

NTT DOCOMO INC
Form 6-K
November 01, 2017
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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 November, 2017

Commission File Number: 001-31221

Total number of pages: 45

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

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: November 1, 2017

By: /S/ KEISUKE YOSHIZAWA

Keisuke Yoshizawa

Managing Director, Investor Relations Department

Information furnished in this form:

1. Report filed on November 1, 2017 with the Director of the Kanto Local Finance Bureau of Japan pursuant to the Financial Instruments and Exchange Act of Japan

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[Translation]

Quarterly Securities Report

(The Second Quarter of the 27th Business Term)

NTT DOCOMO, INC.

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[Note]	

This document is an English translation of certain items that were disclosed in our Quarterly Securities Report for the six month period ended September 30, 2017, which we filed on November 1, 2017 with the Financial Services Agency of Japan.

The forward-looking statements and projected figures concerning the future performance of NTT DOCOMO, INC. and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT DOCOMO, INC. in light of information currently available to it regarding NTT DOCOMO, INC. and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT DOCOMO, INC. and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in our most recent Annual Securities Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

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[Cover]

[Document Filed]	Quarterly Securities Report (Shihanki Hokokusho)
[Applicable Law]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	November 1, 2017
[Fiscal Year]	The Second Quarter of the 27 th Business Term (From July 1, 2017 to September 30, 2017)
[Company Name]	Kabushiki Kaisha NTT DOCOMO
[Company Name in English]	NTT DOCOMO, INC.
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Table of Contents**Item 1. Overview of the company****1. Selected Financial Data**

U.S. GAAP

		Six Months Ended September 30, 2016	Six Months Ended September 30, 2017	Fiscal year ended March 31, 2017
Operating revenues	Millions of yen	2,288,344	2,300,131	4,584,552
		[1,179,674]	[1,163,435]	
Income before income taxes and equity in net income (losses) of affiliates	Millions of yen	581,164	554,506	949,563
Net income attributable to NTT DOCOMO, INC.	Millions of yen	405,407	373,911	652,538
		[198,553]	[183,972]	
Comprehensive income attributable to NTT DOCOMO, INC.	Millions of yen	369,362	377,880	662,281
NTT DOCOMO, INC. shareholders' equity	Millions of yen	5,427,836	5,760,300	5,530,629
Total assets	Millions of yen	7,208,360	7,641,723	7,453,074
Basic earnings per share attributable to NTT DOCOMO, INC.	Yen	108.32	100.93	175.12
		[53.21]	[49.66]	
Diluted earnings per share attributable to NTT DOCOMO, INC.	Yen			
Equity ratio				
(Ratio of NTT DOCOMO, INC. Shareholders' Equity to Total Assets)	%	75.3	75.4	74.2
Net cash provided by operating activities	Millions of yen	671,720	762,923	1,312,418
Net cash used in investing activities	Millions of yen	(425,286)	(373,661)	(943,094)
Net cash provided by (used in) financing activities	Millions of yen	(238,331)	(151,426)	(433,097)
Cash and cash equivalents at end of period	Millions of yen	360,211	527,546	289,610

- Notes: (1) As we prepare quarterly consolidated financial reports, changes in non-consolidated key financial data, among others, are not provided.
- (2) Operating revenues do not include consumption taxes.
- (3) Basic earnings per share attributable to NTT DOCOMO, INC. are calculated after subtracting the number of treasury shares from the total number of shares outstanding.
- (4) Diluted earnings per share attributable to NTT DOCOMO, INC. is not stated because we did not have potentially dilutive common shares that were outstanding during the period.
- (5) The amounts in brackets for operating revenues, net income attributable to NTT DOCOMO, INC. and basic earnings per share attributable to NTT DOCOMO, INC. indicate their respective amounts for the three months ended September 30, 2016 and 2017.

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2. Description of Business

There were no material changes to the business of NTT DOCOMO, INC. or its affiliated companies during the six months ended September 30, 2017. Material changes with respect to affiliated companies during the six months ended September 30, 2017 were as follows:

Equity-method Affiliates

NTT Plala Inc. became an equity-method affiliate of NTT DOCOMO, INC. from the three months ended June 30, 2017 due to our acquisition of its equity shares.

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Item 2. Business Overview

1. Risk Factors

No risks, such as unusual changes in consolidated financial condition, results of operations or cash flow conditions, were newly identified during the six months ended September 30, 2017. There was no material change in the risk factors that were described in our Annual Securities Report for the fiscal year ended March 31, 2017.

2. Material Contracts

There were no material contracts relating to our operations that were agreed upon or entered into during the three months ended September 30, 2017.

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3. Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions

(1) Business Overview

The environment surrounding our business has changed significantly. In Japan's telecommunications market, competition has intensified due to the government's pro-competition policy, the rise of low-cost smartphones offered by Mobile Virtual Network Operators (MVNOs) and other factors. In addition, we have seen technical advancements in areas such as artificial intelligence (AI), IoT*¹ and drones, as well as an expansion of customer touchpoints by various service providers leveraging loyalty point programs and other means. These changes have brought about both active competition in the telecommunications market and collaboration with new players from other industries, accelerating competition in new markets that transcend the conventional boundaries of the telecommunications business.

Amid these changes in the market environment, in April 2017, we developed and unveiled our Medium-Term Strategy 2020 Declaration beyond to realize a richer future with 5G. We have positioned the fiscal year ending March 31, 2018 as a year to Challenge to Evolve by taking the first steps towards the delivery of our Medium-Term Strategy 2020 Declaration beyond. We will do so by moving forward with the creation and evolution of services, the evolution of our business through +d and the reinforcement and evolution of our business foundations.

During the three months ended September 30, 2017, we launched d enjoy pass, a service that provides customers with preferential offers for a wide array of life-related services, as well as d job, a new smartphone-based job information service. Meanwhile, we also strived to boost the usage and enhance the convenience of d POINTs by increasing the number of stores participating in the program. In addition, we deepened our collaboration with Japan Professional Football League (J. League) and organized live music concerts leveraging various cutting-edge video technologies, in an effort to bring our Medium-Term Strategy 2020 Declaration beyond to reality.

<Actions for Future Growth>

Toward the realization of lifestyle innovation one of the goals raised in our Medium-Term Strategy 2020 Declaration beyond, we developed an AI Agent*² API (API), and started granting access to it from August 2017. By allowing open access to this API, we will step up our AI-related undertakings by accelerating the docomo AI Agent Open Partnership Initiative to promote the co-creation of new services while strengthening the construction of new business models with our partners.

In order to realize the experience innovation raised in our Medium-Term Strategy 2020 Declaration beyond, in September 2017, we conducted a trial of a new virtual experience concert*³ through which we presented new ways of enjoying live music consisting of new viewing styles that leverage head mount displays, 3D holographic displays and holographic image projection techniques*⁴.

We forged a collaborative relationship with J. League, with NTT DOCOMO, INC. entering into a top partnership agreement and NTT Group entering into an official technology partnership agreement, respectively, with J. League. From July 2017, based on these partnership agreements, we started taking actions aimed at strengthening the ties between local fans/supporters and J. League/club teams through the realization of experience innovation brought about by the state-of-the-art technologies owned by us and the NTT Group and stepped up use of digital marketing tools.

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For the six months ended September 30, 2017, operating revenues increased by ¥11.8 billion from the same period of the previous fiscal year to ¥2,300.1 billion. This was mainly due to an increase in optical-fiber broadband service revenues due to growth in the number of docomo Hikari users as well as the recovery of mobile communications services revenues as a result of growth in packet consumption and a decrease in the negative impact of the Monthly Support discount program, despite the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers, due mainly to our provision of lower cost services, and a decrease in equipment sales.

Operating expenses increased by ¥48.6 billion from the same period of the previous fiscal year to ¥1,751.4 billion. This was mainly due to an increase in expenses associated with the expansion of docomo Hikari revenues, an increase of the sales commissions incurred for agent resellers accompanying strengthened initiatives promoting the sale of smartphones and an increase of depreciation expenses, despite a decrease in cost of equipment sold.

As a result, operating income decreased by ¥36.8 billion from the same period of the previous fiscal year to ¥548.8 billion for the six months ended September 30, 2017.

Income before income taxes and equity in net income (losses) of affiliates was ¥554.5 billion, and net income attributable to NTT DOCOMO, INC. decreased by ¥31.5 billion from the same period of the previous fiscal year to ¥373.9 billion for the six months ended September 30, 2017.

- *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: An AI solution that enables the delivery of services or operation of various IoT devices by responding accurately to the request of each customer through dialogue. NTT Group's AI technology corevo is used.
- *3: new experience live music event was hosted in cooperation with our affiliate, NTT Plala Inc.
- *4: Utilizes 3D holographic stage system, Eyeliner, a stage production system that employs specialized film, projection and technical lighting techniques.

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Consolidated results of operations for the six months ended September 30, 2016 and 2017 were as follows:

<Results of operations>

	Billions of yen				
	Six months ended		Six months ended		Increase (Decrease)
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	
Operating revenues	¥ 2,288.3	¥ 2,300.1	¥ 11.8	0.5%	
Operating expenses	1,702.7	1,751.4	48.6	2.9	
Operating income	585.6	548.8	(36.8)	(6.3)	
Other income (expense)	(4.4)	5.7	10.2		
Income before income taxes and equity in net income (losses) of affiliates	581.2	554.5	(26.7)	(4.6)	
Income taxes	178.7	173.4	(5.3)	(3.0)	
Income before equity in net income (losses) of affiliates	402.5	381.1	(21.4)	(5.3)	
Equity in net income (losses) of affiliates	3.3	(6.0)	(9.4)		
Net income	405.8	375.1	(30.7)	(7.6)	
Less: Net (income) loss attributable to noncontrolling interests	(0.4)	(1.2)	(0.8)	(191.0)	
Net income attributable to NTT DOCOMO, INC.	¥ 405.4	¥ 373.9	¥ (31.5)	(7.8)	
EBITDA margin *	35.9%	35.0%	(0.9)point		
ROE *	7.6%	6.6%	(1.0)point		

* Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures is below.
<EBITDA and EBITDA margin>

	Billions of yen	
	Six months ended	
	September 30, 2016	September 30, 2017
a.EBITDA	¥ 820.9	¥ 806.0
Depreciation and amortization	(220.5)	(240.0)
Loss on sale or disposal of property, plant and equipment	(14.8)	(17.2)
Operating income	585.6	548.8
Other income (expense)	(4.4)	5.7
Income taxes	(178.7)	(173.4)

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Equity in net income (losses) of affiliates	3.3	(6.0)
Less: Net (income) loss attributable to noncontrolling interests	(0.4)	(1.2)
b. Net income attributable to NTT DOCOMO, INC.	405.4	373.9
c. Operating revenues	2,288.3	2,300.1
EBITDA margin (=a/c)	35.9%	35.0%
Net income margin (=b/c)	17.7%	16.3%

Note: 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.

<ROE>

	Billions of yen	
	Six months ended September 30, 2016	Six months ended September 30, 2017
a. Net income attributable to NTT DOCOMO, INC.	¥ 405.4	¥ 373.9
b. Shareholders' equity	5,365.0	5,645.5
ROE(=a/b)	7.6%	6.6%

Note: Shareholders' equity = The average of NTT DOCOMO, INC. shareholders' equity, each as of March 31, 2017 (or 2016) and September 30, 2017 (or 2016).

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<Operating revenues>

	Billions of yen						
	Six months		Six months		Increase		
	ended	ended	ended	ended	(Decrease)		
	September 30, 2016	September 30, 2017	September 30, 2017				
Telecommunications services	¥	1,474.5	¥	1,568.8	¥	94.3	6.4%
Mobile communications services revenues		1,417.0		1,459.6		42.6	3.0
Voice revenues		435.4		472.6		37.2	8.5
Packet communications revenues		981.6		987.0		5.4	0.6
Optical-fiber broadband service and other telecommunications services revenues		57.5		109.2		51.7	89.9
Equipment sales		380.1		303.5		(76.6)	(20.1)
Other operating revenues		433.7		427.8		(5.9)	(1.4)
Total operating revenues	¥	2,288.3	¥	2,300.1	¥	11.8	0.5%

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

<Operating expenses>

	Billions of yen						
	Six months		Six months		Increase		
	ended	ended	ended	ended	(Decrease)		
	September 30, 2016	September 30, 2017	September 30, 2017				
Personnel expenses	¥	145.1	¥	144.5	¥	(0.7)	(0.5)%
Non-personnel expenses		1,132.1		1,130.8		(1.3)	(0.1)
Depreciation and amortization		220.5		240.0		19.5	8.8
Loss on disposal of property, plant and equipment and intangible assets		24.8		28.5		3.7	15.0
Communication network charges		158.7		187.5		28.8	18.1
Taxes and public dues		21.5		20.1		(1.4)	(6.7)
Total operating expenses	¥	1,702.7	¥	1,751.4	¥	48.6	2.9%

Table of Contents**Segment Results****Telecommunications business**

<Results of operations>

	Billions of yen				
	Six months ended		Six months ended		Increase (Decrease)
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	
Operating revenues from telecommunications business	¥ 1,856.6	¥ 1,870.8	¥ 14.2	0.8%	
Operating income (loss) from telecommunications business	524.7	474.4	(50.4)	(9.6)	

Operating revenues from telecommunications business for the six months ended September 30, 2017 increased by ¥14.2 billion, or 0.8%, from ¥1,856.6 billion for the same period of the previous fiscal year to ¥1,870.8 billion. This was mainly due to an increase in optical-fiber broadband service revenues due to growth in the number of docomo Hikari users as well as the recovery of mobile communications services revenues as a result of growth of packet consumption and a decrease in the negative impact of the Monthly Support discount program, despite the negative impact from our various billing initiatives implemented for the purpose of enhancing returns to our customers, due mainly to our provision of lower cost services, and a decrease in equipment sales.

Operating expenses from telecommunications business increased by ¥64.5 billion, or 4.8%, from ¥1,331.9 billion for the same period of the previous fiscal year to ¥1,396.4 billion. This was mainly due to an increase in expenses associated with the expansion of docomo Hikari revenues, an increase of the sales commissions incurred for agent resellers accompanying strengthened initiatives promoting the sale of smartphones and an increase of depreciation expenses, despite a decrease in a cost of equipment sold.

Consequently, operating income from telecommunications business was ¥474.4 billion, a decrease of ¥50.4 billion, or 9.6%, from ¥524.7 billion for the same period of the previous fiscal year.

<<Key Topics>>

Targeting the increasing number of foreign travelers visiting Japan, in July 2017 we launched a data-only prepaid SIM service for visitors from abroad, Japan Welcome SIM. For this service, we lowered the usage fee by utilizing advertisement revenues that we receive by requiring users to view advertisements, and created a business model that provides greater added value to our partners by allowing them to combine Japan Welcome SIM with their own proprietary services.

In September 2017, we started marketing iPhone 8, iPhone 8 Plus and Apple Watch Series 3. In conjunction with the release of iPhone 8, we launched Upgrade Support Program Plus, a program that allows iPhone 8 and other handsets purchasers to easily upgrade to the latest model the next time they switch handsets.

In September 2017, we commenced One Number service, an optional service that allows users to share the same phone number between their smartphone and accessories such as wearable devices. We also improved the convenience of accessory devices, enabling voice communications or mobile data access via accessory devices even when they are placed apart from the main smartphone.

The total number of our smartphone and tablet users grew to 37.09 million as of September 30, 2017, an increase of 3.00 million from September 30, 2016, driven mainly by the brisk sales of handsets covered under the docomo with program, which offers savings to customers who use one handset for an extended period of time as well as the continued implementation of our Senior

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Smartphone Debut Discount package.

To promote the construction of a network that provides a convenient communication environment, we expanded the coverage of our PREMIUM 4G service to 1,554 cities and 86,300 base stations across Japan as of September 30, 2017 and offered Japan's fastest service, a 788Mbps communication service at maximum downlink rates to start in September 2017 by further improving transmission technology. Toward the goal of further expanding the area coverage of our LTE service, we increased the total number of LTE-enabled base stations to 170,900 stations nationwide as of September 30, 2017.

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Number of subscriptions by services and other operating data are as follows:

<Number of subscriptions by services>

	Thousand subscriptions		Increase	
	September 30, 2016	September 30, 2017	(Decrease)	
Mobile telecommunications services	72,943	75,361	2,418	3.3%
Including: Kake-hodai & Pake-aeru billing plan	33,416	39,617	6,201	18.6
Mobile telecommunications services (LTE(Xi))	41,281	46,908	5,627	13.6
Mobile telecommunications services (FOMA)	31,662	28,453	(3,209)	(10.1)
docomo Hikari optical broadband service	2,530	4,176	1,646	65.0

Note: Number of subscriptions to Mobile telecommunications services, Mobile telecommunications services (LTE(Xi)) and Mobile telecommunications services (FOMA) includes Communication Module services subscriptions.

<Number of units sold*1>

	Thousand units		Increase	
	Six months ended September 30, 2016	Six months ended September 30, 2017	(Decrease)	
Number of units sold	13,450	12,146	(1,304)	(9.7)%
Mobile telecommunications services (LTE(Xi))				
New LTE(Xi) subscription *2	4,829	4,673	(157)	(3.2)
Change of subscription from FOMA	1,221	1,576	355	29.1
LTE(Xi) handset upgrade by LTE(Xi) subscribers	4,450	4,706	256	5.8
Mobile telecommunications services (FOMA)				
New FOMA subscription *2	1,696	712	(984)	(58.0)
Change of subscription from LTE(Xi)	39	14	(25)	(65.2)
FOMA handset upgrade by FOMA subscribers	1,215	465	(749)	(61.7)
Churn rate *3	0.58%	0.64%	0.06point	
Handset churn rate *4	0.45%	0.47%	0.02point	

*1: Number of handsets sold has been renamed to Number of units sold from the three months ended September 30, 2017

*2: New subscriptions include mobile line subscriptions of MVNOs and Communication Module subscriptions

*3: Churn rate is calculated excluding the subscriptions and cancellations of subscriptions of MVNOs.

*4: Churn rate in Basic Plans (excluding Data Plans and Device Plus 500), Xi/FOMA Billing Plans and Type Limit Value / Type Limit for smartphones and feature phones etc.

<Trend of ARPU and MOU>

	Yen		Increase	
	Six months ended September 30, 2016	Six months ended September 30, 2017	(Decrease)	

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Aggregate ARPU	¥	4,380	¥	4,650	¥	270	6.2%
Voice ARPU		1,240		1,360		120	9.7
Data ARPU		3,140		3,290		150	4.8
Packet ARPU		2,980		2,980			
docomo Hikari ARPU		160		310		150	93.8
MOU (minutes)		136		136			

Notes:

1. 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.

2. ARPU Calculation Methods

Aggregate ARPU= Voice ARPU + Packet ARPU + docomo Hikari ARPU

Data 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 : docomo Hikari ARPU Related Revenues (basic monthly charges, voice communication charges)
/Number of active users

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3. 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

4. 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 telecommunication services and interconnecting telecommunications facilities that are provided to 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

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 MVNOS are not included in the ARPU calculation.

Table of Contents**Smart life business**

<Results of operations>

	Billions of yen				
	Six months ended		Six months ended		Increase (Decrease)
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	
Operating revenues from smart life business	¥ 250.4	¥ 230.2	¥ (20.2)	(8.1)%	
Operating income (loss) from smart life business	37.0	33.5	(3.5)	(9.4)	

Operating revenues from smart life business for the six months ended September 30, 2017 were ¥230.2 billion, a decrease of ¥20.2 billion, or 8.1%, from ¥250.4 billion for the same period of the previous fiscal year. This was due mainly to a decrease in revenues from a subsidiary which began recording revenues on a net basis as a result of a change in its business model effective from April 1, 2017. This decrease in revenues was greater than increases in revenues from our finance/payment services and other services.

Operating expenses from smart life business were ¥196.7 billion, a decrease of ¥16.7 billion, or 7.8%, from ¥213.4 billion for the same period of the previous fiscal year. This was due mainly to a decrease in expenses attributable to a subsidiary as a result of the change in its business model described above. This decrease in expense was greater than an increase in expenses associated with various initiatives that we undertook towards future growth.

As a result, operating income from smart life business was ¥33.5 billion, a decrease of ¥3.5 billion, or 9.4%, from ¥37.0 billion for the same period of the previous fiscal year.

<<Key Topics>>

We expanded the number of stores where d POINTs can be used by adding the Hananomai and Sakanaya-Dojo restaurant chains (operated by Chimney Co. Ltd.) and the EARTH hair salons (operated by EARTH Holdings). We also enabled d Mobile Payment Plus to be used on greater number of online services, including Takashimaya Online Store (operated by Takashimaya Co. Ltd.) and J. League Ticket (operated by PIA Corporation.) As of September 30, 2017, the total number of d POINT Club members had grown to 63.24 million, the total number of d POINT Card users* had reached 17.08 million and the number of partners participating in the d POINTs program was 149.

In August 2017, we commenced our d enjoy pass service, which provides users with preferential offers in over 50,000 different services encompassing a wide variety of categories including, leisure, spa/beauty care, lifestyle, hotel/accommodation and dining, as well as member events and other opportunities for members to connect with or learn from each other.

In September 2017, we launched d job, a service that enables users to access job-related information via smartphones and other devices. In addition to general job openings data, the service provides information on jobs that can be done online (for example, answering surveys/questionnaires, cloud sourcing*2, etc.), proposing new workstyles in order to tackle social issues such as balancing child/family care with work, and the reduction in the working population associated with the declining birth rate.

As of September 30, 2017, the total number of d CARD subscribers grew to 18.32 million, an increase of 1.35 million from September 30, 2016, due mainly to initiatives that we undertook such as a campaign for acquiring new subscribers. The total number of d CARD GOLD subscribers topped 3 million in September 2017. The total amount of transactions processed through our finance/payment services reached ¥1,486.8 billion for the six months ended September 30, 2017, an increase of ¥255.7 billion from the same period of the previous fiscal year.

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- *1: The total number of users who have registered their personal information to accumulate and use d POINT at participating stores.
- *2: Outsourcing of certain tasks and operations to external parties primarily through the Internet.
- *3: The total number of subscribers of dCARD and d CARD mini.

Table of Contents**Other businesses**

<Results of operations>

	Billions of yen				
	Six months ended		Six months ended		Increase (Decrease)
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	
Operating revenues from other businesses	¥ 193.4	¥ 215.2	¥ 21.8	11.3%	
Operating income (loss) from other businesses	23.9	40.9	17.0	71.2	

Operating revenues from other businesses for the six months ended September 30, 2017 amounted to ¥215.2 billion, an increase of ¥21.8 billion, or 11.3%, from ¥193.4 billion for the same period of the previous fiscal year, driven mainly by an increase in the number of subscriptions to our Mobile Device Protection Service and the growth of revenues relating to IoT businesses.

Operating expenses from other businesses were ¥174.3 billion, an increase of ¥4.8 billion, or 2.8%, from ¥169.5 billion for the same period of the previous fiscal year, due mainly to an increase in expenses associated with IoT businesses, despite a decrease in expenses as a result of pursuing further cost efficiency.

Consequently, operating income from other businesses was ¥40.9 billion, an increase of ¥17.0 billion, or 71.2%, from ¥23.9 billion for the same period of the previous fiscal year.

<<Key Topics>>

In July 2017, we launched docomo Smart Parking system (the system) for parking lot operators. The system brings about a significant reduction in the initial investments required for coin-operated parking space business through the use of IoT devices, etc. We also introduced the Smart Parking Peasy application for the drivers who use the system in an effort to boost the utilization of parking lots adopting the system.

The total number of subscriptions to Anshin Pack, a package that combines Mobile Device Protection Service and various other services to ensure worry-free use of smartphones, grew to 18.34 million as of September 30, 2017.

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(2) CSR Activities

We aspire to help build a society in which everyone can share in a prosperous life of safety, security and comfort, beyond borders and across generations. We believe it is our corporate social responsibility (CSR) to fulfill the two aspects of (i) Innovative docomo, to solve various social issues in the fields of mobility, healthcare and medicine, education and learning, and climate change 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 will strive to realize a sustainable society while expanding our own businesses.

In July 2017, we unveiled our CSR Mid-Term Target for 2020, which will serve as a new guideline for our CSR activities. Looking ahead to the year 2020 and beyond, we will take on the challenge to create a richer future in accordance with the clear directions and objectives laid out in our CSR Mid-Term Target for 2020.

In September 2017, we were selected as a component of Dow Jones Sustainability Indices (DJSI), one of the world's leading indices for ESG investment*¹. We were assessed highly for our endeavors for improved network reliability, environmental actions and related reporting activities, our development of a safe and healthy workplace and our human resource development.

The principal CSR actions we undertook in the three months ended September 30, 2017 are summarized below:

<Innovative docomo>

Aiming to improve the productivity of agriculture and other primary industries and to solve social issues such as job creation, we commenced a verification trial of a new AI*²-based IoT solution in August 2017. This solution, which blends AI-based analytics and provides new decision capabilities (for example, the ability to choose between cultivation techniques or make decisions based on weather conditions), allows even farmers with limited experience to easily detect signs of disease, grasp the status of vegetation growth and predict the optimal harvest time, thereby reducing the burdens of farm work.

<Responsible docomo >

In the aftermath of the July 2017 torrential rain that hit northern Kyushu, we worked toward an early restoration of communication services, airlifting our portable base stations to the affected areas with helicopters and renting our satellite mobile phones to support the local governments and other agencies. We also implemented measures to assist disaster victims, including the free-of-charge provision of battery chargers and other equipment and partial waiver of handset repair charges. In addition, we launched a charity site to provide assistance to the people and areas affected by the disaster, and collected donations using docomo Kouza accounts and POINTs .

Through our Smartphone and Mobile Phone Safety Classes we teach participants the rules and manners of using smartphones and mobile phones, as well as to how to respond to troubles that may arise with their use. We held a total of approximately 4,500 sessions with a cumulative participation of approximately 910,000 people in the six months ended September 30, 2017 and a cumulative participation from starting this measure topped 10 million. In addition, in order to effectively promote activities aimed at preventing delinquency and troubles in the cyber space, in collaboration with Tokyo Metropolitan Police Department (MPD), from September 2017, we started hosting a program dubbed ~Minnade manabu~ TOKYO net kyoshitsu a joint session of MPD's cyber class and our Smartphone and Mobile Phone Safety Class, at elementary and junior and senior high schools in Tokyo.

Under our Village Social Entrepreneur initiative, through which we provide assistance to entrepreneurs tackling social issues, we decided to extend support to the following two organizations for the fiscal year ending March 31, 2018: International Medical Co. Ltd., a company supporting the assessment and optimized treatment of anxiety disorders and depression, and Ma-tourism, an organization engaged in activities promoting the continuation of traditional festivals as well as the vitalization of regional areas.

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- *1: An investment method that is named after and focuses on the three elements of Environment, Social and Governance.
- *2: NTT Group's AI technology corevo is used.

Table of Contents**(3) Trend of Capital Expenditures**

<Capital expenditures>

	Billions of yen				Increase (Decrease)	
	Six months ended		Six months ended			
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017		
Total capital expenditures	¥ 246.1	¥ 267.7	¥ 246.1	¥ 267.7	21.6	8.8%
Telecommunications business	237.6	255.3	237.6	255.3	17.7	7.4
Smart life business	5.8	6.5	5.8	6.5	0.7	12.7
Other businesses	2.6	5.8	2.6	5.8	3.2	119.4

We pursued more efficient use of capital expenditures and further cost reduction, and expanded the area coverage of our PREMIUM 4G service to construct a more convenient mobile telecommunications network. As a result, the total amount of capital expenditures we made increased by 8.8% from the same period of the previous fiscal year to ¥267.7 billion for the six months ended September 30, 2017.

Table of Contents**(4) Financial Position**

	Billions of yen					(Reference) March 31, 2017
	September 30, 2016	September 30, 2017	Increase (Decrease)			
Total assets	¥ 7,208.4	¥ 7,641.7	¥ 433.4	6.0%	¥ 7,453.1	
NTT DOCOMO, INC. shareholders' equity	5,427.8	5,760.3	332.5	6.1	5,530.6	
Liabilities	1,724.9	1,827.1	102.2	5.9	1,869.0	
Including: Interest bearing liabilities	222.5	221.7	(0.7)	(0.3)	221.9	
Shareholders' equity ratio (1) (%)	75.3%	75.4%	0.1point		74.2%	
Debt to Equity ratio (2) (multiple)	0.041	0.038	(0.003)		0.040	

Notes: (1) Shareholders' equity ratio = NTT DOCOMO, INC. shareholders' equity / Total assets

(2) Debt to Equity ratio = Interest bearing liabilities / NTT DOCOMO, INC. shareholders' equity

(5) Cash Flow Conditions

	Billions of yen				
	Six months ended		Six months ended		Increase (Decrease)
	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	
Net cash provided by operating activities	¥ 671.7	¥ 762.9	¥ 91.2	13.6%	
Net cash used in investing activities	(425.3)	(373.7)	51.6	12.1	
Net cash provided by (used in) financing activities	(238.3)	(151.4)	86.9	36.5	
Free cash flows (1)	246.4	389.3	142.8	58.0	
Changes in investments for cash management purposes	(95.2)	(9.9)	85.3	89.6	
Free cash flows excluding changes in investments for cash management purposes (2)	341.6	399.1	57.5	16.8	

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

For the six months ended September 30, 2017, net cash provided by operating activities was ¥762.9 billion, an increase of ¥91.2 billion, or 13.6%, from the same period of the previous fiscal year. This was due mainly to a decrease in cash outflows for the payments of income taxes.

Net cash used in investing activities was ¥373.7 billion, a decrease of ¥51.6 billion, or 12.1%, from the same period of the previous fiscal year. This was due mainly to an increase in cash inflows from proceeds from redemption of short-term bailment for consumption to a related party.

Net cash used in financing activities was ¥151.4 billion, a decrease of ¥86.9 billion, or 36.5%, 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, despite an increase in dividends paid.

As a result of the foregoing, the balance of cash and cash equivalents was ¥527.5 billion as of September 30, 2017, an increase of ¥237.9 billion, or 82.2%, from the previous fiscal year end.

(6) Operational and Finance Issues Facing the Corporate Group

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There were no material changes in the operational and finance issues facing the corporate group for the six months ended September 30, 2017 and no new additional issues arose during the period.

(7) Research and Development

Our research and development expenses for the six months ended September 30, 2017 were ¥44.6 billion.

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Item 3. Information on NTT DOCOMO

1. Information on NTT DOCOMO s Shares, etc.

(1) Total Number of Shares, etc.

Total Number of Shares

Class	As of September 30, 2017	
	Total Number of Shares Authorized to be Issued (shares)	
Common stock	17,460,000,000	
Total	17,460,000,000	

Issued Shares

Class	Number of Shares Issued as of September 30, 2017 (shares)	Number of Shares Issued as of the Filing Date (shares) (November 1, 2017)	Stock Exchange on which the Company is Listed	Description
Common Stock	3,899,563,000	3,899,563,000	Tokyo Stock Exchange (The First Section) New York Stock Exchange	The number of shares per one unit of shares is 100 shares
Total	3,899,563,000	3,899,563,000		

(2) Information on the Stock Acquisition Rights, etc.

Not applicable.

(3) Information on Moving Strike Convertible Bonds, etc.

Not applicable.

(4) Information on Shareholder Rights Plans

Not applicable.

(5) Changes in the Total Number of Issued Shares, the Amount of Common Stock, and Other

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Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in Common Stock (millions of yen)	Balance of Common Stock (millions of yen)	Change in Capital Reserve (millions of yen)	Balance of Capital Reserve (millions of yen)
July 1, 2017 - September 30, 2017		3,899,563,000		949,679		292,385

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(6) Major Shareholders

Name of Shareholder	Address	Number of Shares Held (shares)	As of September 30, 2017 Ownership Percentage to the Total Number of Issued Shares
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	2,469,084,400	63.32%
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	75,571,200	1.94
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	69,222,300	1.78
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	27,430,300	0.70
STATE STREET BANK WEST CLIENT-TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, USA	26,588,265	0.68
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	(15-1, Konan 2-chome, Minato-ku, Tokyo) 8-11, Harumi 1-chome, Chuo-ku, Tokyo	23,840,100	0.61
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS	C/O THE BANK OF NEW YORK MELLON 101 BARCLAYS STREET, 22ND FLOOR WEST, NEW YORK, NY10286 U.S.A.	22,570,310	0.58
JP Morgan Securities Japan Co., Ltd.	(7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo) 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	22,474,541	0.58
JP MORGAN CHASE BANK 380072	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM	22,184,784	0.57
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 7)	(15-1, Konan 2-chome, Minato-ku, Tokyo) 8-11, Harumi 1-chome, Chuo-ku, Tokyo	21,794,000	0.56
Total		2,780,760,200	71.31

Notes: (1) Treasury stocks (194,977,467 shares, 5.00% of issued shares) are not included in the above list.

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- (2) All shares owned by THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT), JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT, TRUST ACCOUNT 5, TRUST ACCOUNT 9, TRUST ACCOUNT 7, respectively) are managed on behalf of trustors and are not owned by the above trustees. Breakdown of these shares are as follows: Investment trust (69,917,400 shares), pension trust (16,493,400 shares), others (131,447,100 shares).
 - (3) STATE STREET BANK WEST CLIENT TREATY 505234 and JP MORGAN CHASE BANK 380072 are listed as major shareholders mainly due to their role as custodian banks for overseas institutional investors.
 - (4) THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS is the registered shareholder of deposited shares for THE BANK OF NEW YORK MELLON, which acts as depository for our ADSs.
- (7) Information on Voting Rights

Issued Shares

As of September 30, 2017			
Classification	Number of Shares		Description
	(shares)	Number of Voting Rights	
Shares without Voting Rights			
Shares with Restricted Voting Rights (treasury stock, etc.)			
Shares with Restricted Voting Rights (others)			
Shares with Full Voting Rights (treasury stock, etc.)	(Treasury Stock)		
	194,977,400 shares of common stock		
Shares with Full Voting Rights (others)	3,704,525,300 shares of common stock	37,045,253	
Shares Representing Less than One Unit	60,300 shares of common stock		
Number of Issued Shares	3,899,563,000 shares of common stock		
Total Number of Voting Rights		37,045,253	

Note: The total number of shares in Shares with Full Voting Rights (others) includes 38,800 shares held in the name of the Japan Securities Depository Center. Number of Voting Rights includes 388 voting rights associated with Shares with Full Voting Rights held in the name of the Japan Securities Depository Center.

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Treasury Stock

Name of Shareholder	Address	Number of Shares Held Under Own Name (shares)	Number of Shares Held Under the Names of Others (shares)	As of September 30, 2017	
				Total Shares Held (shares)	Ownership Percentage to the Total Number of Issued Shares
NTT DOCOMO, INC.	11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo	194,977,400		194,977,400	5.00%
Total		194,977,400		194,977,400	5.00

2. Changes in Directors and Senior Management

The change in directors and audit & supervisory board members during the period from the filing date of the Securities Report for the fiscal year ended March 31, 2017 to the filing date of this Quarterly Securities Report is as follows:

Change in Positions and Responsibilities

Name	Position	New Responsibilities	Former Responsibilities	Effective
				Date
Hozumi Tamura	Executive Vice President, Member of the Board of Directors	Executive General Manager of Network Department, Responsible for Network	General Manager of Network Department, Responsible for Network	July 1, 2017

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Item 4. Financial Information

Preparation Method of Quarterly Consolidated Financial Statements

The quarterly consolidated financial statements of DOCOMO have been prepared in accordance with accounting terminology, forms and preparation methods required in order to issue American Depositary Shares, and in accordance with U.S. generally accepted accounting principles, pursuant to Article 95 of Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No.64, 2007).

Figures in DOCOMO's quarterly consolidated financial statements have been rounded to the nearest million yen.

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NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
MARCH 31, 2017 and SEPTEMBER 30, 2017

Millions of yen