
FY2020/2Q

Results Presentation

NTT
docomo

October 29, 2020

FY2020/1H Results Highlights

IFRS

(Billions of yen)	FY2019/1H (1)	FY2020/1H (2)	Changes (2) – (1)	Changes (%)
Operating revenues	2,330.0	2,282.5	-47.5	-2.0%
Operating profit	540.3	563.6	+23.3	+4.3%
Profit attributable to shareholders of NTT DOCOMO, INC.	372.4	391.3	+18.9	+5.1%
Adjusted free cash flow	485.9	307.1	-178.8	-36.8%
Capital expenditures	218.4	206.1	-12.4	-5.7%

◆ Consolidated financial statements in this document are unaudited.

◆ Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

Results by Segment

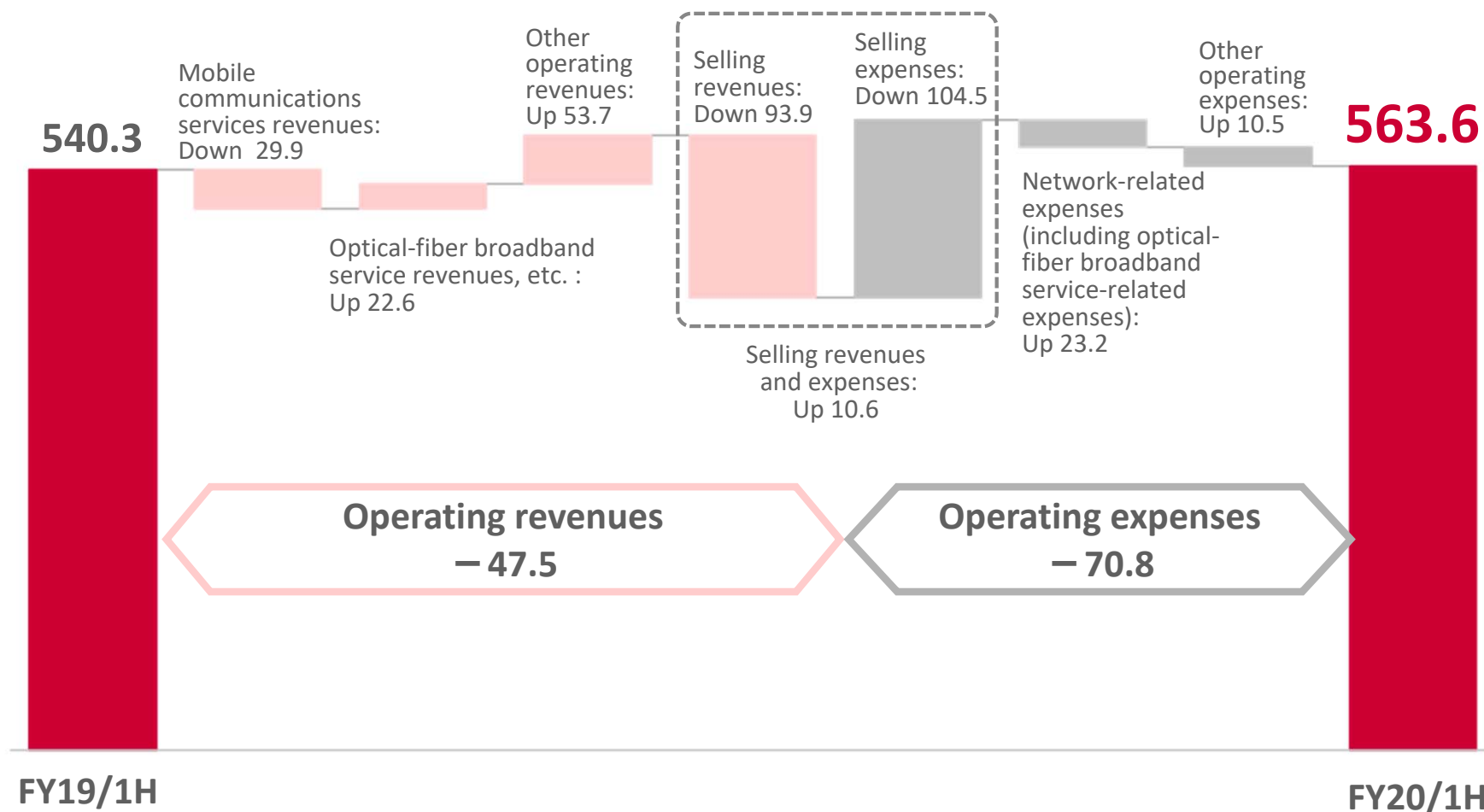
IFRS

(Billions of yen)		FY2019/1H (1)	FY2020/1H (2)	Changes (2) – (1)
Telecommunications business	Operating revenues	1,871.1	1,762.5	-108.6
	Operating profit	445.7	433.6	-12.1
Smart life business	Operating revenues	253.2	317.2	+64.0
	Operating profit	34.7	61.8	+27.0
Other businesses	Operating revenues	220.1	222.2	+2.1
	Operating profit	59.8	68.2	+8.4
<Ref.> Smart life business and Other businesses	Operating revenues	473.3	539.4	+66.1
	Operating profit	94.5	130.0	+35.5

Key Factors behind Changes in Operating Profit

IFRS

(Billions of yen)



◆ Selling expenses represent the sum of cost of equipment sold and commissions to agent resellers.

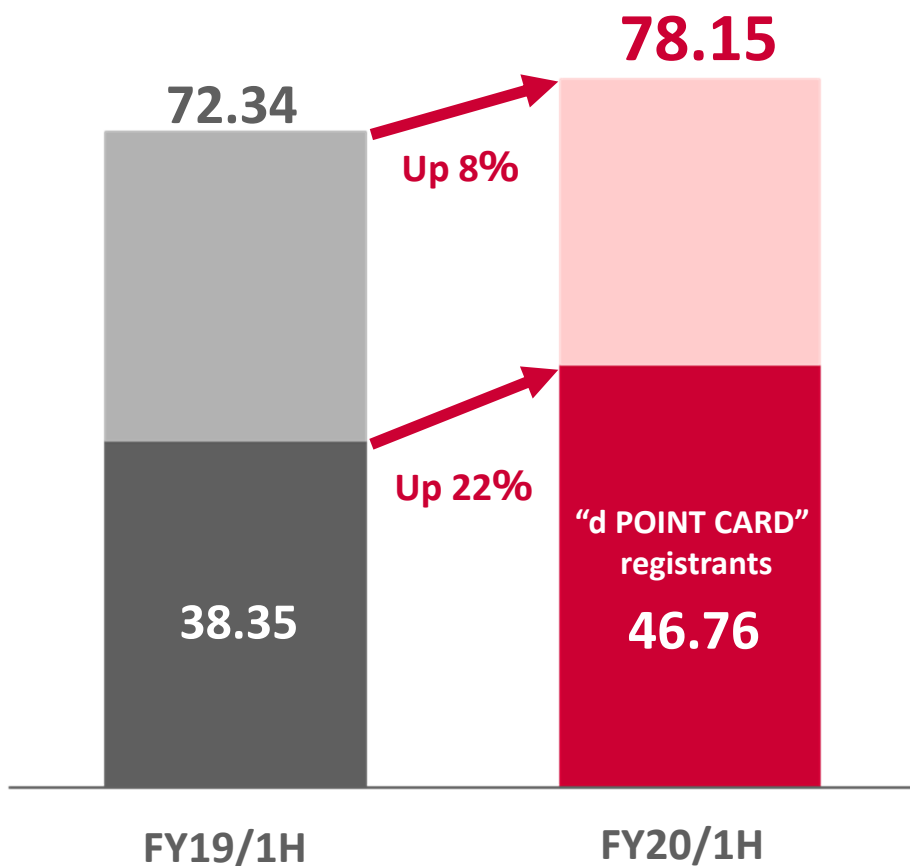
◆ Network-related expenses represent the sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges.

“d POINT CLUB”

“d POINT CLUB” members

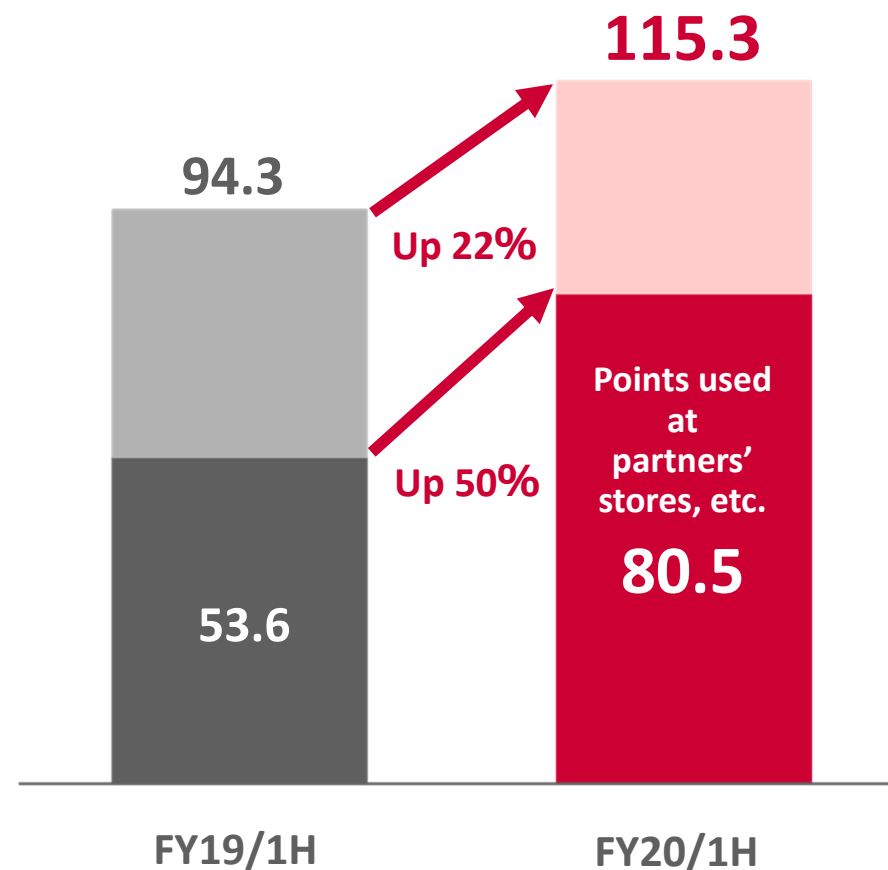
(Million)

Topped 78 million



“d POINTS” used

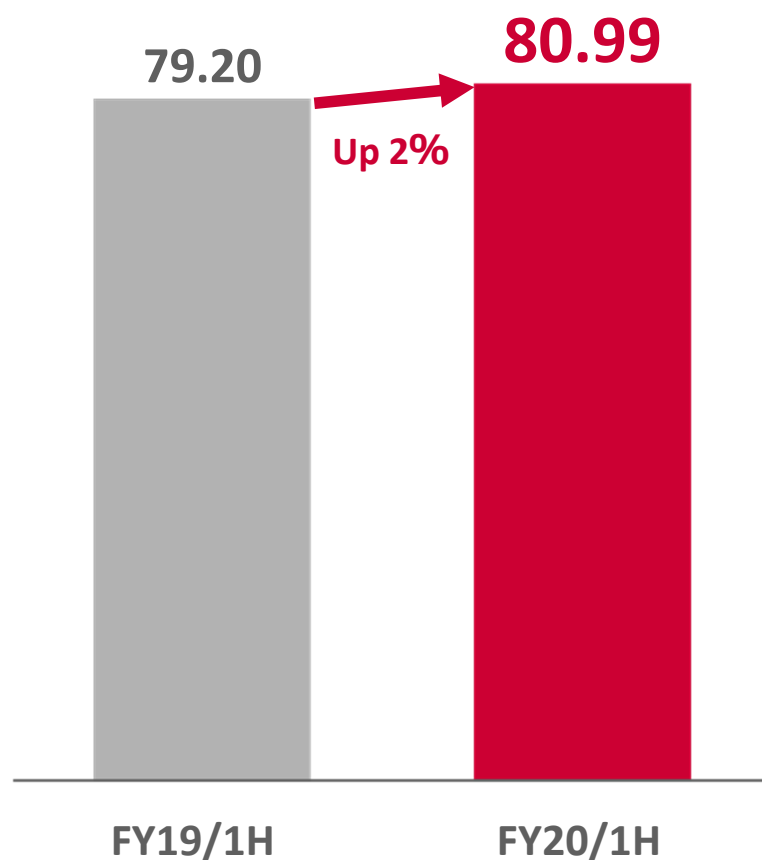
(Billion points)



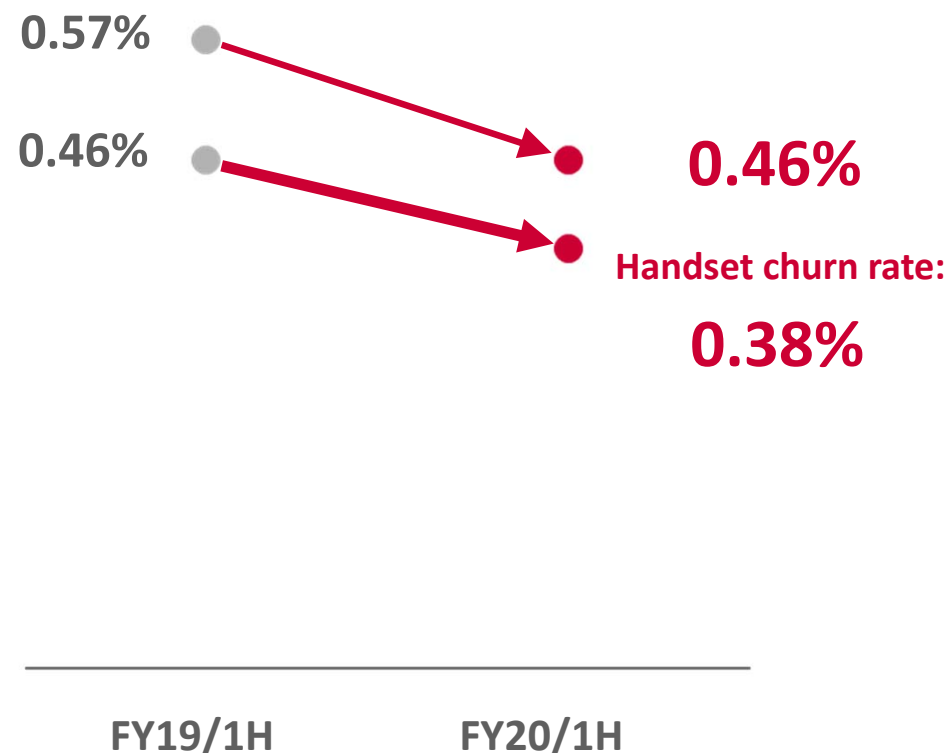
Telecommunications Business Operational Performance (1)

Mobile telecommunications service subscriptions

(Million subs)



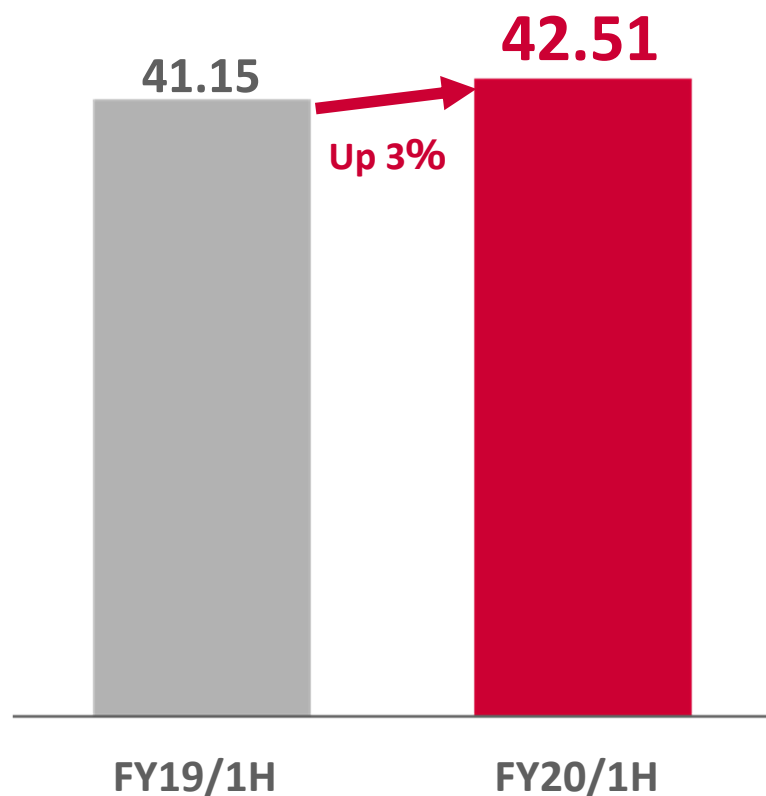
Churn rate



Telecommunications Business Operational Performance (2)

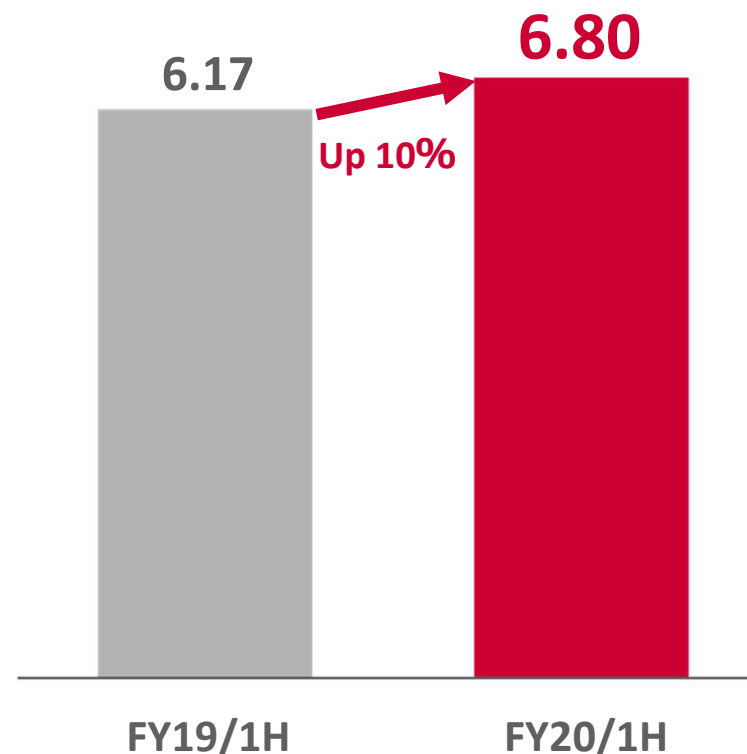
Total smartphone/ tablet users

(Million)

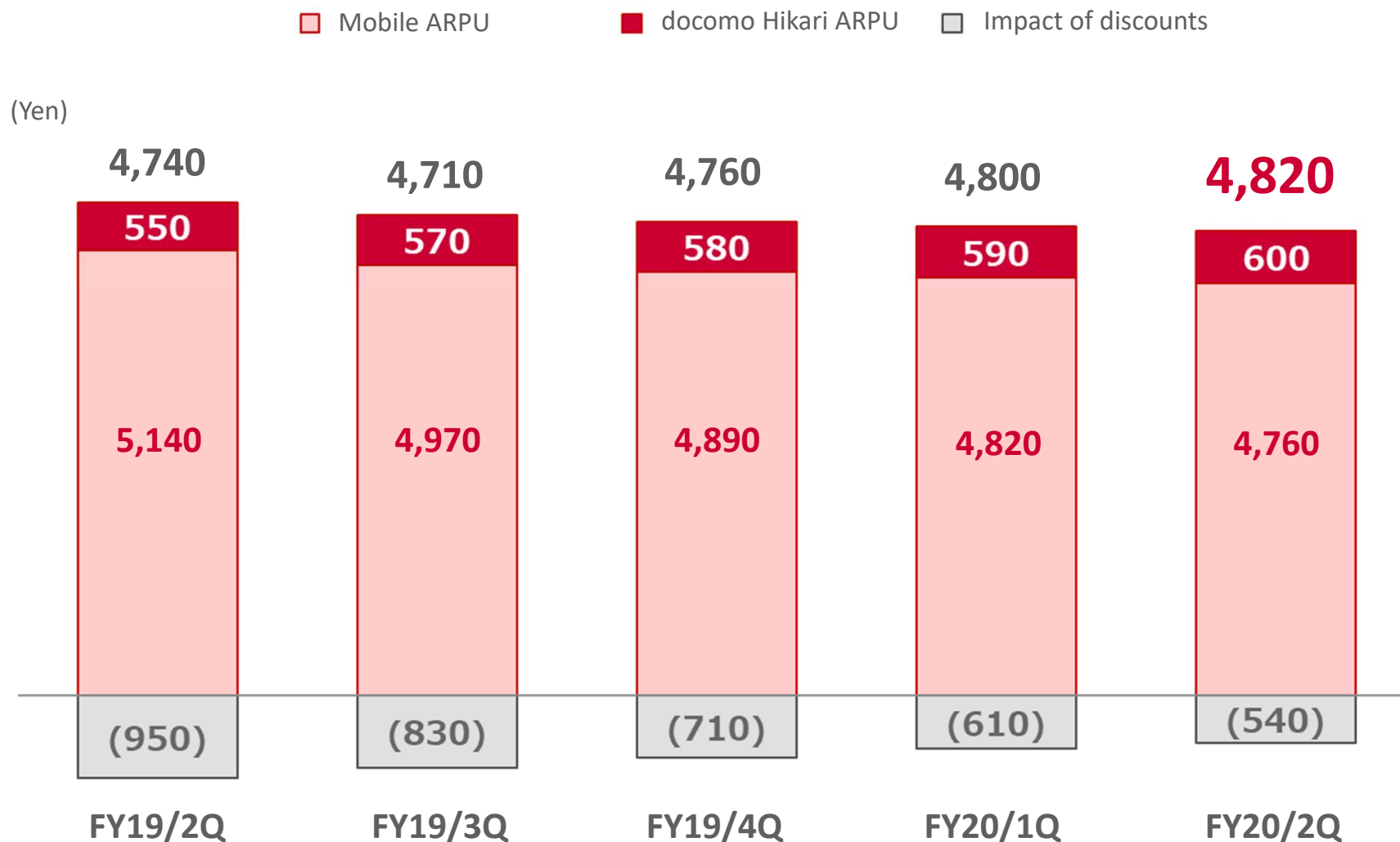


“docomo Hikari” optical-fiber broadband subs

(Million subs)



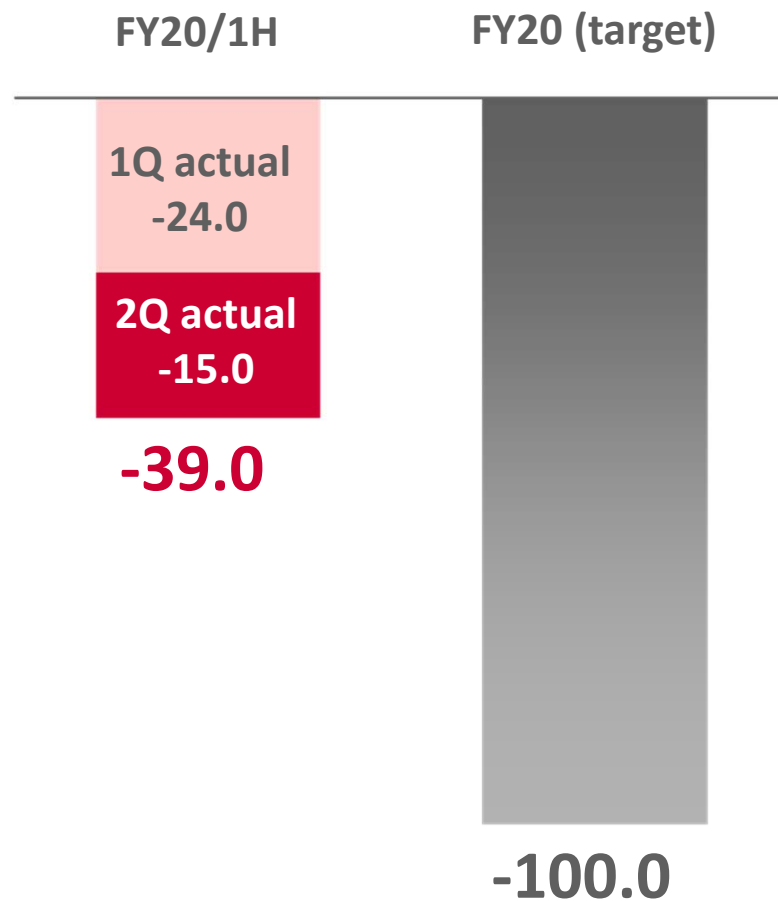
ARPU



- ◆ For an explanation of ARPU, please see the Appendix.
- ◆ Mobile ARPU and docomo Hikari ARPU exclude the impact of discounts.
- ◆ The impact of discounts include those from "Monthly Support," "docomo with" and "docomo Hikari set discount."

Cost Efficiency Improvement

(Billions of yen)

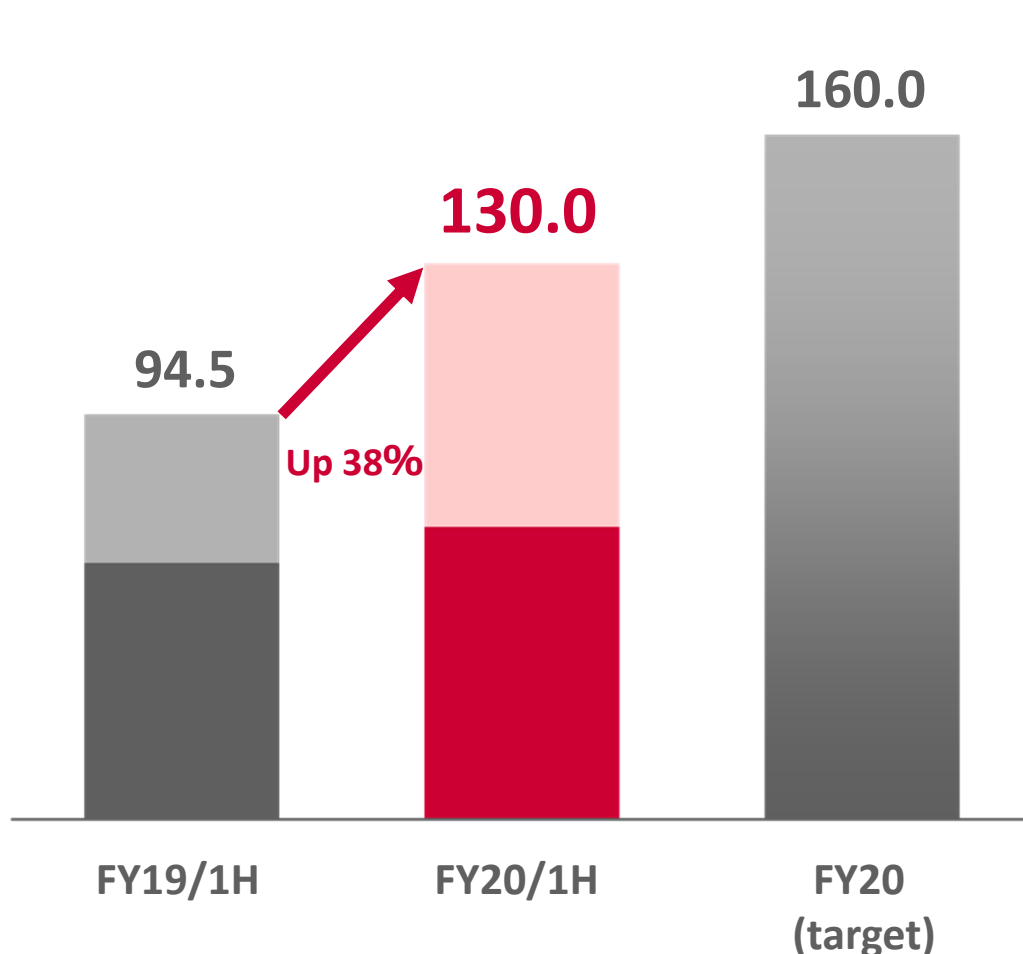


Focus areas

- ◆ **Marketing**
Promotion of DX, sales promotion measures, after-sales support, etc.
- ◆ **Network**
Equipment integration, outsourcing cost, etc.
- ◆ **Other**
R&D, information systems, etc.

Smart Life Business & Other Businesses: Operating Profit

(Billions of yen)



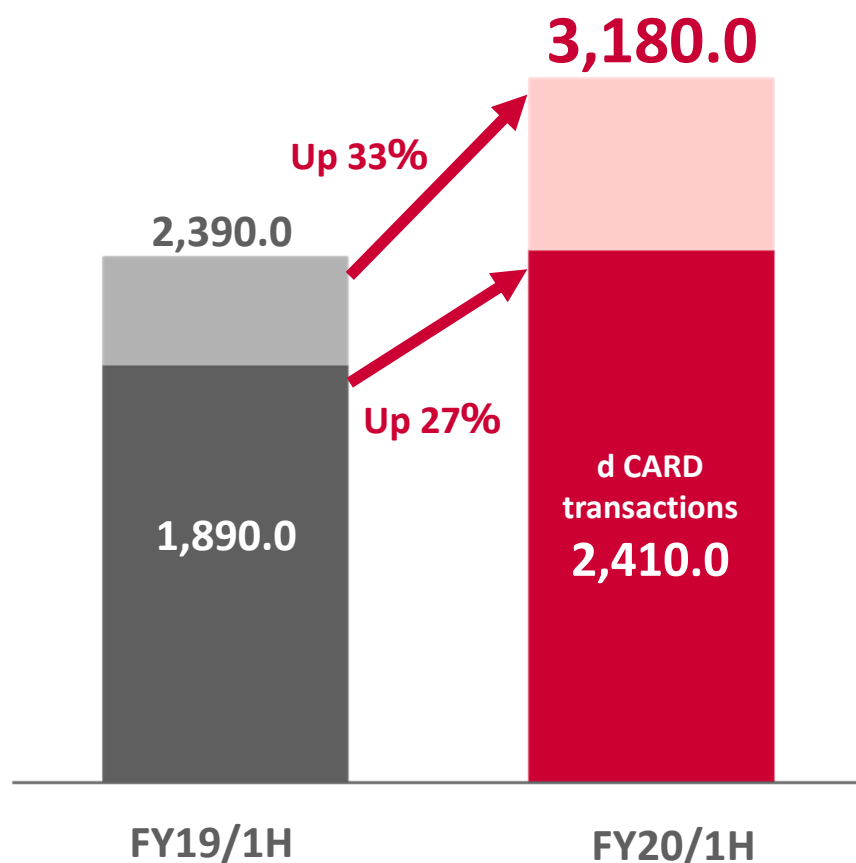
Principal services

- Smart life business
 - Content/Lifestyle
 - Finance/Payment
- Other businesses
 - Support services for customers' peace of mind
 - Enterprise solutions

Finance/Payment Services (1)

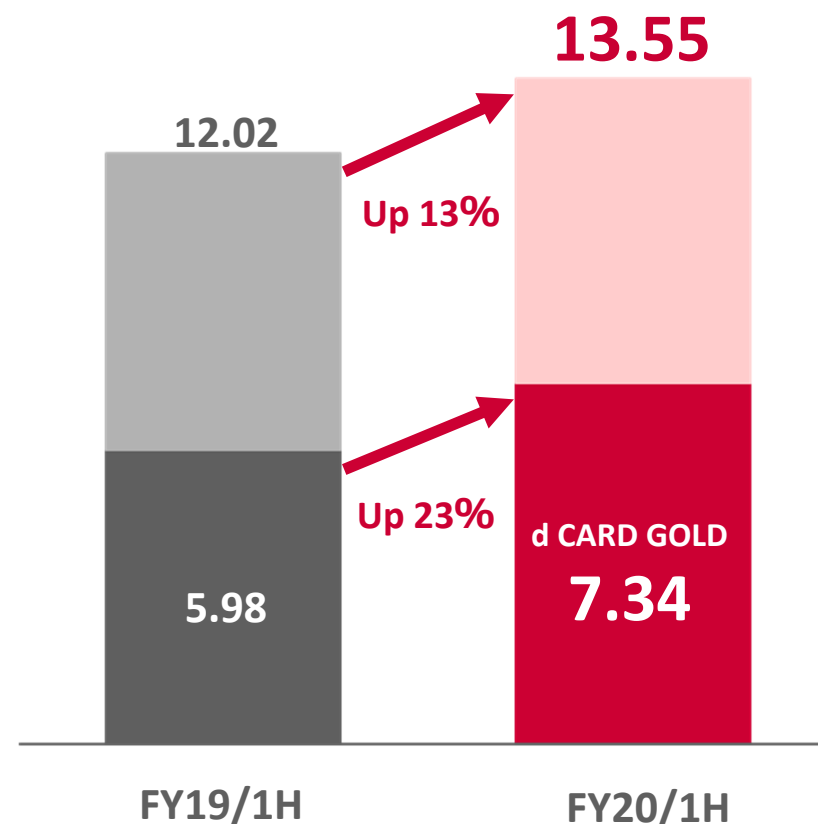
Finance/Payment Transactions handled

(Billions of yen)



“d CARD” members

(Million members)



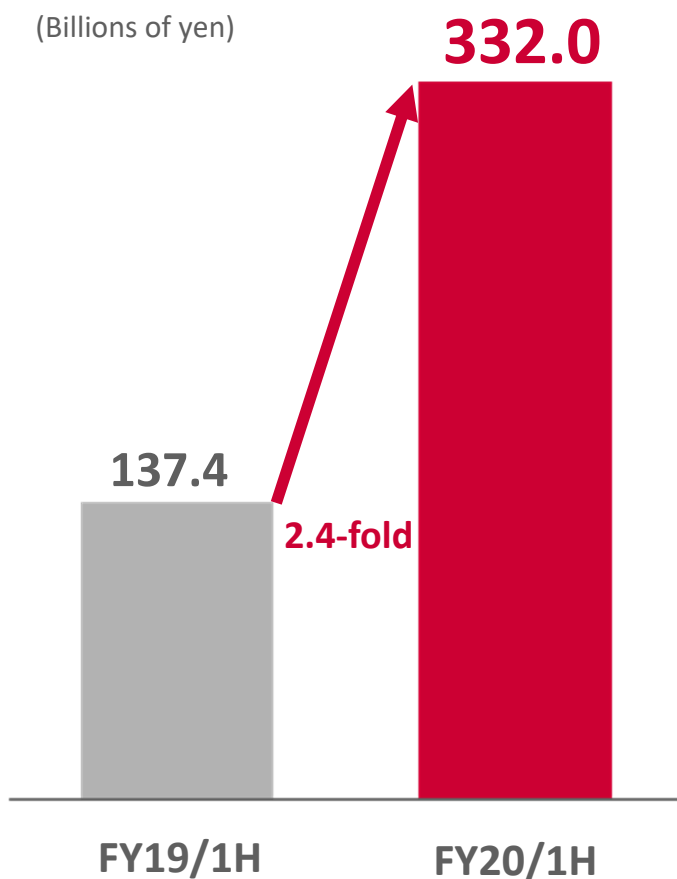
◆ The amount of transactions handled represent the cumulative amount for FY20/1H, which includes the transactions handled with “d CARD”, “iD”, “d Payment”, “direct carrier billing” and “DOCOMO Mobile Payment Service,” etc.

◆ The following changes have been made in association with the integration of “d CARD mini” into “d Payment” service on Nov. 19, 2019: (i) Transactions handled with “d CARD mini” were excluded from the amount of transactions handled with “d CARD” and recorded as “d Payment” transactions; and (ii) “d CARD mini” members were excluded from “d CARD” members.

Finance/Payment Services (2)

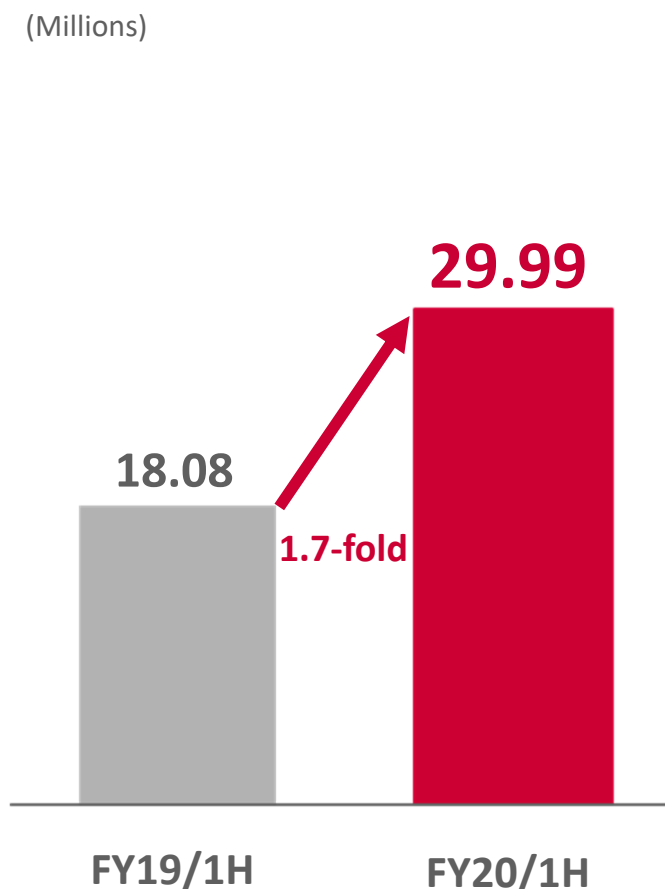
Transactions processed with “d Payment”

(Billions of yen)



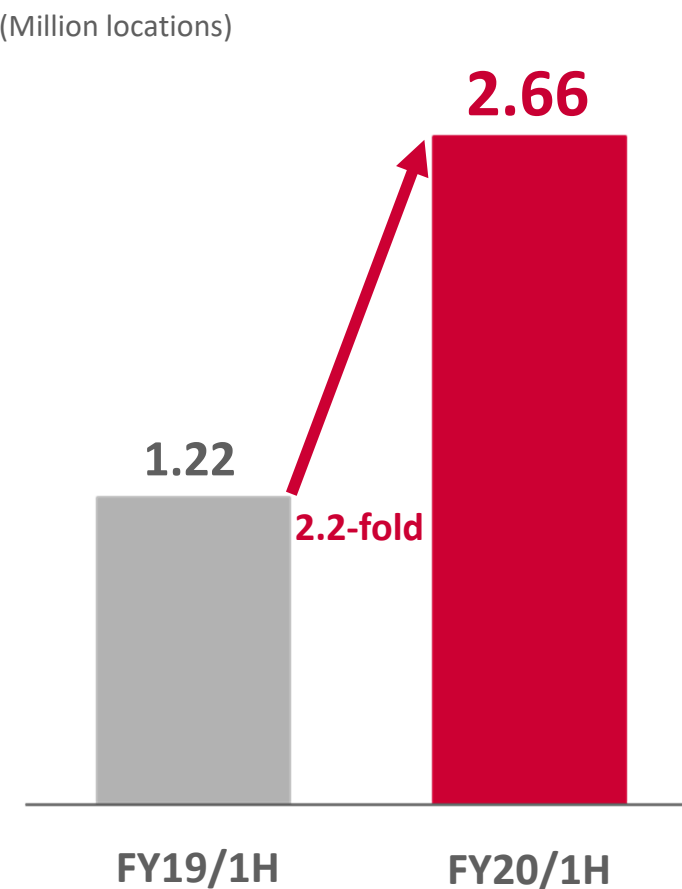
“d Payment” users

(Millions)



Locations where payment/point service can be used

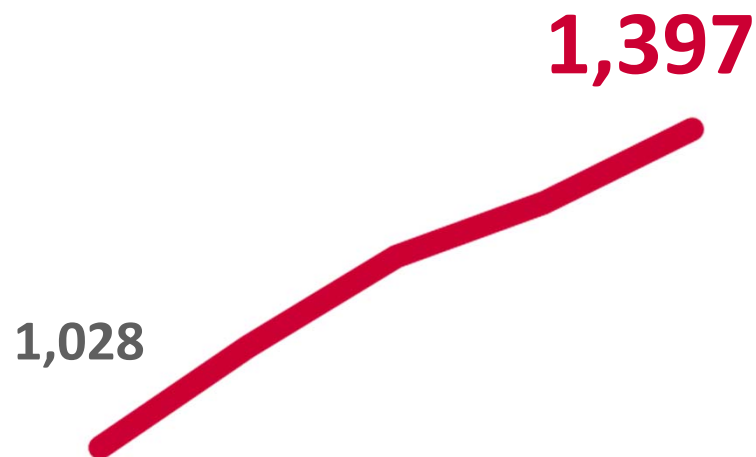
(Million locations)



- ◆ The amount of transactions processed with “d Payment” represents the cumulative amount of payments made in FY20/1H with “d Payment” (code and online payment) and “d Payment (iD)”.
- ◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.
- ◆ Locations where payment/point service can be used represents the combined no. of locations where “d POINT,” “iD” and “d Payment” (code and online payment) services can be used.

Expansion of +d partners

No. of +d partners increased 1.4-fold



FY19/1H

FY20/1H

“d POINT”
participating stores



Francfranc



“d Payment”
partners



Entered into agreement with TAKENAKA Corporation on
joint studies for digital transformation of construction sites

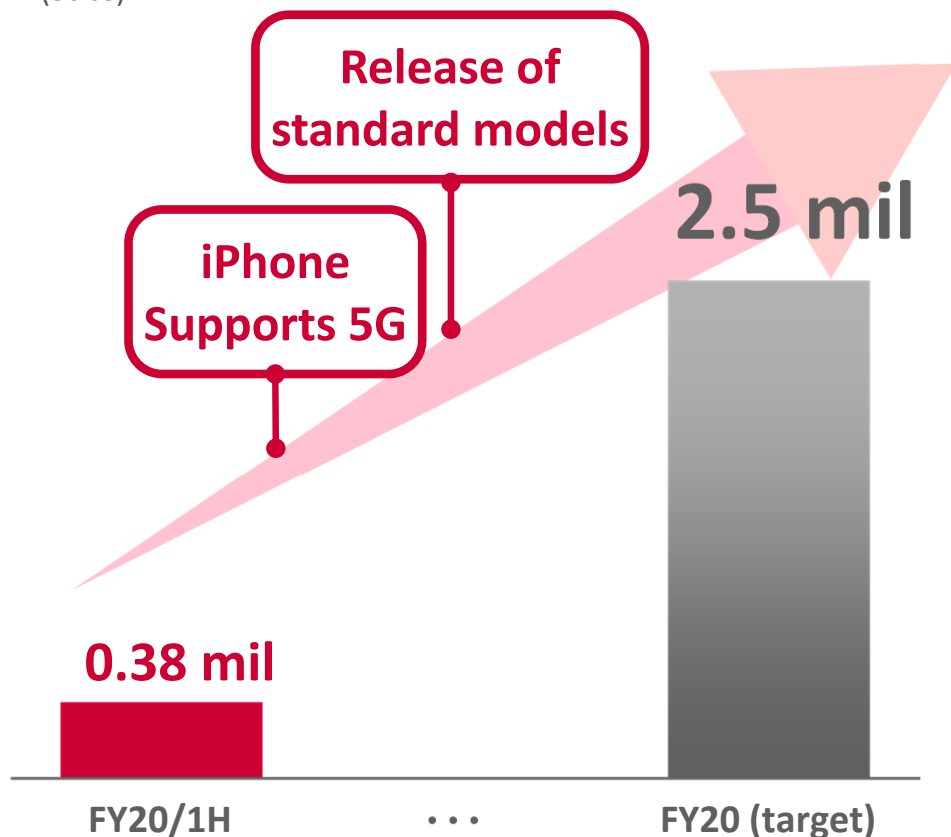


5G Subscriptions/Coverage

Making steady progress toward full-year target

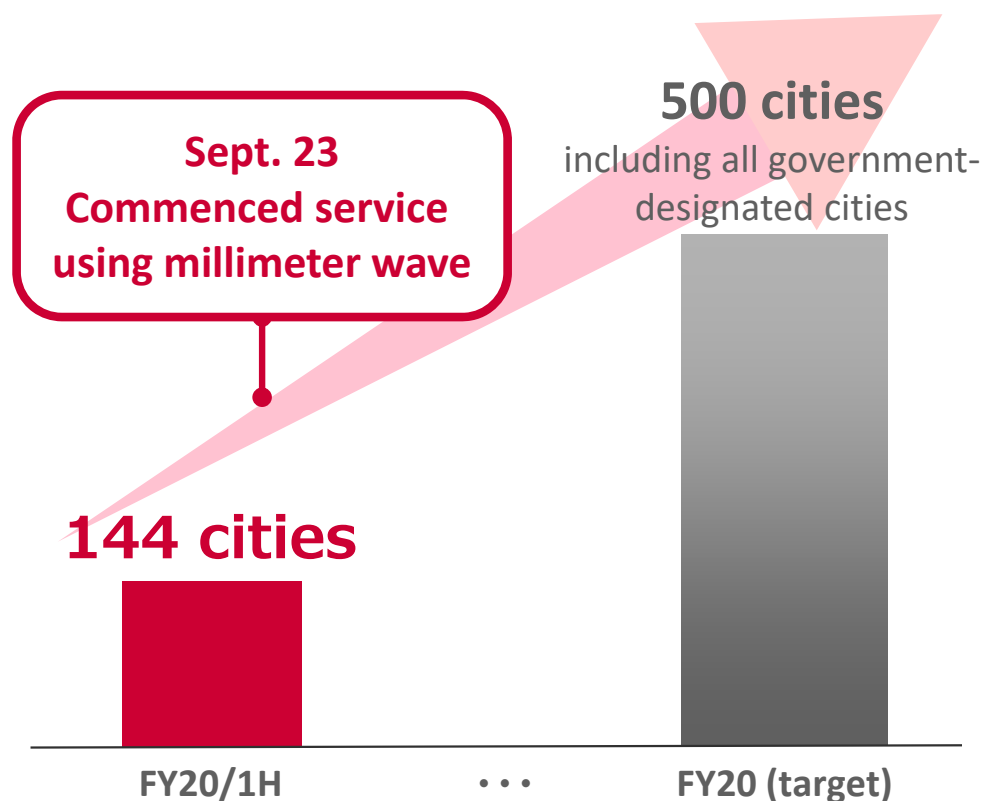
5G subscriptions

(Subs)



5G coverage

(Cities)



Expanded realms of service deployment

Viewing support service at J.LEAGUE soccer matches

Multi-angle viewing and provision of statistical data



Kashima Antlers
(Sept. 27)

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New entertainment leveraging latest digital technologies

MR-based entertainment with new sensory experience



Digital experience
commercial facility
Haneda Dejima
(from Sept. 19)

Distribution via “Shintaikan Live CONNECT”

TIG LIVE-enabled live performance distribution



Ko Shibasaki
(Aug. 5)



Tokyo Joypolis
(from Oct. 1)

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Started offering 5 new solutions

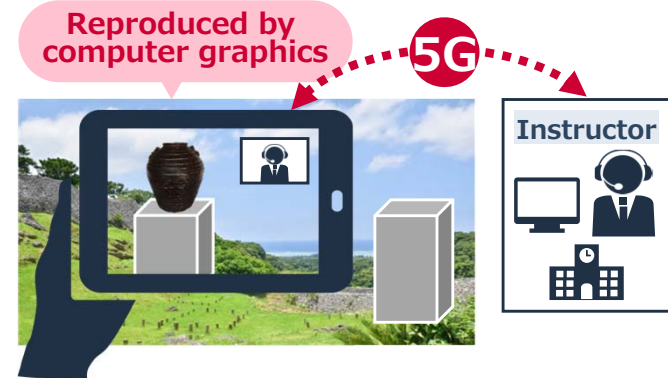
newme

Remote communication via avatar robots



AR-based remote communication system

Interactive communication using high-resolution computer graphics reproduced in AR



Smart street light

Help develop safe, secure and vibrant communities using cameras and signages



Fairyview

Solution providing bird's-eye view of entire area combining multiple camera feeds



Free View Point Tube

Next-generation streaming enabling free viewpoint viewing of human movement



Initiatives toward a Remote-Style Society ^{NTT} docomo

Support for promotion of “GIGA School” program. Utilization support at municipalities.

Support for “GIGA School” program

Providing support to municipalities across Japan



Support for utilization of ICT in education at Kumamoto City

Creating an ICT environment introducing a total of
65,000 units of tablet devices

(Provision of LTE access, iPad and peripheral devices, software for
class/learning support)

Utilization and operational support

^{NTT} docomo



熊本市
Kumamoto City

Online classes during school
closure due to COVID-19

Co-sponsorship of
Kumamoto Education Week 2020



◆ Co-sponsorship of Kumamoto Education Week 2020 : Scheduled for Nov. 8-15, 2020

Medium-Term Strategy

“Declaration beyond”: Actions Taken (1)

Value & excitement to customers

Declaration 1

Market
leader

Launched “U15 Hajimete Sumaho Wari,” “Zutto Hajimete Sumaho Wari” and “Oshaberi Wari” discount programs

Further enrichment of rate plans to allow users to use our services for a long time without any worries. (Launched Jul. 22 and Aug. 5, 2020)

Declaration 2

Style
innovation

Commenced sales of anime-related goods on “d anime store”

Enables users to view animation titles and purchase related goods in a seamless fashion. (Launched Sept. 1, 2020)

Declaration 3

Peace of mind
and comfort
support

Participated in Tokyo Metropolitan Government’s program as a tech partner for COVID-19

Notification of COVID-19 infection data via “Tokyo COVID-19 Mimamori Service (for stores)” that leverage “d Payment” usage log. (Started Sept. 1, 2020)

Medium-Term Strategy

“Declaration beyond”: Actions Taken (2)

Value co-creation with partners

Declaration 4

Industry
creation

Established a new venture for planning and development of XR services, “Fukugo-Genjitsu-Seisakujo, INC.”

Aim to achieve operational advancement and efficiency improvement through services that employ XR technology and MR devices. (Established Aug. 4, 2020)

Declaration 5

Solution
co-creation

Started ex-ante evaluation experiment for Japan’s first remote surgery at Tokyo Women’s Medical University using commercial 5G network

Remote surgical assistance provided by specialists using high-resolution surgery video feeds. (Started Oct. 21, 2020)

Declaration 6

Partner business
expansion

Announced introduction of common authentication ID for enterprises, “Business d Account”

Support DX and workstyle reform by providing a mechanism that makes it easier to utilize solutions (To be started Apr. 2021)

DOCOMO's Disaster Preparedness Measures

Invested over ¥100 billion after 2011 Great East Japan Earthquake

Large-zone base stations

(Emergency base stations to prepare for extremely severe disasters)

106 locations across Japan

(e.g., Prefectural offices, etc.)

- Uninterruptible power supply (Generator)
- Redundant transmission routes

Operated for the first time after 2018 Hokkaido Eastern Iburi earthquake



Medium-zone base stations

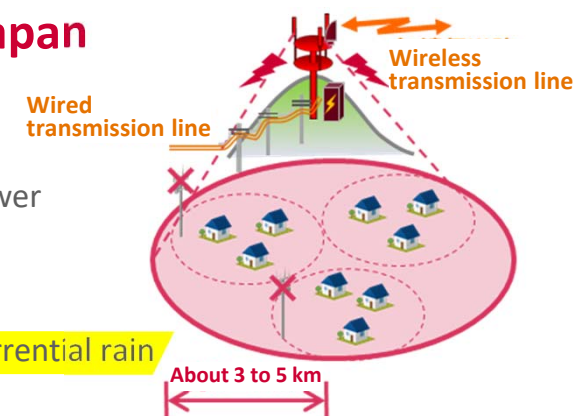
(Base stations to prepare for all sorts of national disasters)

2,000 locations across Japan

(e.g., Core disaster hospitals, municipal offices, etc.)

- Over 24-hour operability during power outages
- Redundant transmission routes

Operated 62 stations in July 2020 torrential rain



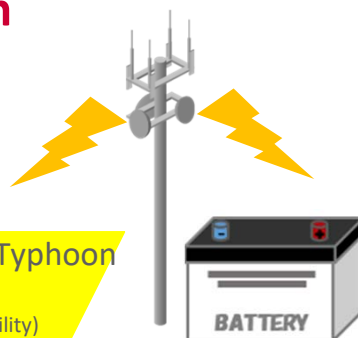
Reinforcement of auxiliary power supply

14,000 locations across Japan

(e.g., major public institutions, evacuation shelters, etc.)

- Over 6-hour operability during outages

Operated 1,000 locations by battery during Typhoon No. 10 of 2020
(including base stations other than those with over 6-hour operability)

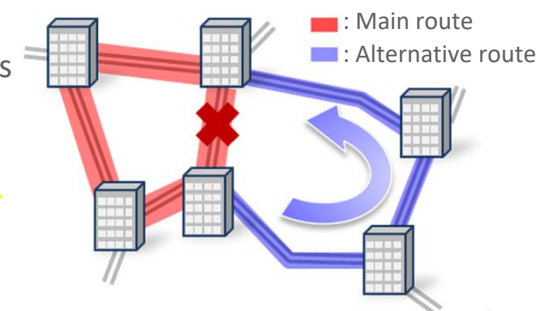


Multiple transmission routes

1,200 buildings across Japan

- Securing multiple transmission routes
- Automatic rerouting of transmission

Operated automatic rerouting during July 2020 torrential rain



Response to July 2020 Torrential Rain and Typhoon No. 10

Minimized impact on communication services and executed support measures for disaster victims

Established wide-area support structure in advance (Typhoon No. 10)

Concentrated disaster-relief equipment and responders from all over Japan to Kyushu



Mobile base station vehicles: 10 units

Mobile power supply vehicles: 15 units



Power generators: 260 units

Portable base stations: 16 units



Shipboard base station (Kizuna)

Support measures for stricken areas (July 2020 torrential rain, Typhoon No. 10)

Free battery charging and Wi-Fi services at shelters and docomo Shops, etc. in the affected areas



- Shelters: Total approx. 50 locations
- Installation of multi-chargers
- Installation of docomo Wi-Fi
- Completed deployment of storage battery in all docomo Shops nationwide

Local government support through rental of mobile phones, satellite mobile phones, etc.

- Rented to: Total 60 organizations
- Devices rented: Total approx. 1,000 units

Measures to ensure worry-free use

Support measures for users under 25 years old

Free-of-charge provision of “Additional 1GB option” and “Speed Mode” for up to 50GB to users under 25 years old.
(Apr. 1- Aug. 31, 2020)

Used by a total of
Over 1.3 million users
providing average 5GB/Month
for free

“Remote” smartphone/feature phone safety classes

“Remote” safety classes connecting lecturers and schools via web conferencing apps using tablets, etc. (From Apr. 16, 2020)

Approx. **140** sessions,
garnering approx. **18,000** participants



Response to COVID-19 (2)

Measures below are still ongoing

Encouragement of web procedures and shop visit reservation	Encouraging use of web channel for various procedures and shop visit reservation to avoid “3Cs” (Closed spaces, Crowded places, Close-contact settings).
Measures for preventing spread of infections upon customers’ shop visit	Customer attendance with adequate distance between seats, obliging shop staff to wear face coverings, installation of virus protection shields on customer counters, provision of protective goggles for shop staff, etc.
Provision of “docomo Smartphone classes” online version	Online version of “docomo Smartphone classes” providing smartphone operations guidance and enjoyable usage tips in video.
Provision of population dynamics analysis and free provision of population map using “Mobile Spatial Statistics®”	Analysis of the demographic changes in principal areas compared to the same month of the previous year, etc., using “Mobile Spatial Statistics” and provision of analysis results to national and local governments, media, etc.
	Limited-time offer of real-time demographics data of an outing destination or neighborhood for free
Free-of-charge provision of docomo map navi “Congestion Map”	Free limited-time offer of “Congestion Map”, a map function that allows users to find out the degree of congestion at a glance

Roll out new discount services in view of the socioeconomic circumstances affected by COVID-19

Newly launch “Kosodate Support Waribiki”

子育てサポート割引

Eligibility: Customers in a single-parent family

- ¥1,000 discount on monthly mobile communication charges
- Free-of-charge provision of “5hun-tsuwa-muryo option”

Expanded privileges offered under “Hearty Discount”



- Discounts on mobile communication charges increased by ¥1,000/month
- Free-of-charge provision of “5hun-tsuwa-muryo option”

Launch of “docomo Long Gakuwari”

Monthly discounts continue until age 22

“Gigaho”

“5G Gigaho”

- Monthly discount of ¥1,000 until age 22
- In addition, monthly charges available from ¥900 for up to 6 months (¥980 for “5G Gigaho” users)


“Gigalight”

“5G Gigalight”

- Monthly discount of ¥500 + 2GB additional data allowance until age 22
- In addition, monthly charges available from ¥980 for up to 6 months (Same amount for “5G Gigalight” users)

FY2020/1H Summary

- ▶ Recorded a decrease in revenues but an increase in profit with operating revenues and operating profit coming in at ¥2,282.5 billion and ¥563.6 billion, respectively.
- ▶ Total “d POINT CLUB” members grew to 78.15 million, achieving the 78-million medium-term target earlier than planned.
- ▶ Total finance/payment transactions processed amounted to ¥3,180 billion, making favorable progress toward medium-term target of ¥6,000 billion.
- ▶ Locations where payment/point service can be used reached 2.66 million, delivering on the medium-term target of 2-million earlier than planned.
- ▶ Both 5G subscriptions and coverage expanding at a favorable pace. Millimeter-wave service commenced in September 2020.
- ▶ Executed investment of over ¥100 billion after 2011 Great East Japan Earthquake for enhanced disaster preparedness.
- ▶ Launch of new discount packages, “Kosodate Support Waribiki” and “docomo Long Gakuwari”.



**Always chosen
to sustain connections
as your robust ICT service partner**

The new of today, the norm of tomorrow



Appendix

Principal Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

• 5G services • LTE (Xi) services • FOMA services (3G) • International services • Sales of handset/equipment for each service etc.

Optical fiber broadband service and other telecommunications services

• Optical-fiber broadband services • Satellite communications services etc.

Smart life business

Content/ Lifestyle services

• “dTV” “d hits” “d magazine” “d shopping” “d healthcare” etc.

• NTT Plala Inc. • Oak Lawn Marketing, Inc. • Tower Records Japan Inc. etc.

Finance/Payment services

• d CARD • d CARD GOLD • iD • d Payment • Fintech etc.

Other businesses

Support services for customers peace of mind

• “Mobile Device Protection Service” • “Anshin Remote Support” etc.

Enterprise solutions

• Enterprise IoT solutions • System development/sales/maintenance services etc.

Definition and Calculation Methods of ARPU

i. Definition of ARPU

ARPU (Average monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure 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.

ii. ARPU Calculation Methods

Aggregate ARPU = Mobile ARPU + “docomo Hikari” ARPU

- Mobile ARPU : Mobile ARPU Related Revenues (basic monthly charges, voice charges, communication charges) / No. of active users
- “docomo Hikari” ARPU : “docomo Hikari”-Related Revenues (basic monthly charges, voice communication charges) / Number of active users

*ARPU excluding the impact of discounts are calculated without including the amounts of discounts applied in the relevant revenues.

iii. 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

iv.

1. The number of “users” used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:

- a. Subscriptions of communication modules services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (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 “5G,” “Xi” or “FOMA” services in his/her name.

2. Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) , and impact on revenues from "d POINT" program, etc.,are not included in the ARPU calculation.

Special Note Regarding Forward-Looking Statements

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 and Quarterly Securities Reports.

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