



Earnings Release

October 30, 2015

[U.S. GAAP]

For the Six Months Ended September 30, 2015

Name of registrant: **NTT DOCOMO, INC.** (URL <https://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: Koji Otsuki, Senior Manager, General Affairs Department / TEL +81-3-5156-1111
 Scheduled date for filing of quarterly report: November 6, 2015
 Scheduled date for dividend payment: November 20, 2015
 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, 2015 (April 1, 2015 - September 30, 2015)

(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, 2015 | 2,214,987 | 1.9 % | 462,574 | 15.8 % | 452,562 | 12.0 % | 317,135 | 22.2 % |
| Six months ended September 30, 2014 | 2,172,976 | (1.2) % | 399,586 | (15.5) % | 404,062 | (16.1) % | 259,522 | (13.6) % |

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

(Note) Comprehensive income attributable to NTT DOCOMO, INC.: For the six months ended September 30, 2015: 308,774 million yen 20.1 %
 For the six months ended September 30, 2014: 257,061 million yen (22.2) %

| | Basic Earnings per Share Attributable to NTT DOCOMO, INC. | Diluted Earnings per Share Attributable to NTT DOCOMO, INC. |
|-------------------------------------|---|---|
| Six months ended September 30, 2015 | 81.70 (yen) | — |
| Six months ended September 30, 2014 | 62.61 (yen) | — |

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

| | Total Assets | Total Equity (Net Assets) | NTT DOCOMO, INC. Shareholders' Equity | Shareholders' Equity Ratio | NTT DOCOMO, INC. Shareholders' Equity per Share |
|--------------------|--------------|---------------------------|---------------------------------------|----------------------------|---|
| September 30, 2015 | 7,236,215 | 5,573,143 | 5,552,993 | 76.7 % | 1,430.64 (yen) |
| March 31, 2015 | 7,146,340 | 5,402,616 | 5,380,072 | 75.3 % | 1,386.09 (yen) |

2. Dividends

| | Cash Dividends per Share (yen) | | | | |
|--|--------------------------------|---------------------------|--------------------------|----------|-------|
| | End of the First Quarter | End of the Second Quarter | End of the Third Quarter | Year End | Total |
| Year ended March 31, 2015 | — | 30.00 | — | 35.00 | 65.00 |
| Year ending March 31, 2016 | — | 35.00 | — | — | — |
| Year ending March 31, 2016 (Forecasts) | — | — | — | 35.00 | 70.00 |

(Note) Revisions to the forecasts of dividends: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(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. | | Basic Earnings per Share Attributable to NTT DOCOMO, INC. | |
|----------------------------|--------------------|-------|------------------|--------|--|-------|---|--------|---|--|
| Year ending March 31, 2016 | 4,490,000 | 2.4 % | 710,000 | 11.1 % | 703,000 | 9.2 % | 490,000 | 19.5 % | 126.24 (yen) | |

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

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

* Notes:

| | | |
|---|--|----------------------|
| (1) Changes in significant subsidiaries: (Changes in significant subsidiaries for the six months ended September 30, 2015 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, 2015: | 4,085,772,000 shares |
| | As of March 31, 2015: | 4,085,772,000 shares |
| ii. Number of treasury stock: | As of September 30, 2015: | 204,288,188 shares |
| | As of March 31, 2015: | 204,288,145 shares |
| iii. Number of weighted average common shares outstanding: | For the six months ended September 30, 2015: | 3,881,483,821 shares |
| | For the six months ended September 30, 2014: | 4,144,776,164 shares |

* 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 of Japan had not been finalized.

* Explanation for forecasts of operations and other notes:

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, 2016, refer to "1. (3) Prospects for the Fiscal Year Ending March 31, 2016" on page 12 and "5. Special Note Regarding Forward-Looking Statements" on page 23, contained in the attachment.

CONTENTS OF THE ATTACHMENT

| | page |
|---|-------|
| Contents of the Attachment | 1 |
| 1. Information on Consolidated Results | 2-12 |
| (1) Operating Results | 2-10 |
| (2) Financial Review | 11 |
| (3) Prospects for the Fiscal Year Ending March 31, 2016 | 12 |
| 2. Other information | 13 |
| (1) Changes in Significant Subsidiaries | 13 |
| (2) Application of Simplified or Exceptional Accounting | 13 |
| (3) Changes in Accounting Policies | 13 |
| 3. Consolidated Financial Statements | 14-19 |
| (1) Consolidated Balance Sheets | 14 |
| (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income | 15-16 |
| (3) Consolidated Statements of Cash Flows | 17 |
| (4) Notes to Consolidated Financial Statements | 18-19 |
| 4. Appendices | 20-22 |
| (1) Operating Data for the 2nd Quarter of the Fiscal Year Ending March 31, 2016 | 20 |
| (2) Definition and Calculation Methods of ARPU and MOU | 21 |
| (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures | 22 |
| 5. Special Note Regarding Forward-Looking Statements | 23 |

1. Information on Consolidated Results

(1) Operating Results

i. Business Overview

Japan's telecommunications sector has seen a dramatic change in its market structure.

In May 2014, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) unveiled its "Hikari Collaboration Model"—a new wholesale business model for NTT's fiber access services. As this enables telecommunications operators and a wide range of other market participants to provide services utilizing fiber connections, the competition in the market has begun to intensify even further transcending the traditional boundaries of the telecommunications market.

Within the mobile communications market, the intensification of market conditions such as various participants entering the market and new services emerging, is expected to gather momentum due to the rapid proliferation and expanded use of smartphones, tablets, and other function-rich mobile devices, the advancement of IoT^{*1} as well as the government's pro-competition policy and other factors.

In the context of this market environment, as part of our "New Initiatives toward Delivery of Medium-Term Targets" that are planned to be implemented in the period through FY2017 (the fiscal year ending March 31, 2018), we started rolling out the "+d" value co-creation programs together with various external partners. In this undertaking, we will continuously evolve our collaboration with partners, thereby responding to the diverse requirements of our customers.

During the six months ended September 30, 2015, we entered into an alliance with GE Energy Japan Co., Ltd. and a separate alliance with Laox Co., Ltd. for collaboration, respectively, in the IoT and retail businesses.

Meanwhile, we were awarded the No. 1 overall ranking among Japan's mobile phone operators in the "2015 Japan Mobile Phone Service Satisfaction Study^{SM*2}," a customer satisfaction study on individual mobile phone users conducted by J.D. Power Asia Pacific.

For the six months ended September 30, 2015, despite the lasting negative impact from the "Monthly Support" discount program, operating revenues increased by ¥42.0 billion from the same period of the previous fiscal year to ¥2,215.0 billion, due mainly to the increase of smartphone users, the strong demand for tablets and other products purchased as a second mobile device by individual users, the growth of subscriptions to the "docomo Hikari" optical-fiber broadband service launched in March 2015 and the steady expansion of smart life business, which includes "dmarket," and other businesses.

Operating expenses, on the other hand, decreased by ¥21.0 billion from the same period of the previous fiscal year to ¥1,752.4 billion, due mainly to decreases in selling expenses and network-related costs as a result of cost efficiency improvements, despite an increase in cost associated with increased revenues in smart life business and other businesses.

As a result, Operating income increased by ¥63.0 billion from the same period of the previous fiscal year to ¥462.6 billion for the six months ended September 30, 2015.

Income before income taxes and equity in net income (losses) of affiliates was ¥452.6 billion, and Net income attributable to NTT DOCOMO, INC. increased by ¥57.6 billion from the same period of the previous fiscal year to ¥317.1 billion for the six months ended September 30, 2015.

*1: Abbreviation for "Internet of Things," a concept that describes a world in which everything is connected to the Internet, enabling remote control and management of devices, etc.

*2: 2015 Japan Mobile Phone Service Satisfaction StudySM by J.D. Power Asia Pacific. The 2015 study is based on 31,200 responses obtained from mobile phone users residing in Japan for the period of July 2015.

Consolidated results of operations for the six months ended September 30, 2014 and 2015 were as follows:

<Results of operations>

| | Billions of yen | | | |
|---|--|--|------------------------|-------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Operating revenues | ¥ 2,173.0 | ¥ 2,215.0 | ¥ 42.0 | 1.9% |
| Operating expenses | 1,773.4 | 1,752.4 | (21.0) | (1.2) |
| Operating income | 399.6 | 462.6 | 63.0 | 15.8 |
| Other income (expense) | 4.5 | (10.0) | (14.5) | — |
| Income before income taxes and equity in net income (losses) of affiliates | 404.1 | 452.6 | 48.5 | 12.0 |
| Income taxes | 141.9 | 136.0 | (5.9) | (4.2) |
| Income before equity in net income (losses) of affiliates | 262.2 | 316.6 | 54.4 | 20.8 |
| Equity in net income (losses) of affiliates | (3.7) | 1.6 | 5.3 | — |
| Net income | 258.5 | 318.2 | 59.7 | 23.1 |
| Less: Net (income) loss attributable to noncontrolling interests | 1.0 | (1.0) | (2.1) | — |
| Net income attributable to NTT DOCOMO, INC. | ¥ 259.5 | ¥ 317.1 | ¥ 57.6 | 22.2 |
| EBITDA margin* | 34.2% | 34.8% | 0.6 point | — |
| ROE* | 4.7% | 5.8% | 1.1 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, ROE, see “4.(3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures” on page 22.

<Operating revenues>

| | Billions of yen | | | |
|---|--|--|------------------------|--------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Telecommunications services | ¥ 1,393.4 | ¥ 1,382.3 | ¥ (11.1) | (0.8)% |
| Mobile communications services revenues | 1,387.8 | 1,366.5 | (21.2) | (1.5) |
| Voice revenues | 452.6 | 413.6 | (39.0) | (8.6) |
| Packet communications revenues | 935.2 | 952.9 | 17.8 | 1.9 |
| Optical-fiber broadband service and other telecommunications services revenues | 5.6 | 15.8 | 10.2 | 180.8 |
| Equipment sales | 441.9 | 416.8 | (25.0) | (5.7) |
| Other operating revenues | 337.7 | 415.8 | 78.1 | 23.1 |
| Total operating revenues | ¥ 2,173.0 | ¥ 2,215.0 | ¥ 42.0 | 1.9% |

Notes:

- Voice revenues include data communications revenues through circuit switching systems.
- With the introduction of “Optical-fiber broadband services and other telecommunications services revenues” in the fourth quarter of the fiscal year ended March 31, 2015, telecommunications services revenues included in conventional “Other operating revenues” in the financial statements for the six months ended September 30, 2014 have been retroactively reclassified into “Optical-fiber broadband service and other telecommunications services revenues.”

<Operating expenses>

| | Billions of yen | | | |
|--|--|--|------------------------|--------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Personnel expenses | ¥ 141.4 | ¥ 144.3 | ¥ 2.9 | 2.0% |
| Non-personnel expenses | 1,140.0 | 1,135.3 | (4.7) | (0.4) |
| Depreciation and amortization | 323.4 | 297.1 | (26.3) | (8.1) |
| Loss on disposal of property, plant and equipment and intangible assets | 33.6 | 22.5 | (11.1) | (33.0) |
| Communication network charges | 114.8 | 132.9 | 18.2 | 15.8 |
| Taxes and public dues | 20.2 | 20.2 | 0.1 | 0.3 |
| Total operating expenses | ¥ 1,773.4 | ¥ 1,752.4 | ¥ (21.0) | (1.2)% |

ii. Segment Results

The results of each segment for the six months ended September 30, 2015 are summarized below.

We realigned our three former operating segments, which had consisted of our mobile communications business, smart life business and other businesses, into three new operating segments, which consist of our telecommunications business, smart life business and other businesses, from the fourth quarter of the fiscal year ended March 31, 2015, as a result of realignment of respective businesses to effectively manage our telecommunications related services triggered by the launch of optical-fiber broadband services.

For details, please see “3.(4) Notes to Consolidated Financial Statements” on page 18.

Telecommunications business—

<Results of operations>

| | Billions of yen | | | |
|--|--|--|------------------------|--------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Operating revenues from telecommunications business | ¥ 1,826.5 | ¥ 1,807.0 | ¥ (19.4) | (1.1)% |
| Operating income (loss) from telecommunications business | 384.7 | 420.2 | 35.5 | 9.2 |

Although we saw an expansion in the number of smartphone users, increased demand for tablets and other products purchased as a second mobile device by individual users, and growth of subscriptions to the “docomo Hikari” optical-fiber broadband service, operating revenues from telecommunications business for the six months ended September 30, 2015 recorded a drop of ¥19.4 billion or 1.1%, from ¥1,826.5 billion for the same period of the previous fiscal year to ¥1,807.0 billion, owing mainly to the negative impact from the Monthly Support discount program.

Operating expenses from telecommunications business for the six months ended September 30, 2015 decreased by ¥54.9 billion or 3.8%, from ¥1,441.8 billion for the same period of the previous fiscal year to ¥1,386.8 billion due mainly to decreases in selling expenses and network-related costs as a result of cost efficiency improvements.

Consequently, operating income was ¥420.2 billion, an increase of ¥35.5 billion or 9.2%, from ¥384.7 billion for the same period of the previous fiscal year.

<<Key Topics>>

- The total subscriptions to our new billing plan, “Kake-hodai & Pake-aeru,” grew to 23.78 million as of September 30, 2015, an increase of 14.35 million from September 30, 2014. The number of subscriptions to our “docomo Hikari” optical-fiber broadband service launched in March 2015 was approximately 720,000 as of September 30, 2015.
- To allow customers to utilize our services at the optimal rate, we introduced a new flat-rate voice plan, “Kake-hodai Light Plan,” in September 2015.
- The total number of smartphones sold during the six months ended September 30, 2015 reached 7.07 million units thanks to the brisk sales of iPhone 6s* and iPhone 6s Plus*, which were released in September 2015, and the favorable increase in the sales of Android smartphones such as the “Xperia” series and “AQUOS EVER.” The contribution of tablet devices, such as iPad Air 2* and “dtab d-01G,” to the total number of smartphones sold amounted to 1.02 million units due to the successful acquisition of subscriptions by users of multiple mobile devices leveraging our new billing plan.
- We continued to expand the service coverage of our LTE network, increasing the number of LTE-enabled base

stations to 115,400 nationwide as of September 30, 2015, of which the number of base stations compatible with our “PREMIUM 4G”—a high-speed data communication service based on LTE-Advanced technology launched in March 2015—was expanded to 7,700, providing service in 640 cities across Japan. Meanwhile, in September 2015 we commenced a service featuring downlink speeds of up to 262.5 Mbps in selected areas of Tokyo, Osaka and Nagoya.

* TM and © 2015 Apple Inc. All rights reserved. iPad and iPhone are trademarks of Apple Inc. The iPhone trademark is used under a license from AIPHONE Co., Ltd.

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

<Number of subscriptions by services>

| | Thousand subscriptions | | | |
|-----------------------------|------------------------|--------------------|------------------------|--------|
| | September 30, 2014 | September 30, 2015 | Increase (Decrease) | |
| Cellular services | 64,295 | 68,494 | 4,199 | 6.5 % |
| Including: New billing plan | 9,429 | 23,777 | 14,348 | 152.2 |
| Cellular (LTE(Xi)) services | 26,215 | 34,504 | 8,289 | 31.6 |
| Cellular (FOMA) services | 38,080 | 33,989 | (4,090) | (10.7) |

Notes:

1. Number of subscriptions to Cellular services, Cellular (LTE(Xi)) 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.

<Number of handsets sold and churn rate>

| | Thousand units | | | |
|--|--|--|------------------------|--------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Number of handsets sold | 10,948 | 12,041 | 1,093 | 10.0 % |
| Cellular (LTE(Xi)) services | | | | |
| New LTE(Xi) subscription | 2,445 | 3,973 | 1,528 | 62.5 |
| Change of subscription from FOMA | 2,816 | 1,832 | (984) | (34.9) |
| LTE(Xi) handset upgrade by LTE(Xi) subscribers | 2,518 | 3,528 | 1,010 | 40.1 |
| Cellular (FOMA) services | | | | |
| New FOMA subscription | 1,220 | 1,181 | (39) | (3.2) |
| Change of subscription from LTE(Xi) | 64 | 54 | (9) | (14.6) |
| FOMA handset upgrade by FOMA subscribers | 1,886 | 1,474 | (412) | (21.8) |
| Churn rate* | 0.58% | 0.58% | 0.00 point | - |

* Calculation method has been changed from the first quarter of the fiscal year ending March 31, 2016. Accordingly, “Churn rate” for the six months ended September 30, 2014 has also been changed. Data are calculated excluding the subscriptions and cancellations of subscriptions of Mobile Virtual Network Operators (MVNOs).

<Trend of ARPU and MOU*>

Starting from the three months ended June 30, 2015, we redefined “ARPU” in order to better reflect actions we will take that are aimed at increasing our telecommunications services revenues.

To reflect the increase in multiple subscriptions by individual users driven by increasing demand for devices such as tablet devices and Wi-Fi routers, we changed the calculation method of ARPU from a “per active subscription” basis to a “per active user” basis. We also changed the calculation method of ARPU by adding “docomo Hikari” ARPU in addition to Voice ARPU and Packet ARPU in connection with the launch of our optical-fiber broadband service.

Furthermore, we excluded Smart ARPU from the calculation method of ARPU considering that we are striving to increase the revenues of our smart life business and other businesses not only from telecommunications services users but also from other customers.

The sum of Packet ARPU and “docomo Hikari” ARPU is referred to as Data ARPU.

| | Yen | | Increase (Decrease) | |
|----------------------|-------------------------------------|-------------------------------------|---------------------|--------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | | |
| Aggregate ARPU* | ¥ 4,160 | ¥ 4,100 | ¥ (60) | (1.4)% |
| Voice ARPU | 1,310 | 1,180 | (130) | (9.9) |
| Data ARPU | 2,850 | 2,920 | 70 | 2.5 |
| Packet ARPU | 2,850 | 2,890 | 40 | 1.4 |
| “docomo Hikari” ARPU | - | 30 | 30 | - |
| MOU* (minutes) | 116 | 131 | 15 | 12.9% |

Note: Starting with the first quarter of the fiscal year ending March 31, 2016, the calculation method of ARPU and MOU was changed. ARPU and MOU figures for the six months ended September 30, 2014 reflect these subsequent changes to the calculation method.

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

Smart life business—

<Results of operations>

| | Billions of yen | | Increase (Decrease) | |
|--|-------------------------------------|-------------------------------------|---------------------|-------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | | |
| Operating revenues from smart life business | ¥ 208.3 | ¥ 246.3 | ¥ 38.0 | 18.3% |
| Operating income (loss) from smart life business | 13.4 | 33.4 | 20.1 | 150.1 |

Operating revenues from smart life business for the six months ended September 30, 2015 were ¥246.3 billion, an increase of ¥38.0 billion or 18.3%, from ¥208.3 billion for the same period of the previous fiscal year, due mainly to the growth in revenues from “dmarket” and other content services as well as increases in the amounts of “DCMX” and other finance/payment services transactions.

Operating expenses were ¥212.9 billion yen, an increase of ¥18.0 billion or 9.2%, from ¥194.9 billion for the same period of the previous fiscal year, driven primarily by the increase in expenses associated with the growth in revenues from “dmarket” and other content services.

As a consequence, operating income was ¥33.4 billion, an increase of ¥20.1 billion or 150.1%, from ¥13.4 billion for the same period of the previous fiscal year.

<<Key Topics>>

- The combined number of “dmarket” subscriptions* reached 13.95 million as of September 30, 2015, an increase of 6.14 million from September 30, 2014. The “dgourmet” service has also enjoyed brisk sales following its launch in May 2015, with its total subscriptions exceeding 500,000 as of September 30, 2015.
- We added four new services to our “Home Anshin Partner” home trouble support services, including: the “Absent Home Surveillance” function using cameras or Android devices; “Safety Confirmation Service,” a home visit service by professional staff to confirm the safety of family members living apart; “Omimaikin,” a system that offers subscribers up to 100,000 yen in case of intrusion or other damages as solatium; and “Health Consultation Dial,” a 24-hour phone-based health consultation service attended to by medical doctors and other professional staff. Also, in conjunction with the introduction of the “Absent Home Surveillance” function, we started marketing a new network camera device, “SmaCame for docomo CS-QR10-D,” from August 2015.
- In July 2015, we started offering a new service, “Anshin Number Check,” which notifies users in advance of suspicious incoming calls such as persistent sales calls and scam calls, allowing users to use our phone services free of worry.

* The total number of users using “dTV,” “danime store,” “dhits,” “dkids,” “dmagazine” and “dgourmet” services under a monthly subscription arrangement.

Other businesses—

<Results of operations>

| | Billions of yen | | Increase (Decrease) | |
|---|-------------------------------------|-------------------------------------|---------------------|-------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | ¥ | % |
| Operating revenues from other businesses | ¥ 152.4 | ¥ 173.5 | ¥ 21.1 | 13.9% |
| Operating income (loss) from other businesses | 1.5 | 9.0 | 7.5 | 492.5 |

Operating revenues from other businesses for the six months ended September 30, 2015 amounted to ¥173.5 billion, an increase of ¥21.1 billion or 13.9%, from ¥152.4 billion for the same period of the previous fiscal year, driven mainly by increases in revenues resulting from the expanded uptake of our “Mobile Device Protection Service” and the growth of revenues relating to IoT businesses.

Operating expenses were ¥164.6 billion, an increase of ¥13.7 billion or 9.1%, from ¥150.9 billion for the same period of the previous fiscal year, as a result of rises in expenses associated with the expansion of revenues from our “Mobile Device Protection Service” and other services.

Consequently, operating income was ¥9.0 billion, an increase of ¥7.5 billion or 492.5% compared to ¥1.5 billion for the same period of the previous fiscal year.

<<Key Topics>>

- To further boost the use of IoT, we launched a new billing plan for LTE-enabled embedded modules, “LTE Ubiquitous Plan,” in September 2015.
- We started marketing “Sansan Smartphone Plan Storage Pack,” a smartphone-based business card management service targeting enterprises that is provided by Sansan, Inc. via our “Business Plus” suite of cloud-based enterprise mobile services from July 2015.

iii. CSR Activities

We aspire to help build a society in which everyone can share in a prosperous life of safety and security, beyond borders and across generations. We believe it is the corporate social responsibility (“CSR”) of DOCOMO to solve various social issues in fields such as IoT, medicine, healthcare, education and agriculture, through the “co-creation of social values”—an initiative that we plan to pursue together with various partners to create new services and businesses, while thoroughly ensuring fair, transparent and ethical business operations as a foundation for the creation of such values. Accordingly, we have positioned CSR at the core of our corporate management.

The principal CSR actions undertaken during the six months ended September 30, 2015 are summarized below:

- We started offering a new text input application for smartphones, “Move & Flick,” which, by eliminating the need to look at one’s fingers when inputting text, makes text input easier for visually impaired persons and others who have difficulty precisely locating the position of individual keys using traditional text input methods.
- To support the “mental health care” activities for the victims of the Great East Japan Earthquake who suffer from loss of motivation to go out or faded sense of belonging to local community after prolonged life in temporary housing, we provided cooking lessons through our subsidiary, ABC Cooking Studio Co., Ltd., and hosted “dTV” experience events allowing participants to try the video distribution service via tablet devices.
- We set up a charity website to assist the people and areas affected by the heavy rainfall and other damages caused by Typhoon No. 18 of 2015, and collected donations using “docomo kouza” accounts and “docomo Points.”
- We held approximately 3,500 sessions of “Smartphone and Mobile Phone Safety Class” to enlighten audiences on rules and manners related to using smartphones and mobile phones and inform them as to how to respond to troubles that may be encountered when using mobile phones and smartphones. Such sessions garnered attendance of approximately 660,000 people in total for the six months ended September 30, 2015.

iv. Trend of Capital Expenditures

<Capital expenditures>

| | Billions of yen | | | | Increase (Decrease) | |
|-----------------------------|--|--|--|--|------------------------|---------|
| | Six months ended September 30, 2014 | | Six months ended September 30, 2015 | | | |
| Total capital expenditures | ¥ 292.5 | | ¥ 219.5 | | ¥ (73.0) | (25.0)% |
| Telecommunications business | 282.9 | | 210.2 | | (72.7) | (25.7) |
| Smart life business | 5.7 | | 6.1 | | 0.4 | 7.5 |
| Other businesses | 3.9 | | 3.2 | | (0.7) | (18.7) |

We pursued more efficient use of capital expenditures and further cost reduction, while expanding the coverage of our “PREMIUM 4G” service and moved ahead with capacity buildup to accommodate the growth in data traffic toward the goal of constructing a robust network that can provide a comfortable communications environment. As a result, the total capital expenditures for the six months ended September 30, 2015 decreased by 25.0% from the same period of the previous fiscal year to ¥219.5 billion.

(2) Financial Review
i. Financial Position

| | Billions of yen | | | | |
|---|-----------------------|-----------------------|------------------------|-------|-------------------------------|
| | September 30, 2014 | September 30, 2015 | Increase (Decrease) | | (Reference) March 31, 2015 |
| Total assets | ¥ 7,075.0 | ¥ 7,236.2 | ¥ 161.2 | 2.3% | ¥ 7,146.3 |
| NTT DOCOMO, INC. shareholders' equity | 5,468.3 | 5,553.0 | 84.7 | 1.5 | 5,380.1 |
| Liabilities | 1,558.7 | 1,647.2 | 88.4 | 5.7 | 1,728.1 |
| Including: Interest bearing liabilities | 228.5 | 223.6 | (4.8) | (2.1) | 222.7 |
| Shareholders' equity ratio (1) (%) | 77.3% | 76.7% | (0.6)point | — | 75.3% |
| Debt to Equity ratio (2) (multiple) | 0.042 | 0.040 | (0.002) | — | 0.041 |

Notes: (1) Shareholders' equity ratio = NTT DOCOMO, INC. shareholders' equity / Total assets
(2) Debt to Equity ratio = Interest bearing liabilities / NTT DOCOMO, INC. shareholders' equity

ii. Cash Flow Conditions

| | Billions of yen | | | |
|--|--|--|------------------------|-------|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 | Increase (Decrease) | |
| Net cash provided by operating activities | ¥ 524.3 | ¥ 617.9 | ¥ 93.5 | 17.8% |
| Net cash used in investing activities | (393.4) | (319.4) | 74.0 | 18.8 |
| Net cash provided by (used in) financing activities | (440.4) | (139.2) | 301.1 | 68.4 |
| Free cash flows (1) | 131.0 | 298.5 | 167.5 | 127.9 |
| Free cash flows excluding changes in investments for cash management purposes (2)* | 143.5 | 298.4 | 154.9 | 108.0 |

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

(2) Changes in investments for cash management purposes = Changes by purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months

* See "4.(3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 22.

For the six months ended September 30, 2015, net cash provided by operating activities was ¥617.9 billion, an increase of ¥93.5 billion (17.8%) from the same period of the previous fiscal year. This was due mainly to an increase in cash inflows from customers in relation to collections of installment receivables for customers' handset purchases and a decrease in cash outflows resulting from a decrease in the amount of income taxes paid.

Net cash used in investing activities was ¥319.4 billion, a decrease of ¥74.0 billion (18.8%) from the same period of the previous fiscal year. This was due mainly to decreases in cash outflows resulting from purchase of short-term investments for cash management purpose and purchases of property, plant and equipment as a result of efficient network construction, despite a decrease in cash inflows resulting from redemption of short-term investments.

Net cash used in financing activities was ¥139.2 billion, a decrease of ¥301.1 billion (68.4%) from the same period of the previous fiscal year. This was due mainly to a decrease in cash outflows for payments to acquire treasury stock, despite an increase in cash outflows for dividends paid.

As a result of the foregoing, the balance of cash and cash equivalents was ¥264.6 billion as of September 30, 2015, an increase of ¥159.0 billion (150.7%) from the previous fiscal year end.

(3) Prospects for the Fiscal Year Ending March 31, 2016

Competition in Japan's mobile communications market is expected to remain intense in such areas as acquisition of subscribers and further improvement of service offerings. Under these market conditions, we will continue our efforts to secure our customer base and boost customers' packet usage by further proliferating our new billing plan "Kake-hodai & Pake-aeru" launched in June 2014, the "docomo Hikari" optical-fiber broadband service and the "docomo Hikari Pack" bundle discount packages launched in March 2015, while also expanding new services that are designed to sustain customers' "smart life." In light of these undertakings, we have decided to revise our forecast announced on April 28, 2015.

In the revised guidance, operating revenues are estimated to be ¥4,490.0 billion, a decrease of ¥20.0 billion compared to the initial forecast, due mainly to a decrease in equipment sales revenues, despite an increase in telecommunications services revenues resulting from the stronger-than-expected expansion of smartphone user base and a growth of demand for tablets and other devices purchased as a second mobile device by individual users as well as an increase in other operating revenues driven by steadfast expansion of smart life business, which includes "dmarket," and other businesses. Operating expenses, on the other hand, are projected to be ¥3,780.0 billion after a downward revision of ¥50.0 billion reflecting the greater-than-expected progress in our cost efficiency improvement efforts, decline in cost of equipment sold and other factors.

In view of the foregoing, we have revised upward our operating income projection for the fiscal year ending March 31, 2016 by ¥30.0 billion from the initial projection to ¥710.0 billion.

| | Billions of yen | | | | | |
|--|---|--|------------------------|--------|--|--|
| | Year ending March 31, 2016 (Original Forecasts) | Year ending March 31, 2016 (Revised Forecasts) | Increase (Decrease) | | Year ended March 31, 2015 (Actual Results) | |
| Operating revenues | ¥ 4,510.0 | ¥ 4,490.0 | ¥ (20.0) | (0.4)% | ¥ 4,383.4 | |
| Operating income | 680.0 | 710.0 | 30.0 | 4.4 | 639.1 | |
| Income before income taxes and equity in net income (losses) of affiliates | 687.0 | 703.0 | 16.0 | 2.3 | 643.9 | |
| Net income attributable to NTT DOCOMO, INC. | 470.0 | 490.0 | 20.0 | 4.3 | 410.1 | |
| Capital expenditures | 630.0 | 600.0 | (30.0) | (4.8) | 661.8 | |
| Free cash flows excluding changes in investments for cash management purposes* | 400.0 | 480.0 | 80.0 | 20.0 | 295.6 | |
| EBITDA* | 1,340.0 | 1,360.0 | 20.0 | 1.5 | 1,369.1 | |
| EBITDA margin* | 29.7 % | 30.3 % | 0.6 point | - | 31.2 % | |
| ROE * | 8.6 % | 8.9 % | 0.3 point | - | 7.4 % | |

* EBITDA and EBITDA margin, as we use them in this earning 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 definition of free cash flows excluding changes in investments for cash management purposes, EBITDA, EBITDA margin, and ROE, see "4. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 22.

2. Other Information

(1) Changes in Significant Subsidiaries

None

(2) Application of Simplified or Exceptional Accounting

None

(3) Changes in Accounting Policies

None

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

| | Millions of yen | |
|---|--------------------|--------------------|
| | March 31, 2015 | September 30, 2015 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | ¥ 105,553 | ¥ 264,599 |
| Short-term investments | 243,757 | 240,975 |
| Accounts receivable | 264,591 | 208,312 |
| Receivables held for sale | 897,999 | 925,891 |
| Credit card receivables | 234,412 | 252,580 |
| Other receivables | 327,275 | 362,515 |
| Allowance for doubtful accounts | (14,100) | (15,353) |
| Inventories | 186,275 | 209,750 |
| Deferred tax assets | 61,512 | 67,060 |
| Prepaid expenses and other current assets | 108,102 | 100,366 |
| Total current assets | 2,415,376 | 2,616,695 |
| Property, plant and equipment: | | |
| Wireless telecommunications equipment | 5,027,390 | 5,045,294 |
| Buildings and structures | 890,382 | 892,874 |
| Tools, furniture and fixtures | 508,810 | 496,623 |
| Land | 200,736 | 200,830 |
| Construction in progress | 193,497 | 195,052 |
| Accumulated depreciation and amortization | (4,309,748) | (4,392,601) |
| Total property, plant and equipment, net | 2,511,067 | 2,438,072 |
| Non-current investments and other assets: | | |
| Investments in affiliates | 439,070 | 430,308 |
| Marketable securities and other investments | 195,047 | 185,373 |
| Intangible assets, net | 636,319 | 614,932 |
| Goodwill | 266,311 | 253,748 |
| Other assets | 445,723 | 454,868 |
| Deferred tax assets | 237,427 | 242,219 |
| Total non-current investments and other assets | 2,219,897 | 2,181,448 |
| Total assets | ¥ 7,146,340 | ¥ 7,236,215 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | ¥ 203 | ¥ 200 |
| Short-term borrowings | 2,048 | 3,142 |
| Accounts payable, trade | 811,799 | 641,114 |
| Accrued payroll | 54,955 | 56,203 |
| Accrued income taxes | 68,563 | 141,444 |
| Other current liabilities | 176,734 | 191,866 |
| Total current liabilities | 1,114,302 | 1,033,969 |
| Long-term liabilities: | | |
| Long-term debt (exclusive of current portion) | 220,400 | 220,300 |
| Accrued liabilities for point programs | 89,929 | 82,214 |
| Liability for employees' retirement benefits | 173,872 | 178,200 |
| Other long-term liabilities | 129,632 | 132,502 |
| Total long-term liabilities | 613,833 | 613,216 |
| Total liabilities | 1,728,135 | 1,647,185 |
| Redeemable noncontrolling interests | 15,589 | 15,887 |
| Equity: | | |
| NTT DOCOMO, INC. shareholders' equity | | |
| Common stock | 949,680 | 949,680 |
| Additional paid-in capital | 339,783 | 339,767 |
| Retained earnings | 4,397,228 | 4,578,526 |
| Accumulated other comprehensive income (loss) | 52,599 | 44,238 |
| Treasury stock | (359,218) | (359,218) |
| Total NTT DOCOMO, INC. shareholders' equity | 5,380,072 | 5,552,993 |
| Noncontrolling interests | 22,544 | 20,150 |
| Total equity | 5,402,616 | 5,573,143 |
| Total liabilities and equity | ¥ 7,146,340 | ¥ 7,236,215 |

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

| | Millions of yen | |
|---|--|--|
| | Six Months Ended September 30, 2014 | Six Months Ended September 30, 2015 |
| Operating revenues: | | |
| Telecommunications services | ¥ 1,393,373 | ¥ 1,382,307 |
| Equipment sales | 441,868 | 416,844 |
| Other operating revenues | 337,735 | 415,836 |
| Total operating revenues | 2,172,976 | 2,214,987 |
| Operating expenses: | | |
| Cost of services (exclusive of items shown separately below) | 555,623 | 587,647 |
| Cost of equipment sold (exclusive of items shown separately below) | 381,838 | 386,337 |
| Depreciation and amortization | 323,431 | 297,107 |
| Selling, general and administrative | 512,498 | 481,322 |
| Total operating expenses | 1,773,390 | 1,752,413 |
| Operating income | 399,586 | 462,574 |
| Other income (expense): | | |
| Interest expense | (505) | (545) |
| Interest income | 720 | 385 |
| Other, net | 4,261 | (9,852) |
| Total other income (expense) | 4,476 | (10,012) |
| Income before income taxes and equity in net income (losses) of affiliates | 404,062 | 452,562 |
| Income taxes: | | |
| Current | 130,116 | 144,300 |
| Deferred | 11,783 | (8,320) |
| Total income taxes | 141,899 | 135,980 |
| Income before equity in net income (losses) of affiliates | 262,163 | 316,582 |
| Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates) | (3,684) | 1,582 |
| Net income | 258,479 | 318,164 |
| Less: Net (income) loss attributable to noncontrolling interests | 1,043 | (1,029) |
| Net income attributable to NTT DOCOMO, INC. | ¥ 259,522 | ¥ 317,135 |
| Per share data | | |
| Weighted average common shares outstanding – Basic and Diluted | 4,144,776,164 | 3,881,483,821 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. | ¥ 62.61 | ¥ 81.70 |

Consolidated Statements of Comprehensive Income

| | Millions of yen | |
|---|--|--|
| | Six Months Ended September 30, 2014 | Six Months Ended September 30, 2015 |
| Net income | ¥ 258,479 | ¥ 318,164 |
| Other comprehensive income (loss): | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 6,427 | (7,037) |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes | 39 | (43) |
| Foreign currency translation adjustment, net of applicable taxes | (8,932) | (981) |
| Pension liability adjustment, net of applicable taxes | (78) | (233) |
| Total other comprehensive income (loss) | (2,544) | (8,294) |
| Comprehensive income | 255,935 | 309,870 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | 1,126 | (1,096) |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥ 257,061 | ¥ 308,774 |

Consolidated Statements of Income

| | Millions of yen | |
|---|--|--|
| | Three Months Ended September 30, 2014 | Three Months Ended September 30, 2015 |
| Operating revenues: | | |
| Telecommunications services | ¥ 689,905 | ¥ 707,053 |
| Equipment sales | 234,881 | 215,500 |
| Other operating revenues | 172,887 | 215,570 |
| Total operating revenues | 1,097,673 | 1,138,123 |
| Operating expenses: | | |
| Cost of services (exclusive of items shown separately below) | 290,036 | 298,744 |
| Cost of equipment sold (exclusive of items shown separately below) | 204,582 | 210,806 |
| Depreciation and amortization | 156,248 | 151,535 |
| Selling, general and administrative | 256,861 | 249,860 |
| Total operating expenses | 907,727 | 910,945 |
| Operating income | 189,946 | 227,178 |
| Other income (expense): | | |
| Interest expense | (225) | (233) |
| Interest income | 316 | 206 |
| Other, net | 1,551 | (15,200) |
| Total other income (expense) | 1,642 | (15,227) |
| Income before income taxes and equity in net income (losses) of affiliates | 191,588 | 211,951 |
| Income taxes: | | |
| Current | 66,315 | 74,007 |
| Deferred | 2,061 | (10,649) |
| Total income taxes | 68,376 | 63,358 |
| Income before equity in net income (losses) of affiliates | 123,212 | 148,593 |
| Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates) | (127) | (38) |
| Net income | 123,085 | 148,555 |
| Less: Net (income) loss attributable to noncontrolling interests | 56 | (204) |
| Net income attributable to NTT DOCOMO, INC. | ¥ 123,141 | ¥ 148,351 |
| Per share data | | |
| Weighted average common shares outstanding – Basic and Diluted | 4,142,813,793 | 3,881,483,812 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. | ¥ 29.72 | ¥ 38.22 |

Consolidated Statements of Comprehensive Income

| | Millions of yen | |
|---|--|--|
| | Three Months Ended September 30, 2014 | Three Months Ended September 30, 2015 |
| Net income | ¥ 123,085 | ¥ 148,555 |
| Other comprehensive income (loss): | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 2,527 | (8,767) |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes | 12 | (20) |
| Foreign currency translation adjustment, net of applicable taxes | (2,253) | 5,735 |
| Pension liability adjustment, net of applicable taxes | (100) | (207) |
| Total other comprehensive income (loss) | 186 | (3,259) |
| Comprehensive income | 123,271 | 145,296 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | 76 | (239) |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥ 123,347 | ¥ 145,057 |

(3) Consolidated Statements of Cash Flows

| | Millions of yen | | | |
|---|--|-----------|--|-----------|
| | Six Months Ended September 30, 2014 | | Six Months Ended September 30, 2015 | |
| Cash flows from operating activities: | | | | |
| Net income | ¥ | 258,479 | ¥ | 318,164 |
| Adjustments to reconcile net income to net cash provided by operating activities- | | | | |
| Depreciation and amortization | | 323,431 | | 297,107 |
| Deferred taxes | | 11,783 | | (8,320) |
| Loss on sale or disposal of property, plant and equipment | | 20,765 | | 11,685 |
| Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates) | | 3,684 | | (1,582) |
| Changes in assets and liabilities: | | | | |
| (Increase) / decrease in accounts receivable | | 78,450 | | 53,872 |
| (Increase) / decrease in receivables held for sale | | (46,701) | | (27,892) |
| (Increase) / decrease in credit card receivables | | (3,816) | | (10,515) |
| (Increase) / decrease in other receivables | | 1,109 | | (34,714) |
| Increase / (decrease) in allowance for doubtful accounts | | 1,985 | | 1,852 |
| (Increase) / decrease in inventories | | 65,670 | | (26,094) |
| (Increase) / decrease in prepaid expenses and other current assets | | (7,744) | | 4,797 |
| (Increase) / decrease in non-current receivables held for sale | | (27,941) | | 3,793 |
| Increase / (decrease) in accounts payable, trade | | (108,705) | | (85,060) |
| Increase / (decrease) in accrued income taxes | | (48,659) | | 73,261 |
| Increase / (decrease) in other current liabilities | | (3,808) | | 19,933 |
| Increase / (decrease) in accrued liabilities for point programs | | (17,055) | | (7,715) |
| Increase / (decrease) in liability for employees' retirement benefits | | 3,448 | | 4,340 |
| Increase / (decrease) in other long-term liabilities | | 11,850 | | 4,573 |
| Other, net | | 8,099 | | 26,380 |
| Net cash provided by operating activities | | 524,324 | | 617,865 |
| Cash flows from investing activities: | | | | |
| Purchases of property, plant and equipment | | (279,159) | | (216,622) |
| Purchases of intangible and other assets | | (93,574) | | (92,593) |
| Purchases of non-current investments | | (1,743) | | (1,734) |
| Proceeds from sale of non-current investments | | 411 | | 1,466 |
| Purchases of short-term investments | | (30,058) | | (3,611) |
| Redemption of short-term investments | | 17,551 | | 3,707 |
| Other, net | | (6,798) | | (10,027) |
| Net cash used in investing activities | | (393,370) | | (319,414) |
| Cash flows from financing activities: | | | | |
| Proceeds from short-term borrowings | | 11,252 | | 144,841 |
| Repayment of short-term borrowings | | (12,936) | | (143,619) |
| Principal payments under capital lease obligations | | (873) | | (732) |
| Payments to acquire treasury stock | | (307,694) | | (0) |
| Dividends paid | | (124,427) | | (135,836) |
| Other, net | | (5,695) | | (3,886) |
| Net cash provided by (used in) financing activities | | (440,373) | | (139,232) |
| Effect of exchange rate changes on cash and cash equivalents | | (1,564) | | (173) |
| Net increase (decrease) in cash and cash equivalents | | (310,983) | | 159,046 |
| Cash and cash equivalents as of beginning of period | | 526,920 | | 105,553 |
| Cash and cash equivalents as of end of period | ¥ | 215,937 | ¥ | 264,599 |
| Supplemental disclosures of cash flow information: | | | | |
| Cash received during the period for: | | | | |
| Income tax refunds | ¥ | 1,525 | ¥ | 7,774 |
| Cash paid during the period for: | | | | |
| Interest, net of amount capitalized | | 456 | | 431 |
| Income taxes | | 178,980 | | 79,029 |

(4) Notes to Consolidated Financial Statements
i. Note to Going Concern Assumption

There is no corresponding item.

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

None

iii. Segment Information

DOCOMO's chief operating decision maker (the "CODM") is its board of directors. The CODM evaluates the performance and makes resource allocations of its segments based on the information provided by DOCOMO's internal management reports.

DOCOMO realigned its three former operating segments, which had consisted of its mobile communications business, smart life business and other businesses, into three new operating segments, which consist of its telecommunications business, smart life business and other businesses from the fourth quarter of the fiscal year ended March 31, 2015, as a result of realignment of respective businesses to effectively manage DOCOMO's telecommunications related services triggered by the launch of optical-fiber broadband services. Accordingly, telecommunications services which had been included in other businesses under DOCOMO's three former operating segments are reclassified to the telecommunications business.

Furthermore, certain Machine-to-Machine (M2M) services for consumers that had been included in other businesses were reclassified to the smart life business from the second quarter of the fiscal year ending March 31, 2016 to reflect the change in its internal organizational structure effective as of July 1, 2015.

The telecommunications business includes mobile phone services (LTE(Xi) services and FOMA services), optical-fiber broadband service, satellite mobile communications services, international services and the equipment sales related to these services. The smart life business includes video and music distribution, electronic books and other services offered through DOCOMO's "dmarket" portal, as well as finance/payment services, shopping services and various other services to support our customers' daily lives. The other businesses primarily includes "Mobile Device Protection Service," as well as development, sales and maintenance of IT systems.

In connection with this realignment, segment information for the six months ended September 30, 2014 and the three months ended September 30, 2014 has been restated to conform, respectively, to the presentation for the six months ended September 30, 2015 and the three months ended September 30, 2015.

Accounting policies used to determine segment operating revenues and operating income (loss) are consistent with those used to prepare the consolidated financial statements in accordance with U.S. GAAP.

Segment operating revenues:

| | Millions of yen | |
|------------------------------|--|--|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
| Telecommunications business- | | |
| External customers | ¥ 1,825,897 | ¥ 1,806,391 |
| Intersegment | 560 | 617 |
| Subtotal | 1,826,457 | 1,807,008 |
| Smart life business- | | |
| External customers | 200,575 | 240,533 |
| Intersegment | 7,695 | 5,778 |
| Subtotal | 208,270 | 246,311 |
| Other businesses- | | |
| External customers | 146,504 | 168,063 |
| Intersegment | 5,873 | 5,453 |
| Subtotal | 152,377 | 173,516 |
| Segment total | 2,187,104 | 2,226,835 |
| Elimination | (14,128) | (11,848) |
| Consolidated | ¥ 2,172,976 | ¥ 2,214,987 |

DOCOMO Earnings Release
Six Months Ended September 30, 2015

| | Millions of yen | |
|------------------------------|--|--|
| | Three months ended September 30, 2014 | Three months ended September 30, 2015 |
| Telecommunications business- | | |
| External customers | ¥ 919,693 | ¥ 928,017 |
| Intersegment | 369 | 367 |
| Subtotal | 920,062 | 928,384 |
| Smart life business- | | |
| External customers | 102,788 | 125,018 |
| Intersegment | 4,153 | 2,906 |
| Subtotal | 106,941 | 127,924 |
| Other businesses- | | |
| External customers | 75,192 | 85,088 |
| Intersegment | 2,933 | 2,552 |
| Subtotal | 78,125 | 87,640 |
| Segment total | 1,105,128 | 1,143,948 |
| Elimination | (7,455) | (5,825) |
| Consolidated | ¥ 1,097,673 | ¥ 1,138,123 |

Segment operating income (loss):

| | Millions of yen | |
|-----------------------------------|--|--|
| | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
| Telecommunications business | ¥ 384,700 | ¥ 420,169 |
| Smart life business | 13,373 | 33,441 |
| Other businesses | 1,513 | 8,964 |
| Consolidated | ¥ 399,586 | ¥ 462,574 |

| | Millions of yen | |
|-----------------------------------|--|--|
| | Three months ended September 30, 2014 | Three months ended September 30, 2015 |
| Telecommunications business | ¥ 181,498 | ¥ 207,748 |
| Smart life business | 5,740 | 16,565 |
| Other businesses | 2,708 | 2,865 |
| Consolidated | ¥ 189,946 | ¥ 227,178 |

Segment operating income (loss) is segment operating revenues less segment operating expenses.

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

4. Appendices

(1) Operating Data for the 2nd Quarter of the Fiscal Year Ending March 31, 2016

Full-year Forecasts: as revised on October 30, 2015

| | | Fiscal Year Ended | Second Quarter | Fiscal Year Ending | Second Quarter | [Ref.] | [Ref.] |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|-------------------|---------------------|
| | | Mar. 31, 2015 | (Jul. - Sep. 2014) | Mar. 31, 2016 | (Jul. - Sep. 2015) | Fiscal Year Ended | Fiscal Year Ending |
| | | Six Months | Results | Six Months | Results | Mar. 31, 2015 | Mar. 31, 2016 |
| | | (Apr. - Sep. 2014) | | (Apr. - Sep. 2015) | | Full-year Results | Full-year Forecasts |
| | | Results | | Results | | | |
| Number of Subscriptions and Other Operating Data | | | | | | | |
| Cellular Subscriptions | thousands | 64,295 | 64,295 | 68,494 | 68,494 | 66,595 | 70,400 |
| Including: New Billing Plan Subscriptions | thousands | 9,429 | 9,429 | 23,777 | 23,777 | 17,827 | - |
| LTE(Xi) | thousands | 26,215 | 26,215 | 34,504 | 34,504 | 30,744 | 37,800 |
| FOMA (1) | thousands | 38,080 | 38,080 | 33,989 | 33,989 | 35,851 | 32,600 |
| Communication Module Service | thousands | 3,464 | 3,464 | 4,461 | 4,461 | 4,173 | - |
| Net Increase from Previous Period (2) | thousands | 1,190 | 729 | 1,898 | 962 | 3,490 | 3,800 |
| LTE(Xi) | thousands | 4,250 | 2,171 | 3,760 | 1,896 | 8,779 | 7,000 |
| FOMA (1) | thousands | (3,060) | (1,443) | (1,862) | (933) | (5,289) | (3,200) |
| sp-mode Subscriptions | thousands | 25,742 | 25,742 | 30,209 | 30,209 | 28,160 | 32,000 |
| i-mode Subscriptions | thousands | 24,320 | 24,320 | 20,581 | 20,581 | 22,338 | 19,300 |
| Churn Rate (2) (3) | % | 0.58 | 0.55 | 0.58 | 0.57 | 0.61 | - |
| Number of Handsets Sold (4) | thousands | 10,948 | 5,792 | 12,041 | 6,276 | 23,751 | 25,700 |
| ARPU and MOU | | | | | | | |
| Aggregate ARPU (5) (6) (7) | yen/month/user | 4,160 | 4,110 | 4,100 | 4,190 | 4,100 | 4,160 |
| Voice ARPU (8) | yen/month/user | 1,310 | 1,290 | 1,180 | 1,240 | 1,280 | 1,210 |
| Data ARPU | yen/month/user | 2,850 | 2,820 | 2,920 | 2,950 | 2,820 | 2,950 |
| Packet ARPU | yen/month/user | 2,850 | 2,820 | 2,890 | 2,910 | 2,820 | 2,890 |
| "docomo Hikari" ARPU | yen/month/user | - | - | 30 | 40 | - | 60 |
| MOU (6) (7) (9) | minute/month/user | 116 | 121 | 131 | 134 | 122 | - |

* 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 users.

- (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) Calculation methods have been changed from the First Quarter of the Fiscal Year Ending March 31, 2016. (Accordingly, "Churn Rate" of the Fiscal Year Ended March 31, 2015 Second Quarter (July to September 2014) Results, Six Months (April to September 2014) Results and Full-Year Results have also been changed.) Data are calculated excluding the subscriptions and cancellations of subscriptions of Mobile Virtual Network Operators(MVNOs).
- (4) Sum of new subscriptions, change of subscription from FOMA to LTE(Xi), LTE(Xi) to FOMA, LTE(Xi) handset upgrade by LTE(Xi) subscribers, and FOMA handset upgrade by FOMA subscribers.
- (5) Data are calculated excluding revenues and users from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs).
- (6) Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for "Xi" or "FOMA" services in his/her name are not included in the calculation.
- (7) Calculation Methods has been changed from the First Quarter of the Fiscal Year Ending March 31, 2016. (Accordingly, ARPU and MOU of the Fiscal Year Ended March 31, 2015 Second Quarter (July to September 2014) Results, Six Months (April to September 2014) Results, Full-Year Results, and Fiscal Year Ending March 31, 2016 Full-year Forecasts have also been changed.)
- (8) Inclusive of circuit-switched data communication.
- (9) Data are calculated excluding users from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs).

(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 user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users to our wireless services in the relevant periods, as shown below under “ARPU Calculation Method.” We believe that our ARPU figures provide useful information to analyze the average usage per user and the impacts of changes in our billing arrangements. 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 user.

ii. ARPU Calculation Methods

- Aggregate ARPU = Voice ARPU + Packet ARPU + “docomo Hikari” ARPU
- Voice ARPU : Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
 - Packet ARPU : Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users
 - “docomo Hikari” ARPU : A part of other operating revenues (basic monthly charges, voice communication charges) / No. of active users

In addition, the sum of Packet ARPU and “docomo Hikari” ARPU is referred to as Data ARPU.

iii. Active Users Calculation Method

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

Notes:

1. The number of “users” used to calculate ARPU and MOU is the total number of subscriptions, excluding the subscriptions listed below:
 - a. Subscriptions of communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
 - b. Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name.
2. Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in the ARPU calculation.

(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, 2016 (Revised Forecasts) are provided to the extent available without unreasonable efforts.

i. EBITDA and EBITDA margin

| | Billions of yen | | | |
|--|--|------------------------------|--|--|
| | Year ending March 31, 2016 (Revised Forecasts) | Year ended March 31, 2015 | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
| a. EBITDA | ¥ 1,360.0 | ¥ 1,369.1 | ¥ 743.8 | ¥ 771.4 |
| Depreciation and amortization | (622.0) | (659.8) | (323.4) | (297.1) |
| Loss on sale or disposal of property, plant and equipment | (28.0) | (40.1) | (20.8) | (11.7) |
| Impairment loss | - | (30.2) | - | - |
| Operating income | 710.0 | 639.1 | 399.6 | 462.6 |
| Other income (expense) | (7.0) | 4.8 | 4.5 | (10.0) |
| Income taxes | (216.0) | (238.1) | (141.9) | (136.0) |
| Equity in net income (losses) of affiliates | 4.0 | (7.8) | (3.7) | 1.6 |
| Less: Net (income) loss attributable to noncontrolling interests | (1.0) | 12.1 | 1.0 | (1.0) |
| b. Net income attributable to NTT DOCOMO, INC. | 490.0 | 410.1 | 259.5 | 317.1 |
| c. Operating revenues | 4,490.0 | 4,383.4 | 2,173.0 | 2,215.0 |
| EBITDA margin (=a/c) | 30.3% | 31.2% | 34.2% | 34.8% |
| Net income margin (=b/c) | 10.9% | 9.4% | 11.9% | 14.3% |

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

ii. ROE

| | Billions of yen | | | |
|--|--|------------------------------|--|--|
| | Year ending March 31, 2016 (Revised Forecasts) | Year ended March 31, 2015 | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
| a. Net income attributable to NTT DOCOMO, INC. | ¥ 490.0 | ¥ 410.1 | ¥ 259.5 | ¥ 317.1 |
| b. Shareholders' equity | 5,489.1 | 5,511.7 | 5,555.8 | 5,466.5 |
| ROE (=a/b) | 8.9% | 7.4% | 4.7% | 5.8% |

Notes: Shareholders' equity (for annual period) = The average of NTT DOCOMO, INC. shareholders' equity, each as of March 31, 2015 (or 2014) and 2016 (or 2015).

Shareholders' equity (for six months) = The average of NTT DOCOMO, INC. shareholders' equity, each as of March 31, 2015 (or 2014) and September 30, 2015 (or 2014).

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

| | Billions of yen | | | |
|---|--|------------------------------|--|--|
| | Year ending March 31, 2016 (Revised Forecasts) | Year ended March 31, 2015 | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
| Net cash provided by operating activities | ¥ 1,080.0 | ¥ 963.0 | ¥ 524.3 | ¥ 617.9 |
| Net cash used in investing activities | (600.0) | (651.2) | (393.4) | (319.4) |
| Free cash flows | 480.0 | 311.8 | 131.0 | 298.5 |
| Changes in investments for cash management purposes | - | 16.2 | (12.5) | 0.1 |
| Free cash flows excluding changes in investments for cash management purposes | 480.0 | 295.6 | 143.5 | 298.4 |

Notes: 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 for the year ended March 31, 2015 and September 30, 2015 (or 2014).

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, 2016 due to the difficulties in forecasting such effect.

5. Special Note Regarding Forward-Looking Statements

This earning release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that were indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. 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 it may lead to ARPU diminishing at a greater than expected rate, an increase in our costs, or an inability to optimize costs 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, as well as investments in new business fields, may not produce the returns or provide the opportunities we expect.
- (7) Malfunctions, defects or imperfections 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.
- (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, the 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.