DoCoMo Europe Limited

Directors' report and financial statements

Registered number 4071751

31 December 2007

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is the management of three European subsidiaries, whose activities are research into mobile telecommunication network infrastructure, support in the set-up and operation of wireless services and research regarding regulatory and market issues, and resultant public and investor relations brought in by these activities

Other activities include supporting the further development of the NTT DoCoMo group within Europe, and gathering information regarding mobile telecommunication

Business review

The results for the year are shown on page 6 The company profit for the year on ordinary activities after taxation was £ 279,612 (2006 £269,639)

The directors expect the current level of activity to continue in the forthcoming year

The Company has met the requirements in Companies Act 1985 to obtain an exemption provided from the presentation of an Enhanced Business Review

Proposed dividend

The directors do not recommend the payment of a dividend (2006 £nil)

Acquisition and disposal

On 5 December 2007, the Company sold 1 of its 50,000 shares in DoCoMo Europe (France) SAS to its parent company NTT DoCoMo, Inc for £32, realising a gain on disposal of £21

On the 17 December 2007, shareholders passed a resolution to wind up DoCoMo Europe (France) SAS voluntarily under French law At 31 December 2007, the fair value of DoCoMo Europe (France) SAS's net assets less expected liquidation costs exceeds the carrying value in the parent company's accounts No impairment is needed

Directors

The directors who held office during the year were as follows

Koichi Harada (resigned 1st July 2007)

Hiroshi Tamano (appointed 1st July 2007)

Naoya Saito (resigned 1st July 2008)

Hiroyuki Takeuchi (appointed 1st July 2008)

Kazushige Yoshida (resigned 1st July 2008)

Tsutomu Sakai (appointed 1st July 2008)

Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Directors' report *(continued)*

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2006 £nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office

By order of the board

H.Tamano
Director

1 Floor, Devon House
58-60 St Katharine's Way,
London E1W 1LB

26 /08 /2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of DoCoMo Europe Limited

We have audited the financial statements of DoCoMo Europe Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Independent auditors' report to the members of DoCoMo Europe Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

26/08/2008

Profit and Loss Account

for the year ended 31December 2007

	Note	2007 £000	2006 £000
Turnover	*1*	**2,763**	3,404
Cost of sales		**2,512**	3,095
Gross profit		**251**	309
Administrative expenses		**1**	(19)
Operating profit	*2*	**252**	290
Profit on sale of fixed assets		**1**	-
Other interest receivable and similar income	*5*	**197**	133
Interest payable and similar charges	*6*	**-**	(2)
Profit on ordinary activities before taxation	*2-4*	**450**	421
Tax on profit on ordinary activities	*7*	**(170)**	(151)
Profit for the financial year		**280**	270

There are no recognised gains or losses for the current and prior year other than those presented in the profit and loss account Accordingly no statement of recognised gains or losses has been prepared The results for the current and prior years are derived from continuing operations

Balance Sheet
at 31December 2007

	Note	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Tangible assets	*8*		**180**		135
Investments	*9*		**6,889**		6,889
			7,069		7,024
Current assets					
Debtors	*10*	**1,013**		1,295	
Cash at bank and in hand		**3,849**		3,198	
Short term deposits		-		484	
Creditors amounts falling due within one year	*11*	**(235)**		(389)	
Net current assets			4,627		4,588
Total assets less current liabilities			**11,696**		11,612
Provisions for liabilities	*12*		-		(195)
Net assets			**11,696**		11,417
Capital and reserves					
Called up share capital	*13*		**9,889**		9,889
Profit and loss account	*14*		**1,807**		1,528
Shareholders' funds			**11,696**		11,417

These financial statements were approved by the board of directors on 26th August 2008 and were signed on its behalf by

H. Tamano
Director

Notes

(formıng part of the financıal statements)

1 Accountıng polıcıes

Basıs of preparatıon

The financıal statements have been prepared ın accordance wıth applıcable accountıng standards and on the hıstorıcal cost accountıng rules

The Company has taken advantage of the exemptıon to prepare consolıdated financıal statements under Sectıon 228 of the Companıes Act 1985, on the grounds that ıt ıs a wholly –owned subsıdıary undertakıng of NTT DoCoMo, Inc a company regıstered ın Japan These financıal statements present ınformatıon about the Company as an ındıvıdual undertakıng and not about ıts group

Investments

Fıxed asset ınvestments are stated at cost less amounts wrıtten off ın respect of any ımpaırment

Fixed assets and depreciation

Deprecıatıon ıs provıded to wrıte off the cost less the estımated resıdual value of tangıble fixed assets by equal ınstalments over theır estımated useful economıc lıves as follows

Improvements on leasehold buıldıngs	-	lıfe of lease
Tools, furnıture, fixture	-	4 years
Note book PC	-	3 years

Foreıgn currencies

Transactıons ın foreıgn currencıes are recorded usıng the rate of exchange rulıng at the date of the transactıon Monetary assets and lıabılıtıes denomınated ın foreıgn currencıes are translated usıng the contracted rate or the rate of exchange rulıng at the balance sheet date and the gaıns or losses on translatıon are ıncluded ın the profit and loss account

Leases

Operatıng lease rentals are charged to the profit and loss account on a straıght lıne basıs over the perıod of the lease

Assets acquıred under finance leases are capıtalısed and the outstandıng future lease oblıgatıons are shown ın credıtors

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax assets are recognised to the extent that they are regarded as recoverable Deferred tax assets are regarded as recoverable to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Except where otherwise required by accounting standards, full provision without discontinuing is made for all timing differences that have arisen but not reversed at the balance sheet date

Turnover

The Company's turnover for the period as derived principally from costs recharged to the parent company at a mark-up

Notes *(continued)*

2 Notes to the profit and loss account

	2007	2006
	£000	£000
Profit on ordinary activities before taxation is stated after charging		
Depreciation and other amounts written off tangible and intangible fixed assets	**180**	168
Hire of other assets - operating leases	**473**	471

Auditors' remuneration

	2007	2006
	£000	£000
Audit of these financial statements	**51**	49

3 Remuneration of directors

	2007	2006
	£000	£000
Directors' emoluments	**340**	370

The aggregate of emoluments of the highest paid director was £175,375 *(2006 £191,526)*

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Operations	**5**	5
Administration	**5**	6
	10	11

The aggregate payroll costs of these persons were as follows

	2007	2006
	£000	£000
Wages and salaries	**909**	1,197
Social security costs	**12**	12
Other pension costs	**3**	3
	924	1,212

Notes *(continued)*

5 Other interest receivable and similar income

	2007	2006
	£000	£000
Net exchange gains	**1**	-
On bank balances	**195**	133
	196	133

6 Interest payable and similar charges

	2007	2006
	£000	£000
Interest payable	-	2
Net exchange losses	-	1
	-	3

7 Taxation

Analysis of charge in period

	2007	**2007**	2006	2006
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the period	**178**		164	
Adjustments in respect of prior periods	**(1)**		(2)	
	177		162	
Total current tax				
Deferred tax				
Origination of timing differences	**(7)**		(11)	
Total deferred tax		**(7)**		(11)
Tax on profit on ordinary activities		**170**		151

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2006 higher)* than the standard rate of corporation tax in the UK 30% (*2006 30 %*) The differences are explained below

	2007 £000	2006 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**450**	421
Current tax at 30 % *(2006 30 %)*	**135**	126
Effects of		
Expenses not deductible for tax purposes	**34**	27
Capital allowances for period in excess of depreciation	**8**	11
Adjustments to tax charge in respect of previous periods	**(1)**	(2)
Total current tax charge (see above)	**176**	162

8 Tangible fixed assets

	Leasehold improvements £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost			
At beginning of year	367	467	834
Additions	190	35	225
Disposals	(367)	(115)	(482)
At end of year	190	387	577
Depreciation			
At beginning of year	314	385	699
Charge for year	122	58	180
On disposals	(367)	(115)	(482)
At end of year	69	328	397
Net book value			
At 31 December 2007	**121**	**59**	**180**
At 31 December 2006	53	82	135

Notes *(continued)*

9 Fixed asset investments

	DoCoMo i-mode Europe B V.	DoCoMo Communications Laboratories Europe GmbH	DoCoMo Europe (France) S A.S	Total
	£000	£000	£000	£000
Cost				
At beginning of year	1,538	4,804	547	6,889
Disposals	-	-	(-)	(-)
At end of year	1,538	4,804	547	6,889
Provisions				
At beginning of year	-	-	-	-
At end of year	-	-	-	-
Net book value				
At 31 December 2007	**1,538**	**4,804**	**547**	**6,889**
At 31 December 2006	1,538	4,804	547	6,889

On the 5 December 2007, the Company sold 1 of its 50,000 shares in DoCoMo Europe (France) S A S to its parent company NTT DoCoMo, Inc for £32, realising a gain on disposal of £21

On the 17 December 2007, shareholders passed a resolution to wind up DoCoMo Europe (France) S A S voluntarily under French law At 31 December 2007, the fair value of DoCoMo Europe (France) S A S 's net assets less expected liquidation costs exceeds the carrying value in the parent company's accounts No impairment is needed

	Country of incorporation	Principal Activity	Class and percentage of shares held
Subsidiary undertakings			
DoCoMo Communications Laboratories Europe GmbH	Germany	Research activities for next-generation platform technology based in Europe	Ordinary 100%
DoCoMo i-mode Europe B V	The Netherlands	Support for i-mode overseas development in Europe	Ordinary 100%
DoCoMo Europe (France) S A S	France	Surveys of regulations and markets, etc in Europe	Ordinary 99 998%

Notes *(continued)*

10 Debtors

	2007	2006
	£000	£000
Amounts owed by group undertakings	**598**	987
Other debtors	**283**	128
Net deferred tax assets	**44**	37
Prepayments and accrued income	**88**	143
	1,013	1,295

11 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Trade creditors	**51**	103
Amounts owed to group undertakings	**26**	34
Taxation	**93**	79
Other creditors	**26**	40
Accruals and deferred income	**39**	133
	235	389

12 Provisions for liabilities

	Total
	£000
At beginning of year	195
Utilised during year	(42)
Amounts released unused	(153)
At end of year	-

The provision represented estimated dilapidation costs During the year the Company vacated its premises and the dilapidation provision was utilised and the unused amount released

Notes *(continued)*

13 Called up share capital

	2007	2006
	£000	£000
Authorised		
10,000,000 ordinary shares of £ 1 each	**10,000**	10,000
Allotted, called up and fully paid		
9,888,694 ordinary shares of £1 each	**9,889**	9,889

14 Profit and loss reserve

	Profit and loss account £000
At beginning of year	1,527
Profit for the year	280
At end of year	1,807

15 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2007 Land and buildings £000	**2007 Other £000**	2006 Land and buildings £000	2006 Other £000
Operating leases which expire				
Within one year	181	-	468	-
In the second to fifth years inclusive	-	3	-	3
Over five years	-	-	-	-
	181	3	468	3

16 Pension scheme

The Company does not operate an occupational pension scheme but makes a percentage contribution of qualifying salary on behalf of certain employees into the group defined contribution pension scheme

The outstanding contributions to the pension scheme as at 31 December 2007 were £221 (2006 £ nil)

Notes *(continued)*

17 Related party disclosures

The Company is controlled by its immediate parent undertaking NTT DoCoMo, Inc , incorporated in Japan The ultimate controlling party is Nippon Telegraph and Telephone Corporation, incorporated in Japan, which is the Company's ultimate parent company

During the year the Company entered into office rental agreement with a fellow subsidiary, NTT Europe Limited who has the same ultimate parent company

The license period is 12 months from 1 August 2007 and the fee is £309,897 payable by monthly instalments There is no outstanding balance in relation to this agreement as at the balance sheet date

NTT Europe Limited also provided IT maintenance work and IT equipments supply for the Company during the year The whole year's cost is £119,348, of which £10,216 is outstanding in relation to this transaction at the balance sheet date

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the NTT DoCoMo, group, or investees of the group qualifying as related parties, as all of the Company's voting rights are controlled within that group

18 Cash Flow Statement

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking A cash flow statement is included in the financial statements of NTT DoCoMo, Inc

19 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Nippon Telegraph and Telephone Corporation, which is the ultimate parent company incorporated in Japan

The largest group in which the results of the Company are consolidated is that headed by Nippon Telegraph and Telephone Corporation, incorporated in Japan The smallest group in which they are consolidated is that headed by NTT DoCoMo, Inc incorporated in Japan No other group financial statements include the results of the Company The consolidated financial statements of these groups are available to the public and may be obtained from 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan