q2	Which segment do you think was most affected after October, high-end or low-end? I would appreciate your comment as this could have an impact on your future ARPU trends.
A2	While we cannot disclose so much detail due to competitive reasons, because our competitors took an offensive by offering expensive high-end handsets at very low prices, we believe we successfully reduced the churns of users who respond sensitively to such sales practices.
Q3	Have the best-selling models shifted to low-end handsets?
A3	We would like to reserve our comments pertaining to the breakdown of handsets sold. After introducing the so-called separation plans in June, we have enriched the lineup of standard models with the release of Galaxy A20 and other handsets. In addition, as a result of our efforts to migrate subscribers from 3G feature phones to smartphones, the percentage of standard models to total handsets sold has been rising.

Questioner No. 5	
Q1	You indicated that the maximum size of your receivable liquidation program would be 1 trillion yen. Please elaborate on the timeframe of its execution.
A1	As a first step, we plan to liquidate receivables worth 50 billion yen in the end of March this year. We are currently holding diligent discussions with financial institutions and audit firms to confirm whether we can truly execute the off-balancing procedures after closing our books and receiving the audit approval. Once we get that confirmation, we will be financially ready to carry out liquidation of assets other than handset installment receivables depending on our funding needs. As for shareholder returns, as always, we intend to give you some indication on our plans for dividend increase and share repurchase when we announce our FY2019 full-year results at the earliest.
Q2	When I look at the progress of your capital expenditures, it has been faring roughly 10% lower compared to the same period of the last fiscal year. Do you think you will be able to achieve the projected full-year CAPEX budget in the remaining 2-3 months? Have you already resolved the component supply issue, etc.?
A2	As we had anticipated that there would be certain periods in the first half in which we could not build facilities due to national events (e.g., G20 summit, the accession ceremony of the Emperor), we had

	appropriated a large amount of capital expenditures in the fourth quarter from the beginning. Therefore, if we can deliver on the planned expenditures for the fourth quarter, we will achieve the projected full-year CAPEX of 570 billion yen. As for the supply shortage of components caused by the series of typhoons and the shortage of high-strength bolts, because the situation has improved steadily over time, we believe we are well positioned to achieve our full-year CAPEX target.
Q3	Can you give us an update on your recent 5G-related capital outlays?
A3	We are making favorable progress in the development and rollout of network toward the full commercial launch of 5G service scheduled for spring 2020.

Questioner No. 6	
Q1	Can you disclose the percentage of "Gigaho" users to your total new rate plan subscribers, and if you have witnessed any changes in its trend following the launch of "Gigaho Zouryou Campaign?"
A1	It is difficult to comment on the year-end outlook at this juncture because "Gigaho Zouryou Campaign" was launched only recently. Although the number of users who actually consume the entire 60 GB data allowance is limited, the service is enjoying great reviews as it provides a sense of assurance, freeing customers from worries about their data usage. With the launch of this package, we believe we were able to make up for the inferiority we previously had compared to the competition, and this is expected to lead to increased new subscriber acquisitions and reduction of port-outs. The adoption rate of "Gigaho" had fared slightly lower than our expectations until the end of December, but following the introduction of "Gigaho Zouryou Campaign," the percentage of users choosing "Gigaho" started to outperform our forecasts. While we need to come up with certain countermeasures against the negative revenue impact from the "Gigaho Zouryou Campaign" taking into consideration the balance with the reduction of the purchase of 1GB data top-up by "Gigaho" users, if the "Gigaho" selection rate remains high, it will likely have a positive impact on our overall financial performance.

Questioner No. 7	
Q1	Recently, we have seen an accelerating trend among your competitors to open up their ecosystem using the payment service as a pivot or by forming alliances with other players. Amid these market trends and the moves of your competitors, what kind of impact do you foresee on DOCOMO's economic sphere and your future profit from Smart life business?
A1	We have been working to expand our "d POINT CLUB" members with the aim of reinforcing our customer base. Its monetization opportunities include the commission revenues from the payment services and the advertisement revenues. We may also be able to earn revenues from marketing services by analyzing our transaction data and providing them to our partners for their business expansion. Furthermore, with respect to "d POINT" service, we have rolled out various campaigns spending our own expenses, but our point program partners are also purchasing "d POINTs" from us, making a positive contribution to our profit. As I just mentioned, we intend to seek revenue growth in the future from the four major streams of payment, advertisement, customer referral/CRM and external sales of "d POINTs." To expand our user base and boost the number of transactions, we are currently working to increase the "d POINT CLUB" membership and the number of "d Payment" users. "d CARD" (and "d CARD GOLD" in particular) has a very strong point generation effect. "d CARD GOLD" has also turned out very effective for curbing the churns and improving the retention of our mobile phone service. As part of our ongoing efforts to expand our membership base, we agreed on a strategic alliance with Recruit this time around and we will explore the possibility of further increasing this sort of strategic partnerships going forward. The number of "d POINT" members has been growing at a very rapid pace, exceeding 73 million by December 31, 2019. While we cannot be specific on the timing of achievement, we would like to grow the total membership to over 100 million as early as possible. By expanding our user base in this manner, we will deliver benefits and services to customers. At the same time, we will endeavor to add more business partners to increase transactions and expand the overall ecosystem. We will aim to increase our profits as we explore this avenue. This is the high-level strategy we intend to pursue.

Q2	Does that mean the market consolidation centered on payment services that we have seen in the last three months will not likely have significant direct repercussions on your business, and you are happy to stay on your existing strategy?
A2	That is basically correct.