

## ◆ Facilities Costs

- FOMA-related CAPEX projected to peak out in FY2006  
⇒ Facilities costs (depreciation/amortization, loss on disposal of equipment) expected to decline over the middle term

## ◆ Handset Procurement Costs

- Full-scale implementation of single-chip LSIs and development of common handset platform
- Rise in the percentage of FOMA handsets to total handset sales is expected to level off (FOMA handsets expected to account for 90% of total handsets sold as of the end of FY2006)
- Increase the proportion of non-90X series phones to total handsets sold (Optimize product mix)  
⇒ **Handset sales-related costs projected to decline over the middle term**