

opening doors

Increasing Customer Satisfaction and Realizing Our Medium-Term Vision

DOCOMO is strengthening its relationships with customers and implementing “change” to further enhance its ability to meet customers’ expectations. In taking on the “challenge” of innovation in mobile communications, we are not focused on the pursuit of leading-edge technologies. Rather, the starting point of our “challenge” activities is feedback from our customers.

“Pursuing higher levels of satisfaction for 55 million customers.”

With this strong determination, we will do our utmost to execute the “Change and Challenge” action plan, targeting the realization of our medium-term vision.



Increasing Customer Satisfaction and Realizing Our Medium-Term Vision



Japan's maturing mobile phone market has more than 100 million subscriptions. However, DOCOMO believes that the market has unlimited potential stemming from the unique properties of mobile phones – such as real-time immediacy, personal authentication, and locating capabilities – and from cooperation with new global players from multiple industries through the adoption of open-platform handsets. DOCOMO believes that new business opportunities will arise, one after another.

In accordance with the New DOCOMO Commitments, DOCOMO has reviewed every aspect of its business from the customer's perspective. While strengthening relationships with customers and fostering innovation by taking advantage of the unique characteristics of mobile communications, we will continue to take on the challenge of creating new value.

The direction of these future initiatives is clarified in the medium-term vision, "DOCOMO's Change and Challenge to Achieve New Growth," which was announced in October 2008. Under this medium-term vision, our goal is to achieve over ¥900.0 billion in operating income in fiscal 2012. We will work together to further increase customer satisfaction, focusing on our goal of achieving the No.1 ranking in customer satisfaction by fiscal 2010.

In this special feature, we will explain the direction of the initiatives that DOCOMO will implement to realize its medium-term vision.

Targeting Further Increases in Customer Satisfaction

PURSUIT OF "DEPTH" AND "LENGTH" IN CUSTOMER RELATIONSHIPS

Since the announcement of the New DOCOMO Commitments in April 2008, we have been implementing marketing activities with the objective of bolstering brand loyalty. These activities are focused on the "depth" (degree of trust and satisfaction) and "length" (number of years of subscription) of the relationships with our 55 million customers. Targeting the realization of the medium-term vision, we will further bolster group-wide efforts and work to strengthen relationships with customers.

First, we will take steps to enhance after-sales service for the purpose of enabling worry-free use of mobile phones for long periods of time. In July 2009, we introduced the Mobile Phone Checking Service, where specialists at DOCOMO shops throughout the country check the condition of customers' mobile phones, offer advice, and perform simple repairs.

In addition, we also enhanced the *Battery Pack Anshin Support* service, which is a preferential service provided to customers who use the same handset for a long period of time.

Moving forward, we will also continually revise billing plans to make them easier to use. From May 2009, we reduced the basic monthly charge (entry level) for *Pake-hodai double*, an *i-mode* packet flat-rate service, and in July 2009 we introduced *Flat-Rate Data Plan Standard*, a service for use with data cards.

We are also reinforcing our efforts to improve area coverage quality. For example, we are promoting awareness of our policy for requests concerning area coverage improvement. As a general rule, within 48 hours after we respond to a request from a customer, we will visit the customer and conduct an on-site indoor coverage survey, such as in their home. In the future, we will continue taking steps to improve indoor area coverage for more customers, including utilizing *FOMA* repeaters compatible with *FOMA Plus area*.

Moreover, we are also working to increase convenience for customers traveling or residing overseas. In May 2009, we opened a DOCOMO Support Desk for customers in London, and in September we plan to open one in New York. In addition, we are working to achieve improved customer satisfaction from a variety of angles. From May 2009, DOCOMO has extended the free *i-mode* mail that is available to the members of the same family discount group. As a result, the free service now includes video files and other large attachments, which were previously excluded.

In April 2009, we announced new customer satisfaction and CSR initiatives and clarified our action plan for fiscal 2009. Moving forward, we will continue to steadily review every aspect of our business activities from the customer's perspective, targeting the No.1 ranking in customer satisfaction by fiscal 2010.

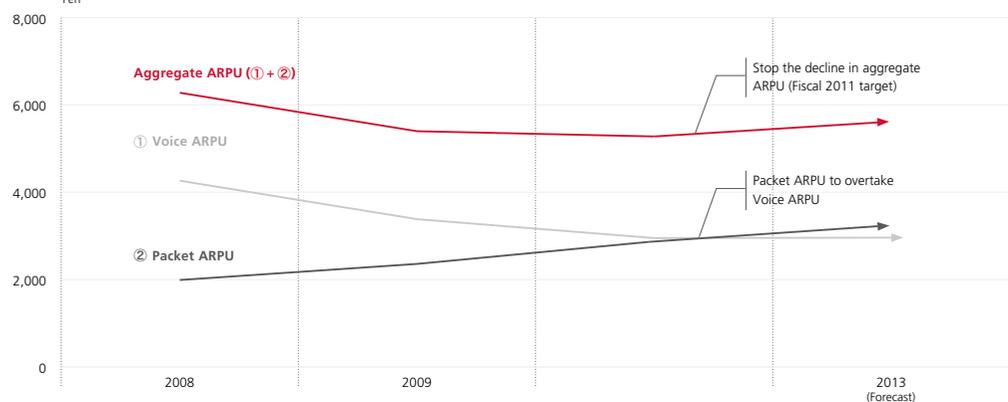
Initiatives to Increase Packet Communications Usage

AIMING TO REVERSE THE DECLINE IN AGGREGATE ARPU THROUGH CONTINUED INCREASES IN PACKET ARPU

In recent years, voice ARPU has been declining due to such factors as growth in the number of subscriptions to discount services and shorter phone calls. In this setting, aggregate ARPU has followed a sustained downward trend. In order to realize our objective of operating income of more than ¥900.0 million in fiscal 2012, as spelled out in the medium-term vision, it is extremely important that we stop this trend. Accordingly, we will take steps to achieve continued increases in packet ARPU, or data communications revenues. In fiscal 2011, DOCOMO will aim to stop the decline in aggregate ARPU by offsetting the influence of the trend in voice ARPU, which is expected to continue to decline. Subsequently, we will aim to return aggregate ARPU to an increasing trend. To that end, we are promoting subscriptions to and usage of our packet flat-rate services. In fiscal 2009, we will aim to increase the number of *i-mode* packet flat-rate subscriptions to 22.4 million, equivalent to about 47% of the total number of *FOMA i-mode* subscriptions. This will be an increase from the fiscal 2008 level of 17.61 million subscriptions, or about 39% of *FOMA i-mode* subscriptions.

Aiming to Reverse Aggregate ARPU by Increasing Packet ARPU

Years ended March 31
Yen



> Reviewing billing plans to promote expanded usage

One of DOCOMO's initiatives to expand usage of packet communications is the enhancement of easy-to-use, worry-free billing plans. In October 2008, we reevaluated the details of *Pake-hodai*, an *i-mode* packet flat-rate service that allows unlimited use of packet communications for a flat monthly rate, and introduced *Pake-hodai double*, an *i-mode* packet flat-rate service under which the monthly flat rate varies in accordance with each month's usage. In May 2009, with the objective of promoting subscriptions to packet flat-rate services and use of packet communications among a wider range of customers, the monthly charge (entry level) for this service was reduced, from ¥1,029 (including tax) when the service was introduced to ¥490 (including tax). We also continue to improve billing plans. For example, in July 2009 we introduced the *Flat-Rate Data Plan Standard* for use with data cards.

> Expanding service/content areas and enhancing handset functions

In addition to billing plans, another key to increasing the use of packet communications is the provision of enhanced services and content. Accordingly, DOCOMO is working to expand the scope of its lineup of services and content. Video content is a good example. In the past, we have focused principally on entertainment. Moving forward, we will take steps to expand subscriptions and usage among a broad range of customers by expanding to areas closely linked to lifestyles, such as tourism, navigation and health care.



* Image is conceptual.

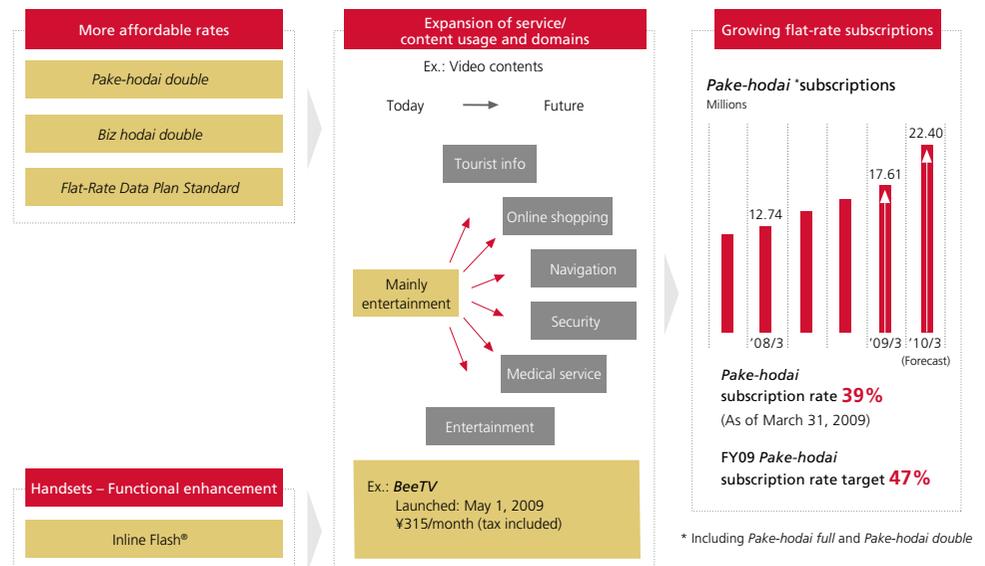
Also, mobile phone usage is expanding rapidly against a background of higher-speed communications and more-advanced handsets, but most of the videos that are available for viewing on mobile phones are the result of lateral development from TV and movies. Accordingly, DOCOMO will move ahead with the development and provision of content that reflects full consideration for the special characteristics of mobile phones – small screens (about 3 inches) and mobility. We are also working on the distribution of content that meets customer preferences. *BeeTV*, launched in May 2009 through a tie-up with Avex Entertainment Inc., is one of those initiatives. In the future, through joint initiatives with a wide range of partners, such as broadcasters and content holders, we will undertake content expansion and joint production initiatives.

We are also taking steps to develop and provide handset functions suitable for replaying videos and other content, such as introducing Inline Flash®, which plays video on a sub-section of a screen.

> Increasing the number of subscriptions to packet flat-rate services is the key to increasing packet communications revenues

In the period of pay-as-you-go systems, packet communications revenues were generally expected to increase in tandem with the spread of the Internet. On the other hand, in the age of unlimited use, flat-rate services, an expanded focus on subscriptions plays an indispensable role in increasing revenues. In addition to measures to enhance billing plans and services and content, as discussed above, DOCOMO is working to promote increased packet flat-rate service revenues. To that end, we are offering customers who do not actively access information over the Internet enhanced mobile Internet access opportunities through the *i-channel* information service, which distributes information useful in daily life.

Enhancing Billing Plans / Expanding Services and Content / Promoting Packet Usage through Strengthened Handset Functionality



Blackberry Bold

HT-02A

> Strengthening smart phone initiatives, a growth market

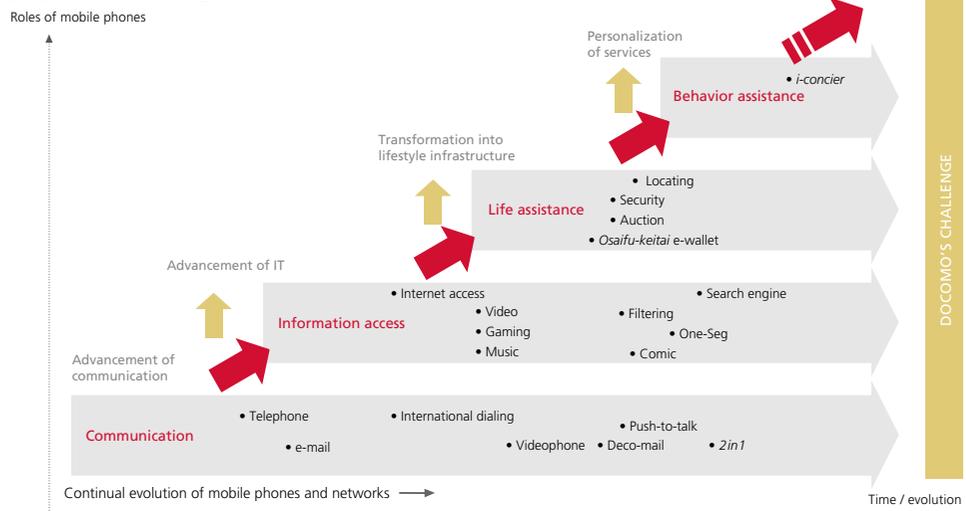
The market strategy of promoting smart phones with advanced functions rivaling those of mobile PCs, such as general purpose operating systems, Internet connection capabilities, schedule managers, and personal information management, as well as PC data cards, is positioned as an important part of efforts to expand packet ARPU. DOCOMO, principally targeting enterprise demand and second handset consumer demand, is working to expand its lineup and strengthen its promotion of smart phones and data cards for PCs.

Initiatives Targeting the Creation of New Sources of Revenues

NEW EVOLUTION IN SERVICES

The unique properties of mobile phones include real-time immediacy, where people are within 30 cm of their mobile phones 24 hours a day; personal authentication, where the user can be identified; and locating capabilities, where the user's location can be determined through such technologies as GPS. Utilizing these properties, DOCOMO will strive to provide behavior support tailored to the preferences and lifestyle of each individual user. Method of communications, method of accessing information on the Internet, *lifestyle infrastructure*. And now *behavior support*. In all of these mobile phone functions, which continue to grow, DOCOMO will lead new progress in services through the use of the special properties of mobile phones and will create new sources of revenues. Specifically, in the three fields of personalization, social support, and converged services, we will work to facilitate service evolution, and are aiming to achieve revenues of about ¥100.0 billion in each of these fields by fiscal 2012.

Direction of Service Evolution

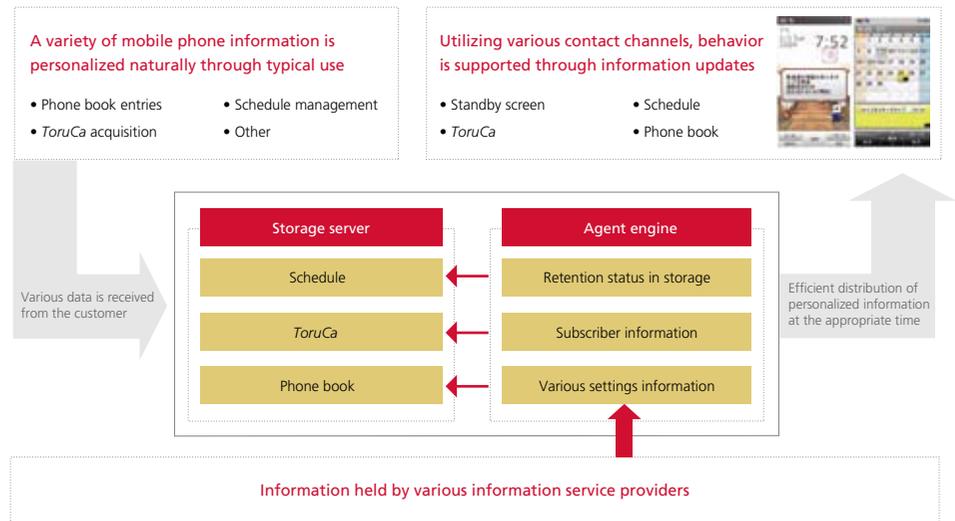


> Personalization services

Against a background of a well-established, high-speed communications environment, more advanced handsets, and enhanced content for mobile phones, accessing the Internet through a mobile phone has become a common activity. However, it can be very difficult for users to navigate among the vast amount of information available and to find the information that they need.

To enable customers to make full use of the mobile Internet by accessing information that meets their individual needs, we will offer information distribution services tailored to each person's interests, values and lifestyle. This is the personalization of services. The *i-concier* service, which was introduced in November 2008, is the realization of this idea. With this service, the mobile phone acts like a butler or concierge, supporting daily activities by automatically providing information that is tailored to the location and interests of each customer. The number of subscriptions to this service has recorded favorable growth, with cumulative subscriptions surpassing one million in just six months after the launch of the service. In the future, we will take steps to further enhance personalization of this service and to step up its growth, such as enhancing services linked to location information and focusing on the provision of community information.

Overview of *i-concier* Service



> Social support services

In social support services, we aim to contribute to the resolution of issues that hinder the sustained development of society, such as issues in the fields of environmental problems, health care, and safety/security. To resolve these issues, we will promote initiatives utilizing mobile phones, and develop them into new businesses. This will be made possible by DOCOMO's comprehensive strengths – its overwhelming customer base of 55 million subscribers; the systems and know-how necessary to comprehensively develop and improve networks, handsets, and services; nationwide networks of base stations and sales bases; and the ability to advance alliances in concert with other companies. Specifically, in five fields where mobile communications can make great contributions and where there is substantial business potential – the environment, medical services, finance, safety/security, and education – we will establish a social platform that enhances the efficiency of information distribution and will create a new business model. In fiscal 2009, especially in the medical care and health field, we will move ahead with the establishment of infrastructure for the delivery of personal medical information using mobile communications. In addition, in the environment/ecology field, we will establish infrastructure for information collection by combining sensing technologies with mobile communications, and in the finance/payment business, we will diversify our services.

> Converged services

Converged services entail the provision of highly convenient services through the linkage and functional integration of mobile phones with various devices. A growing range of electronic devices now have communications functionality, and DOCOMO believes that we can further enhance services by using the unique properties of mobile phones. In addition to links with digital devices, we will also take steps to establish an environment that enables users to seamlessly access mobile communications, fixed-line communications, broadcasting, and home networks. From the second half of fiscal 2009, we plan to launch new Home Area services using Femto cells, and as a first step, we will develop services incorporating links with digital consumer goods and other devices.

UNCOVERING NEW GROWTH FIELDS

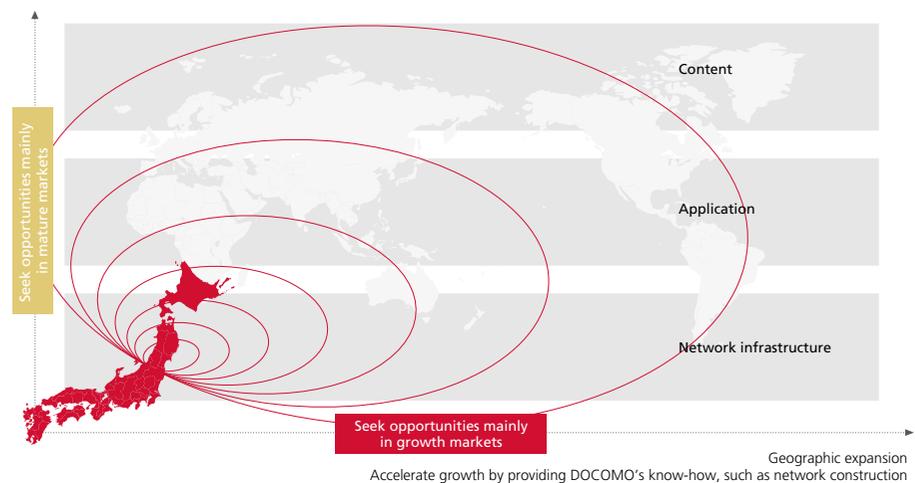
> Advancing international business

We are also working to expand the scale of our international business revenues. To increase international roaming revenues, we will promote *WORLD WING*, a service that enables customers traveling overseas to use the same handset that they use in Japan. To that end, we will implement focused initiatives, including the seamless provision of high-value-added services available in Japan, such as *i-mode*, and the enhancement of our support system to ensure worry-free usage overseas. Also, we will create a new source of revenues – solutions consulting revenues – by providing mobile-linked administrative support solutions for the local subsidiaries and bases of Japanese companies with overseas operations. Furthermore, we are also working to build operational foundations overseas through investments and alliances. In regions with mature mobile phone markets, such as North America and Europe, our basic policy is to conduct joint development and deployment of new services and technologies that leverage our strengths. On the other hand, in regions with rapidly growing markets, such as India, we will provide technologies and know-how through investments in, and alliances with, telecommunications operators. In this way, we will contribute to increases in the enterprise value of the companies in which we have invested, and will generate a return on our investment as these companies increase their penetration rate.

Through these initiatives, in the fiscal year ending March 31, 2010, we are aiming to expand revenues to ¥100.0 billion, including international service revenues as well as dividends and consolidated revenues.

Pursuing Added Value and Expanding Geographically

Added value enhancement
Joint development / Deployment of new services / Technologies



> Bolstering initiatives in the corporate market

Growth in the number of consumer subscriptions is expected to be sluggish, but the enterprise market is seen as a growth market with substantial room for expansion in the number of subscriptions. DOCOMO has achieved solid results and built a strong reputation in the enterprise market. Moving forward, we will further bolster our initiatives in this market, drawing on the strengths that make up the foundation of our progress to date – the diversity of our services, solid security management systems, and reliable infrastructure. We will establish a marketing system structure that has a representative assigned to each customer, and, in addition to voice communications, we will expand data communications modules by opening up new fields in which it is possible to develop applications. Also, we will strengthen proposals through initiatives related to safety/security and CSR, such as the uptake of the *Area Mail* emergency alert service and the use of fleet management systems, which contribute to CO₂ emission reductions.

In fiscal 2009, we will aim to acquire 7 million contracts, up 400 thousand from fiscal 2008.

> Expansion of credit business

DOCOMO is working to diversify revenue sources by bolstering business development in non-traffic fields. For DOCOMO, with its base of 55 million customers, the *iD* credit brand and the *DCMX* credit service have the potential to be a source of future revenues in this area. DOCOMO's credit brand, *iD*, and the *iD*-compatible credit service, *DCMX*, are provided through the *Osafu-Keitai*, which uses contactless IC cards installed in mobile phones. By promoting the penetration of *iD* payment terminals, we will work to expand the number of stores at which *iD* can be used and to promote increased usage. Specifically, we will work to acquire new *DCMX* members at DOCOMO shops throughout the country, aiming for 11.8 million subscriptions by the end of fiscal 2009, an increase of 2.82 million subscriptions from the end of fiscal 2008. We will make efforts to expand the use of the *DCMX* credit service by increasing the number of shops where "docomo points" can be obtained through the use of *DCMX* and by conducting promotions on the *DCMX* DOCOMO *Point Mall* Internet site.

Supporting "Change and Challenge"

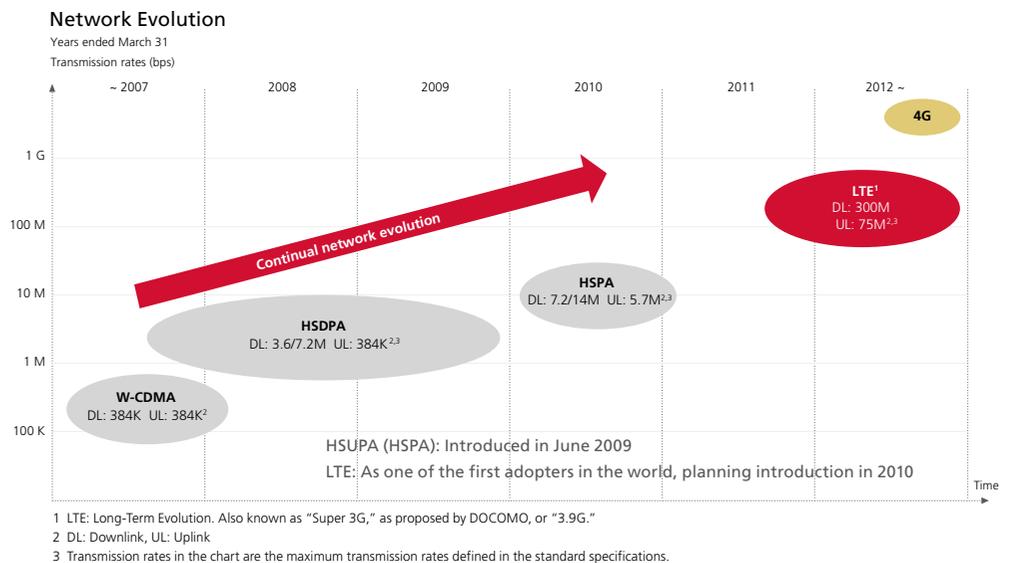
FOUNDATION OF PROGRESS IN SERVICES: MORE ADVANCED NETWORKS AND HANDSET EVOLUTION

> More advanced networks

Customer demands for stress-free access to video and other rich content are expected to rise as the enjoyment of rich content on mobile phones becomes commonplace. Accordingly, we expect data communications traffic to increase. To respond to these needs with stable communications quality, DOCOMO will construct a high-speed, low-latency, large-capacity network.

In June 2009, we introduced our HSUPA¹ service, which has a maximum uplink transmission rate of 5.7 Mbps. In 2010, we will introduce an LTE service realizing a maximum downlink transmission rate of 300 Mbps under 3GPP standard technical specifications. LTE is an advanced version of W-CDMA, the third-generation mobile phone technology. With this service, we will construct a high-speed, low-latency, large-capacity network that will facilitate advanced services.

¹ HSUPA: High Speed Uplink Packet Access



> Handset evolution

The adoption of open platforms for handsets is one way DOCOMO is supporting handset evolution. The objective of these initiatives is to continually strengthen DOCOMO's handset competitiveness and to reduce handset procurement costs through reductions in their development costs and through the mutual market entry of manufacturers in Japan and overseas. Currently, in middleware, there is an ongoing separation into global applications (standard application sets that can be used around the world), and *Operator Packs*, which comprise DOCOMO-specific services. We are proceeding with development, with a goal of installing *Operator Packs* on handsets introduced in the second half of the fiscal year ended March 31, 2010. In addition to middleware, DOCOMO is also supporting progress in operating systems. By promoting the adoption of globally standardized, open platforms, such as Android, Symbian, and Windows Mobile, we will work to achieve service diversification and the overseas adoption of DOCOMO's services.

Physical handset constraints, such as size and thickness, will become a bottleneck in efforts to advance services. DOCOMO will strive to resolve this challenge by placing a portion of the processing load on a high-speed, low-latency, large-capacity network. This will make possible more-advanced services, such as thin client services and intuitive search using handset cameras.

> Capital expenditures and improvement of cost efficiency

Capital expenditures have followed a declining trend since the fiscal year ended March 31, 2007, when the area coverage of W-CDMA was expanding and capital expenditures were ¥934.4 billion. In the fiscal year ended March 31, 2009, capital expenditures were ¥737.6 billion. In the coming years, we plan to keep capital investment below ¥700.0 billion per year, including investment in LTE and new services. To increase customer satisfaction, we will move forward with efficient investment and improved cost efficiency through measures such as reduction of equipment procurement costs and efficient designing, construction, and deployment of economical equipment, in tandem with measures targeting further improvement in area quality and enhancement of equipment in response to the increase in the volume of data communication.

Also, in conjunction with the efforts to improve our top line, described above, we will work to increase cost efficiency, with a target of ¥200.0 billion in cost reductions, or about 10% of the ¥2 trillion in operating expenses, such as network-related costs and general expenses. In this way, we are aiming to achieve more than ¥900.0 billion in operating income, as indicated in our medium-term vision.

Cost Reduction Targets and Major Initiatives by Fields

Field	Principal initiatives	Reduction targets in fiscal 2009 (In comparison with the results of fiscal 2007)	Reduction targets by fiscal 2012 (In comparison with the results of fiscal 2007)
Network-related costs	<ul style="list-style-type: none"> Reduction of base station construction costs Network streamlining Reduction of communication network charges 	¥101.5 billion	¥140.0 billion
General expenses	<ul style="list-style-type: none"> Leveraging our status as a single entity, such as reviewing operational processes, handset logistics, and implementing integration and efficiency improvement initiatives at various centers Optimal allocation of human resources 	¥40.0 billion	¥60.0 billion
Total		¥141.5 billion	¥200.0 billion

Under its medium-term vision, DOCOMO is reviewing every aspect of its business from the customer's perspective, while strengthening relationships with customers and fostering innovation taking advantage of the unique characteristics of mobile communications. In this way, DOCOMO will continue to take on the challenge of creating new value.

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