

NTT DOCOMO INC
Form 6-K
February 03, 2011

**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 February, 2011.
Commission File Number: 001-31221
Total number of pages: 13**

**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)**

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 **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: February 3, 2011

By: /s/ OSAMU HIROKADO
Osamu Hirokado
Head of Investor Relations

Information furnished in this form:

1. Report filed on February 3, 2011 with the Director of the Kanto Local Finance Bureau of Japan pursuant to the Financial Instruments and Exchange Law of Japan
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NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
DECEMBER 31, 2010 and MARCH 31, 2010

| | Millions of yen | |
|--|------------------------------|-----------------|
| | December 31, 2010 | March 31, 2010 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | ¥ 367,189 | ¥ 357,715 |
| Short-term investments | 371,437 | 403,010 |
| Accounts receivable | 934,527 | 838,226 |
| Credit card receivables | 167,272 | 126,009 |
| Allowance for doubtful accounts | (17,966) | (15,633) |
| Inventories | 174,635 | 141,277 |
| Deferred tax assets | 70,159 | 100,545 |
| Prepaid expenses and other current assets | 122,735 | 109,829 |
| Total current assets | 2,189,988 | 2,060,978 |
| Property, plant and equipment: | | |
| Wireless telecommunications equipment | 5,559,996 | 5,478,833 |
| Buildings and structures | 840,944 | 830,921 |
| Tools, furniture and fixtures | 518,116 | 516,084 |
| Land | 199,126 | 199,018 |
| Construction in progress | 94,949 | 83,608 |
| Accumulated depreciation and amortization | (4,667,975) | (4,500,874) |
| Total property, plant and equipment, net | 2,545,156 | 2,607,590 |
| Non-current investments and other assets: | | |
| Investments in affiliates | 547,304 | 578,095 |
| Marketable securities and other investments | 137,901 | 151,026 |
| Intangible assets, net | 653,623 | 628,691 |
| Goodwill | 209,018 | 198,436 |
| Other assets | 264,377 | 257,911 |
| Deferred tax assets | 301,226 | 274,048 |
| Total non-current investments and other assets | 2,113,449 | 2,088,207 |
| Total assets | ¥ 6,848,593 | ¥ 6,756,775 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | ¥ 353,928 | ¥ 180,716 |
| Short-term borrowings | 41 | 78 |
| Accounts payable, trade | 584,451 | 632,437 |
| Accrued payroll | 40,331 | 54,580 |

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| | | |
|---|--------------------|--------------------|
| Accrued interest | 1,101 | 995 |
| Accrued income taxes | 97,730 | 185,890 |
| Other current liabilities | 142,891 | 133,466 |
| Total current liabilities | 1,220,473 | 1,188,162 |
| Long-term liabilities: | | |
| Long-term debt (exclusive of current portion) | 255,037 | 429,553 |
| Accrued liabilities for point programs | 206,502 | 151,628 |
| Liability for employees' retirement benefits | 144,351 | 138,447 |
| Other long-term liabilities | 157,008 | 186,539 |
| Total long-term liabilities | 762,898 | 906,167 |
| Total liabilities | 1,983,371 | 2,094,329 |
| Equity: | | |
| NTT DOCOMO, INC. shareholders' equity | | |
| Common stock | 949,680 | 949,680 |
| Additional paid-in capital | 757,109 | 757,109 |
| Retained earnings | 3,575,463 | 3,347,830 |
| Accumulated other comprehensive income (loss) | (59,884) | (37,379) |
| Treasury stock, at cost | (384,532) | (381,363) |
| Total NTT DOCOMO, INC. shareholders' equity | 4,837,836 | 4,635,877 |
| Noncontrolling interests | 27,386 | 26,569 |
| Total equity | 4,865,222 | 4,662,446 |
| Commitments and contingencies | | |
| Total liabilities and equity | ¥ 6,848,593 | ¥ 6,756,775 |

See accompanying notes to consolidated financial statements (unaudited).

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2009 and 2010

| | Millions of yen | |
|---|---|---|
| | Nine Months Ended December 31, 2009 | Nine Months Ended December 31, 2010 |
| Operating revenues: | | |
| Wireless services | ¥ 2,859,472 | ¥ 2,850,116 |
| Equipment sales | 382,892 | 359,013 |
| Total operating revenues | 3,242,364 | 3,209,129 |
| Operating expenses: | | |
| Cost of services (exclusive of items shown separately below) | 682,777 | 687,578 |
| Cost of equipment sold (exclusive of items shown separately below) | 510,168 | 482,552 |
| Depreciation and amortization | 511,529 | 496,112 |
| Selling, general and administrative | 835,237 | 784,386 |
| Total operating expenses | 2,539,711 | 2,450,628 |
| Operating income | 702,653 | 758,501 |
| Other income (expense): | | |
| Interest expense | (4,108) | (3,638) |
| Interest income | 969 | 1,024 |
| Other, net | 2,173 | (7,250) |
| Total other income (expense) | (966) | (9,864) |
| Income before income taxes and equity in net income (losses) of affiliates | 701,687 | 748,637 |
| Income taxes: | | |
| Current | 291,393 | 289,489 |
| Deferred | (7,586) | 13,881 |
| Total income taxes | 283,807 | 303,370 |
| Income before equity in net income (losses) of affiliates | 417,880 | 445,267 |
| Equity in net income (losses) of affiliates, net of applicable taxes | 3,186 | 375 |
| Net income | 421,066 | 445,642 |

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| | | | |
|---|-------------|---|-------------------|
| Less: Net (income) loss attributable to noncontrolling interests | (1,720) | | (1,659) |
| Net income attributable to NTT DOCOMO, INC. | ¥ 419,346 | ¥ | 443,983 |
| Net income | ¥ 421,066 | ¥ | 445,642 |
| Other comprehensive income (loss): | | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 4,527 | | (3,449) |
| Change in fair value of derivative instruments, net of applicable taxes | (72) | | (14) |
| Foreign currency translation adjustment, net of applicable taxes | (8,678) | | (19,050) |
| Pension liability adjustment, net of applicable taxes | 446 | | (30) |
| Total other comprehensive income (loss) | (3,777) | | (22,543) |
| Comprehensive income | 417,289 | | 423,099 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | (1,704) | | (1,621) |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥ 415,585 | ¥ | 421,478 |
| PER SHARE DATA | | | |
| Weighted average common shares outstanding Basic and Diluted (shares) | 41,738,464 | | 41,604,852 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen) | ¥ 10,046.99 | ¥ | 10,671.42 |

See accompanying notes to consolidated financial statements (unaudited).

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED DECEMBER 31, 2009 and 2010

| | Millions of yen | |
|---|--|--|
| | Three Months Ended December 31, 2009 | Three Months Ended December 31, 2010 |
| Operating revenues: | | |
| Wireless services | ¥ 966,207 | ¥ 951,121 |
| Equipment sales | 130,349 | 119,856 |
| Total operating revenues | 1,096,556 | 1,070,977 |
| Operating expenses: | | |
| Cost of services (exclusive of items shown separately below) | 233,160 | 235,767 |
| Cost of equipment sold (exclusive of items shown separately below) | 169,291 | 161,722 |
| Depreciation and amortization | 173,720 | 174,146 |
| Selling, general and administrative | 302,956 | 272,311 |
| Total operating expenses | 879,127 | 843,946 |
| Operating income | 217,429 | 227,031 |
| Other income (expense): | | |
| Interest expense | (1,119) | (1,114) |
| Interest income | 302 | 333 |
| Other, net | 5,194 | (4,621) |
| Total other income (expense) | 4,377 | (5,402) |
| Income before income taxes and equity in net income (losses) of affiliates | 221,806 | 221,629 |
| Income taxes: | | |
| Current | 80,506 | 84,968 |
| Deferred | 9,178 | 5,199 |
| Total income taxes | 89,684 | 90,167 |
| Income before equity in net income (losses) of affiliates | 132,122 | 131,462 |
| Equity in net income (losses) of affiliates, net of applicable taxes | 2,894 | 3,353 |
| Net income | 135,016 | 134,815 |

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| | | | |
|---|-----------|---|----------------|
| Less: Net (income) loss attributable to noncontrolling interests | (388) | | (579) |
| Net income attributable to NTT DOCOMO, INC. | ¥ 134,628 | ¥ | 134,236 |
| Net income | ¥ 135,016 | ¥ | 134,815 |
| Other comprehensive income (loss): | | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | (9,555) | | 4,137 |
| Change in fair value of derivative instruments, net of applicable taxes | (37) | | 40 |
| Foreign currency translation adjustment, net of applicable taxes | (20,369) | | (5,715) |
| Pension liability adjustment, net of applicable taxes | 150 | | (40) |
| Total other comprehensive income (loss) | (29,811) | | (1,578) |
| Comprehensive income | 105,205 | | 133,237 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | (358) | | (557) |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥ 104,847 | ¥ | 132,680 |

PER SHARE DATA

| | | | |
|---|----------------------------|------------|-------------------|
| Weighted average common shares outstanding | Basic and Diluted (shares) | 41,696,009 | 41,603,083 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen) | | ¥ 3,228.80 | ¥ 3,226.59 |

See accompanying notes to consolidated financial statements (unaudited).

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2009 and 2010

| | Millions of yen | |
|--|---|---|
| | Nine Months Ended December 31, 2009 | Nine Months Ended December 31, 2010 |
| Cash flows from operating activities: | | |
| Net income | ¥ 421,066 | ¥ 445,642 |
| Adjustments to reconcile net income to net cash provided by operating activities- | | |
| Depreciation and amortization | 511,529 | 496,112 |
| Deferred taxes | (5,335) | 13,371 |
| Loss on sale or disposal of property, plant and equipment | 20,386 | 13,672 |
| Equity in net (income) losses of affiliates | (5,150) | 376 |
| Changes in assets and liabilities: | | |
| (Increase) / decrease in accounts receivable | (151,584) | (96,694) |
| (Increase) / decrease in credit card receivables | (24,080) | (20,986) |
| Increase / (decrease) in allowance for doubtful accounts | 2,062 | 2,396 |
| (Increase) / decrease in inventories | (51,135) | (33,477) |
| (Increase) / decrease in prepaid expenses and other current assets | (4,241) | (13,503) |
| (Increase) / decrease in non-current installment receivable for handsets | 5,212 | 3,155 |
| Increase / (decrease) in accounts payable, trade | (63,170) | (19,876) |
| Increase / (decrease) in accrued income taxes | (143,278) | (88,114) |
| Increase / (decrease) in other current liabilities | (13,857) | 5,564 |
| Increase / (decrease) in accrued liabilities for point programs | 66,724 | 54,874 |
| Increase / (decrease) in liability for employees' retirement benefits | 8,002 | 5,906 |
| Increase / (decrease) in other long-term liabilities | 18,893 | (30,744) |
| Other, net | 52 | 16,849 |
| Net cash provided by operating activities | 592,096 | 754,523 |
| Cash flows from investing activities: | | |
| Purchases of property, plant and equipment | (369,476) | (318,769) |
| Purchases of intangible and other assets | (183,670) | (193,996) |
| Purchases of non-current investments | (9,617) | (4,765) |
| Proceeds from sale of non-current investments | 9,262 | 794 |
| Acquisitions of new subsidiaries, net of cash acquired | (29,209) | (7,678) |
| Purchases of short-term investments | (136,656) | (744,825) |
| Redemption of short-term investments | 38,310 | 686,335 |
| Long-term bailment for consumption to a related party | | (20,000) |
| Short-term bailment for consumption to a related party | (10,000) | (20,000) |
| Proceeds from redemption of short-term bailment for consumption to a related party | | 110,000 |
| Other, net | (9,335) | (6,994) |

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| | | | |
|--|-----------|---|----------------|
| Net cash used in investing activities | (700,391) | | (519,898) |
| Cash flows from financing activities: | | | |
| Repayment of long-term debt | (15,000) | | (32) |
| Proceeds from short-term borrowings | 138,149 | | 367 |
| Repayment of short-term borrowings | (138,149) | | (395) |
| Principal payments under capital lease obligations | (2,461) | | (3,249) |
| Payments to acquire treasury stock | (20,000) | | (3,169) |
| Dividends paid | (208,488) | | (216,088) |
| Other, net | (3) | | (1,243) |
| Net cash provided by (used in) financing activities | (245,952) | | (223,809) |
| Effect of exchange rate changes on cash and cash equivalents | 77 | | (1,342) |
| Net increase (decrease) in cash and cash equivalents | (354,170) | | 9,474 |
| Cash and cash equivalents at beginning of period | 599,548 | | 357,715 |
| Cash and cash equivalents at end of period | ¥ 245,378 | ¥ | 367,189 |
| Supplemental disclosures of cash flow information: | | | |
| Cash received during the period for: | | | |
| Income tax refunds | ¥ 679 | ¥ | 301 |
| Cash paid during the period for: | | | |
| Interest, net of amount capitalized | 4,050 | | 3,533 |
| Income taxes | 436,076 | | 378,858 |

See accompanying notes to consolidated financial statements (unaudited).

NTT DOCOMO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of presentation:

The accompanying quarterly consolidated financial statements of NTT DOCOMO, INC. and its subsidiaries (DOCOMO) were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Certain disclosures required by U.S. GAAP have been omitted. Since DOCOMO 's American Depositary Shares were listed on the New York Stock Exchange in March 2002, DOCOMO has prepared its consolidated financial statements pursuant to the terminology, forms and preparation methods required in order to issue American Depositary Shares, which are registered with the Securities and Exchange Commission of the United States of America.

2. Summary of significant accounting and reporting policies:

(1) Adoption of new accounting standards

Financing Receivables

Effective October 1, 2010, DOCOMO adopted Accounting Standards Update (ASU) 2010-20 Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses issued by Financial Accounting Standards Board (FASB) in July 2010. ASU2010-20 requires enhanced disclosures regarding the nature of the credit risk inherent in the entity 's financing receivables, how that credit risk is analyzed and assessed, and the reasons for the change in the allowance for credit losses. The adoption of ASU2010-20 did not have any impact on DOCOMO 's results of operations and financial position. The disclosure required by ASU2010-20 was omitted.

(2) Recent accounting pronouncements

In October 2009, FASB issued ASU2009-13 Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements . ASU2009-13 will require allocation of the overall consideration to each deliverable in an arrangement with multiple deliverables using the estimated selling price in the absence of vendor-specific objective evidence or third-party evidence of selling price for deliverables and eliminate residual method of allocation. ASU2009-13 is effective for fiscal years beginning on or after June 15, 2010. DOCOMO is currently evaluating the impact of adopting ASU2009-13 on DOCOMO 's result of operations and financial position.

(3) Reclassifications

Certain reclassifications have been made to the prior periods ' consolidated financial statements to conform to the presentation used for the nine months ended December 31, 2010.

3. Equity:

Effective May 1, 2006, the Corporate Law of Japan provides that (i) dividends of earnings require approval at a general meeting of shareholders, (ii) interim cash dividends can be distributed upon the approval of the board of directors, if the articles of incorporation provide for such interim cash dividends and (iii) an amount equal to at least 10% of decrease in retained earnings by dividends payment be appropriated from retained earnings to a legal reserve up to 25% of capital stock. The legal reserve is available for distribution upon approval of the shareholders.

NTT DOCOMO, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

In the general meeting of shareholders held on June 18, 2010, the shareholders approved cash dividends of ¥108,175 million or ¥2,600 per share, payable to shareholders recorded as of March 31, 2010, which were declared by the board of directors on April 28, 2010. The source of dividends was Retained earnings. DOCOMO started paying the dividends on June 21, 2010.

On October 28, 2010, the board of directors declared cash dividends of ¥108,175 million or ¥2,600 per share, payable to shareholders recorded as of September 30, 2010. The source of dividends was Retained Earnings. DOCOMO started paying the dividends on November 19, 2010.

In order to improve capital efficiency and to implement flexible capital policies in accordance with the business environment, DOCOMO acquires treasury stock.

With regard to the acquisition of treasury stock, the Corporate Law of Japan provides that (i) it can be done according to the resolution of the general meeting of shareholders, and (ii) the acquisition of treasury stock through open market transactions can be done according to the resolution of the board of directors if the articles of incorporation contain such a provision. The provision is stipulated in DOCOMO's articles of incorporation.

Issued shares and treasury stock

The changes in the number of issued shares and treasury stock were as follows.

DOCOMO has not issued shares other than shares of its common stock.

| | Number of issued shares | Number of treasury stock |
|--|------------------------------------|-------------------------------------|
| As of March 31, 2009 | 43,950,000 | 2,190,193 |
| As of September 30, 2009 | 43,950,000 | 2,190,193 |
| Acquisition of treasury stock based on the resolution of the board of directors | | 154,065 |
| As of December 31, 2009 | 43,950,000 | 2,344,258 |
| Retirement of treasury stock | (160,000) | (160,000) |
| As of March 31, 2010 | 43,790,000 | 2,184,258 |
| As of September 30, 2010 | 43,790,000 | 2,184,258 |
| Acquisition of treasury stock based on the resolution of the board of directors | | 22,155 |
| As of December 31, 2010 | 43,790,000 | 2,206,413 |

The general meeting of shareholders approved stock repurchase plans as follows:

| Date of the general meeting of shareholders | Term of repurchase | Approved maximum number of treasury stock to be repurchased (Shares) | Approved maximum budget for share repurchase (Millions of yen) |
|--|-------------------------------|---|---|
| June 20, 2008 | June 21, 2008 - June 20, 2009 | 900,000 | ¥ 150,000 |

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The meeting of the board of directors approved stock repurchase plans as follows:

| Date of the meeting of the board of directors | Term of repurchase | Approved maximum number of treasury stock to be repurchased (Shares) | Approved maximum budget for share repurchase (Millions of yen) |
|--|---|---|---|
| November 9, 2009 | November 10, 2009 - November 30, 2009 | 160,000 | ¥ 20,000 |
| December 17, 2010 | December 20, 2010 - January 28, 2011 | 160,000 | 20,000 |

Aggregate number and price of shares repurchased are summarized as follows:

| | Share/Millions of yen | |
|--|--|--|
| | Nine months ended December 31, 2009 | Nine months ended December 31, 2010 |
| Aggregate number of shares repurchased | 154,065 | 22,155 |
| Aggregate price of shares repurchased | ¥ 20,000 | ¥ 3,169 |

| | Share/Millions of yen | |
|--|---|---|
| | Three months ended December 31, 2009 | Three months ended December 31, 2010 |
| Aggregate number of shares repurchased | 154,065 | 22,155 |
| Aggregate price of shares repurchased | ¥ 20,000 | ¥ 3,169 |

In January 2011, DOCOMO repurchased total of 115,986 shares for ¥16,831 million based on the resolution of the board of directors on December 17, 2010. Aggregate number and price of shares repurchased based on this resolution were 138,141 shares and ¥20,000 million, respectively, and DOCOMO concluded the share repurchase on January 26, 2011.

Per share data

Per share data is as follows:

| | Yen | |
|---|--|--|
| | Nine months ended December 31, 2009 | Nine months ended December 31, 2010 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. | ¥ 10,046.99 | ¥ 10,671.42 |

| | Three months ended December 31, 2009 | Yen Three months ended December 31, 2010 |
|---|---|---|
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. | ¥ 3,228.80 | ¥ 3,226.59 |

| | December 31, 2010 | Yen March 31, 2010 |
|--|------------------------------|-------------------------------|
| NTT DOCOMO, INC. shareholders equity per share | ¥ 116,340.04 | ¥ 111,423.97 |

NTT DOCOMO, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****4. Segment information:**

The operating segments reported below are those for which segment-specific financial information is available. DOCOMO's management uses this financial information to make decisions on the allocation of management resources and to evaluate business performance. Accounting policies used to determine segment profit or loss and segment assets are consistent with those used to prepare the consolidated financial statements in accordance with U.S. GAAP.

DOCOMO has two operating segments. The mobile phone business segment includes Xi services, FOMA services, mova services, packet communications services, satellite mobile communications services, international services and the equipment sales related to these services. The miscellaneous businesses segment includes home shopping services provided primarily through TV media, high-speed internet connection for hotel facilities, advertisement services, development, sales and maintenance of IT systems, credit services and other miscellaneous services, which in the aggregate are not significant in amount. DOCOMO plans to terminate mova services on March 31, 2012.

DOCOMO identifies its reportable segments based on the nature of services included, as well as the characteristics of the telecommunications networks used to provide those services. DOCOMO's management monitors and evaluates the performance of its segments based on the information derived from DOCOMO's management reports.

Segment information is as follows:

| | Millions of yen | | |
|---|--------------------------------------|-------------------------------------|---------------------|
| Three months ended December 31, 2009 | Mobile phone business | Miscellaneous businesses | Consolidated |
| Operating revenues | ¥ 1,067,046 | ¥ 29,510 | ¥ 1,096,556 |
| Operating expenses | 846,429 | 32,698 | 879,127 |
| Operating income (loss) | ¥ 220,617 | ¥ (3,188) | ¥ 217,429 |

| | Millions of yen | | |
|---|--------------------------------------|-------------------------------------|---------------------|
| Three months ended December 31, 2010 | Mobile phone business | Miscellaneous businesses | Consolidated |
| Operating revenues | ¥ 1,035,015 | ¥ 35,962 | ¥ 1,070,977 |
| Operating expenses | 803,372 | 40,574 | 843,946 |
| Operating income (loss) | ¥ 231,643 | ¥ (4,612) | ¥ 227,031 |

| | Millions of yen | | |
|--|--------------------------------------|-------------------------------------|---------------------|
| Nine months ended December 31, 2009 | Mobile phone business | Miscellaneous businesses | Consolidated |
| Operating revenues | ¥ 3,156,079 | ¥ 86,285 | ¥ 3,242,364 |
| Operating expenses | 2,445,959 | 93,752 | 2,539,711 |
| Operating income (loss) | ¥ 710,120 | ¥ (7,467) | ¥ 702,653 |

Millions of yen

| Nine months ended December 31, 2010 | Mobile phone business | Miscellaneous businesses | Consolidated |
|--|--------------------------------------|-------------------------------------|---------------------|
| Operating revenues | ¥ 3,106,817 | ¥ 102,312 | ¥ 3,209,129 |
| Operating expenses | 2,342,048 | 108,580 | 2,450,628 |
| Operating income (loss) | ¥ 764,769 | ¥ (6,268) | ¥ 758,501 |

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

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

5. Contingencies:

Litigation

As of December 31, 2010, DOCOMO had no litigation or claims outstanding, pending or threatened against which in the opinion of management would have a materially adverse effect on its results of operations or financial position.

Guarantees

DOCOMO enters into agreements in the normal course of business that provide guarantees for counterparties. These counterparties include subscribers, related parties, foreign wireless telecommunications service providers and other business partners.

DOCOMO provides subscribers with guarantees for product defects of cellular phone handsets sold by DOCOMO, but DOCOMO is provided with similar guarantees by the handset vendors and no liabilities were recognized for these guarantees.

Though the guarantees or indemnifications provided in transactions other than those with the subscribers are different in each contract, the likelihood of almost all of the performance of these guarantees or indemnifications are remote and amount of payments DOCOMO could be claimed for is not specified in almost all of the contracts. Historically, DOCOMO has not made any significant guarantee or indemnification payments under such agreements. DOCOMO estimates the fair value of the obligations related to these agreements is not significant. Accordingly, no liabilities were recognized for these obligations.

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

6. Fair value measurements:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value according to observability. The inputs are described as follows:

Level 1 quoted prices in active markets for identical assets or liabilities

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability

Level 3 unobservable inputs for the asset or liability

DOCOMO also distinguishes assets and liabilities measured at fair value every period on a recurring basis from those measured on a nonrecurring basis under specific situation (for example, impaired assets).

(1) Assets and liabilities measured at fair value on a recurring basis

DOCOMO's assets and liabilities measured at fair value on a recurring basis include available-for-sale securities and derivatives.

DOCOMO's assets and liabilities that were measured at fair value on a recurring basis at December 31, 2010 and March 31, 2010 were as follows:

| | Millions of yen | | | |
|---|-------------------|-----------|---------|---------|
| | December 31, 2010 | | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Available-for-sale securities | | | | |
| Equity securities (domestic) | ¥ 50,585 | ¥ 50,585 | ¥ | ¥ |
| Equity securities (foreign) | 74,246 | 74,246 | | |
| Debt securities (foreign) | 4 | 4 | | |
| Total available-for-sale securities | 124,835 | 124,835 | | |
| Derivatives | | | | |
| Interest rate swap agreements | 2,054 | | 2,054 | |
| Non-deliverable forward contracts (NDF) | 1 | | 1 | |
| Total derivatives | 2,055 | | 2,055 | |
| Total assets | ¥ 126,890 | ¥ 124,835 | ¥ 2,055 | ¥ |
| Liabilities: | | | | |
| Derivatives | | | | |
| Foreign exchange forward contracts | ¥ 0 | ¥ | ¥ 0 | ¥ |
| Foreign currency option contracts | 2,301 | | 2,301 | |
| Total derivatives | 2,301 | | 2,301 | |
| Total liabilities | ¥ 2,301 | ¥ | ¥ 2,301 | ¥ |

There were no significant transfers between Level 1 and Level 2.

NTT DOCOMO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

| | Millions of yen March 31, 2010 | | | |
|-------------------------------------|-----------------------------------|-----------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Available-for-sale securities | | | | |
| Equity securities (domestic) | ¥ 53,029 | ¥ 53,029 | ¥ | ¥ |
| Equity securities (foreign) | 83,598 | 83,598 | | |
| Debt securities (foreign) | 4 | 4 | | |
| Total available-for-sale securities | 136,631 | 136,631 | | |
| Derivatives | | | | |
| Interest rate swap agreements | 3,297 | | 3,297 | |
| Total derivatives | 3,297 | | 3,297 | |
| Total assets | ¥ 139,928 | ¥ 136,631 | ¥ 3,297 | ¥ |
| Liabilities: | | | | |
| Derivatives | | | | |
| Foreign exchange forward contracts | ¥ 108 | ¥ | ¥ 108 | ¥ |
| Foreign currency option contracts | 1,552 | | 1,552 | |
| Total derivatives | 1,660 | | 1,660 | |
| Total liabilities | ¥ 1,660 | ¥ | ¥ 1,660 | ¥ |

There were no significant transfers between Level 1 and Level 2.

Available-for-sale securities

Available-for-sale securities include marketable equity securities and debt securities, which are valued using quoted prices in active markets for identical assets. Therefore, these securities are classified as Level 1.

Derivatives

Derivative instruments are interest rate swap agreements, foreign exchange forward contracts, non-deliverable forward contracts (NDF) and foreign currency option contracts, which are measured using valuation provided by financial institutions based on observable market data. Therefore, these derivatives are classified as Level 2.

(2) Assets and liabilities measured at fair value on a nonrecurring basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis and are not included in the table above. Changes of fair value in such assets and liabilities typically result from impairments.

DOCOMO may be required to measure fair value of long-lived assets, equity securities whose fair values are not readily determinable, and other assets or liabilities on a nonrecurring basis.

DOCOMO omitted the disclosure about assets and liabilities measured on a nonrecurring basis because of its immateriality.

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

7. Subsequent event:

There had been no significant subsequent event to be disclosed other than those described in other footnotes that occurred subsequent to the balance sheet date through the date when the accompanying quarterly consolidated financial statements were issued.