

Consolidated Balance Sheets

NTT DOCOMO, INC. and Subsidiaries
March 31, 2013 and 2014

	Millions of yen	
ASSETS	2013	2014
Current assets:		
Cash and cash equivalents	¥ 493,674	¥ 526,920
Short-term investments		
Third parties	31,762	19,561
Related parties	10,000	—
Accounts receivable		
Third parties	251,109	276,409
Related parties	9,233	5,100
Receivables held for sale	638,149	787,459
Credit card receivables	194,607	220,979
Other receivables		
Third parties	32,151	34,127
Related parties	257,698	281,835
Total accounts receivable, receivables held for sale, credit card receivables and other receivables	1,382,947	1,605,909
Less: Allowance for doubtful accounts	(16,843)	(15,078)
Total accounts receivable, receivables held for sale, credit card receivables and other receivables, net	1,366,104	1,590,831
Inventories	180,736	232,126
Deferred tax assets	70,784	61,592
Prepaid expenses and other current assets		
Third parties	74,577	86,991
Related parties	8,865	8,741
Total current assets	2,236,502	2,526,762
Property, plant and equipment:		
Wireless telecommunications equipment	5,151,686	4,975,826
Buildings and structures	882,165	897,759
Tools, furniture and fixtures	532,506	553,497
Land	200,382	201,121
Construction in progress	127,592	158,173
Sub-total	6,894,331	6,786,376
Accumulated depreciation and amortization	(4,334,047)	(4,228,610)
Total property, plant and equipment, net	2,560,284	2,557,766
Non-current investments and other assets:		
Investments in affiliates	474,502	424,531
Marketable securities and other investments	155,923	171,875
Intangible assets, net	691,651	665,960
Goodwill	217,640	262,462
Other assets		
Third parties	302,533	369,593
Related parties	257,606	259,581
Deferred tax assets	273,084	269,500
Total non-current investments and other assets	2,372,939	2,423,502
Total assets	¥ 7,169,725	¥ 7,508,030

LIABILITIES AND EQUITY	Millions of yen	
	2013	2014
Current liabilities:		
Current portion of long-term debt	¥ 70,437	¥ 248
Short-term borrowings		
Third parties	6,801	9,495
Related parties	5,506	–
Accounts payable, trade		
Third parties	565,142	643,822
Related parties	140,582	154,493
Accrued payroll	55,961	54,294
Accrued interest	713	346
Accrued income taxes	135,418	175,683
Other current liabilities		
Third parties	142,346	159,720
Related parties	7,954	7,885
Total current liabilities	1,130,860	1,205,986
Long-term liabilities:		
Long-term debt (exclusive of current portion)	171,022	220,603
Accrued liabilities for point programs	140,855	113,001
Liability for employees' retirement benefits	171,221	160,666
Other long-term liabilities		
Third parties	143,267	112,558
Related parties	1,935	1,703
Total long-term liabilities	628,300	608,531
Total liabilities	1,759,160	1,814,517
Redeemable noncontrolling interests	–	14,869
Equity:		
NTT DOCOMO, INC. shareholders' equity		
Common stock, without a stated value–		
Authorized shares		
17,460,000,000 shares as of March 31, 2013 and 2014		
Issued shares		
4,365,000,000 shares as of March 31, 2013 and 2014		
Outstanding shares		
4,146,760,100 shares as of March 31, 2013 and 2014	949,680	949,680
Additional paid-in capital	732,609	732,875
Retained earnings	4,112,466	4,328,389
Accumulated other comprehensive income (loss)	(49,112)	9,590
Treasury stock		
218,239,900 shares as of March 31, 2013 and 2014	(377,168)	(377,168)
Total NTT DOCOMO, INC. shareholders' equity	5,368,475	5,643,366
Noncontrolling interests	42,090	35,278
Total equity	5,410,565	5,678,644
Commitments and contingencies		
Total liabilities and equity	¥7,169,725	¥7,508,030

Consolidated Statements of Income

NTT DOCOMO, INC. and Subsidiaries
Years Ended March 31, 2012, 2013 and 2014

	Millions of yen		
	2012	2013	2014
Operating revenues:			
Mobile communications services			
Third parties	¥3,302,545	¥3,147,531	¥2,934,655
Related parties	23,948	20,947	21,133
Equipment sales			
Third parties	496,556	754,521	870,597
Related parties	2,333	3,572	1,403
Other operating revenues			
Third parties	396,034	508,452	591,130
Related parties	18,587	35,099	42,285
Total operating revenues	4,240,003	4,470,122	4,461,203
Operating expenses:			
Cost of services (exclusive of items shown separately below)			
Third parties	673,383	782,352	805,685
Related parties	220,560	221,145	253,934
Cost of equipment sold (exclusive of items shown separately below)	695,008	767,536	785,209
Depreciation and amortization	684,783	700,206	718,694
Selling, general and administrative			
Third parties	965,816	940,002	879,323
Related parties	125,993	221,701	199,159
Total operating expenses	3,365,543	3,632,942	3,642,004
Operating income	874,460	837,180	819,199
Other income (expense):			
Interest expense	(2,774)	(1,786)	(1,211)
Interest income	1,376	1,587	1,680
Other, net	3,896	(3,639)	13,381
Total other income (expense)	2,498	(3,838)	13,850
Income before income taxes and equity in net income (losses) of affiliates	876,958	833,342	833,049
Income taxes:			
Current	339,622	305,026	319,683
Deferred	52,176	18,033	(11,704)
Total income taxes	391,798	323,059	307,979
Income before equity in net income (losses) of affiliates	485,160	510,283	525,070
Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates)	(24,208)	(29,570)	(69,117)
Net income	460,952	480,713	455,953
Less: Net (income) loss attributable to noncontrolling interests	2,960	10,313	8,776
Net income attributable to NTT DOCOMO, INC.	¥ 463,912	¥ 491,026	¥ 464,729
Per share data:			
Weighted average common shares outstanding – Basic and Diluted	4,146,760,100	4,146,760,100	4,146,760,100
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC.	¥ 111.87	¥ 118.41	¥ 112.07

Consolidated Statements of Comprehensive Income

NTT DOCOMO, INC. and Subsidiaries
Years Ended March 31, 2012, 2013 and 2014

	Millions of yen		
	2012	2013	2014
Net income	¥460,952	¥480,713	¥455,953
Other comprehensive income (loss):			
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	1,901	20,680	8,751
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	1,994	6,109	(84)
Unrealized gains (losses) on cash flow hedges, net of applicable taxes	(2)	31	(76)
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	—	—	59
Foreign currency translation adjustment, net of applicable taxes	(32,082)	34,041	31,653
Less: Reclassification of realized gains and losses, net of applicable taxes included in net income	3,084	155	6,010
Pension liability adjustment, net of applicable taxes			
Actuarial gains (losses) arising during period, net	(2,746)	(5,895)	11,929
Prior service cost arising during period, net	(72)	—	3,361
Less: Amortization of prior service cost	(1,347)	(1,458)	(1,457)
Less: Curtailment gain	—	—	(3,294)
Less: Amortization of actuarial gains and losses	1,606	1,805	1,963
Less: Amortization of transition obligation	76	80	80
Total other comprehensive income (loss)	(27,588)	55,548	58,895
Comprehensive income	433,364	536,261	514,848
Less: Comprehensive (income) loss attributable to noncontrolling interests	2,974	10,182	8,583
Comprehensive income attributable to NTT DOCOMO, INC.	¥436,338	¥546,443	¥523,431

Consolidated Statements of Changes in Equity

NTT DOCOMO, INC. and Subsidiaries
Years Ended March 31, 2012, 2013 and 2014

Millions of yen

	NTT DOCOMO, INC. shareholders' equity						Noncontrolling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total NTT DOCOMO, INC. shareholders' equity		
Balance as of March 31, 2011	¥949,680	¥732,914	¥3,621,965	¥ (76,955)	¥(377,168)	¥4,850,436	¥ 27,158	¥4,877,594
Cash dividends declared (¥54 per share)			(223,925)			(223,925)		(223,925)
Cash distributions to noncontrolling interests						—	(1,280)	(1,280)
Acquisition of new subsidiaries						—	1,746	1,746
Contributions from noncontrolling interests		(322)				(322)	21,655	21,333
Others						—	(61)	(61)
Net income			463,912			463,912	(2,960)	460,952
Other comprehensive income (loss)				(27,574)		(27,574)	(14)	(27,588)
Balance as of March 31, 2012	¥949,680	¥732,592	¥3,861,952	¥(104,529)	¥(377,168)	¥5,062,527	¥ 46,244	¥5,108,771
Cash dividends declared (¥58 per share)			(240,512)			(240,512)		(240,512)
Cash distributions to noncontrolling interests						—	(4)	(4)
Acquisition of new subsidiaries						—	6,957	6,957
Changes in interest in subsidiaries		17				17	(1,045)	(1,028)
Others						—	120	120
Net income			491,026			491,026	(10,313)	480,713
Other comprehensive income (loss)				55,417		55,417	131	55,548
Balance as of March 31, 2013	¥949,680	¥732,609	¥4,112,466	¥ (49,112)	¥(377,168)	¥5,368,475	¥ 42,090	¥5,410,565
Cash dividends declared (¥60 per share)			(248,806)			(248,806)		(248,806)
Cash distributions to noncontrolling interests						—	(1,032)	(1,032)
Acquisition of new subsidiaries						—	2,588	2,588
Changes in interest in subsidiaries		266				266		266
Others						—	215	215
Net income			464,729			464,729	(8,776)	455,953
Other comprehensive income (loss)				58,702		58,702	193	58,895
Balance as of March 31, 2014	¥949,680	¥732,875	¥4,328,389	¥ 9,590	¥(377,168)	¥5,643,366	¥ 35,278	¥5,678,644

Consolidated Statements of Cash Flows

NTT DOCOMO, INC. and Subsidiaries
Years Ended March 31, 2012, 2013 and 2014

	Millions of yen		
	2012	2013	2014
Cash flows from operating activities:			
Net income	¥ 460,952	¥ 480,713	¥ 455,953
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	684,783	700,206	718,694
Deferred taxes	52,176	18,033	(11,704)
Loss on sale or disposal of property, plant and equipment	24,055	31,878	34,303
Impairment loss on marketable securities and other investments	4,030	10,928	3,055
Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates)	24,208	29,570	69,117
Dividends from affiliates	12,052	15,899	17,415
Changes in assets and liabilities:			
(Increase) / decrease in accounts receivable	(198,538)	706,742	(9,269)
(Increase) / decrease in receivables held for sale	—	(638,149)	(149,310)
(Increase) / decrease in credit card receivables	(14,584)	(8,646)	(13,849)
(Increase) / decrease in other receivables	2,359	(229,252)	(21,875)
Increase / (decrease) in allowance for doubtful accounts	5,388	(7,024)	(2,815)
(Increase) / decrease in inventories	245	(22,375)	(50,849)
(Increase) / decrease in prepaid expenses and other current assets	(2,021)	(12,564)	(7,661)
(Increase) / decrease in non-current installment receivable for handsets	(12,809)	88,075	—
(Increase) / decrease in non-current receivables held for sale	—	(149,972)	(53,276)
Increase / (decrease) in accounts payable, trade	94,747	(39,377)	65,083
Increase / (decrease) in accrued income taxes	(11,751)	(15,844)	39,691
Increase / (decrease) in other current liabilities	7,361	10,805	(40,422)
Increase / (decrease) in accrued liabilities for point programs	(26,451)	(32,281)	(27,854)
Increase / (decrease) in liability for employees' retirement benefits	7,095	9,539	(10,732)
Increase / (decrease) in other long-term liabilities	(12,296)	(34,215)	(32,977)
Other, net	9,558	19,716	29,924
Net cash provided by operating activities	1,110,559	932,405	1,000,642
Cash flows from investing activities:			
Purchases of property, plant and equipment	(480,416)	(535,999)	(498,668)
Purchases of intangible and other assets	(237,070)	(242,918)	(213,508)
Purchases of non-current investments	(35,582)	(7,444)	(16,186)
Proceeds from sale of non-current investments	2,540	1,731	5,235
Acquisitions of subsidiaries, net of cash acquired	(3,624)	(17,886)	(19,213)
Purchases of short-term investments	(1,164,203)	(665,223)	(39,084)
Redemption of short-term investments	1,023,698	915,105	68,937
Long-term bailment for consumption to a related party	—	(240,000)	—
Proceeds from redemption of long-term bailment for consumption to a related party	—	—	10,000
Short-term bailment for consumption to a related party	(80,000)	—	(70,000)
Proceeds from redemption of short-term bailment for consumption to a related party	—	90,000	70,000
Other, net	72	700	(1,093)
Net cash used in investing activities	(974,585)	(701,934)	(703,580)
Cash flows from financing activities:			
Proceeds from long-term debt	—	60,000	50,000
Repayment of long-term debt	(171,879)	(82,181)	(74,989)
Proceeds from short-term borrowings	4,991	20,750	13,740
Repayment of short-term borrowings	(4,467)	(15,599)	(26,132)
Principal payments under capital lease obligations	(4,380)	(2,801)	(2,128)
Dividends paid	(223,865)	(240,388)	(248,814)
Contributions from noncontrolling interests	21,333	2,349	193
Other, net	(349)	(3,097)	18,337
Net cash used in financing activities	(378,616)	(260,967)	(269,793)
Effect of exchange rate changes on cash and cash equivalents	(831)	2,092	5,977
Net increase (decrease) in cash and cash equivalents	(243,473)	(28,404)	33,246
Cash and cash equivalents at beginning of year	765,551	522,078	493,674
Cash and cash equivalents at end of year	¥ 522,078	¥ 493,674	¥ 526,920
Supplemental disclosures of cash flow information:			
Cash received during the year for:			
Income tax refunds	¥ 251	¥ 1,017	¥ 886
Cash paid during the year for:			
Interest, net of amount capitalized	2,922	1,840	1,578
Income taxes	351,964	321,453	280,434
Non-cash investing and financing activities:			
Assets acquired through capital lease obligations	2,036	1,931	1,513

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

NTT DOCOMO, INC. and Subsidiaries

EBITDA and EBITDA Margin

Year ended March 31,	Billions of yen				
	2010	2011	2012	2013	2014
a. EBITDA¹	¥1,568.1	¥1,565.7	¥1,583.3	¥1,569.3	¥1,572.2
Depreciation and amortization	(701.1)	(693.1)	(684.8)	(700.2)	(718.7)
Loss on sale or disposal of property, plant and equipment	(32.7)	(27.9)	(24.1)	(31.9)	(34.3)
Operating income	834.2	844.7	874.5	837.2	819.2
Other income (expense)	1.9	(9.4)	2.5	(3.8)	13.9
Income taxes	(336.9)	(332.8)	(391.8)	(323.1)	(308.0)
Equity in net income (losses) of affiliates, net of applicable taxes	(2.1)	(10.5)	(24.2)	(29.6)	(69.1)
Less: Net (income) loss attributable to noncontrolling interests	(2.3)	(1.5)	3.0	10.3	8.8
b. Net income attributable to NTT DOCOMO, INC.	494.8	490.5	463.9	491.0	464.7
c. Operating revenues	4,284.4	4,224.3	4,240.0	4,470.1	4,461.2
EBITDA margin (=a/c)	36.6%	37.1%	37.3%	35.1%	35.2%
Net income margin (=b/c)	11.5%	11.6%	10.9%	11.0%	10.4%

¹ EBITDA: Operating income + Depreciation and amortization + Loss on sale or disposal of property, plant and equipment

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.

Adjusted Free Cash Flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes)

Year ended March 31,	Billions of yen				
	2010	2011	2012	2013	2014
Adjusted free cash flows (excluding irregular factors, effect of transfer of receivables and changes in investments for cash management purposes)	¥ 416.9	¥ 589.8	¥ 503.5	¥ 225.6	¥ 257.2
Irregular factors ²	–	–	(147.0)	147.0	–
Effect of transfer of receivables ³	–	–	–	(242.0)	–
Changes in investments for cash management purposes ⁴	(398.0)	241.9	(220.5)	99.9	39.9
Free cash flows	18.9	831.7	136.0	230.5	297.1
Net cash used in investing activities	(1,163.9)	(455.4)	(974.6)	(701.9)	(703.6)
Net cash provided by operating activities ³	1,182.8	1,287.0	1,110.6	932.4	1,000.6

² Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of periods.

³ 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 for the year ended March 31, 2013.

⁴ 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.