

Strategies

Mobile Phone Services

Cellular Service

In recent years, DoCoMo added network facilities and introduced technologies to use frequency spectrums more efficiently. The focus now is on retaining customers while attracting new ones. This entails a number of strategies: more network improvements, superior customer services, competitive tariffs, new handsets and more international services. Mobile multimedia is central to this drive. DoCoMo plans to develop platforms and applications for the mobile telecommunications environment, and has acquired an Internet service provider to serve this market.

PHS Service

DoCoMo plans to use PHS service to generate mutual benefits with existing activities. Examples are cellular/PHS dual-mode handsets and discounts for combining PHS with cellular services. DoCoMo launched a high-speed data transmission service that takes advantage of PHS technology. Work is under way to reduce the level of dropped calls and upgrade the PHS network infrastructure.

Others

DoCoMo provides maritime, in-flight and satellite maritime communications services. Satellite service offer high reliability since they are largely not affected by natural disasters.

Paging Service

DoCoMo is Japan's sole provider of nationwide paging service. To halt a slide in subscribers, DoCoMo is offering new data-reception services at the high end as well as low-cost services limited to specific tasks. In another step to stimulate demand, a system where only parties sending messages are charged a fee was introduced.

Equipment Sales

An extensive R&D program and a nationwide network of shops allow DoCoMo to work with manufacturers to create handsets that precisely address users' demands. DoCoMo draws on its customer data base to improve the productivity of sales activities. In addition to handsets, DoCoMo's lineup includes mobile facsimile units, mobile peripherals and other devices.

Miscellaneous




Packet Data Communications

DoCoMo offers packet data communications service, as one way to meet the rising demand for wireless Internet access. Through steps such as a 28.8 kbps cellular service and tariff reductions, DoCoMo is raising demand for wireless data transmissions, where considerable potential for growth exists.

Others

This category mainly represents handset maintenance revenues.

Year in Review

4/98	5/98	6/98	7/98	8/98	9/98	10/98	11/98	12/98
			<ul style="list-style-type: none"> The Company purchases the tele-terminal business of Japan City Media Inc. 		<ul style="list-style-type: none"> Start of WORLD CALL international dialing service 			<ul style="list-style-type: none"> Family Discount for multiple cellular/cellular or PHS use Trial of PHS 64 kbps data transmission service starts  Integration of PHS business
		<ul style="list-style-type: none"> Participation in W-CDMA trial in Malaysia  					<ul style="list-style-type: none"> Investment in a Brazilian mobile communications operator  	
			<ul style="list-style-type: none"> Pager-based news distribution service Pager-based S-ports Channel 	<ul style="list-style-type: none"> Trial of pager-based signboards for use during disasters Commodity future data distribution paging service 			<ul style="list-style-type: none"> Impress Watch Channel paging service for distribution of the latest PC news 	
<ul style="list-style-type: none"> Mobile F (voice and data transmission handset) Digital mova N206S HYPER Digital mova P156 HYPER 		<ul style="list-style-type: none"> Digital mova F156 HYPER DoCoMo NOKIA NM156 Senty series A12, B12 Info-Next G55 		<ul style="list-style-type: none"> DoCoMo by KOKUSAI KO206 	<ul style="list-style-type: none"> Digital mova M206 HYPER Info-Next D55 			<ul style="list-style-type: none"> DoCoMo by KOKUSAI KO207 (world's smallest) Mobile Handy Fax-P2 PALDIO 332S, 333P
	<ul style="list-style-type: none"> DoCoMo NOKIA NM206 		<ul style="list-style-type: none"> Digital mova R206 HYPER 				<ul style="list-style-type: none"> Digital mova 207 series (including world's smallest and lightest model) Pager-based outdoor display 	
							<ul style="list-style-type: none"> Launch of mopera Internet Service 	<ul style="list-style-type: none"> Launch of dedicated DoPa packet transmission service

1/99	2/99	3/99	4/99	5/99	6/99
<ul style="list-style-type: none"> Improvement of PHS handover system Mobile phone numbers switched to an 11-digit system 		<ul style="list-style-type: none"> Completion of termination of analog services WORLD CALL international dialing service expands to 201 destinations 	<ul style="list-style-type: none"> Doccimo (dual-mode cellular/PHS handset) Full-scale rollout of PHS 64 kbps data transmission service  	<ul style="list-style-type: none"> Start of Pre-Call (pre-paid cellular calling service) 	
		<ul style="list-style-type: none"> Agreement with Telephone Organization of Thailand to jointly test W-CDMA system  			
	<ul style="list-style-type: none"> Start of 02 DO (ZERO-NI-DO) paging service where reception is free 		<ul style="list-style-type: none"> Two FM radio stations begin data distribution through pagers 		<ul style="list-style-type: none"> Expansion of 02 DO service area
<ul style="list-style-type: none"> Digital mova N207S HYPER DoCoMo by SANYO SA207 DoCoMo by DENSO DE207 Digital mova R207 HYPER 	<ul style="list-style-type: none"> Digital mova F601 ev Digital mova F501i HYPER for i-mode  SCOOPER series for 02 DO 	<ul style="list-style-type: none"> Digital mova D501i HYPER for i-mode  Digital mova N501i HYPER for i-mode  	<ul style="list-style-type: none"> Digital mova P157 HYPER Digital mova P601 ev Doccimo SH811 		<ul style="list-style-type: none"> DoCoMo NOKIA NM157 Doccimo N811
	<ul style="list-style-type: none"> Agreement with Puma Technology, Inc. to jointly develop groupware applications PC card-type terminal exclusively for packet transmissions Launch of i-mode service and handsets  	<ul style="list-style-type: none"> Agreement with Microsoft Corporation to develop new products and services for wireless data communications Agreement with Sun Microsystems, Inc. to jointly develop Java-based application software Agreement with Symbian, Ltd. to develop new mobile terminal operating systems New terminal exclusively for tele-metering packet transmissions 			<ul style="list-style-type: none"> Internet alliance with NTT Data Corporation Agreement with 3Com Corporation for use of Palm Computing platform

Results

There was a net increase of 5.91 million subscribers, or 32.9 percent, during the fiscal year. This raised the total subscriber base to 23.9 million, giving DoCoMo a market share of 57.5 percent. Despite a series of tariff reductions, operating revenues increased ¥451.6 billion to ¥2,380.5 billion, accounting for 76.3 percent of total operating revenues. Highlights of the year included the January 1999 shift to 11-digit mobile phone numbers and the March 1999 completion of the termination of analog services.

There were 1.35 million PHS subscribers as of March 31, 1999, giving DoCoMo a market share of 23.3 percent. DoCoMo integrated the PHS business in December 1998. PHS revenues for the period from December 1998 through March 1999 were ¥30.1 billion, 1.0 percent of total operating revenues.

Revenues increased ¥13.8 billion to ¥37.1 billion. During the year, DoCoMo completed the termination of analog technology in its maritime telephone service.

The number of paging subscribers has decreased every year since 1996 due to the popularity of cellular and PHS services. During the past fiscal year, paging subscribers at DoCoMo fell 1.80 million, or 46.0 percent, to 2.11 million but the market share was 56.1 percent. Revenues were down ¥60.9 billion to ¥68.3 billion.

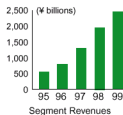
Revenues increased ¥64.5 billion to ¥566.7 billion, 18.2 percent of total operating revenues. Much growth resulted from replacement demand for handsets due to the switch of cellular and PHS numbers from 10 to 11 digits on January 1, 1999. One new product was a cellular handset capable of supporting DoCoMo's short message service with *kana* and *kanji* characters.

Revenues are derived mainly from the DoPa service and the i-mode service. Subscribers are charged monthly fees on packet service contracts and fees based on the volume of data transmitted and received. In the past fiscal year, these revenues increased ¥259 million to ¥295 million.

In the past fiscal year, these revenues declined ¥7.2 billion to ¥35.3 billion.



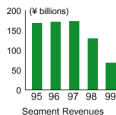
Share of Operating Revenues



Segment Revenues



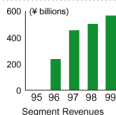
Share of Operating Revenues



Segment Revenues



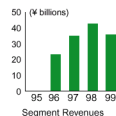
Share of Operating Revenues



Segment Revenues



Share of Operating Revenues



Segment Revenues