

NTT DOCOMO INC
Form 20-F
July 03, 2003
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As filed with the Securities and Exchange Commission on July 3, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

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, 2003

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

Kabushiki Kaisha NTT DoCoMo

(Exact name of registrant as specified in its charter)

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)

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, 2003, 50,170,406 shares of common stock were outstanding, comprised of 50,097,068 shares and 7,333,800 ADSs (equivalent to 73,338 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

* 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:

The successful development of our 3G services is subject to market demand.

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

Changes in the current system for setting tariffs and forms of communications between the telecommunications carriers may negatively affect our profitability.

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.

Subscribers may experience reduced quality of services because we have only a limited amount of spectrum and facilities available for our services.

The W-CDMA technology that we use for our 3G system may not be introduced by other operators, which could limit 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 as we expect and the business may continue to operate at a loss in the future.

Our i-mode system is subject to various inappropriate uses, such as unsolicited bulk e-mail, which could decrease customer satisfaction with our services, congest our system and adversely affect our financial results.

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

Concerns about wireless telecommunications health risks may adversely affect our financial condition and results of operations.

System failures may adversely affect our financial condition and results of operations.

Volatility and changes in the economic conditions and securities market in Japan and other countries may have an adverse effect on 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 2002 refers to our fiscal year ended March 31, 2003, 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, 1999 through 2003. The data for the years ended March 31, 1999 through 2002 in the first table is derived from our audited consolidated financial statements prepared in accordance with Japanese GAAP. These Japanese GAAP consolidated financial statements are included in our annual securities reports which we have filed with the Japanese authorities pursuant to the Securities and Exchange Law of Japan. The data as at and for the fiscal years ended March 31, 2000 through 2003 in the second 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.

Starting with the fiscal year ended March 31, 2003, we no longer prepare Japanese GAAP consolidated financial statements and instead disclose U.S. GAAP consolidated financial statements for domestic reporting purposes. Accordingly, there is no Japanese GAAP financial data for the fiscal year ended March 31, 2003.

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	As at and for the year ended March 31,			
	1999	2000	2001	2002
	(in millions, except per share data)			
Income Statement Data				
Operating revenues:				
Wireless services	¥ 2,551,660	¥ 3,008,726	¥ 3,636,909	¥ 4,157,868
Equipment sales	566,738	709,968	1,049,095	1,013,679
Total	3,118,398	3,718,694	4,686,004	5,171,547
Operating expenses				
	2,609,849	3,172,934	3,908,842	4,168,694
Operating income	508,549	545,760	777,162	1,002,853
Other expenses (income):				
Interest and bond issue costs	32,447	25,061	23,119	19,890
Interest income	(2,962)	(976)	(864)	(154)
Equity in net losses of affiliates	68,114	1,532	31,846	125,899
Stock offering costs	38,780	777	20,355	
Special loss(1)(2)		25,458		812,898
Other, net	21,824	16,249	15,787	3,844
	158,203	68,101	90,243	962,377
Income before income taxes and minority interest	350,346	477,659	686,919	40,476
Income taxes				
Current	120,732	255,631	322,523	453,914
Deferred	6,382	(48,626)	(21,912)	(443,370)
	127,114	207,005	300,611	10,544
Income before minority interest	223,232	270,654	386,308	29,932
Minority interest	18,417	18,514	20,802	29,069
Net income	¥ 204,815	¥ 252,140	¥ 365,506	¥ 863
Per Share Data				
Net income per share(3)	¥ 4,729	¥ 5,266	¥ 7,597	¥ 17
Dividends declared and paid per share(4)	¥ 40	¥ 300	¥ 200	¥ 200
Dividends declared and paid per share(5)	\$ 0.30	\$ 2.63	\$ 1.90	\$ 1.64
Balance Sheet Data				
Working capital	¥ 497,052	¥ 187,071	¥ (503,774)	¥ 137,051
Property, plant and equipment, net	1,800,391	1,986,623	2,288,878	2,570,680
Total assets	3,331,137	3,613,124	5,911,240	5,912,582
Total debt(6)	1,042,489	829,587	1,443,168	1,429,332
Total liabilities (including minority interest)	1,632,625	1,677,596	2,596,394	2,677,513
Total shareholders' equity	1,698,512	1,935,528	3,314,846	3,235,069
Other Financial Data				
Depreciation and amortization expenses and loss on sale or disposal of property, plant and equipment	491,031	612,269	651,605	679,209

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Cash flows from operating activities	725,661	1,041,188	839,312	1,329,616
Cash flows from investing activities	(1,196,717)	(995,952)	(2,737,112)	(1,122,038)
Cash flows from financing activities	943,100	(217,331)	1,535,195	(24,954)

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- (1) Write-down of fixed assets related to Quickcast service for the year ended March 31, 2000.
- (2) Write-down of ¥812,898 million in investments in affiliated companies for the year ended March 31, 2002.
- (3) Net income per share information is calculated by dividing net income by the weighted average number of shares outstanding during the relevant period after adjusting to reflect (i) the stock split (five-for-one) that took effect on August 17, 1998, (ii) the stock split (five-for-one) that took effect on September 13, 1999 and (iii) the stock split (five-for-one) that took effect on May 15, 2002.
- (4) The dividends declared and paid per share have been adjusted to reflect (i) the stock split (five-for-one) that took effect on August 17, 1998, (ii) the stock split (five-for-one) that took effect on September 13, 1999 and (iii) the stock split (five-for-one) that took effect on May 15, 2002.
- (5) The dividends declared and paid 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.

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As at and for the year ended March 31,

	2000	2001	2002	2003	2003
(in millions, except per share data)					
Income Statement Data					
Operating revenues:					
Wireless services	¥ 3,008,726	¥ 3,620,271	¥ 4,153,459	¥ 4,350,861	\$ 36,850
Equipment sales(1)	345,320	557,785	505,795	458,227	3,881
Total(1)	3,354,046	4,178,056	4,659,254	4,809,088	40,731
Operating expenses(1)	2,844,859	3,399,436	3,658,367	3,752,369	31,781
Operating income	509,187	778,620	1,000,887		