

BUSINESS BASE OF DoCoMo AND OUTLINE OF CSR

“One step ahead.” In order to support our mobile phone business, in which we change yesterday’s “cutting edge” into today’s “common sense,” DoCoMo is moving to further strengthen its business foundation.

A financial strategy that is a foundation for strengthening facilities to achieve a pleasant user environment; a governance system which supports both sound management and prompt management decision making that can respond quickly to the ever-changing business environment; compliance and CSR efforts which enable the company to exist sustainably by obtaining trust and understanding from society – in this section we report on the details of the programs which support DoCoMo’s business.

Financial and Capital Strategy		CSR		Corporate Governance	
P36	P37	P38	P39	P40	P42
	Intellectual Property		Internal Control		Board of Directors & Corporate Auditors

1. Investment in the Core Business (Mobile Phone Business)

Capital expenditure increased by 5.3% over the previous fiscal year to ¥934.4 billion in fiscal 2006 as a result of active investment in preparation for the implementation of Mobile Number Portability (MNP). In particular, the investment was related to the FOMA network and included (1) expanding coverage areas, (2) accelerating communications speeds, (3) improving network quality based on customers' requests, and (4) responding to increased volumes of data communications that accompany the spread of flat-rate services.

Due to our determination that the investment which was focused on expanding coverage areas has almost achieved its goals, we plan to shift our business focus to area tuning and responding to increased data volume. Therefore, we expect the fiscal 2006 capital expenditure amount related to networks to fall and the capital expenditure amount to decrease by 19.7% to ¥750.0 billion in fiscal 2007.

2. Investment for generating new sources of revenue

In fiscal 2006 we continued to actively invest to generate new sources of revenue. In order to strengthen our competitiveness in the video content market for mobile phones, we entered into business cooperation with Kadokawa Group Holdings, Inc. and Nippon Television Network Corporation. In addition, we made an additional investment in Philippine Long Distance Telephone Company (PLDT) to develop i-mode services and services using Wideband Code Division Multiple Access (W-CDMA) technologies.

DoCoMo intends to establish new sources of revenues through the investment in growth businesses in fiscal 2007 and beyond to maximize the value of the corporation.

3. Returns to Shareholders

In fiscal 2006 we maintained the annual dividend from

the previous fiscal year at ¥4,000 per share, and in fiscal 2007 we plan to increase the dividend by 20% to ¥4,800 per share. In the future we intend to continue to pay a stable dividend, taking into account consolidated results and the consolidated dividend payout ratio, and at the same time, strengthening our work on financial position and maintaining adequate internal reserves.

We intend to consider a flexible plan for share repurchases in order to return profits to our shareholders. In fiscal 2006 we repurchased ¥157.2 billion worth of shares* (approximately 880,000 shares) based on a resolution of the Ordinary General Meeting of Shareholders. In addition, we repurchased ¥73.0 billion worth of shares* (approximately 350,000 shares) from April 1, 2007 to the end of June 2007. Furthermore, the Ordinary General Meeting of Shareholders, which was held in June 2007, approved our repurchase of up to ¥200.0 billion worth of shares (approximately 1.0 million shares) within a period of one year, beginning the date following the close of the Ordinary General Meeting of Shareholders. In principle, we intend to limit the amount of our treasury stock to approximately 5% of the total stock issued and cancel treasury stock held in excess of this limit. Based on this principle, we cancelled 930,000 shares on March 30, 2007.

We recognize that providing returns to our shareholders is one of management's highest priorities. We intend to continue to flexibly repurchase our shares and to pay dividends based on the principle of stable dividend payments.

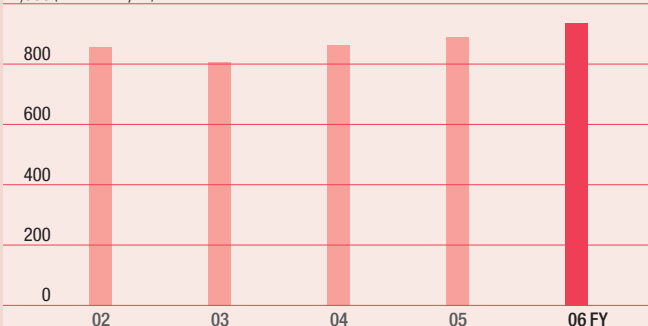
* Aggregate number of shares repurchased from April 1, 2006 to March 31, 2007.

4. Strengthening the Financial Position

We are reducing total debt to secure flexibility for future financing, while considering the balance between the reduction of total debt and the reduction in shareholders' equity due to share repurchases. We have reduced consolidated interest-bearing debt by ¥189.4 billion, from ¥792.4 billion at the end of March 2006 to ¥603.0 billion at the end of March 2007.

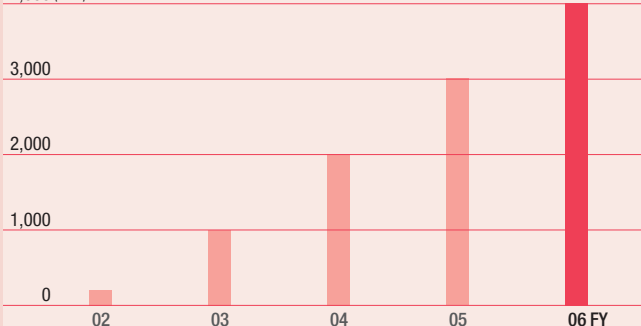
Capital Expenditures

1,000 (Billions of yen)



Dividends per share*

4,000 (Yen)



* Dividends in the year of actual payment

1. DoCoMo's Intellectual Property Activities and Policies

Our basic policy for intellectual property activities is to build, manage and utilize strategic and effective intellectual property portfolios, and to avoid infringement on the intellectual property rights of other companies. We aim to enhance the comprehensive strength of our intellectual property through cooperation with the R&D departments and business departments by effectively managing the overall process of applying, obtaining, managing and utilizing patents and trademarks, as well as by implementing measures to avoid infringing on other companies' rights.

2. Strengthening Intellectual Property Status of Patents

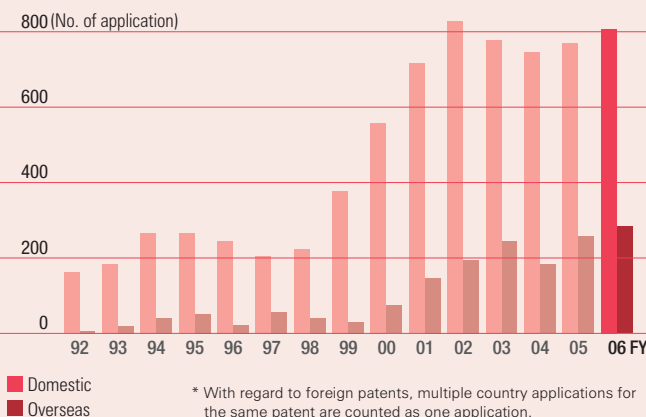
In fiscal 2006, DoCoMo submitted approximately 800 patent applications in Japan and approximately 280 patent applications overseas. The patent applications submitted in Japan centered on technologies where we are promoting research and development like Super 3G and 4G system, and new services. We have consistently submitted over 700 applications each year since fiscal 2002. Meanwhile, reflecting the strengthening of our international competitiveness and globalizing technology, we maintained the same level of patent applications overseas as in fiscal 2005.

The number of patent registrations also rose steadily, with approximately 370 registrations in Japan in fiscal 2006, and approximately 830 patent registrations overseas. The number of registrations has risen particularly overseas, and according to the Intellectual Property Owners Association (IPO) in the U.S. we ranked 138th out of the top 300 companies in terms of patents registered in fiscal 2006, a big improvement from 223rd in fiscal 2005.

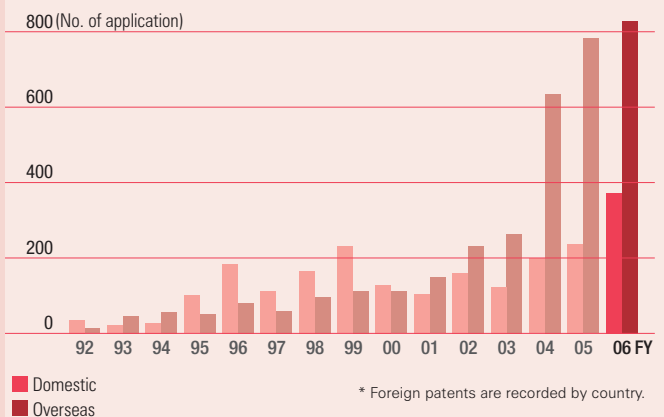
3. Strengthening Risk Management

To prevent the occurrence of violation of other companies' intellectual property rights, DoCoMo conducts patent and trademark research in coordination with our R&D and business departments before introducing services. Whenever we receive a warning, the Intellectual Property Department acts as a consultation window for the entire Company, and responds in close cooperation with related departments (technical departments, business departments and legal departments) and with lawyers and patent attorneys to respond quickly and accurately. In addition, we are also strengthening measures to prevent intellectual property, such as technical know-how acquired in joint R&D with other companies, from leaking. We are also avoiding the risk of violation of copyrights and trademarks through educational activities and training within the Company.

Trends in the Number of Patent Applications (Consolidated Basis)



Trends in the Number of Patents Filed (Consolidated Basis)



NTT DoCoMo is making progress in corporate social responsibility (CSR) activities. We make every effort to ensure that people can use mobile phones safely and with peace of mind. We also engage in activities to reduce harmful effects on the environment that are associated with our business activities. Efforts are also being made in building lasting relationships of trust with all stakeholders and making contributions to society in a variety of ways.

Tackling Mobile Phone-Related Social Issues

- We are improving security-related services and features (including “Data Security Service”, “Omakase-Lock”, and “Keitai Osagashi” Service).
- We provide a filtering service, the Harmful Access Blocking Service, to block access to harmful websites.
- We sell “Kids’ PHONE” handsets that have crime prevention alarms built in.
- We held approximately 1,400 sessions of “DoCoMo Keitai Safety School” which included children’s guardians so that children can learn to use mobile phones safely.

Actions for Disaster Damage Prevention

- We are expanding the functions of the “i-mode Disaster Message Board Service”, and have started an e-mail service to forward requests from safety personnel to victims to request registration (April 2007).
- We started the operation of a separate control system for voice calls and packet communications on our FOMA network (August 2006).
- We have introduced an “Emergency Information Location Notification” function, which informs emergency organizations of the location of the caller when an emergency call is made from a mobile phone.

Business Continuity Plan (BCP)

- We are implementing countermeasures and systems, as a mobile phone operator, to ensure that our communications network functions during disasters in accordance with the Disaster Measures Basic Law and related laws. In addition, every organization of the DoCoMo Group will

strive to ensure the sustainability of key operations.

Universal Design

- We are promoting a universal design and service for our mobile phone business in handsets, customer service, and services through the “Hearty Style” effort (“Raku Raku Phone”, Bone Conduction Transceiver Microphone, etc.).

Global Environmental Conservation Initiatives

- We are working actively to collect used mobile phone handsets while taking into consideration the protection of personal information.
- We are using supplementary cooling devices and highly efficient circulating devices along with co-generation systems (CGS) to facilitate energy savings at our communication facilities.

Activities to Gain Trust and Understanding from All Stakeholders

- Customers: We are strengthening the provision of customer service.
- Shareholders and investors: We provide appropriate and timely disclosure of corporate information along with IR activities.
- Employees: We are establishing a diversity management, personnel and training system.
- Business partners: We conduct periodic meetings to exchange information in addition to training and other programs.

Social Contribution Activities

- We conduct mobile phone seminars for the elderly and disabled.
- We initiated the DoCoMo Woods (Reforestation Campaign) project.
- We established the Mobile Communication Fund (MCF), an NPO, in July 2002. This fund provides support for education in the field of mobile communications; grants for overseas students from all Asian nations and regions to study in Japan; social welfare; and aid to citizens’ groups.

* The activities described above are a small part of DoCoMo’s CSR activities. Please refer to the CSR Report 2007 and our website (www.nttdocomo.com/about/csr/index.html) for more information on our CSR philosophy and activities.

Three principles for Disaster Damage Prevention

• Enhancement of System Reliability:

To ensure that our mobile communications systems function properly in the event of disaster, we have reinforced our facilities and equipment by applying earthquake resistant reinforcement. We have also made efforts to enhance the reliability of our networks by providing backups to our facilities and circuits through the use of multiple/dual routes or loop structure in our relay transmission lines, using redundant configurations in our communication facilities or installing them in dispersed locations.

• Securing Important Communications:

We have established a priority telephone system allowing institutions engaged in disaster damage prevention activities to use our circuits with higher priority in the event of disaster, while maintaining efficient network control.

• Early Recovery of Communication Services

With the goal of recovering mobile communications services at the earliest possible time following a disaster, we have employed various measures, including the preparation of hardware such as the mobile base station equipment, mobile power supply vehicles and the restoration materials, as well as the preparation of software such as the creation of operation manuals for disaster situations, organizing “Disaster Management Headquarters” and conducting drills for disaster damage prevention.

Inclusion in SRI indices

NTT DoCoMo’s CSR activities have been evaluated highly. We have been selected by the Morningstar Socially Responsible Investment Index and the FTSE4Good global index and our shares are included in numerous SRI (socially responsible investment) funds (as of August 2007).



1. Basic Frameworks for Internal Control and Fiscal 2006 Activities

We employ the COSO* Framework for the design, operation and evaluation of our internal control system, and in fiscal 2006 we implemented our response to the US Sarbanes-Oxley Act for corporate reform (hereinafter, the “SOX Act”) and the Japanese Corporate Law based on that framework. We continue in our efforts to enhance our internal control system.

* COSO: Committee of Sponsoring Organizations of the Treadway Commission

(1) Risk Management

We strive to strengthen risk management with the basic policy of identifying and responding to business risk as early as possible. In fiscal 2006, we created guidelines to organize issues pertaining to risk systemization and examination in order to identify potential causes of business risks in all units within the company.

(2) Legal Compliance

Each of our employees is instructed to follow the “NTT DoCoMo Group Code of Ethics.” Ensuring that activities are based on high ethical standards is the foundation of our compliance management. In addition, in order to increase its effectiveness, we set up a compliance promotion system centering on Compliance Promotion Committees, chaired by the presidents of each of the Group companies, and are building an information consultation system and an internal control sys-

tem pertaining to compliance with ethics and laws.

In fiscal 2006, we conducted training at management and employee levels separately, and analyzed compliance risk in our business activities.

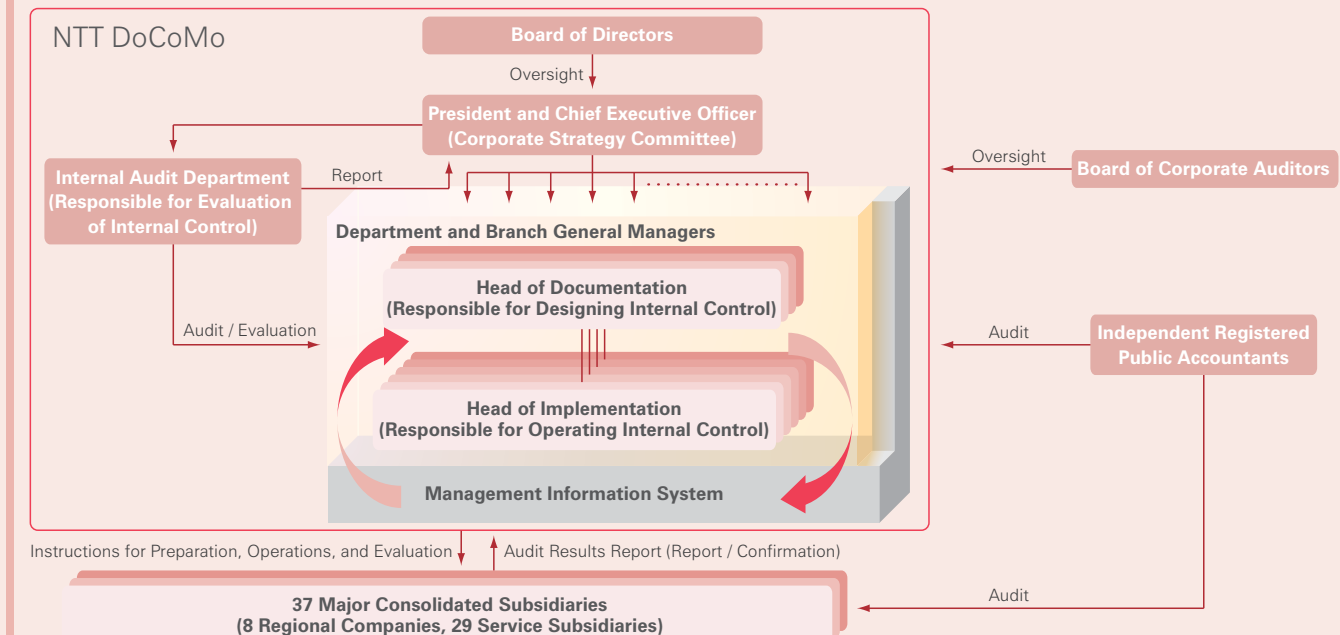
(3) Ensuring Reliability of Financial Reporting (Responding to the SOX Act)

We have made advance preparations company-wide, such as SOX Act project teams established in fiscal 2004, to respond to Section 404 of the SOX Act. In fiscal 2006, when the requirements under section 404 of the SOX Act requiring that management evaluate the effectiveness of a company’s internal control over financial reporting became applicable to our Company, our management conducted such evaluations of our Company and 37 of our major consolidated subsidiaries, and concluded that their internal control over financial reporting was effective as of March 31, 2007.

2. Protection of Personal Information

We strive for the complete protection of personal information in all of our business processes under the supervision of the Chief Privacy Officer (CPO), from management departments (including the preparation and improvement of regulations and the strengthening of technical security checks by management) to branches (including the control of terminals that handle personal information and the education of employees), to the management and supervision of companies handling work under outsourcing arrangements.

SOX, Section 404 Organization Chart



1. Overview of Management Structure

Basic Policy

Recognizing the importance of having an effective corporate governance structure to consistently enhance its corporate value, DoCoMo has been working to establish a governance system that allows us to make decisions without delay and to reinforce our audit and internal controls. Such structure also allows us to improve our communications with shareholders to achieve the goal of ensuring promptness, transparency and soundness in our business management.

Governance System

For the governance of our business operations, we have adopted a Board of Directors/Corporate Auditors system. Based on the belief that (i) directors should be involved in the decision-making process pertaining to important matters of the Company in order to facilitate business management based on our customers' perspective, and (ii) to ensure sound and efficient business execution, the Company believes it is desirable to establish a structure in which Board members assigned the responsibility for business execution can supervise each other, and business management by the Board of Directors can be audited by Corporate Auditors.

The corporate officer system that we have introduced allows even more agile business execution. More than half of the Board members are assigned the responsibility of serving concurrently as corporate officers, while at the same time we are strengthening the mutual supervision of Board members in business execution. One member of the Board of Directors is an outside director (an employee of our parent company, NTT).

Audit Structure

The Board of Corporate Auditors consists of five members, including three external auditors. The Board of Corporate Auditors typically has a meeting once a month to make decisions on audit policies, plans, methods and other important issues relating to the audit of the Company, as well as to report on the status of audits carried out. In addition, the Board of Corporate Auditors works to ensure the effectiveness of our audit system through close collaboration with the Internal Audit Department, an independent unit established to perform internal audits of the Company, our independent registered public accountants, and auditors of our subsidiaries.

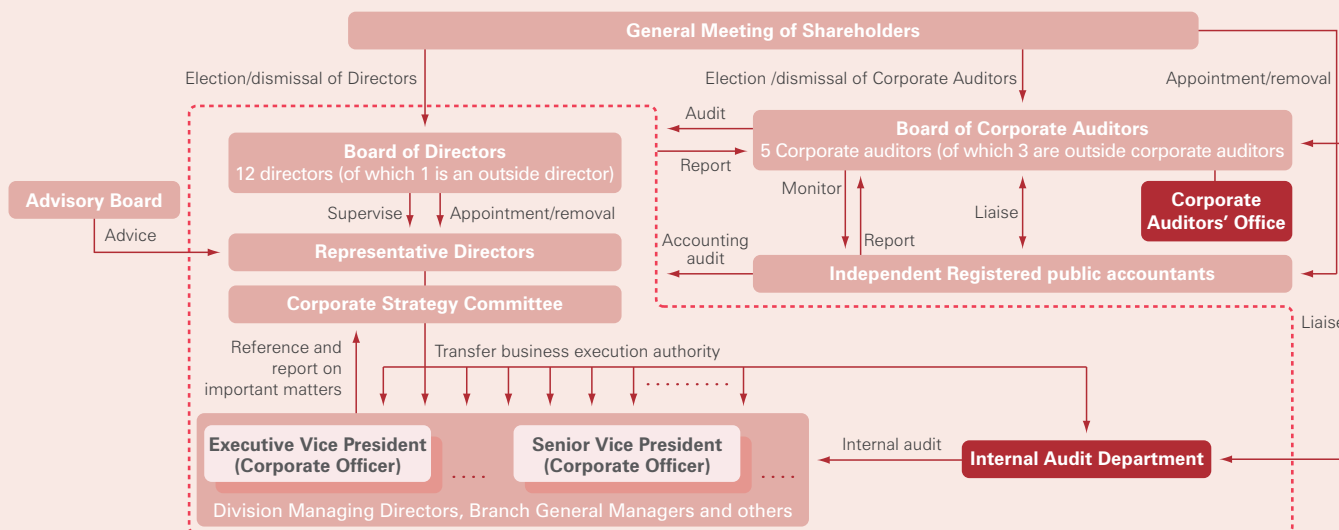
Advisory Board

To receive objective input pertaining to managerial challenges facing us from experts representing various fields, we set up Advisory Boards in Japan and the United States. The members of the two Advisory Boards are comprised of experts from various fields, and the advice and proposals obtained from them are reflected in our management.

2. Investor Relations (IR) Activities

Close communications with shareholders and investors is yet another area that we are strengthening in order to improve our corporate governance. Our efforts to achieve transparency in management include timely and appropriate disclosure of management information, which is enabled by developing disclosure controls and procedures. We are also working proactively to create opportunities for direct communications between our top management and investors through opportunities such as road shows for

DoCoMo's Business Execution and Management Supervision Mechanism



institutional investors in Japan and overseas and seminars targeted at individual investors. The opinions of shareholders and investors are duly considered in the management of the Company and are also widely shared internally to improve our services and operating results.

We are also putting efforts into disseminating IR information through the Internet. Aside from the provision of a variety of materials regarding our business operations and

financial results, we are paying close attention to fair disclosure by offering live coverage of analyst meetings via our IR website as well as via our IR website for mobile phones, taking advantage of our strength as a mobile phone operator.

As a result of these efforts, we received the Disclosure Award for 2006, awarded by the Tokyo Stock Exchange.

Interview with Advisory Board (Fifth Council) member Yoshiharu Fukuhara

DoCoMo has established an Advisory Board comprised of experts from various fields in order to obtain advice and proposals on a continuing basis. Such input from experts greatly helps us work towards the benefit of our customers, shareholders and more broadly, society as a whole. The following is a record of an interview with the former Chairman of Shiseido Corporation, Yoshiharu Fukuhara, who has served as an Advisory Board member for three consecutive terms over six years.



Q1. Please tell us about the significance and activities of the Advisory Board.

The role of the Advisory Board is to provide advice from a third-party perspective and help management develop a broader view.

There is always a risk in corporations that the scope of management's view becomes narrower as they pursue business goals enthusiastically, derailing the business in the process. On the other hand, if there is a structure in place through which management regularly listens to advice from the outside, such as this Advisory Board, major managerial errors can be prevented to a great extent. That is the purpose of the Board I think.

The Advisory Board's member composition is a reflection of society and various matters are discussed comprehensively.

The Board's composition is very well balanced. It is composed of people from a variety of fields, making it like a miniature model of society. As a result, the discussions do not overlook important issues.

We have very active discussions. The launch of a disaster message board service and establishment of the Mobile Society Research Institute are just a few examples of our opinions being reflected in DoCoMo's managerial decision-making.

Q2. What do you think of the current DoCoMo management?

The most important thing is to conduct business from the customer's perspective in order to respond to the trust they have placed in us.

We discuss DoCoMo's managerial issues quite frequently with a view to serving a variety of stakeholders. However, I believe it is most important to take a good look at customers and that is what I always recommend.

There is no denying that DoCoMo's product development efforts until now have tended to place more emphasis on technology than customer's needs, and if competitors are winning support from customers, we must certainly learn the reason for such winning of support.

Look towards the next step and actively disseminate information

It goes without saying that the competitions that we are facing right now are important. At the same time, we must advance efforts that look into the next step to be taken, including research and development (R&D) and new business development, if we are to respond to the trust placed in us by our customers, who have subscribed to our services based on that trust, and the trust of society as a whole. We should also disseminate information more actively, letting people know of these activities. The fact that DoCoMo is steadily working towards the future gives its employees courage, and is linked above all else to the trust placed in us by our customers. Ultimately, it is these efforts that will have the effect of attracting shareholders as well.



From left

Masayuki Hirata

Senior Executive Vice President

Masao Nakamura

President and Chief Executive Officer

Ryuji Yamada

Senior Executive Vice President

President and Chief Executive Officer **Masao Nakamura**⁽¹⁾

Senior Executive Vice Presidents **Masayuki Hirata**⁽¹⁾ (Chief Financial Officer)
Ryuji Yamada⁽¹⁾

Executive Vice Presidents **Takanori Utano*** (Chief Technical Officer)
Kiyoyuki Tsujimura*
Harunari Futatsugi*
Bunya Kumagai*
Masatoshi Suzuki*

Senior Vice Presidents **Noriaki Ito***
Kazuto Tsubouchi*
Takashi Tanaka*

Member of the Board **Toshiki Nakayama**

Full-time Corporate Auditors **Shinichi Nakatani**
Shoichi Matsuhashi
Haruo Imai⁽²⁾
Kyouichi Yoshizawa⁽²⁾

Corporate Auditor **Takaaki Wakasugi**⁽²⁾

(As of June 28, 2007)

(1) Representative Director.

(2) Outside corporate auditor pursuant to Article 2,
Paragraph 16 of the Japanese Corporation Law.

*Concurrently serve as a Corporate Officer.