Cost Control Efforts

Expenses

Excluding purchases and outsourcing costs

FY2006: 1,146.4

FY2007: 1,133.4

FY2008 (projection): 1,112.0

- 12.9

-21.4

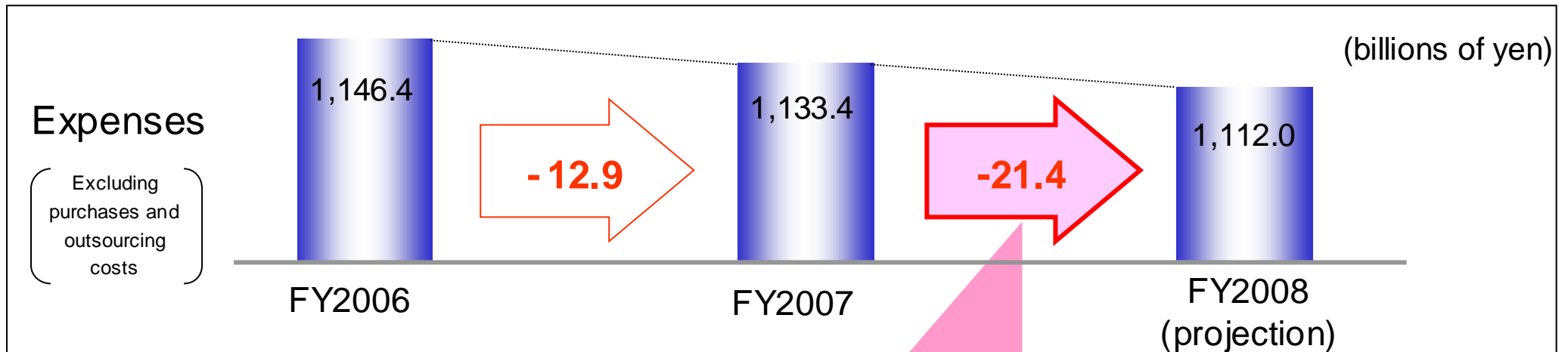(billions of yen)

Personnel costs
- Consolidate non-area specific service sites
- Review 116 call times, etc.

Through efficient personnel utilization, internalization of outsourced services and making efficient use of manpower

Sales costs
- Promote online installation date scheduling in response to web applications and those at retail stores
- Make efficient use of sales promotion expenses, etc

Facility costs
- Utilize optical IP facilities through capacity management
- Review NGN-related expenses
- Promote FLET'S Hikari installation with outsourcing, etc