

Press Conference Announcing the Results
for the First Nine Months of the Fiscal Year Ending March 31, 2012 (FY2011/3Q)
(Minutes)

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【Comments by Ryuji Yamada, President and CEO】

FY2012/1-3Q (cumulative) Financial Results

For the first nine months of the fiscal year ending March 31, 2012 (FY2011/1-3Q), we recorded a decrease in both operating revenues (down 1.1% year-on-year) and operating income (down 1.9% year-on-year). However, when we single out the three-month period of FY2011/3Q, operating income posted an increase compared to the same period of the previous fiscal year. Also, if the impact of the revisions made to our loyalty program/ handset repair system in FY2010/2Q is excluded, operating income continued to record year-on-year gains for three straight quarters from FY2011/1Q. The progress of operating income for the first three quarters vis-à-vis our full-year forecast was 85.5%.

Due to the passage of a tax reform act proposing to lower corporate tax rates from FY2012, we derecognized approximately ¥40 billion of deferred tax assets. Accordingly, we made a downward revision to our full-year net income forecast to ¥474 billion. A more detailed explanation of this matter will be provided later in the presentation.

FY2011/1-3Q (cumulative) Financial Results Highlights

We sold a total of 1.9 million units of smartphones in FY2011/3Q and 5.53 million units for FY2011/1-3Q. The cumulative number of smartphones sold in the period between Apr. 1, 2011 and Jan. 27, 2012, reached 6.2 million. In fact, when I visit docomo Shops, I find many customers taking smartphones in their hands to try them out. We also launched the “dmenu” portal and “dmarket” content store in FY2011/3Q.

The total number of “Xi” LTE subscriptions reached 1.14 million as of December 31, 2011, and grew further to 1.4 million as of January 27, 2012, already surpassing our full-year target of 1.3 million. We expect the subscription count will reach over 2 million by March 31, 2012. The “Xi Talk 24” voice billing plan for “Xi” service has received favorable reviews among our customers.

Packet revenues for FY2011/3Q (three months) grew by ¥40.4 billion, or 9.5%, compared to the same period of the previous fiscal year.

As a result of our continual efforts for customer satisfaction improvement, we were awarded the No. 1 ranking in J.D. Power Asia’s consumer customer satisfaction survey for two years in a row.

In light of the recent network malfunctions, we will strive even harder to regain the confidence of customers.

Meanwhile, we have steadily moved ahead with the implementation of new disaster preparedness measures. By the end of January 2012, we expect to complete the roll-out of large-zone base stations in 100 locations out of total 104 sites planned. The implementation of other measures has also achieved steadfast progress.

Changes in Operating Income (FY2010-2011)

Operating income for FY2011/3Q (three months) posted an increase compared to the same period of the previous fiscal year. Operating income for FY2011/2Q also recorded year-on-year gains when the impact of the revisions made to the handset repair/loyalty point systems in FY2010/2Q is excluded. We are committed to making further efforts toward the achievement of our full-year operating income target of ¥870 billion.

FY2011/1-3Q (cumulative) Financial Results Analysis

Voice revenues decreased by ¥149.3 billion, but packet revenues increased by ¥109.9 billion over the same period of the previous fiscal year. However, the increase of packet revenues fell short of completely offsetting the decline in voice revenues.

Other revenues grew by ¥8.5 billion, due mainly to the increase in the number of “Mobile Phone Protection and Delivery” service subscriptions and credit revenues.

Despite the increase in the total number of handsets sold, equipment sales revenues decreased by ¥4.1 billion year-on-year owing primarily to a reduction in the sales prices of handsets.

On the expenses side, equipment sales expenses increased by ¥14.8 billion. Although we achieved savings of ¥5.3 billion in the total cost of equipment sold through lowered handset procurement costs, distributor commissions grew by ¥20 billion because of the increase in total handset sales resulting from stepped up promotion of smartphones and Xi-enabled devices.

Communication network charges decreased by ¥27.5 billion year-on-year owing to reduced access charges and other factors. Other expenses also recorded a decline of ¥62.5 billion, mainly because handset repair costs dropped as a result of a reduction in the number of handsets submitted for repair and expenses for “Battery Pack Anshin Support” package.

As a result of the foregoing, operating income for FY2011/1-3Q recorded growth of ¥40.3 billion over the same period of the previous fiscal year when the impact of the handset repair/loyalty point system change is excluded.

Cellular Services Revenues (Voice + Packet)

Packet revenues have been maintained higher than voice revenues after overtaking them for

the first time in FY2010/4Q.

Cellular (FOMA+mova) ARPU

The aggregate ARPU for FY2011/3Q (three months) decreased by ¥250 year-on-year to ¥4,880. Voice ARPU recorded a decline of ¥400, but packet ARPU grew by ¥150 over the same period of the previous fiscal year.

Growth of Packet ARPU/Revenues

ARPU has hitherto been considered one of the most important indicators for our business. However, given the diversification of devices used by our subscribers, we believe the total cellular services revenues provide a more accurate representation of the state of our business management.

Compared to the same period of the previous fiscal year, packet ARPU for FY2011/3Q (three months) grew by 5.9%, or ¥150, but our total packet revenues increased at a faster rate of 9.5%, recording an increase of ¥465.2 billion.

50%-Off Monthly Charge Discount Plans and “Value Plan”

The negative impact from the growing uptake of 50%-off monthly charge discount plans and “Value Plan” has been subsiding.

Total Handset Sales

The cumulative number of handsets sold in FY2011/1-3Q was 15.41 million units, up 13.4% from 13.59 million units for the same period of the previous fiscal year. We will strive toward the achievement of our annual handset sales target of 21 million units.

Churn Rate

Unfortunately, the churn rate for FY2011/3Q marked a slight increase to 0.59% due to the impact of the iPhone and intensified competition during the Christmas sales season.

Number of Net Additions

The total number of net additional subscriptions acquired in FY2011/1-3Q was 1.61 million, up 43.2% from the same period of the previous fiscal year. We will continue our endeavors toward our annual target of acquiring 2.2 million net additions.

Subscriber Migration to FOMA/Xi

The total number of users remaining on our second-generation network decreased to 520,000 as of December 31, 2011. Our goal is to reduce the number to zero before the scheduled termination

of 2G services on March 31, 2012, but some 200,000 subscribers are likely to remain.

Principal Actions and Results

Customer Satisfaction Improvement

We received the No. 1 ranking in the consumer customer satisfaction survey conducted by J. D. Power Asia Pacific for two consecutive years.

While we have been implementing various measures with a strong determination to improve customer satisfaction, several cases of network malfunctions have been reported. Going forward, we will employ proper measures to avoid reoccurrence of such network troubles and enhance customer satisfaction thereby.

Smartphones (Product Lineup)

As part of our 2011-12 winter/spring handset collection, we released 14 models of smartphones (including three Xi-enabled models) by January 27, 2012. We also decided to launch the “*Harutoku*” spring smartphone price campaign.

Smartphones (No. of Units Sold)

We sold a total of 5.53 million units of smartphones in the first three quarters of FY2011, and a cumulative 6.2 million units in the period between April 1, 2011 and January 27, 2012. Our smartphone sales for the single quarter of FY2011/3Q reached 1.9 million units, with monthly sales for December 2011 topping the 1 million mark for the first time driven by the brisk sales of newly released products. During FY2011/3Q (three months), we sold 400,000 units of Xi-enabled models, which enjoy favorable acceptance for their ease of use.

Billing Plans (“Ouen Student Discount”)

On January 20, 2012, we launched the “Ouen Student” discount campaign. We believe this package offer discounts comparable to those of our competitors.

New Services for Smartphones

The newly launched “dmenu” and “dmarket” are services that allow customers to utilize various i-mode content even after migrating to a smartphone. Some 80% of users owning a handset compatible with “dmarket” have actually visited this content store. Going forward, we plan to introduce “i-concier” and “Data Security Service” on smartphones.

New Services for Smartphones (Voice Agent Service)

Voice agent is a service enabled by DOCOMO’s network cloud, which allows customers to

activate and utilize various applications through voice commands. Just by speaking to the phone to input a command—such as “send a message to Mr. X”, a mail application will be activated so that users can instruct the message to be contained in the body text through voice command.

We intend to offer this voice agent service by incorporating an information processing capability in the network. We also plan to work on the development of “Translator Phone” service.

New Services for Smartphones (“Memory Collection”)

We started offering a new service, dubbed “Memory Collection”, on a trial basis from December 21, 2011. This service automatically sorts photographs and videos stored in smartphones or PCs and rearranges them by category. It also can automatically find the picture of children or other persons the user wants to search using its face recognition feature.

Remote Test Environment for CPs

To date, content providers were required to conduct operational testing with actual devices in order to develop content for smartphones. By providing this environment for development assistance, content providers will be able to remotely verify the operations of content using actual equipment connected via the Internet. To support the reconstruction of the disaster-stricken Tohoku region, we decided to establish the remote test environment in Aizu Wakamatsu and offer the service at affordable rates.

Growth of “Xi” Subscriptions

The total number of “Xi” subscriptions reached 1.14 million as of December 31, 2011, and 1.4 million as of January 27, 2012. Now that it has surpassed the full-year target of 1.3 million, we believe we can grow the subscriber base to approximately 2 million by March 31, 2012.

“Xi Talk 24”

As of December 31, 2011, “Xi Talk 24” billing plan was subscribed by 80% of the total number of Xi comprehensive billing plan subscribers, beating our earlier assumption of 60% subscription rate.

Billing Plans (“Xi Start Campaign 2”)

To propel the uptake of “Xi” service, we are currently promoting the “Xi Start Campaign”, under which subscribers can receive discounts of ¥1,575 on their monthly bills through April 30, 2012. From May 1, 2012, we will launch another program, “Xi Start Campaign 2”, to provide users with discounts of ¥1,050 per month during the period between May 1 and September 30, 2012. The Xi rates will resume to normal from October 1, 2012, but we will look into the possibility of

introducing other new billing plans that are easy to use for customers.

Data Communications

During FY2011/3Q (three months), we sold approximately 500,000 units of data communication devices.

Billing Plan (“Xi2 Discount Campaign”)

We decided to launch “Xi2 Discount Campaign”, to offer special discounts to subscribers using Xi service exclusively for data communications with a second mobile device. Applications will be accepted from March 1, 2012 to March 31, 2013. By joining this service, customers who have concurrently signed up for “Xi comprehensive (voice + data) billing plan” and “Xi data plan” will be able to use a Xi-enabled tablet as their second device for only ¥2,980 per month for the first 25 months, and for ¥3,980 per month from the 26th month (in the case of “Xi Data Plan Flat Ninen”). For a Xi-enabled mobile Wi-Fi router or data card as the second device, the discounted monthly rate would be ¥3,980.

“Xi” Area Expansion Plans

We plan to further accelerate the expansion of Xi coverage. Under the new plan, we will aim to achieve population coverage of 70% with approximately 21,000 base stations by March 31, 2012, as opposed to the original plan of 60% coverage with approximately 20,000 base stations. We started offering downlink speeds up to 75Mbps in some limited locations from December 2011, and we will further expand the coverage of 75Mbps service not only indoors but also in some outdoor areas where we can secure carrier bandwidth of 10MHz. Further down the road, we plan to offer 100Mbps services in selected areas from mid-FY2012.

Actions for Transformation into an Integrated Service Company (NOTTV)

NOTTV plans to start providing broadcasting services on April 1, 2012 for a monthly rate of ¥420. We plan to launch a trial campaign renting out NOTTV-enabled devices to monitors. A maximum of 20,000 units of rental devices will be made available to monitor users for free, and in return users will be requested to cooperate for surveys and other things. One model of smartphone and one model of tablet are planned for release in time for the service launch. Then, during the period between May to September 2012, we plan to progressively add five more compatible models.

Actions for Transformation into an Integrated Service Company (Enrichment of Data Plans)

We recently launched two new prepaid data plans, “Prepaid Data Plan 20h” and “Prepaid Data Plan 100h”, which were first implemented for PlayStation®Vita portable gaming consoles. In

March 2012, we plan to launch a new flat-rate billing plan “Flat-Rate Data Plan 128K”, which allows users to enjoy unlimited data access for a fixed monthly rate of ¥1,380 after promotional discounts are applied.

Actions for Transformation into an Integrated Service Company (Education, Medical/Healthcare)

On December 7, 2011, we announced our alliance with Omron Healthcare Co. Ltd., for cooperation in healthcare and medical businesses. The two companies have reached a basic agreement to establish a new joint venture company in June 2012.

New Disaster Preparedness Measures: Progress

We started implementing various new disaster preparedness measures from April 2011, and most of them are expected to be completed before March 31, 2012. The total amount of capital expenditures required for these measures is estimated to be ¥20 billion. The large-zone base stations, which can cover a 7 kilometer radius, comprise transmission equipment and a special antenna that will be activated only after occurrence of a large-scale disaster, such as a major earthquake directly striking the Metropolitan Tokyo area.

Securing Communication in Key Areas

Learning from our experience in the Great East Japan Earthquake, we have moved ahead with the installation of uninterruptible power supply systems or additional batteries to ensure 24-hour power supply at base stations. We completed the extension of battery hours at approximately 84% of the total 1,000 base stations where additional batteries are planned to be installed.

Disaster Voice Message Service

We expect to complete the development of “Disaster Voice Message Service” in March 2012. We will make preparations so that it can be activated without delay in the event of a disaster. Customers opting to utilize this service after occurrence of a disaster will be able to record a 30-second voice message, which will be delivered to the destination in a data file. The receiver will be able to retrieve the message in voice format.

This service offers three distinctive benefits: 1) Users can send messages using the telephone number of the destination; 2) The service is resilient against congestion as it carries the message using packet-switched data connections; and 3) The receiver can hear the message in the caller’s own voice. The Ministry of Internal Affairs and Communications has also advised carriers to work together and implement necessary measures to realize this service as quickly as possible.

Restoration Area Maps: Functional Enhancements

We made functional enhancements to the Restoration Area Maps, thereby significantly improving their ease of use.

To summarize our performance in FY2011/1-3Q, while we believe we achieved favorable results by shifting our focus to smartphones, we also encountered some challenges. The series of network malfunctions are a significant issue, and we are determined to take proper measures to resolve them and regain users' confidence.

Before closing, we will add a supplementary explanation concerning the revisions made to the full-year guidance in association with the tax reform enacted in late 2011, in which it was decided to lower the corporate tax rate by 5% and secure funds for the restoration from the Tohoku Earthquake.

Some expenses are recorded in our books in advance together with their taxable amounts in the form of accelerated depreciation or allowances for retirement benefits. While these expenses are recorded as outlays, they do not have any effect on the tax amount payable for the said fiscal year. These amounts will be recognized as expenses in the future upon the actual sale of assets or retirement of employees, after which the applicable tax amount will be reimbursed. Such amounts are considered as assets, and are currently recorded as deferred tax assets on our balance sheet.

DOCOMO's deferred tax assets, including both current and non-current, total slightly over ¥400 billion, which were appropriated in view of the estimated tax reimbursement calculated based on the assumption of an effective corporate tax rate of 40%. However, if the effective tax rate is lowered to 35% or temporarily to 37-38%, the amount of reimbursement is expected to decrease, and the amount of deferred tax assets that we have appropriated will be deemed inappropriate.

Therefore, we decided to make an accounting treatment in which the net deferred tax assets was derecognized on our balance sheet by an amount equaling the differential of the estimated tax reimbursement, and this amount also appears as additional tax payments in our statement of income for the most recent quarter. This negatively affected our FY2011/1-3Q results by ¥36.6 billion. Accordingly, although the actual result will also be affected by various other factors, we decided to lower our full-year net income guidance by approximately ¥40 billion.

As shown on page 2 of the earnings release, net income attributable to DOCOMO was ¥394.6 billion, including the effect of derecognizing part of the net deferred tax assets due to the tax reform enacted on November 30, 2011. As described in page 3 of the earnings release, income taxes for FY2011/1-3Q increased by ¥39.1 billion year-on-year, of which ¥36.6 billion was attributable to the latest tax reform. In light of this change, we added a statement concerning the changes made to the full-year forecasts in page 9 of the earnings release ("Prospects for the Fiscal Year Ending March 31, 2012").

[Questions and Answers]

Q: KDDI plans to provide bundled discounts for fixed and mobile services. How do you plan to compete against such offers?

A: Our “Xi” LTE service is something our competitors still cannot match. We intend to compete against other companies leveraging our “Xi” service to avoid price competition. For this purpose, we introduced the “Xi2” discount campaign. We are not fixated about offering bundled packages with fixed-line services.

Q: Will there be any indicators—such as the publicly disclosed ARPU or net additions data—that will be of particular importance for you going forward? Please also share with us your views on net additions, which are disclosed on a monthly basis.

A: As we have stated from before, we will pay attention to the trends of ARPU as it represents our ability to generate revenues as well as the churn rate and net additions (or market share of net additions), because we believe it is important to strike a good balance of these three indicators. While keeping an eye on the ARPU trends, we will also closely monitor the growth of total voice and packet revenues, because the diversification of devices used by subscribers will affect the denominator used in ARPU calculation (i.e., the total subscription count).
If each device used in machine-to-machine (M2M) communication services is counted as one subscription in the future, the total number of subscriptions could suddenly grow to hundreds of millions. There may be a need to develop an industry consensus on changing the definition of ARPU, net additions or other indicators, and we intend to make necessary approaches to this end.

Q: Let me ask about your views on your MNP subscriber acquisition performance. Do you have any plans to launch campaigns aimed at preventing subscriber outflows or retaining your long-term users during the coming spring sales season?

A: In actuality, we have seen an increase in the number of MNP outflows. The number of users switching carriers using MNP increased in the high-sales month of December 2011: the number of port-ins grew by approximately 1.7 times from the previous month due to the release of Xi-enabled devices and other new models, while the number of port-outs increased by approximately 1.3 times.

We will also review the privileges offered to long-term users on an ongoing basis. Going forward, we plan to step up the measures aimed for acquisition of port-ins. We learned from our conversation with docomo Shops staffs that they are making efforts to prevent port-outs but not many shops are focusing on the increase of port-ins. We will also study the incentive levels that could lead to an increase of port-in subscribers.

Q: FY2012 marks the 20th anniversary of the establishment of the Company. Please comment on your plans for any special campaigns or other offers?

A: We position the 20th anniversary as the year to express our appreciation to our valued customers. Particularly, we would like to implement various CSR initiatives to provide returns to customers. With appreciation to customers in our minds, we will make further endeavors to improve customer satisfaction.

Q: The competitive landscape is becoming increasingly fierce, with KDDI's introduction of fixed-mobile bundle discounts and other developments. Do you think the price competition will continue in FY2012?

A: We would like to avoid being dragged into the quagmire of a price war. For this, it would be important to offer high-quality products and services at reasonable rates. We would like to appeal our distinctive products such as Xi-enabled devices or brand-collaboration models. But the prices of these products will have to be competitive and should not be too expensive relative to those of our competitors.

Q: Please elaborate on your performance in the enterprise market.

A: We believe we have won considerable number of subscription contracts from among large and mid-size enterprises. While enterprise clients are gradually migrating to smartphones, the adoption is still limited compared to general consumers. We will promote the adoption of smartphones and tablets among enterprise customers by providing various solutions through our business cloud.

Q: Can you give us a more detailed explanation behind the reduction in communication network charges and other expenses?

A: Regarding the communication network charges, the access charges payable by DOCOMO has come down significantly. In addition, our depreciation costs have decreased constantly as a result of lowered capital expenditures in the prior years. Accordingly, loss on disposal of property, plant and equipment and intangible assets have also declined. Meanwhile, we have been working to cut our costs on all fronts, but the primary reason behind the decline in other expenses was the reduction of handset repair and loyalty program expenses.
The effects of the revisions made to these systems continued.

Q: Your distributor commissions increased by ¥20 billion compared to the same period of the previous fiscal year. KDDI recorded a decrease in profits due to a remarkable increase in sales

promotion expenses. What kind of control did you put in place to secure growth of income?

A: We did not suppress our sales promotion expenses, but disproportionately allocated the expenses to well selling or competitive models. The handsets of our competitors are priced much cheaper than ours. Amid the abundance of zero-yen handsets offered by other carriers, we believe we competed fairly well with decently priced handsets. The increase in distributor commissions was limited relative to the growth in the total number of handsets sold, as we successfully reduced the handset procurement costs.

Q: I believe you will have to make outlays to implement the immediate countermeasures for the network troubles, but you did not change your full-year operating income guidance. How do you plan to cover these expenses?

A: During the current fiscal year, we plan to spend ¥2 billion for the immediate countermeasures to resolve the series of network malfunctions. An additional ¥2 billion is estimated to be required to enhance the processing capability of packet switches, but this will be recognized in FY2012 because the implementation is planned for completion in August 2012.

Also, we plan to appropriate additional capital expenditures totaling ¥50 billion over the years up to FY2014 to implement various network advancement measures in response to the series of troubles, so by simple calculation, this should have an effect to increase our annual CAPEX by some ¥20 billion per annum. But we will try to maintain our total annual CAPEX at around ¥700 billion by saving expenditures in other areas.

Q: How do you think your churn rate for FY2011/4Q will fare in light of the scheduled termination of the second-generation mova service March 31, 2012?

A: Churn rate is one of the indicators that we would like to achieve improvements. If the number of churns in association with the termination of 2G mova service reaches somewhere between several tens of thousands and several hundreds of thousands, then our churn rate is expected to rise to slightly over 0.6%. We will make efforts to minimize churns in the next 1-2 months.

Q: SoftBank and KDDI have plans to increase the number of public wireless LAN access points to 140,000 and 60,000, respectively. How do you plan to compete against them?

A: We plan to increase the number of our access points to 30,000 within FY2012/1H, and possibly to 100,000 as necessary further down the road. We already started the negotiations with NTT-BP envisaging a greater number of access points than 30,000. We believe improvement of Wi-Fi environments will lead to enhanced customer satisfaction.

Q: SoftBank has been promoting its communication service that offers maximum downlink speed of

110Mbps, dubbing it “SoftBank 4G”. I understand that you also have a plan to enhance your maximum data rate to 100Mbps in FY2012/2H, but what kind of marketing strategies do you plan to employ to compete against SoftBank?

A: We started offering maximum downlink speed of 75Mbps with our Xi service in some limited outdoor areas. The maximum speed is planned to be upgraded to 100Mbps in certain areas from mid-FY2012, and we will publicize it in due course. Regarding actual user experience, we are delivering average throughput of around 10Mbps with our existing “Xi” service.

Q: In November 2011, you launched the “Xi Talk 24” plan. How has this plan affected your MOU or voice ARPU?

A: We still do not have sufficient data to assess the impact of “Xi Talk 24”. However, some 80% of users subscribing to the Xi comprehensive billing plan have signed up for “Xi Talk 24”, and we believe these subscribers are heavily using the unlimited voice service offered by this plan. We need some more time to complete the analysis of its impact to see whether it has an effect to boost or dilute our voice ARPU and MOU.

Q: What is your current estimate concerning the full-year distributor commissions? Do you foresee any need of increasing your incentives given your sluggish MNP performance?

A: Distributor commission for FY2011/1-3Q grew by approximately ¥20 billion compared to the same period of the previous fiscal year, and we are expecting a similar level of increase for the full year. When the competitive environment is taken into consideration, we believe we will need to spend an amount comparable to FY2011/4Q.

Q: I have an impression that your Indian partner TTSL is taking longer time than expected to turn profitable. When do you think it will start making contributions to your consolidated income?

A: As they are engaged in infrastructure business, we had expected in our initial business plan that it would take some time for TTSL to become profitable. The two companies of DOCOMO and TTSL established a joint project team, which is currently implementing various performance improvement measures, such as those aimed at boosting the ARPU of users in urban/suburban areas or capturing high-ARPU subscribers. Once the results of the project become clear, the measures that turned out to be effective will be deployed on a nationwide scale.

Now that 3G service has been launched, we also intend to expand its uptake because this is a premium service generating ARPU 4-5 times higher than the 2G service.

TATADOCOMO has already gained recognition as one of the top three mobile service brands in India. We will strive to further enhance the brand and implement measures to acquire high-ARPU subscribers.

Q: Do you have any plans to further introduce an arrangement similar to that of PlayStation®Vita in other areas going forward?

A: We would like to expand the M2M market, addressing opportunities in electric vehicles, gaming consoles and electronic books, etc.

Q: Regarding your free cash flow, there was a net cash outflow of nearly ¥200 billion due to changes in investment for cash management purposes, which is described to be derived from purchases, redemption at maturity and disposal of financial instruments held for cash management purposes with original maturities of longer than three months. What does this refer to?

A: We would like to manage our surplus cash in the most effective way. Although we manage most of the cash with short-term instruments such as commercial paper, we have recently increased the amount of cash management with longer maturities. The amount you referred to are investments with maturities longer than three months carried over to the next fiscal term.

Q: Recently, applications that transmit information to external devices without user's consent are drawing attention as a potential privacy issue. Apart from whether there is malicious intent or not, what are your views concerning these applications that transmit information without user's consent?

A: For example, we informed Google that disclosing the detailed address of customers to content providers may be "somewhat problematic". We would like to guarantee that the content offered on "dmenu" or "dmarket" are free of any problems by performing virus checks. In any event, we believe it is not desirable to allow collection of user's personal information without prior consent.

Q: Did you submit your application for the 900MHz spectrum band prior to the deadline today?

A: We will submit an application for the 900MHz spectrum band. If we are awarded this spectrum, we will use it for LTE service. If we are allowed to use this band, we believe we can offer proper communications environment for smartphones, alleviating the capacity burden caused by shortage of spectrum.

Q: Can you comment on the recent churn rate trends and the impact of the iPhone?

A: The growth in the number of MNP port-ins has lost momentum in January 2012, after increasing to 1.7 times the level of the previous month in December 2011 driven by the introduction of new products. The churn rate for FY2011/3Q increased to 0.59%. We will aim to bring it down to around 0.5%.

Q: Google has been informing content providers of the address of users who have purchased an application. Even with DOCOMO's handset, content providers will have access to user's address via the Android market if the user makes payment for the purchased application. What are your views on this issue?

A: Because "dmarket" is directly operated by DOCOMO, personal details of customers will never be disclosed to any external even if they purchase video, music or electronic books from the content store. However, as far as the applications are concerned, we cannot rule out such possibility because they are part of the broader Android applications.