

# DOCOMO's Change and Challenge



March 11, 2010

**NTT DOCOMO, INC.**

**President and CEO**

**Ryuji Yamada**

# 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 the expected number of subscriptions, and the 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 presentation 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. Changes in the business environment in the telecommunications industry, such as intensifying competition from other service providers or other technologies caused by Mobile Number Portability, new market entrants and other factors, could limit our acquisition of new subscriptions and retention of existing subscriptions, or may lead to diminishing 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 telecommunication 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.

# DOCOMO's Medium-Term Vision (Announced October 2008)

- Achieve new growth through “Change and Challenge” action plan

## Change

**Enhance the satisfaction of our 55 million customers by employing customer-focused initiatives at all levels of the Company**

- Handsets, after-sales support, coverage/quality, etc.

## Challenge

### Grow packet revenues

- Enrich video services
- Network evolution (LTE)

### Create new revenue sources

- Service personalization
- Social support
- Converged services
- Global expansion, etc.

### Improve cost efficiency

- Cost reduction on various fronts

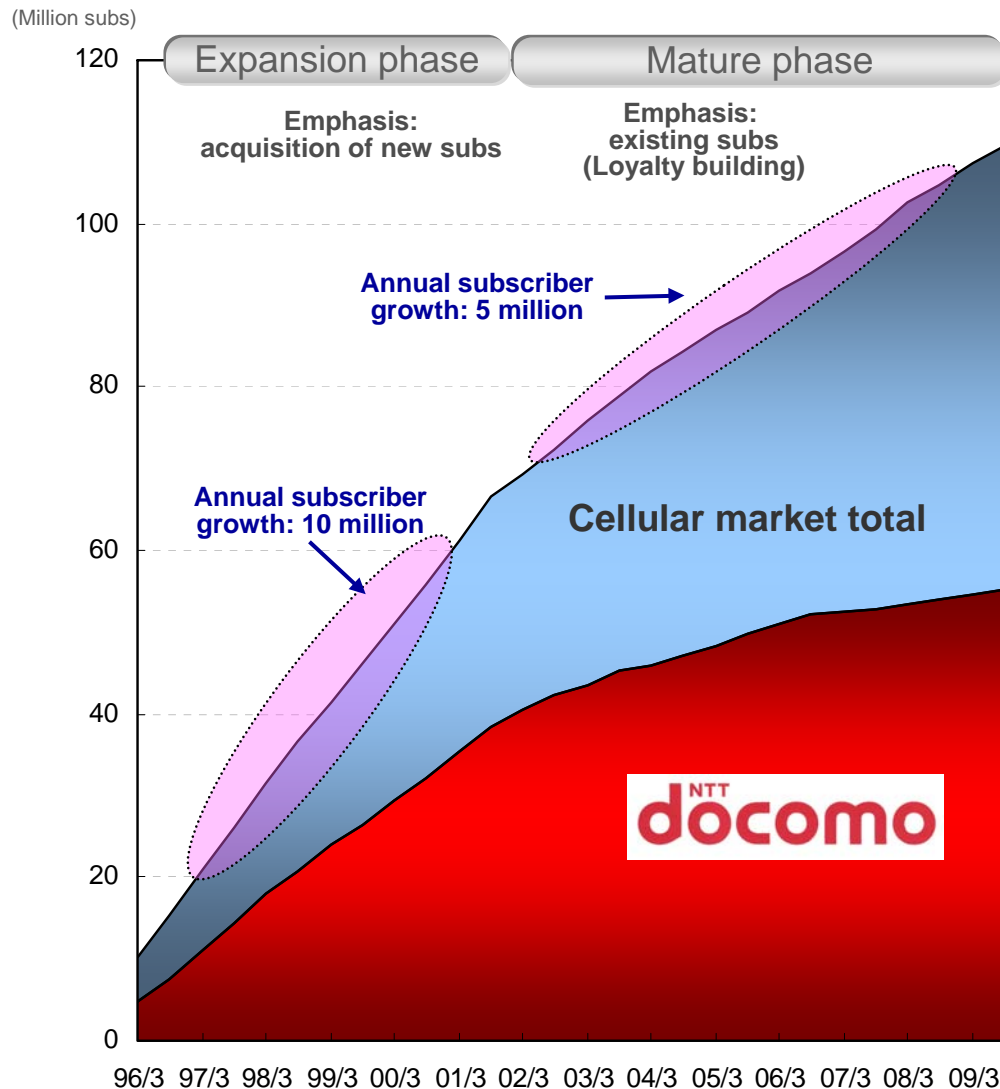
## DOCOMO's Change

**Following the announcement of the “New DOCOMO Commitments” and our “Medium-Term Vision”, the entire DOCOMO Group has joined forces to transform ourselves by taking actions that will lead to improving customer satisfaction, ensuring a thoroughly hands-on approach in every aspect of our business—from services to handsets to network—and these actions have delivered tangible results.**

**We will continually strive to strengthen ties with customers, by delivering the best possible services and safety and security to meet the expectations of each customer.**

# Change of Focus to Adapt to Market Maturity

## Changes in market environment



## Transformation to a company attaching priority to satisfying user needs

### Expansion phase

- ▶ Focus on new subscriber acquisition
- ▶ Carrier-led approach ("Push" type)
- ▶ Technology/functionality-oriented



### Mature phase

- ▶ Focus on existing subscribers (Loyalty building)
- ▶ Customer-led approach ("Pull" type)
- ▶ Service/performance-oriented

# DOCOMO's Change: Principal Actions

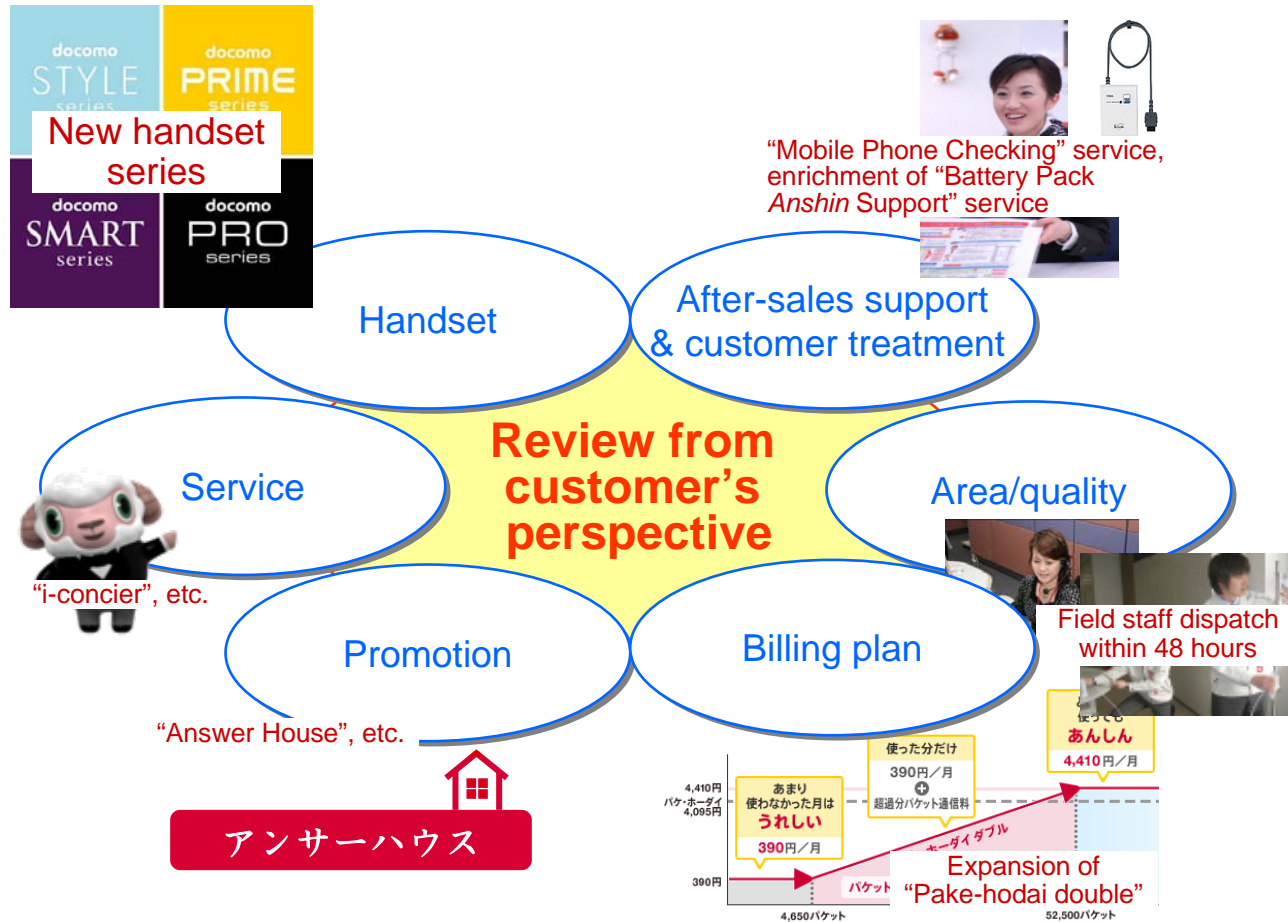
- Worked to improve the satisfaction of our 55 million subscribers through steadfast execution of "Change" (reform program) in every aspect of our business

## Company-wide reform



- Nationwide caravan
- Brand promotion training
- Solicit reform proposals
- Internal communication
- Employee awareness survey
- Board member boot camp

## Reform every aspect of business



# New Handset Series

- Shift from previous lineup divided by “functionality” into 4 new series, which allow customers to select a model that fits their own “lifestyle”

“New and latest capabilities”  
“Full set of features for maximum enjoyment”

For users who frequently use various handset functions

“Latest technology”  
“State-of-the-art operability”

Emotional/  
accessory



“Design”  
“Rich color variation”

“Sophisticated design”  
“Slim & light”

For users who use mobile phones mainly for voice and mail communication

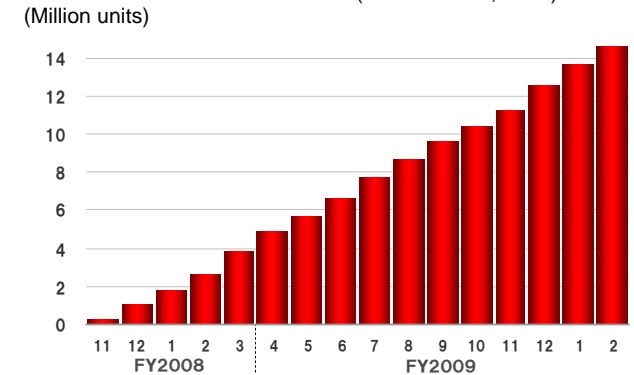


Others  
(Kid's phone, etc)

## Cumulative sales of new series

**Topped 14 million**

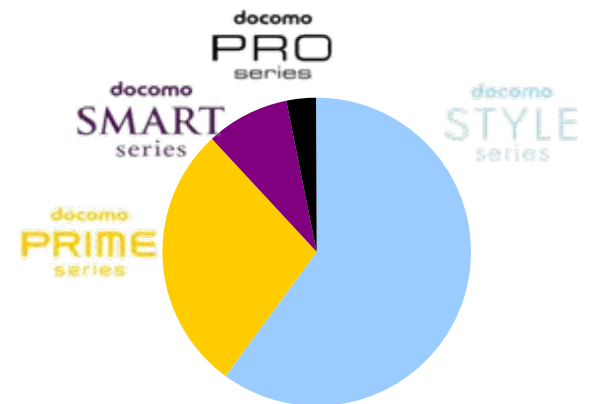
(As of Feb. 13, 2010)



Practical

\* Cumulative sales after release of 2008 winter models

## Sales breakdown by series

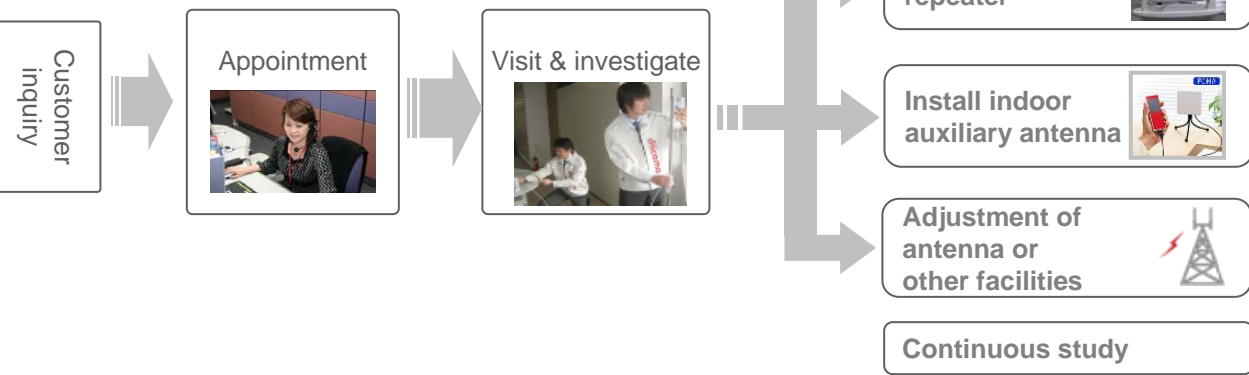


(Oct.-Dec., 2009)

# Improvement of Customer Satisfaction (1)

• Our customer satisfaction improvement measures have steadily gained recognition

## Field staff dispatch within 48 hours



## FY2009 track record

(Apr. 2009-Jan. 2010 cumulative)

**【No. of visits】 47,000**  
(Cumulative no. of visits after service launch: 60,000)

**【% of cases resulting in improvement】 79%\***

\* Including some planned measures for improvement

**【% of customers who responded "satisfied" by visit】 95%**

## Improvement of after-sales support

Strengthened support structure to assure comfortable use all the time

### “Mobile Phone Checking Service”

(Started July 1, 2009)

**【No. of subs who used service (up to Jan. 2010)】**

**Approx. 2.52 million**



Analyzer

### Enrichment of “Battery Pack Anshin Support”

(Started July 1, 2009)

**【No. of subs who used service (up to Dec. 2009)】**

**Approx. 3.5 million**



Free battery pack

or

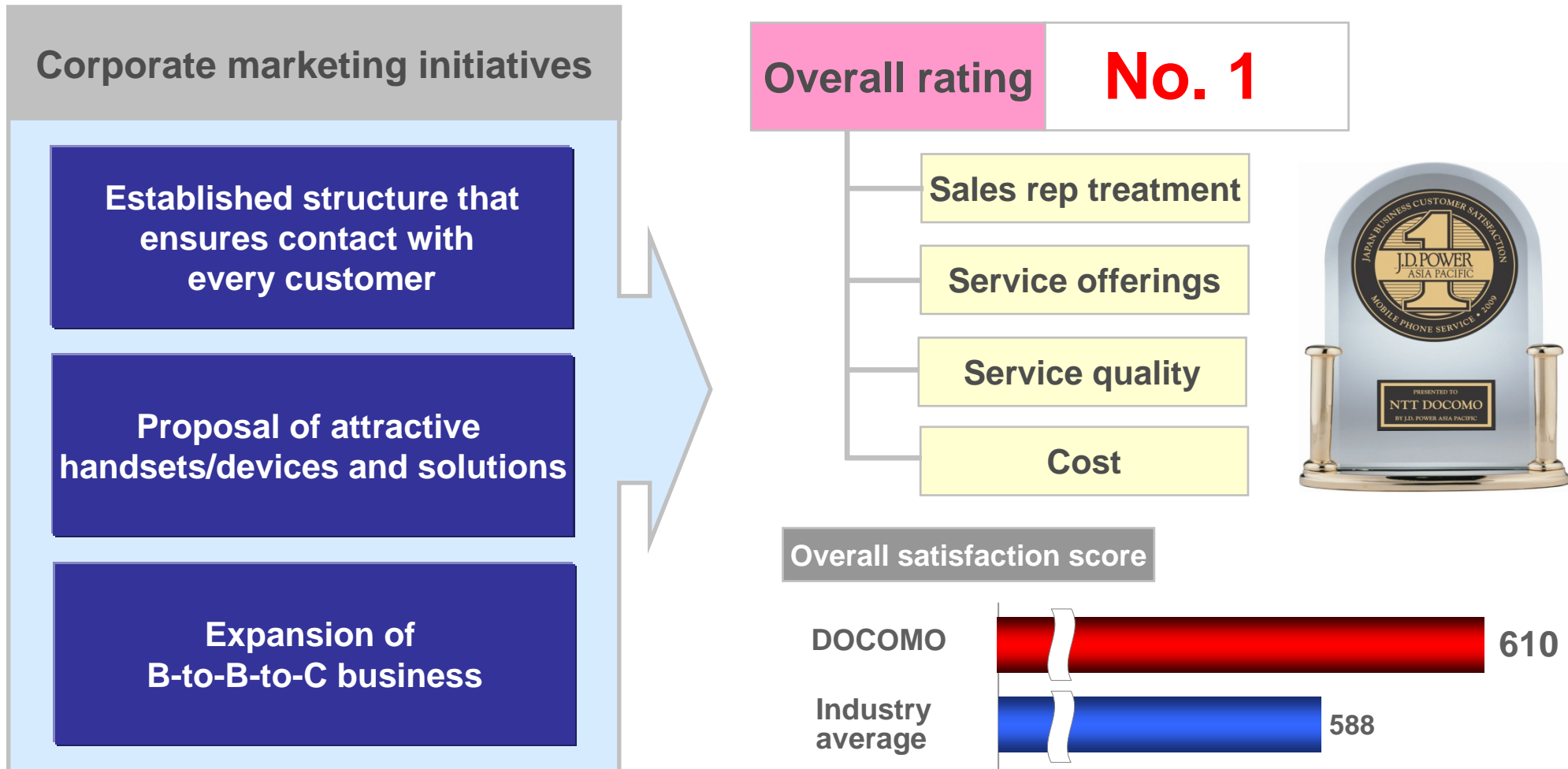


Free portable charger



# Improvement of Customer Satisfaction (2)

- Received No. 1 rating in enterprise customer satisfaction survey by J. D. Power Asia Pacific, Inc. (Sept. 25, 2009)

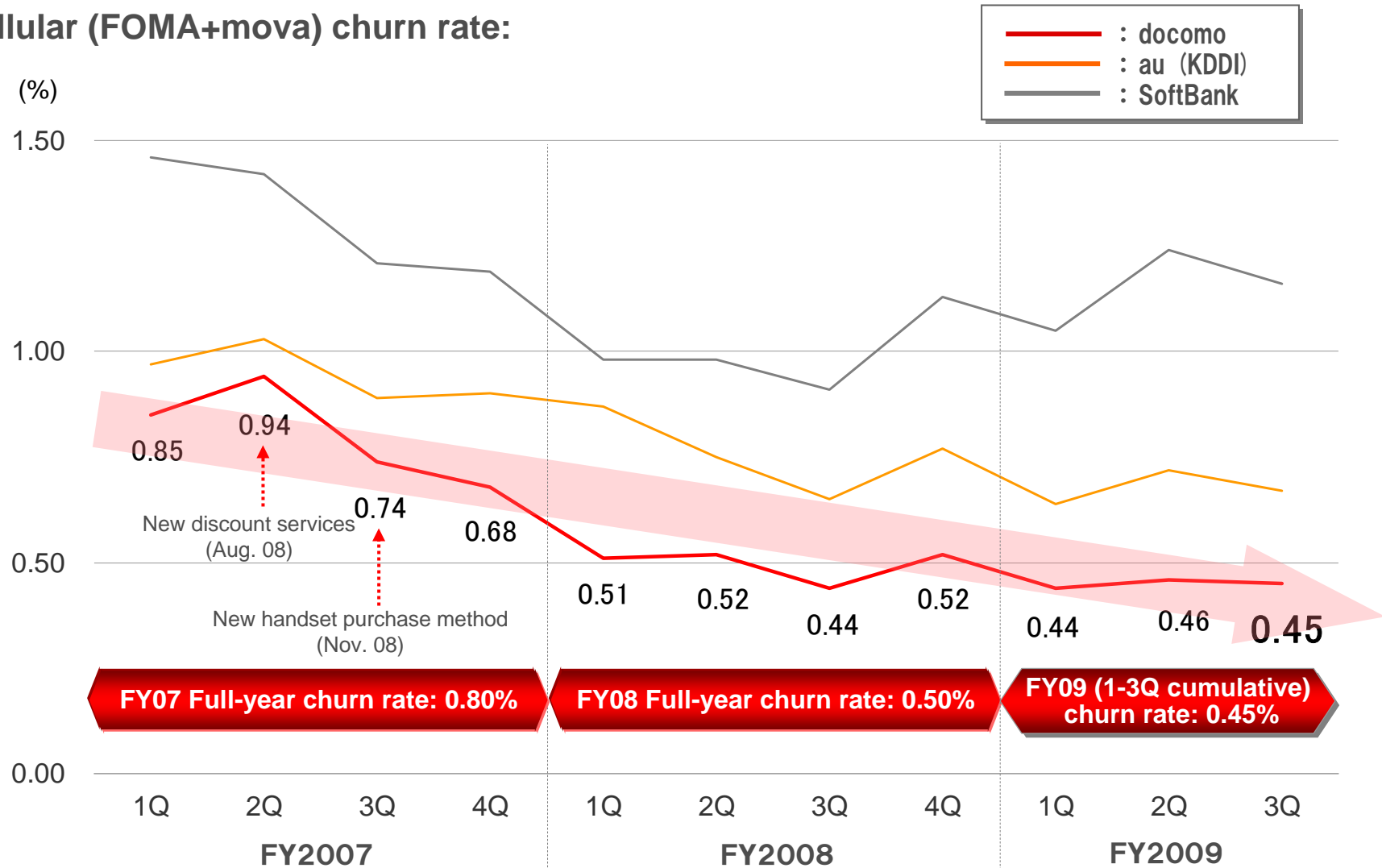


Source: J. D. Power Asia Pacific 2009 mobile phone/PHS service customer satisfaction index study for enterprises in Japan. Study results compiled based on 3,309 responses on mobile phone/PHS services of Japanese carriers from 2,632 enterprises with an employee base of over 100 employees. (Up to 2 scores on mobile phone/PHS providers permitted per enterprise). See: [www.jdpower.co.jp](http://www.jdpower.co.jp)

# Churn Rate

•FY2009/1-3Q(cumulative) churn rate: 0.45%

## Cellular (FOMA+mova) churn rate:

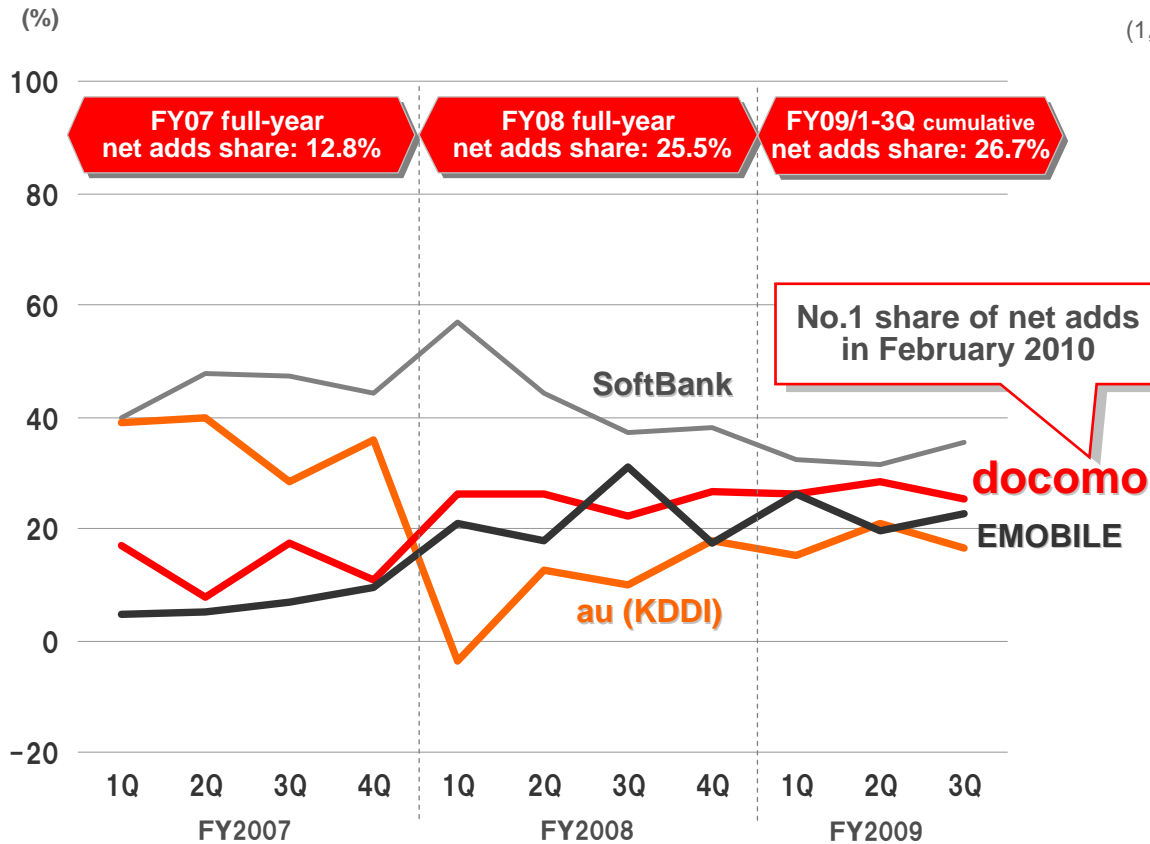


◆Source: Data quoted from financial results materials of each company, etc.

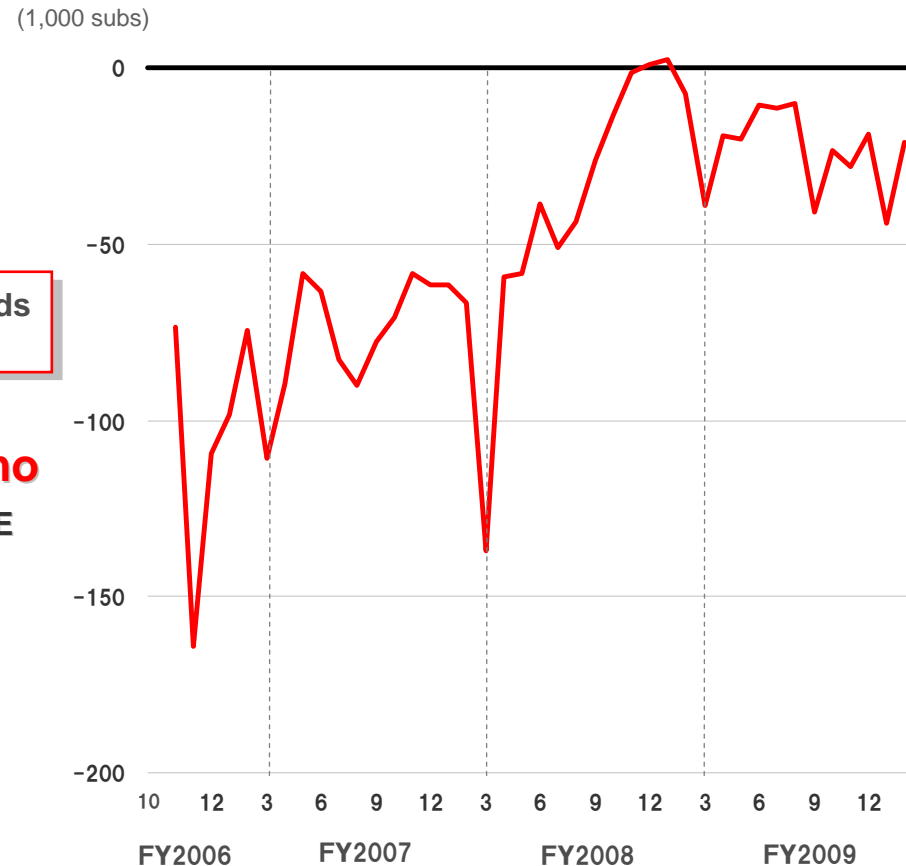
# Market Share of Net Additions/ MNP

•FY2009/1-3Q (cumulative) net adds market share: 26.7%

## Net adds market share:



## Monthly net acquisitions/losses of MNP subscribers

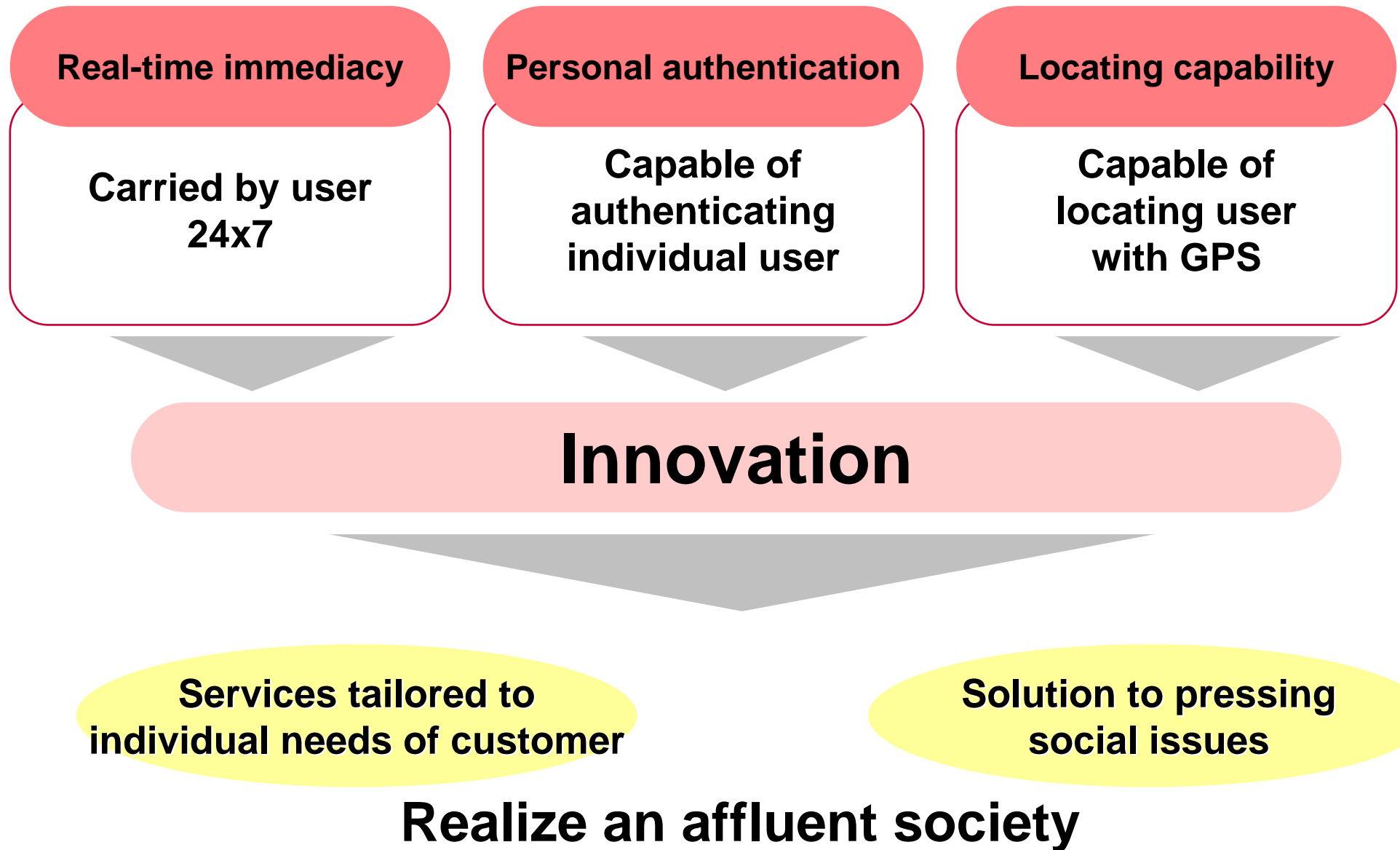


## DOCOMO's Challenge

**Following the announcement of our Medium-term vision, to keep abreast with the growing adoption of smartphones and sophistication and diversification of mobile communications market , DOCOMO has continued to drive innovation in collaboration with a wide range of partners on a global scale, leveraging unique mobile properties such as real-time immediacy, personal authentication and locating capabilities, to load the pipeline for various new services.**

**We will commit ourselves to taking on the challenge to provide services that are tailored to the lifestyle and needs of each customer, and contribute to the sustained development of society by providing solutions to pressing issues.**

# Unique Properties of Mobile Phones



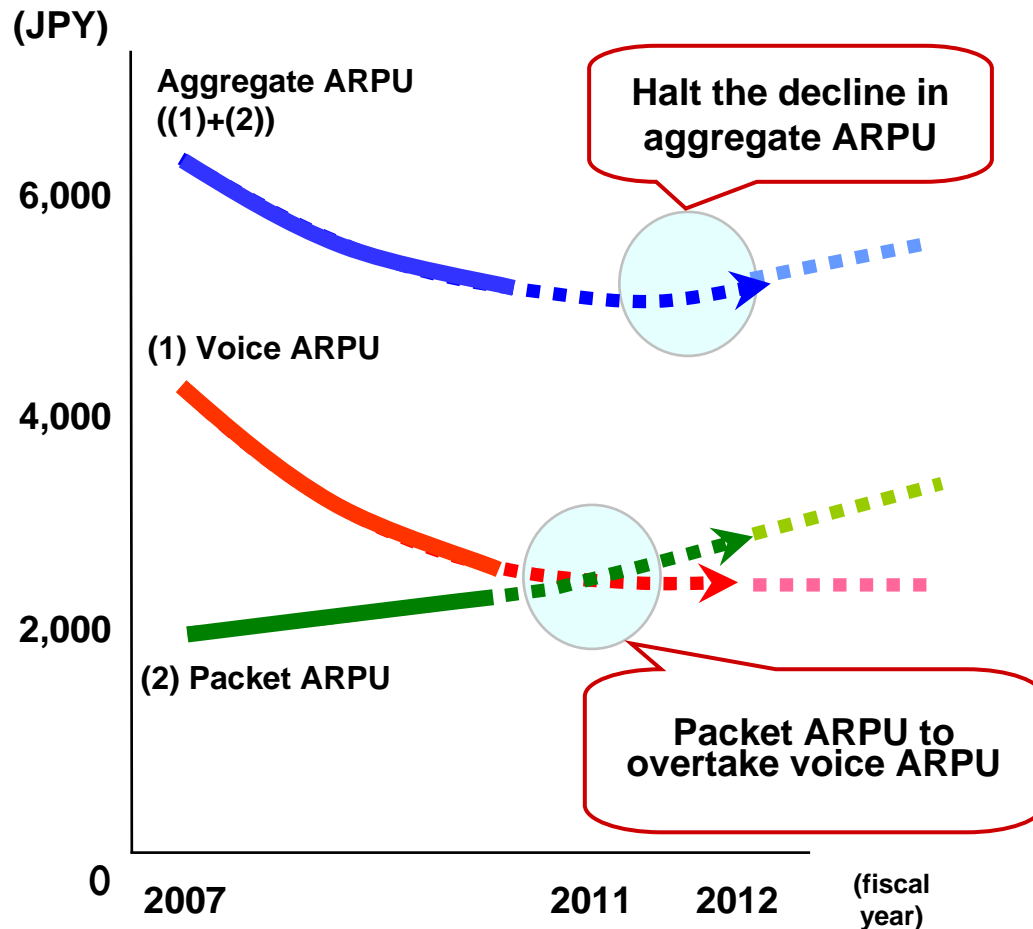
# DOCOMO's Principal Challenge Programs

- (1) Achieve growth by boosting packet ARPU**
- (2) Introduction of LTE and evolution of network**
- (3) Development and evolution of personalized services**
- (4) Deployment of social support services**
- (5) Introduction and promotion of converged services**
- (6) Further advancement of handsets**
- (7) Expansion of global business**
- (8) Promotion of investments/alliances in Japan**

# (1) Packet ARPU Growth

- Increase packet ARPU by proliferating the use of video services and encouraging the subscription to packet flat-rate services, with a goal to offset the decline in voice ARPU and thereby reverse the downtrend of aggregate ARPU

## ARPU growth



## Targets for FY2012

Packet flat-rate service subscription rate\*1:  
**Over 70%**

% of flat-rate subs consuming packets  
up to monthly upper limit:  
**Over 50%**

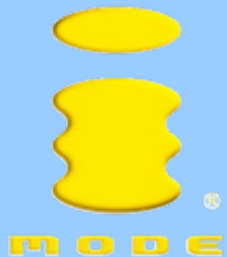
**Achieve a rebound in aggregate ARPU  
in FY2012 or beyond**

\* Packet flat-rate service subscription rate:  
No. of packet flat-rate service subscriptions/Total FOMA i-mode subscriptions

# (1) Expansion of Packet Usage

- Focus primarily on 3 areas: i-mode, PC data access and smartphones

## i-mode

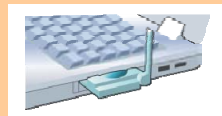


- For heavy users:
  - Offer rich portfolio of content centered around video
- For medium/light users:
  - Expand user base of flat-rate packet plans
  - Further improve “ease of use”
  - Boost usage of rich mail, e.g., deco-mail, image attachment, etc.
  - Enrich portfolio of everyday life-oriented content
  - Sell service with a focus on “boosting usage”



## PC data access

- Appeal DOCOMO's strengths: wide coverage, high data speeds



## Smartphone

- Prepare environment (e.g., content, billing plans, etc.) for expanding user base



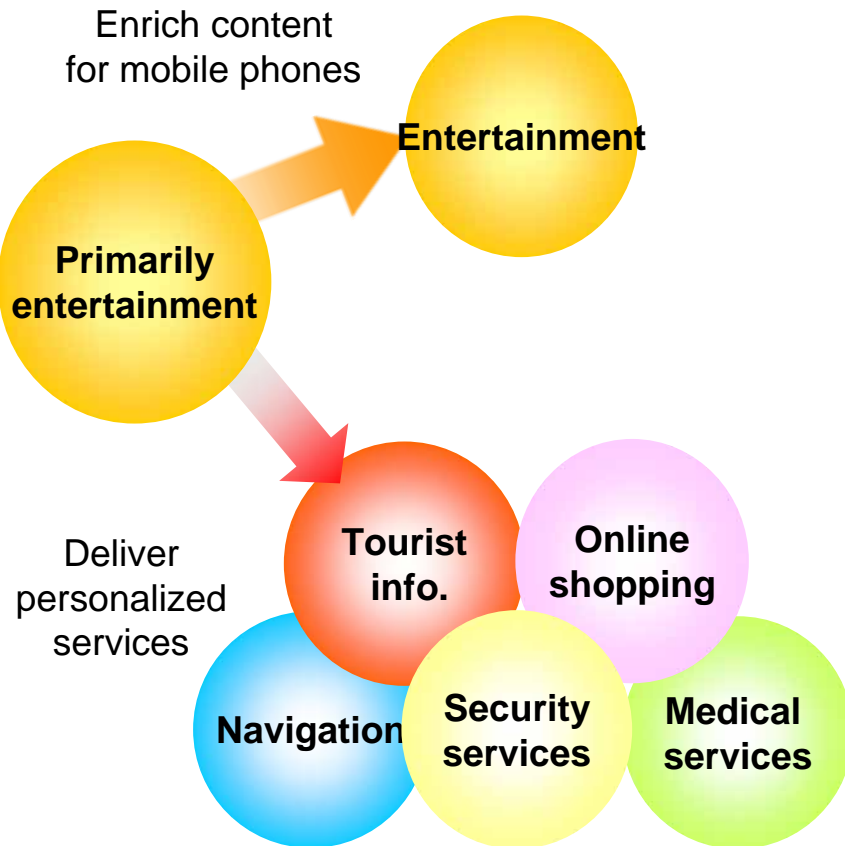


# (1) Development and Promotion of Video Services

- Develop various video services and effectively promote them to broad user segments to boost packet usage

Past

Future



## Solidify DOCOMO's reputation for outstanding video services

Priority Action



“BeeTV”

Launched May 1, 2009

Delivers video content optimized for mobile phones

No. of subscriptions:

**Topped 900,000**

(As of Jan. 13, 2010)

% of subs who have joined paid service after free trial period:

**Over 70%**

## Offer wide array of video content:

Video content currently offered in 172 categories out of total 226 content categories



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(C)Golf Digest Online



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Aggressive service deployment to cater to the needs of broad segments from young to middle-aged/senior users

# (1) Expansion of Packet Usage – Medium/Light Users (1)

- Encourage subscription to “Pake-hodai double” to create an environment for users to try out content services
- Then, implement various measures primarily in the area of “improved ease of use & convenience” and “everyday life-oriented content”

## Basic strategy

Encourage subscription to “Pake-hodai double” ⇒ Expand user base



## “Boost usage”

Everyday life-oriented content

Improved ease of use  
& convenience



Face-to-face  
recommendation

Create support scheme



# (1) Expansion of Packet Usage – Medium/Light Users (2)

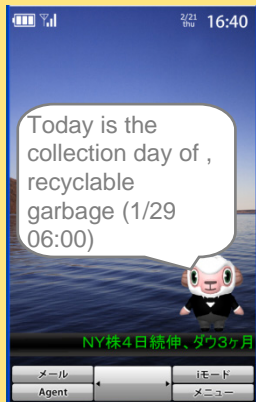
- Further increase packet usage of medium/light users by working on “enrichment of everyday life-oriented content and increasing their recognition” and “improvement of ease of use and convenience”

## Everyday life-oriented content

### Delivery of garbage collection day info.



Compatible with “i-concier”



### Delivery of store bargain info.



PUSH delivery of flyers/bargain info.



## Improved ease of use & convenience

### New concept menu screen



(Example: for middle-aged and older)

- ▶ Simple language
- ▶ Intuitive operations
- ▶ Shorten routes to reach desired site

### i-mode use triggered by mail



(Example: for middle-aged and older)

- ▶ Easy-to-read screen
- ▶ Practical content
- ▶ PUSH delivery

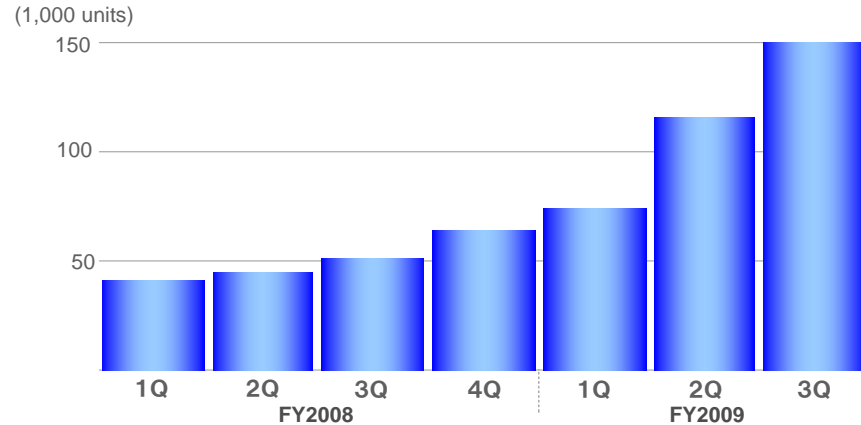


Effective for face-to-face recommendation

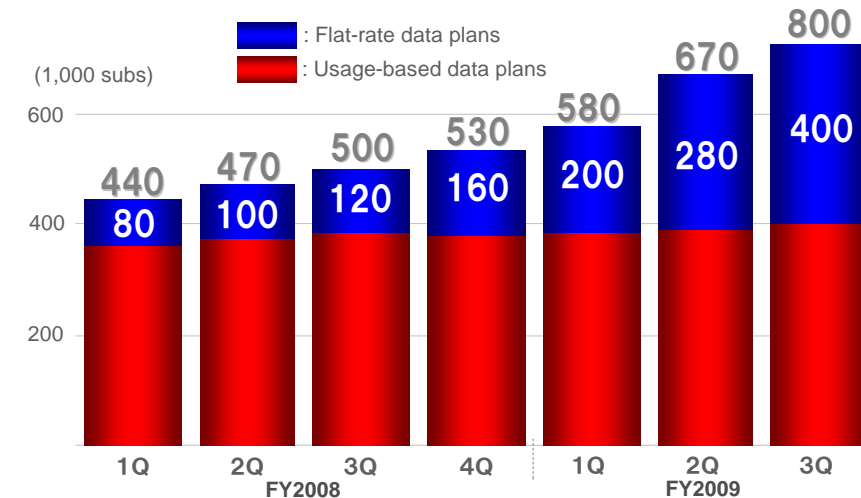
# (1) PC Data Access

- Sales of PC data access devices grew steadily as a result of downward revision of flat-rate billing plans, etc.

## ■ PC data communication devices sales



## ■ Data plan\*1 subscriptions



\*1: Total number of subscriptions to usage-based data plans, "Flat-Rate Data Plan Standard" and "Flat-Rate Data Plan 64K" (including "Value" plans)

\*2: Rates applicable to users joining "Flat-Rate Data Plan Standard Value" together with "Flat-Rate Data Standard-Wari Discount"

## ■ Actions for reinforcing sales of PC data access devices

### Easy-to-use & affordable billing plans

Two-tier flat-rate plan from min. ¥1,000 to max. ¥5,985/month\*2

### Aggressive advertisement

TV commercials

### Sales channel expansion/ reinforcement

- Promotion of data card using PCs carried out at some docomo Shops
- Strengthen sales at mass retailers by holding effective events and expanding floor space, etc.

### Enrichment of data communication devices

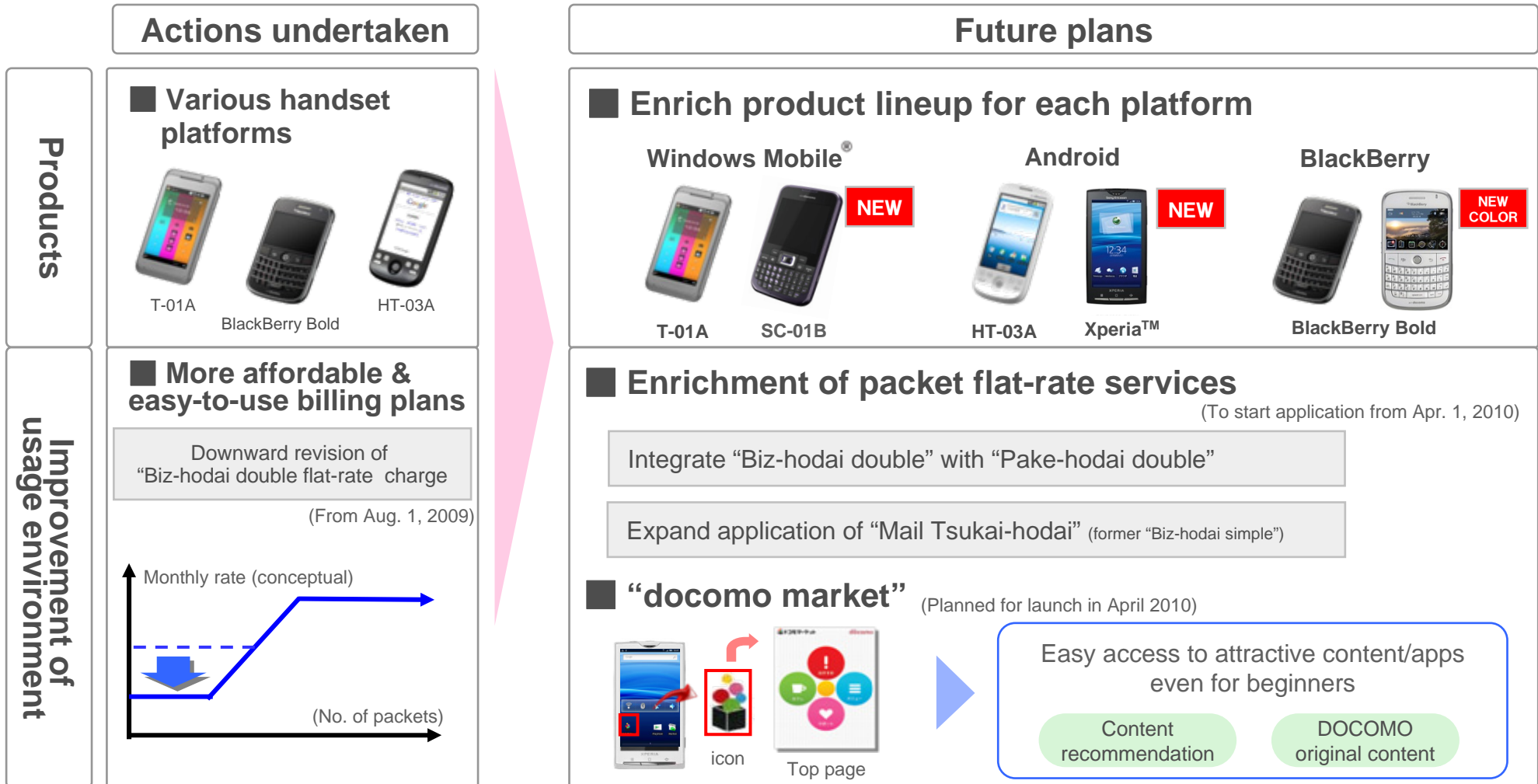
**PC with built-in module**  
(Manufacturer brand)

As of Jan. 2009:  
10 models from  
4 manufacturers

As of Jan. 2010:  
**20 models from  
5 manufacturers**

# (1) Smartphone

- Aim to broaden the sphere of smartphone market through the introduction of state-of-the-art devices and improvement of billing plans and content/application usage environment



◆ Xperia is a trademark or registered trademark of Sony Ericsson Mobile Communications AB

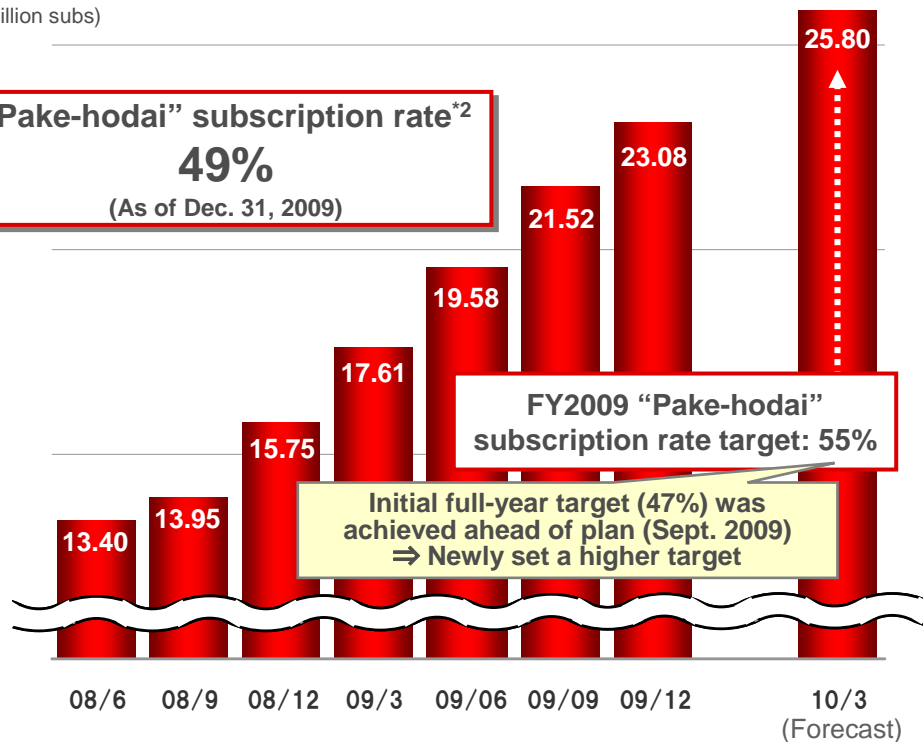
# (1) Packet Flat-Rate Services

- To allow customers to use data service more easily without concerns about their phone bills, the minimum rate of “Pake-hodai double” was lowered to ¥390/month
- Work to expand uptake of flat-rate packet access service, especially among low-usage customers, etc., to further boost usage

## “Pake-hodai”<sup>\*1</sup> subscriptions

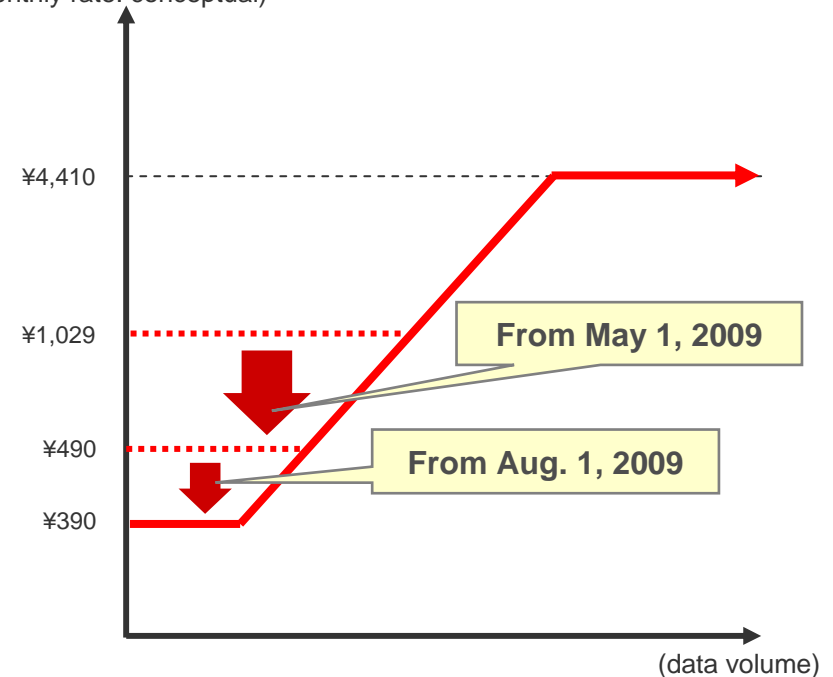
(million subs)

“Pake-hodai” subscription rate<sup>\*2</sup>  
**49%**  
 (As of Dec. 31, 2009)



## “Pake-hodai double” (two-tier flat-rate service)

(Monthly rate: conceptual)

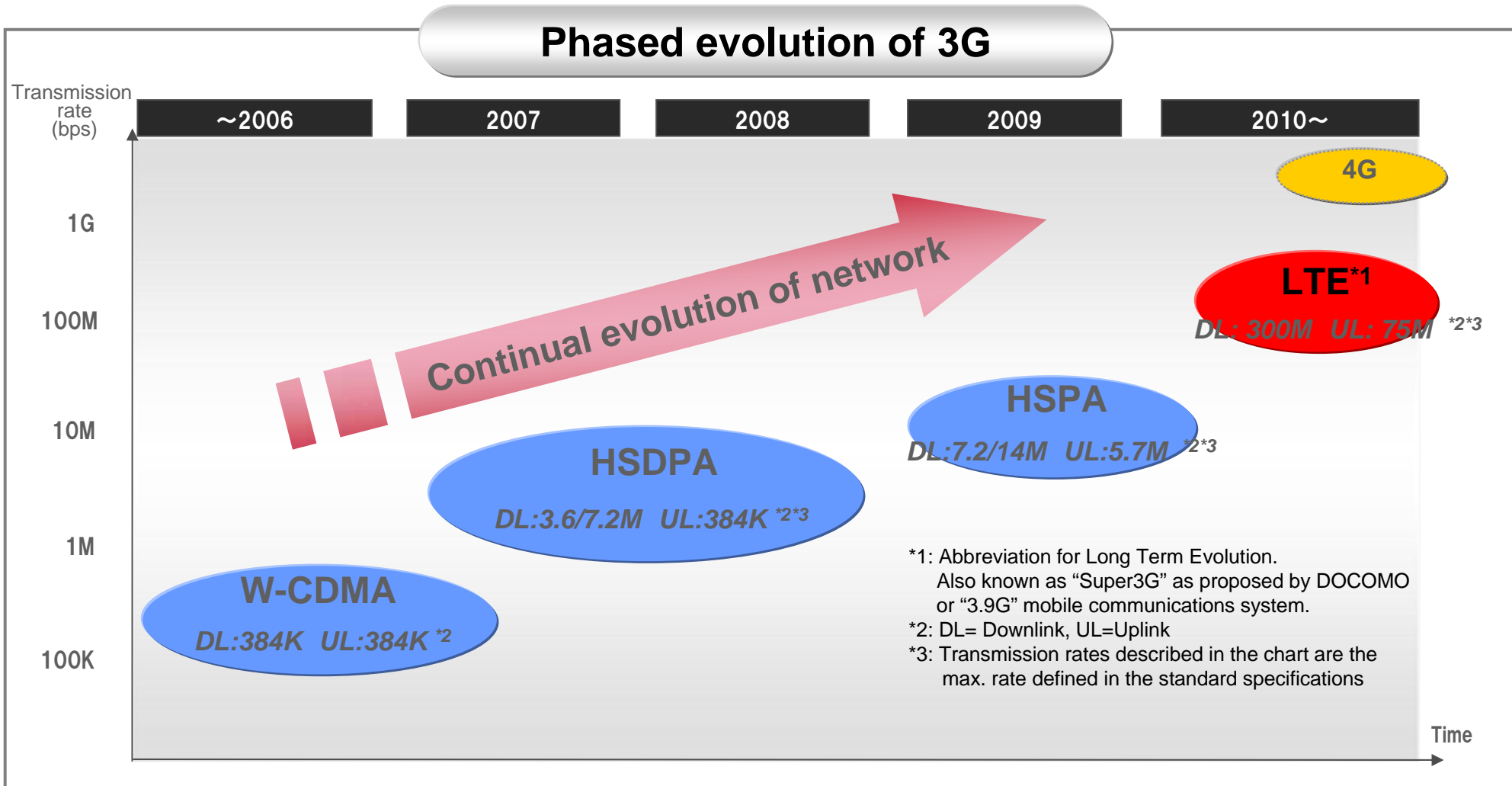


\*1: Inclusive of “Pake-hodai full”, “Pake-hodai double” and “Pake-hodai simple”.

\*2: Pake-hodai subscription rate= No. of Pake hodai subscriptions/Total FOMA i-mode subscriptions

# (2) Evolution of Network

- Realize various new services by enhancing the speed of network
- Plan to launch LTE in December 2010 as one of the first adopters in the world



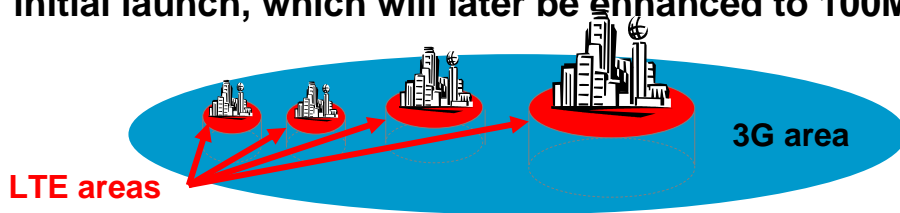


# (2) Introduction of LTE

- Plan to launch LTE in December 2010 as one of the early adopters in the world using 3G/LTE dual-mode devices.
- Coverage will be expanded using an overlay approach to existing 3G areas.

## Coverage

- **Progressive roll-out from high-demand areas**  
(Plan to achieve 50% POP coverage, installing approx. 20,000 base stations by 2014)
- **Downlink speed of 37.5Mbps to be offered at initial launch, which will later be enhanced to 100Mbps**



## Spectrum

- Plan to introduce LTE using 2GHz band, and then expand into 1.5GHz band

## CAPEX plan

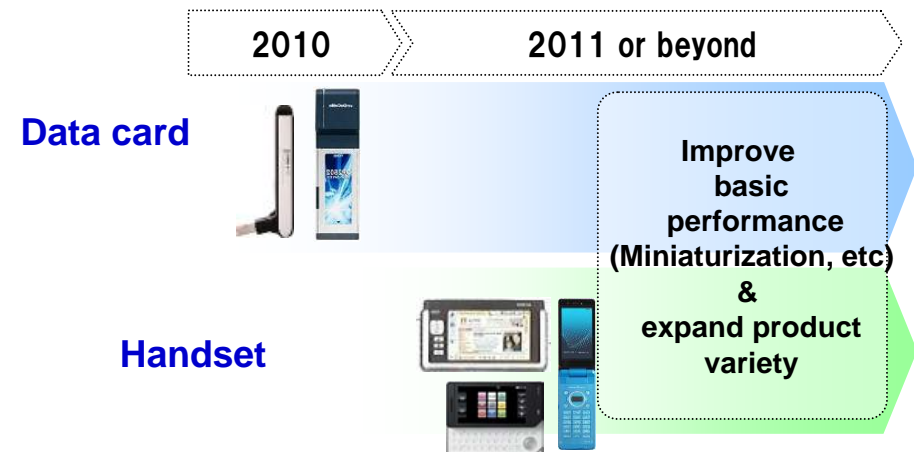
- Total LTE-related CAPEX for 5 years (FY2010-2014) is estimated to be ¥300-400 billion

## Devices/Handsets

- **Start LTE services with data card and later add handsets to the lineup**

Data devices: To be released in Dec. 2010

Handsets: To be released in 2011



- Offer the benefits of high data speeds in LTE areas and broad area coverage of 3G



# (3) Service Personalization: "i-concier"

•To offer personalized service experience, "i-concier" will be combined with location data in a more sophisticated way to enable the delivery of personal information at the optimal timing

From "a phone capable of doing XX" to "a phone that will actively do XX on behalf of user"

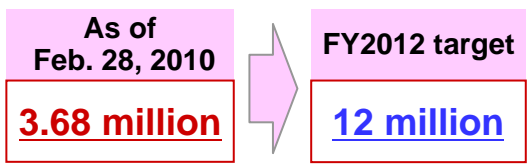
Aim to develop an ultimate mobile phone like "Aladdin's magic lamp"

## Growing uptake of "i-concier"

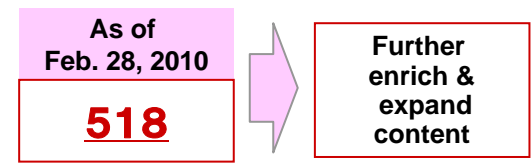
A mobile service that provides customers with various life support based on individual needs like a "butler" or a "concierge"



### No. of subs



### No. of content



## Auto GPS function

Linked with more advanced location data

From 2009 winter model handsets



## Service image

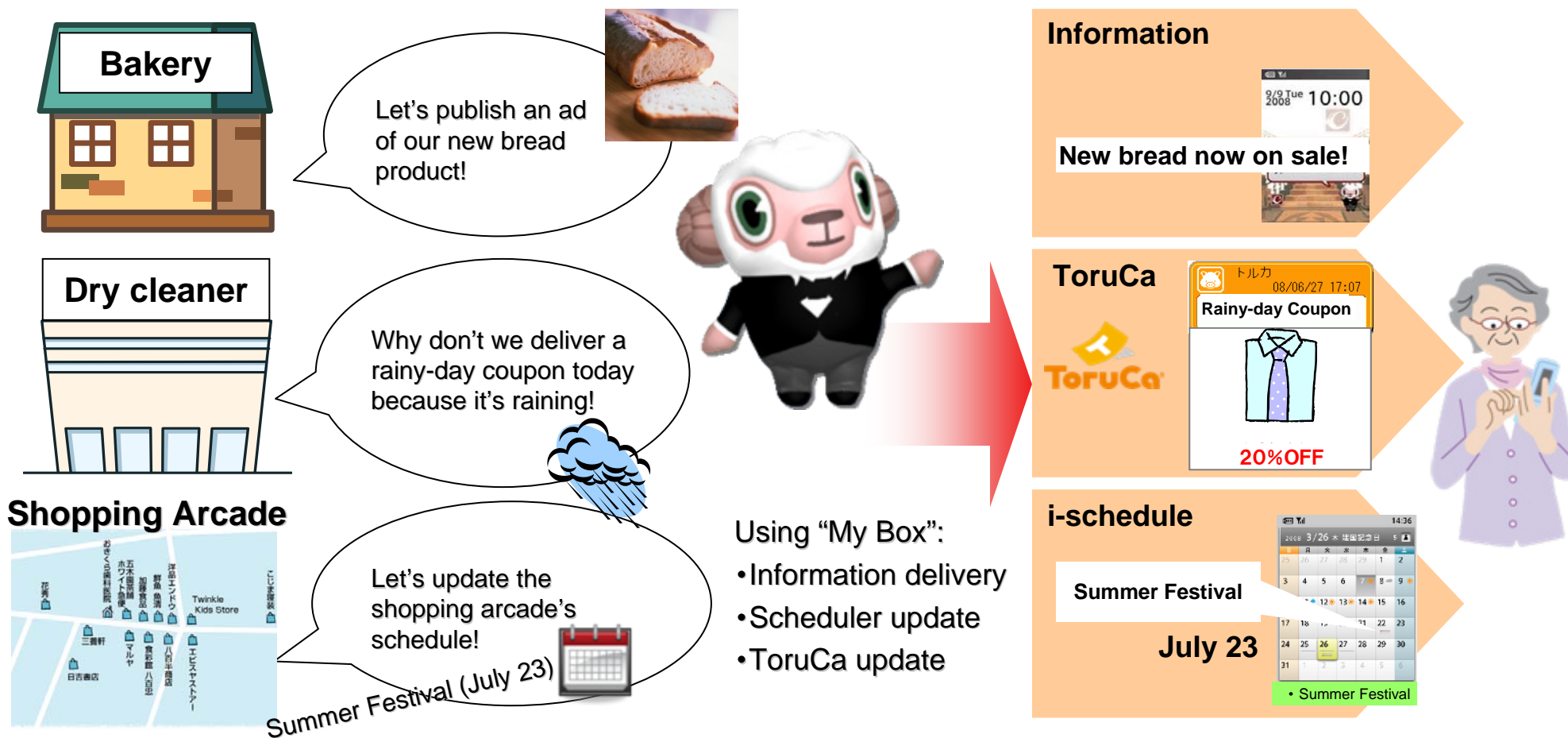
Time bargain information of supermarket to user in the neighborhood

Reminder of time of last train from nearest train station from user's current location



# (3) Enrichment of i-concier Local Information Content

• Enrich and expand the variety of local content provided via “i-concier”, such as new arrival information or event notice of shopping arcades, to have more customers utilize the service



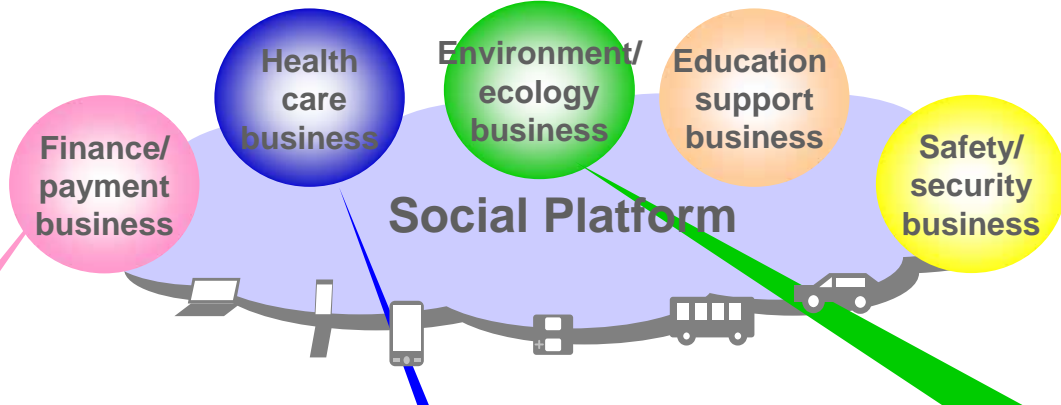
Priority action

Actively cultivate local information content also leveraging B2B2C model

# (4) Social Support Services

• Establish infrastructure that enhances efficiency of information distribution in such areas as finance/payment, health care/medical management and environment/ecology and develop into commercial business to contribute to sustainable growth of society

**Address social issues**      **Utilize DOCOMO's strengths**



**Finance/payment business**

**Aim to further diversify finance/payment services and businesses**

- Mobile CRM\*
  - The JV
  - AEON Marketing
- New convergent finance service
  - Mobile remittance service

**Health care/medical management business**

**Establish infrastructure for distributing personal medical information using mobile phones**

- Health care/medical information delivery service
  - Medical support
  - Wellness support
- Remote medical support

**Environment/ecology business**

**Establish information infrastructure by combining sensing technologies with mobile communications**

- Environment sensing
  - Environment support through establishment of sensing infrastructure
- Eco-life support
  - Energy-saving support

\* CRM: Customer Relation Management

# (4) Social Support Services: Various Initiatives (1)

•To secure new revenue sources, various initiatives have been implemented to load the pipeline of social support services, and new businesses are planned for launch on a continual basis toward the future

## CRM solution

**Typical example: McDonald's Japan**  
July 2007: Established The JV (joint venture)

**Purposes:** (1) Joint development of McDonald's proprietary CRM  
(2) Introduction and promotion of iD payment

Select coupon

Hold close to reader at shop

Coupon data registered in POS

Payment by cash or iD

Store receipt data together with membership no.

**McDonald's Database**

“One-to-One” promotion

**CRM marketing leveraging huge amount of user data**

## Wellness support

(Launched Jun. 1, 2009)  
(Health management platform)

User

Advice from health nurse nutritionist, etc.

Automatic transmission

Measurement by health equipment, and capture data using mobile phone

**docomo**

Wellness support server  
(Vital data collection infrastructure)

➔

**Partner company**

Various health services  
(e.g., analysis of vital data, etc)

Vital data

## Mobile remittance

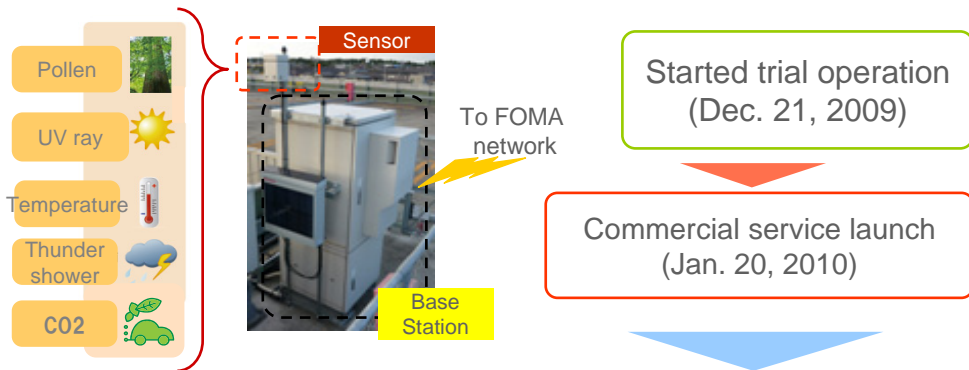
(Launched July 21, 2009)

Enables money remittance only by designating mobile phone number, without the need to make prior registrations, etc.

# (4) Social Support Services: Various Initiatives (2)

- Environment sensor network business: making steadfast progress after its commercial launch
- Bicycle sharing service: preparation in progress toward its verification trial

## Environment sensor network business



Plan to expand to 2,500 locations in FY2010, and eventually to 9,000 locations nationwide

## Capital alliance with Weather Service Inc.

(Investment made on Jan. 6, 2010)

- Develop and provide pollen data analysis technology

**Weather Service**

## Bicycle Sharing

- Joint promotion of bike-sharing service with Docon Co., Ltd.

Reservation, payment and behavior support with a single handset

### Make reservation



Locate current position & make reservation.  
Receive Felica key

### Pay, use and return



Authentication/key unlock using Felica.  
Navigation to destination

Reservation of drop-off spot. Key locking at destination

Preparation in progress to start verification trial in Sapporo in June 2010

 **株式会社ドーコン**  
Docon

# (5) Introduction and Promotion of Converged Services

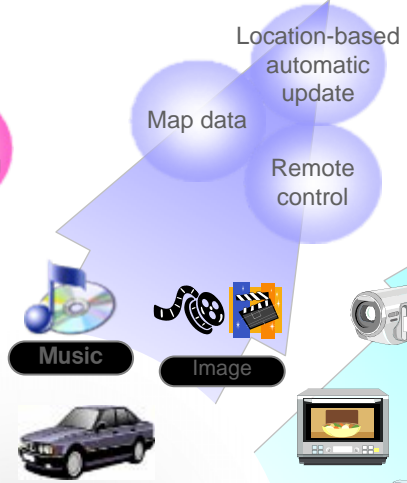
- Roll out new services converging mobile phones with various life tools

## Convergence with industrial equipment

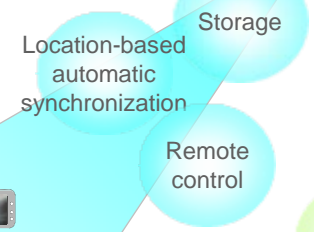


Mobile phone

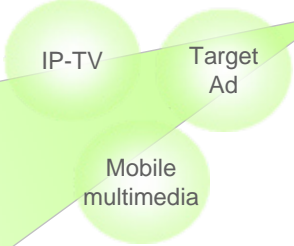
## Convergence with automobiles (ITS)



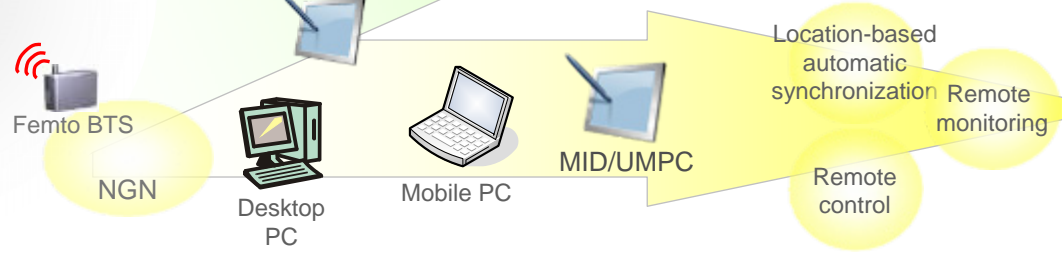
## Convergence with info appliances



## Convergence with broadcasting



## Convergence with fixed line





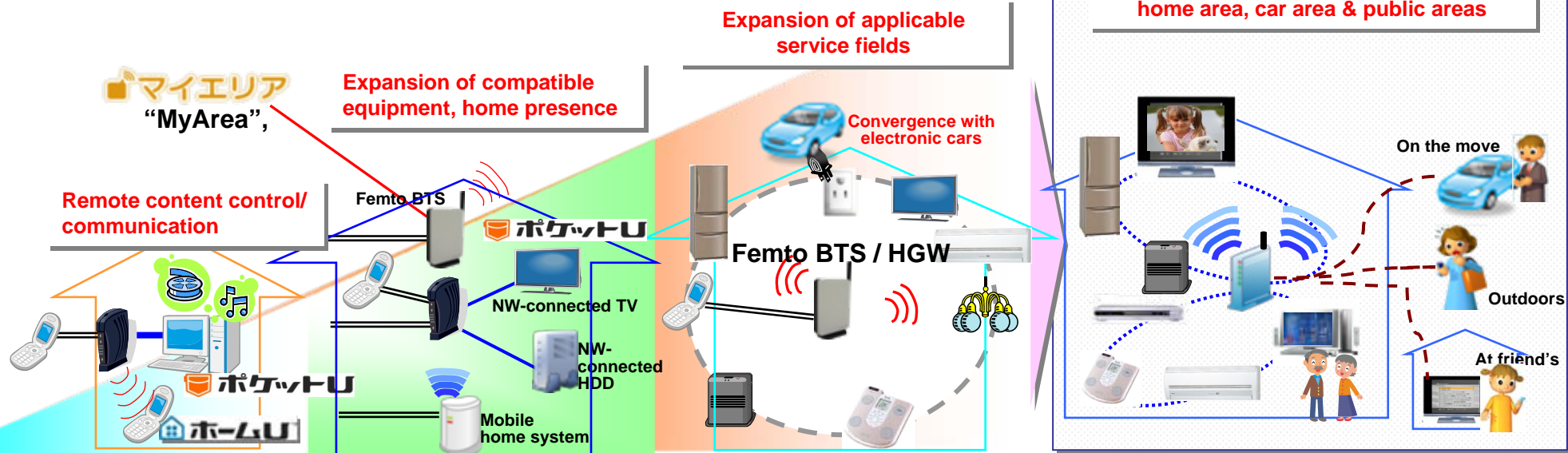
# (5) Home ICT Service Deployment Scenario

- In the field of home ICT, new services linking mobile phones with various equipment are planned to be deployed, networking various appliances around “MyArea” & home gateway (HGW)

Step 0: Infrastructure building  
Propose new communications style

Step 1: Expand available services  
Propose new lifestyle

Step 2: Sophistication (Premiumization)  
Lifestyle innovation



Roll-out steps

Remote access to home appliances  
(connected by point)

Linkage with home appliances/MyArea  
(connected by line)

Intra-home networking  
(connected by surface)

Seamless connection with outdoor areas  
(connected by multiple surfaces)

# (5) MyArea Service Launch

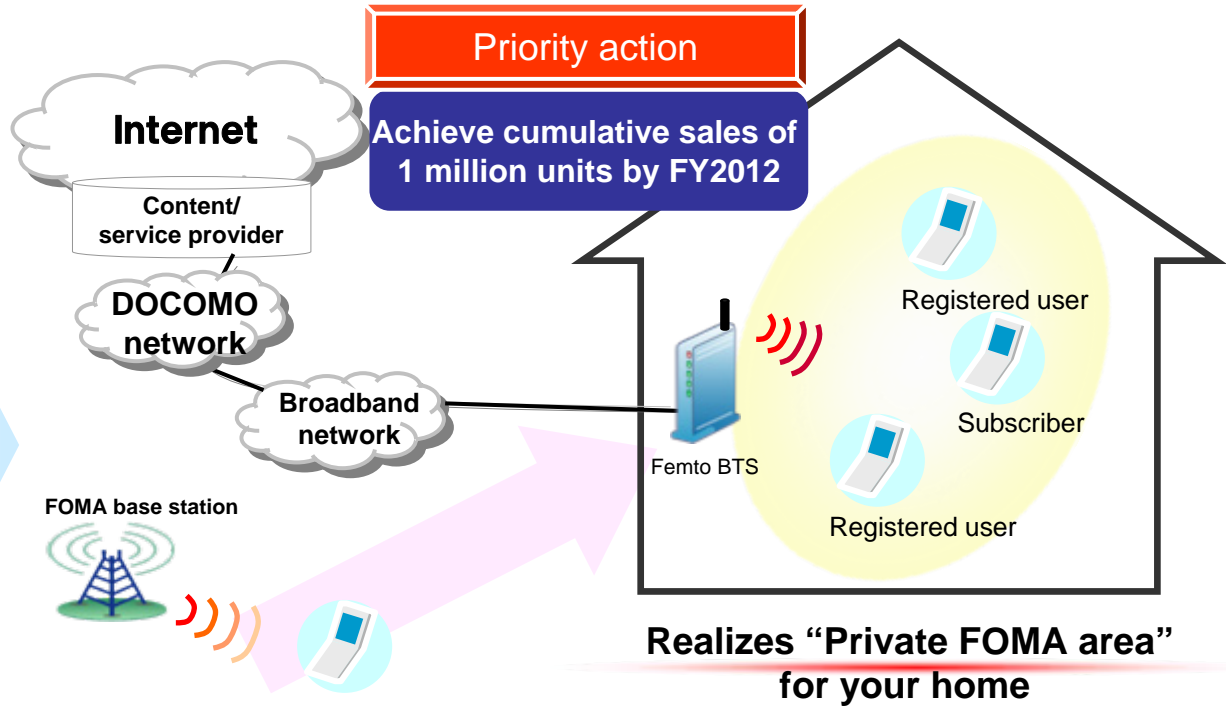
• Launched Japan's first Femto-based home area service, "MyArea", in Nov. 2009

## マイエリア



High-performance Femto BTS equipment

Install high-performance Femto BTS in home



Realizes "Private FOMA area" for your home

Launched Nov. 18, 2009

Stable communication environment

Comfortable access to video, music and other large-capacity content

Presence confirmation notice **イマカスカ**

Provision of presence confirmation notice linked with in/out of home information



Future plans

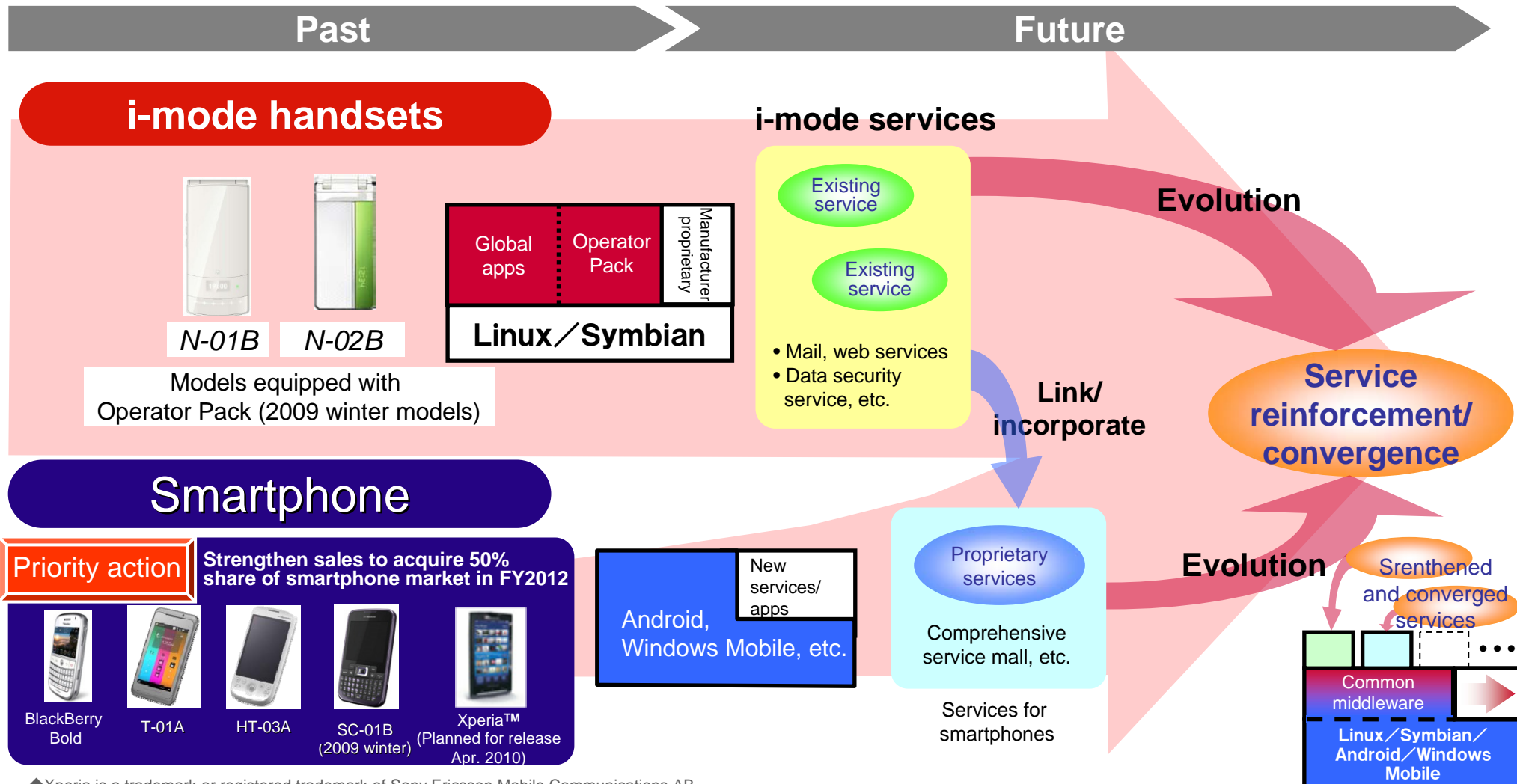
Linkage with home appliances

Remote control of home appliances/equipment



# (6) Further Handset Evolution to Respond to User Needs

- Reinforce and converge our services (including those of smartphones) and enrich our product lineup through further advancement of handsets, to cater to diverse needs of customers



◆Xperia is a trademark or registered trademark of Sony Ericsson Mobile Communications AB

# (6) docomo Smartphone Xperia™

- Xperia™, a brand new Sony Ericsson entertainment machine for enjoying intelligent mobile communication, net browsing, music and other Ericsson media, to go on sale in April 2010

## (1) Brand new entertainment

### Mediascape



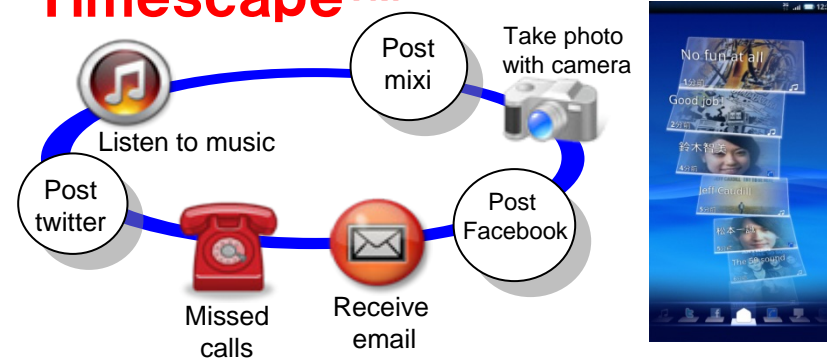
Free organization of music, video and photos through intuitive operations



## (2) New style photo communication

Communication initiated by face recognition

### Timescape™



Seamless display of various communication log

## (3) High specifications

### Dynamic video replay

- 4.0-inch full-wide VGA display
- High-performance 1GHz CPU

### HSUPA

- Compatible with HSUPA (max. uplink speed: 2.0Mbps)
- Comfortable video/photo uploading

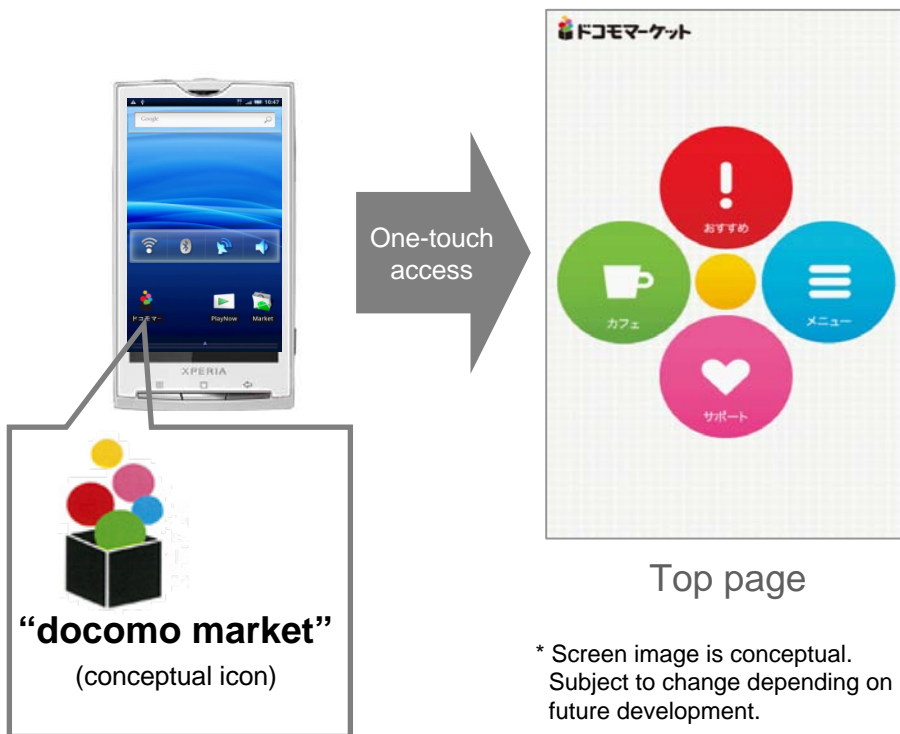
### Wi-Fi

- Enables high-speed PC-like Internet browsing

- Plan to launch “docomo market”, a smartphone portal where users can immediately obtain content that can be used on DOCOMO’s smartphones, in April 2010

## Simple and easy to use

One-touch access from home screen.  
Easy operability by touch panel.



## DOCOMO recommended content

Recommends apps, news and video.  
Rich portfolio of original content usable on smartphones



# (7) Global Expansion

- Aim to grow international business mainly in three fields

## International services

For int'l travelers

### International roaming

ドコモのケータイを海外でつかう  
**WORLD WING**

### International dialing

ドコモのケータイで海外へかける  
**WORLD CALL**

- Expansion of service area
- Enrichment of services offered to int'l travelers

## Enterprise solutions

For overseas offices

### Solution proposals to Japanese enterprises active overseas

- Utilize know-how accumulated in Japan
- Collaboration with investee/alliance partners in each country

## Overseas business deployment

Mainly in Asia Pacific

### Investment/alliances



- Enhance enterprise value by transferring DOCOMO's technology and know-how

# (7) Establishment of Overseas Business Foundation

- Facilitate business deployment/alliances mainly in the Asia-Pacific, a region of high proximity to Japan, and expand international business revenues on a global scale in view of the sustainable growth of business
- Deploy value-added business in mature markets, and in parallel, provide “3G network and value-added services” in growth markets in cooperation with overseas carriers

Enhance added value

Deployment mainly in mature markets

Content

Application/Platform

Network/Infrastructure

Deployment mainly in growth markets

Accelerate growth by providing know-how on network roll-out, etc.

## 【Actions taken】

MANGA MODE™  
DOCOMICS

Distributes Japanese “manga” comics content to Bouygues Telecom (France) and TTSL (India) from DOCOMO Netherlands

i.eh.

Distributes news and sport results via TATA DOCOMO (GSM service of India's TTSL) and Guam's DOCOMO PACIFIC network

net-m

Establish application platform in Europe, to offer content distribution service or other value-added services

TATA

AKTEL  
GSM CLEARLY AHEAD  
एक ध्यान आगित्वा

PLDT

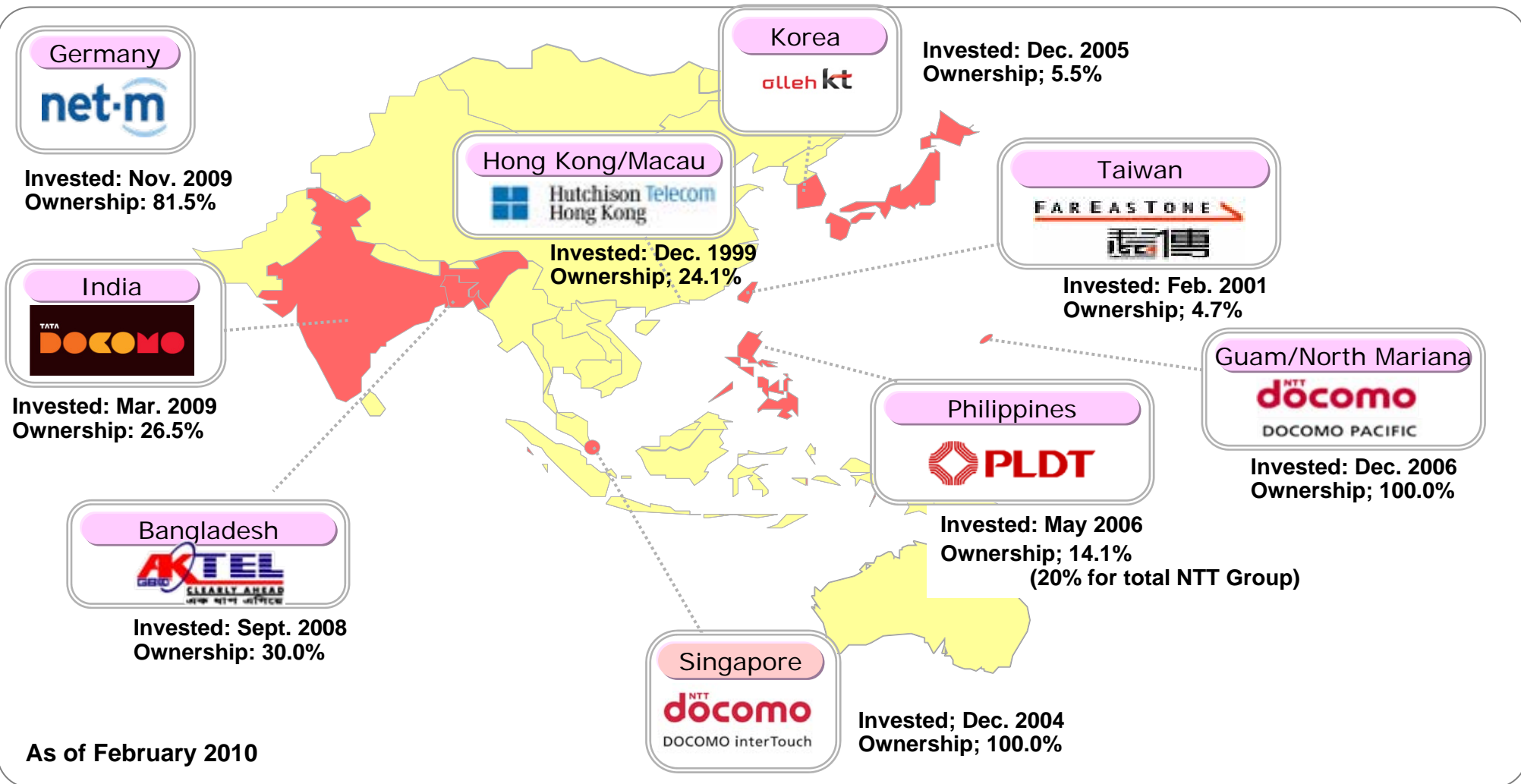
allem kt

Maximize enterprise value of investee by assisting the roll-out of GSM or 3G networks



# (7) Principal Overseas Investees

- Invested mainly in carriers in the Asia Pacific region and companies engaged in new business
- Primary objectives of investment include enhancement of investee's enterprise value through technical transfer and provision of business know-how leveraging DOCOMO's strengths, and contribution/synergies to DOCOMO's revenues and business



# (7) India's TTSL/TTML: Updates

- Achieved favorable growth of net additions, acquiring No. 1 net adds share in India for 6 straight months
- Rose to No. 5 operator in India by subscriber market share as of Jan. 31, 2010

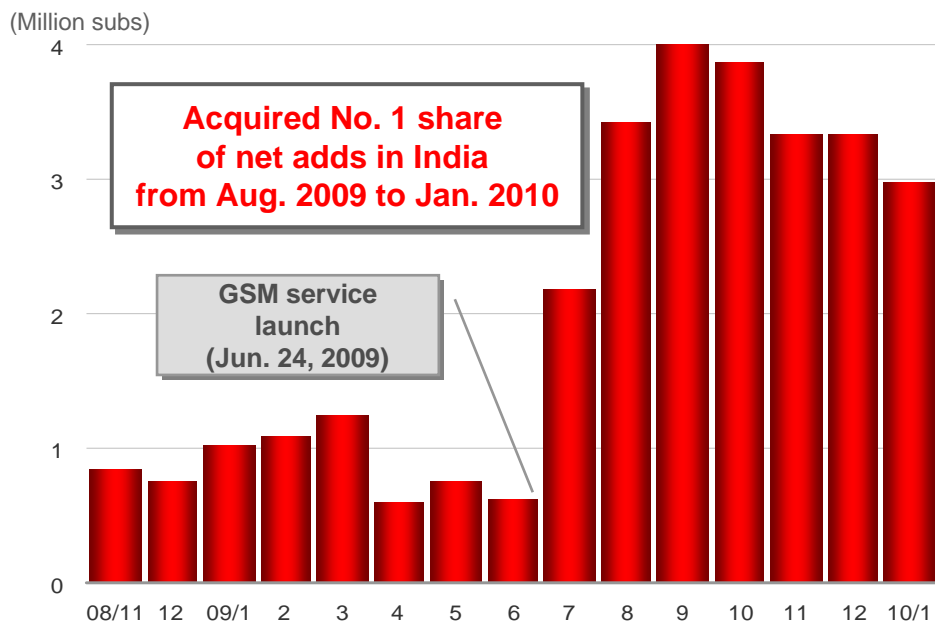


## Grew to 5<sup>th</sup> largest operator in India

No. of subs: 60.31 million  
subscriber market share; 11.07%\*1

## No. of net additions\*1

(As of Jan. 31, 2010)



## GSM deployment status

(brand: TATA DOCOMO)



### Service areas

(As of Feb. 2010)

16 circles

(Out of India's total 22 circles)

### Value-added services

Launched mobile comics service

**DOCOMICS**

(Jan. 8, 2010)

Launched i-channel service

(Jun. 24, 2009)

**Result of enterprise value enhancement and business synergy creation activities under BTCC (Business Technology Cooperation Committee)**

\*1: No. of subscribers, net additions and market share are the total of GSM and CDMA services offered by TTSL and TTML (Source; TRAI)

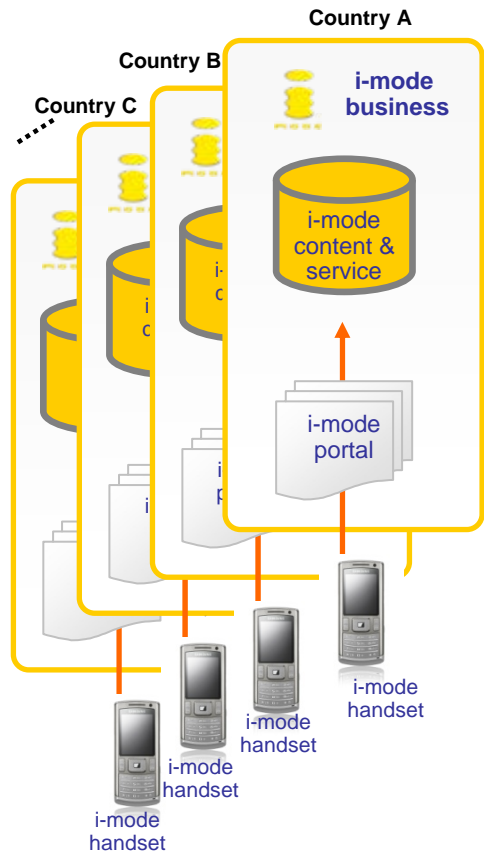
# (7) Mobile Network VAS (Value-Added Service) Business

- Overseas deployment of mobile network VAS business centered on platform service, which offers a wide array of content/services in various countries and regions

## Past

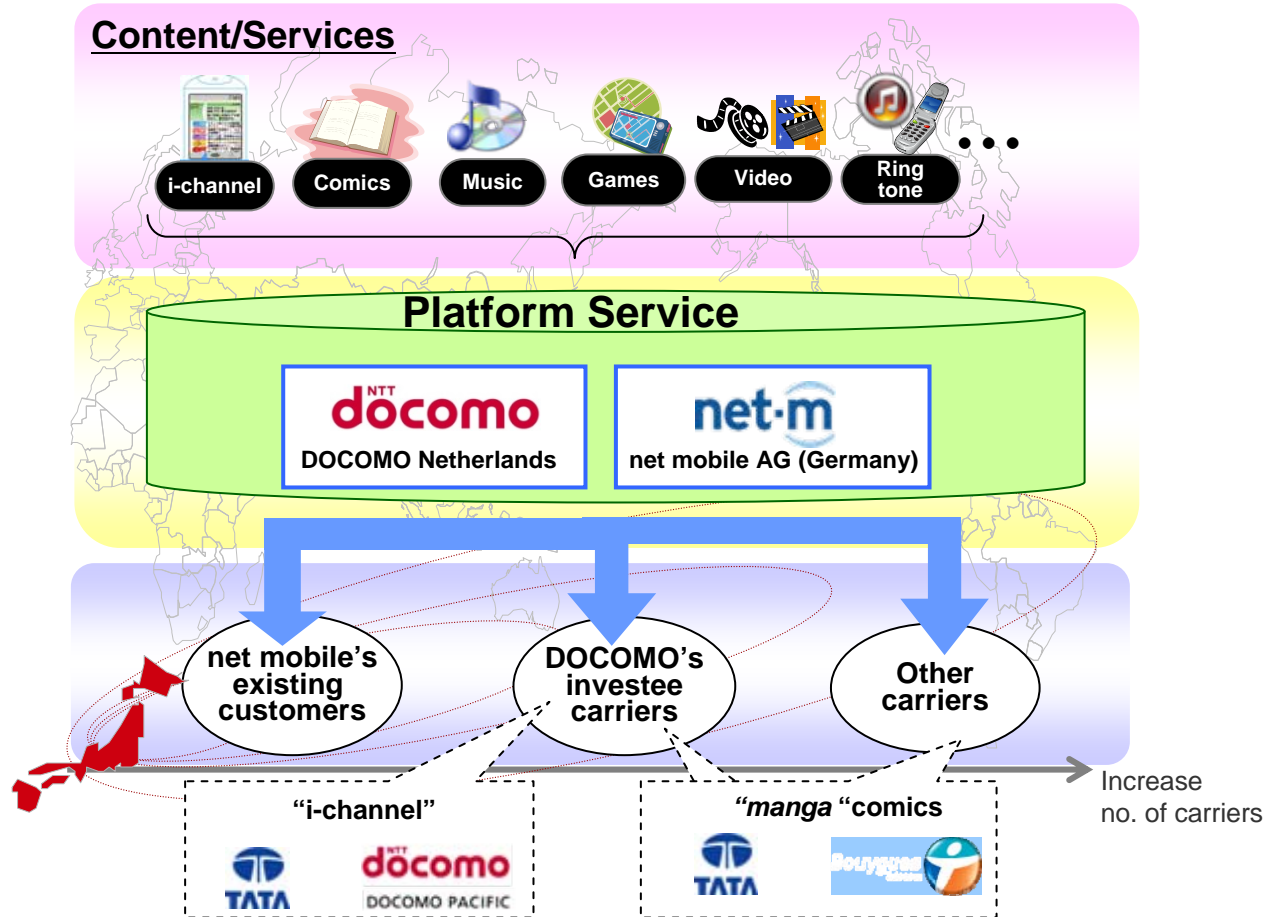
Provision of i-mode service under license agreement

Currently offered in 11 countries/regions



## New Approach (mobile network VAS business)

Provide "i-channel", "manga" comics and various other content/services to overseas carriers, using the platforms of DOCOMO Netherlands and net mobile AG.





# (8) Investment and Alliances in Japan

- Aim to expand revenues and achieve sustainable growth through investment and alliances targeted at creating new businesses and strengthening core business

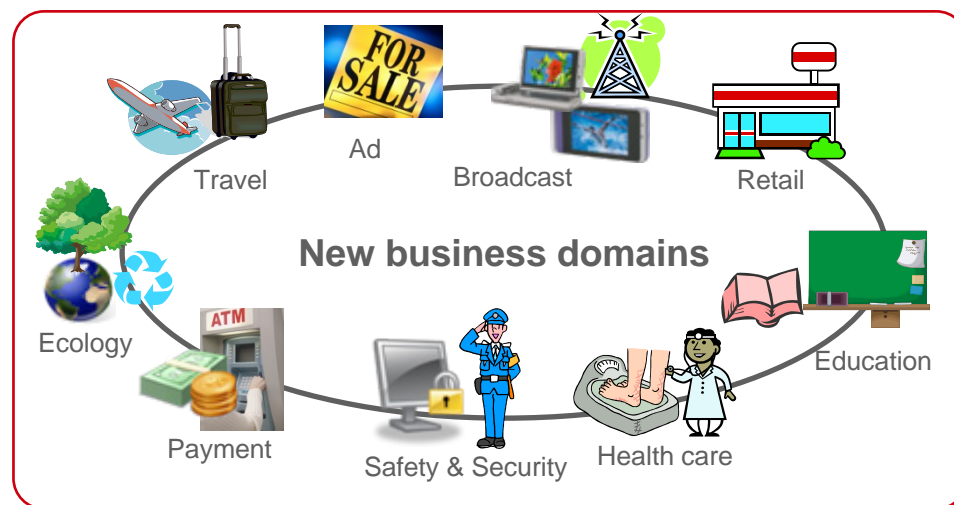
## New business creation

Areas expected to deliver synergies to DOCOMO:

Oak Lawn Marketing, Inc. (Invested Apr. 9, 2009)

Deployment of social support services:

AEON Marketing, Co., Ltd. (Established Jul. 24, 2009)



## Reinforcement of core business

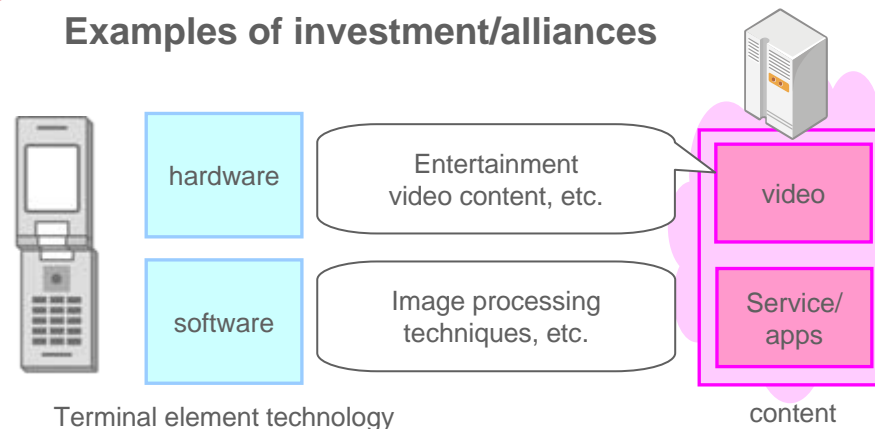
Secure convenient and attractive video content, etc

Avex Broadcasting & Communications Inc. (Established Apr. 10, 2009)

Acquisition of terminal technologies to realize innovative services

Packet Video Corporation (USA) (Invested Jul. 2, 2009)

## Examples of investment/alliances



## Financial Conditions

**With respect to our revenue performance, packet ARPU has posted a steadfast growth due mainly to the expanded uptake of packet flat-rate services and enrichment of video services. Our goal is to achieve over ¥900 billion in operating income in FY2012, by further growing packet ARPU and actively working on the creation of new revenue sources and improvement of cost efficiency by optimizing network-related costs and other general expenses.**

**We will continually work to provide adequate return to shareholders, considering it an important management issue.**

# FY2009/1-3Q (cumulative) Financial Results

- Recorded YOY decrease in both revenues and income for FY2009/1-3Q (cumulative), but achieved an increase in income for FY2009/3Q (Oct.-Dec. 2009)
- YOY income growth is also expected for FY2009/4Q (Jan.-Mar. 2010), thus FY2009 full-year operating income forecast remains unchanged at ¥830.0 billion.

	2008/4-12 (1Q~3Q) (1)	2009/4-12 (1Q~3Q) (2)	Changes (1) → (2)	2010/3 (full-year forecast) (3) (Announced 10/30/2009)	Progress to forecast (2) / (3)
Operating revenues (Billions of yen)	3,378.8	3,242.4	-4.0%	4,276.0	75.8%
Cellular services revenues (Billions of yen)	2,791.0	2,662.7	-4.6%	3,461.0	76.9%
Operating expenses (billions of yen)	2,632.0	2,539.7	-3.5%	3,446.0	73.7%
Operating income (billions of yen)	746.8	702.7	-5.9%	830.0	84.7%
Income before income taxes (Billions of yen)	709.4	701.7	-1.1%	825.0	85.1%
Net income attributable to NTT DOCOMO, INC. (Billions of yen)	437.7	419.3	-4.2%	493.0	85.1%
EBITDA margin (%) *	40.1	38.1	-2.0 points	36.6	-
Adjusted free cash flow (Billions of yen)*	167.3	178.1	+6.4%	360.0	49.5%

◆ Consolidated financial statements in this document are unaudited.

◆ Adjusted free cash flow excludes the effects uncollected revenues due to bank holidays at the end of the nine months ended Dec. 31, 2009, and changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

\* For an explanation of the calculation processes for these numbers, please see the IR page of our website, [www.nttdocomo.co.jp](http://www.nttdocomo.co.jp).

# FY2009/1-3Q (cumulative) Results Highlights

- Achieved an operating income growth in line with forecast of 28.0% year-on-year in FY2009/3Q (Oct.-Dec. 2009)
- Steadfast progress toward achievement of full-year income target

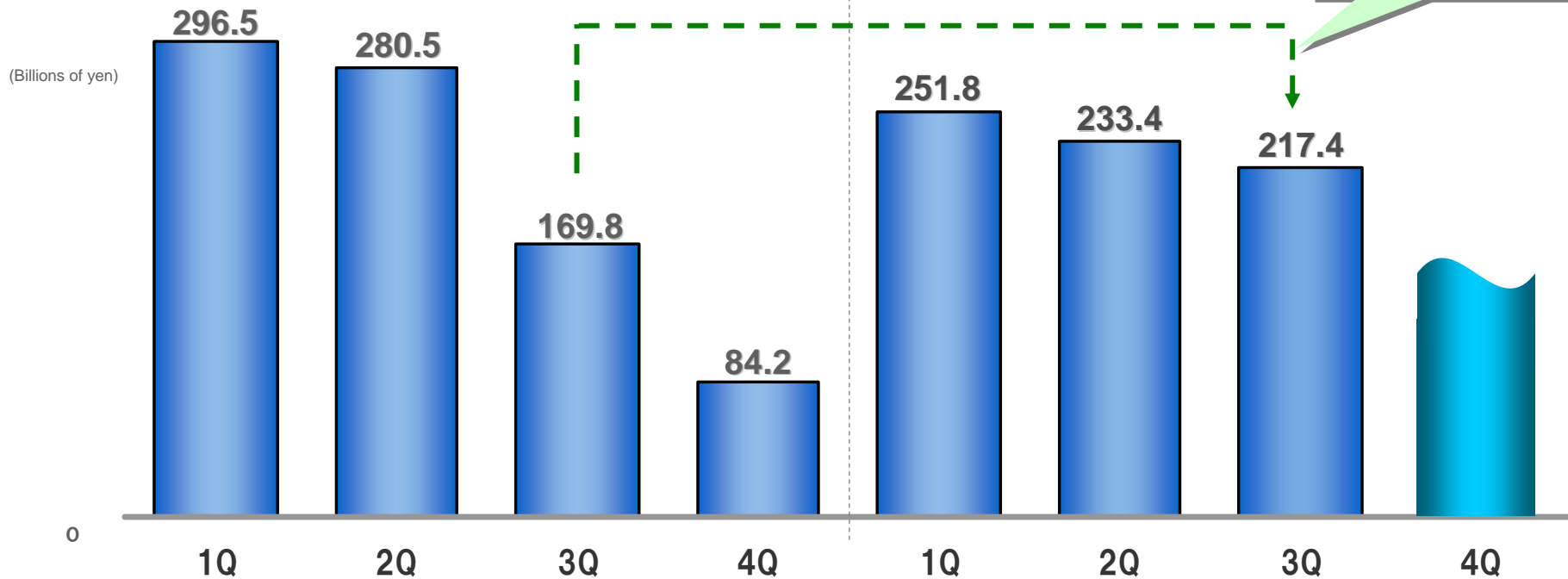
**FY2008 Operating income: ¥831.0 billion**

**FY2009 Operating Income: ¥830.0 billion (forecast)**

《FY2008 Irregular factors》

Impact of income-boosting effect of new handset purchase method

Accelerated depreciation of mova-related assets, etc.



# Improvement of Cost Efficiency

• Steadfast progress has been achieved toward improvement of cost efficiency. Expected to achieve cost reduction of ¥130 billion (compared to FY2007) by Mar. 31, 2010. Committed for further pursuing efficiency improvement in the future.

## Integration of former regional subsidiaries

- ◆ Nationwide optimization of operations
  - Call centers, bill collection, logistics
- ◆ Integration of in-house system
  - Integration of redundant systems (SFA, area management)

## Network-related costs

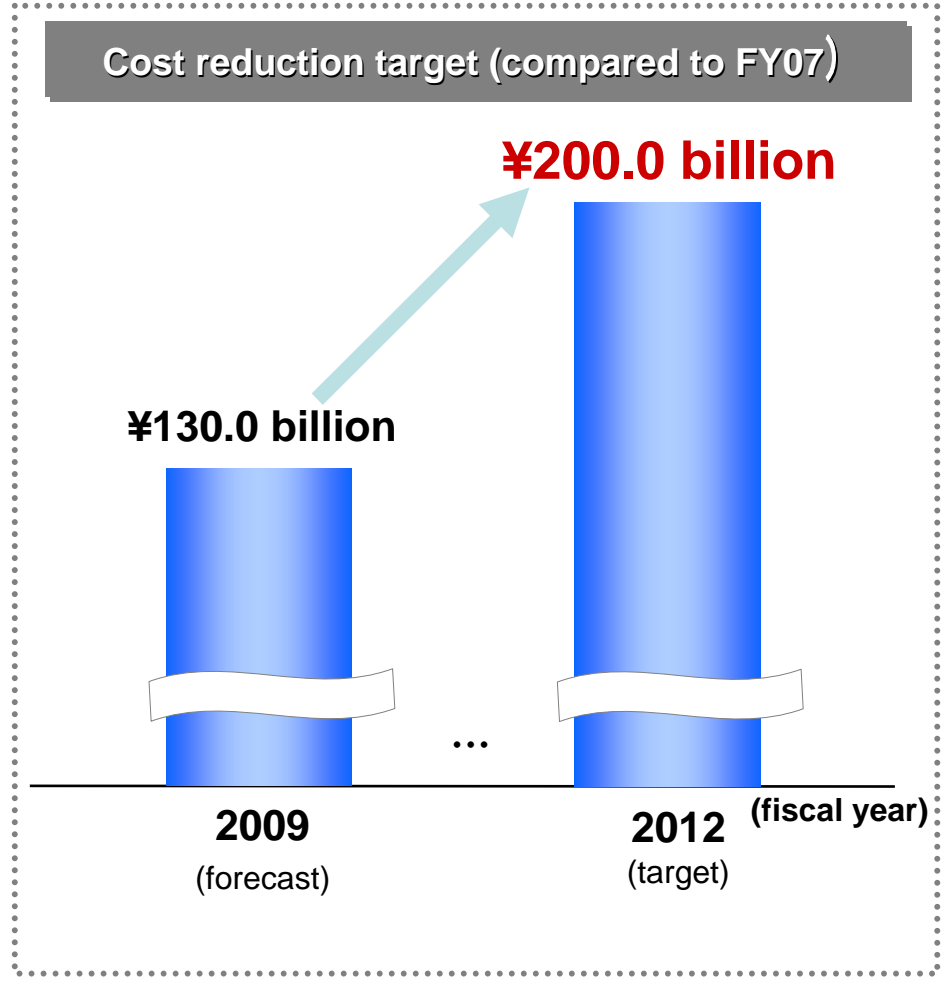
- ◆ Capital expenditures
  - Introduction of new technologies, review of design method
- ◆ Operation and maintenance costs
  - Cut operational costs through conversion into ALL-IP

## Sales-related costs

- ◆ More efficient use of procurement costs, fixed commissions

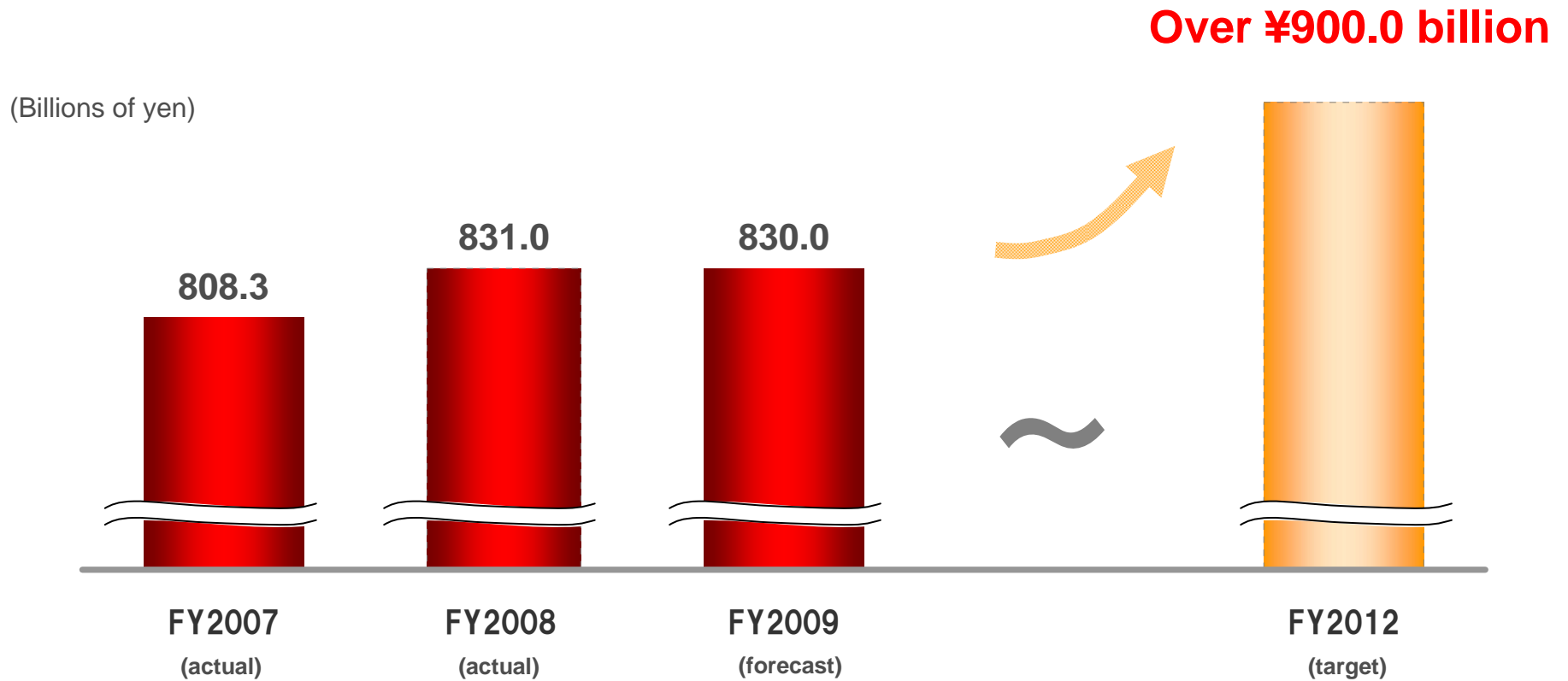
## General expenses

- ◆ Effective use of group resources



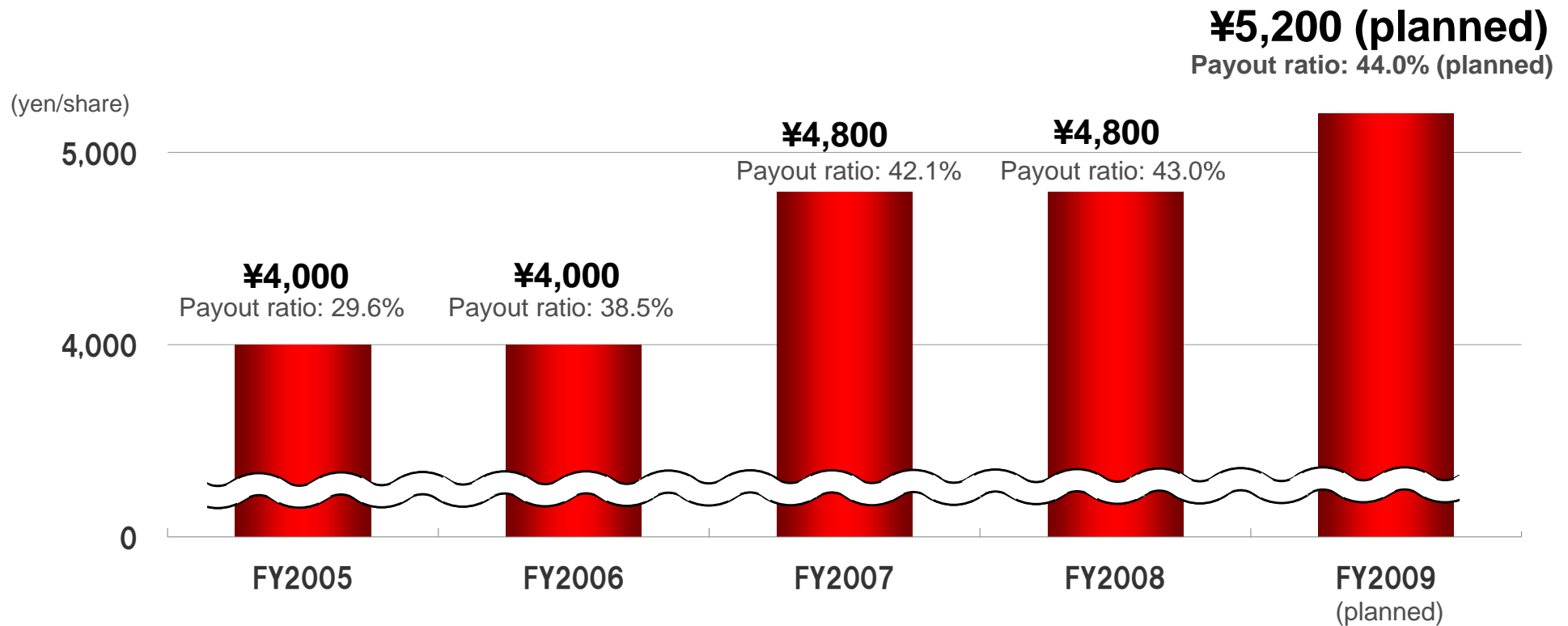
# Operating Income Target

- FY2012 operating income target: Aim to achieve over ¥900.0 billion



# Return to Shareholders

- Plan to increase FY2009 annual dividend by ¥400/share  
⇒ Dividend per share: ¥5,200 (projected payout ratio: 44.0%)





With each customer,  
We will strengthen ties  
And, Open the door to the future

NTT  
docomo