



News Release

NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

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This English text is a translation of the Japanese original. The Japanese original is authoritative.

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**Submission for Approval of Business Operation Plan
for Fiscal Year Ending March 31, 2009**

Nippon Telegraph and Telephone West Corporation (NTT West) today submitted its business operation plan for the fiscal year ending March 31, 2009 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 improving the Lifestyle convenience to create the foundations for a ubiquitous broadband network society in “u-Japan Policy” and “New IT Reform Strategy”. The government and private sectors are working in partnership to achieve such goals. The shift to broadband capacity for access lines will enable the information and telecommunications market to cater to increasingly sophisticated and diverse needs, expanding platform type of services including video and music distribution, SNS and other new technologies as it broadens the range of its offerings. Local telecommunications markets are experiencing an upswing in competition for broadband access lines with the scheduled commercialization of WiMAX-based wireless access in addition to conventional optical access services and cable television-based broadband. As IP takes the lead in telecommunications, the market is undergoing significant changes caused by the integration of fixed-line and mobile services as well as telecommunications and broadcasting.

Within this challenging and dramatically changing business environment, NTT West is striving to provide high-quality, stable universal service promote smooth migration to optical, IP-based networks and enhance the optical axis 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 telecommunication society by 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, utilize 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" and "anything, anytime, anywhere."

These are the basic concepts that underlie the business plan for the fiscal year ending March 31, 2009. 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 new excitement and opportunities by offering Hikari Denwa services that make use of optical 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 accurate 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 profits. NTT West will lay the foundations for the stable development of its business into the future by facilitating connections, 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, communities and, through the holding company, the shareholders.

NTT West foresees difficult financial condition in the fiscal year ending March 31, 2009, but it is confident in its ability to respond flexibly to changing business environments by placing priority on the following items, as called for in the concepts and strategies outlined above.

1. Voice transmission services

(1) Subscriber Telephones

NTT West responds immediately to all demands for telephone subscriptions, including the relocation of existing lines, and forecasts that it will have approximately 17.87 million subscribers by the close of the fiscal year ending March 31, 2009.

Item	Planned number (subscribers)
Additional Installations	(2.13) million
Relocations	3.17 million

(2) Social-Welfare Telephones

With a growing awareness of social welfare issues, NTT West will promote the installation of the “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)	3,100
	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. Simultaneously, we will review underused public telephones. We will work to enhance welfare and services with an ongoing program to install wheelchair-friendly telephone booths.

Item	Planned number (units)
Public Telephones	(15,000)

(4) Integrated Digital Communications Services

The total numbers of INS-Net 64 lines and INS Net 1500 lines are projected to be approximately 2.551 million and 20,000 respectively by the close of the fiscal year ending March 31, 2009.

Item	Planned number (circuits)
INS-Net 64 subscriber lines	(367,000)
INS-Net 1500 subscriber lines	(0)

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	1.4 million

3. Dedicated services

For dedicated services, we forecast approximately 157,000 ordinary dedicated lines and approximately 94,000 high-speed digital transmission services by the close of the fiscal year ending March 31, 2009.

Item	Planned number (circuits)
Conventional leased circuits	(16,000)
High-speed digital transmission services	(14,000)

4. Telegraph services

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

5. Improvement and upgrading of 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	0.8

(Coverage rate at the end of March 2009 will be 89%)

(2) Telecommunications Network

For 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 the next generation of networks and to 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 systems for restoration 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 central government, local government 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 ensure quality customer service and the safety of workers, harmonize with the social environment, and maintain a reliable telecommunication system, NTT West will continue with cable replacement in order to provide stable, quality services.

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

6. Promotion of research and development activities

Faced with major changes in market conditions, our research and development will emphasize IPv6 network systems and access systems that provide more advanced, reliable telecommunications networks.

We will also promote research and development of telecommunications terminal equipment and information distribution applications that would allow secure, safe and comfortable utilization of a wide variety of application services to better meet the social demands in telecommunications.

The attached tables contain an outline of principal service plans and capital investment plans.

Attachment 1

**Principal Services Plan
for Fiscal Year Ending March 31, 2009**

Type of Service	Unit	Plan
Voice Transmission Services		
Subscriber telephones		
Additional Installations	10,000 subscribers	(213)
Relocations	10,000 subscribers	317
Welfare telephones (Silver Phone)	100 units	32
Public telephones	1,000 units	(15)
Integrated digital communications services		
INS-Net 64	1,000 circuits	(367)
INS-Net 1500	1,000 circuits	0
Data transmission services		
FLET'S Hikari	10,000 contracts	140
Dedicated Services		
Ordinary Dedicated Services	1,000 circuits	(16)
High-speed digital transmission services	1,000 circuits	(14)

Attachment 2

Capital Investment Plan for Fiscal Year Ending March 31, 2009

(billions of yen)

Item	Investment required
1. Expansion and improvement of services	Note: 415
(1) Voice transmission	184
(2) Data transmission	56
(3) Dedicated	174
(4) Telegraph	1
2. Research & development facilities	3
3. Common facilities, etc.	12
Total	430

Note: This includes approximately 140 billion yen to be invested in the Optical Access Network.

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(Attached documentation)

**Revenues and Expenses Plan
for Fiscal Year Ending March 31, 2009**

(billions of yen)

Classification	Amount
Revenues	
Operating revenues	1,871
Voice transmission	978
Data transmission	163
Dedicated line	398
Telegraph	25
Others	307
Non-operating revenues	49
Total	1,920
Expenses	
Operating expenses	1,866
Operating costs	1,385
Taxes and dues	72
Depreciation	409
Non-operating expenses	44
Total	1,910
Recurring profit/loss	10

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(Attached documentation)

**Plan for Sources and Application of Funds
for Fiscal Year Ending March 31, 2009**

(billions of yen)

Item	Amount
Sources:	
Operational:	2,287
Operating revenues	2,238
Non-operating revenues	49
Financial	286
Long-term loans and bonds	178
Other financial income	108
Estimated consumption tax receipts	93
Balance brought forward from previous fiscal year	95
 Total	 2,761
Applications:	
Operational:	1,860
Operating expenses	1,824
Non-operating expenses	36
Financial:	716
Capital investment in property, plants and equipment	430
Other financial expenses	286
Account settlement expenses	6
Provisional consumption tax payments	84
Balance to be carried forward to following fiscal year	95
 Total	 2,761