

1. FMC Initiatives

Step 1

Fixed-line/mobile combined bill, cross-selling

May 2005: Started consolidated billing

Jun. 2005: Announced “Ultra 3G Plan” (Integrated Fixed & Mobile IP network)

Dec. 2005: Established Consumer Business Sector and Solutions Business Sector to promote FMC

Step 2

Bundle fixed-mobile charges etc.

In planning

Step 3

Develop new services such as fixed-line/mobile integrated terminal

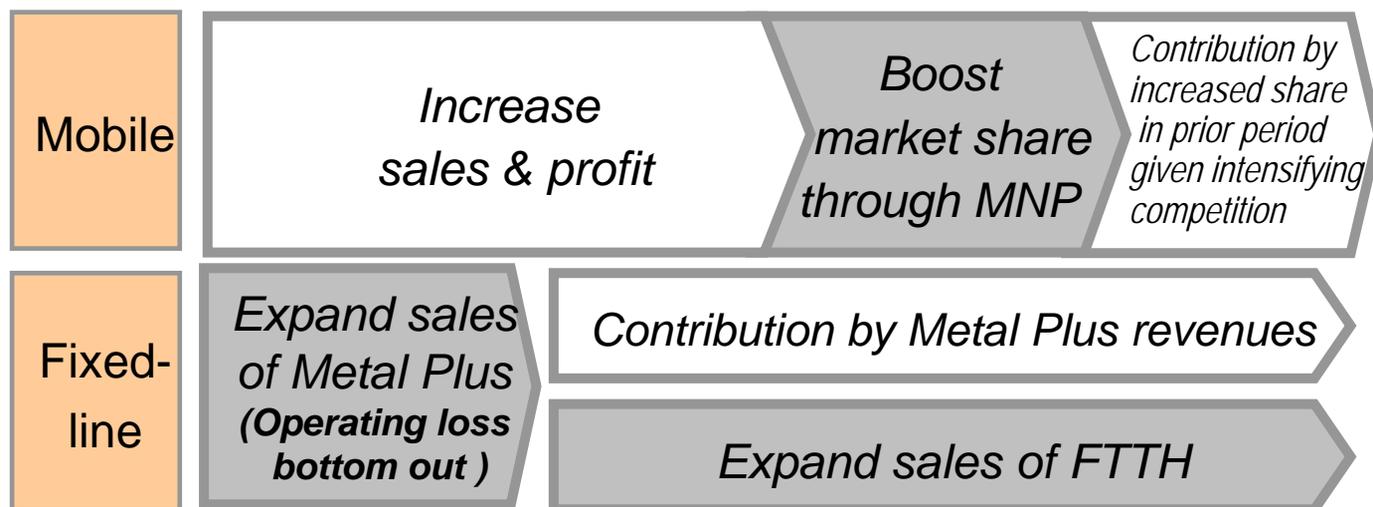
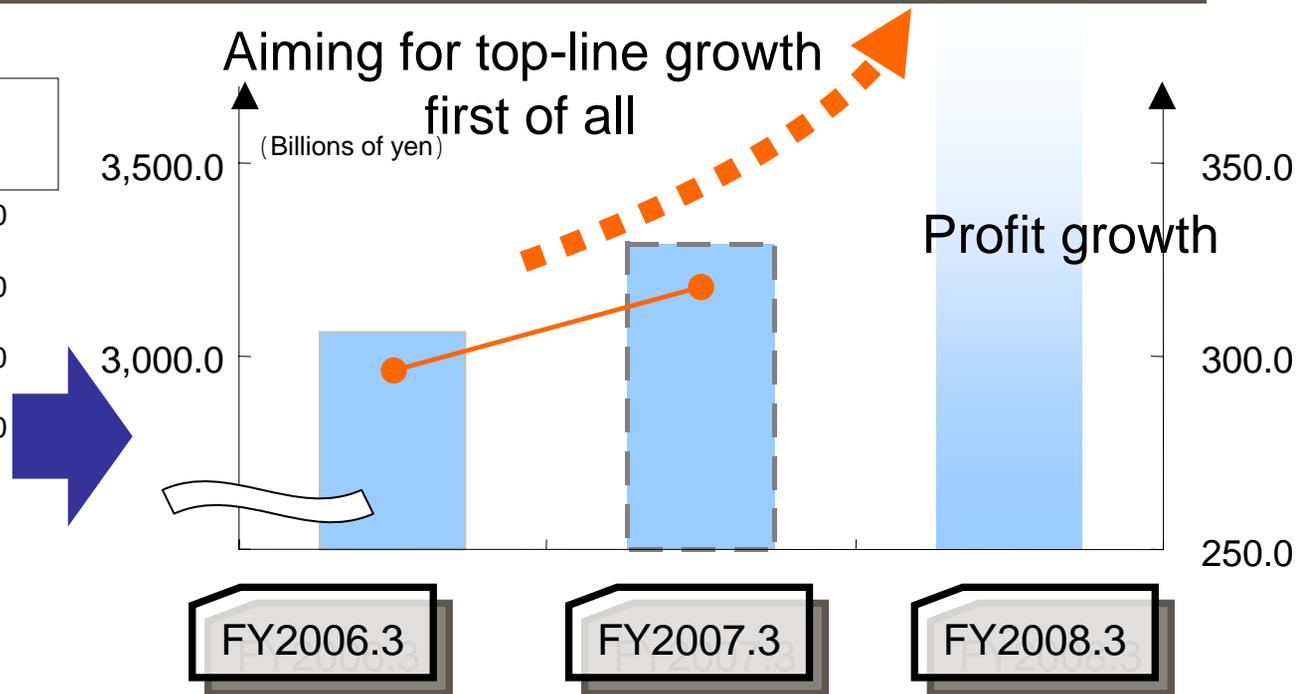
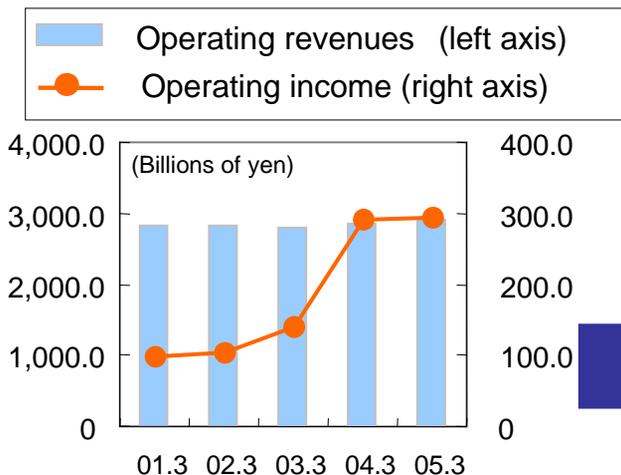
Feb. 2006: Commenced “LISMO”
(Links handset and PC)

Jun. 2006: Plan to start “Incoming call alert service to “au” for KDDI fixed-line phones”

Jul. 2006: Plan to start “OFFICE FREEDOM”
(FMC solutions for corporations)

Develop new services for “Ultra 3G”

2. Toward Sustainable Growth



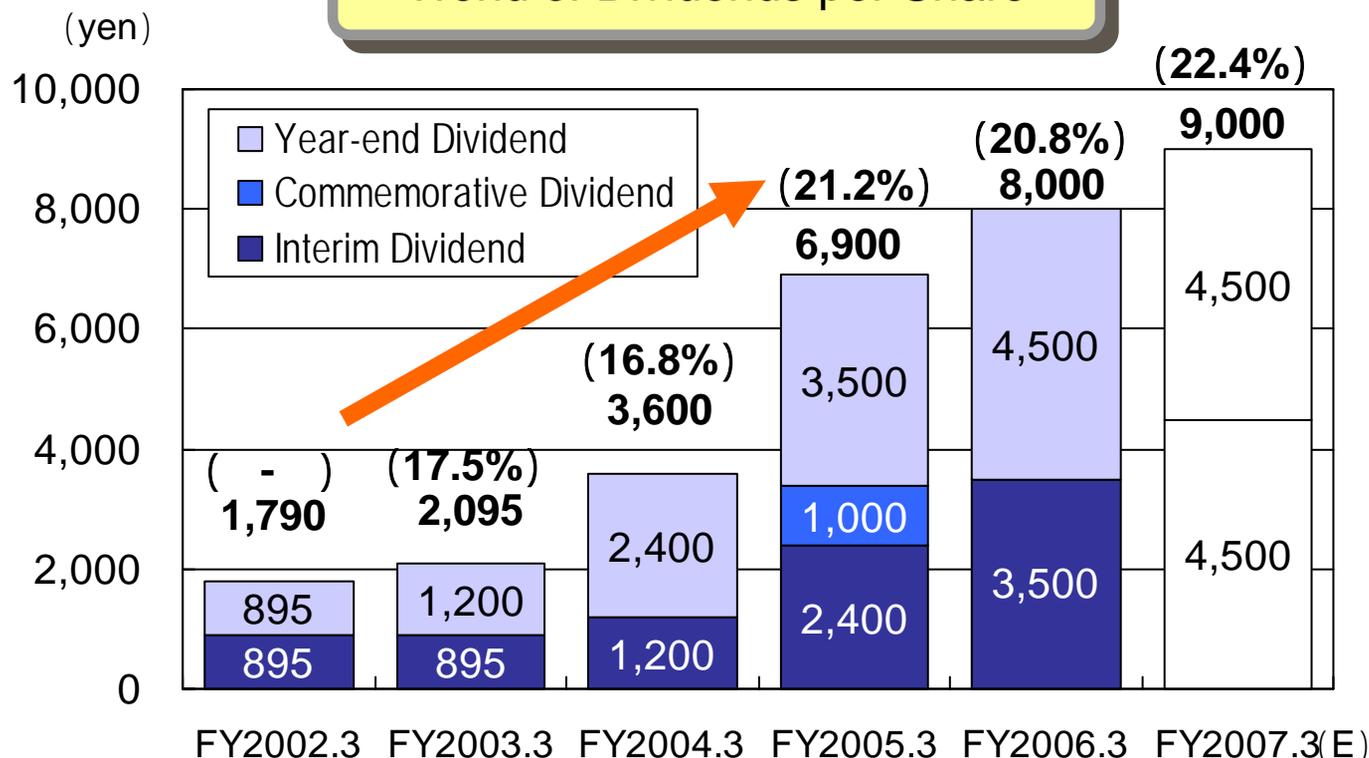
3. Shareholder Returns

Return to shareholders

Continued to achieve a 20% pay-out ratio target in FY2006.3.
(non-consolidated basis)

Maintain stable dividend payment with considerations for investment for future growth.

Trend of Dividends per Share



Note: (-) refers to payout ratio. FY2002.3 posted net loss, therefore, shown as (-).