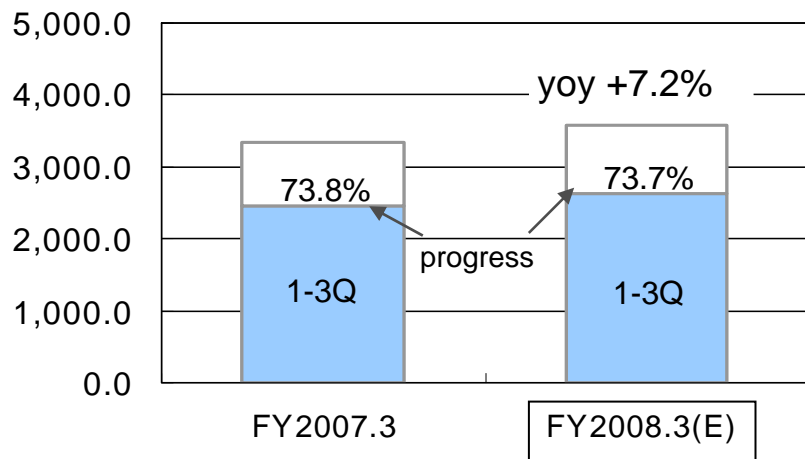


# 2. Consolidated Financial Results

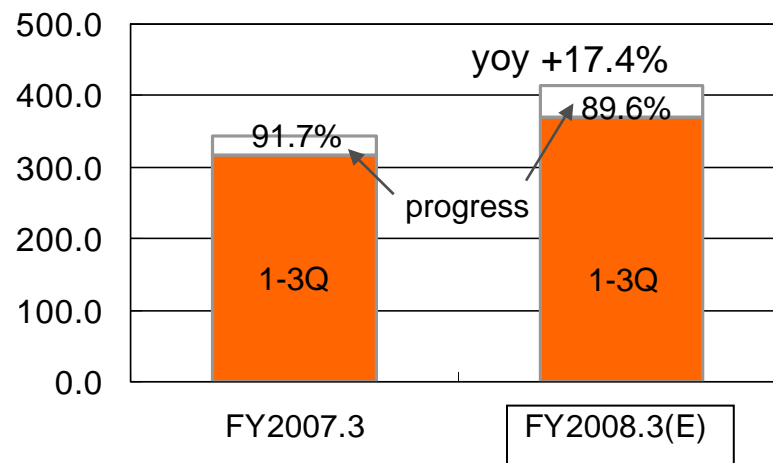
**Operating revenues**

(Billions of yen)



**Operating income**

(Billions of yen)

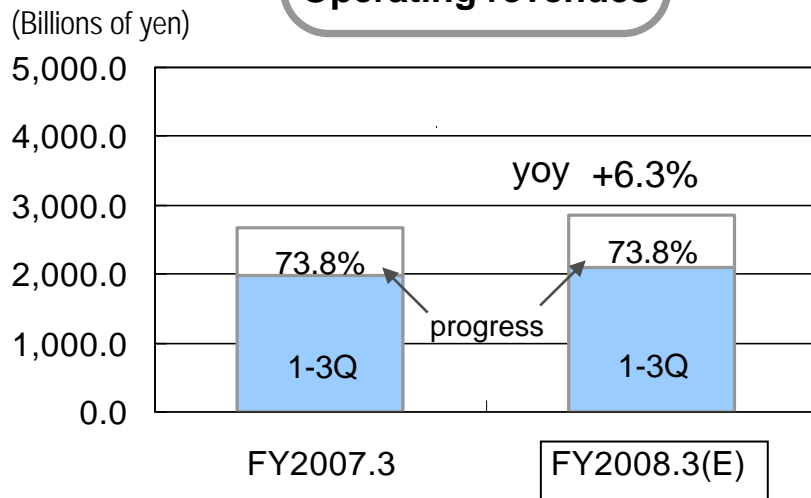


(Billions of yen)

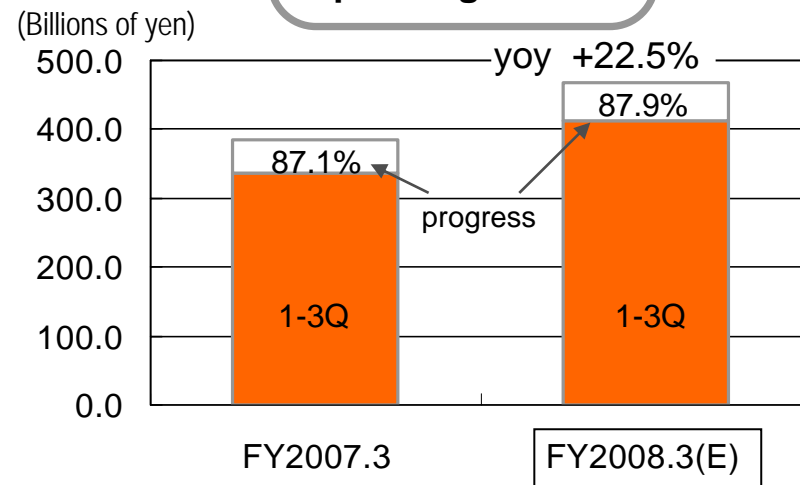
	FY2007.3		FY2008.3(E)				FY2008.3
	1-3Q		1-3Q	yoy	progress	Latest F	Previous F
Operating revenues	2,462.5	3,335.3	2,638.7	7.2%	73.7%	3,580.0	3,500.0
Operating income	316.1	344.7	371.0	17.4%	89.6%	414.0	390.0
<i>Operating margin</i>	12.8%	10.3%	14.1%	-	-	11.6%	11.1%
Ordinary income	319.6	350.9	375.5	17.5%	89.4%	420.0	390.0
Net income	191.0	186.7	214.8	12.4%	97.6%	220.0	220.0
Free Cash Flow	227.4	296.5	94.6	-	-	-28.0	2.0
EBITDA	564.2	691.7	639.9	13.4%	81.6%	784.0	770.0
<i>EBITDA margin</i>	22.9%	20.7%	24.3%	-	-	21.9%	22.0%

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

**Operating revenues**



**Operating income**



(Billions of yen)

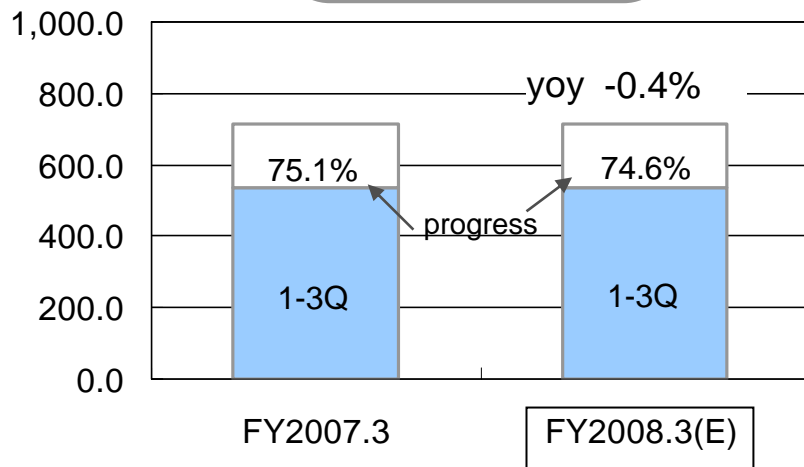
	FY2007.3		FY2008.3(E)				FY2008.3 Previous F
	1-3Q	Full Year	1-3Q	yoy	progress	Latest F	
Operating revenues	1,976.0	2,677.4	2,100.4	6.3%	73.8%	2,846.0	2,763.0
"au"	1,916.8	2,610.6	2,090.3	9.1%	73.7%	2,835.7	2,756.0
Tu-Ka	59.2	66.8	10.1	-83.0%	97.7%	10.3	7.0
Operating income	335.9	385.7	411.4	22.5%	87.9%	468.0	438.0
<i>Operating margin</i>	17.0%	14.4%	19.6%	-	-	16.4%	15.9%
Ordinary income	339.3	393.5	417.2	23.0%	87.5%	477.0	443.0
Net income	199.4	209.5	242.4	21.6%	89.8%	270.0	253.0
Free Cash Flow	217.9	294.8	154.0	-	-	73.0	126.0
EBITDA	487.6	598.1	584.2	19.8%	82.7%	706.0	681.0
<i>EBITDA margin</i>	24.7%	22.3%	27.8%	-	-	24.8%	24.6%

	FY2007.3		FY2008.3(E)		FY2008.3 Previous F
	( '000)	3Q	3Q	Latest F	
Total Subs	27,226	28,188	29,555	30,250	30,000
of module-type	658	699	801	810	740
"au" total	25,798	27,317	29,196	30,000	30,000
WIN(EV-DO)	12,520	14,549	18,126	19,000	18,750
1X	12,622	12,170	10,613	-	-
cdmaOne	656	597	456	-	-
Tu-Ka(PDC)	1,428	872	359	250	0

# 4. Fixed-line Business

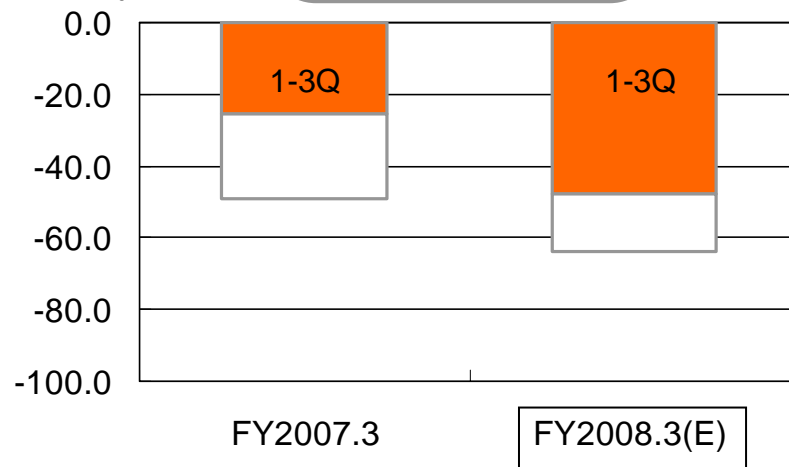
**Operating revenues**

(Billions of yen)



**Operating income**

(Billions of yen)



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

(Billions of yen)

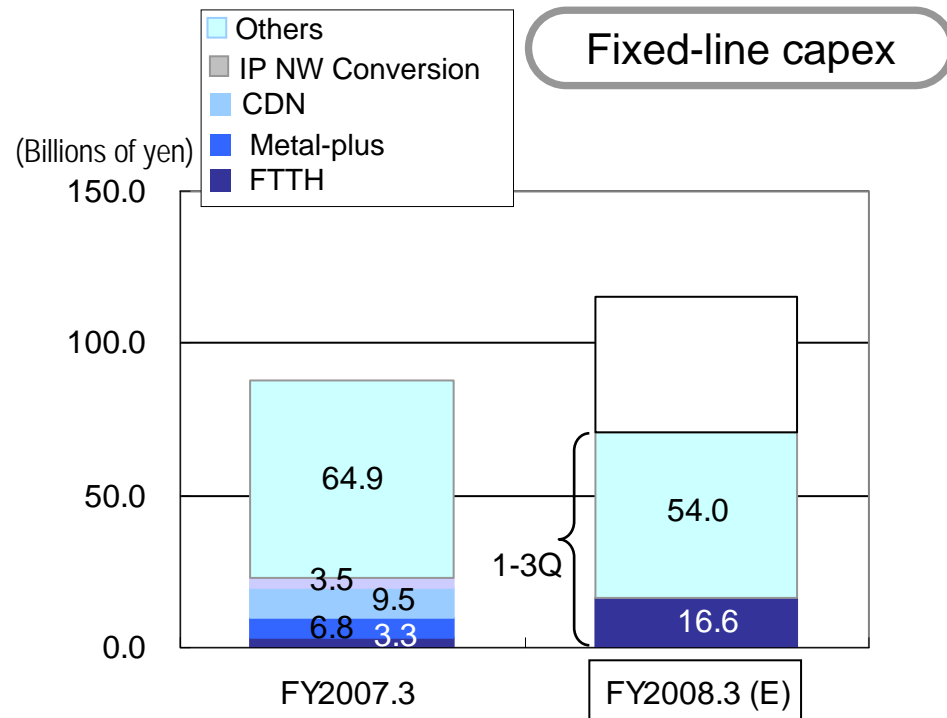
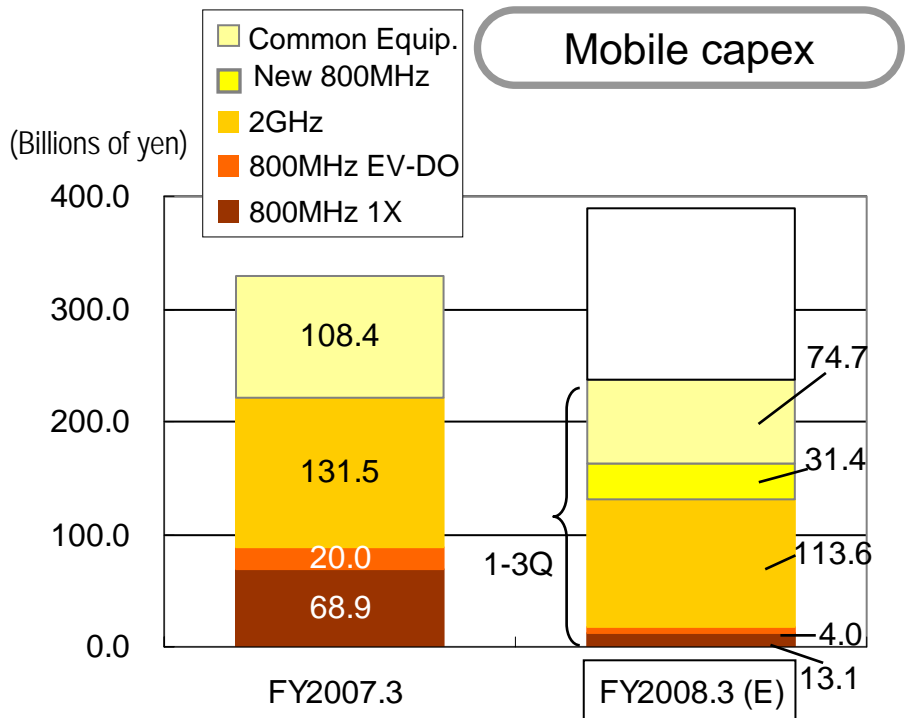
	FY2007.3		FY2008.3(E)				FY2008.3 Previous F
	1-3Q	Latest F	1-3Q	yoy	progress	Latest F	
Operating revenues	536.4	714.4	534.3	-0.4%	74.6%	716.0	733.0
Operating income	-25.5	-49.0	-47.8	-	-	-64.0	-56.0
<i>Operating margin</i>	-4.8%	-6.9%	-8.9%	-	-	-8.9%	-7.6%
Ordinary income	-25.4	-47.2	-47.4	-	-	-65.0	-60.0
Net income	-12.8	-23.4	-30.0	-	-	-53.0	-35.0
Free Cash Flow	17.4	6.3	-26.6	-	-	-62.0	-95.0
EBITDA	68.0	80.9	42.7	-37.2%	72.4%	59.0	73.0
<i>EBITDA margin</i>	12.7%	11.3%	8.0%	-	-	8.2%	10.0%

Subs	('000)	FY2007.3		FY2008.3(E)		FY2008.3 Previous F
		3Q	Latest F	3Q	Latest F	
ADSL		1,531	1,512	1,437	1,400	1,500
HIKARI-one (FTTH)		216	592 <sup>Note1</sup>	698	730	900
Metal-plus <sup>Note 2</sup>		2,607	2,813	3,271	3,270	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.

		FY2007.3		FY2008.3 (E)				FY2008.3 Previous F
		1-3Q		1-3Q	yoy	progress	Latest F	
CAPEX (Cash basis)	Consolidated	296.6	438.5	318.3	7.3%	61.2%	520.0	500.0
	Mobile	217.8	328.9	236.7	8.7%	60.7%	390.0	370.0
	Fixed-line	64.1	88.0	70.6	10.1%	61.4%	115.0	117.0