



# *News Release*

May 11, 2012

FOR IMMEDIATE RELEASE

## **Settlement for Fiscal Year Ended March 31, 2012**

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the fiscal year ended March 31, 2012 are presented in the following attachments.

(Attachments)

1. Summary of Results for Fiscal Year Ended March 31, 2012
2. Non-Consolidated Comparative Balance Sheets
3. Non-Consolidated Comparative Statements of Income
4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
5. Business Results (Non-Consolidated Operating Revenues)
6. Non-Consolidated Comparative Statements of Cash Flows
7. Changes in Directors

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## 1. Summary of Results for the Fiscal Year Ended March 31, 2012

With respect to the global economy, in the fiscal year ended March 31, 2012, the European sovereign bond crisis caused further instability in the economies of developed countries, which when combined with the slow-down in the growth rates of emerging economies, lead to an overall slow down in the pace of economic recovery globally. The Japanese economy, despite improvements in supply and demand after the severe conditions following the Great East Japan Earthquake, is experiencing only a modest recovery due to the effects of the sluggish global economy, the protracted period of the strong yen, the damage from the flooding in Thailand and other factors.

Information and communications services are expected to make significant contributions to increasing the efficiency of and invigorating social and economic activities and to improving lifestyle convenience by creating the foundations for a ubiquitous (\*1) broadband network society where information communication technology (“ICT”) use is highly developed. The government and the private sector are working in partnership to achieve such goals. The information and telecommunications market is undergoing a structural change through the shift to broadband and globalization, and the spread of smartphones, tablet and other devices. This market is catering to increasingly sophisticated and diversified needs by, among other things, expanding cloud services and platform services, including video and music distribution. Regional telecommunications markets are experiencing an increase in competition for fiber-optic access services and cable television-based broadband. Regional telecommunications markets are also undergoing significant changes, such as the convergence of fixed and mobile services, and of telecommunications and broadcasting, caused by the shift to IP and use of a diverse range of wireless devices.

Within this challenging and dramatically changing business environment, NTT West is striving to be a “customer-oriented corporate group” that meets customer expectations, contributes to society and provides high quality, stable universal service. In line with NTT Group’s Medium-Term Management Strategy, “Road to Service Creation Business Group – *full-scale rollout of broadband and ubiquitous service*” (the “Medium-Term Management Strategy”) adopted by NTT in May 2008, NTT West has devoted its energy to promoting and expanding safe, secure, reliable, and appealing broadband and ubiquitous services that meet customers’ needs, through new services and products that utilize the framework of NGN (\*2) and its networks.

### (1) Efforts to Promote Fiber-optic and IP Services

In line with the Medium-Term Management Strategy, NTT West is working towards the realization of broadband and ubiquitous networks that enable customers to connect “anytime, anywhere and with anything” “in comfort, safety and peace of mind.” At the current ten-year anniversary of its launch, FLET’S Hikari subscriptions (\*3) surpassed 7 million. NTT West is expanding opportunities to use FLET’S Hikari in a wide variety of applications while developing and expanding services that can support a broad range of customers, from individuals to businesses, in their day-to-day lives and business activities.

With respect to FLET'S Hikari Next, to address the problem of IPv4 address depletion (\*4), NTT West began providing IPv6 address (\*5) Internet (IPv6 PPPoE and IPv6IPoE) connection functions (\*6). With respect to Hikari Denwa services, NTT West enhanced its services, including enabling transmissions to the "Teledome" service provided by NTT Communications, Inc.

To increase use of FLET'S Hikari, NTT West introduced FLET'S Hikari Light, a two-tier fixed rate service with monthly charges starting from 2,940 yen, with a price cap of 5,880 yen no matter how much customers use the service. NTT West also continued its expansion of the FLET'S TV (\*7) service area, launched "EHIME-CATV and FLET'S Hikari," a collaboration with EHIME-CATV, INC., in addition to other measures to enhance video services.

With the rapid increase in smartphones, tablet devices and other Wi-Fi-enabled devices, there is a growing need for Wi-Fi capabilities outside the home and office. To address these needs, and to provide greater convenience to customers, NTT West lowered its monthly rates for FLET'S Spot, a public wireless LAN service, began offering the essentially free use of Wi-Fi through the Club NTT-West (\*8) points exchange program, and, starting in February 2012, began expanding the service areas for "Web Authentication Protocols,"(\*9) to which access is available with a broad range of handsets, including smartphones and tablet devices.

The "ie deji" concept (referring to the complete digitalization of the home) seeks to make day-to-day living and data sharing easier, more convenient, and more comfortable by linking all digital devices at the home through a network. It also seeks to enable customers to share and enjoy activities that they had until now enjoyed on their own with distant family and friends. As a support service, NTT West began providing the "Hikari Device Warranty," enabling customers, by paying a flat monthly rate, to apply for an extended warranty of up to five years from the date of purchase of the device covering problems with their PC or television even after the time of purchase.

In addition, with respect to support services that are vital for the promotion of the "ie deji" business, NTT West prepared environments enabling the latest "ie deji" services and devices to be experienced from the perspective of a customer, constructed a research environment within the NTT West Research Center for the purpose of developing technical and customer service skills, and commenced research on wiring methods and new services and devices.

Further, NTT West carried out tests with Daiichikoushou Co., Ltd. and Yamaha Corporation to test the possibility of remote karaoke duets, by utilizing the technologies of "NETDUETTO" of Yamaha Corporation and of FLET'S Hikari and Hikari Denwa of NTT West with the online karaoke machine "LIVE DAM."

## (2) Measures Relating to the Solutions Business

As an initiative for large-scale and medium- to small-scale businesses, on April 1, 2011 NTT West launched a project in the Corporate Marketing Headquarters to make cloud-based business an integral part of the growth strategy for the entire NTT West group.

As part of its initiative to enhance its cloud-based services, NTT West aims to bolster its lineup of “Biz Hikari Cloud” services for local governments and medical and health institution (community) groups, and has begun providing “Biz Hikari Cloud Community Remote Health Consultations,” which enable health consultations in remote areas via videophone. NTT West also launched a cloud-based school support service for boards of education and school employees in elementary and middle schools that do not have servers or other IT resources, enabling them to carry out school-related business over a network.

As an initiative to collaborate with local governments, NTT West launched the Smart Hikari Town Kumamoto Project, as an opportunity to collaborate on the “comprehensive tie-up agreement relating to stimulating areas through the use of ICT” in Kumamoto Prefecture and Kumamoto City, and began looking into town-based cloud networks and services on the premise of participating in actual projects of governments, local companies and residents.

Other measures to expand business services included enhancing support services in order to build a framework of mutual cooperation to achieve one-stop (\*10) customer support (for breakdowns and other troubleshooting) for information equipment in the office, by, among other things, forming new partnerships with Canon Marketing Japan, Inc., RICOH JAPAN Corporation, TOSHIBA TEC CORPORATION and Allied Telesis K.K.

### (3) Status of Business Operation Structures

With respect to NTT West’s business operation structure, pursuant to the revision of the Telecommunications Business Law (enacted November 30, 2011), NTT West implemented structures for ensuring fair competition.

Further, based on lessons learned from the Great East Japan Earthquake, NTT West has been carrying out disaster training in anticipation of the possibility of a series of earthquakes hitting Japan, for example in the Tokai, Tonan, and Nankai areas. As a countermeasure to the increase in third-party accidents caused by low-hanging telephone lines, NTT West implemented “planned facility inspections” and set priority conditions in determining the order of inspection areas.

In order to strengthen the operations and functions of the Remote Support Service, a service that has been well received for the provision of various forms of support by specialized operators in response to customer inquiries, NTT West made remote support services available on the same day as subscription.

Comprehensive cost controls intended to maintain profitable operations included efforts to raise the efficiency of fiber-optic service installation, such as promoting remote installation work for multi-unit dwelling orders (VDSL system), and NTT West was able to eliminate the need to dispatch personnel in over 90% of service terminations and more than 80% of service starts.

#### (4) Corporate Social Responsibility (“CSR”) Activities

The NTT Group CSR Charter (adopted in June 2006) stipulates that, as responsible members of the information and communication industry, NTT Group companies will provide services of the highest quality and trust and contribute to the development of a safe, secure and prosperous society where people, society and the earth are connected through communications. Based on the CSR Charter, NTT West set up three new core CSR principles – thorough compliance, development of a safe and secure society, and creation of value through business activities – and set a “visualization” benchmark. Each NTT West employee takes part in CSR activities, including working to maintain legal compliance, providing safe and reliable communication services and reducing the burden on the environment.

In particular, with respect to thorough compliance, NTT Group has promoted groupwide initiatives in five high risk areas that could shake consumer trust in NTT West group companies, namely “misconduct in performing services,” “driving under the influence,” “information security breaches,” “power harassment” and “respect for human rights.”

In order to achieve its environmental grand design (new self-determined action plan targets) based on the NTT Group Environmental Vision (The Green Vision 2020) established in November 2010, NTT West has been working to decrease its power usage, amount of paper used, and the waste it produces. In addition, NTT West has set up model offices in Osaka, Nagoya, and Fukuoka that demonstrate and propose a new work style that makes use of ICT solutions helpful in decreasing the burden on the environment.

To promote the principles of the NTT Group CSR Charter and group-wide CSR activities, NTT West enhanced its CSR management and issued the NTT West Group CSR Report 2011 to proactively disclose relevant information to its stakeholders.

With respect to the Great East Japan Earthquake which occurred in March 2011, NTT West, in collaboration with NTT Group, took immediate action after the earthquake to provide support in supplying power to communications facilities that used mobile power supply vehicles in blackout areas, set up special public phones using portable satellite phones, secured communications for important institutions such as the city halls of local governments, and was active in support activities to restore facilities in areas requested by NTT East, with a focus on the southern part of Iwate Prefecture, such as Kamaishi City and Ofunato City. Approximately 2,000 employees took an active role in restoration and support activities.

In addition, despite record-setting heavy rains in the Kinki and Tokai regions, and major damage caused by Typhoons 12 and 15 to NTT West’s communications facilities, communications services were quickly restored due to close cooperation with local governments and the Self Defense Force and restoration efforts were carried out around the clock by employees from companies throughout NTT Group.

Also, in response to power shortages resulting from the effects of the Great East Japan Earthquake, NTT West implemented the maximum power saving measures possible at both its exchange offices and office buildings.

## (5) Financial Standing

As a result of these efforts during the fiscal year ended March 31, 2012, operating revenues totaled 1,676.3 billion yen (a decrease of 4.6% from the fiscal year ended March 31, 2011), operating income was 37.0 billion yen (a decrease of 25.4% from the fiscal year ended March 31, 2011), recurring profit was 42.3 billion yen (a decrease of 32.8% from the fiscal year ended March 31, 2011), and net profit totaled 20.4 billion yen (a decrease of 58.2% from the fiscal year ended March 31, 2011).

- \*1: A term, derived from Latin, that means “present in all places at all times.” Environments that provide access to the Internet and other information networks, anytime, anywhere.
- \*2: NGN: Next-Generation Network.
- \*3: A collective name for FLET’S Hikari Next, FLET’S Hikari Premium and B FLET’S.
- \*4: Due to the increase of internet users in recent years, the availability of IPv4 addresses, the current Internet standard protocol, are declining, preventing new customers from connecting to the Internet.
- \*5: Abbreviation for Internet Protocol Version 6, the next version of the protocol after IPv4, the current internet standard protocol.
- \*6: Method of using PPPoE and IPoE protocols to carry out communications from an adapter newly installed in a customer’s home to NTT West facilities connected to an Internet service provider.
- \*7: A service available to subscribers of NTT West’s telecommunication services FLET’S Hikari Next, FLET’S Hikari Premium or FLET’S TEREBI Transmission Service, as well as the broadcasting service Opticast Facility Usage Service offered by Opticast Inc., that enables reception of terrestrial broadcasts (digital/analog) and BS broadcasts (digital/analog).
- \*8: Membership style program (no entry fee or annual fee) of NTT West, under which in addition to receiving Internet support information or Internet troubleshooting via mail or phone, users can also collect points every month that they can exchange for benefits.
- \*9: Authentication method using an ID (FLET’S Spot Authentication ID) and password (FLET’S Spot Authentication PW) issued by NTT West, which can be accessed by general Wi-Fi compatible devices and is compatible with the IEEE 802.11 a/b/g wireless standard.
- \*10: Various procedures are processed together at one location.

## 2. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2011	March 31, 2012	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	512,794	485,967	(26,827)
Antenna facilities	7,607	7,158	(449)
Terminal equipment	21,343	21,188	(154)
Local line facilities	862,726	892,312	29,585
Long-distance line facilities	2,984	2,858	(125)
Engineering facilities	580,930	571,763	(9,166)
Submarine line facilities	1,977	2,427	449
Buildings	417,342	397,185	(20,157)
Structures	15,119	14,507	(611)
Other machinery and equipment	1,074	1,237	163
Vehicles and vessels	180	204	23
Tools, furniture and fixtures	33,244	35,065	1,821
Land	177,288	176,435	(852)
Lease assets	2,947	1,581	(1,365)
Construction in progress	25,001	31,147	6,146
Total property, plant and equipment	2,662,564	2,641,042	(21,521)
Intangible fixed assets	83,872	77,024	(6,847)
Total fixed assets - telecommunications businesses	2,746,436	2,718,066	(28,369)
Investments and other assets			
Investment securities	3,742	3,870	127
Investments in subsidiaries and affiliated companies	43,981	39,852	(4,128)
Investment in capital	252	396	143
Long-term prepaid expenses	3,193	3,133	(60)
Deferred income taxes	125,120	99,121	(25,999)
Other investments and assets	8,364	8,119	(245)
Allowance for doubtful accounts	(393)	(352)	40
Total investments and other assets	184,261	154,140	(30,121)
Total fixed assets	2,930,698	2,872,207	(58,490)
Current assets:			
Cash and bank deposits	130,313	103,362	(26,951)
Notes receivable	198	19	(179)
Accounts receivable, trade	272,994	291,480	18,485
Accounts receivable, other	23,066	24,601	1,534
Securities	6	6	-
Supplies	29,935	35,212	5,276
Advance payment	2,497	1,273	(1,224)
Prepaid expenses	6,049	6,291	241
Deferred income taxes	4,031	3,519	(511)
Other current assets	10,160	9,273	(886)
Allowance for doubtful accounts	(2,220)	(2,840)	(619)
Total current assets	477,032	472,199	(4,832)
<b>TOTAL ASSETS</b>	<b>3,407,731</b>	<b>3,344,407</b>	<b>(63,323)</b>

(Millions of yen)

	March 31, 2011	March 31, 2012	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	954,099	960,947	6,848
Lease obligations	3,972	2,370	(1,602)
Liability for employees' retirement benefits	258,049	224,695	(33,354)
Reserve for point services	4,815	5,093	278
Reserve for unused telephone cards	14,280	13,480	(800)
Asset retirement obligations	436	305	(131)
Other long-term liabilities	11,410	11,266	(143)
Total long-term liabilities	1,247,064	1,218,158	(28,906)
Current liabilities:			
Current portion of long-term borrowings from parent company	142,428	133,151	(9,276)
Accounts payable, trade	70,297	74,124	3,826
Short-term borrowings	23,000	30,000	7,000
Lease obligations	1,838	1,836	(2)
Accounts payable, other	233,818	218,531	(15,286)
Accrued expenses	17,334	15,783	(1,551)
Accrued taxes on income	674	838	164
Advance received	3,431	3,134	(297)
Deposit received	96,908	122,084	25,176
Unearned revenue	107	105	(2)
Asset retirement obligations	-	39	39
Other current liabilities	39,235	5,636	(33,599)
Total current liabilities	629,073	605,265	(23,808)
<b>TOTAL LIABILITIES</b>	<b>1,876,137</b>	<b>1,823,423</b>	<b>(52,714)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus			
Additional paid-in capital	1,170,054	1,170,054	-
Total capital surplus	1,170,054	1,170,054	-
Earned surplus			
Other earned surplus			
Accumulated earned surplus	49,611	38,905	(10,706)
Total earned surplus	49,611	38,905	(10,706)
Total shareholders' equity	1,531,665	1,520,959	(10,706)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(72)	24	96
Total unrealized gains (losses), translation adjustments, and others	(72)	24	96
<b>TOTAL NET ASSETS</b>	<b>1,531,593</b>	<b>1,520,983</b>	<b>(10,609)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,407,731</b>	<b>3,344,407</b>	<b>(63,323)</b>



### 3. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	1,597,362	1,537,887	(59,474)
Operating expenses			
Business expenses	409,385	408,299	(1,086)
Operations	15,268	14,014	(1,254)
Maintenance expenses	399,729	390,886	(8,842)
Overhead expenses	70,842	64,719	(6,123)
Administration	93,669	89,085	(4,583)
Experiment and research	49,257	48,412	(844)
Depreciation and amortization	367,052	354,326	(12,726)
Retirement of fixed assets	44,973	41,811	(3,161)
Access charges	32,379	30,613	(1,765)
Miscellaneous taxes	66,267	65,899	(367)
Total operating expenses	1,548,824	1,508,068	(40,756)
Operating income from telecommunications businesses	48,537	29,819	(18,717)
Supplementary businesses:			
Operating revenues	160,696	138,460	(22,235)
Operating expenses	159,587	131,236	(28,351)
Operating income from supplementary businesses	1,108	7,223	6,115
Operating income	49,646	37,043	(12,602)
Non-operating revenues:			
Interest income	4	6	1
Interest on securities	1	2	1
Dividends received	2,151	1,160	(990)
Lease and rental income	43,495	38,660	(4,834)
Miscellaneous income	4,183	4,826	642
Total non-operating revenues	49,835	44,656	(5,179)
Non-operating expenses:			
Interest expenses	16,383	15,732	(650)
Lease and rental expenses	14,648	17,032	2,383
Miscellaneous expenses	5,379	6,572	1,192
Total non-operating expenses	36,412	39,337	2,925
Recurring profit	63,069	42,361	(20,708)
Income before income taxes	63,069	42,361	(20,708)
Corporation, inhabitant, and enterprise taxes	(6,564)	(4,595)	1,969
Deferred tax expenses (benefits)	20,548	26,463	5,914
Net income	49,085	20,493	(28,592)

#### 4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2011

(Millions of yen)

	Shareholders' equity						Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus		Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus Accumulated earned surplus	Total earned surplus				
April 1, 2010	312,000	1,170,054	1,170,054	25,529	25,529	1,507,583	56	56	1,507,640
Net change during the annual period									
Cash dividends				(25,003)	(25,003)	(25,003)			(25,003)
Net income				49,085	49,085	49,085			49,085
Others, net							(129)	(129)	(129)
Total net change during the annual period	—	—	—	24,082	24,082	24,082	(129)	(129)	23,953
March 31, 2011	312,000	1,170,054	1,170,054	49,611	49,611	1,531,665	(72)	(72)	1,531,593

Year ended March 31, 2012

(Millions of yen)

	Shareholders' equity						Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus		Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus Accumulated earned surplus	Total earned surplus				
April 1, 2011	312,000	1,170,054	1,170,054	49,611	49,611	1,531,665	(72)	(72)	1,531,593
Net change during the annual period									
Cash dividends				(31,200)	(31,200)	(31,200)			(31,200)
Net income				20,493	20,493	20,493			20,493
Others, net							96	96	96
Total net change during the annual period	—	—	—	(10,706)	(10,706)	(10,706)	96	96	(10,609)
March 31, 2012	312,000	1,170,054	1,170,054	38,905	38,905	1,520,959	24	24	1,520,983

## 5. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	729,085	646,816	(82,268)	(11.3)
Monthly charge revenues*	502,703	457,610	(45,092)	(9.0)
Call rates revenues*	61,884	51,162	(10,721)	(17.3)
Interconnection call revenues*	108,696	90,242	(18,454)	(17.0)
IP services revenues	582,095	629,402	47,307	8.1
Leased circuit services revenues (excluding IP services revenues)	133,103	125,491	(7,612)	(5.7)
Telegram services revenues	22,161	20,282	(1,879)	(8.5)
Other telecommunications services revenues	130,916	115,894	(15,021)	(11.5)
Telecommunications total revenues	1,597,362	1,537,887	(59,474)	(3.7)
Supplementary business total revenues	160,696	138,460	(22,235)	(13.8)
Total operating revenues	1,758,058	1,676,348	(81,710)	(4.6)

\*Partial listing only.

## 6. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes	63,069	42,361	(20,708)
Depreciation and amortization	376,998	363,579	(13,418)
Loss on disposal of property, plant and equipment	18,635	17,637	(998)
Increase (decrease) in liability for employees' retirement benefits	(37,951)	(33,354)	4,596
(Increase) decrease in accounts receivable	6,646	(21,705)	(28,352)
(Increase) decrease in inventories	(4,829)	(4,546)	282
Increase (decrease) in accounts payable and accrued expenses	(6,626)	(18,947)	(12,320)
Increase (decrease) in accrued consumption tax	521	(72)	(594)
Other	27,149	46,428	19,278
Sub-total	443,614	391,379	(52,234)
Interest and dividends received	2,157	1,169	(988)
Interest paid	(16,423)	(16,346)	76
Income taxes received (paid)	(3,082)	6,418	9,500
Net cash provided by (used in) operating activities	426,266	382,619	(43,646)
Cash flows from investing activities:			
Payments for property, plant and equipment	(379,393)	(349,576)	29,816
Proceeds from sale of property, plant and equipment	3,434	1,660	(1,774)
Payments for purchase of investment securities	(250)	(1,454)	(1,204)
Proceeds from sale of investment securities	13	48	35
Other	(436)	201	638
Net cash provided by (used in) investing activities	(376,631)	(349,120)	27,511
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	130,000	140,000	10,000
Payments for settlement of long-term debt	(151,170)	(142,428)	8,742
Net increase (decrease) in short-term borrowings	(3,999)	(25,000)	(21,000)
Payments for settlement of lease obligations	(1,868)	(1,836)	32
Dividends paid	(25,003)	(31,200)	(6,196)
Net cash provided by (used in) financing activities	(52,043)	(60,464)	(8,421)
Net increase (decrease) in cash and cash equivalents	(2,409)	(26,964)	(24,555)
Cash and cash equivalents at beginning of year	133,522	131,113	(2,409)
Cash and cash equivalents at end of year	131,113	104,148	(26,964)

## 7. Changes in Directors

(1) Director scheduled to resign from office

Noriaki Ito

Current Position:

Senior Executive Vice President

(Scheduled to join COMSYS Holdings Corporation /  
Nippon COMSYS Corporation)

(2) Candidates for Representative Directors

Candidate scheduled to take office as President

Kazutoshi Murao

Current Position :

Senior Executive Vice President

Candidates scheduled to take office as Senior Executive Vice President

Toshikatsu Ogura

Current Position :

Executive Vice President

Kouichi Takahatake

Current Position :

Executive Vice President

(Notes)

- The current President, Shinichi Otake, is scheduled to become an Advisor of Nippon Telegraph and Telephone West Corporation.

- The changes in directors noted above are only those that have been decided. Other changes will be announced once determined.