



# NTT DOCOMO, INC.

IR Presentation

September 2011

# 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, businesses or other technologies caused by Mobile Number Portability, new market entrants and other factors, or the expansion of the areas of competition 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 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) Events and incidents caused by natural disasters, social infrastructure paralysis such as power shortages, proliferation of harmful substances, terror or other destructive acts, the malfunctioning of equipment or software bugs, deliberate incidents induced by computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause failure in our networks, distribution channels and/or other factors necessary for the provision of service, disrupting our ability to offer services to our subscribers, and may adversely affect our credibility and/or corporate image, or lead to a reduction of revenues and/or increase of costs.
- (12) Concerns about adverse health effects arising from wireless telecommunications may spread and consequently 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.

# Planned Actions for FY2011

- Strengthen safety/security initiatives implementing new disaster preparedness measures learning from the experience of March 2011 Great East Japan Earthquake
- Steady execution of “Change & Challenge” medium-term action plan

## Safety & Security

**Early recovery from disaster/Implementation of new disaster preparedness measures**

## “Change” programs

**Further improvement of customer satisfaction  
—Maintain No. 1 ranking —  
“No. 1 even amid rapid increase in smartphone adoption”**

## “Challenge” programs (Priority items)

**(1) Growth of packet ARPU**

**(2) Promotion of smartphones**

**(3) Expansion of LTE service**

**(4) Creation of new services**

**(5) Global business expansion**

**Step up efforts toward FY2012 operating income target of over ¥900.0 billion**

**Transformation into an “integrated service provider” placing mobile at the core**

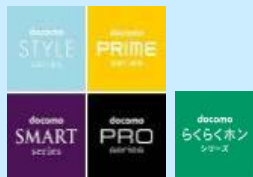


## DOCOMO's "Change"

# DOCOMO's "Change"

- Reviewed every aspect of our business including customer-front operations and executed change joining forces of the entire DOCOMO Group companies

## Products



## After-sales support Customer responsiveness



"Battery pack Anshin Support"



"Mobile phone checking" service



## Services

ドコモ動画

ドコモマーケット



iコンシェル



## Area quality

つながることに、  
こだわるドコモ



Field staff dispatch within 48 hours

## Promotion

"walk with you" campaign



## Billing plans

Billing plans, discount services

パケ・ホーダイ ダブル

パケ・ホーダイ フラット



月々サポート

Enhance satisfaction (brand loyalty) of our 58.00 million customers

# 5 Results of DOCOMO's "Change" Programs

- Received No. 1 ranking in various mobile phone customer satisfaction surveys including those conducted by JD Power Asia Pacific, Nikkei BP Consulting, etc.

## «Consumer Segment»

“No. 1 customer satisfaction ranking for FY2010” \*1

Overall satisfaction

No. 1



No. 1 ranking

Customer contact

Handsets

Costs

Call quality/area

Non-voice functions/services

## «Enterprise Segment»

“No. 1 customer satisfaction ranking for two straight years: FY2009-2010” \*2

Overall satisfaction

No.1

No. 1 for 2 straight years



Responsiveness of sales contact

Service content

Service quality

Cost

## «Data Communications»

New

Received No.1 customer satisfaction ranking in March 2011 survey (May 16, 2011) \*3

“No. 1 for 3 straight years: FY2009-2011”



Awarded the highest scores in 8 out of total 15 survey items including “overall satisfaction” for FY2011

No. 1 for 3 straight years

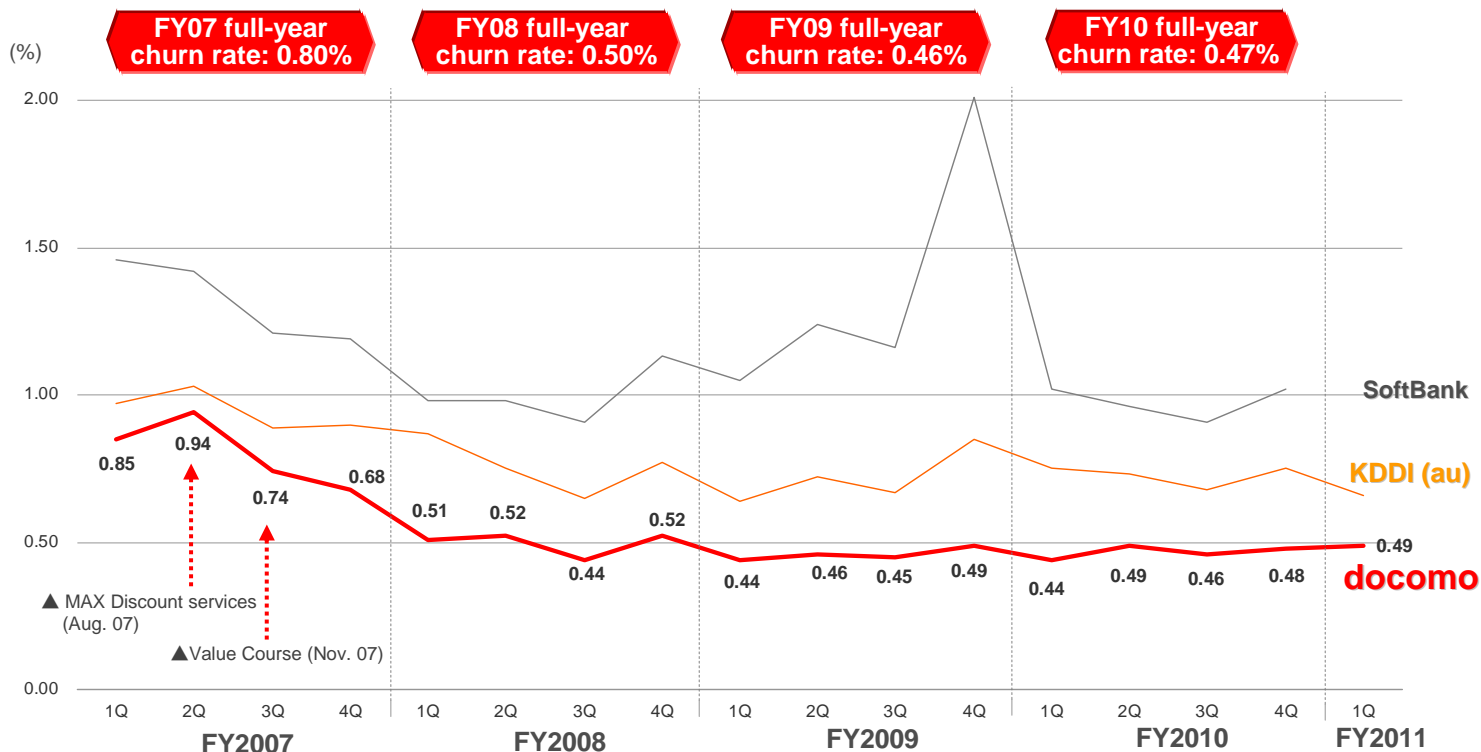
\*1 Source: J.D. Power Asia Pacific 2010 Japan Mobile Phone Service Customer Satisfaction Index Study<sup>SM</sup>. Study results were compiled based on responses received from a total of 7,500 individuals during July and August 2010. [www.jdpower.co.jp](http://www.jdpower.co.jp)

\*2 Source: J.D. Power Asia Pacific 2009-2010 Japan Business Mobile Phone/PHS Service Customer Satisfaction Index Study<sup>SM</sup>. Study results were based on 3,222 responses from individuals responsible for supervising or deciding upon telephone services at 2,345 businesses with more than 100 employees. (Each respondent evaluated up to two mobile telephone/PHS providers). [www.jdpower.co.jp](http://www.jdpower.co.jp)  
 \*3 Source: Nikkei BP Consulting “3rd Mobile data devices customer satisfaction survey (conducted March 2011). The survey measures users’ overall satisfaction concerning mobile data services offered by carriers (LTE, 3G, WiMAX, etc) based on the scores for overall satisfaction, area coverage (outdoor), area coverage (indoor), communications quality (connection time), communications quality (disruption of connection), performance/features/ease of use of devices, responsiveness of retailer/shop attendants, after-sales support scores

# Churn Rate

- FY2010 (full-year) churn rate: 0.47%
- FY2011/1Q churn rate: maintained low at 0.49%

## ■ Cellular (Xi+FOMA+mova) Churn Rate



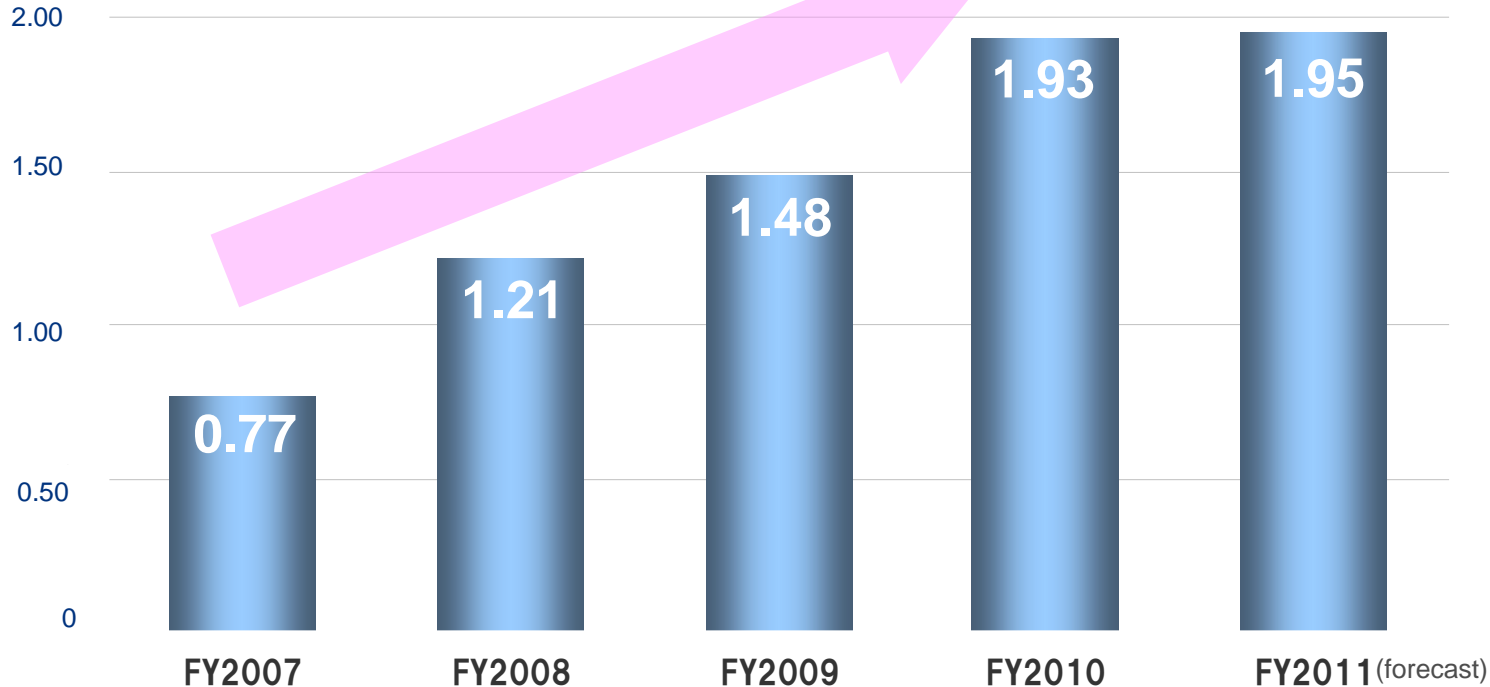
◆ Based on financial results materials, etc. of each company

# Net Additions

- No. of net additions for FY2010 (full year): 1.93 million (Up 450,000 or 30% year-on-year)
- Net additions forecast for FY2011 (full-year): 1.95 million
- Achieved favorable progress in FY2011/1Q acquiring 410,000 net additions

## ■ No. of net additions

(Million subs)

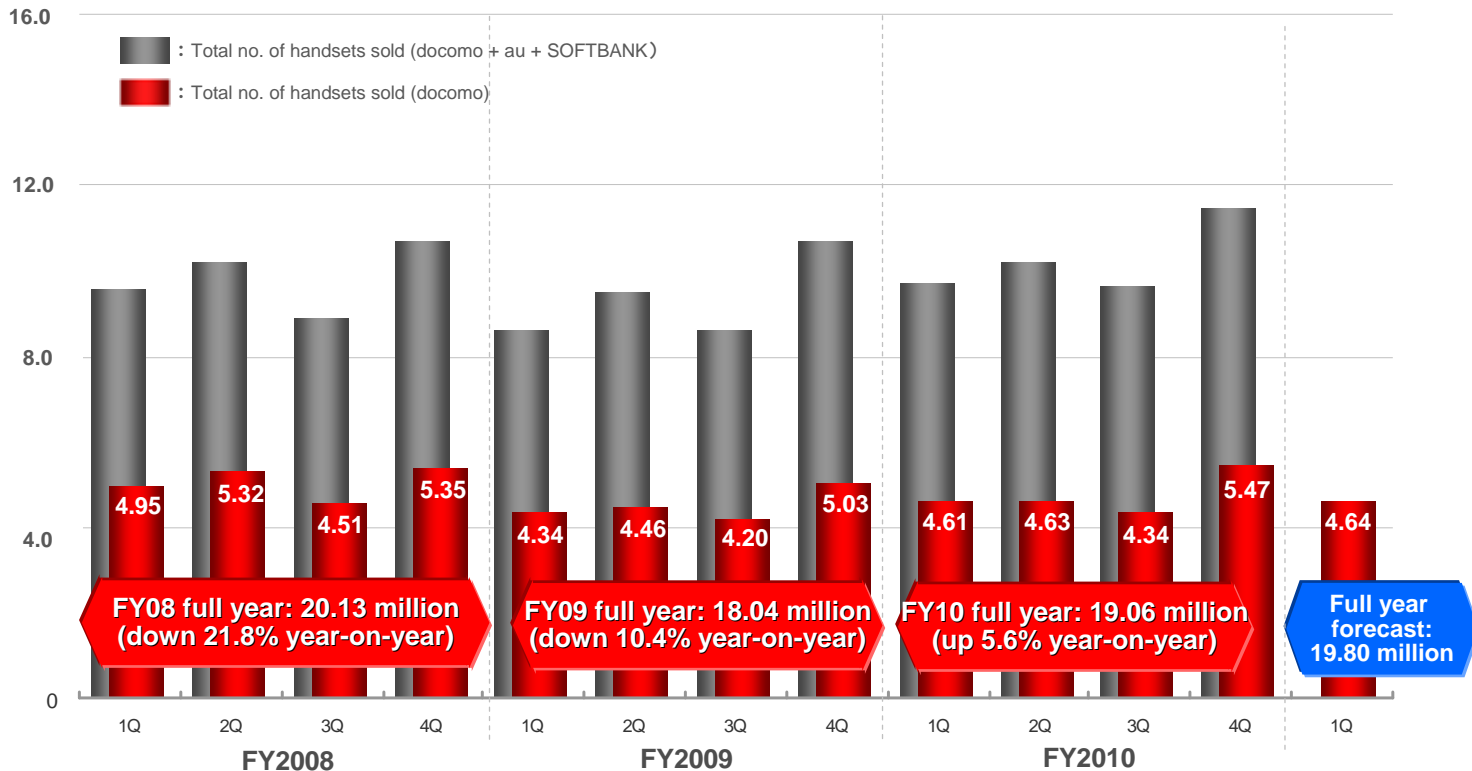




# Total Handset Sales

- Total no. of handset sold in FY2010 (full year) was 19.06 million units (up 5.6% year-on-year), posting growth for the first time in four years
- Total handset sales for FY2011/1Q: 4.64 million units (Up 0.6% year-on-year)

(Million units)



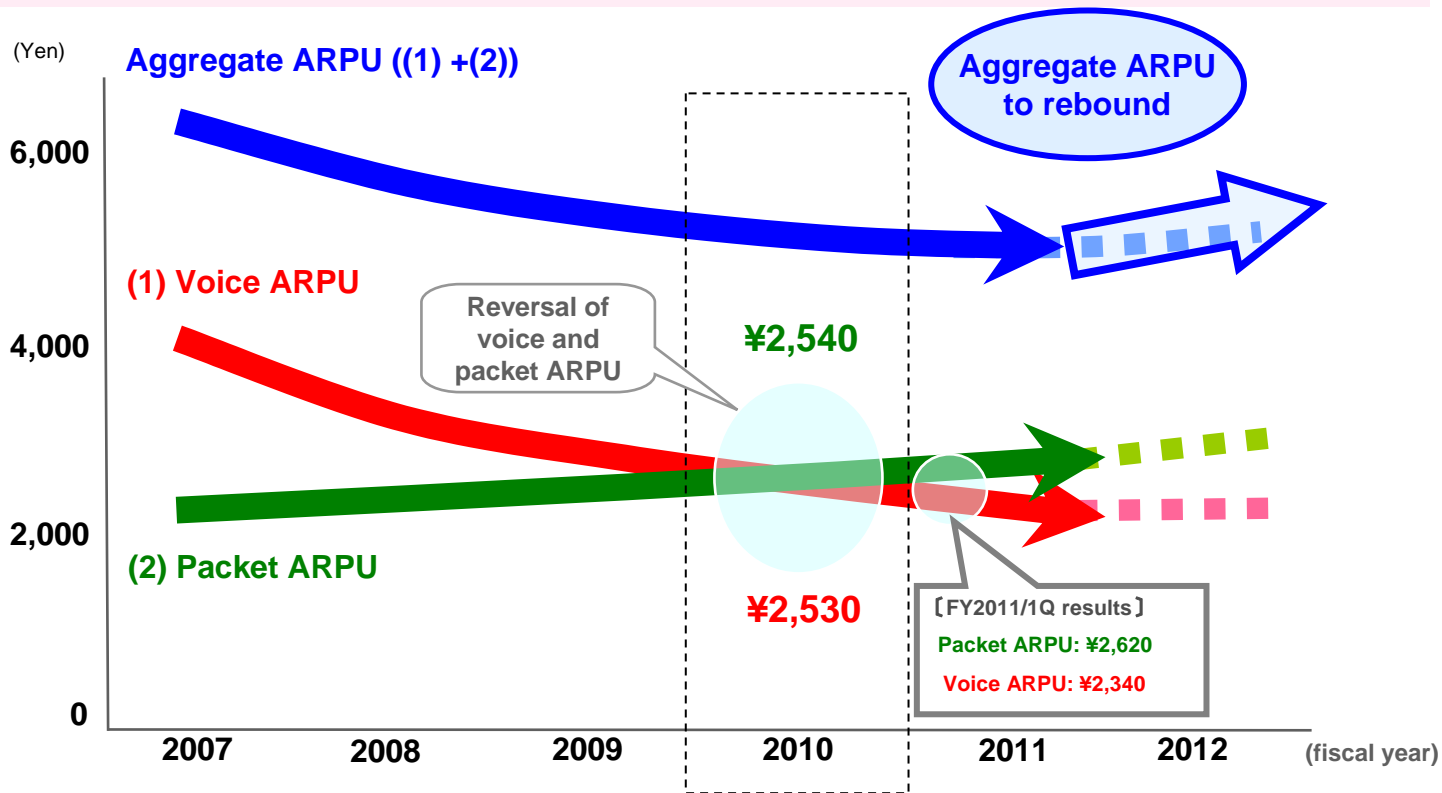
◆ Calculated based on financial results materials of each company ◆ Handsets sold by TU-KA and EMOBILE are not included



## DOCOMO's "Challenge"

# Reversal of Voice and Packet ARPU

- FY2010 full-year packet ARPU grew to a level higher than voice ARPU as a result of our packet ARPU-boosting efforts. Plan to achieve a rebound of aggregate ARPU in FY2012

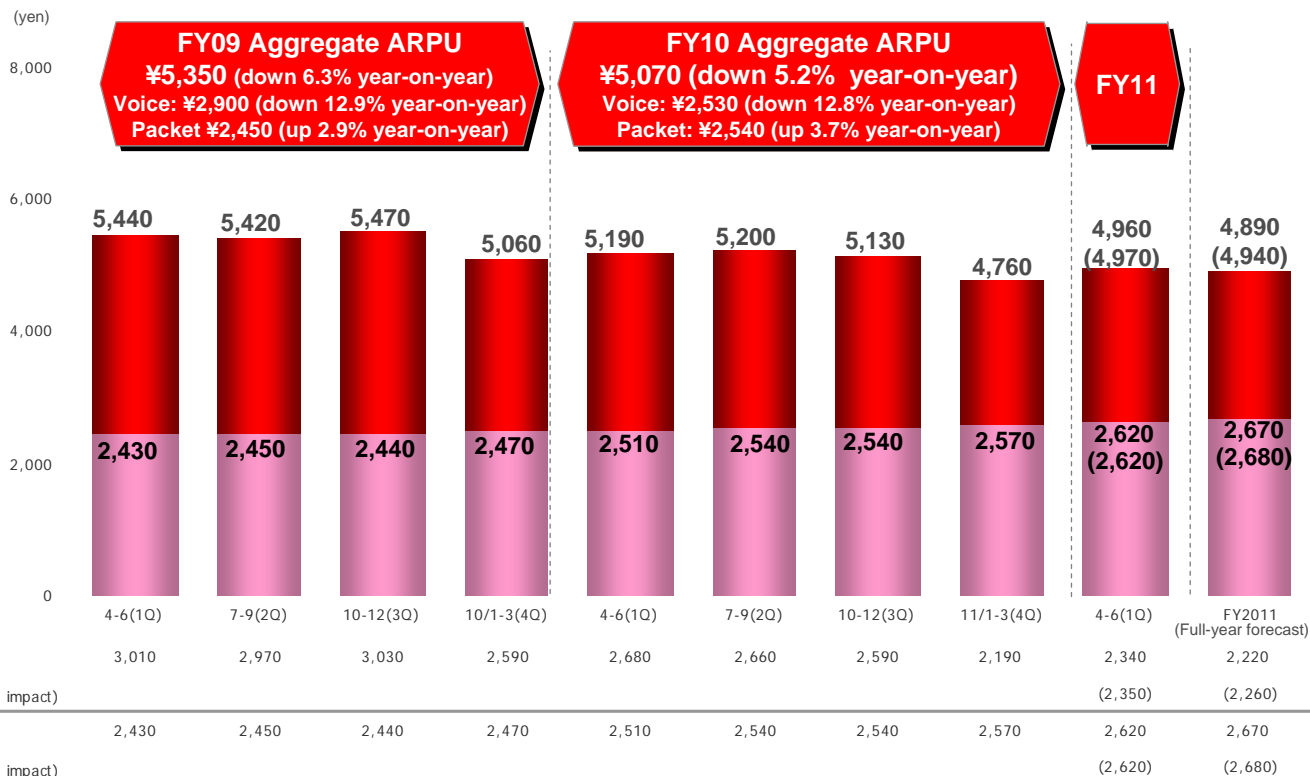


\* ARPU: Average monthly Revenue Per Unit

Voice ARPU represents the average monthly revenue per subscription from voice call services, and Packet ARPU represents the average monthly revenue per subscription from data communications services

# Cellular (Xi+FOMA+mova) ARPU

- FY2011/1Q aggregate ARPU: ¥4,960 (down 4.4% year-on-year)  
packet ARPU: ¥2,620 (up 4.4% year-on-year)



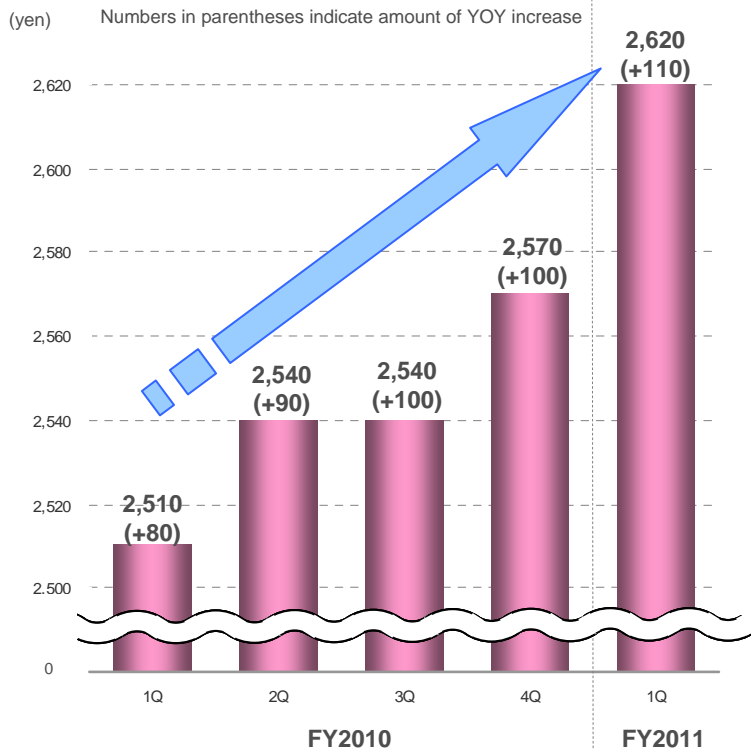
◆ Numbers in parentheses indicate the ARPU amounts excluding the impact of Monthly Support discounts.

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

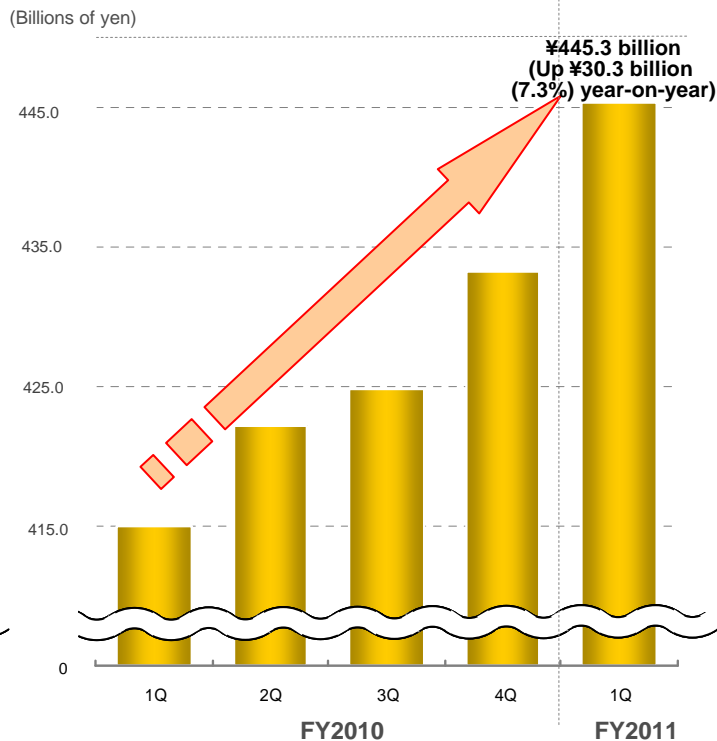
# Growth of Packet ARPU/Revenues

- YOY growth rate of packet ARPU has been accelerating
- Total packet revenues also growing steadily

## YOY changes in packet ARPU



## Historical growth of packet revenues



# Growth of Packet Revenues: Analysis

- According to an analysis of YOY increase in packet revenues:  
i-mode made greatest contribution to YOY growth of approx. ¥110.0 billion in FY2010
- Contribution of smartphones to FY2011 YOY packet revenues growth (approx. ¥140.0 billion: forecast) expected to expand rapidly

## Packet revenues

FY2009 (Actual)  
¥1,589.0 billion

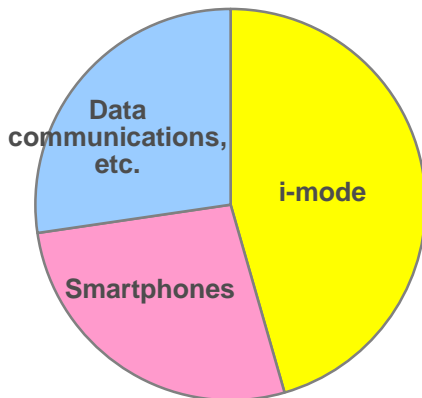
Up Approx.  
¥110.0 billion

FY2010 (Actual)  
¥1,694.9 billion

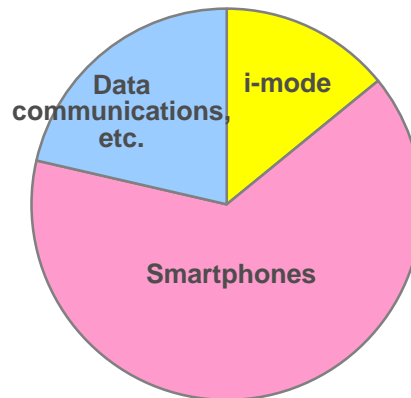
Up Approx.  
¥140.0 billion

FY2011 (Forecast)  
¥1,830.0 billion

YOY packet revenues growth  
(breakdown)\*



FY2010



FY2011  
(Forecast)

\* Adjusted for the revenues from subscribers who have migrated between different services (e.g., i-mode, smartphones, data communications, etc)

# Smartphones (Product Lineup)

- Released 9 models of smartphones as part of our 2011 summer product lineup

2011 summer lineup: 9 models



**GALAXY S II**

Released  
Jun. 23



**MEDIASWP**

Released  
Jun. 24



**Xperia  
acro**

Released  
Jul. 9



**AQUOS  
Phone**

Released  
May 20



**F-12C**

Released  
Aug. 7



**P-07C**

Released  
Aug. 13



**Optimus  
bright**

Released  
Jun. 18



**AQUOS  
PHONE f**

Released  
Aug. 6



**BlackBerry  
Bold 9780**

Released  
Jun. 29

Android 2.3

8

models

FOMA max. speed  
14Mbps

6

models

“Osaifu-Keitai”  
e-wallet

5

models

One-seg  
broadcasting

5

models

Infrared data  
transfer

6

models

Waterproof

3

models

Tethering

7

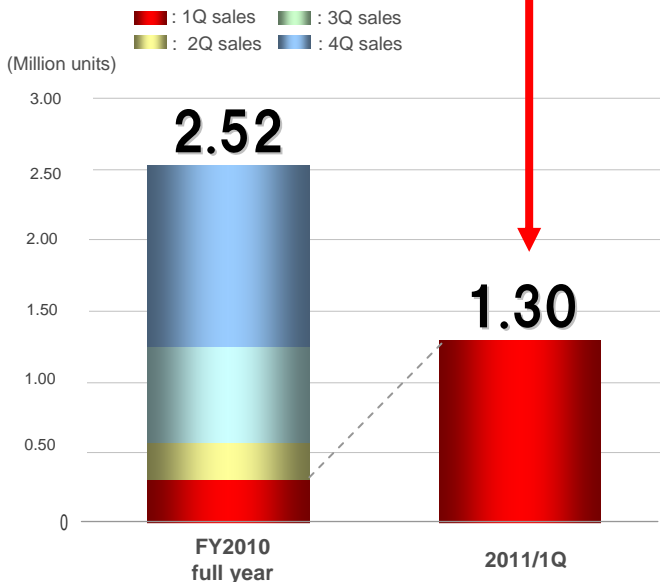
models

# Smartphone (No. of Units Sold)

- No. of smartphones sold in FY2011/1Q: 1.3 million units  
(830,000 units in a single month of July 2011)
- Making favorable progress toward full-year sales target of 6.00 million units

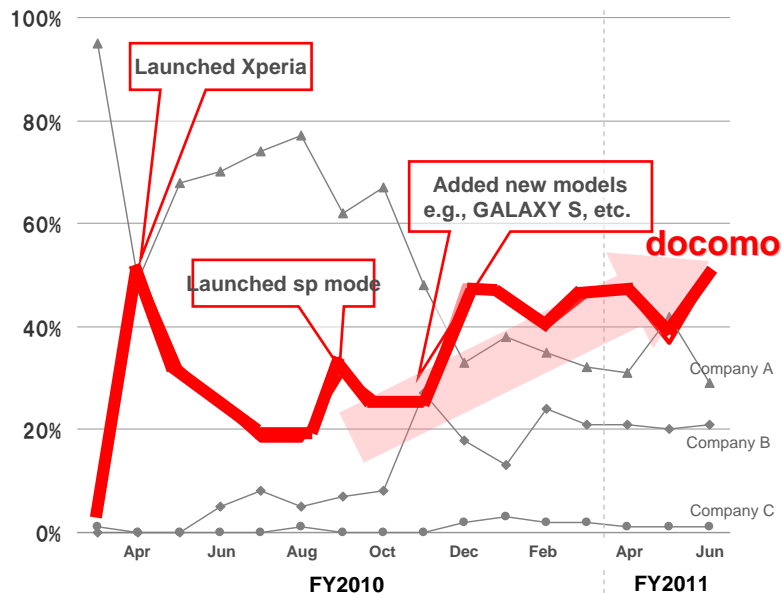
## Smartphone sales

Sold smartphone units exceeding 50% of  
FY2010 annual sales in FY2011/1Q



## Historical changes in market share of smartphones sold at mass retailers\*

(Based on survey by GfK Japan)

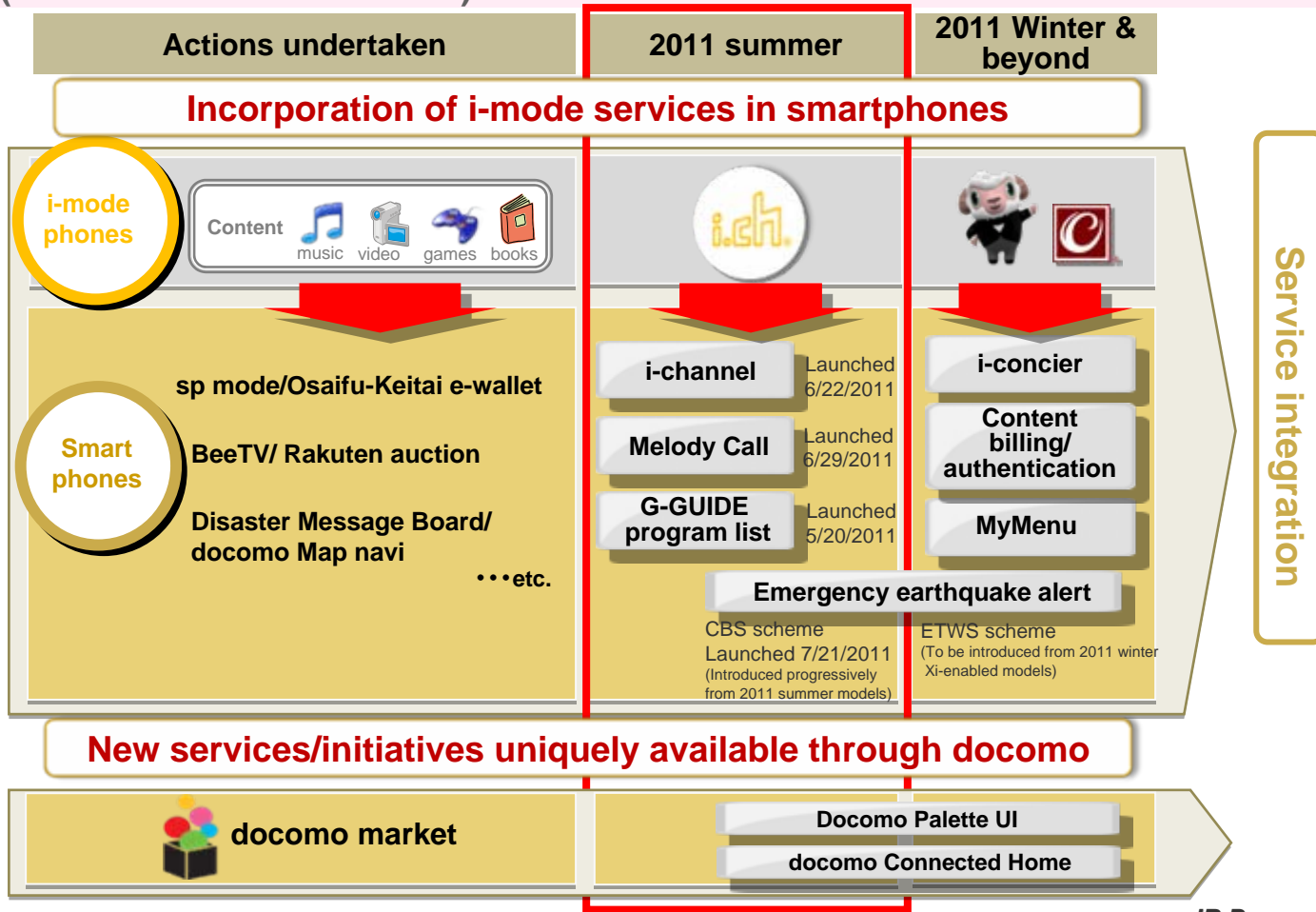


\* Market share comparison of mobile carriers in mobile phone sales category. Based on survey by GfK Japan that aggregates the sales records of devices installing either of the 4 OSs (Android/i OS/Windows Mobile/BlackBerry: tablet-type devices not included) at major mass retailers across Japan.



# Smartphone (Services)

- Started support of “i-channel” “Melody Call” and other services on smartphones (from 2011 summer models)



# 17 Smartphone (Content Billing/Authentication)

- Develop content billing/authentication platform targeting implementation in winter 2011, to allow customers to continue to use the same content even after migrating from an i-mode handset to a smartphone

Platform  
development

2011 Winter

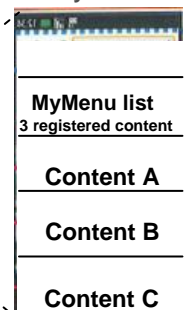
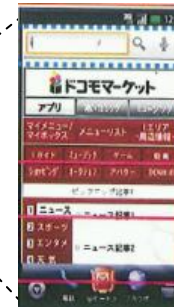
Introduce  
i-mode mechanism  
for billing,  
authentication, etc.

Customers switching to a smartphone

MyMenu will be carried over, allowing customers to continue to use i-mode content even more easily on smartphones

Portal

MyMenu



Same content as those accessed  
via i-mode phone

i-mode  
phone



smartphone



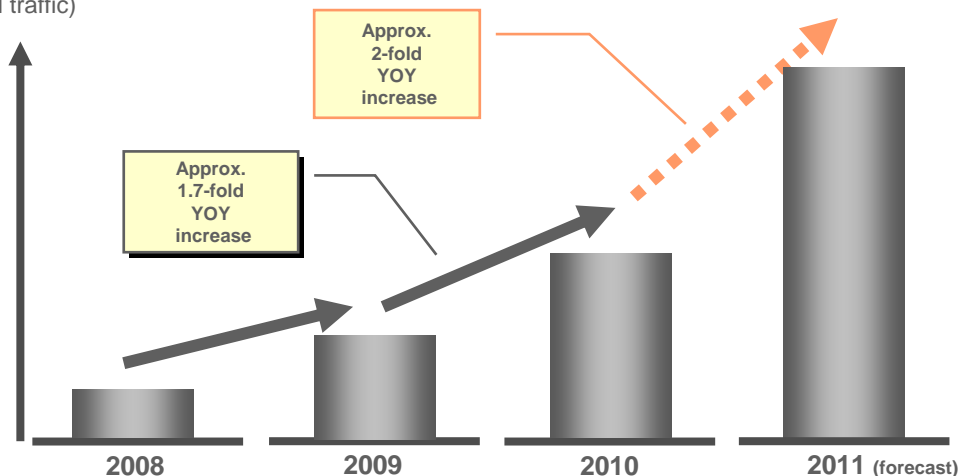
Replacement

Content providers can continue  
offering the same service using our  
easy-to-use billing system

# 18 Measures to Accommodate Growth of Packet Traffic

- Steadily continue facility construction to accommodate constant growth in packet traffic
- Aim to maintain and improve network quality by expanding Xi coverage and applying dynamic network control technology and data offloading

(total traffic)



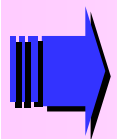
Countermeasures

Xi coverage expansion

Dynamic network control  
(transmit speed control)

Data offloading

Shift of focus from “securing FOMA capacity” to “expansion of Xi coverage”



HSDPA  
POP  
coverage:  
100%

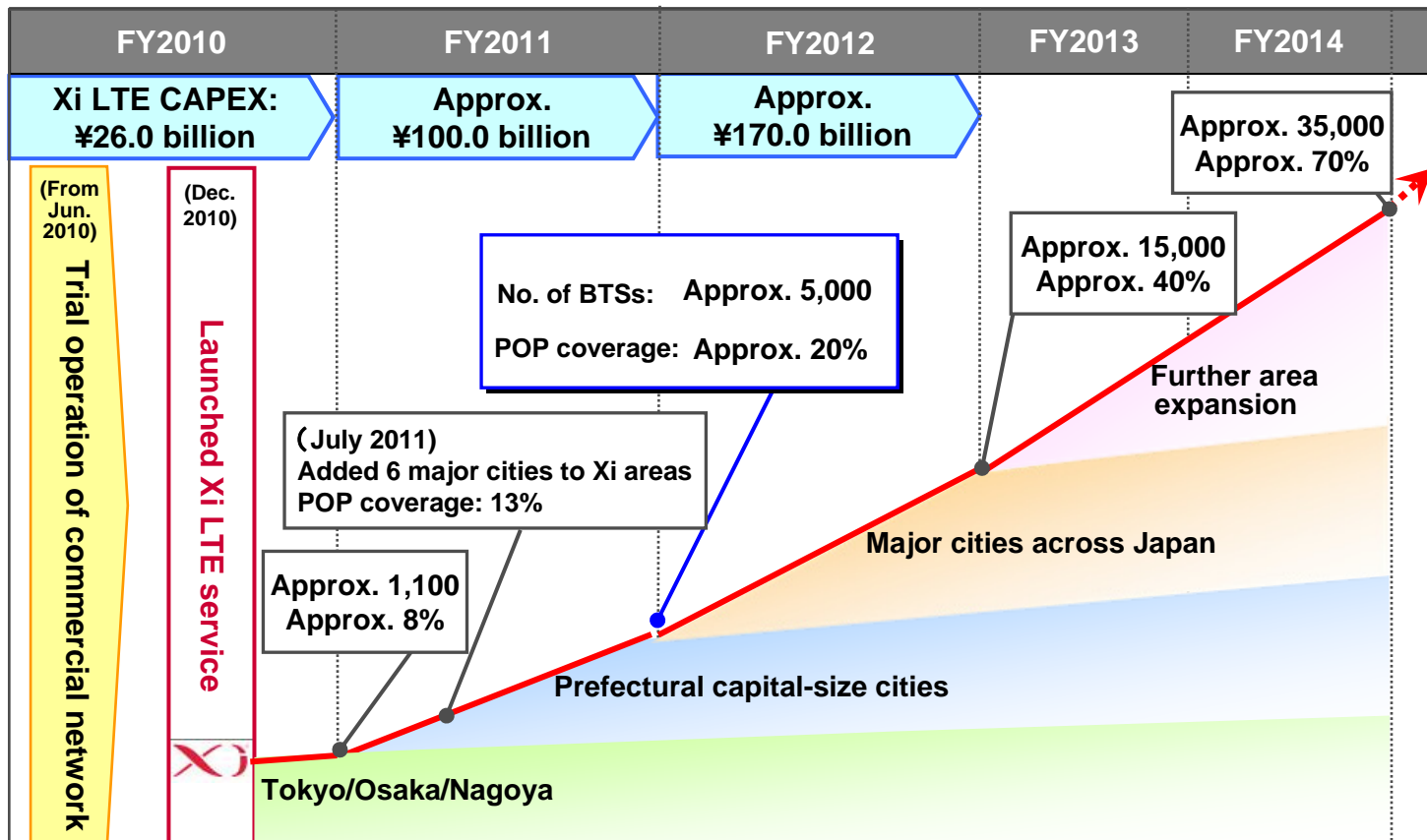
Further expansion

Xi  
LTE launch

Area expansion

# LTE Service: Area Expansion Plan

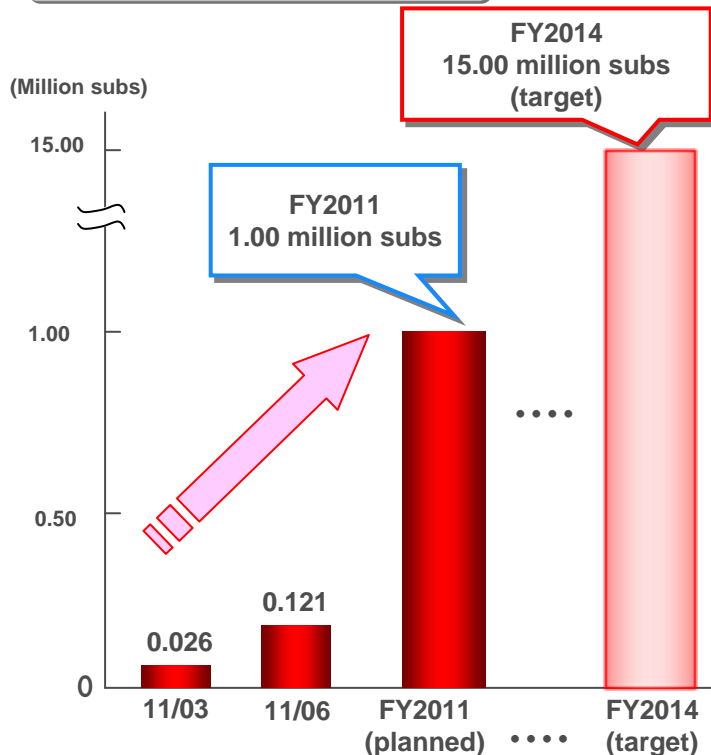
- Started offering Xi LTE service in six additional cities from July 2011 (Sapporo, Sendai, Kanazawa, Hiroshima, Takamatsu, Fukuoka)
- Cumulative CAPEX for first three years estimated to be ¥300.0 billion



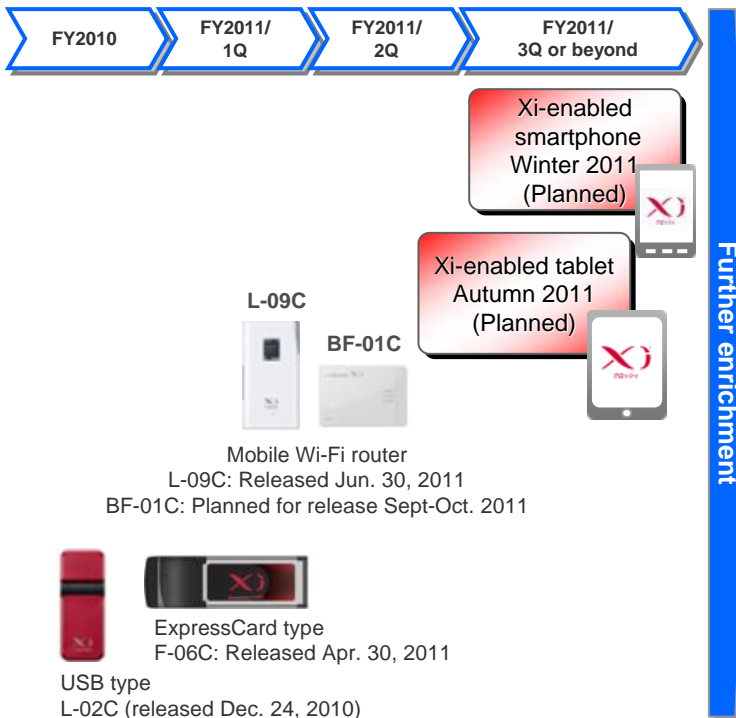
# Xi LTE Service

- Xi subscriptions as of Jun. 30, 2011: 121,000  
(Xi accounted for approx. 50% of total net additional data plan subscriptions)
- Expanded coverage launching the service in 6 major cities in July 2011

## Subscriber expansion plan



## Enrichment of Xi product lineup



# Speed Control Against Super Heavy Users

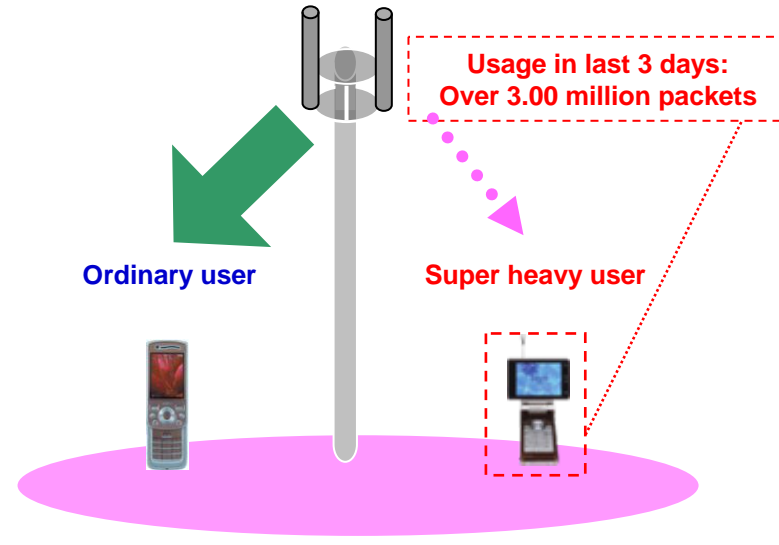
Apply communication speed control against super heavy users (of packet flat-rate service) in congested areas/hours, to maintain fairness in network use

Measure users' packet usage for the most recent 3-day period



(Example)

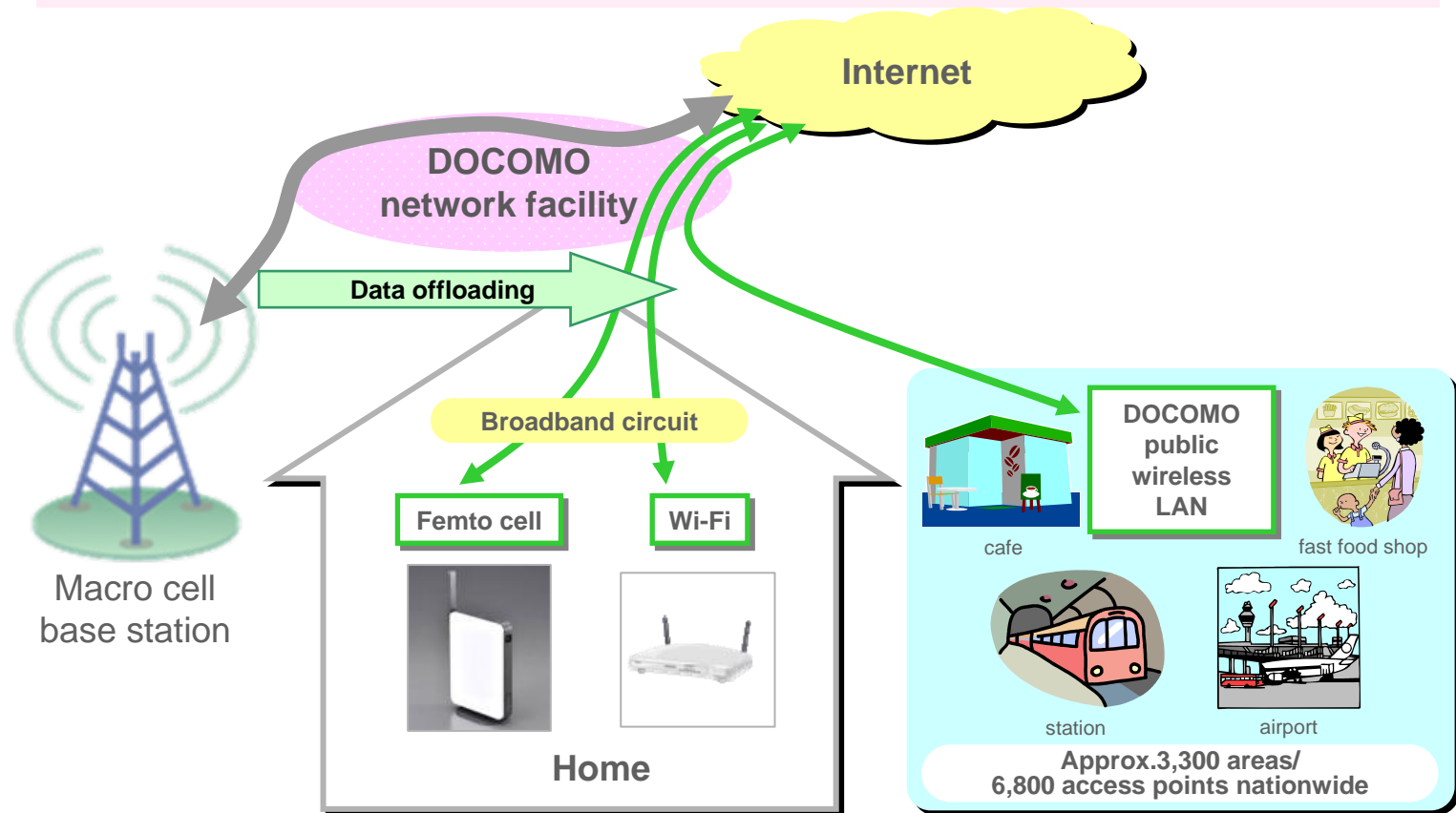
2 days ago	30,000 packets	1.2 mil packets
1 day ago	20,000 packets	1.5 mil packets
Today	40,000 packets	1.0 mil packets
<b>Total</b>	<b>90,000 packets</b>	<b>3.7 mil packets</b>



Apply speed control against super heavy users during congestion

# Data Offloading

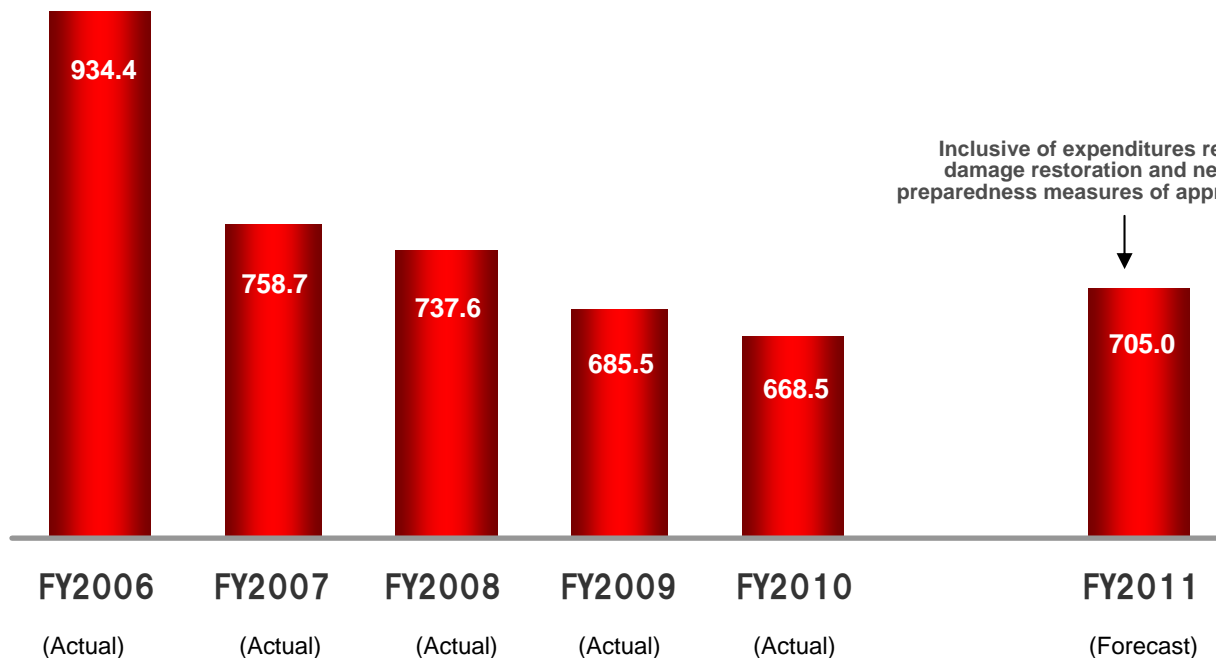
- Perform data offloading using through the use of Femto cells, Wi-Fi, etc.
- Plan to increase the no. of Wi-Fi-enabled devices in future product lineup



# Capital Expenditures

- FY2011 CAPEX estimated to be ¥705.0 billion due to expenditures required for the restoration of facilities damaged by Great East Japan Earthquake and implementation of new disaster preparedness measures

(Billions of yen)





- mmbi to apply for authorization of key broadcasting business operator in September 2011

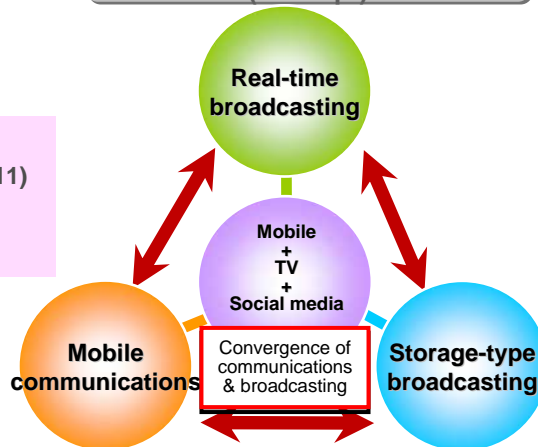
# mmbi

【 Authorized key broadcasting business operator (planned) 】

- Plan to apply for authorization of key broadcasting business operator (Aug. 2011)

⇒ Application period:  
Aug. 3 – Sept. 2, 2011

Multimedia broadcasting service (concept)



Viewer can communicate with other viewers using Twitter and other social media linked with real-time broadcasting

JAPAN MOBILECASTING

モバキャスト

【 Facility-supplying key broadcaster 】

- License granted (Sept. 9, 2010)
- Company established (Jan. 11, 2011)

Household coverage

FY2012

Approx. 73%  
Area deployment mainly in  
Tokyo/Osaka/Nagoya

FY2014

Approx. 91%  
Area expansion to other  
major cities across Japan

Receiver device

- Receivers to be installed in smartphones upon initial service launch
- Aim to increase adoption of compatible devices to 50 million in 5<sup>th</sup> year after service launch

# E-Book Service

- Joint promotion of electronic publishing business with Dai Nippon Printing Co., Ltd. (DNP)
- Established joint venture company (2Dfacto) and launched full-scale service in Jan. 2011

## E-book store

Provision of approx.  
20,000 content titles



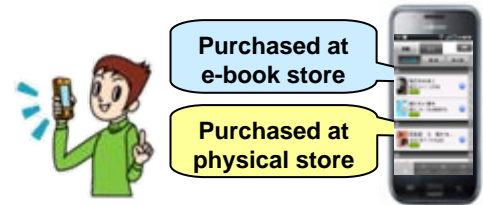
# 2Dfacto



Wide variety of content

## 【Future deployment plans (conceptual)】

- Coexistence of physical/digital services
- One-stop management of physical and electronic books (Bookshelf service)



- Point sharing between physical/online stores



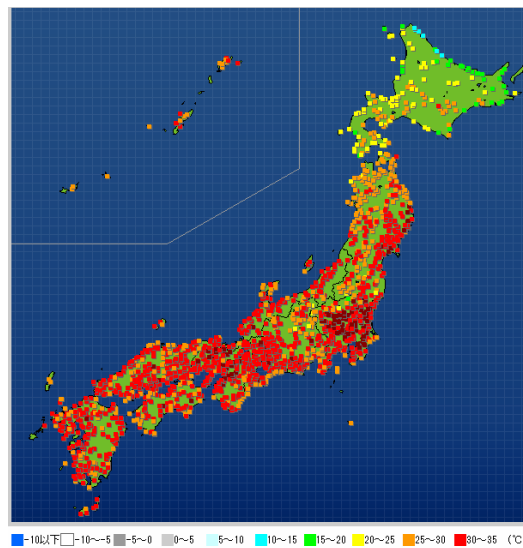
NTT docomo × DNP

Established joint venture company (2Dfacto) with  
Dai Nippon Printing Co., Ltd. (DNP) and launched  
full-scale service on Jan. 12, 2011

# Environment Sensor Network

- Environment sensor network business utilizing mobile phone base station facilities
- Provision of “docomo Pollen Live!” observation data delivery service (Jan.-Apr. 2011)

## Environment sensor network business



**Measurement map using temperature sensors deployed nationwide**  
(Measurement data for July 10, 2011)

**Certified measuring equipment**  
(compliant with  
Meteorological Service Act)

**High-density  
observation network**

**Value-added with  
business alliances**

**Completed installation  
of sensors  
in 2,500 locations**  
(to be increased to  
9,000 locations)

# Principal Overseas Investments

- Aim to expand platform business and enhance added value of network business primarily focusing on the growth markets in Asia-Pacific region in the future

## Directions of overseas business deployment

Continually address growth markets primarily in the Asia Pacific region

Expand platform business and enhance added value of network business

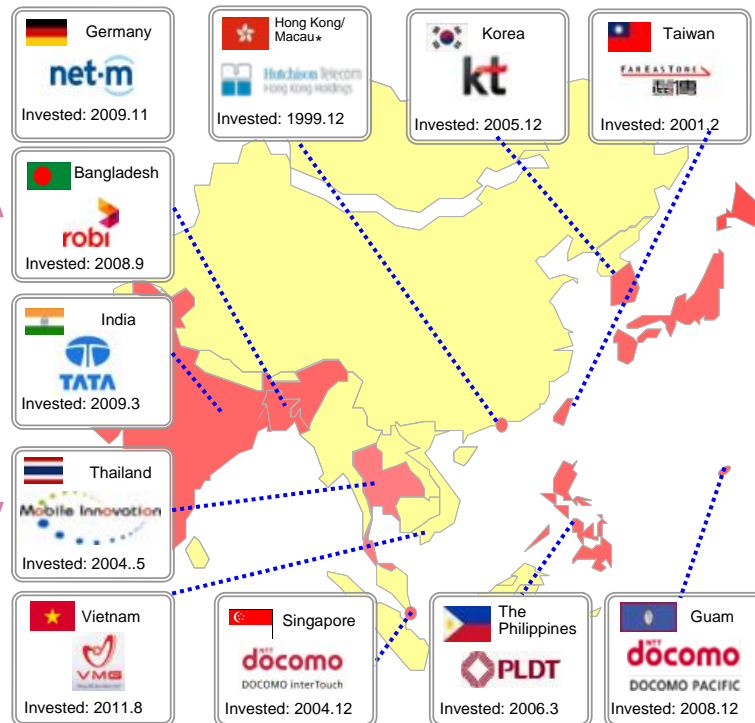
Global-level alliances with a wide range of partners

Mutually coordinated

Content/  
platform  
domain

Network  
domain

## Investments



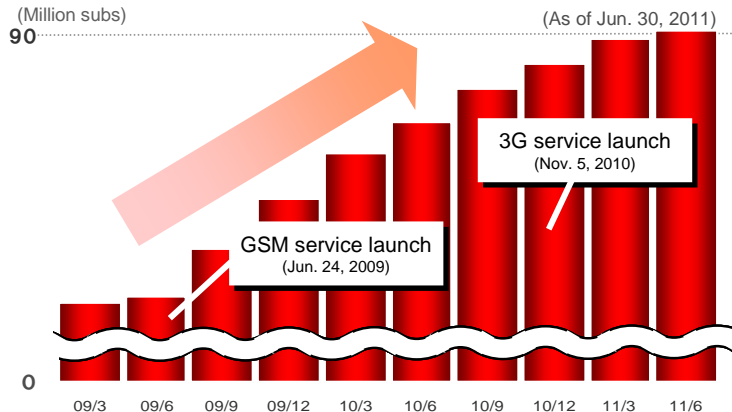
\* Logo is the corporate logo of Hutchison Telecommunications Hong Kong Holdings Limited (HTHKH). DOCOMO made investments in Hutchison Telephone Company Ltd., a subsidiary of HTHKH.

# TTSL/TTML (India)

- Entered into partnership with India's TTSL/TTML by making investment in March 2009
- No. of subscriptions achieved steady increase, and 3G service was launched in all circles where license was granted

## Subscriptions\*

Total subs: 90.99 million  
Market share: 10.7%\*



## 3G/GSM service deployment status

(Brand: TATA DOCOMO)

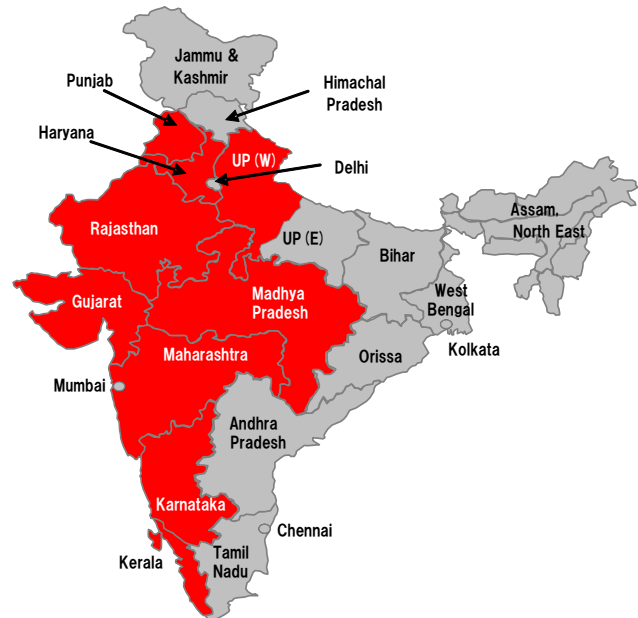
Service areas

(As of July 2011)

3G: 9 circles  
GSM: 18 circles  
(Out of India's total 22 circles)

## 3G service

Service provided in all 9 circles where license was granted

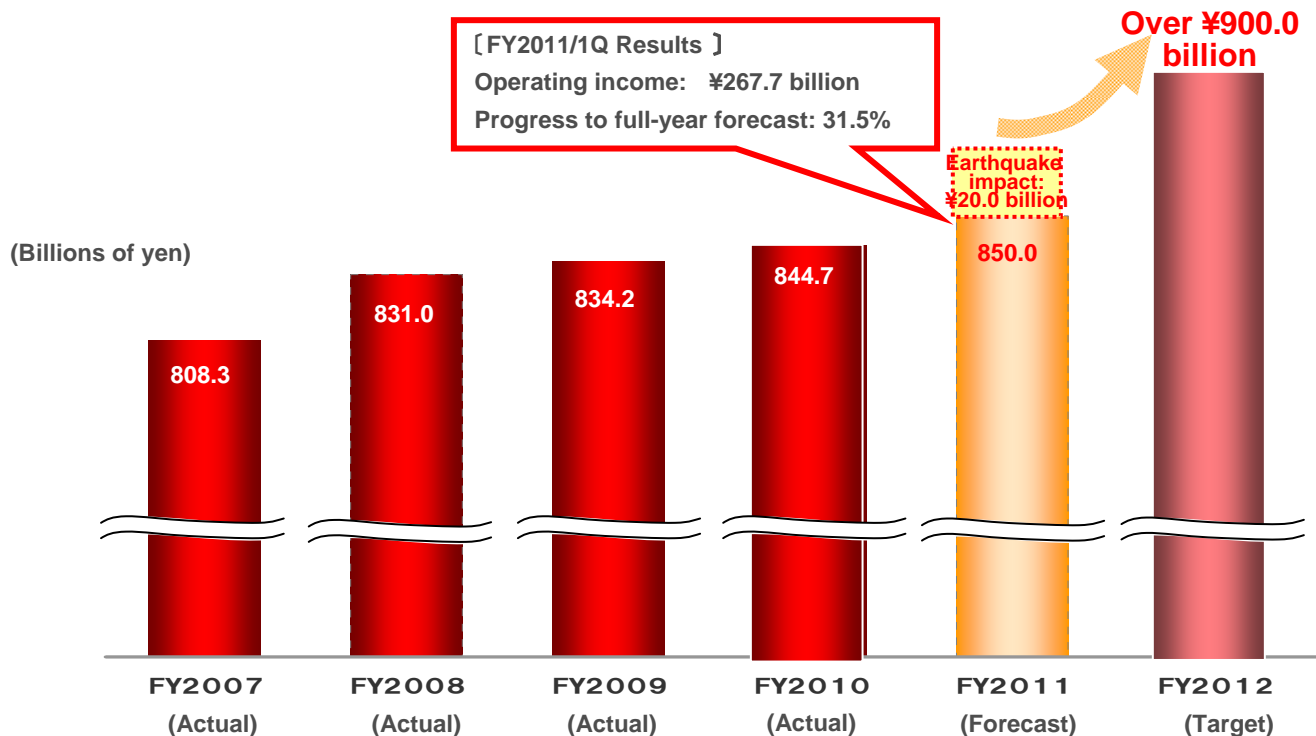




# Financial Condition

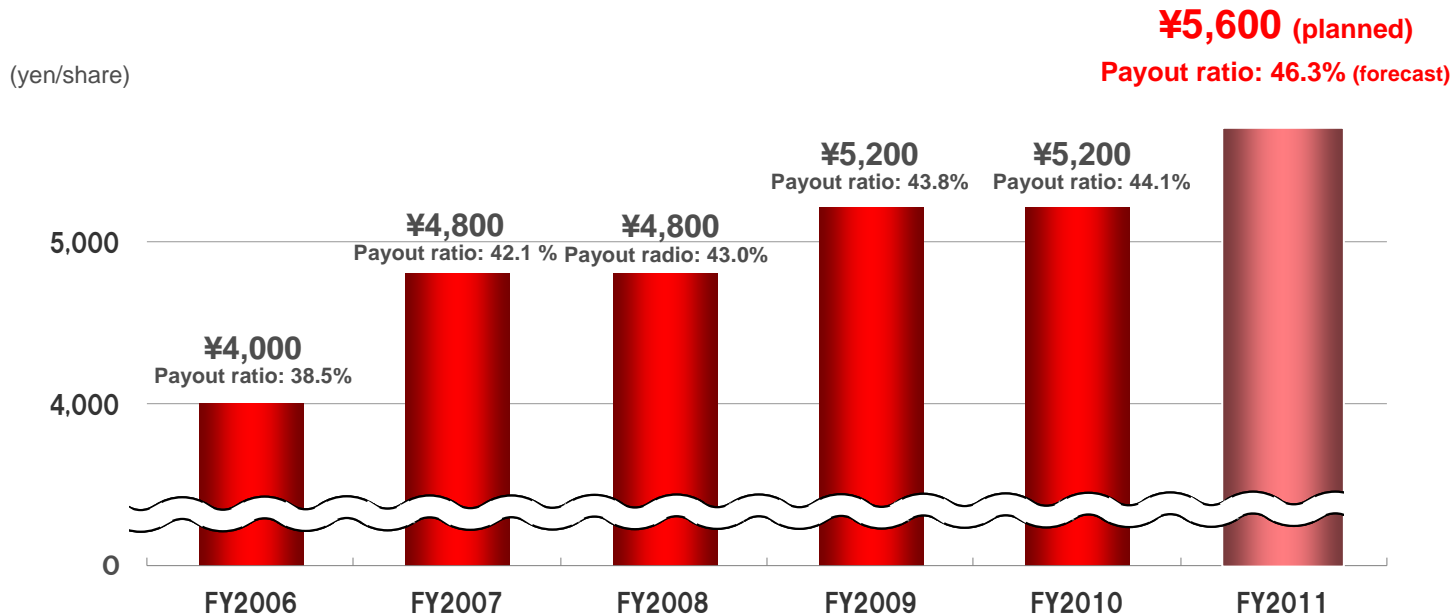
# Operating Income Target

- Operating income target for FY2011: ¥850 billion due to ¥20.0 billion impact of earthquake disaster
- Operating income target for FY2012: Over ¥900.0 billion



# Return to Shareholders

- Maintain highest level of payout ratio in Japan
- FY2011 annual dividend: ¥5,600/share (Up ¥400)(planned)







# New Corporate Vision

# Vision 2020 “Pursuing Smart Innovation”

Past decade:  
Pursued the possibilities of mobile



This decade:  
Transform into an  
“integrated service provider”  
placing mobile at the core

## MAGIC

**M**obile Multimedia  
**A**nytime, Anywhere, Anyone  
**G**lobal Mobility Support  
**I**ntegrated Wireless Solution  
**C**ustomized Personal Service

2000-2010

■ Vision 2020

“Pursuing Smart Innovation”

# HEART

**H**armonize Social contribution beyond borders, across generations

**E**volve Evolution of service and network

**A**dvance Advance industries through convergence of services

**R**elate Creating joy through connections

**T**rust Support for safe, secure and comfortable living

2010-2020



# Appendices

# FY2010 Results Highlights/FY2011 Forecasts

	FY2009 (Full-year) (1)	FY2010 (Full-year) (2)	Changes (1) → (2)	FY2011 (Full-year forecast) (3)	Changes (2) → (3)
Operating Revenues (Billions of yen)	4,284.4	4,224.3	-1.4%	4230.0	+0.1%
Cellular Services Revenues (Billions of yen)	3,499.5	3,407.1	-2.6%	3368.0	-1.1%
Operating Expenses (Billions of yen)	3,450.2	3,379.5	-2.0%	3380.0	+0.0%
Operating Income (Billions of yen)	834.2	844.7	+1.3%	850.0	+0.6%
Income Before Income Taxes (Billions of yen)	836.2	835.3	-0.1%	854.0	+2.2%
Net Income Attributable to NTT DOCOMO, INC. (Billions of yen)	494.8	490.5	-0.9%	502.0	+2.3%
EBITDA Margin (%)*	36.6	37.1	+0.5 Points	37.2	+0.1 Points
Adjusted Free Cash Flow (Billions of yen) *	416.9	589.8	+41.5%	480.0	-18.6%

◆ 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)

# FY2011 Results Forecasts Highlights

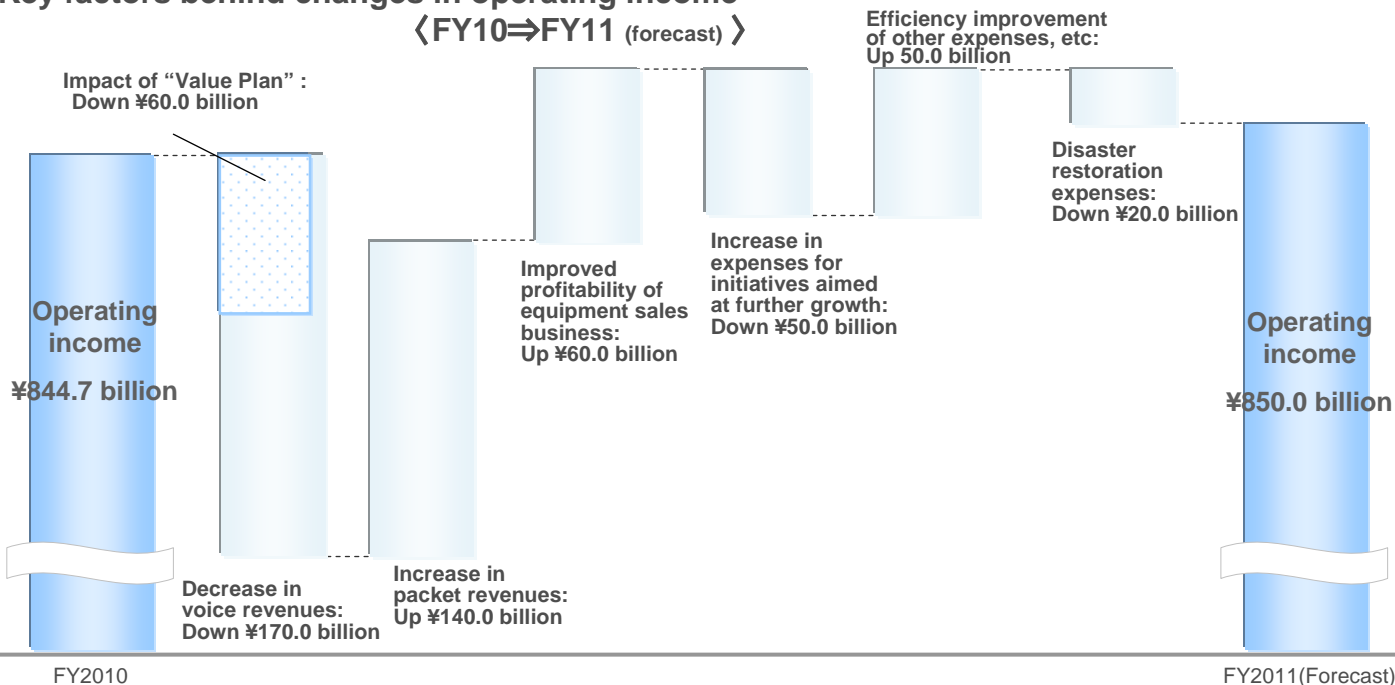
## FY2011 Results Forecasts

**Operating income: ¥850.0 billion** (Inclusive of ¥20.0 billion negative impact of disaster restoration/new disaster preparedness measures)

⇒ Make up for the decline in voice revenues and secure income by increasing packet revenues and reducing various costs, etc.

## Key factors behind changes in operating income

〈FY10⇒FY11 (forecast)〉



## FY2011/1Q Financial Results

	2010/4-6 (1Q) (1)	2011/4-6 (1Q) (2)	Changes (1)→(2)	FY2011 (Full-Year Forecast) (3)	Progress to Forecast (2) / (3)
Operating revenues (Billions of yen)	1,089.2	1,047.3	-3.9%	4,230.0	24.8%
Cellular Services Revenues (Billions of yen)	864.2	850.6	-1.6%	3,368.0	25.3%
Operating Expenses (Billions of yen)	848.7	779.6	-8.1%	3,380.0	23.1%
Operating Income (Billions of yen)	240.5	267.7	+11.3%	850.0	31.5%
Income Before Income Taxes (Billions of yen)	240.6	270.3	+12.3%	854.0	31.6%
Net Income Attributable to NTT DOCOMO, INC. (Billions of yen)	142.2	158.7	+11.7%	502.0	31.6%
EBITDA Margin (%)*	36.9	40.8	+3.9 Points	37.2	-
Adjusted Free Cash Flow (Billions of yen)*	47.2	82.5	+75.0%	480.0	17.2%

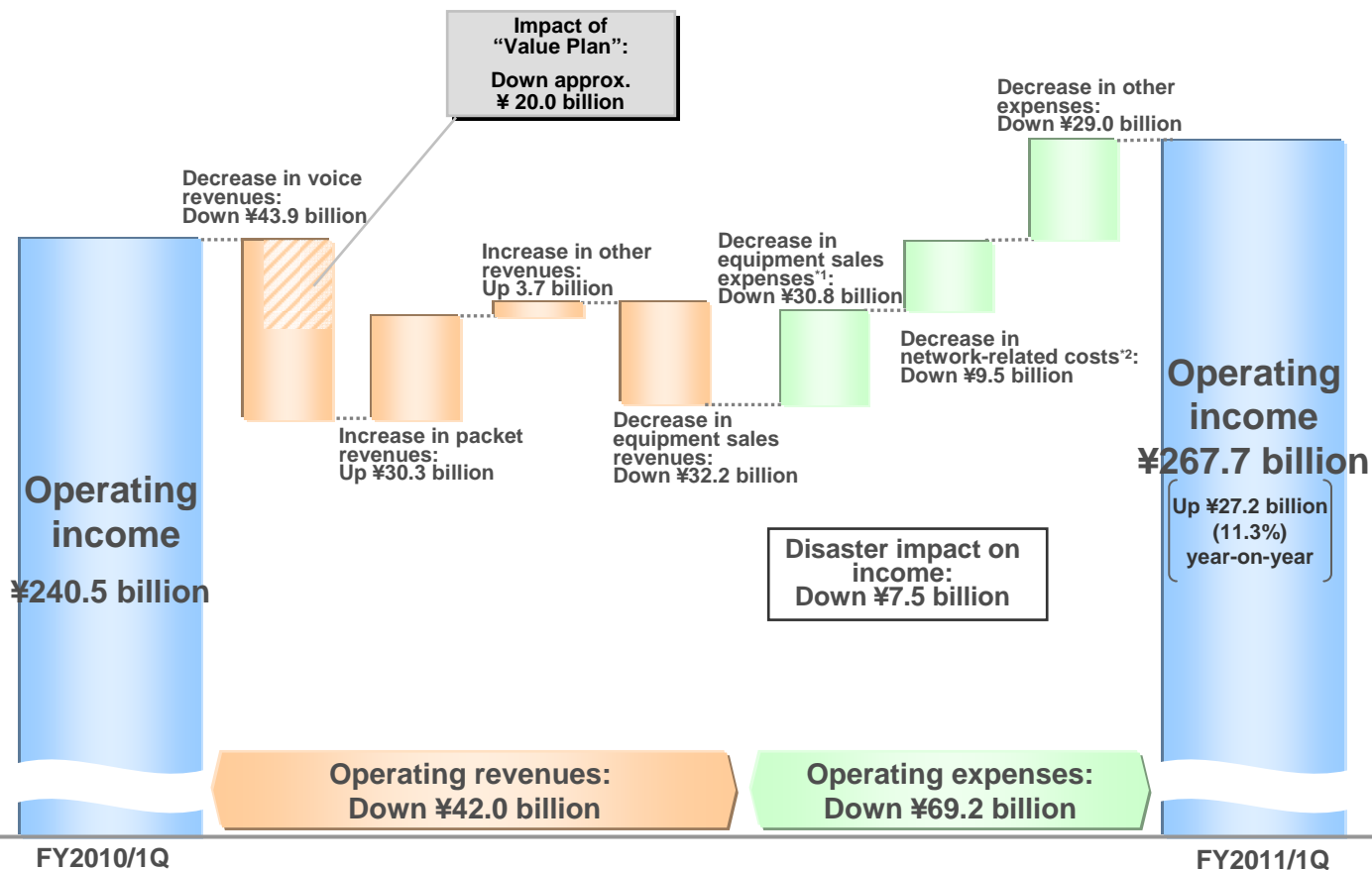
◆ Consolidated financial statements in this document are unaudited.

◆ 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)

# FY2011/1Q Results Highlights

## Key factors behind YOY changes in operating income



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

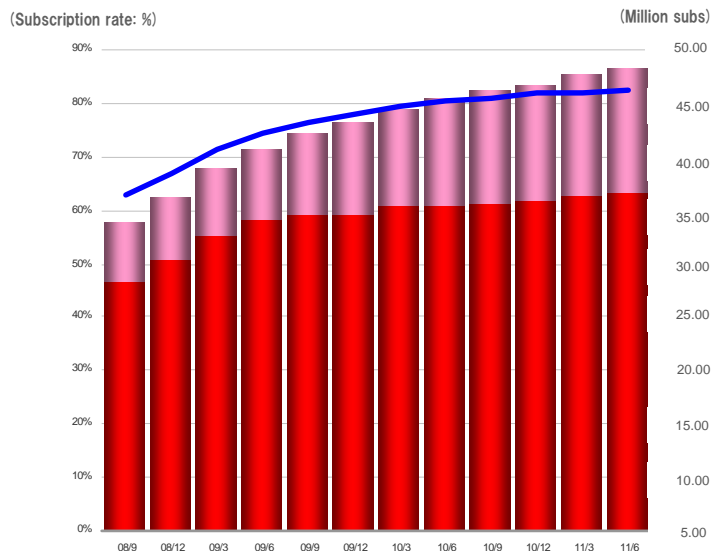
\*2: Sum of communication networks charges, depreciation and amortization, loss on disposal of property, plant and equipment, and other costs

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

- Subscription rate of billing plans offering 50% discount on basic monthly charge grew to over 80% → Negative impact on revenues became insignificant
- No. of “Value Plan” subs continues to expand after topping 40.00 million (70% subscription rate)

## 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

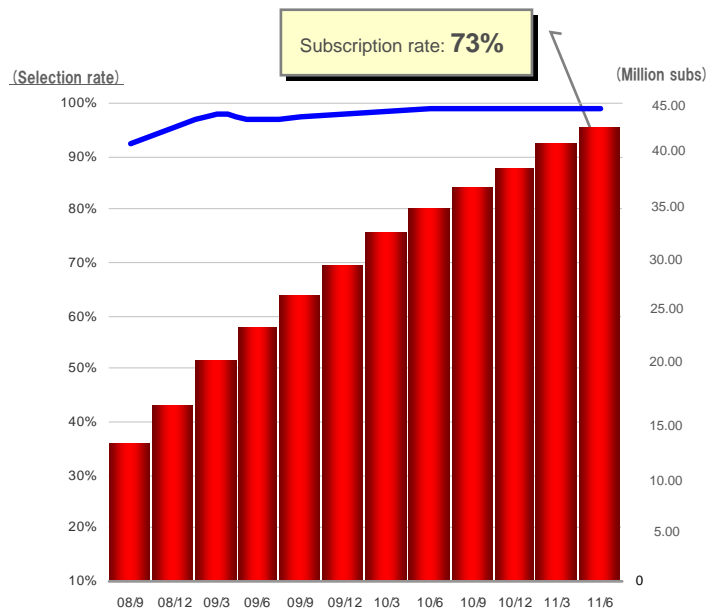


\*1: Inclusive of “Office Discount” and “Business Discount” subscriptions

\*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>\*3</sup>
- : No. of “Value Plan” subscriptions



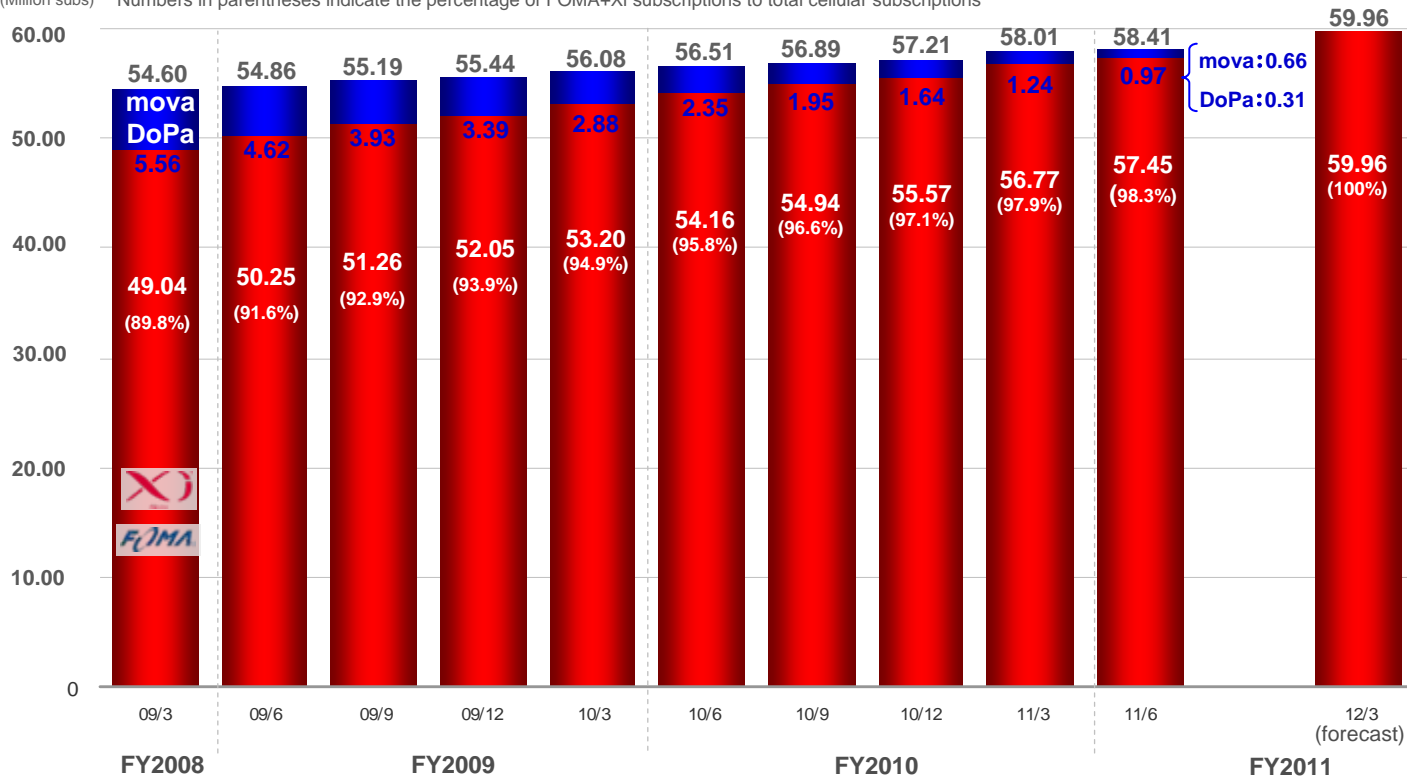
\*3: Percentage of users who chose “Value Course” among total users who purchased a handset using new handset purchase methods



# Subscriber Migration to FOMA/Xi

- No. of subscribers who have migrated to FOMA/Xi in FY2011/1Q: 210,000
- No. of remaining mova/DoPa subscriptions: 970,000

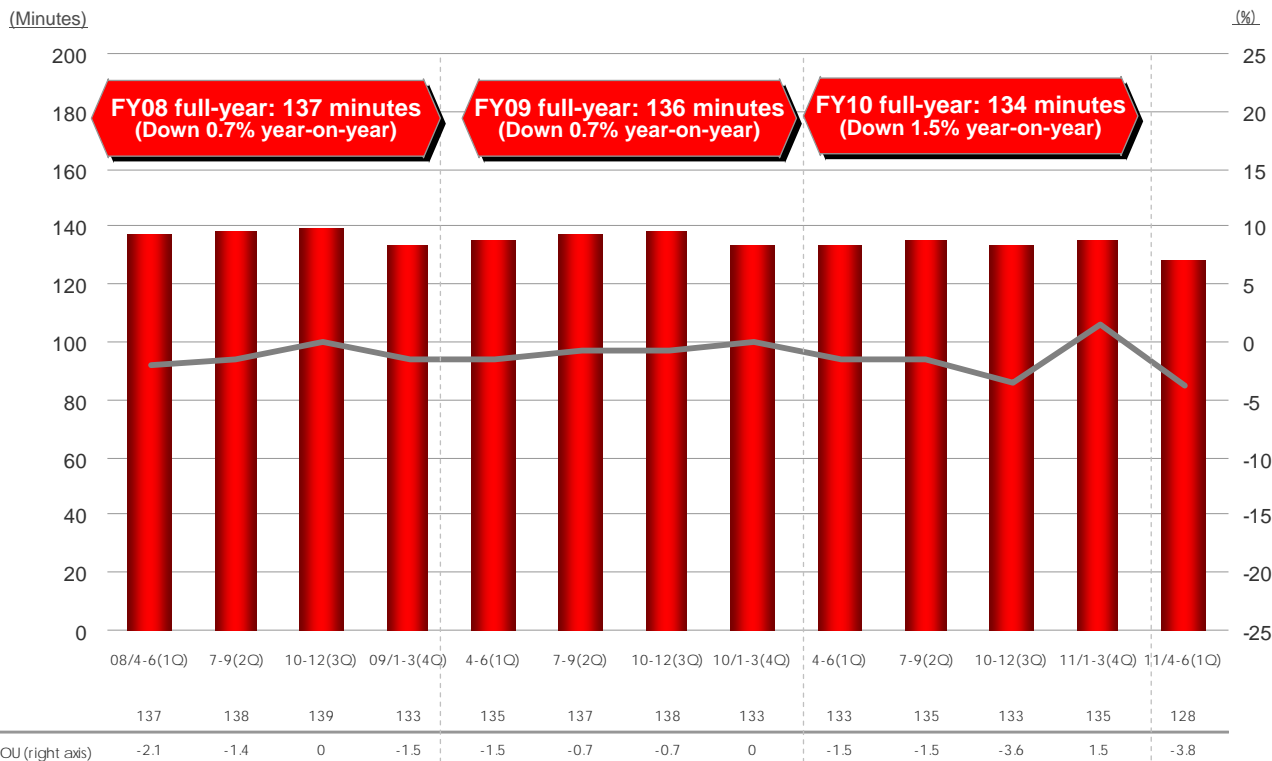
(Million subs) Numbers in parentheses indicate the percentage of FOMA+Xi subscriptions to total cellular subscriptions



◆ Inclusive of communication module service subscriptions

# Cellular (Xi+FOMA+mova) MOU

- FY2011/1Q MOU: 128 minutes (down 3.8% year-on-year)



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

# Cost Efficiency Improvement

- Achieved ¥200.0 billion cost reduction target set forth in our medium-term vision 2 years ahead of plan
- Further promote company-wide cost-cutting efforts in FY2011(¥40.0 billion)

Progress of cost reduction\*<sup>1</sup> (Billions of yen)

Cost reduction achieved by Mar. 31, 2011  
compared to FY2007

## New areas for cost reduction

Sales

Network

R&amp;D

Common

After-sales support

240

40

### General expenses/ Integration of former regional subsidiaries

- Integrated operations upon the consolidation of former regional subsidiaries
- Promotion of best practices
- Continual efficiency improvement of use of general expenses

Achieved ¥200.0 billion cost reduction target for FY2012 ahead of plan

200

150

60

90

90

### Network-related costs\*<sup>2</sup>

- Continual efficiency improvement of use of CAPEX
- Promote ALL-IP conversion
- Construction of economical transmission network

FY2009  
(Actual)

FY2010  
(Actual)

FY2011  
(Planned)

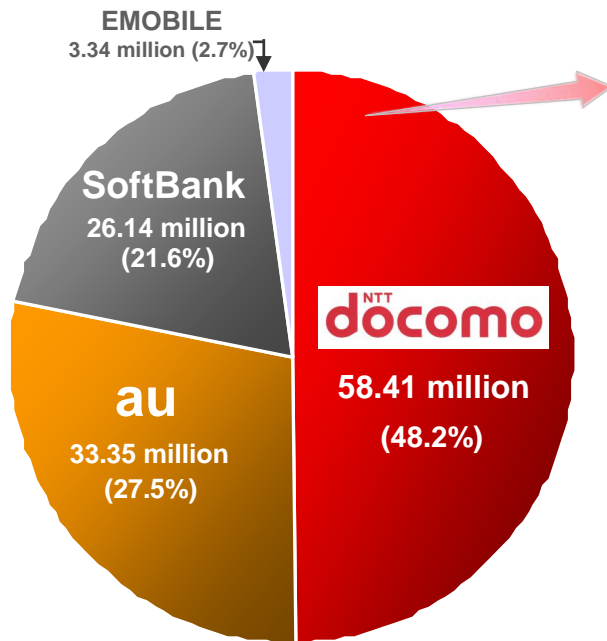
\*1: Amount of reduction is the projected cost savings to be achieved by Mar. 31, 2011 compared to FY2007. \*2: Sum of depreciation and communication network charges

# Mobile Phone Subscriptions

- DOCOMO's total subscriptions: Approx. 58.40 million (Japan's largest mobile phone carrier)

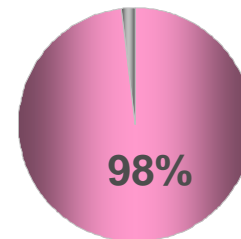
## No. of subs

(As of Jun. 30, 2011)

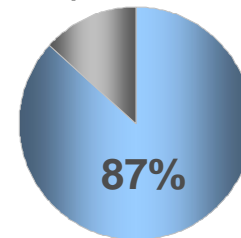


Source: TCA (Telecommunications Carriers Association)

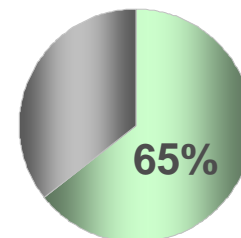
## FOMA (3G) subscription rate<sup>\*1</sup>



## i-mode/sp-mode subscription rate<sup>\*2</sup>



## Packet flat-rate billing plan subscription rate<sup>\*3</sup>



\*1: Total FOMA (3G) subscriptions / Total mobile phone (Xi+FOMA+mova) subscriptions

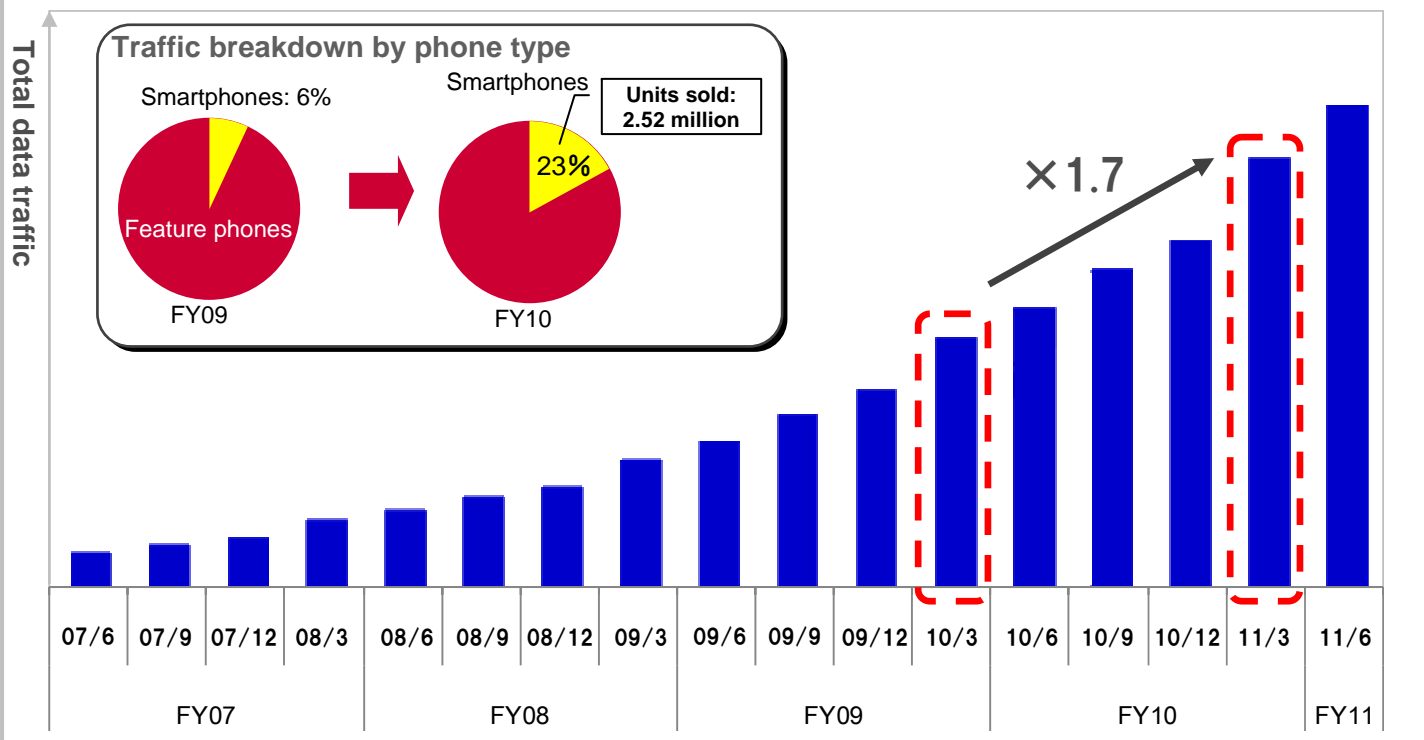
\*2: (i-mode subscriptions + sp-mode subscriptions) / Total mobile phone (Xi+FOMA+mova) subscriptions

\*3: No. of packet flat-rate service subscriptions (Pake-hodai, Pake-hodai double, Pake-hodai full, Pake-hodai simple, Pake-hodai double 2, Pake-hodai flat, Biz-hodai, Flat-rate data plans and Xi data plans) / FOMA i-mode subs+No. of flat-rate subs without i-mode subscription+No. of data plan subs+No. of Xi data plan subs

# Packet Traffic

- Total volume of FOMA packet traffic recorded a 1.7-fold increase in FY2010 over the previous fiscal year due to expanded uptake of smartphones

## Growth of smartphone data traffic (FOMA)



# Credit Business

## DOCOMO's credit businesses

### Roles

### Services provided by DOCOMO

Brand business

- Develop rules
- Provide platform

iD

- New credit brand created by DOCOMO
- Open platform



Issuer business

- Issuance operations

DCMX

- Transaction limit: ¥200,000/month or higher
- Int'l brand cards also issued
- Revolving repayment/ cashing

**DCMX**

Card issuance started from late June 2006

DCMX mini

- Easy-to-use mobile credit
- Simple application from mobile phone
- Credit payment charged directly to phone bill
- Instant application for credit line up to ¥10,000/month

**DCMX mini**

Launched Apr. 28, 2006



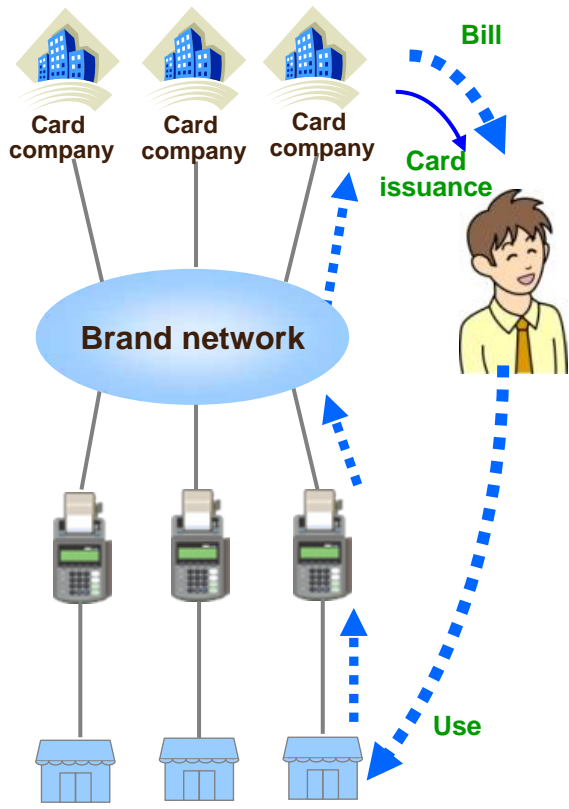
Acquirer business

- Acquisition of member stores

- Member stores cultivated by alliance partners (Sumitomo Mitsui Card, etc.)

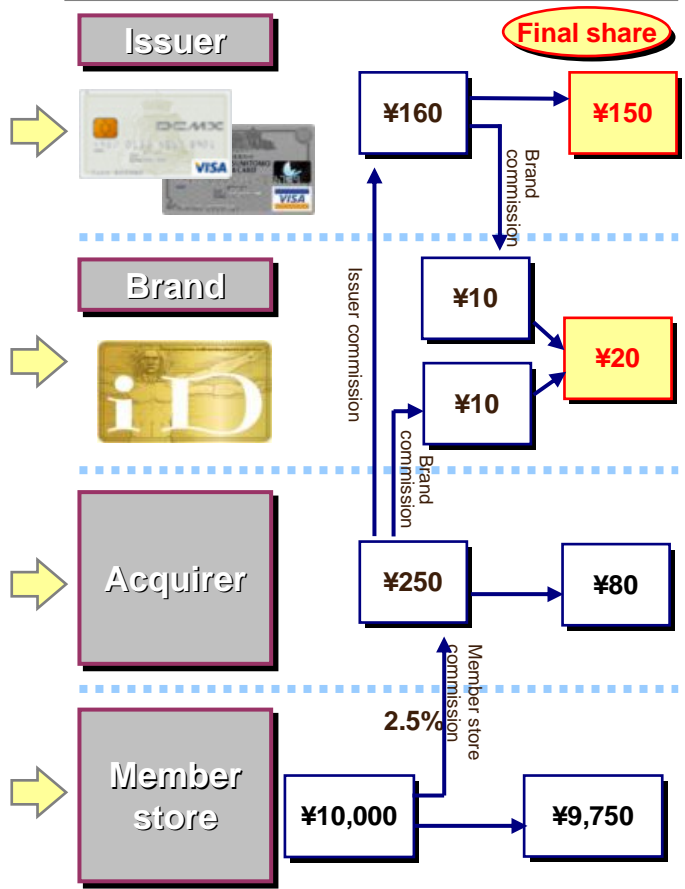
# Mobile Credit Business Model

## Relationship of players



## Money flow (conceptual)

Ex) User used ¥10,000 for shopping



As of Jun. 30, 2011

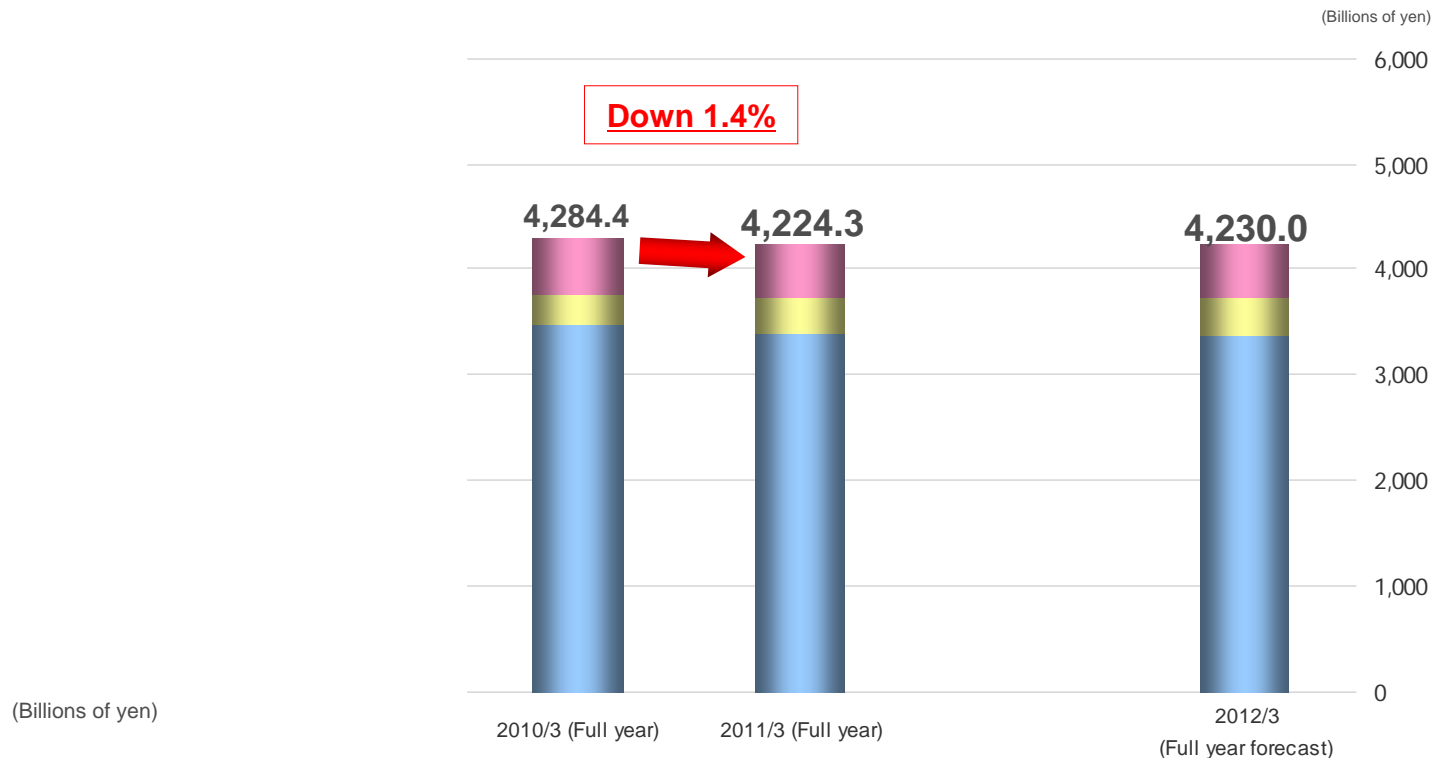
DCMX subs: 12.46 million (Incl.)  
Regular cards: 5.51 million

iD brand subs: 16.11 million

No. of iD reader/writers installed : 520,000

# Operating Revenues

U.S. GAAP



■ Equipment sales revenues	507.5	477.4	493.0
■ Other revenues	277.5	339.7	369.0
■ Cellular services revenues (voice, packet)	3495.5	3,407.1	3,368.0

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



# Operating Expenses

U.S. GAAP

(Billions of yen)

5,000

4,000

3,000

2,000

1,000

0

Down 2.0%

3,450.2

3,379.5

3,380.0

(Billions of yen)

2010/3 (Full year)

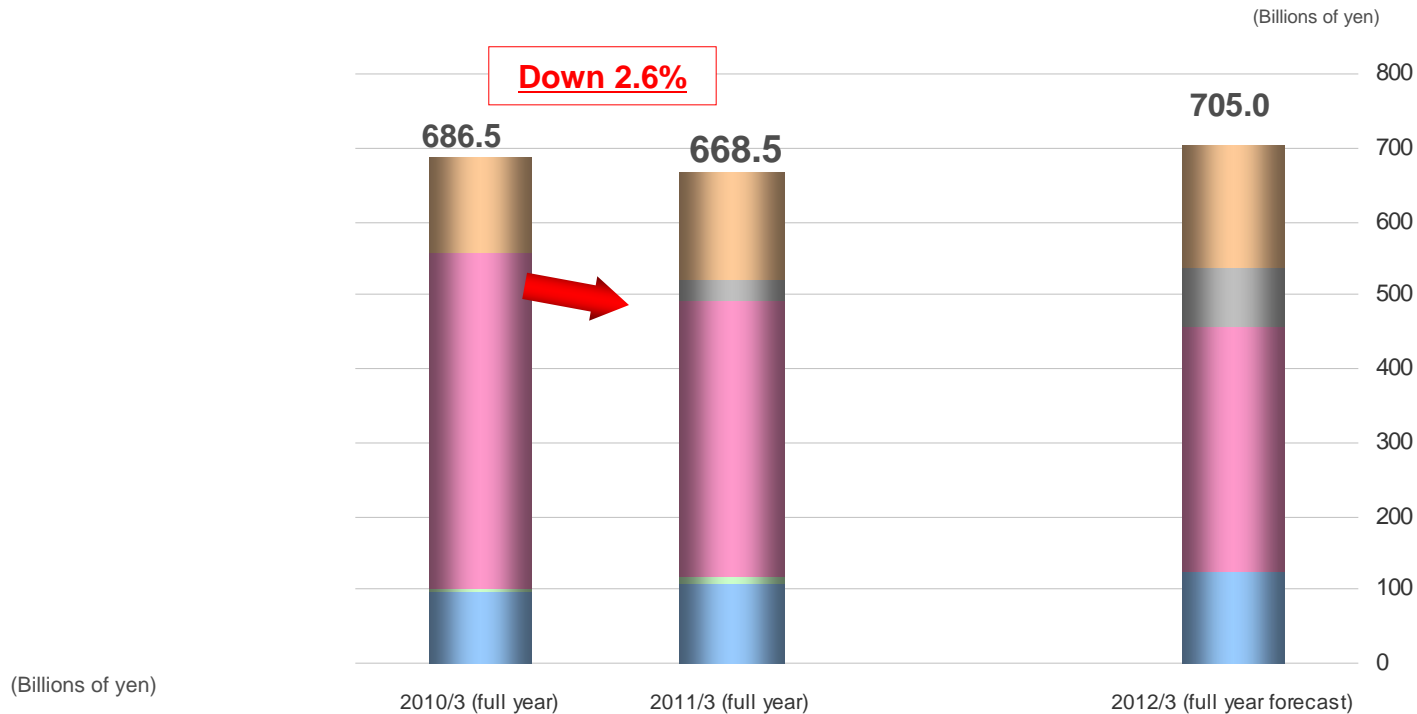
2011/3 (Full year)

2012/3 (full year  
forecast)

■ Personnel expenses	258.3	264.6	275.0
■ Taxes and public duties	38.9	38.7	39.0
■ Depreciation and amortization	701.1	693.1	687.0
■ Loss on disposal of property, plant and equipment and intangible assets	47	44.3	54.0
■ Communication network charges	281.9	261.3	223.0
■ Non-personnel expenses	2,122.90	2,077.60	2,102.0
(Incl.) Revenue-linked expenses*	1,253.8	1,174.8	1,117.0
(Incl.) Other non-personnel expenses	869.1	902.7	985.0

\* Revenue-linked expenses: Cost of equipment sold + distributor commissions + loyalty program expenses

# Capital Expenditures



■ Other (information systems, etc.)	129.7	147.7	168.0
■ Mobile phone business (LTE)	-	26.0	79.0
■ Mobile phone business (FOMA)	454.0	378.8	331.0
■ Mobile phone business (mova)	7.7	5.4	2.0
■ Mobile phone business (Other)	95.1	110.6	125.0

# 50 Definition and Calculation Methods of MOU and ARPU

◆ **MOU (Minutes of Use): Average monthly communication time per subscription.**

◆ **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 operating revenues from our wireless services, such as basic monthly charges, voice communication charges and packet communication 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. This definition applies to all ARPU figures hereinafter.

◆ **Aggregate ARPU (Xi+FOMA+mova): Voice ARPU (Xi+FOMA+mova) + Packet ARPU (Xi+FOMA+mova)**

◇ **Voice ARPU (Xi+FOMA+mova):** Voice ARPU (FOMA+mova) Related Revenues (basic monthly charges, voice communication charges) /  
No. of active subscriptions (Xi+FOMA+mova)

◇ **Packet ARPU (Xi+FOMA+mova):** Packet ARPU (Xi+FOMA+mova) Related Revenues (basic monthly charges, packet communication charges) /  
No. of active subscriptions (Xi+FOMA+mova)

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

◇ **Voice ARPU (FOMA):** Voice ARPU (FOMA) Related Revenues (basic monthly charges, voice communication charges) /  
No. of active subscriptions (FOMA)

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

◆ **Aggregate ARPU (mova): Voice ARPU (mova) + Packet ARPU (mova)**

◇ **Voice ARPU (mova):** Voice ARPU (mova) Related Revenues (basic monthly charges, voice communication charges) /  
No. of active subscriptions (mova)

◇ **Packet ARPU (mova):** Packet ARPU (mova) Related Revenues (basic monthly charges, packet communication charges) /  
No. of active subscriptions (mova)

◆ **Active Subscriptions Calculation Methods:**

Sum of No. of active subscriptions for each month ((No. of subscriptions at the end of previous month +  
No. of subscriptions at the end of current month) / 2) during the relevant period

Note: Subscriptions and revenues for communication module service, Phone Number Storage and Mail Address Storage service are not included in the ARPU and MOU calculations.

# Reconciliation of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures (FY2010 Full Year)

## i . EBITDA and EBITDA margin

	Billions of yen		
	Year ending March 31, 2012 (Forecasts)	Year ended March 31, 2010	Year ended March 31, 2011
a. EBITDA	¥ 1,573.0	¥ 1,568.1	¥ 1,565.7
Depreciation and amortization	(687.0)	(701.1)	(693.1)
Loss on sale or disposal of property, plant and equipment	(36.0)	(32.7)	(27.9)
Operating income	850.0	834.2	844.7
Other income (expense)	4.0	1.9	(9.4)
Income taxes	(346.0)	(338.2)	(337.8)
Equity in net income (losses) of affiliates	(6.0)	(0.9)	(5.5)
Less: Net (income) loss attributable to noncontrolling interests	-	(2.3)	(1.5)
b. Net income attributable to NTT DOCOMO, INC.	502.0	494.8	490.5
c. Operating revenues	4,230.0	4,284.4	4,224.3
EBITDA margin (=a/c)	37.2%	36.6%	37.1%
Net income margin (=b/c)	11.9%	11.5%	11.6%

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 irregular factors and changes in investments for cash management purposes

	Billions of yen		
	Year ending March 31, 2012 (Forecasts)	Year ended March 31, 2010	Year ended March 31, 2011
Free cash flows excluding irregular factors and changes in investments for cash management purposes	¥ 480.0	¥ 416.9	¥ 589.8
Irregular factors (1)	(170.0)	-	-
Changes in investments for cash management purposes(2)	-	(398.0)	241.9
Free cash flows	310.0	18.9	831.7
Net cash used in investing activities	(713.0)	(1,163.9)	(455.4)
Net cash provided by operating activities	1,023.0	1,182.8	1,287.0

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

(2) 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. Net cash used in investing activities for the year ended March, 2010 and 2011 includes changes in investments for cash management purposes. The effect of changes in investments for cash management purposes is not taken into account when we forecasted net cash used in investing activities for the year ending March 31, 2012 due to the difficulties in forecasting such effect.

# Reconciliation of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures (FY2011/1Q)

## i. EBITDA and EBITDA margin

	Billions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
a. EBITDA	¥ 401.5	¥ 427.1
Depreciation and amortization	(158.1)	(155.8)
Loss on sale or disposal of property, plant and equipment	(3.0)	(3.6)
Operating income	240.5	267.7
Other income (expense)	0.0	2.5
Income taxes	(97.1)	(109.4)
Equity in net income (losses) of affiliates	(0.9)	(2.2)
Less: Net (income) loss attributable to noncontrolling interests	(0.4)	0.1
b. Net income attributable to NTT DOCOMO, INC.	142.2	158.7
c. Operating revenues	1,089.2	1,047.3
EBITDA margin (=a/c)	36.9%	40.8%
Net income margin (=b/c)	13.1%	15.2%

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, 2010	Three months ended June 30, 2011
Free cash flows excluding changes in investments for cash management purposes	¥ 47.2	¥ 82.5
Changes in investments for cash management purposes*	191.9	(169.7)
Free cash flows	239.0	(87.2)
Net cash used in investing activities	(2.3)	(359.4)
Net cash provided by operating activities	241.3	272.2

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**