Press Release

March 23, 2007

Quarterly Report on Competition in the Telecommunications Industry
(Fiscal 2006, Third Quarter (as of end of December 31)

As one way of evaluating competition in the telecommunications industry, the Ministry of Internal Affairs and Communications (MIC) gathers quarterly data on market share in the industry. The following is a summary of the results for Third Quarter, ending December 31, 2006.

Main points

1. Fixed Communications

(1) In the subscriber line market (an aggregate of NTT subscriber lines, dedicated lines, OAB-J IP telephones, and CATV telephones), NTT East/West held a 90.4% market share (down 0.5% from the previous period).

(2) In the IP telephone market, SoftBank BB had a 35.2% share (down 2.0% from the previous period), followed by NTT Communications at 24.3% (down 0.5% from the previous period), and NTT East/West at 18.4% (up 3.2% from the previous period). NTT East/West continues to gain market share. NTT East/West also had a 75.6% share of the OAB-J numbers.

2. Mobile Communications

In the field of mobile phone and PHS subscribers, NTT DoCoMo group had a 52.8% share (down 0.6% from the previous period), followed by the au Group at 27.3% (down 0.5% from the previous period), and SoftBank Mobile at 15.5% (no change from the previous period), and PHS accounted for 4.4% of the market (a 0.1% increase over the previous period). In the mobile phone sector, the au Group share continued to rise.

3. Internet Connectivity

(1) In the nationwide DSL market, NTT East/West had a 38.5% share (down 0.3% from the previous term), and BB Technology was at 36.3% (0.6% up from the previous period).

(2) In the FTTH (optical fiber) market, NTT East/West had a 67.5% market share (a 1.5% increase over the previous period), power-company carriers were at 14.6% (a 0.4% decrease from the previous period), and cable broadcaster USEN was at 6.7% (a 0.6% decrease from the previous period). NTT East/West's share continues to grow.
In the FTTH market single-family homes and businesses segment, NTT East/West had a 76.4% share (down 0.4% from the previous period), the power-company carriers were at 20.4% (down 0.5% from the previous period), and in the multi-unit building segment, NTT East/West had a 55.4% share (a 2.8% increase over the previous period), and USEN had 14.7% (down 1.3% from the previous period).

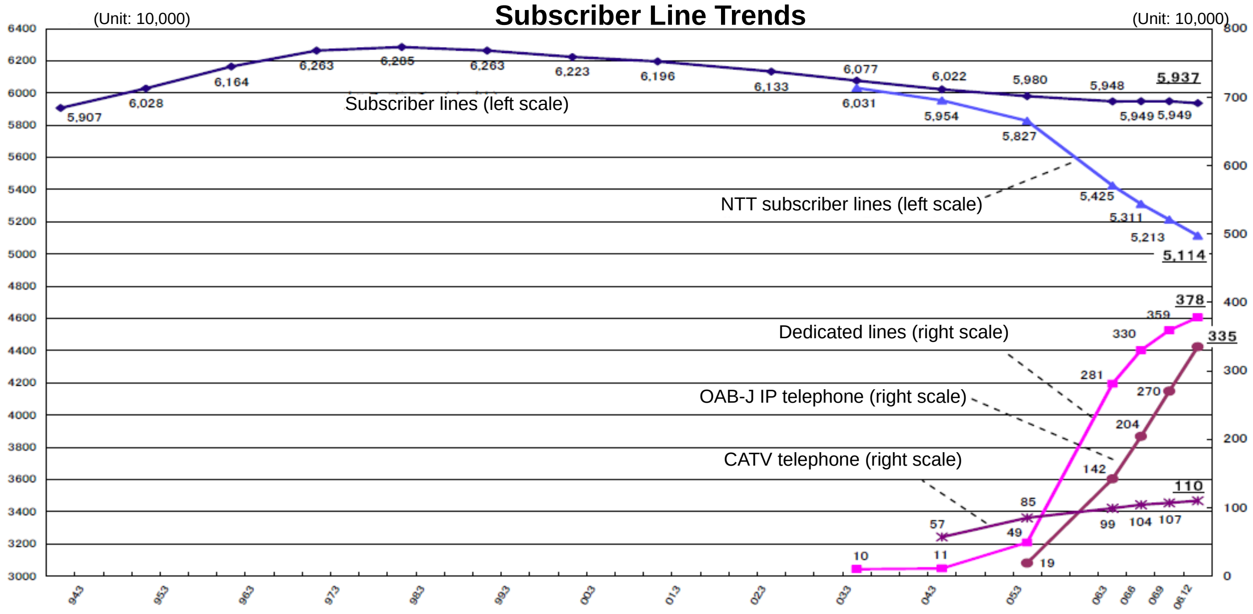
Note:
- Because it is difficult to collect quarterly data on corporate network services, they are only released semi-annually.
- MIC has been evaluating competition in the telecommunications industry since fiscal 2003, and as part of that effort, information is collected from telecom carriers and published on a quarterly basis.

1. Fixed Communications

(1) Snscriber telephone

- In the subscriber line market (an aggregate of NTT subscriber lines, dedicated lines, OAB-J IP telephones, and CATV telephones), there were 59.37 million subscribers as of December 31, 2006. While NTT's market share continued to drop, dedicated lines were up to 3.78 million (5.3% increase over the previous period), as was OAB-J IP telephones at 3.35 million (24.1% increase over previous period), and it seems that OAB-J IP telephones are set to catch dedicated lines.
- NTT East/West's share of the subscriber line market was 90.4% as of December 31, 2006 (NTT East had 45.0% and NTT West 45.4%, a 0.5% decline from the previous period).

Subscriber Line Trends

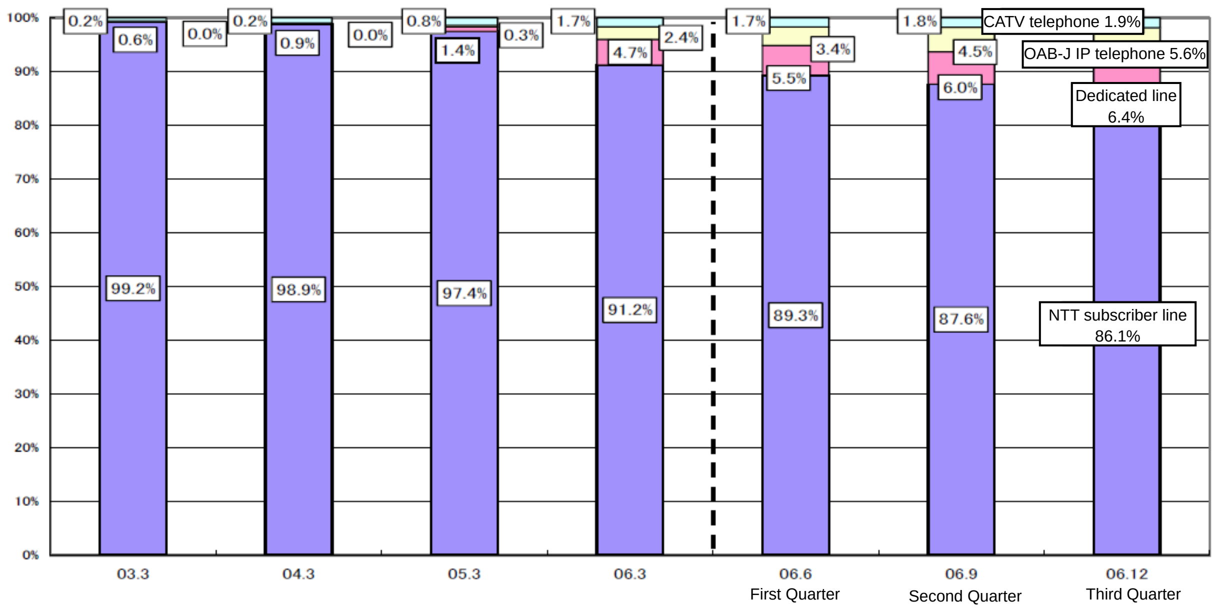


Note 1: Subscriber lines include NTT subscriber lines (including ISDN), dedicated lines (dedicated lines, new dedicated lines, and dedicated ISDN), OAB-J IP telephones, and CATV telephones.

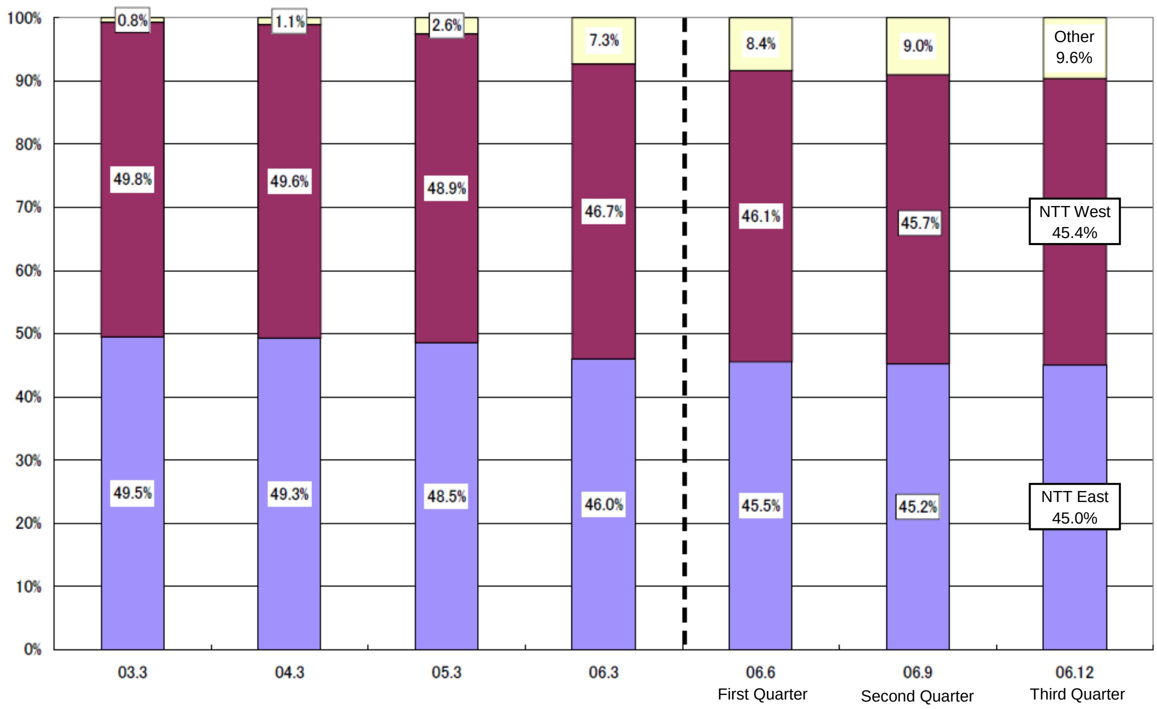
Note 2: For OAB-J IP telephones, a telephone number in use is treated as a subscriber line.

- Note that because OAB-J IP telephones can easily substitute for NTT subscriber lines, they were included in subscriber lines, but they also appear again in the IP telephone statistics on and after page 3.

Subscriber line market share by service type



NTT East/West's subscriber line market share

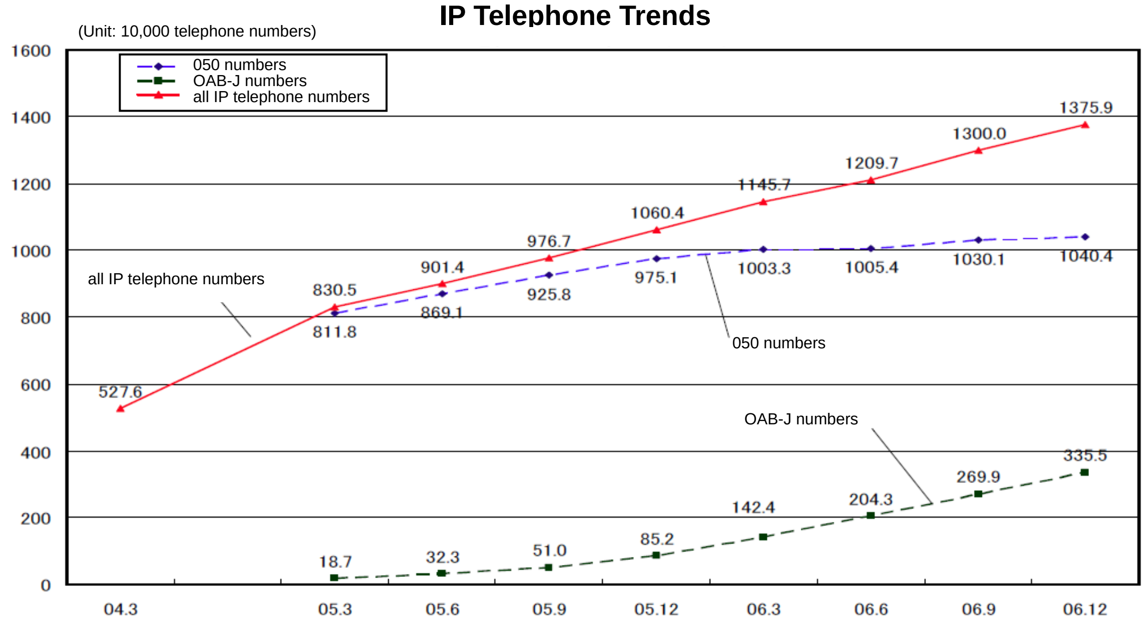


Note: NTT East/West's share includes NTT subscriber lines (including ISDN) and OAB-J IP telephones.

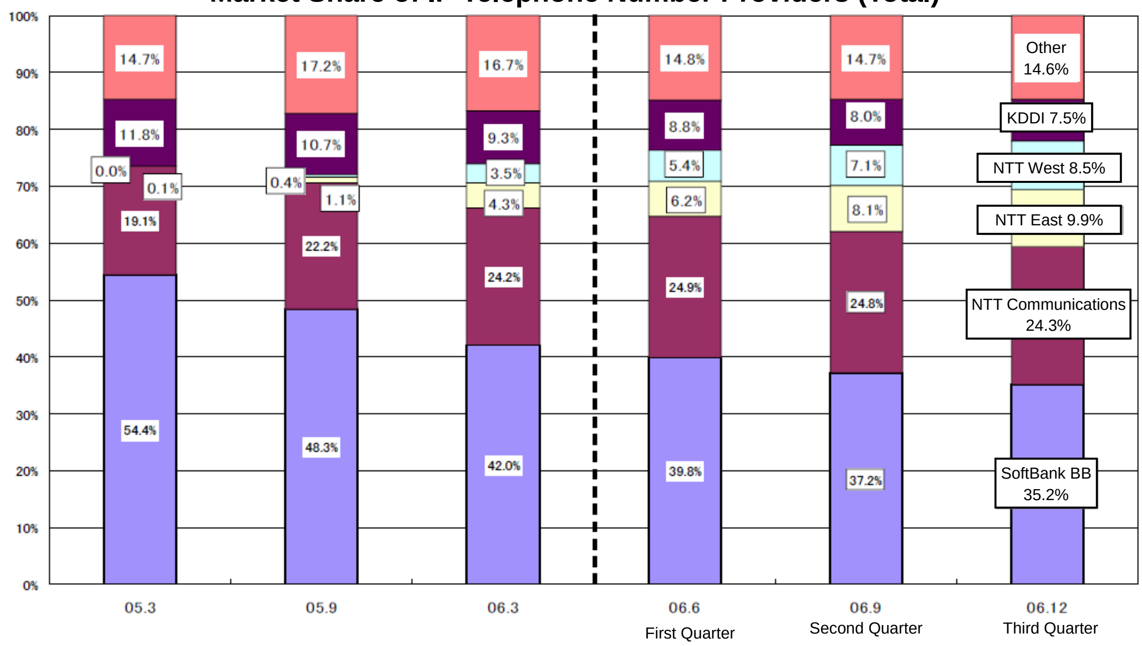
(2) IP Telephones

- As of December 31, 2006, there were 13.75 million IP telephone numbers in use (a 5.8% increase over the previous period). OAB-J numbers continued their rapid growth and exceeded the 3 million mark, with 3.35 million numbers in use (a 24.3% increase over the previous period).
- In the IP telephone market as of December 31, 2006, SoftBank BB had a 35.2% share (a 2.0% decrease from the previous period), NTT Communications was at 24.3% (down 0.5% from the previous period), and NTT East/West was at 18.4% (a 3.2% increase over the previous period).
- In the OAB-J telephone number market, NTT East/West had a 75.6% market share as of December 31, 2006 (NTT East was at 40.6%, NTT West at 35.0%, for an overall increase of 2.4% from the previous period).

IP Telephone Trends

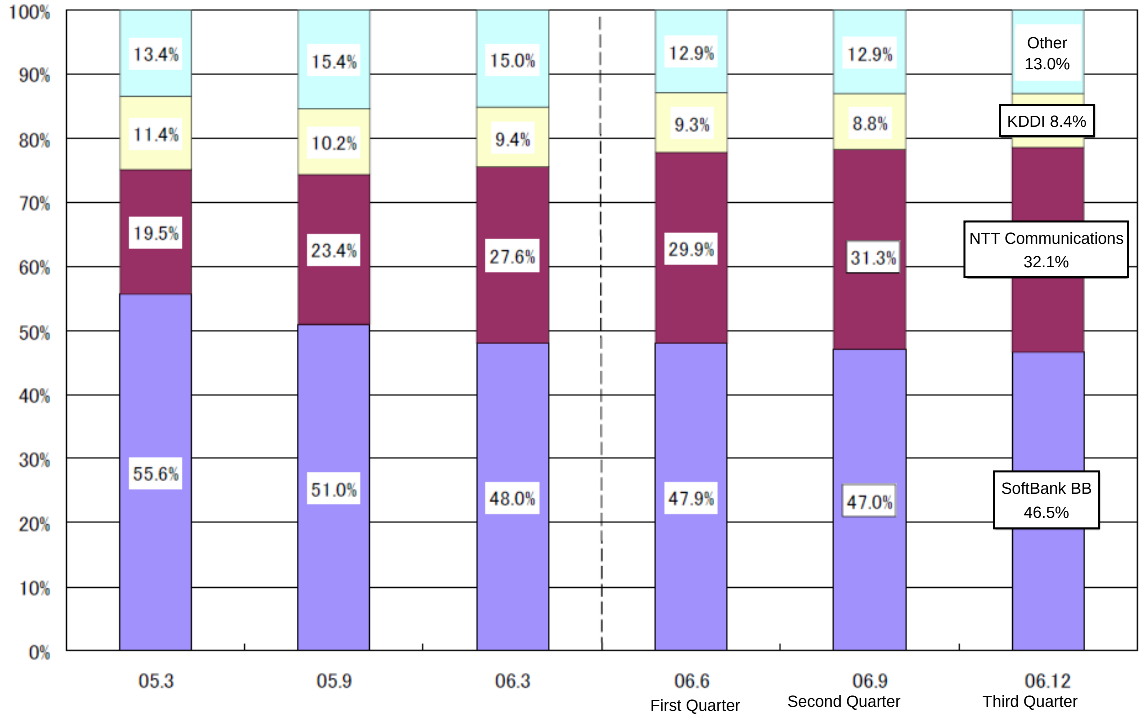


Market Share of IP Telephone Number Providers (Total)



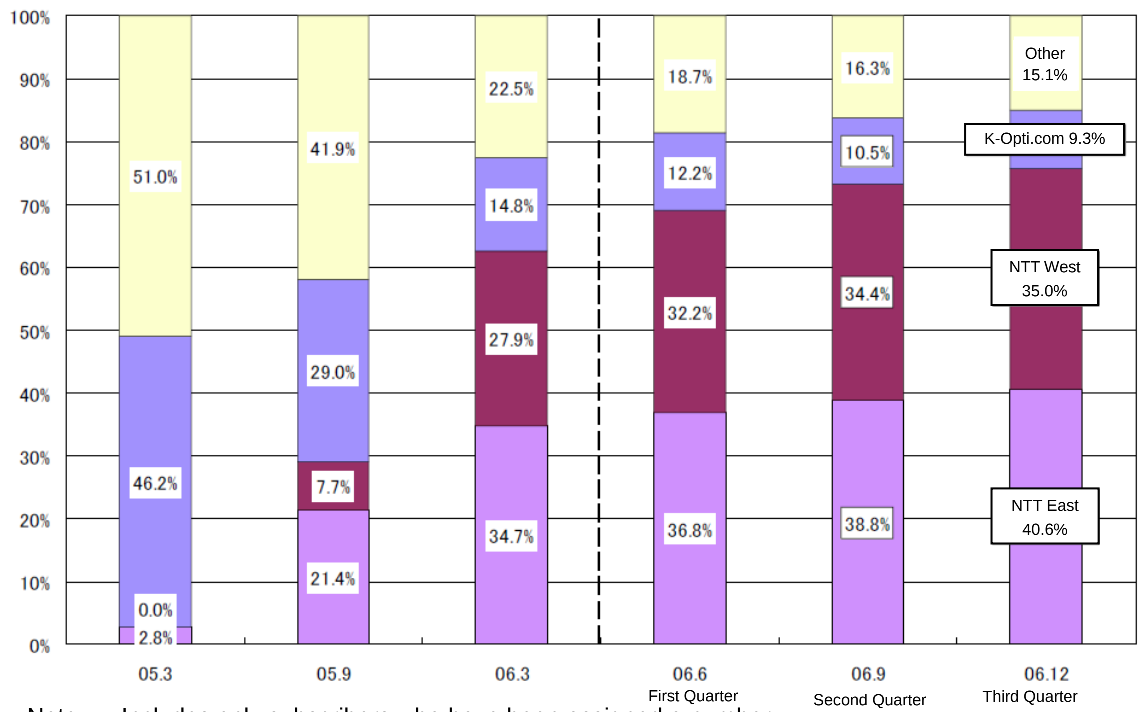
Note: Includes only subscribers who have been assigned a number

Market Share of IP Telephone Number Providers (050 Numbers)



Note: Includes only subscribers who have been assigned a number

Market Share of IP Telephone Number Providers (OAB-J Numbers)

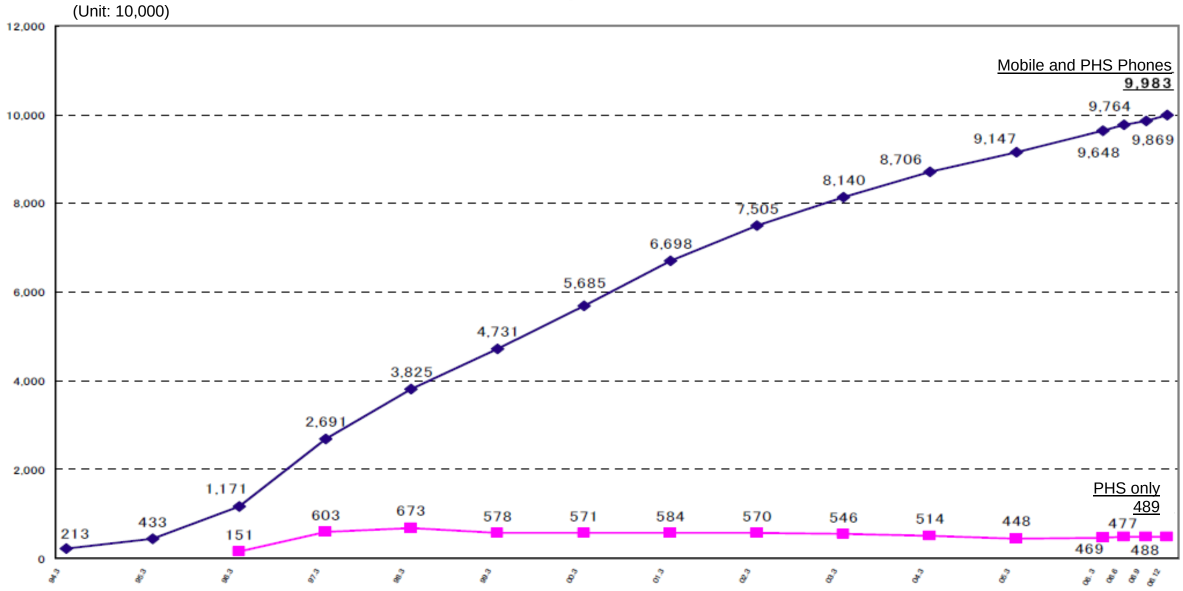


Note: Includes only subscribers who have been assigned a number

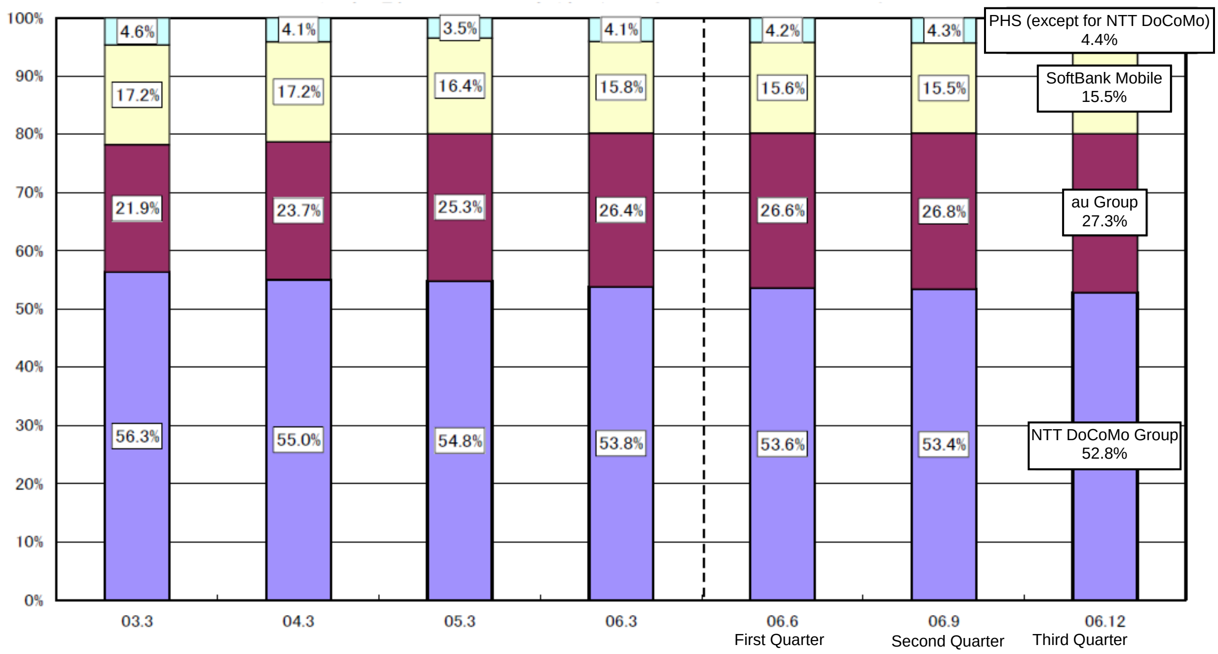
2. Mobile Communications

- There were 99.83 million mobile and PHS telephone subscribers (a 1.2% increase over the previous period), though the overall trend is flat. PHS subscribers increased about 10,000 to reach 4.89 million (a 0.2% increase over the previous period).
- NTT DoCoMo Group had a 52.8% market share (a 0.6% decrease from the previous period, while au Group was at 27.3% (a 0.5% increase over the previous period), and the SoftBank Mobile share was 15.5% (no change from the previous period). Among the top three, only the au Group share continued to grow.

Mobile and PHS Telephone Subscriber Trends



Market Share for Mobile and PHS Carriers



Note 1: Tuka Group merged with KDDI (au Group) on October 1, 2005
Note 2: Data for SoftBank Mobile prior to September 30, 2006, comes from Vodafone

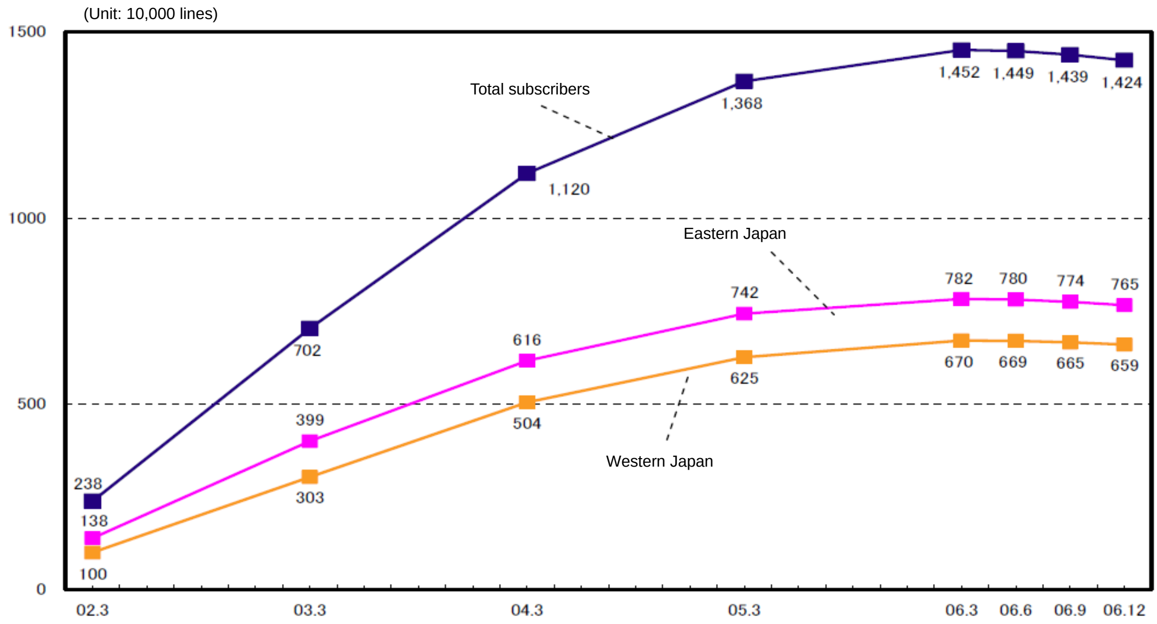
Source: MIC and Telecommunications Carriers Association

3. Internet Connectivity

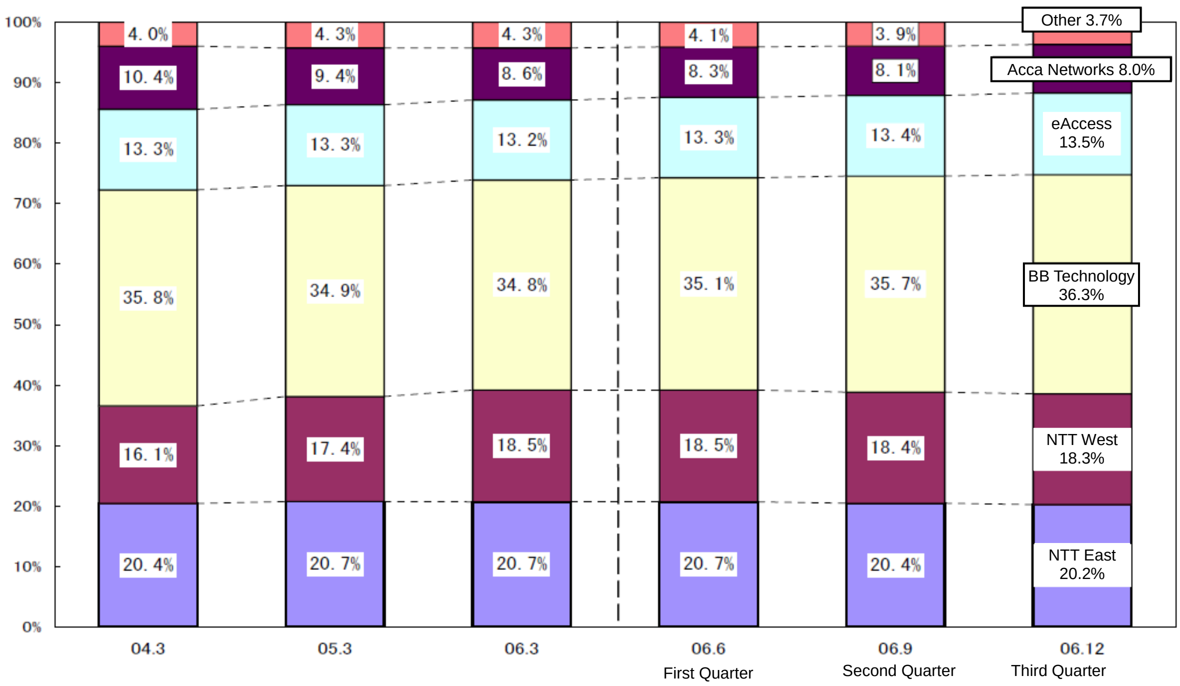
(1) DSL

- There were 14.24 million subscribers (a 0.1% decline from the previous period) as of December 31, 2006, a decline that has continued since second quarter.
- Nationally, NTT East/West's market share was 38.5% (a 0.3% decline from the previous period, with NTT East at 20.2%, and NTT West at 18.3%). However, BB Technology had a 36.3% market share (a 0.6% increase over the previous period), and eAccess was at 13.5% (a 0.1% increase over the previous period).

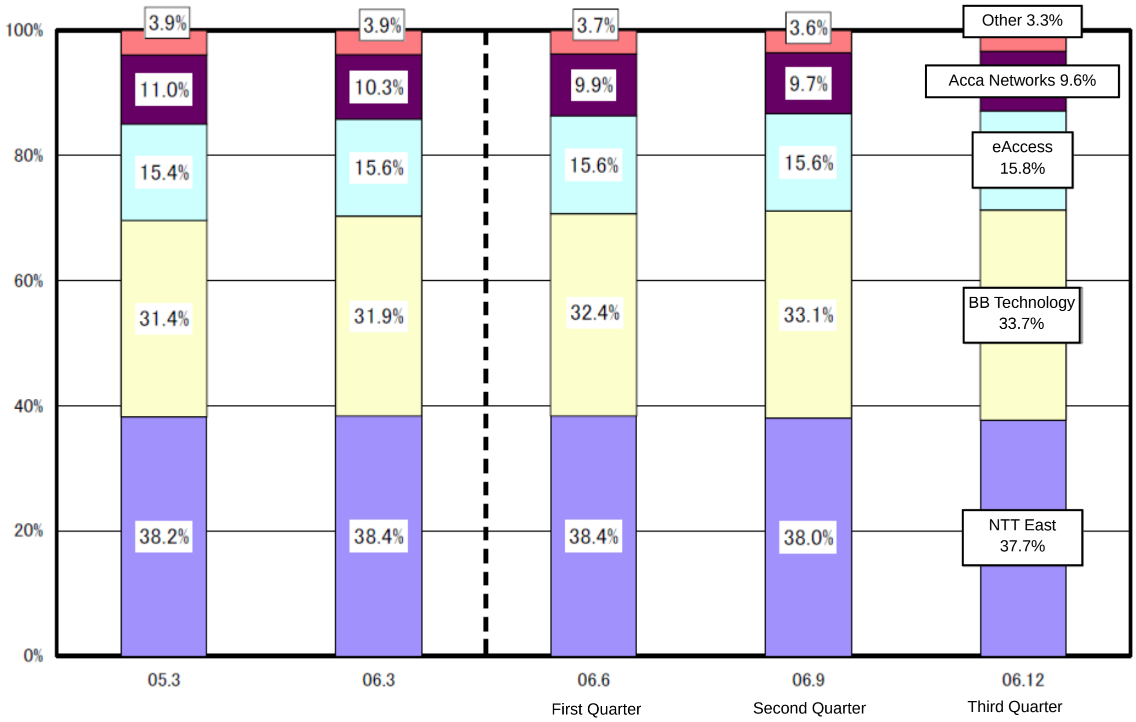
DSL Subscribers



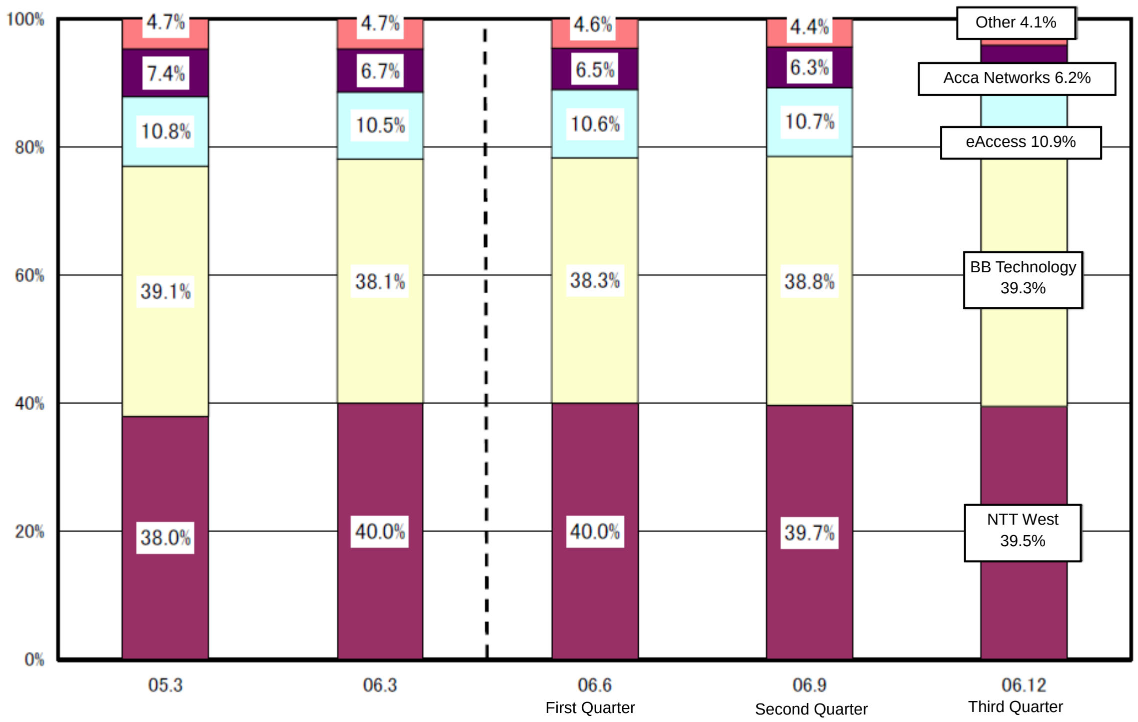
Market Share by DSL Service Provider (Nationwide)



Market Share by DSL Service Provider (Eastern Japan)



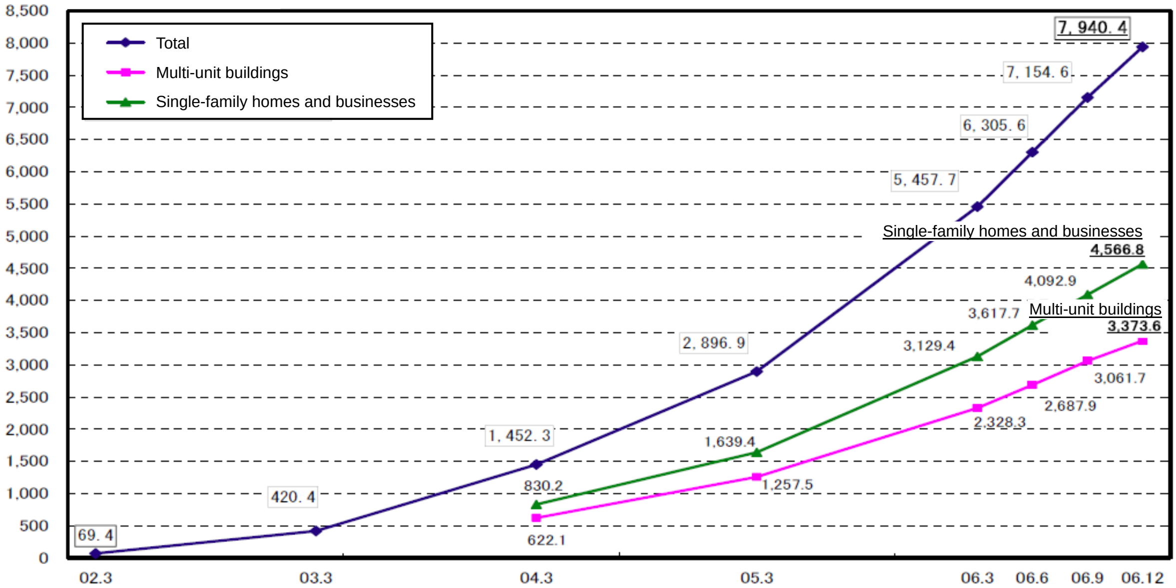
Market Share by DSL Service Provider (Western Japan)



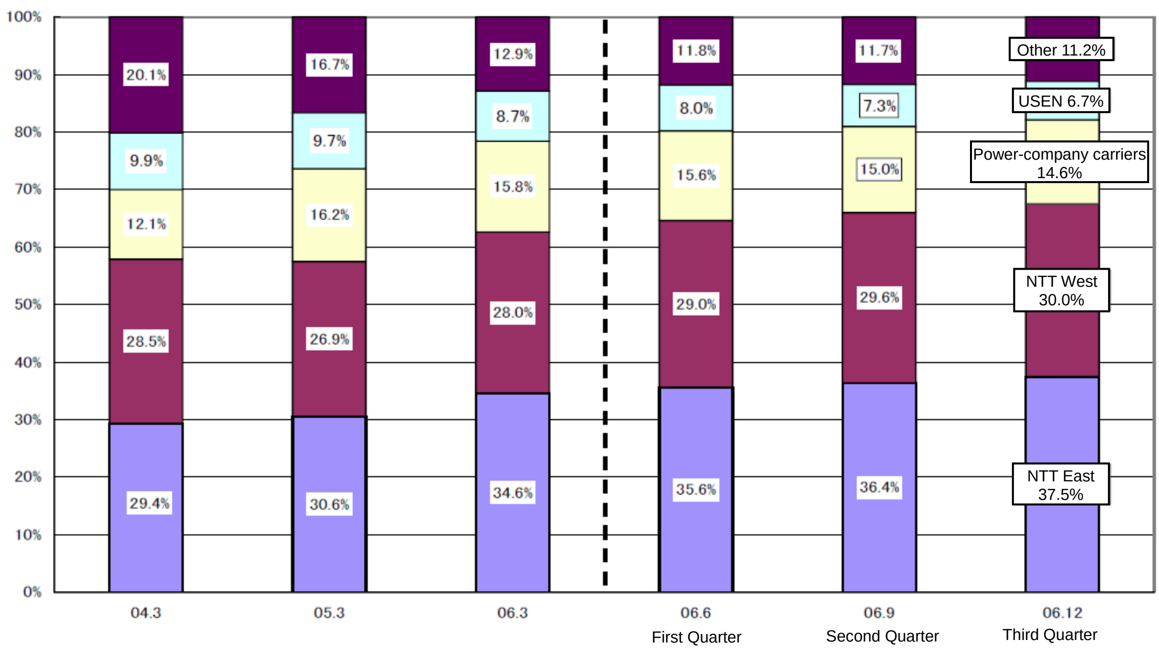
(2) FTTH (optical fiber)

- There were 7.94 million FTTH subscribers as of December 31, 2006 (an 11.0% increase over the previous period).
- Nationally, NTT East/West had a 67.5% market share (a 1.5% increase over the previous period, with NTT East at 37.5% and NTT West at 30.0%), power-company carriers had a 14.6% share (down 0.4% from the previous period), and USEN had a 6.7% share (down 0.6% from the previous period.
- In the single-family home and business segment, NTT East/West had a 76.4% share (a 0.4% increase over the previous period, with NTT East at 39.0% and NTT West at 37.4%), and in the multi-unit building segment, NTT East/West had a 55.5% share (a 2.9% increase over the previous period, with NTT East at 35.4% and NTT West at 20.1%). NTT East/West's share in both segments continued to rise, but most particularly in the multi-unit building segment.

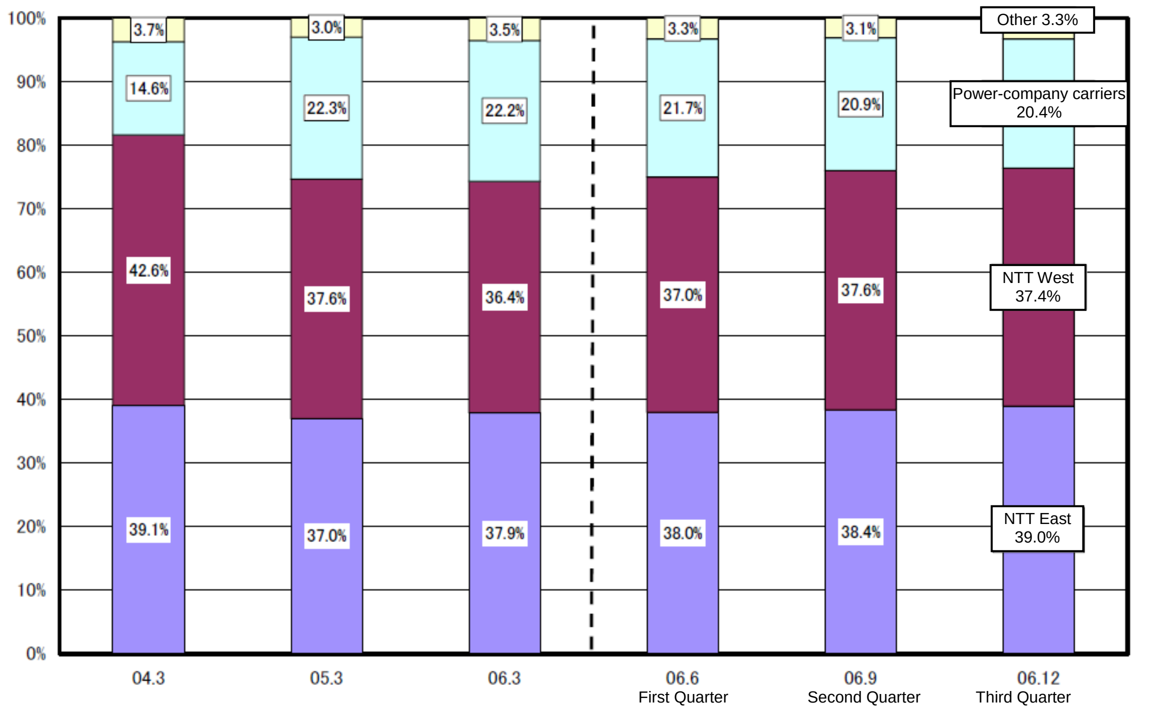
FTTH Subscribers



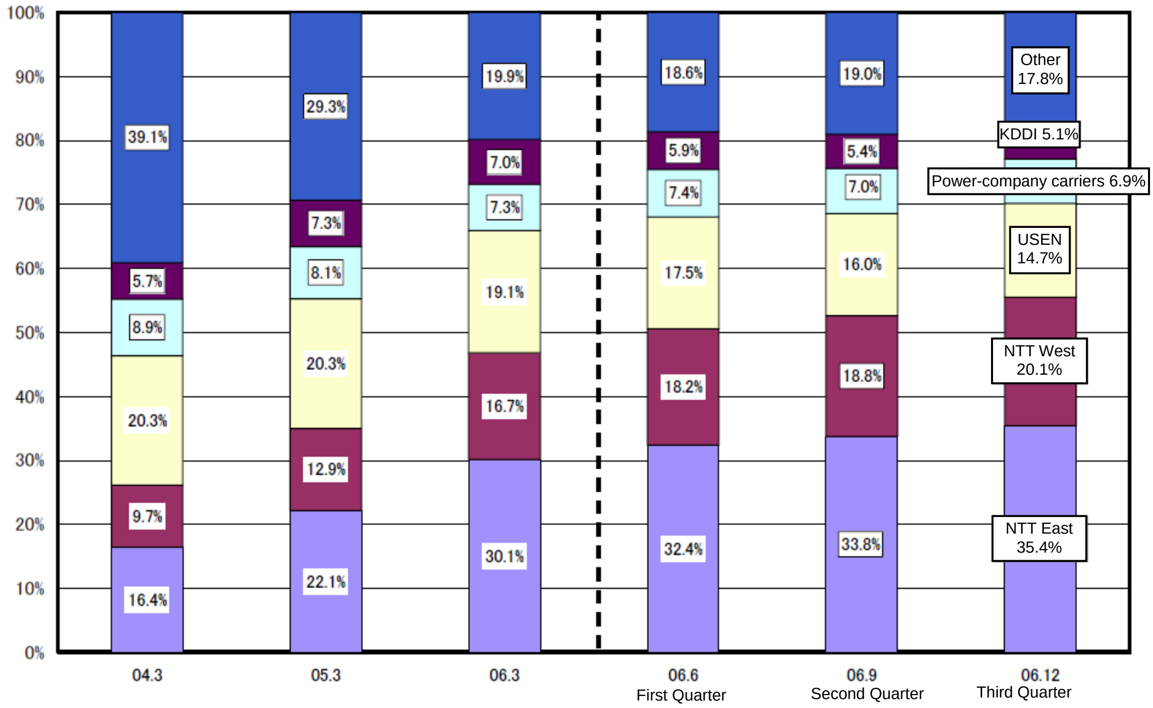
FTTH Market Share by Service Provider (Total)



Market Share by FTTH Service Provider (Single-Family Homes and Businesses)



Market Share by FTTH Service Provider (Multi-unit buildings)



Reference

				End of FY2004		End of FY2005		FY2006					
								First Quarter (Apr to Jun)		Second Quarter (Jul to Sep)		Third Quarter (Oct to Dec)	
					YoY change (%)		YoY change (%)		QoQ change (%)		QoQ change (%)		QoQ change (%)
Fixed lines	Subscriber lines	Subscribers (10,000)		5980	▲ 0.7	5948	▲ 0.5	5949	0.0	5949	0.0	5937	▲ 0.2
		Share (%)	NTT East	48.6	▲ 0.7	46.0	▲ 2.6	45.5	▲ 0.5	45.2	▲ 0.3	45.0	▲ 0.2
			NTT West	48.9	▲ 0.7	46.7	▲ 2.2	46.1	▲ 0.6	45.7	▲ 0.4	45.4	▲ 0.3
			Other	2.5	1.4	7.3	4.8	8.4	1.1	9.0	0.6	9.6	0.6
	IP telephone	Numbers in use (10,000)	050 Numbers	811.8	-	1003.3	23.6	1005.4	0.2	1030.1	2.5	1040.4	1.0
			OAB-J numbers	18.7	-	142.4	661.5	204.3	43.5	269.9	32.1	335.5	24.3
		Share (%) (Total)	SoftBank BB	54.4	-	42.0	▲ 12.4	39.8	▲ 2.2	37.2	▲ 2.6	35.2	▲ 2.0
			NTT Communications	19.1	-	24.2	5.1	24.9	0.7	24.8	▲ 0.1	24.3	▲ 0.5
			NTT East	0.1	-	4.3	4.2	6.2	1.9	8.1	1.9	9.9	1.8
			NTT West	0.0	-	3.5	3.5	5.4	1.9	7.1	1.7	8.5	1.4
			KDDI	11.8	-	9.3	▲ 2.5	8.8	▲ 0.5	8.0	▲ 0.8	7.5	▲ 0.5
			Other	14.7	-	16.7	2.0	14.8	▲ 1.9	14.7	▲ 0.1	14.6	▲ 0.1
		Share (%) (050 numbers)	SoftBank BB	55.6	-	48.0	▲ 7.6	47.9	▲ 0.1	47.0	▲ 0.9	46.5	▲ 0.5
			NTT Communications	19.5	-	27.6	8.1	29.9	2.3	31.3	1.4	32.1	0.8
			KDDI	11.4	-	9.4	▲ 2.0	9.3	▲ 0.1	8.8	▲ 0.5	8.4	▲ 0.4
			Other	13.4	-	15.0	1.6	12.9	▲ 2.1	12.9	0.0	13.0	0.1
		Share(%) OAB-J numbers	NTT East	2.8	-	34.7	31.9	36.8	2.1	38.8	2.0	40.6	1.8
			NTT West	0.0	-	27.9	27.9	32.2	4.3	34.4	2.2	35.0	0.6
			K-Opti.com	46.2	-	14.8	▲ 31.4	12.2	▲ 2.6	10.5	▲ 1.7	9.3	▲ 1.2
			Other	51.0	-	22.5	▲ 28.5	18.7	▲ 3.8	16.3	▲ 2.4	15.1	▲ 1.2
Mobile communications	Mobile phone/PHS	Subscribers (10,000)		9147	5.1	9648	5.5	9764	1.2	9869	1.1	9983	1.2
		Share (%)	NTT DoCoMo Group	54.8	▲ 0.2	53.8	▲ 1.0	53.6	▲ 0.2	53.4	▲ 0.2	52.8	▲ 0.6
			au Group (including Tsuka)	25.3	1.6	26.4	1.1	26.6	0.2	26.8	0.2	27.3	0.5
			SoftBank	16.4	▲ 0.8	15.8	▲ 0.6	15.6	▲ 0.2	15.5	▲ 0.1	15.5	0.0
			PHS (excluding NTT DoCoMo)	3.5	▲ 0.6	4.1	0.6	4.2	0.1	4.3	0.1	4.4	0.1
Internet	DSL	Subscribers (10,000)		1368	22.1	1452	6.1	1449	▲ 0.2	1439	▲ 0.7	1424	▲ 1.0
		Share(%) (Total)	NTT East	20.7	0.3	20.7	0.0	20.7	0.0	20.4	▲ 0.3	20.2	▲ 0.2
			NTT West	17.4	1.3	18.5	1.1	18.5	0.0	18.4	▲ 0.1	18.3	▲ 0.1
			BB Technology	34.9	▲ 0.9	34.8	▲ 0.1	35.1	0.3	35.7	0.6	36.3	0.6
			eAccess	13.3	0	13.2	▲ 0.1	13.3	0.1	13.4	0.1	13.5	0.1
			Acca Networks	9.4	▲ 1.0	8.6	▲ 0.8	8.3	▲ 0.3	8.1	▲ 0.2	8.0	▲ 0.1
			Other	4.3	0.3	4.3	0.0	4.1	▲ 0.2	3.9	▲ 0.2	3.7	▲ 0.2
		Share (%) (Eastern Japan)	NTT East	38.2	-	38.4	0.2	38.4	0.0	38.0	▲ 0.4	37.7	▲ 0.3
			BB Technology	31.4	-	31.9	0.5	32.4	0.5	33.1	0.7	33.7	0.6
			eAccess	15.4	-	15.6	0.2	15.6	0.0	15.6	0.0	15.8	0.2
			Acca Networks	11.0	-	10.3	▲ 0.7	9.9	▲ 0.4	9.7	▲ 0.2	9.6	▲ 0.1
			Other	3.9	-	3.9	0.0	3.7	▲ 0.2	3.6	▲ 0.1	3.3	▲ 0.3
		Share (%) (Western Japan)	NTT West	38.0	-	40.0	2.0	40.0	0.0	39.7	▲ 0.3	39.5	▲ 0.2
			BB Technology	39.1	-	38.1	▲ 1.0	38.3	0.2	38.8	0.5	39.3	0.5
			eAccess	10.8	-	10.5	▲ 0.3	10.6	0.1	10.7	0.1	10.9	0.2
			Acca Networks	7.4	-	6.7	▲ 0.7	6.5	▲ 0.2	6.3	▲ 0.2	6.2	▲ 0.1
			Other	4.7	-	4.7	0.0	4.6	▲ 0.1	4.4	▲ 0.2	4.1	▲ 0.3
	FTTH	Subscribers (1,000)		2896.9	99.5	5457.7	88.4	6305.6	15.5	7154.6	13.5	7940.4	11.0
		Share (%) Total	NTT East	30.6	1.2	34.6	4.0	35.6	1.0	36.4	0.8	37.5	1.1
			NTT West	26.9	▲ 1.6	28.0	1.1	29.0	1.0	29.6	0.6	30.0	0.4
			Power-company carriers	16.2	4.1	15.8	▲ 0.4	15.6	▲ 0.2	15.0	▲ 0.6	14.6	▲ 0.4
			Usen	9.7	▲ 0.2	8.7	▲ 1.0	8.0	▲ 0.7	7.3	▲ 0.7	6.7	▲ 0.6
			Other	16.7	▲ 3.4	12.9	▲ 3.8	11.8	▲ 1.1	11.7	▲ 0.1	11.2	▲ 0.5
		Share (%) (Single-family homes and businesses)	NTT East	37.0	▲ 2.1	37.9	0.9	38.0	0.1	38.4	0.4	39.0	0.6
			NTT West	37.6	▲ 5.0	36.4	▲ 1.2	37.0	0.6	37.6	0.6	37.4	▲ 0.2
			Power-company carriers	22.3	7.7	22.2	▲ 0.1	21.7	▲ 0.5	20.9	▲ 0.8	20.4	▲ 0.5
			Other	3.0	▲ 0.7	3.5	0.5	3.3	▲ 0.2	3.1	▲ 0.2	3.3	0.2
		Share (%) (Multi-unit buildings)	NTT East	22.1	5.7	30.1	8.0	32.4	2.3	33.8	1.4	35.4	1.6
			NTT West	12.9	3.2	16.7	3.8	18.2	1.5	18.8	0.6	20.1	1.3
			Usen	20.3	0.0	19.1	▲ 1.2	17.5	▲ 1.6	16.0	▲ 1.5	14.7	▲ 1.3
			Power-company carriers	8.1	▲ 0.8	7.3	▲ 0.8	7.4	0.1	7.0	▲ 0.4	6.9	▲ 0.1
			KDDI	7.3	1.6	7.0	▲ 0.3	5.9	▲ 1.1	5.4	▲ 0.5	5.1	▲ 0.3
			Other	29.3	▲ 9.8	19.9	▲ 9.4	18.6	▲ 1.3	19.0	0.4	17.8	▲ 1.2

Note:

- A dash (-) is used where no data is available.
- The basis for counting IP telephones was changed from assigned numbers to numbers in use.

				End of FY2004		End of FY2005		FY2006	
					YoY change (%)		YoY change (%)	H1 (Apr to Sep)	Quarter to quarter change (%)
Corporate network services	New WAN	Subscribers (1,000)		491.7	27.6	599.9	22.0	640.7	6.8
		Share (%) (Total)	NTT East	19.6	2.7	21.1	1.5	21.4	0.3
			NTT West	13.5	3.0	14.6	1.1	14.9	0.3
			NTT Communications	23.9	▲ 3.0	24.0	0.1	23.4	▲ 0.6
			KDDI	13.9	▲ 3.6	15.7	1.8	15.5	▲ 0.2
			Power-company carriers	8.5	1.9	5.2	▲ 3.3	5.3	0.1
			Other NTT Group Companies	8.8	3.3	9.0	0.2	9.4	0.4
			Other	11.7	▲ 4.5	10.4	▲ 1.3	10.1	▲ 0.3

Note: Market share data on corporate network services is released semi-annually.