

# Financial Statements

For the Three Months Ended June 30, 2009

July 30, 2009  
[U.S. GAAP]

Name of registrant: **NTT DoCoMo, Inc.** (URL <http://www.nttdocomo.co.jp/>)  
 Code No.: 9437  
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section  
 Representative: Ryuji Yamada, Representative Director, President and Chief Executive Officer  
 Contact: Ken Takeuchi, Senior Manager, General Affairs Department / TEL +81-3-5156-1111  
 Scheduled date for filing of quarterly report: August 5, 2009  
 Scheduled date for dividend payment: —

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2009 (April 1, 2009 - June 30, 2009)

### (1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen.

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes	
Three months ended June 30, 2009	1,084,754	(7.3) %	251,819	(15.1) %	247,464	(14.2) %
Three months ended June 30, 2008	1,170,246	—	296,488	—	288,419	—

(Percentages above represent changes compared to the corresponding previous quarterly period)

Since "Net Income" includes noncontrolling interests from the fiscal year ending March 31, 2010 in accordance with Statement of Financial Accounting Standards ("SFAS") No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51", "Net Income" is not presented on this page. For further details, see Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51" on page 3.

### (2) Consolidated Financial Position

(Millions of yen, except per share amount)

	Total Assets	NTT DoCoMo, Inc. Shareholders' Equity	Equity Ratio (Ratio of NTT DoCoMo, Inc. Shareholders' Equity to Total Assets)	NTT DoCoMo, Inc. Shareholders' Equity per Share
June 30, 2009	6,498,969	4,408,193	67.8%	105,560.67 (yen)
March 31, 2009	6,488,220	4,341,585	66.9%	103,965.64 (yen)

"NTT DoCoMo, Inc. Shareholders' Equity" was previously referred to as "Shareholders' Equity" in prior years.

## 2. Dividends

Date of record	Cash dividends per share (yen)				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
Year ended March 31, 2009	—	2,400.00	—	2,400.00	4,800.00
Year ending March 31, 2010	—	—	—	—	—
Year ending March 31, 2010 (Forecasts)	—	2,600.00	—	2,600.00	5,200.00

Change in forecasts of dividends during the three months ended June 30, 2009: None

### 3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Millions of yen)

	Operating Revenues	Operating Income	Income before Income Taxes
Six months ending September 30, 2009	— —	— —	— —
Year ending March 31, 2010	4,382,000 (1.5)%	830,000 (0.1)%	832,000 6.6%

(Percentages above represent changes compared to the previous year)

Change in earnings forecasts for the fiscal year ending March 31, 2010 during the three months ended June 30, 2009: None

We do not formulate consolidated financial results forecasts for six months ending September 30, 2009. (See more information on page 10.)

Since “Net Income” includes noncontrolling interests from the fiscal year ending March 31, 2010 in accordance with SFAS No. 160, “Net Income” for the Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2010 is not presented on this page. For further details, see Statement of Financial Accounting Standards No. 160, “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51” on page 3.

### 4. Others

- |  |   |                   |
|--|---|-------------------|
| (1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation)                 |   | None              |
| (2) Application of accounting which is simplified or exceptional for quarterly consolidated financial statements           |   | None              |
| (3) Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements |   |                   |
| (i) Changes due to revision of accounting standards and other regulations:   |   | Yes               |
| (ii) Others:   |   | None              |
| (See more information on page 11.)   |   |                   |
| (4) Number of issued shares (common stock)   |   |                   |
| (i) Number of issued shares (inclusive of treasury stock):   | As of June 30, 2009:                      | 43,950,000 shares |
|  | As of March 31, 2009:                     | 43,950,000 shares |
| (ii) Number of treasury stock:   | As of June 30, 2009:                      | 2,190,193 shares  |
|  | As of March 31, 2009:                     | 2,190,193 shares  |
| (iii) Number of weighted average common shares outstanding:  | For the three months ended June 30, 2009: | 41,759,807 shares |
|  | For the three months ended June 30, 2008: | 42,504,235 shares |

\* Explanation for forecasts of operation and other notes:

With regard to the assumptions and other related matters concerning consolidated financial results forecasts for the fiscal year ending March 31, 2010, refer to pages 10 and 19.

Consolidated financial statements in this earnings release are unaudited.

**Statement of Financial Accounting Standards No. 160, “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51.”**

Effective April 1, 2009, we adopted Statement of Financial Accounting Standards (“SFAS”) No. 160 “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51”. SFAS No. 160 requires noncontrolling interests, which was previously referred to as “Minority interests”, held by parties other than the parent to be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent’s equity. SFAS No. 160 also requires changes in parent’s ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for as equity transactions.

Upon the adoption of SFAS No. 160, “Net income”, which includes income attributable to noncontrolling interests, and “Net income attributable to NTT DoCoMo, Inc.” are both presented in the consolidated statements of income and comprehensive income. “Net Income Attributable to NTT DoCoMo, Inc.”, “Basic Earnings per Share Attributable to NTT DoCoMo, Inc.” and “Diluted Earnings per Share Attributable to NTT DoCoMo, Inc.” for the Consolidated Financial Results for the Three Months Ended June 30, 2008 and 2009, as well as “Net Income Attributable to NTT DoCoMo, Inc.” and “Basic Earnings per Share Attributable to NTT DoCoMo, Inc.” for the Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2010 are as follows:

Consolidated Financial Results for the Three Months Ended June 30, 2009 (April 1, 2009 - June 30, 2009)

Consolidated Results of Operations

(Millions of yen, except per share amount)

	Net Income Attributable to NTT DoCoMo, Inc.*		Basic Earnings per Share Attributable to NTT DoCoMo, Inc.		Diluted Earnings per Share Attributable to NTT DoCoMo, Inc.
Three months ended June 30, 2009	147,377	(15.1)%	3,529.16	(yen)	—
Three months ended June 30, 2008	173,509	—	4,082.16	(yen)	—

(Percentage above represents changes compared to the corresponding previous quarterly period)

Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Millions of yen, except per share amount)

	Net Income Attributable to NTT DoCoMo, Inc.*		Basic Earnings per Share Attributable to NTT DoCoMo, Inc.	
Six months ending September 30, 2009	—	—	—	
Year ending March 31, 2010	493,000	4.5%	11,805.61	(yen)

(Percentage above represents changes compared to the previous year)

We do not formulate consolidated financial results forecasts for six months ending September 30, 2009.

\* “Net Income attributable to NTT DoCoMo, Inc.” is calculated in the same manner as “Net income” for the fiscal year ended March 31, 2009.



Earnings Release for the Three Months Ended June 30, 2009

<< 1. Operating Results >>

1. Business Overview

As Japan’s mobile phone market continued to mature in line with the rise in cellular penetration rate, the competition among operators has intensified in such areas as acquisition of subscribers and further improvement of service offerings.

Under these market conditions, we have moved ahead with our business transformation initiatives from a customer-centric perspective based on our new action plan, “Change and Challenge”. We aim to further grow our revenues by offering a wide array of services catered to the diverse needs of customers and thereby expanding the data communications market.

During the three months ended June 30, 2009, we strived to enrich our billing plans, for example, by lowering the minimum rate of our two-tier flat-rate service for unlimited i-mode packet access “Pake-hodai double” as part of our efforts aimed at enhancing customer satisfaction. We also unveiled our 2009 summer model handsets, which include Japan’s first “Android”\* phone, and started marketing 13 of these models before June 30, 2009. Meanwhile, we have worked to enrich our video content services by adding to our “docomo-doga”, our mobile video delivery service, video content portfolio a new TV broadcast service called “Bee TV”. This service provided by Avex Broadcasting & Communications Inc., our joint venture with Avex Entertainment Inc., offers TV programs that are accessible only from mobile phones.

As a result, for the three months ended June 30, 2009, we recorded operating revenues and operating income of ¥1,084.8 billion (a decrease of ¥85.5 billion from the same period of the prior year) and ¥251.8 billion (a decrease of ¥44.7 billion from the same period of the prior year), respectively. Income before income taxes was ¥247.5 billion and net income attributable to NTT DoCoMo, Inc. was ¥147.4 billion.

\* Android is a software stack which offers free and open applications development environment.

Consolidated results of operations for the three months ended June 30, 2008 and 2009 were as follows:

<Results of operations>

	Billions of yen			
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009	Increase (Decrease)	
Operating revenues	¥ 1,170.2	¥ 1,084.8	¥ (85.5)	(7.3)%
Operating expenses	873.8	832.9	(40.8)	(4.7)
Operating income	296.5	251.8	(44.7)	(15.1)
Other income (expense)	(8.1)	(4.4)	3.7	46.0
Income before income taxes	288.4	247.5	(41.0)	(14.2)
Income taxes	118.0	100.2	(17.8)	(15.0)
Equity in net income (losses) of affiliates	3.1	0.8	(2.3)	(73.7)
Net Income	173.5	148.0	(25.5)	(14.7)
Less: Net (income) loss attributable to noncontrolling interests	(0.0)	(0.7)	(0.6)	–
Net income attributable to NTT DoCoMo, Inc.	¥ 173.5	¥ 147.4	¥ (26.1)	(15.1)%
EBITDA margin*	40.1%	39.3%	(0.8) point	–
ROCE*	6.2%	5.0%	(1.2) point	–
ROCE after tax effect*	3.7%	2.9%	(0.8) point	–

\* EBITDA and EBITDA margin, as we refer to in this earnings release, 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 definitions of EBITDA, EBITDA margin, ROCE and ROCE after tax effect, see “Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures” on page 18.

Notes: 1. Consolidated financial statements as of and for the three months ended June 30, 2008 and 2009 in this release are unaudited.  
2. Amounts in this release are rounded off.

## &lt;Operating revenues&gt;

	(UNAUDITED)		(UNAUDITED)		Increase	
	Three months ended June 30, 2008	Three months ended June 30, 2009	Three months ended June 30, 2008	Three months ended June 30, 2009	(Decrease)	
Wireless services	¥ 977.5	¥ 941.8	¥	941.8	(35.7)	(3.6)%
Cellular services revenues	936.4	881.9			(54.5)	(5.8)
- Voice revenues	570.3	490.6			(79.7)	(14.0)
Including: FOMA services	486.6	450.3			(36.3)	(7.5)
- Packet communications revenues	366.1	391.3			25.2	6.9
Including: FOMA services	347.7	381.6			33.9	9.7
Other revenues	41.1	59.9			18.8	45.9
Equipment sales	192.8	143.0			(49.8)	(25.8)
<b>Total operating revenues</b>	<b>¥ 1,170.2</b>	<b>¥ 1,084.8</b>	<b>¥</b>	<b>1,084.8</b>	<b>(85.5)</b>	<b>(7.3)%</b>

Note: Voice revenues include data communications revenues through circuit switching systems.

## &lt;Operating expenses&gt;

	(UNAUDITED)		(UNAUDITED)		Increase	
	Three months ended June 30, 2008	Three months ended June 30, 2009	Three months ended June 30, 2008	Three months ended June 30, 2009	(Decrease)	
Personnel expenses	¥ 63.2	¥ 64.4	¥	64.4	1.1	1.8%
Non-personnel expenses	544.0	503.7			(40.3)	(7.4)
Depreciation and amortization	168.5	169.0			0.5	0.3
Loss on disposal of property, plant and equipment and intangible assets	6.0	8.3			2.2	36.7
Communication network charges	82.3	77.7			(4.6)	(5.5)
Taxes and public dues	9.7	9.9			0.2	1.9
<b>Total operating expenses</b>	<b>¥ 873.8</b>	<b>¥ 832.9</b>	<b>¥</b>	<b>832.9</b>	<b>(40.8)</b>	<b>(4.7)%</b>

**2. Segment Information**
**(1) Mobile phone business**

As of June 30, 2009, the total number of our cellular services subscriptions reached 54.86 million, posting an increase of 1.24 million compared to the number as of June 30, 2008, of which FOMA subscriptions accounted for 91.6% or 50.25 million. Our cellular churn rate for the three months ended June 30, 2009 improved significantly to 0.44% compared to 0.51% for the same period of the prior year, owing mainly to the positive impacts of “Fami-wari MAX50” and other new discount services as well as the new handset purchase methods.

The number of subscribers to the new discount services including “Fami-wari MAX50” introduced in August 2007 totaled approximately 34.30 million, while the subscription count of “Value Plan” launched in November 2007 was approximately 24.00 million as of June 30, 2009. As a consequence, aggregate average revenue per unit (ARPU) of cellular (FOMA+mova) services for the three months ended June 30, 2009 decreased to ¥5,440 (down 7.6% compared to the same period of the prior year).

With respect to equipment sales, the number of handsets sold during the three months ended June 30, 2009, declined by 0.60 million from the same period of the prior year to 4.34 million units. Equipment sales revenue decreased from the same period of the prior year resulting from a decrease in number of handsets sold to agent resellers.

As a result, operating revenues and operating income from mobile phone business for the three months ended June 30, 2009, were ¥1,057.9 billion (down ¥96.9 billion compared to the same period of the prior year) and ¥255.2 billion (down ¥45.8 billion compared to the same period of the prior year), respectively.

Number of subscriptions by services, trend of ARPU and other operation data are as follows:

<Number of subscriptions by services>	Thousand subscriptions			
	June 30, 2008	June 30, 2009	Increase (Decrease)	
Cellular services	53,629	54,864	1,235	2.3%
Cellular (FOMA) services	45,200	50,246	5,046	11.2
Including: i-channel services	15,823	16,607	784	5.0
Including: i-concier services	—	1,558	—	—
Including: flat-rate services for unlimited i-mode usage	13,395	19,578	6,183	46.2
Cellular (mova) services	8,429	4,618	(3,811)	(45.2)
i-mode services	48,061	48,597	536	1.1

Notes: 1. Number of subscriptions of Cellular services and Cellular (FOMA) services includes Communication Module services subscriptions.

2. Effective March 3, 2008, FOMA services subscription became mandatory for subscription to “2in1”\* service. Such FOMA services subscriptions to “2in1” services are included in the above numbers of Cellular services subscriptions and Cellular (FOMA) services subscriptions.

3. Number of subscriptions to flat-rate services for unlimited i-mode usage = “Pake-hodai” subscriptions + “Pake-hodai full” subscriptions + “Pake-hodai double” subscriptions

4. Number of i-mode subscriptions = Cellular (FOMA) i-mode subscriptions + Cellular (mova) i-mode subscriptions

\* “2in1” refers to an optional network service which enables a subscriber to subscribe to an additional phone number and an e-mail address for a single compatible handset

<Number of handsets sold and churn rate>	Thousand units			
	Three months ended June 30, 2008	Three months ended June 30, 2009	Increase (Decrease)	
Cellular services	4,946	<b>4,344</b>	(603)	(12.2)%
Cellular (FOMA) services				
New FOMA subscription	1,039	<b>986</b>	(52)	(5.0)
Change of subscription from mova to FOMA	836	<b>813</b>	(23)	(2.8)
FOMA handset upgrade by FOMA subscribers	3,032	<b>2,538</b>	(494)	(16.3)
Cellular (mova) services				
New mova subscription	23	<b>4</b>	(19)	(83.2)
mova handset upgrade by mova subscribers and change of subscription from FOMA to mova	17	<b>2</b>	(14)	(86.3)
Churn Rate	0.51%	<b>0.44%</b>	(0.07) point	—

<Trend of ARPU and MOU>	Yen/Minutes			
	Three months ended June 30, 2008	Three months ended June 30, 2009	Increase (Decrease)	
Aggregate ARPU* (FOMA+mova)	¥ 5,890	<b>¥ 5,440</b>	¥ (450)	(7.6)%
Voice ARPU	3,560	<b>3,010</b>	(550)	(15.4)
Packet ARPU	2,330	<b>2,430</b>	100	4.3
Aggregate ARPU (FOMA)	6,260	<b>5,610</b>	(650)	(10.4)
Voice ARPU	3,630	<b>3,010</b>	(620)	(17.1)
Packet ARPU	2,630	<b>2,600</b>	(30)	(1.1)
Aggregate ARPU (mova)	3,890	<b>3,550</b>	(340)	(8.7)
Voice ARPU	3,220	<b>2,940</b>	(280)	(8.7)
Packet ARPU	670	<b>610</b>	(60)	(9.0)
MOU* (FOMA+mova) (minutes)	137	<b>135</b>	(2)	(1.5)%

\* See "Definition and Calculation Methods of ARPU and MOU" on page 17 for details of definitions and calculation methods of ARPU and MOU.

<Results of operations>	Billions of yen			
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009	Increase (Decrease)	
Operating revenues from mobile phone business	¥ 1,154.8	<b>¥ 1,057.9</b>	¥ (96.9)	(8.4)%
Operating income from mobile phone business	301.0	<b>255.2</b>	(45.8)	(15.2)

**(2) Miscellaneous businesses**

Operating revenues from miscellaneous businesses for the three months ended June 30, 2009 were ¥26.9 billion, which represented 2.5% of the total operating revenues. The revenues derived mainly from home shopping services provided mainly through TV media, high-speed internet connection and video-clip casting services for hotel facilities, advertisement services, development, sales and maintenance of IT systems and credit services. Operating expenses and operating loss from miscellaneous businesses were ¥30.3 billion and ¥3.4 billion, respectively.

&lt;Results of operations&gt;

	Billions of yen			
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009	Increase (Decrease)	
Operating revenues from miscellaneous businesses	¥ 15.5	¥ 26.9	¥ 11.4	73.6%
Operating loss from miscellaneous businesses	(4.5)	(3.4)	1.1	24.6

**3. Trend of Capital Expenditures**

We continued to improve the quality of our FOMA service area and reinforced its network capacity to meet an increase in traffic demand, together with our efforts to make capital expenditure more efficient and less costly by saving on equipment purchase costs and improving our design and construction process. Total capital expenditures for the three months ended June 30, 2009 were ¥153.1 billion (down 6.5% compared to the same period of the prior year).

&lt;Breakdown of capital expenditures&gt;

	Billions of yen			
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009	Increase (Decrease)	
Mobile phone business	¥ 138.6	¥ 122.3	¥ (16.3)	(11.7)%
Other (including information systems)	25.2	30.8	5.6	22.1
Total capital expenditures	¥ 163.8	¥ 153.1	¥ (10.7)	(6.5)%



<< 2. Financial Review >>

1. Financial Position

	Billions of yen				
	(UNAUDITED) June 30, 2008	(UNAUDITED) June 30, 2009	Increase (Decrease)		(Reference) March 31, 2009
Total assets	¥ 6,082.3	¥ 6,499.0	¥ 416.6	6.8%	¥ 6,488.2
NTT DoCoMo, Inc. shareholders' equity	4,278.0	4,408.2	130.2	3.0	4,341.6
Liabilities	1,802.8	2,085.2	282.4	15.7	2,144.9
Interest bearing liabilities	525.9	762.6	236.8	45.0	639.2
Equity ratio (1)	70.3%	67.8%	(2.5) point	—	66.9%
Debt ratio (2)	10.9%	14.7%	3.8 point	—	12.8%

Notes: (1) Equity ratio = NTT DoCoMo, Inc. shareholders' equity / Total assets  
(2) Debt ratio = Interest bearing liabilities / (NTT DoCoMo, Inc. shareholders' equity + Interest bearing liabilities)

2. Cash Flow Conditions

For the three months ended June 30, 2009, net cash provided by operating activities was ¥154.5 billion. Net income was ¥148.0 billion, depreciation and amortization charges were ¥169.0 billion, while there was net payment for income taxes of ¥241.6 billion.

Net cash used in investing activities was ¥242.2 billion. Our expenditures for purchases of property, plant and equipment of ¥123.5 billion and purchases of intangible and other assets of ¥91.4 billion were included.

Net cash provided by financing activities was ¥24.3 billion. We spent ¥15.0 billion for repayment of outstanding long-term debt and ¥98.1 billion for payment of cash dividends while financing ¥137.9 billion through issuance of commercial papers.

The balance of cash and cash equivalents was ¥537.2 billion as of June 30, 2009.

	Billions of yen			
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009	Increase (Decrease)	
Net cash provided by operating activities	¥ 135.3	¥ 154.5	¥ 19.3	14.2%
Net cash used in investing activities	(190.4)	(242.2)	(51.7)	(27.2)
Net cash provided by (used in) financing activities	(102.7)	24.3	127.0	—
Free cash flows (1)	(55.2)	(87.6)	(32.5)	(58.9)
Free cash flows excluding the effects of changes in investments for cash management purposes (2)*	(105.6)	(90.8)	14.8	14.0

Notes: (1) Free cash flows = Net cash provided by operating activities + Net cash used in investing activities  
(2) Changes in investments for cash management purposes = Changes by purchases, redemption at maturity and disposals of financial instruments held for cash management purposes with original maturities of longer than three months

\* See "Reconciliations of the Disclosed Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures" on page 18.

**<<3. Prospects for the Fiscal Year Ending March 31, 2010 >>**

As Japan's mobile phone market continues to mature given the high penetration rate and environments surrounding the Japanese economy get severe, the competition among carriers is expected to intensify even further in the future, due to competition among operators in such area as customer acquisition and improvement of services as well as market entry by new competitors such as MVNOs.

Under these market conditions, although the promotion of loyalty marketing is expected to curb churns, operating revenues for the fiscal year ending March 31, 2010 are estimated to be ¥4,382.0 billion, primarily because of the projected decline in ARPU resulting from the rate revisions made in the past. On the expense side, factors such as a projected reduction in network costs resulting from lower capital expenditures and on-going cost cutting efforts are expected to contribute to cost reductions, which are partially offset by the implementation of actions aimed for expanding future profitability and enhancing customer satisfaction. Accordingly, operating income is expected to be ¥830.0 billion.

As we are currently not aware of any factors which may have a material impact on our projected results of operations, we have not revised our projection announced on April 28, 2009.

**※ Explanation for forecasts of operation and other notes:**

The mobile communications market in Japan is characterized by rapid changes in the market environment due to technical innovations, market entry by new competitors and other factors. To respond to such changes, our corporate group may introduce new billing plans or other measures that could potentially have a significant impact on our revenues and income. The timing of introduction of such measures will be decided after comprehensively taking into consideration our operational circumstances and the actions of our competitors, and therefore, is not necessarily decided beforehand. Such measures, depending on the timing of implementation, may significantly affect our results forecasts to be made at the time of our first-quarterly results announcement. Providing such prospects on a quarter-year basis, therefore, may not be adequate or useful as information to be disclosed to investors. Accordingly, we will provide prospects for the full year only, and report the progress vis-à-vis the projected full-year forecasts by disclosing actual results on a quarterly basis.

## &lt;&lt;4. Others &gt;&gt;

1. Changes in significant subsidiaries for the three months ended June 30, 2009 (which resulted in changes in scope of consolidation): None
2. Application of accounting which is simplified or exceptional for quarterly consolidated financial statements :  
None
3. Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements:

**Business Combinations**

Effective April 1, 2009, DOCOMO adopted Statement of Financial Accounting Standards (“SFAS”) No. 141 (revised 2007) “Business Combinations” (“SFAS No. 141R”). SFAS No. 141R requires an acquirer in a business combination to generally recognize and measure all the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at their fair values as of the acquisition date. SFAS No. 141R also requires the acquirer to recognize and measure as goodwill the excess of consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair value of the identifiable net assets acquired. The excess of the fair value of the identifiable net assets acquired over consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date is required to be recognized and measured as a gain from a bargain purchase. The adoption of SFAS No. 141R did not have a material impact on DOCOMO’s results of operations and financial position.

**Noncontrolling Interests in Consolidated Financial Statements**

Effective April 1, 2009, DOCOMO adopted SFAS No. 160 “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No.51”. SFAS No. 160 requires noncontrolling interest held by parties other than the parent be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent’s equity. SFAS No. 160 also requires changes in parent’s ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for as equity transactions. Upon the adoption of SFAS No.160, “Noncontrolling interests”, which were previously referred to as “Minority interests” and classified between “Total liabilities” and “Shareholders’ equity” in the consolidated balance sheets, are now included as a separate component of “Equity”. In addition, “Net income” in the consolidated statements of income and comprehensive income now includes net income attributable to noncontrolling interests, which was previously referred to as “Minority interests” and deducted. As a result, the adoption of SFAS No. 160 changed the presentation and disclosure of noncontrolling interest in the consolidated financial statements retrospectively, but did not have a material impact on DOCOMO’s results of operations and financial position.

**<< 5. Consolidated Financial Statements >>**
**1. Consolidated Balance Sheets**

	Millions of yen	
	March 31, 2009	(UNAUDITED) June 30, 2009
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 599,548	¥ 537,193
Short-term investments	2,448	1,906
Accounts receivable	835,063	826,803
Allowance for doubtful accounts	(15,072)	(15,644)
Inventories	123,206	174,941
Deferred tax assets	102,903	86,658
Prepaid expenses and other current assets	179,632	209,606
<b>Total current assets</b>	<b>1,827,728</b>	<b>1,821,463</b>
<b>Property, plant and equipment:</b>		
Wireless telecommunications equipment	5,361,043	5,390,421
Buildings and structures	814,056	816,971
Tools, furniture and fixtures	519,213	522,986
Land	198,985	199,010
Construction in progress	99,232	102,682
Accumulated depreciation and amortization	(4,301,044)	(4,380,163)
<b>Total property, plant and equipment, net</b>	<b>2,691,485</b>	<b>2,651,907</b>
<b>Non-current investments and other assets:</b>		
Investments in affiliates	572,014	583,579
Marketable securities and other investments	141,544	154,803
Intangible assets, net	578,728	595,690
Goodwill	154,385	184,031
Other assets	273,440	262,282
Deferred tax assets	248,896	245,214
<b>Total non-current investments and other assets</b>	<b>1,969,007</b>	<b>2,025,599</b>
<b>Total assets</b>	<b>¥ 6,488,220</b>	<b>¥ 6,498,969</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	¥ 29,000	¥ 14,000
Short-term borrowings	-	137,962
Accounts payable, trade	668,525	617,969
Accrued payroll	58,627	39,992
Accrued interest	1,187	1,348
Accrued income taxes	238,742	87,491
Other current liabilities	152,354	173,186
<b>Total current liabilities</b>	<b>1,148,435</b>	<b>1,071,948</b>
<b>Long-term liabilities:</b>		
Long-term debt (exclusive of current portion)	610,233	610,654
Liability for employees' retirement benefits	146,326	148,994
Other long-term liabilities	239,918	253,608
<b>Total long-term liabilities</b>	<b>996,477</b>	<b>1,013,256</b>
<b>Total liabilities</b>	<b>2,144,912</b>	<b>2,085,204</b>
<b>Equity:</b>		
NTT DoCoMo, Inc. shareholders' equity		
Common stock	949,680	949,680
Additional paid-in capital	785,045	785,045
Retained earnings	3,061,848	3,109,001
Accumulated other comprehensive income (loss)	(65,689)	(46,234)
Treasury stock, at cost	(389,299)	(389,299)
<b>Total NTT DoCoMo, Inc. shareholders' equity</b>	<b>4,341,585</b>	<b>4,408,193</b>
Noncontrolling interests	1,723	5,572
<b>Total equity</b>	<b>4,343,308</b>	<b>4,413,765</b>
<b>Total liabilities and equity</b>	<b>¥ 6,488,220</b>	<b>¥ 6,498,969</b>

**2. Consolidated Statements of Income and Comprehensive Income**

	Millions of yen	
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009
<b>Operating revenues:</b>		
Wireless services	¥ 977,464	¥ 941,795
Equipment sales	192,782	142,959
Total operating revenues	1,170,246	1,084,754
<b>Operating expenses:</b>		
Cost of services (exclusive of items shown separately below)	203,615	219,331
Cost of equipment sold (exclusive of items shown separately below)	242,048	190,826
Depreciation and amortization	168,480	169,005
Selling, general and administrative	259,615	253,773
Total operating expenses	873,758	832,935
<b>Operating income</b>	296,488	251,819
<b>Other income (expense):</b>		
Interest expense	(1,140)	(1,614)
Interest income	566	318
Other, net	(7,495)	(3,059)
Total other income (expense)	(8,069)	(4,355)
<b>Income before income taxes</b>	288,419	247,464
<b>Income taxes:</b>		
Current	102,531	89,531
Deferred	15,467	10,712
Total income taxes	117,998	100,243
<b>Equity in net income (losses) of affiliates, net of applicable taxes</b>	3,123	821
<b>Net income</b>	173,544	148,042
Less: Net (income) loss attributable to noncontrolling interests	(35)	(665)
<b>Net income attributable to NTT DoCoMo, Inc.</b>	¥ 173,509	¥ 147,377
<b>Net income</b>	¥ 173,544	¥ 148,042
<b>Other comprehensive income (loss):</b>		
Unrealized holding gains (losses) on available-for-sale securities, net of applicable tax	(948)	10,462
Change in fair value of derivative instruments, net of applicable taxes	(18)	(27)
Foreign currency translation adjustment, net of applicable taxes	(18,522)	8,887
Pension liability adjustment, net of applicable taxes	(250)	149
Total other comprehensive income (loss)	(19,738)	19,471
<b>Comprehensive income</b>	153,806	167,513
Less: Comprehensive (income) loss attributable to noncontrolling interests	(37)	(681)
<b>Comprehensive income attributable to NTT DoCoMo, Inc.</b>	¥ 153,769	¥ 166,832
<b>PER SHARE DATA</b>		
Weighted average common shares outstanding – Basic and Diluted (shares)	42,504,235	41,759,807
Basic and Diluted earnings per share attributable to NTT DoCoMo, Inc. (yen)	¥ 4,082.16	¥ 3,529.16

**3. Consolidated Statements of Cash Flows**

	Millions of yen	
	(UNAUDITED) Three months ended June 30, 2008	(UNAUDITED) Three months ended June 30, 2009
<b>Cash flows from operating activities:</b>		
Net income	¥ 173,544	¥ 148,042
Adjustments to reconcile net income to net cash provided by operating activities–		
Depreciation and amortization	168,480	169,005
Deferred taxes	17,673	11,225
Loss on sale or disposal of property, plant and equipment	4,718	5,620
Equity in net (income) losses of affiliates	(5,288)	(1,306)
Changes in assets and liabilities:		
(Increase) / decrease in accounts receivable	(37,828)	8,911
Increase / (decrease) in allowance for doubtful accounts	421	406
(Increase) / decrease in inventories	(49,510)	(50,888)
(Increase) / decrease in prepaid expenses and other current assets	(20,370)	(20,583)
(Increase) / decrease in non-current installment receivable for handsets	(25,804)	9,214
Increase / (decrease) in accounts payable, trade	(13,272)	4,303
Increase / (decrease) in accrued income taxes	(101,437)	(152,187)
Increase / (decrease) in other current liabilities	4,619	17,792
Increase / (decrease) in liability for employees' retirement benefits	2,409	2,532
Increase / (decrease) in other long-term liabilities	17,484	13,545
Other, net	(561)	(11,095)
Net cash provided by operating activities	135,278	154,536
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(163,740)	(123,547)
Purchases of intangible and other assets	(72,033)	(91,400)
Purchases of non-current investments	(1,122)	(2,309)
Proceeds from sale of non-current investments	410	0
Acquisitions of subsidiaries, net of cash acquired	27	(24,900)
Purchases of short-term investments	(1,611)	(1,662)
Redemption of short-term investments	2,036	4,843
Proceeds from redemption of long-term bailment for consumption to a related party	50,000	–
Other, net	(4,413)	(3,204)
Net cash used in investing activities	(190,446)	(242,179)
<b>Cash flows from financing activities:</b>		
Proceeds from long-term debt	79,944	–
Repayment of long-term debt	(27,767)	(15,000)
Proceeds from short-term borrowings	–	137,949
Repayment of short-term borrowings	(1,712)	–
Principal payments under capital lease obligations	(814)	(919)
Payments to acquire treasury stock	(49,998)	–
Dividends paid	(102,307)	(98,061)
Other, net	(3)	372
Net cash provided by (used in) financing activities	(102,657)	24,341
Effect of exchange rate changes on cash and cash equivalents	(2,033)	947
<b>Net increase (decrease) in cash and cash equivalents</b>	(159,858)	(62,355)
<b>Cash and cash equivalents at beginning of period</b>	646,905	599,548
<b>Cash and cash equivalents at end of period</b>	¥ 487,047	¥ 537,193
<b>Supplemental disclosures of cash flow information:</b>		
<b>Cash received during the period for:</b>		
Income taxes	¥ 18	¥ 27
<b>Cash paid during the period for:</b>		
Interest, net of amount capitalized	638	1,453
Income taxes	203,606	241,612

**4. Going Concern Assumption**

None

**5. Segment Reporting**

Segment information for the three months ended June 30, 2008 and 2009 was as follows:

Three months ended June 30, 2008	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Operating revenues	¥ 1,154,771	¥ 15,475	¥ 1,170,246
Operating expenses	853,756	20,002	873,758
Operating income (loss)	¥ 301,015	¥ (4,527)	¥ 296,488

Three months ended June 30, 2009	Millions of yen		
	Mobile phone business	Miscellaneous businesses	Consolidated
Operating revenues	¥ 1,057,893	¥ 26,861	¥ 1,084,754
Operating expenses	802,662	30,273	832,935
Operating income (loss)	¥ 255,231	¥ (3,412)	¥ 251,819

DOCOMO does not disclose geographical segments, since the amounts of operating revenues generated outside Japan are immaterial.

**6. Significant Changes in NTT DoCoMo, Inc. Shareholders' Equity**

None

## (APPENDIX 1)

## Operating Data for Fiscal Year Ending March 31, 2010

Full-year forecast: as announced at April 28, 2009

		【Ref.】 Fiscal Year Ended Mar. 2009 Full-year Results	【Ref.】 First Quarter (Apr.-Jun. 2008) Results	Fiscal Year Ending Mar. 2010 First Quarter (Apr.-Jun. 2009) Results	【Ref.】 Fiscal Year Ending Mar. 31, 2010 Full-year Forecast
<b>Cellular</b>					
Subscriptions	thousands	54,601	53,629	<b>54,864</b>	55,760
FOMA (1)	thousands	49,040	45,200	<b>50,246</b>	52,980
Communication Module Service (FOMA) (2)	thousands	858	741	<b>897</b>	—
mova	thousands	5,560	8,429	<b>4,618</b>	2,780
Communication Module Service (DoPa) (3)	thousands	669	726	<b>621</b>	—
Prepaid	thousands	38	40	<b>38</b>	—
Market Share (4) (5)	%	50.8	51.7	<b>50.6</b>	—
Net Increase from Previous Period (5)	thousands	1,213	241	<b>263</b>	1,160
FOMA (1)	thousands	5,091	1,251	<b>1,206</b>	3,940
mova	thousands	(3,878)	(1,010)	<b>(942)</b>	(2,780)
Churn Rate (5)	%	0.50	0.51	<b>0.44</b>	—
Number of Handsets (FOMA+mova) Sold (6)	thousands	20,129	4,946	<b>4,344</b>	—
Aggregate ARPU (FOMA+mova) (7)	yen/month/subscription	5,710	5,890	<b>5,440</b>	5,280
Voice ARPU (8)	yen/month/subscription	3,330	3,560	<b>3,010</b>	2,860
Packet ARPU	yen/month/subscription	2,380	2,330	<b>2,430</b>	2,420
i-mode ARPU	yen/month/subscription	2,340	2,290	<b>2,380</b>	2,360
ARPU Generated from International Services (9)	yen/month/subscription	80	80	<b>70</b>	80
ARPU Generated Purely from i-mode (FOMA+mova) (7)	yen/month/subscription	2,550	2,480	<b>2,610</b>	2,600
Aggregate ARPU (FOMA) (7)	yen/month/subscription	6,010	6,260	<b>5,610</b>	5,420
Voice ARPU (8)	yen/month/subscription	3,360	3,630	<b>3,010</b>	2,860
Packet ARPU	yen/month/subscription	2,650	2,630	<b>2,600</b>	2,560
i-mode ARPU	yen/month/subscription	2,590	2,590	<b>2,540</b>	2,490
ARPU Generated from International Services (9)	yen/month/subscription	90	90	<b>80</b>	90
ARPU Generated Purely from i-mode (FOMA) (7)	yen/month/subscription	2,760	2,730	<b>2,740</b>	2,700
Aggregate ARPU (mova) (7)	yen/month/subscription	3,750	3,890	<b>3,550</b>	3,340
Voice ARPU (8)	yen/month/subscription	3,090	3,220	<b>2,940</b>	2,800
i-mode ARPU	yen/month/subscription	660	670	<b>610</b>	540
ARPU Generated from International Services (9)	yen/month/subscription	10	10	<b>0</b>	10
ARPU Generated Purely from i-mode (mova) (7)	yen/month/subscription	870	860	<b>840</b>	770
MOU (FOMA+mova) (7)	minute/month/subscription	137	137	<b>135</b>	—
MOU (FOMA) (7)	minute/month/subscription	148	150	<b>143</b>	—
MOU (mova) (7)	minute/month/subscription	63	69	<b>54</b>	—
<b>i-mode</b>					
Subscriptions	thousands	48,474	48,061	<b>48,597</b>	48,850
FOMA	thousands	44,853	42,118	<b>45,682</b>	47,350
i-mode Subscription Rate (5)	%	88.8	89.6	<b>88.6</b>	87.6
Net Increase from Previous Period	thousands	481	68	<b>123</b>	380
i-mode Packet Flat-rate Services Subscriptions (10)	thousands	17,610	13,395	<b>19,578</b>	—
i-channel Subscriptions	thousands	16,545	15,823	<b>16,607</b>	—
i-concier Subscriptions	thousands	929	—	<b>1,558</b>	—
<b>Others</b>					
DCMX Subscriptions (11)	thousands	8,980	6,440	<b>9,620</b>	11,800

\* Please refer to the appendix 2 for the definition of ARPU and MOU, and an explanation of the methods used to calculate ARPU and the number of active subscriptions.

(1) From March 3, 2008 onward, another FOMA subscription is a prerequisite for the application of 2in1 in principle, and those FOMA subscriptions are included in the number of FOMA subscribers.

(2) FOMA Ubiquitous plan subscriptions

(3) DoPa Single service subscriptions

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

(5) Data are calculated including communication module services subscriptions.

(6) Sum of new FOMA/mova subscriptions, change of subscription from mova to FOMA, FOMA handset upgrade by FOMA subscribers, mova handset upgrade by mova subscribers, and change of subscription from FOMA to mova

(7) Data are calculated excluding communication module services-related revenues and communication module services subscriptions.

(8) Inclusive of circuit-switched data communication

(9) Inclusive of voice communication and packet communication

(10) Sum of "Pake-hodai double" subscriptions, "Pake-hodai full" subscriptions and "Pake-hodai" subscriptions

(11) Inclusive of DCMX mini subscriptions



## Definition and Calculation Methods of ARPU and MOU

### 1. Definition of ARPU and MOU

- i) **ARPU (Average monthly Revenue Per Unit)<sup>1</sup>:**  
Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per subscription basis. ARPU is calculated by dividing various revenue items included in operating revenues from our wireless services, such as basic monthly charges, voice communication charges and packet communication charges, from designated services which are incurred consistently each month, by the number of active subscriptions 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 per subscription 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.
- ii) **MOU (Minutes of Use):** Average monthly communication time per subscription.

### 2. ARPU Calculation Methods

- i) **ARPU (FOMA+mova)**
- Aggregate ARPU (FOMA+mova) = Voice ARPU (FOMA+mova) + Packet ARPU (FOMA+mova)
  - Voice ARPU (FOMA+mova):  $\text{Voice ARPU (FOMA+mova) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (FOMA+mova)}$
  - Packet ARPU (FOMA+mova):  $\{\text{Packet ARPU (FOMA) Related Revenues (basic monthly charges, packet communication charges) + i-mode ARPU (mova) Related Revenues (basic monthly charges, packet communication charges)}\} / \text{No. of active subscriptions (FOMA+mova)}$
  - i-mode ARPU (FOMA+mova)<sup>2</sup>:  $\text{i-mode ARPU (FOMA+mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (FOMA+mova)}$
  - ARPU generated purely from i-mode (FOMA+mova)<sup>3</sup>:  $\text{i-mode ARPU (FOMA+mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (i-mode (FOMA+mova))}$
- ii) **ARPU (FOMA)**
- Aggregate ARPU (FOMA) = Voice ARPU (FOMA) + Packet ARPU (FOMA)
  - Voice ARPU (FOMA):  $\text{Voice ARPU (FOMA) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (FOMA)}$
  - Packet ARPU (FOMA):  $\text{Packet ARPU (FOMA) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (FOMA)}$
  - i-mode ARPU (FOMA)<sup>2</sup>:  $\text{i-mode ARPU (FOMA) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (FOMA)}$
  - ARPU generated purely from i-mode (FOMA)<sup>3</sup>:  $\text{i-mode ARPU (FOMA) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (i-mode (FOMA))}$
- iii) **ARPU (mova)**
- Aggregate ARPU (mova) = Voice ARPU (mova) + i-mode ARPU (mova)
  - Voice ARPU (mova):  $\text{Voice ARPU (mova) Related Revenues (basic monthly charges, voice communication charges) / No. of active subscriptions (mova)}$
  - i-mode ARPU (mova)<sup>2</sup>:  $\text{i-mode ARPU (mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (mova)}$
  - ARPU generated purely from i-mode (mova)<sup>3</sup>:  $\text{i-mode ARPU (mova) Related Revenues (basic monthly charges, packet communication charges) / No. of active subscriptions (i-mode (mova))}$

### 3. Active Subscriptions Calculation Methods

No. of active subscriptions used in ARPU/MOU/Churn Rate calculations is as follows:

No. of active subscriptions for each month:

$(\text{No. of subscriptions at the end of previous month} + \text{No. of subscriptions at the end of current month}) / 2$

No. of active subscriptions for full-year results/forecasts:

Sum of No. of active subscriptions for each month from April to March

1 Communication module services subscriptions 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 subscriptions 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 i-mode subscriptions as a denominator.

## (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	
	Three months ended June 30, 2008	Three months ended June 30, 2009
a. EBITDA	¥ 469.7	¥ 426.4
Depreciation and amortization	(168.5)	(169.0)
Loss on sale or disposal of property, plant and equipment	(4.7)	(5.6)
Operating income	296.5	251.8
Other income (expense)	(8.1)	(4.4)
Income taxes	(118.0)	(100.2)
Equity in net income (losses) of affiliates	3.1	0.8
Less: Net (income) loss attributable to noncontrolling interests	(0.0)	(0.7)
b. Net income attributable to NTT DoCoMo, Inc.	173.5	147.4
c. Operating revenues	1,170.2	1,084.8
EBITDA margin (=a/c)	40.1%	39.3%
Net income margin (=b/c)	14.8%	13.6%

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. ROCE after tax effect**

	Billions of yen	
	Three months ended June 30, 2008	Three months ended June 30, 2009
a. Operating income	¥ 296.5	¥ 251.8
b. Operating income after tax effect {=a*(1-effective tax rate)}	175.2	149.1
c. Capital employed	4,779.4	5,075.8
ROCE before tax effect (=a/c)	6.2%	5.0%
ROCE after tax effect (=b/c)	3.7%	2.9%

Notes: The effective tax rate for the three months ended June 30, 2008 and 2009 was 40.9% and 40.8%, respectively.

Capital employed = Two period ends average of (NTT DoCoMo, Inc. shareholders' equity + Interest bearing liabilities)

Interest bearing liabilities = Current portion of long-term debt + Short-term borrowings + Long-term debt

**3. Free cash flows excluding changes in investments for cash management purposes**

	Billions of yen	
	Three months ended June 30, 2008	Three months ended June 30, 2009
Free cash flows excluding changes in investments for cash management purposes	¥ (105.6)	¥ (90.8)
Changes in investments for cash management purposes (*)	50.4	3.2
Free cash flows	(55.2)	(87.6)
Net cash used in investing activities	(190.4)	(242.2)
Net cash provided by operating activities	135.3	154.5

Note: (\*)Changes in investments for cash management purposes were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purposes 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 the expected number of subscriptions, and the expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this Earnings Release 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:

1. Changes in the business environment in the telecommunications industry, such as intensifying competition from other service providers or other technologies caused by Mobile Number Portability, new market entrants and other factors, could limit our acquisition of new subscriptions and retention of existing subscriptions, or may lead to diminishing ARPU or an increase in our costs and expenses.
2. Current and new services, usage patterns, and sales schemes introduced by our corporate group may not develop as planned, which could affect our financial condition and limit our growth.
3. The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group could restrict our business operations, which may adversely affect our financial condition and results of operations.
4. Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.
5. 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.
6. Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.
7. 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.
8. Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.
9. Inadequate handling of confidential business information including personal information by our corporate group, contractors and other factors, may adversely affect our credibility or corporate image.
10. Owners of intellectual property rights that are essential for our business execution may not grant us 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.
11. Earthquakes, power shortages, malfunctioning of equipment, 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.
12. Concerns about wireless telecommunication health risks may adversely affect our financial condition and results of operations.
13. Our parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), could exercise influence that may not be in the interests of our other shareholders.

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