



# NTT DOCOMO, INC.

Results for the first three months  
of the fiscal year ending Mar.31,2009

**July 30, 2008**

# 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 Mobile Number Portability, 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, or may lead to decrease in ARPU or an increase in our costs and expenses.
2. Current and new services, usage patterns, and sales schemes introduced by our corporate group may not develop as planned, which could affect our financial condition and 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 confidential business information including personal 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, 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.



**FY2008/1Q**  
**Financial Results Highlights**

	2007/4-6 (1Q) (1)	2008/4-6 (1Q) (2)	Changes (1)→(2)	2009/3 (Full year forecast) (3)	Progress to forecast (2) / (3)
<b>Operating Revenues (Billions of yen)</b>	<b>1,182.9</b>	<b>1,170.2</b>	<b>-1.1%</b>	<b>4,768.0</b>	<b>24.5%</b>
Cellular Services Revenues (Billions of yen)	1,032.7	936.4	-9.3%	3,605.0	26.0%
<b>Operating Expenses (Billions of yen)</b>	<b>979.0</b>	<b>873.8</b>	<b>-10.7%</b>	<b>3,938.0</b>	<b>22.2%</b>
<b>Operating Income (Billions of yen)</b>	<b>203.9</b>	<b>296.5</b>	<b>+45.4%</b>	<b>830.0</b>	<b>35.7%</b>
Income Before Income Taxes (Billions of yen)	205.5	288.4	+40.4%	835.0	34.5%
<b>Net Income (Billions of yen)</b>	<b>122.8</b>	<b>173.5</b>	<b>+41.3%</b>	<b>503.0</b>	<b>34.5%</b>
<b>EBITDA Margin (%) *</b>	<b>32.7</b>	<b>40.1</b>	<b>+7.4 points</b>	<b>34.1</b>	<b>-</b>
<b>Adjusted Free Cash Flow (Billions of yen) **</b>	<b>49.2</b>	<b>-105.6</b>	<b>-</b>	<b>80.0</b>	<b>-</b>

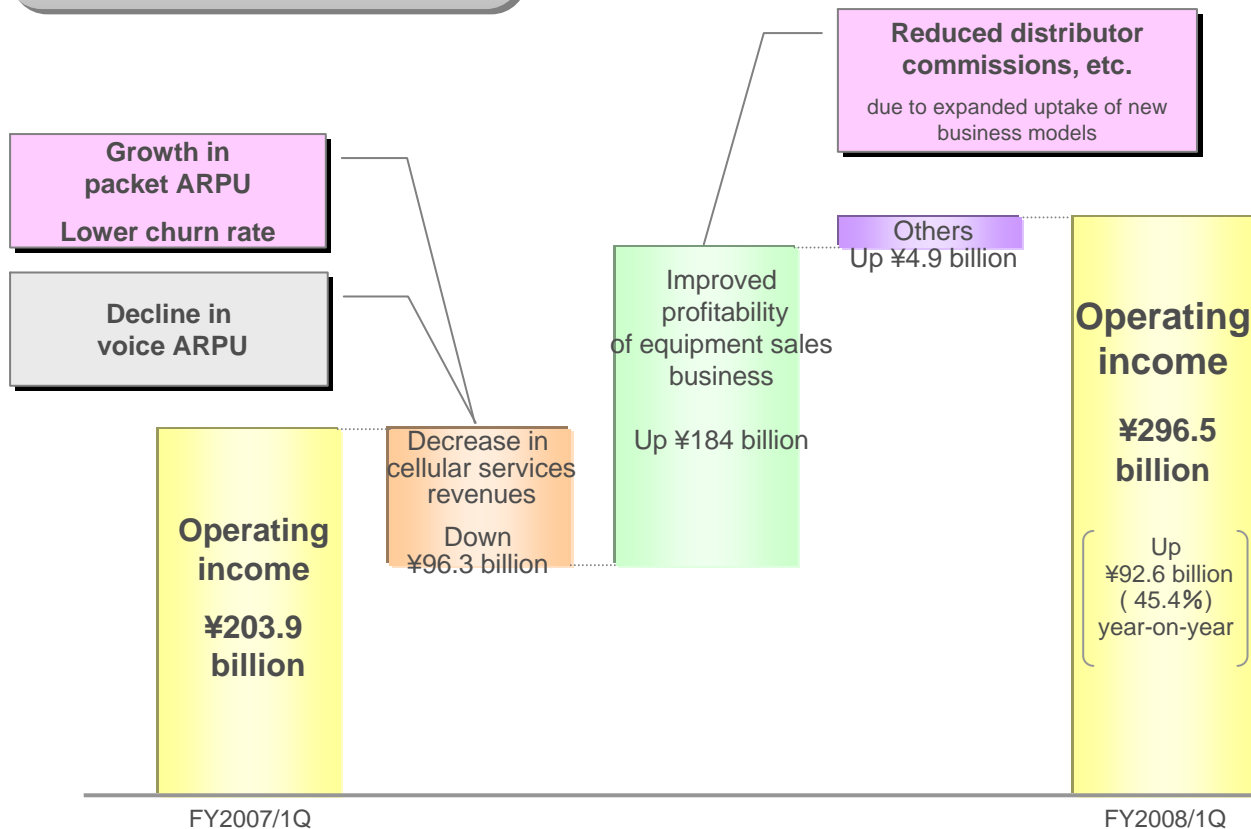
◆ Consolidated financial statements in this document are unaudited.

\* 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 32 and the IR page of our website, [www.nttdocomo.co.jp](http://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.

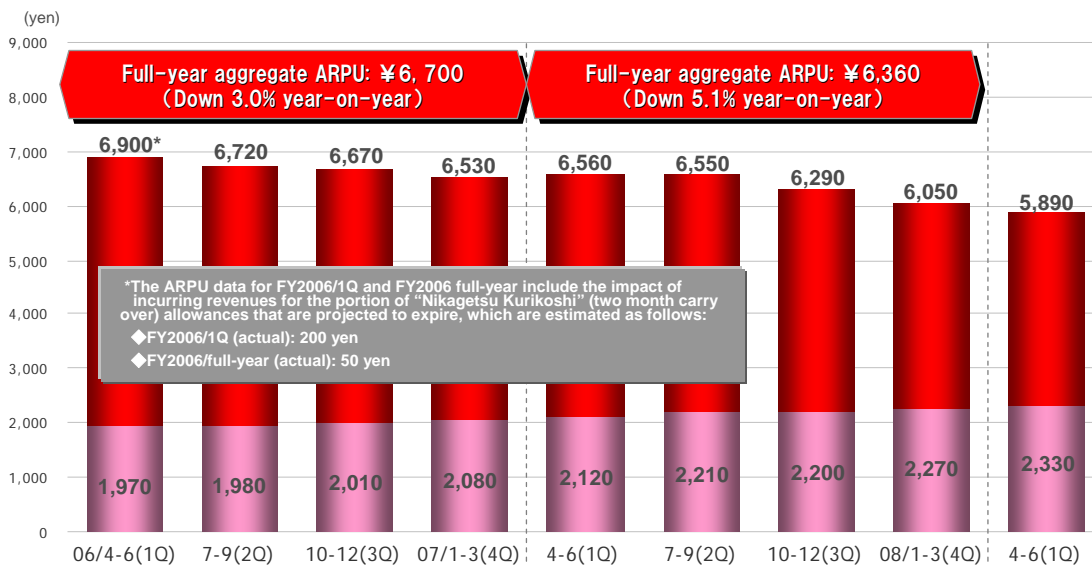
- **Operating income: ¥296.5 billion**  
**(Up ¥92.6 billion year-on-year)**
  
- **Operating revenues: Down ¥12.6 billion year-on-year**
  - Cellular services revenues: Down ¥96.3 billion**
  - Equipment sales revenues: Up ¥72.2 billion**
  
- **Operating expenses: Down ¥105.2 billion year-on-year**
  - Revenue-linked expenses: Down ¥101.8 billion**  
**(Cost of equipment sold: Down ¥73.7 billion,**  
**Distributor commissions: Down ¥38.1 billion)**

## FY2008/1Q Financial Results Highlights (2)

Changes in factors behind  
YOY operating income growth

# Cellular (FOMA+mova) ARPU

- Aggregate ARPU for FY2008/1Q was 5,890 yen (down 10.2% year-on-year).  
Data ARPU was 2,330 yen (up 9.9% year-on-year)



■ Voice ARPU

(Incl.) Int'l services ARPU

■ Packet ARPU

(Incl.) i-mode ARPU

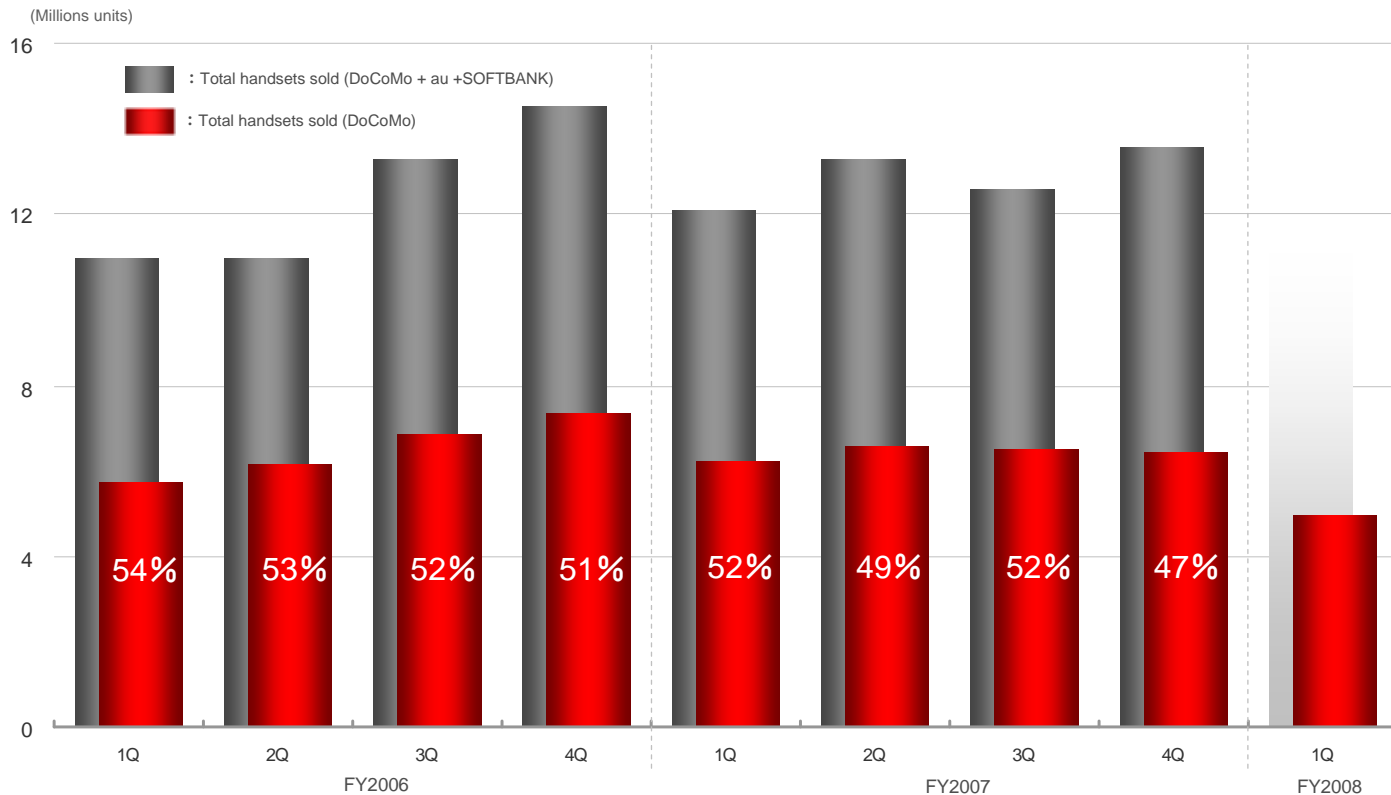
YOY changes in packet ARPU (%)

◆ 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 31 of this document, "Definition and Calculation Methods of MOU and ARPU".

# Market Share of Handsets Sold (Estimate)

- Maintained market share of total handsets sold at approx. 50%



◆ Calculated based on financial results materials of each company ◆ Handsets sold by TU-KA and EMOBILE are not included





## Principal Actions and Results

# DOCOMO Reform (1)

## •Execute “New DOCOMO Commitments” to transform DOCOMO from a customer-centric viewpoint

### “New DOCOMO Commitments”

Apr. 18, 2008

**1** We will refine our brand and strengthen ties with our customers

**2** We will solicit and incorporate feedback from customers so that we continue to exceed their expectations

**3** We will continue to innovate so that we can earn the respect and admiration of people worldwide

**4** We will become an organization whose energetic staff is capable of overcoming all challenges in pursuit of our corporate vision

### New brand logo

July 1, 2008



### Integration of regional subsidiaries

July 1, 2008

Hokkaido	Hokuriku	Chugoku
Tohoku	Tokai	Shikoku
Chuo	Kansai	Kyushu



**Nationwide operations under a single entity**

# DOCOMO Reform (2)

- Carry out reform seeking proposals and comments from all levels of the company--from top management to rank-and-file employees.

The central graphic features the 'ONE docomo' logo, which consists of the word 'ONE' in large red letters above 'docomo' in smaller red letters, with a row of red stick figures holding hands below. The text 'To become customer's "Only One"' is written in white on a red background below the logo.

Surrounding the central graphic are several smaller images with orange callout boxes:

- Nationwide caravan:** A man speaking into a microphone at a podium in a large hall.
- Solicit reform proposals:** A man in a suit speaking to a group of people.
- Employee awareness survey:** A woman smiling while holding a survey form.
- Brand promotion training:** A man pointing at a presentation board.
- Internal communication:** A man in a suit looking at documents.
- Board member boot camp:** A man in a suit looking at a presentation board.

# New Business Models

- Adoption of new business models has expanded steadily

## New Discount Services

As of Jun. 30, 2008: Approx. **25.9 mil** subs

Mar. 31, 2009 (Forecast): Approx. **31 mil** subs



## New Purchase Methods

“Value Course” selection rate\*: 97%

(FY2008/1Q)

“Value Plan” subscribers:  
Topped 10 million

(July 26, 2008)

バリューコース

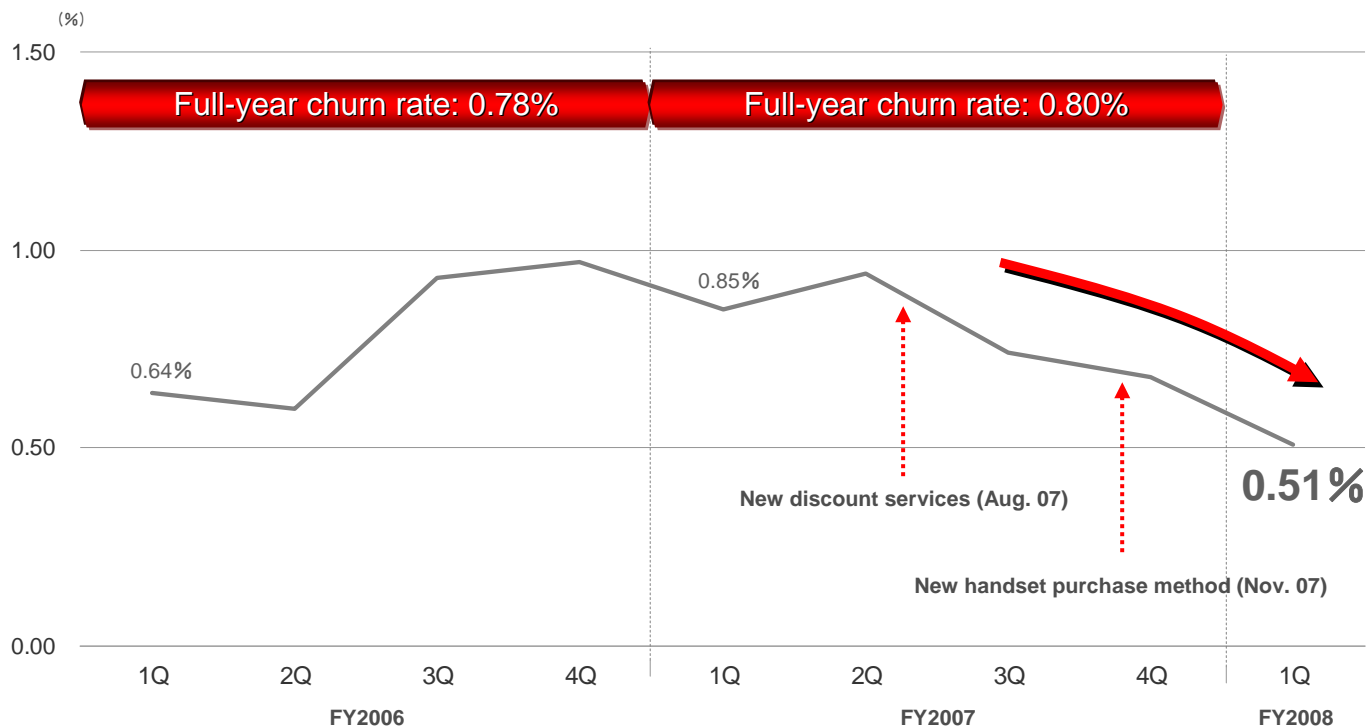
ベーシックコース

\* Percentage of users who chose “Value Course” among total users who purchased a handset using new purchase method

# Churn Rate

- Churn rate decreased to 0.51% due mainly to growing acceptance of new business models, etc

## Cellular (FOMA+mova) Churn Rate

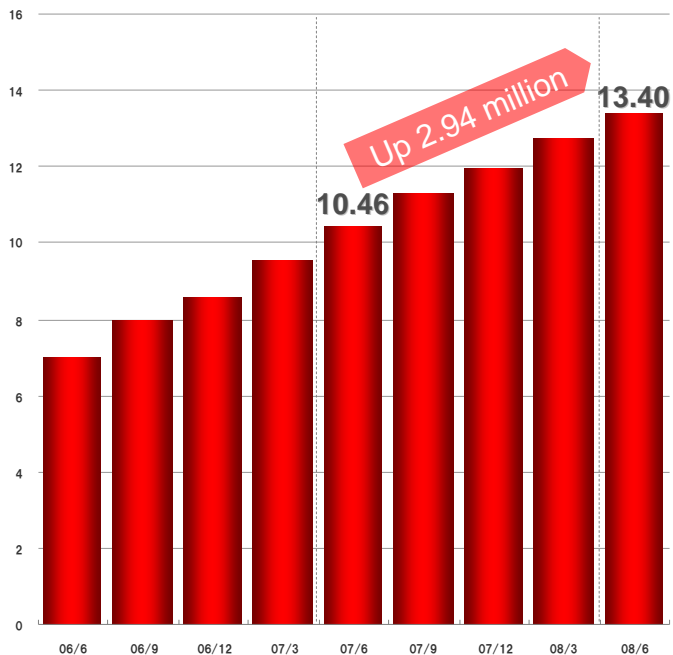


# Flat-Rate Subscription Business (1)

- No. of “pake-hodai” subscriptions\* grew to 13.4 million

## “pake-hodai” Subscriptions

(Million subscribers)



\* Inclusive of “pake-hodai full” subscriptions

## Principal Actions

### ■ Expanded HSDPA uptake

(As of Jun. 30, 2008)

▷ Population coverage: **98%**

▷ User base of compatible handsets:  
**over 9 million**

### ■ Expanded service uptake

(As of Jun. 30, 2008)

▷ i-channel:

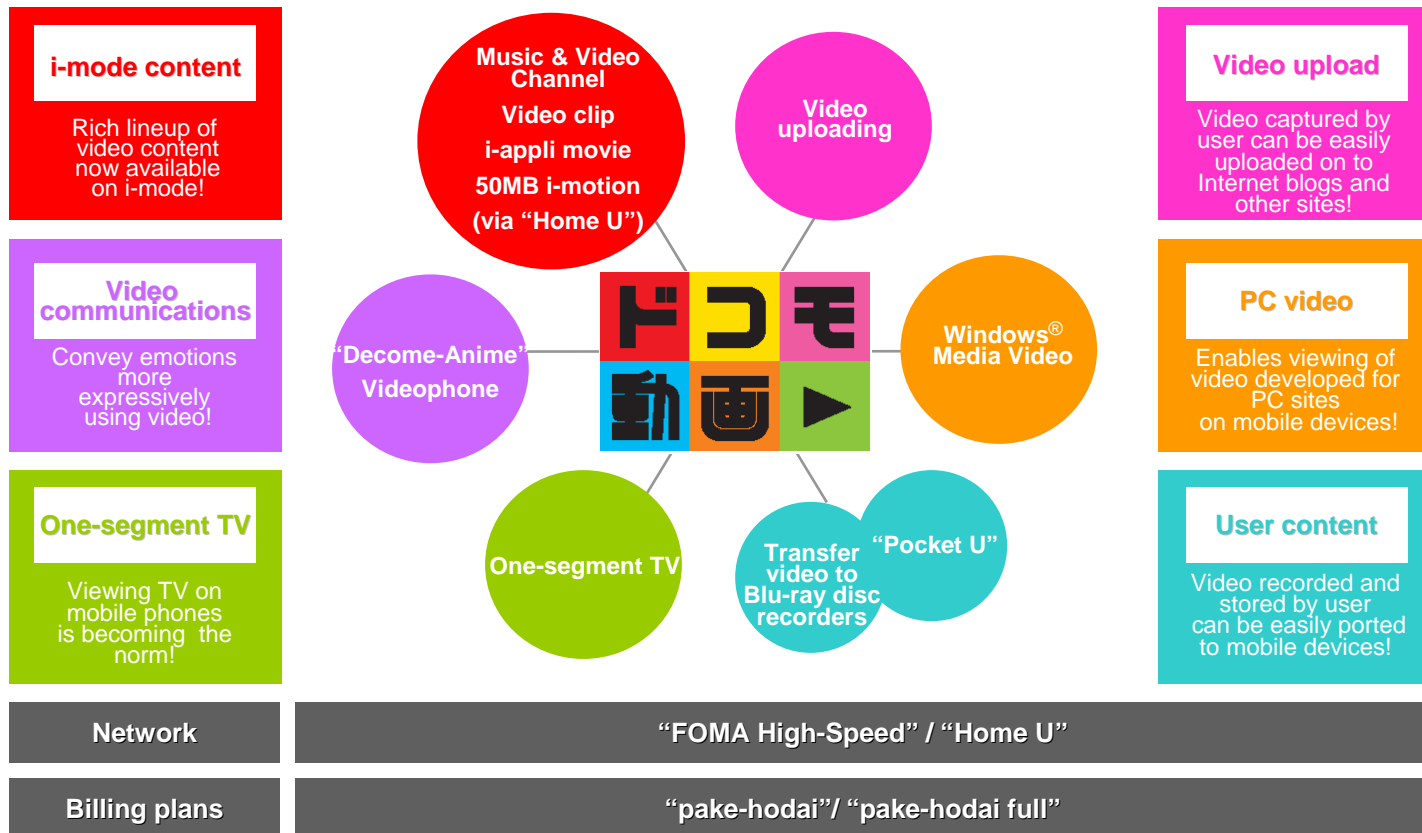
Approx. **15.8 mil** subs

▷ Data Security Service:

Approx. **4 mil** subs

# Flat-Rate Subscription Business (2)

- Aim to further advance “mobile video” by providing a wide array of services tailored to customer’s viewing style.



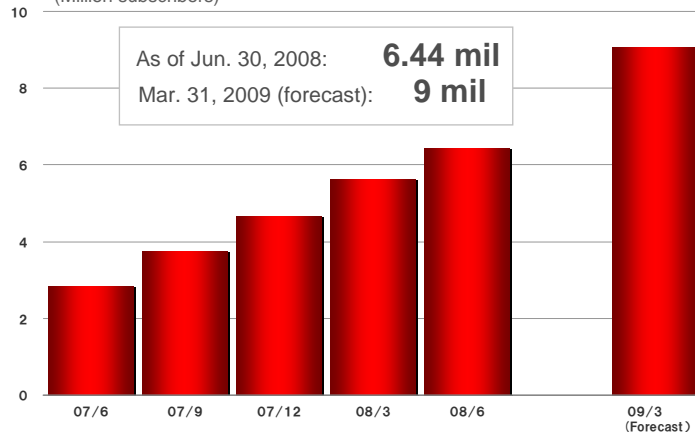
# Life Assistant Business

- DCMX subs grew to 6.44 million and no. of iD payment terminals installed reached 340,000
- User base of GPS-enabled handsets topped 15 million, and usage of location information-related services has been growing

## Credit

### DCMX membership

(Million subscribers)



### iD payment terminals installed

As of Jun. 30, 2008: **340,000 units**  
Mar. 31, 2009 (forecast): **400,000 units**

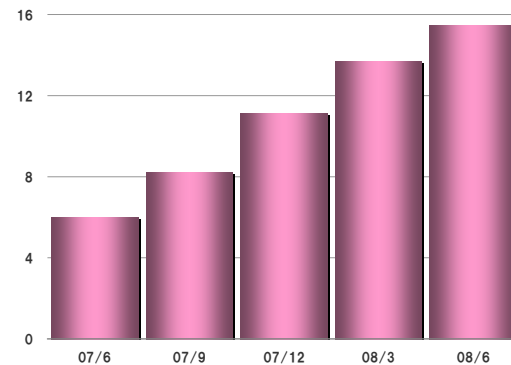
### Overseas deployment of iD

To start in Guam & China (From July 2008) (Planned)

## Location Information

### User base of GPS-enabled handsets

(Million subscribers)



### Map applications



### GPS navigation



© NATIVIME JAPAN  
Map: Shobunsha Publications, Inc./  
Sumitomo Electric Industries, Ltd.

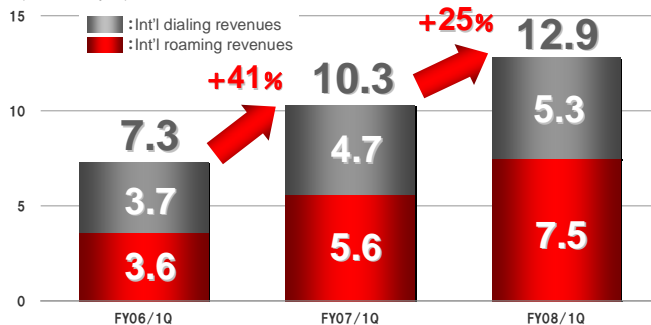


- International services revenues increased 25% year-on-year

### International services

#### Int'l services revenues

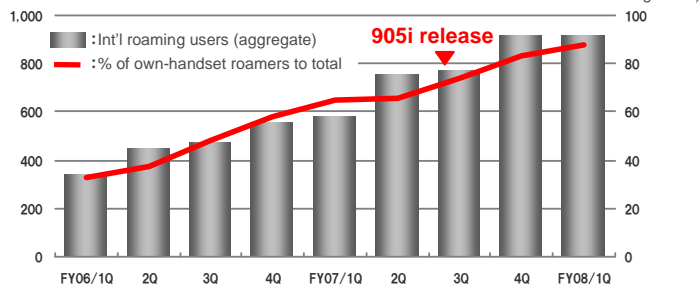
(Billions of yen)



#### No. of Int'l roaming users

(Roaming service users: 1,000 subs)

(% of own-handset roamers to total roaming users)



### Enterprise solutions

#### Establishment of DOCOMO China

Corporate marketing targeting locally based Japanese companies

▷ Corporate communication solutions

▷ ITC consulting

### Investment/Alliance

#### Investment in TMIB (Bangladesh)(planned)

- ▷ Amount to be invested:  
Approx. 37 billion yen
- ▷ Aim to secure growth opportunities in Asia/Pacific region

## • All-out effort to enhance customer satisfaction

### ■ Responding to customers' voices for better connectivity

Visit customers within 48 hours (target)

Application from customer

Appointment

Within 48 hours  
(target)

Customer visit

To start from Kanto-Koshinetsu region  
and expand gradually to other regions (planned)  
(October 2008)

### ■ Area coverage improvement based on practical needs

Bullet train tunnels/adjacent areas

#### • Tokaido Shinkansen bullet train (57 tunnels)

\*Coverage improvement on other bullet train routes  
planned to follow



- Achieved steadfast progress in preparations for network evolution

## ■ Super 3G (LTE) Field Trial

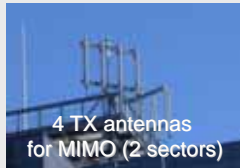
Succeeded in transmission at

**250Mbps** (Downlink) + **50Mbps** (Uplink)

(March 2008)

Base Station

YRP DoCoMo R&D Center



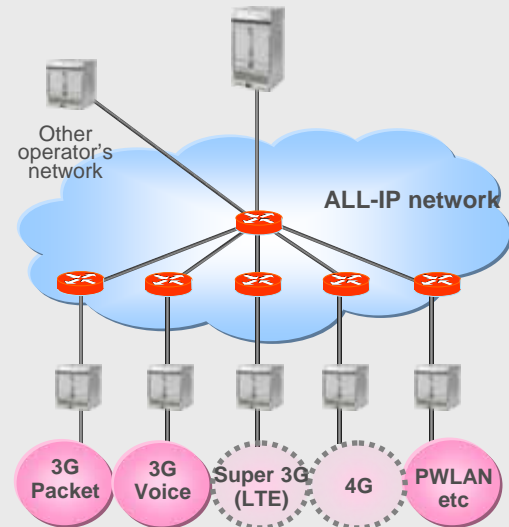
Downlink: 250Mbps  
Uplink: 50 Mbps

Mobile Station



## ■ Conversion to all-IP Network

Plan to offer all services via a  
common infrastructure in the future



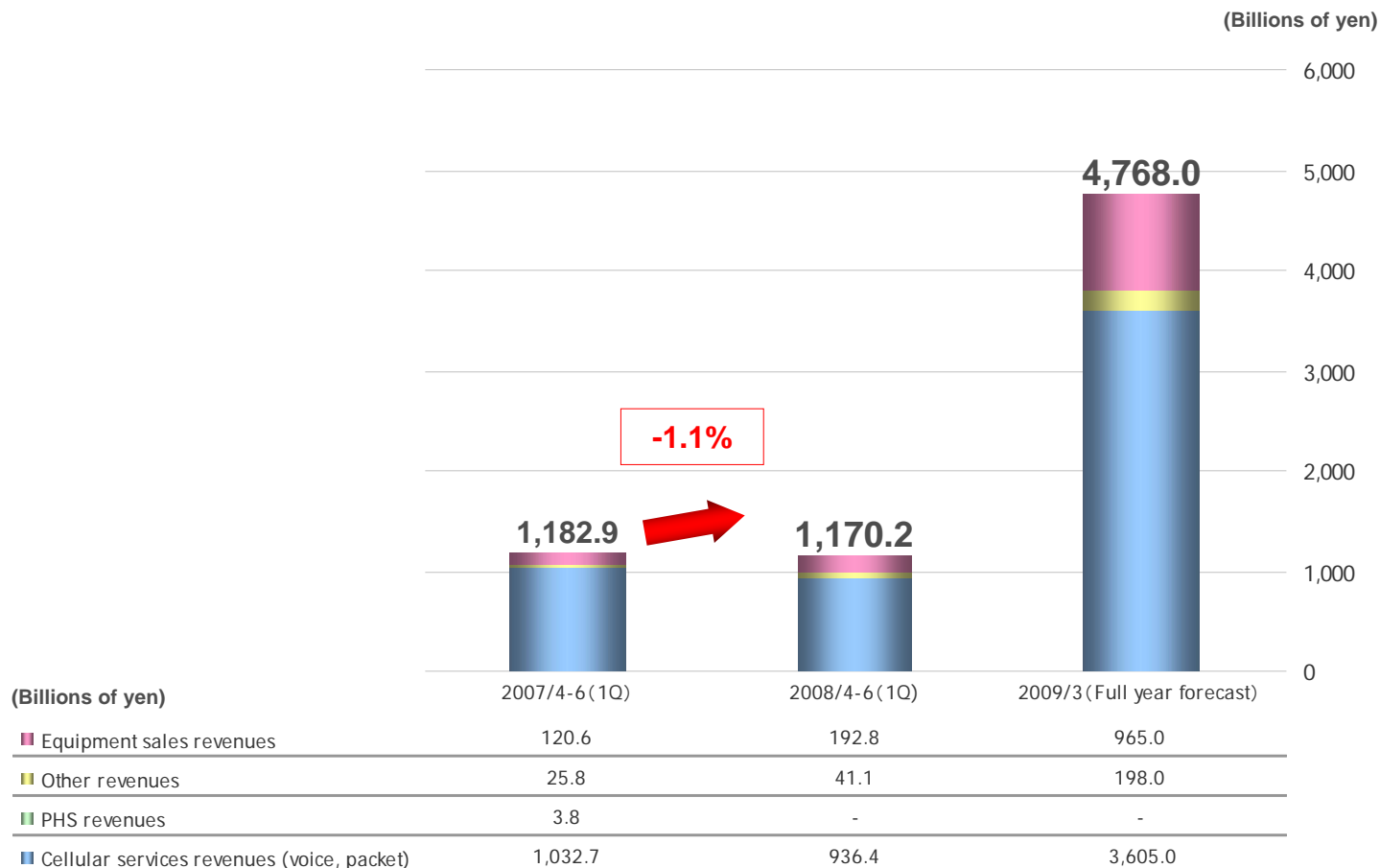
**NTT**  
**docomo**



# Appendices

## Operating Revenues

US GAAP



◆ “International services revenues” are included in “Cellular services revenues (voice, packet)”.

## Operating Expenses

US GAAP

(Billions of yen)

5,000

4,000

3,000

2,000

1,000

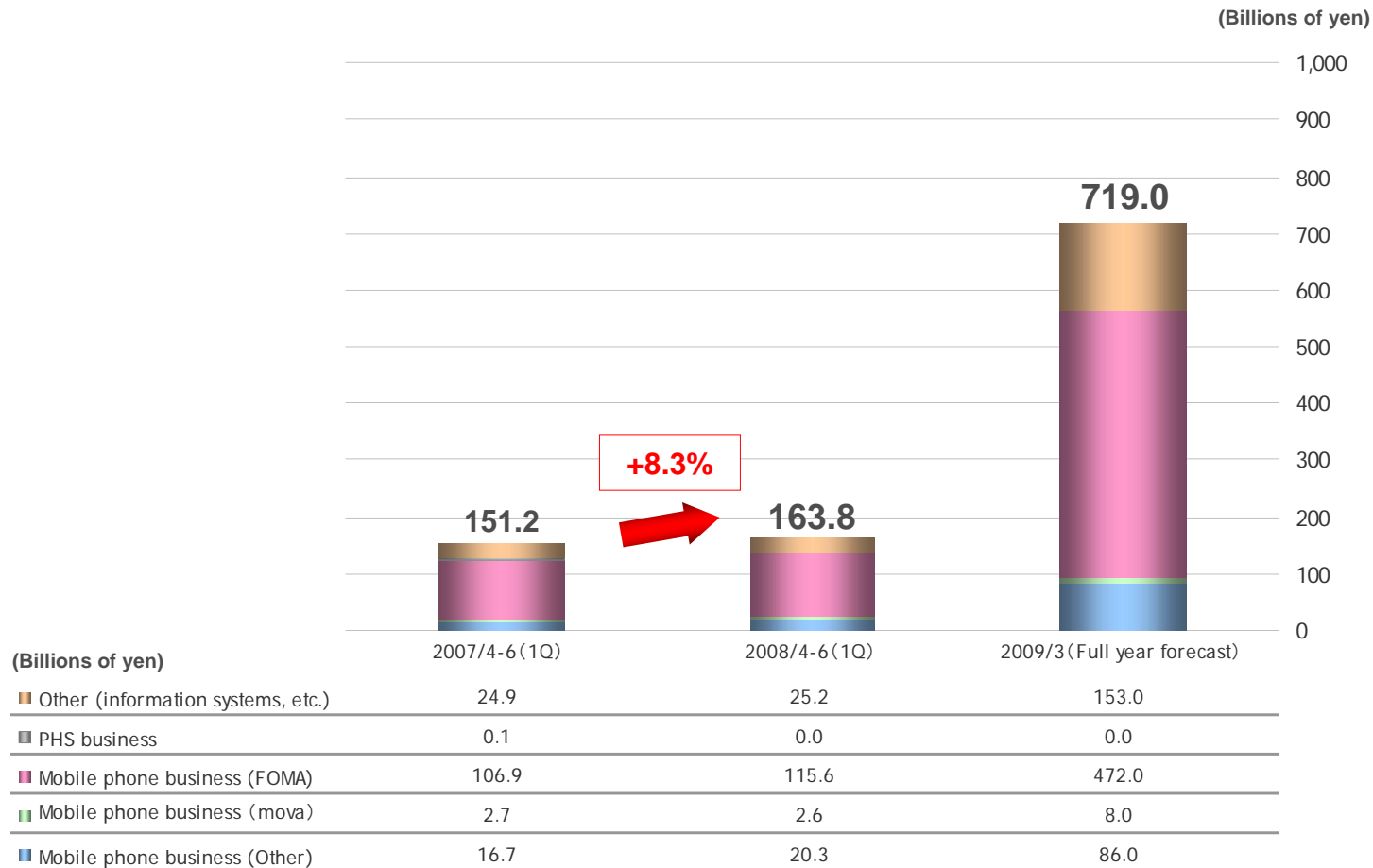
0

(Billions of yen)

	2007/4-6 (1Q)	2008/4-6 (1Q)	2009/3 (Full year forecast)
Personnel expenses	62.8	63.2	250.0
Taxes and public duties	9.8	9.7	40.0
Depreciation and amortization	177.1	168.5	751.0
Loss on disposal of property, plant and equipment and intangible assets	7.6	6.0	63.0
Communication network charges	88.1	82.3	327.0
Non-personnel expenses	633.5	544.0	2,507.0
(Incl.) Revenue-linked expenses*	456.5	354.7	1,640.0
(Incl.) Other non-personnel expenses	177.0	189.3	867.0

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

# Capital Expenditures





## Operational Results and Forecasts

		2007/3 (1Q) (1)	2008/3 (1Q) (2)	Changes (1) →(2)	2009/3 (Full year forecast)		
Cellular Phone	No. of Subscribers (1,000)*		52,846	53,629	+1.5%	54,470	
	mova		14,991	8,429	-43.8%	4,950	
	FOMA		37,854	45,200	+19.4%	49,520	
	i-mode		47,725	48,061	+0.7%	48,650	
	Communication Module Service		1,140	1,466	+28.6%	1,570	
	Market share (%)		53.9	51.7	-2.2 points	-	
	Handsets sold (1,000) (including handsets sold without involving sales by DoCoMo)	Total handsets sold		6,238	4,946	-20.7%	-
		mova	New	78	23	-70.9%	-
			Replacement	97	17	-82.9%	-
		FOMA	New	1,492	1,039	-30.4%	-
			Migration from mova	1,780	836	-53.0%	-
	Other**		2,791	3,032	+8.6%	-	
	Churn rate (%)		0.85	0.51	-0.34 points	-	
ARPU (FOMA+mova) (yen)***		6,560	5,890	-10.2%	5,640		
MOU (FOMA+mova) (minutes)***		140	137	-2.1%	-		

\*Communication Module Service subscribers are included in the number of cellular phone subscribers in order to align the calculation method of subscribers with that of other cellular phone carriers. (Market share, the number of handsets sold and churn rate are calculated inclusive of Communication Module Service subscribers.)

\*\* Other includes purchases of additional handsets by existing FOMA subscribers.

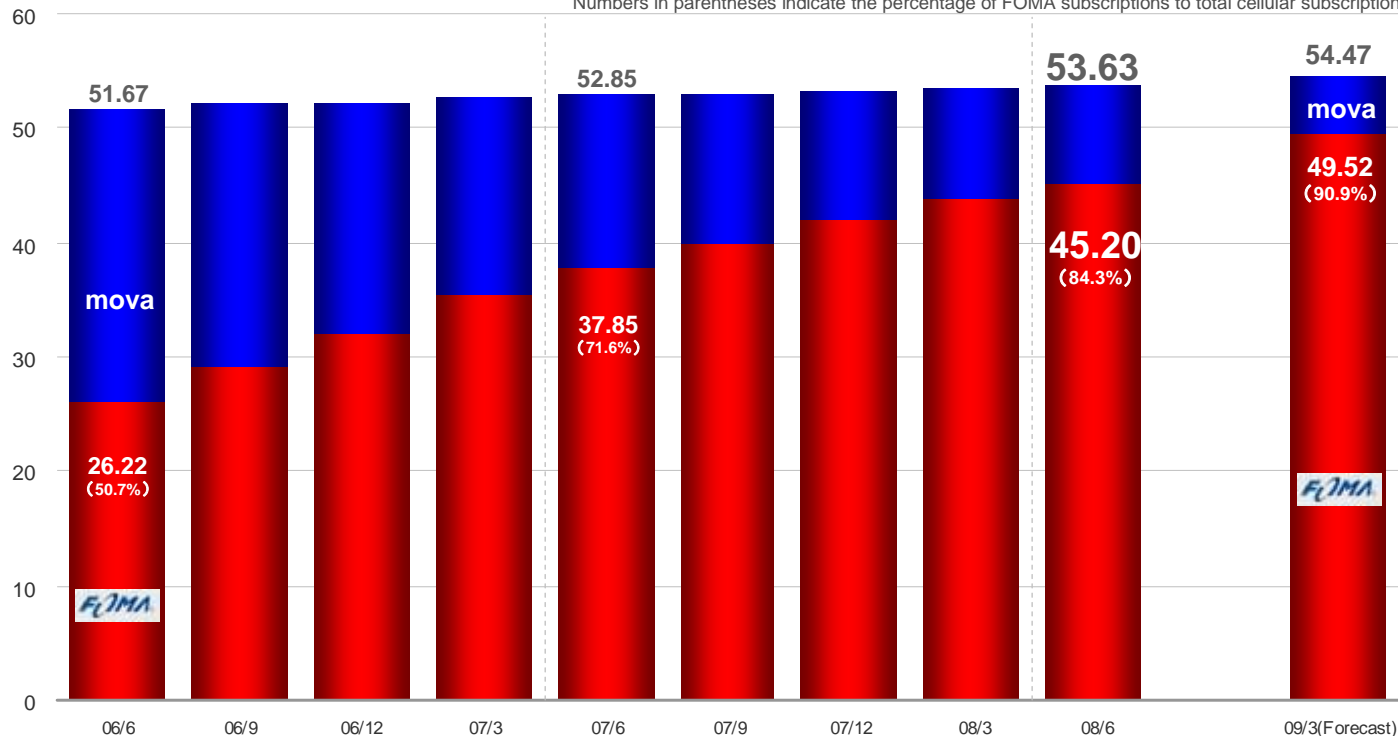
\*\*\* For an explanation of MOU and ARPU, please see Slide 31 of this document, "Definition and Calculation Methods of MOU and ARPU".

# Subscriber Migration to FOMA

- FOMA subscribers grew to 45.2 million (84.3% of DOCOMO's total subs)

(Million subs.)

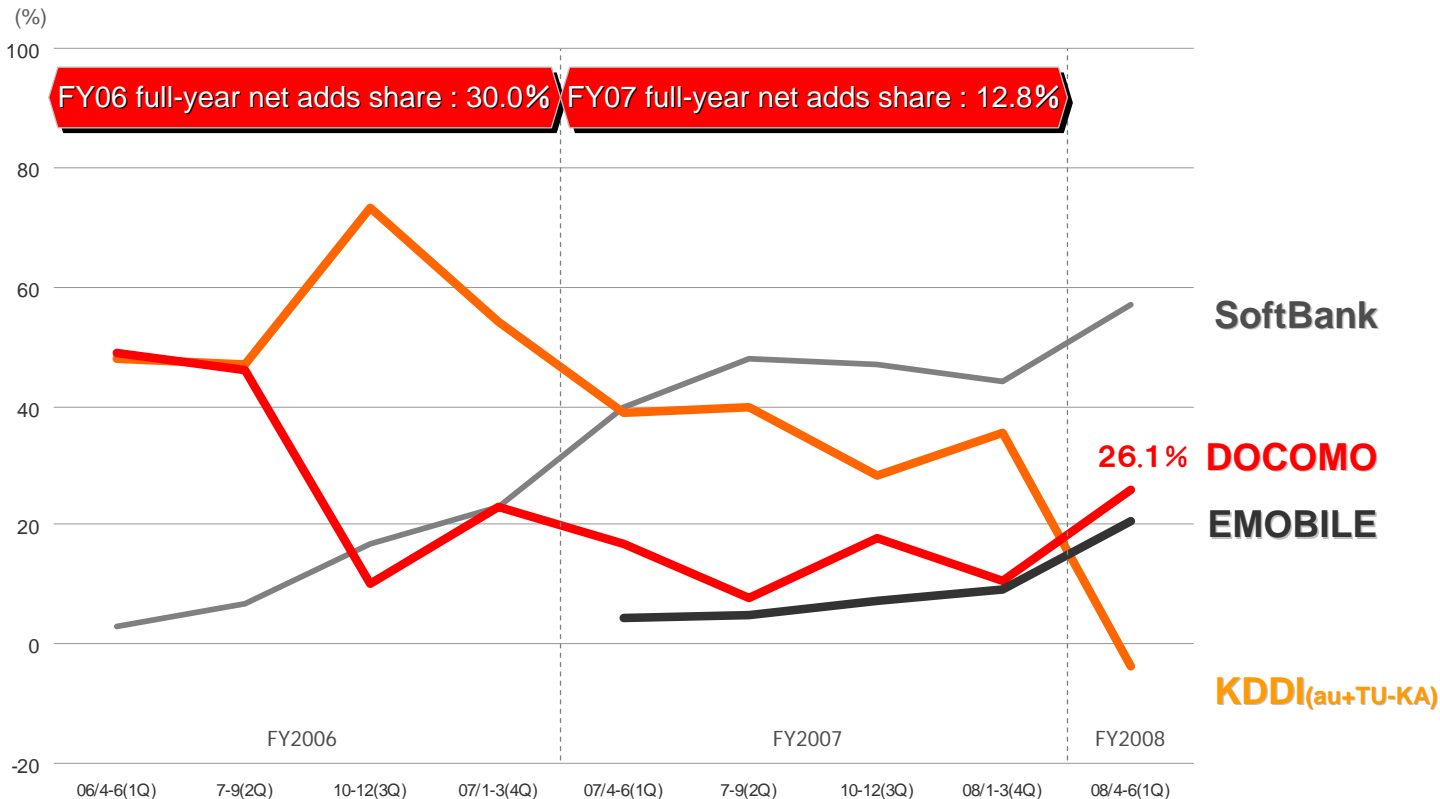
Numbers in parentheses indicate the percentage of FOMA subscriptions to total cellular subscriptions



◆ Inclusive of Communication Module Service subscribers

# Market Share of Net Additions

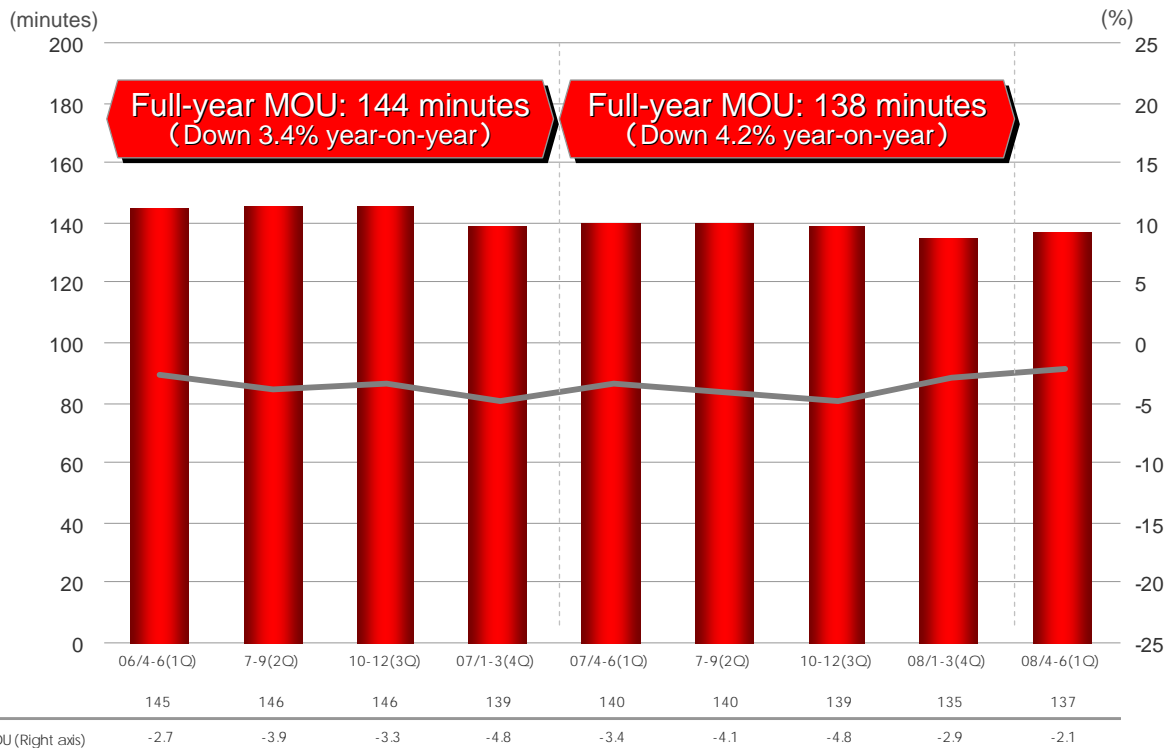
- DOCOMO's market share of net additions in FY2008/1Q was 26.1%.



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

# Cellular (FOMA+mova) MOU

- MOU for FY2008/1Q was 137 minutes (down 2.1% year-on-year)



◆ For an explanation of MOU, please see Slide 31 of this document, "Definition and Calculation Methods of MOU and ARPU".

# 28 Business Process Review from Customer Viewpoint

- Plan to carry out extensive review on our entire business operations, ranging from customer treatment to network coverage

## Examples of processes under review

### Front activities

- Strengthen customer counters (expansion of DOCOMO Shops)
- Reinforce front-activity supporting system (establishment of Front Support Center)

### After-sales support

- Improve handset repair acceptance procedures and handset return methods
- Revamp “DOCOMO Premier Club”  
(Accredit higher points to long-term users, provision of free battery pack, etc)

### Network coverage improvement

- Proper and swift response to customer requests (e.g., customer visit, etc)
- Coverage improvement focusing on areas where customers frequently use phones

### Services

- Review on existing services
- Provision of personalized services

### Handsets

- Improve ease of use
- Enrich lineup of new handsets tailored to user's lifestyle needs

### Billing plans

- Easy-to-understand billing plans
- Billing plans meticulously responding to customer needs

### CSR

- Strengthen mobile phone safety classes and other activities
- Broader adoption of “universal design”

# 906i/706i Series Handsets

- Rich lineup of handsets reflecting customer needs and wishes

## ■ “All-round video phone” 906i



## ■ Individually unique & slim 706i

**Slim & performance x value**



**Rich portfolio of video content**



Fuji TV On Demand  
(Provided by Fuji Television)  
©Fuji Television Network, Inc.



Click TV (free of charge)  
(Provided by Frontmedia, Inc.)  
©Touchstone Television



anime.mobi  
(Provided by: Bandai Networks. Co., Ltd)  
©SOTSU Co. Ltd, SUNRISE, Inc.



mi-mo tune (video)  
(Provided by: avex marketing, Inc.)  
©AVEX ENTERTAINMENT INC.



Pro-Wrestling Channel  
(Provided by: New Japan Pro-Wrestling Co., Ltd)  
©nipw ©TV asahi

**Easy to use for anyone!**



# Return to Shareholders

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

## For fiscal year ending Mar. 31, 2009 (planned)

Dividend per share: 4,800 yen

Repurchase of own shares: Authorized to repurchase up to 900,000 shares for up to 150 billion yen

(Treasury shares are planned to be limited to approx. 5% of total issued shares, and those shares exceeding 5% will be cancelled at the end of the fiscal year)

## 《Repurchase of Own Shares》

	Budget (billions of yen)		No. of shares repurchased (millions of shares)	
	Max. authorized	Actual amount spent	Max. authorized	Actual no. of shares repurchased
Repurchase authorized at 16 <sup>th</sup> ordinary general shareholder mtg	200	150 (75.0%)	1.00	0.93 (92.7%)
Repurchase authorized at 17 <sup>th</sup> ordinary general shareholder mtg	150	—	0.90	—

# 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 subscription 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 the number of active subscriptions 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 per subscription and the impacts of changes in our billing arrangements. 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):  $\frac{\text{Voice ARPU (FOMA+mova) Related Revenues (monthly charges, voice transmission charges)}}{\text{No. of active cellular phone subscriptions (FOMA+mova)}}$

◇ Packet ARPU (FOMA+mova):  $\frac{\{\text{Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) + i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges)}\}}{\text{No. of active cellular phone subscriptions (FOMA+mova)}}$

◇ i-mode ARPU (FOMA+mova):  $\frac{\text{i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges)}}{\text{No. of active cellular phone subscriptions (FOMA+mova)}}$

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

◇ Voice ARPU (FOMA):  $\frac{\text{Voice ARPU (FOMA) Related Revenues (monthly charges, voice transmission charges)}}{\text{No. of active cellular phone subscriptions (FOMA)}}$

◇ Packet ARPU (FOMA):  $\frac{\text{Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges)}}{\text{No. of active cellular phone subscriptions (FOMA)}}$

◇ i-mode ARPU (FOMA):  $\frac{\text{i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges)}}{\text{No. of active cellular phone subscriptions (FOMA)}}$

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

◇ Voice ARPU (mova):  $\frac{\text{Voice ARPU (mova) Related Revenues (monthly charges, voice transmission charges)}}{\text{No. of active cellular phone subscriptions (mova)}}$

◇ i-mode ARPU (mova):  $\frac{\text{i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges)}}{\text{No. of active cellular phone subscriptions (mova)}}$

## ◆ Number of active subscriptions used in ARPU and MOU calculations are as follows:

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

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

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

\* "No. of active subscriptions in each month":  $(\text{No. of subs at end of previous month} + \text{No. of subs at end of current month})/2$

※The revenues and no. of subscriptions 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	
	Three months ended June 30, 2008	Three months ended June 30, 2007
<b>a. EBITDA</b>	<b>¥ 469.7</b>	<b>¥ 386.6</b>
Depreciation and amortization	(168.5)	(177.1)
Losses on sale or disposal of property, plant and equipment	(4.7)	(5.7)
Operating income	296.5	203.9
Other income (expense)	(8.1)	1.6
Income taxes	(118.0)	(82.6)
Equity in net income (losses) of affiliates	3.1	(0.1)
Minority interests in consolidated subsidiaries	(0.0)	(0.0)
<b>b. Net income</b>	<b>173.5</b>	<b>122.8</b>
<b>c. Total operating revenues</b>	<b>1,170.2</b>	<b>1,182.9</b>
<b>EBITDA margin (=a/c)</b>	<b>40.1%</b>	<b>32.7%</b>
<b>Net income margin (=b/c)</b>	<b>14.8%</b>	<b>10.4%</b>

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	
	Three months ended June 30, 2008	Three months ended June 30, 2007
<b>Free cash flows excluding irregular factors and changes in investments for cash management purpose</b>	<b>¥ ( 105.6)</b>	<b>¥ 49.2</b>
Irregular factors (1)	-	(4.0)
Changes of investments for cash management purpose (2)	50.4	97.7
<b>Free cash flows</b>	<b>(55.2)</b>	<b>142.9</b>
Net cash used in investing activities	(190.4)	(157.8)
Net cash provided by operating activities	135.3	300.7

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

Irregular factors during the three months ended June 30, 2007 was net effects of bank closures as of March 31, 2007 and June 30, 2007.

(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.



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