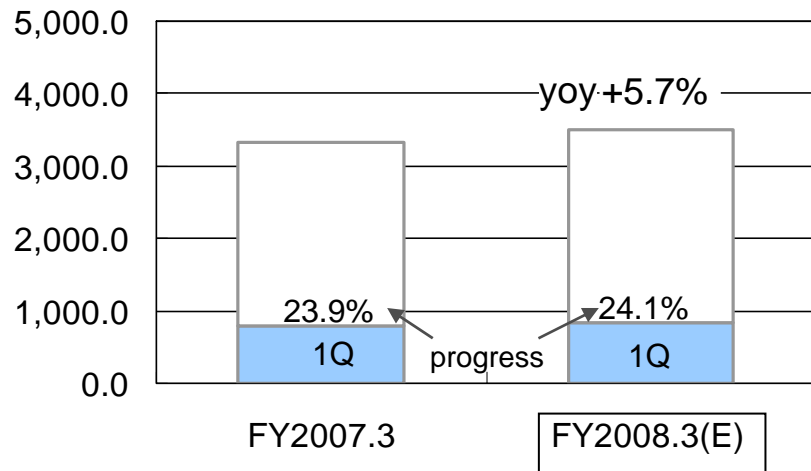


# 2. Consolidated Financial Results

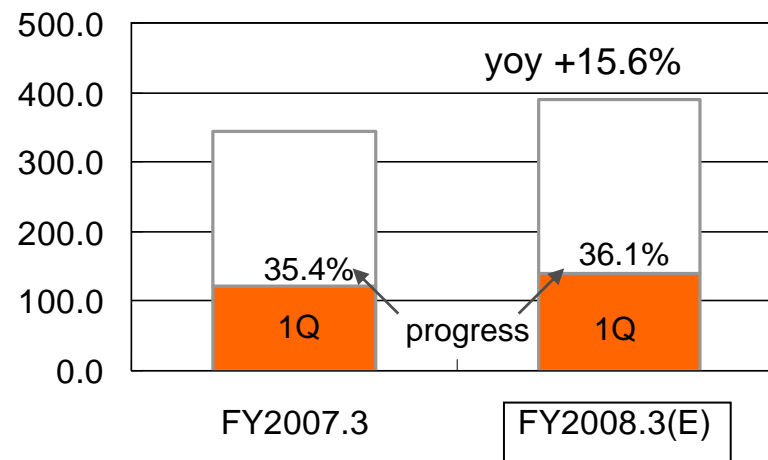
**Operating revenues**

(Billions of yen)



**Operating income**

(Billions of yen)

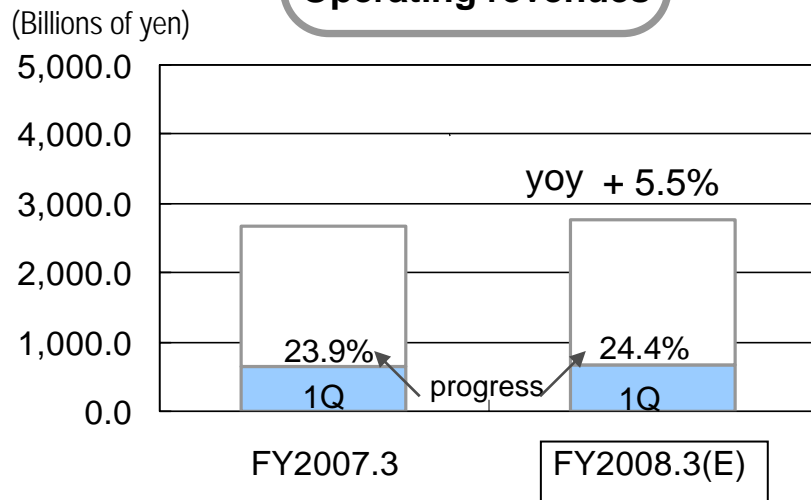


(Billions of yen)

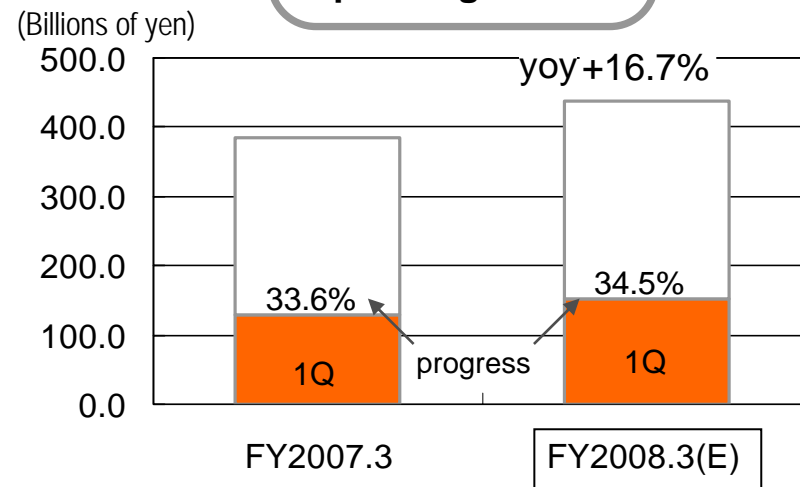
	FY2007.3		FY2008.3(E)			
	1Q		1Q	yoy	progress	
Operating revenues	798.4	3,335.3	844.1	5.7%	24.1%	3,500.0
Operating income	121.9	344.7	140.9	15.6%	36.1%	390.0
<i>Operating margin</i>	15.3%	10.3%	16.7%	-	-	11.1%
Ordinary income	122.4	350.9	142.7	16.6%	36.6%	390.0
Net income	75.6	186.7	82.5	9.0%	37.5%	220.0
Free Cash Flow	48.0	296.5	-60.5	-	-	2.0
EBITDA	201.7	691.7	225.3	11.7%	29.3%	770.0
<i>EBITDA margin</i>	25.3%	20.7%	26.7%	-	-	22.0%

# 3. Mobile Business/ "au"+Tu-Ka(PDC)

**Operating revenues**



**Operating income**



(Billions of yen)

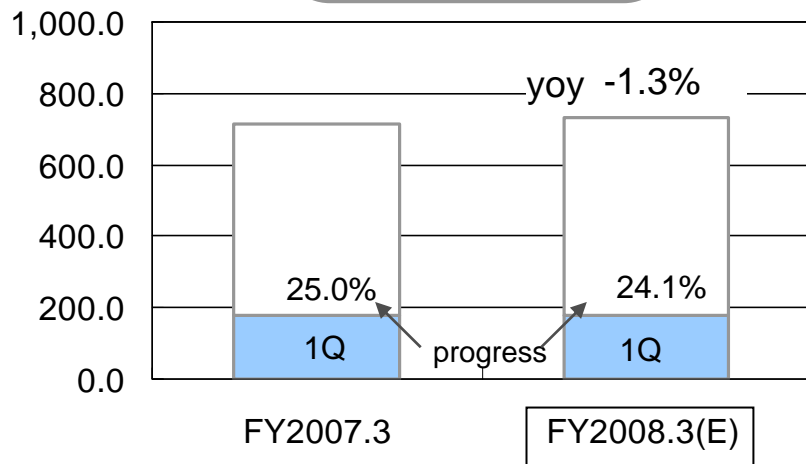
	FY2007.3		FY2008.3(E)			
	1Q		1Q	yoy	progress	
Operating revenues	639.8	2,677.4	674.8	5.5%	24.4%	2,763.0
"au"	614.0	2,610.6	670.0	9.1%	24.3%	2,756.0
Tu-Ka	25.8	66.8	4.8	-81.3%	69.1%	7.0
Operating income	129.7	385.7	151.3	16.7%	34.5%	438.0
<i>Operating margin</i>	20.3%	14.4%	22.4%	-	-	15.9%
Ordinary income	130.0	393.5	153.2	17.8%	34.6%	443.0
Net income	77.9	209.5	88.2	13.2%	34.9%	253.0
Free Cash Flow	49.6	294.8	-28.6	-	-	126.0
EBITDA	176.8	598.1	207.2	17.1%	30.4%	681.0
<i>EBITDA margin</i>	27.6%	22.3%	30.7%	-	-	24.6%

	FY2007.3		FY2008.3(E)	
	( <sup>'000</sup> )	1Q	1Q	
Total Subs	25,957	28,188	28,709	30,000
of module-type	607	699	736	740
"au" total	23,616	27,317	28,110	30,000
WIN(EV-DO)	9,460	14,549	15,753	18,750
1X	13,367	12,170	11,805	-
cdmaOne	789	597	552	-
Tu-Ka(PDC)	2,341	872	600	0

# 4. Fixed-line Business

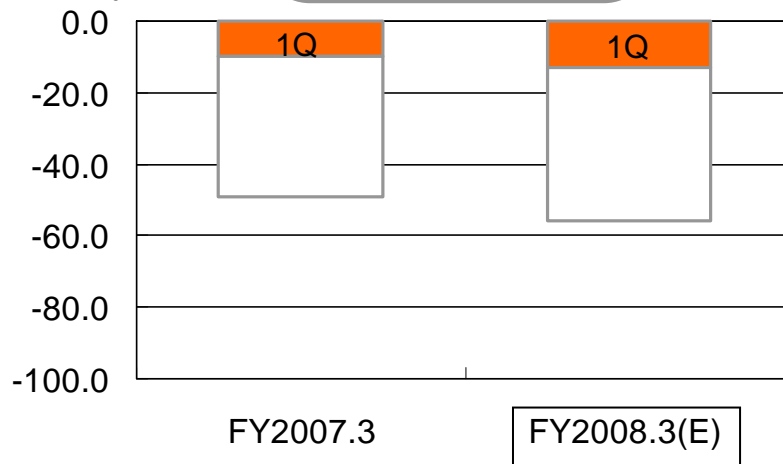
**Operating revenues**

(Billions of yen)



**Operating income**

(Billions of yen)



\* yoy comparison are not available as figures are negative.

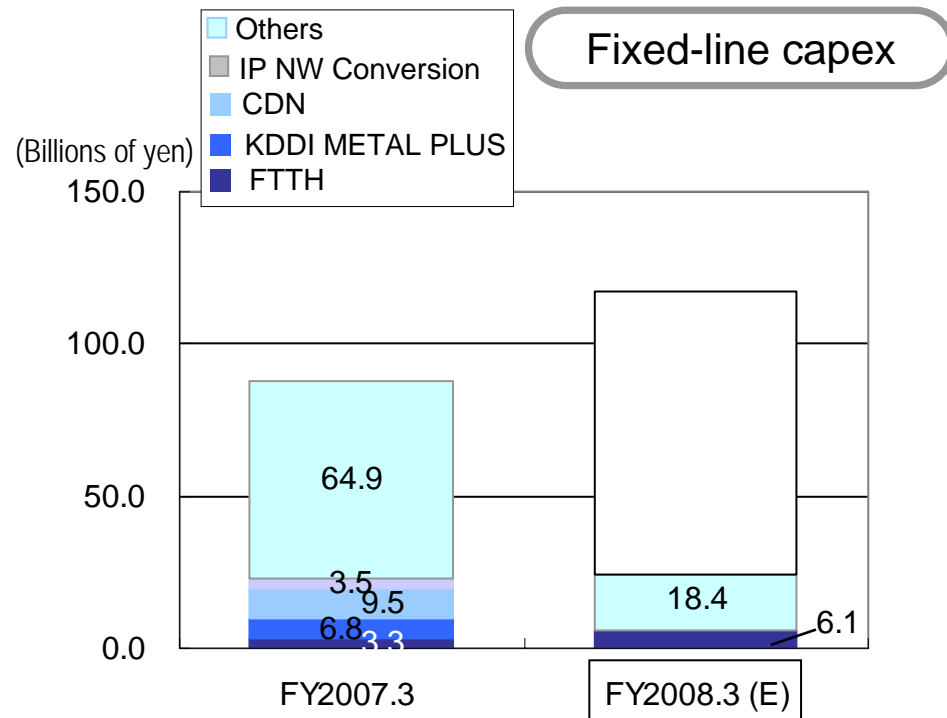
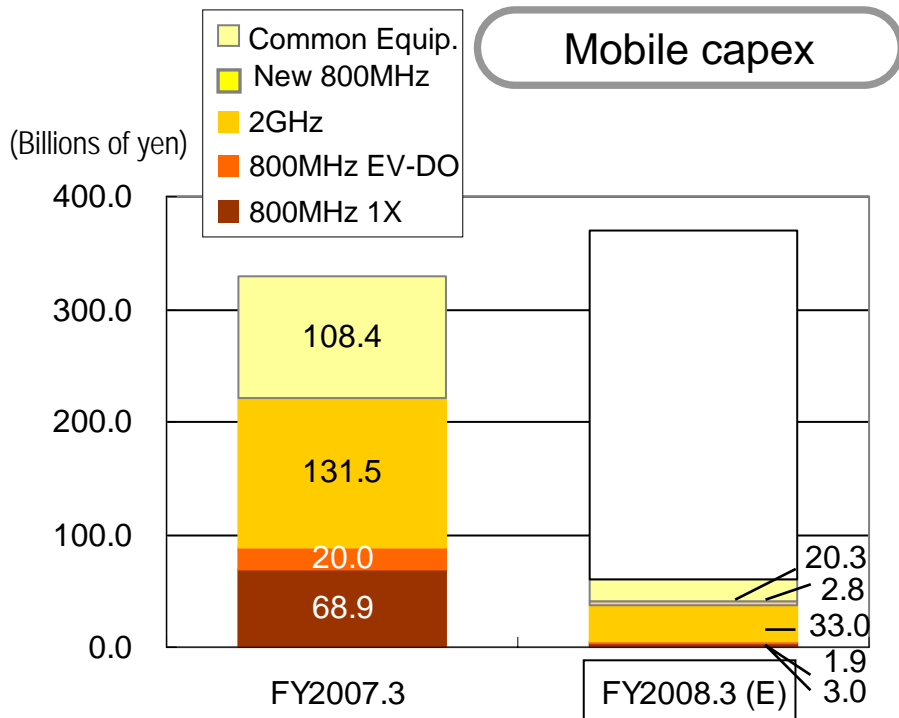
(Billions of yen)

	FY2007.3		FY2008.3(E)			
	1Q		1Q	yoy	progress	
Operating revenues	178.8	714.4	176.5	-1.3%	24.1%	733.0
Operating income	-9.9	-49.0	-13.1	-	-	-56.0
<i>Operating margin</i>	-5.5%	-6.9%	-7.4%	-	-	-7.6%
Ordinary income	-9.7	-47.2	-12.8	-	-	-60.0
Net income	-4.1	-23.4	-7.4	-	-	-35.0
Free Cash Flow	3.0	6.3	-8.5	-	-	-95.0
EBITDA	21.8	80.9	15.3	-29.8%	20.9%	73.0
<i>EBITDA margin</i>	12.2%	11.3%	8.7%	-	-	10.0%

Subs	('000)	FY2007.3		FY2008.3(E)	
		1Q		1Q	
ADSL		1,555	1,512	1,495	1,500
HIKARI-one (FTTH)		181	* 592	635	900
KDDI METAL PLUS		2,223	2,813	3,010	3,200

Note: HIKARI-one (FTTH) subs include former TEPCO Hikari subs from March 2007.

# 5. Capital Expenditures



Note: Items other than FTTH are included in "Others" in FY2008.3.

(Billions of yen)

		FY2007.3		FY2008.3 (E)			
		1Q		1Q	yoy	progress	
CAPEX (Cash basis)	Consolidated	75.0	438.5	88.8	18.4%	17.8%	500.0
	Mobile	51.4	328.9	61.0	18.7%	16.5%	370.0
	Fixed-line	18.4	88.0	24.5	33.3%	21.0%	117.0