

[Translation]

Quarterly Securities Report

(The First Quarter of the 30th Business Term)

NTT DOCOMO, INC.

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[Note]

This document is an English translation of certain items that were disclosed in our Quarterly Securities Report for the three-month period ended June 30, 2020, which we filed on August 7, 2020 with the Financial Services Agency of Japan.

The forward-looking statements and projected figures concerning the future performance of NTT DOCOMO, INC. and its subsidiaries and associates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT DOCOMO, INC. in light of information currently available to it regarding NTT DOCOMO, INC. and its subsidiaries and associates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT DOCOMO, INC. and its subsidiaries and associates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in our most recent Annual Securities Report.

[Cover]

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[Company Name]	Kabushiki Kaisha NTT DOCOMO
[Company Name in English]	NTT DOCOMO, INC.
[Title and Name of Representative]	Kazuhiro Yoshizawa, Representative Director, President and Chief Executive Officer
[Address of Head Office]	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
[Phone No.]	+81-3-5156-1111
[Contact Person]	Hideyuki Tsuchiya, Senior Manager, General Affairs Department
[Contact Address]	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
[Phone No.]	+81-3-5156-1111
[Contact Person]	Hideyuki Tsuchiya, Senior Manager, General Affairs Department
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo)

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

Item 1. Overview of the company

1. Selected Financial Data

IFRS

		Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Fiscal year ended March 31, 2020
Operating revenues	Millions of yen	1,159,285	1,098,151	4,651,290
Profit before taxes	Millions of yen	285,380	283,420	867,951
Profit attributable to shareholders of NTT DOCOMO, INC.	Millions of yen	192,307	195,281	591,524
Comprehensive income attributable to shareholders of NTT DOCOMO, INC.	Millions of yen	192,009	218,680	558,130
Total equity attributable to shareholders of NTT DOCOMO, INC.	Millions of yen	5,332,211	5,275,170	5,249,927
Total assets	Millions of yen	7,240,039	7,321,836	7,535,925
Basic earnings per share attributable to shareholders of NTT DOCOMO, INC.	Yen	57.76	60.48	179.92
Diluted earnings per share attributable to shareholders of NTT DOCOMO, INC.	Yen	-	-	-
Equity ratio (Ratio of equity attributable to shareholders of NTT DOCOMO, INC. to total assets)	%	73.6	72.0	69.7
Net cash provided by operating activities	Millions of yen	174,478	175,334	1,317,796
Net cash used in investing activities	Millions of yen	365	(229,307)	(354,760)
Net cash used in financing activities	Millions of yen	(248,759)	(230,281)	(783,901)
Cash and cash equivalents at the end of period	Millions of yen	145,905	114,695	398,745

Notes:

- (1) All figures presented above are based on the condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").
- (2) As we prepare quarterly consolidated financial reports, changes in non-consolidated key financial data, among others, are not provided.
- (3) Operating revenues do not include consumption taxes.
- (4) Basic earnings per share attributable to shareholders of NTT DOCOMO, INC. are calculated after subtracting the number of treasury shares from the total number of shares outstanding.
- (5) Diluted earnings per share attributable to shareholders of NTT DOCOMO, INC. are not stated because we did not have potentially dilutive common shares that were outstanding during the period.

2. Description of Business

There were no material changes to the business of NTT DOCOMO, INC. or its associated companies during the three months ended June 30, 2020.

Material changes in associated companies during the three months ended June 30, 2020 were as follows:

Consolidated subsidiary:

<Smart life business>

Effective April 1, 2020, the Company merged its consolidated subsidiary, docomo Healthcare, Inc., through an absorption-type merger. Accordingly, docomo Healthcare, Inc. has been excluded from the Company's consolidated subsidiaries beginning with the three months ended June 30, 2020.

Item 2. Business Overview

1. Risk Factors

No risks, such as unusual changes in consolidated financial condition, results of operations or cash flow conditions, were newly identified during the three months ended June 30, 2020. There was no material change in the risk factors that were described in our Annual Securities Report for the fiscal year ended March 31, 2020.

2. Management's Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions

This report contains certain forward-looking statements that are based on the management's judgments as of August 7, 2020, at which it was filed.

(1) Business Overview

In the environment surrounding the Company, competition continues to intensify due to implementation of the revised Telecommunications Business Act, the proliferation of low-cost smartphone services offered by MVNOs and the sub-brands of MNOs, new market entry by entrants from other industries and other factors. All these companies are pursuing various initiatives aimed at driving future growth also in non-telecommunications businesses primarily by providing loyalty point programs and enhancing finance/payment businesses. In accordance with the expansion of business domains, competition beyond the conventional boundaries of the telecommunications business is shifting into high gear due to entry of new competitors from different industries such as e-commerce. Furthermore, a new phase of service competition has begun with the launch of 5G services by each operator.

Amid this market environment, to realize a richer future with 5G network, in April 2017 we formulated our Medium-Term Strategy 2020 "Declaration beyond," and in October 2018, we announced specific strategies and quantitative targets as our medium-term management strategy based on "Declaration beyond," setting out our new basic policy that takes a new direction focusing on "transformation into a business foundation pivoted on our membership base" and "5G rollout and business creation."

Under this basic policy, we will strive to reinforce our customer base by providing returns to customers through our new rate plans and at the same time create new revenue opportunities in such areas as smart life business, enterprise business and 5G business by promoting digital marketing leveraging our customer base. Meanwhile, we will also address cost efficiency improvement on an ongoing basis to achieve sustained growth in the 2020s.

Through these measures, we plan to achieve ¥5 trillion in operating revenues in FY2021 and ¥990 billion in operating profit in FY2023 – recovering the profit to a level equivalent with FY2017. Our shareholder return policy under the medium-term management strategy is to accelerate shareholder returns through continuous dividend increases and expeditious share purchases.

As of June 30, 2020, our total mobile telecommunications services subscriptions^{*1} stood at 80.61 million, of which the number of 5G service subscriptions was 0.15 million, while the number of "docomo Hikari" optical fiber service subscriptions was 6.66 million. Churn rate for the three months ended June 30, 2020 was 0.42%^{*2} and the handset churn rate was 0.34%^{*2*3}.

The total number of "d POINT CLUB" members and "d POINT CARD" registrants^{*4} as of June 30, 2020 were 76.57 million and 44.72 million, respectively. The total "d POINTs" used during the three months ended June 30, 2020 amounted to 57.1 billion points, of which usage at partner stores accounted for 40.3 billion points. The total number of locations where our payment and point programs can be used^{*5} reached 1.94 million as of June 30, 2020.

With respect to the key initiatives undertaken in the three months ended June 30, 2020, we made "d Point" available through "Mercari" as part of the business alliance with Mercari Co., Ltd. and we, in partnership with The Walt Disney Company (Japan) Ltd., started offering the "Disney+(Disney Plus)" official video streaming service which The Walt Disney Company (Japan) Ltd. are offering.

In response to the novel coronavirus disease (COVID-19), we implemented a number of measures during the three months ended June 30, 2020, including the provision of population dynamics analysis using "Mobile Spatial Statistics", measures for users under 25 years old^{*6} to support their learning, re-presentation of expired "d Point", deferral of the payment deadline of mobile phone charges, free-of-charge provision of online health consultation through

our “d Healthcare” app , etc., and free offer of "congestion map" via our “docomo chizu navi” navigation service to provide congestion data for free as a limited-time offer.

*1: Subscriptions include mobile line subscriptions of MVNOs and Communication Module subscriptions.

*2: Churn rate is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.

*3: Handset churn rate represents the churn rate of billing plans that offer voice communications service (excluding 2in1 service).

*4: The number of users who can earn and use “d POINTs” at participating stores by registering their personal information.

*5: The total number of locations where “d POINTs” , “iD” and “d Payment (code and online payment)” can be used.

*6: Free-of-charge provision of “Additional 1GB Option” and “Speed Mode” for up to 50GB to users under 25 years old.

<Actions for Future Growth>

- In May 2020, we entered into a business tie-up agreement with "Sabaya Group" to establish a new mackerel farming model using ICT.
- In June 2020, we agreed with Hanshin Electric Railway Co.,Ltd., (“Hanshin”) to perform studies on possible collaboration for digital services operated by Hanshin at the Hanshin Koshien Stadium and by Hanshin Tigers Baseball Club, a wholly-owned subsidiary of Hanshin, with the aim of creating new experience value of sports viewing and further expanding the fan base. We will promote digital marketing and push forward the planning and development of digital services jointly with Hanshin Koshien Stadium and Hanshin Tigers.
- In June 2020, we concluded a capital and business alliance agreement and an official sponsor agreement with DeNA Kawasaki Brave Thunders Co.,Ltd., as an official sponsor. We and Kawasaki Brave Thunders will continue to drive the creation of new sport viewing styles, thereby contributing to the growth and expansion of Japan’s basketball.
- The total number of partners joining the “docomo 5G Open Partner Program” that we have been promoting in collaboration with a wide array of partner companies/organizations toward the goal of expanding the usage demand of 5G and creating new services and solutions, grew to 3,440 as of June 30, 2020.

For the three months ended June 30, 2020, operating revenues decreased by ¥61.1 billion from the same period of the previous fiscal year to ¥1,098.2 billion. This was mainly due to a decrease in equipment sales and international roaming revenues from the impact of the COVID-19 as well as a decrease in mobile communication services revenues because of the expansion of customer returns. This decrease in revenues exceeded an increase in optical-fiber broadband service revenues due to growth in the number of “docomo Hikari” users.

Operating expenses decreased by ¥63.0 billion from the same period of the previous fiscal year to ¥817.6 billion. This was mainly due to a decrease in the cost of equipment sold associated with a decrease in equipment sales. This decrease in expenses was greater than an increase in expenses associated with the expansion of “docomo Hikari” revenues, etc.

As a result, operating profit increased by ¥1.8 billion from the same period of the previous fiscal year to ¥280.5 billion for the three months ended June 30, 2020.

Consolidated results of operations for the three months ended June 30, 2019 and 2020 were as follows:

<Results of operations>

	Billions of yen			
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Increase (Decrease)	
Operating revenues	¥ 1,159.3	¥ 1,098.2	¥ (61.1)	(5.3)%
Operating expenses	880.6	817.6	(63.0)	(7.1)
Operating profit	278.7	280.5	1.8	0.7
Finance income	9.0	3.3	(5.6)	(62.9)
Finance costs	3.3	1.0	(2.3)	(69.7)
Share of profits (losses) on equity method investments	1.0	0.6	(0.4)	(44.1)
Profit before taxes	285.4	283.4	(2.0)	(0.7)
Income taxes	92.7	87.9	(4.8)	(5.2)
Profit	192.7	195.5	2.8	1.5
Shareholders of NTT DOCOMO, INC.	192.3	195.3	3.0	1.5
Noncontrolling interests	¥ 0.4	¥ 0.2	¥ (0.1)	(37.7)
EBITDA	400.6	406.0	5.4	1.4
ROE	3.6 %	3.7%	0.1 point	—

Note: Beginning of the first quarter of the fiscal year ending March 31, 2021, depreciation and amortization of EBITDA components excludes all depreciation of right-of-use assets. As a result of retrospective adjustment as mentioned above, EBITDA in the previous fiscal year decreased by ¥0.2 billion.

<EBITDA>

EBITDA= Operating profit + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment + Impairment loss

	Billions of yen	
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020
EBITDA	¥ 400.6	¥ 406.0
Depreciation and amortization	(117.8)	(122.0)
Loss on sale or disposal of property, plant and equipment	(4.0)	(3.4)
Impairment loss	—	—
Operating profit	278.7	280.5
a. Profit attributable to NTT DOCOMO, INC.	192.3	195.3
b. Operating revenues	1,159.3	1,098.2
Net profit margin (=a/b)	16.6%	17.8%

Note: Beginning of the first quarter of the fiscal year ending March 31, 2021, depreciation and amortization of EBITDA components excludes all depreciation of right-of-use assets. As a result of retrospective adjustment as mentioned above, EBITDA in the previous fiscal year decreased by ¥0.2 billion.

<ROE>

ROE=Profit attributable to shareholders of NTT DOCOMO, INC. / Total equity attributable to shareholders of NTT DOCOMO, INC.

	Billions of yen	
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020
a. Profit attributable to shareholders of NTT DOCOMO, INC.	¥ 192.3	¥ 195.3
b. Total equity attributable to shareholders of NTT DOCOMO, INC.	5,352.0	5,262.5
ROE (=a/b)	3.6%	3.7%

Note: Total equity attributable to shareholders of NTT DOCOMO, INC. = The average of equity attributable to shareholders of NTT DOCOMO, INC. each as of March 31, 2020 (or 2019) and June 30, 2020 (or 2019).

<Operating revenues>

	Billions of yen		Increase (Decrease)	
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020		
Telecommunications services	¥ 778.6	¥ 771.9	¥ (6.7)	(0.9)%
Mobile communications services revenues	699.7	681.0	(18.7)	(2.7)
Optical-fiber broadband service and other telecommunications services revenues	78.9	91.0	12.0	15.2
Equipment sales	167.7	90.0	(77.7)	(46.3)
Other operating revenues	213.0	236.2	23.2	10.9
Total operating revenues	¥ 1,159.3	¥ 1,098.2	¥ (61.1)	(5.3)%

Segment Results

Telecommunications business –

<Results of operations>

	Billions of yen		
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Increase (Decrease)
Operating revenues from telecommunications business	¥ 945.1	¥ 851.8	¥ (93.3) (9.9)%
Operating profit (loss) from telecommunications business	231.2	219.4	(11.8) (5.1)

Operating revenues from the telecommunications business for the three months ended June 30, 2020 decreased by ¥93.3 billion, or 9.9%, from ¥945.1 billion for the same period of the previous fiscal year to ¥851.8 billion.

This was mainly due to a decrease in equipment sales and international roaming revenues from the impact of COVID-19 as well as a decrease in mobile communication services revenues because of the expansion of customer returns. This decrease in revenues exceeded an increase in optical-fiber broadband service revenues due to growth in the number of “docomo Hikari” users.

Operating expenses from the telecommunications business decreased by ¥81.5 billion, or 11.4%, from ¥713.9 billion for the same period of the previous fiscal year to ¥632.5 billion. This was mainly due to a decrease in the cost of equipment sold associated with a decrease in equipment sales. This decrease in expenses was greater than an increase in expenses associated with the expansion of “docomo Hikari” revenues, etc.

Consequently, operating profit from the telecommunications business was ¥219.4 billion, a decrease of ¥11.8 billion, or 5.1%, from ¥231.2 billion for the same period of the previous fiscal year.

<<Key Topics>>

- In April 2020, we began offering a new "docomo Hikari" billing plan with a maximum transmission speed of 10 Gbps.
- The total number of subscriptions to our new rate plans* as of June 30, 2020 was 17.87 million.
*: The sum of the numbers of subscriptions for “Gigaho,” “Gigalight,” “5G Gigaho” , “5G Gigalight,” “Keitai Plan,” “Kids Keitai Plan,” “Data Plus” and “5G Data Plus.”
- The total number of smartphone/tablet users as of June 30, 2020 increased by 1.28 million from the number a year ago to 42.15 million as a result of continued implementation of various customer return measures.
- The total number of our LTE base stations across Japan reached 229,800 stations as of June 30, 2020. Meanwhile, we deployed 5G in all 47 prefectures of Japan, offering service in a total of 92 cities.

Number of subscriptions by services and other operating data are as follows:

<Number of subscriptions by services>

	Thousand subscriptions			
	June 30, 2019	June 30, 2020	Increase (Decrease)	
Mobile telecommunications services	78,896	80,615	1,719	2.2 %
Mobile telecommunications services (5G)	—	149	149	—
Mobile telecommunications services (LTE(Xi))	57,285	62,397	5,111	8.9
Mobile telecommunications services (FOMA)	21,611	18,069	(3,542)	(16.4)
“docomo Hikari” optical broadband service	5,988	6,656	668	11.2

Note: Number of subscriptions to Mobile telecommunications services, Mobile telecommunications services (LTE(Xi)) and Mobile telecommunications services (FOMA) includes mobile line subscriptions of MVNOs and Communication Module services subscriptions. Mobile telecommunications services (5G) includes mobile line subscriptions of MVNOs.

<Number of units sold>

	Thousand units			
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Increase (Decrease)	
Number of units sold	5,921	4,008	(1,913)	(32.3)%
Mobile telecommunications services (5G)				
New 5G subscription*1	—	9	9	—
Change of subscriptions from LTE(Xi) and FOMA*1	—	126	126	—
5G handset upgrade*1 by 5G subscribers	—	2	2	—
Mobile telecommunications services (LTE(Xi))				
New LTE(Xi) subscription*1	2,503	2,005	(498)	(19.9)
Change of subscription*1 from 5G and FOMA	717	309	(408)	(56.9)
LTE(Xi) handset upgrade*1 by LTE(Xi) subscribers*4	2,446	1,488	(958)	(39.2)
Mobile telecommunications services (FOMA)				
New FOMA subscription*1	179	32	(147)	(82.1)
Change of subscription*1 from 5G and LTE(Xi)	9	1	(8)	(91.4)
FOMA handset upgrade*1 by FOMA subscribers*4	67	35	(32)	(47.1)
Churn rate*2	0.58%	0.42%	(0.16)point	—
Handset churn rate*3	0.45%	0.34%	(0.11)point	—

*1: New subscriptions (including mobile line subscriptions of MVNOs and Communication Module subscriptions)
Change of subscription (including Communication Module subscriptions)
Handset upgrade (including Communication Module subscriptions)

*2: Churn rate is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.

*3: Churn rate of billing plans that offer voice communication service (excluding 2in1 service).

<Trend of ARPU and MOU>

	Yen		Increase	
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	(Decrease)	
Aggregate ARPU	¥ 4,770	¥ 4,800	¥ 30	0.6 %
Mobile ARPU	4,280	4,250	(30)	(0.7)
“docomo Hikari” ARPU	490	550	60	12.2
MOU (minutes)	130	146	16	12.3

Notes:

1. Definition of ARPU and MOU
 - a. ARPU (Average monthly Revenue Per Unit):
Average monthly revenue per unit, or ARPU, is used to measure the average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users of our wireless services in the relevant periods, as shown below under “ARPU Calculation Method.” We believe that our ARPU figures provide useful information to analyze the average usage per user and the impacts of changes in our billing arrangements.
 - b. MOU (Minutes of Use):
Average monthly communication time per user
2. ARPU Calculation Methods
Aggregate ARPU= Mobile ARPU + “docomo Hikari” ARPU
 - Mobile ARPU : Mobile ARPU Related Revenues (basic monthly charges, voice communication charges, packet communication charges) /Number of active users
 - “docomo Hikari” ARPU : “docomo Hikari” ARPU Related Revenues (basic monthly charges, voice communication charges) /Number of active users
3. Active Users Calculation Method
Sum of number of active users for each month ((number of users at the end of previous month + number of users at the end of current month) /2) during the relevant period
4. The number of “users” used to calculate ARPU and MOU is the total number of subscriptions, excluding the subscriptions listed below:
 - a. Subscriptions of communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to MVNOS; and
 - b. Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name.

Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver,” wholesale telecommunications services and interconnecting telecommunications facilities that are provided to MVNOS, and revenues related to “d POINT” are not included in the ARPU calculation.

Smart life business –

<Results of operations>

	Billions of yen				
	Three Months Ended June 30, 2019		Three Months Ended June 30, 2020		Increase (Decrease)
Operating revenues from smart life business	¥	111.3	¥	145.0	¥ 33.8 30.3%
Operating profit (loss) from smart life business		18.8		28.3	9.5 50.3

Operating revenues from the smart life business for the three months ended June 30, 2020 were ¥145.0 billion, an increase of ¥33.8 billion, or 30.3%, from ¥111.3 billion for the same period of the previous fiscal year. This was mainly due to an increase in revenues attributable to NTT Plala Inc. which became a subsidiary of DOCOMO in July 2019, as well as an increase in revenues from our finance/payment services and other services.

Operating expenses from the smart life business were ¥116.7 billion, an increase of ¥24.3 billion, or 26.3%, from ¥92.4 billion for the same period of the previous fiscal year. This was mainly due to an increase in expenses attributable to NTT Plala Inc. which became a subsidiary of DOCOMO in July 2019, as well as an increase in expenses associated with the increase in revenues from our finance/payment services.

As a result, operating profit from the smart life business was ¥28.3 billion, a decrease of ¥9.5 billion, or 50.3%, from ¥18.8 billion for the same period of the previous fiscal year.

<<Key Topics>>

- In April 2020, we began offering "d Healthcare for Biz" as a service to support corporate health management.
- In June 2020, we began offering the "Hikari TV for docomo" video distribution service "multistreaming capability" for 5G smartphones, allowing users to view multiple channels simultaneously.
- We, in partnership with The Walt Disney Company (Japan) Ltd., started offering the "Disney+(Disney Plus)" official video streaming service which The Walt Disney Company (Japan) Ltd. are offering. We are the exclusive provider* of "Disney+(Disney Plus)" service in Japan. Through the provision of attractive content owned by our partners, we will continue to aim for co-creation of new businesses.
*: As of August 3, 2020.
- We continued to expand the network of shops participating in our "d POINT" loyalty point program with the addition of "Gusto" and "Bamiyan" restaurants operated by Skylark Holdings Co. Ltd. and "Mercari" flea marketplace service operated by Mercari, Inc.
- The total members^{*1} of "d CARD" credit card service grew to 1.47 million as of June 30, 2020, up 13.18 million from the number a year ago. Of these, the total members of "d CARD GOLD" grew to 1.42 million as of June 30, 2020, posting an increase of 7.04 million in the last twelve months. The total amount of transactions processed through our finance/payment reached ¥1,500.6 billion for the three months ended June 30, 2020, increasing by ¥368.2 billion from the same period of the previous fiscal year. Of these, the total amount of transactions^{*2} processed with "d CARD" reached ¥1,138.6 billion for the three months ended June 30, 2020, recording a year-on-year increase of ¥232.3 billion.

*1: The number of members and transactions of "d CARD mini" that had previously been included in the member count and transactions of "d CARD" have been transferred to the number of users and transactions of "d Payment" as a result of service integration into "d Payment" during the three-month period ended December 31, 2019.

*2: Total amount of "d CARD", "iD", "d Payment", "direct carrier billing", "docomo Pay", etc.

- Our "d Payment" smartphone payment service was introduced at the "Kentucky Fried Chicken"

restaurants operated by Kentucky Fried Chicken Japan, Ltd. and on “Renta!” e-book websites operated by PAPYLESS Co., Ltd. The total number of “d Payment” users*¹ grew to 27.27 million as of June 30, 2020, up 12.31 million from the same period of the previous fiscal year. The total amount of transactions*² processed through “d Payment” reached ¥152.7 billion for the three months ended June 30, 2020, recording an increase of ¥98.8 billion from the same period of the previous fiscal year.

*1: The sum of total number of “d Payment” app downloads and “d Payment (iD)” members.

*2: The sum of the total amount of “d Payment” code, “d Payment (iD)” and online payment transactions.

Other businesses –

<Results of operations>

	Billions of yen			
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Increase (Decrease)	
Operating revenues from other businesses	¥ 109.5	¥ 110.4	¥ 0.9	0.9%
Operating profit (loss) from other businesses	28.7	32.8	4.2	14.6

Operating revenues from the other businesses for the three months ended June 30, 2020 amounted to ¥110.4 billion, an increase of ¥0.9 billion, or 0.9%, from ¥109.5 billion for the same period of the previous fiscal year, driven mainly by an increase in revenues relating to enterprise IoT services.

Operating expenses from the other businesses were ¥77.6 billion, a decrease of ¥3.2 billion, or 4.0%, from ¥80.8 billion for the same period of the previous fiscal year, mainly due to a decrease in expenses as a result of pursuing further cost efficiency.

Consequently, operating profit from the other businesses was ¥32.8 billion, an increase of ¥4.2 billion, or 14.6%, from ¥28.7 billion for the same period of the previous fiscal year.

<<Key Topics>>

- In May 2020, we began offering a platform for image recognition solutions using AI "DOCOMO Image Recognition Platform" and a face recognition entry/exit management solution "Easy Pass powered by SAFR" at the "DOCOMO Open Innovation Cloud *". In addition, in June 2020, as an optional service we started offering "Cloud Direct" service, which realizes 5G's low-latency and high-security communications.

*: A cloud service provided by our company that features low latency and high security.

- In June 2020, we and Machiemi Co., Ltd. ("Machiemi") began offering the "EMii" provided by Machiemi in combination with our company's image recognition engine *, "EMii - Enterprise Plan -". This service detects and recognizes faces from photographs of multiple subjects taken at events to reduce the burden of photo selection in photo sales and to reduce the time required to start sales.

*: NTT Group's AI "corevo" technology is used.

(2) Actions for Realizing a Sustainable Society

We are promoting ESG* management and contributing to sustained social development through our twin pillars: (i) “Innovative docomo” to solve various social issues through the provision of “new value”, and (ii) “Responsible docomo” to create a corporate constitution that satisfies our corporate social responsibility and earns the trust of customers. We are also aiming to contribute to SDGs.

*: Factors used to analyze companies in non-financial terms, standing for “Environment,” “Social” and “Governance.”

The principal actions we undertook for the three months ended June 30, 2020 are summarized below:

- In response to the novel coronavirus disease (COVID-19), we provided population dynamics analysis using “Mobile Spatial Statistics”, allowed users under 25 years old to use “Additional 1GB Option” and “Speed Mode” for up to 50GB for free to support their learning, re-presentation of expired "d Point", deferred the payment deadline of mobile phone charges, etc., offered free-of-charge online health consultation covering 12 medical branches (e.g., internal medicine, pediatrics, otolaryngology and dermatology) through our “d Healthcare” app, and made available “congestion maps” via our “docomo chizu navi” navigation service to provide congestion data for free as a limited-time offer.
- We have implemented measures such as handling customers with space between seats, requiring store staff to wear masks, installing fences for face-to-face customer service, and installing goggles for staff to wear to prevent the spread of the novel coronavirus disease (COVID-19) in docomo Shops. In addition, we began offering an online version of the docomo Smartphone Class, where users can learn how to use and enjoy smartphones through videos. We also worked to avoid congestion at docomo Shops by encouraging customers to visit our stores through making reservations and to use Web procedures.

(3) Trend of Capital Expenditures

<Capital expenditures plan for the fiscal year ending March 31, 2021>

The capital investment plans for the fiscal year ending March 31, 2021 were not disclosed due to the COVID-19 outbreak. However, we are able to make a reasonable calculation, and disclose the plans follows.

We plan to reinforce our facilities in response to increasing data traffic, in order to realize a network that provides customers with "more comfort" for the current fiscal year ending March 31, 2021. We will also develop and build networks for the full-scale launch of 5G services.

As we plan to push forward efficiency improvement in conjunction with the rollout of facilities, the annual capital expenditures are estimated to be 570.0 billion.

The key components of our capital expenditures plan are summarized in the table below:

		Billions of yen
Business segment	Details of capital expenditure	Planned CAPEX for fiscal year ending Mar. 31, 2021
Telecommunications business	Development and construction of 5G facilities and transmission line facilities Expansion and improvement of LTE facilities and transmission line facilities, etc. Maintenance and improvement of information system, etc.	529.0
Smart life business	Expansion and improvement of content/lifestyle, finance/payment and marketing solutions, etc.	25.0
Other businesses	Expansion and improvement of enterprise services, etc.	16.0
Total	—	570.0

Notes 1. The funds required for these capital expenditures are planned to be financed from funds on hand.

2. Other than for regular upgrade of facilities, there are no plans for retirement of important facilities.

3. The amounts of capital expenditures include investments for acquisition of intangible assets.

4. The amounts in the table above do not include consumption taxes, etc.

<Capital expenditures>

	Billions of yen				
	Three Months Ended June 30, 2019		Three Months Ended June 30, 2020		Increase (Decrease)
Total capital expenditures	¥	97.9	¥	90.8	(7.1) (7.2)%
Telecommunications business		91.4		83.8	(7.7) (8.4)
Smart life business		3.6		4.3	0.7 20.2
Other businesses		2.9		2.7	(0.1) (4.7)

Notes:

1. Capital expenditures include investments related to the acquisition of intangible assets.

2. The above amounts do not include consumption taxes, etc.

Capital expenditures for the three months ended June 30, 2020 decreased by 7.2% to ¥90.8 billion. This was due to constructing a comfortable LTE area communications environment, promoting capital investment for growth, including 5G services, while improving the efficiency and cost reduction of capital investment for existing services such as 3G and LTE.

(4) Financial Position

	Billions of yen				
	June 30, 2019	June 30, 2020	Increase (Decrease)		(Reference) March 31, 2020
Total assets	¥ 7,240.0	¥ 7,321.8	¥ 81.8	1.1%	¥ 7,535.9
Equity attributable to shareholders of NTT DOCOMO, INC.	5,332.2	5,275.2	(57.0)	(1.1)	5,249.9
Liabilities	1,885.8	2,025.1	139.3	7.4	2,263.7
Including: Interest bearing liabilities	50.0	50.0	—	—	50.0
Shareholders' equity ratio (1) (%)	73.6%	72.0%	(1.6)point	-	69.7%
Debt to Equity ratio (2) (multiple)	0.009	0.009	0.000	-	0.010

Notes: Shareholders' equity ratio = Equity attributable to shareholders of NTT DOCOMO, INC. / Total asset

Debt to Equity ratio = Interest bearing liabilities / Equity attributable to shareholders of NTT DOCOMO, INC.

(5) Cash Flow Conditions

	Billions of yen				
	Three Months Ended June 30, 2019	Three Months Ended June 30, 2020	Increase (Decrease)		
Net cash provided by operating activities	¥ 174.5	¥ 175.3	¥ 0.9	0.5%	
Net cash used in investing activities	0.4	(229.3)	(229.7)	—	
Net cash used in financing activities	(248.8)	(230.3)	18.5	7.4	
Free cash flows (1)	174.8	(54.0)	(228.8)	—	
Changes in investments for cash management purposes	0.0	(0.0)	(0.0)	—	
Free cash flows excluding changes in investments for cash management purposes (2)	174.8	(54.0)	(228.8)	—	

Notes: (1) Free cash flows = Net cash provided by operating activities + Net cash used in investing activities

(2) Changes in investments for cash management purposes = Changes by purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months

For the three months ended June 30, 2020, net cash provided by operating activities was ¥175.3 billion, an increase of ¥0.9 billion, or 0.5%, from the same period of the previous fiscal year. This was mainly due to an increase in cash inflows for profit.

Net cash used in investing activities was ¥229.3 billion, a decrease of ¥229.7 billion, or —%, from the same period of the previous fiscal year. This was mainly due to a decrease in cash inflows for proceeds from sales of non-current investments including the transfer of shares of Sumitomo Mitsui Card Company, Limited in the previous fiscal year.

Net cash used in financing activities was ¥230.3 billion, an increase of ¥18.5 billion, or 7.4%, from the same period of the previous fiscal year. This was mainly due to an increase in cash outflows for purchase of treasury stock in the previous fiscal year.

As a result of the foregoing, the balance of cash and cash equivalents was ¥114.7 billion as of June 30, 2020, a decrease of ¥284.1 billion, or 71.2%, from the previous fiscal year end.

(6) Operational and Finance Issues Faced by the Corporate Group

There were no material changes in the operational and finance issues facing the corporate group for the three months ended June 30, 2020 and no new additional issues arose during the period.

(7) Research and Development

Our research and development expenses for the three months ended June 30, 2020 were ¥23.1 billion.

(8) Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

The prospects for the fiscal year ending March 31, 2021 were not disclosed due to the COVID-19 outbreak. However, we are able to assess the impact on our business and make a reasonable calculation, and disclose the forecast as follows.

	Billions of yen					
	Year ended March 31, 2020		Year ending March 31, 2021 (Forecasts)		Increase (Decrease)	
Operating revenues	¥	4,651.3	¥	4,570.0	¥	(81.3) (1.8) %
Operating profit		854.7		880.0		25.4 2.9
Profit before taxes		868.0		884.0		16.0 1.8
Profit attributable to shareholders of NTT DOCOMO, INC.		591.5		605.0		13.5 2.2
Adjusted free cash flows excluding changes in investments for cash management purposes		893.3		730.0		(163.3) (18.3)
EBITDA(Note)		1,376.7		1,410.0		33.3 2.4

Note: Beginning of the first quarter of the fiscal year ending March 31, 2021, depreciation and amortization of EBITDA components excludes all depreciation of right-of-use assets. As a result of retrospective adjustment as mentioned above, EBITDA in the previous fiscal year decreased by ¥2.4 billion.

Overview

The environment surrounding our businesses has changed significantly.

In Japanese telecommunications market, major changes in the market environment are expected due to the penetration of MVNOs and the sub-brands of MNOs, entry of new business operators, and the effect of the COVID-19.

Based on this market environment, our Group positions FY2020 as the “start year for growth in the new era,” and we will further strengthen our customer base and accelerate full-scale efforts for membership-based business operations and also contribute to the creation of new value and the resolution of social issues through 5G in the new post-COVID-19 society.

In addition, for medium-term growth, we will implement initiatives for further business expansion through steady growth in the financial/payment business, marketing solutions, and corporate solutions in the smart life business and the other businesses.

Operating revenues are expected to decrease by ¥81.3 billion compared to the fiscal year ending March 31, 2020 to ¥4.57 trillion, due to a decrease in international roaming revenues and a decrease in equipment sales revenues caused by the COVID-19, although the decrease in revenues from mobile communications services due to the expansion of customer returns and other factors is expected to be offset by an increase in revenues from optical communications services due to an increase in the number of “docomo Hikari” optical fiber subscribers, and an increase in revenues from the smart life business and other businesses due to an increase in financial/payment transactions volumes and expansion of corporate solutions.

Operating expenses are expected to decrease by ¥106.6 billion compared to the fiscal year ending March 31, 2020 to ¥3.69 trillion due to the increase in costs for maintenance of employment and safety measures for essential workers in order to minimize the impact of the new coronavirus on business, the increase in network-related costs associated with the increase in “docomo Hikari” optical fiber services revenues, and the implementation of measures to strengthen finance/payment services, but due to a decrease in expenses resulting from the impact of the new coronavirus, such as a decrease in cost of equipment sold due to a decrease in the number of handsets sold, as well as thorough company-wide cost efficiency improvements.

As a result, operating profit is expected to increase by ¥25.3 billion to ¥880.0 billion.

Free cash flows

Free cash flows for the fiscal year ending March 31, 2021 are expected to decrease by ¥163.3 billion or 18.3% year-on-year. This decrease is mainly due to cash inflows for proceeds from sales of non-current investments including the transfer of shares of Sumitomo Mitsui Card Company Limited in the previous fiscal year.

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 Securities Report.

3. Material Contracts

There were no material contracts relating to our operations that were agreed upon or entered into during the third quarter ended June 30, 2020.

Item 3. Information related to NTT DOCOMO

1. Information related to NTT DOCOMO's Shares

(1) Total Number of Shares and Issued Shares

(a) Total Number of Shares

As of June 30, 2020

Class	Total Number of Shares Authorized to be Issued (Shares)
Common stock	17,460,000,000
Total	17,460,000,000

(b) Issued Shares

Class	Number of Shares Issued as of June 30, 2020 (shares)	Number of Shares Issued as of the Filing Date (shares) (August 7, 2020)	Stock Exchange on which the Company is Listed	Description
Common Stock	3,228,629,406	3,228,629,406	Tokyo Stock Exchange (The First Section)	The number of shares per one unit of shares is 100 shares
Total	3,228,629,406	3,228,629,406	—	—

(2) Information on the Stock Acquisition Rights and other items

(a) Change of Stock Option Plan

Not applicable.

(b) Status of Other Stock Acquisition Rights

Not applicable.

(3) Information on Moving Strike Convertible Bonds and other items

Not applicable.

(4) Changes in the Total Number of Issued Shares, the Amount of Common Stock, and Others

Date	Changes in the Total Number of Issued Shares (shares)	Balance of the Total Number of Issued Shares (shares)	Changes in Common Stock (millions of yen)	Balance of Common Stock (millions of yen)	Change in Capital Reserve (millions of yen)	Balance of Capital Reserve (millions of yen)
April 2, 2010 (Note)	(106,601,688)	3,228,629,406	—	949,679	—	292,385

Note: This was due to the retirement of treasury stock.

(5) Major Shareholders

Not applicable for the three months ended June 30, 2020.

(6) Information on Voting Rights

All details provided in this section “(6) Information of Voting Rights” are based on the register of shareholders as of March 31, 2020, as the register of shareholders as of June 30, 2020 cannot be confirmed.

(a) Issued Shares

As of March 31, 2020

Classification	Number of Shares (shares)	Number of Voting Rights	Description
Shares without Voting Rights	—	—	—
Shares with Restricted Voting Rights (treasury stock and other stock)	—	—	—
Shares with Restricted Voting Rights (others)	—	—	—
Shares with Full Voting Rights (treasury stock and other stock)	(Treasury Stock) 106,601,800 shares of common stock	—	—
Shares with Full Voting Rights (others)	3,228,502,000 shares of common stock	32,285,020	—
Shares Representing Less than One Unit	127,294 shares of common stock	—	—
Number of Issued Shares	3,335,231,094 shares of common stock	—	—
Total Number of Voting Rights	—	32,285,020	—

Note: The total number of shares in “Shares with Full Voting Rights (others)” includes 38,800 shares held in the name of the Japan Securities Depository Center. “Number of Voting Rights” includes 388 voting rights associated with “Shares with Full Voting Rights” held in the name of the Japan Securities Depository Center.

(b) Treasury Stock

As of March 31, 2020

Name of Shareholder	Address	Number of Shares Held Under Own Name (shares)	Number of Shares Held Under the Names of Others (shares)	Total Shares Held (shares)	Ownership Percentage to the Total Number of Issued Shares
NTT DOCOMO, INC.	11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo	106,601,800	—	106,601,800	3.20%
Total	—	106,601,800	—	106,601,800	3.20%

Note: Number of shares held under own name was 150 as of June 30, 2020.

2. Changes in Directors and Senior Management

The change in directors during the period from the filing date of the Securities Report for the fiscal year ended March 31, 2020 to the filing date of this Quarterly Securities Report is as follows:

(1) Newly Appointed Directors

Position	Name	Date of birth	History	Term of office	Number of company shares owned (Shares)	Effective date
Senior Executive Vice President Representative Member of the Board of Directors Responsible for Global business and Corporate	Motoyuki Ii	November 17, 1958	<p>Apr. 1983 Joined NTT Public Corporation Senior Vice President, Executive Manager of the Plant Department of the Network Business Headquarters, Executive Manager of the Planning Department of the Network Business Headquarters, Member of the Board of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT EAST")</p> <p>Jun. 2011 Senior Vice President, Executive Manager of the Plant Planning Department of the Network Business Headquarters, Member of the Board of NTT EAST</p> <p>Jul. 2013 Senior Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Member of the Board of NTT EAST</p> <p>Jun. 2014 Executive Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Representative Member of the Board of NTT EAST</p> <p>Jun. 2015 Senior Executive Vice President, Senior Executive Manager of the Corporate Sales Promotion Headquarters, Representative Member of the Board of NTT EAST</p> <p>Jun. 2016 Senior Executive Vice President, Senior Executive Manager of the Business Innovation Headquarters, Representative Member of the Board of NTT EAST</p> <p>Jul. 2017 Senior Executive Vice President, Head of Technology Planning, In charge of technical strategy and international standardization, Representative Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")</p> <p>Jun. 2018 President and Chief Executive Officer of NTT Anode Energy Corporation</p> <p>Jun. 2019 Senior Executive Vice President, In charge of technical strategy and international standardization, Representative Member of the Board of NTT</p> <p>Jun. 2019</p> <p>Jun. 2020 Senior Executive Vice President, Responsible for Global business and Corporate, Representative Member of the Board of Directors of the Company (To the present)</p>	Note	0	June 23, 2020

Position	Name	Date of birth	History	Term of office	Number of company shares owned (Shares)	Effective date
Senior Vice President Member of the Board of Directors General Manager of Accounts and Finance Department Responsible for Finance, Business Alliance and Strategic Alliance	Takashi Hiroi	February 13, 1963	<p>Apr. 1986 NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT")</p> <p>Jun. 2008 Vice President of Strategic Business Development of NTT</p> <p>Jul. 2009 Vice President of Corporate Strategy Planning of NTT</p> <p>Jun. 2014 Head of Finance and Accounting of NTT</p> <p>Jun. 2015 Senior Vice President, Head of Finance and Accounting, Member of the Board of Directors of NTT</p> <p>Jun. 2020 Senior Vice President, Member of the Board of Directors, General Manager of Accounts and Finance Department, Responsible for Finance, Business Alliance and Strategic Alliance (To the present)</p>	Note	0	June 23, 2020

Note: The term of office shall expire at the close of the ordinary general meeting of shareholders for the latest business year ending within one (1) year after their election at the 29th ordinary general meeting of shareholders held on June 16, 2020.

(2) Change in Positions and Responsibilities

Name	Position	New Responsibilities	Former Responsibilities	Effective date
Seiji Maruyama	Senior Executive Vice President Representative Member of the Board of Directors	Responsible for Technology, Devices, Information Strategy, and Membership Base	Responsible for Technology, Devices, Information Strategy, Membership Base, Global business and Corporate	June 23, 2020
Michio Fujiwara	Executive Vice President Member of the Board of Directors	General Manager of Corporate Strategy & Planning, Responsible for Mobile Society Research Institute, and Preparation for 2020	10 General Manager of Corporate Strategy & Planning Department and General Manager of Accounts and Finance Department, Responsible for Mobile Society Research Institute, Preparation for 2020, Finance, Business Alliance and Strategic Alliance	June 23, 2020

(3) Number of Directors by Gender and the Ratio of Female Directors after the Changes in Positions and Responsibilities

12 men and 3 women (Ratio of female directors is 20.0%)

Item 4. Financial Information

1. Preparation method of the condensed consolidated financial statements

The condensed consolidated financial statements of DOCOMO have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” pursuant to Article 93 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, etc.” (Cabinet Office Ordinance No. 64 of 2007).

International Financial Reporting Standards (“IFRS”) was permitted as the designated international accounting standards for preparing consolidated financial statements following the amendments (Cabinet Office Ordinance No. 73 of December 11, 2009) to the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976), etc.

Figures in the condensed consolidated financial statements have been rounded to the nearest million yen.

2. Independent Auditor’s Report on Quarterly Review

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed consolidated financial statements for the first quarter ended June 30, 2020 (from April 1, 2020 to June 30, 2020) and the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020) have been reviewed by KPMG AZSA LLC.

3. Particular efforts to secure the appropriateness of the consolidated financial statements based on IFRS

(1) DOCOMO is a member of the Financial Accounting Standards Foundation.

(2) DOCOMO obtains appropriately the press release issued by the International Accounting Standards Board and official pronouncements. In addition, DOCOMO has formulated the Group Accounting and Finance Rules pursuant to IFRS and prepared the consolidated financial statements based on those rules.

1. Condensed Consolidated Financial Statements (UNAUDITED)

(1) Condensed Consolidated Statement of Financial Position (UNAUDITED)

	Notes	Millions of yen	
		March 31, 2020	June 30, 2020
ASSETS			
Current assets:			
Cash and cash equivalents		¥ 398,745	¥ 114,695
Trade and other receivables	10	2,154,593	2,134,553
Other financial assets	10	1,022	689
Inventories		90,009	124,630
Other current assets		70,957	85,757
Total current assets		2,715,326	2,460,325
Non-current assets:			
Property, plant and equipment	6	2,653,145	2,626,131
Right-of-use assets		252,412	345,861
Goodwill		30,518	30,841
Intangible assets		656,435	651,408
Investments accounted for using the equity method		140,976	140,645
Securities and other financial assets	10	451,532	476,230
Contract costs		312,618	305,693
Deferred tax assets		188,608	146,753
Other non-current assets		134,354	137,950
Total non-current assets		4,820,599	4,861,511
Total assets		¥ 7,535,925	¥ 7,321,836

Millions of yen

Notes

March 31, 2020

June 30, 2020

LIABILITIES AND EQUITY					
Current liabilities:					
Trade and other payables		¥	1,135,855	¥	892,494
Lease liabilities			69,635		74,597
Other financial liabilities	10		7,618		34,759
Accrued income taxes			141,064		59,057
Contract liabilities			214,020		220,508
Provisions			37,939		29,822
Other current liabilities			134,022		100,792
Total current liabilities			1,740,153		1,412,030
Non-current liabilities:					
Long-term debt			50,000		50,000
Lease liabilities			175,223		256,212
Defined benefit liabilities			210,675		212,800
Contract liabilities			32,995		32,814
Provisions			8,067		8,297
Other non-current liabilities			46,551		52,978
Total non-current liabilities			523,512		613,102
Total liabilities			2,263,665		2,025,131
Equity:					
Equity attributable to shareholders of NTT DOCOMO, INC.					
Common stock	7		949,680		949,680
Additional paid-in capital	7		152,695		152,976
Retained earnings	7		4,441,034		4,138,256
Treasury stock	7		(300,000)		(0)
Other components of equity	7		6,519		34,259
Total equity attributable to shareholders of NTT DOCOMO, INC.			5,249,927		5,275,170
Noncontrolling interests			22,334		21,534
Total equity			5,272,261		5,296,705
Total liabilities and equity		¥	7,535,925	¥	7,321,836

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

Three months ended June 30, 2019 and 2020

Condensed Consolidated Statement of Profit or Loss

	Notes	Millions of yen	
		Three months ended June 30, 2019	Three months ended June 30, 2020
Operating revenues:	5,9		
Telecommunications services		¥ 778,639	¥ 771,932
Equipment sales		167,659	90,005
Other operating revenues		212,987	236,214
Total operating revenues		1,159,285	1,098,151
Operating expenses:			
Personnel expenses		72,253	72,635
Cost of equipment sold and services, and other expenses		554,053	477,752
Depreciation and amortization		141,520	148,007
Communication network charges		104,037	111,733
Loss on disposal of property, plant and equipment and intangible assets		8,704	7,489
Total operating expenses		880,568	817,616
Operating profit	5	278,717	280,536
Finance income		8,974	3,329
Finance costs		3,317	1,006
Share of profits (losses) on equity method investments		1,006	562
Profit before taxes		285,380	283,420
Income taxes		92,688	87,899
Profit		¥ 192,692	¥ 195,520
Profit attributable to:			
Shareholders of NTT DOCOMO, INC.		192,307	195,281
Noncontrolling interests		385	240
Profit		¥ 192,692	¥ 195,520
Earnings per share attributable to shareholders of NTT DOCOMO, INC.			
Basic earnings per share		¥ 57.76	¥ 60.48

Three months ended June 30, 2019 and 2020

Condensed Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	¥ 192,692	¥ 195,520
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	59	23,521
Share of other comprehensive income of investments accounted for using the equity method	(457)	(114)
Total of items that will not be reclassified to profit or loss	(397)	23,407
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	105	129
Share of other comprehensive income of investments accounted for using the equity method	(10)	(104)
Total of items that may be reclassified subsequently to profit or loss	95	24
Total other comprehensive income (net of taxes)	(302)	23,431
Total comprehensive income	¥ 192,390	¥ 218,952
Total comprehensive income attributable to:		
Shareholders of NTT DOCOMO, INC.	192,009	218,680
Noncontrolling interests	381	271
Total comprehensive income	¥ 192,390	¥ 218,952

(3) Condensed Consolidated Statement of Changes in Equity (UNAUDITED)

Three months ended June 30, 2019

	Millions of yen								
	Equity attributable to shareholders of NTT DOCOMO, INC.							Noncon- trolling interests	Total equity
	Notes	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				192,307			192,307	385	192,692
Other comprehensive income						(298)	(298)	(4)	(302)
Total comprehensive income		—	—	192,307	—	(298)	192,009	381	192,390
Dividends	8			(183,438)			(183,438)	(837)	(184,275)
Purchase of treasury stock	7				(48,213)		(48,213)		(48,213)
Changes in ownership interests without loss of control							—	246	246
Changes in ownership interests with loss of control							—	(26)	(26)
Transfer from other components of equity to retained earnings	7			45,559		(45,559)	—		—
Total transactions with shareholders		—	—	(137,879)	(48,213)	(45,559)	(231,651)	(617)	(232,268)
Balance as of June 30, 2019		¥ 949,680	¥ 169,083	¥ 4,214,924	¥ (48,213)	¥ 46,738	¥ 5,332,211	¥ 22,035	¥ 5,354,246

Three months ended June 30, 2020

		Millions of yen							
		Equity attributable to shareholders of NTT DOCOMO, INC.					Total	Noncontrolling interests	Total equity
Notes	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity				
	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			195,281			195,281	240	195,520
	Other comprehensive income					23,399	23,399	32	23,431
	Total comprehensive income	—	—	195,281	—	23,399	218,680	271	218,952
	Dividends	8		(193,718)			(193,718)	(790)	(194,508)
	Retirement of treasury stock	7		(300,000)	300,000		—		—
	Changes in ownership interests without loss of control			(2,654)			(2,654)	(281)	(2,934)
	Transfer from other components of equity to retained earnings	7		(4,341)		4,341	—		—
	Others			2,935			2,935		2,935
	Total transactions with shareholders	—	281	(498,059)	300,000	4,341	(193,437)	(1,071)	(194,507)
	Balance as of June 30, 2020	¥ 949,680	¥ 152,976	¥4,138,256	¥ (0)	¥ 34,259	¥ 5,275,170	¥ 21,534	¥ 5,296,705

(4) Condensed Consolidated Statement of Cash Flows (UNAUDITED)

	Millions of yen	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities:		
Profit	¥ 192,692	¥ 195,520
Reconciliation of profit and net cash provided by operating activities:		
Depreciation and amortization	141,520	148,007
Finance income	(8,974)	(3,329)
Finance costs	3,317	1,006
Interest income included in operating revenues	(6,474)	(7,743)
Share of (profits) losses on equity method investments	(1,006)	(562)
Income taxes	92,688	87,899
(Increase) decrease in inventories	36,105	(35,269)
(Increase) decrease in trade and other receivables	44,217	20,880
Increase (decrease) in trade and other payables	(153,007)	(114,404)
Increase (decrease) in contract liabilities	9,671	6,305
Increase (decrease) in defined benefit liabilities	1,451	2,125
Other, net	(26,831)	(1,482)
Subtotal	325,368	298,954
Dividends received	6,215	6,349
Interests received	6,814	7,789
Interests paid	(344)	(355)
Income taxes paid and refund	(163,574)	(137,403)
Net cash provided by operating activities	174,478	175,334
Cash flows from investing activities:		
Purchases of property, plant and equipment	(123,878)	(129,062)
Purchases of intangible and other assets	(89,650)	(101,509)
Purchases of non-current investments	(35,389)	(576)
Proceeds from sales of non-current investments	243,009	2,199
Purchases of short term investments	(79)	(152)
Proceeds from redemption of short term investments	84	144
Acquisitions of control over subsidiaries	—	(224)
Other, net	6,268	(127)
Net cash used in investing activities	365	(229,307)
Cash flows from financing activities:		
Payments of lease liabilities	(23,675)	(34,264)
Payments to acquire treasury stock	(48,213)	—
Cash dividends paid	(181,668)	(192,293)
Cash dividends paid to noncontrolling interests	(837)	(790)
Other, net	5,635	(2,935)
Net cash used in financing activities	(248,759)	(230,281)
Effect of exchange rate changes on cash and cash equivalents	(143)	204
Net increase (decrease) in cash and cash equivalents	(74,058)	(284,050)
Cash and cash equivalents as of beginning of year	219,963	398,745
Cash and cash equivalents as of end of period	¥ 145,905	¥ 114,695

2. Notes to Condensed Consolidated Financial Statements (UNAUDITED)

1. Reporting entity

NTT DOCOMO, INC. (the “Company”) is a company located in Japan. The addresses of its registered headquarters and main business offices are disclosed on its website (<https://www.nttdocomo.co.jp/english>).

The Company primarily engages in mobile telecommunications services as a member of the NTT group, with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”) as the holding company. The Company and its subsidiaries constitute the NTT DOCOMO group (“DOCOMO”) and operate its business.

The condensed consolidated financial statements of DOCOMO for the first quarter ended June 30, 2020 were approved on August 3, 2020 by the Board of Directors.

2. Basis of preparation

(1) Compliance with IFRS

The condensed consolidated financial statements of DOCOMO meet the requirements of the “Specified Companies Complying with Designated International Accounting Standards” under Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64 of 2007), and thus were prepared in accordance with IAS 34 “Interim Financial Reporting,” pursuant to the provisions of Article 93 of the aforementioned Ordinance. The condensed interim consolidated financial statements, which do not contain all the information required in annual consolidated financial statements, should be read in conjunction with the annual consolidated financial statements for the previous fiscal year ended March 31, 2020.

(2) Basis of measurement

The condensed consolidated financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value as well as assets and liabilities associated with post-employment benefit plans, etc.

(3) Function and presentation currency

The condensed consolidated financial statements are presented in Japanese yen, the currency prevailing in the main economic domain in which the Company conducts its business activities (“functional currency”), and figures less than a million yen are rounded to the nearest million yen.

(4) Change in presentation

Regarding the condensed consolidated statement of cash flows for the three months ended June 30, 2020, interests received as to credit card services in operating revenues, which had been included in subtotal in cash flows from operating activities have been represented in “Interests received” since its amount became significant. In order to reflect the change in presentation, regarding the condensed consolidated statement of cash flows for the three months ended June 30, 2019, the amount which had been included in subtotal in cash flows from operating activities have been reclassified as “Interests received” of ¥6,736 million in cash flows from operating activities and “Interest income included in operating revenues” of ¥(6,474) million.

3. Significant accounting policies

The significant accounting policies applied to the condensed consolidated financial statements for the three months ended June 30, 2020 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2020. Meanwhile, income taxes for the three months ended June 30, 2020 are calculated based on the estimated annual effective tax rate.

4. Significant accounting estimates and judgements involving estimates

The preparation of DOCOMO's condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions, which should affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the first quarter ended June 30, 2020, as well as the reported amounts of revenues and expenses during the three months ended June 30, 2020. The actual results may differ from those estimates. DOCOMO has identified the following areas where it believes the estimates and assumptions are particularly critical to the condensed consolidated financial statements. These are depreciation and amortization of property, plant and equipment, internal use software and other intangible assets; lease term; impairment of property, plant and equipment, right-of-use assets, goodwill, intangible assets, and contract costs; measurement of fair values of financial instruments; point programs; defined benefit liability; and revenue recognition.

5. Segment reporting

(1) Outline of reportable segments

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 business segments, which consist of telecommunications business, smart life business, and other businesses.

Certain services that had been included in the smart life business were reclassified to other businesses from the first quarter of the fiscal year ended March 31, 2020 to reflect the change in its internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the three months ended June 30, 2019 has been restated to conform, respectively, to the presentation for the three months ended June 30, 2020.

The telecommunications business segment includes mobile phone services (5G services, LTE(Xi) services and FOMA services), optical-fiber broadband services, 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 includes "Mobile Device Protection Service," and enterprise IoT solutions as well as development, sales and maintenance of IT systems.

(2) Information on operating revenue, income or loss for each reportable segment

DOCOMO's segment information is as follows.

Segment operating revenues:

Three Months Ended June 30	Millions of yen	
	2019	2020
Telecommunications business-		
External customers.....	¥ 944,736	¥ 851,296
Intersegment.....	404	541
Subtotal.....	945,141	851,837
Smart life business-		
External customers.....	106,815	138,433
Intersegment.....	4,462	6,607
Subtotal.....	111,278	145,040
Other businesses-		
External customers.....	107,733	108,422
Intersegment.....	1,745	1,993
Subtotal.....	109,478	110,415
Segment total.....	1,165,896	1,107,292
Elimination.....	(6,612)	(9,141)
Consolidated.....	¥ <u>1,159,285</u>	¥ <u>1,098,151</u>

Segment operating profit (loss):

Three Months Ended June 30	Millions of yen	
	2019	2020
Segment operating profit (loss)-		
Telecommunications business.....	¥ 231,204	¥ 219,373
Smart life business.....	18,846	28,323
Other businesses.....	28,667	32,839
Operating profit.....	278,717	280,536
Finance income.....	8,974	3,329
Finance costs.....	3,317	1,006
Share of profits (losses) on equity method investments	1,006	562
Profit before taxes.....	¥ <u>285,380</u>	¥ <u>283,420</u>

(3) Information on products and services

For information concerning operating revenue from each service item as well as from equipment sales, please refer to "Note 9. Revenue from contracts with customers."

6. Property, plant and equipment

The breakdown of property, plant and equipment at the end of the previous fiscal year, and the end of the first quarter ended June 30, 2020 are as follows:

	Millions of yen	
	March 31, 2020	June 30, 2020
Wireless telecommunications equipment	¥ 5,231,363	¥ 5,243,786
Buildings and structures	929,763	931,133
Tools, furniture and fixtures	491,756	494,151
Land	154,129	154,145
Construction in progress	190,065	198,229
Sub-total	6,997,076	7,021,444
Accumulated depreciation and amortization and accumulated impairment losses	(4,343,931)	(4,395,313)
Total property, plant and equipment, net	¥ 2,653,145	¥ 2,626,131

7. Equity

(1) Number of outstanding shares

The total number of outstanding shares is as follows.

	Number of authorized shares (common shares with no par value)	Number of issued shares (Note 1) (common shares with no par value)
Balance as of March 31, 2019	17,460,000,000	3,335,231,094
Changes during the period	—	—
Balance as of June 30, 2019	17,460,000,000	3,335,231,094
Changes during the period	—	—
Balance as of March 31, 2020	17,460,000,000	3,335,231,094
Changes during the period (Note 2)	—	(106,601,688)
Balance as of June 30, 2020	17,460,000,000	3,228,629,406

(Note 1) Issued shares at the end of the previous fiscal year, and the three months ended June 30, 2020, are all fully paid in.

(Note 2) Changes in the number of issued shares represent decreases due to the retirement of treasury stock.

(2) Treasury stock

The number of treasury stock is as follows.

	(Shares)
	Number of treasury stock
Balance as of March 31, 2019	133
Purchase (Note 1)	19,450,705
Retirement	—
Balance as of June 30, 2019	19,450,838
Purchase (Note 1)	87,151,000
Retirement	—
Balance as of March 31, 2020	106,601,838
Purchase	—
Retirement (Note 2)	(106,601,688)
Balance as of June 30, 2020	150

(Note 1) Purchase of treasury stock

On April 26, 2019, the Board of Directors resolved that NTT DOCOMO, INC. may repurchase up to 128,300,000 outstanding shares of its common stock by way of market purchases for an amount in total not exceeding ¥300,000 million during the period from May 7, 2019 through April 30, 2020 and repurchased 106,601,600 shares of its common stock at ¥300,000 million until March 31, 2020.

NTT DOCOMO, INC. also carried out the compulsory acquisition of less-than-one-unit shares upon request.

(Note 2) Retirement of treasury stock

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.

(3) Other components of equity

Changes in other components of equity (after tax effect adjustment) are as follows:

Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)

(Millions of yen)

	Change in the fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Foreign exchange translation differences	Remeasurements of defined benefit plans	Total
Balance as of March 31, 2019	105,445	(359)	(12,491)	—	92,595
Amount arising during the period	(258)	(23)	(801)	(132)	(1,214)
Reclassification to profit or loss	—	—	916	—	916
Reclassification to retained earnings	(45,691)	—	—	132	(45,559)
Balance as of June 30, 2019	59,495	(381)	(12,376)	—	46,738

Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(Millions of yen)

	Change in the fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Foreign exchange translation differences	Remeasurements of defined benefit plans	Total
Balance as of March 31, 2020	17,152	(443)	(10,190)	—	6,519
Amount arising during the period	23,484	(3)	(877)	(114)	22,490
Reclassification to profit or loss	—	—	910	—	910
Reclassification to retained earnings	4,227	—	—	114	4,341
Balance as of June 30, 2020	44,863	(446)	(10,157)	—	34,259

8. Dividends

Cash dividends paid

Cash dividends paid during the three months ended June 30, 2019 and 2020

Resolution	Class of shares	Total cash dividends paid (Millions of yen)	Cash dividends per share (Yen)	Date of record	Date of payment
The general meeting of shareholders on June 18, 2019	Shares of common stock of the Company	183,438	55	March 31, 2019	June 19, 2019
The general meeting of shareholders on June 16, 2020	Shares of common stock of the Company	193,718	60	March 31, 2020	June 17, 2020

9. Revenue from contracts with customers

Disaggregation of revenue

The following tables show revenue disaggregated by type of goods and services. These tables also include reconciliation of DOCOMO's three reportable segments.

The figures for the three months ended June 30, 2019 have been restated to conform, respectively, to the presentation for the three months ended June 30, 2020. The detail is disclosed in "Note 5. Segment reporting."

	Telecommunications business	Smart life business	Other businesses	Elimination	Total
Telecommunications services	764,919	1,019	12,701	—	778,639
Mobile communications services revenues	686,924	1,019	11,751	—	699,694
Optical-fiber broadband service and other telecommunications services revenues	77,995	—	950	—	78,945
Equipment sales	167,222	29	408	—	167,659
Other operating revenues	13,000	110,229	96,369	(6,612)	212,987
Total	945,141	111,278	109,478	(6,612)	1,159,285

	Telecommunications business	Smart life business	Other businesses	Elimination	Total
Telecommunications services	751,888	4,417	15,811	(184)	771,932
Mobile communications services revenues	665,317	881	14,781	—	680,979
Optical-fiber broadband service and other telecommunications services revenues	86,571	3,536	1,031	(184)	90,953
Equipment sales	89,401	20	584	—	90,005
Other operating revenues	10,549	140,602	94,020	(8,958)	236,214
Total	851,837	145,040	110,415	(9,141)	1,098,151

The cost of equipment sold stood at ¥172,452 million for the three months ended June 30, 2019 and ¥93,566 million for the three months ended June 30, 2020, respectively, which are included within "Cost of equipment sold and services, and other expenses" under operating expenses in the condensed consolidated statement of profit or loss.

10. Fair value measurement

Fair values of financial instruments are determined based on market information such as quoted market prices, and valuation techniques including the market approach, income approach and cost approach. Inputs used for the fair value measurement are classified into the following three levels.

- Level 1: quoted prices in active markets
- Level 2: inputs other than quoted prices included in Level 1 that are observable either directly or indirectly
- Level 3: unobservable inputs

Transfers between the levels of fair value hierarchy are recognized to have occurred at each quarter end.

The carrying amounts and fair values of financial instruments, and their associated levels of fair value hierarchy, as of March 31, 2020 and June 30, 2020 are as follows. If the carrying amounts of financial assets or financial liabilities not measured at fair value are a reliable approximation of their fair values, information concerning the fair values of such items is not included in the following tables.

March 31, 2020

	Millions of yen				
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
Financial assets measured at fair value through profit or loss					
Trade and other receivables.....	¥ 1,069,116	¥1,069,116	¥ —	¥ 1,069,116	¥ —
Derivatives.....					
Foreign exchange forward contracts	329	329	—	329	—
Total derivatives.....	329	329	—	329	—
Investment trust.....	1,387	1,387	—	1,387	—
Financial assets measured at fair value through other comprehensive income					
Shares and contributions.....	207,056	207,056	183,390	—	23,666
Total.....	¥ 1,277,888	¥1,277,888	¥ 183,390	¥ 1,070,833	¥ 23,666
Financial liabilities measured at fair value:					
Financial liabilities measured at fair value through profit or loss					
Derivatives.....					
Foreign exchange forward contracts	¥ 6	¥ 6	¥ —	¥ 6	¥ —
Total derivatives.....	6	6	—	6	—
Total.....	¥ 6	¥ 6	¥ —	¥ 6	¥ —

June 30, 2020

	Millions of yen				
	Carrying amount	Fair Value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
Financial assets measured at fair value through profit or loss					
Trade and other receivables.....	¥ 979,717	¥ 979,717	¥ —	¥ 979,717	¥ —
Derivatives.....					
Foreign exchange forward contracts	312	312	—	312	—
Total Derivative	312	312	—	312	—
Investment trust.....	2,387	2,387	—	2,387	—
Contributions	1,517	1,517	—	—	1,517
Financial assets measured at fair value through other comprehensive income					
Shares and contributions.....	238,233	238,233	222,380	—	15,854
Total.....	¥ 1,222,167	¥ 1,222,167	¥ 222,380	¥ 982,416	¥ 17,371
Financial liabilities measured at fair value:					
Financial liabilities measured at fair value through profit or loss					
Derivatives.....					
Foreign exchange forward contracts	¥ 22	¥ 22	¥ —	¥ 22	¥ —
Total derivatives.....	22	22	—	22	—
Total.....	¥ 22	¥ 22	¥ —	¥ 22	¥ —

1. No significant transfer between levels occurred during the fiscal year ended March 31, 2020 and the three months ended June 30, 2020.
2. With respect to financial instruments categorized within Level 3, no significant changes in fair value are expected when any of the unobservable inputs used in the measurement are changed to reasonably possible alternative assumptions.
3. With respect to financial instruments categorized within Level 3, no reconciliation is stated since there was no significant change in the financial instruments.

The fair values of financial assets and financial liabilities are determined by the following method. In measuring the fair values of financial instruments, market prices are used where available. If market prices are not available, the fair values of financial instruments are measured by the discounted cash flow model, or by other appropriate methods.

“Cash and cash equivalents,” “Trade and other receivables,” and “Trade and other payables”

Short-term receivables held for sale measured at fair value are categorized within Level 2, and their fair values are measured by discounting their future cash flows, using a discount rate, taking into account factors such as their terms to maturity and credit risk.

“Other financial assets” and “Securities and other financial assets”

“Securities and other financial assets” include marketable securities, unlisted securities (excluding equity method associates), derivatives and long-term receivables held for sale.

The fair values of marketable securities are measured at the quoted prices of identical assets in active markets.

Unlisted securities are measured at fair value, using the discounted cash flow model, the evaluation methods including the peer comparison method and other methods.

Derivative instruments are foreign exchange forward contracts and their fair values are measured based on observable market data. The valuation of these derivatives is periodically verified using observable market data, such as exchange rates.

Long-term receivables held for sale measured at fair value are categorized within Level 2 and their fair values are measured by discounting their future cash flows, using a discount rate, taking into account factors such as their terms to maturity and credit risk.

“Long-term debt”

The fair values of “Long-term debt” are measured based on discounted future cash flows calculated using an interest rate that will be applicable when similar debt is obtained.

The valuation of Long-term debt is periodically verified using observable market data.

“Other financial liabilities”

Derivative instruments are foreign exchange forward contracts. Their fair values are measured based on observable market data. The valuation of these derivatives is periodically verified using observable market data, such as exchange rates.

Information regarding assets categorized within Level 3

For the fiscal year ended March 31, 2020, valuation techniques used for measuring fair value of unlisted shares are mainly discounted cash flow model and peer comparison method. Significant unobservable inputs are discount rate and EV/EBITDA ratio (6 to 8.)

The personnel responsible in the Accounts and Finance Group of the Company conducts, subject to internal regulations, the fair value measurement, using valuation techniques and inputs that can most appropriately reflect the nature, characteristics and risks of the financial instruments subject to the fair value measurement. For financial instruments requiring the fair value measurement that involves high-level knowledge and experience, and whose monetary values are material, external experts for valuation are hired for the purpose of the fair value measurement. The analysis of changes in the fair value is reviewed and approved by the manager of the responsible department, after which the results of the fair value measurement of financial instruments, including results of the evaluation by the external experts, are reported to the Board of Directors of the Company.

11. Events after the reporting period

Not applicable

2. Others

Not applicable.

Independent Auditor’s Report on Review of Condensed Quarterly Consolidated Financial Statements

August 7, 2020

The Board of Directors
NTT DOCOMO, INC.

KPMG AZSA LLC
Tokyo Office, Japan

Kenji Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroataka Nakata (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masafumi Nakane (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have reviewed the accompanying condensed consolidated financial statements of NTT DOCOMO, INC.(“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”) provided in the “Financial Information” section in the Company’s Quarterly Securities Report, which comprise the condensed consolidated statement of financial position as at June 30, 2020, the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to condensed consolidated financial statements, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as at June 30, 2020, and its financial performance and cash flows for the three-month period then ended, in accordance with IAS 34 “Interim Financial Reporting” pursuant to the Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.

Basis for Conclusion

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and the Audit and Supervisory Committee for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the condensed consolidated financial statements in accordance with IAS 34 “Interim Financial Reporting”, and for such internal control as management determines is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with paragraph 4 of IAS 1 “Presentation of Financial Statements” and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee is responsible for overseeing the directors’ performance of their duties including the design, implementation and maintenance of the Group’s financial reporting process.

Auditor’s Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements

Our responsibility is to independently express a conclusion on these condensed consolidated financial statements based on our review in our auditor’s report.

As part of our review in accordance with quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- A review of condensed quarterly consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.
- Conclude whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not present fairly in accordance with paragraph 4 of IAS 1 “Presentation of Financial Statements” and based on the evidence obtained, when a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the condensed consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed consolidated financial statements are not in accordance with IAS 34 “Interim Financial Reporting” , the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the group review. We remain solely responsible for our review conclusion.

We communicate with the audit and supervisory committee regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor’s Report on Review of Condensed Quarterly Consolidated Financial Statements:

The Independent Auditor’s Report on Review of Condensed Quarterly Consolidated Financial Statements herein is the English translation of the Independent Auditor’s Report on Review of Condensed Quarterly Consolidated Financial Statements as required by the Financial Instruments and Exchange Act of Japan.