



# Earnings Release

For the Six Months Ended September 30, 2017

October 26, 2017  
[U.S. GAAP]



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: Kazuhiro Yoshizawa, Representative Director, President and Chief Executive Officer  
 Contact: Hideki Maeda, Senior Manager, General Affairs Department / TEL +81-3-5156-1111  
 Scheduled date for filing of quarterly report: November 1, 2017  
 Scheduled date for dividend payment: November 21, 2017  
 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, 2017 (April 1, 2017 - September 30, 2017)

### (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, 2017	2,300,131	0.5%	548,776	(6.3)%	554,506	(4.6)%	373,911	(7.8)%
Six months ended September 30, 2016	2,288,344	3.3 %	585,597	26.6 %	581,164	28.4 %	405,407	27.8 %

(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, 2017: 377,800 million yen 2.3 %  
 For the six months ended September 30, 2016: 369,362 million yen 19.6 %

	Basic Earnings per Share Attributable to NTT DOCOMO, INC.	Diluted Earnings per Share Attributable to NTT DOCOMO, INC.
Six months ended September 30, 2017	100.93 (yen)	—
Six months ended September 30, 2016	108.32 (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, 2017	7,641,723	5,791,384	5,760,300	75.4 %	1,554.91 (yen)
March 31, 2017	7,453,074	5,561,146	5,530,629	74.2 %	1,492.91 (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, 2017	—	40.00	—	40.00	80.00
Year ending March 31, 2018	—	50.00	—	—	—
Year ending March 31, 2018 (Forecasts)	—	—	—	50.00	100.00

(Note) Revisions to the forecasts of dividends: None

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

(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, 2018	4,750,000	3.6%	960,000	1.6%	966,000	1.7%	655,000	0.4%	178.24	(yen)

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

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

\* Notes:

(1) Changes in significant subsidiaries: (Changes in significant subsidiaries for the six months ended September 30, 2017 which resulted in changes in scope of consolidation)		None
(2) Application of simplified or exceptional accounting:		None
(3) Changes in accounting policies		
i. Changes due to revision of accounting standards and other regulations:		Yes
ii. Others: (Refer to "2. (3) Changes in Accounting Policies" on page 3)		None
(4) Number of issued shares (common stock)		
i. Number of issued shares (inclusive of treasury stock):	As of September 30, 2017:	3,899,563,000 shares
	As of March 31, 2017:	3,899,563,000 shares
ii. Number of treasury stock:	As of September 30, 2017:	194,977,467 shares
	As of March 31, 2017:	194,977,467 shares
iii. Number of weighted average common shares outstanding:	For the six months ended September 30, 2017:	3,704,585,533 shares
	For the six months ended September 30, 2016:	3,742,803,807 shares

\* This earnings release is not subject to the quarterly review by independent auditors.

\* Explanation for forecasts of operations and other notes:

Forecast of results

This earnings release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information available as of the filing date of this document. 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. With regard to various known and unknown risks, uncertainties and other factors, please see our latest Annual reports on Form 20-F submitted to the U.S. Securities and Exchange Commission.

(Resolution of share repurchase up to prescribed maximum limit)

The forecasts of "Basic Earnings per Share Attributable to NTT DOCOMO, INC." for the fiscal year ending March 31, 2017 are based on the assumption that DOCOMO will repurchase up to 120,000,000 shares for an amount in total not to exceed ¥300,000 million, as resolved at the board of directors' meeting held on October 26, 2017.

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**Earnings Release for the Six Months Ended September 30, 2017**

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**1. Summary Information**

**Prospects for the Fiscal Year Ending March 31, 2018**

None

## **2. Summary Information (notes)**

### **(1) Changes in Significant Subsidiaries**

None

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

None

### **(3) Change in Accounting Policies**

#### **Balance sheet classification of deferred taxes –**

On November 20, 2015, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2015-17 “Balance Sheet Classification of Deferred Taxes.” Effective April 1, 2017, DOCOMO adopted prospectively ASU 2015-17 “Balance Sheet Classification of Deferred Taxes.” This ASU requires that all deferred tax liabilities and assets be classified as noncurrent on the consolidated balance sheet.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2017	September 30, 2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 289,610	¥ 527,546
Short-term investments	301,070	310,757
Accounts receivable	239,137	191,012
Receivables held for sale	936,748	888,377
Credit card receivables	347,557	384,051
Other receivables	398,842	395,571
Allowance for doubtful accounts	(19,517)	(20,157)
Inventories	153,388	142,847
Deferred tax assets	81,025	—
Prepaid expenses and other current assets	108,412	119,015
<b>Total current assets</b>	<b>2,836,272</b>	<b>2,939,019</b>
<b>Property, plant and equipment:</b>		
Wireless telecommunications equipment	5,084,923	5,120,594
Buildings and structures	906,177	910,603
Tools, furniture and fixtures	441,513	449,560
Land	198,980	199,088
Construction in progress	204,413	224,720
Accumulated depreciation and amortization	(4,295,111)	(4,343,703)
<b>Total property, plant and equipment, net</b>	<b>2,540,895</b>	<b>2,560,862</b>
<b>Non-current investments and other assets:</b>		
Investments in affiliates	373,758	382,549
Marketable securities and other investments	198,650	189,711
Intangible assets, net	608,776	597,307
Goodwill	230,971	231,637
Other assets	434,312	424,612
Deferred tax assets	229,440	316,026
<b>Total non-current investments and other assets</b>	<b>2,075,907</b>	<b>2,141,842</b>
<b>Total assets</b>	<b>¥ 7,453,074</b>	<b>¥ 7,641,723</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	¥ 60,217	¥ 170,100
Short-term borrowings	1,623	1,628
Accounts payable, trade	853,538	708,589
Accrued payroll	59,187	60,558
Accrued income taxes	105,997	172,551
Other current liabilities	194,494	225,343
<b>Total current liabilities</b>	<b>1,275,056</b>	<b>1,338,769</b>
<b>Long-term liabilities:</b>		
Long-term debt (exclusive of current portion)	160,040	50,000
Accrued liabilities for point programs	94,639	86,879
Liability for employees' retirement benefits	193,985	198,500
Other long-term liabilities	145,266	152,952
<b>Total long-term liabilities</b>	<b>593,930</b>	<b>488,331</b>
<b>Total liabilities</b>	<b>1,868,986</b>	<b>1,827,100</b>
<b>Redeemable noncontrolling interests</b>	<b>22,942</b>	<b>23,239</b>
<b>Equity:</b>		
NTT DOCOMO, INC. shareholders' equity		
Common stock	949,680	949,680
Additional paid-in capital	326,621	326,595
Retained earnings	4,656,139	4,881,867
Accumulated other comprehensive income (loss)	24,631	28,600
Treasury stock	(426,442)	(426,442)
Total NTT DOCOMO, INC. shareholders' equity	5,530,629	5,760,300
Noncontrolling interests	30,517	31,084
<b>Total equity</b>	<b>5,561,146</b>	<b>5,791,384</b>
<b>Total liabilities and equity</b>	<b>¥ 7,453,074</b>	<b>¥ 7,641,723</b>

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

	Millions of yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
<b>Operating revenues:</b>		
Telecommunications services	¥ 1,474,493	¥ 1,568,774
Equipment sales	380,108	303,520
Other operating revenues	433,743	427,837
<b>Total operating revenues</b>	<b>2,288,344</b>	<b>2,300,131</b>
<b>Operating expenses:</b>		
Cost of services (exclusive of items shown separately below)	632,236	656,431
Cost of equipment sold (exclusive of items shown separately below)	364,123	336,420
Depreciation and amortization	220,538	240,023
Selling, general and administrative	485,850	518,481
<b>Total operating expenses</b>	<b>1,702,747</b>	<b>1,751,355</b>
<b>Operating income</b>	<b>585,597</b>	<b>548,776</b>
<b>Other income (expense):</b>		
Interest expense	(357)	(135)
Interest income	291	270
Other, net	(4,367)	5,595
<b>Total other income (expense)</b>	<b>(4,433)</b>	<b>5,730</b>
<b>Income before income taxes and equity in net income (losses) of affiliates</b>	<b>581,164</b>	<b>554,506</b>
<b>Income taxes:</b>		
Current	129,670	182,774
Deferred	49,025	(9,368)
<b>Total income taxes</b>	<b>178,695</b>	<b>173,406</b>
<b>Income before equity in net income (losses) of affiliates</b>	<b>402,469</b>	<b>381,100</b>
Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates)	3,340	(6,019)
<b>Net income</b>	<b>405,809</b>	<b>375,081</b>
Less: Net (income) loss attributable to noncontrolling interests	(402)	(1,170)
<b>Net income attributable to NTT DOCOMO, INC.</b>	<b>¥ 405,407</b>	<b>¥ 373,911</b>
<b>Per share data</b>		
Weighted average common shares outstanding – Basic and Diluted	3,742,803,807	3,704,585,533
<b>Basic and Diluted earnings per share attributable to NTT DOCOMO, INC.</b>	<b>¥ 108.32</b>	<b>¥ 100.93</b>

**Consolidated Statements of Comprehensive Income**

	Millions of yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
<b>Net income</b>	<b>¥ 405,809</b>	<b>¥ 375,081</b>
<b>Other comprehensive income (loss):</b>		
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(5,316)	561
Unrealized gains (losses) on cash flow hedges, net of applicable taxes	(58)	(25)
Foreign currency translation adjustment, net of applicable taxes	(31,736)	2,958
Pension liability adjustment, net of applicable taxes	640	599
<b>Total other comprehensive income (loss)</b>	<b>(36,470)</b>	<b>4,093</b>
<b>Comprehensive income</b>	<b>369,339</b>	<b>379,174</b>
Less: Comprehensive (income) loss attributable to noncontrolling interests	23	(1,294)
<b>Comprehensive income attributable to NTT DOCOMO, INC.</b>	<b>¥ 369,362</b>	<b>¥ 377,880</b>

**(3) 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 has three operating segments, which consist of telecommunications business, smart life business and other businesses.

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.

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:**

	<b>Millions of yen</b>	
	Six months ended September 30, 2016	Six months ended September 30, 2017
Telecommunications business-		
External customers .....	¥ 1,856,239	¥ 1,870,119
Intersegment .....	384	657
Subtotal .....	1,856,623	1,870,776
Smart life business-		
External customers .....	243,488	221,605
Intersegment .....	6,880	8,592
Subtotal .....	250,368	230,197
Other businesses-		
External customers .....	188,617	208,407
Intersegment .....	4,788	6,770
Subtotal .....	193,405	215,177
Segment total .....	2,300,396	2,316,150
Elimination .....	(12,052)	(16,019)
Consolidated .....	¥ 2,288,344	¥ 2,300,131



**Segment operating income (loss):**

	Millions of yen	
	Six months ended September 30, 2016	Six months ended September 30, 2017
Telecommunications business.....	¥ 524,737	¥ 474,384
Smart life business.....	36,975	33,491
Other businesses .....	23,885	40,901
Consolidated .....	¥ 585,597	548,776

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.

**iv. Subsequent Event**
**Resolution of share repurchase up to prescribed maximum limit**

On October 26, 2017, the Board of Directors resolved that NTT DOCOMO, INC. may repurchase up to 120 million outstanding shares of its common stock for an amount in total not exceeding ¥ 300,000 million during the period from October 27, 2017 through March 31, 2018.