

Earnings Release

For the Fiscal Year Ended March 31, 2020

April 28, 2020

[IFRS]

Name of registrant: NTT DOCOMO, INC. (URL <https://www.nttdocomo.co.jp/>)
 Code No.: 9437
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section
 Representative: Kazuhiro Yoshizawa, Representative Director, President and Chief Executive Officer
 Contact: Hideyuki Tsuchiya, Senior Manager, General Affairs Department/ TEL +81-3-5156-1111
 Scheduled date for the general meeting of shareholders: June 16, 2020
 Scheduled date for dividend payment: June 17, 2020
 Scheduled date for filing of securities report: June 17, 2020
 Supplemental material on annual results: Yes
 Presentation on annual results: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

	Operating revenues	Operating profit	Profit before taxes	Profit	Profit attributable to shareholders of NTT DOCOMO, INC.	Total comprehensive income
Year ended March 31, 2020	4,651,290 (3.9)%	854,650 (15.7)%	867,951 (13.4)%	594,781 (10.5)%	591,524 (10.9)%	561,375 (14.6)%
Year ended March 31, 2019	4,840,849 1.7%	1,013,645 2.7%	1,002,635 (12.2)%	664,851 (16.1)%	663,629 (16.1)%	657,332 (18.3)%

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

	Basic earnings per share	Diluted earnings per share	ROE	ROA	Operating profit Margin
Year ended March 31, 2020	179.92 (yen)	-	11.1%	11.7%	18.4%
Year ended March 31, 2019	187.79 (yen)	-	12.0%	13.4%	20.9%

(Note) Share of profits (losses) on equity method investments: For the fiscal year ended March 31, 2020: 3,634 million yen
 For the fiscal year ended March 31, 2019: (12,013) million yen

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total assets	Total equity	Equity attributable to shareholders of NTT DOCOMO, INC.	Ratio of Equity attributable to shareholders of NTT DOCOMO, INC. to total assets	Equity attributable to shareholders of NTT DOCOMO, INC. per Share
March 31, 2020	7,535,925	5,272,261	5,249,927	69.7 %	1,626.05 (yen)
March 31, 2019	7,340,546	5,394,124	5,371,853	73.2 %	1,610.64 (yen)

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2020	1,317,796	(354,760)	(783,901)	398,745
Year ended March 31, 2019	1,216,014	(296,469)	(1,090,052)	219,963

2. Dividends

	Cash Dividends per Share (yen)					Total Cash Dividends for the Year (Millions of yen)	Payout Ratio	Ratio of dividends to equity attributable to shareholders of NTT DOCOMO, INC
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year End	Total			
Year ended March 31, 2019	-	55.00	-	55.00	110.00	381,062	58.6 %	6.9 %
Year ended March 31, 2020	-	60.00	-	60.00	120.00	390,968	66.7 %	7.4 %
Year ending March 31, 2021 (Forecasts)	-	60.00	-	60.00	120.00		- %	

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

The prospects for the fiscal year ending March 31, 2021 are not disclosed at this juncture given the difficulty of making reasonable estimate on our financial result due to the COVID-19 outbreak.

We will provide the prospects promptly once it becomes possible to perform a reasonable estimate following a careful determination of its future financial impact.

* Notes:

(1) Changes in significant subsidiaries:		None
(2) Changes in accounting policies and Estimate		
i. Changes in accounting policies required by IFRS:		Yes
ii. Other Change in accounting policies:		None
iii. Changes in accounting estimates:		None
(3) Number of issued shares (common stock)		
i. Number of issued shares (inclusive of treasury stock):	As of March 31, 2020:	3,335,231,094 shares
	As of March 31, 2019:	3,335,231,094 shares
ii. Number of treasury stock:	As of March 31, 2020:	106,601,838 shares
	As of March 31, 2019:	133 shares
iii. Number of weighted average common shares outstanding:	For the fiscal year ended March 31, 2020:	3,287,746,248 shares
	For the fiscal year ended March 31, 2019:	3,533,819,862 shares

* This earnings release is not subject to an audit by independent auditors.

* Explanation for forecasts of operations and other notes:

Forecast of results

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

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1. Information on Consolidated Results

(1) Operating Results

i. Business Overview

Looking at the market environment surrounding the Company, competition is further intensifying due to the revision of the Telecommunications Business Act, the spread of low-cost smartphone services through MVNO and MNO sub-brands, and new entrants from different industries. All of these companies are pursuing various initiatives aimed at future growth in non-telecommunications businesses as well, with a focus on providing loyalty point programs and enhancing finance/payment businesses. In accordance with such expansion of business domains, competition beyond the conventional boundaries of the telecommunications business is shifting into high gear with new competitors from different industries such as EC. In addition, new service competition is starting as each telecommunications carrier begins the provision of 5G.

Positioning FY2019 as the “year to execute ‘change’ to propel further growth,” the Company anticipated change itself and, together with its partners, continued to provide “new value” to customers and the world. We worked to provide value to our customers by providing returns to customers through the simple and great-value new rate plans “Gigaho” and “Gigalight,” introducing the new d POINTs return program, and continuing to make “d POINTs” available at more locations.

As a result, we achieved a total of 75.09 million “d POINT CLUB” members, the total “d POINTs” used amounted to 199.8 billion points, 3,400 corporate partners and 1,250 “+d” partners. By linking these to our assets, we provided new value for our customers and partners, and carried out “revenue opportunity creation centered on customer base.” Meanwhile, in order to realize optimal privacy protection and ensure that customers are able to use docomo services safely, we published the NTT DOCOMO Personal Data Charter and, based on the behavioral principles stipulated in the Charter, reorganized and begun to apply the NTT DOCOMO Privacy Policy.

Additionally, we achieved 80.33 million mobile phone subscriptions, churn rate of 0.54% and 6.49 million “docomo Hikari” subscriptions. Regarding 3G (FOMA services), we ended new registrations for 3G (FOMA service) at the end of FY2019 and announced that this service will be terminated at the end of FY2025. The Company, by providing a lineup of devices and various measures that will make it easy for customers to transition from 3G and proposing to corporate customers system migrations that utilize 4G modules, will work on a smooth transition to 4G and also concentrate management resources on 5G.

For the fiscal year ended March 31, 2020, operating revenues decreased by ¥189.6 billion from the previous fiscal year to ¥4,651.3 billion. This was mainly due to a decrease in equipment sales 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 ¥30.6 billion from the previous fiscal year to ¥3,796.6 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 attributable to NTT Plala Inc. which became a subsidiary in July 2019, and an increase in expenses associated with the expansion of “docomo Hikari” revenues.

As a result, operating profit decreased by ¥159.0 billion from the previous fiscal year to ¥854.7 billion for the fiscal year ended March 31, 2020.

Consolidated results of operations for the fiscal years ended March 31, 2019 and 2020 were as follows:

<Results of operations>

	Billions of yen					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Operating revenues	¥	4,840.8	¥	4,651.3	¥	(189.6) (3.9) %
Operating expenses		3,827.2		3,796.6		(30.6) (0.8)
Operating profit		1,013.6		854.7		(159.0) (15.7)
Finance income		7.5		15.3		7.8 103.2
Finance costs		6.5		5.6		(0.9) (14.0)
Share of profits (losses) on equity method investments		(12.0)		3.6		15.6 -
Profit before taxes		1,002.6		868.0		(134.7) (13.4)
Income taxes		337.8		273.2		(64.6) (19.1)
Profit		664.9		594.8		(70.1) (10.5)
Shareholders of NTT DOCOMO, INC.		663.6		591.5		(72.1) (10.9)
Noncontrolling interests	¥	1.2	¥	3.3	¥	2.0 166.5
ROE*		12.0 %		11.1 %		(0.9) point -

* For an explanation of our definitions of ROE, see "4. Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 26.

<Operating revenues>

	Billions of yen					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Telecommunications services	¥	3,130.7	¥	3,094.3	¥	(36.4) (1.2) %
Mobile communications services revenues		2,844.4		2,757.8		(86.6) (3.0)
Optical-fiber broadband service and other telecommunications services revenues		286.3		336.4		50.2 17.5
Equipment sales		844.4		608.2		(236.2) (28.0)
Other operating revenues		865.8		948.8		83.0 9.6
Total operating revenues	¥	4,840.8	¥	4,651.3	¥	(189.6) (3.9) %

ii. Segment Results

Telecommunications Business—

<Results of operations>

	Billions of yen					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Operating revenues from telecommunications business	¥	3,977.1	¥	3,687.0	¥	(290.1) (7.3) %
Operating profit (loss) from telecommunications business		866.3		706.5		(159.8) (18.4)

Operating revenues from the telecommunications business for the fiscal year ended March 31, 2020 decreased by ¥290.1 billion, or 7.3%, from ¥3,977.1 billion for the previous fiscal year to ¥3,687.0 billion. This was mainly due to a decrease in equipment sales 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 ¥130.3 billion, or 4.2%, from ¥3,110.8 billion for the previous fiscal year to ¥2,980.5 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.

Consequently, operating profit from the telecommunications business was ¥706.5 billion, a decrease of ¥159.8 billion, or 18.4%, from ¥866.3 billion for the previous fiscal year.

<<Key Topics>>

●Enhanced Customer Returns and Encouraging Switch to Smartphones

As the market environment changes drastically, in order to be competitive as a market leader, in June 2019 the Company launched the new rate plans “Gigaho,” “Gigalight” which feature simple structure and great value and the “Sumaho Okaeshi Program” that makes it easy for customers to purchase smartphone devices. In addition, together with lowering cancellation fees for two-year term contracts and monthly rates for non-term contracts in mobile telecommunications services from October, we launched the “d CARD Oshiharai Wari” discount program and expanded options for economical rate plans with no cancellation fees.

In addition, as a result of rolling out campaigns such as “Amazon Prime comes with DOCOMO’s plan” and working to provide optimal rate plans through “Shikkari Ryokin Simulation,” the number of applications* for the new rate plans totaled 16.51 million and, out of such, the number of subscriptions* topped 14.94 million.

Furthermore, due to the provision of the “Oshaberi Wari 60” and “Hajimete Sumaho Kounyu Support,” the number of smartphone and tablet users topped 42.04 million.

* The number of applications is the total number of subscriptions and reservations (including those cancelled after application). Each of the number of applications and the number of subscriptions is the total of “Gigaho,” “Gigalight,” “5G Gigaho,” “5G Gigalight,” “Keitai Plan,” “Kids Keitai Plan,” “Data Plus” and “5G Data Plus”

Launch Date	Principal Initiatives
June 2019	“Gigaho” and “Gigalight,” simple and great-value new rate plans
June 2019	“Sumaho Okaeshi Program” in which, when a device is purchased in 36 installments, payments for up to 12 installments will be exempted if the purchased device is returned.
October 2019	Lowered cancellation fees for two-year term contracts from ¥9,500 to ¥1,000.
October 2019	“d CARD Oshiharai Wari” which enables the application of the same monthly rate as two-year term contracts even with non-term contracts when d CARD is selected as the payment method for docomo usage fees.
November 2019	“Oshaberi Wari 60” which discounts voice call options for customers aged 60 or over who change to smartphone plans, and “Hajimete Sumaho Kounyu Support” which discounts device prices when customers switch to a smartphone from a FOMA phone.
December 2019	“Amazon Prime comes with DOCOMO’s plan” which provides “Amazon Prime*,” Amazon’s paid membership program, for one year.
December 2019	“‘Gigaho’ ‘Gigalight’ & ‘Disney DELUXE’ Set Discount” which provides a ¥700 discount from monthly rates for one year.
December 2019	“docomo Student Discount” which provides a maximum ¥1,500 monthly discount for customers under 25 years old from “Gigaho” and “Gigalight” usage fees for one year.
January 2020	“Gigaho Zouryou Campaign” which allows “Gigaho” subscribers to use up to 60GB monthly.
March 2020	“5G Gigaho” and “5G Gigalight,” rate plans for 5G “Unlimited data campaign” which allows “5G Gigaho” subscribers unlimited use of monthly data.

* Amazon Prime annual membership fee is ¥4,900 (tax included; as of April 28, 2020). The Company bears the Amazon Prime annual membership fee for one year.

● Evolved Customer Touchpoints

Aiming for thorough responses that satisfy customers, we worked to acquire further knowledge, enhance response skills and foster compliance awareness through regular training.

In addition, we sequentially opened “d garden” from April 2019 as a proof-of-concept shop for providing “new customer experience value” that meet the diverse needs of regions and customers. The shop provides a space to experience various services and contents, even for customers who do not have docomo subscriptions.

In order to enhance customer support at docomo shops, we worked to provide free “initial settings and data transfer” support for customers who purchased devices in shops, and increased shops with expanded store visit reservations so that we were able to accept many customers without having them wait. Moreover, at our “docomo Smartphone classes,” which have 5 million participants annually, we developed programming classes, toward the 2020 mandating of programming education at elementary schools.

Further, working to raise customer satisfaction, we enhanced convenience and support at every customer contact point, such as by launching “simple procedures” on the docomo online shop so that devices can be purchased smoothly.

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

<Number of subscriptions by services>

	Thousand subscriptions			
	March 31, 2019	March 31, 2020	Increase (Decrease)	
Mobile telecommunication services	78,453	80,326	1,873	2.4 %
Mobile telecommunication services (5G)	-	14	-	-
Mobile telecommunication services (LTE(Xi))	55,872	61,664	5,792	10.4
Mobile telecommunication services (FOMA)	22,581	18,648	(3,933)	(17.4)
“docomo Hikari” optical broadband service	5,759	6,490	731	12.7 %

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.

< Number of units sold>

	Thousand units			
	Year ended March 31, 2019	Year ended March 31, 2020	Increase (Decrease)	
Number of handsets sold	24,429	22,706	(1,723)	(7.1)%
Mobile telecommunication services (5G)				
New 5G subscription*1	-	1	-	-
Change of subscriptions from LTE(Xi) and FOMA*1	-	13	-	-
5G handset upgrade*1 by 5G subscribers*4	-	0	-	-
Mobile telecommunication services (LTE(Xi))				
New LTE(Xi) subscription*1	9,930	9,950	20	0.2
Change of subscriptions from 5G and FOMA*1	3,021	2,980	(41)	(1.3)
LTE(Xi) handset upgrade*1 by LTE(Xi) subscribers*4	10,082	9,004	(1,078)	(10.7)
Mobile telecommunication services (FOMA)				
New FOMA subscription*1	924	506	(418)	(45.3)
Change of subscriptions from 5G and LET(Xi)*1	28	23	(5)	(19.0)
FOMA handset upgrade*1 by FOMA subscribers*4	444	229	(215)	(48.5)
Churn rate*2	0.57 %	0.54 %	(0.02) point	-
Handset churn rate*3	0.47 %	0.44 %	(0.04) 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 (including handset 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).

*4: Number of handset upgrade for fiscal year ended March 31, 2019 does not include “DOCOMO rental service for business.”

<Trend of ARPU and MOU>

	Yen			
	Year ended March 31, 2019	Year ended March 31, 2020	Increase (Decrease)	
Aggregate ARPU	¥ 4,800	¥ 4,740	¥ (60)	(1.3) %
Mobile ARPU	4,360	4,230	(130)	(3.0)
“docomo Hikari” ARPU	440	510	70	15.9
MOU (minutes)	134	133	(1)	(0.7)%

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 {Voice related revenues (basic monthly charges, voice communication)
+ Packet related revenues (basic monthly charges, packet communication charges)}
/ Number of active users

-“docomo Hikari” ARPU : “docomo Hikari” ARPU Related Revenues (basic monthly charges, voice communication changes)
/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 “5G,” “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					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Operating revenues from smart life business	¥	448.2	¥	543.7	¥	95.5 21.3%
Operating profit (loss) from smart life business		69.2		32.5		(36.7) (53.0)

Operating revenues from the smart life business for the fiscal year ended March 31, 2020 were ¥543.7 billion, an increase of ¥95.5 billion, or 21.3%, from ¥448.2 billion for 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 ¥511.2 billion, an increase of ¥132.2 billion, or 34.9%, from ¥379.0 billion for 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 ¥32.5 billion, a decrease of ¥36.7 billion, or 53.0%, from ¥69.2 billion for the previous fiscal year.

<<Key Topics>>

●Initiatives for Growth of Finance/Payment Businesses ”

Strengthening coordination between d POINTs and various payment services, such as the “d CARD” credit card, “iD” electric money service, and “d Payment” smartphone payments, we provided services for easy, convenient and beneficial experience.

For “d Payment,” together with adding wallet functions and launching “Kazasu (scanning)” payment via the “d Payment mini app” and “iD” electric money service, we performed various reward point campaigns for d POINTs throughout the year in order to increase the number of users. In addition, we worked to make “d Payment” available at more locations and, as a result, it became available for use at “7-Eleven” convenience stores, operated by SEVEN-ELEVEN JAPAN CO., LTD., and “Gyu-Kaku,” “Shabu-Shabu ONYASAI,” “Kappa-Sushi” and other restaurants, operated by group companies of COLOWIDE CO., LTD. Moreover, aiming to further improve customer convenience and services, promote cashless payments, and consider new businesses, we agreed on a business partnership with Mercari, Inc. and Merpay, Inc.

As a result of these initiatives, the total number of “d Payment” users*1*2 as of March 31, 2020 grew to 25.26 million, an increase of 12.86 million from March 31, 2019, and the amount of “d Payment” transactions*1*3 was ¥399.1 billion, an increase of ¥275.2 billion from the previous fiscal year. The total number of “d CARD” subscribers*1 as of March 31, 2020 grew to 12.97 million, an increase of 1.56 million from March 31, 2019. Of these, the total number of “d CARD GOLD” subscribers was 6.85 million, and the amount of “d CARD” transactions*1 was ¥4,147.0 billion, an increase of ¥1.0072 trillion from the previous fiscal year.

In addition, the total amount of transactions through our finance/payment services reached ¥5,323.6 billion for the fiscal year ended March 31, 2020, an increase of ¥1,412.1 billion from the previous fiscal year.

Launch Date	Principal Initiatives
September 2019	Added wallet functions to “d Payment” which allow charging and transfers as well as sending of d POINTs
November 2019	“d Payment mini app” which allows use of various services (pre-orders and coupons, etc.) provided via smartphone by “d Payment” affiliated stores
November 2019	Integrated “d CARD mini” into “d Payment” to enable “Kazasu (scanning)” payment (for Android) through “iD” electric money service
February 2020	Agreed on business partnership with Mercari, Inc. and Merpay, Inc.

*1 Due to the integration of “d CARD mini” into “d Payment” in the fiscal year ended March 31, 2020, the number of “d CARD mini” subscriptions and the amount of “d CARD mini” transactions contained in the number of “d CARD” subscriptions and the amount of “d CARD” transactions are transferred and calculated as the number of “d Payment” users and the amount of “d Payment” transactions.

*2 Total of the number of “d Payment” app downloads and the number of “d Payment (iD)” members.

*3 Total amount of transactions through “d Payment” code payments and online payments and “d Payment (iD)” payments.

●Initiatives for Marketing Solution Business -Improved Convenience of “d POINTs”

We worked to promote the use of and enhance the convenience of “d POINTs,” which became available for use at “FamilyMart” stores, operated by FamilyMart Co., Ltd., and at restaurants under the umbrella of Zensho Holdings Co., Ltd., including “Sukiya,” “Hamazushi” and “Coco’s.” , and encouraged to expand our marketing solution business* by leveraging d POINT’s membership base.

As a result of these initiatives, as of March 31, 2020, the total number of partners participating in the “d POINTs” program was 752, an increase of 334 from March 31, 2019.

*Marketing solution business consists of d POINTs business, advertising business and CRM business.

●Expansion of Services Toward Realization of Smart Life

In order to provide “virtual front row” experience via the live streaming of real-time VR videos utilizing the high speed and large capacity of 5G and offer value and excitement to our customers, we added “8KVR Live” to the “Shintaikan Live Connect*” menu from March 2020.

* Service which allows live streamed music concerts, etc. to be viewed on smartphones, computers, and televisions.

Other businesses—

<Results of operations>

	Billions of yen					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Operating revenues from other businesses	¥	441.3	¥	454.0	¥	12.7 2.9 %
Operating profit (loss) from other businesses		78.1		115.6		37.5 48.0

Operating revenues from the other businesses for the fiscal year ended March 31, 2020 amounted to ¥454.0 billion, an increase of ¥12.7 billion, or 2.9%, from ¥441.3 billion for the previous fiscal year, driven mainly by an increase in revenues relating to enterprise IoT services.

Operating expenses from the other businesses were ¥338.4 billion, a decrease of ¥24.9 billion, or 6.8%, from ¥363.2 billion for 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 ¥115.6 billion, an increase of ¥37.5 billion, or 48.0%, from ¥78.1 billion for the previous fiscal year.

<<Key Topics>>

●“Top Gun” Initiatives

Through cooperation of the three parties of our clients, the R&D unit and Corporate Sales and Marketing team, we have been implementing “Top Gun” initiatives to realize prompt sales activities, business verification and service creation. Along with the increase of inbound visitors to Japan and diversifying customer needs, in July 2019 we launched the “Oshaberi Annaiban,” a 4-language AI information service that utilizes DOCOMO AI Agent API* for providing facility information through dialogue and touch operations, intended for use at commercial facilities, stations, airports, municipal facilities, etc. that are visited by many of such users.

* Interactive service that is part of “corevo,” NTT Group’s AI technologies.

●Initiatives for Proliferation of IoT

In April 2019, we commercially launched the “AI Bus” system at Kyushu University’s Ito Campus at which we carried out numerous demonstration experiments. This service is an on-demand transportation system for vehicle allocations that calculates efficient vehicles/routes by using AI, based on bookings from smartphone apps and phones, to respond to real-time boarding/alighting requests. DOCOMO positions Japanese MaaS (Mobility as a Service) as a “solution to social issues related to mobility” and, as part of such efforts, we worked to enhance secondary transportation from rural areas to urban areas through the “AI Bus” system, and the number of people transported amounted to approximately 280,000*.

* Operational results up until the end of March 2020 (including demonstration experiments)

●Enhanced Support Services

We renewed the “Anshin Pack,” which has been provided to enable customers to use smartphones and other mobile devices safely and securely, to a service pack that also supports other digital devices used in the home, and began its provision in July 2019. In addition, regarding the “Mobile Device Protection Service,” we expanded the contents of the service by providing such as “Express delivery”* in which a replacement phone is delivered within four hours of application, whereas previously the delivery was on the next day at the earliest.

* The delivery area is a customer specified address within the 23 wards of Tokyo / Osaka City, Osaka Prefecture.

iii. Trend of Capital Expenditures

<Capital expenditures>

	Billions of yen					
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)	
Total capital expenditures	¥	593.7	¥	572.8	¥	(21.0) (3.5) %
Telecommunications business		562.7		532.0		(30.7) (5.5)
Smart life business		16.9		24.2		7.3 43.4
Other businesses		14.2		16.6		2.4 16.9

Notes:

1. Capital expenditures include investments related to the acquisition of intangible assets.
2. The above amounts do not include consumption taxes, etc.

The principal expenditures made during the fiscal year ended March 31, 2020 are summarized below.

As a result of optimizing capital expenditures and reducing costs while promoting growth investment including 5G, the total capital expenditures for the fiscal year ended March 31, 2020 decreased by 3.5% from the previous fiscal year to ¥572.8 billion.

●Expansion of Telecommunications Facilities

Looking toward the continuous provision of a comfortable network, we strived to optimize capital expenditures and reduce costs while increasing the total number of LTE base stations nationwide from 208,500 as of March 31, 2019 to 228,100 as of March 31, 2020 and “PREMIUM 4G”-compatible base stations from 145,600 as of March 31, 2019 to 168,800 as of March 31, 2020.

●Start of Shift of Resources to Growth Investments for the 5G Era

In order to concentrate management resources on 5G, we ended new registrations for 3G (FOMA service) at the end of FY2019 and announced that this service will be terminated at the end of FY2025.

Regarding the number of 5G base stations, we completed the installation of approximately 500 base stations as of March 31, 2020 and, looking toward the active rollout of the 5G area, we made further investment in order to accelerate the development and building of networks.

iv. Prospects for the Fiscal Year Ending March 31, 2021

The prospects for the fiscal year ending March 31, 2021 are not disclosed at this juncture given the difficulty of making reasonable estimate on our financial result due to the COVID-19 outbreak.

We will provide the prospects promptly once it becomes possible to perform a reasonable estimate following a careful determination of its future financial impact.

At this point, the expected impacts from the COVID-19 are as follows;

Element		Impact	Causes
Mobile communication traffic	Voice	Up	Increase in voice calls resulting from reduced opportunities for face-to-face communication
	Data	Slightly up	Internet usage is considered to have increased due to a rise in the number of people staying at home, but the impact on mobile data communication has been limited.
	International roaming	Significantly down	Decrease in the number of outbound and inbound travelers
Device and service sales		Down	Decrease in the number of shop visitors due to shortened store hours Delay in supply of handsets and other products Deceleration in pace of subscriber migration to 4G and 5G
Smart life	Content/lifestyle	Slightly up	Increased usage due to heightened demand from users staying at home
		Slightly down	Lower user acquisition resulting from reduced sales at shops
	Finance/payment	Down	Decline of new user acquisition Decrease in finance/payment transactions processed resulting from voluntary restraint from going out and dampened consumption
Capital expenditures		Down	Slower progress of capital investments due to delay in supply of network equipment, construction schedule

*The table above summarizes the key elements that have already affected our business and are likely to continue in to the future together with their respective degrees of impact and causes. The actual business impact from COVID-19, however, may not be limited to the descriptions above. The degrees of impact are not necessarily indicative of any future changes in revenues and/or profit.

(2) Financial Review

i. Financial Position

	Billions of yen						
	March 31, 2019		March 31, 2020		Increase (Decrease)		
Total assets	¥	7,340.5	¥	7,535.9	¥	195.4	2.7 %
Equity attributable to shareholders of NTT DOCOMO, INC.		5,371.9		5,249.9		(121.9)	(2.3)
Total liabilities		1,946.4		2,263.7		317.2	16.3
Including: Interest bearing liabilities		50.0		50.0		-	-

ii. Cash Flow Conditions

	Billions of yen						
	Year ended March 31, 2019		Year ended March 31, 2020		Increase (Decrease)		
Net cash provided by operating activities	¥	1,216.0	¥	1,317.8	¥	101.8	8.4 %
Net cash used in investing activities		(296.5)		(354.8)		(58.3)	(19.7)
Net cash used in financing activities		(1,090.1)		(783.9)		306.2	28.1
Free cash flows (1)		919.5		963.0		43.5	4.7
Changes in investments for cash management purposes		300.2		69.7		(230.4)	(76.8)
Free cash flows excluding changes in investments for cash management purposes (2)		619.4		893.3		273.9	44.2

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 fiscal year ended March 31, 2020, net cash provided by operating activities was ¥1,317.8 billion, an increase of ¥101.8 billion, or 8.4%, from the previous fiscal year. This was mainly due to a decrease in inventories. This decrease in cash outflows exceeded a decrease in cash inflows for profit.

Net cash used in investing activities was ¥354.8 billion, an increase of ¥58.3 billion, or 19.7%, from the previous fiscal year. This was mainly due to a decrease in cash inflows for proceeds from redemption of short term investments. This decrease in cash inflows exceeded a decrease in cash outflows for purchases of short term investments and an increase in cash inflows for proceeds from sales of non-current investments including the transfer of shares of Sumitomo Mitsui Card Company, Limited.

Net cash used in financing activities was ¥783.9 billion, a decrease of ¥306.2 billion, or 28.1%, from the previous fiscal year. This was mainly due to a decrease in cash outflows for purchase of treasury stock. This decrease in cash outflows exceeded an increase in cash outflows for payment of lease liabilities.

As a result of the foregoing, the balance of cash and cash equivalents was ¥398.7 billion as of March 31, 2020, an increase of ¥178.8 billion, or 81.3%, from the previous fiscal year end.

2. Basic Approach to the Selection of Accounting Standards

With the goal of improving the international comparability of its financial information in the capital markets, among other reasons, we have adopted IFRS beginning with the fiscal year ended March 31, 2019.

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	Millions of yen	
	March 31, 2019	March 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 219,963	¥ 398,745
Trade and other receivables	2,128,156	2,154,593
Other financial assets	70,933	1,022
Inventories	178,340	90,009
Other current assets	91,308	70,957
Subtotal	2,688,699	2,715,326
Asset held for sale	234,160	-
Total current assets	2,922,859	2,715,326
Non-current assets:		
Property, plant and equipment	2,623,789	2,653,145
Right-of-use assets	-	252,412
Goodwill	33,177	30,518
Intangible assets	608,513	656,435
Investments accounted for using the equity method	151,741	140,976
Securities and other financial assets	439,742	451,532
Contract costs	297,733	312,618
Deferred tax assets	150,725	188,608
Other non-current assets	112,267	134,354
Total non-current assets	4,417,687	4,820,599
Total assets	¥ 7,340,546	¥ 7,535,925

	Millions of yen	
	March 31, 2019	March 31, 2020
LIABILITIES AND EQUITY		
Current liabilities:		
Trade and other payables	¥ 1,058,007	¥ 1,135,855
Lease liabilities	-	69,635
Other financial liabilities	10,495	7,618
Accrued income taxes	166,503	141,064
Contract liabilities	211,752	214,020
Provisions	29,086	37,939
Other current liabilities	150,805	134,022
Total current liabilities	1,626,647	1,740,153
Non-current liabilities:		
Long-term debt	50,000	50,000
Lease liabilities	-	175,223
Other financial liabilities	9,310	-
Defined benefit liabilities	207,425	210,675
Contract liabilities	37,054	32,995
Provisions	7,845	8,067
Other non-current liabilities	8,140	46,551
Total non-current liabilities	319,775	523,512
Total liabilities	1,946,422	2,263,665
Equity:		
Equity attributable to shareholders of NTT DOCOMO, INC.		
Common stock	949,680	949,680
Additional paid-in capital	169,083	152,695
Retained earnings	4,160,495	4,441,034
Treasury stock	(0)	(300,000)
Other components of equity	92,595	6,519
Total equity attributable to shareholders of NTT DOCOMO, INC.	5,371,853	5,249,927
Noncontrolling interests	22,271	22,334
Total equity	5,394,124	5,272,261
Total liabilities and equity	¥ 7,340,546	¥ 7,535,925

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

Consolidated Statements of Profit or Loss

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Operating revenues:		
Telecommunications services	¥ 3,130,660	¥ 3,094,278
Equipment sales	844,428	608,228
Other operating revenues	865,760	948,784
Total operating revenues	4,840,849	4,651,290
Operating expenses:		
Personnel expenses	288,940	288,213
Cost of equipment sold and services, and other expenses	2,533,708	2,422,206
Depreciation and amortization	470,922	580,839
Communication network charges	432,045	431,668
Loss on disposal of property, plant and equipment and intangible assets	68,768	71,532
Impairment loss	32,821	2,183
Total operating expenses	3,827,204	3,796,640
Operating profit	1,013,645	854,650
Finance income	7,510	15,261
Finance costs	6,506	5,594
Share of profits (losses) on equity method investments	(12,013)	3,634
Profit before taxes	1,002,635	867,951
Income taxes	337,784	273,170
Profit	¥ 664,851	¥ 594,781
Profit attributable to:		
Shareholders of NTT DOCOMO, INC.	663,629	591,524
Noncontrolling interests	1,222	3,257
Profit	¥ 664,851	¥ 594,781
Earnings per share attributable to shareholders of NTT DOCOMO, INC.		
Basic earnings per share	¥ 187.79	¥ 179.92

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Profit	¥ 664,851	¥ 594,781
Other comprehensive income (net of taxes):		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	3,750	1,801
Change in the fair value of financial assets measured at fair value through other comprehensive income	1,105	(36,256)
Share of other comprehensive income of investments accounted for using the equity method	(3,731)	(1,140)
Total of items that will not be reclassified to profit or loss	1,124	(35,595)
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	(8,594)	2,261
Share of other comprehensive income of investments accounted for using the equity method	(49)	(73)
Total of items that may be reclassified subsequently to profit or loss	(8,643)	2,188
Total other comprehensive income (net of taxes)	(7,519)	(33,407)
Total comprehensive income	¥ 657,332	¥ 561,375
Total comprehensive income attributable to:		
Shareholders of NTT DOCOMO, INC.	656,026	558,130
Noncontrolling interests	1,306	3,245
Total comprehensive income	¥ 657,332	¥ 561,375

(3) Consolidated Statements of Changes in Equity

	Millions of yen							
	Equity attributable to shareholders of NTT DOCOMO, INC.						Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of March 31, 2018	¥ 949,680	¥ 153,115	¥ 4,908,373	¥ (448,403)	¥ 102,342	¥ 5,665,107	¥ 27,121	¥ 5,692,228
Cumulative impact on initial adoption of IFRS 9, "Financial Instruments"			2,665		9,371	12,035		12,035
Balance as of April 1, 2018	949,680	153,115	4,911,038	(448,403)	111,713	5,677,142	27,121	5,704,263
Profit			663,629			663,629	1,222	664,851
Other comprehensive income					(7,603)	(7,603)	84	(7,519)
Total comprehensive income	-	-	663,629	-	(7,603)	656,026	1,306	657,332
Dividends			(377,284)			(377,284)	(583)	(377,868)
Purchase of treasury stock				(600,000)		(600,000)		(600,000)
Retirement of treasury stock			(1,048,403)	1,048,403		-		-
Changes in ownership interests without loss of control		1				1	2,554	2,555
Changes in ownership interests with loss of control						-	(8,126)	(8,126)
Put options granted to noncontrolling interests		15,968				15,968		15,968
Transfer from other components of equity to retained earnings			11,515		(11,515)	-		-
Total transactions with shareholders	-	15,968	(1,414,172)	448,403	(11,515)	(961,316)	(6,155)	(967,471)
Balance as of March 31, 2019	¥ 949,680	¥ 169,083	¥ 4,160,495	¥ (0)	¥ 92,595	¥ 5,371,853	¥ 22,271	¥ 5,394,124

Millions of yen

	Equity attributable to shareholders of NTT DOCOMO, INC.						Noncon- trolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of March 31, 2019	¥ 949,680	¥ 169,083	¥ 4,160,495	¥ (0)	¥ 92,595	¥ 5,371,853	¥ 22,271	¥ 5,394,124
Profit			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

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

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities:		
Profit	¥ 664,851	¥ 594,781
Reconciliation of profit and net cash provided by operating activities:		
Depreciation and amortization	470,922	580,839
Impairment losses	32,821	2,183
Finance income	(7,510)	(15,261)
Finance costs	6,506	5,594
Interest income included in operating revenues	(22,995)	(27,511)
Share of (profits) losses on equity method investments	12,013	(3,634)
Income taxes	337,784	273,170
(Increase) decrease in inventories	4,793	80,004
(Increase) decrease in trade and other receivables	(153,962)	(8,429)
Increase (decrease) in trade and other payables	84,882	31,638
Increase (decrease) in contract liabilities	25,285	(2,125)
Increase (decrease) in defined benefit liabilities	639	2,662
Other, net	22,112	85,005
Subtotal	1,478,142	1,598,916
Dividends received	16,539	11,822
Interests received	22,935	28,025
Interests paid	(1,816)	(1,507)
Income taxes paid and refund	(299,786)	(319,460)
Net cash provided by operating activities	1,216,014	1,317,796
Cash flows from investing activities:		
Purchases of property, plant and equipment	(392,168)	(363,398)
Purchases of intangible and other assets	(203,058)	(235,259)
Purchases of non-current investments	(14,641)	(72,848)
Proceeds from sales of non-current investments	16,945	256,407
Purchases of short term investments	(341,089)	(61,398)
Proceeds from redemption of short term investments	641,268	131,132
Acquisitions of control over subsidiaries	-	(17,099)
Payments due to losses on control of subsidiaries	(10,463)	-
Other, net	6,737	7,703
Net cash used in investing activities	(296,469)	(354,760)
Cash flows from financing activities:		
Repayments of long-term debt	(110,026)	(2,800)
Proceeds of short term borrowing	72	(1,985)
Payments of lease liabilities (2018:Repayments of finance lease liabilities)	(1,179)	(97,835)
Payments to acquire treasury stock	(600,000)	(300,000)
Cash dividends paid	(377,245)	(380,681)
Cash dividends paid to noncontrolling interests	(583)	(1,209)
Other, net	(1,091)	609
Net cash used in financing activities	(1,090,052)	(783,901)
Effect of exchange rate changes on cash and cash equivalents	3	(353)
Net increase (decrease) in cash and cash equivalents	(170,504)	178,782
Cash and cash equivalents at beginning of year	390,468	219,963
Cash and cash equivalents at end of period	¥ 219,963	¥ 398,745

(5) Notes to Consolidated Financial Statements

i. Note to Going Concern Assumption

There is no corresponding item.

ii. Change in Presentation

Regarding the consolidated statement of cash flows for the year ended March 31, 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 consolidated statement of cash flows for the year ended March 31, 2019, the amount which had been included in subtotal in cash flows from operating activities have been reclassified as “Interests received” of ¥22,441 million in cash flows from operating activities and “Interest income included in operating revenues” of ¥(22,995) million.

iii. Change in Accounting Policies

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

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. In addition, the change in the accounting policy also mainly resulted in an increase of “Depreciation and amortization” by 94,643 million, while in a decrease of “Cost of equipment sold and services, and other expenses” by ¥70,771 million and “Communication network charges” by 24,200 million, respectively for the fiscal year ended March 31, 2020. Similarly, due to the classification of repayment of lease liabilities as cash flows from financing activities, cash flows from operating activities increased by ¥94,729 million, while cash flows from financing activities decreased by ¥94,729 million for the fiscal year ended March 31, 2020.

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

Share Repurchases and Share Retirements

On April 26, 2019, the Board of Directors resolved that NTT DOCOMO, INC. may repurchase up to 128.3 million 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. retired 106,601,688 shares of its common stock at ¥300,000 million on April 2, 2020.

v. Segment Information

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

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

Certain services that had been included in the smart life business were reclassified to other businesses to reflect the change in its internal organizational structure effective as of July 1, 2019. In connection with this realignment, segment information for the fiscal year ended March 31, 2019 has been restated to conform, respectively, to the presentation for the fiscal year ended March 31, 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 distribution services such as video, music and electronic books as well as finance/payment services, shopping services and various other services to support our customers' daily lives. The other businesses segment primarily includes "Mobile Device Protection Service," and enterprise IoT solutions as well as development, sales and maintenance of IT systems.

Segment operating revenues:

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Telecommunications business-		
External customers.....	¥ 3,975,490	¥ 3,684,566
Intersegment.....	1,614	2,463
Subtotal.....	3,977,104	3,687,029
Smart life business-		
External customers.....	431,685	520,356
Intersegment.....	16,506	23,346
Subtotal.....	448,192	543,702
Other businesses-		
External customers.....	433,674	446,368
Intersegment.....	7,635	7,602
Subtotal.....	441,310	453,970
Segment total.....	4,866,605	4,684,701
Elimination.....	(25,756)	(33,411)
Consolidated.....	¥ 4,840,849	¥ 4,651,290

Segment operating profit (loss):

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Telecommunications business.....	¥ 866,343	¥ 706,545
Smart life business.....	69,198	32,491
Other businesses.....	78,103	115,614
Operating profit.....	1,013,645	854,650
Finance income.....	7,510	15,261
Finance costs.....	6,506	5,594
Share of profits (losses) on equity method investments	(12,013)	3,634
Profit before taxes.....	¥ 1,002,635	¥ 867,951

vi. Events after the reporting period

On March 27, 2020, the Board of Director resolved that NTT DOCOMO, INC. retired its treasury stock on April 2, 2020. The details are disclosed in "iv. Changes in NTT DOCOMO, INC. Shareholders' Equity."

4. Appendix

Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

i.EBITDA	Billions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
EBITDA	1,559.0	1,473.8
Depreciation and amortization	(470.9)	(580.8)
Loss on sale or disposal of property, plant and equipment	(41.6)	(36.1)
Impairment loss	(32.8)	(2.2)
Operating profit	1,013.6	854.7
a. Profit attributable to NTT DOCOMO, INC.	663.6	591.5
b. Operating revenues	4,840.8	4,651.3
Net profit margin (=a/b)	13.7%	12.7%
<hr/>		
EBITDA	1,559.0	1,473.8
Estimated impact of IFRS16	-	(94.6)
Adjusted EBITDA	1,559.0	1,379.1

ii.ROE	Billions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
a. Profit attributable to NTT DOCOMO, INC.	663.6	591.5
b. Shareholders' equity	5,518.5	5,310.9
ROE (=a/b)	12.0%	11.1%

Note: Shareholders' equity = Two period ends average of NTT DOCOMO, INC. shareholders' equity

iii. Free cash flows

	Billions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Net cash provided by operating activities	1,216.0	1,317.8
Net cash used in investing activities	(296.5)	(354.8)
Free cash flows	919.5	963.0
Changes in investments for cash management purposes	300.2	69.7
Free cash flows excluding changes in investments for cash management purposes*	619.4	893.3
Estimated impact of IFRS16	-	(94.7)
Free cash flows excluding changes in investments for cash management purposes and estimated impact of IFRS16	619.4	798.6

Note: * Changes in investments for cash management purposes were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.
 Net cash used in investing activities includes changes in investments for cash management purposes for the year ended March 31, 2019 and 2020