

NTT DOCOMO INC
Form 6-K
May 01, 2007
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of May, 2007.

Commission File Number: 001-31221

Total number of pages: 93

NTT DoCoMo, Inc.

(Translation of registrant's name into English)

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

Chiyoda-ku, Tokyo 100-6150

Japan

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

Edgar Filing: NTT DOCOMO INC - Form 6-K

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

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

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

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

Yes No

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

Table of Contents

Information furnished in this form:

1. Earnings release dated April 27, 2007 announcing the company's results for The Fiscal Year ended March 31, 2007.
2. Materials presented in conjunction with the earnings release dated April 27, 2007 announcing the company's results for The Fiscal Year ended March 31, 2007.

Table of Contents

SIGNATURES

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

NTT DoCoMo, Inc.

Date: May 1, 2007

By:

/s/ YOSHIKIYO SAKAI
Yoshikiyo Sakai

Head of Investor Relations

Table of Contents

3:00 P.M. JST, April 27, 2007

NTT DoCoMo, Inc.

Earnings Release for the Fiscal Year Ended March 31, 2007

Consolidated financial results of NTT DoCoMo, Inc. (the Company) and its subsidiaries (collectively we or DoCoMo) for the fiscal year ended March 31, 2007, are summarized as follows.

<< Highlights of Financial Results >>

For the fiscal year ended March 31, 2007, operating revenues were 4,788.1 billion yen (up 0.5% year-on-year), operating income was 773.5 billion yen (down 7.1% year-on-year), income before income taxes was 772.9 billion yen (down 18.8% year-on-year) and net income was 457.3 billion yen (down 25.1% year-on-year).

Earnings per share were 10,396.21 yen (down 22.9% year-on-year) and EBITDA margin* was 32.9% (down 0.8 point year-on-year), and ROCE* was 16.1% (down 1.1 point year-on-year).

Operating revenues, operating income, income before income taxes and net income for the fiscal year ending March 31, 2008, are estimated to be 4,728.0 billion yen (down 1.3% year-on-year), 780.0 billion yen (up 0.8% year-on-year), 788.0 billion yen (up 1.9% year-on-year) and 476.0 billion yen (up 4.1% year-on-year), respectively.

Notes:

1. Consolidated financial statements for the fiscal year ended March 31, 2007 in this release are unaudited.
 2. Amounts in this release are rounded, except in non-consolidated financial statements, where amounts are truncated.
 3. With regard to the assumptions and other related matters concerning the forecasts of consolidated financial results for the fiscal year ending March 31, 2008, please refer to pages 10 and 11.
- * EBITDA and EBITDA margin, as we refer to in this earnings release, 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 52. See page 17 for the definition of ROCE.

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

During the fiscal year ended March 31, 2007, we worked to reinforce our comprehensive strengths by continuously expanding FOMA's coverage and adding more variety to our handset lineup to respond to the launch of the Mobile Number Portability (MNP) system. While a certain number of our customers used the MNP system, we believe its impact was relatively limited, with our full-year cellular churn rate rising only 0.01 point over the prior fiscal year to 0.78%. We have achieved steadfast progress in migrating mova subscribers to the FOMA network, and the total number of FOMA subscribers as of March 31, 2007 reached approximately 35 million, or over two thirds of our total cellular subscribers. Operating revenues and operating income for the fiscal year ended March 31, 2007 were 4,788.1 billion yen and 773.5 billion yen, respectively, posting an increase in revenues but a decrease in income over the prior fiscal year.

In the fiscal year ending March 31, 2008, we plan to accelerate our drive to transform cellular phones into a lifestyle infrastructure. To this end, we will enrich our services and features that are aimed at making people's lives more convenient, such as mobile credit services, GPS capabilities, transport tickets and commuter pass functions. We also plan to introduce new services, including, for example, Uta-hodai service, which enables the downloading of full music tracks for a flat monthly fee, and easy-to-use and enjoyable Chokkan Games, which are played using intuitive motion, e.g., tracing a finger, tilting or waiving the handset, and release new handset models featuring innovative functions and designs. Meanwhile, we solidified our foothold in the small-amount payment market, by growing the combined user base of our DCMX and DCMX mini credit services to over 2 million in approximately one year after their launch. In the fiscal year ending March 31, 2008, we plan to cultivate new merchants and increase the lineup of cards compatible with our credit business to further expand its uptake. With regard to our network, we will respond to capacity expansion needs in view of the growing uptake of flat-rate services, and incorporate customers' requests in our coverage improvement efforts to enhance the quality of our communication services.

As we believe providing adequate returns to shareholders is one of the most important issues in our corporate management, we have decided to increase our dividend payment by 20% year-on-year to 4,800 yen per share for the fiscal year ending March 31, 2008.

While the competition in the cellular phone market is expected to become increasingly harsh, we will devote ourselves to executing business with speed and a challenging spirit to take us one step ahead in our pursuit of new growth.

<< Business Results and Financial Position >>

<Results of operations>

	Billions of yen (UNAUDITED)			
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
Operating revenues	¥ 4,765.9	¥ 4,788.1	¥ 22.2	0.5%
Operating expenses	3,933.2	4,014.6	81.3	2.1
Operating income	832.6	773.5	(59.1)	(7.1)
Other income (expense)	119.7	(0.6)	(120.2)	
Income before income taxes	952.3	772.9	(179.4)	(18.8)
Income taxes	341.4	313.7	(27.7)	(8.1)
Equity in net losses of affiliates	(0.4)	(1.9)	(1.6)	(433.2)
Minority interests in consolidated subsidiaries	(0.1)	(0.0)	0.0	40.8
Net income	¥ 610.5	¥ 457.3	¥ (153.2)	¥ (25.1)%

Table of Contents**1. Business Overview**

- (1) Operating revenues totaled 4,788.1 billion yen (up 0.5% year-on-year).

Cellular (FOMA+mova) services revenues increased to 4,182.6 billion yen (up 0.6% year-on-year). Despite some negative effects from our strategic billing arrangements introduced in the past, we safely maintained our churn rate at a low level as ever through our competitiveness. The increase in cellular (FOMA+mova) services revenues is also attributed partially to our recognition as revenues of the portion of Nikagetsu Kurikoshi (two-month carry over) allowances that are projected to expire.

Voice revenues from FOMA services increased to 1,793.0 billion yen (up 53.3% year-on-year) and packet communications revenues from FOMA services increased to 971.9 billion yen (up 58.5% year-on-year), owing to a significant increase in the number of FOMA services subscribers to 35.53 million (up 51.4% year-on-year). The increase in the number of FOMA subscribers resulted from factors such as the improvements of network quality and release of the new handsets, including the FOMA903i/703i series.

Equipment sales revenues increased to 474.0 billion yen (up 0.8% year-on-year) as steady migration of subscribers from mova to FOMA services resulted in an increase in the number of handsets sold.

<Breakdown of operating revenues>

	Billions of yen (UNAUDITED)				
	Year ended March 31, 2006	Year ended March 31, 2007		Increase (Decrease)	
		¥	¥		¥
Wireless services	¥ 4,295.9	¥	4,314.1	¥ 18.3	0.4%
Cellular (FOMA+mova) services revenues (1)	4,158.1		4,182.6	24.5	0.6
- Voice revenues (2)	3,038.7		2,940.4	(98.3)	(3.2)
Including: FOMA services	1,169.9		1,793.0	623.1	53.3
- Packet communications revenues	1,119.5		1,242.2	122.8	11.0
Including: FOMA services	613.3		971.9	358.6	58.5
PHS services revenues	40.9		23.0	(17.9)	(43.8)
Other revenues	96.8		108.5	11.8	12.1
Equipment sales	470.0		474.0	3.9	0.8
Total operating revenues	¥ 4,765.9	¥	4,788.1	¥ 22.2	0.5%

Notes:

- Cellular (FOMA+mova) services revenues for the year ended March 31, 2007 reflected the impact of recognizing as revenues the portion of Nikagetsu Kurikoshi (two-month carry over) allowances that are projected to expire.
- Voice revenues include data communications revenues through circuit switching system.

Edgar Filing: NTT DOCOMO INC - Form 6-K

(2) Operating expenses were 4,014.6 billion yen (up 2.1% year-on-year).

Personnel expenses increased to 254.3 billion yen (up 1.6% year-on-year). The number of employees was 21,591 as of March 31, 2007.

Non-personnel expenses increased to 2,549.3 billion yen (up 2.6% year-on-year). This increase resulted mainly from an increase in cost of equipment sold due to proportional growth in sales of FOMA handsets to the aggregate number of handsets sold.

Depreciation and amortization expenses increased by 1.0% year-on-year to 745.3 billion yen due to an increase in capital expenditures for expansion and quality improvement of the FOMA network.

<Breakdown of operating expenses>

	Billions of yen (UNAUDITED)			
	Year ended		Year ended	
	March 31, 2006	March 31, 2007	Increase (Decrease)	
Personnel expenses	¥ 250.3	¥ 254.3	¥ 4.0	1.6%
Non-personnel expenses	2,484.8	2,549.3	64.5	2.6
Depreciation and amortization	738.1	745.3	7.2	1.0
Loss on disposal of property, plant and equipment and intangible assets	54.7	73.1	18.4	33.6
Communication network charges	368.5	356.1	(12.4)	(3.4)
Taxes and public dues	36.7	36.4	(0.4)	(1.0)
Total operating expenses	¥ 3,933.2	¥ 4,014.6	¥ 81.3	2.1%

-
Note:

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 .

Table of Contents

- (3) Operating income decreased to 773.5 billion yen (down 7.1% year-on-year). Income before income taxes decreased by 18.8% year-on-year to 772.9 billion yen mainly due to an adverse impact of the gains on the sale of Hutchison 3G UK Holdings Limited shares (62.0 billion yen) and KPN Mobile N.V. shares (40.0 billion yen) during the year ended March 31, 2006.
- (4) Net income was 457.3 billion yen (down 25.1% year-on-year).

2. Segment Information

- (1) Mobile phone business

<Operating results>

	Billions of yen (UNAUDITED)			
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
Mobile phone business operating revenues	¥ 4,683.0	¥ 4,718.9	¥ 35.9	0.8%
Mobile phone business operating income	844.4	803.7	(40.8)	(4.8)

<Operation data>

	Thousand subscribers			
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
Number of subscribers				
Cellular services	51,144	52,621	1,477	2.9%
Cellular (FOMA) services	23,463	35,529	12,066	51.4
Cellular (mova) services	27,680	17,092	(10,588)	(38.3)
i-mode services	46,360	47,574	1,214	2.6

	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
Aggregate ARPU	¥ 6,910	¥ 6,700	¥ (210)	(3.0)%
Voice ARPU	5,030	4,690	(340)	(6.8)
Packet ARPU	1,880	2,010	130	6.9
Churn rate	0.77%	0.78%	0.01point	

Note:

Number of i-mode subscribers includes numbers of cellular (FOMA) and cellular (mova) i-mode subscribers.

* See APPENDIX 2 ARPU Calculation Methods on page 51 for the details of ARPU calculation methods.

Subscriber-friendly billing arrangements

Edgar Filing: NTT DOCOMO INC - Form 6-K

The number of subscribers for *pake-hodai*, our optional flat-rate packet billing plan for unlimited i-mode usage for FOMA services, increased to 9.54 million as of March 31, 2007, after the plan was made available to all FOMA subscribers in March 2006.

We released a new optional packet billing plan called *pake-hodai full* in March 2007 to enable FOMA i-mode subscribers with full-browser compatible handsets to view other internet websites as well as i-mode websites at a flat-rate.

Enriched handset line-up and services

A total of 48 models of FOMA handsets were released during the year ended March 31, 2007 in response to the diverse needs of our customers.

We released the FOMA 902is series in May 2006 and the FOMA 903i series in October 2006 as our high-end models with state-of-the-art technology. We released standard models with unique and slim designs called the FOMA 702iS series and the FOMA 703i series in July 2006 and January 2007, respectively. We also released the SIMPURE series, which features compact sizes and simple function, as well as other handsets compatible with HSDPA (High-Speed Downlink Packet Access) and with digital terrestrial TV broadcasting dedicated to mobile terminals (*One-Seg* service).

Table of Contents

Keyword search function was added to our iMenu portal site, which enables i-mode subscribers to search iMenu sites, as well as those other internet websites through our partners' search engines.

We upgraded the contents of i-mode when we added new services such as Rakuten Auction and Social Networking Services to iMenu portal site and the handsets became compatible with enhanced music functions and extended memory capacity for enhanced visuals in rich applications (Mega i-appli) such as games or GPS navigation.

The usability of i-channel services was further improved when its basic menu was renewed and functions were added. The number of i-channel subscribers increased to 10.58 million as of March 31, 2007.

As our music services, we launched Chaku-Uta full , which enables subscribers to download entire songs, and Music Channel , which provides longer and high-quality music programs. We also released several FOMA handsets compatible with Napster To Go , which is provided by Napster Japan, Inc., to enable subscribers to download an unlimited number of songs to a PC for a flat rate and to transfer the songs to a compatible music player or cellular handset.

We collaborated actively with our business partners such as Nippon Television Network Corporation, Fuji Television Network, Inc. and Kadokawa Group Holdings, Inc. to launch new services in the future including video broadcasting of content owned by such partners to cellular handsets or integration of data broadcasting in One-Seg services with i-mode.

Upgrade of network quality

We completed FOMA network coverage nationwide for train stations of Japan Railways Group, public service areas for automobiles, educational institutes and municipal offices and incorporated requests of our customers in our network planning. The coverage of FOMA services achieved a level which exceeds the coverage of mova services.

We deployed FOMA HIGH-SPEED Area , which features HSDPA technology, in major cities nationwide. We also strengthened our network security by implementing a network control function which can segregate voice communication and packet communication in the event of an emergency.

Further enhancement of after-sales services

As a part of Premier Club Anshin Support , which is dedicated to members of DoCoMo Premier Club , we introduced Handset Replacement and Delivery Service , which delivers a new FOMA handset for replacement in the event a handset is lost or stolen. We also introduced new services including Data Security Service that saves subscribers' phonebook information on our network.

A service called iC data transfer service was introduced to enable customers to transfer data in IC (integrated circuit) card embedded in a handset when they upgrade their handsets.

Cost-saving efforts for handset procurement

Edgar Filing: NTT DOCOMO INC - Form 6-K

We developed in collaboration with Renesas Technology Corp. (Renesas) one-chip LSI (Large-scale integrated circuit) for FOMA handsets. The one-chip LSI, which was embedded in some FOMA 903i series handsets, achieved shortened term for handset development and cost-savings as well as enhancement of basic functions of the handsets.

Other cost-saving efforts, in collaboration with Renesas and handset vendors, included expansion of the functions of the one-chip LSI such as compatibility with HSDPA services, development of a common handset platform integrated with its core software and establishment of handset platform based on Linux Operating System.

Table of Contents

Development of international services

We renovated our international roaming services by integrating World Walker, the international roaming services for mova subscribers into World Wing, the international roaming services for FOMA subscribers. We discounted roaming charges and rental fees of roaming compatible handsets at the same time. We also increased the number of international roaming compatible handsets by adding such functions to our mainstream FOMA handsets.

We steadily expanded the service area of international roaming-out services for voice calls and SMS to 151* countries and areas; for packet communications to 97* countries and areas; and for videophone calls to 34 countries and areas, each as of March 31, 2007 (* a dedicated handset is required in 3 countries and areas out of the above for network compatibility).

Indemnification Service for Rental Handsets was introduced for customer care purposes where an advance application with prepayment will save by half the amount of damages for a lost rental handset during a trip.

In December 2006, we completed our acquisition of Guam Cellular & Paging, Inc. and Guam Wireless Telephone Company, LLC, both of which provide mobile services in Guam and the Northern Mariana Islands, in an effort to strengthen our roaming services in popular destinations of Japanese tourists.

In April 2006, we formed a strategic alliance with six Asian mobile operators to cooperate in international roaming and development of mobile services for corporate accounts. In December 2006, we added another operator to the alliance and officially named the alliance Conexus Mobile Alliance.

Corporate marketing

We launched a new service called Business Mopera Anshin Manager, which enables our corporate customers to alter and control the settings of their handsets remotely from a dedicated website.

We also started to provide another new service called OFFICEED, where corporate customers communicate free of charge between handsets registered with their In-building Mobile Communication System.

We actively marketed mobile system solutions featuring two of our PDA-type handsets: hTc Z, which is supplied by High Tech Computer Corporation in Taiwan, and BlackBerry 8707h, which is supplied by Research In Motion Limited in Canada.

(2) PHS business

<Operating results>

	Billions of yen		
Year ended	(UNAUDITED)		Increase
March 31, 2006	Year ended		(Decrease)

Edgar Filing: NTT DOCOMO INC - Form 6-K

	March 31, 2007			
PHS business operating revenues	¥ 41.7	¥ 23.4	¥ (18.3)	(43.9)%
PHS business operating loss	(9.5)	(15.4)	(5.9)	(62.5)%

<Operation data>

	Thousand subscribers (UNAUDITED)			
	Year ended	Year ended		
	March 31, 2006	March 31, 2007	Increase (Decrease)	
Number of subscribers				
PHS services	771	453	(318)	(41.2)%

	Billions of yen (UNAUDITED)			
	Year ended	Year ended		
	March 31, 2006	March 31, 2007	Increase (Decrease)	
PHS ARPU	¥ 3,280	¥ 3,110	¥ (170)	(5.2)%

We were continuously engaged in a campaign to encourage current PHS subscribers to migrate to FOMA services and officially decided in April 2007 on the termination of the services on January 7, 2008.

Table of Contents

(3) Miscellaneous businesses

<Operating results>

	Billions of yen (UNAUDITED)			
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
Miscellaneous business operating revenues	¥ 41.1	¥ 45.8	¥ 4.7	11.3%
Miscellaneous business operating loss	(2.3)	(14.8)	(12.4)	(534.5)

Expansion of credit business

In order to further promote the convenience of *Osai-fu-Keitai*, we launched a new credit service, which features compatibility with *iD* credit card brand for card issuers. *iD* credit brand enables our subscribers to make credit payments with the *Osai-fu-Keitai* mobile phone equipped with wallet functions. Our new credit services include *DCMX mini*, which offers a monthly credit line of 10,000 yen with simple application procedures on i-mode, and *DCMX*, in which subscribers are awarded *DoCoMo point*, point for our customer loyalty program, and other various privileges according to their credit usages. The total number of *DCMX* subscribers reached 2 million as of March 31, 2007.

We installed the *iD* reader/writers in all *am/pm* and *Lawson*, chain convenience stores nationwide. We also established a Limited Liability Partnership with East Japan Railway Company (*JR East*) in order to manage and operate a common infrastructure (common reader/writer and common usage center) where electronic payment becomes available for users of *iD* and *JR East's Suica*. In February 2007, the common infrastructure was first installed in *JUSCO* and *MaxValu*, both of which are supermarket chains of the *AEON* group. The number of installed *iD* reader/writers increased to approximately 150,000 as of March 31, 2007.

In February 2007, we agreed with *McDonald's Holdings Company (Japan), Ltd.* to the installment of *iD* reader/writers and *ToruCa* information-capture service at *McDonald's* stores nationwide.

The number of *Osai-fu-Keitai* handsets increased to 20.80 million as of March 31, 2007.

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

Termination of *Quickcast* services

We terminated *Quickcast* services on March 31, 2007 because of a sharp decline in the number of the subscribers after e-mail services through cellular network were widely accepted.

Other

Edgar Filing: NTT DOCOMO INC - Form 6-K

We launched a service called Business mopera IP Centrex , which enables our corporate customers to make outbound calls or call extension numbers via IP Centrex devices on our networks, instead of via traditional in-house PBX, with a FOMA/wireless LAN compatible handset.

We were actively involved in sales activities such as development and sale of mobile system solutions and marketing of mobile advertisements via i-mode websites.

Table of Contents**3. Capital Expenditures**

Total capital expenditures were 934.4 billion yen.

We actively invested in telecommunication facilities and laboratory experimental equipment when we expanded the coverage areas of FOMA services including a rollout of HSDPA-technology compatible FOMA HIGH SPEED Area . We also reinforced our FOMA network to meet the increase in demand and to improve network reliability and launched new services such as Music Channel . At the same time, we continued our efforts to make capital expenditures more efficient and less costly by saving on equipment purchase costs and improving the design and construction process. Total capital expenditures during the year ended March 31, 2007 increased by 5.3% year-on-year to 934.4 billion yen.

<Breakdown of capital expenditures>

	Billions of yen (UNAUDITED)			
	Year ended		Year ended	
	March 31, 2006	March 31, 2007	Increase (Decrease)	
Mobile phone business	¥ 749.5	¥ 781.5	¥ 32.1	4.3%
PHS business	1.1	1.2	0.1	11.6
Other (including information systems)	136.6	151.7	15.1	11.1
Total capital expenditures	¥ 887.1	¥ 934.4	¥ 47.3	5.3%

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

Net cash provided by operating activities was 980.6 billion yen (down 39.1% year-on-year). The combination of an increase in income tax payment and a decrease in refund of income taxes resulted in an increase in cash payment by 269.1 billion yen (we paid 89.8 billion yen for income taxes, net of a refund of income taxes, in the prior fiscal year when deferred tax assets from the impairment of our investment in AT&T Wireless Services, Inc. were realized). The decrease in net cash provided by operating activities is also due to the effect of a bank closure at the end of March, which deferred our cash reception of 210.0 billion yen including cellular revenues to the following month.

Net cash used in investing activities decreased to 947.7 billion yen (down 0.4% year-on-year). An increase in acquisitions of tangible and intangible assets was more than offset by a decrease in acquisitions of long-term investments. Changes in investments for cash management purposes were inflows of 50.7 billion yen (changes in investments for cash management purposes were inflows of 149.0 billion yen in the prior fiscal year).

Net cash used in financing activities, including repurchases of our own stock, dividend payments, repayments of outstanding long-term debt, decreased to 531.5 billion yen (down 10.0% year-on-year). An increase in repayments of outstanding long-term debt and dividend payments was more than offset by a decrease in payments for the repurchases of our own stock. We spent 157.2 billion yen during the year ended March 31, 2007 to repurchase our own stock in the market.

Free cash flows were 32.9 billion yen. Free cash flows excluding the effects of irregular factors and changes in investments for cash management purposes were 192.2 billion yen.

<Statements of cash flows>

	Billions of yen (UNAUDITED)			
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
	March 31, 2006	March 31, 2007	(Decrease)	(Decrease)
Net cash provided by operating activities	¥ 1,610.9	¥ 980.6	¥ (630.3)	(39.1)%
Net cash used in investing activities	(951.1)	(947.7)	3.4	0.4
Net cash used in financing activities	(590.6)	(531.5)	59.1	10.0
Free cash flows (1)	659.9	32.9	(626.9)	(95.0)
Adjusted free cash flows excluding the effects of irregular factors (2) and changes in investments for cash management purposes (3)	510.9	192.2	(318.7)	(62.4)
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2007	(Decrease)	
<Financial measures>				
Equity ratio (4)	63.7%	68.0%	4.3 point	
Market equity ratio* (5)	121.6%	155.4%	33.8 point	
Debt ratio (6)	16.4%	12.7%	(3.7) point	
Liability to cash flow ratio (7)	49.2%	50.6%	1.4 point	
Interest coverage ratio (8)	185.9	191.9	6.0	

Notes:

Edgar Filing: NTT DOCOMO INC - Form 6-K

- (1) Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities
 - (2) Irregular factors = the effects of uncollected revenues due to a bank closure at the end of the fiscal year
 - (3) Changes in investments for cash management purposes = Changes by purchases, redemptions and disposal of financial instruments for cash management purposes with original maturities of longer than 3 months.
 - (4) Equity ratio = Shareholders' equity / Total assets
 - (5) Market equity ratio* = Market value of total share capital / Total assets
 - (6) Debt ratio = Interest bearing liabilities / (Shareholders' equity + Interest bearing liabilities)
 - (7) Liabilities to cash flow ratio= Interest bearing liabilities / Net cash provided by (used in) operating activities (excluding irregular factors)
 - (8) Interest coverage ratio = Net cash provided by (used in) operating activities (excluding irregular factors) / Interest expense**
- ** Interest expense is cash interest paid, which is disclosed in Supplemental disclosures of cash flow information for consolidated statements of cash flows on page 22.
- * See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 52.

5. Profit Distribution

The Company plans to pay a total dividend of 4,000 yen per share (including the 2,000 yen interim dividend) for the year ended March 31, 2007.

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

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

Under these market circumstances, while we will work continuously to expand our subscriber base by instituting measures to reinforce our comprehensive strengths from a customer-oriented perspective, operating revenues for the fiscal year ending March 31, 2008, are estimated at 4,728.0 billion yen because the downtrend in the average revenue per unit (ARPU) of our cellular subscribers is projected to continue. Operating income, on the other hand, is expected to increase by 6.5 billion yen to 780.0 billion yen, because our operating expenses are projected to fall due to a decrease in revenue-linked expenses resulting from a reduction in the number of handsets sold and lower handset procurement costs, and reduced capital expenditures associated with the expansion of FOMA network coverage.

*The mobile communications market in Japan is characterized by rapid changes in the market environment due to technical innovations, market entry by new competitors and other factors. To respond to such changes, our corporate group may introduce new billing plans or other measures that could potentially have a significant impact on our revenues and income. The timing of introduction of such measures will be decided after comprehensively taking into consideration our operational circumstances and the actions of our competitors, and therefore, is not necessarily decided beforehand. Such measures, depending on the timing of implementation, may significantly affect our results forecasts to be made at the time of our first-half results announcement. Providing such prospects on a half-year basis, therefore, may not be adequate or useful as information to be disclosed to investors. Accordingly, we will provide prospects for the full year only, and report the progress vis-à-vis the projected full-year forecasts by disclosing actual results on a quarterly basis.

	Billions of yen			
	Year ended		Year ending	
	March 31, 2007	March 31, 2008	March 31, 2008	March 31, 2008
	(Actual results)	(Forecasts)	Increase (Decrease)	
Operating revenues	4,788.1	4,728.0	(60.1)	(1.3)%
Operating income	773.5	780.0	6.5	0.8%
Income before income taxes	772.9	788.0	15.1	1.9%
Net income	457.3	476.0	18.7	4.1%
Capital expenditures	934.4	750.0	(184.4)	(19.7)%
Adjusted free cash flows *	192.2	560.0	367.8	191.3%
EBITDA *	1,574.6	1,573.0	(1.6)	(0.1)%
EBITDA margin *	32.9%	33.3%	0.4 point	
ROCE *	16.1%	16.1%	0.0 point	
ROCE after tax effect *	9.5%	9.5%	0.0 point	

* See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on Page 52.

The financial forecasts for the year ending March 31, 2008, were based on the forecasts of the following operation data:

	March 31, 2007		March 31, 2008		Increase (Decrease)	
	(Actual results)		(Forecasts)			
	March 31, 2007	March 31, 2007	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
Number of cellular (FOMA+mova) services subscribers (thousands)	¥ 52,621	¥ 52,621	¥ 53,890	¥ 53,890	¥ 1,269	2.4%
Number of cellular (FOMA) services subscribers (thousands)	35,529	35,529	44,420	44,420	8,891	25.0
	17,092	17,092	9,470	9,470	(7,622)	(44.6)

Edgar Filing: NTT DOCOMO INC - Form 6-K

Number of cellular (mova) services subscribers (thousands)				
Number of i-mode subscribers (thousands)	47,574	48,590	1,016	2.1
Number of PHS subscribers (thousands)	453			
Aggregate ARPU* (cellular (FOMA+mova) services)	¥ 6,700	¥ 6,480	¥ (220)	(3.3)
Voice ARPU	4,690	4,330	(360)	(7.7)
Packet ARPU	2,010	2,150	140	7.0%

-
Note:

1. Number of i-mode subscribers includes numbers of cellular (FOMA) and cellular (mova) i-mode subscribers.
2. We officially decided in April 2007 on the termination of PHS services on January 7, 2008

* See page 51 for the details of ARPU calculation methods.

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

Table of Contents

Special Note Regarding Forward-Looking Statements

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

1. As competition in the market becomes more fierce due to changes in the business environment caused by the Mobile Number Portability system, new market entrants competition from other cellular service providers or other technologies, and other factors, could limit our acquisition of new subscribers, retention of existing subscribers and ARPU, or may lead to an increase in our costs and expenses.
2. The new services and usage patterns introduced by our corporate group may not develop as planned, which could limit our growth.
3. The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group could restrict our business operations, which may adversely affect our financial condition and results of operations.
4. Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.
5. The W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced by other overseas operators, which could limit our ability to offer international services to our subscribers.
6. Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunities we expect.
7. As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than those belonging to our corporate group are provided through our cellular handsets, potential problems resulting from malfunctions, defects or loss of handsets, or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.
8. Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.
9. Inadequate handling of personal information and other confidential information by our corporate group, contractors, and other factors, may adversely affect our credibility or corporate image.
10. Owners of intellectual property rights that are essential for our business execution may not grant us the right to license or otherwise use such intellectual property rights on acceptable terms or at all, which may limit our ability to offer certain technologies, products and/or services, and we may also be held liable for damage compensation if we infringe the intellectual property rights of others.

Edgar Filing: NTT DOCOMO INC - Form 6-K

11. Earthquakes, power shortages, malfunctioning of equipment, 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.
12. Concerns about wireless telecommunications health risks may adversely affect our financial condition and results of operations.
13. Our parent company, Nippon Telegraph and Telephone Corporation (NTT), could exercise influence that may not be in the interests of our other shareholders.

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

Table of Contents**Financial Statements**April 27, 2007
[U.S. GAAP]

For the Fiscal Year Ended March 31, 2007

Name of registrant: **NTT DoCoMo, Inc.** (URL <http://www.nttdocomo.co.jp/>)
Code No.: 9437
Stock exchange on which the Company's shares are listed: 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

Date of the general meeting of shareholders for approval of the consolidated financial statements: June 19, 2007
Date of scheduled payment of dividends: June 20, 2007
Date of scheduled filing of securities report: June 20, 2007

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

(1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen.

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Income before Income Taxes		Net Income	
Year ended March 31, 2007	4,788,093	0.5%	773,524	(7.1)%	772,943	(18.8)%	457,278	(25.1)%
Year ended March 31, 2006	4,765,872	(1.6)%	832,639	6.2%	952,303	(26.1)%	610,481	(18.3)%

	Basic Earnings per Share	Diluted Earnings per Share	ROE		ROA	Operating Income Margin
			(Ratio of Net Income to Shareholders Equity)		(Ratio of Income before Income Taxes to Total Assets)	(Ratio of Operating Income to Operating Revenues)
			Year ended March 31, 2007	10,396.21 (yen)		11.1%
Year ended March 31, 2006	13,491.28 (yen)		15.3%	15.2%	17.5%	

Notes: Equity in net losses of affiliated companies: For the fiscal year ended March 31, 2007: (1,941) million yen
For the fiscal year ended March 31, 2006: (364) million yen

(2) Consolidated Financial Position

Total Assets	Shareholders Equity	(Millions of yen, except per share amounts)	
		Equity Ratio	Shareholders Equity
		(Ratio of Shareholders Equity to Total Assets)	per Share

Edgar Filing: NTT DOCOMO INC - Form 6-K

	Equity to Total Assets)			
March 31, 2007	6,116,215	4,161,303	68.0%	95,456.65 (yen)
March 31, 2006	6,365,257	4,052,017	63.7%	91,109.33 (yen)

(3) Consolidated Cash Flows (Millions of yen)

	Cash Flows from			(Millions of yen) Cash and Cash Equivalents at
	Cash Flows from Operating Activities	Investing Activities	Cash Flows from Financing Activities	Fiscal Year End
Year ended March 31, 2007	980,598	(947,651)	(531,481)	343,062
Year ended March 31, 2006	1,610,941	(951,077)	(590,621)	840,724

2. Dividends

Date of record	Cash dividends per share (yen)			Total cash dividends for the year		Ration of Dividends to Shareholders Equity
	Interim	Year-end	Total	(Millions of yen)	Payout ratio	
Year ended March 31, 2006	2,000.00	2,000.00	4,000.00	178,166	29.6%	4.6%
Year ended March 31, 2007	2,000.00	2,000.00	4,000.00	175,101	38.5%	4.3%
Year ending March 31, 2008 (Forecasts)	2,400.00	2,400.00	4,800.00		44.0%	

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

	(Millions of yen, except per share amounts)								
	Operating Revenues		Operating Income		Income Taxes		Net Income		Earnings per Share
Year ending March 31, 2008	4,728,000	(1.3)%	780,000	0.8%	788,000	1.9%	476,000	4.1%	10,919.02 (yen)

Table of Contents**4. Others**

(1) Change of reporting entities (Change of condition of significant consolidated subsidiaries)

The number of consolidated companies added: None
 The number of consolidated companies removed: 2 (DCM Capital LDN (UK) Limited , DCM Capital NL (UK) Limited)

See page 14, Condition of the Corporate Group , for further information.

(2) Change of significant accounting and reporting policies for consolidated financial statements

Change caused by revision of accounting standard: None
 Others: None

(3) The number of shares outstanding (common stock)

The number of shares outstanding:	For the fiscal year ended March 31, 2007:	45,880,000 shares
(inclusive of treasury stock)	For the fiscal year ended March 31, 2006:	46,810,000 shares
The number of treasury stock:	For the fiscal year ended March 31, 2007:	2,286,356 shares
	For the fiscal year ended March 31, 2006:	2,335,773 shares
The weighted average number of shares outstanding:	For the fiscal year ended March 31, 2007:	43,985,082 shares
	For the fiscal year ended March 31, 2006:	45,250,031 shares

(Reference) Summary of non-consolidated financial results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2007 (April 1, 2006 - March 31, 2007)**

(1) Non-consolidated Results of Operations

Amounts are truncated to nearest 1 million yen.

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Recurring Profit		Net Income	
Year ended March 31, 2007	2,598,724	1.8%	390,988	3.2%	654,167	24.4%	520,592	26.2%
Year ended March 31, 2006	2,554,026	(0.7)%	379,017	(7.2)%	525,742	17.9%	412,566	(18.0)%

Earnings per Share

	Earnings per Share	after potential dilution adjustments
Year ended March 31, 2007	11,835.65 (yen)	
Year ended March 31, 2006	9,115.17 (yen)	

(2) Non-consolidated Financial Position (Millions of yen, except per share amounts)

Total Assets	Net Assets	Equity Ratio	Net Assets per Share
(Ratio of Shareholders)			

Edgar Filing: NTT DOCOMO INC - Form 6-K

	Equity to Total Assets)			
March 31, 2007	4,076,072	2,508,167	61.5%	57,535.16 (yen)
March 31, 2006	4,515,663	2,323,036	51.4%	52,230.97 (yen)
(Reference) Shareholders equity				
			For the fiscal year ended March 31, 2007	2,508,167million yen
			For the fiscal year ended March 31, 2006	

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

	(Millions of yen, except per share amounts)							
	Operating Revenues		Operating Income		Income before Income Taxes		Earnings per Share	
Year ending March 31, 2008	2,540,000	(2.3)%	374,000	(4.3)%	547,000	(16.4)%	402,000 (22.8)%	9,221.53 (yen)

* Explanation for forecast of operation and other notes.

With regard to the assumptions and other related matters concerning consolidated financial results forecasts for the fiscal year ending March 31, 2008, please refer to page 10 and 11.

Consolidated and Non-consolidated financial statements are unaudited.

Table of Contents

<< Condition of the Corporate Group >>

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

The Company, its 95 subsidiaries and 15 affiliates constitute the NTT DoCoMo group (DoCoMo group), the largest mobile telecommunications services provider in Japan.

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

[Business Segment Information]

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

Notes: Radio paging (Quickcast) service was terminated on March 31, 2007, and we have decided to terminate PHS services on January 7, 2008.

[Position of Each Group Company]

- (1) The Company engages in mobile phone, PHS and other businesses in the Kanto-Koshinetsu region of Japan. The Company also provides nationwide services such as satellite mobile communications. The Company is solely responsible for DoCoMo group's overall research and development activities in the area of mobile telecommunications business as well as the development of services and information processing systems. The Company provides the results of such research and development to its eight regional subsidiaries, each of which operates in one of eight regions in Japan (DoCoMo Regional Subsidiaries).
- (2) Each of the eight DoCoMo Regional Subsidiaries engages in mobile phone (excluding satellite mobile communications services), PHS and other businesses in their respective regions.
- (3) 29 other subsidiaries of the Company, each of which is entrusted with certain services by the Company and/or DoCoMo Regional Subsidiaries, operate independently to maximize their expertise and efficiency. They are entrusted with part of the services provided by, or give assistance to, the Company and DoCoMo Regional Subsidiaries.
- (4) There are 58 other subsidiaries and 15 affiliates, including, among others, some overseas units established for the purpose of global expansion of the third-generation mobile communications system based on W-CDMA, and joint ventures established to launch new business operations.

Table of Contents

The following chart summarizes the description above:

As of March 31, 2007

Table of Contents

<< Management Policies >>

1. Basic Management Policies

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

2. Medium- and Long-Term Management Strategies

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

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

We will attach highest priority to ensuring that our customers continue to use our services with a high degree of satisfaction. To this end, we plan to offer products and services different from those of our competitors. We will continue to strive to strengthen our overall competitiveness by, for example, rolling out stable and high-quality networks, improving our after-sales support and introducing affordable billing plans. By adequately informing customers of these initiatives, we will endeavor to strengthen our group's brand, acquire new subscribers, curb churns and boost the usage of our cellular phone services.

(2) Grow existing revenues and create new revenue sources

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

Table of Contents

(3) Facilitate cost reduction

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

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

3. Basic Policies for Profit Distribution

Believing that providing adequate returns to shareholders is one of the most important issues in corporate management, the Company plans to pay dividends by taking into account its consolidated results and consolidated dividend payout ratio based on the principle of stable dividend payments, while striving to strengthen its financial position and secure internal reserves. The Company will also continue to take a flexible approach regarding share repurchases in order to return profits to shareholders. The Company intends to keep the repurchased shares as treasury shares and in principle to limit the amount of such treasury shares to approximately 5% of its total issued shares, and will consider retiring any treasury shares held in excess of this limit around the end of the fiscal year or at other appropriate times. During the fiscal year ended March 31, 2007, based on the authorization of a resolution adopted at the Ordinary General Meeting of Shareholders, the Company repurchased 880,578 shares of its own common stock at an aggregate price of 157.2 billion yen, and retired 930,000 shares (or approximately 2.0% of the total issued shares before retirement) at the end of March 2007.

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

4. Target Management Indicators

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

Notes:

$$\text{EBITDA margin}^* = \text{EBITDA}^* / \text{Operating revenues}$$

$$\text{EBITDA}^* = \text{Operating income} + \text{Depreciation and amortization} + \text{Losses on sale or disposal of property, plant and equipment}$$

$$\text{ROCE}^* = \text{Operating income} / (\text{Shareholders' equity} + \text{Interest bearing liabilities})$$

Shareholders' equity and interest bearing liabilities are the average of the amounts as of March 31, 2006 and March 31, 2007.

Table of Contents

5. Corporate Social Responsibility (CSR)

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

For a safer, healthier and more secure society

Held approximately 1,400 sessions of DoCoMo Keitai Safety School seminars nationwide during the fiscal year ended March 31, 2007, to provide children with tips on safe and proper phone usage manners, and promoted services that limit access to dubious dating sites or other potentially harmful information web sites.

Reinforced our security-related services and features (e.g., Data Security Service that saves customers' phonebook information on our network, Omakase-Lock service that can remotely lock IC card functions and block access to personal data with just a phone call, and Keitai Osagashi service, which searches the approximate location of the handset via PCs in the event the handset is misplaced), to allow users to use cellular phones with a greater sense of security.

Jointly conducted research with other cellular phone operators on the possible impact of radio waves emitted from cellular phone systems to the human body.

Universal design products and services

Released FOMA D800iDS, a model equipped with two screens, FOMA Raku Raku Phone III designed with a focus on ease of use, and a bone conduction receiver microphone, dubbed Sound Leaf.

Various disaster responses

Made functional enhancements to i-mode Disaster Message Board service, and added a new item, disaster prevention/crime prevention/medical service, on i-mode menu list, and promoted their use in order to improve the convenience of users in the event of a natural disaster.

Commenced the operation of a new network control system for FOMA service, which separately controls voice calls and packet communications, to secure means of communication in the event of a disaster.

Introduced Emergency Location Report service, which transmits the caller's location when an emergency call is made from a cellular phone to emergency service organizations.

Edgar Filing: NTT DOCOMO INC - Form 6-K

Global environmental conservation initiatives

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

Collected used cellular handsets (approximately 62 million units on a cumulative basis) and carried out DoCoMo Wood forestation program (at 32 locations on a cumulative basis).

Social contribution activities

To assist the education of children, constructed a total of 9 schools in Thailand, and carried out programs aimed at fostering young talent by sponsoring various sports clinics.

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

	Millions of yen (UNAUDITED)				Increase (Decrease)
	March 31, 2006		March 31, 2007		
ASSETS					
Current assets:					
Cash and cash equivalents	¥ 840,724		¥ 343,062		¥ (497,662)
Short-term investments	51,237		150,543		99,306
Accounts receivable	609,837		872,323		262,486
Allowance for doubtful accounts	(14,740)		(13,178)		1,562
Inventories	229,523		145,892		(83,631)
Deferred tax assets	111,795		94,868		(16,927)
Prepaid expenses and other current assets	98,382		138,403		40,021
Total current assets	1,926,758	30.3%	1,731,913	28.3%	(194,845)
Property, plant and equipment:					
Wireless telecommunications equipment	4,743,136		5,149,132		405,996
Buildings and structures	736,660		778,638		41,978
Tools, furniture and fixtures	610,759		613,945		3,186
Land	197,896		199,007		1,111
Construction in progress	134,240		114,292		(19,948)
Accumulated depreciation and amortization	(3,645,237)		(3,954,361)		(309,124)
Total property, plant and equipment, net	2,777,454	43.6%	2,900,653	47.4%	123,199
Non-current investments and other assets:					
Investments in affiliates	174,121		176,376		2,255
Marketable securities and other investments	357,824		261,456		(96,368)
Intangible assets, net	546,304		551,029		4,725
Goodwill	141,094		147,821		6,727
Other assets	264,982		219,271		(45,711)
Deferred tax assets	176,720		127,696		(49,024)
Total non-current investments and other assets	1,661,045	26.1%	1,483,649	24.3%	(177,396)
Total assets	¥ 6,365,257	100.0%	¥ 6,116,215	100.0%	¥ (249,042)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	¥ 193,723		¥ 131,005		¥ (62,718)
Short-term borrowings	152		102		(50)
Accounts payable, trade	808,136		761,108		(47,028)
Accrued payroll	41,799		46,584		4,785
Accrued interest	1,264		809		(455)
Accrued income taxes	168,587		68,408		(100,179)
Other current liabilities	154,638		154,909		271

Edgar Filing: NTT DOCOMO INC - Form 6-K

Total current liabilities	1,368,299	21.5%	1,162,925	19.0%	(205,374)
Long-term liabilities:					
Long-term debt (exclusive of current portion)	598,530		471,858		(126,672)
Liability for employees' retirement benefits	135,511		135,890		379
Other long-term liabilities	209,780		183,075		(26,705)
Total long-term liabilities	943,821	14.8%	790,823	13.0%	(152,998)
Total liabilities	2,312,120	36.3%	1,953,748	32.0%	(358,372)
Minority interests in consolidated subsidiaries	1,120	0.0%	1,164	0.0%	44
Shareholders' equity:					
Common stock	949,680		949,680		
Additional paid-in capital	1,311,013		1,135,958		(175,055)
Retained earnings	2,212,739		2,493,155		280,416
Accumulated other comprehensive income	26,781		12,874		(13,907)
Treasury stock, at cost	(448,196)		(430,364)		17,832
Total shareholders' equity	4,052,017	63.7%	4,161,303	68.0%	109,286
Total liabilities and shareholders' equity	¥ 6,365,257	100.0%	¥ 6,116,215	100.0%	¥ (249,042)

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

	Millions of yen (UNAUDITED)				
	Year ended		Year ended		Increase (Decrease)
	March 31, 2006		March 31, 2007		
Operating revenues:					
Wireless services	¥	4,295,856		¥ 4,314,140	¥ 18,284
Equipment sales		470,016		473,953	3,937
Total operating revenues		4,765,872	100.0%	4,788,093	100.0%
Operating expenses:					
Cost of services (exclusive of items shown separately below)		746,099		766,960	20,861
Cost of equipment sold (exclusive of items shown separately below)		1,113,464		1,218,694	105,230
Depreciation and amortization		738,137		745,338	7,201
Selling, general and administrative		1,335,533		1,283,577	(51,956)
Total operating expenses		3,933,233	82.5%	4,014,569	83.8%
Operating income		832,639	17.5%	773,524	16.2%
					(59,115)
Other income (expense):					
Interest expense		(8,420)		(5,749)	2,671
Interest income		4,659		1,459	(3,200)
Gain on sale of affiliate shares		61,962			(61,962)
Gain on sale of other investments		40,088		5	(40,083)
Other, net		21,375		3,704	(17,671)
Total other income (expense)		119,664	2.5%	(581)	(0.1)%
Income before income taxes		952,303	20.0%	772,943	16.1%
					(179,360)
Income taxes:					
Current		293,707		237,734	(55,973)
Deferred		47,675		75,945	28,270
Total income taxes		341,382	7.2%	313,679	6.5%
Equity in net losses of affiliates		(364)	(0.0)%	(1,941)	(0.0)%
Minority interests in consolidated subsidiaries		(76)	(0.0)%	(45)	(0.0)%
Net Income	¥	610,481	12.8%	¥ 457,278	9.6%
					¥ (153,203)
Other comprehensive income (loss):					
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes		7,662		(15,763)	(23,425)
Net revaluation of financial instruments, net of applicable taxes		121		34	(87)
Foreign currency translation adjustment, net of applicable taxes		(42,597)		1,103	43,700
Minimum pension liability adjustment, net of applicable taxes		3,986		5,562	1,576
Comprehensive income:	¥	579,653	12.2%	¥ 448,214	9.4%
					¥ (131,439)
PER SHARE DATA					
Weighted average common shares outstanding basic and diluted (shares)		45,250,031		43,985,082	(1,264,949)

Edgar Filing: NTT DOCOMO INC - Form 6-K

Basic and diluted earnings per share (yen)	¥ 13,491.28	¥ 10,396.21	¥ (3,095.07)
--	-------------	--------------------	--------------

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

	Year ended March 31, 2006	Millions of yen (UNAUDITED) Year ended March 31, 2007	Increase (Decrease)
Common stock:			
At beginning of year	¥ 949,680	¥ 949,680	¥
At end of year	949,680	949,680	
Additional paid-in capital:			
At beginning of year	1,311,013	1,311,013	
Retirement of treasury stock		(175,055)	(175,055)
At end of year	1,311,013	1,135,958	(175,055)
Retained earnings:			
At beginning of year	2,100,407	2,212,739	112,332
Cash dividends	(135,490)	(176,862)	(41,372)
Retirement of treasury stock	(362,659)		362,659
Net income	610,481	457,278	(153,203)
At end of year	2,212,739	2,493,155	280,416
Accumulated other comprehensive income:			
At beginning of year	57,609	26,781	(30,828)
Unrealized holding gains (losses) on available-for-sale securities, net of applicable taxes	7,662	(15,763)	(23,425)
Net revaluation of financial instruments, net of applicable taxes	121	34	(87)
Foreign currency translation adjustment, net of applicable taxes	(42,597)	1,103	43,700
Minimum pension liability adjustment, net of applicable taxes	3,986	5,562	1,576
Adjustment to initially apply SFAS No.158, net of applicable taxes		(4,843)	(4,843)
At end of year	26,781	12,874	(13,907)
Treasury stock, at cost:			
At beginning of year	(510,777)	(448,196)	62,581
Purchase of treasury stock	(300,078)	(157,223)	142,855
Retirement of treasury stock	362,659	175,055	(187,604)
At end of year	(448,196)	(430,364)	17,832
Total shareholders' equity	¥ 4,052,017	¥ 4,161,303	¥ 109,286

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

	Millions of yen (UNAUDITED)	
	Year ended	
	Year ended March 31, 2006	March 31, 2007
I Cash flows from operating activities:		
1. Net income	¥ 610,481	¥ 457,278
2. Adjustments to reconcile net income to net cash provided by operating activities		
(1) Depreciation and amortization	738,137	745,338
(2) Deferred taxes	49,101	74,987
(3) Loss on sale or disposal of property, plant and equipment	36,000	55,708
(4) Gain on sale of affiliate shares	(61,962)	
(5) Gain on sale of other investments	(40,088)	(5)
(6) Expense associated with sale of other investments	14,062	
(7) Equity in net (income) losses of affiliates	(1,289)	2,791
(8) Minority interests in consolidated subsidiaries	76	45
(9) Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	21,345	(262,032)
Decrease in allowance for doubtful accounts	(3,623)	(1,600)
(Increase) decrease in inventories	(73,094)	83,716
Decrease (increase) in prepaid expenses and other current assets	109,192	(39,254)
Increase (decrease) in accounts payable, trade	45,108	(42,013)
Increase (decrease) in accrued income taxes	111,141	(100,197)
Increase in other current liabilities	17,641	534
(Decrease) increase in liability for employees' retirement benefits	(3,378)	379
Increase (decrease) in other long-term liabilities	24,725	(26,241)
Other, net	17,366	31,164
Net cash provided by operating activities	1,610,941	980,598
II Cash flows from investing activities:		
1. Purchases of property, plant and equipment	(638,590)	(735,650)
2. Purchases of intangible and other assets	(195,277)	(213,075)
3. Purchases of non-current investments	(292,556)	(41,876)
4. Proceeds from sale and redemption of non-current investments	25,142	50,594
5. Purchases of short-term investments	(252,474)	(3,557)
6. Redemption of short-term investments	501,433	4,267
7. Long-term bailment for consumption to a related party	(100,000)	
8. Other, net	1,245	(8,354)
Net cash used in investing activities	(951,077)	(947,651)
III Cash flows from financing activities:		
1. Repayment of long-term debt	(150,304)	(193,723)
2. Proceeds from short-term borrowings	27,002	18,400
3. Repayment of short-term borrowings	(27,010)	(18,450)
4. Principal payments under capital lease obligations	(4,740)	(3,621)
5. Payments to acquire treasury stock	(300,078)	(157,223)
6. Dividends paid	(135,490)	(176,862)
7. Other, net	(1)	(2)
Net cash used in financing activities	(590,621)	(531,481)

Edgar Filing: NTT DOCOMO INC - Form 6-K

IV	Effect of exchange rate changes on cash and cash equivalents	1,529	872
V	Net increase (decrease) in cash and cash equivalents	70,772	(497,662)
VI	Cash and cash equivalents at beginning of year	769,952	840,724
VII	Cash and cash equivalents at end of year	¥ 840,724	¥ 343,062
Supplemental disclosures of cash flow information:			
Cash received during the year for:			
	Tax refunds	¥ 93,103	¥ 925
Cash paid during the year for:			
	Interest	8,666	6,203
	Income taxes	182,914	359,861
Non-cash investing and financing activities:			
	Assets acquired through capital lease obligations	5,038	3,530
	Retirement of treasury stock	362,659	175,055

Table of Contents**Notes to Unaudited Consolidated Financial Statements**

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

1. Summary of significant accounting policies:**(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.

Accounting for Defined Benefit Pension and Other Postretirement Plans

Effective March 31, 2007, DoCoMo adopted SFAS No. 158, Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of the FASB statements No. 87, 88, 106, and 132R issued by the FASB. SFAS No. 158 amends the guidance in SFAS No. 87, Employer's accounting for pension, SFAS No. 88, Employer's Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits, SFAS No. 106, Employer's Accounting for Postretirement Benefits Other than Pensions, and SFAS No. 132R, Employer's Disclosures about Pensions and Other Postretirement Benefits - an amendment of FASB statement No. 87, 88, and 106. SFAS No. 158 requires an employer who sponsors a defined benefit pension and other postretirement benefit plans to recognize the funded status of a benefit plan - measured as the difference between plan assets at fair value and the benefit obligation - in the consolidated balance sheets. The adoption of SFAS No. 158 did not have any impact on DoCoMo's results of operations. The effect of adoption of SFAS No. 158 on DoCoMo's financial position was recognized in the consolidated balance sheets. See Note 6 Employees' retirement benefits for further discussion.

Table of Contents

(2) Significant accounting policies

Use of estimates

The preparation of DoCoMo's consolidated financial statements in conformity 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, as well as the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Allowance for doubtful accounts

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

Inventories

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

Property, plant and equipment

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

Investments in affiliates

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

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

Marketable securities and other investments

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

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

Table of Contents

Goodwill and other intangible assets

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

Impairment of long-lived assets

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

Hedging activities

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

Employees' retirement benefit plans

In accordance with SFAS No. 87, pension benefits earned during the fiscal year, as well as interest on projected benefit obligations, are accrued currently. Prior service costs and credits resulting from changes in plan benefits are amortized over the average remaining service period of the employees expected to receive the benefits.

Revenue recognition

Base monthly charges and airtime charges are recognized as revenues as service is provided to the subscribers. DoCoMo's monthly billing plans for cellular (FOMA and mova) services generally include a certain amount of allowances (free minutes and/or packets), and the used amount of the allowances is subtracted from total usage in calculating the airtime revenue from a subscriber for the month. 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 had 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 had then introduced an arrangement which enables the unused allowances offered in and after December 2004 that was 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 to 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 had been recognized as revenues as subscribers make calls or utilize data connections, 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 allowances that will be forfeited as unused, effective April 1, 2006, DoCoMo started to recognize the revenue attributable to such forfeited allowances ratably as the remaining allowances are utilized, in addition to the revenue recognized when subscribers make calls or utilize data connections. 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 No. 01-09 (EITF 01-09), Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products).

Upfront 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 also deferred to the extent of the related upfront fee amount and are amortized over the same periods.

Table of Contents

Income taxes

Income taxes are accounted for under the asset and liability method in accordance with SFAS No.109, Accounting for Income Taxes .

(3) Reclassifications

Certain reclassifications have been made to the prior periods consolidated financial statements to conform to the presentation used for the year ended March 31, 2007.

Table of Contents**2. Business segments:**

Segment information for the years ended March 31, 2006 and 2007 are as follows:

Year ended March 31, 2006	Millions of yen					Consolidated
	Mobile phone business	PHS business	Miscellaneous businesses	Corporate		
Operating revenues	¥ 4,683,002	¥ 41,741	¥ 41,129	¥		¥ 4,765,872
Operating expenses	3,838,567	51,210	43,456		¥	3,933,233
Operating income (loss)	¥ 844,435	¥ (9,469)	¥ (2,327)		¥	¥ 832,639
Assets	¥ 4,782,740	¥ 34,414	¥ 23,241	¥ 1,524,862		¥ 6,365,257
Depreciation and amortization	¥ 729,349	¥ 5,054	¥ 3,734	¥		¥ 738,137
Capital expenditures	¥ 749,456	¥ 1,071	¥	¥ 136,586		¥ 887,113

Year ended March 31, 2007	Millions of yen					Consolidated
	Mobile phone business	PHS business	Miscellaneous businesses	Corporate		
Operating revenues	¥ 4,718,875	¥ 23,429	¥ 45,789	¥		¥ 4,788,093
Operating expenses	3,915,204	38,812	60,553	¥		4,014,569
Operating income (loss)	¥ 803,671	¥ (15,383)	¥ (14,764)	¥		¥ 773,524
Assets	¥ 5,067,348	¥ 25,212	¥ 40,213	¥ 983,442		¥ 6,116,215
Depreciation and amortization	¥ 735,270	¥ 3,230	¥ 6,838	¥		¥ 745,338
Capital expenditures	¥ 781,548	¥ 1,195	¥	¥ 151,680		¥ 934,423

The Corporate column in the tables is not an operating segment but is included to reflect the recorded amounts of common assets which cannot be allocated to any business segment. Capital expenditures in the Corporate column include expenditures in miscellaneous businesses and certain expenditures related to the buildings for telecommunications purposes and common facilities, which are not allocated to each segment.

DoCoMo does not disclose geographical segments, since operating revenues generated outside Japan are immaterial.

Table of Contents

3. Related party transactions:

DoCoMo is majority-owned by NTT, which is a holding company for more than 400 companies comprising the NTT group. During the years ended March 31, 2006 and 2007, DoCoMo purchased capital equipment from NTT group companies in the amount of 71,897 million yen and 103,728 million yen, respectively.

On March 14, 2006, DoCoMo acquired 12,633,486 shares of Philippine Long Distance Telephone Company (PLDT), a telecommunication carrier in Philippine, which represented approximately 7% of PLDT 's issued shares, for 52,103 million yen from NTT Communications Corporation, a subsidiary of NTT.

DoCoMo entered into contracts of bailment of cash for consumption with NTT FINANCE CORPORATION (NTT FINANCE , formerly NTT Leasing Co., Ltd.), a related party of DoCoMo, for cash management purposes. As of March 31, 2007, NTT and its subsidiaries owned all voting interests in NTT FINANCE, and DoCoMo owned 4.2% of such voting interests.

The balance of bailment was 120,000 million yen as of March 31, 2006. The assets related to the contracts were recorded as Cash and cash equivalents of 20,000 million yen and Other assets of 100,000 million yen on the consolidated balance sheets as of March 31, 2006. The recorded amount of interest income derived from the contracts was 95 million yen for the year ended March 31, 2006.

The balance of bailment was 100,000 million yen as of March 31, 2007. The assets related to the contracts were recorded as Short-term investments of 50,000 million yen and Other assets of 50,000 million yen on the consolidated balance sheets as of March 31, 2007. The recorded amount of interest income derived from the contracts was 269 million yen for the year ended March 31, 2007.

Table of Contents**4. Deferred tax:**

Deferred income taxes result from temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Significant components of deferred tax assets and liabilities as of March 31, 2006 and 2007 are as follows:

	Millions of yen	
	Year ended March 31, 2006	Year ended March 31, 2007
Deferred tax assets:		
Investments in affiliates	¥ 64,809	¥
Liability for employee benefits	54,497	54,329
Property, plant and equipment and intangible assets principally due to differences in depreciation	46,752	45,139
Reserve for point loyalty programs	45,824	42,397
Deferred revenues regarding Nikagetsu Kurikoshi two-month carry over)	34,639	28,779
Accrued commissions to agent resellers	23,439	23,293
Accrued enterprise tax	18,058	6,244
Inventories	9,562	14,861
Compensated absences	7,980	9,276
Accrued bonus	6,497	7,006
Other	17,266	14,175
Total gross deferred tax assets	¥ 329,323	¥ 245,499
Deferred tax liabilities:		
Unrealized holding gains (losses) on available-for-sale securities	20,485	9,623
Intangible assets (principally customer-related assets)	8,972	5,499
Property, plant and equipment due to differences in capitalized interest	2,223	1,738
Investments in affiliates		438
Foreign currency translation adjustment	52	128
Other	12,163	7,436
Total gross deferred tax liabilities	¥ 43,895	¥ 24,862
Net deferred tax assets	¥ 285,428	¥ 220,637

Substantially all income or loss before income taxes, and income tax expenses or benefits are domestic. DoCoMo is subject to a number of different taxes, based on income, with an aggregate statutory income tax rate of 40.9% and 40.9% for the years ended March 31, 2006 and 2007, respectively.

The effective income tax rate for the years ended March 31, 2006 and 2007 was 35.9%, and 40.6% respectively. The main components of a difference between statutory income tax rate and effective income tax rate for the year ended March 31, 2006 are 2.6% by tax credit for special tax treatment applied to IT and research and development investment and 0.9% by changes in valuation allowance.

Table of Contents**5. Marketable securities and other investments:**

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

	Millions of yen	
	March 31, 2006	March 31, 2007
Marketable securities:		
Available-for-sale	¥ 249,943	¥ 268,528
Held-to-maturity		19,995
Other investments:	157,866	92,853
Total	¥ 407,809	¥ 381,376

In addition to assets recorded as Marketable securities and other investments on the consolidated balance sheets, the above table includes debt securities classified as cash and cash equivalents and short-term investments on the consolidated balance sheets as follows:

	Millions of yen	
	March 31, 2006	March 31, 2007
Debt securities classified as short-term investments	¥ 49,985	¥ 99,925
Debt securities classified as cash and cash equivalents	¥	¥ 19,995

Maturities of debt securities classified as available-for-sale as of March 31, 2007 are as follows:

	Millions of yen March 31, 2007	
	Carrying amounts	Fair value
Due within 1 year	¥ 99,925	¥ 99,925
Due after 1 year through 5 years	5	5
Due after 5 years through 10 years		
Due after 10 years		
Total	¥ 99,930	¥ 99,930

Maturities of debt securities classified as held-to-maturities as of March 31, 2007 are as follows:

	Millions of yen March 31, 2007	
	Carrying amounts	Fair value
Due within 1 year	¥ 19,995	¥ 19,995
Due after 1 year through 5 years		
Due after 5 years through 10 years		
Due after 10 years		
Total	¥ 19,995	¥ 19,995

Table of Contents

The aggregate fair value, gross unrealized holding gains and losses and cost by type of marketable securities and other investments as of March 31, 2006 and 2007 are as follows:

	Millions of yen March 31, 2006				
	Cost /		Gross unrealized holding gains	Gross unrealized holding losses	Fair value
	Amortized cost				
Available-for-sale:					
Equity securities	¥	52,784	¥	47,685	¥
Debt securities		150,290		505	149,785
Held-to-maturity:					
Debt securities					

	Millions of yen March 31, 2007				
	Cost /		Gross unrealized holding gains	Gross unrealized holding losses	Fair value
	Amortized cost				
Available-for-sale:					
Equity securities	¥	148,001	¥	21,585	¥
Debt securities		100,076		0	99,930
Held-to-maturity:					
Debt securities		19,995			19,995

The proceeds and gross realized gains and losses from the sale of available-for-sale securities and other investments are as follows:

	Millions of yen	
	Year ended	Year ended
	March 31, 2006	March 31, 2007
Proceeds	¥ 14,902	¥ 448
Gross realized gains	40,454	314
Gross realized losses		(118)

Other investments include long-term investments in various privately held companies and restricted stocks. The aggregate carrying amounts of cost method investments included in other investments totaled 157,843 million yen and 92,818 million yen as of March 31, 2006 and 2007, respectively.

Table of Contents**6. Employees retirement benefits:**

DoCoMo participates in a contributory defined benefit welfare pension plan sponsored by the NTT group. The number of DoCoMo's employees covered by the contributory plan represented approximately 10.4% and 10.5% of the total members covered by such plan as of March 31, 2006 and 2007, respectively. The amount of expense allocated in DoCoMo's consolidated statements of income and comprehensive income related to the contributory plan for the years ended March 31, 2006 and 2007 was 5,303 million yen and 3,287 million yen, respectively. The liability for employees' benefits covered by such contributory plan was 32,674 million yen and 37,269 million yen as of March 31, 2006 and 2007, respectively. Such amounts were allocated by NTT based on actuarial calculations related to the covered employees of DoCoMo.

Employees whose services with DoCoMo are terminated are normally entitled to lump-sum severance or retirement payments and pension benefits based on internal labor regulations, the amount of which is determined by a combination of factors such as the employee's salary eligibility, length of service and other condition. The pension benefit is covered by the non-contributory defined benefit pension plan (defined benefit pension plan) sponsored by DoCoMo.

Effective March 31, 2007, DoCoMo adopted SFAS No. 158. In accordance with SFAS No. 158, DoCoMo recognized the funded status of postretirement benefit plan, or the difference between the fair value of plan assets and benefit obligations in the consolidated balance sheets as of March 31, 2007. The actuarial gains or losses, prior service costs or credits and transition obligation that are not recognized as components of net periodic cost pursuant to SFAS No. 87 are recognized as a component of other comprehensive income, net of applicable taxes. The adoption of SFAS No. 158 did not have any impact on DoCoMo's results of operations. The effects of adoption of SFAS No. 158 on DoCoMo's financial position were as follows: increases in Liability for employees' retirement benefits by 8,369 million yen, Deferred tax assets (non-current) by 3,273 million yen and Prepaid pension cost included in Other assets by 668 million yen, and decreases in Accumulated other comprehensive income, net of applicable taxes, by 4,843 million yen and Intangible assets by 301 million yen, respectively.

The following tables present the plans' projected benefit obligations, fair value of plan assets and funded status as of March 31, 2006 and 2007:

	Millions of yen	
	March 31, 2006	March 31, 2007
Projected benefit obligation, end of year	¥ 188,856	¥ 183,004
Fair value of plan assets, end of year	79,266	85,207
Funded status	¥ (109,590)	¥ (97,797)
Unrecognized net losses	41,089	
Unrecognized transition obligation	1,565	
Unrecognized prior service cost	(21,682)	
Net amount recognized on the consolidated balance sheets	¥ (88,618)	¥ (97,797)

Table of Contents

The following table provides the amounts recognized in the consolidated balance sheets:

	Millions of yen	
	March 31, 2006	March 31, 2007
Liability for employees' retirement benefits	¥ (102,837)	¥ (98,621)
Prepaid pension cost	113	824
Intangible assets	122	
Accumulated other comprehensive income	13,984	
Net amount recognized	¥ (88,618)	¥ (97,797)
Liability for employees' retirement benefits covered by the NTT group contributory defined benefit welfare pension plan	¥ (32,674)	¥ (37,269)
Total liability for employees' retirement benefits	¥ (135,511)	¥ (135,890)

The following table provides components of amount recognized in accumulated other comprehensive income:

	Millions of yen	
	March 31, 2006	March 31, 2007
Minimum pension liability	¥ (13,984)	¥
Net actuarial gain (loss)		(28,737)
Prior service credits (cost)		20,239
Amortization of transition obligations		(1,439)
Sub-total	¥ (13,984)	¥ (9,937)
Accumulated other comprehensive income from the NTT group contributory defined benefit welfare pension plan	¥ (911)	¥ (3,583)
Total	¥ (14,895)	¥ (13,520)

The charges to income for the defined benefit pension plans for the years ended March 31, 2006 and 2007 included the following components:

	Millions of yen	
	Year ended	
	Year ended March 31, 2006	March 31, 2007
Service cost	¥ 9,879	¥ 10,219
Interest cost on projected benefit obligation	3,493	3,654
Expected return on plan assets	(1,640)	(2,028)
Amortization of prior service cost	(1,861)	(1,907)
Amortization of actuarial loss	2,018	1,600
Amortization of transition obligation	132	127
Net pension cost	¥ 12,021	¥ 11,665

Table of Contents

The assumptions used in determination of the defined benefit pension plans projected benefit obligations at March 31, 2006 and 2007 are as follows:

	March 31, 2006	March 31, 2007
Discount rate	2.0%	2.2%
Long-term rate of salary increases	2.1%	2.1%

The assumptions used in determination of the net pension costs for the years ended March 31, 2006 and 2007 are as follows:

	Year ended March 31, 2006	Year ended March 31, 2007
Discount rate	2.0%	2.0%
Long-term rate of salary increases	2.1%	2.1%
Long-term rate of return on funded assets	2.5%	2.5%

Table of Contents

7. Other footnotes to unaudited financial statements:

Share repurchase and retirement

On June 21 2005, the shareholders' meeting approved a share repurchase plan under which DoCoMo could repurchase up to 2,200,000 shares at an aggregate amount not to exceed 400,000 million yen in order to improve capital efficiency and to implement flexible capital policies in accordance with the business environment. On June 20, 2006, the shareholders' meeting also approved a share repurchase plan under which DoCoMo may repurchase up to 1,400,000 shares at an aggregate amount not to exceed 250,000 million yen.

Also, DoCoMo repurchased its fractional shares.

Class, aggregate number and price of shares repurchased for the year ended March 31, 2007, were as follows:

Class of shares repurchased:	Shares of common stock of the Company
Aggregate number of shares repurchased:	880,583 shares
Aggregate price of shares repurchased:	157,223 million yen

Based on the resolution of the board of directors on March 28, 2007, DoCoMo retired 930,000 of its treasury shares (purchase price: 175,055 million yen). As a result, additional paid-in capital decreased by 175,055 million yen for the year ended March 31, 2007.

8. Subsequent event:

There was no significant subsequent event.

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

	Millions of yen (UNAUDITED)		Increase (Decrease)
	March 31, 2006	March 31, 2007	
ASSETS			
Non-current assets:			
Non-current assets for telecommunication businesses Property, plant and equipment			
	¥ 1,108,407	¥ 1,110,482	¥ 2,075
Machinery and equipment	440,939	454,641	13,701
Antenna facilities	139,329	159,365	20,036
Satellite mobile communications facilities	5,945	4,602	(1,343)
Telecommunications line facilities	1,572	3,487	1,915
Pipe and hand holes	1,636	3,236	1,600
Buildings	226,617	217,072	(9,544)
Structures	20,338	21,150	811
Other machinery and equipment	8,564	5,425	(3,138)
Vehicles	201	177	(23)
Tools, furniture and fixtures	112,299	110,115	(2,183)
Land	101,030	101,065	34
Construction in progress	49,931	30,141	(19,789)
Intangible assets	495,466	513,210	17,744
Rights to use utility facilities	1,713	2,418	705
Software	426,910	475,196	48,286
Patents	25	112	86
Leasehold rights	4,276	5,329	1,053
Other intangible assets	62,540	30,154	(32,386)
Total non-current assets for telecommunication businesses	1,603,873	1,623,692	19,819
Investment and other assets			
Investment securities	360,242	287,507	(72,735)
Investment in affiliated companies	660,310		(660,310)
Stocks of affiliated companies		634,820	634,820
Other Investments in affiliated companies		578	578
Contributions in affiliated companies		5,651	5,651
Long-term prepaid expenses	3,695	3,217	(478)
Long-term bailment	100,000	50,000	(50,000)
Deferred tax assets	113,460	38,764	(74,695)
Other investments and other assets	38,951	41,283	2,331
Allowance for doubtful accounts	(237)	(498)	(260)
Total investment and other assets	1,276,423	1,061,325	(215,098)
Total non-current assets	2,880,296	63.8% 2,685,017	65.9% (195,278)
Current assets:			
Cash and bank deposits	780,558	293,926	(486,632)
Notes receivable	25	20	(4)
Accounts receivable, trade	331,924	422,889	90,964
Accounts receivable, other	267,443	278,692	11,249
Securities	49,985	119,920	69,935
Inventories and supplies	135,309	76,568	(58,740)
Advances	1,774	2,402	627
Prepaid expenses	7,088	17,863	10,774

Edgar Filing: NTT DOCOMO INC - Form 6-K

Short-term loans			99,691		99,691
Deposits			50,000		50,000
Deferred tax assets	41,356		30,829		(10,527)
Other current assets	25,578		3,314		(22,263)
Allowance for doubtful accounts	(5,678)		(5,064)		613
Total current assets	1,635,366	36.2%	1,391,054	34.1%	(244,311)
Total assets	¥ 4,515,663	100.0%	¥ 4,076,072	100.0%	¥ (439,590)

Table of Contents

	March 31, 2006		Millions of yen (UNAUDITED) March 31, 2007		Increase (Decrease)
LIABILITIES					
Long-term liabilities:					
Bonds	¥ 486,685		¥ 378,000		¥ (108,685)
Long-term borrowings	114,000		93,000		(21,000)
Liability for employees' retirement benefits	56,975		55,377		(1,598)
Reserve for directors' and corporate auditors' retirement benefits	373				(373)
Reserve for point loyalty programs	44,406		40,293		(4,112)
Provision for loss on PHS business	2,435		1,776		(658)
Other long-term liabilities	3,558		1,939		(1,618)
Total long-term liabilities	708,433	15.7%	570,387	14.0%	(138,046)
Current liabilities:					
Current portion of long-term borrowings	190,200		129,685		(60,515)
Accounts payable, trade	356,051		259,297		(96,754)
Accounts payable, other	246,962		239,523		(7,438)
Accrued expenses	6,384		7,255		871
Accrued taxes on income	47,932		9,127		(38,804)
Advances received	13,714		2,271		(11,442)
Deposits received	581,828		320,081		(261,747)
Other current liabilities	41,119		30,275		(10,844)
Total current liabilities	1,484,193	32.9%	997,518	24.5%	(486,675)
Total liabilities	¥ 2,192,627	48.6%	¥ 1,567,905	38.5%	¥ (624,721)
SHAREHOLDERS' EQUITY					
Common stock	¥ 949,679	21.0%			
Capital surplus					
Additional paid-in capital	292,385				
Other paid-in capital	971,190				
Total capital surplus	1,263,575	28.0%			
Earned surplus					
Legal reserve	4,099				
Voluntary reserve	372,862				
Unappropriated retained earnings	155,060				
Total earned surplus	532,023	11.8%			
Net unrealized holding gains on securities	25,952	0.5%			
Treasury stock	(448,195)	(9.9)%			
Total shareholders' equity	¥ 2,323,036	51.4%			
Total liabilities and shareholders' equity	¥ 4,515,663	100.0%			

Table of Contents

	Millions of yen (UNAUDITED)		Increase (Decrease)
	March 31, 2006	March 31, 2007	
NET ASSETS			
Shareholders' equity			
Common stock		949,679	23.3%
Capital surplus			
Capital legal reserve		292,385	
Other capital surplus		796,136	
Total capital surplus		1,088,521	26.7%
Earned surplus			
Earned legal reserve		4,099	
Other earned surplus			
Accelerated depreciation reserve		10,559	
General reserve		358,000	
Earned surplus brought forward		502,990	
Total earned surplus		875,649	21.5%
Treasury stock		(430,364)	(10.6)%
Total shareholders' equity		2,483,486	60.9%
Valuation and translation adjustments			
Net unrealized holding gains or losses on securities		24,171	0.6%
Deferred gains or losses on hedges		509	0.0%
Total valuation and translation adjustments		24,681	0.6%
Total net assets		2,508,167	61.5%
Total liabilities and net assets		4,076,072	100%

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

	Year ended		Millions of yen (UNAUDITED)		Increase
	March 31, 2006		Year ended March 31, 2007		(Decrease)
Recurring profits and losses:					
Operating revenues and expenses					
Telecommunication businesses					
Operating revenues	¥ 2,020,226	79.1%	¥ 2,015,114	77.5%	¥ (5,112)
Voice transmission services	1,290,626		1,235,896		(54,730)
Data transmission services	480,951		535,436		54,485
Other	248,648		243,781		(4,867)
Operating expenses	1,651,354	64.7%	1,641,169	63.2%	(10,184)
Business expenses	995,808		988,799		(7,008)
Administrative expenses	50,947		55,205		4,257
Depreciation	398,569		399,056		487
Loss on disposal of property, plant and equipment and intangible assets	22,086		23,594		1,507
Communication network charges	166,434		158,571		(7,863)
Taxes and public dues	17,507		15,941		(1,565)
Operating income from telecommunication businesses	368,871	14.4%	373,944	14.3%	5,072
Supplementary businesses					
Operating revenues	533,800	20.9%	583,609	22.5%	49,809
Operating expenses	523,654	20.5%	566,566	21.8%	42,911
Operating income from supplementary businesses	10,145	0.4%	17,043	0.7%	6,897
Total operating income	¥ 379,017	14.8%	¥ 390,988	15.0%	¥ 11,970
Non-Operating revenues and expenses					
Non-operating revenues	178,926	7.0%	301,243	11.6%	122,316
Interest income and discounts	4,265				(4,265)
Interest income			1,389		1,389
Interest income-securities	230		234		3
Dividend income	156,431		295,319		138,887
Miscellaneous income	17,999		4,300		(13,698)
Non-operating expenses	32,201	1.2%	38,064	1.5%	5,862
Interest expense and discounts	1,914				(1,914)
Interest expense			2,015		2,015
Interest expense-bonds	5,877		4,066		(1,811)
Loss on write-off of inventories	22,418		19,308		(3,110)
Impairment of investment securities			8,083		8,083
Miscellaneous expenses	1,990		4,589		2,599
Recurring profit	¥ 525,742	20.6%	¥ 654,167	25.1%	¥ 128,424
Special profits:					
Special profits			22,317	0.9%	22,317
Gain on liquidation of a subsidiary			22,317		22,317
Income before income taxes	525,742	20.6%	676,485	26.0%	150,742
Income taxes-current	77,000	3.0%	69,800	2.7%	(7,200)
Income taxes-deferred	36,176	1.4%	86,093	3.3%	49,916
Net income	¥ 412,566	16.2%	¥ 520,592	20.0%	¥ 108,026
Retained earnings brought forward	194,371				
Retirement of treasury stock	362,658				

Edgar Filing: NTT DOCOMO INC - Form 6-K

Interim dividends	89,217
Unappropriated retained earnings	¥ 155,060

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

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

For the Fiscal Year Ended March 31, 2007(April 1, 2006 - March 31, 2007)

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

Valuation and translation adjustments

Edgar Filing: NTT DOCOMO INC - Form 6-K

	Net unrealized holding gains or		Total valuation and translation	
	losses on securities	Deferred gains or losses on hedges	adjustments	
Balance as of March 31, 2006	25,952		25,952	2,323,036
Changes during the annual period				
Addition for accelerated depreciation reserve(*)				
Reversal of accelerated depreciation reserve(*)				
Reversal of accelerated depreciation reserve				
Dividends from surplus(*)				(88,948)
Dividends from surplus (Interim Dividends)				(87,913)
Directors' and corporate auditors bonus(*)				(104)
Net income				520,592
Share repurchase				(157,223)
Retirement of treasury share				
Net changes other than shareholders' equity	(1,781)	509	(1,271)	(1,271)
The total amount of changes during the annual period	(1,781)	509	(1,271)	185,130
Balance as of March 31, 2007	24,171	509	24,681	2,508,167

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

Table of Contents

Accounting Basis for the Non-Consolidated Financial Statements

Basis of Presentation:

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

1. Depreciation and amortization of non-current assets

(1) Property, plant and equipment

Depreciation of property, plant and equipment is computed by the declining balance method with the exception of buildings, which are depreciated on a straight-line basis.

(2) Intangible assets

Intangible assets are amortized on a straight-line basis.

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

2. Valuation of certain assets

(1) Securities

Held-to-maturity securities are stated at amortized cost.

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

Available-for-sale securities whose fair value is readily determinable are stated at fair value as of the end of the fiscal year. The holding gains and losses, net of applicable deferred tax assets/liabilities, are directly reported as a separate component of net assets instead of being reflected in earnings. The cost of securities sold is determined by the moving-average method with the exception of the cost of debt securities sold, which are determined by the first-in, first-out method.

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

(2) Derivative instruments

Derivative instruments are stated at fair value as of the end of the fiscal year.

(3) Inventories

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

Edgar Filing: NTT DOCOMO INC - Form 6-K

3. Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Japanese yen at the current spot rate at the end of the fiscal year and the resulting translation gains or losses are reflected in earnings.

4. Accounting for allowances

(1) Allowance for doubtful accounts

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

(2) Liability for employees' retirement benefits

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

Actuarial losses (gains) are recognized as incurred at the end of the fiscal year.

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

Table of Contents

(3) Reserve for point loyalty programs

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

(4) Provision for loss on PHS business

In order to provide for the loss resulting from PHS business, the Company reserves necessary provision for the estimated future loss.

(Additional Information)

The Company had recorded a reserve for directors and corporate auditors retirement benefits as of the end of the fiscal year based on our internal regulations. However, it was approved in the shareholders meeting held on June 20, 2006 to abolish the retirement benefits payment system and to award the accumulated retirement benefits to eligible directors and corporate auditors. The Company reversed the remaining balance of the reserve for directors and corporate auditors retirement benefits and classified the unpaid portion of such accumulated retirement benefits as other long-term liabilities .

5. Leases

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

6. Hedge accounting

(1) Hedge accounting

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

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

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

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

(2) Hedging instruments and hedged items

Edgar Filing: NTT DOCOMO INC - Form 6-K

Hedging instruments:

Interest rate swap contracts
Foreign currency swap contracts

Hedged items:

Corporate bonds
Corporate bonds in foreign currency

Table of Contents

(3) Hedging policy

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

(4) Assessment method of hedge effectiveness

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

7. Consumption tax

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

Table of Contents

Change in Accounting Policy

(Accounting standard for directors' bonus)

Effective from the year ended March 31, 2007, the Company adopted Accounting Standard for Directors' and Corporate Auditors' Bonus (Accounting Standards Board of Japan (ASBJ) Statement No.4 issued on November 29, 2005).

The adoption of this standard resulted in a decrease by 122 million yen in total operating income, recurring profit and net income, respectively.

(Accounting standard for presentation of net assets in the balance sheets)

Effective from the year ended March 31, 2007, the Company adopted Accounting Standard for Presentations of Net Assets in the Balance Sheet (ASBJ Statement No.5 issued on December 9, 2005) and Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No.8 issued on December 9, 2005).

The amount of what is previously presented as Shareholders' Equity was 2,507,657 million yen as of March 31, 2007.

Due to the amendment of the Financial Statements Regulations, the Company prepares the presentation of net assets in the balance sheets as of March 31, 2007 based on the amended Financial Statements Regulations.

(Accounting standard for treasury shares and appropriation of legal reserve)

Effective from the year ended March 31, 2007, the Company adopted revised Accounting Standard for Treasury Shares and Appropriation of Legal Reserve (ASBJ revised Statement No.1 issued on August 11, 2006) and Guidance on Accounting Standard for Treasury Shares and Appropriation of Legal Reserve (ASBJ revised Guidance No.2 issued on August 11, 2006). The adoption of this standard did not have any impact on the Company's result of operations.

Change in Presentation

(Non-consolidated Balance Sheets)

Short-term loans and Bailment, both of which were previously included in other current assets for the year ended March 31, 2006 were separately presented in the non-consolidated balance sheets for the year ended March 31, 2007 because the amount of each account exceeded one percent of the total assets in amount.

The amount of Short-term loans and Bailment, which was included in other current assets for the year ended March 31, 2006, was 4,000 million yen and 20,000 million yen, respectively.

(Non-consolidated Statements of Income)

Impairment of investment securities, which was previously included in Miscellaneous expenses for the year ended March 31, 2006 was separately presented in the non-consolidated statements of income for the year ended March 31, 2007 because the amount of the account exceeded ten percent of the total non-operating expense in amount.

The amount of Impairment of investment securities, which was included in Miscellaneous expenses for the year ended March 31, 2006 was 246 million yen.

Additional Information

(Telecommunication Business Accounting Regulation)

The Company prepares its non-consolidated balance sheets and non-consolidated statements of income in accordance with the amended Telecommunication Business Accounting Regulation, as provided in the Supplementary Provision of Telecommunication Business Accounting Regulation.

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

1. Non-current assets for telecommunication businesses include those used in supplementary businesses, because these amounts are not significant.

2. Accumulated depreciation of property, plant and equipment

	Millions of yen	
	March 31, 2006	March 31, 2007
Accumulated depreciation	1,603,315	1,748,430

3. Accounts receivable from and payable to subsidiaries and affiliates

	Millions of yen	
	March 31, 2007	
Short-term accounts receivable	396,130	
Short-term accounts payable	354,462	

4. Assets or liabilities due from or to subsidiaries and affiliates, the amounts of which exceeded one percent of total assets or total of liabilities and net assets of the Company, are as follows:

	Millions of yen	
	March 31, 2006	March 31, 2007
Accounts receivable, trade	82,978	68,445
Accounts receivable, other	241,594	228,165
Accounts payable, other	66,123	99,442
Deposits received	581,182	318,264

5. Due to the effect of the bank closure which fell on the end of fiscal year, a portion of cash transfer to and among the Company and its eight regional subsidiaries, as well as settlement of access charges between the Company and other network operators, was processed on April 2, 2007. As a result, accounts receivable (trade) increased by 104,520 million yen, accounts payable (trade) increased by 19,591 million yen, deposits received decreased by 114,647 million yen, and cash and bank deposits decreased by 199,576 million yen as of March 31, 2007.

6. Guarantee

The Company provides a counter indemnity of a performance guarantee of up to HK\$24,099 thousand (364 million yen) guaranteeing performance by Hutchison Telephone Company Limited, an affiliate of the Company, with respect to certain contracts or obligations owed to its governmental authorities in relation to its business. The Company had HK\$488 thousand (7 million yen) and HK\$308 thousand (4 million yen) indemnity outstanding as of March 31, 2006 and 2007, respectively.

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

1. The total amounts of research and development expenses included in operating expenses of telecommunication businesses and supplementary businesses are as follows:

	Millions of yen	
	Year ended	Year ended
	March 31, 2006	March 31, 2007
Research and development expenses	109,270	97,583

2. Non-operating revenues from affiliated companies, the amounts of which exceeded ten percent of the total non-operating revenues of the Company, are as follows:

	Millions of yen	
	Year ended	Year ended
	March 31, 2006	March 31, 2007
Dividends received from affiliated companies	152,006	288,151

Table of Contents

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

The class and number of the treasury share (year ended March 31, 2007)

Class of treasury share	Common stock
Number of shares as of March 31, 2006	2,335,772 shares
Number of shares increased during the year ended March 31, 2007	880,582 shares
Number of shares decreased during the year ended March 31, 2007	930,000 shares
Number of shares as of March 31, 2007	2,286,355 shares

-

Note: Increase in the number of shares was due to share repurchase in the market and repurchase of fractional shares. Decrease in the number of shares was due to retirement of treasury shares.

Marketable Securities:

For the year ended March 31, 2007 and 2006, there were no subsidiaries and affiliates shares directly owned by the Company that had readily determinable fair value.

Table of Contents**Income tax accounting:**

1. Significant components of deferred tax assets and liabilities at March 31, 2006 and 2007 are as follows:

	Millions of yen March 31, 2006	
Deferred tax assets:		
Write-down of investments in affiliated companies	¥	78,076
Liability for employees' retirement benefits		22,366
Depreciation and amortization		22,207
Reserve for point loyalty programs		18,042
Nikagetsu Kurikoshi (two-month carry over) service		14,887
Write-off of inventories		9,498
Accrued enterprise tax		9,060
Other		15,657
Subtotal gross deferred tax assets	¥	189,795
Less valuation allowance		(5,934)
Total gross deferred tax assets	¥	183,861
Deferred tax liabilities:		
Other securities due to differences in revaluation	¥	(17,760)
Appropriation for accelerated depreciation		(11,283)
Total gross deferred tax liabilities	¥	(29,044)
Net deferred tax assets	¥	154,816

	Millions of yen March 31, 2007	
Deferred tax assets:		
Liability for employees' retirement benefits	¥	20,839
Depreciation and amortization		20,346
Reserve for point loyalty programs		16,371
Write-off of inventories		13,203
Nikagetsu Kurikoshi (two-month carry over) service		12,208
Write-down of investments in affiliated companies		7,087
Impairment losses		3,682
Other		10,340
Subtotal gross deferred tax assets	¥	104,078
Less valuation allowance		(10,368)
Total gross deferred tax assets	¥	93,710
Deferred tax liabilities:		
Other securities due to differences in revaluation	¥	(16,541)
Appropriation for accelerated depreciation		(7,226)
Other		(348)

Edgar Filing: NTT DOCOMO INC - Form 6-K

Total gross deferred tax liabilities	¥	(24,116)
Net deferred tax assets	¥	69,593

Table of Contents

2. Significant components of the difference between the statutory income tax rate and the effective income tax rate for the year ended March 31, 2007 were as follows:

	March 31, 2007
Statutory income tax rate	40.6%
Adjustment:	
Income not taxable, such as dividends received	(17.3)%
Tax credits concerning IT investment promotion tax system	(1.0)%
Increase in valuation allowance	0.7%
Other	0.0%
Effective income tax rate	23.0%

Table of Contents

(APPENDIX 1)

Operation Data for FY2006

		[Ref.]	[Ref.]	[Ref.]	[Ref.]	[Ref.]	[Ref.]	[Ref.]
		Fiscal 2005 (Ended Mar. 31, 2006)	Fiscal 2006 (Ended Mar. 31, 2007)	First Quarter (Apr.-Jun. 2006)	Second Quarter (Jul.-Sep. 2006)	Third Quarter (Oct.-Dec. 2006)	Fourth Quarter (Jan.-Mar. 2007)	Fiscal 2007 (Ending Mar. 31, 2008)
		Results	Results	Results	Results	Results	Results	Forecast
Cellular								
Subscribers	thousands	51,144	52,621	51,672	52,103	52,214	52,621	53,890
FOMA	thousands	23,463	35,529	26,217	29,098	32,114	35,529	44,420
mova	thousands	27,680	17,092	25,456	23,004	20,100	17,092	9,470
Market share ^{(1) (2)}	%	55.7	54.4	55.6	55.5	55.0	54.4	
Net increase from previous period ⁽²⁾	thousands	2,319	1,477	529	431	111	407	1,269
FOMA ⁽²⁾	thousands	11,963	12,066	2,753	2,882	3,015	3,416	8,891
mova ⁽²⁾	thousands	-9,644	-10,589	-2,225	-2,451	-2,904	-3,009	-7,622
Aggregate ARPU (FOMA+mova) ⁽³⁾	yen/month/contract	6,910	6,700	6,900	6,720	6,670	6,530	6,480
Voice ARPU ⁽⁴⁾	yen/month/contract	5,030	4,690	4,930	4,740	4,660	4,450	4,330
Packet ARPU	yen/month/contract	1,880	2,010	1,970	1,980	2,010	2,080	2,150
i-mode ARPU	yen/month/contract	1,870	1,990	1,950	1,960	1,990	2,060	2,130
ARPU generated purely from i-mode (FOMA+mova) ⁽³⁾	yen/month/contract	2,040	2,160	2,120	2,140	2,160	2,240	2,310
Aggregate ARPU (FOMA) ⁽³⁾	yen/month/contract	8,700	7,860	8,300	7,970	7,780	7,500	7,150
Voice ARPU ⁽⁴⁾	yen/month/contract	5,680	5,070	5,420	5,180	5,030	4,770	4,540
Packet ARPU	yen/month/contract	3,020	2,790	2,880	2,790	2,750	2,730	2,610
i-mode ARPU	yen/month/contract	2,980	2,750	2,840	2,760	2,720	2,700	2,570
ARPU generated purely from i-mode (FOMA) ⁽³⁾	yen/month/contract	3,040	2,830	2,910	2,840	2,800	2,790	2,680
Aggregate ARPU (mova) ⁽³⁾	yen/month/contract	5,970	5,180	5,540	5,240	5,070	4,720	4,370
Voice ARPU ⁽⁴⁾	yen/month/contract	4,680	4,190	4,460	4,220	4,130	3,860	3,650
i-mode ARPU	yen/month/contract	1,290	990	1,080	1,020	940	860	720
ARPU generated purely from i-mode (mova) ⁽³⁾	yen/month/contract	1,460	1,160	1,260	1,190	1,110	1,040	890
MOU (FOMA+mova) ^{(3) (5)}	minute/month/contract	149	144	145	146	146	139	
MOU (FOMA) ^{(3) (5)}	minute/month/contract	202	175	181	180	175	164	
MOU (mova) ^{(3) (5)}	minute/month/contract	122	104	110	106	103	92	
Churn Rate ⁽²⁾	%	0.77	0.78	0.64	0.60	0.93	0.97	
i-mode								
Subscribers	thousands	46,360	47,574	46,823	47,186	47,208	47,574	48,590
FOMA	thousands	22,914	34,052	25,511	28,199	30,929	34,052	
i-appli™ compatible ^{(6) (7)}	thousands	34,900	38,800	36,000	37,000	37,700	38,800	
i-mode Subscription Rate ⁽²⁾	%	90.6	90.4	90.6	90.6	90.4	90.4	90.2
Net increase from previous period	thousands	2,339	1,214	463	364	21	366	1,016
i-Menu Sites (FOMA) ⁽⁸⁾	sites	6,028	8,735	6,590	7,271	8,083	8,735	
i-Menu Sites (mova) ⁽⁸⁾	sites	5,043	5,702	5,158	5,340	5,566	5,702	

Edgar Filing: NTT DOCOMO INC - Form 6-K

Access Percentage by Content Category							
Ringing tone/Screen	%	21	12	15	12	11	9
Game/Horoscope	%	24	23	23	21	24	22
Entertainment Information	%	27	35	31	34	32	41
Information	%	12	12	14	15	13	10
Database	%	5	6	6	7	7	6
Transaction	%	11	12	11	11	13	12
Percentage of Packets Transmitted							
Web	%	96	98	97	97	98	98
Mail	%	4	2	3	3	2	2
PHS							
Subscribers	thousands	771	453	679	606	530	453
Market Share ⁽¹⁾	%	16.4	9.1	14.2	12.4	10.8	9.1
Net increase from previous period							
ARPU ⁽⁴⁾	yen/month/contract	3,280	3,110	3,170	3,080	3,090	3,070
MOU ^{(5) (9)}	minute/month/contract	72	57	62	58	56	53
Data transmission rate (time) ^{(9) (10)}							
Churn Rate	%	4.64	4.40	4.28	3.85	4.44	5.24
Others							
Prepaid Subscribers ⁽¹¹⁾	thousands	53	45	49	47	46	45
Communication Module							
Service Subscribers ⁽¹¹⁾	thousands	665	1,027	733	799	924	1,027
FOMA Ubiquitous plan ⁽¹²⁾	thousands	1	277	40	82	188	277
DoPa Single Service ⁽¹³⁾	thousands	665	750	693	717	736	750

* International service-related revenues 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 results for FY2005, the full-year forecasts, the first quarter, the second quarter, the third quarter and the nine months results of FY2006 are as follows:

	FY2005		FY2006				FY2007
	(Ended	(Ended	(Ending				(Ending
	Mar. 31, 2006)	Mar. 31, 2007)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Mar. 31, 2008)
	Full-year	Full-year	(Apr.-Jun. 2006)	(Jul.-Sep. 2006)	(Oct.-Dec. 2006)	(Jan.-Mar. 2007)	Full-year
	Results	Results	Results	Results	Results	Results	Forecasts
Aggregate ARPU (FOMA+mova)	40 yen	50 yen	50 yen	50 yen	50 yen	60 yen	70 yen
Aggregate ARPU (FOMA)	70 yen	80 yen	70 yen	80 yen	80 yen	80 yen	80 yen
Aggregate ARPU (mova)	30 yen	20 yen	20 yen	20 yen	20 yen	20 yen	20 yen

Edgar Filing: NTT DOCOMO INC - Form 6-K

- * Please refer to the attached sheet (P.51) 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 subscribers prior to the third quarter results of Fiscal 2006 are revised due to the change of calculation method.
 - (8) The number of i-menu Sites charged per view are added to the existing number of i-menu Sites charged with a fixed monthly fee.
 - (9) Not inclusive of data communication time via @FreeD service
 - (10) Percentage of data traffic to total outbound call time
 - (11) Included in total cellular subscribers
 - (12) Included in FOMA subscribers
 - (13) Included in mova subscribers

Table of Contents

(APPENDIX 2)

ARPU Calculation Methods

I. ARPU (Average monthly Revenue Per Unit)¹

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated services on a per 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.

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)

Edgar Filing: NTT DOCOMO INC - Form 6-K

i-mode ARPU² (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 subscribers⁴ 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.
 - 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

Table of Contents

(APPENDIX 3)

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

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

1. EBITDA and EBITDA margin

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
a. EBITDA	¥ 1,606.8	¥ 1,574.6	¥ 1,573.0
Depreciation and amortization	(738.1)	(745.3)	(753.0)
Losses on sale or disposal of property, plant and equipment	(36.0)	(55.7)	(40.0)
Operating income	832.6	773.5	780.0
Other income (expense)	119.7	(0.6)	8.0
Income taxes	(341.4)	(313.7)	(312.0)
Equity in net losses of affiliates	(0.4)	(1.9)	
Minority interests in earnings of consolidated subsidiaries	(0.1)	(0.0)	
b. Net income	610.5	457.3	476.0
c. Total operating revenues	4,765.9	4,788.1	4,728.0
EBITDA margin (=a/c)	33.7%	32.9%	33.3%
Net income margin (=b/c)	12.8%	9.6%	10.1%

-

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

2. ROCE after tax effect

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
a. Operating income	¥ 832.6	¥ 773.5	¥ 780.0
b. Operating income after tax effect {=a*(1-effective tax rate)} (effective tax rate:40.9%)	492.1	457.2	461.0
c. Capital employed	4,850.4	4,804.3	4,838.6
ROCE before tax effect (=a/c)	17.2%	16.1%	16.1%
ROCE after tax effect (=b/c)	10.1%	9.5%	9.5%

Notes: Capital employed = Two period ends average of (Shareholders' equity + Interest bearing liabilities) Interest bearing liabilities = Current portion of long-term debt + short-term borrowings + Long-term debt

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

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
Free cash flows excluding irregular factors and changes in investments for cash management purpose	¥ 510.9	¥ 192.2	¥ 560.0
Irregular factors (1)		(210.0)	210
Changes of investments for cash management purpose (2)	149.0	50.7	
Free cash flows	659.9	32.9	770.0
Net cash used in investing activities	(951.1)	(947.7)	(780.0)
Net cash provided by operating activities	1,610.9	980.6	1,550.0

Note: (1) Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of the fiscal year.

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

4. Market equity ratio

	Billions of yen		
	Year ended March 31, 2006	Year ended March 31, 2007	Year ending March 31, 2008 (Forecasts)
a. Shareholders' equity	¥4,052.0	¥4,161.3	
b. Market value of total share capital	7,738.5	9,503.4	
c. Total assets	6,365.3	6,116.2	
Equity ratio (=a/c)	63.7%	68.0%	
Market equity ratio (=b/c)	121.6%	155.4%	

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

- (2) Market value of total share capital = closing share price as of March 31, 2007 multiplied by the number of outstanding shares as of March 31, 2007. In the above calculation, the number of outstanding shares excludes treasury shares, which were previously included in the number of outstanding shares in the prior fiscal year. As a result thereof, certain reclassifications are made to the figures for the year ended March 31, 2006.

Table of Contents

(APPENDIX 4)

Summary of the Company and Regional Subsidiaries (Japanese GAAP)

	Billions of yen			
	Operating revenues	Operating income	Recurring profit	Net income
NTT DoCoMo Hokkaido, Inc.	222.4	21.5	21.4	12.8
NTT DoCoMo Tohoku, Inc.	358.6	44.2	44.2	26.3
NTT DoCoMo, Inc.	2,598.7	390.9	654.1	520.5
NTT DoCoMo Tokai, Inc.	606.1	71.4	71.3	42.2
NTT DoCoMo Hokuriku, Inc.	118.1	15.1	15.1	9.0
NTT DoCoMo Kansai, Inc.	886.6	117.8	113.8	67.3
NTT DoCoMo Chugoku, Inc.	308.5	40.9	40.2	23.9
NTT DoCoMo Shikoku, Inc.	175.9	22.3	22.2	13.1
NTT DoCoMo Kyushu, Inc.	617.4	77.2	76.4	45.2

Table of Contents

Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.
NTT DoCoMo, Inc.
Results for the Fiscal Year
Ended Mar. 31, 2007
Apr. 27, 2007

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

1

1

/35

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

and

other

factors

that

could

cause

our

actual

results

to

differ

materially

from

those

contained

in

or

suggested

by

any

forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

1. As competition in the market becomes more fierce due to changes in the business environment caused by the Mobile Number Portability system,

new

market

entrants,

competition

from

other

cellular
service
providers
or
other
technologies,
and
other
factors,
could
limit
our

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

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

3. The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group could

restrict

our

business

operations,

which

may

adversely

affect

our

financial

condition

and

results

of

operations.

4.

Limitations

in

the

amount

of

frequency

spectrum

or

facilities

made

available

to

us

could

negatively

affect

our

ability

to

maintain
and
improve
our service quality and level of customer satisfaction.

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

6. Our domestic and international investments, alliances and collaborations may not produce the returns or provide the opportunity

7. As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than

belonging
to
our
corporate
group
are
provided
through
our
cellular
handsets,
potential
problems
resulting
from
malfunctions,
defects
or
loss
of
handsets,
or
imperfection
of
services
provided
by
such
other
parties
may
arise,
which
could
have
an
adverse
effect
on
our
financial
condition

and
results
of
operations.

8.
Social
problems
that
could
be
caused
by
misuse
or
misunderstanding
of
our
products
and
services
may
adversely
affect
our
credibility
or
corporate
image.

9.
Inadequate
handling
of
personal
information
and
other
confidential
information
by
our
corporate
group,
contractors
and
other
factors,
may
adversely
affect
our

credibility
or
corporate
image.
10.
Owners
of
intellectual
property
rights
that
are
essential
for
our
business
execution
may
not
grant
us
the
right
to
license
or
otherwise
use
such
intellectual
property
rights
on
acceptable
terms
or
at
all,
which
may
limit
our
ability
to
offer
certain
technologies,
products
and/or
services,

and
we
may
also
be
held
liable
for
damage
compensation
if
we
infringe
the
intellectual
property
rights
of
others.

11.
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.

12.
Concerns
about
wireless
telecommunications
health
risks
may
adversely
affect
our
financial
condition
and
results
of
operations.

13.
Our
parent
company,
Nippon
Telegraph
and
Telephone
Corporation
(NTT),
could
exercise
influence

that
may
not
be
in
the
interests
of
our
other
shareholders.
Forward-Looking
Statements

Table of Contents

Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.
FY2006 Results Highlights
& Prospects for FY2007

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

3

3

/35

US GAAP

FY2006 Results Highlights and FY2007 Forecasts

Consolidated financial statements in this document are unaudited.

* For an explanation of the calculation processes for these numbers, please see the reconciliations to the most directly comparable numbers calculated

and

presented

in

accordance

with
GAAP
on
Slide
35
and
the
IR
page
of
our
web
site,

www.nttdocomo.co.jp.

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

+0.4

points

33.3

-0.8

points

32.9

33.7

EBITDA

margin

(%)

*

+191.3%

560.0

-62.4%

192.2

510.9

Adjusted Free Cash Flow

(Billions of yen) **

-1.5%

4,118.0

+0.6%

4,182.6

4,158.1

Cellular Services Revenues

(Billions of yen)

Changes

(2)

(3)

2008/3

(Full-year

forecast)

(3)

Changes

(1)

(2)
 2007/3
 (full-year)
 (2)
 2006/3
 (full-year)
 (1)
 1,573.0
 476.0
 788.0
 780.0
 4,728.0
 +1.9%
 -18.8%
 772.9
 952.3
Income Before Income Taxes
(Billions of yen)
 +0.8%
 -7.1%
 773.5
 832.6
Operating Income
(Billions of yen)
 -1.3%
 +0.5%
 4,788.1
 4,765.9
Operating Revenues
(Billions of yen)
 -0.1%
 -2.0%
 1,574.6
 1,606.8
EBITDA
(Billions of yen)*
 +4.1%
 -25.1%
 457.3
 610.5
Net income
(Billions of yen)

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

4

4

/35

FY2006 Financial Results Highlights

Operating income: 773.5 billion yen
(Down 59.1 billion yen year-on-year)

(Full-year forecast: 810 billion yen)

Operating revenues: Up 22.2 billion yen year-on-year

.

Cellular services revenues: Up 24.5 billion yen year-on-year

(Inclusive of impact of incurring in revenues the portion of
Nikagetsu-Kurikoshi
(2-month carry over) allowances that
are projected to expire)

Operating expenses: Up 81.3 billion yen year-on-year

.
Revenue-linked expenses grew 73.5billion yen year-on-year,
due
to increase in the percentage of FOMA handsets to
total
handset sales, and growth in number of handsets sold

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

5

5

/35

FY2007 Financial Results Forecasts

Operating income: Estimated at 780 billion yen, up approx. 7 billion
year-on-year

Operating

revenues:

Estimated

at

4,728

billion

yen,
down
approx.
60
billion
year-on-year

-
Cellular services revenues projected to decrease approx. 64 billion yen
due to decline in ARPU

Operating
expenses:
Estimated

at
3,948
billion
yen,
down
approx.
67
billion
year-on-year

-
Revenue-linked expenses projected to decrease approx. 105 billion yen
due to reduction in no. of handsets sold and distributor commissions

Capital
expenditures:
Estimated

at
750
billion
yen,
down
approx.
184 billion year-on-year

0
1,000
2,000
3,000
4,000
5,000
07/3

(
full year
)

08/3
(
full year
forecast
)

07/3

(
full year

)

08/3

(

full year
forecast

)

07/3

(

full year

)

08/3

(

full year
forecast

)

(Billions of yen)

Operating revenues

Operating expenses

Operating Income

4,788.1

4,728.0

4,014.6

3,948.0

773.5

780.0

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

6

6

/35

-20

0

20

40

60

80

100
05/4

5

6

7

8

9

10

11

12

06/1

2

3

06/4

5

6

7

8

9

10

11

12

07/1

2

3

SoftBank

SoftBank

KDDI(au+TU-KA)

.

DoCoMo s

market share of net additions for FY2006: 30.0%

.

DoCoMo s

share performance has shown a recovery trend, after declining

immediately after the launch of MNP

Market Share of Net Additions

Full-year net adds share: 48.4%

Full-year net adds share: 30.0%

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

(%)

FY2005

FY2006

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

7

7

/35

0.00

0.50

1.00

1.50

2.00

05/4-6(1Q)

7-9(2Q)

10-12(3Q)

06/1-3(4Q)

06/4-6(1Q)

7-9(2Q)

10-12(3Q)

07/1-3(4Q)

FY2005

FY2006

0.75%

0.97%

.

Cellular churn rate for FY2006: 0.78%

FY2006/2H churn rate was 0.95%, affected only slightly by MNP

0.93%

0.72%

FY2006/2H:0.95%

(Plan: 1.0%)

Full-year churn rate:

0.77%

Full-year churn rate:

0.78%

Inclusive of Communication Module Service subscribers

(%)

Churn Rate

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

8

8

/35

.

No. of FOMA subscribers as of Mar. 31, 2007 topped 35 million

.

FOMA

subscribers

projected

to

reach

44.4
million,
or
over
80%
of
total,
by Mar. 31, 2008
0
1,000
2,000
3,000
4,000
5,000
6,000
04/3
04/6
04/9
04/12
05/3
05/6
05/9
05/12
06/3
06/6
06/9
06/12
07/3
08/3 (Forecast)
mova
5,262
5,389
2,346
(45.9%)
305
(6.6%)
1,150
(23.6%)
3,553
(67.5%)
4,442
(82.4%)
FY2007
(forecast)
FY2006
FOMA subs
topped
35
mil
FOMA subs.

projected
to reach
80% of total
Numbers
in
parentheses
indicate
the
percentage
of
FOMA
subscribers
to
total
cellular
subscribers
Inclusive of Communication Module Service subscribers
(10,000 subs)
Subscriber Migration to FOMA

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

9

9

/35

.

MOU for FY2006 was 144

minutes (down 3.4% year-on-year)

Cellular(FOMA+mov)MOU

For an explanation of MOU, please see Slide 34 of this document, Definition and Calculation Methods of MOU and ARPU

0

20

40
60
80
100
120
140
160
180
200
-25
-20
-15
-10
-5
0
5
10
15
20
25

MOU (left axis)

152
155
153
145
149
152
151
146
145
146
146
146
139

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
-3.9
-3.3
-4.8

04/4-6(1Q)

7-9(2Q)

10-12(3Q)

05/1-3(4Q)

05/4-6(1Q)

7-9(2Q)

10-12(3Q)

06/1-3(4Q)

06/4-6(1Q)

7-9(2Q)

10-12(3Q)

07/1-3(4Q)

(%)

(minutes)

Full-year

MOU:

149

minutes

(Down 1.3% year-on-year)

Full-year MOU: 144 minutes

(Down 3.4% year-on-year)

Full-year MOU: 151 minutes

(Down 5.0% year-on-year)

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH
2007

SLIDE No.

10
10
/35

.
Decline in aggregate ARPU has slowed steadily due to growth in packet ARPU
(Year-on-year decline in aggregate ARPU excluding irregular factors caused by inclusion of expiring portion
of Nikagetsu-Kurikoshi (2-month carry over)
allowances in revenues: FY06: -3.8%, FY07: -2.6%)
Cellular(FOMA+mova)ARPU

0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
-20.0
-15.0
-10.0
-5.0
0.0
5.0
10.0
15.0
20.0
Packet ARPU (left axis)
1,820
1,880
1,880
1,940
1,970
1,980
2,010
2,080
2,010
2,150
(Incl.) i-mode ARPU
1,810
1,870
1,860
1,920
1,950
1,960
1,990
2,060
1,990
2,130
Voice ARPU (left axis)
5,120
5,170
5,040
4,780
4,930
4,740
4,660
4,450
4,690

4,330

International service ARPU

30 (Incl.)

40 (Incl.)

40 (Incl.)

40 (Incl.)

50 (Incl.)

50 (Incl.)

50 (Incl.)

60 (Incl.)

50 (Incl.)

70 (Incl.)

YOY changes in aggregate ARPU (right axis)

-6.2

-4.0

-3.5

-2.9

-0.6

-4.7

-3.6

-2.8

-3.0

-3.3

05/4-6(1Q)

7-9(2Q)

10-12(3Q)

06/1-3(4Q)

4-6(1Q)

7-9(2Q)

10-12(3Q)

07/1-3(4Q)

07/3(Full-year)

08/3(Full-year E)

(%)

(yen)

6,940

7,050

6,920

6,530

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

For an explanation of ARPU, please see Slide 34 of this document, Definition and Calculation Methods of MOU and ARPU

6,900

6,720

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

incurring revenues for the portion of Nikagetsu Kurikoshi

allowances that are

projected to expire, which are estimated as follows:

FY2006/1Q (actual): 200 yen

FY2006/full-year (actual): 50 yen

6,670

Full-year aggregate ARPU: ¥6,910

(Down 4.0% year-on-year)

Full-year aggregate ARPU: ¥6,700

(Down 3.0% year-on-year)

6,720

6,700

6,480

YOY

changes

in

aggregate

ARPU

(excluding

the

impact

of

incurring

revenues

for

the

portion

of

Nikagetsu

Kurikoshi

allowances

that

are

projected

to

expire)

Table of Contents

Future Action Plans
Copyright (C) 2007
NTT DoCoMo, Inc. All rights reserved.

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

12

12

/35

Flat-rate

Life Assistant

Life Assistant

Music

GPS

GPS/

navigation

DCMX

iD
ToruCa
Osaifu-keitai
e-wallet
Search/
Ads
Search/ads
Game
Music
Chaku-Uta
Full@
Movie
Video
contents
Auction
Rakuten
Auction
i-channel
STEP
UP
From Telecommunications Infrastructure
to Lifestyle Infrastructure
broadcast
One-segment
Int 1 Services
i-mode Alliance
Direction of Service Development
Telecommunications
Telecommunications
Infrastructure
Infrastructure
Personal
Ubiquitous & Seamless
.
Respond
to
needs
for
personalized
services
and
ubiquitous
and
seamless
access
through
the
provision
of
lifestyle

infrastructure

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH
2007

SLIDE No.

13

13

/35

Network
Horizontal
coverage

improvement

Billing plans

Billing plans to
counter

competition

Handsets

Product lineup

enrichment

Develop innovative handsets

.

Appealing design, original features

.

Embed high-speed access, video
and international capabilities as
standard features

Services

New service

development

Actions taken

Future actions

Promotion of

DoCoMo Brand

DoCoMo2.0

START

DoCoMo

changes, to

move one step ahead

Challenges for more comfortable
usage environments

.

Speed/capacity enhancement,
efficient investment

.

Interactive coverage improvement
together with users

Challenge new genres

Customer contact

R&D

Challenge new domains

Improve

consulting/assistance

functions

.

DoCoMo

will take up the challenge to create new values for
cellular services

To Move One Step Ahead

.

Expand flat-rate business

.

Full-scale deployment of
payment/credit services

.

Video content

.
B-to-B-to-C
business

.
Expand usage opportunities overseas

Table of Contents

RESULTS FOR FY2006
APRIL
2006 TO
MARCH
2007
SLIDE No.
14

14
/35

·
pake-hodai
flat-rate subscribers nearly doubled in 1 year to 9.56 million *

(as
a
result
of
lifting
pake-hodai
subscription
restrictions
and
enriching
the
service
menu
accessible
from pake-hodai)

0
200
400
600
800
1,000
1,200
1,400
05/3
05/6
05/9
05/12
06/3
06/6
06/9
06/12
07/3

No. of pake-hodai
subscribers

559
956

pake-hodai
subscription rate**
27%

(As of Mar. 31, 2007)

**pake-hodai
subscription

rate:
No.
of

pake-hodai
subscribers/Total
FOMA
subscribers
(10,000 subscribers)
Richer content
portfolio
pake-
hodai
Service
menu
Grow users
Lifted pake-hodai
subscription
restrictions
from March 2006
Flat-Rate Package
Expected to top
10 million
on May 1, 2007
*
Inclusive
of
pake-hodai
full
subscribers
(Forecast)
08/3

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

15

15

/35

i-channel, Melody Call

.

User

base

of

i-channel

and

Melody
Call
both
topped
10
million
.

Revenues from these two subscription-based services contributed to
boosting
data ARPU

0
200
400
600
800
1,000
1,200
1,400
1,600
1,800
05/9
05/12
06/3
06/6
06/9
06/12
07/3

No. of i-channel
subs.
207

1,058
Boosted data ARPU
i-channel revenue per sub.
350
yen/month
equivalent to 40 yen
of data ARPU

No. of Melody Call
subs
0
200
400
600
800
1,000
1,200
1,400
06/3
06/6
06/9

06/12

07/3

Melody Call

basic monthly fee

100

yen/month

760

1,001

i-channel subscription rate*

47%

(As of Mar. 31, 2007)

*

i-channel

subscription

rate:

No.

of

i-channel

subscribers/Total

users

of

compatible

handsets

(10,000 subscribers)

(10,000 subscribers)

(Forecast)

(Estimate value for FY2006)

(Forecast)

08/3

08/3

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

16

16

/35

2006/10

2007/3

Develop category-specific
search capability

No. of search queries grew 1.5 times
since launch of search service

No. of search queries

Planned functional enhancements for
search service

Search Service

Planned for launch in June 2007

.

Usage of search service has been growing. Measures to further enhance
convenience planned for implementation.

.

Search-linked advertisement planned for launch in June 2007.

Provide search-linked advertisements

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

17

17

/35

904i

Series

Handsets

.

The latest 904i series handsets transform cellular phones,
defying common perception

904i
changes
common perception
of phones
Significantly enriched service lineup
Video clips
One-
segment TV
(F)
First-of-its
kind in
cellular
industry
MUSIC
GAME
VISUAL
2 in 1
DCMX
COMMUNICATION
USEFUL
GPS
GLOBAL
Uta-hodai
Napste
&
WMA
Chokkan
Games
(D/P/SH)
Mega Games
Wider
variety of
card lineup
Deco-mail
&
2MB
attachments
Rakuoku
Shuppin
Appi
i-appli
Banking
GPS navigation
Keitai
Osagashi
service
3G roaming
New usability based on
intuitive motion
Slim, slide-open

phone
Large 3.1-inch, full-wide
screen, one-seg
TV-enabled
Yoko-motion

phone
3-inch wide VGA screen
& high-quality sound
High-speed
model
Evolved
Wireless music

phone
Operate by tracing
touch-pad with a finger
3-inch
wide LCD phone

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

18

18

/35

to enable use of

only

1 mode publicly

2

in 1

.
2 in 1
combines the capabilities of two handsets in a single unit.

Dual mode
Both A+B
modes can
be used
3 different modes can be
supported by a single phone
depending on
the destination
or between
business/private
purposes

Mode A
Mode A
Mode A
Mode B
Mode B
Mode B

Family
Friends
Club
members, etc.
Family, friends,
business

Delivery
Mail magazine
Applications, etc
Private
Business

monthly fee: ¥
945
(tax included)

2in1
allows you to use the phone separately
Your phone number
is exposed!
You may receive
a call from a friend
090XXXXXXXXX
With only one handset

.
. .
A-mode
B-mode
Phone number A
Mail address A
Phone

book A
Call
history A
Mail
box A
Standby
screen A
Phone number B
Mail address B
Phone
book B
Call
history B
Mail
box B
Standby
screen B

Table of Contents

RESULTS FOR FY2006
APRIL
2006 TO
MARCH
2007
SLIDE No.
19
19
/35

Game
/ Music / Video

.
Launch
easy-to-use
Chokkan
Games ,
enjoyable
without
the
need
to
get
accustomed
to button operations

.
Uta-hodai , enabling flat-rate access to music with a single handset

Intuitive Chokkan

Games

ROLL

SHAKE

TOUCH

MOVE

(As

of Apr. 23, 2007)

Uta-hodai

Video Clips

Larger capacity/screen size & higher quality

LONG

FULL SCREEN

HIGH QUALITY

500KB

QCIF

H.263

10MB

QVGA

H.264

No. of contents: 68 titles

Chokkan?

Shutoko

Battle

Aerobic Hero

Furu

Furu

DANCING

Chokkan?

Tennis

Video lineup to grow to 3,000 titles

©2003-2007 NBGI

©2007 Universal Interactive. Inc.

©GenkiMobile

©2005-2007

KEMCO/EXE CREATE

©MOBILE & GAMESTUDIO

Supported by 904i series handsets

Download songs

directly to handset

from site of choice

Web sites providing Uta-hodai

(i-mode)

*Music

delivery

service

compatible

with

Uta-hodai

are

provided

by

music

delivery

service

providers.

*To use Uta-hodai , users are required to register the applicable music delivery site on My Menu.

*The fee and terms and conditions for the provision of music delivery services vary by individual sites

©Genki©GenkiMobile

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

20

20

/35

Credit Business

0

50

100

150

200

250

06/4
5
6
7
8
9
10
11
12
07/1
2
3
.

Steadily expanded DCMX membership (to over 2 million) and the number of installed iD payment terminals (to approximately 150,000 units)

FY2007: Phase to further expand membership and mobile credit usage

Expand sales channel

Enrich card lineup

Started accepting applications at nationwide DoCoMo Shops

Started offering gold cards/ family cards/ETC cards

Expand service in major convenience store chains & fast food shops

(10,000 subscribers)

As of Mar. 31, 2007

No. of DCMX members:

Over 2 million

No. of installed iD

payment terminals :

Approx. 150,000

Targets as of Mar. 31, 2008

No. of DCMX members:

4 million

No. of installed iD

payment terminals :

Approx. 250,000

(Above

name of companies representing different industries are presented listed in Japanese alphabetical order)

Start iD

net payment

Grow no. of outlets

supporting iD
payment

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

21

21

/35

International Services

Effects of investment strategies becoming
evident

South Korea

Nationwide deployment of W-CDMA/

HSDPA from March 2007

Guam/Saipan

To start W-CDMA/HSDPA in 2008 or
beyond

Int'l services revenues grew sharply due to wide adoption of roaming-enabled handsets

W-CDMA/HSDPA
services
deployed
in
South
Korea,
Guam
and
Saipan
(as
a
result
of
our
overseas investments)

0
100
200
300
400
500
600
06/3
06/6
06/9
06/12
07/3
0
10
20
30
40
50
60
(%)

International Services Revenues

0
25
50
FY2005
FY2006
FY2007(Forecast)
11
14
18

16
25
34
+36%
+62%
% of own-handset roamers
(Billions of yen)
% of own-handset roamers
(10,000 subscribers)
No. of roaming-enabled
handset users
Int'l dialing
revenues
Int'l roaming
revenues
Grow int'l roaming revenues, and
strengthen DoCoMo's
competitiveness in Japan
DoCoMo's
3G roaming-enabled models
to become usable
*1:
%
of
own-handset
roamers:
No.
of
World
Wing
roaming
users
using
own
handset/Total
roaming
service
users
*2:
Saipan
refers
to
Commonwealth
of
the
Northern
Mariana
Islands
(CNMI),
a

self-governing
dominion
of
the
USA,
comprising
14 islands including Saipan.

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH
2007

SLIDE No.

22

22

/35

FOMA Network

06/3

07/3

08/3(forecast)

24,000

24,000

6,400

6,400
 35,700
 35,700
 10,400
 10,400
 42,700
 42,700
 14,000
 14,000
 +11,700
 +7,000
 +4,000
 +3,600
 FOMA area
 FOMA area
 quality enhancement
 quality enhancement
 .
 FOMA
 area quality enhancement
 -
 Interactive coverage improvement
 responding to customers
 voices
 -
 Area tuning
 .
 Facility build-up in responding to the
 growth in data capacity
 -
 Reinforce facilities to cater to an increase
 in data traffic resulting from the growing
 uptake of flat-rate service
 -
 Expand HSDPA coverage to 90%
 of populated areas
 .
 FOMA network: Shift from horizontal coverage expansion to quality enhancement
 .
 CAPEX for FY2007: estimated at 750 billion yen
 (No. of outdoor base stations)
 (No. of indoor systems)
 FOMA coverage
 FOMA coverage
 expansion
 expansion
 -19.7
 %
 750.0
 +5.3

%
934.4
887.1
CAPEX
(Billions of yen)
Changes
(2) P
(3)
2008/3
(Full-year
forecast
(3)
Changes
(1) P
(2)
2007/3
(Full-year)
2006/3
(Full-year) (1)

Table of Contents

RESULTS FOR FY2006
APRIL
2006 TO
MARCH
2007
SLIDE No.
23
23
/35
Planned Network Evolution
DL
:
Downlink
UL : Uplink
Transmission speed
.

Facilitate network enhancement to support faster transmission rates and larger capacity, responding to the need for personalization of services, and ubiquitous and seamless access

1G
100M
10M
100k
1M
~2006
2007
2008
2009
2010~
Complete
development of
Femto
Cell BTS
For a seamless NW
First in the world
to succeed in
5Gbps outdoor
transmission
Preparations for the future
OFFICEED
IP centrex
IP-enabled
BTS
W-CDMA
HSDPA
Super3G
4G
HSPA
DL:7.2~14.4M
UL:5.7M

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

24

24

/35

.

Handset procurement costs to enter phase of reduction, as a result of handset cost reduction efforts and optimization of product mix

0

10

20

30

40
50
60
70
80
90
100
06/4-6(1Q)
7-9(2Q)
10-12(3Q)
07/1-3(4Q)
FY2007
<
Forecast
>
Handset sales by series
Handset sales by series
Change in handset
Change in handset
procurement cost per unit
procurement cost per unit
90X
90X
Series
Series
70X
70X
0X
Series
Series
other
other
(%)
To enter phase of
reduction
(%)
(Yen)
% of 70X
models, etc. to
increase to over
50% of total
handsets sold
Actions for Cost Reduction -1-
Growth of % of
FOMA to total
handset sales
to level off
% of mova
handsets to
total handset sales

Handset
procurement
cost per unit
(mova+FOMA)
% of FOMA handsets to
total handset sales
35,000
45,000
55,000
05/4-6
7-9
10-12
06/1-3
4-6
7-9
10-12
07/1-3
FY2007
<Forecast>
0
10
20
30
40
50
60
70
80
90
100

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

25

25

/35

.
Achieve handset cost reduction and functional enhancements and shorten lead time for development, etc., through the development of single-chip LSIs and common platform

Functionality

Actions for Cost Reduction -2-

FY2006

FY2007

FY2007

and beyond

Cost

Single-chip LSI

Functional

enhancement of

common platform

Full-scale implementation starting from

903i series and subsequent models

Integrate communication/application

functions in single chip

Support transmission speeds of 7.2Mbps

To start implementation from

FY2008/2H (planned)

Development of

common platform

Integrate single-chip (HSDPA/GSM-

enabled) with OS and other software

To start implementation from FY2007/2Q

(planned)

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH

2007

SLIDE No.

26

26

/35

Approx.

Approx.

175

175

250

250

Approx.

Approx.

209

209

200

200

Payout ratio: 38%

(¥4,000/share)

(¥4,800/share)

Payout ratio: 44%

Authorized budget for

repurchase of own

shares

Dividends

Increase

Increase

weight of

weight of

dividends

dividends

(Billions of yen)

FY2007 (planned)

Dividend per share: 4,800

yen (UP20%)

Repurchase of own shares: Seek authorization at General Meeting

of Shareholders

to repurchase

up to 1

million shares for up to 200

billion yen

.

Returning profits to shareholders is considered one of the most important issues

in our corporate policies

Amount of shareholder return

FY2006

FY2007 (planned)

Return to Shareholders

Actual amount spent

for share repurchase*

157

*

Actual

amount

spent

for

repurchase

of

own

shares

from

April

1,
2006
to
Mar.
31,
2007.

Table of Contents

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

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

28

28

/35

Operating Revenues

US GAAP

0.0

1,000.0

2,000.0

3,000.0

4,000.0

5,000.0

6,000.0

Equipment sales revenues

470.0

474.0

478.0

Other revenues*

96.8

108.5

123.0

PHS revenues

40.9

23.0

9.0

Cellular services revenues (voice, packet)**

4,158.1

4,182.6

4,118.0

2006/3

(

Full year

)

2007/3

(

Full year

)

2008/3

(

Full year forecast

)

4,765.9

Operating revenues for

FY2006

Compared to FY2005

+0.5%

(Cellular services revenues)

+0.6% year-on-year

(Equipment sales revenues)

+0.8% year-on-year

(Billions of yen)

(Billions of yen)

*

Quickcast

revenues

are

included

in

Other

revenues .

**

International

services

revenues
are
included
in
Cellular
services
revenues(voice,packet) .
4,788.1
4,728.0

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

29

29

/35

Operating Expenses

US GAAP

0

1,000

2,000

3,000

4,000
 5,000
 Personnel expenses
 250.3
 254.3
 253.0
 Taxes and public duties
 36.7
 36.4
 39.0
 Depreciation and amortization
 738.1
 745.3
 753.0
 Loss on disposal of property, plant and
 equipment and intangible assets
 54.7
 73.1
 64.0
 Communication network charges
 368.5
 356.1
 349.0
 Non-personnel expenses
 2,484.8
 2,549.3
 2,490.0
 (Incl.) Revenue-linked expenses*
 1,758.5
 1,832.0
 1,727.0
 (Incl.) Other non-personnel expenses
 726.4
 717.3
 763.0
 2006/3 (Full year)
 2007/3 (Full year)
 2008/3 (Full year forecast)
 (Billions
 of yen)
 (Billions of yen)
]
 Revenue-linked
 expenses:
 Cost
 of
 equipment
 sold
 +
 distributor

commissions

+

cost

of

DoCoMo

Point

service

3,933.2

4,014.6

3,948.0

Operating expenses

for FY2006

Compared to

FY2005

+2.1%

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.

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

30

30

/35

Capital Expenditures

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.)*
 136.6
 151.7
 139.0
 PHS business
 1.1
 1.2
 0.0
 Mobile phone business (FOMA)
 602.4
 665.0
 518.0
 Mobile phone business (i-mode, etc.)
 29.0
 33.2
 28.0
 Mobile phone business (mova)
 36.8
 18.5
 8.0
 Mobile phone business (transmission line)
 81.2
 64.8
 57.0
 2006/3 (Full year)
 2007/3 (Full year)
 2008/3(Full year forecast)
 (Billions of yen)
 (Billions of yen)
 *
 Quickcast
 business
 is
 included
 in
 Other
 (Information
 systems,
 etc.) .
 887.1
 887.1
 .1
 1
 934.4
 934.4

.4
4
750.0
750.0
.0
0
Capital expenditures
for FY2006
Compared to
FY2005
+5.3%

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH

2007

SLIDE No.

31

31

/35

Operational Results and Forecasts

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

other

cellular

phone

carriers.

(Market

share,

the

no.

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

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

For
an
explanation
of
MOU
and
ARPU,
please
see
Slide
34
of
this
document,

Definition
and
Calculation
Methods
of
MOU
and
ARPU .

48,590

+2.6%

47,574

46,360

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)*
 -
 -72.7
 %
 1,232
 4,517
 -
 -66.3 %
 863
 2,557
 -
 -1.3
 points
 54.4
 55.7
 1,310
 +54.3%
 1,027
 665
 44,420
 +51.4%
 35,529
 23,463
 9,470
 -38.3%
 17,092
 27,680
 53,890
 +2.9%
 52,621
 51,144
 -

-5.2%
3,110
3,280
2008/3
(Full year
forecast)
Changes
(1) P
(2)
2007/3
(Full year)
(2)
2006/3
(Full year)
(1)
-
-
-
-
-
-
+119.8
%
8,835
4,019
+1.9
%
9,553
9,376
+22.0 %
5,565
4,561
-20.8 %
57
72
-41.2%
453
771
+0.01
points
0.78
0.77

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

32

32

/35

Corporate Social Responsibility (CSR)

DoCoMo

Keitai

Safety

School

Double-screen handset

(D800iDS)

i-mode Disaster Message

Board service

.

DoCoMo

Keitai

Safety School

seminars

(1,400 sessions at schools and communities nationwide)

.

Enriched Anshin

features aimed at delivering peace of mind

(Data Security

service, *Omakase*

Lock , *Keitai*

Osagashi

service)

.

Filtering service

For a safer,

healthier &

more secure

mobile society

.

i-mode Disaster Message Board service

(Operated

after

occurrence

of

Noto

Peninsula,

Mie

earthquake)

.

Functional enhancements to i-mode Disaster Message Board

(Added registration request mail transmission function)

.

Introduced Emergency Location Report

-function

Disaster

response

.

Save the earth with eco-friendly phone

campaign

(Mar.-Dec. 2006)

(Donated

1%

of

monthly

telephone

bill

amount
of
N70iECO handset
users
to
nature
conservation activities)

.
Collection/recycling of used cellular phones
(cumulative 62 million units)

.
DoCoMo
Woods
forestation
campaign
(total
32
location
in
Japan/overseas)
Environmental
conservation
activities

.
FOMA
Raku
Raku
Phone
III ,
Raku
Raku
Phone
Basic
handsets

.
Bone conduction receiver microphone, Sound Leaf

.
Double-screen handset (D800iDS)

.
Cellular phone usage lessons for handicapped/elderly users

.
Hearty Mind
training, staff training for service helper certification
Universal
design
products &
services
DoCoMo
Woods
forestation campaign

Table of Contents

RESULTS FOR FY2006

APRIL

2006 TO

MARCH

2007

SLIDE No.

33

33

/35

Return to Shareholders (Track Record)

Track Record <by Fiscal year>

157.2

300.1

425.2

Repurchase of own shares

(Billions of yen)

(2)

175.1

178.2

93

Total dividends (Billions of yen)

(1)

(4,000 yen)

(4,000 yen)

(2,000 yen)

(Dividend per share)

(0.88 million)

(1.8 million)

(2.32

million)

(No. of shares repurchased)

332.3

478.2

518.3

Total (Billions of yen) (1)+(2)

0.93

million

1.89

million

1.48

million

No. of treasury shares canceled

FY2006

FY2005

FY2004

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH
2007

SLIDE No.

34

34

/35

MOU

(Minutes

of

usage): Average communication time per one month per one user.

ARPU (Average

monthly Revenue Per Unit):

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to designated

basis.

ARPU

is

calculated

by

dividing

various

revenue

items

included

in

our

wireless

services

revenues,

such

as

monthly

charges,

voice

transmission

charges and packet transmission charges, from designated services which are incurred consistently each month, by number of a

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. The revenue items

numerators of our ARPU figures are based on our U.S. GAAP results of operations.

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

cellular phone subscribers (mova)

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

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

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

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

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

Definition and Calculation Methods of MOU and ARPU

Table of Contents

RESULTS FOR FY2006

APRIL
2006 TO
MARCH

2007

SLIDE No.

35

35

/35

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

1.

EBITDA and EBITDA margin

Billions of yen

Year ended

March 31, 2006

Year ended

March 31, 2007

Year ending

March 31, 2008

(Forecasts)

a. EBITDA

¥

1,606.8

¥

1,574.6

¥

1,573.0

(738.1)

(745.3)

(753.0)

(36.0)

(55.7)

(40.0)

832.6

773.5

780.0

119.7

(0.6)

8.0

(341.4)

(313.7)

(312.0)

(0.4)

(1.9)

-

(0.1)

(0.0)

-

610.5

457.3

476.0

4,765.9

4,788.1

4,728.0

33.7%

32.9%

33.3%

12.8%

9.6%

10.1%

Note:

2.

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

Billions of yen

Year ended

March 31, 2006

Year ended

March 31, 2007

Year ending

March 31, 2008

(Forecasts)

¥

510.9

¥

192.2

¥

560.0

-

(210.0)

210.0

149.0

50.7

-

659.9

32.9

770.0

(951.1)

(947.7)

(780.0)

1,610.9

980.6

1,550.0

Note:

Equity in net losses of affiliates

(1) Irregular factors represent the effects of uncollected revenues due to a bank closure at the end of the fiscal year.

Minority interests in earnings of consolidated subsidiaries

c. Total operating revenues

EBITDA margin (=a/c)

b. Net income

Depreciation and amortization

Operating income

Other income (expense)

Income taxes

Losses on sale or disposal of property, plant and equipment

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 the same as the EBITDA and EBITDA margin titled measures used by other companies.

(2) Changes in investments for cash management purpose were derived from purchases, redemption at maturity and disposals of investments held for cash management purpose with original maturities of longer than three months. Net cash used in investing activities for the year ending March 31, 2006 and 2007 includes changes in investments for cash management purpose. However, the effect of changes in investments for cash management purpose is not taken into account when we forecasted net cash used in investing activities for the year ending March 31, 2008 due to the difficulties in forecasting such effect.

Irregular factors (1)

Changes of investments for cash management purpose (2)

Free cash flows

Net cash used in investing activities

Net cash provided by operating activities

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

Net income margin (=b/c)

Table of Contents

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