



# NTT DOCOMO, INC.

Results for the first three months  
of the fiscal year ending Mar. 31, 2011

**July 29, 2010**

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# 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) Other mobile service providers in the world may not adopt the technologies that are compatible with those used by our corporate group's mobile communications system on a continual basis, which could affect our ability to sufficiently offer international services.
- (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/devices, and services of parties other than those belonging to our corporate group are provided through our cellular handsets/devices, potential problems resulting from malfunctions, defects or loss of handsets/devices, 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 others, 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) Natural disasters, power shortages, malfunctioning of equipment, software bugs, computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause failures in the networks, distribution channel and/or other factors 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.



**FY2010/1Q**  
**Financial Results Highlights**

## FY2010/1Q Financial Results

	2009/4-6 (1Q) (1)	2010/4-6 (1Q) (2)	Changes (1) → (2)	FY2010 (Full-year forecast) (3)	Progress to forecast (2) / (3)
<b>Operating Revenues</b> (Billions of yen)	<b>1,084.8</b>	<b>1,089.2</b>	<b>+0.4%</b>	<b>4,222.0</b>	<b>25.8%</b>
<b>Cellular Services Revenues</b> (Billions of yen)	<b>881.9</b>	<b>864.2</b>	<b>-2.0%</b>	<b>3,405.0</b>	<b>25.4%</b>
<b>Operating Expenses</b> (Billions of yen)	<b>832.9</b>	<b>848.7</b>	<b>+1.9%</b>	<b>3,382.0</b>	<b>25.1%</b>
<b>Operating Income</b> (Billions of yen)	<b>251.8</b>	<b>240.5</b>	<b>-4.5%</b>	<b>840.0</b>	<b>28.6%</b>
<b>Income Before Income Taxes</b> (Billions of yen)	<b>247.5</b>	<b>240.6</b>	<b>-2.8%</b>	<b>843.0</b>	<b>28.5%</b>
<b>Net Income Attributable to NTT DOCOMO, INC.</b> (Billions of yen)	<b>147.4</b>	<b>142.2</b>	<b>-3.5%</b>	<b>497.0</b>	<b>28.6%</b>
<b>EBITDA Margin</b> (%)*	<b>39.3</b>	<b>36.9</b>	<b>-2.4 points</b>	<b>36.7</b>	<b>-</b>
<b>Adjusted Free Cash Flow</b> (Billions of yen) *	<b>-90.8</b>	<b>47.2</b>	<b>-</b>	<b>470.0</b>	<b>10.0%</b>

◆ Consolidated financial statements in this document are unaudited.

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

\* For an explanation of the calculation processes of these numbers, please see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP and the IR page of our website, [www.nttdocomo.co.jp](http://www.nttdocomo.co.jp)

**RESULTS FOR 1Q OF FY2010**

# FY2010/1Q Financial Results Highlights (1)

## ■ FY2010/1Q Financial Results Highlights:

**Achieved year-on-year growth in operating revenues for the first time in 3 years**

Addressed new markets, e.g., smartphones, PC data devices, digital photo frames, etc.

Increased no. of packet flat-rate services subscriptions

Stimulated usage of “i-concier”, video content, etc.

Expansion of new businesses (Overseas platform, home shopping, credit)

No. of net additions grew by 64% year-on-year

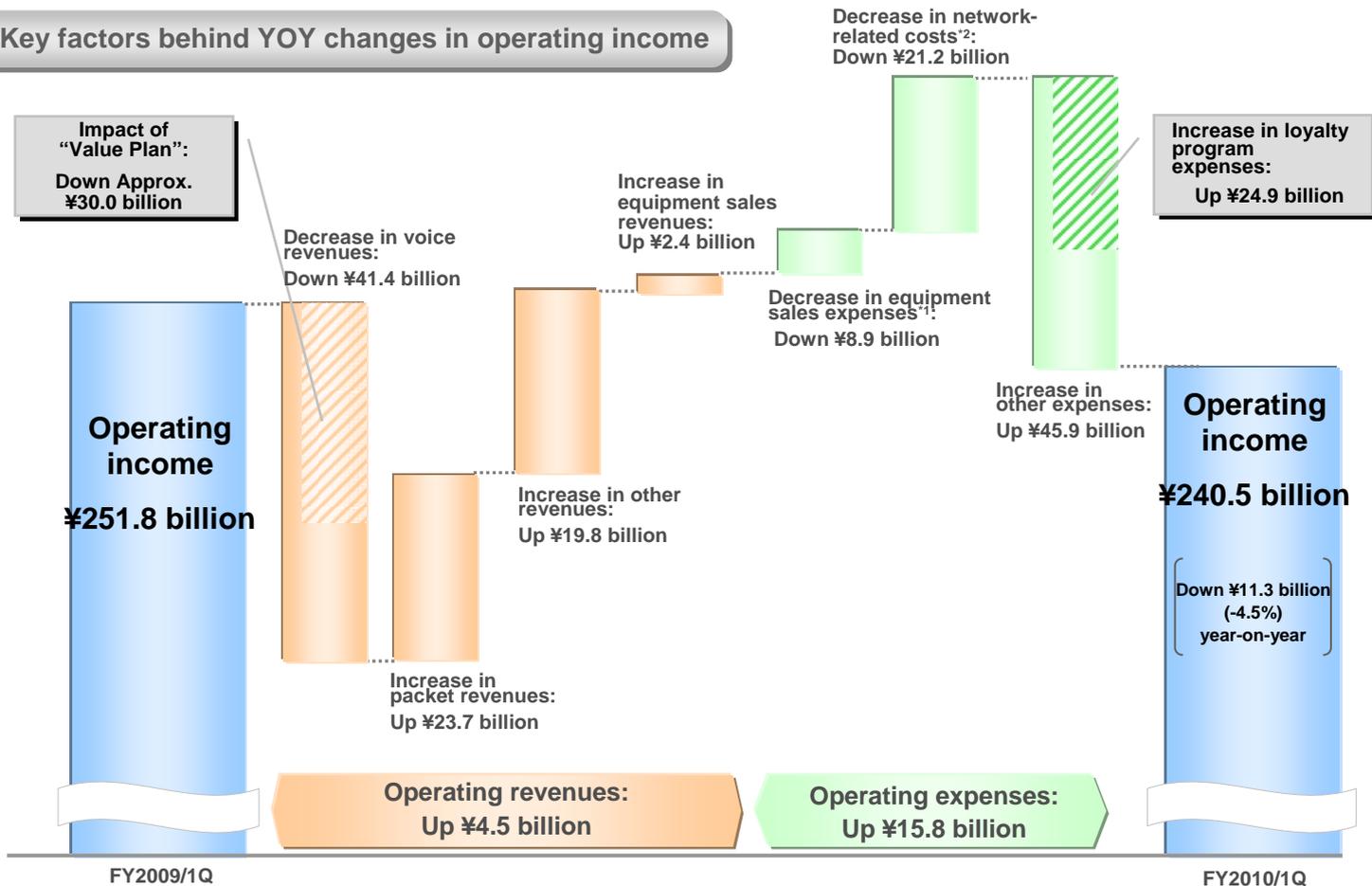
Achieved YOY growth in total handset sales for the first time in 2.5 years (Up 6.2%)

Accelerated growth of packet ARPU

Expansion of other revenues

# 5 FY2010/1Q Financial Results Highlights (2)

## Key factors behind YOY changes in operating income



\*1: Sum of cost of equipment sold and distributor commissions

\*2: Sum of communication networks charges, depreciation and amortization, and loss on disposal of property, plant and equipment

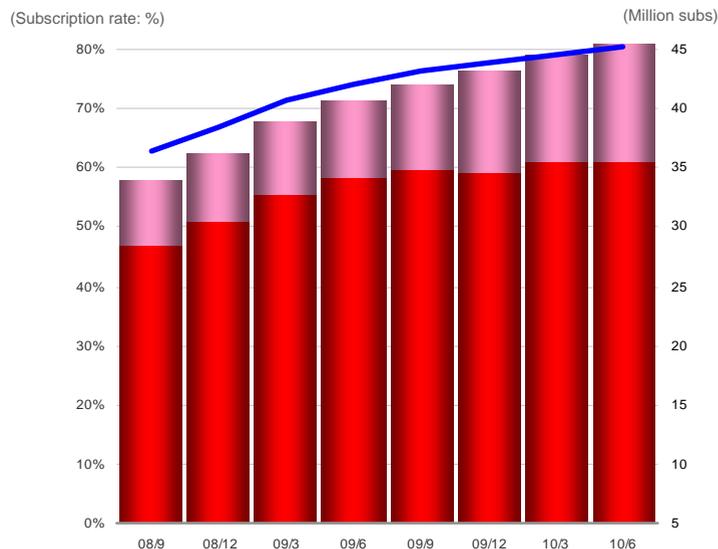
# 50%-OFF Monthly Charge Discount Plans/“Value Plan”

- Subscription rate of billing plans offering 50% discount on basic monthly charge grew to approx. 80% → Negative impact on revenues became insignificant
- Number of “Value Plan” subscriptions continued to increase

## 50%-Off Monthly Charge Discount Plans

No. of subs & subscription rate

- : 50%-OFF monthly charge discount plan subscription rate
- : No. of users subscribing to “Family Discount”<sup>\*1</sup>+“Ichinen Discount” for over 10 years
- : No. of “MAX Discount”<sup>\*2</sup> subscriptions

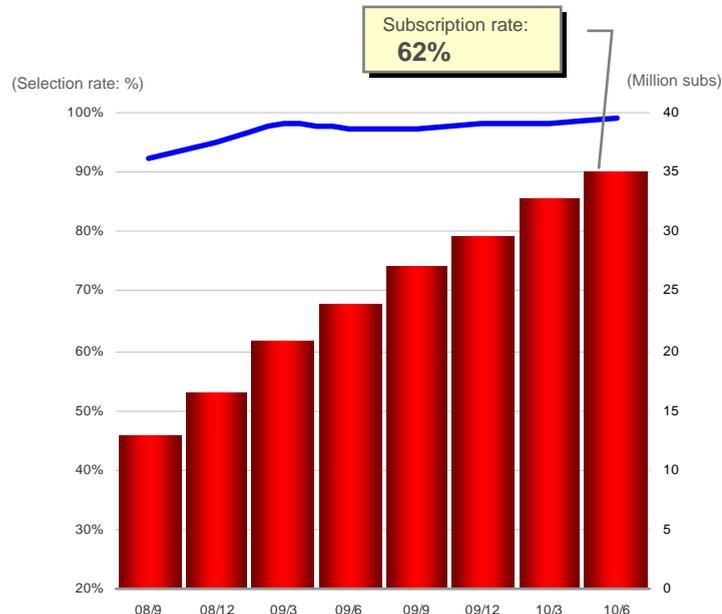


\*1: Inclusive of “Office Discount” and “Business Discount” subscriptions

\*2: “Fami-wari MAX 50”, “Hitoridemo Discount 50” and “Office-wari MAX 50”

## “Value Plan” subscriptions/ “Value Course” selection rate

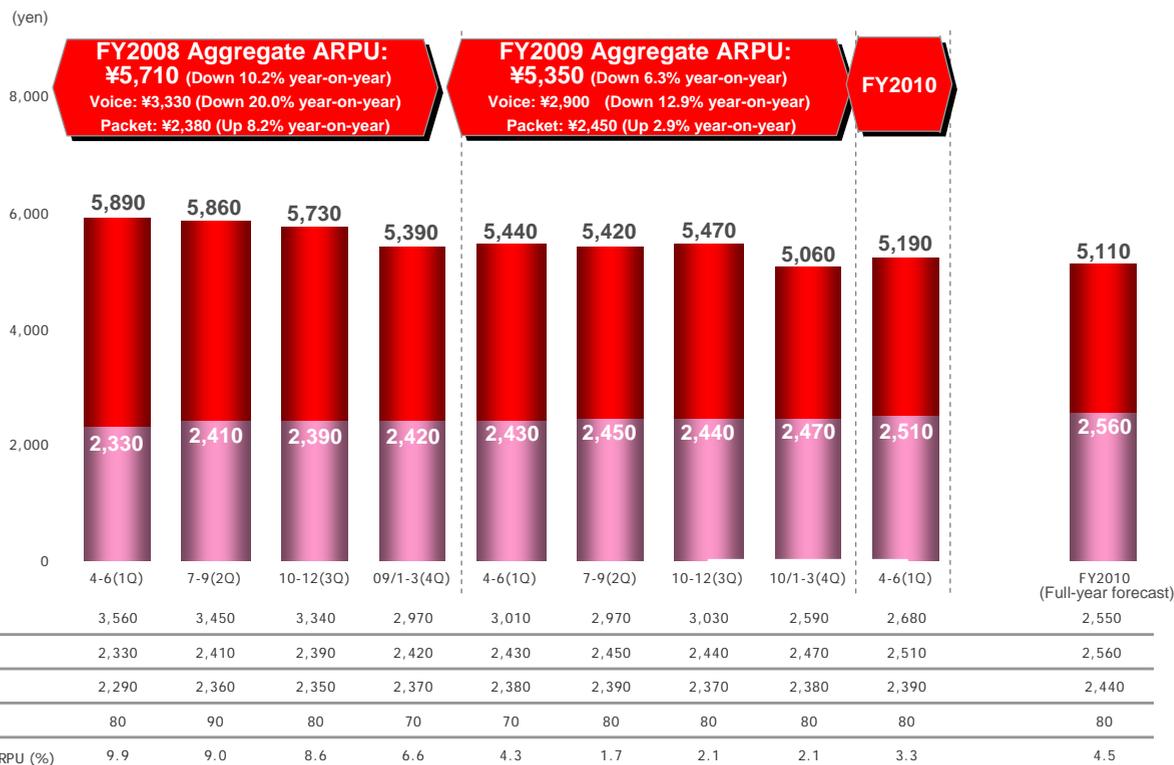
- : “Value Course” selection rate<sup>\*2</sup>
- : No. of “Value Plan” subscriptions



\*3: Percentage of users who chose “Value Course” among total users who purchased a handset using new handset purchase methods

# Cellular (FOMA+mova) ARPU

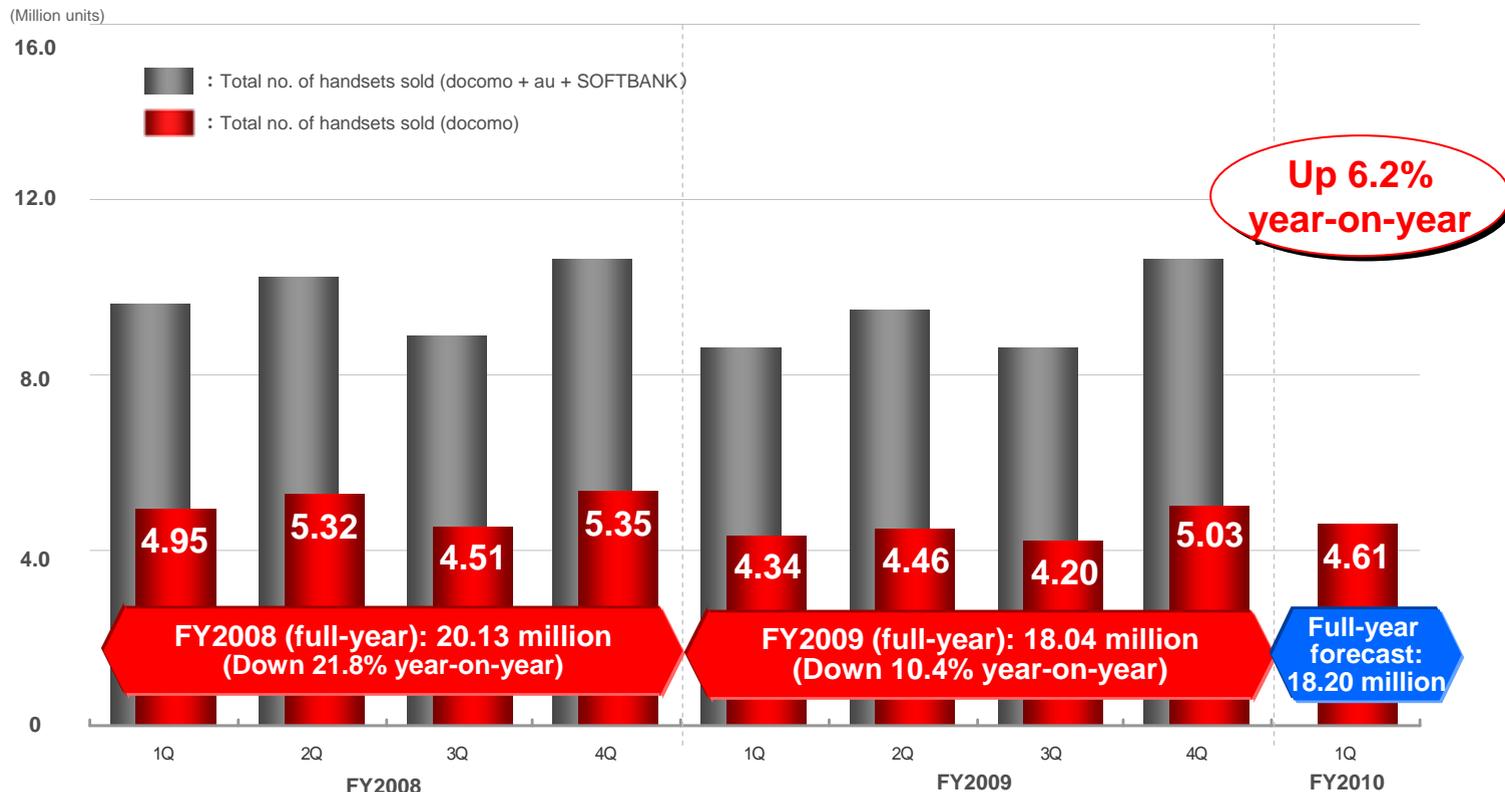
- FY2010/1Q aggregate ARPU: ¥5,190 (down 4.6% year-on-year)  
packet ARPU: ¥2,510 (up 3.3% year-on-year)



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

# Total Handset Sales

- Total no. of handsets sold in FY2010/1Q: 4.61 million units (Up 6.2% year-on-year)
- Achieved year-on-year increase for the first time in 2.5 years

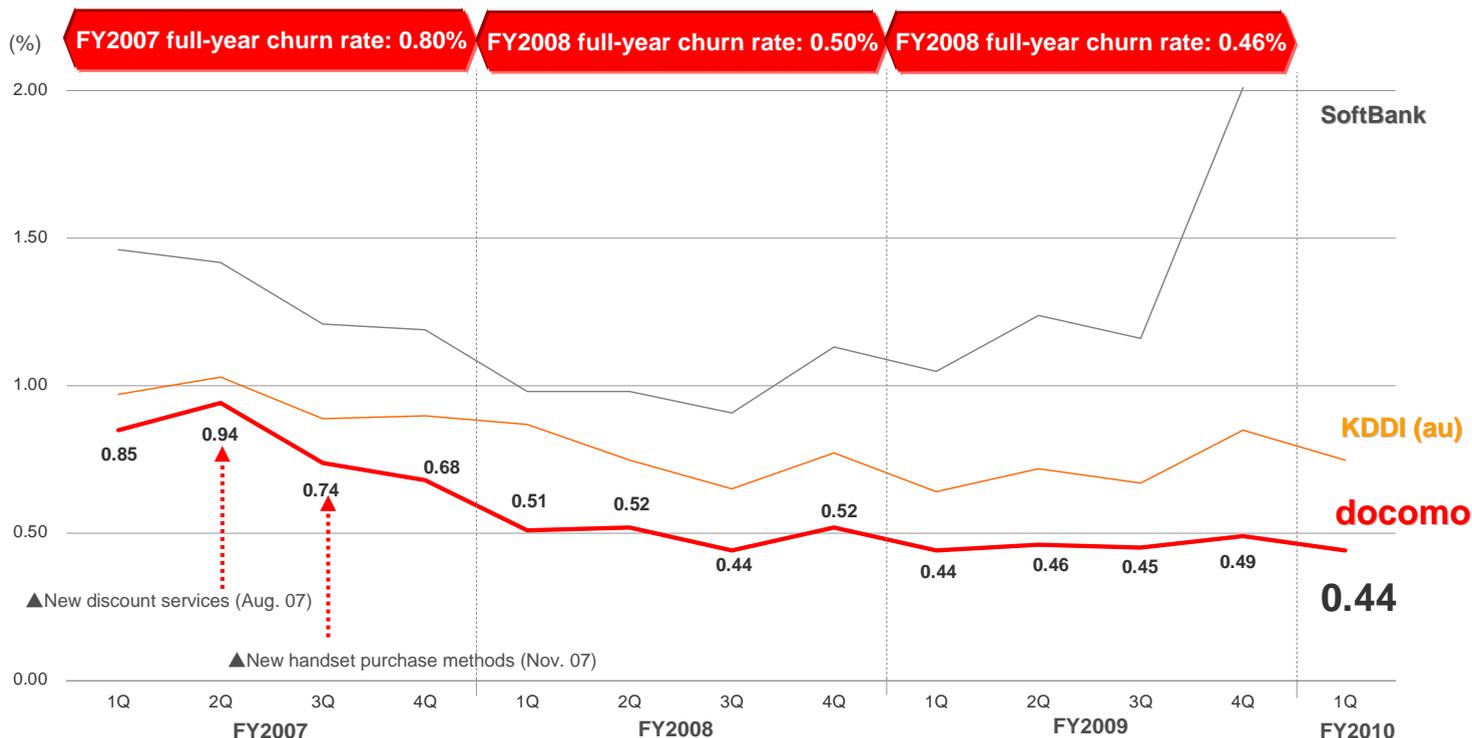


◆ Calculated based on financial results materials of each company ◆ Handsets sold by TU-KA and EMOBILE are not included

# Churn Rate

- FY2010/1Q churn rate: 0.44%

## ■ Cellular (FOMA+mova) Churn Rate



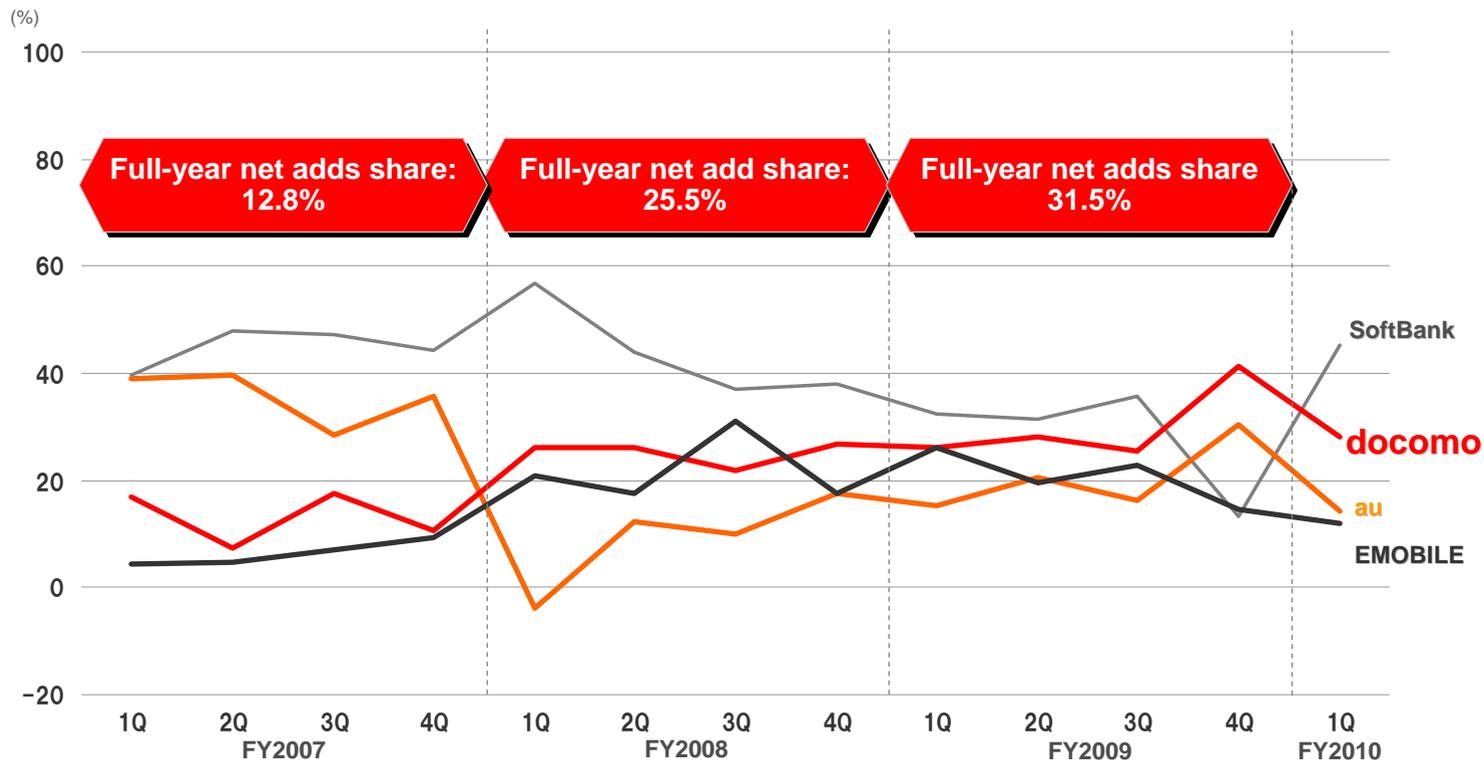
◆ Based on financial results materials of each company

**RESULTS FOR 1Q OF FY2010**

# Market Share of Net Additions

- FY2010/1Q net adds share: 28.2%

## Market Share of Net Additions



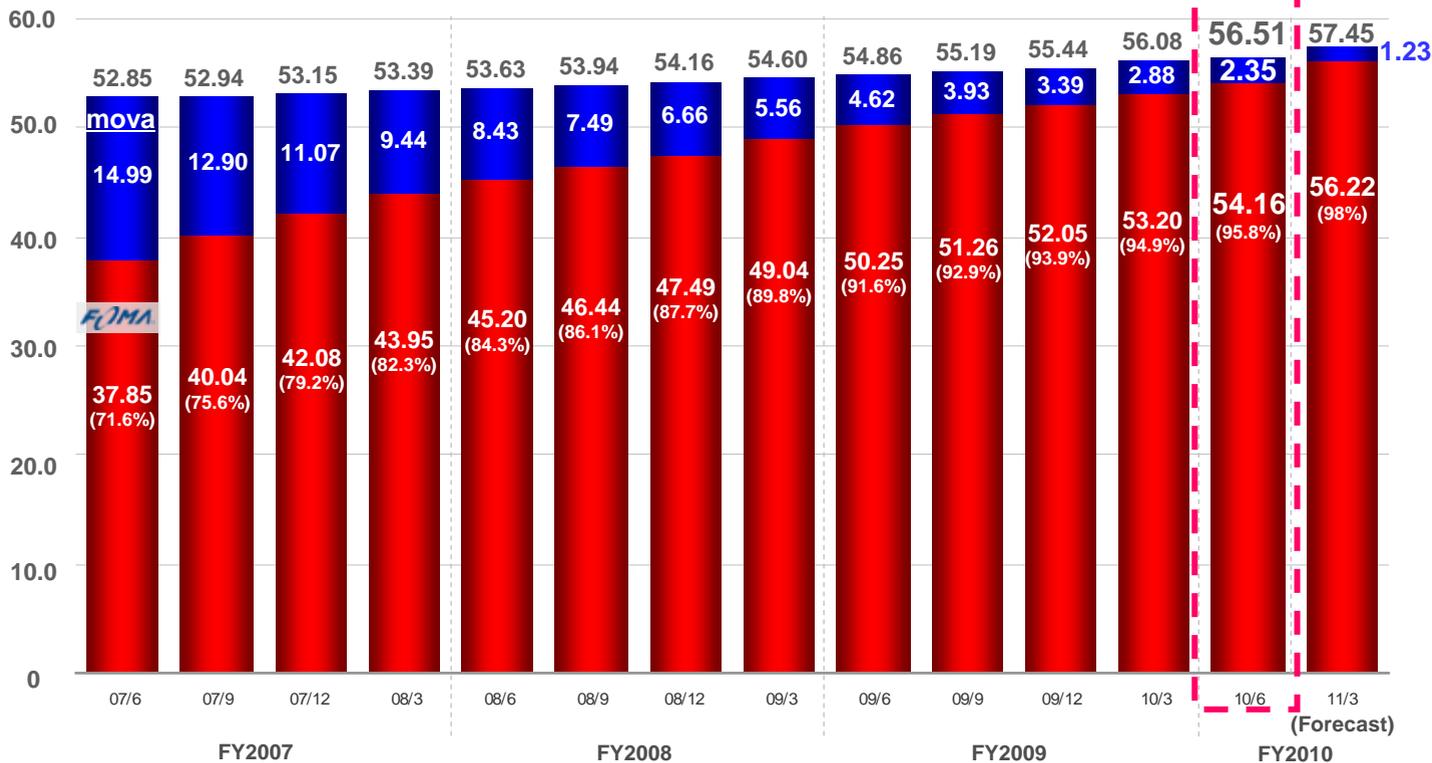
◆ Source: Telecommunications carriers Association (TCA)

**RESULTS FOR 1Q OF FY2010**

# Subscriber Migration to FOMA

- No. of subscribers who have migrated to FOMA in FY2010/1Q : 0.45 million

(Million subs) Numbers in parentheses indicate the percentage of FOMA subscriptions to total cellular subscriptions





# Principal Actions and Results

# Continual "Change"

- Continually worked toward the goal of further enhancing customer satisfaction



Receive No. 1 customer satisfaction rating in FY2010

# Area Quality/After-Sales Support

- Implemented/continued various initiatives aimed at improving area quality and after-sales support—key factors for raising customer satisfaction

## Field staff dispatch within 48 hours



Visit &  
investigate

つながることに、  
こだわるドコモ

- **FY2010/1Q:**  
Approx. 13,000 visits
- **Cumulative after launch:**  
Approx. 81,000 visits

## “Mobile Phone Checking Service”



Tester

- **FY2010/1Q:**  
Approx. 1.58 million cases
- **Cumulative after launch:**  
Approx. 5.09 million cases

## Free battery pack/portable battery charger



Battery pack



Portable  
battery charger

- **FY2010/1Q:**  
Approx. 2.24 million units
- **Cumulative after revamping program**  
(Since July 2009)  
Approx. 8.37 million units

## Water-logged handset data restoration service

- **FY2010/1Q:**  
No. of cases accepted: Approx. 22,000  
Successful restoration rate: Approx. 83%
- **Cumulative after launch:**  
No. of cases accepted: Approx. 109,000  
Successful restoration rate: Approx. 76%

## “Premier Club”



No. of members topped 50 million

(As of April 2010)

# Handset Lineup

- Launched “2010 Summer Model” handsets comprising 20 different models, including handsets designed in collaboration with external brands, models offering rich color variations and phones equipped with camera for shooting HD video.

10 models

docomo **STYLE** series

F-07B



Released

F-08B



Released

L-04B



Released

N-05B



Released

N-06B



Released

P-05B



Released

P-06B



Released

P-07B

To be released  
Sept. 2010

SH-08B



Released

SH-02B marimekko



Released

4 models

docomo **PRIME** series

F-06B



Released

N-04B



Released

P-04B



Released

SH-07B



Released

2 models

docomo **SMART** series

N-07B



Released

SH-09B



Released

1 model

docomo **PRO** series

N-08B

To be released  
Aug. 2010

3 models

DOCOMO Smartphone

LYNX



Released

dynapocket



Released

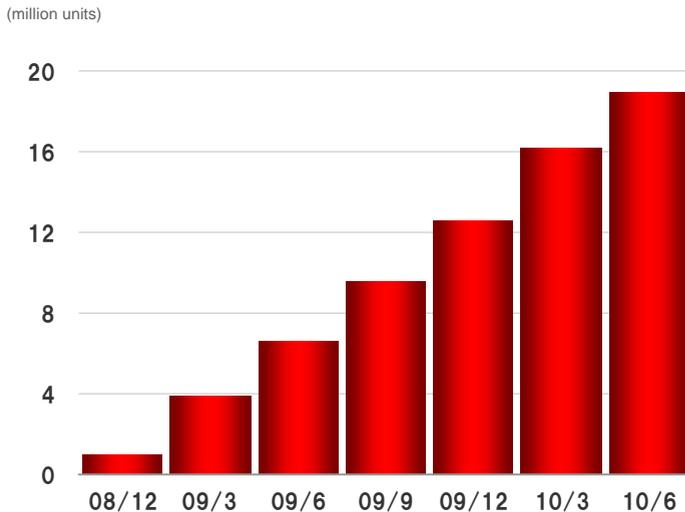
BlackBerryBold9700

To be released  
Jul. 30, 2010

# Handset Sales Status

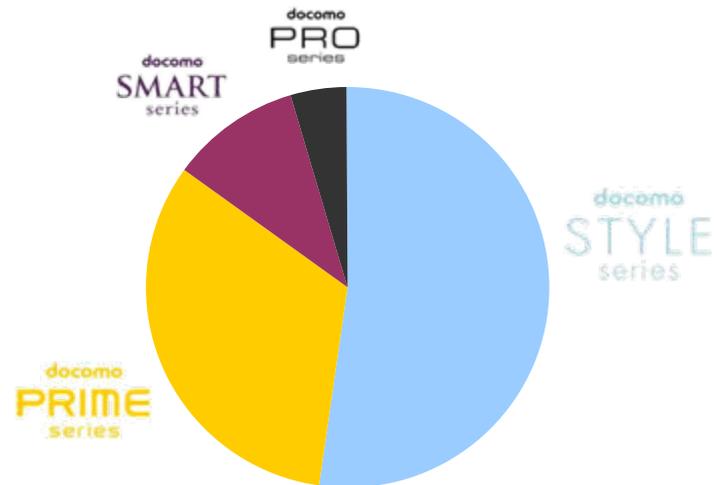
- Cumulative sales of new handset series topped 19.00 million
- “STYLE” series featuring stylish designs and well-balanced functionality for price has been reporting brisk sales

■ Cumulative sale of new handset series\*



\* Cumulative sales from the launch of 2008 Winter model handsets

■ Breakdown by series



(2010 April-June cumulative)

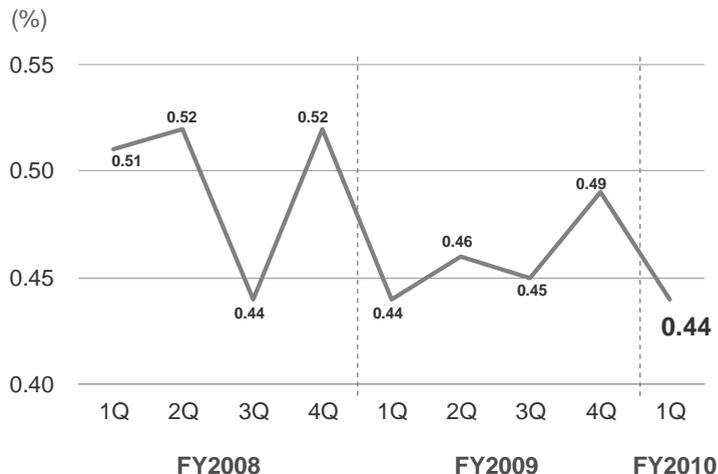
**Make preparations to build SIM lock removal function  
in the new handsets to be released from April 2011**

# Churn Rate/Net Additions

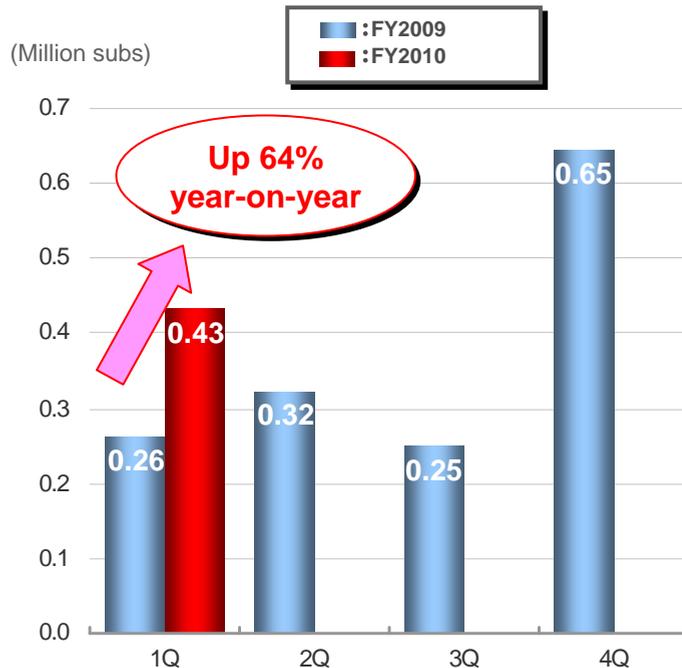
- Maintained churn rate at record low level of 0.44% in FY2010/1Q
- No. of net additions in FY2010/1Q increased by 64% year-on-year

## Churn rate

**Record low level  
on par with FY2008/3Q  
and FY2009/1Q**



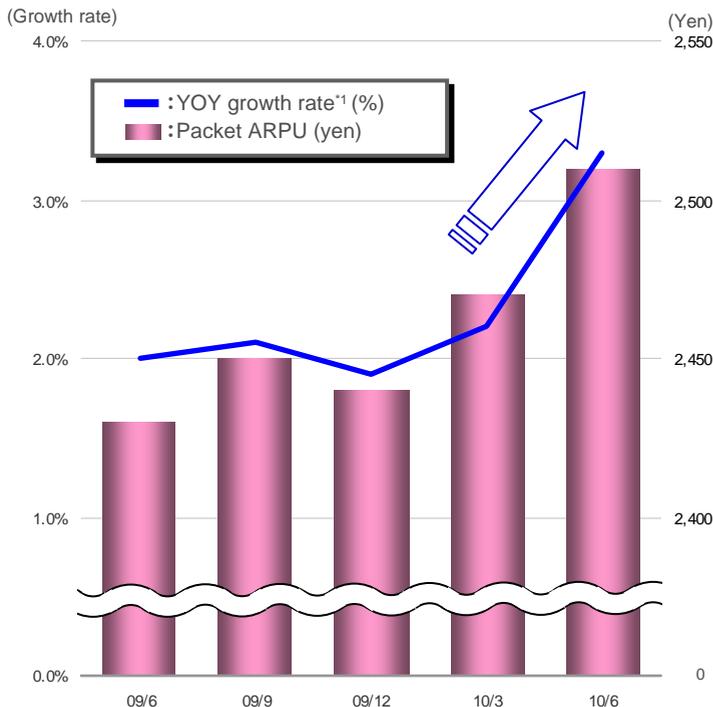
## No. of net additions



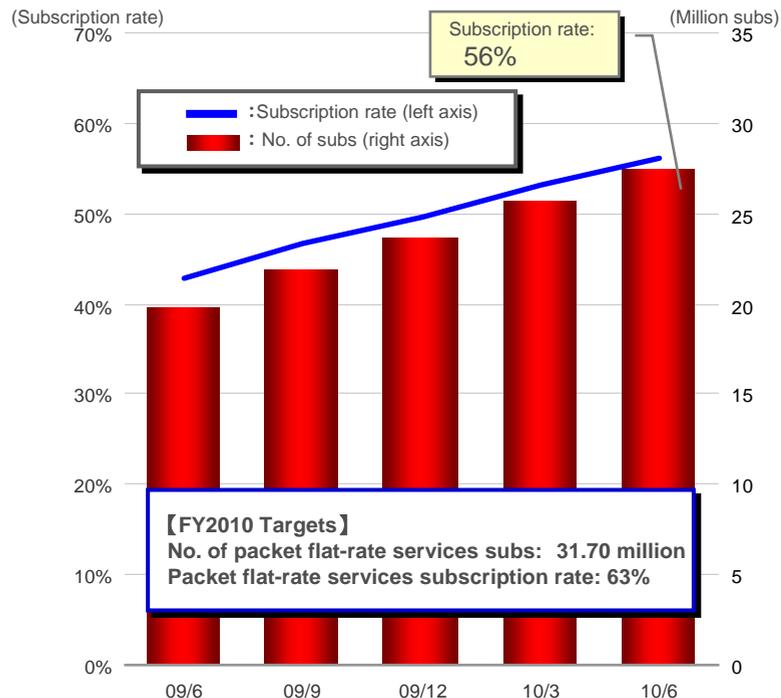
# Growth of Packet ARPU

- Growth rate of packet ARPU has accelerated
- No. of packet flat-rate services subscriptions grew to approx. 27.50 million as a result of aggressive promotion

### YOY packet ARPU comparison



### No. of packet flat-rate services subs<sup>\*2</sup>/Subscription rate<sup>\*3</sup>



\*1: Excludes impact of i-mode monthly charge hike applied from June 2008

\*2: Include subscriptions to "Pake-hodai", "Pake-hodai full", "Pake-hodai double", "Pake-hodai simple", "Biz-hodai" services and flat-rate data plans

\*3: Packet flat-rate services subscription rate = No. of packet flat-rate services subscriptions / (Total FOMA i-mode subscriptions + No. of "Biz-hodai" subs + No. of data plan subs)

# i-mode Packet Usage Expansion (1)

- Started recommending subscription to content services at mass/general retailers in addition to docomo Shops to stimulate packet usage

## Recommendation at shop counters

### Recommendation of content

These content may be useful for you.  
Would you like to use it?



-Examples of recommended content-

Deco-mail

News

Ring tone

Video

Games

### Expansion of shops performing recommendation

(From July 2010)



docomo Shops



Mass/  
general  
retailers

## Examples of recommended content

### “EveryStar” (Launched Jun. 7, 2010)



**Comprehensive UGC media (free of charge)**  
**Covering 1.1 million titles in a wide range of categories**

Novel

Comic

Haiku/poem/Tanka

Photo

Drawing

Recipe

Practical info.

**No. of members: Approx. 250,000**  
(As of Jun. 30, 2010)



**Comprehensive mobile magazine providing unlimited access to works of professional writers and celebrities for ¥210/month**

Novel

New work of popular pro writers

Photo

Photo taken by celebrity

Essay

Celebrity columns

Recipe

Famous chef recipe

Sport

Serials of pro sport players

Comic

New work of popular pro writers

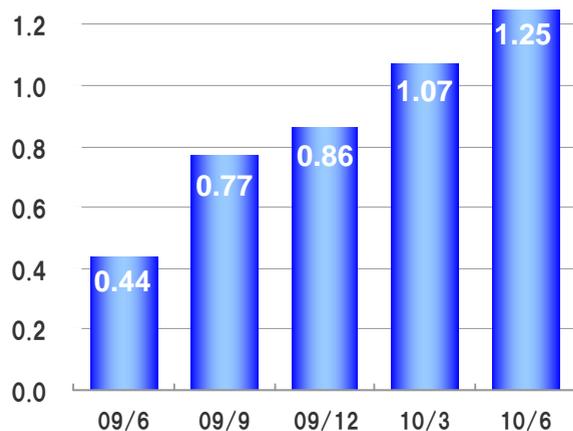
# i-mode Packet Usage Expansion (2)

- No. of “BeeTV” subs increased steadily as a result of active content promotion at shops
- Usage recommendation at shops is key to increasing packet ARPU of light users

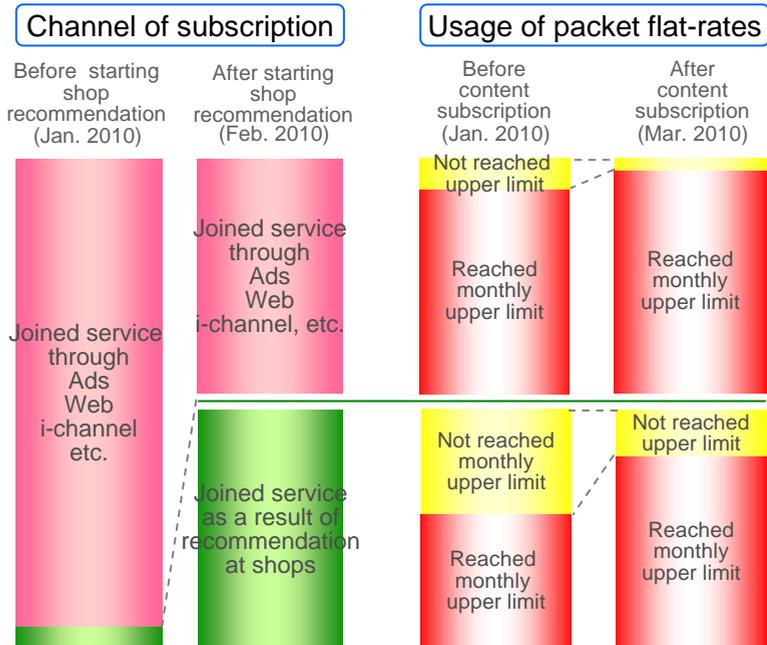
## ■ “BeeTV” subscriptions



(Million subs)



## ■ Content subscription channel & usage status (conceptual)



# 21 i-mode Packet Usage Expansion (3) – Senior Users

- Strengthen packet usage promotions targeted at senior users, leveraging the launch of “Raku-Raku PHONE 7”
- Implement measures in various fronts, including portal, content, UI and recommendation at shop counters, etc.

## One-push access to WEB



## Renewal of portal site



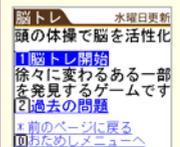
## Menu operated by numeric keys



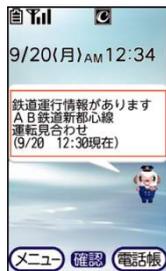
Life info.



Brain training



## “i-concier” recommendation at shops



“i-concier” is a very convenient mobile concierge service. Would you like to use it? We can configure the initial setting for you.



## Enrichment of mobile phone class program

Instructions of phone use

Instructions of Deco-mail & picture/video mail

Service/content usage tips



# “i-concier” (1)

- No. of “i-concier” subscriptions has expanded steadily to over 5.00 million in line with the increase in the variety of compatible content
- Targeted ad business leveraging i-concier’s expanding user base is under study

## ■ No. of subscriptions

(Million subs)



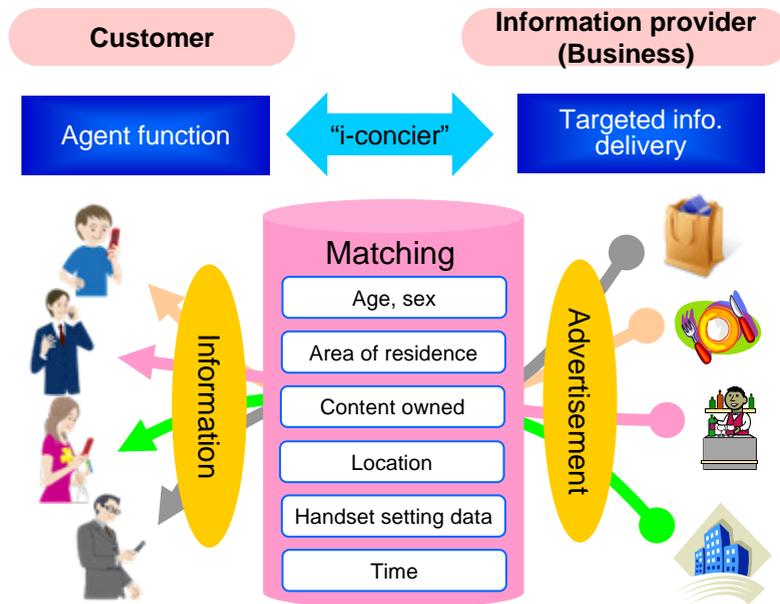
## ■ No. of content sites

(sites)



## ■ Targeted information delivery

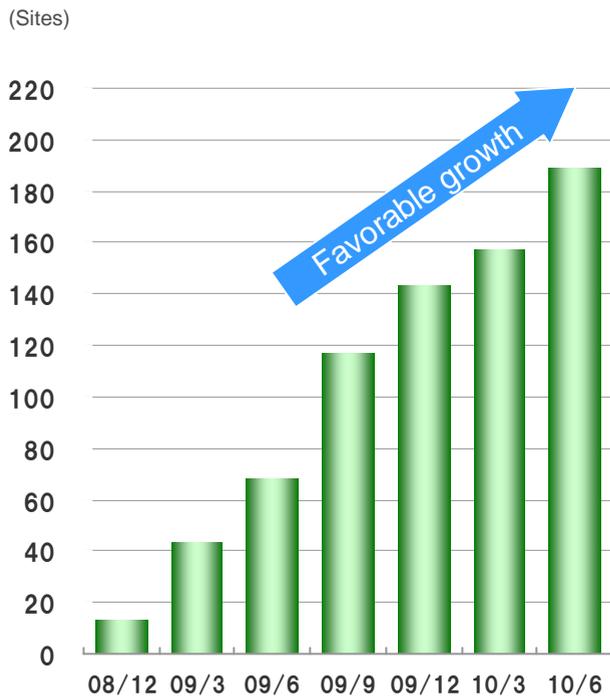
Enables targeted advertising of higher accuracy



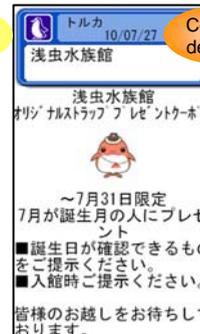
# “i-concier” (2) – Local Content

- Actively facilitated expansion of local content
- Information unique to each region delivered by local enterprises

## ■ No. of local content sites



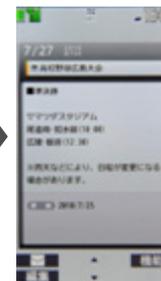
## ■ Asamushi Aquarium (Aomori)



Periodical delivery  
of aquarium's  
event information

## ■ Chugoku Shimbun (Hiroshima)

National high-school baseball tournament-  
Hiroshima preliminaries: Game schedule delivery



# “i-concier” (3)

- Roll out a system that allows SMEs and privately-run shops to easily deliver content (planned for Mid-August 2010)
- Create a “win-win relationship” among the three parties of content provider/customer/ DOCOMO by further enriching community-oriented content

**DOCOMO**

Provide tool for content creation/operation



Content server lease (Hosting)



Provide reader/writer machine for content delivery at shops



Assist content production/operation

**Retailer**

(e.g. bakery in neighborhood)



Easy information delivery via WEB

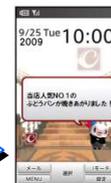
Our best seller bread product is now freshly baked out of the oven!

Information delivery

Coupon delivery

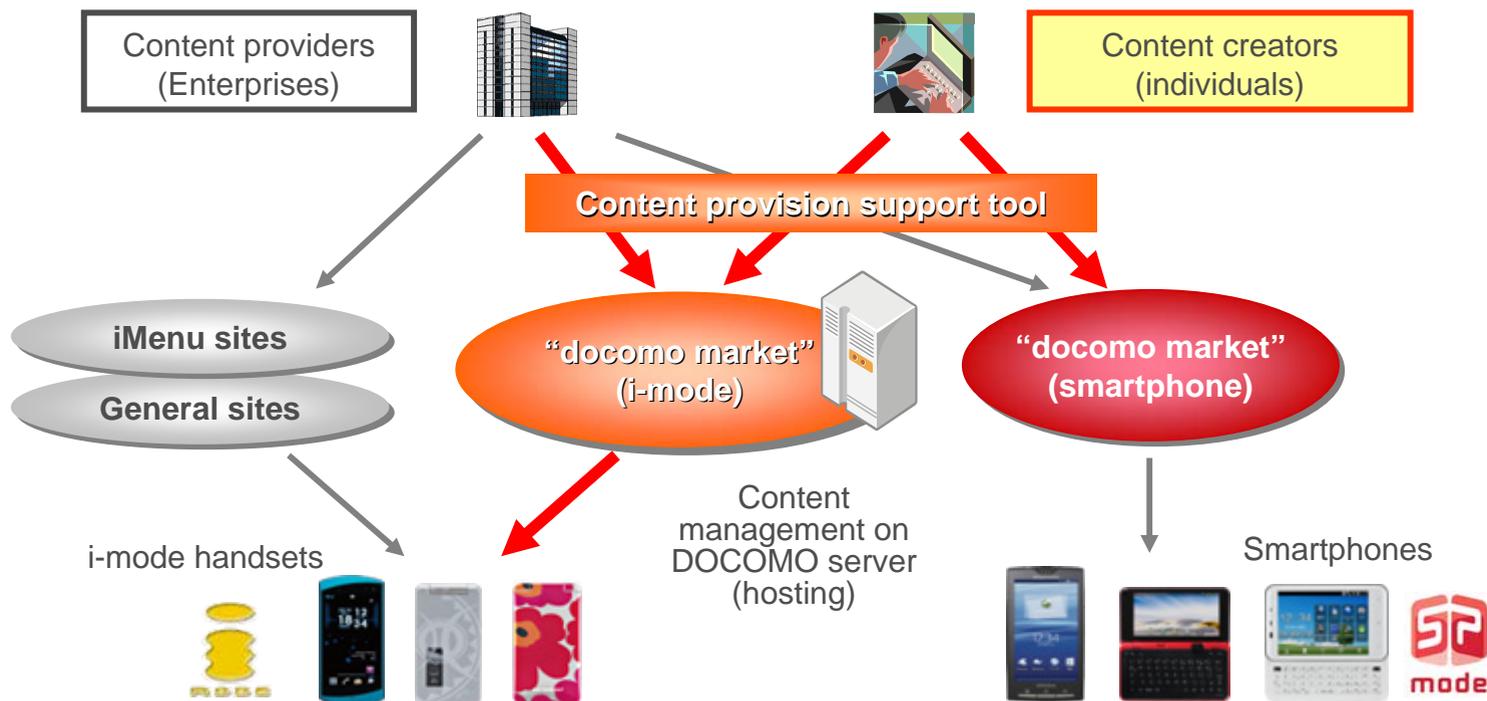
New bread product now on sale! Get a ¥50 discount by presenting this coupon!

**Customer**



# “docomo market” (i-mode)

- Plan to launch i-mode version of “docomo market” (around Nov. 2010)
- Prepare an open environment for i-mode to capture individual creators, with the aim of further enriching and diversifying content portfolio



# Smartphones

- Achieved favorable smartphone sales in FY2010/1Q due to brisk demand for Xperia™
- Aim to expand uptake of smartphones in full scale leveraging the launch of “sp mode” planned for September 2010

1Q

2Q

3Q and beyond

Products



Xperia™



dynapocket

BlackBerry  
Bold  
9700

LYNX



“docomo market”

(Portal site for smartphones)

**Approx. 230 content titles**  
(As of July 2010)

Android market  
Content titles: Over 92,000  
(As of Jun. 30, 2010)

Sept. 2010:  
“sp mode” launch



**Mail service**  
(@docomo.ne.jp)



**Content payment service**



**Access restriction service**

**2010 Fall/Winter:  
7 smartphone models**

(planned)



GALAXY S

Model compatible with “OsaiFu Keitai” e-wallet

Model compatible with One-seg broadcasting

Enrich product lineup to respond to customer needs

Encourage participation of content providers

Further enrichment of content

# PC Data Communications

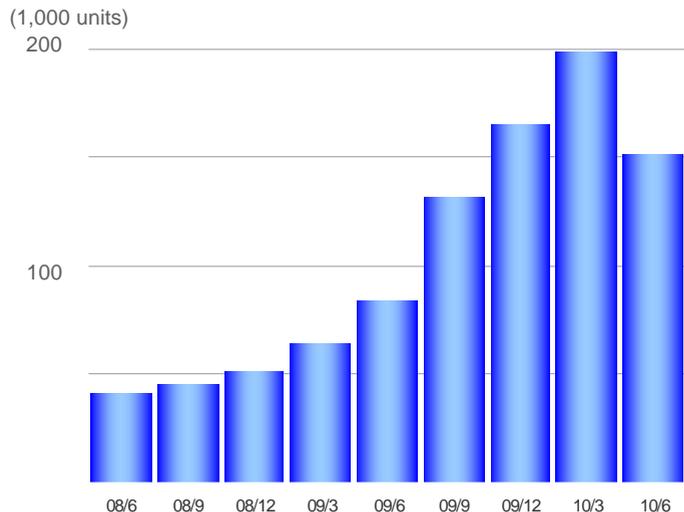
- Both devices sales and data plan subscriptions expanded steadily due to the promotion campaign launched in June 2010, etc.

## PC data device sales

**FY10 full-year sales target:**  
**Approx. 700,000**

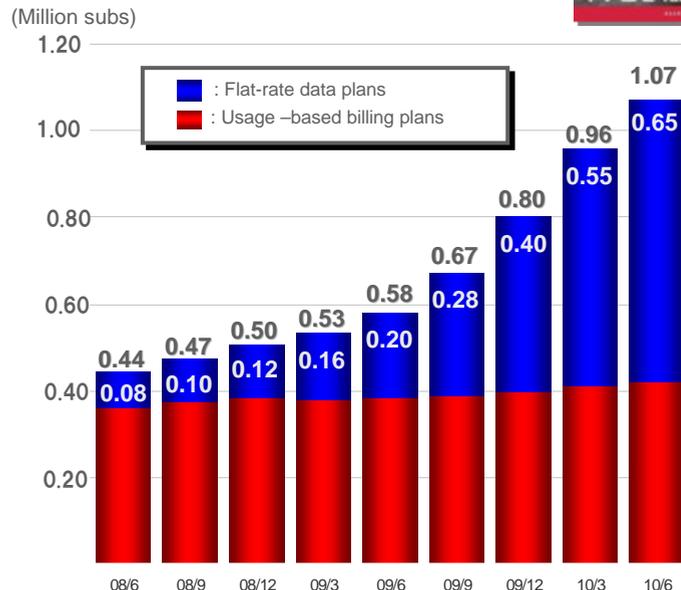


"15<sup>th</sup> Mobile phone (personal use) survey 2009, overall satisfaction rating" by Nikkei BP Consulting, Inc.



## Data plan\* subscriptions

**Forecast as of Mar. 31, 2011:**  
**Approx. 1.50 million**



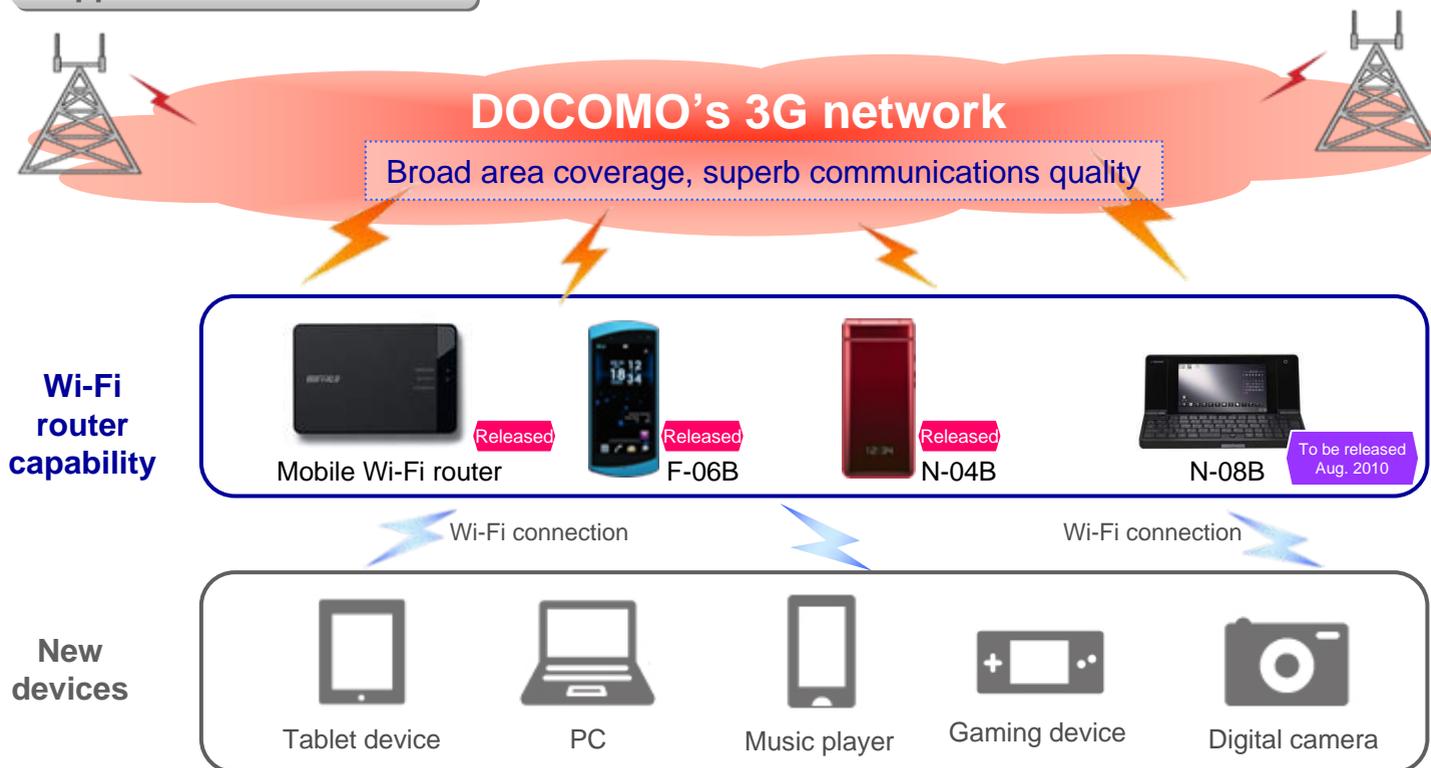
\* Total number of subscriptions to usage-based billing plans, "Flat-Rate Data Plan Standard" and "Flat-Rate Data Plan 64K" (including "Value Plans")

**RESULTS FOR 1Q OF FY2010**

# New Devices

- Actively introduce new devices equipped with Wi-Fi router capabilities with the aim of expanding new revenue sources

## Approach to new devices



# LTE (1)

- Provide brand-new services leveraging LTE's distinctive features—  
“high-speed”, “large-capacity” and “low-latency” transmission

## ■ LTE's distinctive features

### High-speed

Transmission rate

**Approx.  
10-fold\***

### Large-capacity

Spectrum efficiency

**Approx.  
3-fold**

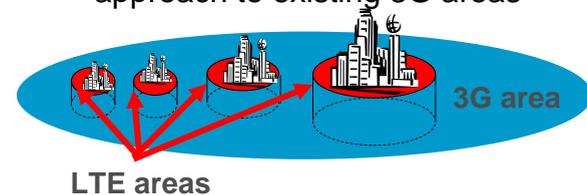
### Low-latency

Transmission latency  
(maximum effect)

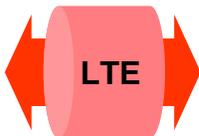
**Approx.  
1/4**

(Comparison with FOMA (HSPA) service)

Area expansion using an overlay approach to existing 3G areas

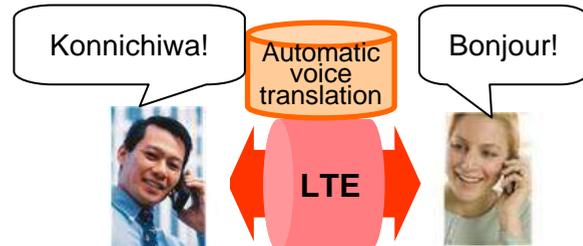


### AR (Augmented Reality) service



Display content on images captured by camera

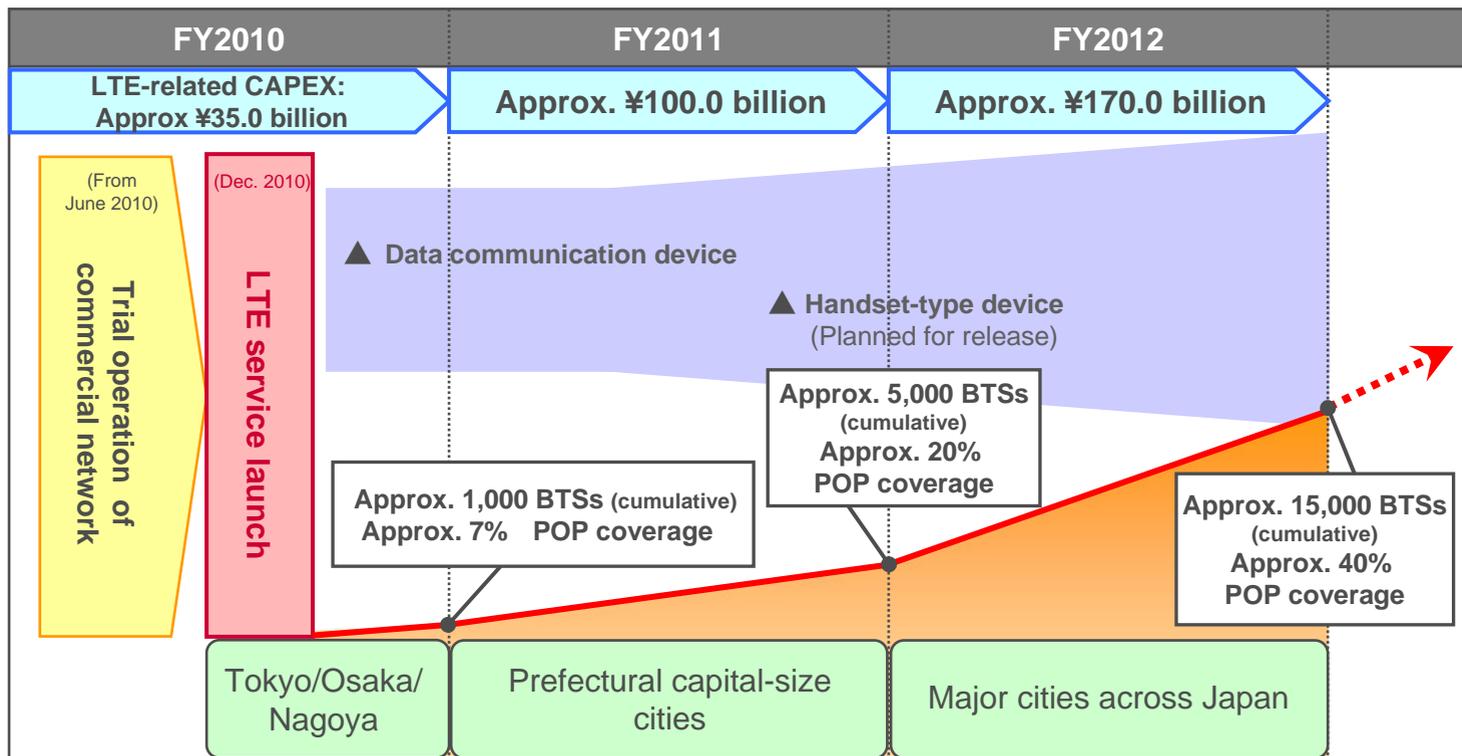
### Automatic voice translation (for future)



\* Comparison of LTE max. downlink speed of 75Mbps with HSPA max. downlink speed of 7.2Mbps

## LTE (2)

- LTE-related capital expenditures for the first three years after launch estimated to be approx. ¥300.0 billion



# Mobile Multimedia Broadcasting Service

- Keys to success of multimedia broadcasting service are “content” “billing plans” and “devices”

## Keys to success of multimedia broadcasting service

### Rich portfolio of content

“Provide **rich array of entertaining content**”

- Ally with **partners who owns strength in content business** (e.g., broadcasters) to provide a rich content portfolio

### Affordable rates

“Provide service at **reasonable rates**”

- Plan to offer services at reasonable rates starting from approx. ¥300/month
- **Large-scale system** suitable for broadcasting is adopted to save capital expenditures

### Broad adoption of compatible devices at an early date

“Over **50.00 million units of devices** expected to be adopted”  
(In 5<sup>th</sup> year after service launch)

- Cooperation by DOCOMO and SoftBank for installation in handsets/devices



(Multimedia Broadcasting, Inc.)

**Current Investors** (Capital : ¥1.5 billion)

**docomo**

フジテレビジョン 四国二ツボン放送

**TOCHU**

スカパーJSAT

**テレビ**

**tv asahi**

**TBSホールディングス**

**dentsu** 住友商事株式会社

**Business plan**

Planned business launch: Apr. 1, 2012

Area coverage: At service launch: Approx. 60%  
(household coverage) As of Mar. 31, 2015: Approx. 90%

Estimated total construction costs: ¥4.38 billion  
(Incl. CAPEX) (Cumulative up to FY2016)

Operational target: Generate profits on a single-year basis in third year after launch (FY2014)

**RESULTS FOR 1Q OF FY2010**

# Global Expansion

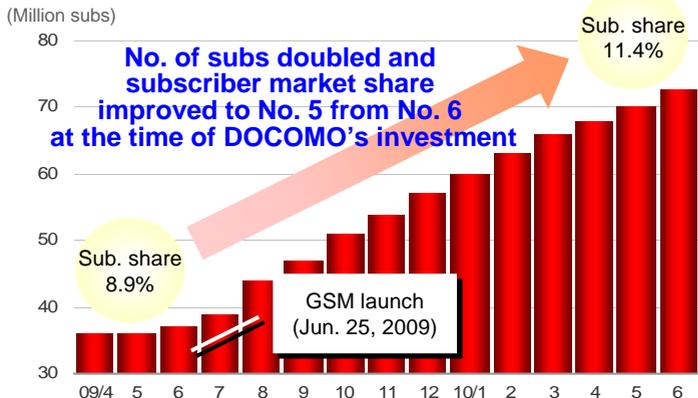
- Total subscriber base of TTSL (India) grew to approx. 73.00 million
- TTSL won 9 circles mainly in mid-west India in 3G spectrum auction

## TTSL/TTML (India)

**Total subscriptions: 72.53 million**  
**Market share: 11.4%\***

### No. of subscriptions

(As of Jun 30, 2010)



### GSM roll-out (brand: TATA DOCOMO)

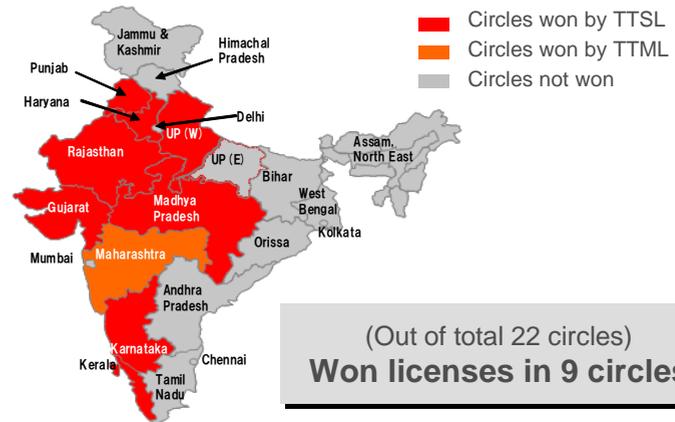
**Service areas**

(As of Jun. 2010)

**17 circles**

(Out of India's total 22 circles)

### 3G spectrum auction results



### Deployment of Value-Added Services (VAS)

#### “i-channel” (information delivery service)



#### “Manga” comics delivery service

Bouygues Telecom (France)

TTSL/TTML (India)

\* No. of subscriptions and market share are the total of GSM and CDMA services of TTSL and TTML (Source: TRAI)

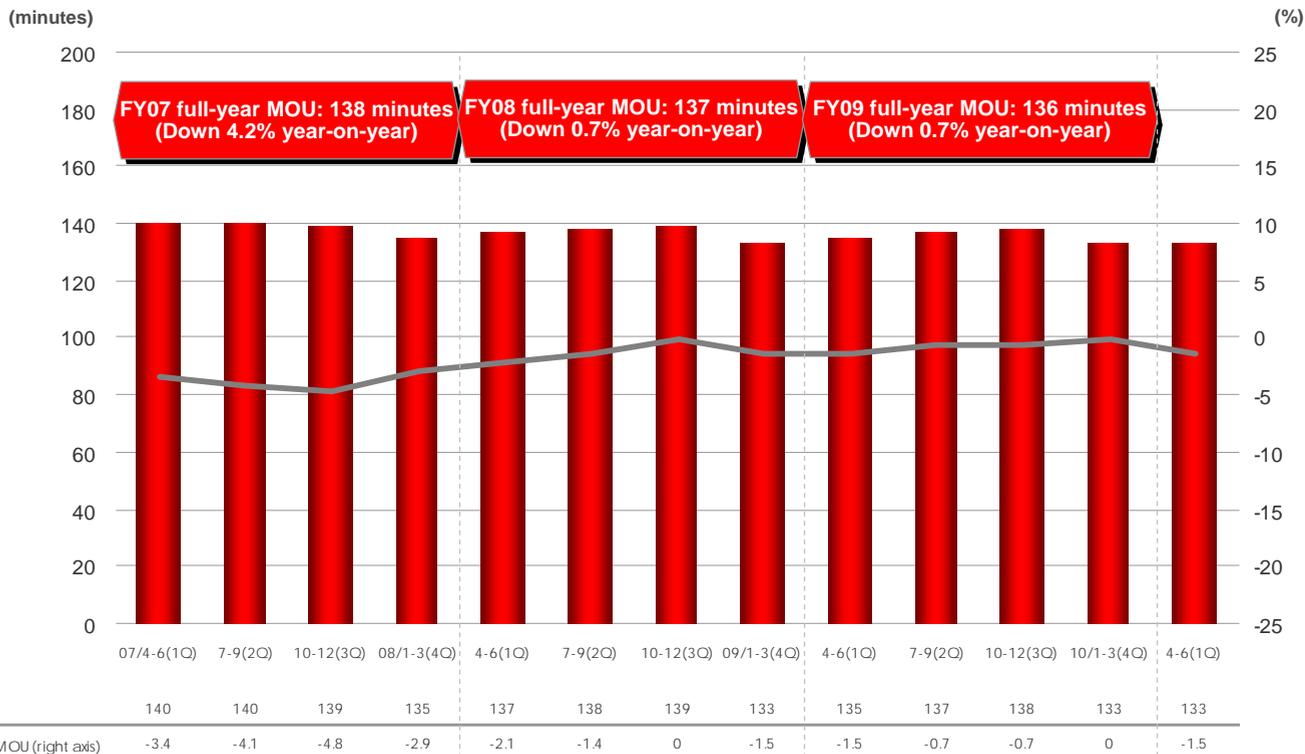
**NTT**  
**docomo**



# Appendices

# Cellular (FOMA+mova) MOU

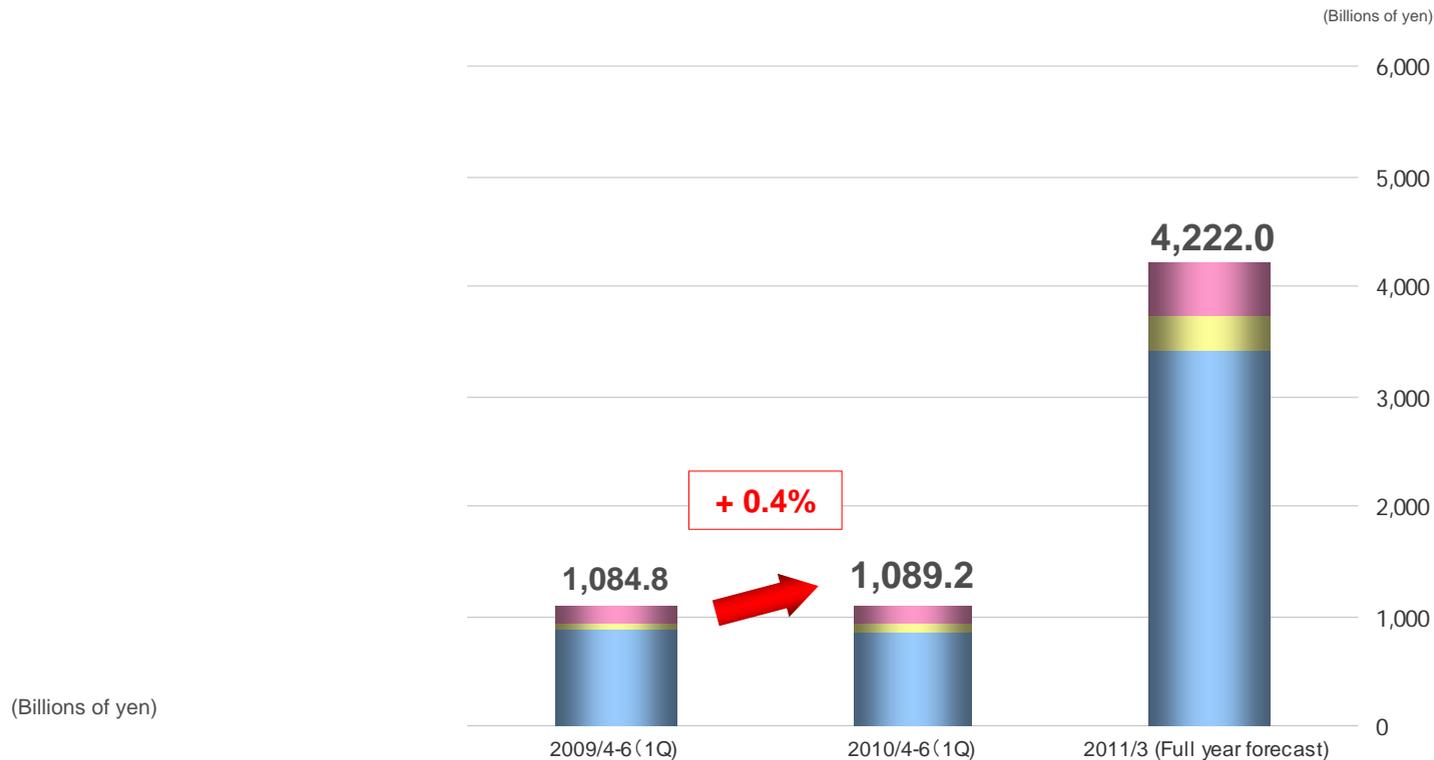
- MOU for FY2010/1Q was 133 minutes (Down 1.5% year-on-year)



◆ For an explanation on MOU, please see "Definition and Calculation Methods of MOU and ARPU" in this presentation.

# Operating Revenues

U.S. GAAP

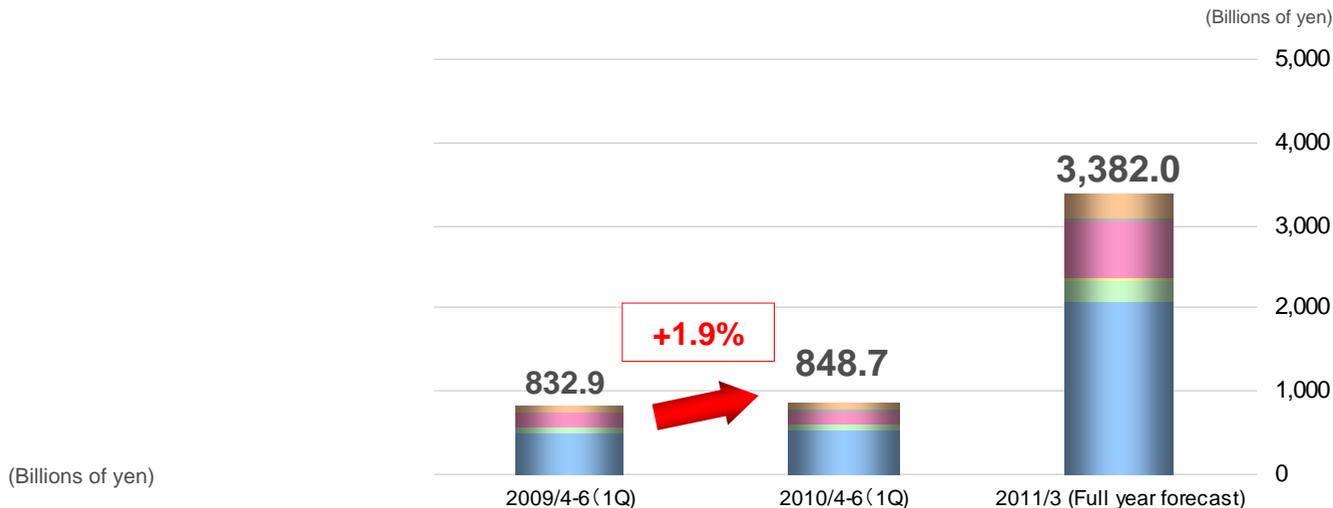


■ Equipment sales revenues	143.0	145.3	477.0
■ Other revenues	59.9	79.7	340.0
■ Cellular services revenues (voice, packet)	881.9	864.2	3,405.0

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

# Operating Expenses

U.S. GAAP

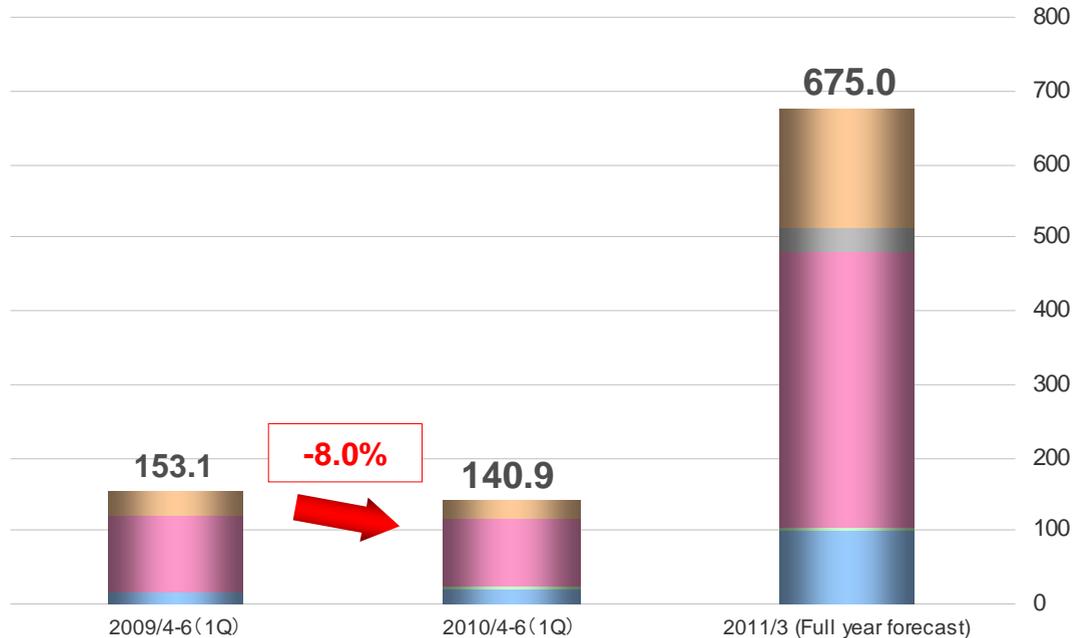


	2009/4-6 (1Q)	2010/4-6 (1Q)	2011/3 (Full year forecast)
■ Personnel expenses	64.4	65.8	267.0
■ Taxes and public duties	9.9	9.8	40.0
■ Depreciation and amortization	169	158.1	682.0
■ Loss on disposal of property, plant and equipment and intangible assets	8.3	5.5	49.0
■ Communication network charges	77.7	70.3	271.0
■ Non-personnel expenses	503.7	539.3	2,073.0
(Incl.) Revenue-linked expenses*	307.8	323.7	1,124.0
(Incl.) Other non-personnel expenses	195.9	215.6	949.0

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

# Capital Expenditure

(Billions of yen)



(Billions of yen)

Category	2009/4-6 (1Q)	2010/4-6 (1Q)	2011/3 (Full year forecast)
Other (information systems, etc.)	30.8	24.3	160.0
Mobile phone business (LTE)	-	1.2	35.0
Mobile phone business (FOMA)	105.8	91.3	375.0
Mobile phone business (mova)	2.0	2.1	3.0
Mobile phone business (Other)	14.5	22.1	102.0

## Operational Results and Forecasts

			2009/4-6 (1Q) (1)	2010/4-6 (1Q) (2)	Changes (1) →(2)	2011/3 (Full-year forecast)	
Cellular Phone	<b>No. of Subscriptions (thousands)*1</b>		<b>54,864</b>	<b>56,515</b>	<b>+3.0%</b>	<b>57,450</b>	
		mova	4,618	2,352	-49.1%	1,230	
		FOMA	50,246	54,162	+7.8%	56,220	
		i-mode	48,597	49,061	+1.0%	49,170	
		Communication Module Services	1,518	1,694	+11.6%	1,860	
	<b>Market share (%)</b>		<b>50.6</b>	<b>49.7</b>	<b>-0.9 Points</b>	<b>-</b>	
	<b>Handsets sold (thousands) (including handsets sold without involving sales by DOCOMO)</b>	<b>Total handsets sold</b>		<b>4,344</b>	<b>4,615</b>	<b>+6.2%</b>	<b>18,200</b>
		mova	New	4	2	-44.7%	-
			Replacement	2	1	-56.9%	-
		FOMA	New	986	1,167	+18.3%	-
			Migration from mova	813	453	-44.2%	-
	Other*2		2,538	2,991	+17.9%	-	
	<b>Churn rate (%)</b>		<b>0.44</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	
<b>ARPU (FOMA+mova) (yen)*3</b>		<b>5,440</b>	<b>5,190</b>	<b>-4.6%</b>	<b>5,110</b>		
<b>MOU (FOMA+mova) (minutes)*3</b>		<b>135</b>	<b>133</b>	<b>-1.5%</b>	<b>-</b>		

\*1 Communication Module Service subscriptions are included in the number of cellular phone subscriptions 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 subscriptions.)

\*2 Other includes purchases of additional handsets by existing FOMA subscribers.

\*3 For an explanation of MOU and ARPU, please see "Definition and Calculation Methods of MOU and ARPU" in this presentation.

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

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

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

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

◇ **i-mode ARPU (mova):** i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / 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": (No. of subs at end of previous month + 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

## i. EBITDA and EBITDA margin

Billions of yen

	Three months ended June 30, 2009	Three months ended June 30, 2010
a. EBITDA	¥ 426.4	¥ 401.5
Depreciation and amortization	(169.0)	(158.1)
Loss on sale or disposal of property, plant and equipment	(5.6)	(3.0)
Operating income	251.8	240.5
Other income (expense)	(4.4)	0.0
Income taxes	(100.2)	(97.1)
Equity in net income (losses) of affiliates	0.8	(0.9)
Less: Net (income) loss attributable to noncontrolling interests	(0.7)	(0.4)
b. Net income attributable to NTT DOCOMO, INC.	147.4	142.2
c. Operating revenues	1,084.8	1,089.2
EBITDA margin (=a/c)	39.3%	36.9%
Net income margin (=b/c)	13.6%	13.1%

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.

## ii. Free cash flows excluding changes in investments for cash management purposes

Billions of yen

	Three months ended June 30, 2009	Three months ended June 30, 2010
Free cash flows excluding changes in investments for cash management purposes	(¥ 90.8)	¥ 47.2
Changes in investments for cash management purposes*	3.2	191.9
Free cash flows	(87.6)	239.0
Net cash used in investing activities	(242.2)	(2.3)
Net cash provided by operating activities	154.5	241.3

Note: \*Changes in investments for cash management purposes were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.



**NTT**  
**docomo**