

To Shareholders

**Internet Disclosure of  
the Notice of Convocation of the 26th Ordinary General  
Meeting of Shareholders**

May 29, 2017

**NTT DOCOMO, INC.**

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In accordance with the applicable laws and regulations, and the provisions of Article 16 of the Company's Articles of Incorporation, the aforesaid information is deemed to have been provided to the shareholders by being available at the Company's following website:

<https://www.nttdocomo.co.jp/english/corporate/ir/event/meeting/index.html>).

## **1. Notes to Consolidated Financial Statements**

### **Accounting basis for the consolidated financial statements**

#### **Summary of significant accounting and reporting policies:**

##### 1. Basis of preparation of consolidated financial statements

The consolidated statutory report including consolidated balance sheet, consolidated statement of income and consolidated statement of changes in equity is prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), in compliance with Paragraph 1, Article 120-3 of provision of the Japanese Company Accounting Regulations. However, in compliance with Paragraph 3 of the article, certain disclosure that is required on the basis of U.S.GAAP is omitted.

##### 2. Valuation of inventories

Inventories are stated at the lower of cost or market. The cost of equipment sold is determined by the first-in, first-out method. Inventories consist primarily of handsets and accessories, and NTT DOCOMO, INC. and subsidiaries (“DOCOMO”) evaluates its inventories for obsolescence on a periodic basis and records adjustments as required.

##### 3. Valuation of securities

DOCOMO accounts for its securities in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 320 “Investments—Debt and Equity Securities.”

###### (1) Held-to-maturity securities

Held-to-maturity securities are carried at amortized cost.

###### (2) Available-for-sale securities

Available-for-sale securities whose fair value is readily determinable are stated at fair value as of the end of the fiscal year. The unrealized holding gains and losses, net of applicable deferred tax assets/liabilities, are not reflected in earnings, but directly reported as a separate component of equity. The cost of securities sold is determined by the moving-average method with the exception of debt securities sold, whose cost is determined by the first-in, first-out method.

#### 4. Depreciation and amortization of non-current assets

##### (1) Property, plant and equipment

Depreciation of property, plant and equipment is computed by the straight-line method.

Previously, DOCOMO principally used the declining-balance method for calculating depreciation of property, plant, and equipment with the exception of buildings, which are depreciated on a straight-line basis. Effective April 1, 2016, DOCOMO adopted the straight-line method of depreciation for all property, plant, and equipment. Data traffic has recently grown due to increased use of smartphones. As a way of addressing the rising data traffic, DOCOMO provides LTE-Advanced services, using the carrier aggregation technology which enables higher speeds and capacities for the LTE services. With the introduction of the carrier aggregation technology, DOCOMO is able to use its frequencies more efficiently, bringing stability to DOCOMO's operation of its wireless telecommunications equipment. As a result, DOCOMO believes that the straight-line depreciation method better reflects the pattern of consumption of the future benefits to be derived from those assets being depreciated. The effect of the change in the depreciation method is recognized prospectively as a change in the accounting estimate pursuant to the FASB ASC250, "Accounting Changes and Error Corrections."

The change in depreciation method caused a decrease in "Depreciation and amortization" by ¥154,050 million for the fiscal year ended March 31, 2017. "Net income attributable to NTT DOCOMO, INC." and "Basic and Diluted earnings per share attributable to NTT DOCOMO, INC." for the fiscal year ended March 31, 2017 increased by ¥105,370 million and ¥28.28, respectively.

##### (2) Goodwill and other intangible assets

In accordance with ASC350 "Intangibles—Goodwill and Other," goodwill and other intangible assets that have indefinite useful lives are not amortized, but are tested for impairment at least annually. Other intangible assets that have finite useful lives are amortized on a straight-line method over their useful lives.

Impairment losses of goodwill and unamortizable intangible assets are included in "Impairment loss" of the consolidated statement of income for the fiscal year ended March 31, 2017.

#### 5. Accounting for allowances

##### (1) Allowance for doubtful accounts

DOCOMO provides allowance for doubtful accounts principally in an amount computed based on the historical bad debt ratio during a certain reference period and the estimated uncollectible amount based on the analysis of certain individual accounts including claims in bankruptcy.

In case of receivables held for sale, DOCOMO measures them at the lower of cost or fair value and records the amounts by which cost exceeds fair value as allowance for doubtful accounts.

##### (2) Accrued liabilities for point programs

DOCOMO offers "docomo Points Service" and "d POINT Service," which provide benefits, such as discount on DOCOMO's products and services, to customers in exchange for points that we grant customers based on the usage of cellular or other services, and records "Accrued liabilities for point programs" relating to the points that customers earn.

## 6. Liability for employees' retirement benefits

In accordance with ASC715 "Compensation—Retirement Benefits," to provide for employees' retirement benefits, the liability for employees' retirement benefits is calculated based upon the projected benefit obligation and the fair value of plan assets at the end of the fiscal year.

Prior service cost is amortized over the expected average remaining service periods of employees on a straight-line basis.

Actuarial losses (gains) in excess of ten percent of the greater of the projected benefit obligation or the fair value of plan assets is amortized over the expected average remaining service period of employees on a straight-line basis.

## 7. Consumption tax

Consumption tax is separately accounted for by excluding it from each transaction amount.

### **Scope of consolidation and application of equity method:**

Scope of consolidation and application of equity method

There were 117 consolidated subsidiaries and 23 equity method affiliates as of March 31, 2017.

### **Note to consolidated balance sheet:**

Accumulated other comprehensive income (loss) includes the amounts of unrealized holding gains (losses) on available-for-sale securities, unrealized gains (losses) on cash flow hedges, foreign currency translation adjustment and pension liability adjustment.

**Note to consolidated statement of changes in equity:**

1. The class and number of the issued shares

Class of shares	Number of shares as of March 31, 2016	Increase during the fiscal year ended March 31, 2017	Decrease during the fiscal year ended March 31, 2017	Number of shares as of March 31, 2017
Shares of common stock of the Company	3,958,543,000	—	58,980,000	3,899,563,000

(Note)

A decrease in the number of issued shares of common stock totaled 58,980,000 shares is due to retirement of treasury stock.

2. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total cash dividends paid (millions of yen)	Cash dividends per share (yen)	Date of record	Date of payment
The general meeting of shareholders on June 16, 2016	Shares of common stock of the Company	¥ 131,622	¥ 35	March 31, 2016	June 17, 2016
The Board of Directors' meeting on October 28, 2016	Shares of common stock of the Company	¥ 148,810	¥ 40	September 30, 2016	November 22, 2016

(2) Cash dividends declared for the fiscal year ended March 31, 2017 and to be paid during the next fiscal year

As a proposal of the 26th general meeting of shareholders, NTT DOCOMO, INC. plans to submit a matter about dividends of a common stock as follows:

i Total cash dividends declared	¥148,183 million
ii Cash dividends per share	¥40
iii Date of record	March 31, 2017
iv Date of payment	June 21, 2017
v Source of dividends	Retained earnings

3. Redeemable noncontrolling interest

Changes in the redeemable noncontrolling interest for the fiscal year ended March 31, 2017 are as follows:

	Millions of yen
Balance as of March 31, 2016	¥ 16,221
Comprehensive income	
Net income	683
Other comprehensive income (loss)	(1)
Changes in interest in subsidiaries	6,100
Cash distributions to redeemable noncontrolling interests	(61)
Balance as of March 31, 2017	¥ 22,942

## Note regarding financial instruments:

### 1. Conditions of financial instruments

In normal course of business, DOCOMO has financial instruments including available-for-sale securities, long-term debt and other financial assets and liabilities. The fair value and cash flow for these assets and liabilities may be negatively impacted by fluctuations in interest rates and foreign exchange rates. To manage these risks, DOCOMO may use derivative instruments such as interest rate swap agreement, foreign currency option contracts and foreign exchange forward contracts. The financial instruments are executed with creditworthy financial institutions, and the management of DOCOMO believes that there is little risk of default by these counterparties. DOCOMO sets and follows internal regulations that establish conditions to enter into derivative contracts and procedures of approving and monitoring such contracts.

DOCOMO entered into a contract regarding the transfers of accounts receivable for DOCOMO's telecommunications services and installment receivables for subscribers' equipment purchases with NTT FINANCE CORPORATION for customer's convenience. As of March 31, 2017, the amount of other receivables resulting from the sale of receivables to NTT FINANCE CORPORATION is ¥299,467 million, and the amount of receivables held for sale is ¥1,144,948 million.

### 2. Fair value of financial instruments

The carrying amount, fair value and the difference as of March 31, 2017 are as follows:

	Millions of yen		
	March 31, 2017		
	Carrying amount	Fair value	Difference
Assets			
Receivables held for sale (*1)	¥ 1,144,948	¥ 1,144,948	—
Investments in affiliates	114,294	102,447	(11,847)
Marketable securities and other investments			
Available-for-sale securities :			
Equity securities	179,654	179,654	—
Debt securities	5	5	—
Derivatives			
Foreign exchange forward contracts	0	0	—
Liabilities			
Long-term debt (*2)	220,257	225,325	(5,068)
Derivatives			
Foreign exchange forward contracts	11	11	—
Foreign currency option contracts	1,336	1,336	—

(\*1) "Receivables held for sale" includes its non-current portion, which is accounted for as "Other assets" and excludes amounts recorded as "Allowance for doubtful accounts" from the carrying amounts.

(\*2) Current portion of "Long-term debt" is included.

(Notes)

1. The followings are not presented in the above table.

"Cash and cash equivalents," "Short-term investments," "Accounts receivable," "Credit card receivables," "Other receivables," "Accounts payable, trade," and certain other short-term financial instruments: Their carrying amounts approximate fair values with the nature of short-term financial instruments.

## 2. Fair value measurement for financial instruments and information on securities and derivatives

### (1) Receivables held for sale

DOCOMO measures the fair value of the receivables held for sale by discounting, at LIBOR-based discount rates, future cash flows estimated while taking into account factors such as default probabilities and loss severity of similar trade receivables.

### (2) Investments in affiliates

The fair values of investments in affiliates are valued using quoted prices in active markets.

Certain investments in affiliates, whose quoted prices in active market are not available, are not included in the table above for the reason that it is difficult to determine their fair values.

### (3) Marketable securities and other investments

The fair values of available-for-sale securities are valued using quoted prices in active markets.

Certain long-term investments evaluated at cost are not included in the table above, for the reason that quoted price in active market are not available and it is not practicable to disclose estimated their fair values.

### (4) Long-term debt

The fair value of long-term debt including current portion is estimated based on the discounted amounts of future cash flows using DOCOMO's current incremental borrowings rates for similar liabilities.

### (5) Derivatives

The fair value of foreign currency option contracts and foreign exchange forward contracts are measured using valuation provided by financial institutions based on observable market data. DOCOMO periodically validates the valuation of such derivatives using observable market inputs.

## **Note regarding per share information:**

NTT DOCOMO, INC. shareholders' equity per share:	¥ 1,492.91
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC.:	¥ 175.12



## **2. Notes to Non-Consolidated Financial Statements**

### **Significant accounting policies for the non-consolidated financial statements**

#### **Basis of preparation:**

The accompanying non-consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan.

#### 1. Valuation of certain assets

##### (1) Securities

Held-to-maturity securities are stated at amortized cost, which is determined by the interest method.

Investments in subsidiaries and affiliates are stated at cost, which is determined by the moving average method.

Available-for-sale securities whose fair value is readily determinable are stated at fair value as of the end of the fiscal year. The holding gains and losses, net of applicable deferred tax assets/liabilities, are directly reported as a separate component of net assets instead of being reflected in earnings. The cost of securities sold is determined by the moving-average method with the exception of the cost of debt securities sold, which is determined by the first-in, first-out method.

Available-for-sale securities whose fair value is not readily determinable are stated at moving-average cost.

##### (2) Derivative instruments

Derivative instruments are stated at fair value as of the end of the fiscal year.

##### (3) Inventories

Inventories are stated at cost. The cost of terminal equipment to be sold is determined by the first-in, first-out method. The cost of other inventories is determined by the specific identification method. The amount of inventories in the non-consolidated balance sheet is reduced based on a decrease of profitability.

#### 2. Depreciation and amortization of non-current assets

##### (1) Property, plant and equipment (except lease assets)

Depreciation of property, plant and equipment is computed by the straight-line method.

The useful lives of the assets are determined by estimation and the residual values of the assets are determined substantially.

##### (2) Intangible assets (except lease assets)

Amortization of intangible assets is computed by the straight-line method.

The useful lives of the assets are determined by estimation.

Internal-use software is amortized over the estimated useful life (7 years or less) on a straight-line basis.

(3) Lease assets

Financial leases other than those deemed to transfer ownership of properties to lessees

Amortization of lease assets is computed by the straight-line method.

The useful lives of the assets are determined by the term of leases and the residual values of the assets equal to zero.

3. Accounting for allowances

(1) Allowance for doubtful accounts

NTT DOCOMO, INC. provides allowance for doubtful accounts principally in an amount computed based on the historical bad debt ratio during a certain reference period and the estimated uncollectible amount based on the analysis of certain individual accounts including claims in bankruptcy.

(2) Liability for employees' retirement benefits

In order to provide for employees' retirement benefits, NTT DOCOMO, INC. accrues the liability as of the end of the fiscal year in an amount calculated based on the estimated projected benefit obligation and plan assets at the end of the fiscal year.

In calculating projected benefits obligation, the benefit formula basis is used to attribute the expected benefit attributable to the respective fiscal year.

Actuarial losses (gains) are recognized as incurred at the end of the fiscal year.

Prior service cost is amortized on a straight-line basis over the average remaining service periods of employees at the time of occurrence.

(3) Accrued liabilities for loyalty programs

The costs of awards under the loyalty programs called "d POINT Service" and "docomo Points Service" as well as those of handset repair service for NTT DOCOMO, INC.'s subscribers to mobile telecommunications services that are reasonably estimated to be redeemed by the customers in the future based on historical data are accounted for as "Accrued liabilities for loyalty programs."

(4) Provision for loss on business withdrawal

The loss resulting from the withdrawal of the multimedia broadcasting business for mobile devices, that are reasonably estimated to occur for the fiscal year ending March 31, 2018 and beyond, are accounted for as "Provision for loss on business withdrawal."

4. Other Significant Accounting Policies

(1) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Japanese yen at the current spot rate at the end of the fiscal year and the subsequent translation gains or losses are reflected in earnings.

(2) Hedge accounting

Japanese GAAP provides for two general accounting methods for hedging financial instruments. One method is to recognize the changes in fair value of a hedging instrument in net income in the period of the change as gain or loss together with the offsetting loss or gain on the hedged item attributable to the

risk being hedged. The other method is to defer the gain or loss over the period of the hedging contract together with offsetting loss or gain deferral of the hedged items. NTT DOCOMO, INC. has adopted the latter accounting method.

However, when an interest rate swap agreement meets certain conditions, the net amount to be paid or received under the contract is added to or deducted from the interest on the hedged items.

(3) Consumption tax

Consumption tax is separately accounted for by excluding it from each transaction amount.

### **Change in accounting policies**

Change in an accounting policy that is difficult to distinguish from a change in an accounting estimate

Previously, NTT DOCOMO, INC. used the declining-balance method (except for buildings) for calculating depreciation of property, plant, and equipment. Effective April 1, 2016, NTT DOCOMO, INC. adopted the straight-line method of depreciation. Data traffic has recently grown due to increased use of smartphones. As a way of addressing the rising data traffic, NTT DOCOMO, INC. provides PREMIUM 4G services, using the carrier aggregation technology which enables higher speeds and capacities for the LTE services and LTE-Advanced that is compatible with the technology. With the introduction of the carrier aggregation technology, NTT DOCOMO, INC. is able to use its frequencies more efficiently, bringing stability to NTT DOCOMO, INC.'s operation of its wireless telecommunications equipment. NTT DOCOMO, INC. believes that straight-line method is better for calculating depreciation of property, plant, and equipment and carried out the change because property, plant, and equipment will be used stably. The change in depreciation method caused a decrease in "Depreciation and amortization" by ¥153,378 million and increases in "Total operating income" "Recurring profits" and "Income before income taxes" by the same amount for the fiscal year ended March 31, 2017.

**Note to non-consolidated balance sheet:**

1. Non-current assets for telecommunication businesses include those used in supplementary businesses, because these amounts are not material.

2. Accumulated depreciation of property, plant and equipment

	Millions of yen
	March 31, 2017
Accumulated depreciation	¥ 4,179,951

3. Accounts receivable from and payable to affiliated companies

	Millions of yen
	March 31, 2017
Long-term accounts receivable	¥ 18,260
Short-term accounts receivable	47,340
Short-term accounts payable	256,596

**Note to non-consolidated statement of income:**

1. The total amounts of operating revenues, operating expenses and business transactions other than operating activities due from or to affiliated companies are as follows:

	Millions of yen
	Year ended
	March 31, 2017
Operating revenues	¥ 70,822
Operating expenses	555,063
Other than operating activities	22,696

2. Non-operating revenues from affiliated companies, the amounts of which exceed ten percent of total non-operating revenues of NTT DOCOMO, INC., are as follows:

	Millions of yen
	Year ended
	March 31, 2017
Dividend income	¥ 12,011
Rental income	6,293

3. Non-operating expenses from affiliated companies, the amounts of which exceed ten percent of total non-operating expenses of NTT DOCOMO, INC., are as follows:

	Millions of yen
	Year ended
	March 31, 2017
Bad debt expenses for an affiliated company	¥ 3,401

The cost is related to loan receivable in a subsidiary, mmbi, Inc.

**Note to non-consolidated statement of changes in net assets:**

The class and number of the treasury stock (fiscal year ended March 31, 2017)

Class of shares	Number of shares as of April 1, 2016	Increase during the fiscal year ended March 31, 2017	Decrease during the fiscal year ended March 31, 2017	Number of shares as of March 31, 2017
Shares of common stock of the Company	197,926,250	56,031,217	58,980,000	194,977,467

(Note)

An increase in the treasury stock of 56,031,217 shares resulted from repurchases of the shares through market purchases and compulsory acquisition of less-than-one-unit shares upon request.

A decrease in the treasury stock of 58,980,000 shares resulted from the retirement of treasury stock.

**Note regarding deferred taxes:**

Main factors of recognition of deferred tax assets and deferred tax liabilities

Recognition of deferred tax assets resulted mainly from write-downs of investment in shares of affiliated companies, accelerated depreciation and amortization, liability for employees' retirement benefits and accrued liabilities for loyalty programs. Recognition of deferred tax liabilities resulted mainly from net unrealized holding gains or losses on securities. The amount of valuation allowance which was deducted in calculation of deferred tax assets was ¥136,814 million.

**Note regarding financial instruments:**

## 1. Conditions of financial instruments

NTT DOCOMO, INC. focuses on secured and advantageous fund management and, principally, NTT DOCOMO, INC. invests in financial instruments whose principals are guaranteed and which incur fixed income. NTT DOCOMO, INC. also monitors credit risks of financial institutions which we deal with.

For fund procurement, NTT DOCOMO, INC. focuses on stable and the lowest cost financing, in addition to agile and flexible financing. NTT DOCOMO, INC.'s fund procurement is principally made with borrowings from financial institutions, including banks, and issuing bonds.

Shares and bonds, accounted as investment securities and shares of affiliated companies, are exposed to market volatility risks. These securities are mainly the securities of companies with which NTT DOCOMO, INC. has commercial relationship. Following internal regulations for securities, NTT DOCOMO, INC. periodically measures these securities at fair value.

Notes receivable, accounts receivable, trade, and accounts receivable, other, collectively accounts receivables, are exposed to credit risks of customers. Following internal regulation for billing management, NTT DOCOMO, INC. performs due date controls and balance controls for each customer and monitors major customers' credit status.

Securities and deposits are exposed to credit risks of investees. The transactions are made in accordance with internal regulations for fund management.

Bonds and borrowings, collectively interest bearing liabilities, are fund procurement made in relation to capital expenditure, investments and loans, among others.

Accounts payable, trade, accounts payable, other, and accrued income taxes, collectively accounts payable, are mostly due within 1 year.

Long-term loan receivable from affiliated companies and deposits from affiliated companies are derived from the cash management system, the purpose of which is an efficient control of NTT DOCOMO, INC.'s overall cash, or others.

Interest bearing liabilities, accounts payable, and deposits from affiliated companies are exposed to liquidity risks, and are monitored with cash flow plan in accordance with internal regulations for cash management.

Derivatives are used only for hedging risks, and not used for speculative transaction to obtain gains on sale.

Bonds are mainly fixed-interest rate bonds. NTT DOCOMO, INC. uses interest rate swap transactions, under which we receive fixed rate interest payments and pay floating rate interest payments, to hedge the changes in fair value of certain debt as a part of our asset-liability management (ALM).

NTT DOCOMO, INC. has foreign exchange forward contracts to hedge currency exchange risk.

## 2. Fair value of financial instruments

Carrying amount, fair value and difference as of March 31, 2017 are as follows. Financial instruments, of which it is not practicable to disclose estimated the fair value, are not included in the table below.

		Millions of yen		
		March 31, 2017		
		Carrying amount	Fair value	Difference
(1)	Investment securities	¥ 294,337	¥ 294,337	¥ —
(2)	Shares of affiliated companies	1,246	1,873	627
(3)	Long-term loan receivable in affiliated companies(*1)	36,574		
	Allowance for doubtful accounts(*2)	(340)		
		36,234	36,234	—
(4)	Cash and bank deposits	50,632	50,632	—
(5)	Accounts receivable, trade	532,091		
(6)	Accounts receivable, other (*3)	1,570,007		
	Allowance for doubtful accounts (*4)	(24,878)		
		2,077,220	2,077,220	—
(7)	Securities	20,000	20,000	—
(8)	Deposits	437,207	437,207	—
(9)	Derivatives(*5)	9	9	—
(10)	Bonds (*5)	220,000	225,068	(5,068)
(11)	Accounts payable, trade (*5)	287,020	287,020	—
(12)	Accounts payable, other (*5)	580,679	580,679	—
(13)	Accrued income taxes (*5)	96,344	96,344	—
(14)	Deposits from affiliated companies (*5)	73,845	73,845	—

(\*1) The balance of short-term loan receivable in affiliated companies is included.

(\*2) The amount represents the allowance for loan receivable in an affiliated company.

(\*3) The balance of “Long-term accounts receivable, other” is included.

(\*4) The amount represents the allowance for “Accounts receivable, trade,” and “Accounts receivable, other.”

(\*5) Amounts are accounted as liabilities.

(Notes)

### 1. Fair value measurement of financial instruments, securities and derivatives

#### (1) Investment securities and (2) Shares of affiliated companies

The fair value of these securities equals quoted market price.

(a) The amounts of available-for-sale securities based on classification, cost or amortized cost, carrying amount and difference are as follows:

		Millions of yen		
		March 31, 2017		
	Classification	Cost or amortized cost	Carrying amount	Difference
Carrying amount > Cost	Equity securities	¥ 209,175	¥ 291,025	¥ 81,850
Carrying amount ≤ Cost	Equity securities and debt securities	3,672	3,312	(360)

(b) For available-for-sale securities, proceeds from sales were ¥2,317 million, gains from sales were ¥1,687 million for the fiscal year ended March 31, 2017.

(3) Long-term loan receivable in affiliated companies

These instruments are stated at carrying amount, estimated to approximate fair value because there are no substantial differences between interest rates with which loans were made and interest rates in case of offering new loans.

(4) Cash and bank deposits, (5) Accounts receivable, trade, and (8) Deposits

These instruments are stated at carrying amount, because they are short-term and their carrying amounts are approximately the same as their fair values.

(6) Accounts receivable, other

These instruments are stated at carrying amount, because they are due within 2 years and their carrying amounts approximate their fair values.

(7) Securities

These instruments are stated at carrying amount, because they are short-term and their carrying amounts are approximately same as their fair value.

The amounts of available-for-sale securities' cost, carrying amount and difference by classification are as follows:

	Classification	Millions of yen		
		March 31, 2017		
		Cost	Carrying amount	Difference
Carrying amount $\leq$ Cost	Certificates of deposit	¥ 20,000	¥ 20,000	¥ —

(9) Derivatives

(a) Derivatives to which hedge accounting is not applied

The contract amount or principal amount and other amounts of derivatives to which hedge accounting is not applied as of March 31, 2017 are as follows:

Category	Instruments	Millions of yen			
		Contract amount		Fair value	Gain or (Loss) from valuation
		Over 1 year			
Market transactions	Foreign exchange forward contracts	¥ 1,411	¥ —	¥ (9)	¥ (9)

(b) Derivatives to which hedge accounting is applied

NTT DOCOMO, INC. had no derivative instruments to which hedge accounting is applied as of March 31, 2017.

(10) Bonds

Fair values of these instruments are estimated based on the discounted amounts of future cash flow using NTT DOCOMO, INC.'s current incremental borrowings rates for similar bonds.

(11) Accounts payable, trade, (12) Accounts payable, other, (13) Accrued income taxes and (14) Deposits from affiliated companies

These instruments are stated at carrying amount, because they are short-term and their carrying amounts are approximately the same as their fair values.



2. Non-listed equity securities (the carrying amount of which is ¥353,515 million) are not included in (1) Investment securities nor (2) Shares of affiliated companies because it is not practicable to determine the fair value, for the reason that quoted market prices are not available and future cash flow is not determinable.

3. For the year ended March 31, 2017, NTT DOCOMO, INC. recognized impairment charges of ¥70,646 million for listed equity securities including shares of PLDT, Inc., which is a telecommunication operator in Philippines.

4. For the year ended March 31, 2017, NTT DOCOMO, INC. recognized impairment charges of ¥16,229 million for non-listed equity securities including shares of Tata Teleservices Limited, which is a telecommunication operator in India and an affiliated company of NTT DOCOMO, INC.

**Note regarding equity in net income (losses) of affiliates and others:**

	Millions of yen	
	March 31, 2017	
The amount of investments in affiliates	¥	249,019
The amount of investments in affiliates based on equity method		373,758
The amount of equity in net income (losses) of affiliates based on equity method		(11,273)

(Note)

The amount of investments in affiliates based on equity method and the amount of equity in net income (losses) of affiliates based on equity method is prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), in compliance with Paragraph 1, Article 120-3 of provision of the Japanese Company Accounting Regulations.

**Note regarding related party transactions:**

1. Transactions with subsidiaries and affiliates

Attribute	Name	Ownership	Relation with related party	Nature of transactions	Amount of transactions (millions of yen)	Account	Balance as of March 31, 2017 (millions of yen)
Affiliate	Sumitomo Mitsui Card Company, Limited. (SMCC)	34.00% (Direct Holding)	Transactions regarding credit cards	Settlements of advance payments on behalf of NTT DOCOMO, INC. (*)	¥ 82,720	Accounts payable, other	¥ 109,303

Terms and conditions of the above transactions:

(\*) Settlements of advance payments on behalf of NTT DOCOMO, INC. are consideration of which SMCC paid in advance on behalf of NTT DOCOMO, INC. regarding credit cards transactions. The amount of transactions is stated as an average balance during the fiscal year due to the frequency of such transactions.

## 2. Transactions with companies under common control

Attribute	Name	Ownership	Relation with related party	Nature of transactions	Amount of transactions (millions of yen)	Account	Balance as of March 31, 2017 (millions of yen)
Subsidiary of the parent company	NTT FINANCE CORPORATION	2.92% (Direct Holding)	Business entrustment	Bailment of cash (*1)	¥ 283,469	Deposits	¥ 437,207
				Transfer of receivables (*2)	¥ 4,439,214	Accounts receivable, other Deposits received	¥ 299,467 ¥ 5,802

Terms and conditions of the above transactions:

(\*1) Yield rates of the cash bailment are determined by NTT FINANCE CORPORATION based on market interest rates. The amount of transactions is stated as an average balance during the fiscal year due to the frequency of such transactions.

(\*2) Transfer of receivables is made on general terms and at market price.

**Note regarding per share information:**

Net assets per share:	¥	1,409.78
Earnings per share:	¥	168.85

**Other notes:**

## Transaction under common control

On April 28, 2016, the Board of Directors resolved that one of NTT DOCOMO, INC.'s subsidiaries, mmbi, Inc. ("mmbi") would perform an absorption-type merger with mmbi's subsidiary, Japan Mobilecasting, Inc. ("Japan Mobilecasting") effective July 1, 2016 ("the merger between subsidiaries"), and NTT DOCOMO, INC. would perform an absorption-type merger with mmbi ("the merger with NTT DOCOMO, INC.") on the same day.

While NTT DOCOMO, INC. operates, through mmbi, a multimedia broadcasting business for mobile devices and operates, through Japan Mobilecasting, a broadcasting-station-providing business for multimedia broadcasting service for mobile devices, each such business was concluded on June 30, 2016. Accordingly, the merger between subsidiaries and the merger with NTT DOCOMO, INC. were performed because they were determined to be necessary to further streamline group management and speed up decision-making with the aim of efficiently dealing with the business remaining after the conclusion.

## (1) Outline of transaction

## The merger between subsidiaries

## (a) Name of the parties of the business combination

Company surviving absorption-type merger

Name: mmbi, Inc.

Company absorbed in absorption-type merger

Name: Japan Mobilecasting, Inc.

## (b) Date of business combination (effective date)

July 1, 2016

## (c) Legal format of the business combination

An absorption-type merger with mmbi as the surviving company and Japan Mobilecasting as the absorbed company

The merger between subsidiaries was performed without the approval of a general meeting of shareholders in Japan Mobilecasting pursuant to the provision of Article 784(1) of the Companies Act on short form mergers.

## (d) Name of the entity after business combination

mmbi, Inc.

The merger with NTT DOCOMO, INC.

(a) Name of the parties of the business combination

Company surviving absorption-type merger

Name: NTT DOCOMO, INC.

Company absorbed in absorption-type merger

Name: mmbi, Inc.

(b) Date of business combination (effective date)

July 1, 2016

(c) Legal format of the business combination

An absorption-type merger with NTT DOCOMO, INC. as the surviving company and mmbi as the absorbed company

The merger with NTT DOCOMO, INC. was performed without the approval of a general meeting of shareholders in NTT DOCOMO, INC. pursuant to the provision of Article 796(2) of the Companies Act on simplified mergers, and in mmbi pursuant to the provision of Article 784(1) of the Companies Act on short form mergers.

(d) Name of the entity after business combination

NTT DOCOMO, INC.

(2) Outline of accounting

The merger is treated as the transaction between entities under common control in accordance with Accounting Standard for Business Combinations (the Accounting Standards Boards of Japan (ASBJ) Statement No.21, issued on September 13, 2013) and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestiture (ASBJ Guidance No.10, issued on September 13, 2013)

Application of Implementation Guidance on Recoverability of Deferred Tax Assets

Starting from April 1, 2016, NTT DOCOMO, INC. is applying the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26, issued on March 28, 2016).