

FINANCIAL RESULTS

【First Quarter Financial Statements】

- Fiscal Year Ending March 31, 2013 -

1. Balance Sheets

(¥ in millions)

	Prior Year End (As of March 31, 2012)	Current 1st-qr End (As of June 30, 2012)
(ASSETS)		
I Current assets		
1 Cash and deposits	40,066	37,524
2 Accounts receivable-trade	36,595	34,311
3 Merchandise	4,415	4,192
4 Accounts receivable-other	32,163	35,136
5 Income taxes receivable	3	3
6 Other current assets	12,389	11,669
7 Allowance for bad debt	(3,457)	(3,637)
Total current assets	122,173	119,197
II Fixed assets		
1 Tangible fixed assets		
(1) Wireless telecommunications equipments	115,533	116,580
(2) Others, net	32,687	31,351
Total tangible fixed assets	148,220	147,931
2 Intangible fixed assets	40,504	37,555
3 Investments and other assets		
(1) Investments and others	40,470	40,547
(2) Allowance for bad debt	(174)	(193)
Total investments and other assets	40,296	40,354
Total fixed assets	229,020	225,839
III Deferred assets		
1 Bond issuance cost	1,119	1,059
Total deferred assets	1,119	1,059
TOTAL ASSETS	352,312	346,096

1. Balance Sheets (Continued)

(¥ in millions)

	Prior Year End (As of March 31, 2012)	Current 1st-qr End (As of June 30, 2012)
(LIABILITIES)		
I Current liabilities		
1 Accounts payable-trade	5,593	4,519
2 Current maturities of bonds	1,580	1,055
3 Current portion of long-term debt	29,099	30,443
4 Other accounts payable	26,880	24,960
5 Accrued expenses	5,947	7,031
6 Income tax payable	121	104
7 Other current liabilities	15,889	17,129
Total current liabilities	85,109	85,240
II Long-term liabilities		
1 Bonds, less current maturities	67,502	64,071
2 Long-term debt, less current portion	105,676	99,585
3 Other long-term liabilities	7,654	10,557
Total long-term liabilities	180,832	174,213
TOTAL LIABILITIES	265,941	259,453
(NET ASSETS)		
I Shareholders' equity		
1 Capital stock	18,503	18,503
2 Capital surplus	49,251	49,251
3 Retained earnings	17,524	18,258
Total shareholders' equity	85,277	86,011
II Valuation and translation adjustments		
1 Valuation adjustment on securities investments	35	29
2 Deferred hedge gain / (loss)	1,059	603
Total valuation and translation adjustments	1,094	632
TOTAL NET ASSETS	86,371	86,643
TOTAL LIABILITIES AND NET ASSETS	352,312	346,096

2. Statement of Operations

(¥ in millions)

	Prior 1st-qr (Three months ended June 30, 2011)	Current 1st-qr (Three months ended June 30, 2012)
I Revenue	47,605	54,421
II Cost of revenue	19,187	21,449
Gross profit	28,418	32,971
III Selling, general and administrative expenses	21,929	28,819
Operating profit	6,489	4,153
IV Non-operating income		
1 Interest income	1	62
2 Dividend income	-	1
3 Gain on bad debts recovered	0	26
4 Others	19	14
Total non-operating income	20	103
V Non-operating expenses		
1 Interest expense	2,623	2,354
2 Others	670	514
Total non-operating expenses	3,293	2,868
Recurring profit	3,217	1,388
VI Non-recurring profit		
1 Gain on sales of fixed assets	4	-
2 Reserve fund against loss on retirement of fixed assets	-	368
3 Others	-	91
Total non-recurring profit	4	459
VII Non-recurring loss		
1 Loss on disposition of fixed assets	53	433
Total non-recurring loss	53	433
Income before income taxes	3,167	1,414
Income / (Loss) tax expense-current	2	1
Income / (Loss) tax expense-deferred	-	(60)
Total income taxes	2	(59)
Net income	3,166	1,473

3. Statement of Cash Flows

(¥ in millions)

	Prior 1st-qt (Three months ended June 30, 2011)	Current 1st-qt (Three months ended June 30, 2012)
I Cash flows from operating activities		
1 Income before income taxes	3,167	1,414
2 Depreciation	9,244	9,506
3 Loss (gain) on sales of fixed assets	(4)	-
4 Loss on disposition of fixed assets	53	433
5 Amortization of bond issuance cost	60	60
6 Reserve fund income against loss on retirement of fixed assets	-	(368)
7 Other loss (gain)	(5)	(87)
8 Increase (decrease) in allowance for bad debt	(539)	200
9 Increase (decrease) in allowance for disaster loss	(14)	-
10 Interest and dividend income	(1)	(63)
11 Interest expense	2,623	2,354
12 Commission expense	593	450
13 Decrease (increase) in accounts receivable-trade	3,196	2,284
14 Decrease (increase) in inventories	(484)	214
15 Decrease (increase) in accounts receivable-other	1,198	(2,002)
16 Decrease (increase) in other assets	22	(265)
17 Increase (decrease) in accounts payable-trade	(545)	(1,074)
18 Increase (decrease) in other accounts payable	(1,177)	(2,347)
19 Increase (decrease) in accrued expenses	(2,635)	167
20 Increase (decrease) in other liabilities	(556)	18
Subtotal	14,197	10,892
21 Interest and dividend received	0	63
22 Interest paid	(1,954)	(1,698)
23 Income taxes paid	(24)	(12)
24 Income taxes refund	239	-
Net cash provided by (used in) operating activities	12,458	9,245
II Cash flows from investing activities		
1 Proceeds from time deposits at maturity	2,500	-
2 Decrease (increase) in restricted deposit	(471)	-
3 Purchase of tangible fixed assets	(10,572)	(5,461)
4 Proceeds from sales of tangible fixed assets	15	-
5 Purchase of intangible fixed assets	(1,719)	(1,371)
6 Others	(13)	(10)
Net cash provided by (used in) investing activities	(10,260)	(6,842)
III Cash flows from financing activities		
1 Repayments of capital lease obligations	(226)	(65)
2 Proceeds from sales and redemption by installment payment	3,445	5,548
3 Repayments of installment obligations	(4,199)	(4,103)
4 Proceeds from long-term debt	3,404	1,874
5 Repayments of long-term debt	(61,886)	(6,622)
6 Payments for arrangement of interest bearing debt	(1,484)	(355)
7 Proceeds from issuance of bonds	55,997	-
8 Redemption of bonds	(3,495)	(525)
9 Proceeds from stock issuance, net	41	-
10 Dividends paid	(716)	(692)
Net cash provided by (used in) financing activities	(9,119)	(4,940)
IV Effect of exchange rate change on cash and cash equivalents	-	(5)
V Net change in cash and cash equivalents	(6,921)	(2,543)
VI Cash and cash equivalents at the beginning of the period	43,397	38,412
VII Cash and cash equivalents at the end of the period	36,477	35,869