

1.1. Financial Results Highlights (1-3Q/9 months ended Dec. 2007)

1 Consolidated basis

- Operating revenues rose by +7.2% yoy and operating income was up +17.4%, as steady Mobile Business (“au”+ Tu-Ka) absorbed loss of Fixed-line Business which is in the middle of a new service expansion.

2 Mobile Business (“au”+ Tu-Ka)

- Operating revenues increased by +6.3% and operating income rose by +22.5% yoy.
- New “au Purchase Program” started (on November 12).
- Net additions of 1.37M in 1-3Q (“au”:1.88M, Tu-Ka: -0.51M), making solid progress towards the March-end target of 30M “au” customers.
- Net additions of 481k (“au”:+502k, Tu-Ka: -21k) in 1-3Q through MNP ^{note 1}.
- No. of “au” WIN subs is steadily increasing, totaling 18.13M at end-December, of which 75% of users sign up for Packet Flat-rate plans.

3 Fixed-line Business

- Operating revenues decreased by 0.4% yoy (though sales outside the group increased by +3.0%) and operating loss was ¥47.8B.
- No. of Metal-plus ^{note 2} subs rose to 3.27M and no. of HIKARI-one (FTTH) subs increased to 0.7M at end-December.