

1.1. 1H/FY2008.3 - Financial Results Highlights

1 Consolidated basis

- Operating revenues rose by +8.1% yoy and operating income was up +8.8%, 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 +7.6% and operating income rose by +12.6% yoy.
- Net additions for 1H were 1.03M (“au”:1.43M, Tu-Ka: -0.40M) with a favorable progress to the full-year outlook of 1.81M (“au”: 2.68M, Tu-Ka: -0.87M).
- Net additions of MNP ^{note 1} for 1H were +381k (“au”:+395k, Tu-Ka: -14k).
- No. of “au” WIN subs is steadily increasing, totaling 17.06M at end-September, of which 76% 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 0.27M in 1H, making aggregate total of 2.40M (since October 2005).

3 Fixed-line Business

- Operating revenues decreased by 2.2% yoy (though sales outside the group increased by +3.3%) and operating loss was ¥29.5B.
- No. of Metal-plus ^{note 2} subs rose to 3.17M and no. of HIKARI-one (FTTH) subs increased to 0.67M at end-September.