
FY2019/3Q

Results Presentation



January 30, 2020

FY2019/1-3Q Results Highlights

(Billions of yen)

IFRS

	FY2018/1-3Q cumulative (1)	FY2019/1-3Q cumulative (2)	Changes (2) – (1)	Changes (%)
Operating revenues	3,654.1	3,516.0	- 138.1	- 3.8%
Operating profit	902.0	787.9	- 114.2	- 12.7%
Profit attributable to shareholders of NTT DOCOMO, INC.	607.6	542.3	- 65.2	- 10.7%
Adjusted free cash flow	386.8	414.3	+27.4	+7.1%
Capital expenditures	389.5	338.1	- 51.4	- 13.2%

◆ 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 has been 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.

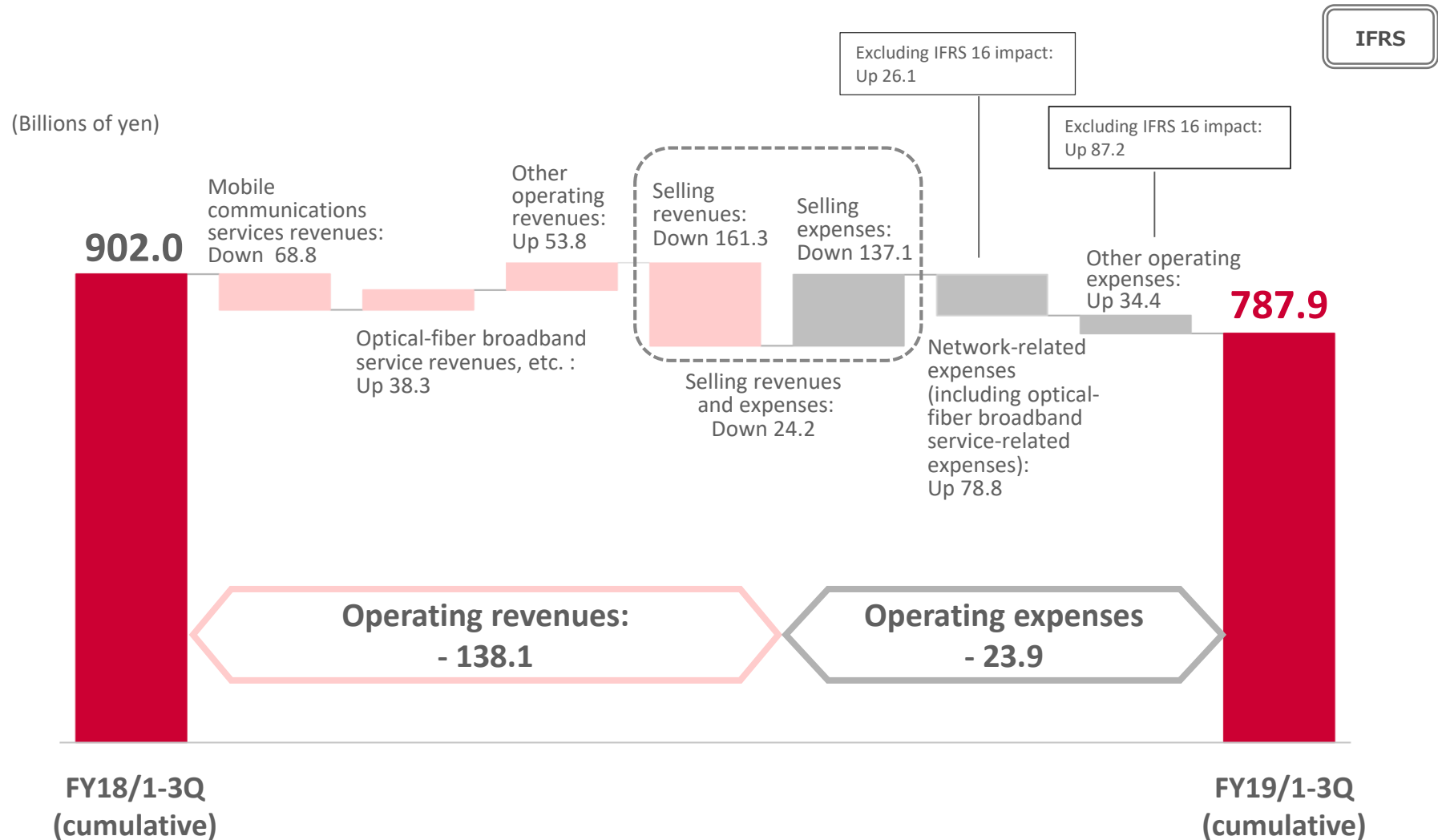
Results by Segment

IFRS

(Billions of yen)		FY2018/1-3Q cumulative (1)	FY2019/1-3Q cumulative (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	3,005.2	2,805.9	- 199.4
	Operating profit	767.2	651.4	- 115.8
Smart life business	Operating revenues	337.6	397.5	+59.9
	Operating profit	59.8	47.7	- 12.1
Other businesses	Operating revenues	328.9	335.2	+6.3
	Operating profit	75.0	88.7	+13.8
<Ref.> Smart life business and Other businesses	Operating revenues	666.5	732.8	+66.2
	Operating profit	134.8	136.4	+1.7

◆ Certain services that had been included in the smart life business were reclassified to other businesses to reflect the change in its internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the nine months ended December 31, 2018 has been restated to conform to the presentation for the nine months ended December 31, 2019.

Key Factors behind Changes in Operating Profit



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

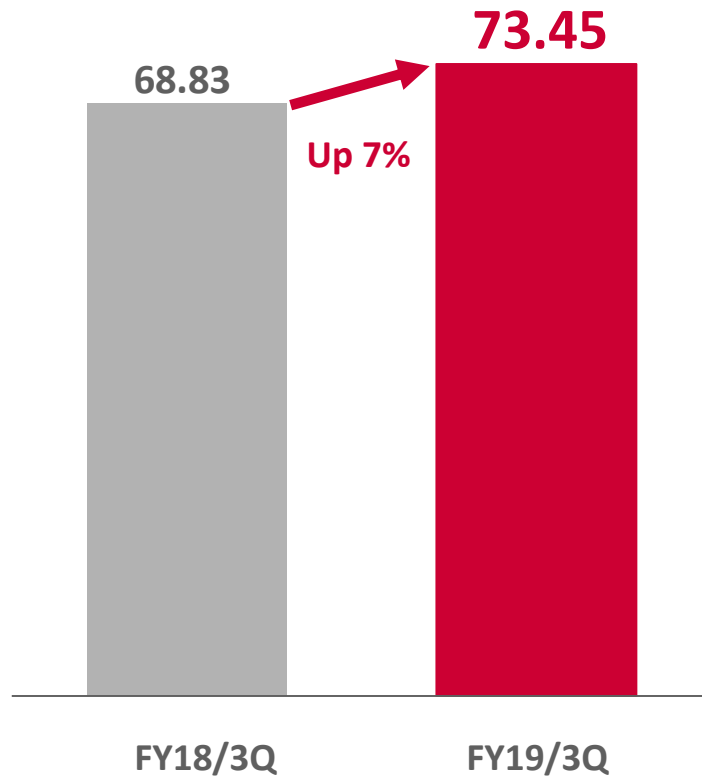
◆ Network-related expenses represent the sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges.

“d POINT CLUB” Members

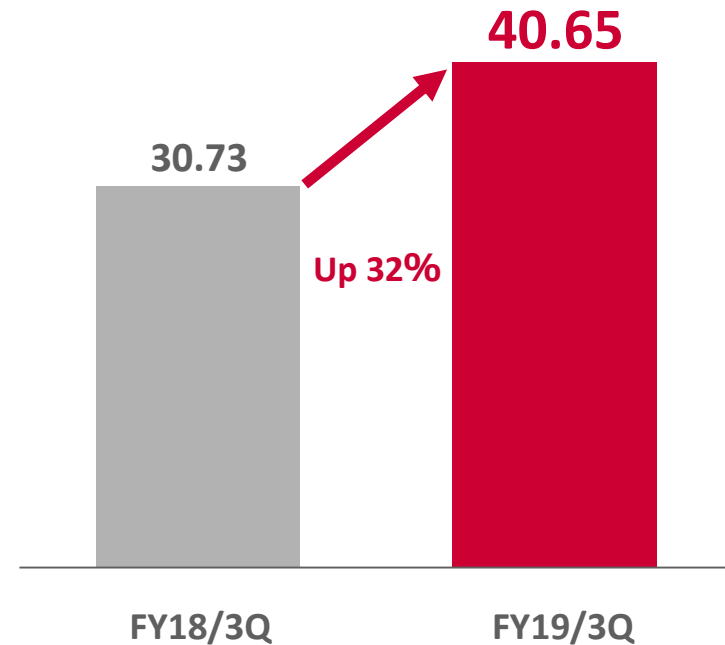
“d POINT CLUB” members

“d POINT CARD” registrants

(Million members)



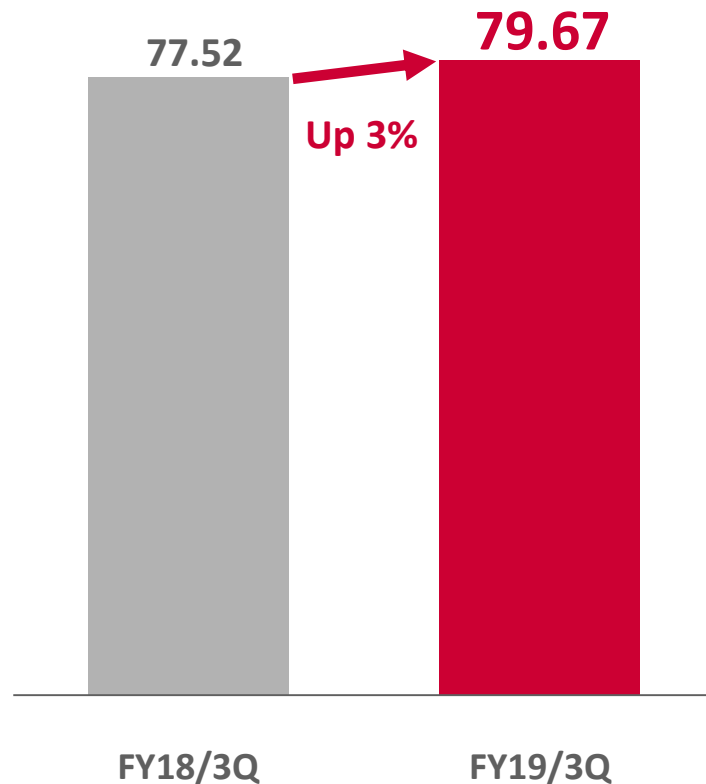
Topped 40 million



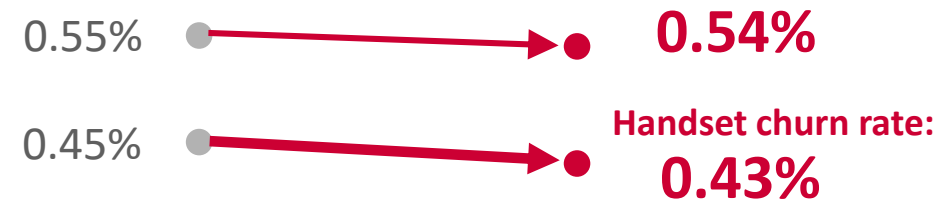
Telecommunications Business Operational Performance (1)

Mobile telecommunications service subscriptions

(Million subs)



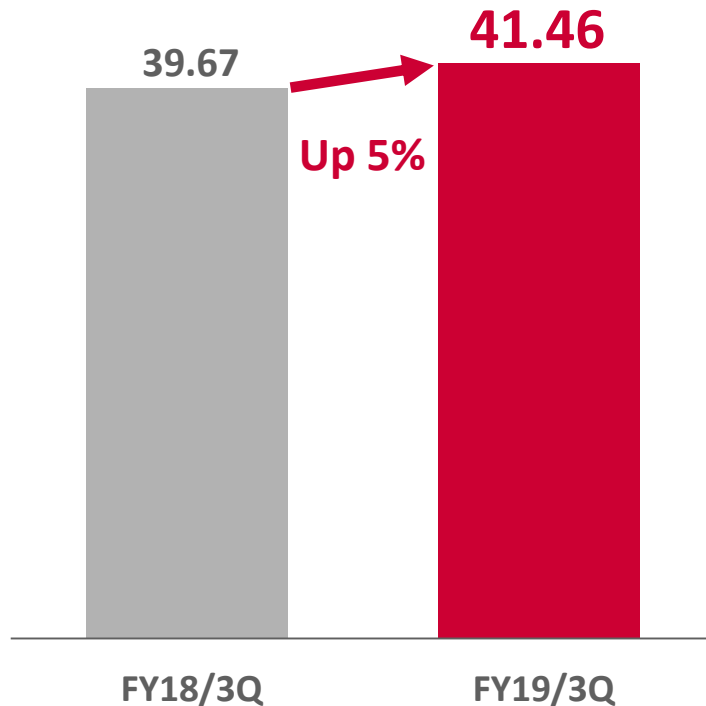
Churn rate



Telecommunications Business Operational Performance (2)

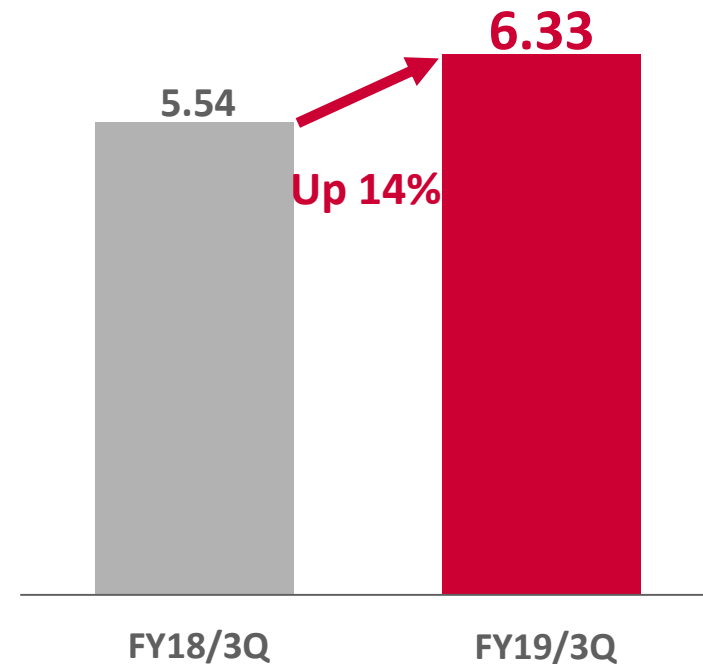
Total smartphone/ tablet users

(Million)



“docomo Hikari” optical-fiber broadband subs

(Million subs)

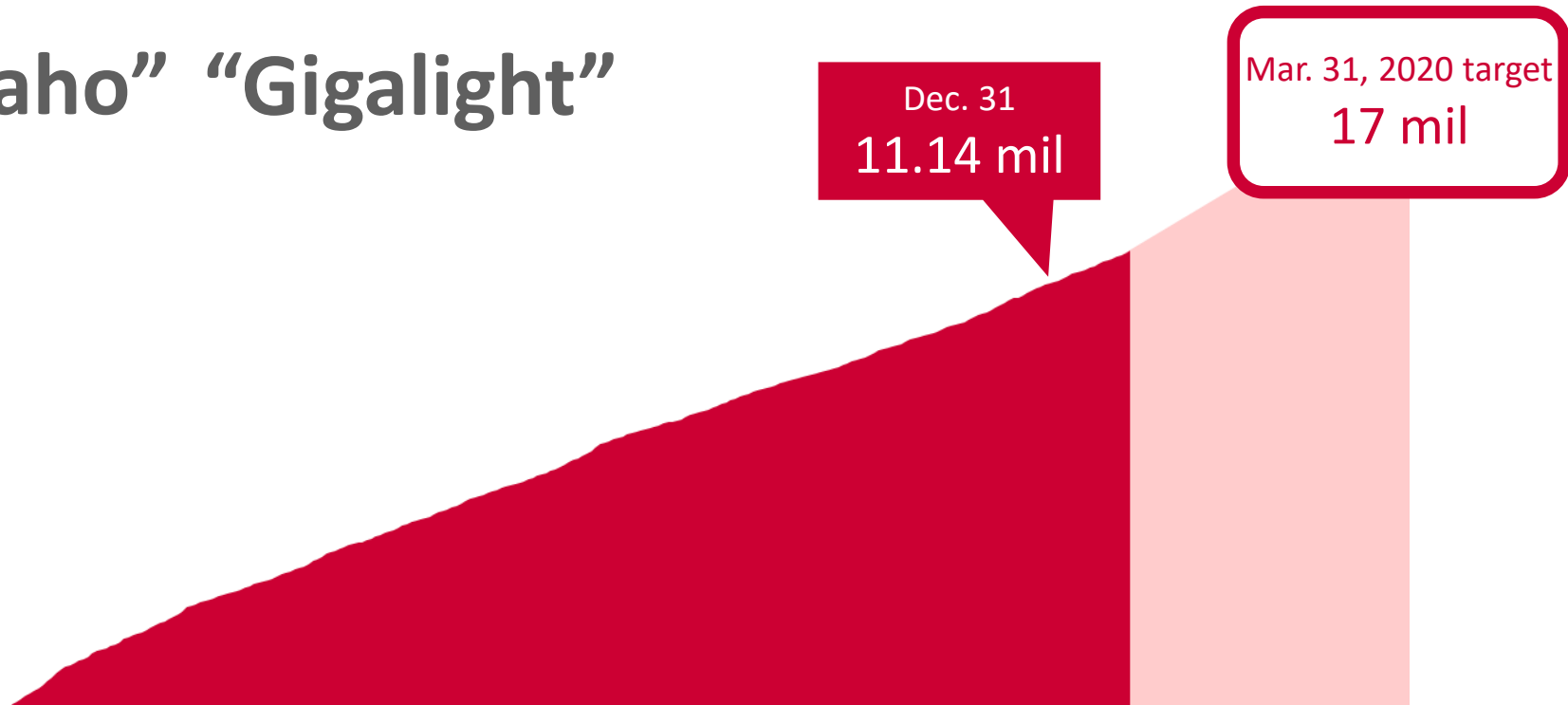


New Rate Plans

No. of applications: Topped 12 million

Stepping up efforts toward achievement of 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 12 million on Jan. 18, 2020.

Actions to Reinforce Customer Base

Rolled out various campaigns for new rate plan users

Amazon Prime comes
with DOCOMO's plan

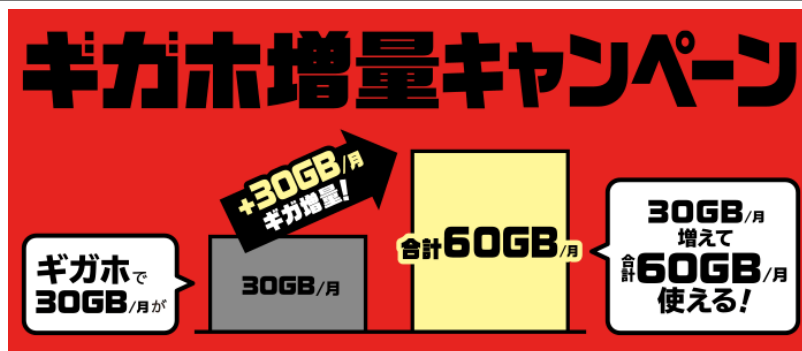


Disney DELUXE Set Wari

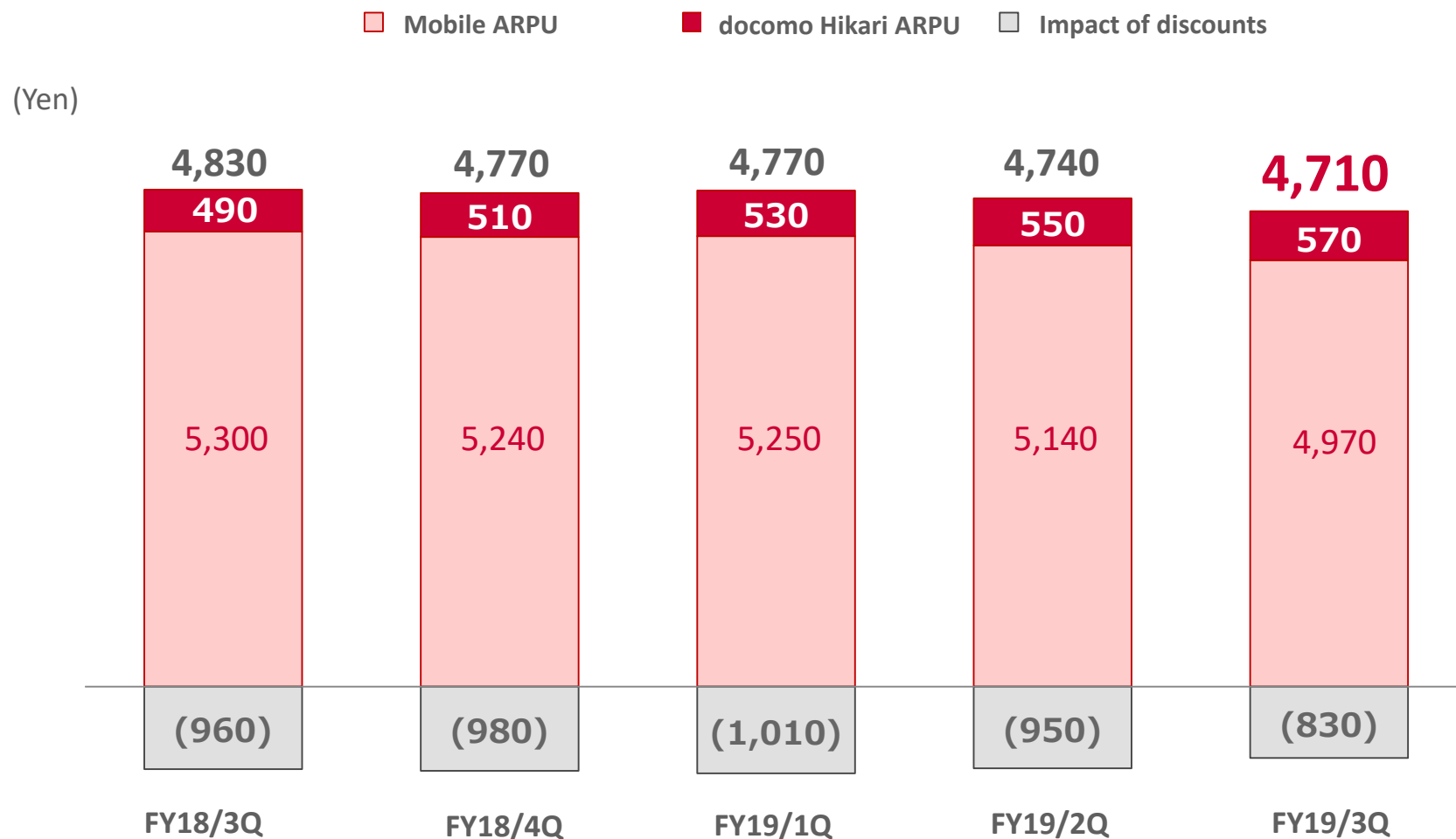


Official Disney video delivery service
© Disney © Disney/Pixar © & ™ Lucasfilm Ltd. © MARVEL

Gigaho Zouryou Campaign



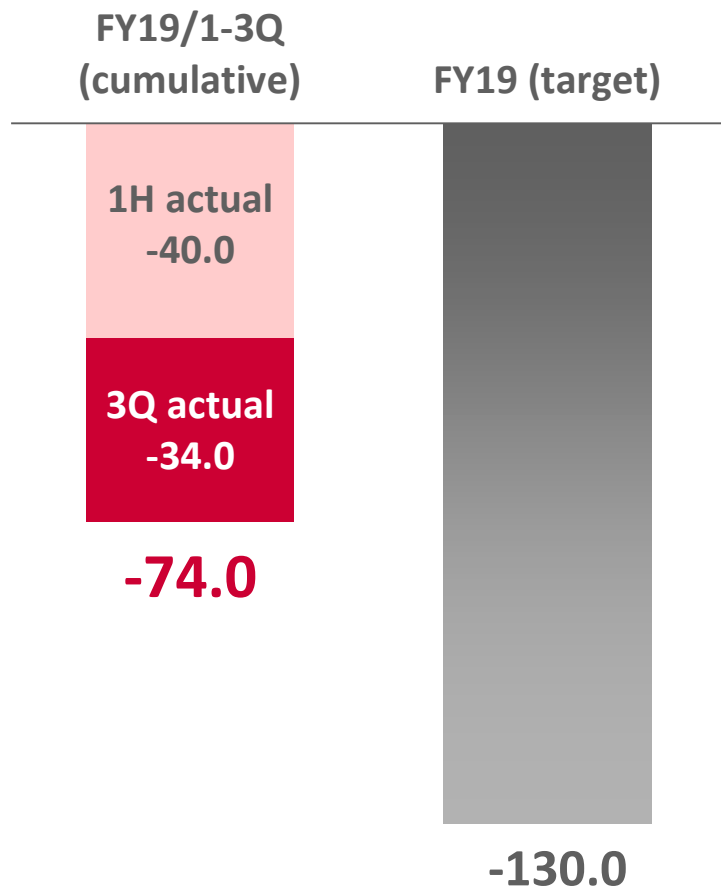
ARPU



- ◆ 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.”

Cost Efficiency Improvement

(Billions of yen)



Focus areas

◆ Marketing

Sales promotion measures, after-sales support, etc.

◆ Network

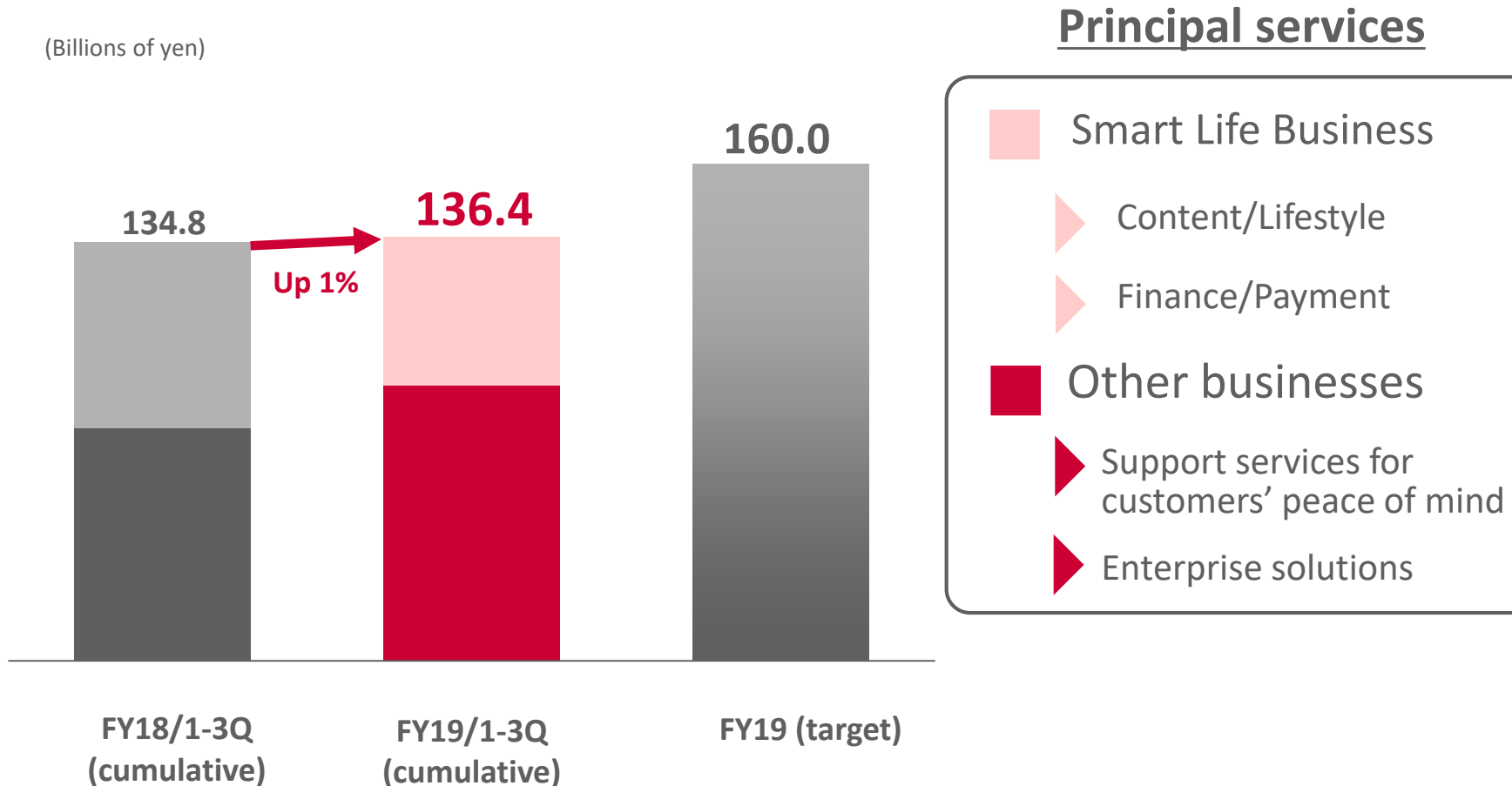
Equipment integration, outsourcing cost, etc.

◆ Other

R&D, information systems, etc.

Smart Life Business & Other Businesses: Operating Profit

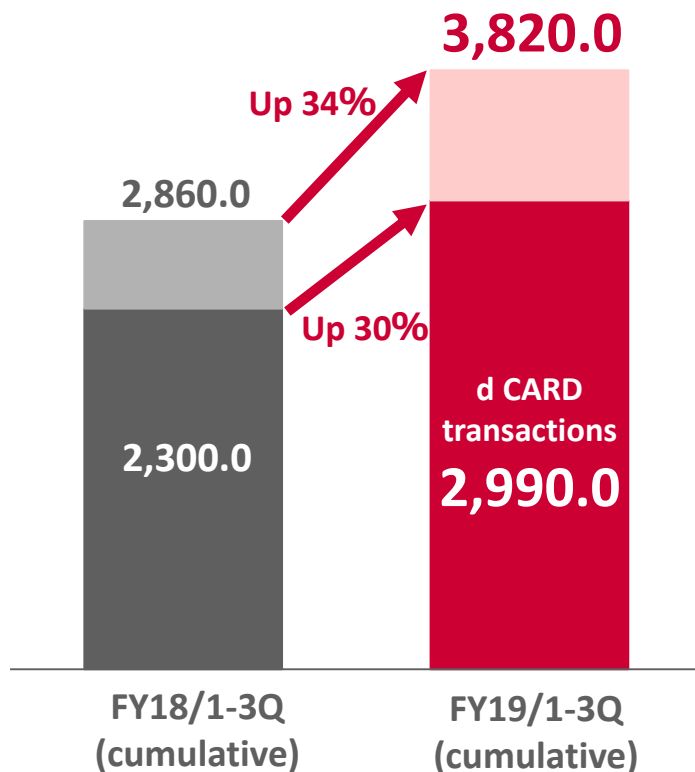
(Billions of yen)



Finance/Payment Services

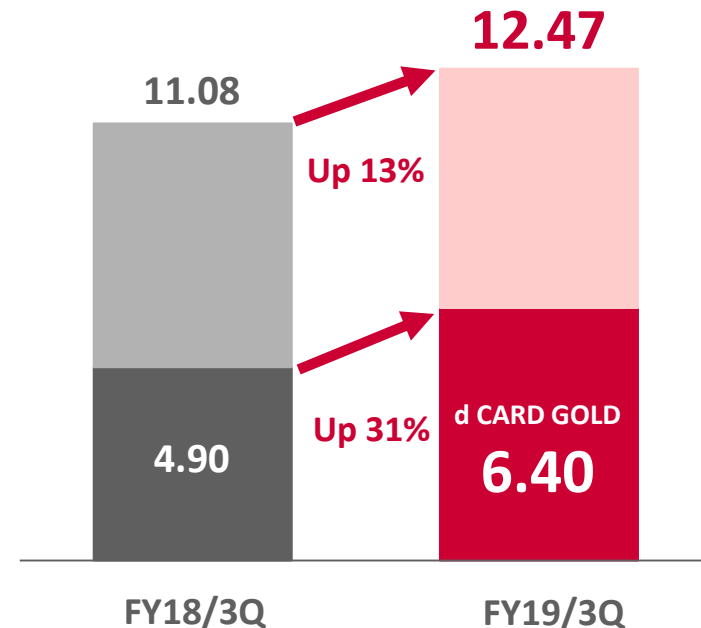
Transactions handled

(Billions of yen)



“d CARD” members

(Million members)



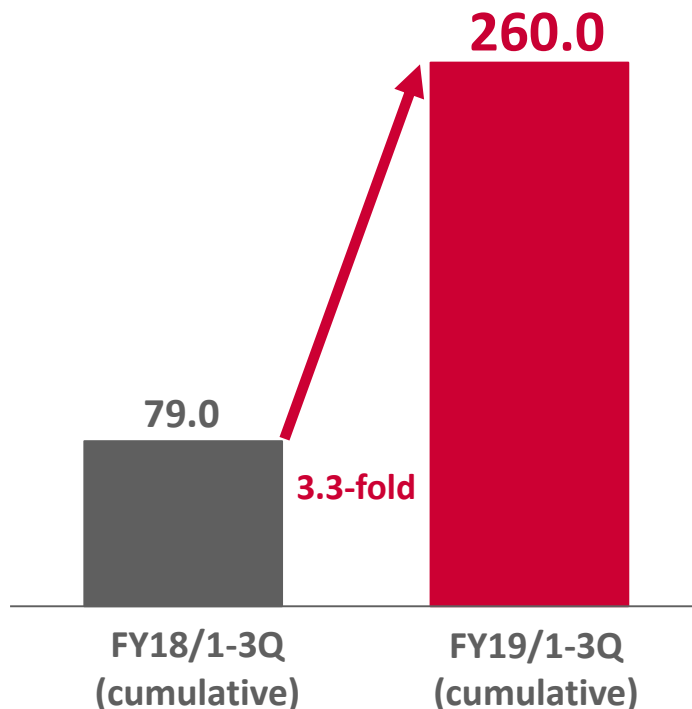
◆ The amount of transactions handled includes the transactions handled with "d CARD", "iD", "d Payment" and proxy bill collection service, etc.

◆ The following changes have been made in association with the integration of "d CARD mini" into "d Payment" service on Nov. 19, 2019: (i) Transactions handled with "d CARD mini" were excluded from the amount of transactions handled with "d CARD" and recorded as "d Payment" transactions; and (ii) "d CARD mini" members were excluded from "d CARD" members.

“d Payment” (1)

Transactions processed with “d Payment”

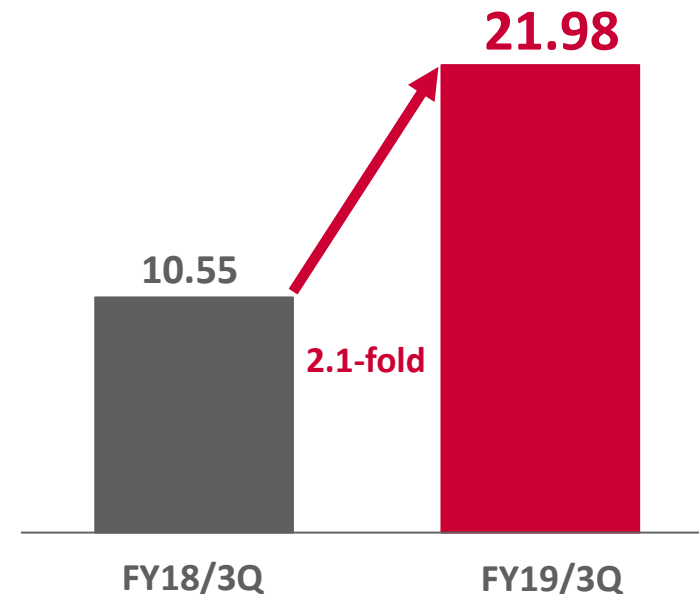
(Billions of yen)



“d Payment” users

(Millions)

Topped 22 million on Jan.1



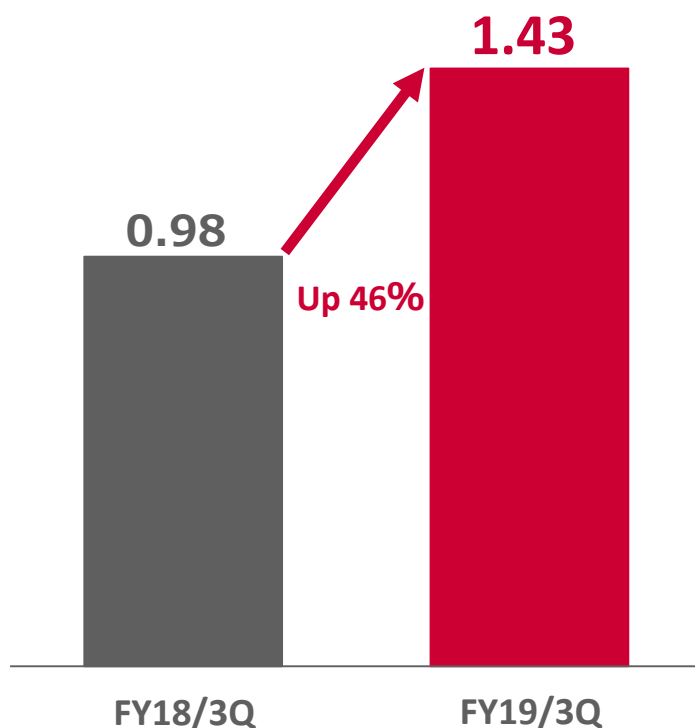
◆ The amount of transactions processed with “d Payment” represents the amount of payments made with “d Payment” code, “d Payment (iD)” and online payment.

◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.

“d Payment” (2)

Locations where payment/ point services are available

(Millions)



Expansion of “d Payment” partners



Takashimaya

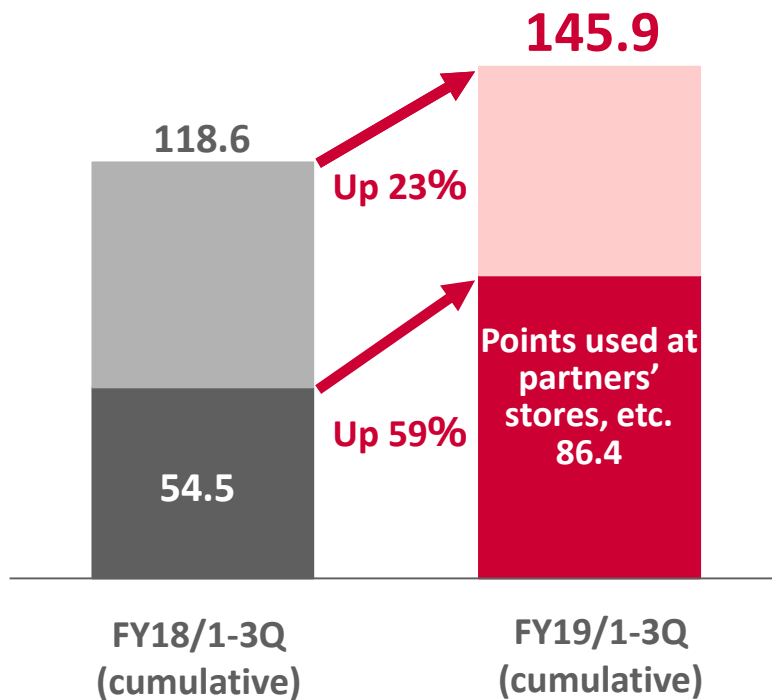
ふるさとチョイス
ふるさと納税総合サイト



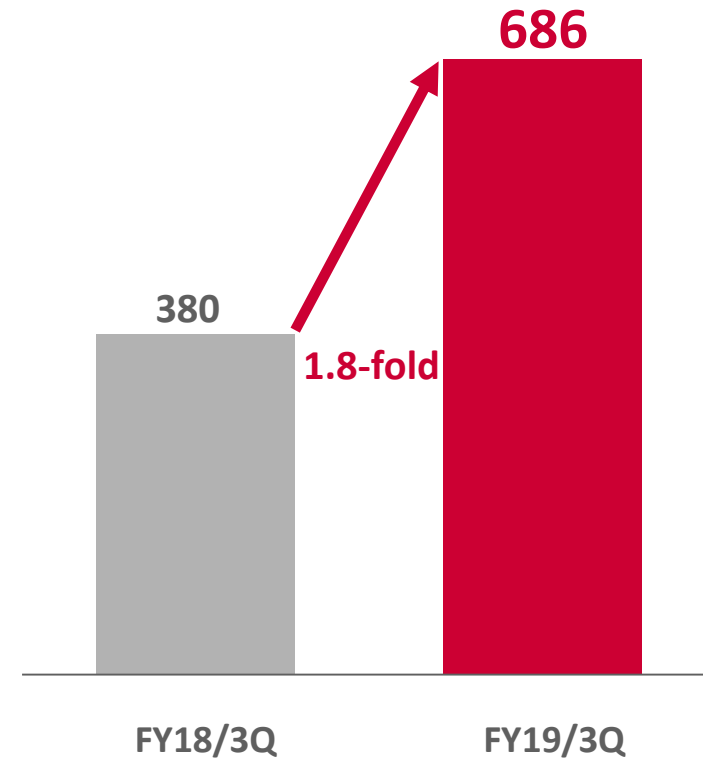
“d POINT”

“d POINTs” used

(Billion points)



“d POINT” partners



Expansion of +d partners



FY18/3Q

FY19/3Q

Expansion of
“d POINT” participating stores



Launch of joint business for
programming education service “embot”

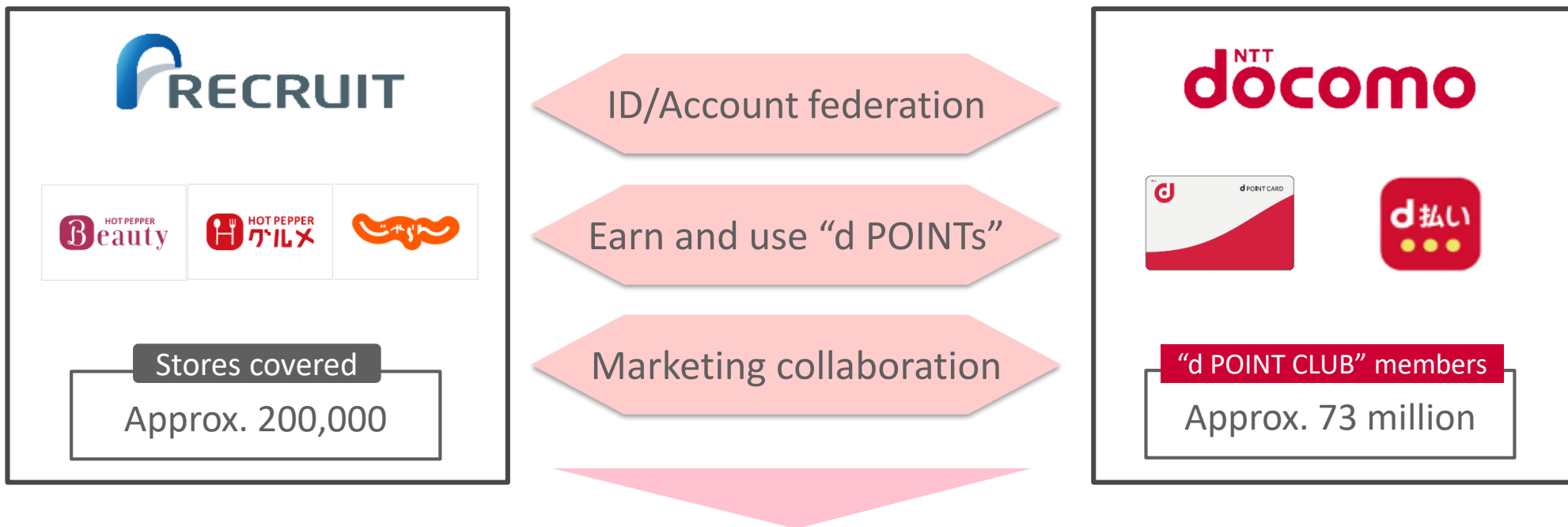


Joint promotion of world’s first dynamic
DOOH business in railway vehicles



Strategic Business Alliance with Recruit

Maximize “d POINT CLUB” membership through ID federation



Strengthen member/customer base

Expand “d POINT” & “d Payment” usage

Step up cooperation for roll-out of business/management support services for small and mid-sized independent stores

Accelerating service deployment across Japan

International rugby tournament
Press camera image transmission



Iwamizawa, Hokkaido
Remote monitoring of
automatically controlled agrimotors



“Karatsu Kunchi” festival
Internet video broadcast



Kanazawa Station front
Art projection

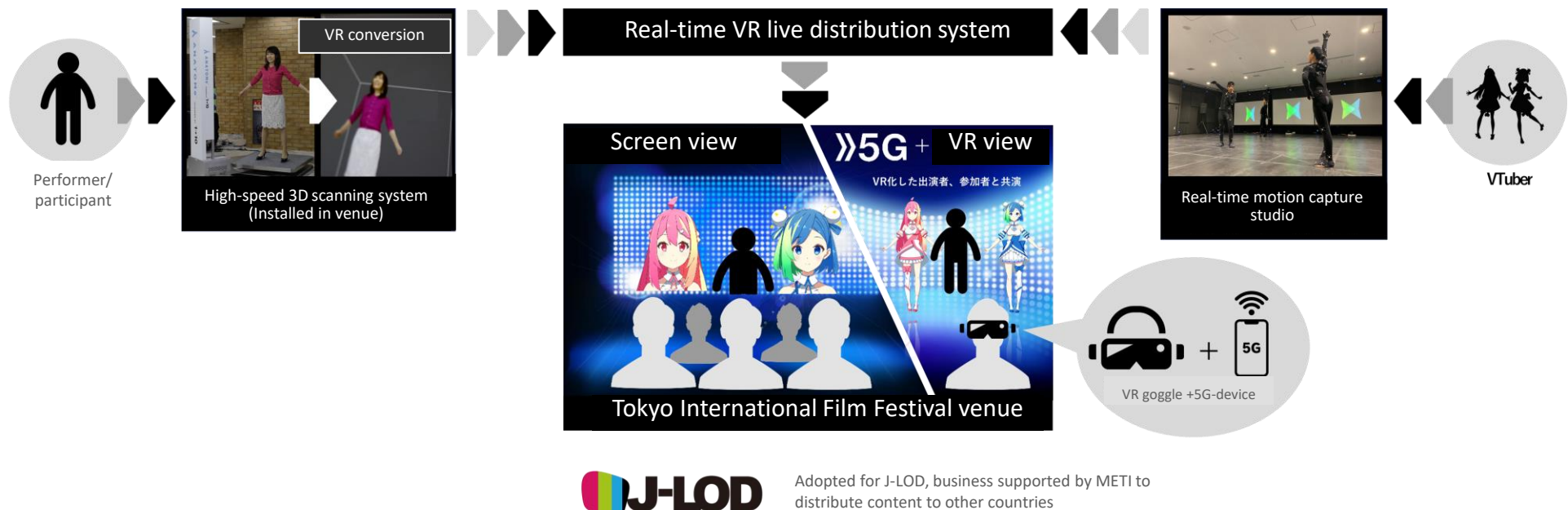


Rolled out in 31 prefectures

◆ As of Jan. 30, 2020

5G Pre-Commercial Service - Virtual x Real x Tech Live -

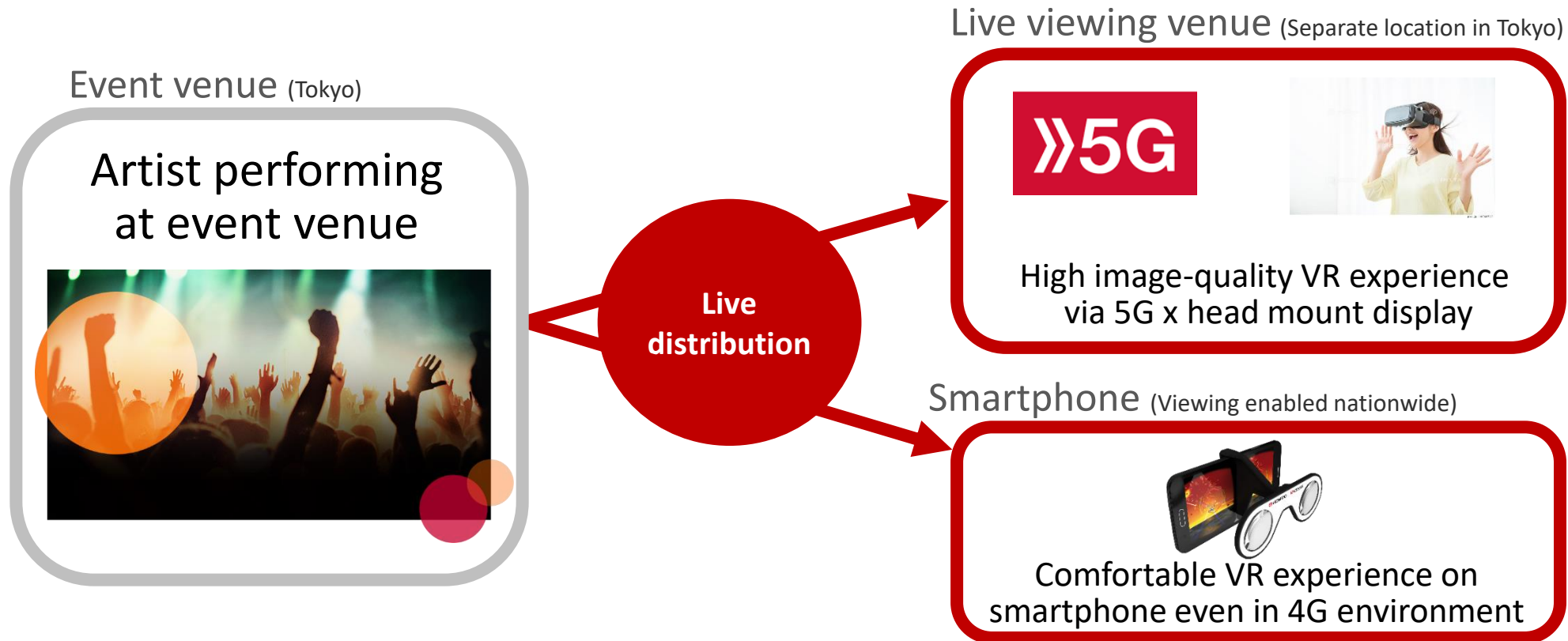
Virtual character live show at 32nd Tokyo International Film Festival (Nov. 2019)



Joint performance of virtual characters and real talents in VR space

5G Pre-Commercial Service - Shintaikan Live CONNECT -

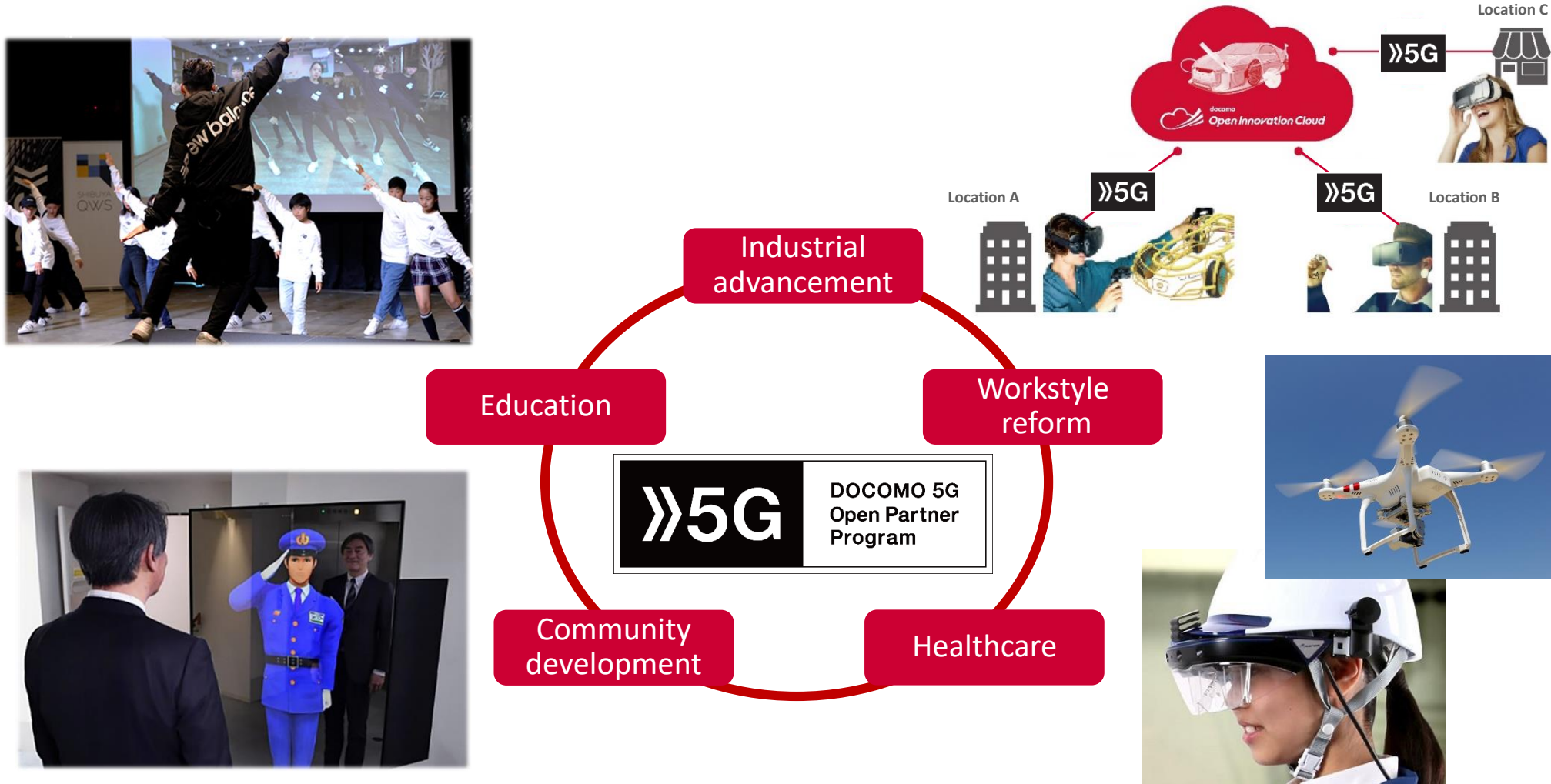
Organized “8KVR Live” event on March 18



Delivery of “virtual front row” experience through live distribution of VR video leveraging 5G’s high-speed/large-capacity transmission

5G Pre-Commercial Service - Co-Creation with Partners -

Created approx. 100 use cases during pre-commercial service period



Accelerate growth of society through 5G solutions

5G Pre-Commercial Service

- Touch & Feel at docomo Shops, etc -

NTT
docomo

Established 5G experience corners
in 9 docomo Shops in various regions

VR
(Sports viewing)



Magic Leap



5G smartphone
(Shintaikan Live CONNECT)



Medium-Term Strategy

“Declaration beyond”: Actions Taken (1)

Value & excitement to customers

Declaration 1

Market
leader

“d POINT” participating stores outside Japan **exceeded** **100 stores**

Executed a campaign that offers up to 3,000 give-away points for purchases made at overseas “d POINT” participating stores commemorating the 1-year anniversary of start of “d POINT” service in Hawaii. (Announced Nov. 20)

Declaration 2

Style
innovation

Started joint business for “**embot**” with TOMY Company, Ltd.

Jointly promoted full-scale deployment of “embot” programming education service that uses a cardboard robot kit. (Announced Oct. 29)

Declaration 3

Peace of mind
and comfort
support

Free-of-charge provision of initial handset set-up and data transfer services at all docomo Shops

Provision of free-of-charge support at all docomo Shops for customers that purchase handsets at docomo Shops and request initial handset set-up and data transfer services. (Started Dec. 1)

Medium-Term Strategy

“Declaration beyond”: Actions Taken (2)

Value co-creation with partners

Declaration 4

Industry
creation

World’s first **dynamic DOOH business** in railway vehicles

Agreed to promote business together with Saitama Railway Corporation, BiZright Technology Inc. and LIVE BOARD, Inc. (Announced Nov. 11)

Declaration 5

Solution
co-creation

Started providing **Mobile Spatial Statistics** **“Real-time Population Survey (domestic)”**

A new demographic statistics service that provides population distribution data in 10-minute intervals for up to 1 hour before (Announced Dec. 3)

Declaration 6

Partner business
expansion

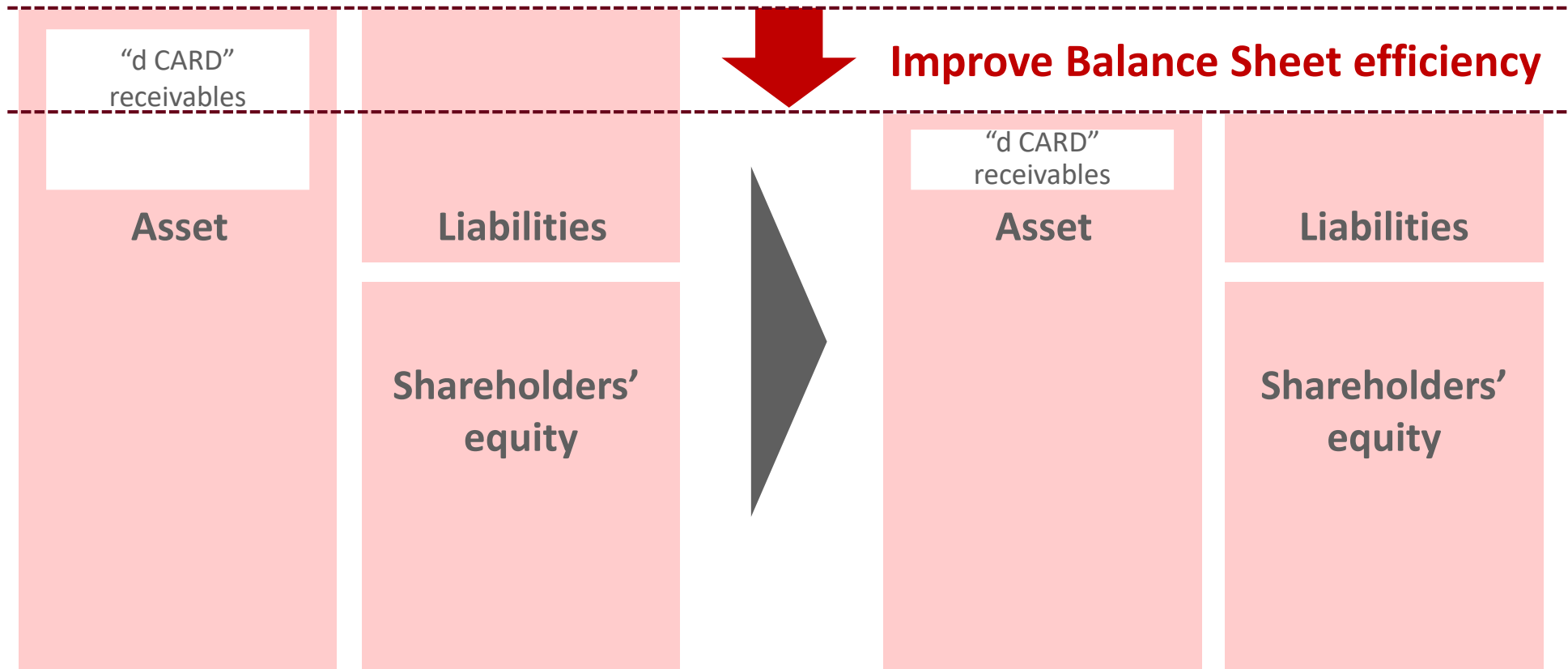
Entered into capital and business alliance agreement **with Showcase Gig**

Aim to proliferate OMO through coordination with “d Payment” mini app platform (Announced Dec. 5)

- ◆ World’s first: According to BiZright Technology Inc. (as of Nov. 10, 2019)
- ◆ DOOH: Abbreviation for Digital Out of Home, a general term for digital advertisement provided outside home.
- ◆ OMO: Abbreviation for Online Merges with Offline, a new retail shop experience converging online and offline services.

Liquidation of Receivables

Ready to off-balance “d CARD” receivables starting March
Drive business considering capital efficiency




Share Repurchase: Progress

- ▶ Acquisition method: Purchase on the Tokyo Stock Exchange market
- ▶ Period for share repurchase: May 7, 2019 – Dec. 31, 2019
- ▶ Aggregate no. of shares repurchased: Approx. 70.80 million shares
- ▶ Aggregate price of shares repurchased: Approx. ¥190.7 billion
- ▶ Remaining share repurchase authorization: Approx. ¥109.3 billion
(through Apr. 30, 2020)

FY2019/1-3Q Summary

- ▶ Recorded ¥787.9 billion in operating profit, making a favorable progress toward full-year guidance.
- ▶ New rate plans garnered over 12 million applications. Ramped up efforts to deliver on year-end target.
- ▶ Accelerated roll-out of 5G pre-commercial service across Japan. Promoted co-creation with partners with the view to commercialization.
- ▶ No. of “d POINT CLUB” members grew to 73.45 million. No. of participating stores and point usage also continued to expand at a favorable pace.
- ▶ No. of “d Payment” users exceeded 22 million, with the number of merchants handling the service also recording a steady increase.
- ▶ Achieved cost efficiency improvement totaling ¥74.0 billion, making progress as planned toward delivery of full-year target.
- ▶ Repurchased shares worth approx. ¥190.7 billion. Drive business considering capital efficiency.



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

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 • 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:

- 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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