

1.2. Full-Year Outlook for FY 2008.3 (1)

	FY2007.3 Result	FY2008.3 Forecast (Change)
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1 On a consolidated basis, Company forecasts an increase in operating revenues yoy and double-digit growth in operating income.

- Mobile Business:

A big jump in OP due to an increase in total subs through MNP, etc.

- Fixed-line Business:

OP loss continues as expanded sales of FTTH despite improved profitability in METAL PLUS.

➤ Operating revenues	: ¥3,335.3B	¥3,500.0B (+ ¥164.7B / yoy + 4.9%)
Operating income	: ¥344.7B	¥390.0B (+ ¥45.3B / +13.1%)
- Mobile Business	: ¥385.7B	¥438.0B (+ ¥52.3B / +13.6%)
- Fixed-line Business	: ¥ 49.0B	¥ 56.0B (¥ 7.0B / -)

➤ Key performance index

✓“au” ARPU	: ¥6,610	¥6,150 (¥460)
✓Mobile Business total subs (“au”+Tu-Ka)	: 28.19 M	30.00 M (+ 1.81 M)
✓METAL PLUS total subs	: 2.81 M	3.20 M (+ 0.39 M)
✓FTTH total subs	: 0.59 M	0.90 M (+ 0.31 M)

1.2. Full-Year Outlook for FY 2008.3 (2)

FY2007.3 Result	FY2008.3 Forecast (Change)
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- 2** Factor in increased depreciation by approx. ¥ 14.0B (operating expenses) due to drastic changes on the depreciation method including repeal of depreciable amount at 95% in FY2007-tax system revision.

- 3** Plan to make JCNH/JCN* (cable operators) consolidated subsidiaries from July and factor in the effect to consolidated outlook by ¥32.6B in sales and ¥1.0B in OP.
 * JAPAN CABLENET HOLDINGS LIMITED / JAPAN CABLENET LIMITED

- 4** Forecast capex at ¥500.0B (+¥61.5B) due to increased investment in 2GHz for “au.” and FTTH in Fixed-line Business.