

TELEPARK Corporation
Interim Financial Results for FY ending March 2008
November 7, 2007

MOBILE and NETWORK SERVICE



 Outline of Interim Financial Results
& Forecasts for FY ending March 08 — P3 ~ 5

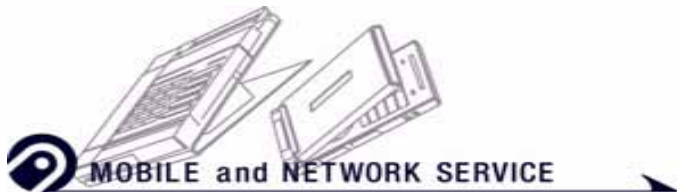
 Future Business Development
& Mid-term Business Plan — P6 ~ 11

 Synergy Effect from Acquisition of
Telecom SANYO — P12 ~ 15

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& Future Telecommunication Market — P16 ~ 19

*This material contains statements about the future performance of Telepark, which are based on management's assumptions and beliefs taking into account information currently available to it. Therefore, please be advised that Telepark's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in Telepark's principal markets as well as other factors detailed from time to time.

Outline of Interim Financial Results & Forecasts for FY ending March 08



Interim Financial Results & Forecasts for FY ending Mar 08

Unit : Billion Yen	07 / 3 Interim Results	08 / 3 Interim Results	YoY Increase / Decrease (%)	08 / 3 Non-Consolidated Forecasts	Achievement Ratio (%)
Net Sales	155.81	179.85	15	390.0	46.1
Gross Margin	13.10	13.99	7	29.0	48.3
SGA Expenses	9.30	10.59	14	21.2	50.0
Operating Income	3.79	3.40	10.4	7.8	43.6
Ordinary Income	3.80	3.40	10.3	7.8	43.7
Net Income	2.13	1.93	9.6	4.5	42.9
FCF	4.70	5.13	—	3.13	—
ROA (%)	14.5%		—	10.4%	—
Net Income / Share	6,490yen	5,861yen	9.7	13,661yen	42.9
Dividend / Share	2,000yen	2,500yen	25	5,000yen (Payout ratio 36.6%)	—

Mobile Business

Achieved sales of 1.84 million handsets (18% YoY increase), the highest ever for 1H due to expansion of sales channels & active market demand

Billion yen	07/3 1H Results	08/3 1H Results	Difference	08/3 Forecasts	Achievement
Net Sales	147.87	169.08	114.3%	365.0	46%
Operating Income	2.53	2.32	8.6%	5.0	46%

Network Business

“Myline business” continuously brought stable income
Reorganize sales channels for FTTH(optical fiber) business toward 2H

Billion yen	07/3 1H Results	08/3 1H Results	Difference	08/3 Forecasts	Achievement
Net Sales	5.85	5.66	3.3%	14.2	40%
Operating Income	1.25	1.08	13.6%	2.7	40%

New Settlement Business

Targeting net sales of 10.8 billion yen in 40 thousand convenience stores and improve profitability by increasing product lines

Billion yen	07/3 1H Results	08/3 1H Results	Difference	08/3 Forecasts	Achievement
Net Sales	2.1	5.12	243.4%	10.8	47%
Operating Income	0.01	0.0	—	0.1	—

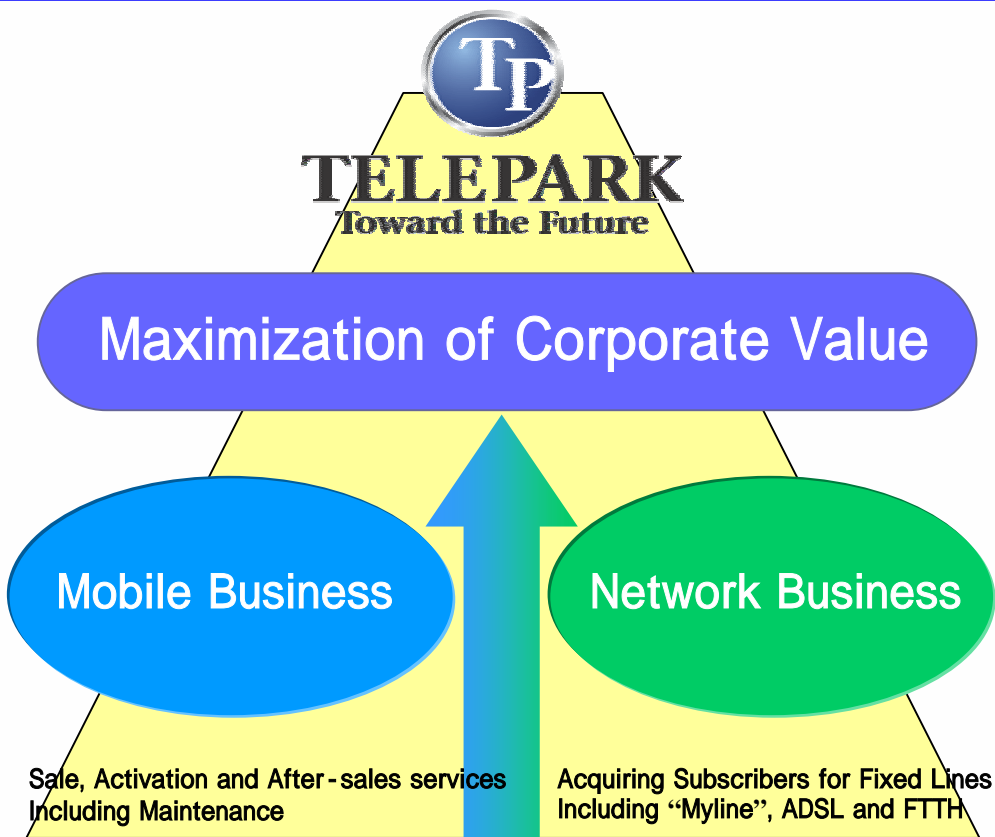
Future Business Development & Mid-term Business Plan “Challenge 5000”

Maximizing Corporate Value by Concentrating Resources on Mobile / Network and Related Business

[Challenge 5000: Targets for FY ending March 2009]

Net Sales : 500 billion yen

Mobile Market Share: 10% or Sale of 5 million Handsets



Maximization of Corporate Value

Mobile Business

Network Business

Sale, Activation and After-sales services Including Maintenance

Acquiring Subscribers for Fixed Lines Including "Myline", ADSL and FTTH

Concentration of Resources

- Financial, Organizational and Informational Strengths
- Diversified Sales Channels
- Good Business Relationship with All Major Carriers

Business Environment

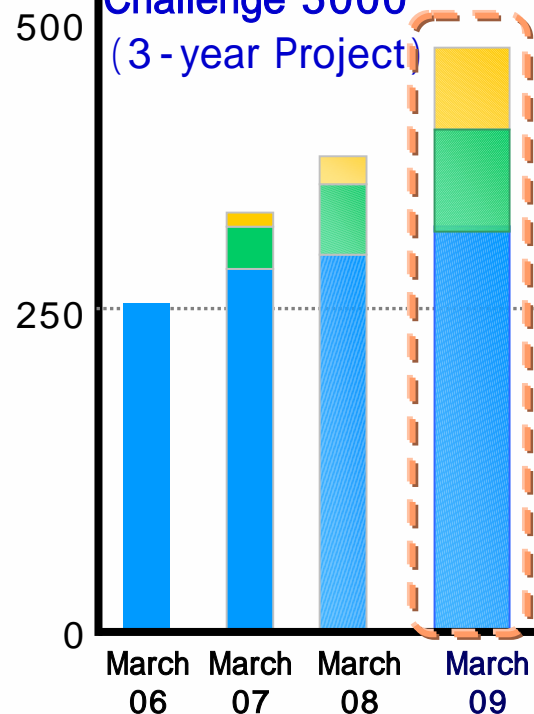
- Slowdown in Mobile Market Growth
Fiercer Market Competition
- Reorganization of Sales Agents
Good Opportunity for Business Expansion

(Billion yen)

Net Sales

Challenge 5000

(3-year Project)



KEY POINTS

New Business

Settlement Business

Network

FTTH

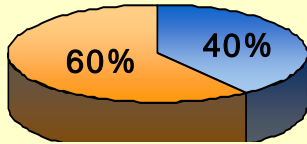
Mobile

M&A / Grouping
Volume Retailer
Sales for Corporate Clients

Further Expansion of Sales Force by the Share Acquisition

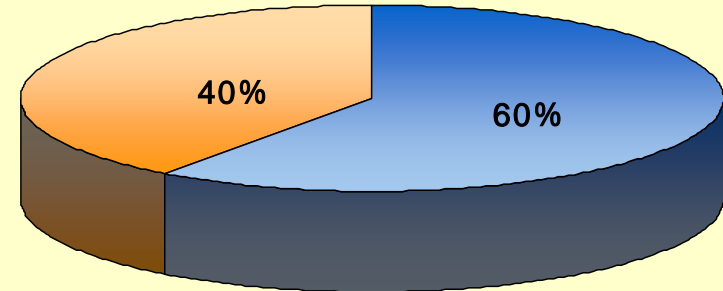
Accelerating Market Reorganization & Acquisition of Sales Agents via M&A / Grouping

Current Market Share



- Ten Major Mobile - phone Distributors
- Regional Small & Midsize Distributors

Future Market Share



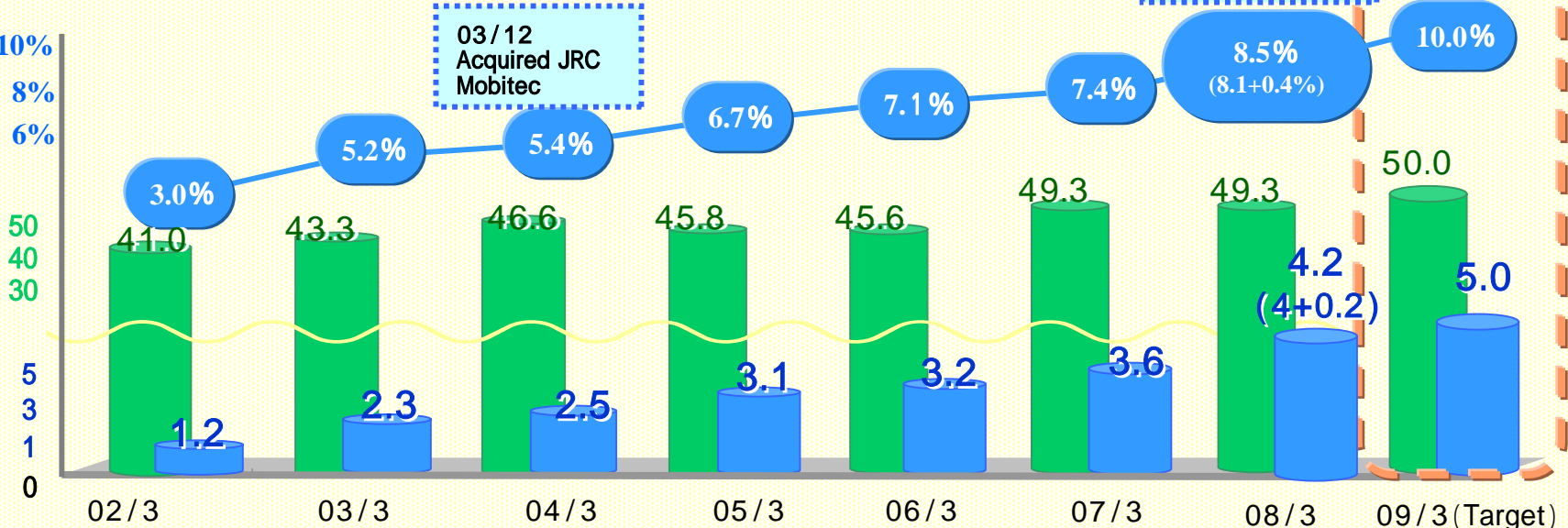
*Based on Total Sales Volume in Japanese Mobile Market

Market Demand and Telepark's Sales Volume / Market Share

Our Mkt. Share 10%

Total Sales Vol.
(Million units)

Our Sales Vol.
(Million units)

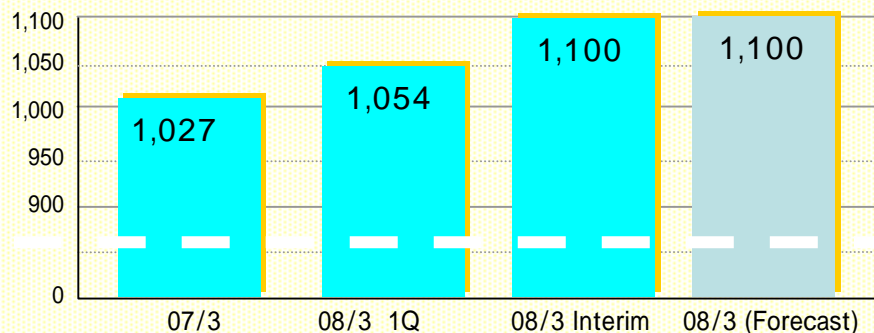


Total Sales Volume is based on our estimation

Mobile Action Plans for the Year ending March 08

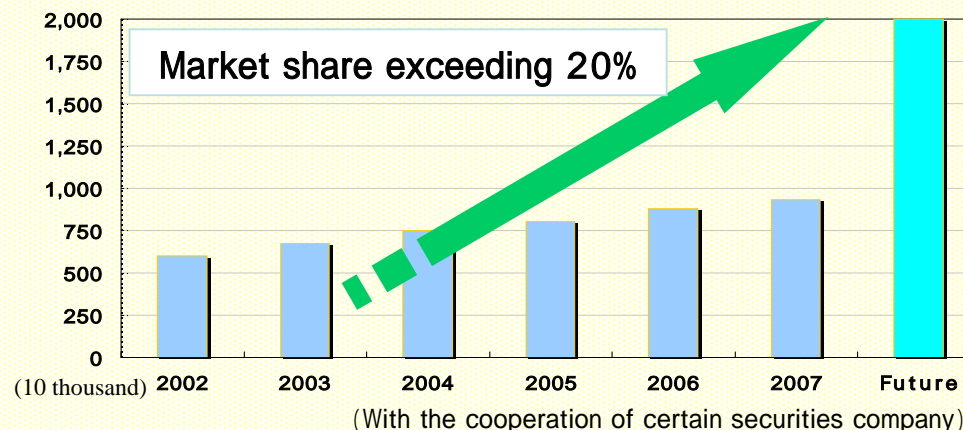
Expansion of Sales

[Own & Agents' Stores] (Excl. Large-sized M&A)



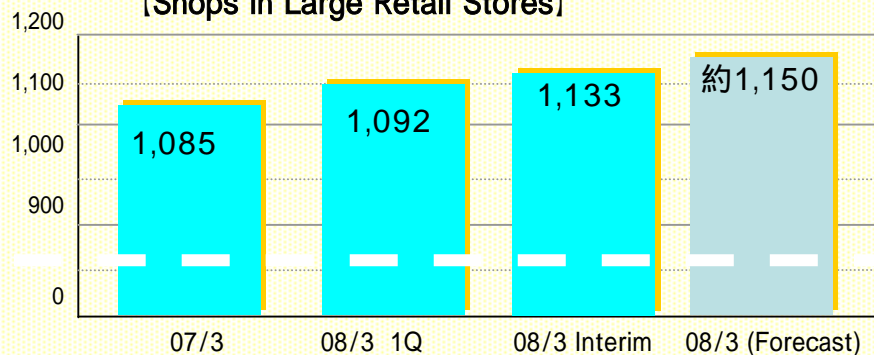
Through M&A / Grouping

Rapidly Growing Market for Corporate Clients Reaching 20 million handsets in few years



Expansion of Business w/ Large Retail Stores

[Shops in Large Retail Stores]



Increased partially due to M&A among Large Retail Stores

[Strengthening of Sales for Corporate Clients]

: June 06: Established Corporate Sales Dept.
Currently consists of approx. 70 staff

- Boosted by stricter compliance with Personal Info. Protection Law & internal control system in addition to MNP effect
- “Consulting Marketing” to propose optimal solutions incl. carries & price plans depending on each company’s needs
- Expanding client base starting with Mitsui Group
- Cooperation with Mitsui & Co.
- Promoting “Mo-Vino”, service to unify mgmt. of billing & usage for mobile phones for corporate clients
- Marketing for SMEs via sales agents

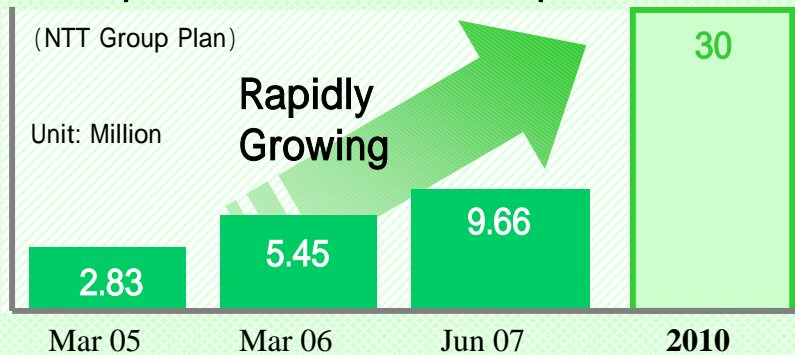


1. Business Strategy

Business Expansion in FTTH Market

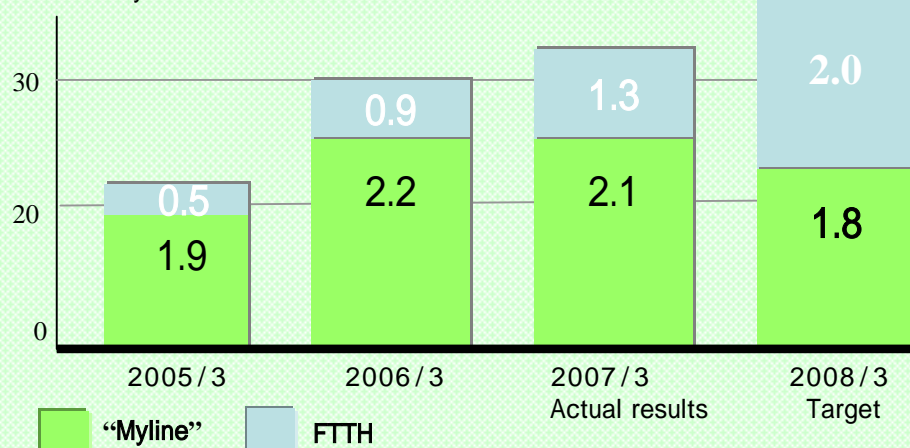
[Market Environment]

Expected Subscribers for Optical Fibers



Gross Margin by Business Category

Unit: Billion yen



2. Action Plans

Expansion of FTTH Business

- Marketing for One Unit Homes
- Shift of Sales Force from “Myline” to FTTH Business
- Acquiring New Sales Agents
- Start Content Service Business such as video picture & IP telephone

Continuing Traditional “Myline” Business

- Profit Contribution with Stable Income

**Business Expansion
Profit Increase**

Existing Business

Prepaid Mobile Phones/Prepaid Mobile Cards sold at 20 Thousand Convenience Stores

New Development : Settlement Business

(For Overseas Calls, E-money, and Contents, etc.)

Expansion of Business with 40 Thousand Convenience Stores

Strengthening of E-settlement business using PIN(*)

(*) PIN(Personal Identification Number)

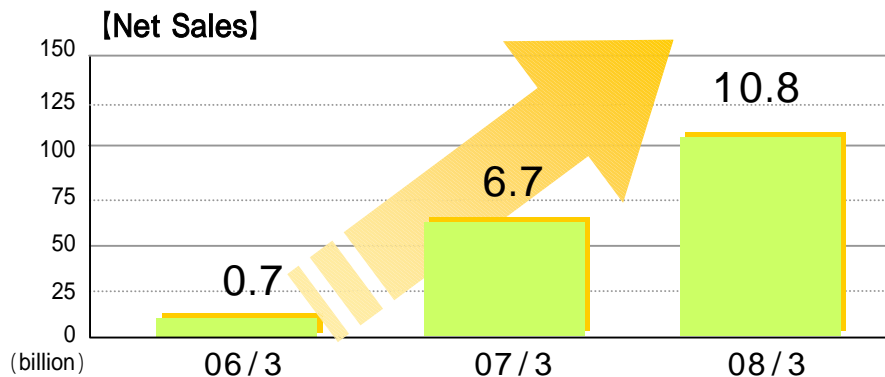
Password accessed by users to utilize the PIN-based services

Sale of iTunes Card for music distribution sites

Sale of Settlement Card for leading online shopping site

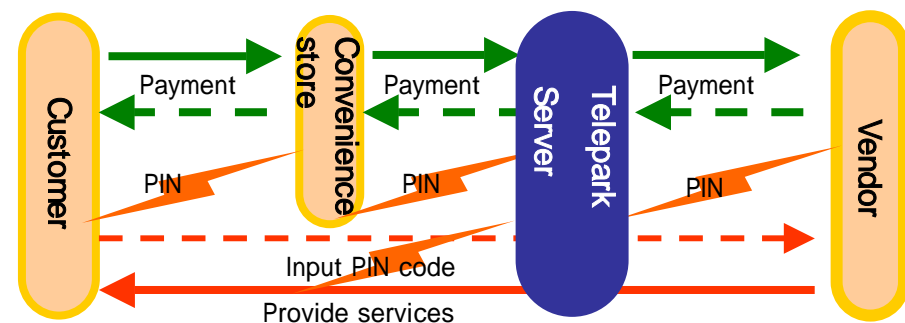


Rapid Growth

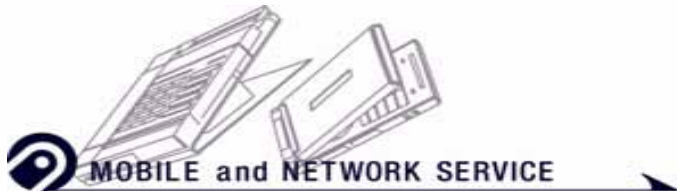


PIN system

Telepark controls PIN server & issues PIN code



Synergy Effect from Acquisition of Telecom SANYO (Currently “Telecompark”)



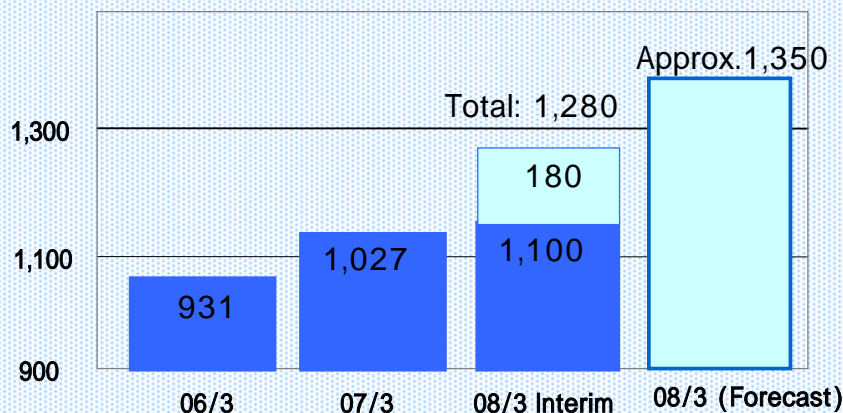
Aggressive Implementation of M&A Activities /

Increase Market Share to Realize Higher Earnings as a Largest Mobile-phone Dealer in Japan

- Increase of Net Sales & Income: Huge Step forward Mid-Term Business Plan “Challenge5000”
- Increase of Mobile-phone Handset Sales & Market Share: 3.63 mil handsets (7.4%) in FY ended March 2007
4.00 + 0.2 mil handsets (8.1% + 0.4%) in FY ending March 2008 (Forecast)
 (Telecom SANYO data as of March 2007: 801 mil yen of Net Asset, 38.4 bill yen of Net Sales, 383 mil yen of Operating Income and 0.47 mil handset sales)
- Expansion of Sales Channel Especially in West Japan Areas
 Obtainment of 64 Carrier Stores Directly Owned & Managed & 182 Agent Stores with Strong Sales Power
- Utilization of Advantage of Scale
 Increase of Volume & Manufacturer Incentives as well as Stock Commissions
 Cost Reduction by Streamlining Physical Distribution & Inventory Control Systems

Expansion of Sales Channels

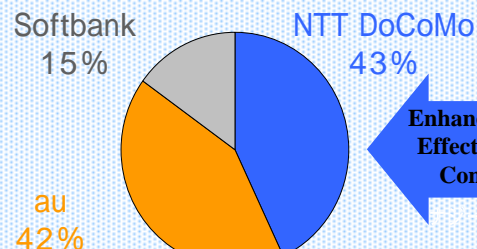
[Own & Agents' Stores]



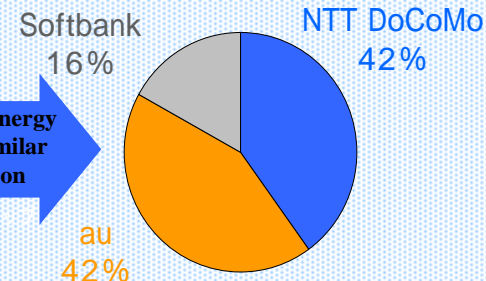
Mobile Carrier Composition as of the end of Mar 07

*Both Companies Have Well-balanced Relationship w/ All Major Carriers

[Telecom SANYO]



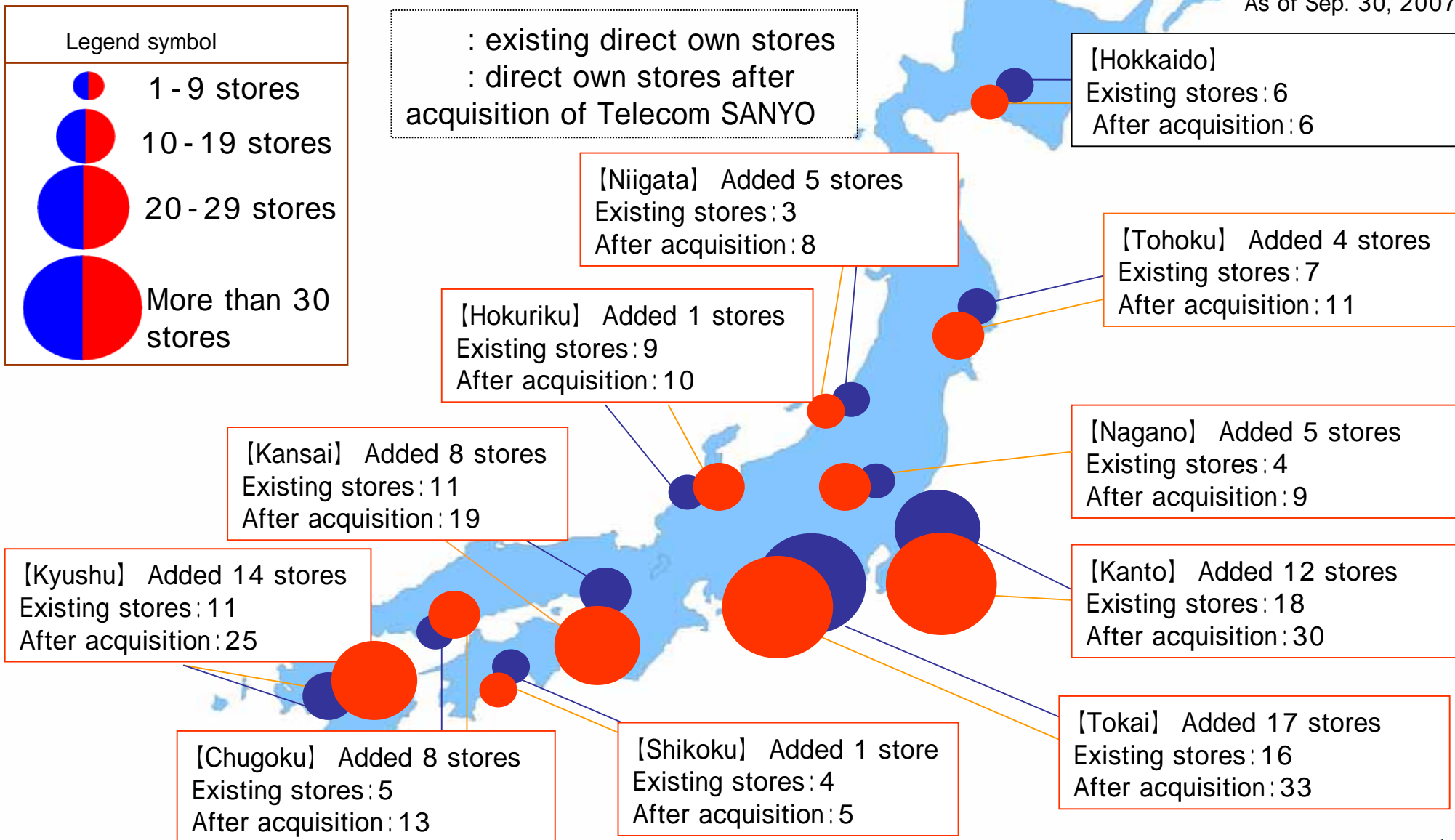
[Telepark]



Enhanced Synergy Effect by Similar Composition

Increase of Direct Own Stores from 94 to 169

As of Sep. 30, 2007



Quantitative Synergy & Break Even Point

* Acquisition amount

: 4.8 bill. yen - Net asset 0.6 bill. yen (provisional value based on Telepark's accounting standard) = 4.2 bill. yen

4.2 bill. yen of annual goodwill amortization for ten years

* P/L contribution

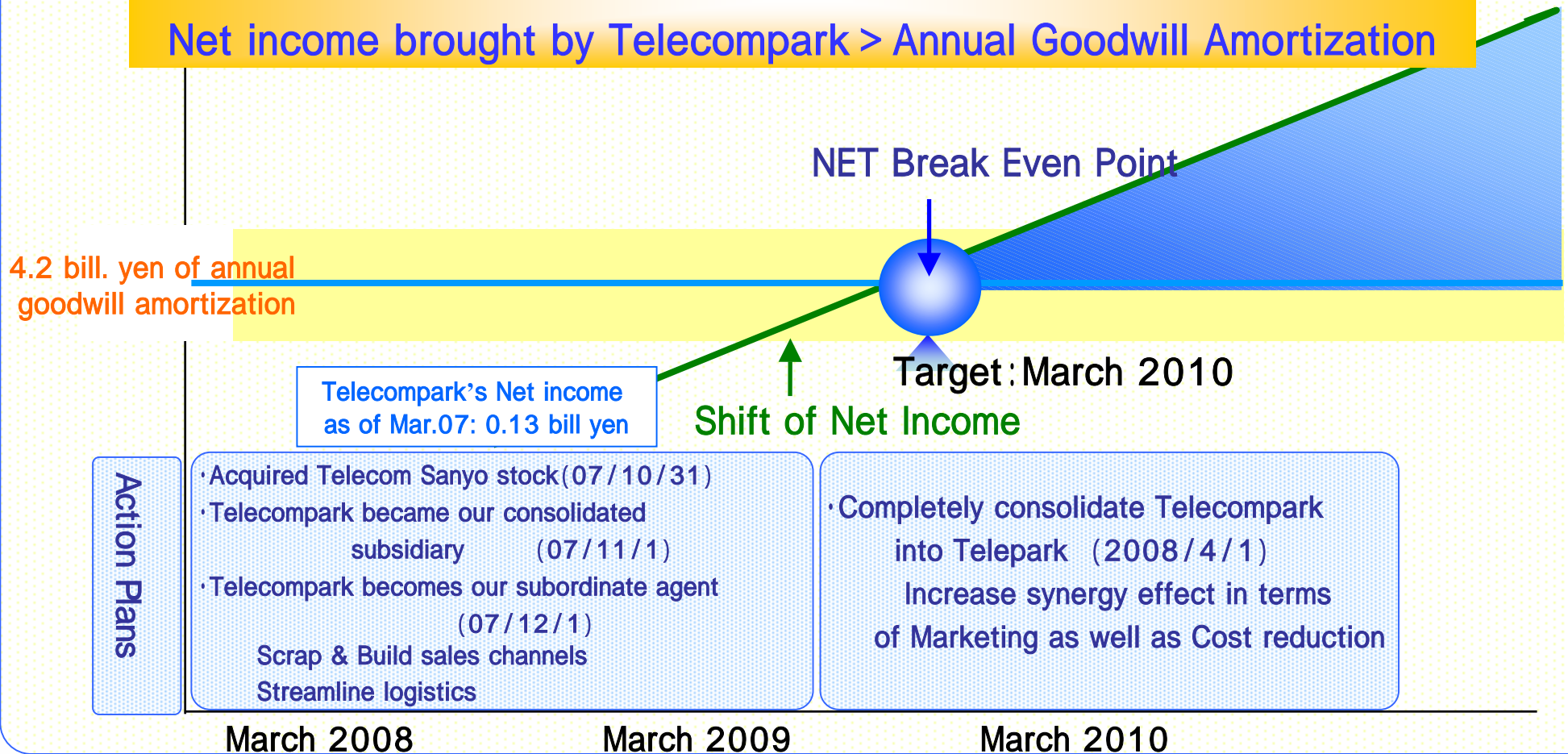
Increase volume & maker incentives

Increase stock commission

Reduction of expense (by streamlining logistics)

As of March 2010

Net income brought by Telecompark > Annual Goodwill Amortization



Action Plans

- Acquired Telecom Sanyo stock (07/10/31)
- Telecompark became our consolidated subsidiary (07/11/1)
- Telecompark becomes our subordinate agent (07/12/1)
- Scrap & Build sales channels
- Streamline logistics

- Completely consolidate Telecompark into Telepark (2008/4/1)
- Increase synergy effect in terms of Marketing as well as Cost reduction

March 2008

March 2009

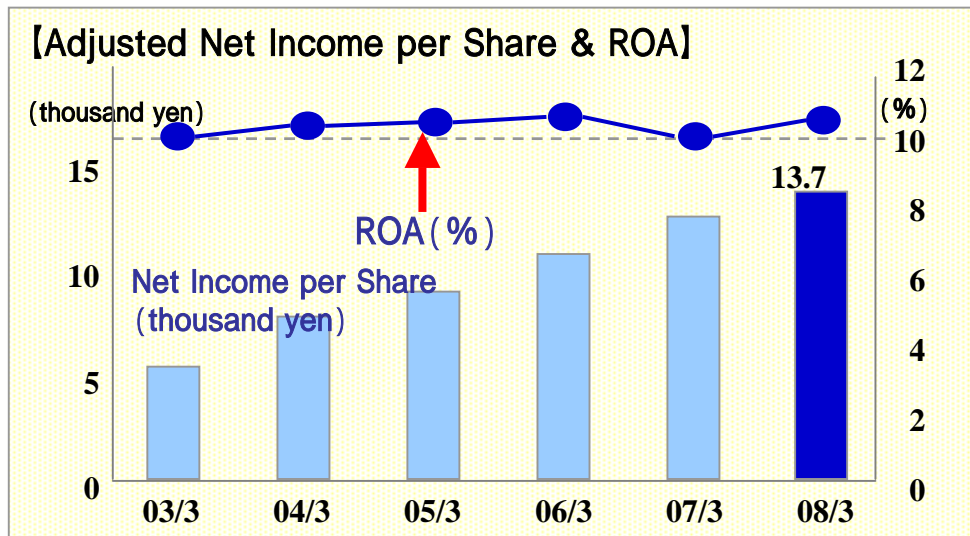
March 2010

Financial Strategy / Return to Shareholders & Future Telecommunication Market

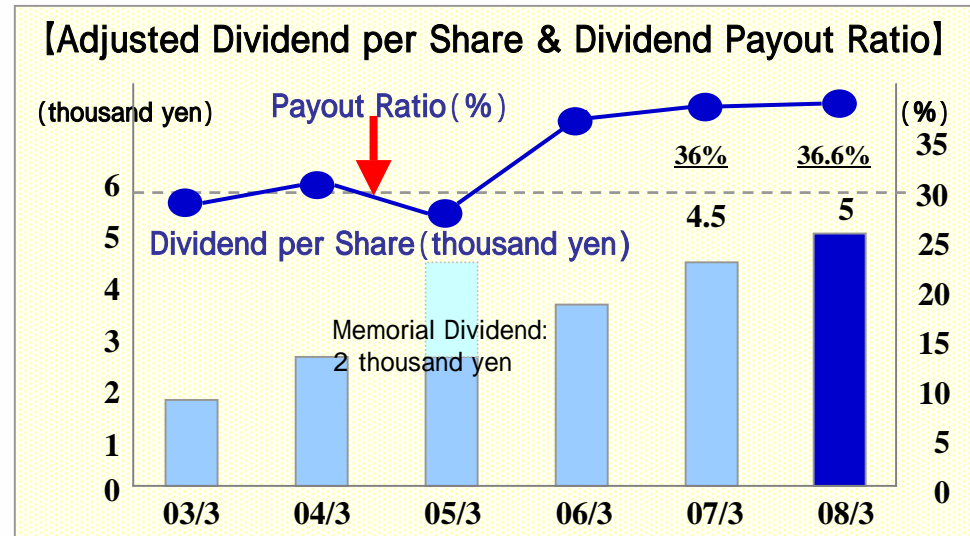
Financial Strategy & Dividend Policy

() Adjusted based on split-ups of stock implemented on 20 Jan 2006

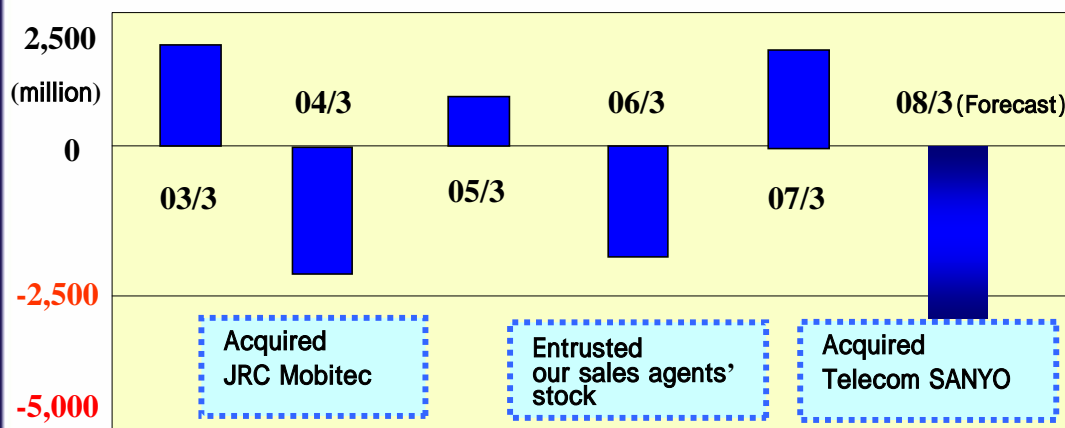
Increasing Net Sales while Securing Asset Efficiency:
 ROA over 10% Level Increasing Net Income per Share ()



Targeting Dividend Payout Ratio over 30% Level
 Dividend per Share () Continuously Increasing



FCF (Free Cash Flow) & Future Activities



Future Activities

- Return to shareholders considering "Total Rate of Returns"
 (Dividend increase / Share buyback, etc.)
- M&A
- New Business Investment

“Mobile Business Study Group”

: Committee organized by Ministry of Internal Affairs & Communications (MIC) to further activate mobile - phone market & mobile - phone business in Japan

(Held ten times from Jan. 22 to Sep. 20, 2007)

Matters related to “Sales Subsidies” in the Final Report

Roles played by sales subsidies

Positive aspects

- Enabled to offer high - end handsets to users at “lower price”
- Boosted demand for high - end handsets
- Contributed the expansion of mobile handset market

Amount of sales subsidies should be decided by mobile carriers based on their own mgmt. judgment

Suggested action plan for sales subsidies

The separation plan should be introduced to clearly separate communication fees from price of handset based on policy purpose of increasing the benefits of users

Future approach for “Mobile Business Activation Plan”

By the end of Mar. 08 : Clearly separate the subsidies into two portions related to communication fees & upfront fees

By the end of Mar. 09 : Partial introduction of the separation plan / Periodical verification of effectiveness of the plan

In 2010 : Overall review of the situation to make a final decision on a full - scale introduction

NTT DoCoMo Introduction of Installment Sales Method starting with 905 series on Nov. 26

Basic Course

Lower purchasing cost with sales subsidies of 15 thousand yen per unit

Service to bind users for twelve months with Penalty for midterm cancellation

Value Course

Separation Plan: Higher purchasing cost without sales subsidies

Discount for basic monthly charge

For example) S Sコース(current plan): 3,600 yen for basic monthly charge inc. communication fees of 1,000 yen

Future plan: 2,000 yen for monthly installment + 1,000 yen for basic monthly charge inc. communication fees of 1,000 yen

Service to bind users for twelve months with Penalty for midterm cancellation

au

Introduction of “Kaikata Select” plan on Nov. 12

Simple Plan

Higher purchasing cost without sales subsidies

No binding period

Discount for communication fees without discount for basic monthly charge

* Mainly intended for users who talk on a mobile more than 25 hours or less than 25 min. per month

Full Support Plan

Lower purchasing cost with sales subsidies of 20 thousand yen per unit

Service to bind users for a fixed period based on the term of agreement

Users can change their handset even in the binding period using points to be offered up to 3.5 times at a maximum for regular customers