

NTT DOCOMO INC  
Form 20-F  
June 27, 2005  
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As filed with the Securities and Exchange Commission on June 27, 2005

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 20-F

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REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from            to

Commission file number: 1-31221

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# Kabushiki Kaisha NTT DoCoMo

(Exact name of registrant as specified in its charter)

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## 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

(Jurisdiction of incorporation or organization)

Japan

(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Common Stock*	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

**Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.**

As of March 31, 2005, 46,272,208 shares of common stock were outstanding, comprised of 46,119,084 shares and 15,312,400 ADSs (equivalent to 153,124 shares).

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17  Item 18

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\* Not for trading, but only in connection with the listing of the American Depositary Shares.

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### **Special Note Regarding Forward-looking Statements**

This annual report contains forward-looking statements about our industry, our business, our plans and objectives, our financial condition and our results of operations that are based on our current expectations, assumptions, estimates and projections. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as may, will, expect, anticipate, estimate, plan or similar words. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of our financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. We cannot promise that our expectations, projections, anticipated estimates or other information expressed in these forward-looking statements will turn out to be correct. Potential risks and uncertainties include, without limitation:

Increasing competition from other service providers and other technologies may limit our acquisition of new subscribers and retention of existing subscribers, may suppress average revenue per unit (ARPU) and may increase our costs and expenses.

If the new services and forms of usage which we propose and introduce are not successful, our growth may be constrained.

The introduction or change of various laws or regulations or the application of such laws or regulations to us could have an adverse effect on our financial condition and results of operations.

The introduction of mobile number portability in Japan may increase our expenses, and may lead to a decrease in the number of our subscribers if our subscribers choose to switch to other cellular service providers.

Limitations on the amount of frequency spectrum and facilities available to us may make it difficult for us to maintain and improve the quality of our services and the level of our customer satisfaction.

We cannot guarantee overseas operators will introduce the W-CDMA technology and mobile multimedia services we currently use in our 3G system, which would adversely affect our ability to offer our international services to our subscribers.

We cannot guarantee that our domestic and international investments, alliances and collaborations and investments in new businesses will produce sufficient opportunities or returns.

Our PHS business, which is expected to operate a loss until the termination of services, may incur greater losses than we project.

As electronic payment capabilities and many other new features are built into our cellular handsets, and the services of third parties are provided through our cellular handsets, problems may arise in the event that handsets malfunction, contain defects, are lost or fail to complete services provided by other operators.

Social issues that may arise from misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.

Inappropriate handling of subscriber information by our employees or subcontractors would damage our credibility and corporate image.

Earthquakes, power shortages, malfunction of facilities, software bugs and viruses or cyberattacks may cause system failures in our cellular network, handsets or other networks required for the provision of service, disrupting our ability to offer our services to our subscribers.

Concerns about adverse effect on health by wireless telecommunications may increase.

Our parent, NTT, could exercise influence that may not be in the interests of our other shareholders.

Our actual results could be materially different from and worse than as described in the forward-looking statements. Important risks and factors that could cause our actual results to be materially different from as described in the forward-looking statements are set forth in Item 3.D. and elsewhere in this annual report.

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**PART I**

*As used in this annual report, references to DoCoMo , the company , we , our , our group and us are to NTT DoCoMo, Inc. and its subsidiaries except as the context otherwise requires.*

*Fiscal 2004 refers to our fiscal year ended March 31, 2005, and other fiscal years are referred to in a corresponding manner.*

**Item 1. Identity of Directors, Senior Management and Advisors.**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable.**

Not applicable.

**Item 3. Key Information.**

**A. Selected Financial Data.**

The following tables include selected historical financial data as at and for the fiscal years ended March 31, 2001 through 2005. The data as at and for the fiscal years ended March 31, 2001 through 2005 in the table is derived from our audited consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States of America ( U.S. GAAP ). You should read the selected financial data below in conjunction with Item 5 of this annual report and our audited consolidated financial statements and notes thereto which are included elsewhere in this annual report.

**Table of Contents****Selected Financial Data**

As at and for the year ended March 31,

	2001	2002	2003	2004	2005	2005
(in millions, except per share data)						
<b>Income Statement Data</b>						
<b>Operating revenues:</b>						
Wireless services	¥ 3,620,271	¥ 4,153,459	¥ 4,350,861	¥ 4,487,912	¥ 4,296,537	\$ 40,072
Equipment sales (1)	557,785	505,795	458,227	560,153	548,073	5,112
Total (1)	4,178,056	4,659,254	4,809,088	5,048,065	4,844,610	45,184
<b>Operating expenses (1)</b>						
	3,399,436	3,658,367	3,752,369	3,945,147	4,060,444	37,870
<b>Operating income</b>	778,620	1,000,887	1,056,719	1,102,918	784,166	7,314
<b>Other (income) expenses (2)</b>	20,489	44,496	13,751	1,795	(504,055)	(4,701)
<b>Income before income taxes, equity in net losses of affiliates, minority interests in earnings of consolidated subsidiaries and cumulative effect of accounting change</b>						
	758,131	956,391	1,042,968	1,101,123	1,288,221	12,015
<b>Income taxes</b>	317,337	399,643	454,487	429,116	527,711	4,922
<b>Income before equity in net losses of affiliates, minority interests in earnings of consolidated subsidiaries and cumulative effect of accounting change</b>						
	440,794	556,748	588,481	672,007	760,510	7,093
Equity in net losses of affiliates (3)	(17,767)	(643,962)	(324,241)	(21,960)	(12,886)	(120)
Minority interests in earnings of consolidated subsidiaries	(21,272)	(28,977)	(16,033)	(40)	(60)	(1)
<b>Income (loss) before cumulative effect of accounting change</b>	401,755	(116,191)	248,207	650,007	747,564	6,972
Cumulative effect of accounting change (1)			(35,716)			
<b>Net income (loss)</b>	¥ 401,755	¥ (116,191)	¥ 212,491	¥ 650,007	¥ 747,564	\$ 6,972
<b>Per Share Data</b>						
Basic and diluted earnings (loss) per share	¥ 8,350	¥ (2,315)	¥ 4,254	¥ 13,099	¥ 15,771	\$ 147.09
Dividends declared and paid per share (4)	¥ 200	¥ 200	¥ 200	¥ 1,000	¥ 2,000	
Dividends declared and paid per share (5)	\$ 1.90	\$ 1.64	\$ 1.51	\$ 8.72	\$ 18.65	
<b>Balance Sheet Data</b>						
Working capital	¥ (248,816)	¥ 107,013	¥ 586,679	¥ 493,679	¥ 1,047,597	\$ 9,771
Total property, plant and equipment, net	2,339,374	2,618,992	2,676,128	2,702,505	2,682,429	25,018
Total assets	6,016,505	6,067,225	6,058,007	6,262,266	6,136,521	57,233
Total debt (6)	1,443,168	1,429,332	1,348,368	1,091,596	948,523	8,847
Total liabilities	2,620,159	2,671,717	2,582,018	2,557,510	2,228,468	20,784
Total shareholders' equity	3,318,587	3,291,883	3,475,514	3,704,695	3,907,932	36,448
<b>Other Financial Data</b>						
Depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment	646,715	679,709	779,545	756,002	781,096	7,285
Net cash provided by operating activities	857,846	1,341,088	1,584,610	1,710,243	1,181,585	11,020
Net cash used in investing activities	(2,744,215)	(1,125,093)	(871,430)	(847,309)	(578,329)	(5,394)
Net cash provided by (used in) financing activities	1,523,764	(33,372)	(333,277)	(705,856)	(672,039)	(6,268)
Margins (percent of operating revenues):						
Operating income margin	18.6%	21.5%	22.0%	21.8%	16.2%	16.2%
Net income margin	9.6%	(2.5)%	4.4%	12.9%	15.4%	15.4%

(1) We adopted EITF 01-09 from April 1, 2002. Therefore, equipment sales and operating expenses for the fiscal years ended March 31, 2001 and 2002 have been reclassified. Equipment sales and operating expenses for the year ended March 31, 2003, were decreased by ¥558,923 million and ¥571,223 million,



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respectively. As required, operating expenses, amounting to, ¥491,310 million and ¥507,884 million for the years ended March 31, 2001 and 2002, respectively, have also been reclassified as a reduction of equipment sales. The cumulative effect of this accounting change relates to the timing for recognizing commissions payable to agents.

- (2) Includes a gain on sale of AT&T Wireless Services, Inc. shares of ¥501,781 million for the year ended March 31, 2005.
- (3) Includes write-downs of investments in affiliates, and is net of deferred taxes of ¥470,278 million, ¥226,450 million, ¥(4,527) million and ¥1,492 million in the year ended March 31, 2002, 2003, 2004 and 2005, respectively. See Note 6 of the Notes to the Financial Statements.
- (4) The dividends declared and paid per share have been adjusted to reflect the stock split (five-for-one) that took effect on September 13, 1999 and the stock split (five-for-one) that took effect on May 15, 2002.
- (5) The dividends per share were translated into U.S. dollars at the relevant record date.
- (6) Total debt includes total short-term debt (including commercial paper and current portion of long-term debt) and long-term debt.

