

Press Conference Announcing the Results
for the Fiscal Year Ended March 31, 2007
(Minutes)

Date: April 27, 2007 (Friday), 15: 00-16:00

[Comments by Mr. Nakamura, President & CEO]

For the fiscal year ended March 31, 2007, the Company achieved an increase in revenues but a decrease in income compared to the prior fiscal year: operating revenues and operating income were 4,788.1 billion yen (up 0.5% year-on-year) and 773.5 billion yen (down 7.1% year-on-year), respectively. Adjusted free cash flows* as of March 31, 2007, decreased significantly from the level as of March 31, 2006, to 192.2 billion yen. The principal factors behind this decline include the lower-than-usual corporate tax payments in the previous fiscal year ended March 31, 2006, owing to the losses incurred from the sale of AT&T Wireless shares, and the increase in capital expenditures during the fiscal year ended March 31, 2007.

* For the reconciliation of adjusted free cash flows to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, please see page 52 of our Earnings Release for the Fiscal Year Ended March 31, 2007, which is posted on our website at http://www.nttdocomo.co.jp/english/corporate/ir/binary/pdf/library/earnings/fy2006_4q_e.pdf

Operating revenues for FY2006 grew 22.2 billion yen compared to the prior fiscal year, while operating income decreased 59.1 billion yen year-on-year. Operating expenses increased 81.3 billion yen compared to the previous fiscal year, due primarily to a 73.5 billion-yen year-on-year growth in revenue-linked expenses, resulting from larger-than-expected handset sales. The number of handsets sold during the fiscal year ended March 31, 2007, grew to 26 million units, up 1 million from the previous fiscal year and approximately 1.1 million higher than our initial projections, because demand was stimulated by the launch of Mobile Number Portability (MNP) in October 2006, which resulted in brisk handset sales in the fourth quarter, particularly in the month of March 2007.

As for the forecasts for the current fiscal year ending March 31, 2008, operating income is estimated at 780 billion yen, almost unchanged from the fiscal year ended March 31, 2007. Operating revenues, on the other hand, are expected to decrease 60 billion yen year-on-year to 4,728 billion yen due mainly to a reduction in cellular services revenues, because the downtrend in ARPU is likely to continue at a moderate pace and subscriber growth is expected to slow. Among the items comprising operating expenses, revenue-linked expenses are projected to decrease significantly, as the number of handsets sold in FY2007 will return to a level comparable to Fiscal 2005, after rising to 26 million units in Fiscal 2006. Capital expenditures are forecast to decrease 184 billion yen year-on-year to 750 billion yen as FOMA-related investments have already peaked. Consequently, adjusted free cash flows as of March 31, 2008, are expected to grow to 560 billion yen.

To explain our operational performance, our market share of net additions declined in November 2006, immediately after the launch of MNP, but has shown a recovery following the release of new products such as the 903i/703i series phones and one-segment TV-enabled handsets.

Our cellular churn rates for the third and fourth quarters of FY2006 were 0.93% and 0.97%, respectively, which were more or less in line with our forecast of 1% for the average for the second half of FY2006. The full-year churn rate for FY2006 was 0.78%, almost unchanged from 0.77% for FY2005.

Meanwhile, we made steadfast progress in migrating subscribers to the FOMA network. The total number of FOMA subscribers topped 35 million as of March 31, 2007, and FOMA subscribers are projected to account for over 80% of the total by the end of March 2008.

The full-year MOU for FY2006 was 144 minutes, down 5 minutes year-on-year. We would like to continue to monitor future MOU trends.

The aggregate ARPU for the fourth quarter of FY2006 was 6,530 yen. While the downtrend in voice ARPU continues, packet ARPU has been posting constant year-on-year gains. The full-year ARPU for FY2006 excluding the impact of incurring in revenues the unused "*Nikagetsu Kurikoshi*" (two-month carry-over) allowances declined 3.8% from the previous fiscal year. However, the pace of decline is expected to slow gradually in the future, and we are projecting a 2.6% year-on-year decline in the aggregate ARPU for FY2007.

From here, I will explain the principal actions planned for the future. One of our goals is to transform our cellular services from a telecommunications infrastructure into a lifestyle infrastructure that is used closely in people's daily lives. To this end, we would like to respond to the need for "personalized services and ubiquitous and seamless access".

Specifically, we would like to develop more advanced services in the following three key directions:

<1>Enrich our flat-rate service menu;

<2>Grow the number of users who use "life assisting" features and develop related peripheral businesses, leveraging the cellular phone's distinctive characteristics of being used heavily in people's everyday life; and

<3>Expand international service revenues by cultivating and growing international roaming services and businesses targeted at corporate customers.

Going forward, we will attach greater importance on efforts that will allow us to "move one step ahead". While countering the competition has been our primary focus so far, we will now enter a new phase, taking up the challenge to create new values for cellular phones. To this end, we will "pioneer new business fields, develop innovative handsets, and create more comfortable usage environments", working on all fronts of our offerings, e.g., services, billing plans, handsets and network. These efforts will be underpinned by our R&D team and allow us to deliver services that are "one step ahead".

From May, we plan to start a new promotion campaign, "DoCoMo 2.0", to convey the message that "DoCoMo will change and advance to the next stage, which puts DoCoMo one step ahead".

The user base of our flat-rate package for i-mode access is expected to top the 10 million mark on May 1, 2007, nearly doubling in the last 12 months. I believe the demand for flat-rate access will grow even further in the future, as more new services, such as video, music and life-assisting applications, etc., become available.

The subscriber count of both "i-channel" and "Melody Call" services also exceeded 10 million. The pace at which "i-channel" subscription grew to over 10 million was particularly remarkable. By increasing the subscribers to these individual services, we intend to grow subscription-based revenues, which are different from the conventional communication service revenues, with the goal to boost our ARPU as a result.

In October 2006, we commenced "Keyword Search Service for i-mode." To further enhance the convenience of our search capabilities, we plan to develop "category-specific" search functions, which enable users to narrow search results by specific categories, e.g., video images, ring tones, blog, etc. We also plan to launch a new search-linked advertisement service in June 2007.

The new FOMA 904i series handsets, the latest models in our flagship lineup unveiled on April 23, 2007, will offer new services and functions that are "one step ahead" and had not been available with conventional models, including the "2in1" service, intuitive "Chokkan Game", "Uta-hodai" service that allows users to download full-track music from i-mode content providers for a flat monthly subscription fee, as well as large-capacity and high-quality video clips.

The "2in1" service, in particular, was developed to offer something more than merely supporting two phone numbers with a single handset; the service combines all the functions usually available in two handsets in a single unit. To enable this, we modified and upgraded our network, billing system and handsets, to realize our goal to "move ahead".

As for our credit business, the combined membership of "DCMX" service as of March 31, 2007, topped 2 million and the number of installed "iD" payment terminals reached 150,000. Going forward, we will work continuously to further grow the number of DCMX members and installed payment terminals. FY2007 is considered an important milestone, as "iD" payment terminals will be installed in all major convenience store chains and McDonald's outlets nationwide, and we will further enrich our "DCMX" services by adding more variety to the types of cards offered through the offering of "DCMX GOLD" cards and ETC cards.

In the area of international business, the percentage of own-handset roamers, who bring their own handsets abroad instead of renting handsets at airports to use our international roaming service, has risen to approximately 60% of our total roaming users. Our overseas investees, KTF of Korea and Guam Cellular both plan to launch W-CDMA services shortly. We would like to improve the convenience of our international roaming service, particularly in destinations frequented by Japanese travelers.

In FY2006, we focused on the reinforcement of our FOMA network, and increased the total number of base stations to 1.5 times the level as of the end of the previous fiscal year. In FY2007, we plan to make efforts to improve the quality of our network, as opposed to our conventional focus on horizontal coverage expansion, through area tuning and capacity build-up. However, we still plan to install a total of more than 10,000 base stations during this fiscal year. The capital expenditures for FY2007 are estimated at 750 billion yen, down 180 billion year-on-year.

To elaborate on our network enhancement plans, we intend to steadily upgrade our network, through the introduction of Super 3G system some time around 2010 and other technologies. In addition to the planned transmission speed enhancements, we will also work on the development of a seamless network through the use of IP-enabled BTS equipment and the construction of indoor coverage with Femto cell BTSs.

With respect to our cost reduction efforts, the average procurement cost of our handsets has risen continuously because the percentage of FOMA handsets to total handsets sold rose in line with the progress in the subscriber migration from 2G to 3G. But now that the percentage of FOMA handsets to total handsets sold has reached over 90%, we believe the average handset procurement cost will enter a reduction phase, because (1) FOMA's ratio to total handsets sold cannot rise significantly from the current level, (2) the proportion of the less expensive

7 series handsets to total sales has been rising owing to the popularity of the 703i model, and (3) the cost of handsets per se will likely come down as a result of the development of single-chip LSIs and a common platform. We started the full-scale implementation of single-chip LSIs, which integrate the communication functions and applications in a single chip, from the 903i model, which has contributed not only to lowering handset procurement costs but also to achieving miniaturization.

As for our approach regarding how to return profits to shareholders, we plan to raise our dividends for FY2007 by 20% from the previous fiscal year to 4,800 yen per share, which will raise our dividend payout ratio to 44%. We also plan to seek a resolution at the upcoming general meeting of shareholders in June for an authorization to repurchase up to 1 million shares of our own stock for up to 200 billion yen. We have been addressing the issue of shareholder return with a positive approach, considering it an important issue in our corporate agenda. This time around, we reviewed the balance of the amounts we spend for dividends and share buy-back from the perspective of attaching greater importance to dividends, and came to the conclusion to raise our dividends.

[Questions and Answers]

Q: Give us data concerning the actual amount of distributor commission per unit for FY2006 and the forecast for FY2007.

A: The amount of distributor commission per unit for FY2006 was approximately 37,000 yen. The figure for FY2007, which may vary depending on the number of handsets we sell, is estimated to be 1,000-2,000 yen lower than that of the previous fiscal year in our current business plan. We also believe we can reduce the handset procurement cost per unit, which again may vary depending on the product mix, by approximately 1,000 yen compared to FY2006.

Q: How do you think the launch of the "2in1" service will affect your ARPU and MOU numbers?

A: We cannot make any predictions concerning the uptake of the "2in1" service at this point, because the service has not been launched yet. Our current ARPU, MOU and handset sales forecasts are therefore developed without factoring the impact of the "2in1" service.

Q: Six months have elapsed since the launch of MNP. How do you score your performance so far? Also, give us your comment on the future outlook.

A: To reiterate our performance following the launch of MNP, I do not think we achieved favorable results, given that we lost a net of 630,000 subscribers due to MNP in the period through March 31, 2007.

The primary reasons why our subscribers ported out to other carriers are our service charges and 3G network quality. In reality, our service charges are not significantly different from those of our competitors, but we were not able to completely eliminate the misperception that DoCoMo's charges are more expensive. With respect to the network, we poured considerable efforts into improving our coverage and area quality, but it turned out to be fairly hard for us to change the general impression of our network quality that was developed during the early phase following the launch of FOMA service.

This fiscal year, because the impact of MNP has been subsiding gradually over time, we intend to further enhance our competitiveness by introducing new handset models, such as the 904i and 704i series, and working continuously to improve our network quality. We will study various options, including pricing measures, from

a customer-centric perspective, so that we can gradually return our subscriber acquisition performance to the level we enjoyed before.

From now, we will enter a new phase of business, shifting from a strategy centered on countering the competition. We have so far focused primarily on how to compete against our rivals, but we now need to develop a broader perspective, launching brand new services like "2in1" and looking into business opportunities in Asia or other overseas markets. With remarkable enhancements in transmission speeds becoming increasingly visible through the development of Super 3G, etc., I believe it is time for us to start exploring new potentials of cellular phone usage from a customer-oriented perspective.

We may of course have to respond to price competition, etc., to counter our rivals from time to time, but we will in parallel promote other activities to bring us "one step ahead".

Q: There are voices suggesting that cellular operators' billing plans are "too complicated and hard to understand". Don't you have plans to review the structure of your billing plans?

A: We currently do not have any plans to make changes, because we offer various plans to suit the diverse usage patterns of our customers.

We have devised ways to propose the optimal plan for each customer, for example, by creating a website dubbed "most suitable billing plan diagnosis", which proposes the plan that best fits the needs of each user based on a simulation using the customer's usage record for the last three months.

Q: What do you think about the comment by the Mobile Business Study Group under the Ministry of Internal Affairs and Communications, which suggested the necessity of separating the handset prices from the communication service charges in a more visible way? Also give us your comments on the fact that fixed-line operators stopped bundling communication service charges with terminal prices in 1985.

A: I believe the opinion suggesting that it should be possible to bring down communication charges, which is generating profits, if the revenues from communication charges are separated from the handset sales revenues, goes too far. I am aware of the need to improve our handset sales practice, but the complicated situation today, including the issue of SIM, needs to be understood. Cellular phone operators adopted a different model from that of landline service, in which we marketed the handsets at lower prices to bring down the entry barrier for consumers, and recovered the subsidies afterwards through service charges. Now, however, we need to study what to do about this model in the future.

Q: Explain your future international strategies.

A: We formed the "Conexus Mobile Alliance", an alliance comprised of mobile operators representing approximately 10 countries, with the goal to facilitate 3G (W-CDMA) roaming and the deployment of i-mode mainly in the Asian region.

Various discussions have been had on the issue of overseas expansion, including that of manufacturers, etc., and I believe we need to further study this issue, including the option of making capital investments.

Q: Describe your future strategies for the enterprise market.

A: Various new services will likely be offered to corporate clients in the future, due to the projected enhancement of transmission speeds and convergence with landline services. Recently, we introduced Blackberry devices

for our corporate users, and launched IP centrex service that integrates IP telephony with wireless solutions. Going forward, I believe it will become important to offer the easiest-to-use system for our clients, integrating our services with landline services and avoiding simple price competition in wireless services.

Q: Explain your strategy regarding how you plan to make a viable business by linking one-segment TV broadcast with cellular phones.

A: I believe many of our future handsets will be one segment TV-enabled, although we need to overcome some challenges such as the size and cost of handsets. We are studying how to implement this capability as a standard feature in our 905i series phones or subsequent models, but we have not decided whether to install it in all other non-9 series phones. We will develop handsets striking a good balance between the size (thickness) and cost of handsets and customer needs.

To answer the question of how to develop one-segment broadcasting into a viable business from a mobile operator's perspective, we have allied with some TV broadcasters to establish Limited Liability Partnerships (LLP), etc., for the development of content. We are currently working on how to resolve the copyright issue so that this content can be delivered to cellular phones. We, together with our broadcaster partners, are watching carefully the developments regarding the possible lifting of simulcast restrictions in 2008.

Q: How does DoCoMo plan to approach WiMAX business?

A: If we are awarded the WiMAX spectrum, I believe we will start with data communication services for urban areas.

Q: Elaborate on the services to be offered with the Femto cell BTSs that are currently under study.

A: While there are issues that need to be resolved for the realization of Femto cell BTS, including its relationship with landline services, Femto cell BTS is aimed at creating small indoor coverage by installing it in individual households. In Japan, the entity responsible for its installation could become a subject of discussion. Naturally, we do not rule out the possibility of DoCoMo itself engaged in its installation, but we have not decided on a concrete business plan yet.

Q: Explain the reasons why you decided to increase your dividends this time, and your basic philosophy concerning how to return profits to shareholders.

A: We decided to increase dividends by 20% compared to FY2006, to respond to the numerous requests that we received from investors through IR activities, and to increase the proportion of dividends to the total amount we spend for shareholder return, i.e., dividend payment and repurchase of own shares.

Our basic philosophy is to make stable dividend payments on a continual basis. With the hike this time, our dividend payout ratio for FY2007 will be raised to 44% and dividend yield to nearly 2%, which we believe shows that we are responding adequately to the voices of our shareholders.

Q: What do you think about the growing expectations for a dividend hike by DoCoMo based on the reason that DoCoMo is no longer perceived as a growth stock, but a utility issue?

A: We admit the rate of subscriber growth in the cellular phone market has slowed, but we have expanded our business by cultivating data communications and other new services. The world of the Internet is undergoing

a dramatic change and technical advancements are expected to further enhance transmission speeds. Under these circumstances, we aim to pioneer new growth opportunities in the future. The dividend hike this time does not imply that we gave up on growth. DoCoMo, of course, has the ambition to achieve further growth.

Q: Explain your coordination with KDDI with respect to the reorganization of the frequency assignment in the 800MHz band spectrum.

A: It is expected that both DoCoMo and KDDI will be allocated 15MHz of spectrum each in the 800MHz band for 3G use, which will enable us to use 3 carrier frequencies (1 carrier occupies 5MHz of spectrum). For us to use the 800MHz band spectrum for 3G, we need to empty the spectrum that we currently use for our 2G (PDC) service. The spectrum assignment in the 2G band is complicated as the allocations for DoCoMo and KDDI are scattered, and we still accommodate many users on the PDC network. To solve this matter, we are trying to make mutual concessions with KDDI to reorganize the allocation, while paying attention to avoiding interference. As a result of these efforts, we started the use of 5MHz of bandwidth in the 800MHz band for 3G service in non-urban areas.

—End—