

To Shareholders

**Internet Disclosure of
the Notice of Convocation of the 29th Ordinary General
Meeting of Shareholders**

May 29, 2020

NTT DOCOMO, INC.

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In accordance with the applicable laws and regulations, and the provisions of Article 16 of the Company’s Articles of Incorporation, the aforesaid information is deemed to have been provided to the shareholders by being available at the Company’s following website:

<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>).

Principal offices (As of March 31, 2020)

Headquarters: 11-1, Nagata-cho, 2-chome, Chiyoda-ku, Tokyo, Japan

Regional Offices:

Hokkaido Regional Office	: Chuo-ku, Sapporo, Hokkaido Prefecture
Tohoku Regional Office	: Aoba-ku, Sendai, Miyagi Prefecture
Tokai Regional Office	: Higashi-ku, Nagoya, Aichi Prefecture
Hokuriku Regional Office	: Kanazawa, Ishikawa Prefecture
Kansai Regional Office	: Kita-ku, Osaka, Osaka Prefecture
Chugoku Regional Office	: Naka-ku, Hiroshima, Hiroshima Prefecture
Shikoku Regional Office	: Takamatsu, Kagawa Prefecture
Kyushu Regional Office	: Chuo-ku, Fukuoka, Fukuoka Prefecture

Independent Auditor

(1) Name of independent auditor

KPMG AZSA LLC

(2) Audit fees paid to the independent auditor in the fiscal year ended March 31, 2020

Details	Amount (Millions of yen)
Audit fees for the independent auditor in the fiscal year ended March 31, 2020	680
Total monetary and other financial benefits payable by the Company and its subsidiaries	867

(Notes)

The audit contract between the Company and the independent auditor does not distinguish among audit fees paid for audits performed pursuant to the Companies Act and audit fees paid for audits performed pursuant to the Financial Instruments and Exchange Act, and since it is not practically possible to make such a distinction, the amounts indicated in the audit fees paid to the independent auditor in the fiscal year ended March 31, 2020 above are totals.

(3) Grounds for consenting to audit fees paid to the independent auditor

The Audit & Supervisory Board consented to the audit fees paid to the independent auditor after considering the time required for the audit and details such as the allocation of personnel under the independent auditor's audit plan; the suitability of the state of execution of the audit by the independent auditor; and the basis for the calculation of the estimated fees.

(4) Policies concerning decisions to discharge or not reappoint independent auditors

In the event that the circumstances set forth in any of the items of Article 340, Paragraph 1 of the Companies Act apply to the independent auditor, the independent auditor is to be discharged by a unanimous resolution of the Audit & Supervisory Board.

In addition, if the Company determines that it would be difficult for the independent auditor to perform proper audits, the Audit & Supervisory Board may determine the content of a proposal to the ordinary general meeting of shareholders that the independent auditor be discharged or not be reappointed.

Systems for ensuring the propriety of the Company's business activities and their operational status

A summary of the Board of Directors resolution concerning the development of a system to ensure the propriety of the Company's business activities (internal control system) is set forth below, along with an overview of the system's operational status.

(1) Basic stance on fortifying internal control systems

- (a) In fortifying the internal control systems, the Company aims to achieve legal compliance, management of loss risk and appropriate and efficient business operations and consider various measures, including regulations, organizational and structural improvement, formulation of action plans and the monitoring of activities.
- (b) An internal control committee will be formed as an entity overseeing efforts to have the internal control systems function more efficiently. The committee will aim to fortify internal control systems from the cross-departmental perspective; upon assessing efficacy, necessary improvements will be carried out.
- (c) Appropriate efforts will be made with regard to ensuring the reliability of the internal control systems, which will be involved with the financial reporting based on the Financial Instruments and Exchange Act.
- (d) The Board of Directors will approve the basic policy on fortifying internal control systems (the Basic Policy), receive regular reports on the progress of the initiative to fortify internal control systems, and oversee and monitor the internal control systems of the Company.
- (e) As chief executive officer, the president and representative director will oversee the efforts to build the internal control systems based on the Basic Policy approved by the Board of Directors.

(2) Fortifying structure relating to internal control systems

- (a) System to ensure that the performance of duties by directors and employees conform with laws and regulations and the Company's Articles of Incorporation
We institute the "NTT DOCOMO Group Code of Ethics" and compliance-related regulations and create requisite systems for ethical and legal compliance. In addition, when preparing financial statements, officers responsible for finance, audit & supervisory board members, and independent auditors hold preliminary discussions of significant accounting policies, and for disclosure of company information including financial statements in a manner that conforms with securities-related laws and regulations, matters are decided at meetings of the Board of Directors after the necessary internal procedures pursuant to in-house regulations have been completed. Also, the Internal Audit Department conducts audits of the company's overall business activities to ensure conformity with laws and regulations and in-house regulations.
- (b) System for storage and maintenance of information relating to the performance of duties by directors
Information relating to the performance of duties by directors is recorded and stored in accordance with rules stipulating the methods of storage and administration of documents and administrative information.
- (c) Regulations and other systems relating to the management of loss risks
Executive directors responsible for risk management periodically summarize information relating to risks in their organizations in accordance with rules concerning risk management, and the internal control

committee made up of directors, senior vice presidents, and others identifies risks as necessary for companywide risk management, and decide management policy for identified risks to prevent risks from occurring and to take rapid countermeasures in the event that risks do occur.

(d) System to ensure that the performance of duties by directors is conducted efficiently

The efficiency of the performance by directors of their duties is ensured by such means as decision-making rules based on internal regulations and the specification of powers relating to their duties, the formulation of medium-term management policies and business plans by the Board of Directors, and the establishment of committees composed of directors, senior vice presidents, and others.

(e) System to ensure the propriety of the business activities of the corporate group consisting of the Company, its parent company, and its subsidiaries

i. System for reporting matters concerning the execution of duties of directors, etc. of subsidiaries to the company

In accordance with the rules stipulating fundamental matters relating to the management of affiliated companies for the purpose of the comprehensive development and improvement of performance of the Group, affiliated companies will consult with or report to the Company.

ii. Regulations and other systems relating to the management of loss risks of subsidiaries

Intrinsic risks in the Group are managed in accordance with the rules concerning risk management, and risk management for Group companies is conducted according to their scale and business type.

iii. System to ensure that the performance of duties by directors, etc. of subsidiaries is conducted efficiently

Group companies establish decision-making rules and authority in duties according to their scale and business type, and consult or report on principal issues relating to the business operations of the Group as a whole.

iv. System to ensure that the performance of duties by directors, etc. and employees of subsidiaries conforms with laws and regulations and the Company's Articles of Incorporation

We have established the "NTT DOCOMO Group Code of Ethics" as a uniform code of ethics for the Group, and all Group companies strive to comply with this code of ethics. Furthermore, subsidiaries' officers are responsible for formulating and reporting the status of management systems of code of ethics, as well as for reporting to the Company when they identify a problematic situation involving a management executive, and the Company provides the necessary guidance on the appropriate response.

v. Other systems to ensure appropriate operations

With respect to unusual transactions with the parent company, investigations are conducted by legal personnel and audits are conducted by audit & supervisory board members. Further, audits by the Internal Audit Department are directed to cover its subsidiaries, and whenever necessary they obtain and assess the results of the internal audits of those companies.

(f) System to ensure the effectiveness of audits by audit & supervisory board members

- i. Matters relevant to employees assistance to the duties of audit & supervisory board members if their assignment is requested

The Audit & Supervisory Board Member's Office is established as an organization dedicated to assisting the audit & supervisory board members with the performance of their duties, and specialist staff are assigned to it.

- ii. Matters relevant to the independence of the employees in (i) above from directors

We provide the Audit & Supervisory Board with advance explanations concerning matters such as transfers and assessment of personnel who belong to the Audit & Supervisory Board Member's Office, and pay respectful attention to the board's opinions before acting on such matters.

- iii. Matters relevant to ensuring the effectiveness of instructions of audit & supervisory board members to the employees in (i) above

Employees who belong to the Audit & Supervisory Board Member's Office exclusively follow the directions and commands of audit & supervisory board members.

- iv. System for reporting to audit & supervisory board members by directors and employees

Directors, executive officers, and employees report promptly to the audit & supervisory board members and to the Audit & Supervisory Board concerning matters prescribed by laws and regulations as well as requested matters necessary for the performance by the audit & supervisory board members of their duties.

- v. System for reporting to the Company's audit & supervisory board members by subsidiaries' directors, audit & supervisory board members and other equivalent persons and employees, or persons who have received reports from such persons

The matters to be reported in (iv) above shall include material information reported by Group companies.

- vi. System to ensure that persons making reports in the above items (iv) and (v) are not treated disadvantageously due to making the report

Persons who make reports in the above items (iv) and (v) are not treated disadvantageously due to making the report.

- vii. Matters relevant to procedures policy on the expense or debts arising from the execution such an advance payment or reimbursement of expenses arising from the execution of duties by audit & supervisory board members

Audit & supervisory board members may claim necessary expenses for the execution of their duties, and the Company must make the necessary payments based on such claims.

- viii. Other systems for ensuring that auditing by audit & supervisory board members is conducted effectively

Representative directors and the Audit & Supervisory Board hold regular meetings and develop an auditing environment necessary for enabling the audit & supervisory board members to perform their duties. In addition, representative directors endeavor to establish a system enabling audit & supervisory board members to hold regular and occasional meetings with the Internal Audit Department and independent auditors.

(3) Operational status of internal control systems

- (a) In order to ensure that the performance of duties by directors and employees conforms to laws and regulations and the Articles of Incorporation, meetings of the Compliance Promotion Committee are held to check decisions on initiatives made by management systems for ethical and legal compliance as well as to check on the status of the implementation of such initiatives. Furthermore, periodic training, education and monitoring are carried out for management executives and employees to foster awareness of ethical and legal compliance, and a compliance help desk has been established in an effort to prevent compliance violations.
- (b) In order to store and manage the information related to duties of directors, we established rules for storage and management of written documents and management information. Furthermore, refer to Business Report “3. The State of Corporate Governance and the State of Directors, Corporate Officers and Audit & Supervisory Board Members, etc., (6) Efforts Related to Information Security” for other details on the Company’s efforts related to information security.
- (c) As rules and other systems related to the management of the risk of loss, the Risk Management Principles were established to contribute to the appropriate and smooth management of the operations of the Company and Group companies, and meetings of the Internal Control Committee based on the rules are held to identify the risks requiring management across the entire Company and establish management policies on these risks. Furthermore, the Internal Audit Department conducts audits on whether the management policies for each risk are appropriately managed by each organization.
- (d) In order to ensure the efficient execution of duties of directors, we arrange our organization to realize our management strategy to ensure duties are executed efficiently. In FY2019, we established the 5G & IoT Solution Office and abolished the Smart-life Solutions Department.
- (e) In order to ensure the propriety of the business activities of the corporate group consisting of the Company, as well as its parent company and its subsidiaries, we receive the necessary consultation and reports from Group companies, and we provide guidance on the establishment and operation of internal control systems to subsidiaries. Furthermore, the Internal Audit Department conducts internal audits of select Group companies.
- (f) In order to ensure that audit by audit & supervisory board members are conducted effectively, we make quarterly reports of financial condition of subsidiaries deemed to be important in terms of business to audit & supervisory board members, as well as these being reported at the meetings attended by the audit &

supervisory board members. Also the results of internal audits for the Company and Group companies are reported to audit & supervisory board members on a monthly basis. Furthermore, the Internal Audit Department, the Accounts and Finance Department and the independent Auditor hold periodic tri-party meetings with audit & supervisory board members to encourage coordination.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [IFRS]

Millions of yen

Equity attributable to shareholders of NTT DOCOMO, INC.

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total	Noncon- trolling interests	Total equity
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			591,524			591,524	3,257	594,781
Other comprehensive income					(33,394)	(33,394)	(13)	(33,407)
Total comprehensive income	-	-	591,524	-	(33,394)	558,130	3,245	561,375
Dividends			(380,689)			(380,689)	(1,209)	(381,897)
Purchase of treasury stock				(300,000)		(300,000)		(300,000)
Changes due to business combinations under common control		(13,441)	17,154		(132)	3,580		3,580
Changes in ownership interests without loss of control		(13)				(13)	(1,947)	(1,960)
Changes in ownership interests with loss of control						-	(26)	(26)
Transfer from other components of equity to retained earnings			52,550		(52,550)	-		-
Others		(2,935)				(2,935)		(2,935)
Total transactions with shareholders	-	(16,388)	(310,985)	(300,000)	(52,683)	(680,056)	(3,182)	(683,238)
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

(Note1) Amounts are rounded off to the nearest 1 million yen.

(Note2) Business combinations under common control are accounted for using book values. Regarding “Changes due to business combinations under common control”, the changes in “Additional paid-in capital” and “Retained earnings” represent the differences between the amount paid by NTT DOCOMO, INC. for a subsidiary that was acquired under common control and NIPPON TELEGRAPH AND TELEPHONE CORPORATION’s carrying amount of the investment in the subsidiary measured at the date of acquisition.

(Reference) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [IFRS]

	Millions of yen	
	Year ended	
	March 31, 2020	
	(April 1, 2019 - March 31, 2020)	
Profit	¥	594,781
Other comprehensive income (net of taxes):		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans		1,801
Change in the fair value of financial assets measured at fair value through other comprehensive income		(36,256)
Share of other comprehensive income of investments accounted for using the equity method		(1,140)
Total of items that will not be reclassified to profit or loss		(35,595)
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences		2,261
Share of other comprehensive income of investments accounted for using the equity method		(73)
Total of items that may be reclassified subsequently to profit or loss		2,188
Total other comprehensive income (net of taxes)		(33,407)
Total comprehensive income	¥	561,375
Total comprehensive income attributable to:		
Shareholders of NTT DOCOMO, INC.		558,130
Noncontrolling interests		3,245
Total comprehensive income	¥	561,375

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

1. Notes to Consolidated Financial Statements

Accounting basis for the consolidated financial statements

Summary of significant accounting and reporting policies:

1. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), in compliance with Paragraph 1, Article 120-1 of provision of the Japanese Company Accounting Regulations. However, in compliance with Paragraph 3 of the article, certain disclosure that is required by IFRS is omitted. The accounting policies of DOCOMO are based on IFRS effective as of March 31, 2020, excluding the provisions of IFRS that are not early adopted.

2. Valuation of inventories

Inventories mainly comprise handsets and accessories and are measured at the lower of cost or net realizable value. Costs include purchase costs and all other costs incurred until the inventory has reached the current location and condition. Net realizable value is calculated by subtracting the estimated cost required for sale from the estimated selling price in the ordinary course of business. The first-in, first-out method is adopted as the method of calculating the cost of handsets.

3. Valuation of financial assets

Financial assets are classified at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. DOCOMO initially recognizes trade receivables and other receivables measured at amortized cost on the date of occurrence and other financial assets on the transaction date.

Financial assets are derecognized when a contractual right to cash flows of a financial asset expires or when a financial asset is transferred and substantially all of the risks and rewards of ownership of the financial assets are transferred.

Financial assets measured at amortized cost—

Financial assets that meet both of the following conditions are categorized as financial assets measured at amortized cost.

- The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As of financial assets measured at amortized cost, trade receivables from contracts with customers are measured at transaction price while all the others are measured at fair value plus the transaction costs directly attributable to the acquisition at the initial recognition. After the initial recognition, they are measured at amortized cost after subtracting the loss allowance from the total carrying amount calculated based on the effective interest rate method.

No financial assets are held within a business model whose objective is both to collect contractual cash flows and sell financial assets.

Equity financial instruments measured at fair value through other comprehensive income—

Investments in equity financial instruments that are not held for trading purposes may be designated irrevocably to present the subsequent changes in fair value in other comprehensive income, and DOCOMO makes this designation for each financial instrument.

Equity financial instruments measured at fair value through other comprehensive income are measured at initial recognition at fair value plus the transaction cost directly attributable to the acquisition. After the initial recognition, these are measured at fair value and subsequent changes are recognized in other comprehensive income. When the amount recognized as other comprehensive income is derecognized, the cumulative amounts are transferred to retained earnings and are not transferred to profit or loss. Dividends are recognized in profit or loss.

Financial assets measured at fair value through profit or loss—

Financial assets other than the above are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value at the time of their initial recognition, and transaction costs directly attributable to the acquisition are recognized in profit or loss when incurred. After the initial recognition, these are measured at fair value and the subsequent changes are recognized as profit or loss.

Impairment of financial assets—

As for financial assets measured at amortized cost, DOCOMO records loss allowance of financial assets based on expected credit losses.

4. Lease**Accounting treatment of lease as lessee**

When it is determined that a contract is, or contains, a lease at inception of the contract, we recognize lease liabilities and right-of-use assets in consolidated financial statements at the commencement date. However, we recognize lease payments as an expense on a straight-line basis over the lease term when they are associated with a lease term of 12 months or less or for which the underlying asset is of low value except the case that another systematic basis is more representative of the pattern of the lessee's benefit.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments, which have not been paid at the commencement date using DOCOMO's incremental borrowing rate. After the commencement date, they are measured subsequently by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. In consolidated statements of profit or loss, the interests on the lease liability are included in "Finance costs."

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liabilities added with initial direct costs and lease payments made at or before the commencement date and others. After the initial measurement, the right-of-use assets are determined by a cost model. If the ownership of the underlying asset is transferred to the lessee by the end of the lease term or if the lessee is reasonably certain to exercise a purchase option, they are depreciated using the straight-line method over their estimated useful lives of the underlying asset. Otherwise, DOCOMO depreciate over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The carrying amount of right-of-use assets is reduced by recognition of impairment loss if there is any indication that they may be impaired.

5. Depreciation and amortization of property, plant and equipment, goodwill and other intangible assets

(1) Property, plant and equipment

Property, plant and equipment other than land and construction in progress are depreciated using the straight-line method.

(2) Goodwill and other intangible assets

Intangible assets for which useful lives can be determined are amortized using the straight-line method. Goodwill, intangible assets with indefinite useful lives or intangible assets not yet available for use (mainly spectrum related assets), are not amortized, and an impairment test is performed at the same time every year or whenever there is any indication that these may be impaired.

Impairment losses of property, plant and equipment, goodwill and intangible assets are included in "Impairment loss" of the consolidated statement of profit or loss for the fiscal year ended March 31, 2020.

6. Accounting for provisions

Provisions for point programs

DOCOMO offers "d POINT Service," which provide benefits, such as discount on DOCOMO's products and services, and payments at DOCOMO's partner stores to customers in exchange for points that DOCOMO grants customers based on the usage of cellular phone or other services, and points that do not impose any performance obligation in contracts are recognized and presented as "Provisions for point programs".

7. Liability for employees' retirement benefits

Defined benefit liability is the present value of defined benefit obligations as of the end of fiscal year less the fair value of plan asset. Changes arising from remeasurement of the net defined benefit liability(asset) include actuarial gain or loss and gain (excluding amounts included in interest) on plan assets and are recognized in other comprehensive income and are immediately transferred from other components of equity to "retained earnings."

8. Revenue from contracts with customers

Based on the following 5 steps approach, DOCOMO recognize revenue in an amount that reflects the consideration to which DOCOMO expects to be entitled in exchange for transferring promised goods or services to a customer.

Step 1: Identify the contracts with the customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when (or as) the performance obligation is satisfied

In addition, DOCOMO capitalizes the recoverable portion of the incremental costs of obtaining a contract with customers and costs to fulfill contracts.

9. Consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.

Note to change in accounting policies:

DOCOMO has adopted IFRS 16 “Lease” (“IFRS 16”) from the beginning of the fiscal year ended March 31, 2020.

For the adoption of IFRS 16, we have not presented any restatement of comparative information, which is permitted as a transitional measure, but instead adopted a method to recognize the cumulative impact from the adoption of IFRS 16 as opening balance of retained earnings upon the date of initial application (retrospective restatement approach). For past contracts that had been concluded in or before the prior fiscal year, we have applied a practical approach to carry over the conventional method to make a determination on whether the transaction in question is a lease or not.

Upon the application of IFRS 16, leases that were previously classified as operating leases are recognized as right-of-use assets and lease liabilities. These items also include finance leases that were previously recognized as “Property, plant, and equipment” and “Other financial liabilities.” The change in the accounting policy mainly resulted in an increase of “Right-of-use assets” by ¥295,379 million and “Lease liabilities” by ¥286,503 million, while in a decrease of “Property, plant, and equipment” by ¥3,936 million, “Other current assets” (prepaid lease payments) by ¥8,775 million and “Other financial liabilities” by ¥4,057 million, respectively at the beginning of the fiscal year ended March 31, 2020. The principal items recorded as right-of use assets include the fees for use of office, the rent for the land and building required for the installation of telecommunications facilities and the fees for use of transmission lines. The impact on the opening balance of retained earnings is little.

Scope of consolidation and application of equity method:

Scope of consolidation and application of equity method

There were 96 consolidated subsidiaries and 27 equity method affiliates as of March 31, 2020.

Note to consolidated statement of financial positions:

1. Loss allowance directly subtracted from trade and other receivables: ¥31,869 million
2. Other components of equity

Other components of equity include change in the fair value of financial assets measured at fair value through other comprehensive income, unrealized gains (losses) on cash flow hedges, foreign exchange translation differences and remeasurements of defined benefit plans.

3. Property, plant and equipment

(Millions of yen)

	March 31, 2020
Wireless telecommunications equipment	¥ 5,231,363
Buildings and structures	929,763
Tools, furniture and fixtures	491,756
Land	154,129
Construction in progress	190,065
Sub-total	6,997,076
Accumulated depreciation and accumulated impairment losses	(4,343,931)
Total property, plant and equipment, net	2,653,145

4. Accumulated depreciation of right-of-use assets : ¥92,535 million

Note to consolidated statement of changes in equity:

1. The class and number of the issued shares

Class of shares	Number of shares as of March 31, 2019	Increase during the fiscal year ended March 31, 2020	Decrease during the fiscal year ended March 31, 2020	Number of shares as of March 31, 2020
Shares of common stock of NTT DOCOMO, INC.	3,335,231,094	—	—	3,335,231,094

2. Dividends

(1) Cash dividends paid

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 NTT DOCOMO, INC.	¥ 183,438	¥ 55	March 31, 2019	June 19, 2019
The Board of Directors' meeting on October 29, 2019	Shares of common stock of NTT DOCOMO, INC.	¥ 197,251	¥ 60	September 30, 2019	November 26, 2019

(2) Cash dividends declared for the fiscal year ended March 31, 2020 and to be paid during the next fiscal year

As a proposal of the 29th general meeting of shareholders, NTT DOCOMO, INC. plans to submit a matter about dividends of a common stock as follows:

i Total cash dividends declared	¥193,718 million
ii Cash dividends per share	¥60
iii Date of record	March 31, 2020
iv Date of payment	June 17, 2020
v Source of dividends	Retained earnings

Note regarding financial instruments:

1. Conditions of financial instruments

In normal course of business, DOCOMO has financial instruments including securities, long-term debt and other financial assets and liabilities. The fair value and cash flow for these assets and liabilities may be negatively impacted by fluctuations in interest rates and foreign exchange rates. To manage these risks, DOCOMO may use derivative instruments such as interest rate swap agreement, foreign currency option contracts and foreign exchange forward contracts. The financial instruments are executed with creditworthy financial institutions, and the management of DOCOMO believes that there is little risk of default by these counterparties. DOCOMO sets and follows internal regulations that establish conditions to enter into derivative contracts and procedures of approving and monitoring such contracts.

2. Fair value of financial instruments

The carrying amount, fair value and the difference as of March 31, 2020 are as follows:

	Millions of yen		
	March 31, 2020		
	Carrying amount	Fair value	Difference
Financial assets measured at fair value:			
Financial assets measured at fair value through profit or loss			
Receivable held for sale (*)	¥ 1,069,116	¥ 1,069,116	—
Derivatives			
Foreign exchange forward contracts	329	329	—
Total derivatives	329	329	—
Investment trust	1,387	1,387	—
Financial assets measured at fair value through other comprehensive income			
Equity securities and contributions	207,056	207,056	—
Total	1,277,888	1,277,888	—
Financial liabilities measured at fair value:			
Derivatives			
Foreign exchange forward contracts	6	6	—
Total derivatives	6	6	—
Total	6	6	—

(*) DOCOMO entered into a contract regarding the transfers of accounts receivable for DOCOMO's telecommunications services and installment receivables for subscribers' equipment purchases with NTT FINANCE CORPORATION for customer's convenience. As of March 31, 2020, the amount of the receivables resulting from the sale of receivables to NTT FINANCE CORPORATION is ¥322,923 million, and the amount of receivables held for sale is ¥1,069,116 million.

The fair values of financial assets and financial liabilities are measured 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”

The carrying amounts of these items are approximately the same as their fair values. 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 contract 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

With respect to other financial assets with relatively short maturities except for the above, carrying amounts are approximately the same as their fair values.

“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.

Note regarding per share information:

Shareholders of NTT DOCOMO, INC. equity per share:	¥	1,626.05
Basic earnings per share attributable to shareholders of NTT DOCOMO, INC.:	¥	179.92

Events after the reporting period:

(Retirement of treasury stock)

On March 27, 2020, the Board of Directors resolved that NTT DOCOMO, INC. may retire treasury stock pursuant to Article 178 of the Companies Act and NTT DOCOMO, INC. retired treasury stock as follows:

1. Reason for retirement
To intend to eliminate concerns about stock dilution
2. Method of retirement
Reduction in retained earnings
3. Class of shares retired
Common stock of NTT DOCOMO, INC
4. Number of shares retired
106,601,688 shares (3.2% of issued shares before the retirement)
5. Amount of retirement
¥300,000 million
6. Date of retirement
April 2, 2020
7. Total number of issued shares after the retirement
3,228,629,406 shares

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus		Earned surplus					Treasury stock	Total shareholders' equity
		Capital legal reserve	Total capital surplus	Earned legal reserve	Other earned surplus			Total earned surplus		
					Accelerated depreciation reserve	General reserve	Earned surplus brought forward			
Balance as of April 1, 2019	¥ 949,679	¥ 292,385	¥ 292,385	¥ 4,099	¥ 0	¥ 358,000	¥ 3,466,908	¥ 3,829,008	¥ (0)	¥ 5,071,072
Changes during the annual period										
Reversal of accelerated depreciation reserve					(0)		0	-		-
Dividends from surplus							(380,688)	(380,688)		(380,688)
Net income							601,682	601,682		601,682
Purchase of treasury stock									(300,000)	(300,000)
Net changes other than shareholders' equity										
The total amount of changes during the annual period	-	-	-	-	(0)	-	220,994	220,994	(300,000)	(79,005)
Balance as of March 31, 2020	¥ 949,679	¥ 292,385	¥ 292,385	¥ 4,099	¥ -	¥ 358,000	¥ 3,687,902	¥4,050,002	¥ (300,000)	¥ 4,992,066

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

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gains or losses on securities	Total valuation and translation adjustments	
Balance as of April 1, 2019	¥ 19,642	¥ 19,642	¥ 5,090,715
Changes during the annual period			
Reversal of accelerated depreciation reserve			-
Dividends from surplus			(380,688)
Net income			601,682
Purchase of treasury stock			(300,000)
Net changes other than shareholders' equity	10,163	10,163	10,163
The total amount of changes during the annual period	10,163	10,163	(68,842)
Balance as of March 31, 2020	¥ 29,805	¥ 29,805	¥ 5,021,872

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

2. Notes to Non-Consolidated Financial Statements

Significant accounting policies for the non-consolidated financial statements

Basis of preparation:

The accompanying non-consolidated financial statements have been prepared in accordance with generally accepted accounting principles accepted in Japan.

1. Valuation standards and methods of certain assets

(1) Securities

Held-to-maturity securities are stated at amortized cost, which is determined by the interest method.

Investments in subsidiaries and affiliates are stated at cost, which is determined by the moving average method.

Available-for-sale securities whose fair value is readily determinable are stated at fair value as of the end of the fiscal year. The holding gains and losses, net of applicable deferred tax assets/liabilities, are directly reported as a separate component of net assets instead of being reflected in earnings. The cost of securities sold is determined by the moving-average method with the exception of the cost of debt securities sold, which is determined by the first-in, first-out method.

Available-for-sale securities whose fair value is not readily determinable are stated at moving-average cost.

(2) Derivative instruments

Derivative instruments are stated at fair value as of the end of the fiscal year.

(3) Inventories

Inventories are stated at cost. The cost of terminal equipment to be sold is determined by the first-in, first-out method. The cost of other inventories is determined by the specific identification method. The amount of inventories in the non-consolidated balance sheet is reduced based on a decrease of profitability.

2. Depreciation and amortization methods of property, plant and equipment and intangible assets

(1) Property, plant and equipment (except lease assets)

Depreciation of property, plant and equipment is computed by the straight-line method based on their estimated useful lives.

The residual values of the assets are determined based on the historical expenses.

(2) Intangible assets (except lease assets)

Amortization of intangible assets is computed by the straight-line method based on their estimated useful lives.

Internal-use software is amortized over the estimated useful life (7 years or less) on a straight-line basis.

(3) Lease assets

Financial leases other than those deemed to transfer ownership of properties to lessees

Amortization of lease assets is computed by the straight-line method.

The useful lives of the assets are determined by the term of leases and the residual values of the assets equal to zero.

3. Accounting for allowances

(1) Allowance for doubtful accounts

In order to cover expected losses, NTT DOCOMO, INC. provides allowance for doubtful accounts principally in an amount computed based on the historical bad debt ratio during a certain reference period and the estimated uncollectible amount based on the analysis of certain individual accounts including claims in bankruptcy.

(2) Liability for employees' retirement benefits

In order to provide for employees' retirement benefits, NTT DOCOMO, INC. accrues the liability as of the end of the fiscal year in an amount calculated based on the estimated projected benefit obligation and plan assets at the end of the fiscal year.

In calculating projected benefits obligation, the benefit formula basis is used to attribute the expected benefit attributable to the respective fiscal year.

Actuarial losses (gains) are recognized as incurred at the end of the fiscal year.

Prior service cost is amortized on a straight-line basis over the average remaining service periods of employees at the time of occurrence.

(3) Accrued liabilities for point programs

The costs of awards under the point programs called "d POINT Service" and "docomo Points Service" that are reasonably estimated to be redeemed by the customers in the future based on historical data are accounted for as "Accrued liabilities for point programs."

(4) Provision for loss on business withdrawal

The loss resulting from the withdrawal of the multimedia broadcasting business for mobile devices, that are reasonably estimated to occur for the fiscal year ending March 31, 2021 and beyond, are accounted for as "Provision for loss on business withdrawal."

4. Other significant accounting policies

(1) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Japanese yen at the current spot rate at the end of the fiscal year and the subsequent translation gains or losses are reflected in earnings.

(2) Consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.

Change in presentation:

(Non-consolidated statement of income)

“Loss on investments in investment partnerships”, which was included in “Miscellaneous expenses” for the previous year, is presented separately for the fiscal year ended March 31, 2020 since its amount became significant.

“Rental income” and “Gain on sales of investment securities”, which were presented separately for the previous year, are included in “Miscellaneous income” for the fiscal year ended March 31, 2020 since those amounts became relatively immaterial.

Note to non-consolidated balance sheet:

1. Property, plant and equipment and intangible assets for telecommunications businesses include those used in supplementary businesses, because these amounts are not material.

2. Accumulated depreciation of property, plant and equipment

	Millions of yen
	March 31, 2020
Accumulated depreciation	¥ 4,210,217

3. Accounts receivable from and payable to affiliated companies

	Millions of yen
	March 31, 2020
Long-term accounts receivable	¥ 14,666
Short-term accounts receivable	43,197
Short-term accounts payable	197,980

4. For the purpose of financing, NTT DOCOMO, INC. uses a liquidation of receivables to monetize a part of the balance of “Accounts receivable, other. Of these, the amount which do not meet the derecognition criteria of financial assets is ¥55,555 million for the fiscal year ended March 31, 2020. Liabilities related to liquidation of receivables, which are recognized in “Short-term borrowings”, are ¥55,500 million.

Note to non-consolidated statement of income:

1. The total amounts of operating revenues, operating expenses and business transactions other than operating activities due from or to affiliated companies are as follows:

	Millions of yen
	Year ended
	March 31, 2020
Operating revenues	¥ 31,334
Operating expenses	577,396
Other than operating activities	63,436

2. Non-operating revenues from affiliated companies, the amounts of which exceed 10% of total non-operating revenues of NTT DOCOMO, INC., are as follows:

	Millions of yen
	Year ended
	March 31, 2020
Dividend income	¥ 56,302

3. Extraordinary profit

	Millions of yen
	Year ended
	March 31, 2020
Gains on sales of investment in affiliated companies	¥ 151,513

NTT DOCOMO, INC. recognized the gains on sales of investment in affiliated companies including shares of Sumitomo Mitsui Card Company, Limited.

Note to non-consolidated statement of changes in net assets:

The class and number of the treasury stock (fiscal year ended March 31, 2020)

Class of shares	Number of shares as of April 1, 2019	Increase during the fiscal year ended March 31, 2020	Decrease during the fiscal year ended March 31, 2020	Number of shares as of March 31, 2020
Shares of common stock of the Company	133	106,601,705	-	106,601,838

(Note)

An increase in the treasury stock of 106,601,705 shares resulted from repurchases of the shares through market purchases and compulsory acquisition of less-than-one-unit shares upon request.

Note regarding deferred taxes:

Main factors of recognition of deferred tax assets and deferred tax liabilities

Recognition of deferred tax assets resulted mainly from accrued liability for employees' retirement benefits, write-downs of investment securities, liabilities for point programs, write-downs of investment in shares of affiliated companies, accelerated depreciation and amortization. Recognition of deferred tax liabilities resulted mainly from net unrealized holding gains or losses on securities. The amount of valuation allowance which was deducted in calculation of deferred tax assets was ¥73,448 million.

Note regarding financial instruments:

1. Conditions of financial instruments

NTT DOCOMO, INC. focuses on secured and advantageous fund management and, principally, NTT DOCOMO, INC. invests in financial instruments whose principals are guaranteed and which incur fixed income. NTT DOCOMO, INC. also monitors credit risks of financial institutions which NTT DOCOMO, INC. deals with.

For fund procurement, NTT DOCOMO, INC. focuses on stable and low cost financing, in addition to agile and flexible financing. NTT DOCOMO, INC.'s fund procurement is principally made with borrowings from financial institutions, including banks, liquidation of receivables and issuing bonds.

Shares and bonds, accounted as investment securities and shares of affiliated companies, are exposed to market volatility risks. These securities are mainly the securities of companies with which NTT DOCOMO, INC. has commercial relationship. Following internal regulations for securities, NTT DOCOMO, INC. periodically measures these securities at fair value.

Accounts receivable, trade, and accounts receivable, other, collectively accounts receivables, are exposed to credit risks of customers. Following internal regulation for billing management, NTT DOCOMO, INC. performs due date controls and balance controls for each customer and monitors major customers' credit status.

Securities and deposits are exposed to credit risks of investees. The transactions are made in accordance with internal regulations for fund management.

Bonds and borrowings, collectively interest bearing liabilities, are fund procurement made in relation to capital expenditure, investments and loans, among others.

Accounts payable, trade, accounts payable, other, and accrued income taxes, collectively accounts payable, are mostly due within 1 year.

Long-term loan receivable from affiliated companies and deposits from affiliated companies are derived from the cash management system, the purpose of which is an efficient control of NTT DOCOMO, INC.'s overall cash, or others.

Interest bearing liabilities, accounts payable, and deposits from affiliated companies are exposed to liquidity risks, and are monitored with cash flow plan in accordance with internal regulations for cash management.

Derivatives are used only for hedging risks, and not used for speculative transaction to obtain gains on sale.

Bonds are mainly fixed-interest rate bonds. NTT DOCOMO, INC. uses interest rate swap transactions, under which NTT DOCOMO, INC. receives fixed rate interest payments and pay floating rate interest payments, to hedge the changes in fair value of certain debt as a part of our asset-liability management (ALM).

2. Fair value of financial instruments

Carrying amount, fair value and difference as of March 31, 2020 are as follows. Financial instruments, of which it is not practicable to disclose the estimated fair value, are not included in the table below.

	Millions of yen		
	March 31, 2020		
	Carrying amount	Fair value	Difference
(1) Investment securities	¥ 258,506	¥ 258,506	¥ —
(2) Shares of affiliated companies	3,165	6,624	3,459
(3) Long-term loan receivable in affiliated companies(*1)	31,261	31,261	—
(4) Cash and bank deposits	19,980	19,980	—
(5) Accounts receivable, trade	533,067		
(6) Accounts receivable, other (*2)	1,862,619		
Allowance for doubtful accounts (*3)	(37,805)		
	2,357,881	2,357,881	—
(7) Deposits	319,946	319,946	—
(8) Bonds (*4)	(50,000)	(50,956)	(956)
(9) Accounts payable, trade (*4)	(317,515)	(317,515)	—
(10) Short-term borrowings (*4)	(55,500)	(55,500)	—
(11) Accounts payable, other (*4)	(796,641)	(796,641)	—
(12) Accrued income taxes (*4)	(126,364)	(126,364)	—
(13) Deposits from affiliated companies (*4)	(122,678)	(122,678)	—

(*1) The balance of short-term loan receivable in affiliated companies is included.

(*2) The balance of “Long-term accounts receivable, other” is included.

(*3) The amount represents the allowance for “Accounts receivable, trade,” and “Accounts receivable, other.”

(*4) Amounts are accounted as liabilities.

(Notes)

1. Fair value measurement of financial instruments, securities and derivatives

(1) Investment securities and (2) Shares of affiliated companies

The fair value of these securities equals quoted price.

(a) The amounts of available-for-sale securities based on classification, cost or amortized cost, carrying amount and difference are as follows:

		Millions of yen			
		March 31, 2020			
	Classification	Cost or amortized cost	Carrying amount	Difference	
Carrying amount > Cost	Equity securities and debt securities	¥ 140,766	¥ 159,227	¥ 18,460	
Carrying amount ≤ Cost	Equity securities	115,911	99,279	(16,632)	

(b) For available-for-sale securities, proceeds from sales were ¥2,450 million, and gains from sales were ¥580 million for the fiscal year ended March 31, 2020.

(3) Long-term loan receivable in affiliated companies

These instruments are stated at carrying amount, estimated to approximate fair value because there are no substantial differences between interest rates with which loans were made and interest rates in case of offering new loans.

(4) Cash and bank deposits, (5) Accounts receivable, trade, and (7) Deposits

These instruments are stated at carrying amount because they are short-term and their carrying amounts are approximately the same as their fair values.

(6) Accounts receivable, other

These instruments are stated at carrying amount because they are due within 2 years and their carrying amounts approximate their fair values.

(8) Bonds

Fair values of these instruments are estimated based on the discounted amounts of future cash flow using NTT DOCOMO, INC.'s current incremental borrowings rates for similar bonds.

(9) Accounts payable, trade, (10) Short-term borrowings, (11) Accounts payable, other, (12) Accrued income taxes and (13) Deposits from affiliated companies

These instruments are stated at carrying amount because they are short-term and their carrying amounts are approximately the same as their fair values.

2. For the fiscal year ended March 31, 2020, NTT DOCOMO, INC. recognized impairment loss of ¥26,136 million for listed equity securities of PLDT Inc.

3. Non-listed equity securities (the carrying amount of which is ¥196,157 million) are not included in (1) Investment securities nor (2) Shares of affiliated companies because it is not practicable to determine the fair value, for the reason that quoted prices are not available and future cash flow is not determinable.

4. For the year ended March 31, 2020, NTT DOCOMO, INC. recognized impairment losses of ¥52,100 million for non-listed equity securities including shares of Magic Leap, Inc. and DOCOMO Digital Limited, which is a subsidiary of NTT DOCOMO, INC.

Note regarding equity in net income (losses) of affiliates and others:

	Millions of yen	
	March 31, 2020	
The amount of investments in affiliates	¥	120,590
The amount of investments in affiliates based on equity method		140,976
The amount of equity in net income of affiliates based on equity method		3,634

(Note)

The amount of investments in affiliates based on equity method and the amount of equity in net income of affiliates based on equity method are prepared in accordance with IFRS, in compliance with Paragraph 1, Article 120 of provision of the Japanese Company Accounting Regulations.

Note regarding related party transactions:

Transactions with companies under common control

Attribute	Name	Ownership	Relation with related party	Nature of transactions	Amount of transactions (millions of yen)	Account	Balance as of March 31, 2020 (millions of yen)
Subsidiary of the parent company	NTT FINANCE CORPORATION	2.92% (Direct Holding)	Business entrustment	Bailment of cash (*1)	¥ 392,188	Deposits	¥319,946
				Transfer of receivables (*2)	¥ 4,866,579	Accounts receivable, other	¥ 322,923

Terms and conditions of the above transactions:

(*1) Yield rates of the cash bailment are determined by NTT FINANCE CORPORATION based on market interest rates. The amount of transactions is stated as an average balance during the fiscal year due to the frequency of such transactions.

(*2) Transfer of receivables is made on general terms and at market price.

Note regarding per share information:

Net assets per share:	¥	1,555.41
Earnings per share:	¥	183.00

Events after the reporting period:

(Retirement of treasury stock)

On March 27, 2020, the Board of Directors resolved that NTT DOCOMO, INC. may retire treasury stock pursuant to Article 178 of the Companies Act and NTT DOCOMO, INC. retired treasury stock as follows:

3. Reason for retirement
To intend to eliminate concerns about future stock dilution
4. Method of retirement
Reduction in retained earnings
8. Class of shares retired
Common stock of NTT DOCOMO, INC.
9. Number of shares retired
106,601,688 shares (3.1% of issued shares before the retirement)
10. Amount of retirement
¥299,999 million
11. Date of retirement
April 2, 2020
12. Total number of issued shares after retirement
3,228,629,406 shares