

# FY2023 Financial Results and FY2024 Guidance

May 10, 2024

NTT DOCOMO, INC.

\*The financial figures contained in this material are unaudited reference information prepared for internal management purposes.



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**1. FY2023 Results Highlights**

2. Key Actions Planned for Each Business

3. FY2024 Guidance

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✓ Recorded year-on-year increase in both revenues and profit

IFRS

(Billions of yen)

	FY2022 Full year	FY2023 Full year	Year-on-year	
			Changes	(%)
Operating revenues	6,059.0	6,140.0	+81.0	+1.3%
Operating profit	1,093.9	1,144.4	+50.5	+4.6%
Profit attributable to shareholders of NTT DOCOMO, INC.	771.8	795.1	+23.3	+3.0%
EBITDA	1,790.9	1,867.8	+77.0	+4.3%
Capital expenditures	706.3	705.4	-0.9	-0.1%

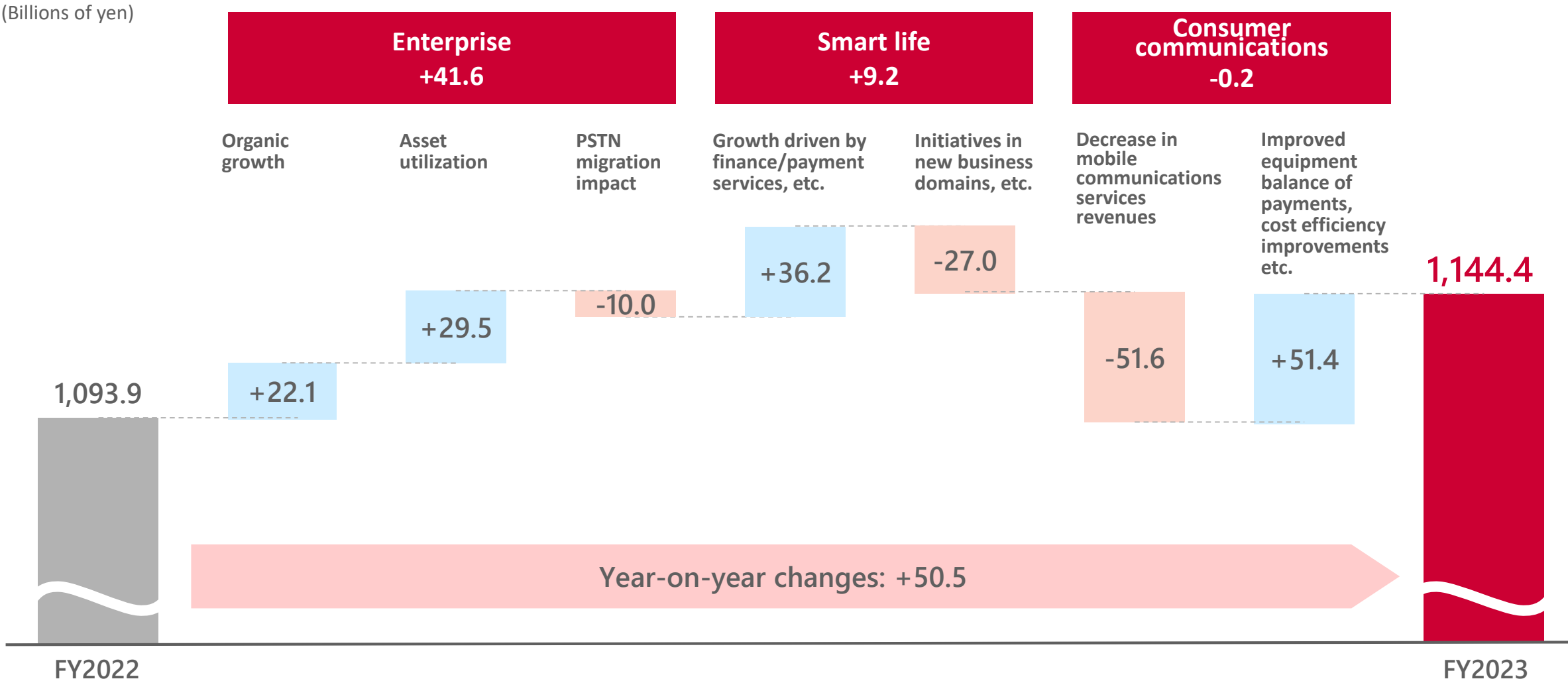
## FY2023 results by segment

- ✓ Enterprise and Smart life recorded increase in revenues and profit
- ✓ Consumer communications comparable to prior year

IFRS (Billions of yen)		FY2022 Full year	FY2023 Full year	Year-on-year	
				Changes	(%)
Enterprise	Operating revenues	1,805.7	<b>1,881.7</b>	+76.0	+4.2%
	Operating profit	282.6	<b>324.2</b>	+41.6	+14.7%
	EBITDA	420.6	<b>478.7</b>	+58.2	+13.8%
Smart life	Operating revenues	1,074.5	<b>1,090.8</b>	+16.3	+1.5%
	Operating profit	195.3	<b>204.4</b>	+9.2	+4.7%
	EBITDA	243.1	<b>258.2</b>	+15.1	+6.2%
Consumer communications	Operating revenues	3,427.4	<b>3,424.8</b>	-2.6	-0.1%
	Operating profit	616.0	<b>615.8</b>	-0.2	-0.0%
	EBITDA	1,127.2	<b>1,130.9</b>	+3.7	+0.3%

Key factors behind changes in FY2023 operating profit

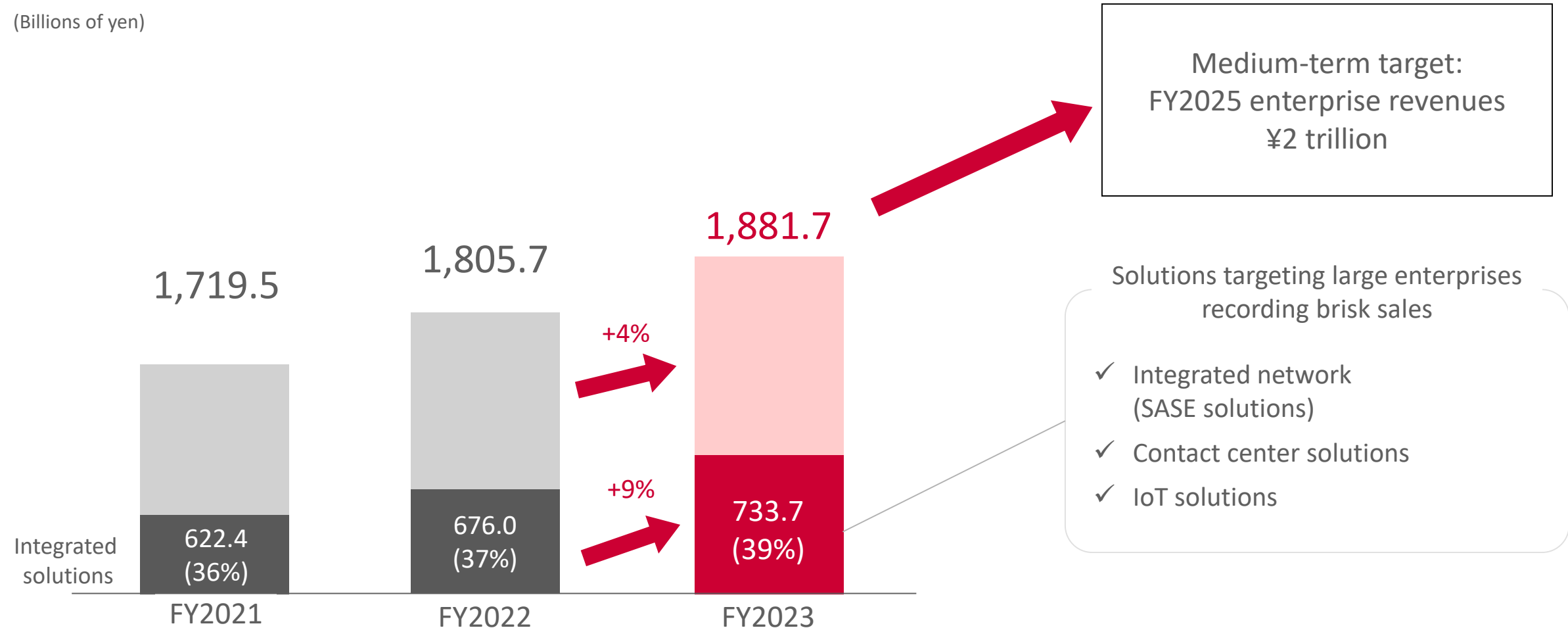
✓ Overall profit increased significantly driven mainly by accelerated growth in Enterprise and Smart life businesses, with Consumer communications maintaining prior year level as a result of improved equipment balance of payments and cost efficiency improvements



FY2023  
Enterprise business  
revenues

✓ Enterprise revenues grew steadily driven mainly by integrated solutions, making favorable progress toward mid-term target of generating ¥2 trillion in enterprise revenues in FY2025

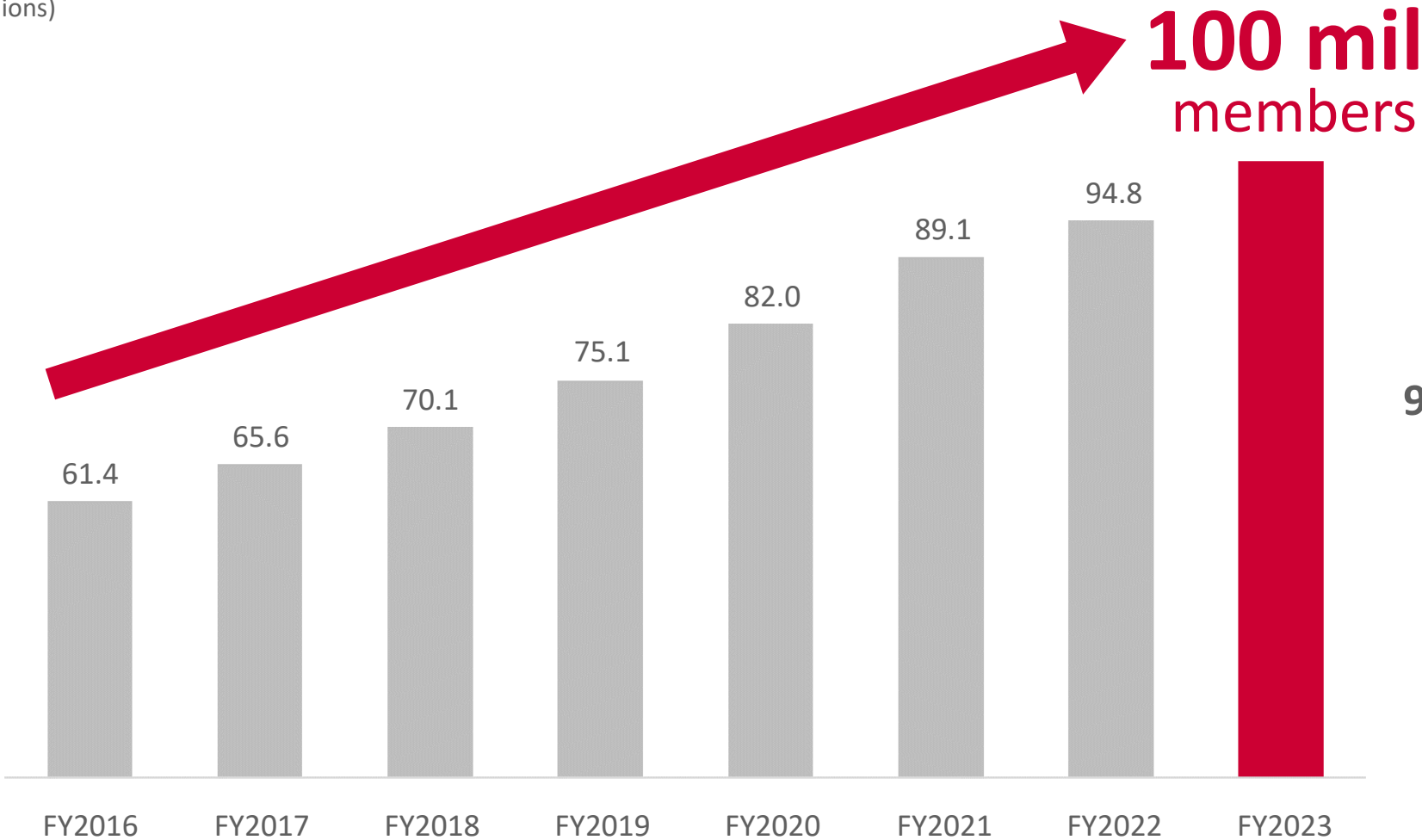
Enterprise business revenues  
(Billions of yen)



FY2023  
dPOINT Club  
membership

- ✓ Total no. of dPOINT Club members topped 100 million
- ✓ dPOINT partner network continues to expand

No. of dPOINT Club members  
(Millions)

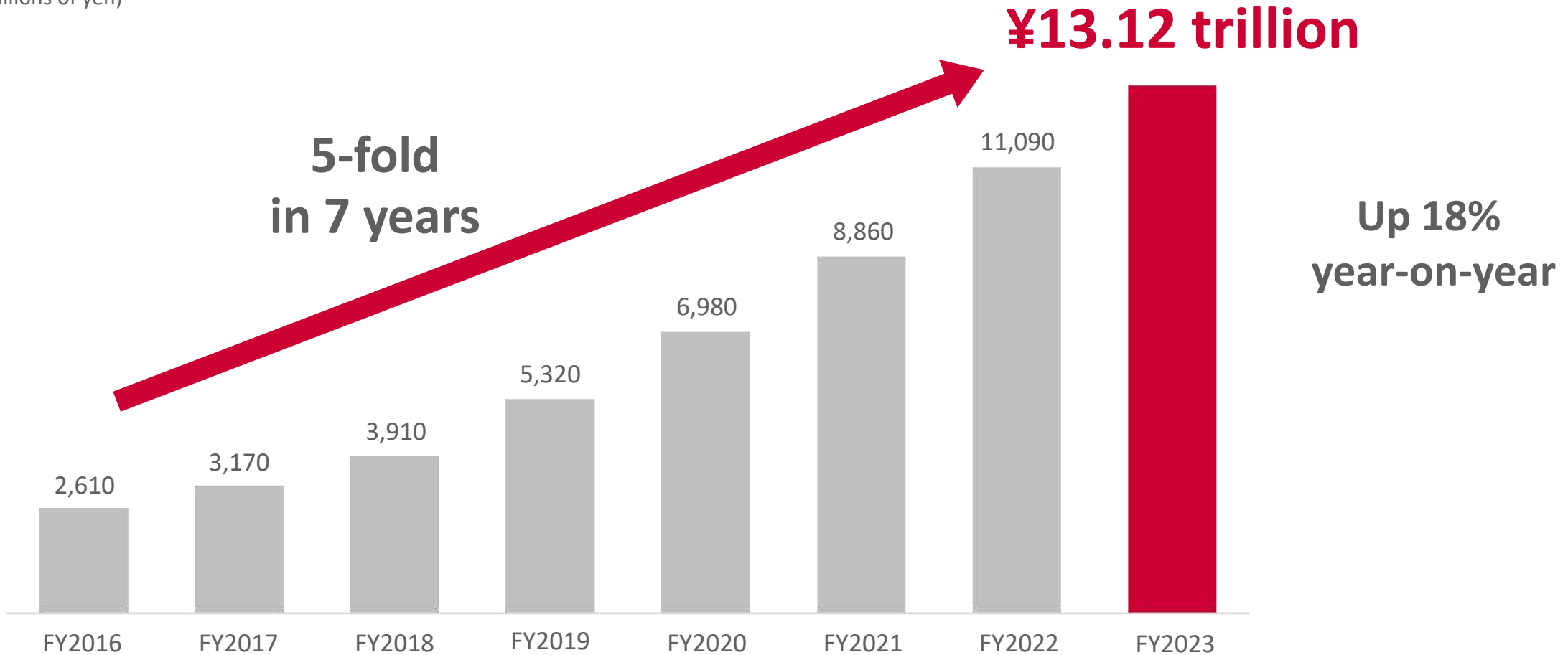


**dPOINT partners**  
(dPOINT/d-Barai merchants)  
**900,000 companies/3 mil shops**  
(As of Mar. 31, 2024)

## FY2023 Finance/Payment transactions

- ✓ Finance/payment transactions grew to ¥13 trillion
- ✓ High rate of growth maintained in both credit card and QR code payments

Finance/payment transactions (Payments made with credit card, QR code, etc.)  
(Billions of yen)

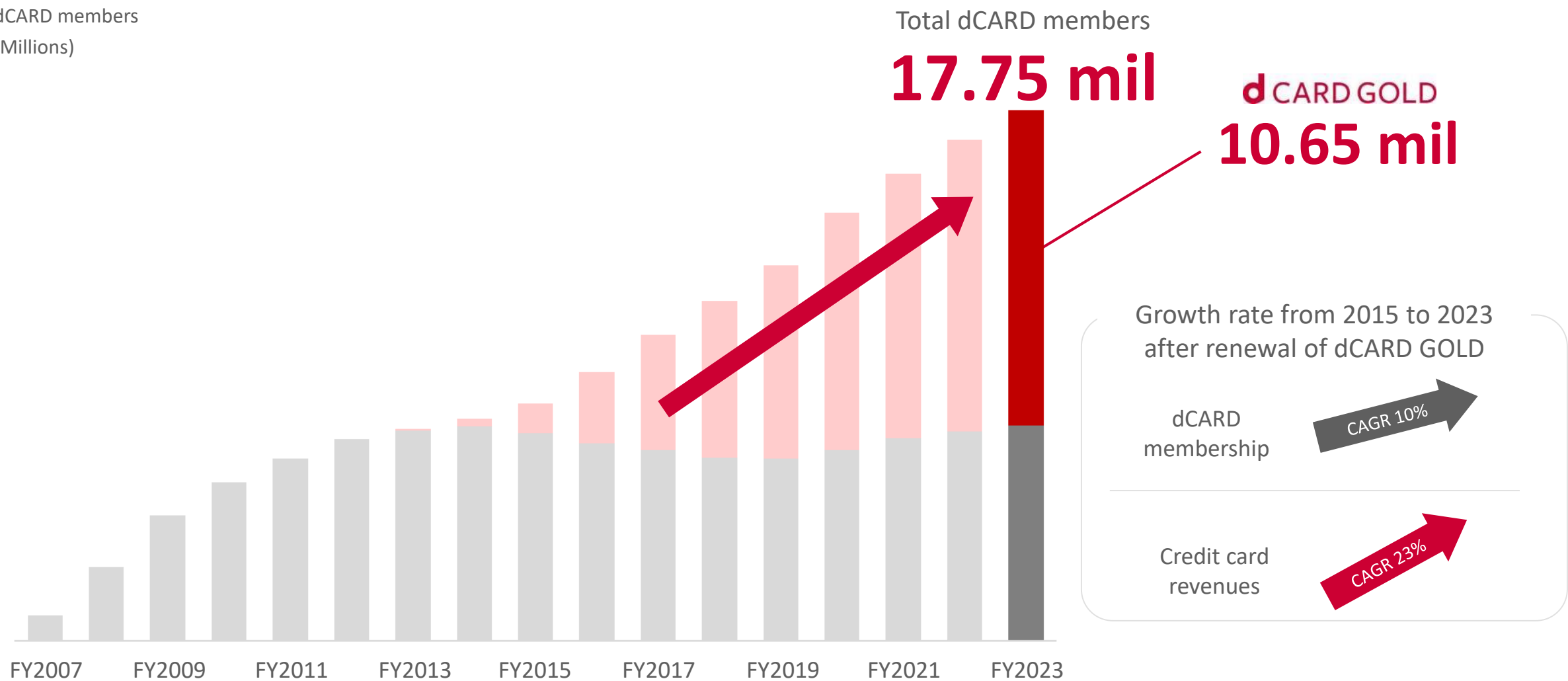




FY2023  
dCARD membership

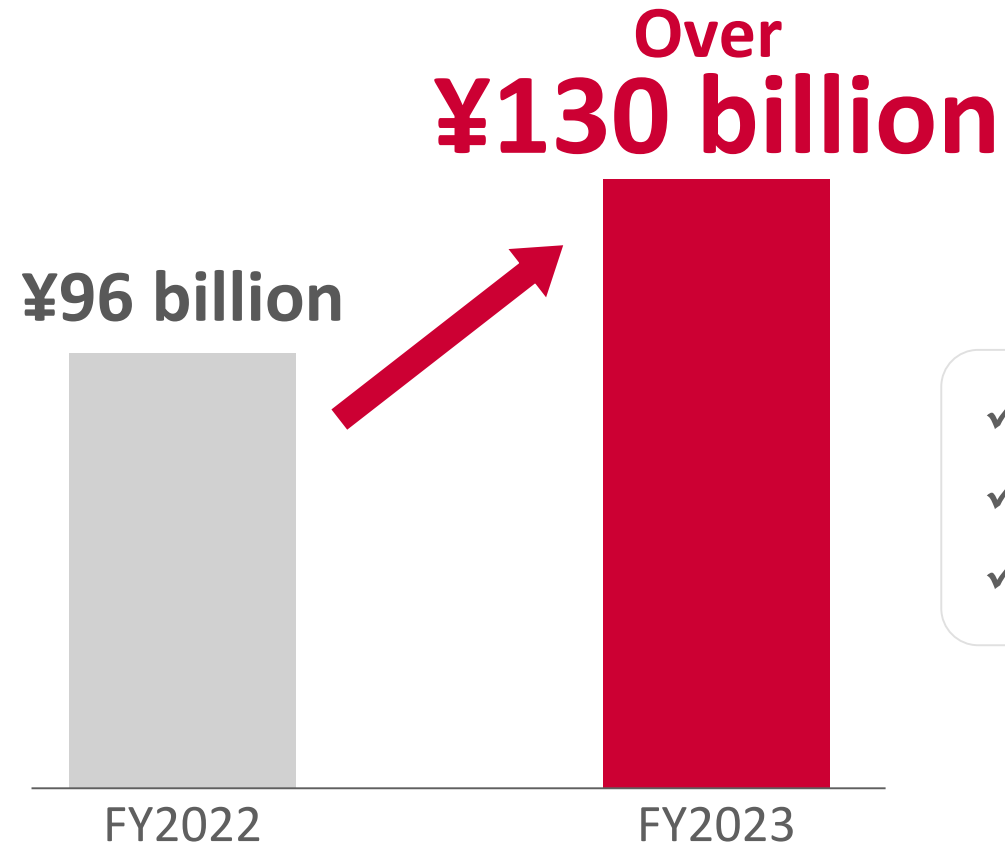
- ✓ No. of dCARD GOLD holders topped 10 million
- ✓ GOLD card ratio reached 60%, the highest level in industry, making positive contributions to revenue growth

dCARD members  
(Millions)



**FY2023**  
**Marketing solutions**  
**revenues**

- ✓ Achieved significant increase in revenues as a result of steadfast expansion of marketing DX and capital/business alliance with INTAGE, Inc.



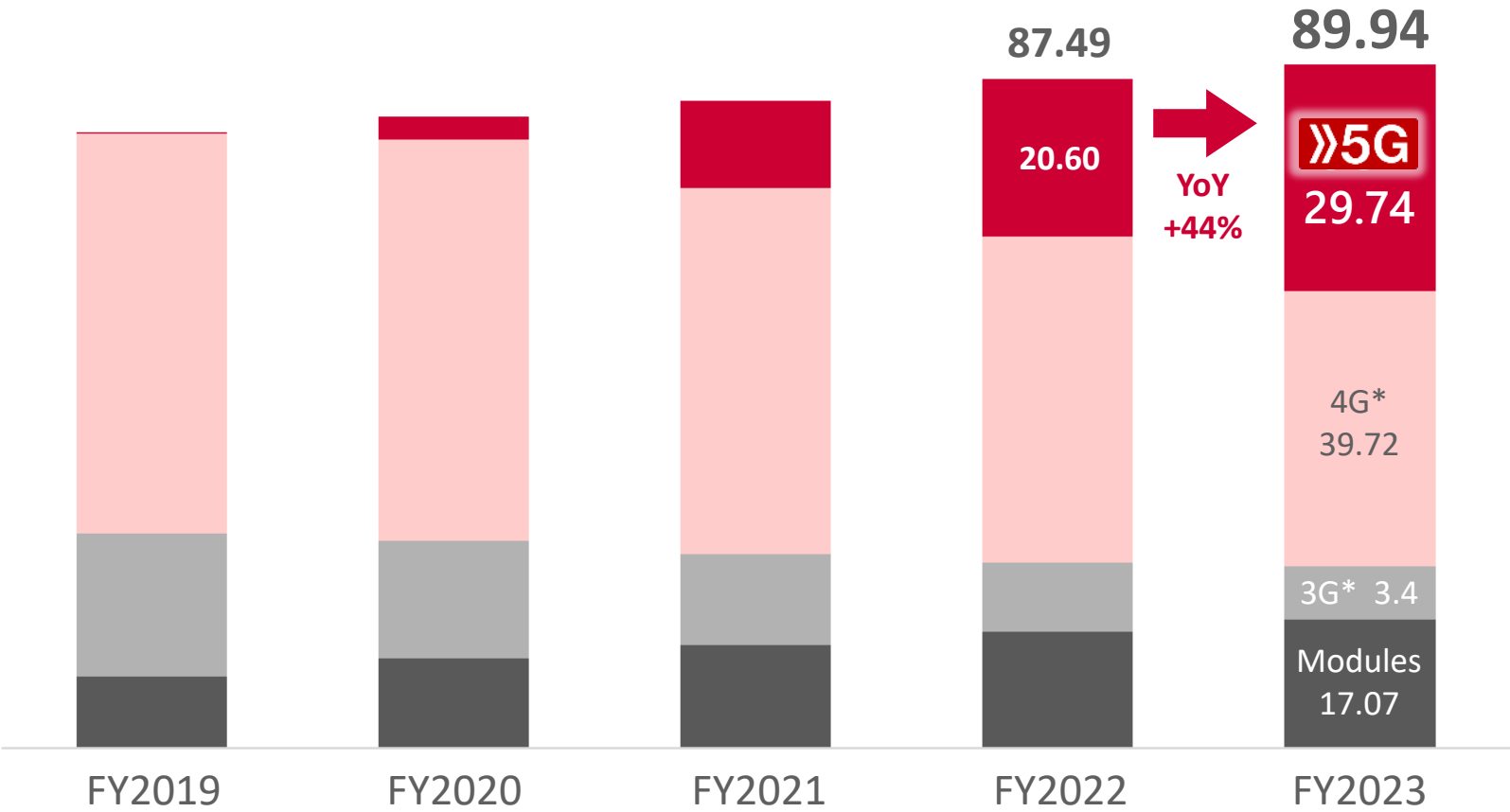
**Year-on-year: +40%**

- ✓ “DOCOMO Retail DX program” for distributors/retailers
- ✓ Reinforcement of DOCOMO Group sales structure
- ✓ Capital/business alliance with INTAGE HOLDINGS, Inc.

FY2023  
5G subscriptions

✓ Total no. of DOCOMO 5G subs increased steadily, accounting for over 40% of total subscriptions

Mobile phone service subscriptions  
(Million subs (Source :TCA))

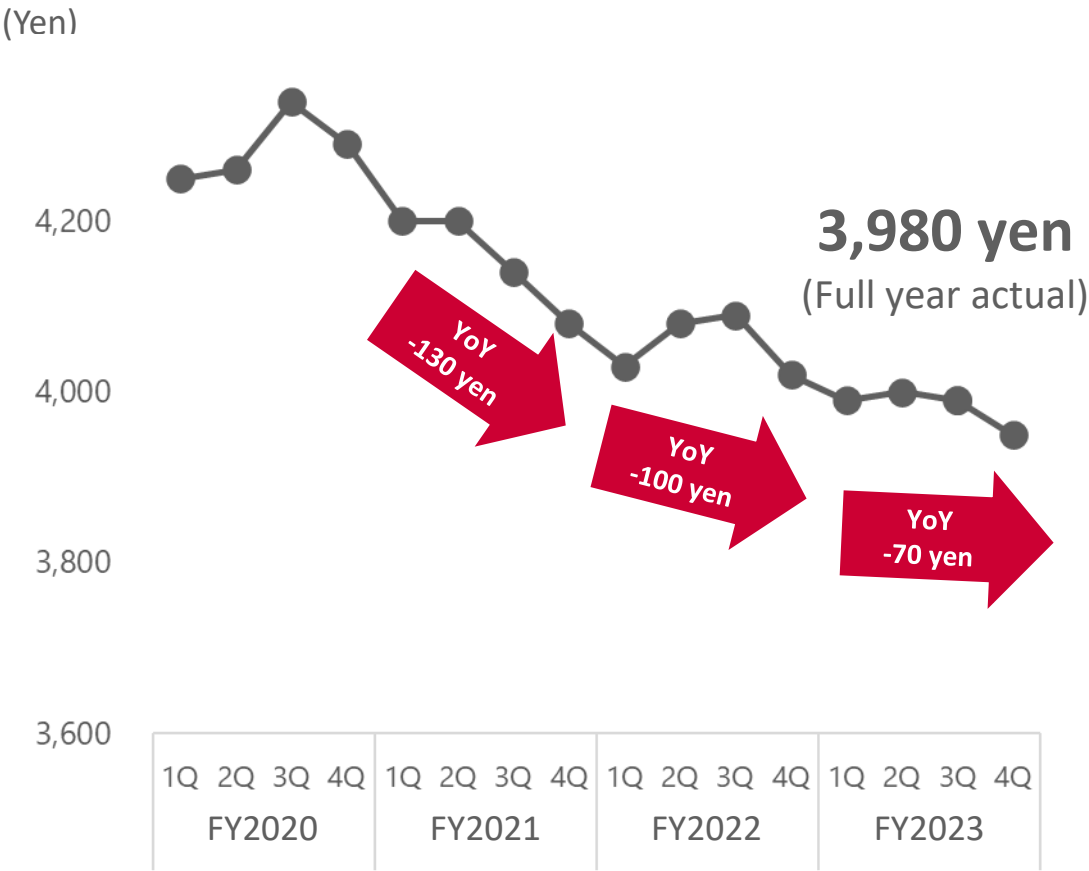


5G subscription rate  
(As of Mar, 31, 2024):  
40%\*

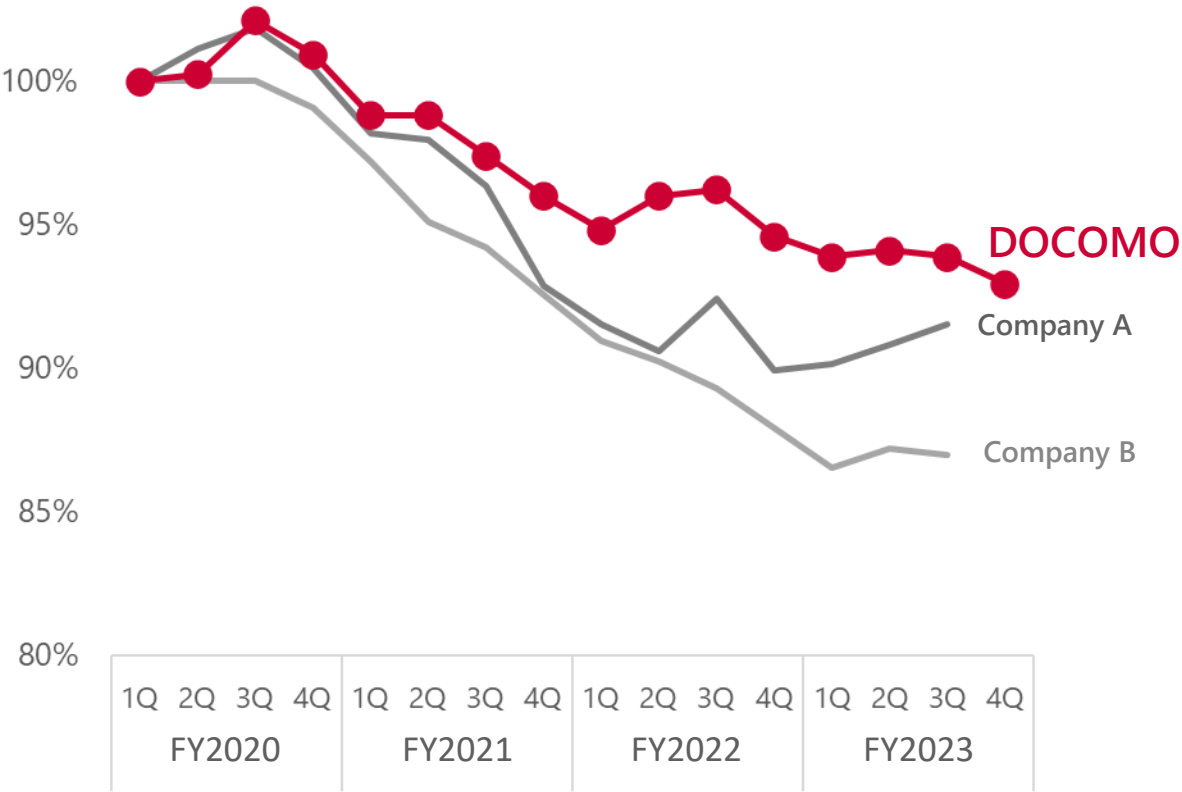
\*Modules excluded from calculation.

✓ Pace of decline of mobile communication ARPU slowed

Mobile communication ARPU



Changes in ARPU: Peer comparison\*



\* Comparison of mobile-related ARPU based on benchmark of FY2020/1Q data as 100%.

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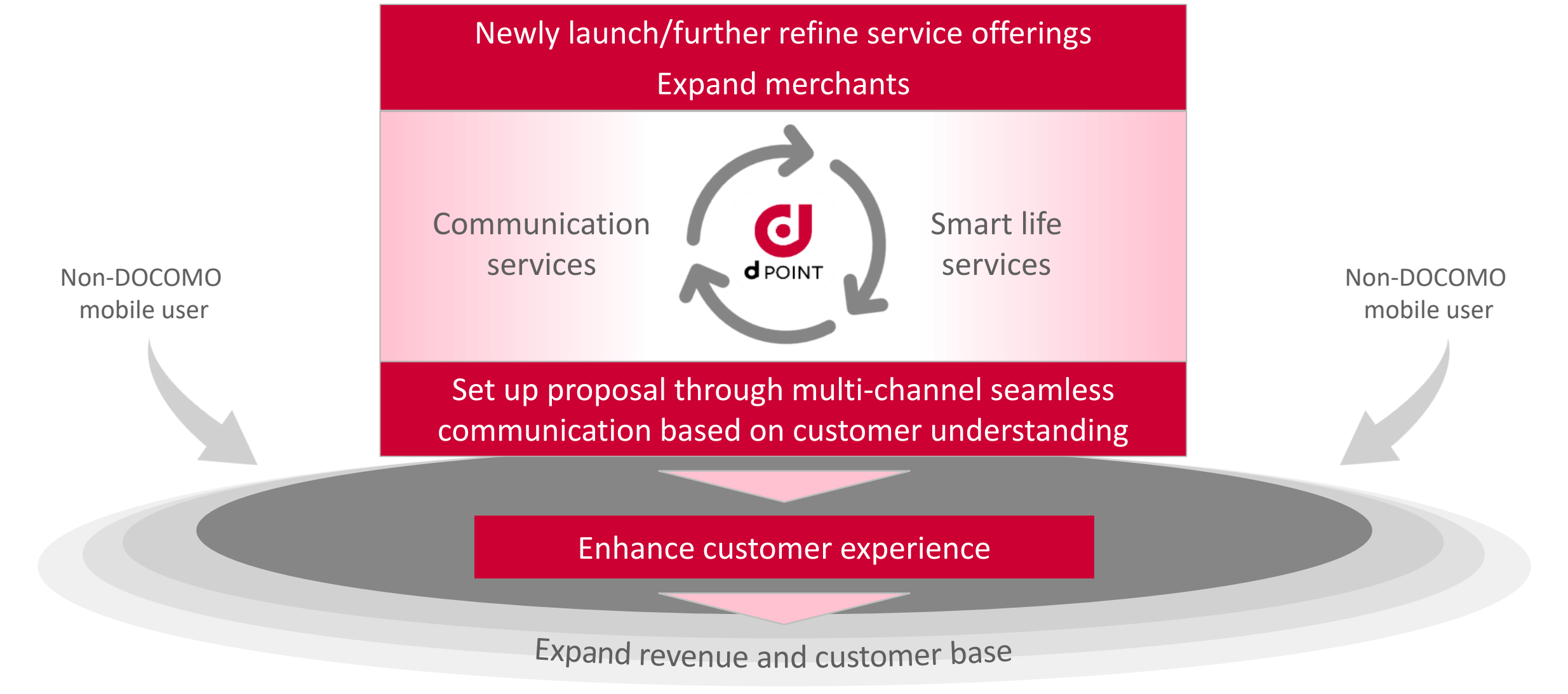
NTT  
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<Consumer>  
Enhanced customer  
experience value

- ✓ Aim to enhance customer experience by offering great value and convenience through “dPOINT” life, further improving its ease of use



- ✓ Propose optimal service mix catered to the individual needs of each customer with seamless communication



- ✓ Further enhance customer experience leveraging strategic alliance with Amazon

# 両社の強みを活かし お買物体験を変えていく

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約**1億**の  
会員基盤

※2024年3月

dポイント利用/年度  
約**3,400億**

※2022年度

リアル・デジタルの  
顧客接点  
ドコモショップ  
dポイント・d払い加盟店



amazon

1

dポイントがAmazon.co.jpで  
**たまる! つかえる!**

2

ドコモを通じた  
Amazonプライムにご登録で  
**さらにおトクに!**

数億点の品揃えの  
総合オンラインストア

ショッピングやエンターテインメント等の  
多様な特典を提供する  
「Amazonプライム」

新たなお買物体験を  
つくるテクノロジー



- ✓ Continue implementing measures aimed at improving the attractiveness of each service

## Video services

Lemino



©逢沢大介・KADOKAWA刊 / シェドウガーデン

Over 6 mil MAU\*

Over 3 mil subs

- ✓ Further enrichment of content offerings (Including original /exclusive content)
- ✓ Further improvement of UI/UX

\*As of March 2024

## Investment



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- ✓ Periodic investment service via dCARD
- ✓ Purchase of investment trust using dPOINT
- ✓ Grant investment trust ownership point in dPOINTS
- ✓ Asset building service for beginners

2024 summer  
(planned)

2024 autumn  
(planned)

second half  
of 2024 or later  
(planned)

## Loan



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- ✓ Strengthen credit extension and operational capabilities of “d smartphone loan” service
- ✓ Joint development and sale of new loan products
- ✓ Strengthen ORIX Credit’s existing businesses leveraging DOCOMO’s media/channels
- ✓ Propose optimal product for each customer leveraging data owned by two companies

Strengthening governance system by expanding an organization dedicated to financial risk management

<Consumer>  
Expansion of  
merchant network

- ✓ Continue to expand merchant network, aiming to build an attractive economic sphere
- ✓ Provide marketing solutions to partners for their growth

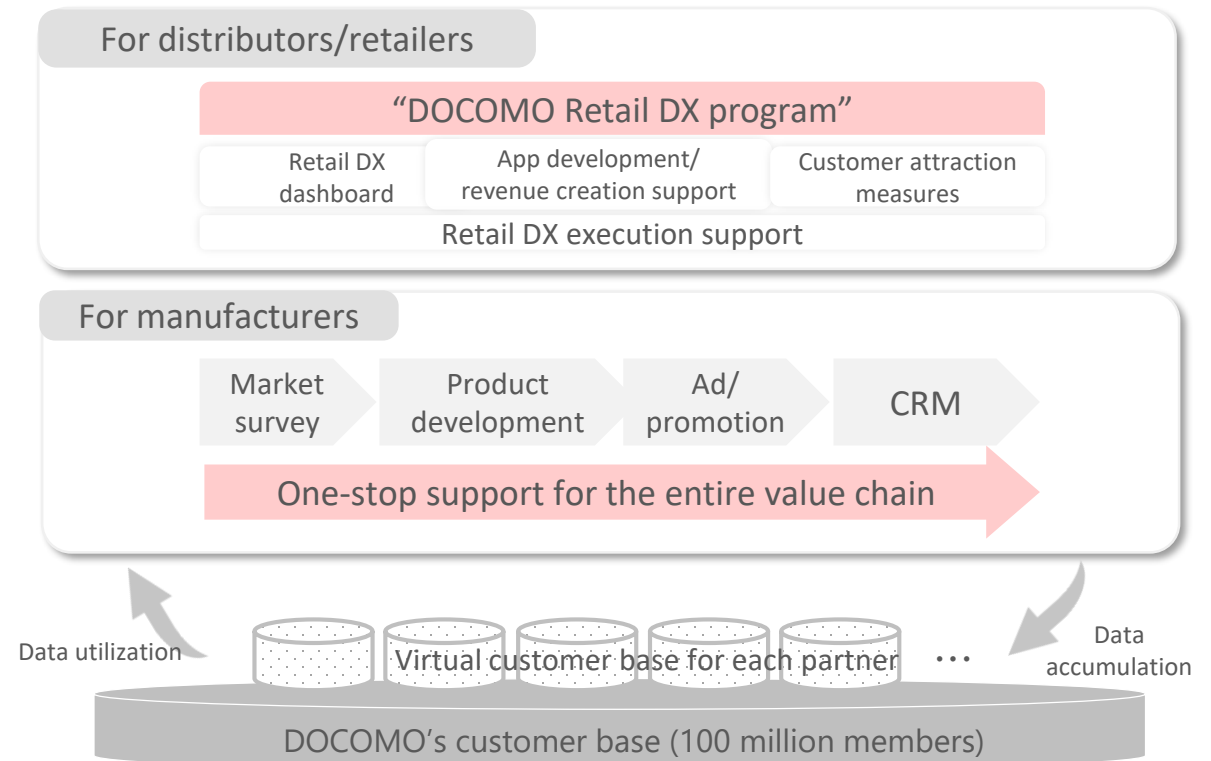
Expansion of merchant network



Increase  
partners/  
merchants

Marketing  
DX

Connecting partners and customers through marketing DX



<Consumer>  
Service mix proposals

✓ Strengthen proposals through service mixes, with the aim of expanding both revenues and customer base

Communication & Video

\ eximo-ahamoならおトクが続く! /



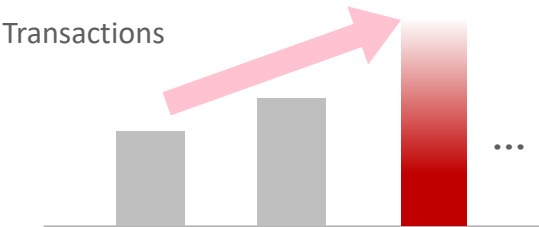
Upsell communications  
through traffic increase



Communication & Payment



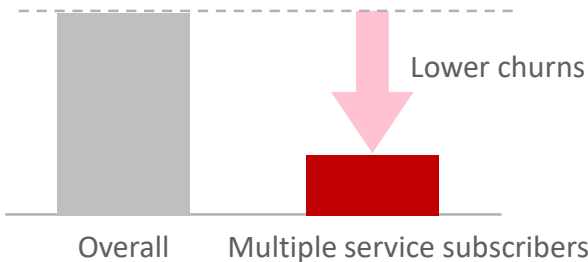
Upsell communications and grow  
finance/payment transactions



Use of multiple services



Reduce churns and expand customer base



July 2022  
New DOCOMO Group  
established

Smart Life  
Business Company

Smart life services

Sales and Marketing  
Division

Communication services

Newly create

July 2024  
Operate consumer-related organizations in integrated way

## Consumer Service Company

Effects of integrated operation

- **Enhanced customer experience based on deeper understanding on customers**
  - ✓ Optimization of customer touchpoints (Merchants/distributors, call center, owned media, etc.)
  - ✓ Promotions tailored to customer, provision of new services/rate plans
- **Business operation efficiency improvement**
  - ✓ Efficient utilization of managerial resources and reallocation to growth initiatives

- ✓ Roll-out of solutions/services leveraging advanced technologies

## New solutions that leverage “tsuzumi”

More than 200 cases of introduction consultations.  
Aim to solve customers’ challenges in 3 areas of strong demand.



### CX solutions

Deliver new ways of  
customer service



### EX solutions

Enhance productivity  
in line with  
business operations



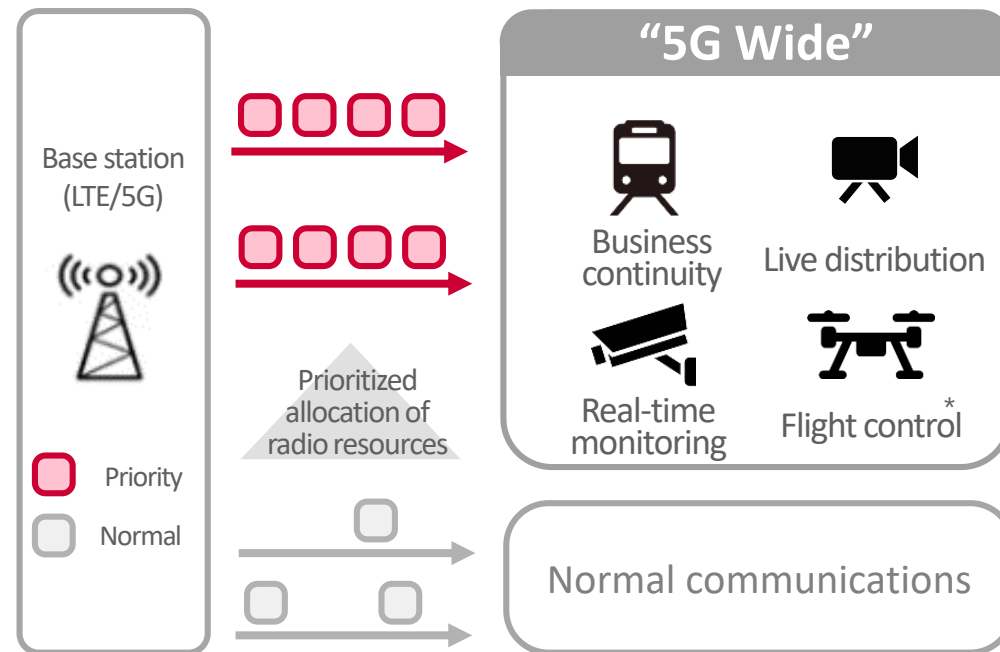
### CRX solutions

IT system  
operational support

\*CRX: Cyber Resilience Transformation

## Enhance value of IoT solutions through 5G consulting

Started offering communication environment consulting  
service using “docomo business private 5G”.  
Stabilizes business communication during busy hours  
through the use of “5G Wide”.



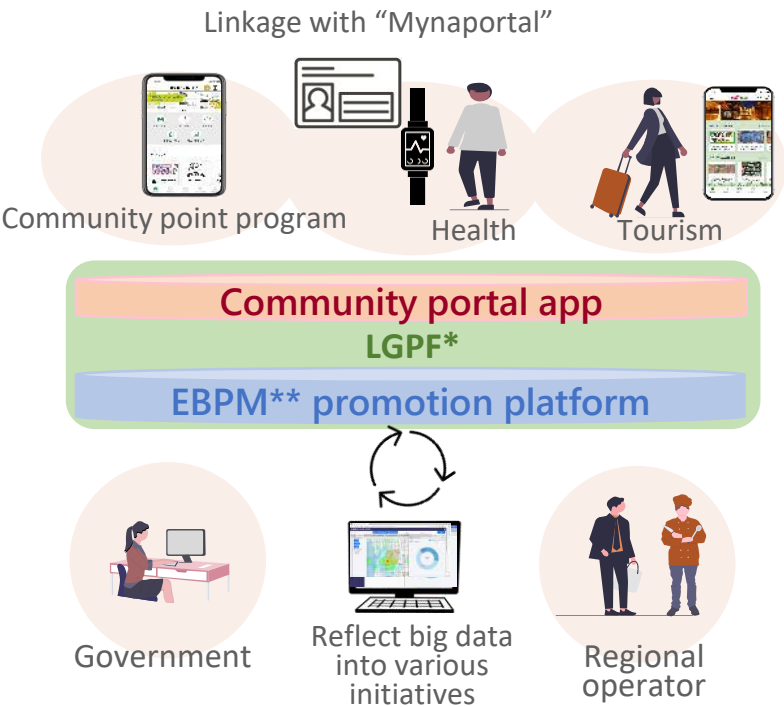
\*Use of “5G Wide” for drones planned in the future

<Enterprise>  
Initiatives for small  
and medium-sized  
companies

✓ Assist regional communities and companies solve issues with mobile + solutions

Regional co-creation solutions

Solution of regional issues through the use of LGPF\*  
materialized as actual projects in over 130 municipalities.  
Aim to solve issues and realize a more sustainable society.

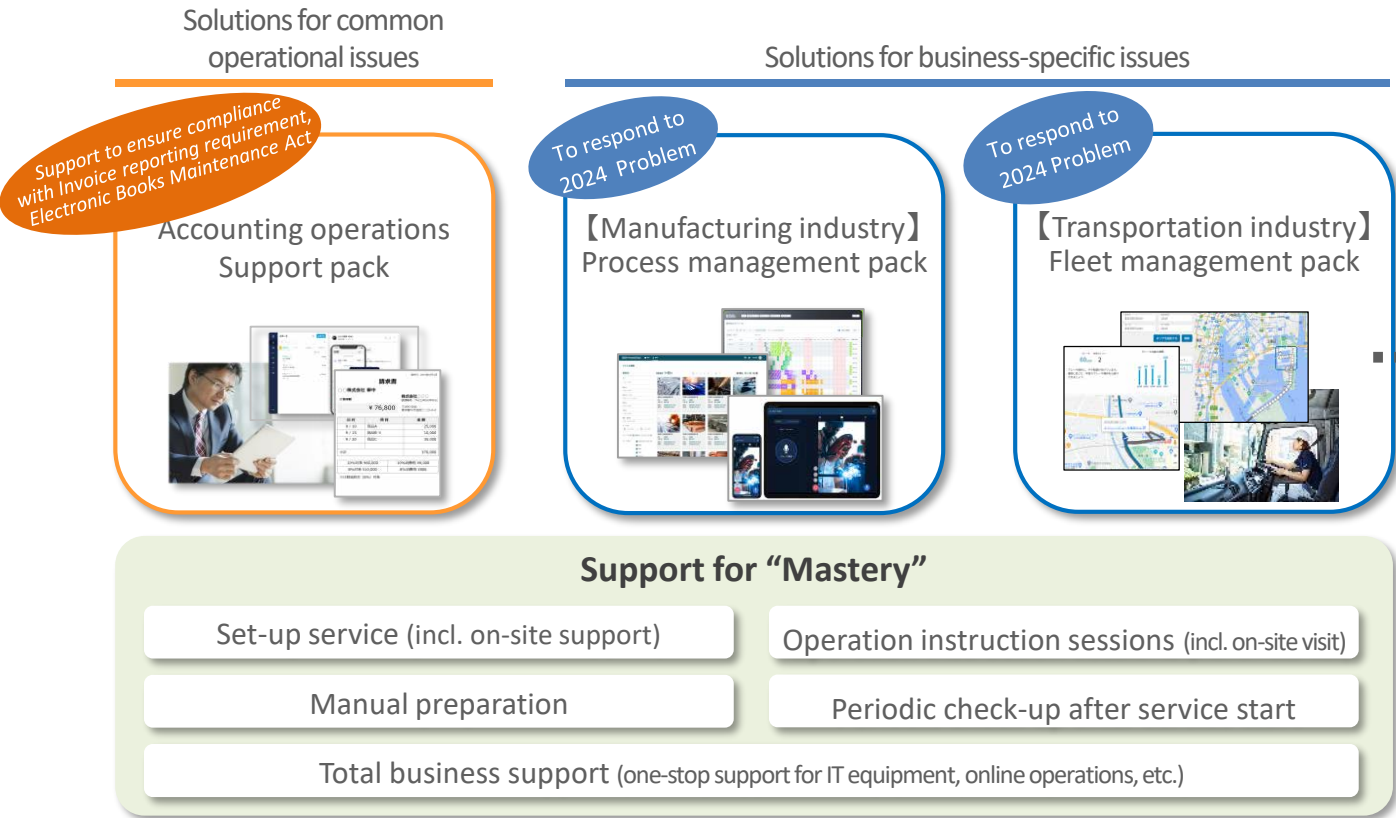


\*LGPF: Local Government Platform

\*\*EBPM: Evidence-Based Policy Making

“DOCOMO Business Package”

Strengthen problem-solving assistance capability for different businesses/ industries in  
addition to ICT support. Accompany customer’s journey  
toward “achieving mastery” from introduction to full utilization.



\* Variety of packages, support menu to be expanded sequentially



Network reinforcement

- ✓ Accelerate implementation of initiatives to construct a network that resilient to environmental changes and disaster

Improve network quality perceived by customers

Early detection of experienced quality

Strengthen ability to track and predict customer experience using apps

Start operation



Payment



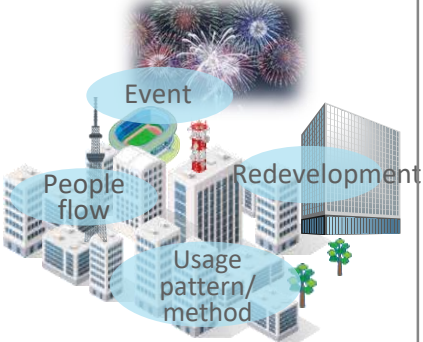
Video

Planned for introduction FY2024/1H

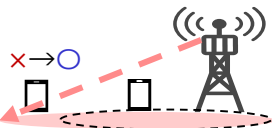


WEB

Various environmental changes



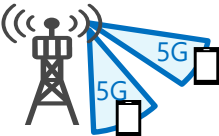
Build network resilient against environmental changes



Area tuning



Facility build-up



Use of MU-MIMO



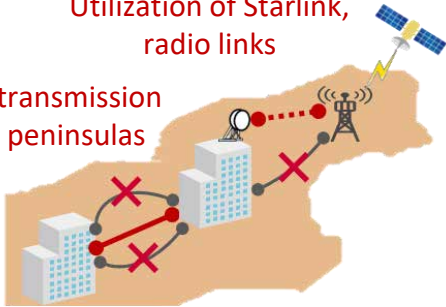
Event countermeasures

Strengthen network resilience

Construction of disaster-resilient network

Utilization of Starlink, radio links

3-route transmission lines in peninsulas



Promote deployment of multiple transmit routes to avoid isolation of communication buildings/ base stations

Realize swift emergency restoration

Existing satellite

Low-orbit satellite (Starlink)

Planned for introduction May 2024

Deliver high throughputs by adopting Starlink



Portable BS



Shipboard BS



Mobile BS vehicle

## Initiatives for revenue generation using network assets

- ✓ Accelerate overseas rollout of OREX using OREX SAI as a hub
- ✓ Push forward field trials with overseas operators for early commercial launch

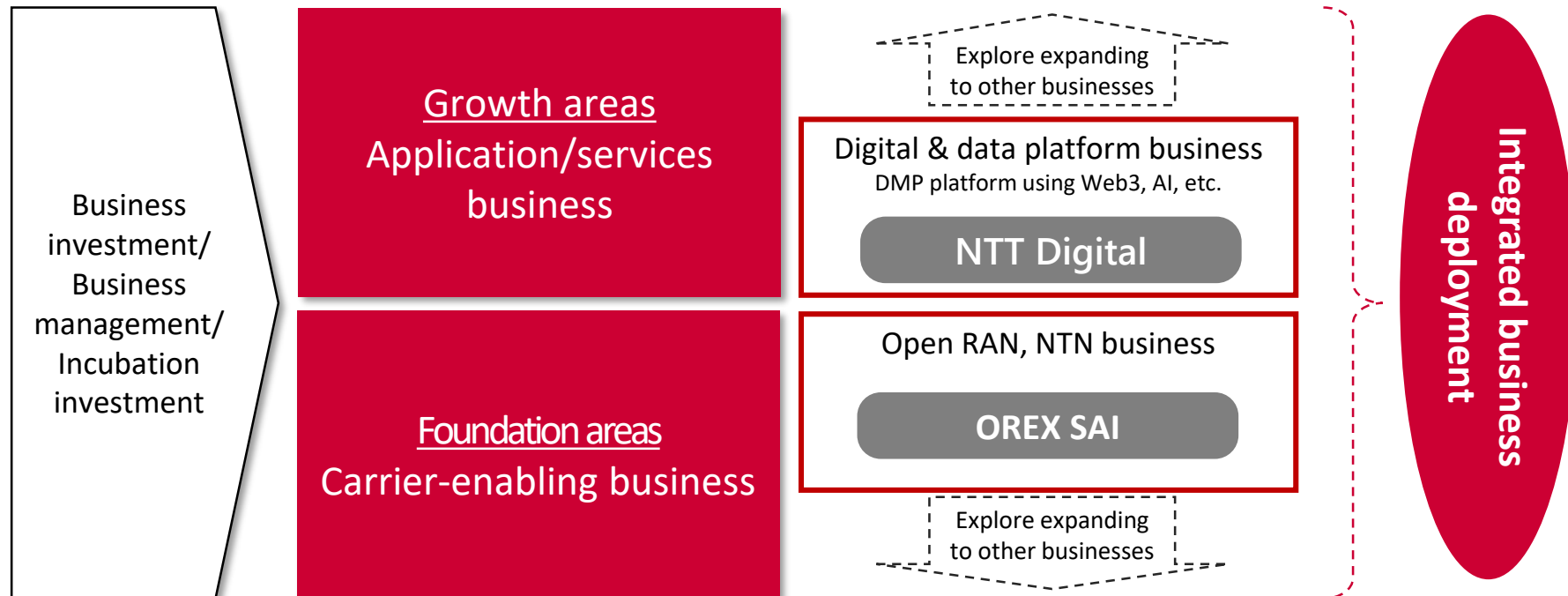




## Reinforcement of global business

- ✓ Global operating holding company, “NTT DOCOMO Global, Inc.” to be established in July 2024
- ✓ Accelerate overseas business deployment putting NTT Digital and OREX SAI\* under its control

- Plan to establish “NTT DOCOMO Global, Inc.” in July 2024 to expand DOCOMO group-wide global businesses by creating new lifestyles and deploying them in overseas markets.
- Tackle creation of new lifestyles together with local partners, thereby addressing structural reform of society and industries, with the aim to realizing more affluent livelihood/society for customers around the world.

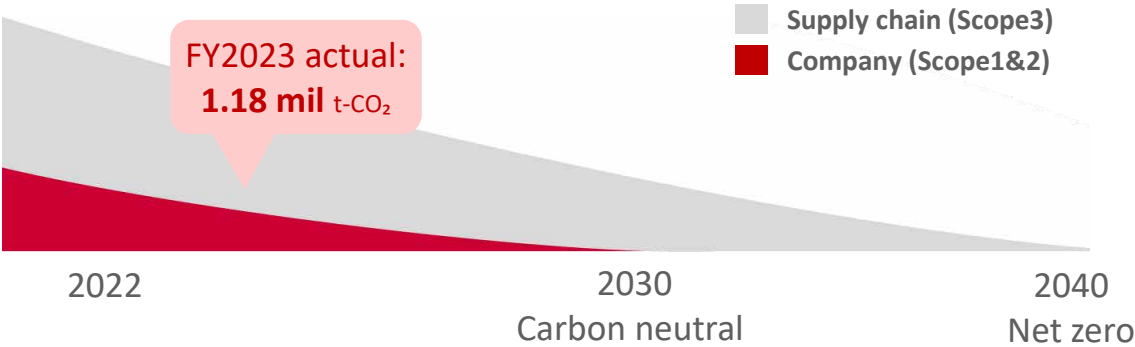


\*Subject to obtaining the agreement from NEC Corporation, which is scheduled to make capital participation in OREX SAI, to the transfer of OREX SAI shares by NTT DOCOMO, Inc.

Sustainability actions

- ✓ Promote utilization of renewable energy as part of Scope 2 reduction measures.
- ✓ Steadily implement measures toward achievement of net-zero emissions by 2040.

GHG emissions\*1 and key initiatives



Company  
(Scope1,2)

- ✓ Reduce energy consumption of network
- ✓ Green 5G **5G**
- ✓ Use of renewable energy

Supply chain  
(Scope3)

- ✓ Assist visualization of GHG emission calculation (CO2MOS®)
- ✓ Rollout of ultra-energy-saving data center service (Green Nexcenter™)

Green  
Nexcenter

\*1: Some affiliates, etc., are excluded from calculation.

Utilization of renewable energy

FY2023 renewable energy utilization rate\*2: 36.2% (Up 6.0pt year-on-year)  
Plan to expand solar power generation and introduce biomass power generation in FY2024

Plan to expand in FY2024



To expand in Tohoku, Hokuriku and Kanto in addition to Chugoku area

To start in July 2024



Contribute to local production/ local consumption of energy and revitalization of forestry industry in Tohoku area

\*2: Percentage of renewable energy in total power consumed.

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✓ Aim to achieve year-on-year increase in both revenues and profit

IFRS

(Billions of yen)

	FY2023 Actual	FY2024 Guidance	Year-on-year	
			Changes	(%)
Operating revenues	6,140.0	6,244	+104.0	+1.7%
Operating profit	1,144.4	1,170	+25.6	+2.2%
EBITDA	1,867.8	1,891	+23.2	+1.2%
Profit attributable to shareholders of NTT DOCOMO, INC.	795.1	799	+3.9	+0.5%
Capital expenditures	705.4	749	+43.6	+6.2%

## FY2024 Guidance by segment

- ✓ Aim to achieve year-on-year increase in revenues and profit in both Consumer and Enterprise businesses

IFRS

(Billions of yen)

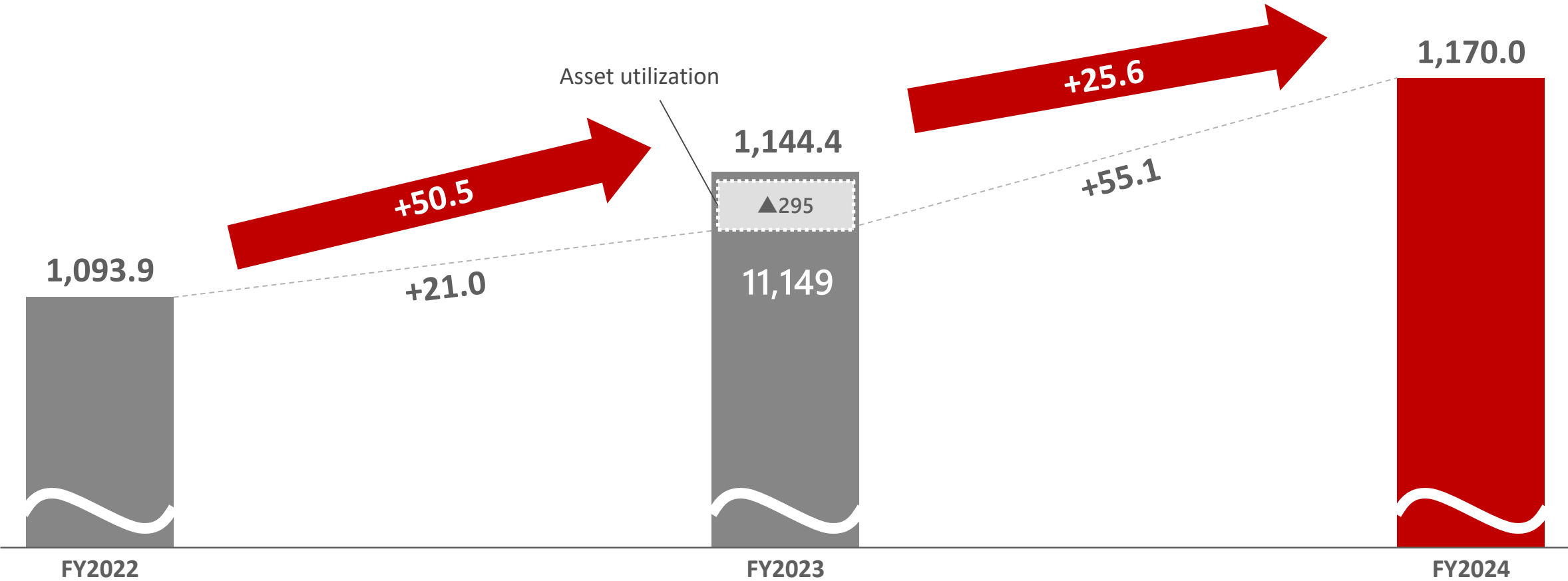
		FY2023 Actual	FY2024 Guidance	Year-on-year	
				Changes	(%)
Consumer business	Operating revenues	4,476.1	<b>4,489</b>	+12.9	+0.3%
	Smart life*	1,090.8	<b>1,200</b>	+109.2	+10.0%
	Consumer communications*	3,424.8	<b>3,333</b>	-91.8	-2.7%
	Operating profit	820.2	<b>825</b>	+4.8	+0.6%
	Smart life*	204.4	<b>235</b>	+30.6	+14.9%
	Consumer communications*	615.8	<b>590</b>	+25.8	-4.2%
	EBITDA	1,389.1	<b>1,389</b>	-0.1	-0.0%
Enterprise business	Smart life*	258.2	<b>288</b>	+29.8	+11.5%
	Consumer communications*	1,130.9	<b>1,101</b>	-29.9	-2.6%
	Operating revenues	1,881.7	<b>1,980</b>	+98.3	+5.2%
	Operating profit	324.2	<b>345</b>	+20.8	+6.4%
	EBITDA	478.7	<b>502</b>	+23.3	+4.9%

\* Breakdown data of Consumer business are indicative.

Growth of operating profit

✓ Sustained increase projected for operating profit driven by business expansion in growth areas

(Billions of yen)



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# Appendix

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Progress of medium-term management targets

✓ Expansion of growth areas and efficiency improvement of existing businesses

		FY2023 Actual	FY2024 Guidance	FY2025 Targets
Growth areas	Revenue contribution of Smart life & Enterprise businesses	48%	51%	50% or higher
	Enterprise business revenues	¥1,881.7 billion	¥1,980 billion	¥2 trillion or more
Existing businesses	Telecommunications Capex to Sales	17.0%	16.5%	16.5% or less
	Telecommunications ROIC	10.3%	9.8% or higher	11.0% or higher

# 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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