



News Release

NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

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Submission for Approval of Business Operation Plan for Fiscal Year Ending March 31, 2010

Nippon Telegraph and Telephone West Corporation (NTT West) today submitted its business operation plan for the fiscal year ending March 31, 2010 to the Minister for Internal Affairs and Communications for approval.

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Information and telecommunications are expected to make significant contributions to increasing the efficiency of and invigorating social and economic activities and to improving lifestyle convenience to create the foundations for the ubiquitous broadband network society sought in the “u-Japan Policy” and the “New IT Reform Strategy”. The government and the private sector are working in partnership to achieve such goals. The information and telecommunications market is catering to increasingly sophisticated and diversified needs through the growing shift to broadband capacity for access lines. Expanding SaaS (software as a service) services and platform services, including video and music distribution, are broadening the range of offerings. Local telecommunications markets are experiencing an upswing in competition for broadband access lines with the commercial launch of WiMAX-based wireless access in addition to the expansion of conventional optical access services and cable television-based broadband. Local markets are also undergoing significant changes caused by the integration of fixed-line and mobile services as well as telecommunications and broadcasting along with the increasing prevalence of IP.

Within this challenging and dramatically changing business environment, NTT West is striving to provide high-quality, stable universal service to promote the smooth migration to optical, IP-based networks and to enhance the optical access network that is at the core of broadband services. NTT West also aims to contribute to the development of fair telecommunications markets, promote applied research and development and ensure the reliability and public utility of telecommunications services. It is also endeavoring to contribute to the sound development of the information and telecommunications society, creating a ubiquitous broadband network environment by building and offering an open NGN that, while ensuring fair terms of competition within the current legal framework, utilizes the unique characteristics and properties of "optical" to offer a much wider spectrum of services that will enable customers to connect “in comfort, safety and peace of mind” with “anything, anytime, anywhere.”

These are the basic concepts that underlie the business plan for the fiscal year ending March 31, 2010. In its broadband services, NTT West will be building and providing a more comfortable, safer and more secure NGN. In addition, NTT West will be collaborating with other players to create new services that will provide customers with exciting opportunities by offering Hikari Denwa services that make use of fiber optic access lines, rebroadcasting terrestrial digital television and offering on-demand video distribution services. NTT West will also maintain its community-oriented sales activities so that it is able to respond to customers' opinions and requests in an appropriate and timely manner, improving both the range and quality of services and contributing to the development of local communities. In conjunction with this, and in recognition of its responsibilities as an operator of social infrastructure, NTT West will contribute to the creation of safer, more secure societies by ensuring the stability of its broadband access, Hikari Denwa and other services, preventing equipment failures, responding vigorously in times of disaster and recovery, and bringing all of its group resources to bear on the activities and services that will earn the

continued trust of its customers. Although the business environment is becoming increasingly severe, NTT West will continue to improve the efficiency of its operations so as to maintain profitability. NTT West will lay the foundations for the stable development of its business into the future by facilitating connectivity, ensuring the openness of its networks, developing its human resources and proactively expanding into new business areas in coordination with its group companies. As these policies and programs bear fruit, NTT West will endeavor to share the benefits with its customers, local communities and, through the holding company, the shareholders.

1. Voice Transmission Services

(1) Telephone Subscriptions

NTT West responds immediately to all demands for telephone subscriptions, including the relocation of existing lines, and forecasts that it will have approximately 16.77 million subscribers by the close of the fiscal year ending March 31, 2010.

Item	Planned number (subscribers)
Additional Installations	(1.66) million
Relocations	2.96 million

(2) Social-Welfare Telephones

With the growing awareness of social welfare issues, NTT West will promote provision of its "Silver Phone series" (Anshin (Relief), Meiryō (Clearness), Hibiki (Sound), Fureai (Communication)) and other products that are designed to meet social demands for welfare-oriented telecommunications services.

Item		Planned number (units)
Silver Phone	Anshin (Relief)	1,500
	Meiryō (Clearness)	0

(3) Public Telephones

NTT West will continue to maintain public telephone facilities to ensure public safety and to provide minimal means of communications when away from home. At the same time, we will review underused public telephones. We will work to provide welfare services including an ongoing program to install wheelchair-friendly telephone booths.

Item	Planned number (units)
Public Telephones	(16,000)

(4) Integrated Digital Communications Services

The total numbers of INS-Net 64 lines and INS Net 1500 lines are projected to be approximately 2.327 million and 16,000 respectively by the close of the fiscal year ending March 31, 2010.

Item	Planned Number (circuits)
INS-Net 64 Subscriber Lines	(266,000)
INS-Net 1500 Subscriber Lines	(2,000)

2. Data Transmission Services

As the demand for broadband services increases, we will endeavor to enhance our “optical” access services and provide a wider range of services.

Item	Planned Number (contracts)
FLET'S Hikari	1.1 million

3. Leased Circuit Services

For leased circuit services, we forecast approximately 148,000 conventional leased circuits and approximately 89,000 high-speed digital transmission services by the close of the fiscal year ending March 31, 2010.

Item	Planned Number (circuits)
Conventional Leased Circuits	(12,000)
High-Speed Digital Transmission Services	(10,000)

4. Telegraph Services

NTT West will continue to maintain systems so as to maintain enhanced services and more efficient operations.

5. Improvement and Advances in Telecommunications Facilities

(1) Optical Access Networks

In order to meet expanding demands for broadband telecommunications services, NTT West will move actively towards conversion to optical access networks.

Item	Planned Number (million fiber km)
Optical Subscriber Cables	0.7

(Coverage rate at the end of March 2010 will be 89%)

(2) Telecommunications Network

With respect to our communications network, we will endeavor to provide more advanced services while seeking more economical and efficient networks as we move into full-fledged development of next generation networks and respond to the increasing demand for broadband.

(3) Disaster Prevention Measures

NTT West will take necessary disaster prevention measures. These will include measures to protect telecommunications facilities, assurance of emergency communications services, enhancements to risk management and recovery systems in the event of large-scale disasters and support for information distribution should a disaster occur.

(4) Installation of Underground Transmission Cables

NTT West will work in coordination with the central government, local governments and other companies to move communications cables underground to improve the reliability of communications facilities, ensure safe and pleasant above ground passage spaces and improve urban vistas.

(5) Facility Maintenance

In order to provide stable, quality services, NTT West will continue with cable replacement and seek to ensure quality customer service and the safety of workers, harmonize with the social environment, and maintain a reliable telecommunications system.

In improving and upgrading telecommunications facilities, we will maximize the use of existing equipment to promote cost savings.

6. Promotion of Research and Development Activities

We will emphasize the following research and development areas in order to reduce environmental load and to address changes in IP networking arising from the development of network cloud computing and an increase in network connections by devices other than personal computers.

- (1) Research and development of network systems and access systems including systems used for NGN that provide more advanced, reliable telecommunications networks.
- (2) Research and development of telecommunications terminal equipment and information distribution applications that would allow secure, safe and easy utilization of a wide variety of application services.
- (3) Research and development aiming at reducing the electric power consumption of network communication facilities.

The attached tables contain an outline of plans for the above main services and capital investments in property, plans and equipment.

Attachment 1

**Principal Services Plan
for Fiscal Year Ending March 31, 2010**

Type of Service	Unit	Plan
Voice Transmission Services		
Telephone Subscriptions		
Additional Installations	10,000 subscribers	(166)
Relocations	10,000 subscribers	296
Welfare Telephones (Silver Phone)	100 units	17
Public Telephones	1,000 units	(16)
Integrated Digital		
Communications Services		
INS-Net 64	1,000 circuits	(266)
INS-Net 1500	1,000 circuits	(2)
Data Transmission Services		
FLET'S Hikari	10,000 contracts	110
Leased Circuit Services		
Conventional Leased Circuits	1,000 circuits	(12)
High-Speed Digital	1,000 circuits	(10)
Transmission Circuits		

Attachment 2

Capital Investment Plan for Fiscal Year Ending March 31, 2010

(billions of yen)

Item	Investment Required
1. Expansion and Improvement of Services	391 *
(1) Voice Transmission	189
(2) Data Transmission	50
(3) Leased Circuits	151
(4) Telegraph	1
2. Research and Development Facilities	2
3. Common Facilities and Others	12
Total	405

* This includes approximately 120 billion yen to be invested in the switch-over to Optical Access Network.

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(Attached documentation)

**Revenues and Expenses Plan
for Fiscal Year Ending March 31, 2010**

(billions of yen)

Classification	Amount
Revenues	
Operating Revenues	1,789
Voice Transmission	907
Data Transmission	161
Leased Circuits	410
Telegraph	24
Others	287
Non-operating Revenues	45
Total	1,834
Expenses	
Operating Expenses	1,784
Operating Costs	1,317
Taxes and Dues	68
Depreciation	399
Non-operating Expenses	40
Total	1,824
Recurring Profit/Loss	10

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(Attached documentation)

**Plan for Sources and Application of Funds
for Fiscal Year Ending March 31, 2010**

(billions of yen)

Item	Amount
Sources:	
Operational:	2,169
Operating Revenues	2,124
Non-Operating Revenues	45
Financial	258
Long-Term Loans and Bonds	158
Other Financial Income	100
Estimated Consumption Tax Receipts	89
Balance Brought Forward from Previous Fiscal Year	80
Total	2,596
Applications:	
Operational:	1,759
Operating Expenses	1,728
Non-Operating Expenses	31
Financial:	673
Capital Investments in Property, Plants and Equipment	405
Other Financial Expenses	268
Account Settlement Expenses	4
Provisional Consumption Tax Payments	80
Carry Forward to Following Fiscal Year	80
Total	2,596