

NTT DOCOMO, INC.

FY2024/1Q Results : Analyst Meeting Q&A

Opening

MC : We would like to start NTT DOCOMO's FY2024 Q1 financial results briefing. My name is Makaino from the IR office. I will be serving as the facilitator for today's meeting.

This session's audio is streamed live and plan to be distributed on our website at a later date. So, we ask for your understanding beforehand.

As for today's materials, please refer to presentation materials posted on our IR website.

First, I would like to introduce today's attending members : Mr. Kobayashi, Representative Member of the Board of Directors, Senior Executive Vice President; Mr. Tsuboya, Executive Vice President, General Manager of Corporate Strategy and Planning Department; Ms. Fujiki Executive Vice President, General Manager of Accounts and Finance Department. The three will be attending today's session.

Next, I would like to let you know about today's proceeding schedule. First, Mr. Kobayashi, will be explaining the overview of the financial results, followed by Q&A. We are planning to end this section at 5:35 PM Japan time.

Without further ado, the financial results overview will be explained. Mr. Kobayashi, please go ahead.

Presentation

[# : indicates slide number]

#1

Mr. Kobayashi : Thank you. My name is Kobayashi with NTT DOCOMO. Thank you for joining us. Allow me to explain to you the outline of Q1 results of FY2024.

#2

Please turn to page two for the results highlights. As stated, we have seen increase in operating revenue but decrease in operating profit. Compared to the plan, it actually exceeded our internal business plan.

#3

Please turn to page three, the following page. This shows you results by segment. Overall, as I mentioned, it is in line with our projection. With regard to Smart Life Business, the results were a little bit better than we expected. With regard to Consumer Communications Business, this was weaker than our business plan. But Enterprise Business is on track.

#4

Please turn to page four. Let me explain about some of the details. The key factors behind the changes in operating profit, starting with Smart Life Business. Operating profit increased JPY12.6 billion. There was a unique factor in the previous fiscal year, as the dotted bar chart. The reversal of the reserve was recorded in the financial business. So, there's a positive impact of JPY8 billion compared to the previous year. So, it means, if we exclude the unique factor,

JPY20 billion increase in profit as our base line. This is much larger than our initial expectation as far as the Smart Life Business is concerned. Turning to Consumer Communications Business. Mobile Communications Service revenue decreased by JPY15.5 billion. This figure might seem quite large. In Q4 of the previous year, when we explained the financial results, we mentioned that ARPU has turned downwards. The ARPU trend itself has not changed since then. So, I'm sure the analysts had made their projection. So, a JPY15.5 billion decline is firmly in line with our expectation as well. We are using the strengthening of sales and the increase in measures and expenses as expected, but I think that the balance was slightly worse. Turning to the Enterprise Business. The Enterprise Business declined by JPY2.3 billion, but then this is one of the growth areas. We want to expand operating profit in this area as well. But there are some unique factors actually. We have a company called NTT Comware. This is a company that provides systems to NTT Group. Last fiscal year, in Q1, their sales were very high, and profit was also quite high in the previous year. And PSTN minus 5.3 billion yen. So, if we include that number, I think organic growth will be able to offset any negative impact. With regard to PSTN migration, the impact will be stabilizing going forward. I think the organic growth will eventually exceed the negative impact of PSTN migration. Again, this is very much in line with the initial expectation and plan.

#5

Next page. Next page is called the consumer service mix, and this is the topic by business. First of all, because it's a Consumer Business, we have summarized it in that way. The most important part is the Finance/payment transactions, as you can see, it is detail expanding. This time, Smart Life Business and Consumer Communications Business are positioned as a Consumer Business. This is the same with the other companies as well. It shows the service mix here. What this means is that the service and telecommunications, we cannot separate them anymore, and the representative case of that is "ahamo poikatsu". It is steadily growing. In addition to that, "eximo poikatsu" was also introduced. "ahamo poikatsu", the customers who frequently use QR code payments, there's an increase of them. For "eximo poikatsu", the usage of "d CARD" and we are also designing with an eye on cooperation with MONEX securities, the customers who make this payment, we're expanding to those customers and actively growing this as well. As a solid Consumer Business, I think that Communications Business will continue to decline to some extent when we look at ARPU trends, but we believe that we offset it with Smart Life Business.

#6

The next page is the consumer marketing solutions business area. The consumer business together with that, including the finance/payment or including telecommunications, those are being used. And what is the next growth area, it is going to be the marketing solutions area. In last fiscal year, we have acquired INTAGE HOLDINGS, Inc and it's important to utilize that to grow this marketing solutions business. The positive effect of INTAGE HOLDINGS, Inc being acquired is quite large, and the marketing solutions revenue is increasing, as you see on the chart. The core part of this business is to utilize the data, and today, we have announced that the "docomo data clean room" is going to be launched. The attribute information of DOCOMO'S more than 100 million "d POINT CLUB" members or their nationwide consumer panel survey data is combined, which is generating from INTAGE. By utilizing that, we will seek growth by providing an advanced customer understanding or marketing support. And here, NTT Communications is together with us so we will be working with them selling these types of solutions.

#7

Last page is the Enterprise business. Integrated solutions is expanding and we are realizing great growth. Within that, there was a shift or migration from PSTN service and that is also shown here. Our Enterprise business, we have the legacy part, which was taken care of by formerly NTT Communications in most part. That part is going to shrink. But that part, we absorbed within the integrated solutions, and this is going to be the key, whether we'll be able to observe it or not. So, this integrated solutions growth is in line as our plan. If we can do it this far, we believe that it will continue to grow. That is the level of the performance.

The topics for the solutions, on the right-hand side, for further expansion, there are several items that are mentioned here. The first is within the solutions and utilizing AI. On July 17th, we entered into a strategic business alliance with transcocos, Inc. in the digital BPO field, and as the first step we are developing a next-generation contact center that utilizes "tsuzumi". In addition to that, various things are mentioned here on this page as well and we would like to increase this business area as well.

This concludes my explanation.

Q&A

Mr. Tokunaga : Thank you. Tokunaga from Daiwa Securities. I'd like to ask two questions, if I may. My first question relates to subscriber acquisition and the net increase. You have been increasing your marketing reinforcement expenses this quarter. What did you spend this money on? Will this type of spending continue on for Q2 onwards? Also, as a measure, I think that such small changes have been made, such as "eximo poikatsu" and "ahamo" model changes at the store. Is it fair to assume that this effect will gradually take effect and contribute to the net increase for this full year in this second half? What is the future trend of this subscriber acquisition and net increase?

Mr. Kobayashi : Thank you for the question. Kobayashi here, let me respond to your question. With regard to subscriber acquisition, the situation has not changed much from the past, such as in the 4Q of last year. Based on the disclosed numbers, it may seem as though the subscriber acquisition is weaker, but there are some unique factors actually. The basic trend in terms of customer acquisition has not changed. We have spent marketing expense. Electronic retailers and DOCOMO shops, including all these outlets, we have tried to strengthen campaigns towards younger customers, where we're weak. we've been doing this since February this year, and we've seen increase in port-in customers. But of course, other companies will also be competing as well. On a net basis, the number has not changed as a result of this significant plan at this stage. But then, we have changed the system. We have strengthened the team at the shop floors of retailers. So, when we take the numbers back from July, the young people who where we were weak, We are starting to see a little bit of the fact that our weak youth segment is no longer being taken. So, we want to make sure we focus on this segment going forward. With regard to Q1, we did spend marketing expense. That is true. But we want to continue to spend marketing expense.

With regard to marketing expense, we're not going to just casually expand that number. We'll be monitoring what the competition does, and we need to match the spending with competitors because the users will decline. So, we'll scrutinize the situation. Throughout FY2023, we have focused so much on profit, and we reduced our marketing expense. Based on that reflection, we want to strengthen our marketing expense, but we'll continue to monitor what the competition

does in the marketplace. We're not going to just casually increase the cost. We want to make sure that we want to make sure that we need to keep our users from decreasing. Furthermore, we are doing it with the aim of increasing subscribers in the young people, where we were weak rather.

With regard to "poikatsu", which is a part of your question, this has resonated with the young customers, especially for "ahamo" customers. I could talk about the middle age segment as well. "poikatsu" is now very popular. So, we're now structuring "eximo poikatsu" in that manner. As for whether it is resonating with the user base at the moment, it may not work immediately, but it is generally doing well. For example, customers who are using "d-Barai" or customers are using "d CARD" for those type of customers, we are seeing that "poikatsu" has helped to cut back on the churn rate down to two-third. If it use both, the churn rate will decrease to about 1/3. That is the focus of our activities. Hopefully, through Q2 up until Q4, we'll be able to see a positive turn in the net increase, and we also want to reinforce our ARPU as a result. Thank you.

Mr. Tokunaga : Thank you. Yes, thank you for that response. From Q2 onwards, can we take that there could be upside against your plan? Is it still a little premature?

Mr. Kobayashi : To be quite candid, at this moment, we have just begun reinforcing our sales activities. So, we need to monitor what the competition does. Depending on what the competition does, we may need to further push the accelerator. But up until now, we are on track at this moment. That's all I can say at this moment. Thank you.

Mr. Tokunaga : Thank you for that response. Let me turn to my second question. It's about the system integration service revenue. This is flat vis-a-vis previous fiscal year. What are some of the factors involved? Can you share with us more information about your system integration revenue?

Mr. Kobayashi : Thank you. Yes, that's true. We don't see very strong growth. But system integration revenue, this really depends on the type of projects that we get. We take a look at the pipeline, and we face our projections based on accuracy multiplication the pipeline. So, on a full-year basis, we believe it will be in plan, be on track. I think it will grow steadily from the 2Q onward.

Mr. Tokunaga : Thank you. That's all for my question. Thank you.

Mr. Masuno : This is Masuno from Nomura Securities. I have two questions regarding the consumer business. Basically, your company's marketing philosophy, what is that is, I think, the key, meaning that SoftBank, for a long time, have been enhancing their sales promotion side and acquiring share market share. au is putting importance on ARPU, and they've been conducting their operation based on a certain policy. For your company, you are shifting over to sales promotion. And other companies started bundle of finance last fall, but docomo is about a year behind. So compared to the competitors, it seems that, overall, you are about a year or 1.5 years behind. Moving forward, these are things already done by other competitors, and I think you'll be able to shorten the gap or make the gap smaller. But how are you looking at this situation?

Mr. Kobayashi : Thank you very much for your question. The philosophy of marketing was your question. Well, as you have mentioned, compared to our competitors, I think we're kind of at the medium position. But we think that we are at the stage of steadily acquiring our user base. We're

not doing that by sacrificing the ARPU. But rather, what we're doing is that including the "poikatsu" initiative, the credit card business, when we sell it together, the reduction of the churn rate is quite large. And also, not just the mobile communications ARPU, if we look at the total ARPU, of which the finance business is high. So, if we look at this timing, putting importance on the profit and increasing the ARPU and lose the users, are we at the timing? Well, as I mentioned, we have a slightly lower share in the younger generation or the middle-age group, we are at the timing that we increase the customer base who use the finance business services and contents in a combined way, considering the economic rationality. This is what we need to do at this timing. But having said that, to strike the balance, we're not saying that we can ignore the ARPU. We need to place importance on the user base that will use our services.

Regarding falling behind our competitors, including the credit card business, from an early stage, we have been implementing this business, and towards that, the competitors are selling their services combined with financial services and followed us. And it made one round of the circle, and now we're introducing the "poikatsu". I'm starting to think that "eximo poikatsu" is exactly what this hard bundle suits us best right now. I feel that I have put it in and have responded well. And it's like we catch up and then we fall behind, catch and fall behind. It's not that we are always behind our competitors.

Mr. Masuno : Thank you very much. If we look at the long history, I think that your company has been ahead of the card market for about 15 years. Next question is about Enterprise business. The increase in revenue from integrated solutions is quite significant. Is it organic? If so, what is driving this increase in revenue?

Mr. Kobayashi : Well, this part, organically, it's about several JPY10 billion. The legacy service, compared to others, we have about 1.5 times of enterprise revenue, and I think the legacy part will be replaced. But this area could be taken over by other companies. So we are incorporating it into our integrated solution. So maybe, organically, it's half of the overall increase.

Mr. Masuno : Okay. Understood. The migration of JPY19 billion, if you bring it back and growth method is about JPY50 billion, but half of that, the reversal from the migration, how should we look at it?

Mr. Kobayashi : This is an integrated solution part. If we reverse it back to PSTN, then the reduction amount will be doubled. So, I think that part is going to be too much.

Mr. Masuno : Understood. Thank you very much.

Mr. Kikuchi : Thank you. Kikuchi here. I have two questions. My first question is something that has already come up. Your efforts to reinforce your customer base, there are three points that I wish to raise. What is the target objective behind customer base expansion? During the press conference, you talked about how you're trying to reinforce your "eximo" activities. That was the explanation provided by Mr. Shimada from NTT's CEO. Are you focused on "eximo"? Or are you trying to stop the outflow of customers? Are you trying to stop customers from migrating to "UQ Mobile"? Is the focus on "irumo"? What is the objective behind these activities? That's my first question.

I'd like to confirm the numbers. Roughly speaking, you mentioned JPY12.1 billion. What is the amount of promotional expenses for strengthening the customer base? I think that IFRS will be deferred, but if the amount of money spent this fiscal year is about this amount, there will be a

considerable amount of money that will be deferred to the next fiscal year and beyond, and it will accumulate more and more in the next fiscal year, and the cost will increase more than in the second half.

So, these are the three points. The first question is what are you going to try to achieve? What KPI are you going to be focused on? And also, is the number JPY12.1 billion, right? If that is the case, please give us the breakdown of the JPY12.1 billion. In the case of IFRS, you'll be able to make deferral. So next fiscal year, the burden might be much heavier. These are the questions that I wish to raise.

Mr. Kobayashi : Thank you for your question. For the objective, as you pointed out, it's very difficult to pinpoint the target. We target various customer segments. But fundamentally speaking, as I mentioned earlier, we want to make sure that customers use multiple different services. We want to make sure that customers will stick around our economic area, because there is a benefit for them. So, we want to create this user base. What is important in building such a customer base? I think "eximo" is going to be very important. These are customers who are using "d-Barai" as well as credit cards. These are high ARPU customers. Also, Hikari and electricity services, they want to join as well eventually. So that's the customer base that we want to go after.

With regard to "eximo", the selection of "eximo" has gone up considerably. We see the upgrade from the existing plans. Last year, we introduced "irumo", and last fiscal year, in the initial plan, this was not supposed to undermine the ARPU. However, at the end of the day, "irumo" was introduced in the middle of the year and what happened was that people are downgrade to "irumo". We are watching this trend. When you take a look at the trend for Q1, existing pricing plans, especially the "Gigalight" tier and also the old pricing plans, have moved to "irumo", but now they could be upsell to "eximo". So that means that we do not yet see too much downturn in the ARPU. We're getting great confidence during Q1. Then if customers turn to "eximo", will that be all right? That is not the case. We need to build a user base that includes users mainly among young people, so there are a lot of "irumo" that come in. Also, going forward, hopefully, these customers will be using card and as well. So again, the customer base that we are after are those who come to "irumo". In that sense, the area where ARPU has been moving recently is still a part of the "Gigaho" that is still very heavy among the old users, and there are still some areas where the ARPU is gradually decreasing, and the part where ARPU drops slightly here is the part where the new "irumo" group is being taken, which means that the average value is pushed down. There are still a few things like that. That impact is still there. And also, with regard to new acquisitions, especially from "irumo" target customers, there is a downward trend in ARPU. They're going to bring down the ARPU. So that impact will linger for some time. But within "irumo", we call this nurturing, we're trying to shift "ahamo" and "eximo". Hopefully, the customers will begin to use more contents services. So that is why we're introducing the "poikatsu" as well. Hopefully, this will be much positive going forward. If this works well, then we believe that we'll be able to improve the situation. That is the objective behind strengthen customer base.

Now what about content of the marketing expenses. For example, the price range for the handsets on the shops, we are increasing the price range in order to go after the gross profit. That was done in the previous fiscal year. The NTT group had a target of EPS. It's important that we needed to secure profit. But in terms of competition with our rivals, we found that the competition has begun to lower their handset prices rather. That was the situation.

Most of the discounts that are applied to it are the current figures. In that sense, this is not something that is deferred in nature, but it is also deducted from the revenue side in the form of a direct discount, and I think that there are many such things. As far as we are concerned, it is the contract cost and the like that are deferred, so I think that it is only a small part, so I think that the concern is not very justified.

Mr. Kikuchi : Thank you. So, you don't have too many deferrals?

Mr. Kobayashi : Yes, that is the case.

Mr. Kikuchi : Not even contract costs?

Mr. Kobayashi : Part of the contract costs, yes. We will see increase in contracts, but the number is not that large.

Mr. Kikuchi : Okay. So, when you take the marketing expense, marketing promotion expense, the cost to capture customers is not the center of the JPY12.1 billion cost. Is that what you're saying?

Mr. Kobayashi : So, discounts from handsets. Most of these are also in relation to discounts of handsets.

Mr. Kikuchi : I see. Thank you. Let me turn to my second question. I suppose most of us do not clearly understand why the current situation is there. You're able to maintain your performance even without your own sub-brand. I know that it was challenging, but you were able to maintain certain performance. But after "irumo" was introduced, DOCOMO brand would be "eximo"? I don't know the positioning. Anyway, since you started your current brand strategy, ARPU has suddenly gone down. Now, decisions have been worse if you did not introduce these brand strategy? That's why you changed it?

SoftBank, three or four years ago, and KDDI a while ago, they mentioned that they're going about bottom out, that they're going to stop the migration. And at last, SoftBank, after five years, have stopped this migration process. They are able to hold the process. I think KDDI hasn't yet stop. But I think for both companies, they have reached a 30% range. Because of "irumo", I think eventually you're going to reach 30% over a three-year period. So ARPU will continue to go down because KDDI and SoftBank, they did the same a couple of years. SoftBank took five years. KDDI took several years. They might be able to start getting into the positive territory. I think, for DOCOMO, you're going to take two or three years before this decision will stabilize. Why did you end up in the current situation? Can you show us your interpretation? Also, is there a need to revise your plans and your strategy? I know you have very loyal customers at DOCOMO. They might will be satisfied with "irumo" and they might be trading down as a "irumo". I'm very concerned. So why did you end up with the current situation? And are you sure that you are following a mistake?

I mentioned the same question in May when you announced your financial results for the full year. Maybe this strategy is not appropriate for a mobile operator with a top market share. What about your branding strategy going forward? Are you going to allow maybe 30% to 40% contribution from "irumo" such a KDDI's "UQ mobile" and SoftBank's "Y! mobile". Are you going to be able to withstand that?

Mr. Kobayashi : Thank you for your question. I do apologize for causing such concerns. So why did we end up with the current situation? That was your question. You also raised the comments

we raised during the presentation back in May. Maybe we're not explaining the situation very well.

We did this intentionally. Let me talk about the beginning of all these programs. Our consumer business ARPU is about JPY100 higher than the disclosed numbers. You asked the same question in the previous session. Why we think that we are able to keep our ARPU high, and why do we feel that there are so many loyal users that they will no longer cancel their subscriptions, that as I mentioned earlier, financial payment services and point programs, all these elements are now competition. We have very low churn rate. Especially in the consumer handsets, overall number may seem as though it's worsening, but compared to one year, situation has not changed. So, we still have customers who are very loyal. Our churn rate is not deteriorating. But can we allow the competition to chip away at the current situation? That is not the case. We need to make sure that customers remain in an economic area. We want to maintain our DOCOMO economic area.

Now, can we allow for downward trends by introducing "irumo"? If we want to flip it quickly, we can take it to "irumo" right away. I think it will actually go quite a bit into "irumo". As you say, I think there will be a reasonable percentage. But, at the same time, existing users have been migrated to "eximo" in particular. Look at that balance, starting to see that ARPU will not drop too much. But the new customers, they will probably have lower ARPU, and also high ARPU customers, we still see some down trend among the high ARPU customers as well.

Compared with your competition, it's likely that our consumer ARPU is higher. It is based on disclosed numbers. Our consumer ARPU is about JPY100 higher. So, if we want to drive the inflection point earlier, then we can do this, but we want to make sure that we can steadfastly allow customers to shift to "eximo". For these customers to migrate to "eximo" or to "ahamo" and we want to make sure that we use the "poikatsu". We expand to customers who are using multiple services. It means people who are in our economic area, which is very sticky users. This is on the rise. Each company has locked in customers of their own. So, if we want to achieve that, it is important that we maintain "eximo" and "ahamo". We need to leverage "irumo", "eximo", and "ahamo" and take new customers and also make sure that we guide them to our DOCOMO economics area, make sure that they stick to the economic area. It may take a couple of years before inflection. Maybe we're actually trying to reach an inflection point at a higher level compared to our competition. So, I think our scenario is still intact in that regard. I don't think we have made mistakes in our strategy. Naturally, we, of course, will make adjustments along the way should that be necessary. But it's important that we compete over economic areas, and that is the right strategy we have at this moment. Thank you.

Mr. Kikuchi : Okay. Point taken. Thank you. I'll ask questions later on but thank you very much for your response. Thank you.

Mr. Tsuruo : I did unmute. Hello. I have two questions. The first question is related to what was just mentioned. Including the status of network improvement situation and improving the competitiveness, what is the strategy to improve competitiveness? It seems like you have explained that the situation has improved, but if using a large volume of data, there is a difficulty in connection.

Mr. Kobayashi : Thank you very much for your question. I will start with an apology. We apologize for causing concerns regarding the network, and we are putting our full efforts into

this and taking this matter seriously. Including the management, we are looking at the situation. We said it is a linear and a spot basis, and we are always working on it. In terms of the connectivity, in the urban areas, we are expanding the coverage include Massive MIMO, and with that, we are improving the situation. So, on average value, the top speed, compared to the previous tuning, it may be lower. However, looking at the video, while moving, the video did not stop. We are listening to the customer voices and conducting this tuning of the network. And we are seeing an increase of areas where this video will not get cut off. “eximo” and “ahamo” users are using quite a large amount of content. We know about that, so we are making these efforts.

In addition to this, this is something we have to show you the result or outcome. The customers who churned and what traffic flow or in what way they move is what we are tracking. We are implementing measures for that as well. The network is designed and then we look for the location to lay it out. It takes about six months. We are putting our full efforts as one. By the end of this fiscal year, with the Opensignal, we would like to take the number one position. That is our target. Therefore, I would like to commit that we will continue our efforts, and I hope that you will support us and understand the situation.

Mr. Tsuruo : It's not about only reputation or external evaluation of the quality of the network, the word of mouth of consumers, the reputation, do you believe that it is improving? And is it having a positive impact on “eximo”? Or “poikatsu”, is it a contribution from “poikatsu”, which is actually the actual measures? The network effect and the “poikatsu” effect, I think you can look at them separately. So, what is the answer to that?

Mr. Kobayashi : Regarding the network area, the SNS valuation, we are watching that on a daily and weekly basis, and it is not improving quickly because it's inertia that's working in it. So, we are keeping a close eye on it. Maybe this is not much of a good news. It is not deteriorating. That's one thing I can say. And in the urban center areas included and the path that people move, that part has not changed. So, we need to keep monitoring that. But on the other hand, we are looking at various events that are held, and regarding these areas, we are reading the SMS messages and word of mouth and they're saying that it's improving. And as far as we look at it, the number of users saying that because the connectivity is bad, I'm going to cancel, we think matching or better than others.

Mr. Tsuruo : Thank you. The second question is related to Smart Life Business. DOCOMO's performance improvement pillar this fiscal year is the smart life business, and the most recent performance, it was good. But smart life business is just a pillar for the full-year business improvement, and you have acquired several companies. Now what is the integration situation? Could you explain the good parts and the bad parts as well.

Mr. Kobayashi : Thank you for your question. Smart life Business is the pillar of our profitability improvement, and last fiscal year, smart life did not grow that much. Last fiscal year, we had advanced investments in systems and others, and this fiscal year, whether that disappeared or not, we still have some left. However, compared to the weight it had last fiscal year, it is less than that and we are seeing the impact of that. And the main part is that the finance business continued to grow. Last fiscal year, the companies that we have acquired, for those companies, it is in line as planned. By acquiring them and using the marketing expenses, we are thinking of increasing the users just this Q1. There is a bit of a slowdown than the original plan. This momentum we experienced in Q1, is that going to be for the next three quarters and all four quarters that way? Probably it's not that way, but we'd like to get close to the situation of this Q1.

Mr. Tsuruo : That's all for my question. Thank you.

Mr. Tokunaga : Thank you so much. I just wanted to ask one quick question at the end. I want to ask about the trend of "ahamo". Rakuten is doing very well, and they have come up with new plans. So, I think online pricing has become much more competitive. Do you think you'll be able to maintain the momentum to "ahamo poikatsu"? Can you talk about the momentum of "ahamo"?

Mr. Kobayashi : Yes. We do believe that the competition has become more intense, but then, that has not taken away our customers, not so much. I think with regard to "ahamo", we are on track. We're meeting the similar speed or similar momentum, I suppose.

Mr. Tokunaga : Thank you. That's all. Thank you. That's all for my question. Thank you.