

NTT DOCOMO INC  
Form 20-F  
June 28, 2004  
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As filed with the Securities and Exchange Commission on June 28, 2004

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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, 2004

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)

Japan  
(Jurisdiction of incorporation or organization)

Sanno Park Tower  
11-1, Nagata-cho 2-chome  
Chiyoda-ku, Tokyo 100-6150  
Japan  
(Address of principal executive offices)

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

Title of Each Class

Name of Each Exchange On Which Registered

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)

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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.

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As of March 31, 2004, 48,596,364 shares of common stock were outstanding, comprised of 48,471,316 shares and 12,504,800 ADSs (equivalent to 125,048 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:

Our 3G services, including our new value-added services may not develop as we expect.

The introduction or change of various laws or regulatory regimes that affect us or our competitive environment could have an adverse effect on our financial condition and results of operations.

The introduction of a number portability system for mobile phones in Japan may, in addition to burdening us with the expenses associated with introducing the system, lead to a decrease in our number of subscribers due to transition to other mobile operators from us, which may adversely affect our financial condition and results of operations.

Increasing competition from other cellular services providers or other technologies, or rapid changes in market trends, could have an adverse effect on our financial condition and results of operations.

Our acquisition of new subscribers, retention of existing subscribers and revenue per unit may not be as high as we expect.

We may not be able to maintain our ability to avoid reduced quality of services to maintain customer satisfaction because we have only a limited amount of spectrum and facilities.

Overseas operators may not introduce the W-CDMA technology and mobile multimedia services that we currently use in our 3G system, which would adversely affect our ability to offer international services to our subscribers.

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

The performance of our PHS business may not improve and the business may continue to operate at a loss in the future.

We may not be able to successfully address social issues arising from inappropriate use of our products and services by our subscribers, which may adversely affect our credibility or corporate image.

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

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Concerns about wireless telecommunications health risks and our inability to properly respond to such concerns may adversely affect our financial condition and results of operations.

System failures caused by earthquakes, power shortages, malfunction of software and devices, and our inability to properly respond to such failures may adversely affect our financial condition and results of operations.

Our inability to properly respond to viruses and cyber attacks which adversely affect communications through our network system or wireless phones may adversely affect our financial condition and results of operations.

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 , we , our and us are to NTT DoCoMo, Inc. and its subsidiaries except as the context otherwise requires.*

*Fiscal 2003 refers to our fiscal year ended March 31, 2004, 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, 2000 through 2004. The data as at and for the fiscal years ended March 31, 2000 through 2004 in the table is derived from our audited consolidated financial statements prepared in accordance with 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 prepared in accordance with U.S. GAAP which are included elsewhere in this annual report.

**Table of Contents****Selected Financial Data Prepared in Accordance with U.S. GAAP**

As at and for the year ended March 31,

	2000	2001	2002	2003	2004	2004
(in millions, except per share data)						
<b>Income Statement Data</b>						
<b>Operating revenues:</b>						
Wireless services	¥ 3,008,726	¥ 3,620,271	¥ 4,153,459	¥ 4,350,861	¥ 4,487,912	\$ 43,078,441
Equipment sales (1)	345,320	557,785	505,795	458,227	560,153	5,376,781
Total (1)	3,354,046	4,178,056	4,659,254	4,809,088	5,048,065	48,455,222
<b>Operating expenses (1)</b>						
	2,844,859	3,399,436	3,658,367	3,752,369	3,945,147	37,868,564
<b>Operating income</b>	509,187	778,620	1,000,887	1,056,719	1,102,918	10,586,658
<b>Other expenses, net</b>	21,359	20,489	44,496	13,751	1,795	17,230
<b>Income before income taxes, equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries</b>						
	487,828	758,131	956,391	1,042,968	1,101,123	10,569,428
<b>Income taxes</b>	211,072	317,337	399,643	454,487	429,116	4,118,986
<b>Income before equity in net losses of affiliates and minority interests in earnings of consolidated subsidiaries</b>						
	276,756	440,794	556,748	588,481	672,007	6,450,442
Equity in net losses of affiliates (2)	(1,730)	(17,767)	(643,962)	(324,241)	(21,960)	(210,789)
Minority interests in earnings of consolidated subsidiaries	(18,462)	(21,272)	(28,977)	(16,033)	(40)	(384)
<b>Income (loss) before cumulative effect of accounting change</b>						
	256,564	401,755	(116,191)	248,207	650,007	6,239,269
Cumulative effect of accounting change (1)				(35,716)		
<b>Net income (Loss)</b>	¥ 256,564	¥ 401,755	¥ (116,191)	¥ 212,491	¥ 650,007	\$ 6,239,269
<b>Per Share Data</b>						
Basic and diluted earnings (loss) per share	¥ 5.358	¥ 8.350	¥ (2.315)	¥ 4.254	¥ 13.099	\$ 125.734
Dividends declared and paid per share (3)	¥ 300	¥ 200	¥ 200	¥ 200	¥ 1,000	
Dividends declared and paid per share (4)	\$ 2.63	\$ 1.90	\$ 1.64	\$ 1.51	\$ 8.72	
<b>Balance Sheet Data</b>						
Working capital	¥ 150,167	¥ (248,816)	¥ 107,013	¥ 586,679	¥ 493,679	\$ 4,738,712
Total property, plant and equipment, net	2,041,973	2,339,374	2,618,992	2,676,128	2,702,505	25,940,728
Total assets	3,667,038	6,016,505	6,067,225	6,058,007	6,262,266	60,110,060
Total debt (5)	829,587	1,443,168	1,429,332	1,348,368	1,091,596	10,477,980
Total liabilities	1,633,233	2,620,159	2,671,717	2,582,018	2,557,510	24,548,954
Total shareholders' equity	1,976,158	3,318,587	3,291,883	3,475,514	3,704,695	35,560,520
<b>Other Financial Data</b>						
Depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment	627,838	646,715	679,709	779,545	756,002	57,256,690
Cash flows from operating activities	1,060,139	857,846	1,341,088	1,584,610	1,710,243	16,416,231
Cash flows from investing activities	(999,964)	(2,744,215)	(1,125,093)	(871,430)	(847,309)	(8,133,125)
Cash flows from financing activities	(232,270)	1,523,764	(33,372)	(333,277)	(705,856)	(6,775,350)
<b>Margins (percent of operating revenues):</b>						
Operating income margin	15.2%	18.6%	21.5%	22.0%	21.8%	
Net income margin	7.6%	9.6%	(2.5)%	4.4%	12.9%	

(1)



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We adopted EITF 01-09 from April 1, 2002. Therefore, equipment sales and operating expenses for the fiscal years ended March 31, 2000, 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, respectively. As required, operating expenses, amounting to ¥364,648 million, ¥491,310 million and ¥507,884 million for the years ended March 31, 2000, 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 write-downs of investments in affiliates, and is net of deferred taxes of ¥470,278 million and ¥226,450 million in the year ended March 31, 2002 and 2003, respectively. See Note 6 of the Notes to the Financial Statements.
- (3) 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.
- (4) The dividends per share were translated into U.S. dollars at the relevant record date.
- (5) Total debt includes total short-term debt (including commercial paper and current portion of long-term debt) and long-term debt.

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**Table of Contents****Exchange Rate Data**

The following table shows the exchange rates for Japanese yen per \$1.00 based upon the noon buying rate in New York City for cash transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

<b><u>Fiscal Year ended March 31,</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>Average (1)</u></b>	<b><u>Period-end</u></b>
1999	¥ 147.14	¥ 108.83	¥ 128.19	¥ 118.43
2000	124.45	101.53	111.35	102.73
2001	125.54	104.19	110.60	