
FY2020

Financial Results

NTT
docomo

May 12, 2021

1. FY2020 Results Highlights

2. FY2021 Guidance and Principal Actions

FY2020 Results Highlights

IFRS

(Billions of yen)	FY2019 full year (1)	FY2020 full year (2)	Changes (2) – (1)	Changes (%)
Operating revenues	4,651.3	4,725.2	+73.9	+1.6%
Operating profit	854.7	913.2	+58.6	+6.9%
Profit attributable to shareholders of NTT DOCOMO, INC.	591.5	629.0	+37.5	+6.3%
Adjusted free cash flow	893.3	846.8	-46.5	-5.2%
Capital expenditures	572.8	569.1	-3.7	-0.6%

◆ 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.

Results by Segment

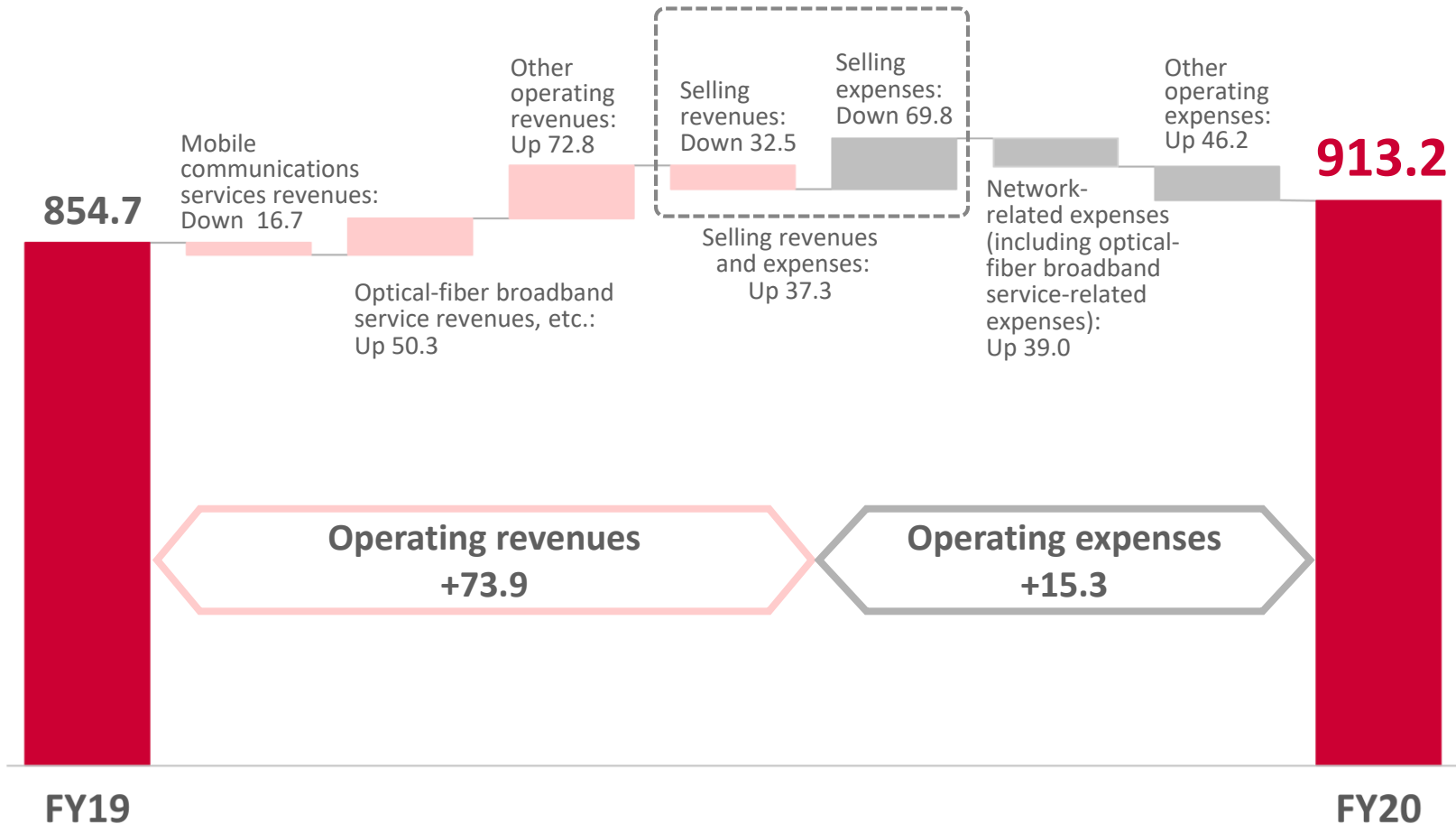
IFRS

(Billions of yen)		FY2019 full year (1)	FY2020 full year (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	3,687.0	3,684.3	-2.7
	Operating profit	706.5	721.1	+14.6
Smart life business	Operating revenues	543.7	616.2	+72.5
	Operating profit	32.5	59.4	+26.9
Other businesses	Operating revenues	454.0	465.4	+11.4
	Operating profit	115.6	132.7	+17.1
<Ref.> Smart life business and Other businesses	Operating revenues	997.7	1,081.5	+83.9
	Operating profit	148.1	192.1	+44.0

Key Factors behind Changes in Operating Profit

IFRS

(Billions of yen)



◆ 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.

Key Operational Indicators (1)

	FY2019 (1)	FY2020 (2)	Changes
“d POINT CLUB” members (Million)	75.09	81.95	+9%
“d POINT CARD” registrants	43.26	50.78	+17%
“d POINTS” used (Billion points)	199.8	249.3	+25%
“d POINTS” used at partners’ stores, etc.	121.1	176.0	+45%
Mobile telecommunications service subscriptions (Million subs)	80.33	82.63	+3%
5G subscriptions	0.014	3.09	—
Churn rate (%)	0.54%	0.48%	-0.06pt
Handset churn rate	0.44%	0.40%	-0.03pt
Total smartphone/tablet users (Millions)	42.04	43.92	+4%
“docomo Hikari” subscriptions (Million subs)	6.49	7.04	+9%

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

◆ “d POINTS” used and churn rate represent the cumulative data for FY2020.

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

Key Operational Indicators (2)

	FY2019 (1)	FY2020 (2)	Changes
Finance/Payment transactions handled (Billions of yen)	5,320.0	6,980.0	+31%
“d CARD” transactions	4,150.0	5,250.0	+27%
“d Payment” transactions	399.0	810.0	+103%
“d CARD” members (Million members)	12.97	14.37	+11%
“d CARD GOLD”	6.85	7.97	+16%
“d Payment” users (Millions)	25.26	35.23	+39%
Locations where payment/point service can be used (Million locations)	1.73	3.09	+79%

- ◆ The amount of transactions handled represent the cumulative amount for FY2020, which includes the transactions handled with “d CARD,” “iD,” “d Payment,” direct carrier billing and “DOCOMO Mobile Payment Service,” etc.
- ◆ The amount of transactions processed with “d Payment” represents the cumulative amount of payments made with “d Payment” (code and online payment) and “d Payment (iD)”.
- ◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.
- ◆ Locations where payment/point service can be used represents the combined no. of locations where “d POINT,” “iD,” and “d Payment” (code and online payment) services can be used. The FY2019 data for the locations where “iD” service can be used was revised to reflect the actual number as of Mar. 31, 2020.

1. FY2020 Results Highlights

2. FY2021 Guidance and Principal Actions

FY2021 Guidance

IFRS

(Billions of yen)	FY2020 full year (1)	FY2021 full year (2)	Changes (2) – (1)
Operating revenues	4,725.2	4,790.0	+64.8
Operating profit	913.2	920.0	+6.8
Telecommunications business	721.1	710.0	-11.1
Smart life business & Other businesses	192.1	210.0	+17.9
Capital expenditures	569.1	550.0	-19.1

FY2021 Guidance by Segment

IFRS

(Billions of yen)		FY2020 full year (1)	FY2021 full year (2)	Changes (2) –(1)
Telecommunications business	Operating revenues	3,684.3	3,690.0	+5.7
	Operating profit	721.1	710.0	-11.1
Smart life business	Operating revenues	616.2	670.0	+53.8
	Operating profit	59.4	70.0	+10.6
Other businesses	Operating revenues	465.4	470.0	+4.6
	Operating profit	132.7	140.0	+7.3
<Ref.> Smart life business and Other businesses	Operating revenues	1,081.5	1,140.0	+58.5
	Operating profit	192.1	210.0	+17.9

Challenge toward a New DOCOMO

Drive innovation and bring major changes to society

Pursue “customer-first” and deliver new value that exceeds customers’ expectations

Enhance customer experience (CX) and realize business structure reform by promoting/executing digitalization of business operations and data utilization

Promote business and ESG management in an integrated manner, thereby contributing to the creation of a sustainable society

FY2021 Principal Actions

Reconstruct services/network/channel from customers' perspective to enhance CX and realize business structure reform

Telecommunications business

- Expand customer base by offering rate plans and services catered to diverse customer needs
- Achieving both Early expansion of 5G coverage and improvement of network cost efficiency
- Accelerate digital shift of sales channel and digital transformation (DX) of call centers and docomo Shops (converged online/offline CX)

Smart life business

- Expand finance/payment business and establish data-driven B2B2X ecosystem
- Create new lifestyles centered on video offerings and expand new business domains

Enterprise business

- Expand areas/industries where 5G solutions are applied and achieve nationwide deployment
- Support DX of small- and medium-sized companies through early proliferation of "Business d Account".

Expansion of Customer Base

Expand customer base by offering rate plans and services catered to customer needs

Aim to grow 5G subscriptions to 10 million within FY2021

Addressing diverse customer needs

Expansion of 5G subscriptions

Premier
プレミア
Full support for varying family usage needs ranging from small allowances to unlimited data access

5G Gigaho Premier
》5G キガホ プレミア

Gigaho Premier
キガホ プレミア

Launched April 1

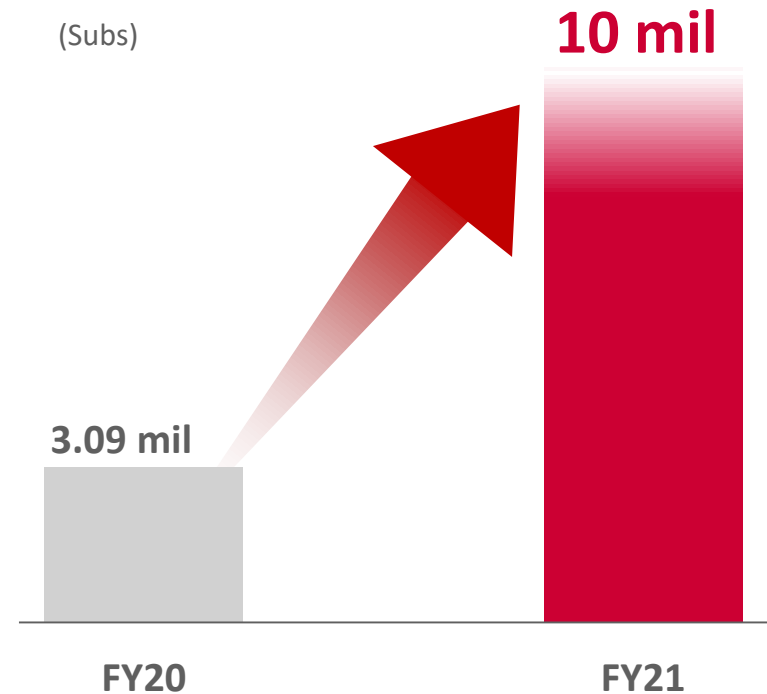
New
ニュー
Medium-sized bucket
A simple rate plan offered only online
Great value for money!

ahamo
Topped 1 million
(Users in their 30s and younger account for over 50%)

Launched March 26

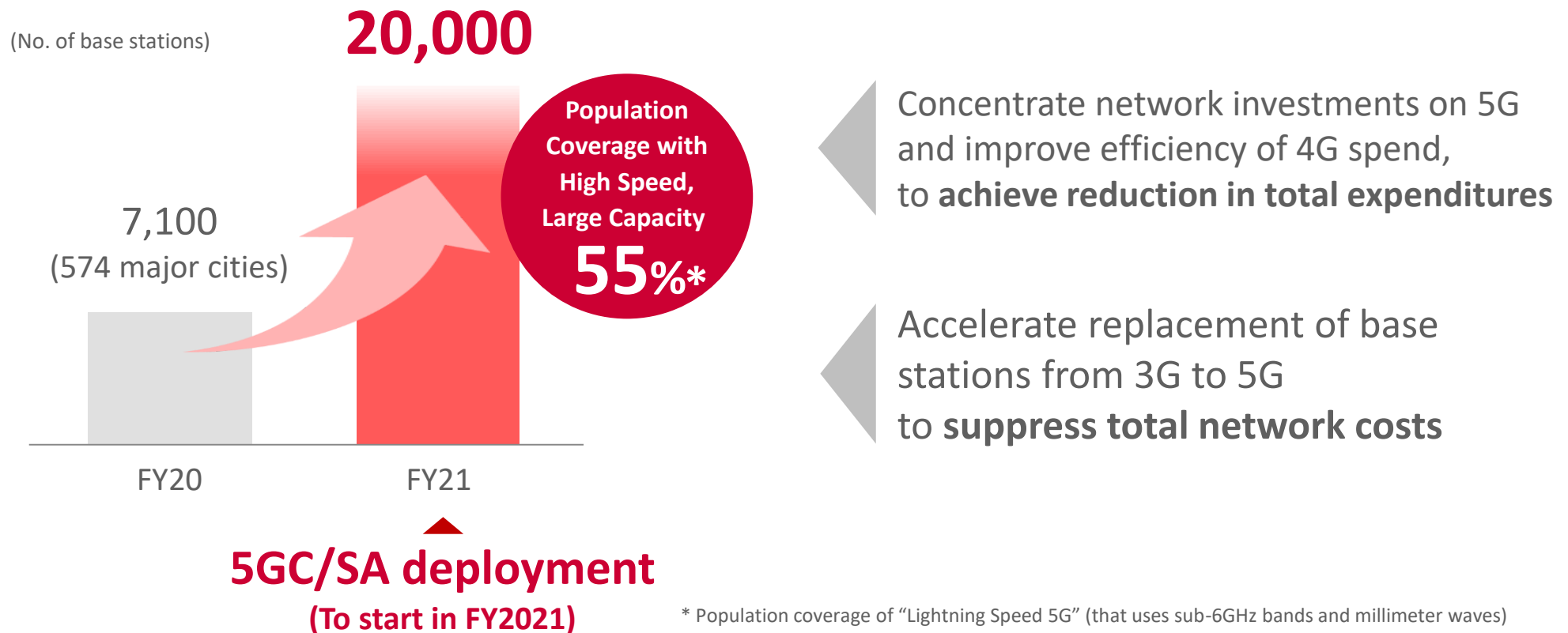
Economy
エコノミー
Small-sized bucket
Ultra low price

To be announced



Achieving both Early Expansion of 5G Coverage and Efficiency Improvement

Build 5G coverage that exceeds competitors' in both speed and breadth while elevating our service offerings. Concentrate managerial resources on 5G to deliver on efficiency improvement at the same time.



* Population coverage of "Lightning Speed 5G" (that uses sub-6GHz bands and millimeter waves)

Digitalization of Sales Channel

Accelerate digital shift of sales channel and DX utilization responding to the needs of society


(Support digitalization and DX of customers)

Orders processed

Call centers

Digital channel

Shops





DX utilization

- ✓ AI-based customer support



Digital shift

- ✓ ahamo
- ✓ Digitalized shop counter support



DX utilization

- ✓ Online customer attendance at shop counters



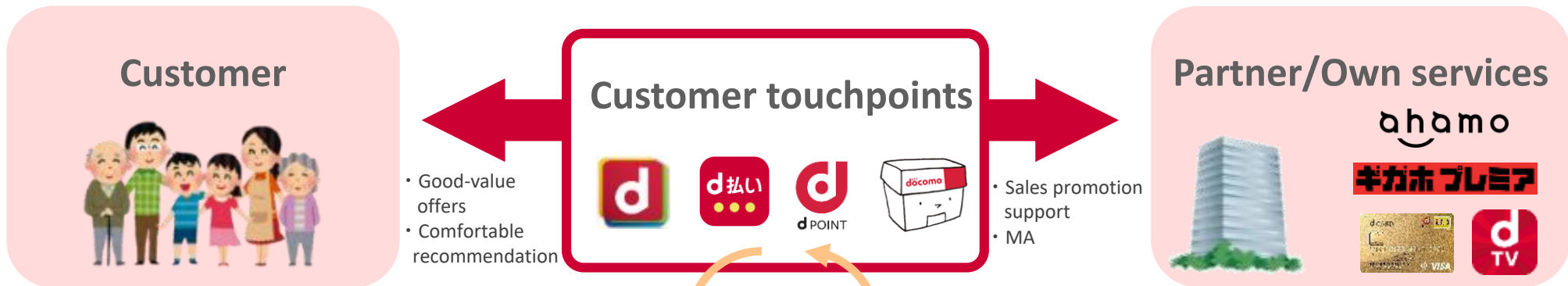
Digital channel

Provide new value to customers

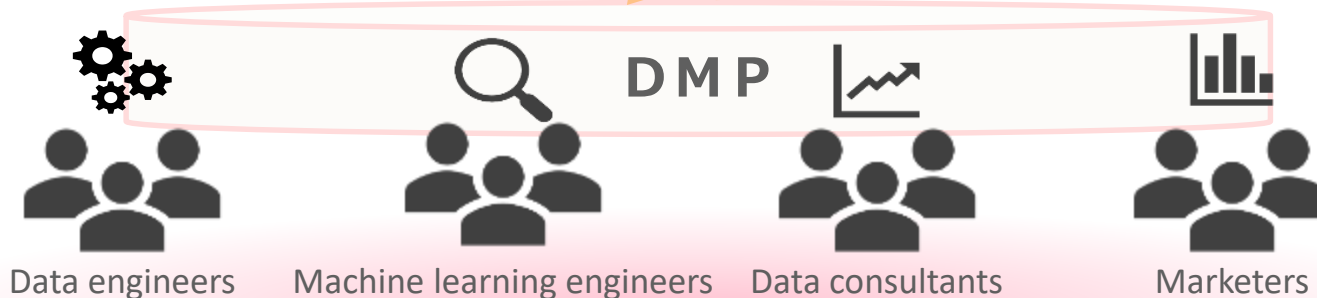
- ✓ ICT support for customers
- ✓ Promote community's DX

Reinforcement of Data Science Talent

Increase human resources capable of exploiting data to over 1,000 at an early stage with the aim of advancing digital marketing



Offer rate plans/services catered to diverse customer needs in digital formats accumulating deep understanding of customers through the use of data



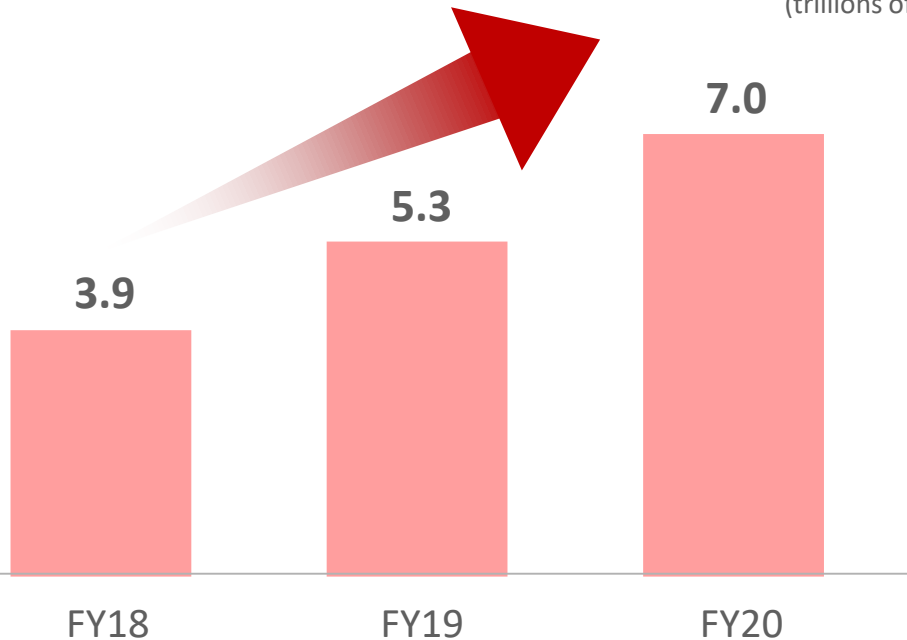
Over 1,000 people

Growth and Scope Expansion of Finance/Payment Business

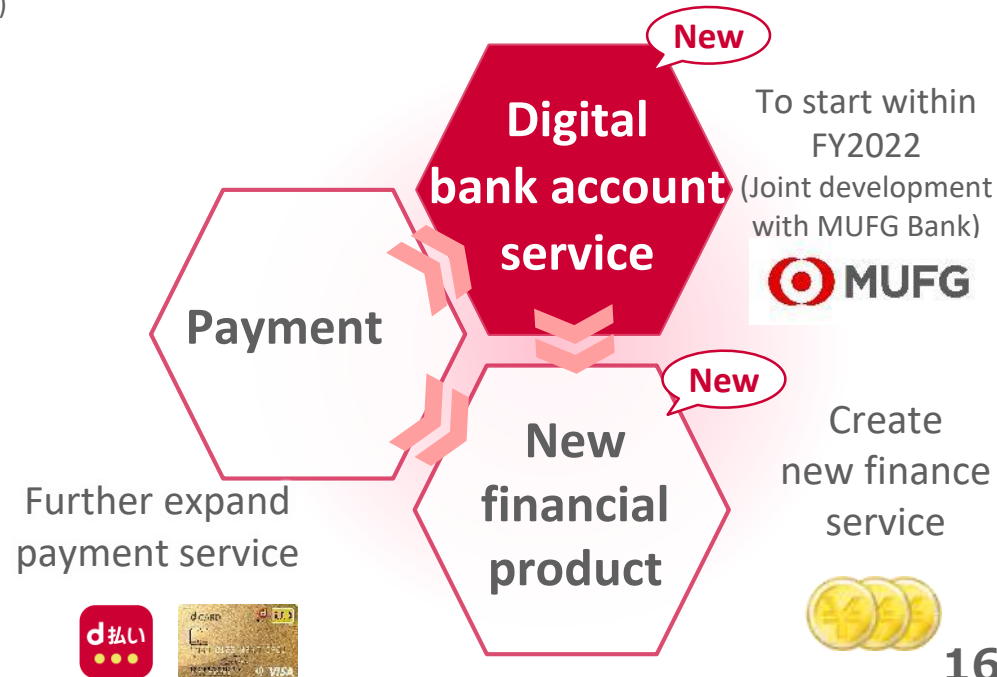
Further grow finance/payment business by stimulating everyday use, and broaden scope of business by strengthening customer touchpoints and data utilization

Growth of “d CARD” and “d Payment” transactions

(trillions of yen)



Strengthen customer touchpoints and expand business domains using payment service as a pivot



Creation of New Lifestyles

Reinforce video business leveraging 5G's unique properties and tackle new business development making use of our membership base

Creation of new lifestyles combining video with real-world experience



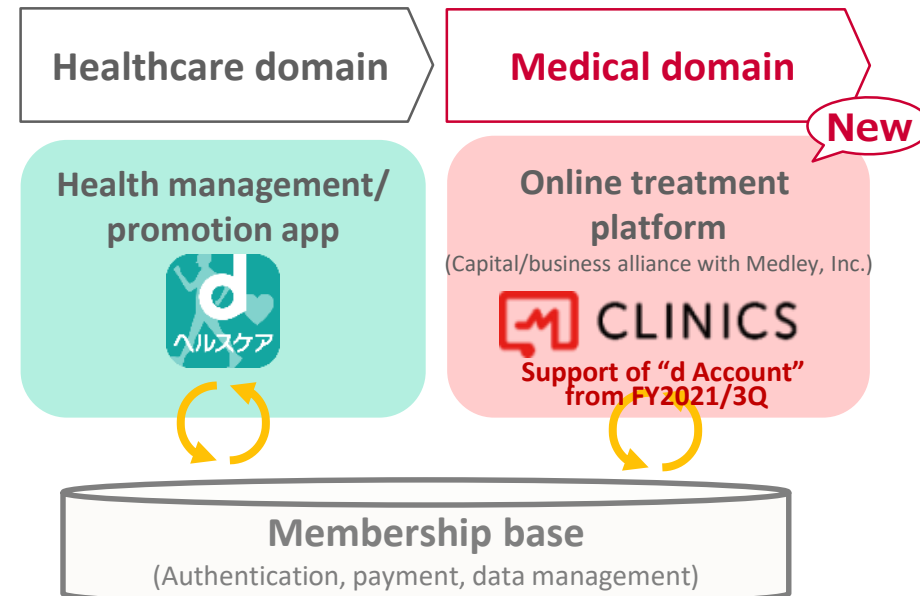
Further enrich movies, dramas, Korean films and animation offerings



docomo XR
Create new video experience

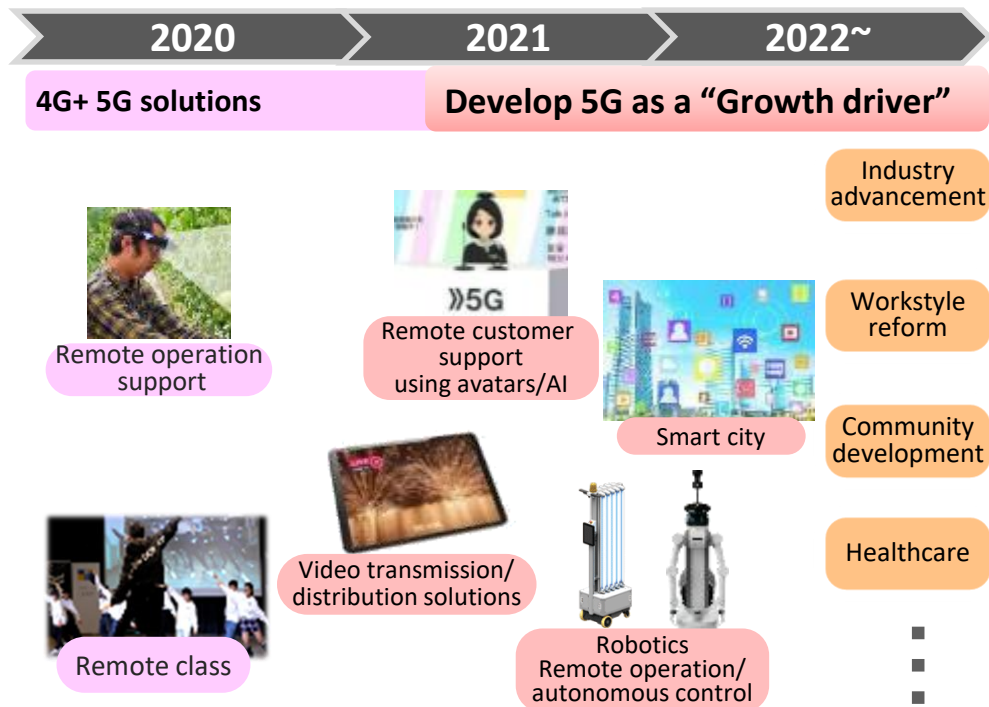


Rollout of medical services based on online treatment



Provision of 5G Solutions

Expand and advance sectors by enrichment of 5G solutions, etc.
Accelerate growth through horizontal deployment
in Japan and overseas



New

Establishment of EARTHRAIN Ltd. with Komatsu, Ltd.

Launch new DX business for the construction industry delivering improved safety, productivity and environmental performance.

To start July 2021



Introduce digital twins to realize construction sites of the future




Global deployment


Early Proliferation of “Business d Account”

Assist DX promotion of enterprise customers

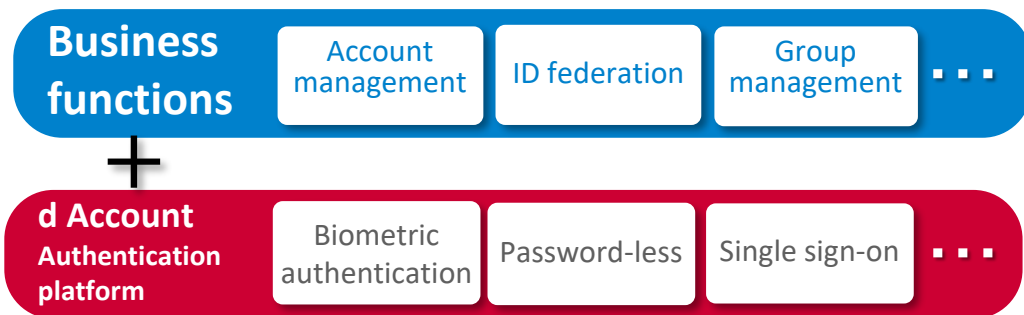
New
ビジネス **d** アカウント **To start May 13, 2021**
Business d Account



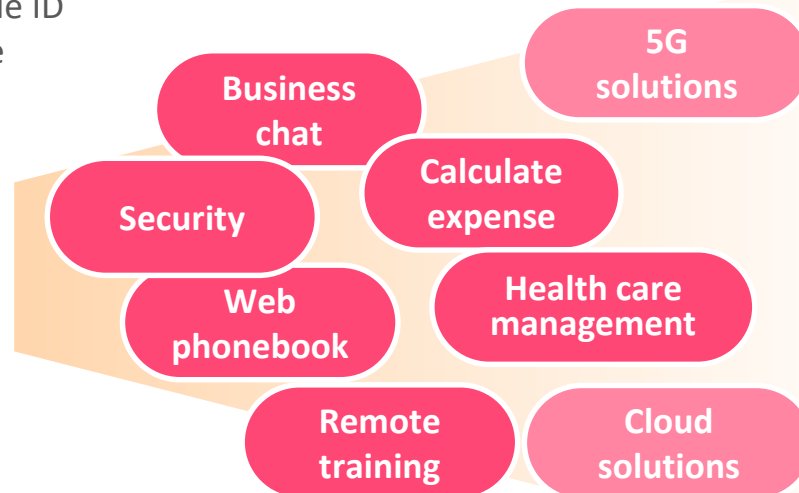
Contract partners



Enables “safe” and “convenient” use of a variety of services with a single ID for each employee



Compatible with various services/solutions



Sustainability Management

Promote business and ESG management in an integrated manner, thereby contributing to the creation of a sustainable society

Decarbonization initiatives

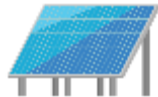
Japan's first mobile carrier certified for SBT "1.5-degrees target"



FY2030 greenhouse gas emission target: **Reduce by 50%***

*: Compared to FY2018 level

• Active use of renewable energy



• Installation of solar panels and storage batteries in docomo Shops

(Deployment of storage batteries in all docomo Shops completed)



• Rollout of low power consumption equipment

(Low-power 5G facilities, high voltage direct current power transmission system, smart air-conditioning)

• Switch company vehicles to EV: 100% (By FY2030/end)

(Completed deployment of EV stations in 45 node buildings)

Promotion of diversity and workstyle reform

• New targets **New**

Percentage of female managers: 15%

(As of FY2030/end)

Percentage of female directors: 30%

(As of FY2030/end)

Paternity leave utilization rate: 100%

(As of FY2022/end)

• Implementation of LGBTQ-related guidelines and practices



Solution of social issues using DX

Promotion of remote-style society, ICT use

- Adoption of ICT in education (Support promotion of GIGA school)
- Provision of ICT solutions for telemedicine and primary industries



Response to aging society

- Digital technology enlightenment activities through smartphone classes



The new of today, the norm of tomorrow



Appendix

Principal Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

- 5G 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 magazine” “d shopping” “d healthcare” etc.
 - NTT Plala Inc. • Oak Lawn Marketing, Inc. • Tower Records Japan Inc. etc.
-

Finance/Payment services

- d CARD • d CARD GOLD • iD • d Payment • Fintech 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.

Special Note Regarding Forward-Looking Statements

All forward-looking statements and projected figures concerning our future performance contained or referred to in this document are based on a series of assumptions, projections, estimates, judgments and beliefs of the management that have been made in light of the information currently available to it. 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 projections and estimates may be affected by our future business operations, the state of the economy in Japan and abroad, possible fluctuations in the securities markets or other changes in circumstances that could cause the actual results to differ materially from the forecasts contained or referred to herein.

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