

Analysis of Capital Expenditures and Cash Flows

Capital Expenditures (Payment Basis)

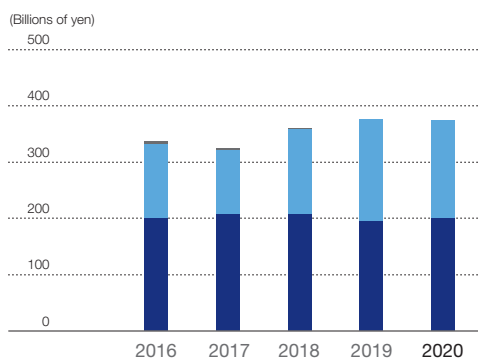
(Years ended March 31)

Consolidated capital expenditures increased ¥13.3 billion compared with the fiscal year ended March 31, 2019, to ¥615.1 billion.

Mobile

YOY  **Down ¥2.7 billion** ¥374.5 billion

In the mobile business, capital expenditures were down ¥2.7 billion to ¥374.5 billion, mainly because investments for UQ WiMAX and 3.5GHz band have come full circle as we have completed their establishment plans, although we moved up investments for 800MHz and 700MHz and 5G.

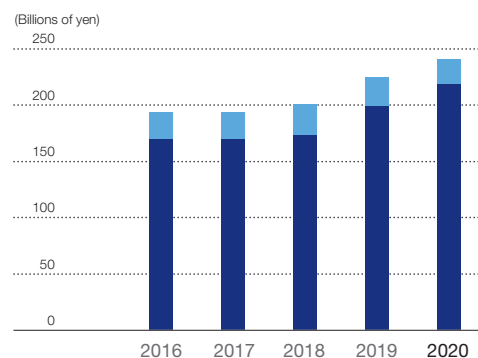


3G	5	4	1	1	1
4G LTE-5G	131	114	152	181	174
Common equipment	201	207	207	195	200
Total	338	325	360	377	374

Fixed-Line and Others

YOY  **Up ¥16.0 billion** ¥240.6 billion

In the fixed-line businesses and others, capital expenditures increased ¥16.0 billion year on year to ¥240.6 billion. Despite a decrease in FTTH-related investment, spending on investments rose mainly for building and upgrading network facilities.



FTTH	24	24	28	26	22
Other	170	170	173	199	219
Total	193	194	201	225	241

Cash Flows

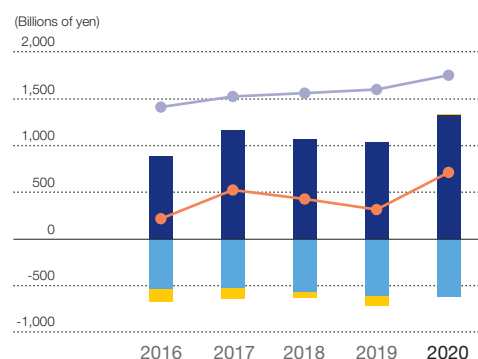
Free Cash Flows

YOY  **Up ¥397.4 billion** ¥712.4 billion

Free cash flows amounted to ¥712.4 billion, up ¥397.4 billion from the previous fiscal year due mainly to a decrease in au handset inventory and a smaller increase in receivables from installment sales in addition to an increase in revenue after making Jibun Bank a subsidiary and higher EBITDA following the adoption of IFRS No. 16.

Net cash provided by operating activities was ¥1,323.4 billion, ¥293.7 billion more than in the previous fiscal year. The increase mainly reflects an increase in trade and other receivables and the effects of adopting IFRS No. 16, despite increased outflows from the financial business.

Meanwhile, net cash used in investing activities was ¥611.0 billion, ¥103.6 billion lower than in the previous fiscal year. The decrease mainly reflects an increase in proceeds from acquiring control of subsidiaries and an increase in proceeds from the financial business, despite an increase in outflows due to acquiring shares of affiliates and an expansion in capital expenditures.



Free Cash Flows	217	524	428	315	712
Net Cash Provided by (Used in) Operating Activities	885	1,161	1,061	1,030	1,323
Capital Expenditures	-531	-519	-561	-602	-615
Other, Net Cash Provided by (Used in) Investing Activities	-136	-118	-73	-113	4
EBITDA	1,411	1,524	1,560	1,599	1,751