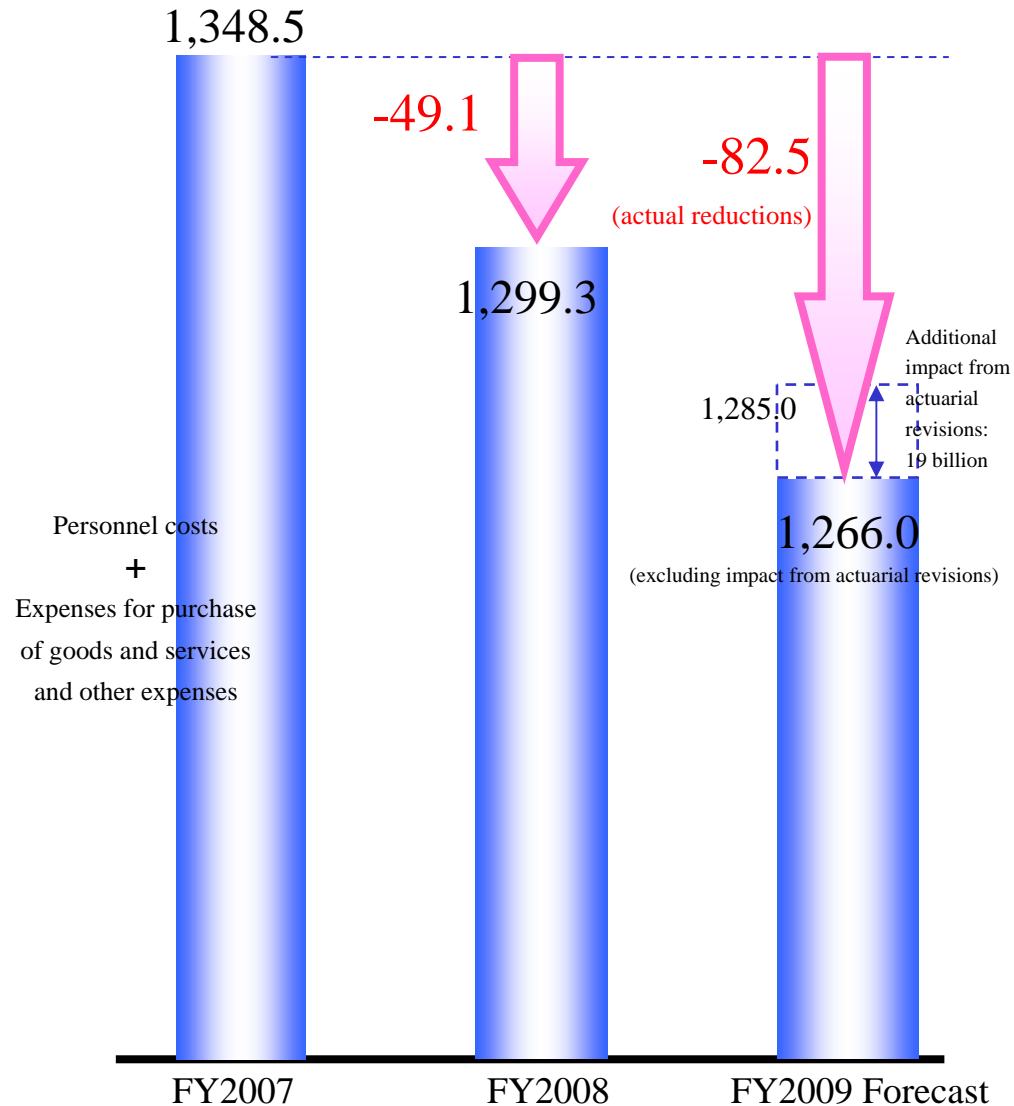


Cost Control Efforts

(billions of yen)



Reduction in operation costs

- Consolidate locations for non-area-specific operations
- Insource tasks previously outsourced
- Revise 116 call center reception hours (from 10/2008)
- Promote “backyard conservation” and automation through BPR

Reduction in sales costs

- Promote immediate installation date decisions available online and others
- Improve percentage of applications received online
- Effective and efficient sales based on segment marketing

Reduction in facility costs

- Fully utilize existing optical IP facilities
- Promote FLET’S Hikari installation not requiring onsite work
- Promote full-scale roll-out of Hikari Optical Wiring for multi-unit dwellings
- Promote greater efficiencies in repair processing and operations

● indicates new efforts begun in FY2009 and ○ indicates efforts continuing from FY2008