

1.2. Full-Year Outlook for FY 2007.3

Previous	Latest Forecast (Change)
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1 On a consolidated basis, company revise up both operating revenues & income due to strong performance in Mobile Business absorbs the effect of integrating TEPCO's FTTH business.

- ▶ Operating revenues: ¥3,293.0B ¥3,330.0B (up ¥ 37.0B)
- Operating income : ¥ 318.0B ¥ 342.0B (up ¥ 24.0B)
 - Mobile Business : (up ¥ 35.0B)
 - Fixed-line Business : (down ¥ 9.0B: effect of integrating FTTH business)

▶ Main reasons

✓“au” ARPU	: ¥6,580	¥6,600 (up ¥20)
✓“au” Churn rate	: 1.39%	1.07% (down 0.32points)
✓Mobile Business total subs	: 27.44M	28.20M (up 0.76M)
✓Total Tu-Ka migrants keeping same number:	1.61M	2.11M (up 0.50M)

2 Factor in impairment loss of approx. ¥36.0B due to termination of Tu-Ka service at end-March 2008, resulting no change to net income outlook at ¥186.0B.

3 No change to capital expenditure forecast at ¥450.0B.