

January 23, 2009

Applications for Authorization of Next Generation Network (NGN) Interconnection Charges

Nippon Telegraph and Telephone East Corporation (“NTT East”) applied today to the Minister of Internal Affairs and Communications for authorization of changes to its Articles of Agreement Concerning Interconnection to Designated Telecommunications Facilities, with regards to the interconnection charges for Next Generation Network (NGN), to be applied beginning the fiscal year ending March 31, 2010.

1. Proposed Interconnection Charges

Classification	Unit	Rate
General local station router connection routing transmission function (“Local station connection function”)	Per local router device	¥1,692,927/month
General relay station router connection routing transmission function (“Relay station connection function”)	Per connection port	¥6,375,000/month
Interconnection gateway switch connection routing transmission function* (“IGS connection function” or “Hikari Denwa”)	Per connection	¥1.3601/connection
	Per second	¥0.022019/second

*The IGS connection function charges for 3 minutes: ¥5.69 (when including IGS connection charges for the fiscal year ending March 31, 2009 of ¥0.37 for 3 minutes)

2. Calculation method

The calculation has been made using a single-year future cost method for the fiscal year ending March 31, 2010.

3. Period of Implementation

After ministerial approval, the charges will be applied beginning April 1, 2009.

- Reference Material: Overview of Next Generation Network (NGN) Functions

Applications for Authorization of Next Generation Network (NGN) Interconnection Charges

Nippon Telegraph and Telephone West Corporation (“NTT West”) applied today to the Minister of Internal Affairs and Communications for authorization of changes to its Articles of Agreement Concerning Interconnection to Designated Telecommunications Facilities with regards to the interconnection charges for Next Generation Network (NGN), to be applied beginning the fiscal year ending March 31, 2010.

1. Proposed Interconnection Charges

Classification	Unit	Rate
General local station router connection routing transmission function (“Local station connection function”)	Per local router device	¥2,480,185/month
General relay station router connection routing transmission function (“Relay station connection function”)	Per connection port	¥5,250,000/month
Interconnection gateway switch connection routing transmission function* (“IGS connection function” or “Hikari Denwa”)	Per connection	¥0.98349/connection
	Per second	¥0.027421/second

*The IGS connection function charges for 3 minutes: ¥ 6.29 (when including IGS connection charges for the fiscal year ending March 31, 2009 of ¥ 0.37 for 3 minutes)

2. Calculation method

The calculation has been made using a single-year future cost method for the fiscal year ending March 31, 2010.

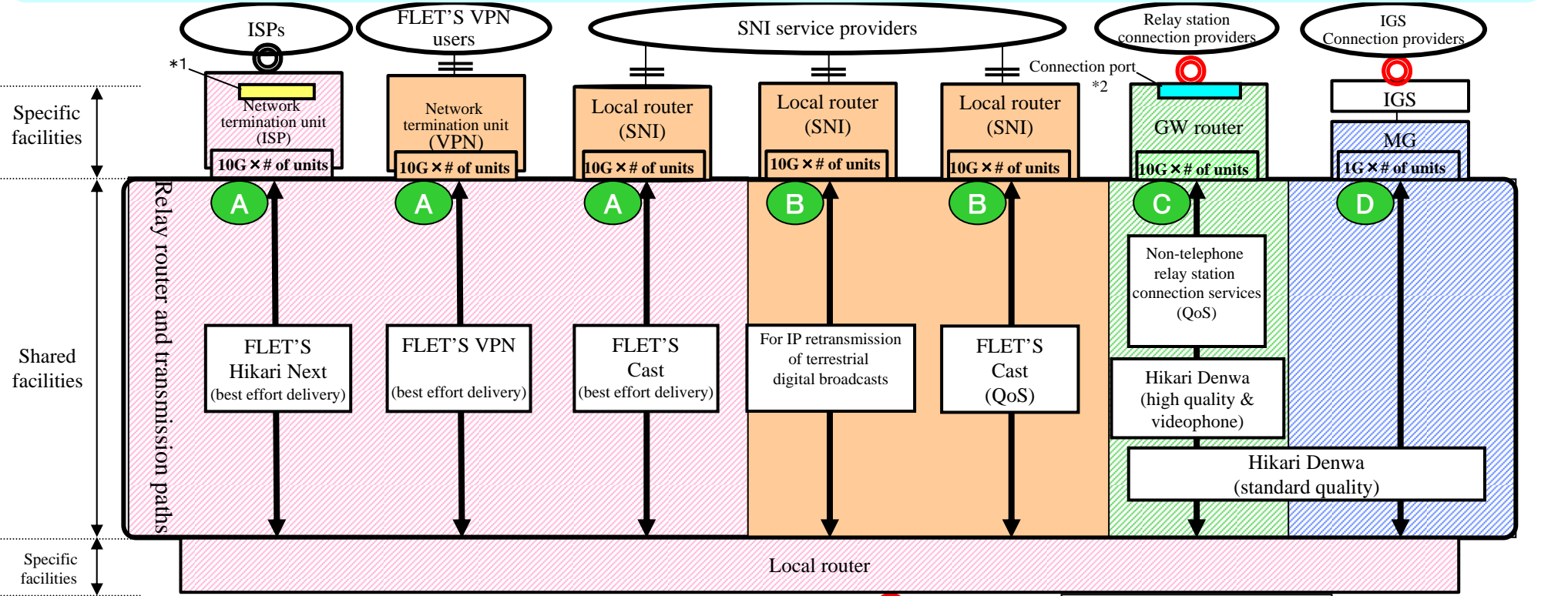
3. Period of Implementation

After ministerial approval, the charges will be applied beginning April 1, 2009.

- Reference Material: Overview of Next Generation Network (NGN) Functions

Overview of Next Generation Network (NGN) Functions

- **Local station connection function:** function by which other service providers connect their access lines to our local station routers to use the NGN.
- **Relay station connection function:** function by which other service providers connect their IP networks to our relay station gateway routers to use the NGN.
- **IGS connection function:** function by which other service providers of fixed-line, mobile or other phone services connect their networks to our gateway switchboard to use the NGN or the Hikari Denwa network.



Cost calculation method for functions

- For specific facilities, costs are charged directly to the function.
- For shared facilities (relay routers and transmission paths), costs are allocated to each function in accordance with the network side port capacity ratios of its edge router (A-D)

Local station connection provider

Cost range for each function

- Local station connection function (pink)
- Relay station connection function (green)
- IGS connection function (blue)
- Other (functions for specific usage) (orange)

*1 Costs corresponding to NTU connection ports are paid by ISPs as network reconfiguration costs.

*2 Separate network reconfiguration costs are set for connection ports