

NTT DOCOMO INC
Form 6-K
October 29, 2007
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of October, 2007.

Commission File Number: 001-31221

Total number of pages: 81

NTT DoCoMo, Inc.

(Translation of registrant's name into English)

Sanno Park Tower 11-1, Nagata-cho 2-chome

Chiyoda-ku, Tokyo 100-6150

Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Edgar Filing: NTT DOCOMO INC - Form 6-K

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Table of Contents

Information furnished in this form:

1. Earnings release dated October 26, 2007 announcing the company's results for the Six Months ended September 30, 2007.
2. Materials presented in conjunction with the earnings release dated October 26, 2007 announcing the company's results for the first Six Months ended September 30, 2007.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NTT DoCoMo, Inc.

Date: October 29, 2007

By:

/s/ YOSHIKIYO SAKAI
Yoshikiyo Sakai

Head of Investor Relations

Table of Contents

3:00 P.M. JST, October 26, 2007

NTT DoCoMo, Inc.

Earnings Release for the Six Months Ended September 30, 2007

Consolidated financial results of NTT DoCoMo, Inc. (the Company) and its subsidiaries (collectively we or DoCoMo) for the six months ended September 30, 2007 (April 1, 2007 to September 30, 2007), are summarized as follows.

<< Highlights of Financial Results >>

For the six months ended September 30, 2007, operating revenues were ¥2,325.1 billion (down 2.4% compared to the same period of the prior year), operating income was ¥408.5 billion (down 21.0% compared to the same period of the prior year), income before income taxes was ¥410.9 billion (down 21.0% compared to the same period of the prior year) and net income was ¥246.5 billion (down 20.4% compared to the same period of the prior year).

Earnings per share were ¥5,692.33 (down 18.7% compared to the same period of the prior year), EBITDA margin* was 33.8% (down 3.1 point compared to the same period of the prior year), and ROCE* was 8.6% (down 2.1 point compared to the same period of the prior year).

Operating revenues, operating income, income before income taxes and net income for the fiscal year ending March 31, 2008, are forecasted to be ¥4,667.0 billion (down 2.5% year-on-year), ¥780.0 billion (up 0.8% year-on-year), ¥785.0 billion (up 1.6% year-on-year) and ¥476.0 billion (up 4.1% year-on-year), respectively.

Notes:

1. Consolidated financial statements in this release are unaudited.
2. Amounts in this release are rounded off excluding non-consolidated financial statements, where amounts are truncated.
3. With regard to the assumptions and other related matters concerning the forecasts of consolidated financial results for the fiscal year ending March 31, 2008, please refer to page 9-11.

* EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definition of EBITDA, see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 44. See page 17 for the definition of ROCE.

Table of Contents<< Comment from Masao Nakamura, President and CEO >>

In the first six months of the fiscal year ending March 31, 2008, we have worked to reinforce our overall competitiveness, for example, by expanding our discount plans through the introduction of Fami-wari MAX 50 and Hitoridemo Discount 50, enriching our handset lineup with the release of the FOMA 904i and 704i series, and continuously improving FOMA's network quality. We have achieved steadfast progress in the migration of subscribers to the FOMA network, with the number of FOMA subscribers exceeding 40 million, accounting for 75.6% of our total cellular subscriptions, at the end of September 2007. Operating revenues and operating income for the first six months were ¥2,325.1 billion and ¥408.5 billion, respectively, both of which decreased compared to the same period of last fiscal year. This decrease is due mainly to the reduction of cellular services revenues resulting from the accounting change during the same period of the prior year to initially recognize as revenues the portion of Nikagetsu Kurikoshi (two-month carry-over) allowances that are estimated to expire, the launch of new discount services and growth in the total number of handsets sold.

In the third quarter of this fiscal year, we plan to introduce two new sales schemes, Value Course and Basic Course, which will be applicable to handsets that will go on sale in the future. Subscribers purchasing handsets using the Value Course will be able to enjoy less expensive basic monthly charges compared to our existing billing plans. Those who purchase handsets under the Basic Course, on the other hand, will be able to receive discounts on handset prices if they commit to using the same handset for two years or more, but the existing monthly rates will apply. Through the introduction of these new schemes, we intend to provide our customers with more options, and correct the sense of unfairness felt amongst subscribers resulting from the varying handset usage periods.

We also plan to reorganize the structure of NTT DoCoMo Group by integrating eight regional subsidiaries with NTT DoCoMo Inc. to consolidate our nationwide business operations under a single entity. The reorganization is scheduled to be completed sometime during the second quarter of the fiscal year ending March 2009. Through this reorganization, we intend to further improve our customer services by standardizing our service quality and strengthening our customer contacts, while enhancing the efficiency of our group management at the same time.

Although the competitive environment is expected to remain difficult, we intend to thoroughly implement our customer-first business policy to respond to the diverse needs of our customers, and strive to reinforce our competitiveness by continuing our endeavors to create new services that are one step ahead.

<<1. Operating Results>>**1. Business Overview**

(1) Results of operations

	Billions of yen				
	(UNAUDITED)				
	Six months ended	(UNAUDITED) Six months ended	Increase		Year ended
	September 30, 2006	September 30, 2007	(Decrease)		March 31, 2007
Operating revenues	¥ 2,383.4	¥ 2,325.1	¥ (58.3)	(2.4)%	¥ 4,788.1
Operating expenses	1,866.5	1,916.6	50.1	2.7	4,014.6
Operating income	516.9	408.5	(108.4)	(21.0)	773.5
Other income (expense)	3.4	2.4	(1.0)	(30.3)	(0.6)
Income before income taxes	520.3	410.9	(109.4)	(21.0)	772.9
Income taxes	210.5	165.1	(45.4)	(21.6)	313.7

Edgar Filing: NTT DOCOMO INC - Form 6-K

Equity in net income (losses) of affiliates	0.1	0.9	0.7	567.2	(1.9)
Minority interests in consolidated subsidiaries	(0.0)	(0.1)	(0.0)	(97.1)	(0.0)
Net income	¥ 309.8	¥ 246.5	¥ (63.3)	(20.4)%	¥ 457.3

Table of Contents

(2) Operating revenues

	(UNAUDITED)		Billions of yen (UNAUDITED)	
	Six months ended	Six months ended	Increase	
	September 30, 2006	September 30, 2007	(Decrease)	
Wireless services	¥ 2,174.2	¥ 2,130.3	¥ (43.9)	(2.0)%
Cellular services revenues	2,112.4	2,066.5	(45.8)	(2.2)
- Voice revenues	1,504.9	1,392.0	(112.8)	(7.5)
Including: FOMA services	844.2	1,057.9	213.6	25.3
- Packet communications revenues	607.5	674.5	67.0	11.0
Including: FOMA services	447.2	602.8	155.6	34.8
PHS services revenues	13.0	7.0	(6.1)	(46.6)
Other revenues	48.8	56.8	8.0	16.3
Equipment sales	209.1	194.8	(14.3)	(6.8)
 Total operating revenues	 ¥ 2,383.4	 ¥ 2,325.1	 ¥ (58.3)	 (2.4)%

Notes:

1. Cellular services revenues for the six months ended September 30, 2006 reflect the impact of initial application of estimates regarding recognizing as revenues the portion of Nikagetsu Kurikoshi (two-month carry-over) allowances that are estimated to expire.
2. Voice revenues include data communications revenues through circuit switching systems.

Operating revenues totaled ¥2,325.1 billion (down 2.4% compared to the same period of the prior year).

Cellular services revenues decreased to ¥2,066.5 billion (down 2.2% compared to the same period of the prior year), due mainly to the adverse impact of initial application of estimates regarding recognizing as revenues during the same period of the prior year the portion of Nikagetsu Kurikoshi (two-month carry-over) allowances that are estimated to expire.

Voice revenues from FOMA services increased to ¥1,057.9 billion (up 25.3% compared to the same period of the prior year) and packet communications revenues from FOMA services increased to ¥602.8 billion (up 34.8% compared to the same period of the prior year) due to a significant increase in the number of FOMA services subscriptions to 40.04 million (up 37.6% compared to the same period of the prior year).

Equipment sales totaled ¥194.8 billion (down 6.8% compared to the same period of the prior year), as the amount accounted for as sales revenue per handset decreased while the number of handsets sold increased.

(3) Operating expenses

Edgar Filing: NTT DOCOMO INC - Form 6-K

	Billions of yen (UNAUDITED)			
	(UNAUDITED)			
	Six months ended	Six months ended	Increase	
	September 30, 2006	September 30, 2007	(Decrease)	
Personnel expenses	¥ 124.5	¥ 123.4	¥ (1.1)	(0.8)%
Non-personnel expenses	1,179.0	1,207.8	28.8	2.4
Depreciation and amortization	347.7	364.3	16.7	4.8
Loss on disposal of property, plant and equipment and intangible assets	18.1	25.0	7.0	38.6
Communication network charges	178.9	176.2	(2.7)	(1.5)
Taxes and public dues	18.3	19.8	1.5	7.9
Total operating expenses	¥ 1,866.5	¥ 1,916.6	¥ 50.1	2.7%

Operating expenses were ¥1,916.6 billion (up 2.7% compared to the same period of the prior year).

Personnel expenses were ¥123.4 billion (down 0.8% compared to the same period of the prior year). The number of employees as of September 30, 2007 was 22,006.

Non-personnel expenses increased to ¥1,207.8 billion (up 2.4% compared to the same period of the prior year) due mainly to an increase in cost of equipment sold, reflecting the increased number of FOMA handsets sold.

Depreciation and amortization increased to ¥364.3 billion (up 4.8% compared to the same period of the prior year) following intensive capital expenditures for expansion of FOMA service areas in the prior fiscal year.

(4) Operating income

Operating income decreased to ¥408.5 billion (down 21.0% compared to the same period of the prior year).

(5) Income before income taxes

Income before income taxes decreased to ¥410.9 billion (down 21.0% compared to the same period of the prior year), due to a decrease in operating income.

(6) Net income

Net income was ¥246.5 billion (down 20.4% compared to the same period of the prior year).

Table of Contents**2. Key Performance Indicators**

(1) Number of subscriptions and other indicators

<Number of subscriptions by services>	Ten thousand subscriptions		Increase	
	March 31, 2007	September 30, 2007	(Decrease)	
Cellular (FOMA+mova) services	5,262	5,294	32	0.6%
Cellular (FOMA) services	3,553	4,004	451	12.7
Cellular (mova) services	1,709	1,290	(419)	(24.5)
i-mode services	4,757	4,776	19	0.4
PHS services	45	31	(14)	(31.5)

Note:

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

<Number of handsets sold and Churn rate>	Ten thousand units/%		Increase	
	Six months ended	Six months ended	(Decrease)	
	September 30, 2006	September 30, 2007		
Cellular (FOMA+mova) services	1,182	1,280	98	8.3%
Cellular (FOMA) services				
New FOMA subscription	236	303	68	28.7
FOMA subscription by mova subscribers	442	355	(87)	(19.6)
Handset upgrade by FOMA subscribers	368	591	224	60.8
Cellular (mova) services				
New mova subscription	56	13	(43)	(76.5)
Handset upgrade by mova subscribers	81	17	(64)	(79.4)
Churn Rate	0.62%	0.90%	0.28 point	

The aggregate number of cellular (FOMA+mova) services subscriptions was 52.94 million as of September 30, 2007, an increase of 0.32 million compared to the number as of March 31, 2007. The increase derived from our continued efforts to strengthen total competitiveness from a customer-centric viewpoint, including the offering of subscriber-friendly billing arrangements, enrichment of our handset lineup and network services and enhancement of network quality.

Due to the steady migration of subscribers from mova services to FOMA services, the number of FOMA services subscriptions as of September 30, 2007 increased to 40.04 million, up 4.51 million from the number as of March 31, 2007. The proportion of FOMA services subscriptions to the aggregate cellular (FOMA+mova) subscriptions increased to 75.6% as of September 30, 2007.

The number of handsets sold (FOMA+mova) increased to 12.80 million units (up 8.3% compared to the same period of the prior year), due to an increase in the number of handsets sold for new FOMA subscriptions and handset upgrades by FOMA subscribers.

Edgar Filing: NTT DOCOMO INC - Form 6-K

Churn rate for cellular (FOMA+mov) services for the six months ended September 30, 2007 was 0.90% (up 0.28 point compared to the same period of the prior year), due to the influence of the Mobile Number Portability.

Table of Contents

(2) Trend of ARPU

<ARPU and other operation data>

	Yen/Minutes/Ten thousand subscriptions			
	Six months ended	Six months ended	Increase	
	September 30, 2006	September 30, 2007	(Decrease)	
Aggregate ARPU (FOMA+mova)	¥ 6,810	¥ 6,550	¥ (260)	(3.8)%
Voice ARPU	4,830	4,390	(440)	(9.1)
Packet ARPU	1,980	2,160	180	9.1
Aggregate ARPU (FOMA)	8,130	7,320	(810)	(10.0)
Voice ARPU	5,290	4,640	(650)	(12.3)
Packet ARPU	2,840	2,680	(160)	(5.6)
MOU (FOMA+mova) (minutes)	145	140	(5)	(3.4)
Number of i-channel subscriptions (ten thousand)	570	1,387	817	143.3%
Number of subscriptions for flat-rate billing plans for unlimited i-mode usage (ten thousand)	782	1,127	345	44.1%

Note:

Number of subscriptions for flat-rate billing plans for unlimited i-mode usage: pake-hodai subscriptions + pake-hodai full subscriptions

*See Definition and Calculation Methods of ARPU and MOU on page 43 for details of definitions and calculation methods of ARPU and MOU.

Aggregate ARPU of cellular (FOMA+mova) services decreased to ¥6,550 for the six months ended September 30, 2007 (down 3.8% compared to the same period of the prior year) as an increase in Packet ARPU was more than offset by a combination of a decrease in Voice ARPU and the adverse impact of initial application of estimates regarding recognizing as revenues during the same period of the prior year the portion of Nikagetsu Kurikoshi (two-month carry-over) allowances that are estimated to expire.

(3) Trend of capital expenditure

<Breakdown of capital expenditures>

	Billions of yen			
	(UNAUDITED)		(UNAUDITED)	
	Six months ended	Six months ended	Increase	
	September 30, 2006	September 30, 2007	(Decrease)	
Mobile phone business	¥ 406.2	¥ 256.9	¥ (149.3)	(36.7)%
PHS business	0.7	0.1	(0.6)	(85.2)
Other (including information systems)	55.9	58.8	2.9	5.2
Total capital expenditures	¥ 462.8	¥ 315.8	¥ (147.0)	(31.8)%

Edgar Filing: NTT DOCOMO INC - Form 6-K

<Approximate number of base stations installed>

	Units/Facilities		Increase	
	March 31, 2007	September 30, 2007	(Decrease)	
Outside base stations (units)	35,700	39,000	3,300	9.2%
Facilities with indoor systems (facilities)	10,400	12,100	1,700	16.3

We were involved in enhancement of network quality and acceleration of network speed reflecting requests from our customers while we continued our efforts to save on equipment procurement costs. As a result, total capital expenditure during the six months ended September 30, 2007 decreased to ¥315.8 billion (down 31.8% compared to the same period of the prior year).

The aggregate number of outside base stations installed was approximately 39,000, an increase of 3,300 from the number as of March 31, 2007, and the aggregate number of facilities with indoor systems was approximately 12,100, an increase of 1,700 from the number as of March 31, 2007.

Table of Contents

(4) Segment information

<Results of operations by business segment>

	(UNAUDITED)		Billions of yen	
	(UNAUDITED)			
	Six months ended	Six months ended	Increase	
	September 30, 2006	September 30, 2007	(Decrease)	
Operating revenues				
Mobile phone business	¥ 2,349.7	¥ 2,296.0	¥ (53.7)	(2.3)%
PHS business	13.2	7.1	(6.1)	(46.0)
Miscellaneous businesses	20.5	22.0	1.5	7.4
Total operating revenues (consolidated)	¥ 2,383.4	¥ 2,325.1	¥ (58.3)	(2.4)%
Operating expenses				
Mobile phone business	¥ 1,822.5	¥ 1,862.0	¥ 39.5	2.2%
PHS business	17.3	19.2	1.9	11.2
Miscellaneous businesses	26.7	35.4	8.7	32.4
Total operating expenses (consolidated)	¥ 1,866.5	¥ 1,916.6	¥ 50.1	2.7%
Operating income (losses)				
Mobile phone business	¥ 527.2	¥ 433.9	¥ (93.2)	(17.7)%
PHS business	(4.0)	(12.0)	(8.0)	(198.5)
Miscellaneous businesses	(6.3)	(13.4)	(7.1)	(114.1)
Total operating income (consolidated)	¥ 516.9	¥ 408.5	¥ (108.4)	(21.0)%

<Topics in the three months ended September 30, 2007>

Mobile phone business <<Handsets>>

Eight new FOMA handsets were released, including the latest FOMA 704i series.

BlackBerry handset compatible with the Japanese language was released.

We provided new application software to enable Nokia's mobile handsets equipped with S60 platform to use i-mode services.

<<Services>>

The number of FOMA subscriptions surpassed 40 million.

Edgar Filing: NTT DOCOMO INC - Form 6-K

Roaming services for packet communications were launched in Guam.

We agreed with AT&T Mobility LLC to cooperate to build a 3G network in Hawaii.

We expanded the service area of international roaming services (99.8% of destinations for Japanese tourists was covered as voice calls and SMS are available in 153 countries and areas, packet communications in 104 countries and areas, and videophone calls in 40 countries and areas as of September 30, 2007) ..

<<Billing>>

New discount programs called Fami-wari MAX 50 and Hitoridemo Discount 50 were introduced.

A new discount program for corporate subscribers called Office Discount MAX 50 was introduced.

New optional packet billing plans for mobile PC users called Flat-Rate Data Plan HIGH-SPEED and Flat-Rate Data Plan 64K were introduced.

<<Network>>

We developed a new microminiaturized base station to cover an area as small as a radius of dozens of meters, which is called a femto-cell .

<<Other>>

The Corporate Branding Division was established to further strengthen promotional marketing activities.

A new representative office was established in Hanoi, Vietnam.

PHS business

We were continuously engaged in a campaign to encourage current PHS subscribers to migrate to FOMA services. (PHS services are scheduled to be terminated on January 7, 2008 as announced in April 2007.)

Miscellaneous business

Edgar Filing: NTT DOCOMO INC - Form 6-K

We announced that we will invest in ACCA Wireless Co., Ltd., which aims to acquire a 2.5GHz broadband wireless access license with Mobile Wimax technology.

We established a joint venture called CXD NEXT Co., Ltd. to expand our iD mobile payment platform and Osaifu-Keitai .

We established another joint venture called The JV, Ltd. to promote iD and DCMX through e-marketing using Osaifu-Keitai .

Table of Contents<< 2. Financial Position >>

(1) Financial position

	(UNAUDITED)		Billions of yen	
	(UNAUDITED)		(UNAUDITED)	
	September 30, 2006	September 30, 2007		Increase
Total Assets	¥ 6,050.3	¥ 5,924.2	¥ (126.1)	(2.1)%
Shareholders' equity	4,176.1	4,222.7	46.6	1.1
Liabilities	1,873.0	1,700.3	(172.7)	(9.2)
Interest bearing liabilities	654.5	504.1	(150.4)	(23.0)
Equity ratio (1)	69.0%	71.3%	2.3point	
Market equity ratio (2)	132.2%	119.2%	(13.0)point	
Debt ratio (3)	13.5%	10.7%	(2.8)point	

Notes:

- (1) Equity ratio = Shareholders' equity / Total assets
(2) Market equity ratio = Market value of total share capital* / Total assets
(3) Debt ratio = Interest bearing liabilities / (Shareholders' equity + Interest bearing liabilities)
* Market value of total share capital = closing price of share as of the end of the semi-annual period multiplied by the number of outstanding shares (excluding treasury stock)

(2) Cash flow conditions

	(UNAUDITED)		Billions of yen	
	(UNAUDITED)		(UNAUDITED)	
	Six months ended	Six months ended		Increase
	September 30, 2006	September 30, 2007		(Decrease)
Net cash provided by operating activities	¥ 259.0	¥ 628.4	¥ 369.5	142.7%
Net cash used in investing activities	(530.1)	(365.2)	164.8	31.1
Net cash used in financing activities	(323.2)	(290.0)	33.2	10.3
Free cash flows (1)	(271.1)	263.2	534.3	
Adjusted free cash flows excluding the effects of irregular factors (2) and changes in investments for cash management purposes (3)	(48.4)	168.9	217.3	
Liabilities to cash flow ratio (4)	68.0%	39.9%	(28.1)point	
Interest coverage ratio (5)	157.2	213.0	55.8	

Notes:

Edgar Filing: NTT DOCOMO INC - Form 6-K

- (1) Free cash flows = Net cash provided by operating activities + Net cash used in investing activities
- (2) Irregular factors = the effects of uncollected revenues due to bank closures at the end of the semi-annual period
- (3) Changes in investments for cash management purposes = Changes by purchases, redemptions and disposal of financial instruments for cash management purposes with original maturities of longer than 3 months.
- (4) Liabilities to cash flow ratio= Interest bearing liabilities / Net cash provided by operating activities (excluding irregular factors)*
- (5) Interest coverage ratio = Net cash provided by operating activities (excluding irregular factors) / Interest expense**
 - * To annualize, net cash provided by operating activities was doubled.
 - ** Interest expense is interest paid in cash, which is disclosed in Supplemental disclosures of cash flow information in the consolidated statements of cash flows on page 22.

- * See the reconciliations to the most directly compatible financial measures calculated and presented in accordance with GAAP on page 44.

Net cash provided by operating activities was ¥628.4 billion (up 142.7% compared to the same period of the prior year). The increase in net cash provided by operating activities resulted mainly from a decrease in net payment of income taxes to ¥77.0 billion from ¥218.2 billion in the same period of the prior year, after the deferred tax asset from the impairment of our investment in Hutchison 3G UK Holdings Limited was realized during the prior fiscal year. During the same period of the prior year, when the bank was closed at the last day of September, the cash reception of ¥222.0 billion including cellular revenues was deferred to October 2006. As the bank was also closed at the last day of both March and September 2007, cash in the amount of ¥210.0 billion including cellular revenues, which would have been received by March 31, 2007, was actually received in April 2007 while the reception of cash in the amount of ¥213.0 billion, which would have been received by September 30, 2007, was deferred to October 2007.

Net cash used in investing activities decreased to ¥365.2 billion (down 31.1% compared to the same period of the prior year). An increase in acquisition of long-term investments was more than offset by a combination of a decrease in acquisitions of tangible and intangible assets and an increase in net cash inflows from changes of investments for cash management purposes.

Net cash used in financing activities decreased to ¥290.0 billion (down 10.3% compared to the same period of the prior year). An increase in payment for share repurchase was more than offset by a decrease in repayments for outstanding long-term debt. We spent ¥103.0 billion during the six months ended September 30, 2007 for share repurchase in the market.

Free cash flows were ¥263.2 billion. Free cash flows excluding the effects of irregular factors and changes in investments for cash management purposes were ¥168.9 billion.

Table of Contents

<<3. Profit Distribution >>

1. Basic Policies for Profit Distribution

Believing that providing adequate returns to shareholders is one of the most important issues in corporate management, the Company plans to pay dividends by taking into account its consolidated results and consolidated dividend payout ratio based on the principle of stable dividend payments, while striving to strengthen its financial position and secure internal reserves. The Company will also continue to take a flexible approach regarding share repurchases in order to return profits to shareholders. The Company intends to keep the repurchased shares as treasury shares and in principle to limit the amount of such treasury shares to approximately 5% of its total issued shares, and will consider retiring any treasury shares held in excess of this limit around the end of the fiscal year or at other appropriate times. Based on the authorization of a resolution adopted at the Ordinary General Meeting of Shareholders, the Company repurchased 528,987 shares of its own common stock for an aggregate price of ¥103.0 billion during the six months ended September 30, 2007.

In addition, the Company will allocate internal reserves to active research and development efforts, capital expenditures and other investments in response to the rapidly changing market environment. The Company will endeavor to boost its corporate value by introducing new technologies, offering new services and expanding its business domains through alliances with new partners.

2. Interim Dividend

The Company plans to pay ¥2,400 per share as an interim dividend for the six months ended September 30, 2007.

-
Note:

The Company plans to begin paying an interim dividend from November 22, 2007.

Table of Contents<< Prospects for the Fiscal Year Ending March 31, 2008 >>

The competition in the Japanese cellular phone market is expected to become increasingly fierce in the future, due to the rise of the cellular phone penetration rate, diversification of customer needs, launch of Mobile Number Portability in October 2006 and market entry by new competitors.

Under these market conditions, we have decided to revise our group's full-year guidance for the fiscal year ending March 31, 2008 as described in the table below.

The projected reduction in income resulting from the growth of subscribers joining Fami-wari MAX 50 and other new discount plans is estimated to be almost comparable to the projected increase in income to be achieved from the introduction of new sales schemes such as Value Course. We will work on cost reduction to address the reduction of revenues resulting from the lower-than-expected growth of net additional subscribers. Accordingly, our full-year operating income forecast remains unchanged from our initial guidance of ¥780.0 billion.

Against this backdrop, we will strive even further to reinforce our core business, and at the same time, work to create new revenue sources by facilitating the transformation of cellular services into a lifestyle infrastructure by leveraging our DCMX credit payment service, etc., and collaborating with partner companies in various fields, as part of our endeavors to cultivate new businesses.

	Billions of yen				Year ended March 31, 2007
	Year ending	Year ending	Increase		
	March 31, 2008 (Original Forecasts)	March 31, 2008 (Revised Forecasts)	(Decrease)	(Actual Results)	
Operating revenues	¥ 4,728.0	¥ 4,667.0	¥ (61.0)	(1.3)%	¥ 4,788.1
Operating income	780.0	780.0			773.5
Income before income taxes	788.0	785.0	(3.0)	(0.4)%	772.9
Net income	476.0	476.0			457.3
Capital expenditures	750.0	758.0	8.0	1.1%	934.4
Free cash flows excluding irregular factors and changes in investments for cash management purposes	560.0	460.0	(100.0)	(17.9)%	192.2
EBITDA *	1,573.0	1,595.0	22.0	1.4%	1,574.6
EBITDA margin *	33.3%	34.2%	0.9 pt		32.9%
ROCE *	16.1%	16.3%	0.2 pt		16.1%
ROCE after taxes *	9.5%	9.6%	0.1 pt		9.5%

* See page 44 for the reconciliations to the most directly compatible financial measures calculated and presented in accordance with GAAP regarding the revised forecasts for the year ending March 31, 2008 and the actual results for the year ended March 31, 2007.

EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definition of Free cash flows excluding irregular factors and changes in investments for cash management purposes, EBITDA, EBITDA margin, ROCE and ROCE after tax effect, see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on the page 44.

Table of Contents

The revised financial forecasts for the year ending March 31, 2008, are based on the following forecasted operation data.

	Ten thousand subscriptions/Yen				Year ended
	March 31, 2008	March 31, 2008	Increase		March 31, 2007
	(Original Forecasts)	(Revised Forecasts)	(Decrease)		(Actual Results)
Cellular (FOMA + mova) services	5,389	5,348	(41)	(0.8)%	5,262
Cellular (FOMA) services	4,442	4,398	(44)	(1.0)	3,553
Cellular (mova) services	947	949	2	0.2	1,709
i-mode services	4,859	4,817	(42)	(0.9)	4,757
PHS services					45
Aggregate ARPU (FOMA + mova)	¥ 6,480	¥ 6,430	¥ (50)	(0.8)	¥ 6,700
Voice ARPU	4,330	4,210	(120)	(2.8)	4,690
Packet ARPU	2,150	2,220	70	3.3%	2,010

Note:

- (1) Number of i-mode subscriptions = Cellular (FOMA) i-mode subscriptions + Cellular (mova) i-mode subscriptions.
- (2) PHS services are scheduled to be terminated on January 7, 2008.

DoCoMo expects to pay a total annual dividend of ¥4,800 per share for the year ending March 31, 2008, consisting of an interim dividend of ¥2,400 per share and a year-end dividend of ¥2,400 per share.

Table of Contents

Special Note Regarding Forward-Looking Statements

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

1. As competition in the market becomes more fierce due to changes in the business environment caused by the Mobile Number Portability, new market entrants, competition from other cellular service providers or other technologies, and other factors, could limit our acquisition of new subscribers, retention of existing subscribers and ARPU, or may lead to an increase in our costs and expenses.
2. The new services and usage patterns introduced by our corporate group may not develop as planned, which could 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.

Edgar Filing: NTT DOCOMO INC - Form 6-K

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 telecommunications 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.

Table of Contents**Financial Statements**

October 26, 2007

[U.S. GAAP]

For the Six Months Ended September 30, 2007

Name of registrant: **NTT DoCoMo, Inc.** (URL <http://www.nttdocomo.co.jp/>)
 Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange-First Section
 Code No.: 9437
 Representative: Masao Nakamura, Representative Director, President and Chief Executive Officer
 Contact: Tatsuya Iino, Senior Manager, General Affairs Department / TEL +81-3-5156-1111
 The planned date for the Company to submit semi-annual report: December 3, 2007
 The planned date for the Company to pay interim dividend: November 22, 2007

1. Consolidated Financial Results for the Six Months Ended September 30, 2007 (April 1, 2007 - September 30, 2007)

(1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen.

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Income before Income Taxes		Net Income	
Six months ended September 30, 2007	2,325,117	(2.4)%	408,496	(21.0)%	410,850	(21.0)%	246,510	(20.4)%
Six months ended September 30, 2006	2,383,373	0.4%	516,889	(7.4)%	520,267	(17.8)%	309,820	(19.6)%
Year ended March 31, 2007	4,788,093		773,524		772,943		457,278	

	Basic Earnings		Diluted Earnings per Share
	per Share		
Six months ended September 30, 2007	5,692.33 (yen)		
Six months ended September 30, 2006	7,005.67 (yen)		
Year ended March 31, 2007	10,396.21 (yen)		

(Percentages above represent changes compared to the corresponding previous semi-annual period.)

(Reference) Equity in net income (losses) of affiliates
 For the six months ended September 30, 2007:

874 million yen

Edgar Filing: NTT DOCOMO INC - Form 6-K

For the six months ended September 30, 2006: 131 million yen
 For the fiscal year ended March 31, 2007: (1,941) million yen

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

Equity Ratio

	Total Assets	Shareholders Equity	(Ratio of Shareholders Equity to Total Assets)	Shareholders Equity per Share
September 30, 2007	5,924,168	4,222,679	71.3%	98,054.40 (yen)
September 30, 2006	6,050,267	4,176,127	69.0%	95,005.38 (yen)
March 31, 2007	6,116,215	4,161,303	68.0%	95,456.65 (yen)

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Six months ended September 30, 2007	628,436	(365,220)	(289,991)	317,507
Six months ended September 30, 2006	258,953	(530,053)	(323,200)	246,457
Year ended March 31, 2007	980,598	(947,651)	(531,481)	343,062

2. Dividends

Date of record	Cash dividends per share (yen)		
	September 30	March 31	Total
Year ended March 31, 2007	2,000.00	2,000.00	4,000.00
Year ending March 31, 2008	2,400.00		
Year ending March 31, 2008 (Forecasts)		2,400.00	4,800.00

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

(Millions of yen, except per share amount)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income		Expected earnings per share
	(2.5)%	(0.8)%	1.6%	4.1%					
Year ending March 31, 2008	4,667,000	780,000	785,000	476,000	11,053.15				

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

Table of Contents**4. Others**

- (1) Change in reporting entities (Change of condition of significant consolidated subsidiaries) None
- (2) Change in significant accounting and reporting policies for consolidated financial statements
- (Items to be disclosed in Significant Changes in Accounting Basis for Consolidated Financial Statements)
- (i) Change caused by revision of accounting standards and other regulations None
- (ii) Others None
- (3) Number of issued shares (common stock)
- (i) Number of issued shares (inclusive of treasury stock)
- | | |
|---------------------------|-------------------|
| As of September 30, 2007: | 45,880,000 shares |
| As of September 30, 2006: | 46,810,000 shares |
| As of March 31, 2007: | 45,880,000 shares |
- (ii) Number of treasury stock
- | | |
|---------------------------|------------------|
| As of September 30, 2007: | 2,815,345 shares |
| As of September 30, 2006: | 2,853,258 shares |
| As of March 31, 2007: | 2,286,356 shares |

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Six Months Ended September 30, 2007 (April 1, 2007 – September 30, 2007)**

- (1) Non-consolidated Results of Operations
Amounts are truncated to the nearest 1 million yen.

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Recurring Profit		Net Income	
Six months ended September 30, 2007	1,269,979	(0.4)%	202,952	(18.2)%	334,299	(31.7)%	256,542	(36.5)%
Six months ended September 30, 2006	1,274,960	1.1%	248,187	(3.6)%	489,238	25.4%	403,705	37.8%
Year ended March 31, 2007	2,598,724		390,988		654,167		520,592	
							Earnings per Share	
Six months ended September 30, 2007							5,924.00 (yen)	
Six months ended September 30, 2006							9,128.61 (yen)	
Year ended March 31, 2007							11,835.65 (yen)	

(Percentages above represent changes compared to the corresponding previous semi-annual period.)

- (2) Non-consolidated Financial Position

(Millions of yen, except per share amounts)
Equity Ratio

(Ratio of Shareholders

	Total Assets	Net Assets	Equity to Total Assets)	Net Assets per Share
September 30, 2007	3,925,780	2,590,769	66.0%	60,159.99 (yen)
September 30, 2006	4,019,845	2,549,204	63.4%	57,993.49 (yen)
March 31, 2007	4,076,072	2,508,167	61.5%	57,535.16 (yen)

(Reference) Shareholders Equity	As of September 30, 2007	2,590,769 million yen
	As of September 30, 2006	2,549,204 million yen
	As of March 31, 2007	2,508,167 million yen

2. Non-consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

(Millions of yen, except per share amount)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Basic Earnings per Share
Year ending March 31, 2008	2,517,000 (3.1)%	393,000 0.5%	568,000 (13.2)%	422,000 (18.9)%	9,799.22 (yen)

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

* 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, 2008, please refer to page 9-11.

Consolidated financial statements and non-consolidated financial statements in this earnings release are unaudited.

Table of Contents

<< Condition of the Corporate Group >>

NTT DoCoMo, Inc. primarily engages in mobile telecommunications services as a member of the NTT group, with Nippon Telegraph and Telephone Corporation (NTT) as the holding company.

The Company, its 95 subsidiaries and 17 affiliates constitute the NTT DoCoMo group (DoCoMo group), the largest mobile telecommunications services provider in Japan.

The business segments of the DoCoMo group and the corporate position of each group company are as follows:

[Business Segment Information]

Business	Main service lines
Mobile phone business	Cellular (FOMA) services, cellular (mova) services, packet communications services, international services, satellite mobile communications services, and sales of handsets and equipment for each service, etc.
PHS business	PHS services and sales of PHS handsets and equipment
Miscellaneous businesses	Credit business, wireless LAN services, IP telephone service and other miscellaneous businesses

Notes: We have decided to terminate PHS services on January 7, 2008.

[Position of Each Group Company]

- (1) The Company engages in mobile phone, PHS and other businesses in the Kanto-Koshinetsu region of Japan. The Company also provides nationwide services such as satellite mobile communications. The Company is solely responsible for DoCoMo group's overall research and development activities in the area of mobile telecommunications business as well as the development of services and information processing systems. The Company provides the results of such research and development to its eight regional subsidiaries, each of which operates in one of eight regions in Japan (DoCoMo Regional Subsidiaries).
- (2) Each of the eight DoCoMo Regional Subsidiaries engages in mobile phone (excluding satellite mobile communications services), PHS and other businesses in their respective regions.
- (3) 28 other subsidiaries of the Company, each of which is entrusted with certain services by the Company and/or DoCoMo Regional Subsidiaries, operate independently to maximize their expertise and efficiency. They are entrusted with part of the services provided by, or give assistance to, the Company and DoCoMo Regional Subsidiaries.
- (4) There are 59 other subsidiaries and 17 affiliates, including, among others, some overseas units established for the purpose of global expansion of the third-generation mobile communications system based on W-CDMA, and joint ventures established to launch new business operations.

Table of Contents

The following chart summarizes the description above:

Table of Contents

<< Management Policies >>

1. Basic Management Policies

Under the corporate philosophy of creating a new world of communications culture, DoCoMo aims to contribute to the realization of a rich and vigorous society by reinforcing its core business with a focus on popularizing FOMA services, and promoting mobile multimedia services by offering services that are useful for customers' daily lives and businesses. It also seeks to maximize its corporate value in order to be greatly trusted and highly valued by its shareholders and customers.

2. Medium- and Long-Term Management Strategies

The competition amongst carriers in the Japanese mobile communications market has intensified even further due to the introduction of the Mobile Number Portability and market entry by new competitors. Under these circumstances, we plan to run our business from a customer-centric viewpoint focusing on the following three goals: (1) enhance our competitiveness by strengthening the foundation of our core business, (2) grow existing revenues and create new revenue sources, and (3) facilitate cost reduction.

(1) Enhance our competitiveness by strengthening the foundation of our core business

We intend to make it our highest priority to ensure that our customers continue to use our services with a high degree of satisfaction. To this end, we plan to offer products and services different from those of our competitors. We will continue to strive to strengthen our overall competitiveness by, for example, building stable and high-quality networks, improving our after-sales support and introducing affordable billing plans. We also plan to accelerate the implementation of these actions by reorganizing the business operation structure of our corporate group, and aim to enrich and reinforce our customer services as a result of such reorganization.

By adequately informing customers of these initiatives, we will endeavor to strengthen our group's brand, acquire new subscribers, curb churns and boost the usage of our cellular phone services.

(2) Grow existing revenues and create new revenue sources

With the goal of creating new revenue sources, we plan to offer even more attractive content services leveraging the HSDPA (High-Speed Downlink Packet Access) platform launched in August 2006, and continue to expand the coverage of our international roaming services through strategic investments in and/or alliances with overseas operators. We will also strive to further increase the uptake of i-channel service and enrich our music-related service offerings, to improve the convenience of our customers and further grow cellular phone usage as a consequence. In addition, as part of our efforts to cultivate new businesses that do not rely on traffic revenues, we aim to create new revenue sources by providing highly value-added new usage opportunities for cellular phones, centering on our collaboration with partner companies. In particular, we have aggressively expanded the locations where DCMX, DCMX mini and DCMX GOLD credit services compatible with the iD platform are available, by rolling out these services in convenience stores, supermarkets, restaurants and large-scale commercial facilities, etc., and we will work to further expand their coverage going forward. We will also proactively seek to expand our business fields, both in Japan and abroad, looking into the possibility of making strategic investments in, or forming alliances with external partners.

(3) Facilitate cost reduction

To ensure efficient operation of our core business and expand into new business fields, we will work to improve the efficiency of our operations by further cutting handset procurement and network costs, making a more efficient allocation of distributor commissions, and reorganizing DoCoMo group's structure to achieve the effects of integration.

Through the aforementioned efforts, with the goal of realizing personalized services and ubiquitous and seamless access, we will transfer our cellular phone services even further from the viewpoint of delivering innovative, safe and secure solutions, to provide our customers with lifestyle infrastructure useful for their lives and businesses, and strive to enhance our enterprise value thereby. At the same time, we are committed to ensuring compliance with relevant laws and regulations and thorough risk management at all levels of our corporate group, by properly establishing and operating an internal control system designed for lawful business execution. We will also work in earnest to fulfill our Corporate Social Responsibility (CSR), in an effort to win the trust and confidence of all stakeholders.

Table of Contents

3. Target Management Indicators

Now that the Japanese mobile telecommunications market has entered a period of stable growth, DoCoMo regards EBITDA margin as an important management indicator from the perspective of profitability, to further enhance its management effectiveness. DoCoMo also considers ROCE an important management indicator in terms of efficiency in its invested capital (shareholders' equity + interest bearing liabilities). DoCoMo will make its utmost efforts to achieve an EBITDA margin of at least 35% and a ROCE of at least 20% as its medium-term targets and attempt to maximize its corporate value.

Notes:

EBITDA margin = EBITDA / Operating revenues

EBITDA = Operating income + Depreciation and amortization + Losses on sale or disposal of property, plant and equipment

ROCE = Operating income / (Shareholders' equity + Interest bearing liabilities) Shareholders' equity and interest bearing liabilities are the average of the amounts as of March 31, 2007 and September 30, 2007.

4. Corporate Social Responsibility (CSR)

Due to the wide adoption and advancement of mobile communications services, cellular phones have become indispensable tools for people's daily activities. Cellular phones have evolved from previously voice-centric communication devices into multifunctional tools serving more diverse needs in the society. Against this backdrop, we aim to contribute to society by carrying out our business activities with sincerity and living in harmony with society. To fulfill our Corporate Social Responsibility (CSR) as a cellular phone operator, our corporate group is engaged in a wide range of activities, believing that it is our important missions to tackle cellular phone-related social issues, respond to earthquakes and other natural disasters, take actions against global environmental concerns that are becoming increasingly serious, and allow each and every user including the elderly and the handicapped to share the convenience of cellular phones, which are explained in detail in the recently published DoCoMo Group CSR Report 2007. Among these activities, those that are directly related to the products and services offered by DoCoMo group have been promoted in a comprehensive and unified approach under the DoCoMo Anshin Mission aimed at delivering peace of mind. The concrete actions undertaken during the first six months of the fiscal year ending March 31, 2008, include the following:

For a safer, healthier and more secure society

Held approximately 1,000 sessions of *Mobile Phone Safety Program* nationwide during the first six months of the fiscal year ending March 31, 2008, to provide children with tips on safe and proper phone usage manners, and promoted filtering services that limit access to dubious dating sites or other potentially harmful information web sites.

Established and operated *DoCoMo Anshin Hotline*, a consultation service to respond to concerns regarding cellular phone use by children.

Newly introduced a function that blocks the reception of emails containing URL of certain categories pre-registered by the user, because many unsolicited emails contain URL links to dating and other harmful sites.

Table of Contents

Universal design products and services

Released FOMA *Raku Raku* Phone Basic , a model specializing in easy-to-use basic functions, and GPS-enabled FOMA *Raku Raku* Phone IV designed in pursuit of more advanced safety and security features and operational simplicity. The cumulative nationwide sales of *Raku Raku* Phone series phones exceeded 10 million.

Held a total of 18 on-field sessions of mobile phone usage lectures in *Kanto-Koshinetsu* region, providing tips on convenient usage examples and instructions on phone operations, to allow the elderly and handicapped users to enjoy the convenience of cellular phones in their daily lives.

Various disaster responses

Made functional enhancements to i-mode Disaster Message Board service, and enriched information contained under the disaster prevention/crime prevention/medical service, section of i-mode menu list (approximately 320 sites as of Sept. 30, 2007), and promoted their use in order to improve the convenience of users in the event of a natural disaster.

In response to the July 2007 Niigata-Chuetsu Offshore Earthquake, deployed power supply vehicles and power generators as quickly as possible in base stations where electricity supply was suspended, in order to secure communications in the affected areas. In addition, dispatched mobile base station vehicles to areas near the prefectural disaster management headquarters in Kashiwazaki where traffic concentration was reported, to secure important communications and connection of emergency calls.

Provided free-of-charge mobile phones and phone battery charging services at 41 emergency shelters following the earthquake, and leased cellular and satellite phones to municipal authorities to secure communications.

Global environmental conservation initiatives

Introduced optical fiber extension units and high-efficiency rectification equipment, and operated co-generation systems (CGS) which reduce energy consumption through effective utilization of the heat generated from power generation, as part of our efforts to facilitate energy savings at our communication facilities.

Collected used cellular handsets (approximately 64 million units on a cumulative basis) and carried out DoCoMo Woods Campaign (reforestation project) at 32 locations on a cumulative basis.

Social contribution activities

To assist the education of children, constructed schools in Thailand (10th school currently under construction), and carried out programs aimed at fostering young talent by sponsoring soccer clinics.

Participated in (Product) RED , a donation system to provide sustainable flow of funds from private companies to the Global Fund, and donated an amount equaling 1% of the monthly mobile phone usage bills of M702iS (RED) handset users for the fight against HIV/AIDS in Africa.

Edgar Filing: NTT DOCOMO INC - Form 6-K

Donated funds to assist the restoration activities following the July 2007 Niigata-Chuetsu Offshore Earthquake.

Names of companies or products presented in this document are the trademarks or registered trademarks of their respective organizations.

Table of Contents**<< Consolidated Financial Statements >>****1. Consolidated Balance Sheets**

	(UNAUDITED)		Millions of yen (UNAUDITED)				
	September 30, 2006		September 30, 2007		March 31, 2007		
ASSETS							
Current assets:							
Cash and cash equivalents	¥	246,457	¥	317,507	¥	343,062	
Short-term investments		152,005		103,390		150,543	
Accounts receivable		813,781		792,008		872,323	
Allowance for doubtful accounts		(14,151)		(13,724)		(13,178)	
Inventories		206,329		158,257		145,892	
Deferred tax assets		90,889		96,889		94,868	
Prepaid expenses and other current assets		169,054		126,559		138,403	
Total current assets		1,664,364	27.5%	1,580,886	26.7%	1,731,913	28.3%
Property, plant and equipment:							
Wireless telecommunications equipment		4,983,479		5,270,841		5,149,132	
Buildings and structures		758,298		787,433		778,638	
Tools, furniture and fixtures		618,480		621,765		613,945	
Land		198,546		199,315		199,007	
Construction in progress		142,195		109,560		114,292	
Accumulated depreciation and amortization		(3,815,423)		(4,143,380)		(3,954,361)	
Total property, plant and equipment, net		2,885,575	47.7%	2,845,534	48.0%	2,900,653	47.4%
Non-current investments and other assets:							
Investments in affiliates		177,832		180,344		176,376	
Marketable securities and other investments		309,970		325,181		261,456	
Intangible assets, net		537,115		543,033		551,029	
Goodwill		140,912		148,322		147,821	
Other assets		214,606		170,039		219,271	
Deferred tax assets		119,893		130,829		127,696	
Total non-current investments and other assets		1,500,328	24.8%	1,497,748	25.3%	1,483,649	24.3%
Total assets	¥	6,050,267	100.0%	¥ 5,924,168	100.0%	¥ 6,116,215	100.0%

LIABILITIES AND SHAREHOLDERS' EQUITY**Current liabilities:**

Current portion of long-term debt	¥	149,600	¥	58,543	¥	131,005
Short-term borrowings		104		104		102
Accounts payable, trade		567,741		518,492		761,108
Accrued payroll		39,027		43,059		46,584
Accrued interest		1,011		911		809
Accrued income taxes		121,476		143,784		68,408
Other current liabilities		134,812		151,536		154,909

Edgar Filing: NTT DOCOMO INC - Form 6-K

Total current liabilities	1,013,771	16.8%	916,429	15.5%	1,162,925	19.0%
Long-term liabilities:						
Long-term debt (exclusive of current portion)	504,813		445,460		471,858	
Liability for employees' retirement benefits	139,084		139,830		135,890	
Other long-term liabilities	215,319		198,536		183,075	
Total long-term liabilities	859,216	14.2%	783,826	13.2%	790,823	13.0%
Total liabilities	1,872,987	31.0%	1,700,255	28.7%	1,953,748	32.0%
Minority interests in consolidated subsidiaries	1,153	0.0%	1,234	0.0%	1,164	0.0%
Shareholders' equity:						
Common stock	949,680		949,680		949,680	
Additional paid-in capital	1,311,013		1,135,958		1,135,958	
Retained earnings	2,433,610		2,652,478		2,493,155	
Accumulated other comprehensive income	20,017		17,924		12,874	
Treasury stock, at cost	(538,193)		(533,361)		(430,364)	
Total shareholders' equity	4,176,127	69.0%	4,222,679	71.3%	4,161,303	68.0%
Total liabilities and shareholders' equity	¥ 6,050,267	100.0%	¥ 5,924,168	100.0%	¥ 6,116,215	100.0%

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

	(UNAUDITED)		Millions of yen (UNAUDITED)			
	Six months ended		Six months ended		Year ended	
	September 30, 2006		September 30, 2007		March 31, 2007	
Operating revenues:						
Wireless services	¥ 2,174,239		¥ 2,130,305		¥ 4,314,140	
Equipment sales	209,134		194,812		473,953	
Total operating revenues	2,383,373	100.0%	2,325,117	100.0%	4,788,093	100.0%
Operating expenses:						
Cost of services (exclusive of items shown separately below)	354,567		382,307		766,960	
Cost of equipment sold (exclusive of items shown separately below)	552,274		569,455		1,218,694	
Depreciation and amortization	347,685		364,338		745,338	
Selling, general and administrative	611,958		600,521		1,283,577	
Total operating expenses	1,866,484	78.3%	1,916,621	82.4%	4,014,569	83.8%
Operating income	516,889	21.7%	408,496	17.6%	773,524	16.2%
Other income (expense):						
Interest expense	(2,807)		(3,068)		(5,749)	
Interest income	644		986		1,459	
Other, net	5,541		4,436		3,709	
Total other income (expense)	3,378	0.1%	2,354	0.1%	(581)	(0.1)%
Income before income taxes	520,267	21.8%	410,850	17.7%	772,943	16.1%
Income taxes:						
Current	130,605		172,173		237,734	
Deferred	79,938		(7,028)		75,945	
Total income taxes	210,543	8.8%	165,145	7.1%	313,679	6.5%
Equity in net income (losses) of affiliates	131	0.0%	874	0.0%	(1,941)	(0.0)%
Minority interests in consolidated subsidiaries	(35)	(0.0)%	(69)	(0.0)%	(45)	(0.0)%
Net Income	¥ 309,820	13.0%	¥ 246,510	10.6%	¥ 457,278	9.6%
Other comprehensive income (loss):						
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(5,768)		3,089		(15,763)	
Net revaluation of financial instruments, net of applicable taxes	10		17		34	
Foreign currency translation adjustment, net of applicable taxes	(1,075)		2,310		1,103	
Pension liability adjustment, net of applicable taxes			(366)			
Minimum pension liability adjustment, net of applicable taxes	69				5,562	
Comprehensive income:	¥ 303,056	12.7%	¥ 251,560	10.8%	¥ 448,214	9.4%

PER SHARE DATA

Weighted average common shares outstanding basic and diluted (shares)	44,224,198	43,305,664	43,985,082
Basic and diluted earnings per share (Yen)	¥ 7,005.67	¥ 5,692.33	¥ 10,396.21

Table of Contents**3. Consolidated Statements of Shareholders' Equity**

	(UNAUDITED)		
	Millions of yen (UNAUDITED)		
	Six months ended	Six months ended	Year ended
	September 30, 2006	September 30, 2007	March 31, 2007
Common stock:			
At beginning of period	¥ 949,680	¥ 949,680	¥ 949,680
At end of period	949,680	949,680	949,680
Additional paid-in capital:			
At beginning of period	1,311,013	1,135,958	1,311,013
Retirement of treasury stock			(175,055)
At end of period	1,311,013	1,135,958	1,135,958
Retained earnings:			
At beginning of period	2,212,739	2,493,155	2,212,739
Cash dividends	(88,949)	(87,187)	(176,862)
Net income	309,820	246,510	457,278
At end of period	2,433,610	2,652,478	2,493,155
Accumulated other comprehensive income:			
At beginning of period	26,781	12,874	26,781
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(5,768)	3,089	(15,763)
Net revaluation of financial instruments, net of applicable taxes	10	17	34
Foreign currency translation adjustment, net of applicable taxes	(1,075)	2,310	1,103
Pension liability adjustment, net of applicable taxes		(366)	
Minimum pension liability adjustment, net of applicable taxes	69		5,562
Adjustment to initially apply SFAS No.158, net of applicable taxes			(4,843)
At end of period	20,017	17,924	12,874
Treasury stock, at cost:			
At beginning of period	(448,196)	(430,364)	(448,196)
Purchase of treasury stock	(89,997)	(102,997)	(157,223)
Retirement of treasury stock			175,055
At end of period	(538,193)	(533,361)	(430,364)
Total shareholders' equity	¥ 4,176,127	¥ 4,222,679	¥ 4,161,303

Table of Contents**4. Consolidated Statements of Cash Flows**

	(UNAUDITED)		Millions of yen (UNAUDITED)	
	Six months ended		Six months ended	Year ended
	September 30, 2006	September 30, 2007	March 31, 2007	
I Cash flows from operating activities:				
1. Net income	¥ 309,820	¥ 246,510	¥ 457,278	
2. Adjustments to reconcile net income to net cash provided by operating activities				
(1) Depreciation and amortization	347,685	364,338	745,338	
(2) Deferred taxes	79,922	(6,976)	74,987	
(3) Loss on sale or disposal of property, plant and equipment	14,200	13,769	55,708	
(4) Equity in net (income) losses of affiliates	(390)	(1,317)	2,791	
(5) Minority interests in consolidated subsidiaries	35	69	45	
(6) Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(203,944)	80,315	(262,032)	
(Decrease) increase in allowance for doubtful accounts	(589)	546	(1,600)	
Decrease (increase) in inventories	23,194	(12,365)	83,716	
(Increase) decrease in prepaid expenses and other current assets	(70,384)	12,421	(39,254)	
(Decrease) in accounts payable, trade	(191,336)	(169,702)	(42,013)	
(Decrease) increase in accrued income taxes	(47,111)	75,376	(100,197)	
(Decrease) increase in other current liabilities	(19,640)	(3,368)	534	
Increase in liability for employees' retirement benefits	3,573	3,940	379	
Increase (decrease) in other long-term liabilities	6,792	15,482	(26,241)	
Other, net	7,126	9,398	31,159	
Net cash provided by operating activities	258,953	628,436	980,598	
II Cash flows from investing activities:				
1. Purchases of property, plant and equipment	(414,117)	(271,513)	(735,650)	
2. Purchases of intangible and other assets	(97,847)	(120,677)	(213,075)	
3. Purchases of non-current investments	(17,221)	(70,280)	(41,876)	
4. Proceeds from sale and redemption of non-current investments	48	50,454	50,594	
5. Purchases of short-term investments	(2,157)	(4,065)	(3,557)	
6. Redemption of short-term investments	1,436	1,360	4,267	
7. Long-term bailment for consumption to a related party		50,000		
8. Other, net	(195)	(499)	(8,354)	
Net cash used in investing activities	(530,053)	(365,220)	(947,651)	
III Cash flows from financing activities:				
1. Repayment of long-term debt	(142,323)	(98,200)	(193,723)	
2. Proceeds from short-term borrowings	8,228	4,669	18,400	
3. Repayment of short-term borrowings	(8,276)	(4,667)	(18,450)	
4. Principal payments under capital lease obligations	(1,882)	(1,607)	(3,621)	
5. Payments to acquire treasury stock	(89,997)	(102,997)	(157,223)	
6. Dividends paid	(88,949)	(87,187)	(176,862)	
7. Other, net	(1)	(2)	(2)	
Net cash used in financing activities	(323,200)	(289,991)	(531,481)	
IV Effect of exchange rate changes on cash and cash equivalents	33	1,220	872	

Edgar Filing: NTT DOCOMO INC - Form 6-K

V	Net increase (decrease) in cash and cash equivalents	(594,267)	(25,555)	(497,662)
VI	Cash and cash equivalents at beginning of period	840,724	343,062	840,724
VII	Cash and cash equivalents at end of period	¥ 246,457	¥ 317,507	¥ 343,062

Supplemental disclosures of cash flow information:

Cash received during the period for:

Income taxes	¥ 910	¥ 20,344	¥ 925
--------------	-------	-----------------	-------

Cash paid during the period for:

Interest	3,060	2,965	6,203
Income taxes	219,149	97,335	359,861

Non-cash investing and financing activities:

Assets acquired through capital lease obligations	1,952	1,566	3,530
Retirement of treasury stock			175,055

Table of Contents

Notes to Unaudited Consolidated Financial Statements

Basis of Presentation:

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

1. Summary of significant accounting and reporting policies:

(1) Adoption of a new accounting standard

Accounting for Uncertainty in Income Taxes

Effective April 1, 2007, DoCoMo applied the Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" an interpretation of Statement of Financial Accounting Standards ("SFAS") No. 109 ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return as well as provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The application of FIN 48 did not have a material impact on DoCoMo's results of operations and financial position.

(2) Significant accounting policies

Use of estimates

The preparation of DoCoMo's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for doubtful accounts

The allowance for doubtful accounts is principally computed based on the historical bad debt experience plus the estimated uncollectible amount based on the analysis of certain individual accounts including claims in bankruptcy.

Inventories

Inventories are stated at the lower of cost or market. The cost of equipment sold is determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment is stated at cost and includes interest cost incurred during construction periods. It is depreciated over the estimated useful lives of respective assets using the declining-balance method with the exception of buildings that are depreciated using the straight-line method.

Investments in affiliates

The equity method of accounting is applied for investments in affiliates where DoCoMo owns an aggregate interest of 20% to 50% and/or is able to exercise significant influence.

DoCoMo evaluates the recoverability of the carrying value of its investments in affiliates, which includes investor level goodwill, when there are indicators that a decline in value below its carrying amount may be other than temporary. In the event of a determination that a decline in value is other than temporary, the amount of the loss is recognized in earnings, and a new cost basis in the investment is established.

Table of Contents

Marketable securities and other investments

DoCoMo accounts for its marketable securities in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities* .

Equity securities whose fair values are not readily determinable and restricted stock are carried at cost. Other than temporary declines in value are charged to earnings. Realized gains and losses are determined using the average cost method and are reflected currently in earnings.

Goodwill and other intangible assets

DoCoMo accounts for goodwill and other intangible assets in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* , SFAS No. 86, *Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed* , and American Institute of Certified Public Accountants (AICPA) Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* .

Impairment of long-lived assets

In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* , DoCoMo's long-lived assets other than goodwill, including property, plant and equipment, software and intangibles subject to amortization, are reviewed for impairment. If the asset is determined to be impaired, the amount of the loss is recognized.

Hedging activities

DoCoMo accounts for derivative financial instruments and other hedging activities in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* , as amended by SFAS No. 138 and No. 149.

Employees' retirement benefit plans

Effective March 31, 2007, in accordance with SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of SFAS No. 87, 88, 106, and 132R* , DoCoMo recognizes the funded status of a benefit plan, measured as the difference between plan assets at fair value and the benefit obligation, in the consolidated balance sheets. Pension benefits earned during the year as well as interest on projected benefit obligations are accrued currently. Unrecognized prior service cost and unrecognized net losses in excess of 10% of the greater of the projected benefit obligation or the fair value of plan assets are amortized over the expected average remaining service period of employees on a straight-line basis.

Revenue recognition

Basic monthly charges and airtime charges are recognized as revenues as service is provided to the subscribers. DoCoMo's monthly billing plans for cellular (FOMA and mova) services generally include a certain amount of allowances (free minutes and/or packets), and the used amount of the allowances is subtracted from total usage in calculating the airtime revenue from a subscriber for the month. DoCoMo introduced a billing arrangement, called *Nikagetsu Kurikoshi* (two-month carry over), in which the unused allowances are automatically carried over up to the following two months. In addition, DoCoMo then introduced an arrangement which enables the unused allowances that were carried over for two months to be automatically used to cover the airtime and/or packet fees exceeding the allowances of the other subscriptions in the *Family Discount* group, a discount billing arrangement for families with between two and ten DoCoMo subscriptions. Out of the unused allowance in a month, DoCoMo defers the revenues based on the portion which is estimated to be used in following two months. As for the portion which is estimated to expire, effective April 1, 2006, DoCoMo recognizes the revenue attributable to such portion of allowances ratably as the remaining allowances are utilized, in addition to the revenue recognized when subscribers make calls or utilize data transmissions.

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

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

Table of Contents

Income taxes

Income taxes are accounted for in accordance with SFAS No.109 Accounting for Income Taxes .

(3) Reclassifications

Certain reclassifications have been made to the prior periods consolidated financial statements to conform to the presentation used for the six months ended September 30, 2007.

Table of Contents**2. Segment reporting:**

Segment information for the six months ended September 30, 2006 and 2007, and for the year ended March 31, 2007 is as follows:

	Millions of yen				Consolidated
	Mobile phone	PHS	Miscellaneous		
	business	business	businesses		
Six months ended September 30, 2006					
Operating revenues	¥ 2,349,677	¥ 13,221	¥ 20,475	¥ 2,383,373	
Operating expenses	1,822,494	17,253	26,737	1,866,484	
Operating income (loss)	¥ 527,183	¥ (4,032)	¥ (6,262)	¥ 516,889	

	Millions of yen				Consolidated
	Mobile phone	PHS	Miscellaneous		
	business	business	businesses		
Six months ended September 30, 2007					
Operating revenues	¥ 2,295,976	¥ 7,143	¥ 21,998	¥ 2,325,117	
Operating expenses	1,862,036	19,178	35,407	1,916,621	
Operating income (loss)	¥ 433,940	¥ (12,035)	¥ (13,409)	¥ 408,496	

	Millions of yen				Consolidated
	Mobile phone	PHS	Miscellaneous		
	business	business	businesses		
Year ended March 31, 2007					
Operating revenues	¥ 4,718,875	¥ 23,429	¥ 45,789	¥ 4,788,093	
Operating expenses	3,915,204	38,812	60,553	4,014,569	
Operating income (loss)	¥ 803,671	¥ (15,383)	¥ (14,764)	¥ 773,524	

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

Table of Contents**3. Marketable securities and other investments:**

Marketable securities and other investments as of September 30, 2006 and 2007, and March 31, 2007 comprised the following:

	September 30, 2006	Millions of yen September 30, 2007	March 31, 2007
Marketable securities:			
Available-for-sale	¥ 317,469	¥ 234,792	¥ 268,528
Other investments	92,541	140,369	92,853
Sub-total	410,010	375,161	361,381
Less: Available-for-sale debt securities classified as Short-term investments	(100,040)	(49,980)	(99,925)
Marketable securities and other investments (Non-current)	¥ 309,970	¥ 325,181	¥ 261,456

Maturities of debt securities classified as available-for-sale at September 30, 2007 are as follows:

	Millions of yen September 30, 2007	
	Carrying amounts	Fair value
Due within 1 year	49,980	49,980
Due after 1 year through 5 years	5	5
Due after 5 years through 10 years		
Due after 10 years		
Total	49,985	49,985

The aggregate cost, gross unrealized holding gains and losses and fair value by type of marketable security at September 30, 2006 and 2007, and March 31, 2007 are as follows:

	Millions of yen September 30, 2006				
	Cost /		Gross unrealized holding gains	Gross unrealized holding losses	Fair value
	Amortized cost				
Available-for-sale:					
Equity securities	¥129,379		¥39,571	¥1,406	¥167,544
Debt securities	150,184		0	259	149,925

	Millions of yen September 30, 2007				
	Cost /		Gross unrealized holding gains	Gross unrealized holding losses	Fair value
	Amortized cost				
Available-for-sale:					

Edgar Filing: NTT DOCOMO INC - Form 6-K

Equity securities	¥158,760	¥34,206	¥8,159	¥184,807
Debt securities	50,015	0	30	49,985

	Millions of yen March 31, 2007			Fair value
	Cost / Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	
Available-for-sale:				
Equity securities	¥ 147,998	¥ 21,585	¥ 985	¥ 168,598
Debt securities	100,076	0	146	99,930

Table of Contents

The proceeds and gross realized gains (losses) from the sale of available-for-sale securities and other investments for the six months ended September 30, 2006 and 2007, and for the year ended March 31, 2007 are as follows:

	Six months ended	Millions of yen Six months ended	Year ended
	September 30, 2006	September 30, 2007	March 31, 2007
Proceeds	¥ 53	¥ 454	¥ 448
Gross realized gains	12	403	314
Gross realized losses	(118)	(0)	(118)

Other investments include long-term investments in various privately held companies and restricted stock. The aggregate carrying amount of DoCoMo's cost method investments included in other investments totaled ¥92,516 million, ¥140,327 million and ¥92,818 million as of September 30, 2006 and 2007, and March 31, 2007, respectively.

4. Other footnotes to unaudited financial statements:**Disbursement of substitutional portion of the National Welfare Pension Plan**

DoCoMo participates in a contributory defined benefit welfare pension plan sponsored by the NTT group (NTT Plan). On July 1, 2007, the NTT Plan was granted an approval by the Japanese government, which permitted the NTT Plan to be released from the past obligation to disburse the NTT Plan benefits covering the substitutional portion of the National Welfare Pension Plan. No accounting should be recognized until the completion of the entire transfer. It is undetermined when the transfer of the benefit obligations and related plan assets will take place and what the net effect of settlement on DoCoMo's result of operations and financial position will be. If the amount equivalent to the substitutional portion had been repaid on March 31, 2007, the estimated amount of such effect on DoCoMo's results of operations would have been approximately ¥25.0 billion.

5. Subsequent event:**Introduction of two new sales schemes**

On October 26, 2007, DoCoMo determined that it will introduce two types of new sales schemes, which are scheduled to be applied to the handsets to be released on and after November 26, 2007. Value Course enables customers to subscribe to new billing plans with discounted basic monthly charges compared to the current billing plans by purchasing certain handsets specified by DoCoMo in advance. Installment payment for the handset will be available in this Value Course. Basic Course provides customers with subsidy for handset purchase if he/she is committed to using the purchased handset, which is specified by DoCoMo in advance, for at least two years, where the current billing plans will be applied.

Table of Contents<< Non-consolidated Financial Statements >>**1. Non-consolidated Balance Sheets**

	(UNAUDITED) September 30, 2006		Millions of yen (UNAUDITED) September 30, 2007		March 31, 2007	
ASSETS						
Non-current assets:						
Non-current assets for telecommunication businesses						
Property, plant and equipment	¥ 1,144,744		¥ 1,072,178		¥ 1,110,482	
Machinery and equipment	480,788		435,374		454,641	
Antenna facilities	156,612		160,045		159,365	
Satellite mobile communications facilities	5,273		4,081		4,602	
Buildings	221,952		211,109		217,072	
Tools, furniture and fixtures	109,466		99,772		110,115	
Land	101,106		101,071		101,065	
Construction in progress	35,774		27,745		30,141	
Other fixed assets	33,769		32,978		33,477	
Intangible assets	493,892		510,829		513,210	
Software	448,024		465,053		475,196	
Other intangible assets	45,868		45,776		38,014	
Total non-current assets for telecommunication businesses	1,638,637		1,583,008		1,623,692	
Investments and other assets						
Investment securities	323,291		376,309		287,507	
Shares of affiliated companies	637,903		636,876		634,820	
Other investments in affiliated companies	572		578		578	
Contributions in affiliates companies	5,399		5,627		5,651	
Deferred tax assets	41,696		29,971		38,764	
Other investments and other assets	89,932		43,744		94,500	
Allowance for doubtful accounts	(498)		(466)		(498)	
Total investment and other assets	1,098,297		1,092,642		1,061,325	
Total non-current assets	2,736,934	68.1%	2,675,650	68.2%	2,685,017	65.9%
Current assets:						
Cash and bank deposits	210,916		232,557		293,926	
Notes receivable					20	
Accounts receivable, trade	429,115		389,361		422,889	
Accounts receivable, other	220,101		202,700		278,692	
Inventories and supplies	114,844		80,077		76,568	
Deferred tax assets	24,852		26,569		30,829	
Other current assets	288,575		324,516		293,192	
Allowance for doubtful accounts	(5,494)		(5,652)		(5,064)	
Total current assets	1,282,910	31.9%	1,250,129	31.8%	1,391,054	34.1%
Total assets	¥ 4,019,845	100.0%	3,925,780	100.0%	¥ 4,076,072	100.0%

Table of Contents

	(UNAUDITED)		Millions of yen (UNAUDITED)			
	September 30, 2006		September 30, 2007		March 31, 2007	
LIABILITIES						
Long-term liabilities:						
Bonds	¥ 388,485		¥ 378,000		¥ 378,000	
Long-term borrowings	114,000		67,000		93,000	
Liability for employees' retirement benefits	58,072		47,158		55,377	
Reserve for point loyalty programs	48,515		43,049		40,293	
Provision for loss on PHS business	2,064		10,434		1,776	
Other long-term liabilities	2,000		1,761		1,939	
Total long-term liabilities	613,138	15.3%	547,405	13.9%	570,387	14.0%
Current liabilities:						
Current portion of long-term borrowings	149,200		57,485		129,685	
Accounts payable, trade	206,099		136,795		259,297	
Accounts payable, other	181,058		198,347		239,523	
Accrued income taxes	6,612		58,043		9,127	
Deposits received	265,155		294,480		320,081	
Other current liabilities	49,377		42,453		39,802	
Total current liabilities	857,502	21.3%	787,606	20.1%	997,518	24.5%
Total liabilities	¥ 1,470,640	36.6%	¥ 1,335,011	34.0%	¥ 1,567,905	38.5%
NET ASSETS						
Shareholders' equity						
Common stock	¥ 949,679	23.6%	¥ 949,679	24.2%	¥ 949,679	23.3%
Capital surplus						
Capital legal reserve	292,385		292,385		292,385	
Other capital surplus	971,190		796,136		796,136	
Total capital surplus	1,263,575	31.4%	1,088,521	27.8%	1,088,521	26.7%
Earned surplus						
Earned legal reserve	4,099		4,099		4,099	
Other earned surplus						
Accelerated depreciation reserve	16,488		10,559		10,559	
General reserve	358,000		358,000		358,000	
Earned surplus brought forward	468,088		672,345		502,990	
Total earned surplus	846,676	21.1%	1,045,005	26.6%	875,649	21.5%
Treasury stock	(538,192)	(13.4)%	(533,360)	(13.6)%	(430,364)	(10.6)%
Total shareholders' equity	2,521,739	62.7%	2,549,844	65.0%	2,483,486	60.9%
Valuation and translation adjustments						
Net unrealized holding gains or losses on securities	26,858	0.7%	40,650	1.0%	24,171	0.6%
Deferred gains or losses on hedges	607	0.0%	273	0.0%	509	0.0%
Total valuation and translation adjustments	27,465	0.7%	40,924	1.0%	24,681	0.6%
Total net assets	¥ 2,549,204	63.4%	¥ 2,590,769	66.0%	¥ 2,508,167	61.5%
Total liabilities and net assets	¥ 4,019,845	100.0%	¥ 3,925,780	100.0%	¥ 4,076,072	100.0%

Table of Contents**2. Non-consolidated Statements of Income**

	Millions of yen					
	(UNAUDITED)		(UNAUDITED)		Year ended	
	Six months ended September 30, 2006		Six months ended September 30, 2007		March 31, 2007	
Telecommunication businesses						
Operating revenues	¥ 1,015,306	79.6%	¥ 998,443	78.6%	¥ 2,015,114	77.5%
Operating expenses	772,797	60.6%	806,875	63.5%	1,641,169	63.2%
Operating income from telecommunication businesses	242,508	19.0%	191,567	15.1%	373,944	14.3%
Supplementary businesses						
Operating revenues	259,654	20.4%	271,536	21.4%	583,609	22.5%
Operating expenses	253,975	19.9%	260,151	20.5%	566,566	21.8%
Operating income from supplementary businesses	5,678	0.5%	11,384	0.9%	17,043	0.7%
Total operating income	¥ 248,187	19.5%	¥ 202,952	16.0%	¥ 390,988	15.0%
Non-operating revenues	251,726	19.7%	142,819	11.2%	301,243	11.6%
Non-operating expenses	10,675	0.8%	11,473	0.9%	38,064	1.5%
Recurring profit	¥ 489,238	38.4%	¥ 334,299	26.3%	¥ 654,167	25.1%
Special profit						
Gain on liquidation of subsidiaries	17,298	1.4%			22,317	0.9%
Gain on disbursement of substitutional portion of the National Welfare Pension Plan			9,091	0.7%		
Income before income taxes	506,537	39.8%	343,390	27.0%	676,485	26.0%
Income taxes-current	15,600	1.2%	84,900	6.7%	69,800	2.7%
Income taxes-deferred	87,231	6.9%	1,947	0.1%	86,093	3.3%
Net income	¥ 403,705	31.7%	¥ 256,542	20.2%	¥ 520,592	20.0%

Note: The denominator used to calculate the percentage figures is the aggregate amount of operating revenues from telecommunication businesses and supplementary businesses.

Table of Contents**3. Non-consolidated Statement of Changes in Net Assets**

Six months ended September 30, 2006 (April 1, 2006 - September 30, 2006)

	(Millions of yen)										
	Capital surplus				Shareholders equity						
					Earned surplus						
					Other earned Surplus						
	Common stock	Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Accelerated depreciation reserve	General reserve	Earned surplus brought forward	Total earned surplus	Treasury stock	Total shareholders equity
Balance as of March 31, 2006	949,679	292,385	971,190	1,263,575	4,099	14,862	358,000	155,060	532,023	(448,195)	2,297,083
Changes during the semi-annual period											
Addition for accelerated depreciation reserve (*)						6,502		(6,502)			
Reversal of accelerated depreciation reserve (*)						(4,876)		4,876			
Dividends from surplus (*)								(88,948)	(88,948)		(88,948)
Directors and corporate auditors bonus (*)								(104)	(104)		(104)
Net income								403,705	403,705		403,705
Purchase of treasury stock										(89,996)	(89,996)
Net changes other than shareholders equity											
The total amount of changes during the semi-annual period						1,625		313,027	314,652	(89,996)	224,655
Balance as of September 30, 2006	949,679	292,385	971,190	1,263,575	4,099	16,488	358,000	468,088	846,676	(538,192)	2,521,739

	Valuation and translation adjustments				
	Net unrealized holding gains or losses on securities			Total	
	Deferred gains or losses on hedges			and translation adjustments	
	Total			Total	
	valuation			net	
	assets			assets	
Balance as of March 31, 2006			25,952	25,952	2,323,036
Changes during the semi-annual period					
Addition for accelerated depreciation reserve (*)					
Reversal of accelerated depreciation reserve (*)					
Dividends from surplus (*)					(88,948)
Directors and corporate auditors bonus (*)					(104)
Net income					403,705
Purchase of treasury stock					(89,996)

Edgar Filing: NTT DOCOMO INC - Form 6-K

Net changes other than shareholders' equity	905	607	1,512	1,512
The total amount of changes during the semi-annual period	905	607	1,512	226,168
Balance as of September 30, 2006	26,858	607	27,465	2,549,204

(*) Items approved in the shareholders' meeting held in June 2006.

Table of Contents

Six months ended September 30, 2007 (April 1, 2007 - September 30, 2007)

(Millions of yen)

	Capital surplus				Shareholders equity Earned surplus Other earned Surplus			Earned surplus brought forward	Total earned surplus	Treasury stock	Total shareholders' equity
	Common stock	Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Accelerated depreciation reserve	General reserve				
Balance as of March 31, 2007	949,679	292,385	796,136	1,088,521	4,099	10,559	358,000	502,990	875,649	(430,364)	2,483,486
Changes during the semi-annual period											
Dividends from surplus								(87,187)	(87,187)		(87,187)
Net income								256,542	256,542		256,542
Purchase of treasury stock										(102,996)	(102,996)
Net changes other than shareholders equity											
The total amount of changes during the semi-annual period								169,355	169,355	(102,996)	66,358
Balance as of September 30, 2007	949,679	292,385	796,136	1,088,521	4,099	10,559	358,000	672,345	1,045,005	(533,360)	2,549,844

	Valuation and translation adjustments Net			
	unrealized holding gains or losses on securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
Balance as of March 31, 2007	24,171	509	24,681	2,508,167
Changes during the semi-annual period				
Dividends from surplus				(87,187)
Net income				256,542
Purchase of treasury stock				(102,996)
Net changes other than shareholders equity	16,479	(236)	16,243	16,243
The total amount of changes during the semi-annual period	16,479	(236)	16,243	82,602
Balance as of September 30, 2007	40,650	273	40,924	2,590,769

Table of Contents

Fiscal year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

	(Millions of yen)										
	Capital surplus				Shareholders equity Earned surplus Other earned Surplus						
	Common stock	Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Accelerated depreciation reserve	General reserve	Earned surplus brought forward	Total earned surplus	Treasury stock	Total shareholders equity
Balance as of March 31, 2006	949,679	292,385	971,190	1,263,575	4,099	14,862	358,000	155,060	532,023	(448,195)	2,297,083
Changes during the annual period											
Addition for accelerated depreciation reserve (*)						6,502		(6,502)			
Reversal of accelerated depreciation reserve (*)						(4,876)		4,876			
Reversal of accelerated depreciation reserve						(5,929)		5,929			
Dividends from surplus (*)								(88,948)	(88,948)		(88,948)
Dividends from surplus (interim dividends)								(87,913)	(87,913)		(87,913)
Directors and corporate auditors bonus (*)								(104)	(104)		(104)
Net income								520,592	520,592		520,592
Purchase of treasury stock										(157,223)	(157,223)
Retirement of treasury stock			(175,054)	(175,054)						175,054	
Net changes other than shareholders equity											
The total amount of changes during the annual period			(175,054)	(175,054)		(4,303)		347,929	343,625	17,831	186,402
Balance as of March 31, 2007	949,679	292,385	796,136	1,088,521	4,099	10,559	358,000	502,990	875,649	(430,364)	2,483,486

Net unrealized holding	Valuation and translation adjustments Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
------------------------------	---	---	------------------------

Edgar Filing: NTT DOCOMO INC - Form 6-K

gains or losses

	on securities			
Balance as of March 31, 2006	25,952		25,952	2,323,036
Changes during the annual period				
Addition for accelerated depreciation reserve (*)				
Reversal of accelerated depreciation reserve (*)				
Reversal of accelerated depreciation reserve				
Dividends from surplus (*)				(88,948)
Dividends from surplus (interim dividends)				(87,913)
Directors and corporate auditors bonus (*)				(104)
Net income				520,592
Purchase of treasury stock				(157,223)
Retirement of treasury stock				
Net changes other than shareholders equity	(1,781)	509	(1,271)	(1,271)
The total amount of changes during the annual period	(1,781)	509	(1,271)	185,130
Balance as of March 31, 2007	24,171	509	24,681	2,508,167

(*) Items approved in the shareholders meeting held in June 2006.

Table of Contents

Accounting Basis for the Non-Consolidated Financial Statements

Basis of Presentation:

The accompanying unaudited non-consolidated financial statements of NTT DoCoMo, Inc. (the Company) have been prepared in accordance with accounting principles generally accepted in Japan.

1. Depreciation and amortization of non-current assets

(1) Property, plant and equipment

Depreciation of property, plant and equipment is computed by the declining balance method with the exception of buildings, which are depreciated on a straight-line basis. The useful lives of the assets are determined by estimation and the residual values of the assets are determined substantially.

(2) Intangible assets

Intangible assets are amortized on a straight-line basis. The useful lives of the assets are determined by estimation.

Internal-use software is amortized over the estimated useful lives (5 years or less) on a straight-line basis.

2. Valuation of certain assets

(1) Securities

Debt securities which the Company has the positive intent and ability to hold to maturity are carried at amortized cost.

Investments in subsidiaries and affiliates are stated at cost, which is determined by the moving average method.

Available-for-sale securities whose fair value is readily determinable are stated at fair value as of the end of the semi-annual period. The holding gains and losses, net of applicable deferred tax assets/liabilities, are not reflected in earnings, but directly reported as a separate component of net assets. The cost of securities sold is determined by the moving-average method with the exception of the cost of debt securities sold, which are determined by the first-in, first-out method.

Available-for-sale securities whose fair value is not readily determinable are stated at moving-average cost.

(2) Derivative instruments

Derivative instruments are stated at fair value as of the end of the semi-annual period.

(3) Inventories

Inventories are stated at cost. The cost of terminal equipment to be sold is determined by the first-in, first-out method. The cost of other inventories is determined by the specific identification method.

3. Accounting for allowances

(1) Allowance for doubtful accounts

The Company provides for doubtful accounts principally in an amount computed based on the historical bad debt ratio during a certain reference period and the estimated uncollectible amount based on the analysis of certain individual accounts, including claims in bankruptcy.

(2) Liability for employees' retirement benefits

In order to provide for employees' retirement benefits, the Company accrues the liability as of the end of the semi-annual period in an amount calculated based on the estimated projected benefit obligation and plan assets at the end of the fiscal year.

Actuarial losses (gains) are recognized as incurred at the end of the semi-annual period.

Prior service cost is amortized on a straight-line basis over the average remaining service periods of employees at the time of occurrence.

(Additional information)

The Company participates in a contributory defined benefit welfare pension plan sponsored by the NTT group (NTT Plan). On July 1, 2007, the NTT Plan was granted an approval by the Japanese government, which permitted the NTT Plan to be released from the past obligation to disburse the NTT Plan benefits covering the substitutional portion of the National Welfare Pension Plan. This approval resulted in recognition of gain on disbursement of substitutional portion of the National Welfare Pension Plan of ¥9,091 million as special profit in the Company's non-consolidated statements of income during the six months ended September 30, 2007.

Table of Contents

(3) Reserve for point loyalty programs

The costs of awards under the point loyalty programs called DoCoMo Point Service and DoCoMo Premium Club that are reasonably estimated to be redeemed by customers in the future based on historical data are accounted for as reserve for point loyalty programs.

(4) Provision for losses on PHS business

In order to provide for the losses resulting from the PHS business, the Company reserves a necessary amount for the estimated future losses.

4. Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Japanese yen at the current spot rate at the end of the semi-annual period and the resulting translation gains or losses are included in net income.

5. Leases

Finance leases other than those deemed to transfer ownership of properties to lessees are not capitalized and are accounted for in a similar manner as operating leases.

6. Hedge accounting

(1) Hedge accounting

Japanese GAAP provides for two general accounting methods for hedging financial instruments. One method is to recognize the changes in fair value of a hedging instrument in net income in the period of the change as gain or loss together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. The other method is to defer the gain or loss over the period of the hedging contract together with offsetting loss or gain deferral of the hedged items. The Company has adopted the latter accounting method.

However, when an interest rate swap contract meets certain conditions, the net amount to be paid or received under the contract is added to or deducted from the interest on the hedged items.

In addition, when any of foreign currency swap contracts meet certain conditions, they are accounted for in the following manner:

- (a) The difference between the Japanese yen nominal amounts of the foreign currency swap contract translated using the spot rate at the transaction date of the hedged item and the spot rate at the date of inception of the contract, if any, is recognized in the non-consolidated statement of income in the period which includes the inception date of the contract; and
- (b) The discount or premium on the contract (for instance, the difference between the Japanese yen amounts of the contract translated using the contracted forward rate and the spot rate at the date of inception of the contract) is recognized over the term of the contract.

(2) Hedging instruments and hedged items

Hedging instruments:

Hedged items:

Edgar Filing: NTT DOCOMO INC - Form 6-K

Interest rate swap contracts
Foreign currency swap contracts

Corporate bonds
Bonds in foreign currency

(3) Hedging policy

The Company uses financial instruments to hedge risks such as market fluctuation risks in accordance with its internal policies and procedures.

Table of Contents

(4) Assessment method of hedge effectiveness

The Company periodically evaluates hedge effectiveness by comparing cumulative changes in cash flows from hedged items or changes in fair value of hedged items, and the corresponding changes in the hedging instruments. However, the Company automatically assumes that the hedge will be highly effective at achieving offsetting changes in cash flows or in fair value for any transaction where important terms and conditions are identical between hedging instruments and hedged items.

7. Consumption tax

Consumption tax is separately accounted for by excluding it from each transaction amount.

Table of Contents**Notes to Non-consolidated Balance Sheets:**

1. Non-current assets for supplementary businesses, whose amount is immaterial, are included in those used in telecommunication businesses.
2. Accumulated depreciation of property, plant and equipment

	September 30, 2006	Millions of yen September 30, 2007	March 31, 2007
Accumulated depreciation	1,689,120	1,837,997	1,748,430

3. Due to the effect of bank closures which fell on the end of this semi-annual period, a portion of cash transfer to and among the Company and its eight regional subsidiaries, as well as settlement of access charges between the Company and other network operators, was processed on October 1, 2007. As a result, accounts receivable (trade) increased by ¥106,459 million, accounts payable (trade) increased by ¥20,673 million, deposits received decreased by ¥116,644 million, and cash and bank deposits decreased by ¥202,430 million as of September 30, 2007.
4. Accounts payable, other, as of September 30, 2006 and September 30, 2007 includes consumption tax payable, net, of ¥7,698 million and ¥9,362 million, respectively.
5. Guarantee
The Company provides a counter indemnity of a performance guarantee up to HK\$24,099 thousand (¥358 million) guaranteeing performance by Hutchison Telephone Company Limited, an affiliate of the Company, with respect to certain contracts or obligations owed to its governmental authorities in relation to its business. The Company had HK\$308 thousand (¥4 million) of its indemnity outstanding as of September 30, 2007.

Table of Contents**Notes to Non-consolidated Statements of Income:**

1. Depreciation and amortization expense included in operating expenses:

	Six months ended	Millions of yen Six months ended	Year ended
	September 30, 2006	September 30, 2007	March 31, 2007
Property, plant and equipment	102,975	106,561	227,100
Intangible assets	86,212	90,834	174,958

2. Major components of non-operating revenues:

	Six months ended	Millions of yen Six months ended	Year ended
	September 30, 2006	September 30, 2007	March 31, 2007
Dividends received	249,593	137,917	295,319

3. Major components of non-operating expenses:

Six months ended September 30, 2006:	
Loss on write-off of inventories	¥ 6,928 million
Interest expenses (including bond interest)	¥ 2,816 million
Six months ended September 30, 2007:	
Impairment of investment securities	¥ 6,250 million
Interest expenses (including bond interest)	¥ 3,605 million
Year ended March 31, 2007:	
Loss on write-off of inventories	¥ 19,308 million
Impairment of investment securities	¥ 8,083 million

4. Income taxes

Current and deferred income taxes for this semi-annual period were calculated considering addition and reversal of accelerated depreciation reserve which are expected to be implemented at the end of the fiscal year ending March 31, 2008.

Table of Contents**Notes to Non-consolidated Statement of Changes in Net Assets:**

1. The class and number of the treasury stock (six months ended September 30, 2006)

Class of treasury stock	Common stock
As of March 31, 2006	2,335,772.84 shares
Increase during the six months ended September 30, 2006	517,484.72 shares
Decrease during the six months ended September 30, 2006	
<u>As of September 30, 2006</u>	<u>2,853,257.56 shares</u>

Note: The number of treasury stock increased due to share repurchase in the market and repurchase of fractional shares.

2. The class and number of the treasury stock (six months ended September 30, 2007)

Class of treasury stock	Common stock
As of March 31, 2007	2,286,355.80 shares
Increase during the six months ended September 30, 2007	528,988.86 shares
Decrease during the six months ended September 30, 2007	
<u>As of September 30, 2007</u>	<u>2,815,344.66 shares</u>

Note: The number of treasury stock increased due to share repurchase in the market and repurchase of fractional shares.

3. The class and number of the treasury stock (year ended March 31, 2007)

Class of treasury stock	Common stock
As of March 31, 2006	2,335,772.84 shares
Increase during the year ended March 31, 2007	880,582.96 shares
Decrease during the year ended March 31, 2007	930,000.00 shares
<u>As of March 31, 2007</u>	<u>2,286,355.80 shares</u>

Note: The number of treasury stock increased due to share repurchase in the market and repurchase of fractional shares and decreased due to retirement of treasury stock.

Marketable Securities:

For the six months ended September 30, 2006 and 2007, and for the year ended March 31, 2007, there were no subsidiaries or affiliates shares directly owned by the Company that had readily a determinable fair value.

Subsequent event:**Introduction of new sales schemes**

On October 26, 2007, the Company determined that it will introduce two types of new sales schemes, which are scheduled to be applied to the handsets to be released on and after November 26, 2007. Value Course enables customers to subscribe to new billing plans with discounted basic monthly charges compared to the current billing plans by purchasing certain handsets specified by the Company in advance. Installment

Edgar Filing: NTT DOCOMO INC - Form 6-K

payment for the handset will be available in this Value Course . Basic Course provides customers with subsidy for handset purchase if he/she is committed to using the purchased handset, which is specified by the Company in advance, for at least two years, where the current billing plans will be applied.

Table of Contents

Reorganization of the regional subsidiaries

On October 26, 2007, the Company determined that it will reorganize its group structure by integrating its wholly-owned eight regional subsidiaries with the Company to consolidate the group's nationwide business operations under a single entity, which is scheduled to be completed sometime during the second quarter of the fiscal year ending March 31, 2009. Because the details of the schedule, method and process of the reorganization are subject to future internal discussion and approval, the Company is unable to estimate the impact of such reorganization on its results of operations and financial position in subsequent fiscal years at this time.

(Eight regional subsidiaries of the Company)

NTT DoCoMo Hokkaido, Inc.

NTT DoCoMo Tohoku, Inc.

NTT DoCoMo Tokai, Inc.

NTT DoCoMo Hokuriku, Inc.

NTT DoCoMo Kansai, Inc.

NTT DoCoMo Chugoku, Inc.

NTT DoCoMo Shikoku, Inc.

NTT DoCoMo Kyushu, Inc.

Table of Contents

(APPENDIX 1)

Operation Data for First Six Months of Fiscal Year Ending March 31, 2008

		(Ref.)	Fiscal Year Ending Mar. 31, 2008	First Six Months (Apr.-Sep. 2007)	First Quarter (Apr.-Jun. 2007)	Second Quarter (Jul.-Sep. 2007)	[Ref.] Fiscal Year Ending Mar. 31, 2008 Full-year Forecast [Revised]
		Fiscal Year Ended Mar. 31, 2007 Full-year Results	Results	Results	Results	Results	
Cellular							
Subscriptions	thousands	52,621	52,942	52,846	52,942	53,480	
FOMA	thousands	35,529	40,043	37,854	40,043	43,980	
mova	thousands	17,092	12,899	14,991	12,899	9,490	
Market share (1) (2)	%	54.4	53.3	53.9	53.3		
Net increase from previous period (2)	thousands	1,477	321	225	96	850	
FOMA (2)	thousands	12,066	4,513	2,325	2,188	8,450	
mova (2)	thousands	(10,589)	(4,193)	(2,100)	(2,092)	(7,600)	
Aggregate ARPU (FOMA+mova) (3)	yen/month/contract	6,700	6,550	6,560	6,550	6,430	
Voice ARPU (4)	yen/month/contract	4,690	4,390	4,440	4,340	4,210	
Packet ARPU	yen/month/contract	2,010	2,160	2,120	2,210	2,220	
i-mode ARPU	yen/month/contract	1,990	2,140	2,090	2,180	2,190	
ARPU generated from international services (5)	yen/month/contract	50	70	60	70	70	
ARPU generated purely from i-mode (FOMA+mova) (3)	yen/month/contract	2,160	2,320	2,270	2,360	2,370	
Aggregate ARPU (FOMA) (3)	yen/month/contract	7,860	7,320	7,370	7,270	7,070	
Voice ARPU (4)	yen/month/contract	5,070	4,640	4,710	4,570	4,400	
Packet ARPU	yen/month/contract	2,790	2,680	2,660	2,700	2,670	
i-mode ARPU	yen/month/contract	2,750	2,650	2,630	2,660	2,630	
ARPU generated from international services (5)	yen/month/contract	80	90	80	90	90	
ARPU generated purely from i-mode (FOMA) (3)	yen/month/contract	2,830	2,750	2,730	2,770	2,740	
Aggregate ARPU (mova) (3)	yen/month/contract	5,180	4,530	4,600	4,440	4,360	
Voice ARPU (4)	yen/month/contract	4,190	3,740	3,800	3,660	3,600	
i-mode ARPU	yen/month/contract	990	790	800	780	760	
ARPU generated from international services (5)	yen/month/contract	20	10	10	10	20	
ARPU generated purely from i-mode (mova) (3)	yen/month/contract	1,160	970	970	960	940	
MOU (FOMA+mova) (3)	minute/month/contract	144	140	140	140	140	
MOU (FOMA) (3)	minute/month/contract	175	160	161	159	159	
MOU (mova) (3)	minute/month/contract	104	87	89	84	84	
Churn Rate (2)	%	0.78	0.90	0.85	0.94	0.94	
2 in1 Subscriptions (6)	thousands		152	67	152		
Communication Module Service Subscriptions (7)	thousands	1,027	1,247	1,140	1,247	1,390	
FOMA Ubiquitous plan (8)	thousands	277	509	392	509		
DoPa Single Service (9)	thousands	750	738	748	738		

Edgar Filing: NTT DOCOMO INC - Form 6-K

Prepaid Subscriptions (9)	thousands	45	42	43	42	
<i>i-mode</i>						
Subscriptions	thousands	47,574	47,759	47,725	47,759	48,170
FOMA	thousands	34,052	37,972	36,089	37,972	
i-appli compatible (10)	thousands	38,800	39,523	39,206	39,523	
i-mode Subscription Rate (2)	%	90.4	90.2	90.3	90.2	90.1
Net increase from previous period	thousands	1,214	185	151	34	590
<i>i-mode Flat-rate Packet Communication Plan</i>						
Subscriptions (11)	thousands	9,563	11,267	10,455	11,267	
i-channel Subscriptions	thousands	10,580	13,874	12,272	13,874	
<i>Percentage of Packets Transmitted</i>						
Web	%	98	98	98	98	
Mail	%	2	2	2	2	
<i>Others</i>						
PHS Subscriptions	thousands	453	310	374	310	
DCMX Subscriptions (12)	thousands	2,090	3,750	2,850	3,750	5,170

* Please refer to the attached sheet (P.43) for the definition of ARPU and MOU, and an explanation of the methods used to calculate ARPU and the number of active subscriptions used in calculating ARPU, MOU and Churn Rate.

- (1) Source for other cellular telecommunications operators: Data announced by Telecommunications Carriers Association
- (2) Data are calculated including Communication Module Services subscriptions.
- (3) Data are calculated excluding Communication Module Services-related revenues and Communication Module Services subscriptions.
- (4) Inclusive of circuit-switched data communications
- (5) Inclusive of Voice Communications and Packet Communications
- (6) Not included in Cellular subscriptions nor FOMA subscriptions
- (7) Included in total cellular subscriptions
- (8) Included in FOMA subscriptions
- (9) Included in mova subscriptions
- (10) Sum of FOMA handsets and mova handsets
- (11) Sum of pake-hodai subscriptions and pake-hodai full subscriptions
- (12) Inclusive of DCMX mini subscriptions

Table of Contents

(APPENDIX 2)

Definition and Calculation Methods of ARPU and MOU

1. Definition of ARPU and MOUi) ARPU (Average monthly Revenue Per Unit)¹ :

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 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 Usage): Average monthly communication time per user.

2. ARPU Calculation Methodsi) **ARPU (FOMA + mova)**

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

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

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

i-mode ARPU (FOMA+mova)² : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet communication charges) / No. of active cellular phone subscriptions (FOMA+mova)

ARPU generated purely from i-mode (FOMA+mova)³ : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet communication charges) / No. of active i-mode subscriptions (FOMA+mova)

ii) **ARPU (FOMA)**

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

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

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

i-mode ARPU² (FOMA): i-mode ARPU (FOMA) Related Revenues (monthly charges, packet communication charges) / No. of active cellular phone subscriptions (FOMA)

Edgar Filing: NTT DOCOMO INC - Form 6-K

ARPU generated purely from i-mode (FOMA)³ : i-mode ARPU (FOMA) Related Revenues (monthly charges, packet communication charges) / No. of active i-mode subscriptions (FOMA)

iii) ARPU (mova)

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

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

i-mode ARPU (mova)² : i-mode ARPU (mova) Related Revenues (monthly charges, packet communication charges) / No. of active cellular phone subscriptions (mova)

ARPU generated purely from i-mode (mova)³ : i-mode ARPU (mova) Related Revenues (monthly charges, packet communication charges) / No. of active i-mode subscriptions (mova)

iv) ARPU (PHS)

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

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:

(No. of subscriptions at the end of previous month + 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 service 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 cellular 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 active i-mode subscriptions as a denominator.

Table of Contents

(APPENDIX 3)

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

The reconciliations for the year ending March 31, 2008 (revised forecasts) are provided to the extent available without unreasonable efforts.

1. EBITDA and EBITDA margin

	Billions of yen			
	Year ending March 31, 2008 (Revised Forecasts)	Year ended March 31, 2007	Six months ended September 30, 2006	Six months ended September 30, 2007
a. EBITDA	¥ 1,595.0	¥ 1,574.6	¥ 878.8	¥ 786.6
Depreciation and amortization	(772.0)	(745.3)	(347.7)	(364.3)
Losses on sale or disposal of property, plant and equipment	(43.0)	(55.7)	(14.2)	(13.8)
Operating income	780.0	773.5	516.9	408.5
Other income (expense)	5.0	(0.6)	3.4	2.4
Income taxes	(309.0)	(313.7)	(210.5)	(165.1)
Equity in net income (losses) of affiliates		(1.9)	0.1	0.9
Minority interests in consolidated subsidiaries		(0.0)	(0.0)	(0.1)
b. Net income	476.0	457.3	309.8	246.5
c. Total operating revenues	4,667.0	4,788.1	2,383.4	2,325.1
EBITDA margin (=a/c)	34.2%	32.9%	36.9%	33.8%
Net income margin (=b/c)	10.2%	9.6%	13.0%	10.6%

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			
	Year ending March 31, 2008 (Revised Forecasts)	Year ended March 31, 2007	Six months ended September 30, 2006	Six months ended September 30, 2007
a. Operating income	¥ 780.0	¥ 773.5	¥ 516.9	¥ 408.5
b. Operating income after taxes {=a*(1-effective tax rate)} (effective tax rate:40.9%)	461.0	457.2	305.5	241.4
c. Capital employed	4,790.6	4,804.3	4,837.5	4,745.5
ROCE before taxes (=a/c)	16.3%	16.1%	10.7%	8.6%

Edgar Filing: NTT DOCOMO INC - Form 6-K

ROCE after taxes (=b/c)	9.6%	9.5%	6.3%	5.1%
-------------------------	------	------	------	------

Notes: Capital employed = Two period ends average of (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 irregular factors and changes in investments for cash management purposes

	Billions of yen			
	Year ending March 31, 2008 (Revised Forecasts)	Year ended March 31, 2007	Six months ended September 30, 2006	Six months ended September 30, 2007
Free cash flows excluding irregular factors and changes in investments for cash management purposes	¥ 460.0	¥ 192.2	¥ (48.4)	¥ 168.9
Irregular factors (1)	210.0	(210.0)	(222.0)	(3.0)
Changes of investments for cash management purposes (2)		50.7	(0.7)	97.3
Free cash flows	670.0	32.9	(271.1)	263.2
Net cash used in investing activities	(830.0)	(947.7)	(530.1)	(365.2)
Net cash provided by operating activities	1,500.0	980.6	259.0	628.4

Note: (1) Irregular factors represent the effects of uncollected revenues due to bank closures at the end of the fiscal period. Irregular factors during the six months ended September 30, 2007 was the net effect of bank closures as of March 31, 2007 and September 30, 2007.

(2) 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. Net cash used in investing activities for the six months ended September 30, 2006 and 2007 and the year ended March 31, 2007 includes changes in investments for cash management purposes. However, the effect of changes in investments for cash management purposes is not taken into account when we forecasted net cash used in investing activities for the year ending March 31, 2008 due to the difficulties in forecasting such effect.

4. Market equity ratio

	Billions of yen			
	Year ending March 31, 2008 (Revised Forecasts)	Year ended March 31, 2007	Six months ended September 30, 2006	Six months ended September 30, 2007
a. Shareholders' equity		¥ 4,161.3	¥ 4,176.1	¥ 4,222.7
b. Market value of total share capital		9,503.4	8,000.1	7,062.6
c. Total assets		6,116.2	6,050.3	5,924.2
Equity ratio (=a/c)		68.0%	69.0%	71.3%
Market equity ratio (=b/c)		155.4%	132.2%	119.2%

Note: (1) Market equity ratio for the year ending March 31, 2008 is not forecasted because it is difficult to estimate the market value of total share capital in the future.

Edgar Filing: NTT DOCOMO INC - Form 6-K

- (2) Market value of total share capital = closing price of share as of the end of the period multiplied by the number of outstanding shares as of the end of the period. The number of outstanding shares exclude treasury shares, which were previously included in the number of outstanding shares in the prior fiscal year. As a result, certain reclassifications are made to the figure for the six months ended September 30, 2006.

Table of Contents

(APPENDIX 4)

Summary of the Company and Regional Subsidiaries (Japanese GAAP)

	Billions of yen			
	Operating revenues	Operating income	Recurring profit	Net income
NTT DoCoMo Hokkaido, Inc.	¥ 107.2	¥ 9.1	¥ 9.2	¥ 5.9
NTT DoCoMo Tohoku, Inc.	169.7	25.1	25.0	15.5
NTT DoCoMo, Inc.	1,269.9	202.9	334.2	256.5
NTT DoCoMo Tokai, Inc.	300.4	34.2	34.5	22.9
NTT DoCoMo Hokuriku, Inc.	59.4	6.8	6.9	4.4
NTT DoCoMo Kansai, Inc.	440.1	48.2	48.6	30.4
NTT DoCoMo Chugoku, Inc.	149.2	19.4	19.3	12.1
NTT DoCoMo Shikoku, Inc.	85.1	10.7	11.0	6.9
NTT DoCoMo Kyushu, Inc.	299.3	39.1	39.1	24.2

Table of Contents

Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.
NTT
DoCoMo,
Inc.
RESULTS
FOR
THE
SIX
MONTHS
OF
THE
FISCAL
YEAR

ENDING
MAR.
31,
2008
October
26,
2007

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

1

1

/31

Forward-Looking Statements

This presentation contains forward-looking statements such as forecasts of results of operations, management strategies, objectives, plans, forecasts of operational data such as expected number of subscribers, and expected dividend payments. All forward-looking statements that are not historical facts are based on management's current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that are indispensable to such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks and 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. As competition in the market becomes more fierce due to changes in the business environment caused by Mobile Number Portability

new

market

entrants,

competition

from

other

cellular

service

providers

or

other
technologies,
and
other
factors,
could
limit

our

acquisition of new subscribers, retention of existing subscribers and ARPU, or may lead to an increase in our costs and expenses.

2. The new services and usage patterns introduced by our corporate group may not develop as planned, which could 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 may 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 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 opportunity.

7. As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than 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, contractor 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 own such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and 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 services, disrupting our ability to provide services to our subscribers and may adversely affect our credibility or corporate image.

12. Concerns about wireless telecommunications 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 best interests of our other shareholders.

Table of Contents

Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.
FY2007 First Half
Results Highlights

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

3

3

/31

US GAAP

-

34.2

-3.1points

33.8

36.9

EBITDA

Margin

(%)

*

36.7%

460.0

-
 168.9
 -48.4
 Adjusted Free Cash Flow
 (Billions of yen) **
 50.9%
 4,060.0
 -2.2%
 2,066.5
 2,112.4
 Cellular Services Revenues
 (Billions of yen)
 Progress to
 forecast
 (2)/(3)
 2008/3
 (Full-year forecast)
 (3)
 Revised
 Changes
 (1)
 (2)
 2007/4-9
 (1H)
 2006/4-9
 (1H) (1)
 1,595.0
 476.0
 785.0
 780.0
 4,667.0
 52.3%
 -21.0%
 410.9
 520.3
 Income Before Income Taxes
 (Billions of yen)
 52.4%
 -21.0%
 408.5
 516.9
 Operating Income
 (Billions of yen)
 49.8%
 -2.4%
 2,325.1
 2,383.4
 Operating Revenues
 (Billions of yen)
 49.3%

-10.5%

786.6

878.8

EBITDA

(Billions of yen)*

51.8%

-20.4%

246.5

309.8

Net Income

(Billions of yen)

Consolidated

financial

statements

in

this

document

are

unaudited.

* For an explanation of the calculation processes for these numbers, please see the reconciliations to the most directly comparable GAAP calculated and presented in accordance with GAAP on Slide 31 and the IR page of our website, www.nttdocomo.co.jp.

**Adjusted free cash flow excludes the effects of uncollected revenues due to bank holidays at the end of the fiscal year and cash management purposes with original maturities of longer than three months.

FY2007 1H Financial Results Highlights

Table of Contents

RESULTS FOR 1H OF FY2007	
RESULTS FOR 1H OF FY2007	
SLIDE No.	
4	
4	
/31	
FY2007 1H Results Highlights	
Operating	
income:	
¥408.5	
billion,	
down	
¥108.4	
billion	
year-on-year	
.	

Progress to FY2007 full-year forecast: 52.4%

Operating
revenues:

Down

¥58.3

billion

year-on-year

.

Cellular services revenues: Down ¥45.8 billion year-on-year

(Inclusive of ¥29.3 billion impact of accounting change in FY2006/1H
to initially recognize as revenues the portion of

Nikagetsu

Kurikoshi

(two-month carry-over) allowances that are projected to expire)

Operating expenses: Up ¥50.1 billion year-on-year

.

Depreciation/amortization increased ¥16.7 billion year-on-year

(Inclusive of impact of changes in depreciation method)

.

Other expenses rose ¥32.9 billion year-on-year due to growth in
no. of base stations, front-loaded execution of planned advertisements,
and increase other revenue-linked expenses in

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

5

5

/31

Cellular (FOMA+mova) ARPU

.

ARPU for FY2007/2Q was 6,550 yen (Down 2.5% year-on-year)

Packet ARPU grew steadily to 2,210 yen (Up 11.6%)

(%)

(yen)

6,940

7,050

6,920

6,530

6,900*
6,720
6,670
6,720
6,560
6,550
0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
-20.0
-15.0
-10.0
-5.0
0.0
5.0
10.0
15.0
20.0
Packet ARPU (Left axis)
1,820
1,880
1,880
1,940
1,970
1,980
2,010
2,080
2,120
2,210
(Incl.) i-mode ARPU
1,810
1,870
1,860
1,920
1,950
1,960
1,990
2,060
2,090
2,180
Voice ARPU (Left Axis)
5,120
5,170
5,040

4,780
 4,930
 4,740
 4,660
 4,450
 4,440
 4,340

International service ARPU

30
 (Incl.)
 40
 (Incl.)
 40
 (Incl.)
 40
 (Incl.)
 50
 (Incl.)
 50
 (Incl.)
 50
 (Incl.)
 60
 (Incl.)
 60
 (Incl.)
 70
 (Incl.)

Year-on-year changes in aggregate ARPU (Right axis)

-6.2
 -4.0
 -3.5
 -2.9
 -0.6
 -4.7
 -3.6
 -2.8
 -4.9
 -2.5
 05/4-6(1Q)
 7-9(2Q)
 10-12(3Q)
 06/1-3(4Q)
 4-6(1Q)
 7-9(2Q)
 10-12(3Q)
 07/1-3(4Q)
 4-6(1Q)
 7-9(2Q)

*The ARPU data for FY2006/1Q and FY2006 full-year include the impact of

incurring revenues for the portion of Nikagetsu
Kurikoshi

(two month carryover)

allowances that are projected to expire, which are estimated as follows:

FY2006/1Q

(actual):

200

yen

FY2006/full-year

(actual):

50

yen

Full-year aggregate ARPU: ¥6,700

(Down 3.0% year-on-year)

Full-year aggregate ARPU: ¥6,910

(Down 4.0% year-on-year)

YOY

changes

in

aggregate

ARPU

(excluding

the

impact

of

incurring

revenues

for

the

portion

of

Nikagetsu

Kurikoshi

(two month carryover)

allowances

that

are

projected

to

expire)

International service-related revenues, which had not been included in previous reports, have been included in the ARPU data in view of their growing contribution to total revenues.

For an explanation of ARPU, please see Slide 30 of this document, Definition and Calculation Methods of MOU and ARPU

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.

6
6
/31
0
1,000
2,000
3,000
4,000
5,000
6,000
05/9
05/12
06/3
06/6

06/9
06/12
07/3
07/6
07/9
08/3

FOMA subscribers topped 40 million as of Sept. 30, 2007

(75.6%

of DoCoMo's

total cellular subscribers)

mova

5,348

4,398

(82.2%)

FOMA subscribers

topped

40

million

4,004

(75.6%)

5,294

5,262

3,553

(67.5%)

5,114

2,346

(45.9%)

(10,000 subs.)

Inclusive of Communication Module Service subscribers

Numbers

in

parentheses

indicate

the

percentage

of

FOMA

subscribers

to

total

cellular

subscribers

FOMA subs.

projected

to reach

80% of total

Subscriber

Migration

to

FOMA
(Forecast)

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
7
7
/31
FY05 full-year churn rate: 0.77%
0.00
0.50
1.00
1.50
2.00
05/4-6(1Q)
7-9(2Q)
10-12(3Q)

06/1-3(4Q)

06/4-6(1Q)

7-9(2Q)

10-12(3Q)

07/1-3(4Q)

07/4-6(1Q)

7-9(2Q)

FY06 full-year churn rate: 0.78%

0.85%

0.97%

0.93%

FY06/2H:0.95%

FY07/1H:

0.90%

0.94%

FY07/1H: 0.90%

Churn Rate

.

Churn rate for FY2007/2Q was 0.94%

(%)

Inclusive of Communication Module Service subscribers

FY2005

FY2006

FY2007

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
8
8
/31
-20
0
20
40
60
80
100
05/4-6(1Q)
7-9(2Q)

10-12(3Q)
06/1-3(4Q)
06/4-6(1Q)
7-9(2Q)
10-12(3Q)
07/1-3(4Q)
07/4-6(1Q)
7-9(2Q)

.
DoCoMo s
market
share
of
net
additions
in
FY2007/2Q

was
7.9%

*No. of 2 in 1

subscribers as of Sept. 30, 2007: 152,000

(DoCoMo s

share of net additions calculated inclusive of 2 in 1
subs: 13.9%)

SoftBank

SoftBank

KDDI(au+TU-KA)

FY07/1H: 12.9%

FY07/1H: 12.9%

FY2005

FY2006

FY2007

Source

of

data

used

in

calculation:

Telecommunications

Carriers

Association (TCA)

Subscribers of EMOBILE, Ltd. are not included

(%)

FY05 full-year net adds share: 48.4%

FY06 full-year net adds share: 30.0%

Market Share of Net Additions

Table of Contents

FY2007 Results
Prospects
and Planned Actions
Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
10
10
/31
Revised FY2007 Full-Year Forecasts
-58
4,060
4,118
Cellular service revenues
(Billions of yen)
Changes
(1)
(2)
2008/3

(Full year)

Revised forecast

(2)

2008/3

(Full year)

Initial forecast (1)

(Announced 2007/4/27)

±0

780

780

Operating income

(Billions of yen)

-61

4,667

4,728

Operating revenues

(Billions of yen)

n Operating revenues: ¥4,667 billion

n Operating revenues: ¥4,667 billion

(Down ¥61 billion from initial forecast)

.

.

Revised

cellular

services

revenues

forecast

downwards

(Down

¥58

billion)

due to larger-than-expected impact of new discount services and

slower-than-expected growth of net additional subscribers.

n Operating expenses: ¥3,887 billion

n Operating expenses: ¥3,887 billion

(Down ¥61 billion from initial forecast)

.

.

Revised

revenue-linked

expenses

forecast

downwards

(Down

¥48

billion)

in view of introduction of new handset sales model

Highlights

Highlights

of

of
Revisions
Revisions

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

11

11

/31

New Discount Services

.

New discount services have been well accepted. Combined no. of new

discount

services

subscribers

expected

to

reach

19

million
by
Mar.
31,
2008
Increase of
Increase of
time-binding
contracts
contracts
Contribute to future
Contribute to future
reduction of churns
reduction of churns
Combined
subscriber
count
of
Fami-wari
MAX
50 ,
Hitoridemo
Discount 50
& Office-wari
MAX 50
billing plans:
As of Sept. 30, 2007: Over 11 million
(Launched Aug. 22, 2007)
(Launched Sept. 22, 2007)
Sept. 30, 2007
Mar. 31, 2008
(Forecast)
11
million
19
million
(21%*)
(36%*)
* Percentage
of
Fami-wari
MAX
50 ,
Hitoridemo
Discount
50
and
Office-wari
MAX
50

subscribers to total cellular subscribers

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

12

12

/31

Introduction

of

New

Handset

Sales

Model

-1-

.

Shift from sales incentive model to a new model suited for

mature phase
Shift to a model suitable for
mature phase
Driving force of cellular
market's rapid expansion
(Lower initial cost)
Sophisticated handsets,
advanced network
Wide adoption of services
Extend
handset
usage
period
Sales Incentive Model
Sense of unfairness due to varying
handset replacement cycles
Lack of transparency resulting from
the model in which carriers recover
incentives by monthly network
service charges
New Sales Model
Suitable for growth phase
Secure fairness &
transparency of prices
(Abolish handset incentives)
Introduce installment
payment system for purchase
of handsets

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

13

13

/31

Introduction of New Handset Sales Model -2-

.

Introduce two new models for handset sales

To be applied to 905i series handsets (planned to go on sale on Nov. 26, 2007) and subsequent models

Call charge ¥21/30sec

n

Free communication allowances

& DoCoMo

Points to be provided

as in conventional plans

Lower upfront costs but no discounts on monthly charges

«

Basic

charge

comparison:

Case

of

Type

SS

plan

»

Type SS

Type SS Value

Add other discounts

:

Call charge ¥21/30sec

Call charge ¥21/30

sec

Value Course

Basic Course

n

Handset market price designed for

Value Course

n

Value Plan

rates to be applied

n

Time-binding

contract

for

2 years

handset

use

n

Offers ¥15,750 discount on handset price (basic handset purchase support)

n

Provides subscribers with

option to pay handset price

in installments

Provides uniform discount of ¥1,680/month

on basic monthly charges of conventional billing

plans (before other discounts are applied)

n

Conventional

billing

plans

to

be

applied

A plan that offers cheaper monthly charges in return for asking subscribers to shoulder initial cost of handset

Discount (44%)

-¥1,680

Free allowances

¥1,050

offered

as in other plans

50% discount

on monthly

charge

-¥1,050

Basic

charge

¥1,050

Basic charge

¥2,100

Free

allowances

¥1,050

Free

allowances

¥1,050

Basic charge

¥3,780

n

Other special limited-time offers

n

Other special limited-time offers

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

14

14

/31

Introduction of New Handset Sales Model -3-

Monthly

charges

Conventional

handset

price

Price

increase

Basic

monthly

charge

Installment

payments

Price Setting Concept of Value Course

Offers discount on basic monthly charges in return for upfront costs

Discounts on basic monthly charge will continue, even after user completes the installment payments for the purchase of handset

The longer the handset usage
period, the greater the benefits

Discount on basic
monthly charge
continues

Discount on
basic monthly
charge

Handset
purchase price

Upfront costs
can be lowered by
choosing to pay
in installments

Handset
price for

Value
Course

Spread out handset cost payment
over 12 or 24 months

After completion of
installment payment

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

15

15

/31

Introduction of New Handset Sales Model -4-

.
Shift to a business model suitable for a mature market by offering
new discount services and new sales models

as a set

Time-binding contracts
for use of network service

Time-binding contracts
for use of cellular handset

New Discount Services

New Sales Models

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
16
16
/31
0
200
400

600
800
1,000
1,200
1,400
06/9
06/12
07/3
07/6
07/9
08/3(forecast)
0
200
400
600
800
1,000
1,200
1,400
1,600
1,800
06/9
06/12
07/3
07/6
07/9
08/3(forecast)
Flat-Rate Business -1-
(10,000 subscribers)
Richer contents
Pake-
hodai
Service
menu
Grow users
1,127
pake-hodai
subscription rate **
28%
(As of Sept. 2007)
**: pake-hodai
subscription rate= No.of
pake-hodai
subscribers/Total
FOMAsubscribers
*:
Inclusive of pake-hodai
full
subscribers
1,387

i-channel
subscription

rate

46%

(As of Sept. 2007)

n

Boosted data ARPU

i-channel revenue per sub

340 yen/month****

(Equivalent to 80 yen of
data ARPU)

*FY2007/1H Estimate

***: i-channel subscription rate= No. of i-channel subscribers/Total users of compatible handsets
(10,000 subscribers)

No. of pake-hodai
subscribers

*

:

Billing

plan

No. of i-channel

subscribers : Contents

pake-hodai

subscription rate of

i-channel

subscribers

Approx.

40%

(As of Sept. 2007)

****: Sum of monthly subscription fee (¥150) and usage-based communication charges

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

17

17

/31

.

Launched 2 new flat-rate plans for PC-based mobile data communications on Oct. 22, 2007

Expand market & reinforce competitiveness

Alternative service to @

Freed®

Service available

through HSDPA-

enabled handsets

Unlimited data access at speeds up to

3.6Mbps
Starts
from
¥4,000
(minimum) / month
rising on a pay-as-you-go basis
up to
¥10,000
(maximum) / month
Two-tier flat-rate fees
Flat-rate data plan HIGH-SPEED
Flat-rate data plan 64K
¥4,000/month
Unlimited data access at speeds up to
64Kbps
Flat-Rate Business -2-
N904i
P903iX
HIGH-SPEED
F903iX
HIGH-SPEED
N902iX
HIGH-SPEED
L704i
A2502
(excluding tax)
(excluding tax)

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

18

18

/31

.

Pace of DCMX subscriber growth has accelerated. Revised upwards projected subscriber count as of Mar. 31, 2008 to 5 million.

(10,000 subscribers)

DCMX subs:

Topped 3.7 million

No. of iD

payment terminals installed:

Approx. 210,000

n

Targets for Mar. 31, 2008

(As of Sept. 30, 2007)

(Announced 4/27/2007)

(Revised targets)

DCMX subs:

No. of iD

terminals:

4 mil

5 mil

250,000

250,000

No. of DCMX subs/iD

payment terminals

Principal actions taken in FY2007/1H

Sales

Sales

channel

channel

Card

Card

lineup

lineup

Expanded

Expanded

shops

shops

supporting

supporting

iD

iD

credit

credit

service

service

Started accepting DCMX members

Started accepting DCMX members

at DoCoMo

at **DoCoMo**

DoCoMo

Shops

Shops

Issued Family Card/ETC Card/

Issued Family Card/ETC Card/

Gold Card

Gold Card

Principal convenience store chains

Principal convenience store chains

Fast food chains

Fast food chains

Small/mid-sized retailers

Credit Business

0
50
100
150
200
250
300
350
400
06/
6
06/
9
06/
12
07/
3
07/
6
07/
9

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

19

19

/31

.

International services revenues grew 38% year-on-year

.

No. of roaming-enabled handset users topped 10 million

0

200

400

600

800

1,000

1,200
 06/3
 06/6
 06/9
 06/12
 07/3
 07/6
 07/9
 0
 10
 20
 30
 40
 50
 60
 70
 80

(10,000 subscribers)

(%)

% of own-handset roamers*

No. of roaming-enabled
 handset users

(Billions of yen)

FY2006/1H

FY2007/1H

Int'l dialing

revenues

Int'l roaming

revenues

8.0

8.0

.0

0

15.8

15.8

.8

8

21.8

21.8

12.3

12.3

*: % of own-handset roamers = No. of World Wing roaming users using own handset/ Total roaming service users

+38%

+54%

Int'l services revenues

% of own-handset roamers

*

7.8

7.8

.8

8

9.5

9.5

GSM + 3G roaming capability to be installed in

FOMA905i series as a standard feature

Further expansion of international roaming revenues

International Services

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

20

20

/31

.

Revised FY2007 full-year CAPEX forecast upwards to 758 billion yen

+8.0

Changes

(1)

(2)

758

750

Capital expenditures

(Billions of yen)

2008/3
(full year)
Revised forecast (2)
(Announced 10/26/2007)
2008/3
(full year)
Initial forecast (1)
(Announced 4/27/2007)
06/6
06/9
06/12
07/3
07/6
07/9
08/3
forecast
:No. of outdoor base stations
:No. of indoor systems
25,700
29,300
7,000
8,100
32,500
9,100
10,400
35,700
39,000
14,200
11,300
37,300
n
Brought forward FOMA planned
coverage improvement work
n
System development investment
HSDPA coverage
Nationwide POP coverage
89%
(As of Sept. 30, 2007)
n
Preparations for 2008 Lake Toya
G-8 Summit
FOMA Network
95%
(As of Mar. 31, 2008 (planned))
New initiatives
12,100
42,700

Table of Contents

RESULTS FOR 1H OF FY2007	
RESULTS FOR 1H OF FY2007	
SLIDE No.	
21	
21	

/31

.

Handset

procurement costs have come down in line with the increase in percentage of 70X series and other phones to total handsets sold

0

10

20

30

40

50

60

70

80

90

100

06/4-6(1Q)

7-9(2Q)

10-12(3Q)

07/1-3(4Q)

4-6(1Q)

7-9(2Q)

Fy2007

(forecast)

Breakdown of handsets sold by series

Changes in procurement cost per unit

(%)

90X

Series

70X

Series

OTHERS

35,000

45,000

55,000

05/4-6

7-9

10-12

06/1-3

4-6

7-9

10-12

07/1-3

4-6

7-9

0

50

100

(Yen)

Handset

procurement
cost per unit
(mova+FOMA)
% of FOMA handsets to
total handsets sold
% of mova
handsets to
total handsets sold
(%)
% of 70X series
and others
to account for
Over 50%
Lowered
procurement cost
per unit
Handset Procurement Cost

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

22

22

/31

DoCoMo

Group Structure

.

Plan to integrate regional subsidiaries into a single entity in FY2008/2Q,

with

the

aim

to

further

improve

customer
services
and
enhance
efficiency
of group management
Optimize business operations
NTT DoCoMo, Inc.
NTT DoCoMo, Inc .
Reinforce customer contacts
Uniform service quality
(Sales/promotion, network)
Speed up and improve
efficiency of group management
Projected effects of integration
9-company
structure
Single entity
Image of integration
Integrate 8 regional
subsidiaries

Table of Contents

Appendices
Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

24

24

/31

US GAAP

2,383.4

2,383.4

2,325.1

2,325.1

4,667.0

4,667.0

(Ref)

4,728.0

4,728.0

Operating Revenues

FY2007

FY2007

7

full year

full year

Operating Revenues

Operating Revenues

(revised forecast)

(revised forecast)

Compared to

Compared to

initial guidance

initial guidance

Down 1.3%

(Cellular services revenues)

(Cellular services revenues)

compared to initial forecast Down 1.4%

compared to initial forecast Down 1.4%

(Equipment sales revenues)

(Equipment sales revenues)

compared to initial forecast Down 0.2%

compared to initial forecast Down 0.2%

(Billions of yen)

(Billions of yen)

* International services revenues

are included in Cellular services revenues (voice, packet) .

(Announced 4/27/2007)

(Announced 10/26/2007)

0

1,000

2,000

3,000

4,000

5,000

Equipment sales

209.1

194.8

477.0

478.0

Other revenues

48.8

56.8

121.0

123.0

PHS revenues

13.0

7.0

9.0

9.0

Cellular services revenues (voice, packet)*

2,112.4

2,066.5

4,060.0

4,118.0

2006/4-9(1H)

2007/4-9(1H)

2008/3(full year
forecast)

2008/3(full year
forecast)

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

25

25

/31

0

1,000

2,000

3,000

4,000

Personnel expenses

124.5

123.4

226.0

253.0

Taxes and public duties

18.3

19.8
39.0
39.0
Depreciation and amortization
347.7
364.3
772.0
753.0
Loss on disposal of property, plant and equipment and intangible assets
18.1
25.0
69.0
64.0
Communication network charges
178.9
176.2
346.0
349.0
Non-personnel expenses
1,179.0
1,207.8
2,435.0
2,490.0
(Incl.)
Revenue-linked expenses*
849.5
845.5
1,679.0
1,727.0
(Incl.) Other non-personnel expenses
329.5
362.3
756.0
763.0
2006/4-9(1H)
2007/4-9(1H)
2008/3(Full year forecast)
2008/3(Full year forecast)
US GAAP
(Ref)
3,948.0
1,866.5
1,916.6
1,916.6
3,887.0
3,887.0
*Revenue-linked expenses: Cost of equipment sold + distributor commissions + cost of DoCoMo Point service
Operating Expenses
(Billions of yen)

(Billions of yen)
(Announced 4/27/2007)
(Announced 10/26/2007)
FY2007 full year
FY2007 full year
Operating Expenses
Operating Expenses
(Revised forecast)
(Revised forecast)
Compared to initial guidance
Compared to initial guidance
Down 1.5%
Down 1.5%

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
26
26
/31
0
100
200
300
400
500
600
700
800
900

1,000
 Other (information systems, etc.)*
 55.9
 58.8
 141.0
 139.0
 PHS business
 0.7
 0.1
 0.0
 0.0
 Mobile phone business (FOMA)
 345.3
 214.7
 512.0
 518.0
 Mobile phone business (mova)
 12.0
 5.6
 13.0
 8.0
 Mobile phone business (Other)
 48.9
 36.6
 92.0
 85.0
 2006/4-9(1H)
 2007/4-9(1H)
 2008/3(Full year
 forecast)
 2008/3(Full year
 forecast)
 315.8
 758.0
 758.0
 (Ref)
 750.0
 750.0
 Capital Expenditures
 (Billions of yen)
 (Billions of yen)
 462.8
 FY2007
 FY2007
 7
 full year
 full year
 Capital Expenditures
 Capital Expenditures
 (Revised forecast)

(Revised forecast)
Compared to initial guidance
Compared to initial guidance
Up 1.1%
(Announced 4/27/2007)
(Announced 10/26/2007)

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
27
27
/31
0
20
40
60
80
100
120
140
160
180

200
-25
-20
-15
-10
-5
0
5
10
15
20
25
MOU
(Left axis)
149
152
151
146
145
146
146
139
140
140
Year-on-year changes in MOU (Right axis)
-2.0
-1.9
-1.3
0.7
-2.7
-3.9
-3.3
-4.8
-3.4
-4.1
05/4-6(1Q)
7-9(2Q)
10-12(3Q)
06/1-3(4Q)
06/4-6(1Q)
7-9(2Q)
10-12(3Q)
07/1-3(4Q)
07/4-6(1Q)
7-9(2Q)
FY07/1H:
140 minutes
Cellular (FOMA+mova) MOU
.
MOU

for
FY2007/1H

was
140
minutes

(down
4.1%
year-on-year)

For an explanation of MOU, please see Slide 30 of this document, Definition and Calculation Methods of MOU and ARPU
(%)

(minutes)

Full-year MOU: 149

minutes

(Down 1.3% year-on-year)

Full-year MOU: 144 minutes

(Down 3.4% year-on-year)

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

28

28

/31

Operational Results and Forecasts

*Communication Module Service subscribers are included in the no. of cellular phone subscribers to align the calculation method

other

cellular

phone

carriers.

(Market

share,

the

no.

of

handsets

sold

and
churn
rate
are
calculated
inclusive
of
Communication
Module
Service
subscribers.)

** Other includes purchases of additional handsets by existing FOMA subscribers.

For
an
explanation
of
MOU
and
ARPU,
please
see
Slide
30
of
this
document,
Definition
and
Calculation
Methods
of
MOU
and
ARPU .
48,170
+1.2
%
47,759
47,186
i-mode
Other**
Migration from
mova
New
Replace
New
PHS
FOMA
mova

Communication Module Service
 FOMA
 mova
 MOU
 (minutes)***
 ARPU
 (yen)***
 No. of Subscribers (1,000)
 Churn rate (%)
 Handsets sold
 (1,000)
 (including handsets
 sold without
 involving sales by
 DoCoMo)
 Market share (%
)
 No. of Subscribers (1,000)*
 -
 -79.3
 %
 167
 808
 -
 -76.5
 %
 131
 558
 -
 -2.2
 Points
 53.3
 55.5
 1,390
 +56.1
 %
 1,247
 799
 43,980
 +37.6
 %
 40,043
 29,098
 9,490
 -43.9
 %
 12,899
 23,004
 53,480
 +1.6

%
52,942
52,103
-
-3.5 %
3,020
3,130
2008/3
(Full year forecast)
Announced
10/26/2007
Changes
(1)
(2)
2007/4-9
(1H)
(2)
2006/4-9
(1H)
(1)
-
-
-
-
-
-
+60.8
%
5,914
3,678
-19.6
%
3,554
4,422
+28.7 %
3,032
2,355
-23.0 %
47
61
-48.8
%
310
606
+0.28
Points
0.90
0.62

Table of Contents

RESULTS FOR 1H OF FY2007
RESULTS FOR 1H OF FY2007
SLIDE No.
29
29
/31
Return to Shareholders
Fiscal year ending Mar. 31, 2008
<Planned>
Dividend
per
share:
4,800
yen
(Up 20%)
Repurchase of own shares :

Authorized
to
repurchase
up
to
1
million
shares
(maximum)
for
up
to
200
billion
yen
at
Ordinary
General
Meeting
of
Shareholders
on
June
19,
2007.

(Plan to cancel treasury shares kept in excess of 5% of issued shares at end of fiscal year.)

«
Repurchase of Own Shares

»
No. of shares repurchased
(millions of shares)
Budget (billions of yen)

1.0
1.4
Max. authorized

0.18
(18.0%)
30.0
(15.0%)

200
Repurchase
authorized
at
16th
ordinary
general shareholder mtg

0.95
(67.7%)
180.2
(72.1%)

250
Repurchase
authorized
at
15th
ordinary
general shareholder mtg
Actual no. of shares
repurchased
Actual amount
spent
Max. authorized
.

Returning profits to shareholders is considered one of the most important
issues in our corporate policies
(As of Sept. 30, 2007)

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

30

30

/31

Definition and Calculation Methods of MOU and ARPU

MOU

(Minutes

of

usage):

Average

communication

time

per

one
month
per
one
user.
ARPU
(Average
monthly
Revenue
Per
Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated subscription basis. ARPU is calculated by dividing various revenue items included in our wireless services revenues, such as monthly voice transmission

charges
and
packet
transmission
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 based on monthly average usage such as activation fees. We believe that our ARPU figures provide useful information to analyze the average subscription and the impacts of changes in our billing arrangements. The revenue items included in the numerators of our ARPU are based on our U.S. GAAP results of operations.

Aggregate ARPU (FOMA+mova): $\text{Voice ARPU (FOMA+mova) + Packet ARPU (FOMA+mova)}$

Voice ARPU (FOMA+mova):

$\text{Voice ARPU (FOMA+mova) Related Revenues (monthly charges, voice transmission charges) /}$

$\text{No. of active cellular phone subscriptions (FOMA+mova)}$

Packet ARPU (FOMA+mova):

$\{ \text{Packet ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) +}$

$\text{i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges)} \}$ /

$\text{No. of active cellular phone subscriptions (FOMA+mova)}$

i-mode ARPU (FOMA+mova):

$\text{i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) /}$

$\text{No. of active cellular phone subscriptions (FOMA+mova)}$

Aggregate ARPU (FOMA): $\text{Voice ARPU (FOMA) + Packet ARPU (FOMA)}$

Voice ARPU (FOMA):

$\text{Voice ARPU (FOMA) Related Revenues (monthly charges, voice transmission charges) / No. of active cellular phone subscriptions (FOMA)}$

Packet ARPU (FOMA):

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

subscriptions (FOMA)

i-mode ARPU (FOMA):

i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscriptions (FOMA)

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

Voice ARPU (mova):

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

i-mode ARPU (mova):

i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscriptions (mova)

Number of active subscribers used in ARPU and MOU calculations are as follows:

Quarterly data: sum of No. of active subscriptions in each month * of the current quarter

Half-year data: sum of No. of active subscriptions in each month * of the current half

Full-year data: sum of No. of active subscriptions in each month * of the current fiscal year

*

No. of active subscriptions in each month : (No. of subs at end of previous month + No. of subs at end of current month)/2
The revenues and no. of subscriptions of Communication Module Service are not included in the above calculation of ARPU a

Table of Contents

RESULTS FOR 1H OF FY2007

RESULTS FOR 1H OF FY2007

SLIDE No.

31

31

/31

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

1.

EBITDA and EBITDA margin

Billions of yen

Year ending

March 31, 2008

(Revised Forecasts)

Year ended

March 31, 2007

Six months ended

September 30, 2006

Six months ended

September 30, 2007

a. EBITDA

¥ 1,595.0

¥ 1,574.6

¥ 878.8

¥ 786.6

(772.0)

(745.3)

(347.7)

(364.3)

(43.0)

(55.7)

(14.2)

(13.8)

780.0

773.5

516.9

408.5

5.0

(0.6)

3.4

2.4

(309.0)

(313.7)

(210.5)

(165.1)

-

(1.9)

0.1

0.9

-

(0.0)

(0.0)

(0.1)

476.0

457.3

309.8

246.5

4,667.0

4,788.1

2,383.4

2,325.1

34.2%

32.9%

36.9%

33.8%

10.2%

9.6%

13.0%

10.6%

Note:

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

Billions of yen

Year ending

March 31, 2008

(Revised Forecasts)

Year ended

March 31, 2007

Six months ended

September 30, 2006

Six months ended

September 30, 2007

¥ 460.0

¥ 192.2

¥ (48.4)

¥ 168.9

210.0

(210.0)

(222.0)

(3.0)

-

50.7

(0.7)

97.3

670.0

32.9

(271.1)

263.2

(830.0)

(947.7)

(530.1)

(365.2)

1,500.0

980.6

259.0

628.4

Depreciation and amortization

Operating income

Other income (expense)

Income taxes

Losses on sale or disposal of property, plant and equipment

Net income margin (=b/c)

(2) Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of investments with original maturities of longer than three months. Net cash used in investing activities for the six months ended September 30, 2007 includes changes in investments for cash management purpose. However, the effect of changes in investments for cash management purpose on net cash used in investing activities for the year ending March 31, 2008 due to the difficulties in forecasting such effect.

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 other companies.

Changes of investments for cash management purpose (2)

Free cash flows excluding irregular factors and changes in investments

for cash management purpose

Irregular factors (1)

(1) Irregular factors represent the effects of uncollected revenues due to bank closures at the end of the fiscal period.

Irregular factors during the six months ended September 30, 2007 was the net effect of bank closures as of March 31, 2007

Note:

Net cash used in investing activities

Net cash provided by operating activities

Free cash flows

Minority interests in consolidated subsidiaries

c. Total operating revenues

EBITDA margin (=a/c)

Equity in net income (losses) of affiliates

b. Net income

Table of Contents

Names of companies, products, etc.,
contained in this document are the trademarks or registered trademarks of their respective organizations