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# **FY2019/3Q**

## **Results Presentation**

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**NTT**  
**docomo**  
January 30, 2020

Let me begin my presentation on the results for the first three quarters of the fiscal year ending March 31, 2020 (FY2019/1-3Q).

# FY2019/1-3Q Results Highlights

(Billions of yen)

IFRS

	FY2018/1-3Q cumulative (1)	FY2019/1-3Q cumulative (2)	Changes (2)-(1)	Changes (%)
Operating revenues	3,654.1	3,516.0	- 138.1	- 3.8%
Operating profit	902.0	787.9	- 114.2	- 12.7%
Profit attributable to shareholders of NTT DOCOMO, INC.	607.6	542.3	- 65.2	- 10.7%
Adjusted free cash flow	386.8	414.3	+27.4	+7.1%
Capital expenditures	389.5	338.1	- 51.4	- 13.2%

◆ Consolidated financial statements in this document are unaudited.

◆ Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months. In association with the adoption of IFRS16 "Lease" effective Apr. 1, 2019, lease-related expense items has been reclassified into "depreciation/amortization" from previously "cost of equipment sold and services, and other expenses" and "communication network charges." The figure above represents the amount excluding this impact, etc.

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The highlights of our FY2019/1-3Q results are summarized here.

Operating revenues decreased by 138.1 billion yen year-on-year to 3,516.0 billion yen and operating profit dropped by 114.2 billion yen to 787.9 billion yen.

Net profit attributable to shareholders of NTT DOCOMO, INC. recorded a decrease of 65.2 billion yen to 542.3 billion yen. Adjusted free cash flow, on the other hand, grew by 27.4 billion yen to 414.3 billion yen.

Although we recorded a decline in both revenues and profit due to the impact of our new rate plans, "Gigaho", "Gigalight", etc., we have achieved a steady progress vis-à-vis our full-year guidance and we will continue our endeavors toward its steadfast achievement.

# Results by Segment

IFRS

(Billions of yen)		FY2018/1-3Q cumulative (1)	FY2019/1-3Q cumulative (2)	Changes (2)-(1)
<b>Telecommunications business</b>	Operating revenues	3,005.2	2,805.9	- 199.4
	Operating profit	767.2	651.4	- 115.8
<b>Smart life business</b>	Operating revenues	337.6	397.5	+59.9
	Operating profit	59.8	47.7	- 12.1
<b>Other businesses</b>	Operating revenues	328.9	335.2	+6.3
	Operating profit	75.0	88.7	+13.8
<b>&lt;Ref.&gt; Smart life business and Other businesses</b>				
Operating revenues		666.5	732.8	+66.2
Operating profit		134.8	136.4	+1.7

◆ 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 nine months ended December 31, 2018 has been restated to conform to the presentation for the nine months ended December 31, 2019.

Here are the results by segment.

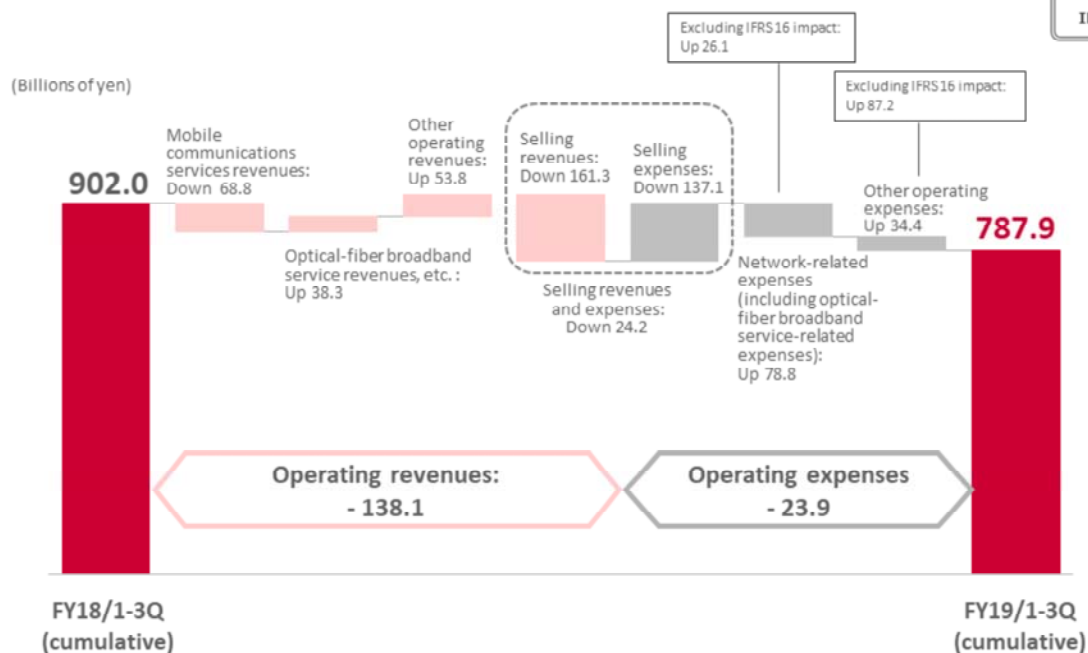
In “Telecommunications business,” operating revenues and profit decreased by 199.4 billion yen and 115.8 billion yen, respectively, compared to the same period of the previous fiscal year.

For “Smart life business” and “Other businesses” combined, operating revenues and operating profit recorded a year-on-year increase of 66.2 billion yen and 1.7 billion yen, respectively.

In “Smart life business,” while operating revenues posted an increase of 59.9 billion yen due to the consolidation of NTT Plala, Inc. and other factors, operating profit dropped by 12.1 billion yen as a result of our aggressive promotion of “d Payment” and video services, etc.

# Key Factors behind Changes in Operating Profit

IFRS



◆ Selling expenses represent the sum of cost of equipment sold and commissions to agent resellers.  
 ◆ Network-related expenses represent the sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges.

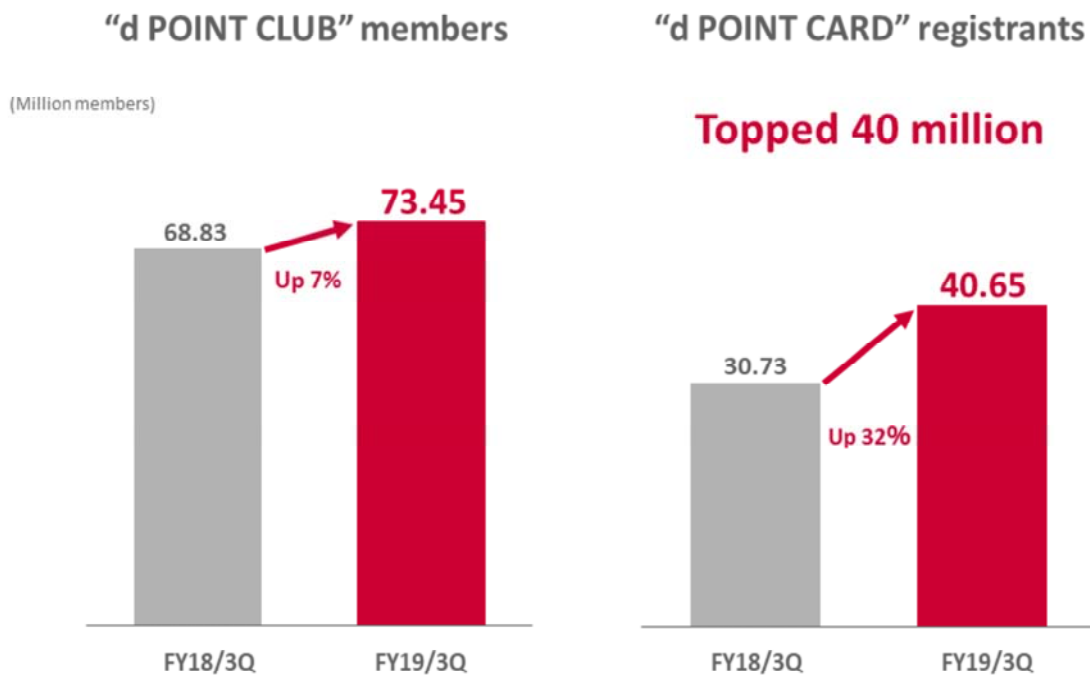
This slide explains the key factors behind the year-on-year changes in operating profit. Operating revenues posted a decrease of 138.1 billion yen due mainly to:

- A decrease in mobile communications services revenues of 68.8 billion yen due to the expanded impact from the customer return measures;
- An increase of optical fiber broadband services revenues of 38.3 billion yen;
- An increase in other operating revenues of 53.8 billion yen as a result of NTT Plala's inclusion as a consolidated subsidiary and other factors; and
- A drop in selling revenues of 161.3 billion yen owing to a reduction in the number of wholesale handsets sold, etc.

Operating expenses recorded a decrease of 23.9 billion yen due mainly to a decline in cost of equipment sold, which more than offset the increase in expenses Smart life business caused by the aggressive sales promotion of certain services.

Consequently, operating profit dropped by 114.2 billion yen from the same period of the previous fiscal year to 787.9 billion yen.

# “d POINT CLUB” Members



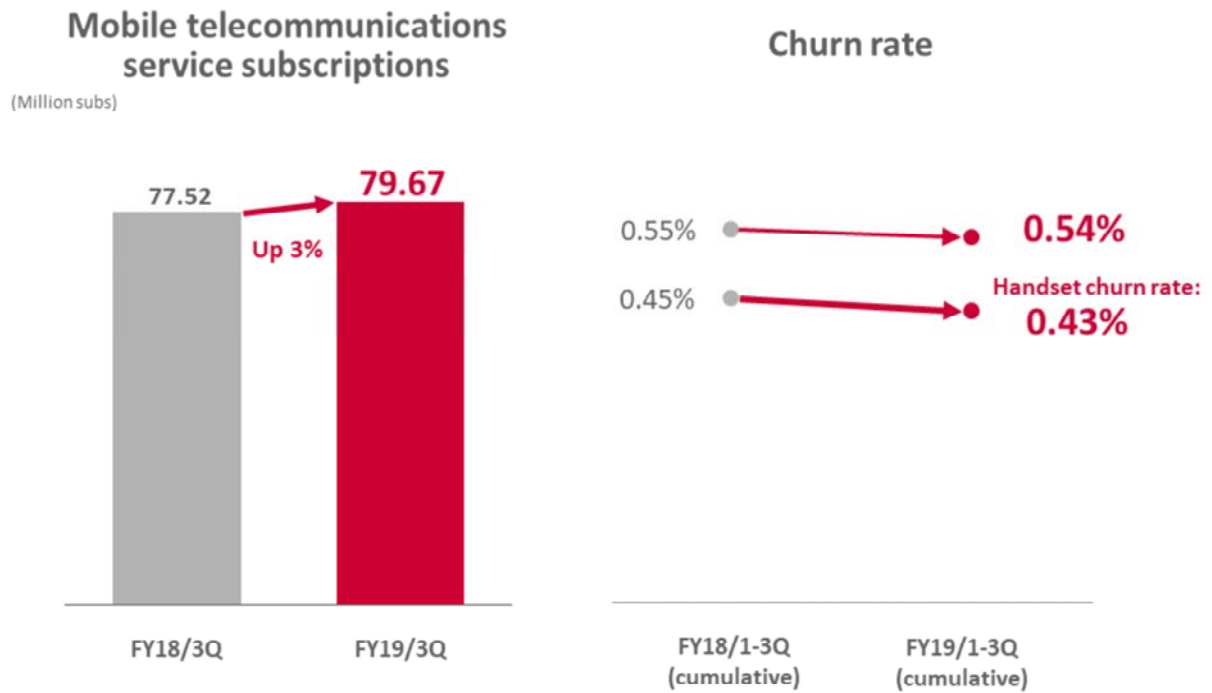
◆ “d POINT CARD” registrants indicate the no. of users who can earn and use “d POINTs” at participating stores by registering their personal information.

About “d POINT CLUB” membership.

The total number of “d POINT CLUB” members reached 73.45 million as of December 31, up 7% from the number a year ago.

Among them, the total number of “d POINT CARD registrants” (i.e., the number of users who can earn and use points at participating stores) surpassed the 40-million mark and reached 40.65 million, growing by 32% in the last 12 months.

# Telecommunications Business Operational Performance (1)



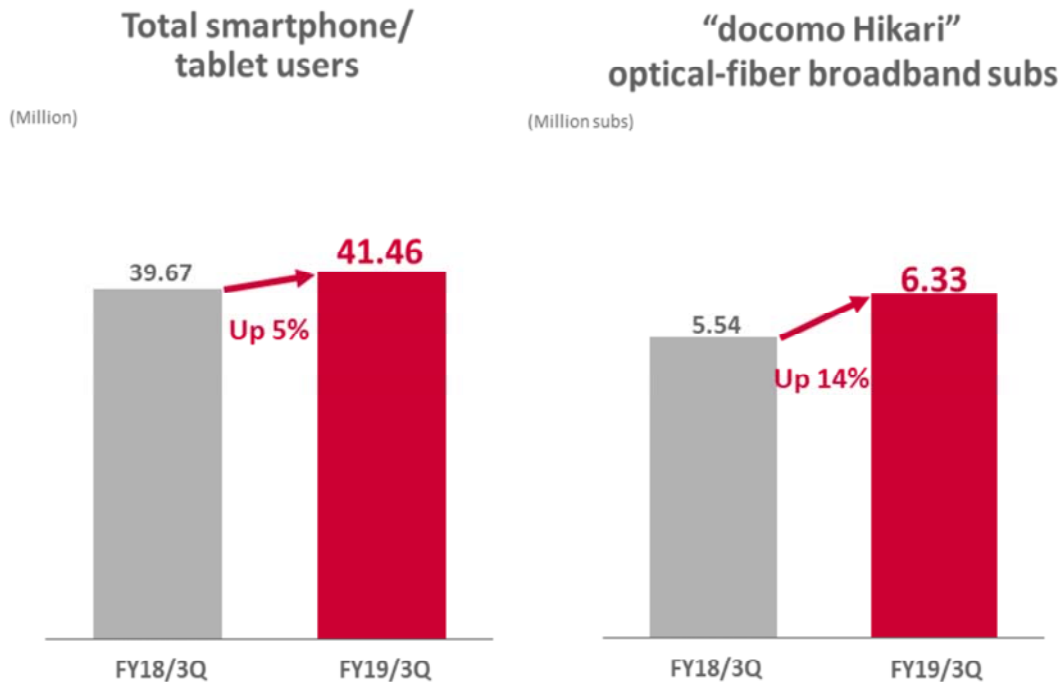
◆ Handset churn rate indicates the combined churn rate for smartphones and feature phones.

As for the operational performance of telecommunications business, the total number of mobile telecommunications subscriptions grew to 79.67 million, up 3% year-on-year.

Churn rate excluding MVNO subscriptions was 0.54%.

Despite the change in the competitive environment, we successfully maintained the handset churn rate at a very low level of 0.43% by promoting subscribers' migration to the new rate plans and other measures.

# Telecommunications Business Operational Performance (2)



The total number of smartphone and tablet users increased by 5% from the level a year ago to 41.46 million.

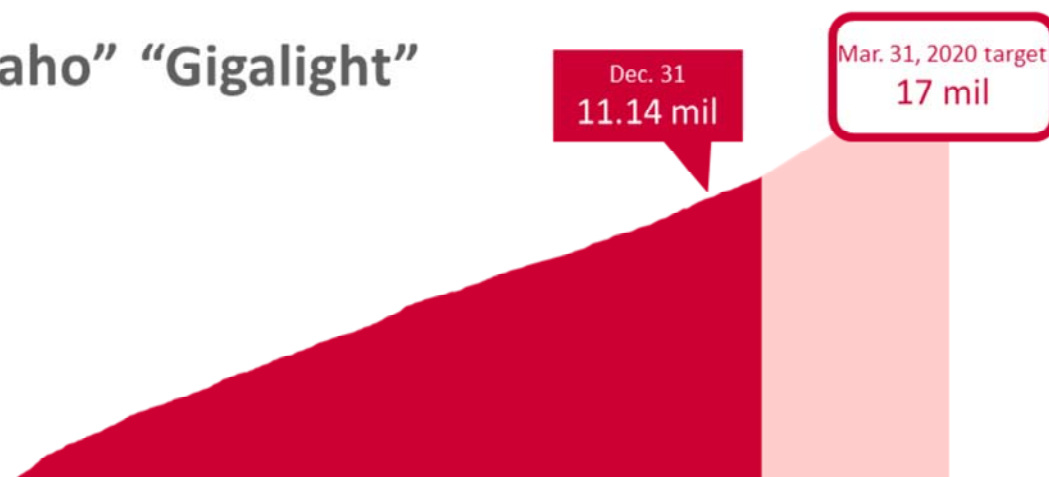
We will continue our efforts to accelerate subscriber migration to smartphones through the "Hajimete Sumaho Kounyu Support" program for first-time smartphone users and various other measures.

The total number of "docomo Hikari" subscriptions increased by 14% year-on-year to 6.33 million as of December 31.

## No. of applications: Topped 12 million

Stepping up efforts toward achievement of full-year target

“Gigaho” “Gigalight”



- ◆ New rate plans represent “Gigaho,” “Gigalight,” “Keitai Plan,” “Kids Keitai Plan” and “Data Plus.”
- ◆ No. of new rate plan applications topped 12 million on Jan. 18, 2020.

The new rate plans continue to enjoy great reviews and their total number of applications reached 12.55 million as of January 28, after exceeding 12 million on January 18.

Toward the achievement of our annual target of 17 million, we will aggressively promote users’ migration to the new rate plans leveraging various campaigns.



# Actions to Reinforce Customer Base <sup>NTT</sup> docomo

## Rolled out various campaigns for new rate plan users

### Amazon Prime comes with DOCOMO's plan



### Disney DELUXE Set Wari



Official Disney video delivery service  
© Disney © Disney/Pixar © & ™ Lucasfilm Ltd. © MARVEL

### Gigaho Zouryou Campaign



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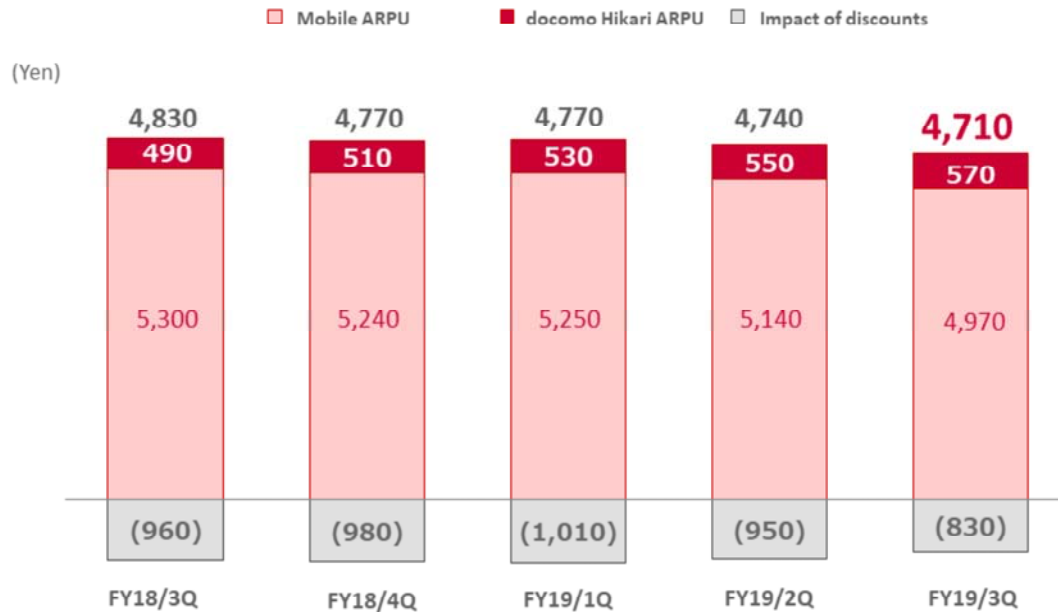
These are some of the concrete initiatives we have undertaken.

From December, we started offering certain privileges to customers who have signed up for the “Gigaho” plan, such as a service in which DOCOMO shoulders the monthly “Amazon Prime” fee, and discounts on the monthly charge of “Disney DELUXE,” both for one year.

On January 1, we launched the “Gigaho Zouryou Campaign” which increases the monthly data allowance to 60GB for all “Gigaho” subscribers.

Through these measures, we will facilitate subscriber migration to the new rate plans, and reinforce our customer base through upselling and increasing port-ins while curbing port-outs.

# ARPU



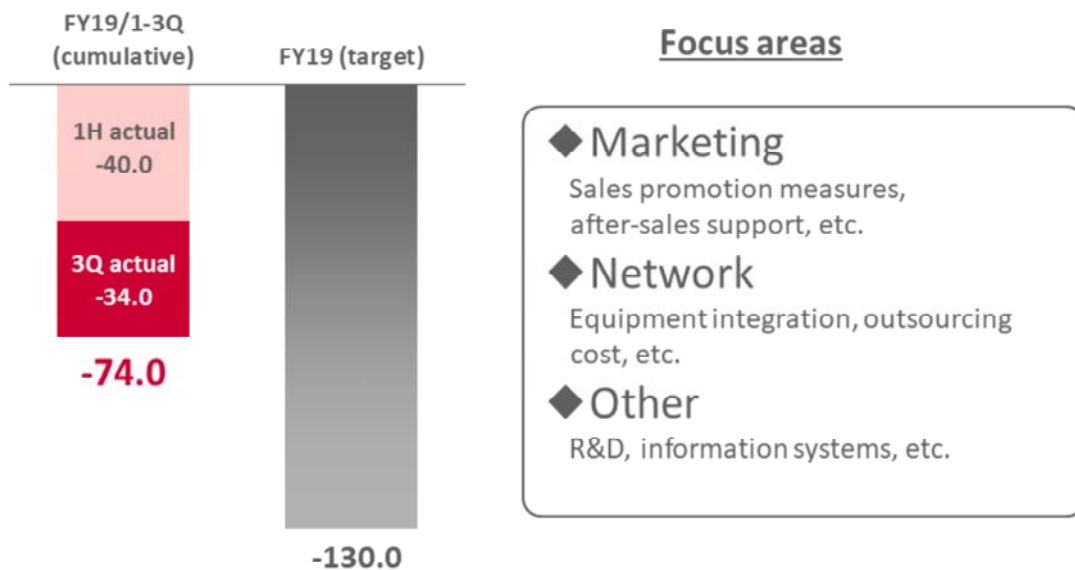
- ◆ For an explanation of ARPU, please see the Appendix.
- ◆ Mobile ARPU and docomo Hikari ARPU exclude the impact of discounts.
- ◆ The impact of discounts include those from "Monthly Support," "docomo with" and "docomo Hikari set discount."

Regarding our ARPU performance, the FY2019/3Q aggregate ARPU (including the impact of discounts) was 4,710 yen.

Despite the steady increase in "docomo Hikari" subscriptions, the aggregate ARPU dropped by 120 yen year-on-year due primarily to the expanded impact from the new rate plans and other customer return measures.

# Cost Efficiency Improvement

(Billions of yen)

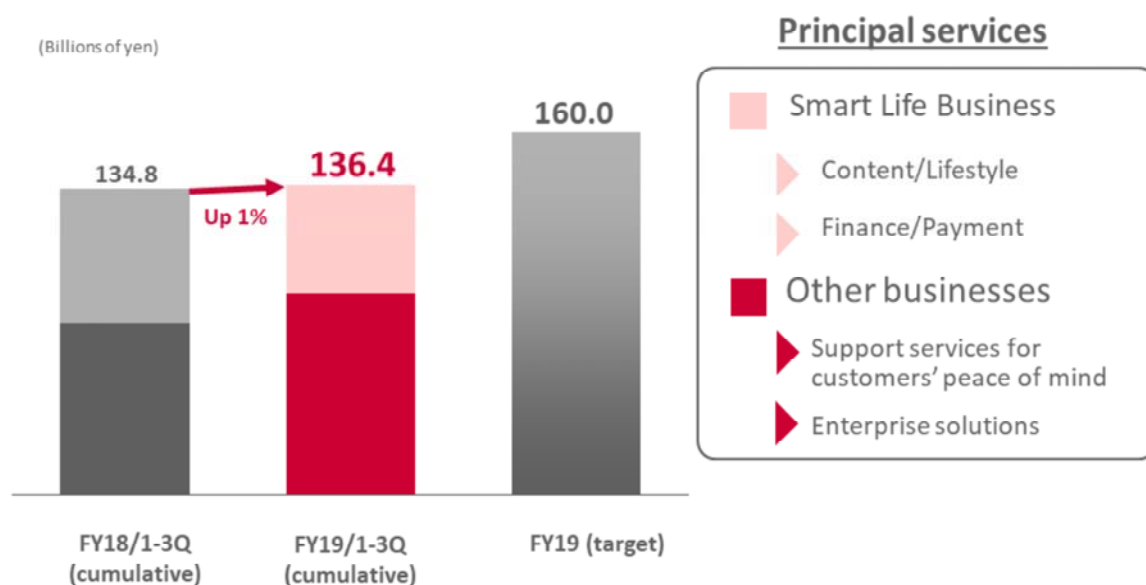


◆ The amount of cost efficiency improvement above indicates the cost reduction compared to the previous fiscal year.

About our cost efficiency improvement efforts.

In the first three quarters of FY2019, we delivered cost efficiency improvement totaling 74 billion yen, a progress more or less in line with our plan. We will continue to address efficiency improvement to achieve our full-year target of 130 billion yen.

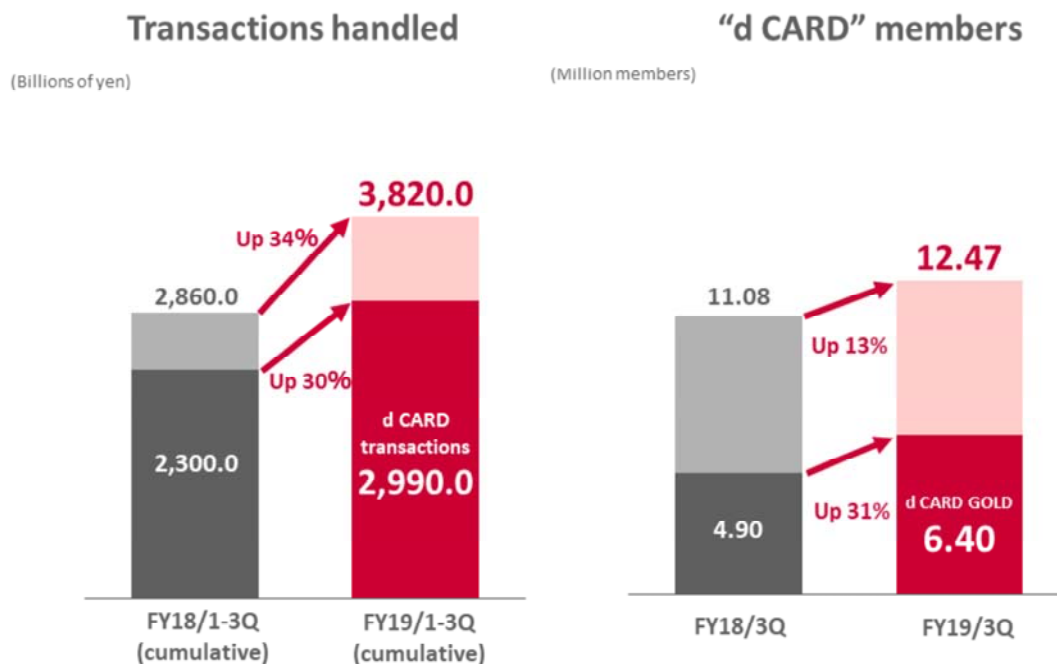
## Smart Life Business & Other Businesses: Operating Profit



Operating profit from Smart life business and Other businesses for FY2019/1-3Q increased by 1% year-on-year to 136.4 billion yen.

The contribution from each category to the operating profit of 136.4 billion yen was as follows:

- Content/lifestyle (e.g., dTV, DAZN for docomo, etc.) accounted for approximately 15%;
- Finance/payment (e.g., d CARD, d Payment, etc.) approximately 15%;
- Support services for customers' peace of mind (e.g., Mobile Device Protection Service, etc.) approximately 50%; and
- Others (e.g., Enterprise solutions, etc.) approximately 20%.



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

## About our finance/payment services.

The total transactions processed with our finance/payment services grew by 34% year-on-year to 3,820.0 billion yen, of which transactions handled with "d CARD" accounted for 2,990.0 billion yen, recording an increase of 30% year-on-year. The amount of transactions has been expanding at a steady pace due to the effects of various campaigns and the government's point reward program for cashless payments.

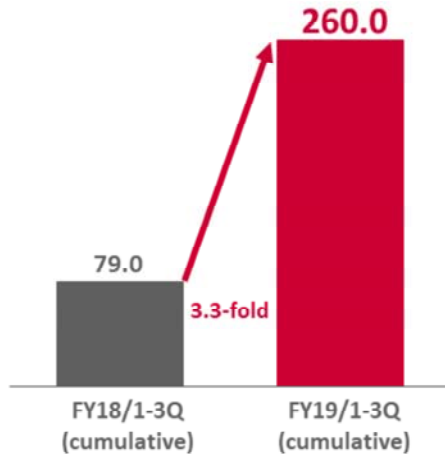
The total "d CARD" members grew by 13% from the number a year ago to 12.47 million. The number of "d CARD GOLD" members continued to increase, reaching 6.40 million as of December 31, up 31% from a year earlier.

Please note that "d CARD mini" members have been excluded from the "d CARD" member count, reflecting the integration of "d CARD mini" service into "d Payment" that took effect in November 2019.

# “d Payment” (1)

## Transactions processed with “d Payment”

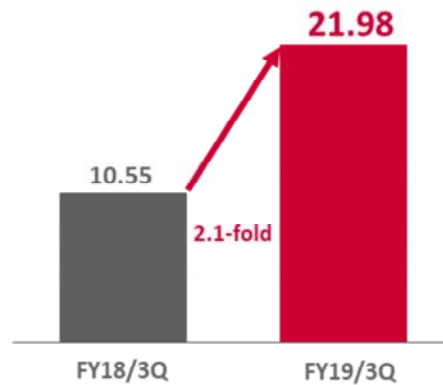
(Billions of yen)



## “d Payment” users

(Millions)

**Topped 22 million on Jan.1**



◆ The amount of transactions processed with “d Payment” represents the amount of payments made with “d Payment” code, “d Payment (iD)” and online payment.  
◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.

## Some comments on “d Payment” service.

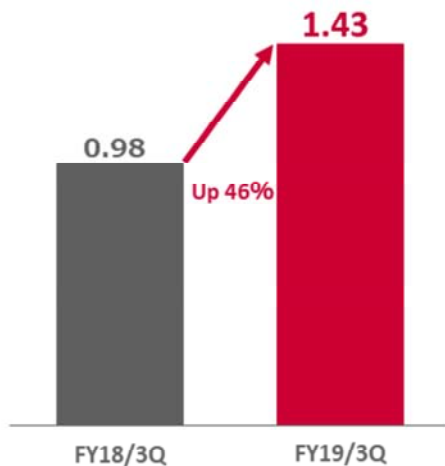
The total transactions processed with “d Payment” expanded steadily to 260 billion yen, which represented a 3.3-fold increase over the same period of the previous fiscal year.

The total number of “d Payment” users grew to 21.98 million, 2.1-times the number a year ago, and surpassed the 22-million mark on January 1.

# “d Payment” (2)

## Locations where payment/ point services are available

(Millions)



## Expansion of “d Payment” partners



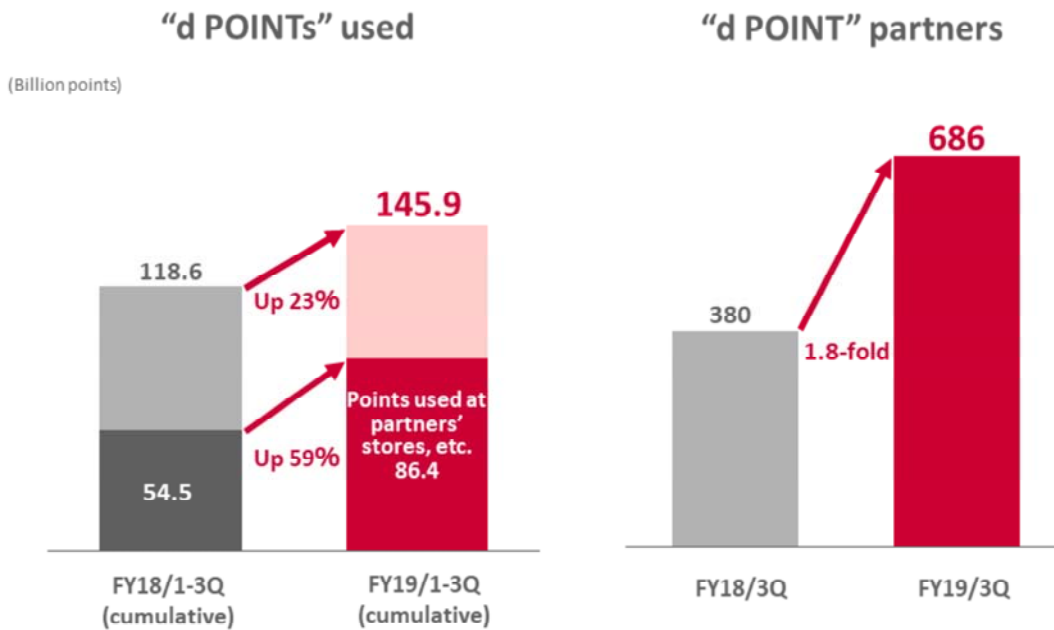
◆ Locations where payment/point services are available represent the combined no. of locations where “d POINT,” “ID” and “d Payment” (code and online payment) services can be used.

The number of locations where our payment and point services reached 1.43 million as of December 31, recording an increase of 46% in the last twelve months.

The number of “d Payment” partners also expanded at a favorable pace, including the addition of the names listed in the slide.

We will continue to strive to expand our “d Payment” partner network and reinforce our service offerings to further boost the uptake and usage of cashless payments.

# “d POINT”



◆ “d POINT” partners represent the total no. of brands/sites where users can earn or use “d POINTs.”

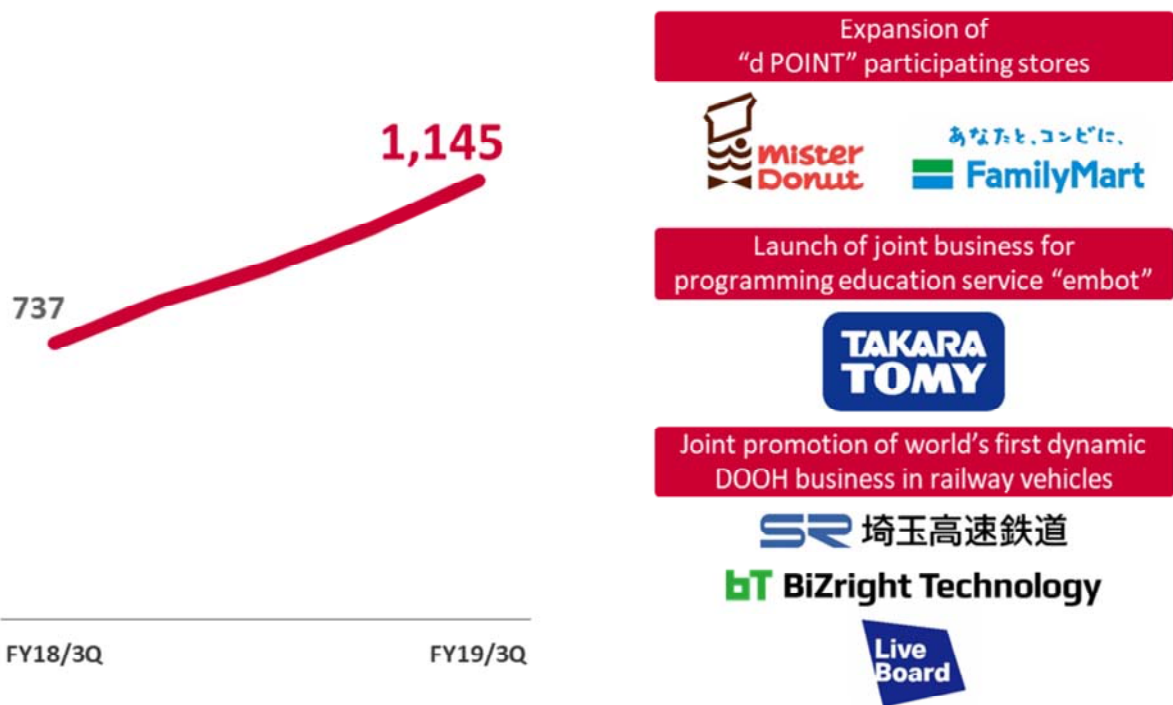
## About the “d POINT” program.

The total “d POINTs” used grew by 23% year-on-year to 145.9 billion points. As a result of our continued efforts to expand the stores that handle “d POINT”, the points used at partners’ stores grew to 86.4 billion points, or approximately 60% of the total points used.

Meanwhile, the number of “d POINT” partners reached 686 and continues to grow at a favorable pace.



# Expansion of +d partners



◆ No. of "+d" partners: The no. of partners that have jointly created new value by integrating DOCOMO's business assets with their own assets.

This slide shows the expansion of "+d" value co-creation program.

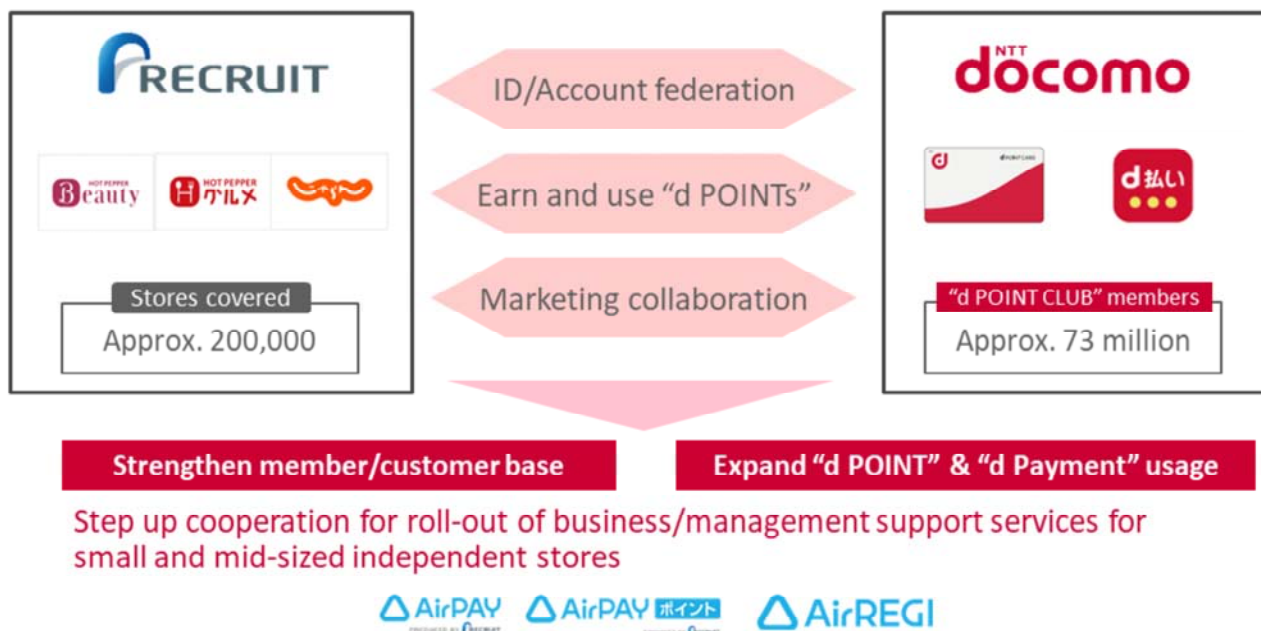
The number of partners continued to increase at a steady pace, and reached 1,145 as of December 31, including the organizations listed here.

Joining forces with our partners, we will continue to accelerate the value co-creation activities under the "+d" program.

# Strategic Business Alliance with Recruit

NTT docomo

## Maximize “d POINT CLUB” membership through ID federation



◆ The numbers of stores covered by Recruit and “d POINT CLUB” members are as of Dec. 31, 2019.

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As we announced today, we agreed on a strategic business alliance with Recruit.

The two companies will promote the federation of IDs and accounts held by each company, and create an environment where “d POINTS” can be earned and used with the various services offered by Recruit.

We will also aim to develop a marketing business leveraging our membership base, such as business/management support services targeting small and medium-sized independent retailers in a bid to enlarge our ecosystem.

We will continue to expand the number of our partners to bring more convenience and benefits to customers’ everyday lives.

## Accelerating service deployment across Japan

International rugby tournament  
Press camera image transmission



Iwamizawa, Hokkaido  
Remote monitoring of  
automatically controlled agrimotors



“Karatsu Kunchi” festival  
Internet video broadcast



Kanazawa Station front  
Art projection



Rolled out in 31 prefectures

◆ As of Jan. 30, 2020

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From here, I will share some updates on 5G.

We have been carrying out a number of verification trials across Japan with the 5G pre-commercial service after its launch on September 20.

During the Rugby World Cup games, we conducted a trial on instant upload of press photographs taken at the stadium.

Other projects are also in progress in 31 prefectures across Japan, including video surveillance of autonomous agrimotors in Iwamizawa, Hokkaido, an internet video broadcast of the “Karatsu Kunchi” festival in Saga, and an art projection project at the Kanazawa Station front.

# 5G Pre-Commercial Service - Virtual x Real x Tech Live -

NTT docomo

## Virtual character live show at 32<sup>nd</sup> Tokyo International Film Festival (Nov. 2019)



**Joint performance of virtual characters and real talents in VR space**

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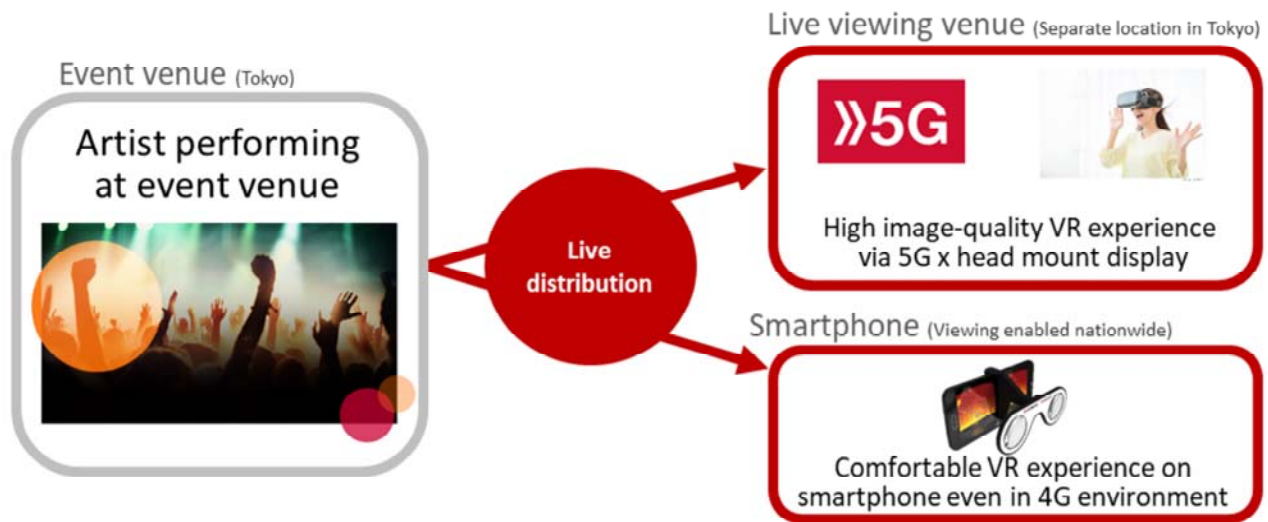
At the 32<sup>nd</sup> Tokyo International Film Festival, we held the “Virtual x Real x Tech Live” event, a joint performance of virtual characters and real talents in VR space. The event was held for two days on November 2-3.

This program was selected in the Ministry of Economy, Trade and Industry’s “J-LOD” global content support program.

# 5G Pre-Commercial Service - Shintaikan Live CONNECT -

NTT  
docomo

## Organized “8KVR Live” event on March 18



Delivery of “virtual front row” experience through live distribution of VR video leveraging 5G’s high-speed/large-capacity transmission

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On March 18, we plan to hold a special “8KVR” event in Tokyo leveraging 5G’s high-speed and large-capacity transmission capabilities. The show will feature the collaboration between “Shintaikan Live CONNECT” service and two artists groups, SixTONES and Snow Man, who recently made their CD debut.

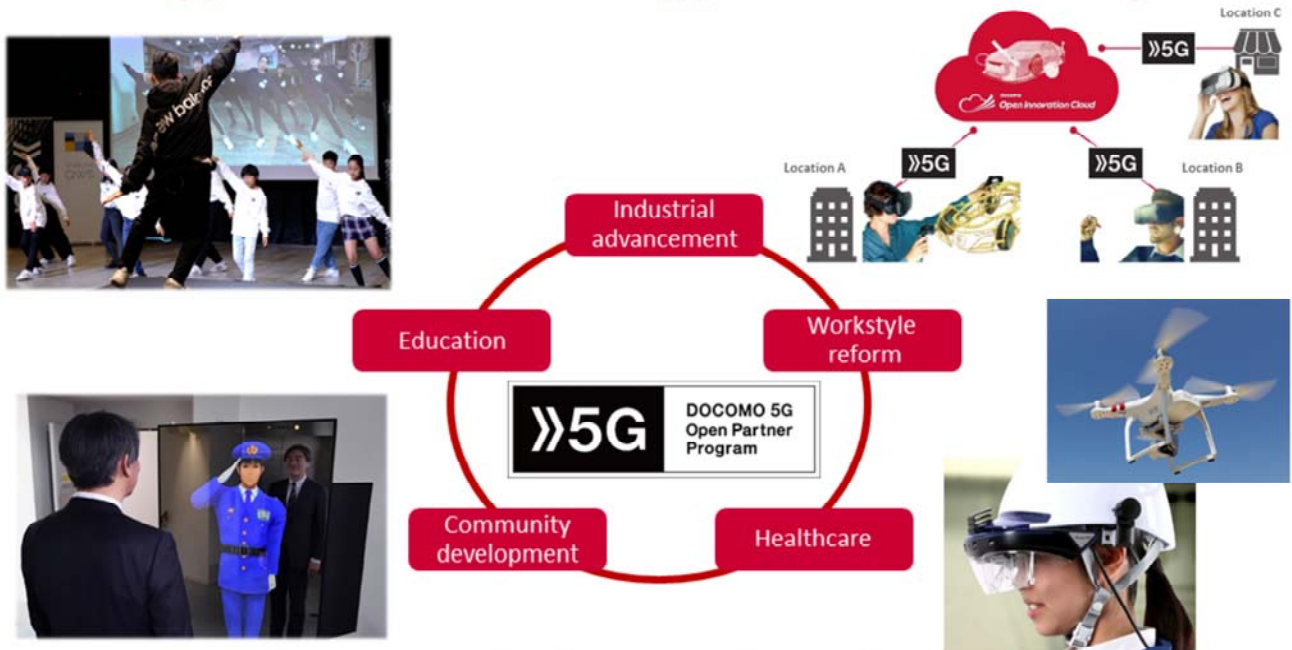
A live video of the event will be streamed to a separate venue (Shibuya Stream), where the audience will be able to enjoy the live 8KVR video feeds received via the 5G network using a head mount display.

For customers who cannot visit the site in person, we intend to deliver the video of the show for a fee through “Shintaikan Live CONNECT”.

We will actively explore additional new revenue opportunities like this going forward.

# 5G Pre-Commercial Service - Co-Creation with Partners -

Created approx. 100 use cases during pre-commercial service period



Accelerate growth of society through 5G solutions

Through our collaboration with partners, we created some 100 use cases in a wide range of fields after the launch of 5G pre-commercial service.

We are tackling the solution of various social issues through the adoption of 5G, such as “closing the regional gap in education,” “advancement of industries” and “workstyle reform.”

Toward the social implementation of 5G through its commercial service, we will further promote co-creation with a broader number of partners, so we can contribute to accelerating the growth of society through our 5G solutions.

# 5G Pre-Commercial Service - Touch & Feel at docomo Shops, etc -

NTT docomo

Established 5G experience corners  
in 9 docomo Shops in various regions

VR  
(Sports viewing)



Magic Leap



5G smartphone  
(Shintaikan Live CONNECT)



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Let me introduce the 5G experience that we currently offer at our docomo Shops.

Since it is difficult for consumers to experience 5G at this timing, though still limited in number, we established 5G experience corners in 9 docomo Shops in various regions, so that customers can have an early glimpse of the 5G world through services such as VR-based sports viewing, Magic Leap and “Shintaikan Live CONNECT,” etc. We plan to further expand the number of docomo Shops where customers can touch and feel 5G.

For our partners, we rolled out “5G Open Labs” in 11 locations, primarily in our Regional Offices, to accelerate the creation of new solutions.

# Medium-Term Strategy

## “Declaration beyond”: Actions Taken (1)

docomo

### Value & excitement to customers

#### Declaration 1

Market leader

#### “d POINT” participating stores outside Japan exceeded **100 stores**

Executed a campaign that offers up to 3,000 give-away points for purchases made at overseas “d POINT” participating stores commemorating the 1-year anniversary of start of “d POINT” service in Hawaii. (Announced Nov. 20)

#### Declaration 2

Style innovation

#### Started joint business for “**embot**” with TOMY Company, Ltd.

Jointly promoted full-scale deployment of “embot” programming education service that uses a cardboard robot kit. (Announced Oct. 29)

#### Declaration 3

Peace of mind and comfort support

#### Free-of-charge provision of initial handset set-up and data transfer services at all docomo Shops

Provision of free-of-charge support at all docomo Shops for customers that purchase handsets at docomo Shops and request initial handset set-up and data transfer services. (Started Dec. 1)

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Here, I will give you an update on the progress of implementation of our Medium-Term strategy 2020 “Declaration beyond.”

With respect to the initiatives to deliver “value and excitement to customers”;

In relation to Declaration 1, the total number of “d POINT” participating stores outside Japan exceeded 100. We also launched a campaign that offers up to 3,000 giveaway points commemorating the 1-year anniversary of the commencement of “d POINT” service in Hawaii.

Under Declaration 2, we launched a joint business for “embot” programming education service with TOMY Company, Ltd.

And under Declaration 3, we started offering free-of-charge initial handset set-up and data transfer services at all docomo Shops.



# Medium-Term Strategy

## “Declaration beyond”: Actions Taken (2)

### Value co-creation with partners

Declaration 4

Industry  
creation

#### World's first **dynamic DOOH business** in railway vehicles

Agreed to promote business together with Saitama Railway Corporation, BiZright Technology Inc. and LIVE BOARD, Inc. (Announced Nov. 11)

Declaration 5

Solution  
co-creation

#### Started providing **Mobile Spatial Statistics** **“Real-time Population Survey (domestic)”**

A new demographic statistics service that provides population distribution data in 10-minute intervals for up to 1 hour before (Announced Dec. 3)

Declaration 6

Partner business  
expansion

#### Entered into **capital and business alliance agreement** **with Showcase Gig**

Aim to proliferate OMO through coordination with “d Payment” mini app platform (Announced Dec. 5)

◆ World's first: According to BiZright Technology Inc. (as of Nov. 10, 2019)

◆ DOOH: Abbreviation for Digital Out of Home, a general term for digital advertisement provided outside home.

◆ OMO: Abbreviation for Online Merges with Offline, a new retail shop experience converging online and offline services.

For “value co-creation with partners,” we have taken the following steps:

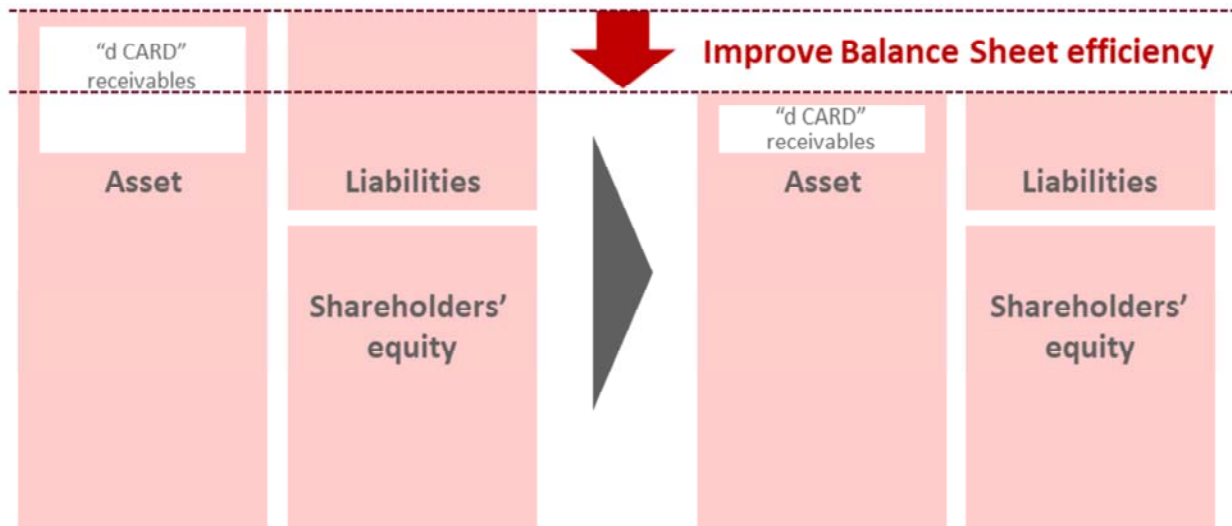
Under Declaration 4, we concluded an agreement for joint promotion of dynamic DOOH business in railway vehicles.

Under Declaration 5, we started offering a real-time version of Mobile Spatial Statistics, which enables to track the change in the nationwide population over time.

And under Declaration 6, we entered into a capital and business alliance agreement with Showcase Gig to proliferate OMO through the coordination with our “d Payment” mini app platform.

Other than what I introduced today, many other initiatives are currently underway. We will accelerate these initiatives to deliver on “Declaration beyond” and realize a richer future.

**Ready to off-balance “d CARD” receivables starting March  
Drive business considering capital efficiency**



Let me explain our plans about the liquidation of receivables.

We will start to improve our balance sheet by off-balancing “d CARD” receivables. As a trial, we plan to liquidate the receivables of approximately 50 billion yen in March, in order to compensate for working capital demand.

Additionally we are also considering to off-balance handset installment receivables in the next fiscal year.

We will prepare for a larger scale liquidation to maintain flexibility for potential growth investments and shareholders return such as share repurchases in the future.

We will continue to drive our business considering capital efficiency.

# Share Repurchase: Progress

- ▶ Acquisition method: Purchase on the Tokyo Stock Exchange market
- ▶ Period for share repurchase: May 7, 2019 – Dec. 31, 2019
- ▶ Aggregate no. of shares repurchased: Approx. 70.80 million shares
- ▶ Aggregate price of shares repurchased: Approx. ¥190.7 billion
- ▶ Remaining share repurchase authorization: Approx. ¥109.3 billion  
(through Apr. 30, 2020)

◆ The aggregate no. of shares repurchased described above represents the cumulative number of shares repurchased pursuant to the resolution approved at the Board of Directors meeting held on Apr. 26, 2019 (as of Dec. 31, 2019). (Counted on delivery basis).

This is an update on our share repurchase program.

The progress achieved through the third quarter is presented here.


In the period between May 7 through December 31, 2019, we acquired approximately 70.80 million shares worth approximately 190.7 billion yen through market purchase on the Tokyo Stock Exchange.

The remaining authorization is approximately 109.3 billion yen. We will continue to buy back shares through market purchase.

# FY2019/1-3Q Summary

- ▶ Recorded ¥787.9 billion in operating profit, making a favorable progress toward full-year guidance.
- ▶ New rate plans garnered over 12 million applications. Ramped up efforts to deliver on year-end target.
- ▶ Accelerated roll-out of 5G pre-commercial service across Japan. Promoted co-creation with partners with the view to commercialization.
- ▶ No. of “d POINT CLUB” members grew to 73.45 million. No. of participating stores and point usage also continued to expand at a favorable pace.
- ▶ No. of “d Payment” users exceeded 22 million, with the number of merchants handling the service also recording a steady increase.
- ▶ Achieved cost efficiency improvement totaling ¥74.0 billion, making progress as planned toward delivery of full-year target.
- ▶ Repurchased shares worth approx. ¥190.7 billion. Drive business considering capital efficiency.

A summary of our FY2019/1-3Q results is provided here.



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

In the third quarter, we saw a dramatic change in the market environment triggered by the implementation of the revised Telecommunications Business Act. However, we endeavored to reinforce our competitiveness by encouraging subscribers to switch to the new rate plans and rolling out various measures aimed at stepping up migration.

Meanwhile, we moved forward with the deployment of 5G pre-commercial service in various regions across Japan, making steady progress in the preparation for the full commercial launch.

We will continue our endeavors to ensure the delivery of our full-year target.

The new of today, the norm of tomorrow

**NTT**  
**docomo**

## Appendix

# Principal Services, etc., Included in Each Reportable Segment

## Telecommunications business

### Mobile communications services

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

### Optical fiber broadband service and other telecommunications services

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

## Smart life business

### Content/Lifestyle services

• “dTV” “d hits” “d shopping” “d fashion” “d travel” “d magazine” “d photo” “d healthcare”

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

### Finance/Payment services

• d CARD • d CARD GOLD • iD • d Payment • Proxy bill collection etc.

## Other businesses

### Support services for customers peace of mind

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

### Enterprise solutions

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



# Definition and Calculation Methods of ARPU

## i. Definition of ARPU

ARPU (Average monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users of our wireless services in the relevant periods, as shown below "ARPU Calculation Method." We believe that our ARPU figures provide useful information to analyze the average usage per user and the impacts of changes in our billing arrangements.

## ii. ARPU Calculation Methods

Aggregate ARPU = Mobile ARPU + "docomo Hikari" ARPU

- Mobile ARPU : Mobile ARPU Related Revenues (basic monthly charges, voice charges, communication charges) / No. of active users
- "docomo Hikari" ARPU : "docomo Hikari"-related revenues (basic monthly charges, voice communication charges) / No. of active users

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

## iii. Active Users Calculation Method

Sum of No. of active users for each month ((No. of users at the end of previous month + No. of users at the end of current month) / 2) during the relevant period

## iv.

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

- a. Subscriptions of communication modules services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
- b. Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for "Xi" or "FOMA" services in his/her name.

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

## Special Note Regarding Forward-Looking Statements

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

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