

# 1. 1st Quarter - Financial Results Highlights

## 1 Consolidated basis

- Operating revenues rose by +5.7% yoy and operating income was up +15.6%, as strong Mobile Business (“au”+ Tu-Ka) absorbed loss of Fixed-line Business which is in the middle of new service expansion.

## 2 Mobile Business (“au”+ Tu-Ka)

- Operating revenues increased by +5.5% and operating income rose by +16.7% yoy.
- Share of total subs at 29.3% (“au”: 28.7%, Tu-Ka: 0.6%) at end-June with share of net adds\*1 for 1Q at 38.9% (“au”: 59.3%, Tu-Ka: -20.3%).
- Favorable progress in MNP\*2 with net additions by MNP at 192k (“au”: 200k, Tu-Ka: -9k).
- No. of “au” WIN subs is steadily increasing, totaling 15.75M at end-June, of which 77% of users sign up for Packet Flat-rate plans.
- Plan to terminate Tu-Ka service at end-March 2008 based upon a smooth user-migration to “au” keeping the same phone number; total who switched at 0.17M in 1Q, making aggregate total of 2.30M (since Oct. 2005).

## 3 Fixed-line Business

- Operating revenues was almost flat yoy and operating loss was ¥13.1B.
- No. of KDDI METAL PLUS subs hit the three million mark (3.01M) at end-June.  
No. of HIKARI-one (FTTH) subs increased to 0.64M.

## 4 JCN Group was consolidated on June 27th.

\*1: Share includes EMOBILE.

\*2: MNP (Mobile Number Portability)