



# Earnings Release

For the Three Months Ended June 30, 2011

July 29, 2011

[U.S. GAAP]

Name of registrant: **NTT DOCOMO, INC.** (URL <http://www.nttdocomo.co.jp/>)  
 Code No.: 9437  
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section  
 Representative: Ryuji Yamada, Representative Director, President and Chief Executive Officer  
 Contact: Ken Takeuchi, Senior Manager, General Affairs Department / TEL +81-3-5156-1111  
 Scheduled date for filing of quarterly report: August 4, 2011  
 Scheduled date for dividend payment: -  
 Supplemental material on quarterly results: Yes  
 Presentation on quarterly results: Yes (for institutional investors and analysts)

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (April 1, 2011 - June 30, 2011)

### (1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Income before Income Taxes	Net Income Attributable to NTT DOCOMO, INC.
Three months ended June 30, 2011	1,047,289 (3.9)%	267,715 11.3 %	270,255 12.3 %	158,748 11.7 %
Three months ended June 30, 2010	1,089,244 0.4 %	240,518 (4.5)%	240,559 (2.8)%	142,152 (3.5)%

(Note) Comprehensive income attributable to NTT DOCOMO, INC.:  
 For the three months ended June 30, 2011: 165,807 million yen 16.6 %  
 For the three months ended June 30, 2010: 142,228 million yen (14.7)%

	Basic Earnings per Share Attributable to NTT DOCOMO, INC.	Diluted Earnings per Share Attributable to NTT DOCOMO, INC.
Three months ended June 30, 2011	3,828.24 (yen)	—
Three months ended June 30, 2010	3,416.64 (yen)	—

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

### (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity (Net Assets)	NTT DOCOMO, INC. Shareholders' Equity	Shareholders' Equity Ratio	NTT DOCOMO, INC. Shareholders' Equity per Share
June 30, 2011	6,700,386	4,934,349	4,908,427	73.3 %	118,367.76 (yen)
March 31, 2011	6,791,593	4,877,594	4,850,436	71.4 %	116,969.29 (yen)

## 2. Dividends

Date of Record	Cash Dividends per Share (yen)				
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year End	Total
Year ended March 31, 2011	—	2,600.00	—	2,600.00	5,200.00
Year ending March 31, 2012	—	—	—	—	—
Year ending March 31, 2012 (Forecasts)	—	2,800.00	—	2,800.00	5,600.00

(Note) Revisions to the forecasts of dividends: None

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

(Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Income before Income Taxes	Net Income Attributable to NTT DOCOMO, INC.	Basic Earnings per Share Attributable to NTT DOCOMO, INC.
Six months ending September 30, 2011	— —	— —	— —	— —	—
Year ending March 31, 2012	4,230,000 0.1 %	850,000 0.6 %	854,000 2.2 %	502,000 2.3 %	12,105.84

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

(Note) Revisions to the forecasts of consolidated financial results: None

#### 4. Others

(1) Changes in significant subsidiaries (Changes in significant subsidiaries for the three months ended June 30, 2011 which resulted in changes in scope of consolidation)		None
(2) Application of simplified or exceptional accounting		None
(3) Changes in accounting policies		
i. Changes due to revision of accounting standards and other regulations:		Yes
ii. Others: (Refer to "2. (3) Changes in Accounting Policies" on page 10, contained in the attachment for more information.)		None
(4) Number of issued shares (common stock)		
i. Number of issued shares (inclusive of treasury stock):	As of June 30, 2011:	43,650,000 shares
	As of March 31, 2011:	43,650,000 shares
ii. Number of treasury stock:	As of June 30, 2011:	2,182,399 shares
	As of March 31, 2011:	2,182,399 shares
iii. Number of weighted average common shares outstanding:	For the three months ended June 30, 2011:	41,467,601 shares
	For the three months ended June 30, 2010:	41,605,742 shares

\* Presentation on the status of quarterly review process:

This earnings release is not subject to the quarterly review process as required by the Financial Instruments and Exchange Act of Japan. As of the date when this earnings release was issued, the review process on quarterly financial statements as required by the Financial Instruments and Exchange Act had not been finalized.

\* Explanation for forecasts of operations and other notes:

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and certain assumptions that we regard as reasonable, and therefore actual results may differ materially from those contained in, or suggested by, any forward-looking statements. With regard to the assumptions and other related matters concerning forecasts for the fiscal year ending March 31, 2012, refer to "1. (3) Prospects for the Fiscal Year Ending March 31, 2012" on page 9 and "5. Special Note Regarding Forward-Looking Statements" on page 18, contained in the attachment.

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## 1. Information on Consolidated Results

### (1) Operating Results

#### i. Business Overview

As Japan's mobile telecommunications market continues to mature in line with the rise in cellular penetration rate, competition among operators remains intense in such areas as acquisition of subscribers and further improvement of service offerings.

Under these market conditions, we developed our new corporate vision, "Pursuing Smart Innovation: HEART." Our goal is to evolve into an comprehensive service provider centered around mobile communications.

Based on our medium-term action plan "Change and Challenge," we continued to promote various measures aimed at improving customer satisfaction. Positioning this fiscal year as the second year of execution phase to realize the goals of our "Challenge" programs, we are swiftly and steadily implementing various measures including further penetration of smartphones to achieve an increase in packet ARPU and the expansion of LTE-based communications service "Xi" (pronounced "crossy").

We have devoted our all-out efforts toward a quick recovery of communication facilities affected by the Great East Japan Earthquake, and as a result we were able to restore most of the coverage by the end of May, except for the areas with severe access difficulties. At present, we are moving ahead with the plan for a full restoration by the end of September. In addition, we implemented new disaster preparedness measures in April to secure cellular services and quick response to the affected areas at the time of a major disaster, and installation of UPS (uninterruptible power supply) and batteries with 24-hour life for base stations are already under way. In the coming months we will continue to install large zone schemes where a single base station covers multiple stations, and develop disaster voice message service, so that we can provide further security and safety to our customers. We are aiming to complete these new disaster preparedness measures mostly by the end of December, 2011.

For the three months ended June 30, 2011, in our cellular services revenues, while the voice revenue decreased by ¥43.9 billion due to a decline in voice ARPU, packet revenue increased by ¥30.3 billion through our endeavors to boost packet usage and expand the uptake of flat-rate packet services. Other revenues grew by ¥3.7 billion owing mainly to an increase in the subscriptions to "Mobile Phone Protection and Delivery Service." Equipment sales revenues dropped by ¥32.2 billion primarily due to a decrease in wholesale price per unit. Consequently, we recognized operating revenues of ¥1,047.3 billion (a decrease of ¥42.0 billion from the same period of the previous fiscal year). Operating expenses declined by ¥69.2 billion from the same period of the previous fiscal year to ¥779.6 billion, primarily due to our continued efforts to streamline other costs. As a result of the foregoing, we recorded operating income of ¥267.7 billion (an increase of ¥27.2 billion from the same period of the previous fiscal year). Income before income taxes was ¥270.3 billion and net income attributable to NTT DOCOMO, INC. was ¥158.7 billion.

Consolidated results of operations for the three months ended June 30, 2010 and 2011 were as follows:

<Results of operations>

	Billions of yen			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	
Operating revenues	¥ 1,089.2	¥ 1,047.3	¥ (42.0)	(3.9)%
Operating expenses	848.7	779.6	(69.2)	(8.1)
Operating income	240.5	267.7	27.2	11.3
Other income (expense)	0.0	2.5	2.5	-
Income before income taxes	240.6	270.3	29.7	12.3
Income taxes	97.1	109.4	12.3	12.7
Equity in net income (losses) of affiliates	(0.9)	(2.2)	(1.3)	(138.4)
Net income	142.6	158.7	16.1	11.3
Less: Net (income) loss attributable to noncontrolling interests	(0.4)	0.1	0.5	-
Net income attributable to NTT DOCOMO, INC.	¥ 142.2	¥ 158.7	¥ 16.6	11.7 %
EBITDA margin*	36.9 %	40.8 %	3.9 point	-
ROCE before tax effect*	4.6 %	5.0 %	0.4 point	-
ROCE after tax effect*	2.7 %	3.0 %	0.3 point	-

\* EBITDA and EBITDA margin, as we use them in this earnings release, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definitions of EBITDA, EBITDA margin, ROCE before tax effect and ROCE after tax effect, see "4. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 17.

<Operating revenues>

	Billions of yen			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	
Wireless services	¥ 943.9	¥ 934.1	¥ (9.8)	(1.0)%
Cellular services revenues	864.2	850.6	(13.5)	(1.6)
- Voice revenues	449.2	405.4	(43.9)	(9.8)
- Packet communications revenues	414.9	445.3	30.3	7.3
Other revenues	79.7	83.5	3.7	4.7
Equipment sales	145.3	113.2	(32.2)	(22.1)
Total operating revenues	¥ 1,089.2	¥ 1,047.3	¥ (42.0)	(3.9)%

Note: Voice revenues include data communications revenues through circuit switching systems.

<Operating expenses>

	Billions of yen			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	
Personnel expenses	¥ 65.8	¥ 68.1	¥ 2.2	3.4 %
Non-personnel expenses	539.3	477.7	(61.6)	(11.4)
Depreciation and amortization	158.1	155.8	(2.3)	(1.4)
Loss on disposal of property, plant and equipment and intangible assets	5.5	4.9	(0.6)	(11.4)
Communication network charges	70.3	63.7	(6.6)	(9.4)
Taxes and public dues	9.8	9.5	(0.3)	(3.0)
Total operating expenses	¥ 848.7	¥ 779.6	¥ (69.2)	(8.1)%

**ii. Segment Results****Mobile phone business—**

During the three months ended June 30, 2011, we continually implemented various business transformations from a customer-centric perspective, and also released 16 new models including smartphones such as “Galaxy S II”, to offer products and services catered to the diverse needs of customers. The number of smartphones sold during the three months ended June 30, 2011 reached 1.30 million units. We also achieved No. 1 ranking for three consecutive years in the “Mobile Data Communication Terminal Satisfaction Survey” conducted by Nikkei BP Consulting. \*

Furthermore, in the “Xi” service launched in the Tokyo/Nagoya/Osaka areas in December 2010, we newly released a mobile Wi-Fi router “L-09C” and other models, and we are preparing to expand the service coverage to the six major cities nationwide.

As part of our efforts toward further growth through increase of packet ARPU, we concluded an alliance agreement with DeNA Co., Ltd. in April 2011, in the rapidly growing field of social games. In addition, in May 2011, we entered into a strategic alliance with Twitter, Inc. to develop innovative services incorporating features of Twitter™.

As of June 30, 2011, the total number of our cellular service subscriptions was 58.41 million (an increase of 1.9 million compared to the number as of June 30, 2010), and our cellular churn rate for the three months ended June 30, 2011 was 0.49%. Although the packet ARPU increased from the same period of the previous fiscal year as packet usage grew due to increased penetration of smartphones, the voice ARPU posted a decrease which was negatively affected by factors, such as the expanded subscription of “Value Plan,” which was launched in November 2007, growing to approximately 42.8 million. As a result, the aggregate ARPU in the three months ended June 30, 2011 decreased by 4.4% from the same period of the previous fiscal year to ¥4,960.

With regard to equipment sales, equipment sales revenues and cost of equipment sold decreased from the same period of the previous fiscal year due primarily to a decline of purchase and wholesale prices per unit.

As a result of the foregoing, operating revenues and operating income from mobile phone business for the three months ended June 30, 2011 were ¥1,015.8 billion (a decrease of ¥38.2 billion from the same period of the previous fiscal year), and ¥270.3 billion (an increase of ¥28.3 billion from the same period of the previous fiscal year) respectively.

\*: According to the “Third Mobile Data Communication Terminal Satisfaction Survey” (conducted in March 2011) – a customer satisfaction survey on services provided by mobile data communications carriers (LTE, 3G and WiMax) conducted by Nikkei BP Consulting, Inc..

<http://consult.nikkeibp.co.jp/consult/news/2011/mobile0516/>

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

<Number of subscriptions by services>

	Thousand subscriptions		Increase	
	June 30, 2010	June 30, 2011	(Decrease)	
Cellular services	56,515	<b>58,415</b>	1,900	3.4%
Cellular (Xi) services	—	<b>121</b>	—	—
Cellular (FOMA) services	54,162	<b>57,324</b>	3,162	5.8
Cellular (mova) services	2,352	<b>969</b>	(1,383)	(58.8)
packet flat-rate services	27,491	<b>33,109</b>	5,618	20.4
i-mode services	49,061	<b>47,450</b>	(1,610)	(3.3)
sp-mode services	—	<b>3,296</b>	—	—
i-channel services	16,757	<b>15,705</b>	(1,052)	(6.3)
i-concier services	4,783	<b>6,135</b>	1,352	28.3

- Notes: 1. Number of subscriptions to Cellular services, Cellular (FOMA) services and Cellular (mova) services includes Communication Module services subscriptions.  
 2. Effective March 3, 2008, FOMA subscription became mandatory for subscription to “2in1” services, and those FOMA subscriptions are included in the number of FOMA subscriptions.  
 3. Number of subscriptions to packet flat-rate services includes subscriptions to “Pake-hodai Flat,” “Pake-hodai double,” “Pake-hodai double 2,” “Pake-hodai simple,” “Pake-hodai full,” “Pake-hodai,” “Biz-hodai,” “Xi data plan Ninen,” “Xi data plan,” “Flat-rate data plan Flat,” “Flat-rate data plan Standard,” “Flat-rate data plan Standard2,” “Flat-rate data plan 64K,” and “Flat-rate data plan HIGH-SPEED.”  
 4. Number of i-mode subscriptions includes Cellular (FOMA) i-mode subscriptions and Cellular (mova) i-mode subscriptions.

<Number of handsets sold and churn rate>

	Thousand units		Increase	
	Three months ended June 30, 2010	Three months ended June 30, 2011	(Decrease)	
Number of handsets sold	4,615	<b>4,645</b>	30	0.6 %
Cellular (Xi) services				
New Xi subscription	—	<b>97</b>	—	—
Change of subscription from FOMA or mova	—	<b>1</b>	—	—
Xi handset upgrade by Xi subscribers	—	<b>0</b>	—	—
Cellular (FOMA) services				
New FOMA subscription	1,167	<b>1,161</b>	(6)	(0.5)
Change of subscription from Xi or mova	453	<b>208</b>	(246)	(54.2)
FOMA handset upgrade by FOMA subscribers	2,991	<b>3,176</b>	184	6.2
Cellular (mova) services				
New mova subscription	2	<b>0</b>	(2)	(76.9)
mova handset upgrade by mova subscribers and change of subscription from Xi or FOMA	1	<b>0</b>	(1)	(69.1)
Churn Rate	0.44 %	<b>0.49 %</b>	0.05 point	—

## &lt;Trend of ARPU and MOU&gt;

	Yen			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	
Aggregate ARPU* (Xi+FOMA+mova)	¥ 5,190	¥ 4,960	¥ (230)	(4.4)%
Voice ARPU	2,680	2,340	(340)	(12.7)
Packet ARPU	2,510	2,620	110	4.4
Aggregate ARPU (FOMA)	5,260	4,980	(280)	(5.3)
Voice ARPU	2,670	2,340	(330)	(12.4)
Packet ARPU	2,590	2,640	50	1.9
Aggregate ARPU (mova)	3,330	3,230	(100)	(3.0)
Voice ARPU	2,770	2,680	(90)	(3.2)
Packet ARPU	560	550	(10)	(1.8)
MOU* (Xi+FOMA+mova) (minutes)	133	128	(5)	(3.8)%

\* See "4. (2) Definition and Calculation Methods of ARPU and MOU" on page 16 for definition and calculation methods.

Results of operations are as follows:

## &lt;Results of operations&gt;

	Billions of yen			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	
Operating revenues from mobile phone business	¥ 1,054.0	¥ 1,015.8	¥ (38.2)	(3.6)%
Operating income from mobile phone business	242.0	270.3	28.3	11.7



**Miscellaneous businesses—**

Operating revenues from miscellaneous businesses for the three months ended June 30, 2011 were ¥31.5 billion, which represented 3.0% of total operating revenues. The revenues derived mainly from home shopping services provided primarily through TV media, high-speed internet connection services for hotel facilities, advertisement services, development, sales and maintenance of IT systems, and credit services. Operating expenses and operating loss from miscellaneous businesses were ¥34.0 billion and ¥2.6 billion, respectively.

Results of operations are as follows:

<Results of operations>

	Billions of yen			Increase (Decrease)
	Three months ended June 30, 2010	<b>Three months ended June 30, 2011</b>		
Operating revenues from miscellaneous businesses	¥ 35.2	<b>¥ 31.5</b>	¥ (3.8)	(10.6)%
Operating income (loss) from miscellaneous businesses	(1.5)	<b>(2.6)</b>	(1.1)	(76.8)

**iii. Trend of Capital Expenditures**

We strived to improve the quality of our FOMA service area thoroughly, appropriately reinforced our network capacity to meet an increase in traffic demand and built the network infrastructure of “Xi” service area. Since we efficiently implemented these initiatives, total capital expenditures for the three months ended June 30, 2011 were ¥136.7 billion (down 3.0% compared to the same period of previous year).

<Capital expenditures>

	Billions of yen			Increase (Decrease)
	Three months ended June 30, 2010	<b>Three months ended June 30, 2011</b>		
Total capital expenditures	¥ 140.9	<b>¥ 136.7</b>	¥ (4.2)	(3.0)%
Mobile phone business	116.6	<b>111.7</b>	(4.9)	(4.2)
Other (including information systems)	24.3	<b>25.0</b>	0.7	2.9

**(2) Financial Review**
**i. Financial Position**

	Billions of yen					
	June 30, 2010	June 30, 2011	Increase (Decrease)		(Reference) March 31, 2011	
Total assets	¥ 6,652.7	¥ 6,700.4	¥ 47.6	0.7 %	¥ 6,791.6	
NTT DOCOMO, INC. shareholders' equity	4,669.9	4,908.4	238.5	5.1	4,850.4	
Liabilities	1,957.1	1,766.0	(191.1)	(9.8)	1,914.0	
Including: Interest bearing liabilities	610.0	422.6	(187.4)	(30.7)	428.4	
Shareholders' equity ratio (1)	70.2 %	73.3 %	3.1 point	—	71.4 %	
Debt ratio (2)	11.6 %	7.9 %	(3.7)point	—	8.1 %	

Notes: (1) Shareholders' equity ratio = NTT DOCOMO, INC. shareholders' equity / Total assets

(2) Debt ratio = Interest bearing liabilities / (NTT DOCOMO, INC. shareholders' equity + Interest bearing liabilities)

**ii. Cash Flow Conditions**

For the three months ended June 30, 2011, net cash provided by operating activities was ¥272.2 billion, an increase of ¥30.9 billion (12.8 %) from the same period of the previous fiscal year, mainly due to a decrease of the advance payments in relation to subscribers' handset purchases under the installment method and due to a decrease in the payment of income taxes.

Net cash used in investing activities was ¥359.4 billion, an increase of uses by ¥357.1 billion from the same period of the previous fiscal year. This was mainly due to an increase in purchases of short-term investments of more than three months for cash management purpose and due to a decrease of proceeds from redemption of short-term investments.

Net cash used in financing activities was ¥113.9 billion, an increase of uses by ¥5.6 billion (5.2 %) from the same period of the previous fiscal year. This was mainly due to an increase in repayment of long-term debt.

The balance of cash and cash equivalents was ¥564.7 billion as of March 31, 2011, a decrease of ¥200.9 billion (26.2%) from the previous fiscal year end.

	Billions of yen					
	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)			
Net cash provided by operating activities	¥ 241.3	¥ 272.2	¥ 30.9	12.8 %		
Net cash used in investing activities	(2.3)	(359.4)	(357.1)	—		
Net cash provided by (used in) financing activities	(108.3)	(113.9)	(5.6)	5.2		
Free cash flows (1)	239.0	(87.2)	(326.2)	—		
Free cash flows excluding the effects of changes in investments for cash management purposes (2)*	47.2	82.5	35.4	75.0		

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

\* See "4. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 17.

**(3) Prospects for the Fiscal Year Ending March 31, 2012**

As Japan's mobile phone market continues to mature in line with the rise in cellular penetration rate, competition among operators is expected to remain intense in such areas as acquisition of subscribers and further improvement of service offerings.

Under these market conditions, although a decline in voice ARPU due to the penetration of "Value Plan" is projected, operating revenues for the fiscal year ending March 31, 2012 are estimated to be ¥4,230.0 billion, an increase of ¥5.7 billion from the previous fiscal year, primarily due to the projected increase in packet ARPU and equipment sales revenues as a result of our efforts to strengthen sales of smartphones, to accelerate the migration to "Xi," and to boost subscribers' packet usage.

On the expense side, while recovery operations related to the Great East Japan Earthquake, enhancements in the disaster prevention system and the actions aimed for expanding future revenues and enhancing customer satisfaction are expected to be implemented, operating expenses are estimated to be approximately the same level as those of the previous fiscal year because we will also promote our various efforts to make our operations efficient. Accordingly, operating income is estimated to be ¥850.0 billion, an increase of ¥5.3 billion from the previous fiscal year.

As we are not currently aware of any factor that may have a material impact on our projected results of operations, we have not revised our guidance announced on April 28, 2011.

## 2. Other Information

### (1) Changes in Significant Subsidiaries

None

### (2) Application of Simplified or Exceptional Accounting

None

### (3) Changes in Accounting Policies

#### Multiple-Deliverable Revenue Arrangements

Effective April 1, 2011, DOCOMO adopted Accounting Standards Update (“ASU”) 2009-13 “Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements” issued by Financial Accounting Standards Board (“FASB”) in October 2009. ASU2009-13 requires allocation of the overall consideration to each deliverable in an arrangement with multiple deliverables using the estimated selling price in the absence of vendor-specific objective evidence or third-party evidence of selling price for deliverables and eliminates residual method of allocation. The adoption of ASU2009-13 did not have a material impact on DOCOMO’s results of operations and financial position.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2011	June 30, 2011
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 765,551	¥ 564,701
Short-term investments	141,028	320,768
Accounts receivable	762,411	722,190
Credit card receivables	160,446	171,467
Allowance for doubtful accounts	(18,021)	(18,306)
Inventories	146,357	143,657
Deferred tax assets	83,609	77,167
Prepaid expenses and other current assets	113,918	120,747
<b>Total current assets</b>	<b>2,155,299</b>	<b>2,102,391</b>
<b>Property, plant and equipment:</b>		
Wireless telecommunications equipment	5,569,818	5,611,665
Buildings and structures	845,588	847,554
Tools, furniture and fixtures	507,914	512,336
Land	198,842	199,121
Construction in progress	95,251	107,263
Accumulated depreciation and amortization	(4,694,094)	(4,776,010)
<b>Total property, plant and equipment, net</b>	<b>2,523,319</b>	<b>2,501,929</b>
<b>Non-current investments and other assets:</b>		
Investments in affiliates	525,456	536,032
Marketable securities and other investments	128,138	127,445
Intangible assets, net	672,256	669,902
Goodwill	205,573	206,389
Other assets	249,919	237,034
Deferred tax assets	331,633	319,264
<b>Total non-current investments and other assets</b>	<b>2,112,975</b>	<b>2,096,066</b>
<b>Total assets</b>	<b>¥ 6,791,593</b>	<b>¥ 6,700,386</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	¥ 173,102	¥ 181,749
Short-term borrowings	276	877
Accounts payable, trade	609,337	530,469
Accrued payroll	54,801	40,384
Accrued interest	916	551
Accrued income taxes	162,032	90,430
Other current liabilities	122,704	162,165
<b>Total current liabilities</b>	<b>1,123,168</b>	<b>1,006,625</b>
<b>Long-term liabilities:</b>		
Long-term debt (exclusive of current portion)	255,000	240,000
Accrued liabilities for point programs	199,587	187,416
Liability for employees' retirement benefits	152,647	154,833
Other long-term liabilities	183,597	177,163
<b>Total long-term liabilities</b>	<b>790,831</b>	<b>759,412</b>
<b>Total liabilities</b>	<b>1,913,999</b>	<b>1,766,037</b>
<b>Equity:</b>		
NTT DOCOMO, INC. shareholders' equity		
Common stock	949,680	949,680
Additional paid-in capital	732,914	732,914
Retained earnings	3,621,965	3,672,897
Accumulated other comprehensive income (loss)	(76,955)	(69,896)
Treasury stock, at cost	(377,168)	(377,168)
<b>Total NTT DOCOMO, INC. shareholders' equity</b>	<b>4,850,436</b>	<b>4,908,427</b>
Noncontrolling interests	27,158	25,922
<b>Total equity</b>	<b>4,877,594</b>	<b>4,934,349</b>
<b>Total liabilities and equity</b>	<b>¥ 6,791,593</b>	<b>¥ 6,700,386</b>

**(2) Consolidated Statements of Income and Comprehensive Income**

	Millions of yen	
	Three Months Ended June 30, 2010	Three Months Ended June 30, 2011
<b>Operating revenues:</b>		
Wireless services	¥ 943,896	¥ 934,104
Equipment sales	145,348	113,185
Total operating revenues	1,089,244	1,047,289
<b>Operating expenses:</b>		
Cost of services (exclusive of items shown separately below)	222,191	218,452
Cost of equipment sold (exclusive of items shown separately below)	184,513	149,688
Depreciation and amortization	158,050	155,787
Selling, general and administrative	283,972	255,647
Total operating expenses	848,726	779,574
<b>Operating income</b>	240,518	267,715
<b>Other income (expense):</b>		
Interest expense	(1,327)	(906)
Interest income	357	318
Other, net	1,011	3,128
Total other income (expense)	41	2,540
<b>Income before income taxes</b>	240,559	270,255
<b>Income taxes:</b>		
Current	89,666	92,120
Deferred	7,396	17,272
Total income taxes	97,062	109,392
<b>Equity in net income (losses) of affiliates, net of applicable taxes</b>	(912)	(2,174)
<b>Net income</b>	142,585	158,689
Less: Net (income) loss attributable to noncontrolling interests	(433)	59
<b>Net income attributable to NTT DOCOMO, INC.</b>	¥ 142,152	¥ 158,748
<b>Net income</b>	¥ 142,585	¥ 158,689
<b>Other comprehensive income (loss):</b>		
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(8,957)	250
Change in fair value of derivative instruments, net of applicable taxes	(25)	(7)
Foreign currency translation adjustment, net of applicable taxes	9,100	6,678
Pension liability adjustment, net of applicable taxes	(36)	147
Total other comprehensive income (loss)	82	7,068
<b>Comprehensive income</b>	142,667	165,757
Less: Comprehensive (income) loss attributable to noncontrolling interests	(439)	50
<b>Comprehensive income attributable to NTT DOCOMO, INC.</b>	¥ 142,228	¥ 165,807
<b>PER SHARE DATA</b>		
Weighted average common shares outstanding – Basic and Diluted (shares)	41,605,742	41,467,601
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen)	¥ 3,416.64	¥ 3,828.24

**(3) Consolidated Statements of Cash Flows**

	Millions of yen			
	Three Months Ended June 30, 2010		Three Months Ended June 30, 2011	
<b>Cash flows from operating activities:</b>				
Net income	¥	142,585	¥	158,689
Adjustments to reconcile net income to net cash provided by operating activities–				
Depreciation and amortization		158,050		155,787
Deferred taxes		6,582		15,145
Loss on sale or disposal of property, plant and equipment		2,971		3,609
Equity in net (income) losses of affiliates		1,705		4,056
Changes in assets and liabilities:				
(Increase) / decrease in accounts receivable		52,737		40,473
(Increase) / decrease in credit card receivables		(8,039)		(6,044)
Increase / (decrease) in allowance for doubtful accounts		(460)		260
(Increase) / decrease in inventories		(17,024)		2,726
(Increase) / decrease in prepaid expenses and other current assets		(6,047)		(6,795)
(Increase) / decrease in non-current installment receivables for handsets		(733)		997
Increase / (decrease) in accounts payable, trade		(34,929)		(36,816)
Increase / (decrease) in accrued income taxes		(98,761)		(71,614)
Increase / (decrease) in other current liabilities		34,324		39,372
Increase / (decrease) in accrued liabilities for point programs		629		(12,171)
Increase / (decrease) in liability for employees' retirement benefits		1,950		2,185
Increase / (decrease) in other long-term liabilities		12,392		(6,029)
Other, net		(6,618)		(11,623)
Net cash provided by operating activities		241,314		272,207
<b>Cash flows from investing activities:</b>				
Purchases of property, plant and equipment		(113,936)		(111,634)
Purchases of intangible and other assets		(75,760)		(71,363)
Purchases of non-current investments		(2,216)		(8,229)
Proceeds from sale of non-current investments		447		1,855
Purchases of short-term investments		(160,577)		(310,677)
Redemption of short-term investments		282,431		140,952
Proceeds from redemption of short-term bailment for consumption to a related party		70,000		—
Other, net		(2,697)		(329)
Net cash used in investing activities		(2,308)		(359,425)
<b>Cash flows from financing activities:</b>				
Repayment of long-term debt		—		(6,000)
Proceeds from short-term borrowings		105		552
Repayment of short-term borrowings		(109)		—
Principal payments under capital lease obligations		(943)		(1,128)
Dividends paid		(106,144)		(106,078)
Other, net		(1,243)		(1,280)
Net cash provided by (used in) financing activities		(108,334)		(113,934)
Effect of exchange rate changes on cash and cash equivalents		(176)		302
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>130,496</b>		<b>(200,850)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>357,715</b>		<b>765,551</b>
<b>Cash and cash equivalents at end of period</b>	¥	<b>488,211</b>	¥	<b>564,701</b>
<b>Supplemental disclosures of cash flow information:</b>				
<b>Cash received during the period for:</b>				
Income tax refunds	¥	3	¥	131
<b>Cash paid during the period for:</b>				
Interest, net of amount capitalized		1,187		1,270
Income taxes		188,401		163,537

**(4) Going Concern Assumption**

None

**(5) Segment Reporting**

Three months ended June 30, 2010	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Operating revenues	¥ 1,054,016	¥ 35,228	¥ 1,089,244
Operating expenses	812,046	36,680	848,726
Operating income (loss)	¥ 241,970	¥ (1,452)	¥ 240,518

<b>Three months ended June 30, 2011</b>	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Operating revenues	<b>¥ 1,015,811</b>	<b>¥ 31,478</b>	<b>¥ 1,047,289</b>
Operating expenses	<b>745,529</b>	<b>34,045</b>	<b>779,574</b>
Operating income (loss)	<b>¥ 270,282</b>	<b>¥ (2,567)</b>	<b>¥ 267,715</b>

DOCOMO does not disclose geographical information since the amounts of operating revenues generated outside Japan are immaterial.

**(6) Significant Changes in NTT DOCOMO, INC. Shareholders' Equity**

None



## 4. Appendices

### (1) Operating Data for 1st Quarter of the Fiscal Year Ending March 31, 2012

Full-year Forecast: as announced on April 28, 2011

		【Ref.】 Fiscal Year Ended Mar. 31, 2011 Full-year Results	【Ref.】 First Quarter (Apr. - Jun. 2010) Results	Fiscal Year Ending Mar. 31, 2012 First Quarter (Apr. - Jun. 2011) Results	【Ref.】 Fiscal Year Ending Mar. 31, 2012 Full-year Forecast
<b>Number of Subscriptions and Other Operating Data</b>					
Cellular Subscriptions	thousands	58,010	56,515	58,415	59,960
Xi	thousands	26	-	121	1,030
FOMA (1)	thousands	56,746	54,162	57,324	58,930
Communication Module Service (FOMA)	thousands	1,606	1,212	1,724	-
mova	thousands	1,239	2,352	969	-
Communication Module Service (DoPa)	thousands	363	482	306	-
Prepaid	thousands	21	36	16	-
Packet Flat-rate Services Subscriptions (2)	thousands	31,921	27,491	33,109	-
Market Share (3) (4)	%	48.5	49.7	48.2	-
Net Increase from Previous Period (4)	thousands	1,928	432	405	1,950
Xi	thousands	26	-	96	1,000
FOMA (1)	thousands	3,542	959	578	2,180
mova	thousands	(1,640)	(526)	(269)	(1,240)
Churn Rate (4)	%	0.47	0.44	0.49	-
Number of Handsets (Xi+FOMA+mova) Sold (5)	thousands	19,055	4,615	4,645	-
i-mode Subscriptions	thousands	48,141	49,061	47,450	44,440
sp-mode Subscriptions	thousands	2,095	-	3,296	7,230
i-channel Subscriptions	thousands	16,233	16,757	15,705	-
i-concier Subscriptions	thousands	6,224	4,783	6,135	-
DCMX Subscriptions (6)	thousands	12,321	11,640	12,463	12,960
<b>ARPU and MOU</b>					
<b>ARPU</b>					
Aggregate ARPU (Xi+FOMA+mova) (7)	yen/month/subscription	5,070	5,190	4,960	4,890
Voice ARPU (8)	yen/month/subscription	2,530	2,680	2,340	2,220
Packet ARPU	yen/month/subscription	2,540	2,510	2,620	2,670
ARPU Generated from International Services (9)	yen/month/subscription	90	80	80	90
Aggregate ARPU (FOMA) (7)	yen/month/subscription	5,120	5,260	4,980	4,910
Voice ARPU (8)	yen/month/subscription	2,520	2,670	2,340	2,220
Packet ARPU	yen/month/subscription	2,600	2,590	2,640	2,690
ARPU Generated from International Services (9)	yen/month/subscription	90	90	80	90
Aggregate ARPU (mova) (7)	yen/month/subscription	3,280	3,330	3,230	3,250
Voice ARPU (8)	yen/month/subscription	2,720	2,770	2,680	2,680
Packet ARPU	yen/month/subscription	560	560	550	570
ARPU Generated from International Services (9)	yen/month/subscription	0	0	0	20
<b>MOU</b>					
MOU (Xi+FOMA+mova) (10)	minute/month/subscription	134	133	128	-
MOU (FOMA) (10)	minute/month/subscription	137	137	129	-
MOU (mova) (10)	minute/month/subscription	44	45	39	-

\* Please refer to "4. (2) Definition and Calculation Methods of ARPU and MOU" for the definition of ARPU and MOU on page 16, and an explanation of the methods used to calculate ARPU and the number of active subscriptions.

- (1) Effective March 3, 2008, FOMA subscription became mandatory for subscription to "2in1" services, and those FOMA subscriptions are included in the number of FOMA subscribers.
- (2) Sum of "Pake-hodai FLAT," "Pake-hodai double/double 2," "Pake-hodai simple," "Pake-hodai full," "Pake-hodai," "Biz-hodai," "Xi Data Plan Ninen," "Xi Data Plan," "Flat-rate data plan FLAT (includes Value)," "Flat-rate data plan Standard/Standard 2 (includes Value)," "Flat-rate data plan 64K (includes Value)" and "Flat-rate data plan HIGH-SPEED (includes Value)."
- (3) Source for other cellular telecommunications operators: Data announced by Telecommunications Carriers Association
- (4) Data are calculated including communication module services subscriptions.
- (5) Sum of new subscriptions, change of subscription from FOMA/mova to Xi, Xi/mova to FOMA, Xi/FOMA to mova, Xi handset upgrade by Xi subscribers, FOMA handset upgrade by FOMA subscribers and mova handset upgrade by mova subscribers
- (6) Inclusive of DCMX mini subscriptions
- (7) Data are calculated excluding revenues and subscriptions to communication module services, "Phone Number Storage" and "Mail Address Storage."
- (8) Inclusive of circuit-switched data communication
- (9) Inclusive of voice communication and packet communication
- (10) Data are calculated excluding subscriptions to communication module services, "Phone Number Storage" and "Mail Address Storage."

**(2) Definition and Calculation Methods of ARPU and MOU**
**i. Definition of ARPU and MOU**
**a. 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 subscription basis. ARPU is calculated by dividing various revenue items included in operating revenues from our wireless services, such as basic monthly charges, voice communication charges and packet communication charges, from designated services which are incurred consistently each month, by the number of active subscriptions to the relevant services. Accordingly, the calculation of ARPU excludes revenues that are not representative of monthly average usage such as activation fees. We believe that our ARPU figures provide useful information to analyze the average usage per subscription and the impacts of changes in our billing arrangements. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations. This definition applies to all ARPU figures hereinafter.

**b. MOU (Minutes of Use): Average monthly communication time per subscription.**
**ii. ARPU Calculation Methods**
**a. ARPU (Xi+FOMA+mova)**

- Aggregate ARPU (Xi+FOMA+mova) = Voice ARPU (Xi+FOMA+mova) + Packet ARPU (Xi+FOMA+mova)
- Voice ARPU (Xi+FOMA+mova):  $\text{Voice ARPU (FOMA+mova) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (Xi+FOMA+mova)}$
- Packet ARPU (Xi+FOMA+mova):  $\text{Packet ARPU (Xi+FOMA+mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (Xi+FOMA+mova)}$

**b. ARPU (FOMA)**

- Aggregate ARPU (FOMA) = Voice ARPU (FOMA) + Packet ARPU (FOMA)
- Voice ARPU (FOMA):  $\text{Voice ARPU (FOMA) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (FOMA)}$
- Packet ARPU (FOMA):  $\text{Packet ARPU (FOMA) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (FOMA)}$

**c. ARPU (mova)**

- Aggregate ARPU (mova) = Voice ARPU (mova) + Packet ARPU (mova)
- Voice ARPU (mova):  $\text{Voice ARPU (mova) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (mova)}$
- Packet ARPU (mova):  $\text{Packet ARPU (mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (mova)}$

**iii. Active Subscriptions Calculation Methods**

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

Note: Subscriptions and revenues for communication module services, "Phone Number Storage" and "Mail Address Storage" services are not included in the ARPU and MOU calculations.

**(3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures**
**i. EBITDA and EBITDA margin**

	Billions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
a. EBITDA	¥ 401.5	¥ 427.1
Depreciation and amortization	(158.1)	(155.8)
Loss on sale or disposal of property, plant and equipment	(3.0)	(3.6)
Operating income	240.5	267.7
Other income (expense)	0.0	2.5
Income taxes	(97.1)	(109.4)
Equity in net income (losses) of affiliates	(0.9)	(2.2)
Less: Net (income) loss attributable to noncontrolling interests	(0.4)	0.1
b. Net income attributable to NTT DOCOMO, INC.	142.2	158.7
c. Operating revenues	1,089.2	1,047.3
EBITDA margin (=a/c)	36.9%	40.8%
Net income margin (=b/c)	13.1%	15.2%

Note: EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of regulation S-K and may not be comparable to similarly titled measures used by other companies.

**ii. ROCE after tax effect**

	Billions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
a. Operating income	¥ 240.5	¥ 267.7
b. Operating income after tax effect {=a*(1-effective tax rate)}	142.4	158.5
c. Capital employed	5,263.1	5,304.9
ROCE before tax effect (=a/c)	4.6%	5.0%
ROCE after tax effect (=b/c)	2.7%	3.0%

Notes: Capital employed = Two period ends average of (NTT DOCOMO, INC. shareholders' equity + Interest bearing liabilities)

Interest bearing liabilities = Current portion of long-term debt + Short-term borrowings + Long-term debt

Effective tax rate:40.8%

**iii. Free cash flows excluding changes in investments for cash management purposes**

	Billions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
Free cash flows excluding changes in investments for cash management purposes	¥ 47.2	¥ 82.5
Changes in investments for cash management purposes*	191.9	(169.7)
Free cash flows	239.0	(87.2)
Net cash used in investing activities	(2.3)	(359.4)
Net cash provided by operating activities	241.3	272.2

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.

## 5. Special Note Regarding Forward-Looking Statements

This earnings release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this earnings release were derived using certain assumptions that are 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. Potential risks and uncertainties include, without limitation, the following:

- (1) Changes in the business environment in the telecommunications industry, such as intensifying competition from other service providers, businesses or other technologies caused by Mobile Number Portability, new market entrants and other factors, or the expansion of the areas of competition could limit our acquisition of new subscriptions and retention of existing subscriptions, or may lead to diminishing ARPU or an increase in our costs and expenses.
- (2) Current and new services, usage patterns, and sales schemes introduced by our corporate group may not develop as planned, which could affect our financial condition and limit our growth.
- (3) The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group could restrict our business operations, which may adversely affect our financial condition and results of operations.
- (4) Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.
- (5) Other mobile service providers in the world may not adopt the technologies that are compatible with those used by our corporate group's mobile communications system on a continual basis, which could affect our ability to sufficiently offer international services.
- (6) Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.
- (7) As electronic payment capability and many other new features are built into our cellular phones/devices, and services of parties other than those belonging to our corporate group are provided through our cellular handsets/devices, potential problems resulting from malfunctions, defects or loss of handsets/devices, or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.
- (8) Social problems that could be caused by misuse of our products and services may adversely affect our credibility or corporate image.
- (9) Inadequate handling of confidential business information including personal information by our corporate group, contractors and others, may adversely affect our credibility or corporate image.
- (10) Owners of intellectual property rights that are essential for our business execution may not grant us the right to license or otherwise use such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and/or services, and we may also be held liable for damage compensation if we infringe the intellectual property rights of others.
- (11) Events and incidents caused by natural disasters, social infrastructure paralysis such as power shortages, proliferation of harmful substances, terror or other destructive acts, the malfunctioning of equipment or software bugs, deliberate incidents induced by computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause failure in our networks, distribution channels and/or other factors necessary for the provision of service, disrupting our ability to offer services to our subscribers, and may adversely affect our credibility and/or corporate image, or lead to a reduction of revenues and/or increase of costs.
- (12) Concerns about adverse health effects arising from wireless telecommunications may spread and consequently may adversely affect our financial condition and results of operations.
- (13) Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise influence that may not be in the interests of our other shareholders.

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