

Press Conference Announcing the Results
for the First Three Months of the Fiscal Year Ending March 31, 2013 (FY2012/1Q)
(Minutes)

Date: July 27, 2012 (Friday), 15:00-16:00

【Comments by Kaoru Kato, President and CEO】

Before starting my presentation on our financial results, I would like to take this opportunity to once again express our sincere apologies for causing inconvenience to so many customers due to the malfunction in various sp-mode settings reported on July 25, 2012.

We are currently investigating the cause of the trouble and individually contacting the customers who were affected by the malfunction. We will do our utmost to identify the cause and prevent recurrence of similar problems in the future.

FY2012/1Q Results Highlights

For the first three months of the fiscal year ending March 31, 2013 (FY2012/1Q), the Company recorded ¥1,072.3 billion in operating revenues, which were 2.4% (or ¥25.0 billion yen) higher than the same period of the previous fiscal year. Operating income, on the other hand, dropped by 1.9% (or ¥5.1 billion) from the same period of the previous fiscal year to ¥262.6 billion. Despite the slight year-on-year decrease in operating income, we believe we achieved a favorable progress toward our full-year operating income target of ¥900.0 billion. Net income increased 3.5% (or ¥5.6 billion) year-on-year to ¥164.3 billion owing primarily to the decrease in corporate tax and other duties resulting from the enactment of tax reform, improved profitability of affiliated companies and other factors.

FY2012/1Q packet revenues were ¥485.1 billion, up 9.0% compared to the same period of the previous fiscal year. The total number of handsets sold during the first quarter reached 5.17 million, up 11.2% year-on-year. In particular, the number of smartphones sold in the three months through June 30, 2012, almost doubled from the same period of the previous fiscal year to 2.49 million units. Because we sold over 1 million units of smartphones in the single month of July 2012, our cumulative smartphone sales from the beginning of the fiscal year to date (July 26, 2012) topped 3.5 million. The total number of Xi subscriptions as of June 30, 2012, was 3.32 million. As shown by these indicators, we believe we are delivering strong results toward our goal to achieve top-line growth.

FY2012/1Q Financial Results

The progress of FY2012/1Q operating revenues and income vis-à-vis their full-year forecasts were 24.1% and 29.2%, respectively. Adjusted free cash flow posted a year-on-year decrease of ¥30.1 billion, but this was more or less in line with our earlier expectations because our cash position generally reduces in the end of the first quarter every year due to corporate tax and other payment requirements. The year-on-year decrease in adjusted free cash flow resulted from the lower-than-usual commission payments to agent resellers and capital expenditures in the first quarter of last fiscal year due to the impact of March 2011 earthquake.

FY2012/1Q Results: Key Factors behind Changes in Operating Income

Regarding the key factors behind the year-on-year changes in operating revenues, voice revenues (excluding the impact of “Monthly Support” discounts) decreased by ¥41.2 billion due mainly to the drop in billable MOU, although the negative impact from the expanded uptake of “Value Plan” has stabilized. On the contrary, packet revenues (excluding the impact of “Monthly Support” discounts), increased by ¥46.1 billion as a result of our stepped up promotion of smartphones and Xi devices. The negative impact of “Monthly Support” discounts on our cellular services revenues increased by ¥28.3 billion compared to the same period of the previous fiscal year. Other revenues grew by ¥12.8 billion, due mainly to the increase in the number of “Mobile Phone Protection and Delivery” service subscriptions and growing revenue contribution from consolidated subsidiaries. Equipment sales revenues recorded an increase of ¥35.7 billion year-on-year.

On the expenses side, equipment sales expenses increased by ¥8.9 billion year-on-year due to a rise in the total number of devices sold. Communication network charges decreased by ¥2.8 billion from the same period of the previous fiscal year. Other expenses recorded a rise of ¥24.0 billion as a result of increased outlays for the implementation of initiatives aimed for growth, such as the launch of “NOTTV” broadcasting service and promotion of cloud services.

As a result of the foregoing, operating income for FY2012/1Q dropped by ¥5.1 billion compared to the same period of the previous fiscal year to ¥262.6 billion.

Packet Revenues

Packet revenues for FY2012/1Q were ¥485.1 billion, recording a steady year-on-year increase of ¥39.9 billion (or 9.0%). We will aim for further expansion by promoting the adoption of smartphones and Xi devices.

Total Handset Sales

The total number of handsets sold in FY2012/1Q was 5.17 million units, up 11.2% (or 520,000 units) from the same period of the previous fiscal year. We will even more strongly promote the sales of smartphones and Xi devices toward our full-year goal of selling a total of 23.8 million

handset units.

Net Additions/Churn Rate/MNP

In FY2012/1Q, we acquired 270,000 net additional subscriptions and our churn rate was 0.74%. However, if the impact of the cancellation of prepaid data plan subscriptions due to expiry of contract on June 30, 2012 was excluded, the number of net additions and churn rate would be 400,000 and 0.67%, respectively.

The competition for the acquisition of subscribers switching carriers using Mobile Number Portability (MNP) system remains harsh, but our performance has gradually improved from April to May to June by the effect of the introduction of various discount packages, and this trend of improvement continued in the month of July 2012. We will aim for further improvement by stepping up the sales efforts of summer model handsets in the second quarter and beyond.

Management Policy: Speed and Challenge

“Speed and Challenge” is the new management policy that I adopted after assuming the position as President and CEO in June 2012. The key elements comprising this policy are the “evolution of services by pursuing innovation”, “new value creation through convergence”, and DOCOMO’s “mission”, “dream” and “strengths”. This July, we celebrated our 20th anniversary of establishment. Although the size of our organization has expanded over these years, I would like to speed up our actions and take on new challenges for sustainable expansion of our business.

FY2012 Business Management Policies and Focus Areas

The focus areas in our business management for this fiscal year are: “increase in net additions of subscriber by promoting smartphones and Xi services”; “provision of cloud-based services”; “further improvement of customer satisfaction and reinforcement of safety/security measures,” and; “transformation into an Integrated Services Company placing mobile at the core.”

Smartphone/Tablet Product Lineup

We plan to release a total of 17 new models of smartphones and tablet devices in our FY2012 summer collection, of which 11 are Xi-enabled and five are compatible with “NOTTV” broadcasting service. Most of the FY2012 summer models support features highly sought by Japanese consumers such as waterproof casing, “Osai-fu-Keitai” e-wallet, one-seg TV and infrared data exchange. We believe we prepared a very attractive lineup that overwhelms the offerings of the competitors and enjoys great response from customers.

Raku Raku Smartphone

We expect to release “Raku Raku Smartphone”, Japan’s first smartphone designed specifically for the elderly, on August 1, 2012. The “Raku Raku” series feature phones have enjoyed immense popularity, selling more than 21 million units in aggregate. And now, we are at last going to introduce its smartphone version, which is equipped with “Raku Raku touch-panel” that allows users to confirm whether their finger is touching the buttons with slight vibration response, to help reduce erroneous operations and ensure comfortable use even for users who are new to touch-screen operations. As with the feature phones, the “Raku Raku Smartphone” also carries various functions that are designed to improve the ease of reading, hearing and use of the device. It is also equipped with a speed dial to “Raku Raku PHONE Center”, a dedicated center where users can receive advice pertaining to the use of the “Raku Raku Smartphone” free of charge from professional staff if they have any inquiries after purchase, to provide greater sense of security to first-time smartphone users.

In conjunction with the release of “Raku Raku Smartphone”, we plan to launch a dedicated flat-rate billing plan, “Raku Raku Pake-hodai”.

Smartphone Sales

In FY2012/1Q, we sold a total of 2.49 million units of smartphones. Because the sales in the single month of July exceeded 1 million units, the cumulative number of smartphones sold from April 1 through July 26, 2012 reached over 3.5 million, progressing favorably toward our full-year smartphone sales target of 13 million units.

Furthermore, according to a survey by GfK Japan, DOCOMO has controlled a market share of nearly 50% of the smartphones sold at mass retailers.

Promotion of Xi Service

The total number of Xi subscriptions grew steadily after the service launch in December 2010 to 3.32 million as of June 30, 2012 and to over 4 million as of July 26, 2012. By June 30, 2012, we completed the installation of approximately 10,000 Xi base stations on a cumulative basis. Our plan is to more than double the number to some 21,000 stations by March 31, 2013, at which point Xi population coverage is expected to reach 70%. The cumulative amount of capital expenditures spent for Xi service up to June 30, 2012 was ¥160.0 billion, which is projected to amount to ¥290.0 billion by March 31, 2013.

Xi Billing Plans

On October 1, 2012, we will launch a new billing plan “Xi Pake-hodai Light”, a flat-rate data plan suited to medium data usage customers. We believe the introduction of this plan will help us expand the user base of Xi service, thereby increasing our total revenues.

We believe we are ahead of the competition in every aspect of LTE business, including

among other things, the product lineup, billing plans and area coverage, and we have already acquired a large subscriber base. We will continue to strive for the proliferation of Xi service, aiming to grow its total subscriptions to over 10 million by March 31, 2013.

“Family Set Discount”

As part of our pricing measures, we launched “Family Set Discount” campaign to offer discounts upon the purchase of products in order to encourage the whole family to utilize DOCOMO services. Under this promotional campaign, we provide immediate discounts for simultaneous purchase of devices by multiple members in the same family. The program has been very well received by customers in the limited areas where it was introduced. We decided to roll out this campaign on a nationwide scale during the period through August 31, 2012. Because we have prepared a product lineup catered to the diverse needs of various generations, we hope to acquire the entire family as our customer and make them a fan of DOCOMO.

Enhancing Recognition of Affordable Product Prices/Billing Plans

We are providing a wide range of discount packages for our products and services to meet the various needs of each user segment in light of their ages and usage, etc. With respect to the discounts for our products, we are offering a wide array of programs other than the “Monthly Support” discount package for both new and replacement customers.

In particular, for customers replacing a handset, we have meticulously prepared a wide range of discount services taking into consideration their age group, subscription period, usage behavior and other factors. Because it takes a while for these measures to become widely known to users, we will continue our efforts to communicate them to customers in an easy-to-understand way.

Cloud Services (1) “Shabette Concier”

The “Shabette Concier” voice agent service has garnered more than 130 million accesses—which is greater than Japan’s total population—in just five months after its service launch, with the number of downloads reaching some 3 million. In June, we newly added a “knowledge Q&A” function to this service. Going forward, we intend to link this service with e-commerce business, and realize a system that would replace publishing handset operation manuals taking advantage of its voice-activated search function.

Cloud Services (2) “Mail Hon’yaku Concier”

“Mail Hon’yaku Concier” text message translation service has received approximately 100,000 downloads and 1.5 million accesses in less than two months after its launch in June 2012.

Cloud Services (3) “Translator Phone”

The “Translator Phone” service is currently offered on a trial basis, supporting voice translation between Japanese and ten foreign languages. The service has garnered 220,000 accesses in just two months after launch. This service is enjoying very favorable reviews; according to a survey by MMD Research Institute published on July 12, 2012 that compared five different translation applications including ours, DOCOMO’s “Translator Phone” service was awarded the highest overall ranking.

Cloud Services (4) “Photo Collection”

In late August, we plan to launch a new service called “Photo Collection”, which enables users to upload automatically the photos taken by smartphones or tablet devices to the network, to sort automatically and to store in docomo cloud using a wide variety of high-accuracy image/face recognition features. The service can be linked with external services such as Evernote, Eye-Fi or High-Cam.

Cloud Services (5) “Multi-Device Support”

We plan to start providing cloud-based multi-device access to address book and sp-mode mail from around this winter. We also intend to offer supplementary services utilizing the personal profile data contained in the address book later on.

Enrichment of “dmarket”

Our directly operated content store, “dmarket”, currently offers content in five different categories such as video, music and ANIME. The “VIDEO Store”, in particular, has enjoyed great popularity with its total subscribers increasing steadily from 1 million in the fifth month to over 2 million in the eighth month after service launch. We also launched “MUSIC Store Collection” and “ANIME Store” in July. We will continue to enhance the attractiveness of “dmarket” by enriching its lineup with popular content.

“Smartphone Anshin Remote Support”

“Smartphone Anshin Remote Support” is a service that allows novice smartphone users and other customers who have inquiries or concerns relating to the operation of smartphones to receive both voice instructions over the phone as well as operational assistance from operators who can directly operate the smartphone screen from a remote location. This service is already subscribed by some 130,000 users. This service is available with all models in the 2012 summer collection. We believe the need for this kind of service will continue to increase and there will be more opportunities for us to provide support to our valued customers.

“docomo Anshin Scan” Functional Enhancement

To respond to our smartphone users’ security-related concerns such as virus contamination, we are providing “docomo Anshin Scan” service. In addition to the existing virus detection feature, we newly added a function that displays a warning if users access to a harmful site in order to prevent phishing scams and one-click fraud. Although this service is currently provided for free, we plan to start charging from October 2012. “docomo Anshin Scan” application has already recorded some 5 million downloads.

docomo Wi-Fi: Improved Convenience

We are expeditiously increasing the number of “docomo Wi-Fi” access points. We plan to raise the number from 14,200 spots as of June 30, 2012 to somewhere between 120,000 and 150,000 by March 31, 2013. In order to create an environment where users can more conveniently utilize smartphones, we will also improve the usability of “docomo Wi-Fi” by saving each time input of user ID and password, enabling to switch ON and OFF the Wi-Fi access with simply tapping the screen icon and simplifying the initial settings procedures.

Actions in New Business Areas (1) Media/Content

Regarding our media/content business, the total number of NOTTV subscribers grew to nearly 100,000 after its service launch in April 2012. The number of compatible handset models will shortly increase to seven with the addition of five new models of 2012 summer collection handsets. We are still in the middle of expanding its coverage, but the subscription rate of this service among users purchasing a compatible handset at shops inside its coverage is high at approximately 60%, which indicates users’ strong interest in this service. We will continue to expand its service areas while working on the enrichment of content like the London Olympic games and so on with the aim of broadening its viewership.

Actions in New Business Areas (2) Commerce

With respect to our actions in the area of commerce business, from May 2012, we started to participate in the management of Radishbo-ya Co. Ltd., a provider of premium home food delivery service, to move ahead with concrete initiatives in the future. Oak Lawn Marketing, Inc., a home shopping service provider, has successfully expanded its business reporting three straight years of revenues growth. We recently acquired additional shares in Tower Records Japan, Inc., a company engaged in CD/DVD sales business, and turned it a consolidated subsidiary with projected revenue contribution of approximately ¥50.0 billion per annum. In other areas, such as the research business that we promote through DOCOMO Insight Marketing, Inc., we will seek to create new added value

through the convergence of mobile with other industries and services.

Actions in New Business Areas (3) Medical/Healthcare

We established docomo Healthcare, Inc. in July 2012, in order to pursue medical/healthcare business. Under the new joint venture, the existing health-support services of DOCOMO and Omron will be integrated and repackaged into new services to be launched within this fiscal year. Our goal is to generate approximately ¥10.0 billion in revenues in five years. Through the convergence with DOCOMO's existing services, we will aim to create a new platform that can collect and process various healthcare-related data.

Actions in New Business Areas (4) Aggregation/Platform

In the field of aggregation/platform business, we conducted a TOB to acquire the shares in Buongiorno S.p.A of Italy for the purpose of deploying a platform for global-scale content distribution. Also, in China, we established a joint venture with Baidu, China's leading Internet search service provider. We will continue to work on the enrichment of services on a global scale, thereby creating new revenue sources.

Strategic Partnerships with Overseas Carriers

For global deployment of M2M platform business, we commenced studies to create a structure for collaboration with major global carriers and M2M platform operators.

In the area of international roaming and enterprise marketing, we entered into an alliance with CONEXUS and Vodafone. In the future, we would like to prepare a structure that can provide M2M solutions to multinational corporations.

In summary, during FY2012/1Q, we implemented various initiatives while boosting our competitiveness leveraging DOCOMO's comprehensive strengths. As a consequence, we achieved tangible results in tackling the challenges of increasing our packet revenues and smartphone sales, deployment of Xi services and expansion of new businesses.

On the other hand, we faced difficulty in the acquisition of net additions and maintaining the churn rate. However, with the introduction of "Family Set Discount" and "Xi Pake-hodai Light" and the release of 2012 summer model handsets, we are beginning to sense further improvement in our performance.

Going forward, we will take on the challenge of providing attractive cloud-based services and expanding new business areas attaching emphasis on speed as I advocated in my business management policies, and make utmost efforts toward the achievement of our full-year targets.

[Questions and Answers]

Q: Regarding your packet billing plans, how do you foresee the distribution of users choosing the 3GB data plan (“Xi Pake-hodai Light”) and the 7GB data plan (“Xi Pake-hodai Flat” and other plans)?

A: It is difficult to make a prediction at this point because the 3GB service will be launched in October, however, I believe those customers who frequently view rich content like video will likely choose the 7GB plan, while many of the first-time smartphone users are expected to opt for the 3GB plan. I therefore believe a greater proportion of users will select the 3GB plan.

Q: This fall, many users who purchased a smartphone in the early days of its proliferation are expected to replace their handsets. Do you plan to implement any new measures to capture such demand?

A: The discount programs we currently offer are tailor-made for different user segments, so we believe we can sufficiently accommodate users’ needs with those packages. However, the market is a living thing which changes constantly, so we will keep a close eye on its trends and take measures in response to the circumstances.

Q: Regarding your Xi coverage expansion plan, how many base stations will support transmission speeds up to 112.5Mbps as of March 31, 2013, and what level of population coverage will that equal to?

A: The number of base stations supporting 112.5Mbps and its population coverage are not finalized yet, but we will start offering this high-speed service first from the cities of Sendai, Niigata, Kanazawa, Takamatsu and Naha, etc.

Q: How are the 2012 summer collection handsets selling?

A: As of today (July 26, 2012), we sold a total of 830,000 units of summer models that had been released, of which GALAXY S III accounted for some 340,000 units, or nearly 40% of the total.

Q: What do you think caused the malfunction of sp-mode settings?

A: I would like to once again express my apologies for inconveniencing customers due to the sp-mode settings problem. This time, a malfunction was reported with the various settings of sp-mode service, which affected a total of some 1,000 users (though the number will be slightly less when counted by the number of unique users). We have not finalized our analysis on the root cause of the problem, but one of the causes is considered to be the inclusion of erroneous data

that happened when we upgraded the software of the server controlling various sp-mode settings. We are still investigating why it was not possible to find out the erroneous data beforehand and other causes of the problem.

Q: Your competitors are expected to enter LTE business within this fiscal year. While you have an advantage in terms of network quality, how do you think the entry by other carriers will affect the competitive landscape or DOCOMO's comparative advantage?

A: We launched LTE service 1.5 years ago, and we do not expect our first mover's advantage will diminish. The quality of network, i.e., the network capacity, throughput and connectivity, is strongly affected by the operator's know-how as to how we can improve the overall performance by the allocation method and tuning of base stations, installation of new base stations as necessary and other factors. We believe DOCOMO possesses superior expertise in these techniques. We would like to compete with other carriers maintaining this lead.

Q: Don't you think users' dissatisfaction is building up due to the mail transmission delay problem with your sp-mode service and other accidents. What kind of measures do you plan to take to solve the problem?

A: Regarding customers' opinions concerning the ease of use of sp-mode service, we are aware that the delivery of mail is sometimes delayed when users try to send or receive mail in congested areas.

In certain spots of Tokyo, degradation of communication speed has been reported due to a huge concentration of traffic during some hours of the day. Those time zones or areas where traffic congestion is reported are unevenly distributed. We will properly tackle these cases one by one in a continued effort to optimize our network.

Q: What kind of benefits do you think you can offer to users by storing the address book or sp-mode data in the cloud?

A: We have seen cases where customers accidentally lose their data due to failure of creating a backup copy beforehand. The storage of these data in the cloud can provide users with security benefits because we can always keep custody of the latest data in our server. Further, once we start supporting multi-device access to such data, I believe we can offer greater convenience to users through the improved ease of use.

Q: Can you elaborate on the reasons behind the year-on-year decrease in aggregate ARPU?

A: Aggregate ARPU is the sum of voice ARPU and packet ARPU. Voice ARPU has been dropping due mainly to the fall in billable MOU. Packet ARPU, on the other hand, has shown a

remarkable increase driven by users' rapid migration to smartphones. The replacement from a feature phone to a smartphone has so far resulted in an increase of packet ARPU of ¥1,600-1,700 on average.

Please note that "Monthly Support" is a discount package that reduces customers' monthly communication charges for a period up to 24 months, and it has more negatively affected our voice ARPU than packet ARPU. Also, we believe our voice ARPU has been affected to some extent by the expanded adoption of VoIP (Voice over IP) services. We will need to keep a close eye on its usage trend to determine whether its impact expands further in the future.

Q: In your analysis, how do you think your ARPU will fare in the future?

A: We hope to make up for the decline in voice ARPU with the increase in packet ARPU. However, due to the impact of the "Monthly Support" discount program and other factors, we believe the downtrend of ARPU will continue for a while.

In our full-year forecast, we estimate a 23.2% reduction in voice ARPU and 7.9% increase in packet ARPU compared to the previous fiscal year. To provide you with the track record in the first quarter, voice ARPU declined by 18.8% but packet ARPU grew by 5.0% in the first quarter over the same period of the previous fiscal year.

Q: Your cellular services revenues have been shrinking. Do you plan to offset the decline by increasing the number of net additions, or by boosting your packet ARPU?

A: We need to work on both fronts. We will strive to grow the number of net additions, while working at the same time to increase our packet revenues by encouraging the use of services like "dmarket", etc. However, because we have observed a certain degree impact from the uptake of VoIP services, I believe the next 1-2 years may become the watershed that decides whether we can achieve a remarkable increase in cellular service revenues in the future.

Q: You commented on the possibility of offering supplementary services using the personal profile information of the address book. Can you share with us how you plan to receive the consent of users concerning the use of address book data?

A: Address book data is important personal information of users. It therefore requires delicate handling, and we are currently performing studies to determine the best way for obtaining user's consent.

Q: One of the factors that aggravated the sp-mode setting trouble on July 25, 2012, is considered to be the fact that many users left the initial setting of sp-mode password unchanged from the initial state. Are you planning to introduce any countermeasures for this issue?

A: Input of “sp-mode password” is required to change various settings of sp-mode. The settings cannot be changed unless the password matches. However, it seems that some of those customers who have been using sp-mode service without changing the password from the initial state of “0000” were affected by the settings change performed by other customers. Of course, it is most important that we prevent recurrence of similar problems, but we will also encourage customers to set their password being mindful of security concerns.

Q: Regarding the base price of your summer model smartphones, it seems that the prices of high-spec models have been raised compared to the last fiscal year. Can you explain why?

A: The handset prices have increased as a result of the rise in the wholesale price to agent resellers. However, we have increased the amount of discounts offered by the “Monthly Support” program, so that customers can purchase the latest smartphones at a market price of somewhere between ¥10,000 and ¥15,000.

Q: You mentioned that you will aim to trim the number of MNP outflows to 400,000 for the full-year of FY2012, but you have already lost 250,000 MNP subscribers to date. What are the major causes of the loss? And what kind of measures do you plan to implement to meet your full-year MNP outflow target?

A: We set a target to reduce the number of MNP outflows by half to 400,000 in FY2012 from over 800,000 in FY2011. The situation was very severe in the first quarter due to rampant cash rebates and other initiatives offered by our competitors. Now that the full lineup of our summer models are becoming available, we will leverage the nationwide implementation of “Family Set Discount” and other discount services that are tailor-made for each segment of users to compete with other carriers during the high-sales season in the summer, hoping to achieve hot results.

Q: Do you think your Wi-Fi service can truly deliver the effects of data offloading if you use Xi as the backhaul for your access points? Also, have you set any medium-term targets concerning the number of access points?

A: Even in the case Xi is used as the backhaul for the access points, we can expect certain degree of offloading effects compared to the case of carrying the traffic on 3G network. However, we basically intend to increase the number of access points that use optical fiber as a backhaul because this will allow us to reap 100% offload benefits. Although we have not set any medium-term targets for the number of access points, we will try to maximize the installations in cafes, large-scale convenience stores and other locations.

Q: I understand that your lackluster net additions performance in June was partly affected by the cancellation of prepaid data plans for PlayStation Vita gaming console. What measures will employ in the future to expand the adoption of prepaid data plans?

A: We wanted to have many customers continue using the prepaid data plan for PlayStation Vita without cancelling their subscription, but the percentage of subscribers who rolled over their contract was lower than expected. But PlayStation Vita is still new, launched only in December 2011. We will carefully observe the market trends to see how the adoption of online games that utilize network capabilities will expand in the future. We are also performing joint studies on the ways to promote PlayStation Vita in cooperation with Sony Corporation.

Q: With respect to the sp-mode setting malfunction, because you have caused other troubles with sp-mode service in the past, can you once again comment on your thoughts about this service on this occasion?

A: We are truly sorry to have caused a lot of inconveniences with the malfunctions resulting from the various settings of sp-mode service on July 25, 2012. After receiving administrative guidance from the Ministry of Internal Affairs and Communication last year, we carried out a comprehensive inspection of our network facilities and employed both quantitative and qualitative measures to construct an infrastructure that can accommodate 50 million smartphones. This accident happened in the middle of such efforts, so we take it very seriously. We will devote all our efforts to identify the cause of problem and prevent its recurrence.

Q: What is the definition of “dmarket” transaction volume? Can you also provide us with guidance on the revenues you expect to generate from “dmarket” in FY2012?

A: The transaction volume of “dmarket” represents the sum of revenues from the sale of content to users, because “dmarket” is a content store directly operated by DOCOMO. In terms of income, we will share the income with various partner companies that we collaborate with. Although this is only an ambition—because we have not set any official target in our internal discussions, we would like to expand its revenues size to approximately ¥20.0 billion for FY2012.