

NTT DOCOMO INC
Form 6-K
August 02, 2012
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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 July, 2012

Commission File Number: 001-31221

Total number of pages: 11

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: August 2, 2012

By: /s/ MUTSUO YAMAMOTO
Mutsuo Yamamoto

Head of Investor Relations

Information furnished in this form:

1. Report filed on August 2, 2012 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)
MARCH 31, 2012 and JUNE 30, 2012

| | March 31, 2012 | Millions of yen June 30, 2012 |
|---|--------------------|----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | ¥ 522,078 | ¥ 512,537 |
| Short-term investments | 371,504 | 211,679 |
| Accounts receivable | 963,001 | 401,811 |
| Receivables held for sale | | 502,024 |
| Credit card receivables | 189,163 | 195,120 |
| Allowance for doubtful accounts | (23,550) | (28,851) |
| Inventories | 146,563 | 140,438 |
| Deferred tax assets | 76,858 | 66,083 |
| Prepaid expenses and other current assets | 112,644 | 126,822 |
| Total current assets | 2,358,261 | 2,127,663 |
| Property, plant and equipment: | | |
| Wireless telecommunications equipment | 5,700,951 | 5,680,591 |
| Buildings and structures | 867,553 | 871,081 |
| Tools, furniture and fixtures | 520,469 | 530,849 |
| Land | 199,802 | 199,861 |
| Construction in progress | 133,068 | 154,948 |
| Accumulated depreciation and amortization | (4,885,546) | (4,891,005) |
| Total property, plant and equipment, net | 2,536,297 | 2,546,325 |
| Non-current investments and other assets: | | |
| Investments in affiliates | 480,111 | 503,778 |
| Marketable securities and other investments | 128,389 | 126,316 |
| Intangible assets, net | 680,831 | 684,459 |
| Goodwill | 204,890 | 206,759 |
| Other assets | 255,747 | 268,752 |
| Deferred tax assets | 303,556 | 283,666 |
| Total non-current investments and other assets | 2,053,524 | 2,073,730 |
| Total assets | ¥ 6,948,082 | ¥ 6,747,718 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | ¥ 75,428 | ¥ 60,430 |
| Short-term borrowings | 733 | 1,760 |
| Accounts payable, trade | 738,783 | 576,201 |
| Accrued payroll | 55,917 | 41,885 |
| Accrued interest | 767 | 367 |
| Accrued income taxes | 150,327 | 77,626 |

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| | | |
|---|--------------------|--------------------|
| Other current liabilities | 132,048 | 149,369 |
| Total current liabilities | 1,154,003 | 907,638 |
| Long-term liabilities: | | |
| Long-term debt (exclusive of current portion) | 180,519 | 180,523 |
| Accrued liabilities for point programs | 173,136 | 155,457 |
| Liability for employees' retirement benefits | 160,107 | 162,447 |
| Other long-term liabilities | 171,546 | 165,125 |
| Total long-term liabilities | 685,308 | 663,552 |
| Total liabilities | 1,839,311 | 1,571,190 |
| Equity: | | |
| NTT DOCOMO, INC. shareholders' equity | | |
| Common stock | 949,680 | 949,680 |
| Additional paid-in capital | 732,592 | 732,592 |
| Retained earnings | 3,861,952 | 3,910,141 |
| Accumulated other comprehensive income (loss) | (104,529) | (84,471) |
| Treasury stock, at cost | (377,168) | (377,168) |
| Total NTT DOCOMO, INC. shareholders' equity | 5,062,527 | 5,130,774 |
| Noncontrolling interests | 46,244 | 45,754 |
| Total equity | 5,108,771 | 5,176,528 |
| Commitments and contingencies | | |
| Total liabilities and equity | ¥ 6,948,082 | ¥ 6,747,718 |

See accompanying notes to consolidated financial statements (unaudited).

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NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 2011 and 2012

Consolidated Statements of Income

| | Millions of yen | |
|---|--|-------------------------------------|
| | Three Months Ended June 30, 2011 | Three Months Ended June 30, 2012 |
| Operating revenues: | | |
| Wireless services | ¥ 934,104 | ¥ 923,437 |
| Equipment sales | 113,185 | 148,844 |
| Total operating revenues | 1,047,289 | 1,072,281 |
| Operating expenses: | | |
| Cost of services (exclusive of items shown separately below) | 218,452 | 231,597 |
| Cost of equipment sold (exclusive of items shown separately below) | 149,688 | 158,084 |
| Depreciation and amortization | 155,787 | 157,472 |
| Selling, general and administrative | 255,647 | 262,501 |
| Total operating expenses | 779,574 | 809,654 |
| Operating income | 267,715 | 262,627 |
| Other income (expense): | | |
| Interest expense | (906) | (460) |
| Interest income | 318 | 372 |
| Other, net | 3,128 | 2,275 |
| Total other income (expense) | 2,540 | 2,187 |
| Income before income taxes and equity in net income (losses) of affiliates | 270,255 | 264,814 |
| Income taxes: | | |
| Current | 92,120 | 78,740 |
| Deferred | 17,272 | 23,299 |
| Total income taxes | 109,392 | 102,039 |
| Income before equity in net income (losses) of affiliates | 160,863 | 162,775 |
| Equity in net income (losses) of affiliates, net of applicable taxes | (2,174) | (843) |
| Net income | 158,689 | 161,932 |
| Less: Net (income) loss attributable to noncontrolling interests | 59 | 2,366 |

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| | | | | |
|--|---|---------|---|----------------|
| Net income attributable to NTT DOCOMO, INC. | ¥ | 158,748 | ¥ | 164,298 |
|--|---|---------|---|----------------|

PER SHARE DATA

| | | | | |
|---|---|------------|---|-------------------|
| Weighted average common shares outstanding Basic and Diluted (shares) | | 41,467,601 | | 41,467,601 |
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. (yen) | ¥ | 3,828.24 | ¥ | 3,962.08 |

Consolidated Statements of Comprehensive Income

| | Millions of yen | |
|---|----------------------------------|----------------------------------|
| | Three Months Ended June 30, 2011 | Three Months Ended June 30, 2012 |
| Net income | ¥ 158,689 | ¥ 161,932 |
| Other comprehensive income (loss): | | |
| Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes | 250 | (1,725) |
| Change in fair value of derivative instruments, net of applicable taxes | (7) | 6 |
| Foreign currency translation adjustment, net of applicable taxes | 6,678 | 21,735 |
| Pension liability adjustment, net of applicable taxes | 147 | 107 |
| Total other comprehensive income (loss) | 7,068 | 20,123 |
| Comprehensive income | 165,757 | 182,055 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | 50 | 2,301 |
| Comprehensive income attributable to NTT DOCOMO, INC. | ¥ 165,807 | ¥ 184,356 |

See accompanying notes to consolidated financial statements (unaudited).

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NTT DOCOMO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 2011 and 2012

| | Millions of yen | |
|--|--|-------------------------------------|
| | Three Months Ended June 30, 2011 | Three Months Ended June 30, 2012 |
| Cash flows from operating activities: | | |
| Net income | ¥ 158,689 | ¥ 161,932 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 155,787 | 157,472 |
| Deferred taxes | 15,145 | 22,334 |
| Loss on sale or disposal of property, plant and equipment | 3,609 | 4,969 |
| Equity in net (income) losses of affiliates | 4,056 | 1,737 |
| Changes in assets and liabilities: | | |
| (Increase) / decrease in accounts receivable | 40,473 | 561,623 |
| (Increase) / decrease in receivables held for sale | | (502,024) |
| (Increase) / decrease in credit card receivables | (6,044) | (3,370) |
| Increase / (decrease) in allowance for doubtful accounts | 260 | 5,263 |
| (Increase) / decrease in inventories | 2,726 | 6,158 |
| (Increase) / decrease in prepaid expenses and other current assets | (6,795) | (13,890) |
| (Increase) / decrease in non-current installment receivables for handsets | 997 | 88,075 |
| (Increase) / decrease in non-current receivables held for sale | | (99,963) |
| Increase / (decrease) in accounts payable, trade | (36,816) | (130,217) |
| Increase / (decrease) in accrued income taxes | (71,614) | (72,731) |
| Increase / (decrease) in other current liabilities | 39,372 | 17,369 |
| Increase / (decrease) in accrued liabilities for point programs | (12,171) | (17,679) |
| Increase / (decrease) in liability for employees' retirement benefits | 2,185 | 2,332 |
| Increase / (decrease) in other long-term liabilities | (6,029) | (6,507) |
| Other, net | (11,623) | (9,208) |
| Net cash provided by operating activities | 272,207 | 173,675 |
| Cash flows from investing activities: | | |
| Purchases of property, plant and equipment | (111,634) | (141,109) |
| Purchases of intangible and other assets | (71,363) | (72,883) |
| Purchases of non-current investments | (8,229) | (1,337) |
| Proceeds from sale of non-current investments | 1,855 | 963 |
| Acquisitions of subsidiaries, net of cash acquired | | (339) |
| Purchases of short-term investments | (310,677) | (211,431) |
| Redemption of short-term investments | 140,952 | 281,312 |
| Proceeds from redemption of short-term bailment for consumption to a related party | | 90,000 |
| Other, net | (329) | (2,040) |
| Net cash used in investing activities | (359,425) | (56,864) |
| Cash flows from financing activities: | | |
| Repayment of long-term debt | (6,000) | (15,007) |
| Proceeds from short-term borrowings | 552 | 3,799 |
| Repayment of short-term borrowings | | (2,887) |

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| | | |
|---|------------------|------------------|
| Principal payments under capital lease obligations | (1,128) | (1,069) |
| Dividends paid | (106,078) | (113,793) |
| Other, net | (1,280) | 1,680 |
| Net cash provided by (used in) financing activities | (113,934) | (127,277) |
| Effect of exchange rate changes on cash and cash equivalents | 302 | 925 |
| Net increase (decrease) in cash and cash equivalents | (200,850) | (9,541) |
| Cash and cash equivalents at beginning of period | 765,551 | 522,078 |
| Cash and cash equivalents at end of period | ¥ 564,701 | ¥ 512,537 |
| Supplemental disclosures of cash flow information: | | |
| Cash received during the period for: | | |
| Income tax refunds | ¥ 131 | ¥ 111 |
| Cash paid during the period for: | | |
| Interest, net of amount capitalized | 1,270 | 860 |
| Income taxes | 163,537 | 151,197 |

See accompanying notes to consolidated financial statements (unaudited).

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NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of presentation:

(1) General

The accompanying quarterly consolidated financial statements of NTT DOCOMO, INC. and its subsidiaries (DOCOMO) were prepared in accordance with U.S. generally accepted accounting principles (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) Receivables held for sale

DOCOMO entered into a contract regarding the transfer of billing claims with NTT FINANCE CORPORATION (NTT FINANCE) in June 2012. Under the contract, monthly billing claims which will be billed to subscribers mainly for DOCOMO 's telecommunications services and by providing funds for subscribers ' handset purchases on or after July 1, 2012 will be transferred, at fair value, to NTT FINANCE.

Accounts receivable for DOCOMO 's telecommunications services and installment receivables for handsets, which had not been sold to NTT FINANCE and were held for sale as at the balance sheet date, are separately presented as 'Receivables held for sale' on the consolidated balance sheets.

2. 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, 2012, the shareholders approved cash dividends of ¥116,109 million or ¥2,800 per share, payable to shareholders recorded as of March 31, 2012, which were declared by the board of directors on April 27, 2012. The source of dividends was 'Retained earnings.' DOCOMO started paying the dividends on June 20, 2012.

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.

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NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)

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, 2011 | 43,650,000 | 2,182,399 |
| As of June 30, 2011 | 43,650,000 | 2,182,399 |
| As of March 31, 2012 | 43,650,000 | 2,182,399 |
| As of June 30, 2012 | 43,650,000 | 2,182,399 |

DOCOMO did not repurchase shares for the three months ended June 30, 2011 and 2012.

Per share data

Per share data is as follows:

| | Three months ended June 30, 2011 | Yen Three months ended June 30, 2012 |
|---|-------------------------------------|--|
| Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. | ¥ 3,828.24 | ¥ 3,962.08 |

| | March 31, 2012 | Yen June 30, 2012 |
|--|-------------------|----------------------|
| NTT DOCOMO, INC. shareholders equity per share | ¥ 122,083.91 | ¥ 123,729.70 |

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DOCOMO's chief operating decision maker (CODM) is its board of directors. The CODM evaluates the performance and makes resource allocations of its segments based on the information derived from DOCOMO's internal management reports. 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. There were no transactions between the operating segments.

DOCOMO has five operating segments, which consist of mobile phone business, credit services business, home shopping services business, internet connection services business for hotel facilities, and miscellaneous businesses. The mobile phone business includes mobile phone services (Xi services, FOMA services, and mova services), packet communications services, satellite mobile communications services, international services and the equipment sales related to these services. Credit services business primarily includes DCMX services. Home shopping services business includes home shopping services business provided primarily through TV media. Internet connection services business for hotel facilities includes high-speed internet connection services for hotel facilities, which are provided in many countries in the world, mainly Asia and Europe. The miscellaneous businesses primarily includes advertisement services, development, sales and maintenance of IT systems. DOCOMO terminated mova services on March 31, 2012.

Due to its quantitative significance, only the mobile phone business qualifies as a reportable segment and therefore is disclosed as such. The remaining four operating segments are each quantitatively insignificant and therefore combined and disclosed as all other businesses.

| | Millions of yen | | |
|-------------------------|--------------------------|-------------------------|--------------|
| Three months ended | Mobile phone business | All other businesses | Consolidated |
| June 30, 2011 | | | |
| Operating revenues | ¥ 1,015,811 | ¥ 31,478 | ¥ 1,047,289 |
| Operating expenses | 745,529 | 34,045 | 779,574 |
| Operating income (loss) | ¥ 270,282 | ¥ (2,567) | ¥ 267,715 |

| | Millions of yen | | |
|-------------------------|--------------------------|-------------------------|--------------|
| Three months ended | Mobile phone business | All other businesses | Consolidated |
| June 30, 2012 | | | |
| Operating revenues | ¥ 1,035,828 | ¥ 36,453 | ¥ 1,072,281 |
| Operating expenses | 765,023 | 44,631 | 809,654 |
| Operating income (loss) | ¥ 270,805 | ¥ (8,178) | ¥ 262,627 |

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

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NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)

4. Contingencies:

Litigation

DOCOMO is involved in litigation and claims arising in the ordinary course of business. Management believes that no litigation or claims outstanding, pending or threatened against DOCOMO would have a materially adverse effect on its results of operations, cash flows 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.

Table of Contents**NTT DOCOMO, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)****5. 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.

(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 March 31, 2012 and June 30, 2012 were as follows:

| | Millions of yen March 31, 2012 | | | |
|-------------------------------------|-----------------------------------|------------------|----------------|----------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Available-for-sale securities | | | | |
| Equity securities (domestic) | ¥ 51,808 | ¥ 51,808 | ¥ | ¥ |
| Equity securities (foreign) | 64,161 | 64,161 | | |
| Debt securities (foreign) | 30 | 30 | | |
| Total available-for-sale securities | 115,999 | 115,999 | | |
| Total | ¥ 115,999 | ¥ 115,999 | ¥ | ¥ |
| Liabilities: | | | | |
| Derivatives | | | | |
| Foreign exchange forward contracts | ¥ 1 | ¥ | ¥ 1 | ¥ |
| Foreign currency option contracts | 1,096 | | 1,096 | |
| Total derivatives | 1,097 | | 1,097 | |
| Total | ¥ 1,097 | ¥ | ¥ 1,097 | ¥ |

There were no transfers between Level 1 and Level 2.

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| | Millions of yen June 30, 2012 | | | |
|---|----------------------------------|---------------|-------------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Available-for-sale securities | | | | |
| Equity securities (domestic) | ¥ 51,388 | ¥ 51,388 | ¥ | ¥ |
| Equity securities (foreign) | 61,728 | 61,728 | | |
| Debt securities (foreign) | 32 | 32 | | |
| Total available-for-sale securities | 113,148 | 113,148 | | |
| Total | ¥ 113,148 | ¥ 113,148 | ¥ | ¥ |
| Liabilities: | | | | |
| Derivatives | | | | |
| Foreign currency option contracts | 1,061 | | 1,061 | |
| Total derivatives | 1,061 | | 1,061 | |
| Total | ¥ 1,061 | ¥ | ¥ 1,061 | ¥ |

There were no 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 foreign exchange forward contracts 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's assets and liabilities that were measured at fair value on a nonrecurring basis for the three months ended June 30, 2011 were immaterial.

DOCOMO's assets that were measured at fair value on a nonrecurring basis for the three months ended June 30, 2012 were as follows.

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| | Total | Millions of yen | | | gains (losses) |
|---------------------------|---------|----------------------------------|---------|---------|----------------|
| | | Three months ended June 30, 2012 | | | |
| Assets: | | Level 1 | Level 2 | Level 3 | |
| Receivables held for sale | 592,323 | | 592,323 | | (7,549) |

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NTT DOCOMO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)

Receivables held for sale are measured at the lower of cost or fair value in the consolidated balance sheets.

Receivables held for sale are classified as level 2. DOCOMO measures the fair value of the receivables held for sale by discounting, at LIBOR-based discount rates, future cash flows estimated while taking into account factors such as default probabilities and loss severity of similar trade receivables.

6. Subsequent event:

There were no significant subsequent events to be disclosed.