

Mobility



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FEATURE

Mobile Market Targets Corporate Customers

With the saturation of Japan's consumer mobile market, DoCoMo and other carriers are beefing up strategies to develop Japan's mobile market for corporate customers.

The introduction of mobile number portability (MNP) last October has created a new opportunity for carriers to lure corporate customers, as well as individuals, away from their existing carriers. Before MNP, changing carriers meant giving up one's existing mobile phone number, a major inconvenience that kept many users from switching. But with this barrier now eliminated, it has become much more feasible to win customers away from existing carriers.

Although DoCoMo already commands a majority of the corporate market, the company is confident that it has the ability to further expand its share by offering innovative, competitively priced products and services, as well as building on its reputation as the world's most advanced and reliable mobile carrier.

In addition to existing corporate users, DoCoMo is also developing strategies to nurture and expand the overall market. Corporations still account for just 10% of the total mobile market, so the potential is staggering.

In essence, DoCoMo's strategy for growing its corporate customer base is a two-pronged approach: first, provide powerful handsets that also function as

mini-PCs for useful business applications, and second, offer ubiquitous networks for corporations under a development concept called "Design for Mobile."

Powerful PC-like Handsets

This spring, DoCoMo will release the N902iL with advanced features for operation on wireless LANs. Like its predecessor, the N900iL, the new model is compatible with DoCoMo's Mobile Centrex services, enabling the handset to operate as an IP-based extension phone on the corporate user's wireless LAN in the office as well as a cell phone on DoCoMo's FOMA™ 3G mobile network outdoors. This gives employees a single contact number and helps prevent them from missing calls when away from the office. For further convenience, DoCoMo provides two types of service, PASSAGE DUPLÉ™ for companies with a PBX, and IP Centrex enabling customers to outsource a PBX.

The N902iL supports the IEEE802.11g protocol for operation on wireless LANs at up to 54Mbps, and in addition supports the IEEE802.11e for increased voice quality. Combined with its full browser, it provides a fast, highly functional wireless LAN environment, including the ability to view all websites on its 2.5-inch screen. Moreover, an internal contactless IC chip enables the phone to function as an e-wallet, timecard and security ID.



N902iL

Advanced security features of special importance to business users include automatic phone lock, face recognition and backup of the phone's address book and other data on a DoCoMo server.

Another new handset targeted at corporate users is the BlackBerry® 8707h™, which DoCoMo released in Japan last September. The popular handheld device, which has rapidly become a global standard, is aimed especially at multinational companies that already use Blackberry in their offices overseas. Multinational companies in Japan have welcomed the launch, because it enables them to introduce the same communications device used in their other offices overseas, increasing efficiency. In addition to running on the FOMA network for voice/packet transmissions in Japan, the BlackBerry works on both W-CDMA and GSM/GPRS networks overseas.

BlackBerry 8707h ▼



BlackBerry Enterprise Server™ tightly integrates with Microsoft® Exchange, IBM Lotus®Domino® and Novell® GroupWise®, enabling secure wireless access to e-mail and other corporate information.

DoCoMo also offers the hTc Z, a pocket PC designed like a mobile phone. The hTc Z runs on Windows Mobile 5.0, making this DoCoMo's first Windows Mobile handset. It works on both W-CDMA and GSM/GPRS networks, and also Wi-Fi. Bluetooth connectivity enables it to easily synchronize with other devices. Because it enables flexible creation of systems for more efficient operations, eliminating the need to carry a PC or PDA, the hTc Z has attracted large orders from many businesses.



▲ hTc Z

Ubiquitous Mobile Solutions

In addition to powerful, business-oriented handsets, DoCoMo is also attracting corporate customers by

leveraging technologies and know-how developed for the consumer market to create innovative B2B mobile solutions for video downloading, disaster prevention and security, emergency reporting systems, and business and sales support.



For example, the Videophone Alcohol Check System service enables bus and delivery companies to easily monitor drivers in the field at any time. Drivers blow into a breathalyzer connected to a handset and the alcohol concentration is transmitted to a computer at the head office. Inebriated drivers cannot have someone else take the test for them, because the person's identity is confirmed via the videophone's camera as they take the test.

DoCoMo is also applying its technology toward B2B2C solutions, aiming to create brand new markets for ubiquitous mobile solutions. For example, an increasing number of bus companies in Japan are setting up fare-payment systems using OsaiFu-Keitai™ e-wallet phones. Passengers pay their fares by simply waving a handset in front of a dedicated terminal installed in the bus. The system greatly improves convenience for both bus companies and passengers, especially on long-distance routes with complicated fare systems.



Videophone Alcohol Check System

E-Wallet Phones Catching on Outside Japan

E-wallet technologies and services are appearing in major markets outside of Japan, with carriers offering or testing e-wallet phones as highly convenient tools for cashless payments and other useful applications.

In addition to Japan, where DoCoMo's OsaiFu-Keitai e-wallet services have become popular, commercial e-wallet services are also available in South Korea. In both markets, initial usage has centered on small payments, but the use of mobile phones as credit cards is expected to become a major trend as people become more accustomed to the idea.

Handset makers such as Nokia, Samsung and Motorola have embraced the new technology. Muzibul Khan, a vice president for Samsung's mobile phone unit, recently told participants at the Samsung Mobile Summit in New York to look for more news about mobile wallets this year.

Meanwhile in New York, Cingular Wireless, Nokia, MasterCard Worldwide and Citigroup are conducting a test of the MasterCard PayPass™ system for contactless payments. A group of MasterCard holders has been issued phones with e-wallet capability to make purchases in participating retail stores. Billing is handled through the subscribers' mobile phone accounts.

"We are confident that mobile phone technology with contactless payment will appeal to our customers' increasing demands for speed, convenience and security," said Amy Radin, a chief innovation officer for Citigroup's Global Consumer Group.





NTT DoCoMo President & CEO Masao Nakamura and GUAMCELL CEO Mark Chamberlin shake hands as Guam Governor Felix Camacho looks on



Guamcell Communications (GUAMCELL) is a major provider of wireless services on the islands of Guam, Saipan, Tinian and Rota. Formed in 1992, the company was acquired by DoCoMo in December 2006 and integrated with Guam Wireless (doing business as HafaTEL), a major GSM wireless operator in Guam and the Commonwealth of the Northern Mariana Islands.

The acquisition enables both GUAMCELL and DoCoMo to provide better services to the some 1.6 million visitors, including about 1.3 million from Japan, who go to Guam and the Northern Mariana Islands annually. Of course, the islands' residents will also benefit from DoCoMo's world-leading mobile technology. Along with quality enhancements to the local GSM network, and the addition of GPRS technology for packet roaming services, DoCoMo plans to construct a W-CDMA network for 3G services over GUAMCELL's allotted frequency in the future.

Tom Gibson, GUAMCELL's vice president and director of network, notes: "We have the operational knowledge of 'island business,' which will prove valuable for DoCoMo as they become a part of the local business community."

Mobile phones are increasingly being identified as the primary means of telephony in Guam and the commonwealth, where the penetration rate of mobile phones is 59% and 27%, respectively. Mobile Number portability has already begun for mobile users in Guam. In addition, messaging and e-mail, personalized ring tones and Internet browsing have all become popular.



From left, NTT DoCoMo Senior Executive Vice President Masayuki Hirata, NTT DoCoMo Global Business Department Managing Director Toshinari Kunieda, GUAMCELL CEO Mark Chamberlin



Guamcell Communications

TELECOMMUNICATIONS RESEARCH By InfoCom Research, Inc.

Mobile TV Off to Strong Start

"One-segment" terrestrial digital broadcasting of regular TV shows for viewing on cell phones began in Japan in April. The service, called "One-seg," has proven popular for its clear picture and sound, good reception—even in bullet trains moving faster than 200 kilometers per hour—recording capability and free viewing.

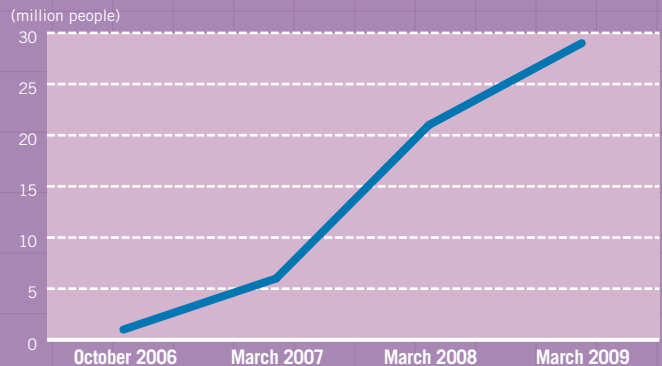
DoCoMo, KDDI and Softbank, which all have introduced mobile TV handsets, plan to market a total of 11 TV-ready models by next spring. They are also offering related services, such as on-screen text information during broadcasts, participation in live programs (such as audience surveys) by mobile users, mobile distribution of e-coupons and e-tickets for restaurants, stores, etc. featured on programs, and more.

About 1.8 million people now own handsets with "One-seg" capability. In a survey of 2,038 people in October 2006, 30% said they would like to own a TV-ready handset. It is estimated that 2.9 million Japanese will own compatible handsets by March 2009, following the anticipated launch of TV programs created especially for mobile phones in 2008.

Customers are expected to enjoy mobile TV as much as the mobile

Internet, which is now used by 80% of all mobile phone owners. The penetration rates of mobile TV and Internet in their first years are almost the same, with mobile TV taking only a month longer than the Internet to reach one million users.

"One-segment" Mobile TV Viewers Expected to Increase Quickly



President & CEO Speaks on Mobile Services at ITU Roundtable

NTT DoCoMo President & CEO Masao Nakamura spoke about advances in mobile technologies and the exciting results, including the transformation of cellular phones into e-wallets, credit cards, music players, IDs, commuter tickets and much more. Mr. Nakamura delivered his speech during a roundtable at the ITU Telecom World 2006 in Hong Kong, which took place from December 4 to 8. Under the theme "Living the Digital World," telecom leaders from around the globe gathered at the event to explore the trends, technologies and policies that are driving modern lifestyles and business. In addition to approximately 2,900 participants from 86 countries who attended the forum, nearly 44,000 visitors viewed the exhibits of about 700 companies from 37 countries.



NTT DoCoMo President & CEO Masao Nakamura spoke at ITU Roundtable

Asia's Largest Mobile Alliance Welcomes SMART and Announces Official Name and Logo

Asia's largest alliance of mobile operators welcomed Smart Communications, Inc. (SMART), the Philippines' leading mobile operator, into the group. The alliance, which includes DoCoMo, announced its newest member as well as its official name, Conexus Mobile Alliance, and logo at ITU Telecom World 2006 in Hong Kong in early December. With SMART's participation, the alliance now has a coverage footprint exceeding 130 million mobile subscribers in nine countries/regions, including Hong Kong, India, Indonesia, Japan, Macao, the Philippines, Singapore, South Korea and Taiwan. Formed in April 2006, the alliance was created to enhance mutual competitiveness in international roaming in each member's own market and across Asia-Pacific. In addition to offering conventional roaming via GSM/GPRS and/or W-CDMA networks, alliance members have started working on roaming with HSDPA technology for high-speed downlinks.



Conexus Mobile Alliance

November 6, 2006 ▶ Subscribers to DoCoMo's 3G FOMA™ service surpassed the 30 million mark on November 4, 2006, approximately five years and one month since the service's launch on October 1, 2001. DoCoMo plans to strengthen e-wallet, music and mobile TV services, aiming for about 35 million 3G subscribers by the end of March 2007.

November 13, 2006 ▶ DoCoMo and Rakuten, Inc., a leading e-commerce company, launched an online/mobile auction service that does not require private information to be divulged. The "Rakuten Auction" service has been listed in the i-mode™ portal since November 20. As part of the service, a social networking site linked to the auction site will enable users to communicate with others who share a common interest in auctions.

November 29, 2006 ▶ DoCoMo and several other firms, including Fuji Television Network and Nippon Broadcasting System, established Multimedia Broadcasting Planning LLC in December to jointly develop programming for viewing on mobile phones via Japan's new terrestrial digital broadcasting system, as well as related multimedia.

December 15, 2006 ▶ Hutchison Essar, a leading mobile operator in India, will launch the i-mode mobile Internet service on GSM, GPRS and W-CDMA networks within 2007. Managing Director Asim Ghosh said, "We believe that the mobile Internet is the way forward for the Internet and what better partner to have for this but i-mode."

January 4, 2007 ▶ DoCoMo announced it acquired approximately 3.0% of total issued and outstanding shares in Nippon Television Network Corporation. The companies have been working together since February 2006 to provide attractive services converging mobile communications and broadcasting.

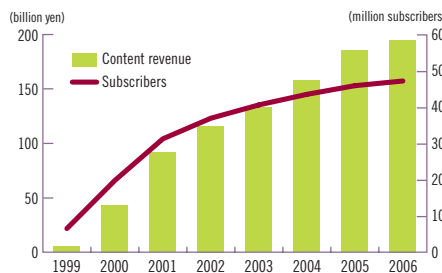
DoCoMo DATA

Content Revenue Soars as i-mode Sites Grow

DoCoMo, which launched i-mode™ with a mere 67 sites in 1999, was entered in the Guinness World Records in January 2006 as the globe's largest wireless Internet provider with 45.68 million subscribers. Now, it has some 7,800 sites registered on the iMenu™, and i-mode content providers saw monthly revenue skyrocket to 16.6 billion yen (US\$142 million) as of September 2006. Strong revenue has been possible due to the extensive range of content encompassing everything from mobile banking, news and ticketing to games, music downloading, shopping and much more.

Growth has also been supported by DoCoMo's expanding subscriber base, which surpassed 47 million in November. Increasingly sophisticated handsets, innovations such as i-appli™ software and High-Speed Downlink Packet Access (HSDPA), and a flat rate for packet communications enable subscribers to enjoy unique content tailored to their highly specific needs and lifestyles.

Content Revenue & Subscribers



i-mode, FOMA, PASSAGE DUPLÉ, Osaifu-Keitai, iMenu and i-appli are trademarks or registered trademarks of NTT DoCoMo, Inc. in Japan and other countries.

NTT DoCoMo's FOMA service is only available to subscribers in Japan. "Osaifu-Keitai" refers to mobile phones equipped with a contactless IC card for useful online functions/services such as electronic money, credit card payments, electronic ticketing, memberships, and more.

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