
FY2016/1H

Results Presentation



October 28, 2016

1. Results Highlights

- ◆ **Key Financial Data, Segment Results**
- ◆ **Telecommunications Business,
Smart Life Business & Other Businesses**
- ◆ **Revised FY2016 Full-Year Guidance**

2. New Initiatives for Child-Raising Families

FY2016/1H Results Snapshot

YOY increase in both operating revenues/income

◆ Financial data

- Operating revenues: ¥2,288.3billion (Up 3.3% year-on-year)
- Operating income: ¥585.6 billion (Up 26.6% year-on-year)

◆ Operating income by segment

- Telecommunications business: ¥524.7 billion (Up 24.9% year-on-year)
- Smart life business: ¥37.0 billion (Up 10.6% year-on-year)
- Other businesses: ¥23.9 billion (Up 166.5% year-on-year)

Selected Financial Data

U.S.
GAAP

(Billions of yen)	FY2015/1H (1)	FY2016/1H (2)	Changes (2) - (1)
Operating revenues	2,215.0	2,288.3	+73.4
Operating expenses	1,752.4	1,702.7	-49.7
Operating income	462.6	585.6	+123.0
(Excluding irregular ^{*1} factors)		(517.6)	(+55.0)
Net income attributable to NTT DOCOMO, INC.	317.1	405.4	+88.3
Capital expenditures	219.5	246.1	+26.6
Adjusted free cash flow ^{*2}	298.4	341.6	+43.3

*1: Excludes the impact on operating income caused by the change in depreciation method, etc. and the impact on operating income caused by "Zutto CarryOver", etc.

*2: Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

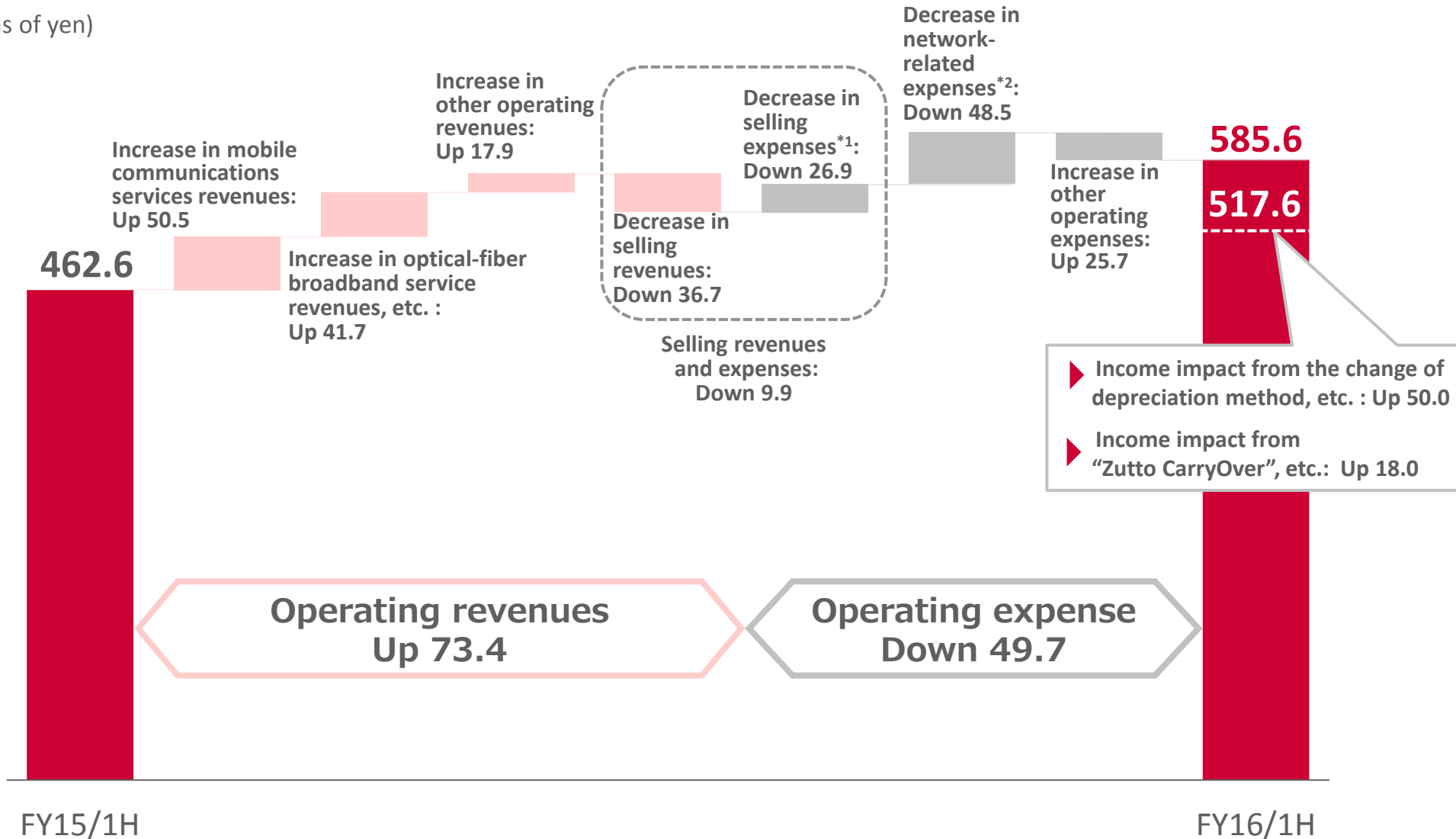
Results by Segment

U.S.
GAAP

(Billions of yen)		FY2015/1H (1)	FY2016/1H (2)	Changes (2) – (1)	
Telecommunications business	Operating revenues	1,807.0	1,856.6	+49.6	
	Operating income	420.2	524.7	+104.6	
Smart life business	Operating revenues	246.3	250.4	+4.1	
	Operating income	33.4	37.0	+3.5	
Other businesses	Operating revenues	173.5	193.4	+19.9	
	Operating income	9.0	23.9	+14.9	
<Ref.> Smart life business and Other businesses		Operating revenues	419.8	443.8	+23.9
		Operating income	42.4	60.9	+18.5

Key Factors behind Changes in Operating Income

(Billions of yen)



*1: Sum of cost of equipment sold and commissions to agent resellers

*2: Sum of depreciation/amortization, loss on disposal of property, plant and equipment and intangible assets, and communication network charges

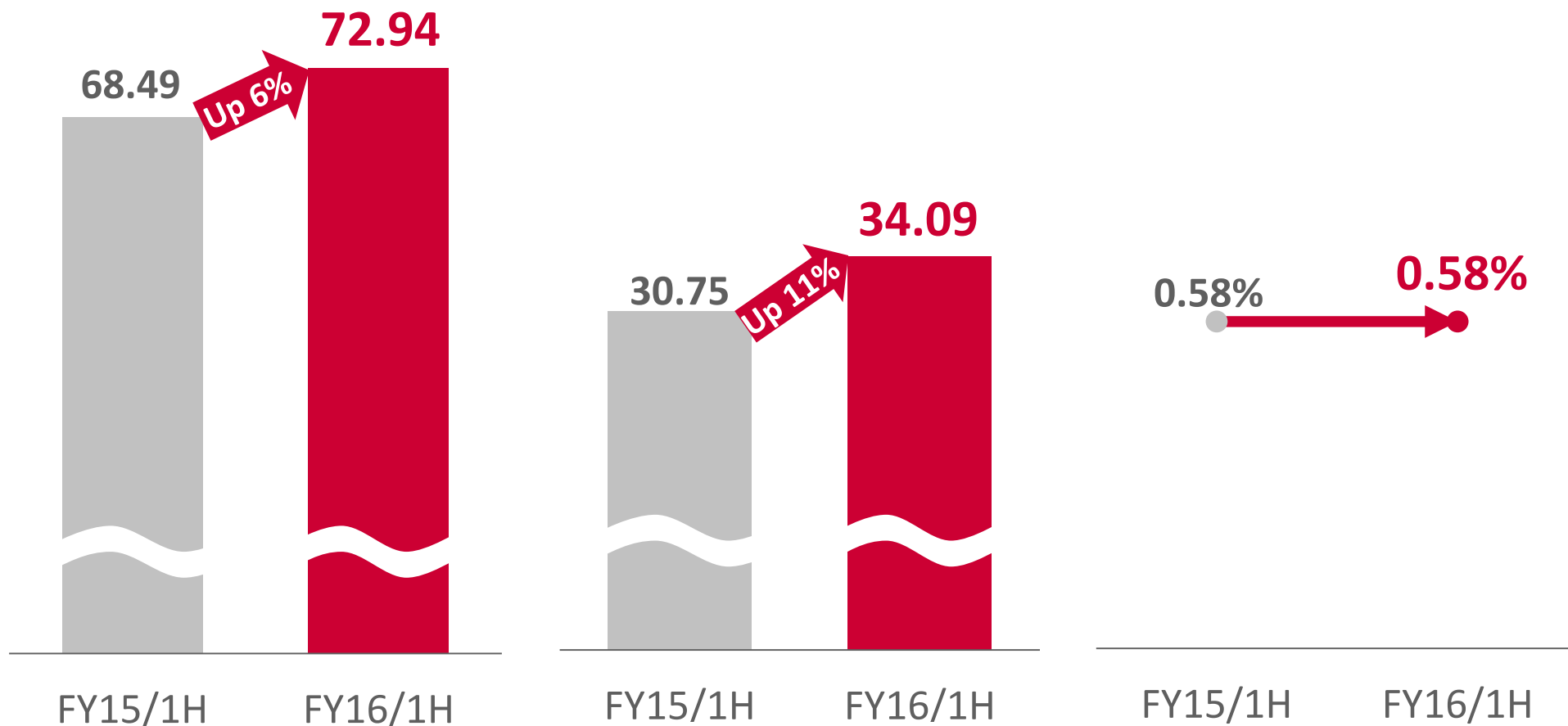
Operational Performance (1)

(Millions subs)

Mobile telecommunications services subscriptions

Total smartphone/tablet users

Churn rate

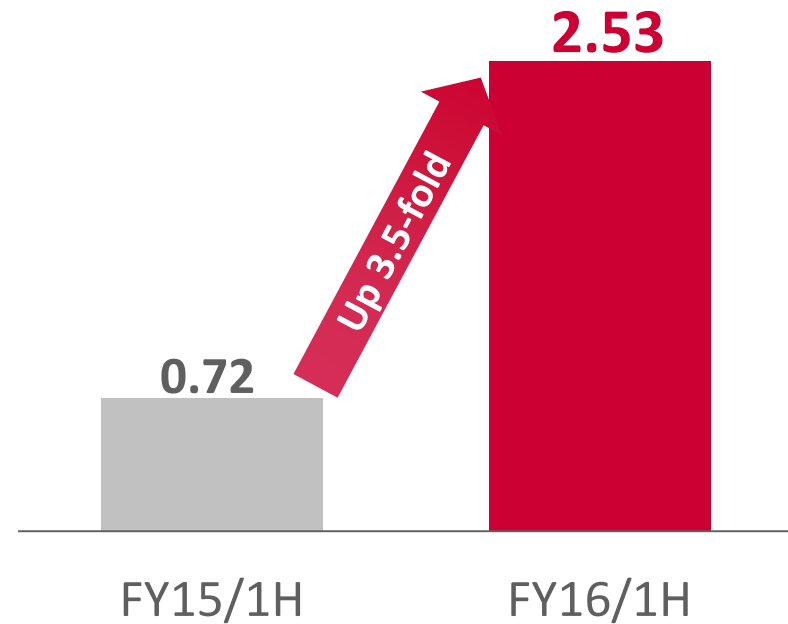
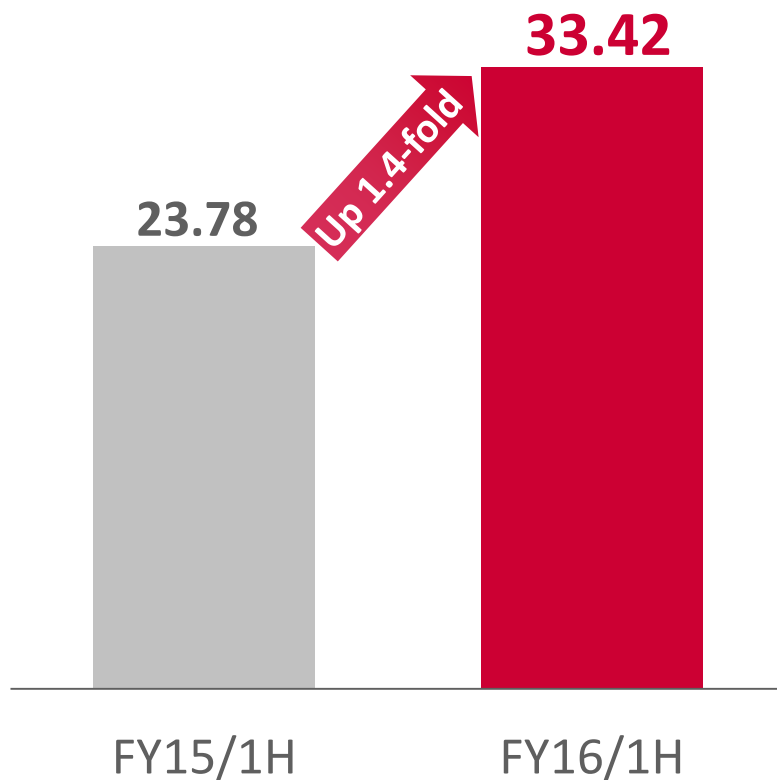


Operational Performance (2)

(Millions subs)

“Kake-hodai & Pake-aeru”
new billing plan subs

“docomo Hikari”
optical-fiber broadband subs



Enrichment of Billing Service

2014

2015

2016



Launch of new billing plan

Enrichment of new billing plan

For low voice call usage customers

For low-usage customers

For long-term customers

For high-usage customers

For "docomo feature phone" users

● "Kake-hodai & Pake-aeru," "Zutto DOCOMO Wari," "U25 Ouen Wari"

● "Data L Pack," "Packet Carryover," Extended usage period of data top up

● "Kake-hodai Light" plan

● "Share Pack 5," Expanded applicability of "Kake-hodai Light" plan

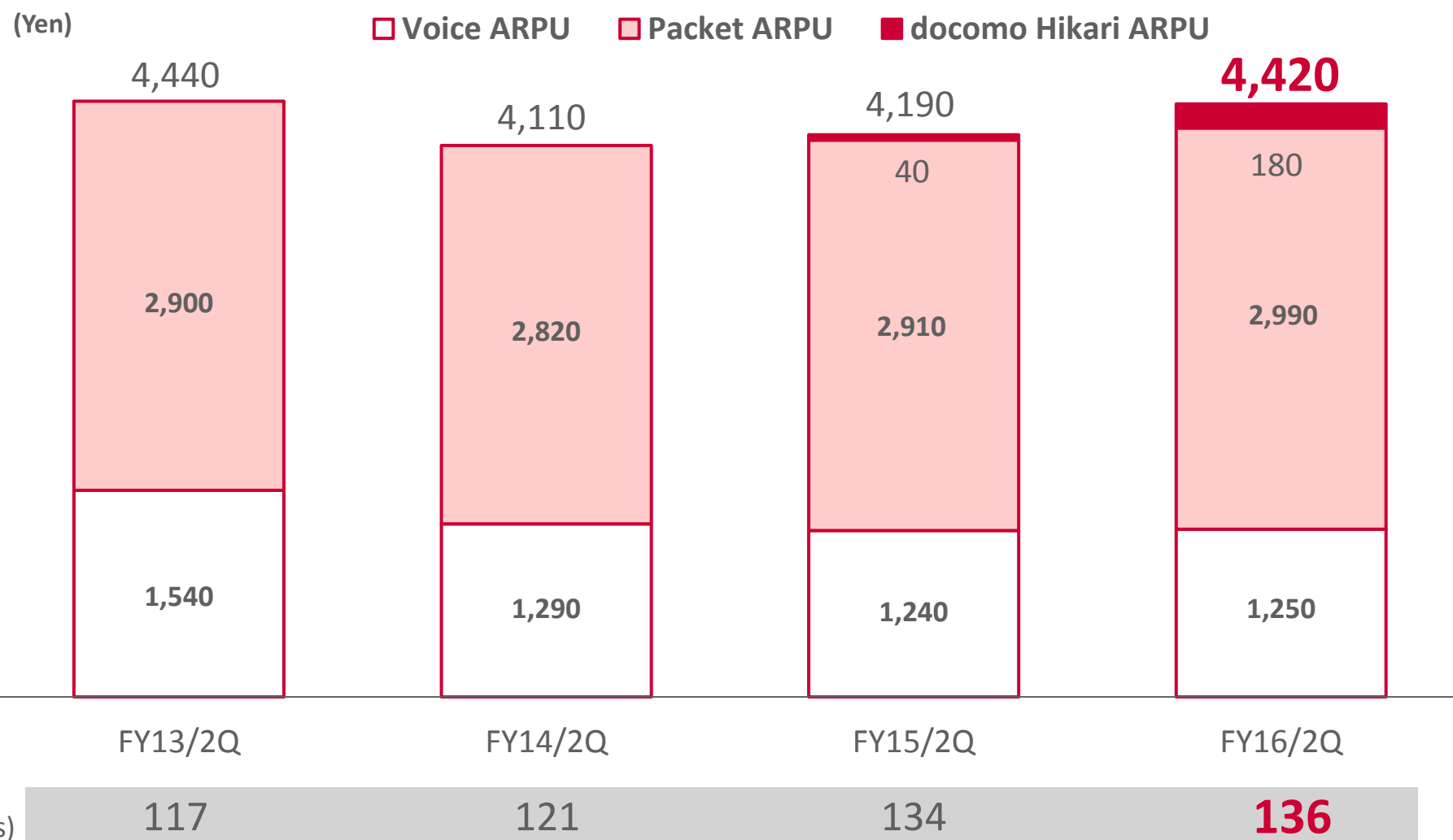
● Introduction of two selectable discount programs: "Zutto DOCOMO Discount Course" & "Free Course"
● Expansion of "Zutto DOCOMO Discount," Reward points for contract renewal

● "Ultra Pack," "Ultra Share Pack"

● "Kake-hodai Light (feature phone)" plan
● "Keitai Pack"

ARPU/MOU

Trend of improvement continues



◆ For an explanation of ARPU and MOU, please see the slide “Definition and Calculation Methods of ARPU and MOU” in this document.

New Products

NEW

2016-2017 Winter/Spring Models

docomo
original
smartphone



MONO MO-01J  GOOD DESIGN AWARD 2016

Simple, yet high-quality,
affordable and convenient

LTE-enabled
docomo
feature phones



AQUOS SH-01J

P-smart P-01J

VoLTE-enabled
waterproof phones

Compact
mobile
Wi-Fi router



Wi-Fi STATION N-01J

Compatibility with
ultra-high speed of
up to 682Mbps


New Services

NEW

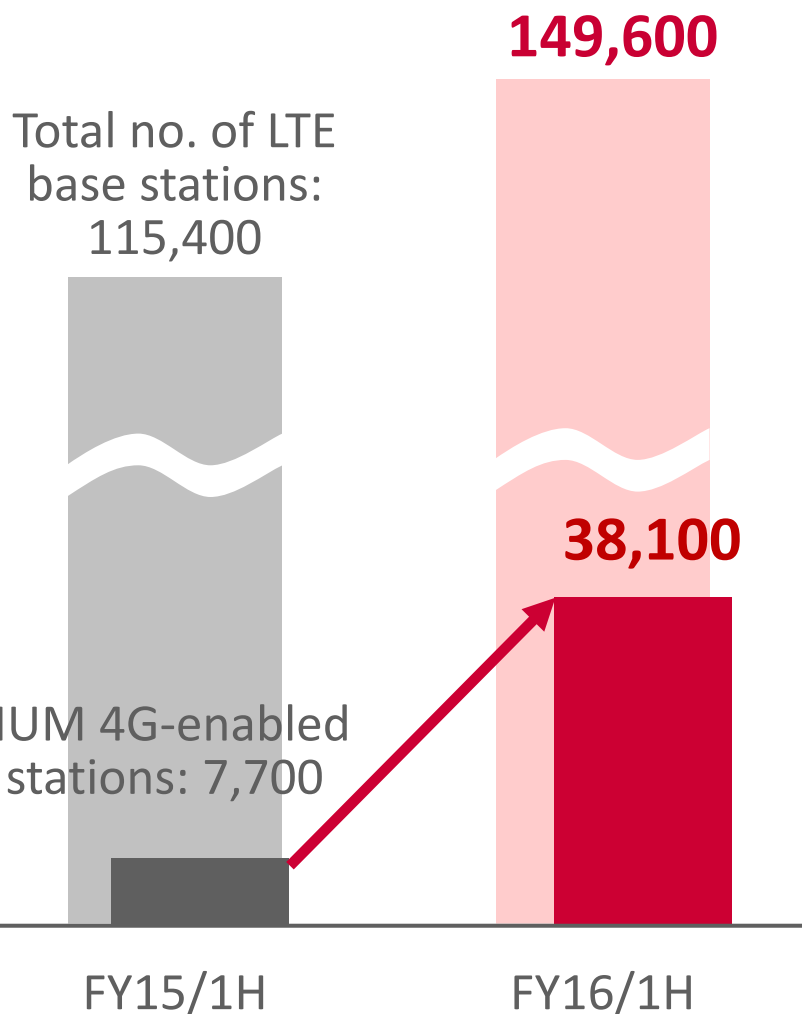
“Mierudenwa”



**Automatically converts
a caller’s spoken words to text**

 **Trial service started
October 19, 2016**

LTE Network



PREMIUM 4G™

Expanded to **1,240 cities** across Japan

370Mbps service using 3.5GHz band:
Rolled out in **82 cities** across Japan

- ◆ The transmission speeds described herein are theoretical maximum downlink rates specified in the technical standard and the actual rate may vary depending on the propagation conditions, etc.
- ◆ Two frequency bands of 3.5GHz and 1.7GHz are used for the provision of 370Mbps service, which is available in 50 cities nationwide.
(The maximum downlink speed provided in areas other than Tokyo, Nagoya and Osaka is 332.5Mbps, for which the two frequency bands of 3.5GHz and 2GHz are used. The 332.5Mbps service has been rolled out in 32 cities nationwide.)

Network: Planned Advancements

2014

2015

2016

2020

Bringing the next stage of evolution to “speed” and “comfort”

PREMIUM 4G

5G

Up to 1Gbps
Further sophistication

682Mbps
256QAM
4X4 MIMO

500Mbps
256QAM

370Mbps
3.5GHz band
TDD+FDD

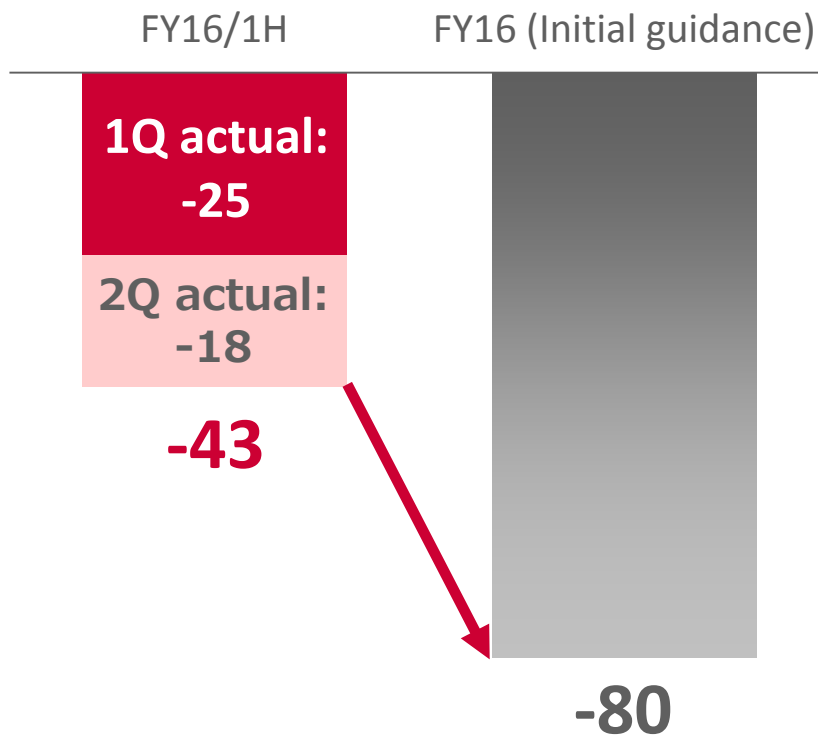
375Mbps
FDD

300Mbps
225Mbps

PREMIUM 4G
Service launch

Cost Efficiency Improvement

(Billions of yen)



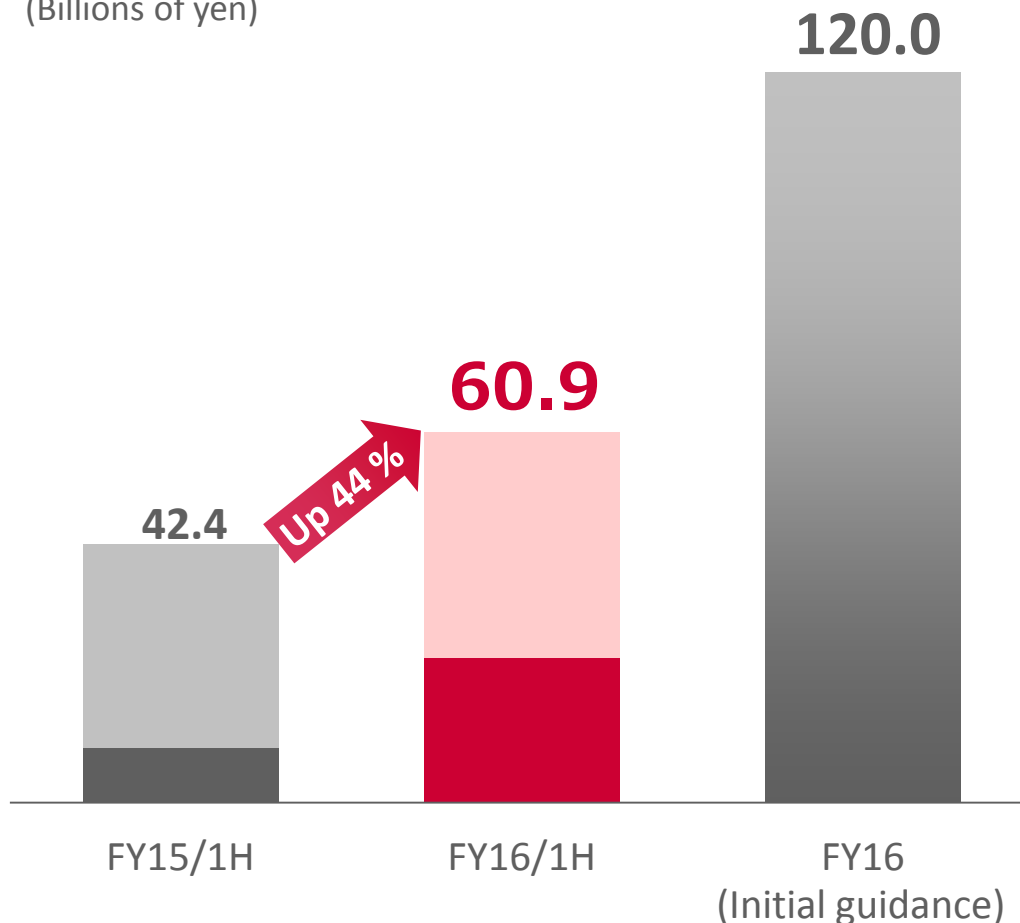
Focus areas:

- 【Network】
Capital expenditures,
maintenance outsourcing cost, etc.
- 【Marketing】
Sales tools, etc.
- 【Other】
R&D, information system, etc.

Smart Life Business & Other Businesses: ^{NTT}docomo Operating Income

Steadily progressing

(Billions of yen)



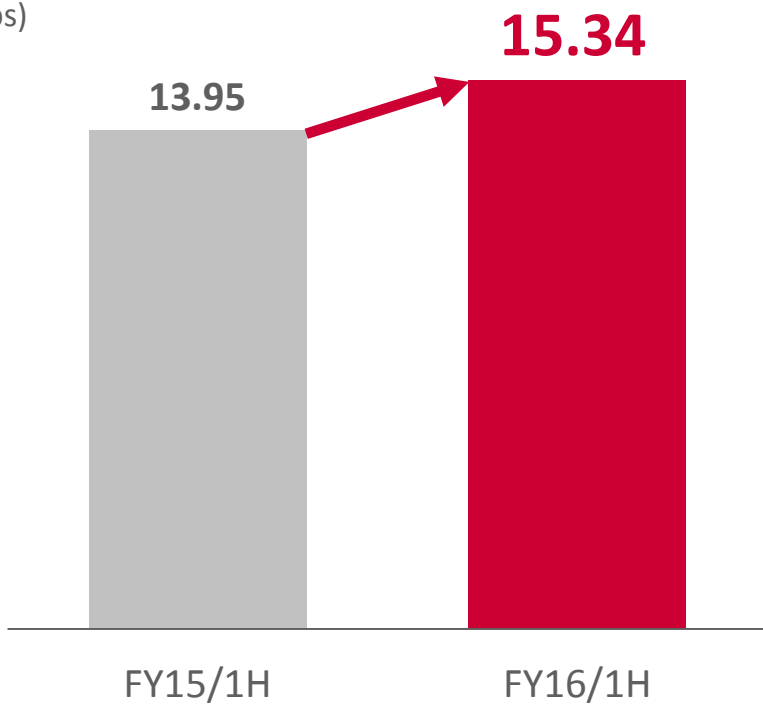
Principal services, etc:

- Smart life business
 - Content services
 - Finance/Payment services
 - Group companies
- Other businesses
 - Enterprise solutions
 - Support services for customers' peace of mind, etc.

Content Services

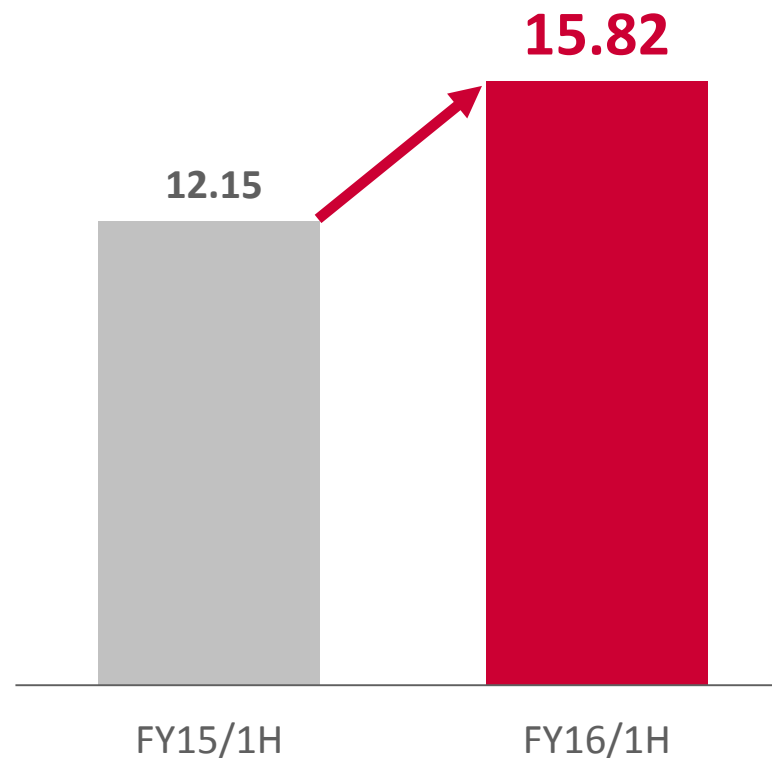
“dmarket”

(Million subs)



- “dTV” “dhits” “dmagazine”
- “danime store” “dgourmet” “dkids”
- “dhealthcare pack” “dliving”

“Anshin Pack”



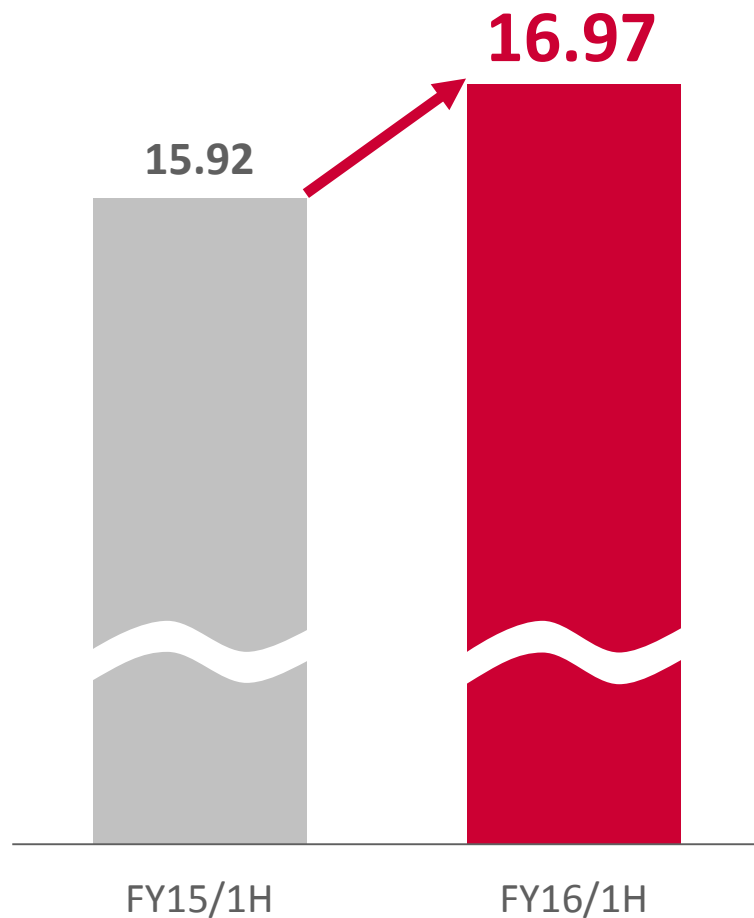
- “Anshin Net Security”
- “Anshin Remote Support”*
- “Mobile Device Protection Service”*

* “Anshin Remote Support” and “Mobile Device Protection Service” are included in the “Support Services for Customers’ Peace of Mind”.

Finance/Payment Services

(Million subs)

“d CARD”



“d CARD Gold”
Over 1.7 million subs



NEW

“d CARD PREPAID”

To start
accepting applications
from late November 2016



NEW

iD/d CARD to work on Apple Pay

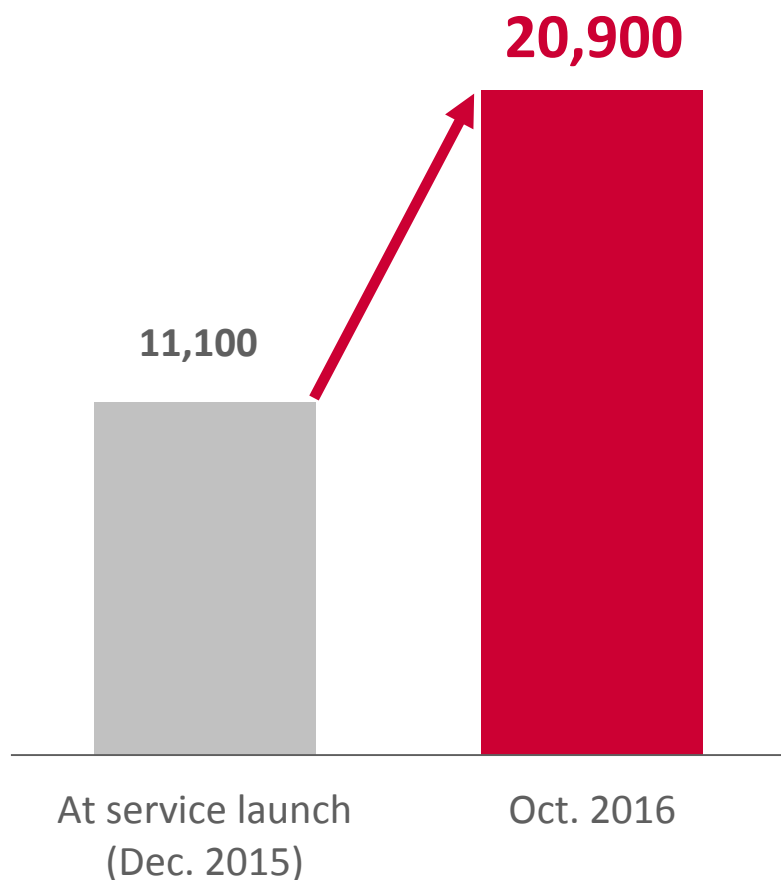
Started Oct. 25, 2016

Easy set-up
using “d CARD app”



“dPOINT” Loyalty Program

No. of “dPOINT” merchants

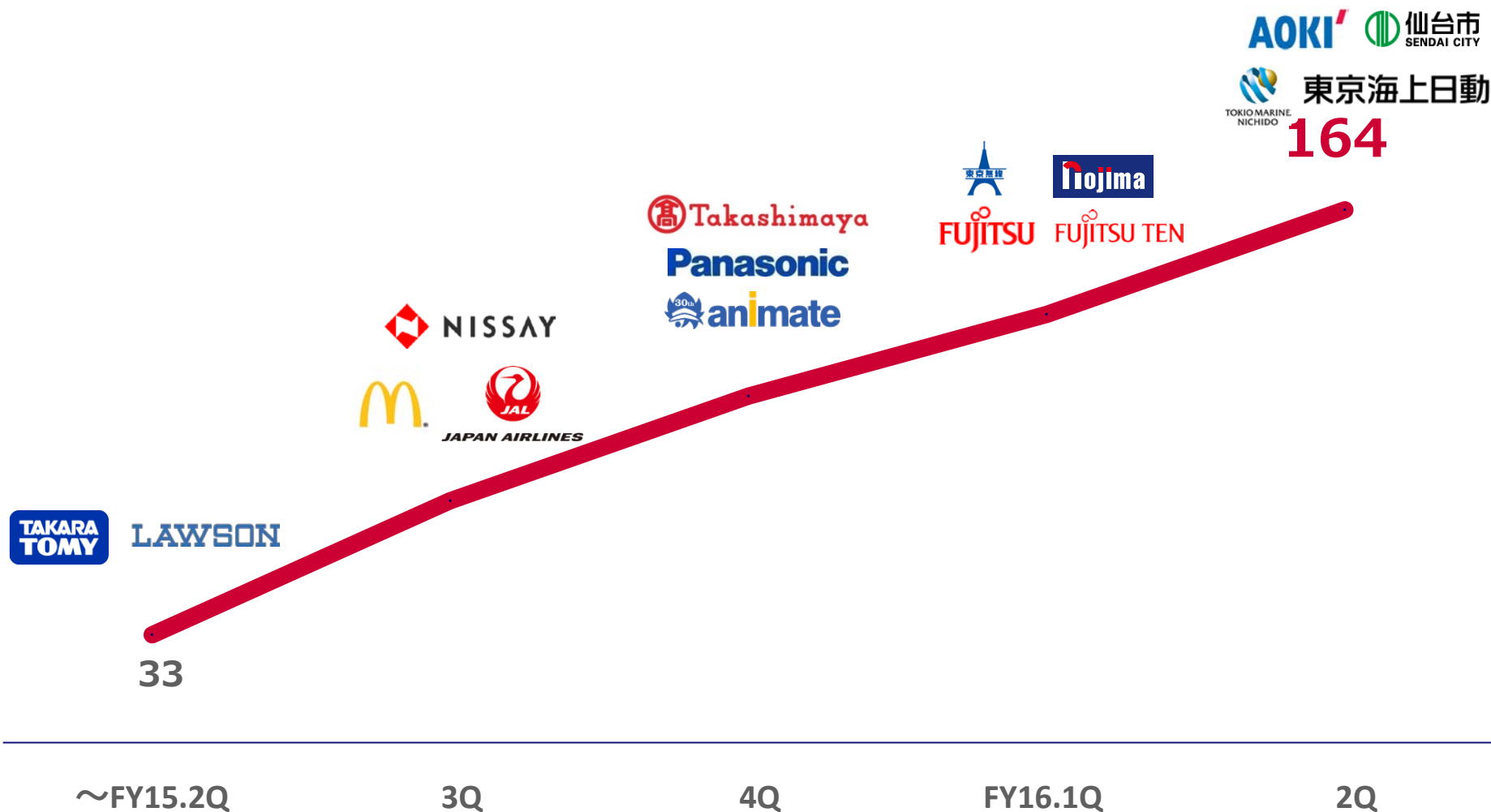


22 alliance partners

A collection of 22 alliance partner logos arranged in five rows. The logos include: AOKI, animate, 徳川 (Tokugawa), Na!LO, フタバ図書 (Futaba Library), COSMETICS AND MEDICAL, COSCO, LAWSON, McDonald's, Takashimaya, TOWER RECORDS, 伊達の雫りん (Ito no Shizurin), BLUE SKY, オリックス レンタカー (Orix Rent a Car), Ac AEON CINEMA, 得タク (Toku Taku), NEXCO 中日本 (NEXCO Chū-Nihon), Joshin, Itojima, メガネのヨネザコ (Megane no Yonezako), やまや (Yamaya), and RENAISSANCE.

Promotion of +d

No. of +d partners: Grew to 164



* No. of "+d" partners: The number of partners that have created new value by integrating DOCOMO's business assets with their own assets

+d Initiatives: Drones

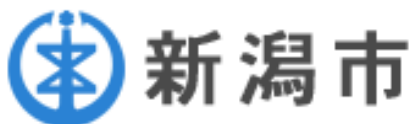
Community development using ICT



Concluded collaboration agreement for use of drones for disaster prevention/mitigation and verification trial on near-future technology

Announced Aug. 29, 2016

Productivity improvement in agriculture/forestry



Concluded collaboration agreement on a drone verification project for maintenance/management of rice paddies and forest reserves planted along the coast

Announced Sep. 21, 2016

Proxy shopping service



Verification trial using cellular drones in long-distance, beyond-visual-range flights to start in Fukuoka City in November 2016

Announced Oct. 19, 2016

+d Initiatives: 2020・AI・IoT

For smooth communication with foreign visitors to Japan



横須賀市
Yokosuka City



Joint verification trial with Yokosuka City of
“word translation” and “interview translation” apps
in the city’s shopping arcades

Announced Jul. 6, 2016

Translation platform to enterprise users



東京海上日動



“Hanashite Hon’yaku for Biz Premium”
Provision and commercialization of DOCOMO’s
translation techniques for overseas travel insurance
apps targeting foreign travelers to Japan

Announced Jul. 14, 2016

Development of new IoT platform technologies

 三菱重工業株式会社

 公立はこだて未来大学
FUTURE UNIVERSITY HAKODATE

 docomo
bike share

 atWare

Verification of usability/feasibility
in the field of transport services
of a platform that aggregates
and standardizes various IoT data

Announced Oct. 20, 2016

Share Repurchase

- ▶ **Period for share repurchase:**
Feb. 1 - Sep. 30, 2016
- ▶ **Aggregate no. of shares repurchased:**
Approx. 161.23 million shares*
(Approx. 40.36 million shares)*
- ▶ **Aggregate price of shares repurchased:**
Approx. ¥416.7 billion
(Approx. ¥109.2 billion)*
- ▶ **Remaining share repurchase authorization:**
Approx. 83.3 billion
(through Dec. 31, 2016)

* The cumulative number of shares repurchased based on a resolution adopted by the Board of Directors on Jan. 29, 2016.

* The numbers in the parentheses under the aggregate number of shares repurchased and aggregate price of shares repurchased above represent the number and price of shares repurchased on the Tokyo Stock Exchange during the period in FY2016/1H.

FY2016 Full-Year Guidance <Revised>

(Billions of yen)	FY2016 Initial guidance (1)	FY2016 Revised guidance (2)	Changes (2) –(1)
Operating income (Excl. impact from change of depreciation method, etc.)	910 (860)	940 (880)	+30 (+20)
Net income attributable to NTT DOCOMO, INC.	640	655	+15
Capital expenditures	585	585	0
Adjusted free cash flow*	600	640	+40
Cost efficiency improvement	-80	-100	-20

*: Adjusted free cash flow is calculated excluding the effects of changes in investment derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months.

Key Factors Behind Revision of Operating Income

(Billions of yen)	【Reference】	
	Compared to Initial guidance	Compared to previous year
Telecommunications business*	+20	+51
<ul style="list-style-type: none"> • Increased customer returns (Over a 12-month period) • Cost efficiency improvement • Baseline growth 	-10 (-70 → -110)	-70 (-110)
Smart life business & Other businesses*	0	+46
Impact from change of depreciation method, etc.	+10	+60
Total	+30	+157

* Excluding impact from change of depreciation method, etc.

Toward 2020 and Beyond

More fun, more peace of mind, more benefits and affordability



Bring more fun and abundance to everyday life



Always there for you anytime, anywhere



Provide solutions to various social issues

Service creation/evolution

“Change”

Promotion of +d

Reinforcement of all foundations

Evolution of customer contacts

Network/R&D (IoT, AI/5G/Services)

Sound financial structure

FY2016/1H Summary

- ▶ Recorded increase in both operating revenues/income.
FY2016/1H operating income: ¥585.6 billion.
- ▶ Operating income from telecommunications business: ¥524.7 billion.
ARPU continued to recover due to expanded uptake of “Kake-hodai & Pake-aeru” billing plan, etc.
- ▶ Operating income from Smart life business and Other businesses: ¥60.9 billion.
Content, finance/payment services, etc., achieved steady growth.
- ▶ Coverage of PREMIUM 4G expanded to 1,240 cities nationwide.
500Mbps and 682Mbps services planned for launch.
Further network advancements planned in view of 5G.
- ▶ No. of “+d” partners grew to 164, promoting initiatives in the areas of IoT, AI, 2020 and “d POINT” loyalty program, etc.
- ▶ Increased customers returns to over ¥110 billion (over a 12-month period) through enrichment of billing service, e.g., launch of “Ultra Pack” and “docomo Child Raising Support Program,” etc.
- ▶ Raised cost efficiency improvement target by ¥20 billion to ¥100 billion.
- ▶ Full-year operating income guidance revised upward to ¥940 billion.

1. Results Highlights

- ◆ **Key Financial Data, Segment Results**
- ◆ **Telecommunications Business, Smart Life Business & Other Businesses**
- ◆ **Revised FY2016 Full-Year Guidance**

2. New Initiatives for Child-Raising Families

Enrichment of Billing Service

2014

2015

2016



Launch of new billing plan

Enrichment of new billing plan

For low voice call usage customers

For low-usage customers

For long-term customers

For high-usage customers

For "docomo feature phone" users

2014 Jun.

Sep.

2015 Sep.

2016 Mar.

Jun.

Sep.

Oct.

- "Data L Pack," "Packet Carryover," Extended usage period of data top up

- "Kake-hodai Light" plan

- "Share Pack 5," Expanded applicability of "Kake-hodai Light" plan

- Introduction of two selectable discount programs: "Zutto DOCOMO Discount Course" & "Free Course"
- Expansion of "Zutto DOCOMO Discount," Reward points for contract renewal

- "Ultra Pack," "Ultra Share Pack"

- "Kake-hodai Light (feature phone)" plan
- "Keitai Pack"

Billing structure that allows customers to use services at affordable rates for a long period of time by selecting a plan appropriate for the different stages of life



Initiatives that provide support to child-raising families

NEW 1 Launch of “docomo Child Raising Support Program”

NEW 2 Addition of “Kids Keitai Plus” rate plan

NEW 3 Launch of “Maternal & Child Health Handbook App”

NEW 1

docomo

“docomo Child Raising Support Program”

DOCOMO provides support for making family memories

ドコモ
子育て応援
プログラム



Privilege 1

3,000 “d POINTs”
every year
in child’s birthday month

Privilege 2

Free storage of
photos/videos
on “docomo cloud” (55GB)

Privilege 3

Free photo album
made with stored photos

“docomo Child Raising Support Program”

Applications accepted at nearby docomo Shops!

NEW 1

NTT docomo

“docomo Child Raising Support Program”



Privilege 1

3,000 “d POINTs” every year in child’s birthday month

Use points for birthday present or for a party!



Takashimaya

d fashion

Combi

コンビ公式 オンラインショップ

Combi Shop

d デリバリー
delivery

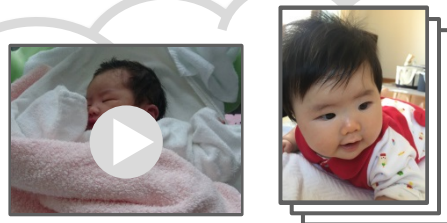
* The giveaway points expires in 6 months (limitation is applied to the period and purpose of use of points is limited). Points will be awarded every year until the child’s graduation from elementary school.
* The image above is conceptual.

“docomo Child Raising Support Program”



Share the fun of photos of your children with your family!

Privilege 2



Safe storage (55GB) on “docomo Cloud”^{*1}

Privilege 3

Create a photo album^{*2}



Upload photos and videos



Can be viewed on smartphones, tablets or PCs



Use photo album at home, or give it as a present!



^{*1}: In addition to the standard free -of-charge storage capacity of 5GB that can be used for photo collection or data storage box, “Cloud Capacity Option Plus 50GB service” (usually ¥400/month) will be provided for free up to child’s graduation from elementary school.

^{*2}: Monthly charge for “Photo Collection Plus” (¥280/month) will be waived for up to 13 months after subscription to “docomo Child Raising Support Program.”

Program Launch Campaign



Let's go on a family vacation campaign

Application period:
Through
Jan. 9, 2017

Win "dtravel" coupons worth up to **¥100,000***1

With children!

みんなで
ドトラベルキャンペーン

Total ¥10 million worth of "dtravel" coupons to be offered!

<p>¥100,000 coupon course: For 30 people</p>	<p>¥70,000 coupon course: For 60 people</p>	<p>¥30,000 coupon course: For 100 people</p>
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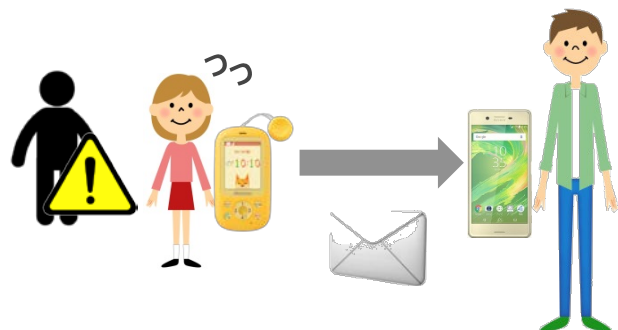
*1: The campaign above can be applied only by customers who have subscribed to "docomo Child Raising Support Program."

Billing Plan for Kids Keitai

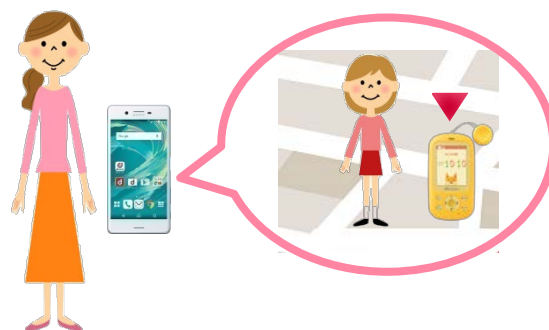
For enhanced safety of children
and peace of mind of parents



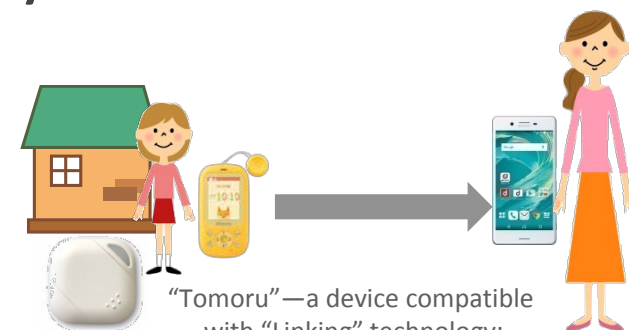
In emergencies



To find a child's current location*2



To receive an alert informing you of a child's return home*3



“Tomoru” — a device compatible with “Linking” technology:

*1: Monthly rate for a two-year contract. Service can be canceled without any cancellation fee after completing the first two-year contract.

Handset charge is not included in the monthly rate. The service can be used by adding a line to the existing “Kake-hodai & Pake-aeru” subscription.

*2: A separate subscription to “Imadoco Search” service (¥200/month) under the parent line is required.

*3: Purchase of a separate device, “Tomoru,” is required to use this service. “Tomoru”™ is a trademark of Braveridge, Co. Ltd.

Maternal & Child Health Handbook App

Provide support for pregnancy, child birth and child-raising using digital records and information



“Maternal & child health handbook app”

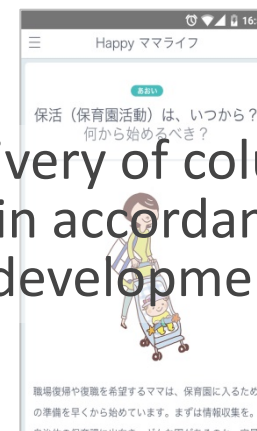
Digitized health records



Direct delivery of information from local government



Delivery of columns, Q&A in accordance with child's developmental stage



Child-Raising Support Services for Peace of Mind and Convenience

Plan to add more child-raising support services in the future

DOCOMO Child
Raising Support
Program

NEW 1

ドコモ
子育て応援
プログラム



NEW 2



Enhanced safety
and peace of mind
for children

More to be
added in future



Develop children's
ability to think



Donations to
"Fund to Support
Children's Future"
using "dPOINT"s

NEW 3

母子
手帳

Provide support from
the stage of pregnancy
to child raising
with digital records
and information

NEW 1

“docomo Child Raising Support Program”

**Planned for
launch
Nov. 1, 2016**

NEW 2

“Kid’s Keitai Plus” rate plan

NEW 3

“Maternal and Child Health Handbook
App”

**Launched
Oct. 28, 2016**

The new of today, the norm of tomorrow

NTT
docomo



Danger ahead! Smartphone-distracted walking

Appendices

Services, etc., Included in Each Reportable Segment

Telecommunications business

Mobile communications services

- Xi services (LTE) • FOMA services (3G) • International services • Sales of handset/equipment for each service, etc.
-

Optical fiber broadband service and other telecommunications services

- Optical-fiber broadband services • Satellite communications services, etc.

Smart life business

Content services

- “dmarket” • “Anshin Net Security” • “Sugotoku Contents” • “Cloud Storage Option” etc.
-

Finance/Payment services

- Credit service • Proxy bill collection • “d Mobile Payment” etc.
-

Group companies

- Oak Lawn Marketing, Inc. • ABC Cooking Studio, Co. Ltd. • docomo Healthcare, Inc. etc.

Other businesses

Enterprise solutions

- Enterprise IoT solutions • System development/sales/maintenance services etc.
-

Support services for customers peace of mind

- “Mobile Device Protection Service” • “Anshin Remote Support” etc.

Definition and Calculation Methods of ARPU and MOU

i. Definition of ARPU and MOU

a. 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 user basis. ARPU is calculated by dividing telecommunications services revenues (excluding certain revenues) by the number of active users of our wireless services in the relevant periods, as shown below “ARPU Calculation Method.” We believe that our ARPU figures provide useful information to analyze the average usage per user 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.

b. MOU (Minutes of Use):

Average monthly communication time per user.

ii. ARPU Calculation Methods

Aggregate ARPU = Voice ARPU + Packet ARPU + “docomo Hikari” ARPU

- Voice ARPU : $\frac{\text{Voice ARPU Related Revenues (basic monthly charges, voice communication charges)}}{\text{No. of active users}}$
- Packet ARPU : $\frac{\text{Packet ARPU Related Revenues (basic monthly charges, packet communication charges)}}{\text{No. of active users}}$
- “docomo Hikari” ARPU : $\frac{\text{“docomo Hikari” ARPU Related Revenues (basic monthly charges, voice communication charges)}}{\text{No. of active users}}$
- In addition, the sum of Packet ARPU and “docomo Hikari” ARPU is referred to as Data ARPU.

iii. Active Users Calculation Method

Sum of No. of active users for each month $(\text{No. of users at the end of previous month} + \text{No. of users at the end of current month}) / 2$ during the relevant period

Note:

1. The number of “users” used to calculate ARPU and MOU is the total number of subscriptions, excluding the subscriptions listed below:
 - a. Subscriptions of communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
 - b. Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for “Xi” or “FOMA” services in his/her name.
2. Revenues from communication module services, “Phone Number Storage,” “Mail Address Storage,” “docomo Business Transceiver” and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in the ARPU calculation.

◆ ARPU and MOU calculation methods were changed beginning with the results presentation for the first three months of the fiscal year ended March 31, 2016. Conventional ARPU calculation method is as below:
ARPU (conventional calculation): $(\text{Voice revenues} + \text{Packet revenues} + \text{Revenues accounted for in Smart ARPU}) / \text{No. of subscriptions after subtracting communication modules and MVNO subscriptions, etc.}$

Special Note Regarding 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 were 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 market environment in the telecommunications industry, such as intensifying competition from other businesses or other technologies caused by Mobile Number Portability, development of appealing new handsets, new market entrants, mergers among other service providers and other factors, or the expansion of the areas of competition could limit the acquisition of new subscriptions and retention of existing subscriptions by our corporate group, or it may lead to ARPU diminishing at a greater than expected rate, an increase in our costs, or an inability to optimize costs as expected.
- (2) If current and new services, usage patterns, and sales schemes proposed and introduced by our corporate group cannot be developed as planned, or if unanticipated expenses arise the financial condition of our corporate group could be affected and our growth could be limited.
- (3) The introduction or change of various laws or regulations inside and outside of Japan, 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 and could increase our costs.
- (5) Other mobile service providers in the world may not adopt the technologies and the frequency bands that are compatible with those used by our corporate group's mobile communications system on a continuing basis, which could affect our ability to sufficiently offer international services.
- (6) Our domestic and international investments, alliances and collaborations, as well as investments in new business fields, may not produce the returns or provide the opportunities we expect.
- (7) Malfunctions, defects or imperfections in our products and services or those of other parties may give rise to problems.
- (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 a license or other use of such intellectual property rights, which may result in our inability to offer certain technologies, products and/or services, and our corporate group may also be held liable for damage compensation if we infringe the intellectual property rights of others. In addition, the illicit use by a third party of the intellectual property rights owned by our corporate group could reduce our license revenues actually obtained and may inhibit our competitive superiority.
- (11) Events and incidents caused by natural disasters, social infrastructure paralysis such as power shortages, the proliferation of harmful substances, terror or other destructive acts, the malfunctioning of equipment, software bugs, deliberate incidents induced by computer viruses, cyber-attacks, equipment misconfiguration, 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 such incidents may adversely affect our credibility 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 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.

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