NTT DOCOMO INC
Form 6-K
May 28, 2009

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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 May, 2009.
Commission File Number: 001-31221
Total number of pages: 62

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 þ **Form 40-F** o

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): o

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): o

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 o **No** þ

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

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Information furnished in this form:

1. English translation of Notice of Convocation of the 18th Ordinary General Meeting of Shareholders.

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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: May 28, 2009	By: /s/ OSAMU HIROKADO **Osamu Hirokado** **Head of Investor Relations**

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Notice of Convocation of the 18th Ordinary General Meeting of Shareholders

NTT DoCoMo, Inc.

This is an English translation of the Notice of Convocation of the Ordinary General Shareholders Meeting for the 18th Fiscal Year (Notice) of NTT DoCoMo, Inc. and its subsidiaries (DOCOMO, the Company, we, or our Group translation includes a translation of the audit report of KPMG AZSA & Co., DOCOMO s independent auditor, of the financial statements included in the original Japanese language Notice. KPMG AZSA & Co. has not audited and makes no warranty as to the accuracy or otherwise of the translation of the financial statements or other financial information included in this translation of the Notice.

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MESSAGE FROM THE PRESIDENT

Dear Shareholders:

I am delighted to present this convocation notice for the general shareholders meeting for the 18th fiscal year (from April 1, 2008 to March 31, 2009).

With Japan s mobile phone market reaching maturation, as the customers values and needs have diversified, we have implemented a variety of reforms working to deliver the best possible service, safety and security to each and every customer. In July 2008, we changed the corporate logo and the corporate colors, and by merging the eight regional subsidiaries into NTT DoCoMo, Inc., we carried out a fundamental review of the business operational structure. We have also continued our efforts to enhance customer satisfaction, including the rollout of handset series that enable customers to choose handsets that meet their values and lifestyles, and the launch of new services, such as the i-concier service, that propose new ways of using mobile handsets.

Further, last October, we announced our medium-term business direction called DOCOMO s Change and Challenge to Achieve New Growth, which lays out the future action plan to be taken going forward.

While the business environment in which we find ourselves has grown even more severe, by steadily undertaking Change and Challenge programs viewed from the customers perspective, we aim to become a company that contributes to the attainment of a safe and secure society where all people can live comfortably and richly, and to the sustainable development of such a society.

As always, I ask for your continued goodwill and support.

May 2009

Ryuji Yamada

President and CEO

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TSE Code: 9437
May 28, 2009

To Shareholders

NTT DoCoMo, Inc.
11-1, Nagata-cho 2-chome
Chiyoda-ku, Tokyo
Japan
Ryuji Yamada
President and CEO

NOTICE OF CONVOCATION OF
THE 18th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 18th Ordinary General Meeting of Shareholders of the Company (Meeting) will be held as described below.

Details

1.	**Date and Time:**	Friday, June 19, 2009 at 10:00 a.m. (Japan Standard Time)
2.	**Place of the Meeting:**	Tsuru-no-ma, The Main Banquet Floor Hotel New Otani 4-1, Kioi-cho, Chiyoda-ku, Tokyo Japan

3. Matters to be dealt with at the Meeting:

Matters to be reported:

1) Report on Business Report, Consolidated and Non-Consolidated Financial Statements for the 18th Fiscal Year (from April 1, 2008 to March 31, 2009).

2) Report on Results of Audit of Consolidated Financial Statements by Registered Public Accountants and Board of Corporate Auditors.

Matters to be resolved:

First Item of Business: Appropriation of Retained Earnings

Second Item of Business: Partial Amendment to Articles of Incorporation

Third Item of Business: Election of one (1) Corporate Auditor

A copy of the Business Report and our Consolidated and Non-Consolidated Financial Statements and a certified copy of the Independent Auditor s Report and the Audit Report of Board of Corporate Auditors for the 18th Fiscal Year required to be attached are included as pages 10-59 hereto.

Should any revision be needed with regard to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report or Consolidated and Non-Consolidated Financial Statements, the Company will publish such revision on its website (http://www.nttdocomo.co.jp/).

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REFERENCE MATERIALS FOR ORDINARY GENERAL MEETING OF SHAREHOLDERS

Items of Business and Matters for Reference:

First Item of Business: Appropriation of Retained Earnings

Items relating to year-end dividends

Taking into account the consolidated results of operations and consolidated dividend payout ratio, the Company distributes dividends with the aim of providing continuous stable dividends while trying to enhance its financial condition and secure internal reserves. The Company proposes to pay the year-end dividend for the 18th fiscal year as follows:

(1) Type of Dividend Asset

Cash

(2) Proposed Appropriation of Dividend Assets to Shareholders and Total Amount of Dividend Payment

¥2,400 per share of common stock of the Company

Total Amount of Dividend Payment: ¥100,223,536,800

(The Company paid an interim dividend in November 2008, and accordingly, the aggregate amount of annual dividends for this fiscal year will be ¥4,800 per share.)

(3) Effective Date of the Appropriation of Dividends from Retained Earnings Monday, June 22, 2009

Second Item of Business: Partial Amendment to Articles of Incorporation

1. Reasons for Amending the Articles of Incorporation of the Company

(1) With the enforcement of The Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trades of Stock and Other Securities (Law No. 88 of 2004, hereinafter Streamlining Settlement Law) on January 5, 2009, all shares issued by listed companies have been simultaneously shifted to the Book-Entry Transfer System (so-called electric share certificate system). Upon this transition, the provisions of Articles of Incorporation of the Company concerning the issuance of stock certificates are deemed to have been repealed. Accordingly, it is proposed to make necessary amendments to the clauses and language in the Articles of Incorporation which became unnecessary (Articles 7 and 9 of the current Articles of Incorporation).

Specifically, in relation to be the above change, it is proposed to delete Article 7 (Issuance of Stock Certificates) of the current Articles of Incorporation, and make necessary numbering adjustments to the subsequent Articles.

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(2) Because the Register of Lost Share Certificates of the Company is to be prepared and held for one year after the enforcement date of the Streamlining Settlement Law, it is proposed that the necessary statements be added as Supplementary Provisions to the Articles of Incorporation.

2. Contents of Amendments to the Articles of Incorporation of the Company

The contents of the proposed amendments to the Articles of Incorporation of the Company are as follows: (Provisions proposed to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Issuance of Stock Certificates) Article 7 1. The Company shall issue stock certificates for its shares.	(Deleted)
Article 8 (Omitted)	Article 7 (Same as present)
(Shareholders Registrar) Article 9	(Shareholders Registrar) Article 8
1. The Company shall have a shareholders registrar.	1. (Same as present)
2. The shareholders registrar and the place of its handling office shall be designated by a resolution of the Board of Directors.	2. (Same as present)
3. Preparation, maintenance and other administrative services concerning the shareholders registrar (including the beneficial shareholders registrar; the same is applicable hereinafter), the register of stock acquisition rights and the registrar of lost share certificates of the Company shall be entrusted to the shareholders registrar, and the Company shall not directly provide those services.	3. Preparation, maintenance and other administrative services concerning the shareholders registrar and the register of stock acquisition rights of the Company shall be entrusted to the shareholders registrar, and the Company shall not directly provide those services.
Article 10 Article 33 (Omitted)	Article 9 Article 32 (Same as present)
(Newly Created)	Supplementary Provisions Article 1 Preparation, maintenance and other administrative services concerning the register of lost share certificates of the Company shall be entrusted to the shareholders registrar, and the Company shall not directly provide those services.
(Newly Created)	Article 2

Provisions of the preceding Article 1 and this Article 2 shall be deleted as of January 6, 2010.

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Third Item of Business: Election of One (1) Corporate Auditor

As the term of office of Mr. Haruo Imai, Corporate Auditor, will expire at the close of this meeting, it is proposed that one (1) Corporate Auditor be elected.

The candidate thereof, to whom the Board of Corporate Auditors has given its approval, is as follows:

Candidate Number	Name (Date of Birth)	History, Positions, Responsibilities and Directorship at other companies		Number of the Company Shares Owned
1	Yoshitaka Makitani (July 30, 1947)	May 1970	Entered NTT Public Corporation	29
		September 2000	Member of the Board, Senior Vice President, Senior Executive Manager of Accounts and Finance Department, Senior Executive Manager of Affiliated Companies Department of NTT DATA Corporation (NTT DATA)	
		July 2001	Member of the Board, Senior Vice President and Senior Executive Manager of Accounts and Finance Department of NTT DATA	
		June 2002	Member of the Board, Executive Vice President and Senior Executive Manager of Accounts and Finance Department of NTT DATA	
		June 2003	Member of the Board, Executive Vice President, Senior Executive Manager of General Affairs Department and Senior Executive Manager of Affiliated Companies Department of NTT DATA	
		June 2005	President of NTT BUSINESS ASSOCIE Corporation	
			(Directorship at other companies) President of NTT BUSINESS ASSOCIE Corporation	

(Note)

1. NIPPON TELEGRAPH AND TELEPHONE CORPORATION is the parent of the Company. NTT DATA Corporation and NTT BUSINESS ASSOCIE Corporation are subsidiaries of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and are special interest parties to the Company under the Article 2, Clause 3, Item 19 the Ordinance for Enforcement of Corporation Law.

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2. Mr. Yoshitaka Makitani concurrently serves as President of NTT BUSINESS ASSOCIE Corporation, with which the Company has business entrustment transactions relating to employee welfare programs. Mr. Yoshitaka Makitani is scheduled to resign from the Board of Directors of NTT BUSINESS ASSOCIE Corporation on June 17, 2009.

3. Mr. Yoshitaka Makitani is a candidate for an outside corporate auditor.

   Mr. Yoshitaka Makitani was elected as a candidate for an outside corporate auditor because of the Company s expectations for his auditing capability based on his experience and knowledge derived from his long years of engagement in the field of corporate finance at NTT DATA, through which he has acquired considerable knowledge in accounting and finance.

4. Mr. Yoshitaka Makitani is expected to receive compensation, etc., as a member of the Board of Directors of NTT BUSINESS ASSOCIE Corporation, and he has received such compensation over the last two years.

5. If the election Mr. Yoshitaka Makitani as an outside corporate auditor is approved, the Company intends to enter into a limited liability contract with Mr. Yoshitaka Makitani, which sets forth the upper limit of damage compensation liability as provided in Article 423, Clause 1 of the Corporation Law of Japan, in accordance with the provisions in Article 427, Clause 1 of the Corporation Law of Japan, so that he can properly fulfill the roles expected of an outside corporate auditor.

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BUSINESS REPORT

(For the fiscal year from April 1, 2008 to March 31, 2009)

Note: The term FY2008 hereinafter refers to the fiscal year ended March 31, 2009, and other fiscal years are referred to in a corresponding manner. All non-consolidated figures regarding results of operations in this report were prepared in accordance with accounting principles generally accepted in Japan (Japanese GAAP), unless otherwise stated herein. Consolidated results contained herein were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), unless otherwise noted.

1. Business Matters of the Corporate Group

(1) Main Business Segments of the Corporate Group

The main business activities of our Group are summarized in the table below.

Business Segment	Main Business Activities
Mobile phone business	Cellular (FOMA) services, cellular (mova) services, packet communications services, international services, satellite mobile communication services, and sales of handsets and equipments for each service, etc.
Miscellaneous businesses	Credit business, wireless LAN services, IP telephone service, etc.

(2) Developments and Results of Operations for the Corporate Group

The environment of mobile market, which has already entered a mature phase given the high penetration rate, has been getting severer in such areas as customer acquisition and further improvement of customer services among competitors, as well as market entry by new competitors such as MVNOs*. As economic environments deteriorate worldwide, our market environments have been getting uncertain for instance, changes in economic trend started to cast an influence in the form of a decreased number of handsets sold.

In such market environment, we changed our corporate branding with the introduction of New DOCOMO Commitments, and reorganized our group structure by integrating eight regional subsidiaries** for the purpose of enhancing the speed and effectiveness of our operations. We also announced our future business direction based on a new action plan DOCOMO s Change and Challenge to Achieve New Growth, and continued our efforts to enhance customer satisfaction by revisiting every aspect of our business from the customer s perspective, such as enhancement of our service plans, rollout of new handset series, introduction of new services, and improvement of our network quality. In addition, we strived for further penetration of our new discount programs and new handset purchase methods, which we believe are appropriate for the current market conditions. These efforts led to a significant decrease of churn rate from the prior fiscal year to 0.50%, significant improvement in the number of lost subscribers using Mobile Number Portability***, and the number of net additions is recovering.

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As a result, for the fiscal year ended March 31, 2009, operating revenues were ¥4,448.0 billion, a decrease of ¥263.8 billion from the prior fiscal year, reflecting the penetration of new discount programs. Operating income was ¥831.0 billion, an increase of ¥22.6 billion from the prior fiscal year, due to a decrease in cost of equipments resulting from the decreased number of handsets sold. Income before income taxes was ¥780.5 billion and net income was ¥471.9 billion.

Note: Consolidated results contained herein were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

* MVNO (Mobile Virtual Network Operator): a service provider who leases its physical wireless communication infrastructure from other network operators to provide wireless services.

** Eight regional subsidiaries: 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., and NTT DoCoMo Kyushu, Inc.

*** Mobile Number Portability (MNP) allows mobile phone users to keep their current phone numbers even if they switch mobile phone operators.

(Billions of yen)

Item	17th Fiscal Year (previous year) (FY2007)	18th Fiscal Year (current year) (FY2008)	Year-on-Year Change
Operating revenues	4,711.8	4,448.0	Δ5.6%
Operating income	808.3	831.0	2.8%
Income before income taxes	800.7	780.5	Δ2.5%
Net income	491.2	471.9	Δ3.9%

Mobile Phone Business

<<Number of Subscriptions for Principal Services>>

As of March 31, 2009, the number of cellular services subscriptions was 54.60 million. Of this total, the number of FOMA subscriptions accounted for approximately 90% of all cellular services subscriptions, exceeding 49 million subscriptions. Also, for i-mode flat-rate packet services, we launched the new packet flat-rate service Pake-hodai double, and the number of subscriptions grew steadily.

(Thousands of subscriptions)

	15th Fiscal Year (FY 2005)	16th Fiscal Year (FY 2006)	17th Fiscal Year (FY 2007)	18th Fiscal Year (FY 2008)
Cellular services	51,144	52,621	53,388	54,601
FOMA services	23,463	35,529	43,949	49,040

(Percentage)

	FY 2007				FY 2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Churn rate	0.85	0.94	0.74	0.68	0.51	0.52	0.44	0.52
	0.80				0.50			

(Thousands of subscriptions)

Category	As of March 31, 2008	As of March 31, 2009	Year-on-Year Change
Cellular services	53,388	54,601	2.3%
FOMA services	43,949	49,040	11.6%
i-channel	15,649	16,545	5.7%
i-concier		929	
i-mode Packet Flat-Rate services	12,744	17,610	38.2%
i-mode services	47,993	48,474	1.0%

Notes:

1. The number of Communication Module services subscriptions is included in the number of subscriptions to cellular services and the number of subscriptions to FOMA services.

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

3. The number of subscriptions to i-mode Packet Flat-Rate services is the aggregate of subscriptions to Pake-hodai (packet flat-rate service for unlimited FOMA i-mode usage), Pake-hodai full (packet flat-rate service offering unlimited usage for FOMA i-mode as well as i-mode full-browser), and Pake-hodai double (two-tiered packet flat-rate service offering unlimited usage for FOMA i-mode as well as i-mode full-browser).

4. The number of i-mode service subscriptions is the aggregate of FOMA and mova i-mode subscriptions.

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<<Enhancement of Billing Plans and Promotion of New Handset Purchase Methods>>

We launched a new packet flat-rate service Pake-hodai double* that allows unlimited use of i-mode packet communication in Japan at fees starting at ¥1,029 per month (including tax), with a maximum monthly fee of ¥4,410 (including tax). This provides customers with the ability to easily and securely access the rich contents and applications particularly suited to the FOMA services.

We have endeavored to establish the new business model tailored to the changing market environment, including new discount services and handset purchase methods which have been introduced since the previous fiscal year. As a result of these efforts, subscriptions to new discount services such as Fami-wari MAX 50 numbered approximately 32.70 million at March 31, 2009. In response to customer demand, among new handset purchase methods that allow customers to choose from the two courses, sales under the Value Course exceeded 90% of the total sales by new handset purchase methods, and at March 31, 2009, Value Plan subscriptions numbered approximately 20.8 million.

Value Course : Although the handset purchase price is greater than in the conventional model, this course applies the Value Plan which offers lower basic monthly charges and allows for installment payments on the handset purchase.

Basic Course : The conventional billing plan is applied, with a discount given on the handset purchase price with the requirement of two years of continuous use of the same handset.

* When the i-mode full browser is used, the maximum monthly fee is ¥5,985 (including tax)

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<<Introduction of New Handset Series>>

In response to the growing diversity of customer needs with respect to mobile phones and other changes in the market environment, we reorganized our handset series such as 906i and 706i series in November 2008 allowing customers to choose handsets according to their personal values and lifestyles. The features of each series are set forth below:

Series	Features
docomo STYLE series	Distinctive mobile phones, designed like accessories and offered in a wide variety of fashionable designs and colors for individuals who want to project the latest look. The highly fashionable STYLE series features a wide range of designs and colors so the mobile phones can also serve as a fashion item.
docomo PRIME series	Full-feature mobile phones for the maximum enjoyment of video, games and other entertainment by people who love to explore the latest multimedia.
docomo SMART series	Sophisticated mobile phones for busy people who want to live productively and enhance the management of their professional and private lives. The SMART series is intended for adults who want to maintain balance between their professional and private lives and features numerous functions that serve as business tools and uses designs with a sense of high quality.
docomo PRO series	The most advanced high-spec mobile phones for those who love cutting-edge digital tools and can t get enough of the newest, hottest technology. The PRO series handsets are digital tools with cutting-edge technology. By their PC-like operations, they can be personalized to be comfortably used as digital tools.

The other main products launched during the fiscal year ended March 31, 2009 are as follows:

Product
Raku-Raku PHONE Series
Raku-Raku PHONE PREMIUM: A Raku-Raku PHONE that offers functions with both a high level of user friendliness and ease of use. Raku-Raku PHONE V: This Raku-Raku PHONE is user-friendly, easy-to-operate, easy-to-read, and provides peace of mind, and can also monitor the user s health on a daily basis.
Kids PHONE
Kids PHONE that operates even after getting wet and feature enhanced functions to provide peace of mind to parents and children.
906i Series
All-around video phones with enhanced functions suitable for a diverse range of video services and contents.
706i Series
Individualistic, slim phones available in a wide range of styles and with functions to support the diverse needs and lifestyles of customers.

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<<Decision to Terminate mova Services>>

In light of the fact that the number of mova services subscriptions has been declining in recent years, we decided to stop accepting new applications for mova services as of November 2008 and terminate mova services at the end of March 2012 in order to concentrate our management resources on FOMA services.

<<Development of International Services>>

We expanded the lineup of handsets that support international roaming, and as a result, more than 90% of users of international roaming during the fiscal year ended March 31, 2009 used their own handsets for international roaming service.

To improve convenience to customers who use international roaming service, we launched the new Overseas Plus Number service that offers discounts of up to 60% for voice communication when using international roaming service in South Korea. Also, free charging support service at overseas locations was enhanced with the commencement of free charging service at Lotte Duty Free shops in South Korea and the launch of a free charger rental service at airport lounges in the United Kingdom, France, and Germany.

In coalition with AT&T* of the United States, we created a 3G** network in Hawaii, and in Guam, our subsidiary DOCOMO PACIFIC*** began providing 3G services. The number of countries and territories where international roaming service can be used at March 31, 2009 was as follows.

Voice/ Short Message Service (SMS)**** : 182

Packet communication services: 138

Videophone service: 49

* AT&T Inc.

** Third-generation mobile communication system.

*** DOCOMO PACIFIC, INC.

**** A text messaging service using phone numbers.

<<Strengthening of Corporate Marketing>>

We engaged in endeavors such as the following to bring new value to our customers businesses.

For packet flat-rate services for smartphones, deployed Biz-hodai double for domestic unlimited packet communication except i-mode, with fees starting at ¥1,029 per month (including tax) and a maximum monthly fee of ¥5,985 (including tax).

For Business mopera *Anshin* Manager, a service for corporate customers enabling remote setting and control of mobile phones, we enhanced functionalities to improve customer convenience by adding i-mode Access History Search function, Mobile Phone Lock function, Remote Initialization function, and Remote Customization function.

We introduced the BlackBerry® Bold *, which features multiple functions, high security, and improved entertainment functions, and the F-06A handset for corporate customers, which supports Remote Initialization and Remote Customization functions to prevent leaks of corporate information and use for non-work related purposes. The FOMA UM02-F, a FOMA ubiquitous module that performs FOMA packet communication when embedded in devices such as vending machines, was also unveiled.

* BlackBerry and
BlackBerry

Bold are trademarks or registered trademarks of Research In Motion Limited.

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<<Introduction of new services>>
New services that were launched in the fiscal year ended March 31, 2009 are summarized below.

Service	Overview
HOMEU	A service that enables customers to use high-speed packet communication and IP telephone using home broadband lines and wireless LAN routers.
POCKETU	A service that enables customers to easily access videos, music, photos, and documents stored on a home PC even when away from home.
i-concier	A service that delivers timely information matching where customers live and their interests and preferences, using suitable methods, and automatically updates schedules and ToruCa* data stored on the mobile phone.
docomo community	A communication service for sharing photos, diaries, and memos with friends and family. Registration is completed simply by entering a nickname and date of birth.
BlackBerry Internet Service	A service that provides easy Internet access to BlackBerry® users without the need to install special systems such as dedicated servers.

* Enables users to download to mobile phones coupons that used to be distributed on paper.

<<Enhancement of After-Sales Services>>
Main after-sales services commenced in the fiscal year ended March 31, 2009 are as follows:

To promptly respond to requests for area improvements, for customers who so request, we launched a service under which we perform an area quality survey generally within 48 hours after we contact from the customer. We have carried out roughly 13,000 surveys.

We made efforts to enhance services for longtime customers in the docomo Premier Club, a membership service for subscribers to our cellular services, etc. These enhancements included adding the period of continuous usage to the criteria for determining the stage and increasing the maximum percentage of docomo Points that can be obtained.

We introduced the Water Exposed *Keitai* Data Recovery Service by which phonebooks and other data retrieved from mobile phones that do not turn on after being subject to accidental water exposure are copied onto a CD and then we give it to the customer.

Miscellaneous Businesses

<<Promotion of the Credit Business>>
We endeavored to promote the spread of the credit brand iD, which is used with the *Osaifu Keitai,* and the credit service DCMX, which can be used for payment on the iD platform.

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By increasing the number of appointed stores where docomo Points can be earned and launching the DCMX docomo Point Mall website, we promoted the use of our DCMX credit service. We also worked towards improving services by launching the DCMX (iD) Coupon, which can be used for partial payments when shopping using DCMX (iD) or DCMX mini. As a result, the total number of subscriptions to DCMX services reached 8.98 million at the end of March 2009, up 3.34 million from the end of March 2008.

With regard to the credit brand iD, we continued to actively install readers, particularly at stores that are part of the everyday lives of customers. In addition, we promoted usage by installing readers at stores in Guam and China, which marked the first overseas usage of Japanese non-contact IC electronic money in those areas. As a result, over 410,000 iD readers have been installed as of March 31, 2009, up 110,000 from March 31, 2008. In December 2008, the number of subscriptions exceeded 10 million, reaching 11.20 million at March 31, 2009.

<< Others>>

We worked to increase revenues by marketing mobile advertising at i-mode sites, developing and marketing various system solutions that exploit our mobile technologies and know-how and engaging in the business of high-speed Internet connection services for hotels.

Operating revenues and income (loss) in each business segment in the fiscal year ended March 31, 2009 are indicated in the table below.

(Billions of yen)

	Category	FY 2007	FY 2008	Year-on-Year Change
Operating revenues	Mobile phone business	4,647.1 (98.6)	4,381.3 (98.5)	D5.7%
	Voice	2,645.1 (56.1)	2,149.6 (48.3)	D18.7%
	FOMA services	2,084.3 (44.2)	1,877.8 (42.2)	D9.9%
	Packet	1,373.9 (29.2)	1,511.7 (34.0)	10.0%
	FOMA services	1,254.6 (26.6)	1,449.4 (32.6)	15.5%
	Miscellaneous businesses	64.7 (1.4)	66.7 (1.5)	3.1%
	Total	4,7118 (100.0)	4,448.0 (100.0)	D5.6%
Operating income (loss)	Mobile phone business	858.2 (-)	855.3 (-)	D0.3%
	Miscellaneous businesses	D49.9 (-)	D24.3 (-)	51.2%
	Total	808.3 (-)	831.0 (-)	2.8%

Notes:

1. Figures in parentheses indicate revenues as a percentage of total operating revenues.

2. Operating revenues for the voice mobile phone business include circuit-switching data communication.

3. The results of previous term of the PHS business, which terminated its services on January 7, 2008, are included in miscellaneous businesses.

(3) Group Capital Expenditures

Major capital investments made in the fiscal year ended March 31, 2009 are described below.

<<Proactive Investments in Telecommunication Facilities>>

We endeavored to provide fine-tuned responses to the demand of our customers for improvement of area quality at home, office and other places by expanding FOMA service areas, improving quality, and enhancing facilities to address the increase in packet communication volume. As a result, as of March 31, 2009, there were 48,500 outdoor base stations and 19,900 indoor facilities for FOMA services, up 5,800 and 4,800 respectively from the previous fiscal year.

We expanded the FOMA HIGH-SPEED Area to enable customers to use large-volume content in a comfortable communication environment. As a result, the coverage ratio reached 100% of the population of Japan.

(Billions of yen)

	15th Fiscal Year (FY2005)	16th Fiscal Year (FY2006)	17th Fiscal Year (FY2007)	18th Fiscal Year (FY2008)
Capital Expenditures	887.1	934.4	758.7	737.6

<<Efforts to Improve Efficiency and Reduce Cost of Capital Expenditures>>

By moving forward with network IP-conversion, we worked on consolidating and increasing capacity of network equipments along with reducing prices for component procurement.

Taking into consideration such conditions as surrounding environment and communication traffic volume, we efficiently built areas and improved quality by using the optimal equipment from among the variety of types available.

As a result, capital expenditures in the fiscal year ended March 31, 2009 were ¥737.6 billion.

(4) Group Financing Activities

In the fiscal year ended March 31, 2009, we raised long-term financing of ¥240 billion through bond issuances for capital investment, redemption of bonds and repayment of debt purposes.

(5) Group Research and Development Activities

Research and development activities conducted in the fiscal year ended March 31, 2009 are described below.

<<Development of Handsets and Services Launched in the Fiscal Year Ended March 31, 2009>>

We advanced new products to meet diversifying customer needs, and developed new handset series that embody four different concepts and characteristics such as the docomo PRIME series.

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We increased the uplink speed of FOMA HIGH-SPEED to a maximum 7.2Mbps and implemented the Remote Customization function and Overseas Plus Number.

(Billions of yen)

	15th Fiscal Year (FY2005)	16th Fiscal Year (FY2006)	17th Fiscal Year (FY2007)	18th Fiscal Year (FY2008)
Research and Development expenses	110.5	99.3	100.0	100.8

<<Development of Technologies for Future Commercialization>>

We worked on the next-generation standard LTE* (Super 3G), a higher-speed communication technology, and the conversion of existing networks to IP technology to create flexible and economical networks and worked on the development of Femto BTS** for services targeted for commercial applications.

We made efforts in the development of operator packs, which are application software packages for Linux®*** OS and Symbian OS™**** compatible with our own proprietary services for the purpose of more efficient handset development.

* Abbreviation of Long Term Evolution. Also known as Super 3G as proposed by us or the 3.9G mobile communication system.

** Super-small base station that can cover certain areas where FOMA radio waves have difficulty reaching.

*** Linux is a registered trademark of Linus Torvalds in the U.S. and other countries.

**** Symbian OS and all Symbian related trademarks and logos are trademarks or registered trademarks of Symbian Ltd.

<<Efforts Relating to Future Technologies>>

We continued to research a wireless access format for fourth-generation mobile communication systems and made proactive proposals in the international standardization project 3GPP*.

We also continued with our efforts in research and development relating to the creation of new means of communications, such as communications conducted through the human body, which would enable the locking and unlocking of doors simply by holding a mobile phone and touching the door with one s hand, and molecular-level communication using biological molecules** to enable the transmission of information such as excitement, emotions, and stress.

* Abbreviation of 3rd Generation Partnership Project.

** Polymers such as proteins and nucleic acids that are basic components of living organisms.

As a result of these activities, research and development expenditures during the fiscal year ended March 31, 2009 totaled ¥100.8 billion.

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(6) Group CSR Activities

Adhering to our message We connect people to people, and people to their worlds. We open the door to the future, we will listen to each individual customer and to society, and will drive innovation toward the future to create abundance and convenience in life and culture. We have taken various actions in areas of key importance, such as global environment protection, promotion of universal design products and services, realization of a safe and secure mobile society and disaster preparedness and response. Among these activities, those that are directly related to the products and services offered by us have been promoted under the DOCOMO *Anshin* Mission aimed at delivering peace of mind.

The main CSR activities for the fiscal year ended March 31, 2009 are as follows:

<< Global Environmental Conservation Initiatives >>

As a part of our initiatives to reduce greenhouse gas emissions by cutting electric power consumption by mobile network equipments, we launched the ICT* Ecology Project in February 2009 and began testing cutting-edge technologies.

We collected used cellular handsets (a cumulative total of approximately 69.00 million units as of March 31, 2009) and carried out the docomo Woods reforestation program (at 43 locations on a cumulative basis as of March 31, 2009).

In collaboration with PLDT** and SMART***, we carried out tree planting activities in the Philippines. Some of the funds for these activities came from the sale of metal recovered from recycled cellular phones collected at docomo Shops and other locations.

* Information & Communication Technology

** Philippine Long Distance Telephone Company

*** SMART Communications, Inc.

<<Adoption of Universal Design>>

At docomo Shops, measures to create barrier-free environments were taken, including the installation of entryway ramps and wheelchair-accessible restrooms (in the fiscal year ended March 31, 2009, 149 shops were barrier-free).

In accordance with the universal design concept, we continued working to expand the number of handsets and functions that seniors, children and the disabled can use with peace of mind. Cumulative nationwide sales of the Raku-Raku PHONE series, which has been extremely well-received by numerous customers since its launch in 1999, had surpassed 15.00 million units as of March 31, 2009.

<< Realizing a Safe and Secure Mobile Society >>

In addition to Mobile Phone Safety Classes to teach proper mobile phone use and etiquette as well as how to deal with phone-related problems (since classes were first held in 2004, a total of approximately 9,200 classes were held with approximately 1.49 million attendees, of which approximately 4,600 classes were held in the fiscal year ended March 31, 2009 with approximately 790,000 attendees), educational video materials for the Mobile Phone Safety Classes were distributed free of charge to schools and other organizations. In April 2009, we also added a program designed for seniors to protect themselves against crimes such as fraud where the victim is deceived into remitting money to a bank account and other problems.

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Access restriction services (filtering services)* were modified to reflect the i-mode filter certification standards of third party organizations. We also began providing the Web Blocking service that restricts access to web sites and Access Restriction Customization that allows customers to make individual settings of web sites to be blocked and those that can be viewed according to their own preferences. We also modified the i-mode Filters service and confirmed with all current i-mode subscribers under 18 who had not yet signed up for Access Restriction services whether they wished to use Access Restriction services, and unless their parents or guardians specifically reported that the services were unnecessary, i-mode Filters were applied to such subscribers automatically. Following the implementation of the Act on Establishment of Enhanced Environment for Youth s Safe and Secure Internet Use on April 1, 2009, we began strongly encouraging the use of access restriction services when customers sign up for i-mode services and are working towards promotion of the services.

* Services that restrict access to harmful sites: Kids i-mode Filters which allows access only to i-mode menu sites, other than gravure sites and community sites; and i-mode Filters which allows access to public sites other than the sites such as dating sites, illegal sites and community sites.

<<Activities for Disaster Response>>

Constructed backup circuits and facilities by adopting multiple transmission lines or looped transport circuits and installing redundancy systems in communication facilities or decentralizing equipment installations, and reinforced the earthquake resistance of our buildings and radio towers, in an effort to secure means for communication in the event of a disaster.

Since Area Mail* began services in December 2007 to transmit emergency earthquake reports from the Meteorological Agency, there have been nine transmissions in total, and as of March 31, 2009, nine municipalities have introduced and used the systems as a means of disseminating disaster and evacuation information to residents.

In the Iwate Miyagi Inland Earthquake of June 2008, we promptly deployed mobile power supply vehicles and motor power generators to base stations where the power was out, to ensure service in coverage areas. After the earthquake, we provided such services as free mobile phone rentals and recharging at evacuation shelters.

*

An emergency alert system service that broadcasts disaster and evacuation information to areas prone to natural catastrophe.

<<Social Contribution Activities>>

To assist the education of children, we carried out programs aimed at fostering young talent by sponsoring sports clinics.

Through the Mobile Communication Fund, a non-profit organization that we established in July 2002, we awarded commendations including the presentation of the DOCOMO Mobile Science Prize (four times in the fiscal year ended March 31, 2009) to recognize outstanding research results and papers relating to mobile communication, and support foreign students from Asian countries (20 students from seven countries in the fiscal year ended March 31, 2009).

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(7) Group Consolidated Financial Results and Assets

	15th Fiscal Year (FY 2005)	16th Fiscal Year (FY 2006)	17th Fiscal Year (FY 2007)	18th Fiscal Year (FY 2008)
Operating revenues (millions of yen)	4,765,872	4,788,093	4,711,827	4,447,980
Operating income (millions of yen)	832,639	773,524	808,312	830,959
Income before income taxes (millions of yen)	952,303	772,943	800,688	780,473
Net income (millions of yen)	610,481	457,278	491,202	471,873
Earnings per share (yen)	13,491	10,396	11,391	11,172
Total assets (millions of yen)	6,365,257	6,116,215	6,210,834	6,488,220
Net assets (millions of yen)	4,052,017	4,161,303	4,276,496	4,341,585

Note: Net assets do not include minority interests.

(8) Issues Facing the Group

<<New DOCOMO Commitments>>

In April 2008, our Group developed the New DOCOMO Commitments, our vision for transformation containing four pledges to rebuild our brand and change DOCOMO. Centered on this vision, we will move ahead in our business with the goal to deliver high-quality and highly value-added services tailored to the requirements of each and every customer.

The New DOCOMO Commitments

(1) We will revamp our brand and strengthen our ties with our customers.

(2) We will actively seek out the voices and opinions of our customers so that we can continue to exceed their expectations.

(3) We will continue to drive innovations, so that we can earn the respect and admiration of people worldwide.

(4) We will become an organization whose energetic staff is capable of overcoming all challenges in pursuit of our corporate vision.

<<DOCOMO s Change and Challenge to Achieve New Growth>>

We announced our future business direction based on a new action plan, DOCOMO s Change and Challenge to Achieve New Growth, which covers initiatives to be implemented between the current fiscal year 2008 ended March 31, 2009 and fiscal year 2012 ending March 31, 2013. Under the plan, we aim to contribute to society s sustainable development and a safer, more secure environment for people to lead enriched, convenient lives.

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1. DOCOMO s Change

(i) New DOCOMO Commitments and review of operational structure

After our introduction of the New DOCOMO Commitments, as first steps towards implementing the Change and Challenge action plan, we changed our corporate branding and integrated our regional subsidiaries following a comprehensive review of our operational structure.

(ii) Promotion of customer-focused marketing

From the perspective of customer-focused marketing, the entire group will join forces in all aspects of business based on a hands-on approach to serving customers. The aim will be to earn long-term customer loyalty by delivering the best possible service, safety, and security to each customer.

(iii) Steadfast implementation of actions for improved customer satisfaction

We will perform a comprehensive review of all operations from customer relations to handset and network development to enhance customer satisfaction, aiming at being ranked No. 1 in customer satisfaction by FY2010.

2. DOCOMO s Challenge

As mobile services and networks evolve, mobile phones will assume the role of assisting customers individual behavior, in addition to providing the means for communication, information access, and support for daily activities. We will take on the challenge of advancing each of these roles.

(i) Personalization of services

We will deliver personalized services and functions that cater to the diverse variety of lifestyles and needs of individual customers, and further enrich their lives.

(ii) Development of social-support services

We will launch new businesses in fields such as environment, ecology, safety, security and health management for the sustainable growth of society and the creation of value in these new domains.

(iii) Provision of converged services

We will link mobile phones with various devices to provide convenient services tailored to specific usage scenarios.

(iv) Evolution of video services

Through collaboration with content providers, we will support customers lives and individual behavior with value-added video services available uniquely on mobile phones.

(v) Advancement of mobile broadband using LTE
To facilitate a widening array of advanced mobile broadband services, we will construct a high-speed, low-latency, large-capacity network by implementing LTE from 2010.
(vi) Evolution of handset
We will provide handsets and devices that better fit customers specific needs. This will be achieved through the adoption of open platforms, the enhancement of hardware and software functions, and the diversification of designs and user interfaces.
(vii) Collaboration of handsets and networks
We will provide advanced services by optimizing the allocation of functions between handsets and networks, in particular to leverage the high-speed, low-latency, large-capacity properties of our LTE network.
(viii) Basic research aimed at new value creation
We will conduct research aimed at creating infrastructure that contributes to the development of society and its economy, ultimately to realize a more affluent society that fully leverages the advantageous characteristics of mobile communications.
(ix) Expansion of international businesses
We will expand our revenue streams from international business and achieve sustained growth by strengthening our international service offerings and pursuing investments and alliances mainly in the Asia-Pacific region.
(x) New domestic investments and alliances
We will grow revenues and achieve sustained growth by creating new businesses and reinforcing core businesses through the pursuit of investments and alliances in Japan.
3. Actions to strengthen core businesses
As the market matures in line with the increasing rate of mobile phone penetration, we will strengthen ties with existing customers, cultivate new markets and continue to provide convenient, attractive services with the aim of reinforcing our core businesses. We will also work to expand our enterprise business by further growing our corporate subscriptions and proposing optimal solutions.
4. Improvement of cost efficiency
We expect to achieve a 10% reduction in costs and expenses to solidify our financial standing for sustained growth. Initiatives include the nationwide optimization of operations and reduction of costs related to networks and sales.

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5. Corporate Social Responsibility (CSR) Activities
We will also contribute to society through initiatives to help protect the environment, promote universal design products and services, and realize a safer, more secure mobile society.
6. Operating income and return to shareholders
Under the plan, we expect to achieve over ¥900.0 billion in annual operating income in FY2012. We will also endeavor to maintain the highest level of payout ratio in Japan and stable dividends.
<<Corporate governance>>
By establishing and operating an internal control system designed for lawful business conduct, we will ensure compliance and thorough risk management on all fronts so that we can earn the trust and confidence of all stakeholders.
(9) Principal Offices (As of March 31, 2009)
(a) Headquarters: 11-1, Nagata-cho, 2-chome, Chiyoda-ku, Tokyo, Japan
(b) Regional Offices:
Hokkaido Regional Office: Chuo-ku, Sapporo, Hokkaido Prefecture

Tohoku Regional Office: Aoba-ku, Sendai, Miyagi Prefecture

Tokai Regional Office: Higashi-ku, Nagoya, Aichi Prefecture

Hokuriku Regional Office: Kanazawa, Ishikawa Prefecture

Kansai Regional Office: Kita-ku, Osaka, Osaka Prefecture

Chugoku Regional Office: Naka-ku, Hiroshima, Hiroshima Prefecture

Shikoku Regional Office: Takamatsu, Kagawa Prefecture

Kyushu Regional Office: Chuo-ku, Fukuoka, Fukuoka Prefecture
(10) Group Employees (As of March 31, 2009)

Number of Employees (change from March 31, 2008)	Average Age	Average Length of Employment
21,831 (decrease of 269)	39.5	15.0 years

Notes:

1. The number of employees includes 148 employees seconded from companies other than the Company or its subsidiaries, but does not include 78 employees seconded to companies other

than the Company or its subsidiaries.

2. In calculating the average age of employees, employees at certain overseas subsidiaries are not included.

3. In calculating the average length of service for employees transferred from NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), other companies in the NTT Group, the former NTT Central Personal Communications Network, Inc., or the eight regional companies in the Personal Communications network, years of employment at their respective prior employers are included in the calculation. Employees seconded from companies other than the Company or its consolidated subsidiaries and employees at certain overseas subsidiaries are not included in the calculation.

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(11) Condition of the Corporate Group

(a) Relationship with Parent Company

NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), DOCOMO s parent company, currently owns 27,640,000 shares of our company (62.89% of all shares) as of March 31, 2009. DOCOMO conducts business mainly in the mobile communication field under its own managerial responsibilities within the NTT Group.

DOCOMO and NTT have concluded an agreement on the content of services and benefits provided by NTT to the Company and the compensation with respect to basic research and development by NTT. In addition, DOCOMO and NTT have concluded an agreement on the content of services and benefits provided by NTT to the Group and the compensation with respect to group management and operation by NTT.

(b) Principal Subsidiaries (as of March 31, 2009)

There are no subsidiaries that are considered to be principal subsidiaries as of March 31, 2009. In July 2008, 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. and NTT DoCoMo Kyushu, Inc. were merged with DOCOMO, with DOCOMO being the surviving company and the subsidiaries being the extinguished companies.

There were 115 subsidiaries and 17 affiliates as of March 31, 2009.

(c) Acquisition and disposal of shares of other companies

In September 2008, in order to promote the business development of mobile phone services in Bangladesh and to acquire a growth opportunity, we invested roughly ¥37.0 billion to obtain a 30.00% stake in TMIB*. In November 2007, we made an additional investment of roughly ¥3.0 billion, in proportion to our equity ratio. In the fiscal year ended March 31, 2009, TMIB became an affiliate of the Company.

We reached an agreement on a capital alliance with Tata Sons**, which is the holding company of Tata Group and the Indian telecommunications carrier TTSL***, which is a unit of Tata Sons, to expand business areas in India s telecommunications market and to increase profits, and in March 2009, we acquired a 26.47% stake in TTSL for roughly ¥250.0 billion. In the fiscal year ended March 31, 2009, TTSL became an affiliate of the Company. We made a tender offer for shares of TTML****, acquiring a 12.12% stake in TTML for roughly ¥11.0 billion.

Note: The stakes are calculated based on the total number of outstanding common shares of each company as of March 31, 2009.

*	TM International (Bangladesh) Limited
**	Tata Sons Limited
***	Tata Teleservices Limited
****	Tata Teleservices (Maharashtra) Limited

(12) Principal Creditors of the Corporate Group (as of March 31, 2009)

Creditor	Outstanding Loan Balance (millions of yen)
Meiji Yasuda Life Insurance Company	20,000
Daiichi Life Insurance Company	15,000
Sumitomo Life Insurance Company	12,000
Shinkin Central Bank	10,000

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2. Company Shares (as of March 31, 2009)

(1) Total number of authorized shares: 188,130,000 shares

(2) Total number of issued shares: 43,950,000 shares

Shareholders	Constituent Ratio (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	62.89
Foreign Corporations, etc.	13.05
Financial Institutions	11.75
Individuals and Others	6.16
Treasury Stock	4.98
Other Corporations	1.17

Note: As a result of the cancellation of treasury stock on March 31, 2009, the total number of issued shares decreased by 920,000 compared to March 31, 2008.

(3) Number of shareholders: 320,511

(4) Principal Shareholders

	Holdings in the Company	
Shareholders	Number of Shares Held	Shareholding Ratio (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	27,640,000	62.89
Japan Trustee Services Bank, Ltd. (Trust Account)	1,172,214	2.67
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1,071,978	2.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	979,570	2.23
JPMorgan Chase Bank 380055	283,321	0.64
State Street Bank and Trust Company 505225	225,256	0.51
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	224,444	0.51
Mellon Bank NA as Agent for its Client Mellon Omnibus US Pension	183,320	0.42
The Chase Manhattan Bank NA London SL Omnibus Account	177,050	0.40
OD05 Omnibus China Treaty 808150	159,215	0.36

Note: The Company s holding of treasury stock (2,190,193 shares) is not included in the above.

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3. Directors, Corporate Officers and Corporate Auditors
(1) Directors and Corporate Auditors (as of March 31, 2009)

Position	Name	Primary Responsibilities and Affiliation with other Companies
President and CEO Member of the Board of Directors	Ryuji Yamada	
Senior Executive Vice President Member of the Board of Directors	Kiyoyuki Tsujimura	Responsible for Multimedia Services, Technology
Senior Executive Vice President Member of the Board of Directors	Masatoshi Suzuki	Responsible for Global Business, Corporate
Senior Executive Vice President Member of the Board of Director	Hiroshi Matsui	Responsible for CSR, Branches in Kanto and Koushinetsu areas
Executive Vice President Member of the Board of Directors	Harunari Futatsugi	Responsible for Network
Executive Vice President Member of the Board of Directors	Bunya Kumagai	Responsible for Consumer Sales
Executive Vice President Member of the Board of Directors	Kazuto Tsubouchi	Managing Director of Accounts and Finance Department, Responsible for Business Alliance Department, Member of the Board of Directors of Tata Teleservices Limited (India)
Executive Vice President Member of the Board of Directors	Kaoru Kato	Managing Director of Corporate Strategy & Planning Department
Executive Vice President Member of the Board of Directors	Mitsunobu Komori	Managing Director of R&D Center
Senior Vice President Member of the Board of Directors	Takashi Tanaka	Managing Director of Human Resources Management Department
Senior Vice President Member of the Board of Directors	Katsuhiro Nakamura	Managing Director of General Affairs Department Managing Director of Corporate Citizenship Department

Member of the Board of Directors	Masao Nakamura	Corporate Advisor
Member of the Board of Directors	Hiroshi Tsujigami	General Manager, Business Management Corporate Strategy Planning Department, NTT
Full-time Corporate Auditor	Haruo Imai	
Full-time Corporate Auditor	Kenichi Aoki	
Full-time Corporate Auditor	Shunichi Tamari	
Full-time Corporate Auditor	Kyouichi Yoshizawa	
Corporate Auditor	Takaaki Wakasugi	Director and General Manager, Japan Corporate Governance Research Institute, Inc.; Professor, School of Business Administration, Tokyo Keizai University

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Notes:

1. Mr. Hiroshi Tsujigami, Director, is an outside director as provided in Article 2, Item 15 of the Corporation Law.
2. Corporate auditors, Mr. Haruo Imai, Mr. Kyouichi Yoshizawa and Mr. Takaaki Wakasugi are outside corporate auditors as provided in Article 2, Item 16 of the Corporation Law.
3. Mr. Takaaki Wakasugi, Corporate auditor, is engaged in research of corporate governance as well as management and finance at a university and a research institution. He has extensive knowledge concerning finance and accounting matters.
4. Members of the Board of Directors and Corporate Auditors who resigned or retired during the fiscal year ended March 31, 2009 are as follows:
   (1) Resignation

   Mr. Shinichi Nakatani, full-time Corporate Auditor, resigned at the end of the 17th ordinary general meeting of shareholders held on June 20, 2008.

   (2) Retired at the expiration of term

   Mr. Masayuki Hirata, Senior Executive Vice President and Member of the Board of Directors, Mr. Takanori Utano, Executive Vice President and Member of the Board of Directors, Mr. Noriaki Ito, Senior Vice President and Member of the Board of Directors, Mr. Toshiki Nakayama, Member of the Board of Directors, and Mr. Shoichi Matsuhashi, full-time Corporate Auditor, resigned at the end of the 17th ordinary general meeting of shareholders held on June 20, 2008.
5. Changes in responsibility as of April 1, 2009 are as follows:

Position	Name	Primary Responsibilities and Affiliation with other Companies
Executive Vice President Member of the Board of Directors	Kaoru Kato	Managing Director of Corporate Strategy & Planning Department Managing Director of Mobile Society Research Institute

(2) Policies concerning, and total compensation of, directors and corporate auditors

(a) Policies

Matters concerning compensation to directors are decided by the Board of Directors.

Compensation to directors (excluding outside directors) is comprised of a monthly salary and bonuses. Monthly salaries are paid on the basis on the each director s scope of roles and responsibilities. Bonuses are paid taking into account the Company s business results for the current term. Also, directors make monthly contributions of at least a certain amount for the purchase of DOCOMO shares through the Director Shareholding Association to encourage a medium- to long-term perspective. Purchased shares are owned by the directors during their terms in office.

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Compensation to corporate auditors is determined by resolution of the Board of Corporate Auditors and in order to maintain a high level of independence, consists only of a monthly salary.
(b) Total Compensation for Directors and Corporate Auditors for the Fiscal Year Ended March 31, 2009

Position	Number of Persons	Total Compensation (Millions of yen)
Director	15	501
Corporate Auditor	7	129
Total	22	631

Notes:

1. Upper limits on compensation to directors and corporate auditors were set at ¥600 million annually for directors and ¥150 million annually for corporate auditors at the 15th ordinary general meeting of shareholders held on June 20, 2006.

2. The above includes three Directors and two Corporate Auditors who retired at the end of the 17th ordinary general meeting of shareholders held on June 20, 2008.

3. Compensation to directors includes

¥111 million in bonuses paid in the fiscal year ended March 31, 2009.

4. In addition to the above, based on a resolution of the 14th ordinary general meeting of shareholders held on June 21, 2005, we are to provide ¥16 million as a retirement benefit to three directors who resigned from the Board of Directors and became Executive Vice President or Senior Vice Presidents. In the fiscal year ended March 31, 2009 we paid ¥5 million to one such director as a retirement benefit.

(3) Outside Directors and Corporate Auditors

(a) Principal concurrent positions of outside directors and corporate auditors (As of March 31, 2009)

Position	Name	Concurrent Position	Company
Outside Director	Hiroshi Tsujigami	Employee	NIPPON TELEGRAPH AND TELEPHONE CORPORATION
		Director	NTT Investment Partners, Inc.
Outside Corporate Auditor	Takaaki Wakasugi	Outside Director	Ricoh Company, Ltd.
		Outside Corporate Auditor	JFE Holdings, Inc.

Note: NIPPON TELEGRAPH AND

TELEGRAPH CORPORATION (NTT), where Mr. Hiroshi Tsujigami, Outside Director, is also employed, is the Company s parent company. NTT Investment Partners, Inc., where Mr. Hiroshi Tsujigami also serves as Director, is a subsidiary of NTT.

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(b) Principal activities of outside directors and corporate auditors

Position	Name	Principal Activities
Outside Director	Hiroshi Tsujigami	After taking office in June 2008, he attended 13 of the 16 Board of Directors meetings held during the fiscal year ended March 31, 2009 and used his extensive experience in the telecommunications business to make appropriate comments from a perspective independent from the Company s business operations.
Outside Corporate Auditor	Haruo Imai	He attended 21 of the 22 Board of Directors meetings and all 14 of the Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2009 and used his extensive experience in the telecommunications business and his experience in corporate management to make appropriate comments.
	Kyouichi Yoshizawa	He attended all 22 Board of Directors meetings and all 14 of the Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2009 and used his activities and experience as an NTT labor union board member to make appropriate comments.
	Takaaki Wakasugi	He attended 18 of the 22 Board of Directors meetings and 13 of the 14 Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2009 and made appropriate comments from his expert perspective gained through academic research as a university professor of Business Administration.

(c) Indemnity agreements

The Company has concluded agreements with outside directors and outside corporate auditors to indemnify them for personal liability as provided in Article 423, Section 1 of the Corporation Law in accordance with Article 427, Section 1 of the Corporation Law. The compensation of liability is the amount permitted by laws and regulations.

(d) Total compensation to outside directors in the fiscal year ended March 31, 2009

Number of persons	Total compensation (Millions of yen)
3	69

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4. Independent Auditor

(1) Name of independent auditor

KPMG AZSA & Co.

(2) Audit fees paid to the independent auditor in the fiscal year ended March 31, 2009

Details	Amount (Millions of yen)
Audit fees for the independent auditor in the fiscal year ended March 31, 2009	761
Total monetary and other financial benefits payable by DOCOMO and its subsidiaries	785

Notes:

1. The audit contract between the Company and the independent auditor does not distinguish among audit fees paid for audits performed pursuant to the Corporation Law, audit fees paid for audits performed pursuant to the Financial Instruments and Exchange Act and audit fees paid for audits performed pursuant to the U.S. Securities Exchange Act, and since it is not practically possible to make such a distinction, the above amounts are totals.

2. We pay compensation to an accounting auditor for

services other than services provided in Article 2, Paragraph 1 of the Certified Public Accountant Law (non-audit related services). Non-audit related services include preparation of comfort letters in conjunction with bond issuances.

(3) Policies concerning decisions to discharge or not reappoint independent auditors

In the event that the circumstances set forth in any of the items of Article 340, Section 1 of the Corporation Law apply to the independent auditor, the independent auditor is to be discharged by a unanimous resolution of the Board of Corporate Auditors.

In addition, if the Company determines that it would be difficult for the independent auditor to perform proper audits, the Board of Directors may, with the agreement of the Board of Corporate Auditors or upon request from the Board of Corporate Auditors, propose to the general meeting of shareholders that the independent auditor be discharged or that the independent auditor not be reappointed.

5. Systems for Ensuring the Propriety of the Company s Business Activities

A summary of the Board of Directors resolutions concerning the development of systems to ensure the propriety of the Company s business activities (internal control systems) is set forth below.

(1) Basic stance on fortifying internal control systems

a) In fortifying the internal control systems, the Company aims to achieve legal compliance, management of loss risk and appropriate and efficient business operations and consider various measures, including regulations, organizational and structural improvement, formulation of action plans and the monitoring of activities.

b) An internal control committee will be formed as an entity overseeing efforts to have the internal control systems function more efficiently. The committee will aim to fortify internal control systems from the cross-departmental perspective; upon assessing efficacy, necessary improvements will be carried out.

c) Appropriate efforts will be made with regard to ensuring the reliability of the internal control systems, which will be involved with the financial reporting based on the U.S. Sarbanes-Oxley Act and the Financial Instruments and Exchange Act.

d) The Board of Directors will approve the basic policy on fortifying internal control systems (the Basic Policy), receive regular reports on the progress of the initiative to fortify internal control systems, and oversee and monitor the internal control systems of the Company.

e) As chief executive officer, the president and representative director will oversee the efforts to build the internal control systems based on the Basic Policy approved by board members.

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(2) Fortifying structure relating to internal control systems

a) System to ensure that the performance of duties by directors and employees conform with laws and regulations and the Company s Articles of Incorporation

We institute the NTT DOCOMO Group Code of Ethics and compliance-related regulations and create requisite systems for ethical and legal compliance. In addition, when preparing financial statements, officers responsible for finance, corporate auditors, and independent auditors hold preliminary discussions of significant accounting policies, and for disclosure of company information including financial statements in a manner that conforms with securities-related laws and regulations, matters are decided at meetings of the Board of Directors after the necessary internal procedures pursuant to in-house regulations have been completed. Also, internal audit staff conducts audits of the company s overall business activities to ensure conformity with laws and regulations and in-house regulations.

b) System for storage and maintenance of information relating to the performance of duties by directors

Information relating to the performance of duties by directors is recorded and stored in accordance with rules stipulating the methods of storage and administration of documents and administrative information.

c) Regulations and other systems relating to the management of loss risks

Executive directors responsible for risk management periodically summarize information relating to risks in their organizations in accordance with rules concerning risk management, and the internal control committee made up of directors, senior vice presidents, and others identifies risks as necessary for companywide risk management, and decides management policy for identified risks to prevent risks from occurring and to take rapid countermeasures in the event that risks do occur.

d) System to ensure that the performance of duties by directors is conducted efficiently

The efficiency of the performance by directors of their duties is ensured by such means as decision-making rules based on internal regulations and the specification of powers relating to their duties, the formulation of medium-term management policies and business plans by the Board of Directors, and the establishment of committees composed of directors, senior vice presidents, and others.

e) System to ensure the propriety of the business activities of the corporate group consisting of the Company, its parent company, and its subsidiaries

Based on rules governing fundamental matters relating to the management of our Group companies, group companies discuss important business matters with the Company or report them to the Company. In addition, officers with responsibility for corporate ethics who are appointed at subsidiaries report to the Company in a timely manner on the state of problems involving senior management, and the Company provides necessary guidance. With respect to unusual transactions with the parent company, investigations are conducted by legal personnel and audits are conducted by corporate auditors. Further, audits by internal audit personnel are directed to cover its subsidiaries, and whenever necessary they obtain and assess the results of the internal audits of those companies.

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f) Matters relating to employees who assist corporate auditors in the performance of their duties and the independence of those employees from the directors

The Corporate Auditor s Office is established as an organization dedicated to assisting the corporate auditors with the performance of their duties, and specialist staff are assigned to it. We provide the Board of Corporate Auditors with advance explanations concerning matters such as appointments and transfers of these personnel and their job assignments, and pay respectful attention to the board s opinions before acting on such matters.

g) System for reporting to corporate auditors by directors and employees

Directors, senior vice presidents, and employees report promptly to the corporate auditors and to the Board of Corporate Auditors concerning matters prescribed by laws and regulations as well as requested matters necessary for the performance by the corporate auditors of their duties.

h) Other systems for ensuring that auditing by corporate auditors is conducted effectively

Representative directors and the Board of Corporate Auditors hold regular meetings and develop an auditing environment necessary for enabling the corporate auditors to perform their duties. In addition, the internal audit staff coordinate with the audits by the corporate auditors to ensure auditing is conducted in a collaborative manner.

Throughout this report, amounts prepared based on domestic accounting standards are truncated to the nearest unit. Amounts prepared in accordance with U.S. accounting standards are rounded to the nearest unit.

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LEGAL MATTERS

Holland & Knight LLP will pass upon the validity of the common stock offered by this prospectus on our behalf. Certain legal matters will be passed upon for the underwriters by Wickersham & Murphy, P.C.

EXPERTS

Our financial statements for the year ended December 31, 2004, in this prospectus have been audited by Cordovano & Honeck LLP, independent certified public accountants, to the extent and for the periods set forth in their report, and are set forth in this prospectus in reliance upon such report given upon the authority of them as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

In connection with the units offered by this prospectus, we have filed a registration statement on Form SB-2 under the Securities Act with the SEC. This prospectus, filed as part of the registration statement, does not contain all of the information included in the registration statement and the accompanying exhibits and schedules. For further information with respect to our units, shares and warrants, and us you should refer to the registration statement and the accompanying exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract or any other document are not necessarily complete, and you should refer to the copy of the contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by the actual contents of the contract or other document referred to. You may inspect a copy of the registration statement and the accompanying exhibits and schedules without charge at the Securities and Exchange Commission's public reference facilities, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at its regional offices located at 233 Broadway, 16th Floor, New York, NY 10279, and you may obtain copies of all or any part of the registration statement from those offices for a fee. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically. The address of the site is *http://www.sec.gov*.

We are registered under the Securities and Exchange Act of 1934, and we file with the SEC annual reports on Form 10-KSB and quarterly reports on Form 10-QSB.

We intend to furnish our shareholders with annual reports containing financial statements audited by our independent public accountants.

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Report of Independent Registered Public Accounting Firm

The Board of Directors
ICOP Digital, Inc. (formerly Vista Exploration Corporation):

We have audited the accompanying balance sheet of ICOP Digital, Inc. (formerly Vista Exploration Corporation) (a development stage company) as of December 31, 2004, and the related statements of operations, comprehensive income, changes in shareholders' deficit, and cash flows for the years ended December 31, 2004 and 2003 and for the period from May 24, 2002 (inception) through December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards of the Public Companies Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICOP Digital, Inc. (formerly Vista Exploration Corporation) as of December 31, 2004, and the results of its operations and its cash flows for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's significant operating losses since inception raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Cordovano and Honeck LLP
Denver, Colorado
March 11, 2005

ICOP DIGITAL, INC.
(formerly Vista Exploration Corporation)
(a development stage company)
BALANCE SHEET
DECEMBER 31, 2004

Assets		
Current assets:		
Cash	$	4,242
Accounts receivable, net		44,525
Prepaid expenses		33,223
Total current assets		81,990
Property and equipment, less accumulated depreciation of $38,180 (Note 1)		119,298
Other assets:		
Deferred patent costs		61,480
Other		250
	$	263,018
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable	$	2,051,300
Accrued liabilities		380,426
Unearned revenue		109,102
Notes and loans payable Related party (Note 2)		139,066
Notes payable (Note 5)		200,000
Current maturities of long-term debt (Note 5)		7,853
Accrued interest payable (Note 5)		9,759
Total current liabilities		2,897,506
Long-term debt, net of current maturities (Note 5)		35,011
Total liabilities		2,932,517
Shareholders' deficit (Note 7):		
Preferred stock, no par value; 5,000,000 shares authorized, 250,000 shares issued and outstanding		1,099,998
Common stock, no par value; 50,000,000 shares authorized, 16,382,000 shares issued and outstanding		3,221,268
Accumulated other comprehensive loss, net of tax		(117,595)
Retained deficit		(6,873,170)
Total shareholders' deficit		(2,669,499)
	$	263,018

See accompanying notes to financial statements

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ICOP DIGITAL, INC.
(formerly Vista Exploration Corporation)
(a development stage company)
STATEMENTS OF OPERATIONS

	Years Ended December 31, 2004	Years Ended December 31, 2003	May 24, 2002 (Inception) Through December 31, 2004
Sales, net of returns	$ 50,657	$	$ 50,657
Cost of sales	31,755		31,755
Gross profit	18,902		18,902
Operating expenses:			
Selling, general and administrative	1,533,564	1,055,264	2,947,258
Research and development	936,111	2,828,113	3,942,228
Loss from the disposition of subsidiary (Note 3)		450,000	450,000
Total operating expenses	2,469,675	4,333,377	7,339,486
Loss from operations	(2,450,773)	(4,333,377)	(7,320,584)
Other income (expense):			
Realized loss on foreign currency translation		(4,221)	(4,221)
Unusual item:			
Gain on restructure of trade debt (Note 9)	471,707		471,707
Interest expense	(13,447)	(5,444)	(20,072)
Loss before income taxes	(1,992,513)	(4,343,042)	(6,873,170)
Income tax provision (Note 6)			
Net loss	$ (1,992,513)	$ (4,343,042)	$ (6,873,170)
Basic and diluted loss per share	$ (0.12)	$ (0.32)	
Basic and diluted weighted average common shares outstanding	16,084,452	13,435,832	

See accompanying notes to financial statements

ICOP DIGITAL, INC.
(formerly Vista Exploration Corporation)
(a development stage company)
STATEMENT OF OTHER COMPREHENSIVE LOSS

	Years Ended December 31, 2004	Years Ended December 31, 2003	May 24, 2002 (Inception) Through December 31, 2004
Net loss	$ (1,992,513)	$ (4,343,042)	$ (6,873,170)
Other comprehensive loss, net of tax:			
Foreign currency translation	(42,014)	(75,581)	(117,595)
Comprehensive loss	$ (2,034,527)	$ (4,418,623)	$ (6,990,765)

See accompanying notes to financial statements

ICOP DIGITAL, INC.
(formerly Vista Exploration Corporation)
(a development stage company)
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

	Preferred Stock		Common Stock		Accumulated Other Comprehensive Loss	Retained Deficit	Total
	Shares	Amount	Shares	Amount			
Balance at May 24, 2002 (inception)		$		$	$	$	$
June to August 2002, shares sold in private placement offering ($.01/share) (Note 7)			* 10,620,000	106,200*			106,200
September 2002, shares sold in private placement offering ($.10/share) (Note 7)			* 1,000,000	100,000*			100,000
October to November 2002, shares sold in private placement offering ($1.00/share) (Note 7)			* 150,000	150,000*			150,000
December 2002, shares issued in exchange for public relations services ($1.00/share) (Note 7)			* 100,000	100,000*			100,000
Net loss for the period ended December 31, 2002						(537,615)	(537,615)
Balance at December 31, 2002			11,870,000	456,200		(537,615)	(81,415)
January to June 2003, shares sold in private placement offering ($1.00/share) (Note 7)			* 1,946,000	1,923,500*			1,923,500
February 2003, shares issued in exchange for equipment installation services ($1.00/share) (Note 7)			* 11,000	11,000*			11,000
February 2003, shares issued in exchange for design services ($1.00/share) (Note 7)			* 50,000	50,000*			50,000
February 2003, shares issued to acquire McCoy's Lawline ($1.00/share) (Note 1)			* 700,000	700,000*			700,000
Stock options issued in exchange for services provided (Note 7)				90,000			90,000
Unrealized effect of the change in foreign currency exchange rates					(75,581)		(75,581)
Net loss for the year ended December 31, 2003						(4,343,042)	(4,343,042)
Balance at December 30, 2003, before merger			14,577,000	3,230,700	(75,581)	(4,880,657)	(1,725,538)
December 31, 2003, shares issued in conjunction with merger with ICOP Digital, Inc.			1,790,000	(9,432)			(9,432)
Balance at December 31, 2003			16,367,000	3,221,268	(75,581)	(4,880,657)	(1,734,970)
January to December 2004, shares sold in private placement offering ($1.00/share) (Note 7)			415,000	395,000*			395,000
February 2003, preferred shares sold in private placement offering ($6.00/share) (Note 7)	250,000	1,099,998		*			1,099,998
January and July 2004, stock issued in exercise of stock options ($1.00/share) (Note 7)			100,000	100,000*			100,000
March 2004, shares returned to divest McCoy's Lawline ($1.00/share) (Note 1)			(700,000)	(700,000)*			(700,000)
December 2004, stock issued in exchange for engineering agreement (Note 7)			200,000	200,000			200,000
Stock options issued in exchange for services provided (Note 7)				5,000			5,000
Unrealized effect of the change in foreign currency exchange rates					(42,014)		(42,014)
Net loss for the year ended December 31, 2004						(1,992,513)	(1,992,513)
Balance at December 31, 2004	250,000	$ 1,099,998	16,382,000	$ 3,221,268	$ (117,595)	$ (6,873,170)	$ (2,669,499)

* Restated, see Note 1

See accompanying notes to financial statements

ICOP DIGITAL, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2004	Years Ended December 31, 2003	May 24, 2002 (Inception) Through December 31, 2004
Cash flows from operating activities:			
Net loss	$ (1,992,513)	$ (4,343,042)	$ (6,873,170)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	28,320	17,556	51,228
Book value of equipment retired	1,734	27,102	28,837
Stock-based compensation (Notes 1 and 7)	200,000	50,000	350,000
Stock options issued	5,000	90,000	95,000
Loss on unconsolidated subsidiary		450,000	450,000
Gain on restructured trade debt	(471,707)		(471,707)
Changes in operating liabilities:			
(Increase) in accounts receivable and prepaid expenses	(72,348)	226	(77,748)
Increase in accounts payable and accrued liabilities	1,076,048	1,756,649	2,904,699
Net cash used in operating activities	(1,225,466)	(1,951,509)	(3,542,861)
Cash flows from investing activities:			
Purchases of property and equipment	(26,678)	(20,626)	(91,648)
Deferred patent costs	(61,730)		(61,730)
Investment in Subsidiary	(450,000)		(450,000)
Liabilities assumed in recapitalization		9,432	9,432
Deposits	3,000		
Net cash used in investing activities	(535,408)	(11,194)	(593,946)
Cash flows from financing activities:			
Proceeds from issuance of notes payable	454,000	374,418	906,231
Principal payments on notes payable	(402,662)	(214,717)	(617,380)
Proceeds from the sale of preferred stock	1,099,998		1,099,998
Proceeds from the sale of common stock	495,000	1,923,500	2,774,700
Payment of offering costs		(22,500)	(22,500)
Net cash provided by financing activities	1,646,336	2,060,701	4,141,049
Net change in cash	(114,538)	97,998	4,242
Cash, beginning of period	118,780	20,782	
Cash, end of period	$ 4,242	$ 118,780	$ 4,242
Supplemental disclosure of cash flow information:			
Income taxes	$	$	$
Interest	$ 6,439	$ 6,627	$ 13,066
Non-cash investing and financing transactions:			
Subsidiary acquired (disposed) with stock	$	$ 700,000	$ 700,000
Subsidiary divested for stock	$ (700,000)	$	$ (700,000)
Foreign currency translation	$ 42,014	$ 75,581	$ 117,595

						May 24, 2002 (Inception) Through December 31, 2004
Equipment acquired with notes payable	$	96,714	$		$	96,714
Equipment acquired with stock	$		$	11,000	$	11,000

See accompanying notes to financial statements

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ICOP DIGITAL, INC.
(Formerly Vista Exploration Corporation)
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

Note 1: Nature of Operations, Merger, and Summary of Significant Accounting Policies

Operations and Merger

ICOP Digital, Inc. (formerly Vista Exploration Corporation) (the "Company"), was incorporated in May 2002 in Nevada. Effective December 31, 2003, it merged into a Colorado corporation. It is a development stage enterprise engaged in the design, development and marketing of an in-car video system for use in the law enforcement industry. A small number of in-car video units have been sold. The Company's offices are located in Overland Park, Kansas.

Certain changes have been made to the prior year's financial statements in order to conform to the current year's presentation.

In February 2003, the Company purchased all of the issued and outstanding common stock of McCoy's Law Line, Inc. ("McCoy's"). The primary reason for the purchase was to permit ICOP to sell and distribute law enforcement-related products in addition to its in-car digital video recorder system. The purchase price consisted of 700,000 shares of ICOP common stock valued at $1.00 per share by the Company's Board of Directors based on contemporaneous stock sales to unrelated third parties. In March 2004, the Company sold its entire investment in this subsidiary back to the original owners in exchange for the 700,000 shares of ICOP common stock that the Company had paid for the original purchase. A loss of $450,000 was recorded from this investment in 2003. No gain or loss was recorded in 2004 from this investment or disposition of this investment.

Effective December 31, 2003, ICOP Digital, Inc., a Nevada corporation, (ICOP-Nevada) exchanged 100 percent of its outstanding shares of common stock for 14,577,000 shares of the common stock of Vista Exploration Corporation, a Colorado corporation, ("Vista".) On January 13, 2004, the two companies completed the merger. For clarity of disclosure, the accompanying financial statements have been prepared as if the transaction was completed December 31, 2003. The acquisition has been treated as a recapitalization of ICOP-Nevada, with Vista the legal surviving entity. Since Vista had, prior to the recapitalization of ICOP-Nevada, no assets and net liabilities (consisting principally of accounts payable) and no operations, the recapitalization has been accounted for as the sale of 1,790,000 shares of ICOP-Nevada common stock for the net liabilities of Vista. The historical financial statements presented herein are those of ICOP-Nevada. Costs of the transaction have been charged to the period. In November 2004, shareholders approved the change of the Colorado corporation name from Vista Exploration Corporation (Vista) to ICOP Digital, Inc. (ICOP).

Basis of Presentation

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has suffered significant losses since inception. This factor, among others, may indicate that the Company will be unable to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of assets and/or liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to meet its obligations on a timely basis, and, ultimately to attain profitability.

Management has financed the Company through the sale of common and preferred stock, the issuance of debt and the exercise of outstanding stock options. The Company's long-term continued operations will depend on management's ability to raise additional funds through equity and debt financing for research and development and to support the manufacture and import of their new products as they come to market although there is no assurance that such financing can be obtained at favorable rates, or at all. In the longer term, the Company plans to expand its acquired operations, commence sale of its new products and become profitable. However, there also is no assurance that the Company's new products will gain market acceptance or that the Company will attain profitability.

The Company is planning a registered offering of its common stock in 2005. Through March 11, 2005, the Company has raised $2.2 million in related bridge financing. (See Note 10). Management estimates that this bridge financing will be sufficient to fund operation at least until June 2005 based on the expected level of expenditures in relation to research and development activities and other ongoing operations of the Company. However, the Company will be dependent upon the success of the planned registered common stock offering to continue operations through the end of the year, and beyond.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. There were no cash equivalents at December 31, 2004.

Investment in Unconsolidated Subsidiary

Such investments are accounted for using the equity method of accounting if the investment in a majority-owned company is considered temporary. The Company reflects its investment in equity-method investees on the balance sheet as "Investment in unconsolidated subsidiary" and its share of the investees' earnings or losses as "Equity in losses of equity-method investee, net" on the statements of operations. ICOP disposed of it unconsolidated subsidiary effective December 31, 2004 and has no unconsolidated subsidiaries at December 31, 2004.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, generally ranging from three to five years. Property and equipment under capital leases are stated at the present value of minimum lease payments and are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the assets or the term of the lease, whichever is shorter. The recoverability of property and equipment is evaluated whenever indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. No impairment charges have been recorded for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004.

Impairment of Long-lived Assets

The Company reviews long-lived assets and identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. They assess these assets for impairment based on estimated undiscounted future cash flows from these assets. If the carrying value of the assets exceeds the estimated future undiscounted cash flows, a loss is recorded for the excess of the asset's carrying value over the fair value. The Company did not recognize any impairment loss for long-lived assets for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004.

Recognition of Revenue and Costs of Services

Revenues consist of the sales of electronic parts and labor. Billings are rendered as the goods are shipped and recognized at the time of shipment. Direct costs of services include compensation, related payroll taxes, benefits and workers' compensation insurance, and outsourcing costs. Costs of services are recognized at the time of shipment.

Emerging Issues Task Force ("EITF") No. 99-19, "Reporting Revenues Gross as a Principal Versus Net as an Agent," establishes criteria for recognizing revenues on a gross or net basis. The Company is the primary obligor in its transactions, has responsibility for fulfillment, including the acceptability of services ordered and purchased by customers. In addition, the Company has all credit risk, retains substantially all risk and rewards of the products sold. Accordingly, the Company records all transactions at the gross revenue amount billed, consistent with the provisions of EITF 99-19.

Research and Development

Research and development costs are charged to the expense, as incurred.

Deferred patent application cost

Legal expenses incurred in preparation of patent application have been deferred and will be amortized over the useful life of granted patents. Costs incurred in preparation of applications that are not granted will be charged to expense at that time.

Income Taxes

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Statement No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Foreign Currency

The Company outsourced certain research and development to a Japanese firm. Services and products were billed to the Company in the local currency. Liabilities in foreign currencies are translated at exchange rates prevailing at the balance sheet date. Costs and expenses are translated into United States dollars at average exchange rates for the period. Gains and losses resulting from translation are accumulated as a component of other comprehensive income (loss). Realized gains and losses from foreign currency transactions are recognized as other income.

Comprehensive Loss

Comprehensive loss includes all changes in equity (net assets) during a period from non-owner sources. The change in accumulated other comprehensive income for all periods presented resulted from foreign currency translation losses.

Stock-based Compensation

The Company accounts for stock-based compensation arrangements in accordance with Statement of financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 allows entities to continue to apply the provisions of Accounting Principle Board ("APB") Opinion No. 25 and provide pro forma net earnings (loss) disclosures for employee stock option grants as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123. For options granted prior to the merger with ICOP, the fair value of option grants was determined using the Black-Scholes option-pricing model with a zero volatility assumption. For options granted subsequent to the merger, the fair value of option grants was determined using the Black-Scholes option-pricing model with volatility assumptions based on actual or expected fluctuations in the price of our common stock.

Generally accepted accounting principles require companies who choose to account for stock option grants using the intrinsic value method to also determine the fair value of option grants using an option-pricing model, such as the Black-Scholes model, and to disclose the impact of fair value accounting in a note to the financial statements. In December 2002, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation Transition and Disclosure, an Amendment of FASB Statement No. 123." The Company did not elect to voluntarily change to the fair value based method of accounting for stock based employee compensation and record such amounts as charges to operating expense.

The Company accounts for stock-based arrangements issued to non-employees using the fair value based method, which calculates compensation expense based on the fair value of the stock option granted using the Black-Scholes option pricing model at the date of grant, or over the period of performance, as appropriate.

Risk-free interest rate	1.98%
Dividend yield	0.00%
Volatility factor	10.00%
Weighted-average expected life	4 years

Loss per Common Share

The Company reports loss per share using a dual presentation of basic and diluted loss per share. Basic loss per share excludes the impact of common stock equivalents. Diluted loss per share uses the average market price per share when applying the treasury stock method in determining common stock equivalents. However, the Company has a simple capital structure for the period presented and has incurred operating losses, therefore, there is no variance between the basic and diluted loss per share.

Concentrations

During the year ended and as of December 31, 2003, one supplier accounted for 84% of the Company's research and development costs. The Company did not incur significant additional expense with this supplier during the year ended December 31, 2004, but anticipates that approximately 55% of inventory will be purchased from this supplier in the coming year.

Fair Value of Financial Instruments

The Company has determined, based on available market information and appropriate valuation methodologies, the fair values of its financial instruments approximate carrying values. The carrying amounts of cash, receivables, payables, and other current liabilities at December 31, 2004 approximate fair value due to the short-term maturity of the instruments. At December 31, 2004, based on rates for similar types of debt, the fair value of notes payable, related party was not materially different from its carrying amount.

Note 2: Related Party Transactions

Notes and loans payable to related parties consisted of unsecured advances made to the Company under promissory note agreements for working capital purposes and accrued interest at from 8 to 10 percent thereon. The notes payable and related interest are due on demand. During the year ended December 31, 2003, shareholders and affiliates advanced $304,000 to the Company and during that period the Company repaid $104,000. $200,000 was owed to one shareholder as of December 31, 2003. The Company recorded interest expense of $13,447, $5,444 and $20,072 on the notes for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004, respectively. Accrued interest payable to a related party was $816, and $2,762 as of December 31, 2004 and 2003, respectively. During the year ended December 31, 2004, the $200,000 shareholder note was repaid including accrued interest and other shareholders advanced $295,066 to the Company under primarily non-interest bearing demand notes against which the Company repaid $165,000. In addition, another shareholder loaned the company $9,000 which remained outstanding at December 31, 2004.

Notes and loans payable to related parties at December 31, 2004, consisted of the following:

Note to D&L Owen Trust, payable on demand, non-interest bearing	$	60,000
Note to Owen Enterprises, payable on demand, with interest at 10 percent		5,000
Note to Owen & Assoc., payable on demand, non-interest bearing		25,066
Note to Gunilla Ross, payable on demand, non-interest bearing		40,000
Loan from Charles Ross, payable on demand, non-interest bearing		9,000
Total notes and loans payable to related parties	$	139,066

The Company purchased furnishings and equipment totaling $50,066 from an affiliate during the year ended December 31, 2004. The Company purchased equipment totaling $5,250 from a shareholder during the year ended December 31, 2003. The prices paid were the predecessor's depreciated cost, which the board of directors determined to represent the fair value of the property.

The Company paid automobile lease payments of $720 per month on behalf of the Chairman of the Board. Total payments related to the lease were $6,100 in 2003 and $4,320 in 2004 before the payments were discontinued.

The Company paid consulting fees totaling $16,000 to a shareholder during the year ended December 31, 2003.

During 2003, certain shareholders advanced to the Company $70,418 for working capital. The Company repaid $36,541 to those shareholders during the same period. The advances were interest free and payable as cash became available. The Company owed the shareholders $33,877 as of December 31, 2003 which was repaid in 2004.

Note 3: Investment in Unconsolidated Subsidiary

Summarized financial information for the Company's investment in its unconsolidated subsidiary, McCoy's Law line, Inc. is as follows as of December 31, 2003:

Financial position information:		
Current assets	$	753,932
Noncurrent assets	$	16,296
Current liabilities	$	1,555,050
Net worth	$	(784,822)
Operating statement information:		
Revenues	$	4,541,883
Operating loss	$	(760,505)
Net loss	$	(806,938)

The Company's share of McCoy's Law Line, Inc. net loss for 2003 was $450,000.

In March 2004, the Company transferred $450,000 to McCoy's Law Line, Inc to repay bank debt incurred during the preceding year. The Company also sold its entire investment in this subsidiary to McCoy's original owners in exchange for the 700,000 shares of ICOP common stock that the Company had paid for the original purchase. No gain or loss was recorded in 2004 from this investment or disposition of this investment.

Note 4: Property and Equipment

Property and equipment consisted of the following as of December 31, 2004:

Equipment	$ 120,936
Furniture	33,118
Leasehold improvements	3,424
	157,478
Less: accumulated depreciation	(38,180)
	$ 119,298

Depreciation expense was $28,320, $17,556 and $51,228 for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004, respectively.

Note 5: Notes Payable

Notes payable at December 31, 2004 and December 31, 2003 consisted of the following:

Six percent note payable to Ford Motor Credit, monthly payments of $429, collateralized by vehicle, matures April 2009	$ 19,837
Seven percent note payable to Ford Motor Credit, monthly payments of $482, collateralized by vehicle, matures November 2009	23,027
	42,864
Less: current maturities	7,853
Long-term debt	$ 35,011

In July 2004, the Company obtained a six-month unsecured note payable in the amount of $200,000, bearing interest at the rate of 10% per annum. This note was repaid in 2005 by payment of accrued interest and inclusion of principal in the bridge loan described in Note 10.

Note 6: Income Taxes

A reconciliation of the U.S. statutory federal income tax rate to the effective rate is as follows:

	Years Ended December 31,		May 24, 2002 (Inception) Through December 31, 2004
	2004	**2003**	
U.S. statutory federal rate	34%	34%	34%
State income tax rate, net of federal benefits	3%	3%	3%
Net operating loss (NOL) for which no tax benefit is currently available	(37)%	(37)%	(37)%
	0%	0%	0%

At December 31, 2004, deferred taxes consisted of a net tax asset of $2,543,000 due to operating loss carryforwards of $6,873,000, which was fully allowed for, in the valuation allowance of $2,543,000. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The changes in the valuation allowance for the year ended December 31, 2004 was $737,000. Net operating loss carryforwards will expire through 2024.

At December 31, 2003, deferred taxes consisted of a net tax asset of $1,806,000 due to operating loss carryforwards of $4,881,000, which was fully allowed for, in the valuation allowance of $1,806,000. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The changes in the valuation allowance for the year ended December 31, 2003 was $1,607,000.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer impaired and the allowance is no longer required.

Should the Company undergo an ownership change, as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of those losses.

Note 7: Shareholders' Equity

Preferred Stock

No par preferred stock may be issued in series. Designations, preferences, stated values, rights, qualifications or limitations are to be determined by the Board of Directors.

From January through March 2004, the Company sold 250,000 shares of convertible preferred stock for total proceeds of $1,099,998. Each share can be converted into eight shares of common stock and carries a warrant that allows the purchase of an additional eight common shares at a price of $1.80 per share.

Stock Issued for Cash

From June through August 2002, the Company sold an aggregate of 10,620,000 shares of its common stock to founders for a total of $106,200, or $.01 per share. The shares of common stock were sold in the absence of objectively determinable values.

In September 2002, the Company sold an aggregate of 1,000,000 shares of its common stock to founders for a total of $100,000, or $.10 per share. The shares of common stock were sold in the absence of objectively determinable values.

During October and November 2002, the Company circulated a private offering memorandum relating to the private offering of up to 2.5 million shares of its common stock at $1.00 per share. The Company closed the offering after selling 150,000 shares of common stock for proceeds of $150,000.

From January to December 2003, the Company circulated a private offering memorandum relating to the private offering of up to 2 million shares of its common stock at $1.00 per share. The Company closed the offering after selling 1,946,000 shares of common stock for net proceeds of $1,923,500, after deducting offering costs totaling $22,500.

In 2004, the Company issued 415,000 shares of its common stock for a total of $395,000. The shares of common stock were sold under a private offering memorandum relating to the private offering of up to 2 million shares of its common stock at $1.00 per share.

In January and July 2004, the Company sold 100,000 shares of its common stock for a total of $100,000 through the exercise of stock options granted in 2002.

The securities sold have not been registered pursuant to the Securities Act of 1933, as amended (the "Act"), nor have they been registered under the securities act of any state. These securities were offered pursuant to an exemption from registration requirements of the Act and exemptions from registration provided by applicable state securities laws. Management of the Company, who were not paid any commission or compensation for offering or selling the securities, sold the securities.

Stock Issued for Consideration Other than Cash

In December 2002, the Company issued 100,000 shares of its common stock for public relations services. The shares were valued by the Board of Directors at $1.00 per share based upon contemporaneous sales of stock for cash to unrelated third parties. Because the shares of common stock were not registered, the stock certificate bears a legend regarding transferability. The Company recorded compensation expense in the amount of $100,000.

In February 2003, the Company issued 11,000 and 50,000 shares of its common stock for equipment installation and design services. The shares were valued by the Board of Directors at $1.00 per share based upon contemporaneous sales of stock for cash to unrelated third parties. Because the shares of common stock were not registered, the stock certificates bear certain legends regarding transferability. The Company recorded an asset and compensation expense in the amounts of $11,000 and $50,000, respectively.

In December 2004, the Company issued 200,000 shares of its common stock for engineering services. The shares were valued by the Board of Directors at $1.00 per share based upon contemporaneous sales of stock for cash to unrelated third parties. Because the shares of common stock were not registered, the stock certificate bears a certain legend regarding transferability. The Company recorded compensation expense in the amount of $200,000.

Stock Options Outstanding

The Company established a Stock Option Plan (the "Plan") in 2002 to attract and retain directors, officers, key employees and consultants. The plan permits the Board of Directors to grant (1) options to purchase common stock; (2) restricted stock awards, and (3) cash, shares of common stock or a combination of both.

The Company granted options to purchase a total of 2,000,000 shares of common stock to two employees in 2002. The Company valued the option at $-0- using the intrinsic value method, which calculates compensation expense based on the difference, if any, on the date of the grant, between the fair value of the stock and the option exercise price. Had the Company valued the options under the fair-value method and recognized stock-based compensation expense, the net loss for the year ended

December 31, 2002 would have been $(652,115) instead of $(537,615), as reported. Options for 500,000 shares were cancelled in 2004 when released by the holder.

The Company granted an option to purchase 500,000 shares of common stock to the president of ICOP in 2003. The Company valued the option using the intrinsic value method and recognized $90,000 in stock-based compensation expense in 2003. These options were cancelled in 2004 when the holder of the options resigned.

The Company granted options to purchase a total of 800,000 shares of common stock to three employees in 2004 and extended the term of options held by another employee. The Company valued the option at $-0- using the intrinsic value method, which calculates compensation expense based on the difference, if any, on the date of the grant, between the fair value of the stock and the option exercise price. Had the Company valued the options under the fair-value method and recognized stock-based compensation expense, the net loss for the year ended December 31, 2004 would have been $(2,180,513) instead of $(1,992,513), as reported.

The Company also granted options to purchase 100,000 shares of common stock to two contractors in 2004. The Company valued the options under the fair-value method and recognized stock-based compensation expense totaling $5,000 in 2004. Pro forma effect of fair value treatment of stock options would be as follows:

	Years ended December 31,		May 24, 2004 (Inception) through December 31, 2004
	2004	2003	
Net loss, as reported	$ (1,992,513)	$ (4,343,042)	$ (6,873,170)
Stock-based compensation	(188,000)		(302,500)
Pro forma	$ (2,180,513)	$ (4,343,042)	$ (7,175,670)

	Options Outstanding and Exercisable		
	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price Per Share
Balance at May 24, 2002		$	$
Options granted	2,000,000	$ 1.00	$ 1.00
Options exercised		$	$
Options canceled		$	$
Balance at December 31, 2002	2,000,000	$ 1.00	$ 1.00
Options granted	500,000	$ 1.00	$ 1.00
Options exercised		$	$
Options canceled		$	$
Balance at December 31, 2003	2,500,000	$ 1.00	$ 1.00
Options granted	900,000	$ 1.00	$ 1.00
Options exercised	(100,000)	$ 1.00	$ 1.00
Options canceled	(1,000,000)	$ 1.00	$ 1.00
Balance at December 31, 2004	2,300,000	$ 1.00	$ 1.00

Note 8: Commitments

Operating Lease Arrangements

The Company leases office space in Overland Park, Kansas under an operating lease expiring in 2006. Future minimum payments due under the noncancelable lease are as follows:

Year ending December 31:		
2005	$	55,962
2006		55,962
	$	111,924

Rent expense was $99,343, $79,128 and $194,677 for the years ended December 31, 2004 and 2003 and the period from May 24, 2002 (inception) through December 31, 2004, respectively.

Royalty Payments

The Company agreed to pay a royalty payment of $100 per unit for the first 1,000 in-car video units sold and has agreed to pay a royalty of $20 per unit for all video units sold using a specific portion of current software.

Note 9: Gain on Restructure of Trade Debt

In June 2004, the Company negotiated a reduction of $471,707 in the amount it had been billed by a contractor in 2003 for research and development costs. Accounts payable have been reduced by this amount. A gain of $471,707 is reflected in the Statement of Operations for the year ended December 31, 2004.

Note 10: Subsequent Events

Subsequent to December 31, 2004, the Company granted options to purchase a total of 1,350,000 shares of common stock to six employees and cancelled options for 50,000 shares when the holder resigned. The Company valued the option at $-0- using the intrinsic value method, which calculates compensation expense based on the difference, if any, on the date of the grant, between the fair value of the stock and the option exercise price. Had the Company valued the options under the fair-value method, the stock-based compensation expense to be recognized would be approximately $115,745.

There were options to purchase 3,600,000 shares of common stock outstanding as of March 11, 2005.

On December 17, 2004, the Company entered into a letter of intent with an investment company to manage a firmly underwritten secondary offering of common stock of approximately $10 million at a price to be determined. Subsequent to December 31, 2004, the Company received bridge loans in the amount of $2.2 million, which are expected to be repaid from proceeds of the proposed offering.

At a special meeting held Feburary 28, 2005, shareholders approved a one-for-ten reverse split of the Company's common and preferred stock. The effect of this change has not been reflected in the financial statements.

ICOP DIGITAL, INC.

833,333 Units

PROSPECTUS

, 2005

PART II Information Not Required In Prospectus

Item 24. Indemnification of Directors and Officers.

Our bylaws provide that, in the event a director, officer or employee is made a party or threatened to be made a party by reason of his service as a director, officer or employee of the Company (or by reason of his service as a director, officer, employee or agent of another entity at the request of the Company), then we shall indemnify that individual against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of the action if he acted in good faith and, in the case of conduct in his official capacity, in a manner he reasonably believed to be in the best interests of the Company or, in all other cases, in a manner that was at least not opposed to the Company's best interests. Notwithstanding the foregoing, no indemnification shall be made if the person is adjudged to be liable to the Company, or if he is adjudged liable on the basis that he derived an improper personal benefit. Under certain circumstances, we may pay expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding in advance to the final disposition of the matter. Furthermore, our Articles of Incorporation, as amended, provide for indemnification of our directors, officers, agents, fiduciaries and employees against any claim, liability or expense arising against or incurred by such person because he is or was a director, officer, fiduciary, or employee of the Company (or because he served as a director, officer, employee, partner, trustee or agent of another entity at the request of the Company) to the maximum extent permitted under Colorado law. Colorado law generally permits a corporation to provide indemnification if the individual: (i) the person acted in good faith; and (ii) the person reasonably believed that, in the case of conduct in an official capacity, such conduct was in the corporation's best interests and, in all other cases, that such conduct was at least not opposed to the corporation's best interests. In a criminal proceeding, the person must have had no reasonable cause to believe the person's conduct was unlawful.

Item 25. Other Expenses of Issuance and Distribution.

The estimated expenses of the offering, all of which are to be borne by the Registrant, are as follows:

SEC Registration Fee	$	3,700
NASD Filing Fee	$	3,650
Nasdaq SmallCap Listing Fee	$	25,000
Pacific Exchange Listing Fee	$	20,500
Underwriters' Non-Accountable Expense Allowance	$	300,000
Printing and Engraving	$	50,000*
Accounting Fees and Expenses	$	100,000*
Legal Fees and Expenses	$	250,000*
Blue Sky Fees and Expenses (including related legal fees)	$	85,000*
Transfer Agent Fees	$	10,000*
Miscellaneous	$	52,150*
Total	$	900,000*

* Estimated

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Item 26. Recent Sales of Unregistered Securities.

In the last three years, the Registrant has sold securities which were not registered as follows:

In December 2003, pursuant to an exemption under the Securities Act, we issued 60,000 shares of our common stock to two accredited investors for an aggregate price of $300,000.

In March 2004, pursuant to an exemption under Regulation D of the Securities Act, we concluded an offering of our Series A Preferred Stock and warrants to accredited investors. We issued an aggregate of 25,000 shares of Series A Preferred Stock and 200,000 Series A warrants for $1,099,998.

In November 2004, pursuant to an exemption under Regulation D of the Securities Act, we issued 19,500 shares of our common stock to five accredited investors for an aggregate price of $195,000.

In November 2004, pursuant to a bridge loan, we collected $100,000 from two accredited investors. The bridge loan subsequently was abandoned; and, pursuant to an exemption under Section 4(2) of the Securities Act, these two investors converted their loans into 12,000 shares of common stock in December 2004.

Effective December 2004, in connection with a software license agreement, we issued 20,000 shares of common stock to Showlei Associates. The shares were issued pursuant to Section 4(2) of the Securities Act, and represented an initiation fee to secure the license.

In March 2005, pursuant to an exemption under Regulation D of the Securities Act, we completed a $2,200,000 bridge loan from 32 accredited investors pursuant to which we issued warrants to purchase our common stock.

Item 27. Exhibits.

The following exhibits are filed as part of Registrant's Registration Statement on Form SB-2:

Exhibit No.	Description
1.1	Form of Underwriting Agreement
3.1	Articles of Incorporation (incorporated by reference to Exhibit 2.1 to Registrant's Registration Statement on Form 10-SB filed with the Commission on September 13, 1999).
3.2	First Articles of Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 8-K filed August 16, 2001).
3.3	Second Articles of Amendment to Articles of Incorporation (incorporated by referenced to Exhibit 3.1 of the Form 8-K filed August 26, 2002).
3.4	Third Articles of Amendment to Articles of Incorporation.
3.5	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of the Form 8-K filed August 16, 2001).
3.6	Agreement and Plan of Merger among Vista Exploration Corporation, ICOP Acquisition Corporation and ICOP Digital, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K filed January 28, 2004).
4.1	Form of common stock certificate*
4.2	Form of public warrant (included in Exhibit 4.4)
4.3	Form of unit certificate*
4.4	Form of Warrant Agreement Between the Registrant and ComputerShare Investor Services

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4.5	Form of Representative's Purchase Warrant
5.1	Opinion of Holland & Knight LLP*
10.1	Employment Agreement dated as of April 1, 2004 of Charles A. Ross, Sr.
10.2	Executive Employment Agreement dated as of April 1, 2004 of David C. Owen
10.3	Executive Employment Agreement dated as of April 1, 2004 of Laura E. Owen
10.4	Letter Agreement dated October 20, 2004 between Vista Exploration Company and David C. Owen*
10.5	Letter Agreement dated October 20, 2004 between Vista Exploration Company and Laura E. Owen*
10.6	2002 Stock Option Plan
10.7	Office Lease Agreement dated June 3, 2003*
10.8	First Amendment to Lease dated as of January 19, 2004*
10.9	Software Decode License Agreement dated as of January 7, 2005*
10.10	Memorandum of Understanding between the Registrant and TriSquare Communications (Hong Kong) Co., Ltd., dated as of February 11, 2004*
10.11	Development and Manufacturing Agreement between the Registrant and Tietech Co., Ltd., dated as of February 10, 2005*
10.12	Form of Common Stock Purchase Agreement dated as of December 22, 2003
10.13	Form of Stock Subscription and Purchase Agreement for Series A Preferred Stock and Series A Preferred Warrants*
10.14	Form of Common Stock Purchase Agreement dated as of June 16, 2004
10.15	Form of Convertible Bridge Loan Purchase and Investor Subscription Agreement
10.16	Form of Promissory Note associated with $2.2 million bridge loan
10.17	Form of Warrant associated with $2.2 million bridge loan
10.18	Form of Security Agreement associated with Promissory Notes and Warrants associated with $2.2 million bridge loan
10.19	McCoy Stock Purchase Agreement (incorporated by reference to Exhibit 10.5 to Form 10-KSB for period ended December 31, 2003)
21	Subsidiaries of the Registrant
23.1	Consent of Cordovano & Honeck LLP
23.2	Consent of Holland & Knight LLP (included in Exhibit 5.1).*

* To be filed by amendment.

Item 28. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or

otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes to:

(1) File, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by Section 10(a)(3) of the Securities Act);

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the dollar value of the securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) Include any additional or changed material information on the plan of distribution.

(2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(4) For purposes of determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424 (b)(1) or (4) or 497(h) under the Securities Act as part of this registration statement as of the time it was declared effective.

(5) For determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

In addition, the undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and has authorized this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Overland Park, State of Kansas, on April 4, 2005.

ICOP Digital, Inc.

By: /s/ DAVID C. OWEN

David C. Owen, *Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

POWER OF ATTORNEY

We, the undersigned directors and officers of ICOP Digital, Inc., do hereby constitute and appoint David C. Owen and John C. Garrison or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules, regulations, and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names and in the capacities indicated below, any and all amendments (including post-effective amendments) to this Registration Statement, or any related registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended; and we do hereby ratify and confirm all that the said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ CHARLES A. ROSS, SR. Charles A. Ross, Sr.	Director	April 4, 2005
/s/ DAVID C. OWEN David C. Owen	Director (Principal Executive Officer)	April 4, 2005
/s/ ROGER L. MASON Roger L. Mason	Director	April 4, 2005
/s/ JOHN C. GARRISON John C. Garrison	Chief Financial Officer (Principal Accounting and Financial Officer)	April 4, 2005

/s/ L. DERRICK ASHCROFT L. Derrick Ashcroft	Director	April 4, 2005
/s/ NOEL KOCH Noel Koch	Director	April 4, 2005

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