

Earnings Release

October 29, 2020

For the Six Months Ended September 30, 2020

[IFRS]

MEMBERSHIP

Name of registrant: **NTT DOCOMO, INC.** (URL <https://www.nttdocomo.co.jp/>)
 Code No.: 9437
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section
 Representative: Kazuhiro Yoshizawa, Representative Director, President and Chief Executive Officer
 Contact: Hideyuki Tsuchiya, Senior Manager, General Affairs Department / TEL +81-3-5156-1111
 Scheduled date for filing of quarterly report: November 5, 2020
 Scheduled date for dividend payment: November 25, 2020
 Supplemental material on quarterly results: Yes
 Presentation on quarterly results: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest 1 million yen.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 - September 30, 2020)

(1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

| | Operating revenues | | Operating profit | | Profit before taxes | | Profit | | Profit attributable to shareholders of NTT DOCOMO, INC. | | Total comprehensive income | |
|-------------------------------------|--------------------|--------|------------------|---------|---------------------|---------|---------|--------|---------------------------------------------------------|--------|----------------------------|--------|
| Six Months Ended September 30, 2020 | 2,282,520 | (2.0)% | 563,601 | 4.3 % | 568,020 | 3.5% | 392,357 | 5.0 % | 391,300 | 5.1 % | 444,673 | 19.7 % |
| Six Months Ended September 30, 2019 | 2,330,003 | (2.5)% | 540,259 | (11.5)% | 548,571 | (11.7)% | 373,635 | (8.5)% | 372,352 | (8.5)% | 371,506 | (8.9)% |

(Percentages above represent changes compared to the corresponding period of the previous year)

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| Six Months Ended September 30, 2020 | 121.20 (yen) | — |
| Six Months Ended September 30, 2019 | 112.33 (yen) | — |

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

| | Total assets | Total equity | Equity attributable to shareholders of NTT DOCOMO, INC. | Ratio of Equity attributable to shareholders of NTT DOCOMO, INC. to total assets |
|--------------------|--------------|--------------|---------------------------------------------------------|----------------------------------------------------------------------------------|
| September 30, 2020 | 7,630,841 | 5,522,427 | 5,499,981 | 72.1 % |
| March 31, 2020 | 7,535,925 | 5,272,261 | 5,249,927 | 69.7 % |

2. Dividends

| | Cash Dividends per Share (yen) | | | | |
|----------------------------------------|--------------------------------|---------------------------|--------------------------|----------|--------|
| | End of the First Quarter | End of the Second Quarter | End of the Third Quarter | Year End | Total |
| Year ended March 31, 2020 | — | 60.00 | — | 60.00 | 120.00 |
| Year ending March 31, 2021 | — | 62.50 | — | — | — |
| Year ending March 31, 2021 (Forecasts) | — | — | — | 0.00 | 62.50 |

(Note 1) Revisions to the forecasts of dividends: No

(Note 2) We resolved at the meeting of the board of directors held on September 29, 2020, that it will revise its forecast on the dividend payments for the fiscal year ending March 2021, and that it will not pay any dividends at the end of the fiscal year ending March 2021, on condition of completion of the tender offer described in “Announcement of Opinion in Support of the Tender Offer by Nippon Telegraph and Telephone Corporation, the Parent of the Company for the Stock of the Company, Etc. and Recommendation of Tender,” which was made public as of the date.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of yen, except per share amounts)

| | Operating revenues | | Operating profit | | Profit before taxes | | Profit attributable to shareholders of NTT DOCOMO, INC. | | Basic earnings per share |
|----------------------------|--------------------|---------|------------------|-------|---------------------|-------|---------------------------------------------------------|-------|--------------------------|
| Year ending March 31, 2021 | 4,570,000 | (1.8) % | 880,000 | 2.9 % | 884,000 | 1.8 % | 605,000 | 2.2 % | 187.39 (yen) |

(Note) Revisions to the forecasts of consolidated financial results: No

* Notes:

| | | |
|------------------------------------------------------------|----------------------------------------------|----------------------|
| (1) Changes in significant subsidiaries: | | None |
| (2) Changes in accounting policies and Estimate | | |
| i. Changes in accounting policies required by IFRS: | | None |
| ii. Other change in accounting policies: | | None |
| iii. Changes in accounting estimates: | | None |
| (3) Number of issued shares (common stock) | | |
| i. Number of issued shares (inclusive of treasury stock): | As of September 30, 2020: | 3,228,629,406 shares |
| | As of March 31, 2020: | 3,335,231,094 shares |
| ii. Number of treasury stock: | As of September 30, 2020: | 198 shares |
| | As of March 31, 2020: | 106,601,838 shares |
| iii. Number of weighted average common shares outstanding: | For the Six Months Ended September 30, 2020: | 3,228,629,248 shares |
| | For the Six Months Ended September 30, 2019: | 3,314,860,725 shares |

* This earnings release is not subject to the quarterly review by independent auditors.

* Explanation for forecasts of operations and other notes:

Forecast of results

All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information available as of the filing date of this document. 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 forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. With regard to various known and unknown risks, uncertainties and other factors, please see our latest Annual reports and Quarterly Securities Reports on our website.

CONTENTS OF THE ATTACHMENT

| | page |
|---------------------------------------------------------------------------------------------------------------------------|-------|
| Contents of the Attachment | 1 |
| 1. Summary Information | 2 |
| Prospects for the Fiscal Year Ending March 31, 2021 | 2 |
| 2. Summary Information (notes) | 3 |
| (1) Changes in Significant Subsidiaries | 3 |
| (2) Change in Accounting Policies | 3 |
| 3. Condensed Consolidated Financial Statements | 4-11 |
| (1) Condensed Consolidated Statement of Financial Position | 4-5 |
| (2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income | 6-7 |
| (3) Condensed Consolidated Statement of Changes in Equity | 8-9 |
| (4) Notes to Condensed Consolidated Financial Statements | 10-11 |

1. Summery information

Prospects for the Fiscal Year Ending March 31, 2021

None

2. Summary Information (notes)

(1) Changes in Significant Subsidiaries

None

(2) Change in Accounting Policies

None

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

| | Millions of yen | |
|------------------------------------------------------|-----------------|--------------------|
| | March 31, 2020 | September 30, 2020 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | ¥ 398,745 | ¥ 342,624 |
| Trade and other receivables | 2,154,593 | 2,124,596 |
| Other financial assets | 1,022 | 110,815 |
| Inventories | 90,009 | 108,109 |
| Other current assets | 70,957 | 66,929 |
| Total current assets | 2,715,326 | 2,753,073 |
| Non-current assets: | | |
| Property, plant and equipment | 2,653,145 | 2,618,743 |
| Right-of-use assets | 252,412 | 337,246 |
| Goodwill | 30,518 | 30,863 |
| Intangible assets | 656,435 | 648,108 |
| Investments accounted for using the equity method | 140,976 | 139,894 |
| Securities and other financial assets | 451,532 | 525,616 |
| Contract costs | 312,618 | 306,610 |
| Deferred tax assets | 188,608 | 135,567 |
| Other non-current assets | 134,354 | 135,122 |
| Total non-current assets | 4,820,599 | 4,877,768 |
| Total assets | ¥ 7,535,925 | ¥ 7,630,841 |

| | Millions of yen | |
|---------------------------------------------------------------|--------------------|--------------------|
| | March 31, 2020 | September 30, 2020 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Trade and other payables | ¥ 1,135,855 | ¥ 933,224 |
| Lease liabilities | 69,635 | 82,730 |
| Other financial liabilities | 7,618 | 13,303 |
| Accrued income taxes | 141,064 | 145,720 |
| Contract liabilities | 214,020 | 192,123 |
| Provisions | 37,939 | 25,554 |
| Other current liabilities | 134,022 | 114,654 |
| Total current liabilities | 1,740,153 | 1,507,309 |
| Non-current liabilities: | | |
| Long-term debt | 50,000 | 50,000 |
| Lease liabilities | 175,223 | 243,221 |
| Defined benefit liabilities | 210,675 | 215,948 |
| Contract liabilities | 32,995 | 33,155 |
| Provisions | 8,067 | 8,205 |
| Other non-current liabilities | 46,551 | 50,576 |
| Total non-current liabilities | 523,512 | 601,105 |
| Total liabilities | 2,263,665 | 2,108,414 |
| Equity: | | |
| Equity attributable to shareholders of NTT DOCOMO, INC. | | |
| Common stock | 949,680 | 949,680 |
| Additional paid-in capital | 152,695 | 152,976 |
| Retained earnings | 4,441,034 | 4,344,329 |
| Treasury stock | (300,000) | (1) |
| Other components of equity | 6,519 | 52,997 |
| Total equity attributable to shareholders of NTT DOCOMO, INC. | 5,249,927 | 5,499,981 |
| Noncontrolling interests | 22,334 | 22,446 |
| Total equity | 5,272,261 | 5,522,427 |
| Total liabilities and equity | ¥ 7,535,925 | ¥ 7,630,841 |

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Six months ended September 30, 2019 and 2020

Condensed Consolidated Statement of Profit or Loss

| | Millions of yen | |
|------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| | Six months ended September 30, 2019 | Six months ended September 30, 2020 |
| Operating revenues: | | |
| Telecommunications services | ¥ 1,558,672 | ¥ 1,551,433 |
| Equipment sales | 317,765 | 223,861 |
| Other operating revenues | 453,566 | 507,226 |
| Total operating revenues | 2,330,003 | 2,282,520 |
| Operating expenses: | | |
| Personnel expenses | 144,984 | 146,669 |
| Cost of equipment sold and services, and other expenses | 1,127,313 | 1,031,618 |
| Depreciation and amortization | 284,986 | 297,890 |
| Communication network charges | 212,577 | 225,227 |
| Loss on disposal of property, plant and equipment and intangible assets | 19,885 | 17,516 |
| Total operating expenses | 1,789,744 | 1,718,919 |
| Operating profit | 540,259 | 563,601 |
| Finance income | 9,567 | 4,223 |
| Finance costs | 3,911 | 1,716 |
| Share of profits (losses) on equity method investments | 2,656 | 1,912 |
| Profit before taxes | 548,571 | 568,020 |
| Income taxes | 174,937 | 175,663 |
| Profit | ¥ 373,635 | ¥ 392,357 |
| Profit attributable to: | | |
| Shareholders of NTT DOCOMO, INC. | 372,352 | 391,300 |
| Noncontrolling interests | 1,283 | 1,058 |
| Profit | ¥ 373,635 | ¥ 392,357 |
| Earnings per share attributable to shareholders of NTT DOCOMO, INC. | | |
| Basic earnings per share | ¥ 112.33 | ¥ 121.20 |

Six months ended September 30, 2019 and 2020

Condensed Consolidated Statement of Comprehensive Income

| | Millions of yen | |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| | Six months ended September 30, 2019 | Six months ended September 30, 2020 |
| Profit | ¥ 373,635 | ¥ 392,357 |
| Other comprehensive income (net of taxes): | | |
| Items that will not be reclassified to profit or loss | | |
| Change in the fair value of financial assets measured at fair value through other comprehensive income | (1,137) | 52,625 |
| Share of other comprehensive income of investments accounted for using the equity method | (580) | (222) |
| Total of items that will not be reclassified to profit or loss | (1,717) | 52,403 |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign exchange translation differences | (332) | 57 |
| Share of other comprehensive income of investments accounted for using the equity method | (80) | (144) |
| Total of items that may be reclassified subsequently to profit or loss | (412) | (87) |
| Total other comprehensive income (net of taxes) | (2,128) | 52,316 |
| Total comprehensive income | ¥ 371,506 | ¥ 444,673 |
| Total comprehensive income attributable to: | | |
| Shareholders of NTT DOCOMO, INC. | 370,195 | 443,491 |
| Noncontrolling interests | 1,311 | 1,182 |
| Total comprehensive income | ¥ 371,506 | ¥ 444,673 |

(3) Condensed Consolidated Statement of Changes in Equity

Six months ended September 30, 2019

| | Millions of yen | | | | | | | |
|---------------------------------------------------------------|---------------------------------------------------------|----------------------------|--------------------|--------------------|----------------------------|--------------------|--------------------------|--------------------|
| | Equity attributable to shareholders of NTT DOCOMO, INC. | | | | | | Noncontrolling interests | Total equity |
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Other components of equity | Total | | |
| Balance as of March 31, 2019 | ¥ 949,680 | ¥ 169,083 | ¥ 4,160,495 | ¥ (0) | ¥ 92,595 | ¥ 5,371,853 | ¥ 22,271 | ¥ 5,394,124 |
| Profit | | | 372,352 | | | 372,352 | 1,283 | 373,635 |
| Other comprehensive income | | | | | (2,157) | (2,157) | 29 | (2,128) |
| Total comprehensive income | — | — | 372,352 | — | (2,157) | 370,195 | 1,311 | 371,506 |
| Dividends | | | (183,438) | | | (183,438) | (837) | (184,275) |
| Purchase of treasury stock | | | | (122,762) | | (122,762) | | (122,762) |
| Changes due to business combinations under common control | | (13,441) | 17,154 | | (132) | 3,580 | | 3,580 |
| Changes in ownership interests without loss of control | | (1) | | | | (1) | 99 | 97 |
| Changes in ownership interests with loss of control | | | | | | — | (26) | (26) |
| Transfer from other components of equity to retained earnings | | | 45,533 | | (45,533) | — | | — |
| Total transactions with shareholders | — | (13,442) | (120,751) | (122,762) | (45,666) | (302,621) | (765) | (303,385) |
| Balance as of September 30, 2019 | ¥ 949,680 | ¥ 155,641 | ¥ 4,412,096 | ¥ (122,762) | ¥ 44,772 | ¥ 5,439,427 | ¥ 22,818 | ¥ 5,462,245 |

(Note) Business combinations under common control are accounted for using book values. Regarding “Changes due to business combinations under common control”, the changes in “Additional paid-in capital” and “Retained earnings” represent the differences between the amount paid by NTT DOCOMO, INC. for a subsidiary that was acquired under common control and NIPPON TELEGRAPH AND TELEPHONE CORPORATION’s carrying amount of the investment in the subsidiary measured at the date of acquisition.

Six months ended September 30, 2020

| | Millions of yen | | | | | | | |
|---------------------------------------------------------------|---------------------------------------------------------|----------------------------|--------------------|----------------|----------------------------|--------------------|--------------------------|--------------------|
| | Equity attributable to shareholders of NTT DOCOMO, INC. | | | | | | Noncontrolling interests | Total equity |
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Other components of equity | Total | | |
| Balance as of March 31, 2020 | ¥ 949,680 | ¥ 152,695 | ¥ 4,441,034 | ¥ (300,000) | ¥ 6,519 | ¥ 5,249,927 | ¥ 22,334 | ¥ 5,272,261 |
| Profit | | | 391,300 | | | 391,300 | 1,058 | 392,357 |
| Other comprehensive income | | | | | 52,191 | 52,191 | 125 | 52,316 |
| Total comprehensive income | — | — | 391,300 | — | 52,191 | 443,491 | 1,182 | 444,673 |
| Dividends | | | (193,718) | | | (193,718) | (790) | (194,508) |
| Purchase of treasury stock | | | | (0) | | (0) | | (0) |
| Retirement of treasury stock | | | (300,000) | 300,000 | | — | | — |
| Changes in ownership interests without loss of control | | (2,654) | | | | (2,654) | (280) | (2,934) |
| Transfer from other components of equity to retained earnings | | | 5,713 | | (5,713) | — | | — |
| Others | | 2,935 | | | | 2,935 | | 2,935 |
| Total transactions with shareholders | — | 281 | (488,004) | 300,000 | (5,713) | (193,437) | (1,070) | (194,507) |
| Balance as of September 30, 2020 | ¥ 949,680 | ¥ 152,976 | ¥ 4,344,329 | ¥ (1) | ¥ 52,997 | ¥ 5,499,981 | ¥ 22,446 | ¥ 5,522,427 |

(4) Notes to Condensed Consolidated Financial Statements

i. Note to Going Concern Assumption

There is no corresponding item.

ii. Changes in NTT DOCOMO, INC. Shareholders' Equity

On March 27, 2020, the Board of Director resolved that NTT DOCOMO, INC. retired 106,601,688 shares of its common stock at ¥300,000 million on April 2, 2020. The share retirement resulted in a decrease of “Retained earnings” by ¥300,000 million in the same amount as the aggregate purchase price.

iii. Segment Information

DOCOMO's chief operating decision maker (the "CODM") is its Board of Directors. The CODM evaluates the performance and makes resource allocations of its segments based on the information provided by DOCOMO's internal management reports.

DOCOMO has three operating segments, which consist of telecommunications business, smart life business, and other businesses.

The telecommunications business segment includes mobile phone services (5G services, LTE (Xi) services and FOMA services), optical-fiber broadband service, satellite mobile communications services, international services and the equipment sales related to these services.

The smart life business segment includes content/lifestyle services (including distributions services of video, music, books, shopping services, and health care services etc.), finance/payment services ("d CARD," "d Payment" and Fintech services, etc.), marketing solutions ("d POINT," advertisement and CRM, etc.) and other services.

The other businesses segment primarily include "Mobile Device Protection Service," and enterprise IoT solutions as well as development, sales and maintenance of IT systems.

Segment operating revenues:

| | Millions of yen | |
|------------------------------|----------------------------------------|----------------------------------------|
| | Six months ended September 30, 2019 | Six months ended September 30, 2020 |
| Telecommunications business- | | |
| External customers..... | ¥ 1,870,140 | ¥ 1,761,414 |
| Intersegment..... | 984 | 1,101 |
| Subtotal..... | 1,871,124 | 1,762,516 |
| Smart life business- | | |
| External customers..... | 243,288 | 302,948 |
| Intersegment..... | 9,868 | 14,247 |
| Subtotal..... | 253,157 | 317,196 |
| Other businesses- | | |
| External customers..... | 216,575 | 218,158 |
| Intersegment..... | 3,539 | 4,052 |
| Subtotal..... | 220,114 | 222,210 |
| Segment total..... | 2,344,395 | 2,301,921 |
| Elimination..... | (14,391) | (19,401) |
| Consolidated..... | ¥ 2,330,003 | ¥ 2,282,520 |

Segment operating profit (loss):

| | Millions of yen | |
|--------------------------------------------------------------|----------------------------------------|----------------------------------------|
| | Six months ended September 30, 2019 | Six months ended September 30, 2020 |
| Telecommunications business..... | ¥ 445,736 | ¥ 433,604 |
| Smart life business..... | 34,722 | 61,751 |
| Other businesses..... | 59,801 | 68,247 |
| Operating profit..... | 540,259 | 563,601 |
| Finance income..... | 9,567 | 4,223 |
| Finance costs..... | 3,911 | 1,716 |
| Share of profits (losses) on equity method investments | 2,656 | 1,912 |
| Profit before taxes..... | ¥ 548,571 | ¥ 568,020 |