As filed with the Securities and Exchange Commission on February 8, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F/A
AMENDMENT NO.1 TO
FORM 20-F

☒ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number:

株式会社エヌ・ティ・ティ・ドコモ

(Exact name of registrant as specified in its charter)

NTT DoCoMo, Inc.

(Translation of registrant's name into English)

	Sanno Park Tower **11-1, Nagata-cho 2-chome** **Chiyoda-ku, Tokyo 100-6150**
Japan	**Japan**
(Jurisdiction of incorporation or organization)	**(Address of principal executive offices)**

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock*	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Not applicable.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐No ☒

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 ☐ Item 18 ☒

* Not for trading, but only in connection with the listing of the American Depositary Shares, each representing 1/200th of a share of common stock.

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PART I

As used in this registration statement, references to "DoCoMo" are to NTT DoCoMo, Inc. and references to "we", "our" and "us" are to NTT DoCoMo, Inc. and its subsidiaries except as the context otherwise requires.

"Fiscal 2000" refers to our fiscal year ended March 31, 2001, and other fiscal years are referred to in a corresponding manner.

Item 1. Identity of Directors, Senior Management and Advisors.

A. Directors and Senior Management.

Information about our directors, executive officers and corporate auditors as of the date of this registration statement is set forth in Item 6.A. of this registration statement. Their business address is: NTT DoCoMo, Inc., Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan.

B. Advisers.

Not applicable.

C. Auditors.

Asahi & Co., independent public accountants and a member firm of Andersen Worldwide SC, has acted as our auditors with respect to our financial statements prepared in accordance with U.S. GAAP and Japanese GAAP. The address of Asahi & Co. is 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo 162-8551 Japan. Asahi & Co. is a member of the Japanese Institute of Certified Public Accountants. Asahi & Co. is also known by the tradename "Arthur Andersen" within Japan and is referred to hereinafter as Arthur Andersen.

Item 2. Offer Statistics and Expected Timetable.

Not applicable.

Item 3. Key Information.

A. Selected Financial Data.

The following tables include selected historical financial data as at and for the years ended March 31, 1997 through 2001, and as at and for the six months ended September 30, 2000 and 2001. The data for the years ended March 31, 1997 through 2001 in the first table is derived from our audited consolidated financial statements prepared in accordance with Japanese GAAP, and the data for the six months ended September 30, 2000 and 2001 is derived from our unaudited consolidated financial statements prepared in accordance with Japanese GAAP. The data for the years ended March 31, 2000 and 2001 in the second table is derived from our audited consolidated financial statements prepared in accordance with U.S. GAAP, and the data for the six months ended September 30, 2000 and 2001 is derived from our unaudited consolidated financial statements prepared in accordance with U.S. GAAP. You should read the selected financial data below in conjunction with Item 5 of this registration statement and our audited consolidated financial statements and information prepared in accordance with U.S. GAAP which are included in this registration statement.

Selected Financial Data Prepared in Accordance with Japanese GAAP

	As at and for the year ended March 31,						As at and for the six months ended September 30,		
	1997	**1998**	**1999**	**2000**	**2001**	**2001**	**2000**	**2001**	**2001**
				(in millions, except per share data)				(unaudited)	
Income Statement Data									
Operating revenues:									
Wireless services	¥1,509,456	¥2,123,917	¥2,551,660	¥3,008,726	¥3,636,909	$ 30,503	¥1,736,039	¥2,067,015	$ 17,336
Equipment sales	453,394	502,203	566,738	709,968	1,049,095	8,799	481,428	545,948	4,579
Total	1,962,850	2,626,120	3,118,398	3,718,694	4,686,004	39,302	2,217,467	2,612,963	21,915
Operating expenses	1,763,958	2,212,573	2,609,849	3,172,934	3,908,842	32,784	1,805,415	2,062,556	17,299
Operating income	198,892	413,547	508,549	545,760	777,162	6,518	412,052	550,407	4,616
Other expenses (income):									
Interest and bond issue costs	31,547	33,900	32,447	25,061	23,119	194	10,283	9,723	82
Interest income	(165)	(405)	(2,962)	(976)	(864)	(7)	(363)	(82)	(1)
Equity in net losses of affiliates(1)	42,409	44,619	68,114	1,532	31,846	267	2,329	322,005	497
Stock offering costs	—	—	38,780	777	20,355	171	—	—	—
Special loss(2)	—	—	—	25,458	—	—	—	—	2,203
Other, net	13,451	27,596	21,824	16,249	15,787	132	2,545	(1,048)	(8)
	87,242	105,710	158,203	68,101	90,243	757	14,794	330,598	2,773
Income before income taxes and minority interest	111,650	307,837	350,346	477,659	686,919	5,761	397,258	219,809	1,843
Income taxes(8)									
Current	95,353	188,030	120,732	255,631	322,523	2,705	170,912	248,281	2,082
Deferred	(13,803)	(9,045)	6,382	(48,626)	(21,912)	(184)	(2,041)	(146,792)	(1,231)
	81,550	178,985	127,114	207,005	300,611	2,521	168,871	101,489	851
Income before minority interest	30,100	128,852	223,232	270,654	386,308	3,240	228,387	118,320	992
Minority interest	1,410	8,224	18,417	18,514	20,802	174	10,871	14,451	121
Net income	¥ 28,690	¥ 120,628	¥ 204,815	¥ 252,140	¥ 365,506	$ 3,066	¥ 217,516	¥ 103,869	$ 871
Per Share Data(9)									
Net income per share(3)	¥ 3,613	¥ 15,191	¥ 23,645	¥ 26,330	¥ 37,984	$ 319	¥ 22,715	¥ 10,350	$ 87
Dividends declared and paid per share(4)	¥ 200	¥ 200	¥ 200	¥ 1,500	¥ 1,000		¥ 500	¥ 500	
Dividends declared and paid per share(5)	$ 1.87	$ 1.62	$ 1.50	$ 13.13	$ 9.50		$ 4.87	$ 3.98	
Balance Sheet Data									
Working capital	¥ (85,631)	¥(245,663)	¥ 497,052	¥ 187,071	¥(503,774)	$ (4,225)	¥ (440,655)	¥ (60,423)	$ (507)
Property, plant and equipment, net	1,120,018	1,408,484	1,800,391	1,986,623	2,288,878	19,197	2,176,395	2,479,827	20,799
Total assets	1,799,036	2,293,723	3,331,137	3,613,124	5,911,240	49,578	4,282,139	5,916,880	49,626
Total debt(6)	1,208,395	1,373,101	1,042,489	829,587	1,443,168	12,104	1,257,890	1,425,654	11,957
Total liabilities (including minority interest)	1,697,129	2,073,223	1,632,625	1,677,596	2,596,394	21,776	2,133,949	2,555,868	21,436
Total shareholders' equity	101,907	220,500	1,698,512	1,935,528	3,314,846	27,802	2,148,190	3,361,012	28,189

	As at and for the year ended March 31,						As at and for the six months ended September 30,		
	1997	1998	1999	2000	2001	2001	2000	2001	2001
				(in millions, except per share data)				(unaudited)	
Other Financial Data									
Depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment	316,498	402,437	491,031	612,269	651,605	5,465	278,864	301,064	2,525
Cash flows from operating activities	466,955	616,408	725,661	1,041,188	839,312	7,039	228,752	601,293	5,043
Cash flows from investing activities	(759,949)	(726,150)	(1,196,717)	(995,952)	(2,737,112)	(22,957)	(1,058,025)	(585,612)	(4,912)
Cash flows from financing Activities	381,063	163,118	943,100	(217,331)	1,535,195	12,876	423,326	(23,523)	(197)
EBITDA(7)	515,391	815,984	999,579	1,158,029	1,428,768	11,983	690,916	851,471	7,141
Margins (percent of operating revenues):									
EBITDA margin(7)	26.3%	31.1%	32.1%	31.1%	30.5%		31.2%	32.6%	
Operating margin	10.1%	15.7%	16.3%	14.7%	16.6%		18.6%	21.1%	
Net income margin	1.5%	4.6%	6.6%	6.8%	7.8%		9.8%	4.0%	

(1) Includes write-down of ¥262,712 million in an investment in an affiliated company for the six months ended September 30, 2001.
(2) Write-down of fixed assets related to Quickcast service for the year ended March 31, 2000.
(3) Net income per share information is calculated by dividing net income by the weighted average number of shares outstanding during the relevant period after adjusting to reflect (i) the stock split (five-for-one) that took effect on August 17, 1998 and (ii) the stock split (five-for-one) that took effect on September 13, 1999.
(4) The dividends declared and paid per share have been adjusted to reflect (i) the stock split (five-for-one) that took effect on August 17, 1998 and (ii) the stock split (five-for-one) that took effect on September 13, 1999.
(5) The dividends declared and paid per share were translated into U.S. dollars at the relevant record date.
(6) Total debt includes total short-term debt (including commercial paper and current portion of long-term debt) and long-term debt.
(7) EBITDA refers to operating income before deducting depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment. EBITDA should not be construed as an alternative to operating income or any other measure of performance determined in accordance with Japanese GAAP or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities. We have included the information concerning EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance.
(8) The difference between the effective and statutory tax rates was principally driven by equity in losses of affiliates for the years ended March 31, 1997 and 1998.
(9) The Board of Directors of DoCoMo declared a five-for-one stock split on January 25, 2002. The record date for the stock split will be March 31, 2002, and the new shares are expected to be distributed on May 15, 2002. The effect of this stock split has not been reflected in the above share and per share data. See Note 7—Stock split on page F-58 for further information.

Selected Financial Data Prepared in Accordance with U.S. GAAP

	As at and for the year ended March 31,			As at and for the six months ended September 30,		
	2000	2001	2001	2000	2001	2001
			(in millions, except per share data)			
					(unaudited)	
Income Statement Data						
Operating revenues:						
Wireless services	¥ 3,008,726	¥ 3,620,271	$ 30,364	¥ 1,724,740	¥ 2,060,670	$ 17,283
Equipment sales	709,968	1,049,095	8,799	481,428	545,948	4,579
Total	3,718,694	4,669,366	39,163	2,206,168	2,606,618	21,862
Operating expenses	3,209,507	3,890,746	32,632	1,787,354	2,062,009	17,294
Operating income	509,187	778,620	6,530	418,814	544,609	4,568
Other expenses	21,359	20,489	172	9,552	31,285	263
Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	487,828	758,131	6,359	409,262	513,324	4,305
Income taxes	211,072	317,337	2,662	173,386	224,882	1,886
Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	276,756	440,794	3,697	235,876	288,442	2,419
Equity in net losses of affiliates (5)	1,730	17,767	149	1,931	184,962	1,551
Minority interests in earnings of consolidated Subsidiaries	(18,462)	(21,272)	(178)	(11,505)	(14,273)	(120)
Net income	¥ 256,564	¥ 401,755	$ 3,370	¥ 222,440	¥ 89,207	$ 748
Per Share Data(6)						
Basic and diluted earnings per share	¥ 26,792	¥ 41,751	$ 350.17	¥ 23,229	¥ 8,889	$ 74.55
Dividends declared and paid per share(1)	¥ 1,500	¥ 1,000		¥ 500	¥ 500	
Dividends declared and paid per share(2)	$ 13.13	$ 9.50		$ 4.87	$ 3.98	
Balance Sheet Data						
Working capital	¥ 150,167	¥ (248,816)	$ (2,087)	¥ (479,912)	¥ (90,918)	$ (763)
Total property, plant and equipment, net	2,041,973	2,339,374	19,621	2,231,380	2,532,489	21,240
Total assets	3,667,038	6,016,505	50,461	4,418,112	6,068,964	50,901
Total debt(3)	829,587	1,443,168	12,104	1,257,890	1,425,654	11,957
Total liabilities	1,633,233	2,620,159	21,976	2,169,428	2,572,014	21,572
Total shareholders' equity	1,976,158	3,318,587	27,833	2,179,829	3,405,023	28,558
Other Financial Data						
Depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment	627,838	646,715	5,424	284,714	305,891	2,566
Cash flows from operating activities	1,060,139	857,846	7,195	233,336	606,537	5,087
Cash flows from investing activities	(999,964)	(2,744,215)	(23,016)	(1,059,473)	(587,287)	(4,926)
Cash flows from financing activities	(232,270)	1,523,764	12,780	420,190	(27,092)	(227)
EBITDA(4)	1,137,025	1,425,335	11,954	703,528	850,500	7,133
Margins (percent of operating revenues):						
EBITDA margin(4)	30.6%	30.5%		31.9%	32.6%	
Operating margin	13.7%	16.7%		19.0%	20.9%	
Net income margin	6.9%	8.6%		10.1%	3.4%	

(1) The dividends declared and paid per share have been adjusted to reflect the stock split (five-for-one) that took effect on September 13, 1999.

(2) The dividends per share were translated into U.S. dollars at the relevant record date.

(3) Total debt includes total short-term debt (including commercial paper and current portion of long-term debt) and long-term debt.

(4) EBITDA refers to operating income before deducting depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment. EBITDA should not be construed as an alternative to operating income or any other measure of performance determined in accordance with U.S. GAAP or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities. We have included the information concerning EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance.

(5) Includes write-down of ¥194,170 million, net of deferred taxes of ¥126,311 million, in an investment in an affiliate for the six months ended September 30, 2001.

(6) The Board of Directors of DoCoMo declared a five-for-one stock split on January 25, 2002. The record date for the stock split will be March 31, 2002, and the new shares are expected to be distributed on May 15, 2002. The effect of this stock split has not been reflected in the above share and per share data. See Note 7—Stock split on page F-58 for further information.

Exchange Rate Data

The following table shows the exchange rates for Japanese yen per $1.00 based upon the noon buying rate in New York City for cash transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

Year ended March 31,	High	Low	Average	Period-end
1997	¥ 124.54	¥ 104.49	¥ 112.52	¥ 123.72
1998	133.99	111.42	122.78	133.29
1999	147.14	108.83	128.19	118.43
2000	124.45	101.53	111.35	102.73
2001	125.54	104.19	110.60	125.54
Calendar Year 2001				
June	124.73	119.13	122.35	124.73
July	125.85	122.85	124.50	125.00
August	124.87	118.75	121.37	118.75
September	121.08	115.89	118.61	119.23
October	122.99	120.20	121.45	122.54
November	124.44	119.98	122.41	123.22
December	131.47	123.90	127.59	131.04
January (through January 24, 2002)	134.64	130.93	132.38	134.64

We have translated selected Japanese yen amounts presented in this registration statement solely for your convenience. The rate we used for such translations was $1.00 = ¥119.23, which was the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on September 28, 2001. The noon buying rate for Japanese yen on January 24, 2002 was $1.00 = ¥134.64.

B. Capitalization and Indebtedness.

The following table sets forth our capitalization and indebtedness as of September 30, 2001 and as adjusted to give effect to increases in indebtedness during the period from October 1, 2001 through November 30, 2001.

This table should be read in conjunction with Item 5 of this registration statement, and our consolidated financial statements and footnotes included in this registration statement.

	Actual as of September 30, 2001	As Adjusted through November 30, 2001	Actual as of September 30, 2001	As Adjusted through November 30, 2001
		(in millions) (unaudited)		
Short-term debt				
Total short-term debt (including short-term borrowings and current portion of long-term debt)	¥ 411,604	¥ 432,464	$ 3,452	$ 3,627
Long-term debt				
Total long-term debt	1,014,050	1,151,428	8,505	9,657
Contingencies (1)				
Shareholders' equity (2)				
Common stock:				
Authorized: 38,300,000 shares				
Issued and outstanding: 10,036,000 shares	949,680	949,680	7,965	7,965
Additional paid-in capital	1,262,672	1,262,672	10,590	10,590
Retained earnings	1,167,315	1,167,315	9,790	9,790
Accumulated other comprehensive income.	25,356	25,356	213	213
Total shareholders' equity	3,405,023	3,405,023	28,558	28,558
Total capitalization and indebtedness	¥ 4,830,677	¥ 4,988,915	$ 40,515	$ 41,842

(1) In connection with our investment in Hutchison Telephone Company Limited, we have agreed to provide a back-up guarantee in support of Hutchison Telephone and Hutchison Telecommunications Limited, each of which has agreed to indemnify a certain financial institution in the event that this financial institution is called upon to perform under a guarantee that it has provided in support of Hutchison Telephone with respect to certain contracts and obligations owed to governmental authorities by Hutchison Telephone. We have agreed to contribute up to HK$25,370 thousand (¥399 million, $3,253 thousand), which represents our proportional share of the obligations of Hutchison Telephone based on our percentage shareholding of Hutchison Telephone.

(2) There has been no change in common stock and additional paid-in capital under shareholders' equity since September 30, 2001. No adjustment has been made with respect to retained earnings or accumulated other comprehensive income since September 30, 2001, because for interim reporting purposes such information is prepared on a semi-annual basis only.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk Factors.

Special Note Regarding Forward-looking Statements.

This registration statement contains forward-looking statements about our industry, our business, our plans and objectives, our financial condition and our results of operations that are based on our current expectations, assumptions, estimates and projections. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “estimate”, “plan” or similar words. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of our financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. We cannot promise that our expectations, projections, anticipated estimates or other information expressed in these forward-looking statements will turn out to be correct. Potential risks and uncertainties include, without limitation:

- our ability to continue to attract and retain subscribers to our services;
- our ability to add capacity to our existing wireless networks;
- our ability to successfully expand our 3G services, which are our third generation wireless services, and to attract customers to these services;
- our ability to successfully expand internationally through international alliances and investments outside of Japan;
- regulatory developments and changes, in particular in the areas of telecommunications and radio wave transmissions, and our ability to respond and adapt to those changes; and
- our ability to continue to win acceptance of our services and products, which are offered in highly competitive markets characterized by the continuous introduction of new services and products, rapid developments in technology and subjective and changing consumer preferences.

Our actual results could be materially different from and worse than as described in the forward-looking statements. Important risks and factors that could cause our actual results to be materially different from as described in the forward-looking statements are set forth in this Item 3.D. and elsewhere in this registration statement.

Risks Relating to Our Business and the Japanese Wireless Telecommunications Industry

Subscribers may experience congestion, interruptions or reduced quality of services because we have only a limited amount of spectrum available for our services.

One of the principal limitations on a cellular network’s capacity is the amount of radio frequency spectrum it can use. We have limited spectrum available to us on which to offer our services. As a result, in certain parts of metropolitan Tokyo and Osaka, such as areas near major train stations, our cellular network operates at or near the current capacity of its available spectrum during peak periods, causing congestion, interruptions and reduced service quality. We are also experiencing similar problems in certain other large metropolitan areas in Japan.

We have made improvements to our network’s capacity and in the technology we use, and we expect these efforts will enable us to use our existing spectrum more efficiently. However, in light of the rapid growth in our subscriber base, there can be no assurance that these efforts will result in reduced levels of congestion or improved service quality. In addition, as our competitors are not experiencing capacity problems to the same extent, if we are not able to successfully address such problems in a timely manner, we may experience constraints on the growth of our wireless services or lose subscribers to our competitors in areas where such problems occur.

The successful development and introduction of our 3G network and services is subject to market demand and scheduling difficulties.

We have invested and plan to continue to invest significantly in the research and development, construction, implementation and expansion of our third generation, or 3G, wireless services. As of December 31, 2001, we offered 3G services to approximately 27,000 subscribers, a smaller number of subscribers than we had anticipated when we started 3G commercial services on October 1, 2001.

As is common with undertakings of this scale and complexity, we have experienced various difficulties, including software, network, handset and other technical problems. We recently recalled and replaced approximately 1,500 3G handsets due to a software malfunction in these handsets. We expect to be able to resolve these problems, but we cannot be certain that we will be able to fully resolve the current problems or that we will not encounter new problems. Additionally, we cannot be certain that:

- our 3G network and services will deliver the quality and levels of services currently anticipated;
- we will be able to provide all planned 3G services, or that we will be able to provide such services on schedule, and that developing and providing such services will not be more costly than expected;
- manufacturers and content providers will create and offer products, including handsets for our 3G system and contents specifically for our 3G i-mode service, on a timely basis;
- there will be sufficient demand for 3G services to offer these services profitably; or
- competitors will not be able to offer similar services at lower prices.

If we experience substantial problems with our third generation services, it may impair the success of our 3G services and therefore may hinder our growth.

The W-CDMA technology that we use for our 3G system may not be adopted by other operators, which could limit our ability to offer international services to our subscribers.

For our 3G system, we are currently using Wideband Code Division Multiple Access, or W-CDMA, technology that is one of the global cellular telecommunications standards approved by the International Telecommunications Union, or ITU, as part of its efforts to standardize third generation cellular technology through the issuance of guidelines known as IMT-2000. We will have an opportunity to offer our services, such as global roaming, worldwide if enough other wireless operators adopt W-CDMA technology compatible with ours and we believe that our international partners and a significant number of other wireless operators will do so. However, if enough other wireless operators do not adopt W-CDMA compatible technology, we may not be able to offer global roaming and other services as expected and we may not be able to realize the benefits of economics of scale, including in terms of purchasing power and of access to content, that we currently anticipate. Also, we cannot be sure that handset manufacturers will be able to successfully and promptly adapt their handsets if we make changes in the 3G technology we use or if the ITU recommends changes to the specifications for W-CDMA.

Our international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.

One of the major components of our overall strategy is to increase our corporate value through overseas investments, alliances and collaborations. We have been actively seeking to enter into alliances and collaborations with other companies and organizations outside Japan that can help us achieve this objective. To date we have invested approximately ¥1.9 trillion in overseas operators with which we seek to establish such alliances and collaborations including AT&T Wireless, KPN Mobile, Hutchison 3G UK, KG Telecom and Hutchison Telephone. There can be no assurance that we will be able to maintain or enhance the value or performance of overseas operators in which we have invested or may invest in the future, or that we will achieve the returns or benefits expected from these investments, alliances or collaborations.

Our strategy of acquiring only minority equity stakes also gives us substantially less influence over our partner overseas carriers than if we established or acquired subsidiaries in those markets. Further, if another company acquires control of management in one of our strategic partners or if we decide to dissolve, exit or reduce our interest in a strategic partnership, we may not realize the anticipated benefits of our investment in and strategic alliance with such partner.

Recently, telecommunications companies and wireless operators, including our investee companies, have experienced a variety of negative developments including increased competition, increased debt burdens (from, among other factors, the cost of 3G spectrum licenses purchased at auction) and significant volatility in share prices, and have experienced financial difficulties. To the extent that these investments are accounted for by the equity method and to the extent that the investee companies have net losses, our financial results will be adversely affected by our pro rata portion of these losses. If a loss in the value of our investment in any investee company takes place and such loss in value is other than a temporary decline, we may be required to adjust the carrying value and recognize an impairment loss for such investment. Also, a business combination or other similar transaction involving any of our investee companies could require us to realize a loss for any decline in the value of our investment in such investee company. In either event, our financial position or results of operations could be significantly and adversely affected.

We monitor and review the value of our overseas investments from time to time as required by relevant accounting principles, which require us to consider, among other things, declines in earning capacity, and with respect to publicly listed companies in which we have invested, such as AT&T Wireless, reported market price. In light of the business outlook surrounding KPN Mobile in 2001, we determined that the value of our investment in KPN Mobile had declined and that the decline in value was other than temporary. As a result, during the six months ended September 30, 2001, we recorded an impairment charge of ¥194 billion, net of deferred taxes, for our investment in KPN Mobile. No impairment charge was recognized with respect to any of our other overseas investments for that period.

As we continue to monitor and review the value of our overseas investments in the future, we may be required to recognize impairment charges for investments in any of our overseas investee companies. In November 2001, Koninklijke KPN N.V., or Royal KPN, KPN Mobile's parent, mentioned in its third quarter report that it was considering applying a discounted cash flows impairment test to the goodwill carried on its balance sheet, most of which relates to its interest in E-Plus through KPN Mobile, starting in fiscal year 2002. Royal KPN also stated that under then current market conditions, SFAS 142 "Goodwill and Other Intangible Assets", if applied, would require it to recognize an impairment of goodwill in the range of €9-11 billion. In December 2001, KG Telecommunications Co., Ltd., or KG Telecom, decided to withdraw its application for a 3G mobile communication license in Taiwan, which could affect the value of our investment in KG Telecom. We plan to further monitor and review the value of our investments in KPN Mobile and KG Telecom in light of these and any other developments.

Regulatory changes could negatively affect our business.

The Japanese telecommunications industry has been undergoing regulatory reform in many areas, including the reorganization of NTT and its consolidated subsidiaries, elimination of foreign ownership restrictions (except in the case of NTT) and tariff regulation. This may intensify competition from both domestic and international competitors.

Various governmental bodies have recommended changes that could affect the mobile telecommunications industry. These include:

- the revision of the radio frequency spectrum allocation system, including reallocation of spectrum to ensure the use by the fourth generation, or 4G, system and the possible implementation of an auction system in which, in the future, additional spectrum would be allocated to the highest bidder;
- protection of privacy; and
- an expectation that NTT will promote competition through a voluntary action plan, including realization of competition within the NTT group by decreasing NTT's ownership percentage in our company.

It is difficult to predict with certainty if any of the above changes will be made to the relevant laws and regulations and, if they are made, the extent to which our business will be affected.

However, if any of the above changes are implemented, we do not believe that we will be significantly disadvantaged relative to our competitors, although there can be no assurance that this will be the case.

We will likely experience a slow-down in our high growth rate.

We have experienced rapid growth and development in a relatively short period of time. Although we believe that penetration rates will continue to increase, it is unlikely that our subscriber base will continue to grow as fast as it has to date. In addition, as the number of subscribers has increased, the average monthly revenues per unit for voice traffic, or voice ARPU, has declined and may further decline because of, among other reasons, reductions in rates, wider penetration into lower usage subscriber segments, some subscribers using i-mode e-mails instead of voice calls and Japan's stagnant economy.

We believe that one key to our future growth will be the increase in traffic generated by data transmission and related increases in revenues. However, our future growth may be limited if:

- the wireless telecommunications industry is not successful in capturing a significant portion of the data transmission market in a timely manner;
- our i-mode or other data transmission services fail to achieve continued or new growth;
- we are not successful in expanding our services for person-to-machine and machine-to-machine communications;
- we experience technical or customer satisfaction problems with our 3G system and services; or
- competition increases significantly and results in our losing significant numbers of subscribers or capturing a significantly lower market share of new subscribers.

The performance of our PHS business may not improve as we expect and the business may continue to operate at a loss in the future.

On December 1, 1998, we took over the Personal Handyphone System, or PHS, businesses operated by other subsidiaries of NTT and began to integrate them with our existing businesses. Since then, the PHS businesses have operated at a loss, including losses of ¥27.6 billion in the six months ended September 30, 2001, ¥91.7 billion in fiscal 2000 and ¥99.7 billion in fiscal 1999 on a Japanese GAAP basis (see Note 13 of the Notes to the Financial Statements).

Our PHS customers dropped from 1.9 million subscribers as of March 31, 1998 to 1.3 million subscribers as of March 31, 1999. In an attempt to counter this trend, we introduced new service plans and pricing, and have been focusing on services aimed at data transmission, such as our 64 kbps transmission service and music and video distribution services. PHS subscribers were 1.8 million as of March 31, 2001 and 1.9 million as of September 30, 2001. There can be no assurance, however, that subscriber numbers will continue to increase or remain stable, that customers will continue to use PHS services or that these services will not become outmoded with the introduction of 3G services by us or others.

Our parent, NTT, could exercise influence that may not be in the interests of our other shareholders.

NTT currently owns 64.1% of our issued and outstanding shares. While being subject to the conditions for fair competition established by the Ministry of Posts and Telecommunications, or MPT, in April 1992, NTT will retain the right to control our management as a majority shareholder, including the right to appoint our directors. Currently, although we conduct our day-to-day operations independently of NTT and its other subsidiaries, certain important matters are discussed with, or reported to, NTT. As such, NTT could take actions that are in its best interests, which may not be in the interests of our other shareholders.

Concerns about wireless telecommunications health risks may adversely affect usage levels and our ability to attract and retain subscribers.

Media and other reports have suggested that radio frequency emissions from wireless handsets and other wireless equipment may adversely affect the health of wireless phone users and others, including by causing cancer and vision loss and interfering with various electronic medical devices, including hearing aids and pacemakers, and also may present increased health risks for users who are children. While these reports have not been conclusive, and although the findings in such reports are disputed, the actual or perceived risk of wireless telecommunications devices to the health of users could adversely affect us through reduced subscriber growth, reduction in subscribers, reduced usage per subscriber, reduced financing available to us or litigation and may also potentially adversely affect our results of operations and our stock price. The perceived risk of wireless devices may have been elevated by certain wireless carriers and handset manufactures affixing labels to their handsets showing levels of radio frequency emissions or warnings about possible health risks. Additionally, research and studies are ongoing and we are actively attempting to confirm the safety of wireless telecommunications, but there can be no assurance that further research and studies will not demonstrate a link between radio frequency emissions and health problems.

Further, although the electromagnetic wave emissions of our cellular handsets and base stations comply with the electromagnetic safety guidelines of Japan and the International Commission on Non-Ionizing Radiation Protection, the guidelines of which are regarded as an international safety standard, the Electromagnetic Compatibility Conference of Japan has confirmed that some electronic medical devices are affected by the electromagnetic interference from cellular phones as well as other portable radio transmitters. As a result, Japan has adopted a policy to restrict the use of cellular services inside medical facilities. We are working to ensure that our subscribers are aware of these restrictions when using cellular phones, and there is a possibility that further regulations or restrictions could limit our ability to expand our market or our subscriber base or otherwise adversely affect us.

Our i-mode system is subject to large amounts of unsolicited bulk e-mail, which could decrease customer satisfaction with our service, congest our system, and adversely affect our financial results.

Recently, unsolicited bulk e-mail has increasingly become a problem for our i-mode service. Our customers who have i-mode cellular phones are able to send and receive text messages on their phones.

However, this function also means that they are subject to receiving a large number of unsolicited bulk e-mail messages. Of the 900 million messages sent through our i-mode system each day, approximately 800 million are undeliverable because they are addressed to non-existent or unknown i-mode addresses. We estimate that among the remaining 100 million e-mails that move through our system each day, our customers receive tens of millions of unsolicited messages. Not only does unsolicited bulk e-mail congest our system, it is a great inconvenience to our customers and may decrease customer satisfaction, causing a reduction of our i-mode subscribers. It also costs our company money to enact countermeasures. For example, we have started offering a certain number of free data transmissions to i-mode customers as one of several countermeasures we are taking to address this problem. The countermeasures are expected to cost our company approximately ¥27 billion in lost revenues in the current fiscal year. We are also incurring expenses related to modifying our system to help screen unsolicited bulk e-mails as well as expenses related to stopping this problem through legal proceedings. While our countermeasures have succeeded in preventing our churn rate from increasing, we cannot be certain that we will continue to be successful in the future.

Risks Relating to the Shares and the ADSs

Future sales of our shares by NTT or by us may adversely affect the trading price of our shares and ADSs.

As of September 30, 2001, NTT owned 64.1% of our issued and outstanding shares. Under Japanese law, NTT, like any other shareholder, generally is able to dispose of our shares freely on the Tokyo Stock Exchange or otherwise in Japan. In addition, various governmental bodies have recommended that NTT be required to decrease its ownership percentage in our company. NTT's position announced in its release in October 2001 was that decisions on NTT's investment ratio of our company would continue to be considered from the standpoint of maximizing its shareholders profits, taking into account operational necessities and stock market trends. Additionally, our board of directors is authorized to issue 28,264,000 additional shares generally without any shareholder approval. The sale or issuance or the potential for sale or issuance of such shares could have an adverse impact on the market price of our shares.

There are restrictions on your ability to withdraw shares from the depositary receipt facility.

Each ADS represents the right to receive 1/200th of a share of common stock. Therefore, pursuant to the terms of the deposit agreement with our depositary, the Bank of New York, in order to withdraw any shares, a holder of ADSs must surrender for cancellation and withdrawal of shares, ADRs evidencing 200 ADSs or any integral multiple thereof. Each ADR will bear a legend to that effect. As a result, holders of ADSs will be unable to withdraw fractions of shares from the depositary or receive any cash settlement in lieu of withdrawal of fractions of shares. In addition, although the ADSs themselves may be transferred in any lots pursuant to the deposit agreement, the ability to trade the underlying shares may be limited.

Holders of ADRs have fewer rights than shareholders and have to act through the depositary to exercise those rights.

Holders of ADRs do not have the same rights as shareholders and accordingly cannot exercise rights of shareholders against us. The Bank of New York, as depositary, through its custodian agent, is the registered shareholder of the deposited shares underlying the ADSs, and therefore only it can exercise the rights of shareholders in connection with the deposited shares. In certain cases, we may not ask The Bank of New York to ask holders of ADSs for instructions as to how they wish their shares voted. Even if we ask The Bank of New York to ask holders of ADSs for such instructions, it may not be possible for The Bank of New York to obtain these instructions from ADS holders in time for The Bank of New York to vote in accordance with such instructions. The Bank of New York is only obliged to try, as far as practical, and subject to Japanese law and our Articles of Incorporation, to vote or have its agents vote the deposited shares as holders of ADSs instruct. In your capacity as an ADS holder, you will not be able to bring a derivative action, examine the accounting books and records of the company, or exercise appraisal rights.

U.S. investors may have difficulty in serving process or enforcing a judgment against us or our directors, executive officers or corporate auditors.

We are a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of our directors, executive officers and corporate auditors reside in Japan. All or substantially all of our assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgments obtained in U.S. Courts predicated upon the civil liability provisions of the Federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

Rights of shareholders under Japanese law may be different from rights of shareholders in jurisdictions within the United States.

Our Articles of Incorporation, our Board of Directors' regulations and the Japanese Commercial Code govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and liabilities, and shareholders' rights under Japanese law may be different from those that would apply to a company incorporated in a jurisdiction within the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in a jurisdiction within the United States.

Item 4. Information on the Company.

A. History and Development of the Company.

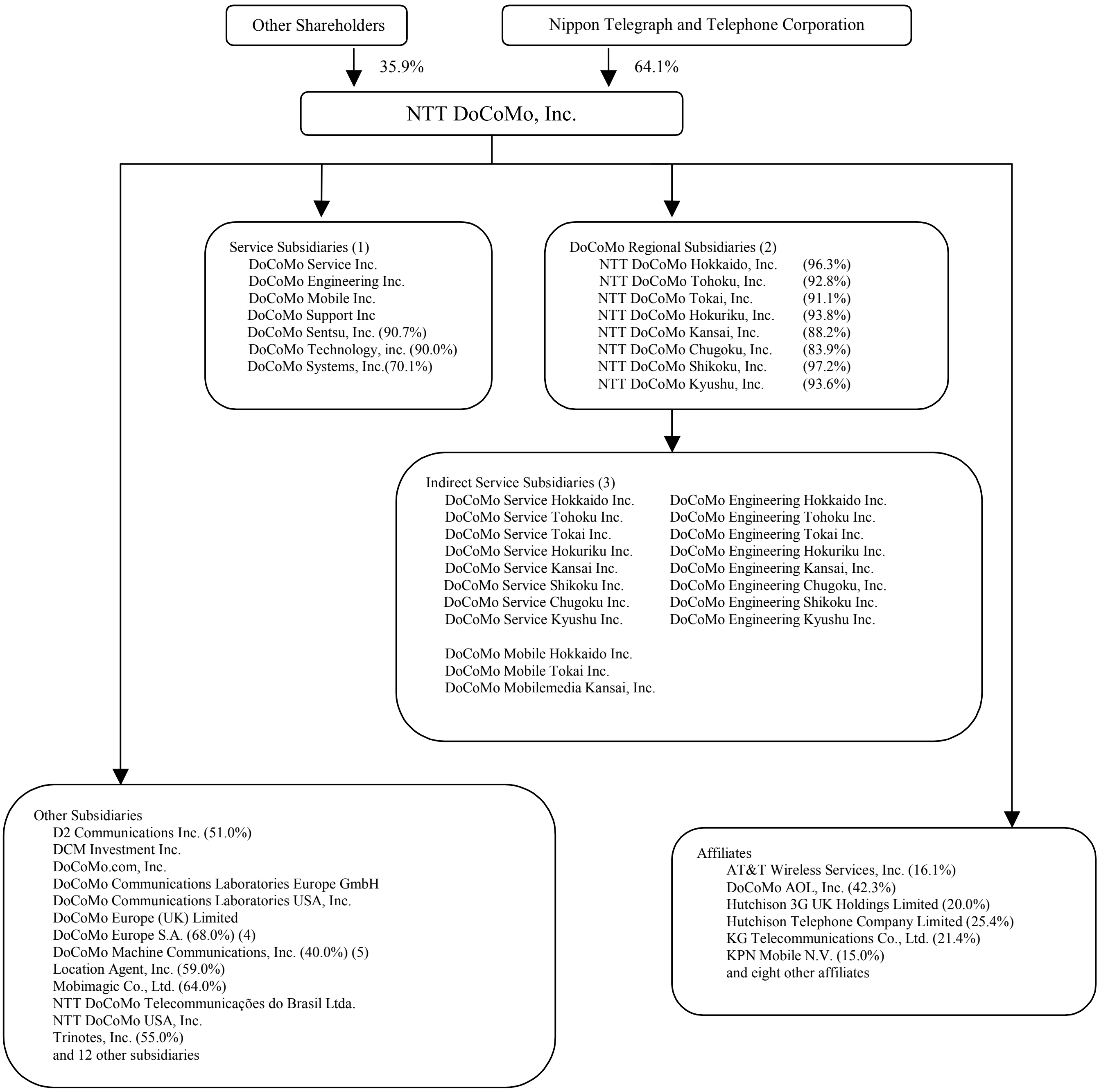
DoCoMo is a joint stock corporation that was incorporated and registered under the laws of Japan in August 1991 under the name NTT Mobile Communications Planning Co., Ltd., and, in April 1992, we were renamed NTT Mobile Communications Network, Inc. We changed our name to NTT DoCoMo, Inc. on April 1, 2000. Our corporate headquarters is at Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. Our telephone number is 81-3-5156-1111. There is no agent of NTT DoCoMo, Inc. in the United States in connection with this registration statement.

Our parent is NTT, the holding company of NTT group. NTT group constitutes one of the world's largest telephone operators. NTT was incorporated as a limited liability, joint stock corporation in April 1985. Prior to that time, NTT was a government-owned public corporation. Wireless telecommunications operations were initially conducted by a division within NTT. When NTT was privatized, the NTT Law, which was passed in connection with the privatization, provided for governmental review within five years to determine whether the NTT Law had been successfully implemented and what further changes were necessary. Based on such review, the Ministry of Posts and Telecommunications, or MPT (currently the Ministry of Public Management, Home Affairs, Posts and Telecommunications), directed NTT to separate its wireless telecommunications businesses from the rest of NTT in order to promote fair and effective competition. With a view to providing better services to its customers and enhancing the interests of its shareholders, the management of NTT also decided that such separation was desirable.

In February 1991, NTT and the MPT agreed that this separation should be achieved by transferring the wireless telecommunications business first to us and later to eight regional subsidiaries. To achieve this purpose we were incorporated as a subsidiary of NTT in August 1991 and took over NTT's wireless telecommunications operations in July 1992. In July 1993, in accordance with the agreement between NTT and the MPT, we transferred wireless telecommunications operations (other than those in the Kanto-Koshinetsu region which remained with us) to our eight regional subsidiaries.

Prior to the transfer, we had engaged several subcontractors in the respective regions for sales activities and other business and strategic reasons. In October 1993, we merged with those regional subcontractors, and their shareholders became minority shareholders in our company and the DoCoMo regional subsidiaries, respectively. We, however, are the primary shareholder in each of the regional subsidiaries.

The following diagram shows our corporate organization and includes our principal subsidiaries and affiliates as of September 30, 2001. Unless otherwise indicated, we own 100% of the voting securities of the subsidiaries included in the diagram. With the exception of some affiliates for which shares are held through dedicated holding companies, the percentages in parenthesis represent DoCoMo's direct holdings in these subsidiaries and affiliates.



(1) These service subsidiaries provide operational services, such as engineering and support services, to NTT DoCoMo, Inc.
(2) These DoCoMo regional subsidiaries provide wireless services in respective geographical regions in Japan, other than the region in which NTT DoCoMo, Inc. itself provides such services.
(3) These indirect service subsidiaries provide operational services, such as engineering and other services, to the respective DoCoMo regional subsidiaries which wholly own them.
(4) DoCoMo and its eight DoCoMo regional subsidiaries together own 100.0% of this company.
(5) DoCoMo and its eight DoCoMo regional subsidiaries together own 80.0% of this company.

For a discussion of recent and current capital expenditures, please see "Capital Expenditures" at the end of Item 5.A. We have had no recent significant divestitures nor are any significant divestitures currently being made.

B. Business Overview.

Overview

We are Japan's leading wireless telecommunications services provider and one of the largest cellular telephone service operators in the world as measured by total number of cellular subscribers with an aggregate cellular subscriber base of approximately 38.4 million and an estimated market share of 58.8% as of September 30, 2001. We offer a range of high-quality, high-mobility telecommunications services such as cellular services, Personal Handyphone System, or PHS, services and other specialized wireless telecommunications services, including Quickcast services (formerly, paging services), satellite mobile communications services and in-flight telephone services.

Our financial profile is characterized by significant revenues and earnings, consistent operating margins and a strong balance sheet. For the year ended March 31, 2001, we had operating revenues of ¥4,669,366 million and operating income of ¥778,620 million, representing an operating margin of 16.7%. Our net income was ¥401,755 million which was equivalent to net income per share of ¥41,751. Our balance sheet had total debt as of March 31, 2001 of ¥1,443,168 million, representing 24% of our total assets. As a result of this profile, our management believes we have sufficient financial flexibility and strength to pursue our strategic plans.

Although our basic services continue to be voice services, we are increasingly focusing on the development of wireless data transmission and mobile multimedia services such as our i-mode Internet service and our recently launched third generation, or 3G, services. We introduced i-mode services, one of the world's first handset-based Internet access services, in February 1999. In the short time since its introduction, the demand for i-mode services has dramatically increased. As of September 30, 2001, 27.8 million cellular subscribers had signed up for i-mode services, a 120% increase from September 30, 2000. As of December 31, 2001, subscriptions to our i-mode services reached 30 million. i-mode is an optional service available to cellular voice subscribers offered on our nationwide 800 MHz network which allows users to send and receive e-mail, access online services including banking services and airline and ticket reservations, access an array of information from i-mode servers and execute and settle retail transactions directly through their handsets. Almost all handsets which we currently sell are i-mode compatible, thus allowing our customers the freedom to choose whether or not to subscribe to i-mode service for an additional monthly fee of ¥300, plus usage charges. The introduction of i-mode services enhanced our business in many ways, including encouraging our cellular phone users to use data transmission more increasingly, significantly increasing data revenue, expanding our market share, increasing the number of subscribers, creating new sources of income and strengthening our brand image. We expect that our i-mode services will be even more attractive to subscribers in a 3G environment.

We have also introduced other services and products to promote and capture the increasing demand for mobile multimedia services. These services include services that allow Internet access through the combination of a cellular phone and a computer or by using a laptop or personal digital assistant, more commonly known as a PDA. Other services include music and video content distribution services, mobile e-commerce services and location pinpointing services through global positioning satellites, or GPS, and cellular network. We are also focusing on mobile computing with products such personal digital assistants, otherwise known as PDAs, "P-in" cards, which are wireless Internet access devices for PCs and PDAs, and game and navigational software. We seek to provide access to mobile multimedia functions anytime, anywhere and to any device, and to develop new communications markets, including person-to-machine communications, such as i-mode services, and machine-to-machine communications, such as wireless tele-metering and remote management of vending machines.

We offer our primary voice services on our nationwide 2G network, which is currently our primary network. Our 2G network covers essentially all of the population of Japan (we calculate area and population coverage ratios by dividing the area or population within our "coverage area"—determined by whether the local government offices of cities, towns and villages, such as the city hall, are within the service area of the network—by the total area or total population in Japan). We are concentrating on extending our network into new areas such as underground shopping areas and high-rise buildings as well as strengthening and expanding our coverage in high-volume traffic areas, such as those with dense population.

Our 2G network is based on the Personal Digital Cellular, or PDC, telecommunications system. PDC is a Time Division Multiple Access, or TDMA, based system that supports both voice and data communications and a full range of supplementary services including, among others, call waiting, voice mail, three-party calling and call forwarding. Voice transmissions on our 2G network are offered at 11.2 kbps, although we use a half-rate transmission speed in large metropolitan and other congested areas to conserve spectrum. We provide data transmission at 9.6 kbps. We also use a version of PDC that we refer to as PDC-P for our packet-switched network. PDC-P allows data transmission at up to 28.8 kbps for our "DoPa" packet transmission services and up to 9.6 kbps for i-mode services.

We also offer voice services on our PHS network. However, we are increasingly focusing on promoting PHS for data transmission and mobile multimedia service. While the number of PHS subscribers had been declining, following the introduction of 64 kbps data communications, handsets that allow users to switch back and forth between cellular and PHS services, "P-in" cards for mobile computing and a variety of discounts, the number of PHS subscribers rose from 1.4 million in March 2000 to 1.8 million as of March 31, 2001.

However, 2G networks and systems, such as our 2G PDC, PDC-P and PHS networks, do not allow wireless operators to fully exploit the potential demand for mobile multimedia. Accordingly, we introduced a third generation, or 3G, network and system that we believe will mark the start of a full-scale mobile multimedia era by increasing the speed and sophistication with which music, video and other data can be downloaded to mobile telephone handsets and similar devices. We developed and are basing our 3G system on Wideband Code Division Multiple Access, or W-CDMA, a high performance technology using broadband capabilities that allows variable-speed, multi-rate transmissions and supports high-quality voice transmissions and high-speed data communications, video and other multimedia services including mobile computing. We have developed our 3G wireless telecommunications system in connection with the global standardization efforts of the International Telecommunications Union, or ITU, known as IMT-2000. For a discussion of the IMT-2000 standardization efforts and the status of 3G development and deployment, please see "3G Services (W-CDMA) – IMT-2000 Standardization Efforts" in this Item 4.B.

Our 3G system provides excellent sound quality, circuit switched data services (at 64 kbps) and high-speed packet communication services (at up to 384 kbps), and serves as a platform for 3G i-mode services. Our i-mode service gives users access to some Internet sites via mobile phones. When fully implemented in accordance with IMT-2000 standards, 3G services are expected to be able to achieve transmission speeds of up to 2 Mbps when users remain stationary. As of December 31, 2001 we had approximately 27,000 subscribers to our 3G services, roughly three-fifths of whom were corporate subscribers. At present we offer 3G services in a broader part of the Tokyo metropolitan area (Tokyo and certain surrounding areas), and in Osaka, Nagoya, Kyoto and Kobe. We expect to extend our 3G services to other major cities in Japan around Spring 2002. Based on this schedule, our 3G "footprint", the geographic area in which signals from our 3G base stations can be received, will cover approximately 60% of Japan around March 2002, 90% by the end of fiscal 2002 and 97% by the end of fiscal 2003. As the rollout proceeds, we plan to focus on further research and development, network improvement, cost reduction and product and service improvement and diversification.

We are now aggressively pursuing a global strategy aimed at promoting the wide spread adoption of W-CDMA technology as a platform for 3G wireless telecommunications systems and services and achieving rapid and extensive deployment of mobile multimedia services. One of the primary objectives of our global strategy is to increase our corporate value through overseas investments and alliances. We plan to leverage our expertise and experience in the Japanese wireless telecommunications market abroad by:

- assisting our partners in developing W-CDMA as their 3G communications platform;
- capturing overseas growth opportunities through the development of mobile multimedia services and the promotion of wireless Internet access services; and
- increasing our competitiveness through contents sharing and joint procurement with strategic partners.

To achieve our objectives, we have taken minority stakes in a number of international wireless operators, including AT&T Wireless, KPN Mobile, Hutchison 3G UK, KG Telecom and Hutchison Telephone. These operators, plan to adopt W-CDMA and will otherwise collaborate with us in introducing mobile multimedia services. Through these alliances, we have established a foothold in most of the major wireless markets of the world. In North America, through our investment in AT&T Wireless, we have established a foothold for the delivery of our technology and services in the United States. In Europe, through KPN Mobile and Hutchison 3G UK, we are to introduce our technology in the Netherlands, Belgium, Germany and the United Kingdom. In Asia, through investments in KG Telecom and Hutchison Telephone, we have established a foothold for the delivery of our technology and services in Taiwan and Hong Kong.

In addition to our alliances with the above-mentioned wireless operators, we have entered into an alliance with AOL and have purchased a 42.3% stake in AOL's Japanese affiliate (DoCoMo AOL, Inc.) to promote both the growth of Internet services in Japan and the convergence of PC-based fixed-line Internet services and mobile Internet services in Japan.

We conduct cutting-edge research and development both in and outside of Japan on what we believe is the largest scale of any wireless operator in the world. We organize our research and development efforts through our R&D headquarters, which includes centers for network research, wireless research, multimedia research and radio environment technology research. To assist us in our W-CDMA development as well as the research and development of additional advanced technology, we established our NTT DoCoMo R&D Center in Yokosuka Research Park in 1998. We believe the R&D Center is an example of our commitment to the development of cutting-edge services, products and technologies and will continue to position us as a provider of advanced technology for wireless communications.

We benefit from the strong positive perception in Japan of the DoCoMo brand name. We also benefit from the strong positive perception of the brand name of NTT, our controlling shareholder. To market our services and products throughout Japan, we have established an extensive nationwide distribution and after-sales service and support network comprised primarily of independent agents, which, as of November 30, 2001, included approximately 1,170 DoCoMo Shops (which exclusively offer our products and services), approximately 1,000 primary agents and approximately 90,000 general agents, and also 28 DoCoMo branches and sales offices.

Our Services

We offer a variety of services to support our subscribers' needs for wireless voice and data communications. While our primary service continues to be our cellular voice services, we are increasingly focusing on mobile multimedia services, such as i-mode, and on continuing to offer PHS and other services. We have also recently introduced our 3G services.

Cellular Services

The primary focus of our business is our cellular services. For fiscal 2000, our cellular services, which include cellular phone service and non-maritime-related satellite mobile communications service, accounted for approximately 66.2% of our consolidated operating revenues, the vast majority of which is attributable to cellular services.

Cellular Subscribers

We have experienced rapid cellular services subscriber growth. From only 1.3 million subscribers as of March 31, 1994, the number of subscribers has grown to approximately 37 million as of May 31, 2001, which represents a market share of 58.9%. We believe that our cellular subscriber growth has been attributable primarily to (i) nationwide growth and popularity of cellular services, (ii) the liberalization of the handset market and significant declines in handset prices and improved technology which have resulted in advanced, light-weight handsets, (iii) the expansion and enhancement of our networks, (iv) significant declines in tariffs and our competitive pricing, (v) our reputation for quality products and services and (vi) the introduction of new, value-added cellular services such as i-mode.

The following table sets forth selected historical information about our cellular subscriber base for the periods indicated:

	Year ended March 31,					Six months ended September 30,
	1997	1998	1999	2000	2001	2001
			(in thousands)			
DoCoMo cellular subscribers	10,960	17,984	23,897	29,356	36,026	38,438
DoCoMo estimated market share of total subscribers	52.5%	57.0%	57.5%	57.4%	59.1%	58.8%
DoCoMo subscriber growth rate	122.0%	64.1%	32.9%	22.8%	22.7%	6.7%
DoCoMo average monthly churn rate [(1)]	1.66%	1.97%	1.75%	1.61%	1.39%	1.21%

(1) In general, the term "churn rate" is defined as the level of customers who disconnect their service relative to the total subscriber base. The DoCoMo measurement of churn rates include voluntary terminations in connection with handset upgrades or changes. The average monthly churn rate for each fiscal year is calculated by adding the number of cellular subscriber contract terminations in each month of that fiscal year and dividing that number by the sum of the total number of cellular subscribers at the end of each month in the twelve-month period beginning with the last month of the preceding fiscal year.

Voice Services

We offer cellular voice services on networks that are accessible by virtually the entire population of Japan. Our primary cellular voice services, which account for over 97% of our subscribers, are offered on our nationwide 800 MHz digital network. We also offer cellular voice services on a 1.5 GHz network, covering primarily the Tokyo, Osaka and Nagoya areas and certain other limited areas, which accounted for approximately 0.7 million subscribers as of September 30, 2001. The nationwide 800 MHz network and the 1.5 GHz network are our 2G networks. We introduced voice and certain data services on our 3G network in May 2001 on an introductory basis and introduced other services on our 3G network on a commercial basis in October 2001.

In order to provide additional options and services for the convenience of our subscribers and to increase revenues through value-added services, we also offer cellular subscribers a number of standard optional features including voice mail, short mail, call forwarding, fax retrieving, caller I.D., call waiting and three-way calling.

Cellular System Usage

Until the most recent period, the average minutes of use per subscriber had been steadily increasing. For fiscal 2000, average monthly minutes of use per subscribers was 189 compared to 177 in the prior fiscal year. In the six months ended September 30, 2001, however, average minutes of use per month declined to 182 minutes. Aggregate average monthly revenues per unit decreased only marginally to ¥8,650 in fiscal 2000 from ¥8,740 in the prior year and were up slightly to ¥8,680 in the six months ended September 30, 2001.

The following table sets forth selected information concerning monthly usage per subscriber and average monthly revenue per unit, or ARPU, data:

	Year ended March 31,					Six months ended September 30,
	1997	**1998**	**1999**	**2000**	**2001**	**2001**
Average monthly outgoing minutes per subscriber	90	90	101	116	133	131
Average monthly incoming minutes per subscriber	68	65	63	60	56	50
Total average monthly minutes per subscriber	158	155	164	177	189	182
Aggregate average monthly revenue per unit (ARPU)(1)	¥ 12,570	¥ 10,800	¥ 9,270	¥ 8,740	¥ 8,650	¥ 8,680
Voice ARPU(2)	12,570	10,800	9,270	8,620	7,770	7,190
i-mode ARPU(3)	—	—	—	120	880	1,490

(1) The aggregate average monthly revenue per unit, or ARPU, is the total of voice ARPU plus i-mode ARPU as calculated in accordance with notes 2 and 3 to this table. This aggregate ARPU does not include non-i-mode related data packet transmission revenue.

(2) Voice ARPU is calculated by (i) dividing total annual fixed monthly plan charges, usage charges and charges for optional value-added services and features (excluding i-mode and other data services) by the number of cellular subscribers at the end of the previous fiscal year plus the number of cellular subscribers at the end of the current annual period divided by two and (ii) dividing that by twelve. This calculation does not include revenues derived from packet communication services, including i-mode.

(3) i-mode ARPU is calculated by (i) dividing total annual i-mode packet transmission and i-mode monthly fee revenues by the number of cellular subscribers at the end of the previous fiscal year plus the number of cellular subscribers at the end of the current annual period divided by two and (ii) dividing that by twelve. Such revenue does not include non-i-mode related data packet transmission revenue.

The primary reason that aggregate ARPU has remained relatively steady through fiscal 1999, fiscal 2000 and the six months ended September 30, 2001 is that the continuing growth of i-mode subscribers and i-mode usage has resulted in increasing i-mode ARPU rates. This increase in i-mode ARPU has partially offset the effects of declines in voice ARPU that have resulted primarily from reductions in tariffs, including basic plan charges and per minute tariffs, over the past several years. Other factors that have contributed to the voice ARPU decline include increased penetration rates and a corresponding increase in the proportion of low usage subscribers and the increase in the number of free minutes we offer in connection with our various plans. Furthermore, recently some of our users have been sending i-mode e-mails rather than making telephone calls, resulting in a decrease in voice calling and a corresponding decrease in voice ARPU. Currently, we are not emphasizing increasing monthly voice ARPU, but rather are focusing on retaining and increasing the number of core customers, increasing our overall usage, including off-peak usage and usage to and from less congested areas, and increasing data transmission volume, particularly i-mode transmissions.

Beginning in the current fiscal year, the way that we calculate ARPU will change as a result of the renegotiation of our interconnection agreements with respect to the access charges we pay to other carriers. Prior to April 1, 2001 we did not pay access charges related to calls made by our subscribers when using the networks of other carriers. In addition, such other carriers bore the collection risk for the revenue associated with the portion of the calls made on their networks. Consequently, we recorded revenue only for the portion of such calls carried by our networks. Under the renegotiated interconnection agreements we will be obligated to pay to the other carriers access charges for the aforementioned calls made by our subscribers, as well as assume the collection risk for the entire call. As a result, we will show an increase in operating revenues which will be offset by a corresponding increase in operating expenses. However, as a result of this change, we expect an increase in our ARPU from levels that would otherwise be achieved.

Revenues and Tariffs for Cellular Services

Our cellular revenues are generated primarily from fixed monthly plan charges, usage charges for outgoing calls, revenues from incoming calls and charges for optional value-added services and features. We set our own rates in accordance with the Telecommunications Business Law and government guidelines, which currently allow wireless telecommunications operators to set their own tariffs without government approval.

Over the past few years, as the competition for subscribers has increased, tariff rates and monthly charges have been significantly reduced with certain other fees eliminated entirely. Currently, our cellular subscribers pay (i) an activation fee of ¥3,000, (ii) a fixed monthly plan charge based upon the “plan” chosen, (iii) usage or per call charges which vary according to distance, duration, day and time of day and the particular plan chosen and (iv) additional monthly service fees for miscellaneous value-added services.

One of our basic strategies has been to focus on offering subscribers usage plans and rates tailored to their usage patterns. As a result, we offer a variety of different monthly plans targeted at different segments of the market. These plans include basic usage plans for ordinary usage, off-peak usage plans and heavy usage plans. In addition, all plans include a certain amount of prepaid usage (i.e., free minutes) per month for fixed rates. Prepaid amounts are credited against total usage. This prepaid usage will be allocated first to voice minutes. To the extent that voice minutes do not use up the prepaid usage, it will be credited against i-mode use. Additionally, we offer various discounts, including discounts for families, long-term subscriber discounts and heavy-volume user discounts. The monthly plan charge for our basic service is currently ¥4,500 (which includes ¥600 worth of free usage) although we have a variety of different plans at varying rates. Under our basic plan, calls made during the daytime on a weekday within Tokyo are equal to approximately ¥33 per minute.

We believe that our variety of plans, prices and discounts have helped us to remain competitive in retaining existing subscribers and attracting new subscribers. As part of our continuing strategy to attract new subscribers and retain existing subscribers, our management may reduce our rates further from time to time if and to the extent appropriate in light of relevant factors including, among others, the competitive environment, price elasticity in the market and our profit margins. Planned rate reductions after March 31, 2001 consist of (i) a revision to various monthly plan changes by increasing the amount of prepaid usage and (ii) expansion of various discounts to i-mode use, both effective June 1, 2001.

i-mode Services

i-mode services are wireless Internet access services based on a data communications system that organizes data into bundles called packets prior to transmission. Our i-mode handsets allow subscribers to send and receive data through our i-mode server to the Internet while also providing users with the full range of cellular voice services. i-mode is an optional service available to cellular voice subscribers offered on our nationwide 800 MHz network which allows users to send and receive e-mail, access online services such as banking services and airline and ticket reservations, access an array of information from i-mode servers and execute and settle retail transactions directly through their handsets. Almost all cellular handsets which we currently sell are i-mode compatible, thus allowing our customers to choose whether or not to subscribe to i-mode service for an additional monthly fee of ¥300, plus usage charges. We introduced i-mode to take advantage of the growth in demand for data transmission services. The introduction of i-mode services encouraged our cellular phone users to use data transmission more and thereby changed the way cellular phones are used in Japan.

Subscriber growth for i-mode services has been remarkable since the introduction of these services in February 1999. As of March 31, 2001, we had over 21.7 million i-mode subscribers; as of November 25, 2001, we had 29.2 million i-mode subscribers; and as of December 25, 2001 we had 30.0 million i-mode subscribers. We expect to have 31.7 million i-mode subscribers as of March 31, 2002.

Revenues per i-mode subscriber have significantly increased since the introduction of i-mode services. For the year ended March 31, 2001, the monthly i-mode revenue generated by each i-mode subscriber was approximately ¥2,110 compared to ¥1,540 for the year ended March 31, 2000. For the six months ended September 30, 2001, the monthly i-mode revenue improved further to ¥2,250.

Basics of i-mode Services

Our i-mode services consist of four main components: the i-mode handset, the i-mode packet network, the i-mode server and content providers.

The base of i-mode services is the handset itself. An i-mode handset is a standard cellular handset with i-mode related equipment that includes a display screen, a browser and the ability to transmit and receive data packets at up to 9.6 kbps using our 800 MHz network. The physical appearance of i-mode handsets is almost identical to standard handsets, except for a slightly larger display screen to accommodate various i-mode functions, such as the Internet browser. The browser can read a subset of HTML. HTML is the standard language for the Internet. Almost all of the cellular handsets we currently sell are i-mode compatible and most new customers choose to receive i-mode services together with cellular phone services.

From the i-mode handset, information is transmitted to a packet network. i-mode is based on the PDC mobile packet communication system and uses the same packet network as our packet communication service, which is called “DoPa.” The packet network acts as a relay station between the handset and the i-mode server.

The i-mode server functions as the gateway between our network and the Internet. The function of the i-mode server is data distribution, e-mail transmission and storage, i-mode customer management, content provider management and information charging. The i-mode server is also connected to certain banks and information providers either by dedicated lines or through the Internet.

The final and most important element of i-mode services is content. Content is provided by content providers through i-mode portal menu sites and voluntary web sites. In February 1999, when i-mode services were introduced, i-mode users had access to 67 content providers but voluntary web sites had not been introduced. However, since then, the number of content providers has rapidly increased: as of September 30, 2001 there were approximately 1,890 DoCoMo i-mode portal menu sites and over 49,000 voluntary web sites.

i-mode Services

Typical services that may be accessed through an i-mode handset include:

- e-mail;

- games and other entertainment;
- news, weather and sports information;
- restaurant guides, locations and reservations;
- mobile banking;
- other financial services, such as credit card services and information and online stock quotes and trading;
- ticket reservation and purchase (including for concerts and sporting events);
- e-shopping (CDs, books);
- travel reservations;
- telephone directories; and
- classified ads (including part-time job offerings, apartment and house hunting, and car sales).

We plan to continue to add attractive i-mode services, additional banking services and connections with providers such as Sony's playstation.com. To broaden the capabilities of i-mode, and in cooperation with Sun Microsystems, we introduced in January 2001 a new series of i-mode handsets with Java™ capabilities that enables users, through their handsets alone, to run programs, play games and access advanced intranets and other information. We have introduced *i αppli* services and content specifically for our Java based handsets. We have also introduced and are expanding our English-language content.

We have entered into additional alliances regarding Internet banking (such as The Japan Net Bank, Ltd.) and retail transaction settlement to further improve i-mode services. We have also entered into a joint venture with Lawson, Inc., a major convenience store chain in Japan, which will allow customers to place orders on i-mode handsets and pick up their orders at any one of Lawson's outlets, which total approximately 7,500 throughout Japan. Also planned for i-mode is a more secure platform for e-commerce applications.

Through our investment in the Japanese unit of America Online Inc., we began offering e-mail access to AOL mail through this alliance. We will continue to capitalize on this alliance by offering other fixed-mobile convergence services and products.

We also plan to advise, provide know-how to and invest in i-mode content providers through a new subsidiary, DoCoMo.com Inc. Together with Dentsu Inc., Japan's largest advertising agency, and NTT Advertising, Inc., we have also established D2 Communications Inc., which will serve as an advertising agency for the i-mode platform.

We have begun a new person-to-machine communications service using i-mode which we call "Cmode." Together with Coca-Cola (Japan) Co., Ltd., and Itochu Corp., in September, 2001, we launched a 17-week trial of Cmode, a unique consumer service employing cutting-edge computer software that transforms soft drink vending machines into information stations and services terminals. The specially developed Coca-Cola vending machines have embedded computers and are linked to our i-mode service to allow i-mode users to purchase soft drinks and earn prizes. The specially developed Coca-Cola vending machines are equipped with video displays, printers, sensors, and speakers. Cmode members can accumulate user points that can be exchanged for soft drinks or for a variety of Cmode services that are available through i-mode.

To cope with the issue of voluminous unsolicited bulk e-mails sent to our i-mode users, we have taken a number of measures since July 1999. Among other measures, we have enabled users to block all mail sent to them from particular addresses, provided i-mode users with 400 packets (worth approximately ¥120) of free packet-data communication to help them cope with the increasing number of unsolicited bulk e-mails since June 2001, and blocked any e-mails sent to large numbers of invalid e-mail addresses.

i-mode Revenues and Fees

i-mode users are charged according to the volume of data they transmit and not for the length of time they are online or the distance over which the data is transmitted. The basic charge to send data transmissions is equal to ¥0.3 per packet (128 bytes). Therefore, a short e-mail of about 20 full characters can be sent for as little as ¥1, a longer e-mail of 250 full characters would be about ¥4 and an airline reservation may be sent for as little as ¥40. For new Java-related services, users are generally charged approximately ¥25 to download various applications such as games, stock charts, maps and cartoons. We have recently introduced volume discounts for heavy users. i-mode users also pay us a ¥300 monthly charge in addition to the standard monthly charge for voice service. In August 2001, we began offering all i-mode users free data transmission up to 400 packets per month as a means to address the unsolicited bulk e-mail problem, which will cause i-mode revenue to decrease by approximately ¥27 billion in fiscal 2001.

As noted above, i-mode revenues per i-mode subscriber have steadily increased since the introduction of i-mode services and for the year ended March 31, 2001 averaged ¥2,110 per i-mode subscriber per month compared to ¥1,540 for the prior fiscal year. Revenue from Java-capable handsets contributed to an increase in the overall i-mode ARPU. For the six months ended September 30, 2001, the monthly i-mode revenue per i-mode subscriber was ¥2,250.

There are also additional information charges payable to content providers when subscribers use certain i-mode sites. For example, access to Nikkei News service costs ¥300 per month and access to Tenki Plus, which provides weather information, costs ¥100 per month. We bill subscribers for content provider fees, and receive from the providers a commission of 9% of the information charges for our billing and collection services. Revenues from these information charges for fiscal 1999 and 2000, which consist only of the commission, were ¥200 million and ¥3.1 billion, respectively.

3G Services (W-CDMA)

3G services are our third generation of wireless voice and data transmission services. 3G services use advanced technology which allows us to offer faster and higher quality services to our users.

We began offering 3G services on an introductory basis in May 2001 and on a fully commercial basis in October 2001. These 3G services are being marketed under the name FOMA, which stands for Freedom Of Mobile multimedia Access. The introductory service area was confined to Tokyo’s 23 wards and limited areas in Yokohama and Kawasaki. The fully commercial service was launched in the Tokyo metropolitan area, including Yokohama and Kawasaki, in an area within approximately a 30-km radius of central Tokyo. Furthermore, our 3G service was expanded to a broader part of the Tokyo metropolitan area (Tokyo and certain surrounding areas), as well as Osaka, Nagoya, Kyoto and Kobe in December 2001, and will be expanded to other major cities in Japan around spring 2002.

Our basic strategy is to expand the 3G services we offer at the same time as we expand our geographic reach. We believe that our 3G services are well-suited for high-end and business users; approximately two-thirds of our current 3G subscribers are corporate users. One of the primary advantages of our 3G services is the increased quality and speed at which services are available. Additionally, these new services offer the ability to simultaneously handle both voice communications and data packet transmissions so that subscribers can continue talking while sending and receiving data. 3G services that we currently offer include videophone, e-mail, high-speed Internet connection services, 3G i-mode services and mobile computing and various information based services. We recently launched our “i-motion” service which enables users to obtain video-content at speeds up to 384 Kbps.

Other specific services planned include portable and interactive television, interactive games, televised shopping, access to electronic books and newspapers and navigation systems. However, not all of these services are currently available. In connection with many of these services, the mobile multimedia services we are developing will also make it possible to settle accounts electronically. We are currently promoting system development using electronic money, which is currently undergoing field trials in preparation for practical use.

The charge for 3G voice services is the same as for our other cellular voice services (from ¥13.0 to ¥14.5 per second). Charges for 64 kbps circuit switched data service, such as for video phones services are approximately 1.8 times that of standard voice tariffs. The fee structure for packet communication services is based on the volume of data transmitted and varies between ¥0.02 per packet to ¥0.2 per packet, depending on the plan which the user subscribes to.

IMT-2000 Standardization Efforts

In 1999 the International Telecommunications Union, or ITU, established minimum standards for what constitutes a third-generation, or 3G, service. They called those standards International Mobile Telecommunications for the year 2000, or IMT-2000. The goal of IMT-2000 is to allow users to use their phones and other mobile communication devices, known as terminals, for voice, Internet, multimedia and high-speed data communications anywhere in the world without being frustrated by incompatibilities between various technologies. IMT-2000’s minimum standards include:

- Compatibility of services within IMT-2000 and with fixed networks;
- High quality;
- Small terminals (i.e. phones and other methods of access, such as PDAs);
- Worldwide roaming capability;
- Capability for multimedia applications;
- Ability to talk and download at high speed at the same time; and
- Ability to use video phone.

IMT-2000 recognizes five different advanced technologies as being capable of achieving the IMT-2000, or 3G, standards. Of those five IMT-2000 approved technologies, we expect that the following two are the most likely to achieve commercial success:

- cdma2000; and
- UMTS, or universal mobile telecommunications systems, also known as Wideband Code Division Multiple Access, or W-CDMA.

Both of these advanced technologies is a “third generation” or 3G technology. They are not compatible with each other and neither is compatible with any other IMT-2000 recognized technology.

We have chosen to build our 3G network based on W-CDMA, one type of direct spread code division multiple access, or DS-CDMA technology, which is one of the five IMT-2000 approved technologies. We were the first company in the world to launch 3G services based on W-CDMA technology. One of our other competitors, Japan Telecom, has also indicated that it will base its 3G technology on W-CDMA. We expect that some of our international partners, such as AT&T Wireless of the U.S. and KPN Mobile of the Netherlands will launch their 3G services during 2003. Hutchinson 3G UK of the United Kingdom anticipates launching its 3G services in the summer of 2002. In December 2001 KG Telecommunications Co., Ltd. withdrew its application to participate in an auction of 3G licenses in Taiwan, but it is continuing to explore alternative approaches to entering the market for 3G services in Taiwan. We also expect Vodafone of the United Kingdom, one of the leading wireless operators worldwide, to introduce 3G services based on W-CDMA.

cdma2000 1x has been commercially launched in Korea. Our competitor, KDDI, is planning to launch its worldwide 3G commercial service based on cdma2000 1x in April 2002 in major cities in Japan. Other countries in which operators have stated that they will launch 3G services based on cdma2000 include Australia, Brazil, Canada, China, Mexico, and the United States.

While there can be no assurances, we believe that W-CDMA will become the dominant 3G technology.

PHS Services

Our Personal Handyphone System, or PHS, services are wireless voice and data transmission services similar to our cellular services but offered using different technology and a different network. PHS is a digital cordless phone system that operates on a digitalized microcell network that makes it possible to use a PHS phone outside the home or office. The PHS base stations are small and easy to install. As a result, PHS services can easily be provided in buildings and underground passages. However, in fast moving automobiles or trains our PHS users do not enjoy the same reception quality as our cellular phone users do. PHS handsets look like cellular handsets, but with the exception of dual mode hand sets that function on both the cellular and PHS networks, PHS handsets cannot utilize the cellular network. We offer PHS services to our subscribers on our PHS network. PHS was originally introduced by the NTT Personal Group in July 1995.

We took over the operations of these PHS services beginning on December 1, 1998. Since taking over PHS operations in December 1998, we have adopted the following strategies for PHS in order to improve its performance:

- Improve the existing PHS network coverage by raising the height of the PHS base station antennas, thereby widening the coverage area and reducing the relatively high level of dropped calls;

- Market the data transmission capability of the PHS system, which is better than that of our 2G cellular system;

- Promote new services for mobile multimedia, such as 64 kbps transmission services and e-mail;

- Provide price reductions and family discounts to subscribers who also subscribe to our other services, such as cellular services;

- Promote dual mode handsets which allow the same handset to be used for cellular and PHS services;

- Develop platform ASP business and business LAN connections; and

- Introduce the "P-in" mobile computing card, which allows users to conduct wireless data transmission through PCs and PDAs.

PHS Subscribers

At the end of fiscal 1995, the NTT Personal Group had approximately 0.4 million subscribers. Initially, with the rapid expansion of service areas, the price decline of handsets and reduction of tariff rates, the number of NTT Personal Group PHS subscribers reached approximately 2.1 million in September 1997. From September 1997 to March 31, 2000, PHS subscribers declined to approximately 1.4 million. However, PHS subscribers had increased to 1.8 million as of March 31, 2001 and approximately 1.9 million as of September 30, 2001.

Services Offered for PHS

We have significantly expanded the service offerings for PHS since acquiring the PHS businesses. In addition to voice mail, call forwarding, caller i.d., and other standard optional features such as 64 kbps data transmission, which allows users to conduct wireless data transmission at an actual transmission rate of 58.4 kbps, subscribers may sign up for the numerous services and features, the most significant of which capitalize on PHS's strength in high-speed data transmission. That strength enables PHS subscribers to exchange text, receive and send e-mail, surf the Internet and download music. We also offer *mopera* services, which allow users to access the Internet through a combination of a cellular handset and a PC, notebook computer or a PDA, and video content distribution services to our PHS subscribers.

PHS Revenues and Tariffs

The PHS tariff plans and rates are very similar to those for the cellular services and are based on the same monthly fee (depending on the plan) plus dialing charge structure. The primary difference is that PHS rates are substantially lower. Additionally, there are a number of rate plans designed specifically for data transmission and mobile computing.

Other Mobile Multimedia Services

We are focusing extensively on the mobile multimedia and data communications markets. In addition to i-mode, 64k data transmission and other products and services, we also provide a wide variety of services and equipment specifically designed for mobile multimedia, including mopera and M-stage music. We also have an extensive line up of products and services for mobile computing including Personal Digital Assistants, or PDAs, some of which combine four devices—cellular phone, cord, adapter, and a PC or PDA—and result in an all-in-one mobile terminal weighing about 200 grams, and PCMCIA data cards, which function as a wireless modem.

We also offer a PDC mobile packet communications system, PDC-P or "DoPa", service. DoPa, DoCoMo's packet communication service, is a driving force behind DoCoMo's strategy of broadening the scope of mobile communications. Used mainly in human-to-machine and machine-to-machine interfaces, DoPa exchanges data rather than voice communications. Fees are levied only for the volume of data transmitted and received. We offer PDC mobile packet communications system, PDC-P or "DoPa", service. DoPa service gives multiple users the ability to communicate simultaneously through certain types of cellular handsets. DoPa permits the direct exchange of data between terminals in a wireless environment and an office LAN via a dedicated line or ISDN connection. DoPa helps boost network efficiency and lower communication costs because it does not require an exclusive radio channel for each user. DoPa is compatible with Internet protocols such as TCP/IP and allows users to access e-mail and gain remote LAN access. In addition, DoPa also provides high-speed transmission capability enabling data to be transmitted at up to 28.8 kbps, with charges based on the volume of data transmitted and received.

Our mobile multimedia services include not only traditional person-to-person communications but also encompass person-to-machine as well as machine-to-machine communications which we regard as a key aspect of our future business strategy. Doco-Navi is an example of person-to-machine. Doco-Navi allows users to pinpoint their position using enhanced global positioning system, or GPS, technology. Users can then access approximately 210,000 maps which provide the locations of stores, banks, hospitals, schools and other information. Cmode, as noted earlier in “i-mode Services” in this Item 4.B., is another example of person-to-machine communication. We are also seeking to increase machine-to-machine communications and services—for example, a vending machine signaling a delivery truck of the need to be serviced—as part of its promotion of mobile multimedia services.

Other Services

Quickcast Services (formerly called Paging Services)

We offer digital display and value-added paging services throughout Japan under the service name Quickcast. Our services are offered on a nationwide “FLEX-TD” system which we introduced in 1996. FLEX-TD allows us to offer a wide variety of information services via a high-speed paging system, including the ability to receive e-mail messages via the Internet or from personal computers and to retrieve the messages from anywhere in Japan. We also offer broadcast messaging features which allow one message to be sent to multiple users at the same time. In February 1999, we introduced a calling-party-pays Quickcast service called “02•DO”.

Quickcast Subscribers

We had approximately 1.1 million Quickcast subscribers as of March 31, 2001 representing a 23.9% decrease from 1.4 million subscribers as of March 31, 2000. The number of Quickcast subscribers has been declining consistently since fiscal 1995 and, as of September 30, 2001, fell below 1 million. We believe that the decrease in our subscriber base is attributable to a number of factors, including increased penetration and lower prices of cellular and other mobile communication services and increased services offered by cellular and PHS providers that are similar to those typically offered by paging companies. In response, we have taken steps to restructure this business, including shifting from a conventional paging scheme to a new one that will reduce network costs and certain other initiatives to make operations more efficient.

Satellite Mobile Communications Service

We have created Japan’s first satellite mobile communications network integrated with a terrestrial cellular system. The satellite mobile communications network uses the N-STAR communications satellites which are owned jointly by us, two other subsidiaries of NTT and JSAT Corporation. We offer a wide service area covering all regions of Japan and the surrounding ocean up to 200 nautical miles away from the mainland. Furthermore, a variety of mobile computing applications, such as sending data and faxes from mountainous areas or remote islands, are offered using high-speed data transmission capacity (64 kbps downlink; 4.8 kbps uplink).

We also provide maritime telephone services using the N-STAR communications satellites. Our maritime telephone service provides accessible two-way communications between ship and shore and between ships, covering the area up to 200 nautical miles away from the mainland. We are the only operator in Japan that provides maritime telephone services. We had approximately 16,000 subscribers to this service as of May 31, 2001.

In-Flight Telephone Service

We provide in-flight telephone services that can be used for unrestricted in-flight communications between aircraft and the ground in Japan. We are the only operator in Japan that provides in-flight telephone services. We had approximately 270 terminals for this service as of May 31, 2001.

International Investments

We plan to leverage our expertise and experience in the Japanese wireless telecommunications market abroad by assisting our partners in developing W-CDMA as their 3G platform and by promoting the wide-spread and rapid deployment of mobile multimedia services. Whereas wireless operators in other parts of the world have achieved only limited success in offering wireless Internet access, our i-mode services have met with immediate success. We believe that our experience with the development and deployment of our i-mode services provides us with the ability and skills necessary to replicate our success in overseas markets in cooperation with our strategic partners. We believe that this will increase the value of our business by generating returns on investments, enhancing service quality and strengthening our position in the domestic market.

We believe that we are an attractive partner for international wireless operators and other telecommunications companies because they have the opportunity to gain access to our expertise in mobile multimedia and W-CDMA technology. With respect to our investments in wireless operators, our basic policy has been to acquire minority stakes sufficient to allow us to have a voice in the partners' operations, including management decisions and selection of technology standards, accompanied by less investment risks than the acquisition of a majority interest. Our partners operate in key markets and regions around the world. We do not believe, however, that the regulatory environments in which our partners operate would have any adverse effect on our investments or on our financial results.

The following is a summary of our major strategic international investments.

AT&T Wireless Group

In January 2001, we completed an investment of approximately $9.8 billion (approximately ¥1,143 billion at the date of investment) to purchase AT&T preferred stock equivalent to 406 million shares (a 16% interest) of AT&T Wireless tracking stock and warrants to purchase the equivalent of an additional 41.75 million shares of AT&T Wireless tracking stock at $35 per share. The alliance aims to facilitate the rapid establishment and development of 3G and related mobile portal platform services in the U.S. market. The parties will jointly develop the U.S. market through AT&T's nationwide network infrastructure and our i-mode based mobile Internet technology and related business know-how. With AT&T Wireless, we will also jointly promote the spread of W-CDMA technology in the U.S. market. The agreements that we entered into with AT&T and AT&T Wireless are described in detail in Item 10.C. Material Contracts.

In July 2001, AT&T Corp. completed the planned split-off of AT&T Wireless Group. In connection with the split-off, all the assets and liabilities of AT&T Wireless Group were transferred to AT&T Wireless Services, Inc., a wholly owned subsidiary of AT&T. The split-off was then effected by redeeming all the outstanding shares of AT&T Wireless Group tracking stock in exchange for shares of AT&T Wireless common stock and distributing shares of AT&T Wireless common stock to holders of AT&T common stock, resulting in AT&T Wireless becoming an independent, publicly-traded company. DoCoMo's investment in AT&T preferred stock, which represented approximately 16% of the financial performance and economic value of AT&T Wireless Group, was also automatically converted into AT&T Wireless common stock at an applicable exchange rate with the result that we hold approximately 16% of the economic and voting interest in AT&T Wireless. On July 9, 2001, DoCoMo started to account for its investment in AT&T Wireless using the equity method.

AT&T Wireless announced in October 2001, that it would acquire the entire equity interest of TeleCorp PCS, Inc. and in connection with the acquisition it would issue, and deliver to shareholders of TeleCorp, shares of AT&T Wireless common stock. This transaction would dilute our interest in AT&T Wireless to approximately 15.2% if we did not exercise our pre-emptive rights to purchase additional shares of AT&T Wireless common stock in order to maintain our current ownership percentage.

On December 21, 2001, we announced that we would exercise our preemptive rights to purchase additional shares in order to maintain our current approximately 16% share ownership in AT&T Wireless. Our decision to purchase additional shares is contingent on AT&T Wireless acquiring TeleCorp. If AT&T Wireless completes its planned acquisition, we will purchase the shares necessary for us to maintain our current approximately 16% ownership in AT&T Wireless. The purchase is expected to amount to approximately 26.6 million shares of common stock at a price of $14.28 per share, the New York Stock Exchange average closing price over the 30-day period ending December 20, 2001, for a total additional investment amount of approximately $380 million. The exact number of shares to be purchased will be determined on the same day that AT&T Wireless completes its acquisition of TeleCorp.

KPN Mobile N.V.

In July 2000, we signed a subscription agreement to invest approximately €4 billion (approximately ¥407 billion at the date of investment) for a 15% voting interest in KPN Mobile N.V. for the purpose of promoting mobile multimedia services and IMT-2000 services in Europe. We also entered into a shareholders agreement and a registration rights agreement in connection with this investment. These agreements are described in Item 10.C. Material Contracts. KPN Mobile provides service in The Netherlands, Belgium, Germany and other countries.

As of December 31, 2000, KPN Mobile's parent company, Royal KPN, had loans to KPN Mobile totaling €19.4 billion which are convertible by Royal KPN into KPN Mobile shares. Conversion will take place at the fair market value of KPN Mobile shares at the time of conversion. However, per the shareholders' agreement, described in further detail in Item 10.C. Material Contracts, if Royal KPN converts its loans to KPN Mobile into shares of KPN Mobile, we have the right to maintain our voting interest in KPN Mobile through the purchase of further KPN Mobile shares at the then current market value.

In January 2001, we, KPN Mobile and Telecom ltalia Mobile agreed to jointly develop a leading pan-European mobile Internet business and signed a memorandum of understanding to jointly study the possibility of developing mobile Internet services based on our i-mode technology.

In November 2001, we signed a license agreement with KPN Mobile and its parent company Royal KPN under which we will transfer and license technologies to KPN Mobile for the launch of mobile Internet services in the Netherlands and Belgium. The services will be similar to our i-mode services available in Japan. Under the licensing agreement, we will provide KPN Mobile with intellectual property rights, know-how and technologies necessary to launch i-mode-like services. The term of the agreement is from November 7, 2001 until December 31, 2011, during which time we will be entitled to collect licensing fees.

Hutchison 3G UK Holdings Limited

In July 2000, we, along with KPN Mobile, formed a strategic alliance with Hutchison 3G UK Holdings Limited. The agreement provides for cooperation on research and development on projects and applications relating to 3G services. The amount of our investment in Hutchison 3G UK was approximately £1.2 billion (approximately ¥185 billion at the date of investment) for the equivalent of 20% of the voting shares.

Hutchison 3G has acquired a 3G license for the United Kingdom and is expected to begin offering 3G services in the 2nd half of 2002.

Additionally, in July 2000, we, Hutchison Whampoa Limited and KPN Mobile announced an arrangement for strategic cooperation regarding European 3G services. The agreements among the parties combined will allow each party to extend its footprint while sharing the cost of growing their 3G services in Europe. The cooperation will strengthen the ability of the parties to penetrate potential target markets, secure time-to-market advantages, generate significant economies of scale in product development, network procurement and construction and enhance content and other supplier relationships.

KG Telecommunications Co., Ltd.

In November 2000, we agreed to invest approximately NT$17.1 billion (approximately ¥61 billion at the date of investment) for a 20% equity stake in KG Telecommunications Co., Ltd. KG Telecom operates in Taiwan. Through this business alliance with KG Telecom we aim to provide sophisticated wireless broadband services to the Taiwanese market using W-CDMA technology and to provide mobile Internet services in Taiwan based on our i-mode technology and business model. On June 18, 2001, we signed a i-mode license agreement with KG Telecom to license our intellectual property and technology know-how regarding i-mode services.

In July 2001, we increased our equity stake in KG Telecom by purchasing 62,180,331 new shares. The amount of our additional investment was NT$1.87 billion (approximately ¥6.7 billion at the date of investment).

In December 2001, KG Telecom withdrew its application to participate in an auction of 3G communication licenses in Taiwan. We agreed with the KG Telecom withdrawal based on our belief that competition in the Taiwanese mobile telecommunications market is likely to be excessive and it would be more strategically advantageous to assess the results of the auction and related market trends rather than to participate in the auction. We will continue to consider all suitable opportunities for entering Taiwan's 3G market.

Hutchison Telephone Company Limited

In December 1999, we agreed to acquire a 19% equity interest in Hutchison Telephone in Hong Kong for approximately U.S.$410 million (approximately ¥42 billion at the date of investment) as part of our business alliance with Hutchison Whampoa Limited with respect to the development of their mobile Internet services and 3G businesses in Hong Kong. In May 2001, we invested an additional $30.44 million (approximately ¥3.7 billion at the date of investment) for an additional 6.4% equity interest in Hutchison Telephone. We currently own a 25.4% equity interest in Hutchison Telephone.

Hutchison 3G Hong Kong Limited

In July 2001, we agreed with Hutchison Whampoa Limited to separate the 3G entity from HTCL and acquire a 25.4% equity interest in Hutchison 3G Hong Kong Holdings Limited for approximately HK$303,190 (approximately ¥4.8 million at the date of investment).

America Online, Inc.

In September 2000, we agreed to purchase a 42.3% stake in AOL's Japanese affiliate for approximately ¥15 billion to promote both the growth of Internet services in Japan and the convergence of PC-based fixed-line Internet services and mobile Internet services in Japan. In connection with this investment, AOL Japan became DoCoMo AOL, Inc. Beginning on June 1, 2001, we, together with DoCoMo AOL, Inc., are offering i-mode users access to AOL e-mail (AOLi services).

DoCoMo Networks

We currently provide our services on several different networks, including our 2G network, our packet network for 2G, our 3G network and our PHS network. Each of these networks is composed of four basic components: base stations, antennas, switching centers and transmission lines. When a person uses a phone (or other mobile device), an antenna on top of a base station receives the signal. The signal then travels underground via transmission lines or in the air via microwave transmission equipment to a switching center which routes the signal to another base station in the vicinity of the intended recipient of the signal. In general, each of our networks, our 2G 800 MHz, 1.5 GHz and packet networks, our PHS network and our 3G network, use separate base stations, antennas and switching centers. With respect to antennas and transmission lines, there are overlaps. For example, our 2G networks, namely our 2G 800 MHz, 1.5GHz and packet networks, share antennas. Our 2G networks and 3G network share transmission lines.

2G Network

Our 2G network is an integrated network of base stations, local switching centers, gateway switching centers, transit switching centers, signal transfer points, mobile-service control points and a mobile communication information storage system that route calls from the calling party to the called party. The various components of the network are connected primarily by microwave transmission, our own trunk and other fixed lines and fixed lines leased from NTT.

Our 2G cellular phone service uses the Personal Digital Cellular, or PDC, telecommunication system. PDC is a TDMA-based system that supports both voice and data communications, packet-switched wireless data and a full range of supplementary services including call waiting, voice mail, three-party calling and call forwarding. PDC also uses both full-rate (11.2 kbps) and half-rate (5.6 kbps) transmission speeds for voice and can be used for circuit switched data transmission at up to 9.6 kbps and packet switched data transmission at up to 28.8 kbps.

The Japanese government issues licenses to carriers for the use of radio spectrum bandwidth, so the capacity of our cellular network is limited to the amounts of bandwidth that the government has made available to us. The government has currently allocated 77 MHz for the use of 2G Networks nationwide. We have been allocated frequency spectrum of 28 MHz, of which 24 MHz is in the 800 MHz band nationwide and 4 MHz is in the 1.5 GHz band in the Tokyo metropolitan area, Nagoya and Osaka. Therefore, our 2G network is separated into two bandwidths, an 800 MHz system and a 1.5 GHz system. We offer nationwide coverage on our 800 MHz digital cellular service, and coverage in the Tokyo metropolitan area, Nagoya and Osaka on our 1.5GHz digital cellular service. We have obtained licenses for an additional 5 MHz of spectrum in the 800 MHz band in the Tokyo metropolitan area in connection with the purchase of certain tele-terminal operations from Japan City Media that we made in 1998. Thus, we are able to use 29 MHz of spectrum for our 800 MHz digital cellular service in the Tokyo metropolitan area.

The primary difference between the 800 MHz and 1.5 GHz networks is that they require separate hardware for base stations, although they may share antennas, switching centers and transmission lines. Handsets which use the 800 MHz network are different from those which use the 1.5 GHz network, except for recently introduced handsets which work on both networks. The digital cellular services available to subscribers using an 800 MHz handset and to those using a 1.5 GHz handset are substantially the same. However, our i-mode services are only available on our nationwide 800 MHz system.

In addition to the network and its components, we have also established nine operations centers, one for ourselves and one for each of our eight regional subsidiaries, that monitor service over the nationwide network on a 24 hour, 365-day basis and track the usage and performance of the network. We have created redundancy on the network by installing backup equipment and constructing multiple links between critical network components. In addition to the computer monitoring of the network by the operations center, the base stations and various components are physically inspected on a yearly basis.

We control our network equipment procurement. We purchase the necessary digital network equipment from approximately 70 suppliers inside and outside Japan, including NEC Corporation ("NEC"), Nippon Ericsson and Lucent Technology Japan. We publicly solicit bids from domestic and international suppliers by providing specifications through various media outlets, including the Internet. By publicly soliciting equipment and purchasing on behalf of our eight regional subsidiaries, we believe we are better able to obtain quality equipment at competitive prices.

Packet Network for 2G

The i-mode network uses our packet network, the same packet network as DoPa, our packet communication service. The mobile packet communications system enables flexible, high-speed data transmission with a minimum of transmission errors by applying packet switching technology to the PDC system. The mobile packet communications system consists of packet gateway processing equipment, which provides functions to connect to other networks such as LANs and the Internet, access the mobile-service control point, and interface with the connected network, and packet subscriber processing equipment, which carries out packet transmission and reception with the mobile unit via the base station. The packet network covers the same area as our 800 MHz digital cellular service and allows for quicker access to Internet services. This type of network is much faster than circuit switch types of transmissions.

3G Network

We have developed our 3G network based on the International Telecommunications Union's, or ITU, IMT-2000 standards. IMT-2000 is an initiative of the ITU intended to integrate the various satellite, terrestrial, fixed and mobile systems currently being deployed and developed in order to provide users with genuine global service capabilities and interoperability. In December 1999, direct sequence code division multiple access, or DS-CDMA, was one of the five systems recommended by a study group of the ITU to serve as a platform for 3G services. DS-CDMA is a type of Wideband Code Division Multiple Access, or W-CDMA, technology. We have adopted this DS-CDMA type of W-CDMA technology as the primary air interface technology for our 3G network. We believe that, given the number of industry participants which have already signed on to W-CDMA, this platform may become an industry standard. However, we cannot be certain that enough overseas operators will adopt a W-CDMA system compatible with our W-CDMA technology such that we will be able to offer our services globally or benefit from economies of scale.

Our 3G network is an integrated network of base stations, various switching centers, transfer and control points and information storage systems. We plan on utilizing and expanding on the footprint for our existing 800 MHz network by adding additional equipment and infrastructure for our 3G network. Work is also being done to create an additional intelligent network that will integrate different communication systems, such as mobile phones, LANs and the Internet, to establish an advanced mobile communications network which will support 3G service.

PHS Network

Our Personal Handyphone System, or PHS, network is a circuit switched network that is a combination of PHS handsets, cell stations and antennas linked to a fixed line ISDN network. When a call is made, the signal is transferred from one user to another through cell stations which transmit signals through a common circuit signal network. When PHS 64 kbps data communication service commenced in April 1999, it allowed users to rapidly transmit large amounts of text and data.

Handsets

We offer a variety of different handsets to subscribers. Because of the different transmission technologies that we use, subscribers purchase handsets specifically designed for either 2G, PHS or 3G services, although the "Doccimo" phone is a dual-technology phone compatible with both 2G and PHS networks.

We have strict quality standards that manufacturers of our handsets must meet. We also provide one year warranties on all our handsets during which handset repairs are made generally free of charge. In addition, our nationwide sales and distribution system, in particular DoCoMo Shops, provides convenient after-sales service. Historically, we have experienced limited subscriber complaints about handsets and few handset returns. However, as handsets continue to become more sophisticated and technologically advanced, we expect to experience more complaints and returns. In 2001, we recalled 240,000 P503i HYPER handsets, 430,000 SO503i handsets and approximately 1,500 NEC 3G handsets because of software problems. The handset manufacturers were responsible for the costs of the recall.

Cellular Handsets

There are two basic types of DoCoMo handsets available to our cellular subscribers: handsets that we planned and developed jointly with manufacturers and handsets planned and developed independently by manufacturers. In all, we offer approximately 30 different models for our cellular services.

The vast majority of new handsets are now i-mode enabled. Our i-mode enabled handsets are relatively small and lightweight terminals that are installed with packet communications and browsing software functions and also function as normal cellular phones. i-mode enables users to have immediate access to the Internet without the need to use a PC or other system. The DoCoMo i-mode browser reads HTML Subset text. The handsets have a small display screen that is most suitable for text oriented display. We believe that one of the strengths of i-mode is that our handsets are smaller and lightweight compared to more bulky notebooks, laptops, PDAs or other devices that can also access the Internet.

We recently introduced a new series of i-mode handsets that have color displays with a range of approximately 65,500 colors. The i-mode handsets also became much lighter, with the lightest model weighing only 59 grams. With these new handsets, we added new services including color character display, i-melody services, which can be used to download ringing tones, and color i-mode games. We plan to continue to improve the handsets to offer an even greater variety of services.

We continue to introduce new types of handsets, along with the commencement of music distribution, location information and other services. For example, in August 2000, we started offering dual mode handsets that can be used both in Japan through our network and in South Korea through the network of SK Telecom. In January 2001, we started marketing dual mode handsets that can be used both in Japan through our PDC system and in Europe, Asia, Africa and Oceania through Hutchison Telephone's and its roaming partners' GSM system. Also in January 2001, we commenced sales of a new line of Java-enabled handsets.

W-CDMA Handsets

We offer three models of handsets for our 3G service: a standard i-mode enabled model, a videophone model that also allows users to see one another while conversing, and a data model designed exclusively for data communication. The basic model is equipped with i-mode capabilities and is able to access not only the current i-mode contents but also contents that are expected to be specifically created for 3G i-mode. The handsets and other products for 3G that we will introduce will transform these products into mobile multimedia tools for viewing images, downloading music, making e-commerce transactions, improving mobile computing options and enjoying many other new functions.

With respect to cost, we expect that the price of these handsets will be somewhat more expensive than the price for current handsets. Additionally, with respect to services, there can be no assurance that these handsets at the outset will be able or will remain able to provide the full planned range of Wideband Code Division Multiple Access, or W-CDMA, services, including video conferencing and video transmission. Also, because these 3G handsets are not yet being mass produced, there is a risk that handsets and handset parts may not be available at all times from manufacturers.

PHS Handsets

There are three basic types of handsets available to PHS users: The PALDIO, the Doccimo, and a handset designed exclusively for data transmission. The PALDIO provides a wide range of regular voice and other services and enable users to receive and send 32kbps or 64 kbps data transmission, in handsets of numerous colors, weights and sizes. The Doccimo allows people to set their phone to either cellular phone or PHS to receive and transmit calls as well as enjoy 64 kpbs data transmission. The Doccimo is also i-mode enabled. The third type handsets such as P-in have dedicated themselves to 64 kbps data transmission.

Sales and Marketing

We benefit from the strong positive perception in Japan of both the DoCoMo brand name and the NTT brand name. We market our cellular, PHS and other services to our subscribers through our extensive distribution network throughout Japan, which includes a small number of DoCoMo branches and sales offices and numerous primary retailers operating approximately 1,170 DoCoMo Shops. DoCoMo Shops are specialty shops that we have licensed and allowed to use the DoCoMo logo and other DoCoMo trade and service marks, as well as facades and displays that easily identify the shops as DoCoMo Shops. DoCoMo Shops have agreed to market the full line of our products and services and no other competitor's products or services on the premises. Primary retailers also resell to secondary and tertiary retailers who have no direct contractual relationship with DoCoMo. There were more than 90,000 secondary and tertiary retailers throughout Japan as of March 31, 2001.

One of the primary advantages of our extensive distribution network is that it makes it easier for potential subscribers to sign up for services and purchase cellular, PHS and other equipment. We believe that no competitor offers a distribution network as extensive as ours. As new subscriber growth continues to be strong and competition for subscribers increases, the ability to attract and retain subscribers is becoming even more important. In order to continue to attract and retain subscribers, our current sales and marketing strategy is to (i) continue to improve our network coverage and quality, (ii) enhance i-mode and other data transmission services, (iii) increase the quality of after-sales service, (iv) promote the DoCoMo brand name through aggressive advertising and promotions and (v) provide competitive tariff and service pricing.

We are focusing on further enhancing the DoCoMo brand name by aggressively advertising and promoting ourselves and our products and services. Our customer surveys indicate that the DoCoMo brand name enjoys high recognition and is readily associated with quality products, network and services and competitive pricing. We believe that the DoCoMo brand name has been and will continue to be a significant reason that subscribers choose us over our competitors. To continue to increase our brand name recognition, we advertise on television, the radio and through various magazines and newspapers.

We believe that the combination of our distribution network, extensive advertising activities, the strength of our brand name, the quality of our digital network and our competitive pricing and extensive after-sales service will allow us to continue to attract and retain subscribers.

Customer Service

As customer retention is increasingly becoming important in the Japanese telecommunications market, we have focused on ensuring high degrees of customer satisfaction. We realize that customer service, including the service we provide when customers sign up and after-sales service, is critical to retaining subscribers and maintaining the high reputation and recognition of the DoCoMo brand name. We provide extensive customer service at the point of sale through our nationwide network of branches, DoCoMo Shops and agents described above. Our customer service efforts are also supported by fully integrated information systems that centralize and make available to agents nationwide information on subscribers.

We also provide extensive after-sales service primarily through the DoCoMo Shops but also through qualified after-sales service stations such as DoCoMo Techno Stations which are usually combined with DoCoMo Shops. DoCoMo Techno Stations are frequently able to deal with handset problems and make repairs on the premises. We also have various toll free numbers that provide customer service including basic service and tariff information provided during business hours as well as support and assistance 24 hours a day for network problems and handset problems, including lost and stolen handsets. By calling these free numbers, a subscriber can be directed to the nearest of the DoCoMo Techno Stations for service or can even be connected directly to a DoCoMo repair technician who will check the condition of the line over the phone for subscribers experiencing problems.

In order to promote quality of after-sales service for existing customers, we pay various fees to the agents for certain after-sales services, including handset upgrades, calling plan changes, and diagnostic and repair work on handsets and other equipment.

We have also recently implemented programs to provide incentives for DoCoMo Shops and other agents to promote mobile multimedia usage, including special mobile multimedia presentations that teach customers about the various services available and demonstrate the benefits of the services. We believe these types of programs will create more opportunities for customers to use their handsets for other than standard voice transmissions.

We also have customer incentive programs for our subscribers including a Club DoCoMo and DoCoMo Point Services which are point accumulation systems that offer incentives to our subscribers. We believe that these programs will have a positive effect on subscriber retention.

Information Technology

We employ various computerized, fully integrated information systems to support key functions, including network operation management, procurement, billing, financial accounting, customer service and marketing.

One of the most important of these systems is ALADIN, which is a proprietary nationwide operating system we share with our eight regional subsidiaries. ALADIN has five primary functions: customer service and interface, phone number management, information processing and storage, sales information management, and credit investigation. ALADIN manages data and information for and about our cellular, PHS and Quickcast subscribers nationwide and provides customer service personnel at service counters in branch offices, agents and DoCoMo Shops and in our telemarketing center with online access to network data so that they can effectively address customer inquiries.

ALADIN enhances the efficiency of our operations by simplifying the process of registering customer information, automating phone number registration, enabling automatic credit reference checks, preventing duplicate registration of certain accounting information and reducing the number of managing agents required to assist in subscriber registration and other functions. In addition, ALADIN controls telephone number allocation which makes it possible for handsets to be assigned telephone numbers and activated immediately upon signing up for cellular or PHS service and also provides an opportunity to conduct suitability and/or reference checks in order to prevent the assignment of a telephone number to a subscriber who does not meet our payment history and other requirements. ALADIN maintains and continually updates a list of previous subscribers that had credit problems. It also allows our personnel to determine the validity of addresses provided by potential subscribers.

ALADIN and related systems are also used to collect customer data so that management and marketing personnel can monitor usage, track market segments, monitor subscriber satisfaction, analyze trends in calling patterns, target network expansion and develop appropriate marketing strategies.

Billing System

The billing system handles the processing and printing of certain bills sent on a monthly basis to our subscribers. Other bills are sent via e-mail or electronically. We bill each of our subscribers on a monthly basis and subscribers may pay their bills either by bank or other financial institution account transfer or in person at any number of locations, including our branches, service counters or shops, banks or other financial institutions or convenience stores. A very high percentage, over 78% as of March 31, 2001, of our subscribers pay their monthly bill by automatic payment or direct debit from their bank or other financial institution account. As of March 31, 2001, our collection rate on outstanding bills within 70 days from the payment due date was 99%. In order to keep our ratio of bad debts low, we carefully monitor subscribers with large outstanding amounts and delinquent customers, send frequent notices and accelerate billing in cases where usage amounts may have accumulated above certain threshold amounts during a billing cycle. In addition, we terminate service to subscribers who have not paid after 30 to 40 days from the initial payment due date and cancel subscribers' subscriptions if they have not paid after 60 days from the initial payment due date.

Research and Development

Research and development is carried on primarily at our facilities with input from our various eight regional subsidiaries as well as our various divisions. Previously, research and development expenses were apportioned between us and our eight regional subsidiaries. However, this expense apportionment was replaced by a new arrangement effective fiscal 2000. Currently, each of our regional subsidiaries bears research and development expenses in the form of usage fees equal to 2.9% of its operating revenues. Each regional subsidiary is allowed to use the results of our research and development freely although we retain patents and other intellectual property rights and we control all intellectual property licensing and sublicensing.

We organize our research and development efforts through our R&D headquarters. Our R&D headquarters includes:

- four research centers, one each for network research, wireless research, multimedia research and radio environment technology research,
- six development departments, including the core network, radio network, customer equipment, multimedia, operations and wireless link development departments,
- a general affairs department and
- a planning department.

Further, as part of our ongoing research and development and in order to continue to improve our products, networks and services, our various research and development departments collaborate with product development staff at each of our operating divisions as well as with major manufacturers of our handsets and network equipment.

In addition, outside the R&D headquarters we have other development-related departments or divisions, such as: our service operation and maintenance department; our mobile multimedia division which includes a mobile multimedia planning department; our M-stage business department; our mobile multimedia business department; our mobile multimedia terminal development department; our mobile multimedia application development department and satellite business department; and our i-mode business division which includes an i-mode planning department, an i-mode business department and a platform development department. Further, we also conduct research with various carriers and universities inside and outside of Japan, such as KPN Mobile, Sonera, the Centre for Wireless Communications of The National University of Singapore, MIT, University of California at Irvine, Princeton University and Rutgers University, among others. These groups are involved in technological exchange in connection with not only 3G research and development but also fourth generation cellular communications systems, or 4G, and other advanced technology research. On December 19, 2000, we agreed with Hewlett-Packard to explore a joint research effort to improve multimedia delivery and network applications over 4G wireless broadband networks.

We are continuing research and development of our 3G system through our IMT-2000 related research. This includes further research and development of the W-CDMA technology as well as the research and development of new products, services and applications for its 3G system. We are also conducting research of other advanced technology, including fundamental research of technologies applicable to 4G aiming at further enhancement of cellular services. We also actively participate in the international standardization movement for a 4G system. We are also continually researching ways to improve the efficiency, design and quality of our Personal Digital Cellular network. Currently, we are focusing on development to increase transmission capacity and capabilities, increase efficiency of spectrum usage, downsize the base station equipment, improve the functionality of switches, reduce the size and weight of and add advanced functions to handsets and improve mobile multimedia services.

We have established DoCoMo Communications Laboratories USA, Inc., a U.S. subsidiary which carries out research and development of Internet-related technology. We have also set up DoCoMo Communications Laboratories Europe, whose primary research areas will be network technology, next-generation lC/USIM card technology and security technology. Finally, we established DoCoMo Technology, inc., which primarily carries out research and development to enhance our PDC system and other existing systems and supplements our fundamental R&D activities.

R&D Center

In order to respond to swiftly growing demand for wireless telecommunications and to diversifying customer needs, we have upgraded our research and development capabilities and streamlined our research and development operations. To this end, the NTT DoCoMo R&D Center in Yokosuka Research Park was completed in March 1998. The NTT DoCoMo R&D Center is a highly advanced R&D center near Tokyo specializing in telecommunications technology. With state-of-the-art testing facilities, the NTT DoCoMo R&D Center is the base for research and development of basic technologies, the 3G and 4G telecommunications systems and a variety of new products and services.

Competition

With the rapid growth of the wireless telecommunications industry in Japan, the increasing numbers of subscribers and the deregulation of the industry, we are facing increased competition. In addition to direct competition from other cellular operators, we believe that the telecommunications industry in Japan is organizing itself into integrated groups of telecommunications service providers that will offer local, long-distance and international phone services as well as mobile and other services. While we believe that we have certain competitive advantages over these groups, including our current market leadership position, our research and development capability and our affiliation with NTT, the effect of industry consolidation is difficult to predict and no assurance can be given that we will be able to continue to protect our current market position.

In addition, as we continue to pursue our global strategy, we will face additional competition. Our global strategy is based on making investments in and entering into alliances with other wireless telecommunications operators as global partners, each of which faces competition from within and outside of its respective home markets. Accordingly, the success of our global strategy will be based in part on the success of our global partners. We expect that the markets we and our global partners operate in will become increasingly competitive.

Cellular Competition

There are three cellular operators in Japan: DoCoMo, the KDDI group and J-Phone (which previously provided its services as the J-Phone group and integrated its services by merging its group companies in November 2001). As of March 31, 2001, we had a market share of 59.1%, the KDDI group (including the Tu-ka Group) had a market share of 24.5% and J-Phone had a market share of 16.4%. As of October 31, 2001, we had a market share of 58.9%, the KDDI group had a market share of 24.0% and J-Phone had a market share of 17.1%. These three cellular operators have all received permission and licenses from the government for the establishment of 3G services in Japan.

The KDDI group is the second largest cellular operator in Japan with approximately 14.9 million subscribers as of March 31, 2001 and 15.8 million as of October 31, 2001. The KDDI group is essentially a product of the merger of the telecommunications carriers KDD, DDI and IDO in Japan that occurred on October 1, 2000. Its cellular operations are largely a result of an alliance between three formerly independent cellular operators, DDI cellular and its related subsidiaries and IDO. They offer nationwide services using cdmaOne technology as well as PDC technology. The KDDI group is planning to launch its 3G services through cdma2000 lx in major cities in Japan in April 2002. The network buildout costs for the KDDI group may be lower than for our buildout because of the ability to use a greater portion of the current cdmaOne technology in the construction of the network (although the KDDI group is incurring additional expense as it is converting from PDC to cdmaOne).

J-Phone operates nationwide and is the third largest cellular operator with approximately 10.0 million subscribers as of March 31, 2001 and 11.3 million as of October 31, 2001. The largest shareholders of J-Phone are Vodafone and Japan Telecom. J-Phone plans to offer its 3G services starting by June 2002 based on the same standard W-CDMA (DS-CDMA), as ours.

Regarding potential competition from fixed line, our management believes that fixed line telecommunications services and cellular communications services are not necessarily competitive with, but rather are primarily complementary to, each other—customers typically use fixed-line networks when they are at their homes or offices and cellular networks when they are outside. However, with the expansion of services offered by both fixed line and cellular operators, improvements in fixed line and cellular technology, rate reductions in cellular services, deregulation, competition within the telecommunications industry, and other developments (including technological developments that may enable us to lower the cost and further improve the capacity of cellular transmission), there may be direct or indirect competition or conflicts of interest between us and other NTT subsidiaries.

i-mode Competition

The competitors of i-mode are EzWeb provided by the KDDI group and J-Sky provided by J-Phone. As with i-mode, KDDI's EzWeb and J-Phone's J-Sky service allow their users to connect to the Internet, send color images and also utilize navigation programs. We expect that competition in this area will continue to increase.

PHS Competition

The Personal Handyphone System, or PHS, market is highly competitive. Our two main competitors are DDI Pocket and ASTEL. DDI Pocket remains the leader among the three PHS operators with approximately 53.5% of the market share of PHS subscribers as of March 31, 2001. We are second with approximately a 31.0% market share and ASTEL has approximately a 15.5% market share. As of October 31, 2001, market shares for DDI Pocket, us and ASTEL was 51.7%, 33.4% and 14.9%, respectively. With the decrease in handset prices and tariffs of cellular services, PHS operators also face increasing competition from cellular operators.

Regulation of the Mobile Telecommunications Industry in Japan

The Ministry of Public Management, Home Affairs, Posts and Telecommunications, or MPHPT, is the primary regulatory body with responsibility for the telecommunications industry in Japan. We are regulated by the MPHPT primarily under the Telecommunications Business Law. We and other mobile telecommunications service providers are also subject to the Radio Law. We, however, are not subject to regulation under the Law Concerning Nippon Telegraph and Telephone Corporation, Etc., or NTT Law.

The Telecommunications Business Law

The Telecommunications Business Law authorizes the MPHPT to regulate two types of telecommunications companies: Type I Carriers, such as us, our eight regional subsidiaries and other NCCs and cellular operators which provide telecommunications services by establishing telecommunications circuit facilities, and Type II Carriers, which are telecommunications carriers other than Type I Carriers (i.e., companies such as Internet service providers which provide telecommunications services to customers but do so using the circuit facilities of Type I Carriers). Type II Carriers are subdivided into Special Type II Carriers, which provide telecommunications facilities for the use of communications by the public through the interconnection of both ends of leased circuits with public switched networks or which provide telecommunications facilities designated for communications between Japan and foreign points of contact for the use of communications by others, and General Type II Carriers, which provide other services. Type I Carriers may offer the same services provided by Type II Carriers. As of June 1, 2001, there were 356 Type I Carriers and 9,334 Type II Carriers. We and our eight regional subsidiaries are all Type I Carriers though we have also been registered as a Special Type Il Carrier to provide international communication services and we and our three regional subsidiaries have made notifications concerning General Type II Carriers.

In November 2001, amendments to the Telecommunications Business Law and the NTT Law, which passed the Diet in June 2001, became effective. The changes in the amendments include, among other things:

- the introduction of the asymmetric regulation, which comprises the introduction of a new regulatory scheme to prevent and eliminate anti-competitive behavior of major telecommunications carriers having market power (i.e., dominant carriers) and the relaxation of regulations applicable to non-dominant carriers;
- the introduction of the wholesale telecommunications service system;
- the establishment of the Telecommunications Business Dispute-settlement Commission in charge of resolution of disputes among telecommunications carriers;
- the introduction of a system to ensure the provision of universal service (under which the mobile telecommunications industry will not be subject to the universal service obligation for the time being);

- the expansion of the business scope of NTT East and NTT West; and
- the relaxation of foreign capital ownership restriction of NTT from less than 20% to less than one-third of voting rights.

Under the new asymmetric regulation provided in the new Telecommunications Business Law, (i) Type I Carriers that possess Category I-designated facilities (i.e., regional fixed system) and (ii) Type I Carriers that possess Category II-designated facilities (i.e., mobile system) and which is designated by the Minister of the MPHPT are subject to the prohibition of anti-competitive behaviors, such as abuse or provision of proprietary information obtained from competitors through interconnection for other purposes, unduly favorable treatment of specific carriers and undue compulsion or intervention upon other carriers, manufacturers or suppliers of telecommunication equipment or content providers. The Minister of MPHPT may designate as Category II-designated facilities the transmission line and other telecommunication facilities of a Type I Carrier if its market share of the number of mobile terminal facilities within the same service area exceeds 25%. While designation of Category II-designated facilities has not been made, we expect that our telecommunications facilities will be so designated. The Minister of the MPHPT may subject a Type I Carriers that possess Category II-designated facilities to the prohibition of anti-competitive behaviors by designation in consideration of factors, including the trend of market share, if the percentage of such Type I carrier's revenue from telecommunications service using the Category II-designated facilities to the total revenue of the similar telecommunications service within the same area exceeds 25%. Because our revenue percentage in all service areas exceeds the 25% threshold, we expect that we will be so designated. Even if such designation is made, we believe that our business operation will not be significantly affected.

Under the new asymmetric regulation, while Type I Carriers that possess Category I-designated facilities (at present, NTT East and NTT West) remain under the approval system for the purpose of formulation and change of tariffs, interconnection tariffs and facilities sharing agreements, other carriers, including us, are not subject to the approval system and are only subject to the notification process or unregulated for those purposes. Under the new regulation, however, Type I Carriers that possess Category II-designated facilities have become obligated to establish, notify and disclose their interconnection tariffs.

The following table summarizes some of the major current regulatory requirements applicable to Type I and Type II Carriers:

	Type I Carriers	**Type II Carriers**	
		Special Type II	**General Type II**
Government Regulation:			
a. Start-up of Services	Permission from the Minister of the MPHPT required	Registration with the Minister required	Notification to the Minister required
b. Charges	Notification to the Minister required (1)	Notification to the Minister required	Unregulated
c. Tariffs	• Approval from the Minister required (carriers having Category I-designated facilities) • Notification to the Minister required (other carriers)	Notification to the Minister required	Unregulated

	Type I Carriers	Type II Carriers	
		Special Type II	General Type II
d. Interconnection	• Approval of tariffs from the Minister required (carriers having Category I-designated facilities) • Notification of tariffs to the Minister required (carriers having Category II-designated facilities) • Notification of agreements to the Minister required (other carriers)	Notification of agreements to the Minister required	Unregulated
e. Foreign Capital Participation	Unregulated (2)	Unregulated	Unregulated

(1) Type I Carriers having Category I-designated facilities are subject to the price cap regulation, under which they must obtain an approval from the Minister if a proposed charge exceeds the price cap.

(2) Except in the case of the one-third foreign ownership restriction applicable only to NTT and except for the prior notification requirement under the Foreign Exchange and Foreign Trade Law in the case of a foreign investor which together with certain related parties holds 10% or more of the issued shares of a listed company as a result of its acquisition of shares.

The promotion of fair competition has recently been a key issue in the telecommunications business field since the enforcement of the Basic Law on the Formation of An Advanced Information and Telecommunications Network Society in January 2001. To that end, the amendments to the Telecommunications Business Law in 2001 introduced the asymmetric regulation, as described above, and added to the purpose of the law the promotion of fair competition in the telecommunications business. In addition, the MPHPT and the Fair Trade Commission jointly published in November 2001 the Guidelines for Promotion of Competition in the Telecommunications Business Field for the purpose of the Antimonopoly Law and the Telecommunications Business Law in order, principally, to enhance the transparency for telecommunications carriers, to clarify actual practices prohibited to telecommunications carriers having market power, and to clarify practices leading to orders to change charges or orders to improve business activities under the Telecommunications Business Law.

For other recent discussions concerning the Telecommunications Business Law, please see "Recent Discussions on the Telecommunications Business Law and the Radio Law" below.

The Radio Law

The Radio Law was established to promote public welfare by ensuring the equitable and efficient utilization of radio waves. There are certain important provisions of the Radio Law applicable to us and other mobile phone service providers.

Article 4 requires that any person who intends to establish a radio station shall first obtain a license from the Minister. Effectively, this requires cellular operators to obtain a license in connection with the construction of individual base stations and sales of individual handsets. However, with respect to increases in the number of base stations and sales of handsets within the already allocated spectrum, a certification system and a blanket licensing system have been introduced to expedite the process by the MPHPT. Under Article 7 of the Radio Law, the MPHPT, upon receiving an application for a license, examines it to determine whether it satisfies, among others, the following criteria: conformity of the construction design to technical standards, the availability of the frequencies requested, conformity with the fundamental standards of radio station establishment and the applicant's business need for the license.

Generally, however, the MPHPT submits such important matters as spectrum allocation to new operators and new systems to the Radio Regulatory Council for consultation and will grant the license only after obtaining the Council's decision thereon.

Article 17 of the Radio Law requires a licensee to obtain permission from the MPHPT for changes in the operations, including changes of the person with whom radio communications is conducted and location of radio equipment, and for the initiation of construction to modify any radio equipment. As with licensing, regulatory requirements with respect to the location of radio equipment and construction to change radio equipment for use within allocated spectrum has been simplified by implementing a certification procedure.

Article 26 of the Radio Law also provides that a list setting out current frequency assignments and frequencies available for future assignment shall be made public for the convenience of any person that would like to establish a radio station. The frequency or spectrum allocated for a certain use such as cellular, PHS or paging services is stipulated by a ministerial ordinance of the MPHPT. From within the assigned frequency or spectrum for a certain service, the MPHPT by issuing a circular allocates spectrum to the wireless telecommunications operators providing such service. In accordance with Article 4 of the Radio Law as noted above, the operators then apply for a license for radio stations (i.e., base stations and handsets) that use frequency from within their allocated spectrum.

Spectrum allocation is awarded based on application to the MPHPT, which regulates the use of radio frequencies and the allocation of spectrum in Japan under the Radio Law. The MPHPT currently allocates 77 MHz for 2G networks. As spectrum capacity is limited, spectrum is a highly valuable resource. We have been allocated frequency spectrum of 28 MHz. Within our allocated spectrum, we use approximately 24 MHz for our 800 MHz PDC network and 4 MHz for our 1.5 GHz PDC network. In the Tokyo metropolitan area, we also use an additional 5 MHz. In fiscal 2000, pursuant to regulations under the Radio Law, we paid total fees of approximately ¥21.8 billion to the Government in the form of spectrum user fees for base stations, handsets and other radio stations.

Currently, three other cellular groups have been allocated spectrum for their cellular services in Japan. The KDDI group, including Tu-ka, has collectively been allocated 34 MHz in the 800 MHz and 1.5 GHz bands. J-Phone has been allocated 10 MHz in the 1.5 GHz band.

On June 30, 2000, DoCoMo, KDDI and J-Phone respectively obtained MPT approvals which allow them to use 2 GHz bands in connection with their 3G services. We have been allocated 15 MHz of spectrum, the KDDI group has been allocated 15 MHz of spectrum, and J-Phone has been allocated 15 MHz of spectrum.

Effective November 30, 2000, the Radio Law was amended to provide for disclosure by the Minister of the MPHPT of the frequency allocation plan and procedures concerning competitive applications for radio frequency spectrum. An auction system has been discussed as a possible alternative method for allocation of spectrum, which is largely employed in Europe, but its introduction has not yet been determined.

Recent Discussions on the Telecommunications Business Law and the Radio Law

Besides the points already covered in the amendments to the Telecommunications Business Law that took effect in November 2001, several other changes have been recommended by various governmental bodies.

The Regulatory Reform Committee recommended in its report dated December 12, 2000 that, among other things, the introduction of a spectrum auction system be considered and discussed. The Government on March 30, 2001 launched the Three-year Program for Promoting Regulatory Reform. In relation to telecommunications, it stated, in addition to the changes reflected in the amendments to the Telecommunications Business Law, that it would commence revision of regulatory division of types of telecommunications business and that it would consider measures to enable one carrier to use another's network. The Regulatory Reform Committee was terminated on March 31, 2001. The General Regulatory Reform Council, a body established under the Cabinet Office, has since then been in charge of promoting regulatory reform.

As part of "e-Japan Priority Policy Program" determined on March 29, 2001 by IT Strategy Headquarters of the Government, among other things, the following plans were proposed in connection with mobile communications:

- revision of allocation, and reallocation, of spectrum to secure the spectrum for the use of the 4G mobile telecommunications system by March 2003, and review of the spectrum allocation system by March 2006,
- promotion of research and development of the 4G mobile telecommunications system that enables high-speed wireless Internet environment and seamless telecommunications service, and,
- protection of privacy of users.

Both the Three-year Program for Promoting Regulatory Reform and the e-Japan Priority Policy Program stated that the Japanese government expects that NTT will establish a voluntary action plan for promoting competition, including:

- further rationalization of NTT East's and NTT West's operation,
- further opening of NTT group's local network, and
- realization of competition within the NTT group by decreasing NTT's ownership percentage in our company and NTT Communications.

In response, on October 25, 2001, NTT together with NTT East and NTT West announced "NTT's Strategy concerning Current Management Issues." In relation to its group operations, NTT stated in that release, that:

- maintaining the present group operation under a holding company will be necessary in order to proceed with the structural reform that would revise NTT East and NTT West cost structures by reallocating personnel within the NTT group and making use of outsourcing companies,
- from the standpoint of maximizing corporate value (shareholder profits), the NTT group management apportions each group company's business areas such that (i) in fields where new markets need to be developed, such as Internet-related business, each company is free to decide its own business strategy while taking advantage of its own strengths, even if this involves competition among NTT group companies; (ii) in the remaining fields, group operations are carried out on the principle of avoiding duplication of resources,
- the simultaneous holding of executive positions between local companies (NTT East and NTT West) and NTT Communications or our company is not implemented currently and will remain unimplemented, from the viewpoint of fair competition, and
- decisions on NTT's investment ratio of NTT Communications and our company and the simultaneous holding of executive positions will continue to be considered from the standpoint

of maximizing shareholders profits, while fully respecting the autonomy in actual business operations of each NTT group company and taking into account operational necessities and stock market trends, as the market and other environmental factors surrounding the NTT group are rapidly changing.

Relationship with NTT

NTT is our parent company and owns 64.1% of our issued and outstanding shares. The Government of Japan, through the Minister of Finance, owns approximately 46% of the shares of NTT. The Government, acting through the MPHPT, also regulates the activities of NTT.

The NTT group is the largest provider of wireline and wireless voice, data, Internet and related telecommunications services in Japan and operates one of the largest telecommunications networks in the world. The NTT group's main business is providing nationwide telecommunications services. These services fall into seven major classes: telephone services, telegraph services, leased circuit services, data communication facility services, ISDN services, sale of telecommunications equipment and other services. As a holding company, NTT is directly responsible for the overall strategy of the NTT group. NTT is also responsible for basic research and development.

On July 1,1999, NTT was reorganized into a holding company structure. The former NTT parent company transferred its local and long-distance businesses to three new wholly-owned subsidiaries: Nippon Telegraph and Telephone East Corporation, Nippon Telegraph and Telephone West Corporation, and NTT Communications Corporation. NTT East and NTT West operate the regional telecommunications services in eastern Japan and western Japan, respectively, and NTT Communications operates the long distance telecommunications and other network services throughout Japan. NTT Communications has also started offering international telecommunications services. We continue to be a direct subsidiary of NTT after the reorganization.

Although NTT currently owns 64.1% of our shares, we conduct our day-to-day business operations independently of NTT and its other subsidiaries. All transactions between us and each of NTT and its subsidiaries and affiliates are conducted on an arm's length basis. For the year ended March 31, 2001, we had sales of ¥50,173 million to related parties and had cost of services, selling, general and administrative expenses and capital expenditures of ¥352,687 million, ¥300,179 million and ¥299,344 million, respectively, to related parties, compared to sales of ¥20,297 million, cost of services, selling, general and administrative expenses and capital expenditures of ¥349,291 million, ¥180,023 million and ¥134,192 million, respectively, for the year ended March 31, 2000. We also had receivables of ¥102,049 million from and payables of ¥141,564 million to related parties at March 31, 2001 compared to ¥37,538 million and ¥84,580 million at March 31, 2000. In conjunction with the reorganization of NTT into a holding company, we now pay NTT at fair market rates for the fundamental research and development conducted by NTT on our behalf as well as fees and charges for any other services or benefits that are provided to us by NTT. In fiscal 2000, total payments by us to NTT amounted to ¥13 billion.

In order to ensure fair competition in the mobile telecommunications business, the MPT in April 1992 established the following conditions of separation on NTT (which was then in operation of the fixed line telephone services) and us (which remain applicable):

- To the extent possible, we must establish transmission lines for our network independent of NTT. In the event that we use NTT transmission lines, the terms and conditions for such use shall be the same as those for our competitors.

- NTT must not favor us in any transactions between NTT and us. The terms and conditions for our use of NTT utility poles, access to NTT's network, access to NTT research and development and similar matters should be the same as for our competitors.

- All former NTT employees transferred to DoCoMo were required to be permanent employees, rather than being seconded from NTT.

- We were to plan to have our shares listed and NTT ownership reduced approximately five years after incorporation.

- We must not engage in joint procurement with NTT so as not to use NTT purchasing power with the objective of obtaining favorable treatment or pricing from its suppliers and manufacturers.

At the time of separation from NTT, all trademarks and service marks for our products developed by NTT, other than the "NTT DoCoMo" trademark, the "DoCoMo" trademark and the "NTT DoCoMo" service mark, were assigned to us. If NTT's ownership of our shares is substantially reduced, we may not be able to continue to use the trademarks and service marks that include "NTT". Patents, utility model rights and design rights are shared equally with NTT. While certain rights to programs concerning wireless telecommunications systems were assigned by NTT to us, NTT owns the rights to other programs concerning wireless telecommunications systems and grants us licenses to use such rights. Since the separation, NTT and DoCoMo have each retained rights resulting from their own research and development. When we desire to use NTT's technology, we are required to pay royalties equal to those other wireless telecommunications companies would pay for the use of such technology, and such technology is available equally to us and our competitors. We are also required to pay NTT certain basic research and development fees.

Although we operate independently of NTT, the following matters, among other things, relating to us are discussed directly with or reported to NTT: matters that are required to be voted on at shareholders' meetings, including amendments to the Articles of Incorporation, mergers and consolidations, assignments and transfers of business, election and removal of directors and corporate auditors, and appropriation of profits; increases in share capital; investments, including international investments; loans and guarantees; and establishment of businesses plans. In addition, although part-time Director and Senior Vice President Shigehiko Suzuki is the only person that currently serves on our Board of Directors and NTT's, the rest of our 28 Board members were previously employed by NTT or the MPT.

The Deregulation Committee (succeeded to by the Regulatory Reform Committee), an advisory committee set up by the decision of the Japanese Cabinet dated December 20, 1997, issued a report on December 15, 1998 with respect to government deregulation in a number of sectors of the Japanese economy. This report recommended the complete privatization of NTT at some point in the future, together with the elimination of monopolies in the regional telecommunications markets, and recommended that effective action should be taken to promote substantive competition between NTT East and NTT West. This report also included a recommendation that in the future the reorganized NTT be required to reduce its ownership of our shares to the level where competition between us and NTT's two regional telephone companies is facilitated. On March 30, 1999, the Government revised its Three-year Program for Promoting Deregulation stating, among other things, that, based on the Deregulation Committee's report and in connection with NTT's ownership of our shares, it would watch carefully competition between us and NTT's two regional telephone companies. On March 31, 2000, in its decision to further revise the Three-year Program, the Government stated that it would continue to consider NTT's ownership of our shares taking into account the competition among cellular phone companies and the competition between us and NTT's two regional telephone companies. Further, on December 12, 2000, the Regulatory Reform Committee issued a written opinion stating that NTT's ownership of our shares should be lowered to the level at which fair competition among us and other NTT companies is secured, and that the "firewall" regulation that restricts the sharing of management and other personnel among us and other NTT companies should be strengthened.

On December 21, 2000, the Telecommunications Council, then an advisory committee of the MPT, issued its first formal report concerning initiatives to promote competition in the telecommunications industry and to promote information technology generally. In this report, the Telecommunications Council stated its view that NTT's ownership of our shares should be reduced as much as possible through the listing of us on foreign stock exchanges, among other means, and that there should not be common directors of NTT and DoCoMo.

The Government on March 30, 2001 launched its Three-year Program for Promoting Regulatory Reform. In that program the Government expects NTT as well as NTT East and NTT West will prepare and publish a voluntary action program for promoting competition, including a realization of competition within the NTT group by decreasing NTT's ownership percentage in our shares. In response, on October 25, 2001, NTT together with NTT East and NTT West announced "NTT's Strategy concerning Current Management Issues" and stated in that release that simultaneous holding of executive positions between NTT East or NTT West and our company would remain unimplemented and that NTT's investment ratio of our company and the simultaneous holding of executive positions would continue to be considered from the standpoint of maximizing its shareholders profits, taking into account operational necessities and stock market trends.

The Government of Japan has not decided what action, if any, it will take with respect to NTT's ownership of our shares. NTT has declared its view that its ownership of our shares does not have any adverse effects on fair competition and that it intends to maintain its ownership percentage in us at 51% or above.

In connection with NTT's reorganization into a holding company structure in July 1999, NTT entered into agreements with each of DoCoMo and our eight regional subsidiaries as well as NTT East and West and certain other subsidiaries that provide for NTT to receive compensation for performing basic research and development and for providing management and administrative services. NTT also receives dividends when dividends are declared by its subsidiaries, including DoCoMo.

Property

Our property includes our Tokyo headquarters, eight regional headquarters and 70 branch and sales offices. As of March 31, 2001, we and our regional subsidiaries owned approximately 2,180,000 square meters of land and approximately 786,000 square meters of office space, buildings containing switching centers, company dormitories and warehouses.

Employees

At September 30, 2001, we had 19,790 full-time employees representing an increase of 1,775 employees since March 31, 2001. This increase was primarily attributable to regular recruitment and the transfer of approximately 500 NTT group employees to us which was necessary for business expansion. Approximately 54% of the full-time employees at DoCoMo and the eight regional subsidiaries previously worked for NTT. At March 31, 2001, 2000, and 1999 we had 18,015, 15,100, and 13,441 full-time employees.

Of our 19,790 full-time employees at September 30, 2001, 1,130 were engaged in headquarters administrative functions, such as corporate planning, finance, accounting, human resources, legal and general affairs, while the rest were engaged in business operations, such as sales, research and development and related matters. Also, at September 30, 2001, only two employees were located outside Japan in Asia, and the rest were in Japan.

We consider our level of remuneration, non-wage benefits, including our employee share ownership program, working conditions and other allowances, including lump-sum payments and annuities to employees upon retirement, to be generally competitive with those offered in Japan by other large enterprises. We have an extensive training program for new employees. To increase incentives, the NTT group recently implemented a bonus plan based on overall business performance and personal results. The general retirement age is 60.

Most of our full-time non-management employees are members of unions, including ALL NTT WORKERS UNION OF JAPAN. We consider our relationship with such unions to be excellent. We have never had a strike.

Legal Proceedings

We have initiated normal actions relating to the collection of telecommunications charges and other legal proceedings in the ordinary course of business and are not involved in any litigation or other legal proceedings in the preceding twelve months from the date of this document that, if determined adversely to us, would individually or in the aggregate have a material adverse effect on us or our operations.

Breakdown of Total Revenues by Category of Activity and Geographic Market

See Item 5.A. of this registration statement.

C. Organizational Structure.

As of September 30, 2001, NTT, our parent company, is our largest shareholder and owns 64.1% of our issued and outstanding shares. We conduct our business together with our subsidiaries and affiliates and we have 59 subsidiaries and 14 affiliates, which together constitute the largest wireless telecommunications services provider in Japan. Our most significant subsidiaries are our eight regional subsidiaries, each of which operates in a region of Japan.

The following table sets forth certain information on our significant subsidiaries as of September 30, 2001:

Name	Country of Incorporation	Equity Held by the Company, directly or indirectly
NTT DoCoMo Hokkaido, Inc.[(1)]	Japan	96.3%
NTT DoCoMo Tohoku, Inc.[(1)]	Japan	92.8%
NTT DoCoMo Tokai, Inc.[(1)]	Japan	91.1%
NTT DoCoMo Hokuriku, Inc.[(1)]	Japan	93.8%
NTT DoCoMo Kansai, Inc.[(1)]	Japan	88.2%
NTT DoCoMo Chugoku, Inc.[(1)]	Japan	83.9%
NTT DoCoMo Shikoku, Inc.[(1)]	Japan	97.2%
NTT DoCoMo Kyushu, Inc.[(1)]	Japan	93.6%
DoCoMo Service Inc.	Japan	100.0%
DoCoMo Engineering Inc.	Japan	100.0%
DoCoMo Mobile Inc.	Japan	100.0%
DoCoMo Support Inc.	Japan	100.0%
DoCoMo Sentsu, Inc.	Japan	90.7%
DoCoMo Technology, inc.	Japan	90.0%
DoCoMo Systems, Inc.	Japan	70.1%

(1) One of our eight regional subsidiaries.

Other than our eight regional subsidiaries listed above, which are discussed elsewhere in this registration statement, the seven main consolidated subsidiaries and their lines of business are: DoCoMo Service Inc., a company that collects charges on our behalf; DoCoMo Engineering Inc., which is engaged in the construction and maintenance of facilities; DoCoMo Mobile Inc., which repairs handsets and related cellular equipment used by subscribers; DoCoMo Support Inc., which render office services such as call center and counter services; DoCoMo Sentsu, Inc., which render ancillary services for our satellite phone business; DoCoMo Technology, inc., which develops software and provides support services regarding field tests; and DoCoMo Systems, Inc., which develops, maintains and operates our fundamental systems.

Relationship Between Us and Our Eight Regional Subsidiaries

Each of our eight regional subsidiaries operates largely independently of us and each other and each is directly responsible for the operations in its specific region. However, we are responsible for coordinating, establishing guidelines for and centralizing control over certain matters to ensure that nationwide services are available to our subscribers and to enhance the synergies achieved as a group.

Matters coordinated as a group include (i) our medium- and long-term management strategies and business plans as a group, (ii) tariffs, (iii) basic customer service standards, (iv) basic working terms and conditions for employees, (v) management personnel related matters, and (vi) consolidated accounting matters. We also establish guidelines for matters such as nationwide network development strategies and network maintenance and service standards, nationwide sales and marketing and designs for facilities.

We retain central control over matters such as the use of intellectual property and operations systems. With respect to service marks, the usage rights we control which grant licenses to each of our eight regional subsidiaries allow them unlimited use of the service marks. Similarly, we control all of our patents, know-how and other intellectual property. Each of us may use the results of research and development as well as the patents, know-how and other intellectual property rights we own without royalties, since the research and development costs are shared among ourselves. However, our eight regional subsidiaries may not sublicense such use to any third parties, all licensing and sublicensing being directly controlled by us.

Other areas of our operations over which we retain central control include, for example: (i) basic arrangements with NTT and other telecommunications operators (so called “NCCs”—New Common Carriers) (e.g., development and use of infrastructure facilities and agreements relating to interconnection); (ii) the coordination of matters to be reported to NTT and those legally required to be notified to MPHPT; (iii) spectrum matters; (iv) procurement, price negotiations and other business with handset and network equipment manufacturers; (v) traffic estimates, investment plans and network control; (vi) product and system related development; (vii) information systems management; and (viii) technical training of our personnel.

With respect to operating systems such as ALADIN, the procurement system and the accounting system, we and our eight regional subsidiaries share the use and expenses of such systems but we control their development and administration.

In order to increase the strength of the NTT DoCoMo brand name and identity, DoCoMo services, pricing, handsets and customer services are fairly uniform throughout Japan.

D. Property, Plants and Equipment.

The information required by this item is set forth in Item 4.B. of this registration statement.

Item 5. Operating and Financial Review and Prospects.

A. Operating Results.

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements and information included in this registration statement. Fiscal 2000 herein refers to the fiscal year ended March 31, 2001, and other fiscal years are referred to in a corresponding manner.

This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under Item 3.D. and elsewhere in this registration statement.

Overview

We are the largest provider of cellular services in Japan with an aggregate subscriber base of approximately 38.4 million as of September 30, 2001, which represented approximately 58.8% of all cellular subscribers in Japan. Of these subscribers, 27.8 million were also subscribers to our i-mode service. We also provide Personal Handyphone System, or PHS, and Quickcast (paging) services throughout Japan with an aggregate subscriber base of approximately 1.9 million and 1.0 million, respectively, as of September 30, 2001.

Our financial profile is characterized by significant revenues and earnings, consistent operating margins and a strong balance sheet. For fiscal 2000, we had operating revenues of ¥4,669,366 million, EBITDA of ¥1,425,335 million and operating income of ¥778,620 million, representing an EBITDA margin of 30.5% and an operating margin of 16.7%. EBITDA refers to operating income before deducting depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment. Our net income was ¥401,755 million which was equivalent to net income per share of ¥41,751. Our balance sheet had total debt as of March 31, 2001 of ¥1,443,168 million representing approximately 1.01x EBITDA for fiscal 2000.

In recent years, we have experienced strong growth in operating revenues, operating income and net income. Operating revenues increased to ¥4,669,366 million in fiscal 2000 from ¥3,718,694 million in fiscal 1999. Operating income increased to ¥778,620 million in fiscal 2000 from ¥509,187 million in fiscal 1999. Net income increased to ¥401,755 million in fiscal 2000 from ¥256,564 million in fiscal 1999. For the six months ended September 30, 2001, operating revenues and operating income increased to ¥2,606,618 million and ¥544,609 million respectively as compared to ¥2,206,168 million and ¥418,814 million in the six months ended September 30, 2000. Although these semi-annual results showed continued strong growth of our business, they represented a slight sign of slowdown in the pace of our growth which was primarily attributable to declining voice average monthly revenue per unit, or ARPU, and slower growth in new subscribers. We believe, however, that the potential of the industry and our opportunities remain strong. We seek to achieve and maintain our expansion in the future by further increasing non-voice ARPU, focusing on increasing and retaining the number of subscribers, particularly increasing the number of subscribers for data transmission services such as i-mode, decreasing operating expenses and other measures. For the six months ended September 30, 2001 net income declined 59.9% to ¥89,207 million from ¥222,440 million for the six months ended September 30, 2000, reflecting an impairment charge of ¥194,170 million, net of deferred taxes, that we recorded for our investment in KPN Mobile during this period.

Revenues

Our two principal sources of revenues are our wireless services and equipment sales. Our wireless services include mobile phone services, PHS services, Quickcast paging services and other miscellaneous services. Mobile phone services include cellular service, packet communications service, satellite mobile communications service and in-flight telephone services, and accounted for approximately 96.1% of wireless service revenues for the six months ended September 30, 2001, and 96.0% and 95.2% for fiscal 2000 and fiscal 1999, respectively. Revenues from PHS service represented 2.2% of wireless services revenues for the six months ended September 30, 2001, and 2.3% and 2.7% for fiscal years 2000 and 1999, respectively. Revenues from Quickcast service have steadily declined since fiscal 1996, contributing only 0.3% to wireless service revenues for the six months ended September 30, 2001, and 0.5% and 1.1% for fiscal 2000 and fiscal 1999, respectively. We earn our wireless services revenues principally from fixed monthly plan charges, usage charges for outgoing calls, revenues from incoming calls and charges for optional value-added services and features. i-mode revenues, which are included in the mobile phone services revenues portion of our wireless services revenues, include a ¥300 yen per month charge for i-mode services and data transmission charges equal to ¥0.3 per packet. i-mode revenues currently dominate our packet communications service revenues, which represented 16.3% of wireless services revenues for the six months ended September 30, 2001, and 9.8% and 1.3% of such revenues for fiscal 2000 and fiscal 1999, respectively.

Revenue from equipment sales, primarily the sale of handsets and other telecommunications equipment, accounted for 20.9% of total operating revenues for the six months ended September 30, 2001, and 22.5% and 19.1% for fiscal 2000 and fiscal 1999, respectively. However, revenues from equipment sales do not contribute significantly to operating income as such revenue is offset by the costs of and expenses relating to sales of telecommunications equipment, particularly in the case of handsets.

Revenue growth has been driven principally by growth in the number of subscribers for our cellular phone services and, until recently, the increase in cellular phone traffic, which has more than offset declines in aggregate ARPU. Recent revenue growth has also been driven, in part, by the success of i-mode, which has generated not only additional i-mode-related revenues from existing cellular subscribers but has also resulted in additional voice and i-mode revenues from new subscribers that have signed up for our services specifically as a result of the success of i-mode.

Our cellular subscribers increased 17.8% to 38.4 million at September 30, 2001, from 32.6 million at September 30, 2000, and by 22.7% to 36.0 million at March 31, 2001 from 29.4 million at March 31, 2000. Subscribers signing up for i-mode services, including both existing cellular subscribers and new subscribers, increased by 119.5% to 27.8 million in the six months ended September 30, 2001, from 12.6 million at September 30, 2000, and by 287.2% to 21.7 million at March 31, 2001 from 5.6 million at March 31, 2000. Our PHS subscribers increased to 1.9 million at September 30, 2001, from 1.6 million at September 30, 2000, and to 1.8 million at March 31, 2001 from 1.4 million at March 31, 2000. Our Quickcast subscribers, however, have continuously declined recently, with a decrease from 1.2 million at September 30, 2000 to less than 1 million at September 30, 2001, and a decrease from 1.4 million at March 31, 2000 to 1.1 million at March 31, 2001.

The average minutes of use per month per subscriber decreased for the first time from 191 minutes per month for the six months ended September 30, 2000 to 182 minutes for the six months ended September 30, 2001. Previously, the average minutes of use per month per subscriber increased to approximately 189 minutes per month in fiscal 2000 as compared to 177 minutes in fiscal 1999.

These increases in subscribers and, until recently, cellular traffic have offset declines in aggregate average monthly revenue per unit, or ARPU, and declines in Quickcast revenues. Voice ARPU has fallen over the past few years, due primarily to cellular rate reductions, an increase in subscribers using discounted plans, wider penetration into lower usage subscriber segments, some subscribes using i-mode e-mail instead of voice calls, and, in the recent period, reduced subscriber usage due to Japan's stagnant consumer spending. Our aggregate ARPU in the six months ended September 30, 2001 decreased by 0.7% to ¥8,680 from ¥8,740 in the six months ended September 30, 2000, and decreased by 1.0% to ¥8,650 in fiscal 2000, and by 5.7% to ¥8,740 in fiscal 1999. One of the primary reasons that aggregate ARPU has remained steady is that increases in i-mode ARPU have offset the declines in voice ARPU. Voice ARPU decreased by 11.6% to ¥7,190 in the six months ended September 30, 2001 from ¥8,130 in the six months ended September 30, 2000, and decreased by 9.9% to ¥7,770 in fiscal 2000 from ¥8,620 in fiscal 1999. However, i-mode ARPU increased to ¥1,490 in the six months ended September 30, 2001 from ¥610 in the six months ended September 30, 2000, and was approximately ¥880 for fiscal 2000 compared with ¥120 for fiscal 1999. We expect that cellular rates may further decline and the average minutes of use per month per subscriber will be declining over the next few years. We expect, however, that these trends adversely affecting voice ARPU should be compensated for by subscriber growth, and, at least for the short term, increasing i-mode ARPU.

Beginning in the current fiscal year, the way that we calculate voice ARPU changed as a result of the negotiation of our interconnection agreements with respect to the access charges we pay to other wireless carriers. Prior to April 1, 2001, we did not pay access charges related to calls made by our subscribers when using the networks of other wireless carriers. In addition, such other carriers effectively bore the collection risk for the revenue associated with the portion of the calls made on their networks. Consequently, we recorded revenue only for the portion of such calls carried by our networks. Under newly negotiated interconnection agreements, we are currently obligated to pay to the other wireless carriers access charges for the aforementioned calls made by our subscribers, as well as assume the collection risk for the entire call. As a result, beginning April 1, 2001, our operating revenues increased, but are offset by a corresponding increase in operating expenses. As a result of this change, we recorded an increase of ¥380 in voice ARPU in the six months ended September 30, 2001.

Until recently our revenues were not particularly affected by the state of the overall economy in Japan. Notwithstanding the economy, the wireless telecommunications market in Japan continued to grow rapidly. Wireless telecommunications growth was led by strong personal demand, which pushed the number of cellular subscribers in Japan above the 70 million mark, and demand for new products and services, including mobile computing and other data transmission such as electronic mail from mobile terminals. However, for the six months ended September 30, 2001, we view Japan's stagnant consumer spending as one of the factors that caused subscribers to reduce usage, resulting in adverse impact on voice ARPU for the period.

Our average monthly churn rate for cellular subscribers was 1.21% for the six months ended September 30, 2001 and 1.39% and 1.61% for fiscal 2000 and fiscal 1999, respectively. In order to keep our churn rates low, we have been focusing on subscriber retention by implementing certain measures including offering discounts for long-term subscribers as well as incentives provided for handset replacement. We believe that a portion of our churn, in particular due to recent high handset turnover associated with subscribers switching to i-mode capable phones, is attributable to subscribers who voluntarily terminated contracts in order to upgrade or change handsets but remained our subscribers and therefore had less adverse impact on our financial results than churn attributable to the termination of a subscriber's relationship with us. We also believe that as a result of the introduction of i-mode, the higher customer confidence in our network and services and the introduction of new services, our churn rate has been lower than other operators, although no assurance can be given that this will continue to be the case.

Expenses

Our principal operating expenses are costs of services, which consist primarily of network operation costs and access charges, the costs of handsets and other equipment sold, and selling general and administrative expenses including sales agent commission costs, distribution costs, advertising and promotional expenses and customer service costs. In addition, our operating expenses include depreciation and amortization charges relating to capital expenditures, including the cost of constructing our network.

We incur certain expenses in acquiring new subscribers. The primary expenses are sales expenses, which are included in selling, general, and administrative expenses, in the form of commissions to sales agents. The main components of the commissions that we pay to agents who sign up new subscribers are a closing commission for each new subscriber and volume incentives that vary depending on the number of new subscribers per agent per month. In addition, we pay agents a commission in the form of handset sales incentives depending on the type of handset a subscriber purchases. Commissions differ from region to region due to such factors as the competitive and economic environments in the various regions. Average commissions we paid when acquiring a new subscriber who also purchased a handset were approximately ¥30,000 per subscriber for the six months ended September 30, 2001 and in fiscal 2000 and fiscal 1999.

As with the costs of acquiring new subscribers, sales of replacement handsets to existing subscribers and the related activation of the handsets also generally result in average commissions paid to agents of approximately ¥30,000 per subscriber. In fiscal 1997, existing subscribers used their handsets for approximately 3 years before replacing them. However, since that time, the average period between handset replacements has shortened to approximately once every 2.5 years. We believe that this has been due in large part to subscribers selecting new handsets to take advantage of continuing improvements in handset size and quality and in battery life. Additionally, particularly successful models of handsets also generated increased handset sales. During fiscal 2000, sales of new handsets were also significantly affected by the success of i-mode and the resulting number of both new and existing subscribers purchasing i-mode enabled handsets. These significant sales of new and replacement handsets have had an effect on profitability as a result of the acquisition costs noted above. In the six months ended September 30, 2001, sales of new handsets were more successful than our projection, resulting in an increase in the related acquisition costs.

For the use of our spectrum, we pay a usage fee in accordance with the Radio Law which is based on a number of factors including the number of base stations and handsets. In the six months ended September 30, 2001, we paid approximately ¥980 million as total fees compared to approximately ¥1,010 million for the six months ended September 30, 2000. For fiscal 2000, we paid total fees of approximately ¥21.8 billion as compared to approximately ¥18.1 billion for fiscal 1999. The usage fees for our 3G spectrum allocation are calculated in accordance with a formula which is similar to the formula that is used for our current fees for 2G spectrum allocation as determined in accordance with the Radio Law. As we have just started rolling out our 3G services and the number of subscribers is still low, the usage fee payable for our 3G spectrum allocation is limited at this time.

In order to accommodate the substantial increase in cellular traffic volume over the last several years, we have been expanding and enhancing its cellular network, as well as developing a 3G cellular telecommunication system utilizing Wideband Code Division Multiple Access, or W-CDMA, technology. Although the expansion of the geographic coverage area of our current 800 MHz digital network is virtually complete, the continuation of network capacity expansion and enhancement, as well as the research and development for, and construction, expansion and enhancement of, the 3G cellular network has required and will require significant capital expenditures. See “Capital Expenditures” in this Item 5.A.

Our ability to continue to generate profits and positive cash flow will be substantially affected by a number of factors affecting all cellular operators, including, among others, our ability to attract and retain new subscribers, the rate of growth of subscribers, the level of subscriber usage, the level and structure of tariffs, competition, the rate of churn of subscribers, spectrum availability and allocation, fees for interconnection among telecommunications operators, network capital expenditure requirements and research and development expenditures. See also Item 5.D.—Trend Information.

Equity in Net Losses of Affiliates

We expect that equity in net losses of affiliates will continue to be affected primarily by our overseas investments. First, we include our pro-rata portion of the net income or net losses of these companies as the investments are accounted for by the equity method. Additionally, our investment costs exceeded the underlying equity in net assets of the investee at the date of investment by a significant amount. Such differences (the "embedded goodwill") were amortized, on a straight line basis over periods ranging from 5 to 20 years, through March 31, 2001. With respect to investments made prior to March 31, 2001, the amortization of the embedded goodwill for the fiscal year ended March 31, 2001 was approximately ¥10 billion. Effective as of April 1, 2001, we adopted SFAS No. 142 "Goodwill and Other Intangible Assets" and ceased amortization of embedded goodwill associated with our investments. We continue to review our investments and embedded goodwill for impairment based on an other than temporary decline in value.

Before the split-off of AT&T Wireless Group, our investment in AT&T Wireless was in a class of preferred tracking stock issued by AT&T and accounted for under the cost method. Since the split-off, we have accounted for our investment in AT&T Wireless using the equity method based on our ownership percentage and ability to significantly influence the operations of AT&T Wireless through board representation, appointment of DoCoMo employees to certain key management positions of AT&T Wireless, technology alliance, rights to approve specified actions and the right, under certain conditions, to require AT&T Wireless to repurchase our investment in its stock and our warrants.

In addition to recording our portion of the income and losses of our overseas affiliates, we also regularly test the value of our overseas investments. As a result and to the extent there is impairment, in future periods, we may have write downs related to the impaired value of these investments.

Recently, telecommunications companies and wireless operators, including the companies we invested in, have experienced a variety of negative developments, including increased competition, increasing debt burdens from network build outs, 3G spectrum auctions, and other factors, and significant volatility in share prices. These companies have experienced financial difficulties. In light of the business outlook for KPN Mobile, we determined that the value of our investment in KPN Mobile had declined and that the decline in value was not temporary. As a result, for the six months ended September 30, 2001, we recorded an impairment charge of ¥194,170 million, net of deferred taxes of ¥126,311 million, on our investment in KPN Mobile, which was included in equity in net losses of affiliated companies for such period. See the risk factor regarding our international investments in "Risk Factors" in Item 3.D.

Results of Operations

The following tables set forth selected income statement data in yen amounts and expressed as a percentage of total operating revenues for the periods indicated:

	Year ended March 31,		Six months ended September 30,	
	2000	2001	2000	2001
	(in millions)		(unaudited)	
Operating revenues:				
Wireless services	¥ 3,008,726	¥ 3,620,271	¥ 1,724,740	¥ 2,060,670
Equipment sales	709,968	1,049,095	481,428	545,948
	3,718,694	4,669,366	2,206,168	2,606,618
Operating expenses:				
Cost of services	532,368	537,913	254,083	326,277
Cost of equipment sold	649,685	958,022	437,008	493,575
Depreciation and amortization	599,486	595,598	269,423	291,646
Selling, general, and administrative	1,427,968	1,799,213	826,840	950,511
	3,209,507	3,890,746	1,787,354	2,062,009
Operating income	509,187	778,620	418,814	544,609
Other expenses, net	21,359	20,489	9,552	31,285
Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	487,828	758,131	409,262	513,324
Income taxes	211,072	317,337	173,386	224,882
Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	276,756	440,794	235,876	288,442
Equity in net losses of affiliates *	(1,730)	(17,767)	(1,931)	(184,962)
Minority interests in earnings of consolidated subsidiaries	(18,462)	(21,272)	(11,505)	(14,273)
Net income	¥ 256,564	¥ 401,755	¥ 222,440	¥ 89,207

	Year ended March 31,		Six months ended September 30,	
	2000	2001	2000	2001
			(unaudited)	
Operating revenues:				
Wireless services	80.9%	77.5%	78.2%	79.1%
Equipment sales	19.1	22.5	21.8	20.9
	100.0	100.0	100.0	100.0
Operating expenses:				
Cost of services	14.3	11.5	11.5	12.5
Cost of equipment sold	17.5	20.5	19.8	18.9
Depreciation and amortization	16.1	12.8	12.2	11.2
Selling, general, and administrative	38.4	38.5	37.5	36.5
	86.3	83.3	81.0	79.1
Operating income	13.7	16.7	19.0	20.9
Other expenses, net	0.6	0.4	0.4	1.2

	Year ended March 31,		Six months ended September 30,	
	2000	2001	2000	2001
Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	13.1	16.3	18.6	19.7
Income taxes	5.7	6.8	7.9	8.6
Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	7.4	9.5	10.7	11.1
Equity in net losses of affiliates	(0.0)	(0.4)	(0.1)	(7.1)
Minority interests in earnings of consolidated subsidiaries	(0.5)	(0.5)	(0.5)	(0.6)
Net income	6.9	8.6	10.1	3.4

* Includes a write-down of ¥194,170 million, net of deferred taxes of ¥126,311 million, in an investment in an affiliate for the six months ended September 30, 2001.

Comparison of the Six Month Periods Ended September 30, 2001 and September 30, 2000

Operating revenues increased by 18.2% to ¥2,606,618 million in the six months ended September 30, 2001 from ¥2,206,168 million in the six months ended September 30, 2000. Wireless services accounted for 79.1% of revenue in the six months ended September 30, 2001 compared to 78.2% in the six months ended September 30, 2000. The increase in wireless services revenue was due primarily to 19.2% growth in mobile phone services revenues, including i-mode and other packet communication services, to ¥1,979,917 million in the six months ended September 30, 2001. This increase in mobile phone services revenues reflects growth in the cellular subscriber base and the strong performance of i-mode services. The increase in mobile phone services revenues also reflects changes to our interconnection agreements with other wireless carriers, effective April 1, 2001, per which we started to recognize as operating revenue entire telephone calls, including the portion of telephone calls carried on other carriers' networks which were previously not recognized as revenue by us; however, this increase in revenue was fully offset by a related increase in operating expenses for the access charges as mentioned below. Increases in i-mode average monthly revenue per unit, or ARPU, substantially offset declining voice ARPU that resulted from rate reductions, wider penetration of the lower usage subscriber segment, an increase of subscribers using discounted voice communication plans, some subscribes using i-mode e-mails instead of voice calls, some subscribers preferring to send e-mails through i-mode instead of through short-mail service (circuit switching service, revenues from which are deemed voice revenues), and the general impact of Japan's stagnant consumer spending. The growth in i-mode resulted in packet communication services revenues increasing 187.3% to ¥336,908 million in the six months ended September 30, 2001 from ¥117,278 million in the six months ended September 30, 2000. PHS revenues, representing 2.2% of wireless services revenues, increased 13.6% mainly due to an increase in the number of PHS subscribers, while Quickcast revenues, representing only 0.3%, declined significantly, reflecting decreases in the subscriber base and usage of pagers. A 13.4% increase in equipment sales revenues, from ¥481,428 million in the six months ended September 30, 2000 to ¥545,948 million in the six months ended September 30, 2001, was a result of increasing cellular and i-mode subscriber growth and moderate demand for replacement handsets, particularly from customers switching to i-mode capable models.

Operating expenses increased by 15.4% to ¥2,062,009 million in the six months ended September 30, 2001 from ¥1,787,354 million in the six months ended September 30, 2000. This increase was largely due to a 132.2% increase in the cost of services (third parties) to ¥179,577 million in the six months ended September 30, 2001 and a 12.9% increase in the cost of equipment sold to ¥493,575 million in the six months ended September 30, 2001 and a 16.4% increase in selling, general and administrative expenses (third parties) to ¥835,873 million. The increase in the cost of services (third parties) was primarily due to access charges we have begun paying to other carriers since April 2001 for calls made by our subscribers which use other carriers' networks. The increase in the cost of equipment sold was primarily due to the significant rise in handset purchases. The increase in selling, general and administrative expenses was primarily due to an increase in commissions paid to sales agents as a result of sales promotion activities and an increase in personnel expenses associated with additions to our personnel to support our continuing growth.

Operating expenses decreased slightly as a percentage of operating revenues to 79.1% in the six months ended September 30, 2001 from 81.0% in the six months ended September 30, 2000. This was due primarily to the fact that, despite the increase in operating revenues, depreciation and amortization expenses and selling, general and administrative expenses remained relatively stable and showed smaller increases. During this same period, operating revenues increased 18.2% while operating expenses increased by 15.4%. Depreciation and amortization expenses were stable because our 3G network is still under construction and in the six months ended September 30, 2001 we did not yet begin depreciating the portion of our 3G network that was still under construction. Operating expenses were also affected by the fact that equipment sales, which are lower margin than wireless services, made up a smaller percentage of our revenues in the six months ended September 30, 2001 than they have in previous periods. Other fixed expenses showed a slight increase, but were lower than budgeted.

As a result of the foregoing, our operating income for the six months ended September 30, 2001 was ¥544,609 million, representing a 30.0% increase.

Other (income) expenses, which include such items as interest expense, interest income, foreign exchange gains and gains on marketable securities, increased to ¥31,285 million in the six months ended September 30, 2001 from ¥9,552 million in the six months ended September 30, 2000. The increase in other (income) expenses was due to a market value write-down adjustment equal to ¥22,293 million for our warrants to purchase AT&T Wireless common stock, which we carry on a marked to market basis, while net interest expenses decreased as a result of generally low interest rates.

Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries was ¥513,324 million and ¥409,262 million, and income taxes were ¥224,882 million and ¥173,386 million in the six months ended September 30, 2001 and the six months ended September 30, 2000, respectively, representing effective tax rates of approximately 43.8% and 42.4%, respectively. We are subject to a number of different taxes in Japan, including corporate income tax, enterprise tax and resident income taxes, which, in the aggregate, amounted to a statutory tax rate of approximately 42% for the six months ended September 30, 2001 and the six months ended September 30, 2000.

Equity in net losses of affiliates increased to ¥184,962 million in the six months ended September 30, 2001 from ¥1,931 million in the six months ended September 30, 2000 primarily due to the recording of an impairment charge of ¥194,170 million, net of deferred taxes of ¥126,311 million, for our investment in KPN Mobile during the six months ended September 30, 2001.

As a result of the foregoing, we recorded net income of ¥89,207 million in the six months ended September 30, 2001 compared to ¥222,440 million in the six months ended September 30, 2000.

Comparison of Fiscal 2000 with Fiscal 1999

Operating revenues increased by 25.6% to ¥4,669,366 million in fiscal 2000 from ¥3,718,694 million in fiscal 1999. Wireless services accounted for 77.5% of revenue in fiscal 2000 compared to 80.9% in the prior year. The increase in wireless services revenue was due primarily to a 21.2% growth in mobile phone services revenues, including i-mode and other packet communication services, to ¥3,473,855 million in fiscal 2000. This increase in mobile phone services revenues reflects growth in the cellular subscriber base and total usage of cellular phones and the strong performance of i-mode services, which substantially offset declining voice ARPU which was due to rate reductions, an increase of subscribers using discounted plans, some subscribers using i-mode e-mails instead of voice calls, and some subscribers preferring to send e-mails through i-mode instead of through short-mail service (circuit switching service, revenues from which are deemed voice revenues). The growth in i-mode resulted in packet communication services revenues increasing to ¥353,468 million in fiscal 2000 from ¥38,525 million in fiscal 1999. PHS revenues, representing 2.3% of wireless services increased by 2.8% while Quickcast revenues, representing 0.5%, declined significantly, reflecting decreases in the subscriber base and usage for pagers. The 47.8% increase in equipment sales revenues from the prior period was also a result of increasing cellular and i-mode subscriber growth and demand for replacement handsets, particularly from customers switching to i-mode capable models.

Operating expenses increased by 21.2% to ¥3,890,746 million in fiscal 2000 from ¥3,209,507 million in fiscal 1999. This increase was largely due to a 47.5% increase in the cost of equipment sold to ¥958,022 million in fiscal 2000 and a 26.0% increase in selling, general and administrative expenses to ¥1,799,213 million. The increase in the cost of equipment sold was primarily due to the significant rise in handset purchases. The increase in selling, general and administrative expenses was primarily due to an increase in commissions paid to sales agents as a result of the significant increases of subscriber growth and sales of i-mode handsets to existing subscribers. There was also an increase in general and administrative expenses resulting from additions to our personnel as a result of our continuing growth.

Operating expenses decreased as a percentage of operating revenues to 83.3% in fiscal 2000 from 86.3% in fiscal 1999. This was due primarily to the fact that notwithstanding the revenue and traffic growth from increasing subscriber growth, our cost of services remained at the same level as did depreciation and amortization. Costs of services remained at the same level primarily because of reductions in access charges charged by NTT and other telecommunications carriers. Depreciation and amortization remained at the same level primarily because of an increase relating to more assets being placed in service offset by the absence of write down of assets relating to our Quickcast services which was recorded in fiscal 1999.

As a result of the foregoing, our operating income for fiscal 2000 was ¥778,620 million, representing a 52.9% increase.

Other (income) expenses, which include such items as interest expense, interest income, foreign exchange gains and gains on marketable securities, decreased slightly to ¥20,489 million in fiscal 2000 from ¥21,359 million in fiscal 1999.

Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries was ¥758,131 million and ¥487,828 million, and income taxes were ¥317,337 million and ¥211,072 million, in fiscal 2000 and fiscal 1999, respectively, representing effective tax rates of approximately 42% and 43%, respectively. We are subject to a number of different taxes in Japan, including corporate income tax, enterprise tax and resident income taxes, which, in the aggregate, amounted to a statutory tax rate of approximately 42% for both fiscal 2000 and 1999.

Equity in net losses of affiliates increased to ¥17,767 million in fiscal 2000 from ¥1,730 million in the prior year due to portion of the net income and losses of our equity investees and to an increase in amortization of embedded goodwill both of which increased significantly as a result of the overseas investments made in fiscal 2000.

As a result of the foregoing, we recorded net income of ¥401,755 million in fiscal 2000 compared to ¥256,564 million in fiscal 1999.

Segment Information

We have adopted Statement of Financial Accounting Standards No. 131—"Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 requires us to report about our operating segments in our financial statements. Please see Note 13 of the notes to our consolidated financial statements. In applying SFAS 131, we have four primary business segments: mobile phone business, PHS business, Quickcast business and miscellaneous business. As required by SFAS 131, we present our business segment information in the accompanying consolidated financial statements as it is presented in reports to our management, derived from our Japanese GAAP financial statements, with a reconciliation to U.S. GAAP. Therefore, the following discussion of segment information is based on our Japanese GAAP results of operations.

Our mobile phone business segment includes:

- cellular service,
- packet communications service,
- satellite mobile communications service,
- in-flight telephone services, and
- equipment sales related to these services.

Our Personal Handyphone System, or PHS, business segment includes PHS service and related equipment sales. Our Quickcast business segment includes Quickcast service and related equipment sales. Our miscellaneous business segment include international dialing service and other miscellaneous services, which in the aggregate are not significant.

In the six months ended September 30, 2001 our operating revenues increased 17.8% from the six months ended September 30, 2000 to ¥2,612,963 million, our operating expenses increased 14.2% to ¥2,062,556 million and our operating income increased 33.6% to ¥550,407 million. Operating revenues from our mobile phone business segment increased 18.2% to ¥2,536,913 million primarily as a result of continued growth in the number of cellular subscribers, in particular the continued success of our i-mode services for which revenues grew more than 194.8%. Revenues from the mobile phone business segment represented 97.1% of total revenues in the six months ended September 30, 2001, up from 96.8% in the six months ended September 30, 2000. Operating expenses in our mobile phone business segment increased 16.6% to ¥1,955,810 million primarily due to increasing equipment costs related to the sales of handsets to new subscribers and new i-mode handsets to existing subscribers and the resulting increase in commissions paid to sales agents. As a result, operating income from our mobile phone business segment increased 24.0% to ¥581,103 million.

Operating revenues in our PHS business segment increased 4.7% to ¥58,275 million in the six months ended September 30, 2001 primarily due to improving the content services available to our PHS subscribers, particularly music and video content distribution services. Operating expenses in the PHS business segment decreased 16.2% to ¥85,955 million as a result of our cost control efforts. Our PHS business operating loss improved by 41.1% to a loss of ¥27,680 million.

Operating revenues in our Quickcast business segment decreased 46.4% to ¥5,971 million as a result of a continuing decline in the number of Quickcast subscribers and lower levels of usage, especially since the introduction of i-mode services. Operating revenues from the Quickcast business segment represented only 0.2% of total operating revenues for the six months ended September 30, 2001. Operating expenses decreased 56.8% compared to the same period in the previous year to ¥9,500 million due to our cost control efforts. Our operating loss from the Quickcast business segment improved by 67.5% to a loss of ¥3,529 million. Our Quickcast business segment assets as of September 30, 2001 were ¥15,428 million.

Operating revenues and expenses from our miscellaneous business segment increased to ¥11,804 million and ¥11,291 million, respectively, in the six months ended September 30, 2001 from ¥5,233 million and ¥4,097 million in the six months ended September 30, 2000, respectively, primarily as a result of a 30.1% increase of subscribers to our international dialing services since March 31, 2001, and an increase in revenues from development and maintenance of information systems conducted by DoCoMo Systems, Inc., which became a consolidated subsidiary in October 2000.

In fiscal 2000, our operating revenues increased 26.0% to ¥4,686,004 million, our operating expenses increased 23.2% to ¥3,908,842 million and our operating income increased 42.4% to ¥777,162 million. Operating revenues from our mobile phone business segment increased 26.8% to ¥4,529,944 million primarily as a result of continued growth in the number of cellular subscribers and on account of the continuous success of our i-mode services each of which helped offset declining voice ARPU caused by rate reductions, an increase of subscribers using discounted plans, an increase in the number of light users, some subscribes using i-mode e-mails instead of voice calls, and some subscribers preferring to send e-mails through i-mode instead of through short-mail service (a circuit switching service, revenues from which are deemed voice revenues). Revenues from our mobile phone business segment represented 96.7% of total revenues in fiscal 2000, up from 96.0% in fiscal 1999. Operating expenses in our mobile phone business segment increased 26.6% to ¥3,640,785 million primarily due to increasing equipment costs from the handset purchases by new subscribers and i-mode handset sales to existing subscribers and the resulting increase in commissions paid to sales agents. As a result, operating income from our mobile phone business segment increased 27.8% to ¥889,159 million.

Operating revenues in our PHS business segment increased 9.8% to ¥113,076 million in fiscal 2000 primarily due to the increasing use of our PHS business by subscribers for data transmission. Operating expenses in the PHS business segment increased only 1.1% to ¥204,776 million as a result of our cost control efforts. Our PHS business segment operating loss improved by 8.0% to a loss of ¥91,700 million.

Operating revenues in our Quickcast business segment decreased 49.3% to ¥18,563 million as a result of the continuing decline of Quickcast subscribers and lower levels of usage, especially since the introduction of i-mode services. Operating revenues from the Quickcast business segment now represent only 0.4% of total operating revenues. Operating expenses decreased 53.7% to ¥39,741 million due to our cost control efforts. Our operating loss from our Quickcast business segment improved by 56.9% to a loss of ¥21,178 million. As a result of a decline in subscribers to our Quickcast business segment due to migration to cellular service, we recorded an impairment charge of ¥25,458 million in fiscal 1999 related primarily to paging network equipment and related software. Our Quickcast business assets as of March 31, 2001 were ¥21,566 million.

Operating revenues and expenses from our miscellaneous business increased to ¥24,421 million and ¥23,540 million in fiscal 2000 from ¥7,509 million and ¥8,632 million in fiscal 1999, respectively, primarily as a result of an increase of subscribers to our international dialing services and an increase in the revenues from development and maintenance of information systems conducted by DoCoMo Systems, Inc., which became a consolidated subsidiary during fiscal 2000. As a result, operating income from miscellaneous business was ¥881 million compared to operating loss of ¥1,123 million in the prior period.

Capital Expenditures

The wireless telecommunications industry is highly capital intensive and significant capital expenditures are required for the construction of wireless telecommunications networks. Our capital requirements for our networks are determined by the timing and requirements of new systems, such as the 3G system, the nature and the area of coverage desired, the number of subscribers served in an area and the expected traffic. Network construction costs depend on the number of cells in the service area, the number of radio channels in the cell and the switching equipment required. Capital expenditures are also required for such areas as information technology and research and development.

Our capital expenditures were significant during the last three fiscal years as we enhanced and strengthened our existing cellular network, improved and upgraded information technology systems such as the ALADIN system, a proprietary customer data and information system, continued the development of advanced technologies such as half-rate CODEC, a voice coder and decoder that converts analog signals to and from digital signals, continued the development of our 3G system utilizing W-CDMA technology and began construction of our 3G network. Total capital expenditures on an accrual basis were ¥1,012.8 billion for fiscal 2000, ¥876.1 billion for fiscal 1999 and ¥845.9 billion for fiscal 1998. In fiscal 2000, 50.1% of capital expenditures were used for our PDC network (including our i-mode service), 16.2% for our 3G network and 30.2% for general capital expenditures. In fiscal 2001, we expect the total capital expenditures to be approximately ¥1,070 billion (on an accrual basis), of which approximately 30% will be for our PDC network (including our i-mode service), approximately 40% for our 3G network and approximately 30% for general capital expenditures.

Although the buildout of the coverage area of the current 800 PDC digital network is virtually complete, capital expenditures will still be required for the continuation of system development through the construction of additional base stations and switching centers in order to meet the demands of increasing traffic volume while maintaining transmission quality. With respect to the buildout of our 3G system, we expect capital expenditure for the three fiscal years ending fiscal 2003 to be approximately ¥1 trillion in the aggregate. However, we do not expect that total capital expenditures will rise significantly as a result. Rather, we currently expect capital expenditures for each of the next three fiscal years will be at approximately the same level as the prior fiscal year primarily because increased capital expenditures relating to our 3G system will be largely offset by decreasing capital expenditures related to our current networks.

Our level of capital expenditures may vary significantly from expected levels for a number of reasons. Capital expenditures for expansion and enhancement of our existing cellular network may be influenced by the growth in subscribers and traffic, which is difficult to predict with certainty, the ability to identify and procure suitably located base station sites on commercially reasonable terms, competitive environments in particular regions and other factors. Capital expenditures for the rollout of our 3G services and the nature, scale and timing of capital expenditures required for the construction of our 3G network may be materially different from current plans due to demand (either higher or lower than anticipated) for the services, delays in the construction of the network or in the introduction of services and changes in the variable costs of components for the network. We also expect that capital expenditures will be affected by market demand for and ongoing expansion of the existing networks to meet demand for our mobile multimedia services, including i-mode, and other data transmission services.

Accounting Developments

In August 2001, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards No. 143 (“SFAS No. 143”), entitled “Accounting for Asset Retirement Obligations”. SFAS No. 143 is effective for our company beginning April 1, 2003. SFAS No. 143 requires that legal obligations associated with the retirement of tangible long-lived assets be recorded as a liability and measured at fair value when those obligations are incurred if an estimate of fair value is possible. When a company initially recognizes a liability for an asset retirement obligation, it must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. We are in the process of determining the impact, if any, that SFAS No. 143 will have on our results of operations and financial position.

In August 2001, the FASB issued SFAS No. 144 entitled “Accounting for the Impairment or Disposal of Long-Lived Assets.” SFAS No. 144 supercedes SFAS No. 121, but retains SFAS No. 121’s fundamental provisions for (a) recognition and measurement of impairment of long-lived assets held and used and (b) measurements of long-lived assets disposed of by sale. SFAS No. 144 also supercedes Accounting Principle Board Opinion No. 30 entitled "Reporting the Results of Operation - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" for segments of a business to be disposed of but retains APB No. 30's requirement to report discontinued operations separately from continuing operations. SFAS 144 also extends reporting of discontinued operations to a part of a company that either has been disposed of or is classified as held for sale. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. We currently do not believe the adoption of SFAS No. 144 will have a material impact on our consolidated financial statements. Please see the discussion in Note 2 of the Notes to the Condensed Consolidated Financial Statements.

B. Liquidity and Capital Resources.

As described above, we will continue to require significant capital expenditures to further develop our operations and for other purposes including those related to W-CDMA service introduction. We will also require funds for repayment of our debt. We have also spent significant funds on our strategic investments. In fiscal 2000, ¥1,834 billion was spent on equity investments compared to ¥71 billion spent on equity investments in fiscal 1999. Our primary source of funds to finance our international investments, capital expenditures and other capital requirements has been cash flow from operating activities and cash flow from financing activities.

The following table sets forth certain information about our cash flows during fiscal 2000 and fiscal 1999 and six months ended September 30, 2000 and 2001:

	Year ended March 31,		Six months ended September 30,	
	2000	2001	2000	2001
	(in millions)			
Net cash provided by operating activities	¥ 1,060,139	¥ 857,846	¥ 233,336	¥ 606,537
Net cash used in investing activities.............	(999,964)	(2,744,215)	(1,059,473)	(587,287)
Net cash provided by (used in) financing activities	(232,270)	1,523,764	420,190	(27,092)
Net decrease in cash and cash equivalents	(172,095)	(362,578)	(405,950)	(7,843)
Cash and cash equivalents at beginning of period...	653,098	481,003	481,003	118,425
Cash and cash equivalents at end of period...	¥ 481,003	¥ 118,425	¥ 75,053	¥ 110,582

For the six months ended September 30, 2001 our net cash provided by operating activities was ¥606,537 million, an increase of 159.9% over the six months ended September 30, 2000. The increase in cash provided by operating activities in the six months ended September 30, 2001 was in part due to a large increase in equity in net losses of affiliates, from ¥1,931 million in the six months ended September 30, 2000 to ¥311,273 million in the six months ended September 30, 2001, and a decrease in trade accounts receivable, which was caused by bill payments from the previous year being credited on the first day of the current fiscal year due to a banking holiday.

For the six months ended September 30, 2001 our net cash used in investing activities was ¥587,287 million, a decrease of ¥472,186 million, or 44.6%, compared to ¥1,059,473 million in the six months ended September 30, 2000. Of this amount, ¥482,119 million, or 82.1% was used for purchases of property, plant and equipment and ¥93,070 million, or 15.8% represented purchases of intangible and other assets. In the six months ended September 30, 2000 net cash used in investing activities was ¥1,059,473 million. Of this amount, ¥437,508 million, or 41.3%, was used for purchases of property, plant and equipment, and ¥596,711 million, or 56.3%, was due to significant purchases of investment securities relating to our international expansion strategy, particularly the acquisition of a 15% interest in KPN Mobile for €4 billion

(¥407 billion) and the acquisition of a 20% interest in Hutchison 3G UK Holdings for £1.2 billion (¥185 billion).

Net cash used in financing activities was ¥27,092 million for the six months ended September 30, 2001, a substantial decrease from net cash provided by financing activities of ¥420,190 million for the six months ended September 30, 2000. The decrease in net cash from financing activities was a result of a substantial increase of repayments of short-term borrowings from ¥69,700 million in the six months ended September 30, 2000 to ¥659,550 million in the six months ended September 30, 2001.

Cash and cash equivalents at September 30, 2001 amounted to ¥110,582 million, representing an increase of ¥35,529 million from ¥75,053 million at the six months ended September 30, 2000.

For fiscal 2000, our net cash provided by operating activities was ¥857,846 million, a decrease of 19.1% over fiscal 1999. The decrease in cash provided by operating activities in fiscal 2000 was primarily attributable to a substantial increase in trade accounts receivable. The increase in accounts receivable was attributable to a bank holiday which coincided with the end of the fiscal year. Due to the bank holiday, we extended the due date of payments which would normally have been due on March 31, 2001, to April 2, 2001, resulting in an increase in accounts receivable when comparing fiscal 2000 to fiscal 1999.

In fiscal 2000, net cash used in investing activities was ¥2,744,215 million. Of this amount, ¥1,834,073 million, or 66.8%, was used primarily for our overseas investments and ¥803,397 million, or 29.3%, represented payments for property, plant and equipment. In fiscal 1999, net cash used in investing activities was ¥999,964 million. Of this amount, ¥745,002 million, or 74.5%, represented payments for property, plant and equipment. Our continued high level of investment in property, plant and equipment was primarily to expand and enhance the coverage and quality of our networks and to implement other capital expenditure programs. We expect to continue to make significant capital expenditures in our networks and for other purposes and expect to fund such expenditures primarily from net cash provided by operating activities but will rely on increases in net cash provided by financing activities.

Net cash provided by financing activities was ¥1,523,764 million in fiscal 2000 compared to net cash used in financing activities of ¥232,270 million in fiscal 1999. The substantial increase in cash provided by financing activities was as a result of an increase of ¥930,007 million related to a global offering of our common stock, a net increase of long-term debt over repayment of long-term debt of ¥298,654 million and a net increase of short-term borrowings over repayment of short-term borrowings of ¥314,200 million.

Cash and cash equivalents at March 31, 2001 amounted to ¥118,425 million, representing a decrease of ¥362,578 million from ¥481,003 million at March 31, 2000.

In November 2001, we issued seven-year domestic straight corporate bonds in the aggregate amount of ¥50 billion. In October 2001, we issued ten-year domestic straight corporate bonds in the aggregated amount of ¥100 billion. As of September 30, 2001, DoCoMo had ¥1,014,050 million in long-term debt primarily in loans from banks and other financial institutions and corporate bonds, a small increase from ¥953,282 million of long-term debt as of March 31, 2001. During the six months ended September 30, 2001, DoCoMo issued long-term debt with an aggregate face amount of ¥152,000 million. In the last three fiscal years, DoCoMo issued long-term debt with an aggregate face amount of ¥546,000 million, ¥0 million and ¥54,900 million, respectively. During the six months ended September 30, 2001, DoCoMo made payments for the settlement of long-term debt of ¥82,373 million.

As of March 31, 2001, we had ¥953,282 million in long-term debt primarily in loans from banks and other financial institutions and corporate bonds compared to ¥587,755 million of long-term debt as of March 31, 2000. The increase was primarily a result the issuance of long-term debt with a face amount of ¥546,000 million. In fiscal 1999, we did not issue any long-term debt. We made payments for the settlement of long-term debt of ¥246,619 million and ¥212,252 million, respectively, in fiscal 2000 and 1999.

Of our long-term debt at March 31, 2001, ¥675,968 million (including current maturities) was unsecured indebtedness to banks and insurance companies at fixed interest rates 0.3%-5.0% and with maturities currently from fiscal 2001 through fiscal 2010. We also had ¥453,000 million in unsecured bonds due from fiscal 2001 to fiscal 2010 with coupon rates of 0.8%-2.8%. For information about our debt servicing schedule, see Item 11. Quantitative and Qualitative Disclosures about Market Risk. We have been seeking to level out our repayment requirements.

In addition to our debt service requirements, we expect to make significant capital expenditures on an ongoing basis for our Personal Digital Cellular and 3G networks and for other purposes. See "Capital Expenditures" at the end of Item 5.A. Also, we consider potential opportunities to enter new areas of business, make acquisitions or enter into joint ventures, equity investments or other arrangements primarily in wireless communications businesses from time to time.

Our capital commitments as of September 30, 2001 principally consisted of commitments to purchase property and equipment for our cellular network, commitments to purchase inventories, mainly handsets. In addition, we have a commitment to purchase additional shares of AT&T Wireless, provided that AT&T Wireless completes its planned acquisition of TeleCorp PCS, Inc. As of September 30, 2001 we had committed ¥152,638 million for property and equipment, and ¥33,296 million for inventories. In addition, we will spend approximately $380 million to purchase shares of AT&T Wireless if the TeleCorp acquisition is completed.

Presently our cash needs for the coming fiscal year include money needed to build new networks, money needed to expand our 3G infrastructure to major cities and population centers around Japan, and money needed to invest in new equipment. The sources of our funds are cash from current and future operations as well as future borrowings from banks and other financial institutions and the issuance of equity capital and debt securities in the capital markets. We believe that available cash from operations and future borrowings or issuance of equity capital or debt securities will provide sufficient financial resources to meet our currently anticipated capital and other expenditure requirements and to satisfy our debt service requirements. We also expect to obtain the external financing necessary for other opportunities, such as new business activities, acquisitions, joint ventures or other investments, through additional borrowing or the issuance of additional equity capital or debt securities. However, if we have underestimated our capital or other expenditure requirements or overestimated future cash flows, additional debt, equity or other financing may be required. There can be no assurance that such financing will be available on commercially acceptable terms or in a timely manner.

Derivative Transactions

We enter into certain interest rate swap contracts to manage exposure to fluctuations in interest rates on our borrowing. In the past, we entered into foreign exchange forward contracts to manage exposure to foreign exchange rates with respect to a substantial portion of the amounts we expected to spend on most of our foreign investments from the time the investment was agreed until the underlying transaction was completed. We had no foreign exchange forward contracts outstanding at March 31, 2001 or September 30, 2001. We do not hold or issue derivatives for trading purposes. We enter into such transactions only with counterparties that are major financial institutions. We maintain and follow internal procedures to approve and control such transactions and the maximum amount and other terms. Our participation in such transactions has not had, and our management believes that it will not have, a material adverse effect on our financial position or results of operations.

The total notional value of interest rate swap contracts outstanding at March 31, 2001 to which we were a party was ¥11,700 million.

We are also subject to foreign exchange rate risk with respect to our foreign investments because those investments are denominated in foreign currencies.

C. Research and Development, Patents and Licenses, etc.

DoCoMo's research and development activities embrace three key efforts: upgrading the functions of second-generation PDC systems, development toward the commercialization of third-generations systems, and R&D on fourth-generation systems. Research and development expenses are charged to income as incurred. We spent ¥81,670 million and ¥94,126 million as research and development for the years ended March 31, 2000 and 2001, respectively.

See "Research and Development" for further information on our research and development.

D. Trend Information.

The wireless business in Japan has seen tremendous growth over the last several years and we have been a significant beneficiary of this trend. We have seen rapid subscriber growth, rapid growth in total usage and, recently, rapid growth in our i-mode services. For the six months ended September 30, 2001, we saw a slight slowdown in the pace of growth which was primarily due to declining voice ARPU. We do not expect that we will be able to maintain such rapid growth rates in the future. We do believe, however, that we will continue to see increasing penetration rates and increasing use of wireless data communication services. We also expect that the proliferation of wireless devices will extend beyond standard handsets used by humans to person-to-machine and machine-to-machine communications.

Although Japan has been experiencing economic difficulty during the past decade, until recently we were not negatively affected by this problem in any material way. However, for the six months ended September 30, 2001, Japan's stagnant consumer spending was one factor which caused subscribers to reduce usage, resulting in an adverse impact on our voice average monthly revenue per unit, or ARPU, for the period. This trend may continue as long as Japan's economy continues to have problems.

With respect to our financial performance, we currently expect that our operating revenues for the second half of fiscal 2001 will be approximately the same level as for the first half of the fiscal year and that our operating income and EBITDA for the second half of fiscal 2001 will be materially lower compared with those for the first half of the fiscal year, resulting in moderate annual overall growth in operating revenues, operating income, and EBITDA for fiscal 2001 as compared with fiscal 2000. We base our expectations on the following assumptions:

- the number of subscribers as of March 31, 2002 will increase to approximately 40 million (of which approximately 31 million will also be subscribers to i-mode), representing a lower annual growth rate as compared with the growth rates for previous years;
    - handset sales are expected to decrease during the second half of fiscal 2001 as compared with sales for the first half of the fiscal year, resulting in lower operating revenues from equipment sales;
- aggregate ARPU will decrease marginally as a result of the following:
    - voice ARPU will further decrease because of (i) reduction in minutes of use due to subscribers preference to send e-mails through i-mode (packet based service) instead of through short-mail service (circuit switching service, revenues from which are deemed voice revenues), some subscribers' recent tendency to use i-mode e-mails instead of voice calls, wider penetration into lower usage subscriber segment, and Japan's stagnant consumer spending, and (ii) lower average voice communication rates, due to the rate

reduction that took place in June 2001, and an increase in subscribers using discounted plans; and

- the reduction of voice ARPU will be partially offset by further increase in i-mode ARPU.

- we will implement efforts to reduce operating expenses; and

- operating and other expenses are typically higher in the second half of the fiscal year as compared with the first half because we tend to plan more new projects during the earlier part of the fiscal year and implement these projects and book the related expenses during the latter part of the fiscal year; and we will be following this pattern during the current fiscal year.

Another factor that will impact our reported results in the next year and thereafter will be our adoption of accounting policies set out by the Emerging Issues Task Force, or EITF, as Issue 01-09 "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products." Our adoption of EITF 01-09 beginning on April 1, 2002 will reduce our equipment sales revenues and operating expenses.

The discussion above includes forward-looking statements based on management's assumptions and beliefs as to the factors set forth above, as to market and industry conditions and as to our performance under those conditions and are subject to the qualifications set forth in "Special Note Regarding Forward Looking Statements" in "Risk Factors" in Item 3.D. Our actual results could vary significantly from these projections and could be influenced by a number of factors including changes in the market and industry conditions, competition, the continuing success of i-mode and other factors and risks as discussed in the other part of "Risk Factors" in Item 3.D. Additionally, unanticipated events and circumstances may affect our actual financial and operating results. As a result, no representation can be or is made with respect to the accuracy of the foregoing projections and you should be aware that the actual results achieved may vary, potentially materially, from these projections.

Item 6. Directors, Senior Management and Employees.

A. Directors and Senior Management.

Directors, Executive Officers and Corporate Auditors

The following table sets forth our Directors (who include the executive officers) and Corporate Auditors and certain other information:

Name	Position	Responsibility	Date of Birth	Current Term Expires	Shares Owned (1)	Initial Appointment Date
Directors:						
Kouji Ohboshi(2)	Chairman	—	Apr. 7, 1932	June 2002	10	Apr. 1992
Keiji Tachikawa(2)	President and Chief Executive Officer	—	May 27, 1939	June 2002	14	June 1997
Ryuji Murase(2)	Senior Executive Vice President	—	Aug. 31, 1940	June 2002	11	June 1998
Yoshinori Uda(2)	Senior Executive Vice President	Senior Executive Manager, Global Business Division	Aug. 17, 1941	June 2002	9	June 1999
Shiro Tsuda(2)	Senior Executive Vice President	Senior Executive Manager, Network Division	Oct. 5, 1945	June 2002	10	June 1996
Hideki Nomura	Executive Vice President	Senior Executive Manager, Marketing	Oct. 14, 1944	June 2002	8	June 1996

Name	Position	Responsibility	Date of Birth	Current Term Expires	Shares Owned (1)	Initial Appointment Date
Toyotaro Kato	Executive Vice President	Division General Manager, Kanagawa Branch	May 14, 1940	June 2002	8	July 1998
Masao Nakamura	Executive Vice President	Senior Executive Manager, Mobile Multimedia Division	Nov. 11, 1944	June 2002	7	June 1998
Nobuharu Ono..................	Executive Vice President	Deputy Senior Executive Manager, Global Business Division	Jan. 23, 1946	June 2002	1	June 2000
Itsuki Tomioka	Executive Vice President	Executive Manager, General Affairs Department	Feb. 4, 1945	June 2002	10	June 1998
Kimio Tani	Executive Vice President	Executive Manager, Corporate Strategy Planning Department	Mar. 7, 1947	June 2002	5	June 1998
Masayuki Hirata..............	Executive Vice President	Executive Manager, Accounts and Finance Department	July 30, 1947	June 2002	1	June 2000
Eisuke Sugiyama	Senior Vice President	Executive Manager, Customer Satisfaction Department	Jan. 19, 1941	June 2002	6	June 1997
Kota Kinoshita	Senior Vice President	Senior Executive Manager, Research and Development Division	Jan. 2, 1947	June 2002	5	June 1998
Ken-ichi Aoki...................	Senior Vice President	General Manager, Chiba Branch	Oct. 9, 1946	June 2002	5	June 1998
Hideaki Yumiba...............	Senior Vice President	Executive Manager, Core Network Development Department	Mar. 15, 1948	June 2002	5	June 1998
Kunito Abe	Senior Vice President	General Manager, Shibuya Branch	Aug. 18, 1945	June 2002	11	June 1998
Yoshihiro Yoshioka.........	Senior Vice President	Executive Manager, Service Operation and Maintenance Department	Sept. 6, 1947	June 2002	5	June 1999
Kunio Ishikawa	Senior Vice President	Executive Manager, Personnel Development Department	Sept. 2, 1948	June 2002	5	June 1999
Kunio Ushioda	Senior Vice President	Senior Executive Manager, Corporate Marketing Division	Sept. 22, 1946	June 2002	1	June 2000
Noboru Inoue....................	Senior Vice President	Executive Manager, Marketing Planning Department	Nov. 6, 1948	June 2002	1	June 2000
Keiichi Enoki	Senior Vice President	Senior Executive Manager, i-mode Business Division	Mar. 15, 1949	June 2002	4	June 2000
Yasuhiro Kadowaki	Senior Vice President	Deputy Senior Executive Manager, Corporate Marketing Division	Apr. 30, 1948	June 2002	1	June 2001
Yoshiaki Aigami (3)........	Senior Vice President	Executive Manager, Network Planning Department	Oct. 3, 1949	June 2002	2	June 2001
Takanori Utano	Senior Vice President	Executive Manager, Radio Network Development	Sept. 20, 1949	June 2002	1	June 2001

Name	Position	Responsibility	Date of Birth	Current Term Expires	Shares Owned (1)	Initial Appointment Date
Kiyoyuki Tsujimura.........	Senior Vice President	Department Executive Manager, Global Business Department	Jan. 11, 1950	June 2002	7	June 2001
Shigehiko Suzuki(4)........	Senior Vice President	—	Oct. 16, 1945	June 2002	2	June 1999
Corporate Auditors:						
Ken-ichi Matsumura(5)...	Corporate Auditor	—	June 17, 1940	June 2003	5	June 1999
Keisuke Nakasaki(5).......	Corporate Auditor	—	Oct. 10, 1941	June 2003	2	June 2000
Hiroyuki Moriyama(5)....	Corporate Auditor	—	Feb. 10, 1947	June 2003	5	June 2000
Kiyoto Uehara.................	Corporate Auditor	—	Aug. 11, 1935	June 2004	1	June 2001

(1) DoCoMo shares owned as of October 31, 2001. No Director or Corporate Auditor owns more than 0.0002% of DoCoMo's shares of common stock.
(2) Representative Director.
(3) Also Chairman of In-Tunnel Cellular Association.
(4) Also a Director of NTT which is also his principal place of work.
(5) Full-time Corporate Auditor.

Kouji Ohboshi has served as our Chairman since 1998. Prior to that, he had served as our President and Chief Executive Officer from 1992 through 1998. He joined NTT in 1957 and became a senior vice president of NTT in 1988 and an executive vice president of NTT in 1990.

Keiji Tachikawa has served as the President and Chief Executive Officer since 1998. He has been a Senior Executive Vice President of our company since 1997. He joined NTT in 1962 and became a senior vice president of NTT in 1992, an executive vice president of NTT in 1995 and a senior executive vice president of NTT in 1996.

Ryuji Murase has served as a Senior Executive Vice President since 1998. He joined the Ministry of Posts and Telecommunications (currently the Ministry of Public Management, Home Affairs, Posts and Telecommunications) in 1963. He became a senior vice president of NTT DoCoMo Tokai, Inc. in 1994 and a president and chief executive officer of NTT DoCoMo Tokai in 1994.

Yoshinori Uda has served as a Senior Executive Vice President since 1999. He joined NTT in 1966 and became a senior vice president of NTT in 1996. He became a counselor of our company in 1999.

Shiro Tsuda has served as a Senior Executive Vice President since 2001. He became a Senior Vice President of our company in 1996. He joined NTT in 1970.

Hideki Nomura has served as an Executive Vice President since 1998. He became a Senior Vice President of our company in 1996. He is Executive Manager of the FOMA Marketing Office. He joined NTT in 1968.

Toyotaro Kato has served as the Executive Vice President since 1998. He joined the Ministry of Posts and Telecommunications in 1965. He became a counselor of Showa Electric Wire & Cable Co., Ltd. in 1996.

Masao Nakamura has served as an Executive Vice President since 1999. He became a Senior Vice President of our company in 1998. He joined NTT in 1969.

Nobuharu Ono has served as an Executive Vice President since 2000. He joined NTT in 1968 and became a senior vice president of NTT in 1998. He became a senior vice president of NTT East in 1999.

Itsuki Tomioka has served as an Executive Vice President since 2000. He became a Senior Vice President of our company in 1998. He joined NTT in 1969.

Kimio Tani has served as an Executive Vice President since 2001. He became a Senior Vice President of our company in 1998. He joined NTT in 1970.

Masayuki Hirata has served as an Executive Vice President since 2001. He became a Senior Vice President of our company in 2000. He joined NTT in 1970.

Eisuke Sugiyama has served as a Senior Vice President since 1997. He joined the Ministry of Posts and Telecommunications in 1967. He became a chief engineer of Mobile Radio Center Foundation in 1991.

Kota Kinoshita has served as a Senior Vice President since 1998. He joined NTT in 1971. He became the Senior Executive Manager, Research and Development in 2001. He became a Senior Manager, Research and Development Department of our company in 1992.

Ken-ichi Aoki has served as a Senior Vice President since 1998. He became a Senior Manager, General Affairs Department of our company in 1992. He joined NTT in 1970.

Hideaki Yumiba has served as a Senior Vice President since 1998. He joined NTT in 1972.

Kunito Abe has served as a Senior Vice President since 1998. He joined the Ministry of Posts and Telecommunications in 1968. He joined Telecommunications Advancement Organization of Japan in 1995.

Yoshihiro Yoshioka has served as a Senior Vice President since 1999. He became an Executive Manager, Procurement and Supply Department of our company in 1992. He became a senior vice president of NTT DoCoMo Kansai, Inc. in 1998. He joined NTT in 1972.

Kunio Ishikawa has served as a Senior Vice President since 1999. He became Senior Manager, General Affairs Department of our company in 1992. He joined NTT in 1971.

Kunio Ushioda has served as a Senior Vice President since 2000. He became a senior vice president of NTT East in 1999. He joined NTT in 1969.

Noboru Inoue has served as a Senior Vice President since 2000. He became a Senior Manager, Marketing Division of our company in 2000. He joined NTT in 1971.

Keiichi Enoki has served as a Senior Vice President since 2000. He became a Senior Manager, Equipment Department of NTT in 1992. He joined NTT in 1974.

Yasuhiro Kadowaki has served as a Senior Vice President since 2001. He became an executive manager, general affairs department of NTT West in 1999. He joined NTT in 1971.

Yoshiaki Aigami has served as a Senior Vice President since 2001. He became a Senior Manager, Procurement and Supply Department of our company in 1992. He joined NTT in 1972.

Takanori Utano has served as a Senior Vice President since 2001. He became an Executive Engineer, Research and Development Department of our company in 1992. He joined NTT in 1974.

Kiyoyuki Tsujimura has served as a Senior Vice President since 2001. He became a Senior Manager, Corporate Planning Department of our company in 1992. He joined NTT in 1975.

Shigehiko Suzuki has served as a Senior Vice President since 1999. He became a senior vice president of NTT in 1998. He joined NTT in 1968.

Ken-ichi Matsumura has served as a Full-time Corporate Auditor since 1999. He became a president and chief executive officer of NTT DoCoMo Kyushu, Inc. in 1992 and an executive vice president thereof in 1993. He joined NTT in 1967.

Keisuke Nakasaki has served as a Full-time Corporate Auditor since 2000. He became a president and chief executive officer of NTT America, Inc. in 1998. He joined NTT in 1965.

Hiroyuki Moriyama has served as a Full-time Corporate Auditor since 2000. He became a president and chief executive officer of NTT DoCoMo Chugoku, Inc. in 1992, a senior vice president thereof in 1993 and an executive vice president and representative director thereof in 1995. He joined NTT in 1969.

Kiyoto Uehara has served as a Corporate Auditor since 2001. He became an executive vice president of InfoCom Research, Inc. in 1990. He has also served as the president and chief executive officer of NTT Auto Lease Co., Ltd. since 1994. He joined NTT in 1960.

Our Board of Directors has the ultimate responsibility for the administration of our affairs. Our Articles of Incorporation provide for a maximum of 43 Directors. Directors are elected at a general meeting of shareholders, and the normal term of office of Directors is two years, although they may serve any number of consecutive terms. The Board of Directors elects from among its members one or more Representative Directors, who have the authority individually to represent us. From among its members, the Board of Directors also elects the President and may elect a Chairman and one or more Senior Executive Vice Presidents and Executive Vice Presidents.

Our Articles of Incorporation provide for not more than four Corporate Auditors. Corporate Auditors, of whom at least one must be from outside our company, are elected at a general meeting of shareholders from among those candidates nominated by the Board of Directors and, if any, by shareholders. The normal term of office of a Corporate Auditor is three years, although they may serve any number of consecutive terms. Corporate Auditors are under a statutory duty to oversee the administration of our affairs by our Directors, to examine our financial statements and business reports to be submitted by our Board of Directors to the general meetings of our shareholders and to report to the shareholders regarding any actions by our Board of Directors that are seriously unreasonable or which are in violation of laws, ordinances or the Articles of Incorporation of our company. They are entitled to attend meetings of the Board of Directors and to express their opinions, but they are not entitled to vote. Under the Commercial Code of Japan and related law, the Corporate Auditors collectively constitute the Board of Corporate Auditors. The Board of Corporate Auditors has a statutory duty to prepare and submit an audit report to the Board of Directors each year. A Corporate Auditor may note his opinion in the audit report if his opinion is different from the opinion expressed in the audit report. The Board of Corporate Auditors is empowered to establish audit principles, the methods of examination by Corporate Auditors of our affairs and financial position and other matters concerning the performance of the Corporate Auditors' duties.

In addition to Corporate Auditors, we must appoint independent public accountants who have statutory duties to examine the financial statements to be submitted by the Board of Directors to the general meetings of shareholders, reporting thereon to the Corporate Auditors and the Directors, and examining the financial statements to be filed with the Minister of Finance of Japan. Since our incorporation, Asahi & Co., a member firm of Andersen Worldwide SC, has acted as our independent public accountants.

B. Compensation.

The aggregate compensation, including other benefits in kind, we paid to the 28 Directors (who include the executive officers) and four Corporate Auditors during fiscal 2000 was ¥547 million and ¥52 million, respectively. We paid bonuses to the Directors and Corporate Auditors out of retained earnings for fiscal 2000 in the amount of ¥127 million and ¥18 million, respectively. In accordance with customary Japanese business practices, a retiring Director or Corporate Auditor receives a lump-sum retirement payment, which is subject to the approval of the general meeting of shareholders. Total expenses for retirement benefits for directors and corporate auditors in fiscal 2000 amounted to ¥101 million.

For the year ending March 31, 2002 we expect the aggregate compensation, including bonuses and any other benefits in kind, which we will pay to Directors as a group will be ¥562 million.

C. Board Practices.

The information required by this item is set forth in Items 6.A. and 6.B. of this registration statement. We do not have any contracts with directors providing for severance benefits upon termination of employment.

D. Employees.

The information required by this item is set forth in Item 4.B. of this registration statement.

E. Share Ownership.

The information required by this item is set forth in Item 6.A. of this registration statement. We have not granted stock options to any of our directors or corporate auditors and we do not currently have any stock option plans approved pursuant to which they may be granted shares or stock options.

Item 7. Major Shareholders and Related Party Transactions.

A. Major Shareholders.

As of September 30, 2001, NTT owned 6,428,600, or 64.1%, of our shares and, to the best of our knowledge, no other shareholder beneficially owned more than 5% of the outstanding shares. NTT does not have any special voting rights.

As of September 30, 2001, our Directors and Corporate Auditors own 185 of our shares. Currently, all our Directors and Corporate Auditors participate in a director stock purchase plan, pursuant to which a plan administrator makes open market purchases of shares for the accounts of participating directors on a monthly basis.

Certain of our employees, our eight regional subsidiaries' employees and certain other of our subsidiaries' employees participate in an employee stock purchase plan, pursuant to which a plan administrator makes open market purchases of our shares for the accounts of participating employees on a monthly basis. Such purchases are made out of amounts deducted from each participating employee's salary, with a contribution from the employer company of ¥80 for each ¥1,000 so deducted.

The ownership and distribution of the shares by category of shareholders according to our register of shareholders and register of beneficial shareholders as at September 30, 2001 were as follows:

Category	Number of Shareholders	Number of Shares Held	Percentage of Total Issues Shares
Japanese financial institutions	462	1,688,986	16.83
Japanese securities companies	82	29,401	0.29
Other Japanese corporations	2,944	6,521,428	64.98
Foreign corporations and individuals	1,257	1,327,405	13.23
Japanese individuals and others	191,719	468,780	4.67
Total	196,464	10,036,000	100.00%

According to The Bank of New York, depositary for DoCoMo's ADSs, as of September 30, 2001, 10,216 shares of our common stock were held in the form of 2,043,200 ADRs and there were 4 ADR holders of record in the United States. According to our register of shareholders and register of beneficial shareholders, as of September 30, 2001, there were 196,464 holders of common stock of record worldwide. As of September 30, 2001, there were 305 record holders of DoCoMo's common stock with addresses in the United States, whose shareholdings represented approximately 5.1% of the outstanding common stock on that date. Because some of these ADSs and shares were held by brokers or other nominees, the number of record holders with addresses in the United States may be fewer than the number of beneficial owners in the United States.

None of our shares of common stock entitles the holder to any preferential voting rights.

We know of no arrangements the operation of which may at a later time result in a change of control.

On January 25, 2002, the DoCoMo Board of Directors declared a five-for-one common stock split. The record date for the split will be March 31, 2002, and the new shares are expected to be distributed on May 15, 2002.

B. Related Party Transactions.

On December 28, 1999, we lent NTT East ¥7,500 million at an interest rate of 0.68%. The loan matured and was repaid by NTT East on January 11, 2000. On March 24, 2000, we lent NTT East ¥30,000 million at an interest rate of 0.10%. The loan matured and was repaid by NTT East on June 23, 2000. NTT East is a subsidiary of our parent NTT.

On March 24, 2000, we lent NTT West ¥10,000 million at an interest rate of 0.10%. The loan matured and was repaid by NTT West on June 23, 2000. NTT West is a subsidiary of our parent NTT.

We have entered into cost-sharing and construction and maintenance contracts with In-Tunnel Cellular Association, the Chairman (as of June 29, 2001) of which, Yoshiaki Aigami, is also one of our directors. He replaced as Chairman, Kazushige Sakoh, who retired as one of our directors in June 2001. The contracts were entered into on terms similar to those made with third parties. As of March 31, 2001, In-Tunnel owes us ¥2,676 million in connection with those contracts.

In 1998, we lent NTT Personal Group ¥269,420 million in total, ¥103,000 million of which we lent to NTT Personal Central at an interest rate of 0.46%. In 1999, we lent NTT Personal Group ¥54,740 million in total, ¥21,500 million of which we lent to NTT Personal Central at an interest rate of 0.13%.

NTT Personal Group was owned by our parent NTT. After our acquisition of the PHS businesses operated by the NTT Personal Group in December 1998, the NTT Personal Group (except one member company) was liquidated. In connection with the transfer of the PHS business to us, a portion of the loans was offset against assets we received and the balance of the loans was forgiven.

C. Interests of Experts and Counsel.

Not applicable.

Item 8. Financial Information.

A. Consolidated Statements and Other Financial Information.

Financial Statements

The information required by this item is set forth beginning on page F-2 of this registration statement.

Legal or Arbitration Proceedings

The information on legal or arbitration proceedings required by this item is set forth in Item 4.B. of this registration statement.

Dividend Policy

The information on dividend policy required by this item is set forth in Item 10.F. of this registration statement.

B. Significant Changes.

Except as disclosed in Item 3.B., there has been no significant change in our financial position since March 31, 2001, the date of our last audited financial statements.

Item 9. The Offer and Listing.

A. Offer and Listing Details.

We have applied to have our ADSs listed on the New York Stock Exchange. Currently, our sponsored ADSs trade on the over-the-counter market in the United States.

Price Ranges of Shares

Since October 1998, our shares have been listed on the First Section of the Tokyo Stock Exchange. On January 24, 2002, the closing sale price of shares on the Tokyo Stock Exchange was ¥1,350,000 per share. Our shares are also quoted and traded through SEAQ International. The following table indicates the trading price of our shares (adjusted to reflect the prior stock splits of shares referred to in the table included in “Changes in Issued Share Capital” below), the average daily trading volume and the closing levels of the Nikkei Stock Average and TOPIX for the periods indicated:

	Tokyo Stock Exchange Price per share (1)		Average daily trading volume of shares	Closing TOPIX		Closing Nikkei Stock Average	
	High	Low		High	Low	High	Low
Fiscal Period							
1998 (from October 22, 1998 to March 31, 1999):	¥ 1,296,000	¥ 810,000	19,292	1,269.76	1,028.61	¥ 16,378.78	¥ 13,232.74
1999:							
First quarter	1,720,000	1,162,000	18,175	1,425.64	1,292.07	17,782.79	15,972.68
Second quarter	2,100,000	1,650,000	9,940	1,535.23	1,420.64	18,532.58	16,821.06
Third quarter	4,070,000	2,070,000	18,234	1,722.20	1,460.23	18,934.34	17,254.17
Fourth quarter	4,570,000	3,050,000	15,828	1,754.78	1,558.15	20,706.65	18,168.27
2000:							
First quarter	4,350,000	2,590,000	16,404	1,732.45	1,504.93	20,833.21	16,008.14
Second quarter	3,400,000	2,510,000	9,813	1,613.89	1,439.43	17,614.66	15,626.96
Third quarter	3,370,000	1,950,000	11,426	1,512.20	1,255.16	16,149.08	13,423.21
Fourth quarter	2,570,000	1,800,000	16,019	1,337.63	1,161.97	14,032.42	11,819.70
2001:							
First quarter	2,900,000	1,960,000	14,749	1,440.97	1,254.19	14,529.41	12,574.26
Second quarter	2,190,000	1,140,000	15,792	1,293.42	990.80	12,817.41	9,504.41
Third quarter	1,820,000	1,390,000	17,855	1,107.83	988.98	11,064.30	9,924.23
Calendar Period							
2001:							
June	2,360,000	1,960,000	14,307	1,318.09	1,254.19	13,430.22	12,574.26
July	2,190,000	1,670,000	13,674	1,293.42	1,163.76	12,817.41	11,579.27
August	1,900,000	1,400,000	12,605	1,235.26	1,103.67	12,399.20	10,713.51
September	1,630,000	1,140,000	21,992	1,100.13	990.80	10,772.59	9,504.41
October	1,820,000	1,530,000	19,969	1,107.83	1,031.17	10,880.10	9,924.23
November	1,770,000	1,440,000	18,704	1,088.77	1,016.48	11,064.30	10,030.56
December	1,730,000	1,390,000	14,470	1,058.03	988.98	10,857.28	10,192.57
2002:							
January (through January 24, 2002)	1,610,000	1,310,000	13,218	1,055.14	975.20	10,942.36	10,040.91

(1) On January 25, 2002, the DoCoMo Board of Directors declared a five-for-one common stock split. The record date for the split will be March 31, 2002, and the new shares are expected to be distributed on May 15, 2002. Due to this stock split, there will be 40,144,000 additional shares issued and 50,180,000 total shares in issue.

Our shares are not listed on any stock exchange in the United States.

B. Plan of Distribution.

Not applicable.

C. Markets.

See Item 9.A. of this registration statement for information on the markets on which our common stock is listed or quoted.

D. Selling Shareholders.

Not applicable.

E. Dilution.

Not applicable.

F. Expenses of the Issue.

Not applicable.

Item 10. Additional Information.

A. Share Capital.

Changes in Issued Share Capital

Our current authorized share capital consists of 38,300,000 shares. The following table shows the changes in our issued share capital since our incorporation:

Date	Type of issue	Number of shares issued	Total number of shares in issue
August 14, 1991	Incorporation	20,000	20,000
May 2, 1992	Rights Offering	60,000	80,000
May 12, 1992	Rights Offering	220,000	300,000
October 1,1993	Merger with NTT Central Mobile Communication Co., Ltd.	17,640	317,640
August 17, 1998	Stock Split (five-for-one)	1,270,560	1,588,200
October 22, 1998	Public Offering at ¥3,900,000 per share	327,000	1,915,200
September 13, 1999	Stock Split (five-for-one)	7,660,800	9,576,000
February 23, 2001	Public Offering at ¥2,066,000 per share	460,000	10,036,000

On January 25, 2002, the DoCoMo Board of Directors declared a five-for-one common stock split. The record date for the split will be March 31, 2002, and the new shares are expected to be distributed on May 15, 2002. Due to this stock split, there will be 40,144,000 additional shares issued and 50,180,000 total shares in issue. In conjunction with this stock split, by a simultaneous resolution of the Board of Directors, our authorized share capital will be increased to 191,500,000 shares on May 15, 2002.

The additional information required by this item is set forth in Item l0.B. of this registration statement.

B. Memorandum and Articles of Association.

Objects and Purposes in Our Articles of Incorporation

Article 2 of our Articles of Incorporation, which are attached as an exhibit to this registration statement, states our objects and purposes.

Provisions Regarding Our Directors

There is no provision in our Articles of Incorporation as to a Director's power to vote on a proposal, arrangement or contract in which a Director is materially interested, but, under the Commercial Code of Japan, a Director is required to refrain from voting on such matters at meetings of the Board of Directors.

The Commercial Code provides that compensation for directors is determined at a general meeting of shareholders of a company. Within the upper limit approved by the shareholders' meeting, the board of directors will determine the amount of compensation for each director. The board of directors may, by its resolution, leave such decision to the discretion of the company's president.

The Commercial Code provides that the incurrence by a company of a significant loan from a third party should be approved by the company's board of directors. Our Regulations of the Board of Directors have adopted this policy.

There is no mandatory retirement age for our Directors under the Commercial Code or our Articles of Incorporation.

There is no requirement concerning the number of shares one individual must hold in order to qualify him or her as a Director of DoCoMo under the Commercial Code or our Articles of Incorporation.

Holding of Our Shares by Foreign Investors

There are no limitations on the rights of non-residents or foreign shareholders to hold or exercise voting rights on our shares imposed by the laws of Japan or our Articles of Incorporation or our other constituent documents.

Rights of Our Shareholders

The following section contains certain information relating to the shares, including summaries of certain provisions of our Articles of Incorporation and Share Handling Regulations and of the Commercial Code of Japan relating to joint stock corporations.

General

At present, our authorized share capital is 38,300,000 shares with no par value of which 10,036,000 shares have been issued. All issued shares are fully paid and non-assessable. Under the Commercial Code, the transfer of shares is effected by delivery of share certificates, but, in order to assert shareholders' rights against us, the transferee must have his name and address registered on our register of shareholders. No temporary documents of title in respect of the shares will be issued. Shareholders are required to file their names, addresses and seal impressions with The Toyo Trust and Banking Company, Limited which is our transfer agent for the shares. Foreign shareholders may file a specimen signature in lieu of a seal impression. Non-resident shareholders are required to appoint a standing proxy in Japan or file a mailing address in Japan. Japanese securities firms and commercial banks customarily offer the service of standing proxy, and render related services on payment of their standard fee.

Our shares are freely transferable and there are no restrictions on transfer of the shares under the terms of the Commercial Code or our Articles of Incorporation.

Our shares are generally held in a certificated form, except that, if a shareholder deposits his share certificate with us we may cancel such share certificate. In the event a shareholder whose share certificate has been cancelled by us wishes to transfer his shares, reissuance of his share certificate by us to such shareholder and delivery to a transferee shall be required. The central clearing system of share certificates under the Law Concerning Central Clearing of Share Certificates and Other Securities in Japan applies to the shares. Holders of shares may deposit certificates for shares with the Japan Securities Depositary Center, the sole depositary under the system, through the participants in the system (which normally will be securities companies). The shares deposited with the Japan Securities Depositary Center will be registered in the name of the Japan Securities Depositary Center in our register of shareholders. The beneficial owners of the deposited shares will be recorded in the register of beneficial shareholders which we prepare based on information furnished by the participants and the Japan Securities Depositary Center. Such register of beneficial shareholders will be updated as of record dates as at which shareholders entitled to rights pertaining to the shares are determined. For the purpose of transferring the deposited shares, delivery of share certificates is not required. In general, beneficial shareholders of deposited shares registered in the register of beneficial shareholders will be entitled with respect to such shares to the same rights and benefits as the holders of shares registered in the register of shareholders. The registered beneficial shareholders may exercise the rights attached to the shares such as voting rights and will receive dividends (if any) and notices to shareholders directly from us. The shares held by a person as a registered shareholder and those held by the same person as a registered beneficial shareholder are aggregated for such purposes. New shares issued with respect to deposited shares, including those issued upon a stock split, automatically become deposited shares. The beneficial shareholders will be required to file with our transfer agent the same information as would be required from the registered shareholders principally through the relevant participants. Beneficial shareholders may at any time withdraw their shares from deposit and receive share certificates.

Dividends

Following shareholders' approval in June, annual dividends are distributed in cash on a *pro rata* basis to shareholders or registered pledgees of record as at March 31 in each year. In addition to annual dividends, we may also make cash distributions, or interim dividends, from our retained earnings to shareholders or registered pledgees of record as at September 30 in each year by resolution of our Board of Directors. Our Articles of Incorporation provide that we shall be relieved of our obligation to pay any annual or interim dividends unclaimed for a period of three years after the date on which they first become payable.

The Commercial Code provides that, until the aggregate amount of our legal reserve and additional paid-in capital is at least one-quarter of our stated capital, we may not make any distribution of profits by way of dividends in cash unless we have set aside in our legal reserve an amount equal to at least one-tenth of any amount paid out as an appropriation of retained earnings (including any payment by way of annual dividend and bonuses to Directors and Corporate Auditors) or equal to one-tenth of any interim dividend. The Commercial Code permits us to distribute profits by way of dividends out of the excess of our net assets, on a non-consolidated basis, over the aggregate of (i) our stated capital, (ii) our additional paid-in capital, (iii) our accumulated legal reserve, (iv) the legal reserve to be set aside in respect of the dividends concerned and any other proposed payment by way of appropriation of retained earnings, (v) the excess, if any, of unamortized expenses incurred in preparation for commencement of business and in connection with research and development over the aggregate of the amounts referred to in (ii), (iii) and (iv) above, and (vi) the increased amount of net assets in our balance sheet due to the assignment of market value to certain assets when the aggregate market value so assigned exceeds the aggregate acquisition value of such assets. In the case of interim dividends, the net assets are calculated by reference to the balance sheet as at the last closing of our accounts, and adjustments are made to reflect any subsequent payment by way of appropriation of retained earnings and the related transfer to legal reserve, any subsequent transfer of retained earnings to stated capital and the aggregate purchase price of shares determined by a resolution of the ordinary general meeting of shareholders authorizing us to acquire our shares. Interim dividends may not be paid where there is a risk that at the end of the financial year net assets might be less than the aggregate of the amounts referred to in (i), (ii), (iii), (iv), (v) and (vi) above.

In Japan, the "ex-dividend" date and the record date for any dividends precede the date of determination of the amount of the dividends to be paid.

For information as to Japanese taxes on dividends, see "Taxation—Japanese Taxation" below.

Capital and Reserves

The entire amount of the issue price of new shares is required to be accounted for as stated capital, although we may account for an amount not exceeding one-half of such issue price as additional paid-in capital. We may at any time transfer the whole or any part of our additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The whole or any part of retained earnings which are distributable as annual dividends may also be transferred to stated capital by resolution of an ordinary general meeting of shareholders.

Stock Splits

We may at any time split the shares in issue into a greater number of shares by resolution of the Board of Directors. Shareholders will not be required to exchange share certificates for new share certificates, but certificates representing the additional shares resulting from the stock split will be issued to shareholders. We must give public notice of the stock split, specifying a record date therefor, not less than two weeks prior to such record date and, in addition, promptly after the stock split takes effect, give notice to each shareholder specifying the number of shares to which such shareholder is entitled by virtue of the stock split. In conjunction with a stock split, we may increase the number of our authorized shares by the same ratio as the stock split ratio through a resolution of the Board of Directors.

Fractional Shares

If we make stock splits or stock consolidations or issue convertible bonds, debentures, bonds or debentures with warrants or rights to subscribe for new shares, fractional shares constituting one-hundredth of one share or any integral multiple thereof will be issued depending on the conditions of such splits, consolidations or issues. Fractional shares will not carry voting rights but, under the Japanese Commercial Code and our Articles of Incorporation, holders of fractional shares will have the right to receive dividends. Any certificate representing such fractional shares will not be issued and therefore fractional shares are not normally transferable. Holders of fractional shares will be registered in the register of fractional shares. The registered holders of fractional shares may at any time require us to purchase such shares at the current market price.

General Meeting of Shareholders

The ordinary general meeting of our shareholders is usually held in June of each year in Tokyo. In addition, we may hold an extraordinary general meeting of shareholders whenever necessary. Notice of a shareholders' meeting stating the purpose thereof and a summary of the matters to be acted upon must be mailed to each shareholder having voting rights (or, in the case of a non-resident shareholder, to his mailing address or proxy in Japan) at least two weeks prior to the date set for the meeting. The record date for an ordinary general meeting of shareholders is March 31.

Any shareholder holding 300 shares or one percent of the total number of voting rights for six months or longer may propose a matter to be considered at a general meeting of shareholders by submitting a written request to a Representative Director at least six weeks prior to the date of such meeting.

Voting Rights

A shareholder is entitled to one vote per share, except that a corporate shareholder more than one-quarter of whose voting rights are directly or indirectly owned by us may not exercise its voting rights. Except as otherwise provided by law or by the Articles of Incorporation, a resolution can be adopted at a shareholders' meeting by the holders of a majority of the voting rights represented at the meeting. Shareholders may also exercise their voting rights through proxies, provided that a proxy is one of our shareholders or that in the case of a shareholder being the government, local government or juridical person, its proxy may be its employee. The Commercial Code and our Articles of Incorporation provide that the quorum for election of directors and corporate auditors shall not be less than one-third of the total number of the voting rights. Our Articles of Incorporation provide that shares may not be voted cumulatively for the election of Directors.

The Commercial Code provides that, in order to amend the Articles of Incorporation and in certain other instances, including any reduction of the stated capital, any removal of a Director or a Corporate Auditor, dissolution, merger or consolidation, exchange of shares for shares of an existing or newly-incorporated company, transfer of the whole or an important part of the business, taking over the whole of the business of any other company or any offering of new shares at a "specially favorable" price (or any offering of convertible bonds with "specially favorable" conversion conditions or of bonds with warrants or rights to subscribe for new shares with "specially favorable" conditions) to persons other than shareholders, the quorum is a majority of the total number of the voting rights and the approval by at least two-thirds of the voting rights represented at the meeting is required.

Liquidation Rights

In the event of our liquidation, the assets remaining after payment of all taxes, liquidation expenses and debts will be distributed among the shareholders in proportion to the respective number of shares which they hold.

Issue of Additional Shares and Pre-emptive Rights

Holders of shares have no pre-emptive rights. Authorized but unissued shares may be issued at such times and upon such terms as the Board of Directors determines, subject to the limitations as to the offering of new shares at a "specially favorable" price mentioned above. The Board of Directors may, however, determine that shareholders be given subscription rights to new shares, in which case they must be given on uniform terms to all shareholders as of a record date of which not less than two weeks' prior public notice must be given. Each of the shareholders to whom such rights are given must also be given at least two weeks' prior notice of the date on which such rights expire.

Dilution

It is possible that, in the future, market conditions and other factors might make rights issues to shareholders desirable at a subscription price substantially below their then current market price, in which case shareholders who do not exercise and are unable otherwise to realize the full value of their subscription rights will suffer dilution of their equity interest in us.

Report to Shareholders

We furnish to our shareholders notices of shareholders' meetings, annual business reports, including financial statements, and notices of resolutions adopted at the shareholders' meetings, all of which are in Japanese.

Record Date

The record date for annual dividends is March 31 and the record date for interim dividends is September 30. In addition, by a resolution of the Board of Directors and after giving at least two weeks' prior public notice, we may at any time set a record date in order to determine shareholders who are entitled to certain rights pertaining to the shares.

Repurchase by Us of Shares

We may repurchase shares through the Tokyo Stock Exchange or other stock exchange on which the shares are listed, if authorized by an ordinary resolution of an ordinary general meeting of shareholders, by way of tender offer, if authorized by an ordinary resolution of an ordinary general meeting of shareholders, from a specific party, if authorized by a special resolution of an ordinary general meeting of shareholders, or from our own subsidiary, if authorized by a resolution of the Board of Directors.

When such repurchase is made by us from a specific party other than our own subsidiary any shareholder may make a demand to a representative director, five days or more prior to the relevant shareholders' meeting, that we also repurchase the shares held by that shareholder. Any repurchase of shares must satisfy certain requirements, including that the total amount of the repurchase price may not exceed the amount of the retained earnings available for annual dividend payments after taking into account any reduction, if any, of the stated capital, additional paid-in capital or legal reserve (if such reduction of the stated capital, additional paid-in capital or legal reserve has been authorized pursuant to a resolution of the relevant ordinary general meeting of shareholders), minus the amount to be paid by way of appropriation of retained earnings for the relevant fiscal year and the amount to be transferred to stated capital. If it is anticipated that the net assets on the balance sheet as at the end of the relevant fiscal year will be less than the aggregate amount of the stated capital, additional paid-in capital and other items as described in (i) through (vi) in "Dividends" above, we may not repurchase shares. We may hold our own shares so repurchased without restriction. We may cancel our own shares that we hold by a resolution of the Board of Directors. We are required to hold our own shares so repurchased until March 31, 2002; on and after April 1, 2002, we may otherwise dispose of our own shares by a resolution of the Board of Directors.

Recent Amendments to the Commercial Code

In November 2001, certain amendments to the Commercial Code passed the Diet. These amendments will become effective as from April 1, 2002. The changes in the amendments include, among other things, the following:

Subscription Rights

A company may grant subscription rights to new shares to persons other than shareholders, as well as shareholders and issue certificates of such subscription rights by resolution of the board of directors. In case of granting subscription rights to new shares to persons other than shareholders under “specially favorable” conditions, special resolution of the meeting of shareholders is required. Holders of certificates of subscription rights may exercise their rights within the subscription period by submitting such certificates and paying the subscription fee as prescribed in the terms of such certificates.

Report to Shareholders

Notice of shareholders’ meeting and other notices to shareholders may be furnished to a shareholder by electric means with such shareholder’s consent. Further, a company may publish financial statements by electric means when the board of directors decides to adopt such disclosure means.

Notice, Request to Company and Exercise of Voting Rights

Shareholders may give notice or a request to a company by electric means with such company’s consent. Further, shareholders who intend to be absent from a shareholder’s meeting may exercise their voting rights by electric means with a company’s consent, when the board of directors adopts such method of exercising voting rights.

The Japan Securities Depositary Center

The central clearing system of share certificates under the Law Concerning Central Clearing of Share Certificates and Other Securities in Japan applies to the shares. Under this system, holders of shares may deposit certificates for shares with the Japan Securities Depositary Center, the sole depositary under the system, through the participants. See “Rights of Our Shareholders—General”.

American Depositary Receipts

The Bank of New York is the depositary for our ADS program and will execute and deliver the ADRs. Each ADR is a certificate evidencing a specified number of ADSs. Each ADS will represent ownership interests in one two-hundredth of a share or the right to receive one two-hundredth of a share. The shares will be deposited with The Bank of New York's custodian in Tokyo, Japan. Each ADS will also represent any other securities, cash or other property that are deposited with The Bank of New York but not distributed to ADS holders. The Bank of New York's corporate trust office is located at 101 Barclay Street, New York, NY 10286 (temporarily located at One Wall Street, New York, New York 10286).

You may hold ADSs either directly (by having an ADR registered in your name) or indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADR holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, you will not be treated as one of our shareholders and you will not have shareholder rights. The Bank of New York will be the legal owner of the shares underlying your ADRs. You will have ADR holder rights. Those rights and the obligations of The Bank of New York are set out in a deposit agreement among us, The Bank of New York and you, as an ADR holder. The deposit agreement and the ADRs are governed by New York law.

The following describes the material terms of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of these are provided in Item 10.H. of this registration statement.

Share Dividends and Other Distributions

How You Will Receive Dividends and Other Distributions on the Shares. The Bank of New York has agreed to pay to you the cash dividends or any of other distributions it or any of the custodians receives on shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

Cash. The Bank of New York will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any approval from the Japanese government is needed and cannot be obtained, the deposit agreement allows The Bank of New York to distribute the Japanese yen only to those ADR holders to whom it is possible to do so. It will hold the Japanese yen it cannot convert for the account of the ADR holders who have not been paid. It will not invest the Japanese yen and it will not be liable for any interest.

Before making a distribution, The Bank of New York will deduct any withholding taxes that must be paid.

The Bank of New York will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when The Bank of New York cannot convert the Japanese yen currency, you may lose some or all of the value of the distribution, in US. dollar terms.*

Shares. The Bank of New York may distribute new ADSs representing any shares we may distribute as a stock split or stock dividend, if we furnish The Bank of New York promptly with satisfactory evidence that it is legal to do so. The Bank of New York will only distribute whole ADSs. The Bank of New York will sell shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does cash. If The Bank of New York does not distribute additional ADSs, the outstanding ADSs will also represent the new shares.

Rights to Receive Additional Shares. If we offer our shareholders any rights to subscribe for additional shares or any other rights, The Bank of New York may make these rights available to you. We must first instruct The Bank of New York to do so and furnish it with satisfactory evidence that it is legal to do so. If we do not furnish this evidence and give these instructions, and The Bank of New York decides it is practical to sell the rights to other parties, The Bank of New York will sell the rights and distribute the proceeds in the same way as it does cash. The Bank of New York may allow rights that are not distributed or sold to lapse. In that case, you will receive nothing.

If The Bank of New York makes rights available to you, it will exercise the rights and purchase the shares on your behalf. The Bank of New York will then deposit the shares with its custodian in Tokyo and deliver additional ADRs to you. The Bank of New York will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay.

U.S. securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. For example, you may not be able to trade the ADSs freely in the United States. In this case, The Bank of New York may issue the ADSs under a separate restricted deposit agreement which will contain the same provisions as the deposit agreement, except for the changes needed to put the restrictions in place.

Other Distributions. The Bank of New York will send to you anything else we distribute on deposited securities by any means it thinks legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York has a choice. It may decide to sell what we distributed and distribute the net proceeds in the same way as it does cash. Or it may decide to hold what we distributed, in which case the outstanding ADSs will also represent the newly distributed property.

The Bank of New York is not responsible if it decides that it is unlawful, unfair or impractical to make a distribution available to any ADR holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADRs, shares, rights or anything else to ADR holders.

This means that you may not receive the distributions we make on our shares or any value for them if it is illegal, unfair or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How ADRs Are Issued. The Bank of New York will deliver ADRs if you or your broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will register the appropriate number of ADSs in the names you request and will deliver the ADRs at its office to the person you request.

How ADR Holders Can Cancel an ADR and Obtain Shares. You may turn in your ADRs at The Bank of New York's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will deliver (1) the underlying shares to an account designated by you and (2) any other deposited securities underlying the ADR at the office of the custodian. Or, at your request, risk and expense, The Bank of New York will deliver the deposited securities at its office. However, The Bank of New York will not accept surrenders of ADSs that would require it to deliver a fraction of a share.

Voting Rights

You may instruct The Bank of New York to vote the shares underlying your ADRs but only if we ask The Bank of New York to ask for your instructions. *Otherwise, you will not be able to exercise your* *right to vote unless you cancel your ADRs and withdraw the shares. However, you may not know about the meeting far enough in advance to withdraw the shares.*

If we ask for your instructions, The Bank of New York will notify you of the upcoming vote and arrange to deliver our voting materials to you. The materials will (1) describe the matters to be voted on and (2) explain how you may instruct The Bank of New York to vote the shares or other deposited securities underlying your ADSs as you direct. For instructions to be valid, The Bank of New York must receive them on or before the date specified. The Bank of New York will try, as far as practical, subject to Japanese law and the provisions of our Articles of Incorporation, to vote or to have its agents vote the shares or other deposited securities as you instruct. If you do not validly instruct The Bank of New York, it will deem that you have instructed it to give a discretionary proxy to a person designated by us to vote such shares or deposited securities, unless we determine that substantial opposition exists or the matter materially and adversely affects your rights. No votes will be cast as to fractional shares, which shall be rounded down to the nearest whole share.

We and The Bank of New York cannot assure you that you will receive the voting materials in time to ensure that you can instruct The Bank of New York to vote your shares. In addition, The Bank of New York and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise your right to vote and there may be nothing you can do if your shares are not voted as you requested.*

Fees and Expenses

ADR holders must pay:	*For:*
$5.00 (or less) per 100 ADSs	Each issuance of an ADR, including as a result of a distribution of shares or rights or other property and each cancellation of an ADR, including if the deposit agreement terminates
$.02 or less per ADS	Any cash distribution made to you
Registration or Transfer Fees	Transfer and registration of shares on the share register to or from the name of The Bank of New York or its agent when you deposit or withdraw shares
Expenses of The Bank of New York	Conversion of any other currency to U.S. dollars; cable, telex and facsimile transmission expenses
Taxes and other governmental charges The Bank of New York or the custodian have to pay on any ADR or share underlying an ADR, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities received in respect of deposited securities that are distributed by The Bank of New York to ADR holders

Payment of Taxes

The Bank of New York may deduct the amount of any taxes owed from any payments to you. It may also sell deposited securities, by public or private sale, to pay any taxes owed. You will remain liable if the proceeds of the sale are not enough to pay the taxes. If The Bank of New York sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

Reclassifications, Recapitalizations and Mergers

If We:	*Then:*
Change the nominal or par value of our shares	The cash, shares or other securities received by The Bank of New York will become deposited securities
Reclassify, split up or consolidate any of the deposited securities	Each ADS will automatically represent its equal share of the new deposited securities
Distribute securities on the shares that are not distributed to you	The Bank of New York may, and will if we ask it to, distribute some or all of the cash, shares or other securities it received and it may also issue new ADRs or ask you to surrender your outstanding ADRs in exchange for new ADRs, identifying the new deposited securities
Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	

Amendment and Termination

How the Deposit Agreement May Be Amended. We may agree with The Bank of New York to amend the deposit agreement and the ADRs without your consent for any reason. If the amendment adds or increases fees or charges, except for taxes and other governmental charges or certain expenses of The Bank of New York, or prejudices an important right of yours, the amendment will only become effective 30 days after The Bank of New York notifies you of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADR, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.*

How the Deposit Agreement May Be Terminated. The Bank of New York will terminate the deposit agreement if we ask it to do so, by notifying the ADR holders at least 90 days before termination. The Bank of New York may also terminate the deposit agreement by mailing notice of termination to us and the ADR holders if The Bank of New York has told us that it would like to resign and we have not appointed a new depositary within 90 days.

After termination, The Bank of New York and its agents will be required to do only the following under the deposit agreement: (1) advise you that the deposit agreement is terminated, (2) sell rights, (3) collect distributions on the deposited securities, and (4) deliver shares and other deposited securities upon cancellation of ADRs. One year or more after termination, The Bank of New York may sell any remaining deposited securities by public or private sale. After that, The Bank of New York will hold the proceeds of the sale, as well as any other cash it is holding under the deposit agreement, for the *pro rata* benefit of the ADR holders that have not surrendered their ADRs. It will not invest the money and will have no liability for interest. The Bank of New York's only obligations will be to account for the proceeds of the sale and other cash. After termination, our only obligation will be with respect to indemnification and to pay certain amounts to The Bank of New York.

Limitations on Obligations and Liability to ADR Holders

Limits on Our Obligations and the Obligations of The Bank of New York; Limits on the Liability to Holders of ADRs. The deposit agreement expressly limits the liabilities and obligations of DoCoMo and The Bank of New York. Under the deposit agreement, DoCoMo and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if either is prevented or delayed by law or circumstances beyond its control from performing its obligations under the deposit agreement;
- are not liable if either exercises discretion permitted under the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADRs or the deposit agreement on your behalf or on behalf of any other party; and
- may rely upon any documents it believes in good faith to be genuine and to have been signed or presented by the proper party.

In the deposit agreement, we and The Bank of New York agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before The Bank of New York will deliver or register transfer of an ADR, make a distribution on an ADR, or permit withdrawal of shares, The Bank of New York may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The Bank of New York may refuse to deliver, transfer or register transfers of ADRs generally when the transfer books of The Bank of New York are closed, or at any time if The Bank of New York or we think it advisable to do so.

Your Right to Receive the Shares Underlying Your ADRs. You have the right to cancel your ADRs and withdraw the underlying shares at any time except:

- when temporary delays arise because (1) The Bank of New York has closed its transfer books; (2) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on the shares;

- when you or other ADR holders seeking to withdraw shares owe money to pay fees, taxes and similar charges; or

- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADRs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

As the ADS/share ratio is 200 to 1, and The Bank of New York will not accept for surrender any number of ADSs which would require the delivery of fractional shares, you will need to have 200 ADSs or any integral multiple thereof in order to withdraw any shares.

Information About Us

Following the effectiveness of this registration statement, we will be subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, file certain reports with the Securities and Exchange Commission.

The Bank of New York will make available for inspection by you at its corporate trust office any reports and communications, including any proxy soliciting material, received from us that we make generally available to holders of shares. The Bank of New York will also, upon our written request, send you copies of any reports furnished by us pursuant to the deposit agreement. These reports and communications, including any such proxy soliciting material, furnished to The Bank of New York by us will be furnished in English to the extent such materials are required to be translated into English pursuant to any regulations of the SEC.

Disclosure of Interests

We may from time to time request that you provide information as to the capacity in which you own or owned ADRs and regarding the identity of any other persons then or previously interested in such ADRs and the nature of such interest. You agree to provide any information requested by us or The Bank of New York pursuant to the deposit agreement. The Bank of New York has agreed to comply with reasonable written instructions received from us requesting that The Bank of New York forward any such requests to you and to forward to us any such responses to such requests received by The Bank of New York.

Pre-Release of ADRs

In certain circumstances, subject to the provisions of the deposit agreement, The Bank of New York may deliver ADRs before deposit of the underlying shares. This is called a pre-release of ADRs. The Bank of New York may also deliver shares upon cancellation of pre-released ADRs, even if the ADRs are canceled before the pre-release transaction has been closed out. A pre-release is closed out as soon as the underlying shares are delivered to The Bank of New York. The Bank of New York may receive ADRs instead of shares to close out a pre-release. The Bank of New York may pre-release ADRs only under the following conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made must represent to The Bank of New York in writing that it or its customer owns the shares or ADRs to be deposited; (2) the pre-release must be fully collateralized with cash or other collateral that The Bank of New York considers appropriate; and (3) The Bank of New York must be able to close out the pre-release on not more than five business days' notice. In addition, The Bank of New York will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although The Bank of New York may disregard the limit from time to time, if it thinks it is appropriate to do so.

C. Material Contracts.

Other than as set forth below, we have not entered into any material contracts, other than in the ordinary course of business.

AT&T Wireless Agreements

On January 22, 2001 we invested approximately $9.8 billion for shares of a new class of AT&T preferred stock that were convertible into 406,255,889 shares of AT&T Wireless Group tracking stock and which represent approximately 16% of the financial performance and economic value of the AT&T Wireless Group. As part of our investment, we received five-year warrants to purchase the equivalent of an additional 41,748,273 shares of AT&T Wireless Group tracking stock at $35 per share, which would represent approximately an additional 1.3% of AT&T Wireless. The split-off converted DoCoMo's warrants to purchase AT&T preferred stocks equivalent to 41,748,273 shares of AT&T Wireless Group tracking stock into warrants to purchase the same number of shares of AT&T Wireless common stock.

The following is a summary of the material provisions of the Warrant Agreement and the Investor Agreement among us, AT&T Wireless and AT&T. This summary is qualified in its entirety by reference to the full text of these documents, which have been filed as exhibits to this registration statement.

Warrants

We acquired 83,496.546 warrants, each of which are exercisable for 500 shares of AT&T Wireless' common stock, or a total of 41,748,273 shares, at an exercise price of $35 per share, subject to customary anti-dilution adjustments. The warrants are subject to the transfer restriction described under "—Our Investment Rights and Obligations."

Our Investment Rights and Obligations

We have the following rights and obligations under the agreements.

Transfer restrictions. We may not transfer any warrants or any shares of AT&T Wireless common stock that we receive on conversion of wireless tracking stock for a period of 18 months following our investment without the consent of AT&T Wireless unless any of the following events occur:

- a sale of all or substantially all of the assets or business of AT&T Wireless or merger or other business combination unless AT&T Wireless stockholders continue to own two-thirds of the successor corporation;

- AT&T Wireless' acquisition or acquisitions of business or assets, other than radio spectrum rights, totaling more than $25 billion; or

- a tender offer or exchange offer approved by the board of directors of AT&T Wireless.

In addition, subject to a limited exception, we may not transfer, without the consent of AT&T Wireless, any securities of AT&T Wireless to any person if after the transfer the recipient's interest in AT&T Wireless would exceed 6%, or exceed 10% in the case of recipients, principally financial institutions, who are eligible to report their interest on Schedule 13G under the Securities Exchange Act.

If we do transfer the shares, we cannot transfer our rights under the Investor Agreement except that we may transfer the demand registration rights described below to any transferee of more than $1 billion of the shares, and we may also transfer one demand registration right to a transferee of the warrants.

Repurchase obligations of AT&T Wireless. We may require AT&T Wireless to repurchase the warrants and the stock that we hold if by June 30, 2004 AT&T Wireless:

- does not launch services based on Wideband Code Division Multiple Access, or W-CDMA, technology in at least 13 of the top 50 U.S. markets; or

- abandons W-CDMA as its primary technology for third-generation services.

The repurchase price will be our original purchase price plus interest of a predetermined rate. If we require repayment, AT&T Wireless has the right to cause us to sell any portion of our shares in a registered sale, but they have to pay us the difference between the repurchase price and the proceeds from the registered sales.

Standstill. We have agreed to standstill provisions for five years which prevent us from, among other things:

- acquiring or agreeing to acquire any voting securities of AT&T or AT&T Wireless, except in connection with an exercise of our preemptive rights, conversion rights or warrants;

- soliciting proxies with respect to AT&T's or AT&T Wireless voting securities or becoming a participant in any election contest relating to the election of the directors of AT&T or AT&T Wireless;

- calling or seeking to call a meeting of the AT&T or AT&T Wireless stockholders or initiate a stockholder proposal;

- contesting the validity of the standstill in a manner that would lead to public disclosure;

- forming or participating in a group that would be required to file a Schedule 13D with the SEC as a "person" within the meaning of Section 13(d)(3) of the Securities Exchange Act; or

- acting in concert with any person for the purpose of effecting a transaction that would result in a change of control of AT&T or AT&T Wireless.

After five years from the date of the investor agreement, we will continue to be subject to the standstill for so long as we have the right to nominate at least one director. However, we can be released from the standstill after 91 days if our representatives on the board of directors of AT&T Wireless, all of our nominated committee members and all of our nominated management resign their positions.

If NTT or any of NTT's other subsidiaries takes any action contrary to the standstill restrictions and the action leads to any vote of AT&T Wireless stockholders, then we either must vote our shares as the board of directors of AT&T Wireless directs, or must vote our shares in proportion to the votes cast by the stockholders that are not affiliated with either us or NTT. In addition, if NTT or any of its subsidiaries commences a tender offer for AT&T or AT&T Wireless securities, we cannot tender or transfer any of our securities into that offer until all of the conditions to that offer have been satisfied.

The standstill provisions described above terminate in the following circumstances:

- a third party unaffiliated with AT&T Wireless commences a tender or exchange offer of 15% of its outstanding voting securities and AT&T Wireless does not publicly recommend that its stockholders reject the offer;

- AT&T Wireless enters into a definitive agreement to merge into or sell all or substantially all of its assets to a third party unless its stockholders retain at least 50% of the economic and voting power of the surviving corporation; or

- AT&T Wireless enters into a definitive agreement that would result in any one person or groups of persons acquiring more than 35% of its voting power, unless among other things, this person or group agrees to a standstill.

The standstill provisions terminate with respect to AT&T two years after the split-off (or, if sooner, upon any of the foregoing three events as applied to AT&T).

Registration rights. We are entitled subject to certain exceptions and conditions to require AT&T Wireless to register shares of its common stock on up to six occasions, with each demand involving not less than $500 million worth of shares. We cannot exercise more than one demand right in any seven and a half month period. We also are entitled to require AT&T Wireless to register securities for resale in an unlimited number of incidental registrations, commonly known as piggy-back registrations. We will cease to be entitled to these registration rights if we own less than $1 billion of AT&T Wireless securities or, as the case may be, securities reflecting less than 2% of the financial performance and economic value of AT&T Wireless.

Board representation. We are entitled to nominate a number of representatives to the board of directors of AT&T Wireless proportional to our economic interest. Our nominees for these board seats must be senior officers of DoCoMo that are reasonably acceptable to AT&T Wireless. We will lose these board representation rights if its economic interest falls below 10% for 60 consecutive days. However, as long as we retain 62.5% of the shares of our original investment or shares of its common stock, we will lose its board representation rights only if our economic interest falls below 8% for 60 consecutive days.

Management rights. We can appoint between two and five of our employees as AT&T Wireless employees, including the Manager-Finance and Director of Technology. We will lose these rights under the same circumstances as we would lose board representation rights.

Right to approve specified actions. AT&T Wireless may not take any of the following actions without our prior approval:

- change the scope of its business such that AT&T Wireless businesses (including those in its business plan) cease to constitute our primary businesses; or

- enter into a strategic alliance with another wireless operator so that the wireless operator would own more than 15% but less than 50% of the economic interest in AT&T Wireless.

We will lose these approval rights under the same circumstances as we would lose board representation rights.

Preemptive rights. We have preemptive rights that entitle us to maintain our ownership interest by purchasing shares in new equity issuances of AT&T Wireless. In the event of a new equity issuance of the type covered by the preemptive right, then:

- if we hold 12% or more of the economic interest at the time of the new issuance, we may purchase a number of additional shares that would bring our economic interest back up to 16%; and

- if we hold less than 12% of the economic interest at the time of the new issuance, we may purchase a number of additional shares that would maintain our economic interest at the level it was at just before the new issuance.

In most cases, the purchase price for these additional shares will be the issuance price. We will lose these preemptive rights under the same circumstances as it would lose board representation rights.

Strategic Alliance

In connection with our investment, we and AT&T Wireless formed a strategic alliance to develop the next generation of mobile multimedia service on a global-standard, high-speed wireless network. AT&T Wireless has created a new, wholly owned subsidiary to provide multimedia content, applications and services offerable over its current network, as well as on new high-speed wireless networks built to global standards for third-generation services. AT&T Wireless will contribute, among other things, the rights to content and applications used in its PocketNet service to the new multimedia subsidiary. Both we and AT&T Wireless plan to provide technical resources and support staffing. In addition, AT&T Wireless will be able to license from DoCoMo certain rights to our "i-mode" service and related technology.

Non-competition

We and AT&T Wireless have agreed to certain non-competition commitments that restrict each other's ability to provide mobile wireless services in the United States and Japan, respectively. We and AT&T Wireless have also agreed to limit the extent to which we and AT&T Wireless will be able to participate in certain mobile multimedia activities and investments in each other's home territory. We and AT&T Wireless will generally be bound by the non-competition commitments until we lose our board representation and management rights, either due to any of the events described under "—Board Representation" and "—Management Rights," or due to our voluntary relinquishment of such rights.

KPN Mobile Agreements

We entered into various agreements with Royal KPN and KPN Mobile in connection with our subscription for shares in KPN Mobile constituting 15% of the voting rights in KPN Mobile. The subscription agreement and shareholders agreement were entered into on July 12, 2000 and the ancillary agreements were signed at completion on August 2, 2000. The description below summarizes those agreements.

Subscription Agreement

We entered into a subscription agreement with Royal KPN and KPN Mobile on July 12, 2000 relating to our subscription via DCM Capital NL (UK) Ltd for A shares in KPN Mobile. We subscribed for and were issued with 176,470,589 A shares for an aggregate price of approximately €4.0 billion.

Pursuant to the terms of the subscription agreement, certain actions may be taken by KPN Mobile only with the prior approval of its Supervisory Board, which must include the affirmative vote of any member of the Supervisory Board nominated by us. Such reserved matters include among others the issue of certain ordinary shares of KPN Mobile for cash at a price per share which is less than we paid for a period of one year from completion, except if an investment bank of international repute has confirmed that the proposed price per share is fair, and the occurrence of a fundamental change in the nature of the business of certain KPN Mobile group companies. If our nominees to the Supervisory Board contest the introduction of a fundamental change, KPN Mobile may elect to buy our shareholding at fair market value.

Lock-up and standstill. We may not dispose of any of our shares in KPN Mobile until August 2, 2003 without KPN Mobile's prior written consent, other than to certain wholly owned group companies. We also may not, until August 2, 2004, acquire shares in KPN Mobile without Royal KPN's prior written consent, nor acquire shares in KPN Mobile which represent more than 15% of the total number of votes exercisable at a general meeting of KPN Mobile's shareholders, without KPN Mobile's prior written consent.

Exclusivity and restrictive covenants. We and our affiliates may not:

- establish, invest in or control any person who is, or controls, a mobile telecommunications infrastructure operator or a mobile virtual network operator in any exclusive jurisdiction;
- apply for a national IMT-2000 license, or participate in a consortium which will apply for such a license, in any exclusive jurisdiction; or
- otherwise directly compete as a mobile telecommunications infrastructure operator or a mobile virtual network operator in any exclusive jurisdiction.

Currently The Netherlands, Germany, Belgium, Ukraine, Hungary and the Czech Republic are exclusive jurisdictions, although any of them may cease to be so and others may become exclusive jurisdictions. Pursuant to the terms of a side letter between us, Royal KPN and KPN Mobile dated July 12, 2000, the United Kingdom is also an exclusive jurisdiction so long as certain ownership interests are maintained in the joint venture between us, KPN Mobile, Hutchison and Telesystem International Wireless Inc., or TIW.

We have agreed with KPN Mobile that until August 2, 2002 neither of us nor any of our affiliates will pursue an opportunity to invest in or control a mobile telecommunications infrastructure operator or a mobile virtual network operator or to apply for a national IMT-2000 license in the United Kingdom or France before consulting with each other on making a joint investment. If there is no agreement on a joint investment, KPN Mobile will have the option of pursuing such opportunity without us in which case we may not compete with KPN Mobile. If KPN Mobile fails to pursue the opportunity then we may do so.

If an opportunity arises to invest in or control a mobile telecommunications infrastructure operator or a mobile virtual network operator or to apply for a national IMT-2000 license arises in any part of Europe (other than an existing exclusive jurisdiction), we and KPN Mobile agree to consult with each other in good faith for an appropriate period of time prior to making such investment. If such consultations do not lead to agreement, then either party may pursue the opportunity without the other and potentially in competition with the other.

KPN Mobile and its affiliates may not:

- establish, invest in or control any person who is, or controls, a mobile telecommunications infrastructure operator or a mobile virtual network operator in any of Brazil, Japan or Hong Kong; or
- apply for a national IMT-2000 license, or participate in a consortium which will apply for such a license, in any of Brazil, Japan or Hong Kong; or
- otherwise directly compete as a mobile telecommunications infrastructure operator or a mobile virtual network operator in any such jurisdiction;

in each case provided that a member of DoCoMo group continues to control an interest in such an entity in that jurisdiction.

KPN Mobile has agreed to consult with us prior to taking any of the actions referred to in the preceding paragraph in Asia.

Neither Royal KPN nor its affiliates may own, operate, manage or otherwise hold, directly or indirectly, any interest in any mobile telecommunications infrastructure operator or a mobile virtual network operator within Europe other than through KPN Mobile, subject to certain exceptions.

Royal KPN and KPN Mobile's undertakings are subject to similar limitations to those of ours.

KPN Mobile Shareholders Agreement

We, along with Royal KPN, KPN Mobile, BellSouth and German Mobilfunk Investments, entered into a shareholders agreement relating to KPN Mobile on July 12, 2000 which governs our relationship as shareholders, or potential shareholders, in KPN Mobile.

Minority protection rights. KPN Mobile's Supervisory Board will consist of no more than six members in general or 11, upon the completion of an initial public offering and satisfaction of certain conditions.

We may appoint nominees to the Supervisory Board of KPN Mobile, provided that our shareholding in KPN Mobile is at least 7.5% each. We may appoint nominees on the basis of the percentage of votes exercisable by us at a general meeting of KPN Mobile's shareholders. However, following an initial public offering of shares of KPN Mobile and the exercise by BellSouth of its exchange right under the reorganization agreement, we shall appoint one member, provided that our percentage will not exceed 15% and the total number of members of the Supervisory Board will be no more than 11.

Tag along rights. We have certain tag along rights that permit us to participate in an offering in the event that a holder of a majority of A shares in KPN Mobile intend to dispose of a number of their shares. If they do, they must, prior to such disposal, notify us, and we can participate in the sale of shares by requiring the seller to procure the sale of a proportionate number of our shares equal to the proportion which each shareholder's total shareholding of each class of shares bears to the seller's total holding of such class of shares.

Top-up rights. The shareholders' agreement ensures that we may maintain our shareholding (or potential shareholding) upon the occurrence of a dilutive event to the level of percentage voting interests immediately prior to the dilutive event by subscribing for additional A shares in KPN Mobile.

In general, however, our top-up rights in the first instance are only exercisable if our voting interest percentage falls below 15%.

Rights of first refusal. We have certain rights of first refusal which would prevent KPN Mobile from disposing of or granting any interest in KPN/BLS Holding GmbH (at such time as KPN Mobile owns 100%) unless they offer such interest to us first.

Similarly, KPN Mobile will not dispose of any shares in KPN Mobile The Netherlands B.V. (its Dutch operating company) or cause the issue of new shares to any person, other than to KPN Mobile and certain intra-group transfers, without giving us a right of first refusal in respect of those shares.

In addition, Royal KPN may not dispose of its shares in KPN Mobile, other than certain intra-group transfers, without first offering BellSouth a right of first refusal in respect of such shares under the terms of the reorganization agreement while using its reasonable endeavors to persuade BellSouth to share such right of first refusal with us *pro rata* to the economic interests which our respective shareholdings in KPN Mobile represent at that time and, secondly, if BellSouth's right expires without being exercised (or to the extent that it is not exercised), without granting us a right of first refusal in respect of those shares. To the extent Royal KPN does not wish to exercise its right of first refusal in respect of BellSouth's shareholding in KPN Mobile, then Royal KPN is obligated to offer us the opportunity to participate in such right.

We may not dispose of any of our shares in KPN Mobile without granting Royal KPN a right of first refusal and, if Royal KPN fails to exercise such right, the opportunity to participate in such right shall be offered to BellSouth.

The foregoing restrictions terminate when our shareholding in KPN Mobile ceases to represent at least 7.5% of the total number of votes exercisable at a general meeting of KPN Mobile's shareholders. In addition, these restrictions do not apply to a disposal by KPN Mobile of shares representing a voting or economic interest of up to 10% in total in the company concerned to a transferee offering added value to that company, which we are unable or unwilling to offer on the same or more favorable terms.

Registration Rights Agreement

On August 2, 2000, we, Royal KPN, KPN Mobile, BellSouth and BellSouth Investment agreed to a registration rights agreement pursuant to which BellSouth may require Royal KPN or KPN Mobile, and we may require KPN Mobile to, subject to various limitations and conditions, take all necessary steps to effect a registration of all or a specified number of their respective shareholdings in either Royal KPN or KPN Mobile, as the case may be, so that such shares can be publicly sold in the United States of America and listed in The Netherlands (if not already listed). Neither BellSouth nor we would be obliged to sell such shares following registration. The registration rights agreement also imposes certain standstill and lock-up restrictions on the parties in respect of shares in KPN Mobile (see below).

We and BellSouth may only require KPN Mobile to register B shares in any registration or offering. Accordingly, any A shares in KPN Mobile which are the subject of a request for registration must be converted into B shares in accordance with the provisions of the articles of association of KPN Mobile immediately prior to such registration.

BellSouth may only require Royal KPN or KPN Mobile (as the case may be) to file one registration statement in any 12 month period. We may also only require KPN Mobile to file one registration statement in any 12 month period. Neither we nor BellSouth may request more than a total of four registrations each. Furthermore, BellSouth may only exercise their registration rights in respect of shares worth at least $250 million or its euro equivalent.

The registration rights agreement also provides, subject to various limitations and conditions, that we and BellSouth have the right to participate in any registered offerings of shares by KPN Mobile, whether requested by the other shareholder under the terms of the registration rights agreement or otherwise.

We can only exercise our rights under the registration rights agreement after the expiration of its lock-up period pursuant to the terms of the subscription agreement. See "—Subscription agreement" above.

Lock-up. We have agreed that for a period of six months after any initial public offering by KPN Mobile or a listing or registration of shares by KPN Mobile in which we sell at least 5% of KPN Mobile's outstanding shares, we will refrain from selling any more shares in KPN Mobile other than through any further listing or registration of shares which is conducted in accordance with the terms of the registration rights agreement.

We have given KPN Mobile, or Royal KPN to the extent KPN Mobile is not permitted by law to act, the option to purchase for cash all of the shares in KPN Mobile which we request to be registered pursuant to the terms of the agreement.

D. Exchange Controls.

There are no laws, decrees, regulations or other legislation which affect our ability to import or export capital for our use or our ability to pay dividends to nonresident holders of our shares.

E. Taxation.

United States Federal Income Taxation

This section describes the material United States federal income tax consequences of owning shares or ADSs. It applies to you only if you acquire your shares or ADSs in an offering and you hold your shares or ADSs as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a tax-exempt organization,
- a life insurance company,
- a person liable for alternative minimum tax,
- a person that actually or constructively owns 10% or more of our voting stock,
- a person that holds shares or ADSs as part of a straddle or a hedging or conversion transaction, or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, all as currently in effect, as well as on the Convention Between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Treaty"). These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of The Bank of New York as depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

You are a U.S. holder if you are a beneficial owner of shares or ADSs and you are:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

A "non-U.S. holder" is a beneficial owner of shares or ADSs that is not a United States person for United States federal income tax purposes.

You should consult your own tax advisor regarding the United States federal, state and local and the Japanese and other tax consequences of owning and disposing of shares and ADSs in your particular circumstances.

In general, and taking into account the earlier assumptions, for United States federal income tax purposes, if you hold ADRs evidencing ADSs, you will be treated as the owner of the shares represented by those ADSs. Exchanges of shares for ADSs, and ADSs for shares, generally will not be subject to United States federal income or to Japanese tax.

Taxation of Dividends

U.S. Holders

Under the United States federal income tax laws, and subject to the passive foreign investment company rules discussed below, if you are a U.S. holder, you must include in your gross income the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes). You must include any Japanese tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is ordinary income that you must include in income when you, in the case of shares, or the depositary, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the Japanese yen payments made, determined at the spot Japanese yen/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a nontaxable return of capital to the extent of your basis in the shares or ADSs and thereafter as capital gain.

Subject to certain limitations, the Japanese tax withheld in accordance with the Treaty and paid over to Japan will be creditable against your United States federal income tax liability. To the extent a refund of the tax withheld is available to you under Japanese law or under the Treaty, the amount of tax that is refundable will not be eligible for credit against your United States Federal income tax liability. Dividends will be income from sources outside the United States, but generally will be "passive income" or "financial services income" which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you.

Distributions of additional shares or ADSs to you with respect to shares or ADSs that are made as part of a *pro rata* distribution to all of our shareholders generally will not be subject to United States federal income tax. Your basis in the new shares or ADSs received will be determined by allocating your basis in the shares or ADSs you held at the time of the distribution between the new shares or ADSs and the shares or ADSs you held at the time of the distribution based on their relative fair market value on the date of the distribution.

Non-U.S. Holders

If you are a non-U.S. holder, dividends paid to you in respect of shares or ADSs will not be subject to United States federal income tax unless the dividends are "effectively connected" with your conduct of a trade or business within the United States and, if required by an applicable treaty as a condition for subjecting you to United States taxation on a net income basis, attributable to a permanent establishment that you maintain in the United States. In such cases, you will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

U.S. Holders. Subject to the passive foreign investment company rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your shares or ADSs, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your shares or ADSs. Capital gain of a noncorporate U.S. holder is generally taxed at a maximum rate of 20% where the property is held for more than one year and 18% where the property is held for more than five years. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to United States federal income tax on gain recognized on the sale or other disposition of your shares or ADSs unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States and, if required by an applicable income tax treaty as a condition for subjecting you to United States taxation on a net income basis, attributable to a permanent establishment that you maintain in the United States, or

- you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Passive Foreign Investment Company Rules

We do not expect our shares and ADSs to be treated as stock of a passive foreign investment company, or "PFIC", for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change. If we were to be treated as a PFIC, unless a U.S. holder elects to be taxed annually on a mark-to-market basis with respect to the shares or ADSs, gain realized on the sale or other disposition of your shares or ADSs would in general not be treated as capital gain. Instead, if you are a U.S. Holder, you would be treated as if you had realized such gain and certain "excess distributions" ratably over your holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year.

If you own shares or ADSs during any year that we are a PFIC, you must file Internal Revenue Service Form 8621.

Backup Withholding and Information Reporting

If you are a noncorporate U.S. holder, information reporting requirements on Internal Revenue Service Form 1099 generally will apply to:

- dividend payments or other taxable distributions made to you within the United States, and
- the payment of proceeds to you from the sale of shares or ADSs effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you are a noncorporate U.S. holder that:

- fails to provide an accurate taxpayer identification number,
- is notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns, or
- in certain circumstances, fails to comply with applicable certification requirements.

If you are a non-U.S. holder, you are generally exempt from backup withholding and information reporting requirements with respect to:

- dividend payments made to you outside the United States by us or another non-United States payor and
- other dividend payments and the payment of the proceeds from the sale of shares or ADSs effected at a United States office of a broker, as long as the income associated with such payments is otherwise exempt from United States federal income tax, and:
  - the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished the payor or broker:
    - an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person, or

    - other documentation upon which it may rely to treat the payments as made to a non-United States person in accordance with U.S. Treasury regulations, or

- you otherwise establish an exemption.

Payment of the proceeds from the sale of shares or ADSs effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of shares or ADSs that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,

- the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or

- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of shares or ADSs effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person,

- a controlled foreign corporation for United States tax purposes,

- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or

- a foreign partnership, if at any time during its tax year:

    - one or more of its partners are "U.S. persons", as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or

    - such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the United States Internal Revenue Service.

Japanese Taxation

The following is a summary of the principal Japanese tax consequences to owners of our shares or ADSs who are non-resident individuals or non-Japanese corporations without a permanent establishment in Japan to which income from our shares is attributable. The tax treatment is subject to possible changes in the applicable Japanese laws or double taxation conventions occurring after that date. This summary is not exhaustive of all possible tax considerations that may apply to a particular investor. Potential investors should consult their own tax advisers as to:

- the overall tax consequences of the acquisition, ownership and disposition of shares or ADSs, including specifically the tax consequences under Japanese law;
- the laws of the jurisdiction of which they are resident; and
- any tax treaty between Japan and their country of residence.

Generally, a non-resident holder of shares or ADSs is subject to Japanese withholding tax on dividends paid by us. In the absence of any applicable tax treaty, convention or agreement reducing the maximum rate of withholding tax, the rate of Japanese withholding tax applicable to dividends paid by us to non-resident holders is 20%. Japan has income tax treaties, conventions or agreements whereby this withholding tax rate is reduced to, in most cases, 15% for portfolio investors, with, among other countries, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

The Convention between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, which we refer to as the Tax Convention, established the maximum rate of Japanese withholding tax which may be imposed on dividends paid to a United States resident not having a permanent establishment in Japan. Under the Tax Convention, the maximum withholding rate for U.S. shareholders and U.S. holders of ADSs is limited to 15% of the gross amount actually distributed. However, the maximum rate is 10% of the gross amount actually distributed, if the recipient is a corporation and (1) during the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year, if any, at least 10% of the voting shares of the paying corporation were owned by the recipient corporation, and (2) not more than 25% of the gross income of the paying corporation for such prior taxable year, if any, consists of interest or dividends as defined in the Tax Convention. For the purpose of Japanese tax law and the Tax Convention, a U.S. holder of ADSs will be treated as the owner of the shares underlying the ADSs. U.S. holders should note that the U.S. government and the Japanese government are conducting discussions with respect to certain treaty matters.

Non-resident holders who are entitled to a reduced rate of Japanese withholding tax on payments of dividends on the shares by us are required to submit an Application Form for the Income Tax Convention regarding Relief from Japanese Income Tax on Dividends in advance through us to the relevant tax authority before the payment of dividends. A standing proxy for non-resident holders may provide the application. With respect to ADSs, this reduced rate is applicable if the depositary or its agent submits two Application Forms for Income Tax Convention (one prior to payment of dividends, the other within eight months after our fiscal year-end). To claim this reduced rate, a non-resident holder of ADSs will be required to file proof of taxpayer status, residence and beneficial ownership (as applicable) and to provide other information or documents as may be required by the depositary. Non-resident holders who do not submit an application in advance will generally be entitled to claim a refund from the relevant Japanese tax authority of withholding taxes withheld in excess of the rate of an applicable tax treaty.

Gains derived from the sale of shares or ADSs outside Japan, or from the sale of shares within Japan by a nonresident holder, generally are not subject to Japanese income or corporation taxes.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired shares or ADSs as a legatee, heir or donee, even if the individual is not a Japanese resident.

F. Dividends and Paying Agents.

The following table indicates cash dividends declared and paid on our shares to shareholders of record on the dates indicated:

Record date	Cash dividend per Share
March 31, 1997	¥ 200
March 31, 1998	200
March 31, 1999	1,000
September 30, 1999	500
March 31, 2000	500
September 30, 2000	500
March 31, 2001	500
September 30, 2001	500

The dividends per share have been adjusted to reflect a stock split (five-for-one) that took effect on August 17, 1998 and a stock split (five-for-one) that took effect on September 13, 1999, but does not reflect the stock split (five-for-one) that the DoCoMo Board of Directors declared on January 25, 2002 for which the record date will be March 31, 2002 and the new shares will be distributed on May 15, 2002. See Note 7—Stock split on page F-58 for further information.

It is the present intention of our Board of Directors to continue to pay cash dividends on a regular basis (including, if and to the extent deemed appropriate, interim dividends). Such payments will, however, be subject to our future earnings and financial condition, approval at the shareholders' meeting (in the case of year-end dividends) and other factors, including statutory and other restrictions with respect to the payment of dividends.

G. Statement by Experts.

The consolidated financial statements and schedule of NTT DoCoMo, Inc. for the years ended March 31, 2000 and 2001 included in this registration statement have been audited by Arthur Andersen, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports. See also Item 1.C. of and Exhibit 10.1 to this registration statement.

H. Documents on Display.

We have filed with the SEC this registration statement on Form 20-F under the Securities Exchange Act of 1934 with respect to the shares and ADSs, and a registration statement on Form F-6 under the Securities Act of 1933 with respect to the ADSs.

You may review a copy of the registration statements without charge at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the SEC's regional offices located at 233 Broadway, New York, New York 10279 and 500 West Madison Street, Suite 1400, Chicago, Illinois 80661. You may also get copies of all or any portion of the registration statements from the public reference room, the regional offices or by calling the SEC at 1-800-SEC-0330 or by writing the SEC upon payment of a prescribed fee.

Upon effectiveness of this registration statement, we will be subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, we will file annual reports on Form 20-F within six months of our fiscal year-end and other reports and information on Form 6-K with the SEC. These reports and other information can be inspected at the public reference room at the SEC and at the SEC regional offices listed above. You can also obtain copies of such material from the public reference room, the regional offices or by calling or writing the SEC upon payment of a prescribed fee. As a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934 prescribing the furnishing and content of proxy statements to shareholders.

I. Subsidiary Information.

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Our earnings and cash flows may be negatively impacted by fluctuating interest and foreign exchange rates. We enter into interest rate swap and foreign currency forward contracts to manage these risks. These derivative financial instruments are executed with creditworthy financial institutions, and our management believes there is little risk of default by these counterparties.

Interest rate and swap agreements

Although most of our debt carries a fixed rate of interest, a small portion carries floating rates. We enter into interest rate swap agreements to manage interest rate risk on these floating rate liabilities. These interest rate swap agreements exchange floating rate interest payments for fixed rate interest payments.

The following table below provides information about our market sensitive financial instruments:

	In millions Yen							
Expected maturity dates	2002	2003	2004	2005	2006	Thereafter	Total 9/30/01	Fair Value 9/30/01
DEBT								
Domestic unsecured corporate bonds	17,000	89,000	12,000	8,000	137,000	250,000	513,000	521,880
Weighted average Interest rate-fixed	1.9%	2.2%	1.8%	2.7%	0.8%	1.2%		
Unsecured indebtedness to banks and insurance companies	76,312	123,935	115,740	138,655	13,637	217,315	685,594	711,978
Weighted average Interest rate-fixed	2.6%	2.5%	2.5%	1.0%	3.0%	1.1%		
Long-term debt, including current portion							1,198,594	1,233,858
INTEREST RATE SWAP AGREEMENTS								
Contract Notional amounts	700	5,000	1,000	500	1,000	-	8,200	(461)
Floating rate received by DoCoMo	0.24%	0.20%	0.17%	0.28%	0.45%	-		
Fixed rate paid by DoCoMo	2.20%	2.61%	2.47%	2.25%	3.60%	-		

	In thousands of U.S. Dollars							
Expected maturity dates	2002	2003	2004	2005	2006	Thereafter	Total 9/30/01	Fair Value 9/30/01
DEBT								
Domestic unsecured corporate bonds	142,581	746,456	100,646	67,097	1,149,040	2,096,788	4,302,608	4,377,085
Weighted average Interest rate-fixed	1.9%	2.2%	1.8%	2.7%	0.8%	1.2%		
Unsecured indebtedness to banks and insurance companies	640,040	1,039,462	970,729	1,162,920	114,376	1,822,654	5,750,181	5,971,467
Weighted average Interest rate-fixed	2.6%	2.5%	2.5%	1.0%	3.0%	1.1%		
Long-term debt, including current portion							10,052,789	10,348,552
INTEREST RATE SWAP AGREEMENTS								
Contract Notional amounts	5,871	41,936	8,387	4,194	8,387	-	68,775	(3,866)
Floating rate received by DoCoMo	0.24%	0.20%	0.17%	0.28%	0.45%	-		
Fixed rate paid by DoCoMo	2.20%	2.61%	2.47%	2.25%	3.60%	-		

Investment price risk

The fair value of certain of our investments, primarily in marketable securities, exposes us to equity price risks. In general, we have invested in highly-liquid and low-risk instruments, which are not held for trading purposes. These investments are subject to changes in the market prices of the securities. The following table below provides information about our market sensitive marketable securities and constitutes a “forward-looking statement”.

	Millions of yen		Thousands of U.S. dollars	
	2001		2001	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Equity and debt securities available-for-sale	¥ 2,583	¥ 2,583	$ 21,664	$ 21,664
Debt securities held-to-maturity:				
Due after 1 year through 5 years	826	869	6,928	7,288
Due after 5 years through 10 years	2,498	2,685	20,951	22,520
Total	¥ 5,907	¥ 6,137	$ 49,543	$ 51,472

Foreign exchange risk

We have used foreign exchange forward contracts for the purpose of mitigating the risk of fluctuations in foreign exchange rates on our borrowings related to certain foreign investments until the underlying transaction is completed. However, we had no foreign exchange forward contracts outstanding at March 31, 2000 or 2001.

Concentrations of credit risk

As of March 31, 2001, we did not have any significant concentration of business transacted with an individual counterparty or groups of counterparties that could, if suddenly eliminated, severely impact its operations.

Item 12. Description of Securities Other Than Equity Securities

The information required by this item is set forth in Item 10.B. of this registration statement.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

Not applicable.

Item 15. [Reserved]

Item 16. [Reserved]

PART III

Item 17. Financial Statements.

In lieu of responding to this item, we have responded to Item 18 of this registration statement.

Item 18. Financial Statements.

The information required by this item is set forth beginning on page F-2 of this registration statement.

Item 19. Exhibits.

Exhibit Number	Description
1.1	— Articles of Incorporation of the registrant (with English translation)*
1.2	— Share Handling Regulations of the registrant (with English translation)*
1.3	— Regulations of the Board of Directors of the registrant (with English translation)*
1.4	— Regulations of the Board of Corporate Auditors of the registrant (with English translation)*
2.1	— Specimen common stock certificates of the registrant*
2.2	— Form of Deposit Agreement among the registrant, The Bank of New York as Depositary and all owners and holders from time to time of American Depositary Receipts, including the form of American Depositary Receipt (incorporated by reference Post-Effective No. 2 to the Registration Statement on Form F-6 (File No. 333-9694) filed on January 25, 2002)*
4.1	— Investor Agreement by and among AT&T Corp., AT&T Wireless Services, Inc. and the registrant, dated December 20, 2000*
4.2	— Warrant Agreement by and among AT&T Wireless Services, Inc., the registrant and AT&T Corp. dated December 20, 2000*
4.3	— Subscription Agreement among Royal KPN N.V., KPN Mobile N.V. and the registrant for A shares in KPN Mobile N.V., dated July 12, 2000*
4.4	— Shareholders Agreement among Royal KPN N.V., KPN Mobile N.V., the registrant, BellSouth Corporation and German Mobilfunk Investments, Inc., dated July 12, 2000*
4.5	— Registration Rights Agreement among Royal KPN N.V., KPN Mobile N.V., the registrant, BellSouth Corporation and German Mobilfunk Investments, Inc., dated August 2, 2000*
8.1	— List of Subsidiaries*
10.1	— Consent of Arthur Andersen with respect to the audited financial statements included in this registration statement

* Previously filed on January 25, 2002

[INSERT FINANCIAL PAGES HERE]

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

NTT DoCoMo, Inc.

By ____

Name:

Title:

Date: 2002

INDEX OF EXHIBITS

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NTT DoCoMo, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

Report of Independent Public Accountants

To the Board of Directors and the Shareholders of
NTT DoCoMo, Inc.:

We have audited the accompanying consolidated balance sheets of NTT DoCoMo, Inc. (a Japanese corporation) and subsidiaries as of March 31, 2000 and 2001, and the related consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for each of the two years in the period ended March 31, 2001. These consolidated financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NTT DoCoMo, Inc. and subsidiaries as of March 31, 2000 and 2001, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the Index to Consolidated Financial Statements and Schedule is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Tokyo, Japan
August 3, 2001 (except for Note 3, as to which the date is September 28, 2001)

NTT DoCoMo, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 481,003	¥ **118,425**	$ **993,248**
Accounts receivable			
Third parties	429,264	**807,132**	**6,769,538**
Related parties	37,538	**102,049**	**855,900**
Sub-total	466,802	**909,181**	**7,625,438**
Less: Allowance for doubtful accounts	(22,853)	**(23,903)**	**(200,478)**
Total accounts receivable, net	443,949	**885,278**	**7,424,960**
Inventories	68,004	**107,404**	**900,814**
Deferred tax assets	26,323	**29,323**	**245,936**
Prepaid expenses and other current assets			
Third parties	48,774	**86,877**	**728,651**
Related parties	46,804	**7,179**	**60,211**
Total current assets	1,114,857	**1,234,486**	**10,353,820**
Property, plant and equipment:			
Wireless telecommunications equipment	2,509,061	**2,823,646**	**23,682,345**
Buildings and structures	277,148	**370,483**	**3,107,297**
Tools, furniture and fixtures	385,112	**465,913**	**3,907,683**
Land	122,907	**151,545**	**1,271,031**
Construction in progress	181,270	**228,676**	**1,917,940**
Sub-total	3,475,498	**4,040,263**	**33,886,296**
Accumulated depreciation	(1,433,525)	**(1,700,889)**	**(14,265,613)**
Total property, plant and equipment, net	2,041,973	**2,339,374**	**19,620,683**
Non-current investments and other assets:			
Investments in affiliates	47,497	**753,183**	**6,317,060**
Marketable securities and other investments	42,223	**1,165,062**	**9,771,551**
Intangible and other assets, net of accumulated amortization of ¥202,148 million and ¥269,042 million ($2,256,496 thousand) at March 31, 2000 and 2001, respectively	384,151	**485,045**	**4,068,145**
Deferred tax assets	36,337	**39,355**	**330,076**
Total non-current investments and other assets	510,208	**2,442,645**	**20,486,832**
Total assets	¥ 3,667,038	¥ **6,016,505**	$ **50,461,335**

The accompanying notes are an integral part of these consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	¥ 241,832	**¥ 175,686**	**$ 1,473,505**
Short-term borrowings	-	**314,200**	**2,635,243**
Accounts payable, trade			
Third parties	387,811	**534,790**	**4,485,364**
Related parties	84,580	**141,564**	**1,187,319**
Accrued payroll	24,454	**31,908**	**267,617**
Accrued interest	4,445	**3,128**	**26,235**
Accrued taxes on income	186,056	**203,816**	**1,709,436**
Other current liabilities	35,512	**78,210**	**655,959**
Total current liabilities	964,690	**1,483,302**	**12,440,678**
Long-term liabilities:			
Long-term debt	587,755	**953,282**	**7,995,320**
Employee benefits	69,694	**86,795**	**727,963**
Other long-term liabilities	11,094	**96,780**	**811,708**
Total long-term liabilities	668,543	**1,136,857**	**9,534,991**
Total liabilities	1,633,233	**2,620,159**	**21,975,669**
Minority interests in consolidated subsidiaries	57,647	**77,759**	**652,176**
Commitments and contingencies			
Shareholders' equity:			
Common stock, without a stated value--			
Authorized--38,300,000 shares			
Issued and outstanding--9,576,000 and 10,036,000 shares at March 31, 2000 and 2001, respectively	474,499	**949,680**	**7,965,109**
Additional paid-in capital	799,294	**1,262,672**	**10,590,221**
Retained earnings	690,947	**1,083,126**	**9,084,342**
Accumulated other comprehensive income	11,418	**23,109**	**193,818**
Total shareholders' equity	1,976,158	**3,318,587**	**27,833,490**
Total liabilities and shareholders' equity	¥ 3,667,038	**¥ 6,016,505**	**$ 50,461,335**

The accompanying notes are an integral part of these consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPRHENSIVE INCOME

YEARS ENDED MARCH 31, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Operating revenues:			
Wireless services			
Third parties	¥ 2,990,719	**¥ 3,586,734**	**$ 30,082,479**
Related parties	18,007	**33,537**	**281,280**
Equipment sales			
Third parties	707,678	**1,032,459**	**8,659,389**
Related parties	2,290	**16,636**	**139,529**
	3,718,694	**4,669,366**	**39,162,677**
Operating expenses:			
Cost of services (exclusive of items shown separately below)			
Third parties	183,077	**185,226**	**1,553,519**
Related parties	349,291	**352,687**	**2,958,039**
Cost of equipment sold (exclusive of items shown separately below)	649,685	**958,022**	**8,035,075**
Depreciation and amortization	599,486	**595,598**	**4,995,370**
Selling, general, and administrative			
Third parties	1,247,945	**1,499,034**	**12,572,624**
Related parties	180,023	**300,179**	**2,517,647**
	3,209,507	**3,890,746**	**32,632,274**
Operating income	509,187	**778,620**	**6,530,403**
Other (income) expense:			
Interest expense	21,699	**20,315**	**170,385**
Interest income	(976)	**(864)**	**(7,247)**
Other, net	636	**1,038**	**8,706**
	21,359	**20,489**	**171,844**
Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	487,828	**758,131**	**6,358,559**
Income taxes:			
Current	255,631	**331,076**	**2,776,784**
Deferred	(44,559)	**(13,739)**	**(115,231)**
	211,072	**317,337**	**2,661,553**
Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	276,756	**440,794**	**3,697,006**
Equity in net losses of affiliates	(1,730)	**(17,767)**	**(149,015)**
Minority interests in earnings of consolidated subsidiaries	(18,462)	**(21,272)**	**(178,411)**
Net Income	¥ 256,564	**¥ 401,755**	**$ 3,369,580**
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities (net of taxes of ¥10,000 million and ¥7,986 million ($66,980 thousand) for the years ended March 31, 2000 and 2001, respectively)	13,889	**(11,091)**	**(93,022)**
Less: Reclassification adjustment for gains (net of losses) included in net income (net of taxes of ¥4 million and ¥418 million ($3,506 thousand) for the years ended March 31, 2000 and 2001, respectively)	(6)	**(581)**	**(4,873)**
Foreign currency translation adjustment (net of taxes of ¥18,553 million ($155,607 thousand) for the year ended March 31, 2001)	(378)	**25,999**	**218,058**
Minimum pension liability adjustment (net of taxes of ¥953 million and ¥1,915 million ($16,061 thousand) for the years ended March 31, 2000 and 2001, respectively)	(1,323)	**(2,636)**	**(22,109)**
Comprehensive income	¥ 268,746	**¥ 413,446**	**$ 3,467,634**
Earnings per share data:			
Weighted average common shares outstanding – Basic and Diluted (shares)	9,576,000	**9,622,630**	**9,622,630**
Basic and diluted earnings per share (Yen and U.S. dollars)	¥ 26,792.40	**¥ 41,751.06**	**$ 350.17**

The accompanying notes are an integral part of these consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

YEARS ENDED MARCH 31, 2000 and 2001

		Millions of yen				
	Number of Shares	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total Shareholders' Equity
Balance at March 31, 1999	1,915,200	¥ 474,499	¥ 799,294	¥ 448,747	¥ (764)	¥ 1,721,776
Cash dividends declared and paid (¥1,000 per share adjusted for stock split)				(9,576)		(9,576)
Net income				256,564		256,564
Five-for-one stock split	7,660,800					
Cash dividends declared and paid (¥500 per share)				(4,788)		(4,788)
Unrealized gains on available-for-sale securities					13,883	13,883
Foreign currency translation adjustment					(378)	(378)
Minimum pension liability adjustment					(1,323)	(1,323)
Balance at March 31, 2000	9,576,000	474,499	799,294	690,947	11,418	1,976,158
Issuance of common stock in public offering	**460,000**	**475,181**	**454,826**			**930,007**
Tax benefit associated with the issuance of common stock			**8,552**			**8,552**
Cash dividends declared and paid (¥1,000 per share)				**(9,576)**		**(9,576)**
Net income				**401,755**		**401,755**
Unrealized losses on available-for-sale securities					**(11,672)**	**(11,672)**
Foreign currency translation adjustment					**25,999**	**25,999**
Minimum pension liability adjustment					**(2,636)**	**(2,636)**
Balance at March 31, 2001	**10,036,000**	**¥ 949,680**	**¥ 1,262,672**	**¥ 1,083,126**	**¥ 23,109**	**¥ 3,318,587**

		Thousands of U.S. dollars				
	Number of Shares	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total Shareholders' Equity
Balance at March 31, 2000	9,576,000	$ 3,979,695	$ 6,703,799	$ 5,795,077	$ 95,764	$ 16,574,335
Issuance of common stock in public offering	**460,000**	**3,985,414**	**3,814,695**			**7,800,109**
Tax benefit associated with the issuance of common stock			**71,727**			**71,727**
Cash dividends declared and paid ($8.39 per share)				**(80,315)**		**(80,315)**
Net income				**3,369,580**		**3,369,580**
Unrealized losses on available-for-sale securities					**(97,895)**	**(97,895)**
Foreign currency translation adjustment					**218,058**	**218,058**
Minimum pension liability adjustment					**(22,109)**	**(22,109)**
Balance at March 31, 2001	**10,036,000**	**$ 7,965,109**	**$ 10,590,221**	**$ 9,084,342**	**$ 193,818**	**$ 27,833,490**

The accompanying notes are an integral part of these consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Cash flows from operating activities:			
Net income	¥ 256,564	**¥ 401,755**	**$ 3,369,580**
Adjustments to reconcile net income to net cash provided by operating activities--			
Depreciation and amortization	599,486	**595,598**	**4,995,370**
Deferred taxes	(44,559)	**(13,739)**	**(115,231)**
Loss on sale or disposal of property, plant and equipment	28,352	**51,117**	**428,726**
Equity in net losses of affiliates	1,730	**17,767**	**149,015**
Minority interests in earnings of consolidated subsidiaries	18,462	**21,272**	**178,411**
Changes in current assets and liabilities:			
Increase in accounts receivable, trade	(102,367)	**(436,204)**	**(3,658,509)**
(Decrease) increase in allowance for doubtful accounts	(1,126)	**1,030**	**8,639**
Decrease (increase) in inventories	26,750	**(41,672)**	**(349,509)**
Increase in accounts payable, trade	80,463	**158,020**	**1,325,338**
Increase in other current liabilities	12,272	**41,657**	**349,383**
Increase in accrued taxes on income	147,690	**17,273**	**144,871**
Increase in liability for employee benefits, net of deferred pension costs	2,451	**12,113**	**101,593**
Other	33,971	**31,859**	**267,206**
Net cash provided by operating activities	1,060,139	**857,846**	**7,194,883**
Cash flows from investing activities:			
Purchases of property, plant and equipment	(745,002)	**(803,397)**	**(6,738,212)**
Purchases of intangible and other assets	(193,589)	**(154,079)**	**(1,292,284)**
Purchases of investments	(70,933)	**(1,834,073)**	**(15,382,647)**
Collection of loan receivable	7,534	**40,209**	**337,239**
Other	2,026	**7,125**	**59,759**
Net cash used in investing activities	(999,964)	**(2,744,215)**	**(23,016,145)**
Cash flows from financing activities:			
Issuance of long-term debt	-	**545,273**	**4,573,287**
Repayment of long-term debt	(212,252)	**(246,619)**	**(2,068,431)**
Issuance of common stock	-	**930,007**	**7,800,109**
Principal payments under capital lease obligation	(14,939)	**(11,431)**	**(95,873)**
Dividends paid	(14,364)	**(9,576)**	**(80,315)**
Proceeds from short-term borrowings	66,980	**1,760,120**	**14,762,392**
Repayment of short-term borrowings	(67,630)	**(1,445,920)**	**(12,127,149)**
Other	9,935	**1,910**	**16,019**
Net cash (used in) provided by financing activities	(232,270)	**1,523,764**	**12,780,039**
Effect of exchange rate changes on cash and cash equivalents	-	**27**	**226**
Net decrease in cash and cash equivalents	(172,095)	**(362,578)**	**(3,040,997)**
Cash and cash equivalents at beginning of year	653,098	**481,003**	**4,034,245**
Cash and cash equivalents at end of year	¥ 481,003	**¥ 118,425**	**$ 993,248**
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	¥ 26,820	**¥ 24,910**	**$ 208,924**
Income taxes	107,941	**305,250**	**2,560,178**
Noncash investing and financing activities:			
Tax benefit associated with the issuance of common stock	-	**8,552**	**71,727**
Assets acquired through capital lease obligations	4,841	**4,121**	**34,563**

The accompanying notes are an integral part of these consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. History and nature of operations:

NTT DoCoMo, Inc. and subsidiaries (the "Company" or "DoCoMo") is a joint stock corporation that was incorporated under the laws of Japan in August 1991 under the name of NTT Mobile Communications Planning Co., Ltd., and, in April 1992, was renamed NTT Mobile Communications Network, Inc. The Company changed its name to NTT DoCoMo, Inc. on April 1, 2000. The Company is organized as the wireless telecommunications arm of Nippon Telegraph and Telephone Corporation ("NTT"). NTT currently owns 64.1% of DoCoMo's issued stock.

NTT was incorporated as a limited liability, joint stock corporation in April 1985. Prior to that time, NTT was a government-owned public corporation. Wireless telecommunications operations were initially conducted by a division within NTT. When NTT was privatized, a law which was passed in connection with the privatization, provided for governmental review within five years to determine whether such law had been successfully implemented and what further changes were necessary. Based on such review, the Ministry of Posts and Telecommunications of Japan ("MPT") issued on March 30, 1990 a release which directed NTT to separate its wireless telecommunications businesses from the rest of NTT in order to promote fair and effective competition. With a view to providing better services to its customers and enhancing the interests of its shareholders, the management of NTT also decided that such separation was desirable.

In February 1991, NTT and the MPT agreed that this separation should be achieved by transferring the wireless telecommunications business first to DoCoMo the parent company and later to its eight regional subsidiaries. To achieve this purpose DoCoMo was incorporated as a subsidiary of NTT in August 1991 and took over NTT's wireless telecommunications operations in July 1992. In July 1993, DoCoMo the parent company transferred its wireless telecommunications operations (other than those in Kanto-Koshinetsu region which remained with DoCoMo the parent company) to its eight regional subsidiaries.

Prior to the transfer, DoCoMo had engaged several subcontractors in the respective regions for sales activities and other business and strategic reasons. In October 1993, DoCoMo merged with those regional subcontractors, and their shareholders became minority shareholders in DoCoMo and its regional subsidiaries, respectively. DoCoMo the parent company, however, is the majority-owner of each of its regional subsidiaries.

DoCoMo provides wireless telecommunications services such as cellular, packet communications services (wireless data communications services using packet switching), Personal Handyphone System ("PHS") service (a wireless data and voice platform that enables customers to have higher speed access to the Internet, as well as to make calls), Quickcast (paging) service, satellite mobile communications service and in-flight telephone service, primarily on its own nationwide networks. In addition, DoCoMo sells handsets, pagers and related equipment.

2. Summary of significant accounting policies:

DoCoMo maintains its books and records in conformity with the Japanese Telecommunications Business Law and the related accounting regulations and accounting principles generally accepted in Japan ("Japanese GAAP").

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Significant accounting policies are as follows:

Principles of consolidation --

The consolidated financial statements include the accounts of DoCoMo and its majority-owned subsidiaries. All intercompany transactions and accounts have been eliminated.

Use of Estimates --

The preparation of DoCoMo's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents --

DoCoMo considers cash in banks and short-term highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value.

Inventories --

Inventories are stated at the lower of cost or market. The cost of equipment sold is determined by the first-in, first-out method. Inventories consist primarily of handsets and accessories. DoCoMo evaluates its inventory for obsolescence on a periodic basis and records adjustments as required. Due to rapid technological changes associated with the wireless communications business, DoCoMo disposed of obsolete handsets during the years ended March 31, 2000 and 2001 totaling ¥18,162 million and ¥16,787 million ($140,795 thousand), respectively, which are included in cost of equipment sold.

Property, plant and equipment --

Property, plant and equipment is stated at cost and includes interest cost incurred during the construction period, as discussed below in "Capitalized Interest." Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the respective assets with the exception of buildings that are depreciated on a straight-line basis.

The estimated useful lives of depreciable assets are as follows:

Wireless telecommunications equipment	6 to 15 years
Buildings and structures	15 to 60 years
Tools, furniture and fixtures	4 to 20 years
Other outside plant	10 to 42 years

Other outside plant includes equipment and structures comprising wireless base stations, including steel towers and concrete poles for antenna facilities. It is included in wireless telecommunications equipment in the consolidated balance sheets.

Depreciation expense for the years ended March 31, 2000 and 2001 was ¥522,881 million and ¥512,148 million ($4,295,463 thousand), respectively.

When depreciable telecommunications equipment is retired or abandoned in the normal course of business, the amount of such telecommunications equipment is deducted from the respective telecommunications equipment and accumulated depreciation accounts. Any undepreciated balances are charged to expense immediately.

Expenditures for replacements and betterments are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Assets under construction are not depreciated until placed in service.

Included as property, plant and equipment is approximately ¥164,000 million ($1,375,493 thousand) as of March 31, 2001 in assets related to the construction of DoCoMo's so called third generation ("3G") network. A significant portion of such assets is recorded as part of construction in progress in the accompanying consolidated balance sheets. Since the 3G network is not yet fully completed and operational, the realizability of such assets is dependent on the success of 3G technology, which is currently not determinable given the newness of such technology and the delay experienced in its initial implementation.

Capitalized interest --

DoCoMo capitalizes interest related to the construction of property, plant and equipment over the period of construction. DoCoMo also capitalizes interest associated with the development of internal-use software. DoCoMo amortizes such capitalized interest over the estimated useful lives of the related assets. Total interest costs incurred were ¥25,711 million and ¥23,576 million ($197,735 thousand), of which ¥4,012 million and ¥3,261 million ($27,350 thousand) were capitalized for the years ended March 31, 2000 and 2001, respectively.

Investments in affiliates --

The equity method of accounting is applied for investments in affiliates where DoCoMo owns an aggregate of 20% to 50% and/or if DoCoMo exercises significant influence over the affiliate. Investments of less than 20% in which DoCoMo does not have significant influence are recorded using the cost method of accounting if they are non-marketable securities.

Marketable securities --

Marketable securities consist of debt and equity securities. DoCoMo accounts for such investments in debt and equity securities in accordance with Statement of Financial Accounting Standards No. 115 ("SFAS 115"), "Accounting for Certain Investments in Debt and Equity Securities." Management determines the appropriate classification of its investment securities at the time of purchase. All debt securities at March 31, 2000 and 2001 are classified as held-to-maturity securities as DoCoMo has the positive intent and ability to hold such securities to maturity. Held-to-maturity securities are carried at amortized cost and are reduced to net realizable value by a charge to earnings for other than temporary declines in fair value.

Equity securities held by DoCoMo, whose fair values are readily determinable, are classified as available-for-sale. Available-for-sale securities are carried at fair value with unrealized gains or losses, net of applicable taxes, included as a component of other comprehensive income in shareholders' equity. Equity securities, whose fair values are not readily determinable, are carried at cost. Other than temporary declines in value are charged to earnings. Realized gains and losses are determined using the average cost method and are reflected in income.

DoCoMo did not hold or transact activity in any trading securities during the years ended March 31, 2000 and 2001.

Intangible and other assets --

Intangible and other assets primarily consist of goodwill, internal-use software, rights to use certain telecommunications assets of wireline carriers and debt issuance costs. Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. DoCoMo amortizes such goodwill on a straight-line basis over the periods to be benefited, not to exceed 20 years. Goodwill amortization expense was ¥2,657 million ($22,285 thousand) for each of the years ended March 31, 2000 and 2001. DoCoMo capitalizes the cost of internal-use software which has a useful life in excess of one year in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred. Capitalized computer software costs are amortized on a straight-line basis over a period of 5 years.

Amounts capitalized related to rights to the use of certain telecommunications assets of wireline carriers, primarily NTT, are amortized over 20 years.

Impairment of long-lived assets --

DoCoMo's long-lived assets, including property, plant and equipment, software and other intangibles, as well as goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is evaluated by a comparison of the carrying amount of the asset with future undiscounted cash flows expected to be generated by the asset. If the asset is determined to be impaired, the loss recognized is the amount by which the carrying value of the asset exceeds its fair value as measured by discounted cash flows, salvage value or expected net proceeds, depending on the circumstances. In instances where goodwill has been recorded for assets that are subject to impairment loss, the carrying amount of the goodwill is eliminated before any reduction is made to the carrying amounts of impaired long-lived assets and other intangibles.

As a result of a decline in subscribers due to a migration to cellular service, DoCoMo recorded an impairment charge of ¥25,457million during the fiscal year ended March 31, 2000, with respect to its Quickcast (paging) business, related primarily to paging network equipment and related software. The fair value of the assets impaired was determined using a discounted cash flow methodology. Such writedown was reflected as part of depreciation expense in the accompanying consolidated statements of operations and comprehensive income.

Derivative financial instruments --

DoCoMo uses interest rate swap and foreign exchange forward contracts to manage its exposure to fluctuations in interest rates and foreign exchange rates. These derivative financial instruments are effective in meeting the risk reduction objectives of DoCoMo by generating cash flows which offset the cash flows related to the underlying position in respect of amount and timing. DoCoMo does not hold or issue derivative financial instruments for trading purposes.

Interest rate swap contracts are designated as hedges of the interest rate of certain debt instruments. The interest payments relating to swap contracts are recorded in earnings over the life of the underlying transaction on an accrual basis as an adjustment to interest expense.

Foreign currency risk associated with expected purchases of foreign investments is hedged through forward contracts. The foreign currency gains and losses on these contracts are not recognized until the underlying transaction is completed. At that time, the gains or losses on such derivatives are recorded as an adjustment to the underlying transaction and recognized in income in the same period that the underlying transaction is recorded in earnings. Should an underlying hedged transaction settle or cease to exist, all changes in the fair value of the forward contracts that have not been settled would be recognized as a foreign exchange gain or loss.

Cash flows from financial instruments are classified in the consolidated statements of cash flows under the same categories as the cash flows from the related assets, liabilities or anticipated transactions.

Employee benefit plans --

Pension benefits earned during the year as well as interest on projected benefit obligations are accrued currently. Prior service costs and credits resulting from changes in plan benefits are amortized over the average remaining service period of the employees expected to receive benefits.

Revenue recognition --

DoCoMo generates its revenues from two sources—wireless services and equipment sales. These revenue sources are separate and distinct earnings processes. DoCoMo sells equipment, including handsets, principally to approximately 1,000 primary distributors, while cellular service is sold to the ultimate subscriber directly or through third-party retailers who act as agent.

DoCoMo sets its wireless services rates in accordance with the Japanese Telecommunications Business Law and government guidelines, which currently allow wireless telecommunications operators to set their own tariffs without government approval. Mobile phone, PHS and Quickcast service revenues consist of fees for activation, base monthly service and airtime.

Prior to April 1, 2000, activation fees for these services were recognized as revenue when received and the related direct incremental customer acquisition costs were expensed as incurred.

Effective April 1, 2000, DoCoMo adopted the provisions of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements". The impact to DoCoMo pertains to the treatment of non-recurring upfront fees, such as activation fees, and the related direct incremental customer acquisition costs. DoCoMo has revised its accounting policy to defer such activation fees and to recognize them as revenues over the expected term of the customer relationship which ranges from approximately two to six years depending on the service. The related direct incremental customer acquisition costs, which exceed the upfront fee amount, are being deferred only to the extent of the upfront fee amount and are being amortized over the same period. This change has been adopted, on a prospective basis, effective April 1, 2000. The effect on both revenues and expenses for prior periods was insignificant and it had no effect on related results of operations.

Base monthly service and airtime are recognized as revenues as service is provided to customers. Equipment sales are recognized as revenue upon delivery of the equipment to customers.

Selling, general and administrative expenses --

Selling, general and administrative expenses include primarily commissions paid to agents, payments for services rendered by related parties for rental of space by various DoCoMo sales offices, shared services such as data processing and certain collection services, as well as other expenses such as payroll and related benefit costs of personnel not directly involved in the operations and maintenance process. Commissions paid to agents represent a significant portion of selling, general and administrative expenses.

Research and development expenses --

Research and development expenses are charged to income as incurred. Such amounts charged to income for the years ended March 31, 2000 and 2001 were ¥81,670 million and ¥94,126 million ($789,449 thousand), respectively.

Advertising costs --

Advertising costs are expensed as incurred. Advertising costs included in selling, general and administrative expenses were ¥59,155 million and ¥66,324 million ($556,269 thousand) for the years ended March 31, 2000 and 2001, respectively.

Income taxes --

DoCoMo records income taxes to recognize full interperiod tax allocations. Under the liability method of income tax accounting, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Earnings per share --

Basic earnings per share includes no dilution and is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per share assumes the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock. DoCoMo has no dilutive securities outstanding at March 31, 2000 and 2001, and therefore there is no difference between basic and diluted earnings per share.

Foreign currency translation --

Monetary asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at the current rates at year-end while monetary income and expense accounts, including equity earnings/losses are translated at the average rate for the year. Investments accounted for using the cost method of accounting, goodwill and shareholders' equity are translated at the historical rates. The resulting translation adjustments are accumulated as a component of accumulated other comprehensive income.

DoCoMo transacts limited business in foreign currencies. The effect of exchange rate fluctuations from the initial transaction date to the settlement date are recorded as exchange gain or loss in the accompanying statements of operations and comprehensive income.

Recent accounting pronouncements --

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities", which has been amended by Statement of Financial Accounting Standards No. 137 ("SFAS 137"), "Accounting for Derivative Instruments and Hedging Activities--Deferral for the Effective Date of FASB Statement No. 133--An amendment of FASB Statement No 133", and Statement of Financial Accounting Standards No. 138 ("SFAS 138"), "Accounting for Certain Derivative Instrument and Certain Hedging Activities--An amendment of FASB Statement No. 133." SFAS 133, as amended, is effective for DoCoMo as of April 1, 2001. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at fair value. This statement requires that changes in the fair value of derivatives be recognized in current earnings unless specific hedge accounting criteria are met. As of April 1, 2001, the outstanding derivative financial instruments will not meet the criteria to qualify as hedges under SFAS 133 and, therefore, fluctuations in the market value of such derivatives will be recorded in current earnings. However, the adoption of SFAS 133 on April 1, 2001, did not have a material effect on DoCoMo's financial position or results of operations.

In April 2001, the Emerging Issues Task Force ("EITF") reached a consensus on Issue 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of Vendor's Products" ("EITF 00-25"). The EITF concluded that consideration from a vendor to a reseller of the vendor's products is presumed to be a reduction of the selling price of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement. That presumption can be overcome in certain circumstances. For DoCoMo, EITF 00-25 should be applied on a retroactive basis no later than in annual or interim financial statements for its fiscal year beginning April 1, 2002. Earlier application is encouraged. DoCoMo has not decided when it will adopt this change. Had DoCoMo adopted EITF 00-25 as of April 1, 1999, equipment revenues and selling, general and administrative expenses would have been reduced by ¥188,386 million and ¥239,942 million ($2,012,430 thousand) for the years ended March 31, 2000 and 2001, respectively.

On June 29, 2001, the FASB issued Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142") which establishes a new accounting standard for goodwill recognized in a business combination, as well as goodwill created through the acquisition of an investment accounted for under the equity method. SFAS 142 continues to require recognition of goodwill as an asset but does not permit amortization of goodwill as previously required by Accounting Principles Board ("APB") Opinion No. 17, "Intangible Assets". Such goodwill amortization for DoCoMo totaled ¥3,162 million and ¥12,752 million ($106,953 thousand) for the years ended March 31, 2000 and 2001, respectively. SFAS 142 also establishes a new method of testing goodwill recognized in a purchase business combination for impairment. It requires that such goodwill be separately tested for impairment using a fair-value-based approach. Goodwill related to equity investments will continue, however, to be tested for impairment in accordance with existing standards under APB Opinion No. 18 "The Equity Method of Accounting for Investments in Common Stock". SFAS 142 is effective for fiscal years beginning after December 15, 2001, except that early application is permitted, under certain conditions, for entities, including DoCoMo, with fiscal years beginning after March 15, 2001. DoCoMo will adopt SFAS 142 beginning on April 1, 2001, but does not believe the implementation of the new impairment testing methodology for goodwill recognized in a purchase business combination will have a significant impact on its financial position or results of operations.

3. U.S. dollar amounts:

The consolidated financial statements are stated in Japanese yen. Translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on September 28, 2001, which was ¥119.23 to U.S.$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

4. Related party transactions:

As previously noted, DoCoMo is majority-owned by NTT, which is a holding company for more than 300 companies comprising the NTT group.

DoCoMo has entered into a number of different types of transactions with NTT, its other subsidiaries and its affiliated companies in the ordinary course of business. DoCoMo's transactions with NTT group companies include purchases of wireline telecommunications services (i.e. for DoCoMo's offices and operations facilities, including its PHS business) based on actual usage, leasing of various telecommunications facilities and sales of DoCoMo's various wireless communications services.

Receivables include primarily customer accounts receivables related to DoCoMo's sales of wireless communications services to customers, which NTT collects on behalf of DoCoMo. These sales are recorded as revenue from each third-party customer receiving the services and are not included in the amount of sales to related parties. During the years ended March 31, 2000 and 2001, DoCoMo purchased capital equipment from NTT Group companies in the amount of ¥134,192 million and ¥299,344 million ($2,510,643 thousand), respectively.

On March 24, 2000, DoCoMo extended short-term unsecured loans of ¥30,000 million to NTT East and ¥10,000 million to NTT West. The amount of notes receivable from NTT group companies totaled ¥40,000 million at March 31, 2000, and the interest income on these loans was ¥3 million and ¥10 million ($84 thousand) for the years ended March 31, 2000 and 2001, respectively. Such notes receivable were repaid prior to March 31, 2001.

5. Inventories:

Inventories as of March 31, 2000 and 2001 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Telecommunications equipment to be sold	¥ 65,755	**¥ 105,244**	**$ 882,697**
Materials and supplies	1,436	**653**	**5,477**
Other	813	**1,507**	**12,640**
Total	¥ 68,004	**¥ 107,404**	**$ 900,814**

6. Investments in affiliates:

DoCoMo's investments in the following entities are accounted for on the equity method as of March 31, 2001:

Company name	Ownership Percentage
Hutchison 3G UK Holdings Limited	20.0%
KPN Mobile N.V. (KPNM)	15.0%
KG Telecommunications Co., Ltd.	20.0%
Hutchison Telephone Company Limited	19.0%
DoCoMo AOL, Inc.	42.3%

All of the above investments, which are currently privately held companies, were made during the year ended March 31, 2001, with the exception of Hutchison Telephone Company Limited, which was made in December 1999. DoCoMo reflects its investments in KPNM and Hutchison Telephone Company Limited on an equity basis due to its ability to exercise significant influence, primarily through board representation, technology alliances and/or financing agreements. On May 23, 2001, DoCoMo purchased an approximately 6.4% additional ownership interest in Hutchison Telephone Company Limited. In addition, on July 6, 2001, DoCoMo increased its ownership interest in KG Telecommunications Co., Ltd. by approximately 1.4%.

The aggregate difference between the carrying value of DoCoMo's investment in affiliates and its underlying equity in net assets of such affiliates is ¥370,561 million ($3,107,951 thousand) as of March 31, 2001 and relates primarily to KPNM. Such excess is being amortized on straight-line basis over periods ranging from 5 to 20 years.

In connection with its investment in KPNM, DoCoMo entered into various agreements with it and its parent—Royal KPN N. V. ("KPN"). Key provisions include DoCoMo's right to approve a fundamental change in the business of KPNM and restrictions on DoCoMo's ability to buy or sell shares of KPNM during certain periods through August 2, 2004. In addition, DoCoMo is restricted from making investments and alliances, obtaining licenses or otherwise directly competing with KPNM in the Netherlands, United Kingdom, Belgium, Ukraine, Hungary, and the Czech Republic. Similarly, KPNM is restricted from engaging in such activities in Brazil, Japan or Hong Kong. Further, for the most part neither KPN nor its affiliates may own, operate, manage or otherwise hold, directly or indirectly, any interest in any mobile telecommunications infrastructure operator or a mobile virtual network operator within Europe other than through KPNM.

The following represents aggregated summarized financial information for DoCoMo's investments in the entities discussed above as of their most recent fiscal year end, which is December 31,2000, and for the year then ended:

	Millions of yen	Thousands of U.S. dollars
Balance sheet data:		
Current assets	**¥ 275,724**	**$ 2,312,539**
Noncurrent assets	**4,317,130**	**36,208,421**
Current liabilities	**1,966,649**	**16,494,582**
Noncurrent liabilities	**977,978**	**8,202,449**
Income Statement data:		
Revenues	**¥ 519,024**	**$ 4,353,133**
Operating loss	**(79,593)**	**(667,559)**
Loss from continuing operations	**(171,110)**	**(1,435,125)**
Net loss	**(165,918)**	**(1,391,579)**

DoCoMo's share of undistributed earnings of affiliates included in consolidated retained earnings were earnings of ¥244 million and ¥509 million ($4,269 thousand) as of March 31, 2000 and 2001, respectively. Dividends received from affiliates were ¥6 million and ¥12 million ($101 thousand) for the years ended March 31, 2000 and 2001, respectively. DoCoMo has not transacted business with its affiliates.

7. Marketable securities and other investments:

Marketable securities and other investments as of March 31, 2000 and 2001 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Marketable securities:			
Available-for-sale	¥ 26,669	**¥ 6,857**	**$ 57,511**
Held-to-maturity	3,924	**3,324**	**27,879**
Other investments	11,630	**1,154,881**	**9,686,161**
Total	¥ 42,223	**¥ 1,165,062**	**$ 9,771,551**

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The aggregate fair value, gross unrealized holding gains and losses and cost by type of marketable security at March 31, 2000 and 2001 are as follows:

	Millions of yen			
	March 31, 2000			
	Cost / Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-sale:				
Equity securities	¥ 740	¥ 26,017	¥ 88	¥ 26,669
Held-to-maturity:				
Debt securities	3,924	127	-	4,051

	Millions of yen			
	March 31, 2001			
	Cost / Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-sale:				
Equity securities	**¥ 1,107**	**¥ 5,811**	**¥ 61**	**¥ 6,857**
Held-to-maturity:				
Debt securities	**3,324**	**232**	**-**	**3,556**

	Thousands of U.S. dollars			
	March 31, 2001			
	Cost / Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Available-for-sale:				
Equity securities	**$ 9,285**	**$ 48,738**	**$ 512**	**$ 57,511**
Held-to-maturity:				
Debt securities	**27,879**	**1,946**	**-**	**29,825**

The proceeds and gross realized gains (losses) from the sale of available-for-sale securities and other investments are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Proceeds	¥147	**¥1,218**	**$ 10,216**
Gross realized gains	25	**1,012**	**8,488**
Gross realized losses	(15)	**(4)**	**(34)**

Maturities of debt securities classified as held-to-maturity at March 31, 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2001		**2001**	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Due after 1 year through 5 years	**¥ 826**	**¥ 877**	**$ 6,928**	**$ 7,356**
Due after 5 years through 10 years	**2,498**	**2,679**	**20,951**	**22,469**
Total	**¥ 3,324**	**¥ 3,556**	**$ 27,879**	**$ 29,825**

Actual maturities may differ from contractual maturities because some issuers have the right to call or prepay obligations.

Other investments includes long-term investments in various privately held companies and an investment in AT&T Corp.'s wireless group ("AT&T Wireless Group"), which is more fully described below.

In December 2000, DoCoMo entered into an agreement with AT&T Corp. ("AT&T") for the ultimate intended purpose of making a direct investment in and having a strategic alliance with AT&T Wireless Group to promote wireless technology, including third generation ("3G") wireless technology. AT&T Wireless Group was planned to be split-off by AT&T. On January 22, 2001, as a result of this agreement, DoCoMo invested $9.8 billion (¥1,142.5 billion) in return for 812,511.778 shares of a new class of non-transferable AT&T preferred stock that are convertible as a whole only, at any time prior to the split-off, into 406,255,889 shares of AT&T Wireless Group tracking stock. Such preferred stock is intended to reflect approximately 16% of the financial performance and economic value of AT&T Wireless Group. In addition to the preferred stock, DoCoMo also received 83,496.546 warrants each of which represents the right to purchase one share of preferred stock at $17,500 per share, or the equivalent of an additional 41,748,273 shares of AT&T Wireless Group tracking stock at an exercise price of $35 per share. Such warrants are exercisable in any amount and at any time until the fifth anniversary of their issuance.

On July 9, 2001 AT&T completed the planned split-off of the AT&T Wireless Group. In connection with the split-off, all the assets and liabilities of AT&T Wireless Group were transferred to AT&T Wireless Services, Inc. (“AT&T Wireless”), a wholly owned subsidiary of AT&T. The split-off was then effected by redeeming all the outstanding shares of AT&T Wireless Group tracking stock in exchange for shares of AT&T Wireless common stock and distributing shares of AT&T Wireless common stock to holders of AT&T common stock, resulting in AT&T Wireless becoming an independent, publicly-traded company. The holders of AT&T Wireless Group tracking stock received one share of AT&T Wireless common stock in exchange for each share of AT&T Wireless Group tracking stock held and the holders of AT&T common stock received .3218 of a share of AT&T Wireless common stock for each share of AT&T common stock held. DoCoMo’s investment in AT&T preferred stock was also automatically converted into AT&T Wireless common stock at the applicable exchange rate, resulting in approximately 16% of the economic and voting interest in AT&T Wireless. In addition, the warrants that DoCoMo holds, all of which were unexercised, were automatically converted into warrants to purchase a like number of shares of AT&T Wireless common stock.

Under terms of the investment agreement, in certain circumstances, if AT&T Wireless fails to meet specific 3G wireless technology benchmarks in the United States by June 30, 2004, DoCoMo may require the repurchase of its investment in stock and warrants, at original purchase price plus interest at a predetermined rate.

Further, as a condition of its investment, DoCoMo has agreed to certain standstill provisions for five years, which include that it will not acquire or agree to acquire any additional voting shares of AT&T Wireless, except in connection with the exercise of its existing preemptive rights or warrants. The standstill provisions will continue in effect after the five-year period as long as DoCoMo has the right to nominate at least one director to the board.

The $9.8 billion cost was allocated based on estimated fair values at date of investment to the preferred stock $9.5 billion (¥1,111.8 billion) and the warrants $0.3 billion (¥30.7 billion) and were accounted for on the cost basis at March 31, 2001. It is expected that upon the split-off and automatic conversion of its preferred stock investment into AT&T Wireless common stock, DoCoMo will begin to account for such investment on the equity method based on its ownership percentage and ability to significantly influence the operations through board representation, appointment of DoCoMo employees to certain key management positions of AT&T Wireless, technology alliance, rights to approve specified actions and the right, under certain conditions, to require AT&T Wireless to repurchase DoCoMo’s investment in stock and warrants.

8. Intangible and other assets:

Intangible and other assets and the related accumulated amortization at March 31, 2000 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Goodwill	¥ 13,281	**¥ 13,281**	**$ 111,390**
Software for telecommunications network	180,583	**223,493**	**1,874,469**
Internal-use software	229,035	**291,362**	**2,443,697**
Rights to use telecommunications facilities of wireline carriers	45,632	**45,477**	**381,422**
Advances	24,500	**-**	**-**
Deposits	46,723	**55,069**	**461,872**
Deferred customer activation costs	-	**60,100**	**504,068**
Other	46,545	**65,305**	**547,723**
	586,299	**754,087**	**6,324,641**
Accumulated amortization	(202,148)	**(269,042)**	**(2,256,496)**
	¥ 384,151	**¥ 485,045**	**$ 4,068,145**

In July 1998, the Company acquired the business of Japan City Media Inc. and recorded goodwill of approximately ¥13,281 million. Such goodwill is being amortized over a five-year period. Accumulated amortization for such goodwill as of March 31, 2000 and 2001 was ¥5,312 million and ¥ 7,969 million ($66,837 thousand), respectively.

Amortization expense related to intangible assets for the years ended March 31, 2000 and 2001 was ¥76,605 million and ¥83,450 million ($699,908 thousand), respectively.

9. Short-term borrowings and long-term debt:

All of DoCoMo's borrowings are denominated in Japanese yen.

Short-term borrowings, excluding the current portion of long-term debt, at March 31, 2000 and 2001 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Unsecured short-term bank loans and commercial paper bearing interest at a weighted average rate of 0.21% per annum at March 31, 2001	¥ -	**¥ 314,200**	**$ 2,635,243**

Long-term debt at March 31, 2000 and 2001 comprised the following:

			Millions of yen		Thousands of U.S. dollars
	Interest rate	Maturities	2000	**2001**	**2001**
Unsecured corporate bonds	0.8% - 2.8%	2001 - 2011	¥ 153,000	**¥ 453,000**	**$ 3,799,379**
Unsecured indebtedness to banks and insurance companies	0.3% - 5.0%	2001 - 2011	676,587	**675,968**	**5,669,446**
		Sub-total	829,587	**1,128,968**	**9,468,825**
		Less: Current portion	(241,832)	**(175,686)**	**(1,473,505)**
		Total Long-term debt	¥ 587,755	**¥ 953,282**	**$ 7,995,320**

Interest rates on most of DoCoMo's borrowings are fixed in nature. Interest costs related specifically to short-term borrowings and long-term debt for the years ended March 31, 2000 and 2001 totaled ¥25,061 million and ¥23,119 million ($193,903 thousand), respectively.

In April 2000, DoCoMo filed a shelf registration statement with the Kanto Finance Bureau of the Japanese Ministry of Finance pursuant to which DoCoMo may issue up to ¥1,000 billion of general domestic corporate bonds during the two-year period starting April 11, 2000. At March 31, 2001, there were ¥180,000 million ($1,509,687 thousand) of such bonds outstanding.

In April and May 2001, DoCoMo refinanced a portion of its short-term borrowings with long-term facilities. As such, ¥290,000 million ($2,432,274 thousand) of short-term borrowings have been classified as long-term debt as of March 31, 2001 in the above table and accompanying consolidated financial statements. The new financing facilities consist of three-year bank loans amounting to ¥100,000 million ($838,715 thousand), five-year bank loans amounting to ¥70,000 million ($587,101 thousand), and 10-year domestic bonds amounting to ¥120,000 million ($1,006,458 thousand).

The aggregate amounts of annual maturities of long-term debt at March 31, 2001, were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	¥ 175,686	$ 1,473,505
2003	212,935	1,785,918
2004	127,740	1,071,375
2005	146,655	1,230,018
2006	150,637	1,263,415
Thereafter	315,315	2,644,594
	¥ 1,128,968	$ 9,468,825

10. Employee benefits:

DoCoMo participates in a contributory defined benefit welfare pension plan sponsored by the NTT group. The number of DoCoMo's employees covered by the contributory defined benefit welfare pension plan represented approximately 6.4% of the total people covered by such plan as of March 31, 2001. The amount of expense allocated in DoCoMo's consolidated statements of operations and comprehensive income related to the contributory plan for the years ended March 31, 2000 and 2001 was ¥4,260 million and ¥5,118 million ($42,925 thousand), respectively. The liability for employees' benefits covered by such contributory plan was ¥1,459 million and ¥5,324 million ($44,653 thousand) as of March 31, 2000 and 2001, respectively. Such amounts were allocated by NTT and are based on actuarial calculations related to DoCoMo's covered employees.

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DoCoMo also sponsors a non-contributory defined benefit pension plan covering substantially all employees. The following tables present reconciliations of the changes in the non-contributory pension plan's projected benefit obligations and fair value of plan assets at March 31, 2000 and 2001:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Change in benefit obligations:			
Projected benefit obligation, beginning of year	¥ 117,749	**¥ 122,480**	**$ 1,027,258**
Service cost	6,936	**7,498**	**62,887**
Interest cost	4,050	**3,897**	**32,685**
Benefit payments	(8,585)	**(6,283)**	**(52,697)**
Plan amendment	(17,403)	**(410)**	**(3,439)**
Transfer of liability from NTT non-contributory funded pension plan	5,751	**12,514**	**104,957**
Actuarial gain	13,957	**8,409**	**70,528**
Other	25	**590**	**4,948**
Projected benefit obligation, end of year	¥ 122,480	**¥ 148,695**	**$ 1,247,127**
Change in fair value of plan assets:			
Fair value of plan assets, beginning of year	¥ 21,319	**¥ 31,334**	**$ 262,803**
Actual return on plan assets	2,211	**(1,839)**	**(15,424)**
Employer contributions	7,752	**5,222**	**43,798**
Benefits payments	(318)	**(403)**	**(3,380)**
Transfer of plan assets from NTT non-contributory funded pension plan	370	**3,568**	**29,925**
Other	-	**50**	**419**
Fair value of plan assets, end of year	¥ 31,334	**¥ 37,932**	**$ 318,141**
At March 31:			
Funded status	¥ (91,146)	**¥ (110,763)**	**$ (928,986)**
Unrecognized net losses	41,965	**51,267**	**429,984**
Unrecognized transition obligation	3,962	**3,409**	**28,592**
Unrecognized prior service cost	(16,782)	**(15,990)**	**(134,111)**
Net amount recognized	¥ (62,001)	**¥ (72,077)**	**$ (604,521)**

The following table provides the amounts recognized in DoCoMo's consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
At March 31:			
Liability for employees' retirement benefits	¥ (68,235)	¥ **(81,471)**	$ **(683,310)**
Intangible and other assets	621	**10**	**84**
Accumulated other comprehensive loss	5,613	**9,384**	**78,705**
Net amount recognized	¥ (62,001)	¥ **(72,077)**	$ **(604,521)**
Liability for employees' retirement benefits covered by the NTT Group contributory defined benefit welfare pension plan	¥ (1,459)	¥ **(5,324)**	$ **(44,653)**
Total liability for employees' retirement benefits	¥ (69,694)	¥ **(86,795)**	$ **(727,963)**

The charges to income for the non-contributory pension plan for the years ended March 31, 2000 and 2001, included the following components:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Service cost	¥ 6,936	¥ **7,498**	$ **62,887**
Interest cost on projected benefit obligation	4,050	**3,897**	**32,685**
Expected return on plan assets	(958)	**(1,016)**	**(8,521)**
Amortization of prior service cost	18	**(1,203)**	**(10,090)**
Amortization of actuarial loss	1,149	**1,959**	**16,430**
Amortization of transition obligation	619	**720**	**6,039**
Other	-	**45**	**377**
Net pension cost	¥ 11,814	¥ **11,900**	$ **99,807**
Assumptions in determination of net pension cost:			
Discount rate	3.0%	**3.0%**	
Long-term rate of salary increases	3.0	**3.0**	
Long-term rate of return on funded assets	3.0	**3.0**	

Prior service cost and unrecognized net losses are being amortized over the expected average remaining service life of employees, while the unrecognized transition obligation is being amortized over 15 years on a straight-line basis.

From time to time, employees of NTT transfer to DoCoMo. Upon such transfer, NTT transfers the related vested pension obligation for each employee, along with a like amount of plan assets and cash. Therefore, the difference between the pension obligation and related plan assets transferred from NTT to DoCoMo, included in the above reconciliation, represents cash paid by NTT to DoCoMo, which has not been invested in plan assets.

Certain of DoCoMo's employees participate in an employee stock purchase plan, pursuant to which a plan administrator makes open market purchases of DoCoMo shares for the accounts of participating employees on a monthly basis. Such purchases are made out of amounts deducted from each participating employee's salary, with a small contribution from DoCoMo. The expense recorded by DoCoMo for contributions made toward employee stocks purchases was not material to its results of operations for the years ended March 31, 2000 and 2001, respectively.

11. Income taxes:

DoCoMo is subject to a number of different taxes, based on income, with an aggregate normal statutory tax rate of approximately 42 percent for the years ended March 31, 2000 and 2001, respectively. The effective tax rate for the year ended March 31, 2000, was approximately 43 percent. The difference between this rate and the statutory rate related to non-deductible expenses. The effective tax rate for the year ended March 31, 2001 approximated the statutory tax rate. Deferred income taxes result from temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Significant components of deferred tax assets and liabilities at March 31, 2000 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Deferred tax assets:			
Depreciation	¥ 32,026	¥ **25,767**	$ **216,112**
Accrued enterprise tax	16,736	**18,756**	**157,309**
Liability for employee benefits	16,391	**23,041**	**193,248**
Allowance for loyalty programs	-	**10,472**	**87,830**
Compensated absences	4,026	**4,915**	**41,223**
Inventory writedown	2,165	**928**	**7,783**
Accrued bonus	1,302	**2,221**	**18,628**
Revaluation of investments	2,323	**4,096**	**34,354**
Other	2,284	**3,757**	**31,510**
Total gross deferred tax assets	77,253	**93,953**	**787,997**
Deferred tax liabilities:			
Marketable securities	10,941	**2,450**	**20,549**
Capitalized interest	3,570	**3,966**	**33,263**
Foreign currency translation adjustment	-	**18,553**	**155,607**
Other	82	**306**	**2,566**
Total gross deferred tax liabilities	14,593	**25,275**	**211,985**
Net deferred tax assets	¥ 62,660	¥ **68,678**	$ **576,012**

Other taxes –

The consumption tax rate for all taxable goods and services, with minor exceptions, is 5 percent. Consumption tax payable or receivable is determined based on consumption taxes levied on operating revenues offset by consumption taxes directly incurred by the Company when purchasing goods and services.

12. Shareholders' equity:

Under the Commercial Code of Japan (the "Code"), at least 50% of the issue price of new shares that are without a stated value is required to be designated as stated capital. The portion which is not designated as stated capital is determined by resolution of the Board of Directors and credited to additional paid-in capital.

The Code also provides that (i) all appropriations of retained earnings, including dividends, require approval at an ordinary general meeting of shareholders, (ii) interim cash dividends can be distributed upon the approval of the board of directors if the articles of incorporation provide for such interim cash dividends, subject to some restrictions in the amount, and (iii) an amount equal to at least 10 percent of cash dividends and other appropriations paid in cash be appropriated from retained earnings to a legal reserve until the reserve equals 25 percent of stated capital computed in accordance with the Code. The amounts of statutory retained earnings of DoCoMo available for the payments of dividends to shareholders as of March 31, 2001 was ¥436,211 million ($3,658,567 thousand).

Cash dividends of ¥5,018 million ($42,087 thousand), ¥500 per share and the related transfer to the legal reserve of ¥516 million ($4,328 thousand) were approved at the shareholders' meeting held on June 26, 2001. The dividends, which were declared by the Board of Directors on May 9, 2001, were paid on June 27, 2001 to shareholders of record as of March 31, 2001.

At the June 25, 1999 annual shareholders meeting, the Company's shareholders amended the Company's articles of incorporation to increase the number of authorized shares of common stock from 6,300,000 to 38,300,000 effective on September 13, 1999. In addition, on September 13, 1999, DoCoMo effected a five-for-one stock split, which increased the number of shares issued and outstanding from 1,915,200 to 9,576,000. Share and per share data for all periods presented herein have been adjusted to give retroactive effect to the split.

On February 23, 2001, DoCoMo sold 460,000 new shares, at ¥2,066,000 per share, in a global and domestic public offerings resulting in net cash proceeds of approximately ¥930 billion ($7.8 billion).

13. Business segments:

From a resource allocation perspective, DoCoMo views itself as having four primary business segments. The mobile phone business segment includes cellular service, packet communications service, satellite mobile communications service, in-flight telephone service and the equipment sales related to these services. The PHS business segment includes PHS service and the related equipment sales for such service. The Quickcast business segment includes paging service and related equipment sales for such service. The miscellaneous business segment includes international dialing service and other miscellaneous services, which in the aggregate are not significant. The "Corporate" column in the tables below is not an operating segment but is included to reflect the recorded amounts of common assets which cannot be allocated to any business segment.

DoCoMo identified its reportable segments based on the nature of services included, as well as the characteristics of the telecommunications networks used to provide those services. DoCoMo's chief operating decision maker monitors and evaluates the performance of its segments based on the information that follows as derived from the Company's management reports. Such management reports are prepared from the Company's books and records and do not represent information in accordance with U.S. GAAP.

Assets by segment are not included in the management reports, however, they are included herein only for the purpose of disclosure. Depreciation and amortization is shown separately, as well as included as part of operating expenses. Corporate assets include primarily cash, deposits, securities and loans and investment securities. With respect to other common assets such as buildings for telecommunications purposes and common facilities, the amounts of such assets and related depreciation and amortization are allocated to each segment on a systematic and rational basis.

	Millions of yen						
Year ended March 31, 2000	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	¥ 3,571,613	¥ 102,945	¥ 36,627	¥ 7,509	¥ 3,718,694	¥ -	¥ 3,718,694
Operating expenses	2,875,863	202,632	85,807	8,632	3,172,934	-	3,172,934
Operating income (loss)	¥ 695,750	¥ (99,687)	¥ (49,180)	¥ (1,123)	¥ 545,760	¥ -	¥ 545,760
Assets	¥ 2,747,685	¥ 165,310	¥ 35,113	¥ 17,060	¥ 2,965,168	¥ 647,956	¥ 3,613,124
Depreciation and amortization	¥ 489,709	¥ 39,462	¥ 29,201	¥ 235	¥ 558,607	¥ -	¥ 558,607

	Millions of yen						
Year ended March 31, 2001	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	**¥ 4,529,944**	**¥ 113,076**	**¥ 18,563**	**¥ 24,421**	**¥ 4,686,004**	**¥ -**	**¥ 4,686,004**
Operating expenses	**3,640,785**	**204,776**	**39,741**	**23,540**	**3,908,842**	**-**	**3,908,842**
Operating income (loss)	**¥ 889,159**	**¥ (91,700)**	**¥ (21,178)**	**¥ 881**	**¥ 777,162**	**¥ -**	**¥ 777,162**
Assets	**¥ 3,608,792**	**¥ 166,152**	**¥ 21,566**	**¥ 23**	**¥ 3,796,533**	**¥ 2,114,707**	**¥ 5,911,240**
Depreciation and amortization	**¥ 531,138**	**¥ 42,817**	**¥ 7,571**	**¥ 641**	**¥ 582,167**	**¥ -**	**¥ 582,167**

	Thousands of U.S. dollars						
Year ended March 31, 2001	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	**$ 37,993,324**	**$ 948,385**	**$ 155,691**	**$ 204,823**	**$ 39,302,223**	**$ -**	**$ 39,302,223**
Operating expenses	**30,535,813**	**1,717,487**	**333,314**	**197,434**	**32,784,048**	**-**	**32,784,048**
Operating income (loss)	**$ 7,457,511**	**$ (769,102)**	**$ (177,623)**	**$ 7,389**	**$ 6,518,175**	**$ -**	**$ 6,518,175**
Assets	**$ 30,267,483**	**$ 1,393,542**	**$ 180,877**	**$ 193**	**$ 31,842,095**	**$ 17,736,367**	**$ 49,578,462**
Depreciation and amortization	**$ 4,454,734**	**$ 359,113**	**$ 63,499**	**$ 5,376**	**$ 4,882,722**	**$ -**	**$ 4,882,722**

The variation in assets of the miscellaneous business segment from March 31, 2000 to 2001 is caused by a change in the classification of assets related to DoCoMo's 3G cellular network. For management reporting purposes such assets were classified as part of the miscellaneous business segment as of March 31, 2000, while as of March 31, 2001, such assets are classified in the mobile phone business segment.

The tables that follow present reconciliations of segment operating revenues, operating expenses, operating income, assets and depreciation and amortization from the management reports information shown above, to U.S. GAAP amounts on a consolidated basis.

An explanation of the significant reconciling items is as follows:

Revenue recognition --

Activation fees are recorded as revenue when billed in the management reports, while related direct incremental acquisition costs are expensed as incurred. Under U.S. GAAP such amounts should be deferred and recognized over the period of the customer relationship (See Note 2).

Classification of impairment charge --

DoCoMo classified the impairment charge related to its Quickcast (paging) business as part of "other income (expense)" for management reporting purposes. Under U.S. GAAP such impairment is reflected as an operating expense.

Classification of loss on inventory writedown --

DoCoMo classified the cost of inventory writedowns as part of "other income (expense)" for management reporting purposes. Under U.S. GAAP, such expenses are recorded as operating expenses.

Compensated absences --

The Company does not specifically account for compensated absences nor does it recognize a related liability in its management reports until such amounts are paid. Under U.S. GAAP, an employer shall accrue a liability for employees' compensation for future absences if certain conditions are met.

Employee retirement benefits --

Effective April 1, 2000, DoCoMo adopted accounting principles related to employee retirement benefits, which are similar, in many respects, to those under U.S. GAAP for management reporting purposes. Such adoption resulted in the recording of a liability and corresponding expense for all prior service on a cumulative basis. Under U.S. GAAP such liability has been reflected based on the effective date of Statement of Financial Accounting Standards No. 87.

Lease transactions --

The Company accounts for certain finance leases as operating leases in its management reports. Under U.S. GAAP, such leases are accounted for as capital leases under certain conditions.

Capitalization of intangible assets --

Amounts paid to acquire indefeasible rights to use certain telecommunications facilities are expensed by the Company as incurred in its management reports. Under U.S. GAAP, amounts paid for such rights to use are to be capitalized in certain circumstances.

Capitalized interest --

DoCoMo does not capitalize interest costs on borrowings for the construction of facilities in its management reports. Under U.S. GAAP, actual interest costs incurred to bring qualified assets to their intended use that theoretically could have been avoided if the expenditures for the assets had not been made, must be capitalized.

Corporate level assets --

The amount of DoCoMo's investments in foreign affiliates, included in the "Assets" amount in the "Corporate" column above, is taken from its books and records under Japanese GAAP and does not represent the value of such amount on a U.S. GAAP basis.

Investments in affiliates --

Represents differences in the Company's management reports for amortization periods and carrying values of embedded goodwill for equity method affiliates.

Valuation of marketable securities --

Prior to April 1, 2000, marketable securities were presented at the lower of cost or market in the management reports. Subsequent to that date, the accounting for investments in marketable securities uses a fair value methodology similar to U.S. GAAP.

Translation of investments in foreign affiliates --

Certain foreign investments have been translated at current exchange rates for management reporting purposes. Under U.S. GAAP such investments are to be translated at historical rates.

NTT DoCoMo, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Adjustments to reconcile segment operating revenues to U.S. GAAP operating revenues	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Segment operating revenues	¥ 3,718,694	**¥ 4,686,004**	**$ 39,302,223**
1) Revenue recognition	-	**(16,638)**	**(139,546)**
Consolidated operating revenue under U.S. GAAP	¥ 3,718,694	**¥ 4,669,366**	**$ 39,162,677**

Adjustments to reconcile segment operating expenses to U.S. GAAP operating expenses	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Segment operating expenses	¥ 3,172,934	**¥ 3,908,842**	**$ 32,784,048**
1) Revenue recognition	-	**(16,638)**	**(139,546)**
2) Classification of impairment charge	25,457	**-**	**-**
3) Classification of loss on inventory writedown	18,162	**16,787**	**140,795**
4) Compensated absences	1,956	**2,161**	**18,125**
5) Employee retirement benefits	(2,885)	**(23,100)**	**(193,743)**
6) Lease transactions	(5,038)	**(3,841)**	**(32,215)**
7) Amortization of intangible assets	1,368	**1,367**	**11,465**
8) Depreciation for capitalized interest costs	1,909	**2,303**	**19,316**
9) Other	(4,356)	**2,865**	**24,029**
Consolidated operating expenses under U.S. GAAP	¥ 3,209,507	**¥ 3,890,746**	**$ 32,632,274**

Adjustments to reconcile segment operating income to U.S. GAAP operating income	Millions of yen 2000	Millions of yen 2001	Thousands of U.S. dollars 2001
Segment operating income	¥ 545,760	**¥ 777,162**	**$ 6,518,175**
1) Classification of impairment charge	(25,457)	**-**	**-**
2) Classification of loss on inventory writedown	(18,162)	**(16,787)**	**(140,795)**
3) Compensated absences	(1,956)	**(2,161)**	**(18,125)**
4) Employee retirement benefits	2,885	**23,100**	**193,743**
5) Lease transactions	5,038	**3,841**	**32,215**
6) Amortization of intangible assets	(1,368)	**(1,367)**	**(11,465)**
7) Depreciation for capitalized interest costs	(1,909)	**(2,303)**	**(19,316)**
8) Other	4,356	**(2,865)**	**(24,029)**
Consolidated operating income under U.S. GAAP	¥ 509,187	**¥ 778,620**	**$ 6,530,403**

Adjustments to reconcile segment assets to U.S. GAAP assets	Millions of yen 2000	Millions of yen 2001	Thousands of U.S. dollars 2001
Segment assets	¥ 3,613,124	**¥ 5,911,240**	**$ 49,578,462**
1) Deferred costs related to activation fees	-	**108,926**	**913,579**
2) Employee retirement benefits	1,319	**(1,632)**	**(13,688)**
3) Lease transactions	21,577	**17,797**	**149,266**
4) Capitalization of intangible assets	22,926	**21,560**	**180,827**
5) Capitalized interest	8,493	**9,453**	**79,284**
6) Investments in affiliates	-	**14,079**	**118,083**
7) Valuation of marketable securities	26,038	**-**	**-**
8) Translation of investments in foreign affiliates	-	**(44,282)**	**(371,400)**
9) Deferred taxes related to reconciling items	(30,788)	**(23,721)**	**(198,952)**
10) Other	4,349	**3,085**	**25,874**
Consolidated assets under U.S. GAAP	¥ 3,667,038	**¥ 6,016,505**	**$ 50,461,335**

Adjustments to reconcile segment depreciation and amortization to U.S. GAAP depreciation and amortization	Millions of yen 2000	Millions of yen **2001**	Thousands of U.S. dollars **2001**
Segment depreciation and amortization	¥ 558,607	¥ **582,167**	$ **4,882,722**
1) Classification of impairment charge	25,457	**-**	**-**
2) Lease transactions	9,901	**7,590**	**63,658**
3) Amortization of intangible assets	1,368	**1,367**	**11,465**
4) Depreciation for capitalized interest costs	1,909	**2,303**	**19,316**
5) Other	2,244	**2,171**	**18,209**
Consolidated depreciation and amortization under U.S. GAAP	¥ 599,486	¥ **595,598**	$ **4,995,370**

14. Commitments and contingencies:

Leases --

DoCoMo leases certain facilities and equipment in the normal course of business. Assets covered under capital leases at March 31, 2000 and 2001 are as follows:

Class of property	Millions of yen 2000	Millions of yen **2001**	Thousands of U.S. dollars **2001**
Tools, furniture and fixtures	¥ 59,605	**¥ 52,302**	**$ 438,665**
Computer software	3,735	**2,706**	**22,695**
	63,340	**55,008**	**461,360**
Accumulated depreciation	(40,392)	**(35,614)**	**(298,700)**
	¥ 22,948	**¥ 19,394**	**$ 162,660**

Tools, furniture and fixtures are classified as part of property, plant and equipment while computer software is classified as part of intangibles and other assets.

Future minimum lease payments by year under capital leases together with the present value of the net minimum lease payments as of March 31, 2001 are as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	**¥ 7,797**	**$ 65,395**
2003	**5,010**	**42,020**
2004	**2,133**	**17,890**
2005	**903**	**7,573**
2006	**269**	**2,256**
Thereafter	**116**	**973**
Total minimum lease payments	**16,228**	**136,107**
Less – Amount representing interest	**(175)**	**(1,468)**
Present value of net minimum lease payments	**16,053**	**134,639**
Less – Amounts representing estimated executory costs	**(746)**	**(6,257)**
Net minimum lease payments	**15,307**	**128,382**
Less – Current obligation	**(7,423)**	**(62,258)**
Long-term capital lease obligations	**¥ 7,884**	**$ 66,124**

The above obligations are classified as part of other current and long-term liabilities, as appropriate. The minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at March 31, 2001 are as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	**¥ 25**	**$ 210**
2003	**11**	**92**
2004	**7**	**59**
2005	**6**	**50**
2006	**6**	**50**
Total minimum future rentals	**¥ 55**	**$ 461**

The following schedule shows total rental expense for all operating leases for the years indicated except those with terms of one month or less that were not renewed:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Minimum rentals	¥ 60,685	**¥ 63,192**	**$ 530,001**

Litigation --

At March 31, 2001, DoCoMo had no litigation or claims outstanding, pending or threatened against it, which in the opinion of management would have a material adverse effect on its consolidated financial position or results of operations.

Purchase Commitments --

DoCoMo has entered into various contracts for the purchase of property, plant and equipment and inventories (primarily handsets). Commitments outstanding at March 31, 2001 amounted to ¥147,142 million ($1, 234,102 thousand) (of which ¥6,968 million ($58,442 thousand) are with related parties) for property and equipment and ¥52,025 million ($436,342 thousand) (of which none are with related parties) for inventories.

Contingencies --

In connection with its investment in Hutchison Telephone Company Limited ("HTCL"), DoCoMo has agreed to provide a back-up guarantee in support of HTCL and Hutchison Telecommunications Limited, each of which has agreed to indemnify a certain financial institution in the event that this financial institution is called upon to perform under a guarantee that it has provided in support of HTCL with respect to certain contracts and obligations owed to governmental authorities by HTCL. DoCoMo has agreed to contribute up to HK$19,000 thousand (¥306 million, $2,566 thousand), which represents its proportionate share of the obligations of HTCL based on its percentage shareholding of HTCL.

15. Other (income) expense:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Realized holding gains (net of losses) on marketable securities and other investments	¥ (10)	**¥ (1,008)**	**$ (8,454)**
Foreign exchange gains	(127)	**(2,123)**	**(17,806)**
Rental revenue received	(1,499)	**(1,434)**	**(12,027)**
Other –net	2,272	**5,603**	**46,993**
	¥ 636	**¥ 1,038**	**$ 8,706**

16. Accumulated other comprehensive income:

The table that follows presents the change in accumulated other comprehensive income (loss):

	Millions of yen			
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustment	Minimum pension liability adjustment	Accumulated other comprehensive income
Balance at March 31, 1999	¥ 1,124	¥ -	¥ (1,888)	¥ (764)
2000 change	13,883	(378)	(1,323)	12,182
Balance at March 31, 2000	15,007	(378)	(3,211)	11,418
2001 change	**(11,672)**	**25,999**	**(2,636)**	**11,691**
Balance at March 31, 2001	**¥ 3,335**	**¥ 25,621**	**¥ (5,847)**	**¥ 23,109**

	Thousands of U.S. dollars			
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustment	Minimum pension liability adjustment	Accumulated other comprehensive income
Balance at March 31, 2000	$ 125,866	$ (3,171)	$ (26,931)	$ 95,764
2001 change	**(97,895)**	**218,058**	**(22,109)**	**98,054**
Balance at March 31, 2001	**$ 27,971**	**$ 214,887**	**$ (49,040)**	**$ 193,818**

17. Fair value of financial instruments:

All cash and temporary cash investments, current receivables, current payables, and certain other short-term financial instruments are short-term in nature, and therefore their carrying amount approximates fair value.

Long-term debt, including current portion --

The fair value of long-term debt is estimated based on the discounted amounts of future cash flows using DoCoMo's current incremental borrowings rates for similar liabilities.

The carrying amounts and the estimated fair values of long-term debt, including current portion at March 31, 2000 and 2001 are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2000		**2001**		**2001**	
	Carrying amounts	Fair value	Carrying amounts	Fair value	Carrying amounts	Fair value
Long-term debt, including current portion	¥ 829,587	¥ 864,682	**¥ 1,128,968**	**¥ 1,164,491**	**$ 9,468,825**	**$ 9,766,762**

Risk Management --

DoCoMo's earnings and cash flows may be negatively impacted by fluctuating interest and foreign exchange rates. DoCoMo enters into interest rate swap and foreign currency forward contracts to manage these risks. These derivative financial instruments are executed with creditworthy financial institutions, and DoCoMo management believes there is little risk of default by these counterparties.

Interest rate swap agreements --

Although most of DoCoMo's debt carries a fixed rate of interest, a small portion carries floating rates. DoCoMo enters into interest rate swap agreements to manage interest rate risk on these floating rate liabilities. These interest rate swap agreements exchange floating rate interest payments for fixed rate interest payments.

The table below shows the notional principal amounts of those derivative financial instruments at March 31, 2000 and 2001:

		Weighted average rate		Millions of yen March 31, 2000	
	Term	Receive floating	Pay fixed	Notional amounts	Fair value
Interest rate swap agreements	1995-2005	0.4%	2.7%	¥ 12,743	¥ (578)

		Weighted average rate		Millions of yen **March 31, 2001**	
	Term	Receive floating	Pay fixed	Notional amounts	Fair value
Interest rate swap agreements	1995-2005	**0.6%**	**2.7%**	**¥ 11,700**	**¥ (461)**

		Weighted average rate		Thousands of U.S. dollars **March 31, 2001**	
	Term	Receive floating	Pay fixed	Notional amounts	Fair value
Interest rate swap agreements	1995-2005	**0.6%**	**2.7%**	**$ 98,130**	**$ (3,866)**

The interest rate swap agreements have remaining terms to maturity between 3 months and 5 years.

The fair value of interest rate swaps was obtained from counterparty financial institutions and represents the amounts that DoCoMo could have settled with the counter parties to terminate the swaps outstanding at March 31, 2000 and 2001.

Foreign exchange forward contracts --

DoCoMo has used foreign exchange forward contracts for the purpose of mitigating the risk of fluctuations in foreign exchange rates. DoCoMo had no foreign exchange forward contracts outstanding at March 31, 2000 or 2001.

Concentrations of risk --

As of March 31, 2001, DoCoMo did not have any significant concentration of business transacted with an individual counterparty or groups of counterparties that could, if suddenly eliminated, severely impact its operations.

NTT DoCoMo, INC. AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULE FOR THE YEARS ENDED MARCH 31, 2000 and 2001

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

	Millions of yen			
	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
2000				
Allowance for doubtful accounts	¥ 23,981	¥ 13,830	¥ 14,958	¥ 22,853
2001				
Allowance for doubtful accounts	**¥ 22,853**	**¥ 15,196**	**¥ 14,146**	**¥ 23,903**

	Thousands of U.S. dollars			
	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
2001				
Allowance for doubtful accounts	**$ 191,672**	**$ 127,451**	**$ 118,645**	**$ 200,478**

NTT DoCoMo, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

MARCH 31, 2001 and SEPTEMBER 30, 2001 (UNAUDITED)

	Millions of yen		Thousands of U.S. dollars
	March 31 2001	**September 30 2001**	**September 30 2001**
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 118,425	¥ **110,582**	**$ 927,468**
Accounts receivable			
Third parties	807,132	**770,688**	**6,463,877**
Related parties	102,049	**56,328**	**472,431**
Sub-total	909,181	**827,016**	**6,936,308**
Less: Allowance for doubtful accounts	(23,903)	**(23,485)**	**(196,972)**
Total accounts receivable, net	885,278	**803,531**	**6,739,336**
Inventories	107,404	**163,113**	**1,368,053**
Deferred tax assets	29,323	**38,070**	**319,299**
Prepaid expenses and other current assets			
Third parties	86,877	**118,634**	**995,001**
Related parties	7,179	**3,753**	**31,477**
Total current assets	1,234,486	**1,237,683**	**10,380,634**
Property, plant and equipment:			
Wireless telecommunications equipment	2,823,646	**3,074,024**	**25,782,303**
Buildings and structures	370,483	**399,426**	**3,350,046**
Tools, furniture and fixtures	465,913	**471,627**	**3,955,607**
Land	151,545	**166,520**	**1,396,628**
Construction in progress	228,676	**312,266**	**2,619,022**
Sub-total	4,040,263	**4,423,863**	**37,103,606**
Accumulated depreciation	(1,700,889)	**(1,891,374)**	**(15,863,239)**
Total property, plant and equipment, net	2,339,374	**2,532,489**	**21,240,367**
Non-current investments and other assets:			
Investments in affiliates	753,183	**1,575,816**	**13,216,607**
Marketable securities and other investments	1,165,062	**24,066**	**201,845**
Intangible assets, net	346,403	**384,022**	**3,220,851**
Other assets	138,642	**135,480**	**1,136,291**
Deferred tax assets	39,355	**179,408**	**1,504,722**
Total non-current investments and other assets	2,442,645	**2,298,792**	**19,280,316**
Total assets	¥ 6,016,505	¥ **6,068,964**	**$ 50,901,317**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

MARCH 31, 2001 and SEPTEMBER 30, 2001 (UNAUDITED)

	Millions of yen		Thousands of U.S. dollars
	March 31 2001	**September 30 2001**	**September 30 2001**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	¥ 175,686	¥ **184,544**	$ **1,547,798**
Short-term borrowings	314,200	**227,060**	**1,904,387**
Accounts payable, trade			
Third parties	534,790	**421,192**	**3,532,601**
Related parties	141,564	**135,415**	**1,135,746**
Accrued payroll	31,908	**36,752**	**308,245**
Accrued interest	3,128	**3,418**	**28,667**
Accrued taxes on income	203,816	**248,713**	**2,085,993**
Other current liabilities	78,210	**71,507**	**599,740**
Total current liabilities	1,483,302	**1,328,601**	**11,143,177**
Long-term liabilities:			
Long-term debt	953,282	**1,014,050**	**8,504,990**
Employee benefits	86,795	**94,730**	**794,515**
Other long-term liabilities	96,780	**134,633**	**1,129,187**
Total long-term liabilities	1,136,857	**1,243,413**	**10,428,692**
Total liabilities	2,620,159	**2,572,014**	**21,571,869**
Minority interests in consolidated subsidiaries	**77,759**	**91,927**	**771,006**
Commitments and contingencies			
Shareholders' equity:			
Common stock, without a stated value-- Authorized--38,300,000 shares Issued and outstanding--10,036,000 shares at March 31, 2001 and September 30, 2001	949,680	**949,680**	**7,965,109**
Additional paid-in capital	1,262,672	**1,262,672**	**10,590,221**
Retained earnings	1,083,126	**1,167,315**	**9,790,448**
Accumulated other comprehensive income	23,109	**25,356**	**212,664**
Total shareholders' equity	3,318,587	**3,405,023**	**28,558,442**
Total liabilities and shareholders' equity	¥ 6,016,505	¥ **6,068,964**	$ **50,901,317**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

SIX MONTHS ENDED SEPTEMBER 30, 2000 and 2001

(UNAUDITED)

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Operating revenues:			
Wireless services			
Third parties	¥ 1,710,055	**¥ 2,050,096**	**$ 17,194,465**
Related parties	14,685	**10,574**	**88,686**
Equipment sales			
Third parties	477,553	**541,689**	**4,543,227**
Related parties	3,875	**4,259**	**35,721**
	2,206,168	**2,606,618**	**21,862,099**
Operating expenses:			
Cost of services (exclusive of items shown separately below)			
Third parties	77,327	**179,577**	**1,506,140**
Related parties	176,756	**146,700**	**1,230,395**
Cost of equipment sold (exclusive of items shown separately below)	437,008	**493,575**	**4,139,688**
Depreciation and amortization	269,423	**291,646**	**2,446,079**
Selling, general and administrative			
Third parties	717,870	**835,873**	**7,010,593**
Related parties	108,970	**114,638**	**961,486**
	1,787,354	**2,062,009**	**17,294,381**
Operating income	418,814	**544,609**	**4,567,718**
Other (income) expense:			
Interest expense, net	8,724	**8,139**	**68,263**
Other, net	828	**23,146**	**194,129**
	9,552	**31,285**	**262,392**
Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	409,262	**513,324**	**4,305,326**
Income taxes	173,386	**224,882**	**1,886,119**
Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries	235,876	**288,442**	**2,419,207**
Equity in net losses of affiliates (including write-down of ¥194,170 million ($1,628,533 thousand), net of taxes, in an investment in an affiliate in the period ended September 30, 2001)	1,931	**184,962**	**1,551,304**
Minority interests in earnings of consolidated subsidiaries	11,505	**14,273**	**119,710**
Net Income	¥ 222,440	**¥ 89,207**	**$ 748,193**
Other comprehensive income:			
Unrealized loss on available-for-sale securities (net of taxes of ¥10,522 million and ¥1,984 million ($16,640 thousand) for the periods ended September 30, 2000 and 2001, respectively)	(14,614)	**(2,760)**	**(23,149)**
Less: Reclassification adjustment for gains (net of losses) included in net income (net of taxes of ¥199 million and ¥252million ($2,114 thousand) for the periods ended September 30, 2000 and 2001, respectively)	276	**349**	**2,927**
Foreign currency translation adjustment (net of taxes of ¥2,118 million ($17,764 thousand) for the period ended September 30, 2001)	160	**3,711**	**31,125**
Minimum pension liability adjustment (net of taxes of ¥141 million and ¥665 million ($5,577 thousand) for the periods ended September 30, 2000 and 2001, respectively)	196	**947**	**7,943**
Comprehensive income	¥ 208,458	**¥ 91,454**	**$ 767,039**

Earnings per share data:	2000	**2001**	**2001**
Weighted average common shares outstanding – Basic and Diluted (shares)	9,576,000	**10,036,000**	**10,036,000**
Basic and diluted earnings per share (Yen and U.S. dollars)	¥ 23,228.91	**¥ 8,888.70**	**$ 74.55**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SIX MONTHS ENDED SEPTEMBER 30, 2001

(UNAUDITED)

		Millions of yen				
	Number of shares	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance at March 31, 2001	10,036,000	¥ 949,680	¥ 1,262,672	¥ 1,083,126	¥ 23,109	¥ 3,318,587
Cash dividends declared and paid (¥500 per share)				**(5,018)**		**(5,018)**
Net income				**89,207**		**89,207**
Unrealized losses on available-for-sale securities					**(2,411)**	**(2,411)**
Foreign currency translation adjustment					**3,711**	**3,711**
Minimum pension liability adjustment					**947**	**947**
Balance at September 30, 2001	**10,036,000**	**¥ 949,680**	**¥ 1,262,672**	**¥ 1,167,315**	**¥ 25,356**	**¥ 3,405,023**

		Thousands of U.S. dollars				
	Number of shares	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance at March 31, 2001	10,036,000	$ 7,965,109	$ 10,590,221	$ 9,084,342	$ 193,818	$ 27,833,490
Cash dividends declared and paid ($4.19 per share)				**(42,087)**		**(42,087)**
Net income				**748,193**		**748,193**
Unrealized losses on available-for-sale securities					**(20,222)**	**(20,222)**
Foreign currency translation adjustment					**31,125**	**31,125**
Minimum pension liability adjustment					**7,943**	**7,943**
Balance at September 30, 2001	**10,036,000**	**$ 7,965,109**	**$ 10,590,221**	**$ 9,790,448**	**$ 212,664**	**$ 28,558,442**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED SEPTEMBER 30, 2000 and 2001

(UNAUDITED)

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Cash flows from operating activities:			
Net income	¥ 222,440	¥ **89,207**	$ **748,193**
Adjustments to reconcile net income to net cash provided by operating activities--			
Depreciation and amortization	269,423	**291,646**	**2,446,079**
Deferred taxes	2,474	**(149,710)**	**(1,255,640)**
Loss on sale or disposal of property, plant and equipment	15,291	**14,245**	**119,475**
Equity in net losses of affiliates (including write-down of ¥320,481 million ($2,687,922 thousand) in an investment in an affiliate in the period ended September 30, 2001)	1,931	**311,273**	**2,610,693**
Minority interests in earnings of consolidated subsidiaries	11,505	**14,273**	**119,710**
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable, trade	(289,400)	**81,236**	**681,339**
(Decrease) increase in allowance for doubtful accounts	(512)	**511**	**4,286**
Increase in inventories	(40,342)	**(55,717)**	**(467,307)**
Increase (decrease) in accounts payable, trade	55,652	**(71,550)**	**(600,101)**
Increase (decrease) in other current liabilities	31,021	**(24,792)**	**(207,934)**
(Decrease) increase in accrued taxes on income	(14,851)	**44,897**	**376,558**
Increase in liability for employee benefits, net of deferred pension costs	5,306	**3,619**	**30,353**
Other	(36,602)	**57,399**	**481,414**
Net cash provided by operating activities	233,336	**606,537**	**5,087,118**
Cash flows from investing activities:			
Purchases of property, plant and equipment	(437,508)	**(482,119)**	**(4,043,605)**
Purchases of intangible and other assets	(64,423)	**(93,070)**	**(780,592)**
Purchases of investments	(596,711)	**(14,194)**	**(119,047)**
Collection of loan receivable	40,202	**203**	**1,702**
Other	(1,033)	**1,893**	**15,877**
Net cash used in investing activities	(1,059,473)	**(587,287)**	**(4,925,665)**
Cash flows from financing activities:			
Issuance of long-term debt	-	**151,721**	**1,272,507**
Repayment of long-term debt	(115,496)	**(82,373)**	**(690,875)**
Principal payments under capital lease obligation	(3,136)	**(4,110)**	**(34,471)**
Dividends paid	(4,788)	**(5,018)**	**(42,087)**
Proceeds from short-term borrowings	613,500	**572,410**	**4,800,889**
Repayment of short-term borrowings	(69,700)	**(659,550)**	**(5,531,745)**
Other	(190)	**(172)**	**(1,443)**
Net cash provided by (used in) financing activities	420,190	**(27,092)**	**(227,225)**
Effect of exchange rate changes on cash and cash equivalents	(3)	**(1)**	**(8)**
Net decrease in cash and cash equivalents	(405,950)	**(7,843)**	**(65,780)**
Cash and cash equivalents at beginning of period	481,003	**118,425**	**993,248**
Cash and cash equivalents at end of period	¥ 75,053	¥ **110,582**	$ **927,468**
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	¥ 10,990	¥ **9,633**	$ **80,793**
Income taxes	185,763	**203,384**	**1,705,812**
Noncash investing and financing activities:			
Assets acquired through capital lease obligations	2,625	**2,778**	**23,300**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NTT DoCoMo, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of presentation:

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the annual consolidated financial statements and the notes thereto included in this registration statement.

The accompanying unaudited interim condensed consolidated financial statements contain all adjustments (consisting of only normal recurring items) which are, in the opinion of management, necessary to present fairly the financial position as of September 30, 2001, and the results of operations and cash flows for the six months ended September 30, 2000 and 2001. The results of operations for the six months ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year.

2. Accounting change and recent accounting pronouncements:

Effective April 1, 2001, DoCoMo adopted Statement of Financial Accounting Standards ("SFAS") No.133 "Accounting for Derivative Instruments and Hedging Activities" which, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including some derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at fair value. This statement requires that changes in the fair value of derivatives be recognized in current earnings unless specific hedge accounting criteria are met. The adoption of SFAS No. 133 as of April 1, 2001 did not have material impact on results of operations and financial position at that date.

In August 2001, the Emerging Issues Task Force ("EITF") reached a consensus on Issue 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products" ("EITF 01-09"). EITF 01-09 replaced an earlier consensus (EITF 00-25) covering the same matters. The EITF concluded that consideration from a vendor to a reseller of the vendor's products is presumed to be a reduction of the selling price of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement. That presumption can be overcome in certain circumstances. DoCoMo will adopt EITF 01-09 beginning on April 1, 2002. Had DoCoMo adopted EITF 01-09 as of April 1, 2000, equipment revenues and selling, general and administrative expenses would have been reduced by ¥114,270 million and ¥121,842 million ($1,021,907 thousand) for the six months ended September 30, 2000 and 2001, respectively.

Effective April 1, 2001, DoCoMo adopted SFAS No.142 "Goodwill and Other Intangible Assets" as further discussed in Note 5.

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No.143, "Accounting for Asset Retirement Obligations". SFAS No.143 is effective for DoCoMo beginning April 1, 2003. SFAS No. 143 requires that legal obligations associated with the retirement of tangible long-lived assets to be recorded as a liability, measured at fair value, when those obligations are incurred if a reasonable estimate of fair value can be made. Upon initially recognizing a liability for an asset retirement obligations, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. DoCoMo is in the process of determining the impact, if any, that the adoption of SFAS No.143 will have on its results of operations and financial position.

In August 2001, FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 supercedes SFAS No. 121, but retains SFAS No. 121's fundamental provisions for (a) recognition and measurement of impairment of long-lived assets to be held and used and (b) measurements of long-lived assets to be disposed of by sale. SFAS No. 144 also supercedes Accounting Principle Board Opinion No. 30 "Reporting the Results of Operation-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB No. 30") for segments of a business to be disposed of but retains APB No. 30's requirement to report discontinued operations separately from continuing operations and extends that reporting to a component of an entity that either has been disposed of or is classified as held for sale. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early adoption encouraged. Based on preliminary estimates the Company does not believe the adoption of SFAS No. 144 will have a material impact on its consolidated financial statements.

3. U.S. dollar amounts:

The consolidated financial statements are stated in Japanese yen. Translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on September 28, 2001, which was ¥119.23 to U.S.$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

4. Investments in affiliates:

DoCoMo's investments in the following entities are accounted for on the equity method as of September 30, 2001:

Company name	Ownership Percentage
Hutchison 3G UK Holdings Limited	20.0%
KPN Mobile N.V. ("KPNM")	15.0%
KG Telecommunications Co., Ltd. ("KGT")	21.4%
Hutchison Telephone Company Limited	25.4%
DoCoMo AOL, Inc.	42.3%
AT&T Wireless Services, Inc. ("AT&T Wireless")	16.1%

On May 23, 2001, DoCoMo purchased an approximately 6.4% additional ownership interest in Hutchison Telephone Company Limited. In addition, on July 6, 2001, DoCoMo increased its ownership interest in KGT by approximately 1.4%.

AT&T Wireless --

On July 9, 2001 AT&T Corp. ("AT&T") completed the planned split-off of its wireless group ("AT&T Wireless Group"). In connection with the split-off, all the assets and liabilities of AT&T Wireless Group were transferred to AT&T Wireless, a wholly owned subsidiary of AT&T. The split-off was then effected by redeeming all the outstanding shares of AT&T Wireless Group tracking stock in exchange for shares of AT&T Wireless common stock and distributing shares of AT&T Wireless common stock to holders of AT&T common stock, resulting in AT&T Wireless becoming an independent, publicly-traded company. DoCoMo's investment in AT&T preferred stock, which represented approximately 16% of the financial performance and economic value of AT&T Wireless Group, was also automatically converted into AT&T Wireless common stock at the applicable exchange rate, resulting in approximately 16% of the economic and voting interest in AT&T Wireless. As a result, DoCoMo began to account for its investment in AT&T Wireless using the equity method on July 9 based on its ownership percentage and ability to significantly influence the operations through board representation, appointment of DoCoMo employees to certain key management positions of AT&T Wireless, technology alliance, rights to approve specified actions and the right, under certain conditions, to require AT&T Wireless to repurchase DoCoMo's investment in stock and warrants. As such the balance sheet classification of this investment was transferred to "investments in affiliates" from "marketable securities and other investments" at the split-off date.

In addition, the split-off converted DoCoMo's warrants to purchase AT&T preferred stock equivalent to 41,748,273 shares of AT&T Wireless Group tracking stock into warrants to purchase the same number of shares of AT&T Wireless common stock. As a result, the warrants are being carried on a marked to market basis after the split-off and market value write-down adjustment equal to ¥22,293 million ($186,975 thousand) was included in "other, net" in the accompanying condensed consolidated statement of operations and comprehensive income for the period ended September 30, 2001. The warrants are included in "marketable securities and other investments" in the accompanying condensed consolidated balance sheets. Market value was computed with the assistance of an outside company using the Black-Scholes option pricing methodology.

As part of its agreements with AT&T Wireless, DoCoMo has a preemptive right to acquire additional shares of AT&T Wireless in order to maintain its current ownership interest, if such interest would otherwise be diluted. On December 21, 2001, DoCoMo announced that it plans to exercise its preemptive right to purchase additional shares in order to maintain its current approximately 16% share of ownership in AT&T Wireless. The decision to purchase the additional shares is contingent on AT&T Wireless acquiring a U.S. regional wireless operator, TeleCorp PCS, Inc. (TeleCorp), through an exchange of shares. If AT&T Wireless completes its planned acquisition, DoCoMo will purchase the shares necessary for it to maintain its current approximately 16% ownership in AT&T Wireless. The purchase is expected to amount to approximately 26.6 million shares of common stock at a price of $14.28 per share, the New York Stock Exchange average closing price over the 30-day period ending December 20, 2001, for a total additional investment amount of approximately $380 million. The exact number of shares to be purchased will be determined, and payment will be made, on the same day that AT&T Wireless completes its acquisition of TeleCorp.

KPNM --

In light of the current business outlook surrounding KPNM, the Company determined that the estimated fair value of the stock of KPNM has decreased and that such decline is other than temporary. As a result, the Company recorded an impairment charge of ¥194,170 million ($1,628,533 thousand), net of deferred taxes of ¥126,311 million ($1,059,389 thousand), for its investment in KPNM during the period ended September 30, 2001. The estimated fair value of the stock of KPNM was determined based on a review of KPNM's business segments and utilization of discounted cash flow methodology.

KGT --

On December 17, 2001, KGT filed an application for a 3G mobile communication license in Taiwan. However, on December 27, 2001, KGT announced that it decided to withdraw its application. DoCoMo has not yet had the opportunity to determine the impact, if any, that KGT's decision will have on the value of its investment in KGT but KGT's decision could adversely affect the value of DoCoMo's investment. DoCoMo will determine the impact after reviewing KGT's revised business plan. If DoCoMo determines that there has been a decline in value and such decline is other than temporary, DoCoMo will record an impairment charge.

The aggregate difference between the carrying value of DoCoMo's investment in affiliates and its underlying equity in net assets of such affiliates is ¥639,981 million ($5,367,617 thousand) as of September 30, 2001 and relates primarily to AT&T Wireless. Of this amount, ¥445,850 million ($3,739,411 thousand) relates to embedded goodwill.

5. Intangible assets:

In July 2001, the FASB issued SFAS No. 142 "Goodwill and Other Intangible Assets", which establishes financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, "Intangible Assets". The Company has elected to adopt SFAS No. 142 beginning on April 1, 2001. SFAS No. 142 requires that (1) goodwill and (2) intangible assets that have indefinite useful lives not be amortized. Accordingly, the Company ceased amortization of all goodwill on April 1, 2001, including goodwill created through the acquisition of its investments accounted for under the equity method. Intangible assets that have finite useful lives, consisting primarily of software for telecommunications network, internal-use software and rights to use telecommunications facilities of wireline carriers will continue to be amortized over their useful lives.

The standard also requires that (1) goodwill and (2) intangible assets that have indefinite useful lives, excluding goodwill related to equity investments, be tested for impairment upon the initial application of the standard. The Company completed the necessary impairment tests and no impairment charge was required.

Under the standard, goodwill and intangible assets that have indefinite useful lives will be tested at least annually for impairment. Goodwill related to equity investments will continue, however, to be tested for impairment in accordance with existing standards under APB Opinion No. 18 "The Equity Method of Accounting for Investments in Common Stock".

The following table reflects the Company's comparative net income before goodwill amortization under SFAS No. 142:

	Millions of yen		Thousands of U.S. dollars
	For the six months ended September 30,		
	2000	**2001**	**2001**
Reported net income	¥ 222,440	**¥ 89,207**	**$ 748,193**
Add back: Goodwill amortization	1,328	**-**	**-**
Add back: Goodwill related to equity investments	1,521	**-**	**-**
Adjusted net income	¥ 225,289	**¥ 89,207**	**$ 748,193**
	Yen		U.S. dollars
Basic and diluted earnings per share:			
Reported net income	¥ 23,228.91	**¥ 8,888.70**	**$ 74.55**
Goodwill amortization	138.68	**-**	**-**
Goodwill related to equity investments	158.83	**-**	**-**
Adjusted net income	¥ 23,526.42	**¥ 8,888.70**	**$ 74.55**

NTT DoCoMo, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

The following table displays the intangible assets that continue to be subject to amortization, as well as intangible assets not subject to amortization at March 31, 2001 and September 30, 2001:

	Millions of yen	
	March 31, 2001	
	Gross carrying amount	Accumulated amortization
Amortized intangible assets:		
Software for telecommunications network	¥ 223,493	¥ 126,492
Internal-use software	291,362	121,456
Rights to use telecommunications facilities of wireline carriers	45,477	9,717
Other	41,828	3,404
	¥ 602,160	¥ 261,069
Unamortized intangible assets:		
Goodwill	¥ 5,312	

	Millions of yen	
	September 30, 2001	
	Gross carrying amount	Accumulated amortization
Amortized intangible assets:		
Software for telecommunications network	¥ 252,219	¥ 132,139
Internal-use software	349,681	156,535
Rights to use telecommunications facilities of wireline carriers	45,666	11,003
Other	31,169	348
	¥ 678,735	¥ 300,025
Unamortized intangible assets:		
Goodwill	¥ 5,312	

	Thousands of U.S. dollars	
	September 30, 2001	
	Gross carrying amount	Accumulated amortization
Amortized intangible assets:		
Software for telecommunications network	$ 2,115,399	$ 1,108,270
Internal-use software	2,932,827	1,312,882
Rights to use telecommunications facilities of wireline carriers	383,008	92,284
Other	261,419	2,919
	$ 5,692,653	$ 2,516,355
Unamortized intangible assets:		
Goodwill	$ 44,553	

Amortization of intangible assets for the six months ended September 30, 2001 was ¥47,382 million ($397,400 thousand). Estimated amortization of intangible assets for fiscal years ending March 31, 2002, 2003, 2004, 2005 and 2006 is ¥97,990 million, ¥95,736 million, ¥80,210 million, ¥57,603 million, and ¥36,322 million, respectively.

There was no change in the carrying amount of goodwill for the six months ended September 30, 2001. The Company's goodwill is included in the assets of the mobile phone business segment.

6. Business segments:

Financial data for the Company's business segments at or for the six months ended September 30, 2000 and 2001 are as follows:

	Millions of yen						
Six months ended September 30, 2000	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	¥ 2,145,447	¥ 55,640	¥ 11,147	¥ 5,233	¥ 2,217,467	¥ -	¥ 2,217,467
Operating expenses	1,676,692	102,621	22,005	4,097	1,805,415	-	1,805,415
Operating income (loss)	¥ 468,755	¥ (46,981)	¥ (10,858)	¥ 1,136	¥ 412,052	¥ -	¥ 412,052

	Millions of yen						
Six months ended September 30, 2001	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	**¥ 2,536,913**	**¥ 58,275**	**¥ 5,971**	**¥ 11,804**	**¥ 2,612,963**	**¥ -**	**¥ 2,612,963**
Operating expenses	**1,955,810**	**85,955**	**9,500**	**11,291**	**2,062,556**	**-**	**2,062,556**
Operating income (loss)	**¥ 581,103**	**¥ (27,680)**	**¥ (3,529)**	**¥ 513**	**¥ 550,407**	**¥ -**	**¥ 550,407**
Assets	**¥ 4,009,280**	**¥ 149,989**	**¥ 15,428**	**¥ 2,972**	**¥ 4,177,669**	**¥ 1,739,211**	**¥ 5,916,880**

	Thousands of U.S. dollars						
Six months ended September 30, 2001	Mobile phone business	PHS business	Quickcast business	Miscellaneous business	Sub-total	Corporate	Total
Operating revenues	**$ 21,277,473**	**$ 488,761**	**$ 50,080**	**$ 99,001**	**$ 21,915,315**	**$ -**	**$ 21,915,315**
Operating expenses	**16,403,674**	**720,917**	**79,678**	**94,699**	**17,298,968**		**17,298,968**
Operating income (loss)	**$ 4,873,799**	**$ (232,156)**	**$ (29,598)**	**$ 4,302**	**$ 4,616,347**	**$ -**	**$ 4,616,347**
Assets	**$ 33,626,436**	**$ 1,257,980**	**$ 129,397**	**$ 24,927**	**$ 35,038,740**	**$ 14,587,025**	**$ 49,625,765**

The tables that follow present reconciliations of segment operating revenues, operating expenses, operating income and assets from the management reports information shown above, to U.S. GAAP amounts on a consolidated basis.

	Millions of yen		Thousands of U.S. dollars
Adjustments to reconcile segment operating revenues to U.S. GAAP operating revenues	Six months ended September 30, 2000	**Six months ended September 30, 2001**	**Six months ended September 30, 2001**
Segment operating revenues	¥ 2,217,467	**¥ 2,612,963**	**$ 21,915,315**
1) Revenue recognition	(11,299)	**(6,345)**	**(53,216)**
Consolidated operating revenues under U.S. GAAP	¥ 2,206,168	**¥ 2,606,618**	**$ 21,862,099**

Adjustments to reconcile segment operating expenses to U.S. GAAP operating expenses	Millions of yen Six months ended September 30, 2000	Millions of yen **Six months ended September 30, 2001**	Thousands of U.S. dollars **Six months ended September 30, 2001**
Segment operating expenses	¥ 1,805,415	**¥ 2,062,556**	**$ 17,298,968**
1) Revenue recognition	(11,299)	**(6,345)**	**(53,216)**
2) Classification of loss on inventory writedown	4,159	**1,944**	**16,305**
3) Compensated absences	1,964	**2,703**	**22,670**
4) Employee retirement benefits	(13,168)	**1,101**	**9,234**
5) Lease transactions	(2,556)	**(1,353)**	**(11,348)**
6) Amortization of intangible assets	684	**684**	**5,737**
7) Depreciation for capitalized interest costs	1,085	**1,188**	**9,964**
8) Goodwill amortization	-	**(1,328)**	**(11,138)**
9) Other	1,070	**859**	**7,205**
Consolidated operating expenses under U.S. GAAP	¥ 1,787,354	**¥ 2,062,009**	**$ 17,294,381**

Adjustments to reconcile segment operating income to U.S. GAAP operating income	Millions of yen Six months ended September 30, 2000	Millions of yen **Six months ended September 30, 2001**	Thousands of U.S. dollars **Six months ended September 30, 2001**
Segment operating income	¥ 412,052	**¥ 550,407**	**$ 4,616,347**
1) Classification of loss on inventory writedown	(4,159)	**(1,944)**	**(16,305)**
2) Compensated absences	(1,964)	**(2,703)**	**(22,670)**
3) Employee retirement benefits	13,168	**(1,101)**	**(9,234)**
4) Lease transactions	2,556	**1,353**	**11,348**
5) Amortization of intangible assets	(684)	**(684)**	**(5,737)**
6) Depreciation for capitalized interest costs	(1,085)	**(1,188)**	**(9,964)**
7) Goodwill amortization	-	**1,328**	**11,138**
8) Other	(1,070)	**(859)**	**(7,205)**
Consolidated operating income under U.S. GAAP	¥ 418,814	**¥ 544,609**	**$ 4,567,718**

Adjustments to reconcile segment assets to U.S. GAAP assets	Millions of yen **September 30, 2001**	Thousands of U.S. dollars **September 30, 2001**
Segment assets	**¥ 5,916,880**	**$ 49,625,765**
1) Deferred costs related to activation fees	**115,272**	**966,803**
2) Employee retirement benefits	**(12,464)**	**(104,537)**
3) Lease transactions	**15,169**	**127,225**
4) Capitalization of intangible assets	**20,875**	**175,082**
5) Capitalized interest	**9,940**	**83,368**
6) Investments in affiliates	**17,043**	**142,943**
7) Deferred taxes related to reconciling items	**(18,257)**	**(153,124)**
8) Goodwill amortization	**1,328**	**11,138**
9) Other	**3,178**	**26,654**
Consolidated assets under U.S. GAAP	**¥ 6,068,964**	**$ 50,901,317**

7. Subsequent events:

Issuance of corporate bonds --

On October 26, 2001, the Company issued ¥100 billion 1.49% straight corporate bonds due September 20, 2011. In addition, on November 27, 2001, the Company issued ¥50 billion 0.96% straight corporate bonds due December 22, 2008. The proceeds of these bonds were and will be used primarily to repay the Company’s short- and long-term indebtedness.

Investments in affiliates --

See Note 4 with respect to DoCoMo’s decision on December 21, 2001 to purchase additional shares of AT&T Wireless and KGT’s decision on December 27, 2001 to withdraw its application for a 3G mobile communication service license in Taiwan.

Stock split --

On January 25, 2002, the DoCoMo Board of Directors approved an increase in the number of authorized shares to 191,500,000 and declared a five-for-one common stock split. The record date for the split will be on March 31, 2002, with distribution of the split shares expected to follow on May 15, 2002. Historical share and per share data included in this registration statement have not been restated to reflect this stock split. In this regard, however, the following pro forma information summarizes the effect of this proposed stock split on certain share and per share data.

	Yen				U.S. dollars
	Years ended March 31,		Six months ended September 30,		Six months ended September 30,
Earnings per share data:	2000	2001	2000	**2001**	**2001**
Pro forma basic and diluted earnings per share	¥ 5,358.48	¥ 8,350.21	¥ 4,645.78	**¥ 1,777.74**	**$ 14.91**
Pro forma cash dividends declared and paid per share	300.00	200.00	100.00	**100.00**	**0.84**
Pro forma weighted average common shares outstanding-basic and diluted (shares)	47,880,000	48,113,150	47,880,000	**50,180,000**	**50,180,000**