

NTT DOCOMO INC
Form 6-K
February 03, 2010

Table of Contents

**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, 2010.
Commission File Number: 001-31221
Total number of pages: 15**

**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): _____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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): _____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____

Information furnished in this form:

1. Report filed on February 3, 2010 with the Director of the Kanto Local Finance Bureau of Japan pursuant to the Financial Instruments and Exchange Act of Japan
-

Table of Contents

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, 2010

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

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
DECEMBER 31, 2009 and MARCH 31, 2009

	Millions of yen	
	December 31, 2009	March 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 245,378	¥ 599,548
Short-term investments	113,419	2,448
Accounts receivable	988,681	835,063
Allowance for doubtful accounts	(17,445)	(15,072)
Inventories	175,117	123,206
Deferred tax assets	74,669	102,903
Prepaid expenses and other current assets	233,396	179,632
Total current assets	1,813,215	1,827,728
Property, plant and equipment:		
Wireless telecommunications equipment	5,447,880	5,361,043
Buildings and structures	824,652	814,056
Tools, furniture and fixtures	515,323	519,213
Land	199,032	198,985
Construction in progress	111,033	99,232
Accumulated depreciation and amortization	(4,472,793)	(4,301,044)
Total property, plant and equipment, net	2,625,127	2,691,485
Non-current investments and other assets:		
Investments in affiliates	567,580	572,014
Marketable securities and other investments	136,549	141,544
Intangible assets, net	609,858	578,728
Goodwill	197,745	154,385
Other assets	263,073	273,440
Deferred tax assets	281,470	248,896
Total non-current investments and other assets	2,056,275	1,969,007
Total assets	¥ 6,494,617	¥ 6,488,220
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	¥ 14,086	¥ 29,000
Short-term borrowings	12	
Accounts payable, trade	554,462	668,525
Accrued payroll	39,276	58,627

Edgar Filing: NTT DOCOMO INC - Form 6-K

Accrued interest	1,245	1,187
Accrued income taxes	96,361	238,742
Other current liabilities	141,754	152,354
Total current liabilities	847,196	1,148,435
Long-term liabilities:		
Long-term debt (exclusive of current portion)	610,862	610,233
Liability for employees' retirement benefits	154,460	146,326
Other long-term liabilities	327,766	239,918
Total long-term liabilities	1,093,088	996,477
Total liabilities	1,940,284	2,144,912
Equity:		
NTT DoCoMo, Inc. shareholders' equity		
Common stock	949,680	949,680
Additional paid-in capital	784,842	785,045
Retained earnings	3,272,395	3,061,848
Accumulated other comprehensive income (loss)	(69,450)	(65,689)
Treasury stock, at cost	(409,299)	(389,299)
Total NTT DoCoMo, Inc. shareholders' equity	4,528,168	4,341,585
Noncontrolling interests	26,165	1,723
Total equity	4,554,333	4,343,308
Commitments and contingencies		
Total liabilities and equity	¥ 6,494,617	¥ 6,488,220

See accompanying notes to consolidated financial statements (unaudited).

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2008 and 2009

	Millions of yen	
	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Operating revenues:		
Wireless services	¥ 2,911,115	¥ 2,859,472
Equipment sales	467,645	382,892
Total operating revenues	3,378,760	3,242,364
Operating expenses:		
Cost of services (exclusive of items shown separately below)	633,082	682,777
Cost of equipment sold (exclusive of items shown separately below)	621,201	510,168
Depreciation and amortization	582,300	511,529
Selling, general and administrative	795,392	835,237
Total operating expenses	2,631,975	2,539,711
Operating income	746,785	702,653
Other income (expense):		
Interest expense	(3,566)	(4,108)
Interest income	1,673	969
Other, net	(35,499)	2,173
Total other income (expense)	(37,392)	(966)
Income before income taxes and equity in net income (losses) of affiliates	709,393	701,687
Income taxes:		
Current	324,721	291,393
Deferred	(45,305)	(7,586)
Total income taxes	279,416	283,807
Income before equity in net income (losses) of affiliates	429,977	417,880
Equity in net income (losses) of affiliates, net of applicable taxes	7,748	3,186
Net income	437,725	421,066
Less: Net (income) loss attributable to noncontrolling interests	(20)	(1,720)
Net income attributable to NTT DoCoMo, Inc.	¥ 437,705	¥ 419,346

Edgar Filing: NTT DOCOMO INC - Form 6-K

Net income	¥	437,725	¥	421,066
Other comprehensive income (loss):				
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes		(7,508)		4,527
Change in fair value of derivative instruments, net of applicable taxes		(212)		(72)
Foreign currency translation adjustment, net of applicable taxes		(25,269)		(8,678)
Pension liability adjustment, net of applicable taxes		(475)		446
Total other comprehensive income (loss)		(33,464)		(3,777)
Comprehensive income		404,261		417,289
Less: Comprehensive (income) loss attributable to noncontrolling interests		(18)		(1,704)
Comprehensive income attributable to NTT DoCoMo, Inc.	¥	404,243	¥	415,585
PER SHARE DATA				
Weighted average common shares outstanding Basic and Diluted (shares)		42,341,664		41,738,464
Basic and Diluted earnings per share attributable to NTT DoCoMo, Inc. (yen)	¥	10,337.45	¥	10,046.99

See accompanying notes to consolidated financial statements (unaudited).

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED DECEMBER 31, 2008 and 2009

	Millions of yen	
	Three months ended December 31, 2008	Three months ended December 31, 2009
Operating revenues:		
Wireless services	¥ 962,575	¥ 966,207
Equipment sales	148,401	130,349
Total operating revenues	1,110,976	1,096,556
Operating expenses:		
Cost of services (exclusive of items shown separately below)	219,350	233,160
Cost of equipment sold (exclusive of items shown separately below)	213,174	169,291
Depreciation and amortization	233,913	173,720
Selling, general and administrative	274,700	302,956
Total operating expenses	941,137	879,127
Operating income	169,839	217,429
Other income (expense):		
Interest expense	(1,168)	(1,119)
Interest income	628	302
Other, net	(20,062)	5,194
Total other income (expense)	(20,602)	4,377
Income before income taxes and equity in net income (losses) of affiliates	149,237	221,806
Income taxes:		
Current	90,889	80,506
Deferred	(30,869)	9,178
Total income taxes	60,020	89,684
Income before equity in net income (losses) of affiliates	89,217	132,122
Equity in net income (losses) of affiliates, net of applicable taxes	1,827	2,894
Net income	91,044	135,016
Less: Net (income) loss attributable to noncontrolling interests	2	(388)
Net income attributable to NTT DoCoMo, Inc.	¥ 91,046	¥ 134,628

Net income	¥	91,044	¥	135,016
Other comprehensive income (loss):				
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes		(1,563)		(9,555)
Change in fair value of derivative instruments, net of applicable taxes		(53)		(37)
Foreign currency translation adjustment, net of applicable taxes		(8,596)		(20,369)
Pension liability adjustment, net of applicable taxes		(113)		150
Total other comprehensive income (loss)		(10,325)		(29,811)
Comprehensive income		80,719		105,205
Less: Comprehensive (income) loss attributable to noncontrolling interests		2		(358)
Comprehensive income attributable to NTT DoCoMo, Inc.	¥	80,721	¥	104,847
PER SHARE DATA				
Weighted average common shares outstanding	Basic and Diluted (shares)	42,212,938		41,696,009
Basic and Diluted earnings per share attributable to NTT DoCoMo, Inc. (yen)	¥	2,156.83	¥	3,228.80

See accompanying notes to consolidated financial statements (unaudited).

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2008 and 2009

	Millions of yen	
	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Cash flows from operating activities:		
Net income	¥ 437,725	¥ 421,066
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	582,300	511,529
Deferred taxes	(40,578)	(5,335)
Loss on sale or disposal of property, plant and equipment	24,667	20,386
Impairment loss on marketable securities and other investments	28,648	3,960
Equity in net (income) losses of affiliates	(13,009)	(5,150)
Changes in assets and liabilities:		
(Increase) / decrease in accounts receivable	(301,659)	(151,584)
Increase / (decrease) in allowance for doubtful accounts	(1,408)	2,062
(Increase) / decrease in inventories	(20,963)	(51,135)
(Increase) / decrease in prepaid expenses and other current assets	(18,307)	(28,321)
(Increase) / decrease in non-current installment receivable for handsets	(51,091)	5,212
Increase / (decrease) in accounts payable, trade	(31,163)	(63,170)
Increase / (decrease) in accrued income taxes	(31,350)	(143,278)
Increase / (decrease) in other current liabilities	(6,440)	(13,857)
Increase / (decrease) in liability for employees' retirement benefits	6,845	8,002
Increase / (decrease) in other long-term liabilities	51,969	85,617
Other, net	11,941	(3,908)
Net cash provided by operating activities	628,127	592,096
Cash flows from investing activities:		
Purchases of property, plant and equipment	(415,247)	(369,476)
Purchases of intangible and other assets	(176,659)	(183,670)
Purchases of non-current investments	(50,212)	(9,617)
Proceeds from sale of non-current investments	568	9,262
Acquisitions of subsidiaries, net of cash acquired	27	(29,209)
Purchases of short-term investments	(30,736)	(136,656)
Redemption of short-term investments	4,593	38,310
Proceeds from redemption of long-term bailment for consumption to a related party	50,000	
Short-term bailment for consumption to a related party		(10,000)
Other, net	(7,297)	(9,335)
Net cash used in investing activities	(624,963)	(700,391)

Cash flows from financing activities:

Proceeds from long-term debt	179,913	
Repayment of long-term debt	(77,441)	(15,000)
Proceeds from short-term borrowings	62,074	138,149
Repayment of short-term borrowings	(1,958)	(138,149)
Principal payments under capital lease obligations	(2,098)	(2,461)
Payments to acquire treasury stock	(101,846)	(20,000)
Dividends paid	(203,839)	(208,488)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(145,198)	(245,952)
Effect of exchange rate changes on cash and cash equivalents	(3,740)	77
Net increase (decrease) in cash and cash equivalents	(145,774)	(354,170)
Cash and cash equivalents at beginning of period	646,905	599,548
Cash and cash equivalents at end of period	¥ 501,131	¥ 245,378

Supplemental disclosures of cash flow information:**Cash received during the period for:**

Income taxes	¥ 21,430	¥ 679
--------------	----------	-------

Cash paid during the period for:

Interest, net of amount capitalized	3,035	4,050
Income taxes	380,352	436,076

See accompanying notes to consolidated financial statements (unaudited).

Table of Contents

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

Accounting Standards Codification

Effective July 1, 2009, DOCOMO adopted the accounting pronouncement issued by Financial Accounting Standards Board (FASB) in June 2009 relating to FASB Accounting Standards Codification (ASC). This pronouncement established ASC as the single source of authoritative U.S. GAAP, and reorganized then-existing U.S. GAAP pronouncements into ASC. Upon the adoption of this pronouncement, the descriptions and references of accounting standards in DOCOMO 's financial statements are made in accordance with ASC. The adoption of this pronouncement did not have any impact on DOCOMO 's results of operations and financial position.

Business Combinations

Effective April 1, 2009, DOCOMO adopted the accounting pronouncement issued in December 2007 relating to business combinations. This pronouncement requires an acquirer in a business combination to generally recognize and measure all the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at their fair values as of the acquisition date. This pronouncement also requires the acquirer to recognize and measure as goodwill the excess of consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair value of the identifiable net assets acquired. The excess of the fair value of the identifiable net assets acquired over consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date is required to be recognized and measured as a gain from a bargain purchase. The adoption of this pronouncement did not have a material impact on DOCOMO 's results of operations and financial position.

Noncontrolling Interests in Consolidated Financial Statements

Effective April 1, 2009, DOCOMO adopted the accounting pronouncement issued in December 2007 relating to noncontrolling interests in consolidated financial statements. This pronouncement requires noncontrolling interests held by parties other than the parent be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent 's equity. This pronouncement also requires changes in a parent 's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for as equity transactions. Upon the adoption of this pronouncement, Noncontrolling interests , which was previously referred to as Minority interests and classified between Total liabilities and Shareholders equity in the consolidated balance sheets, is now included as a separate component of Equity . In addition, Net income in the consolidated statements of income and comprehensive income now includes net income or loss attributable to noncontrolling interests, which was previously referred to as Minority interests and deducted. As a result, the adoption of this pronouncement changed the presentation and disclosure of noncontrolling interests in the consolidated financial statements retrospectively, but did not have a material impact on DOCOMO 's results of operations and financial position.

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

Subsequent events

Effective April 1, 2009, DOCOMO adopted the accounting pronouncement issued in May 2009 relating to subsequent events. This pronouncement requires an entity to evaluate the effects of events that occur subsequent to the balance sheet date through the date the financial statements are either issued or available to be issued and disclose the date through which subsequent events have been evaluated. The adoption of this pronouncement did not have any impact on DOCOMO's results of operations and financial position.

(2) Recent accounting pronouncements

In October 2009, FASB issued Accounting Standards Update (ASU) No. 2009-13, Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements (ASU2009-13). 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 adoption of ASU2009-13 on its 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, 2009.

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.

In the general meeting of shareholders held on June 19, 2009, the shareholders approved cash dividends of ¥100,224 million or ¥2,400 per share, payable to shareholders recorded as of March 31, 2009, which were declared by the board of directors on April 28, 2009. The source of dividends was Retained earnings. DOCOMO started to pay the dividends on June 22, 2009.

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

On October 30, 2009, the board of directors declared cash dividends of ¥108,575 million or ¥2,600 per share, payable to shareholders recorded as of September 30, 2009. The source of dividends was Retained earnings. DOCOMO started to pay the dividends on November 20, 2009.

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

DOCOMO acquired treasury stock at the request of dissenting shareholders, made pursuant to paragraph (1) of Article 797 of the Corporate Law of Japan, against the merger under which its eight regional subsidiaries were dissolved and merged into DOCOMO as of July 1, 2008.

The changes in the number of issued shares and treasury stock are summarized as follows, where fractional shares are rounded off:

	Number of issued shares	Number of treasury stock
As of March 31, 2008	44,870,000	2,242,073
Acquisition of treasury stock based on the resolution by the general meeting of shareholders		311,322
Acquisition of treasury stock at the request of dissenting shareholders against the merger		11,711
Acquisition of fractional shares		4
As of September 30, 2008	44,870,000	2,565,110
Acquisition of treasury stock based on the resolution by the general meeting of shareholders		306,189
As of December 31, 2008	44,870,000	2,871,299
Acquisition of treasury stock based on the resolution by the general meeting of shareholders		238,894
Retirement of treasury stock	(920,000)	(920,000)
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

Edgar Filing: NTT DOCOMO INC - Form 6-K

Effective August 1, 2008, DOCOMO abolished the fractional share system.
DOCOMO has not issued shares other than shares of its common stock.

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

In the general meeting of shareholders held on June 20, 2008, the shareholders approved a stock repurchase plan under which DOCOMO could repurchase up to 900,000 shares at an aggregate amount not to exceed ¥150,000 million during the year started June 21, 2008. No resolution was made regarding stock repurchase plans in the general meeting of shareholders held on June 19, 2009.

On November 9, 2009, the board of directors approved a stock repurchase plan under which DOCOMO could repurchase up to 160,000 shares at an aggregate amount not to exceed ¥20,000 million from November 10, 2009 to November 30, 2009.

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

	Share/Millions of yen	
	Nine months ended	Nine months ended
	December 31, 2008	December 31, 2009
Aggregate number of shares repurchased	629,226	154,065
Aggregate price of shares repurchased	¥ 101,846	¥ 20,000

	Share/Millions of yen	
	Three months ended	Three months ended
	December 31, 2008	December 31, 2009
Aggregate number of shares repurchased	306,189	154,065
Aggregate price of shares repurchased	¥ 49,997	¥ 20,000

Per share data

Per share data is summarized as follows:

	Yen	
	Nine months ended	Nine months ended
	December 31, 2008	December 31, 2009
Basic and Diluted earnings per share attributable to NTT DoCoMo, Inc.	¥ 10,337.45	¥ 10,046.99

	Yen	
	Three months ended	Three months ended
	December 31, 2008	December 31, 2009
Basic and Diluted earnings per share attributable to NTT DoCoMo, Inc.	¥ 2,156.83	¥ 3,228.80

Yen
March 31, 2009

	December 31, 2009		
NTT DoCoMo, Inc. shareholders' equity per share	¥108,835.17	¥	103,965.64

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

From a resource allocation perspective, DOCOMO views itself as having two business segments. The mobile phone business segment includes 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 mainly through TV media, high-speed internet connection and video-clip casting services 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 that follows as derived from the Company's management reports.

Segment information is summarized as follows:

	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Three months ended December 31, 2008			
Operating revenues	¥ 1,095,723	¥ 15,253	¥ 1,110,976
Operating expenses	920,388	20,749	941,137
Operating income (loss)	¥ 175,335	¥ (5,496)	¥ 169,839

	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Three months ended December 31, 2009			
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		
	Mobile phone business	Miscellaneous businesses	Consolidated
Nine months ended December 31, 2008			
Operating revenues	¥ 3,332,214	¥ 46,546	¥ 3,378,760
Operating expenses	2,569,306	62,669	2,631,975
Operating income (loss)	¥ 762,908	¥ (16,123)	¥ 746,785

	Millions of yen		
	Mobile phone	Miscellaneous	
Nine months ended			

December 31, 2009	business	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

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

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

5. Contingencies:

Litigation

As of December 31, 2009, 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 applies ASC 460 Guarantees . ASC 460 requires a company that issues or modifies a guarantee to recognize an initial liability for the fair value of the obligations it has undertaken and disclose that information in its financial statements.

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 evaluates the estimated fair value of the obligations related to these agreements is not significant. Accordingly, no liabilities were recognized for these obligations.

Table of Contents**NTT DOCOMO, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****6. Fair value measurements:**

ASC 820 Fair Value Measurements and Disclosures defines fair value 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. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value according to observability as follows:

- Level 1 Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from observable markets data.
- Level 3 Inputs are unobservable inputs for the asset or liability.

ASC 820 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, 2009 and March 31, 2009 were as follows:

	Millions of yen December 31, 2009			
	Total	Inputs used for measurement of fair value		
		Level 1	Level 2	Level 3
Assets				
Available for sale securities	¥ 121,747	¥ 121,747	¥	¥
Derivatives	3,933		3,933	
Total assets	¥ 125,680	¥ 121,747	¥ 3,933	¥
Liabilities				
Derivatives	¥ 2,008	¥	¥ 2,008	¥
Total liabilities	¥ 2,008	¥	¥ 2,008	¥

	Millions of yen March 31, 2009			
	Total	Inputs used for measurement of fair value		
		Level 1	Level 2	Level 3
Assets				
Available for sale securities	¥ 112,967	¥ 112,967	¥	¥
Derivatives	3,433		3,433	
Total assets	¥ 116,400	¥ 112,967	¥ 3,433	¥

Table of Contents

NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

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 and foreign currency option contracts. The fair value of these derivatives is measured at quoted prices valued by financial institutions using observable market inputs. 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. Such fair value measurements 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.

7. Subsequent event:

There had been no significant subsequent event to be disclosed that occurred subsequent to the balance sheet date through February 3, 2010, when the accompanying quarterly consolidated financial statements were issued.