

July 21, 2006

For Immediate Release

Nippon Telegraph and Telephone Corporation
Nippon Telegraph and Telephone East Corporation
Nippon Telegraph and Telephone West Corporation
NTT Communications Corporation

Changes to Organizational Structure for the Provision of Upper-layer Services and Corporate Services

In November 2005, NTT Group released a document entitled "Promoting NTT Group's Medium-Term Management Strategy," pursuant to which NTT Group has been considering ways to improve its organizational structure relating to the provision of upper-layer services and corporate services. NTT Group's objectives are to respond to customer needs for one-stop services and integrated IP-based services and to achieve operating efficiencies through the efficient allocation of NTT Group resources. To achieve these objectives, NTT Group plans to implement the following improvements.

1. Upper-layer services

NTT Group will work to enhance the efficiency of its operations by consolidating within NTT Communications its upper-layer services (which include Internet connection services, IP telephone services, video distribution services and portal services). This initiative will enable NTT Group to provide more attractive services to customers by leveraging the synergies between the upper-layer services it provides.

To achieve this, NTT Group has decided to make the following companies into subsidiaries of NTT Communications:

- NTT Resonant Inc. (which offers the Internet portal service "goo"); and
- Plala Networks Inc. (which offers Internet connection services, IP telephone services and video distribution services for television broadcasters).

At the same time, NTT Group has resolved to establish a new Net Business Division within NTT Communications to manage the marketing alliance strategy for all the upper-layer services provided by NTT Group and to oversee the operations of NTT Group's upper-layer services as a whole.

2. Corporate services

NTT Group will revise its customer accounts system to improve the one-stop services it offers to corporate customers and to achieve operating efficiencies through the efficient allocation of NTT Group resources.

Specifically, the entities responsible for certain customers will be redesignated so that NTT Group can enhance its customer services and strengthen its ability to provide total solutions for networks and information systems. NTT Communications will become responsible for the provision of services to nationwide or global customers including city banks, large-scale trading companies and central government agencies, and NTT East and NTT West will be responsible for local governments and regional banks. As a

result, NTT Communications will assume responsibility for approximately 1,600 of the 1,800 companies to which the respective Corporate Business Headquarters of the Head Offices of NTT East and NTT West have been providing services to date. Concomitant with this reform, NTT Group will reassign approximately 1,200 of NTT East and NTT West's sales staff and system engineers to NTT Communications. Moreover, a new Enterprise Sales Division III will be set up at NTT Communications, and the Business User Promotion Division at NTT East will be reorganized.

In addition, approximately 100 sales staff and system engineers at NTT Communications who are currently responsible for local government customers will implement the necessary measures for the transition of each of these customers, and will, in time, themselves be transferred to NTT East and NTT West.

3. Timing of implementation

August 1, 2006

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