
FY2021 Financial Results and FY2022 Guidance



May 12, 2022

1. FY2021 Results Highlights

2. FY2022 Guidance and Principal Actions

FY2021 Results Highlights (DOCOMO group/Integrated ICT)

IFRS

(Billions of yen)

	FY2020 full year (1)	FY2021 full year (2)	Changes (2) –(1)	Changes
Operating revenues	5,880.9	5,870.2	-10.7	-0.2%
Operating profit	1,060.0	1,072.5	+12.6	+1.2%
Profit attributable to shareholders of NTT DOCOMO, INC.	749.6	752.1	+2.5	+0.3%
Capital expenditures	734.3	698.6	-35.7	-4.9%

FY2021 Results Highlights (Former DOCOMO group)

IFRS

(Billions of yen)

	FY2020 full year (1)	FY2021 full year (2)	Changes (2) – (1)	Changes
Operating revenues	4,725.2	4,713.8	-11.4	-0.2%
Operating profit	913.2	927.9	+14.7	+1.6%
Profit attributable to shareholders of NTT DOCOMO, INC.	629.0	648.0	+19.0	+3.0%
Capital expenditures	569.1	548.1	-21.0	-3.7%

FY2021 Results Highlights (Communications group)

(Billions of yen)

	FY2020 full year (1)	FY2021 full year (2)	Changes (2) – (1)	Changes
Operating revenues	1,070.4	1,047.6	-22.8	-2.1%
Operating profit	137.3	135.1	-2.2	-1.6%
Profit attributable to shareholders of NTT DOCOMO, INC.	115.7	100.5	-15.1	-13.1%
Capital expenditures	97.8	101.9	+4.1	+4.2%

FY2021 Results Summary

Achieved year-on-year profit growth for total group

Former DOCOMO group

- Revenues decreased but profit grew over the previous year. Delivered profit increase in line with guidance.
- Implemented strategic rate reductions, recovering competitive momentum toward expansion of customer base
 - ✓ Steadily secured mid- and large-bucket users leveraging “ahamo” and “U30 Long Wari” discount plans. Economy plans also beginning to show positive effects for new customer acquisition.
 - ✓ Improved network cost efficiency while expanding 5G coverage, curbing 4G investments and rolling out 5G primarily using NR (New Radio) in existing bands.
- Achieved steadfast growth driven mainly by finance/payment and enterprise solutions.
 - ✓ Tackled efficiency improvement of existing services and successfully expanded profit quarter over quarter.

Communi- cations group

- Revenue recorded a decrease but profit remained nearly flat over previous fiscal year. Profit came in nearly in line with guidance.
- Made up for the downtrend in voice services, etc., with increased orders for solutions and cost efficiency improvement.

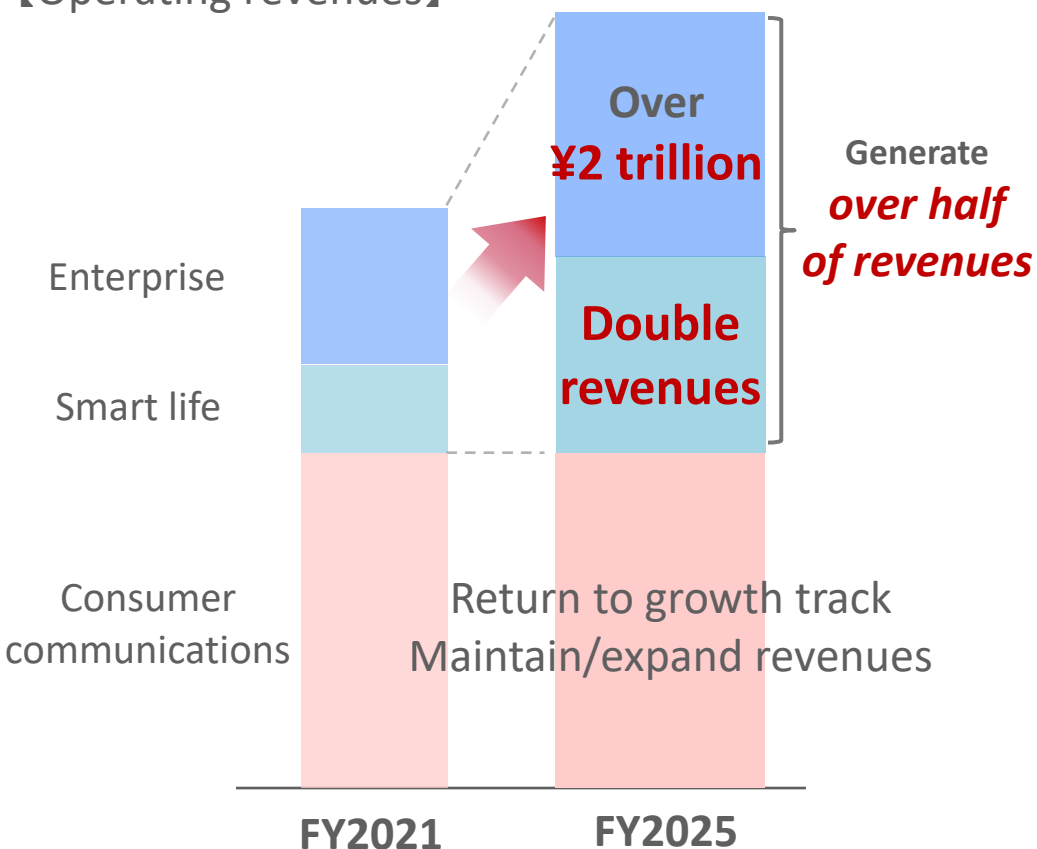
1. FY2021 Results Highlights

2. FY2022 Guidance and Principal Actions

Growth and Business Portfolio Transformation

Transform business portfolio to become an integrated ICT company and achieve sustainable growth

【Operating revenues】



Enterprise business

- Expand growth domains, e.g., mobile, cloud, solutions, etc.
- Offer value to customers—from large corporations to SMEs—in one stop, leveraging the strengths of Communications.

Smart life business

- Further grow finance/payment and marketing solutions.
- Expand new business areas, e.g., “Denki”, medical, XR, etc.

Consumer communications business

- Make a turnaround to growth track with 5G-based new services and expansion of customer base
- Maintain/increase profit through structural reform of sales channel and network

FY2022 Guidance (DOCOMO Group/ Integrated ICT)

<div>IFRS</div> <div>(Billions of yen)</div>	FY2021 full year (1)	FY2022 full year (2)	Changes (2) –(1)
Operating revenues	5,870.2	5,984.0	+113.8
Operating profit	1,072.5	1,084.0	+11.5
Profit attributable to shareholders of NTT DOCOMO, INC.	752.1	748.0	-4.1
Capital expenditures	698.6	713.0	+14.4

FY2022 Guidance by Segment (DOCOMO Group/ Integrated ICT)

IFRS

(Billions of yen)

		FY2021 full year (1) *	FY2022 full year (2)	Changes (2) – (1)
Enterprise	Operating revenues	1,719.5	1,774.0	+54.5
	Operating profit	251.6	279.0	+27.4
Smart life	Operating revenues	960.4	1,081.0	+120.6
	Operating profit	197.8	203.0	+5.2
Consumer communications	Operating revenues	3,434.6	3,371.0	-63.6
	Operating profit	623.1	602.0	-21.1

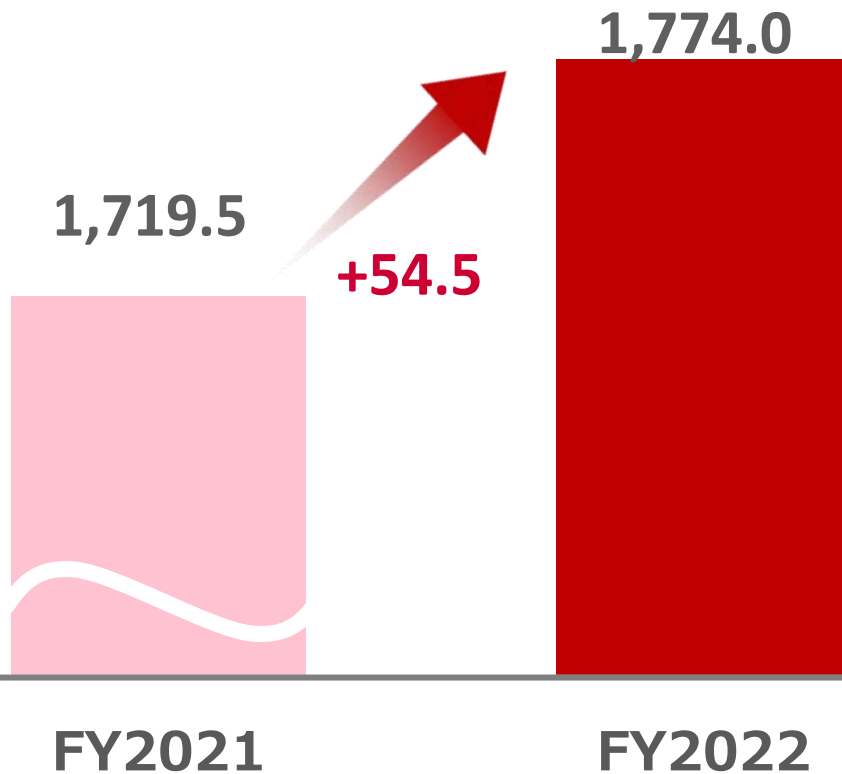
* Numbers represent the amount calculated on the assumption of executing organizational restructuring including inter-group business transfers (Step 2) planned for July 2022.

Enterprise

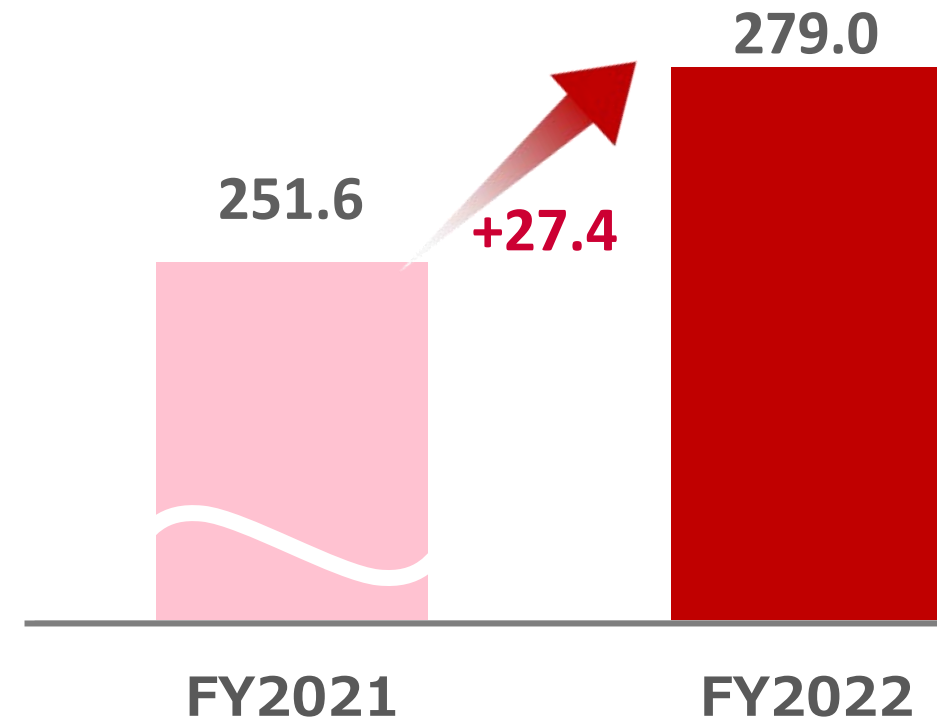
Growth of Enterprise Business

Achieve steadfast growth by expanding revenues through sales force integration of DOCOMO and Communications and reinforcement of mobile/cloud/solutions, etc., while improving cost efficiency.

Operating revenues (billions of yen)



Operating profit (billions of yen)

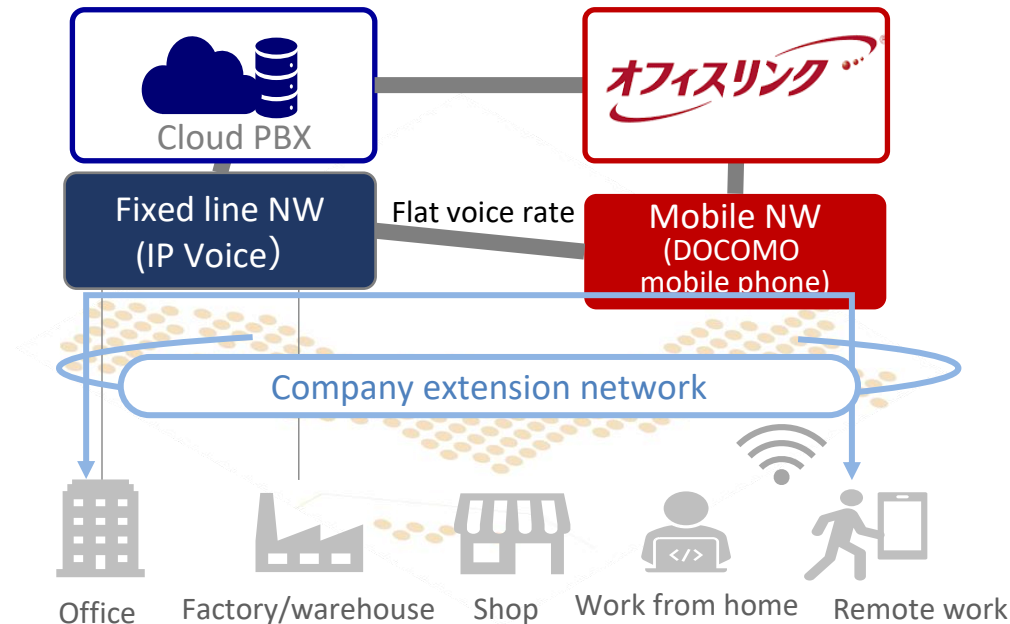


Convergence of Mobile/Fixed/Cloud Services ^{NTT} docomo

One-stop provision of mobile/fixed/cloud services that can be freely combined and used by all customers

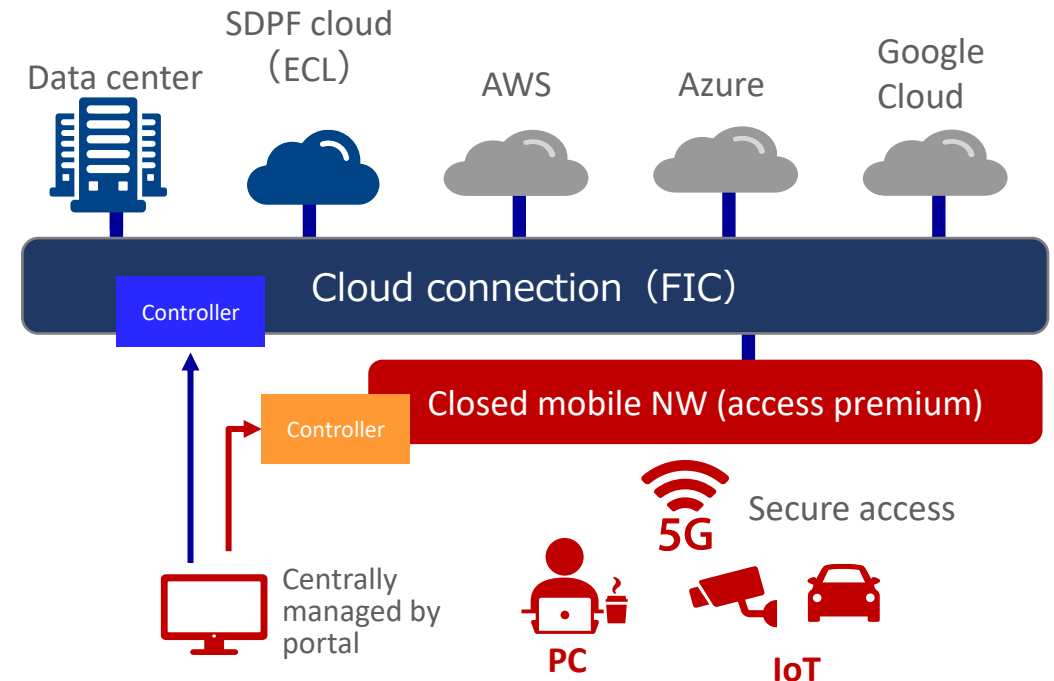
Package offering of mobile/fixed voice services

(Started October/end 2021)



Faster and centralized mobile access & cloud connection

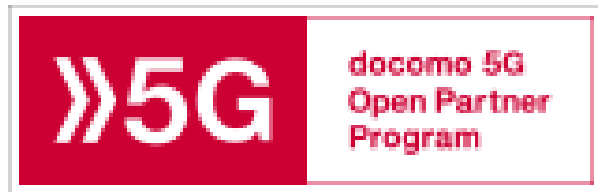
(Started March/end 2022)



Value Proposition to Large Corporations

Expand Smart X/BBX businesses through mobile/cloud-first innovative solutions and co-creation with partners, thereby contributing to DX of society and industry.

Co-creation with partners



5G Open Partner Program:

Over **5,200**
companies




OPEN HUB members:

Over **2,600**
companies

Reinforcement of advanced services/solutions



 Smart Data Platform



Value Proposition to SME Customers

Help realize regional vitalization and decentralized society by stepping up DX support to all enterprise customers/municipal governments in each region.

Strengthen nationwide sales structure/touchpoints



DX support structure comprising
5,000 people

(Established 8 regional offices under Communications and DOCOMO Business Solutions, Inc.)



ビジネスdXストア



docomo Shop
enterprise advisor

Diversified
customer
touchpoints



Inside sales

Enrichment of DX support services

Operational support

dX Online sales

dX Electronic contract

dX Attendance/personnel management

ビジネス d アカウント

IT support



Voice FMC



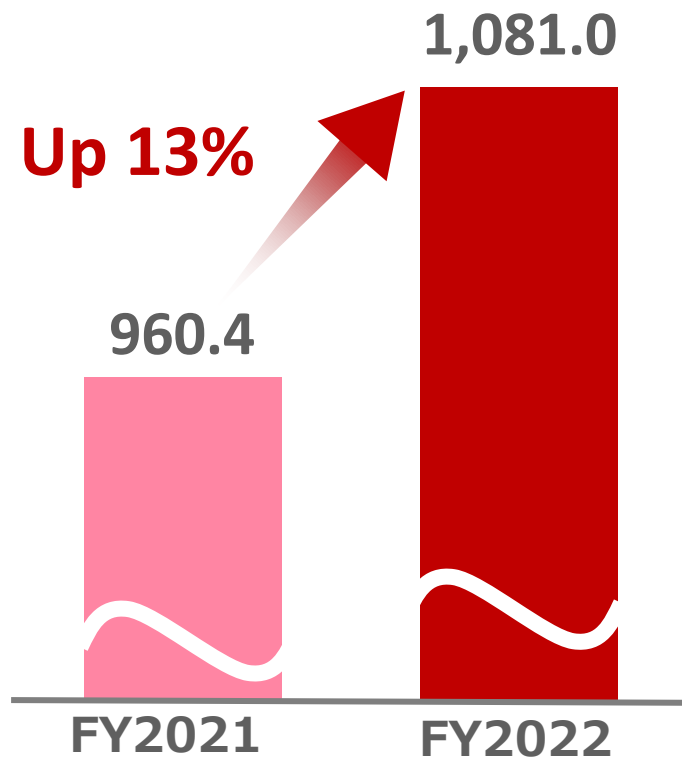
More services to be added in future

Smart Life

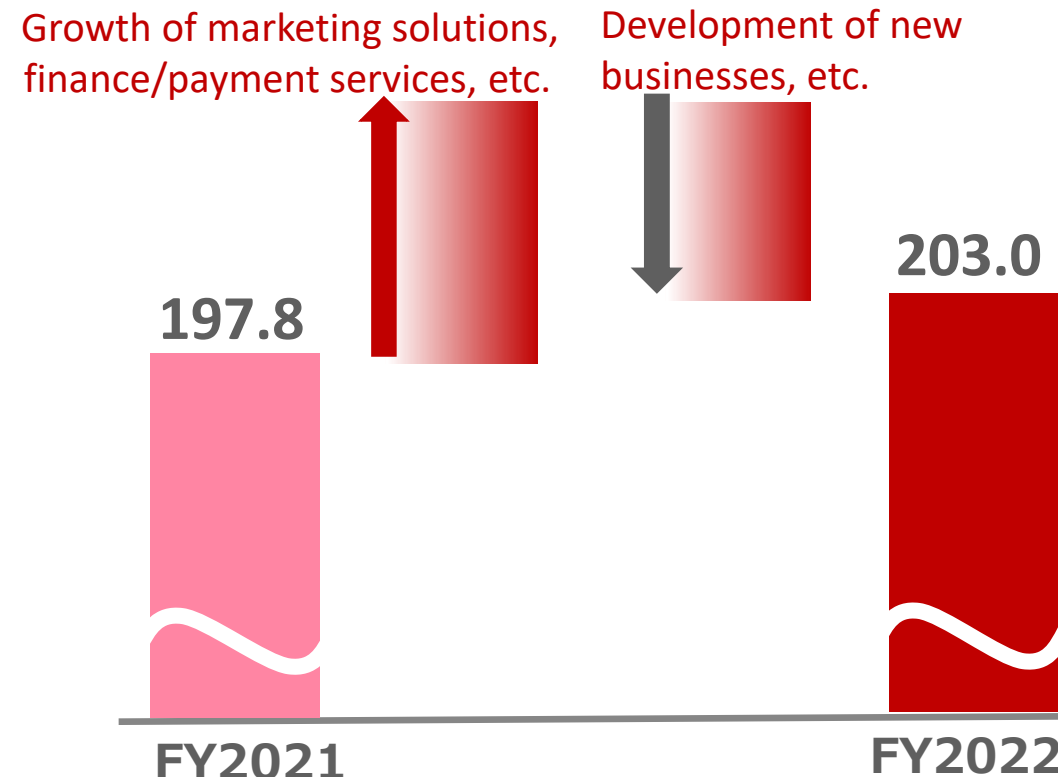
Further Expansion of Smart Life Business ^{NTT} docomo

Achieve growth driven mainly by marketing solutions and finance/payment services, and step up actions to address new domains, e.g., roll-out of “docomo Denki”, etc.

Operating revenues (billions of yen)



Operating profit (billions of yen)



Actions for Business Expansion

Aim for further growth leveraging our membership base and data.

Expansion of marketing solutions

Support value chain of member stores and manufacturers



Member stores
(d POINT, d Payment)



Manufacturers

Promotion/CRM support

Optimize promotion using both online/offline data

Repeat/cross-sell

Product development support

Visualize trends and consumer needs transcending categories

DOCOMO membership base (89 mil)

Further growth of finance business

Expand transactions by increasing member stores, acquiring young users and promoting cross use, etc.



d CARD



New membership program

ドコモでんき Green ドコモでんき Basic

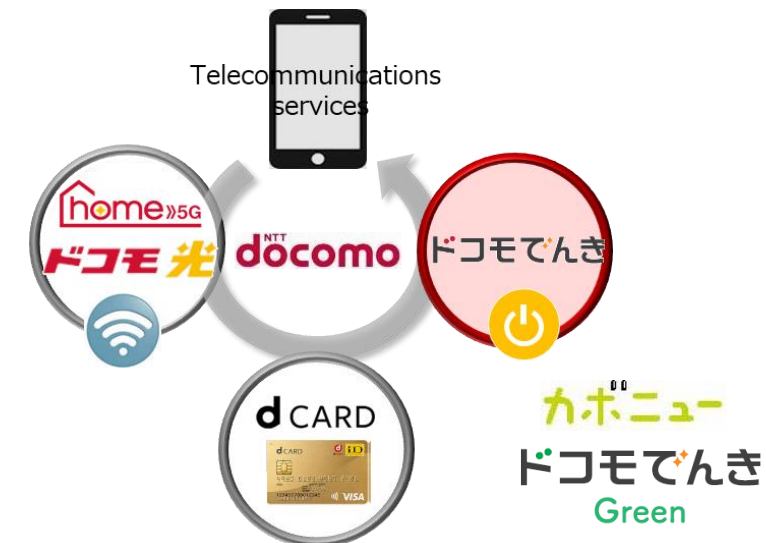


Accelerate roll-out of new financial services, e.g., bank account, insurance, loan, etc., and strengthen monetization

Roll-out of “docomo Denki”

Strengthen customer base through cross use and contribute to carbon neutrality

No. of applications: 200,000
(As of April 24, 2022)

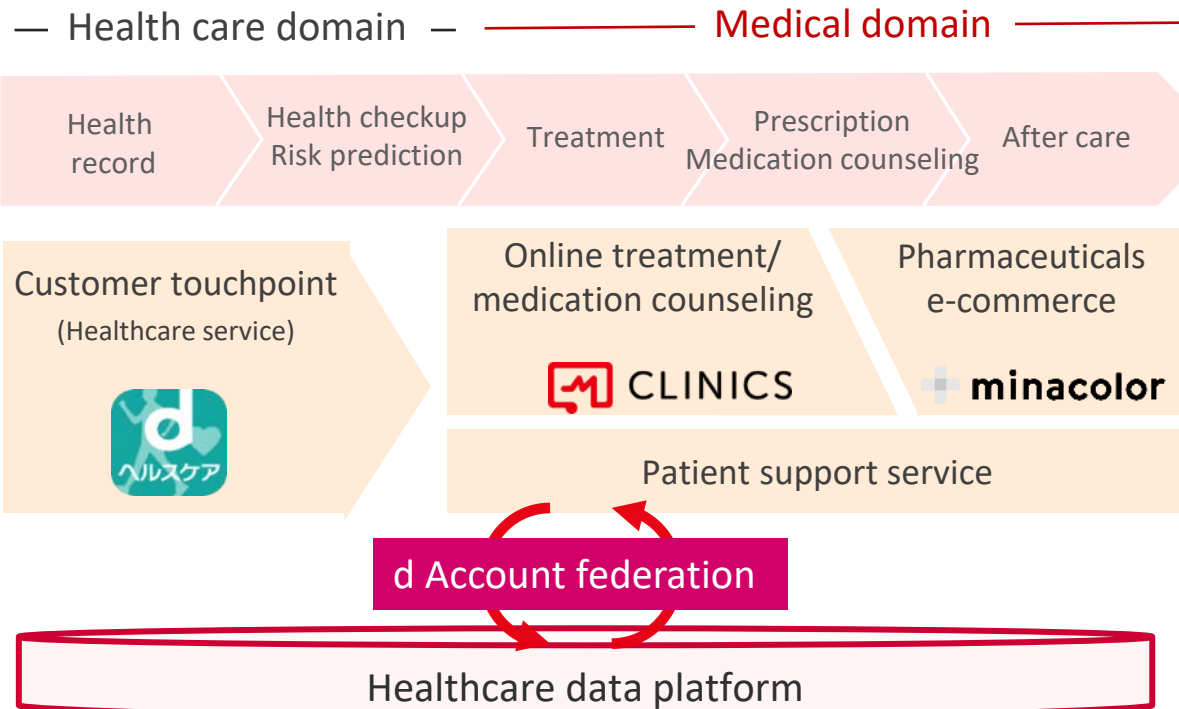


Strengthen New Business Domains

Construct a one-stop ecosystem in new business areas
(e.g., medical, XR, etc.) at an early date.

Health care/Medical

Provide services ranging from health management
to treatment to prescription



XR

Create new market and expand business through
one-stop offering from services to devices

Consumer services



XR World



XR City

Enterprise solutions



Tourism/travel



Education

XR device



Set up a XR business planning company and
commence business at an early date
(Planned for October 2022)

Consumer Communications

Expansion of Customer Base

Expand customer base by offering rate plans catered to diverse customer needs and promoting cross-sale of life-related services

Enrichment of rate plans

ahamo大盛り



Cross-sale of life-related services

home»5G

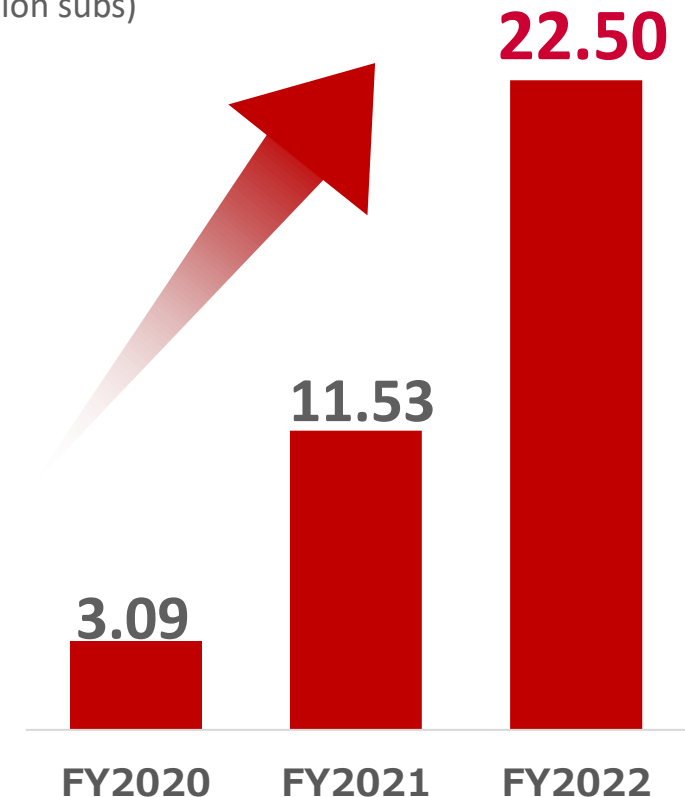
homeでんわ

ドコモでんき



5G subscriptions

(Million subs)



Channel Reform

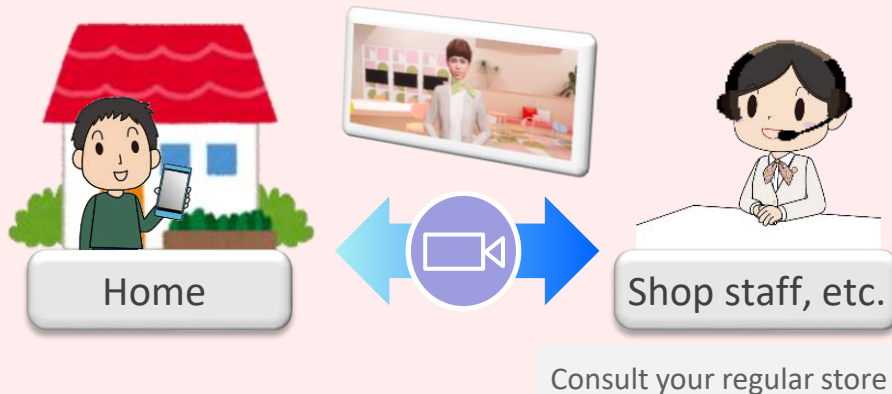
Evolution to hybrid channel converging brick & mortar with online.

Remote customer attendance

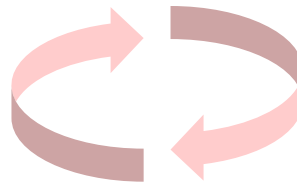
Provision of online consulting service

～Enable anyone to casually use online services～

* Image of service provision (illustrative)



Utilize existing
resources for remote
customer attendance



Improve operating
efficiency through
transition to online

docomo Shops



Optimal shop count/size for each area

Evolve into ICT support center

～Solve digital divide～

Information center



Reduce no. of calls through online transition.
Improve productivity by integrating offices.

Enhance convenience through
new customer experience



Diverse workstyles
not bound by location

Realize High-Quality & Economical Network

Pursue 5G customer experience that offers speed and coverage superior to the competitions' and achieve transformation to a more economical and highly reliable network.

5G customer experience superior to the competitions'



Roll-out of 5G in every municipality^{*3}

(“Lightning Speed 5G” + 5G using 4G spectrum bands)

Pursue economic efficiency & reliability enhancement through structural reform

Enhance efficiency of equipment operation cost

- ✓ Sale of towers to J TOWER and infrastructure sharing.
- ✓ Acceleration of 3G user migration in a phased approach

Improve productivity of operations through DX, etc.

- ✓ Remote support of on-site equipment maintenance work (Workload efficiency improvement)
- ✓ Automation, e.g., zero-touch operation

Strengthen system to eliminate human-initiated failure/errors

- ✓ Set up a unit responsible for supervising network processes, which will centrally oversee equipment installation and construction works, etc. (planned for July).

*1: Topped 20,000 stations on April 28, 2022 (using new Sub-6 and millimeter-wave bands).

*2: “5G Download Speed” represents the average download speed experienced by users on 5G networks. “5G Reach” refers to an indicator that presents the degree a 5G user was able to access the 5G network in all the places the user visited.

Source : Opensignal Awards – Japan Mobile Network Experience report April 2022, based on independent analysis of mobile measurements recorded during the period [01 Dec 2021 to 28 Feb 2022]. ©2022 Opensignal Inc.

*3: As of March 31, 2024.

Actions toward delivery of carbon neutrality target by 2030



- Use of renewable energy* disproportionately higher than the percentage of 5G subscribers.
*Including the introduction of renewable energy-designated Non-Fossil Certificates.
- Started using power generated based on offsite Power Purchase Agreement (PPA) at NTT DOCOMO Okayama Building from April 2022. Plan to further increase adoption going forward.

- Promoted green initiatives at data centers, e.g., increased energy savings and provision of green power using renewable energy.

Max. **10%** reduction of air-conditioning power

Approx. **20%** saving of air-conditioning power consumption

50kW+ server cooling



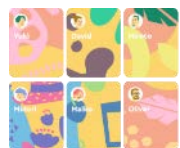
Approx. **60%** saving of air-conditioning power consumption

Max. approx. **30kW/rack**

Solar power generation panel

Initiatives to raise social awareness

- Established “Caboneu” community site



Introduction and sales of eco-friendly handsets

- Started handling DOCOMO-certified reused handsets on DOCOMO online shop from March 2022, and gradually expanded program thereafter.

docomo Certified

- Plan to offer recycled plastic smartphones starting with 2022 summer collection

Promotion of diversity

Promote diversity

Workstyle reform

Encourage challenge

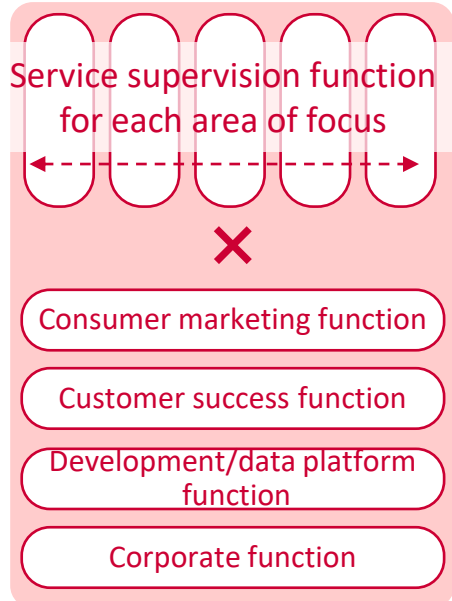
FY2022 targets:

Percentage of female managers: 12%
Parental leave acquisition rate by male employees: 100%
Remote work execution rate: 70%

Reinforcement of Business Operation Structure ^{NTT}docomo

Accelerate further growth by adopting company structure for Smart life business

Smart Life company



(Over 2,000 people)

- Creation of compelling products
- Strengthen sales structure (consumer/enterprise)
- Realize agile service development
- Allocation of managerial resources

Support customers in all regions by strengthening regional management structure

DOCOMO

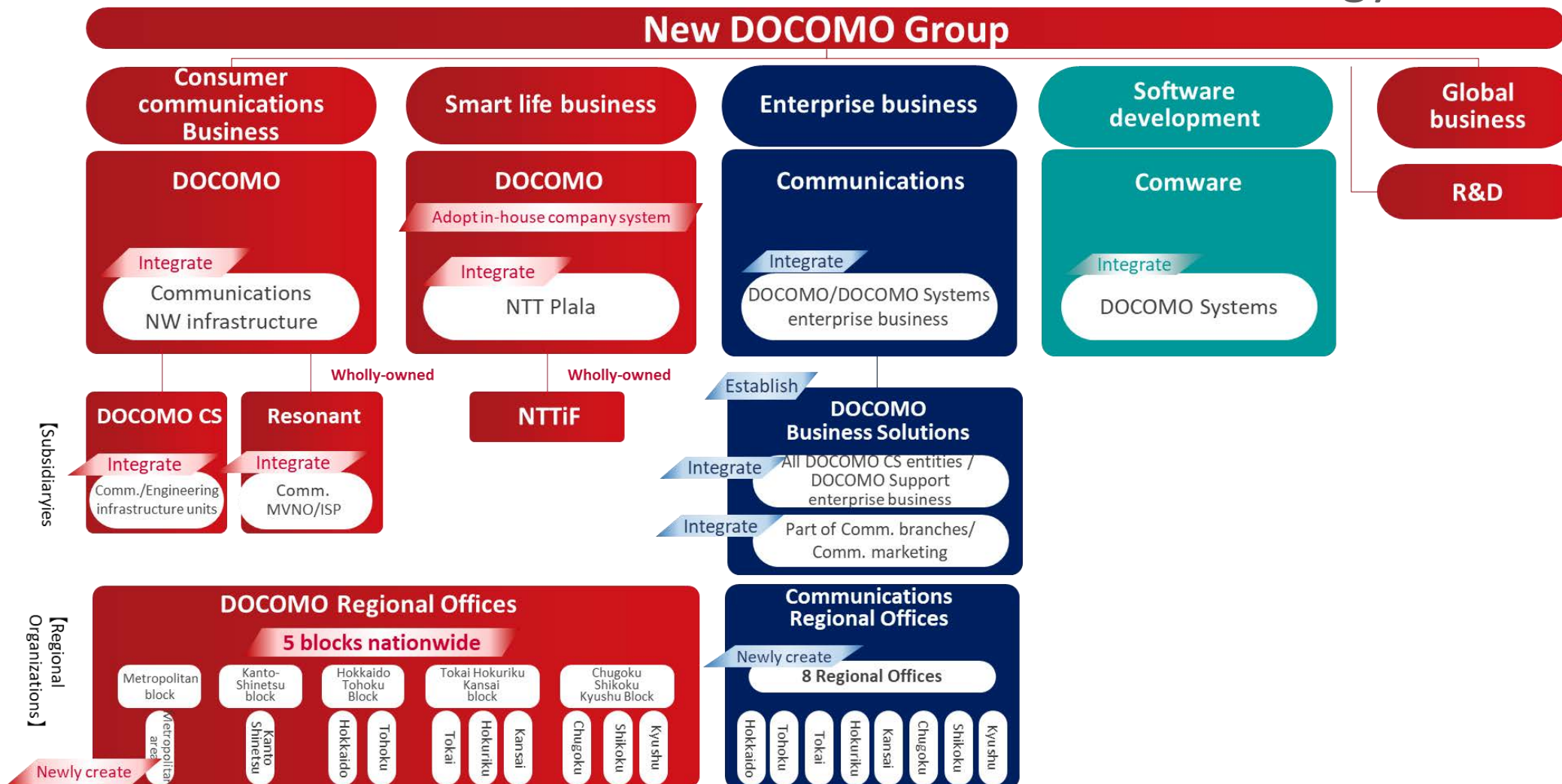
- Strengthen and optimize business operations through wide-area management
 - Newly establish Metropolitan Area Regional Office and Kanto-Shinetsu Regional Office
 - Introduce 10 Regional Offices/5 Blocks structure (Hokkaido/Tohoku, Tokai/Hokuriku/Kansai, Chugoku/Shikoku, Kyushu, Metropolitan Area, Kanto-Shinetsu)

Communications

- Strengthen sales structure for regions/SMEs
 - Newly establish 8 Regional Offices across Japan
 - Newly establish DOCOMO Business Solutions, Inc.

New Structure from July 1

Integrate functions and clarify business responsibilities
to accelerate the execution of medium-term strategy



Changing worlds with you.

^{NTT}
docomo

Appendix

(Ref) Key Operational Indicators (1)

	FY2020	FY2021	Changes
“d POINT CLUB” members (Million)	81.95	89.08	+9%
“d POINT CARD” registrants	50.78	57.86	+14%
“d POINTs” used (Billion points)	249.3	270.3	+8%
“d POINTs” used at partners’ stores, etc.	176.0	208.1	+18%
Mobile telecommunications service subscriptions (Million subs)	82.63	84.75	+3%
5G subscriptions	3.09	11.53	+273%
(Incl.) home 5G subscriptions	-	0.29	-
Churn rate (%)	0.48	0.62	+0.13pt
Handset churn rate	0.40	0.53	+0.13pt
“docomo Hikari” subscriptions (Million subs)	7.04	7.26	+3%

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

(Ref) Key Operational Indicators (2)

	FY2020	FY2021	Changes
Finance/Payment transactions handled (Billions of yen)	6,980.0	8,860.0	+27%
“d CARD” transactions	5,250.0	6,610.0	+26%
“d Payment” transactions	810.0	1,256.0	+55%
“d CARD” members (Million members)	14.37	15.67	+9%
“d CARD GOLD”	7.97	8.89	+12%
“d Payment” users (Millions)	35.23	43.75	+24%
Locations where payment/point service can be used (Million locations)	3.09	4.10	+33%

- ◆ The amount of transactions handled represent the cumulative amount for FY2021, 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. Locations where “iD” can be used for FY2020 were updated to reflect the actual number as of March 31, 2021.

FY2021 Results by Segment (former DOCOMO Group)

IFRS

(Billions of yen)

		FY2020 full year (1)	FY2021 full year (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	3,684.3	3,660.8	-23.6
	Operating profit	721.1	686.8	-34.3
Smart life business	Operating revenues	616.2	619.0	+2.8
	Operating profit	59.4	75.4	+16.1
Other businesses	Operating revenues	465.4	477.4	+12.0
	Operating profit	132.7	165.7	+33.0
<Ref.> Smart life business and Other businesses	Operating revenues	1,081.5	1,096.4	+14.9
	Operating profit	192.1	241.2	+49.1

Change of Reportable Segment (Overview)

Former segments

NTT docomo

Telecom

Mobile communications services
Optical fiber broadband service
Other telecommunications services

Revenues: 3,660.8 Profit: 686.8

Smart life

Content/Lifestyle services
Finance/Payment services

Revenues: 619.0 Profit: 75.4

Other

Support services for customers' peace of mind
Enterprise solutions

Revenues: 477.7 Profit: 165.7

NTT Communications

- Cloud computing platforms
- Data networks
- Voice communications
- Application & content
- Solution services
- Other

Revenues: 1,047.6 Profit: 135.1

NTT COMWARE

New segments

Enterprise

For enterprise customers:

Mobile communications services
Fixed-line communications services
Device sales
System integration service, etc.

Revenues: 1,719.5 Profit: 251.6

Smart life

Finance/payment services
Marketing solutions
Content/Lifestyle services
Support services for customers' peace of mind

Revenues: 960.4 Profit: 197.8

Consumer communications

For consumer customers:

Mobile communications services
Fixed-line communications services
Device sales, etc.

Revenues: 3,434.6 Profit: 623.1

- Approx. 10% of former DOCOMO's total revenues were transferred to "enterprise" under the new segments, of which approx. ¥110 billion were reclassified from "other" business in the former segmentation.
- Numbers of the financial results above are for FY2021.

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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