

Business Operation Plan for the Fiscal Year Ending March 31, 2014

March 1, 2013

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, 2014

- NTT West will aim to realize a broadband and ubiquitous network environment that will enable customers to connect “anytime, anywhere and with anyone or anything” “in comfort, safety and with peace of mind,” by offering an open next-generation network (“NGN”) that utilizes the unique characteristics of fiber-optics and by expanding its Wi-Fi platform. At the same time, NTT West will endeavor to contribute to the development of an information distribution society and enrich people’s lifestyles by expanding the use of fiber-optic services, including the provision of various lower-rate plans that match each customer’s patterns of usage, and a variety of other services.
- NTT West will contribute to the creation of safe and secure societies by seeking to ensure the stable provision of broadband access, Hikari Denwa and other services, attempting to prevent 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 actively seek to make a positive contribution to reducing its burden on the environment and work to lay the foundations for the stable development of its business into the future. As its policies and programs bear fruit, NTT West will 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 FY2012 revised forecast		② FY2013 plan	
			Change		Change ②-①
FLET'S Hikari	10,000 subscriptions	40	(25)	50	+10
Fixed-line telephone	10,000 subscribers	(140)	+5	(125)	+15
Telephone subscription	10,000 subscribers	(120)	+7	(105)	+15
ISDN	10,000 subscribers	(20)	(2)	(20)	0

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 FY2012 revised forecast		② FY2013 plan	
			Change		Change ②-①
Capital Investment	Billions of yen	360.0	0.0	340.0	(20.0)
Investment in conversion to fiber-optic access network (partial listing only)	Billions of yen	Approx. 130.0	0.0	Approx. 125.0	(5.0)

Revenues and Expenses Plan

(Billions of yen)

Item	① FY2012 revised forecast		② FY2013 plan	
		Change		Change ②-①
Operating revenues	1,632.0	(13.0)	1,595.0	(37.0)
IP services revenues	661.0	(9.0)	687.0	+26.0
Existing services revenues	823.0	0.0	752.0	(71.0)
Voice transmission services revenues (partial listing only)	581.0	0.0	521.0	(60.0)
Supplementary businesses revenues	148.0	(4.0)	156.0	+8.0
Operating expenses	1,614.0	+9.0	1,575.0	(39.0)
Personnel expenses	109.0	0.0	105.0	(4.0)
General expenses	1,049.0	+4.0	1,035.0	(14.0)
Capital charges	389.0	+5.0	368.0	(21.0)
Tax and public dues	67.0	0.0	67.0	0.0
Operating income	18.0	(22.0)	20.0	+2.0
Recurring profit	26.0	(24.0)	28.0	+2.0

Towards Sustained Growth

Despite facing a difficult environment where revenues continue to decrease, NTT West aims to achieve sustained growth by working to establish a stable revenue base and more efficient business operations.

■ “Establish a stable revenue base”

- Reached 9 million subscriptions to fiber-optic service at an early stage
 - Two-pronged efficient sales promotion – directly operated channels and external channels
- Business model conversions by promoting alliances
- Strengthen business operation structures
- Promote cloud businesses

■ “More efficient business operations”

- Promote the centralization of operations and bases
- Thorough reductions in capital investments and expenses