



3rd Quarter, Fiscal Year March 2012

Jan 25, 2012



Summary of business results for 3Q of the Mar.2012 (Consolidated)

Performance 3rd Quarter, Fiscal Year March 2012

(million yen)

	Compared with the same period of the previous year				Compared with the forecast		
	Performance 3Q (A) Apr-Dec/2010	Performance 3Q (B) Apr-Dec/2011	Increase/Decrease (C=B-A)	Rate of Increase/Decrease (C/A)	FY Mar.2012 (B') Projected	Attainment ratio (B/B')	FY Mar.2012 (E) Projected Corrected Jan.25
Operating Revenues	35,355	36,681	+1,325	+3.7%	46,900	78.2%	49,000
Operating Expenses	28,404	30,008	+1,603	-5.6%	38,400	78.1%	41,300
Operating Income (Margin)	6,950 (19.7%)	6,672 (18.2%)	-277 (-1.5P)	- 4.0%	8,500 (18.1%)	78.5%	7,700 (15.7%)
Recurring Income	6,975	6,688	-287	- 4.1%	8,500	78.7%	7,700
Net Income	4,472	4,124	-348	- 7.8%	5,400	76.4%	4,600
Free cash flow <small>(Excluding the amount of changes in loans subsidiaries and affiliates)</small>	1,618 (808)	2,743 (729)	+1,125 (-78)	+69.5% (-9.7%)	2,400 (3,000)	114.3% (24.3%)	3,000 (-400)
EBITDA (Margin)	10,612 (30.0%)	10,441 (28.5%)	-171 (-1.6P)	-1.6% -	13,800 (29.4%)	75.7% -	13,000 (26.5%)
Capital expenditures <small>[completion basis]</small>	5,170	4,908	-261	-5.1%	6,100	80.5%	6,100

*Business performance cumulative period: FY ended March 2011 (April 1, 2010 to December 31, 2010), FY ending March 2012 (April 1, 2011 to December 31, 2011)



Mobile Business



Performance 3rd Quarter, Fiscal Year March 2012

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	Performance 3Q (A) Apr-Dec/2010	Performance 3Q (B) Apr-Dec/2011	Increase/ Decrease (C=B-A)	Rate of Increase/ Decrease (C/A)	FY Mar.2012 (B') Projected	Attainment ratio (B/B')	FY Mar.2012 (E) Projected Corrected Jan.25
Net additions	10,700	16,900	+6,200	+57.3%	17,000	99.3%	25,500
Total subscribers	512,000	538,000	+26,000	+5.1%	538,100	-	546,600
CDMA 1X WIN	463,200	526,300	+63,100	+13.6%	-	-	-
Churn rate	0.48%	0.45%	-0.03P	-	0.45%	-	0.45%
Model change rate	2.36%	2.64%	+0.28P	-	2.07%	-	2.65%
Total handset sales (new purchases + handset upgrades)	137,800	159,800	+22,100	+16.0%	-	-	-
Shipments	138,800	163,500	+24,700	+17.8%	173,000	94.5%	217,500
ARPU (yen)	5,617	5,185	-432	-7.7%	5,150	-	5,080
Voice ARPU (yen)	3,529	2,931	-598	-16.9%	2,890	-	2,800
Data ARPU (yen)	2,088	2,254	+166	+8.0%	2,260	-	2,280
Average commissions /unit (yen)	26,500	24,000	-2,500	-9.4%	-	-	-

*Business performance cumulative period: FY ended March 2011 (April 1, 2010 to December 31, 2010), FY ending March 2012 (April 1, 2011 to December 31, 2011)

*The total number of handsets sold does not include PHOTO-U and other modular handsets


Performance 3rd Quarter, Fiscal Year March 2012

(million yen)

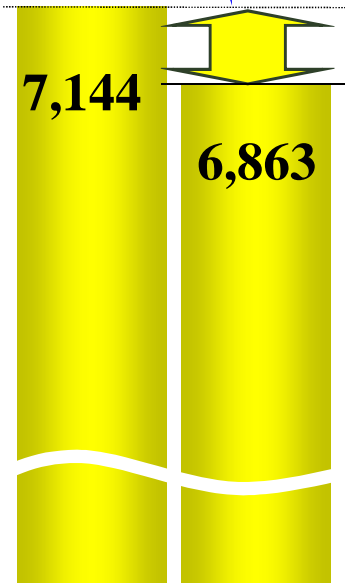
	Compared with the same period of the previous year				Compared with the forecast		
	Performance 3Q (A) Apr-Dec/2010	Performance 3Q (B) Apr-Dec/2011	Increase/ Decrease (C=B-A)	Rate of Increase/ Decrease (C/A)	FY Mar.2012 (B') Projected	Attainment ratio (B/B')	FY Mar.2012 (E) Projected Corrected Jan.25
Operating Revenues	33,868	34,950	+1,082	+3.2%	44,300	78.9%	46,600
Operating Expenses	26,723	28,086	+1,363	+5.1%	35,600	78.9%	38,600
Operating Income (Margin)	7,144 (21.1%)	6,863 (19.6%)	-280 (-1.5P)	- 3.9% -	8,700 (19.6%)	78.9% -	8,000 (17.2%)
EBITDA (Margin)	10,130 (29.9%)	9,969 (28.5%)	-160 (-1.4P)	-1.6% -	-	-	-
Capital expenditures [completion basis]	2,724	4,028	+1,304	+47.9%	4,500	89.5%	4,800

*Business performance cumulative period: FY ended March 2011 (April 1, 2010 to December 31, 2010), FY ending March 2012 (April 1, 2011 to December 31, 2011)



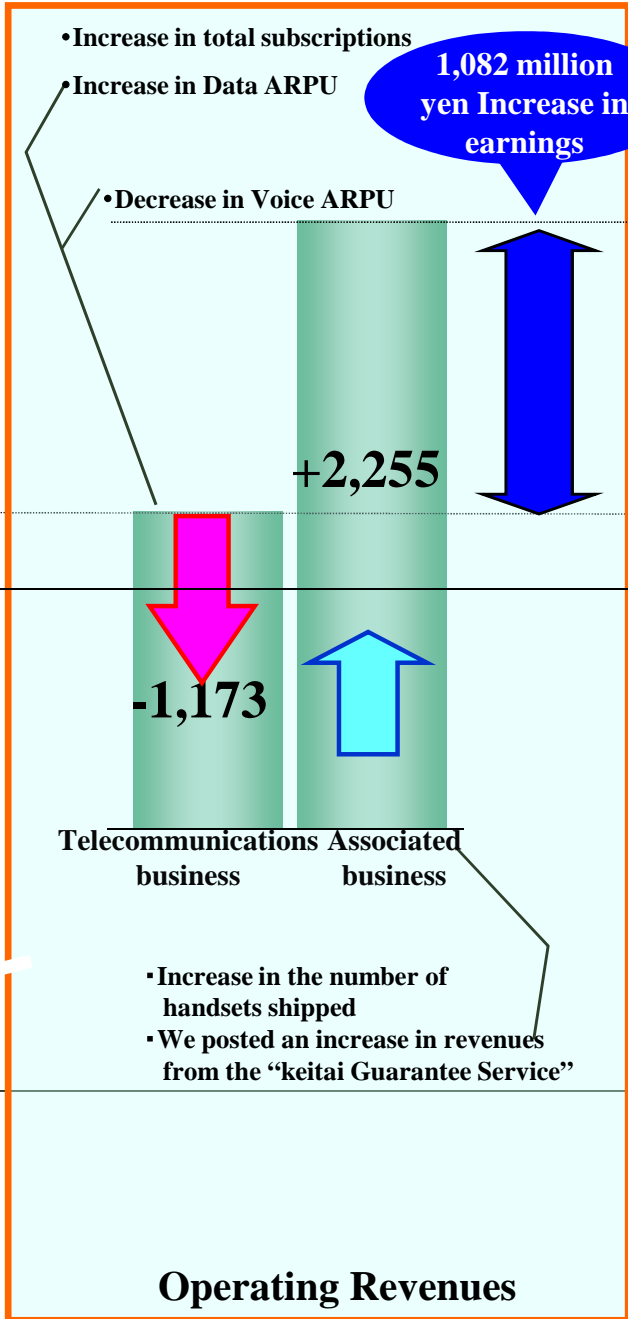
(¥Million)

280 million yen
Dropped in profits

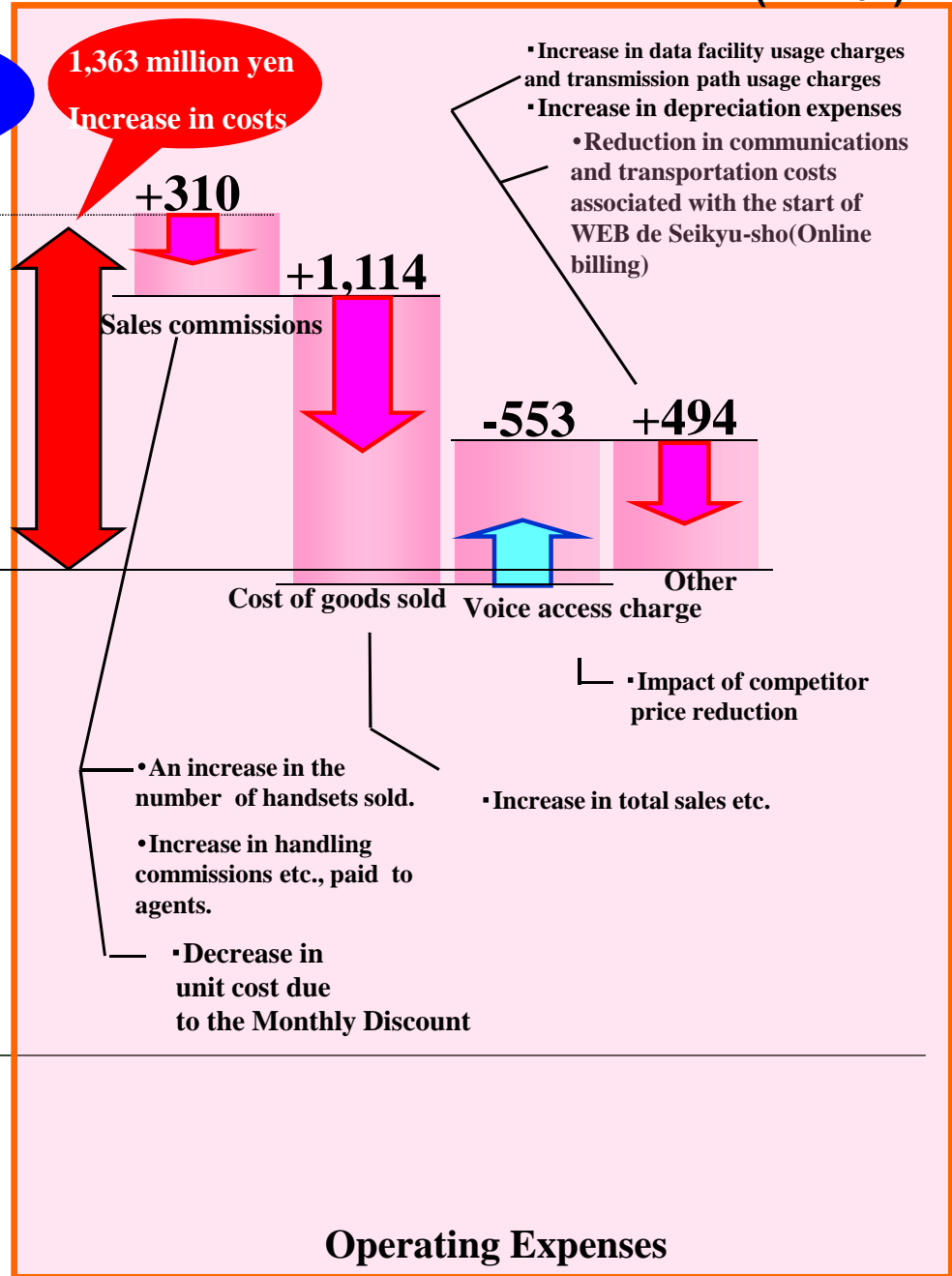


FY Mar.11 1Q - 3Q FY Mar.12 1Q - 3Q

Operating Income



Operating Revenues



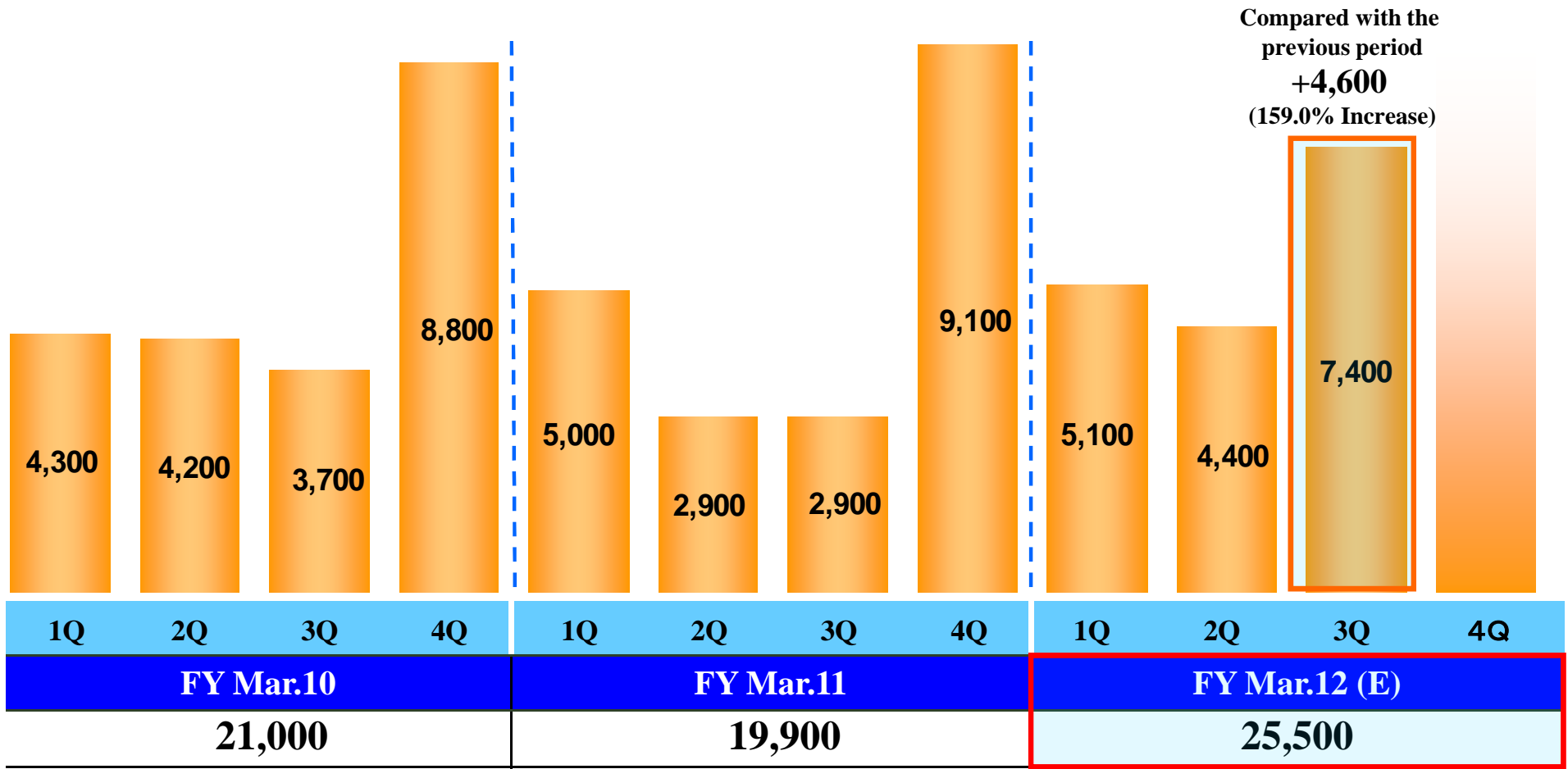
Operating Expenses



Trend of Net Increase in Number of Subscriptions

Mobile Business

Response to smartphone demand has led to a huge increase of 4,600 subscriptions year-on-year.

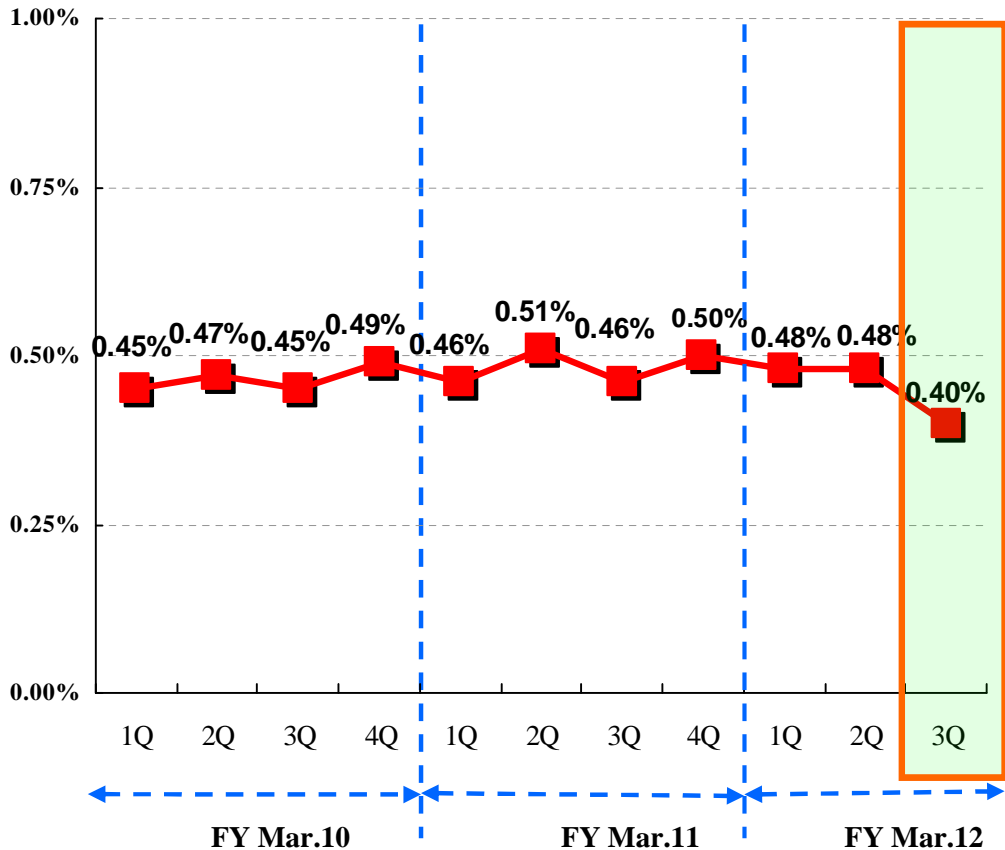




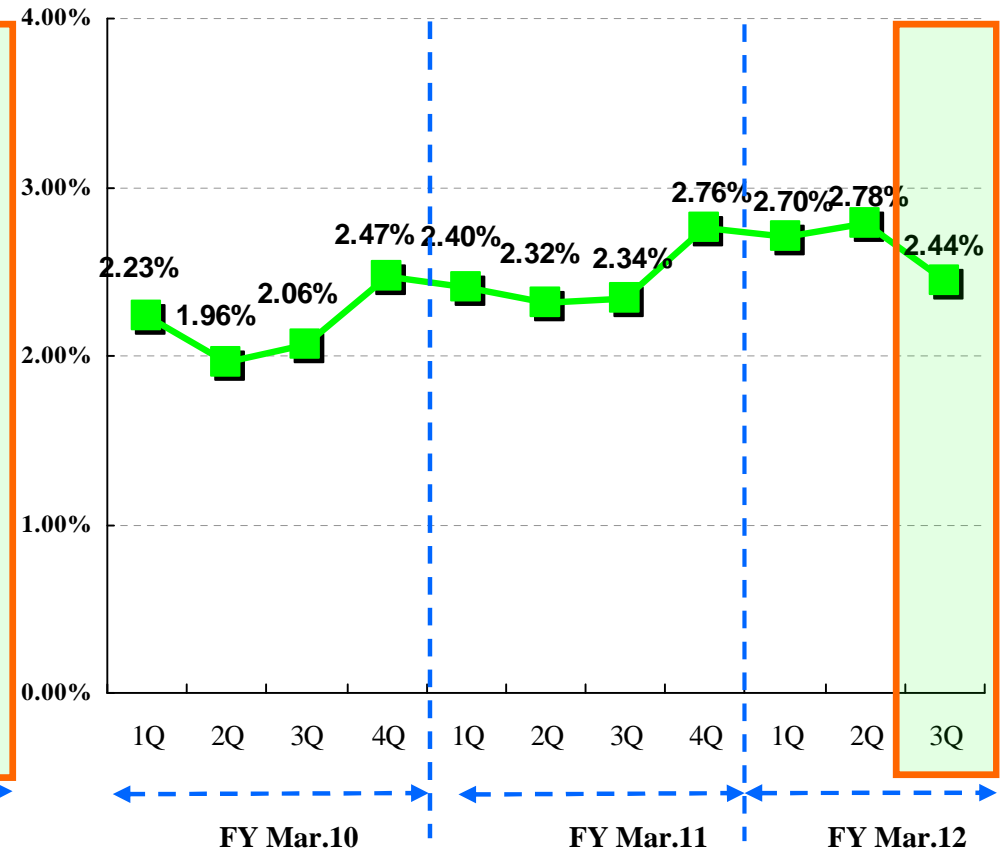
Churn Rate and Model Change Rate Trends

- Thanks to the decreased migration of customers to other carriers after the launch of the iPhone, our churn rate was 0.40%, the lowest since the start of MNP.
- The handset upgrade rate continues high as users upgrade to models compatible with the realigned frequencies and due to the expansion of the smartphone with the introduction of new models.

Churn Rate



Model Change Rate



	FY Mar.10	FY Mar.11		FY Mar.12	FY Mar.12	
	Full-Year	1H	2H	Full-Year	1H	2H (E)
Churn Rate	0.46%	0.48%	0.48%	0.48%	0.48%	0.43%
Model Change Rate	2.18%	2.36%	2.56%	2.46%	2.74%	2.57%

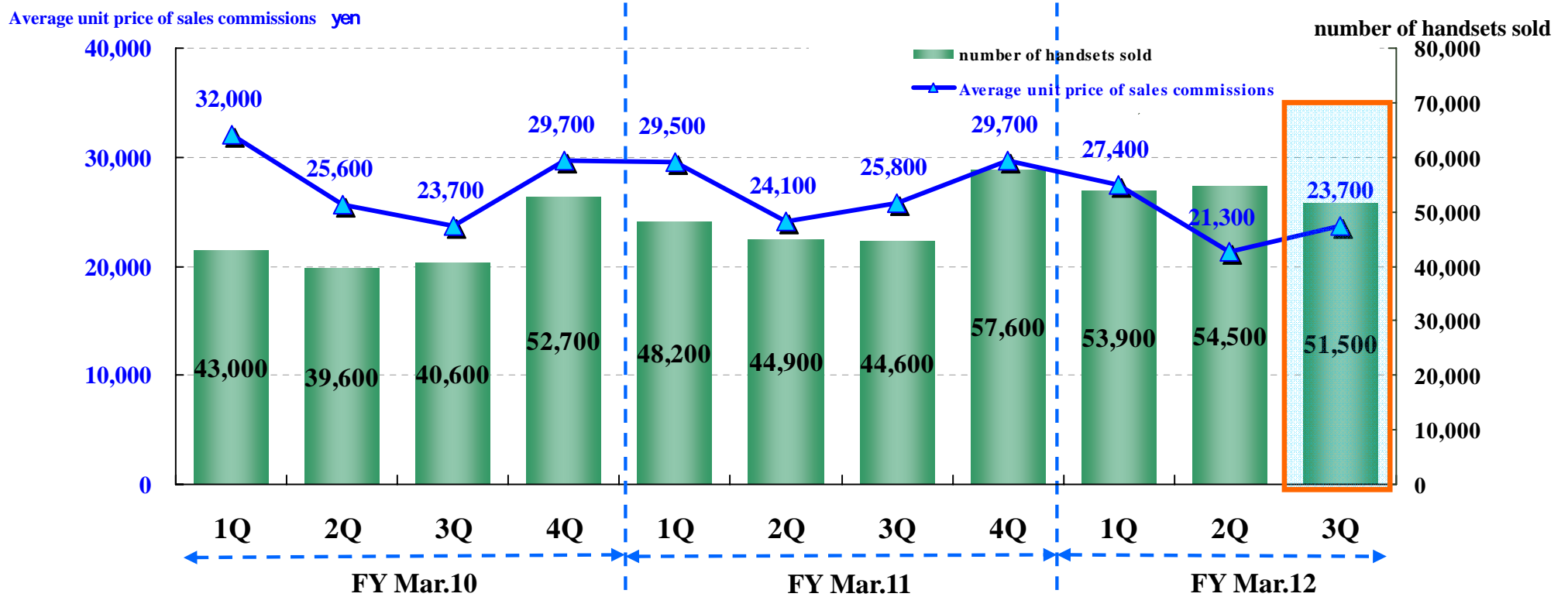
* "iPhone" is a trademark of Apple Inc. The "iPhone" trademark is used under license from Aiphone Co., Ltd.



Growth of Sales Commissions and Total Sales (new subscriptions + handset upgrade)

Mobile Business

- The unit price of sales commissions (for 3Q) reduced 2,000 yen year-on-year.
- Total sales increased 15.5% year-on-year as a result of new smartphone models launched and windups of non-tri-band compatible handsets.



	FY Mar.10	FY Mar.11		FY Mar.12			
	Full-Year	1H	2H	Full-Year	1H	3Q	Full-Year
Total Sales commissions (million yen)	4,916	2,503	2,862	5,365	2,635	1,221	3,856
Gross Sales Trends (new purchases + handset upgrades)	175,900	93,100	102,200	195,300	108,400	51,500	159,800
Average commissions /unit (yen)	27,900	26,900	28,000	27,500	24,300	23,700	24,100

*The total number of handsets sold does not include PHOTO-U and other modular handsets.

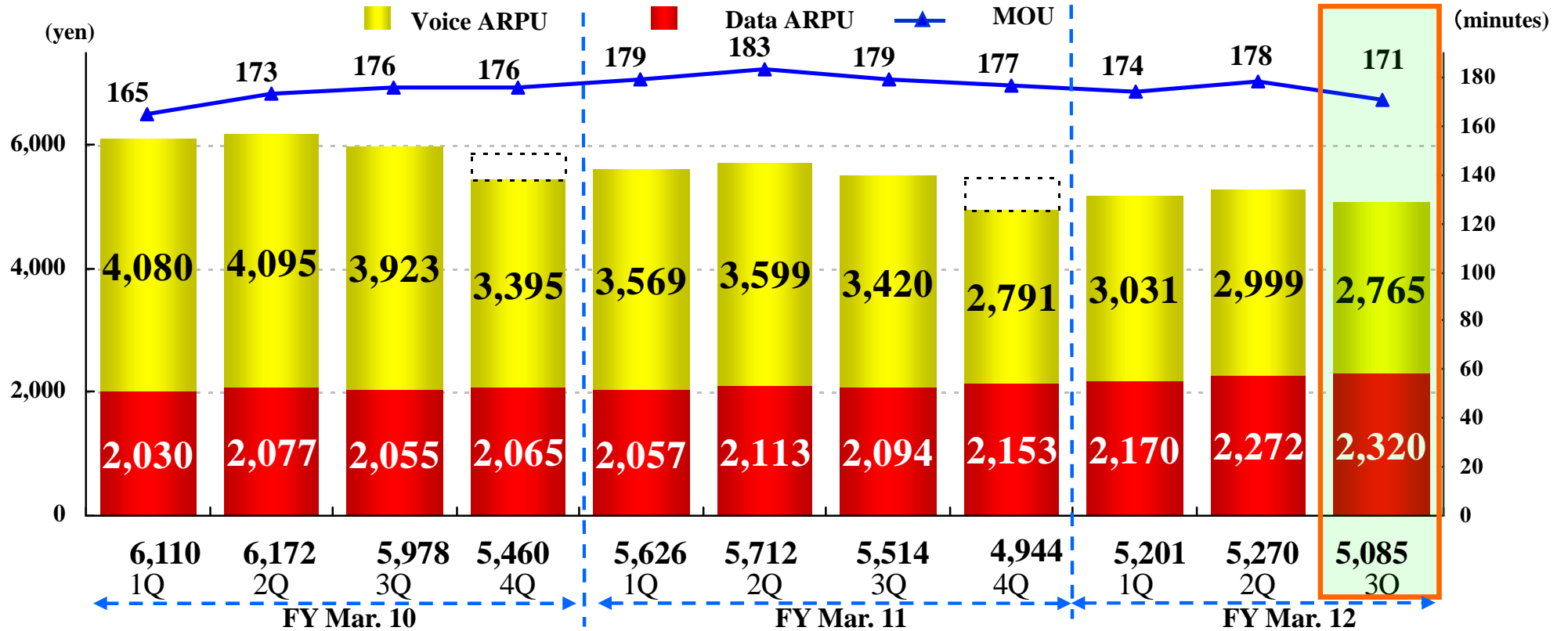


ARPU and MOU Trends

Mobile Business

Voice ARPU decreased by 19.2% year-on-year due to the increase in composition ratio of inexpensive simple plans and the decrease in cross-connection charges.

Data ARPU increased by 10.8% year-on-year due to the widespread increase in popularity of smartphones.



	FY Mar.10	FY Mar.11		FY Mar.12			
	Full-Year	1H	2H	Full-Year	1H	2H (E)	Full-Year (E)
Total ARPU	5,928	5,669	5,228	5,448	5,236	4,930	5,080
Voice ARPU	3,871	3,584	3,104	3,343	3,015	2,590	2,800
Data ARPU	2,057	2,085	2,124	2,105	2,221	2,340	2,280
MOU (minutes)	173	181	178	179	176	-	-

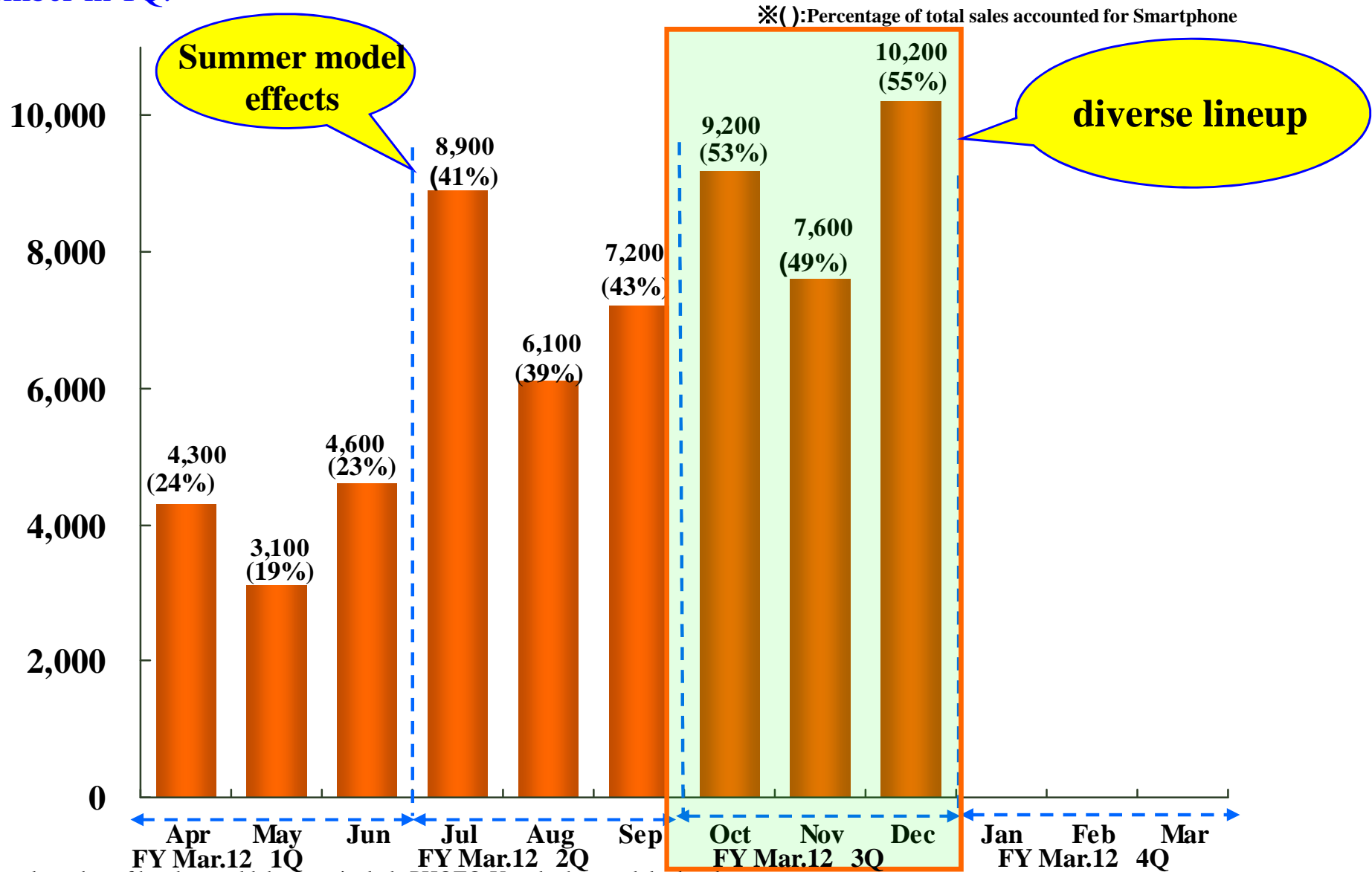
*Calculations do not include income from communication module services and subscription figures.

*The portion shows the decline due to connection fee adjustments between carriers.



3Month-wise smartphone handset sales numbers

■ With accelerated sales of smartphones, the number of handsets sold in 3Q was 2.3 times the number in 1Q.



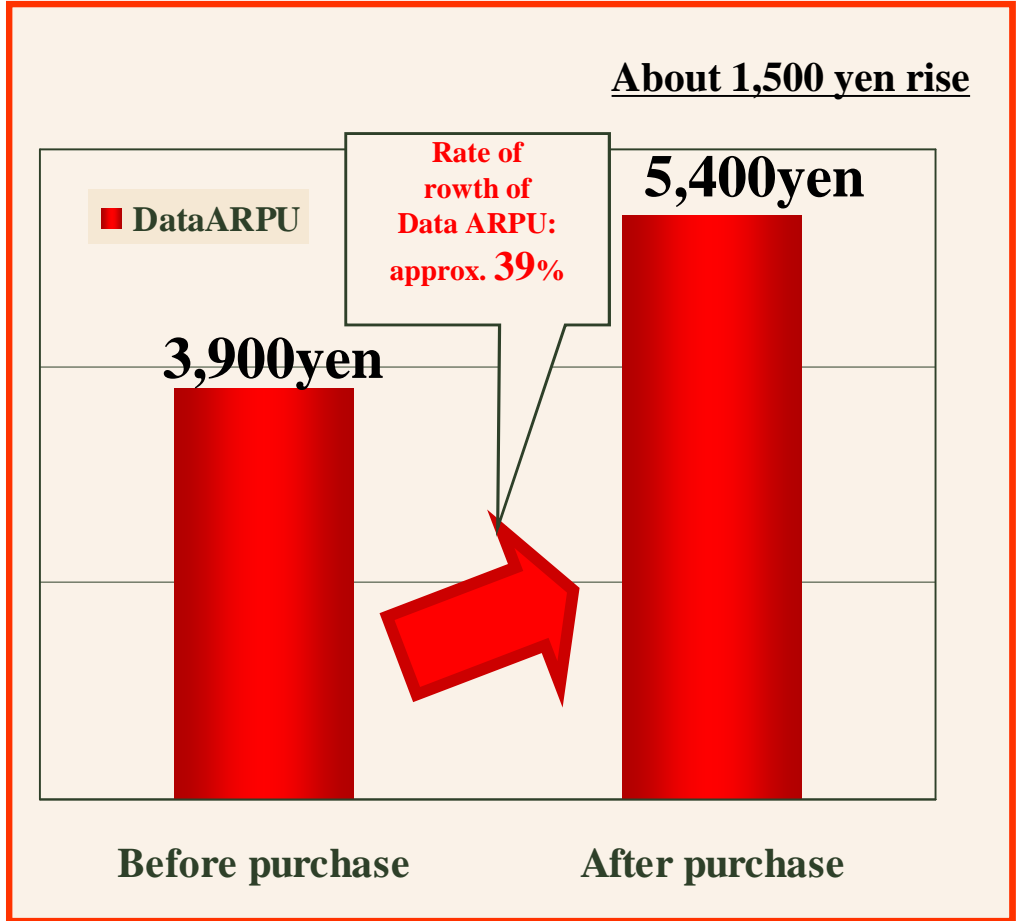
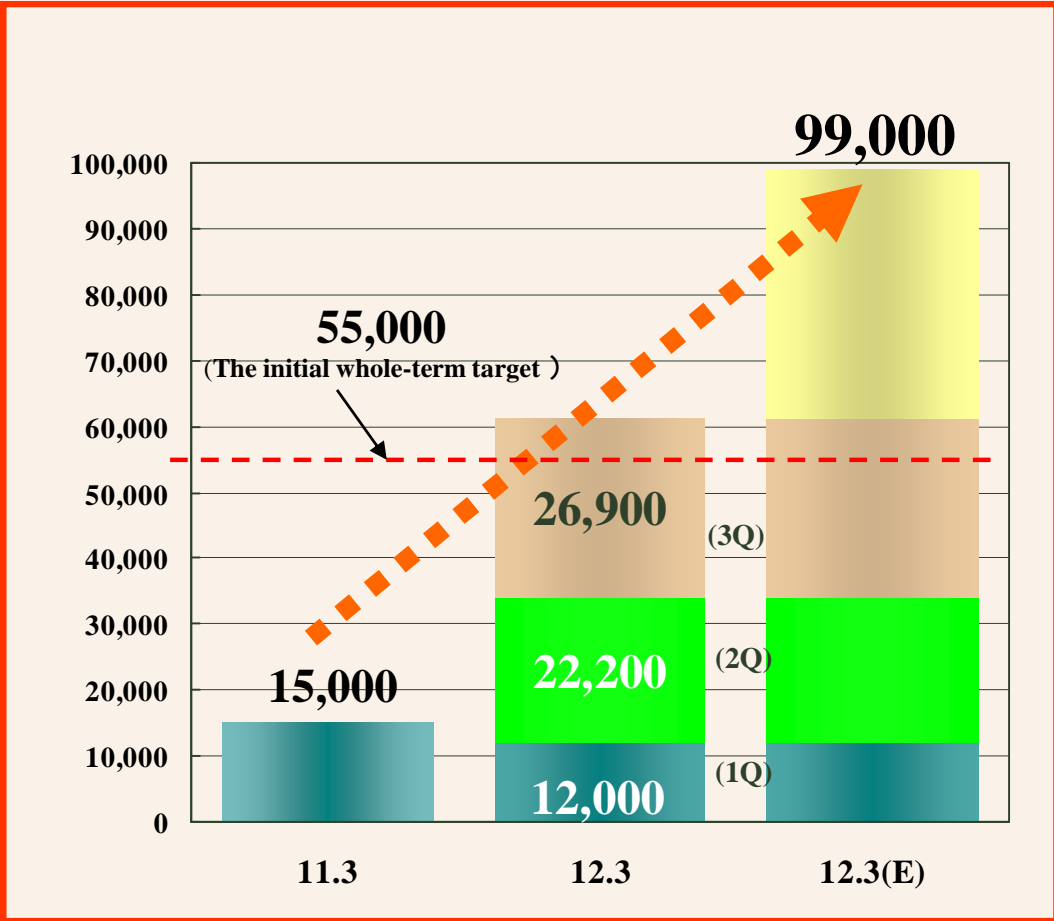
*The total number of handsets sold does not include PHOTO-U and other modular handsets.



- Sales of smartphones in 1Q-3Q totaled 61,100 units (The initial whole-term target of 55,000 units has been revised upward to 99,000.)
- Data ARPU for users who upgraded to smartphone rises 39% after purchase.

Smartphone Sales Trends

A comparison of ARPU of customers purchasing the smartphone



Target : Users who upgraded to smartphone between Apr. 2011 and Nov. 2011
 Content : Comparison of monthly ARPU for customers in the months prior to and after upgrading

Entering the spring selling season with a newly enhanced lineup

 <p>INFOBAR by iida C01</p>	 <p>GALAXY S II WIMAX ISW11SC by SAMSUNG</p>	 <p>optimus X IS11LG by LG Electronics Japan</p>	 <p>XPERIA acro HD IS12S by Sony Ericsson</p>	 <p>MOTOROLA RAZR IS12M</p>
<p>Original style revisited</p>	<p>Global high-spec model</p>	<p>Compact & Dual Core CPU</p>	<p>XPERIA</p>	<p>Hit model overseas</p>

※ “Galaxy” is a trademark or registered trademark of Samsung Electronics Co., Ltd

※ “Xperia” is a trademark or registered trademark of Sony Ericsson Mobile Communications AB.

※ “MOTOROLA”, “MOTOROLA RAZR”, and the “Stylized M Logo” are trademarks or registered trademarks of Motorola Trademark Holdings, LLC.

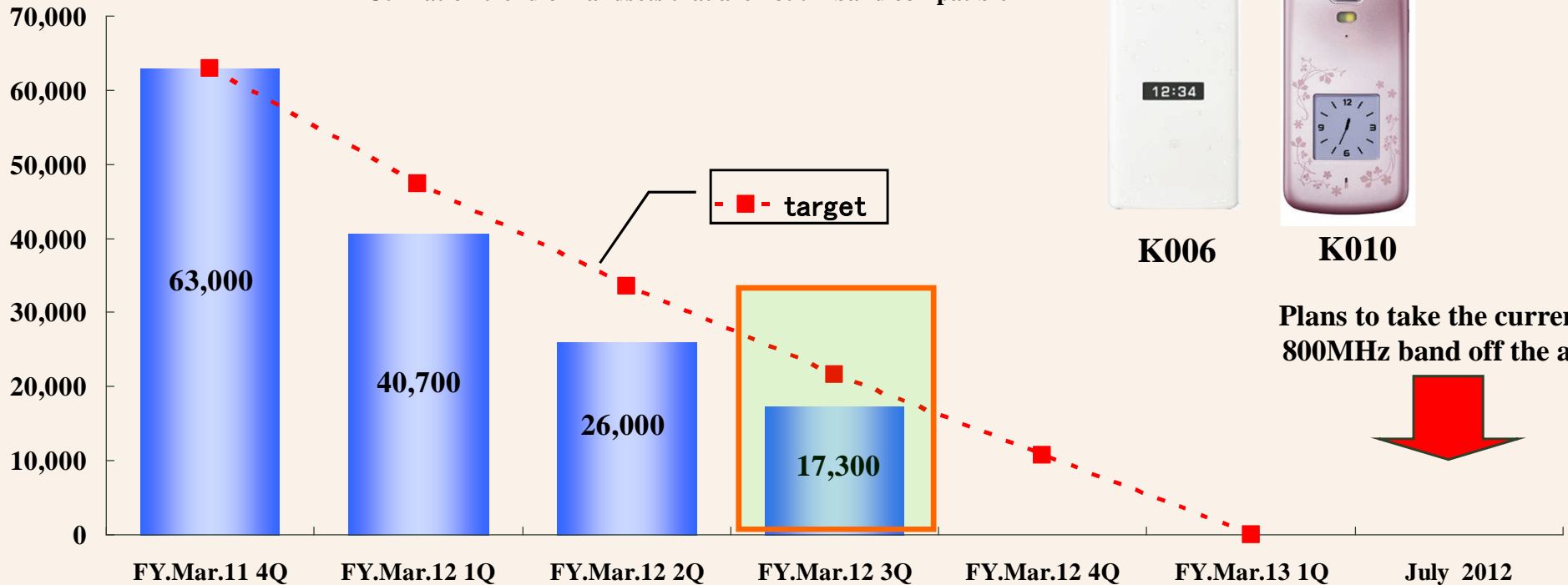


Strengthened our approach toward users of Tri-band-incompatible handsets

Efforts aimed at encouraging the switch

- Further strengthening efforts aimed at getting especially those who have not yet subscribed to tri-band compatible handsets to upgrade their handsets
- Elimination of handling fees for our handset upgrade service
- Approach through DM and luring customers to visit the au Shop
- Door-to-door visits to customers who have not yet subscribed to tri-band compatible handsets

Utilization trend of handsets that are not tri-band compatible



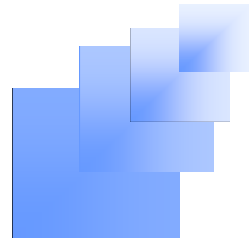
K006



K010

Plans to take the current 800MHz band off the air





Fixed-line Business

*Performance 3rd Quarter, Fiscal Year March 2012*

	Compared with the same period of the previous year				Compared with the forecast		
	Performance 3Q (A) Apr-Dec/2010	Performance 3Q (B) Apr-Dec/2011	Increase/Decrease (C=B-A)	Rate of Increase/Decrease (C/A)	FY Mar.2012 (B') Projected	Attainment ratio (B/B')	FY Mar.2012 (E) Projected Corrected Jan.25
FTTH Subscribers	5,200	11,900	+6,700	+127.6%	15,800	-	14,000
Operating Revenues (million yen)	1,939	2,256	+316	+16.3%	3,200	70.5%	3,100
Operating Expenses (million yen)	2,073	2,400	+327	+15.8%	3,400	70.6%	3,300
Operating Income (million yen)	-133	-143	-10	-	-200	-	-200
Capital expenditures [completion basis] (million yen)	995	880	-115	-11.6%	1,600	55.0%	1,300

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	Compared with the same period of the previous year			
	Performance 3Q (A) Apr-Dec/2010	Performance 3Q (B) Apr-Dec/2011	Increase/ Decrease (C=B-A)	Rate of Increase/ Decrease (C/A)
Net additions	3,300	6,200	+2,900	85.9%
Home	2,500	4,100	+1,700	68.0%
Apartment	900	2,100	+1,200	136.0%
Total subscribers	3,500	11,100	+7,600	219.0%
Home	2,500	7,600	+5,100	202.1%
Apartment	900	3,400	+2,500	264.4%
Churn rate (%)	0.42%	0.69%	+0.27P	-
Home	0.38%	0.59%	+0.21P	-
Apartment	0.52%	0.93%	+0.41P	-
ARPU (yen)	5,052	4,937	-115	-2.3%
Home	5,657	5,577	-80	-1.4%
Apartment	3,537	3,423	-114	-3.2%
Average commissions /unit (yen)	14,300	13,200	-1,100	-7.5%

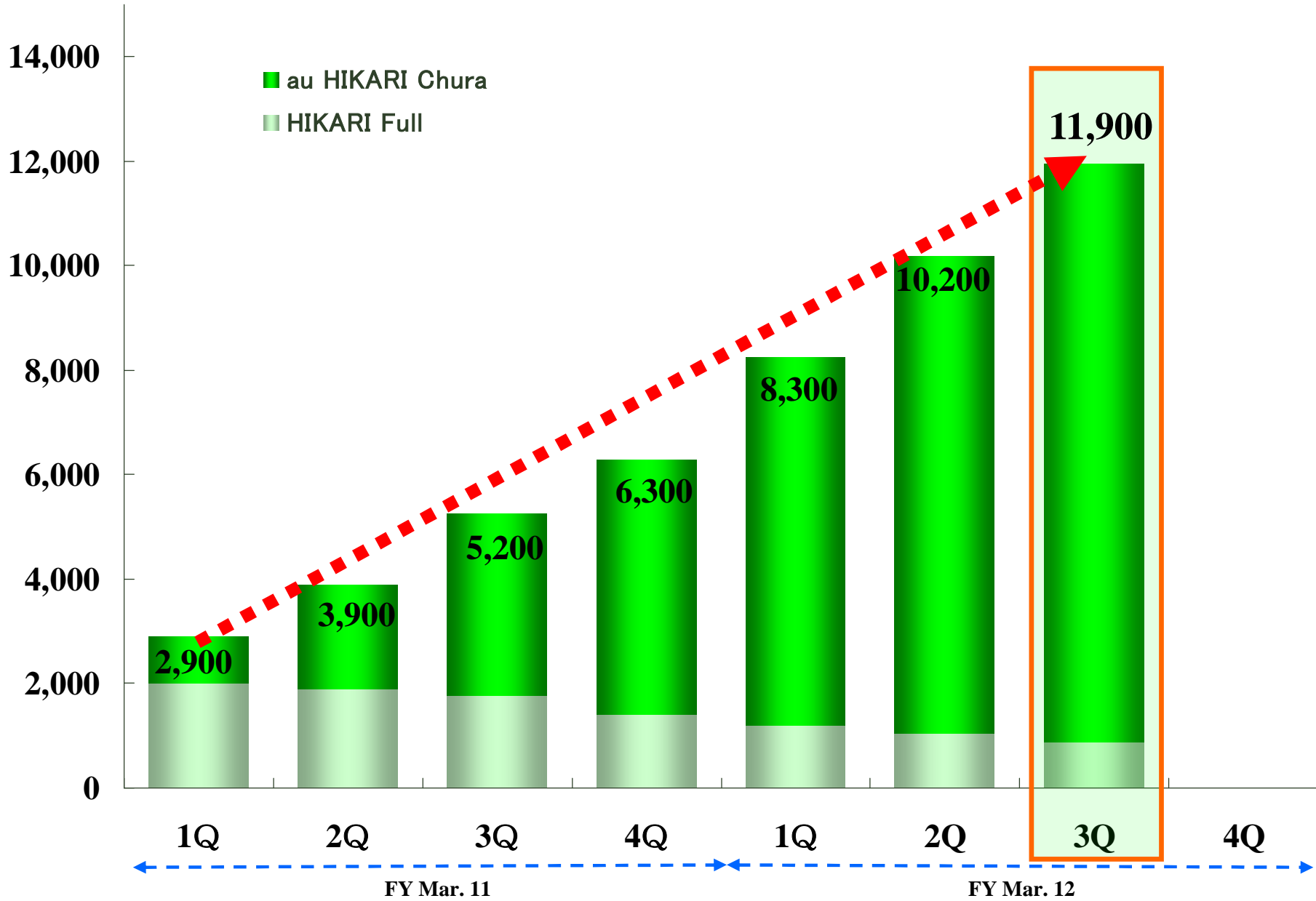
* Performance figures relate to au HIKARI Chura and do not include figures for HIKARI Full.

*Business performance cumulative period: FY ended March 2011 (April 1, 2010 to December 31, 2010), FY ending March 2012 (April 1, 2011 to December 31, 2011)



Trend of the growth in subscribers to FTTH

◆ Trend of the growth in subscribers to FTTH
(au HIKARI Chura + HIKARI Full)





Okinawa 3M-Strategy

～ the entire family subscribing to au ～

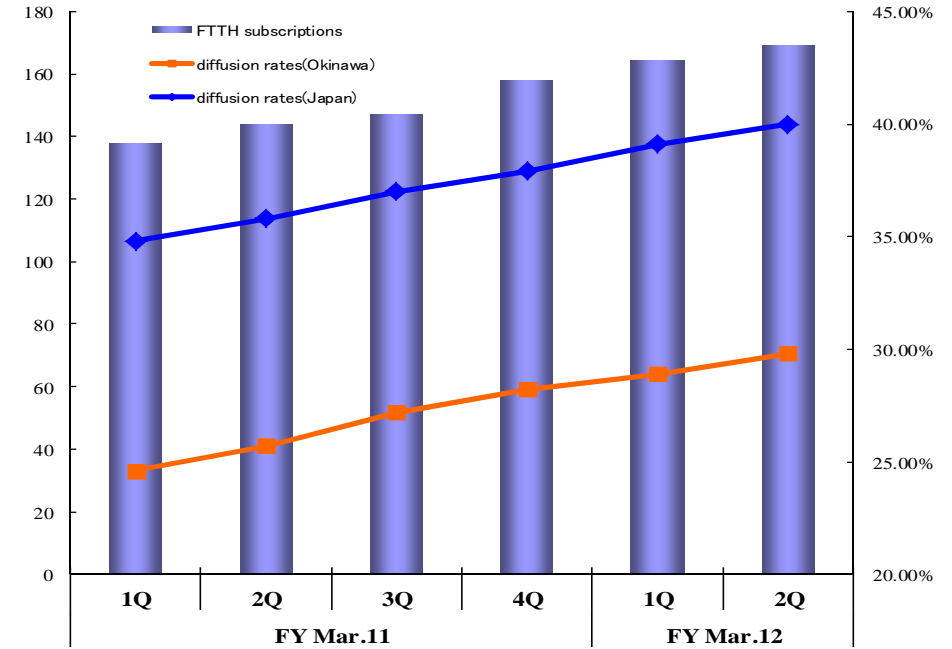


Okinawa's FTTH market grows.

1. Trends in FTTH subscriptions and diffusion rates

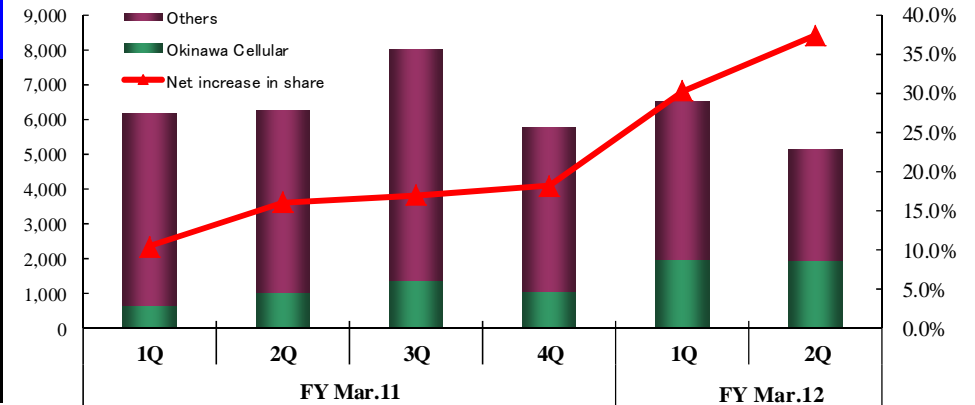
	FY Mar.11				FY Mar.12	
	1Q	2Q	3Q	4Q	1Q	2Q
FTTH subscriptions	138	144	152	158	164	169
Okinawa Cellular	2.9	3.9	5.2	6.3	8.3	10.2
diffusion rates(Okinawa)	24.6%	25.7%	27.2%	28.2%	28.9%	29.8%
diffusion rates(Japan)	34.8%	35.8%	37.0%	37.9%	39.1%	40.0%

(Unit: Thousand)



2. Net increase in share for Okinawa Cellular in Okinawa FTTH market

	FY Mar.11				FY Mar.12	
	1Q	2Q	3Q	4Q	1Q	2Q
Net increase	6,200	6,300	8,000	5,700	6,500	5,100
Okinawa Cellular	600	1,000	1,400	1,000	2,000	1,900
Net increase in share	10.3%	16.0%	16.9%	18.2%	30.3%	37.4%



※Charts above were produced based on telecommunications statistics published by the Okinawa Office of Telecommunications Ministry of Internal Affairs and Communications (number of subscribers to high-speed internet service)



FTTH Service Area Expansion

Now

Household coverage
60%

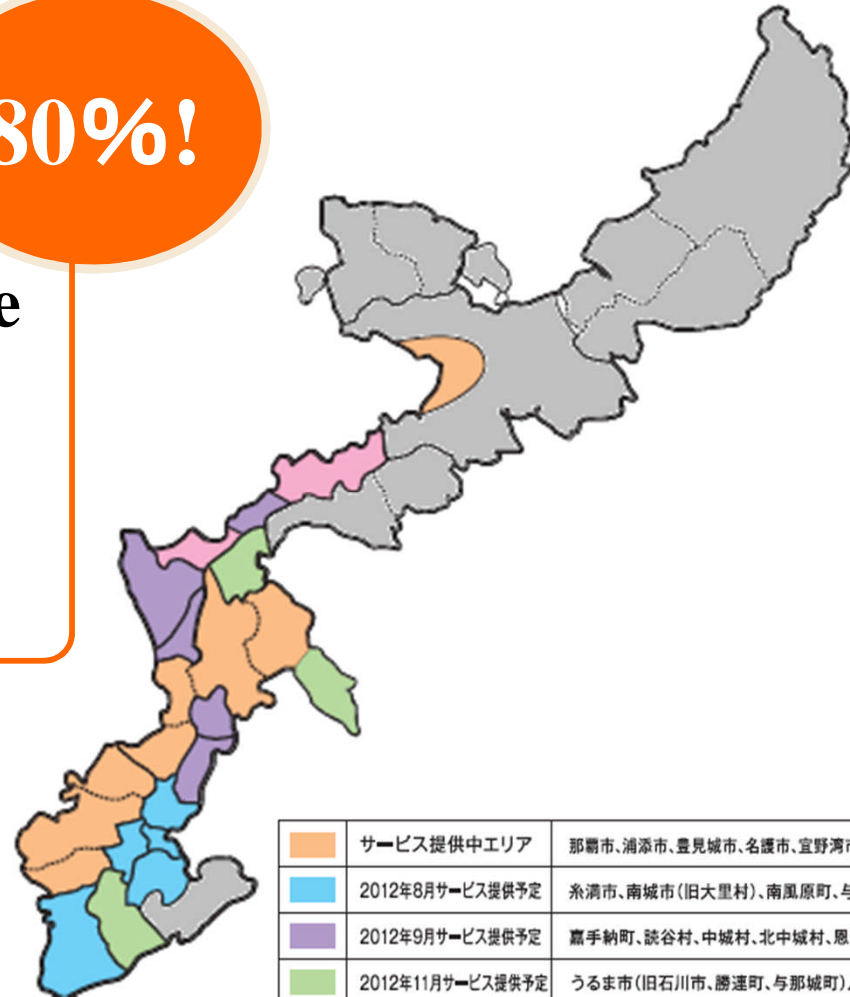


Future

Household coverage
80%

80%!

Gradual expansion of our service area from August 2012 will tremendously increase coverage from 8 municipalities to 19.



	サービス提供中エリア	那覇市、浦添市、豊見城市、名護市、宜野湾市、沖縄市、北谷町、うるま市
	2012年8月サービス提供予定	糸満市、南城市(旧大里村)、南風原町、与那原町、西原町
	2012年9月サービス提供予定	嘉手納町、読谷村、中城村、北中城村、恩納村(一部地域)
	2012年11月サービス提供予定	うるま市(旧石川市、勝連町、与那城町)八重瀬町
	2013年1月サービス提供予定	恩納村(一部地域)

※Service may not be available in some areas even within municipalities in the expanded service area.



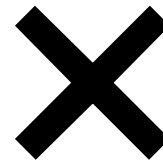
- With the combined effect of the cross-sales promotion with our customer base of nearly 530,000 au users and the wider market through the expansion of our service area for “au HIKARI Chura”, we are expanding our customer base for both mobile and fixed-line.

au ひかり ちゅら



FTTH Service Area Expansion
(Household coverage: from 60% to 80%)

Growth in
FTTH market



530,000 subscriber
customer base

Smartphone growth
(Sales ratio has reached 50%)







Expanded customer base through entire family subscribing to au

■ Discounts on au smartphone charges for customers on the condition of fixed line & au smartphone subscriptions

auひかりちゅら

Income of 5,880 yen[1] for au HIKARI Chura (Home)



	auスマホ =	1,480円/月 off
	auスマホ =	1,480円/月 off
	auスマホ =	1,480円/月 off
	auスマホ =	1,480円/月 off

合計 5,920円 off

上記の金額は最大2年間適用されます。

Ensured revenue of at least 5,275 yen[2]/month x 4 people = at least 21,100 yen/month

At least 27,000 yen household ARPU for family of 4 ! !

① Expansion of au HIKARI Chura

Growth in FTTH market
Expanded customer base through entire family subscribing to au

② Offloading of au data traffic

Decreased mobile network costs by offloading data to fixed line network

③ Expansion of au share

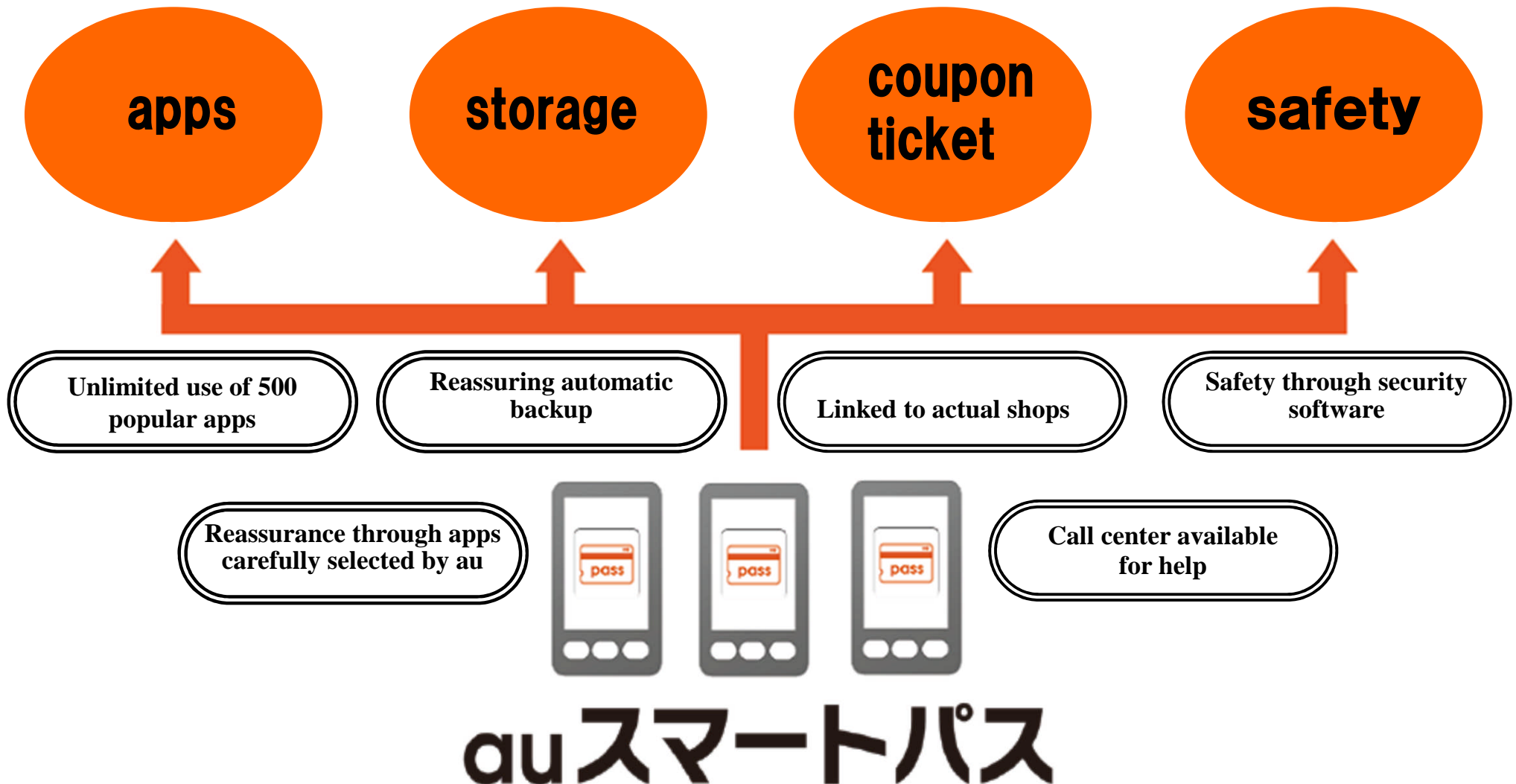
Better efficiency thanks to share growth targeted at smartphone user groups

[1] With internet and phone use, with au Set and Island Discount applied

[2] With 1,480 yen discount from basic charges (Plan Z Simple) + packet flat rate (IS Flat) + IS Net

※All prices include tax

- For just 390 yen, anyone from beginners to heavy users can enjoy a safer and better smartphone experience.
- A cloud content service that supports multiple devices and OS that will grow in the future.



- For data offloading via Wi-Fi, in addition to outdoor strategy (au Wi-Fi SPOT), we will unveil a new indoor strategy.

- Initial Wi-Fi settings with an easy one-touch setting that requires no password



- Wi-Fi equipped devices (PCs, game devices, etc.) can also be used

- The device has a simple, clean design that blends into any environment

HOME SPOT CUBE

- To achieve maximum sales (cross-sales) of au mobile phones & au HIKARI Chura in each channel, we will strengthen cross-sales and support.

au shops

★Store sales links with au HIKARI Chura

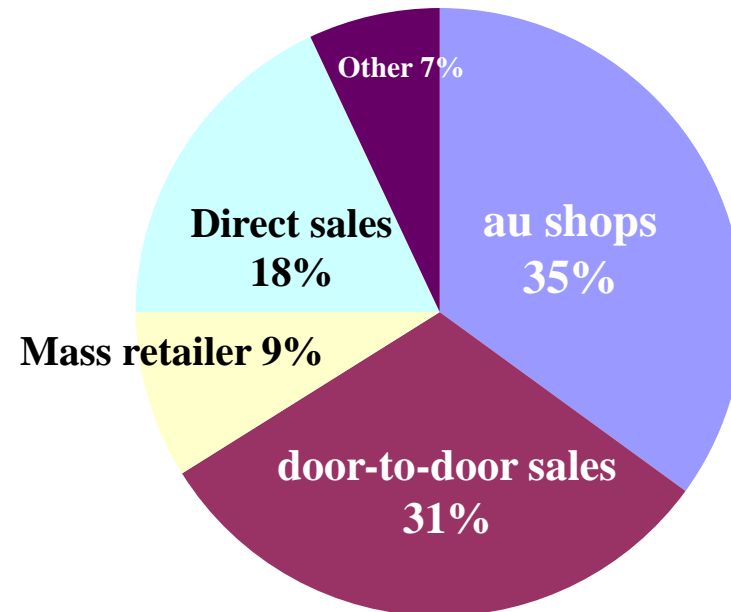


Mass retailer

★Offer cross-sales at mobile phone shops

door-to-door sales

★Recommend au to the au HIKARI Chura customer base



◆ au HIKARI Chura sales: channel ratio (Dec.2011)



Contact:

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Projections for financial performance and numbers of contracts presented in this documentation are based on information currently available to the Company. Actual business performance and numbers of contracts may significantly vary due to unforeseeable factors such as changes in economic conditions, competition, and results of new services.