

NTT DOCOMO INC  
Form 6-K  
April 28, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 6-K**  
**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR**  
**15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**  
**For the month of April, 2016**  
**Commission File Number: 001-31221**  
**Total number of pages: 77**

**NTT DOCOMO, INC.**  
**(Translation of registrant's name into English)**

**Sanno Park Tower 11-1, Nagata-cho 2-chome**  
**Chiyoda-ku, Tokyo 100-6150**  
**Japan**  
**(Address of principal executive offices)**

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

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

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

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

**SIGNATURES**

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

NTT DOCOMO, INC.

Date: April 28, 2016

By: /s/ KATSUYUKI TAKAGI  
**Katsuyuki Takagi**

**Head of Investor Relations**

Information furnished in this form:

1. Earnings release for the fiscal year ended March 31, 2016
2. Results Presentation for the Fiscal Year Ended March 31, 2016

**Table of Contents****Earnings Release**

For the Fiscal Year Ended March 31, 2016

April 28, 2016

**[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: 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 the general meeting of shareholders: June 16, 2016  
Scheduled date for dividend payment: June 17, 2016  
Scheduled date for filing of securities report: June 17, 2016  
Supplemental material on annual results: Yes  
Presentation on annual results: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest 1 million yen.)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)**

## (1) Consolidated Results of Operations

(Millions of yen, except per share amounts)

|                           | Operating Revenues |        | Operating Income |         | Income Before Taxes and Equity in Net Income (Losses) of Affiliates |         | Net Income Attributable to NTT DOCOMO, INC. |         |
|---------------------------|--------------------|--------|------------------|---------|---|---------|---|---------|
| Year ended March 31, 2016 | 4,527,084          | 3.3 %  | 783,024          | 22.5 %  | 778,021   | 20.8 %  | 548,378                                     | 33.7 %  |
| Year ended March 31, 2015 | 4,383,397          | (1.7)% | 639,071          | (22.0)% | 643,883   | (22.7)% | 410,093                                     | (11.8)% |

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

(Note) Comprehensive income attributable to NTT DOCOMO, INC.: For the fiscal year ended March 31, 2016: 510,667 million yen 12.7%  
For the fiscal year ended March 31, 2015: 453,102 million yen (13.4)%

**ROE ROA**

|                           | Basic Earnings per Share<br>Attributable to<br>NTT DOCOMO,<br>INC. | Diluted Earnings per Share<br>Attributable<br>to<br>NTT DOCOMO,<br>INC. | Operating Income<br>Margin |       |
|---------------------------|--|---|----------------------------|-------|
| Year ended March 31, 2016 | 141.30 (yen)   | 10.3%   | 10.8%                      | 17.3% |
| Year ended March 31, 2015 | 101.55 (yen)   | 7.4%  | 8.8%                       | 14.6% |

(Note) Equity in net income (losses) of affiliates: For the fiscal year ended March 31, 2016: (5,060) million yen  
For the fiscal year ended March 31, 2015: (7,782) million yen

## (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

|                | NTT DOCOMO, INC. |                              |  |                              |                                     |
|----------------|------------------|------------------------------|--|------------------------------|-------------------------------------|
|                | Total Assets     | Total Equity<br>(Net Assets) | NTT DOCOMO, INC.<br>Shareholders<br>Equity | Shareholders<br>Equity Ratio | Shareholders<br>Equity<br>per Share |
| March 31, 2016 | 7,214,114        | 5,343,105                    | 5,302,248                                  | 73.5%                        | 1,409.94 (yen)                      |
| March 31, 2015 | 7,146,340        | 5,402,616                    | 5,380,072                                  | 75.3%                        | 1,386.09 (yen)                      |

## (3) Consolidated Cash Flows

(Millions of yen)

|                           | Cash Flows from<br>Operating Activities | Cash Flows<br>from<br>Investing Activities | Cash Flows<br>from<br>Financing Activities | Cash and Cash Equivalents<br>at End of Year |
|---------------------------|---|--|--|---|
| Year ended March 31, 2016 | 1,209,131                               | (375,251)                                  | (583,608)                                  | 354,437                                     |
| Year ended March 31, 2015 | 962,977                                 | (651,194)                                  | (734,257)                                  | 105,553                                     |

## 2. Dividends

| Date of Record                            | Cash Dividends per Share (yen) |                              |                             |          | Total Cash<br>Dividends<br>for the Year<br>(Millions<br>of<br>yen) | Ratio of<br>Dividends to<br>Shareholders<br>Equity |
|---|--------------------------------|------------------------------|-----------------------------|----------|--|--|
|   | End of the<br>First Quarter    | End of the<br>Second Quarter | End of the<br>Third Quarter | Year End |  |  |
| Year ended March 31, 2015                 |                                | 30.00                        | 35.00                       | 35.00    | 254,809  | 64.0%  |
| Year ended March 31, 2016                 |                                | 35.00                        | 35.00                       | 70.00    | 267,474  | 49.5%  |
| Year ending March 31, 2017<br>(Forecasts) |                                | 40.00                        | 40.00                       | 80.00    |  | 46.2%  |

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of yen, except per share amounts)

|                            | <b>Operating Revenues</b> |      | <b>Operating Income</b> |       | <b>Income Before Income Taxes and Equity in Net Income (Losses) of Affiliates</b> |       | <b>Net Income Attributable to NTT DOCOMO, INC.</b> |       | <b>Basic Earnings per Share Attributable to NTT DOCOMO, INC.</b> |
|----------------------------|---------------------------|------|-------------------------|-------|---|-------|--|-------|--|
| Year ending March 31, 2017 | 4,620,000                 | 2.1% | 910,000                 | 16.2% | 914,000   | 17.5% | 640,000  | 16.7% | 173.22 (yen)   |

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

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\* Notes:

|   |                      |
|---|----------------------|
| (1) Changes in significant subsidiaries<br>(Changes in significant subsidiaries for the fiscal year ended March 31, 2016 which resulted in changes in scope of consolidation) | None                 |
| (2) Changes in significant accounting policies  |                      |
| i. Changes due to revision of accounting standards and other regulations:   | None                 |
| ii. Others:   | None                 |
| (3) Number of issued shares (common stock)  |                      |
| i. Number of issued shares (inclusive of treasury stock):   |                      |
| As of March 31, 2016:   | 3,958,543,000 shares |
| As of March 31, 2015:   | 4,085,772,000 shares |
| ii. Number of treasury stock:   |                      |
| As of March 31, 2016:   | 197,926,250 shares   |
| As of March 31, 2015:   | 204,288,145 shares   |
| iii. Number of weighted average common shares outstanding:  |                      |
| For the fiscal year ended March 31, 2016:   | 3,880,823,341 shares |
| For the fiscal year ended March 31, 2015:   | 4,038,191,678 shares |

\* Presentation on the status of audit procedure:

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

\* Explanation for forecasts of operations and other notes:

## 1. Forecast of results

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and the 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, 2017, please refer to pages 2 and 18, contained in the attachment.

## 2. Resolution of share repurchase up to prescribed maximum limit

The forecasts of Payout Ratio and 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 220,000,000 shares for an amount in total not to exceed ¥500,000 million, as resolved at the Board of Directors meeting held on January 29, 2016.

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**Earnings Release for the Fiscal Year Ended March 31, 2016**

**1. Information on Consolidated Results**

**(1) Operating Results**

**i. Business Overview**

Japan's telecommunications sector has seen a dramatic change in its market structure due to launch of services by a wide range of players following the start of Hikari Collaboration Model, which is a new wholesale business model for fiber access, the rapid proliferation of smartphones and tablet devices, developments related to the government's pro-competition policy (such as new market entry by Mobile Virtual Network Operators (MVNOs), the obligation to unlock handset SIMs and the proposals by the Ministry of Internal Affairs and Communications Task Force on Mobile Phone Rates and Other Conditions for Service Offerings) and other factors.

Amid these changes in the market environment, we positioned the fiscal year ended March 31, 2016 as the period to make a solid step forward towards the delivery of our medium-term targets, and we managed our business with a particular focus on our operating income target.

To boost our telecommunications services revenues, we have added new options to the Kake-hodai & Pake-aeru new billing plan, implemented various measures to expand the adoption of the docomo Hikari optical-fiber broadband service and continued our efforts to strengthen our communications network and offer attractive handsets.

Meanwhile, we have also strived to add new services to our dmarket marketplace and enrich the content portfolio of our services in a bid to grow our smart life business and other businesses, while promoting further cost efficiency improvements to reinforce our managerial structure.

In addition, we have launched +d value co-creation initiatives, aiming to deliver new values by making available the business assets that we have accumulated through our operations, such as our payment platform and loyalty program, to a large number of external partners. As part of this endeavor, we have rebranded the former docomo Point program into d POINT to offer a point service that is highly convenient and useful for our customers with the aim of expanding the structure of the +d activities.

As a result of the foregoing, we achieved significant improvement in, among other metrics, operating income and operational performance for the fiscal year ended March 31, 2016. Furthermore, we were awarded the No. 1 overall ranking in the 2015 Japan Mobile Phone Service Study<sup>SM</sup> \* conducted by J.D. Power Asia Pacific.

For the fiscal year ended March 31, 2016, Operating revenues increased by ¥143.7 billion from the same period of the previous fiscal year to ¥4,527.1 billion for two reasons, (i) the recovery of our telecommunication business due mainly to an acceleration of users migrating to higher-end plans of Packet Pack, data buckets of our new billing plan Kake-hodai & Pake-aeru, and an expansion in demand for tablets and other products purchased as a second mobile device by individual users and (ii) the growth of our smart life business such as dmarket and other content services.

Operating expenses, on the other hand, decreased by ¥0.3 billion from the previous fiscal year to ¥3,744.1 billion, due mainly to decreases in selling expenses and network-related costs as a result of cost efficiency improvements, despite



an increase in costs associated with increased revenues in smart life business and other businesses.

As a result, Operating income increased by ¥144.0 billion from the same period of the previous fiscal year to ¥783.0 billion, which was significantly higher than ¥710.0 billion, the full-year forecast as revised in the second quarter of the fiscal year ended March 31, 2016, allowing us to make substantial progress toward the attainment of our medium-term goals.

Income before income taxes and equity in net income (losses) of affiliates was ¥778.0 billion, and net income attributable to NTT DOCOMO, INC. increased by ¥138.3 billion from the previous fiscal year to ¥548.4 billion for the fiscal year ended March 31, 2016.

\* 2015 Japan Mobile Phone Service Study. Study based on a total of 31,200 responses obtained from mobile phone subscribers in Japan during the survey period in July 2015.

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016**

Consolidated results of operations for the fiscal years ended March 31, 2015 and 2016 were as follows:

&lt;Results of operations&gt;

|   | Billions of yen              |                              |                        |        |
|---|------------------------------|------------------------------|------------------------|--------|
|   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 | Increase<br>(Decrease) |        |
| Operating revenues  | ¥4,383.4                     | ¥ 4,527.1                    | ¥ 143.7                | 3.3%   |
| Operating expenses  | 3,744.3                      | 3,744.1                      | (0.3)                  | (0.0)  |
| Operating income  | 639.1                        | 783.0                        | 144.0                  | 22.5   |
| Other income (expense)  | 4.8                          | (5.0)                        | (9.8)                  |        |
| Income before income taxes and equity in net income<br>(losses) of affiliates | 643.9                        | 778.0                        | 134.1                  | 20.8   |
| Income taxes  | 238.1                        | 211.7                        | (26.3)                 | (11.1) |
| Income before equity in net income (losses) of<br>affiliates                  | 405.8                        | 566.3                        | 160.5                  | 39.5   |
| Equity in net income (losses) of affiliates                                   | (7.8)                        | (5.1)                        | 2.7                    | 35.0   |
| Net income  | 398.0                        | 561.2                        | 163.2                  | 41.0   |
| Less: Net (income) loss attributable to noncontrolling<br>interests           | 12.1                         | (12.9)                       | (24.9)                 |        |
| Net income attributable to NTT DOCOMO, INC.                                   | ¥ 410.1                      | ¥ 548.4                      | ¥ 138.3                | 33.7   |
| EBITDA margin*  | 31.2%                        | 32.1%                        | 0.9 point              |        |
| ROE*  | 7.4%                         | 10.3%                        | 2.9 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 6. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures on page 34.

&lt;Operating revenues&gt;

|  | Billions of yen |                |                |            |  |
|--|-----------------|----------------|----------------|------------|--|
|  | Year            | Year ended     |                | Increase   |  |
|  | ended           | March 31, 2015 | March 31, 2016 | (Decrease) |  |
| Telecommunications services  | ¥ 2,747.2       | ¥ 2,815.5      | ¥ 68.4         | 2.5%       |  |
| Mobile communications services revenues  | 2,736.6         | 2,767.6        | 30.9           | 1.1        |  |
| Voice revenues   | 883.8           | 849.4          | (34.4)         | (3.9)      |  |
| Packet communications revenues   | 1,852.8         | 1,918.2        | 65.3           | 3.5        |  |
| Optical-fiber broadband service and other telecommunications services revenues | 10.5            | 47.9           | 37.4           | 356.1      |  |
| Equipment sales  | 904.1           | 860.5          | (43.6)         | (4.8)      |  |
| Other operating revenues   | 732.2           | 851.1          | 118.9          | 16.2       |  |
| Total operating revenues   | ¥ 4,383.4       | ¥ 4,527.1      | ¥ 143.7        | 3.3%       |  |

Note: Voice revenues include data communications revenues through circuit switching systems.

<Operating expenses>

|   | Billions of yen |                |                |            |  |
|---|-----------------|----------------|----------------|------------|--|
|   | Year            | Year ended     |                | Increase   |  |
|   | ended           | March 31, 2015 | March 31, 2016 | (Decrease) |  |
| Personnel expenses  | ¥ 286.5         | ¥ 286.2        | ¥ (0.3)        | (0.1)%     |  |
| Non-personnel expenses  | 2,418.1         | 2,435.9        | 17.8           | 0.7        |  |
| Depreciation and amortization   | 659.8           | 625.9          | (33.9)         | (5.1)      |  |
| Impairment loss   | 30.2            | 9.1            | (21.1)         | (70.0)     |  |
| Loss on disposal of property, plant and equipment and intangible assets | 69.5            | 68.8           | (0.7)          | (1.0)      |  |
| Communication network charges   | 240.3           | 276.9          | 36.6           | 15.2       |  |
| Taxes and public dues   | 40.1            | 41.3           | 1.2            | 3.1        |  |
| Total operating expenses  | ¥ 3,744.3       | ¥ 3,744.1      | ¥ (0.3)        | (0.0)%     |  |

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&lt;Results of operations&gt;

|  | Billions of yen              |                              |                        |      |
|--|------------------------------|------------------------------|------------------------|------|
|  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 | Increase<br>(Decrease) |      |
| Operating revenues from telecommunications business      | ¥ 3,654.6                    | ¥ <b>3,689.8</b>             | ¥ 35.2                 | 1.0% |
| Operating income (loss) from telecommunications business | 636.1                        | <b>708.9</b>                 | 72.8                   | 11.4 |

Even though the negative impact from the Monthly Support discount program increased, we saw a continuous recovery of ARPU due mainly to an acceleration of the number of users migrating to higher-end plans of Packet Pack, data buckets of our new billing plan Kake-hodai & Pake-aeru. Furthermore, Operating revenues from telecommunications business for the fiscal year ended March 31, 2016 increased by ¥35.2 billion, or 1.0% from ¥3,689.8 billion for the same period of the previous fiscal year, due to the expansion in demand for tablets and other products purchased as a second mobile device by individual users, and the growth of subscriptions of the docomo Hikari optical-fiber broadband service to 1.57 million.

Operating expenses from telecommunications business for the fiscal year ended March 31, 2016 decreased by ¥37.6 billion, or 1.2%, to ¥2,980.9 billion for the same period of the previous fiscal year due mainly to decreases in selling expenses and network-related costs as a result of cost efficiency improvements.

Consequently, Operating income from telecommunications business was ¥708.9 billion, an increase of ¥72.8 billion, or 11.4%, from the same period of the previous fiscal year.

&lt;&lt;Key Topics&gt;&gt;

#### Enrichment of New Billing Plan, Kake-hodai & Pake-aeru

In September 2015, we introduced the Kake-hodai Light plan which allows customers to make unlimited domestic voice calls under five minutes at a flat monthly rate. In March 2016, we started offering Share Pack 5, a package that allows families with limited data usage to share monthly data allowances of 5GB.

These new options allow customers to more freely select the combination of a basic monthly plan and a Share Pack most suited to their actual voice and data consumption behavior. In the case of a three-member family, for example,

by subscribing to the combination of Kake-hodai Light and Share Pack 5, each member of the family can use a smartphone at a cost of less than ¥5,000 a month.

#### Actions to Expand Adoption of docomo Hikari

With respect to the docomo Hikari optical-fiber broadband service we commenced in March 2015, we increased the number of Internet Service Provider (ISP) partners to 23 as of March 31, 2016, compared to 14 upon the launch of service. Thereby we provided customers with greater options and enabled a larger number of users to continue using the same ISP after converting their existing FLET's Hikari subscription contract over to docomo Hikari.

We have also added new services and rate plans catering to the needs of customers, such as docomo Hikari-mini, a two-tier flat-rate plan that offers data speeds of up to 100Mbps, and docomo Hikari Business Wi-Fi, a cloud-based Wi-Fi service for enterprise customers offered together with operational support. As a result of the foregoing, the total number of subscription applications exceeded 1.80 million in the end of March 2016 and the total number of subscriptions to docomo Hikari reached 1.57 million.

#### Enriched Lineup of Attractive Handsets

We have strived to enrich our handset lineup to respond to the various needs of customers with the release of the 2015 summer models and 2015-2016 winter/spring models comprising Android smartphones as well as iPhone 6s\* and iPhone 6s Plus\*. As a result, the total number of smartphones sold during the fiscal year ended March 31, 2016 amounted to 15.44 million units, of which tablet devices accounted for 2.18 million units due to a favorable increase in the sales of dtab d-01G, Arrows Tab F-03G, iPad Air2\* and other models.

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## Actions for Reinforcement of Communication Network

To offer a more convenient network service to our customers, we have expanded the coverage of our PREMIUM 4G to 976 cities across Japan as of March 31, 2016. Meanwhile, we also started offering a maximum downlink speed of 300Mbps in selected areas from October 2015.

In addition, we conducted surveys of effective data speeds adhering to the Guidelines for the Effective Speed Measurement Method of Internet Connection Services Provided by Mobile Telecommunications Carriers and Information Providing Method, etc. for Users defined by the Ministry of Internal Affairs and Communications. The results indicated that we offer both high download speeds and high upload speeds (the median (Android + iOS) of our download speeds is 71Mbps and that of our upload speeds is 21Mbps).

## Operation of Commercial Network Utilizing Virtualization Techniques

The employment of equipment using these techniques from March 2016 allowed us to offer higher quality network services to our customers. The techniques realized better connectivity in cases of network congestion and higher reliability in the event of the failure of facilities.

## Securing Communications in Disasters, etc.

With the aim of reinforcing our communication capacity in densely populated areas during wide-area disasters or power outages, we moved ahead with the conversion of large-zone base stations to make them compatible with LTE in order to increase the communication capacity by approximately three fold. In addition, we roll out medium-zone base stations across Japan to secure communications in the centers of coastal and mountainous areas.

\* TM and © 2016 Apple Inc. All rights reserved. iPad and iPhone are trademarks of Apple Inc., registered in the U.S. and other countries. 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 |                |                        |      |
|-----------------------------|------------------------|----------------|------------------------|------|
|                             | March 31, 2015         | March 31, 2016 | Increase<br>(Decrease) |      |
| Cellular services           | 66,595                 | <b>70,964</b>  | 4,368                  | 6.6% |
| Including: New billing plan | 17,827                 | <b>29,704</b>  | 11,877                 | 66.6 |
| Cellular (LTE(Xi)) services | 30,744                 | <b>38,679</b>  | 7,934                  | 25.8 |

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|                          |        |               |         |       |
|--------------------------|--------|---------------|---------|-------|
| Cellular (FOMA) services | 35,851 | <b>32,285</b> | (3,566) | (9.9) |
|--------------------------|--------|---------------|---------|-------|

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.

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&lt;Number of handsets sold&gt;

|  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 | Thousand units<br>Increase<br>(Decrease) |        |
|--|------------------------------|------------------------------|--|--------|
| Number of handsets sold                        | 23,751                       | <b>26,058</b>                | 2,307                                    | 9.7%   |
| Cellular (LTE(Xi)) services                    |                              |                              |  |        |
| New LTE(Xi) subscription                       | 6,091                        | <b>9,234</b>                 | 3,144                                    | 51.6   |
| Change of subscription from FOMA               | 5,271                        | <b>3,538</b>                 | (1,732)                                  | (32.9) |
| LTE(Xi) handset upgrade by LTE(Xi) subscribers | 5,836                        | <b>8,059</b>                 | 2,223                                    | 38.1   |
| Cellular (FOMA) services                       |                              |                              |  |        |
| New FOMA subscription                          | 2,890                        | <b>2,374</b>                 | (516)                                    | (17.8) |
| Change of subscription from Xi                 | 130                          | <b>101</b>                   | (29)                                     | (22.2) |
| FOMA handset upgrade by FOMA subscribers       | 3,534                        | <b>2,751</b>                 | (783)                                    | (22.2) |
| Churn rate*                                    | 0.61%                        | <b>0.62%</b>                 | 0.01 point                               |        |

\* Calculation method has been changed from the fiscal year ended March 31, 2016. Accordingly, Churn rate for the fiscal year ended March 31, 2015 has also been changed. Data are calculated excluding the subscriptions and cancellations of subscriptions of Mobile Virtual Network Operators (MVNOs).

&lt;Trend of ARPU and MOU\*&gt;

Starting from the fiscal year ended March 31, 2016, 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



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|                    | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 | Increase<br>(Decrease) |       |
|--------------------|------------------------------|------------------------------|------------------------|-------|
| Aggregate ARPU*    | ¥ 4,100                      | ¥ <b>4,170</b>               | ¥ 70                   | 1.7%  |
| Voice ARPU         | 1,280                        | <b>1,210</b>                 | (70)                   | (5.5) |
| Data ARPU          | 2,820                        | <b>2,960</b>                 | 140                    | 5.0   |
| Packet ARPU        | 2,820                        | <b>2,910</b>                 | 90                     | 3.2   |
| docomo Hikari ARPU | 0                            | <b>50</b>                    | 50                     |       |
| MOU* (minutes)     | 122                          | <b>133</b>                   | 11                     | 9.0%  |

Note: Starting the fiscal year ended March 31, 2016, the calculation method of ARPU and MOU was changed. ARPU and MOU figures for the year ended March 31, 2015, reflect these subsequent changes to the calculation method.

\* See 6. (2) Definition and Calculation Methods of ARPU and MOU on page 33 for definition and calculation methods.

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****Smart life business**

&lt;Results of operations&gt;

|  | Billions of yen |                |            |       |
|--|-----------------|----------------|------------|-------|
|  | Year ended      | Year ended     | Increase   |       |
|  | March 31, 2015  | March 31, 2016 | (Decrease) |       |
| Operating revenues from smart life business      | ¥443.3          | ¥ 504.1        | ¥60.8      | 13.7% |
| Operating income (loss) from smart life business | (2.4)           | 46.5           | 48.8       |       |

Operating revenues from smart life business for the fiscal year ended March 31, 2016 were ¥504.1 billion, an increase of ¥60.8 billion, or 13.7%, from the same period of the previous fiscal year, due mainly to the growth in revenues from dmarket and other content services, an increase in the amounts of dCARD and other finance/payment services transactions, and an expansion of revenues from our subsidiaries' services such as shopping services.

Operating expenses from our smart life business were ¥457.7 billion, an increase of ¥12.0 billion, or 2.7%, from the same period of the previous fiscal year, driven primarily due to an increase in expenses associated with the growth in revenues from dmarket and other content services, which more than offset the reduction of impairment loss of our multimedia broadcasting business for mobile devices assets which has been included from the previous fiscal year.

As a consequence, Operating income from smart life business was ¥46.5 billion, an increase of ¥48.8 billion from the same period of the previous fiscal year.

&lt;&lt;Key Topics&gt;&gt;

**Initiatives Aimed at Expanding dmarket Subscriptions\* and Usage**

To expand the adoption of dmarket services to a broader range of users, we have strived to add new services and enrich the content of our offerings.

In May 2015, as a new service on dmarket, we launched dgourmet, a service that provides total support to customers' demands pertaining to food by offering various food-related tips and discount coupons, etc. At the same time, we have continued our endeavors to enrich the content of our dTV, danime store, dhits, dkids and dmagazine services. As a result of these undertakings, the combined dmarket subscriptions grew to 15.54 million as of March 31, 2016.

**Issuance of dPOINT CARD and dCARD**

From December 2015, we commenced issuing dPOINT CARD (which allows users to earn and use dPOINTS just by showing the card when shopping at our partner stores), and rebranded our conventional credit card known as DCMX

into d CARD. d CARD combines the credit payment and electronic money capabilities with the standard features of d POINT CARD and allows users to earn d POINTs at more advantageous rates.

The total membership of d POINT CLUB, a loyalty program for our customers, reached approximately 58 million as of March 31, 2016, of which the number of d POINT CARD registrants grew to over 3.5 million in just 4 months from the beginning of issuance.

#### Introduction of New Services toward Realization of Smart Life

In October 2015, we launched Sukijikan, a service that allows customers to try out various pastime experiences after selecting from a rich menu of approximately 300 options.

In November 2015, we started the Tegaki Hon yaku handwriting translation service to provide users with means for hassle-free communication through the combination of translated handwritten texts and illustrations in situations where it is difficult to describe the context only by words.

Furthermore, in December 2015, we introduced a new social gift service giftco, which enables customers to easily send a small amount of gift tickets to others at anytime from anywhere.

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

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****Other businesses**

&lt;Results of operations&gt;

|   | Billions of yen |                |              |              |
|---|-----------------|----------------|--------------|--------------|
|   | Year ended      | Year ended     |              | Increase     |
|   | March 31, 2015  | March 31, 2016 |              | (Decrease)   |
| Operating revenues from other businesses      | ¥ 313.5         | ¥              | <b>359.3</b> | ¥ 45.8 14.6% |
| Operating income (loss) from other businesses | 5.4             |                | <b>27.7</b>  | 22.3 414.4   |

Operating revenues from other businesses for the fiscal year ended March 31, 2016 amounted to ¥359.3 billion, an increase of ¥45.8 billion, or 14.6%, from the same period of the previous fiscal year, mainly due to an increase in revenues resulting from the expanded uptake of our Mobile Device Protection Service and the growth of revenues relating to our IoT\*1 businesses.

Operating expenses from other businesses were ¥331.6 billion, an increase of ¥23.5 billion, or 7.6%, from the same period of the previous fiscal year, as a result of an increase in expenses associated with the expansion of revenues from our Mobile Device Protection Service and other services.

Consequently, Operating income from other businesses was ¥27.7 billion, an increase of ¥22.3 billion, or 414.4% from the same period of the previous fiscal year.

## &lt;&lt;Key Topics&gt;&gt;

## Expansion of IoT business

With the goal of further accelerating the use of IoT, we introduced a new billing plan, LTE Ubiquitous Plan, enabling the use of communications modules over our LTE network in Japan.

As for overseas, in Brazil, we started providing eSIMs and eSIM-based solutions, which enable devices to switch between DOCOMO phone numbers and Vivo\*2 phone numbers without having to replace the physical SIM in their devices. This marks the first agreement between a Japanese telecommunications carrier and an overseas operator for the provision of eSIM-based solutions. The solution is planned to be embedded in the export products of Yanmar Co. Ltd. to provide various remote information services, such as equipment operational status management, operational status diagnosis and theft prevention.

## Actions Aimed at Solving Issues of Regional Societies

We started offering an elderly monitoring service leveraging our GPS tracking system to multiple municipalities. The service aims to quickly find missing elderly people by letting elderly people carry our GPS-mounted devices which enable their families to detect the location of the carriers using their own smartphones, tablet devices, and etc. when the carriers have gone missing.

\*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: Brand name of a Brazilian mobile phone operator, Telefonica Brasil S.A.

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(Reference)****+d New Value Co-Creation Initiatives**

We have embarked on a new initiative, called +d, to create new values in collaboration with various external partners. Principal +d initiatives undertaken during the fiscal year ended March 31, 2016 are summarized in the table below:

| <u>Category</u>     | <u>Alliance partner</u>   | <u>Objectives</u>   |
|---------------------|---|---|
| Agriculture         | Niigata City, Niigata Prefecture, vegetalia, inc., Water Cell, inc. | Verification trial on an innovative rice production management system                                       |
| IoT                 | Facebook, Inc.  | Functional collaboration with dmarket   |
|                     | GE Energy Japan, Inc.   | Collaboration on rollout of GE s industrial routers in Japan  |
|                     | NIPPON SYSTEMWARE CO., LTD.   | Provision of IoT cloud service for enterprises  |
|                     | Omachi City/Tenryu Village, Nagano Prefecture                       | Provision of oranotablet life-support service for the elderly   |
|                     | Sansan, Inc.  | Provision of business card management service for enterprises   |
|                     | TOMY Company, Ltd.  | Joint development of communication toy OHaNAS   |
| Learning            | Koga City, Ibaraki Prefecture                                       | Educational ICT solution based on LTE-enabled tablets for learning  |
| Medical/Health care | Maibara City, Shiga Prefecture, RENAISSANCE, INC.                   | Provision of Children Health Promotion Program  |
|                     | Nippon Life Insurance, Co.  | Marketing support business for sales of life insurance policies   |
|                     | RENAISSANCE, INC.<br>Tokyu Sports OASIS, Inc.                       | Provision of healthcare services using wearable devices<br>Launch of new health support service, OASIS LINK |
| Retail              | Laox CO., LTD.  | Delivery of new services targeting foreign travelers to Japan   |
|                     | Lawson, Inc.  | Mutual customer referral leveraging point program   |
|                     | McDonald s Company (Japan), Ltd.<br>Takashimaya Co., Ltd.           | Mutual customer referral leveraging point program<br>Mutual customer referral leveraging point program      |
| Transportation      | Japan Airlines Co., Ltd.  | Mutual customer referral leveraging point program   |

Panasonic Corporation

Verification trial for expansion of bicycle sharing  
business

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**Fiscal Year Ended March 31, 2016**

**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 fulfill the two aspects of (i) Innovative docomo, to solve various social issues in the fields of 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, and (ii) Responsible docomo, to thoroughly ensure 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 fiscal year ended March 31, 2016 are summarized below:

<Realizing a Safe, Secure Society>

Smartphone and Mobile Phone Safety Class and DOCOMO Hearty Lecture

We held a total of approximately 6,900 sessions of Smartphone and Mobile Phone Safety Class garnering a cumulative participation of approximately 1.05 million people. The classes enlighten participants on rules and manners of using smartphones and mobile phones, and inform them as to how to respond to troubles that may arise with their use. We also convened 69 sessions of DOCOMO Hearty Lecture introducing convenient features and usage tips so that people with disabilities can find smartphones and other mobile devices useful, which garnered the participation of a total of 780 people.

Move & Flick

We started offering a new text input application for smartphones, Move & Flick, which eliminates the need to look at one's fingers when inputting text. The technology makes text input easier for visually impaired persons and others who have difficulty locating the precise position of individual keys with traditional text input methods.

<Initiatives in Global Environmental Protection and Social Contribution>

Global Environmental Targets

Toward the achievement of NTT DOCOMO Group's Global Environmental Targets for FY2016, we launched initiatives to curb the energy consumed for per volume of data communications at our communication facilities and reduce shop front advertisements and other promotional materials. We have made favorable progress toward the achievement of our energy consumption reduction target, and successfully reduced the total weight of shop front promotional materials by approximately 63% compared to the level of FY2012.



#### Charities

We set up a charity website in the aftermath of the earthquake in central Nepal and the heavy rain caused by Typhoon No. 18 of 2015 in Japan, and collected donations totaling approximately ¥61.10 million from customers.

#### Mobile Communication Fund Activities

With the aim to support young researchers and their research activities, the Mobile Communication Fund (MCF), a non-profit organization established by DOCOMO, conferred the DOCOMO Mobile Science Award to outstanding research and dissertations relating to mobile communications technologies. For the year ended March 31, 2016, MCF presented an Award of Excellence (with ¥6 million in prize money) in each of the Advanced Technology Division and Basic Science Division, and an Incentive Award (with ¥2 million in prize money) in the Social Science Division. The Fund also provided scholarships totaling ¥57.6 million to 40 privately financed international students from Asia and provided subsidies totaling ¥20 million to 41 different civic activities undertaken for development of children and protection of earth environment.

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**Fiscal Year Ended March 31, 2016**

<For the Recovery of Disaster-stricken Areas in Tohoku Japan>

We donated a total of approximately ¥64.5 million to municipalities in the disaster-stricken areas (Sendai City, Miyagi Prefecture, Rikuzen-Takata City, Iwate Prefecture, etc.) and intermediate support groups. Donations were made by approximately 9,400 employees who participated in the Company's recovery support program along with contributions from the Company itself.

In addition, in order to provide psychological support to people who encountered the disaster in Tohoku Japan, we hosted seven sessions of cooking lessons through our subsidiary, ABC Cooking Studio Co., Ltd. The lessons served as an opportunity for participants to communicate with others in the same situation. Furthermore participants were able to enjoy and share time together in watching movies together on dTV via tablet devices.

<Promotion of Diversity>

In October 2015, we established DOCOMO PlusHearty, Inc., for the purpose of promoting the employment of people with disabilities. The newly formed company actively hires person with severe disabilities and assigns them tasks such as office cleaning mainly in buildings owned by the Company. In addition, as part of its human resources development program, DOCOMO PlusHearty also undertakes measures aimed at improving the social skills of people with disabilities by introducing the Kumon method of learning.

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****iv. Trend of Capital Expenditures**

&lt;Capital expenditures&gt;

|                             | Billions of yen              |                                      |                        |         |
|-----------------------------|------------------------------|--------------------------------------|------------------------|---------|
|                             | Year ended<br>March 31, 2015 | <b>Year ended<br/>March 31, 2016</b> | Increase<br>(Decrease) |         |
| Total capital expenditures  | ¥ 661.8                      | <b>¥ 595.2</b>                       | ¥ (66.5)               | (10.1)% |
| Telecommunications business | 635.4                        | <b>573.9</b>                         | (61.6)                 | (9.7)   |
| Smart life business         | 17.2                         | <b>13.9</b>                          | (3.3)                  | (19.4)  |
| Other businesses            | 9.1                          | <b>7.5</b>                           | (1.7)                  | (18.2)  |

The principal capital expenditures made during the fiscal year ended March 31, 2016 are summarized below.

**Expansion of Telecommunications Facilities**

As a result of our aggressive roll-out of PREMIUM 4G service in urban areas to construct a network that can offer comfortable access to our customers, the total number of PREMIUM 4G-compatible base stations increased from previously 900 stations as of March 31, 2015 to 22,800 stations as of March 31, 2016.

In addition, in pursuit of further coverage improvement, we increased the total number of LTE base stations from 97,400 as of March 31, 2015 to 138,100 as of March 31, 2016.

**Measures for More Efficient Use of Capital Expenditures**

Toward the goal of further strengthening our managerial structure, we continued to pursue more efficient use of capital expenditures through the integration and/or capacity expansion of our facilities by introducing new technologies or equipment, such as advanced C-RAN. We also pursued further improvement of the efficiency of construction of telecommunications facilities and reduction of equipment procurement costs.

As a result of the above measures, the total capital expenditures for the fiscal year ended March 31, 2016 decreased by 10.1% from the previous fiscal year to ¥595.2 billion.

\* Technology for increasing the utilization efficiency of frequencies by simultaneously controlling base stations covering broad areas and base stations covering localized areas.



Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****v. Prospects for the Fiscal Year Ending March 31, 2017**

Japan's telecommunications sector has seen a dramatic change in its market structure due to launch of services by a wide range of players following the start of Hikari Collaboration Model, which is a new wholesale business model for fiber access, the rapid proliferation of smartphones and tablet devices, developments related to the government's pro-competition policy (such as new market entry by Mobile Virtual Network Operators (MVNOs), the obligation to unlock handset SIMs and the proposals by the Ministry of Internal Affairs and Communications Task Force on Mobile Phone Rates and Other Conditions for Service Offerings) and other factors.

Under these market conditions, we will continue our efforts to further increase the Kake-hodai & Pake-aeru new billing plan, and to implement various measures to expand the adoption of the docomo Hikari optical-fiber broadband service. In addition, we will continue our +d value co-creation initiatives, aiming to deliver new values by making available the business assets that we have accumulated through our operations, such as our payment platform and loyalty program, and d POINT initiatives with the aim of rolling out the structure of the +d activities, while promoting further cost efficiency improvements to reinforce our managerial foundation. Through these endeavors, we expect to post an increase in both operating revenues and operating income for the fiscal year ending March 31, 2017.

Although a decline in revenues from equipment sales is expected, Operating revenues for the fiscal year ending March 31, 2017 are estimated to increase by ¥92.9 billion from the previous fiscal year to ¥4,620.0 billion, driven by an increase in optical-fiber broadband service revenues due to the projected growth of docomo Hikari users, an increase in packet communications revenues resulting from planned implementation of initiatives aimed at boosting the packet consumption of new billing plan subscribers and expansion of data use by tablets and other devices, and an increase in revenues from smart life business and other businesses. On the expenses side, although we project an increase in expenses associated with the growth of revenues from smart life business and other businesses and the expansion of docomo Hikari revenues, Operating expenses are expected to decrease by ¥34.1 billion to ¥3,710.0 billion, owing primarily to a decline of depreciation expenses as a result of our change in depreciation method used\*, as well as a decrease in cost of equipment sold and initiatives to pursue further cost efficiency.

Accordingly, Operating income for the fiscal year ending March 31, 2017 is estimated to be ¥910.0 billion, an increase of ¥127.0 billion from the previous fiscal year.

\* While historically we have principally used the declining-balance method for calculating the depreciation of property, plant and equipment, from the fiscal year ending March 31, 2017, as a general rule, we plan to begin using the straight-line method for calculating the depreciation of property, plant and equipment.

| Billions of yen                          |  |                        |
|--|--|------------------------|
| Year ended<br>March 31, 2016<br>(Actual) | Year ending<br>March 31, 2017<br>(Forecasts) | Increase<br>(Decrease) |

|   |           |   |                |   |              |
|---|-----------|---|----------------|---|--------------|
|   | results)  |   |                |   |              |
| Operating revenues  | ¥ 4,527.1 | ¥ | <b>4,620.0</b> | ¥ | 92.9 2.1%    |
| Operating income  | 783.0     |   | <b>910.0</b>   |   | 127.0 16.2   |
| Income before income taxes and equity<br>in net income (losses) of affiliates                 | 778.0     |   | <b>914.0</b>   |   | 136.0 17.5   |
| Net income attributable to NTT<br>DOCOMO, INC.  | 548.4     |   | <b>640.0</b>   |   | 91.6 16.7    |
| Capital expenditures  | 595.2     |   | <b>585.0</b>   |   | (10.2) (1.7) |
| Adjusted free cash flows excluding<br>changes in investments for cash<br>management purposes* | 598.7     |   | <b>600.0</b>   |   | 1.3 0.2      |
| EBITDA*   | 1,454.6   |   | <b>1,398.0</b> |   | (56.6) (3.9) |
| EBITDA margin*  | 32.1%     |   | <b>30.3%</b>   |   | (1.8) point  |
| ROE*  | 10.3%     |   | <b>11.9%</b>   |   | 1.6 point    |

\* EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definition of adjusted free cash flows excluding changes in investments for cash management purposes, EBITDA, EBITDA margin, and ROE, see 6. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures on page 34.

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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

Notes:

- (1) Japan's telecommunications sector is characterized by rapid changes in the market environment due to technical innovations, market entry by new competitors and other factors. To respond to such changes, our corporate group may introduce new billing plans or other measures that could potentially have a significant impact on our revenues and income. The timing of introduction of such measures will be decided after comprehensively taking into consideration our operational circumstances and the actions of our competitors, and therefore, is not necessarily decided beforehand. Such measures, depending on the timing of implementation, may significantly affect our results forecasts to be made at the time of our first-half results announcement. Providing such prospects on a half-year basis, therefore, may not be adequate or useful as information to be disclosed to investors. Accordingly, we will provide prospects for the full year only, and report progress vis-à-vis the projected full-year forecasts by disclosing actual results on a quarterly basis.
- (2) NTT DOCOMO, INC. shareholders' equity for the fiscal year ending March 31, 2017 is based on the assumption that DOCOMO will repurchase up to 220,000,000 shares for an amount in total not to exceed ¥500,000 million, as resolved at the Board of Directors' meeting held on January 29, 2016.

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(2) Financial Review****i. Financial Position**

|  | March<br>31, 2015 | Billions of yen<br><b>March 31,<br/>2016</b> | Increase<br>(Decrease) |       |
|--|-------------------|--|------------------------|-------|
| Total assets                               | ¥7,146.3          | ¥ <b>7,214.1</b>                             | ¥ 67.8                 | 0.9%  |
| Total NTT DOCOMO, INC. shareholders equity | 5,380.1           | <b>5,302.2</b>                               | (77.8)                 | (1.4) |
| Total liabilities                          | 1,728.1           | <b>1,854.8</b>                               | 126.7                  | 7.3   |
| Including: Interest bearing liabilities    | 222.7             | <b>222.2</b>                                 | (0.5)                  | (0.2) |

**ii. Cash Flow Conditions**

|  | Year ended<br>March 31, 2015 | Billions of yen<br><b>Year ended<br/>March 31, 2016</b> | Increase<br>(Decrease) |       |
|--|------------------------------|---|------------------------|-------|
| Net cash provided by operating activities  | ¥ 963.0                      | ¥ <b>1,209.1</b>  | ¥ 246.2                | 25.6% |
| Net cash used in investing activities  | (651.2)                      | <b>(375.3)</b>  | 275.9                  | 42.4  |
| Net cash provided by (used in) financing activities                                | (734.3)                      | <b>(583.6)</b>  | 150.6                  | 20.5  |
| Free cash flows (1)  | 311.8                        | <b>833.9</b>  | 522.1                  | 167.5 |
| Free cash flows excluding changes in investments for cash management purposes (2)* | 295.6                        | <b>598.7</b>  | 303.2                  | 102.6 |

- 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 6. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures on page 34.

For the year ended March 31, 2016, net cash provided by operating activities was ¥1,209.1 billion, an increase of ¥246.2 billion, or 25.6%, 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 ¥375.3 billion, a decrease of ¥275.9 billion, or 42.4%, from the same period of the previous fiscal year. This was due mainly to an increase in proceeds from redemption of long-term bailment for consumption to a related party and a decrease in cash outflows for purchases of property, plant and equipment as a result of efficient network construction.

Net cash used in financing activities was ¥583.6 billion, a decrease of ¥150.6 billion, or 20.5%, 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.

As a result of the foregoing, the balance of cash and cash equivalents was ¥354.4 billion as of March 31, 2016, an increase of ¥248.9 billion, or 235.8%, from the previous fiscal year end.

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## DOCOMO Earnings Release

Fiscal Year Ended March 31, 2016

## iii. Cash Flow and Other Indicators

|  | Billions of yen              |                              |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2012 | Year ended<br>March 31, 2013 | Year ended<br>March 31, 2014 | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 |
| Shareholders' equity ratio (1)         | 72.9%                        | 74.9%                        | 75.2%                        | 75.3%                        | <b>73.5%</b>                 |
| Market equity ratio (2)*               | 82.0%                        | 82.2%                        | 89.9%                        | 113.3%                       | <b>133.1%</b>                |
| Debt to Equity ratio (3)<br>(multiple) | 0.051                        | 0.047                        | 0.041                        | 0.041                        | <b>0.042</b>                 |
| Liabilities to cash flow ratio (4)     | 20.4%                        | 24.7%                        | 23.0%                        | 23.1%                        | <b>18.4%</b>                 |
| Interest coverage ratio (5)            | 430.4                        | 558.4                        | 634.1                        | 1,099.3                      | <b>3,022.8</b>               |

- Notes: (1) Shareholders' equity ratio = NTT DOCOMO, INC. shareholders' equity / Total assets  
Shareholders' equity ratio ended March 31, 2013 has been revised due to the reinstatement of equity method for an investee.
- (2) Market equity ratio = Market value of total share capital\*\* / Total assets  
Market equity ratio ended March 31, 2013 has been revised due to the reinstatement of equity method for an investee.
- (3) Debt to Equity ratio = Interest bearing liabilities / NTT DOCOMO, INC. shareholders' equity
- (4) Liabilities to cash flow ratio = Interest bearing liabilities / Net cash provided by operating activities (excluding irregular factors and effect of transfer of receivables\*\*\* for the fiscal year ended March 31, 2012 and March 31, 2013)
- (5) Interest coverage ratio = Net cash provided by operating activities (excluding irregular factors and effect of transfer of receivables) / Interest paid\*\*\*\*

\* See 6. (3) Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures on page 34.

\*\* Market value of total share capital = Closing share price multiplied by the number of outstanding shares (excluding treasury stock) as of the end of the fiscal period.

\*\*\* Amounts of Net cash provided by operating activities for the fiscal years ended March 31, 2012 and 2013 exclude the effects of irregular factors and transfer of receivables.

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

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

\*\*\*\* Interest paid is disclosed on Supplemental disclosures of cash flow information in 5. (4) Consolidated Statements of Cash Flows on page 27.



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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

**(3) Profit Distribution**

**i. Basic Policies for Profit Distribution**

We believe that providing adequate returns to shareholders is one of the most important issues in corporate management while raising corporate value through the growth and expansion of our businesses. We plan to pay dividends by taking into account our consolidated results, consolidated financial position and consolidated dividend payout ratio based on the principle of stable and sustainable dividend payments. We will also continue to take a flexible approach regarding share repurchases. We intend to keep the repurchased shares as treasury stock and in principle to limit the amount of such treasury stock to approximately 5% of our total issued shares, and will consider retiring any treasury stock held in excess of this limit in a lump around the end of the fiscal year or at other appropriate times.

In addition, we will allocate internal reserves to research and development efforts, capital expenditures, strategic investments and others for the purpose of generating innovative technologies, offering attractive services and expanding our business domains.

**ii. Dividend**

We paid ¥35 per share as an interim dividend for the six months ended September 30, 2015 and plan to pay a year-end dividend of ¥35 per share.

**iii. Prospect for the next fiscal year**

We expect to pay a total dividend of ¥80 per share for the year ending March 31, 2017, consisting of an interim dividend of ¥40 per share and a year-end dividend of ¥40 per share.

**iv. Share repurchases and share retirements**

In the fiscal year ended March 31, 2016, we acquired 120.87 million outstanding shares of our common stock at an amount in total of ¥307.5 billion based on the resolution of the board of directors. On March 31, 2016, we retired 127.23 million outstanding shares, approximately 3.1% of the total outstanding shares before the retirement.

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**Fiscal Year Ended March 31, 2016**

**(4) 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 reduce expenses as expected.
- (2) If current and new services, usage patterns, and sales schemes proposed and introduced by our corporate group cannot be developed as planned, or if unanticipated expenses arise, the financial condition of our corporate group could be affected and our growth could be limited.
- (3) The introduction or change of various laws or regulations inside and outside of Japan, or the application of such laws and regulations to our corporate group, could restrict our business operations, which may adversely affect our financial condition and results of operations.
- (4) Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction and could increase our costs.
- (5) Other mobile service providers in the world may not adopt the technologies and the frequency bands that are compatible with those used by our corporate group's mobile communications system on a continuing basis, which could affect our ability to sufficiently offer international services.

- (6) Our domestic and international investments, alliances and collaborations, 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.

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****2. Condition of the Corporate Group**

We primarily engage in mobile telecommunications services as a member of the NTT group, with NIPPON TELEGRAPH AND TELEPHONE CORPORATION ( NTT ) as the holding company.

NTT DOCOMO, INC. (the Company ), its 124 subsidiaries and 27 affiliates constitute the NTT DOCOMO group ( DOCOMO ) and operate its business.

The segments of DOCOMO and the corporate position of each group company are as follows:

[Segment Information]

| Business Segment            | Main Business Areas  |
|-----------------------------|--|
| Telecommunications business | Cellular (LTE(Xi) and FOMA) services, optical-fiber broadband services, satellite communications services, international services and sales of handsets and equipment for each service, etc.     |
| Smart life business         | Services offered through dmarket portal such as distribution of video, music and electronic books, etc., finance/payment services, online shopping service and other life-related services, etc. |
| Other businesses            | Mobile phone protection service, commissioned business of development, sales and maintenance of systems, etc.  |

[Position of Each DOCOMO Company]

- (1) The Company engages in telecommunications, smart life and other businesses in Japan.
- (2) 12 business-entrusted subsidiaries of the Company, each of which is entrusted with certain services by the Company, operate independently to maximize their expertise and efficiency. These subsidiaries are entrusted with part of the services provided by, or give assistance to, the Company.
- (3) There are 112 other subsidiaries and 27 affiliates, including entities engaged in the research of overseas mobile communications markets and technologies and overseas units established for the purpose of global business expansion or new business deployment.





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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

The following chart summarizes the description on last page:

As of March 31, 2016

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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

**3. Management Policies**

**(1) Basic Management Policies**

Under the corporate philosophy of creating a new world of communications culture, we are striving to improve and strengthen our core business primarily by expanding the uptake of our FOMA and LTE services, while also providing services that are useful for our customers' lives and businesses. The basic policies in our corporate management are to contribute to building a rich and vigorous society through these endeavors, to improve our enterprise value, and to heighten the trust and value our shareholders and customers place in us.

**(2) Medium- and Long-Term Management Strategies, Issues to be Addressed by the Group and Target Management Indicators**

We developed our corporate vision for 2020, HEART: Pursuing Smart Innovation to propel further growth and propose new values to society in anticipation of future social changes.

Also, under the banner of becoming a Smart Life Partner for our customers, we tackled the challenge of reinforcing our competitiveness in telecommunications business and stepped up our efforts in the smart life business and other businesses. Furthermore, we unveiled the New Initiatives toward Delivery of Medium-Term Targets on the occasion of the full-year results presentation for the fiscal year ended March 31, 2015.

More details concerning our medium-term targets can be obtained via the following URL:

(NTT DOCOMO, INC. home page) <https://www.nttdocomo.co.jp/english/corporate/ir/index.html>

**Initiatives to be Implemented over the Medium Term**

In order to respond to our customers' needs on an ongoing basis, by further evolving our relationships with various external partners through open collaboration, we will continue to create new added value by moving forward with our +d initiatives.

Specifically, we, together with our partners, will roll out initiatives in order to co-create new added value, making available to our partners our own business assets, such as our payment platform and point program. Through these endeavors, we will aim to deliver more benefits, more fun and more convenience to our customers in tandem with our partners.

In addition to creating value for our customers, we will also strive to offer new value to various of our partners. Particularly, in the areas of IoT, Regional Revitalization, 2020, and Solution of Social Issues, we will move forward with the co-creation of social values, creating new services and businesses in collaboration with our partners and utilizing the assets of both parties, with the goal of capturing revenue opportunities in new business fields that transcend the confines of industries or business formats.



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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

**FY2016 Priority Initiatives**

Positioning FY2016 as the year in which we intend to make a vibrant leap toward further growth beyond income recovery, we will work concurrently on expanding our telecommunications business and reinforcing our smart life business and other businesses.

**Expansion of Telecommunications Business**

In FY2016, we expect a full-scale reexamination of handset prices and tariffs throughout the mobile industry. In light of these expected changes, we will reinforce our focus on families and strengthen our ability to propose comprehensive offerings comprising mobile phones, optical-fiber and other services. In this way, we plan to take the lead in changing the field of competition in the mobile industry.

As part of this endeavor, in March 2016 we introduced new billing plan offerings for light-usage customers, consisting of the new data package Share Pack 5, enabling families to share 5MB of data, and the expansion of the applicability of the Kake-hodai Light voice plan to lower volume data packages. In addition, starting June 2016, we will launch new offerings for long-term users consisting of two new rate options allowing customers to choose subscriptions with or without cancellation fees, increased discounts in the Zutto DOCOMO Wari scheme and the addition of reward points for customers renewing their subscriptions.

We will aim to secure income from telecommunications business through an ARPU increase resulting from expanded adoption of the new billing plan and on-going cost efficiency improvement efforts.

**Reinforcement of Smart Life Business and Other Businesses**

With respect to our smart life business and other businesses, we will work to grow our subscriptions by further enriching the services and content offered on our dmarket marketplace, such as dTV, dhits and dmagazine. We also step up the +d initiatives that we pursue together with our partners for new value creation by combining our finance/payment platforms, point program and other business assets that we have accumulated in our operations with those assets of our partners. We will also work to enhance the attractiveness of our d POINT loyalty point program by increasing the number of participating partners and accelerate the adoption of d ACCOUNT.

Through these undertakings we aim to reach the medium-term target indicators we announced for FY2017, one year ahead of schedule.

<FY2016 Target Management Indicators>

| Item | FY2016 Target | Reference:<br>FY2017 Medium-Term Target |
|------|---------------|---|
|------|---------------|---|

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|   |                 |                                  |
|---|-----------------|----------------------------------|
| Operating income  | ¥ 910.0 billion | ¥820.0 billion or higher         |
| Including: Operating income from smart life business and other businesses | ¥ 120.0 billion | Over ¥100.0 billion              |
| Capital expenditures for FY2015 to FY2017                                 | ¥ 585.0 billion | ¥650.0 billion per annum or less |

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

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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

**4. Basic Approach to the Selection of Accounting Standards**

In order to improve the international comparability of our financial information in the capital markets and increase the efficiency of our financial reporting, we are considering adopting International Financial Reporting Standards ( IFRS ) beginning with the three months ending June 30, 2018.

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****5. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

|  | Millions of yen  |                  | Increase<br>(Decrease) |
|--|------------------|------------------|------------------------|
|  | March 31, 2015   | March 31, 2016   |                        |
| <b>ASSETS</b>                                    |                  |                  |                        |
| <b>Current assets:</b>                           |                  |                  |                        |
| Cash and cash equivalents                        | ¥ 105,553        | ¥ 354,437        | ¥ 248,884              |
| Short-term investments                           | 243,757          | 5,872            | (237,885)              |
| Accounts receivable                              | 264,591          | 237,040          | (27,551)               |
| Receivables held for sale                        | 897,999          | 972,851          | 74,852                 |
| Credit card receivables                          | 234,412          | 276,492          | 42,080                 |
| Other receivables                                | 327,275          | 381,096          | 53,821                 |
| Allowance for doubtful accounts                  | (14,100)         | (17,427)         | (3,327)                |
| Inventories                                      | 186,275          | 153,876          | (32,399)               |
| Deferred tax assets                              | 61,512           | 107,058          | 45,546                 |
| Prepaid expenses and other current assets        | 108,102          | 108,898          | 796                    |
| <b>Total current assets</b>                      | <b>2,415,376</b> | <b>2,580,193</b> | <b>164,817</b>         |
| <b>Property, plant and equipment:</b>            |                  |                  |                        |
| Wireless telecommunications equipment            | 5,027,390        | 5,084,416        | 57,026                 |
| Buildings and structures                         | 890,382          | 896,815          | 6,433                  |
| Tools, furniture and fixtures                    | 508,810          | 468,800          | (40,010)               |
| Land   | 200,736          | 199,054          | (1,682)                |
| Construction in progress                         | 193,497          | 190,261          | (3,236)                |
| Accumulated depreciation and amortization        | (4,309,748)      | (4,398,970)      | (89,222)               |
| <b>Total property, plant and equipment, net</b>  | <b>2,511,067</b> | <b>2,440,376</b> | <b>(70,691)</b>        |
| <b>Non-current investments and other assets:</b> |                  |                  |                        |
| Investments in affiliates                        | 439,070          | 411,395          | (27,675)               |
| Marketable securities and other investments      | 195,047          | 182,905          | (12,142)               |
| Intangible assets, net                           | 636,319          | 615,013          | (21,306)               |
| Goodwill   | 266,311          | 243,695          | (22,616)               |
| Other assets                                     | 445,723          | 479,103          | 33,380                 |
| Deferred tax assets                              | 237,427          | 261,434          | 24,007                 |

|  |             |                    |          |
|--|-------------|--------------------|----------|
| Total non-current investments and other assets | 2,219,897   | <b>2,193,545</b>   | (26,352) |
| <b>Total assets</b>                            | ¥ 7,146,340 | ¥ <b>7,214,114</b> | ¥ 67,774 |
| <b>LIABILITIES AND EQUITY</b>                  |             |                    |          |
| <b>Current liabilities:</b>                    |             |                    |          |
| Current portion of long-term debt              | ¥ 203       | ¥ <b>200</b>       | ¥ (3)    |
| Short-term borrowings                          | 2,048       | <b>1,764</b>       | (284)    |
| Accounts payable, trade                        | 811,799     | <b>793,084</b>     | (18,715) |
| Accrued payroll                                | 54,955      | <b>53,837</b>      | (1,118)  |
| Accrued income taxes                           | 68,563      | <b>165,332</b>     | 96,769   |
| Other current liabilities                      | 176,734     | <b>205,602</b>     | 28,868   |
| <b>Total current liabilities</b>               | 1,114,302   | <b>1,219,819</b>   | 105,517  |
| <b>Long-term liabilities:</b>                  |             |                    |          |
| Long-term debt (exclusive of current portion)  | 220,400     | <b>220,200</b>     | (200)    |
| Accrued liabilities for point programs         | 89,929      | <b>75,182</b>      | (14,747) |
| Liability for employees' retirement benefits   | 173,872     | <b>201,604</b>     | 27,732   |
| Other long-term liabilities                    | 129,632     | <b>137,983</b>     | 8,351    |
| <b>Total long-term liabilities</b>             | 613,833     | <b>634,969</b>     | 21,136   |
| <b>Total liabilities</b>                       | 1,728,135   | <b>1,854,788</b>   | 126,653  |
| <b>Redeemable noncontrolling interest</b>      | 15,589      | <b>16,221</b>      | 632      |
| <b>Equity:</b>                                 |             |                    |          |
| NTT DOCOMO, INC. shareholders' equity          |             |                    |          |
| Common stock                                   | 949,680     | <b>949,680</b>     |          |
| Additional paid-in capital                     | 339,783     | <b>330,482</b>     | (9,301)  |
| Retained earnings                              | 4,397,228   | <b>4,413,030</b>   | 15,802   |
| Accumulated other comprehensive income (loss)  | 52,599      | <b>14,888</b>      | (37,711) |
| Treasury stock                                 | (359,218)   | <b>(405,832)</b>   | (46,614) |
| Total NTT DOCOMO, INC. shareholders' equity    | 5,380,072   | <b>5,302,248</b>   | (77,824) |
| Noncontrolling interests                       | 22,544      | <b>40,857</b>      | 18,313   |
| <b>Total equity</b>                            | 5,402,616   | <b>5,343,105</b>   | (59,511) |
| <b>Total liabilities and equity</b>            | ¥ 7,146,340 | ¥ <b>7,214,114</b> | ¥ 67,774 |



**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income**

|   | Year ended<br>March 31, 2015 | Millions of yen<br>Year ended<br>March 31,<br>2016 | Increase<br>(Decrease) |
|---|------------------------------|--|------------------------|
| <b>Operating revenues:</b>  |                              |  |                        |
| Telecommunications services   | ¥ 2,747,155                  | ¥ 2,815,507  | ¥ 68,352               |
| Equipment sales   | 904,089                      | 860,486  | (43,603)               |
| Other operating revenues  | 732,153                      | 851,091  | 118,938                |
| <b>Total operating revenues</b>   | <b>4,383,397</b>             | <b>4,527,084</b>                                   | <b>143,687</b>         |
| <b>Operating expenses:</b>  |                              |  |                        |
| Cost of services (exclusive of items shown separately below)                      | 1,159,514                    | 1,248,553  | 89,039                 |
| Cost of equipment sold (exclusive of items shown separately below)                | 853,062                      | 881,471  | 28,409                 |
| Depreciation and amortization   | 659,787                      | 625,934  | (33,853)               |
| Impairment loss   | 30,161                       | 9,063  | (21,098)               |
| Selling, general and administrative   | 1,041,802                    | 979,039  | (62,763)               |
| <b>Total operating expenses</b>   | <b>3,744,326</b>             | <b>3,744,060</b>                                   | <b>(266)</b>           |
| <b>Operating income</b>   | <b>639,071</b>               | <b>783,024</b>                                     | <b>143,953</b>         |
| <b>Other income (expense):</b>  |                              |  |                        |
| Interest expense  | (797)                        | (512)  | 285                    |
| Interest income   | 1,283                        | 987  | (296)                  |
| Other, net  | 4,326                        | (5,478)  | (9,804)                |
| <b>Total other income (expense)</b>   | <b>4,812</b>                 | <b>(5,003)</b>                                     | <b>(9,815)</b>         |
| <b>Income before income taxes and equity in net income (losses) of affiliates</b> | <b>643,883</b>               | <b>778,021</b>                                     | <b>134,138</b>         |
| <b>Income taxes:</b>  |                              |  |                        |
| Current   | 218,552                      | 267,249  | 48,697                 |

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|   |   |               |               |               |
|---|---|---------------|---------------|---------------|
| Deferred  |   | 19,515        | (55,530)      | (75,045)      |
| Total income taxes  |   | 238,067       | 211,719       | (26,348)      |
| <b>Income before equity in net income (losses) of affiliates</b>  |   | 405,816       | 566,302       | 160,486       |
| Equity in net income (losses) of affiliates (including impairment charges of investments in affiliates) |   | (7,782)       | (5,060)       | 2,722         |
| <b>Net income</b>   |   | 398,034       | 561,242       | 163,208       |
| Less: Net (income) loss attributable to noncontrolling interests  |   | 12,059        | (12,864)      | (24,923)      |
| <b>Net income attributable to NTT DOCOMO, INC.</b>  | ¥ | 410,093       | ¥ 548,378     | ¥ 138,285     |
| <b>Per share data</b>   |   |               |               |               |
| Weighted average common shares outstanding Basic and Diluted  |   | 4,038,191,678 | 3,880,823,341 | (157,368,337) |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC.                                   | ¥ | 101.55        | ¥ 141.30      | ¥ 39.75       |

**Consolidated Statements of Comprehensive Income**

|   |   | Year ended<br>March 31, 2015 | Millions of yen<br>Year ended<br>March 31,<br>2016 | Increase<br>(Decrease) |
|---|---|------------------------------|--|------------------------|
| <b>Net income</b>   | ¥ | 398,034                      | ¥ 561,242  | ¥ 163,208              |
| <b>Other comprehensive income (loss):</b>   |   |                              |  |                        |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes |   | 22,588                       | (5,993)  | (28,581)               |
| Unrealized gains (losses) on cash flow hedges, net of applicable taxes                      |   | (4)                          | (117)  | (113)                  |
| Foreign currency translation adjustment, net of applicable taxes                            |   | 29,678                       | (10,587)   | (40,265)               |
| Pension liability adjustment, net of applicable taxes                                       |   | (8,877)                      | (21,008)   | (12,131)               |
| <b>Total other comprehensive income (loss)</b>  |   | 43,385                       | (37,705)   | (81,090)               |
| <b>Comprehensive income</b>   |   | 441,419                      | 523,537  | 82,118                 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests                  |   | 11,683                       | (12,870)   | (24,553)               |
| <b>Comprehensive income attributable to NTT</b>   | ¥ | 453,102                      | ¥ 510,667  | ¥ 57,565               |

**DOCOMO, INC.**

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## DOCOMO Earnings Release

Fiscal Year Ended March 31, 2016

## (3) Consolidated Statements of Changes in Equity

|                  | Millions of yen                      |            |            |               |            |             |                |            |
|------------------|--------------------------------------|------------|------------|---------------|------------|-------------|----------------|------------|
|                  | NTT DOCOMO, INC. shareholders equity |            |            |               |            |             |                |            |
|                  |                                      |            |            | Accumulated   |            | Total NTT   |                |            |
|                  | Common                               | Additional | Retained   | other         | Treasury   | shareholder | Noncontrolling | Total      |
|                  | stock                                | paid-in    | earnings   | comprehensive | stock      | equity      | interests      | equity     |
|                  |                                      | capital    |            | income        |            |             |                |            |
|                  |                                      |            |            | (loss)        |            |             |                |            |
| Balance as of    |                                      |            |            |               |            |             |                |            |
| March 31, 2014   | ¥949,680                             | ¥ 732,875  | ¥4,328,389 | ¥ 9,590       | ¥(377,168) | ¥5,643,366  | ¥ 35,278       | ¥5,678,644 |
| Purchase of      |                                      |            |            |               |            |             |                |            |
| treasury stock   |                                      |            |            |               | (473,036)  | (473,036)   |                | (473,036)  |
| Retirement of    |                                      |            |            |               |            |             |                |            |
| treasury stock   |                                      | (393,092)  | (97,894)   |               | 490,986    |             |                |            |
| Cash dividends   |                                      |            |            |               |            |             |                |            |
| declared to      |                                      |            |            |               |            |             |                |            |
| NTT              |                                      |            |            |               |            |             |                |            |
| DOCOMO,          |                                      |            |            |               |            |             |                |            |
| INC.             |                                      |            |            |               |            |             |                |            |
| shareholders     |                                      |            | (243,360)  |               |            | (243,360)   |                | (243,360)  |
| Cash             |                                      |            |            |               |            |             |                |            |
| distributions to |                                      |            |            |               |            |             |                |            |
| noncontrolling   |                                      |            |            |               |            |             |                |            |
| interests        |                                      |            |            |               |            |             | (1,061)        | (1,061)    |
| Acquisition of   |                                      |            |            |               |            |             |                |            |
| new              |                                      |            |            |               |            |             |                |            |
| subsidiaries     |                                      |            |            |               |            |             | 732            | 732        |
| Others           |                                      |            |            |               |            |             | (2)            | (2)        |
| Net income       |                                      |            | 410,093    |               |            | 410,093     | (12,777)       | 397,316    |
| Other            |                                      |            |            |               |            |             |                |            |
| comprehensive    |                                      |            |            |               |            |             |                |            |
| income (loss)    |                                      |            |            | 43,009        |            | 43,009      | 374            | 43,383     |
| Balance as of    |                                      |            |            |               |            |             |                |            |
| March 31, 2015   | ¥949,680                             | ¥ 339,783  | ¥4,397,228 | ¥ 52,599      | ¥(359,218) | ¥5,380,072  | ¥ 22,544       | ¥5,402,616 |
| Purchase of      |                                      |            |            |               |            |             |                |            |
| treasury stock   |                                      |            |            |               | (307,486)  | (307,486)   |                | (307,486)  |

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Retirement of treasury stock                             | (260,872) | 260,872   |           |           |
| Cash dividends declared to NTT DOCOMO, INC. shareholders | (271,704) | (271,704) | (271,704) | (271,704) |
| Cash distributions to noncontrolling interests           |           |           | (2,390)   | (2,390)   |
| Acquisition of new subsidiaries                          |           |           | 22        | 22        |
| Changes in interest in subsidiaries                      | (9,301)   | (9,301)   | 8,489     | (812)     |
| Others   |           |           | (46)      | (46)      |
| Net income   | 548,378   | 548,378   | 12,232    | 560,610   |
| Other comprehensive income (loss)                        | (37,711)  | (37,711)  | 6         | (37,705)  |

Balance as of  
March 31, 2016 ¥949,680 ¥ 330,482 ¥4,413,030 ¥ 14,888 ¥(405,832) ¥5,302,248 ¥ 40,857 ¥5,343,105

\* Changes in the redeemable noncontrolling interest are not included in the table.

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(4) Consolidated Statements of Cash Flows**

|   | Millions of yen              |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 |
| <b>Cash flows from operating activities:</b>  |                              |                              |
| Net income  | ¥ 398,034                    | ¥ 561,242                    |
| Adjustments to reconcile net income to net cash provided by operating activities                        |                              |                              |
| Depreciation and amortization   | 659,787                      | 625,934                      |
| Deferred taxes  | 19,515                       | (55,530)                     |
| Loss on sale or disposal of property, plant and equipment   | 40,073                       | 36,535                       |
| Inventory write-downs   | 13,716                       | 18,880                       |
| Impairment loss   | 30,161                       | 9,063                        |
| Impairment loss on marketable securities and other investments  | 902                          | 636                          |
| Loss on sale of a subsidiary  |                              | 13,117                       |
| Equity in net (income) losses of affiliates (including impairment charges of investments in affiliates) | 7,782                        | 5,060                        |
| Dividends from affiliates   | 17,591                       | 13,929                       |
| Changes in assets and liabilities:  |                              |                              |
| (Increase) / decrease in accounts receivable  | 17,489                       | 22,406                       |
| (Increase) / decrease in receivables held for sale  | (110,540)                    | (74,852)                     |
| (Increase) / decrease in credit card receivables  | (7,497)                      | (22,551)                     |
| (Increase) / decrease in other receivables  | (13,467)                     | (46,331)                     |
| Increase / (decrease) in allowance for doubtful accounts  | 2,931                        | 3,884                        |
| (Increase) / decrease in inventories  | 32,270                       | 13,125                       |
| (Increase) / decrease in prepaid expenses and other current assets                                      | (10,565)                     | (4,966)                      |
| (Increase) / decrease in non-current receivables held for sale  | (55,468)                     | (13,601)                     |
| Increase / (decrease) in accounts payable, trade  | 5,278                        | (32,544)                     |
| Increase / (decrease) in accrued income taxes   | (107,166)                    | 97,176                       |
| Increase / (decrease) in other current liabilities  | 16,964                       | 31,638                       |
| Increase / (decrease) in accrued liabilities for point programs   | (23,072)                     | (14,747)                     |
| Increase / (decrease) in liability for employees' retirement benefits                                   | 13,209                       | 27,752                       |
| Increase / (decrease) in other long-term liabilities  | 11,925                       | 11,488                       |
| Other, net  | 3,125                        | (17,612)                     |
| Net cash provided by (used in) operating activities   | 962,977                      | 1,209,131                    |
| <b>Cash flows from investing activities:</b>  |                              |                              |
| Purchases of property, plant and equipment  | (493,189)                    | (434,919)                    |

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|   |                  |                  |
|---|------------------|------------------|
| Purchases of intangible and other assets  | (170,203)        | (179,010)        |
| Purchases of non-current investments  | (5,107)          | (3,465)          |
| Proceeds from sale of non-current investments   | 1,753            | 9,345            |
| Purchases of short-term investments   | (34,613)         | (9,523)          |
| Redemption of short-term investments  | 50,806           | 4,659            |
| Proceeds from redemption of long-term bailment for consumption to a related party               |                  | 240,000          |
| Other, net  | (641)            | (2,338)          |
| <b>Net cash provided by (used in) investing activities</b>                                      | <b>(651,194)</b> | <b>(375,251)</b> |
| <b>Cash flows from financing activities:</b>  |                  |                  |
| Proceeds from short-term borrowings   | 221,606          | 146,880          |
| Repayment of short-term borrowings  | (229,065)        | (147,022)        |
| Principal payments under capital lease obligations  | (1,729)          | (1,389)          |
| Payments to acquire treasury stock  | (473,036)        | (307,486)        |
| Dividends paid  | (243,349)        | (271,643)        |
| Cash distributions to noncontrolling interests  | (1,061)          | (2,390)          |
| Other, net  | (7,623)          | (558)            |
| <b>Net cash provided by (used in) financing activities</b>                                      | <b>(734,257)</b> | <b>(583,608)</b> |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                             | <b>1,107</b>     | <b>(1,388)</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                     | <b>(421,367)</b> | <b>248,884</b>   |
| <b>Cash and cash equivalents at beginning of year</b>   | <b>526,920</b>   | <b>105,553</b>   |
| <b>Cash and cash equivalents at end of year</b>   | <b>¥ 105,553</b> | <b>¥ 354,437</b> |
| <b>Supplemental disclosures of cash flow information:</b>                                       |                  |                  |
| <b>Cash received during the fiscal year for:</b>  |                  |                  |
| Income tax refunds  | ¥ 1,539          | ¥ 8,241          |
| <b>Cash paid during the fiscal year for:</b>  |                  |                  |
| Interest, net of amount capitalized   | 876              | 400              |
| Income taxes  | 326,107          | 176,806          |
| <b>Non-cash investing and financing activities:</b>   |                  |                  |
| Assets acquired through capital lease obligations   | 940              | 965              |
| Assets of wireless telecommunications equipment acquired through exchanges of similar equipment | 3,605            | 3,844            |
| Retirement of treasury stock  | 490,986          | 260,872          |

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(5) Notes to Consolidated Financial Statements****i. Note to Going Concern Assumption**

There is no corresponding item.

**ii. Equity****Share Repurchases and Share Retirements**

On January 29, 2016, the Board of Directors resolved that NTT DOCOMO, INC. may repurchase up to 220,000,000 outstanding shares of its common stock for an amount in total not exceeding ¥500,000 million during the period from February 1, 2016 through December 31, 2016.

On February 5, 2016, the Board of Directors resolved that NTT DOCOMO, INC. may acquire up to 137,578,616 outstanding shares of its common stock by way of tender offer at an amount in total not exceeding ¥350,000 million from during the period from February 8, 2016 through March 7, 2016. Based on this resolution, NTT DOCOMO, INC. repurchased 120,867,062 shares of its common stock for a total purchase price of ¥307,486 million between February 2016 and March 2016.

Aggregate number and price of shares repurchased from our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), were 117,924,500 shares and ¥300,000 million for the fiscal year ended March 31, 2016.

NTT DOCOMO, INC. also carried out compulsory acquisition of less-than-one-unit shares upon request.

Aggregate number and price of shares repurchased for the fiscal year ended March 31, 2016 were as follows:

| <b>Year ended March 31,</b> | <b>Shares</b>      | <b>Millions of</b> |
|-----------------------------|--------------------|--------------------|
| <b>2016</b>                 |                    | <b>yen</b>         |
|                             | <b>120,867,105</b> | <b>307,486</b>     |

Based on the resolution of the Board of Directors, NTT DOCOMO, INC. retired its own shares held as treasury stock as shown in the following table for the fiscal year ended March 31 2016. The share retirement resulted in a decrease of

Retained earnings by ¥260,872 million in the same amount as the aggregate purchase price. There were no changes in the number of authorized shares.

| <b>Date of the resolution of the Board of Directors</b> | <b>Shares</b> | <b>Millions of</b> |
|---|---------------|--------------------|
|   |               | <b>yen</b>         |



|                       |                    |                |
|-----------------------|--------------------|----------------|
| <b>March 25, 2016</b> | <b>127,229,000</b> | <b>260,872</b> |
|-----------------------|--------------------|----------------|

On April 28, 2016, the Board of Directors resolved that NTT DOCOMO, INC. may acquire up to 99,132,938 outstanding shares of its common stock by way of the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) and market purchases based on the discretionary dealing contract, at an amount in total not exceeding ¥192,514 million from during the period from May 2, 2016 through December 31, 2016.

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****iii. Segment Information**

DOCOMO's chief operating decision maker ( 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.

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 fiscal year ended March 31, 2016 to reflect the change in its internal organizational structure effective as of July 1, 2015.

In connection with this realignment, segment information for the fiscal year ended March 31, 2015 has been restated to conform to the presentation for the fiscal year ended March 31, 2016.

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.

Assets by segment are not included in the management reports which are reported to the CODM. However, they are disclosed herein only to provide additional information. The Corporate row in the tables below is included to reflect the recorded amounts of common assets which are not allocated to any segments, and assets in Corporate primarily include cash and cash equivalents, securities and investments in affiliates. DOCOMO allocates amounts of assets and related depreciation and amortization expenses to common assets, such as buildings for telecommunications purposes and common facilities, on a systematic and rational basis based on the proportionate amount of network assets to each segment.

**Segment operating revenues:**

Millions of yen  
 Year ended      Year ended  
 March 31, 2015    **March 31, 2016**

Telecommunications business-

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|                      |             |   |                  |
|----------------------|-------------|---|------------------|
| External customers   | ¥ 3,653,344 | ¥ | <b>3,688,486</b> |
| Intersegment         | 1,221       |   | <b>1,293</b>     |
| Subtotal             | 3,654,565   |   | <b>3,689,779</b> |
| Smart life business- |             |   |                  |
| External customers   | 427,707     |   | <b>491,234</b>   |
| Intersegment         | 15,613      |   | <b>12,895</b>    |
| Subtotal             | 443,320     |   | <b>504,129</b>   |
| Other businesses-    |             |   |                  |
| External customers   | 302,346     |   | <b>347,364</b>   |
| Intersegment         | 11,146      |   | <b>11,912</b>    |
| Subtotal             | 313,492     |   | <b>359,276</b>   |
| Segment total        | 4,411,377   |   | <b>4,553,184</b> |
| Elimination          | (27,980)    |   | <b>(26,100)</b>  |
| Consolidated         | ¥ 4,383,397 | ¥ | <b>4,527,084</b> |

Table of Contents**DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****Segment operating income (loss):**

|                             | Millions of yen |                |
|-----------------------------|-----------------|----------------|
|                             | Year ended      | Year ended     |
|                             | March 31, 2015  | March 31, 2016 |
| Telecommunications business | ¥ 636,076       | ¥ 708,854      |
| Smart life business         | (2,394)         | 46,450         |
| Other businesses            | 5,389           | 27,720         |
| Consolidated                | ¥ 639,071       | ¥ 783,024      |

**Segment assets:**

|                             | Millions of yen |                |
|-----------------------------|-----------------|----------------|
|                             | Year ended      | Year ended     |
|                             | March 31, 2015  | March 31, 2016 |
| Telecommunications business | ¥ 5,275,976     | ¥ 5,309,327    |
| Smart life business         | 547,706         | 601,601        |
| Other businesses            | 234,522         | 237,862        |
| Segment total               | 6,058,204       | 6,148,790      |
| Elimination                 | (1,875)         | (1,988)        |
| Corporate                   | 1,090,011       | 1,067,312      |
| Consolidated                | ¥ 7,146,340     | ¥ 7,214,114    |

**Other Significant items:****Depreciation and amortization:**

|                             | Millions of yen |                |
|-----------------------------|-----------------|----------------|
|                             | Year ended      | Year ended     |
|                             | March 31, 2015  | March 31, 2016 |
| Telecommunications business | ¥ 614,821       | ¥ 592,073      |

|                     |           |                  |
|---------------------|-----------|------------------|
| Smart life business | 24,594    | <b>16,892</b>    |
| Other businesses    | 20,372    | <b>16,969</b>    |
| Consolidated        | ¥ 659,787 | ¥ <b>625,934</b> |

**Capital expenditures:**

|                             | Millions of yen |                  |
|-----------------------------|-----------------|------------------|
|                             | Year ended      | Year ended       |
|                             | March 31, 2015  | March 31, 2016   |
| Telecommunications business | ¥ 635,445       | ¥ <b>573,893</b> |
| Smart life business         | 17,195          | <b>13,855</b>    |
| Other businesses            | 9,125           | <b>7,468</b>     |
| Consolidated                | ¥ 661,765       | ¥ <b>595,216</b> |

**Impairment of Long-live Assets:**

|                             | Millions of yen |                |
|-----------------------------|-----------------|----------------|
|                             | Year ended      | Year ended     |
|                             | March 31, 2015  | March 31, 2016 |
| Telecommunications business | ¥               | ¥ <b>1,684</b> |
| Smart life business         | 30,161          | <b>7,186</b>   |
| Other businesses            |                 | <b>193</b>     |
| Consolidated                | ¥ 30,161        | ¥ <b>9,063</b> |

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

Impairment of Long-live Assets is mainly impairment of business assets related to the multimedia broadcasting business for mobile devices in its smart life business segment.

DOCOMO does not disclose geographical information since the amounts of operating revenues generated and long-lived assets owned outside Japan are immaterial.

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**DOCOMO Earnings Release**

**Fiscal Year Ended March 31, 2016**

**iv. Income taxes**

**Changes in the carrying amounts of deferred tax assets and liabilities due to changes in corporate tax rates**

Amendments to the Japanese Corporate Tax Law were enacted on March 29, 2016, and the corporate tax rate has been changed effective from April 1, 2016 and will be changed again effective from April 1, 2018.

The aggregate statutory income tax rate to be used in measuring deferred tax assets and liabilities after the enactment date declined from 32.8% to 31.6%, and 31.4%, resulting from temporary differences that are expected to be recovered or settled during the periods from April 1, 2016 to March 31, 2018, and April 1, 2018 and thereafter, respectively.

Due to the changes in the enacted tax rates, net deferred tax assets as of enactment date decreased by ¥15,160 million, and the effect of this adjustment is recorded in the *Income taxes-Deferred* on the consolidated statements of income for the fiscal year ended March 31, 2016. Net income attributable to NTT DOCOMO, INC. decreased by ¥14,691 million as of enacted date.

**Release of valuation allowance of deferred tax assets related to DOCOMO's subsidiaries operating multimedia broadcasting business for mobile devices**

During the fiscal year ended March 31, 2016, DOCOMO decided to terminate the multimedia broadcasting business for mobile devices of DOCOMO's smart life business segment on June 30, 2016.

In connection with the termination of the multimedia broadcasting business, DOCOMO concluded that it was more likely than not that the related deferred tax assets will be realized considering the availabilities of the prudent and feasible tax planning strategies in the tax jurisdictions of certain subsidiaries which operate the multimedia broadcasting business for mobile devices. DOCOMO, therefore, released all of the valuation allowance for the related deferred tax assets of those subsidiaries.

As a result, the release of valuation allowance for the deferred tax assets in the amount of ¥37,196 million was recorded as an income tax benefit in the *Income taxes-Deferred* in the consolidated statements of income for the fiscal year ended March 31, 2016.

**v. Subsequent Event**

**Resolution of share repurchase**

On April 28, 2016, the Board of Directors resolved to approve an implementation of NTT DOCOMO, INC.'s repurchase of outstanding shares of its common stock. Related information is disclosed in Notes to Consolidated Financial Statements ii. Equity.



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## DOCOMO Earnings Release

Fiscal Year Ended March 31, 2016

## 6. Appendices

## (1) Operating Data for the Fiscal Year Ended March 31, 2016

Full-year Forecasts: as announced on April 28, 2016

|   |           | [Ref.]<br>Fiscal Year Ended<br>Mar. 31,<br>2015<br>Full-year<br>Results | Fiscal Year Ended<br>Mar. 31,<br>2016<br>Full-year<br>Results | First Quarter<br>Apr. - Jun. 2015<br>Results | Second<br>Quarter<br>Jul. - Sep. 2015<br>Results | Third<br>Quarter<br>Oct. - Dec. 2015<br>Results | Fourth<br>Quarter<br>Jan. - Mar. 2016<br>Results | Fiscal Year Ending<br>Mar. 31,<br>2017<br>Full-year Forecasts |
|---|-----------|---|---|--|--|---|--|---|
| <b>Number of Subscriptions and Other Operating Data</b> |           |   |   |  |  |   |  |   |
| Cellular  |           |   |   |  |  |   |  |   |
| Subscriptions   | thousands | 66,595  | <b>70,964</b>   | 67,532                                       | 68,494   | 69,602  | <b>70,964</b>                                    | <b>75,300</b>   |
| Including: New Billing Plan                             |           |   |   |  |  |   |  |   |
| Subscriptions   | thousands | 17,827  | <b>29,704</b>   | 20,812                                       | 23,777   | 26,519  | <b>29,704</b>                                    |   |
| LTE(Xi)   | thousands | 30,744  | <b>38,679</b>   | 32,609                                       | 34,504   | 36,293  | <b>38,679</b>                                    | <b>44,600</b>   |
| FOMA (1)  | thousands | 35,851  | <b>32,285</b>   | 34,923                                       | 33,989   | 33,309  | <b>32,285</b>                                    | <b>30,700</b>   |
| Communication   |           |   |   |  |  |   |  |   |
| Module Service  | thousands | 4,173   | <b>4,803</b>  | 4,328  | 4,461  | 4,630   | <b>4,803</b>                                     |   |
| Net Increase from Previous                              |           |   |   |  |  |   |  |   |
| Period (2)  | thousands | 3,490   | <b>4,368</b>  | 936  | 962  | 1,108   | <b>1,362</b>                                     | <b>4,400</b>  |
| LTE(Xi)   | thousands | 8,779   | <b>7,934</b>  | 1,864  | 1,896  | 1,789   | <b>2,386</b>                                     | <b>6,000</b>  |
| FOMA (1)  | thousands | (5,289)   | <b>(3,566)</b>  | (928)  | (933)  | (681)   | <b>(1,024)</b>                                   | <b>(1,600)</b>  |
| sp-mode   |           |   |   |  |  |   |  |   |
| Subscriptions   | thousands | 28,160  | <b>32,463</b>   | 29,094                                       | 30,209   | 31,126  | <b>32,463</b>                                    | <b>35,100</b>   |
| i-mode  |           |   |   |  |  |   |  |   |
| Subscriptions   | thousands | 22,338  | <b>18,770</b>   | 21,512                                       | 20,581   | 19,862  | <b>18,770</b>                                    | <b>16,500</b>   |
| Churn Rate  |           |   |   |  |  |   |  |   |
| (2) (3)   | %         | 0.61  | <b>0.62</b>   | 0.59   | 0.57   | 0.60  | <b>0.71</b>                                      |   |
| Number of Handsets Sold                                 |           |   |   |  |  |   |  |   |
| (4)   | thousands | 23,751  | <b>26,058</b>   | 5,766  | 6,276  | 6,484   | <b>7,532</b>                                     |   |



**ARPU and MOU**

|                            |                           |       |              |       |       |       |              |              |
|----------------------------|---------------------------|-------|--------------|-------|-------|-------|--------------|--------------|
| Aggregate ARPU (5) (6) (7) | yen/month/<br>user        | 4,100 | <b>4,170</b> | 4,010 | 4,190 | 4,230 | <b>4,260</b> | <b>4,390</b> |
| Voice ARPU (8)             | yen/month/<br>user        | 1,280 | <b>1,210</b> | 1,120 | 1,240 | 1,240 | <b>1,230</b> | <b>1,240</b> |
| Data ARPU                  | yen/month/<br>user        | 2,820 | <b>2,960</b> | 2,890 | 2,950 | 2,990 | <b>3,030</b> | <b>3,150</b> |
| Packet ARPU                | yen/month/<br>user        | 2,820 | <b>2,910</b> | 2,870 | 2,910 | 2,930 | <b>2,940</b> | <b>2,980</b> |
| docomo Hikari ARPU         | yen/month/<br>user        | 0     | <b>50</b>    | 20    | 40    | 60    | <b>90</b>    | <b>170</b>   |
| MOU (6) (7) (9)            | minute/<br>month/<br>user | 122   | <b>133</b>   | 129   | 134   | 136   | <b>135</b>   | <b>140</b>   |

\* Please refer to 6. (2) Definition and Calculation Methods of ARPU and MOU for the definition of ARPU and MOU on page 33, and an explanation of the methods used to calculate ARPU and the number of active subscriptions.

- (1) Effective March 3, 2008, FOMA subscription became mandatory for subscription to 2in1 services, and those FOMA subscriptions include in the number of FOMA subscribers.
- (2) Data are calculated including communication module services subscriptions.
- (3) 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, 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, FOMA handset upgrade by FOMA subscribers, and handsets sold without involving sales by DOCOMO.
- (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, Full-Year Results 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).

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(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) / Number of active users
- Packet ARPU : Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / Number of active users
- docomo Hikari ARPU A part of other operating revenues (basic monthly charges, voice communication charges) / Number 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 number of active users for each month ((number of users at the end of previous month + number 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.

**Table of Contents****DOCOMO Earnings Release****Fiscal Year Ended March 31, 2016****(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, 2017 (Forecasts) are provided to the extent available without unreasonable efforts.

**i. EBITDA and EBITDA margin**

|  | Billions of yen                              |                              |                              |
|--|--|------------------------------|------------------------------|
|  | Year ending<br>March 31, 2017<br>(Forecasts) | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 |
| a. EBITDA  | ¥ 1,398.0                                    | ¥ 1,369.1                    | ¥ 1,454.6                    |
| Depreciation and amortization*                                   | (448.0)                                      | (659.8)                      | (625.9)                      |
| Loss on sale or disposal of property, plant and equipment        | (40.0)                                       | (40.1)                       | (36.5)                       |
| Impairment loss  |  | (30.2)                       | (9.1)                        |
| Operating income   | 910.0  | 639.1                        | 783.0                        |
| Other income (expense)   | 4.0  | 4.8                          | (5.0)                        |
| Income taxes   | (270.0)                                      | (238.1)                      | (211.7)                      |
| Equity in net income (losses) of affiliates                      | 0.0  | (7.8)                        | (5.1)                        |
| Less: Net (income) loss attributable to noncontrolling interests | (4.0)  | 12.1                         | (12.9)                       |
| b. Net income attributable to NTT DOCOMO, INC.                   | 640.0  | 410.1                        | 548.4                        |
| c. Operating revenues  | 4,620.0                                      | 4,383.4                      | 4,527.1                      |
| EBITDA margin (=a/c)   | 30.3%  | 31.2%                        | 32.1%                        |
| Net income margin (=b/c)   | 13.9%  | 9.4%                         | 12.1%                        |

\* Depreciation and amortization for the year ending March 31, 2017 includes the effect of the change in the depreciation method for property, plant and equipment.

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

**ii. ROE**

|  | Billions of yen               |                |                |
|--|-------------------------------|----------------|----------------|
|  | Year ending                   | Year ended     | Year ended     |
|  | March 31, 2017<br>(Forecasts) | March 31, 2015 | March 31, 2016 |
| a. Net income attributable to NTT DOCOMO, INC. | ¥ 640.0                       | ¥ 410.1        | ¥ 548.4        |
| b. Shareholders' equity                        | 5,385.8                       | 5,511.7        | 5,341.2        |
| ROE (=a/b)                                     | 11.9%                         | 7.4%           | 10.3%          |

Note: Shareholders' equity = Two period ends average of NTT DOCOMO, INC. shareholders' equity NTT DOCOMO, INC. shareholders' equity for the fiscal year ending March 31, 2017 is based on the assumption that DOCOMO will repurchase up to 220,000,000 shares for an amount in total not to exceed ¥500,000 million, as resolved at the Board of Directors' meeting held on January 29, 2016.

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

|   | Billions of yen               |                |                |
|---|-------------------------------|----------------|----------------|
|   | Year ending                   | Year ended     | Year ended     |
|   | March 31, 2017<br>(Forecasts) | March 31, 2015 | March 31, 2016 |
| Net cash provided by operating activities                                     | ¥ 1,185.0                     | ¥ 963.0        | ¥ 1,209.1      |
| Net cash used in investing activities   | (585.0)                       | (651.2)        | (375.3)        |
| Free cash flows   | 600.0                         | 311.8          | 833.9          |
| Changes in investments for cash management purposes                           |                               | 16.2           | 235.1          |
| Free cash flows excluding changes in investments for cash management purposes | 600.0                         | 295.6          | 598.7          |

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 2016.

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, 2017 due to the difficulties in forecasting such effect.

### iv. Market equity ratio

Billions of yen

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|   | Year ending<br>March 31, 2017<br>(Forecast) | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 |
|---|---|------------------------------|------------------------------|
| a. NTT DOCOMO, INC. shareholders equity | ¥ 5,380.1                                   | ¥ 5,302.2                    | ¥ 5,302.2                    |
| b. Market value of total share capital  |   | 8,094.8                      | 9,599.0                      |
| c. Total assets                         |   | 7,146.3                      | 7,214.1                      |
| Shareholders equity ratio (=a/c)        |   | 75.3%                        | 73.5%                        |
| Market equity ratio (=b/c)              |   | 113.3%                       | 133.1%                       |

Notes: Market value of total share capital = Closing share price multiplied by the number of outstanding shares (excluding treasury stock) as of the end of the fiscal period.

Market equity ratio for the year ending March 31, 2017 is not forecasted because it is difficult to estimate the market value of total share capital in the future.

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