

# 1.1. Financial Results Highlights for FY2007.3

## 1 Consolidated basis

- Operating revenues rose by +9.0% yoy and operating income was up +16.2%, as strong Mobile Business (“au” + Tu-Ka) absorbed loss of Fixed-line Business in the middle of expanding new services.

## 2 Mobile Business (“au” + Tu-Ka)

- Operating revenues increased by +6.7% and operating income rose by +8.8% yoy.
- Share of total subs at 29.1% (“au”: 28.2%, Tu-Ka: 0.9%) at end-March with top share of net adds for full-year at 55.8% (“au”: 93.7%, Tu-Ka: -37.9%).
- Favorable progress in MNP with net additions by MNP at 816k (“au”: 853k, Tu-Ka: -37k).
- No. of “au” WIN subs continues to increase, totaling 14.55M at end-March, of which 77% of users sign up for packet flat-rate plans.
- A smooth Tu-Ka user-migration to “au” keeping same phone number; total who switched at 1.43M for full-year, making aggregate total of 2.13M (since Oct. 2005). Impairment loss of ¥39.6B posted due to service termination planned at end-March 2008.

## 3 Fixed-line Business

- Operating revenues rose by +15.3% yoy due to expanded sales of METAL PLUS and merger with POWEREDCOM. Operating loss was reduced by ¥12.3B to ¥ 49.0B.
- No. of METAL PLUS subs increased to 2.81M at end-March.
- Completed integration of TEPCO’s FTTH business (on Jan. 1, 2007) . No. of FTTH subs expanded to 0.59M.