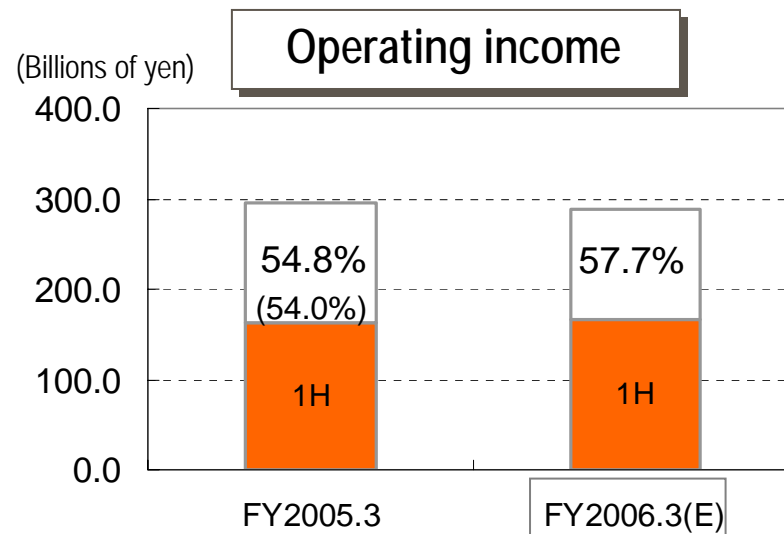
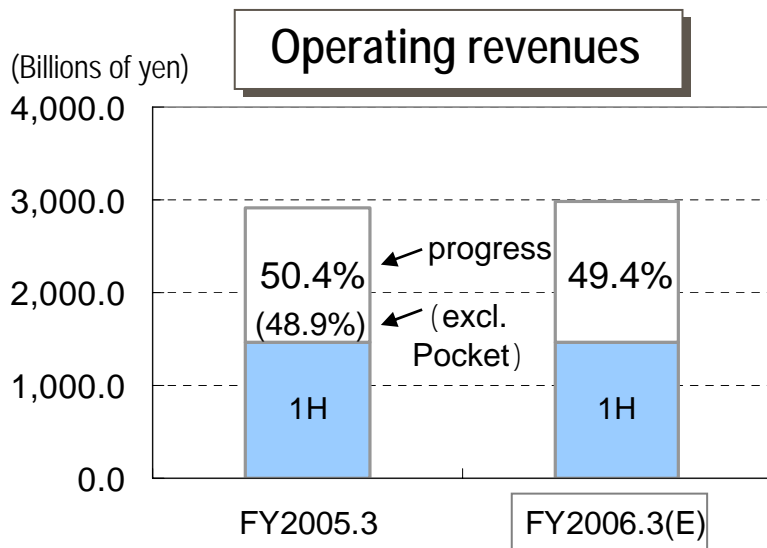


# 2. Consolidated Financial Results



(Billions of yen)

	FY2005.3		FY2006.3(E)			
	1H		1H	yoy	progress	
Operating revenues	1,471.3	2,920.0	1,468.8	-0.2%	49.4%	2,976.0
Operating income	162.4	296.2	166.7	2.6%	57.7%	289.0
<i>Operating margin</i>	11.0%	10.1%	11.3%	-	-	9.7%
Ordinary income	156.3	286.3	164.9	5.5%	57.5%	287.0
Net income	77.8	200.6	101.4	30.3%	-	187.0
Free Cash Flow	113.1	402.2	99.0	-12.5%	-	43.0
EBITDA	351.8	664.3	337.4	-4.1%	52.5%	643.0
<i>EBITDA margin</i>	23.9%	22.7%	23.0%	-	-	21.6%

(ref.) Results excluding Pocket

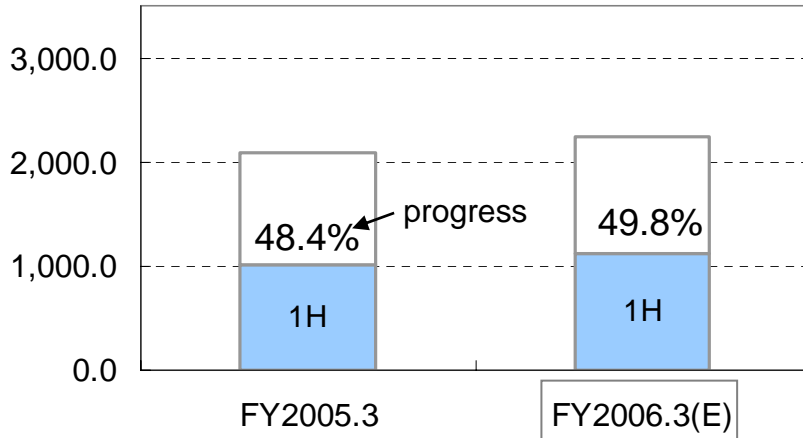
	FY2005.3	FY2006.3(E)
	1H	yoy
Operating revenues	1,384.5	6.1%
Operating income	157.0	6.2%
<i>Operating margin</i>	11.3%	-
Ordinary income	151.4	9.0%
Net income	74.6	36.0%
Free Cash Flow	92.2	7.4%
EBITDA	327.2	3.1%
<i>EBITDA margin</i>	23.6%	-

Note: For FY 2005.3 results excluding Pocket, 1H results and effect of divestiture of PHS Business are deducted from the consolidated figures.

# 3. "au" Business

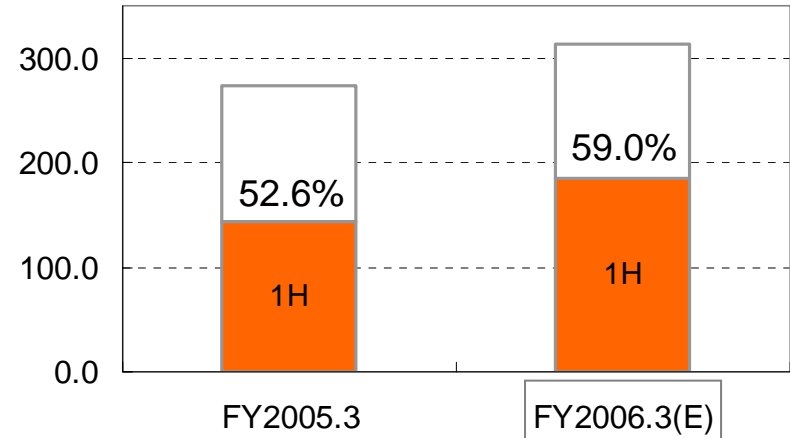
## Operating revenues

(Billions of yen)



## Operating income

(Billions of yen)



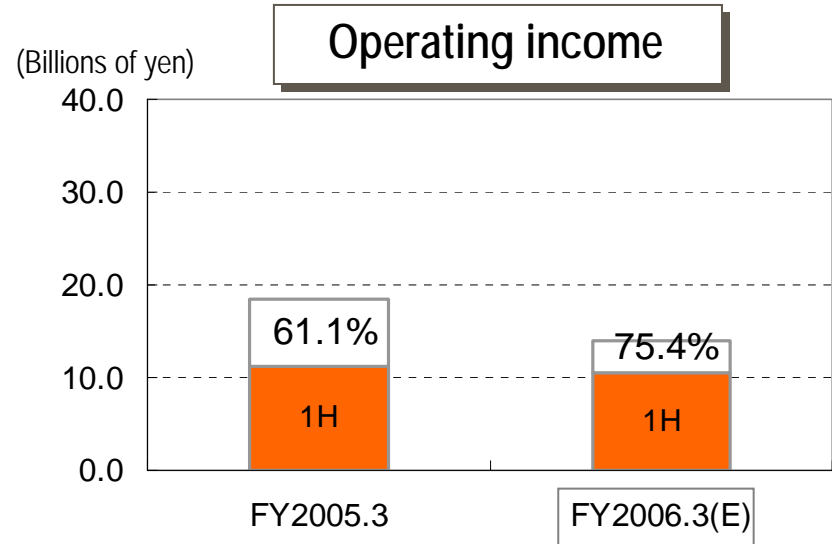
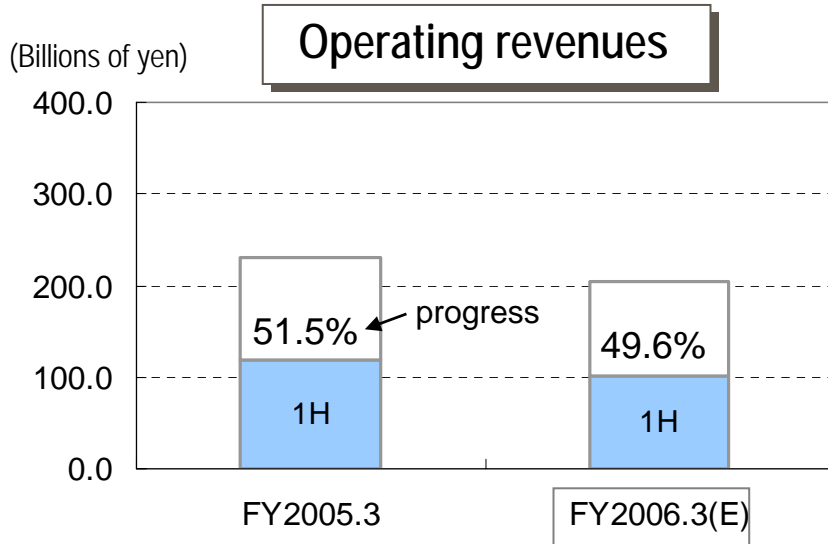
(Billions of yen)

	FY2005.3		FY2006.3(E)		
	1H		1H	progress	
Operating revenues	1,012.3	2,092.7	1,117.8	49.8%	2,245.0
Operating income	143.6	273.1	185.2	59.0%	314.0
<i>Operating margin</i>	14.2%	13.1%	16.6%	-	14.0%
Ordinary income	141.3	269.9	184.6	59.0%	313.0
Net income	83.3	161.2	111.3	-	186.0
Free Cash Flow	44.0	132.6	119.9	-	119.0
EBITDA	246.5	481.4	290.4	55.4%	524.0
<i>EBITDA margin</i>	24.4%	23.0%	26.0%	-	23.3%

	FY2005.3		FY2006.3(E)	
	1H		1H	
Subs ('000)	18,189	19,542	20,704	21,540
of module-type	421	487	548	610
WIN(EV-DO)	1,191	3,252	5,550	7,660
1X	14,667	14,683	13,997	-
cdmaOne	2,331	1,608	1,156	-
ARPU (yen)	7,280	7,170	7,120	6,810
Voice	5,560	5,430	5,270	5,020
Data	1,720	1,740	1,850	1,790

Note: ARPU is calculated for ordinary handsets which exclude module-type terminals.

# 4. TU-KA Business (PDC)

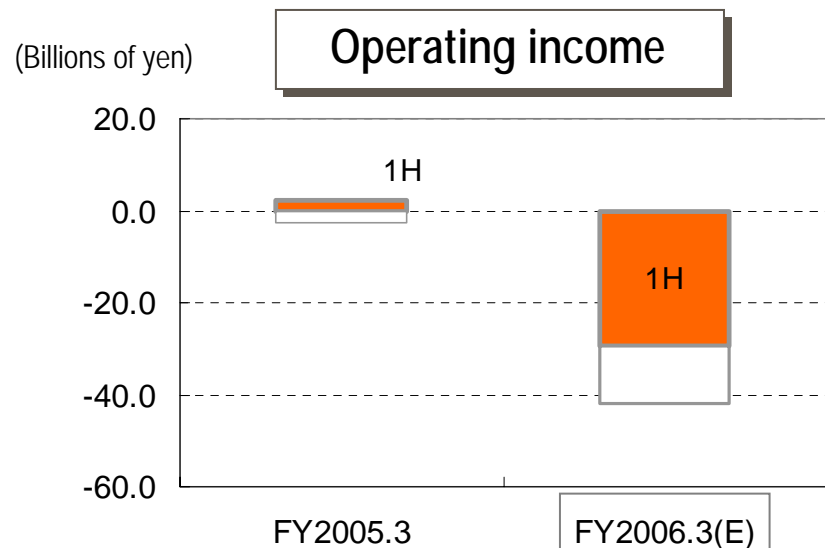
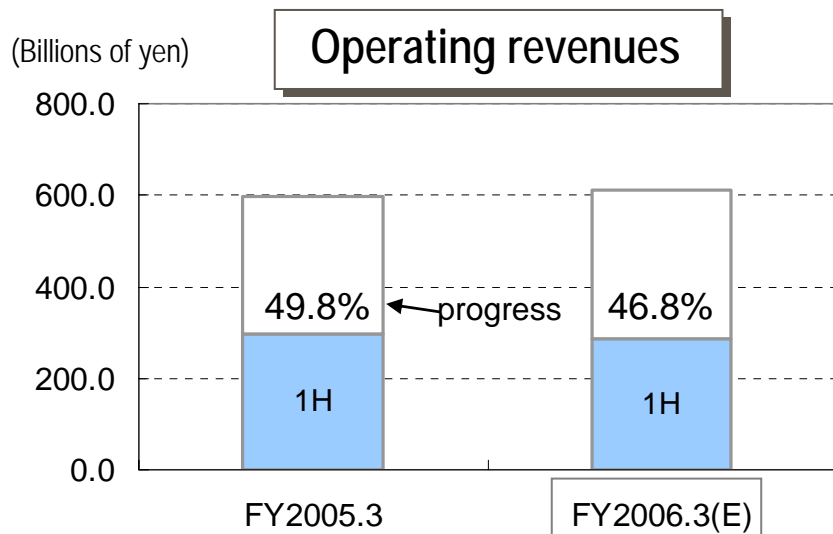


(Billions of yen)

	FY2005.3		FY2006.3(E)		
	1H		1H	progress	
Operating revenues	119.2	231.4	101.3	49.6%	204.0
Operating income	11.3	18.4	10.6	75.4%	14.0
<i>Operating margin</i>	9.5%	8.0%	10.4%	-	6.9%
Ordinary income	9.4	15.2	9.7	74.3%	13.0
Net income	5.3	10.5	6.7	-	8.0
Free Cash Flow	27.9	58.1	25.7	-	41.0
EBITDA	36.0	66.8	31.5	58.2%	54.0
<i>EBITDA margin</i>	30.2%	28.9%	31.1%	-	26.5%

	FY2005.3		FY2006.3(E)	
	1H		1H	
PDC Subs ('000)	3,588	3,590	3,528	3,490
ARPU (yen)	4,630	4,470	4,080	4,040

# 5. Fixed-line Business



Progress is not available as full-year figures are negative.

(Billions of yen)

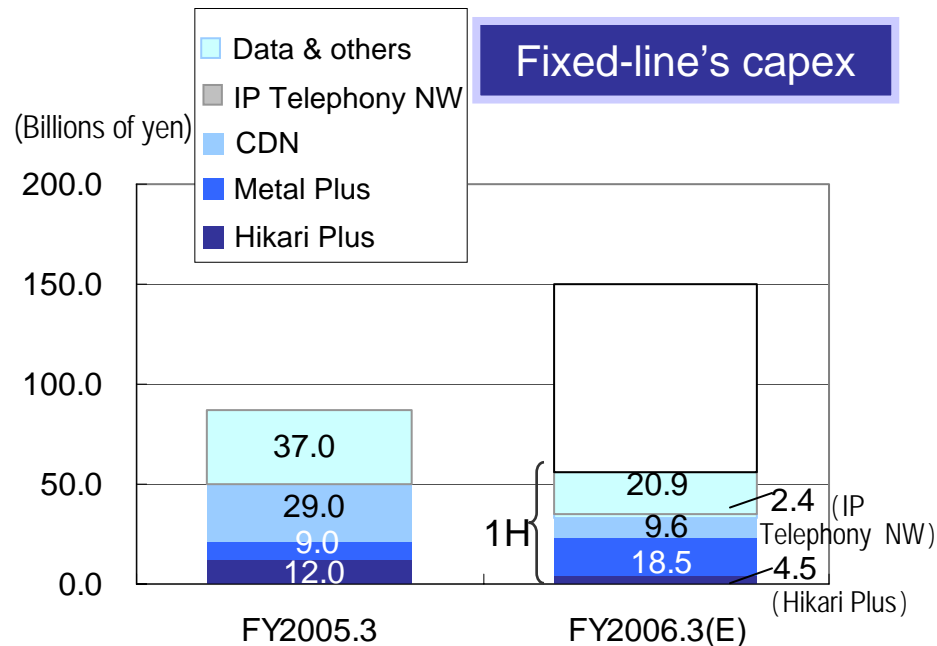
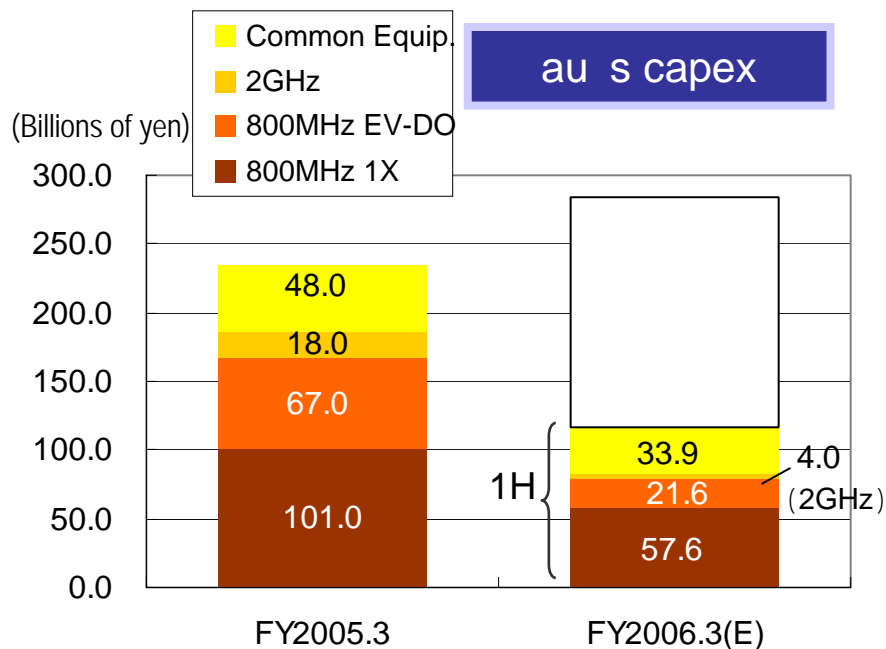
	FY2005.3		FY2006.3(E)		
	1H		1H	progress	
Operating revenues	296.8	596.0	286.2	46.8%	612.0
Operating income	2.4	-0.3	-29.5	-	-42.0
<i>Operating margin</i>	<i>0.8%</i>	<i>-0.1%</i>	<i>-10.3%</i>	-	<i>-6.9%</i>
Ordinary income	3.0	-0.4	-29.0	-	-43.0
Net income	-8.0	-4.4	-16.2	-	-22.0
Free Cash Flow	16.5	-3.1	-49.6	-	-114.0
EBITDA	42.6	87.5	13.5	22.8%	59.0
<i>EBITDA margin</i>	<i>14.3%</i>	<i>14.7%</i>	<i>4.7%</i>	-	<i>9.6%</i>

	FY2005.3		FY2006.3(E)	
	1H		1H	
DION subs('000) <small>(Note1)</small>	2,873	2,885	2,850	2,880
of ADSL	1,428	1,494	1,495	1,500
FTTH subs('000)	60	91	138	180
of Hikari Plus	44	79	134	-
Metal Plus subs('000)	0	41	<small>(Note2)</small> 677	2,200

Note 1: DION subs of Hikari Plus are included in the number of DION subs from end-March 2005.

Note 2: No. of Metal Plus line subscriptions (incl. those not yet activated) at end-Sept. 2005 was 1,362,000.

# 6. Capital Expenditures and others



(Billions of yen)

		FY2005.3		FY2006.3(E)		
		1H	2H	1H	Progress	2H
CAPEX (Cash basis)	Consolidated	115.5	342.4	176.1	40.0%	440.0
	au	87.0	233.5	117.2	41.8%	280.0
	TU-KA	3.1	7.7	1.1	28.5%	4.0
	Fixed-line	17.2	86.6	55.9	37.3%	150.0
Depreciation	Consolidated	183.3	349.9	166.6	49.7%	335.0
	au	100.1	201.7	103.1	51.3%	201.0
	TU-KA	23.6	46.6	20.3	52.1%	39.0
	Fixed-line	38.6	78.7	41.5	45.1%	92.0