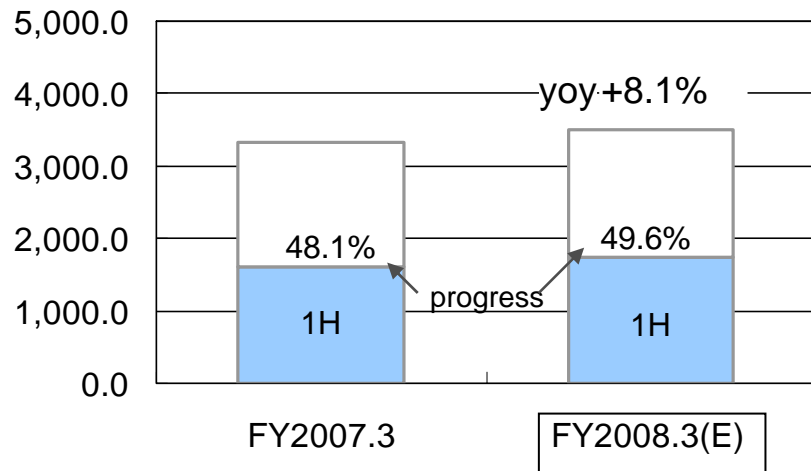


2. Consolidated Financial Results

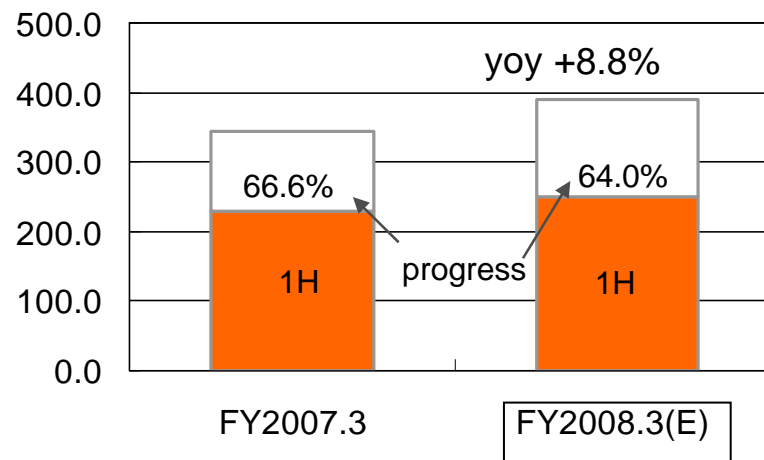
Operating revenues

(Billions of yen)



Operating income

(Billions of yen)

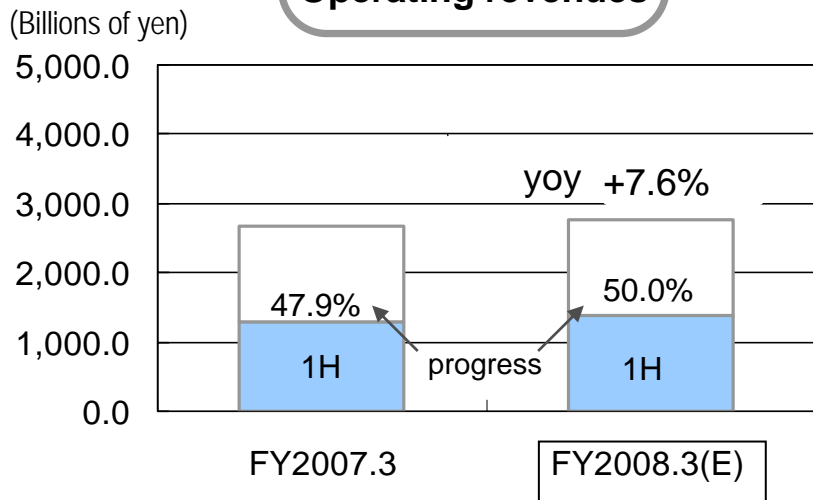


(Billions of yen)

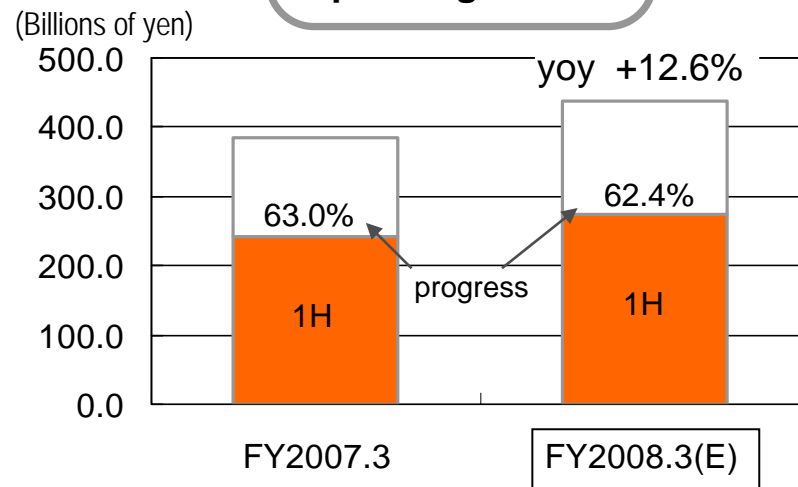
	FY2007.3		FY2008.3(E)			
	1H		1H	yoy	progress	
Operating revenues	1,604.8	3,335.3	1,734.3	8.1%	49.6%	3,500.0
Operating income	229.5	344.7	249.6	8.8%	64.0%	390.0
<i>Operating margin</i>	14.3%	10.3%	14.4%	-	-	11.1%
Ordinary income	227.3	350.9	252.4	11.1%	64.7%	390.0
Net income	136.0	186.7	145.7	7.1%	66.2%	220.0
Free Cash Flow	200.6	296.5	59.8	-	-	2.0
EBITDA	392.1	691.7	424.7	8.3%	55.2%	770.0
<i>EBITDA margin</i>	24.4%	20.7%	24.5%	-	-	22.0%

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

Operating revenues



Operating income



(Billions of yen)

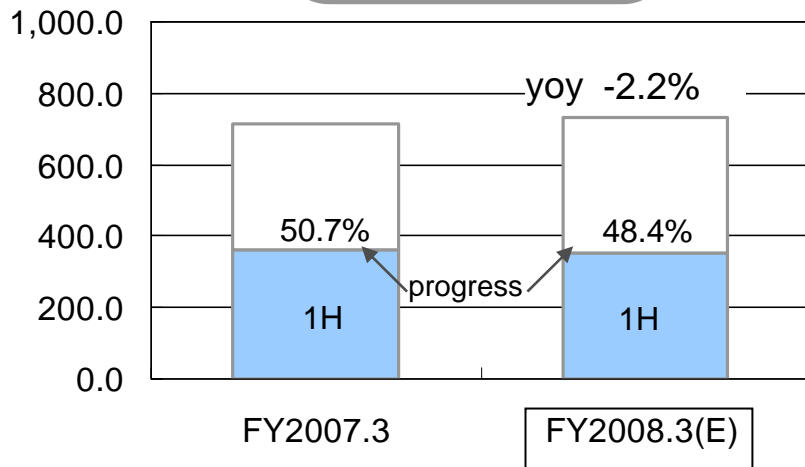
	FY2007.3		FY2008.3(E)			
	1H		1H	yoy	progress	
Operating revenues	1,283.4	2,677.4	1,381.2	7.6%	50.0%	2,763.0
"au"	1,238.2	2,610.6	1,373.1	10.9%	49.8%	2,756.0
Tu-Ka	45.2	66.8	8.1	-82.2%	115.0%	7.0
Operating income	242.8	385.7	273.3	12.6%	62.4%	438.0
<i>Operating margin</i>	18.9%	14.4%	19.8%	-	-	15.9%
Ordinary income	244.6	393.5	276.7	13.1%	62.5%	443.0
Net income	144.8	209.5	160.0	10.5%	63.3%	253.0
Free Cash Flow	184.5	294.8	94.4	-	-	126.0
EBITDA	339.0	598.1	386.8	14.1%	56.8%	681.0
<i>EBITDA margin</i>	26.4%	22.3%	28.0%	-	-	24.6%

	FY2007.3		FY2008.3(E)	
	1H		1H	
Total Subs	26,403	28,188	29,217	30,000
of module-type	624	699	776	740
"au" total	24,486	27,317	28,744	30,000
WIN(EV-DO)	10,770	14,549	17,063	18,750
1X	12,997	12,170	11,177	-
cdmaOne	719	597	503	-
Tu-Ka(PDC)	1,916	872	473	0

4. Fixed-line Business

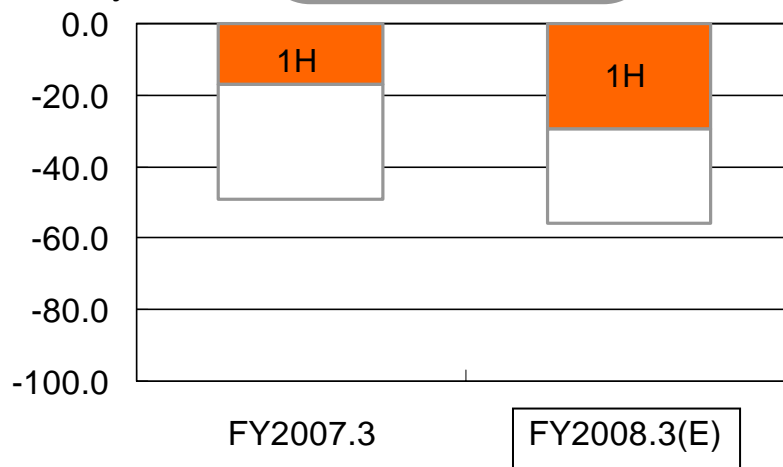
Operating revenues

(Billions of yen)



Operating income

(Billions of yen)



* yoy comparison are not available as figures are negative.

(Billions of yen)

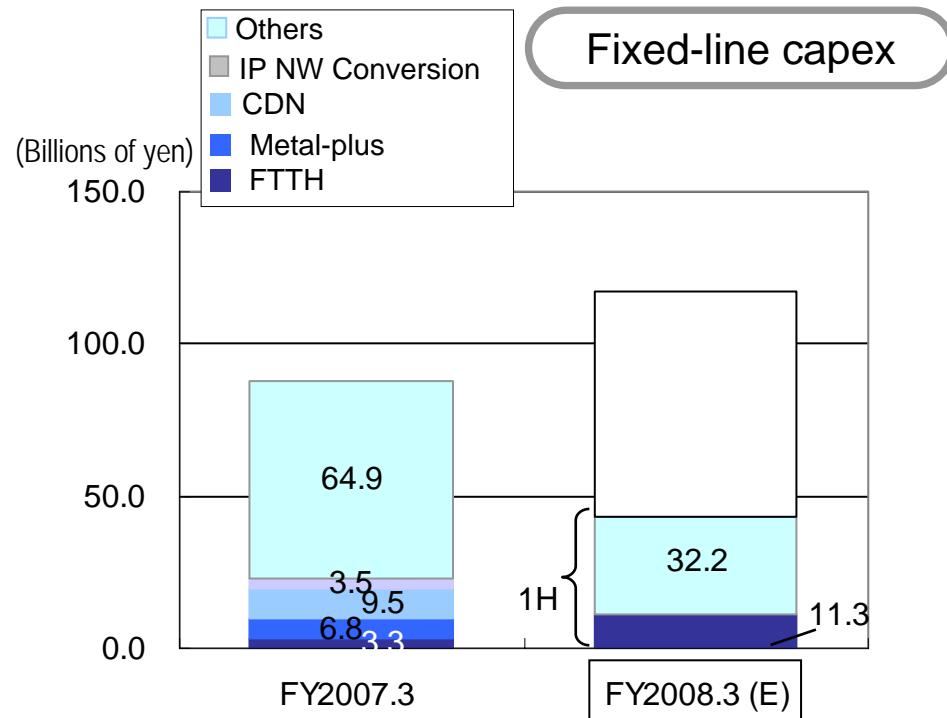
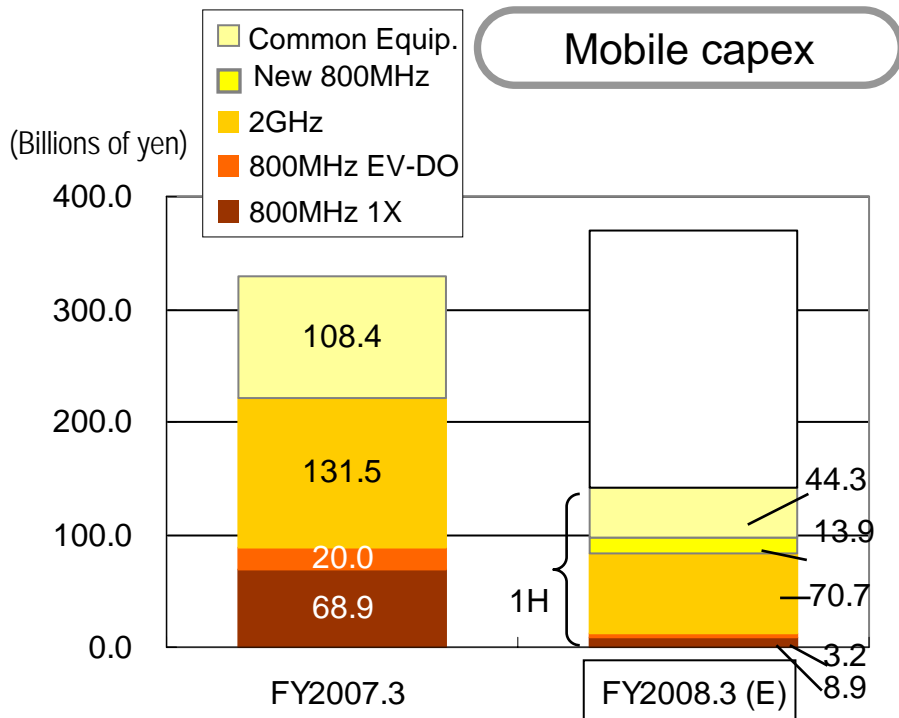
	FY2007.3		FY2008.3(E)			
	1H		1H	yoy	progress	
Operating revenues	362.4	714.4	354.6	-2.2%	48.4%	733.0
Operating income	-16.8	-49.0	-29.5	-	-	-56.0
<i>Operating margin</i>	-4.6%	-6.9%	-8.3%	-	-	-7.6%
Ordinary income	-17.3	-47.2	-29.5	-	-	-60.0
Net income	-8.5	-23.4	-17.1	-	-	-35.0
Free Cash Flow	18.8	6.3	-12.6	-	-	-95.0
EBITDA	47.8	80.9	29.3	-38.7%	40.2%	73.0
<i>EBITDA margin</i>	13.2%	11.3%	8.3%	-	-	10.0%

Subs	('000)	FY2007.3		FY2008.3(E)	
		1H		1H	
ADSL		1,545	1,512	1,471	1,500
HIKARI-one (FTTH)		192	Note 1 592	668	900
Metal-plus	Note 2	2,441	2,813	3,172	3,200

Note 1 : HIKARI-one (FTTH) subs include former TEPCO Hikari subs from March 2007.

Note 2 : Including ADSL one (ADSL used over Metal-plus).

5. Capital Expenditures



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

(Billions of yen)

		FY2007.3		FY2008.3 (E)			
		1H		1H	yoy	progress	
CAPEX (Cash basis)	Consolidated	176.2	438.5	190.6	8.2%	38.1%	500.0
	Mobile	121.8	328.9	141.1	15.8%	38.1%	370.0
	Fixed-line	44.4	88.0	43.5	-2.0%	37.2%	117.0