NTT DOCOMO INC
Form 6-K
May 11, 2005
Table of Contents

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, 2005.

Commission File Number: 001-31221

Total number of pages: 93

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)

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 x 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 x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Table of Contents

Information furnished in this form:

Table of Contents

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 11, 2005	By: /s/ WATARU KAGAWA
	Wataru Kagawa
	Head of Investor Relations

Table of Contents

3:00 P.M. JST, May 10, 2005

NTT DoCoMo, Inc.

Earnings Release for the Fiscal Year Ended March 31, 2005

Consolidated financial results of NTT DoCoMo, Inc. (the Company) and its subsidiaries (collectively we or DoCoMo) for the fiscal year ended March 31, 2005, are summarized as follows.

<< Highlights of Financial Results >>

For the fiscal year ended March 31, 2005, operating revenues were ¥4,844.6 billion (down 4.0% year-on-year), operating income was ¥784.2 billion (down 28.9% year-on-year), income before income taxes was ¥1,288.2 billion (up 17.0% year-on-year) and net income was ¥747.6 billion (up 15.0% year-on-year).

Earnings per share were ¥15,771.01 and EBITDA margin* was 33.6% (down 3.2 points year-on-year), and ROCE* was 16.2% (down 6.7 points year-on-year).

Operating revenues, operating income, income before income taxes and net income for the fiscal year ending March 31, 2006, are estimated to be ¥4,805.0 billion (down 0.8% year-on-year), ¥810.0 billion (up 3.3% year-on-year), \812.0 billion (down 37.0% year-on-year) and ¥497.0 billion (down 33.5% year-on-year), respectively.

Notes:

1. Consolidated financial statements for the fiscal year ended March 31, 2005, in this release are unaudited.

2. Amounts in this release are rounded off, 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, 2006, please refer to page 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 47. See page 47 for the definition of ROCE.

Table of Contents

<< Comment by Masao Nakamura, President and CEO >>

Our business environment has been undergoing a major change in the last one-two years following the launch of flat-rate tariff plans for packet access by carriers, and this trend is expected to continue in the next fiscal year when mobile number portability is scheduled to be introduced.

In order to respond to these changes, during the fiscal year ended March 31, 2005, we managed our business with a particular focus on the needs and values of our customers. To this end, we implemented various measures, including the introduction of various discount packages, enrichment of our lineup of handsets and improvement of network quality, which delivered tangible results; our cellular churn rate dropped sharply, our market share of monthly net additions began to recover, and we achieved favorable progress in migrating existing mova subscribers to our FOMA service. Operating revenues and operating income for the year ended March 31, 2005 were ¥4,844.6 billion and ¥784.2 billion, respectively, posting a decline for the first time in our corporate history, but we believe we made steadfast progress in enhancing our competitiveness.

In the fiscal year ending March 31, 2006, we will continue our customer-oriented management approach and work to further reinforce our core cellular phone business, aiming specifically to increase audio-visual traffic and international service revenues, and proliferate the use of Mobile Wallet and other services linked with brick-and-mortar businesses. In particular, we will explore new business opportunities using our Mobile Wallet service by adding credit card payment capability. Meanwhile, we will strive to further reduce costs by facilitating an efficient use of distributor commissions, cutting network costs, and reorganizing loss-making businesses. In addition, to clarify the role of the board of directors as a body for management supervision and to reinforce the Company s business execution functions, we plan to introduce a corporate officer system after reducing the number of Board members by half in June 2005 to further strengthen our corporate governance system.

As we consider returning profits to shareholders an important corporate policy, we plan to increase the dividend for the fiscal year ending March 31, 2006, to ¥4,000 a share, up 100% from the previous fiscal year.

We are committed to managing the company with a challenging spirit and an emphasis on speedy decision-making so that we can achieve a sustainable growth in a rapidly changing environment.

<< Business Results and Financial Position >>

<Results of operations>

	Billions of yen (UNAUDITED)		
	Year ended March 31, 2005	**Year ended March 31, 2004**	**Increase (Decrease)**
Operating revenues	**¥ 4,844.6**	¥ 5,048.1	(4.0%)
Operating expenses	**4,060.4**	3,945.1	2.9%

Operating income	**784.2**	1,102.9	(28.9%)
Other (income) expense, net	**(504.1)**	1.8	
Income before income taxes	**1,288.2**	1,101.1	17.0%
Income taxes	**527.7**	429.1	23.0%
Equity in net losses of affiliates	**(12.9)**	(22.0)	
Minority interests	**(0.1)**	(0.0)	
Net income	**¥ 747.6**	¥ 650.0	15.0%

2

Table of Contents

1. **Business Overview**

(1) Operating revenues totaled ¥4,844.6 billion (down 4.0% year-on-year).

Cellular (FOMA+mova) services revenues decreased to ¥4,132.3 billion (down 4.6% year-on-year). Despite a positive impact on revenues from subscriber growth as a result of acquisition of new subscribers and lowered churn rate driven by our expansion of our handset lineup, cellular (FOMA+mova) services revenues decreased mainly due to a decline in average revenue per unit (ARPU) resulting from our reduction in rates, such as expanding Family Discount plan, for the purpose of enhancing our competitiveness and further growth.

Voice revenues from FOMA services increased to ¥514.7 billion (up 399.5% year-on-year) and packet communications revenues from FOMA services increased to ¥260.7 billion (up 422.0% year-on-year) owing to a significant increase in the number of FOMA services subscribers which resulted from the steady migration of subscribers from mova services. This migration was driven by the introduction of pake-hodai, a flat-rate i-mode service; the releases of new handsets such as FOMA 901i series and FOMA 700i series; and the improvement in network quality, such as reinforcing both our outdoor and indoor coverage areas.

<Breakdown of operating revenues>

	Billions of yen (UNAUDITED) Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)
Wireless services	**¥ 4,296.5**	¥ 4,487.9	(4.3%)
Including: Cellular (FOMA+mova) services revenues (i)	**4,132.3**	4,329.8	(4.6%)
- Voice revenues (ii)	**3,071.7**	3,259.5	(5.8%)
Including: FOMA services	**514.7**	103.1	399.5%
- Packet communications revenues	**1,060.6**	1,070.2	(0.9%)
Including: FOMA services	**260.7**	49.9	422.0%
Including: PHS services revenues	**60.3**	70.4	(14.3%)
Including: Quickcast services revenues	**4.4**	5.8	(23.2%)
Equipment sales	**548.1**	560.2	(2.2%)
Total operating revenues	**¥ 4,844.6**	¥ 5,048.1	(4.0%)

Notes:

(i) In past reports, cellular services revenues were broken down into cellular (mova) services revenues, cellular (FOMA) services revenues and packet communications services revenues. In this report, cellular services revenues are aggregated and represented as cellular (FOMA+mova) services revenues.

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

(2) Operating expenses were ¥4,060.4 billion (up 2.9% year-on-year).

Personnel expenses increased to ¥251.4 billion (up 1.2% year-on-year). The number of employees was 21,527 as of March 31, 2005.

Non-personnel expenses increased to ¥2,539.2 billion (up 1.2% year-on-year) mainly due to an increase in revenue-linked variable expenses, including cost of equipment sold, by 2.7% year-on-year, reflecting the migration of subscribers from mova services to FOMA services.

Depreciation and amortization expenses increased to ¥735.4 billion (up 2.0% year-on-year) due to an increase in capital expenditures to improve coverage areas of FOMA services and to meet increasing demand for FOMA services.

Impairment loss represents the impairment of assets related to PHS business.

Table of Contents

<Breakdown of operating expenses>	Billions of yen (UNAUDITED) Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)
Personnel expenses	**¥ 251.4**	¥ 248.4	1.2%
Non-personnel expenses	**2,539.2**	2,508.8	1.2%
Depreciation and amortization	**735.4**	721.0	2.0%
Impairment loss	**60.4**		
Loss on disposal of property, plant and equipment and intangible assets	**65.5**	43.9	49.1%
Communication network charges	**372.4**	387.7	(3.9%)
Taxes and public dues	**36.1**	35.4	1.9%
Total operating expenses	**¥ 4,060.4**	¥ 3,945.1	2.9%

(3) Operating income decreased to ¥784.2 billion (down 28.9% year-on-year). Income before income taxes, which included a gain on sale of AT&T Wireless Services, Inc. (AT&T Wireless) shares (¥501.8 billion), net of interest income and interest expense, increased to ¥1,288.2 billion (up 17.0% year-on-year).

(4) Net income was ¥747.6 billion (up 15.0% year-on-year).

2. Segment Information

(1) Mobile phone businesses

Operating revenues were ¥4,741.1 billion and operating income was ¥872.0 billion.

Cellular (FOMA) services

We lowered our tariffs, including the reduction in the monthly charges for Packet Pack, a discount service for per-packet rates, in May 2004, and the introduction of pake-hodai in June 2004. In addition, we strengthened our handset lineup by releasing the FOMA F900iC handset in August 2004, which is equipped with the i-mode FeliCa service capability, and the FOMA Raku Raku PHONE handset in September 2004. Furthermore, we started releasing the FOMA 901i series handsets, our top-end models, in December 2004 and the FOMA 700i series handsets, our standard models, in February 2005. As a result, the number of subscribers increased steadily, surpassing the 10 million mark in February 2005, and reaching 11.5 million as of March 31, 2005.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA) services were ¥6,380, ¥3,270 and ¥9,650, respectively.

Cellular (mova) services

We released the mova 506i series handsets, the mova 506iC series handsets and the mova 253i series handsets. In addition, we released handsets with unique product concepts and distinctive features such as the premini series handsets featuring compact bodies, simple functions and unique design, and the Music PORTER handset, which is equipped with a music player and FM radio tuner. Despite continuous high demand for the newest mova series handsets, the number of cellular (mova) services subscribers as of March 31, 2005 decreased to 37.32 million due to the continuous migration of subscribers from mova services to FOMA services. Also, we ceased accepting new subscribers to the CITYPHONE services, which use 1.5GHz digital networks, on September 30, 2004, and the Pre-Call services, which are our prepaid services, on March 31, 2005.

Table of Contents

Voice ARPU, i-mode ARPU and aggregate ARPU of cellular (mova) services were ¥5,160, ¥1,640 and ¥6,800, respectively.

In addition, in both FOMA and mova services, we expanded our Family Discount plan by increasing the discount rates applied to base monthly charges and dialing charges on calls among the subscribers in each Family Discount group in April 2004; making charges free for sending and receiving i-mode mail among the subscribers in each Family Discount group in October 2004; and enabling the unused allowances (free minutes and/or packets) which are included in the base monthly charges that have been carried over for two months under a billing arrangement called Nikagetsu Kurikoshi (two-month carry over) to be automatically used to cover the airtime and/or packet fees exceeding the allowances of the other lines in the Family Discount group starting February 2005. Also, we launched the DoCoMo Premier Club, which is an upgraded version of a former point loyalty program, in April 2004. In an attempt to integrate mobile phones into fashion, we launched the Dot-MO project and released the original-model of FOMA P901i handset and original custom jackets for the FOMA P901i handset. Also, we raised the discount rates applied to base monthly charges for the subscribers to our Business Discount service, a discount service for corporate subscribers, in July 2004. The aggregate number of cellular (FOMA+mova) services subscribers as of March 31, 2005 increased to 48.82 million.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA+mova) services were ¥5,330, ¥1,870 and ¥7,200, respectively.

Churn rates for cellular (FOMA+mova) services for the three months ended March 31, 2005 and the year ended March 31, 2005 were 0.96% and 1.01%, decreases of 0.40 points and 0.20 points compared to the same periods of the prior fiscal year, respectively.

i-mode services

We launched the Mobile Wallet phone i-mode FeliCa service in July 2004. Sales of handsets equipped with the i-mode FeilCa service capability reached approximately 3 million by the end of March 2005. The number of shops accepting payments with the i-mode FeliCa service increased to approximately 20,000 as of April 1, 2005. Furthermore, we have been formulating countermeasures to fight against spam mail to let our i-mode subscribers enjoy mobile internet services more comfortably and without worry. The number of i-mode services subscribers increased to 44.02 million as of March 31, 2005.

In our global development, COSMOTE Mobile Telecommunications S.A., a Greek company, and Telstra Corporation Limited, an Australian company, recently started providing i-mode services. In addition, Cellcom Israel LTD., an Israeli company, O2 plc, a UK-based company, Mobile TeleSystems OJSC, a Russia-based company, and StarHub Ltd., a Singaporean company, with which we entered into i-mode license agreements, are preparing to launch i-mode services in 2005. As a result, i-mode services are rolled out or are expected to be rolled out in 21 countries and areas including Japan, and the aggregate number of cellular service subscribers of all carriers which participate in the i-mode service alliance exceeded 190 million as of March 31, 2005.

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 46 for the details of the calculation methods.

Table of Contents

<Number of subscribers by services>	**Thousand subscribers**		**Increase**
	March 31, 2005	**March 31, 2004**	**(Decrease)**
Cellular (FOMA) services	**11,501**	3,045	277.7%
Cellular (mova) services (i)	**37,324**	43,283	(13.8%)
i-mode services (ii)	**44,021**	41,077	7.2%

Notes:

(i) Number of DoPa single service subscribers has been included in the number of cellular (mova) services subscribers beginning with the results for the six months ended September 30, 2004 in order to conform the definition of subscribers with other mobile operators in Japan. The number of DoPa single service subscribers as of March 31, 2005 and 2004 was 544 thousand and 401 thousand, respectively.

(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)

Number of i-mode subscribers as of March 31, 2004 = Cellular (FOMA) i-mode subscribers (2,997 thousand) + Cellular (mova) i-mode subscribers (38,080 thousand)

<Operating results>	**Billions of yen**		
	(UNAUDITED)		
	Year ended	**Year ended**	**Increase**
	March 31, 2005	**March 31, 2004**	**(Decrease)**
Mobile phone business operating revenues	**¥ 4,741.1**	¥ 4,937.7	(4.0%)
Mobile phone business operating income	**872.0**	1,138.9	(23.4%)

(2) PHS business

Operating revenues were ¥63.1 billion and operating loss was ¥85.9 billion.

We saw a net increase in the number of subscribers to a fixed fee service for data communications mainly as a result of sales promotion of @FreeD, a fixed fee service for data-communications subscribers. However, the aggregate number of PHS subscribers decreased due to a decrease in the number of voice services subscribers. Because we expect the number of subscribers using data-card-type PHS will also decrease in the future as a result of the progress in speed and functions of cellular services, we decided to cease accepting new subscribers for our PHS services on April 30, 2005, to concentrate our resources on FOMA services. Considering our outlook for our PHS business, we recognized an impairment loss on PHS assets of ¥60.4 billion for the year ended March 31, 2005.

PHS ARPU was ¥3,360.

Note:

See page 46 for the details of the ARPU calculation methods.

<Number of subscribers>	Thousand subscribers		Increase
	March 31, 2005	March 31, 2004	(Decrease)
PHS services	**1,314**	1,592	(17.5%)

<Operating results>	Billions of yen		
	(UNAUDITED)		
	Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)
PHS business operating revenues	**¥ 63.1**	¥ 75.7	(16.7%)
PHS business operating loss	**(85.9)**	(35.5)	

(3) Quickcast business

Operating revenues were ¥4.6 billion and operating loss was ¥5.1 billion.

To streamline our operations, we ceased accepting new subscribers for Quickcast services at the end of June 2004.

* We had been examining the option of terminating Quickcast services, monitoring the subscriber usage. In April 2005, we decided to terminate the services on March 31, 2007, considering the continuous decrease of the subscribers of Quickcast services.

Table of Contents

<Number of subscribers>

	Thousand subscribers		
	March 31, 2005	**March 31, 2004**	**Increase (Decrease)**
Quickcast services	**306**	457	(33.1%)

<Operating results>

	Billions of yen (UNAUDITED)		
	Year ended March 31, 2005	**Year ended March 31, 2004**	**Increase (Decrease)**
Quickcast business operating revenues	**¥ 4.6**	¥ 6.0	(23.5%)
Quickcast business operating loss	**(5.1)**	(1.9)	

(4) Miscellaneous businesses

Operating revenues were ¥35.8 billion and operating income was ¥3.2 billion.

In addition to the existing international roaming-out service for voice calls, we launched the international roaming-out services for packet communications, video calling and short messaging service (SMS) in December 2004. We also released the FOMA N900iG handset, which is our first model compatible with these international roaming-out services. Furthermore, we enriched our international services such as starting an international SMS which allow FOMA subscribers to exchange short messages with subscribers of foreign carriers in February 2005. As of the end of March 2005, we expanded the service areas of international roaming-out services for voice calls and SMS to 122 countries and areas, and for packet communications to 32 countries and areas.

We improved usability of our public wireless LAN service, Mzone. Overseas, we launched an international roaming service in September 2004, and also a roaming service in aircraft on certain international flights in October 2004. In Japan, we added 165 Tokyo Metro subway stations (all the stations except 3 stations) to the service areas by December 2004.

<Operating results>

	Billions of yen (UNAUDITED)		
	Year ended March 31, 2005	**Year ended March 31, 2004**	**Increase (Decrease)**
Miscellaneous businesses operating revenues	**¥ 35.8**	¥ 28.7	24.8%
Miscellaneous businesses operating income	**3.2**	1.4	126.3%

3. Capital Expenditures

Total capital expenditures* were ¥861.5 billion.

We expanded the coverage areas of FOMA services, reinforced FOMA networks to meet the increase in demand, constructed network architecture to meet an increase in traffic derived from the introduction of pake-hodai, and divided FOMA networks between voice networks and packet communication networks to reduce the packet-communication-related network cost. On the other hand, we made our capital expenditures more efficient and less costly by reducing the acquisition costs of equipment and improving the design and construction process.

<Breakdown of capital expenditures>

	Billions of yen		
	(UNAUDITED)		
	Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)
Mobile phone businesses	**¥ 696.6**	¥ 601.1	15.9%
PHS business	**4.8**	12.3	(60.6%)
Quickcast business	**0.0**	0.0	
Other (including buildings for telecommunications)	**160.0**	192.1	(16.7%)
Total capital expenditures	¥ 861.5	¥ 805.5	7.0%

* See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 47.

Table of Contents

4. Cash Flow Conditions

Net cash provided by operating activities was ¥1,181.6 billion (down 30.9% year-on-year). Net cash provided by operating activities decreased primarily because of a decrease in operating income; an increase in the payment of income taxes, which was ¥259.9 billion in the prior fiscal year, to ¥541.7 billion; and a decrease in collection of tax refunds receivable, which was ¥107.2 billion in the prior fiscal year.

Net cash used in investing activities was ¥578.3 billion (down 31.7% year-on-year). Despite an increase in payment for purchase of property, plant and equipment and intangible and other assets from ¥802.9 billion in the prior fiscal year to ¥911.1 billion, net cash used in investing activities decreased mainly due to a sale of AT&T Wireless shares that amounted to ¥699.5 billion, and a collection of shareholders loan to Hutchison 3G UK Holdings Limited based on the sale and purchase agreement with Hutchison Whampoa Limited that amounted to ¥39.8 billion. Changes in investments for cash management purpose, which were made to manage a part of our cash efficiently, increased net cash used in investing activities by ¥400.3 billion.

Net cash used in financing activities was ¥672.0 billion (down 4.8% year-on-year). Payments for stock buybacks and dividends increased whereas repayments of outstanding debt decreased. During the year ended March 31, 2005, we repurchased our own stock for ¥93.0 billion in the stock market and ¥332.2 billon through a tender offer.

Free cash flows were ¥603.3 billion (down 30.1% year-on-year). Free cash flows excluding changes in investments for cash management purpose* (¥400.3 billion) were ¥1,003.6 billion.

Equity ratio, debt ratio and interest coverage ratio improved compared to the prior fiscal year due to an increase in shareholders equity and a decrease in interest bearing liabilities. Market equity ratio* declined and debt payout period lengthened due to decreases in market value of total share capital and net cash provided by operating activities.

<Statements of cash flows>	**Billions of yen**		
	(UNAUDITED)		
	Year ended March 31, 2005	**Year ended March 31, 2004**	**Increase (Decrease)**
Net cash provided by operating activities	**¥ 1,181.6**	¥ 1,710.2	(30.9%)
Net cash used in investing activities	**(578.3)**	(847.3)	
Net cash used in financing activities	**(672.0)**	(705.9)	
Free cash flows	**603.3**	862.9	(30.1%)
Free cash flows excluding the changes in investments for cash management purpose*	**1,003.6**	862.9	16.3%

<Financial measures>	**Year ended March 31, 2005**	**Year ended March 31, 2004**	**Increase (Decrease)**
Equity ratio	**63.7%**	59.2%	4.5points
Market equity ratio*	**142.8%**	184.3%	(41.5points)
Debt ratio	**19.5%**	22.8%	(3.3points)
Debt payout period (years)	**0.8**	0.6	0.2

Interest coverage ratio	**114.5**	104.4	10.1

Notes:

Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

Changes in investments for cash management purpose = Changes by purchase, redemption and disposal of financial instruments with original maturities of longer than 3 months for cash management purpose.

Equity ratio = Shareholders equity / Total assets

Market equity ratio* = Market value of total share capital / Total assets

Debt ratio = Interest bearing liabilities / (Shareholders equity + Interest bearing liabilities)

Debt payout period (years) = Interest bearing liabilities / Net cash provided by (used in) operating activities

Interest coverage ratio = Net cash provided by (used in) operating activities / Interest expense**

** Interest expense is cash interested paid, which is disclosed in Supplemental disclosures of cash flow information for consolidated statements of cash flows on page 22.

* See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on page 47.

5. Profit Distribution

The Company plans to pay the total dividend of ¥2,000 per share (including ¥1,000 interim dividend) for the year ended March 31, 2005.

Table of Contents

«Prospects for the Fiscal Year Ending March 31, 2006»

Competition in the Japanese cellular phone market is expected to become increasingly harsh in the future, as carriers enrich their handset portfolio, offer a wider range of value-added services and introduce reduced rate plans to respond to diversifying user needs as the cellular penetration rate rises in the run-up to the introduction of mobile number portability scheduled for the fiscal year ending March 31, 2007.

Under these market conditions, as the average revenue per unit (ARPU) of our cellular subscribers continues to fall due to the impact from various discounts implemented during the last fiscal year to strengthen our competitiveness and propel future growth, we are expecting a decline in our operating revenues for the fiscal year ending March 31, 2006. Operating income, however, is projected to post gains, despite a projected increase in revenue-linked expenses resulting from the migration of existing mova subscribers to FOMA services, as a result of our efforts to streamline underperforming businesses and improve the efficiency of our operational processes.

	Billions of yen		
	Year ending March 31, 2006	Year ended March 31, 2005 (Actual results)	Increase (Decrease)
Operating revenues	¥ 4,805.0	¥ 4,844.6	(0.8%)
Operating income	810.0	784.2	3.3%
Income before income taxes	812.0	1,288.2	(37.0%)
Net income	497.0	747.6	(33.5%)
Capital expenditures *	848.0	861.5	(1.6%)
Free cash flows excluding changes in investments for cash management purpose *	590.0	1,003.6	(41.2%)
EBITDA *	1,580.0	1,625.7	(2.8%)
EBITDA margin *	32.9%	33.6%	(0.7points)
ROCE *	16.3%	16.2%	0.1points
ROCE after tax effect *	9.6%	9.6%	

* See the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on Page 47.

The financial forecasts for the year ending March 31, 2006, were based on the forecasts of the following operation data.

	March 31, 2006	March 31, 2005 (Actual results)	Increase (Decrease)

Number of cellular (FOMA) services subscribers (Thousands)	24,100	11,501	109.6%
Number of cellular (mova) services subscribers (Thousands) (i)	26,600	37,324	(28.7%)
Number of i-mode subscribers (Thousands) (ii)	46,200	44,021	5.0%
Number of PHS subscribers (Thousands)	800	1,314	(39.1%)
Aggregate ARPU* (cellular (FOMA+mova) services) (iii)	¥ 6,770	¥ 7,200	(6.0%)
Voice ARPU	4,990	5,330	(6.4%)
Packet ARPU	1,780	1,870	(4.8%)

Notes:

(i) Number of DoPa Single Service subscribers has been included in the number of mova subscribers starting with the results for the first six months of the fiscal year ended March 31, 2005. (Number of DoPa Single Service subscribers as of March 31, 2006: 730 thousand (forecast)) (Number of DoPa Single Service subscribers as of March 31, 2005: 544 thousand (Actual))

(ii) Number of i-mode subscribers includes numbers of cellular (FOMA) and cellular (mova) i-mode subscribers.

(iii) International service-related revenues, which had not been included in previous reports, have been included the ARPU data calculation starting with the forecasts for the fiscal year ending March 31, 2006, in view of their growing contribution to total revenues.

ARPU generated from International services for the fiscal year ending March 31, 2006: ¥40

* See page 46 for the details of ARPU calculation methods.

DoCoMo expects to pay a total annual dividend of ¥4,000 per share for the year ending March 31, 2006, consisting of an interim dividend of ¥2,000 per share and a year-end dividend of ¥2,000 per share.

---

* 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, EBITDA margin, capital expenditures, free cash flows, ROCE and ROCE after tax effect, see the reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on the page 47.

Table of Contents

Consolidated Financial Statements May 10, 2005

For the Fiscal Year Ended March 31, 2005 **[U.S. GAAP]**

Name of registrant:	**NTT DoCoMo, Inc.**
Code No.:	9437
Stock exchange on which the Company s shares are listed:	Tokyo Stock Exchange-First Section
Address of principal executive office:	Tokyo, Japan
(URL http://www.nttdocomo.co.jp/)	
Representative:	Masao Nakamura, Representative Director, President and Chief Executive Officer
Contact:	Masahiko Yamada, Senior Manager, General Affairs Department / TEL +81-3-5156-1111
Date of the meeting of the Board of Directors for approval of the consolidated financial statements:	May 10, 2005
Name of Parent Company:	Nippon Telegraph and Telephone Corporation (Code No. 9432)
Percentage of ownership interest in NTT DoCoMo, Inc. held by parent company:	63.0%
Adoption of US GAAP:	Yes

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2005 (April 1, 2004 - March 31, 2005)

(1) Consolidated Results of Operations

Amounts are rounded off to the nearest 1 million yen. (Millions of yen, except per share amounts)

	Operating Revenues		Operating Income		Income before Income Taxes	
Year ended March 31, 2005	4,844,610	(4.0%)	784,166	(28.9%)	1,288,221	17.0%
Year ended March 31, 2004	5,048,065	5.0%	1,102,918	4.4%	1,101,123	5.6%

	Net Income		Basic Earnings per Share	Diluted Earnings per Share	ROE (Ratio of Net Income to Shareholders Equity)	ROA (Ratio of Income before Income Taxes to Total Assets)	Income before Income Taxes Margin (Ratio of Income before Income Taxes to Operating Revenues)
Year ended March 31, 2005	747,564	15.0%	15,771.01(yen)	15,771.01(yen)	19.6%	20.8%	26.6%
Year ended March 31, 2004	650,007	205.9%	13,099.01(yen)	13,099.01(yen)	18.1%	17.9%	21.8%

Notes: 1. Equity in net losses of affiliated companies: For the fiscal year ended March 31, 2005: (12,886) million yen

For the fiscal year ended March 31, 2004: (21,960) million yen

2. Change in accounting policy: No

3. The weighted average number of shares outstanding: For the fiscal year ended March 31, 2005: 47,401,154 shares
   For the fiscal year ended March 31, 2004: 49,622,595 shares
4. Percentages for operating revenues, operating income, income before income taxes and net income in the above tables represent year-on-year changes.

(2) Consolidated Financial Position (Millions of yen, except per share amounts)

	Total Assets	Shareholders Equity	Equity Ratio (Ratio of Shareholders Equity to Total Assets)	Shareholders Equity per Share
March 31, 2005	6,136,521	3,907,932	63.7%	84,455.27(yen)
March 31, 2004	6,262,266	3,704,695	59.2%	76,234.00(yen)

Note: The number of shares outstanding as of March 31, 2005, and 2004, were 46,272,208 shares and 48,596,364 shares, respectively.

(3) Consolidated Cash Flows (Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Fiscal Year End
Year ended March 31, 2005	1,181,585	(578,329)	(672,039)	769,952
Year ended March 31, 2004	1,710,243	(847,309)	(705,856)	838,030

(4) Number of consolidated companies and companies accounted for using the equity method
The number of consolidated subsidiaries: 88
The number of unconsolidated subsidiaries accounted for using the equity method: 6
The number of affiliated companies accounted for using the equity method: 9

(5) Change of reporting entities
The number of consolidated companies added: 53 The number of consolidated companies removed: 1
The number of companies on equity method added: 3 The number of companies on equity method removed: 32

Note: Twenty-seven companies which were accounted for using the equity method in previous fiscal year are consolidated from this fiscal year.

2. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2006 (April 1, 2005 - March 31, 2006)

(Millions of yen)

	Operating Revenues	Income before Income Taxes	Net Income

Year ending March 31, 2006	4,805,000	812,000	497,000

(Reference) Expected Earnings per Share: 10,740.79 yen

Note: With regard to the above forecasts, please refer to page 10.

*** Consolidated financial statements are unaudited.**

Table of Contents

Special Note Regarding Forward-Looking Statements

This Earnings Release contains forward-looking statements such as forecasts of results of operations, management strategies, objectives and plans, forecasts of operational data such as expected number of subscribers, and expected dividend payments. All forward-looking statements that are not historical facts are based on management s current plans, expectations, assumptions and estimates based on the information currently available. Some of the projected numbers in this report were derived using certain assumptions that are indispensable for making such projections in addition to historical facts. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in or suggested by any forward-looking statement. Potential risks and uncertainties include, without limitation, the following:

Competition from other cellular service providers or other technologies could limit our acquisition of new subscribers, retention of existing subscribers and average revenue per unit (ARPU), or may lead to an increase in our costs and expenses.

The new services and usage patterns introduced by our corporate group may not develop as planned, which could limit our growth.

The introduction or change of various laws or regulations or the application of such laws and regulations to our corporate group may adversely affect our financial condition and results of operations.

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

Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction.

The W-CDMA technology that we use for our 3G system and/or mobile multimedia services may not be introduced by other overseas operators, which could limit our ability to offer international services to our subscribers.

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

Our PHS business, which is expected to operate at a loss until the service is terminated, may incur greater losses than we project.

As electronic payment capability and many other new features are built into our cellular phones, and services of parties other than those belonging to our corporate group are provided through our cellular handsets, potential problems resulting from malfunctions, defects, or missing of handsets or imperfection of services provided by such other parties may arise, which could have an adverse effect on our financial condition and results of operations.

Social problems that could be caused by misuse or misunderstanding of our products and services may adversely affect our credibility or corporate image.

Inadequate handling of subscriber information by our corporate group or contractors may adversely affect our credibility or corporate image.

Earthquakes, power shortages, malfunctioning of equipment, and software bugs, computer viruses, cyber attacks and other problems could cause systems failures in our networks, handsets or other networks required for the provision of service, disrupting our ability to offer services to our subscribers.

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

Our parent company, Nippon Telegraph and Telephone Corporation (NTT), could exercise influence that may not be in the interests of our other shareholders.

Table of Contents

<< Condition of the Corporate Group >>

NTT DoCoMo, Inc. primarily engages in mobile telecommunications services as a member of the NTT group, with Nippon Telegraph and Telephone Corporation (NTT) as the holding company.

The Company, its 94 subsidiaries and nine affiliates constitute the NTT DoCoMo group (DoCoMo group), the largest mobile telecommunications services provider in Japan.

The business segments of the DoCoMo group and the corporate position of each group company are as follows.

[Business Segment Information]

Business	Main service lines
Mobile phone businesses	Cellular (FOMA) services, cellular (mova) services, packet communications services, satellite mobile communications services, and sales of handsets and equipment for each service
PHS business	PHS services and sales of PHS handsets and equipment
Quickcast business	Radio paging (Quickcast) services and sales of Quickcast equipment
Miscellaneous businesses	International dialing services, wireless LAN services and other miscellaneous businesses

Notes

(i) Acceptance of new subscribers to radio paging (Quickcast) service was terminated on June 30, 2004. Radio paging (Quickcast) service is planned to be terminated on March 31, 2007.

(ii) Acceptance of new subscribers to PHS service was terminated on April 30, 2005.

[Position of Each Group Company]

(1) The Company engages in Mobile phone, PHS, Quickcast and other businesses in the Kanto-Koshinetsu region of Japan. The Company also provides nationwide services such as satellite mobile communications services and international dialing services. The Company is solely responsible for the R&D activities of the DoCoMo group regarding the mobile telecommunications business, the development of services and the development of information processing systems. The Company provides the results of such research and development to its eight regional subsidiaries, each of which operates in one of eight regions in Japan (DoCoMo Regional Subsidiaries).

(2) Each of the DoCoMo Regional Subsidiaries engages in Mobile phone (excluding satellite mobile communications services), PHS and Quickcast businesses in their respective regions.

(3) Twenty-eight other subsidiaries of the Company, each of which is entrusted with certain services by the Company and/or DoCoMo Regional Subsidiaries, operate independently to maximize their expertise and operate efficiently. They are entrusted with part of the services provided by, or give assistance to, the Company and DoCoMo Regional Subsidiaries.

(4) There are 58 other subsidiaries and nine affiliates, including, among others, some overseas units established for the purpose of global expansion of the third-generation mobile communications system based on W-CDMA, and joint ventures, set up to launch new business operations.

The following chart summarizes the above.

Table of Contents

As of March 31, 2005

Table of Contents

<< Management Policies >>

1. Basic Management Policies

Under the corporate philosophy of creating a new world of communications culture, DoCoMo aims to contribute to the realization of a rich and vigorous society by reinforcing its core business with a focus on popularizing FOMA services, and promoting mobile multimedia services by offering services that are useful for customers daily lives and businesses. It also seeks to maximize its corporate value in order to be greatly trusted and highly valued by its shareholders and customers.

2. Medium- and Long-Term Management Strategies

The competition amongst carriers in the Japanese cellular phone market is expected to intensify even further in the future due to increases in the market penetration rate, diversification of customer needs and the scheduled introduction of mobile number portability in Japan during the fiscal year ending March 31, 2007.

Against this backdrop, DoCoMo will seek to reinforce its core businesses by taking comprehensive measures to improve its offerings in the areas of handsets, services, rate plans, network coverage and quality as well as after-sales support, in an effort to react swiftly and adequately to the diverse needs of customers from a customer-centric perspective. At the same time, we will review under-performing businesses, and continue our endeavors to boost our operational efficiency through the reduction of handset procurement and network costs and a more efficient allocation of distributor commissions, in order to strengthen our competitive position.

To create new channels for revenue generation, we will actively work to expand our business domains based on the three principal growth strategies of multimedia, ubiquity and globalization.

(1) Multimedia

To further increase the use of i-mode and FOMA services, which enable the transmission of large amounts of data at high speeds, we plan to add more handsets tailored to user s needs in our product lineup, and will strive to develop and provide a wide array of sophisticated non-voice services, including visual communications and video/text delivery services. We also embarked on the development of High-Speed Downlink Packet Access (HSDPA) system a technology that further enhances the packet transmission speeds supported by the FOMA network.

(2) Ubiquity

In addition to our conventional effort to expand usages by promoting services, such as remote control over intelligent home appliances and information distribution for automobiles (Telematics), we intend to promote the linkage with brick-and-mortar services, together with other related companies, combining our mobile services with various types of commercial transactions through an active use of external interface capabilities embedded in cellular handsets including contactless IC chips, bar codes and infrared data transmission.

(3) Globalization

As the arena of competition in mobile communications business expands to a global scale, DoCoMo intends to enhance user s convenience and increase its revenue opportunities by further enlarging the i-mode alliance and offering W-CDMA-based global handsets. Also, in view of global competition, we will widely look into opportunities for revenue growth, including the possibility of making investments in or forming alliances with not only telecommunications carriers, but also enterprises owning promising technologies as well as companies engaged in mobile communications-related peripheral businesses, while taking into consideration the overall synergies projected from such alliances.

Table of Contents