

Press Conference Announcing the Results
for the First Nine Months of the Fiscal Year Ending March 31, 2011
(Minutes)

Date: January 28, 2011 (Friday), 15:00-16:15

[Comments by Ryuji Yamada, President and CEO]

FY2010/1-3Q (cumulative) Financial Results

The Company recorded a decrease in operating revenues for the first nine months of the fiscal year ending March 31, 2011 (FY2010/1-3Q), but an increase in operating income over the same period of the previous fiscal year. Operating revenues and operating income were ¥3,209.1 billion (a year-on-year decrease of 1%) and ¥758.5 billion (a year-on-year increase of 7.9%), respectively. Operating income for the first three quarters made favorable progress reaching 90.3% of our full-year forecast, owing mainly to the impact of the revisions made to the estimation method applied to loyalty point allowances in FY2010/1H. We did not revise our full-year operating income forecast because we are projecting an increase in commission payments in FY2010/4Q due to brisk sales of smartphones.

FY2010/1-3Q (cumulative) Financial Results Highlights

In the first three quarters of FY2010, we were able to achieve growth while simultaneously improving our level of service and controlling our costs. To give you a few examples regarding the growth of our business, the cumulative number of smartphones sold reached 1.26 million units, our packet revenues grew by ¥76.6 billion, or 6.5% compared to the same period of the previous fiscal year, and other revenues—i.e., the revenues from new businesses—recorded a year-on-year increase of ¥54.6 billion, which affirms to us that we achieved a steadfast progress in our major action item goals for growth. In terms of service level improvement, despite the surge in data traffic resulting from the expanded uptake of smartphones, we successfully maintained our service quality and received the No. 1 customer satisfaction ranking, which has been our primary target for the last three years. We also maintained our churn rate at a very low level of 0.46% and launched our LTE service under the new brand “Xi”. In the area of cost control, we reduced our equipment sales related expenses, network-related costs and capital expenditures in spite of expanded smartphone sales and the resulting increase in data traffic. We believe we achieved a good balance of growth, service level improvement and cost control.

Key Factors behind Year-on-Year Changes in Operating Income

(FY2009/1-3Q: ¥702.7 billion -> FY2010/1-3Q: ¥758.5 billion)

Operating revenues for FY2010/1-3Q decreased by ¥33.2 billion compared to the same period of the previous fiscal year. Voice revenues dropped by ¥140.5 billion to ¥1,337.0 billion, but packet revenues increased by ¥76.6 billion to ¥1,261.8 billion. Other revenues grew by ¥54.6 billion as a result of our efforts to cultivate new businesses. Although the total number of handsets sold posted an increase compared to the same period of the previous fiscal year, equipment sales revenues declined by ¥23.9 billion owing to a reduction in equipment sales expenses.

Operating expenses decreased by ¥89.1 billion compared to the same period of the previous fiscal year. Equipment sales expenses dropped by ¥42.4 billion due to our success in lowering handset procurement costs and using our sales commissions more efficiently. Network-related costs were reduced by ¥45.3 billion due reduction of depreciation costs and other factors. Other expenses also recorded a decrease of ¥1.3 billion despite an increase in expenses associated with growth in other revenues (such as costs required for the operation of consolidated subsidiaries), due to the changes made in methodology for estimation of allowances for the loyalty point program and other factors.

In summary, in the first three quarters of FY2010, we achieved a top-line growth driven by the expansion of packet revenues and new businesses. At the same time we improved the profitability of our equipment sales business, reduced our network-related costs and improved the efficiency of our operating expenses. As a result, we recorded an increase of ¥55.8 billion in operating income compared to the same period of the previous fiscal year.

50%-Off Monthly Charge Discount Plans and “Value Plan”

Now that growth in the number of subscriptions to “Fami-wari MAX 50” and other such plans, which provide 50%-discounts on basic monthly charges, has leveled off, with a combined subscription rate reaching approximately 80% of total subscriptions, the negative revenue impact of these discount packages has become negligible. However, the number of subscriptions to our “Value Plan” is still growing, having reached 68% of total subscriptions as of December 31, 2010. We therefore believe that the negative revenue impact from the increased uptake of our “Value Plan” will continue for another year or so.

Cellular (FOMA+mova) ARPU

Aggregate ARPU for FY2010/3Q (3 months) was ¥5,130, down 6.2% year-on-year. Packet ARPU increased by 4.1% to ¥2,540, but voice ARPU posted a decline of ¥440 compared to the same period of the previous fiscal year. However, voice ARPU for FY2009/3Q includes the impact of the revisions made to the methodology used for estimating free communication allowances of the “*Nikagetsu-Kurikoshi*” (two-month carry-over) service of ¥110. Applying the same

methodology as was used last year, the effective year-on-year decline of voice ARPU would be ¥330, of which the impact of the expanded uptake of “Value Plan” would account for approximately ¥150. In contrast, packet ARPU grew by ¥100, or 4.1% year-on-year to ¥2,540 for FY2010/3Q compared to ¥2,440 for FY2009/3Q. Brisk sales of smartphones and expanded i-mode usage contributed to this increase. Packet ARPU has recorded favorable year-on-year growth of ¥80 in FY2010/1Q, ¥90 in FY2010/2Q and ¥100 in FY2010/3Q. Our full-year target of achieving an increase of ¥110 over the previous fiscal year is an ambitious target, but we are committed to striving further toward this goal.

Total Handset Sales

The total number of handsets sold in FY2010/1-3Q was 13.59 million units, up 4.4% from the 13.00 million units sold during the same period of the previous fiscal year. We were able to achieve this because we enriched our product lineup by adding new smartphone models and attractive feature phones.

Churn Rate

We were successful in keeping our churn rate low at 0.46% for FY2010/1-3Q. We believe this low churn rate is a reflection of the fact that many of our customers are satisfied with our services. Churn rate is one of the most important indicators for us to measure the improvement of customer satisfaction.

Number of Net Additions

The total number of net additional subscriptions acquired in FY2010/1-3Q was 1.13 million, which represents an increase in comparison to 840,000 subscriptions for the same period of the previous fiscal year. However, we were not able to secure the No. 1 market share for net additions, so we will continue to work to improve our performance, considering this to be one of the key issues for our future business management.

Subscriber Migration to FOMA

The total number of migrations recorded in FY2010/1-3Q was 1.06 million. The number of users remaining on our second-generation mova network decreased to 1.64 million, or 2.9% of our total subscriptions. We believe we are achieving a steadfast progress in the migration of subscribers in the run-up to the scheduled termination of mova service on March 31, 2012.

Principal Actions and Results

Major action items that we targeted in FY2010 were customer satisfaction improvement,

expansion of the smartphone market, increasing packet ARPU, launching our LTE service and expanding new areas of business. In the area of customer satisfaction, we were awarded the No. 1 ranking. Particularly, receiving the highest satisfaction score in the consumer sector has been our major goal, and our field staff strived very hard toward achieving this based on a three-year plan. We also received the highest satisfaction scores for our enterprise service as well as data communications services. With respect to smartphones, the cumulative number of smartphones sold in the first three quarters of FY2010 reached 1.26 million units as of December 31, 2010, and approximately 1.50 million units as of Jan. 23, 2011. Packet ARPU posted a robust year-on-year growth of ¥80, ¥90, and ¥100 for FY2010/1Q, 2Q, and 3Q, respectively. Our total packet revenues for the first three quarters marked an increase of 6.5% year-on-year. We launched our commercial LTE service on December 24, 2010, under a new service brand, “Xi”. To expand new areas of business, we launched an electronic book service on January 12, 2011, and established an operating company for commissioned multimedia broadcasting services for mobile devices.

Customer Satisfaction Improvement

When we announced our medium-term vision in 2008, we were considered the sole loser in the market. Since setting the target of “achieving the No. 1 customer satisfaction ranking in FY2010” in our medium-term action plan, we have worked diligently towards achieving this goal over the last three years. As a result of our endeavors, we won the highest overall score in November 2010. I personally visited over 300 branches and shops during this period, and whenever I asked the question about the No. 1 priority for the company, I always received a unanimous response from the staff that it was “customer satisfaction improvement”, which I believe was a reflection that the entire Company was working in unison sharing a common goal. Going forward, we will need to shift our emphasis to smartphones. We plan to implement thorough measures to also improve the satisfaction of smartphone users. We have been awarded the No. 1 ranking in customer satisfaction among enterprise users as well as mobile data communications users by Nikkei BP Consulting’s survey for two straight years now.

Growth of Packet ARPU

The packet ARPU for FY2010/3Q (3 months) posted an increase of ¥100 compared to the same period of the previous fiscal year. The total number of packet flat-rate service subscriptions reached approximately 30.20 million as of December 31, 2010, which equated to a subscription rate of 60%. To further boost our packet ARPU, we would like to encourage customers to use video and other packet-rich services. While most of our smartphone users have already joined the flat-rate service, we believe there is still room to expand flat-rate subscriptions among users of i-mode phones.

Historical Growth of Packet Revenues

Cumulative packet revenues for the first three quarters of FY2010 amounted to ¥1,261.8 billion, posting an increase of ¥76.6 billion, or 6.5%, compared to ¥1,185.2 billion for the same period of the previous fiscal year. Analysis of the contribution of each service to the growth in packet revenues over the first three quarters shows that i-mode made a greater contribution than smartphones. However, when we single out the three-month period of FY2010/3Q, the contribution of smartphone became larger than that of i-mode because we sold some 700,000 smartphone units in this period. Increasing packet revenues is an important managerial target, and we need to work to strengthen all of the three elements of smartphones, i-mode and PC data devices.

Smartphones

We decided to release 7 different models of smartphones, including the GALAXY S, as part of our 2010 winter/spring lineup, of which six models are already on sale, and details of the remaining one will be unveiled shortly. We completed the functional upgrade of Xperia on January 19, 2011, and plan to release an OS upgrade to Android version 2.2 in March or April 2011 for the LYNX 3D, and in April or May 2011 for REGZA Phones. Cumulative sales of smartphones in the nine months through December 31, 2010, reached 1.26 million units. Our smartphone sales started to grow dramatically after the release of the GALAXY S, LYNX 3D, and REGZA phones, as well as other new models. For your reference, according to a survey by GfK Japan, we acquired the largest market share of smartphones sold in Japan during the month of December 2010. Our cumulative smartphone sales for this fiscal year have reached approximately 1.50 million units as of January 23, 2011. In light of this growing adoption of smartphones, we have revised our full-year sales target to approximately 2.50 million units, as we project sales of 1.00 million units in the remaining months of January, February and March 2011.

Content and Services for Smartphones

Content sites such as “Everystar” and “BeeTV” are currently enjoy great popularity among i-mode users. We started offering some of these popular content services on “docomo market” for smartphones free of charge. We also plan to increase the variety of content handled in the docomo market to over 100,000 titles by March 31, 2011, with the aim of offering a rich selection of high-quality content. With regards to services, we transplanted the “docomo map navi” service to smartphones in order to offer a trial navigation service, which can be used free of charge through October 31, 2011. Going forward, we intend to further enrich the variety of content and services available for smartphones.

“Monthly Support”

We decided to introduce a new program on March 15, 2011 called “Monthly Support”, to make it easier for customers to purchase a smartphone. Under this program, customers will be able to receive certain levels of discounts, which will vary by each model, on their monthly phone bill for up to 24 months. Under our conventional discount scheme, customers have been able to receive discounts only at the time of purchase of a handset. With the new “Monthly Support” program, customers are required to pay full price for the smartphone, but can instead receive discounts on basic charges or communication charges every month. These discounts will be provided for up to 24 months if the user continues to use the same model without any replacement during this period.

New Packet Flat-Rate Services for Smartphones

In conjunction with the introduction of “Monthly Support”, we also plan to launch two new packet flat-rate plans for smartphones on March 15, 2011. One is a full flat-rate plan dubbed “Pake-hodai flat” providing unlimited access for a flat monthly rate of ¥5,460 irrespective of data volume, which is ¥525 cheaper than the maximum monthly rate of our existing “Pake-hodai double” plan. The other is a two-tiered option called the “Pake-hodai double 2”, plan, which allows users to use more packets on a pay-as-you-go basis than under the existing two-tiered plan before usage reaches the monthly upper limit, which is priced at the same rate as the existing two-tiered plan. We believe this option offers more reasonable rates for customers who do not necessarily consume packets up to the upper limit every month. Leveraging these new billing plans, we will aim to expand the sales of smartphones even further.

“Ouen Student Discount” Campaign

This is a promotional campaign targeted at students, in which we will reduce the basic monthly charges to ¥390 for up to three years. As a special offer, we will also reduce the maximum monthly rate of packet flat-rate services for student smartphone users as a response to the strong demand, particularly among junior and senior high school students. These discounts will begin to take effect from February 1, 2011 onwards. When these discounts are combined with the “Pake-hodai flat” plan to be launched on March 15, 2011, students will be able to enjoy unlimited packet access via smartphones for only ¥4,935 a month. Those who have applied for the student discount service are also allowed to later switch to either one of the two new flat-rate billing plans. We will accept applications for “Ouen Student Discount” from January 28 through May 31, 2011, and subscribers who apply during this period will be able to receive discounts for up to 37 months. As a similar approach to last year’s campaign, the basic monthly charges of students and their family will be reduced to ¥390 for up to three years in the case of our “Type Simple” plan, .

Data Communications

Both the number of devices sold and number subscriptions to data communications services have shown positive progress toward our full-year target. We have now been awarded the No. 1 ranking in customer satisfaction surveys among data communications service users for two years now, which we believe demonstrates that our connection quality and broad area coverage were highly appreciated by our customers. The total number of data plan subscriptions is expected to reach 1.50 million by March 31, 2011. We believe we can expand the use of not only PCs but also other new data devices in the future. For the recently launched Xi service, we have released a LTE-enabled USB data device, and also we plan to launch a card-type device in the near future. Also, in addition to conventional mobile Wi-Fi routers, we have newly released an international roaming-enabled model, and we intend to add Wi-Fi router compatible devices to our Xi service early next year. We also launched a promotional campaign lowering the maximum monthly rate of the flat-rate plan for data communications devices.

i-mode Packet Usage Expansion

We are working to stimulate i-mode packet usage among users by promoting our “Everystar” service. The subscriber base of this service has grown steadily to over 700,000 users, contributing to the expansion of packet ARPU.

“i-concier”

The total number of subscriptions to “i-concier” has now topped 5.80 million, and the number of “i-concier” content sites is also increasing steadily. We improved the ease of use of this service by making functional upgrades such as the addition of a memo keeping capability.

docomo market (i-mode version)

We have established an open application environment for i-mode with the creation of the “docomo market (i-mode)”. Following its launch in early December 2010, the market has seen positive growth in the number of downloads; over 1.00 million recorded downloads of applications from the applications store, over 500,000 downloads of paid music from the music store, and more than 1.50 million downloads from the bookstore.

LTE

We launched our commercial LTE service on December 24, 2010. We intend to accommodate future traffic growth using our LTE network. In the next three years, we plan to spend some ¥300.0 billion in LTE-related capital expenditures. We are making steady progress in the roll-out of LTE base stations, and have already completed 700 of the total 1,000 base stations

planned for installation by March 31, 2011. We plan to install a total of 35,000 base stations by March 31, 2015, to achieve a 70% population coverage. We will offer promotional discounts to the LTE subscribers through April 30, 2012. Our goal is to grow the number of LTE subscriptions to 15.00 million, or one quarter of our overall subscriptions, within FY2014.

E-Book Service

We launched a commercial electronic book service on January 12, 2011 through a joint-venture company, 2Dfacto. Currently, this service offers 20,000 book titles and other publications, and we intend to grow this number to approximately 100,000 titles by the spring of 2011. Currently, six of the smartphones in our lineup and one book reader are compatible with this e-book service.

Multimedia Broadcasting Service for Mobile Devices

A commissioned broadcasting business operating company, JAPAN MOBILECASTING, Inc. was established on January 11, 2011. We also intend to get involved in the business of commissioning broadcasts for the delivery of content. Our current plan is to cover 60% of households at the time of launch of the service, and grow this to 90% within three years.

Global Expansion—TTSL/TTML (India)

Our Indian partner TTSL/TTML has successfully grown its subscriber base and launched commercial 3G services in all nine territories for which it obtained licenses on November 5, 2010. While the ARPU in India is currently limited to approximately ¥200, we believe it is possible to raise this amount by increasing the number of 3G subscribers.

Global Expansion—Northeast Asia

On January 18, 2011, we signed a three-party collaboration agreement among DOCOMO, China Mobile (China) and KT (Korea). Areas of collaboration under this agreement include international roaming, enterprise services, LTE and other network technologies, smartphones and common service platforms. We will work together with the partners aiming to enhance the customer convenience and to expand the mobile communications market in the fast-growing Northeast Asian countries that have close exchanges with one another.

Preparations for SIM Unlock

As of April 1, 2011, we plan to begin taking applications for SIM unlocking from customers at docomo shops. Preparations have been ongoing to prepare a function that can disable the SIM lock in new handsets that are to be released after April 1, 2011. Upon the receipt of a

customer request to have the SIM lock disabled, we will provide a detailed explanation of important points (e.g., users will not be able to use i-mode features if they try to use i-mode phones on the network of another carrier), and disable the SIM lock after obtaining the user's consent on these important points. We are currently working on certain items that require further study, such as how to explain these issues to customers, and how responsibility should be shared between carriers for the repair of handsets.

Corporate Social Responsibility (CSR)

We have continually worked for environmental protection and solutions to social issues in order to contribute to the sustainable development of society. As a result of these efforts, we reduced the CO2 emissions from our operations to below 1.17 million tons. We have also continued various other activities, such as the "docomo Woods" forestation campaign. In addition, we have developed the "SMART for GREEN 2020" concept as a vision of our CSR activities toward 2020.

The above is the overview of results for the first nine months of the fiscal year ending March 31, 2011. In the three months ended December 31, 2010, we added new models to our smartphone lineup, which resulted in rapid growth of smartphone sales from November 2010. In light of this trend, we have made an upward revision to our full-year smartphone sales target to 2.50 million units, from the previous target of 1.30 million declared at the time of our FY2010/1H results announcement in October 2010. Customers are showing strong interest in smartphones, and we feel that there is a robust demand. We also acquired the No. 1 ranking in customer satisfaction and maintained our low levels of churn rate. We have made steady progress in the introduction of new services such as electronic books and multimedia broadcasting for mobile devices. Results for FY2010/1-3Q show that we have made positive progress on our major action items. We foresee a huge demand for smartphones in the fourth quarter of FY2010 and the next fiscal year, and we are committed to doing our utmost to capture this opportunity. To this end, we will need to expeditiously change various aspects of our organizational structure, from customer-front operations, such as sales and call centers, to our R&D team. Some of these structural reforms are already in progress. We hope that you will keep a close eye on our future developments.

[Questions and Answers]

Q: Please share with us your smartphone sales target for the next fiscal year. Please also comment on the percentage that smartphones are expected to comprise among the total number of new products planned for release next fiscal year.

A: Our target for the current fiscal year is 2.50 million units. Although we will determine our

official target for the next fiscal year after observing our sales performance in the months of February and March 2011, at this point it is our ambition to increase our smartphone sales by two-fold, or even more, in the next fiscal year to roughly 6.00 million units. While we have not yet finalized our plans regarding the number of products, etc., to be released during the next fiscal year, we believe that the proportion of smartphones will increase significantly. At this point, we believe that the number of newly released models will be split 50% each between smartphones and feature phones. Previously, we provided a forecast that smartphones will overtake feature phones in number of units sold per year during FY2013, but given the recent surge of smartphone sales, we believe this reversal will happen earlier, sometime around FY2012. We intend to make changes to our organizational structure in view of this trend.

Q: Can you explain the impact of the new billing plans on your revenues? Did you take Softbank's rates into consideration when making these changes ?

A: Because many of our smartphone users today consume packets up to the monthly upper limit, we are certain that reducing the maximum monthly rate by ¥500 will have a negative impact on our revenues of somewhere between ¥20-30 billion per annum. Although the number of users migrating to adopt smartphones in the future and the percentage of users choosing the full flat-rate plan among those users migrating to smartphones all factor into this impact, the impact on the financial results for this fiscal year will be negligible because the new billing plans will be launched only on March 15, 2011. With respect to the "Monthly Support" program, we decided to introduce this scheme in view of the projected future surge in smartphone sales, in order to provide discounts more flexibly than under the current scheme in which we provide only one-time discounts upon the purchase of a new handset.

Q: You set a target of raising your packet ARPU by ¥110 for the full year, but when I look at the progress in the first three quarters, it seems that it will prove difficult to reach this target. I understand that this was a challenging target in the first place, but in where do you think you fell short of your earlier assumptions?

A: Raising packet ARPU by ¥110 for the full year is indeed a challenging target. We believe we have done quite well in the area of smartphones. If there was anything that fell short of our target, I would say that growth in packet usage by medium/light i-mode users was somewhat weaker than expected. However, the target of achieving a year-on-year increase of ¥110 was a challenging target in the first place, and some voiced doubts over its achievability, so even if we fall short of this target, we believe that we have already achieved a sufficient increase in packet ARPU so far.

Q: Am I correct to understand that the weaker-than-expected growth of packet ARPU among medium/light i-mode users was caused mainly by the low subscription rates of “i-channel” and “i-concier” services among these users?

A: To grow packet ARPU, we need to employ various usage boosting measures for i-mode, such as by encouraging users to view “BeeTV” and other video services. When we compare i-mode, smartphones and PC data devices, i-mode has the largest subscriber base of nearly 50.00 million. Realizing further increases in usage among these i-mode subscribers will be an important challenge for us going forward.

Q: Can you give us a concrete explanation regarding how you plan to change your organizational structure to shift more resources to smartphones?

A: We have separate development teams for i-mode and smartphones, and at present, we have greater human resources allocated to the team responsible i-mode development. Going forward, we plan to integrate these two separate teams into a single organization. On the content side, we have hitherto cultivated content for i-mode and smartphones separately, but we also plan to integrate these activities so we can attach stronger emphasis to content development for smartphones. In principle, we plan to reduce the number of personnel assigned to i-mode and shift them to smartphone-related operations. The same applies to our call center operations. While the time spent on smartphone-related inquiries is still limited, we would like to transfer human resources currently engaged in i-mode-related operations to smartphone operations in view of the rapid surge in the uptake of smartphones.

Q: Can you elaborate on the factors behind the ¥54.6 billion year-on-year increase in other revenues? Please also comment on how you plan to regain your market share of net additions toward the end of this fiscal year and beyond?

A: One of the factors that contributed to the ¥54.6 billion year-on-year increase in other revenues was growth in the revenues of our consolidated subsidiaries. Revenues generated by the non-telecommunications related business of our consolidated subsidiaries have been growing. We have a number of subsidiaries that are included in our consolidated accounts, such as D2 Communications, Inc., net mobile AG and Oak Lawn Marketing, Inc. The revenues from these subsidiaries accounted for some ¥20.0 billion of the ¥54.6 billion increase in other revenues. The remaining half was attributable to the increase in subscriptions to our “Mobile Phone Protection and Delivery” service, which grew to over 30.00 million. In addition, the size of our mobile credit business and our proxy bill collection business has also expanded steadily, but the financial contribution of these businesses to our total revenues remains insignificant. All these factors contributed to the ¥54.6 billion increase in other revenues.

With respect to our performance in the acquisition of net additions, we are still recording a net outflow of Mobile Number Portability (MNP) subscriptions, but the number of such outflows has declined steadily in the months of October, November and December 2010. We believe that we can decrease the number of subscribers switching to other carriers using MNP by offering competitive smartphones. Our performance in the acquisition of net additions will also improve if we can reduce the number of outflows, or even achieve a net inflow of MNP subscribers. To this end, it is important that we offer attractive products in our smartphone lineup and prepare more accessible billing plans. It should be noted that our customers are already highly satisfied with our network quality. We would like to aggressively appeal to customers with our strengths, and fix the areas that require improvement.

Q: You recently announced a reduction of interconnection charges. Is this already reflected in the FY2010/1-3Q financial results?

A: We announced a 35% reduction in interconnection charges after calculating the costs of doing so, excluding our operating expenses in accordance with the accounting rules set forth in the guidelines of the Ministry of Internal Affairs and Communications. Although this is not yet reflected in our FY2010/1-3Q financial results, it will be reflected in our full-year results for FY2010. This is a significant reduction, which is estimated to have a negative impact of ¥50-60 billion on our revenues. However, because these are charges for interconnecting with the network of other operators, its impact on our income will vary depending on how other carriers set their interconnection fees.

Q: Can you give us an update on the recent sales performance of Xperia and GALAXY S?

A: As of January 28, 2010, the cumulative sales of Xperia and GALAXY S reached over 600,000 and 300,000, respectively.

Q: How did GALAXY Tab contribute to the overall expansion of smartphone sales?

A: GALAXY Tab enjoys great popularity among consumers, but we believe its main source of demand will come from enterprise users. GALAXY Tab is very portable, so we believe that this product will be very convenient for sales reps to make presentations to clients outside their offices. We have established a project team within our Corporate Marketing Division to aggressively promote sales of this product. Currently, the team is actively making proposals to potential clients, so we believe its sales will grow remarkably going forward.

Q: I understand that you have a plan to release another tablet device within this fiscal year. Is this running late?

A: We believe we will be able to release it in March 2011 as planned.

Q: When do you think India's TTSL will start producing profits? Are you planning to turn the company into profitability by expanding the uptake of 3G service?

A: TTSL has not yet made any contribution to our income. However, it has successfully expanded its subscriber base to over 80.00 million to become one of the largest operators in India. Up until now, TTSL has not been able to increase its ARPU despite the growth in subscriptions. However, with the launch of 3G, the demand for data services is expected to rise in India. We believe the ARPU of TTSL will begin grow as its 80.00 million subscribers migrate to 3G progressively and start using data services. The ARPU of TTSL is currently limited to 70-80 rupees, or about ¥200. TTSL has introduced a new bundled billing plan for voice and packet communications services. If the ARPU rises to approximately 350 rupees, we can expect a remarkable increase in revenues. The timing of when the Indian investment starts to make a contribution to our revenues will be influenced by the pace of adoption of 3G services in India.

Q: Is it correct to assume that all models that you market after April 1, 2011, will carry the function to disable the SIM lock? Have you completed the necessary preparations, such as the application of your flat-rate billing plans to users switching from other carriers if they remove the SIM lock on their handsets?

A: Basically all new models that will be released after April 1, 2011, including smartphones and feature phones, will be equipped a function to disable the SIM lock, and we will accept requests for SIM unlocking from users using these models. We are currently studying how to accept requests for SIM unlocking, because details concerning how to split responsibility among carriers in cases of handset repair and other such issues need to be addressed in order to avoid any inconvenience to customers.

Q: Recently, there was an announcement by SONY that 3G wireless connectivity will be added to its gaming consoles, but there was no mention of the wireless carrier. Some media reported that DOCOMO's 3G circuits will be used. How do you view the impact of this gaming console becoming 3G-enabled?

A: We believe the 21st century is the age of convergence. The convergence of telecommunications and broadcasting will materialize in the form of multimedia broadcasting services, and telecommunications and automobiles in the form of Intelligent Transport System (ITS) or car navigation services. Convergence between telecommunications and home appliances is also expected to take place. We intend to aggressively pursue these opportunities

of convergence, and the convergence with gaming consoles is naturally one such opportunity. We would like to reserve any further comments on specific deals.

Q: Regarding your expansion plans in Northeast Asia, you mentioned that “smartphones” are included in the areas of collaboration in the three-party alliance among China Mobile, KT and DOCOMO. Can you explain in concrete terms what this refers to?

A: The ways smartphones are used may vary among the three countries of China, Korea and Japan, so we will explore, among other things, what kind of features should be added to smartphones in future. Because we believe smartphones will be the most important pillar of our future business, we would like to perform these joint studies in close cooperation with our partners.