

NTT DOCOMO INC
Form 6-K
February 01, 2007
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 January, 2007.

Commission File Number: 001-31221

Total number of pages: 53

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 **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):

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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-

Table of Contents

Information furnished in this form:

1. Earnings release dated January 31, 2007 announcing the company's results for The Nine Months ended December 31, 2006.
2. Materials presented in conjunction with the earnings release dated January 31, 2007 announcing the company's results for The Nine Months ended December 31, 2006.

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: January 31, 2006

By:

/s/ YOSHIKIYO SAKAI
Yoshikiyo Sakai

Head of Investor Relations

Table of Contents

3:00 P.M. JST, January 31, 2007

NTT DoCoMo, Inc.

Earnings Release for the Nine Months Ended December 31, 2006

Consolidated financial results of NTT DoCoMo, Inc. (the Company) and its subsidiaries (collectively we or DoCoMo) for the nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006), are summarized as follows.

<< Highlights of Financial Results >>

For the nine months ended December 31, 2006, operating revenues were 3,597.0 billion yen (up 0.4% compared to the same period of the prior year), operating income was 676.9 billion yen (down 2.4% compared to the same period of the prior year), income before income taxes was 680.7 billion yen (down 16.1% compared to the same period of the prior year) and net income was 403.7 billion yen (down 21.8% compared to the same period of the prior year).

Earnings per share were 9,154.91 yen (down 19.4% compared to the same period of the prior year) and EBITDA margin* was 34.6% (down 0.1 point compared to the same period of the prior year).

Notes:

1. Consolidated financial statements in this release are unaudited.

2. Amounts in this release are rounded off.

* EBITDA and EBITDA margin, as we use them, are different from EBITDA as used 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 18.

Table of Contents<< Comment by Masao Nakamura, President and CEO >>

In the third quarter of the fiscal year ending March 31, 2007, we worked continuously to enhance our network quality, released the latest FOMA 903i series handsets and implemented various other measures in all-out efforts to reinforce our competitiveness. As a consequence, the number of FOMA subscribers exceeded 32 million as of December 31, 2006, and our cellular churn rate for the third quarter increased slightly to 0.93%, due to subscribers' relatively calm response to the Mobile Number Portability following its launch on October 24, 2006. Operating revenues and operating income for the nine months ended December 31, 2006 were 3,597.0 billion yen (up 14.8 billion yen compared to the same period of the prior year) and 676.9 billion yen (down 16.6 billion yen compared to the same period of the prior year), respectively.

In the coming spring, we plan to add more models to our handset lineup through the release of the new FOMA 703i series handsets, which will include the world's slimmest W-CDMA handset in a clamshell form. We will also continue our endeavors to improve FOMA's network quality and broaden the coverage of HSDPA (High-Speed Downlink Packet Access), and strive to develop and invigorate the video/music content market. In March 2007, we are planning to expand our flat-rate billing package for packet data communications, to allow users to access PC-configured web sites and video contents using a full-scale browser for a fixed monthly rate. Meanwhile, we have steadily solidified the foundation of our credit business by increasing the user count of DCMX mobile credit payment services to 1.39 million and the number of installed iD payment terminals to 100 thousand. The uptake of *Osaifu-Keitai** services is also growing at a favorable pace, with the user base of compatible handsets expected to reach 20 million by the end of March 2007. Leveraging these services, we will pursue our goal to transform mobile phones into lifestyle infrastructure.

While the business climate surrounding us is expected to become increasingly harsh, we will devote ourselves to serving our customers and striving to improve every aspect of our service offerings with the aim to build up our competitiveness and strengthen our business foundation thereby.

* *Osaifu-Keitai* refers to mobile phones equipped with a contactless IC card, as well as the useful function and services enabled by the IC card. With this function, a mobile phone can be utilized as electronic money, a credit card, an electronic ticket, a membership card and an airline ticket, among other things.

<< Operating Results and Financial Position >>

<Results of operations>

	(UNAUDITED)		Billions of yen			
	(UNAUDITED)		(UNAUDITED)			
	Nine months ended		Nine months ended		Increase	
	December 31, 2006	December 31, 2005	(Decrease)		Year ended March 31, 2006	
Operating revenues	¥ 3,597.0	¥ 3,582.2	¥ 14.8	0.4%	¥ 4,765.9	
Operating expenses	2,920.1	2,888.8	31.3	1.1	3,933.2	
Operating income	676.9	693.5	(16.6)	(2.4)	832.6	
Other income, net	3.8	117.7	(113.9)	(96.8)	119.7	
Income before income taxes	680.7	811.2	(130.5)	(16.1)	952.3	
Income taxes	276.7	293.9	(17.2)	(5.9)	341.4	
Equity in net losses of affiliates	(0.2)	(0.9)	0.6	71.3	(0.4)	
Minority interests in consolidated subsidiaries	(0.0)	0.0	(0.0)		(0.1)	
Net income	¥ 403.7	¥ 516.4	¥ (112.7)	(21.8)%	¥ 610.5	

Table of Contents**1. Business Overview**

(1) Operating revenues totaled 3,597.0 billion yen (up 0.4% compared to the same period of the prior year).

Cellular (FOMA+mova) services revenues increased to 3,157.6 billion yen (up 0.9% compared to the same period of the prior year). Despite some negative effects from our strategic billing arrangements introduced in the past, these revenues grew due to the acquisition of new subscribers and lowering of our churn rate through our customer-oriented operations.

Voice revenues from FOMA services increased to 1,308.3 billion yen (up 59.7% compared to the same period of the prior year) and packet communications revenues from FOMA services increased to 697.5 billion yen (up 65.2% compared to the same period of the prior year) owing to a significant increase in the number of FOMA services subscribers to 32.11 million (up 59.5% compared to the same period of the prior year). The increase in the number of FOMA subscribers resulted from factors such as the improvements in network quality and the release of new handsets, including the FOMA 903i/702iS series.

Equipment sales revenues decreased to 348.3 billion yen (down 1.4% compared to the same period of the prior year). While the number of handsets sold increased due to steady migration of subscribers from mova services to FOMA services, the amount accounted for as sales revenue per handset decreased.

<Breakdown of operating revenues>

	Billions of yen (UNAUDITED)(UNAUDITED)			
	Nine months ended		Increase	
	December 31, 2006	December 31, 2005	(Decrease)	
Wireless services	¥ 3,248.8	¥ 3,229.0	¥ 19.7	0.6%
Cellular (FOMA+mova) services revenues (i)	3,157.6	3,130.3	27.3	0.9
- Voice revenues (ii)	2,238.5	2,303.4	(64.9)	(2.8)
Including: FOMA services	1,308.3	819.1	489.2	59.7
- Packet communications revenues	919.1	826.9	92.2	11.1
Including: FOMA services	697.5	422.2	275.3	65.2
PHS services revenues	18.4	32.6	(14.2)	(43.6)
Other revenues	72.8	66.2	6.6	10.0
Equipment sales	348.3	353.2	(4.9)	(1.4)
Total operating revenues	¥ 3,597.0	¥ 3,582.2	¥ 14.8	0.4%

Notes:

- (i) Cellular (FOMA+mova) services revenues for the nine months ended December 31, 2006 reflected the impact of recognizing as revenues the portion of Nikagetsu Kurikoshi (2-months carry over) allowances that are projected to expire.
- (ii) Voice revenues include data communications revenues through circuit switching system.

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(2) Operating expenses were 2,920.1 billion yen (up 1.1% compared to the same period of the prior year).

Personnel expenses were 188.8 billion yen (up 1.1% compared to the same period of the prior year). The number of employees as of December 31, 2006 was 22,356.

Non-personnel expenses increased to 1,860.4 billion (up 1.4% compared to the same period of the prior year). This increase resulted mainly from an increase in cost of equipment sold due to proportional growth in sales of FOMA handsets to the aggregate number of handsets sold.

Depreciation and amortization increased by 0.9% to 537.4 billion yen compared to the same period of the prior year due to an increase in capital expenditures for expansion and quality improvement of FOMA network.

Table of Contents

<Breakdown of operating expenses>	Billions of yen				
	(UNAUDITED)		(UNAUDITED)		
	Nine months ended		Nine months ended		Increase
	December 31, 2006	December 31, 2005		(Decrease)	
Personnel expenses	¥ 188.8	¥ 186.6	¥ 2.1		1.1%
Non-personnel expenses	1,860.4	1,835.3	25.1		1.4
Depreciation and amortization	537.4	532.7	4.6		0.9
Loss on disposal of property, plant and equipment and intangible assets	35.5	26.3	9.2		35.0
Communication network charges	270.7	280.2	(9.5)		(3.4)
Taxes and public dues	27.4	27.7	(0.3)		(1.0)
Total operating expenses	¥ 2,920.1	¥ 2,888.8	¥ 31.3		1.1%

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Note:

For the period starting from April 1, 2006, the amount of impairment loss related to PHS assets, which was separately stated in the past, is included in Depreciation and amortization. As the result thereof, relevant reclassifications are made to the operating results for the nine months ended December 31, 2005.

- (3) Operating income decreased to 676.9 billion yen (down 2.4% compared to the same period of the prior year). In addition, due principally to the effect of gains we recognized on the sales of Hutchison 3G UK Holdings Limited shares (62.0 billion yen) and KPN Mobile N.V. shares (40.0 billion yen) during the same period of the prior year, income before income taxes decreased to 680.7 billion yen (down 16.1% compared to the same period of the prior year).
- (4) Net income was 403.7 billion yen (down 21.8% compared to the same period of the prior year).

2. Segment Information

- (1) Mobile phone business
Operating revenues were 3,547.9 billion yen and operating income was 694.9 billion yen.

The aggregate number of cellular (FOMA+mova) services subscribers increased to 52.21 million as of December 31, 2006 (up 2.1% compared to the same period of the prior year).

Voice ARPU, packet ARPU, and aggregate ARPU of cellular (FOMA+mova) services for the nine months ended December 31, 2006 were 4,780 yen (down 6.5% compared to the same period of the prior year), 1,980 yen (up 6.5% compared to the same period of the prior year), and 6,760 yen (down 3.0% compared to the same period of the prior year),

respectively.

Churn rate for cellular (FOMA+mova) services for the three months and nine months ended December 31, 2006 were 0.93% (up 0.21 point compared to the same period of the prior year) and 0.72% (down 0.06 point compared to the same period of the prior year), respectively.

Cellular (FOMA) services

Reinforcement of network coverage and launch of HSDPA services

In order to enhance the network coverage and quality of radio reception, we completed FOMA network coverage nationwide for stations of Japan Railways Group, educational institutes, and public service areas for automobiles. We added base stations on high buildings and in underground shopping areas. We also reflected voices of our customers collected in the opinion survey on our web site in our network planning.

In August 2006, we launched HSDPA services, which provide packet download speed of up to 3.6Mbps, first in Metropolitan Tokyo areas, and expanded the services to other major cities in Japan by the end of October 2006.

Table of Contents

Enriched variety of handset lineup

In order to meet various customer needs, we released a total of 32 models during the nine months ended December 31, 2006.

As for our high-end models, we released FOMA 903i series, which feature enhanced music functions and extended memory capacity for further vivid visuals in rich applications (Mega i-appli) such as games or GPS navigation. We released FOMA 702is series as standard models, which feature unique designs. We also released simple and compact handsets called SIMPURE series for customers who prefer simple usability.

We released two products compatible with HSDPA services, FOMA N902iX HIGH-SPEED and FOMA M2501 HIGH-SPEED , the latter of which is a PC card type terminal dedicated to data communication.

Providing various services and enhanced functions

As our music services, we launched Chaku-Uta full , which enables users to download complete music tracks, and Music Channel , which provides longer and high-quality music programs. We also released several handsets compatible with Napster To Go , which is provided by Napster Japan, Inc. to enable users to download an unlimited number of music tracks to a PC for a flat rate and to transfer the tracks to a compatible music player or cellular handset.

For customers' security purposes, we launched Keitai-Osagashi Service which enables our customers to locate misplaced handsets using GPS technology by accessing the My DoCoMo portal for PCs. We also equipped a certain handset model with a function called ANSHIN-KEY Lock which automatically locks/unlocks the handset depending on the proximity of ANSHIN-KEY , a special IC-card key, to the handset.

Corporate marketing

We actively marketed mobile system solutions featuring two of our new PDA-type handsets: hTc Z handset, which is supplied by High Tech Computer Corporation in Taiwan, and BlackBerry 8707h , which is supplied by Research In Motion Limited in Canada.

Voice ARPU, packet ARPU and aggregate ARPU of cellular (FOMA) services for the nine months ended December 31, 2006 were 5,200 yen (down 11.1% compared to the same period of the prior year), 2,800 yen (down 8.2% compared to the same period of the prior year) and 8,000 yen (down 10.1% compared to the same period of the prior year), respectively.

Cellular (mova) services

Due to the continuous migration of subscribers from mova services to FOMA services, the proportion of mova services subscribers to the aggregated cellular (FOMA+mova) subscribers as of December 31, 2006 decreased to 38.5%.

Voice ARPU, i-mode ARPU and aggregate ARPU of cellular (mova) services for the nine months ended December 31, 2006 were 4,280 yen (down 10.3% compared to the same period of the prior year), 1,020 yen (down 22.7% compared to the same period of the prior year) and 5,300 yen (down 13.0% compared to the same period of the prior year), respectively.

i-mode services

Usage promotion

In order to improve convenience of i-mode , we launched a keyword search service. By inputting a keyword into the search box on the top page of Japanese iMenu portal, users can search official i-mode sites, as well as non-official i-mode sites through a search engine (13 search engines were available as of December 31, 2006).

Rakuten Auction, Inc., a joint venture company established by Rakuten, Inc. and DoCoMo, launched Rakuten Auction service which features anonymous escrow , which does not require sellers or winning bidders to reveal private information to one another.

In order to increase usage volume among a wide range of subscribers, we continued to promote our i-channel , push-type information casting service, by setting our handsets i-channel compatible as a default function. The number of i-channel service subscribers as of December 31, 2006 increased to 8.12 million.

Global development

In December 2006, we reached an agreement with Hutchison Essar, Ltd., one of India s leading mobile operators, pursuant to which Hutchison Essar will introduce i-mode services in India. (The agreement is subject to governmental approval to be effective.)

The i-mode services were rolled out in 16 countries and areas including Japan as of December 31, 2006, and the aggregate number of cellular service subscribers of all the operators which participate in the i-mode services alliance reached 270 million.

Table of Contents

International services

Addition of handsets compatible with international roaming-out service

We increased the variety of handsets compatible with WORLD WING, international roaming-out services, when we added five handsets such as SIMPURE L1 and FOMA M702iG, which are compatible with both 3G and GSM network overseas. We also released nine handsets including FOMA 903i series which are WORLD WING compatible and available for 3G network overseas.

Expansion of the service area

We steadily expanded the service area of international roaming-out services for voice calls and SMS to 150 countries and areas; for packet communications to 93 countries; and for videophone calls to 32 countries and areas, each as of December 31, 2006.

Development of alliance among mobile operators in Asia

In April 2006, we formed a strategic alliance with six Asian mobile operators, including Far EasTone Telecommunications Co., Ltd. in Taiwan, to cooperate in international roaming and development of mobile services for corporate accounts. In December 2006, we officially named the alliance Conexus Mobile Alliance, and added Smart Communications, Inc., the Philippines leading mobile operator, to the alliance. The members of the largest alliance in the Asian region, which expanded its coverage to over 130 million mobile subscribers, started working in collaboration to enhance their competitiveness in their own countries/regions by offering services such as roaming via HSDPA, in addition to conventional roaming via GSM/GPRS and/or W-CDMA networks.

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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 to analyze the average usage of our subscribers and the impacts of changes in our billing arrangements. 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 17 for the details of the calculation methods.

<Number of subscribers by services>	Thousand subscribers			Increase (Decrease)
	December 31, 2006	March 31, 2006		
Cellular (FOMA) services	32,114	23,463	8,650	36.9%
Cellular (mova) services	20,100	27,680	(7,580)	(27.4)
i-mode services	47,208	46,360	848	1.8

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Note:

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Number of i-mode subscribers as of December 31, 2006

= Cellular (FOMA) i-mode subscribers (30,929 thousand) + Cellular (mova) i-mode subscribers (16,279 thousand)

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)

<Operating results>

	(UNAUDITED)	(UNAUDITED)		
	Nine months ended	Nine months ended		
	December 31, 2006	December 31, 2005		
			Increase	
			(Decrease)	
Mobile phone business operating revenues	¥ 3,547.9	¥ 3,521.5	¥ 26.4	0.7%
Mobile phone business operating income	694.9	697.9	(3.0)	(0.4)

6

Table of Contents

(2) PHS business

Operating revenues were 18.7 billion yen and operating loss was 7.4 billion yen.

Ahead of the scheduled termination of PHS services during the three months ending December 31, 2007, we were continuously engaged in a campaign to encourage current PHS subscribers to migrate to FOMA services.

PHS ARPU for nine months ended December 31, 2006 was 3,110 yen (down 5.8% compared to the same period of the prior year).

Note:

See page 17 for the details of the ARPU calculation methods.

<Number of subscribers>	Thousand subscribers		Increase	
	December 31, 2006	March 31, 2005	(Decrease)	
PHS services	530	771	(241)	(31.2)%

<Operating results>	Billions of yen		Increase	
	(UNAUDITED)	(UNAUDITED)		
	Nine months ended			
	December 31, 2006	December 31, 2005	(Decrease)	
PHS business operating revenues	¥ 18.7	¥ 33.2	¥ (14.6)	(43.9)%
PHS business operating loss	(7.4)	(3.1)	(4.3)	(137.9)

(3) Miscellaneous businesses

Operating revenues were 30.5 billion yen and operating loss was 10.6 billion yen.

Credit business

DCMX mobile credit payment services

We steadily promoted our DCMX so that the number of DCMX subscribers exceeded 1 million in November 2006 and reached 1.39 million as of December 31, 2006.

Credit platform iD

We steadily expanded the number of the stores where iD reader/writers are available.

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The number of iD reader/writers increased to approximately 100 thousand as of December 31, 2006.