Press Conference Announcing the Results
for the First Three Months of Fiscal Year Ending March 31, 2008
(Minutes)

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

[Comments by Mr. Nakamura, President & CEO]

For the first three months of the fiscal year ending Mar. 31, 2008 (FY2007/1Q), the Company posted a decrease in both revenues and income compared to the same period of the previous fiscal year. Operating revenues and operating income were 1,182.9 billion yen (down 2.9% year-on-year) and 203.9 billion yen (down 25.2% year-on-year), respectively. The progress of the first quarter operating income with respect to our full-year target was 26.1%, which was more or less in line with our earlier projections.

The FY2007/1Q operating income decreased approximately 69 billion yen from the same period of the last fiscal year for several reasons.

First, operating revenues for the first quarter posted a decline of 35.7 billion yen year-on-year. During the previous fiscal year, however, we incurred in revenues the unused "*Nikagetsu Kurikoshi* (two-month carry-over)" allowances. If this irregular item in the amount of 30.6 billion yen is excluded, operating revenues for FY2007/1Q remain almost unchanged.

Secondly, operating expenses grew 33.2 billion yen compared to the same period of the previous fiscal year. There are three principal reasons behind this increase: (1) growth of revenue-linked expenses resulting from a 500,000-unit year-on-year increase in the number of handsets sold, (2) rise of depreciation and amortization resulting from the expansion of capital expenditures during the last fiscal year, and the 4 billion yen impact from the change in depreciation method associated with the revision of tax system, and (3) growth in electricity and operation/maintenance costs due to the increase in the number of base stations in operation.

The depreciation method was changed to correspond to the revised tax system. Under the revised rules, we are allowed to depreciate the entire value of a property, instead of having to carry over a 5% residual value as set forth under the previous system. This is expected to increase the amount of our depreciation/amortization costs by approximately 4 billion yen for the first quarter, and approximately 17 billion yen for the full year.

In addition, we expect to post gains from the return of the proxy portion of employees' pension fund payments ("*Daiko Henjo*") around the fourth quarter of this fiscal year. On July 1, 2007, we received authorization to return the proxy portion of our employees' pension funds. According to US GAAP, this will be reflected in our accounting when all the return procedures are completed, and we believe the procedures will be completed by the end of this fiscal year. Our operating expenses are expected to decrease by approximately 25 billion yen as a result of "*Daiko Henjo*". The full-year operating income, therefore, is expected to increase approximately 25 billion yen due to "*Daiko Henjo*", but decrease approximately 17 billion yen because of the changes in depreciation method. Taking into account these factors, as well as the projected negative impact on our revenues resulting from the new discount packages, which I will explain later in more detail, in compiling the results for the first quarter of the fiscal year ending

Mar. 31, 2008, we made the judgment that there will be no need to revise our full-year forecast at this point, because the impact from the discounts is already factored into our business plans.

As for our operational performance, the competition for market share of net additions remains tough, as we are still posting net losses as far as the Mobile Number Portability (MNP) market is concerned. However, the impact of MNP is gradually subsiding, and we will strive to secure a higher market share through the release of the new FOMA704i series handsets and the introduction of new discount services.

Please note that the number of net additions is calculated excluding the “2 in 1” subscribers. The subscriber base of the “2 in 1” service reached approximately 67,000 as of Jun. 30, 2007, and over 100,000 as of today. Our market share of net additions would have reached nearly 30% if it had been calculated inclusive of “2 in 1” subscribers.

Our churn rate for the first quarter was 0.85%, posting a gradual decline compared to the second half of FY2006, which indicates the impact of MNP is gradually weakening.

With respect to the migration of subscribers to FOMA, the total number of FOMA subscribers topped 37 million as of Jun. 30, 2007, and is expected to grow to over 80% of the total by Mar. 31, 2008. We are making steady progress in transferring users to FOMA in view of the scheduled expiry of the mova (2G) license in 2012.

MOU for the first quarter was 140 minutes, down 5 minutes, or 3.4%, compared to the same period of the previous fiscal year. This was almost in line with our forecast, and we will continue to carefully monitor the MOU trends going forward.

ARPU for the first quarter was 6,560 yen. The general trend remains unchanged—voice ARPU continued to fall but packet ARPU posted year-on-year gains. Packet ARPU for the first quarter was 2,120 yen, up 150 yen, or 7.6%, compared to the same period of the last fiscal year.

The user base of our “pake-hodai” flat-rate package topped the 10 million mark as a result of our efforts to enrich our service offerings such as “i-channel” and music. Some 28% of our total FOMA subscribers have already signed up for “pake-hodai”.

With approximately 8.5 million users joining over the last 12 months, the number of “i-channel” subscribers has reached 12.27 million as of Jun. 30, 2007. The “i-channel” service accounted for 70 yen of our data ARPU in the first quarter, making a considerable contribution to boosting data revenues.

In the field of visual communication services, we opened Japan’s first comprehensive entertainment variety video delivery website, “i-movie gate”, in cooperation with our partner, Kadokawa Group.

We have successfully expanded our mobile credit business as planned; the subscriber count of “DCMX” service topped 3 million, and the number of installed iD payment (reader/writer) terminals grew to approximately 190,000. Now that the service is being introduced in all principal convenience store chains, I believe users are beginning to realize the expanded coverage of the service.

Furthermore, with the goal of facilitating the roll-out of iD service in small/medium-sized outlets, we established a joint venture, CXD Next Co., Ltd., with Casio Computer Co., Ltd, to promote the introduction of relatively inexpensive network cash-registers compatible with the iD service.

In the area of international services, thanks to the growing uptake of roaming-enabled handsets, the percentage of own-handset roamers, who bring their own handset abroad instead of renting handsets at airports, has risen to approximately 60%. International services revenues posted a steadfast growth of 41%

year-on-year in the first quarter. We are also beginning to see tangible results from our investments and alliances, which are demonstrated by the roaming coverage improvements in destinations frequented by Japanese travelers, such as Korea, Guam and Hawaii.

As for billing plans, last month we announced that we will start receiving applications for “Fami-wari MAX” and “Hitoridemo Discount” services from Aug. 22, 2007. Then, KDDI unveiled its “Daredemo-wari” discount package─a service offering a 50% discount on basic monthly charges immediately from the first year, which can also be applied to its family discount users. Because DoCoMo’s previously announced “Fami-wari MAX” and “Hitoridemo Discount” services cannot compete effectively against KDDI’s newly announced package, we have decided to introduce two new services, “Fami-wari MAX50” and “Hitoridemo Discount 50”, which both offer a 50% discount on monthly charges from the first year, to counter KDDI. We will start receiving applications for these two services from Aug. 22, 2007. We are also planning to introduce a similar discount package for corporate clients in about a month’s time.

On July 4, 2007, we unveiled our new FOMA 704i series handsets. Because we believe the popularity of the 703i series proved that our design concept—miniaturizing the handset and equipping each model with a distinctive set of features—was well accepted by our customers, we decided to further advance this concept with the 704i model.

With respect to the FOMA network, this fiscal year we have been working not only on its coverage expansion but also on quality enhancement through area tuning and capacity buildup. The first quarter capital expenditures were almost in line with our forecast, at 151.2 billion yen, which was 63 billion yen lower than the same period of the previous fiscal year. Capital expenditures for the full year are expected to decline 180 billion yen year-on-year to 750 billion yen. We also expanded the coverage of the HSDPA network to 82% of the populated areas in Japan.

With the establishment of the Corporate Branding Division on Aug. 1, 2007, we plan to conduct an all-out review of our marketing and branding approaches from various angles, and implement new initiatives with the help of our external advisors, Mr. Uotani and Ms. Katsube.

Finally, concerning returns to shareholders, we plan to increase our dividends by 20% over the previous term to 4,800 yen per share for the year ending Mar. 31, 2008. We were authorized to repurchase up to 1 million shares of our own stock for up to 200 billion yen at the Ordinary General Meeting of Shareholders in June 2007.

[Questions and Answers]

Q1: How do you evaluate your FY2007/1Q results?

A1: Operating income for FY2007/1Q decreased approximately 60 billion yen compared to the same period of the previous fiscal year, of which 30 billion yen were attributable to the accounting impact of incurring in revenues the unused “*Nikagetsu Kurikoshi* (two-month carry-over)” allowances in the previous fiscal year. In addition, handset sales in the first quarter of FY2006 were very quiet prior to the launch of MNP. In the first quarter of this fiscal year, handset sales expenses increased compared to the same period of the last fiscal year, which resulted in a reduction of operating income.

In our full-year forecast, we are projecting higher operating income in the second half than in the first half. It would be difficult to achieve our full-year target if we slacken our efforts, but the first quarter results were almost in line with our projections.

Q2: Explain the impact of the expanded discount services that you announced today on your operating revenues and operating income.

A2: When we made the initial announcement in June, we explained that the negative impact on revenues was estimated at 20 billion yen. The additional discounts offered with the newly announced packages are expected to negatively affect our revenues by another 20 billion yen. These impacts, however, are already factored into our business plans, and we therefore have not made any revisions to our full-year guidance.

Q3: If you are not able to include the gains from the return of the proxy portion of the employees' pension fund payments (*Daiko Henjo*) due to non-completion of the necessary procedures by the end of the fourth quarter, do you think you will need to revise your full-year forecast?

A3: We started using the new depreciation method from the first quarter of this fiscal year, so this will definitely put downward pressure on our revenues. If the *Daiko Henjo* procedures cannot be completed in time, we will need to revise our full-year forecast downwards. However, looking at the precedents set by other companies that have already used the *Daiko Henjo* system, we believe the chances of such circumstances happening are slim.

Q4: Both your revenues and profits decreased in FY2007/1Q, and there are more downward pressures on your revenues due to the discounts. What are your views on the Company's share price performance, which has been continuously declining? What kind of measures do you plan to take to turn around your business?

A4: I believe DoCoMo's share price has been falling partly due to the overall sluggishness of the telecommunications sector, and partly due to uncertainties over our future revenues brought on by the introduction of expanded discounts introduced by both DoCoMo and KDDI.

Going forward, we would like to focus on the following two initiatives:

(1) Strengthening our core cellular phone business: Data communications revenues have been rising, and we aim to steadily expand them going forward. According to our ARPU analysis, voice revenues have been falling, but we have identified various types of new demands for data services, e.g., video content. We will also cultivate the corporate market further, as corporate contracts account for only 10% of the total today.

(2) Pioneering new business domains outside of our core business: We would like to reinforce our endeavors in new business fields such as that of the credit business, which has yet to fully take off.

Q5: According to your forecast, how many subscribers are estimated to join the new discount services?

A5: When we made the previous announcement, the combined subscriber base of "Fami-wari MAX" and "Hitoridemo Discount" was estimated at approximately 7 million. With the expanded discounts this time around, we are projecting a 70% increase from that level.

Q6: As the number of users joining the new discount packages offering a 50% discount on basic monthly fees grows, many users may misunderstand that the basic charges were reduced, as opposed to receiving a 50% discount. What is your view on this?

A6: Our current “Family Discount” service already enjoys a very high subscription rate, and a considerably large number of subscribers have signed up for this service. I do not think the new discount services will be perceived as a simple reduction of basic monthly charges, as they require subscribers to commit to a two-year service contract.

Q7: With the introduction of the new discount plans, the benefits accrued to long-term users will be diminished. How do you plan to cope with this issue?

A7: As you correctly point out, the benefits accrued to long-term users may look less attractive with the introduction of the new discount plans. I cannot comment on when or how we will respond to this issue, but we are aware of the need to assess the kinds of preferential treatment that should be given to customers who have been using our service over the long term.

Q8: Can you give us an update on your plans for the 2.5GHz band license?

A8: I have no comment on our plans for the 2.5GHz band license at this juncture. We had wanted to enter this field of business independently, but because ministry stipulations state that incumbent 3G carriers can only participate in this business as an investor owning less than 1/3 of the applicant, NTT Group’s stake holding in an applicant would be restricted to less than 1/3. We will study how to participate in this business within the entire NTT Group, and consider the possibility of allying with other players.

Q9: Give us an update on the progress of the MVNO negotiations between DoCoMo and Japan Communications Inc.

A9: We cannot comment on the state of our negotiations with Japan Communications due to confidentiality obligations. Because Japan Communications submitted a request for arbitration on the basis of an interconnection arrangement, we will have to provide various responses going forward.

Q10: The current state of competition, in which DoCoMo and KDDI are competing against each other with discounts, gives us the impression that a price war has started. How long do you think this situation will continue going forward?

A10: To begin with, leaving aside the scale of this round of discounts, we view price discounts to be a means of returning profits to one’s customers, and it is something to be done regularly in view of our profits. We do not intend to intensify price competition in the future.

Q11: Comment on the level of your handset procurement costs.

A11: While we cannot comment on the concrete procurement costs of our handsets, the average procurement cost has come down steadily as a result of our efforts to optimize the product mix between the 90X and 70X series, and the development of single-chip LSIs and a common software platform for FOMA handsets.

Q12: Explain the future direction of your sales incentive system.

A12: We take the discussions pertaining to the sales incentives system made by the Study Group on Mobile Business very seriously. We will review the balance between communication charges and handset prices, and respond to this issue in one way or another.

Q13: Your full-year capital expenditures are currently estimated to be 750 billion yen. Do you foresee any possibility of cutting your CAPEX, if you have to continue providing discounts?

A13: We develop long-term plans for the development and construction of our network and other facilities because a short-term approach could cause various repercussions to our business afterwards. Currently, our capital expenditures forecast for the future remains unchanged at 750 billion yen.

Q14: You were forced to change the method of counting your “2 in 1” service subscribers in the net adds calculations. What are your views on this?

A14: It was regrettable that we needed to change the method of counting the “2 in 1” subscribers. In my view, it is most appropriate to count the number of cellular phone subscribers on the basis of the number of telephone number contracts. Going forward, we plan to enable users to subscribe to the “2 in 1” service under multiple names to improve the convenience of this service, and at the same time, work to gain understanding and support regarding the counting method.

Q15: How much importance do you attach to the market share of net additions as an indicator?

A15: Now that the overall market is approaching saturation, the total number of net additions in the market has been declining by 20% each year from the level of the previous fiscal year, and we do not foresee a major change in the trend going forward. The total number of net additions in the market may increase temporarily from time to time, but I believe the importance of the market share of net additions will diminish year by year.

Recently, a lot of focus has been given to each carrier’s ranking in the monthly market share of net additions, but I believe the number of churns is more important. What is most important is how we can satisfy and retain our customers, and this has in fact had the largest impact on our business.

Q16: KDDI commented that they intend to “reinvigorate the MNP market” when they announced their new discount services. Does DoCoMo have the same ambition?

A16: Whether to use MNP is after all the customer’s choice, so we believe it is important to work thoroughly on the basics, e.g., to provide services that can satisfy our customers. I assume KDDI aims to acquire port-in subscribers using the MNP system. We aim to acquire port-ins as well, but at the same time, we also attach importance on curbing churns, so I believe our perspective is somewhat different from KDDI’s.

Q17: It seems you have not been able to grow the number of “pake-hodai” flat-rate subscribers as much as you had planned. What kind of measures do you plan to implement in the future to increase the subscription rate of "pake-hodai", which currently stands at approximately 28% of total FOMA subscribers?

A17: We believe "pake-hodai" subscriptions have posted favorable growth, topping the 10 million mark after increasing the number of plans eligible for this service. The current subscription rate of 28% is not a large proportion vis-à-vis our total customer base; however, as compared to the earlier phase immediately after its launch, this flat-rate service is beginning to deliver positive results to our revenues because recently we are seeing growth in the number of customers with relatively low packet usage — those who had previously spent less than 3,900 yen for packet charges per month — joining this service. Going forward, we plan to implement measures that will facilitate subscription to "pake-hodai".

Q18: You offer two types of packet discount packages—"pake-hodai" and "Packet Pack". Comment on the possibility of reviewing your data billing plans going forward, for example, by streamlining the two discount packages.

A18: As a general direction, I believe more flat-rate services will be introduced for data communications services in the future. If we decide to introduce a tiered flat-rate structure by adding a cheaper plan than the current "pake-hodai" service in the future, we may have to make some rearrangements.

Q19: What kind of issues will be addressed by the Corporate Branding Division to be newly established?

A19: Beyond competition between the carriers, we would like to hammer out new directions for the future of cellular services, to move one step ahead in introducing new products and services. In this endeavor, with the help of external resources, the Corporate Branding Division will revisit and reshape our approaches toward advertisement/publicity, customer response and branding.

Q20: At this juncture, what do you think you have achieved with the "DoCoMo 2.0" promotional campaign? Are there any areas that require reconsideration?

A20: We have received various opinions pertaining to the "DoCoMo 2.0" campaign. We intended to express our resolve to "move one step ahead" with the red star symbol. This campaign, I believe, has made a stir in a good sense. We would like to continue implementing various measures going forward, taking into account the opinions and suggestions from various sectors.

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