

NTT DOCOMO FY2021/2Q Results: Analyst Meeting Q&A

Mr. Ando: I have two questions. First, please explain your subscriber acquisition and churn rate performance as well as the overall market conditions for the second quarter and the month of October. Also, now that you added the economy MVNO service in your offerings, please let us know to which indicator will this service contribute.

Mr. Kobayashi: According to the data disclosed by Telecommunications Carriers Association (TCA), we recorded a significant increase in the number of subscriptions. To answer your question, which I believe was intended for DOCOMO brand subscriptions, there has been a considerable improvement compared to the same period of the previous fiscal year. While we cannot provide you with concrete numbers, we have seen a significant improvement.

The churn rate for FY2021/1H was 0.56%, with our quarterly performance improving from 0.58% in the first quarter to 0.53% in the second quarter. In terms of the status of competition, the churn rate deteriorated in both FY2021/1Q and 2Q compared to the same quarter of the previous fiscal year, but we believe we have been able to retain our competitive position as the margin of deterioration narrowed to only 0.05 point in the second quarter. These conditions remained largely unchanged in the month of October.

Mr. Ando: I believe FY2021/1Q was an eventful quarter with the launch of “ahamo” plan, etc., but I think you were able to get certain indications concerning your future competitiveness from certain elements of your track record in FY2021/2Q. Was the second quarter performance satisfactory from your viewpoint?

Mr. Kobayashi: Yes, the combined number of i-mode and sp-mode subscriptions—which is always one of the frequently asked questions from analysts, continued to record net gains in the second quarter, so we believe our performance improved considerably over the same period of the previous fiscal year, although it would have been better if we could achieve a slightly higher number leveraging the momentum of “ahamo”.

Mr. Ando: My second question is about your ARPU. According to your explanation, I construed that the decrease in mobile communications services revenues was driven mainly by the MVNO and voice rates, as the ARPU itself has not decreased so much, both year-on-year and quarter-on-quarter. But I am sure there were certain impacts from the rate reductions, so could you provide us with a breakdown of the elements that affected your ARPU?

Mr. Kobayashi: As you rightly pointed out, “ahamo” caused a negative impact on the ARPU. We revised our “Gigaho” and “Gigalight” tariffs through the launch of “Premier” plan, and it has been a while since we started offering very inexpensive rates through “Gigalight”. All these elements have a negative impact on ARPU every year.

On the other hand, we have implemented measures that resulted in revenue growth including the abolishment of “Monthly Support” discounts and sales efforts to migrate users to smartphones, etc., which are expected to have positive impacts on areas other than ARPU. We have been able to maintain the ARPU at a level almost comparable to the same period of the previous fiscal year through these undertakings. In this context, we believe our performance has been favorable.

Mr. Ando: Among the elements that you just raised, which made the largest contribution to revenue growth or maintaining the ARPU?

Mr. Kobayashi: We would like to reserve our comments concerning the details behind

the changes in ARPU, because we look at the impact of rate reduction (offered via “Gigaho” and “Gigalight” and launch of “ahamo”) and the offsetting effects from the abolishment of “Monthly Support” discounts from the viewpoint of the overall ARPU level. We believe the main driver sustaining the ARPU was the upsides achieved from the migration of subscribers.

Mr. Ando: Understood, thank you very much.

Mr. Kikuchi: This is Kikuchi, and I also have two questions. The first is a follow-up to the question by Mr. Ando. I believe the moderated impact from the “Monthly Support” discount program will sustain your ARPU for the current fiscal year. I also recall you previously mentioned that the rate reductions would negatively affect your revenues by several tens of billions of yen. So, can your share with us your views on the trends of ARPU for the full year? I expect the impact from the rate revisions will become larger in the second half, both year-on-year and also compared to the first half. I would appreciate if you could comment on the ARPU outlook for the second half and also for the next fiscal year.

Mr. Hiroi: What you outlined, Mr. Kikuchi, is basically correct. While we will endeavor to boost the ARPU through the migration of 3G subscribers and upsells, the contribution from the moderated impact of “Monthly Support” discounts will become smaller in the second half compared to the same period of the previous fiscal year, so we are projecting a slight decrease in ARPU due to this factor in the second half. As this will naturally have a full-year impact next fiscal year, we have been introducing various rate plans from the second half of FY2021 to step up our migration efforts. We plan to minimize the negative impacts by properly delivering results from these undertakings.

Mr. Kikuchi: OK, then, as a means to absorb the negative impacts, do you foresee the need to implement additional cost efficiency improvement measures to curb your capital expenditures or sales-related costs? Or, do you think such measures are not necessary because things have been faring better than your projections? Judging only from the ARPU, it seems you still have some leeway, but what are your views?

Mr. Hiroi: Because our competitors have been intensifying their offensive, we can never stay optimistic. You talked about the reduction of CAPEX as a measure for us to respond to the decline in ARPU. Because the downtrend of mobile communications services revenues is expected to accelerate in FY2021/2H and FY2022, as Mr. Ii mentioned at the outset, we will execute proper control to deliver our full-year profit target. For example, our full-year CAPEX is projected to decrease ¥20 billion compared to the previous fiscal year, but we already recorded a significant year-on-year increase in the first half, so this implies that we will significantly reduce the CAPEX in the second half.

In addition, we have also embarked on structural reform to bring down our channel costs, which delivered certain results in FY2021/1H. In the second half, we will continue to improve the cost efficiency of our sales-related activities as part of our wide-ranging cost reduction efforts in our overall structural reform program. As Mr. Ii mentioned at the outset, we are on track toward the delivery of the profit guidance that we pledged.

Mr. Ii: Let me add just a few words. The fundamental question is how we can increase the number of users choosing the high-ARPU, large-capacity rate plans, and naturally our primary target will be the young users in their 20s and 30s. Whether we can acquire these customers as port-ins from the competition is the question. We will of course strive

to retain our existing customers, but unless we are able to increase the port-ins, there will not be an increase in the number of high-ARPU users. This will decide the game, and even if we compete fiercely in the low-price range market, we cannot increase the high-ARPU users. We are aware that we must pour efforts for the acquisition of heavy-usage customers.

Mr. Kikuchi: Thank you. My second question concerns your Smart life business. Last year, there was an irregular factor, i.e., the reversal of point allowances of approximately ¥20 billion, which positively affected your profit. If this was excluded from the calculation, you would have been able to record a significant amount of year-on-year gains in profit FY2021/1H. On the other hand, I understand that your revenues decreased partly due to the change of the method of recording sales revenues. Mr. Ii explained this point earlier, but it could not catch up fully because he spoke so fast, so it would be appreciated if you could explain the changes in sales, the irregular factors, changes in profit, and what is driving the underlying growth excluding the irregular factors.

Mr. Hiroi: For Smart life and Other businesses, we have disclosed that revenues dropped by ¥0.9 billion and operating profit by ¥6.6 billion compared to the same period of the previous fiscal year. The impact from irregular factors amounted to ¥27 billion for the Company's overall financial results, and approximately ¥20-19 billion for Smart life/Other businesses. The irregular factors affected both our revenues and profit, and when this is excluded, an organic growth and profit expansion are projected for Smart life/Other businesses. As we explained at the outset, the biggest driver behind this growth has been the finance/payment business, which already started generating profits.

Mr. Kikuchi: Understood. What was the size of the irregular factor for the second quarter? Was ¥27 billion yen the size of the impact for the first six months of FY2021?

Mr. Hiroi: Please understand that this factor applies only to the second quarter. Accordingly, this will not have any impact on our FY2021/2H results.

Mr. Masuno: Two questions, please. The first is about your views concerning the positioning of each brand in the industry. According to your presentation earlier, I construed that the primary focus for DOCOMO brand will be the rollout of 5G. How many of your existing 5G subscribers have joined the unlimited plan, and how much incremental data usage do you foresee from them? As for "ahamo", what will be necessary for you to further increase its adoption in the second half? Regarding the MVNO services, such as OCN Mobile, which you recently started marketing at your shops, we have not heard so much about how this service is faring, so please share with us your views concerning the possibility of vitalizing this business.

As for the combined i-mode and sp-mode subscriptions, which was discussed earlier, I believe you recorded net gains of 53,000 in the second quarter. Do you consider this level of net adds of approximately 50,000 large? Or, did you have a higher expectation? How do you view this performance?

Mr. Kobayashi: As Mr. Ii mentioned, we had an ambition to grow "Gigaho" subscriptions. Our strategy is to further expand the adoption of "Gigaho" leveraging the recently launched "U30 Long Wari" discount program, and we have in fact seen a considerable rise in the "Gigaho" adoption rate of late. It is difficult to judge whether the combined number of i-mode and sp-mode subscriptions of 50,000 is high or low. But as I commented earlier, it came in higher than our earlier expectations. At the same time,

we have achieved a significant improvement compared to the same period of last fiscal year, which makes us believe that we have successfully maintained our competitiveness amid fierce competition.

Mr. Ii: I am aligned with your comment concerning MVNO. Although I instructed to place commercial ads more heavily, the team responded that we it is still under preparation and will take some more time before we see them. So, the service is yet to be widely recognized by the public. We will expedite our efforts to broaden its recognition, which I believe will result in more customers visiting our shops.

Mr. Masuno: How do you view the outlook of “ahamo” plan in the second half?

Mr. Ii: We do not any plans to implement new initiatives specific to “ahamo”. The adoption of “ahamo” has been growing at a constant pace, with its total subscriptions already exceeding 2 million. Although I cannot comment so much on the details, our competitors have also intensified their offensive and the performance of each company has been very close. However, “ahamo” subscriptions have grown constantly without recording any decrease, with only a slight number of churns. While we cannot disclose the details of our next action, given the situation in the market, we plan to implement additional measures to counter the competition.

Mr. Kobayashi: Mr. Masuno, I said earlier that “Gigaho” sales has been trending favorably without giving you any concrete numbers. In fact, the percentage of “Gigaho” subscription has risen to slightly less than 30% of total subscriptions. The number will be even higher if “U30” package subscriptions are also included. But, for now, we would like to observe the adoption trend of “U30” and disclose our views on its performance a little later. Because we provide discounts through the “U30” package, this does not have an effect to boost the ARPU immediately, so we would like to assess its impact in this context as well.

Mr. Masuno: You said the percentage has risen to slightly less than 30%. Does that mean the rate of “Gigaho” subscriptions was previously much lower?

Mr. Kobayashi: Correct. It has risen from a slightly lower level to just below 30% now. If the users of medium-capacity plans like “ahamo” are included, the percentage will increase even further.

Mr. Masuno: I understand. Next, regarding your communications services revenues, I believe this year is unique because there would be a large impact caused by the revision of wholesale voice rates for MVNOs. It is already predicted that data interconnection fees will be lowered for the three-year period through FY2023 due to the adoption of future cost method. If the voice piece is excluded, do you think the revenue drop caused by MVNOs will become smaller next fiscal year and the following year?

Mr. Kobayashi: Correct, we are foreseeing a large impact from the wholesale voice rates during this fiscal year, and this impact will likely moderate in the future.

Mr. Masuno: I understood. Then, if you sell OCN Mobile or other MVNO services, will they be classified into that category?

Mr. Kobayashi: We plan to handle the sales of OCN Mobile One through the collaboration among DOCOMO, NTT Communications and NTT Comware. Once this is reflected, it will likely have an effect to dilute the ARPU. The number of users will increase on the other hand, which will result in an increase of revenues. But in terms of ARPU, it will be a negative factor.

Mr. Masuno: I understood very well. Thank you.

Mr. Hiroi: Mr. Masuno, was your question predicated on DOCOMO's standalone impact?

Mr. Masuno: Yes, indeed. Because we so far had no visibility for MVNO revenues, we just analyzed the differences. As you start the sale of OCN Mobile in your channel going forward, I wanted to know how this service will be classified. Will it be treated as a DOCOMO brand services like "ahamo" and how will it contribute to your subscriptions and sales?

Mr. Hiroi: We are currently performing a review on how to disclose consolidated numbers. As Mr. Kobayashi just mentioned, we would like to manage the subscriptions and/or users count as DOCOMO brand services. As for total income, we also basically intend to present our total profits on a consolidated basis including the retail prices. We therefore believe it is not really necessary to disclose the MVNO revenues from wholly-owned subsidiaries in DOCOMO's non-consolidated accounting.

Mr. Masuno: Understood. I will then keep an eye on your future disclosures.

Mr. (Hideaki) Tanaka: This is Tanaka. Thank you for allowing me to ask a question. Regarding the operating revenues, operating profit, the breakdown of the four key categories and recent trends of Smart life business, the performance of content/lifestyle services is not clear to me. If you could just give us a brief explanation on its performance, that would be appreciated.

Mr. Hiroi: As for the revenue trends of Smart life and other businesses, as we mentioned earlier, generally, we have seen a favorable growth in finance/payment business, but a slight slowdown in content/lifestyle business as you just pointed out. To further comment on this slowdown, the various "d" services launched some time ago are currently facing intensified competition due to the availability of many competing services in the market.

Regarding our subsidiaries' business, we have many subsidiaries including entities engaged in commodity sales. These companies have not been able to successfully launch or sell new products lately, and this was conspicuous in the results for FY2021/1H. The subsidiaries engaged in commodity sales enjoyed brisk sales from e-commerce last year due to strong stay-at-home demand. This impact, however, subsided this year and they faced some difficulties in new product launches. Accordingly, the main driver of profit is currently finance/payment business.

Mr. (Hideaki) Tanaka: Would it then be correct to assume that support services for customers' peace of mind and enterprise solutions have been faring relatively steadily?

Mr. Hiroi: The support services for customers' peace of mind, including Mobile Device Protection Service are generally stable. The performance of devices has improved over the years and the probability of failure has come down. This has also positively affected our profit to some extent. As for enterprise solutions, we are striving to actively roll out 5G solutions. Last year, we recorded brisk device sales as a result of the government's "Giga School" initiative, so we are now stepping up our efforts to add solutions to them. We have managed to steadily expand our solutions.

Mr. (Hideaki) Tanaka: I understood very well. I have no further questions.

Mr. (Kei) Tanaka: You commented earlier that you will address the reduction of capital expenditures and channel reform as a measure to mitigate the impact of declining ARPU in FY2021/2H. I would like to ask your progress in these undertakings. While the CAPEX

level for last year was somewhat lower, you recorded a considerable increase in FY 2021/1H. According to your explanation, you do not foresee a large increase in 5G-related CAPEX in FY2021/2H. Can you give us an indication as to whether you will be able to maintain the annual capital expenditures within the budget set forth in your annual plan? If that is the case, it implies you will reduce non-5G CAPEX. Can you also comment in which area(s) you expect to cut down on your CAPEX? In addition, I believe cost efficiency improvement through channel reform is indispensable for you to grow your profits. Will the results of these undertaking begin to become visitable from FY2021/3Q? Or, will they manifest themselves only in FY2021/4Q? Can you comment on these points?

Mr. Ii: Last year, our capital expenditures were heavily skewed to the second half, because we were not able to carry out construction work due to the impact of COVID-19 in the first half. The total CAPEX amount was approximately ¥550 billion. This year, our CAPEX is more evenly spread throughout the year, so when you compare the first quarters of this year versus last year, it appears to have recorded a significant increase. Likewise, the total CAPEX spent in the first two quarters of FY2021 appears to be larger compared to the same period of last fiscal year. While the CAPEX this year is more evenly distributed across four quarters, we still plan to make investments in the second half of FY 2021. But instead, we will reduce our maintenance investments in the fourth quarter. While maintenance investments will not come down to zero, we have reduced it to the bare minimum. In other words, we concentrated our investments to 5G projects. Asset write-offs are also expected to bring about a large impact. If we install something new, we will definitely remove old equipment. How to control these write-offs will be key.

Mr. Hiroi: As for efficiency improvement of channels, the effects have already started to manifest themselves to a certain degree in FY2021/1H. The effects are expected to kick in in full throttle in FY2021/2H, as we have already started to see tangible results in FY2021/2Q. You can expect the effects to become larger in the FY2021/3Q and 4Q.

Mr. (Kei) Tanaka: Thank you for your comment. I have one more question relating to CAPEX. If things go as planned this fiscal year, what would be the general direction for next fiscal year? Will you limit your expenditures to only what is necessary? Or, do you plan to gradually suppress the absolute amount of investment? Please give us an indication as to your directions for next fiscal year and beyond.

Mr. Ii: Basically, we intend to maintain our annual capital expenditures flat for the foreseeable future. But the way we spend will change slightly. Currently, we are overlaying 5G on top of the 4G coverage. In the future, however, we plan to roll out 5G core and standalone 5G services. We will heavily provide coverage in areas demanded by enterprise customers, changing the way of building the network compared to before. However, the total amount of investment is expected to remain unchanged. When we received the allocation of 5G spectrum, we made commitments to the Ministry of Internal Affairs and Communications (MIC) as to the number of base stations to be constructed in the first three to four years. We will start rolling out the service from urban centers and other areas where the usage is high and gradually expand into rural areas. The annual CAPEX level will remain flat.

Mr. (Kei) Tanaka: I understood.

Mr. Takahashi: I would like to confirm two points relating to your medium-term strategy. First, I believe you developed a plan to achieve ¥100 billion as a result of rationalization

by FY2023. When we look at the profit level of NTT DOCOMO alone for FY2023, can we expect an operating profit level higher than what you presented in your previous plan, i.e., ¥990 billion?

Mr. Hiroi: Regarding the profit level, as we have explained during and after the announcement of integration of DOCOMO, NTT Communications and NTT Comware, we set some financial targets of the new DOCOMO group, but we have not provided any specific target for our operating profit. Having said that, however, we would like to make solid profit contributions so that NTT group can deliver on its EPS target of ¥370. Please understand that we plan to make proper contributions for profit expansion.

Mr. Takahashi: Then, am I right to assume that you are projecting a higher level compared to your previous target?

Mr. Hiroi: We have not made any comments concerning the concrete profit level.

Mr. Takahashi: Alright. Moving on to my second question and your answer may be the same, but you presented to deliver profit growth of ¥200 billion by FY2025 as a result of rationalization. When we consider the consolidated numbers for DOCOMO, Communications and Comware, I believe voice revenues will disappear from NTT Communications in the runup to FY2025. Currently, voice has a revenue size of approximately ¥200 billion. Will it be correct to assume that you are projecting an overall profit increase even after taking this voice revenue impact into consideration?

Mr. Hiroi: We have not made any commitments pertaining to profit and synergies employing certain assumptions. The new DOCOMO group will aim to deliver synergies after properly responding to various changes in our management environment. We are aware that we need to make considerable efforts, and the magnitude of the impact will be huge. We will make group-wide endeavors to deliver these effects.

Mr. Takahashi: Understood.

Mr. Moriyuki: Regarding your subscriptions, are you still recording net gains in the acquisition of Mobile Number Portability (MNP) subscribers? I would like to know the monthly trends. Furthermore, I believe the number of net additions calculated by subtracting the number of modules from total net additions recorded an increase in FY2021/2Q compared to FY2021/1Q. Is it correct to assume that this was attributable to MVNO-related subscriptions?

Mr. Kobayashi: We are considering to stop commenting on our MNP performance every time, so we would like to reserve our comments. I hope you will look at the numbers that stand out in the overall picture. Because the enterprise subscriptions could easily turn negative or positive, we prefer not to disclose this information. The MVNO trends for FY2021/1Q and 2Q was in line with what you just described.

Mr. Moriyuki: Fine, then my second question. When I listen to the results announcements of agent resellers, they claim that the revision of the conditions for commission payment was the major factor behind their profit decline. Could you elaborate on the details of revisions you implemented, together with the impacts of such revisions and how things will unfold in the second half?

Mr. Hiroi: We would like to reserve comments on the details pertaining to individual distributor contracts. We have been implementing various initiatives in order to prevail in the competition. Through discussions, we have executed the amendments to our contracts to strike a win-win deal by allowing agent resellers to expand their businesses

leveraging our shops. This is expected to deliver certain results and contribute to our annual profits for the current fiscal year as well as next fiscal year. But we cannot disclose the concrete details of the contract.

Mr. Moriyuki: If I rephrase my question, I believe you revised your contract in light of the instructions from the Fair Trade Commission to stop providing special incentives for your high-end plans. If you can no longer offer such incentives, how do you plan to expand the sales of high-end plans?

Mr. Yamazaki: This is Yamazaki, and I would like to respond to your question. As to your question whether we set different amounts of incentives to guide customer to higher plans, please understand that we are not engaged in such practice.

Mr. Kobayashi: We intend to navigate customers to high-end plans not through incentives but through the content and other services, etc., we offer. The fundamental approach that we need to take is to brush up our sales talk to customers and improve our content portfolio, etc.

Mr. Moriyuki: Thank you.

Mr. Tsuruo: In your earlier response to Mr. Tanaka's question concerning your capital expenditures, Mr. Ii mentioned that you will shift gears and raise the CAPEX allocation to 5G. How did this impact your network coverage, particularly the 5G coverage at this point? I recall that you previously discussed the possibility of employing DSS, what are current your views on this matter?

Mr. Ii: We attach a particular emphasis on our "Lightning Speed 5G" service, so we are now working very hard to roll out base stations that use sub-6 spectrum bands. Other carriers adopt a slightly different policy, deploying New Radio (NR) that incorporates 4G from early on. According to the data disclosed by MIC, the number of 5G base stations using sub-6 bands deployed by our competitor is less than half of what we have constructed. We set a policy to steadily build coverage using sub-6 bands. In terms of total coverage, naturally the use of NR utilizing 4G will appear to offer a more extensive coverage. We will address this issue later, but for now, we will prioritize the rollout of "Lightning Speed 5G". Thus, in terms of the number of base stations, we have constructed twice as many as our competitors but our coverage is currently slightly inferior. We are currently taking a wait-and-see approach for NR.

Mr. Tsuruo: Thank you. My second question is just a brief confirmation of numbers. Please answer because you stopped providing us with the table that describes your free cash flow. You recorded a significant increase in free cash flow in FY2021/1H. Did it double? As you explained the increase was due mainly to receivables liquidation, can you let us know how much you liquidated during FY2021/1H? Please also share with us the planned amount of liquidation for the full year as well.

Mr. Kobayashi: As you rightly pointed out, we leveraged receivables liquidation to increase our cash flow. I will look up the concrete amount, so please continue with the next question.

Mr. Tsuruo: Thank you.

Mr. Soejima: I would like to ask about "d POINT CLUB" membership. First of all, please give us a breakdown of the point club members between those who subscribe to DOCOMO's mobile phone service and those without a mobile subscription. My second

question is related to Mr. Ii's previous remark concerning "d Payment," i.e., that there is a four-times difference between "d Payment" and "PayPay" in the number of transactions processed. I have an impression that the gap between "d Payment" and other competing services is quite wide. Do you think the progress so far has been on track vis-à-vis your original assumptions? Or, were you expecting a higher rate of growth? How do you assess the current situation?

Mr. Hiroi: We cannot provide concrete numbers concerning the breakdown of subscribers and non-subscribers of DOCOMO's mobile service among the "d POINT CLUB" members, but roughly speaking, the so-called "carrier-free" members without a mobile subscription account for less than 50% of the total. In regards to "d Payment", as a result of our extensive efforts, we have successfully expanded its user base. However, there is still a large gap between our service and the market leader in terms of total transactions. Yet, we believe we are competing relatively well in the areas where we have strengths with "d Payment", i.e., usage at physical stores. For us to achieve quantitative expansion in other areas such as online usage, we have to work on the entire ecosystem, which will impact the overall Smart life business. We need to strengthen these areas where we are relatively weaker compared to the competition, so the reinforcement of areas other than physical stores will be key going forward.

Mr. Soejima: A follow-up question. With carrier-free users accounting for nearly 50%, where do you think you need to focus for further business expansion in the future. I also want to know if you are contemplating any measures to strengthen your e-commerce sales, which you said is weaker compared to "d Payment" usage in physical stores. Please explain the measures you are planning to employ to catch up with your competitors.

Mr. Hiroi: I am sorry, my earlier comment concerning the percentage of carrier-free users of slightly less than 50% may have been slightly exaggerated. The portion of carrier-free users may be a little lower than that. The number of such users will only increase if we can offer good value through the use of "d POINTs," so the number of stores where the service can be used, and implementation of various campaigns will be very important. As for the expansion of "d Payment" service, if we cannot organically expand the online payment usage, we will be able to explore various avenues of collaboration outside our group. We plan to expand our commercial spheres in this way and we will promote actions in these areas. Of course, various initiatives are currently underway, but these will be our focus areas going forward.

Mr. Soejima: Thank you.

Mr. Kobayashi: To answer the previous question concerning the amount of receivables liquidation, we carried our credit card receivables liquidation worth ¥430 billion, and handset installment receivables liquidation worth ¥270 billion yen as of Sept. 30, 2021, representing an increase of a total of ¥350 billion yen compared to Mar. 31, 2021, when the amount of liquidation was ¥300 billion and ¥50 billion, respectively. The receivables liquidation was the largest contributor behind the improvement of free cash flow.