
FY2021/3Q

Financial Results

NTT
docomo

February 7, 2022

Script

My name is Hiroi. Thank you for joining us, despite your busy schedule. I would now like to start from the results highlights for the third quarter.

FY2021/1-3Q Results Highlights

IFRS

(Billions of yen)

	FY2020/1-3Q (cumulative) (1)	FY2021/1-3Q (cumulative) (2)	Changes (2)-(1)	Changes
Operating revenues	3,513.1	3,517.5	+4.3	+0.1%
Operating profit	821.8	769.6	-52.1	-6.3%
Profit attributable to shareholders of NTT DOCOMO, INC.	566.9	535.9	-31.0	-5.5%
Adjusted free cash flow	383.6	715.0	+331.4	+86.4%
Capital expenditures	360.5	376.6	+16.1	+4.5%

◆ 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.

Script

Let me start with the results highlights for the third quarter. Already, you are probably familiar with the financial results as the holding company has already carried out their press conference. You are probably aware of the outline of the third quarter results. I would be happy to respond to your questions during the Q&A session for the financial results. I would like to focus on matters aside from the financial results and start from page 4.

Results by Segment

IFRS

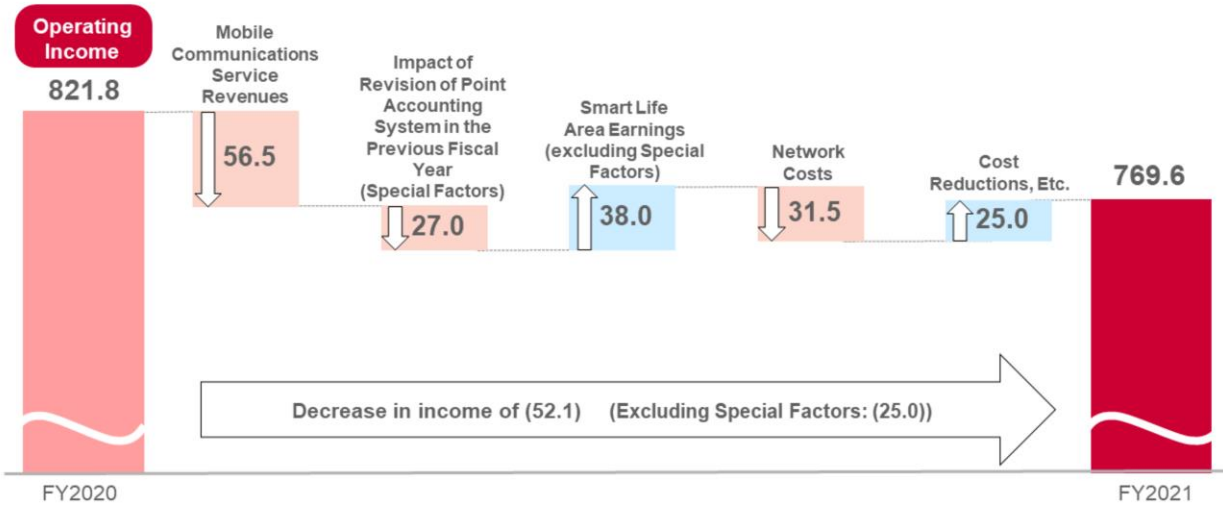
(Billions of yen)

		FY2020/1-3Q (cumulative) (1)	FY2021/1-3Q (cumulative) (2)	Changes (2)-(1)
Telecommunications business	Operating revenues	2,735.2	2,731.7	-3.5
	Operating profit	644.0	572.3	-71.7
Smart life business	Operating revenues	470.6	466.8	-3.8
	Operating profit	79.2	75.4	-3.8
Other businesses	Operating revenues	337.4	349.6	+12.2
	Operating profit	98.5	121.9	+23.4
<Ref.> Smart life business and Other businesses	Operating revenues	808.0	816.4	+8.4
	Operating profit	177.8	197.4	+19.6

Script

(Jump to page 4)

Key Factors behind Changes in Operating Profit



Script

(Jump to page 4)

Key Operational Indicators (1)

	FY2020/3Q	FY2021/3Q	Changes
"d POINT CLUB" members (Million)	79.67	87.21	+9%
"d POINT CARD" registrants	48.52	55.97	+16%
"d POINTs" used (Billion points)	182.4	203.4	+18%
"d POINTs" used at partners' stores, etc.	127.9	155.4	+28%
Mobile telecommunications service subscriptions (Million subs)	81.75	83.85	+3%
5G subscriptions	1.41	8.95	-
(Incl.) home 5G subscriptions	-	0.19	-
Churn rate (%)	0.47	0.59	+0.12pt
Handset churn rate	0.39	0.49	+0.11pt
"docomo Hikari" subscriptions (Million subs)	6.93	7.25	+5%

◆ "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 FY2021/1-3Q.
 ◆ Handset churn rate indicates the combined churn rate for smartphones and feature phones.

Script

Page 4 relates to the key operational indicators. As you see, "d POINT CLUB" members, "d POINT" usage, mobile subscriptions, 5G subscriptions, and "docomo Hikari" subscriptions are expanding very steadily in a very brisk manner, so please take a look at this page.

Key Operational Indicators (2)

	FY2020/3Q	FY2021/3Q	Changes
Finance/Payment transactions handled (Billions of yen)	5,080.0	6,490.0	+28%
“d CARD” transactions	3,830.0	4,850.0	+27%
“d Payment” transactions	568.0	899.0	+58%
“d CARD” members (Million members)	13.91	15.38	+11%
“d CARD GOLD”	7.62	8.69	+14%
“d Payment” users (Millions)	32.55	41.65	+28%
Locations where payment/point service can be used (Million locations)	2.87	3.87	+35%

- ◆ The amount of transactions handled represent the cumulative amount for FY2021/1-3Q, 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.

Script

Page 5 is showing the finance/payment transaction-related KPIs. “d CARD” transactions and “d Payment” transactions are steadily increasing, and also the transaction amount of these services have exceeded the number of members. We are seeing an increase, so it is steadily progressing. That is our understanding.

Key Topics for FY2021/3Q

▶ Telecommunications business

■ Launch of "Economy MVNO"

- ✓ Started handling "OCN mobile ONE" provided by NTT Communications (October 2021)
- ✓ Started handling "TONE mobile for docomo" provided by freebit Group (December 2021)

▶ Smart life business

■ Entered into capital/business alliance with HIKKY Co., Ltd. toward realization of XR strategy (November 2021)

For early roll-out of business in both metaverse (VR) and physical space (AR/MR) to realize new "post-smartphone" worlds.

■ Started supporting "d Account" on the online diagnosis and drug administration guidance application, "CLINICS", jointly operated with Medley, Inc. (December 2021)

▶ Enterprise business

■ Launched "market place" to assist operational efficiency and productivity enhancement of mid-tier companies and SMEs (December 2021)

■ Commenced 5G SA (Stand Alone) service (December 2021)

- ✓ Creating new use cases for enterprise customers

Script

Page 6 shows the key topics for the third quarter. As for the telecommunications business, we have started handling "OCN mobile ONE" as the launch of "Economy MVNO." We have started this in October. We want to expand the customer base of the small data volume plan users through these measures.

As for the smart life business, this is an area of business which is our important strategic business area. In order to accelerate the performance of this business area, there is a virtual reality (VR) platform operator called HIKKY Co., Ltd. We have invested in them and have a business alliance in order to accelerate our XR area of business. Also, within the smart life business, there is another important area which is the medical area. With Medley, Inc., we have started supporting "d Account" on the online diagnosis application, last December. After that, in collaboration with Medley, we acquired minacolor, which has the knowhow of over-the-counter drugs. We want to realize a high value-added medical healthcare service to increase revenues by combining prescription and medical services.

As for the enterprise business, we have launched the marketplace. This is a SaaS-based business software for medium-tier companies. Remote desktop, attendance and labor management, and CRM software are provided. What we have conventionally already launched through the "Business d Account," these type of services are what we would like our customers to utilize. Also, the standalone 5G service has also commenced.

Key Topics for FY2021/4Q and Beyond

▶ Telecommunications business

- Launch of “home Denwa” service (March 2022)
- ✓ Provision of fixed-line telephone service that uses mobile networks
- ✓ Enable use of service just by connecting customer’s home telephone to a service terminal (no installation work necessary)

▶ Smart life business

- Launch of “docomo Denki” (March 2022) *Pre-order campaign in progress (From January 2022)
- ✓ Great value rate plan leveraging “d POINTs” (allowing users to earn “d POINTs” worth up to 10% of electricity usage fee)
- ✓ Contribute to carbon neutrality of entire society through provision of “docomo Denki Green”

▶ Enterprise business

- Enrichment of “market place” services. 5 new services to be added.
- ✓ “Marugoto Business Support”, implemented in Kyushu/Okinawa areas ahead of other regions, to be rolled out on a nationwide scale (March 2022)

▶ New DOCOMO Group

- Made NTT Communications and NTT COMWARE subsidiaries of NTT DOCOMO (January 2022)
- To execute organizational restructuring of New DOCOMO Group (July 2022)

Script

Moving forward, the key topics for the fourth quarter and beyond. This is on page 7. In the briefing session of the holding company, this was explained. We plan to launch “home Denwa” in March. Our competitors and peers have already started providing this service, so we would like to provide the service combining mobile and fixed-line so that we will be able to further expand our customer base.

Also, within the smart life business, we are scheduling to launch “docomo Denki.” We have already received the pre-orders. As of right now, as of the end of January, we have 370,000 pre-orders from our users. Therefore, we believe that we were able to have a good steady start.

As for the enterprise business, as I have mentioned already, the marketplace service has been expanded.

Lastly, as the New DOCOMO Group, NTT Communications and NTT COMWARE have become subsidiary companies in January, and we are planning to execute organizational restructuring of the New DOCOMO Group in July. From my side, I mainly focused on the key topics and made comments for that. Regarding the specific financial results content, I would like to receive your questions with the Q&A session. Thank you very much.

Changing worlds with you.

^{NTT}
docomo

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"

• 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.

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