

株式会社 テレパーク

Financial Results for FY ended March 2007

Mobile*Network

May 9, 2007



TELEPARK
Toward the Future

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FY ended March 2007** — P3-6

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This slide 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 Financial Results for FY ended March 2007

Financial Results & Business Performance

Achieved Increase in Both Net Sales & Income for Eight Consecutive Years

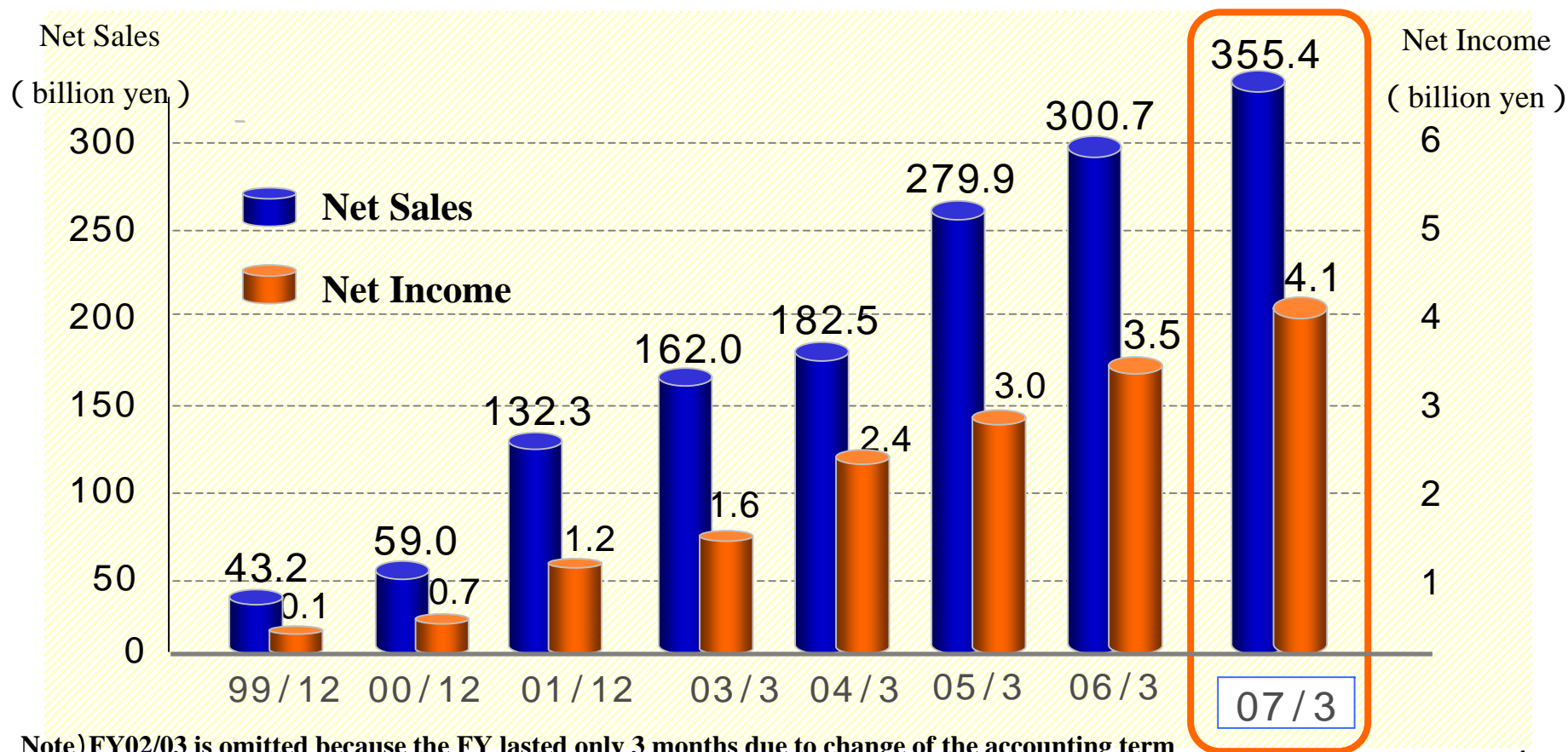
Net Sales and Income Increased in Mobile Business as well as Network Business

Posted Record Income with Two-digits Growth in both Businesses

Sold Historical High 3.63 Mil. Handsets Benefiting from MNP

Increased the Year-end Dividend by 500 yen due to Excellent Performance & Improved FCF

Full-year Dividend of 4,500 yen per share



Note) FY02/03 is omitted because the FY lasted only 3 months due to change of the accounting term

Outline of Business Performance for FY ended March 2007

Unit: Billion yen	06/3 Results	07/3 Results	Increase /Decrease	%
Net Sales	300.75	355.40	54.65	118%
Gross Margin	23.74	26.98	3.24	114%
SGA Expenses	17.46	19.67	2.21	113%
Operating Income	6.28	7.31	1.03	116%
Ordinary Income	6.31	7.33	1.02	116%
Net Income	3.55	4.12	0.57	116%
FCF	2.23	2.00	4.23	-
ROA(%)	10.6	10.0	0.6	94%
Net Income / share	10,704 yen	12,507 yen	1,803 yen	117%
-	(Payout Ratio: 35.0%)	(Payout Ratio: 36.0%)		
Dividend / share	3,750 yen	4,500 yen	750 yen	120%

- Adjusted based on split-ups of stock implemented on 20 January 2006

Financial Results by Business Segment

Good Results in Both Mobile & Network Businesses

Mobile Business

Achieved Sales of 3.63 Mil. Handsets, the Highest ever, and Increased Market Share from 7.1% to 7.4% through Expansion of Sales Channels

Market Boosted by New Models with Introduction of MNP: Demand in 2H Increased by 11%

Billion yen	2006/3 Results	2007/3 Results	Year on Year	
			Difference	%
Net Sales	287.06	336.54	49.48	117
Operating Income	4.15	4.84	0.69	117

Network and Other Businesses

Further Focused on FTTH and Gross Margin Increased by 12.8% YoY in Rapidly Expanding Mkt Settlement Business : Sharp Growth in PIN (Personal Identification Number) related Business

Billion yen	2006/3 Results	2007/3 Results	Year on Year	
			Difference	%
Net Sales	13.69	18.86	5.17	138
Operating Income	2.14	2.47	0.33	116

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

Maximizing Corporate Value

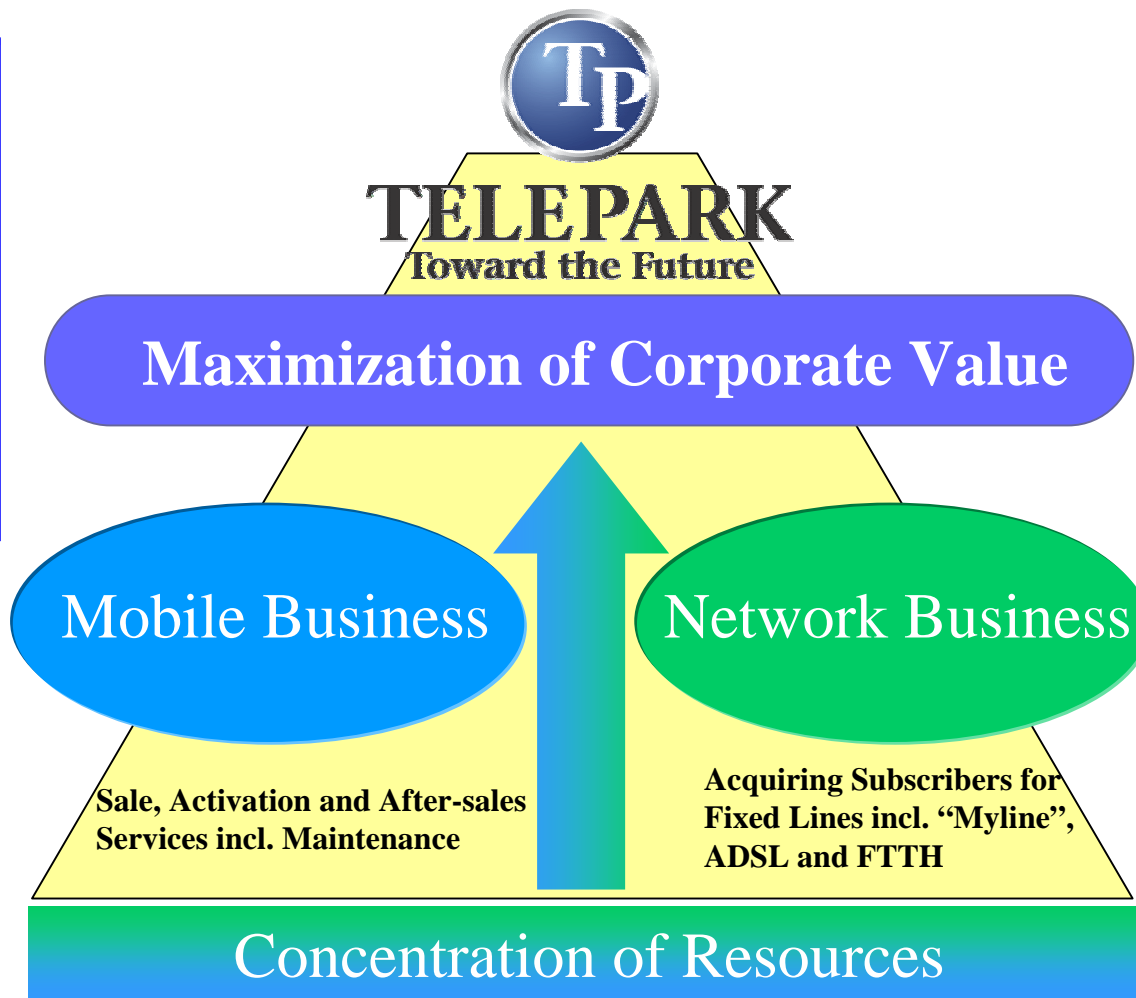
by Concentrating Resources on Mobile / Network and Related Businesses

Business Environment

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

Resources

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

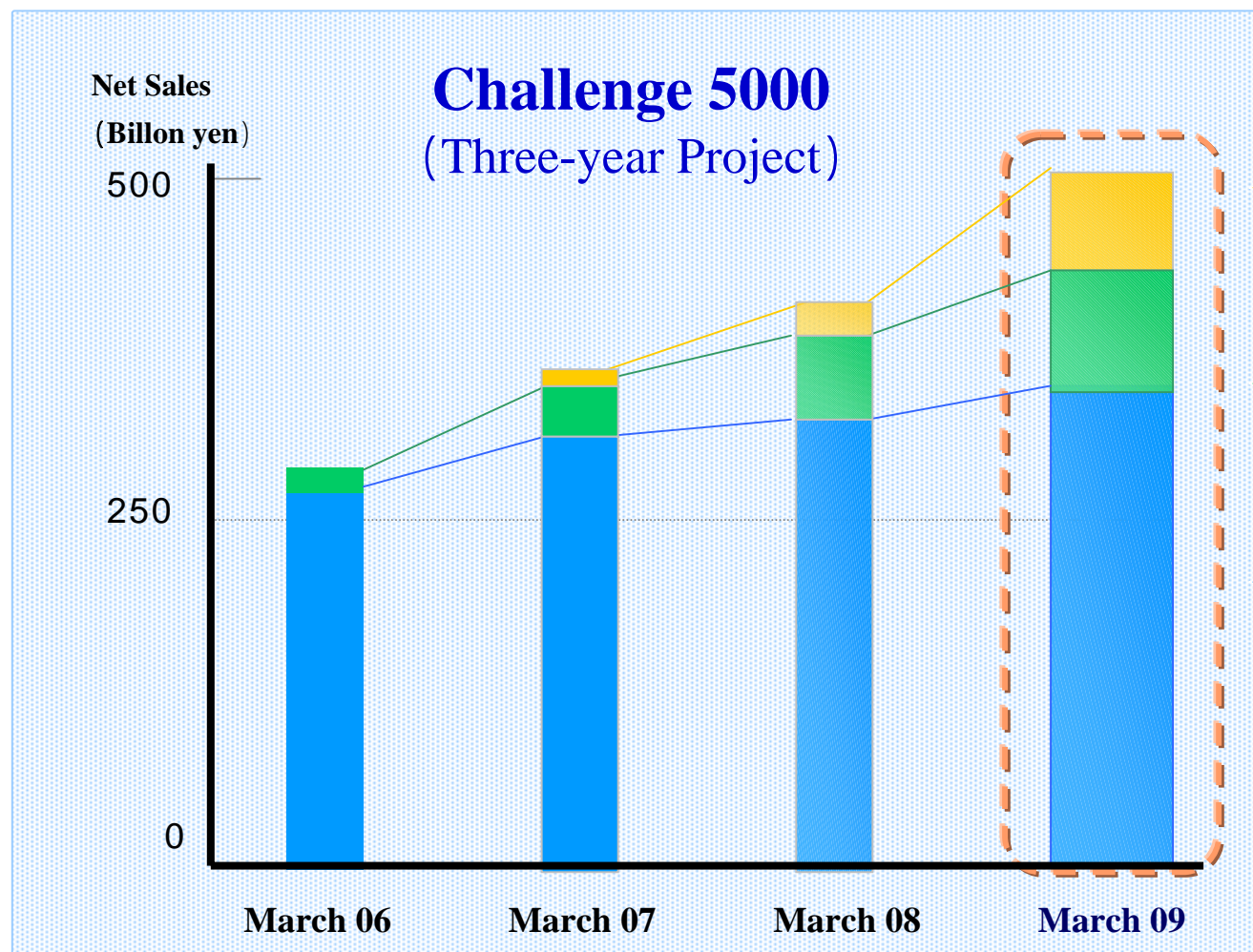


Mid-term Business Plan “Challenge 5000”

[Targets for the Fiscal Year ending March 2009]

Net Sales : 500 billion yen incl. Mobile, Network and New Businesses

Mobile Market Share: More than 10%, Sale of Five Million Handsets



KEY POINTS

New Business

Settlement Business

Network

FTTH

Mobile

M&A

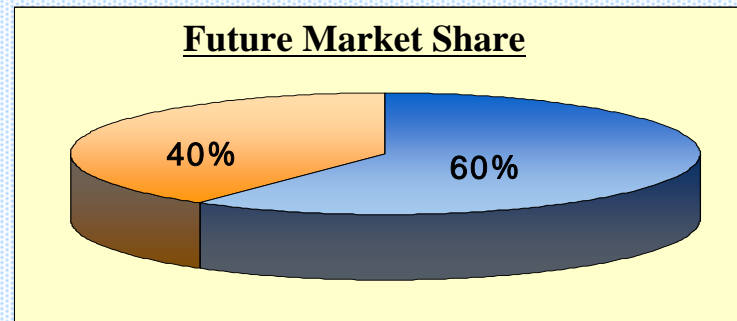
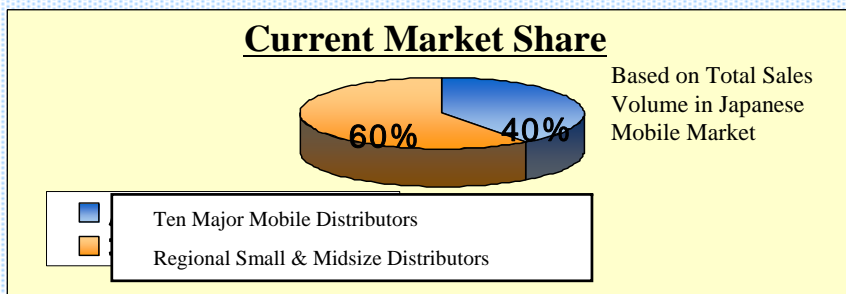
Business Alliance

Volume Retailer

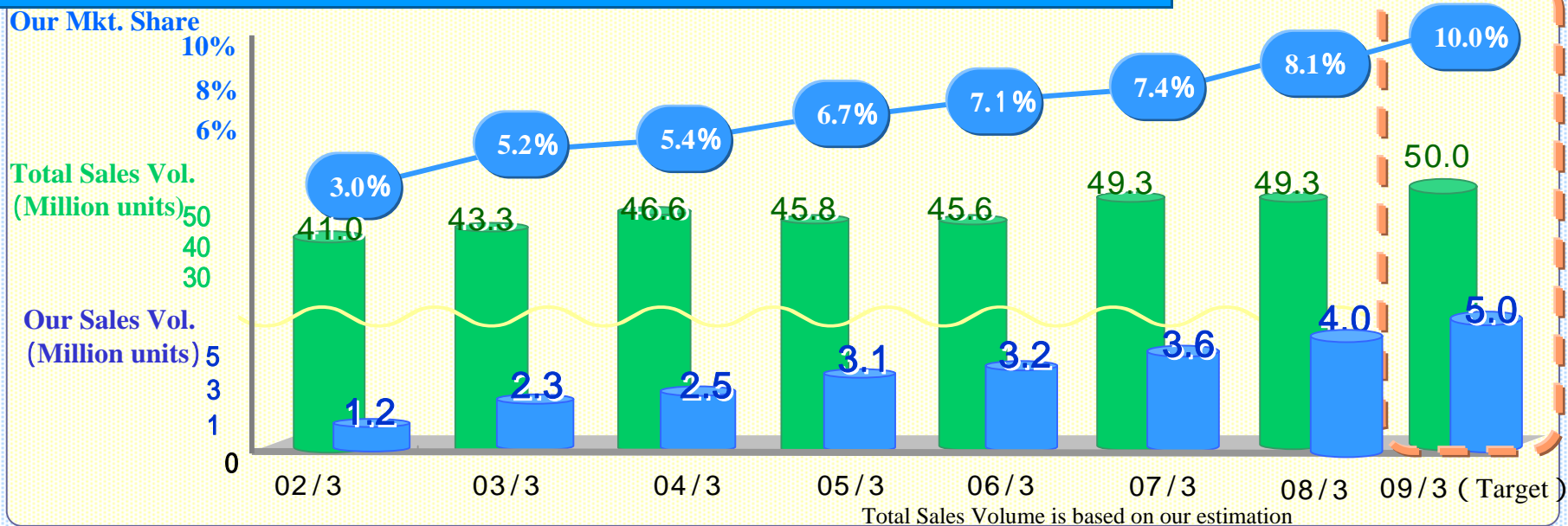
Sales for
Corporate Clients

Challenge 5000: Increase Sale of Handsets from 3.6 to 5 Million

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



Market Demand and Telepark's Sales Volume / Market Share



Mobile Action Plans for the Year

1. Market Environment & Sales Target

- Calm Response of Mobile Users & Carriers to the Introduction of MNP
- Market Activation by New Attractive Models



Further Positive Effect of MNP is Expected for FY ending March 2008

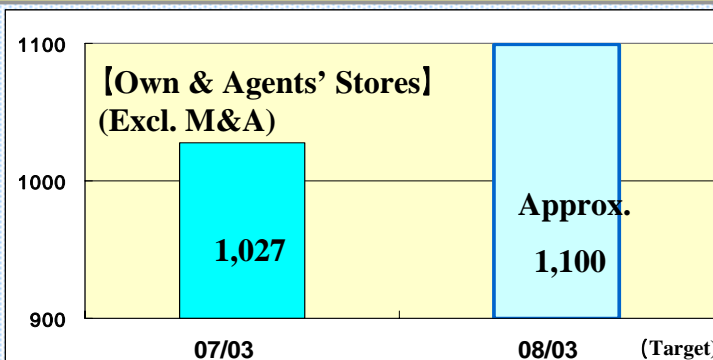
【Sales Target】

	Mar. 2007	Mar. 2008	Increase (%)
Sales Vol. (Mil.)	3.6	4	110.2
Market Share (%)	7.4	8.1	0.7
Market Demand (Mil.)	49	49	100.0

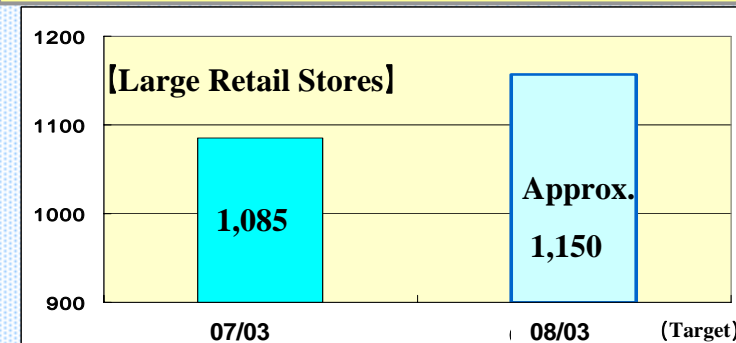
2. Concrete Action Plans

Expansion of Sales Channels

- Through M&A & Business Alliance



Expansion of Business with Large Retail Stores



Strengthening of Corporate Sales

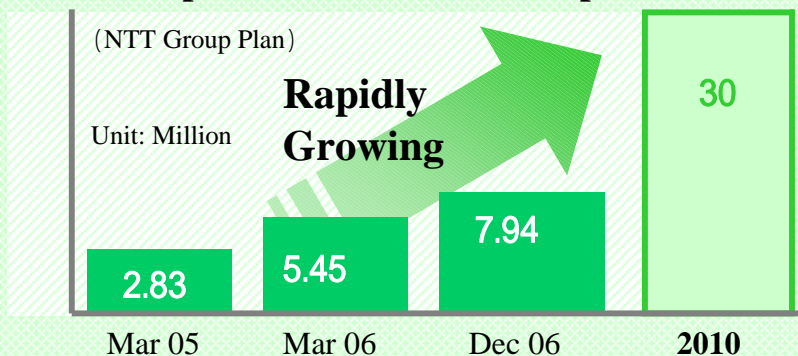
- June 2006: Established Corporate Sales Dept. consists of 60 staffs
- FY ended Mar. 2007: Corporate Sales Volume Increased by 53.5% on Year-on-year

1. Business Strategy

Business Expansion in FTTH Market

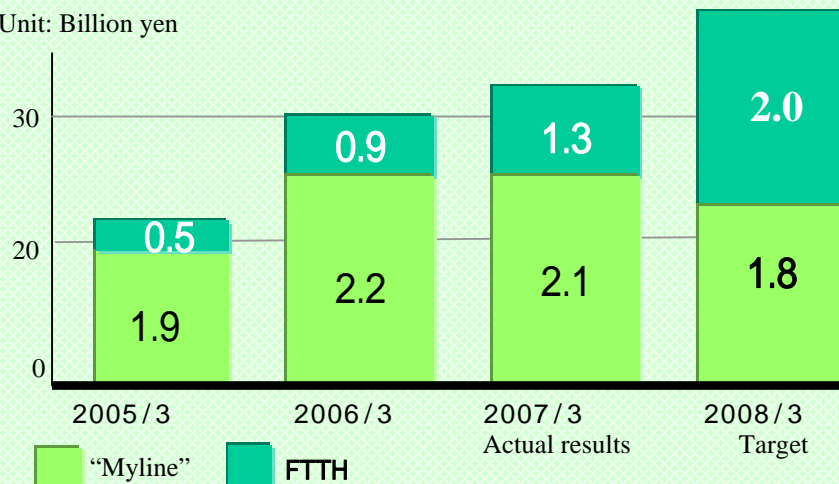
[Market Environment]

Expected Subscribers for Optical Fiber



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

Continuing Traditional “Myline” Business

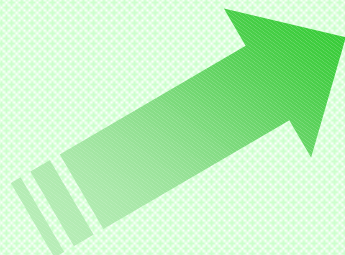
- Profit Contribution with Stable Income

**Business Expansion
Profit Increase**

Further Development of Settlement Business

Main New Business

Development of Settlement Business



Existing Business

Prepaid Mobile Phones ·
Prepaid Mobile Cards

Sold at 20 Thousand
Convenience Stores

New Development

(For Overseas Call, E-Money · 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-related services

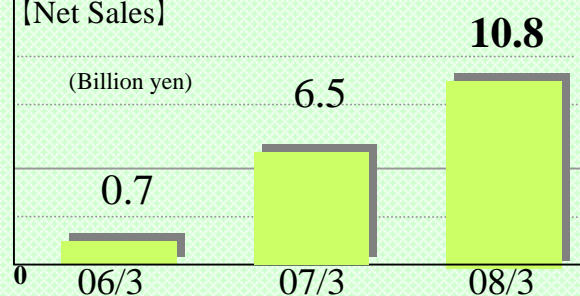
Sale of iTunes Card for Music Distribution Sites**

Sale of Settlement Card for Leading Online Shopping Site

Rapid Growth

[Net Sales]

(Billion yen)



**iTunes is a registered Trademark of Apple Inc. in USA and other countries.

**Forecast of Financial Results for
FY ending March 2008**

Forecasts for FY ending March 2008

Increase in Both Net Sales & Income for Nine Consecutive Years

Planned Full-year Dividend : 5,000 yen per share (Dividend Payout Ratio: 36.6%)

Unit: Billion yen	07/3 Results	08/3 Forecasts	Difference	%
Net Sales	355.40	390.00	34.60	110%
Gross Margin	26.98	29.00	2.02	107%
SGA Expenses	19.67	21.20	1.53	108%
Operating Income	7.31	7.80	0.49	107%
Ordinary Income	7.33	7.80	0.47	106%
Net Income	4.12	4.50	0.38	109%
FCF	2.0	3.47	14.7	174%
ROA(%)	10.0	10.4	0.4	104%
Net Income / share	12,507 yen	13,666 yen	1,159 yen	112%
Dividend / share	(Payout Ratio: 36.0%) 4,500 yen	(Payout Ratio: 36.6%) 5,000 yen	500 yen	111%

Forecasts for FY ending March 2008 by Business Segment

Mobile

Increase of Operating Income by 3% Year-on-Year due to:

- Continued Strong Market Demand due to Continuing MNP Effect
- Increase of Mobile Market Share
- Increase of Stock Commission is Expected based on Sales Volume in the Previous FY

Billion yen	07/3 Results	08/3 Forecasts	Difference	%
Net Sales	336.54	365.0	28.46	108
Operating Income	4.84	5.0	0.16	103

Network and Others

**13% Increase of Operating Income is Expected due to FTTH Business Expansion.
Further Profit Contribution by Settlement Business.**

Billion yen	07/3 Results	08/3 Forecasts	Difference	%
Net Sales	18.86	25.0	6.14	133
Operating Income	2.47	2.8	0.33	113

Financial Strategy and Return to Shareholders

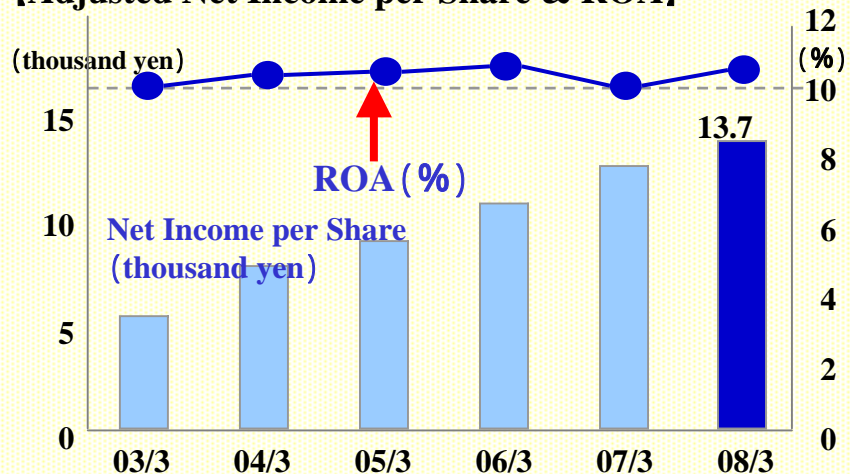
Financial Strategy & Dividend Policy

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

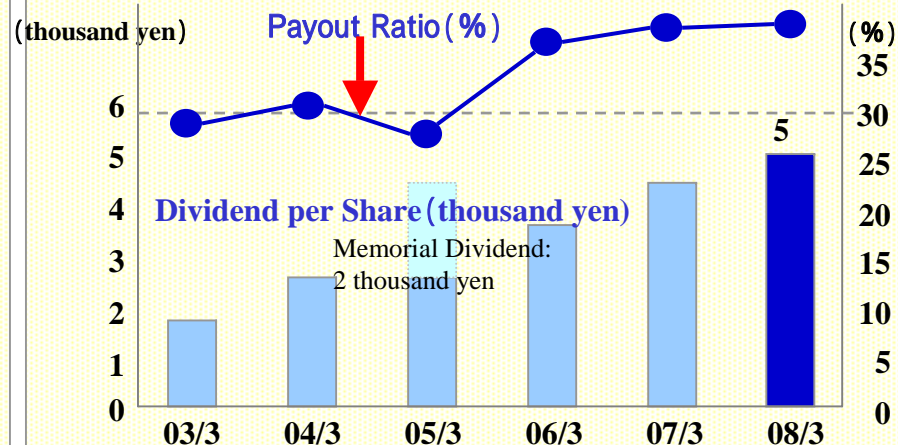
Increasing Net Sales while Securing Asset Efficiency:
ROA over 10% Level **Increasing Net Income per Share ()**

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

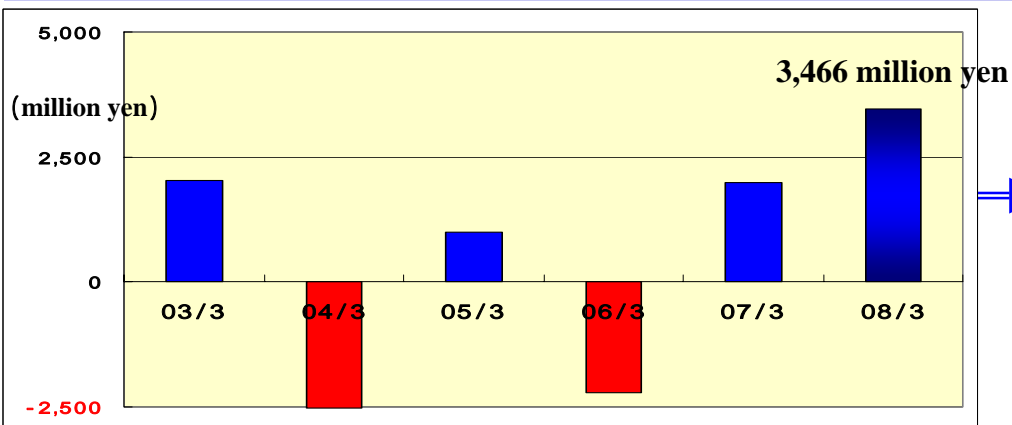
[Adjusted Net Income per Share & ROA]



[Adjusted Dividend per Share & Dividend Payout Ratio]



Improvement of FCF & Future Activities

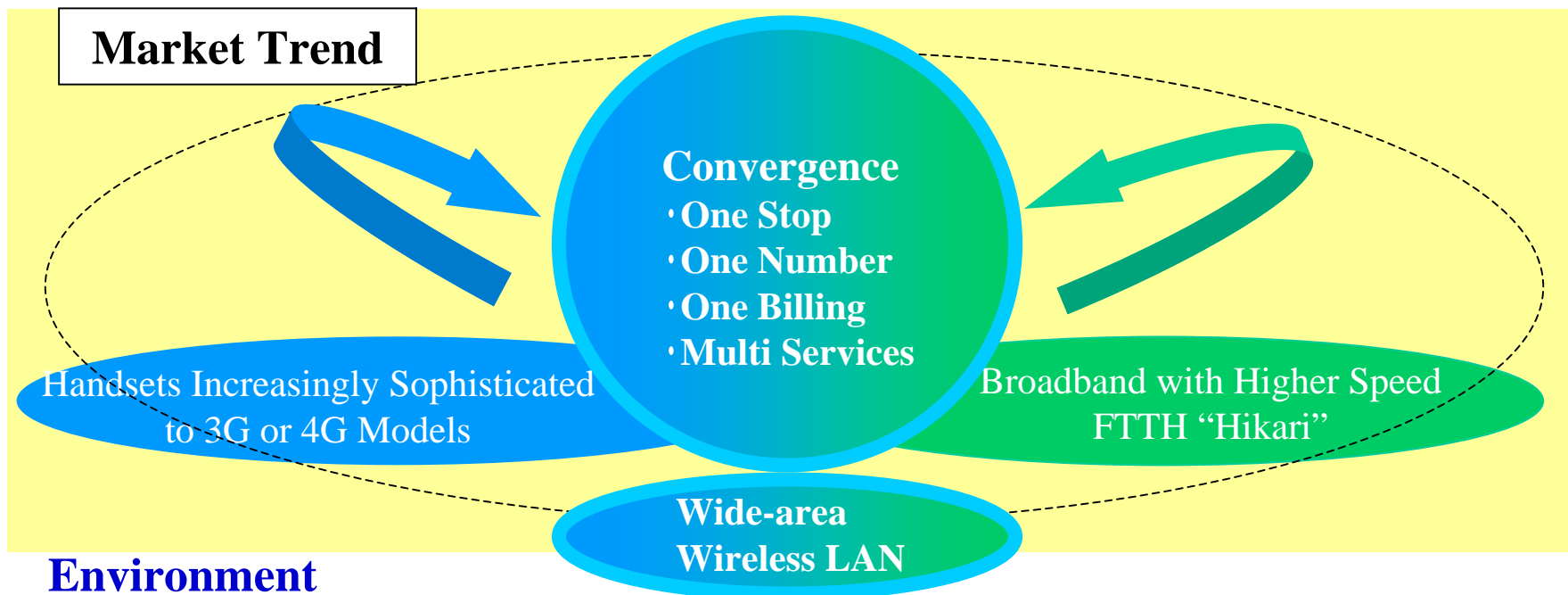


Future Activities

- Return to Shareholders
(Dividend Increase / Share Buyback, etc.)
- M&A / New Business Investment

Future Telecommunication Market

FMC Further Intensifies Competition among Telecom Carriers



**Environment
surrounding Telepark**

**New Business Model Resulted
from Fiercer Competition**



Telepark's Advantages

- Business Relationship with All Major Telecom Carriers
- Diversified Sales Channels & Dominant Position in Both Network & Mobile Phone Businesses