



NTT DoCoMo, Inc.

Results for the Fiscal Year
Ended Mar. 31, 2007

Apr. 27, 2007

Forward-Looking Statements

This presentation contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as expected number of subscribers, and expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that are indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

1. As competition in the market becomes more fierce due to changes in the business environment caused by the Mobile Number Portability system, new market entrants, competition from other cellular service providers or other technologies, and other factors, could limit our acquisition of new subscribers, retention of existing subscribers and ARPU, or may lead to an increase in our costs and expenses.
2. The new services and usage patterns introduced by our corporate group may not develop as planned, which could limit our growth.
3. The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group could restrict our business operations, which may adversely affect our financial condition and results of operations.
4. Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.
5. The W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced by other overseas operators, which could limit our ability to offer international services to our subscribers.
6. Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.
7. As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than those belonging to our corporate group are provided through our cellular handsets, potential problems resulting from malfunctions, defects or loss of handsets, or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.
8. Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.
9. Inadequate handling of personal information and other confidential information by our corporate group, contractors and other factors, may adversely affect our credibility or corporate image.
10. Owners of intellectual property rights that are essential for our business execution may not grant us the right to license or otherwise use such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and/or services, and we may also be held liable for damage compensation if we infringe the intellectual property rights of others.
11. Earthquakes, power shortages, malfunctioning of equipment, and software bugs, computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause systems failures in the networks required for the provision of service, disrupting our ability to offer services to our subscribers and may adversely affect our credibility or corporate image.
12. Concerns about wireless telecommunications health risks may adversely affect our financial condition and results of operations.
13. Our parent company, Nippon Telegraph and Telephone Corporation (NTT), could exercise influence that may not be in the interests of our other shareholders.



FY2006 Results Highlights & Prospects for FY2007

FY2006 Results Highlights and FY2007 Forecasts

	2006/3 (full-year) (1)	2007/3 (full-year) (2)	Changes (1) →(2)	2008/3 (Full-year forecast) (3)	Changes (2) →(3)
Operating Revenues (Billions of yen)	4,765.9	4,788.1	+0.5%	4,728.0	-1.3%
Cellular Services Revenues (Billions of yen)	4,158.1	4,182.6	+0.6%	4,118.0	-1.5%
Operating Income (Billions of yen)	832.6	773.5	-7.1%	780.0	+0.8%
Income Before Income Taxes (Billions of yen)	952.3	772.9	-18.8%	788.0	+1.9%
Net income (Billions of yen)	610.5	457.3	-25.1%	476.0	+4.1%
EBITDA (Billions of yen) *	1,606.8	1,574.6	-2.0%	1,573.0	-0.1%
EBITDA margin (%) *	33.7	32.9	-0.8 points	33.3	+0.4 points
Adjusted Free Cash Flow (Billions of yen) **	510.9	192.2	-62.4%	560.0	+191.3%

◆ Consolidated financial statements in this document are unaudited.

* For an explanation of the calculation processes for these numbers, please see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on Slide 35 and the IR page of our web site, www.nttdocomo.co.jp.

** Adjusted free cash flow excludes the effects of uncollected revenues due to bank holidays at the end of the fiscal year and changes in investment for cash management purposes with original maturities of longer than three months.

■ Operating income: 773.5 billion yen

(Down 59.1 billion yen year-on-year)

(Full-year forecast: 810 billion yen)

■ Operating revenues: Up 22.2 billion yen year-on-year

- Cellular services revenues: Up 24.5 billion yen year-on-year
(Inclusive of impact of incurring in revenues the portion of “Nikagetsu-Kurikoshi (2-month carry over) allowances that are projected to expire)

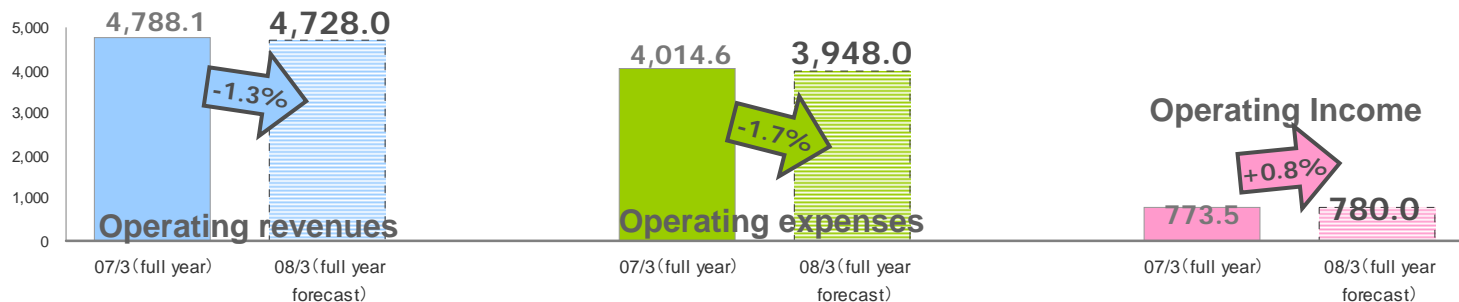
■ Operating expenses: Up 81.3 billion yen year-on-year

- Revenue-linked expenses grew 73.5 billion yen year-on-year, due to increase in the percentage of FOMA handsets to total handset sales, and growth in number of handsets sold

FY2007 Financial Results Forecasts

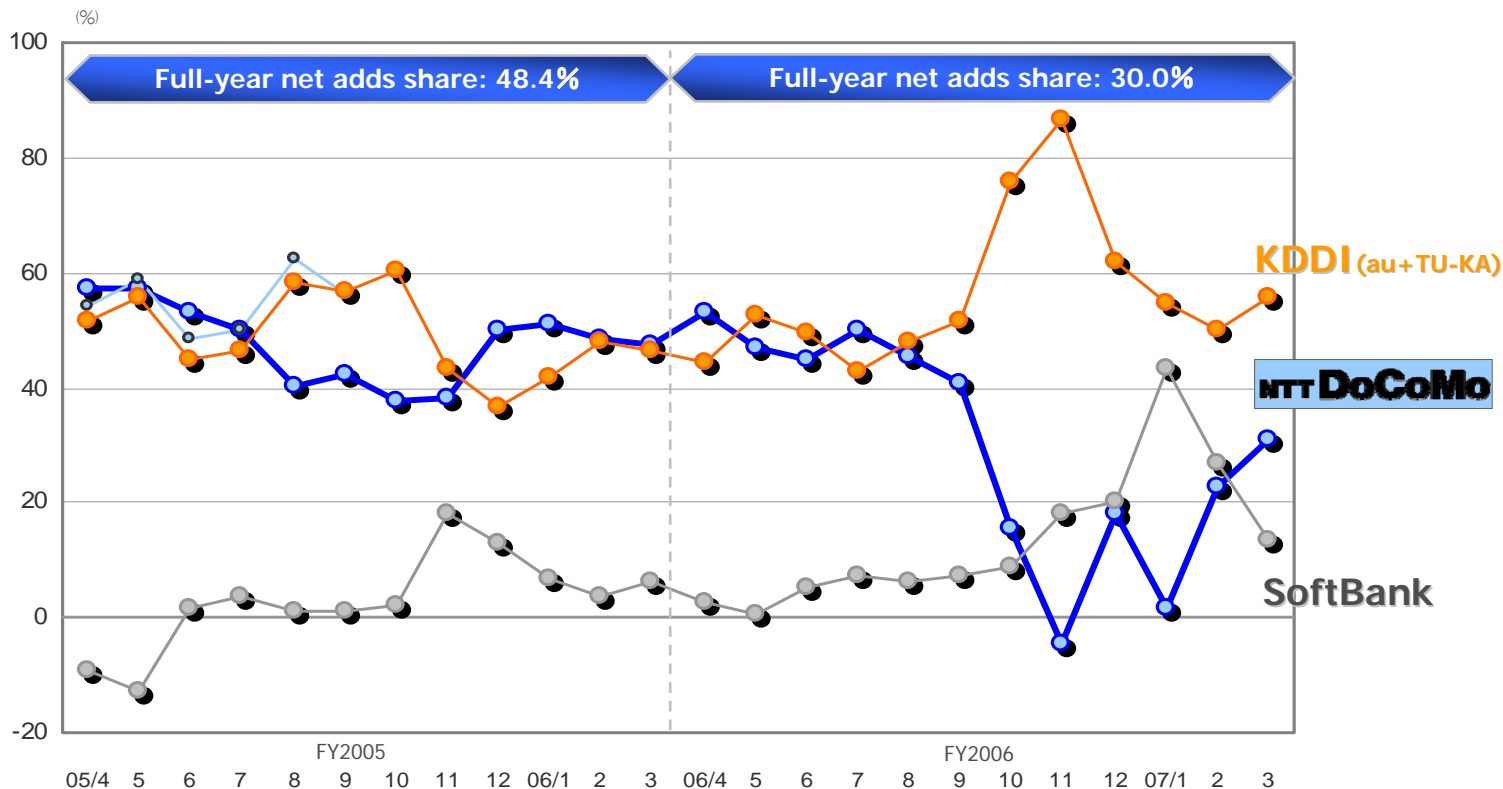
- **Operating income:** Estimated at 780 billion yen, up approx. 7 billion year-on-year
- **Operating revenues:** Estimated at 4,728 billion yen, down approx. 60 billion year-on-year
 - Cellular services revenues projected to decrease approx. 64 billion yen due to decline in ARPU
- **Operating expenses:** Estimated at 3,948 billion yen, down approx. 67 billion year-on-year
 - Revenue-linked expenses projected to decrease approx. 105 billion yen due to reduction in no. of handsets sold and distributor commissions
- **Capital expenditures:** Estimated at 750 billion yen, down approx. 184 billion year-on-year

(Billions of yen)



Market Share of Net Additions

- DoCoMo's market share of net additions for FY2006: 30.0%
- DoCoMo's share performance has shown a recovery trend, after declining immediately after the launch of MNP

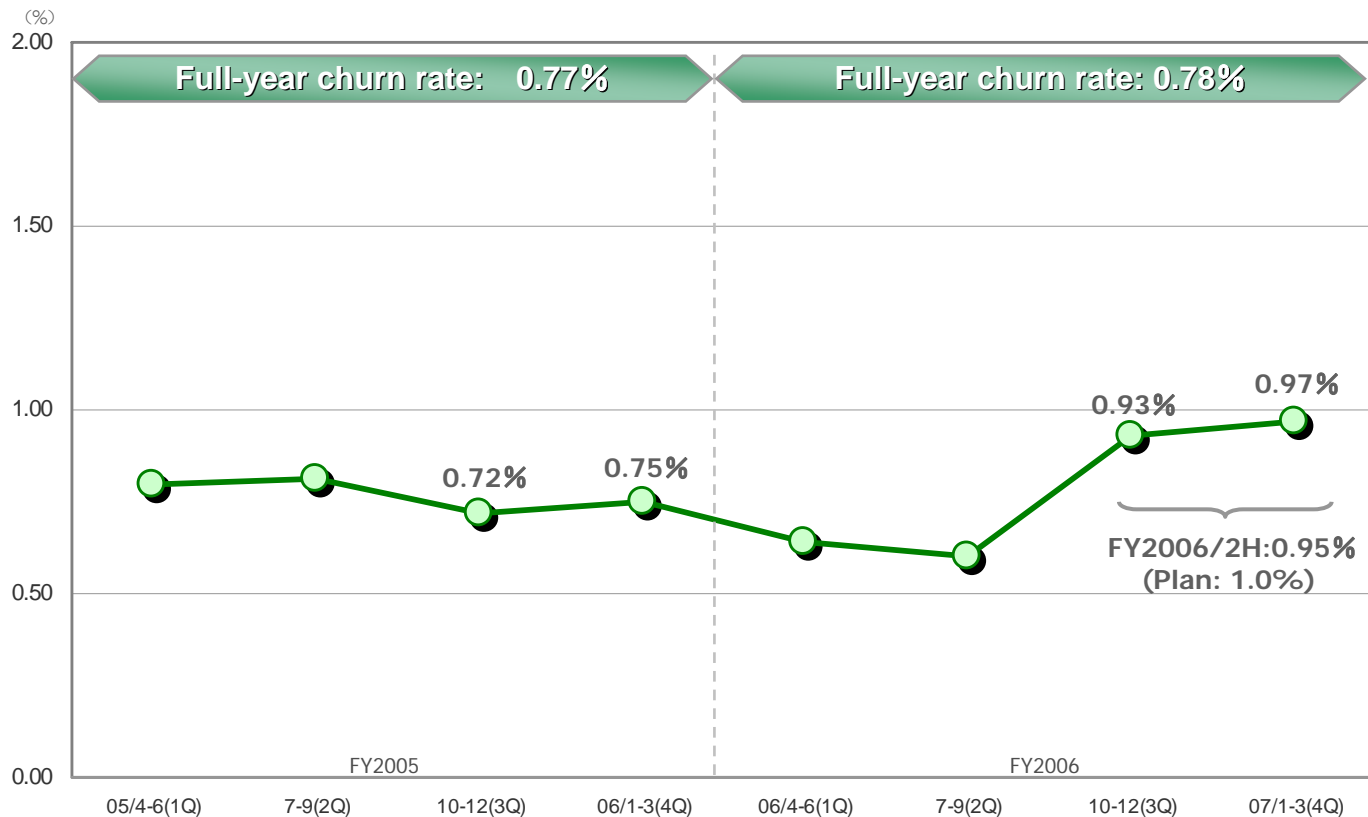


◆ Source of data used in calculation: Telecommunications Carriers Association (TCA)

Churn Rate

Cellular churn rate for FY2006: 0.78%

FY2006/2H churn rate was 0.95%, affected only slightly by MNP



◆ Inclusive of Communication Module Service subscribers

Subscriber Migration to FOMA

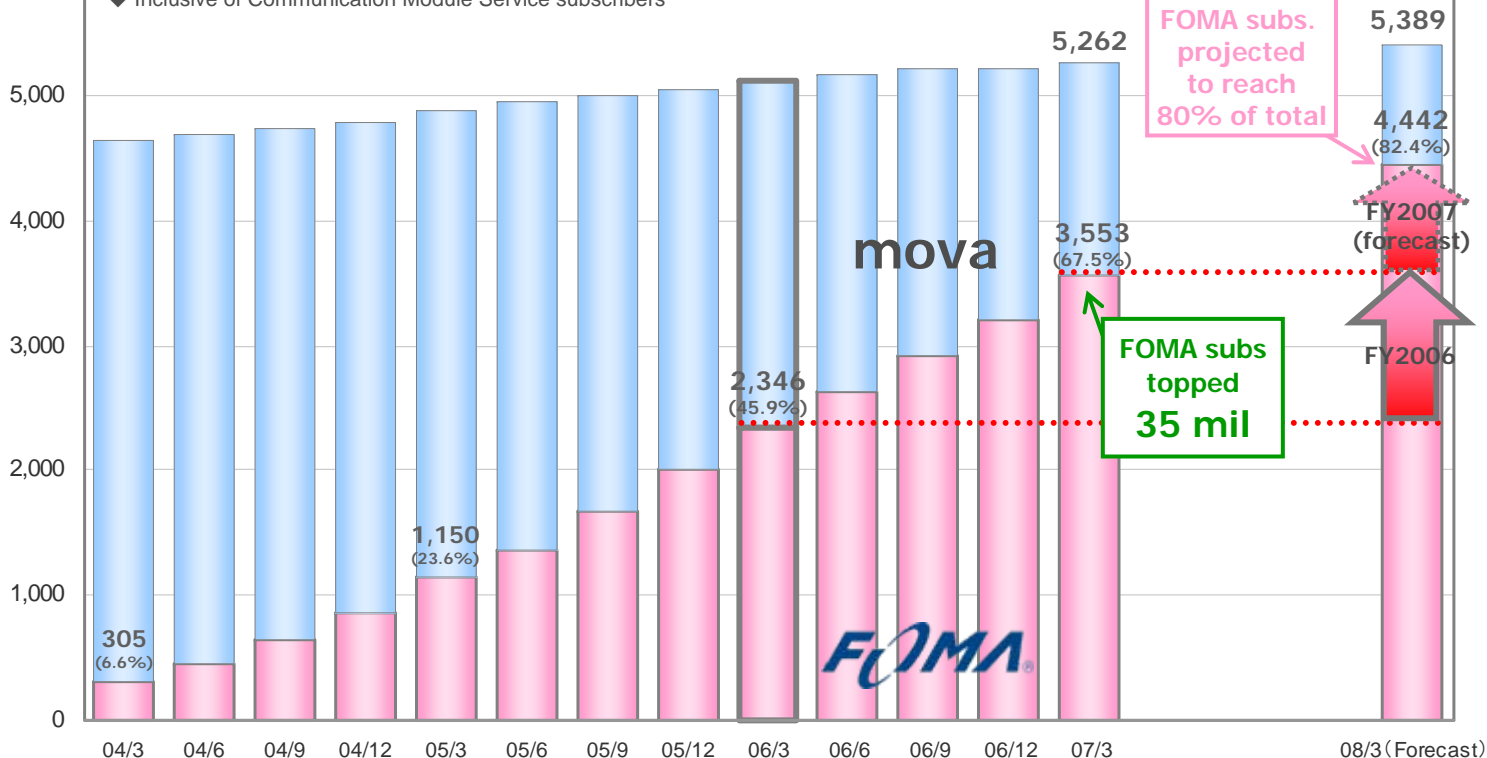
- No. of FOMA subscribers as of Mar. 31, 2007 topped 35 million
- FOMA subscribers projected to reach 44.4 million, or over 80% of total, by Mar. 31, 2008

(10,000 subs)

6,000

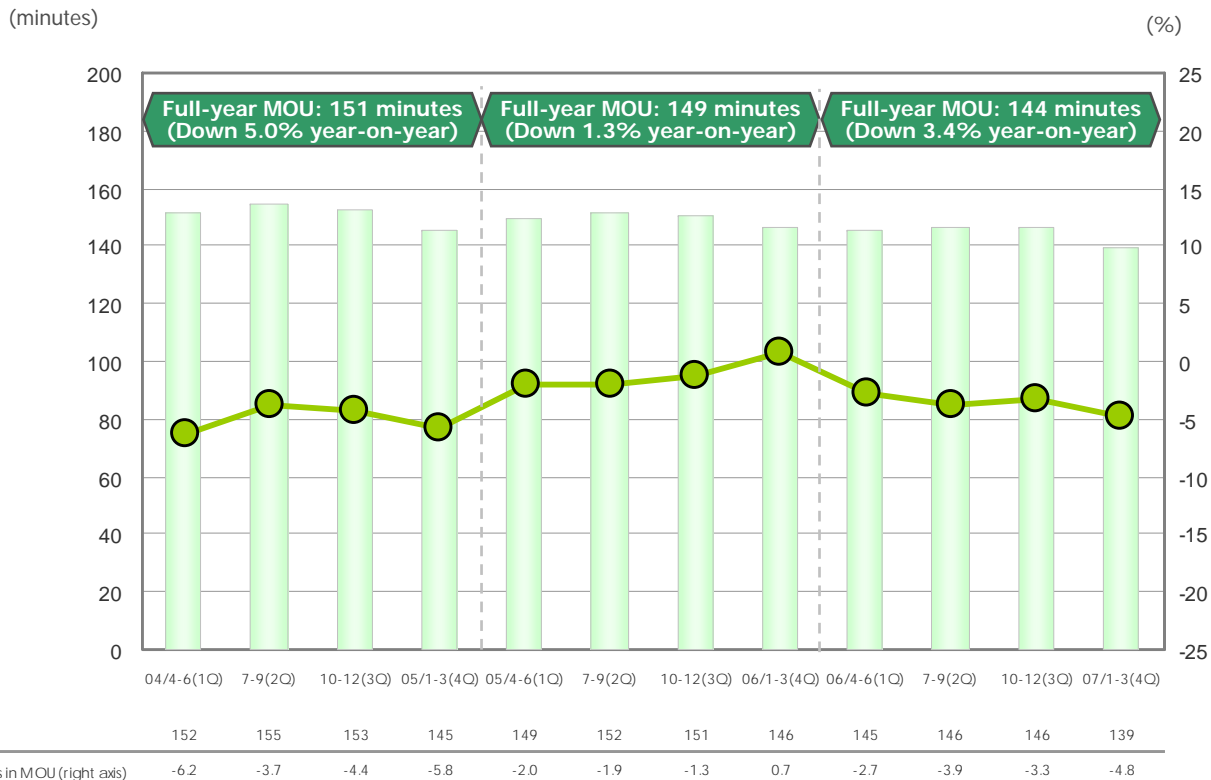
Numbers in parentheses indicate the percentage of FOMA subscribers to total cellular subscribers

◆ Inclusive of Communication Module Service subscribers



Cellular(FOMA+mov)MOU

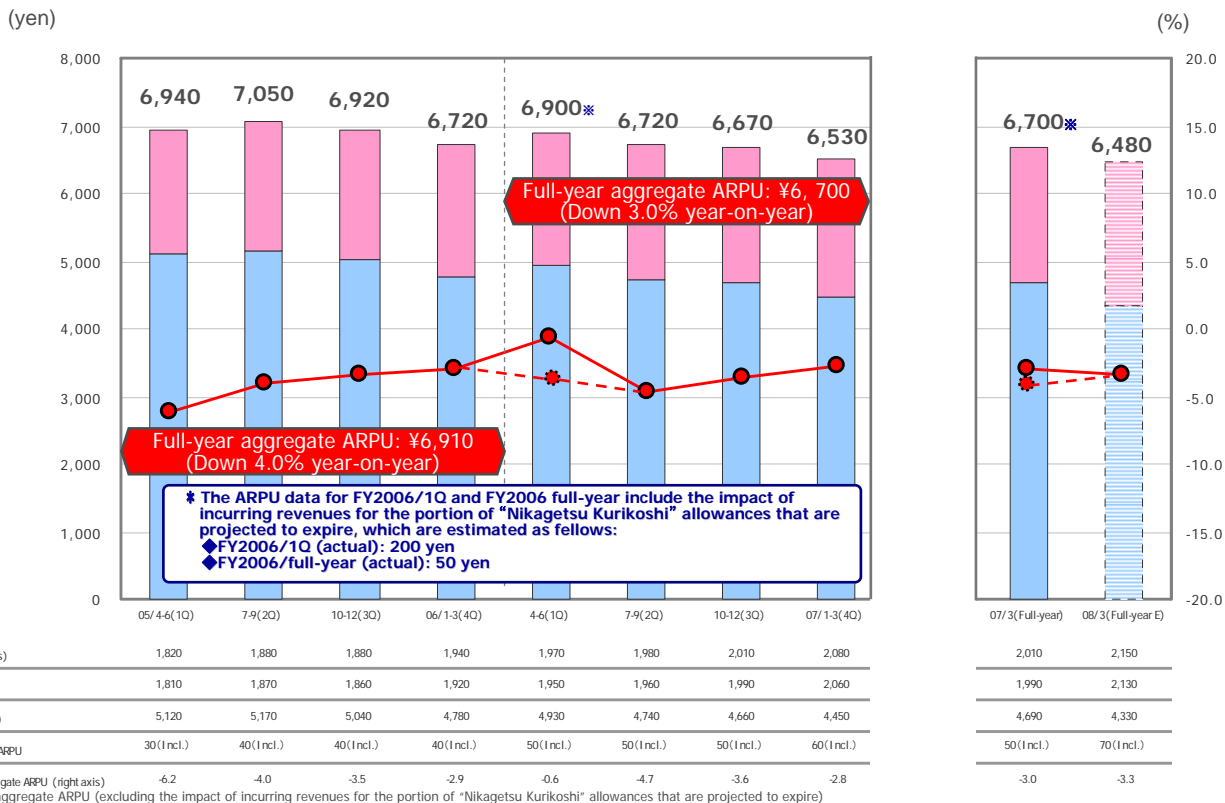
- MOU for FY2006 was 144 minutes (down 3.4% year-on-year)



◆ For an explanation of MOU, please see Slide 34 of this document, "Definition and Calculation Methods of MOU and ARPU"

Cellular(FOMA+mova)ARPU

- Decline in aggregate ARPU has slowed steadily due to growth in packet ARPU
(Year-on-year decline in aggregate ARPU excluding irregular factors caused by inclusion of expiring portion of "Nikagetsu-Kurikoshi (2-month carry over)" allowances in revenues: FY06: -3.8%, FY07: -2.6%)



◆ International service-related revenues, which had not been included in previous reports, have been included in the ARPU data calculations as of the fiscal year ended Mar. 31, 2006, in view of their growing contribution to total revenues.

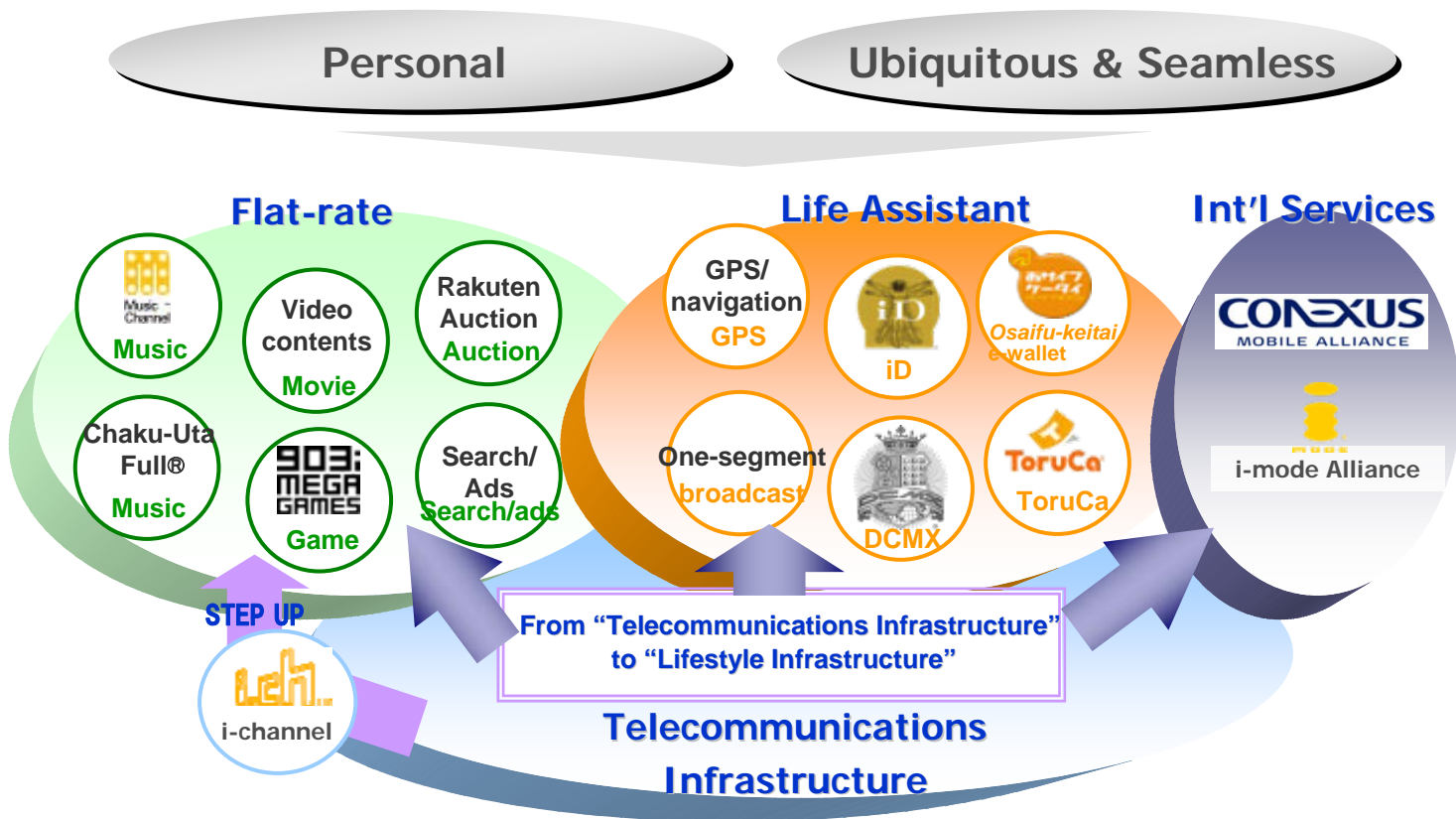
◆ For an explanation of ARPU, please see Slide 34 of this document, "Definition and Calculation Methods of MOU and ARPU".



Future Action Plans

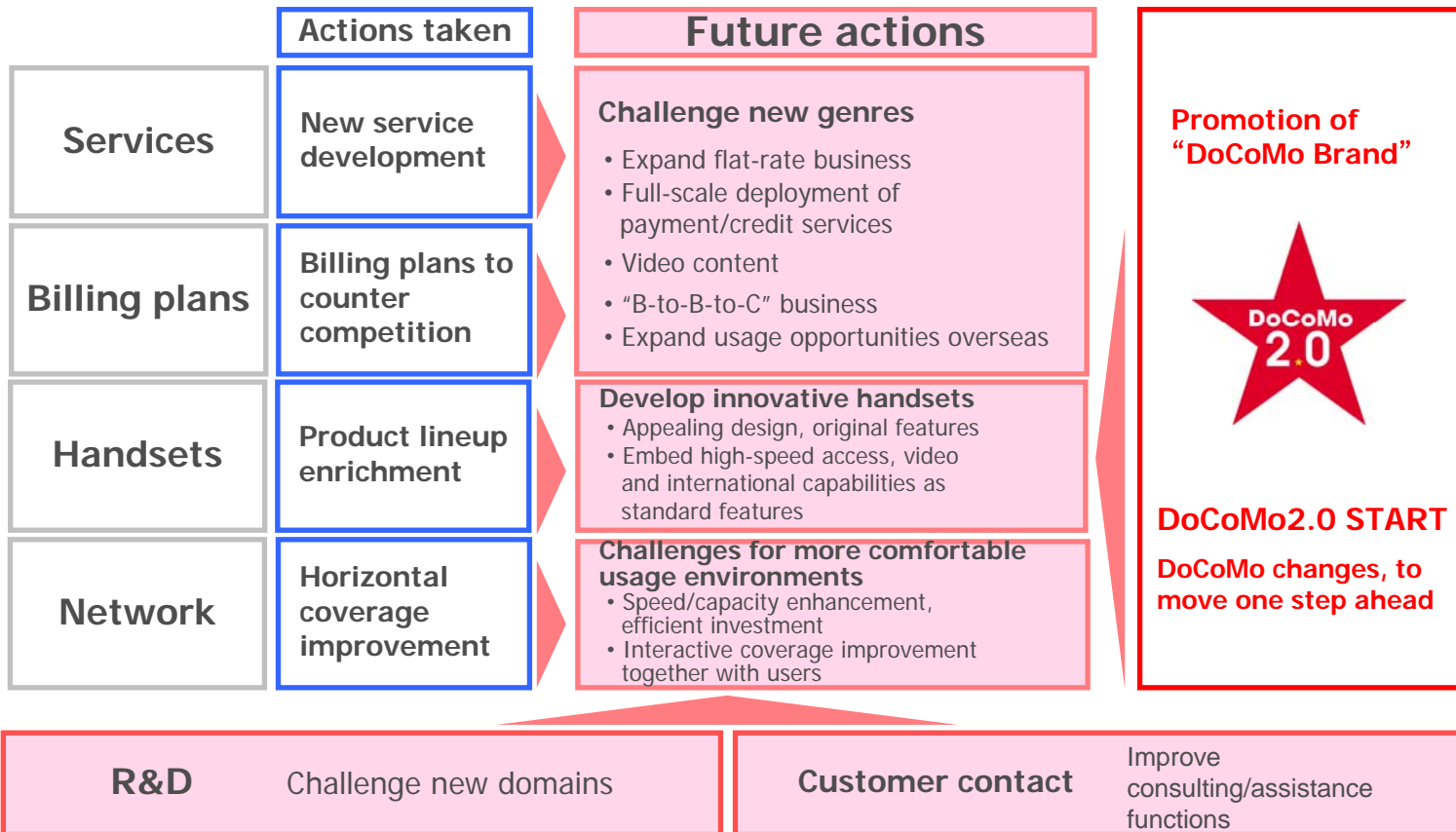
Direction of Service Development

- Respond to needs for “personalized services” and “ubiquitous and seamless access” through the provision of lifestyle infrastructure



To Move One Step Ahead

- DoCoMo will take up the challenge to create new values for cellular services

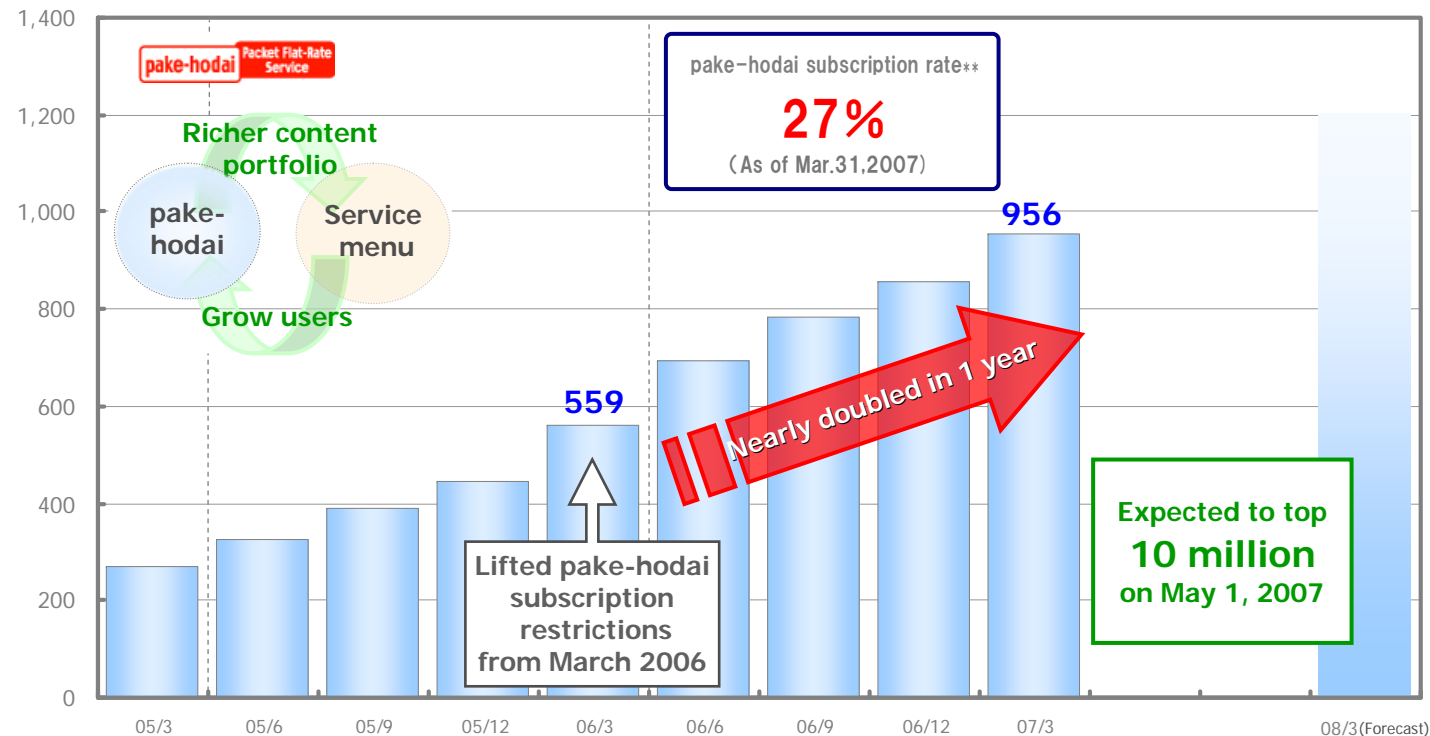


Flat-Rate Package

- “pake-hodai” flat-rate subscribers nearly doubled in 1 year to 9.56 million *
 (as a result of lifting “pake-hodai” subscription restrictions and enriching the service menu accessible from “pake-hodai”)

No. of “pake-hodai” subscribers

(10,000 subscribers)

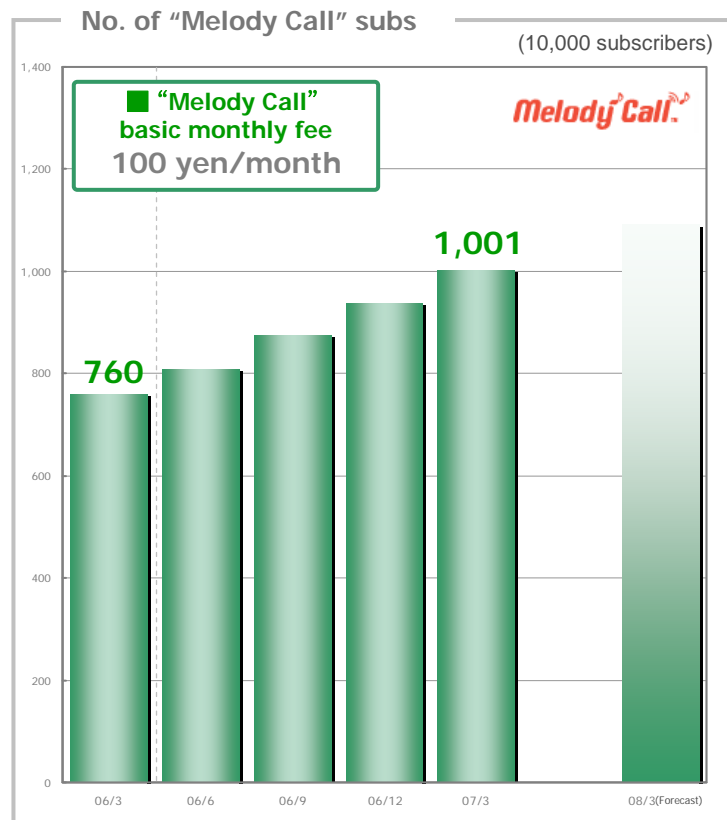
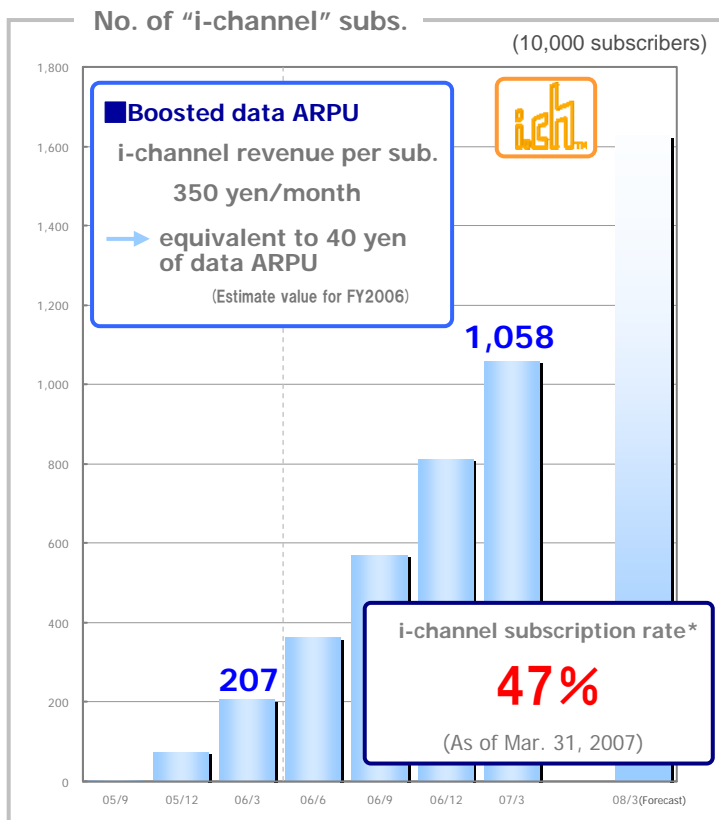


* Inclusive of “pake-hodai full” subscribers

**pake-hodai subscription rate: No. of pake-hodai subscribers/Total FOMA subscribers

i-channel, Melody Call

- User base of “i-channel” and “Melody Call” both topped 10 million
- Revenues from these two subscription-based services contributed to boosting data ARPU

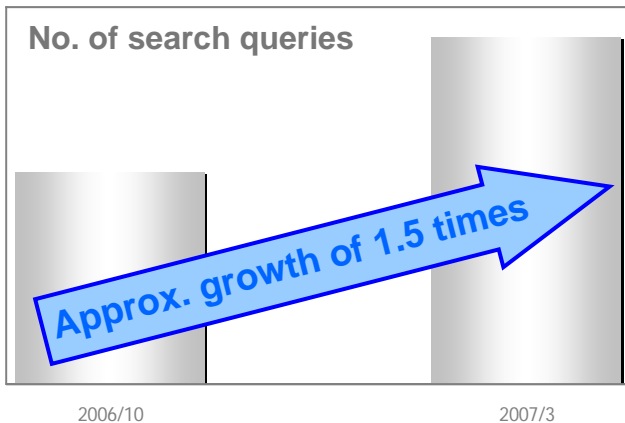


* i-channel subscription rate: No. of “i-channel” subscribers/Total users of compatible handsets

Search Service

- Usage of search service has been growing. Measures to further enhance convenience planned for implementation.
- Search-linked advertisement planned for launch in June 2007.

No. of search queries grew 1.5 times since launch of search service



Planned functional enhancements for search service

Develop category-specific search capability

Provide search-linked advertisements

検索結果

「ドコモダケ」を検索
全147件 1/30

前回の検索条件の結果
で絞り込み:

[PR] トコダケ♥問題
今だけ! トコダケ 一番の魅力を公開

★ドコモダケ団
新生活準備 必ず! トコダケの秘密を
一気に公開! 気になるお宝! 特...
【この枠内ですらに検索】

LOVE 8 ↑ ↑
「10」大好きな人生まれ、待ち受
け画像をぜひ! クロム! して集ま...
【この枠内ですらに検索】

WORLD ↑ ↑
トコダケの魅力を公開、詳しい情
報は「お宝」に集めてみよう
【この枠内ですらに検索】

お宝 ↑ ↑ ↑
曲名:あおぞらの青の春! 歌手:
名:トコダケ! 1/1 検索...
【この枠内ですらに検索】

トコダケ ↑ ↑
「10」の魅力を公開、前作の
クオも追加されたよ、全月から...
【この枠内ですらに検索】

ジャンルで絞り込む:

[PR] トコダケ♥
トコダケの魅力を公開、前作の
クオも追加されたよ、全月から...
【この枠内ですらに検索】

次へ>>

以下はメニュー外です。
「ドコモダケ」を以下で検索

Planned for launch in June 2007

904 i Series Handsets

- The latest 904i series handsets transform cellular phones, defying common perception



D904i

New usability based on intuitive motion

Slim, slide-open phone



F904i

Large 3.1-inch, full-wide screen, one-seg TV-enabled
"Yoko-motion" phone



N904i

3-inch wide VGA screen & high-quality sound

High-speed model



P904i

Evolved
 Wireless music phone



SH904i

Operate by tracing touch-pad with a finger

3-inch wide LCD phone

904i
 changes common perception of phones

Significantly enriched service lineup

MUSIC

"Uta-hodai"
 Napste & WMA

GAME

"Chokkan Games (D/P/SH)
 "Mega Games"

VISUAL

Video clips
 One-segment TV (F)

2 in 1

First-of-its kind in cellular industry

DCMX

Wider variety of card lineup

COMMUNICATION

"Deco-mail"
 & 2MB attachments

USEFUL

"Rakuoku Shuppin Appi"
 i-appli Banking

GPS

GPS navigation
 "Keitai Osagashi" service

GLOBAL

3G roaming

- “2 in 1” combines the capabilities of two handsets in a single unit.

■ 3 different modes can be supported by a single phone



■ monthly fee: ¥ 945 (tax included)

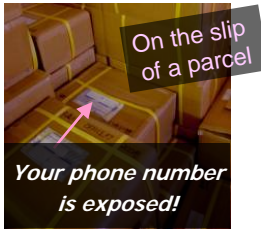
Dual mode



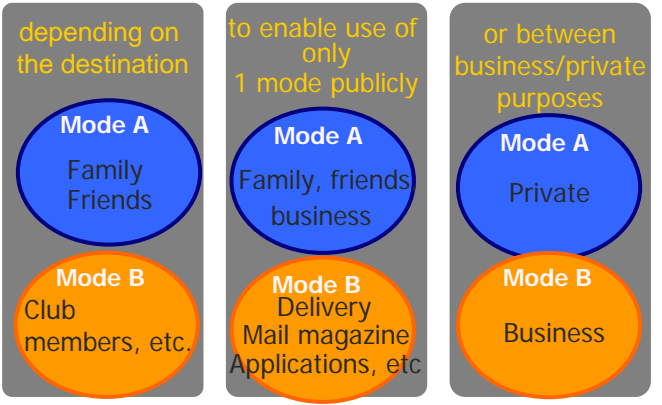
Both A+B modes can be used



With only one handset . . .



“2in1” allows you to use the phone separately...

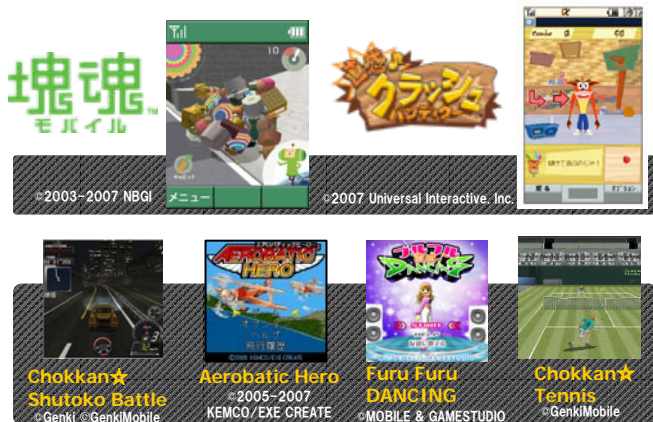


- Launch easy-to-use “Chokkan Games”, enjoyable without the need to get accustomed to button operations
- “Uta-hodai”, enabling flat-rate access to music with a single handset

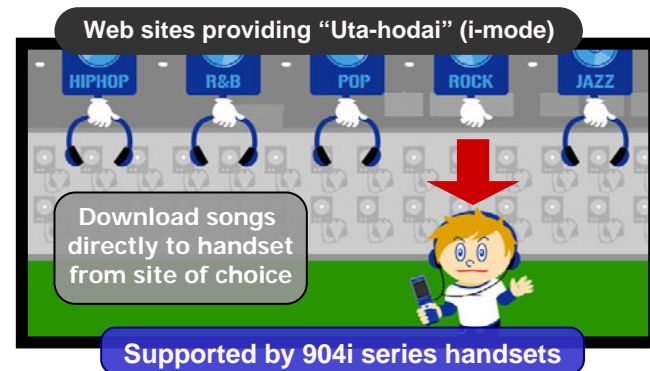
■ Intuitive “Chokkan Games”



No. of contents: 68 titles (As of Apr. 23, 2007)



■ “Uta-hodai”



■ Video Clips

Larger capacity/screen size & higher quality
 Video lineup to grow to 3,000 titles



*Music delivery service compatible with “Uta-hodai” are provided by music delivery service providers.

*To use “Uta-hodai”, users are required to register the applicable music delivery site on My Menu.

*The fee and terms and conditions for the provision of music delivery services vary by individual sites

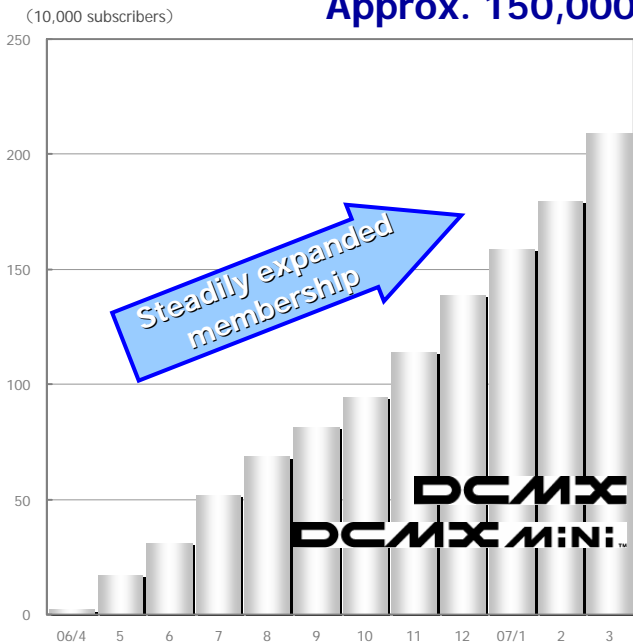
Credit Business

- Steadily expanded DCMX membership (to over 2 million) and the number of installed iD payment terminals (to approximately 150,000 units)
- FY2007: Phase to further expand membership and mobile credit usage

■ As of Mar. 31, 2007

No. of DCMX members : **Over 2 million**

No. of installed iD payment terminals :
Approx. 150,000



■ Targets as of Mar. 31, 2008

No. of DCMX members: **4 million**

No. of installed iD payment terminals :
Approx. 250,000

Expand sales channel

Started accepting applications at nationwide DoCoMo Shops

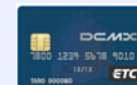
Enrich card lineup

Started offering gold cards/ family cards/ETC cards

Start iD net payment

Grow no. of outlets supporting iD payment

Expand service in major convenience store chains & fast food shops



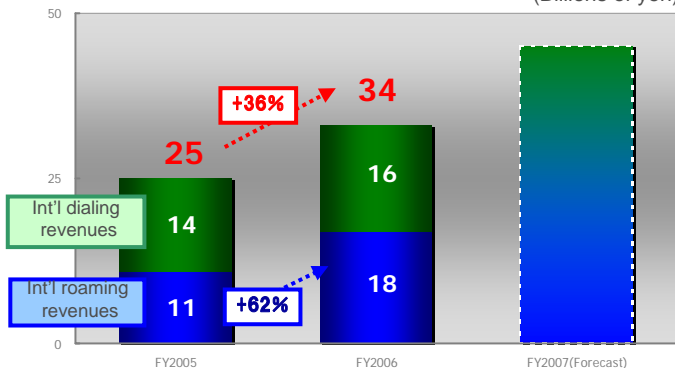
(Above name of companies representing different industries are presented listed in Japanese alphabetical order)

International Services

- Int'l services revenues grew sharply due to wide adoption of roaming-enabled handsets
- W-CDMA/HSDPA services deployed in South Korea, Guam and Saipan (as a result of our overseas investments)

International Services Revenues

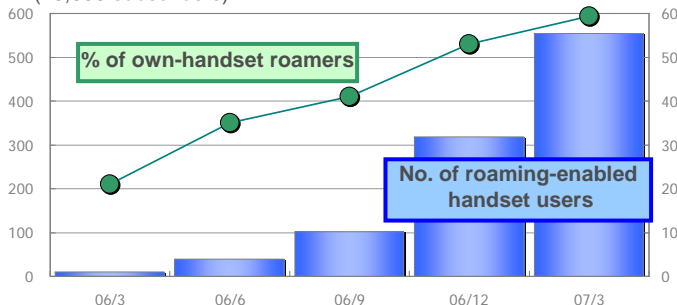
(Billions of yen)



% of own-handset roamers

(10,000 subscribers)

(%)



Effects of investment strategies becoming evident

■ South Korea

Nationwide deployment of W-CDMA/HSDPA from March 2007

■ Guam/Saipan

To start W-CDMA/HSDPA in 2008 or beyond

DoCoMo's 3G roaming-enabled models to become usable

Grow int'l roaming revenues, and strengthen DoCoMo's competitiveness in Japan

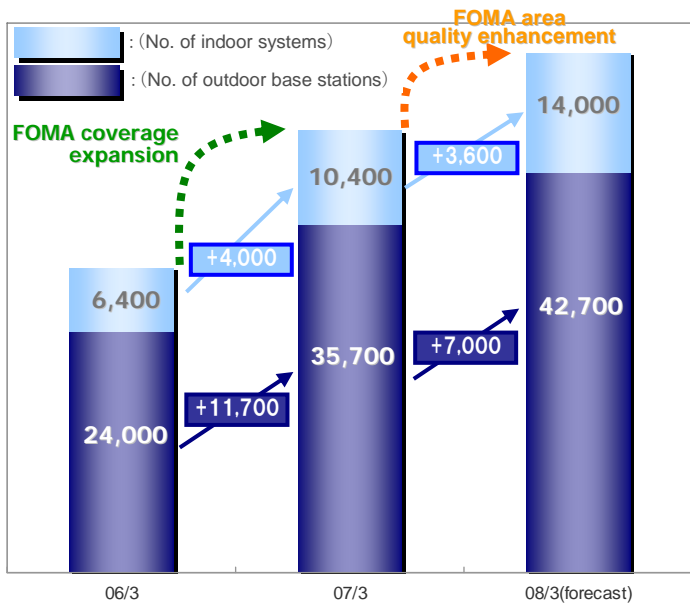
*1: % of own-handset roamers: No. of "World Wing" roaming users using own handset/Total roaming service users

*2: Saipan refers to Commonwealth of the Northern Mariana Islands (CNMI), a self-governing dominion of the USA, comprising 14 islands including Saipan.

FOMA Network

- FOMA network: Shift from horizontal coverage expansion to quality enhancement
- CAPEX for FY2007: estimated at 750 billion yen

	2006/3 (Full-year) (1)	2007/3 (Full-year) (2)	Changes (1) → (2)	2008/3 (Full-year forecast) (3)	Changes (2) → (3)
CAPEX (Billions of yen)	887.1	934.4	+5.3 %	750.0	-19.7 %



• FOMA area quality enhancement

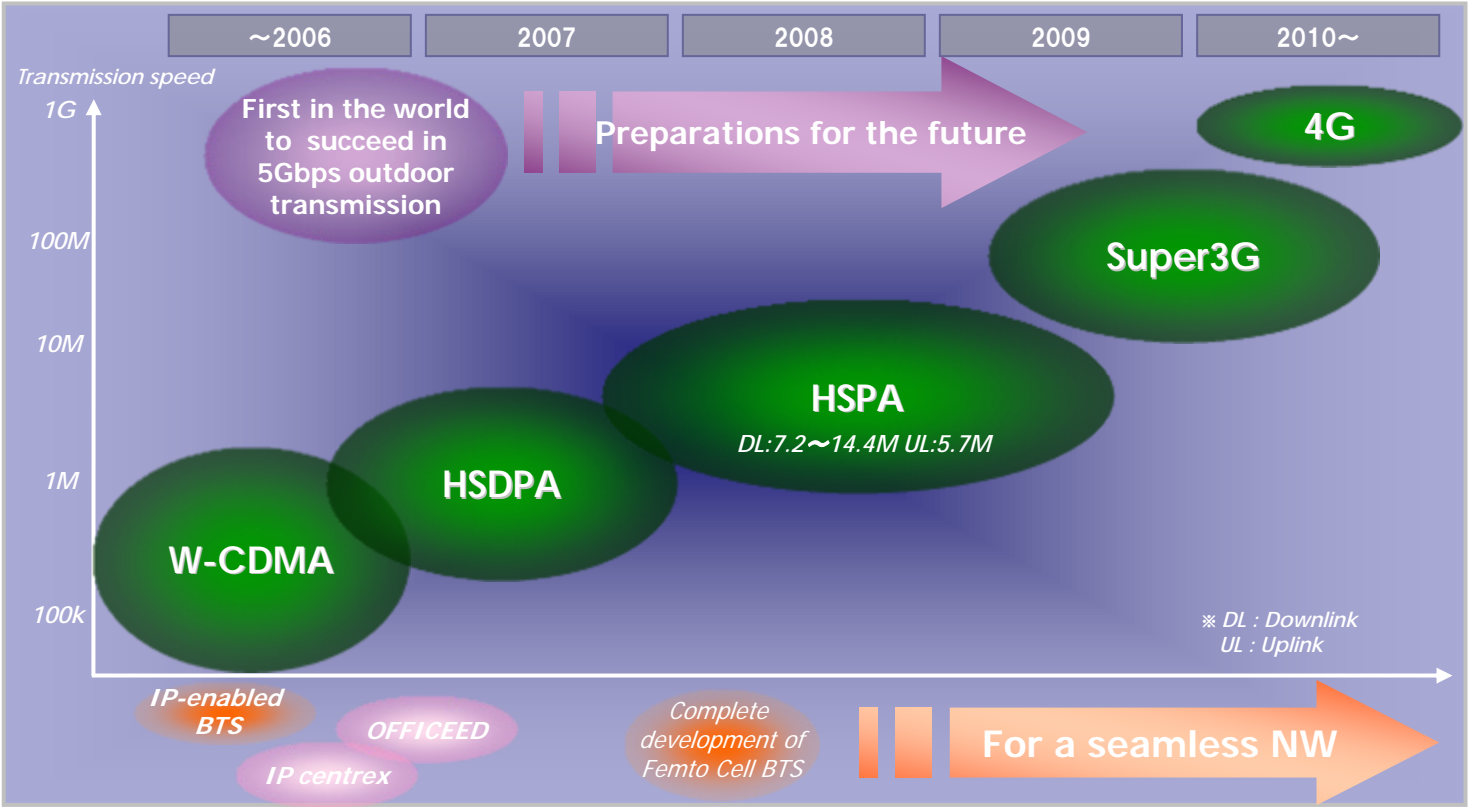
- Interactive coverage improvement responding to customers' voices
- Area tuning

• Facility build-up in responding to the growth in data capacity

- Reinforce facilities to cater to an increase in data traffic resulting from the growing uptake of flat-rate service
- Expand HSDPA coverage to 90% of populated areas

Planned Network Evolution

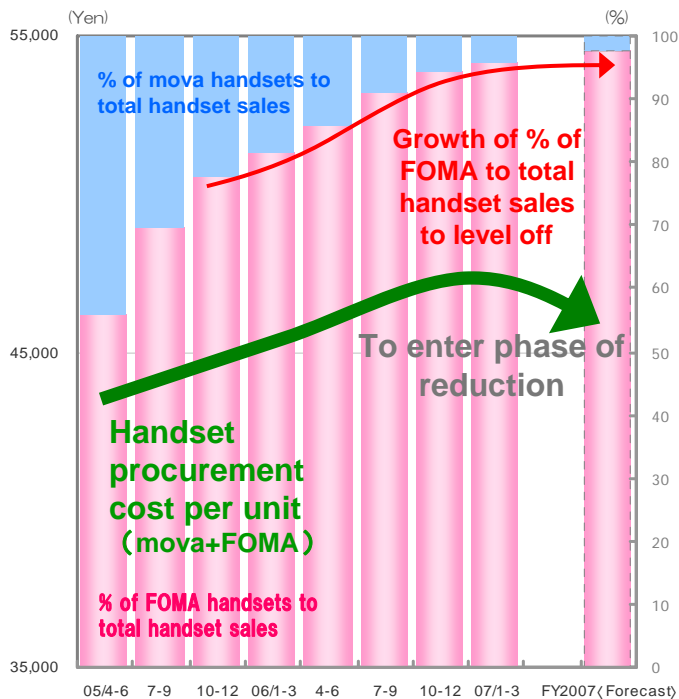
- Facilitate network enhancement to support faster transmission rates and larger capacity, responding to the need for personalization of services, and ubiquitous and seamless access



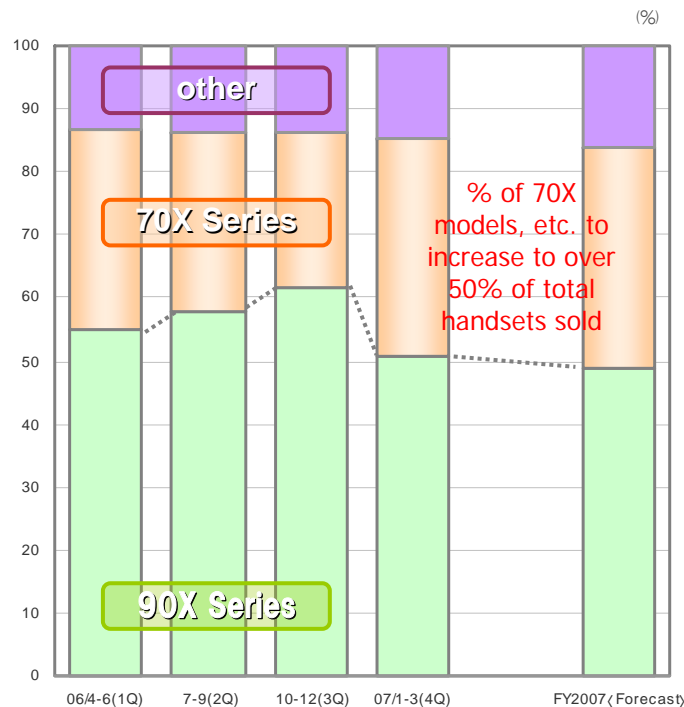
Actions for Cost Reduction -1-

- Handset procurement costs to enter phase of reduction, as a result of handset cost reduction efforts and optimization of product mix

Change in handset procurement cost per unit

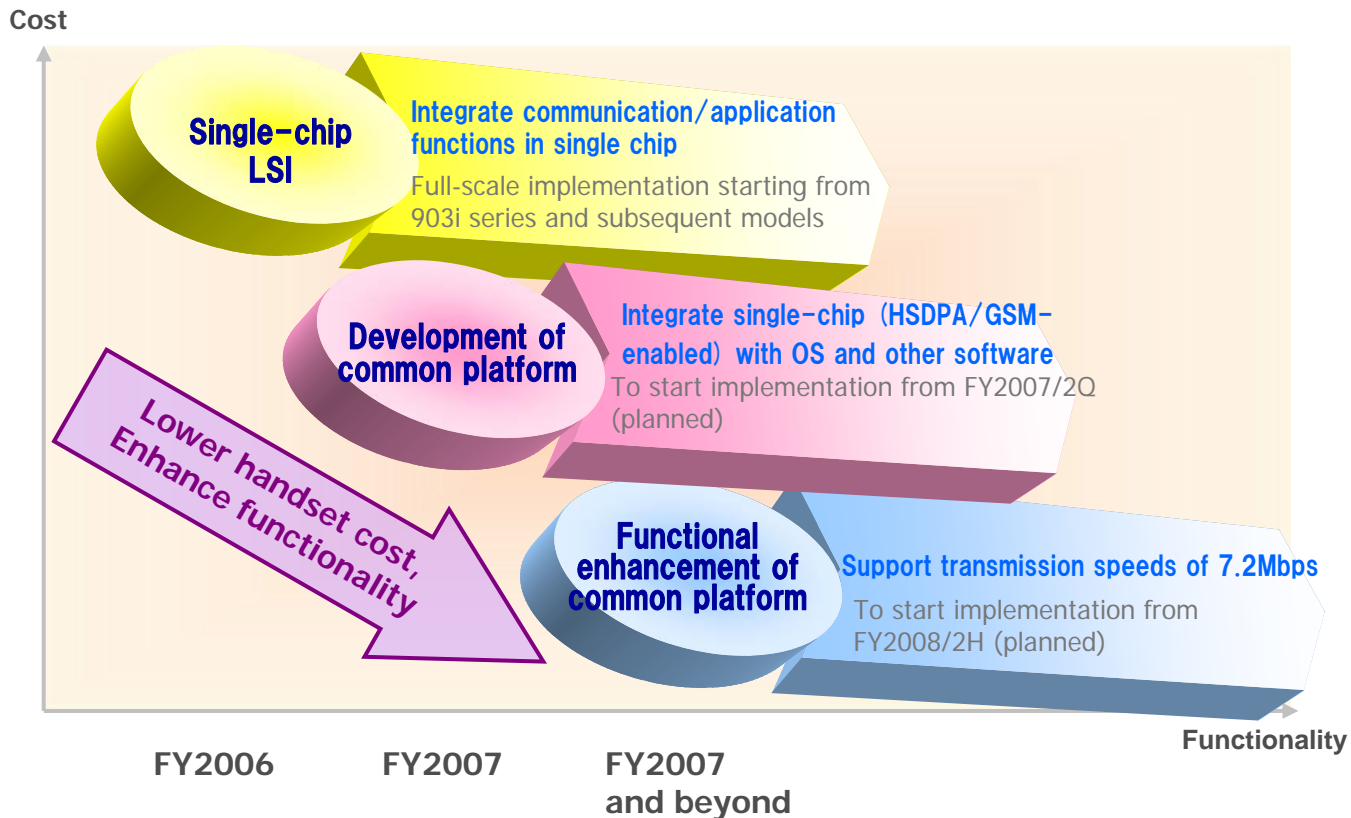


Handset sales by series



Actions for Cost Reduction -2-

- Achieve handset cost reduction and functional enhancements and shorten lead time for development, etc., through the development of single-chip LSIs and common platform



Return to Shareholders

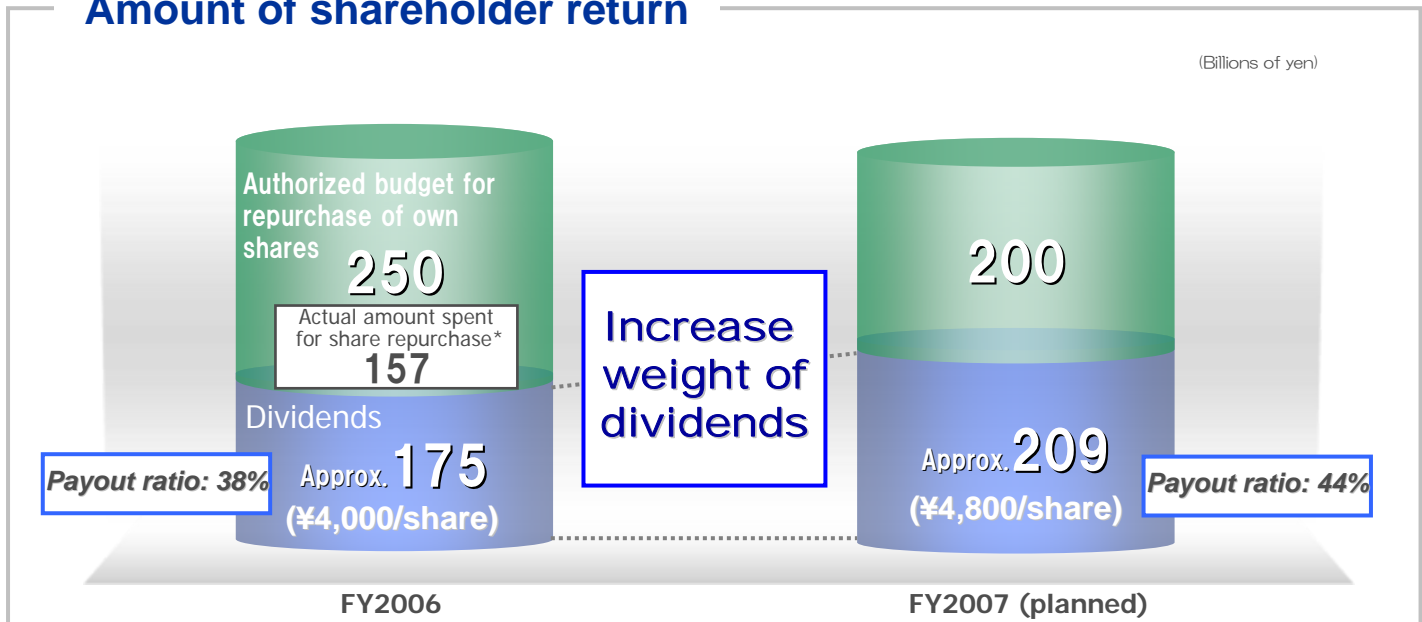
- Returning profits to shareholders is considered one of the most important issues in our corporate policies

FY2007 (planned)

Dividend per share: 4,800 yen (UP20%)

Repurchase of own shares: Seek authorization at General Meeting of Shareholders to repurchase up to 1 million shares for up to 200 billion yen

Amount of shareholder return



* Actual amount spent for repurchase of own shares from April 1, 2006 to Mar. 31, 2007.



Appendices

Operating Revenues

US GAAP

Operating revenues for
FY2006

◆ Compared to FY2005

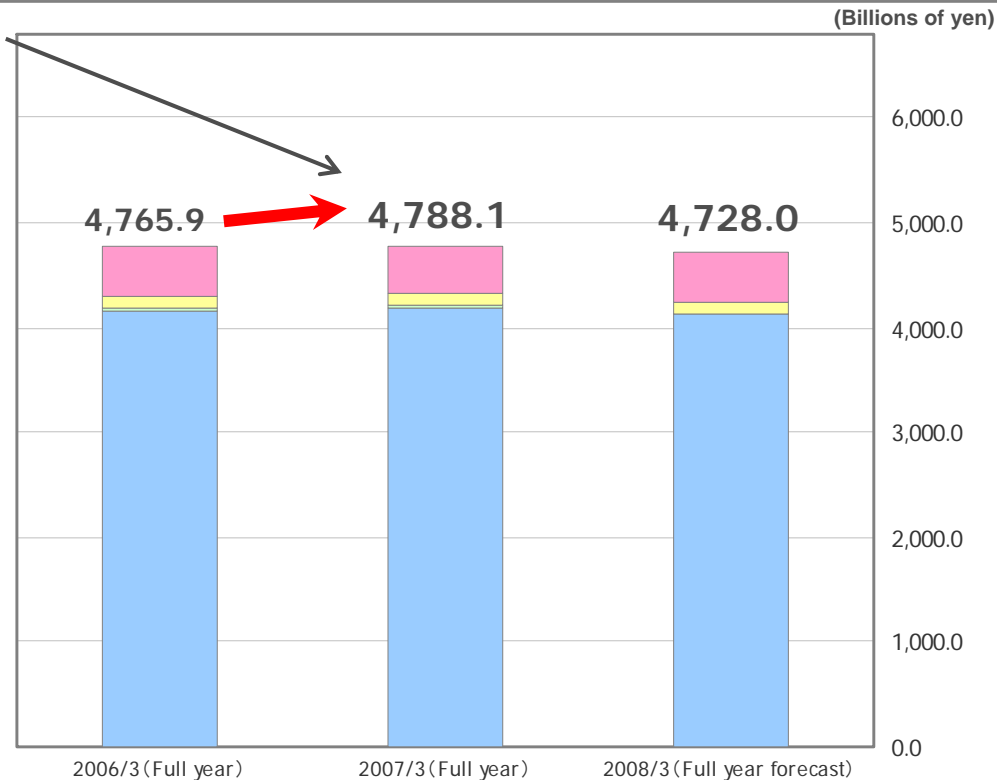
+0.5%

(Cellular services revenues)

+0.6% year-on-year

(Equipment sales revenues)

+0.8% year-on-year



(Billions of yen)

Equipment sales revenues	470.0	474.0	478.0
Other revenues*	96.8	108.5	123.0
PHS revenues	40.9	23.0	9.0
Cellular services revenues (voice, packet)**	4,158.1	4,182.6	4,118.0

* "Quickcast" revenues are included in "Other revenues".

** "International services revenues" are included in "Cellular services revenues(voice,packet)".

Operating Expenses

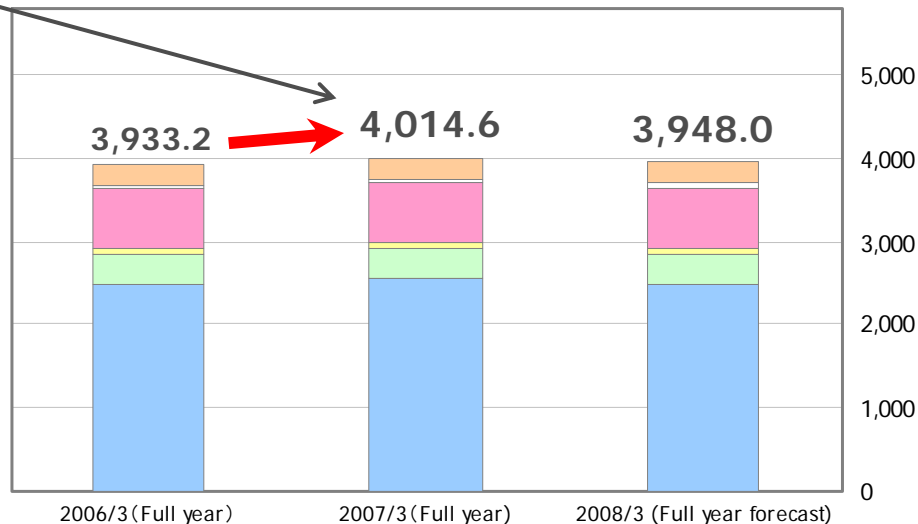
US GAAP

Operating expenses
for FY2006

◆ Compared to
FY2005

+2.1%

(Billions of yen)



(Billions of yen)

	2006/3 (Full year)	2007/3 (Full year)	2008/3 (Full year forecast)
Personnel expenses	250.3	254.3	253.0
Taxes and public duties	36.7	36.4	39.0
Depreciation and amortization	738.1	745.3	753.0
Loss on disposal of property, plant and equipment and intangible assets	54.7	73.1	64.0
Communication network charges	368.5	356.1	349.0
Non-personnel expenses	2,484.8	2,549.3	2,490.0
(Incl.) Revenue-linked expenses*	1,758.5	1,832.0	1,727.0
(Incl.) Other non-personnel expenses	726.4	717.3	763.0

* Revenue-linked expenses: Cost of equipment sold + distributor commissions + cost of DoCoMo Point service

◆ Impairment loss from the disposal of PHS assets, which had been stated individually in "impairment loss" in previous reports, has been included in "depreciation and amortization" from FY2006/1Q.

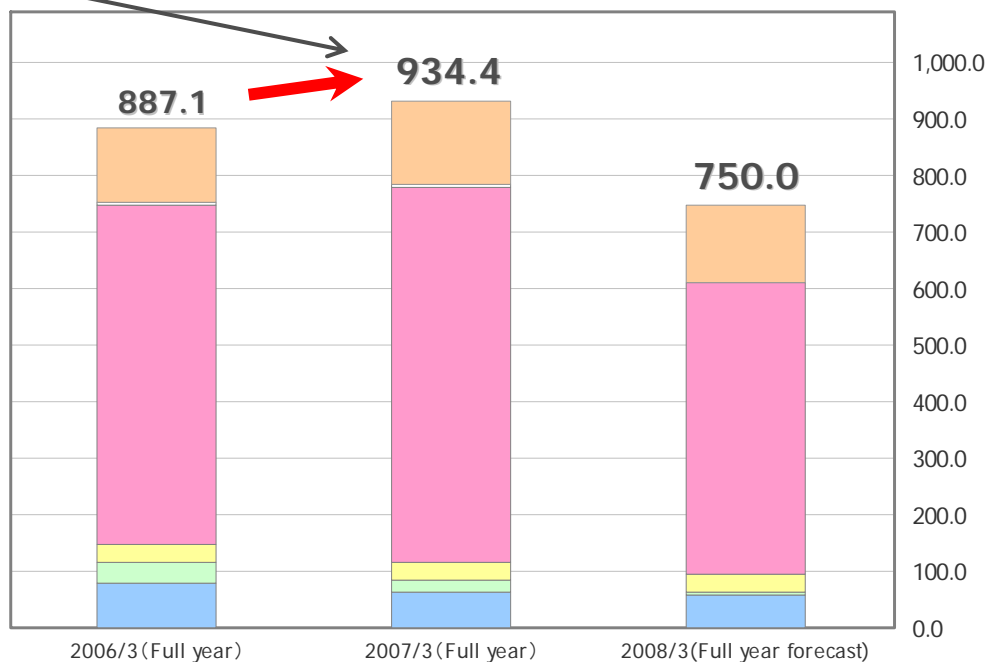
Capital Expenditures

Capital expenditures
for FY2006

◆ Compared to
FY2005

+5.3%

(Billions of yen)



(Billions of yen)

	2006/3 (Full year)	2007/3 (Full year)	2008/3 (Full year forecast)
Other (information systems, etc.)*	136.6	151.7	139.0
PHS business	1.1	1.2	0.0
Mobile phone business (FOMA)	602.4	665.0	518.0
Mobile phone business (i-mode, etc.)	29.0	33.2	28.0
Mobile phone business (mova)	36.8	18.5	8.0
Mobile phone business (transmission line)	81.2	64.8	57.0

* "Quickcast business" is included in "Other (Information systems, etc.)".

Operational Results and Forecasts

			2006/3 (Full year) (1)	2007/3 (Full year) (2)	Changes (1) →(2)	2008/3 (Full year forecast)	
Cellular Phone	No. of Subscribers (1,000)*		51,144	52,621	+2.9%	53,890	
	mova		27,680	17,092	-38.3%	9,470	
	FOMA		23,463	35,529	+51.4%	44,420	
	i-mode		46,360	47,574	+2.6%	48,590	
	Communication Module Service		665	1,027	+54.3%	1,310	
	Market share (%)		55.7	54.4	-1.3 points	-	
	Handsets sold (1,000) (including handsets sold without involving sales by DoCoMo)	mova	New	2,557	863	-66.3 %	-
			Replace	4,517	1,232	-72.7 %	-
		FOMA	New	4,561	5,565	+22.0 %	-
			Migration from mova	9,376	9,553	+1.9 %	-
Other**			4,019	8,835	+119.8 %	-	
Churn rate (%)		0.77	0.78	+0.01 points	-		
PHS	No. of Subscribers (1,000)		771	453	-41.2%	-	
	ARPU (yen)***		3,280	3,110	-5.2%	-	
	MOU (minutes)***		72	57	-20.8 %	-	

*Communication Module Service subscribers are included in the no. of cellular phone subscribers to align the calculation method of subscribers with other cellular phone carriers. (Market share, the no. of handsets sold and churn rate are calculated inclusive of Communication Module Service subscribers.)

** Other includes purchase of additional handsets by existing FOMA subscribers.

*** For an explanation of MOU and ARPU, please see Slide 34 of this document, "Definition and Calculation Methods of MOU and ARPU".

Corporate Social Responsibility (CSR)

For a safer,
healthier &
more secure
mobile society

- “DoCoMo *Keitai* Safety School” seminars (1,400 sessions at schools and communities nationwide)
- Enriched “Anshin” features aimed at delivering peace of mind (“Data Security” service, “*Omakase Lock*”, “*Keitai Osagashi*” service)
- Filtering service



DoCoMo *Keitai* Safety School

Universal
design
products &
services

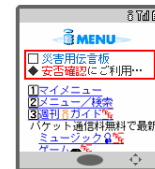
- FOMA “Raku Raku Phone III”, “Raku Raku Phone Basic” handsets
- Bone conduction receiver microphone, “Sound Leaf”
- Double-screen handset (D800iDS)
- Cellular phone usage lessons for handicapped/elderly users
- “Hearty Mind” training, staff training for service helper certification



Double-screen handset (D800iDS)

Disaster
response

- i-mode Disaster Message Board service (Operated after occurrence of Noto Peninsula, Mie earthquake)
- Functional enhancements to i-mode Disaster Message Board (Added registration request mail transmission function)
- Introduced “Emergency Location Report” function



i-mode Disaster Message Board service

Environmental
conservation
activities

- “Save the earth with eco-friendly phone” campaign (Mar.-Dec. 2006) (Donated 1% of monthly telephone bill amount of N701iECO handset users to nature conservation activities)
- Collection/recycling of used cellular phones (cumulative 62 million units)
- “DoCoMo Woods” forestation campaign (total 32 location in Japan/overseas)



DoCoMo Woods forestation campaign

Return to Shareholders (Track Record)

Track Record <by Fiscal year>

	FY2004	FY2005	FY2006
Total dividends (Billions of yen) (1)	93	178.2	175.1
(Dividend per share)	(2,000 yen)	(4,000 yen)	(4,000 yen)
Repurchase of own shares (Billions of yen) (2)	425.2	300.1	157.2
(No. of shares repurchased)	(2.32 million)	(1.8 million)	(0.88 million)
Total (Billions of yen) (1)+(2)	518.3	478.2	332.3
No. of treasury shares canceled	1.48 million	1.89 million	0.93 million

Definition and Calculation Methods of MOU and ARPU

◆ **MOU (Minutes of usage): Average communication time per one month per one user.**

◆ **ARPU (Average monthly Revenue Per Unit):**

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing various revenue items included in our wireless services revenues, such as monthly charges, voice transmission charges and packet transmission charges, from designated services which are incurred consistently each month, by number of active subscribers to the relevant services. Accordingly, the calculation of ARPU excludes revenues that are not representative of monthly average usage such as activation fees. We believe that our ARPU figures provide useful information to analyze the average usage of our subscribers. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations.

◆ **Aggregate ARPU (FOMA+mova): Voice ARPU (FOMA+mova) + Packet ARPU (FOMA+mova)**

◇ **Voice ARPU (FOMA+mova):** Voice ARPU (FOMA+mova) Related Revenues (monthly charges, voice transmission charges) /
No. of active cellular phone subscribers (FOMA+mova)

◇ **Packet ARPU (FOMA+mova):** {Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) +
i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges)} /
No. of active cellular phone subscribers (FOMA+mova)

◇ **i-mode ARPU (FOMA+mova):** i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) /
No. of active cellular phone subscribers (FOMA+mova)

◆ **Aggregate ARPU (FOMA): Voice ARPU (FOMA) + Packet ARPU (FOMA)**

◇ **Voice ARPU (FOMA):** Voice ARPU (FOMA) Related Revenues (monthly charges, voice transmission charges) / No. of active
cellular phone subscribers (FOMA)

◇ **Packet ARPU (FOMA):** Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active
cellular phone subscribers (FOMA)

◇ **i-mode ARPU (FOMA):** i-mode ARPU (FOMA+) Related Revenues (monthly charges, packet transmission charges) / No. of active
cellular phone subscribers (FOMA)

◆ **Aggregate ARPU (mova): Voice ARPU (mova) + i-mode ARPU (mova)**

◇ **Voice ARPU (mova):** Voice ARPU (mova) Related Revenues (monthly charges, voice transmission charges) / No. of active
cellular phone subscribers (mova)

◇ **i-mode ARPU (mova):** i-mode ARPU (mova+) Related Revenues (monthly charges, packet transmission charges) / No. of active
cellular phone subscribers (mova)

◆ **Number of active subscribers used in ARPU and MOU calculations are as follows:**

◇ Quarterly data: sum of "No. of active subscribers in each month"* of the current quarter

◇ Half-year data: sum of "No. of active subscribers in each month"* of the current half

◇ Full-year data: sum of "No. of active subscribers in each month"* of the current fiscal year

* "No. of active subscribers in each month": (No. of subs at end of previous month + No. of subs at end of current month)/2

※The revenues and no. of subscribers of Communication Module Service are not included in the above calculation of ARPU and MOU.

Reconciliation of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

1. EBITDA and EBITDA margin

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
a. EBITDA	¥ 1,606.8	¥ 1,574.6	¥ 1,573.0
Depreciation and amortization	(738.1)	(745.3)	(753.0)
Losses on sale or disposal of property, plant and equipment	(36.0)	(55.7)	(40.0)
Operating income	832.6	773.5	780.0
Other income (expense)	119.7	(0.6)	8.0
Income taxes	(341.4)	(313.7)	(312.0)
Equity in net losses of affiliates	(0.4)	(1.9)	-
Minority interests in earnings of consolidated subsidiaries	(0.1)	(0.0)	-
b. Net income	610.5	457.3	476.0
c. Total operating revenues	4,765.9	4,788.1	4,728.0
EBITDA margin (=a/c)	33.7%	32.9%	33.3%
Net income margin (=b/c)	12.8%	9.6%	10.1%

Note: EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of regulation S-K and may not be comparable to similarly titled measures used by other companies.

2. Free cash flows excluding irregular factors and changes in investments for cash management purpose

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
Free cash flows excluding irregular factors and changes in investments for cash management purpose	¥ 510.9	¥ 192.2	¥ 560.0
Irregular factors (1)	-	(210.0)	210.0
Changes of investments for cash management purpose (2)	149.0	50.7	-
Free cash flows	659.9	32.9	770.0
Net cash used in investing activities	(951.1)	(947.7)	(780.0)
Net cash provided by operating activities	1,610.9	980.6	1,550.0

Note: (1) Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of the fiscal year.

(2) Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purpose with original maturities of longer than three months. Net cash used in investing activities for the year ended March 31, 2006 and 2007 includes changes in investments for cash management purpose. However, the effect of changes in investments for cash management purpose is not taken into account when we forecasted net cash used in investing activities for the year ending March 31, 2008 due to the difficulties in forecasting such effect.

