NTT Group

NTT Group

CSR Report 2006

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【About the cover page】
The four spherical objects on the cover page represent the "Four Communication Goals" of NTT Group CSR - communication between people and their communities, communication between people and the global environment, safe and secure communication, and Team NTT communication. The illustration depicts the NTT Group's vision of enabling an increasingly broad range of communications.

NTT Group

CSR Report 2006

Contents

Booklet and website versions

As part of our efforts to reduce the consumption of paper resources, this report presents a comprehensive but concise overview of the NTT Group's CSR activities. Details not included in this report can be viewed on the following website:

http://www.ntt.co.jp/csr_e/

WEB Photovoltaic optical wiring kit for FTTH · Research and development of terabit-class networks · Next generation mobile communications systems
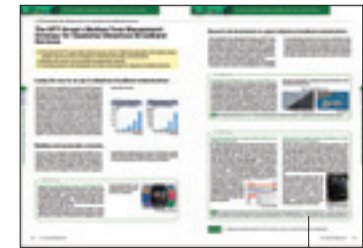
Notes on the website information in this report

- WEB indicates that further details are available on the above website.
- WEB indicates that information on related topics is provided on the NTT Group website.
- Websites shown as URLs indicate websites other than the NTT Group CSR site.

Editorial notes

About the NTT Group CSR Report 2006

The NTT Group published its first Corporate Social Responsibility (CSR) report in fiscal 2005 to foster a broad understanding of the ongoing social, environmental, and economic activities of the NTT Group as a whole.
In fiscal 2006, we established the NTT Group CSR Charter to serve as the basic principles for our CSR activities. This report is therefore issued for the purpose of disclosing information regarding ideas and activities based on the NTT Group CSR Charter, and promoting CSR activities by communicating with our stakeholders. We would much appreciate receiving your feedback on this report, and we invite you to use the inserted questionnaire, e-mail, or our online surveys. Your views will help us continue to improve the CSR activities and reporting of the NTT Group.

Reporting Period/Scope/Other Matters

- This is a report of the NTT Group's activities in fiscal 2005 (April 1, 2005 to March 31, 2006), but it also covers certain more recent activities and outlook for the future.
- The figures given for the NTT Group in fiscal 2005 are tabulated from data for NTT (Holding Company), NTT EAST, NTT WEST, NTT Communications, NTT DATA, NTT DoCoMo, and their group companies. The scope of specific reports is noted in relevant areas.
- This report was prepared using the Global Reporting Initiative (GRI) and the Environmental Accounting Guidelines issued by Japan's Ministry of the Environment as reference.
- In this report,"NTT" refers to NIPPON TELEGRAPH AND TELEPHONE CORPORATION, and "NTT Group" refers to NTT and its subsidiaries.
- Should any errors be found in this report after publication, a table of errata will be provided on our website.

Terminology →Technical terms are explained on each page.

Message from the President

NTT Group CSR Activities for Creating a Safe, Secure, and Prosperous Society

Recent advances in broadband services and ubiquitous access on a global scale are bringing about major changes in our business environment, with exciting developments such as the convergence of fixed with mobile networks, and of telecommunications with broadcast media and content.

The NTT Group is addressing these changes and making steady progress towards fulfilling the goals of its Medium-Term Management Strategy, building a rich communications environment for individuals and communities. We are also seeking to resolve key issues faced by a rapidly aging society with a shrinking population, such as the provision of nursing and healthcare, disparities in employment supply and demand, crime and disaster prevention, and energy and environmental conservation.

Another area in which we are making major efforts is enhancement of the safety and reliability of our communications network as critical infrastructure from the perspective of business continuity management, to ensure that it can continue to function as a vital lifeline in the event of unexpected failures or disasters. As a corporate citizen, we are also committed to working as one with local communities, and to continuing to contribute to society through various community engagement activities.

To us, corporate social responsibility means making this kind of sustained commitment to working for the betterment of society.

NTT Group companies have long been involved in various activities to fulfill their corporate social responsibilities with respect to society, environment and economy in ways that make use of their respective strengths. However, to enable the NTT Group as a whole to make an even larger contribution to society, in June 2006 we established the NTT Group CSR Charter. We will continue to work as one to enhance the corporate value of the NTT Group and contribute to the creation of a safe, secure, and prosperous society through the group-wide promotion of CSR activities.

We hope that this report will give you a good understanding of our citizenship endeavors.
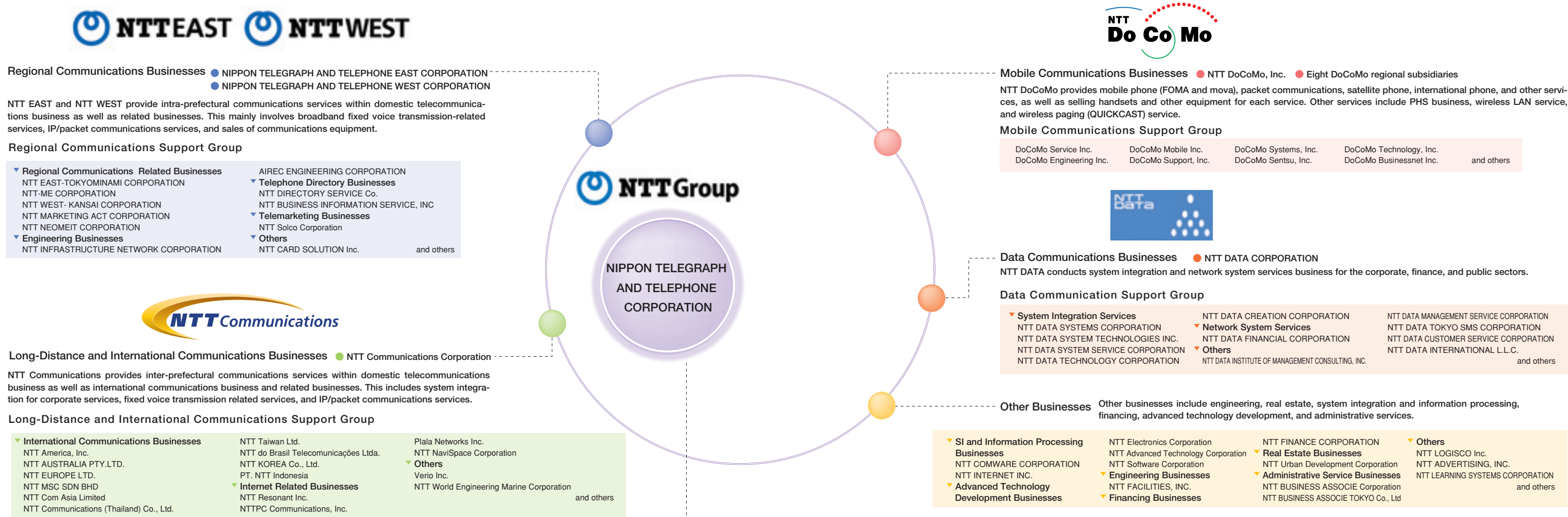
Norio Wada

President & CEO
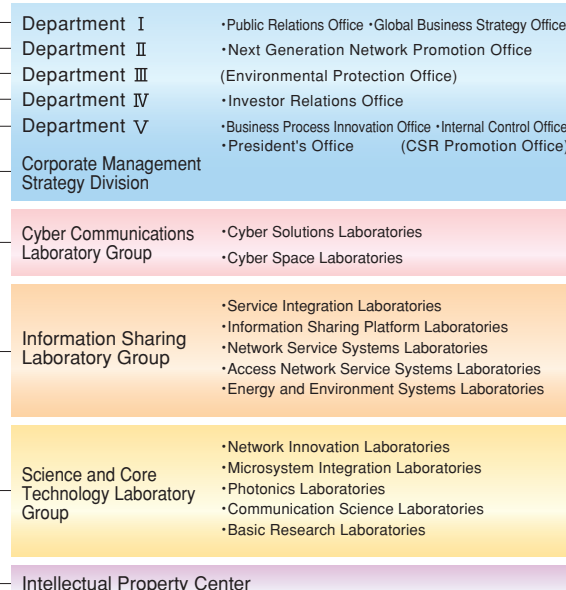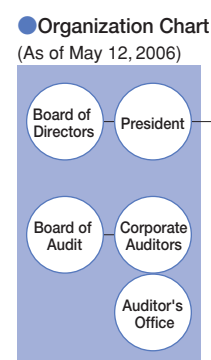NIPPON TELEGRAPH AND TELEPHONE CORPORATION

October 2006

NTT Group Companies

(As of August 1, 2006)

NTT EAST   NTT WEST

Regional Communications Businesses ● NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
● NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

NTT EAST and NTT WEST provide intra-prefectural communications services within domestic telecommunications business as well as related businesses. This mainly involves broadband fixed voice transmission-related services, IP/packet communications services, and sales of communications equipment.

Regional Communications Support Group

▼ **Regional Communications Related Businesses**
NTT EAST-TOKYOMINAMI CORPORATION
NTT-ME CORPORATION
NTT WEST- KANSAI CORPORATION
NTT MARKETING ACT CORPORATION
NTT NEOMEIT CORPORATION
▼ **Engineering Businesses**
NTT INFRASTRUCTURE NETWORK CORPORATION

AIREC ENGINEERING CORPORATION
▼ **Telephone Directory Businesses**
NTT DIRECTORY SERVICE Co.
NTT BUSINESS INFORMATION SERVICE, INC
▼ **Telemarketing Businesses**
NTT Solco Corporation
▼ **Others**
NTT CARD SOLUTION Inc.   and others

NTT Communications

Long-Distance and International Communications Businesses ● NTT Communications Corporation

NTT Communications provides inter-prefectural communications services within domestic telecommunications business as well as international communications business and related businesses. This includes system integration for corporate services, fixed voice transmission related services, and IP/packet communications services.

Long-Distance and International Communications Support Group

▼ **International Communications Businesses**
NTT America, Inc.
NTT AUSTRALIA PTY.LTD.
NTT EUROPE LTD.
NTT MSC SDN BHD
NTT Com Asia Limited
NTT Communications (Thailand) Co., Ltd.

NTT Taiwan Ltd.
NTT do Brasil Telecomunicações Ltda.
NTT KOREA Co., Ltd.
PT. NTT Indonesia
▼ **Internet Related Businesses**
NTT Resonant Inc.
NTTPC Communications, Inc.

Plala Networks Inc.
NTT NaviSpace Corporation
▼ **Others**
Verio Inc.
NTT World Engineering Marine Corporation
                                    and others

NTT Group

NIPPON TELEGRAPH AND TELEPHONE CORPORATION

NTT

Overview of NIPPON TELEGRAPH AND TELEPHONE CORPORATION

● **Name**
NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT)

● **Head Office**
3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8116, Japan

● **Date of Establishment**
April 1, 1985

● **Paid-In Capital**
¥937.95 billion

● **Number of Employees (As of March 31, 2006)**
2,728 employees (199,100 employees on a consolidated basis)

● **Number of Consolidated Subsidiaries (As of March 31, 2006)** 425

● **Website**
http://www.ntt.co.jp/index_e.html

● **Organization Chart** (As of May 12, 2006)

Board of Directors — President
Board of Audit — Corporate Auditors
Auditor's Office

Department Ⅰ ・Public Relations Office ・Global Business Strategy Office
Department Ⅱ ・Next Generation Network Promotion Office
Department Ⅲ (Environmental Protection Office)
Department Ⅳ ・Investor Relations Office
Department Ⅴ ・Business Process Innovation Office ・Internal Control Office
・President's Office   (CSR Promotion Office)
Corporate Management Strategy Division

Cyber Communications Laboratory Group
・Cyber Solutions Laboratories
・Cyber Space Laboratories

Information Sharing Laboratory Group
・Service Integration Laboratories
・Information Sharing Platform Laboratories
・Network Service Systems Laboratories
・Access Network Service Systems Laboratories
・Energy and Environment Systems Laboratories

Science and Core Technology Laboratory Group
・Network Innovation Laboratories
・Microsystem Integration Laboratories
・Photonics Laboratories
・Communication Science Laboratories
・Basic Research Laboratories

Intellectual Property Center

Do Co Mo

Mobile Communications Businesses ● NTT DoCoMo, Inc. ● Eight DoCoMo regional subsidiaries

NTT DoCoMo provides mobile phone (FOMA and mova), packet communications, satellite phone, international phone, and other services, as well as selling handsets and other equipment for each service. Other services include PHS business, wireless LAN service, and wireless paging (QUICKCAST) service.

Mobile Communications Support Group

DoCoMo Service Inc.   DoCoMo Mobile Inc.   DoCoMo Systems, Inc.   DoCoMo Technology, Inc.
DoCoMo Engineering Inc.   DoCoMo Support, Inc.   DoCoMo Sentsu, Inc.   DoCoMo Businessnet Inc.   and others

NTT DATA

Data Communications Businesses ● NTT DATA CORPORATION

NTT DATA conducts system integration and network system services business for the corporate, finance, and public sectors.

Data Communication Support Group

▼ **System Integration Services**
NTT DATA SYSTEMS CORPORATION
NTT DATA SYSTEM TECHNOLOGIES INC.
NTT DATA SYSTEM SERVICE CORPORATION
NTT DATA TECHNOLOGY CORPORATION

NTT DATA CREATION CORPORATION
▼ **Network System Services**
NTT DATA FINANCIAL CORPORATION
▼ **Others**
NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, INC.

NTT DATA MANAGEMENT SERVICE CORPORATION
NTT DATA TOKYO SMS CORPORATION
NTT DATA CUSTOMER SERVICE CORPORATION
NTT DATA INTERNATIONAL L.L.C.
                                    and others

Other Businesses

Other businesses include engineering, real estate, system integration and information processing, financing, advanced technology development, and administrative services.

▼ **SI and Information Processing Businesses**
NTT COMWARE CORPORATION
NTT INTERNET INC.
▼ **Advanced Technology Development Businesses**

NTT Electronics Corporation
NTT Advanced Technology Corporation
NTT Software Corporation
▼ **Engineering Businesses**
NTT FACILITIES, INC.
▼ **Financing Businesses**

NTT FINANCE CORPORATION
▼ **Real Estate Businesses**
NTT Urban Development Corporation
▼ **Administrative Service Businesses**
NTT BUSINESS ASSOCIE Corporation
NTT BUSINESS ASSOCIE TOKYO Co., Ltd

▼ **Others**
NTT LOGISCO Inc.
NTT ADVERTISING, INC.
NTT LEARNING SYSTEMS CORPORATION
                                    and others

NTT Group's Medium-Term Management Strategy

As a leader in the information and telecommunications industry, the NTT Group has always been committed to fulfilling its responsibility to society in its businesses. To outline specific policies, we released the NTT Group's Medium-Term Management Strategy in November 2004. This was followed up in November 2005 with an action plan - Promoting NTT Group's Medium-Term Management Strategy - that presented a roadmap for building the next-generation network and developing for ubiquitous broadband services.
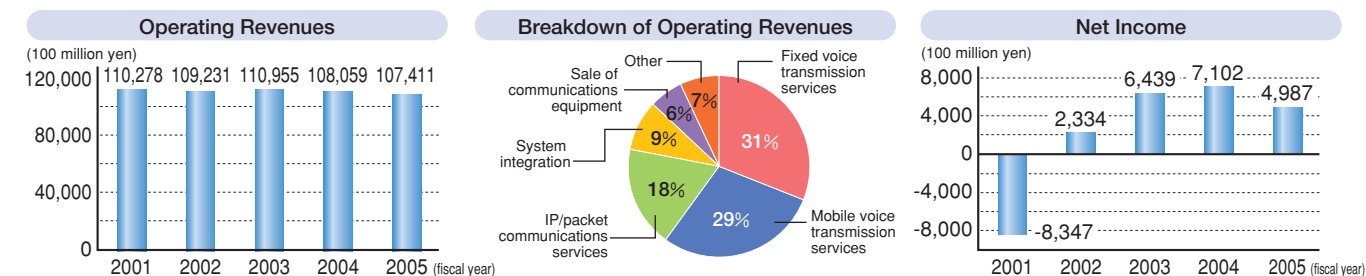
NTT Group companies are working as one to achieve our Medium-Term Management Strategy, and through these efforts, to continue to provide safe and secure services that earn the lasting trust of our customers.

WEB http://www.ntt.co.jp/about_e/managementstrategy.html ・NTT Group's Medium-Term Management Strategy

Consolidated Financial Statement for Fiscal Year 2005

(As of March 31, 2006)

Operating Revenues

(100 million yen)

Year	Value
2001	110,278
2002	109,231
2003	110,955
2004	108,059
2005	107,411

(fiscal year)

Breakdown of Operating Revenues

- Fixed voice transmission services 31%
- Mobile voice transmission services 29%
- IP/packet communications services 18%
- System integration 9%
- Sale of communications equipment 6%
- Other 7%

Net Income

(100 million yen)

Year	Value
2001	-8,347
2002	2,334
2003	6,439
2004	7,102
2005	4,987

(fiscal year)

WEB http://www.ntt.co.jp/ir/library_e/ ・Annual reports, financial results, and other data
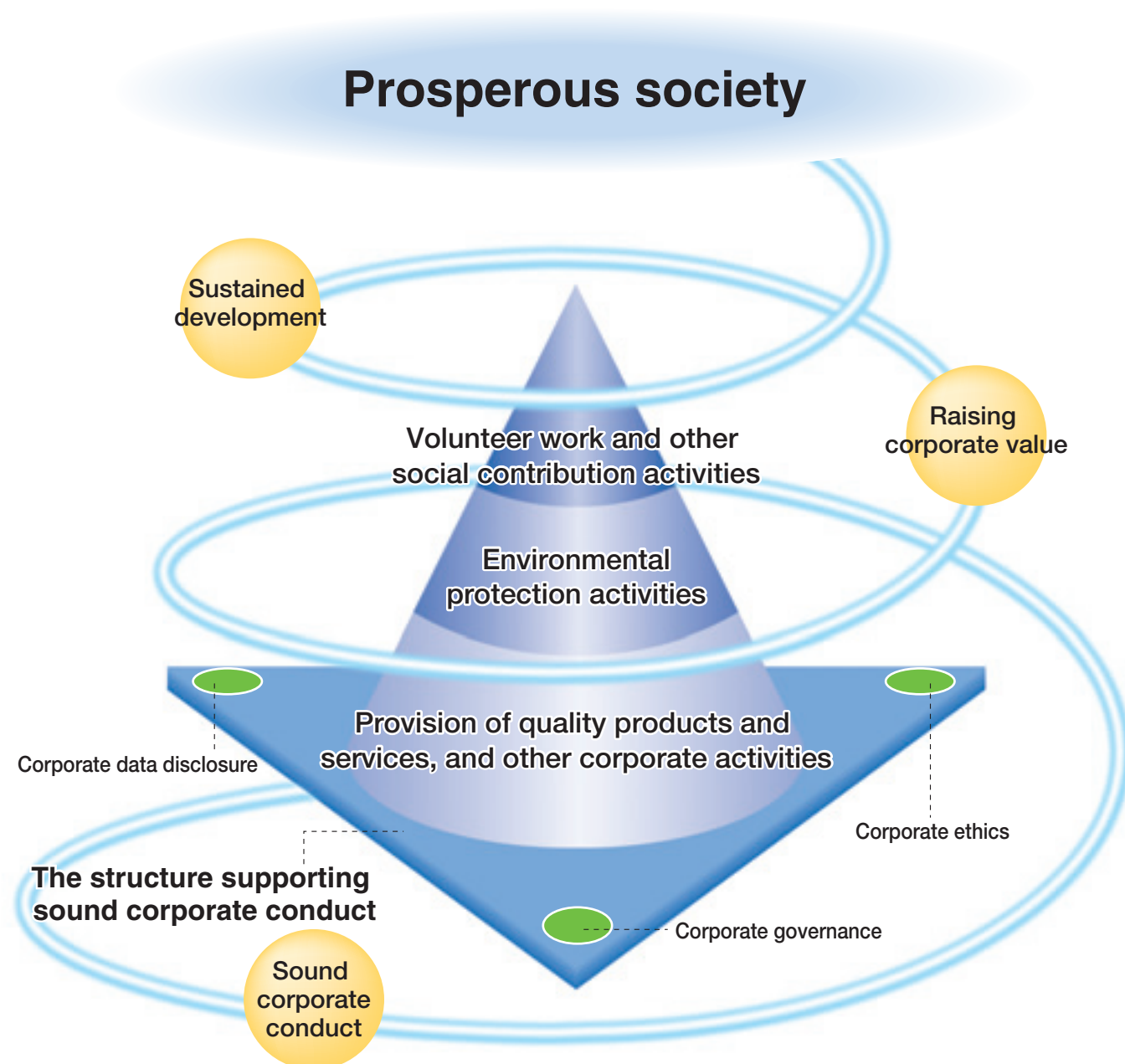
Ensuring Sound Corporate Conduct, and Contributing to the Creation of a Prosperous Society

Nothing could be more fundamental to the fulfillment of CSR than sound corporate conduct. This required not only compliance with laws and regulations, but also the application of high ethical standards to business conduct (corporate ethics), the active disclosure of financial and other information that the public has a right to know (corporate data disclosure), and mechanisms for the constant monitoring of business conduct (corporate governance).

We feel that addressing the expectations of our stakeholders by implementing concrete endeavors based on the principles of the NTT Group CSR Charter - not only in our everyday work, but also through environmental protection and social contribution activities - contributes to our corporate value and our sustained development.

We of the NTT Group believe that by sustaining such activities, we can contribute to the creation of a safe, secure and prosperous society through communications that serve people, communities and the global environment.

Prosperous society

Sustained development

Raising corporate value

Volunteer work and other social contribution activities

Environmental protection activities

Provision of quality products and services, and other corporate activities

Corporate data disclosure

Corporate ethics

The structure supporting sound corporate conduct

Corporate governance

Sound corporate conduct

NTT Group CSR Charter

The NTT Group has long sought to fulfill its responsibilities as a corporate citizen and contribute to the sustained development of society as a basic management stance through implementing a range of CSR activities. However, to address growing expectations in the NTT Group as a whole, we drew up the NTT Group CSR Charter in June 2006 to define fundamental principles for the active implementation of CSR activities by group companies.

The NTT Group CSR Charter, which consists of a statement of our commitment and four CSR goals linked by the common theme of communication, is now the basis on which the member companies of the NTT Group unite in the implementation of CSR activities.

NTT Group CSR Charter

【Our Commitment】

As a leader of the information and telecommunications industry, the NTT Group is committed to providing reliable, high-quality services that contribute to the creation of a safe, secure and prosperous society through communications that serve people, communities and the global environment.

【Our CSR Goals】

● Communication between people and their communities

1. We shall strive to create a richer and more convenient communications environment, and utilize our technology to contribute to the resolution of the various issues faced by societies with aging and declining populations.

● Communication between people and the global environment

2. We shall strive both to reduce our own environmental impacts and build environment-friendly forms of communications, and to provide information and communications services that help to reduce the impact of society as a whole on the global environment.

● Safe and secure communication

3. While striving earnestly to ensure information security and resolve telecommunications-related social issues, we shall do our utmost to provide a safe and secure user environment and contribute to the creation and future development of communication culture.

4. Fully recognizing the role that telecommunications plays as critical infrastructure supporting society and protecting our livelihoods, we shall strive to offer secure and reliable telecommunications services fortified to withstand disasters and capable of connecting people irrespective of time, location and other circumstances.

● Team NTT communication

5. All of us on Team NTT pledge to perform our duties with pride and a keen sense of responsibility in compliance with the highest of ethical standards, striving to fulfill our mission to society by working both for our own development as professionals, and for the further development of a flourishing and vibrant community.

-Team NTT comprises all NTT Group employees, including temporary employees, contract employees, employees of our corporate partners, and also former employees who endorse the NTT Group's CSR activities.

Safe and secure communication

Team NTT communication

Creation of a safe, secure and prosperous society through communications that serves people, communities and the global environment

Communication between people and their communities

Communication between people and the global environment

【Activity categories】

Leveraging ICT to address issues related to declining population and aging society

Reduction of environmental impact to contribute to the creation of a sustainable society

Ensuring information security and building a sound user environment

Contributing to society through building and maintaining communications infrastructure

The social mission of all who work under the NTT name

The NTT Group's vision of communications

To us, communications means enabling people to communicate with each other by leveraging our human resources and technology to build a safe and secure infrastructure and provide the best possible and most trustworthy services.

CSR Organization

Basic Stance

The NTT Group considers corporate governance to be a matter of vital importance in maintaining the public's trust and ensuring its sustained development. The Group's corporate governance efforts are directed at ensuring the following:

(1) Sound management
(2) Appropriate decision-making and execution of business
(3) Clear accountability
(4) Full compliance with laws and regulations

Composition of Board of Directors and Board of Audit

NTT, which is the NTT Group's holding company, maintains a board of 11 directors, two of whom are outside directors. In principle, the board of directors meets once per month to make decisions and report on important management issues.
NTT maintains a board of audit, which is composed of five members , referred to as corporate auditors, of whom three are outside corporate auditors.

Senior Management Council and committees

In principle, important company matters are discussed and decided by NTT's Senior Management Council, which is made up of the President, Senior Executive Vice Presidents, full-time directors, and other senior leaders. This council meets once every week or two, and held 33 meetings in fiscal 2005. As a holding company responsible for unifying and coordinating NTT Group activities, NTT also operates a number of committees to discuss specific matters related to company and group management strategy and to promote efficient group management. In principle, each committee is chaired by either the President or a Senior Executive Vice President, and has a membership composed of directors and other senior executives involved in the specific areas for which each committee is responsible. Committee meetings are held as occasion demands.
In 2005, NTT also established an advisory board for the purpose of gathering information relevant to management decisions concerning international business.

Internal Control System

In conjunction with the coming into effect of Japan's new Corporation Law （Law No.86 of 2005） in May 2006, NTT drew up and adopted a basic policy related to the creation of a system of internal controls for the NTT Group as a whole. Our basic approach to internal controls is as follows:

（1）NTT will maintain a system of internal controls, including measures for the prevention and minimization of losses, to ensure compliance with applicable laws, appropriate risk management, and proper and efficient business operations.
（2）To maintain the above system of internal controls, NTT will establish an Internal Control Office to oversee the establishment and maintenance of rules and structures. It will also evaluate the effectiveness of internal controls and make necessary system revisions through reviewing audits and implementing unified audits of shared areas of business that pose a high risk to the NTT Group as a whole.
（3）NTT will also take appropriate measures to ensure the reliability of its system of internal controls based on the US Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act) Sections 302 (disclosure controls) and 404 (internal control over financial reporting).
（4）As the chief executive officer, the President will be responsible for ensuring the establishment, maintenance and operation of the system of internal controls.

WEB　http://www.ntt.co.jp/about/tousei.html（in Japanese only）・Internal Control System: Basic policy

Audits by the Auditors

Each corporate auditor of NTT audits the performance of NTT's directors in the execution of their duties as occasion demands. The corporate auditors also endeavor to strengthen the auditing system by working closely with the NTT Group's audit firm through means such as periodic discussion of audit plans and results.

Internal Audits

Internal audits examine the status and operation of internal controls of the NTT Group as a whole. The Internal Control Office established in May 2006 will continue the work of building, operating and improving internal control systems across the NTT Group, including IT controls.

NTT Group CSR Organization

NTT created a Corporate Social Responsibility (CSR) Committee chaired by a Senior Executive Vice President in June 2005 to establish a clear management structure for the implementation of the NTT Group's CSR activities. The CSR Committee drew up the NTT Group CSR Charter based on its discussions of the CSR activities of the NTT Group, and it will serve as a vehicle for ongoing discussions on the implementation of the NTT Group's CSR initiatives. Group companies are also working to establish structures, including CSR Committees, to promote their own CSR initiatives.

【 **Corporate Governance Structure** 】

General Meeting of Shareholders

NTT (Holding Company)

- Board of Directors
- Appointment and Compensation Council
- President (Senior Management Council)
- Committees
  - CSR Committee
  - Corporate Ethics Committee
  - Business Risk Management Committee etc.
- Performance of Duties
- Board of Audit
- Independent auditor
- Accounting audit
- Internal Control Office
- Internal Audit
- Audit
- Election/Removal
- Election/Removal and Supervision
- Cooperation
- Instruction, Reporting
- Instruction, Reporting, etc.
- Group Companies

Risk Management

The NTT Group functions within a rapidly changing business climate marked by increasingly fierce competition, and the companies of the NTT Group also face a wide variety of business risks from natural disasters and other unforeseen circumstances. Seeking to minimize potential risks through putting priority on prevention and readiness, we have prepared a standard manual for distribution to all member companies to assist in their efforts to manage business risk and ensure a unified approach to risk management. With the help of this manual, we work to anticipate and prepare for risks, so that should they arise, we are able to minimize the impact on our stakeholders.
Each member company also prepares its own manual or other mechanisms tailored to its specific business activities and environment in order to manage and mitigate business risks.

Corporate Ethics

The NTT Group has taken various measures to enhance corporate ethics based on a core belief that it is imperative to manage business in compliance with laws and the highest ethical standards.
In November 2002, we adopted the NTT Group Corporate Ethics Charter as a code of conduct applying to all directors and employees, and at the same time set up a Corporate Ethics Helpline. This facility provides not only an internal helpline for reporting and consulting on ethics issues by NTT Group employees, but also an external helpline utilizing the services of attorneys. The Corporate Ethics Helpline acts on enquiries irrespective of whether callers choose to remain anonymous or not.
NTT has always taken care to protect the rights of whistleblowers, but with the coming into effect in April 2006 of Japan's Whistleblower Protection Act and guidelines for private businesses, we have revised some of our internal rules and the establishment as mentioned above of an external helpline for non-employees.

WEB　・NTT Group Corporate Ethics Charter

Feature 1

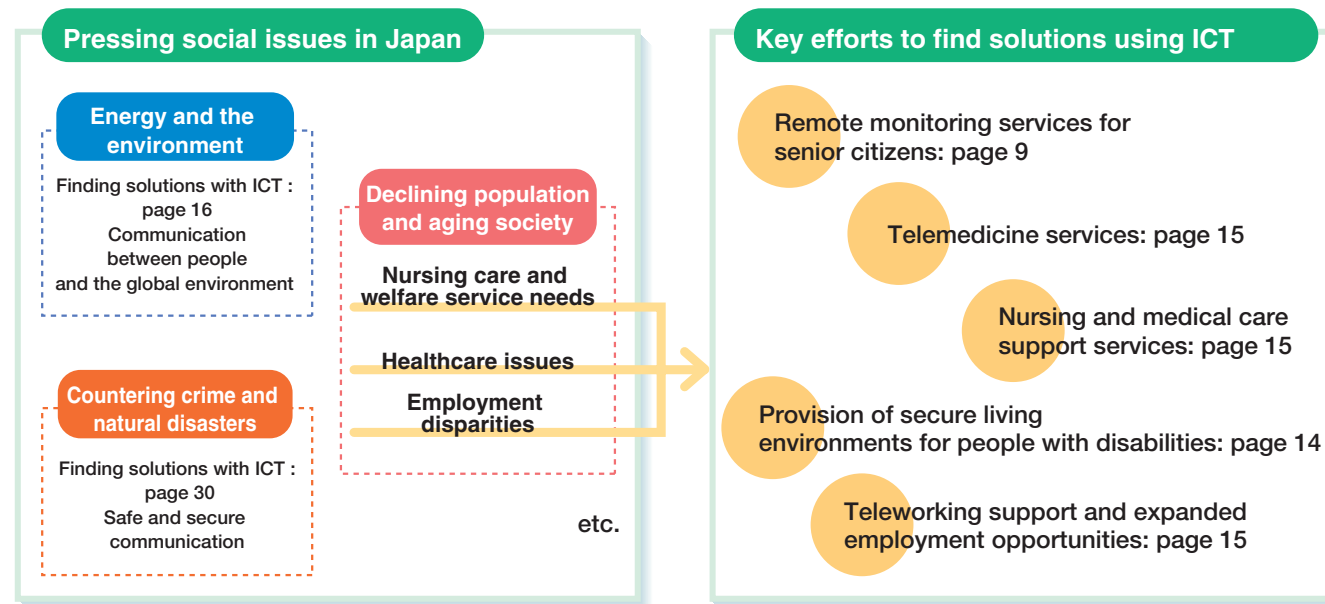# Addressing Issues Related to Population Decline and the Aging of Society

The NTT Group is applying its expertise in ICT to address issues related to population decline and the aging of Japanese society by creating the infrastructure for ubiquitous broadband communications that can contribute to a higher quality of life for everyone.

Putting ICT to use in easing worries about the future

Japan is currently facing a wide range of social issues related to a declining population, the aging of society, emerging nursing and healthcare needs, disparities in employment supply and demand, environmental protection, energy conservation, disasters and rising crime.

The NTT Group is striving to help create a safe, secure and prosperous society through applying its expertise in ICT to address these issues. These efforts also contribute to the achievement of the ICT policies being pursued by the Japanese Government to maintain the vitality of Japan's aging society.

Pressing social issues in Japan

Energy and the environment

Finding solutions with ICT : page 16
Communication between people and the global environment

Declining population and aging society

Nursing care and welfare service needs

Healthcare issues

Employment disparities

Countering crime and natural disasters

Finding solutions with ICT : page 30
Safe and secure communication

etc.

Key efforts to find solutions using ICT

Remote monitoring services for senior citizens: page 9

Telemedicine services: page 15

Nursing and medical care support services: page 15

Provision of secure living environments for people with disabilities: page 14

Teleworking support and expanded employment opportunities: page 15

Pioneering efforts to find solutions to emerging nursing and healthcare needs

The NTT Group is working on various measures to address the nursing and healthcare needs that come with a declining population and aging society. We are, for example, developing and supplying telemedicine solutions that use ICT-based health monitoring and video diagnosis, and also technologies and systems solutions for sharing data and information between diverse healthcare systems. We have also launched services and pilot projects in the field of remote monitoring of senior citizens living on their own to help relieve anxiety by enabling relatives to watch over them from a distance.

Neighborhood communication support services through collaboration with local communities

NTT WEST-MINAMIKYUSHU
NTT Energy and Environment Systems Laboratories
NTT Service Integration Laboratories
NTT Cyber Solutions Laboratories

Providing desired welfare services

In March 2003, the town of Kijo, located in a mountainous region of Miyazaki Prefecture. laid some 100 kilometers of optical fiber cables in an effort to bridge the digital divide in this area. The following month, NTT WEST began providing Internet access, local administration information services, and health management services via broadband Internet. At the same time, NTT WEST and Kijo's local government held intensive discussions with residents aimed at further tailoring these services to their specific needs. In response to community requests, a neighborhood communication support service was designed specifically for the purpose of helping elderly people, with trials starting in March 2005.

The neighborhood communication support service provided by NTT WEST and NTT Laboratories is built around a service that connects Kijo's elderly people with their family, friends or social workers and enables non-intrusive monitoring of each other's presence at home. Additional features include TV phone, handwritten message service, and disaster and emergency notification services.

Yoshihiro Ito of Research Engineer, Communication Innovation Group, Environmental Information Systems Project, NTT Energy and Environment Systems Laboratories comments that, "It's an easy-to-use system and has been well-received by elderly people. They are able to feel connected with others by observing the cute fish icons swimming around on the screen. All they have to do is touch a fish to initiate communications with the person it represents. The trial was initially planned to last for three months, but was extended to six months in response to strong demand from residents."

Creating communication opportunities within local communities

The trial service helped local residents to keep an eye on neighbors who may need assistance, and contributed to a revitalized sense of community. Welfare volunteers are grateful for the system since it enables them to check frequently
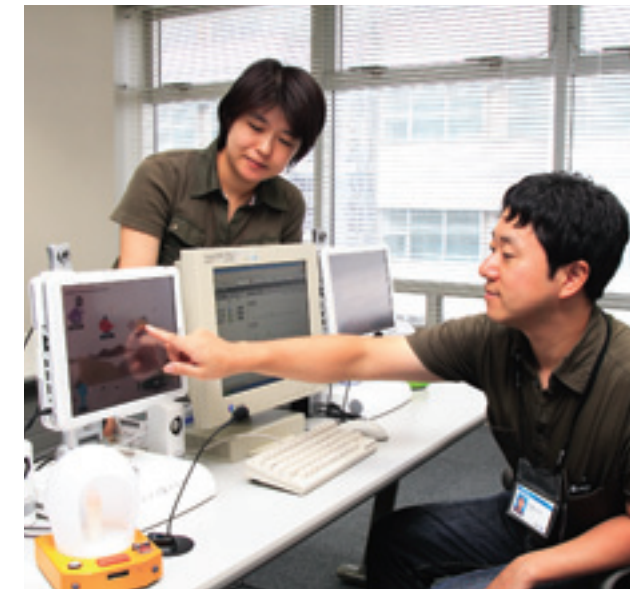
Checking the operational environment of the system at NTT Laboratories

on how people on their lists are doing. Some elderly people have also told us that it made keeping in contact with others enjoyable and provided them with an incentive to start learning how to use computers.

Based on the results of the trial, Kijo is now moving towards full deployment of the system. The NTT Group will continue in such efforts to bring the information age to remote regions, and to promote the use of ICT-based welfare services to overcome the issues facing Japan's aging society.

"We visited the home of each user and asked what they thought of the service. Some people told us that they kept pressing the keys twice by habit, and others that the characters were too small to read. We made use of such feedback to resolve usability problems." (Yoshihiro Ito)

How the neighborhood communication support service works
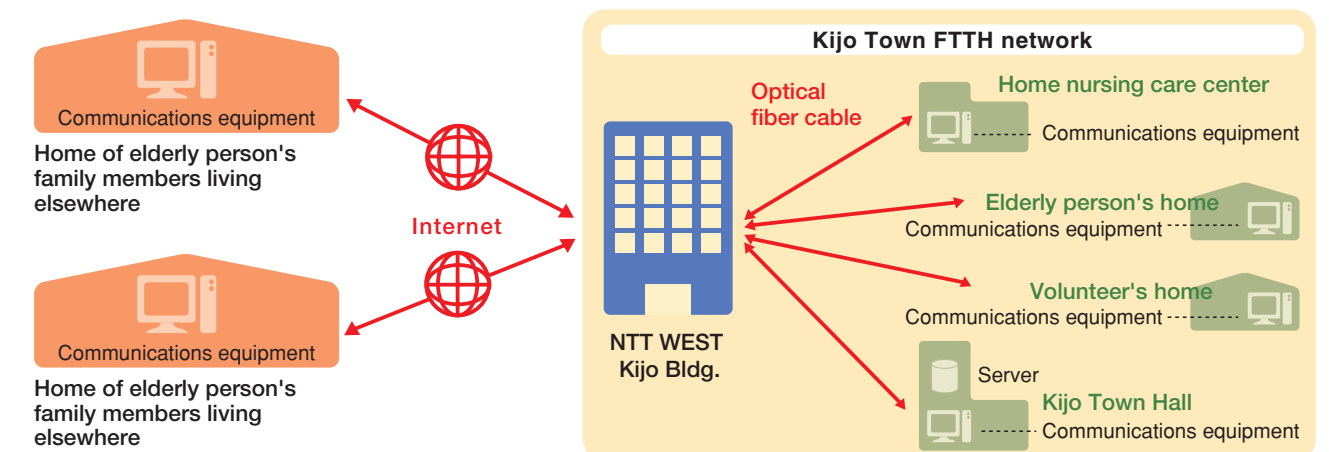
Kijo Town FTTH network

Home of elderly person's family members living elsewhere
Communications equipment

Home of elderly person's family members living elsewhere
Communications equipment

Internet

NTT WEST
Kijo Bldg.

Optical fiber cable

Home nursing care center
Communications equipment

Elderly person's home
Communications equipment

Volunteer's home
Communications equipment

Server

Kijo Town Hall
Communications equipment

1-1 Communicating anytime, anywhere, and with anyone

Addressing Social Issues and Creating New Value for Society through Ubiquitous Broadband Communications

## Society in the coming age of ubiquitous broadband communications

Imagine a world in which you can communicate with others anytime and anywhere. This is our vision for society in the age of ubiquitous broadband communications, a society in which everything in daily life is connected by high-speed high-capacity networks, and where anyone can use these networks to acquire information and enjoy safe, secure, and convenient in-formation and communications services.

In this future world, fixed and mobile networks and the various technologies that support them will reach into every corner of daily life and provide the optimum living, working, and learning environment for everyone. For example, the use of IC tags will enable stress-free shopping by making it possible to find desired goods and products quickly and eliminating cash register lines. The networks will also enable the sharing of knowledge at a level that will open up new educational and business opportunities. Furthermore, enhanced traffic and route information services will help to ease traffic congestion, and ICT-driven efficiencies in the movements of people and goods, and in manufacturing and other social and economic activities will lead to energy savings, reducing environmental impacts and contributing to the creation of a sustainable society.

This world of ubiquitous broadband communications - a world that promises to bring people closer to each other and enrich their personal lives-is just around the corner.
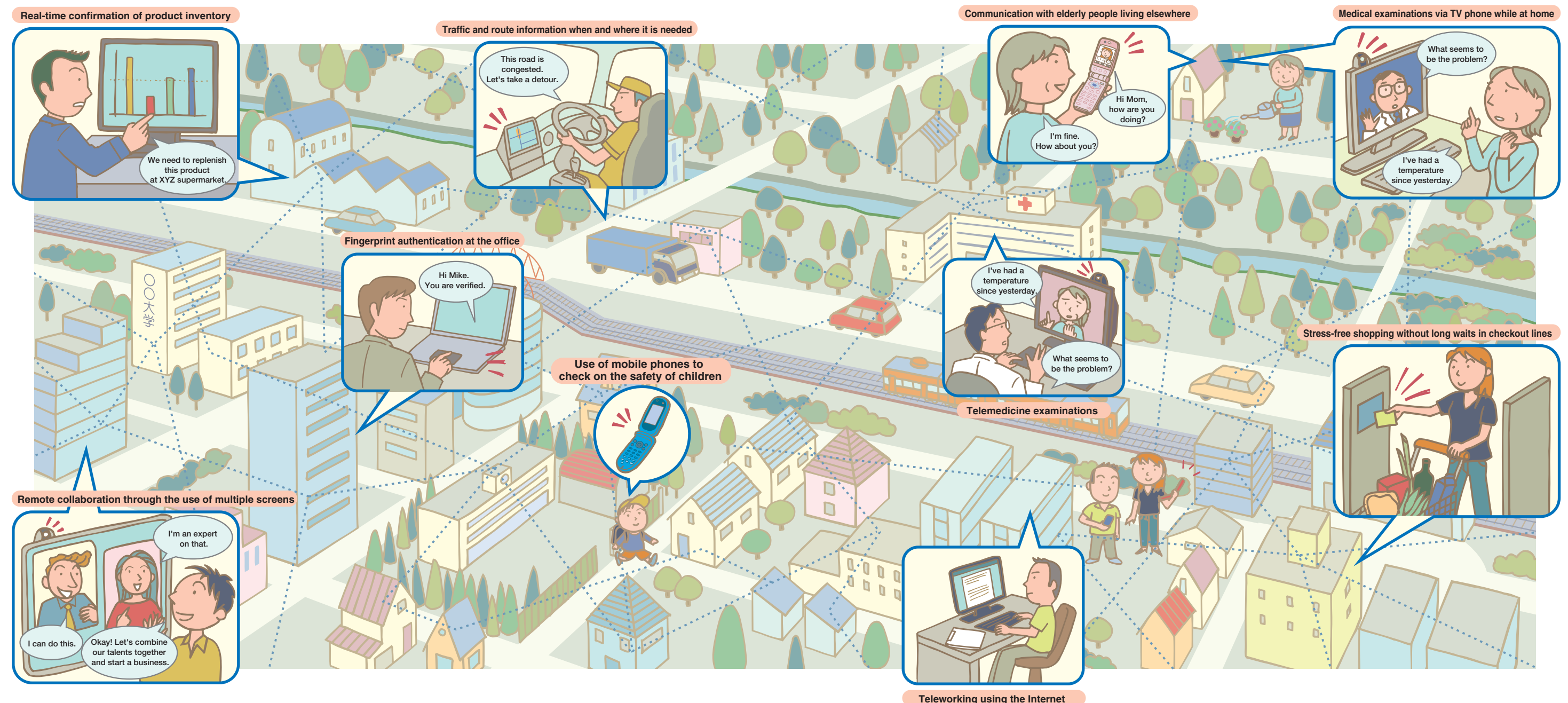
Terminology   **IC tag**：Integrated circuit tag, also known as RFID tags. Tags with embedded circuits for enabling imprinted price and other information to be read by con-tactless authentication technology via wireless communications.

1-2 Developing the infrastructure for ubiquitous broadband services

The NTT Group's Medium-Term Management Strategy for Supplying Ubiquitous Broadband Services

● **Promoting B FLET'S optical fiber Internet access service, FOMA third generation (3G) mobile communications services and the convergence of fixed line and mobile communications**
● **Building safe, secure, and convenient next-generation networks**
● **Continuing research and development into basic technologies for ubiquitous broadband services**

Laying the way for an age of ubiquitous broadband communications

The NTT Group is committed to promoting B FLET'S optical fiber services and FOMA third generation (3G) mobile communications services as part of its efforts to supply ubiquitous broadband communications. We are making considerable efforts to expand our optical fiber service areas and provide IP telephony services of a quality that only optical fiber networks can deliver, as well as provide customers with convenient services through alliances with Internet service providers, broadcasters, and other content providers. In the field of 3G mobile communications, we are striving to enrich our lineup of handsets and provide an increasing diversity of services such as newly developed mobile credit services. We will continue to develop and deploy ubiquitous broadband services through pursuing fixed-mobile and telecommunications-broadcasting convergence, and enhancing Internet connection portal and other

upper layer services.

B FLET'S optical fiber Internet access service (NTT EAST/NTT WEST) Numbers of subscribers
(thousand)

3,000 / 2,000 / 1,000 / 0
2001 2002 2003 2004 2005 (fiscal year)

FOMA third generation (3G) mobile communications services (NTT DoCoMo) Number of subscribers
(thousand)

25,000 / 20,000 / 15,000 / 10,000 / 5,000 / 0
2001 2002 2003 2004 2005 (fiscal year)
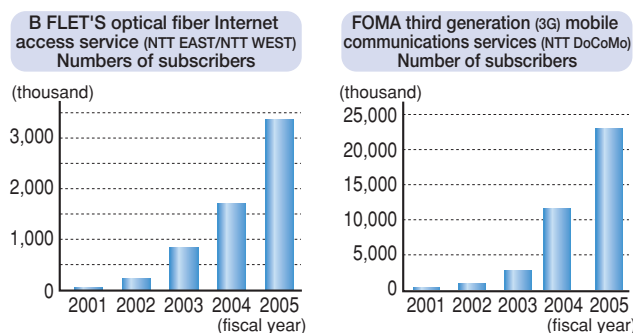
Building next-generation networks

The NTT Group is committed to promoting the building of next-generation networks (NGN) to provide safe, secure, and convenient ubiquitous broadband services. NGN technology is designed to combine the high quality, reliability, and stability of fixed line services with the flexibility and economy of IP network services in the building of an open network capable of

maintaining the highest levels of security. Field trials are scheduled to commence in December 2006 in cooperation with other telecommunications carriers and service providers.

Initiatives

Ubiquitous broadband services offered by NTT
Utilizing a ubiquitous broadband infrastructure combined with streaming technologies for audio and video content, the NTT Group offers services — NTT Communications' OCN Theater and Plala Networks' 4thMEDIA — that allow subscribers to enjoy high quality and high-definition movies and satellite broadcasting content on their own TVs.
High-quality broadband content is already available to a large number of customers through services such as these, and we will continue to explore the full potential of ubiquitous broad-

band communications in the development of new services for our customers.

OCN Theater's screenshot

Research and development to support ubiquitous broadband communications

Under its Medium-Term Management Strategy, the NTT Group is committed to continued research and development of new technologies for achieving a safe and secure full IP next-generation network infrastructure and a wide range of application services for this network, including ubiquitous broadband services based on fixed-mobile convergence, realistic interactive video communications and global one-stop services.
We continue to promote close-knit collaboration among group companies in basic research and development for the building

of next-generation networks. We are also committed to bringing new technologies into the mainstream to benefit society through partnerships with other companies and proactive development of advanced basic technologies aimed at surpassing current limitations to build the communications networks that will be required by society ten years or more in the future.

Initiatives

Developing and proliferating new types of optical fiber cord
In November 2005, NTT Access Network Service Systems Laboratories announced the development of a new optical fiber cord that can be flexibly bent, folded, or even tied in knots without affecting communication. Bending or folding conventional optical fiber cords beyond a certain degree can cause breaks in communication due to signal leakage, but because the new cord poses no such problems, it is remarkably easy to handle, and can be installed just like standard electricity cords. This represents a major improvement in efficiency during installa-

tion that is expected to contribute to the proliferation of the broadband infrastructure.

New optical fiber cord
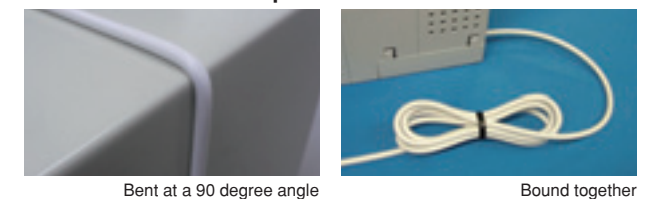
Bent at a 90 degree angle   Bound together

WEB ・Preinstalled optical wiring kit for FTTH ・Research and development of terabit-class networks ・Next-generation mobile communications systems

Initiatives

Experimenting with next-generation portal technology at goo Labs
NTT Resonant demonstrates the latest Web technology for the age of ubiquitous broadband communications at its experimental website called "goo Labs" which is provided by the Internet portal site "goo". From August to November 2005 and again from December 2005 to March 2006, Kanshingoto Antenna (interest antenna) and BLOGRANGER — two new search services which provide users with search results from the latest news articles and blog postings tailored to their specific areas of interest — were tested and evaluated in a fully operational environment on the goo Labs website. These services make use of new search technologies developed by NTT Cyber Solutions Laboratories, including Japanese language conceptual filtering, a technology designed to help users find the information they seek even when they are unable to think of definitive keywords.

Experiments in digital cinema: distribution of Hollywood movies to theaters
The NTT Group has commenced the trial operation of 4K Pure Cinema, the world's first network distribution of movies in high-quality digital form to theaters. Carried out with the cooperation with both American and Japanese movie distributors, including major Hollywood studios, digital data is distributed by means of a high-speed network connecting America and Japan via optical fiber cable. Trials have been carried out to study distribution processes between studios and theaters and to verify the feasibility of this digital cinema business model.
Since its inception in October 2005, ten companies have joined the trial, and the number of available movies and participating theaters is steadily increasing. This effort to promote the spread of digital cinema — the next generation of movie projection technology — is aimed at improving and enriching moviegoer experiences.

goo Labs website

The digital cinema system installed in movie theaters

WEB ・Development of a multi-point wideband IP conference phone with directional automatic gain control ・Lossless coding technology for audio signals ・Video server capable of simultaneous transmission of up to 10 HDTV video streams ・Super-high-definition video IP streaming experiment

Terminology 4K : A digital video format with a resolution of 4,096 x 2,160 pixels. The name "4K" comes from the number of horizontal pixels.

1-3 Addressing issues related to population decline and aging society

Leveraging ICT to Support Nursing Care and Social Services, Implement Telemedicine and Preventive Healthcare, and Contribute to the Creation of Diverse Work Environments

● **Helping to provide peace of mind to seniors and people with disabilities**
● **Support for telemedicine systems that enable remote medical examinations**
● **Driving the diversification of work environments through leveraging ICT to enable teleworking and other work styles**

Support of nursing care and social service programs

With declining population and the aging of society, more and more senior citizens and people with disabilities require support to be able to lead safe and secure daily lives. The NTT Group is working to address the needs of these communities through utilizing ICT to develop support for nursing care and welfare services. This includes the consideration of community design that enables all people to live in safety and security, and initiatives that leverage communications technologies to enable anyone to obtain the information they need.

Initiatives

Broadband-enabled systems for the prevention of long-term nursing care
The NTT Group launched experiments in July 2005 to test a broadband-enabled system for preventive healthcare aimed at avoiding the need for long-term nursing care at a later date. The system supports the total spectrum of such preventive healthcare, from health examinations to guidance for maintaining health, including a rich menu of advice for improving motor functions, diets, and oral functions. The system utilizes video communications for enjoyable use at home as well as nursing homes and public facilities. We will continue to invest in such ICT-based efforts to alleviate instructor shortages and support the prevention of long-term nursing care with the aim of contributing to the overall vitality of Japanese society.

Trial service for emergency messages via text and sign language
Most of the data information devices and services available today feature text and voice messaging for people with normal hearing, but those with hearing impairments need easy-to-understand information services in sign language to help them participate more fully in society. To this end, NTT Cyber Solution Laboratories in cooperation with Hitachi, Ltd. in April 2006 launched a trial of a new system for sending emergency messages via text and sign language. Once this new technology is broadly deployed, it will be possible in the event of disasters to inform all members of the general public, including those with hearing impairments, in trains, buses and other public spaces where information via TV, telephone, and other familiar information is unavailable.

Use of the system for the prevention of long-term nursing care

Checking on health of elderly people, providing health guidance, recipes, etc.

Elderly person's home

Internet

Exercise class at community hall

Remote exercise classes (participating while at home in classes held in community halls)

Elderly person's home

Public health nurse, etc.

WEB ・Monitoring services for seniors

Simulated display of emergency messages via text and sign language inside a train

ICT-based support for medical services

Seniors living far from hospitals and nursing care facilities or who otherwise have trouble finding transportation to such facilities can well appreciate the convenience of a system that allows them to receive medical examinations and nursing care services remotely. The NTT Group is applying its expertise in ICT to these and other issues through the development of solutions that will help maintain the vitality of Japan's aging society.

Initiatives

Verification testing of a TV phone service for medical examinations at home
The NTT Group is leveraging ICT to develop telemedicine services. In July 2005, NTT Communications, in cooperation with NEC Networks & System Integration Corporation and Asahikawa Medical College, launched the trial operation of a TV phone medical examination service. This system allows users to undergo medical examinations in their own homes by transmitting blood pressure, electrocardiogram, and other data to the hospital. This system was used for performing actual examinations on patients from the fall of 2005 until March 2006.

Telemedicine system
The Asahi Clinic in Tadami Town, Fukushima Prefecture began operation in August 2005 of a telemedicine system provided by NTT EAST. This system connects Asahi Clinic with the Fukushima Prefectural Aizu General Hospital via a high-speed optical fiber cable system that enables doctors at the clinic to transmit CT, MRI, and other data to the general hospital, where it can be used in consultation with specialists.

Electrocardiogram, weight, body fat, blood pressure, and other data

Dedicated terminal

Physician (hospital)

TV phone

Broadband line

Medical examination

Dedicated terminal

Patient (home)

TV phone

How the TV phone medical examination system works

Consulting with a specialist from a remote location

WEB ・ICT-based telepathology ・Remote prenatal care using optical fiber networks

Providing a variety of work environments

Faced with a declining population, Japan urgently needs to create a diversity of work environments to maintain a sufficient workforce. To ensure that people from all stations of life are able to find stable work, including people with disabilities, the elderly, those raising young children or nursing family members, the NTT Group is using ICT to help create a variety of work environments.

Initiatives

Expanding employment opportunities with the Digital Map Virtual Factory
Opened in July 2003, NTT Neomeit's Digital Map Virtual Factory is a virtual community where staff members living in different locations are able to work together in the creation and maintenance of digital map data via a broadband network. Staff members include people with disabilities who are unable to commute to work easily, and also those who are unable to work regular hours because they are raising small children. The Digital Map Virtual Factory is contributing to the expansion of employment opportunities, and currently (2006) boasts three group offices and a workforce of 129 teleworkers. NTT Neomeit has also launched a new business producing digital cartoon content for mobile phones, and further employment opportunities are expected to be generated on an ongoing basis.

Digital map creators are able to work from their homes.

WEB ・CAVA Teleworking system

Feature 2

Using ICT to Reduce Environmental Impacts

The NTT Group's Vision for Environmental Contribution — reducing impacts by providing ICT services.

The NTT Group's Vision for Environmental Contribution

In May 2006, the NTT Group announced its Vision for Environmental Contribution — a statement of its approach to reducing the environmental impacts of human society as a whole through the provision of ICT services.
Our efforts to contribute to environmental protection have up to now been based on the NTT Group Ecology Program 21, our basic concept regarding environmental issues. Activities have included reducing the environmental impacts of our own

business and developing environmental technology to reduce the environmental impacts of society as a whole.
Our Vision for Environmental Contribution clarifies our basic concept for providing ICT services that will enable our customers as well as society as a whole to reduce environmental impacts. It also defines our CO_2 reduction target for 2010 and the activities we intend to undertake to achieve that target.

NTT Group Vision for Environmental Contribution

The NTT Group is helping to reduce the environmental impacts of its customers and society as a whole by developing and disseminating ubiquitous broadband-based ICT services that promote positive changes in lifestyles and business models.

[Reduction target for 2010]

Reductions in CO_2 emissions as a result of ICT services − CO_2 emissions from providing ICT services = 10-million-ton reduction in CO_2 emissions

Activities for achieving our targets for 2010
①Increase subscriber base for optical fiber services that enable lower impact lifestyles and business models
②Expand ubiquitous broadband services
③Reduce the environmental impacts of our business activities
④Reduce the electrical power required by customers' communications equipment

Achieving our Vision for Environmental Contribution

Our Vision for Environmental Contribution is a statement of our approach not only to reducing the environmental impacts of our business activities and implementing initiatives that benefit the environment such as afforestation and environmental education, but also to contributing to environmental conservation through our business activities themselves by expanding the availability of ICT services.

The increased availability of ubiquitous broadband services which enrich the lifestyles of our customers and bring them greater convenience while reducing environmental impacts will also help us to achieve our goal of reducing CO_2 emissions by 10 million tons by 2010 as set down in our Vision for Environmental Contribution.

Promoting ICT from the standpoint of environmental conservation
NTT WEST-CHUGOKU

Finding ways to contribute to the environment through our business
"We've been working to reduce the amount of paper and electricity used and waste generated, but there's a limit to how much we can do." "Can't we reduce environmental impacts through our business operations themselves?"
These are questions that came up in heated discussions held in the spring of 2002 at NTT WEST-CHUGOKU (then NTT WEST Hiroshima Branch) on how to contribute in environmental conservation and earn ISO14001 certification.
"We believed that ICT services could reduce environmental impacts, but had no concrete evidence to prove it. This made it difficult to convince other people," recalls Hirofumi Moriwaki of NTT WEST-CHUGOKU.

Turning point: NTT Group workshop for environmental personnel
Things changed in January 2003, when the NTT Group held a workshop for personnel in charge of environmental issues. The NTT Information Sharing Laboratory Group reported on a method for quantifying and measuring the effectiveness of ICT services in reducing environmental impacts. NTT WEST-CHUGOKU decided that this could be used effectively to convince customers of the benefits of ICT in terms of reducing environmental impacts, and launched a joint study with NTT Information Sharing Laboratory Group to calculate the actual scale of those benefits. The first customer chosen to pitch its findings to was RCC BROADCASTING CO., LTD., a regional TV station that was planning to deploy new equipment for migration to digital broadcasting services.

Live television broadcast system using B FLET'S
Conventional live television broadcast systems transmit microwaves from outside broadcast vehicles to the main broadcast station via relay stations. Instead of using microwaves, NTT WEST-CHUGOKU proposed a digital live television broadcast system that uses NTT's B FLET'S optical fiber network. In order to make B FLET'S video transmission work for commercial broadcast, NTT WEST-CHUGOKU's technical team gained the cooperation of manufacturers and RCC Broadcasting for the development of equipment and trial services. Meanwhile, the Laboratory Group managed to calculate how this system could reduce impacts on the environment. "Calculations showed that it could reduce CO_2 emissions by 70%, proving that it would be highly effective in reducing environmental impacts," says Takashi Sawada, Senior Research Engineer (Supervisor) for the Environmental Management & Pro-

visioning Project at NTT Information Sharing Laboratory Group.

Continuing to reduce environmental impacts by promoting ICT
Now used for live television broadcasts in the Chugoku region in addition to traditional uses such as fixed cameras at Hiroshima Station, professional baseball team Hiroshima Toyo Carp's training ground, expressways, and golf courses, this video relay system provides much faster, more flexible and lower impact broadcasting than conventional microwave-based systems.
These efforts were made possible through cooperation between NTT WEST-CHUGOKU and RCC BROADCASTING, a company with a reputation for progressive environmental policies, as proven by its status as the nation's first regional broadcast station to acquire ISO14001 certification.
"We plan to calculate how various other solutions can also reduce environmental impacts, and pitch them to local governments and other bodies," says Hiroshi Omori, Manager of Business Promotion in the Planning Department at NTT WEST-CHUGOKU.

From the left: Takashi Sawada, Hiroshi Omori, and Hirofumi Moriwaki

From the left: Takashi Sawada, Mr. Toyomitsu Okumura, Director of RCC BROADCASTING, and Hirofumi Moriwaki

Contributing to environmental conservation through business activities

Chief of Business Promotion, Planning Department NTT WEST-CHUGOKU

Hirofumi Moriwaki

"I'm extremely happy that, with the help of our Laboratory Group and RCC BROADCASTING, we were able to prove that ICT services can reduce environmental impacts. We pride ourselves on having launched these efforts even before ISO14001 was revised in 2004 to include the requirement for organizations to identify significant environmental aspects in their environmental management systems. Contributing to the environment needn't involve anything special; it's something that any company should be able to do simply through rethinking its business and services from an environmental standpoint. I'd like to see NTT WEST-CHUGOKU become a driving force for environmental initiatives within the NTT Group."

2-1 Basic policies and promotion structure

Establishing and Promoting Basic Policies, and Striving for Global Environmental Protection through Group-Wide Efforts

- ● **Establishment of the NTT Group Global Environmental Charter and Green Guidelines based on the NTT Group Ecology Program 21**
- ● **Implementation of effective environmental management through creation of a group-wide organization for promoting environmental protection**
- ● **Promoting efficient environmental management since fiscal 2000 through environmental accounting**

NTT Group Ecology Program 21

The NTT Group Ecology Program 21 was formulated in 1999 to serve as the basic concept for NTT Group environmental action programs. It consists of three core elements: the NTT Group Global Environmental Charter, which describes the basic principles and policies underlying our environmental action programs; Contributions to Local Environmental Protection, under which we carry out community-based activities as a member of the local community; and Environmental Technology R&D for addressing environmental issues through the development of new technologies such as those for energy conservation. Based on this concept, the NTT Group is conducting a wide range of environmental protection activities to contribute to a sustainable society.

Organization for promoting environmental protection

In 2005, the NTT Group established a CSR Committee charged with overseeing Group CSR activities. And under this committee, the NTT Group Global Environmental Protection Promotion Committee was established as a decision-making body for group environmental protection activities that works in close cooperation with the NTT Environmental Protection Office and departments in charge of environmental issues in individual group companies.

The Global Environmental Protection Promotion Committee oversees several other committees, including the Greenhouse Gases Reduction Committee, Waste Disposal and Recycling Committee, and the Environment and ICT Committee together with their subordinate working groups and group-wide environmental projects. The committee is also responsible for establishing basic policies, managing objectives, and resolving issues.

【The NTT Group organization for promoting environmental protection】 (as of July 2006)
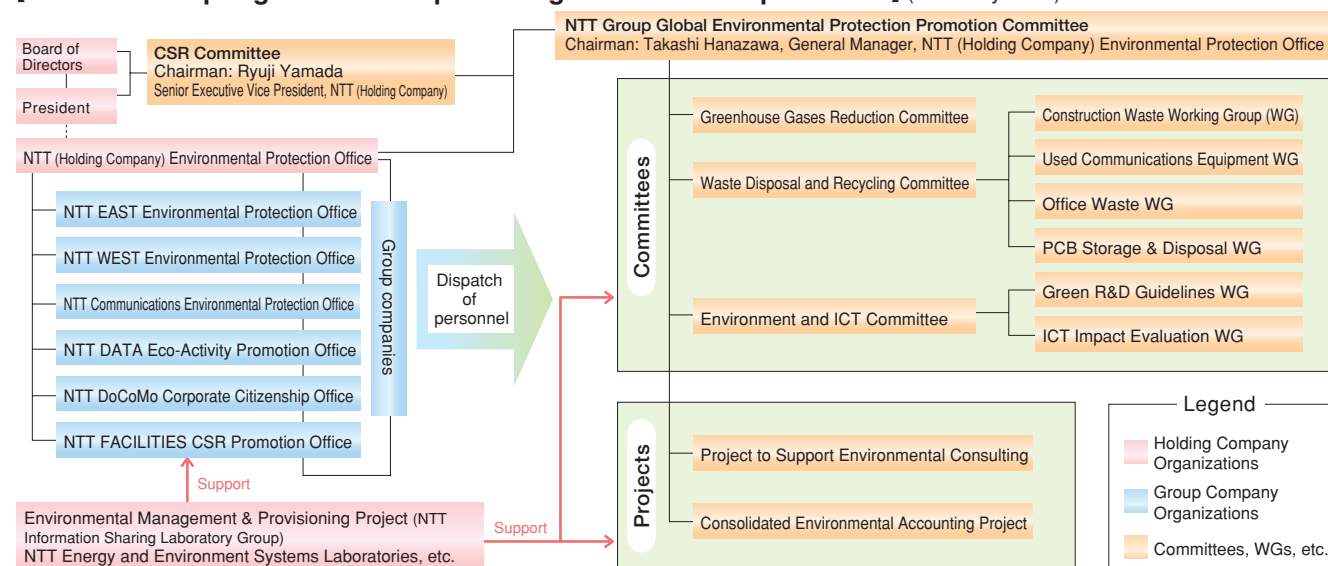
Green guidelines

The NTT Group has established three sets of green guidelines in line with our business activities that are intended to help achieve reductions in environmental impacts.

To ensure that we and suppliers continue to contribute to environmental conservation, our Green Procurement Guidelines call for such measures as the minimal use of hazardous substances and the use of materials suitable for recycling, and also stipulate criteria for evaluating the environmental conservation efforts of suppliers.

The Green R&D Guidelines stipulate criteria for evaluating the effectiveness of methods, processes, and results of our R&D activities in reducing environmental impacts.

The Green Design Guidelines for Buildings stipulate criteria for evaluating seven categories in the area of construction and maintenance of buildings, including extension of operating life, with the aim of reducing building-related environmental impacts.

Environmental accounting

The NTT Group introduced environmental accounting in fiscal 2000 to boost the efficiency and effectiveness of its environmental conservation efforts through quantitatively determining both the cost of environmental conservation programs undertaken as part of its business activities and the returns gained. Environmental conservation costs for fiscal 2005, including investments in energy conservation measures, totaled 61.6 billion yen, and as one quantitative result, yielded a 94,000-ton reduction in CO_2 emissions. The economic benefit of these programs amounted to 47.25 billion yen, which included reduced procurement costs for new communications equipment thanks to the reuse of existing equipment, and reduced electricity costs thanks to energy-saving measures.

Environmental conservation costs in fiscal 2005 were down by 2.76 billion yen over the previous year. Factors contributing to this decrease included the completion of investment in experimental facilities for investigating the effect of electromagnetic waves on electronic devices and the human body, as well as reduced budget allocations for R&D in environmental technology in conjunction with a group-wide reduction in R&D expenditures.

A 4.45 billion yen increase in economic benefits was also observed, a major contributing factor being reduced expenditures for new equipment with the increased reuse of used communications equipment.

We are determined to further improve our environmental management through quantitative measurement and analysis of our environmental activities.

Environmental conservation costs

(100 million yen)

MoE Guidelines categories*	FY 2005		FY 2004	
	Environmental investment	Environmental expenses	Environmental investment	Environmental expenses
1. Business area costs	48.0	269.7	63.6	261.3
■ Pollution prevention costs	2.3	9.2	1.0	5.6
■ Global environmental conservation costs	38.1	110.4	55.7	112.2
■ Resource circulation costs	7.5	150.1	7.0	143.5
2.Upstream/downstream costs	0.1	43.3	0.7	37.9
3.Administration costs	0.3	57.5	1.3	55.2
4.R&D costs	42.2	153.1	51.0	171.3
5.Social contribution activity costs	0.0	1.0	0.0	1.1
6.Environmental remediation costs	0.0	0.6	0.0	0.0
Total	**90.7**	**525.3**	**116.7**	**526.9**

*Environmental Accounting Guidelines 2005 published by the Ministry of the Environment, Japan

Environmental conservation benefits

(100 million yen)

Economic benefits	FY 2005	FY 2004
Reductions in costs through energy conservation	52.8	46.8
Revenues from sale of recyclable waste	37.8	26.7
Reductions in waste-disposal costs through recycling	0.0	0.5
Reductions in cost of new purchases through reuse	356.4	327.3
■ Used communications equipment	356.3	327.2
■ Office waste	0.1	0.1
Reductions in cost of postal expenses through computerization	17.1	17.1
Risk-avoidance benefits	2.2	2.7
Other economic benefits	6.3	6.9
Total	**472.5**	**428.0**

(10,000 tons)

Quantitative benefits	FY 2005	FY 2004
Reductions in CO_2 emissions through energy conservation measures*	9.4	6.8
Total quantity recycled (Recycling rate)	**61.5 (94.0%)**	**78.2 (93.3%)**

*Reductions in CO_2 emissions through energy conservation measures are calculated by subtracting actual emissions from estimated emissions in the event that no such measures were taken.

1.Scope of data
The companies subject to consolidated environment accounting are NTT, NTT EAST, NTT WEST, NTT Communications, NTT DATA, NTT DoCoMo, and their group companies (141 companies in total).

2.Applicable period
Data for fiscal 2005 report is from April 1, 2005 to March 31, 2006
Data for fiscal 2004 report is from April 1, 2004 to March 31, 2005

3. Accounting method
●Accounting is based on the NTT Group Environmental Accounting Guidelines. These guidelines comply fully with the Environmental Accounting Guidelines 2005 issued by the Ministry of the Environment.
●Environmental conservation costs are expressed in monetary units and conservation benefits in monetary units or physical quantity.
●Environmental conservation costs are tabulated separately as environmental investments and environmental expenses. From fiscal 2003, depreciation expenses are included in environmental expenses. Personnel costs are also included in environmental expenses.

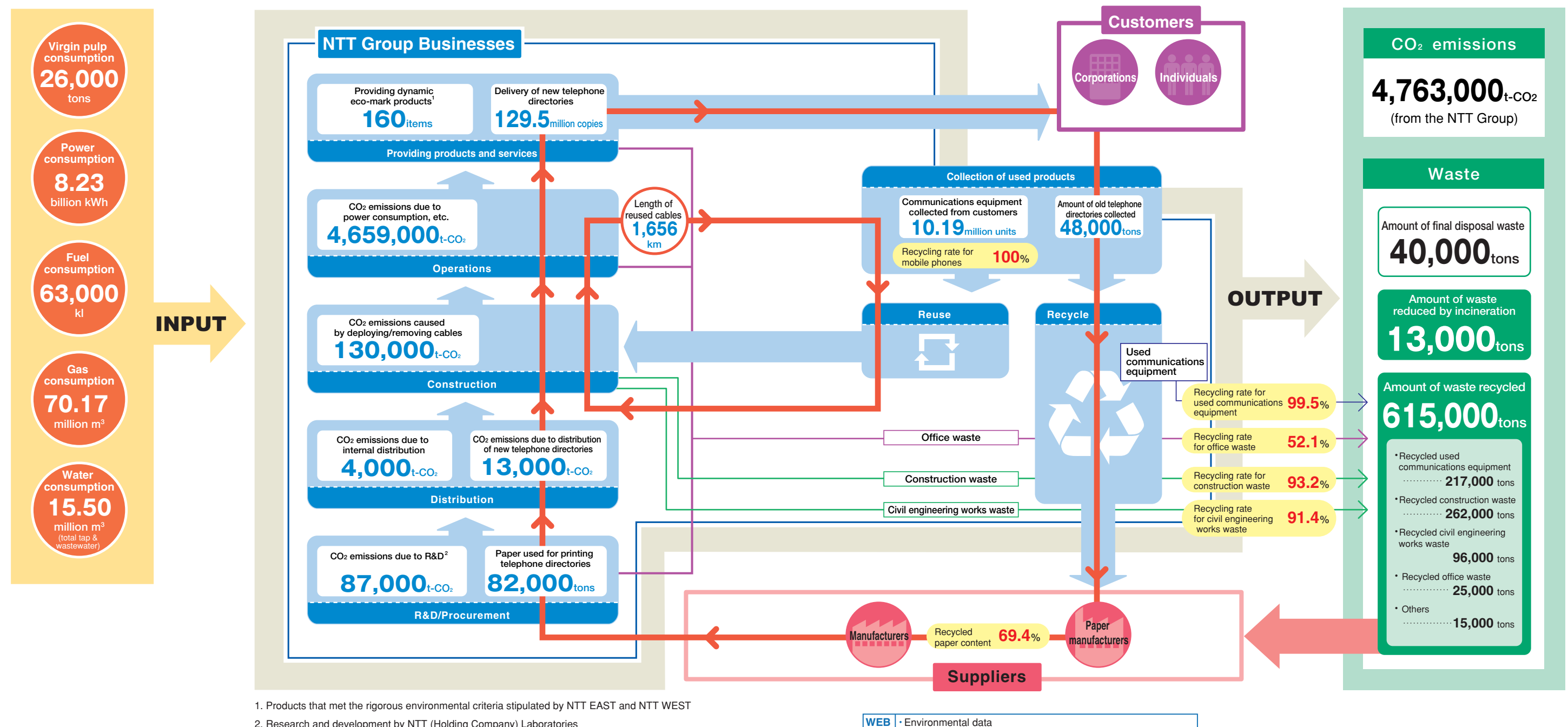2-2 Reducing the environmental impact of our operations

〔2-2-1 Overview of the environmental impact of the NTT Group〕

Continuing Efforts to Reduce the Environmental Impact of Individual Processes of Our Business Activities

● **Striving to achieve major targets in our action plan through preventing global warming, and reducing waste and paper consumption**
● **Identifying and reducing environmental impact of all business processes from procurement to distribution, construction work, operations, provision of products and services, and recycling**

NTT Group Principle Activity Plan Targets (by 2010)

Prevention of global warming	Reduce CO_2 emissions per subscriber by at least 35% for all telecommunications carriers. (Telecommunications carriers: NTT EAST, NTT WEST, NTT Communications, NTT DoCoMo)
	Reduce CO_2 emissions per unit of sales by at least 25% for all other group companies. (Other group companies: NTT DATA, NTT COMWARE, NTT FACLITIES, etc.)
Waste reduction	Reduce amount of final disposal waste to no more than 15% of 1990 levels.
Reduction in paper use	Reduce consumption of virgin pulp to 80% or less of 1990 levels. (This target has been achieved as of fiscal 2004.)

INPUT

Virgin pulp consumption **26,000** tons

Power consumption **8.23** billion kWh

Fuel consumption **63,000** kl

Gas consumption **70.17** million m³

Water consumption **15.50** million m³ (total tap & wastewater)

NTT Group Businesses

Providing dynamic eco-mark products[1] **160** items

Delivery of new telephone directories **129.5** million copies

Providing products and services

CO_2 emissions due to power consumption, etc. **4,659,000** t-CO_2

Operations

Length of reused cables **1,656** km

CO_2 emissions caused by deploying/removing cables **130,000** t-CO_2

Construction

CO_2 emissions due to internal distribution **4,000** t-CO_2

CO_2 emissions due to distribution of new telephone directories **13,000** t-CO_2

Distribution

CO_2 emissions due to R&D[2] **87,000** t-CO_2

Paper used for printing telephone directories **82,000** tons

R&D/Procurement

Customers
Corporations Individuals

Collection of used products

Communications equipment collected from customers **10.19** million units

Recycling rate for mobile phones **100**%

Amount of old telephone directories collected **48,000** tons

Reuse

Recycle

Used communications equipment

Office waste

Construction waste

Civil engineering works waste

Recycling rate for used communications equipment **99.5**%

Recycling rate for office waste **52.1**%

Recycling rate for construction waste **93.2**%

Recycling rate for civil engineering works waste **91.4**%

OUTPUT

CO_2 emissions
4,763,000 t-CO_2
(from the NTT Group)

Waste

Amount of final disposal waste **40,000** tons

Amount of waste reduced by incineration **13,000** tons

Amount of waste recycled **615,000** tons

• Recycled used communications equipment ·········· **217,000** tons
• Recycled construction waste ·········· **262,000** tons
• Recycled civil engineering works waste ·········· **96,000** tons
• Recycled office waste ·········· **25,000** tons
• Others ·········· **15,000** tons

Suppliers
Manufacturers
Recycled paper content **69.4**%
Paper manufacturers

1. Products that met the rigorous environmental criteria stipulated by NTT EAST and NTT WEST
2. Research and development by NTT (Holding Company) Laboratories

WEB · Environmental data

2-2 Reducing the environmental impact of our operations
【2-2-2 Global warming prevention measures】

Proactive Energy Conservation and Other Measures to Prevent Global Warming

- ● Promoting group-wide power consumption reductions through the Total Power Revolution campaign
- ● Working to improve global warming prevention emissions intensity index through the further deployment of energy-efficient ubiquitous broadband services

Preventing global warming

Over 90% of the NTT Group's CO_2 emissions are attributable to electrical power consumption related to the provision of information and communications services, a situation that prompted the NTT Group to launch its Total Power Revolution (TPR) campaign and work as one to conserve energy. Thanks to T-PR campaign programs that encouraged the introduction of energy-efficient electrical power and air conditioning equipment, the Group reduced its electrical power consumption in fiscal 2005 by 170 million kWh.

Despite this reduction, however, 4.763 million tons of CO_2 emissions were attributable to NTT Group companies in fiscal 2005, a major increase over the previous year. Part of this increase, however, is the result of revisions to the formula used to convert electrical power consumption to CO_2 emissions. Our global warming prevention emissions intensity index (see

page 21) also rose compared with the previous year for both our telecommunications carriers and our other group companies. However, evaluating this year's performance with the same formula used in last year's evaluation results in an improvement of approximately 5% to the emissions intensity index by non-carrier group companies due to lower electrical power consumption in office buildings. In contrast, our telecommunications carriers showed an approximately 1.6% increase due to expansion of facilities for broadband and mobile phone services. In the light of these figures, the NTT Group recognizes the need to continue with its efforts to install energy-efficient equipment and implement other measures to achieve its emissions intensity reduction target for the prevention of global warming.

- In March 2006, revisions to the Law Concerning the Promotion of the Measures to Cope with Global Warming changed the conversion factor for kilograms of CO_2 emitted per kWh of electrical power consumption from 0.378 kg/kWh for fiscal 2004 to 0.555 kg/kWh for fiscal 2005.

CO₂ emissions from business operations

Telecommunications carriers emissions intensity index

Other group companies emissions intensity index
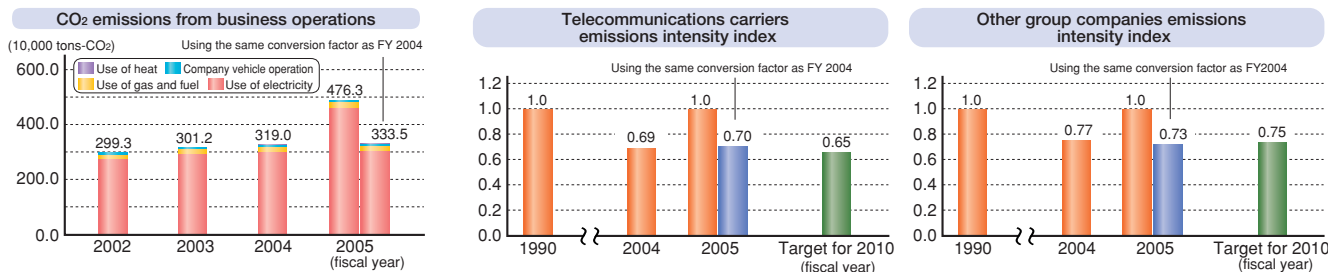
Initiatives

Efforts in line with Tokyo's program on measures against global warming
The Tokyo Metropolitan Government in March 2005 revised its Ordinance on Environmental Preservation and instituted a CO_2 Emission Reduction Plan.
This project requires businesses that emit more than a certain level of greenhouse gases to prepare and submit plans for preventing global warming and to report results. Reports are required at both interim and final stages, and all plans and reports are evaluated and published. Of the plans submitted by

NTT group companies for their buildings, 13 received the highest "double-A" grade in planning stage evaluations announced in December 2005.
NTT Communications' main building in Tokyo's Otemachi is notable for having been designed specifically with energy conservation in mind. The air conditioning system for its communications equipment room features various innovations that have earned it a spot on the Tokyo Metropolitan Government's website as an example of ingenuity in appropriate temperature control.

WEB ・Participating in Team Minus 6% ・Promoting the use of low-emission vehicles ・Environmental data

Terminology Emissions intensity index： The weighted average emissions relative of CO₂ emissions relative to the base year, fiscal 1990, which is equal to 1.

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2-2 Reducing the environmental impact of our operations
【2-2-3 Reducing waste】

Achieving Major Reductions in Waste through Aggressive Reuse and Recycling

- ● Amount of final disposal waste for fiscal 2005 reduced to 40,000 tons, surpassing the 2010 target of 72,000 tons for second consecutive year
- ● 99.5% of used communications equipment recycled to achieve second consecutive year of zero emissions

Waste management measures

Having committed itself to reducing the final amount of waste to 15% or less of its 1990 level by 2010, the NTT Group is now promoting 3R (reduce, reuse, and recycle) programs in the areas of used communications equipment, construction waste, civil engineering works waste, and office waste.
As a result of these proactive programs, the final amount of waste in fiscal 2005 was just 40,000 tons, marking the second year in a row that we have surpassed our fiscal 2010 target of 72,000 tons ahead of schedule.
We are committed to continuing to promote these and other 3R programs as part of our efforts to achieve a sustainable society.

Amount of waste generated and amount of final disposal waste
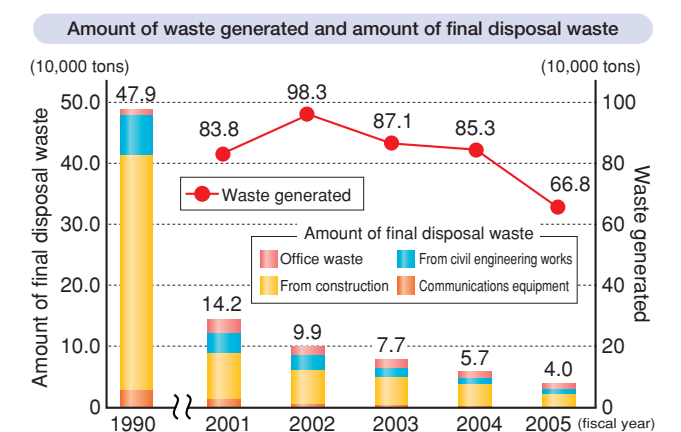
Initiatives

Reuse and recycling of used communications equipment
As providers of information and communications services, NTT Group companies own and maintain a great variety of communications equipment. With the aging of equipment and introduction of new services, we are forced to retire or replace

about 200,000 tons of switching equipment, telephone poles, communications cables and other communications equipment each year. This used equipment is reused as much as possible within the NTT Group, and almost all items that cannot be reused are recycled. In fiscal 2005, 99.5% of such equipment was recycled, helping NTT achieve "zero emissions" for the second year in a row.

Collection and recycling of used phones and accessories, etc.
The NTT Group actively collects and recycles phones, faxes and other consumer communications equipment no longer needed by our customers. In fiscal 2005 alone, NTT Group companies collected a total of 4.22 million phones and fax machines, 4 million batteries, and 1.97 million battery chargers. NTT EAST and NTT WEST both have programs to recover and recycle phone/fax equipment, small secondary batteries such as nickel-cadmium and lithium-ion batteries used in cordless handsets, and toner cartridges from plain paper fax machines. NTT DoCoMo too recycles 100% of the handsets, batteries, and chargers that it collects.

Amount and percentage of used communications equipment recycled
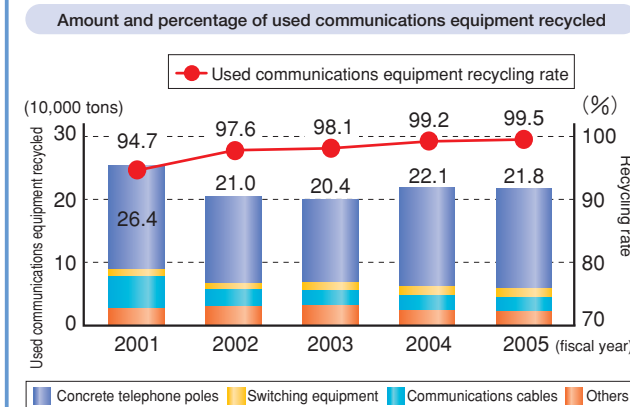
WEB ・Developing a centralized system to manage environmental data of buildings ・Recycling of lease-expired PCs and other equipment ・Environmental data

Terminology Zero emissions： A concept proposed by the United Nations University whereby all waste and by-products generated by industry are used as resources for other industry in an effort to eliminate waste entirely.

NTT Group CSR Report 2006 23

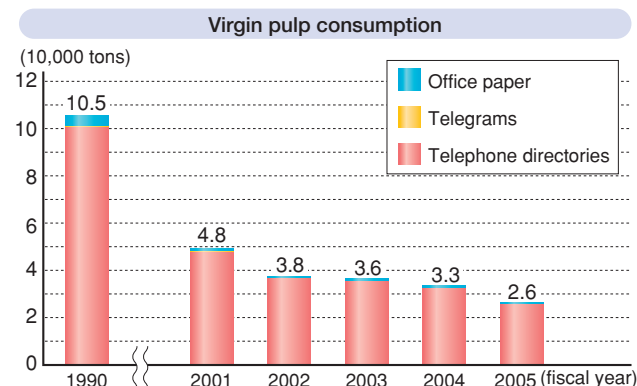2-2 Reducing the environmental impact of our operations
【2-2-4 Reducing paper consumption】

Reducing Paper Use by Collecting and Recycling Old Telephone Directories, and Other Measures

● **Virgin pulp consumption reduced to 26,000 tons through recycling telephone directories and increasing the recycled paper content in telephone directories and telegram forms**
● **Further reducing paper use through electronic billing and other ICT-based services**

Reducing paper consumption

As a major consumer of paper resources for telephone directories and other publications, the NTT Group endeavors to reduce its paper usage through the recycling of telephone directories, double-sided printing of internal documents, promotion of paperless electronic billing, and various other measures. These efforts have enabled us to reduce our consumption of virgin pulp in fiscal 2005 to 26,000 tons, a decrease of about 7,000 tons over the previous year. We are determined to continue with these and other measures to further reduce our consumption of virgin pulp.

Virgin pulp consumption

(10,000 tons)

- Office paper
- Telegrams
- Telephone directories

1990	2001	2002	2003	2004	2005 (fiscal year)
10.5	4.8	3.8	3.6	3.3	2.6

Initiatives

Recycling telephone directories
Production of the 129.5 million telephone directories distributed in fiscal 2005 required a massive 80,000 tons of paper, or 0.3% of all the paper consumed in Japan each year.

The NTT Group has been working to achieve "closed-loop" recycling - the collection of used directories that are reprocessed by paper manufacturers into recycled paper which is then used for the printing and binding of new telephone directories. Almost all telephone directories issued to our customers since September 2001 have been produced under this system.

Reducing paper consumption through Internet billing services
NTT EAST, NTT WEST, NTT Communications, and NTT DoCoMo all offer customers who pay their bills via automatic bank transfer or similar services a convenient billing reference service that enables them to view details of their bills via the Internet, e-mail, or mobile phones any time of the day. In fiscal 2005, some 538,000 additional customers began using this service, bringing the total to 3.582 million and saving nearly 698.6 tons of paper resources, equivalent to 175 million sheets of A4 size paper.

Paper consumption and recycled-paper content of telephone directories

(10,000 tons) — Recycled paper content (%)

Paper consumption:
2001	2002	2003	2004	2005 (fiscal year)
12.1	10.3	10.1	9.7	8.1

Recycled paper content:
2001	2002	2003	2004	2005
61.6%	65.2%	66.1%	67.3%	69.4%

Paper consumption

Recycled paper content

WEB · Environmental data

2-3 Promoting environmental management

ISO 14001 Certification and Other Measures for Enhancing our Environmental Management

● **133 ISO 14001-certified sites serving as workplaces for over half of all NTT employees**
● **Working on environmental risk management, including dealing with asbestos, PCBs, and other hazardous materials**

Promoting ISO 14001 environmental management

The NTT Group makes every effort to implement effective environmental management capable of responding to the specific circumstances that exist at each and every facility operated by our group companies. Between 1997 and fiscal 2005, 133 of our sites were certified as compliant with ISO 14001 environmental management standards. As of fiscal 2004, 50.2% of all employees at NTT Group companies worked at ISO 14001-compliant sites, and that figure increased to 51.6% by fiscal 2005. We are committed to the further pursuit of ISO 14001 certification and other measures to promote effective environmental management.

Percentage of NTT Group employees working at ISO 14001-certified sites in fiscal 2005

48.4% **51.6%**

- ISO 14001-certified sites
- Non-ISO 14001-certified sites

Number of ISO 14001-certified sites

(number of sites)

2001	2002	2003	2004	2005 (fiscal year)
68	105	118	129	133
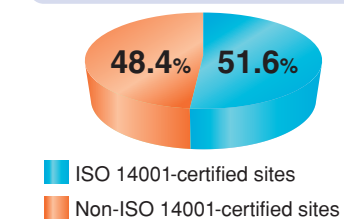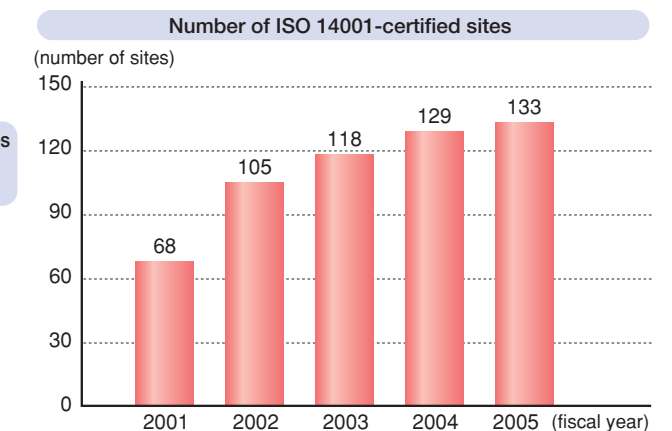
Environmental risk management

As a responsible corporate citizen, the NTT Group undertakes various measures to minimize any potential threat to society posed by risks such as environmental accidents and pollution. Activities performed periodically and systematically according to established guidelines and checklists as a part of this commitment include soil and water surveys, chemical management, and removal and storage of items using PCBs. We are also continuing our research into the effects of electromagnetic waves generated by mobile phones on the human body.
Despite these efforts, in fiscal 2005 hazardous substances were detected at certain NTT premises at a level that exceeds the maximum level permissible under law. In all instances, appropriate measures were taken under the guidance of local authorities to achieve compliance with the law and ensure that there was no impact on surrounding areas.
The NTT Group will continue in its efforts to prevent environmental accidents and pollution through practicing effective environmental risk management.

Initiatives

Asbestos survey
The NTT Group has been promoting the removal of asbestos — especially sprayed asbestos — at NTT facilities since 1985. Following the enactment in 2005 of the Ordinance on Prevention of Hazards Due to Asbestos, we carried out a new survey that revealed the existence of materials containing asbestos in some NTT facilities, and we are currently taking appropriate measures as stipulated by law.

WEB · Ensuring the safety of mobile phone radio waves

Working with Our Stakeholders to Implement Global Environmental Conservation Activities

● **Providing information on environmental activities through reports and our website**
● **Participating actively in broader environmental protection initiatives to contribute to the creation of a sustainable society**
● **Putting priority on employee environmental awareness and two-way communication with our stakeholders**

Environmental communication

The NTT Group actively communicates with the public regarding its environmental protection activities, providing relevant information through its environmental portal site as well as corporate website and reports. We also strive to raise employee environmental awareness, and to contribute to the creation of a sustainable society through actively participating in broader environmental protection initiatives. We value two-way communication with our stakeholders, and solicit their opinions and wishes through face-to-face dialog, website questionnaires and various other means.

Initiatives

Providing information on environmental activities

Publishing the NTT Group CSR Report, operating websites, and running advertisements on environmental issues

Our ongoing efforts based on our Ecology Program 21 concept have been summarized and published as the NTT Group Environmental Protection Activity Report since 1999, and as the NTT Group CSR Report since 2005.

In addition to providing information on various aspects of our environmental activities through our website, we also run environmental advertisements in newspapers and magazines as part of our efforts to communicate with as many stakeholders as possible.
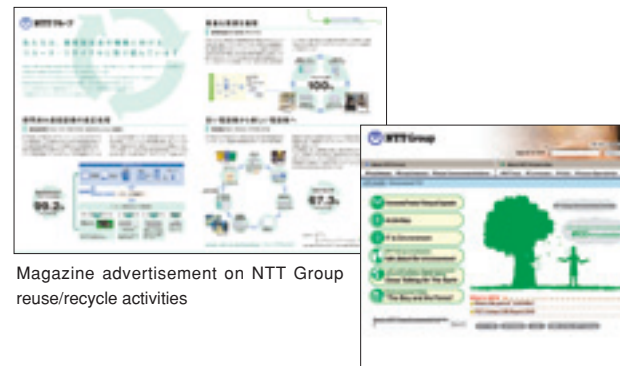
Magazine advertisement on NTT Group reuse/recycle activities

NTT Group Environmental Activities website
http://www.ntt.co.jp/kankyo/e/index.html

WEB ・Providing "Kankyou-goo" ・Winning the Global Environment Awards' Global Environment Council Outstanding Corporate Citizen Award ・NTT Group workshop for environmental personnel ・In-house environmental slogan awards

Participating in broader initiatives

Active participation in the WBCSD, Japan Low Carbon Society Scenarios toward 2050, and other initiatives

As part of our efforts to create a sustainable society, we participate in joint activities with international bodies such as the World Business Council for Sustainable Development (W-BCSD), a worldwide coalition of companies seeking to set an industry-driven course of action for the creation of a sustainable society, and the Global Environmental Action (GEA) Project launched to resolve global environmental issues and contribute to sustainable development.

We also participate in the Ministry of the Environment's Japan Low Carbon Society Scenarios toward 2050 Project to study and plan medium- to long-term scenarios for countering global warming, and the Japan Environmental Efficiency Forum, an organization working for the standardization of methods for evaluating the environmental impact of ICT.

The NTT Group remains committed to participating in such projects and working with others to contribute to the creation of a sustainable society.

External evaluation and awards

Six NTT Group companies place in Nikkei's Environmental Management Rankings

Six NTT Group companies ranked in the top 10 in the communications services category of Nikkei's Ninth Environmental Management Survey results announced in December 2005, with NTT DoCoMo placing first. (Nikkei=Nihon Keizai Shimbun, publisher of Japan's leading business daily).

Contributing to the Creation of a Sustainable Society through Environmental Technology R&D

● **Conducting basic research and development in energy conservation, clean energy, and detection and detoxification of hazardous substances**
● **Cooperating on global environmental protection initiatives through providing environmental technology for international joint studies**

Environmental technology R&D

One of the key elements of the NTT Group Ecology Program 21, which outlines the NTT Group's basic approach to environmental protection activities, is R&D in advanced environmental technology. Led by NTT Laboratories, we conduct basic research and development in various fields including energy conservation, clean energy, and the detection and detoxification of hazardous substances.

We also contribute to environmental protection initiatives of other countries such as Chile and the Philippines through actively providing our environmental technology for joint research.

Initiatives

Energy conservation

Developing silicon single-electron devices
NTT Basic Research Laboratories is conducting R&D in single-electron devices that work by controlling the movements of single electrons, using stable and easily processed silicon. One aspect of this research is development of the world's first method for creating single-electron transistors for use in electrical circuits, with the aim of applying such technology to the production of high performance integrated circuits. Since circuits using single-electron transistors function on far fewer electrons than conventional circuits and deliver high performance, they can reduce power consumption by about 10,000 times. And since they can also be made at least 100 times smaller than conventional circuits, they enable the creation of ultra-compact circuits with ultra-low energy consumption.
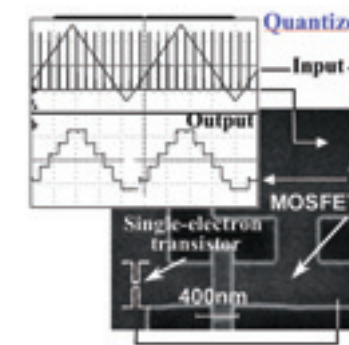
Example of silicon single-electron device: quantizer that operates by counting electrons

Clean energy

Development of a clean, high-performance backup power system
Backup power systems are essential components in an age of ubiquitous broadband communications, supplying power to servers and other critical equipment in the event of power outages caused by disasters and other unforeseen circumstances.

For over 50 years, conventional backup power systems have used lead-acid batteries, which are not only heavy and take up a lot of space, but also need to be disposed of carefully since they contain lead, which is harmful to human health.

NTT Energy and Environment Systems Laboratories developed a backup power system that uses newly developed nickel metal-hydride batteries instead of lead-acid batteries. Nickel metal-hydride batteries are smaller and lighter than lead-acid batteries, twice as long-lasting, and since they are completely free of lead, are clean and environment-friendly.

Backup power system

WEB ・Experimental study of differential quality power supply systems ・Development of simulation technology to calculate the diffusion and flow of air pollutants ・Application of cedar pollen prediction system to predict airborne mine dust in Chile ・Successful fabrication of light emitting diodes with the world's shortest wavelengths and their possible use in detoxification of toxic substances ・Participation in an environmental project in the Philippines

2-6 Leveraging ICT to reduce environmental impacts

Developing Methods for Calculating and Evaluating the Effectiveness of ICT in Reducing Environmental Impacts

- ● **Contributing to the creation of guidelines for calculating and evaluating the effectiveness of ICT in reducing environmental impacts**
- ● **Developing environmental impact assessment systems that enable calculation of the environmental impact reduction effect of ICT services provided by the NTT Group**

Calculating and standardizing the effectiveness of ICT services in reducing environmental impacts

ICT services are known to be effective in reducing CO_2 emissions by helping to minimize the movement of people and goods and the use of paper and other office supplies. However, until recently no standardized methods for calculating such environmental benefits existed.

The NTT Group has long been researching the effectiveness of ICT in reducing environmental impacts, and put its expertise to good use by providing its ideas on the calculation of the environmental impact of communications networks and actively participating in a work group of the Japan Forum on Eco-efficiency. This working group was established with the support of the Ministry of Economy, Trade and Industry to draft the Guideline for Information and Communication Technology (ICT) Eco-Efficiency Evaluation released in March 2006.

These guidelines, the first unified standards for evaluating reductions in environmental impact attributable to the introduction of ICT, recommend the use of life cycle assessment (LCA) as a methodology. They consider the impact of network infrastructure and software used to provide ICT services in addition to that of the ICT equipment itself, and describe the methods used to calculate those impacts.

These guidelines help ensure objectivity, since evaluations can now be carried out based on a common standard for the impact of ICT services on the environment. For enterprises that have implemented ICT, the guidelines can serve as a useful and effective tool for restructuring management and business operations as well as implementing measures to counter global warming and address other environmental issues.

In conjunction with the completion of these guidelines, the Japan Forum on Eco-efficiency has also prepared a pamphlet entitled ICT and the Global Environment, which provides an easy-to-understand explanation of the use of ICT services in addressing environmental issues. NTT contributed to the creation of this pamphlet in various ways including the provision of real life examples of ICT services that offer major environmental benefits, together with benefit assessment results.

Calculations performed by NTT based on the guidelines indicate that the use of ICT services during fiscal 2005 resulted in a reduction of energy consumption that equaled 1.8% of Japan's energy consumption. They also showed that overall energy consumption reductions increased by approximately 0.4% over

The pamphlet ICT and the Global Environment

the previous year.

The NTT Group aims to promote its Vision for Environmental Contribution through using the guidelines to calculate and evaluate the effectiveness of ICT in reducing environmental impact and use concrete data to show the benefits of ICT. Please also see Feature 2 on page 16: Using ICT to Reduce Environmental Impacts.

Energy saved and consumed through ICT

Percentage of Japan's total energy consumption

	FY 2004	FY 2005
Consumption	0.9%	1.0%
	Total energy consumption of ICT devices and network equipment	
Reduction	1.4%	1.8%
	Reduction in energy consumption through use of ICT	
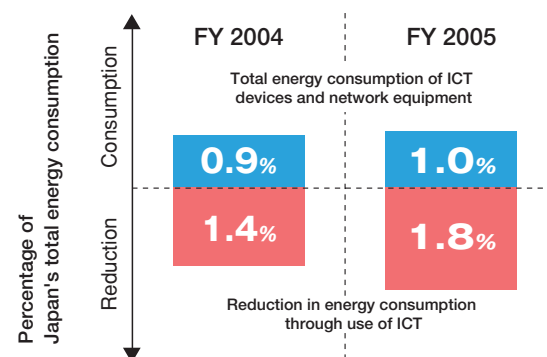
Initiatives

Developing an environmental impact assessment system for ICT services

Quantifying the effectiveness of ICT services in reducing environmental impacts is a job that could up to now be done only by an expert, but the NTT Information Sharing Laboratory Group has developed a tool (named Kankyo Shiro) that enables anyone to carry out such calculations.

For example, to evaluate the effect of deploying a teleconferencing system, all one has to do is input the locations participating in teleconferences and the number of times they are held, and the system will then automatically display the volume of CO_2 emissions generated when a teleconference is held, the volume of CO_2 emissions generated were the same meeting to be held face-to-face, and the total reduction in CO_2 emissions made possible by implementation of the teleconferencing system.

The NTT Group is now using this system, which fully complies with the Guideline for Information and Communication Technology (ICT) Eco-Efficiency Evaluation published by the Japan Forum on Eco-efficiency, to provide customers with information about the reduction in environmental impacts that they can expect from deploying ICT services.

Screenshot showing evaluation of reduction in environmental impacts resulting from the deployment of a teleconferencing system

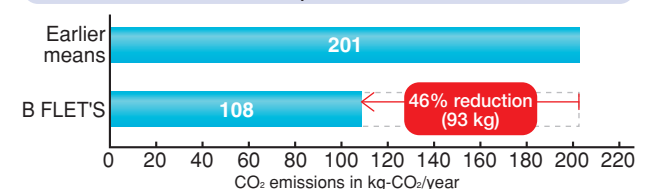### The environmental impact of B FLET'S and FOMA

The NTT Information Sharing Laboratory Group has evaluated the environmental impact of B FLET'S and FOMA, major ICT services offered by companies in the NTT Group.

This evaluation was performed by comparing the volume of CO_2 emissions generated through the use of 19 different services, including e-mail, e-zines, music downloads, and Internet banking services, available through B FLET'S and FOMA with those generated if such services were provided using earlier means.
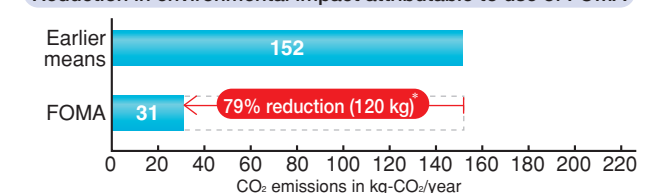
Results showed that the use of B FLET'S enables a reduction of approximately 46% in CO_2 emissions. The yearly reduction in emissions for use of a single B FLET'S line worked out as

93 kg, and calculations based on the number of B FLET'S subscribers as of the end of fiscal 2005 showed an annual reduction of 320,000 tons of CO_2. Using FOMA would reduce CO_2 emissions by approximately 79%, which works out as a yearly reduction of 120 kg in CO_2 emissions. Calculations based on the number of FOMA subscribers as of the end of fiscal 2005 showed an annual reduction of 2.82 million tons of CO_2.

Reduction in environmental impacts attributable to use of B FLET'S

Earlier means: 201
B FLET'S: 108 — 46% reduction (93 kg)

CO_2 emissions in kg-CO_2/year

Reduction in environmental impact attributable to use of FOMA

Earlier means: 152
FOMA: 31 — 79% reduction (120 kg)*

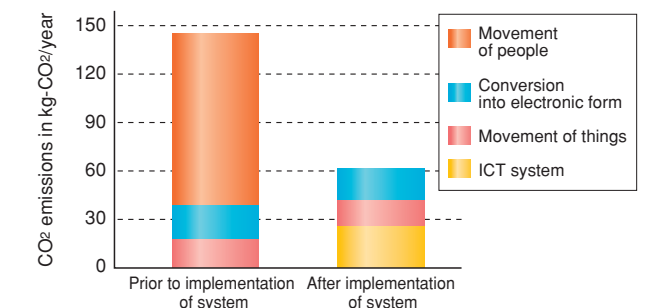CO_2 emissions in kg-CO_2/year

* Figures have been rounded off to whole numbers, as a result of which they may not show 100% agreement.

The environmental assessment of a utilities bill payment service from NTT DATA

Kofuri-kun is NTT DATA's service for the payment of utilities bills via automatic bank transfer and notification of those transaction details. Use of this service eliminates the need to go to the bank to make payments as well as the need for paper invoices used in such payments. Although use of this service does result in the generation of CO_2 emissions attributable to the consumption of electrical power, they are much smaller than the CO_2 emissions generated by the movement of people and other factors, as a result of which the use of Kofuri-kun enables a net reduction of 57.8% in CO_2 emissions.

Results of environmental assessment of Kofuri-kun

CO_2 emissions in kg-CO_2/year

- Movement of people
- Conversion into electronic form
- Movement of things
- ICT system

Prior to implementation of system / After implementation of system

WEB ・NTT DoCoMo's Remote Power Monitoring and Demand Adjustment System ・Electronic voting system earns ECO-LEAF Type III Environmental Label

Terminology **LCA :** Life Cycle Assessment, a methodology for assessing the environmental impact of a product or service over its whole life cycle, from procurement of materials through manufacture and use to final disposal.

Feature 3

Protecting the Communications Infrastructure

Protecting the communications infrastructure required to provide consistently highly reliable communications services.

Providing communications services

This nation's communications infrastructure is indispensable both as critical infrastructure for socioeconomic activities and as a lifeline protecting the safety and livings of its people. The NTT Group works around the clock 365 days a year to provide highly reliable communications services by maintaining and operating its nationwide infrastructure in such a way as to ensure that it functions properly under any circumstances.

The NTT Group's communications infrastructure

Mobile phones (FOMA)
24,000 outdoor base stations
6,400 indoor base stations

11.87 million telephone poles

620,000 km of conduit lines
648 km of cable tunnels

1.65 million km of telephone lines, optical fiber, and other types of communications cable

5,200 km of domestic undersea cables

Disaster response

NTT EAST, NTT WEST, NTT Communications, and NTT DoCoMo monitor operations 24 hours a day, 365 days a year from their respective operations centers, which can respond promptly to natural disasters, system malfunctions or other problems by remote switching to backup systems to restore service as well as dispatching maintenance personnel to undertake repairs. Group companies work as one to restore services as soon as possible, NTT FACILITIES handling the maintenance of electrical power facilities and other NTT Group buildings, and NTT COMWARE handling communications software issues.

As an example of how operations centers respond to disaster situations, on the following page, we provide a glimpse of the activities of NTT EAST Network Operation Center.

Please see pages 36-37: NTT Group's disaster countermeasures.

Monitoring the nationwide communications infrastructure from NTT EAST Network Operation Center

NTT EAST NTT-ME

The 2005 Miyagi earthquake

A magnitude 7.2 earthquake occurred off the coastline of Miyagi Prefecture in northeastern Japan at 11:46 a.m. on August 16, 2005. The telephone system throughout Miyagi and adjacent prefectures was immediately inundated with calls from worried relatives and friends, reaching a volume approximately 20 times the level of ordinary traffic.

"At NTT EAST Network Operation Center, where we monitor and manage traffic on the nationwide fixed-line communications network, the situation was tense as emergency alarms began to go off and the large screen in the center of the room displayed a map of Miyagi Prefecture colored red, which meant we had serious congestion to deal with," says NTT-ME Network Control Group Senior Manager Yukio Takabe, describing the situation at the time.

Failure to alleviate congestion can result in the overloading of switching equipment and network paralysis, and so the network control officer immediately initiated network traffic control to bring the level of inbound traffic to Miyagi Prefecture down to manageable levels and ensure the availability of critical communications services needed for emergency rescue activities. At the same time, the Center began to investigate the extent of damage and report its findings to all relevant departments, and launch NTT's Disaster Emergency Dengon(Message) Dial 171 service to accommodate those people nationwide who were trying to reach friends and relatives in the affected area. It was this kind of prompt and appropriate response that enabled NTT EAST to ensure the availability of necessary communications services within Miyagi Prefecture itself.

The people and systems supporting appropriate response to emergencies

To enable rapid and precise response to disasters, the Center is equipped with advanced ICT-based operation tools. For example, a Network Control Navigation System enables the precise and comprehensive management of required actions in the event of an emergency, and enhances the speed and efficiency of information dissemination by e-mail, fax and so forth. "The way we were able to leverage the capabilities of these systems to manage operations was a major factor in

The network control officer (in red jacket) and other staff members monitor the nationwide communications network

enabling us to respond promptly and appropriately to the 2005 Miyagi earthquake," says NTT-ME Network Control Group Network Operation Subgroup Associate Manager Takashi Tanaka.

To maintain and improve the quality of its operations, the Network Operation Center has obtained ISO 9001:2000 certification. The Center also puts priority on training, and staff are encouraged to improve their skills on their own initiative through an in-house certification system. Most Center staff have used this system to earn in-house qualifications of various levels up to the top Network Operations Professional qualification, holders of which lead operations on the Center floor.

"Our mission," says Takabe, "is to ensure the ready availability of communications services even during emergencies." Day in, day out, NTT Group company operations centers maintain their vigilance to be ready to respond to large-scale disasters and protect the communications infrastructure that is so critical to our society.

Inside the NTT EAST Network Operation Center

Immediate and appropriate action is the key to effective disaster response

Network Control Group Senior Manager
Network Operation Division, NTT-ME

Yukio Takabe

"To protect our communications network from large-scale disasters and various other threats, it's absolutely vital to respond promptly and appropriately right from the outset. Another important role of ours is to provide other NTT Group companies as well as government and other relevant bodies with the information they need in the event of an emergency. Insofar as we're responsible for protecting the communications infrastructure that is so critical to our society and ensuring that relevant sections are appropriately informed when an emergency situation crops up, you could say that we're the NTT Group's 'crisis management center'."

3-1 Providing a safe and secure user environment

Encryption, Spam Filtering and Other Technologies to Ensure Safe and Secure Communications

- ● **Initiatives for creating a secure communications environment**
- ● **Focusing on initiatives to combat spam**
- ● **Adoption of NTT encryption technology as a global standard**

Providing a safe and secure communications environment

The proliferation of ICT has been accompanied by increased risk to both individuals and corporations. Every member of the public is exposed on a daily basis to the dangers of ID theft, phishing, and fraudulent billing in the course of performing transactions at ATMs, using credit cards, making online purchases, or any other activity involving the use of confidential information. Abuse of the Internet and mobile phones to transmit spam and computer viruses or to gain unauthorized access to the personal information of others has become a serious issue. As a provider of ICT services, the NTT Group is committed to finding solutions to these threats so that it may continue to provide our customers with a safe and secure communications environment.

— Initiatives —

Anti-spam measures

NTT Communications uses a number of anti-spam measures on its OCN Internet service. One such measure is a service launched in April 2006 that automatically blocks e-mail to OCN e-mail addresses sent via third party mail-hosting services often used by spammers. NTT Communications and NTT Do-

CoMo, in conjunction with other telecommunications carriers and major Japanese providers, have also established the Japan Email Anti-Abuse Group (JEAG), an organization for the promotion of unified anti-spam policies and technology.

WEB ・IPv6 open building automation system (BAS) ・ Safe and handy FirstPass electronic authentication service

R&D for creating safe and secure communications environments

The NTT Group is committed to the research and development of technologies for a safe and secure communications infrastructure capable of defending against abusive and illicit activities such as the theft of data or denial of service attacks. Technologies currently under development include maximum-strength encryption technology, cyber attack countermeasures, blocking of spam and other unsolicited e-mail, and protection against the theft of data on corporate networks.

— Initiatives —

NTT's Camellia encryption algorithm adopted as an international encryption specification

NTT Information Sharing Platform Laboratories, in conjunction with Mitsubishi Electric Corporation, has developed a 128-bit block cipher named Camellia, which is the first encryption algorithm developed in Japan to be adopted as a standard for major Internet security protocols. Camellia features world-class stability and performance, and has been adopted as an inter-national standard cipher by ISO/IEC and recommended specification by other organizations too.

The rapid proliferation and penetration of broadband has been accompanied by an increase in security issues such as data theft and unauthorized access. The NTT Group is committed to continued investment in security technology R&D aimed at providing safe and secure network services that customers can use with confidence.

WEB ・Implementation of a storage-centric security system at NTT headquarters ・Protecting corporate websites from cyber attacks ・Providing a safe and secure communications environment
・Remote video monitoring services for detecting intruders ・Integrated data management technology ・ Practical application of quantum cryptography now in sight ・Personal identification technology

Terminology Phishing：The use of fake e-mail and websites to obtain confidential personal information fraudulently.

3-2 Ensuring information security

Promoting Information Security Management to Ensure a Safe and Secure Network Environment

- ● **Drafting and publication of the NTT Group's Information Security Policy and privacy policies of individual NTT Group companies**
- ● **Proactive deployment of the latest security technology and ongoing employee education programs to protect our customers' personal information**

Promoting information security management

As a leader of Japan's information and telecommunications industry, the NTT Group recognizes its responsibility to protect any and all personal information, especially that of our customers. With the full implementation of the Act on the Protection of Personal Information in April 2005, the NTT Group renewed its commitment to the protection of personal information by undertaking a complete overhaul of its organization and policies on information security. This process included the formulation and publication of the NTT Group's Information Security Policy as well as privacy policies by individual group companies to define our position on information security issues. A systematic review of existing rules and regulations was also conducted, and the importance of these and other security measures was conveyed to management and employees alike through programs utilizing e-learning and other educational technologies.

Regrettably, incidents involving the loss of personal information provided by customers have occurred in some NTT Group companies. At each of these companies, extensive efforts have been made to clarify the contributing factors and to ensure even stricter protection of confidential information through organizational, personal, technological, and physical countermeasures. Measures have been taken throughout the entire NTT Group to share expertise and to continuously inspect and review data management systems to ensure that all personal information, whether provided by our customers or another third-party, is subject to the strictest protection.

The NTT Group remains fully committed to ensuring the strictest security for confidential personal information through the implementation of the latest security technology and continuing education of all its employees.

WEB ・NTT Group's Information Security Policy

— Initiatives —

Information security and the protection of personal information

To ensure that every employee properly manages customers' personal information, NTT EAST has prepared a guidebook called Guidelines for Customer Information Protection, and NTT WEST has created a Customer Information Protection Manual. These guides have been distributed to employees and used in seminars to further promote sound personal information management.

DoCoMo Shops operated by NTT DoCoMo protect personal information through means such as paperless storage of application forms and rigorous checking of the identity of each new subscriber. DoCoMo Shops also make very sure that no personal data can be retrieved from mobile phones returned to them by destroying them using specially designed equipment.
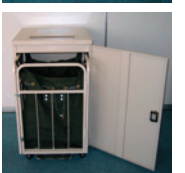
NTT EAST and NTT WEST manuals

Another personal information protection initiative is a system developed by NTT LOGISCO for the recycling of confidential documents through the use of locked security boxes, known as SS‐BOX, which are periodically collected in secure vehicles for recycling. This system allows the secure disposal of confidential information without the bother of shredding; and because it is environmentally friendly, the system has been adopted both by NTT Group companies and many other companies.

An SS-BOX from NTT LOGISCO

Furthermore, by the end of fiscal 2005, eight major NTT Group companies* had earned Information Security Management System (ISMS) certification for 129 of their sites and Privacy Mark (P-Mark) certification for another 50.

＊NTT EAST, NTT WEST, NTT Communications, NTT DATA, NTT DoCoMo, NTT COMWARE, NTT FACILITIES, and NTT Urban Development

WEB ・Security guidelines for contractors

Terminology Encryption algorithm：A formula used to encrypt communications or electronic data by replacing them with other letters and symbols to prevent a third-party from knowing their contents.

3-3 Appropriate use of communications technology

Supporting Ubiquitous Broadband Communications through Promoting Appropriate Use of Communications Services

- Studying issues related to the spread of ubiquitous broadband communications from a social sciences perspective
- Proactively educating the public in appropriate communications services usage
- ICT-based initiatives to ensure child safety online

Research in support of safety and security in the age of broadband communications

The NTT Group is involved in a range of research to examine issues related to the spread of ubiquitous broadband communications from a social sciences perspective.
InfoCom Research, Inc. conducts research in areas such as legal systems and issues related to Internet usage and the proper handling of personal information. The NTT DATA Research Institute for Systems Science cooperates with universities, affiliated research institutes, and related departments within NTT

DATA to hold study sessions that promote security literacy. The NTT DoCoMo Mobile Society Research Institute has also published its Mobile Society Vision 2030 which examines both the potential benefits and pitfalls of mobile communications and provides recommendations for pioneering research in this field.

Promoting appropriate use of communications services

Mobile phones and the Internet have become an integral part of our daily lives, but they have also given rise to a number of issues regarding appropriate and ethical use of communications technology.
It is the corporate responsibility of the NTT Group to work to e-

ducate the general public about these issues and help to resolve them, and we are making constant efforts in this area with the goal of creating a safe and secure Internet and mobile communications environment.

Initiatives

Children's blog that discusses both fun and manners on the Internet
In May 2005, NTT DATA launched a new version of the magnet online community site for children that it runs in cooperation with Sanrio Co., Ltd. This site provides children with a forum to learn about and discuss issues such as netiquette and responsibility on the Internet, as well as introducing them to fun things to do. It also provides them with the opportunity to learn about and develop an interest in the social contribution activities of nonprofit organizations and companies through content such as a blog about service dogs.
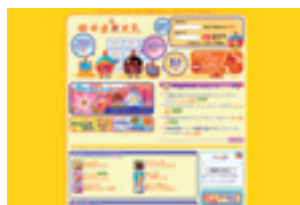
magnet, a blog site where children can enjoy learning about society

Copyright (c) 2005 NTT DATA CORPORATION (c)1996,2003,2005 SANRIO CO.,LTD.(E)

DoCoMo mobile phone safety seminars
NTT DoCoMo has been organizing mobile phone safety seminars for elementary, junior high, and high school students as well as for the general public throughout Japan since April 2005. The goal of the seminars is to promote safe and secure use of mobile phones by children and fulfill the company's social responsibility to protect children, and guidance is provided on such issues as avoiding the risks posed by online dating sites, spam, and fraudulent billing, as well as etiquette when using mobile phones in public places. During fiscal 2005, about 87,000 people participated in some 600 seminars so far provided by NTT DoCoMo as a public service to promote responsible use of communications technology. A further 1,000 seminars are planned for fiscal 2006.

Mobile phone safety seminars are being held all over Japan

WEB ・A portal site where parents and children can learn and have fun together ・Information education through the Internet and books

Helping to protect children

Children are increasingly becoming victims of brutal crime, a sad situation that is leading parents, schools, and entire communities to look urgently into measures for protecting their children.
The NTT Group is developing technologies to support these

measures, including IC tags to verify the whereabouts of children, emergency notification services that enable schools to contact all parents and guardians at the same time, and mobile phones that can help to protect children.
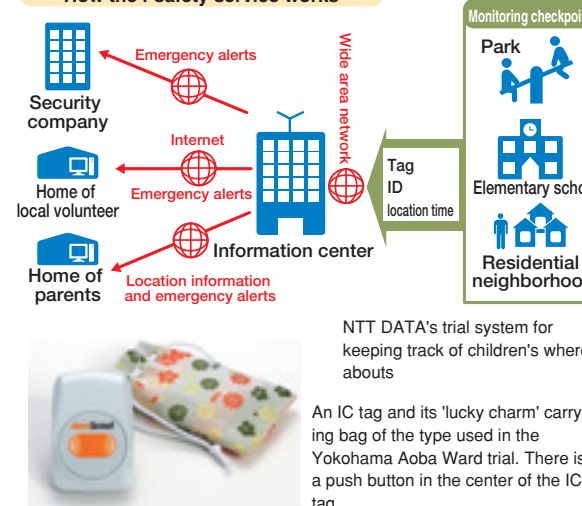
Initiatives

Protecting children on their way to and from school
Children on their way to and from school are often out of the watchful eye of teachers and parents, and exposed to danger more than any other time of day. As one way to keep an eye on children, the NTT Group is currently running trials of a system using IC tags to help keep track of the whereabouts of children on their way to and from school. NTT DATA, in cooperation with Nissan Motor Co., Ltd. and other companies, has conducted verification testing on a system which notifies parents via e-mail of the time that children carrying IC tags pass a particular checkpoint. This system can also be used by children to alert parents, registered supporters, security personnel, and even passing drivers that they are in danger. Conceived as a support tool for protecting children and improving traffic safety, this i-safety service was used on a trial basis in Aoba Ward of Yokohama through March 2006.
NTT Communications too conducted an experiment for the protection of children on their way to and from school in the city of Kurashiki in Okayama Prefecture from February 20 to March 8, 2006. It involved the use of IC tags and the Kawasemi Net, a public IPv6 network, to enhance existing arrangements within the local community to protect children and provide places for them to take refuge when they feel in danger. This experiment was performed under a Ministry of Internal Affairs and Communications fiscal 2005 program for R&D on Technologies for Advanced Use of Networked Electronic Tags.

Mobile phones that help keep children safe
NTT DoCoMo has devised a number of measures that help bring peace of mind to both parents and children through the use of mobile phones.
For example, the Kids' PHONE FOMA SA800i, designed to provide user-friendliness and security for children, was launched in March 2006. This mobile phone features a protection alarm that when pressed sets off a loud alarm and sends emergency messages to the parents' mobile phone and an "imadoco search" location service which uses GPS technology to pinpoint the child's whereabouts. The phone can also be set to automatically provide notification of where it was when its power switch was turned off. Such services not only provide parents with peace of mind and convenience, but can also actually help to protect children.

Kids' PHONE

A new system for sharing information to protect children
From November 16, 2005, NTT DATA conducted trial operations of a new system called Child Safety Communication Network for sharing information to protect children in the city of Ikoma in Nara Prefecture.
This system enables schools to send emergency information to phone and fax numbers, e-mail addresses, and mobile phone numbers registered by parents. The idea for this service came from female employees raising elementary school-age children, based on their opinions that information on child safety needs to be provided to all parents, including those who do not use e-mail, and that emergency alerts are meaningless unless they are issued promptly and provide accurate information.
Based on the results of this trial, the new service began operation on a nationwide basis in July 2006.

How the i-safety service works

Security company — Emergency alerts
Home of local volunteer — Internet, Emergency alerts
Home of parents — Information center, Location information and emergency alerts
Tag ID location time
Wide area network
Monitoring checkpoints: Park, Elementary school, Residential neighborhood

NTT DATA's trial system for keeping track of children's whereabouts

An IC tag and its 'lucky charm' carrying bag of the type used in the Yokohama Aoba Ward trial. There is a push button in the center of the IC tag.

## 3-4 The NTT Group's disaster countermeasures

Disaster Proofing our Services to Ensure that Communications Lines Remain Open Even After Disasters

● **Measures for improving communications network reliability, securing critical communications, and enabling prompt restoration of service**

● **Providing our customers with means of checking on the safety of relatives and friends in the event of a large-scale disaster**

Improving the reliability of communications networks

NTT Group companies have learned a great many lessons from their experiences during great disasters of the past, and are putting accumulated expertise to work in the creation of ever more reliable communications networks. For example, transmission lines are multi-routed for redundancy and telephone exchanges housing transit switches sufficiently dispersed that communications can be rerouted to avoid damaged areas in the event of a natural disaster. Our buildings, steel towers, and both indoor and outdoor communications equipment have all been designed to withstand not only earthquakes but damage from wind, water, and fire.

We monitor our nationwide communications network 24 hours a day and are ready to respond to any eventuality at any time. Please also see Feature 3 on pages 30-31: Protecting the Communications Infrastructure.

Multi-routing of transmission lines

Route switching

Communications can be instantly rerouted to avoid damaged transmission lines
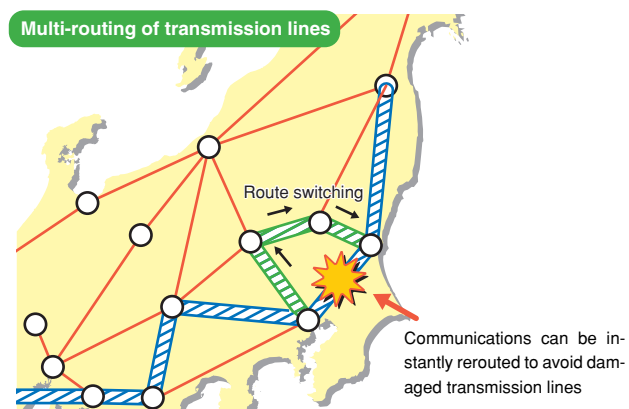
Securing essential communications

As soon as an earthquake or some other disaster strikes, the telephone system of the affected area is inundated with calls from worried friends and relatives. Under such conditions, we suppress ordinary phone traffic to secure critical communications services necessary to conduct emergency rescue and restoration operations, maintain public order, and keep our 110 and 119 emergency number services going.

We also provide Disaster Emergency Dengon (Message) Dial (171) and i-mode Disaster Message Board services to the general public as a means of checking on the safety of relatives and friends in affected areas, and provide specially installed public telephones at evacuation sites and other facilities in affected areas for use by residents.

Specially installed public telephones provided during an emergency situation

Fast recovery of services

NTT Group companies station highly mobile disaster response equipment at locations throughout the country to aid in the fast recovery of services and securing of critical communications in the event of a natural disaster. This equipment, which includes power supply vehicles, portable satellite communications equipment, and portable mobile base stations, can be deployed anywhere in response to a disaster.

In cases where communications services have been disrupted by a major disaster, an emergency structure including a disaster management headquarters is immediately set up, and Group and affiliated companies also gather under this structure to form a wide-area support organization that works to promptly restore services.

Portable satellite communications equipment
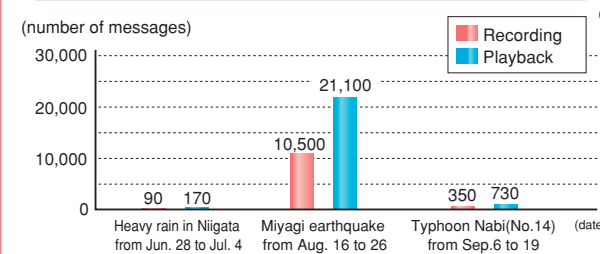
Initiatives

Enabling people to check on the safety of relatives and friends in disaster areas

In the event of a major natural disaster, NTT offers its Disaster Emergency Dengon (Message) Dial (171) and i-mode Disaster Message Board services to the general public as means of verifying the safety of family, relatives, and friends in affected areas. To help promote the effective use of these services by the general public, we provide opportunities for people to try them out during Japan's Disaster Prevention Week (August 30-September 5) and Disaster Prevention and Volunteer Week (January 15-21), as well as on the first day of every month (excluding January 1).
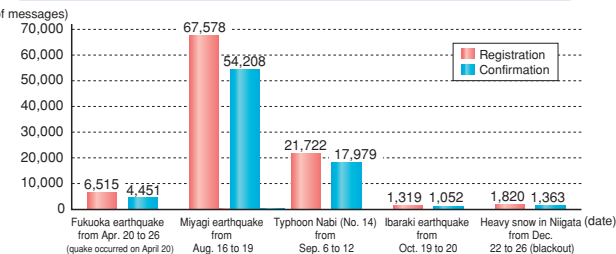
Functionality added to emergency message services for fiscal 2005

April 2005	Notification mail function (i-mode Disaster Message Board service)	NTT DoCoMo
August 2005	Commenced trial operation of Broadband Disaster Emergency Message Board (web 171) service	NTT EAST NTT WEST
November 2005	International roaming function (i-mode Disaster Message Board service)	NTT DoCoMo

Use of Disaster Emergency Message Dial (171) service during fiscal 2005

(number of messages)

- Recording
- Playback

Heavy rain in Niigata from Jun. 28 to Jul. 4	90	170
Miyagi earthquake from Aug. 16 to 26	10,500	21,100
Typhoon Nabi(No.14) from Sep.6 to 19	350	730

(date)

Use of i-mode Disaster Message Board service during fiscal 2005

(number of messages)

- Registration
- Confirmation

Fukuoka earthquake from Apr. 20 to 26 (quake occurred on April 20)	6,515	4,451
Miyagi earthquake from Aug. 16 to 19	67,578	54,208
Typhoon Nabi (No. 14) from Sep. 6 to 12	21,722	17,979
Ibaraki earthquake from Oct. 19 to 20	1,319	1,052
Heavy snow in Niigata from Dec. 22 to 26 (blackout)	1,820	1,363

(date)

NTT provides the general public with opportunities to learn how to use its Disaster Emergency Message Dial (171), i-mode Disaster Message Board and other services before the need to use them arises. Instructions and other information are provided on the NTT Group's disaster countermeasures website.

WEB http://www.ntt.co.jp/saitai/index.html (in Japanese only) · NTT Group's disaster countermeasures website

Initiatives

Disaster response training for major earthquakes centered in Tokyo

Each year, NTT Group companies conduct disaster response training programs based on a variety of scenarios. For example, NTT EAST held three training sessions in fiscal 2005 that supposed a major earthquake centered in Tokyo, including a joint session on January 25, 2006 with the Japan Self-Defense Forces (JSDF) in which JSDF helicopters practiced the airlifting of disaster response equipment, and NTT EAST and JSDF personnel worked together to set up temporary communications lines.

On October 14, 2005, NTT DoCoMo too held an exercise based on a scenario in which a major earthquake struck the Tama area of metropolitan Tokyo. With field headquarters established in the city of Tachikawa, a variety of portable mobile base stations and power supply vehicles were dispatched to the affected area in

what was a realistically staged comprehensive disaster response training program.

NTT EAST disaster response training

NTT DoCoMo disaster response training

Responding to heavy snow

In the winter of 2005, the worst heavy snow in Niigata Prefecture in 19 years resulted in nearly twice the number of repair calls to communications facilities as in the previous year. With support from other Group and affiliated companies as well as from other service areas, NTT EAST dispatched an average of 626 repair workers a day to the affected area to carry out maintenance work such as the excavation of cables from deep snow. Other measures implemented to ensure the maintenance of communications services included the procurement of portable power generators and the purchase of fuel for them from areas outside Niigata Prefecture to maintain power supply to communications equipment in the face of intermittent widespread power outages.

Excavating cables under nearly four meters of record-breaking snow in the Joetsu / Minami Uonuma area

WEB · Facilities Emergency Hotline · NTT facilities serve as emergency shelters for tsunami

3-5 Enhanced customer satisfaction and ever more reliable communications services

Working to Provide Customers with Safe, Secure and Reliable Services

- ● **Acting on user feedback to improve customer satisfaction and the quality of our services**
- ● **Applying universal design principles to our services, shop layouts and R&D**
- ● **Offering business continuity solutions based on our expertise in providing communications services**

Keeping our customers satisfied

The NTT Group believes in putting its customers first, and so pays close attention to user feedback to improve its operations and develop new services.

For example, in addition to standard helpdesks for handling product, services, and repair inquiries, NTT EAST, NTT WEST, and NTT DoCoMo have also established customer consultation centers to field the opinions and requests of consumers. These centers handled 500,000 calls in fiscal 2005.

Each of our group companies has also introduced mechanisms for promptly acting on customer feedback to improve its business operations and practices. For example, NTT EAST's "S-mile Committee" and NTT WEST's "Customer First Activities

Working Group", and NTT DoCoMo's Customer Satisfaction Promotion Committee are all companywide initiatives for studying and implementing improvements in their respective organizations. As part of its daily efforts to improve its operations, NTT DoCoMo has also established a system to promote and support customer satisfaction activities by collecting customers' opinions into a database that can be used by the entire company to pinpoint problems and identify market changes early, implement and verify the effect of improvements, and incorporate them into business operations as quickly as possible.

─ Initiatives ─

Improving customer satisfaction
The NTT Group is implementing a range of measures designed to enhance customer satisfaction (CS). For example, a Hikari (optical fiber) Support Center was established at NTT EAST in February 2006 as a centralized facility for providing prompt response to inquiries, requests and technical support calls for Hikari Denwa IP phone subscribers.

NTT DoCoMo conducts training seminars for personnel dealing directly with customers aimed at improving customer satisfaction. It has also compiled best practice examples from the most highly regarded DoCoMo Shops and other companies together with lectures by customer satisfaction consultants in-

to a "CS Report" that it has distributed to employees to foster a customer satisfaction mindset.

NTT FACILITIES Group too has launched a group-wide program under the slogan Honki de CS! (Getting Serious-about CS) to create posters for in-house display, and hold regular seminars and other activities aimed at enhancing customer satisfaction.

Customer satisfaction training, and CS Report

One of the in-house posters used to promote enhancement of customer satisfaction

WEB · Quick response system for inquires on lead time to start of optical fiber services

Improving the quality of our services

As a leader of Japan's information and telecommunications industry, the NTT Group recognizes its responsibility to provide customers with the highest quality products and services based on the latest available technologies. Research and development of technologies for the stable operation of broadband optical fiber networks and quality management based on ISO 9001 certification are just two examples of our continuing efforts to provide safe and secure services.

Universal design in everything we do

The NTT Group recognizes that population decline and the aging of society make it even more essential that communications services are easily accessible to any and every user. To such an end, we conduct R&D on universal design, and apply universal design principles to our services and handsets.

─ Initiatives ─

Prototype dual-screen mobile phone
The dual-screen universal design mobile phone developed by NTT DoCoMo offers a choice of menus to fit the needs of users, be they first-time or long-time users. For example, novice users can create onscreen icons for people that they call frequently to enable one-touch calling. We have also developed phones that enable attachment of external interfaces for those unable to operate standard phones by hand, and we continue to implement plans and research aimed at developing products that can be used easily by anyone.

The dual-screen universal design mobile phone

Universal design guidelines
NTT Cyber Solutions Laboratories has established JIS-compliant guidelines for the application of universal design to the creation of web content that is easily accessible to a wide range of users, including the elderly and the people with disabilities. During fiscal 2005, we held several universal IT design symposiums to promote recognition of universal design concepts. The first of these symposiums was for the NTT Group, while the second targeted the general public in order to promote wider awareness and understanding of NTT Group's efforts to implement universal design. In fiscal 2005, we also developed checkUD, a new application software designed to verify the accessibility of web content based on these guidelines. This software enables content developers to quickly and effectively identify and correct accessibility issues in their content. NTT Cyber Solutions Laboratories is committed to promoting the application of universal design in the creation of web content so that any and every user can enjoy the benefits of the Internet.

Universal IT design symposium

WEB · Shabelog: a voice browser that can read blog content

Ensuring business continuity for our customers

Management issues for businesses have come to include the drafting of contingency plans that will enable a business to maintain operations even in the face of natural disasters or to recover functionality within a specified timeframe if operations are disrupted.

We share our extensive experience and knowledge in ensuring availability of communications services with others by offering one-stop business continuity planning (BCP) solution services to provide consulting, system configuration, and any other services required to maintain the business continuity of our customers.

For example, NTT EAST offers a Wide Area Disaster Recovery service that backs up and enables the recovery of essential system data contained in file and application servers. This is performed from remote facilities in a seismically stable location.

NTT will continue to provide BCP solutions for protection against a wide variety of potential threats, including natural disasters, cyber attacks, information leaks, terrorism, and more.

WEB · Provision of disaster prevention solutions · Development of Crack Scan

Terminology **Accessibility**：A term used to refer to the ease of availability of products, facilities, and services for all customers, including the elderly and the people with disabilities.

Terminology **BCP**：Business Continuity Planning. BCP provides contingency plans that enable a company to maintain the continuity of critical business activities even in the face of earthquakes, large-scale damage to information systems, and other unforeseen events.

Feature 4

Team NTT Social Contribution Initiatives

As members of Team NTT, we are committed to the promotion of both personal growth and the creation of a flourishing and vibrant community.
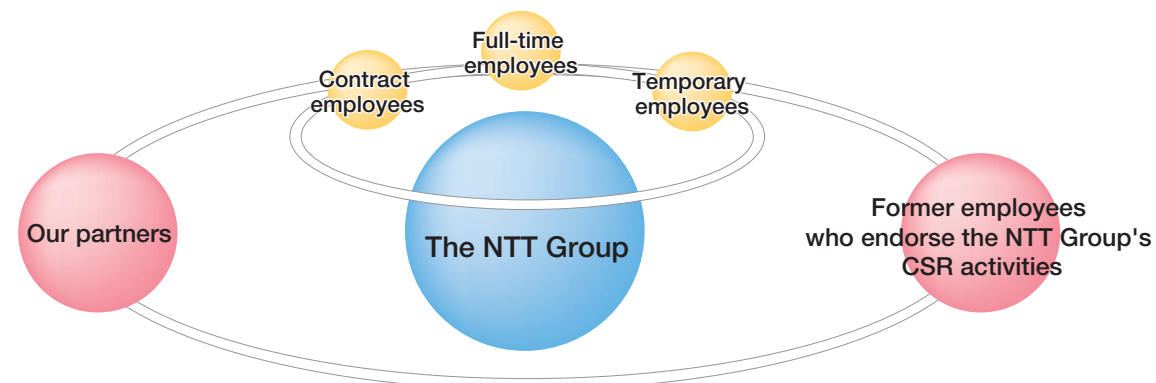
Team NTT

"Team NTT" is not a new organization, but rather about bringing all members of the NTT Group together as one to carry out a diversity of CSR activities.

As described in the NTT Group CSR Charter on page 5, Team NTT members are people who endorse the NTT Group's CSR activities. Members can be individuals working at NTT Group companies, including temporary employees, as well as our partners and former NTT employees who endorse the NTT Group's CSR activities.

Each and every Team NTT member pledges as part of the team to focus in the performance of their duties on the many issues faced by society today, and to contribute to resolving those issues with a shared sense of social responsibility, pride and high ethical standards to which the NTT Group aspires as a whole. It is through such concern for and participation in the community that we foster diversity in values and consideration for others. This contributes not only to personal growth but also to the fulfillment of our social mission to create a flourishing and vibrant community.

These are the people who comprise Team NTT

- Full-time employees
- Contract employees
- Temporary employees
- Our partners
- The NTT Group
- Former employees who endorse the NTT Group's CSR activities

Team NTT social contribution initiatives

The NTT Group will continue as it has up to now to provide information and communications services in support of human communications. It is to this end that Team NTT is involved in a wide variety of social contribution initiatives.

Many of the activities of Team NTT are launched on the initiative of employees of NTT Group companies. One of those is a workshop to foster understanding of those with hearing impairments, as is described in detail on the following page.

Team NTT's working group to foster understanding of people with hearing impairments

Improving customer services

The NTT mimi-Project (Ear-Project), a working group made up of NTT Group hearing-impaired employees and other employees who have close contacts with the hearing impaired, came into being in 1998. Its main activities consist of seminars and sign language workshops to raise awareness of hearing impairment within the NTT Group. The sign language workshops provide guidance on how to work and communicate with people with hearing impairments, and impart basic knowledge on hearing impairment and the difficulties faced by the hearing impaired, as well as training in greetings and other sign language necessary for everyday activities.

We also operate an in-house mailing list called "mimi-Tsushin (communications)" for sharing knowledge on hearing impairments. This has enhanced the exchange of information between NTT Group employees regarding hearing impairments and sign language.

Project members in a regular meeting

of existing products and services and propose possible improvements to them, and actively respond to consulting requests from Group companies.

Spanning the entire Group, regardless of business or department, the NTT mimi-Project also helps to raise the motivation of participants themselves. This can be seen in the various comments they have provided, some of which are given below.

Efforts to raise awareness among participants

Regular meetings of project members play an important role in supporting social contribution activities. Other group company employees are also invited to these meetings, where members give advice on the development of user-friendly products for the hearing impaired, discuss the pros and cons

For a society that serves everyone's needs

"As all of us come from various career backgrounds and age groups, these meetings provoke stimulating discussions in which we all pool our respective strengths. I want to continue with these activities to help create a society that serves everyone's needs." (Masayuki Inoue, NTT Service Integration Laboratories)

"We ask the members to test new ideas and their opinions help to shape actual shop services. The mimi-Project provides an important opportunity to think about universal design as well as hearing impairments." (Masami Okamura, DoCoMo Support)

"My experience with the mimi-Project has helped me when giving advice to my colleagues or employees with the same hearing impairments, when my own personal experience alone has not been enough." (Etsuko Ichikawa, NTT Advanced Technology)

"The mimi-Project not only helps to remind you of the importance of considering the needs of people with hearing impairments, but also provides an opportunity to acquire the latest information on the products and services developed by other Group companies for the hearing impaired." (Kiyotaka Oikawa, NTT CLARUTY)

WEB http://www.ntt-east.co.jp/philan/mimi/ (in Japanese only) • NTT mimi-Project (NTT EAST)

4-1 Social contribution activities

Actively Contributing to Society as a Corporate Citizen

- ● Embodying the NTT Group's commitment to serving society in Team NTT's social contribution activities
- ● Promoting social contribution activities through systems for supporting employee volunteer activities
- ● A wide spectrum of activities, including social welfare, promotion of education and culture, and international contribution

Team NTT's contributions to society

Based on the NTT Group's commitment to serving society as a corporate citizen, Team NTT involves itself in various social contribution activities.
In 1992, the NTT Group created a Social Contribution Committee and Social Contribution Office through which it has since been actively working to contribute to society. Today, Team

NTT members continue to contribute to society in a variety of ways based on the concept of corporate citizenship.
Please see pages 43-44: Team NTT's social contribution activities.

The NTT Group's support system for employee volunteer activities

We support volunteer activities in a number of ways, in the belief that they not only contribute to the betterment of society, but also broaden the viewpoints of our employees and nurture consideration for others through promoting interest and involvement in society.

Our policy for the support of volunteers contributing to the resolution of societal issues focuses on three basic steps-cultivation of a volunteer mindset, provision of opportunities for volunteer work, and support for volunteers.

The NTT Group's approach to supporting volunteers

Cultivating a volunteer mindset
1. Education and raising awareness
2. Providing information

Providing opportunities for volunteer work
1. Providing information about openings for volunteers
2. Hands-on experience programs
3. Coordination of people wishing to become volunteers

Supporting volunteers
1. Creation of an environment that facilitates volunteer work
2. Introduction of various support programs
 ・Leave and sabbatical programs
 ・Award programs
 ・Volunteer gift program[1]
 ・Matching gift program[2]

1. Volunteer gift program
 This program provides goods from the volunteer's company to facilities etc. where the volunteer has been active over a long period of time
2. Matching gift program
 This program matches donations made by employees, in support of employees' fund-raising and charity activities

Initiatives

Participation in the Japan Overseas Cooperation Volunteers program
NTT Group employees have been participating in the Japan Overseas Cooperation Volunteers program organized by the Japan International Cooperation Agency (JICA) on a continuous basis since 1966. Through this program, the NTT Group provides communications service- and computer-related technology in countries that need such support. Seven of our employees are currently working as volunteers abroad as of the end of June 2006, and the dispatch of a further three employees is planned for fiscal 2006.

Discussing telephone line routes in Cambodia

Initiatives

Social welfare

Distribution of "Please Call" notebooks
NTT EAST and NTT WEST issue "Please Call" notebooks as a communication tool for customers with hearing or speech disabilities. The notebook can be used to write down a telephone number, name, and message and ask people nearby to make a call. This service started out as a customer request received at the then Nagareyama Telegram & Telephone Office in Chiba in 1983, and is now in its 24th year. These notebooks are used today by a great number of people, with 220,000 handed out in fiscal 2005.

"Please Call" notebook

Promotion of education and culture

Providing instructors for the "e-Net Caravan" program
More and more children are logging on to the Internet in recent years, and while this brings many benefits, it also exposes them to an increasing number of Internet-mediated threats that are coming to constitute a serious social issue. It was to address this problem that the Ministry of Internal Affairs and Communications launched a nationwide initiative called the "e-Net Caravan" program together with the Telecommunications Carriers Association, five other organizations, and the Ministry of Education, Culture, Sports, Science and Technology. Started in fiscal 2006, this three-year initiative targets mainly parents and teachers in an effort to raise their awareness regarding safe and secure use of the Internet. The NTT Group has registered about 200 employees as instructors for the seminars as of the end of March 2006 and plans to dispatch them for 66 seminars to be held in the first part of the fiscal year. We hope to contribute to the sound development of information and communications services through further such efforts to promote safe and secure Internet use.

Seminar in progress

Regional promotion and interaction

Participation in local events
As part of their community-based business activities, employees at branches and sales offices of the NTT Group across Japan actively participate in local events and contribute to community life.
For example, in August 2005, 100 NTT Group employees participated in the Otemoyan Dance Parade of the Hinokuni Festival in Kumamoto City. Some of our regional branches also make their public spaces available for community activities, creating more opportunities to interact with the local community.

Team NTT members in the Otemoyan Dance Parade

International exchange and contribution

IP videophone interaction with NPO staff stationed in Afghanistan
With the cooperation of Peace Winds Japan (PWJ, an NPO involved in humanitarian aid), NTT Communications organized an Internet class for Japanese elementary and junior high students in which they were able to talk to PWJ staff posted in Afghanistan using NTT Communications' IP videophone service. This initiative was implemented to cultivate interest among Japanese children in what is happening in other parts of the world, and NTT Communications spent two months preparing for the event, mainly through the efforts of employee volunteers. Despite Afghanistan's fragile communications infrastructure and a period of political instability just before the event, the IP videophone connected successfully on the day of the class, and the children were able to ask PWJ staff in Afghanistan about their work and lives there.

Teaching children how to enjoy the Internet

4-1 Social contribution activities

Initiatives

Protecting the natural environment

"Operation Clean Environment" litter clearance events

Each year, NTT Group companies conduct "Operation Clean Environment" litter clearance events to clean and protect local environments and contribute to local communities. In fiscal 2005, 51,768 volunteers made up of NTT employees and their families participated in litter clearance activities together with residents from the localities concerned. We also actively participate in the Mount Fuji Cleanup Campaign, Mount Zao Cleanup Campaign, and other cleanup programs organized by local groups.

"Operation Clean Environment" event

Promoting sports

Sports workshops held in local communities

NTT EAST, NTT WEST, and NTT DoCoMo organize baseball and badminton workshops for children in their local communities. They also host a kids' soccer tournament, inviting J. League professional players and holding friendly matches. Other events include tug-of-war and dodgeball tournaments. The Group's baseball clubs also organize baseball workshops to promote communication with local residents, with Group softball, tennis, and volleyball clubs also following suit. We hope to continue to contribute to local communities through such activities to promote the enjoyment of sports among the younger generation.

Baseball class for local children

Others

Mobile Communication Fund (MCF)

NTT DoCoMo established the NPO Mobile Communication Fund in July 2002 as part of events to commemorate the company's 10th anniversary. MCF is dedicated to the advancement of information and communications and the betterment of society in the coming age of ubiquitous mobile communications through activities such as those listed below.

Activity overview

● DoCoMo Mobile Science Award (in recognition of outstanding research results and academic papers on mobile communications)
● Scholarships for students and researchers from other Asian countries
● Financial support to grassroots groups carrying out social welfare activities in local communities
● Financial support to citizen groups working to protect children
● Financial support to nationwide model schools for school biotopes
● Centralized DoCoMo Group support for disaster and humanitarian relief, international cultural exchanges, and other projects
● Support for grassroots volunteer groups that DoCoMo Group employees participate in

Others

Volunteer activities by former employees

People who have retired from the NTT Group often continue to involve themselves as individuals or groups in various long-term volunteer activities that address local community needs across Japan. Examples include helping to promote participation in society by people with intellectual disabilities, helping to clean nursing homes and hospitals, providing elderly people with daily housework help, contributing to the promotion of local culture through serving as guides for local tourist spots or historical places, studying local history and imparting their knowledge of local history and culture to younger generations, helping to conserve the local natural environment through cleaning up streets, parks, and beaches, and so forth.

Former employee (on the far left) telling children about local history

4-2 Cultivating high ethical standards

Ensuring that Employees Conduct Business According to the Highest Ethical Standards

● **Surveying attitudes and conducting employee training and other awareness activities to maintain high ethical standards among our workforce**
● **Raising employee awareness of human rights through various activities**

Maintaining high ethical standards

The NTT Group conducts a variety of activities to raise employee awareness and ensure that high ethical standards are upheld in our business practices. This includes providing both directors and employees with ongoing educational opportunities through lectures given by outside experts and e-learning. Other ongoing activities include the display of posters to raise awareness, and use of the Internet to introduce cases studies. The NTT Group also strives to enhance its internal controls by conducting surveys to gauge employee awareness of corporate ethics and acting on the results of those surveys.

Web page presenting key points on corporate compliance

Raising human rights awareness

The NTT Group respects human rights, and is committed throughout its organization to resolving human rights issues and eliminating discrimination as a critical element in building an open and flourishing society.
To this end, we encourage employees to regard human rights as a personal issue, and work to deepen their understanding and awareness so as to perform their day-to-day business activities in a way that respects human rights. We provide a broad range of human rights education and training focused on such issues as discrimination, people with disabilities, foreign residents in Japan, the elderly, sexual harassment, and power harassment, as well as trends in human rights in Japan and abroad. Other activities to boost human rights awareness include so-

liciting slogans and ideas for posters on rights awareness themes from employees and their families, and compiling them into calendars for office use.

２００６年
人権啓発カレンダー

Calendar for raising awareness of human rights

Initiatives

CSR education for employees through in-house training and leaflets

"What is CSR?" is an easy-to-understand leaflet about CSR for employees. As employee participation is essential for CSR, this leaflet provides an opportunity for each of us to think about how we can fulfill our CSR obligations through business, environmental conservation, and social contribution activities. In fiscal 2005, the leaflet was used in the CSR training program for all 2,700 employees of NTT Corporation and also

handed out to some 20,000 employees of 16 NTT Group companies.
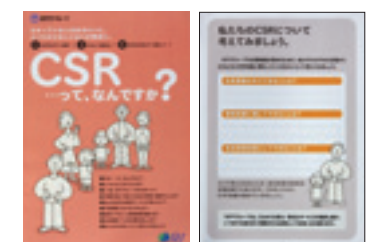
Leaflet for raising employees' rights awareness: What is CSR?

Creating Vibrant and Dynamic Workplaces and Enabling Employees to Realize their Full Potential as Professionals

- ● **Expanding employment opportunities for the elderly and people with disabilities, and promoting gender equality in the workplace**
- ● **Programs for helping employees to maintain a good work-life balance**
- ● **Providing employees with the scope to realize their aspirations in workplaces that also offer safety and security**

Diversity in human resources

Employment opportunities

The NTT Group sees its human resources as the heart and soul of its business operations, and focuses on hiring people capable of performing in strategic areas of the rapidly changing information and communications sector such as IP and broadband technologies and international business.

We are also committed to expanding employment opportunities for people with disabilities. In fiscal 2004, we established a special subsidiary, to promote the hiring of people with disabilities, and though our employment rate for people with disabilities is still below the mandatory level of 1.8%, as of June 2006, it stood at about 1.7%[1], an increase of 0.1% over the previous year. We shall continue with our efforts to further boost hiring of people with disabilities throughout the NTT Group.

The NTT Group has since 1999 also maintained a continuing employment system that allows retirees to continue to work until the age of 65 if they wish. Numerous people have used this system to contribute their accumulated experience and skills to our companies.

1. Figures for wholly owned NTT Group companies, as well as three listed companies: NTT DoCoMo, NTT DATA, and NTT Urban Development

| WEB | · Activities of NTT CLARUTY |

Employment in the NTT Group

	NTT and five core group companies[2]		
	Men	Women	Total
Total employees[3]	38,616	6,120	44,736
Management level employees (also included in total employees)[3]	8,628	226	8,854
New employees[4]	1,135	374	1,509

2.The five core group companies are: NTT EAST, NTT WEST, NTT Communications, NTT DATA, and NTT DoCoMo
3.As of March 31, 2006
4.As of April 1, 2006

Achieving a good work-life balance

The NTT Group has established policies for child care and nursing care benefits that allow our employees to maintain a good work-life balance that goes beyond legally mandated levels. To encourage NTT employees to take advantage of these benefits, we have also created an NTT Group Child Care and Family Care Support site on our intranet where employees can find information on both the NTT system and the Japanese social security system. Online/distance learning courses and information about NTT business developments and industry trends are also made available to employees on maternity and other leave to enable them to fit in again smoothly when the time comes to return to work.

With the declining birthrate, we have shifted weight from spouse to children and other dependents in calculating family allowances by implementing revisions to allow increases without an upper limit imposed when a certain number of dependents is reached. The NTT Group is committed to developing forward-looking policies based on the principles espoused in Japan's Law for Measures to Support the Development of the Next Generation, and as such, we endeavor not only to establish necessary programs, but also to ensure that these programs are easy and convenient to use and are taken advantage of by our employees.

Examples of NTT Group family benefit programs

	Program	Description
Child care	Child care leave	Available to parents of children less than three years old
	Reduced working hours	Allows parents to limit their workday to 4, 5, or 6 hours until the end of the fiscal year in which the child enters elementary school
	Child care support service	A variety of benefits is available, such as discount coupons for drop-off and pick-up of children at daycare centers
Family care	Nursing leave	Up to 18 months of leave to provide family nursing care
	Reduced working hours	System that allows those with family members in need of nursing care to limit their workday to 4, 5, or 6 hours, for up to three years
	Flexible use of unused annual leave for family nursing care, etc.	Applicable also to sabbatical leave, volunteer work, or recurrent education
	Nursing care support service	Discount coupons that can be used to pay care providers
Other	Compensation for use of assets accumulated under employee savings scheme	Provides compensation when a withdrawal is made from an employee savings scheme for specific purposes such as child care and education
	Maternity leave	Paid maternity leave (not applicable to employees on probation)
	Leave to take care of family members	For each instance, up to five days of leave is available to care for a family member who is ill or giving birth

Personal growth for all employees

Personnel and pay system

In 2001, the NTT Group introduced a performance-weighted pay system, and in April 2006 revised this system to place even more priority on personal performance with the aim of further boosting employee motivation.

Under the revised system, in addition to the continued implementation of already established systems for providing training in performance evaluation and gathering feedback from employees on their personal performance evaluations, we are seeking to enhance the impartiality of our performance evaluation system and employee satisfaction with it through introducing multi-source evaluation, providing high performance case studies, enhancing training for improving reciprocal evaluation skills of both evaluators and employees, and developing online guidance to help employees to better understand how the system works.

We feel that the above enhancements to our pay system will create a better motivated, better disciplined workforce capable of demonstrating initiative and improving performance.

Developing human resources

To nurture its employees as professionals who play key roles supporting ubiquitous broadband communications, the NTT Group endeavors to provide each and every employee with the opportunity to actively and independently develop their abilities in accordance with their own career plans. To such an end, we provide a wide range of educational programs, including group training, e-learning materials, online/distance learning courses, in-house certification of skill levels, and support for the earning of qualifications. In addition to providing such opportunities for gaining knowledge and skills, we aim to nurture

highly motivated employees who are always ready to take on new challenges.

Creating opportunities to seek new challenges

In order to provide ambitious employees with the opportunity to seek new challenges, we run in-house recruitment programs such as NTT Group Job Challenge and NTT Group Venture. NTT Group Venture is a program permanently open to all NTT employees that aims to create and develop new venture businesses and foster entrepreneurship. The program has already led to the establishment of two new companies.

NTT Group Job Challenge web page

NTT Group Venture web page

A workplace where everyone feels safe and secure

Occupational safety

All NTT Group companies recognize the importance of proactively implementing occupational safety programs to prevent accidents in the workplace. Work conditions and standard operation manuals are constantly under review, and case studies are used to inform employees and maintain their awareness of occupational safety issues. In the unfortunate instance that an accident does take place, the NTT Group performs an internal review of conditions, contributing factors, and measures for preventing recurrence, which is promptly shared with all Group companies.

We make every effort to ensure that our employees are well educated about safety issues, are constantly reminded of the importance of workplace safety, and are able to apply their knowledge in the prevention of accidents. Some of our facilities also hold thorough safety inspections on a monthly basis. The NTT Group is committed to ensuring occupational safety in each of its member companies.

Employee benefits

The NTT Group has implemented a wide range of social welfare policies and benefits that are intended to provide security and ensure that its employees are able to devote themselves wholeheartedly to their duties from the time they join an NTT Group company until they retire. Employees are able to take advantage of these policies and benefits in accordance with their own personal life plans.

(1) We provide a wide range of information and educational programs regarding the design of personal life plans.
(2) We provide a cafeteria plan enabling employees to select from a wide range of social welfare plans that match individual lifestyles.
(3) Company dormitories and housing are available throughout Japan for employees posted to new locations as a result of transfers, etc.
(4) Employees may utilize any of several health management programs, including periodic examinations and counseling.
(5) Various asset accumulation plans are available, including employee savings schemes and employee stock plans.
(6) Company cafeterias, condolence and congratulatory allowances, and other lifestyle support programs are provided for employees.

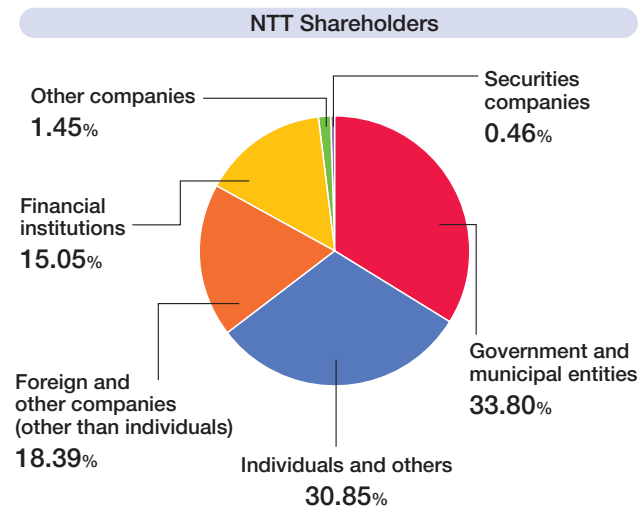**Communicating with Shareholders, Investors, Suppliers and Other Stakeholders**

Communication with shareholders and investors

Basic philosophy

NTT recognizes that it is critically·important to serve the best interests of its shareholders and other investors over the long term. The group as a whole has been making a concerted effort to enhance corporate value and appropriately award shareholders part of that value. At the same time, we are striving to improve the transparency of management through appropriate disclosure and IR activities so that shareholders, investors, and other stakeholders can make correct evaluations of our business performance.

About NTT stock

NTT stock has, since privatization in 1985, gone through six offerings of government-owned shares, and as of the end of fiscal 2006, is in the hands of around 1.25 million shareholders. We also instituted a repurchase of shares on September 6, 2005, at which time the government sold more of its remaining stock, bringing its share down to only 33.7% and almost completely eliminating supply pressure (overhang) from government offerings. The chart below shows the breakdown of NTT shareholders as of March 2006.

NTT Shareholders

- Other companies 1.45%
- Securities companies 0.46%
- Financial institutions 15.05%
- Government and municipal entities 33.80%
- Foreign and other companies (other than individuals) 18.39%
- Individuals and others 30.85%

Dividends

NTT (Holding Company) dividends are determined according to overall business trends and our financial situation, taking into account the ability to maintain stable and continuous operations. From fiscal 2006, NTT plans to increase the yearly dividend per share from ¥6,000 to ¥8,000, going into effect from the interim accounting period.

WEB · Socially Responsible Investment (SRI)

Disclosure and IR activities

NTT (Holding Company) has listed its shares on several stock exchanges (Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, New York, and London), and has issued domestic and foreign bonds to procure funds. NTT considers it extremely important to establish and maintain relationships of trust with its shareholders and investors in both domestic and foreign capital markets, and accordingly discloses information in a timely, appropriate and impartial manner, fulfilling its accountability as a business corporation and ensuring management transparency.

To help shareholders and investors to better understand its management strategy, NTT also actively conducts IR activities, and provides opportunities for direct communications between shareholders and top management of the company by holding various events in addition to general shareholders' meetings, including IR roadshows, corporate strategy briefings, financial results briefings, and presentations for investors in corporate bonds.

NTT is committed to impartial disclosure to shareholders, investors, and other stakeholders, and makes active use of its IR website to meet its obligations in this respect. The site provides presentation materials and videos of various briefings in addition to earnings releases, financial results, and annual reports.

IR website*

Annual report and "NTT is..." introductory pamphlets for shareholders

＊Selected by Daiwa Investor Relations for a 2005 Internet IR Best Company Award

WEB http://www.ntt.co.jp/ir/index_e.html · Shareholder and investor information

Communicating with suppliers

To continue to provide its customers with competitive and state-of-the-art services at reasonable prices, the NTT Group considers it essential to introduce cost-effective new technologies and products on a timely basis. To that end, it has become increasingly important for us to accurately identify customer needs, establish good partnerships with suppliers, and work closely with them to achieve the broadband and ubiquitous network society.

We have accordingly formulated and published basic procurement policies aimed at establishing open, trust-based partnerships with our suppliers.

We also post procurement information on our website as it becomes available to enhance the convenience of suppliers, and have procurement contact points in North America and Europe as well as in Japan for fielding inquiries and providing guidance on procurement.

WEB http://www.ntt.co.jp/ontime/index-e.html · NTT's website for procurement information (basic procurement policy)

Communicating with customers

The NTT Group showcases its vision for the future of communications at various exhibitions and events. For example, we presented a look at how lifestyles will change in an age of ubiquitous broadband communications, and the role of the NTT Group in realizing that vision, at the NTT Group Communications EXPO held to commemorate the 20th year since NTT's privatization in December 2005 at the Tokyo International Forum. The event provided a glimpse into the future of communications to about 10,000 visitors over the space of three days. We also hold NTT R&D forums in the city of Tsukuba and other locations to disseminate the fruits of our R&D for the benefit of society and industry.

Furthermore, at EXPO 2005 AICHI JAPAN, NTT DoCoMo demonstrated new possibilities for mobile phones by holding trials of handsets equipped with contactless IC chips. These phones are now commercially available as "Osaifu-Keitai" wallet phones.

NTT Group Communications EXPO

EXPO 2005 AICHI JAPAN NTT DoCoMo booth

Dialog with stakeholders

In an effort to enhance its CSR activities, the NTT Group held a meeting with stakeholders on March 10, 2006 for which it invited experts in a variety of fields from outside NTT for discussions on public expectations for NTT Group CSR. The valuable opinions and suggestions received from participants will go into improving our future CSR activities.

WEB · Full transcript of March 10, 2006 meeting with stakeholders

Comments from stakeholders	Actions prompted by these comments
● "NTT would be a truly great company if all of its 200,000 employees participated in social contribution activities."	● We will spread word on the importance of CSR to employees, and expand Team NTT's social contribution activities.
● "NTT is a corporate group that puts communications at the forefront of its activities, so I'd like to see it focus more on communicating."	● The NTT Group CSR Charter was established with "communication" as its key concept, and we will continue to promote activities in this area under the CSR Charter.