



For Immediate Release
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PROCUREMENT PROCEDURES FOR NIPPON TELEGRAPH AND TELEPHONE CORPORATION

Nippon Telegraph and Telephone Corp. (NTT) has actively sought and procured competitive products worldwide on an open, fair and nondiscriminatory basis.

Upon its Reorganization on July 1, 1999, NTT will improve its procurement procedures and voluntarily adopt new ones in light of the remarkable changes now occurring in the telecommunications market. To meet the increasingly diverse and demanding needs of its customers, NTT is set to engage in timely procurement and to expand its new business services by flexibly accepting business proposals from suppliers.

In this respect, NTT will apply its new procurement procedures on a speedy, flexible and efficient basis, in addition to its current basic policy. NTT's new basic policy for procurement and procurement procedures is outlined below:

1. Basic Policy for Procurement

NTT will:

- 1) Conduct its procurement in an open and transparent manner, taking into account its business needs,
- 2) Provide non-discriminatory and competitive opportunities to both domestic and foreign suppliers and
- 3) Conduct global and market-driven procurement of competitive products that meet its business needs.

2. Procurement Process

Procurement procedures regarding public telecommunications equipment for domestic services consist of the following basic procurement processes:

- (1) RFP (Request for Proposal) Process: NTT procures the product by requesting proposals from suppliers.
- (2) Supplier's Proposal Process: NTT procures the product based on proposals by suppliers.
- (3) Follow-on Purchase Process: NTT purchases the product or additional units of

the product from suppliers qualified through the RFP Process or Supplier's Proposal Process.

3. Establishment of Contact Points for Procurement

NTT will establish contact points to handle procurement-related comments and complaints from suppliers.

4. Provision of Relevant Information Concerning Procurement

In addition to 1) Basic policy for procurement, 2) Procurement procedures, and 3) the Contact points for procurement, NTT will provide information on RFP and other information that will improve the efficiency of its procurement.

Outlines will be announced on NTT's procurement website (<http://ontime.ntt.co.jp>), and detailed brochures will be provided for suppliers as soon as they are available.

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