

Financial Results for the Fiscal Year Ended March 31, 2013 (14th Term)

May 10, 2013

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

FY2012 4Q Financial Results Summary

(Billions of yen)

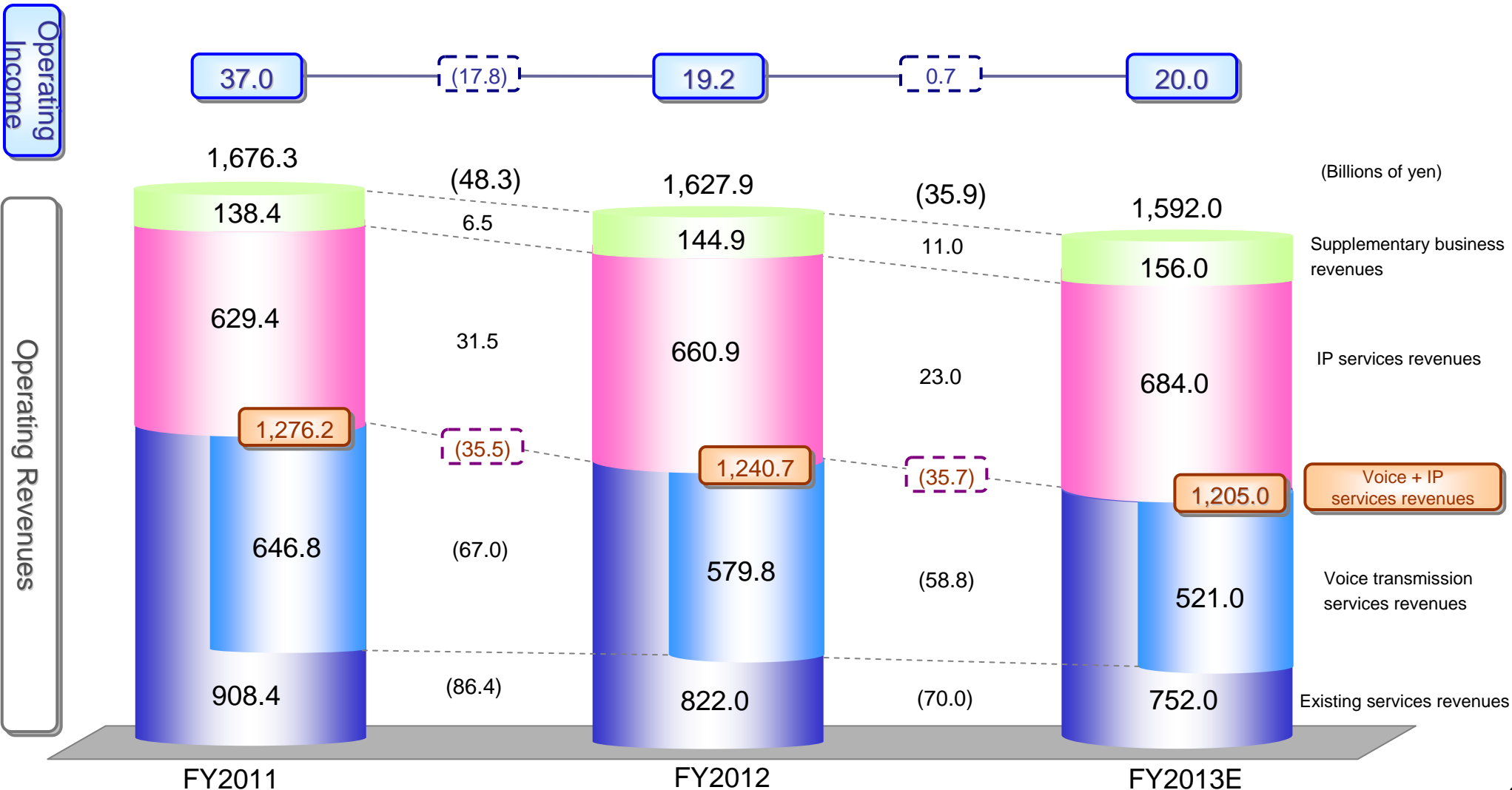
	FY2011	FY 2012	Increase (Decrease)	FY 2013 Forecast	Increase (Decrease)
Operating Revenues	1,676.3	1,627.9 (-4.0)*	(48.3)	1,592.0 (-3.0)*	(35.9)
Operating Expenses	1,639.3	1,608.7 (-5.2)	(30.5)	1,572.0 (-3.0)	(36.7)
Operating Income	37.0	19.2 (1.2)	(17.8)	20.0 (0)	+0.7
Recurring Profit	42.3	28.3 (2.3)	(13.9)	28.0 (0)	(0.3)
Net Profit	20.4	20.9 (-2.0)	+0.4	23.0 (-)	+2.0
Capital Investment	363.8	358.4 (-1.5)	(5.3)	340.0 (0)	(18.4)
FLET'S Hikari Net Increase (ten thousand)	66	34 (-6)	(32)	50 (0)	+16

Notes: The figures in parenthesis represent the increase (decrease) from the forecasts announced on March 1, 2013

Figures are rounded down to the nearest billion.
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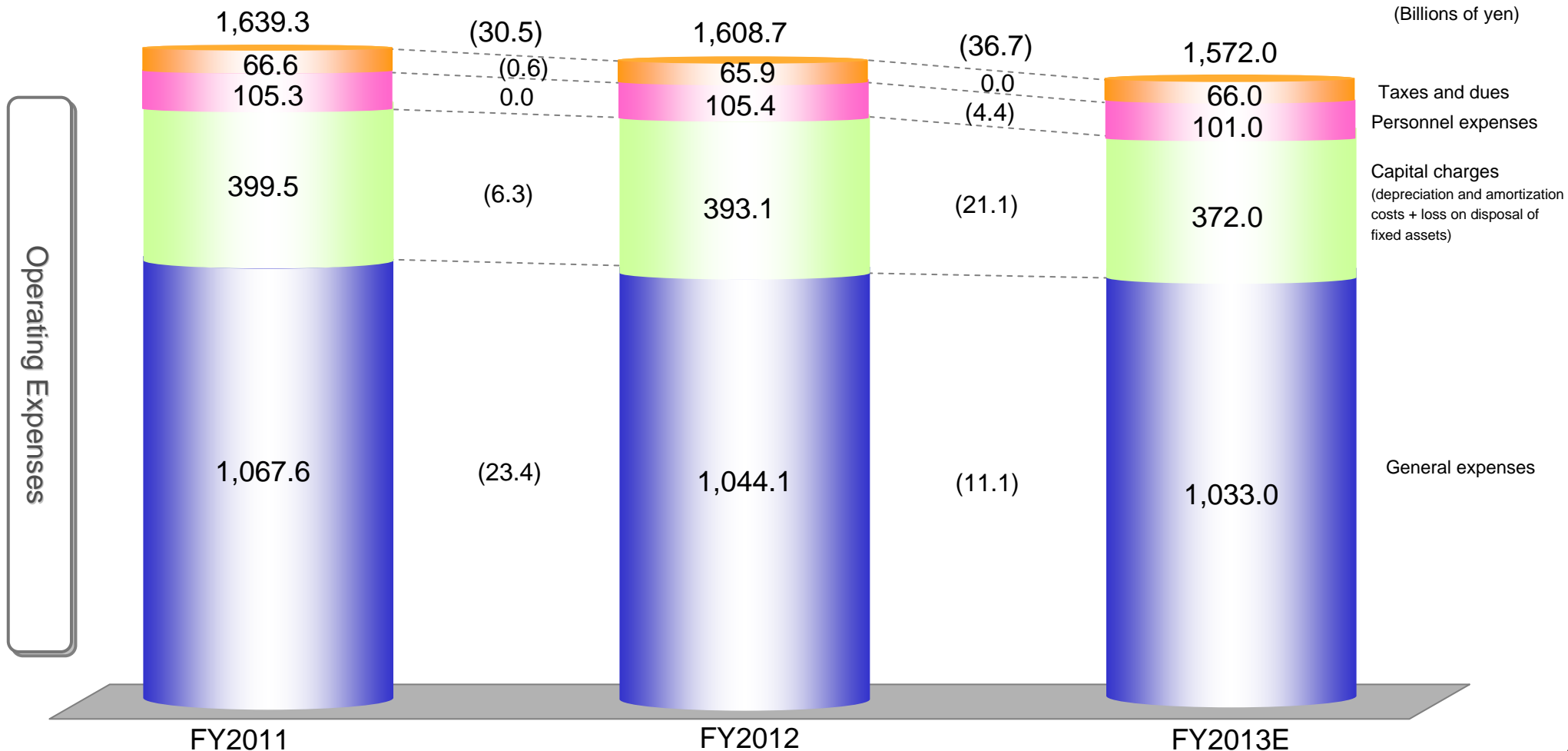
Changes in Operating Revenues and Operating Income

- FY2012: Operating Revenues decreased from the previous fiscal year by 48.3 billion yen, due to, among other factors, a decrease in Voice + IP services revenues of 35.5 billion yen.
- FY2013: While Operating Revenues are predicted to decrease by 35.9 billion yen, NTT West aims to increase Operating Income to 20.0 billion yen through cost reductions.



Changes in Operating Expenses

- FY2012: Operating Expenses decreased from the previous fiscal year by 30.5 billion yen as a result of comprehensive cost reductions, mainly in general expenses.
- FY2013: NTT West plans to further reduce Operating Expenses by 36.7 billion yen (compared to FY2012) through continued comprehensive cost reductions and by improving operational efficiency.



Figures are rounded down to the nearest billion.

FY2013 Initiatives (to achieve a planned net increase of FLET'S Hikari subscribers)

■ Increasing Sales Efficiency

- ▶ Increase number of online sign-ups (provide significant discounts, improve webpage, PR campaign linked to TV advertisements)
- ▶ Increase sales through alliance businesses (B2B2C marketing)
- ▶ Increase sales through video service utilizing “Hikari BOX+”
- ▶ Increase sales of FLET'S Hikari Light and FLET'S VPN Wide in the small and medium-sized business market.

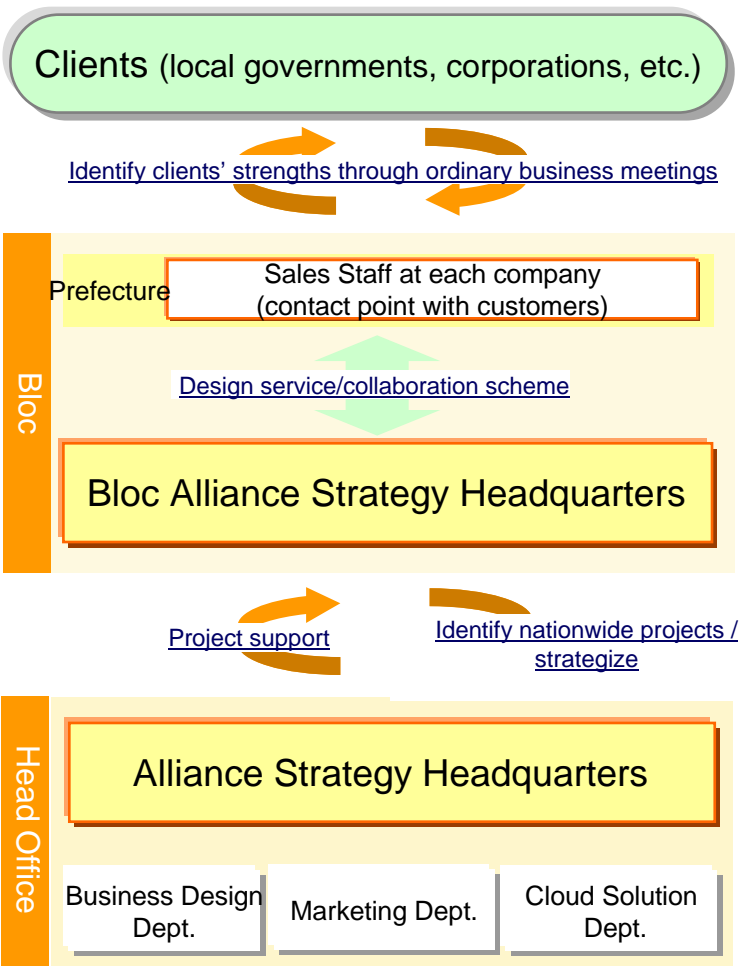
■ Reducing Subscription Cancellations

- ▶ Facilitate transition to more competitive “1G service (Hayabusa)*”
- ▶ Promote subscription to discount programs for long-term users: “Hikari Motto Motto Wari” and “Group Wari”
- ▶ Increase sales of “FLET'S Hikari Wi-Fi Access” for multi-dwelling units
- ▶ Increase sales of “alliance-related services” and “video services,” which are less susceptible to subscription cancellations

※*The maximum transmission speed for the 1G service is approximately 1 Gbps. 1 Gbps represents the maximum speed of the technology standard, and does not represent the actual transmission speeds in user households.

- Effective sales promotion with twin pillars of direct channel and external channel (B2B2C/B2G2C marketing)
- Create new services by combining the strengths partners and NTT West's ICT technology (transforming clients into partners)

Alliance Promotion Framework



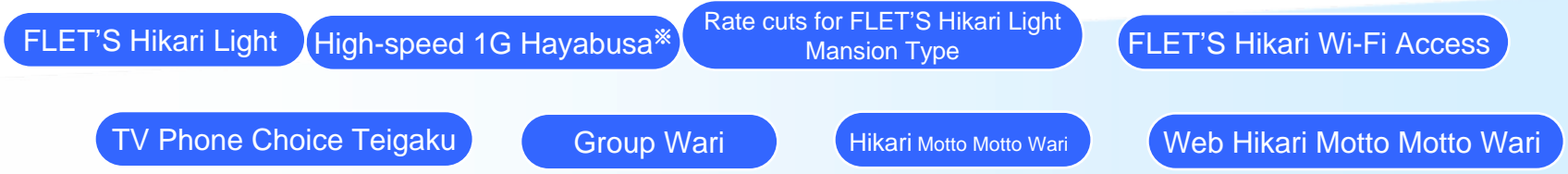
Some Alliance Examples

- **Tenmaya Store: online grocer**
 - Provides an online supermarket service to PC and smartphone users by building a dedicated website for Hikari BOX+. This service can also be used by those who are not used to operating PCs by using their home TVs via remote control operation. (From Jan. 2013)
- **Shogakukan, Hamagakuen cram schools, NTT Learning Systems: New Education service**
 - Offering "TV Dora-Zemi," a lecture video streaming service to Shogakukan Dora-Zemi students through Hikari BOX+ and "ELNO," an e-learning service provided by NTT Learning Systems Corporation. (Lectures are given by Hamagakuen teachers). (From Apr. 2013)
 - Launched "SirBeT," an easy search service provided by NTT Learning Systems Corporation at Hamagakuen's "Web school." SirBeT is a service that distributes lecture videos relating the textbooks users took pictures of on their smartphones or tablet devices. (From Dec. 2012)
- **Yokogawa Medical Solutions, NTT SmartConnect Corporation: cloud service for medical institutions**
 - Developed and launched a service that stores medical image data, taken electronically via CT and MRI by medical institutions, at data centers. (From Apr. 2012)
- **RKB Mainichi Broadcasting: Easy TV shopping via remote control**
 - Carried out joint trial with the aim of realizing a service that enables FLET'S Hikari Next subscribers who engage in TV shopping via terrestrial digital broadcast to purchase products by simply using a TV remote control. (From Dec. 2012 to March 2013)

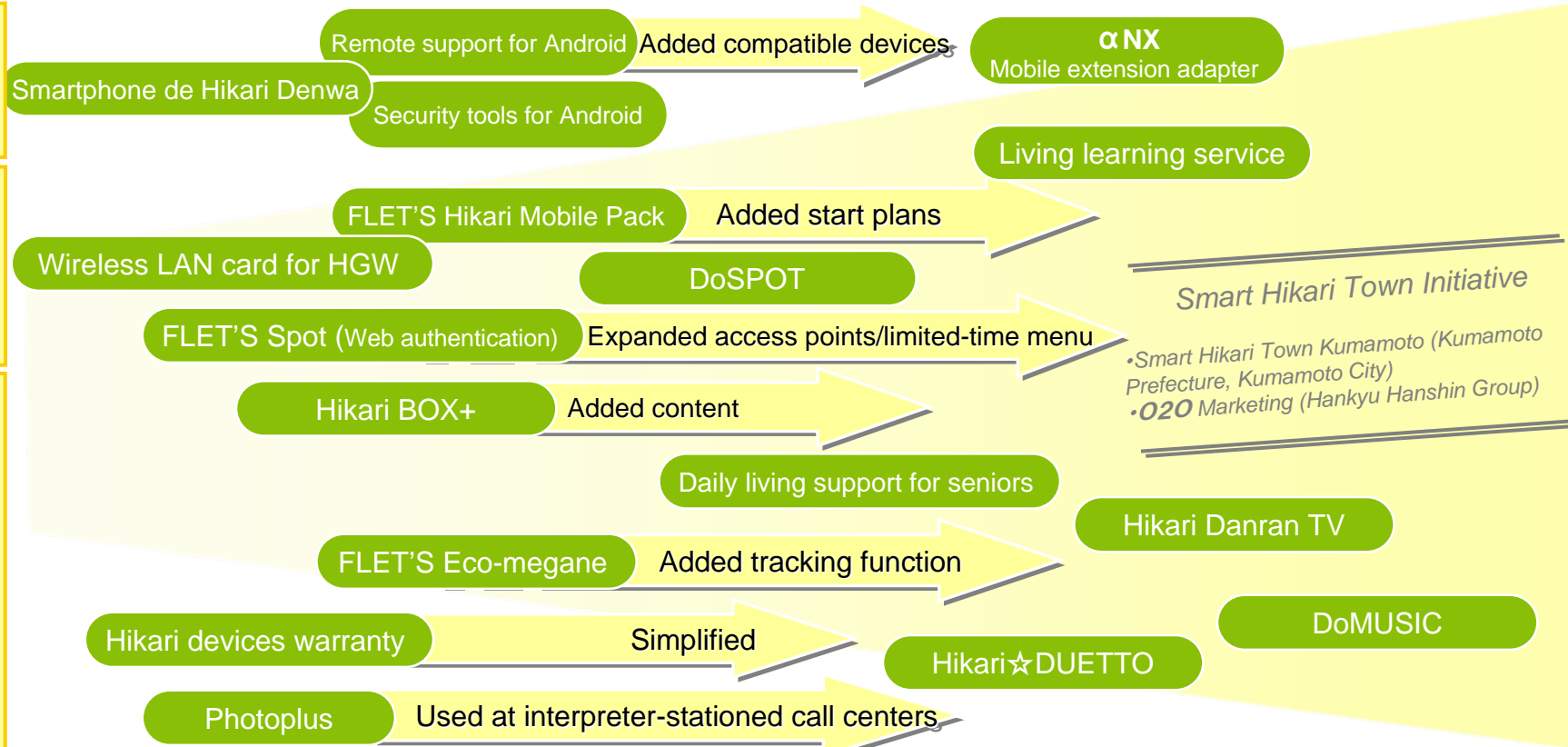
(Reference) Provision of Various Rate Plans and Services

- Offer various rate plans and services that best meet a customer's usage and needs
- Expand alliances to swiftly provide services that customers expect (quit closed innovation)

Various Rate Plans



Various Services



*The maximum transmission speed for the 1G service is approximately 1 Gbps. 1 Gbps represents the maximum speed of the technology standard, and does not represent the actual transmission speeds in user households.

FY2013 Initiatives

NTT West aims to increase revenues in business marketing by shifting management resources to high-margin markets and reviewing sales techniques.

Specific Measures

■ Resource strategy

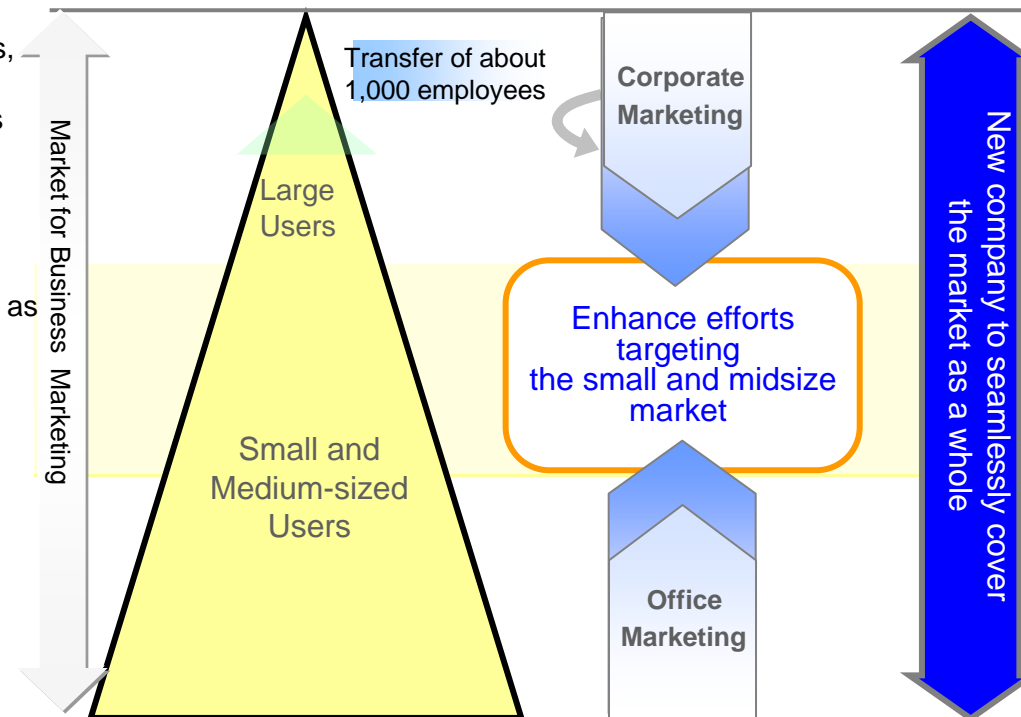
- For large corporate marketing, consolidate human resources to urban areas, where profitability is higher
- Transfer of about 1,000 personnel to the small and medium-sized business market
- Implement community-oriented office marketing in each region

■ Product strategy

- Expand the lineup of products for which demand is expected to grow, such as VPN, cloud PBX, and smartphone-compatible devices.
- Enhance stock businesses, such as data centers, that utilize NTT West's strengths
- Increase support services

■ Enhance structure

- Improve support related services
- Establish a new company specializing in business marketing (planned for October 2013)
- Secure and develop business marketing experts at the new company



3. Developing Growing Businesses through Group Companies

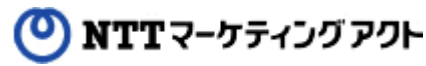


■ Contact Center Business

(increase sales to around 30 billion yen)

NTT Marketing Act and others

- ◆ Providing comprehensive support from establishment to operation of call centers by using its know-how in operating 116 and other contact numbers,
- ◆ Operating call center which provides life support services for seniors and administrative services for residents



■ Cloud Business

(increase sales to around 100 billion yen)

NTT SmartConnect and others

- ◆ Promoting cloud services utilizing cloud platforms (DC, IaaS), that are NTT West's strength



■ Environment/Energy Business

NTT Smile Energy and others

- ◆ Offering "Eco-megane," a solar power generation visualization service utilizing cloud systems
- ◆ Achieved user panels totaling 10,000kW (March 2013)



■ Mobile Content Business

(increase sales to around 10 billion yen)

NTT Solmare

- ◆ Offering e-books (comics) and games to mobile device users.
- ◆ Engaging in overseas markets.



■ Real Estate Business

(increase sales to around 15 billion yen)

NTT West Asset Planning and others

- ◆ Leasing built-to-order properties and subleasing business by utilizing know-how and a track record of leveraging group-owned real property.
- ◆ Launched rental of hydroponic farm; participating in shared-housing business by leasing its properties.



Specific Efforts

Aims to improve operational efficiency and implement drastic cost reduction

■ Achieving Operational Efficiency

- ▶ Concentrate management resources on six blocs and obtain the maximum benefit from limited resources
- ▶ Promote work consolidation to realize more efficient operations and aim to gradually shift to a one-workbase-per-6 bloc system
- ▶ Continuous promotion of BPR
- ▶ Complete transition to self-manufacturing and optimize sales expenses

■ Establishing a simple, cost-effective network at an early stage

- ▶ Comprehensive use of existing facilities
- ▶ Optimize costs of opening new lines by promoting remote installation
- ▶ Cost reduction in network construction by deploying new technology (Hikari long looping/simplification)

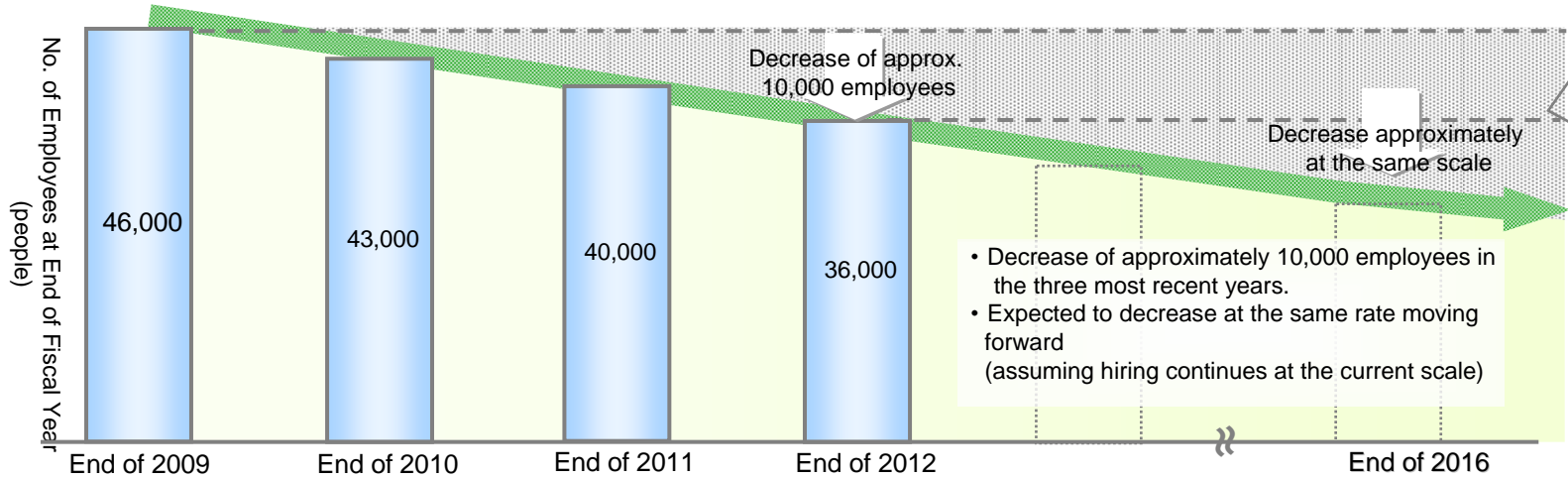
■ Absorb the impact of the increase in electricity rate through thorough power consumption reduction measures.

- ▶ Accelerate replacement of current air-conditioners to energy-saving air-conditioners, as well as other initiatives

(Reference) Main Efforts Towards Improving Operational Efficiency

- Promote operational efficiency and work base consolidation to deal with reductions in the number of employees
- NTT West aims to gradually consolidate its workbases step-by-step and achieve a one-workbase-per-6 bloc system in the future

Change in Number of Personnel



To respond to the decrease in the number of employees, NTT West aims to hold down personnel costs in the mid-term through

- Operational Efficiency; and
- Work base consolidation, etc.

- Decrease of approximately 10,000 employees in the three most recent years.
- Expected to decrease at the same rate moving forward (assuming hiring continues at the current scale)

*Total number of employees of NTT West, regional companies, NTT MARKETING ACT, NTT NEOMEIT, NTT HOMETECHNO, and NTT Business Associe West

Operational Efficiency

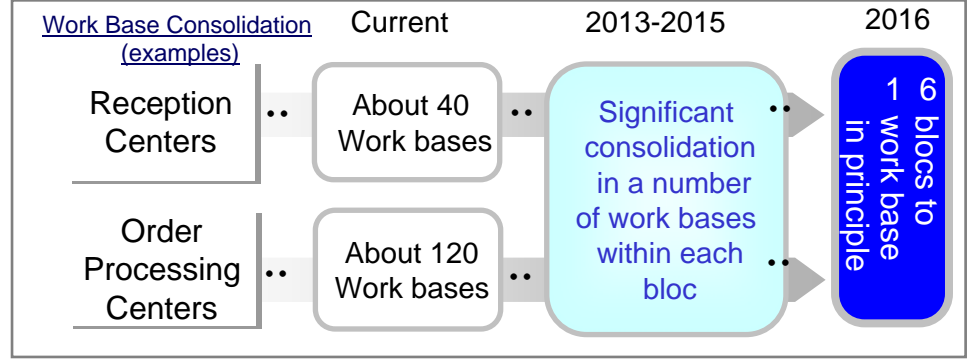
- Improve operational efficiency and productivity to compensate for the decrease in the number of employees resulting from retirement, and the diversified scope of work.

Operational Efficiency (examples)

- Onsite combined maintenance
A part of onsite network maintenance is conducted by residential repair departments using remote support and other technologies.
- Encourage repairs that do not require dispatch of engineers (DIY)
- Automation of processing tasks and system implementation, etc.

Work Base Consolidation

- Promote consolidated operation by function through call transfer and systemization, etc.
- Aggressively reduce the number of work bases while accommodating market changes and customers' diverse needs.

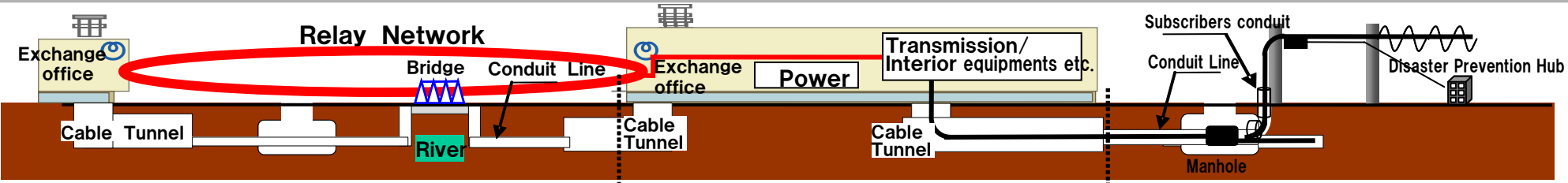


5. Making Efforts Towards Security, Safety and Reliability

Specific Measures

As part of the three-year disaster prevention plan from FY2012, NTT West is systematically implementing measures to prevent large-scale damage from a massive earthquake, such as the one expected to originate in the Nankai Trough. Approximately 10 billion yen in capital investment planned over three years

- ▶ Build relay networks and exchange offices that will not experience disruptions in communication services when a disaster occurs (review relay routes, improve water resistance of exchange offices)
- ▶ Minimize potential damage to underground infrastructure and achieve quick restoration (aim for temporary restoration within 3 days)
- ▶ Contribute to local disaster prevention/ damage reduction activities → Prior installation of special public telephones at the evacuation centers (approx. 15,000 locations planned) → BCP recommendation activities to local governments (preparation of hazard maps with community participation, etc.)



Disaster Prevention Measures	Lines (Relay Networks)	Points (Communication Bldg/Power System)	Surfaces (Access Facilities)	
	Preparations to Prevent Interruption of Communications			Preparations for Quick Restoration (In general, temporary restoration within 3 days)
	Improve Quality of Relay Network Routes <ol style="list-style-type: none"> ① Move aerial cable routes underground ② Review relay network routes <ul style="list-style-type: none"> • Create new routes in mountains ③ Secure detour routes between the bridges ④ Countermeasures to protect cable tunnels from flooding 	Improves Exchange offices Water Resistance <ol style="list-style-type: none"> ① Reinforce doors (Replace with waterproof doors) ② Reinforce walls (additional concrete) ③ Cover windows and other openings ④ Protect exhaust ducts of exposed emergency power generators 	Minimize potential damage to underground / Quick Restoration <ol style="list-style-type: none"> ① Install metal fixtures to prevent cable movement (between manholes and subscriber's conduit) ② Secure subscriber's conduit lines for restoration etc. 	

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.