



3:00 P.M. JST, January 31, 2007  
NTT DoCoMo, Inc.

## **Earnings Release for the Nine Months Ended December 31, 2006**

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Consolidated financial results of NTT DoCoMo, Inc. (the “Company”) and its subsidiaries (collectively “we” or “DoCoMo”) for the nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006), are summarized as follows.

### << Highlights of Financial Results >>

- For the nine months ended December 31, 2006, operating revenues were 3,597.0 billion yen (up 0.4% compared to the same period of the prior year), operating income was 676.9 billion yen (down 2.4% compared to the same period of the prior year), income before income taxes was 680.7 billion yen (down 16.1% compared to the same period of the prior year) and net income was 403.7 billion yen (down 21.8% compared to the same period of the prior year).
- Earnings per share were 9,154.91 yen (down 19.4% compared to the same period of the prior year) and EBITDA margin\* was 34.6% (down 0.1 point compared to the same period of the prior year).

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Notes:

1. Consolidated financial statements in this release are unaudited.
2. Amounts in this release are rounded off.

\* EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definition of EBITDA, see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 18.

<< Comment by Masao Nakamura, President and CEO >>

In the third quarter of the fiscal year ending March 31, 2007, we worked continuously to enhance our network quality, released the latest “FOMA 903i” series handsets and implemented various other measures in all-out efforts to reinforce our competitiveness. As a consequence, the number of FOMA subscribers exceeded 32 million as of December 31, 2006, and our cellular churn rate for the third quarter increased slightly to 0.93%, due to subscribers’ relatively calm response to the Mobile Number Portability following its launch on October 24, 2006. Operating revenues and operating income for the nine months ended December 31, 2006 were 3,597.0 billion yen (up 14.8 billion yen compared to the same period of the prior year) and 676.9 billion yen (down 16.6 billion yen compared to the same period of the prior year), respectively.

In the coming spring, we plan to add more models to our handset lineup through the release of the new “FOMA 703i” series handsets, which will include the world’s slimmest W-CDMA handset in a clamshell form. We will also continue our endeavors to improve FOMA’s network quality and broaden the coverage of HSDPA (High-Speed Downlink Packet Access), and strive to develop and invigorate the video/music content market. In March 2007, we are planning to expand our flat-rate billing package for packet data communications, to allow users to access PC-configured web sites and video contents using a full-scale browser for a fixed monthly rate. Meanwhile, we have steadily solidified the foundation of our credit business by increasing the user count of “DCMX” mobile credit payment services to 1.39 million and the number of installed “iD” payment terminals to 100 thousand. The uptake of “Osai-fu-Keitai”<sup>\*</sup> services is also growing at a favorable pace, with the user base of compatible handsets expected to reach 20 million by the end of March 2007. Leveraging these services, we will pursue our goal to transform mobile phones into “lifestyle infrastructure”.

While the business climate surrounding us is expected to become increasingly harsh, we will devote ourselves to serving our customers and striving to improve every aspect of our service offerings with the aim to build up our competitiveness and strengthen our business foundation thereby.

<sup>\*</sup> “Osai-fu-Keitai” refers to mobile phones equipped with a contactless IC card, as well as the useful function and services enabled by the IC card. With this function, a mobile phone can be utilized as electronic money, a credit card, an electronic ticket, a membership card and an airline ticket, among other things.

<< Operating Results and Financial Position >>

<Results of operations>

	Billions of yen					
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)		Year ended March 31, 2006	
Operating revenues	¥ 3,597.0	¥ 3,582.2	¥ 14.8	0.4%	¥ 4,765.9	
Operating expenses	2,920.1	2,888.8	31.3	1.1	3,933.2	
Operating income	676.9	693.5	(16.6)	(2.4)	832.6	
Other income, net	3.8	117.7	(113.9)	(96.8)	119.7	
Income before income taxes	680.7	811.2	(130.5)	(16.1)	952.3	
Income taxes	276.7	293.9	(17.2)	(5.9)	341.4	
Equity in net losses of affiliates	(0.2)	(0.9)	0.6	71.3	(0.4)	
Minority interests in consolidated subsidiaries	(0.0)	0.0	(0.0)	–	(0.1)	
Net income	¥ 403.7	¥ 516.4	¥ (112.7)	(21.8)%	¥ 610.5	

## 1. Business Overview

- (1) Operating revenues totaled 3,597.0 billion yen (up 0.4% compared to the same period of the prior year).
- Cellular (FOMA+mova) services revenues increased to 3,157.6 billion yen (up 0.9% compared to the same period of the prior year). Despite some negative effects from our strategic billing arrangements introduced in the past, these revenues grew due to the acquisition of new subscribers and lowering of our churn rate through our customer-oriented operations.
  - Voice revenues from FOMA services increased to 1,308.3 billion yen (up 59.7% compared to the same period of the prior year) and packet communications revenues from FOMA services increased to 697.5 billion yen (up 65.2% compared to the same period of the prior year) owing to a significant increase in the number of FOMA services subscribers to 32.11 million (up 59.5% compared to the same period of the prior year). The increase in the number of FOMA subscribers resulted from factors such as the improvements in network quality and the release of new handsets, including the “FOMA 903i/702iS” series.
  - Equipment sales revenues decreased to 348.3 billion yen (down 1.4% compared to the same period of the prior year). While the number of handsets sold increased due to steady migration of subscribers from mova services to FOMA services, the amount accounted for as sales revenue per handset decreased.

<Breakdown of operating revenues>

	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
Wireless services	¥ 3,248.8	¥ 3,229.0	¥ 19.7	0.6%
Cellular (FOMA+mova) services revenues (i)	3,157.6	3,130.3	27.3	0.9
- Voice revenues (ii)	2,238.5	2,303.4	(64.9)	(2.8)
Including: FOMA services	1,308.3	819.1	489.2	59.7
- Packet communications revenues	919.1	826.9	92.2	11.1
Including: FOMA services	697.5	422.2	275.3	65.2
PHS services revenues	18.4	32.6	(14.2)	(43.6)
Other revenues	72.8	66.2	6.6	10.0
Equipment sales	348.3	353.2	(4.9)	(1.4)
<b>Total operating revenues</b>	<b>¥ 3,597.0</b>	<b>¥ 3,582.2</b>	<b>¥ 14.8</b>	<b>0.4%</b>

Notes:

- (i) Cellular (FOMA+mova) services revenues for the nine months ended December 31, 2006 reflected the impact of recognizing as revenues the portion of “Nikagetsu Kurikoshi” (2-months carry over) allowances that are projected to expire.
- (ii) Voice revenues include data communications revenues through circuit switching system.

- (2) Operating expenses were 2,920.1 billion yen (up 1.1% compared to the same period of the prior year).
- Personnel expenses were 188.8 billion yen (up 1.1% compared to the same period of the prior year). The number of employees as of December 31, 2006 was 22,356.
  - Non-personnel expenses increased to 1,860.4 billion (up 1.4% compared to the same period of the prior year). This increase resulted mainly from an increase in cost of equipment sold due to proportional growth in sales of FOMA handsets to the aggregate number of handsets sold.
  - Depreciation and amortization increased by 0.9% to 537.4 billion yen compared to the same period of the prior year due to an increase in capital expenditures for expansion and quality improvement of FOMA network.

&lt;Breakdown of operating expenses&gt;

	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
Personnel expenses	¥ 188.8	¥ 186.6	¥ 2.1	1.1%
Non-personnel expenses	1,860.4	1,835.3	25.1	1.4
Depreciation and amortization	537.4	532.7	4.6	0.9
Loss on disposal of property, plant and equipment and intangible assets	35.5	26.3	9.2	35.0
Communication network charges	270.7	280.2	(9.5)	(3.4)
Taxes and public dues	27.4	27.7	(0.3)	(1.0)
<b>Total operating expenses</b>	<b>¥ 2,920.1</b>	<b>¥ 2,888.8</b>	<b>¥ 31.3</b>	<b>1.1%</b>

Note:

For the period starting from April 1, 2006, the amount of impairment loss related to PHS assets, which was separately stated in the past, is included in "Depreciation and amortization". As the result thereof, relevant reclassifications are made to the operating results for the nine months ended December 31, 2005.

(3) Operating income decreased to 676.9 billion yen (down 2.4% compared to the same period of the prior year). In addition, due principally to the effect of gains we recognized on the sales of Hutchison 3G UK Holdings Limited shares (62.0 billion yen) and KPN Mobile N.V. shares (40.0 billion yen) during the same period of the prior year, income before income taxes decreased to 680.7 billion yen (down 16.1% compared to the same period of the prior year).

(4) Net income was 403.7 billion yen (down 21.8% compared to the same period of the prior year).

## 2. Segment Information

### (1) Mobile phone business

Operating revenues were 3,547.9 billion yen and operating income was 694.9 billion yen.

- The aggregate number of cellular (FOMA+mova) services subscribers increased to 52.21 million as of December 31, 2006 (up 2.1% compared to the same period of the prior year).
- Voice ARPU, packet ARPU, and aggregate ARPU of cellular (FOMA+mova) services for the nine months ended December 31, 2006 were 4,780 yen (down 6.5% compared to the same period of the prior year), 1,980 yen (up 6.5% compared to the same period of the prior year), and 6,760 yen (down 3.0% compared to the same period of the prior year), respectively.
- Churn rate for cellular (FOMA+mova) services for the three months and nine months ended December 31, 2006 were 0.93% (up 0.21 point compared to the same period of the prior year) and 0.72% (down 0.06 point compared to the same period of the prior year), respectively.

#### • Cellular (FOMA) services

- Reinforcement of network coverage and launch of HSDPA services

In order to enhance the network coverage and quality of radio reception, we completed FOMA network coverage nationwide for stations of Japan Railways Group, educational institutes, and public service areas for automobiles. We added base stations on high buildings and in underground shopping areas. We also reflected voices of our customers collected in the opinion survey on our web site in our network planning.

In August 2006, we launched HSDPA services, which provide packet download speed of up to 3.6Mbps, first in Metropolitan Tokyo areas, and expanded the services to other major cities in Japan by the end of October 2006.

- Enriched variety of handset lineup

In order to meet various customer needs, we released a total of 32 models during the nine months ended December 31, 2006.

As for our high-end models, we released “FOMA 903i” series, which feature enhanced music functions and extended memory capacity for further vivid visuals in rich applications (“Mega i-appli”) such as games or GPS navigation. We released “FOMA 702is” series as standard models, which feature unique designs. We also released simple and compact handsets called “SIMPURE” series for customers who prefer simple usability.

We released two products compatible with HSDPA services, “FOMA N902iX HIGH-SPEED” and “FOMA M2501 HIGH-SPEED”, the latter of which is a PC card type terminal dedicated to data communication.

– Providing various services and enhanced functions

As our music services, we launched “Chaku-Uta full”, which enables users to download complete music tracks, and “Music Channel”, which provides longer and high-quality music programs. We also released several handsets compatible with “Napster To Go”, which is provided by Napster Japan, Inc. to enable users to download an unlimited number of music tracks to a PC for a flat rate and to transfer the tracks to a compatible music player or cellular handset.

For customers’ security purposes, we launched “Keitai-Osagashi Service” which enables our customers to locate misplaced handsets using GPS technology by accessing the “My DoCoMo” portal for PCs. We also equipped a certain handset model with a function called “ANSHIN-KEY Lock” which automatically locks/unlocks the handset depending on the proximity of “ANSHIN-KEY”, a special IC-card key, to the handset.

– Corporate marketing

We actively marketed mobile system solutions featuring two of our new PDA-type handsets: “hTc Z” handset, which is supplied by High Tech Computer Corporation in Taiwan, and “BlackBerry 8707h”, which is supplied by Research In Motion Limited in Canada.

- Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA) services for the nine months ended December 31, 2006 were 5,200 yen (down 11.1% compared to the same period of the prior year), 2,800 yen (down 8.2% compared to the same period of the prior year) and 8,000 yen (down 10.1% compared to the same period of the prior year), respectively.

• Cellular (mova) services

- Due to the continuous migration of subscribers from mova services to FOMA services, the proportion of mova services subscribers to the aggregated cellular (FOMA+mova) subscribers as of December 31, 2006 decreased to 38.5%.
- Voice ARPU, i-mode ARPU and aggregate ARPU of cellular (mova) services for the nine months ended December 31, 2006 were 4,280 yen (down 10.3% compared to the same period of the prior year), 1,020 yen (down 22.7% compared to the same period of the prior year) and 5,300 yen (down 13.0% compared to the same period of the prior year), respectively.

• i-mode services

– Usage promotion

In order to improve convenience of “i-mode”, we launched a keyword search service. By inputting a keyword into the search box on the top page of Japanese iMenu portal, users can search official i-mode sites, as well as non-official i-mode sites through a search engine (13 search engines were available as of December 31, 2006).

Rakuten Auction, Inc., a joint venture company established by Rakuten, Inc. and DoCoMo, launched “Rakuten Auction” service which features “anonymous escrow”, which does not require sellers or winning bidders to reveal private information to one another.

In order to increase usage volume among a wide range of subscribers, we continued to promote our “i-channel”, push-type information casting service, by setting our handsets “i-channel” compatible as a default function. The number of “i-channel” service subscribers as of December

31, 2006 increased to 8.12 million.

– Global development

In December 2006, we reached an agreement with Hutchison Essar, Ltd., one of India's leading mobile operators, pursuant to which Hutchison Essar will introduce i-mode services in India. (The agreement is subject to governmental approval to be effective.)

The i-mode services were rolled out in 16 countries and areas including Japan as of December 31, 2006, and the aggregate number of cellular service subscribers of all the operators which participate in the i-mode services alliance reached 270 million.

• International services

– Addition of handsets compatible with international roaming-out service

We increased the variety of handsets compatible with “WORLD WING”, international roaming-out services, when we added five handsets such as “SIMPURE L1” and “FOMA M702iG”, which are compatible with both 3G and GSM network overseas. We also released nine handsets including “FOMA 903i” series which are “WORLD WING” compatible and available for 3G network overseas.

– Expansion of the service area

We steadily expanded the service area of international roaming-out services for voice calls and SMS to 150 countries and areas; for packet communications to 93 countries; and for videophone calls to 32 countries and areas, each as of December 31, 2006.

– Development of alliance among mobile operators in Asia

In April 2006, we formed a strategic alliance with six Asian mobile operators, including Far EasTone Telecommunications Co., Ltd. in Taiwan, to cooperate in international roaming and development of mobile services for corporate accounts. In December 2006, we officially named the alliance “Conexus Mobile Alliance”, and added Smart Communications, Inc., the Philippines' leading mobile operator, to the alliance. The members of the largest alliance in the Asian region, which expanded its coverage to over 130 million mobile subscribers, started working in collaboration to enhance their competitiveness in their own countries/regions by offering services such as roaming via HSDPA, in addition to conventional roaming via GSM/GPRS and/or W-CDMA networks.

Note:

ARPU: Average monthly revenue per unit

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing various revenue items included in operating revenues from our wireless services, such as monthly charges, voice transmission charges and packet transmission charges, from designated services which are incurred consistently each month, by number of active subscribers to the relevant services. Accordingly, the calculation of ARPU excludes revenues that are not representative of monthly average usage such as activation fees. We believe that our ARPU figures provide useful information to analyze the average usage of our subscribers and the impacts of changes in our billing arrangements. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations. This definition applies to all ARPU figures hereinafter. See page 17 for the details of the calculation methods.

<Number of subscribers by services>

	Thousand subscribers			Increase	
	December 31, 2006	March 31, 2006		(Decrease)	
Cellular (FOMA) services	32,114	23,463	8,650		36.9%
Cellular (mova) services	20,100	27,680	(7,580)		(27.4)
i-mode services	47,208	46,360	848		1.8

Note:

Number of i-mode subscribers as of December 31, 2006 = Cellular (FOMA) i-mode subscribers (30,929 thousand) + Cellular (mova) i-mode subscribers (16,279 thousand)  
 Number of i-mode subscribers as of March 31, 2006 = Cellular (FOMA) i-mode subscribers (22,914 thousand) + Cellular (mova) i-mode subscribers (23,446 thousand)

<Operating results>	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
Mobile phone business operating revenues	¥ 3,547.9	¥ 3,521.5	¥ 26.4	0.7%
Mobile phone business operating income	694.9	697.9	(3.0)	(0.4)

## (2) PHS business

Operating revenues were 18.7 billion yen and operating loss was 7.4 billion yen.

- Ahead of the scheduled termination of PHS services during the three months ending December 31, 2007, we were continuously engaged in a campaign to encourage current PHS subscribers to migrate to FOMA services.
  - PHS ARPU for nine months ended December 31, 2006 was 3,110 yen (down 5.8% compared to the same period of the prior year).

Note:

See page 17 for the details of the ARPU calculation methods.

<Number of subscribers>	Thousand subscribers		
	December 31, 2006	March 31, 2005	Increase (Decrease)
PHS services	530	771	(241) (31.2)%

<Operating results>	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
PHS business operating revenues	¥ 18.7	¥ 33.2	¥ (14.6)	(43.9)%
PHS business operating loss	(7.4)	(3.1)	(4.3)	(137.9)

## (3) Miscellaneous businesses

Operating revenues were 30.5 billion yen and operating loss was 10.6 billion yen.

- Credit business
  - “DCMX” mobile credit payment services
 

We steadily promoted our “DCMX” so that the number of “DCMX” subscribers exceeded 1 million in November 2006 and reached 1.39 million as of December 31, 2006.
  - Credit platform “iD”
 

We steadily expanded the number of the stores where “iD” reader/writers are available. The number of “iD” reader/writers increased to approximately 100 thousand as of December 31, 2006.

We developed jointly with East Japan Railway Company the “common infrastructure (common reader/writer and common usage center)”, through which electronic payment becomes available for users of “iD” and “Suica”. We also agreed with other electronic commerce service providers to accommodate “QUICPay” and “Edy” to the “common infrastructure” as well.
  - The number of “Osaifu-Keitai” handsets increased to 18.3 million as of December 31, 2006.
- Wireless LAN service
  - We completed coverage of our wireless LAN service in Tsukuba Express train. The number of our domestic hot spots increased to 1,541 as of December 31, 2006.
- Launch of IP Phone service for corporate accounts
  - We launched a service called “Business mopera IP Centrex”, which enables users to call outbound or extension via IP Centrex device on our networks, instead of via traditional in-house PBX, with FOMA/wireless LAN compatible handset “FOMA N900iL”.

- Quickcast service
  - Ahead of the scheduled termination of the Quickcast services on March 31, 2007, we continued to notify current Quickcast subscribers of such termination.

<Operating results>

	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
Miscellaneous businesses operating revenues	¥ 30.5	¥ 27.5	¥ 3.0	10.8%
Miscellaneous businesses operating loss	(10.6)	(1.3)	(9.3)	(702.1)

### 3. Capital Expenditures

Total capital expenditures were 679.3 billion yen.

- For reinforcement of our competitiveness prior to the introduction of the Mobile Number Portability, we built base stations at a record-high pace, expanded the coverage areas of FOMA services, improved network quality, and reinforced our FOMA network to meet the increase in traffic demand. We also continued our efforts to make capital expenditures more efficient and less costly by saving on equipment purchase costs and improving our design and construction processes. Total capital expenditures during the nine months ended December 31, 2006 increased by 11.6% compared to the same period of the prior year.

<Breakdown of capital expenditures>

	Billions of yen			
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)	
Mobile phone business	¥ 583.5	¥ 515.4	¥ 68.1	13.2%
PHS business	0.9	0.7	0.2	27.1
Other (including information systems)	94.8	92.4	2.5	2.7
Total capital expenditures	¥ 679.3	¥ 608.5	¥ 70.8	11.6%



#### 4. Cash Flow Conditions

- Net cash provided by operating activities was 582.0 billion yen (down 44.3% compared to the same period of the prior year). The combination of an increase in income tax payment and a decrease in refund of income taxes resulted in an increase in cash payment by 269.2 billion yen (we paid 89.4 billion yen for income taxes, net of a refund of income taxes, in the same period of the prior year, when deferred tax assets from the impairment of our investment in AT&T Wireless Services, Inc. were realized). The effect of a bank holiday at the end of December, which deferred our cash reception including cellular revenues to the following month, was 217.0 billion yen.
- Net cash used in investing activities was 717.8 billion yen (down 9.6% compared to the same period of the prior year). An increase in acquisitions of tangible and intangible assets was more than offset by a decrease in acquisitions of long-term investments.
- Net cash used in financing activities, including repurchase of our own stock, dividend payment, repayment of outstanding long-term debt, was 462.1 billion yen (up 4.5% compared to the same period of the prior year). A decrease in payment for repurchase of our own stock was more than offset by an increase in repayment of outstanding long-term debt and dividend payment. We spent 140.0 billion yen during the nine months ended December 31, 2006 to repurchase our own stock in the market.
- Free cash flows were negative 135.7 billion yen. Free cash flows excluding irregular factors and changes in investments for cash management purposes were 31.9 billion yen.

<Statements of cash flows>

	Billions of yen		
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)
Net cash provided by operating activities	¥ 582.0	¥ 1,044.7	¥(462.7) (44.3)%
Net cash used in investing activities	(717.8)	(794.0)	76.3 9.6
Net cash used in financing activities	(462.1)	(442.1)	(20.0) (4.5)
Free cash flows	(135.7)	250.7	(386.4) -
Free cash flows excluding irregular factors and changes in investments for cash management purposes*	31.9	463.1	(431.2) (93.1)

<Financial measures>

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Increase (Decrease)
Equity ratio	68.2%	63.0%	5.2 point
Debt ratio	13.7%	19.0%	(5.3) point

Notes:

- Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities
- Irregular factors = the effects of uncollected revenues due to a bank holiday at the end of the fiscal period
- Changes in investments for cash management purposes = Changes by purchases, redemptions and disposal of financial instruments for cash management purposes with original maturities of longer than 3 months
- Equity ratio = Shareholders' equity / Total assets
- Debt ratio = Interest bearing liabilities / (Shareholders' equity + Interest bearing liabilities)

\* See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 18.

The products or company names shown in this Earnings Release are trademarks or registered trademarks of each corresponding company.

# Consolidated Financial Statements

For the Nine Months Ended December 31, 2006

January 31, 2007

[U.S. GAAP]



Name of registrant: **NTT DoCoMo, Inc.**  
 Code No.: 9437  
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section  
 (URL <http://www.nttdocomo.co.jp/>)  
 Representative: Masao Nakamura, Representative Director, President and Chief Executive Officer  
 Contact: Masahiko Yamada, Senior Manager, General Affairs Department / TEL +81-3-5156-1111

## 1. Notes Related to the Preparation of the Consolidated Financial Statements

- (1) Adoption of simplified accounting methods: No  
 (2) Difference in the accounting policies from the most recent fiscal year: No  
 (3) Change of reporting entities  
 Number of consolidated companies added: 3                      Number of consolidated companies removed: 6  
 Number of companies on equity method added: 1                      Number of companies on equity method removed: 0

## 2. Consolidated Financial Results for the Nine Months Ended December 31, 2006 (April 1, 2006 - December 31, 2006)

### (1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen.

(Millions of yen, except per share amounts)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income	
Nine months ended December 31, 2006	3,597,020	0.4%	676,912	(2.4)%	680,704	(16.1)%	403,692	(21.8)%
Nine months ended December 31, 2005	3,582,248	(1.7)%	693,480	(7.7)%	811,189	(35.1)%	516,399	(31.7)%
Year ended March 31, 2006	4,765,872		832,639		952,303		610,481	

	Basic Earnings per Share	Diluted Earnings per Share
Nine months ended December 31, 2006	9,154.91 (yen)	9,154.91 (yen)
Nine months ended December 31, 2005	11,352.77 (yen)	11,352.77 (yen)
Year ended March 31, 2006	13,491.28 (yen)	13,491.28 (yen)

Notes: 1. The weighted average number of shares outstanding: For the nine months ended December 31, 2006: 44,095,706 shares  
 For the nine months ended December 31, 2005: 45,486,620 shares  
 For the fiscal year ended March 31, 2006: 45,250,031 shares

2. Percentage for operating revenues, operating income, income before income taxes and net income in the above tables represent changes compared to the corresponding previous periods.

### (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
December 31, 2006	6,053,063	4,128,324	68.2%	94,515.76 (yen)
December 31, 2005	6,295,347	3,967,033	63.0%	89,016.07 (yen)
March 31, 2006	6,365,257	4,052,017	63.7%	91,109.33 (yen)

Note: The number of shares outstanding as of December 31, 2006 and 2005, and March 31, 2006 was 43,678,684, 44,565,359 and 44,474,227, respectively.

### (3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Nine months ended December 31, 2006	582,048	(717,781)	(462,076)	243,330
Nine months ended December 31, 2005	1,044,703	(794,043)	(442,077)	579,964
Year ended March 31, 2006	1,610,941	(951,077)	(590,621)	840,724

## 3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

(Millions of yen)

	Operating Revenues	Income before Income Taxes	Net Income
Year ending March 31, 2007	4,799,000	815,000	488,000

(Reference) Forecasted earnings per share: 11,172.50 yen

- Notes: 1. There has been no change in our forecasts for the fiscal year ending March 31, 2007 since we announced the forecasts on October 27, 2006.  
 2. With regard to the above forecasts, please refer to page 19.

\* Consolidated financial statements are unaudited.

## &lt;&lt; Consolidated Financial Statements &gt;&gt;

## 1. Consolidated Balance Sheets

	Millions of yen				
	(UNAUDITED) December 31, 2006	(UNAUDITED) December 31, 2005	Increase (Decrease)		March 31, 2006
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	¥ 243,330	¥ 579,964	¥ (336,634)	(58.0)%	¥ 840,724
Short-term investments	152,110	186,726	(34,616)	(18.5)	51,237
Accounts receivable	890,572	915,895	(25,323)	(2.8)	609,837
Allowance for doubtful accounts	(13,147)	(14,960)	1,813	12.1	(14,740)
Inventories	168,713	121,513	47,200	38.8	229,523
Deferred tax assets	82,227	100,329	(18,102)	(18.0)	111,795
Prepaid expenses and other current assets	161,898	99,432	62,466	62.8	98,382
Total current assets	1,685,703	1,988,899	(303,196)	(15.2)	1,926,758
<b>Property, plant and equipment:</b>					
Wireless telecommunications equipment	5,050,226	4,622,924	427,302	9.2	4,743,136
Buildings and structures	766,361	718,409	47,952	6.7	736,660
Tools, furniture and fixtures	615,499	604,378	11,121	1.8	610,759
Land	198,660	197,549	1,111	0.6	197,896
Construction in progress	131,353	154,205	(22,852)	(14.8)	134,240
Accumulated depreciation and amortization	(3,878,783)	(3,562,300)	(316,483)	(8.9)	(3,645,237)
Total property, plant and equipment, net	2,883,316	2,735,165	148,151	5.4	2,777,454
<b>Non-current investments and other assets:</b>					
Investments in affiliates	187,046	170,437	16,609	9.7	174,121
Marketable securities and other investments	269,218	279,314	(10,096)	(3.6)	357,824
Intangible assets, net	547,917	539,543	8,374	1.6	546,304
Goodwill	141,083	140,510	573	0.4	141,094
Other assets	216,299	265,422	(49,123)	(18.5)	264,982
Deferred tax assets	122,481	176,057	(53,576)	(30.4)	176,720
Total non-current investments and other assets	1,484,044	1,571,283	(87,239)	(5.6)	1,661,045
<b>Total assets</b>	<b>¥ 6,053,063</b>	<b>¥ 6,295,347</b>	<b>¥ (242,284)</b>	<b>(3.8)%</b>	<b>¥ 6,365,257</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities:</b>					
Current portion of long-term debt	¥ 149,600	¥ 273,439	¥ (123,839)	(45.3) %	¥ 193,723
Short-term borrowings	108	160	(52)	(32.5)	152
Accounts payable, trade	706,560	751,242	(44,682)	(5.9)	808,136
Accrued payroll	28,067	28,931	(864)	(3.0)	41,799
Accrued interest	1,378	1,749	(371)	(21.2)	1,264
Accrued income taxes	35,558	104,171	(68,613)	(65.9)	168,587
Other current liabilities	140,918	168,863	(27,945)	(16.5)	154,638
Total current liabilities	1,062,189	1,328,555	(266,366)	(20.0)	1,368,299
<b>Long-term liabilities:</b>					
Long-term debt (exclusive of current portion)	504,289	655,476	(151,187)	(23.1)	598,530
Liability for employees' retirement benefits	141,357	145,566	(4,209)	(2.9)	135,511
Other long-term liabilities	215,753	197,491	18,262	9.2	209,780
Total long-term liabilities	861,399	998,533	(137,134)	(13.7)	943,821
<b>Total liabilities</b>	<b>1,923,588</b>	<b>2,327,088</b>	<b>(403,500)</b>	<b>(17.3)</b>	<b>2,312,120</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>1,151</b>	<b>1,226</b>	<b>(75)</b>	<b>(6.1)</b>	<b>1,120</b>
<b>Shareholders' equity:</b>					
Common stock	949,680	949,680	-	-	949,680
Additional paid-in capital	1,311,013	1,311,013	-	-	1,311,013
Retained earnings	2,439,569	2,481,316	(41,747)	(1.7)	2,212,739
Accumulated other comprehensive income	16,280	19,879	(3,599)	(18.1)	26,781
Treasury stock, at cost	(588,218)	(794,855)	206,637	26.0	(448,196)
<b>Total shareholders' equity</b>	<b>4,128,324</b>	<b>3,967,033</b>	<b>161,291</b>	<b>4.1</b>	<b>4,052,017</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 6,053,063</b>	<b>¥ 6,295,347</b>	<b>¥ (242,284)</b>	<b>(3.8)%</b>	<b>¥ 6,365,257</b>

## 2. Consolidated Statements of Income and Comprehensive Income

	Millions of yen				
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)		Year ended March 31, 2006
<b>Operating revenues:</b>					
Wireless services	¥ 3,248,760	¥ 3,229,041	¥ 19,719	0.6%	¥ 4,295,856
Equipment sales	348,260	353,207	(4,947)	(1.4)	470,016
Total operating revenues	3,597,020	3,582,248	14,772	0.4	4,765,872
<b>Operating expenses:</b>					
Cost of services (exclusive of items shown separately below)	545,157	547,425	(2,268)	(0.4)	746,099
Cost of equipment sold (exclusive of items shown separately below)	892,223	833,360	58,863	7.1	1,113,464
Depreciation and amortization	537,362	532,720	4,642	0.9	738,137
Selling, general and administrative	945,366	975,263	(29,897)	(3.1)	1,335,533
Total operating expenses	2,920,108	2,888,768	31,340	1.1	3,933,233
<b>Operating income</b>	<b>676,912</b>	<b>693,480</b>	<b>(16,568)</b>	<b>(2.4)</b>	<b>832,639</b>
<b>Other income (expense):</b>					
Interest expense	(4,292)	(6,449)	2,157	33.4	(8,420)
Interest income	1,036	4,285	(3,249)	(75.8)	4,659
Gain on sale of affiliate shares	—	61,962	(61,962)	(100.0)	61,962
Gain on sale of other investments	5	40,030	(40,025)	(100.0)	40,088
Other, net	7,043	17,881	(10,838)	(60.6)	21,375
Total other income (expense)	3,792	117,709	(113,917)	(96.8)	119,664
<b>Income before income taxes</b>	<b>680,704</b>	<b>811,189</b>	<b>(130,485)</b>	<b>(16.1)</b>	<b>952,303</b>
<b>Income taxes</b>	<b>276,730</b>	<b>293,931</b>	<b>(17,201)</b>	<b>(5.9)</b>	<b>341,382</b>
<b>Equity in net income (losses) of affiliates</b>	<b>(247)</b>	<b>(862)</b>	<b>615</b>	<b>71.3</b>	<b>(364)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>(35)</b>	<b>3</b>	<b>(38)</b>	<b>—</b>	<b>(76)</b>
<b>Net income</b>	<b>¥ 403,692</b>	<b>¥ 516,399</b>	<b>¥ (112,707)</b>	<b>(21.8)%</b>	<b>¥ 610,481</b>
<b>Other comprehensive income (loss):</b>					
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(10,675)	6,928	(17,603)	—	7,662
Net revaluation of financial instruments, net of applicable taxes	18	87	(69)	(79.3)	121
Foreign currency translation adjustment, net of applicable taxes	104	(44,964)	45,068	—	(42,597)
Minimum pension liability adjustment, net of applicable taxes	52	219	(167)	(76.3)	3,986
<b>Comprehensive income</b>	<b>¥ 393,191</b>	<b>¥ 478,669</b>	<b>¥ (85,478)</b>	<b>(17.9)%</b>	<b>¥ 579,653</b>
<b>PER SHARE DATA</b>					
Weighted average common shares outstanding					
— basic and diluted (shares)	44,095,706	45,486,620	(1,390,914)	(3.1)	45,250,031
Basic and diluted earnings per share (Yen)	¥ 9,154.91	¥ 11,352.77	¥(2,197.86)	(19.4)%	¥ 13,491.28

### 3. Consolidated Statements of Shareholders' Equity

	Millions of yen					
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Increase (Decrease)		Year ended March 31, 2006	
<b>Common stock:</b>						
At beginning of period	¥ 949,680	¥ 949,680	¥	–	–%	¥ 949,680
At end of period	949,680	949,680	–	–		949,680
<b>Additional paid-in capital:</b>						
At beginning of period	1,311,013	1,311,013	–	–		1,311,013
At end of period	1,311,013	1,311,013	–	–		1,311,013
<b>Retained earnings:</b>						
At beginning of period	2,212,739	2,100,407	112,332	5.3		2,100,407
Cash dividends	(176,862)	(135,490)	(41,372)	(30.5)		(135,490)
Retirement of treasury stock	–	–	–	–		(362,659)
Net income	403,692	516,399	(112,707)	(21.8)		610,481
At end of period	2,439,569	2,481,316	(41,747)	(1.7)		2,212,739
<b>Accumulated other comprehensive income:</b>						
At beginning of period	26,781	57,609	(30,828)	(53.5)		57,609
Unrealized holding gains (losses) on available-for-sale securities	(10,675)	6,928	(17,603)	–		7,662
Net revaluation of financial instruments	18	87	(69)	(79.3)		121
Foreign currency translation adjustment	104	(44,964)	45,068	–		(42,597)
Minimum pension liability adjustment	52	219	(167)	(76.3)		3,986
At end of period	16,280	19,879	(3,599)	(18.1)		26,781
<b>Treasury stock, at cost:</b>						
At beginning of period	(448,196)	(510,777)	62,581	12.3		(510,777)
Purchase of treasury stock	(140,022)	(284,078)	144,056	50.7		(300,078)
Retirement of treasury stock	–	–	–	–		362,659
At end of period	(588,218)	(794,855)	206,637	26.0		(448,196)
<b>Total shareholders' equity</b>	<b>¥ 4,128,324</b>	<b>¥ 3,967,033</b>	<b>¥161,291</b>	<b>4.1%</b>		<b>¥ 4,052,017</b>

#### 4. Consolidated Statements of Cash Flows

	Millions of yen		
	(UNAUDITED) Nine months ended December 31, 2006	(UNAUDITED) Nine months ended December 31, 2005	Year ended March 31, 2006
<b>I Cash flows from operating activities:</b>			
1. Net income	¥ 403,692	¥ 516,399	¥ 610,481
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	537,362	532,720	738,137
(2) Deferred taxes	89,443	65,345	49,101
(3) Loss on sale or disposal of property, plant and equipment	28,605	17,100	36,000
(4) Gain on sale of affiliate shares	—	(61,962)	(61,962)
(5) Gain on sale of other investments	(5)	(40,030)	(40,088)
(6) Expense associated with sale of other investments	—	14,062	14,062
(7) Equity in net (income) losses of affiliates	(13)	253	(1,289)
(8) Minority interests in consolidated subsidiaries	35	(3)	76
(9) Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(280,735)	(285,661)	21,345
Decrease in allowance for doubtful accounts	(1,593)	(2,405)	(3,623)
Increase (decrease) in inventories	60,810	34,917	(73,094)
(Increase) decrease in prepaid expenses and other current assets	(63,047)	108,166	109,192
(Decrease) increase in accounts payable, trade	(60,216)	50,261	45,108
(Decrease) increase in accrued income taxes	(133,029)	46,725	111,141
(Decrease) increase in other current liabilities	(13,528)	36,256	17,641
Increase (decrease) in liability for employees' retirement benefits	5,846	6,677	(3,378)
Increase in other long-term liabilities	8,345	12,758	24,725
Other, net	76	(6,875)	17,366
Net cash provided by operating activities	582,048	1,044,703	1,610,941
<b>II Cash flows from investing activities:</b>			
1. Purchases of property, plant and equipment	(570,680)	(470,665)	(638,590)
2. Purchases of intangible and other assets	(163,408)	(148,422)	(195,277)
3. Purchases of non-current investments	(24,418)	(214,777)	(292,556)
4. Proceeds from sale and redemption of non-current investments	50,051	25,142	25,142
5. Purchases of short-term investments	(3,158)	(251,403)	(252,474)
6. Redemption of short-term investments	2,533	365,000	501,433
7. Collection of loan advances	—	228	229
8. Long-term bailment for consumption to a related party	—	(100,000)	(100,000)
9. Other, net	(8,701)	854	1,016
Net cash used in investing activities	(717,781)	(794,043)	(951,077)
<b>III Cash flows from financing activities:</b>			
1. Repayment of long-term debt	(142,323)	(19,189)	(150,304)
2. Proceeds from short-term borrowings	17,288	27,000	27,002
3. Repayment of short-term borrowings	(17,332)	(27,000)	(27,010)
4. Principal payments under capital lease obligations	(2,823)	(3,319)	(4,740)
5. Payments to acquire treasury stock	(140,022)	(284,078)	(300,078)
6. Dividends paid	(176,862)	(135,490)	(135,490)
7. Other, net	(2)	(1)	(1)
Net cash used in financing activities	(462,076)	(442,077)	(590,621)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	415	1,429	1,529
<b>V Net (decrease) increase in cash and cash equivalents</b>	(597,394)	(189,988)	70,772
<b>VI Cash and cash equivalents at beginning of period</b>	840,724	769,952	769,952
<b>VII Cash and cash equivalents at end of period</b>	¥ 243,330	¥ 579,964	¥ 840,724
<b>Supplemental disclosures of cash flow information:</b>			
<b>Cash received during the period for:</b>			
Income taxes	¥ 920	¥ 93,103	¥ 93,103
<b>Cash paid during the period for:</b>			
Interest	4,177	6,210	8,666
Income taxes	359,458	182,471	182,914
<b>Non-cash investing and financing activities:</b>			
Retirement of treasury stock	—	—	362,659

## Notes to Unaudited Consolidated Financial Statements

The accompanying unaudited consolidated financial information of NTT DoCoMo, Inc. and its subsidiaries (collectively "DoCoMo") has been prepared in accordance with accounting principles generally accepted in the United States of America.

The followings are explanations regarding the adoption of new accounting standards in the nine months ended December 31, 2006 and the summary of revenue recognition.

### 1. Adoption of new accounting standards

#### Inventory Pricing

Effective April 1, 2006, DoCoMo adopted Statement of Financial Accounting Standards ("SFAS") No. 151, "Inventory Costs -an amendment of Accounting Research Bulletin ("ARB") No. 43, Chapter 4" issued by the Financial Accounting Standards Board ("FASB"). SFAS No. 151 amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing", to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). ARB No. 43, Chapter 4 previously stated that such costs might be so abnormal as to require treatment as current period charges. SFAS No. 151 requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal". In addition, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The adoption of SFAS No. 151 did not have any impact on DoCoMo's results of operations and financial position.

#### Exchanges of Non-monetary Assets

Effective April 1, 2006, DoCoMo adopted SFAS No. 153, "Exchanges of Non-monetary Assets -an amendment of Accounting Principles Board ("APB") Opinion No. 29" issued by the FASB. The amendment eliminates the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. The adoption of SFAS No. 153 did not have any impact on DoCoMo's results of operations and financial position.

#### Accounting Changes and Error Corrections

Effective April 1, 2006, DoCoMo adopted SFAS No. 154, "Accounting Changes and Error Corrections -a replacement of APB Opinion No.20 and the FASB statement No.3" issued by the FASB. SFAS No. 154 replaces APB Opinion No. 20 ("APB No. 20"), "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements", and changes the requirements for the accounting for and reporting of a change in accounting principle. APB No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS No. 154 requires retrospective application to prior periods' financial statements of changes in accounting principle. The adoption of SFAS No. 154 did not have any impact on DoCoMo's results of operations and financial position. DoCoMo will continue to apply the requirements of SFAS No. 154 to any future accounting changes and error corrections.

### 2. Summary of Revenue recognition

Base monthly service charges and airtime charges are recognized as revenues as service is provided to subscribers. DoCoMo's monthly billing plans for cellular (FOMA and mova) services generally include a certain amount of allowances (free minutes and/or packets), and the used amount of the allowances is subtracted from total usage in calculating the airtime revenue from a subscriber for the month. Prior to November 2003, the total amount of the base monthly charges was recognized as revenues in the month they were charged as subscribers could not carry over the unused allowances to the following months. In November 2003, DoCoMo introduced a billing arrangement, called "Nikagetsu Kurikoshi" (two-month carry over), in which the unused allowances are automatically carried over for up to the following two months. In addition, DoCoMo introduced an arrangement which enables the unused allowances offered in and after December 2004 that have been carried over for two months to be automatically used to cover the airtime and/or packet fees exceeding the allowances of other lines in the "Family Discount" group, a discount billing arrangement for families with between two and ten DoCoMo subscriptions. Until the year ended March 31, 2006, DoCoMo had deferred revenues based on the portion of all unused allowances at the end of the period. The deferred revenues had been recognized as revenues as



subscribers make calls or utilize data connections, similar to the way airtime revenues are recognized, or as the allowance expires. As DoCoMo developed sufficient empirical evidence to reasonably estimate the portion of allowances that will be forfeited as unused, effective April 1, 2006, DoCoMo started to recognize the revenue attributable to such forfeited allowances ratably as the remaining allowances are utilized, in addition to the revenue recognized when subscribers make calls or utilize data connections. The effect of this accounting change was not material for DoCoMo's results of operations and financial position.

Certain commissions paid to purchasers (primarily agent resellers) are recognized as a reduction of revenue upon delivery of the equipment to the purchasers (primarily agent resellers) in accordance with Emerging Issues Task Force Issue No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)."

Non-recurring upfront fees such as activation fees are deferred and recognized as revenues over the estimated average period of the customer relationship for each service. The related direct costs are deferred only to the extent of the upfront fee amount and are amortized over the same period.



## Operation Data for 3rd Quarter of FY2006

Full-year forecast: As revised at Oct. 27, 2006

		【Ref.】 Fiscal 2005 (Ended Mar. 31, 2006) Full-year result	Fiscal 2006 Nine months (Apr.-Dec. 2006) Results	【Ref.】 First Quarter (Apr.-Jun.2006) Results	【Ref.】 Second Quarter (Jul.-Sep. 2006) Results	Third Quarter (Oct.-Dec. 2006) Results	【Ref.】 Fiscal 2006 (Ending Mar. 31, 2007) Full-year forecast
<b>Cellular</b>							
Subscribers	thousands	51,144	<b>52,214</b>	51,672	52,103	<b>52,214</b>	53,000
FOMA	thousands	23,463	<b>32,114</b>	26,217	29,098	<b>32,114</b>	34,800
mova	thousands	27,680	<b>20,100</b>	25,456	23,004	<b>20,100</b>	18,200
Market share (1) (2)	%	55.7	<b>55.0</b>	55.6	55.5	<b>55.0</b>	-
Net increase from previous period (2)	thousands	2,319	<b>1,070</b>	529	431	<b>111</b>	1,856
FOMA (2)	thousands	11,963	<b>8,650</b>	2,753	2,882	<b>3,015</b>	11,337
mova (2)	thousands	-9,644	<b>-7,580</b>	-2,225	-2,451	<b>-2,904</b>	-9,480
Aggregate ARPU (FOMA+mova) (3)	yen/month/contract	6,910	<b>6,760</b>	6,900	6,720	<b>6,670</b>	6,670
Voice ARPU (4)	yen/month/contract	5,030	<b>4,780</b>	4,930	4,740	<b>4,660</b>	4,700
Packet ARPU	yen/month/contract	1,880	<b>1,980</b>	1,970	1,980	<b>2,010</b>	1,970
i-mode ARPU	yen/month/contract	1,870	<b>1,970</b>	1,950	1,960	<b>1,990</b>	1,950
ARPU generated purely from i-mode (FOMA+mova) (3)	yen/month/contract	2,040	<b>2,140</b>	2,120	2,140	<b>2,160</b>	2,120
Aggregate ARPU (FOMA) (3)	yen/month/contract	8,700	<b>8,000</b>	8,300	7,970	<b>7,780</b>	7,810
Voice ARPU (4)	yen/month/contract	5,680	<b>5,200</b>	5,420	5,180	<b>5,030</b>	5,080
Packet ARPU	yen/month/contract	3,020	<b>2,800</b>	2,880	2,790	<b>2,750</b>	2,730
i-mode ARPU	yen/month/contract	2,980	<b>2,770</b>	2,840	2,760	<b>2,720</b>	2,690
ARPU generated purely from i-mode (FOMA) (3)	yen/month/contract	3,040	<b>2,850</b>	2,910	2,840	<b>2,800</b>	2,770
Aggregate ARPU (mova) (3)	yen/month/contract	5,970	<b>5,300</b>	5,540	5,240	<b>5,070</b>	5,200
Voice ARPU (4)	yen/month/contract	4,680	<b>4,280</b>	4,460	4,220	<b>4,130</b>	4,220
i-mode ARPU	yen/month/contract	1,290	<b>1,020</b>	1,080	1,020	<b>940</b>	980
ARPU generated purely from i-mode (mova) (3)	yen/month/contract	1,460	<b>1,190</b>	1,260	1,190	<b>1,110</b>	1,150
MOU (FOMA+mova) (3) (5)	minute/month/contract	149	<b>146</b>	145	146	<b>146</b>	-
MOU (FOMA) (3) (5)	minute/month/contract	202	<b>179</b>	181	180	<b>175</b>	-
MOU (mova) (3) (5)	minute/month/contract	122	<b>107</b>	110	106	<b>103</b>	-
Churn Rate (2)	%	0.77	<b>0.72</b>	0.64	0.60	<b>0.93</b>	-
<b>i-mode</b>							
Subscribers	thousands	46,360	<b>47,208</b>	46,823	47,186	<b>47,208</b>	47,900
FOMA	thousands	22,914	<b>30,929</b>	25,511	28,199	<b>30,929</b>	-
i-appli™ compatible (6)	thousands	36,058	<b>39,621</b>	37,314	38,540	<b>39,621</b>	-
i-mode Subscription Rate (2)	%	90.6	<b>90.4</b>	90.6	90.6	<b>90.4</b>	90.4
Net increase from previous period	thousands	2,339	<b>848</b>	463	364	<b>21</b>	1,540
i-Menu Sites (FOMA)(7)	sites	6,028	<b>8,083</b>	6,590	7,271	<b>8,083</b>	-
i-Menu Sites (mova)(7)	sites	5,043	<b>5,566</b>	5,158	5,340	<b>5,566</b>	-
Access Percentage by Content Category							
Ringing tone/Screen	%	21	<b>13</b>	15	12	<b>11</b>	-
Game/Horoscope	%	24	<b>23</b>	23	21	<b>24</b>	-
Entertainment Information	%	27	<b>32</b>	31	34	<b>32</b>	-
Information	%	12	<b>14</b>	14	15	<b>13</b>	-
Database	%	5	<b>6</b>	6	7	<b>7</b>	-
Transaction	%	11	<b>12</b>	11	11	<b>13</b>	-
Percentage of Packets Transmitted							
Web	%	96	<b>97</b>	97	97	<b>98</b>	-
Mail	%	4	<b>3</b>	3	3	<b>2</b>	-
<b>PHS</b>							
Subscribers	thousands	771	<b>530</b>	679	606	<b>530</b>	390
Market Share (1)	%	16.4	<b>10.8</b>	14.2	12.4	<b>10.8</b>	-
Net increase from previous period	thousands	-543	<b>-241</b>	-92	-74	<b>-75</b>	-381
ARPU (4)	yen/month/contract	3,280	<b>3,110</b>	3,170	3,080	<b>3,090</b>	-
MOU (5) (8)	minute/month/contract	72	<b>59</b>	62	58	<b>56</b>	-
Data transmission rate (time) (8)(9)	%	76.2	<b>76.8</b>	76.7	77.2	<b>76.5</b>	-
Churn Rate	%	4.64	<b>4.18</b>	4.28	3.85	<b>4.44</b>	-
<b>Others</b>							
Prepaid Subscribers (10)	thousands	53	<b>46</b>	49	47	<b>46</b>	-
Communication Module Service Subscribers (10)	thousands	665	<b>924</b>	733	799	<b>924</b>	990
FOMA Ubiquitous plan (11)	thousands	1	<b>188</b>	40	82	<b>188</b>	-
DoPa Single Service (12)	thousands	665	<b>736</b>	693	717	<b>736</b>	-

\* International service-related revenues have been included in the ARPU data calculation from the fiscal year ended Mar. 31, 2006, due to its growing contribution to total revenues.

【Notes associated with the above-mentioned change】

\* International service-related ARPU included in the results for FY2005, the full-year forecasts, the first quarter, the second quarter, the third quarter and the nine months results of FY2006 are as below:

	FY2005 (Ended Mar.31,2006) Full-year results	FY2006 Nine Months (Apr.-Dec.2006) Results	First Quarter (Apr.-Jun. 2006) Results	Second Quarter (Jul.-Sep.2006) Results	Third Quarter (Oct.-Dec.2006) Results	FY2006 (Ending Mar. 31, 2007) Full-year forecasts
Aggregate ARPU (FOMA+mova)	40yen	50yen	50yen	50yen	50yen	60yen
Aggregate ARPU (FOMA)	70yen	80yen	70yen	80yen	80yen	80yen
Aggregate ARPU (mova)	30yen	20yen	20yen	20yen	20yen	20yen

\* Please refer to the attached sheet (P.17) for an explanation of the methods used to calculate ARPU, and the number of active subscribers used in calculating ARPU, MOU and Churn Rate.

(1) Source for other cellular telecommunications operators: Data announced by Telecommunications Carriers Association

(2) Data are calculated including Communication Module Service subscribers.

(3) Data are calculated excluding Communication Module Services-related revenues and Communication Module Services subscribers.

(4) Inclusive of circuit-switched data communications

(5) MOU (Minutes of Usage): Average communication time per one month per one user

(6) Sum of FOMA handsets and mova handsets

(7) The number of i-menu Sites charged per view are added to the existing number of i-menu Sites charged with fixed monthly fee.

(8) Not inclusive of data communication time via @FreeD service

(9) Percentage of data traffic to total outbound call time

(10) Included in total cellular subscribers

(11) Included in FOMA subscribers

(12) Included in mova subscribers

## ARPU Calculation Methods

**1. ARPU (Average monthly Revenue Per Unit)<sup>\*1</sup>****i) ARPU (FOMA + mova)**

Aggregate ARPU (FOMA+mova)=Voice ARPU (FOMA+mova) + Packet ARPU (FOMA+mova)

Voice ARPU (FOMA+mova) : Voice ARPU (FOMA+mova) Related Revenues (monthly charges, voice transmission charges) / No. of active cellular phone subscribers (FOMA+mova)

Packet ARPU (FOMA+mova) : {Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges)+ i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges)}/ No. of active cellular phone subscribers (FOMA+mova)

i-mode ARPU (FOMA+mova)<sup>\*2</sup> : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (FOMA+mova)

ARPU generated purely from i-mode (FOMA+mova)<sup>\*3</sup> : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (FOMA+mova)

**ii) ARPU (FOMA)**

Aggregate ARPU (FOMA)=Voice ARPU (FOMA) + Packet ARPU (FOMA)

Voice ARPU (FOMA) : Voice ARPU (FOMA) Related Revenues (monthly charges, voice transmission charges) / No. of active cellular phone subscribers (FOMA)

Packet ARPU (FOMA) : Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (FOMA)

i-mode ARPU<sup>\*2</sup> (FOMA) : i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (FOMA)

ARPU generated purely from i-mode (FOMA)<sup>\*3</sup> : i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (FOMA)

**iii) ARPU (mova)**

Aggregate ARPU (mova)=Voice ARPU (mova) + i-mode ARPU (mova)

Voice ARPU (mova) : Voice ARPU (mova) Related Revenues (monthly charges, voice transmission charges) / No. of active cellular phone subscribers (mova)

i-mode ARPU (mova)<sup>\*2</sup> : i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (mova)

ARPU generated purely from i-mode (mova)<sup>\*3</sup> : i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (mova)

**iv) ARPU (PHS)**

ARPU (PHS) : ARPU (PHS) Related Revenues (monthly charges, voice transmission charges) / No. of active PHS subscribers

**2. Active Subscribers Calculation Methods**

No. of active subscribers used in ARPU/MOU/Churn Rate calculations are sum of No. of active subscribers<sup>\*4</sup> for each month.

\*1 Communication Module service subscribers and the revenues thereof are not included in the ARPU and MOU calculations.

\*2 The denominator used in calculating i-mode ARPU (FOMA+mova, FOMA, mova) is the aggregate number of cellular subscribers to each service (FOMA+mova, FOMA, mova, respectively), regardless of whether i-mode service is activated or not.

\*3 ARPU generated purely from i-mode (FOMA+mova, FOMA, mova) is calculated using only the number of active i-mode subscribers as a denominator.

\*4 active subscribers = (No. of subscribers at the end of previous month + No. of subscribers at the end of current month) / 2

## (APPENDIX 3)

**Reconciliations of the Disclosed Non-GAAP Financial Measures to  
the Most Directly Comparable GAAP Financial Measures**

**1. EBITDA and EBITDA margin**

	Billions of yen	
	<b>Nine months ended December 31, 2006</b>	Nine months ended December 31, 2005
<b>a. EBITDA</b>	<b>¥ 1,242.9</b>	¥ 1,243.3
Depreciation and amortization	(537.4)	(532.7)
Losses on sale or disposal of property, plant and equipment	(28.6)	(17.1)
Operating income	676.9	693.5
Other income (expense)	3.8	117.7
Income taxes	(276.7)	(293.9)
Equity in net losses of affiliates	(0.2)	(0.9)
Minority interests in consolidated subsidiaries	(0.0)	0.0
<b>b. Net income</b>	<b>403.7</b>	516.4
<b>c. Total operating revenues</b>	<b>3,597.0</b>	3,582.2
<b>EBITDA margin (=a/c)</b>	<b>34.6%</b>	34.7%
<b>Net income margin (=b/c)</b>	<b>11.2%</b>	14.4%

Note: EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of regulation S-K and may not be comparable to similarly titled measures used by other companies.

**2. Free cash flows excluding irregular factors and changes in investments for cash management purpose**

	Billions of yen	
	<b>Nine months ended December 31, 2006</b>	Nine months ended December 31, 2005
<b>Free cash flows excluding irregular factors and changes in investments for cash management purpose</b>	<b>¥ 31.9</b>	¥ 463.1
Irregular factors (1)	(217.0)	(226.0)
Changes of investments for cash management purpose (2)	49.4	13.6
<b>Free cash flows</b>	<b>(135.7)</b>	250.7
Net cash used in investing activities	(717.8)	(794.0)
Net cash provided by operating activities	582.0	1,044.7

Notes: (1) Irregular factors represent the effects of uncollected revenues due to a bank holiday at the end of nine months ended December 31, 2005 and 2006.

(2) Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purpose with original maturities of longer than three months.

### **Special Note Regarding Forward-Looking Statements**

This Earnings Release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as expected number of subscribers, and expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that are indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

- As competition in the market is expected to become more fierce due to changes in the business environment caused by the introduction of Mobile Number Portability and new market entrants, competition from other cellular service providers or other technologies could limit our acquisition of new subscribers, retention of existing subscribers and average revenue per unit (ARPU), or may lead to an increase in our costs and expenses.
- The new services and usage patterns introduced by our corporate group may not develop as planned, which could limit our growth.
- The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group may adversely affect our financial condition and results of operations.
- Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.
- The W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced by other overseas operators, which could limit our ability to offer international services to our subscribers.
- Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.
- As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than those belonging to our corporate group are provided through our cellular handsets, potential problems resulting from malfunctions, defects or loss of handsets, or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.
- Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.
- Inadequate handling of subscriber information by our corporate group or contractors may adversely affect our credibility or corporate image.
- Owners of intellectual property rights that are essential for our business execution may not grant us the right to license or otherwise use such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and/or services, and we may also be held liable for damage compensation if we infringe the intellectual property rights of others.
- Earthquakes, power shortages, malfunctioning of equipment, and software bugs, computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause systems failures in the networks required for the provision of service, disrupting our ability to offer services to our subscribers and may adversely affect our credibility or corporate image.
- Concerns about wireless telecommunications health risks may adversely affect our financial condition and results of operations.
- Our parent company, Nippon Telegraph and Telephone Corporation (NTT), could exercise influence that may not be in the interests of our other shareholders.