

NTT DOCOMO INC
Form 6-K
May 01, 2006
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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 2006.

Commission File Number: 001-31221

Total number of pages: 89

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)

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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):

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-

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Information furnished in this form:

1. Earnings release dated April 28, 2006 announcing the company's results for the year ended March 31, 2006.
2. Materials presented in conjunction with the earnings release dated April 28, 2006 announcing the company's results for the year ended March 31, 2006.

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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, 2006

By:

/s/ YOSHIKIYO SAKAI
Yoshikiyo Sakai

Head of Investor Relations

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3:00 P.M. JST, April 28, 2006

NTT DoCoMo, Inc.

Earnings Release for the Fiscal Year Ended March 31, 2006

Consolidated financial results of NTT DoCoMo, Inc. (the Company) and its subsidiaries (collectively we or DoCoMo) for the fiscal year ended March 31, 2006, are summarized as follows.

<< Highlights of Financial Results >>

For the fiscal year ended March 31, 2006, operating revenues were ¥4,765.9 billion (down 1.6% year-on-year), operating income was ¥832.6 billion (up 6.2% year-on-year), income before income taxes was ¥952.3 billion (down 26.1% year-on-year) and net income was ¥610.5 billion (down 18.3% year-on-year).

Earnings per share were ¥13,491.28 and EBITDA margin* was 33.7% (up 0.1 points year-on-year), and ROCE* was 17.2% (up 1.0 point year-on-year).

Operating revenues, operating income, income before income taxes and net income for the fiscal year ending March 31, 2007, are estimated to be ¥4,838.0 billion (up 1.5% year-on-year), ¥810.0 billion (down 2.7% year-on-year), ¥815.0 billion (down 14.4% year-on-year) and ¥488.0 billion (down 20.1% year-on-year), respectively.

Notes:

1. Consolidated financial statements for the fiscal year ended March 31, 2006, in this release are unaudited.
2. Amounts in this release are rounded, excluding 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, 2007, please refer to pages 9 and 10.

* EBITDA and EBITDA margin, as we use them, are different from EBITDA as defined 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 44. See page 44 for the definition of ROCE.

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The customer-oriented management policy that we have been using since June 2004, when I assumed my current post as CEO, began to deliver visible results during the fiscal year ended March 31, 2006. Our cellular churn rate improved, dropping 0.24 points from the previous fiscal year to 0.77%, and we had the largest market share of net additional subscribers during the fiscal year ended March 31, 2006. With the brisk sales of our latest FOMA 902i/702i series handsets and the Kids PHONE designed to offer peace of mind for parents by increasing the safety of children, we are making favorable progress in the migration of subscribers to the FOMA network. As a consequence, operating income for the fiscal year ended March 31, 2006 grew to ¥832.6 billion, up ¥48.5 billion year-on-year, beating our original guidance of ¥830.0 billion.

Going forward, we will strive to reinforce our core business more than ever by taking comprehensive measures to improve our offerings, including the enhancement of our handset lineup, improvement of network quality, providing customer-oriented billing plans, and reinforcement of after-sales support. At the same time, to promote sustainable growth for the future, we will seek new revenue sources by entering the credit payment business a market with great prospects for future growth, especially in the area of small amount transactions, expanding international service revenues by adding more roaming destinations and compatible handset models, and further growing i-mode revenues leveraging i-channel and other services. The credit payment service, in particular, is expected to accelerate our efforts to transform cellular services into a lifestyle infrastructure. As a first step toward this goal, we recently commenced the DCMX mini consumer credit service, which offers a monthly credit line of ¥10,000. Users can use this service easily by applying through an i-mode site. In May 2006, we plan to start receiving applications for another new credit service, dubbed DCMX, which can offer higher credit lines, to provide mobile phone-based credit payment services on a full scale basis.

Although the business environment surrounding us is subject to constant change, we will always place customers at the center of our considerations, endeavor to improve every aspect of our services and aim to solidify our business foundation thereby.

<< Business Results and Financial Position >>

<Results of operations>	Billions of yen			
	(UNAUDITED)			
	Year ended March 31, 2006	Year ended March 31, 2005	Increase (Decrease)	
Operating revenues	¥ 4,765.9	¥ 4,844.6	¥ (78.7)	(1.6%)
Operating expenses	3,933.2	4,060.4	(127.2)	(3.1)
Operating income	832.6	784.2	48.5	6.2
Other income (expense)	119.7	504.1	(384.4)	(76.3)
Income before income taxes	952.3	1,288.2	(335.9)	(26.1)
Income taxes	341.4	527.7	(186.3)	(35.3)
Equity in net losses of affiliates	(0.4)	(12.9)	12.5	
Minority interests in consolidated subsidiaries	(0.1)	(0.1)	(0.0)	

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Net income	¥ 610.5	¥ 747.6	¥ (137.1)	(18.3%)
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- (1) Operating revenues totaled ¥4,765.9 billion (down 1.6% year-on-year).

Cellular (FOMA+mova) services revenues increased to ¥4,158.1 billion (up 0.3% year-on-year). Although we had a decline in ARPU resulting from the amendment of our billing plans, cellular (FOMA+mova) services revenues increased due to the acquisition of new subscribers and lowered churn rate driven by our customer-oriented measures such as reinforcement of handset lineup and services, improvement of network quality, and further improvement of after-sales services.

Voice revenues from FOMA services increased to ¥1,169.9 billion (up 127.3% year-on-year) and packet communications revenues from FOMA services increased to ¥613.3 billion (up 135.3% year-on-year) owing to a significant increase in the number of FOMA services subscribers to 23.46 million (up 104.0% year-on-year), which resulted from improvement of network quality and strong sales of new handsets such as the 902i and 702i series and the Kids PHONE designed for children's safety.

Although the sales of handsets related to the migration of subscribers from mova services to FOMA services were continuously strong, revenues from equipment sales decreased to ¥470.0 billion (down 14.2% year-on-year) due to a decrease in the total number of handsets sold.

Billions of yen				
(UNAUDITED)				
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2005	(Decrease)	
Wireless services	¥ 4,295.9	¥ 4,296.5	¥ (0.7)	(0.0%)
Cellular (FOMA+mova) services revenues (i)	4,158.1	4,147.0	11.2	0.3
- Voice revenues (ii)	3,038.7	3,086.3	(47.6)	(1.5)
Including: FOMA services	1,169.9	514.7	655.2	127.3
- Packet communications revenues	1,119.5	1,060.7	58.8	5.5
Including: FOMA services	613.3	260.7	352.6	135.3
PHS services revenues	40.9	60.3	(19.3)	(32.1)
Other revenues (i)	96.8	89.3	7.5	8.4
Equipment sales	470.0	548.1	(78.1)	(14.2)
Total operating revenues	¥ 4,765.9	¥ 4,844.6	¥ (78.7)	(1.6%)

Notes:

- (i) For periods beginning after March 31, 2005, Quickcast services revenues, which were presented separately in the past, are included in Other revenues, and international services revenues, which were previously included in Other revenues, are included in Cellular (FOMA+mova) services revenues and the results for the year ended March 31, 2005 are restated to confirm to the presentation for the year ended March 31, 2006. However, international services revenues

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related to FOMA services are not included in FOMA services revenues for the year ended March 31, 2005 because such information was not previously maintained.

(ii) Voice revenues include data communications revenues through circuit switching system.

(2) Operating expenses were ¥3,933.2 billion (down 3.1% year-on-year).

Personnel expenses decreased to ¥250.3 billion (down 0.5% year-on-year). The number of employees was 21,646 as of March 31, 2006.

Non-personnel expenses decreased to ¥2,484.8 billion (down 2.1% year-on-year) due to a decrease in equipment-sales-related expenses, such as commissions paid to agents, reflecting a decrease in the number of handsets sold.

Depreciation and amortization expenses increased by 0.2% year-on-year to ¥737.1 billion due to the effect of shortened useful lives of assets associated with the renewal of IT systems.

Impairment loss decreased to ¥1.1 billion (down 98.2% year-on-year), which represents the minimum maintenance capital expenditures made during the year ended March 31, 2006 for our PHS services, following our write-down of the entire carrying value of the assets related to our PHS business during the year ended March 31, 2005. We plan to terminate our PHS business during the three months ending December 31, 2007.

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Billions of yen				
(UNAUDITED)				
	Year ended	Year ended	Increase	
	March 31, 2006	March 31, 2005	(Decrease)	
<Breakdown of operating expenses>				
Personnel expenses	¥ 250.3	¥ 251.4	¥ (1.1)	(0.5%)
Non-personnel expenses	2,484.8	2,539.2	(54.4)	(2.1)
Depreciation and amortization	737.1	735.4	1.6	0.2
Impairment loss	1.1	60.4	(59.3)	(98.2)
Loss on disposal of property, plant and equipment and intangible assets	54.7	65.5	(10.8)	(16.4)
Communication network charges	368.5	372.4	(3.9)	(1.1)
Taxes and public dues	36.7	36.1	0.7	1.9
Total operating expenses	¥ 3,933.2	¥ 4,060.4	¥ (127.2)	(3.1%)

- (3) Operating income increased to ¥832.6 billion (up 6.2% year-on-year). Income before income taxes decreased by 26.1% year-on-year to ¥952.3 billion mainly due to the fact that gains on sale of Hutchison 3G UK Holdings Limited shares (¥62.0 billion) and of KPN Mobile N.V. shares (¥40.0 billion) during the year ended March 31, 2006 were less than the gain on sale of AT&T Wireless Services, Inc. (AT&T Wireless) shares of ¥501.8 billion during the year ended March 31, 2005.
- (4) Net income was ¥610.5 billion (down 18.3% year-on-year).

2. Segment Information

- (1) Mobile phone business

Operating revenues were ¥4,683.0 billion and operating income was ¥844.4 billion.

Cellular (FOMA) services

In and after November 2005, we released the FOMA 902i series handsets as our high-end models, which are compatible with the PushTalk, walkie-talkie-style communication service that allows multiple users to speak simultaneously. We also released the FOMA 702i series handsets, which feature attractive designs by collaborations with creators, in and after February 2006 as our standard models. To meet diversified needs of customers, we enhanced our handset lineup by releasing the FOMA P901iTV handset, with which users can watch the newly launched digital terrestrial broadcastings for mobile phones and terminals; the Kids PHONE FOMA SA800i, which is equipped with security alarm and global positioning system (GPS) function under the concept of children's safety and ease of use; and an ecological handset, FOMA N701iECO, using bioplastic reinforced with kenaf fiber in March 2006. Beginning March 1, 2006, all new FOMA billing plans offer the option of unlimited i-mode packet communications for a flat monthly rate named pake-hodai. The number of FOMA services subscribers surpassed 20 million in December 2005 and increased to 23.46 million as of March 31, 2006.

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Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA) services were ¥5,680, ¥3,020 and ¥8,700, respectively.

Cellular (mova) services

We released the mova N506iS II handset, which focuses on ease of use and viewability, and enables users to talk and to browse i-mode sites and e-mails with the clamshell body closed. Due to continuous progress in the migration of subscribers from mova services to FOMA services, the number of mova services subscribers decreased to 27.68 million as of March 31, 2006.

Voice ARPU, i-mode ARPU and aggregate ARPU of cellular (mova) services were ¥4,680, ¥1,290 and ¥5,970, respectively.

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In both FOMA and mova services, we launched new simpler and easier-to-understand billing plans, and upgraded the Ichinen Discount by providing our long-term subscribers with further discount rates in November 2005. Starting December 1, 2005, we enhanced the existing Family Discount by launching the Fami-wari Wide discount plan for qualified subscribers. We also introduced the Fami-wari Wide Limit plan, which limits calling and packet communications charges at a value set in advance by a subscriber in March 2006. In addition, we launched various initiatives aimed at enhancing the convenience for our customers, including the launch of a service which allows our new subscribers to choose the last four digits of their phone numbers in February 2006. The aggregate number of the FOMA and mova services subscribers surpassed 50 million in November 2005 and increased to 51.14 million as of March 31, 2006.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA+mova) services were ¥5,030, ¥1,880 and ¥6,910, respectively.

Churn rate for cellular (FOMA+mova) services for the three months ended March 31, 2006 and the year ended March 31, 2006 was 0.75% and 0.77%, improvement of 0.21 points and 0.24 points compared to the same periods of the prior fiscal year, respectively.

i-mode services

In September 2005, we launched the i-channel service, which automatically pushes various latest information such as news and weather forecasts to a compatible handset's standby screen as scrolling ticker, and the number of the subscribers surpassed 2 million in March 2006. Toward promotion of Osaifu-Keitai* usage, we launched the new iD credit card brand for card issuers, which enables a user to make speedy payments, simply by holding the handset against dedicated reader/writers at stores, in December 2005. Furthermore, we agreed with our strategic partners to introduce iD credit card payment service in places such as convenience stores and taxis. The number of subscribers using i-mode-FeliCa compatible handsets surpassed 10 million in January 2006 and reached 11.80 million as of March 31, 2006. The number of i-mode services subscribers reached 46.36 million as of March 31, 2006.

As for global development, starting from May 2005, the eight overseas i-mode alliance carriers jointly procure i-mode compatible GSM handsets to lower procurement costs. As of March 31, 2006, i-mode services have been rolled out in 15 countries and areas including Japan, and the aggregate number of cellular service subscribers of all the carriers which participate in the i-mode service alliance exceeded 250 million.

* *Osaifu-Keitai* refers to mobile phones equipped with a contactless 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, an airline ticket, and more.

International services

To further improve the convenience of our subscribers, we allow our customers to apply allowances, which are included in charges such as the base monthly charge, toward international services charges from June 1, 2005. We reduced charges for an international dialing service, WORLD CALL, and extended the Yu Yu Call discounts, which provide subscribers with discounted charges for calls to designated numbers, to include the international dialing charges beginning March 1, 2006. In July 2005, we launched an international multimedia messaging service (MMS) which enables i-mode users to exchange text messages with images with MMS users of foreign carriers, and we also established the first overseas service counter, DoCoMo WORLD COUNTER, in Hawaii. As of March 31, 2006, we expanded the service area of international roaming-out services for voice calls and Short Messaging Service (SMS) to 132 countries and areas; for packet communications to 69 countries and areas; and for videophone calls to 23 countries and areas.

Note:

ARPU: Average monthly revenue per unit

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 regarding the average usage of our subscribers. 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.

See page 43 for the details of the calculation methods.

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<Number of subscribers by services>	Thousand subscribers			
			Increase	
	March 31, 2006	March 31, 2005	(Decrease)	
Cellular (FOMA) services	23,463	11,501	11,963	104.0%
Cellular (mova) services	27,680	37,324	(9,644)	(25.8)
i-mode services	46,360	44,021	2,339	5.3

Note:

- (i) Number of i-mode subscribers as of March 31, 2006 = Cellular (FOMA) i-mode subscribers (22,914 thousand) + Cellular (mova) i-mode subscribers (23,446 thousand)
- (ii) Number of i-mode subscribers as of March 31, 2005 = Cellular (FOMA) i-mode subscribers (11,353 thousand) + Cellular (mova) i-mode subscribers (32,667 thousand)

<Operating results>	Billions of yen			
	(UNAUDITED)			
	Year ended	Year ended		Increase
	March 31, 2006	March 31, 2005	(Decrease)	
Mobile phone business operating revenues	¥ 4,683.0	¥ 4,755.8	¥ (72.8)	(1.5%)
Mobile phone business operating income	844.4	875.4	(30.9)	(3.5)

Note:

For periods beginning after March 31, 2005, international services, which were previously included in Miscellaneous businesses, are included in Mobile phone business. As a result thereof, certain reclassifications are made to the operating results for the year ended March 31, 2005.

- (2) PHS business

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Operating revenues were ¥41.7 billion and operating loss was ¥9.5 billion.

In order to concentrate our business resources on FOMA services, we ceased accepting new PHS subscriptions on April 30, 2005 and plan to terminate PHS services during the three months ending December 31, 2007. The actual date of the termination will be determined while monitoring the usage trends of the current subscribers.

PHS ARPU was ¥3,280.

Note:

See page 43 for the details of the ARPU calculation methods.

<Number of subscribers>	Thousand subscribers			
	March 31, 2006	March 31, 2005	Increase (Decrease)	
PHS services	771	1,314	(543)	(41.3%)

<Operating results>	Billions of yen			
	(UNAUDITED)			
	Year ended	Year ended		Increase
	March 31, 2006	March 31, 2005	(Decrease)	
PHS business operating revenues	¥ 41.7	¥ 63.1	¥ (21.4)	(33.8%)
PHS business operating loss	(9.5)	(85.9)	76.4	

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(3) Miscellaneous businesses

Operating revenues were ¥41.1 billion and operating loss was ¥2.3 billion.

For our public wireless LAN service, in addition to our Mzone service, we launched a plan named U public wireless LAN course as a part of mopera U service, our internet access service for FOMA subscribers, in June 2005. In July 2005 and March 2006, in the aim to economically and efficiently roll out wireless LAN areas, we entered into agreements with Nippon Telegraph and Telephone East Corporation and three other companies, pursuant to which NTT Broadband Platform, Inc. undertake the ownership and operation of the shared wireless LAN base stations. In February 2006, we additionally began to support IEEE802.11a/g standards, which offer high-speed data communications up to 54Mbps. As of March 31, 2006, the number of our domestic hot spots increased to 1,057.

In April 2005, considering the continuous decline in the number of Quickcast services subscribers, we decided to terminate the services on March 31, 2007.

<Operating results>	Billions of yen			
	(UNAUDITED)			
	Year ended March 31, 2006	Year ended March 31, 2005	Increase (Decrease)	
Miscellaneous businesses operating revenues	¥ 41.1	¥ 25.7	¥ 15.4	60.0%
Miscellaneous businesses operating loss	(2.3)	(5.3)	3.0	

Note:

For periods beginning after March 31, 2005, Quickcast business, which was presented separately in past releases, is included in Miscellaneous businesses. As a result thereof, certain reclassifications are made to the operating results for the year ended March 31, 2005.

3. Capital Expenditures