

NTT DOCOMO INC  
Form 6-K  
October 25, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR  
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of October, 2013**

**Commission File Number: 001-31221**

**Total number of pages: 79**

**NTT DOCOMO, INC.**

**(Translation of registrant's name into English)**

**Sanno Park Tower 11-1, Nagata-cho 2-chome**

**Chiyoda-ku, Tokyo 100-6150**

**Japan**

**(Address of principal executive offices)**

## Edgar Filing: NTT DOCOMO INC - Form 6-K

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

**Form 20-F** x **Form 40-F** "

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): "

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): "

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NTT DOCOMO, INC.

Date: October 25, 2013

By: /s/ MUTSUO YAMAMOTO  
**Mutsuo Yamamoto**

**Head of Investor Relations**

Information furnished in this form:

1. Earnings release for the six months ended September 30, 2013
2. Results for the first six months of the fiscal year ending March 31, 2014

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For the Six Months Ended September 30, 2013

October 25, 2013

**[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: Kaoru Kato, Representative Director, President and Chief Executive Officer  
Contact: Norihiro Demizu, Senior Manager, General Affairs Department / TEL +81-3-5156-1111  
Scheduled date for filing of quarterly report: October 31, 2013  
Scheduled date for dividend payment: November 20, 2013  
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 Six Months Ended September 30, 2013 (April 1, 2013 - September 30, 2013)**

## (1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

|                                     | Operating Revenues |        | Operating Income |        | Income before income taxes and equity in net income (losses) of affiliates |        | Net Income Attributable to NTT DOCOMO, INC. |        |
|-------------------------------------|--------------------|--------|------------------|--------|--|--------|---|--------|
| Six months ended September 30, 2013 | 2,198,971          | (0.4)% | 473,155          | 0.4%   | 481,772  | 3.5%   | 300,400                                     | 5.1%   |
| Six months ended September 30, 2012 | 2,207,320          | 4.5%   | 471,109          | (7.4)% | 465,586  | (9.0)% | 285,884                                     | (4.4)% |

(Note) Comprehensive income attributable to NTT DOCOMO, INC.:  
For the six months ended September 30, 2013: 330,379 million yen 11.0%  
For the six months ended September 30, 2012: 297,553 million yen 3.4%

|                                     | Basic Earnings per Share<br>Attributable to<br>NTT DOCOMO,<br>INC. | Diluted Earnings per Share<br>Attributable to<br>NTT DOCOMO,<br>INC. |
|-------------------------------------|--|--|
| Six months ended September 30, 2013 | 72.44(yen)   |  |
| Six months ended September 30, 2012 | 68.94(yen)   |  |

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

(Note) As we conducted a 1:100 stock split with an effective date of October 1, 2013, Basic Earnings per Share Attributable to NTT DOCOMO, INC. are calculated on the assumption that the stock split was conducted at the beginning of the fiscal period of 2012.

## (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

**Total Assets**

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|                    |           | Total Equity<br>(Net Assets) | NTT DOCOMO, INC.<br>Shareholders Equity | Shareholders<br>Equity Ratio | NTT DOCOMO, INC.<br>Shareholders Equity<br>per Share |
|--------------------|-----------|------------------------------|---|------------------------------|--|
| September 30, 2013 | 7,281,834 | 5,613,082                    | 5,574,359                               | 76.6%                        | 1,344.27(yen)  |
| March 31, 2013     | 7,169,725 | 5,410,565                    | 5,368,475                               | 74.9%                        | 1,294.62(yen)  |

(Note 1) The reported consolidated financial statements for the fiscal year ended March 2013 have been revised for the retrospective application of equity method for an investee, please see 3.(4) iv. Retrospective application of equity method for an investee on page 18.

(Note 2) As we conducted a 1:100 stock split with an effective date of October 1, 2013, NTT DOCOMO, INC. Shareholders Equity per Share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal period of 2012.

### 2. Dividends

| Date of Record                         | Cash Dividends per Share (yen) |                              |                             |          |          |
|--|--------------------------------|------------------------------|-----------------------------|----------|----------|
|  | End of the<br>First Quarter    | End of the<br>Second Quarter | End of the<br>Third Quarter | Year End | Total    |
| Year ended March 31, 2013              |                                | 3,000.00                     |                             | 3,000.00 | 6,000.00 |
| Year ending March 31, 2014             |                                | 3,000.00                     |                             |          |          |
| Year ending March 31, 2014 (Forecasts) |                                |                              |                             | 30.00    |          |

(Note 1) Revisions to the forecasts of dividends: None

(Note 2) As we conducted a 1:100 stock split with an effective date of October 1, 2013, dividend forecasts for the fiscal year ending March 31, 2014, take into account the stock split.

### 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2014 (April 1, 2013 - March 31, 2014)

(Millions of yen, except per share amounts)

|                            | Operating Revenues |      | Operating Income |      | Income before<br>income<br>taxes and equity in net<br>income (losses)<br>of affiliates |      | Net Income<br>Attributable to<br>NTT DOCOMO, INC. |      | Basic Earnings per<br>Share Attributable to<br>NTT DOCOMO,<br>INC. |
|----------------------------|--------------------|------|------------------|------|--|------|---|------|--|
|                            |                    |      |                  |      |  |      |   |      |  |
| Year ending March 31, 2014 | 4,640,000          | 3.8% | 840,000          | 0.3% | 842,000  | 1.0% | 510,000   | 3.9% | 122.99(yen)  |

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

(Note 1) Revisions to the forecasts of consolidated financial results: Yes

(Note 2) We conducted a 1:100 stock split with an effective date of October 1, 2013. Basic Earnings per Share attributable to NTT DOCOMO, INC. for the fiscal year ending March 31, 2014, takes into account the stock split.

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\* Notes:

|  |                      |
|--|----------------------|
| (1) Changes in significant subsidiaries<br>(Changes in significant subsidiaries for the six months ended September 30, 2013 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:  | None                 |
| ii. Others:  | None                 |
|  |                      |
| (4) Number of issued shares (common stock)   |                      |
| i. Number of issued shares (inclusive of treasury stock):  |                      |
| As of September 30, 2013:  | 4,365,000,000 shares |
| As of March 31, 2013:  | 4,365,000,000 shares |
| ii. Number of treasury stock:  |                      |
| As of September 30, 2013:  | 218,239,900 shares   |
| As of March 31, 2013:  | 218,239,900 shares   |
| iii. Number of weighted average common shares outstanding:   |                      |
| For the six months ended September 30, 2013:   | 4,146,760,100 shares |
| For the six months ended September 30, 2012:   | 4,146,760,100 shares |

As we conducted a 1:100 stock split with an effective date of October 1, 2013, Number of issued shares(common stock) are disclosed on the assumption that the stock split was conducted at the beginning of the fiscal period of 2012.

\* Presentation on the status of quarterly review procedure:

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

\* Explanation for forecasts of operations and other notes:

1. Forecast of results

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, 2014, refer to 1. (3) Prospects for the Fiscal Year Ending March 31, 2014 on page 11 and 5. Special Note Regarding Forward-Looking Statements on page 23, contained in the attachment.

2. Stock split

We conducted a 1:100 stock split with an effective date of October 1, 2013.

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**Earnings Release for the Six Months Ended September 30, 2013**

**1. Information on Consolidated Results**

**(1) Operating Results**

**i. Business Overview**

Amid a major transition driven mainly by the rapid proliferation of smartphones, the competition in Japan's mobile telecommunications market remains intense due to active movement of subscribers using the Mobile Number Portability (MNP) system and other factors.

Under these market conditions, based on our Medium-Term Vision 2015: Shaping a Smart Life, we have been taking steps for the reinforcement of our core mobile business and have been working on the expansion of new non-core businesses to create new value, thereby supporting the everyday lives of our customers and businesses to impart a sense of safety, security, convenience and efficiency as a Partner for a Smart Life.

In the fiscal year ending March 31, 2014, we are focusing on the expansion of smartphone user base and creation of new revenue sources leveraging docomo cloud while moving ahead with the structural reforms for the reinforcement of managerial foundation.

During the six months ended September 30, 2013, we started handling Apple Inc.'s iPhone<sup>®</sup> to further boost the uptake of smartphones, and continued our efforts to improve our Xi (LTE<sup>\*2</sup> services) in order to ensure safe, secure and high-quality network operations.

As part of the initiatives aimed at creating new revenue sources, we strived to enrich our dmarket portal and other docomo cloud features and content, and we agreed on a business and capital alliance with Tokyo Broadcasting System Holdings, Inc. toward the goal of enriching our dvideo store and other video content services for smartphones. We also accelerated our collaboration with external entities, announcing the acquisition of all shares in fine trade gmbh, the Austria-based e-commerce trading solution provider with payment options, for the purpose of expanding payment platforms for Europe.

Furthermore, we have moved ahead with our structural reform programs to solidify our managerial foundation, newly establishing the Structural Reform Office a unit responsible for performing a sweeping review of our business management and advancing the consideration for shift of resources to new business fields.

As a result of the foregoing, for the six months ended September 30, 2013, operating revenues decreased by ¥8.3 billion from the same period of the previous fiscal year to ¥2,199.0 billion due mainly to the impacts of penetration of the Monthly Support discount program and a decrease in MOU (Minutes Of Use), despite a favorable expansion of our new business fields, an increase in the number of Xi subscriptions and a growth in the user base of smartphones as a result of our active sales promotion.

Operating expenses decreased by ¥10.4 billion from the same period of the previous fiscal year to ¥1,725.8 billion as a result of cost efficiency improvement toward the goal of further strengthening our management structure, despite increasing costs for measures aimed to improve Xi network and expand new business fields.

As a result of the foregoing, we recorded operating income of ¥473.2 billion (an increase of ¥2.0 billion from the same period of the previous fiscal year).

Income before income taxes and equity in net income (losses) of affiliates was ¥481.8 billion, and net income attributable to NTT DOCOMO, INC. was ¥300.4 billion (an increase of ¥14.5 billion from the same period of the previous fiscal year).





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## DOCOMO Earnings Release

Six Months Ended September 30, 2013

\*1: iPhone is a trademark of Apple Inc.

The iPhone trademark is used under license from AIPHONE CO., LTD.

\*2: Abbreviation for Long Term Evolution, a mobile communications standard specified by international standardization body 3GPP (3<sup>rd</sup> Generation Partnership Project).

Consolidated results of operations for the six months ended September 30, 2013 and 2012 were as follows:

&lt;Results of operations&gt;

|   | Billions of yen                        |  |                        |        |
|---|--|--|------------------------|--------|
|   | Six months ended<br>September 30, 2012 | Six months ended<br>September 30, 2013 | Increase<br>(Decrease) |        |
| Operating revenues  | ¥ 2,207.3                              | ¥ 2,199.0                              | ¥ (8.3)                | (0.4)% |
| Operating expenses  | 1,736.2                                | 1,725.8                                | (10.4)                 | (0.6)  |
| Operating income  | 471.1                                  | 473.2                                  | 2.0                    | 0.4    |
| Other income (expense)  | (5.5)                                  | 8.6                                    | 14.1                   |        |
| Income before income taxes and equity in net<br>income (losses) of affiliates | 465.6                                  | 481.8                                  | 16.2                   | 3.5    |
| Income taxes  | 184.2                                  | 184.6                                  | 0.4                    | 0.2    |
| Income before equity in net income (losses) of<br>affiliates                  | 281.4                                  | 297.2                                  | 15.8                   | 5.6    |
| Equity in net income (losses) of affiliates, net of<br>applicable taxes       | (0.5)                                  | (0.0)                                  | 0.5                    | 94.4   |
| Net income  | 280.9                                  | 297.2                                  | 16.3                   | 5.8    |
| Less: Net (income) loss attributable to<br>noncontrolling interests           | 5.0                                    | 3.2                                    | (1.7)                  | (35.0) |
| Net income attributable to NTT DOCOMO, INC.                                   | ¥ 285.9                                | ¥ 300.4                                | ¥ 14.5                 | 5.1    |
| EBITDA margin*  | 36.5%                                  | 37.6%                                  | 1.1point               |        |
| ROCE before tax effect*   | 8.7%                                   | 8.3%                                   | (0.4)point             |        |
| ROCE after tax effect*  | 5.4%                                   | 5.1%                                   | (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 22.



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## &lt;Operating revenues&gt;

|                                  | Six months ended<br>September 30, 2012 | Billions of yen<br>Six months ended<br>September 30, 2013 | Increase<br>(Decrease) |               |
|----------------------------------|--|---|------------------------|---------------|
| Mobile communications services   | ¥ 1,606.3                              | ¥ 1,491.7   | ¥ (114.5)              | (7.1)%        |
| - Voice revenues                 | 668.5                                  | 542.4   | (126.1)                | (18.9)        |
| - Packet communications revenues | 937.8                                  | 949.3   | 11.6                   | 1.2           |
| Equipment sales                  | 362.4                                  | 399.4   | 37.1                   | 10.2          |
| Other operating revenues         | 238.7                                  | 307.8   | 69.1                   | 29.0          |
| <b>Total operating revenues</b>  | <b>¥ 2,207.3</b>                       | <b>¥ 2,199.0</b>  | <b>¥ (8.3)</b>         | <b>(0.4)%</b> |

## Notes:

1. Voice revenues include data communications revenues through circuit switching systems.
2. Certain reclassifications have been made to Operating revenues for the same period of the previous fiscal year to conform to the presentation used for the six months ended September 30, 2013.

## &lt;Operating expenses&gt;

|   | Six months ended<br>September 30, 2012 | Billions of yen<br>Six months ended<br>September 30, 2013 | Increase<br>(Decrease) |               |
|---|--|---|------------------------|---------------|
| Personnel expenses  | ¥ 138.0                                | ¥ 142.7   | ¥ 4.7                  | 3.4%          |
| Non-personnel expenses  | 1,123.5                                | 1,085.1   | (38.4)                 | (3.4)         |
| Depreciation and amortization   | 324.2                                  | 339.1   | 14.9                   | 4.6           |
| Loss on disposal of property, plant and equipment and intangible assets | 22.5                                   | 32.1  | 9.6                    | 42.7          |
| Communication network charges   | 108.5                                  | 107.2   | (1.2)                  | (1.1)         |
| Taxes and public dues   | 19.5                                   | 19.6  | 0.1                    | 0.4           |
| <b>Total operating expenses</b>   | <b>¥ 1,736.2</b>                       | <b>¥ 1,725.8</b>  | <b>¥ (10.4)</b>        | <b>(0.6)%</b> |

## ARPU and MOU

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

|                 | Six months ended<br>September 30, 2012 | Yen<br>Six months ended<br>September 30, 2013 | Increase<br>(Decrease) |        |
|-----------------|--|---|------------------------|--------|
| Aggregate ARPU* | ¥ 4,900                                | ¥ 4,600                                       | ¥ (300)                | (6.1)% |
| Voice ARPU      | 1,850                                  | 1,450   | (400)                  | (21.6) |

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|                |       |              |      |        |
|----------------|-------|--------------|------|--------|
| Packet ARPU    | 2,660 | <b>2,670</b> | 10   | 0.4    |
| Smart ARPU     | 390   | <b>480</b>   | 90   | 23.1   |
| MOU* (minutes) | 119   | <b>108</b>   | (11) | (9.2)% |

\* See 4. (2) Definition and Calculation Methods of ARPU and MOU on page 21 for definition and calculation methods.

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**DOCOMO Earnings Release**

**Six Months Ended September 30, 2013**

**ii. Segment Results**

**Mobile phone business**

With the aim of expanding our smartphone user base, we have been reinforcing our offerings of devices, network and services, which are the basic components of our business, and we have been delivering state-of-the-art services that are only available from us, leveraging our proprietary docomo cloud technology.

«1. Expansion of Smartphone User Base»

<Devices>

We started marketing iPhone 5s and iPhone 5c from September 2013.

We released Raku-Raku SMARTPHONE 2, an easy-to-use smartphone compatible with our Xi LTE service featuring high-speed and high-capacity access as well as our proprietary dmarket portal. In October 2013, we introduced Raku-Raku SMARTPHONE PREMIUM, newly offering compatibility with Google Play™.

<Network>

We continued to make efforts to expand the Xi service area by increasing the number of Xi base stations to 37,000. We also commenced trial operations in some limited areas of Kanagawa, Osaka and Kyoto to prepare for the launch of ultra-high speed communications service that offers downlink speeds of up to 150Mbps on our Xi LTE network.

During climbing season for Mount Fuji many people visit to, we provided Xi services for the first time at certain areas such as the top of the mountain, the starting point for climbers, trails and lodges, in addition to FOMA services from July to August, 2013.

We expanded the coverage of docomo Wi-Fi public wireless LAN service that offers high-speed and large-capacity data access to the users of smartphones and other devices, introducing new spots primarily in large-scale commercial facilities, restaurant chains and railway stations for the convenience of users.

<Services>

We started offering a new O2O\*2 platform, Shoplat that allows users to obtain information pertaining to valuable offers or discount coupons by visiting a shop participating in the program with their smartphone application activated.

We started Online Handset Repair Acceptance Service, enabling users to apply for handset repair from our website.

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The total subscriptions to Osusume Pack, which provides a bundle of recommended services that allows users to use their smartphones in various convenient ways, topped 1 million in July 2013. The total subscriptions to Anshin Pack, a package of services designed to ensure worry-free use of smartphones, exceeded 2.50 million in September 2013.

As a result of the foregoing, the total number of smartphones sold in the six months ended September 30, 2013 reached approximately 6.32 million units, and the total number of Xi subscriptions as of September 30, 2013 grew to approximately 16.40 million.

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**DOCOMO Earnings Release**

**Six Months Ended September 30, 2013**

«2. Creation of New Revenue Sources Leveraging docomo cloud »

The total subscriptions to danime store, our animation video distribution service for smartphones, topped 1 million in August 2013.

As a functional enhancement of our SmartTV dstick 01, a stick-type device that allows users to view dvideo and other contents on ordinary TVs by inserting the device into the TV's external interface socket, we added compatibility with our Photo Collection service an easy-to-use cloud-based solution for storing or organizing photographs and videos stored in smartphones to enable users to view them on TV screens.

The total number of cellular subscriptions as of September 30, 2013 was 61.77 million (an increase of 0.99 million compared to the number as of September, 30, 2012) due to brisk smartphone sales. However, the competition with other carriers for the acquisition of net additions remained intense, and the impact of subscriber port-outs using the MNP system expanded. As a consequence, our cellular churn rate for the six months ended September 30, 2013 increased by 0.09 points from the same period of the previous fiscal year to 0.86%.

While voice revenues decreased by ¥126.1 billion, due mainly to the impacts of penetration of the Monthly Support discount program and a decrease in MOU (Minutes Of Use), packet revenues increased by ¥11.6 billion due to an increase in the number of Xi subscriptions and a growth in the number of smartphone users as a result of our active sales promotion. Equipment sales revenues grew by ¥37.1 billion due to an increase in the number of handsets sold.

As a result of the foregoing, operating revenues and operating income from the mobile phone business for the six months ended September 30, 2013, were ¥2,090.6 billion (a decrease of ¥38.1 billion from the same period of the previous fiscal year) and ¥480.8 billion (a decrease of ¥6.0 billion from the same period of the previous fiscal year), respectively.

\*1: Google Play is a trademark or registered trademark of Google Inc.

\*2: Abbreviation for Online to Offline, a mechanism for attracting consumers to retail stores, commercial facilities or other physical shops (offline) using the Internet (online) and stimulating purchase of products and services.

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

&lt;Number of subscriptions by services&gt;

|                           | Thousand subscriptions |                    | Increase   |        |
|---------------------------|------------------------|--------------------|------------|--------|
|                           | September 30, 2012     | September 30, 2013 | (Decrease) |        |
| Cellular services         | 60,787                 | <b>61,772</b>      | 985        | 1.6%   |
| Cellular (Xi) services    | 6,198                  | <b>16,398</b>      | 10,200     | 164.6  |
| Cellular (FOMA) services  | 54,588                 | <b>45,374</b>      | (9,215)    | (16.9) |
| packet flat-rate services | 37,781                 | <b>39,242</b>      | 1,461      | 3.9    |
| i-mode services           | 37,356                 | <b>29,228</b>      | (8,127)    | (21.8) |
| sp-mode services          | 14,289                 | <b>21,079</b>      | 6,790      | 47.5   |

Notes:

1. Number of subscriptions to Cellular services and Cellular (FOMA) 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.

&lt;Number of handsets sold and churn rate&gt;

|  | Thousand units                            |   | Increase   |         |
|--|---|---|------------|---------|
|  | Six months ended<br>September<br>30, 2012 | Six months<br>ended<br>September 30, 2013 | (Decrease) |         |
| Number of handsets sold                  | 11,837                                    | <b>10,473</b>                             | (1,364)    | (11.5)% |
| Cellular (Xi) services                   |   |   |            |         |
| New Xi subscription                      | 1,157                                     | <b>1,883</b>                              | 725        | 62.7    |
| Change of subscription from FOMA         | 2,994                                     | <b>3,604</b>                              | 610        | 20.4    |
| Xi handset upgrade by Xi subscribers     | 176                                       | <b>933</b>                                | 757        | 431.0   |
| Cellular (FOMA) services                 |   |   |            |         |
| New FOMA subscription                    | 2,280                                     | <b>1,533</b>                              | (747)      | (32.8)  |
| Change of subscription from Xi           | 10  | <b>30</b>                                 | 20         | 209.6   |
| FOMA handset upgrade by FOMA subscribers | 5,220                                     | <b>2,491</b>                              | (2,730)    | (52.3)  |

Churn Rate 0.77% **0.86%** 0.09 point

Results of operations are as follows:

&lt;Results of operations&gt;

|  | Billions of yen                           |   | Increase<br>(Decrease) |
|--|---|---|------------------------|
|  | Six months ended<br>September<br>30, 2012 | Six months<br>ended<br>September 30, 2013 |                        |



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|  |           |   |                |          |        |
|--|-----------|---|----------------|----------|--------|
| Operating revenues from mobile phone business      | ¥ 2,128.7 | ¥ | <b>2,090.6</b> | ¥ (38.1) | (1.8)% |
| Operating income (loss) from mobile phone business | 486.8     |   | <b>480.8</b>   | (6.0)    | (1.2)  |

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We have been engaged in providing various services in new business fields and pursuing collaborations with corporate partners aimed at the realization of a more fulfilling Smart Life.

**<<Business Deployment by Subsidiaries>>**

DOCOMO InsightMarketing, Inc. announced that it would start supplying Mobile Spatial Statistics \*, a demographic statistics service based on data obtained through mobile phone network, to academic institutions, businesses and other entities from October, 2013.

The total subscriptions to Karada-no-Kimochi, a health assistance service for women provided by docomo Healthcare, Inc., topped 0.20 million in August 2013.

As a result of the foregoing, operating revenues from all other businesses for the six months ended September 30, 2013 was ¥108.4 billion (an increase of ¥29.8 billion from the same period of the previous fiscal year). Operating revenues from all other businesses accounted for 4.9% of total operating revenues.

On the other hand, operating expenses from all other businesses increased to ¥116.0 billion and consequently operating loss from all other businesses was ¥7.6 billion.

\* A mechanism that enables us to estimate the distribution and structure of, or variations in population by region, using certain information (location and customer attribute information after processing for privacy protection) acquired in the course of providing customers with mobile phone service.

Results of operations are as follows:

**<Results of operations>**

|   | Billions of yen                           |  |              |                        |       |
|---|---|--|--------------|------------------------|-------|
|   | Six months ended<br>September<br>30, 2012 | Six months ended<br>September 30, 2013 |              | Increase<br>(Decrease) |       |
| Operating revenues from all other businesses      | ¥ 78.6                                    | ¥                                      | <b>108.4</b> | ¥ 29.8                 | 37.9% |
| Operating income (loss) from all other businesses | (15.7)                                    |  | <b>(7.6)</b> | 8.0                    | 51.3  |

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****iii. CSR Activities**

In accordance with the Medium-Term Vision 2015, we have been making unrelenting efforts for the construction of high-quality network, provision of stable services and creation of new value as a Partner for a Smart Life.

We believe it is our responsibility to contribute to building a society where everyone can live a safe, secure and comfortable life filled with richness, beyond borders and across generations, assisted by our business activities, and we put CSR (corporate social responsibility) at the heart of our management agenda.

The principal actions undertaken in the six months ended September 30, 2013 are summarized below:

As an initiative aimed at protecting young users, we launched a service for content providers operating SNS or blogs, etc., which informs them as to whether or not the user has reached the specified age at which the users are permitted to use their contents. In addition, for data access via Wi-Fi other than our proprietary docomo Wi-Fi service, we enabled the use of filtering service comparable to the sp-mode filter, to move ahead with the construction of a usage environment that allows users to impart a sense of safety and security.

We took actions aimed at enhancing users' awareness of smartphone usage manners, continuing to post warnings alerting the risks of using a smartphone while walking on newspapers, outdoor signboards and other advertisements.

As part of our environmental protection initiatives, we purchased the CO<sub>2</sub> absorption credit of the FORESTOCK-certified\* town-owned forests in Minamisanriku, Miyagi Prefecture. When combined with the absorption credit purchased in February 2013, we provided support for the conservation of approximately 444 hectares, or approximately 55% of the total applicable forests in Minamisanriku.

\* A forest certification system operated by FORESTOCK Association, under which forests in Japan are evaluated and certified based on certain criteria such as conservation of biodiversity and appropriate and sustainable maintenance of forest.

**iv. Trend of Capital Expenditures**

We pursued efficient utilizations of our facilities and reduction of equipment procurement cost, while moving forward with investments required for roll-out of Xi service areas and facility buildup to accommodate the growth of data traffic.

As a result of the foregoing, the total amount of capital expenditures made during the six months ended September 30, 2013 decreased by 16.4% from the same period of the previous fiscal year to ¥301.8 billion.

<Capital expenditures>

|  |  | Billions of yen |                        |
|--|--|-----------------|------------------------|
| Six months ended<br>September 30, 2012 | <b>Six months ended<br/>September 30, 2013</b> |                 | Increase<br>(Decrease) |
|  |  |                 |                        |

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|                                       |         |   |              |          |         |
|---------------------------------------|---------|---|--------------|----------|---------|
| Total capital expenditures            | ¥ 361.0 | ¥ | <b>301.8</b> | ¥ (59.2) | (16.4)% |
| Mobile phone business                 | 293.2   |   | <b>256.4</b> | (36.8)   | (12.6)  |
| Other (including information systems) | 67.8    |   | <b>45.4</b>  | (22.4)   | (33.0)  |

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****(2) Financial Review****i. Financial Position**

|   | Billions of yen       |                       |                        |       |                               |
|---|-----------------------|-----------------------|------------------------|-------|-------------------------------|
|   | September 30,<br>2012 | September 30,<br>2013 | Increase<br>(Decrease) |       | (Reference)<br>March 31, 2013 |
| Total assets                            | ¥ 7,005.3             | ¥ 7,281.8             | ¥ 276.5                | 3.9%  | ¥ 7,169.7                     |
| NTT DOCOMO, INC. shareholders' equity   | 5,243.9               | 5,574.4               | 330.4                  | 6.3   | 5,368.5                       |
| Liabilities                             | 1,715.7               | 1,668.8               | (46.9)                 | (2.7) | 1,759.2                       |
| Including: Interest bearing liabilities | 254.0                 | 242.7                 | (11.3)                 | (4.4) | 253.8                         |
| Shareholders' equity ratio (1)          | 74.9%                 | 76.6%                 | 1.7 point              |       | 74.9%                         |
| Debt ratio (2)                          | 4.6%                  | 4.2%                  | (0.4) point            |       | 4.5%                          |

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)

(3) (Reference) March 31, 2013 have been revised for the retrospective application of equity method for an investee. Please see 3.(4)

iv. Retrospective application of equity method for an investee on page 18.

**ii. Cash Flow Conditions**

For the six months ended September 30, 2013, net cash provided by operating activities was ¥579.7 billion, an increase of ¥192.7 billion (49.8%) from the same period of the previous fiscal year due to a decrease in the amount of income taxes paid, and an increase in cash inflows resulting from the collection of installment receivables from subscribers, in addition to the elimination of the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION for the same period of the previous fiscal year.

Net cash used in investing activities was ¥452.4 billion, a decrease of ¥5.8 billion (1.3%) from the same period of the previous fiscal year. This was mainly due to a decrease in purchases of property, plant and equipment by pursuing cost efficiency improvement for network facilities and also a decrease in purchases of short-term investments of more than three months for cash management purpose, despite decreases in cash inflow resulting from redemption of short-term investments of more than three months for cash management purpose and proceeds from redemption of short-term bailment for consumption to a related party, and an increase in short-term bailment for consumption to a related party.

Net cash used in financing activities was ¥143.1 billion, an increase of ¥12.9 billion (9.9%) from the same period of the previous fiscal year mainly due to an increase in cash outflow from dividends paid.

As a result of the foregoing, the balance of cash and cash equivalents was ¥480.0 billion as of September 30, 2013, a decrease of ¥13.6 billion (2.8%) from the previous fiscal year end.

|   | Billions of yen                           |   |         | Increase<br>(Decrease) |
|---|---|---|---------|------------------------|
|   | Six months<br>ended<br>September 30, 2012 | Six months<br>ended<br>September 30, 2013 |         |                        |
| Net cash provided by operating activities | ¥ 387.0                                   | ¥ 579.7                                   | ¥ 192.7 | 49.8%                  |

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|  |         |                |        |       |
|--|---------|----------------|--------|-------|
| Net cash used in investing activities  | (458.2) | <b>(452.4)</b> | 5.8    | 1.3   |
| Net cash provided by (used in) financing activities  | (130.2) | <b>(143.1)</b> | (12.9) | (9.9) |
| Free cash flows (1)  | (71.2)  | <b>127.2</b>   | 198.4  |       |
| Free cash flows excluding the effects of irregular factors (2), the effect of transfer of receivables (3) and changes in investments for cash management purposes (4)* | 56.2    | <b>199.3</b>   | 143.1  | 254.8 |

Notes: (1) Free cash flows = Net cash provided by operating activities + Net cash used in investing activities

(2) Irregular factors = Effects of uncollected revenues due to bank closures at the end of the fiscal period

(3) Effect of transfer of receivables = Effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION

(4) 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 22.

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****(3) Prospects for the Fiscal Year Ending March 31, 2014**

Competition in Japan's mobile telecommunications market is expected to remain intense in such areas as the acquisition of subscribers and the further improvement of service offerings. Under these market conditions, we forecast operating revenues and operating income for the fiscal year ending March 31, 2014 to be in line with our original forecasts.

Operating revenues are estimated to be ¥4,640.0 billion, equal to our original forecasts as an increase in equipment sales offsets a decrease in revenues from mobile communication services mainly due to the impacts of penetration of the Monthly Support discount program.

Operating expenses are estimated to be the same as our original forecasts of ¥3,800.0 billion because greater-than-expected cost reduction, as a result of cost efficiency improvements should offset an increase in revenue-linked expenses in a fiercely competitive market for bringing in new customers.

As the result of the foregoing, operating income is estimated to be the same as the original forecasts of ¥840.0 billion.

|  | Billions of yen  |   |                        |        |   |
|--|--|---|------------------------|--------|---|
|  | Year ending<br>March 31,<br>2014<br>(Original Forecasts) | Year ending<br>March 31,<br>2014<br>(Revised Forecasts) | Increase<br>(Decrease) |        | Year ended<br>March 31,<br>2013<br>(Actual Results) |
|  | ¥  | ¥   | ¥                      | %      | ¥   |
| Operating revenues   | ¥ 4,640.0  | ¥ 4,640.0   | ¥                      | %      | ¥ 4,470.1   |
| Operating income   | 840.0  | 840.0   |                        |        | 837.2   |
| Income before income taxes and equity in net income<br>(losses) of affiliates  | 850.0  | 842.0   | (8.0)                  | (0.9)  | 833.3   |
| Net income attributable to NTT DOCOMO, INC.  | 510.0  | 510.0   |                        |        | 491.0   |
| Capital expenditures   | 700.0  | 700.0   |                        |        | 753.7   |
| Adjusted free cash flows excluding the effects of irregular<br>factors, the effect of transfer of receivables, and changes<br>in investments for cash management purposes* | 400.0  | 300.0   | (100.0)                | (25.0) | 225.6   |
| EBITDA*  | 1,588.0  | 1,581.0   | (7.0)                  | (0.4)  | 1,569.3   |
| EBITDA margin*   | 34.2%  | 34.1%   | (0.1) point            |        | 35.1%   |
| ROCE before tax effect*  | 14.6%  | 14.6%   |                        |        | 15.3%   |
| ROCE after tax effect*   | 9.1%   | 9.0%  | (0.1) point            |        | 9.5%  |

Note:

Year ending March 31, 2014 (Original Forecasts) and Year ended March 31, 2013 (Actual Results) have been revised for the retrospective application of equity method for an investee. Please see 3.(4) iv. Retrospective application of equity method for an investee on page 18.

\* 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. For an explanation of our definition of free cash flows excluding irregular factors and changes in investments for cash management purposes, 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 22.





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**DOCOMO Earnings Release**

**Six Months Ended September 30, 2013**

**2. Other Information**

**(1) Changes in Significant Subsidiaries**

None

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

None

**(3) Changes in Accounting Policies**

None

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DOCOMO Earnings Release

Six Months Ended September 30, 2013

**3. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

|   | Millions of yen    |                    |
|---|--------------------|--------------------|
|   | March 31, 2013     | September 30, 2013 |
| <b>ASSETS</b>   |                    |                    |
| <b>Current assets:</b>                                |                    |                    |
| Cash and cash equivalents                             | ¥ 493,674          | ¥ 480,048          |
| Short-term investments                                | 41,762             | 113,846            |
| Accounts receivable                                   | 260,342            | 203,082            |
| Receivables held for sale                             | 638,149            | 692,237            |
| Credit card receivables                               | 194,607            | 204,209            |
| Other receivables                                     | 289,849            | 302,977            |
| Allowance for doubtful accounts                       | (16,843)           | (12,835)           |
| Inventories   | 180,736            | 185,208            |
| Deferred tax assets                                   | 70,784             | 68,280             |
| Prepaid expenses and other current assets             | 83,442             | 102,067            |
| <b>Total current assets</b>                           | <b>2,236,502</b>   | <b>2,339,119</b>   |
| <b>Property, plant and equipment:</b>                 |                    |                    |
| Wireless telecommunications equipment                 | 5,151,686          | 4,971,383          |
| Buildings and structures                              | 882,165            | 885,247            |
| Tools, furniture and fixtures                         | 532,506            | 543,449            |
| Land  | 200,382            | 200,658            |
| Construction in progress                              | 127,592            | 147,471            |
| Accumulated depreciation and amortization             | (4,334,047)        | (4,204,065)        |
| <b>Total property, plant and equipment, net</b>       | <b>2,560,284</b>   | <b>2,544,143</b>   |
| <b>Non-current investments and other assets:</b>      |                    |                    |
| Investments in affiliates                             | 474,502            | 475,987            |
| Marketable securities and other investments           | 155,923            | 186,607            |
| Intangible assets, net                                | 691,651            | 661,093            |
| Goodwill  | 217,640            | 233,680            |
| Other assets  | 560,139            | 578,350            |
| Deferred tax assets                                   | 273,084            | 262,855            |
| <b>Total non-current investments and other assets</b> | <b>2,372,939</b>   | <b>2,398,572</b>   |
| <b>Total assets</b>                                   | <b>¥ 7,169,725</b> | <b>¥ 7,281,834</b> |
| <b>LIABILITIES AND EQUITY</b>                         |                    |                    |
| <b>Current liabilities:</b>                           |                    |                    |
| Current portion of long-term debt                     | ¥ 70,437           | ¥ 70,233           |
| Short-term borrowings                                 | 12,307             | 1,670              |

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|   |                    |                    |
|---|--------------------|--------------------|
| Accounts payable, trade                       | 705,724            | <b>594,744</b>     |
| Accrued payroll                               | 55,961             | <b>55,663</b>      |
| Accrued interest                              | 713                | <b>710</b>         |
| Accrued income taxes                          | 135,418            | <b>175,398</b>     |
| Other current liabilities                     | 150,300            | <b>149,418</b>     |
| <b>Total current liabilities</b>              | <b>1,130,860</b>   | <b>1,047,836</b>   |
| <b>Long-term liabilities:</b>                 |                    |                    |
| Long-term debt (exclusive of current portion) | 171,022            | <b>170,808</b>     |
| Accrued liabilities for point programs        | 140,855            | <b>127,561</b>     |
| Liability for employees' retirement benefits  | 171,221            | <b>176,142</b>     |
| Other long-term liabilities                   | 145,202            | <b>146,405</b>     |
| <b>Total long-term liabilities</b>            | <b>628,300</b>     | <b>620,916</b>     |
| <b>Total liabilities</b>                      | <b>1,759,160</b>   | <b>1,668,752</b>   |
| <b>Equity:</b>                                |                    |                    |
| NTT DOCOMO, INC. shareholders' equity         |                    |                    |
| Common stock                                  | 949,680            | <b>949,680</b>     |
| Additional paid-in capital                    | 732,609            | <b>732,517</b>     |
| Retained earnings                             | 4,112,466          | <b>4,288,463</b>   |
| Accumulated other comprehensive income (loss) | (49,112)           | <b>(19,133)</b>    |
| Treasury stock                                | (377,168)          | <b>(377,168)</b>   |
| Total NTT DOCOMO, INC. shareholders' equity   | 5,368,475          | <b>5,574,359</b>   |
| Noncontrolling interests                      | 42,090             | <b>38,723</b>      |
| <b>Total equity</b>                           | <b>5,410,565</b>   | <b>5,613,082</b>   |
| <b>Total liabilities and equity</b>           | <b>¥ 7,169,725</b> | <b>¥ 7,281,834</b> |

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DOCOMO Earnings Release

Six Months Ended September 30, 2013

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

|   | Millions of yen                           |  |
|---|---|--|
|   | Six Months<br>Ended<br>September 30, 2012 | Six Months Ended<br>September 30, 2013 |
| <b>Operating revenues:</b>  |   |  |
| Mobile communications services  | ¥ 1,606,259                               | ¥ 1,491,726                            |
| Equipment sales   | 362,368                                   | 399,424                                |
| Other operating revenues  | 238,693                                   | 307,821                                |
| <b>Total operating revenues</b>   | <b>2,207,320</b>                          | <b>2,198,971</b>                       |
| <b>Operating expenses:</b>  |   |  |
| Cost of services (exclusive of items shown separately below)                      | 475,705                                   | 516,630                                |
| Cost of equipment sold (exclusive of items shown separately below)                | 374,282                                   | 325,966                                |
| Depreciation and amortization   | 324,216                                   | 339,097                                |
| Selling, general and administrative   | 562,008                                   | 544,123                                |
| <b>Total operating expenses</b>   | <b>1,736,211</b>                          | <b>1,725,816</b>                       |
| <b>Operating income</b>   | <b>471,109</b>                            | <b>473,155</b>                         |
| <b>Other income (expense):</b>  |   |  |
| Interest expense  | (910)                                     | (791)                                  |
| Interest income   | 728                                       | 856                                    |
| Other, net  | (5,341)                                   | 8,552                                  |
| <b>Total other income (expense)</b>   | <b>(5,523)</b>                            | <b>8,617</b>                           |
| <b>Income before income taxes and equity in net income (losses) of affiliates</b> | <b>465,586</b>                            | <b>481,772</b>                         |
| <b>Income taxes:</b>  |   |  |
| Current   | 164,771                                   | 180,071                                |
| Deferred  | 19,388                                    | 4,518                                  |
| <b>Total income taxes</b>   | <b>184,159</b>                            | <b>184,589</b>                         |
| <b>Income before equity in net income (losses) of affiliates</b>                  | <b>281,427</b>                            | <b>297,183</b>                         |
| Equity in net income (losses) of affiliates, net of applicable taxes              | (537)                                     | (30)                                   |
| <b>Net income</b>   | <b>280,890</b>                            | <b>297,153</b>                         |

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|  |   |         |   |                |
|--|---|---------|---|----------------|
| Less: Net (income) loss attributable to noncontrolling interests |   | 4,994   |   | 3,247          |
| <b>Net income attributable to NTT DOCOMO, INC.</b>               | ¥ | 285,884 | ¥ | <b>300,400</b> |

**PER SHARE DATA**

|   |   |               |   |                      |
|---|---|---------------|---|----------------------|
| Weighted average common shares outstanding Basic and Diluted (shares)       |   | 4,146,760,100 |   | <b>4,146,760,100</b> |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen) | ¥ | 68.94         | ¥ | <b>72.44</b>         |

**Consolidated Statements of Comprehensive Income**

|   | Millions of yen                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Six Months Ended September 30, 2012 | Six Months Ended September 30, 2013 |
| <b>Net income</b>   | ¥ 280,890                           | ¥ 297,153                           |
| <b>Other comprehensive income (loss):</b>   |                                     |                                     |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 9,022                               | 14,130                              |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes                      | 13                                  | (9)                                 |
| Foreign currency translation adjustment, net of applicable taxes                            | 2,446                               | 15,568                              |
| Pension liability adjustment, net of applicable taxes                                       | 214                                 | 397                                 |
| <b>Total other comprehensive income (loss)</b>  | <b>11,695</b>                       | <b>30,086</b>                       |
| <b>Comprehensive income</b>   | <b>292,585</b>                      | <b>327,239</b>                      |
| Less: Comprehensive (income) loss attributable to noncontrolling interests                  | 4,968                               | 3,140                               |
| <b>Comprehensive income attributable to NTT DOCOMO, INC.</b>                                | ¥ 297,553                           | ¥ 330,379                           |

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DOCOMO Earnings Release

Six Months Ended September 30, 2013

**Consolidated Statements of Income**

|   | Millions of yen                             |  |
|---|---|--|
|   | Three Months Ended<br>September 30,<br>2012 | Three Months Ended<br>September 30, 2013 |
| <b>Operating revenues:</b>  |   |  |
| Mobile communications services  | ¥ 796,794                                   | ¥ 741,868                                |
| Equipment sales   | 213,524                                     | 186,943                                  |
| Other operating revenues  | 124,721                                     | 156,586                                  |
| <b>Total operating revenues</b>   | <b>1,135,039</b>                            | <b>1,085,397</b>                         |
| <b>Operating expenses:</b>  |   |  |
| Cost of services (exclusive of items shown separately below)                      | 244,108                                     | 265,591                                  |
| Cost of equipment sold (exclusive of items shown separately below)                | 216,198                                     | 148,712                                  |
| Depreciation and amortization   | 166,744                                     | 172,457                                  |
| Selling, general and administrative   | 299,507                                     | 272,953                                  |
| <b>Total operating expenses</b>   | <b>926,557</b>                              | <b>859,713</b>                           |
| <b>Operating income</b>   | <b>208,482</b>                              | <b>225,684</b>                           |
| <b>Other income (expense):</b>  |   |  |
| Interest expense  | (449)                                       | (312)                                    |
| Interest income   | 356   | 429                                      |
| Other, net  | (7,617)                                     | 3,487                                    |
| <b>Total other income (expense)</b>   | <b>(7,710)</b>                              | <b>3,604</b>                             |
| <b>Income before income taxes and equity in net income (losses) of affiliates</b> | <b>200,772</b>                              | <b>229,288</b>                           |
| <b>Income taxes:</b>  |   |  |
| Current   | 86,030                                      | 100,992                                  |
| Deferred  | (3,911)                                     | (12,730)                                 |
| <b>Total income taxes</b>   | <b>82,119</b>                               | <b>88,262</b>                            |
| <b>Income before equity in net income (losses) of affiliates</b>                  | <b>118,653</b>                              | <b>141,026</b>                           |
| Equity in net income (losses) of affiliates, net of applicable taxes              | 306   | (506)                                    |
| <b>Net income</b>   | <b>118,959</b>                              | <b>140,520</b>                           |
| Less: Net (income) loss attributable to noncontrolling interests                  | 2,626                                       | 1,871                                    |

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|  |   |         |   |                |
|--|---|---------|---|----------------|
| <b>Net income attributable to NTT DOCOMO, INC.</b> | ¥ | 121,585 | ¥ | <b>142,391</b> |
|--|---|---------|---|----------------|

**PER SHARE DATA**

|   |  |               |  |                      |
|---|--|---------------|--|----------------------|
| Weighted average common shares outstanding Basic and Diluted (shares) |  | 4,146,760,100 |  | <b>4,146,760,100</b> |
|---|--|---------------|--|----------------------|

|   |   |       |   |              |
|---|---|-------|---|--------------|
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen) | ¥ | 29.32 | ¥ | <b>34.34</b> |
|---|---|-------|---|--------------|

**Consolidated Statements of Comprehensive Income**

|   | Millions of yen                                |   |
|---|--|---|
|   | Three Months<br>Ended<br>September 30,<br>2012 | Three Months<br>Ended<br>September 30, 2013 |
| <b>Net income</b>   | ¥ 118,959                                      | ¥ <b>140,520</b>                            |
| <b>Other comprehensive income (loss):</b>   |  |   |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 10,748   | <b>2,866</b>                                |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes                      | 7  | <b>23</b>                                   |
| Foreign currency translation adjustment, net of applicable taxes                            | (19,290)                                       | <b>(334)</b>                                |
| Pension liability adjustment, net of applicable taxes                                       | 107  | <b>251</b>                                  |
| Total other comprehensive income (loss)   | (8,428)  | <b>2,806</b>                                |
| <b>Comprehensive income</b>   | 110,531  | <b>143,326</b>                              |
| Less: Comprehensive (income) loss attributable to noncontrolling interests                  | 2,665  | <b>1,822</b>                                |
| <b>Comprehensive income attributable to NTT DOCOMO, INC.</b>                                | ¥ 113,196                                      | ¥ <b>145,148</b>                            |

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DOCOMO Earnings Release

Six Months Ended September 30, 2013

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

|  | Millions of yen                        |  |
|--|--|--|
|  | Six Months Ended<br>September 30, 2012 | Six Months Ended<br>September 30, 2013 |
| <b>Cash flows from operating activities:</b>                                       |  |  |
| Net income   | ¥ 280,890                              | ¥ 297,153                              |
| Adjustments to reconcile net income to net cash provided by operating activities-  |  |  |
| Depreciation and amortization  | 324,216                                | 339,097                                |
| Deferred taxes   | 17,853                                 | 3,409                                  |
| Loss on sale or disposal of property, plant and equipment                          | 11,293                                 | 14,205                                 |
| Impairment loss on marketable securities and other investments                     | 10,175                                 | 354                                    |
| Equity in net (income) losses of affiliates  | 1,619                                  | 1,048                                  |
| Changes in assets and liabilities:   |  |  |
| (Increase) / decrease in accounts receivable                                       | 746,920                                | 59,100                                 |
| (Increase) / decrease in receivables held for sale                                 | (562,330)                              | (54,088)                               |
| (Increase) / decrease in credit card receivables                                   | (5,281)                                | (5,696)                                |
| (Increase) / decrease in other receivables   | (276,867)                              | (12,860)                               |
| Increase / (decrease) in allowance for doubtful accounts                           | 2,346                                  | (4,197)                                |
| (Increase) / decrease in inventories   | (29,672)                               | (4,156)                                |
| (Increase) / decrease in prepaid expenses and other current assets                 | (12,306)                               | (16,924)                               |
| (Increase) / decrease in non-current installment receivables for handsets          | 88,075                                 |  |
| (Increase) / decrease in non-current receivables held for sale                     | (124,958)                              | (9,139)                                |
| Increase / (decrease) in accounts payable, trade                                   | (69,598)                               | (64,600)                               |
| Increase / (decrease) in accrued income taxes                                      | 7,526                                  | 39,648                                 |
| Increase / (decrease) in other current liabilities                                 | 5,992                                  | (4,081)                                |
| Increase / (decrease) in accrued liabilities for point programs                    | (18,072)                               | (13,294)                               |
| Increase / (decrease) in liability for employees' retirement benefits              | 4,246                                  | 4,783                                  |
| Increase / (decrease) in other long-term liabilities                               | (21,412)                               | (40)                                   |
| Other, net   | 6,344                                  | 9,931                                  |
| Net cash provided by operating activities  | 386,999                                | 579,653                                |
| <b>Cash flows from investing activities:</b>                                       |  |  |
| Purchases of property, plant and equipment   | (285,564)                              | (250,922)                              |
| Purchases of intangible and other assets   | (125,615)                              | (105,767)                              |
| Purchases of non-current investments   | (6,793)                                | (13,834)                               |
| Proceeds from sale of non-current investments                                      | 1,344                                  | 3,268                                  |
| Acquisitions of subsidiaries, net of cash acquired                                 | (18,626)                               | (8,611)                                |
| Purchases of short-term investments  | (492,620)                              | (34,602)                               |
| Redemption of short-term investments   | 382,279                                | 32,576                                 |
| Short-term bailment for consumption to a related party                             |  | (70,000)                               |
| Proceeds from redemption of short-term bailment for consumption to a related party | 90,000                                 |  |
| Other, net   | (2,593)                                | (4,534)                                |
| Net cash used in investing activities  | (458,188)                              | (452,426)                              |
| <b>Cash flows from financing activities:</b>                                       |  |  |



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|   |           |   |                 |
|---|-----------|---|-----------------|
| Repayment of long-term debt   | (15,819)  |   | (4,748)         |
| Proceeds from short-term borrowings                                 | 7,352     |   | 7,252           |
| Repayment of short-term borrowings                                  | (5,656)   |   | (19,097)        |
| Principal payments under capital lease obligations                  | (1,631)   |   | (1,104)         |
| Dividends paid  | (116,088) |   | (124,387)       |
| Other, net  | 1,680     |   | (1,019)         |
| Net cash provided by (used in) financing activities                 | (130,162) |   | (143,103)       |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | (17)      |   | <b>2,250</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>         | (201,368) |   | <b>(13,626)</b> |
| <b>Cash and cash equivalents at beginning of period</b>             | 522,078   |   | <b>493,674</b>  |
| <b>Cash and cash equivalents at end of period</b>                   | ¥ 320,710 | ¥ | <b>480,048</b>  |
| <b>Supplemental disclosures of cash flow information:</b>           |           |   |                 |
| <b>Cash received during the period for:</b>                         |           |   |                 |
| Income tax refunds  | ¥ 1,012   | ¥ | <b>877</b>      |
| <b>Cash paid during the period for:</b>                             |           |   |                 |
| Interest, net of amount capitalized                                 | 967       |   | <b>795</b>      |
| Income taxes  | 158,081   |   | <b>140,790</b>  |

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****(4) Notes to consolidated financial statements****i. Going Concern Assumption**

None

**ii. Significant Changes in NTT DOCOMO, INC. Shareholders' Equity**

None

**iii. Segment Reporting**

|                                     | Millions of yen             |                         |              |
|-------------------------------------|-----------------------------|-------------------------|--------------|
|                                     | Mobile<br>phone<br>business | All other<br>businesses | Consolidated |
| Six months ended September 30, 2012 |                             |                         |              |
| Operating revenues                  | ¥ 2,128,701                 | ¥ 78,619                | ¥ 2,207,320  |
| Operating expenses                  | 1,641,921                   | 94,290                  | 1,736,211    |
| Operating income (loss)             | ¥ 486,780                   | ¥ (15,671)              | ¥ 471,109    |

|  | Millions of yen             |                         |              |
|--|-----------------------------|-------------------------|--------------|
|  | Mobile<br>phone<br>business | All other<br>businesses | Consolidated |
| <b>Six months ended September 30, 2013</b> |                             |                         |              |
| Operating revenues                         | ¥ 2,090,587                 | ¥ 108,384               | ¥ 2,198,971  |
| Operating expenses                         | 1,609,797                   | 116,019                 | 1,725,816    |
| Operating income (loss)                    | ¥ 480,790                   | ¥ (7,635)               | ¥ 473,155    |

|                                       | Millions of yen             |                         |              |
|---------------------------------------|-----------------------------|-------------------------|--------------|
|                                       | Mobile<br>phone<br>business | All other<br>businesses | Consolidated |
| Three months ended September 30, 2012 |                             |                         |              |
| Operating revenues                    | ¥ 1,092,873                 | ¥ 42,166                | ¥ 1,135,039  |
| Operating expenses                    | 876,898                     | 49,659                  | 926,557      |
| Operating income (loss)               | ¥ 215,975                   | ¥ (7,493)               | ¥ 208,482    |

|  | Millions of yen             |                         |              |
|--|-----------------------------|-------------------------|--------------|
|  | Mobile<br>phone<br>business | All other<br>businesses | Consolidated |
| <b>Three months ended September 30, 2013</b> |                             |                         |              |
| Operating revenues                           | ¥ 1,033,449                 | ¥ 51,948                | ¥ 1,085,397  |

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|                         |           |           |           |
|-------------------------|-----------|-----------|-----------|
| Operating expenses      | 803,400   | 56,313    | 859,713   |
| Operating income (loss) | ¥ 230,049 | ¥ (4,365) | ¥ 225,684 |

There were no transactions between the operating segments. DOCOMO does not disclose geographical information since the amounts of operating revenues generated outside Japan are immaterial.

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****iv. Retrospective application of equity method for an investee**

As a result of an application of the equity method for DOCOMO's investment in Philippine Long Distance Telephone Company from the beginning of the three months ended June 30, 2013, the equity method of accounting was applied retrospectively in accordance with Accounting Standards Codification 323 Investments-Equity Method and Joint Ventures issued by the Financial Accounting Standards Board. Consequently, the reported consolidated financial statements for the fiscal year ended March 31, 2013 have been revised in DOCOMO's consolidated financial statements for this retrospective application.

The impacts on Investments in affiliates, Marketable securities and other investments, Deferred tax assets, Non-current investments and other assets, Retained earnings, Accumulated other comprehensive income (loss) and NTT DOCOMO, INC. shareholders' equity in the consolidated balance sheet as of March 31, 2013 were ¥122,477 million, ¥(215,646) million, ¥34,069 million, ¥(59,100) million, ¥(4,607) million, ¥(54,493) million and ¥(59,100) million, respectively.

The impacts on Other income (expense), Income before income taxes and equity in net income (losses) of affiliates, Income taxes, Equity in net income (losses) of affiliates, net of applicable taxes, Net income and Net income attributable to NTT DOCOMO, INC. in the consolidated statement of income for the year ended March 31, 2013 were ¥(8,316) million, ¥(8,316) million, ¥(2,977) million, ¥732 million, ¥(4,607) million and ¥(4,607) million, respectively.

The impact on Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. for the year ended March 31, 2013 was ¥ (1.11).

**v. Subsequent Event****Stock Split and Adoption of Unit Share System**

DOCOMO conducted a stock split and adopted a unit share system on October 1, 2013 in accordance with a decision of the Board of Directors on April 26, 2013.

(Purpose of the stock split and adoption of the unit share system)

Based on the intent of the Action Plan for Consolidating Trading Units announced by stock exchanges of Japan in November 2007, we conducted a 1:100 stock split and adopted a unit share system that sets 100 shares as a share-trading unit. Please note that there was no effective change to the investment units due to the stock split and adoption of the unit share system.

(Stock split)

Method of the stock split

September 30, 2013 was the record date of the stock split. Each of our common shares held by shareholders whose names were stated or recorded in the latest Register of Shareholders on the record date was split at a ratio of 1:100.

Number of increase in shares due to the stock split

|   |                       |                            |
|---|-----------------------|----------------------------|
| 1) Total number of issued shares before the stock split:    | 43,650,000 shares     | (As of September 30, 2013) |
| 2) Number of increase in shares due to the stock split:     | 4,321,350,000 shares  | (As of October 1, 2013)    |
| 3) Total number of issued shares after the stock split:     | 4,365,000,000 shares  |                            |
| 4) Total number of authorized shares after the stock split: | 17,460,000,000 shares |                            |



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**DOCOMO Earnings Release**

**Six Months Ended September 30, 2013**

Schedule of the stock split

- |   |                    |
|---|--------------------|
| 1) Public notice date of the record date: | September 13, 2013 |
| 2) Record date:                           | September 30, 2013 |
| 3) Effective date:                        | October 1, 2013    |

(Adoption of the unit share system)

Number of shares constituting one unit

The number of shares to constitute a share-trading unit became 100 shares.

Schedule for the establishment of the new system

Effective date: October 1, 2013

(Effect on per share data)

Per share data ( Weighted average common shares outstanding and Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. ) in the consolidated statements of income and the impact on Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. for the year ended March 31, 2013 in iv. Retrospective application of equity method for an investee in notes to consolidated financial statements are calculated on the assumption that the stock split was conducted at the beginning of the fiscal period of 2012.

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Six Months Ended September 30, 2013

**4. Appendices****(1) Operating Data for 2nd Quarter of the Fiscal Year Ending March 31, 2014**

Full-year Forecasts: as revised on October 25, 2013

|   |                           | Fiscal Year Ended<br>Mar. 31,<br>2013          |   | Fiscal Year Ending<br>Mar. 31,<br>2014         |  | [Ref.]<br>Fiscal Year Ended<br>Mar. 31,<br>2013 | [Ref.]<br>Fiscal Year Ending<br>Mar. 31,<br>2014 |
|---|---------------------------|--|---|--|--|---|--|
|   |                           | Six Months<br>(Apr. - Sep.<br>2012)<br>Results | Second Quarter<br>(Jul.-Sep. 2012)<br>Results | Six Months<br>(Apr. - Sep.<br>2013)<br>Results | Second Quarter<br>(Jul.-Sep.<br>2013)<br>Results | Full-year<br>Results                            | Full-year Forecasts                              |
| <b>Number of Subscriptions and Other Operating Data</b> |                           |  |   |  |  |   |  |
| Cellular Subscriptions                                  | thousands                 | 60,787   | 60,787  | <b>61,772</b>                                  | <b>61,772</b>                                    | 61,536  | 63,390   |
| Xi  | thousands                 | 6,198  | 6,198   | <b>16,398</b>                                  | <b>16,398</b>                                    | 11,566  | 25,000   |
| FOMA (1)  | thousands                 | 54,588   | 54,588  | <b>45,374</b>                                  | <b>45,374</b>                                    | 49,970  | 38,390   |
| Communication Module Service                            | thousands                 | 2,680  | 2,680   | <b>3,271</b>                                   | <b>3,271</b>                                     | 3,169   |  |
| Prepaid Subscriptions                                   | thousands                 | 133  | 133   | <b>45</b>                                      | <b>45</b>  | 158   |  |
| Packet Flat-rate Services                               |                           |  |   |  |  |   |  |
| Subscriptions   | thousands                 | 37,781   | 37,781  | <b>39,242</b>                                  | <b>39,242</b>                                    | 38,704  |  |
| Net Increase from Previous                              |                           |  |   |  |  |   |  |
| Period (2)  | thousands                 | 657  | 391   | <b>236</b>                                     | <b>149</b>                                       | 1,407   | 1,850  |
| Xi  | thousands                 | 3,973  | 2,881   | <b>4,832</b>                                   | <b>2,200</b>                                     | 9,341   | 13,430   |
| FOMA (1)  | thousands                 | (3,316)  | (2,491)                                       | <b>(4,596)</b>                                 | <b>(2,051)</b>                                   | (7,935)   | (11,580)   |
| Churn Rate (2)  | %                         | 0.77   | 0.79  | <b>0.86</b>                                    | <b>0.86</b>                                      | 0.82  |  |
| Number of Handsets Sold (3)                             | thousands                 | 11,837   | 6,670   | <b>10,473</b>                                  | <b>5,080</b>                                     | 23,555  |  |
| i-mode Subscriptions                                    | thousands                 | 37,356   | 37,356  | <b>29,228</b>                                  | <b>29,228</b>                                    | 32,688  | 24,030   |
| sp-mode Subscriptions                                   | thousands                 | 14,289   | 14,289  | <b>21,079</b>                                  | <b>21,079</b>                                    | 18,285  | 27,160   |
| i-channel Subscriptions                                 | thousands                 | 15,172   | 15,172  | <b>12,129</b>                                  | <b>12,129</b>                                    | 13,815  |  |
| i-concier Subscriptions                                 | thousands                 | 7,480  | 7,480   | <b>9,336</b>                                   | <b>9,336</b>                                     | 8,868   |  |
| DCMX Subscriptions (4)                                  | thousands                 | 13,430   | 13,430  | <b>15,087</b>                                  | <b>15,087</b>                                    | 13,845  | 15,720   |
| <b>ARPU and MOU</b>                                     |                           |  |   |  |  |   |  |
| Aggregate ARPU (FOMA) (5)                               | yen/month/subscription    | 4,900  | 4,870   | <b>4,600</b>                                   | <b>4,590</b>                                     | 4,840   | 4,530  |
| Voice ARPU (6)  | yen/month/subscription    | 1,850  | 1,810   | <b>1,450</b>                                   | <b>1,430</b>                                     | 1,730   | 1,320  |
| Packet ARPU   | yen/month/subscription    | 2,660  | 2,670   | <b>2,670</b>                                   | <b>2,670</b>                                     | 2,690   | 2,700  |
| Smart ARPU  | yen/month/subscription    | 390  | 390   | <b>480</b>                                     | <b>490</b>                                       | 420   | 510  |
| MOU (7)   | minute/month/subscription | 119  | 119   | <b>108</b>                                     | <b>108</b>                                       | 117   |  |

\* Please refer to 4. (2) Definition and Calculation Methods of ARPU and MOU for the definition of ARPU and MOU on page 21, 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 include in the number of FOMA subscribers.
- (2) Data are calculated including communication module services subscriptions.
- (3) Sum of new subscriptions, change of subscription from FOMA to Xi, Xi to FOMA, Xi handset upgrade by Xi subscribers, FOMA handset upgrade by FOMA subscribers.
- (4) Inclusive of DCMX mini subscriptions

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- (5) Data are calculated excluding revenues and subscriptions to communication module services, Phone Number Storage, Mail Address Storage and docomo Business Transceiver.
- (6) Inclusive of circuit-switched data communication
- (7) Data are calculated excluding subscriptions to communication module services, Phone Number Storage, Mail Address Storage and docomo Business Transceiver.



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**DOCOMO Earnings Release**

**Six Months Ended September 30, 2013**

**(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 mobile communications services and a part of other operating revenues by the number of active subscriptions to our wireless services in the relevant periods. 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.

b. MOU (Minutes Of Use): Average monthly communication time per subscription.

**ii. ARPU Calculation Methods**

Aggregate ARPU = Voice ARPU + Packet ARPU + Smart ARPU

-Voice ARPU : Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions

-Packet ARPU : Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions

- Smart ARPU : A part of other operating revenues (revenues from content, collection of charges, mobile phone insurance service, advertising and others) / No. of active subscriptions

**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, Mail Address Storage and docomo Business Transceiver are not included in the ARPU and MOU calculations.

**Table of Contents****DOCOMO Earnings Release****Six Months Ended September 30, 2013****(3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures**

The reconciliations for the year ending March 31, 2014 (Revised Forecasts) are provided to the extent available without unreasonable efforts.

**i. EBITDA and EBITDA margin**

|  | Billions of yen                                      |                              |  |  |
|--|--|------------------------------|--|--|
|  | Year ending<br>March 31, 2014<br>(Revised Forecasts) | Year ended<br>March 31, 2013 | Six months ended<br>September 30, 2012 | Six months ended<br>September 30, 2013 |
| <b>a. EBITDA</b>   | <b>¥ 1,581.0</b>                                     | <b>¥ 1,569.3</b>             | <b>¥ 806.6</b>                         | <b>¥ 826.5</b>                         |
| Depreciation and amortization                                    | (713.0)  | (700.2)                      | (324.2)                                | (339.1)                                |
| Loss on sale or disposal of property, plant and equipment        | (28.0)   | (31.9)                       | (11.3)                                 | (14.2)                                 |
| Operating income   | 840.0  | 837.2                        | 471.1                                  | 473.2                                  |
| Other income (expense)   | 2.0  | (3.8)                        | (5.5)                                  | 8.6                                    |
| Income taxes   | (333.0)  | (334.6)                      | (184.2)                                | (184.6)                                |
| Equity in net income (losses) of affiliates                      | (7.0)  | (18.0)                       | (0.5)                                  | (0.0)                                  |
| Less: Net (income) loss attributable to noncontrolling interests | 8.0  | 10.3                         | 5.0                                    | 3.2                                    |
| <b>b. Net income attributable to NTT DOCOMO, INC.</b>            | <b>510.0</b>   | <b>491.0</b>                 | <b>285.9</b>                           | <b>300.4</b>                           |
| <b>c. Operating revenues</b>                                     | <b>4,640.0</b>                                       | <b>4,470.1</b>               | <b>2,207.3</b>                         | <b>2,199.0</b>                         |
| EBITDA margin (=a/c)   | 34.1%  | 35.1%                        | 36.5%                                  | 37.6%                                  |
| Net income margin (=b/c)   | 11.0%  | 11.0%                        | 13.0%                                  | 13.7%                                  |

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.

Six months ended September 30, 2013 have been revised for the retrospective application of equity method for an investee. Please see 3.(4) Retrospective application of equity method for an investee on page 18.

**ii. ROCE after tax effect**

|   | Billions of yen                                      |                              |  |  |
|---|--|------------------------------|--|--|
|   | Year ending<br>March 31, 2014<br>(Revised Forecasts) | Year ended<br>March 31, 2013 | Six months ended<br>September 30, 2012 | Six months ended<br>September 30, 2013 |
| <b>a. Operating income</b>  | <b>¥ 840.0</b>                                       | <b>¥ 837.2</b>               | <b>¥ 471.1</b>                         | <b>¥ 473.2</b>                         |
| <b>b. Operating income after tax effect {=a*(1-effective tax rate)}</b> | <b>520.0</b>   | <b>518.2</b>                 | <b>291.6</b>                           | <b>292.9</b>                           |
| <b>c. Capital employed</b>  | <b>5,765.3</b>                                       | <b>5,470.7</b>               | <b>5,408.5</b>                         | <b>5,719.7</b>                         |
| ROCE before tax effect (=a/c)   | 14.6%  | 15.3%                        | 8.7%                                   | 8.3%                                   |

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|                              |      |      |      |             |
|------------------------------|------|------|------|-------------|
| ROCE after tax effect (=b/c) | 9.0% | 9.5% | 5.4% | <b>5.1%</b> |
|------------------------------|------|------|------|-------------|

Notes: Capital employed (for annual period) = The average of (NTT DOCOMO, INC. shareholders' equity + Interest bearing liabilities), each as of March 31, 2013 (or 2012) and 2014 (or 2013)

Capital employed (for six months) = The average of (NTT DOCOMO, INC. shareholders' equity + Interest bearing liabilities), each as of March 31, 2013 (or 2012) and September 30, 2013 (or 2012)

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

The effective tax rate for the year ended March 31, 2013 and 2014 (Forecasts) and September 30, 2013 and 2014 was 38.1%.

Six months ended September 30, 2013 have been revised for the retrospective application of equity method for an investee. Please see 3.(4) Retrospective application of equity method for an investee on page 18.

### iii. Free cash flows excluding irregular factors and effect by transfer of receivables and changes in investments for cash management purposes

|   | Billions of yen                                      |                              |  |  |
|---|--|------------------------------|--|--|
|   | Year ending<br>March 31, 2014<br>(Revised Forecasts) | Year ended<br>March 31, 2013 | Six months ended<br>September 30, 2012 | <b>Six months ended<br/>September 30, 2013</b> |
| Free cash flows excluding irregular factors and effect by transfer of receivables and changes in investments for cash management purposes | ¥ 300.0  | ¥ 225.6                      | ¥ 56.2                                 | <b>¥ 199.3</b>                                 |
| Irregular factors (1)   |  | 147.0                        | 147.0                                  |  |
| Effect of transfer of receivables (2)   |  | (242.0)                      | (254.0)                                |  |
| Changes in investments for cash management purposes (3)   |  | 99.9                         | (20.3)                                 | <b>(72.0)</b>                                  |
| <b>Free cash flows</b>  | <b>300.0</b>   | <b>230.5</b>                 | <b>(71.2)</b>                          | <b>127.2</b>                                   |
| Net cash used in investing activities   | (741.0)  | (701.9)                      | (458.2)                                | <b>(452.4)</b>                                 |
| Net cash provided by operating activities   | 1,041.0  | 932.4                        | 387.0                                  | <b>579.7</b>                                   |

Note: (1) Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of the fiscal period.

(2) Effect of transfer of receivables represents the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION. Net cash provided by operating activities includes the effect caused by the uncollected amounts of transferred receivables of telephone charges to NTT FINANCE CORPORATION for cash management purposes except for the year ended March 31, 2013 and for the six months ended September 30, 2012.

(3) 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 except for the year ended March 31, 2013. The effect of changes in investments for cash management purposes is not taken into account when we forecasted net cash used in investing activities for the year ending March 31, 2014 due to the difficulties in forecasting such effect.

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**Six Months Ended September 30, 2013**

**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 subscription, 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 market environment in the telecommunications industry, such as intensifying competition from other businesses or other technologies caused by Mobile Number Portability, development of appealing new handsets, new market entrants, mergers among other service providers and other factors, or the expansion of the areas of competition could limit the acquisition of new subscriptions and retention of existing subscriptions by our corporate group or may lead to ARPU diminishing at a greater than expected rate, an increase in our costs or an inability to reduce expenses as expected.
- (2) If current and new services, usage patterns, and sales schemes proposed and introduced by our corporate group cannot be developed as planned, or if unanticipated expenses arise the financial condition of our corporate group could be affected and our growth could be limited.
- (3) The introduction or change of various laws or regulations inside and outside of Japan, 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 and could increase our costs.
- (5) Other mobile service providers in the world may not adopt the technologies and the frequency bands that are compatible with those used by our corporate group's mobile communications system on a continuing 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) Malfunctions, defects or imperfection in our products and services or those of other parties may give rise to problems.
- (8) Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.

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- (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 a license or other use of such intellectual property rights, which may result in our inability to offer certain technologies, products and/or services, and our corporate group may also be held liable for damage compensation if we infringe the intellectual property rights of others. In addition, the illicit use by a third party of the intellectual property rights owned by our corporate group could reduce our license revenues actually obtained and may inhibit our competitive superiority.
  
- (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, software bugs, deliberate incidents induced by computer viruses, cyber attacks, equipment misconfiguration, 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 such incidents may adversely affect our credibility 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 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.

\* Names of companies, products, etc., contained in this release are the trademarks or registered trademarks of their respective organizations.

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