

FY2012 3Q (25th Period)
Earnings Results
(April 1st,2011 – December 31th,2011)

February 14th, 2012
HIKARI TSUSHIN,INC.
9435

Consolidated Financial Results Overview

(April 1st, 2011 – December 31th, 2011)

FY2012 3Q Highlights

Consolidated Trends

Net Sale ¥368.8bn (¥44.6bn YOYgrowth)
OP ¥11.4bn (¥13.1bn YOYgrowth)

SHOP

Net Sale ¥225.5bn (¥41.4bn YOYgrowth)
OP ¥6.0bn (¥0.29bn YOY growth)

Corporate

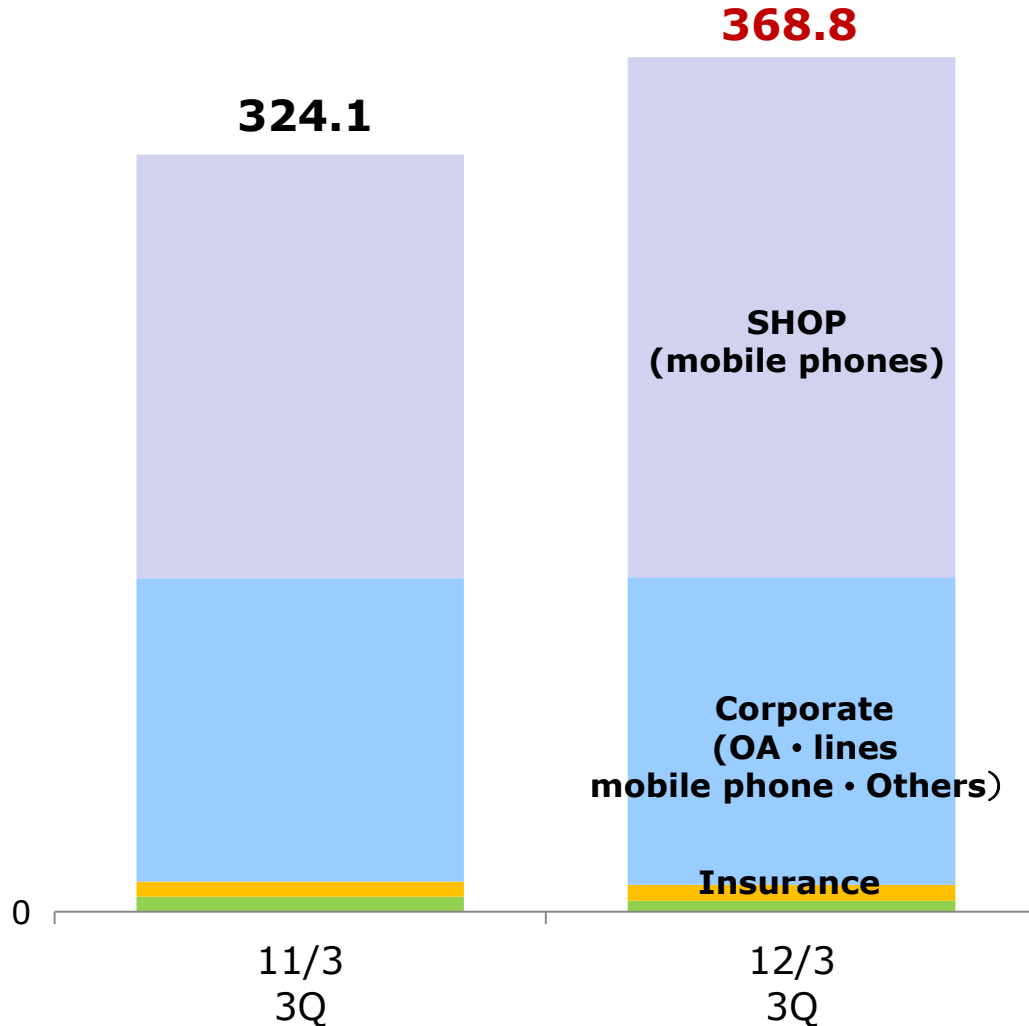
Net Sale ¥133.9bn (¥2.2bn YOYgrowth)
OP ¥7.2bn (¥13.4bn YOYgrowth)

Consolidated financial results

(¥ in billions)	11/3 3Q reported	12/3 3Q reported	Increment	YOY
Net Sales	324.1	368.8	+44.6	113.8%
Gross Profits	147.7	161.6	+13.9	109.4%
Operating Income	▲1.6	11.4	+13.1	—
Ordinary Income	▲2.2	10.7	+13.0	—
Net Income	▲1.2	4.7	+5.9	—

Consolidate net sales

(¥ in billions)

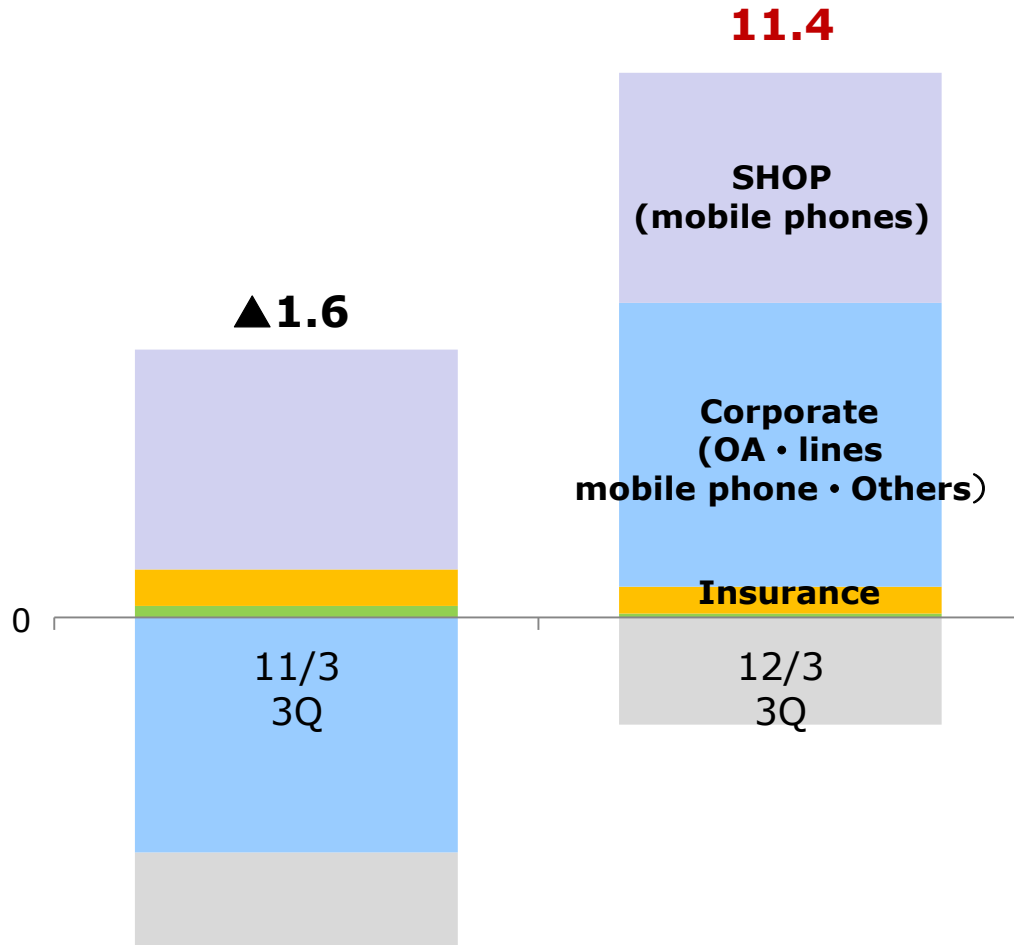


**Significant
improvement in
SHOP.**

Up 14% YOY

Consolidated operating income

(¥ in billions)

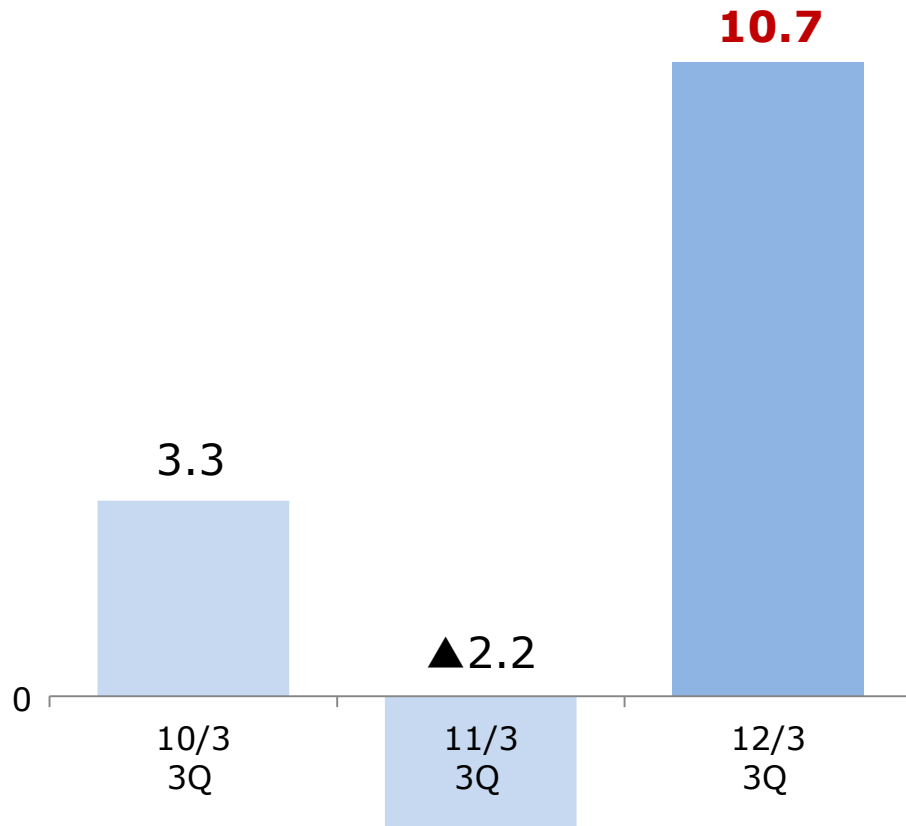


Strong growth earnings.

Cosolidated income

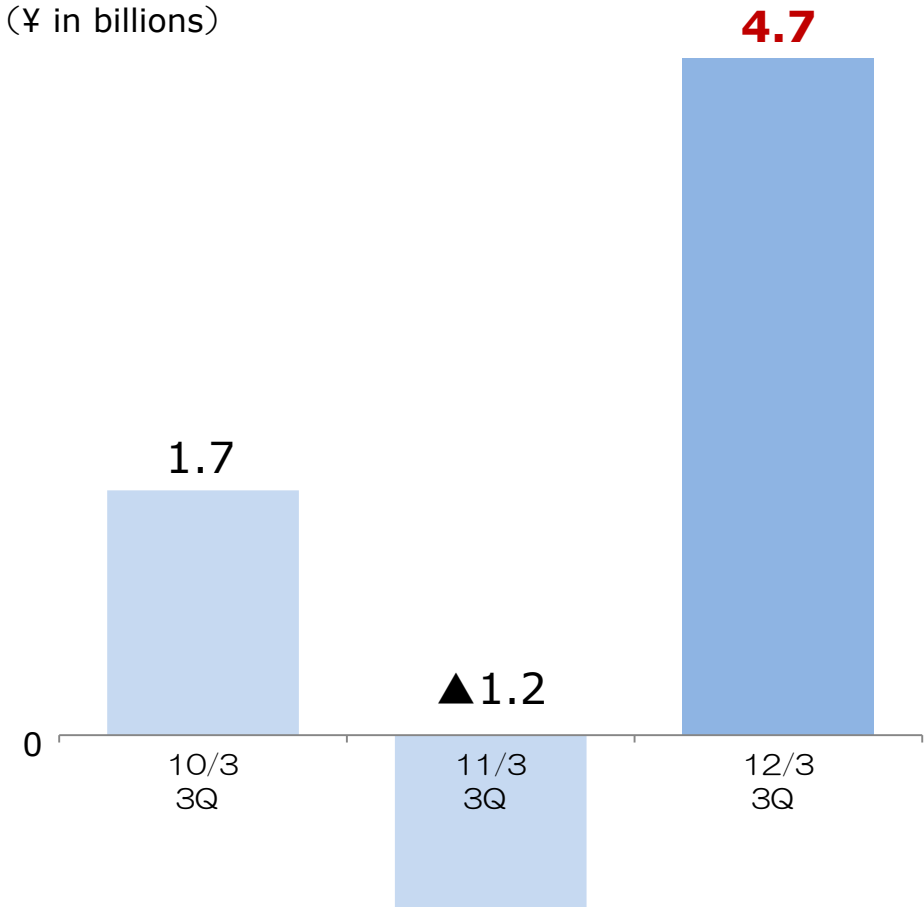
Ordinary income

(¥ in billions)



Net income

(¥ in billions)



Consolidated cash flow

(¥ in billions)

11/3 3Q
reported

12/3 2Q
reported

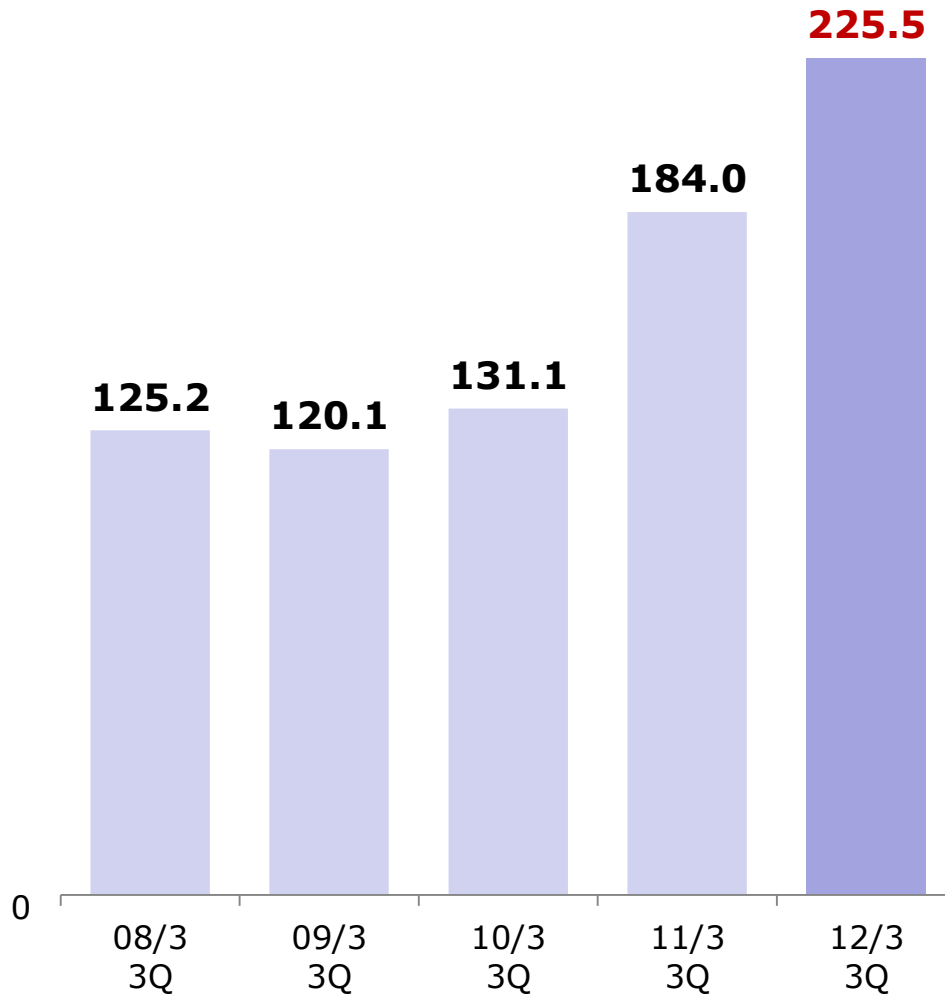
Increment

Operating CF	▲8.4	17.7	+26.2
Investing CF	▲4.4	▲ 3.0	+1.4
Financing CF	8.2	▲ 12.0	▲ 20.2
Cash and cash equivalents	14.8	18.0	+3.2

SHOP Business Overview

Consolidated net sale in SHOP

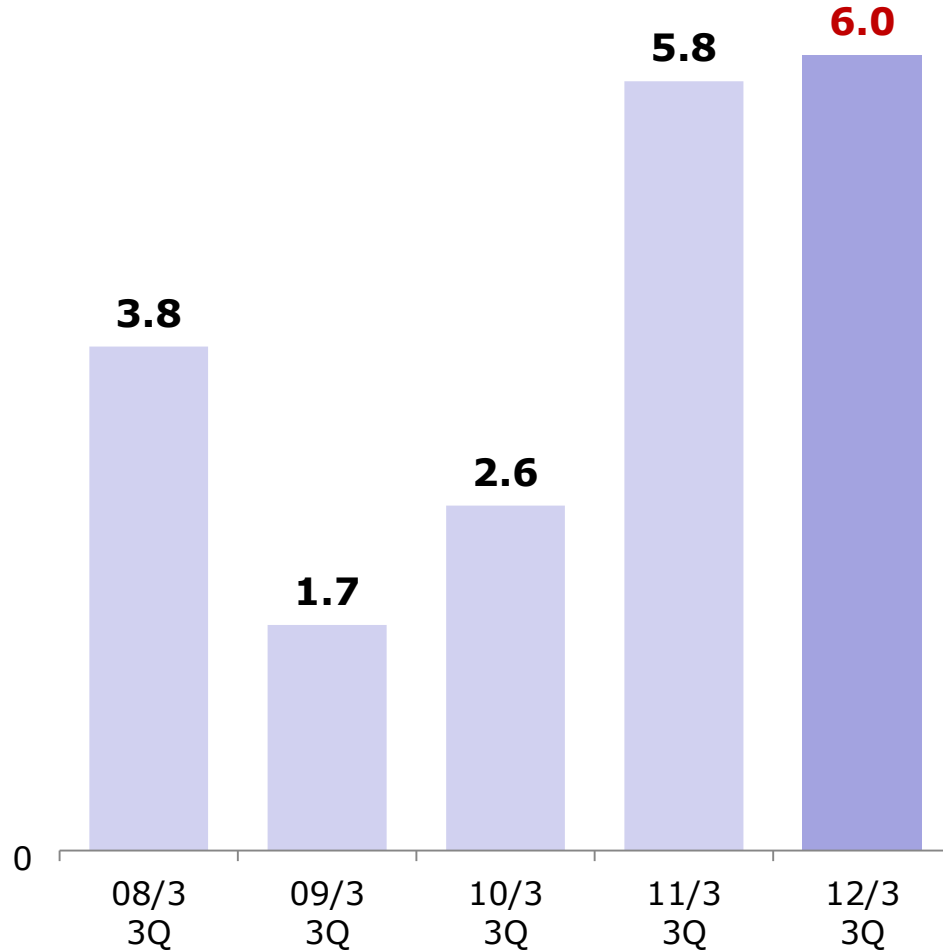
(¥ in billions)



Significant smartphones sales improvement.

Consolidated operating income in SHOP

(¥ in billions)

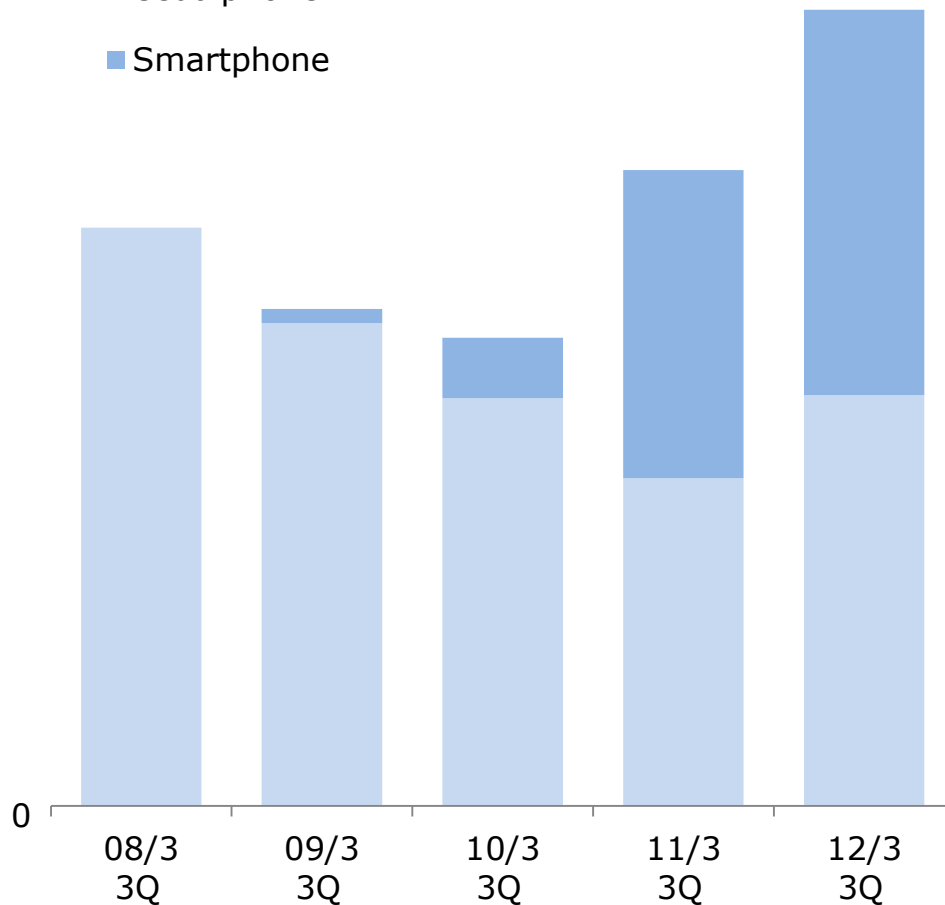


**Subscribers
additions with
strong
smartphone sale.**

Sales units of mobile phones

(Units)

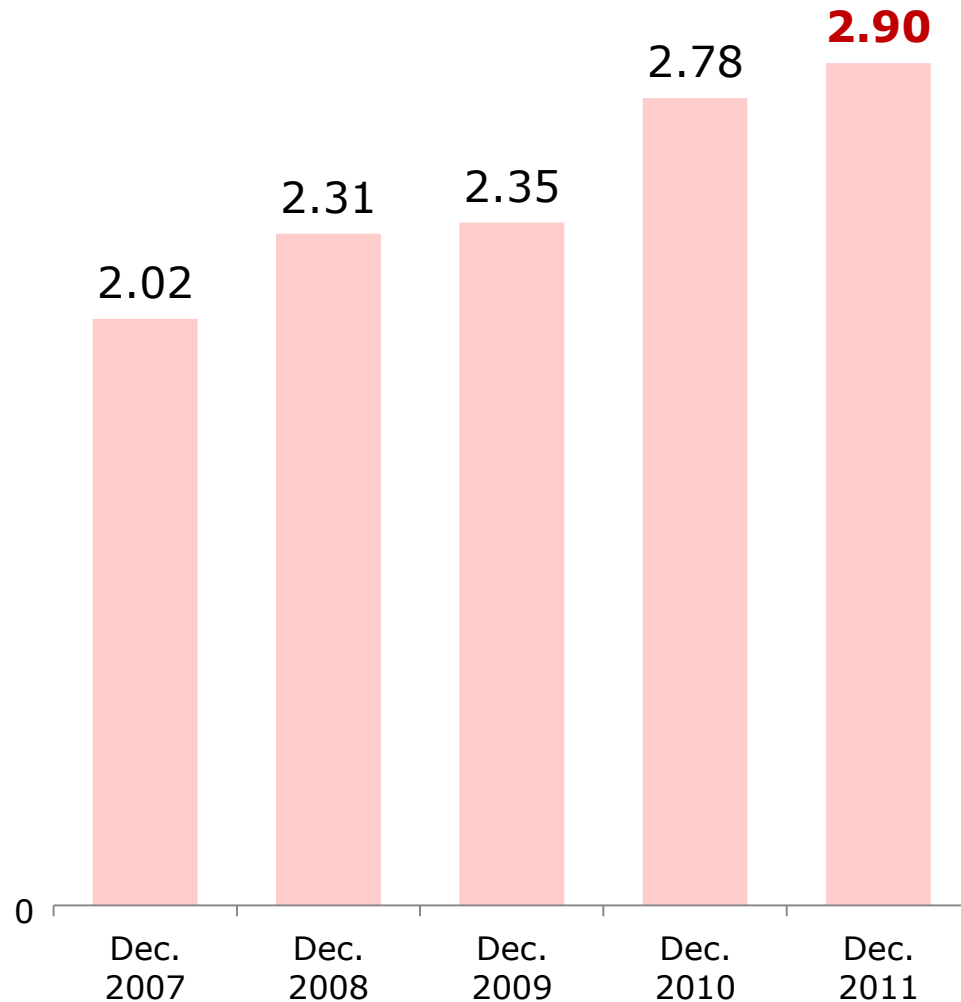
- Usualphone
- Smartphone



**Continued
Strength in
smartphone sales.**

Number of owned mobile phones

(mil units)



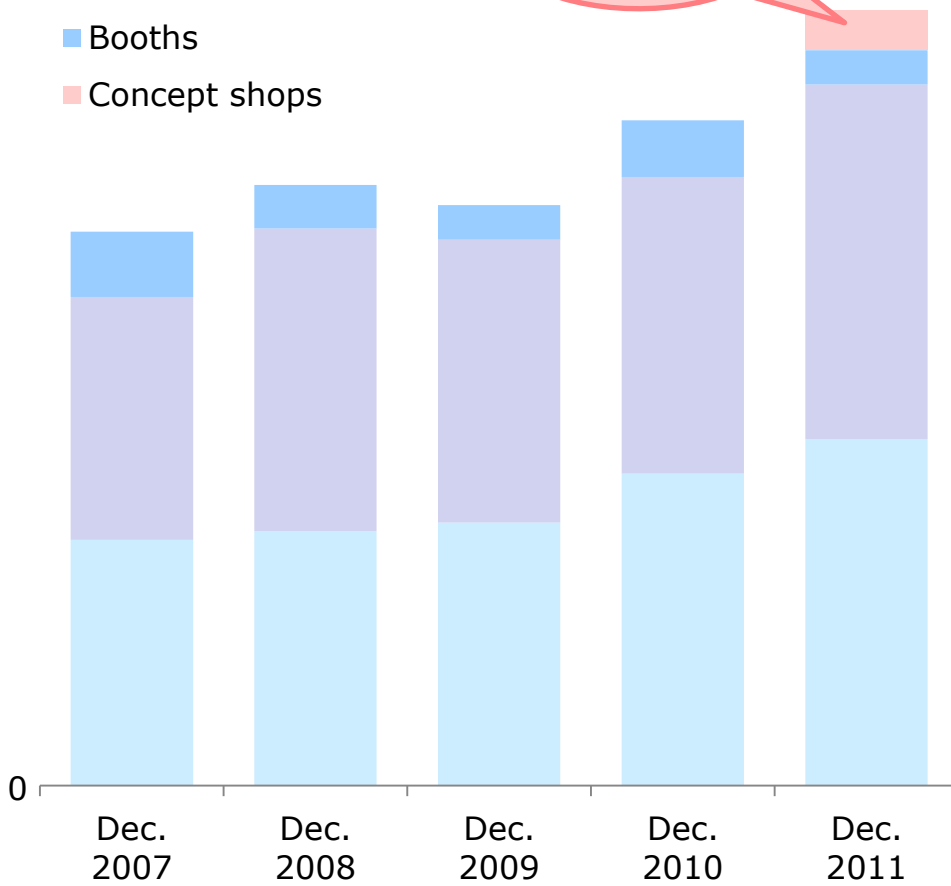
**Solid
improvement**

Number of shops

(# of Shops)

- Carrier shops
- Combine shops
- Booths
- Concept shops

Consider expansion of own concept shops



Tie up with outside industries, Sales of mobile phones, smartphones, and mobile applications.



Home centers



School instrccutions



Music Shops (In-Shops)



Discount stores (In-Shops)

Measures for smartphone sales

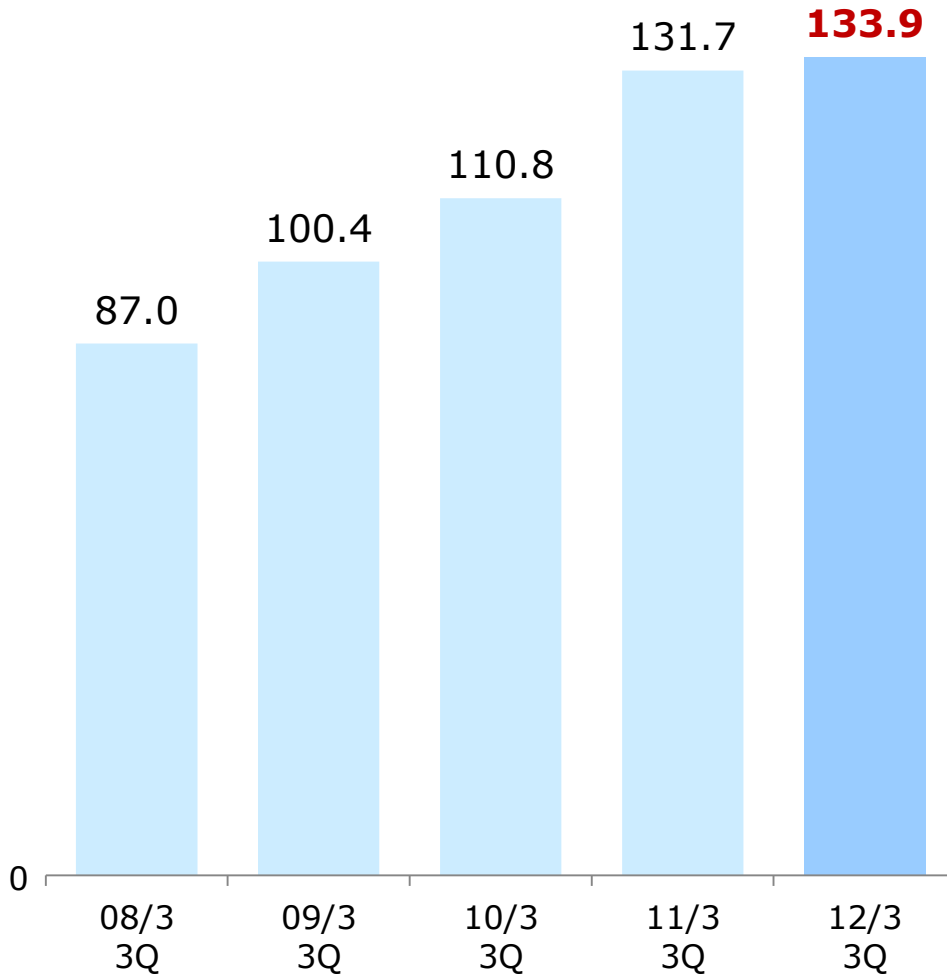


**Concierge service
competition
for sales staffs
to improve service
quality.**

Corporate Business Overview

Consolidated net sale in Corporate

(¥ in billions)

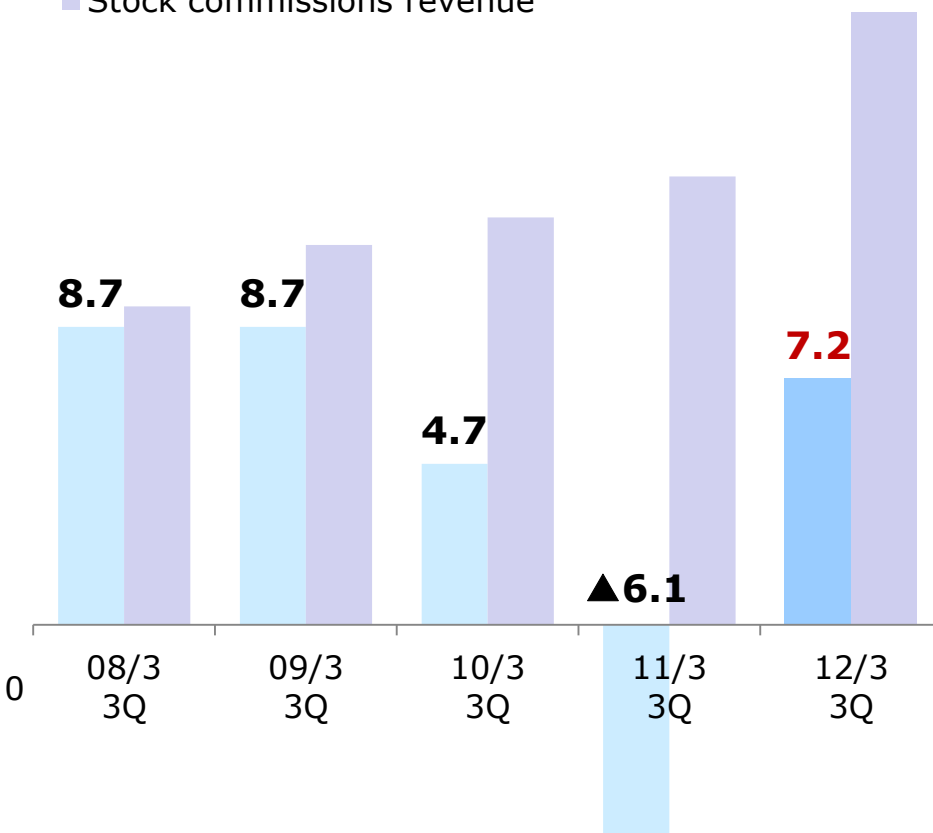


Selection and concentration by improving productivity.

Consolidated operating income in Corporate

(¥ in billions)

- Operating income
- Stock commissions revenue

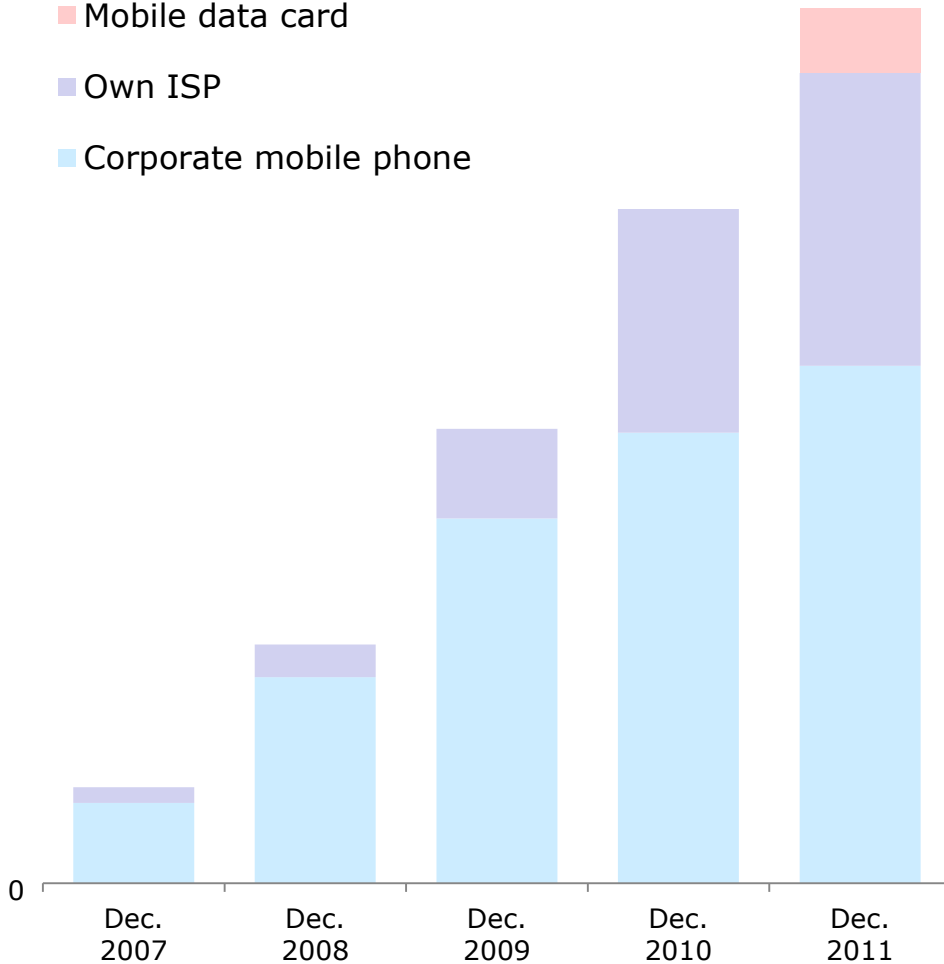


**Earnings growth
by accumulating
profits from
stock commissions**

Subscriptions of up-front cost products

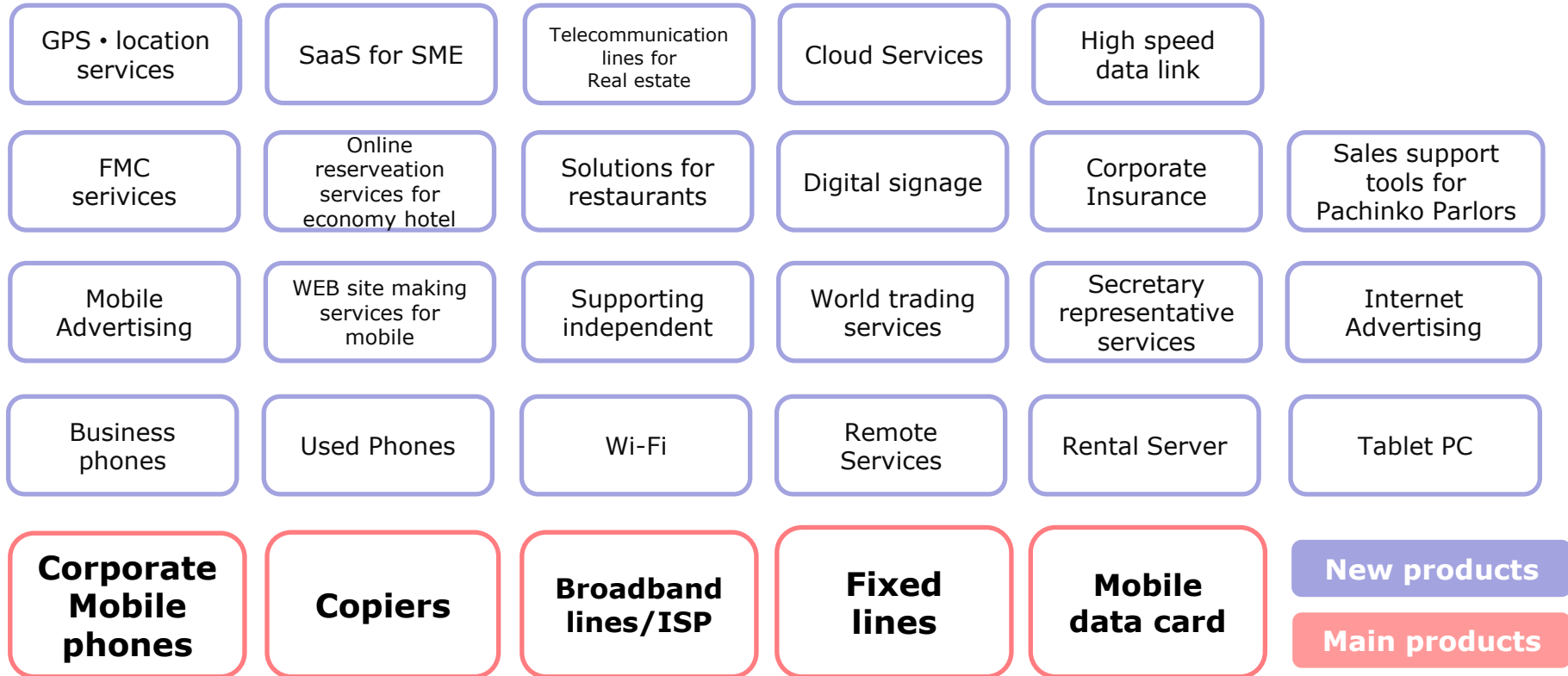
(Units)

- Mobile data card
- Own ISP
- Corporate mobile phone



Up 30% YOY
Secure stable
income source.

Expanding new business



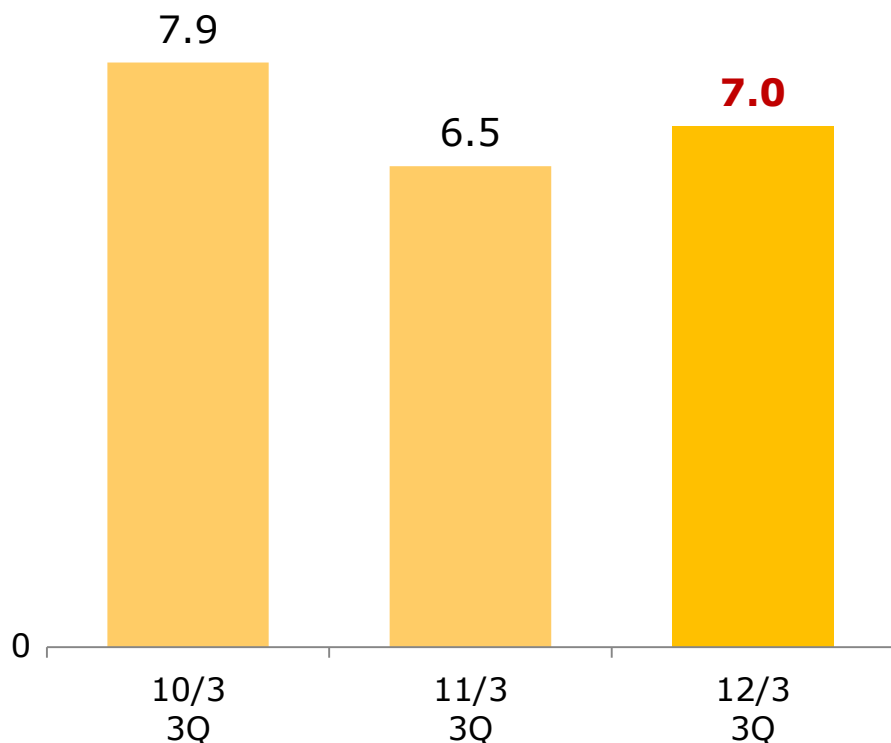
Expand new services of solutions/contents business.

Insurance Business Overview

Insurance performance movement

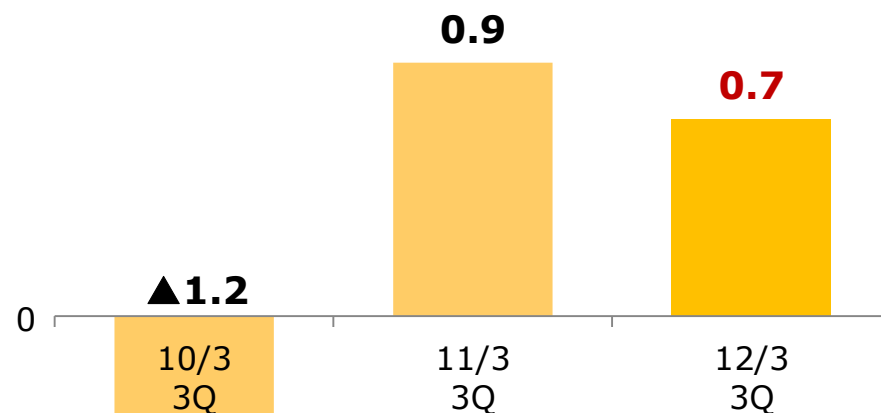
Net Sales

(¥ in billions)



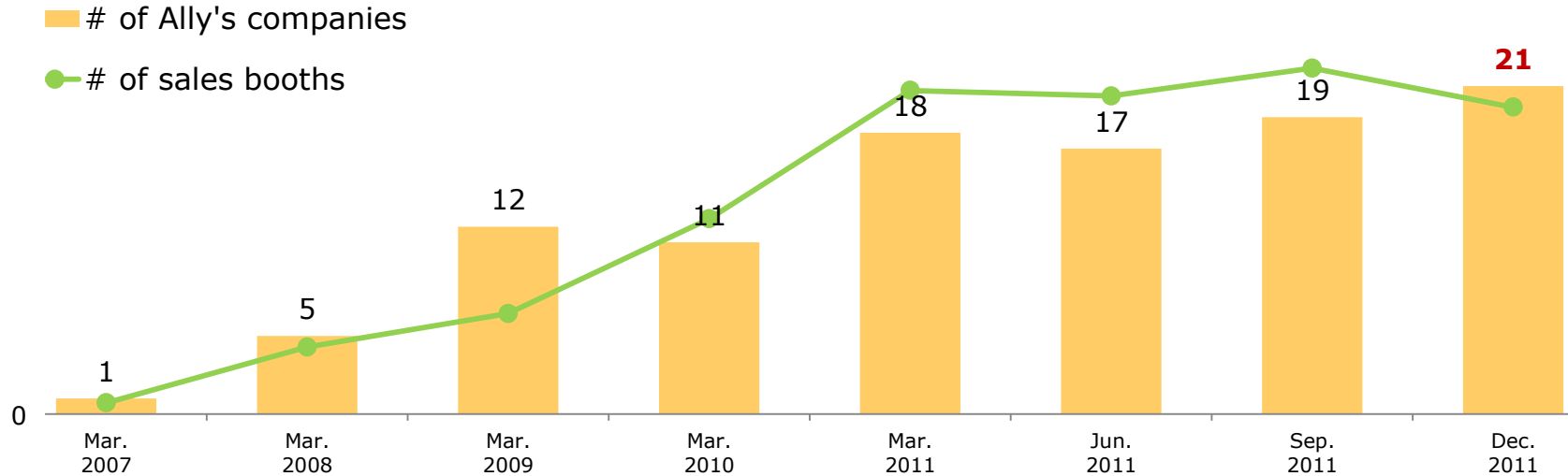
Operating Income

(¥ in billions)

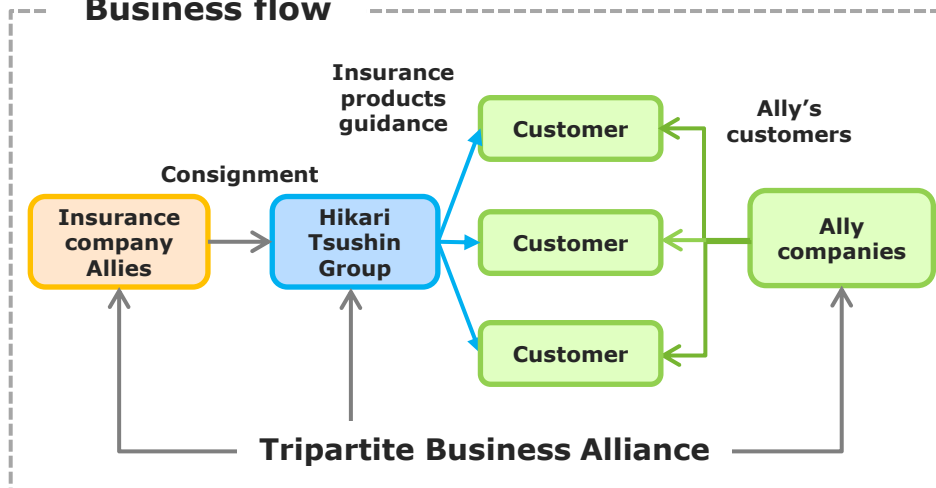


Stable performance.

Alliance with new enterprise partners



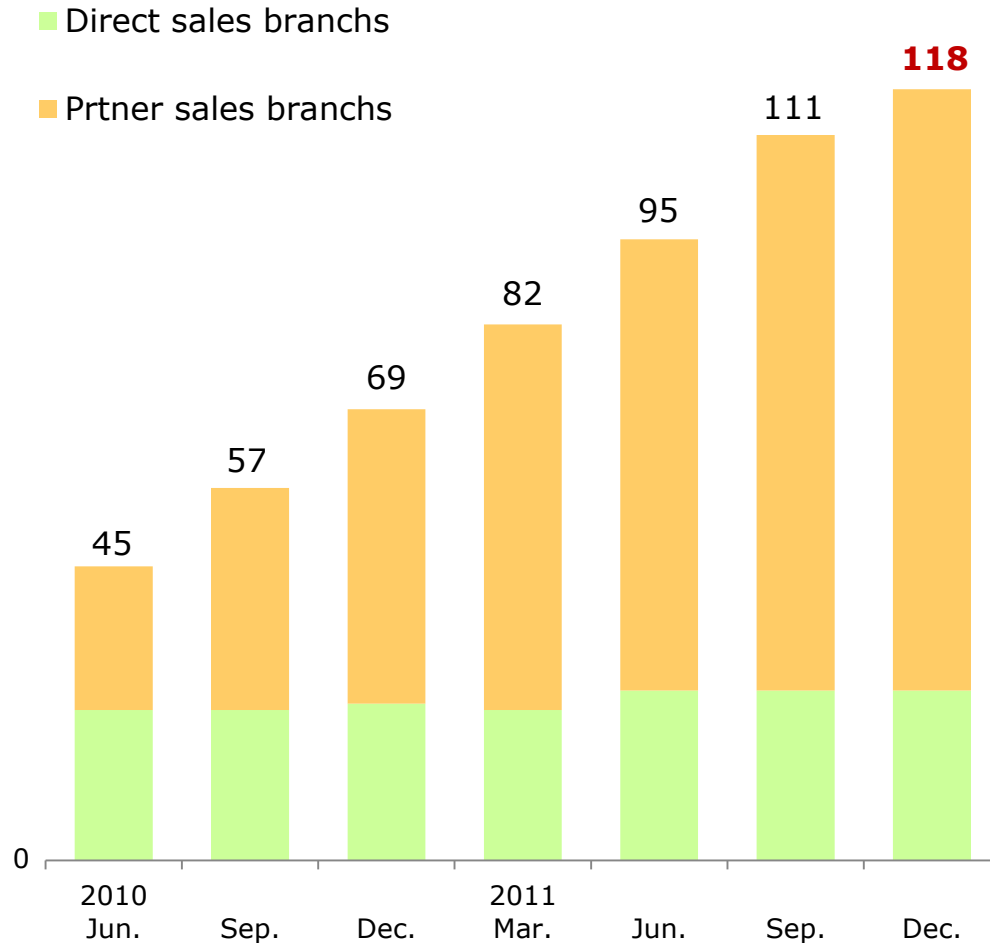
Business flow



Expanding the business by partnering with enterprises.

Insurance shops

(# of shops)



**More than
100 shops.**

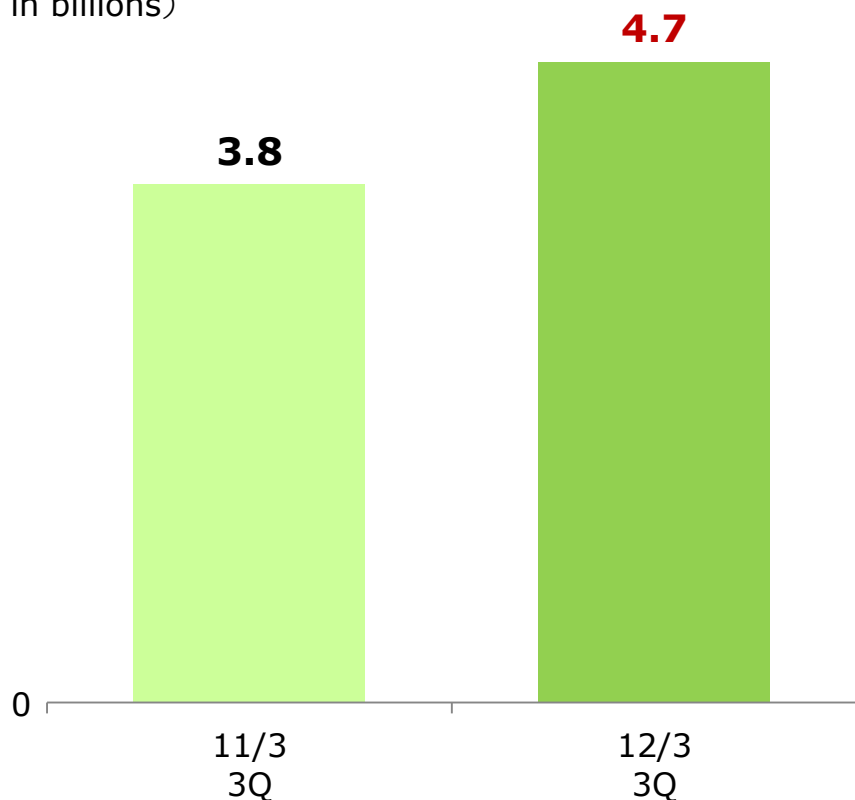
*Including associated company's number.

Media Advertising Business Overview

Media ads performance movement

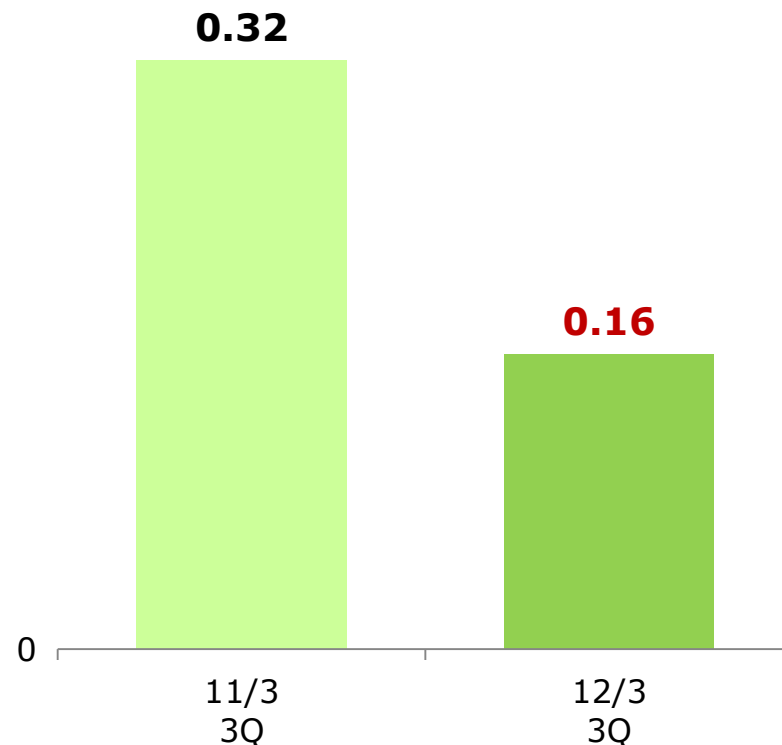
Net Sales

(¥ in billions)



Operating Income

(¥ in billions)



Stable performance.

FY2012 Consolidated Financial Forecast

Consolidated financial forecast

Net sales

(¥ bn)

600

400

200

0

'88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12

Operating Income

(¥ bn)

60

40

20

0

(F)

Net sale Operating income

▲ 200

▲ 20

FY2012 Earning Forecast
Net Sales 460 billion
Operating Income 17 billion

No change in FY2012 forecast

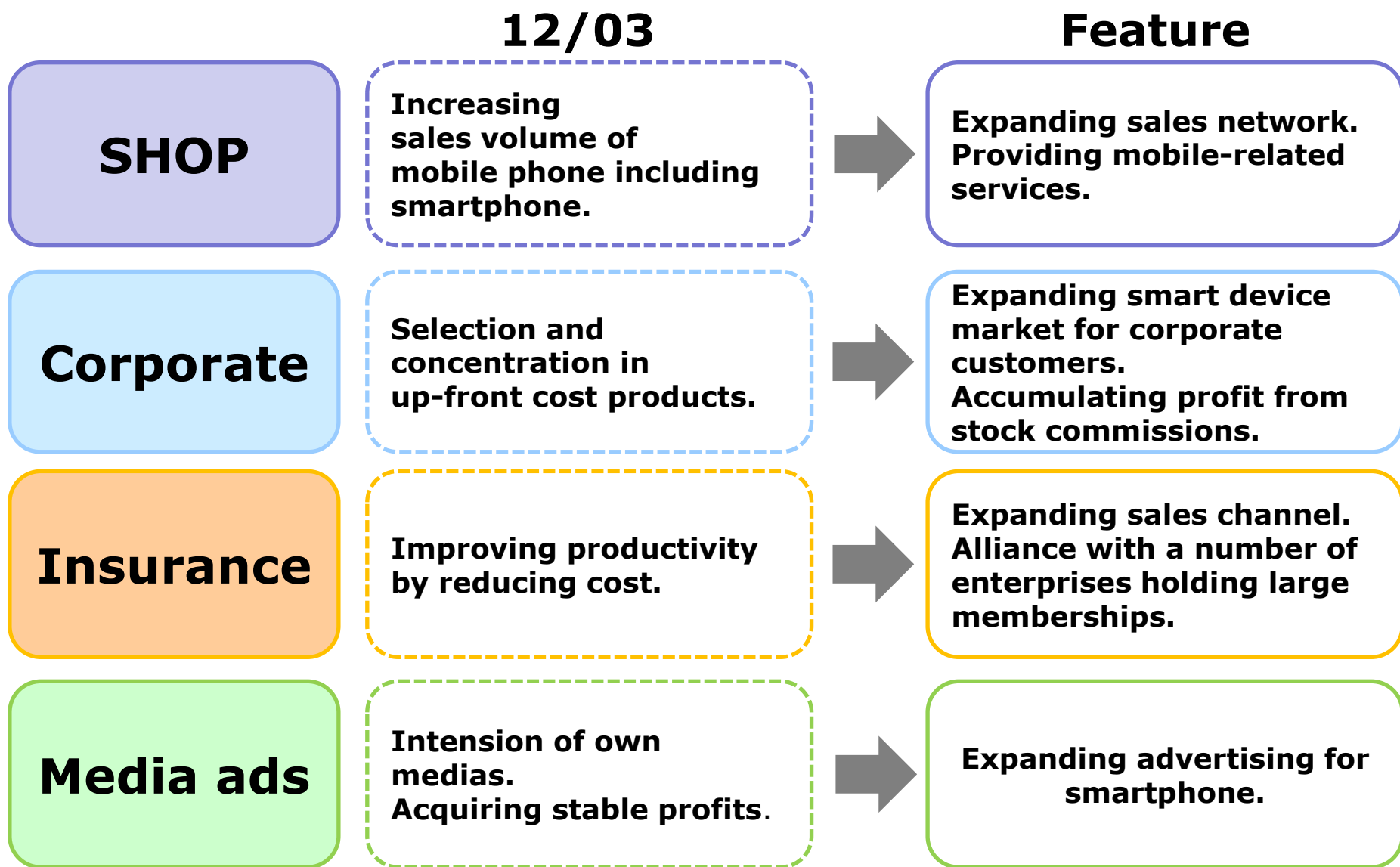
Progress rate to the forecast FY2012

(¥ in billions)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for FY2012	460.0	17.0	15.5	7.5
Results for 3Q FY2012	368.8	11.4	10.7	4.7
Progress rate	80%	67%	69%	63%

Due to the promulgation of the revised Corporate Tax Act, an increase of ¥1.2bn in income taxes-deferred is expected due to the reversal of deferred tax assets.

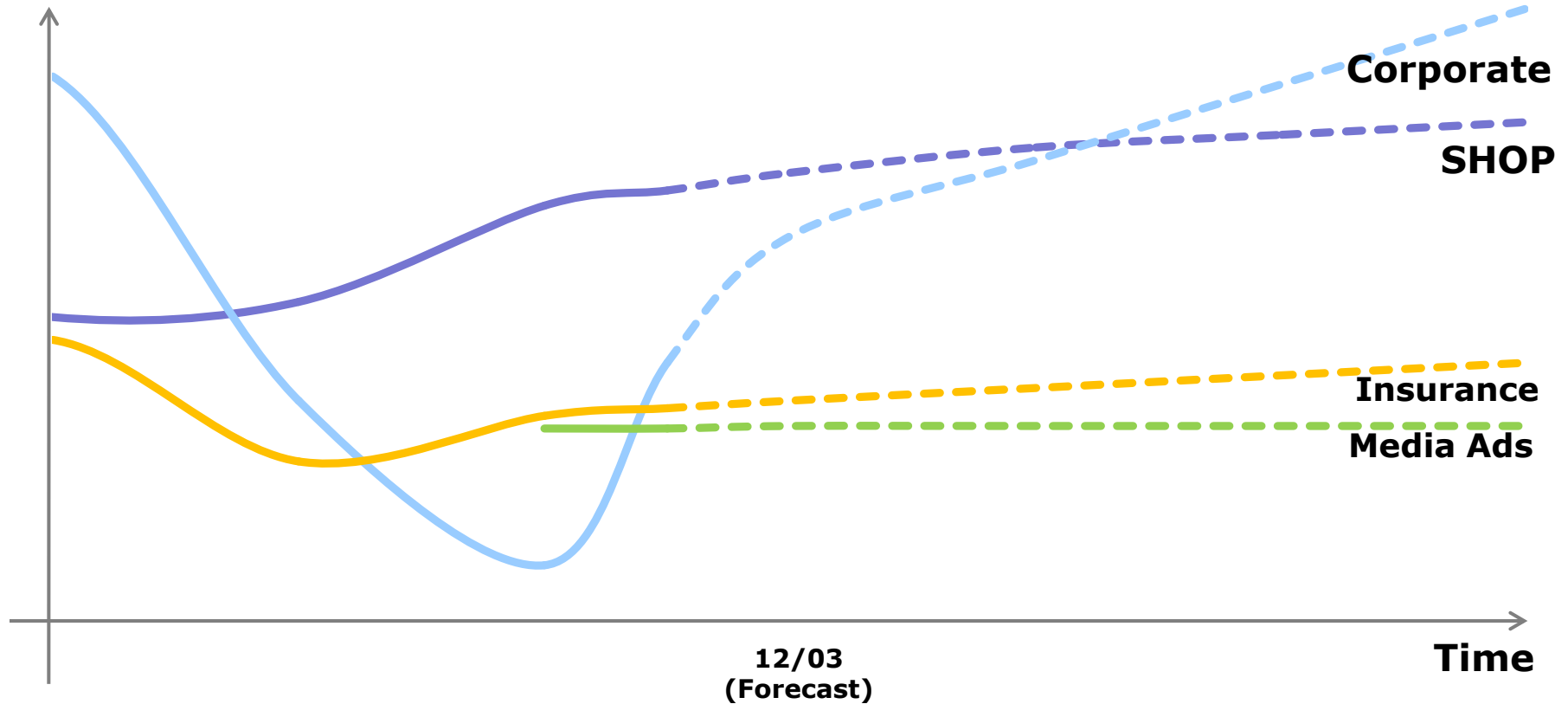
No change in net income FY2012 forecast.

Strategies



Earnings forecast

Profitable



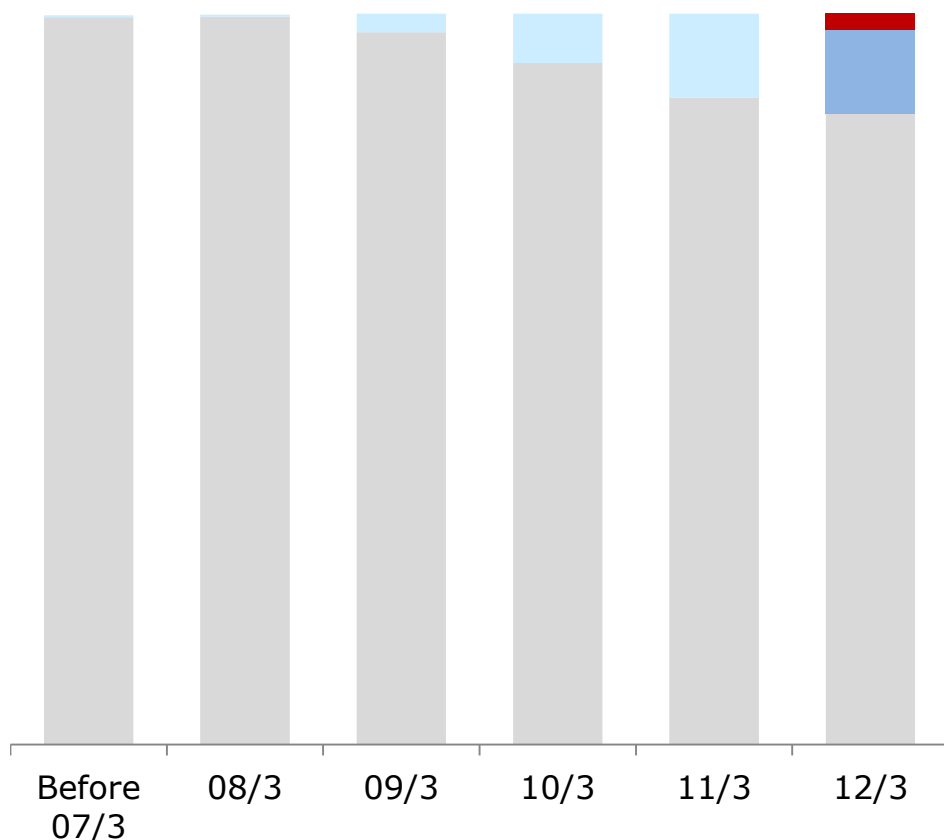
**Prospecting earning growth
in mid-long term.**

Appendixes

Share buy-bucks

(# of shares)

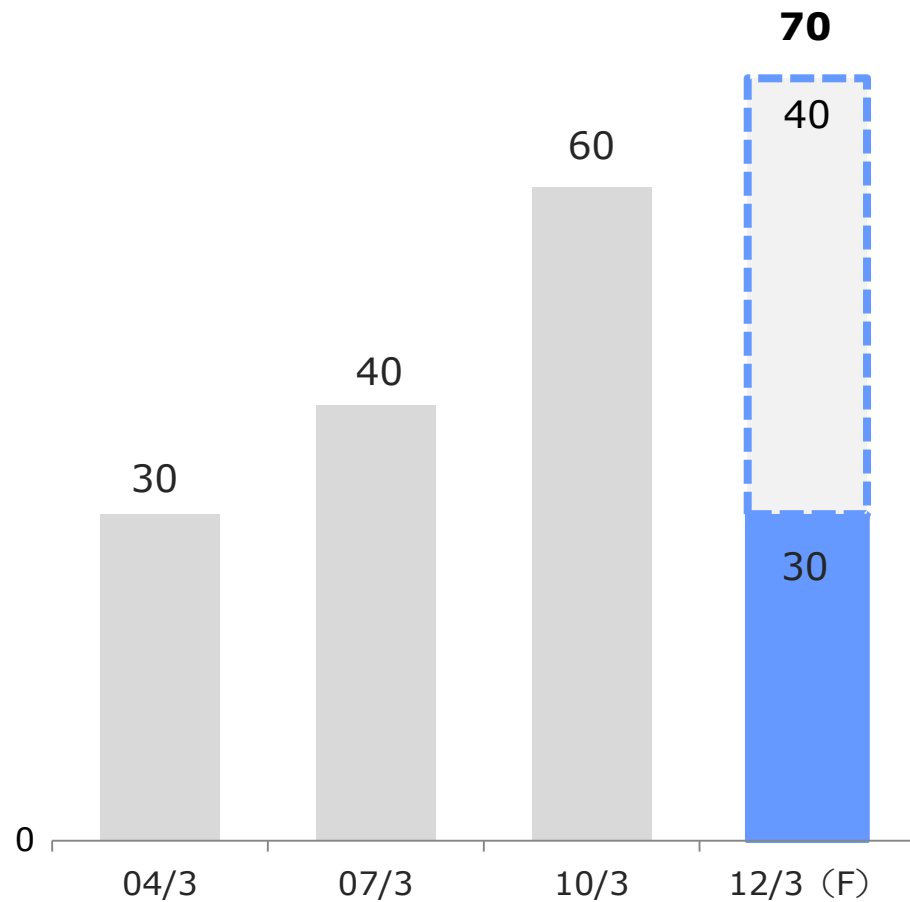
- Acquisitive treasury shares in FY2012
- Treasury shares
- Issued shares except treasury stock



January 2012
Set an limit on
1,300,000 shares
¥2,000,000,000
(until March 31, 2012)
Ratio thereof own shares 14%

Dividend fluctuation

(¥)



**Dividend increase
and pay in midterm.**

Hikari Tsushin activities

◆Bottle Cap Collection for Vaccine Donations.

Hikari Tsushin collects PET bottle caps. We donate them to a nonprofit organization (NPO) called the Ecocap Movement, which gives the proceeds to another NPO, Japan Committee Vaccines for World's Children as funds for purchasing.

More than 159 million caps collected by October 2011.



◆JANP(Employment support)

We promote the employment support for sports athletes and artists who try to be a pro or retired in a mobile phone shops. We back up them to strike a balance activities and work and to form a new career.



夢を目指すアスリート・アーティストへ
キャリアサポートプロジェクト始動

Since JANP started in October 2011, we recruit many people do with various type of sports such as mixed martial arts, motor sports, cycling road race, ball sport, etc.

◆9 光通信グループ | 東京都池袋清掃活動 のつく日はクリーン・デイ

With the aim of creating a clean social environment, we conduct "Clean Day" by picking up garbage around Ikebukuro Station.

A "TC term" on the 9th, 19th and 29th of each month can be seen cleaning the vicinity all day.

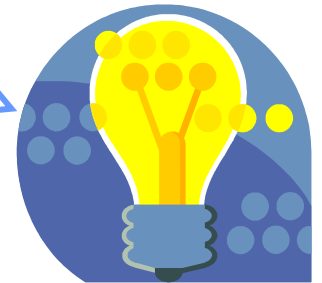
They are introduced at the Toshima-ku Official homepage as "Toshima clean supporter".



◆Installed light-emitting diodes.

We installed light-emitting diodes (LEDs) in our office from May 2011, and try to embrace environmentalism and electricity saving measures.

LEDs is the lighting could be reduced the electricity consumption and CO2 emission more than usual electric bulb.



Business Summary

Profit model

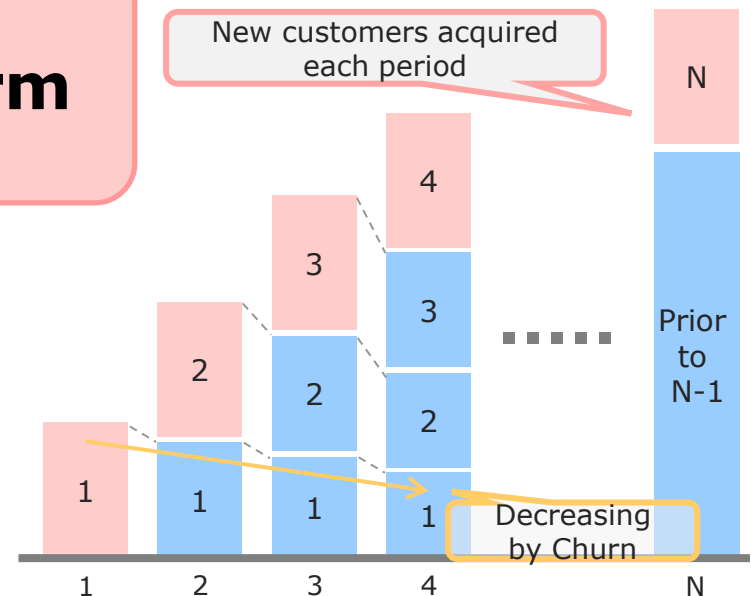
**Profit at sales
(Lump-sum profits)**

**Recurring profits
(Stock commission)**

Profit of the term

**Emphasis on
stock commission.**

Images of stock commissions



Business Segments

Segments	Major products	Sales channels	Target users
SHOP	Mobile phones	Shops (outlet)	Individual
Corporate	OA/ Corporate mobile phone	Direct sales visit	Corporate (SME)
	Telecommunications lines	Secondary agents	
		Call centers	Individual
Insurance	Medical insurance	Call Centers	
Media Ads	Ads spot for mobile	Direct sales vitis	Corporate (SME)

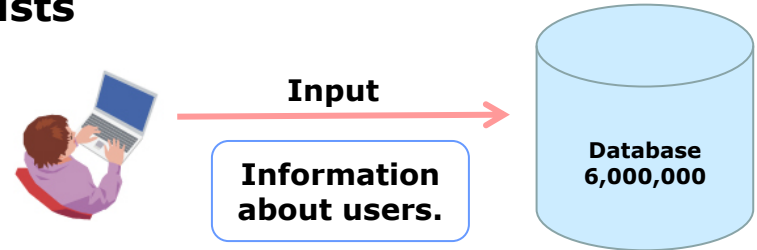
Advantages

Expanding sales networks

Call centers	44
Shops	2,339
Joint companies	about 60

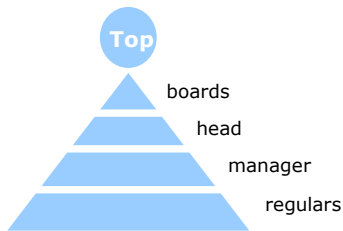
Take advantages of scale by strong distribution network.

Strategy used by effective client lists



More efficient sales.

Merit-based personnel systems



Set evaluation point clearly, reward for results.

Clear evaluation system attract super sales person.

Complete control system



Recording and check the operations in call centers.

Earn the clients' trust.

"Sales" is our greatest strength.

Long distance lines

No.1 DDI(KDDI) agents !

Marked 70% shares.

Copiers

No.1 SHARP agents !

**Mobile Phones 2,000 retail outlet stores
within 6 years of entry.**

**Corporate mobile phones
Top dealer!**

Rental servers

No.1 domains acquisitions !

My-line

Top Dealer !

Insurance

Top Dealer !

ADSL & FTTH

Top Dealer!

Own ISP

Mobile data card

**Hikari Tsushin has strong
positions as a distributor of many
services.**

1980-

1990-

2000-

2011-

Disclaimer

This material contains “forward-looking” information, including the company’s plans, strategies, forecasts and beliefs.

Hikari Tsushin cautions readers that forward-looking statements are based on Hikari Tsushin’s current expectations, which have been derived from information that is currently available and involve a number of risks and uncertainties.

Actual results may differ significantly from information shown here.

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