

(Reference)

Progress on Plan to Provide Next- Generation Network (“NGN”) Commercial Services

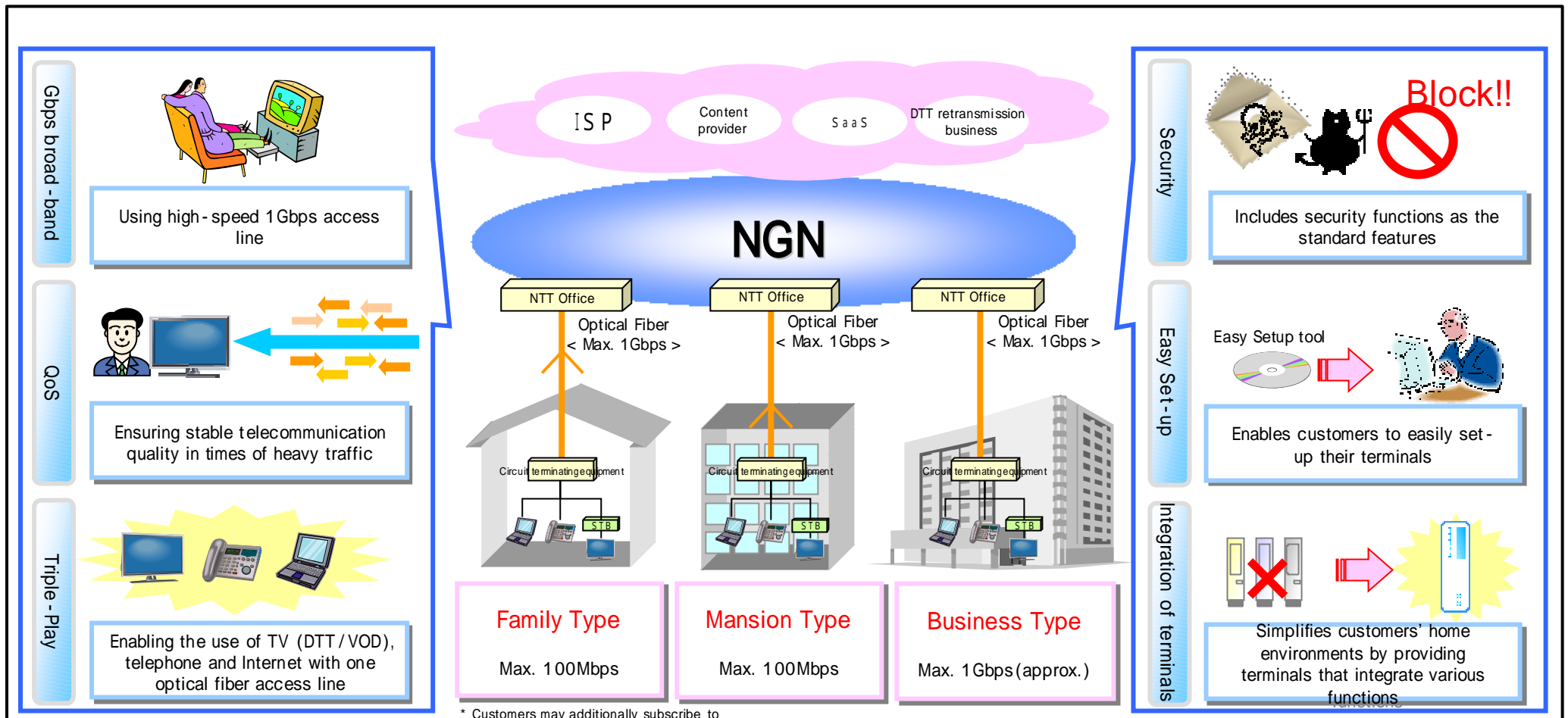
February 27, 2008

Nippon Telegraph and Telephone West
Corporation (“NTT West”)

1. Service Summary (FLET'S Hikari Next)

NGN enables provision of various types of optical broadband services (Family Type, Mansion Type and Business Type) based on the customer usage

In addition to "best efforts" services, NGN enables provision of stable telecommunication quality according to application even in times of heavy traffic, utilizing the Quality of Service ("QoS") quality assurance function



* Customers may additionally subscribe to FLET'S SPOT

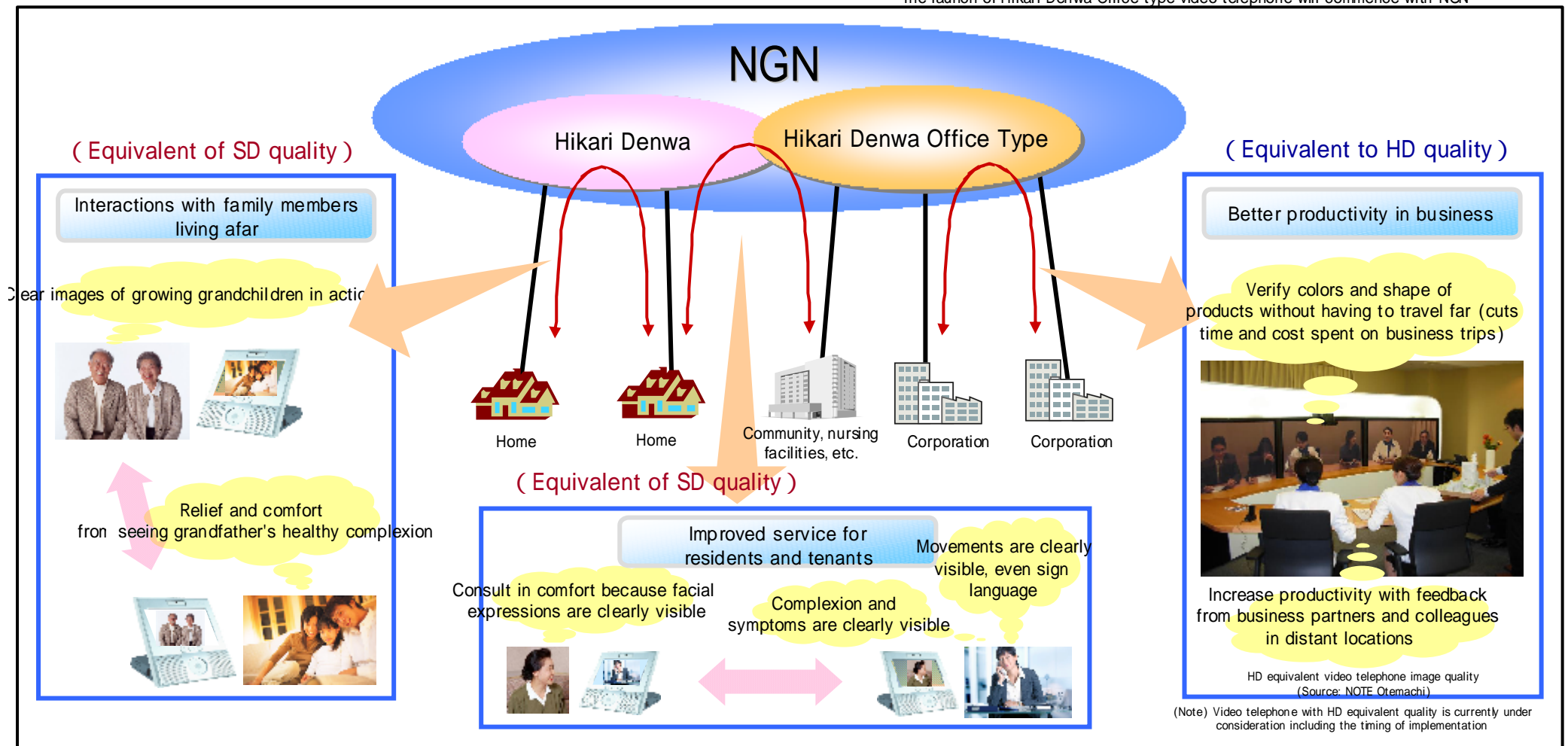
2. Service Summary (Video Telephone Equivalent to SD/HD qualities)

Improve image quality of conventional video telephone by utilizing NGN access lines (WAN access) and NGN functions (i.e. bandwidth control)

Offer high-definition video telephone, such as standard class (SD quality equivalent) and Hi-Vision class (HD quality equivalent)

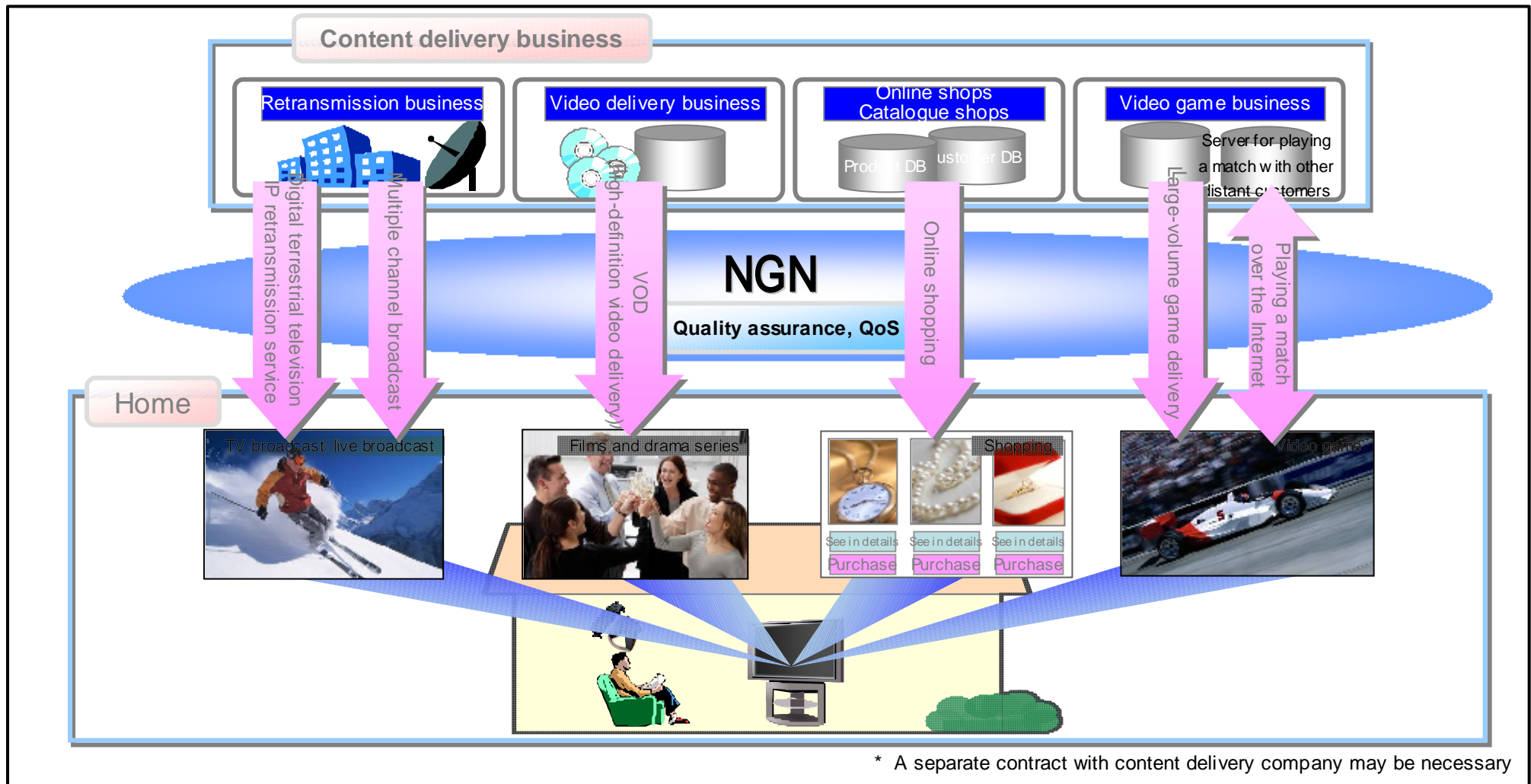
* Requires a special terminal

* The launch of Hikari Denwa Office type video telephone will commence with NGN



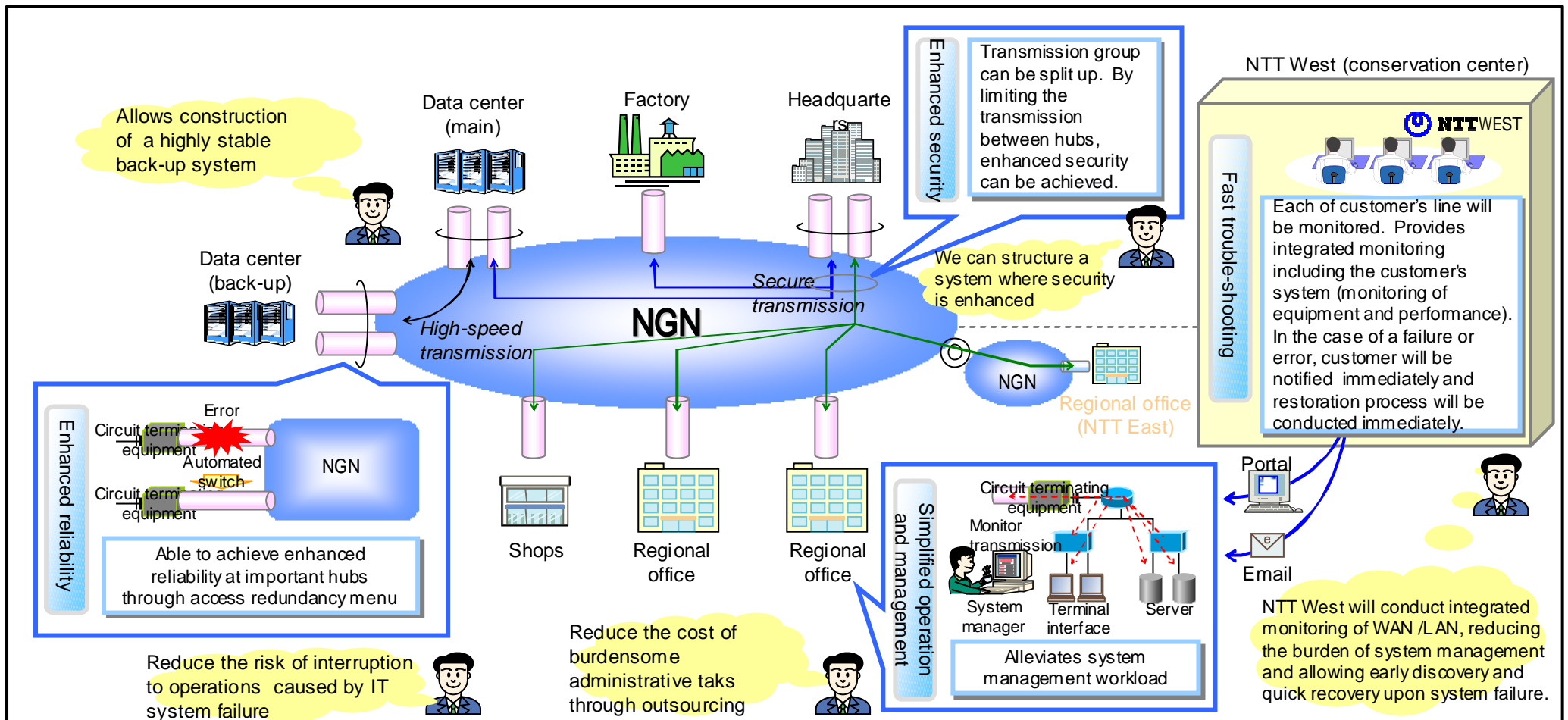
3. Service Summary (FLET'S Cast / for Digital Terrestrial Television IP Retransmission Business)

In addition to the existing "best efforts"-type multiple channel services, NGN enables digital terrestrial television IP retransmission services utilizing the Quality of Service ("QoS") quality assurance function
NGN allows use of Video on Demand ("VOD") services for viewing films and drama series at customers' convenience, with high audiovisual quality made possible by the QoS quality assurance function
NGN allows customers to enjoy convenient and secure shopping by reviewing products on high-definition image catalogues
NGN allows customers to download (purchase) large-volume gaming software directly and enjoy a game with other customers in a distant location



4. Service Summary (Business Ethernet Wide)

Realize seamless intra-prefectural and inter-prefectural transmissions
 Realize “enhanced reliability”, “enhanced security”, “simplified operation and management”, “fast trouble-shooting” and “cost reduction” expected for transmissions by corporations



* Menu for enabling simplified operation and management (e.g. integrated monitoring system) is currently under consideration including timing of implementation

5-1 Charges for Proposed NGN Commercial Services (1)

- Combining the cutting edge nature of NGN and our comprehensive brand name for optical services, “FLET’S Hikari”, the proposed optical broadband service will be called “FLET’S Hikari Next”
- Charge structures for NGN products will be similar to those of existing products. NTT West plans to offer charges for content-distribution businesses at the same level as existing charges but the services provided will be enhanced by the addition of Quality of Service (“QoS”) function. NTT West plans to provide charge structures which will be convenient for customers and will enable collaboration with different businesses and industries to create a variety of services.

Category	Service Name	Main Charge Structure (Tentative)			Existing Service
Optical Broadband Service	FLET’S Hikari Next	For single-dwelling unit <Family Type> (up to 100 Mbps)	The same as existing services e.g. Single-dwelling unit : JPY4,300 /month (incl. tax: JPY4,515 /month)		FLET’S HIKARI PREMIUM Family Type B FLET’S Family 100 Type B FLET’S Basic Type
		For multi-dwelling unit <Mansion Type> (up to 100 Mbps)	Multi-dwelling unit (Plan 1) : JPY3,100 /month (incl. tax: JPY3,255 /month)		FLET’S HIKARI PREMIUM Mansion Type B FLET’S Mansion Type
		For office <Business Type> (up to approx. 1GB)	The same as existing services		FLET’S HIKARI PREMIUM Enterprise Type B FLET’S Business Type
OAB-J IP Telephone/ Video Telephone	Hikari Denwa / Hikari Denwa Office Type	For private customers /small to medium enterprise	Basic charge	The same as existing services Hikari Denwa: JPY500 /month (incl. tax: JPY525 /month) Hikari Denwa Office Type: JPY1,300 /month (incl. tax: JPY1,365 /month)	<div style="border: 1px solid black; border-radius: 10px; padding: 10px; text-align: center;"> Hikari Denwa / Hikari Denwa Office Type </div> <div style="border: 1px solid black; border-radius: 10px; padding: 10px; margin-top: 10px;"> Voice communi- cations <div style="border: 1px solid black; border-radius: 5px; padding: 2px; display: inline-block; margin: 2px;">Standard quality</div> <div style="border: 1px dashed black; border-radius: 5px; padding: 2px; display: inline-block; margin: 2px; margin-left: 10px;">NA</div> </div> <div style="border: 1px solid black; border-radius: 10px; padding: 10px; margin-top: 10px;"> Video telephony <div style="border: 1px solid black; border-radius: 5px; padding: 2px; display: inline-block; margin: 2px;">Standard quality</div> <div style="border: 1px solid red; border-radius: 5px; padding: 2px; display: inline-block; margin: 2px; margin-left: 10px;">SD quality</div> <div style="border: 1px solid red; border-radius: 5px; padding: 2px; display: inline-block; margin: 2px; margin-left: 10px;">HD quality</div> </div>
		Voice communi- cations	Communi- cation charge	The same as existing service s JPY8 /3 min (incl. tax: JPY8.4 /3 min)	
		Video telephony	Communi- cation charge	The same as existing service s JPY15 /3 min (incl. tax: JPY15.75 /3 min)	
		Communi- cation charge	JPY100 /3 min (incl. tax: JPY105 /3 min)		
	Under Consideration	For large commercial entity	Under consideration		Hikari Denwa Business Type

[Legends] Underlined in red: New function : Planned for March 2008 : Planned for future < >: Type name

* Hikari Denwa: *Hikari* (Fiber-based) IP phone services provided by NTT East and NTT West

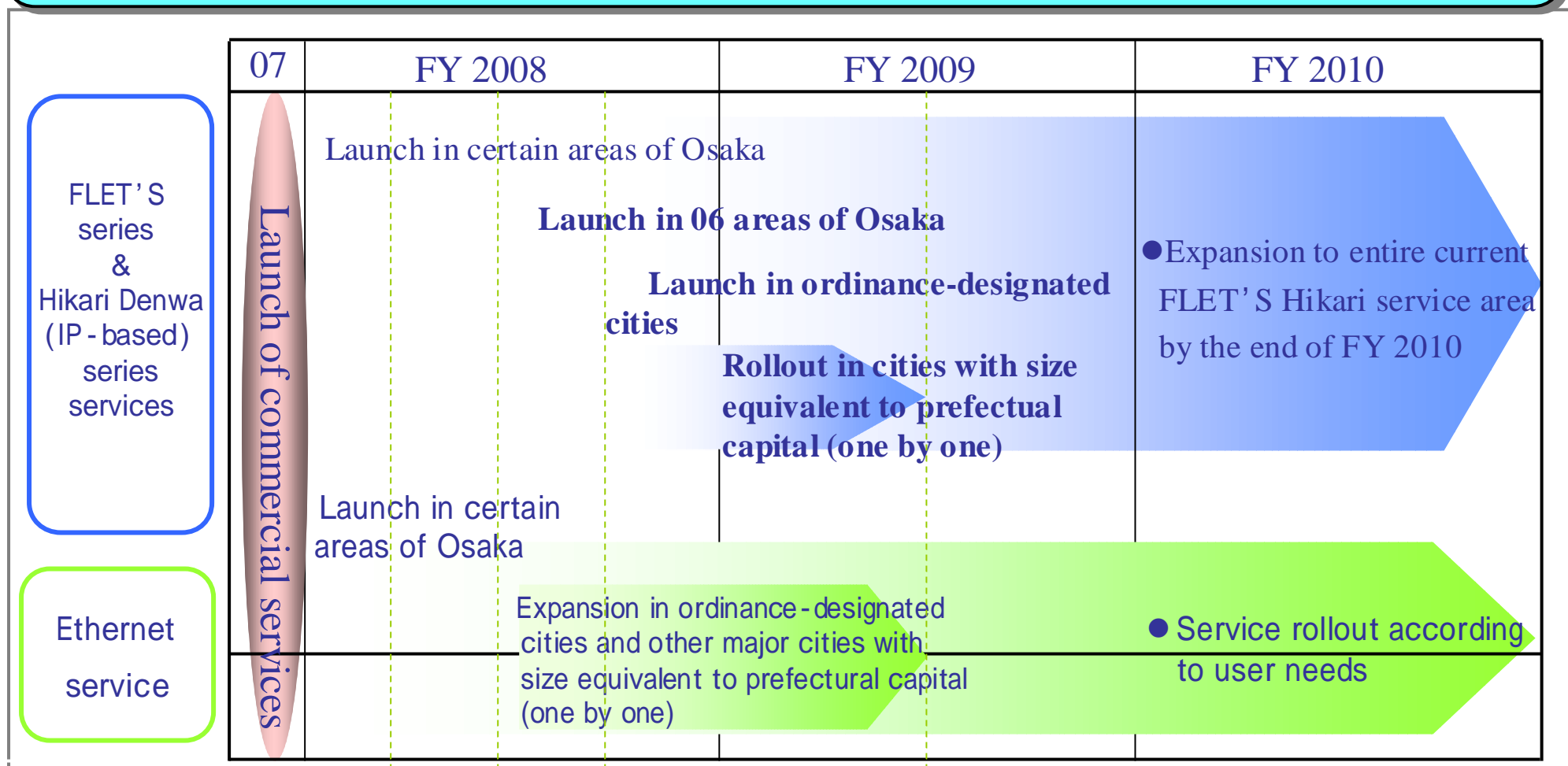
5-2 Charges for Proposed NGN Commercial Services (2)

Category	Service Name	Main Charge Structure (excluding tax) (Tentative)			Existing Service	
Content Distribution Service	FLET'S Cast	Best Effort	Unicast transmission	Additional fee to be paid by customers receiving the services	Charges to be paid by the service providers	FLET'S v6 Cast
			Multicast transmission * Provided as an additional function to Unicast transmission	JPY0 /month	At or below existing services Basic charge (fixed charge at different bandwidth) e.g. 1G single: JPY2.8 million /month (incl. tax: JPY2.94 million /month)	FLET'S v6 Cast
		QoS	<u>Unicast transmission</u>	JPY0 /month	The same level as existing services Basic charge (fixed charge at different bandwidth) + Additional charge (pro rata) e.g. 1G single: In addition to the basic charge of Unicast above, JPY2.5 million /month + JPY 200 /delivery or month (incl. tax: JPY2.625 million /month + JPY210 /delivery or month)	FLET'S v6 Cast
	QoS	<u>For digital terrestrial television IP retransmission business</u>	JPY200 /month ^(note) (Incl. tax: JPY210 /month)	The same level as existing Unicast transmission Basic Charge (fixed charge at different bandwidth) + Additional charge (pro rata) e.g. 1G single: JPY 3 million /month + pro rata transmission charge in excess of a certain hours	N/A	
VPN	FLET'S /VPN gate	Best Effort	Center-end type * One time contract at the center	At or below existing services Basic charge (fixed charge at different bandwidth) e.g. 1G center line (intra-prefectural): JPY1.164 million yen /month (incl. tax: JPY 1.222 million /month)		FLET'S Office
	CUG type /Center-end type * Individual contract per line		Under consideration		FLET'S Group Access	
	Under consideration	QoS	<u>CUG type /Center-end type</u> <u>* Individual contract per line</u>	Under consideration		N/A
Ethernet Service	Business Ethernet Wide	Wide-area Ethernet communication (intra-prefectural & <u>inter-prefectural</u>)		Below existing services within prefecture Fixed charge for within Message Area, within prefecture and inter-prefecture depending on the bandwidth e.g. 100M (intra-prefectural communication): Approx. JPY260,000 /month (incl. tax: Approx. JPY270,000 /month) 100M (inter-prefectural communication): Approx. JPY840,000 /month (incl. tax: Approx. JPY 880,000 /month) * The charges are examples of model subscription per one access line		Business Ethernet (intra-prefectural)

[Legend] Underlined in red: New function : Planned for March 2008 : Planned for future (note) – requires Hikari Denwa

6. NGN Commercialization and Deployment in West Japan

Begin commercialization in certain areas of Osaka by the end of the fiscal year ending March 31, 2008
 Begin FLET'S series *1 and Hikari Denwa (IP-based) series *2 services in ordinance-designated cities and other cities with size equivalent to prefectural capital within the next fiscal year and by the end of FY 2010, expand the services to cover the entire current FLET'S Hikari service area



*1 Optical broadband services, services for content delivery business, VPN

*2 OAB-J IP telephone /video telephone

** "FY" in this material represents one fiscal year which is a 12-month period beginning on April 1 of the year indicated and ending on March 31 of the year subsequent to the year indicated.