

NTT DOCOMO INC
Form 6-K
July 31, 2006
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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 July, 2006.

Commission File Number: 001-31221

Total number of pages: 50

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)

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

Form 20-F **Form 40-F**

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

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

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

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

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

Yes **No**

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

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Information furnished in this form:

1. Earnings release dated July 28, 2006 announcing the company's results for the Three Months ended June 30, 2006.
2. Materials presented in conjunction with the earnings release dated July 28, 2006 announcing the company's results for the Three Months ended June 30, 2006.

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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: July 31, 2006

By:

/s/ YOSHIKIYO SAKAI
Yoshikiyo Sakai

Head of Investor Relations

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3:00 P.M. JST, July 28, 2006

NTT DoCoMo, Inc.

Earnings Release for the Three Months Ended June 30, 2006

Consolidated financial results of NTT DoCoMo, Inc. and its subsidiaries (collectively we or DoCoMo) for the three months ended June 30, 2006 (April 1, 2006 to June 30, 2006), are summarized as follows.

<< Highlights of Financial Results >>

For the three months ended June 30, 2006, operating revenues were ¥1,218.6 billion (up 2.7% compared to the same period of the prior year), operating income was ¥272.7 billion (down 5.2% compared to the same period of the prior year), income before income taxes was ¥274.4 billion (down 22.4% compared to the same period of the prior year) and net income was ¥163.5 billion (down 21.3% compared to the same period of the prior year).

Earnings per share were ¥ 3,684.23 and EBITDA margin* was 36.5%, down 1.8 points compared to the same period of the prior year.

-
Notes:

1. Consolidated financial statements in this release are unaudited.
2. Amounts in this release are rounded off.

* EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of Regulation S-K and may not be comparable to similarly titled measures used by other companies. For an explanation of our definition of EBITDA, see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 16.

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

In the first quarter of the fiscal year ending March 31, 2007, we achieved solid results in our business operations. Our cellular churn rate was 0.64%, 0.16 points lower compared to the same period of the prior year, and we secured the largest market share of net additional subscribers, owing to the addition of new models to our handset lineup and the brisk growth of pake-hodai flat-rate subscribers after making more billing plans available to subscribers earlier this year. We have also moved forward in migrating existing subscribers to the FOMA network, successfully growing the number of FOMA subscribers to more than half of our total cellular subscribers. As a consequence, operating income for the first quarter reached ¥272.7 billion, making a favorable progress toward our full-year forecast.

In view of the scheduled introduction of Mobile Number Portability system this fall, we will continue our endeavors to reinforce our overall competitiveness by improving every aspect of our business, including our billing plans, handsets lineup, network quality and after-sales support. As for the services we offer, following the launch of the Chaku-Uta Full , full music track downloading service in June, we plan to start a new service dubbed Music Channel a service that allows users to download music programs of high sound quality in conjunction with the introduction of High Speed Downlink Packet Access (HSDPA) this summer, in an effort to enrich our music-related offerings. We also plan to respond proactively to users' growing needs for search engines of information sites.

The subscriber base of DCMX credit payment service, commenced in the first quarter, already exceeded 300,000 as of June 30, 2006, delivering tangible results toward our goal to create new revenue sources. The uptake of i-channel service has also grown remarkably, acquiring over 4.0 million subscribers in 10 months after its service launch. We aim to boost the usage of subscribers even further by promoting various services such as i-channel going forward.

In order to react swiftly to the changes in our business environment, we, as always, will strive to respond earnestly to customers' voices, strengthen our competitiveness by enhancing existing services and introducing attractive new services, and thereby solidify our business foundation.

<< Operating Results and Financial Position >>

<Results of operations>	Billions of yen				
	(UNAUDITED)		(UNAUDITED)		Year ended March 31, 2006
	Three months ended June 30, 2006	Three months ended June 30, 2005	Increase (Decrease)		
Operating revenues	¥ 1,218.6	¥ 1,187.1	¥ 31.5	2.7%	¥ 4,765.9
Operating expenses	945.8	899.5	46.4	5.2	3,933.2
Operating income	272.7	287.6	(14.9)	(5.2)	832.6
Other income (expense)	1.7	65.8	(64.2)	(97.5)	119.7
Income before income taxes	274.4	353.4	(79.0)	(22.4)	952.3
Income taxes	110.7	144.8	(34.1)	(23.5)	341.4
Equity in net income (losses) of affiliates	(0.1)	(0.8)	0.6	83.3	(0.4)

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Minority interests in consolidated subsidiaries	<u>(0.0)</u>	<u>0.0</u>	<u>(0.0)</u>	<u></u>	<u>(0.1)</u>
Net income	<u>¥ 163.5</u>	<u>¥ 207.9</u>	<u>¥ (44.3)</u>	<u>(21.3%)</u>	<u>¥ 610.5</u>

Table of Contents**1. Business Overview**

(1) Operating revenues totaled ¥1,218.6 billion (up 2.7% compared to the same period of the prior year).

Cellular (FOMA+mova) services revenues increased to ¥1,065.4 billion (up 3.5% compared to the same period of the prior year). Despite the negative impact on revenues from our strategic billing arrangements, the acquisition of new subscribers and lowered churn rate, which resulted from our continued implementation of customer-oriented operations, delivered positive impacts on our operating revenues.

Voice revenues from FOMA services increased to ¥409.2 billion (up 78.9% compared to the same period of the prior year) and packet communications revenues from FOMA services increased to ¥215.0 billion (up 83.9% compared to the same period of the prior year) owing to a significant increase in the number of FOMA services subscribers to 26.22 million (up 91.2% compared to the same period of the prior year), which resulted from the release of new handsets such as the FOMA902i/702i series, further enhancement of our network quality, and increase in the number of billing plans that can be combined with pake-hodai, our flat-rate packet billing plan for unlimited i-mode usage.

Equipment sales totaled ¥123.6 billion (down 2.9% compared to the same period of the prior year). While the number of handset sold increased due to steady migration of subscribers from mova to FOMA services, the amount accounted for as sales revenue per handset decreased.

<Breakdown of operating revenues>	Billions of yen			
	(UNAUDITED)		(UNAUDITED)	
	Three months ended	Three months ended	Increase	
	June 30, 2006	June 30, 2005	(Decrease)	
Wireless services	¥ 1,094.9	¥ 1,059.8	¥ 35.2	3.3%
Cellular (FOMA+mova) services revenues	1,065.4	1,029.0	36.4	3.5
- Voice revenues	764.1	761.7	2.4	0.3
Including: FOMA services	409.2	228.8	180.5	78.9
- Packet communications revenues	301.4	267.3	34.1	12.7
Including: FOMA services	215.0	116.9	98.1	83.9
PHS services revenues	7.0	12.4	(5.5)	(44.0)
Other revenues	22.5	18.3	4.2	23.1
Equipment sales	123.6	127.3	(3.7)	(2.9)
Total operating revenues	¥ 1,218.6	¥ 1,187.1	¥ 31.5	2.7%

Notes:

- Cellular (FOMA+mova) services revenues reflect the impact of including the portion of Nikagetsu Kurikoshi (2-months carry over) allowances that are projected to expire.
- Voice revenues include data communications revenues through circuit switching system.

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(2) Operating expenses were ¥945.8 billion (up 5.2% compared to the same period of the prior year).

Personnel expenses were ¥62.9 billion (up 1.4% compared to the same period of the prior year). The number of employees as of June 30, 2006 was 22,217.

Non-personnel expenses increased to ¥609.3 billion (up 7.6% compared to the same period of the prior year) mainly due to an increase in cost of equipment sold, reflecting the increased number of handsets sold, and an increase in our after-sales service expenses, such as provision of free-of-charge battery packs and warranty services for handsets.

Depreciation and amortization increased by 2.3% to ¥169.3 billion compared to the same period of the prior year due to an increase in capital expenditures for reinforcement of our FOMA network.

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<Breakdown of operating expenses>	Billions of yen			
	(UNAUDITED)	(UNAUDITED)	Increase	
	Three months ended	Three months ended	(Decrease)	
	June 30, 2006	June 30, 2005		
Personnel expenses	¥ 62.9	¥ 62.0	¥ 0.9	1.4%
Non-personnel expenses	609.3	566.2	43.1	7.6
Depreciation and amortization	169.3	165.5	3.8	2.3
Loss on disposal of property, plant and equipment and intangible assets	4.3	2.8	1.5	52.2
Communication network charges	90.7	93.7	(3.0)	(3.2)
Taxes and public dues	9.3	9.2	0.1	1.2
Total operating expenses	¥ 945.8	¥ 899.5	¥ 46.4	5.2%

Notes:

For the period starting from April 1, 2006, the amount of impairment loss related to PHS assets, which was separately stated in the past, is included in Depreciation and amortization. As the result thereof, certain reclassifications are made to the operating results for the three months ended June 30, 2005.

- (3) Operating income decreased to ¥272.7 billion (down 5.2% compared to the same period of the prior year). Income before income taxes decreased to ¥274.4 billion (down 22.4% compared to the same period of the prior year), due to the impact of a gain on sale of Hutchison 3G UK Holdings Limited shares (¥62.0 billion) recorded in the same period of the prior year.
- (4) Net income was ¥163.5 billion (down 21.3% compared to the same period of the prior year).

2. Segment Information

- (1) Mobile phone business

Operating revenues were ¥1,202.5 billion and operating income was ¥278.9 billion.

Cellular (FOMA) services

Beginning in May 2006, we released our high-end models, the FOMA 902iS series handsets, all of which are equipped with a pre-installed application software for our DCMX mobile credit service, enhanced security and music player function. We also launched optional services to the compatible handsets including; Data Security Services which enable subscribers to store their phonebook list on DoCoMo's network, Omakase Lock which enables users to lock their lost handsets by remote control through our call center or website, Chaku-moji which enables a caller to transmit a message that is displayed on the receiver's screen until the call is answered, and Chaku-Uta Full which enables users to download

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full music tracks from i-mode sites. In June 2006, we also released the FOMA SO902iWP+ , the first waterproof handset for FOMA. In May 2006, we released our standard model the FOMA SO702i , which is a compact handset with changeable front and rear covers. In June we released the FOMA D702iBCL , a camera-less handset for corporate users. Beginning in April 2006, we released a simple and compact handset series called SIMPURE , which are equipped with basic features and compatible with our international roaming-out service WORLD WING . The number of FOMA services subscribers increased steadily and reached 26.22 million as of June 30, 2006.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA) services were ¥5,420, ¥2,880 and ¥8,300, respectively.

Cellular (mova) services

In April 2006, we released the mova P506iC II which is compatible with Osai-fu-Keitai *. Due to continuous progress in the migration of subscribers from mova services to FOMA services, the number of mova subscribers decreased to 25.46 million as of June 30, 2006.

Voice ARPU, i-mode ARPU and aggregate ARPU of cellular (mova) services were ¥4,460, ¥1,080 and ¥5,540, respectively.

* *Osai-fu-Keitai* refers to mobile phones equipped with a contactless IC card, as well as the useful function and services enabled by the IC card. With this function, a mobile phone can be utilized as electronic money, a credit card, an electronic ticket, a membership card, an airline ticket, among other things.

The aggregate number of FOMA and mova services subscribers increased to 51.67 million. In June 2006, FOMA service surpassed mova service in the number of subscribers.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA+mova) services were ¥4,930, ¥1,970 and ¥6,900, respectively.

Churn rate for cellular (FOMA+mova) services for the three months ended June 30, 2006 was 0.64%, a decrease of 0.16 points compared to the same period of the prior year.

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i-mode services

The number of subscribers using i-mode-FeliCa compatible handsets reached approximately 13.80 million as of June 30, 2006. The total number of i-mode services subscribers reached 46.82 million as of June 30, 2006.

As for the global development, in June 2006, we agreed with Hutchison Telephone Company Limited (HTCL), a mobile operator in Hong Kong, that HTCL will introduce i-mode services in Hong Kong and Macau. The i-mode services are rolled out in 15 countries and areas including Japan as of June 30, 2006, and the number of i-mode services subscribers of all foreign carriers increased steadily.

International services

In June 2006, we lowered our tariffs and handset rental fees for WORLD WALKER, our international roaming-out service for mova users, and integrated the service brand name to WORLD WING, the service brand name for our international roaming-out service for FOMA users. As of June 30, 2006, we expanded the service area of international roaming-out services for voice calls and SMS to 136 countries and areas; for packet communications to 77 countries and areas; and for videophone calls to 25 countries and areas.

Note:

ARPU: Average monthly revenue per unit

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per user basis. ARPU is calculated by dividing various revenue items included in operating revenues from our wireless services, such as monthly charges, voice transmission charges and packet transmission charges, from designated services which are incurred consistently each month, by number of active subscribers to the relevant services. Accordingly, the calculation of ARPU excludes revenues that are not representative of monthly average usage such as activation fees. We believe that our ARPU figures provide useful information to analyze the average usage of our subscribers and the impacts of changes in our billing arrangements. The revenue items included in the numerators of our ARPU figures are based on our U.S. GAAP results of operations. This definition applies to all ARPU figures hereinafter. See page 15 for the details of the calculation methods.

<Number of subscribers by services>	Thousand subscribers			
	June 30, 2006	March 31, 2006	Increase (Decrease)	
Cellular (FOMA) services	26,217	23,463	2,753	11.7%
Cellular (mova) services	25,456	27,680	(2,225)	(8.0)
i-mode services	46,823	46,360	463	1.0

Note:

Number of i-mode subscribers as of June 30, 2006 = Cellular (FOMA) i-mode subscribers (25,511 thousand) + Cellular (mova) i-mode subscribers (21,312 thousand)

Number of i-mode subscribers as of March 31, 2006 = Cellular (FOMA) i-mode subscribers (22,914 thousand) + Cellular (mova) i-mode subscribers (23,446 thousand)

<Operating results>	Billions of yen			
	(UNAUDITED)		(UNAUDITED)	
	Three months ended	June 30,	Three months ended	June 30, 2005
	2006	2006	2005	Increase (Decrease)
Mobile phone business operating revenues	¥ 1,202.5	¥	1,166.3	¥ 36.2 3.1%
Mobile phone business operating income	278.9		288.9	(10.0) (3.5)

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(2) PHS business

Operating revenues were ¥7.1 billion and operating loss was ¥2.3 billion.

In January 2006, we decided to terminate our PHS services during the three months ending December 31, 2007. We are continuously engaged in the campaign for migration of current PHS subscribers to FOMA services.

PHS ARPU was ¥3,170.

Note:

See page 15 for the details of the ARPU calculation methods.

<Number of subscribers>	Thousand subscribers			
	June 30, 2006	March 31, 2006	Increase (Decrease)	
PHS services	679	771	(92)	(11.9)%

<Operating results>	Billions of yen			
	(UNAUDITED) Three months ended		(UNAUDITED) Three months ended	
	June 30, 2006	June 30, 2005	Increase (Decrease)	
PHS business operating revenues	¥ 7.1	¥ 12.9	¥ (5.9)	(45.4)%
PHS business operating income (loss)	(2.3)	(0.9)	(1.4)	(162.8)

(3) Miscellaneous businesses

Operating revenues were ¥9.0 billion and operating loss was ¥3.9 billion.

In order to further promote convenience of our Osaifu-Keitai handsets, we launched DCMX consumer credit services via the iD platform, which we established for mobile credit transactions. In April 2006, we first launched DCMX mini, which offers a monthly credit line of ¥10,000 with simple application procedures on i-mode. In May 2006, we launched DCMX, which allows

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users a higher credit line. With DCMX service, members can earn DoCoMo points based on their credit usage and apply for revolving or installment payment. The number of DCMX and DCMX mini members surpassed 300,000 as of June 30, 2006. We will continue to increase the number of shops and other sites equipped with ID compatible readers/writers.

In our public wireless LAN service, the number of our domestic hot spots increased to 1,284 as of June 30, 2006.

In April 2005, we decided to terminate Quickcast services on March 31, 2007.

<Operating results>	Billions of yen			
	(UNAUDITED)			
	Three months ended			
	June 30, 2006	(UNAUDITED) Three months ended June 30, 2005		Increase (Decrease)
Miscellaneous businesses operating revenues	¥ 9.0	¥ 7.9	¥ 1.1	14.4%
Miscellaneous businesses operating income (loss)	(3.9)	(0.4)	(3.5)	(793.6)

3. Capital Expenditures

Total capital expenditures were ¥214.7 billion.

For reinforcement of our competitiveness prior to the introduction of the Mobile Number Portability, we expanded the coverage areas of FOMA services, improved network quality, and reinforced our FOMA network to meet the increase in traffic demand. We also continued our efforts to make capital expenditures more efficient and less costly by saving on equipment purchase costs and improving our design and construction process. Total capital expenditures during the three months ended June 30, 2006 increased by 1.9% compared to the same period of the prior year.

<Breakdown of capital expenditures>	Billions of yen			
	(UNAUDITED)			
	Three months ended			
	June 30, 2006	(UNAUDITED) Three months ended June 30, 2005		Increase (Decrease)
Mobile phone business	¥ 187.3	¥ 185.5	¥ 1.9	1.0%
PHS business	0.2	0.2	(0.0)	(7.0)
Other (including information systems)	27.1	25.0	2.1	8.3
Total capital expenditures	¥ 214.7	¥ 210.7	¥ 4.0	1.9%

Table of Contents**4. Cash Flow Conditions**

Net cash provided by operating activities was ¥98.4 billion (down 69.9% compared to the same period of the prior year). Net cash provided by operating activities decreased mainly owing to an increase in the payment of income taxes to ¥218.6 billion from ¥56.2 billion in the same period of the prior year, when deferred tax assets from the impairment of our investment in AT&T Wireless Services, Inc. were realized.

Net cash used in investing activities was ¥264.6 billion (up 87.4% compared to the same period of the prior year). Net cash used in investing activities increased mainly due to increases in acquisitions of property, plant and equipment and non-current investments, and decreases in inflow of cash from sales of non-current investments and net-inflow of cash from investments with original maturities of longer than 3 months for cash management purpose.

Net cash used in financing activities was ¥282.4 billion (up 314.7% compared to the same period of the prior year). Net cash used in financing activities increased mainly due to increases in repayments of outstanding debt, repurchasing of our own stock, and payment of dividend. We repurchased ¥50.0 billion of our own stock in the stock market during the three months ended June 30, 2006.

Free cash flows were negative ¥166.2 billion. Free cash flows excluding changes in investments for cash management purpose were negative ¥165.9 billion.

Billions of yen				
<Statements of cash flows>				
	(UNAUDITED) Three months ended June 30, 2006	(UNAUDITED) Three months ended June 30, 2005	Increase (Decrease)	
	¥	¥	¥	%
Net cash provided by operating activities	98.4	326.3	(228.0)	(69.9)%
Net cash used in investing activities	(264.6)	(141.2)	(123.4)	(87.4)
Net cash used in financing activities	(282.4)	(68.1)	(214.3)	(314.7)
Free cash flows	(166.2)	185.2	(351.4)	
Free cash flows excluding changes in investments for cash management purpose *	(165.9)	135.2	(301.0)	
<Financial measures>				
	Three months ended June 30, 2006	Three months ended June 30, 2005	Increase (Decrease)	
Equity ratio	67.5%	64.9%	2.6 points	
Debt ratio	13.8	19.0	(5.2)	

Notes:

Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

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Changes in investments for cash management purpose = Changes by purchase, redemption and disposal of financial instruments with original maturities of longer than 3 months for cash management purpose

Equity ratio = Shareholders' equity / Total assets

Debt ratio = Interest bearing liabilities / (Shareholders' equity + Interest bearing liabilities)

- * See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 16.

The names of companies, products and services shown in this Earnings Release are registered trade marks or trade marks of the respective related companies.

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July 28, 2006

[U.S. GAAP]

Consolidated Financial Statements

For the Three Months Ended June 30, 2006

Name of registrant:	NTT DoCoMo, Inc.
Code No.:	9437
Stock exchange on which the Company's shares are listed: (URL http://www.nttdocomo.co.jp/)	Tokyo Stock Exchange-First Section
Representative:	Masao Nakamura, Representative Director, President and Chief Executive Officer
Contact:	Masahiko Yamada, Senior Manager, General Affairs Department / TEL +81-3-5156-1111

1. Notes Related to the Preparation of the Consolidated Financial Statements

- | | |
|--|----|
| (1) Adoption of simplified accounting methods: | No |
| (2) Difference in the method of accounting recognition from the most recent fiscal year: | No |
| (3) Change of reporting entities | |
| Number of consolidated companies added: | 1 |
| Number of companies on equity method added: | 0 |
| Number of consolidated companies removed: | 0 |
| Number of companies on equity method removed: | 0 |

2. Consolidated Financial Results for the Three Months Ended June 30, 2006 (April 1, 2006 - June 30, 2006)

(1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen.

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Income before Income Taxes		Net Income	
Three months ended June 30, 2006	1,218,560	2.7%	272,727	(5.2)%	274,383	(22.4)%	163,512	(21.3)%
Three months ended June 30, 2005	1,187,082	(2.8)%	287,614	4.0%	353,426	27.6%	207,860	22.0%
Year ended March 31, 2006	4,765,872		832,639		952,303		610,481	
	Basic Earnings		Diluted Earnings					
	per Share		per Share					
Three months ended June 30, 2006	3,684.23 (yen)		3,684.23 (yen)					
Three months ended June 30, 2005	4,495.01 (yen)		4,495.01 (yen)					
Year ended March 31, 2006	13,491.28 (yen)		13,491.28(yen)					

Notes: 1. The weighted average number of shares outstanding: For the three months ended June 30, 2006: 44,381,601 shares
For the three months ended June 30, 2005: 46,242,384 shares
For the fiscal year ended March 31, 2006: 45,250,031 shares

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2. Percentage for operating revenues, operating income, income before income taxes and net income in the above tables represents changes compared to the corresponding previous period.

(2) Consolidated Financial Position

	(Millions of yen, except per share amounts)			
	<u>Total Assets</u>	<u>Shareholders Equity</u>	<u>Equity Ratio (Ratio of Shareholders Equity to Total Assets)</u>	<u>Shareholders Equity per Share</u>
June 30, 2006	6,022,271	4,065,546	67.5%	91,999.59(yen)
June 30, 2005	6,212,590	4,029,498	64.9%	87,275.57(yen)
March 31, 2006	6,365,257	4,052,017	63.7%	91,109.33(yen)

Note: The number of shares outstanding as of June 30, 2006 and 2005, and March 31, 2006 were 44,190,915, 46,169,825 and 44,474,227, respectively.

(3) Consolidated Cash Flows

	(Millions of yen)			
	<u>Cash Flows from Operating Activities</u>	<u>Cash Flows from Investing Activities</u>	<u>Cash Flows from Financing Activities</u>	<u>Cash and Cash Equivalents at End of Period</u>
Three months ended June 30, 2006	98,381	(264,584)	(282,441)	391,992
Three months ended June 30, 2005	326,334	(141,159)	(68,100)	890,676
Year ended March 31, 2006	1,610,941	(951,077)	(590,621)	840,724

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

	(Millions of yen)		
	<u>Income before</u>		
	<u>Operating Revenues</u>	<u>Income Taxes</u>	<u>Net Income</u>
Year ending March 31, 2007	4,838,000	815,000	488,000

(Reference) Expected Earnings per Share: 10,972.65 yen

Notes: 1. There has been no change in our forecasts for the fiscal year ending March 31, 2007 since we announced the forecasts on April 28, 2006.

2. With regard to the above forecasts, please refer to page 17.

* Consolidated financial statements are unaudited.

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

	Millions of yen				
	(UNAUDITED) June 30, 2006	(UNAUDITED) June 30, 2005	Increase (Decrease)		March 31, 2006
ASSETS					
Current assets:					
Cash and cash equivalents	¥ 391,992	¥ 890,676	¥ (498,684)	(56.0)%	¥ 840,724
Short-term investments	151,747	150,017	1,730	1.2	51,237
Accounts receivable	612,228	613,723	(1,495)	(0.2)	609,837
Allowance for doubtful accounts	(14,258)	(16,279)	2,021	12.4	(14,740)
Inventories	252,098	167,874	84,224	50.2	229,523
Deferred tax assets	95,773	97,641	(1,868)	(1.9)	111,795
Income taxes receivable	20,189	92,869	(72,680)	(78.3)	
Prepaid expenses and other current assets	128,636	156,538	(27,902)	(17.8)	98,382
Total current assets	1,638,405	2,153,059	(514,654)	(23.9)	1,926,758
Property, plant and equipment:					
Wireless telecommunications equipment	4,824,010	4,473,715	350,295	7.8	4,743,136
Buildings and structures	744,284	701,240	43,044	6.1	736,660
Tools, furniture and fixtures	616,688	592,854	23,834	4.0	610,759
Land	198,128	196,361	1,767	0.9	197,896
Construction in progress	174,381	167,804	6,577	3.9	134,240
Accumulated depreciation and amortization	(3,743,584)	(3,410,284)	(333,300)	(9.8)	(3,645,237)
Total property, plant and equipment, net	2,813,907	2,721,690	92,217	3.4	2,777,454
Non-current investments and other assets:					
Investments in affiliates	177,207	41,084	136,123	331.3	174,121
Marketable securities and other investments	300,150	226,082	74,068	32.8	357,824
Intangible assets, net	550,412	539,270	11,142	2.1	546,304
Goodwill	141,055	140,176	879	0.6	141,094
Other assets	214,129	217,218	(3,089)	(1.4)	264,982
Deferred tax assets	187,006	174,011	12,995	7.5	176,720
Total non-current investments and other assets	1,569,959	1,337,841	232,118	17.4	1,661,045
Total assets	¥ 6,022,271	¥ 6,212,590	¥ (190,319)	(3.1)%	¥ 6,365,257
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	¥ 149,607	¥ 288,794	¥ (139,187)	(48.2)%	¥ 193,723
Short-term borrowings	160		160		152
Accounts payable, trade	715,526	651,060	64,466	9.9	808,136
Accrued payroll	28,053	27,060	993	3.7	41,799
Accrued interest	1,044	1,637	(593)	(36.2)	1,264

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Accrued income taxes	69,747	71,633	(1,886)	(2.6)	168,587
Other current liabilities	141,599	159,964	(18,365)	(11.5)	154,638
Total current liabilities	1,105,736	1,200,148	(94,412)	(7.9)	1,368,299
Long-term liabilities:					
Long-term debt (exclusive of current portion)	500,300	657,978	(157,678)	(24.0)	598,530
Liability for employees' retirement benefits	137,344	140,911	(3,567)	(2.5)	135,511
Other long-term liabilities	212,218	183,111	29,107	15.9	209,780
Total long-term liabilities	849,862	982,000	(132,138)	(13.5)	943,821
Total liabilities	1,955,598	2,182,148	(226,550)	(10.4)	2,312,120
Minority interests in consolidated subsidiaries	1,127	944	183	19.4	1,120
Shareholders' equity:					
Common stock	949,680	949,680			949,680
Additional paid-in capital	1,311,013	1,311,013			1,311,013
Retained earnings	2,287,302	2,261,994	25,308	1.1	2,212,739
Accumulated other comprehensive income	15,745	34,504	(18,759)	(54.4)	26,781
Treasury stock, at cost	(498,194)	(527,693)	29,499	5.6	(448,196)
Total shareholders' equity	4,065,546	4,029,498	36,048	0.9	4,052,017
Total liabilities and shareholders' equity	¥ 6,022,271	¥ 6,212,590	¥ (190,319)	(3.1)%	¥ 6,365,257

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

	Millions of yen				
	(UNAUDITED) Three months ended June 30, 2006	(UNAUDITED) Three months ended June 30, 2005	Increase (Decrease)		Year ended March 31, 2006
Operating revenues:					
Wireless services	¥ 1,094,933	¥ 1,059,768	¥ 35,165	3.3%	¥ 4,295,856
Equipment sales	123,627	127,314	(3,687)	(2.9)	470,016
Total operating revenues	<u>1,218,560</u>	<u>1,187,082</u>	<u>31,478</u>	<u>2.7</u>	<u>4,765,872</u>
Operating expenses:					
Cost of services (exclusive of items shown separately below)	170,022	166,179	3,843	2.3	746,099
Cost of equipment sold (exclusive of items shown separately below)	300,667	264,471	36,196	13.7	1,113,464
Depreciation and amortization	169,288	165,484	3,804	2.3	738,137
Selling, general and administrative	305,856	303,334	2,522	0.8	1,335,533
Total operating expenses	<u>945,833</u>	<u>899,468</u>	<u>46,365</u>	<u>5.2</u>	<u>3,933,233</u>
Operating income	<u>272,727</u>	<u>287,614</u>	<u>(14,887)</u>	<u>(5.2)</u>	<u>832,639</u>
Other income (expense):					
Interest expense	(1,438)	(2,203)	765	34.7	(8,420)
Interest income	267	2,339	(2,072)	(88.6)	4,659
Gain on sale of affiliate shares		61,962	(61,962)	(100.0)	61,962
Gain on sale of other investments	3		3		40,088
Other, net	2,824	3,714	(890)	(24.0)	21,375
Total other income (expense)	<u>1,656</u>	<u>65,812</u>	<u>(64,156)</u>	<u>(97.5)</u>	<u>119,664</u>
Income before income taxes	<u>274,383</u>	<u>353,426</u>	<u>(79,043)</u>	<u>(22.4)</u>	<u>952,303</u>
Income taxes	<u>110,736</u>	<u>144,820</u>	<u>(34,084)</u>	<u>(23.5)</u>	<u>341,382</u>
Equity in net income (losses) of affiliates	<u>(126)</u>	<u>(754)</u>	<u>628</u>	<u>83.3</u>	<u>(364)</u>
Minority interests in consolidated subsidiaries	<u>(9)</u>	<u>8</u>	<u>(17)</u>		<u>(76)</u>
Net income	<u>¥ 163,512</u>	<u>¥ 207,860</u>	<u>¥ (44,348)</u>	<u>(21.3)%</u>	<u>¥ 610,481</u>
Other comprehensive income (loss):					
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	(10,852)	(2,312)	(8,540)	(369.4)	7,662
Net revaluation of financial instruments, net of applicable taxes	(98)	192	(290)		121
Foreign currency translation adjustment, net of applicable taxes	(205)	(21,055)	20,850	99.0	(42,597)
Minimum pension liability adjustment, net of applicable taxes	119	70	49	70.0	3,986
Comprehensive income	<u>¥ 152,476</u>	<u>¥ 184,755</u>	<u>¥ (32,279)</u>	<u>(17.5)%</u>	<u>¥ 579,653</u>

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PER SHARE DATA

Weighted average common shares outstanding basic and diluted (shares)	<u>44,381,601</u>	<u>46,242,384</u>	<u>(1,860,783)</u>	<u>(4.0)</u>	<u>45,250,031</u>
Basic and diluted earnings per share (Yen)	<u>¥ 3,684.23</u>	<u>¥ 4,495.01</u>	<u>¥ (810.78)</u>	<u>(18.0%)</u>	<u>¥ 13,491.28</u>

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

	Millions of yen				
	(UNAUDITED) Three months ended June 30, 2006	(UNAUDITED) Three months ended June 30, 2005	Increase (Decrease)		Year ended March 31, 2006
Common stock:					
At beginning of period	¥ 949,680	¥ 949,680	¥	%	¥ 949,680
At end of period	949,680	949,680			949,680
Additional paid-in capital:					
At beginning of period	1,311,013	1,311,013			1,311,013
At end of period	1,311,013	1,311,013			1,311,013
Retained earnings:					
At beginning of period	2,212,739	2,100,407	112,332	5.3	2,100,407
Cash dividends	(88,949)	(46,273)	(42,676)	(92.2)	(135,490)
Retirement of treasury stock					(362,659)
Net income	163,512	207,860	(44,348)	(21.3)	610,481
At end of period	2,287,302	2,261,994	25,308	1.1	2,212,739
Accumulated other comprehensive income:					
At beginning of period	26,781	57,609	(30,828)	(53.5)	57,609
Unrealized holding gains (losses) on available-for-sale securities	(10,852)	(2,312)	(8,540)	(369.4)	7,662
Net revaluation of financial instruments	(98)	192	(290)		121
Foreign currency translation adjustment	(205)	(21,055)	20,850	99.0	(42,597)
Minimum pension liability adjustment	119	70	49	70.0	3,986
At end of period	15,745	34,504	(18,759)	(54.4)	26,781
Treasury stock, at cost:					
At beginning of period	(448,196)	(510,777)	62,581	12.3	(510,777)
Purchase of treasury stock	(49,998)	(16,916)	(33,082)	(195.6)	(300,078)
Retirement of treasury stock					362,659
At end of period	(498,194)	(527,693)	29,499	5.6	(448,196)
Total shareholders' equity	¥ 4,065,546	¥ 4,029,498	¥ 36,048	0.9%	¥ 4,052,017

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

	Millions of yen		
	(UNAUDITED) Three months ended June 30, 2006	(UNAUDITED) Three months ended June 30, 2005	Year ended March 31, 2006
I Cash flows from operating activities:			
1. Net income	¥ 163,512	¥ 207,860	¥ 610,481
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	169,288	165,484	738,137
(2) Deferred taxes	12,253	73,707	49,101
(3) Loss on sale or disposal of property, plant and equipment	2,981	1,868	36,000
(4) Gain on sale of affiliate shares		(61,962)	(61,962)
(5) Gain on sale of other investments	(3)		(40,088)
(6) Expense associated with sale of other investments			14,062
(7) Equity in net losses (income) of affiliates	(189)	810	(1,289)
(8) Minority interests in consolidated subsidiaries	9	(8)	76
(9) Changes in assets and liabilities:			
(Increase) decrease in accounts receivable, trade	(2,391)	16,150	21,345
Decrease in allowance for doubtful accounts	(482)	(1,197)	(3,623)
Increase in inventories	(22,575)	(11,448)	(73,094)
(Increase) decrease in income taxes receivable	(20,189)		92,869
(Increase) decrease in prepaid expenses and other current assets	(30,242)	(42,125)	16,323
(Decrease) increase in accounts payable, trade	(58,341)	(53,023)	45,108
(Decrease) increase in accrued income taxes	(98,840)	14,190	111,141
(Decrease) increase in other current liabilities	(13,039)	23,076	17,641
Increase (decrease) in liability for employees' retirement benefits	1,833	2,237	(3,378)
Increase in other long-term liabilities	4,419	682	24,725
Other, net	(9,623)	(9,967)	17,366
Net cash provided by operating activities	<u>98,381</u>	<u>326,334</u>	<u>1,610,941</u>
II Cash flows from investing activities:			
1. Purchases of property, plant and equipment	(185,941)	(166,682)	(638,590)
2. Purchases of intangible and other assets	(63,391)	(49,133)	(195,277)
3. Purchases of non-current investments	(15,017)	(41)	(292,556)
4. Proceeds from sale of non-current investments	36	23,870	25,142
5. Purchases of short-term investments	(762)		(252,474)
6. Redemption of short-term investments	411	100,000	501,433
7. Collection of loan advances		228	229
8. Long-term bailment for consumption to a related party		(50,000)	(100,000)
9. Other, net	80	599	1,016
Net cash used in investing activities	<u>(264,584)</u>	<u>(141,159)</u>	<u>(951,077)</u>
III Cash flows from financing activities:			
1. Repayment of long-term debt	(142,316)	(3,826)	(150,304)
2. Proceeds from short-term borrowings	160	19,500	27,002
3. Repayment of short-term borrowings	(152)	(19,500)	(27,010)
4. Principal payments under capital lease obligations	(1,185)	(1,084)	(4,740)
5. Payments to acquire treasury stock	(49,998)	(16,916)	(300,078)

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6. Dividends paid	(88,949)	(46,273)	(135,490)
7. Other, net	(1)	(1)	(1)
Net cash used in financing activities	(282,441)	(68,100)	(590,621)
IV Effect of exchange rate changes on cash and cash equivalents	(88)	3,649	1,529
V Net increase (decrease) in cash and cash equivalents	(448,732)	120,724	70,772
VI Cash and cash equivalents at beginning of period	840,724	769,952	769,952
VII Cash and cash equivalents at end of period	¥ 391,992	¥ 890,676	¥ 840,724
Supplemental disclosures of cash flow information:			
Cash received during the year for			
Income taxes	¥ 5	¥ 1	¥ 93,103
Cash paid during the period for:			
Interest	1,659	2,076	8,666
Income taxes	218,557	56,223	182,914
Non-cash investing and financing activities:			
Retirement of treasury stock			362,659

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Notes to Unaudited Consolidated Financial Statements

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

The followings are explanations regarding the adoption of new accounting standards in the three months ended June 30, 2006 and the summary of revenue recognition.

1. Adoption of new accounting standards

Inventory Pricing

Effective April 1, 2006, DoCoMo adopted Statement of Financial Accounting Standards (SFAS) No. 151, Inventory Costs -an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4 issued by the Financial Accounting Standards Board (FASB). SFAS No. 151 amends the guidance in ARB No. 43, Chapter 4, Inventory Pricing , to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). ARB No. 43, Chapter 4 previously stated that such costs might be so abnormal as to require treatment as current period charges. SFAS No. 151 requires that those items be recognized as current-period charges regardless of whether they meet the criterion of so abnormal . In addition, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The adoption of SFAS No. 151 did not have any impact on DoCoMo s results of operations and financial position.

Exchanges of Non-monetary Assets

Effective April 1, 2006, DoCoMo adopted SFAS No. 153, Exchanges of Non-monetary Assets -an amendment of Accounting Principles Board (APB) Opinion No. 29 issued by the FASB. The amendment eliminates the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. The adoption of SFAS No. 153 did not have any impact on DoCoMo s results of operations and financial position.

Accounting Changes and Error Corrections

Effective April 1, 2006, DoCoMo adopted SFAS No. 154, Accounting Changes and Error Corrections -a replacement of APB Opinion No. 20 and the FASB statement No. 3 issued by the FASB. SFAS No. 154 replaces APB Opinion No. 20 (APB No. 20), Accounting Changes , and SFAS No. 3, Reporting Accounting Changes in Interim Financial Statements , and changes the requirements for the accounting for and reporting of a change in accounting principle. APB No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS No. 154 requires retrospective application to prior periods financial statements of changes in accounting principle. The adoption of SFAS No. 154 did not have any impact on DoCoMo s results of operations and financial position. DoCoMo will continue to apply the requirements of SFAS No. 154 to any future accounting changes and error corrections.

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2. Summary of revenue recognition

Base monthly service charges and airtime charges are recognized as revenues as service is provided to the subscribers. DoCoMo's monthly rate plans for cellular (FOMA and mova) services generally include a certain amount of allowances (free minutes and/or packets), and the used amount of the allowances is subtracted from total usage in calculating the airtime revenue from a subscriber for the month. Prior to November 2003, the total amount of the base monthly charges was recognized as revenues in the month they were charged as the subscribers could not carry over the unused allowances to the following months. In November 2003, DoCoMo introduced a billing arrangement, called Nikagetsu Kurikoshi (two-month carry over), in which the unused allowances are automatically carried over up to the following two months. In addition, DoCoMo introduced an arrangement which enables the unused allowances offered in and after December 2004 that have been carried over for two months to be automatically used to cover the airtime and/or packet fees exceeding the allowances of the other lines in the Family Discount group, a discount billing arrangement for families with between two and ten DoCoMo subscriptions. Until the year ended March 31, 2006, DoCoMo had deferred revenues based on the portion of all unused allowances at the end of the period. The deferred revenues are recognized as revenues as the subscribers make calls or data communications, similar to the way airtime revenues are recognized, or as the allowance expires. As DoCoMo developed sufficient empirical evidence to reasonably estimate the portion of allowance that will be forfeited as unused, DoCoMo started to recognize the revenue attributable to such forfeited allowances ratably as the remaining allowances are utilized, effective April 1, 2006. The effect of this accounting change was not material for DoCoMo's results of operations and financial position.

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

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

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(APPENDIX 1)

Operation Data for 1st Quarter of FY2006

		Full-year forecasts: As announced at Apr. 28,			
		[Ref.] Fiscal 2005 (Ended Mar. 31, 2006) Full-year results	[Ref.] First Quarter (Apr.-Jun. 2005) Results	Fiscal 2006 First Quarter (Apr.-Jun. 2006) Results	[Ref.] Fiscal 2006 (Ending Mar. 31, 2007) Full-year forecasts
Cellular					
Subscribers	thousands	51,144	49,430	51,672	52,900
FOMA	thousands	23,463	13,710	26,217	35,000
mova	thousands	27,680	35,719	25,456	17,900
Market share ⁽¹⁾⁽²⁾	%	55.7	56.1	55.6	
Net increase from previous period ⁽²⁾	thousands	2,319	605	529	1,756
FOMA ⁽²⁾	thousands	11,963	2,210	2,753	11,537
mova ⁽²⁾	thousands	-9,644	-1,605	-2,225	-9,780
Aggregate ARPU (FOMA+mova) ⁽³⁾	yen/month/contract	6,910	6,940	6,900	6,690
Voice ARPU ⁽⁴⁾	yen/month/contract	5,030	5,120	4,930	4,760
Packet ARPU	yen/month/contract	1,880	1,820	1,970	1,930
i-mode ARPU	yen/month/contract	1,870	1,810	1,950	1,910
ARPU generated purely from i-mode (FOMA+mova) ⁽³⁾	yen/month/contract	2,040	1,990	2,120	2,070
Aggregate ARPU (FOMA) ⁽³⁾	yen/month/contract	8,700	9,090	8,300	7,790
Voice ARPU ⁽⁴⁾	yen/month/contract	5,680	5,990	5,420	5,090
Packet ARPU	yen/month/contract	3,020	3,100	2,880	2,700
i-mode ARPU	yen/month/contract	2,980	3,070	2,840	2,660
ARPU generated purely from i-mode (FOMA) ⁽³⁾	yen/month/contract	3,040	3,110	2,910	2,740
Aggregate ARPU (mova) ⁽³⁾	yen/month/contract	5,970	6,190	5,540	5,240
Voice ARPU ⁽⁴⁾	yen/month/contract	4,680	4,820	4,460	4,320
i-mode ARPU	yen/month/contract	1,290	1,370	1,080	920
ARPU generated purely from i-mode (mova) ⁽³⁾	yen/month/contract	1,460	1,550	1,260	1,080
MOU (FOMA+mova) ⁽³⁾⁽⁵⁾	minute/month/contract	149	149	145	
MOU (FOMA) ⁽³⁾⁽⁵⁾	minute/month/contract	202	214	181	
MOU (mova) ⁽³⁾⁽⁵⁾	minute/month/contract	122	126	110	
Churn Rate ⁽²⁾	%	0.77	0.80	0.64	
i-mode					
Subscribers	thousands	46,360	44,659	46,823	47,900

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FOMA	thousands	22,914	13,514	25,511	
i-appli™ compatible ⁽⁶⁾	thousands	36,058	31,330	37,314	
i-mode Subscription Rate ⁽²⁾	%	90.6	90.3	90.6	90.5
Net increase from previous period	thousands	2,339	638	463	1,540
i-Menu Sites (FOMA) ⁽⁷⁾	sites	6,028	5,082	6,590	
i-Menu Sites (mova) ⁽⁷⁾	sites	5,043	4,681	5,158	
Access Percentage by Content Category					
Ringing tone/Screen	%	21	24	16	
Game/Horoscope	%	24	22	24	
Entertainment Information	%	27	27	32	
Information	%	12	12	10	
Database	%	5	5	6	
Transaction	%	11	10	12	
Percentage of Packets Transmitted					
Web	%	96	96	97	
Mail	%	4	4	3	
PHS					
Subscribers	thousands	771	1,150	679	320
Market Share ⁽¹⁾	%	16.4	25.7	14.2	
Net increase from previous period	thousands	-543	-164	-92	-451
ARPU ⁽⁴⁾	yen/month/contract	3,280	3,320	3,170	
MOU ⁽⁵⁾⁽⁸⁾	minute/month/contract	72	74	62	
Data transmission rate (time) ⁽⁸⁾⁽⁹⁾	%	76.2	75.8	76.7	
Churn Rate	%	4.64	4.83	4.28	
Others					
Prepaid Subscribers ⁽¹⁰⁾	thousands	53	68	49	
Communication Module					
Service Subscribers ⁽¹⁰⁾	thousands	665	582	733	990
FOMA Ubiquitous plan ⁽¹¹⁾	thousands	1		40	
DoPa Single Service ⁽¹²⁾	thousands	665	582	693	

* International service-related revenues, which had not been included in previous reports, have been included in the ARPU data calculation from the fiscal year ended Mar. 31, 2006, due to its growing contribution to total revenues.

[Notes associated with the above-mentioned change]

International service-related ARPU included in the ARPU results for FY2005 and forecasts for FY2006, are as below:

	FY2005 (Ended Mar. 31, 2006)	First Quarter (Apr.-Jun. 2005)	FY2006 First Quarter (Apr.-Jun. 2006)	FY2006 (Ending Mar. 31, 2007) Full-year forecasts
	Full-year results	Results	Results	
Aggregate ARPU (FOMA+mova)	40 yen	30 yen	50 yen	60 yen
Aggregate ARPU (FOMA)	70 yen	60 yen	70 yen	80 yen
Aggregate ARPU (mova)	30 yen	20 yen	20 yen	40 yen

*

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Please refer to the attached sheet (P.15) for an explanation of the methods used to calculate ARPU, and the number of active subscribers used in calculating ARPU, MOU and Churn Rate.

- (1) Source for other cellular telecommunications operators: Data announced by Telecommunications Carriers Association
- (2) Data are calculated including Communication Module Service subscribers.
- (3) Data are calculated excluding Communication Module Services-related revenues and Communication Module Services subscribers.
- (4) Inclusive of circuit-switched data communications
- (5) MOU (Minutes of Usage): Average communication time per one month per one user
- (6) Sum of FOMA handsets and mova handsets
- (7) The number of i-menu Sites charged per view are added to the existing number of i-menu Sites charged with fixed monthly fee.
- (8) Not inclusive of data communication time via @FreeD service
- (9) Percentage of data traffic to total outbound call time
- (10) Included in total cellular subscribers
- (11) Included in FOMA subscribers
- (12) Included in mova subscribers

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(APPENDIX 2)

ARPU Calculation Methods

1. ARPU (Average monthly revenue per unit)*¹

i) ARPU (FOMA + mova)

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

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

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

i-mode ARPU (FOMA+mova) ^{*2} : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (FOMA+mova)

ARPU generated purely from i-mode (FOMA+mova) ^{*3} : i-mode ARPU (FOMA+mova) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (FOMA+mova)

ii) ARPU (FOMA)

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

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

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

i-mode ARPU^{*2} (FOMA) : i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (FOMA)

ARPU generated purely from i-mode (FOMA)^{*3} : i-mode ARPU (FOMA) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (FOMA)

iii) **ARPU (mova)**

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

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

i-mode ARPU (mova)^{*2} : i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / No. of active cellular phone subscribers (mova)

ARPU generated purely from i-mode (mova)^{*3} : i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) / No. of active i-mode subscribers (mova)

iv) **ARPU (PHS)**

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

2. Active Subscribers Calculation Methods

No. of active subscribers used in ARPU/MOU/Churn Rate calculations are sum of No. of active subscribers^{*4} for each month.

*1 Communication Module service subscribers and the revenues thereof are not included in the ARPU and MOU calculations.

*2 The denominator used in calculating i-mode ARPU (FOMA+mova, FOMA, mova) is the aggregate number of cellular subscribers to each service (FOMA+mova, FOMA, mova, respectively), regardless of whether i-mode service is activated or not.

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*3 ARPU generated purely from i-mode (FOMA+mova, FOMA, mova) is calculated using only the number of active i-mode subscribers as a denominator.

*4 active subscribers = (No. of subscribers at the end of previous month + No. of subscribers at the end of current month) / 2

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(APPENDIX 3)

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

1. EBITDA and EBITDA margin

	Billions of yen	
	Three months ended June 30, 2006	Three months ended June 30, 2005
a. EBITDA	¥ 445.0	¥ 455.0
Depreciation and amortization	(169.3)	(165.5)
Losses on sale or disposal of property, plant and equipment	(3.0)	(1.9)
Operating income	272.7	287.6
Other income (expense)	1.7	65.8
Income taxes	(110.7)	(144.8)
Equity in net income (losses) of affiliates	(0.1)	(0.8)
Minority interests in consolidated subsidiaries	(0.0)	0.0
b. Net income	163.5	207.9
c. Total operating revenues	1,218.6	1,187.1
EBITDA margin (=a/c)	36.5%	38.3%
Net income margin (=b/c)	13.4%	17.5%

Note: EBITDA and EBITDA margin, as we use them, are different from EBITDA as used in Item 10(e) of regulation S-K and may not be comparable to similarly titled measures used by other companies.

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

	Billions of yen	
	Three months ended June 30, 2006	Three months ended June 30, 2005
Free cash flows excluding changes in investments for cash management purpose	¥ (165.9)	¥ 135.2

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Changes in investments for cash management purpose	(0.4)	50.0
Free cash flows	(166.2)	185.2
Net cash used in investing activities	(264.6)	(141.2)
Net cash provided by operating activities	98.4	326.3

Note: Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of financial instruments held for cash management purpose with original maturities of longer than three months.

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Special Note Regarding Forward-Looking Statements

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

As competition in the market is expected to become more fierce due to changes in the business environment caused by the introduction of Mobile Number Portability and new market entrants, competition from other cellular service providers or other technologies could limit our acquisition of new subscribers, retention of existing subscribers and average revenue per unit (ARPU), or may lead to an increase in our costs and expenses.

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

The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group may adversely affect our financial condition and results of operations.

Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.

The W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced by other overseas operators, which could limit our ability to offer international services to our subscribers.

Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.

As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than those belonging to our corporate group are provided through our cellular handsets, potential problems resulting from malfunctions, defects, or missing of handsets or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.

Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.

Inadequate handling of subscriber information by our corporate group or contractors may adversely affect our credibility or corporate image.

Owners of intellectual property rights that are essential for our business execution may not grant us the right to license or otherwise use such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and/or services, and we may also be held liable for damage compensation if we infringe the intellectual property rights of others.

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Earthquakes, power shortages, malfunctioning of equipment, and software bugs, computer viruses, cyber attacks, hacking, unauthorized access and other problems could cause systems failures in the networks required for the provision of service, disrupting our ability to offer services to our subscribers and may adversely affect our credibility or corporate image.

Concerns about wireless telecommunications health risks may adversely affect our financial condition and results of operations.

Our parent company, Nippon Telegraph and Telephone Corporation (NTT), could exercise influence that may not be in the interests of our other shareholders.

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NTT DoCoMo, Inc.
RESULTS FOR THE FIRST QUARTER
OF THE FISCAL YEAR ENDING Mar. 31, 2007
JULY 28, 2006
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1
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1
Results For 1Q of 2006
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Forward-Looking Statements

The
forecasts
presented
herein
are
forward-looking
statements
within
the
meaning
of
Section
27A

of
the
U.S.
Securities
Act
of
1933 and

Section 21E of the U.S. Securities Act of 1934. Statements made
in this presentation with respect to DoCoMo's plans, objectives, projected
financials, operational figures, beliefs and other statements that are not historical facts are forward-looking statements about the
performance of DoCoMo which are based on management's expectations, assumptions, estimates, projections and beliefs in light of
information currently available to it. These forward-looking statements, such as statements regarding the introduction of new products and
services, the termination or suspension of existing services, financial and operational forecasts, dividend payments, the growth of the Japanese
market and the ubiquitous services market, the growth of data usage, the growth of DoCoMo's cellular phone business, the migration
to DoCoMo's 3G services and associated improvements in 3G services, improvements in 3G and 2G coverage area, the potential of
Japanese credit card business and DoCoMo's credit business, and management's goals are subject to various risks and uncertainties
which may cause actual results to be materially different from and worse than as described in the forward-looking statements. Potential risks
and uncertainties

include,
without
limitation,
as
competition
in
the
market

is
expected
to
become
more
fierce
due
to
changes
in
the business
environment caused by the introduction of mobile number portability and new market entrants, competition from other cellular
or other technologies could limit our acquisition of new subscribers, retention of existing subscribers and average revenue per
or may lead to an increase in our costs and expenses; the new services and usage patterns introduced by our corporate group m
as planned, which could limit our growth; the introduction or change of various laws or regulations or the application of such l
regulations to our corporate group may adversely affect our financial condition and results of operations; limitations in the amo
spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and l
satisfaction; the W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced
overseas operators, which could limit our ability to offer international services to our subscribers; our domestic and internation
alliances and collaborations may not produce the returns or provide the opportunities we expect; as electronic payment capabil
other
new
features
are
built
into
our
cellular
phones,
and
services
of
parties
other
than
those
belonging
to
our
corporate
group
are provided
through
our
cellular
handsets,
potential
problems
resulting
from

malfunctions,
defects,
or
missing
of
handsets
or
imperfection
of services
provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operation
problems
that
could
be
caused
by
misuse
or
misunderstanding
of
our
products
and
services
may
adversely
affect
our
credibility
or corporate
image; inadequate handling of subscriber information by our corporate group or contractors may adversely affect our credibility
image; owners of intellectual property rights that are essential
for our business execution may not grant us the right to license or otherwise use
such intellectual property rights on acceptable terms or at all,
which may limit our ability to offer certain technologies, products and/or services,
and we may also be held liable for damage compensation if we infringe the intellectual property rights of others; earthquakes, p
malfunctioning
of
equipment,
and
software
bugs,
computer
viruses,
cyber
attacks,
hacking,
unauthorized
access
and

other
problems
could cause
system failures in the networks required for the provision of service, disrupting our ability to offer services to our subscribers and
affect our credibility or corporate image; concerns about wireless telecommunications health risks may adversely affect our financial
and results of operations; our parent, NTT, could exercise influence that may not be in the interests of our other shareholders.

Further
information
about
the
factors
that
could
affect
the
company's
results
is
included
in

Item
3.D:
Risk
Factors
of
its
annual
report on
Form
20-F
filed
with
the
U.S.
Securities
and
Exchange
Commission
on
June
27,
2005,
which
is
available
in
the
investor
relations
section of

the company's web page at www.nttdocomo.com and also at the SEC's web site at www.sec.gov.

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FY2006 First Quarter Results Highlights

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3
SLIDE No.
3
Results For 1Q of 2006
/27

u
Consolidated financial statements in this document are unaudited.

u
Adjusted
free
cash
flows
exclude
the
effects
of
irregular
factors
and

changes
in
investments
for
cash
management
purposes.

-

Irregular
Factors
represent
the
effects
of
uncollected
revenues
due
to
bank
holidays
at
the
end
of
the
fiscal
year.

-

Changes
in
investment
for
cash
management
purposes
were
derived
from
purchases,
redemption
at
maturity
and
disposals
of
financial
instruments
held
for
cash

management
purposes
with
original
maturities
of
longer
than
three
months.

[
For
an
explanation
of
the
calculation
process
of
these
numbers,
see
the
reconciliations
to
the
most
directly
comparable
financial
measures
calculated
and
presented
in
accordance
with
GAAP
on
Slide
27
and
the
IR
page
of
our
web
site,
www.nttdocomo.co.jp.

FY2006 1Q Financial Results Highlights
US GAAP

-1.8
points

-2.2
%

-21.3
%

-22.4
%

-5.2
%

+3.5
%

+2.7
%

Changes
(1) ÷ (2)

33.1

36.5

38.3

EBITDA

Margin

(%)

*

280.0

-165.9

135.2

Adjusted Free Cash Flows

(Billions of Yen)

*

25.5

%

4,176.0

1,065.4

1,029.0

Cellular Services Revenues

(Billions of Yen)

Progress to

Forecast

(2) / (3)

2007/3

Full-Year

Forecast (3)

2006/4-6

(1Q)

2005/4-6

(1Q) (1)
1,601.0
488.0
815.0
810.0
4,838.0
33.7
%
274.4
353.4
Income Before Income Taxes
(Billions of Yen)
33.7
%
272.7
287.6
Operating Income
(Billions of Yen)
25.2
%
1,218.6
1,187.1
Operating Revenues
(Billions of Yen)
27.8
%
445.0
455.0
EBITDA
(Billions of Yen)
*
33.5
%
163.5
207.9
1Q/Full-year Net Income
(Billions of Yen)

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4
SLIDE No.
4
Results For 1Q of 2006
/27
FY2006 1Q Results Highlights
n
Operating Income: Down
14.9
billion year-on-year

Progress
to
FY2006
full-year
forecast:33.7%

n
n
Operating Revenues: Up 31.5
billion year-on-year

Cellular
services
revenues
grew
36.4
billion
yen
year-on-year.

(Inclusive
of
the
impact
of
including
in
revenues
the
portion
of

Nikagetsu
Kurikoshi
(2-month carry over) allowances that are projected to expire)

n
Operating Expenses: Up 46.4
billion year-on-year

Equipment sales-related expenses increased 28.4 billion yen, due to growth
in no. of handsets sold and percentage of FOMA handsets to total sales.

n
Capital Expenditures: 215
billion yen

Progress to FY2006 full-year forecast: 23.7%
w Equipment sales-related expenses = Cost of equipment + Distributor commissions
Capital Expenditures
Operating Revenues/Income/Expenses

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5
SLIDE No.
5
Results For 1Q of 2006
/27
0.6
0.7
0.8
0.9
1.0
1.1
1.2
1.3
1.4
(1Q)
(2Q)
(3Q)
(4Q)
(1Q)

(2Q)

(3Q)

(4Q)

(1Q)

(2Q)

(3Q)

(4Q)

(1Q)

FY2003

FY2004

FY2005

FY2006

Successfully
maintained

low

churn

rate

at

0.64%

in

FY2006/1Q

u

Inclusive

of

Communication

Module

Service

subscribers

(%)

Full year churn rate: 1.01%

Full year churn rate: 1.21%

Full year churn rate: 0.77%

-0.16

points

0.80%

0.64%

Successful

Reduction

of

Churn

Rate

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6
SLIDE No.
6
Results For 1Q of 2006
/27
-30
-20
-10
0
10
20
30
40
50
60
70
80
04/4

5
6
7
8
9
10
11
12
1
2
3
05/4

5
6
7
8
9
10
11
12

1
2
3
06/4

5
6
FY2004
FY2005
FY2006

Monthly Market Share of Net Additions
(%)

u
Source of data used in calculation: Telecommunications Carriers
Association (TCA)

DoCoMo

was

No.1

in market share of net additions in FY2006/1Q,

acquiring

49.1%

of total.

Vodafone

Vodafone

KDDI_(au+TU-KA)

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7
SLIDE No.
7
Results For 1Q of 2006
/27
0
1,000
2,000
3,000
4,000
5,000
6,000
04/6
04/9
04/12
05/3
05/6
05/9
05/12
06/3

06/06

07/3 (Forecast)

Subscriber Migration to FOMA

(10,000 subscribers)

5,167

5,290

u Inclusive of Communication Module Service subscribers

1,371

(27.7%)

458

(9.8%)

2,622

(50.7%)

Numbers in parentheses indicate the percentage of FOMA subscribers to total cellular subscribers

FOMA subscribers exceeded

50%

of DoCoMo's

total subscribers.

(Total FOMA

subs:

26.22

million, 50.7%

of total

(As of Jun. 30, 2006)

)

% of FOMA subs

topped

50%

of total

(Jun. 18, 2006)

mova

3,500

(66.2%)

FOMA subs.

projected to

reach

2/3 of total

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8
SLIDE No.
8
Results For 1Q of 2006
/27
0
20
40
60
80
100
120
140
160
180
200
-20.0

-15.0
-10.0
-5.0
0.0
5.0
10.0
15.0
20.0

MOU (Left axis)

152
155
153
145
149
152
151
146
145

Year-on-year changes in MOU (Right axis)

-6.2
-3.7
-4.4
-5.8
-2.0
-1.9
-1.3
0.7
-2.7

04/4-6(1Q)

04/7-9(2Q)

04/10-12(3Q)

05/1-3(4Q)

05/4-6(1Q)

05/7-9(2Q)

05/10-12(3Q)

06/1-3(4Q)

06/4-6(1Q)

Cellular (FOMA+mova)

MOU

MOU

for

FY2006/1Q

was

145

minutes

(Down

-2.7%

year-on-year)

u

For an explanation of MOU, see Slide 26 of this document, [Definition and Calculation Methods of MOU and ARPU](#) .

(%)
(Minutes)

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9
SLIDE No.
9
Results For 1Q of 2006
/27
-12
-8
-4
0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
0

4
8
12
16
Packet ARPU (Left axis)
1,950
1,900
1,820
1,830
1,820
1,880
1,880
1,940
1,970
1,930
(Incl.)
i-mode ARPU
1940
1890
1810
1820
1,810
1,870
1,860
1,920
1950
1,910
Voice ARPU (Left axis)
5,450
5,440
5,350
5,090
5,120
5,170
5,040
4,780
4,930
4,760
International service ARPU
20
(
Excl.
)
20
(
Excl.
)
30
(
Excl.

)
30
(
Excl.
)
30
(
Incl.
)
40
(
Incl.
)
40
(
Incl.
)
40
(
Incl.
)
50
(
Incl.
)
60
(
Incl.
)
YOY decline in aggregate ARPU (right axis)
-8.2
-9.3
-8.3
-9.1
-6.2
-4
-3.5
-2.9
-0.6
-
04/4-6(1Q)
7-9(2Q)
10-12(3Q)
05/1-3(4Q)
4-6(1Q)
7-9(2Q)
10-12(3Q)
06/1-3(4Q)
4-6(1Q)
07/(E)

Cellular (FOMA+mova)

ARPU

(Yen)

6,940

7,050

6,920

6,720

6,690

ARPU

for

FY2006/1Q

was

6,900

yen

(**Down**

0.6%

year-on-year)

Impact from including in revenues the portion of Nikagetsu

Kurikoshi

(2-month carry over) allowances that are projected to expire : **200**

yen

u

International service-related revenues, which had not been included in previous reports, have been included in the ARPU data

31, 2006, in view of their growing contribution to total revenues.

u

For an explanation of ARPU, see Slide 26 of this document, Definition and Calculation Methods of MOU and ARPU .

7,400

7,340

7,170

6,920

6,900

w

Year-on-year

changes

in

aggregate

ARPU

(Excluding

the

impact

of

incurring

in

revenues

the

portion

of

Nikagetsu

Kurikoshi

allowances

that
are
projected
to
expire)
w
Inclusive of the impact of
incurring in revenues the
Nikagetsu
Kurikoshi allowances
that are projected to expire (200
yen)
(%)

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Principal Actions for FY2006

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11
SLIDE No.
11
Results For 1Q of 2006
/27
0
100
200
300
400
500
600
700
2005/3
2005/6
2005/9

2005/12

2006/3

2006/6

0%

5%

10%

15%

20%

25%

30%

Strengthen Core Business Even Further (1) Pricing Measures

691

The
growth
of
pake-houdai
subscribers
accelerated
after
lifting
the
subscription restrictions.

As of Jun. 30, 2006

6.91 million

(pake-houdai
subscription

rate:

26%)

(10,000 subs)

(subscription rat: %e)

No. of subscribers

(Left axis)

* pake-houdai

subscription

rate:

No.

of

pake-houdai

subs/Total

no.

of

FOMA

subs

pake-houdai

subscription rate*

(right axis)

Lifted

pake-houdai

subscription

restrictions
from March 2006

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12
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12
Results For 1Q of 2006
/27
Strengthen Core Business Even Further (2) Products
Enriched
product
lineup,
e.g.,
the 902iS
series
equipped
with
more
powerful

credit
payment/music
capabilities,
and
the
702iS
series
featuring
unique
and
stylish designs, etc.
902iS series
902iS series
702iS series
Mobile devices for businesses
Mobile devices for businesses

Significantly enhanced music
capabilities

Preinstalled with DCMX-appli
(Biometric authentication,
Omakase
Lock , etc.
)

Powerful security features
High-spec models
Unique and stylish designs
Unique and stylish designs
Mobile solutions
Models hTc Z
(HTC) and Blackberry (RIM)
planned for release
hTc
Z

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13
SLIDE No.
13
Results For 1Q of 2006
/27
Strengthen Core Business Even Further (3) Music-related Services
Rich
portfolio
of
music-related
services,
e.g.,
Chaku-Uta
Full ,
music player
and Music Channel , etc.
w

Windows
Media®
Audio
is
a
registered
trademark
of
Microsoft
Corporation
in
the
United
States
and
other
countries.
w
Chaku-Uta
Full®
is a registered trademark of Sony Computer Entertainment, Inc.
Chaku-Uta
Full®
w
Music Player
Music Player
Music Channel
Music Channel
Downloading of full music tracks
Downloading of full music tracks
avex
Chaku-Uta
Full mu-mo
Reco-choku
Full
(Label Mobile, Inc.)
P902iS
P902iS
(Photo)
(Photo)
N902iX HIGH-SPEED
(Planned for release)
P702iD
P702iD
(Planned for release)
(Planned for release)
*More models to be added in the future
[Compatible Models]
n
Long-hour playback

n
Large external memory
n
array of music stores
(Japan s
first
WMA-enabled
phone
(F902iS))
F902iS
The new series are compatible with
17 sites of music stores
HSDPA
HSDPA
Music Channel a new service
leveraging higher data speeds
n
n
Automatic download
Automatic download
during night
during night
n
n
Long-hour playback/
High quality sound
n
n
programs
HSDPA
HSDPA
N902iX HIGH-SPEED
LABEL MOBILE INC.
LABEL MOBILE INC.
c
Downloading of music of
Downloading of music of
choice from a rich variety of stores
choice from a rich variety of stores
*No. of sites compatible with WMA
and SD Audio (As of July 24, 2006)

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14
SLIDE No.
14
Results For 1Q of 2006
/27
Network
Handsets
[POP coverage]
[POP coverage]
Mar. 31, 2007 :
Mar. 31, 2007 :
70%
70%
Mar. 31, 2008
Mar. 31, 2008
8

: over

: **over**

over

90%

90%

3.6M

(downlink)

(Possible to upgrade to

max.

14M

[Transmission speed]

[Transmission speed]

[Initially]

[Future plans]

[Future plans]

Plan to offer 2 models

Plan to offer 2 models

N902iX HIGH-SPEED / M2501

HIGH-SPEED

Add 2 more models around spring/2007

Add 2 more models around spring/2007

Embed HSPDA as a standard feature in

Embed HSPDA as a standard feature in

future 90X series phones

future 90X series phones

Services

w

w

Descriptions above are all plans.

Descriptions above are all plans.

Animation

Short films

Music videos, etc.

Provide services that leverage HSDPA s

higher download speeds

Music Channel

Large-capacity i-motion, etc.

Late Aug.2006 (Planned)

Late Aug.2006 (Planned)

[Service launch]

[**Service launch**]

Service launch

ervice launch]

Strengthen Core Business Even Further (4) HSDPA

[

[
Broadband content originally developed for PCs
Broadband content originally developed for PCs
]
]
[Services uniquely available on mobile phones]
[Services uniquely available on mobile phones]

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15
SLIDE No.

15
Results

For

1Q

of

2006

/27

Improve ease of search on i-menu/general sites by enabling keyword search,
with the aim to reinforce DoCoMo's
competitiveness and expand data revenues.

?50??

*Presented

in Japanese

kana

order

n

n

Tie-ups for General Site Search

.

Tie up with a wide range of search engines

based on an **open model** to improve users

convenience

n

n

i Menu Site Search

i Menu Site Search

Genre

Genre

narrow-down

function

function

.

Improve ease of use of iMenu s

rich official sites

rich official sites

.

DoCoMo s

proprietary search function

Intra-site

search function

[Top page]

[Search

results]

keyword search

Strengthen Core

Business Even Further (5) Search Engine

n

Strengthen

i-mode s search function

(Planned for launch in Oct. 2006)

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16
SLIDE No.
16
Results For 1Q of 2006
/27
0
10,000
20,000
30,000
40,000
05/3
05/6
05/9
05/12
06/3
06/6

07/3E
0
5,000
10,000
15,000
20,000
Strengthen
Core
Business
Even
Further
(6)
Network
(No. of outdoor base stations)
Outdoor base stations
(Left axis)
Indoor systems
(Right axis)
(No. of indoor systems)
FOMA Outdoor/Indoor Coverage
Reinforce
Reinforce
network quality
network quality
to prepare for MNP
to prepare for MNP
4,100
7,000
17,500
25,700
34,800
9,400
+10,800
+10,800
10,800
base stations
base stations
+3,000
+3,000
3,000
locations
locations
24,000
6,400
n
Expand FOMA coverage to a level
superior to movas
by 2006/fall
.
.

Comprehensive
coverage in buildings/underground areas

.
.

Plan to cover all JR stations/highway service areas/
michi-no-eki

rest areas

*

Examples

of

measures

implemented

in

Kanto-Koshinetsu

region

·Installed base stations at the fastest pace in our history, to build up competitiveness prior
to MNP

No. of base stations as of Mar. 31, 2007 expected to increase

to 1.5 times the

number as of Mar. 31, 2006.

n

Area quality improvement catered to customer requests

n

Proactive PR campaigns

Proactive PR campaigns

We'll

increase

FOMA

antennas

declaration

*,

etc.

We value your comments on FOMA quality
campaign*, etc.

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17
SLIDE No.
17
Results For 1Q of 2006
/27
0
500
1,000
1,500
04/9
04/12
05/3
05/6
05/9
05/12
06/3

06/6
(10,000 subs)

Create
New
Revenue
Sources
(1)
Credit
card
Business

.
DCMX
made
a
favorable
start,
acquiring
over
450,000
subs
by
late
July
2006.

.
DCMX-mini
has been used primarily for small-amount purchases.

No. of i-mode Felica-
enabled handset users
(As of Jun. 30, 2006)

13.8
million
Projected user count
as of Mar. 31, 2007

18
18
million
million
DCMX

Started receiving applications
May 26, 2006

DCMX-mini
Launched Apr. 28, 2006

0
5
10
15
20
25
30

35

Apr.

May

Jun.

(10,000 subscribers)

n

DCMX/DCMX-mini subscribers

DCMX/DCMX-mini subscribers

No. of installed

No. of installed

payment terminals

payment terminals

Approx.

Approx.

30,000

30,000

(As of Jun. 30, 2006)

Approx. 150,000

(planned)

(By Mar. 31, 2007)

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18
SLIDE No.
18
Results For 1Q of 2006
/27
Create New Revenue Sources (2) Boost Usage
(10,000 subscribers)
Uptake of push information delivery services (i-channel + Tokudane-News-bin)
has been growing at a rapid pace.
Push info. delivery services
0
100
200
300
400
500

600
700
05/9
10
11
12
06/1
2
3
4
5
6
07/3
(E)
*
i-channel
subscription
rate:
No.
of
i-channel
subscribers/
Total
users
of
compatible
handsets
Tokudane-
News-bin
4.6
4.6
.6
6
mil
mil
+900,000
+900,000
900,000
+1.3 mil
+1.3 mil
1.3 mil
+1.5 mil
+1.5 mil
1.5 mil
i-channel
subscription rate
subscription rate
45%
45%
(June 2006)

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19

SLIDE No.

19

Results For 1Q of 2006

/27

Create New Revenue Sources (3) International Services

.

No. of roaming subscribers using their own handset has grown sharply after the release of

SIMPURE

and 902iS

models

.

International service revenues posted favorable growth in FY2006/1Q (up 43%
year-on-year)

0

1

2
3
4
5
6
7
8
FY06
(1Q)
FY05
(1Q)
[Int'l service revenues]
+43%
year-on-year
(Billions of yen)
5.1
5.1
7.3
7.3
Int'l dialing revenues
Int'l roaming revenues
[
+68%
year-on-year
(1,000 subs)
(%)
User base of roaming-
enabled handsets
enabled handsets
Released
SIMPURE (Apr.
06)
*
%
of
own
handset
roamers:
No.
of
World
Wing
roaming
users
using
own
handset/
Total
roaming
users

Released P902iS/N902iS

(Jun. 06)

International

International

service revenues

service revenues

0

50

100

150

200

250

300

350

400

450

05/4

5

6

7

8

9

10

11

12

1

2

3

06/4

5

6

0

5

10

15

20

25

30

35

40

No. of roaming-enabled handset users

Int'l dialing revenues

No. of roaming-enabled handset users

% of own handset roamers*

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20

SLIDE No.

20

Results For 1Q of 2006

/27

Return to Shareholders

Returning profits to shareholders is considered one of the most important issues in our corporate agenda

-

Dividend per share: 4,000 yen

(Maintain the same dividend level as FY ended Mar. 31, 2006, when it was doubled from the previous fiscal year)

-

Repurchase of own shares:

Study to repurchase up to 1.4 million shares for up to 250 billion yen

(Treasury shares kept in excess of 5% of total issued shares are planned for cancellation)

once a year)

FY ending Mar. 31, 2007 (Planned)

Repurchase of

own shares

Max. authorized

Actual amount spent

Max. authorized

Actual no. of shares

repurchased

Repurchase authorized at 13th

ordinary general shareholder meeting

600

433.7

(72.3%)

2.5

2.38

(95.3%)

Repurchase authorized at 14th

ordinary general shareholder meeting

400

333.2

(83.3%)

2.2

1.98

(90.0%)

Ref) Repurchase authorized at

ordinary 15th general shareholder meeting

250

1.4

Budget (Billions of yen)

No. of shares repurchased

(million shares)

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Appendices

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22
SLIDE No.
22
Results For 1Q of 2006
/27
0
1,000
2,000
3,000
4,000
5,000
Equipment sales
127.3
123.6
527.0
Other revenues
18.3

22.5
114.0
PHS revenues
12.4
7.0
21.0
Cellular
services
revenues
(voice,
packet)
1,029.0
1,065.4
4,176.0
2005/4-6(1Q)
2006/4-6(1Q)
2007/3(Full-year forecast)
Operating Revenues
US GAAP
(billions of Yen)
(billions of yen)
u
Quickcast
revenues
are
included
in
Other
revenues .
International
services
revenues
are
included
in
Cellular
services
revenues .
48,38.0
FY2006
FY2006
1Q
1Q
Operating revenues
Operating revenues
u
compared to FY2005
compared to FY2005
-2.7%
(Cellular services revenues)

Compared to FY2005
Compared to FY2005
+3.5%
(Equipment sales revenues)
Compared to FY2005
Compared to FY2005
-2.9%
11,87.1
11,87.1
1,218.6
1,218.6

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23
SLIDE No.
23
Results For 1Q of 2006
/27
0
1,000
2,000
3,000
4,000
Personnel expenses
62.0
62.9
252.0
Taxes and public dues
9.2
9.3
37.0

Depreciation and amortization
 165.5
 169.3
 753.0
 Loss on disposal
 of property, plant and equipment
 and intangible assets
 2.8
 4.3
 52.0
 Communication network charges
 93.7
 90.7
 370.0
 Non-personnel expenses
 566.2
 609.3
 2,564.0
 (incl) Revenue-linked expenses*
 411.8
 447.1
 1826.0
 (incl) Other non-personnel expenses
 154.4
 162.3
 738.0
 2005/4-6(1Q)
 2006/4-6(1Q)
 2007/3(Full-year forecast)
 Operating Expenses
 US GAAP
 (billions of yen)
 (billions of yen)
 *
 Revenue-linked
 expenses:
 cost
 of
 equipment
 sold
 +
 distributor
 commissions
 +
 cost
 of
 DoCoMo
 Point
 Service
 4,028.0

4,028.0

FY2006

FY2006

1Q

1Q

Operating expenses for

Operating expenses for

u

Compared to FY2005

+5.2%

899.5

899.5

945.8

945.8

u

Impairment

loss

from

the

disposal

of

PHS

assets,

which

had

been

stated

individually

in

impairment

loss

in

previous

reports,

has

been

included

in

depreciation

and

amortization

from FY2006/1Q.

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24
SLIDE No.
24
Results For 1Q of 2006
/27
FY2006
FY2006
1Q
1Q
CAPEX
CAPEX
u
Compared to FY2005
Compared to FY2005
+1.9%
+1.9%
(billions of yen)
(billions of yen)

u

Quickcast

business

is included in Other (information systems, etc)

Capital Expenditures

201.7

201.7

905.0

905.0

214.7

214.7

0.0

100.0

200.0

300.0

400.0

500.0

600.0

700.0

800.0

900.0

1,000.0

Other (information systems, etc.)

25.0

27.1

150.0

PHS business

0.2

0.2

1.0

Mobile phone business (FOMA)

142.2

156.4

639.0

Mobile phone business (i-mode, etc.)

9.6

9.4

32.0

Mobile phone business (mova)

10.9

6.5

17.0

Mobile phone business (transmission line)

22.9

15.1

66.0

2005/4-6(1Q)

2006/4-6(1Q)

2007/3

(Full-year

forecast)

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25
SLIDE No.
25
Results For 1Q of 2006
/27
Operational Results
*Other
includes
purchase
of
additional
handsets
by
existing
FOMA
subscribers.
u
Communication
Module

Service subscribers are included in the no. of cellular subscribers to align the calculation method of subscribers with other cellular phone carriers. (Market share, the no. of handsets sold and churn rate are calculated inclusive of Communication Module Service subscribers).

u For an explanation of MOU and ARPU, see Slide 26 of this document, Definition and Calculation Method of MOU and ARPU

47,900

4.8 %

46,823

44,659

i-mode

Other*

Migration

from mova

New
 Replace
 New
 PHS
 FOMA
 mova
 Communication Module Service
 FOMA
 mova
 MOU
 (minutes)
 ARPU
 (yen)
 No. of subscribers (1,000)
 Churn rate
 Handsets sold
 (1,000)
 (Including handsets
 sold without
 involving sales by
 DoCoMo)
 Market share (%)
 No. of Subscribers (1,000)
 -
 -69.3
 %
 468
 1,525
 -
 -63.5
 %
 345
 945
 -
 -0.5 points
 55.6
 56.1
 990
 25.9%
 733
 582
 35,000
 91.2 %
 26,217
 13,710
 17,900
 -28.7 %
 25,456
 35,719
 52,900

4.5 %
51,672
49,430
-
-4.5
%
3,170
3,320
2007/3
(Full-year
forecast)
Changes
(1) Õ
(2)
2006/4-6
(1Q)
(2)
2005/4-6
(1Q)
(1)
-
320
-
-
-
-
208.0
%
1,583
514
24.5
%
2,117
1,701
32.5 %
1,190
898
-16.2
%
62
74
-41.0
%
679
1,150
-0.16 points
0.64
0.80
Communication

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26

SLIDE No.

26

Results For 1Q of 2006

/27

Definition and Calculation Methods of MOU and ARPU

u MOU(Minutes of usage): Average communication time per one month per one user.

u ARPU(Average

monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated basis. ARPU is calculated by dividing various revenue items included in operating revenues from our wireless services, such as transmission charges and packet transmission charges, from designated services which are incurred consistently each month, by subscribers to the relevant services. Accordingly, the calculation of ARPU excludes revenues that are not representative of mo

as

activation

fees.

We

believe

that

our

ARPU

figures

provide

useful

information

to

analyze

the

average

usage

of

our

subscribers

and

the

impacts

of

changes

in

our

billing

arrangements.

The

revenue

items

included
in
the
numerators
of
our
ARPU
figures
are
based
on
our
U.S.
GAAP
results
of

operations. This definition applies to all ARPU figures hereinafter.

u Aggregate ARPU(FOMA+mova): Voice ARPU (FOMA+mova) + Packet ARPU (FOMA+mova)

e
Voice
ARPU
(FOMA+mova)

:
Voice
ARPU
(FOMA+mova)

Related
Revenues
(monthly
charges,
voice
transmission
charges) /

No.
of active cellular phone subscribers (FOMA+mova)

e
Packet
ARPU
(FOMA+mova)

:
{Packet
ARPU
(FOMA)

Related
Revenues
(monthly
charges,
packet
transmission
charges)

+
i-mode ARPU (mova) Related Revenues (monthly charges, packet transmission charges) } /
No. of active cellular phone subscribers (FOMA+mova)
e
i-mode
ARPU
(FOMA+mova) :
i-mode
ARPU
(FOMA+mova)
Related
Revenues
(monthly
charges,
packet
transmission
charges)
/
No. of active cellular phone subscribers (FOMA+mova)
u Aggregate ARPU
(FOMA) : Voice ARPU (FOMA) + Packet ARPU (FOMA)
e
Voice
ARPU
(FOMA)
:
Voice
ARPU
(FOMA)
Related
Revenues
(monthly
charges,
voice
transmission
charges)
/
No.
of
active
cellular phone
subscribers (FOMA)
e
Packet
ARPU
(FOMA):
Packet
ARPU
(FOMA)
Related

Revenues
(monthly
charges,
packet
transmission
charges)
/
No.
of
active
cellular phone subscribers (FOMA)
e
i-mode
ARPU
(FOMA)
:
i-mode
ARPU
(FOMA+)
Related
Revenues
(monthly
charges,
packet
transmission
charges)
/
No.
of
active
cellular phone subscribers (FOMA)
u Aggregate ARPU
(mova) : Voice ARPU (mova) + i-mode ARPU (mova)
e
Voice
ARPU
(mova)
:
Voice
ARPU
(mova)
Related
Revenues
(monthly
charges,
voice
transmission
charges)
/
No.

of
active
cellular phone subscribers (mova)

e
i-mode
ARPU
(mova)

:
i-mode
ARPU
(mova+)
Related
Revenues
(monthly
charges,
packet
transmission
charges)

/
No.
of
active

cellular phone subscribers (mova)

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

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

e
Half-year
data:

sum
of
No.

of
active
subscribers
in
each
month *

of
the
current
half

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

*

No. of active subscribers in each month : (No. of subs at end of previous month+No. of subs at end of current month)/2

w The revenues and no. of subscribers of Communication Module Service are not included in the above calculation

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27
SLIDE No.
27
Results For 1Q of 2006
/27
Reconciliation of the Disclosed Non-GAAP Financial Measures to
the Most Directly Comparable GAAP Financial Measures
1.
EBITDA and EBITDA margin
Billions of yen
Three months ended
June 30, 2006
Three months ended
June 30, 2005
a. EBITDA
¥ 445.0
¥ 455.0
(169.3)
(165.5)

(3.0)
 (1.9)
 272.7
 287.6
 1.7
 65.8
 (110.7)
 (144.8)
 (0.1)
 (0.8)
 (0.0)
 0.0
 163.5
 207.9
 1,218.6
 1,187.1
 36.5%
 38.3%
 13.4%
 17.5%

Note:

2.

Free cash flows excluding changes in investments for cash management purpose

Billions of yen

Three months ended

June 30, 2006

Three months ended

June 30, 2005

(¥ 165.9)

¥ 135.2

(0.4)

50.0

(166.2)

185.2

(264.6)

(141.2)

98.4

326.3

Note:

Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of fi
 held for cash management purpose with original maturities of longer than three months.

Changes in investments for cash management purpose

Free cash flows

Net cash used in investing activities

Net cash provided by operating activities

Other income (expense)

Income taxes

Equity in net losses of affiliates

Free cash flows excluding changes in investments for cash management purpose

Net income margin (=b/c)

EBITDA and EBITDA margin, as we use them, are different from EBITDA as defined in Item 10(e) of regulation S-K and many similarly titled measures used by other companies.

Minority interests in consolidated subsidiaries

b. Net income

c. Total operating revenues

EBITDA margin (=a/c)

Depreciation and amortization

Losses on sale or disposal of property, plant and equipment

Operating income

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FOMA

, mova , Quickcast , i-mode , pake-houdai

, Osaifu-Keitai , iD

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