

# Business Operation Plan for the Fiscal Year Ending March 31, 2013

March 1, 2012

Nippon Telegraph and Telephone West Corporation  
("NTT West")

The forward-looking statements and projected figures concerning the future performance of NTT West, its parent company (NTT) and their respective subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT West in light of information currently available to it regarding NTT West, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT West, NTT and their respective subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

Accounting policies used to determine the figures in this presentation are consistent with those used to prepare financial statements in accordance with accounting principles generally accepted in Japan.

\* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.

# Main Points of Business Operation Plan for the Fiscal Year Ending March 31, 2013

- **NTT West is endeavoring to contribute to the sound development of the information distribution society, creating a broadband and ubiquitous network environment by offering an open next-generation network that utilizes the unique characteristics of “fiber-optics” to offer a much wider spectrum of services that will enable customers to connect “anytime, anywhere and with anyone or anything” “in comfort, safety and peace of mind.” At the same time, NTT West aims to expand the use of fiber-optic services by providing customers with “easy-to-use” rate plans and appealing services.**
- **NTT West will contribute to the creation of safe and secure societies by ensuring the stable provision of its broadband access, Hikari Denwa and other services, preventing equipment failures, strengthening facilities countermeasures in preparation for possible large-scale disasters, responding vigorously to restore service in times of disaster, 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 harsh, NTT West will continue to improve the efficiency of its operations so as to maintain profitability. NTT West will work to lay the foundations for the stable development of its business into the future, and, as its policies and programs bear fruit, endeavor to share the benefits with its customers, local communities and, through the holding company, the shareholders.**

# Service Plan and Capital Investment Plan

## ■ Service Plan (net increase)

Item	Unit	① FY2011 revised forecast		② FY2012 plan	
			Change		Change ②-①
FLET'S Hikari	10,000 subscriptions	75	(10)	65	(10)
Fixed-line telephone	10,000 subscribers	(160)	+5	(145)	+15
Telephone subscription	10,000 subscribers	(139)	+5	(127)	+13
ISDN	10,000 subscribers	(21)	0	(18)	+2

Note: Figures for ISDN subscriber lines represent the combined total for INS-Net 64 and INS-Net 1500 (one INS-Net 1500 subscription is calculated as ten INS-Net 64 subscriptions).

## ■ Capital Investment Plan

Item	Unit	① FY2011 revised forecast		② FY2012 plan	
			Change		Change ②-①
Capital Investment	Billions of yen	365.0	0.0	360.0	(5.0)
Investment in conversion to fiber-optic access network (partial listing only)	Billions of yen	Approx. 130.0	0.0	Approx. 130.0	0.0

# Revenues and Expenses Plan

(Billions of yen)

Item	① FY2011 revised forecast		② FY2011 revised forecast	
		Change		Change ②-①
<b>Operating revenues</b>	<b>1,682.0</b>	(5.0)	<b>1,655.0</b>	(27.0)
IP services revenues	<b>631.0</b>	(5.0)	<b>675.0</b>	+44.0
Existing services revenues	<b>910.0</b>	0.0	<b>828.0</b>	(82.0)
Voice transmission services revenues (partial listing only)	<b>648.0</b>	0.0	<b>582.0</b>	(66.0)
Supplementary businesses revenues	<b>141.0</b>	0.0	<b>152.0</b>	+11.0
<b>Operating expenses</b>	<b>1,632.0</b>	0.0	<b>1,605.0</b>	(27.0)
Personnel expenses	<b>106.0</b>	0.0	<b>109.0</b>	+3.0
General expenses	<b>1,059.0</b>	0.0	<b>1,045.0</b>	(14.0)
Capital charges	<b>400.0</b>	0.0	<b>384.0</b>	(16.0)
Tax and public dues	<b>67.0</b>	0.0	<b>67.0</b>	0.0
<b>Operating income</b>	<b>50.0</b>	(5.0)	<b>50.0</b>	0.0
<b>Recurring profit</b>	<b>60.0</b>	(5.0)	<b>60.0</b>	0.0