

NTT DOCOMO INC
Form 6-K
August 01, 2013
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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, 2013

Commission File Number: 001-31221

Total number of pages: 13

NTT DOCOMO, INC.

(Translation of registrant's name into English)

Sanno Park Tower 11-1, Nagata-cho 2-chome

Chiyoda-ku, Tokyo 100-6150

Japan

(Address of principal executive offices)

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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 1, 2013

By: /s/ MUTSUO YAMAMOTO
Mutsuo Yamamoto

Head of Investor Relations

Information furnished in this form:

1. Report filed on August 1, 2013 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, 2013 and JUNE 30, 2013

	March 31, 2013	Millions of yen June 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 493,674	¥ 393,304
Short-term investments	41,762	24,316
Accounts receivable	260,342	241,439
Receivables held for sale	638,149	662,070
Credit card receivables	194,607	201,787
Other receivables	289,849	285,245
Allowance for doubtful accounts	(16,843)	(14,691)
Inventories	180,736	183,423
Deferred tax assets	70,784	60,245
Prepaid expenses and other current assets	83,442	100,813
Total current assets	2,236,502	2,137,951
Property, plant and equipment:		
Wireless telecommunications equipment	5,151,686	5,059,657
Buildings and structures	882,165	884,041
Tools, furniture and fixtures	532,506	543,332
Land	200,382	200,672
Construction in progress	127,592	145,626
Accumulated depreciation and amortization	(4,334,047)	(4,282,191)
Total property, plant and equipment, net	2,560,284	2,551,137
Non-current investments and other assets:		
Investments in affiliates	474,502	489,282
Marketable securities and other investments	155,923	176,331
Intangible assets, net	691,651	677,488
Goodwill	217,640	231,875
Other assets	560,139	574,234
Deferred tax assets	273,084	256,355
Total non-current investments and other assets	2,372,939	2,405,565
Total assets	¥ 7,169,725	¥ 7,094,653
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	¥ 70,437	¥ 70,767
Short-term borrowings	12,307	4,628
Accounts payable, trade	705,724	647,264
Accrued payroll	55,961	41,199
Accrued interest	713	259

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Accrued income taxes	135,418	75,050
Other current liabilities	150,300	173,708
Total current liabilities	1,130,860	1,012,875
Long-term liabilities:		
Long-term debt (exclusive of current portion)	171,022	170,958
Accrued liabilities for point programs	140,855	121,590
Liability for employees' retirement benefits	171,221	173,772
Other long-term liabilities	145,202	145,659
Total long-term liabilities	628,300	611,979
Total liabilities	1,759,160	1,624,854
Equity:		
NTT DOCOMO, INC. shareholders' equity		
Common stock	949,680	949,680
Additional paid-in capital	732,609	732,506
Retained earnings	4,112,466	4,146,169
Accumulated other comprehensive income (loss)	(49,112)	(21,889)
Treasury stock	(377,168)	(377,168)
Total NTT DOCOMO, INC. shareholders' equity	5,368,475	5,429,298
Noncontrolling interests	42,090	40,501
Total equity	5,410,565	5,469,799
Commitments and contingencies		
Total liabilities and equity	¥ 7,169,725	¥ 7,094,653

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, 2012 and 2013

Consolidated Statements of Income

	Millions of yen	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Operating revenues:		
Mobile communications services	¥ 809,465	¥ 749,856
Equipment sales	148,844	212,481
Other operating revenues	113,972	151,236
Total operating revenues	1,072,281	1,113,573
Operating expenses:		
Cost of services (exclusive of items shown separately below)	231,597	251,041
Cost of equipment sold (exclusive of items shown separately below)	158,084	177,253
Depreciation and amortization	157,472	166,640
Selling, general and administrative	262,501	271,169
Total operating expenses	809,654	866,103
Operating income	262,627	247,470
Other income (expense):		
Interest expense	(460)	(479)
Interest income	372	428
Other, net	2,275	5,065
Total other income (expense)	2,187	5,014
Income before income taxes and equity in net income (losses) of affiliates	264,814	252,484
Income taxes:		
Current	78,740	79,078
Deferred	23,299	17,248
Total income taxes	102,039	96,326
Income before equity in net income (losses) of affiliates	162,775	156,158
Equity in net income (losses) of affiliates, net of applicable taxes	(843)	476
Net income	161,932	156,634

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Less: Net (income) loss attributable to noncontrolling interests 2,366 1,375

Net income attributable to NTT DOCOMO, INC. ¥ 164,298 ¥ 158,009

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) ¥ 3,962.08 ¥ 3,810.42

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Net income	¥ 161,932	¥ 156,634
Other comprehensive income (loss):		
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(1,725)	11,264
Unrealized gains (losses) on cash flow hedges, net of applicable taxes	6	(32)
Foreign currency translation adjustment, net of applicable taxes	21,735	15,902
Pension liability adjustment, net of applicable taxes	107	146
Total other comprehensive income (loss)	20,123	27,280
Comprehensive income	182,055	183,914
Less: Comprehensive (income) loss attributable to noncontrolling interests	2,301	1,318
Comprehensive income attributable to NTT DOCOMO, INC.	¥ 184,356	¥ 185,232

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, 2012 and 2013

	Millions of yen	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Cash flows from operating activities:		
Net income	¥ 161,932	¥ 156,634
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	157,472	166,640
Deferred taxes	22,334	16,881
Loss on sale or disposal of property, plant and equipment	4,969	6,276
Equity in net (income) losses of affiliates	1,737	(298)
Changes in assets and liabilities:		
(Increase) / decrease in accounts receivable	561,623	20,165
(Increase) / decrease in receivables held for sale	(502,024)	(23,921)
(Increase) / decrease in credit card receivables	(3,370)	(4,184)
(Increase) / decrease in other receivables	1,863	4,753
Increase / (decrease) in allowance for doubtful accounts	5,263	(2,293)
(Increase) / decrease in inventories	6,158	(2,396)
(Increase) / decrease in prepaid expenses and other current assets	(15,753)	(16,530)
(Increase) / decrease in non-current installment receivables for handsets	88,075	
(Increase) / decrease in non-current receivables held for sale	(99,963)	(5,323)
Increase / (decrease) in accounts payable, trade	(130,217)	(5,880)
Increase / (decrease) in accrued income taxes	(72,731)	(60,633)
Increase / (decrease) in other current liabilities	17,369	21,311
Increase / (decrease) in accrued liabilities for point programs	(17,679)	(19,265)
Increase / (decrease) in liability for employees' retirement benefits	2,332	2,433
Increase / (decrease) in other long-term liabilities	(6,507)	(544)
Other, net	(9,208)	(12,249)
Net cash provided by operating activities	173,675	241,577
Cash flows from investing activities:		
Purchases of property, plant and equipment	(141,109)	(140,377)
Purchases of intangible and other assets	(72,883)	(66,462)
Purchases of non-current investments	(1,337)	(6,072)
Proceeds from sale of non-current investments	963	9
Acquisitions of subsidiaries, net of cash acquired	(339)	(8,611)
Purchases of short-term investments	(211,431)	(13,754)
Redemption of short-term investments	281,312	31,182
Proceeds from redemption of short-term bailment for consumption to a related party	90,000	
Other, net	(2,040)	(3,309)
Net cash used in investing activities	(56,864)	(207,394)
Cash flows from financing activities:		
Repayment of long-term debt	(15,007)	(4,390)
Proceeds from short-term borrowings	3,799	4,934

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Repayment of short-term borrowings	(2,887)		(12,984)
Principal payments under capital lease obligations	(1,069)		(560)
Dividends paid	(113,793)		(121,665)
Other, net	1,680		(1,032)
Net cash provided by (used in) financing activities	(127,277)		(135,697)
Effect of exchange rate changes on cash and cash equivalents	925		1,144
Net increase (decrease) in cash and cash equivalents	(9,541)		(100,370)
Cash and cash equivalents at beginning of period	522,078		493,674
Cash and cash equivalents at end of period	¥ 512,537	¥	393,304
Supplemental disclosures of cash flow information:			
Cash received during the period for:			
Income tax refunds	¥ 111	¥	10
Cash paid during the period for:			
Interest, net of amount capitalized	860		933
Income taxes	151,197		136,692

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:

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. Summary of significant accounting and reporting:

(1) Adoption of new accounting standards

Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income

Effective April 1, 2013, DOCOMO adopted Accounting Standards Update (ASU) 2013-02 Comprehensive Income (Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income issued by the Financial Accounting Standards Board in February 2013. ASU2013-02 requires an entity to present separately for each component of other comprehensive income, current period reclassifications out of accumulated other comprehensive income and other amounts of current-period other comprehensive income and disclose the effect of reclassifications out of accumulated other comprehensive income on net income respective line items only for those items that are reported in their entirety in net income. For other items that are not reclassified in their entirety into net income, an entity is required to cross-reference to the note that provides additional information about the effect of the reclassification.

The adoption of ASU2013-02 does not have any impact on our results of operations and financial position. See Note 3 for related disclosure.

(2) Retrospective application of equity method for an investee

As a result of an application of equity method for DOCOMO 's investment in Philippine Long Distance Telephone Company from the beginning of the three months ended June 30, 2013, the equity method of accounting was applied retrospectively, in accordance with Accounting Standards Codification 323 Investments-Equity Method and Joint Ventures issued by the Financial Accounting Standards Board. Consequently, the reported consolidated financial statements for the fiscal year ended March 31, 2013 have been revised in DOCOMO 's consolidated financial statements for this retrospective application.

The impacts on Investments in affiliates, Marketable securities and other investments, Deferred tax assets, Non-current investments and other assets, Retained earnings, Accumulated other comprehensive income (loss) and NTT DOCOMO, INC. shareholders' equity in the consolidated balance sheet as of March 31, 2013 were ¥122,477 million, ¥(215,646) million, ¥34,069 million, ¥(59,100) million, ¥(4,607) million, ¥(54,493) million and ¥(59,100) million, respectively.

The impacts on Other income (expense), Income before income taxes and equity in net income (losses) of affiliates, Income taxes, Equity in net income (losses) of affiliates, net of applicable taxes, Net income and Net income attributable to NTT DOCOMO, INC. on the consolidated income statement for the year ended March 31, 2013 were ¥(8,316) million, ¥(8,316) million, ¥(2,977) million, ¥732 million, ¥(4,607) million and ¥(4,607) million, respectively.

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

Basic and Diluted earnings per share attributable to NTT DOCOMO, INC. for the year ended March 31, 2013 was ¥(111.09).

(3) Reclassifications

Certain reclassifications have been made to the prior periods consolidated financial statements to conform to the presentation used for the three month ended June 30, 2013.

3. Equity:

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 18, 2013, the shareholders approved cash dividends of ¥124,403 million or ¥3,000 per share, payable to shareholders recorded as of March 31, 2013, which were declared by the board of directors on April 26, 2013. The source of dividends was Retained earnings. DOCOMO started paying the dividends on June 19, 2013.

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

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

Issued Shares and Treasury Stock

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

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

	Number of issued shares	Number of treasury stock
As of March 31, 2012	43,650,000	2,182,399
As of June 30, 2012	43,650,000	2,182,399
As of March 31, 2013	43,650,000	2,182,399
As of June 30, 2013	43,650,000	2,182,399

DOCOMO did not repurchase shares for the three months ended June 30, 2012 and 2013.

Table of Contents**NTT DOCOMO, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)****Stock Split and Adoption of Unit Share System**

On April 26, 2013, the board of directors approved a stock split and the adoption of a unit share system. Based on the intent of the Action Plan for Consolidating Trading Units announced by stock exchanges of Japan in November 2007, DOCOMO will conduct a 1:100 stock split and adopt a unit share system which sets 100 shares as a share trading unit. There will be no effective change to the investment units due to the stock split and adoption of the unit share system.

Public notice date of record date, record date and effective date are expected to be September 13, 2013, September 30, 2013 and October 1, 2013, respectively.

The number of increase in shares due to the stock split is as follows:

	Shares
Total number of issued shares before the stock split (as of June 30, 2013)	43,650,000
Number of increase in shares due to the stock split (as of October 1, 2013)	4,321,350,000
Total number of issued shares after the stock split	4,365,000,000
Total number of authorized shares after the stock split	17,460,000,000

Per share information based on the assumption that this split had been implemented at the beginning of the three months period ended June 30, 2012 is presented as follows for the three months ended June 30, 2012 and 2013.

	Yen	
	For the three months ended June 30, 2012	For the three months ended June 30, 2013
Basic and Diluted earnings per share attributable to NTT DOCOMO, INC.	¥ 39.62	¥ 38.10

DOCOMO has not reflected the effect of this split retrospectively in the accompanying consolidated financial statements and notes to the consolidated financial statements for the three months ended June 30, 2012 and 2013.

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Changes in accumulated other comprehensive income (loss), net of applicable taxes, for the three months ended June 30, 2013 are as follows:

	Millions of yen					Total
	Three months ended June 30, 2013					
	Unrealized holding gains (losses) on available-for-sale securities	Unrealized gains (losses) on cash flow hedges(*1)	Foreign currency translation adjustment	Pension liability adjustment(*2)		
As of March 31, 2013	¥ 36,372	¥ (80)	¥ (49,907)	¥ (35,497)		¥ (49,112)
Other comprehensive income (loss) before reclassifications	11,264	(46)	15,902			27,120
Amounts reclassified from accumulated other comprehensive income (loss)		14		146		160
Other comprehensive income (loss)	11,264	(32)	15,902	146		27,280
Less: other comprehensive (income) loss attributable to noncontrolling interests	0	13	(70)			(57)
As of June 30, 2013	¥ 47,636	¥ (99)	¥ (34,075)	¥ (35,351)		¥ (21,889)

(*1) Amounts reclassified from unrealized gains (losses) on cash flow hedges are included in Equity in net income (losses) of affiliates, net of applicable taxes in the consolidated statements of income.

(*2) Amounts reclassified from pension liability adjustment are included in the computation of net periodic pension cost.

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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 and FOMA 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 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.

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.

Three months ended	Millions of yen		
	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

Three months ended	Millions of yen		
	Mobile phone business	All other businesses	Consolidated
June 30, 2013			
Operating revenues	¥ 1,057,137	¥ 56,436	¥ 1,113,573
Operating expenses	806,397	59,706	866,103
Operating income (loss)	¥ 250,740	¥ (3,270)	¥ 247,470

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)

5. 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.

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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 in certain circumstances.

(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, 2013 and June 30, 2013 were as follows:

	Millions of yen March 31, 2013			
	Total	Level 1	Level 2	Level 3
Assets:				
Available-for-sale securities				
Equity securities (domestic)	¥ 62,076	¥ 62,076	¥	¥
Equity securities (foreign)	78,789	78,789		
Debt securities (foreign)	29	29		
Total available-for-sale securities	140,894	140,894		
Derivatives				
Foreign exchange forward contracts	¥ 7	¥	¥ 7	¥
Total derivatives	7		7	
Total	¥ 140,901	¥ 140,894	¥ 7	¥
Liabilities:				
Derivatives				
Foreign currency option contracts	¥ 369	¥	¥ 369	¥
Total derivatives	369		369	
Total	¥ 369	¥	¥ 369	¥

There were no transfers between Level 1 and Level 2.

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	Millions of yen June 30, 2013			
	Total	Level 1	Level 2	Level 3
Assets:				
Available-for-sale securities				
Equity securities (domestic)	¥ 74,402	¥ 74,402	¥	¥
Equity securities (foreign)	86,836	86,836		
Debt securities (foreign)	36	36		
Total available-for-sale securities	161,274	161,274		
Derivatives				
Foreign exchange forward contracts	¥ 3	¥	¥ 3	¥
Total derivatives	3		3	
Total	¥ 161,277	¥ 161,274	¥ 3	¥
Liabilities:				
Derivatives				
Foreign currency option contracts	¥ 409	¥	¥ 409	¥
Total derivatives	409		409	
Total	¥ 409	¥	¥ 409	¥

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.

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

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

DOCOMO's assets that were measured at fair value on a nonrecurring basis for the three months ended June 30, 2012 and 2013 were as follows:

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

	Millions of yen Three months ended June 30, 2013				gains (losses) (before taxes)
	Total	Level 1	Level 2	Level 3	
Assets:					
Receivables held for sale	¥ 405,257	¥	¥ 405,257	¥	¥ (6,626)

Receivables held for sale

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, estimated future cash flows while taking into account factors such as default probabilities and loss severity of similar trade receivables.

7. Subsequent event:

There were no significant subsequent events to be disclosed.