NTT Group
Sustainability Report 2015

NTT Group

Contents and Editorial Policy

Editorial Policy

The NTT Group reviewed the content of its previously published CSR reports and compiled Sustainability Report 2015 in an effort to disclose information on its activities that contribute to the sustainable development of the Group and society. Specifically, this report includes more information on the results of its management and a variety of data from the Group and Group companies, while presenting selected activities implemented by Group companies.

For detailed information on our business strategies and operations, please refer to Annual Report 2015.

Scope of Organization

NTT and the NTT Group companies (917 companies)

· The figures given for the NTT Group in fiscal 2015 are tabulated from figures for NTT, NTT East, NTT West, NTT Communications, NTT DOCOMO, NTT DATA and their group companies (917 companies). The scope of specific reports is noted in relevant areas.

· Organization names are current as of March 31, 2015. However, some organization names are from fiscal 2016.

· The scope of tabulation for environmental performance data is limited to Japan unless otherwise stated.

Note: With regard to aggregation scopes for the human resource-related data in the Team NTT Communication section, companies referred to as the "eight major Group companies" are NTT, NTT East, NTT West, NTT Communications, NTT DOCOMO, NTT DATA, NTT COMWARE and NTT Facilities. The companies in the scope for the "Status of Group companies" in the section are NTT East, NTT West and NTT Facilities, on a consolidated basis, including their major subsidiaries, and NTT Communications, NTT DOCOMO and NTT COMWARE on a non-consolidated basis.

Guide to Group companies

http://www.ntt.co.jp/gnavi_e/index.html

Reporting Period

April 1, 2014 to March 31, 2015 (fiscal 2015)
Certain activities implemented after March 31, 2015 and outlook for the future are also included.

Publication

September 2015
Previous report: September 2014
Next report: September 2016 (provisional)

Decision Making Process for Published Content

To determine the content requirements for the publication, the CSR Committee, chaired by the representative director and senior executive vice president, discussed the basic annual policy for the Sustainability Report in April 2015, and then the senior vice presidents for Research and Development Planning and for General Affairs acted on their authority under the organizational rules to confirm and approve the content for the environmental and non-environmental sections, respectively.

Reference Guidelines

· Sustainability Reporting Guidelines Version 4, Global Reporting Initiative (G4)
· Environmental Reporting Guidelines Version FY2012, Japan Ministry of the Environment
· ISO 26000: Guidance on Social Responsibility

Related Information

· CSR website
  http://www.ntt.co.jp/csr_e/index.html

  (updated as necessary)
  To provide the latest information on NTT Group CSR activities, we update our CSR website regularly and in a timely fashion. The latest information can be viewed in the Topics section on the site's homepage.

· Annual Report (Japanese and English)

  From fiscal 2015, the Annual Report includes information on the NTT Group's most important CSR initiatives in addition to the financial information that has been provided to date. Edited largely for shareholders and investors, it reports on and explains the NTT Group's opportunities for growth and response to risks.

· Securities Report (Japanese)
· Shareholders' Newsletter "NTTis" (Japanese and English)
· 20-F (English)
· Form SD and the Conflict Minerals Report (English)

For details on ongoing efforts related to sustainability and CSR and achievements at NTT Group companies, please refer to the Sustainability Report or CSR Report, published separately by each company.

Legend

· "Nippon Telegraph and Telephone Corporation" is abbreviated as "NTT," "Nippon Telegraph and Telephone East Corporation" as "NTT East" and "Nippon Telegraph and Telephone West Corporation" as "NTT West."

· In principle, notations for status of incorporation have been omitted from the names of NTT Group companies.

· Breakdown figures in the numerical tables have been rounded and therefore may not necessarily add up to the total figures.

· The names of companies, products and services are the registered trademarks or trademarks of each company.

Inquiries

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Message from the President

We are working as one to fulfill our corporate social responsibility and contribute to the sustainable growth of society as a "Value Partner."

The Transformation of Our Business Portfolio

In April 2015, NTT marked the 30th anniversary of its privatization. Over the past 30 years, the world of information and telecommunications has seen dramatic progress in technical innovation, and people's daily lives and businesses have both changed significantly. The Internet continues to evolve into a more-confortable, convenient infrastructure. Now, mobile phones, especially smartphones, are no longer simply devices for conversations, but are an indispensable part of daily life and business.

On the other hand, changes in the environment have substantially altered our position as a telecommunications operator. Previously, telecommunications operators provided infrastructure and services in an integrated manner, but now a diverse range of players have entered the market, including over-the-top (OTT) businesses such as Facebook and YouTube, and they are using our infrastructure to provide services that leverage their strengths. We are no longer in an age in which telecommunications operators act as the main players and provide all services on their own. Rather, we are "One of Them," just one player among many, and we must change our mindset accordingly. In consideration of these changes, we have redefined the role of the NTT Group to being a catalyst that generates new businesses without being caught up in the past, when we were a main player. I thought that we needed to change both our approach and our business model.

Initiatives for Sustainable Growth

Under the Medium-Term Management Strategy "Towards the Next Stage 2.0" announced in May 2015, we will advance measures targeting growth in future earnings by leveraging initiatives related to the Tokyo 2020 Olympic and Paralympic Games* and to the "Revitalization of Local Economies" initiative, which is being aggressively advanced by the Japanese government in regions throughout Japan. As a catalyst that promotes collaboration among various regions and industries, we will use our ICT services as tools and transit our business model to the B2B2X model for the creation of new value-added services together with our partners, and take steps to advance this model. This "X" refers to a wide range of parties, including not only individual customers but also companies and municipalities.

In April 2015, we started a limited liability partnership (LLP) with funding from NTT Group companies. This LLP is moving forward with measures to promote partnerships with a wide range of business entities and to bolster collaboration with municipalities, with a focus on such fields as transportation, tourism, energy, and agriculture.

I mentioned before that we have now become "One of Them," but we are "One of Them" that enjoys excellent prospects, as well as being "One of Them" that carries a significant responsibility for the development of society at large. And while ICT may only be a "tool," it is a tool that can definitely contribute to resolving social issues.

Our transition to a B2B2X model is a case in point. While it is an important strategy that will generate future revenues and profits for our own sustainable growth, we believe the

move will also contribute to the sustainable development of society at large.

* NTT, NTT East, NTT West, NTT Communications, and NTT DOCOMO are Gold Partners (Telecommunications Services) for the Tokyo 2020 Olympic and Paralympic Games.

Realizing Sustained Growth through the Resolution of Social Issues

I mentioned that under "Towards the Next Stage 2.0" we will strengthen our initiatives for the Tokyo 2020 Olympic and Paralympic Games. At the London Olympics there were cyber attack incidents, and the risk of cyber-attacks at the Tokyo 2020 Olympic and Paralympic Games has become a major issue. As a Gold Partner in the field of telecommunications services, NTT is going to implement reinforcement initiatives in the security field.

Currently, the NTT Group has secured security specialists and experts overseas as a result of acquisitions, and we are strengthening our capabilities in the area of security. On the other hand, the NTT Group has about 2,500 employees in Japan who are engaged in security operations and have a certain degree of ability in this field. However, looking ahead I believe this area needs to be strengthened further. Therefore, we plan to increase the number of domestic security personnel from 2,500 to 10,000 by 2020. We will transfer personnel, make new hires, and establish Group-wide training programs.

Cybersecurity is not something that can be achieved by a single country, much less a single company. It will be necessary to address cybersecurity through mutual, collaborative initiatives among countries and companies. Accordingly, the NTT Group is taking the lead in implementing industrywide measures to develop security personnel training programs that will transcend industry and national borders and make contributions on a global basis. For example, we became the first Japanese company to participate in a U.S. security-related group that includes members from industry, academia, and government.

These initiatives will increase our ability to create sustainable value and at the same time will lead to ESG initiatives.

The NTT Group's ESG initiatives have focused on advancing environmental and social measures as CSR. The basis of the NTT Group's CSR activities is the resolution of social issues through ICT. I believe that opportunities for growth will be found in the issues for which society expects solutions. In other words, our business and CSR initiatives cannot be separated, and neither can our Medium-Term Management Strategy and the fulfillment of our social responsibilities.

In accordance with this concept, we are implementing integrated initiatives that combine the Medium-Term Management Strategy and CSR, based on the Groupwide

CSR goals in our NTT Group CSR Charter — Communication between People and Their Communities, Communication between People and the Global Environment, Safe and Secure Communication, and Team NTT Communication. Moving forward, we will continue working to achieve sustained growth through the resolution of social issues.

Maintaining the Trust of Stakeholders

I believe that strengthening the corporate governance system is also an important issue in achieving sustained growth in corporate value. NTT is working to strengthen corporate governance based on its fundamental policies of ensuring sound management, conducting appropriate decision-making and business activities, clarifying accountability, and maintaining thorough compliance.

If we do not maintain the trust of our partners and society, the NTT Group will lose trust and its growth will slow. In addition, our corporate value will also be adversely affected. We recognize that conducting business in compliance with laws and regulations and in accordance with high ethical standards is one of our most important missions. Based on that recognition, NTT is taking a rigorous approach to compliance. The NTT Group is making sustained efforts to strengthen internal control systems in Group companies and is taking steps to verify the effectiveness of those systems, such as the implementation of internal audits. In addition, in regard to the status of our compliance initiatives and the effectiveness of internal control systems, the Board of Directors' supervisory function is applied through periodic reports to the Board of Directors. Moreover, the NTT Group Corporate Ethics Charter sets forth conduct guidelines for officers and employees. We are implementing Groupwide compliance strengthening initiatives, and we are working to create workplaces with zero tolerance for wrongdoing.

Through the process of transformation, I would like the NTT Group to create next-generation standards, to fulfill its social responsibilities, and to record sustained growth. Our partners will utilize the ICT services that we provide as a tool for achieving those objectives, and in this way we will work together with our partners to create new added value as a "Value Partner" that customers continue to select.

I would like to ask for your continued support of the NTT Group in the years ahead.

September 2015
Representative Director and President, Chief Executive Officer

NTT Group in Brief

Basic Information

(As of March 31, 2015)

NTT Group

Total Assets:	¥20,702.4 billion
Consolidated Operating Revenue:	¥11,095.3 billion
Number of Employees:	241,593
Consolidated Subsidiaries:	917

NTT

Nippon Telegraph and Telephone Corporation (Holding Company)

Total Assets:	¥7,027.3 billion
Operating Revenues:	¥411.8 billion
Operating Income:	¥273.9 billion
Number of Employees:	2,835
Main Businesses:	For the NTT Group as a whole, formulation of management strategies and promotion of basic research

Regional Communications Business	Long Distance and International Communications Business	Mobile Communications Business	Data Communications Business	Other Businesses
Regional telecommunications operations in Japan and related businesses	Long-distance telecommunications operations in Japan, international telecommunications operations, solutions business, related businesses, etc.	Mobile phone business in Japan and overseas, related businesses, etc.	Systems integration, network system services, etc., in Japan and overseas	Real estate, finance, construction / electric power, system development, advanced technology development, etc.
NTT EAST, NTT WEST	NTT Communications, dimension data	docomo	NTT DATA	NTT FACILITIES, NTT COMWARE, NTT Urban Development

	Regional	Long Distance	Mobile	Data	Other
Operating Revenues:	¥3,505.5 billion	¥1,998.6 billion	¥4,383.4 billion	¥1,511.0 billion	¥1,272.2 billion
Operating Income:	¥168.9 billion	¥113.6 billion	¥635.8 billion	¥86.4 billion	¥67.5 billion
Capital Investment:	¥666.1 billion	¥198.1 billion	¥661.7 billion	¥140.9 billion	¥150.5 billion
R&D Expenses*:	¥99.2 billion	¥16.4 billion	¥97.0 billion	¥12.9 billion	¥114.7 billion
Number of Employees:	71,222	42,234	25,680	76,642	25,815
Consolidated Subsidiaries:	54	350	174	253	86

* Intersegment transactions : ¥106.5 billion

Composition of Operating Revenues

Percentage of simple sum of all segments (including intersegment transactions)

¥12,670.7 billion

- 27.7%
- 15.8%
- 34.6%
- 11.9%
- 10.0%
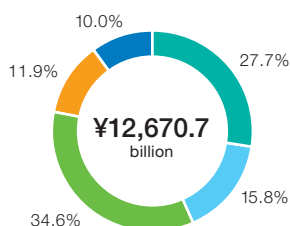
Composition of Operating Income

Percentage of simple sum of all segments (including intersegment transactions)

¥1,072.2 billion

- 15.8%
- 10.6%
- 59.3%
- 8.1%
- 6.3%
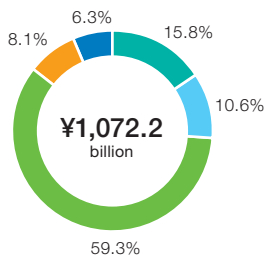
Composition of Capital Investment

¥1,817.3 billion

- 36.7%
- 10.9%
- 36.4%
- 7.8%
- 8.3%

■ Regional Communications Business ■ Long Distance and International Communications Business ■ Mobile Communications Business ■ Data Communications Business ■ Other Businesses

NTT Group 05 Sustainability Report 2015
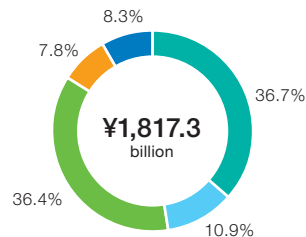
Status of Employees

(1) NTT Group

Name of Segment	Number of employees*					
	2012		2013		2014	
Regional Communications Business	81,320	[66,442]	75,838	[66,273]	71,222	[66,471]
Long Distance and International Communications Business	33,434	[7,005]	38,069	[8,305]	42,234	[9,669]
Mobile Communications Business	23,890	[11,584]	24,860	[11,256]	25,680	[11,450]
Data Communications Business	61,369	[3,599]	75,020	[3,652]	76,642	[3,631]
Other Businesses	27,155	[8,915]	25,969	[10,969]	25,815	[10,427]
Total	227,168	[97,545]	239,756	[100,455]	241,593	[101,648]

* The number of employees signifies the number of staff employed as of the final day of each consolidated fiscal year, which ends on March 31.
The number of temporary employees, shown in parenthesis, signifies the average number of temporary staff for each consolidated fiscal year and is excluded from the other figures.

(2) NTT

Number of employees*	Average age of employees	Average length of service (years)	Average annual salary (yen)
2,835 [61]	40.6	16.3	8,799,504

* The number of temporary employees, shown in parenthesis, signifies the annual average number of temporary staff and is excluded from the other figures.

List of Memberships

- Keidanren (Japan Business Federation, general incorporated association; vice chair)
- Telecommunications Carriers Association (incorporated association; director)
- Association of Radio Industries and Businesses (general incorporated association; director)
- Telecommunication Technology Committee (incorporated association; vice chairman)
- Tokyo Employers' Association (chairman)
- ITU Association of Japan (general incorporated association; council member)
- ICT Ecology Guideline Council

Major M&A During the Past Year

- Oakton

Consulting Technology
oakton
A DIMENSION DATA COMPANY

- e-shelter

e-shelter

November 2014 acquisition
【Objectives】
- Reinforce APAC, where there was a shortage of consulting personnel
- Strengthen ability to provide strategic ICT consulting

【POINT】
- Oakton, a technology consulting services provider, has a customer base that includes large customers in a wide range of industries.
- In Australia's ICT industry, Oakton is a major provider of solutions related to information management and core administrative systems. Oakton's value proposition and footprint complement those of Dimension Data, and the two companies are an excellent match.

June 2015 acquisition
【Objectives】
- Strengthen ability to provide data centers in Europe
- Enhance competitiveness in Europe, where previously the Group was unable to provide data center services with its own facilities

【POINT】
- e-shelter has large-scale data centers in Europe, centered on Germany, and is the largest data center operator in Germany.
- e-shelter's customer base includes leading global companies in a wide range of industries, centered on SI companies, ISPs, cloud companies, and German government related companies. NTT anticipates growth in e-shelter's business as well as substantial opportunities for cross-selling with other Group companies.

Evaluations by Outside Parties

● Dow Jones Sustainability Index(DJSI)

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with **RobecoSAM** ◖●

The DJSI is an index jointly developed by Dow Jones of the U.S. and RobecoSAM of Switzerland to evaluate the sustainability of companies from the three aspects of economy, environment and society. NTT has been selected for two consecutive years, as of September 2015, to the DJSI Asia Pacific, which covers companies in the Asia-Pacific region.

● MSCI Global Sustainability Indexes

A globally renowned SRI (Socially Responsible Investment) index generated MSCI Inc. of the U.S. NTT was first selected to the indexes in June 2015.

MSCI ✦   2015 Constituent
MSCI Global
Sustainability Indexes

THE INCLUSION OF NTT Corp IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HERIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NTT Corp BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

● MS-SRI

MS-SRI

MS-SRI is a socially responsible investment stock index of 150 companies selected from about 4,000 listed Japanese companies by Morningstar based on their social quality. NTT has been selected for two consecutive years as of January 2015.

● CDP

CDP CLIMATE DISCLOSURE LEADER 2014   **CDP** CLIMATE PERFORMANCE LEADER 2014

In the CDP 2014 selected by CDP, an international NGO tackling the issue of climate change, the NTT Group was listed for the second consecutive year in the CDLI (Climate Disclosure Leadership Index) as a leading Japanese company in information disclosure related to corporate efforts against climate change and became Japan's first communications carrier to be selected to the CPLI (Climate Performance Leadership Index) for excellent performance with regard to climate change. Only fifteen Japanese companies have been selected to both indexes. In addition, the NTT Group has also been selected to the SCPLI (Supplier Climate Performance Leadership Index).

● Environmental Communication Grand Awards

NTT received an award for excellence (Chief Juror Award) in the environmental reporting category at the 18th Environmental Communication Awards, which are jointly sponsored by Japan's Ministry of the Environment and the Global Environmental Forum. NTT was recognized for its NTT Annual Report 2014 and NTT Group CSR Report 2014.

● Nihon Keizai Newspaper's NICES Ranking

The NICES overall corporate ranking is published by Nihon Keizai Shimbun, Inc. and based on the perspectives of various stakeholders. NTT was highly regarded in the overall ranking for fiscal 2014, rising from the 15th place in fiscal 2013 to 9th.

● Toyo Keizai CSR Ranking

In Toyo Keizai, Inc.'s Fiscal 2016 Corporate CSR Ranking, based on an overall assessment of the financial and CSR aspects of companies, NTT rose from the 33rd place in fiscal 2015 to 21st in fiscal 2016.

NTT Group CSR

NTT Group CSR Charter

NTT drew up the NTT Group CSR Charter in June 2006 as a basic guideline for the more active implementation of CSR activities by Group companies. It revised the charter in June 2011. The charter consists of a statement of our commitment to corporate social responsibility and the four CSR goals that outline specific priority aspects of our 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. As Team NTT, we pledge to apply the highest ethical standards and awareness of human rights to our business duties, striving to fulfill our mission to society by working for the creation of pleasant workplaces, personal growth, and respect for diversity, 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.
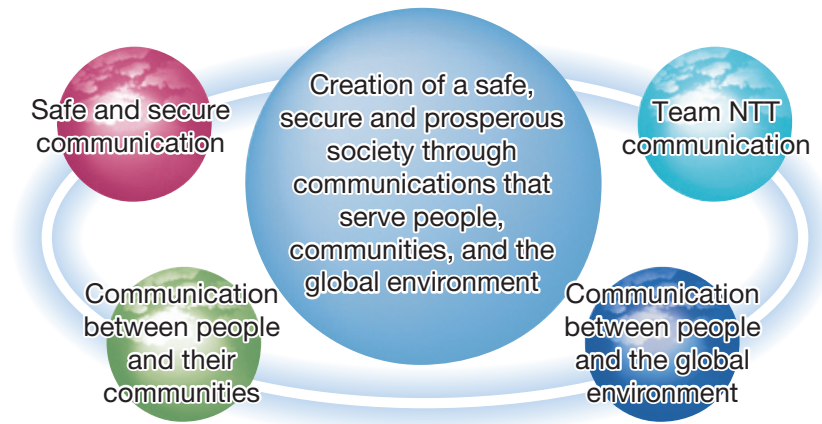
In our NTT Group CSR Charter, we set ourselves four Group-wide CSR goals: "Communication between people and their communities," "Communication between people and the global environment," "Safe and secure communication" and "Team NTT communication."

In May 2015 we announced our new Medium-Term Management Strategy, "Toward the Next Stage 2.0." We declared our intention of accelerating our self-transformation into a "Value Partner" to embark on a profit growth track, while seeking to accelerate migration to a B2B2X model by taking advantage of the "2020" and "Vitalization of Local Economies" initiatives to strengthen our earning power toward achieving sustainable growth, and thus create new high value-added services and establish new business models through collaboration with partners.

The transition to a B2B2X business model represents a truly significant strategy for achieving sustainable growth for the NTT Group that will generate future revenues and profit. At the same time it will contribute to the sustainable development of society as a whole, and in that sense it is one and the same as the NTT Group CSR initiatives.

By linking our CSR initiatives and management strategies in this way, we will contribute to the realization of a sustainable society.
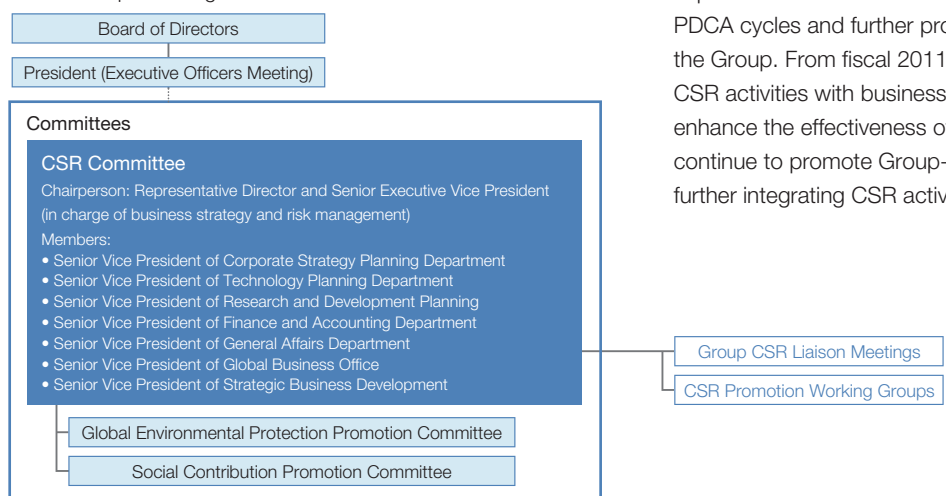
CSR Management

CSR Management System

In June 2005, NTT established the CSR Committee to ensure the sustained and appropriate implementation of CSR management, including economic, environmental and social themes. The committee is chaired by the representative director and senior executive vice president and meets at least once a year to formulate the Group's basic CSR strategy, common initiatives and measures, as well as to determine the content of information disclosure, such as the Basic CSR Strategy Report. In addition, two internal committees—the Global Environmental Protection Promotion Committee and Social Contribution Promotion Committee—have been established. In this way, the NTT Group is advancing CSR in a systematic, ongoing manner.

Group CSR Liaison Meetings are held on a regular basis to share common challenges and successful examples from each Group company, and based on the Guidelines for NTT Group CSR Activities that we drew up when we established our NTT Group CSR Priority Activities in fiscal 2009, we work with Group companies to monitor progress on the implementation of our CSR Priority Activities with respect to PDCA cycles and further promote a sense of unity across the Group. From fiscal 2011, we have been coordinating CSR activities with business planning management so as to enhance the effectiveness of PDCA management. We will continue to promote Group-wide initiatives with the aim of further integrating CSR activities with business goals.

▶ NTT Group CSR Organization

Board of Directors

President (Executive Officers Meeting)

Committees

CSR Committee

Chairperson: Representative Director and Senior Executive Vice President (in charge of business strategy and risk management)
Members:
• Senior Vice President of Corporate Strategy Planning Department
• Senior Vice President of Technology Planning Department
• Senior Vice President of Research and Development Planning
• Senior Vice President of Finance and Accounting Department
• Senior Vice President of General Affairs Department
• Senior Vice President of Global Business Office
• Senior Vice President of Strategic Business Development

Group CSR Liaison Meetings

CSR Promotion Working Groups

Global Environmental Protection Promotion Committee

Social Contribution Promotion Committee

Raising Group-wide CSR Awareness through Conferences

We have been convening the NTT Group CSR Conference since fiscal 2014 to raise employee awareness of CSR and encouraging them to think about the future of CSR and social contribution by sharing superior CSR initiatives across the Group. The second conference was held in February 2015 and included a presentation of "superior CSR initiatives" and "social contribution ideas," a new initiative launched in fiscal 2015.

Nine of the 85 projects submitted by Group companies were included in the presentation of superior CSR initiatives. As for social contribution ideas, employees from all NTT Groups submitted 332 ideas for social contribution activities that were feasible both inside and outside the company and unique to NTT. Five were selected for presentation.

The conference was attended by 183 people, including those in charge of the selected initiatives and others in charge of CSR and environmental issues at each company, as well as other Group employees with an interest in CSR.

The presenter of each project explained their objectives and results, sometimes using visual images to provide in-depth information. An enthusiastic exchange took place among participants asking questions and expressing their reactions.

We will continue to hold this conference next year and in the years ahead, and we will work to increase the numbers of initiatives and participants and to further enhance CSR awareness.

Scene at the conference site

Scene from the presentation

▶ Presentation of Superior CSR Initiatives

Content of presentations	
Second NTT Group CSR Award	
Digital archive project with the Vatican Library for passing down humankind's valuable heritage	NTT DATA
Development of mobile ICT unit and deployment at typhoon disaster sites in the Philippines	NTT
Superior Initiatives	
EMS Greening Initiative	NTT COMWARE
Project team for optimizing the volume production of promotional tools	docomo
"goo Mount Fuji" – portal site for promoting protection and preservation of Mount Fuji	NTT Resonant
Midori Ippai (full of green) Project based on the Adopt Program in Itoshima, Fukuoka Prefecture	NTT WEST
Prevention training against targeted cyberattacks	NTT Neomeit
"Facility 110 (emergency call)" – Initiative for enhancing reliability of facilities using an easy-to-use smartphone app for reporting unsafe equipment	NTT EAST
Voluntary activity participations during employee training conducted overseas	NTT DATA

Dialogue with Stakeholders

We are committed to promoting CSR in a united Group effort in line with the interests and concerns of our stakeholders and guided by the NTT Group CSR Charter.

Major stakeholders

The NTT Group consists of Nippon Telegraph and Telephone Corporation and its subsidiaries and affiliates, including 917 consolidated subsidiaries as of March 31, 2015. Its business lines include regional communications, long-distance and international communications, data communications and mobile communications. The NTT Group is committed to promoting CSR in a united Group effort.

Customers (Corporations and Individuals)

All customers, both corporate and individual, who use services provided by the NTT Group

As we shift our business vision toward becoming a "Value Partner," each individual employee will strive for an even higher awareness of CSR to provide safe, secure services that are high in quality and convenient from the customer's standpoint.

Shareholders and Investors

Individual and institutional investors including the shareholders and creditors of the NTT Group

We will return profits to shareholders while maintaining a sound financial standing and enhancing our corporate value. We will also endeavor to disclose information related to the Group in a timely, appropriate and fair manner.

### Central Government and Administrative Agencies

Central and local governments that make policy decisions on information and telecommunications, employment and the economy, the environment, and other issues

We will fulfill our responsibility as an information and telecommunications company by adhering to the policies of the central government, administrative agencies and local governments.

Business Partners

Business partners who offer their cooperation in various ways as the NTT Group provides its services

We will seek to work together to create and implement services that address a variety of social issues.
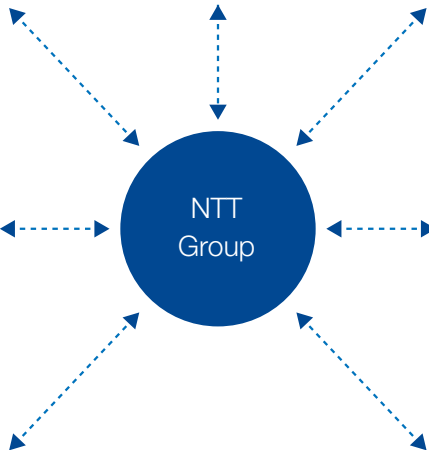
NTT Group

Employees (Employees, Their Families and Retired Employees)

Employees who work at the NTT Group and retired employees who support the NTT Group's CSR ideals

We will pursue various employee initiatives to create safe and healthy workplaces in which everyone can realize their full potential and be rewarded in their work and daily lives. We will also value communication with retired employees.

ICT Companies and Industry Associations

Other ICT companies and people in industry associations who are striving to develop Japan's information and telecommunications

We will engage in discussions on the direction and initiatives for the information and telecommunications industry, not only in Japan but from a global perspective, and seek to address diverse social issues together.

Local Communities

People in local communities who are connected to us through the core businesses of NTT Group companies

We will advance alongside local communities by implementing social contributions and disaster countermeasures through ICT.

Feedback from Stakeholders

The NTT Group has a mechanism for receiving inquiries and requests from various stakeholders including investors, shareholders and labor unions.

Group companies that provide services have established and deploy mechanisms for gathering customer opinions, wishes and other feedback, and for improving their work processes, products and services and developing new products and services based on that feedback.

We hold yearly presentations for investors and provide timely responses to inquiries and requests from them. In fiscal 2015, we began holding the NTT IR Day to meet requests from investors, and in recent years we have been focusing on presentations for individual investors to encourage a deeper understanding of NTT and expand the number of individual investors. The 30th ordinary general meeting of shareholders was attended by about 5,823 shareholders. Major questions raised during the general shareholders meeting are published in our newsletter for shareholders, NTTis.

With regard to our dialogue with employees, we conduct collective bargaining with labor unions several times a year and provide timely responses to the demands of employees.

The NTT Group will continue to gather feedback from stakeholders and to reflect it in our business.

Environmental / CSR Reporting Symposium

The NTT Group holds a yearly Environmental / CSR Reporting Symposium with assistance from the Ministry of the Environment and the Ministry of Economy, Trade and Industry. This symposium surveys and analyzes reports from the reader's perspective and publishes its findings with the aim of raising awareness regarding CSR activities and reporting among the CSR handlers of participating companies.

The 15th Symposium, which was held in December 2014 and drew a turnout of 182 participants, featured a panel discussion on the subject "Response to Climate Change—How Should Companies Prepare for Extreme Weather?" and reported on the results of a questionnaire survey conducted both in Japan and overseas to compare attitudes regarding the same subject.

Environmental / CSR Reporting Symposium (eco goo)
WEB http://www.goo.ne.jp/green/business/env_report/web_sympo2014/index.html
(Japanese only)

Scenes from the 15th Environmental / CSR Reporting Symposium
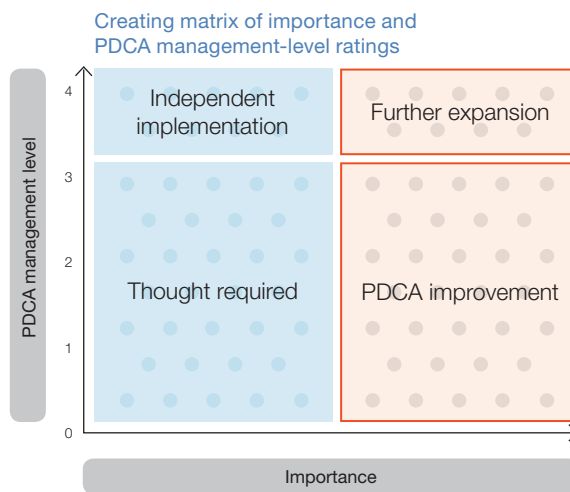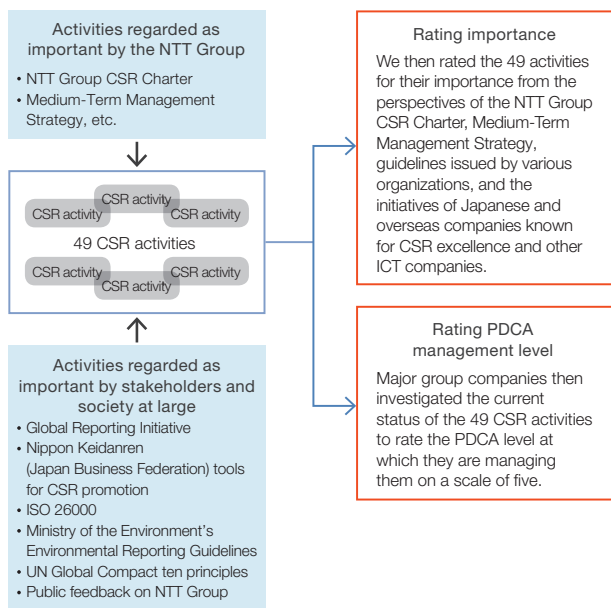
NTT Group Materiality

To drive the implementation of the NTT Group CSR Charter drawn up in June 2006 and take a more unified approach to addressing social issues both within Japan and overseas, we established our NTT Group CSR Priority Activities in November 2008 as activities to be pursued in common by Group companies.

Process for Selecting CSR Priority Activities

In deciding the NTT Group CSR Priority Activities, we drew up a list of 49 CSR activities that we saw as important both to the NTT Group and to stakeholders and society at large. We then examined each activity to rate relative importance to both the NTT Group and our stakeholders and Group PDCA management level, and mapped them onto the following matrix.

Activities regarded as important by the NTT Group
• NTT Group CSR Charter
• Medium-Term Management Strategy, etc.

CSR activity
CSR activity
CSR activity
49 CSR activities
CSR activity
CSR activity
CSR activity

Activities regarded as important by stakeholders and society at large
• Global Reporting Initiative
• Nippon Keidanren (Japan Business Federation) tools for CSR promotion
• ISO 26000
• Ministry of the Environment's Environmental Reporting Guidelines
• UN Global Compact ten principles
• Public feedback on NTT Group

Rating importance
We then rated the 49 activities for their importance from the perspectives of the NTT Group CSR Charter, Medium-Term Management Strategy, guidelines issued by various organizations, and the initiatives of Japanese and overseas companies known for CSR excellence and other ICT companies.

Rating PDCA management level
Major group companies then investigated the current status of the 49 CSR activities to rate the PDCA level at which they are managing them on a scale of five.

Creating matrix of importance and PDCA management-level ratings

Matrix — PDCA management level (y-axis, 0–4) vs. Importance (x-axis):
- Independent implementation (upper left)
- Further expansion (upper right)
- Thought required (lower left)
- PDCA improvement (lower right)

We mapped all 49 activities on the matrix, placing those earning high importance and PDCA management level ratings in the "further expansion" category, and activities of high importance but with low PDCA management level ratings in the "PDCA improvement" category.

Selection of Eight Priority Activities from the Two Categories of High Importance

We focused our attention on the two categories of high importance, the "Further expansion" and "PDCA improvement" categories, selected one activity each from the activities mapped under these two categories, and decided on a total of eight CSR Priority Activities after an overall consideration of issues of social interest and the NTT Group's policies and plans.

Communication between people and their communities
• Helping to build a sustainable society by providing value to customers

Communication between people and the global environment
• Creating a low carbon society
• Implementing closed loop recycling
• Conserving biodiversity

Safe and secure information
• Ensuring information security
• Ensuring stable and reliable services as critical infrastructure

Team NTT communication
• Promoting respect for diversity and equal opportunity
• Implementing citizenship activities

Targets and results for CSR Priority Activities

In fiscal 2010, Group companies drew up CSR action plans for each of the eight CSR Priority Activities so as to link them to their respective businesses and take CSR activities across the Group to a higher level. Furthermore, in fiscal 2012, we started to set common Group-wide quantitative indicators for each Priority Activity, and completed setting quantitative indicators for all eight CSR Priority Activities and began implementation in fiscal 2013.

CSR Goals	CSR Priority Activities	Quantitative Indicators	Results in Fiscal 2014	Results in Fiscal 2015	Targets for Fiscal 2016
Communication between people and their communities	Helping to build a sustainable society through providing value to customers	Number of new products and services qualifying as contributing to sustainable society	271	248	Understanding of the actual number of products and services.
Communication between people and the global environment	Creating a low carbon society CO2 emissions	CO_2 emissions	4.852 million tons	5.07 million tons	3.42 million tons[1]
	Implementing closed loop recycling	Final disposal rate for all waste materials	1.15%	0.88%	2%[1]
		Total paper consumption	60,000 tons	50,000 tons	58,000 tons[1]
	Conserving biodiversity	Common qualitative initiatives for ecosystem preservation and forest improvement activities	—	—	Consideration for and promotion of biodiversity preservation cases using ICT
Safe and secure communication	Ensuring information security	Number of employees receiving information security training	300,000	342,000	Number of security personnel 10,000[1,2]
	Ensuring stable and reliable services as critical infrastructure	Service stability	99.9%	99.99%	99.99%
		Number of serious accidents	4	1	0
Team NTT communication	Promoting respect for diversity and equal opportunity	Ratio of women in managerial positions	3.3%	3.6%	6.0%[1]
	Implementing citizenship activities	Number of local community cleanup participants	123,000 participants	126,000 participants	120,000 participants
		Number of PET bottle caps collected (Ecocap Movement)	Approximately 29 million caps	29.95 million	30 million

*1 Target for fiscal 2021
*2 Quantitative indicator for ensuring information security will be changed to "number of security personnel" starting in fiscal 2016

Communication between People and Their Communities

We will leverage ICT to help address social issues and create a more prosperous and convenient society.

Helping to Build a Sustainable Society through Providing Value to Customers

CSR Priority Activities

Number of new products/services qualifying as contributing to sustainable society

248

Why this is a CSR Priority Activity for the NTT Group

The development of ICT technologies is advancing centered around the globalization of corporate activities and their shift toward cloud computing, and this trend is breaking down the borders between various fields and industries. In the midst of these changes, it will be important for various customers (industry players) to engage in collaboration that spreads across industry lines in order to create new innovation that builds on state-of-the-art ICT platforms and technologies. The NTT Group believes that it can contribute to the resolution of social issues, and subsequently the creation of a sustainable society, by accelerating the birth of such collaboration-bred synergies through the promotion of ICT usage.

Management approach

To resolve social issues through ICT and achieve sustainable growth alongside our stakeholders, NTT announced a Medium-Term Management Strategy to accelerate migration to a B2B2X model by taking advantage of the "2020" and the government's "Vitalization of Local Economies" initiatives and thus create high value-added services and establish new business models through collaboration with partners. While creating such services and business models we will also engage in various efforts to pass down world cultural heritages to the future, integrate community healthcare and provide services that ensure security in the lives of senior citizens and people with disabilities.

Services for driving local economic development

Enhancing services for visitors to Japan toward 2020

The number of tourists visiting Japan has been rising, with figures exceeding 10 million every year since 2013.

The Japanese government plans to raise this figure to 20 million by 2020, and nationwide efforts to attract tourists from abroad are gathering significant attention as an initiative for vitalizing regional economies toward 2020. The NTT Group is engaged in ongoing initiatives by the government and the regional private sector to enhance the Internet environment and tourist information to ensure that foreign tourists can spend their time in Japan in comfort.

Trial Program for Community Revitalization in Fukuoka City and surrounding tourist attractions

NTT Group

In collaboration with the JTB Group, NTT Group companies conducted the "Trial Program for Community Revitalization" in Fukuoka City and surrounding tourist attractions from October 2014. This trial program contributed to providing visitors to Japan with a more satisfying tourist experience than ever before by launching a public wireless LAN service that goes with the needs of visitors and providing a dedicated smartphone and tablet application that makes discount coupons and multilingual information available to visitors in Japanese, English, simplified and traditional Chinese, and Korean.
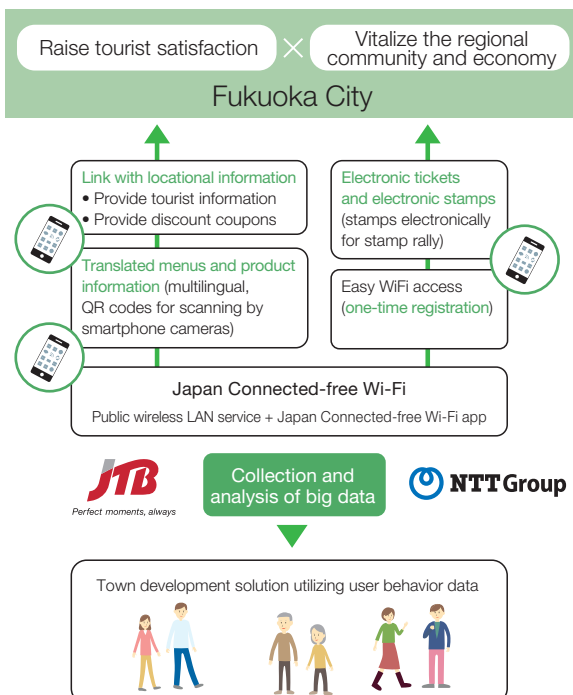
Hiroshima Free Wi-Fi Project verification test for enhancing and strengthening the environment for hosting foreign visitors

NTT WEST

NTT West and NTT Broadband Platform are cooperating with Hiroshima City to provide free WiFi services for further enhancing tours and attractions for foreign visitors and vitalizing the regional economy. Under a three-party agreement signed in October 2014, Hiroshima City is conducting verification tests on expansion of the free Wi-Fi service availability for foreign tourists, provision of tourist information on local attractions and restaurants, and understanding of the actual use of free Wi-Fi service.

Foreign tourist using the service

Hiroshima Free Wi-Fi

Raise tourist satisfaction × Vitalize the regional community and economy

Fukuoka City

- Link with locational information
  - Provide tourist information
  - Provide discount coupons
- Electronic tickets and electronic stamps (stamps electronically for stamp rally)
- Translated menus and product information (multilingual, QR codes for scanning by smartphone cameras)
- Easy WiFi access (one-time registration)

Japan Connected-free Wi-Fi
Public wireless LAN service + Japan Connected-free Wi-Fi app

JTB — Perfect moments, always

Collection and analysis of big data

NTT Group

Town development solution utilizing user behavior data

Using ICT to raise agricultural productivity

The NTT Group is actively involved in verification tests in the area of agriculture in collaboration with companies and universities to address issues facing this sector in Japan, contribute to the country's economic growth and vitalize local economies.

ICT solution for open field farming using long-distance wireless communications
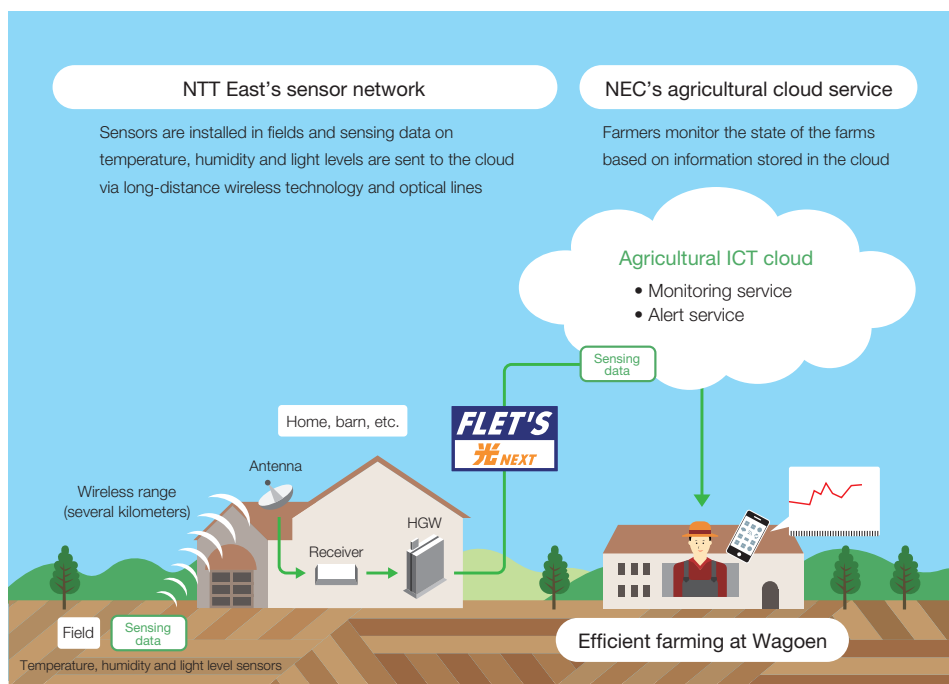
NTT EAST

Japanese agriculture is facing a continuing workforce decline due to the aging of farmers with few successors. Agricultural production has fallen by about 20% in monetary terms over the past 20 years, raising concern about the country's food supply. On the other hand, moves to bolster the agricultural sector are also expanding, such as deregulation and reforms under the government's growth strategy, a rise in the number of agricultural corporations driven by the entry of general corporations and growing support from companies using ICT. In this context, NTT East is working with NEC Corporation and Wagoen, an agricultural producers' cooperative, to construct an efficient farm monitoring system for boosting farm productivity. Verification tests on the ICT agricultural solution began in October 2014.

The tests are being conducted at Wagoen's farms using a sensor network capable of long-distance wireless communication and NEC's agricultural cloud service. The goal is to commercialize an agricultural ICT solution in which sensing data (temperature, humidity and light level) collected by sensors installed in open-field farms and stored in the cloud via the Internet, giving users the ability to monitor farm environmental data on smartphones and tablets. To that end, we will verify useful data and consider more efficient uses of data. In the past, micrometeorological information (temperature, humidity and light level) required for preventing damage from frost or other conditions were collected by hand. Once commercialized, this agricultural ICT solution is expected to boost productivity by automating the process.

▶ Role of each company

NEC	Provision of agricultural cloud service
Wagoen farm	Practice and verification of efficient farming using ICT
NTT East	Provision of optical line and sensor network

NTT East's sensor network

Sensors are installed in fields and sensing data on temperature, humidity and light levels are sent to the cloud via long-distance wireless technology and optical lines

NEC's agricultural cloud service

Farmers monitor the state of the farms based on information stored in the cloud

Agricultural ICT cloud
• Monitoring service
• Alert service

Sensing data

Home, barn, etc.

FLET'S 光 NEXT

Antenna

Wireless range (several kilometers)

HGW

Receiver

Field

Sensing data

Temperature, humidity and light level sensors

Efficient farming at Wagoen

Industry-academia collaboration on a next-generation agriculture project through IT integration

NTT FACILITIES   **NTT WEST**

NTT FACILITIES and NTT West have signed a joint research agreement with the University of Tokyo, Ibaraki University, Suzuyo & Co., Ltd. and Suzuyo Shoji Co., Ltd. Since May 2014, we have been conducting large-scale verification tests using ICT on low-truss, high-density cultivation*, a next-generation facility for cultivating tomatoes, at Bell Farm Co., Ltd., an agricultural corporation of the Suzuyo Group.

Overview of Bell Farm (verification underway in two hothouses)

Together with the Suzuyo Group, which operates the verification site, NTT FACILITIES developed a "growing environment monitoring system" by adding a 3D monitoring function for "cultivation resources" data such as power consumption and use of heavy oil as well as location information within the farm, to the "agriculture management support system" used to monitor the growing environment and manage cultivation. We also set up a mechanism for registering and collecting data on growth status, including leaf area, stem elongation, stem diameter, fruit weight, sugar content and acidity, which was linked to the growth environment monitoring system.

NTT West, working with the University of Tokyo and others, harnessed its proprietary technology to construct a farm work monitoring system that can store data on traffic lines, video and the work process history of experienced farmers who manage the cultivation process inside the hothouse. By linking with the monitoring system for the growing environment and growth status constructed by NTT FACILITIES, we realized a visualized system that integrates the three elements of information for cultivation – "growing environment," "growth status" and "farm work."

* Method for repeating short-term cultivation by planting seedlings at four to five times the usual density and harvesting only the fruits on the first to third clusters.

▶ Role in joint research

University of Tokyo, Ibaraki University	Development of the optimal cultivation method, development of technology for monitoring growth status and farm work, and Big Data analysis
Suzuyo Group	Construction and operation of the verification testing site, development of the basic cultivation method and consideration of the business model
NTT FACILITIES	Construction of the verification testing site, development of monitoring technology for the growing environment, and development of environmental control technology for conserving energy and resources
NTT West	Development of the farm work monitoring system, development of the system for integrating and displaying triaxial monitoring information on "growing environment," "growth status" and "farm work" (Triaxial Monitoring Integrated Display System) and expansion of the use of ICT in agriculture
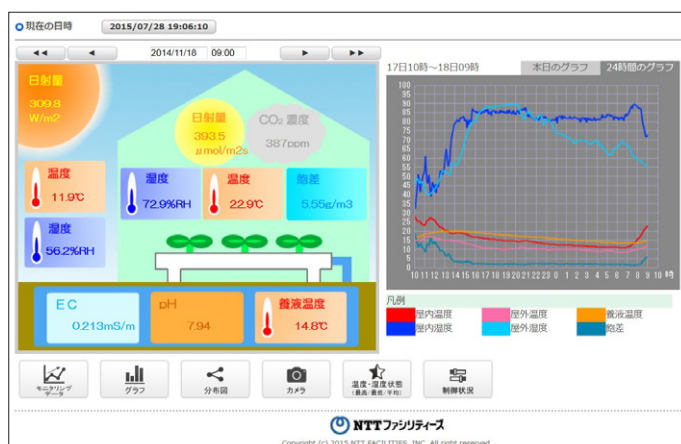
Growing environment monitoring system (representative location)
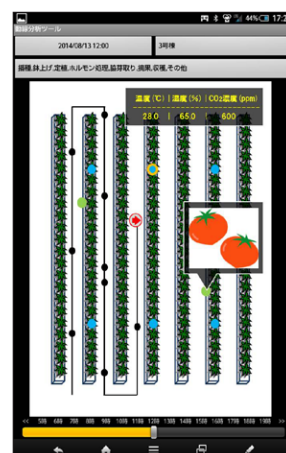
Triaxial Monitoring Integrated Display System (simulated display)

Launch of service to provide the world's top quality Earth observation satellite images

NTT DATA　**NTT GEOSPACE**

In Japan, widespread use of high resolution satellite images began with images taken by the IKONOS satellite, launched in 1999 by SpaceImaging Corporation (currently DigitalGlobe, Inc.) Today the use of these images has expanded to many areas, including disaster prevention, land management, urban planning, infrastructure management, agriculture, broadcasting and other media. Greater use is being made of geospatial information based on the Basic Act on the Advancement of Utilizing Geospatial Information. This includes the consolidation of geospatial data and distribution via the Internet, expansion of location-based services brought about by the spread of smartphones, and initiatives for commercializing quasi-zenith satellite systems. The images have also been used in Asia, Africa and South America, and the market has continued to expand each year in Japan and overseas.

▶ Expected applications

Infrastructure development	· Establishment of infrastructure map information in emerging and other countries · Construction plan for infrastructure development · Formulation of irrigation plans
Transport	· Simulations for operating aircraft · Route selection for navigation
Disaster prevention	· Identification of areas susceptible to flooding, landslides, tsunami, pyroclastic flow, etc. · Assessment of climate change risks related to rise in sea level, melting glaciers, etc.
Communications	· Formulation of plans for identifying disconnected areas in wireless communications · Position adjustment of remote sensing data
Resource surveys	· Identification of promising areas in resource exploration · Surveys for water resources and underground water
Others	· Video production of computer graphics, etc. · Production of educational material for subjects such as science, geography, and disaster prevention

Began providing satellite images taken by DigitalGlobe's WorldView-3 Earth observation satellite

Against this backdrop, NTT DATA signed a master reseller agreement with DigitalGlobe, Inc. covering the Japanese public and private sectors, and together with NTT Geospace began providing satellite images taken by DigitalGlobe's WorldView-3 Earth observation satellite.

Mounted with a 31 cm panchromatic resolution image sensor, WorldView-3 is capable of photographing satellite images with an accuracy equivalent to aerial photography. In addition to differentiating buildings and automobile models, it can identify the state of facilities and equipment and distinguish between individual trees. Furthermore, it is the world's first commercial satellite mounted with a 16-band multispectral resolution imaging sensor, which enables it to observe 12 more wavelength bands in addition to the blue, green, red and infrared red bands observed by a conventional satellite, and it can therefore be used to detect changes in land use, grasp the growth status of agricultural products and detect mineral resources.

©DigitalGlobe, Inc.
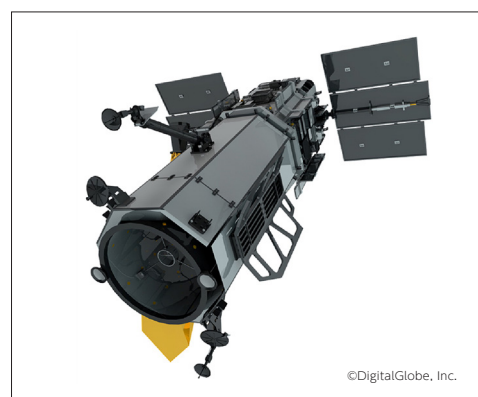
Exterior of WorldView-3

Start of service to provide satellite images from JAXA's DAICHI advanced land observation satellite

NTT DATA and the Remote Sensing Technology Center of Japan are jointly distributing the world's first AW3D™ (World 3D Topographic Data)* images that express undulations of the entire land area of the Earth at a resolution of five meters. These satellite images are taken with the PRISM sensor aboard DAICHI (ALOS), the advanced land observation satellite operated by the Japan Aerospace Exploration Agency (JAXA).

The objective of the World 3D Topographic Data project is to create data sets of elevation (5 m mesh) and images (2.5 m mesh) covering the Earth's entire land area using the approximately three million observation images acquired by DAICHI and applying them to develop geospatial information services. Satellite data is being distributed by NTT DATA. The high resolution and quality of the 3D topographic data makes it ideal for a broad range of applications. We expect that the data will be used in river runoff analysis, tsunami risk simulation, terrain interpretation and analysis, and 3D models for educational purposes. They can also be applied to solutions in wide-ranging areas, including infrastructure development in emerging countries, response to natural disasters such as floods, which frequently occur around the world, surveys of natural resource sites, response to water resource issues, and measures to prevent the spread of epidemics in the field of hygiene. Our satellite images are increasingly being used in an expanding market in regions around the world.

* "AW3D" is the registered trademark of NTT DATA Corporation and the Remote Sensing Technology Center of Japan. The trademark covers the Japanese market.

▶ Major applications outside Japan

Country/Region	Application
Sri Lanka	Following the large-scale landslides that occurred in 2014, digital 3D maps were used as information on the pre-disaster terrain to compare against the post-disaster terrain, and thereby contributed to the reconstruction plan.
Nigeria	Detailed 3D topographic data provided an understanding of flow channels that had not previously been possible, enabling precise predictions of potential infection routes of the polio virus through rivers and groundwater, and contributed to preventing the spread of infections.
Africa	3D maps were used as a source of information in seeking out water sources based on topographic features and actually resulted in the exploratory drilling of wells.
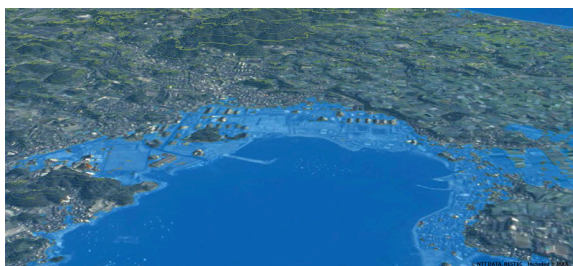
Identification of areas susceptible to flooding and tsunamis
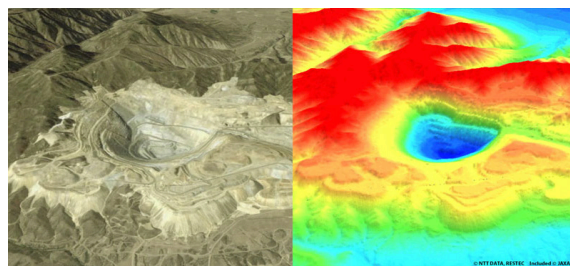
Identification of promising sites for natural resources

Connecting culture and education with ICT

AMLAD digital archive solution for passing on culture and knowledge to the next generation

NTT DaTa

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As one of the world's oldest libraries, the Vatican Library holds about 1.1 million precious books and materials, including 800,000 manuscripts that were written between the second and twentieth centuries.

Since March 2014, NTT DATA has been participating in a digital archive project for digitizing the Vatican Library's handwritten manuscripts, which could be considered a historical heritage of humankind, to be stored and passed on to the next generation. We are engaged in a full-fledged effort to support the long-term preservation and public viewing of the priceless manuscripts, from their digitization to the construction of a digital archive based on our AMLAD* digital archive solution, and presentation to the public. We plan to digitize 3,000 handwritten manuscripts by the end of March 2018. Their digitization and public release are expected to promote the use of this valuable human asset in areas such as academic studies, the arts and education.

By preserving an invaluable human legacy over the long term and making it widely available to the public through this project, we believe we are passing on human wisdom to future generations and providing new social value, including education.

Digital archive service AMLAD

* AMLAD (Advanced Museum Library Archives Deposit) makes it possible to preserve and disseminate diverse digital content and provide users with the ability to view the information they seek, quickly and accurately.

NTT DATA's digital archive business realizes social value in three ways

(1) Transmission of value: Long-term preservation of precious human heritage

From the standpoint of educating children, access to culture is important for nurturing empathy and generosity in today's world, in which diverse values coexist, and in nurturing the creativity (imagination) for resolving difficult, unforeseen issues during uncertain times. As a leader in the information and communications industry, NTT DATA believes it can contribute to the realization of an affluent society through communication in the form of transmitting culture.

(2) Discovery of value: Expanded accessibility through the Web

Until recently the manuscripts have been placed under strict control inside the library and available for viewing by a limited number of individuals. The project will make it possible to view the manuscripts on the Internet, regardless of time or place. NTT DATA believes it can contribute to the discovery of new knowledge through communication that provides unprecedented access for people around the world.

(3) Creation of value: First-hand experience of cultural heritage through the Web

By providing everyone with easy access and first-hand experience of valuable cultural heritage (past legacy), we hope the significance and benefits of the project will spread around the world, while at the same time nurturing a culture that prizes valuable assets (future legacy) that are being created today, at a time when born-digital information abounds and is easily lost.

NTT Group will continue to contribute to the preservation of culture and the creation of new value through its digital archive business.

Representative manuscript archived by the project
© Biblioteca Apostolica Vaticana

"Connected Classroom" links the Hiroshima Peace Memorial Museum with elementary schools in three regions

NTT Group

The NTT Group has been conducting a field trial for the "Education Square × ICT" project since fiscal 2012 to promote the use of ICT at educational sites. Although the field trial was concluded at the end of fiscal 2014, we have continued to offer the "Connected Classroom*," a remote learning project based on ICT that earned high satisfaction ratings from schools during the trial. For example, one class simultaneously participated by the Hiroshima Peace Memorial Museum and elementary schools in the three regions of Sekikawa, Niigata Prefecture; Kurashiki, Okayama Prefecture; and Tokoname, Aichi Prefecture.

During the class, Kenji Shiga, Director of the Hiroshima Peace Memorial Museum, presented a talk on the miseries of war and the horrors of the atomic bomb, which was followed by a question and answer session between the director and students that took advantage of the two-way features of ICT. The Connected Classroom offered children the opportunity to deepen their understanding by directly communicating with a distant expert and gaining new knowledge that could not be found in the textbooks. The children also actively engaged in learning from each other by listening to the opinions of children from schools, with whom they are not connected in their everyday lives.

The NTT Group will continue to strive toward spreading and establishing ICT in education.

* The Connected Classroom is a remote learning project involving lectures and question and answer sessions that connect classrooms with various facilities and experts in real time and through electronic blackboards connected to the Internet.
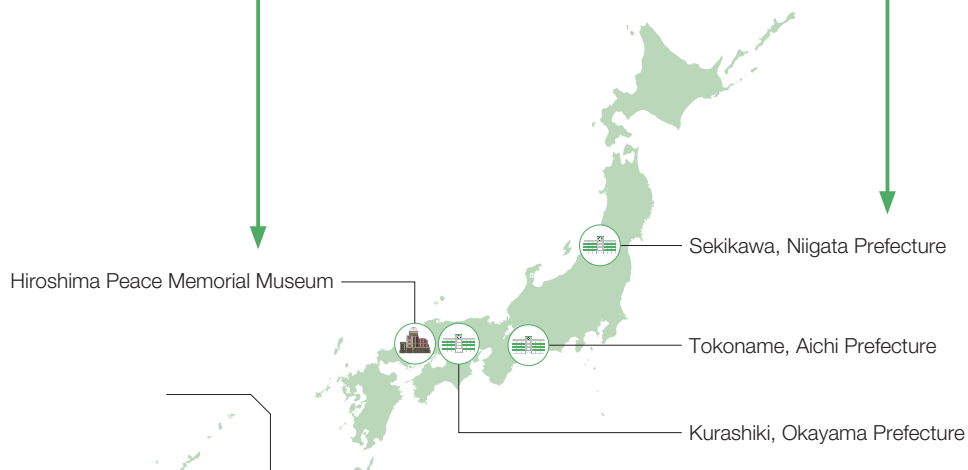
▶ Locations of participating schools and the lectures

Director giving a talk

Class scene

Hiroshima Peace Memorial Museum

Sekikawa, Niigata Prefecture

Tokoname, Aichi Prefecture

Kurashiki, Okayama Prefecture

ICT Brings Creation and Collaboration to Education, Leading to Further Innovation

dimension data

Dimension Data introduced ICT to the Camberwell Girl's Grammar School (CGGS), a leading independent girls' school in Melbourne, Australia, noted for achieving exceptional academic results. We deployed the Cisco Collaboration platform at CGGS to provide its approximately 800 students with a broader, and more effective, learning experience.

CGGS was seeking to develop an innovative system of learning to maintain its position as a school of choice that "educates tomorrow's woman." Dimension Data cooperated with CGGS to provide a total solution, from the construction of a Wi-Fi infrastructure that enables easy communication across distances on various devices and the use of technology for sharing images and information inside the school, to end user support.

Use of ICT has made it possible for students to talk directly with an author to ask questions and engage in discussion about a work, and to experience virtual chemical experiments that were difficult to conduct at school in collaboration with an organization called "Fizzics." Students were also able to connect to an archaeologist excavating an ancient city in Turkey via the Internet, and share in the experience of the dig through conversation and visual images.

While the students themselves remained in Australia, the technology has allowed them to engage in mutual exchange and share experiences internationally through an environment that crossed the boundaries of their school and classroom, as well as their country. Teachers at CGGS have also realized the improvements this has brought to their classes, as they observe students' reactions and share in the new learning experience. Classroom learning can be recorded for re-use and future reference, and has thus raised the productivity of class management at the school as well.

Dimension Data will continue to apply ICT in various ways to help create an even better learning environment.

Image provided courtesy of Camberwell Girls Grammar School

Services that support medical practice and healthcare

Mobile cloud solution for medical institutions

NTT docomo

The NTT Group is actively planning and developing products and services that leverage ICT toward realizing a society in which people can live in security and benefit from finely-tuned medical services.

MySOS emergency medical support application for initial response in a contingency

Emergency activities require a prompt response. NTT DOCOMO believes that the smartphones people normally carry can serve as a support tool at times when an ambulance is on its way. This was the idea behind MySOS, an emergency medical support application jointly developed by NTT DOCOMO and the Jikei University. The application enables people to use their smartphones to request help in an emergency and carry important medical information with them.

More specifically, smartphone users can send an SOS to those who can help and search for nearby automated external defibrillators (AEDs) or medical facilities. In addition, by registering information and contacts such as regularly visited hospitals, information can be relayed to medical staff and emergency messages sent to a user's family. The tool is also effective for those administering emergency aid, as it explains the flow of emergency aid and offers guidance on treatment and emergency response that can be confirmed by observing symptoms.

"Join" – a communication application for secure medical image sharing and smartphone chats between medical staff

A chronic shortage of doctors is a serious issue in the world of medicine. NTT DOCOMO, together with Allm Inc., has started to provide "Join," an application that supports rapid communication between medical staff. Moreover, it allows for the secure sharing of medical images taken by CT or MRI as well as chat messaging among members determined by an administrator, inside and outside a medical institution.

This application has enabled staff at hospitals that do not have a specialist in a certain field to seek advice easily on treatment and diagnosis and has also facilitated medical collaboration between different hospitals.

As of March 31, 2015, the service has been introduced to 42 facilities in Japan and 6 facilities abroad and is contributing not only to alleviating the burden on doctors but also to enhancing the quality of medical services.

Request for help function searches for AEDs and medical facilities

Sharing medical images and communicating by chat

Services for supporting the everyday lives of elderly people and those with disabilities

R&D toward realizing Diversity Navigation

Anticipating Japan will become a society in which low birth rate and aging population trends will continue along with an increase in the number of visitors from overseas, NTT is promoting R&D under the concept of "Diversity Navigation" to provide secure, convenient support for the daily movement of people who use wheelchairs and baby carriages, senior citizens and visitors from abroad.

Japan's Ministry of Land, Infrastructure, Transport and Tourism has launched a study group on a high-precision positioning community around the Tokyo Station project to create various services based on advanced positioning environments, targeted for completion by 2020. Starting in late January 2015, verification tests have been conducted at Tokyo Station and its vicinity to clarify the methodology for efficiently realizing highly precise indoor positioning. NTT is participating in the project and verification test along with the administrators of facilities, including railways and buildings around the station, to conduct a technology demonstration.
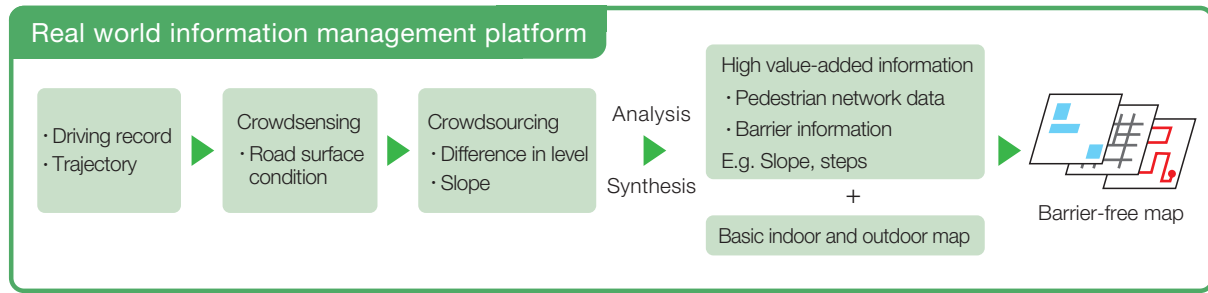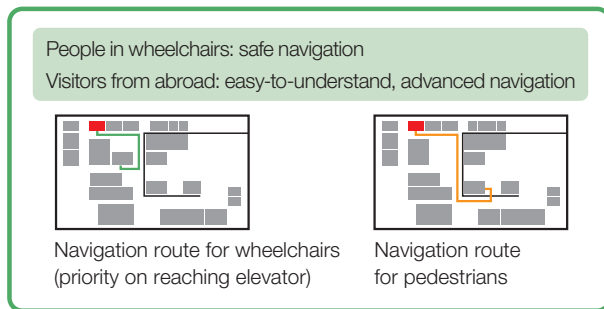
Specifically, NTT has harnessed the mapping technology of the NTT Service Evolution Laboratories to create a social barrier-free map to support the movement of wheelchairs, baby carriages and pedestrians by obtaining and analyzing information on differences in level and trajectory collected from acceleration sensors attached to wheelchairs and other sources. NTT also verified technology that uses image recognition to take photographs of signboards and other surroundings in order to determine current positions and provide navigation toward desired destinations.

Until recently the development of navigation and other services based on high-precision indoor positioning information had been hampered by the high costs of preparing and managing indoor maps, the need to establish indoor positioning technology, and the costs of installing and managing sensors. NTT will develop technology that will enable low cost map creation and positioning that does not require installing equipment.

To turn Diversity Navigation into a reality, NTT will seek to resolve technical issues that surfaced during the latest verification tests and promote R&D for technologies that support the diverse needs of people by integrating image recognition and multilingual translation technologies.

▶ Creation of a social barrier-free map

Wheelchair Baby carriage Visitor from abroad

People in wheelchairs: safe navigation
Visitors from abroad: easy-to-understand, advanced navigation

Navigation route for wheelchairs (priority on reaching elevator)

Navigation route for pedestrians

Real world information management platform

· Driving record
· Trajectory

Crowdsensing
· Road surface condition

Crowdsourcing
· Difference in level
· Slope

Analysis
Synthesis

High value-added information
· Pedestrian network data
· Barrier information
E.g. Slope, steps

+

Basic indoor and outdoor map

Barrier-free map

Communication between People and the Global Environment

We are committed to reducing both the environmental impacts of our own business activities and those of society as a whole through providing ICT services.

Environmental Management

Basic policies and management approach

In 1999, the NTT Group drew up its NTT Group Global Environmental Charter to formally define basic principles and policies for protecting the environment. Based on the fundamental principle that our business activities need to be compatible with protecting the environment, this Environmental Charter emphasizes the importance of combating global warming and reducing waste and paper consumption, and established a set of targets for these priority activities to be achieved by fiscal 2011.

In May 2006, we drew up the NTT Group Vision for Environmental Contribution, and based on the fundamental principle of contributing to reducing environmental impacts through providing ICT services, implemented various activities aimed at achieving our contribution targets for fiscal 2011 for reducing CO_2 emissions across society.

In November 2010, having met the above targets for fiscal 2011, we added the conservation of biodiversity as a basic policy to our Global Environmental Charter and drew up THE GREEN VISION 2020 as our new vision for the environment up to fiscal 2021. Under this new vision, we decided to focus our future efforts on the three environmental themes of creating a low carbon society, implementing closed loop recycling, and conserving biodiversity. The NTT Group core business of telecommunications requires consideration of our use of energy and natural resources to maintain our infrastructure such as telecommunications facilities. The NTT Group also has to consider the impact that its telecommunications facilities has on ecosystems. From this standpoint, the three environmental themes were determined.

Efforts based on these three themes will be driven by three approaches: Green of ICT, which targets lower environmental impacts from our business activities; Green by ICT, which entails utilizing ICT services to reduce the environmental footprint of society; and Green with Team NTT, which involves NTT Group members and their families working with communities to help advance various environmental conservation initiatives.

Guided by this vision, the NTT Group is banding together to contribute to the sustainable development of society.
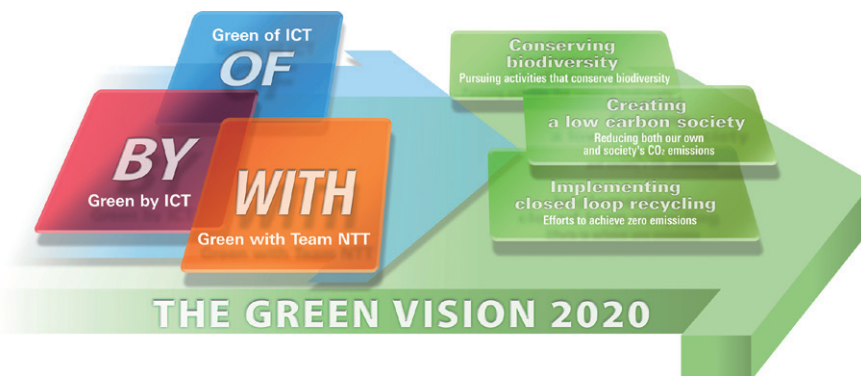
Green of ICT

This approach is geared toward reducing the extent to which the NTT Group impacts the environment. One way this will be accomplished is by lowering the electricity consumption of ICT equipment, networks, data centers, and other ICT facilities in order to decrease CO_2 emissions. At the same time, we will reduce resource consumption by reusing and recycling ICT equipment while also limiting the impacts of our communications facilities on ecosystems.

Green by ICT

This approach targets the reduction of the environmental footprint of society as a whole from a broad perspective encompassing a wide range of fields. Specifically, efforts include utilizing ICT to decrease the need to move people and goods, lower consumption of resources, improve the efficiency of energy usage and supply chains, and make environmental impacts more traceable.

Green with Team NTT

This approach entails utilizing the manpower of Team NTT, which consists of NTT Group members that support our CSR ideals, to participate in and contribute to various environmental conservation initiatives together with communities. Team NTT happily invites all willing participants, including regular employees, contract employees, temporary employees, and everyone else who works at the NTT Group as well as their families, retired employees, and business partners.

NTT Group Global Environmental Charter

● **Basic principle**

To ensure the harmonious co-existence of people with nature and to achieve sustainable growth,
we will do our utmost to protect the global environment in all our corporate activities.

● **Basic policies**

1. Compliance with laws and regulations and fulfillment of social responsibilities
2. Reducing environmental loads
3. Establishing and maintaining environmental management systems
4. Developing environmental technologies
5. Social contribution efforts
6. Disclosure of environmental information
7. Conservation of biodiversity

NTT Group Global Environmental Charter
WEB http://www.ntt.co.jp/kankyo/e/management/charter.html

Environmental Management System

In fiscal 2006, the NTT Group established a CSR Committee charged with overseeing Group-wide CSR activities, and brought the NTT Group Global Environmental Protection Promotion Committee, which drives Group environmental protection activities, under the CSR Committee's jurisdiction. The Global Environmental Protection Promotion Committee, which meets twice a year, is chaired by the general manager of the NTT Environmental Protection Office (senior vice president of research and development planning with membership comprising heads of environmental departments at each Group company. The committee oversees issue-based subcommittees on greenhouse gas reduction, and waste disposal and recycling, and directs Group-wide working groups and projects, such as the Business Activities and Biodiversity Working Group, that are implemented as occasion demands, formulates basic policies, manages targets and addresses any issues that emerge.

As for the risks and opportunities linked to climate change with respect to facilities and equipment, monitoring and assessment are conducted through a collaborative effort between staff in charge of environmental issues and those responsible for facilities, and these individuals are appointed for every Group company. Like the CSR Committee, the Total Power Revolution (TPR) Promotion Committee also reports to the Executive Officers Meeting. The TPR Promotion Committee deals exclusively with energy conservation, targeting electricity usage that causes more than 90% of NTT Group greenhouse gas emissions, cooperating with the NTT Group Global Environmental Protection Promotion Committee to address climate change issues.

Meanwhile, the Environmental Protection Office, which promotes Group-wide environmental initiatives, identifies the business risks and opportunities posed by the environment based on indicators for environmental and financial impact. Risks and opportunities are then prioritized by the Global Environmental Protection Promotion Committee and reported to the CSR Committee on major KPIs, opportunities and risks. Risks and opportunities identified as having a significant impact on business are presented to the Board of Directors, the highest decision-making organ of the NTT Group. In an effort to further integrate our management strategies with our environmental management, risks that may arise in future are managed by setting KPIs through 2020, while we also conduct an assessment of the opportunities in accordance with our management strategy.

The NTT Group's basic environmental management system (EMS) policy is to conduct management based on ISO 14000 or ISO 14001 standards, and our ISO 14001 employee coverage currently stands at 43.7%. To reduce the burden of obtaining and maintaining certification, including obtaining assurance from external screening organizations, we are developing an EMS based on internal audits for business sites with little environmental impact that undertake administrative operations in, for example, small-scale tenant offices. Many NTT Group employees are qualified as auditors, including lead auditors, and sharing the list of auditors within the Group has enabled us to conduct mutual internal audits and thereby optimize the cost of maintaining the EMS.

As part of its environmental management measures, the NTT Group also tracks the number of complaints related to the environment for each fiscal year. In fiscal 2015, no complaints related to environmental impact were submitted, handled or resolved through our systems for dealing with complaints.

▶ The NTT Group organization for promoting environmental protection
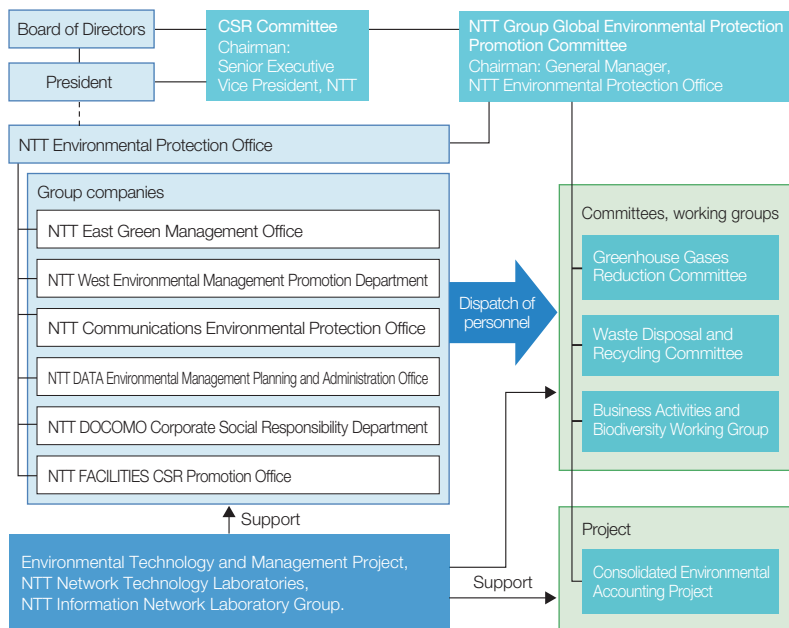
▶ Status of ISO 14001 certification acquisition (employee coverage)
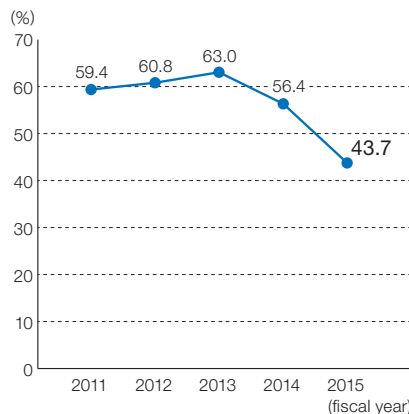
Formulation of various guidelines

NTT Group operations have the following four key attributes: (1) procurement of a great many products; (2) possession of many buildings; (3) high electricity consumption by telecommunications equipment; (4) in-house R&D facilities. To promote the effective reduction of our environmental impacts, we have drafted the following green guidelines that address each of these four key attributes.

· Guidelines for Green Procurement
· Green Design Guideline for Buildings
· Energy Efficiency Guidelines
· Green R&D Guidelines

In particular, the development and procurement of ICT devices with outstanding energy efficiency is essential for the effective reduction of the CO_2 emissions of the NTT Group.

To address this issue, we have been applying the NTT Group Energy Efficiency Guidelines since May 1, 2010. These guidelines give concrete form to the ICT device-related energy-saving stipulations of our Guidelines for Green Procurement and Green R&D Guidelines, and define our basic philosophy and device-specific targets with respect to the development and procurement of routers, servers and other ICT devices used in NTT Group.

Under the Energy Efficiency Guidelines, the NTT Group develops and procures ICT devices with consideration for energy-efficient performance in addition to function, performance and cost. We are also endeavoring to apply this initiative to the reduction of electricity consumption and concomitant CO_2 emissions related to customer communications.

NTT Group Energy Efficiency Guidelines
http://www.ntt.co.jp/kankyo/e/management/guideline/energy.html

Pursuing initiatives across the industry for energy-efficient ICT devices

NTT is a member of the Telecommunications Carrier Association (TCA) and in that capacity participates in the ICT Ecology Guideline Council[1], an organization that seeks to enhance the energy efficiency of telecommunications-related products. The council formulates guidelines on the criteria for evaluating the energy efficiency of telecommunications devices, and NTT has contributed to the technical aspect of this effort. Our Energy Efficiency Guidelines are based on the guidelines created by this council.

In August 2010, eight NTT Group companies[2] acquired the Eco ICT Logo on submitting self-evaluations of their CO_2 emissions reduction efforts, including the establishment of the Energy Efficiency Guidelines. The Eco ICT Logo was created by the ICT Ecology Guideline Council to signify efforts by telecommunications service providers to reduce CO_2 emissions.

We will continue to drive the development and procurement of energy-efficient equipment, and work with the ICT Ecology Guideline Council to help bring both vendors and carriers together to promote the industry-wide procurement of energy-efficient equipment. We will ensure that vendors are consistently provided with requirements for NTT Group specification processes, and include energy efficiency information disclosure and corporate stance on energy efficiency in our criteria for selecting vendors.

▶ Eco ICT Logo

*1 ICT Ecology Guideline Council:
An organization established jointly by the Telecommunications Carriers Association, Telecom Services Association, Japan Internet Providers Association, Communications and Information Network Association of Japan and ASP-SaaS-Cloud Consortium to drive industry-wide efforts to address the issue of global warming.

*2 The eight NTT Group companies are NTT, NTT East, NTT West, NTT Communications, NTT DOCOMO, NTT DATA, NTT FACILITIES, and NTT COMWARE.

ICT Ecology Guideline Council
http://www.ecoict.jp/eng/index.html

Compliance with environmental laws and regulations

The NTT Group complies with laws and regulations related to the environment, and works to reduce its impacts on the environment.

We have established a mechanism for dealing with cases of legal violations on a Group-wide basis. There were no violations in fiscal 2015.

Study sessions for disseminating our environmental vision

The NTT Group has been convening annual study sessions since fiscal 2002 for staff in charge of environmental issues at each Group company. The sessions facilitate the sharing of Group-wide activities for promoting environmental protection that are particularly focused on disseminating our environmental vision and exchanging information on the current status of our efforts and outstanding issues. We also report on the environmental initiatives of each Group company as well as the latest topics. These sessions are offered via teleconferencing system so that staff in remote areas can attend and ask questions on the spot.

In fiscal 2015, we invited a lecturer from the Mizuho Information & Research Institute to speak on the theme, "International Trends Associated with Global Warming" and held study sessions in Tokyo and Osaka focused on successful initiatives at Group companies; a total of 244 participants from 94 companies attended.

Study session for staff in charge of environmental issues
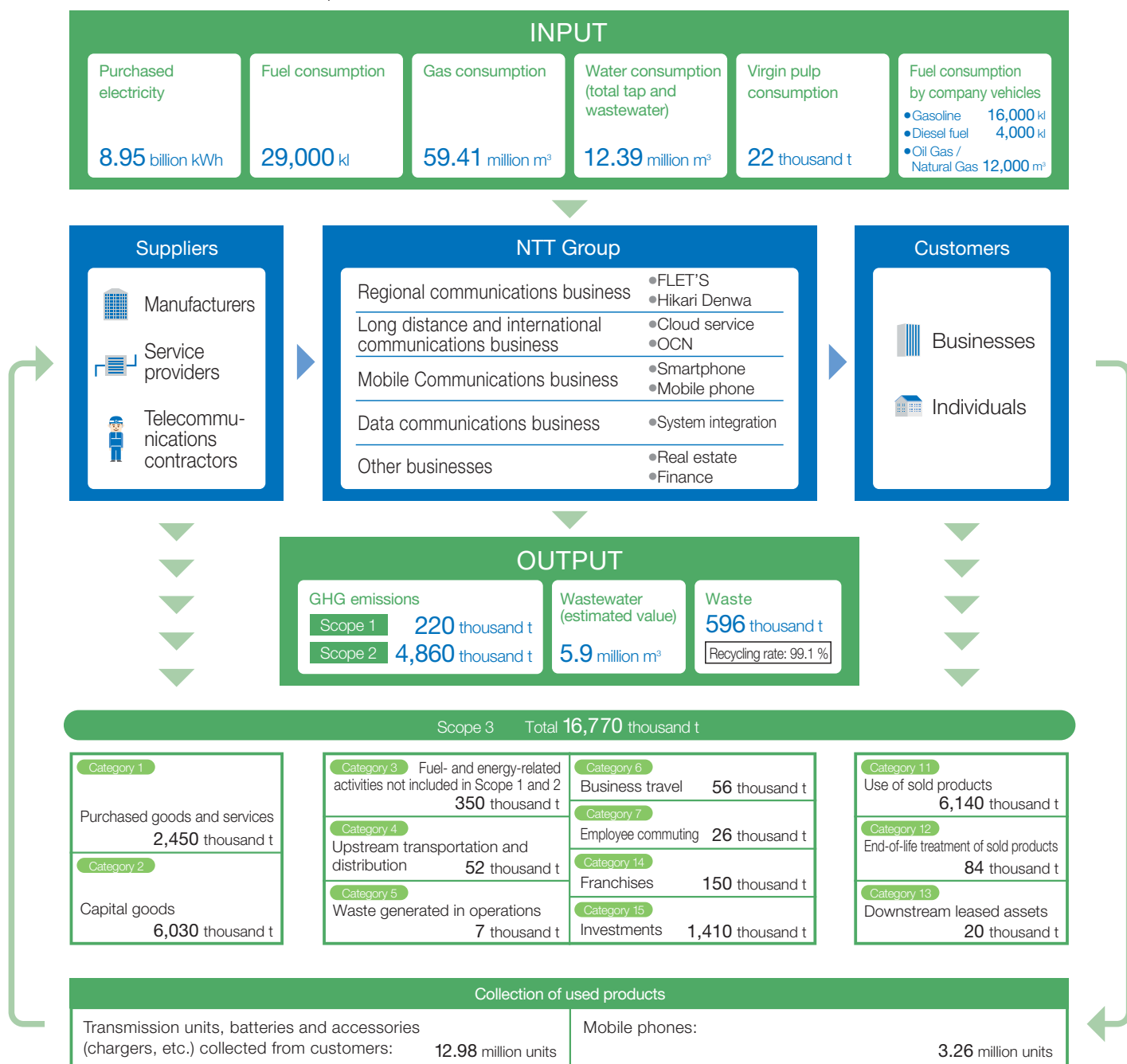
Environmental impacts overview

To minimize the environmental impacts of its business activities, the NTT Group endeavors to gather and analyze information on the resources and energy that it consumes, the processes involved in that consumption, and the resulting environmental impacts.

We endeavor to reduce our environmental footprint by quantitatively monitoring the environmental impacts of all processes of our business activities on a continuous basis, and by setting concrete numerical targets under THE GREEN VISION 2020 for reducing CO_2 emissions, waste and paper consumption.

As for greenhouse gases (GHG), the NTT Group's emissions for Scope 1, 2 and 3 total 21.85 million tons. Of the 5.08 million tons of Scope 1 and 2 GHG emissions, 5.07 million tons were CO_2 emissions, and approximately 95% of these CO_2 emissions were derived from the consumption of purchased electricity (8.95 billion kWh).

Of the 596,000 tons of waste generated, approximately 99% were recycled. We also collect communications equipment from customers, including 12.98 million units in fiscal 2015. In addition, we collected 3.26 million mobile phones.

▶ Material balance of the NTT Group

INPUT

Purchased electricity	Fuel consumption	Gas consumption	Water consumption (total tap and wastewater)	Virgin pulp consumption	Fuel consumption by company vehicles
8.95 billion kWh	29,000 kl	59.41 million m³	12.39 million m³	22 thousand t	Gasoline 16,000 kl; Diesel fuel 4,000 kl; Oil Gas / Natural Gas 12,000 m³

Suppliers
- Manufacturers
- Service providers
- Telecommunications contractors

NTT Group
- Regional communications business — FLET'S, Hikari Denwa
- Long distance and international communications business — Cloud service, OCN
- Mobile Communications business — Smartphone, Mobile phone
- Data communications business — System integration
- Other businesses — Real estate, Finance

Customers
- Businesses
- Individuals

OUTPUT

GHG emissions	Wastewater (estimated value)	Waste
Scope 1: 220 thousand t; Scope 2: 4,860 thousand t	5.9 million m³	596 thousand t; Recycling rate: 99.1 %

Scope 3   Total 16,770 thousand t

- Category 1: Purchased goods and services — 2,450 thousand t
- Category 2: Capital goods — 6,030 thousand t
- Category 3: Fuel- and energy-related activities not included in Scope 1 and 2 — 350 thousand t
- Category 4: Upstream transportation and distribution — 52 thousand t
- Category 5: Waste generated in operations — 7 thousand t
- Category 6: Business travel — 56 thousand t
- Category 7: Employee commuting — 26 thousand t
- Category 14: Franchises — 150 thousand t
- Category 15: Investments — 1,410 thousand t
- Category 11: Use of sold products — 6,140 thousand t
- Category 12: End-of-life treatment of sold products — 84 thousand t
- Category 13: Downstream leased assets — 20 thousand t

Collection of used products

Transmission units, batteries and accessories (chargers, etc.) collected from customers: 12.98 million units	Mobile phones: 3.26 million units

Environmental accounting

The NTT Group introduced environmental accounting in fiscal 2001 to boost the efficiency and effectiveness of its environmental conservation efforts by quantitatively determining both the costs and benefits of environmental conservation programs undertaken as part of its business activities.

Despite a rise in pollution prevention costs in fiscal 2015 for the appropriate disposal of some equipment containing PCB, environment-related R&D investment and costs decreased. As a result, both environmental investment and costs fell compared to fiscal 2014.

With regard to economic benefits, further reductions were achieved in electricity costs due to energy conservation and in the cost of new purchases due to reuse of decommissioned communications equipment. However, reductions from reuse decreased as device upgrades led to a significant decline in the reuse of communications devices and thus economic benefits also fell from fiscal 2014.

Moving forward, we aim to implement even more efficient and effective environmental management through continued quantitative monitoring and analysis of our environmental activities.

Category	Environmental investment (millions of yen)		Environmental costs (millions of yen)		Economic benefits (millions of yen)			Material benefits (thousands of tons)		
	Fiscal 2014	Fiscal 2015	Fiscal 2014	Fiscal 2015		Fiscal 2014	Fiscal 2015		Fiscal 2014	Fiscal 2015
(1) Business area costs	13,100	12,040	17,630	18,700						
Pollution prevention costs	100	130	200	4010						
Global environmental conservation costs	12,780	11,760	4,190	4,040	Cost reductions through energy conservation	7,090	8,710	Reductions in CO_2 emissions through energy conservation measures	514	583
Resource recycling costs	210	150	13,240	10,640	Revenues from sale of recyclable waste (decommissioned communications equipment, etc.)	6,340	6,200	Recycled decommissioned communications equipment	312	231
					Waste disposal cost reductions through recycling	620	280	Recycled construction waste	252	156
					Cost reductions through reuse of decommissioned communications equipment	12,660	16,420	Recycled civil engineering works waste	135	157
					Cost reductions through reuse of communications devices	16,520	10,520	Recycled office waste	35	37
					Cost reductions through reusing office waste materials	0	0	Other recycled items	10	9
(2) Upstream/downstream costs	20	120	6,720	8,230	Revenues from sale of recyclable waste (subscriber communications devices, etc.)	500	450	Number of communications devices collected from customers (thousands)	14,888	12,983
					Cost reductions in postal expenses through computerization	16,480	17,140			
(3) Administrative costs	100	40	5,990	5,040						
(4) R&D costs	3,790	1,920	10,950	7,610						
(5) Citizenship activity costs	0	0	70	70						
(6) Environmental remediation costs	0	0	100	0						
Total	17,010	14,110	41,460	39,650	Total	60,210	59,720			

● 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 (144 companies in total).

● Applicable period

· Data for fiscal 2015 is from April 1, 2014 to March 31, 2015.
· Data for fiscal 2014 is from April 1, 2013 to March 31, 2014.

● 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 benefits in monetary units and physical quantity.

· Environmental conservation costs are tabulated separately as environmental investments and environmental costs. From fiscal 2004, depreciation costs are included in environmental costs. Personnel costs are also included in environmental costs.

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

Creating a Low Carbon Society

CO_2 emissions 5.07 million tons

Why this is a CSR Priority Activity for the NTT Group

Reducing CO_2 and other greenhouse gas emissions, which are known causes of climate change, is an important issue for society. In the ICT field, the advancement of technologies brings concerns for the rise in electricity consumption that accompanies the need for processing larger volumes of data and cooling massive servers. For this reason, ICT companies are increasingly being expected to make their operations more energy efficient in order to lower emissions. Conversely, ICT also possesses the potential to help realize lower society-wide energy consumption and CO_2 emissions through means such as improving energy and distribution efficiency.

Realizing this, the NTT Group is going beyond simply reducing the amount of CO_2 emitted by its business activities. By actively developing ICT services that help lower the environmental footprint of society and promoting the spread of these services, we are working to contribute to the creation of a low carbon society.

Risks and opportunities related to climate change

Risks driven by changes in regulations

● Brief description of the most significant risk and methods used to manage this risk

There is the risk of increased operating costs due to rise in electricity prices caused by introduction of feed-in tariff (FIT) system. The Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities, which came into force on July 1, 2012, stipulates that costs due to FIT will be recovered from users (through a surcharge on electricity charges). This system has increased the risk that electricity prices will increase. Since the NTT Group uses more than 8 billion kWh of electricity each year to operate its telecommunications facilities in Japan, this system poses the risk of severe financial impact. This risk has materialized as some electricity companies have increased prices due to the FIT system. In response to electricity price rises we have devised ways of minimizing cost increases by implementing measures to reduce electricity usage and altering our methods of purchasing electricity. Specifically, we have reduced electricity usage by focusing on telecommunications facilities, which account for most of the NTT Group's electricity usage, and streamlining our operations by consolidating facilities and upgrading to equipment with higher levels of energy efficiency (or bringing upgrades forward) and enhancing air conditioning and power supply equipment by introducing air conditioner optimal control systems and direct current power feeding systems. Introducing systems to analyze electricity usage has enabled us to alter electricity purchasing by concluding more suitable contracts with energy suppliers to reduce actual electricity charges. As a result of the measures outlined above, in fiscal 2015 we reduced electricity usage by 1.08 billion kWh.

● Estimated financial implication of the risk before taking action

If the total tax burden resulting from the FIT system is passed on in electricity charges, we estimate that these charges will increase by between 1.0 and 2.5 yen/kWh. In this case, the NTT Group will incur an additional financial burden of between 9.0 and 22.5 billion yen a year (this estimate is based on actual electricity usage in fiscal 2015 of 8.95 billion kWh).

● Estimated costs of these actions

In fiscal 2015, we invested approximately 11.8 billion yen into measures for reducing CO_2 emissions generated by electricity use.

Risks driven by change in physical climate parameters or other climate-change related developments

● Description of the risk and methods used to manage this risk

There is the risk of higher operating costs due to increases in electricity consumption at telecommunications facilities caused by rising temperatures. If the ambient temperature of the equipment, used to provide ICT services in the NTT Group's telecommunications facilities and data centers, exceeds the required temperature range, operating system shutdowns and other system failures may jeopardize continuity of telecommunications services. External temperature has a major impact on the energy efficiency of air conditioners that maintain ambient temperature of the equipment; if external temperatures are high, there is a risk that energy efficiency will decline, energy consumption will increase, and electricity costs will rise. The NTT Group has taken the following steps to improve air conditioning energy efficiency at its telecommunications facilities and data centers.

The air conditioner optimal control systems allow for optimal air conditioning and energy saving by automatically selecting and operating the equipment in response to temperature fluctuations detected by wireless temperature sensor modules installed inside the data centers and connected to the air conditioners.

We also seek to maintain appropriate temperature settings for air conditioners by installing diffusers and blank panels to release exhaust heat from ICT devices and by efficiently laying out double flooring to improve airflow by preventing hotspots. As a result, enhanced airflow reduces hotspots and allows for presetting air conditioners at higher temperatures, thereby saving energy.

● Estimated financial implication of the risk before taking action

We estimate that a 1°C rise in ambient temperature results in increasing electricity charges between 0.1 and 0.3 yen/kWh. In this case, the NTT Group will incur an additional financial burden of between 0.9 and 2.7 billion yen a year (this estimate is based on actual electricity usage in fiscal 2015 of 8.95 billion kWh).

● Estimated costs of these actions

In fiscal 2015, we invested 11.8 billion yen into measures for reducing CO_2 emissions generated by electricity use.

Opportunities arising from climate change

● Description of opportunities

Damage from such natural disasters as heavy rains and more frequent typhoons is becoming more common as the climate changes, and there is a growing risk of water and lightning damage and power outages, which also cause extensive damage when they occur. As these risks increase, many companies need to take measures to ensure that if emergency situations such as disasters occur in the future, the organizations must be able to continue important operations and restore order quickly. The NTT Group has developed a solution business that leverages its reliable track record and expertise in business continuity planning gained over 100 years of protecting and sustaining Japan's telecommunications, which cannot be allowed to be interrupted in the event of a disaster, and considers this to be an exceptional opportunity.

The NTT Group is able to develop a business for business continuity solutions across a wide range of fields, including the cloud technology from NTT Communications, NTT Data, NTT Comware and Dimension Data, and the technology relating to buildings and power from NTT Facilities. In particular, NTT Facilities has the DC&BCP (Data Center and Business Continuity Plan) Project Headquarters and has been making substantial efforts toward winning new business.

● Annual financial positive implications of this opportunity

In Japan the scale of the BCP and disaster prevention solutions market has been growing at an annual pace of 2.5% and is projected to reach 223.4 billion yen by fiscal 2019. Capturing 10% of this market share would increase our revenues by 22.3 billion yen.

● Annual costs associated with developing this opportunity

NTT FACILIITES is developing its BCP business by assigning about 40 dedicated staff to the DC&BCP Project Headquarters. We estimate the annual costs of maintaining dedicated staff and hiring outside consultants to be in excess of 750 million yen.

Targets and results for creating a low carbon society

Creating a low carbon society is one of the environmental themes of the NTT Group, and we have set ourselves the target of curbing our emissions in Japan by at least 2 million t-CO_2 from the projected 2020 level so as to reduce total emissions by at least 15% (600 thousand t-CO_2) from the fiscal 2009 level.

Because the emission coefficient maintained a worse value, our CO_2 emissions for fiscal 2015 were 5.07 million t-CO_2, a year-on-year increase of about 220 thousand t-CO_2.

▶ CO_2 emissions from business operations

Use of electricity　Use of gas and fuel
Company vehicle operation　Use of heat
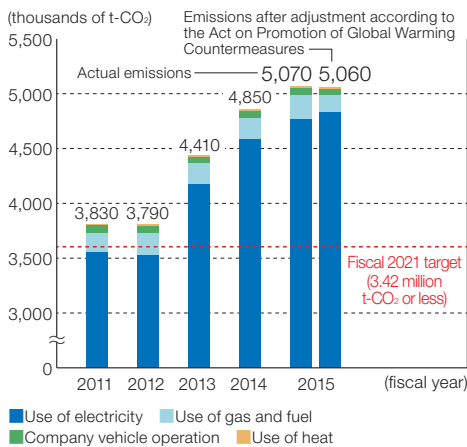
▶ Breakdown of emissions from business operations

Fiscal year	2011	2012	2013	2014	2015
Total CO_2 emissions (thousands of t-CO_2)	3,830	3,790	4,410	4,850	5,070
Electric power (billion kWh)	8.71	8.66	8.56	8.52	8.95
Emission coefficient (kg/kWh)*	0.409	0.408	0.488	0.541	0.540
CO_2 attributable to electricity consumption (thousands of t-CO_2)	3,560	3,530	4,170	4,610	4,840
CO_2 attributable to gas and fuel consumption (thousands of t-CO_2)	177	177	164	164	159
CO_2 attributable to company vehicles (thousands of t-CO_2)	76	66	59	55	47
CO_2 attributable to heating (thousands of t-CO_2)	14	17	16	20	26

* Weighted average of emission coefficients announced annually by each power company weighted according to the amount of each company's power used by the NTT Group

▶ Greenhouse gas emissions other than CO_2 emissions (CO_2 emissions-equivalent)

CH₄　N₂O　HFC　PFC　SF₆

▶ Electric power consumption

Power purchased　Renewable energy generated
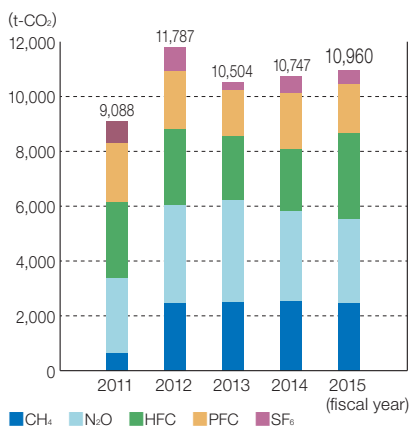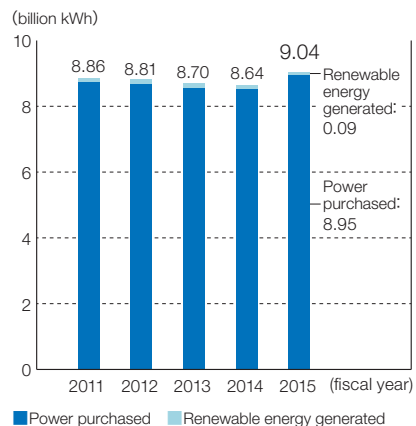
Policy on energy intensity

Considering the broad range of business areas in which the NTT Group is involved, we have determined that it would be impossible to set a common benchmark for energy intensity and therefore do not set or manage such benchmarks for energy intensity or CO_2 emissions.

Scope 3 (indirect GHG emissions generated over the whole value chain) Categories

In recent years, businesses are increasingly expected to disclose indirect GHG emissions generated over their whole value chain (Scope 3) in addition to emissions generated directly from fuel use, etc., (Scope 1) and emissions generated indirectly in conjunction with electrical and other energy use, etc., (Scope 2).

From our fiscal 2014 report, we started to calculate and disclose emissions from all 15 Scope 3 categories, the first telecommunications carrier in Japan to do so. We based our calculations on the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions
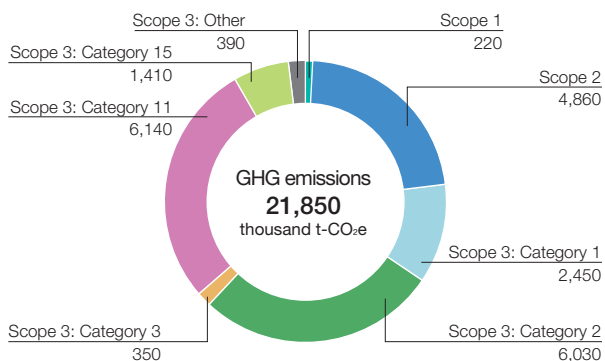
Throughout the Supply Chain (Ver. 2.1).

Particularly for Categories 2 and 11, for which emissions quantities are large, we have been promoting the introduction of devices with low environmental impact in manufacturing under our Guidelines for Green Procurement and encouraging our customers to use energy-saving devices.

We will endeavor to improve the precision of our data collection while continuing to calculate and disclose Scope 3 emissions.

▶ Fiscal 2015 Scope 3 emissions

Scope, category	Scope and method of calculation	Emissions (thousands of t-CO_2e)
Scope 1 (direct emissions)	–	220
Scope 2 (indirect emissions from energy use)	–	4,860
Scope 3 (indirect emissions from the value chain)		16,770
Category 1: Purchased goods and services	Calculation based on the number of units and monetary value of purchases of devices and services sold to customers	2,450
Category 2: Capital goods	Calculation based on capital investment costs on communications and other equipment	6,030
Category 3: Fuel- and energy-related activities not included in Scope 1 and 2	Calculation based on annual consumption by energy type	350
Category 4: Upstream transportation and distribution	Calculation based on weight and distance, or number of devices with regard to the transport of devices sold to customers	52
Category 5: Waste generated in operations	Calculation based on volume of waste by type	7
Category 6: Business travel	Calculation based on paid expenses for business travel	56
Category 7: Employee commuting	Calculation based on paid expenses for employee commuting	26
Category 8: Upstream leased assets[1]		Excluded from calculation[1]
Category 9: Downstream transportation and distribution[2]		Excluded from calculation[2]
Category 10: Processing of sold products[3]		Excluded from calculation[3]
Category 11: Use of sold products	Calculation based on number of service subscriptions, number of devices and monetary value of communications services and devices used by customers	6,140
Category 12: End-of-life treatment of sold products	Calculation based on number of service subscriptions, number of devices and monetary value of communications devices used by customers	84
Category 13: Downstream leased assets	Calculation based on average use of leased assets	20
Category 14: Franchises	Calculation based on total floor area of sales franchises	150
Category 15: Investments	Calculation based on Scope 1 and 2 emissions of investees in proportion to shareholding	1,410

Scope 3: Other 390
Scope 3: Category 15 1,410
Scope 3: Category 11 6,140
Scope 3: Category 3 350
GHG emissions 21,850 thousand t-CO_2e
Scope 1 220
Scope 2 4,860
Scope 3: Category 1 2,450
Scope 3: Category 2 6,030

*1 We have excluded Category 8 (upstream leased assets) from the calculation because the fuel and electricity used by leased assets is included in Scope 1 and 2 calculations.
*2 We have excluded Category 9 (downstream transportation and distribution) from the calculation because these emissions are almost entirely from our own transportation and use in our own facilities (included in Scope 1 and 2) or from outsourced transportation (included in Category 4).
*3 We have excluded Category 10 (processing of sold products) from the calculation because our main businesses involve no processing of intermediate products.

CO₂ emissions at overseas Group companies

Dimension Data has developed and operates an IT infrastructure called the Sustainability Management System, which has enabled it to centralize calculations of CO_2 emissions, including some estimated data, for the entire Group.

Dimension Data has also calculated estimates through fiscal 2019. It estimates CO_2 emissions of 1.0 million t-CO_2 from its business operations over the next five years due to business expansion and development of ITaaS services. Meanwhile, we project that our customers can reduce their CO_2 emissions by 2.8 million t-CO_2 over the next five years by using the IT services that Dimension Data provides.

Based on these projections, the target set by Dimension Data is to reduce CO_2 emissions across society by 1.8 million t-CO_2 over the next five years. The company calculated its CO_2 emissions by seeking technical support and consultation from the Carbon Trust, Carbon Smart and CISCO.

▶ CO₂ emissions of Dimension Data (results of year ended September 2014)
(tCO₂)

Category	CO₂ emissions	Ratio (%)
Scope 1	10,217	8.3%
Scope 2	89,497	72.6%
Scope 3	23,511	19.1%
Total	123,225	100%

▶ CO₂ emissions of Dimension Data (estimates for year ending September 2018*)
(tCO₂)

Category	CO₂ emissions	Ratio (%)
Scope 1	18,669	6%
Scope 2	161,136	50%
Scope 3	144,753	45%
Total	324,558	100%

* Dimension Data's fiscal year begins in October and ends in September of the following year.

● Carbon Trust

Carbon Trust is a world-leading organisation helping businesses, governments and the public sector to accelerate the move to a sustainable, low carbon economy through carbon reduction, energy-saving strategies and commercialising low carbon technologies.

● Carbon Smart

Carbon Smart have been providing sustainability consultancy services since 2007. They deliver innovative and practical solutions to a variety of organisations, each with their own sustainability challenges and objectives.

● CISCO

Cisco (NASDAQ: CSCO) is the worldwide leader in IT that helps companies seize the opportunities of tomorrow by proving that amazing things can happen when you connect the previously unconnected.

Third-party verification of greenhouse gas emissions

The NTT Group has received assurance from Sustainability Accounting Co., Ltd. on actual emissions for fiscal 2014 with regard to CO_2 emissions, a top priority in terms of materiality in the environmental area and a subject for which assurance of reliability is required by third parties.

Group companies also receive separate third-party verification for their greenhouse gas emissions.

・NTT DOCOMO
Sustainability Report 2015: Creation of a Low-Carbon Society (page 95)
・NTT DATA
Sustainability Report 2015: Third-party verification of greenhouse gas emissions (page 47).

Initiatives for creating a low carbon society

The world's first: UL certification for socket-outlet and plug for 10A 400V class DC power supply system

NTTFACILITIES

In the growing ICT field, such as transmission facilities and/or data centers, an innovative technology is expected to contribute to electricity-savings and reduction of environmental load. The high-voltage direct current (HVDC) power supply system realizes energy savings by reducing electricity loss by conversion from commercial power supply (AC) to electricity for ICT devices (DC). Through the collaborative work of Group companies, the NTT Group embarked early on research and development of this HVDC power supply system before the rest of the world.

The HVDC power supply system is required to ensure safe operation such as the prevention of arc discharge, which occurs by current interruption and electric shock. To meet these requirements, NTT FACILITIES and Fujitsu Component Ltd. jointly developed a socket-outlet and plug for the 400V class DC power supply system, which NTT FACILITIES began selling in November 2010.

In recognition of its safety functions, the socket-outlet and plug for the system became the first in the world to obtain certification of the UL 2695 safety standard[1] from Underwriters Laboratories Inc. (UL)[2], the best known independent international test and certification organization in the U.S. With this UL listing, further introductions of 400V class DC power supply systems are expected in North America as well as in other counties.

To encourage the dissemination of this energy-saving, environmentally friendly HVDC power supply system, we are actively seeking certification of IEC international standardization, currently in the draft stage for our socket-outlet and plug, and plan to work on obtaining European safety standards in the next phase. We will continue to develop and supply safe products for HVDC power supply systems.

Socket-outlet (left) and plug (right) for DC power distribution

[1] UL: Underwriters Laboratories Inc.
UL is an independent safety science organization established in 1894 in the U.S. that is dedicated to the public safety. With the core of development of various products' standards and provision of tests and authentications for those standards, they contribute for ensuring safety. The UL mark is adopted by many states and autonomies in the U.S. and consumers recognize it as a sign of trust and high quality.
WEB http://www.ul.com/

[2] UL 2695 is titled DC RATED ATTACHMENT PLUGS AND OUTLET DEVICES INTENDED FOR USE WITH INFORMATION TECHNOLOGY AND TELECOMMUNICATION EQUIPMENT INSTALLED IN RESTRICTED ACCESS LOCATIONS, covering required specifications for socket-outlets and plugs for DC power supply systems.

Energy-saving data centers

NTT Group

NTT Communications offers data centers with a PUE* of less than 1.2, and NTT COMWARE offers data centers with a PUE of less than 1.1, which are at the top worldwide for energy efficiency. We are striving to enhance PUE for our other data centers as well, introducing five-star equipment with the highest level of energy efficiency in accordance with the NTT Group Energy Efficiency Guidelines. NTT FACILITIES has been developing technology for reducing the electricity consumption of data centers by incorporating higher efficiency technology for electrical power units and air conditioning systems as well as central air conditioning control systems.

We are also operating some data centers using renewable energy and have installed a 5kW solar power generating system at NTT East's Komagome Data Center. Solar power systems have also been set up at NTT East's Chiba Data Center, NTT West's Osaka Data Center, NTT Communications' No. 2, No. 4 and No. 5 data centers and the Takamatsu No. 2 Data Center, in an effort to promote energy savings at these facilities.

* Power Usage Effectiveness: PUE is calculated by dividing the total power consumption of a data center by the power consumption of the computing equipment it houses. It is a figure larger than 1, with higher efficiencies represented by values approaching 1.

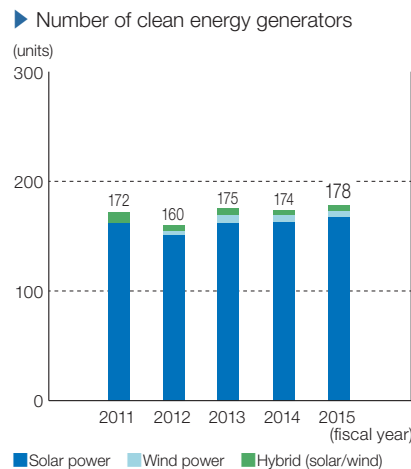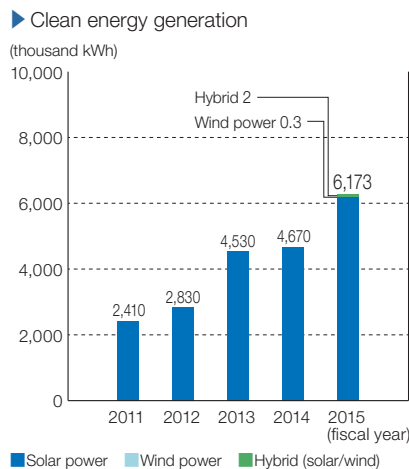## Group-wide TPR campaign to reduce electricity consumption

Over 90% of the CO_2 emissions created by NTT Group business operations are attributable to office and communications equipment power consumption. The NTT Group accordingly created a Group-wide energy conservation strategy called Total Power Revolution (TPR) in October 1997 to reduce its power consumption.

By promoting efficient energy management at buildings owned by NTT and installing energy-efficient electrical power units, air conditioning systems and telecommunications equipment, we managed to continue to reduce power consumption across the NTT Group by approximately 1.08 billion kWh from projected levels in fiscal 2015.

Use of clean energy

The NTT Group also engages in activities that use clean energy. As part of these activities, we have actively sought to install power generating systems using natural energy sources centered on solar power in order to meet our target of expanding total installed capacity to around 5 MW

by fiscal 2013. As a result, we were able to achieve our goal by expanding capacity to 5.1 MW by the end of fiscal 2013. We are resolved to continue our Group-wide effort to actively pursue clean energy.

▶ Clean energy generation
(thousand kWh)

Solar power ■ Wind power ■ Hybrid (solar/wind)

▶ Number of clean energy generators
(units)

Solar power ■ Wind power ■ Hybrid (solar/wind)

Increasing low-emission company vehicles

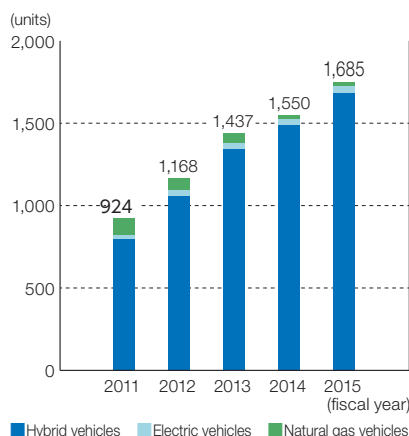The NTT Group is gradually shifting to low-emission company vehicles.

The NTT East Group replaced 100% of its fleet – with the exception of specialized construction vehicles – with low-emission vehicles in fiscal 2014. It has continued to reduce the number of vehicles in its fleet by promoting initiatives such as car sharing and to encourage eco-driving by holding training sessions in an ongoing effort to reduce its CO_2 emissions.

The NTT West Group is seeking to reduce CO_2 emissions from its company vehicles by upgrading its fleet to fuel efficient vehicles and low-emission vehicles and by

engaging in an eco-drive campaign. It is also promoting shared use of company vehicles on a building-by-building basis to optimize the allocation of its fleet. As of the end of fiscal 2015, the number of its fleet has decreased by approximately 500 cars to approximately 13,000.

NTT Communications intends to raise the ratio of low-emission vehicles in its fleet to 100% by 2016, while NTT FACILITIES has sought to reduce CO_2 emissions by revising its guidelines for low-emission vehicles in 2011 to promote the selection of: (1) electric vehicles, (2) hybrid vehicles, or (3) other vehicles certified for fuel efficiency and low emissions, in that order, when considering vehicle type.

▶ Number of low-emission company vehicles

(units)

Hybrid vehicles | Electric vehicles | Natural gas vehicles

▶ Fuel consumption by company vehicles

(kiloliters)

Gasoline consumption | Diesel consumption
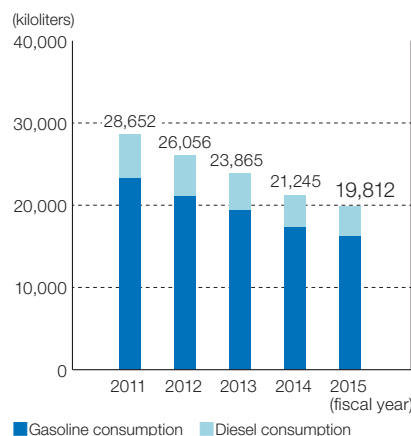
Initiatives for protecting the ozone layer

Halon contained in widely used gaseous fire extinguishing agents and fluorocarbons used in air conditioners and refrigerators are specified as ozone-depleting substances. The NTT Group has sought to avoid new construction and the expansion of facilities that use specified halon or

fluorocarbons (chlorofluorocarbons (CFCs)) and to promote the shift to alternative facilities. We also manage centrifugal refrigerators using CFCs to ensure the number of units do not rise.
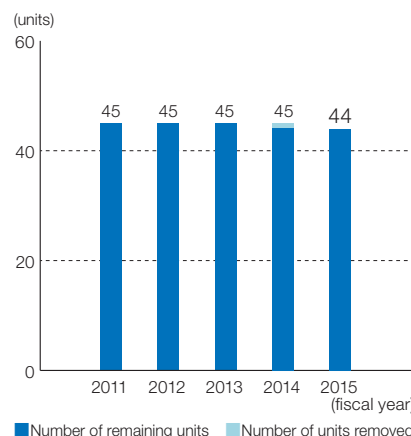
▶ Amount of specified halon held for fire extinguishing equipment

(tons)
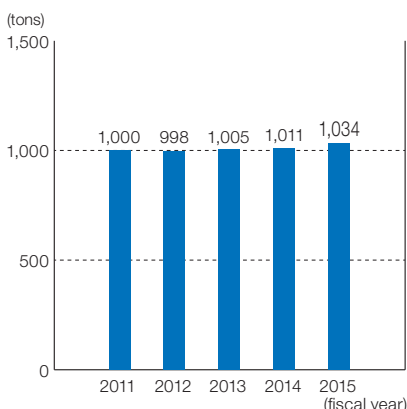
▶ Amount of specified chlorofluorocarbons used in air conditioning equipment

(tons)

Amount in use | Amount in storage
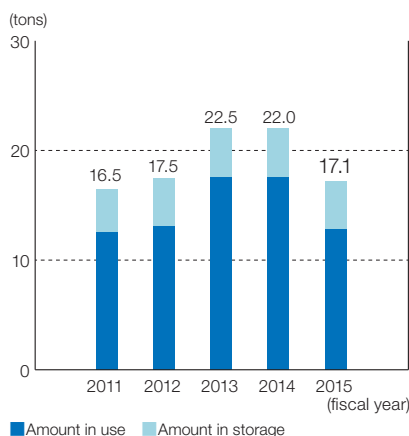
▶ Number of centrifugal chillers (that use CFCs) and number of units removed

(units)

Number of remaining units | Number of units removed

Implementing Cool Biz and Warm Biz

Every company of the NTT Group engages in the Cool Biz campaign during the summer and the Warm Biz campaign in the winter as part of their employee participation initiatives against global warming.

Cool Biz is intended to reduce electricity consumed by air conditioning during the summer by maintaining room temperatures at 28°C and adopting the Cool Biz style of wearing no tie or jacket at work. Warm Biz is a similar initiative for reducing electricity consumption from air conditioning during the winter.

In fiscal 2015, we maintained our efforts to prevent global warming and respond to the limited supply of domestic electricity caused by the Great East Japan Earthquake by undertaking electricity saving measures for the summer season, from May 7 to October 31, during which we engaged in Cool Biz activities in the office while actively seeking to reduce the use of electricity. Similarly, during the winter season, from December 1 to March 31, we engaged in Warm Biz activities in combination with electricity-saving measures.

CO$_2$ emissions reduction benefits derived from ICT

In fiscal 2015, in addition to including reductions from network services for corporate customers* in the calculations, new services such as smartphones and video streaming expanded at an even faster pace compared to fiscal 2014, raising reduction benefits with each year. As a result, services provided by the NTT Group are estimated to have reduced 49.28 million t-CO$_2$ emissions across society in fiscal 2015.

The NTT Group will continue to leverage ICT in various fields to reduce our society's environmental footprint.

* Analysis of the status of use of ICT services by corporate customers has enabled us to start calculating from fiscal 2015.

Calculation method
Green by ICT benefits were calculated using the Telecommunication Technology Committee's Methodology for the Assessment of the Environmental Impact of Information and Communication Technology Goods, Networks and Services (JT-L1410) and Life Cycle Assessment Society of Japan's Guideline for Information and Communication Technology (ICT) Eco-Efficiency Evaluation. The results of an online questionnaire survey regarding average ICT service usage time and usage of different ICT services were also used.

Environmental labeling system for solutions

The NTT Group has been implementing an environmental labeling system for solutions. This company-certified system we formulated in fiscal 2010 enables us to communicate the environmental contributions made by ICT to customers in a manner that is easy to understand, and to promote Group environmental efforts.

Under the system, ICT solutions offered by Group companies that provide a certain level of environmental load reduction effects are certified as environmentally-friendly solutions and the companies are allowed to display the environmental label designated by the NTT Group. A solution must meet the criteria of demonstrating a reduction rate of over 15% based on a quantitative assessment of the reduced volume of CO$_2$ emissions.

Certified solutions and their assessment results are published in the Environmental Labeling System for Solutions section under NTT Group Environmental Protection Activities on the official NTT website. In fiscal 2015, three solutions were certified as environmentally friendly, bringing the total number of certified solutions to 43.

▶ Environmental Solution Label

"Cycle Sharing" by Utilizing ICT

**docomo
bike share**

Emissions of CO_2 can be reduced significantly by shifting the mode of transport from automobiles and trains to bicycles, which are gaining attention as environmentally-friendly vehicles. In Europe, which is ahead of the curve in sustainable city development, a bicycle sharing joint venture between the French government and private sector has been established in Paris and other major cities, which is expected to contribute to reducing CO_2 emissions as well as alleviate traffic congestion.

In Japan, Docomo Bike Share, Inc., a company that offers a bicycle sharing system, was established in February 2015. The new company was set up as an environment and ecology business led by NTT DOCOMO and harnessing the management resources of NTT Urban Development, NTT DATA and NTT FACILITIES.

The biggest difference between this system and conventional bike rental businesses is that it allows people to hire and return the bikes at any bicycle port. Motor-assisted bicycles come with communications equipment that enables the user to confirm availability and reserve a bicycle from the membership information site. They can also hire a bike on the spot by passing their IC card, mobile phone or smartphone over the card reader mounted on the bicycle, thus offering the convenience of renting a bike even for short distance travel.

In yet another characteristic feature, the use of ICT has eliminated the need for large-scale construction of bicycle ports, which had been a problem with conventional systems, thereby saving space. ICT has also boosted management efficiency by enabling real-time confirmation of data such as location information and remaining battery charge on bicycles.

Looking ahead, we will create new value-added services based on usage analysis data toward reducing CO_2 emissions and revitalizing regions and tourism. We also hope to collaborate with public transport systems to support the lifestyle of each customer and develop an infrastructure for shared mobility that extends beyond bicycles.

* A bicycle port is a general term for bicycle parking spaces or racks.

Features of the cycle sharing system of DoCoMo Bike Share

Bicycles for sharing parked at a port

CO₂ emissions reduction benefits derived from ICT at overseas Group companies

dimension
data

Dimension Data has set a target for reducing CO_2 emissions across society by 1.8 million t-CO_2 over the next five years by encouraging customers to use ICT. To meet this target, it is proposing the following three services as concrete ways in which customers can utilize ICT (please refer to page 39).

1. Use of video conferencing

Approximately 20,000 km of unnecessary travel can be eliminated each year by using conventional video conferencing systems. It is also possible to cut back on an average 1,000,000 km of travel annually by using immersive telepresence* conference rooms.

* System that simulates the perception of a conference involving participants from multiple locations actually taking place in a single space.

2. Active introduction of cloud computing

We believe that approximately 4,000 kWh of energy consumption per year can be saved by shifting computer resources from customers' data centers to a managed cloud platform and actively embracing cloud computing.

3. Innovation

We will seek to reduce our own CO_2 emissions and to provide innovative services that reduce our customers' CO_2 emissions through innovations that include virtual data centers, smart buildings and the construction of energy management networks.

Implementing Closed Loop Recycling

Final disposal rate for all waste materials 0.88 %

Total paper consumption 50,000 tons

Why this is a CSR Priority Activity for the NTT Group

Although our one-way society of mass production, consumption and disposal has brought affluence and convenience to our lives, it has also raised various problems such as illegal dumping and depletion of natural resources. To resolve these issues we must first review how companies manage their businesses as well as our social and economic systems, and shift to a closed loop society.

At the NTT Group, we practice the 3Rs (reduce, reuse, recycle), working to reduce the amount of materials consumed by our business activities and reuse or recycle the resources that are consumed. At the same time we are utilizing ICT to create systems for implementing closed loop recycling in various industrial fields and to spread the 3Rs throughout society with the aim of helping it close the loop.
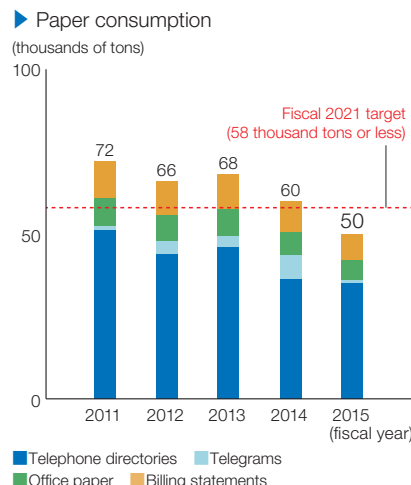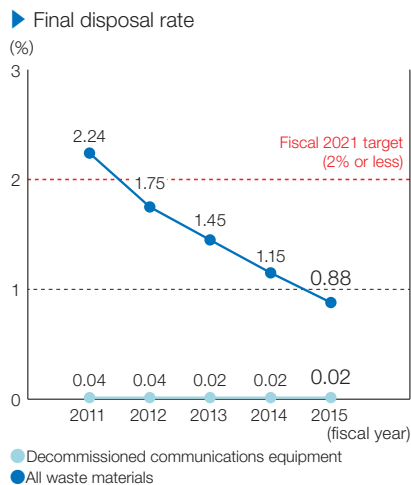
Targets and results for implementing closed loop recycling

The NTT Group has made the implementation of closed loop recycling one of our environmental themes and has set the targets of 2% or less as its final disposal rate for all waste materials and of continued achievement of zero emissions* for decommissioned communications equipment.
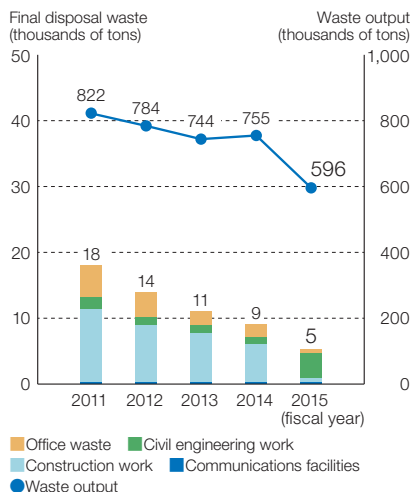
In fiscal 2015, our final disposal rate was 0.88% for all waste materials and 0.02% for decommissioned communications equipment, which means that we achieved zero emissions for the eleventh consecutive year.

Our target for reducing paper consumption was a reduction of 30% or more by fiscal 2021 compared to fiscal 2009 (to a total of 58 thousand tons or less). Our total paper consumption for fiscal 2015 was 50 thousand tons.

* Zero emissions:
A concept proposed by the United Nations University that calls for reusing all waste materials and by-products from industrial activity as resource inputs for other types of production in order to eliminate waste on a lifecycle basis. The NTT Group defines zero emission conditions as having a final disposal rate of 1% or less.

▶ Final disposal rate
(%)

Fiscal 2021 target
(2% or less)

2.24
1.75
1.45
1.15
0.88

0.04 0.04 0.02 0.02 0.02

2011 2012 2013 2014 2015
(fiscal year)

● Decommissioned communications equipment
● All waste materials

▶ Paper consumption
(thousands of tons)

Fiscal 2021 target
(58 thousand tons or less)

72 66 68 60 50

2011 2012 2013 2014 2015
(fiscal year)

■ Telephone directories ■ Telegrams
■ Office paper ■ Billing statements

▶ Waste output and final disposal waste

Final disposal waste (thousands of tons) — left axis
Waste output (thousands of tons) — right axis

Waste output line: 822, 784, 744, 755, 596

Bar values: 18, 14, 11, 9, 5

2011 2012 2013 2014 2015 (fiscal year)

- Office waste
- Civil engineering work
- Construction work
- Communications facilities
- Waste output

▶ Virgin pulp consumption

(thousands of tons)

16, 17, 22, 28, 22

2011 2012 2013 2014 2015 (fiscal year)

- Telephone directories
- Telegrams
- Office paper
- Billing statements

▶ Paper consumption reductions from NTT Internet billing services

(millions) — left axis
(t) — right axis

Number of Internet billing service subscribers: 8.01, 9.84, 20.13, 21.07, 37.66

Paper consumption reductions: 1,330, 1,472, 2,222, 4,247, 5,488

2011 2012 2013 2014 2015 (fiscal year)

- Number of Internet billing service subscribers
- Paper consumption reductions
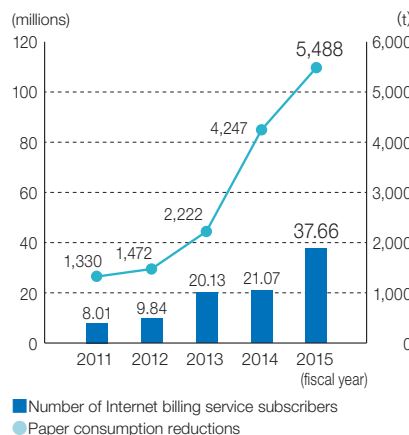
● Results of recycling, waste reduction and final disposal

Recycled decommissioned communications equipment	Recycled construction waste	Recycled civil engineering works waste	Recycled office waste	Others	Amount of waste reduced by incineration	Amount of landfill waste
231 thousand t	156 thousand t	157 thousand t	37 thousand t	9 thousand t	2 thousand t	5 thousand t

Recycling	590 thousand t
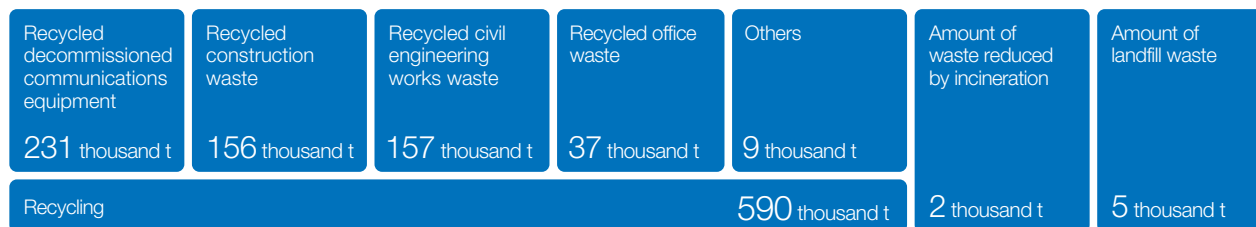
● Closed loop recycling of telephone directories

As for telephone directories, which account for approximately 70% of our total paper consumption, we established a closed loop recycling system in 1999 to collect old directories and reuse the paper for new ones.

Paper used for printing telephone directories: 35 thousand tons → New telephone directories delivered: 62.06 million books → Customers

Closed loop recycling of telephone directories

Paper manufacturers ← Collection of used paper ← Customers
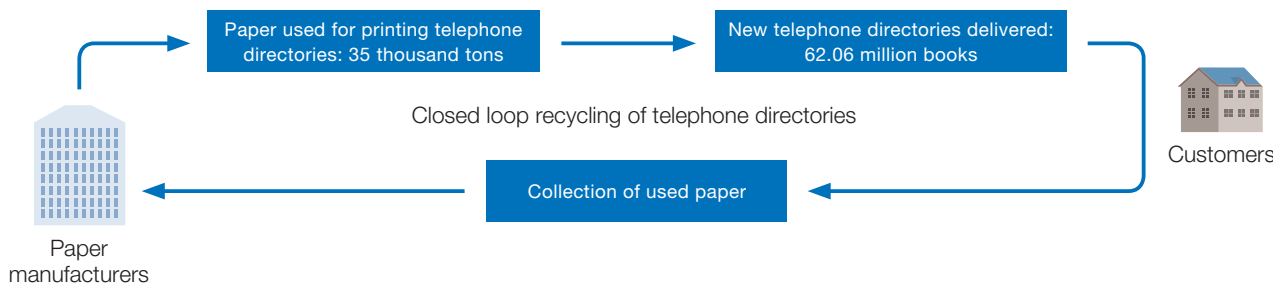
Initiatives for implementing closed loop recycling

Reuse and recycling of communications equipment

NTT Group

The NTT Group owns various types of communications equipment and related items including telephone poles, switching equipment, communications cables, public telephone booths and public telephones. These are decommissioned and disposed of when they reach the end of their service life or are replaced during system upgrades for new services and so forth. We reuse and recycle decommissioned communications equipment within the Group by, for example, recycling concrete waste from discarded concrete poles as road building material. Public telephone booths and public telephones are taken to a specialized intermediate treatment plant, where parts of the booths are sorted into aluminum, stainless steel, glass and plastic. Similarly, the baseboards, copper

wires and various plastics in the public telephones are meticulously sorted. They are then sent to a recycling plant to become recycled materials such as rare metals, copper and pellets. The recycling rate there is reflected in the precision as a result of careful hand sorting at the

intermediate treatment plant. To prevent the inappropriate treatment of the materials, such as illegal dumping, NTT East collaborated with NTT-ME to construct a system that uses GPS and photography to confirm proper disposal from the site of disposal to the disposal plant.

DOCOMO recycling process receives wide-area authorization from the Ministry of Environment

Containing gold, silver, copper, palladium and other metals, mobile phones could be regarded as a valuable recycling resource in Japan with its paucity of mineral resources. NTT DOCOMO has accordingly collected used mobile phones from customers since 1998 at its approximately 2,400 docomo Shops throughout Japan, and through various events.

In fiscal 2012, the company introduced a new recycling process for pyrolyzing any plastic used in mobile phones to turn it into oil for use as a fuel, after which gold, silver and other metals are recovered from the residues of this process. This is the only process in the telecommunications industry to have been authorized by the Ministry of Environment as a wide-area general and industrial waste disposal program[1].

In fiscal 2015, we made a broad call for cooperation

in collecting terminals by exhibiting at CEATEC JAPAN and by delivering our message through social networking media. Through these efforts we collected about 3.6 million mobile phones[2] in fiscal 2015, bringing the cumulative total to about 91.43 million phones since the collections began. The collection system has also spread among corporate customers, with 302 companies cooperating in fiscal 2015.

We will seek to achieve greater efficiency in our recycling system and promote the collection of used mobile phones from customers.

[1] Wide-area authorization program: A special measure specified in Articles 9-9 and 15-4-3 of the Waste Management and Public Cleansing Act (#137, 1970) that relieves businesses that recycle their products effectively of the need to obtain local authority permissions related to waste disposal.
[2] Figures for fiscal 2015 include units collected for reuse.

Achieving our target for reducing the weight of promotional tools

Since promotional tools account for approximately 95% of the paper resources it consumes, NTT DOCOMO has been working to conserve resources toward its quantitative target of reducing the weight of promotional materials prepared in paper format by more than 40% by fiscal 2016 compared to actual levels in fiscal 2013.

To meet the target, we sought in fiscal 2015 to reduce the amount of paper-based material by abolishing and merging redundant tools, exercising flexibility in the publication cycle and digitizing promotional tools through the use of web-based catalogs and smartphone

applications. We also set a unified company-wide target for the warehouse disposal rate to optimize the number of tools produced and implemented an action plan at all divisions involved in producing promotional tools toward the target.

As a result, by the end of fiscal 2015 we were able to reduce the weight by approximately 50% from the fiscal 2013 level, thereby achieving the target ahead of schedule. We are now aiming to further reduce paper waste by launching a new initiative of reducing the weight of promotional materials at each shop.

Handling of hazardous waste

For NTT Group operations, hazardous waste as defined by law applies to asbestos contained in waste generated from construction work on relay stations, transformers and condensers containing PCB, and lead batteries. These are disposed of appropriately and in compliance with the Waste Management and Public Cleansing Law (Waste Disposal Law) as well as other laws and regulations, and the NTT Group does not export such waste. We also pay meticulous attention to the proper storage and management of equipment containing PCBs and PCB-contaminated wastes, and dispose of them with safe and appropriate methods in conformity with the Law Concerning Special Measures Against PCB Waste.

▶ Asbestos removed from NTT Group facilities

(tons)

- Buildings
- Bridges
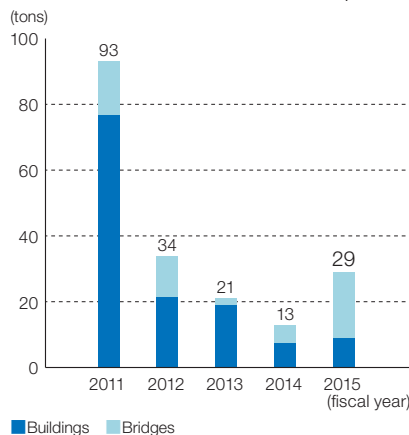
Water management and recycling

Due to the nature of the NTT Group's business, little water is consumed in our operations. In Japan, domestic and industrial water consumption totaled 26.5 billion m^3*, while the NTT Group's consumption of tap water, wastewater, recycled wastewater and rainwater totaled 12.39 million m^3. Even if tap water accounted for all of the water consumed by the NTT Group, this would be only 0.05% of the total for all of Japan (less than 0.02% if agricultural water is included). Moreover, our water use is spread out across the country and so we believe our water intake does not have any significant impact on water sources. Assuming that all of our water intake is being discharged as wastewater, we estimate that our total water discharge is 5.9 million m^3.

The Atsugi R&D Center, where we use chemical substances in our research activities, discharged wastewater totaling 133 thousand m^3 into the Sagami River area and Sagami Bay in fiscal 2015. We monitor the quality of

domestic and industrial wastewater and have confirmed that the quality of wastewater is within our voluntary targets, which are ten times more stringent than mandated targets.

At the Musashino R&D Center, in an effort to promote the use of recycled water and reuse of water, rainwater and blow-down water from our cooling tower is reused on each floor for flushing toilets after it has been filtered and sterilized. As a result, tap water use in the center has been reduced to 22% of the total volume of water used, calculated by dividing 17 thousand m^3 of tap water by 77 thousand m^3 of discharged wastewater.

The NTT Group has not been involved in any significant spills.

* From the Ministry of Land, Infrastructure, Transport and Tourism: Actual water use in fiscal 2010 (water intake basis) was approximately 80.9 billion m^3 per year (domestic and commercial use of water: approximately 15.2 billion m^3; water for industrial use: approximately 11.3 billion m^3; water for agricultural use: approximately 54.4 billion m^3).

Conserving Biodiversity

Why this is a CSR Priority Activity for the NTT Group

Held in Nagoya, Aichi Prefecture, in 2010, the 10th Conference of the Parties to the Convention on Biological Diversity (COP 10) served as a catalyst igniting concern for biodiversity conservation across Japan and sparking a nationwide wave of initiatives in this area.

Everything we do, whether in our everyday lives or during the business activities of the NTT Group, is connected to the various life forms on this planet. For this reason, the sustainable development not only of the NTT Group's businesses but also of society itself will be impossible without an eye turned to biodiversity. Aware of this, the NTT Group takes the utmost care in preserving the natural environment in the areas surrounding sites where it builds offices, operating bases and base stations in addition to where it lays telecommunications cables.

At the same time, we are using the information transmission capabilities we possess as an ICT service company to foster even greater awareness among the public on the importance of biodiversity and help build a society that is both prosperous and in harmony with nature.

Our approach to conserving biodiversity

The NTT Group's impact on biodiversity is related to equipment at its base stations and antenna towers as well as its power poles and cables. Few of these are located within or adjacent to areas of high biodiversity value such as national parks. When installing equipment in areas where we might have an impact on such biodiversity, we perform the work only after conducting an environmental assessment and obtaining approval from the local government. This procedure is also applied to repairing infrastructure, including cables, optical fibers and undersea cables.

Where our telecommunications equipment is located in natural environments with rich ecosystems such as forests, squirrels or crows, for example, might nibble at communication cables. When dealing with this type of impact from an ecosystem, we have always sought to coexist with nature by changing the materials we use and other related measures.

We are also aware of our impact on ecosystems and seek to enhance our efforts to conserve biodiversity through concrete initiatives based on two approaches.

One approach is implementation based on our business activities; we endeavor to install our equipment and cables in ways that minimize impact on ecosystems. We also contribute by making our ICT services available for real-time investigation of the living environments of rare species.

The other approach is implementation based on social contribution through using ICT to disseminate information or support the sharing of information on the conservation of biodiversity. NTT Group employees throughout the country are also involved in tree planting, satoyama* conservation and many other biodiversity-related initiatives.

Toward further promoting our biodiversity conservation activities, the NTT Group will seek to improve and develop its ongoing initiatives.

* Traditional agricultural landscapes of Japan that are mosaics of arable land, woodlands and other types of land that have been exploited sustainably for centuries and support rich biodiversity.

Environmental assessments when selecting locations for data centers and other facilities

When planning to construct new data centers or other buildings, we research the historical, social, geographical, biological and environmental attributes of the prospective building site and surrounding district based on our NTT Group Green Design Guideline for Buildings, and endeavor to reflect necessary aspects in the design of the facility.

For example, we use native plant species as vegetation for greening our data centers, which have in recent times become the core components of ICT infrastructure.

In April 2013, NTT Communications opened the Tokyo No. 6 Data Center, the largest-scale data center in the Tokyo metropolitan area. Under the auspices of the Tokyo Metropolitan Park Association's Municipal Tree-Planting Fund, the center is actively promoting tree-planting activities deeply rooted in the local community. As a part of these endeavors, trees have been planted within the center's grounds in two distinct spring/summer and autumn/winter zones. As a result, visitors can enjoy the beauty and pleasure of seasonal flowers all year round. Complementing this initiative, steps have been taken to conduct wind environment simulations. By planting such vegetation as evergreen trees along the southwest corner, which bears the full brunt of wind activity, every effort is being made to ensure harmony with the surrounding environment.

Furthermore, when drawing up proposals for the construction of new data centers for customers, the NTT Group applies the Comprehensive Assessment System for Built Environment Efficiency (CASBEE*) and submits proposals designed to obtain the highest CASBEE rank of S. While paying due consideration to the environment in this way, we also take care to minimize noise and vibration and maintain the scenic appeal of the district during construction while endeavoring to ensure that exhaust heat and noise from the air conditioning outdoor units and emergency generators of functioning data centers will have minimal impact on neighboring areas.

* CASBEE: A system for the comprehensive assessment of the quality of a building from such perspectives as environmental performance, interior comfort and scenic appeal

Spring-summer zone   Autumn-winter zone

Safe and Secure Communication

We provide reliable and disaster-resistant ICT services while also protecting personal information and maintaining information system security.

Ensuring Information Security

Number of employees receiving information security training

342,000

Why this is a CSR Priority Activity for the NTT Group

The importance of information security grows with each coming year as people seek to ensure the safety of Internet transactions, protect personal information, and prevent leaks of confidential information. As an operator of telecommunications infrastructure, the NTT Group is charged with the responsibility of combating the ever more sophisticated and increasing threats to information security in order to protect customers' precious information assets.

The NTT Group has positioned Global Cloud Services as the cornerstone of its business operations in the Medium-Term Management Strategy.

Realizing that cloud services, which entail processing customers' information assets through networks, require an additional degree of security, we are working on this task.

Management approach

The NTT Group is devoted to protecting personal information and developing information security technologies and services to ensure information security.

With the risk of cyber attacks emerging as a serious problem, we will endeavor to provide safe and secure services by taking necessary measures, including defense in depth from the perspective of equipment, operations and response, while strengthening the training of security experts.

Efforts to protect personal information

The Group has established and published its policy and rules concerning customer, shareholder, employee and other information under the NTT Group Information Security Policy.

The Group companies implemented information security-related training for employees, and a total of 342,000 employees were trained in fiscal 2015.

These companies have also implemented various measures for protecting personal information, including the introduction of a security system for managing antivirus measures and taking out information, and setting up of an organizational entity and system to promote information security management.

The NTT Group Information Security Policy

We recognize that the respect for human rights is a corporate responsibility and aim to create a safe, secure and prosperous society by fulfilling this responsibility.

In order to maintain our position as a company that is publicly trusted to provide safe and secure services at all times, the NTT Group, as a responsible member of the information communication industry, will strive to ensure information security under the following policy and thereby contribute to the sound development of a ubiquitous broadband society.

1. Firmly convinced that information security is vital in a ubiquitous broadband society, we will work to build a safe, secure and convenient communications network environment and ensure information security.
2. Fully aware that protecting information is the foundation of the NTT Group's business activities and a key social responsibility of any company, the directors and employees of NTT Group companies will strictly observe the confidentiality of communication and comply with the Personal Information Protection Law and other related laws.
3. We will establish a system of information security management and continue implementing the necessary efforts to protect information, including taking strict hardware and software security measures to prevent illegal access to information or the loss, alteration or leak of information, through employee education and appropriate supervision of outsourcing contractors.

NTT Group Information Security Policy
WEB http://www.ntt.co.jp/g-policy/ (Japanese only)

● Initiatives taken by Group companies

NTT EAST

- Establishment and regular meeting of the Information Security Promotion Committee
- Provision of practical training for learning ways to deal with targeted e-mail attacks
- Strengthening of an across-the-board technical control and initial motion system concerning cyber security that covers technical countermeasures, surveillance and defense against cyber attacks

NTT WEST

- Establishment of the Customer Information Protection Reinforcement Period and Information Security Awareness Period
- Physical isolation of important terminals capable of outputting customer information, etc., to external recording media, and deployment of cameras and biometric authentication-based entry and exit controls
- Establishment of the Information Security Promotion Committee to deliberate on basic information security policies

NTT Communications

- Conducting security surveys of domestic and overseas Group companies
- Applying an application and approval system for access to customer information
- Fixing software vulnerabilities and continuing the application of WideAngle integrated risk management services to all company IT systems, as well as centralized management of IT systems using an information security management platform (ISMP) to share vulnerability information

NTT docomo

- Holding of regular Information Management Committee meetings chaired by the chief privacy officer (CPO) and chief information security officer (CISO) (roles performed by a senior executive vice president)
- Limitation on employees allowed to use the customer information management system (mandatory biometric authentication* and periodic review of usage log); encryption of management information
- Establishment of an information security month (November) across the DOCOMO Group
- Provision of training at least once a year and reviewing information management every month in DOCOMO shops

* System to verify user identity based on physical features such as fingerprints, face or voice recognition

NTT DaTa

- Establishment and regular meetings of the Information Security Committee. Members who are the heads of individual organizations serve as information security managers to build an information security management system
- Successful acquisition of Privacy Mark
- Establishment of NTTDATA-CERT in July 2010 as an organization responsible for preventing information security incidents and responding promptly to any incidents that occur

NTT FACILITIES

- Fully inspected Web disclosure systems, built a common foundation for ICT security of the systems on a cloud and introduced security management equipment
- Introduction of ICT system management ledger (ISMP: Information Security Management. Platform)
- Revision of the Information System Management Regulation and Bylaw, and implementation of a security check using the indices standardized at the time of system development or renewal

NTT COMWARE

- Establishment and regular meetings of the Information Security Liaison Committee in the company and with other Group companies
- Heads of individual organizations serve as information security execution managers to establish information security procedures
- Successful acquisition of Privacy Mark and ISMS certification for the entire company
- Implementation of Web access and e-mail tracing management, virus protection and unauthorized communications detection

NTT Urban Development

- Establishment and regular convening of the Information Security Committee
- Heads of individual organizations serve as chief information security mangers to establish a security management system
- Revision of the "Policy on the Protection of Personal Information" and implementation of measures to prevent unauthorized access and the loss, alteration or leakage of information
- Promotion of activities to instill information security awareness

Information management at overseas Group companies

Upon request from customers when disposing of ICT devices, Dimension Data makes sure that the destruction of data by waste disposal services meets the highest standards, adhering to CESG IA5 (CESG: Communications- Electronics Security Group) in the U.K. and DoD 5220.22-m (standard of the United States Department of Defense) in order to prevent data leaks from the waste.

Development of Information Security Technologies and Services

Resilient security technology to protect customers from sophisticated, large-scale DDoS attacks
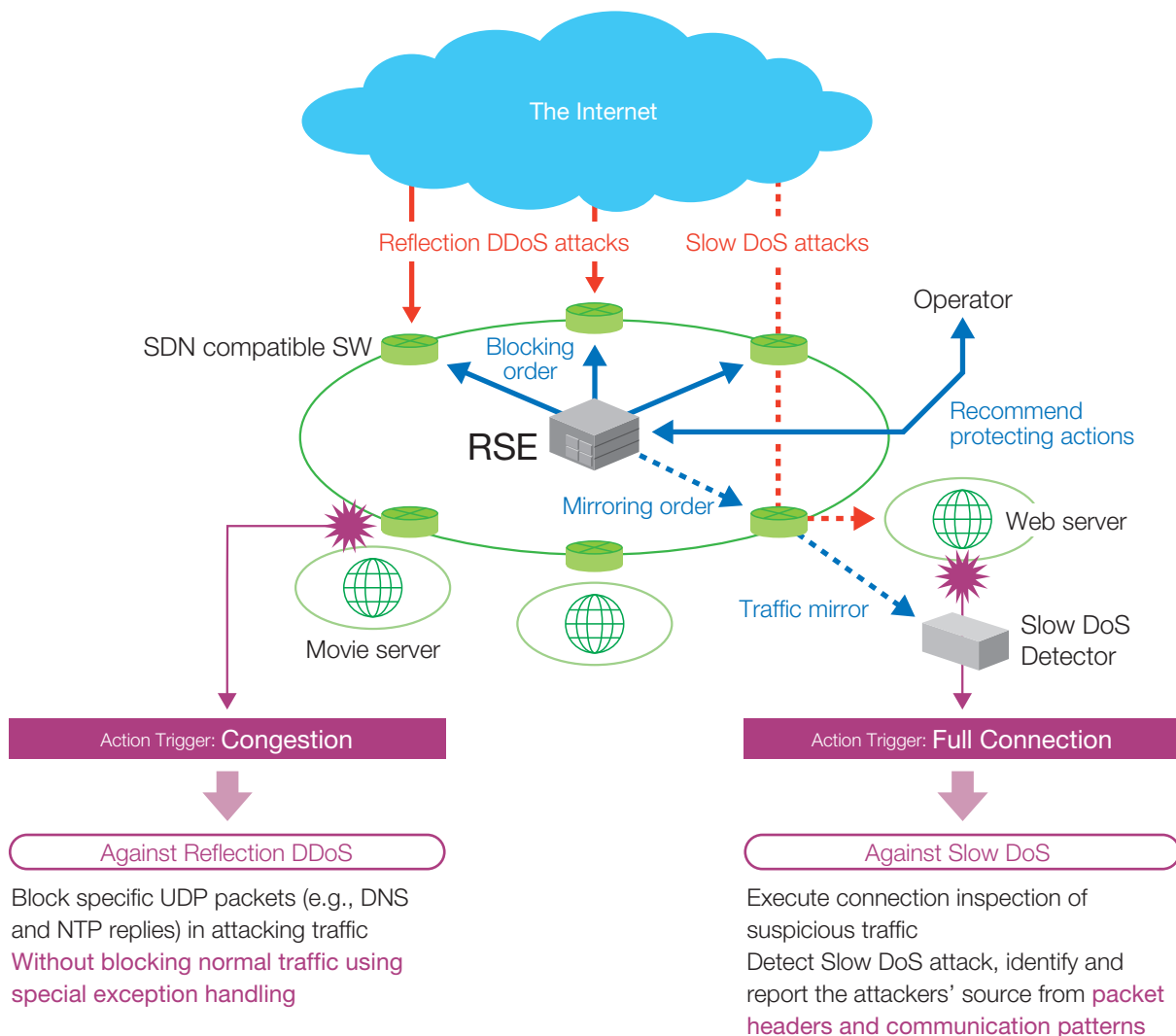
NTT

While a rash of sophisticated, large-scale cyber attacks during major international events is anticipated, we can protect customers from such attacks by incorporating self-recovery capabilities into the network itself.

NTT Secure Platform Laboratories (NTT SPL) is pursuing research and development into a resilient security technology that automatically detects network attacks, autonomously implements protective measures and restores the network. In 2015, NTT SPL succeeded in developing the Resilient Security Engine (RSE), which

dynamically and with high accuracy detects and blocks only the attacking streams of Slow DoS gambits that saturate server connections with a small volume of traffic and Reflection DDoS attacks that cause network congestion through massive volumes of traffic.

We will continue to focus on developing information security technologies to ensure the confident use of the NTT Group's communications services by protecting customers from cyber attacks during international events as well.

The Internet

Reflection DDoS attacks   Slow DoS attacks

Operator

SDN compatible SW

Blocking order

RSE

Recommend protecting actions

Mirroring order

Web server

Traffic mirror

Movie server

Slow DoS Detector

Action Trigger: **Congestion**

Action Trigger: **Full Connection**

Against Reflection DDoS

Against Slow DoS

Block specific UDP packets (e.g., DNS and NTP replies) in attacking traffic
Without blocking normal traffic using special exception handling

Execute connection inspection of suspicious traffic
Detect Slow DoS attack, identify and report the attackers' source from packet headers and communication patterns

Mobile settlement service meeting international security guidelines
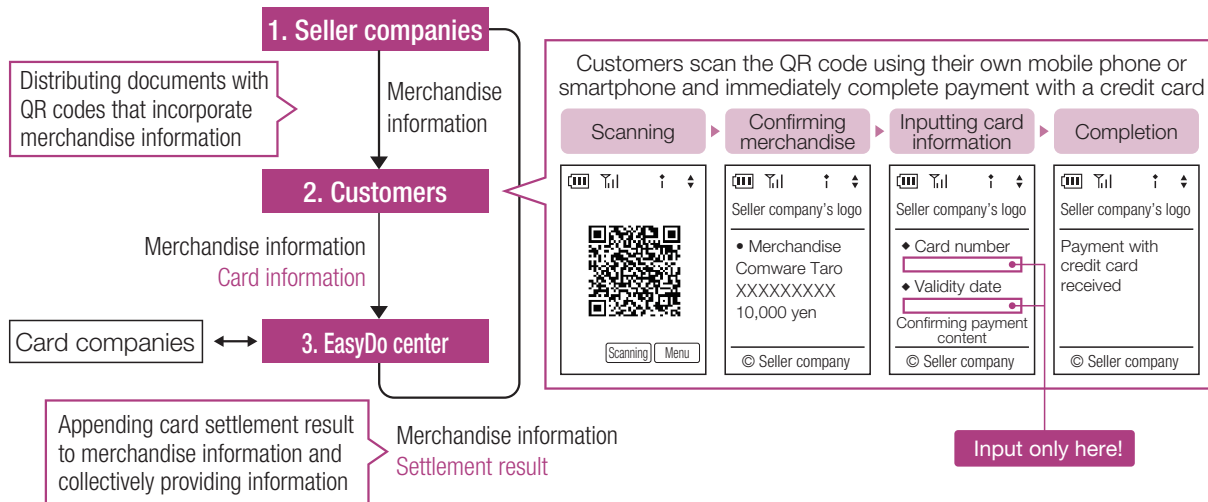
NTT COMWARE

EasyDo®, the Mobile Device-Based Credit Card Settlement Service provided by NTT COMWARE obtained certification for full compliance with the 12 requirements of PCI DSS* (Payment Card Industry Data Security Standard), an international security standard for the credit card industry, effective April 25, 2014.

EasyDo® services enable seller companies to register QR codes for product, pricing and other information, allowing users to settle payments by scanning the codes with mobile devices, such as mobile phones and smartphones. The service does not require third-party intervention or management of credit card information.

It requires no infrastructure or system at corporate customers since the required payment duties are handled by centers maintained and operated by NTT COMWARE. Customers are also able to use the service 24 hours a day, 365 days a year, on a real-time basis.

Thus, the international-standard safety of EasyDo® is certified to ensure that safe and secure credit card payment services are available for customers.

* PCI DSS is an international security standard for the credit card industry, jointly established by five international credit card companies (American Express, Discover, JCB, MasterCard and VISA) to ensure the data of credit card members is handled safely.

1. Seller companies

Distributing documents with QR codes that incorporate merchandise information

Merchandise information

2. Customers

Merchandise information
Card information

Card companies ↔ **3. EasyDo center**

Appending card settlement result to merchandise information and collectively providing information

Merchandise information
Settlement result

Customers scan the QR code using their own mobile phone or smartphone and immediately complete payment with a credit card

Scanning	Confirming merchandise	Inputting card information	Completion
	Seller company's logo	Seller company's logo	Seller company's logo
	• Merchandise Comware Taro XXXXXXXXX 10,000 yen	◆ Card number ◆ Validity date Confirming payment content	Payment with credit card received
Scanning Menu	© Seller company	© Seller company	© Seller company

Input only here!

Training security experts

Threats to information security are increasingly sophisticated and diversified, making damage from cyber attacks and information leaks a public concern. On the other hand, an approximately estimated 160,000 out of 265,000 information security engineers are believed to lack the skills necessary for performing their tasks and approximately 80,000 mor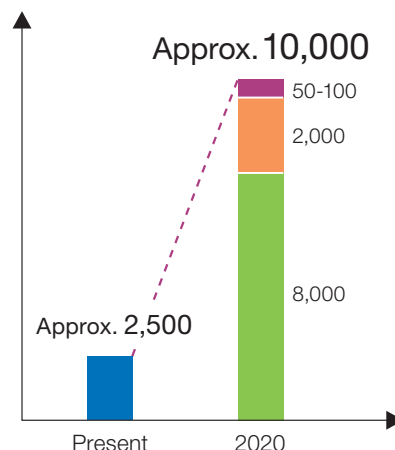e security engineers are needed. In this context, the NTT Group set a goal of training 10,000 experts by 2020 to strengthen the Group's expert security resources. Believing that the same need exists at the national level, we will cooperate with the government, other companies and educational institutions to contribute to the training of security experts across Japan.

Training security experts in the NTT Group

The NTT Group set a goal to increase the number of security experts in Japan from the around 2,500 now to about 10,000 by 2020 so that it could bolster its expert security resources. We roughly divided these expert security resources into three job classifications (security management consulting, security operation and security development) and three levels (beginner, intermediate and advanced). Each Group company is promoting human resource development measures according to the expected roles of each classification and level.

Contribute to Japan's cybersecurity training

To address the shortfalls in the skills and numbers of engineers working on information security, the NTT Group Established a "Cyber-attack and Cyber-defense Technologies" course at Waseda University, opened an information security course through "gacco*" provided by DOCOMO gacco, and implemented other initiatives to bolster the training of security experts in Japan.

* An educational Web service through which anyone can participate free of charge, operated in partnership with Massive Open Online Courses.

Endowing a course at Waseda University to train cybersecurity experts

NTT

Waseda University and the NTT Group opened a "Cyber-attack and Cyber-defense Technologies" course for undergraduate and graduate students in April 2015 to train cybersecurity experts who can counter the cyber attacks that have become a threat to society.

In addition to the basic knowledge of computer science offered by the university, high-level education that forms the foundation for countering cyber attacks from the perspective of NTT, which is promoting research and development on actual attacks that have been increasing in sophistication day by day. This is an epoch-making initiative in which the university expects its scope of education will be broadened by this course, taught by corporate engineers, while the NTT Group expects to discover outstanding human resources who can create a safe and secure computer network environment.

We strive to create a far safer and securer computer network environment for customers through such partnerships with educational institutions.

Ensuring Stable and Reliable Services as Critical Infrastructure

CSR Priority Activities

Service stability*1 **99.99 %** | **Number of serious accidents*2** **1**

Why this is a CSR Priority Activity for the NTT Group

Telecommunications networks have become an indispensable piece of infrastructure for supporting social and economic activities. Particularly in times of disaster, telecommunications networks are vital for conducting critical communications during rescue and restoration operations and when maintaining public order. Moreover, this infrastructure is used for making emergency calls to the police or paramedics, meaning it is also crucial for saving human lives.

Japan is a country prone to natural disasters,

such as earthquakes and typhoons. As such, telecommunications networks are especially important, a fact that was reaffirmed by the devastating Great East Japan Earthquake. Faced with the possible occurrence of a major earthquake directly under Tokyo or the Nankai Trough off Japan's southern coastline, there is a pressing need for society to prepare for such potential disasters while ensuring the stability and reliability of its telecommunications infrastructure.

Management approach

The NTT Group has defined three key themes for disaster countermeasures—improving communications network reliability, securing critical communications, and prompt restoration of communications services. We have been strengthening efforts based on these themes since the Great East Japan Earthquake.

Specifically, we are taking measures to improve the reliability of our telecommunications infrastructure. To ensure that our communications services operate without interruption at all times, we employ transmission trunk line multi-routing, have enacted blackout countermeasures for communications buildings and base stations, and are making communications buildings more quake-proof. In addition, we are expanding

the assortment of power supply vehicles and other disaster response equipment that we have positioned throughout Japan, and are repeatedly conducting trainings to prepare for major natural disasters. We are making a daily effort to guarantee that, in the event of a disaster, we are able to immediately set up a Disaster Countermeasures Office and other emergency structures and make the necessary emergency and critical communications as designated public institutions prescribed in the Basic Act on Disaster Control Measures.

Only one serious accident has occurred at any of the four telecommunications businesses (NTT East, NTT WEST, NTT Communications and NTT DOCOMO) and service stability was maintained at 99.99%.

Improving communications network reliability

Building disaster-resistant facilities and transmission trunk line multi-routing
24/365 network monitoring and control, etc.

Countermeasures strengthened since the Great East Japan Earthquake

- Enhanced disaster resistance (damage prediction, hazard map utilization)
- Stable provision of communications services (improving trunk line reliability, etc.)

countermeasures Three key themes

Disaster !

Securing critical communications

Securing 110, 119, 118 and other emergency services and critical communications
Installing emergency use public phones and providing safety status checking services when disasters strike, etc.

Countermeasures strengthened since the Great East Japan Earthquake

- Measures for securing critical communications
- Early resolution of communications blackouts
- Enhancements of disaster message services
- Further Information Station implementation
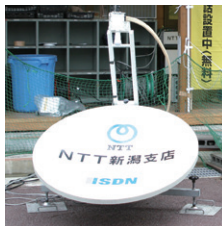
Prompt restoration of communications services

Early restoration of services by utilizing disaster countermeasure equipment, procurement of materials, equipment, and manpower for restoration purposes, etc.

Countermeasures strengthened since the Great East Japan Earthquake

- Building up stock of disaster response equipment
- Enhancement of organization for disaster countermeasure operations
- Exercises and practice for a major earthquake
- Training of crisis management personnel and utilization of knowledge and skills

*1 [1 – total hours under the impact of serious accidents (number of affected users × hours of serious accidents) / total hours of major service provision (number of users × 24 hours × 365 days)] × 100%

*2 Number of accidents that led to a stop of or lower quality telecommunication services for more than two hours and affected over 30,000 users (based on the criteria up to March 2015; criteria concerning the hours and number of users were changed in April 2015).

An emergency-use public phone installed during a disaster

Power supply vehicle dispatched for the prompt restoration of communications services

24/365 network monitoring

Securing critical communications

To secure necessary communications in the event of a disaster, the NTT Group is implementing various initiatives, including the installation of emergency-use public phones, a mobile phone lending service in disaster areas, and the provision of means for confirming the safety of people in areas hit by a disaster.

Providing services for easy safety status checking and information gathering when disaster strikes

NTT Group

To enable people to check on the safety of relatives and friends in areas hit by a major disaster that has caused phone connection problems, the NTT Group provides 171 Disaster Emergency Message Dial for leaving voice messages by phone, the Disaster Message Board Service (i-mode/sp-mode) for leaving text messages by mobile phone, and the Web 171 Disaster Message Board for leaving text messages via the Internet. When we launch these emergency services in the event of a disaster or other contingency, we promptly inform our customers through the mass media, website and other means.

171 Disaster Emergency Message Dial is available in areas throughout Japan where fixed line and mobile phones can be used, the Web 171 Disaster Message Board in areas where the Internet can be used, and the Disaster Message Board Service for mobile phones (i-mode/sp-mode) and Disaster Voice Messaging Service in areas where mobile phones can be used.

By integrating the Web 171 Disaster Message Board with the Disaster Message Board Service for mobile and PHS phones (i-mode/sp-mode), we have also made it possible to conduct one-stop searches spanning both services from the companies providing those services, and have added functions for notifying designated contacts by e-mail or voice when safety status information is posted. Other improvements include support in English, Chinese and Korean, an increase in the number of messages that can be posted, and longer message storage time.

NTT DOCOMO for its part has added voice guidance to its disaster message board application to facilitate registration and checking of safety status on its Disaster Message Board (i-mode/sp-mode) from smartphones, and launched a Disaster Voice Messaging Service (i-mode/sp-mode) for delivering safety status information via digital voice messages at times when disasters have incapacitated voice communications. Interoperability between the disaster voice messaging services of six carriers including PHS carriers was enabled on January, 2014, and NTT DOCOMO is expanding the number of compatible handsets.

We also joined NHK in launching the J-anpi All-Japan Safety Confirmation Portal for Disaster website in October 2012. This website enables one-stop checking of safety status information posted to disaster message board services and Google Person Finder.

Early restoration of communications services

The NTT Group is devoted to early restoration of communications services by deploying and enhancing the functions of mobile power supply vehicles, portable satellite equipment and other mobile equipment as well as participating in disaster drills held in the respective regions.

Conducting disaster drills in partnership with the central and local governments and other external organizations under the scenario of a large-scale disaster

NTT holds disaster drills on Japan's Disaster Prevention Day on September 1 to coincide with the government's annual comprehensive disaster drills held on the same day.

In September 2014, we conducted drills in line with a scenario that envisioned an earthquake centered on Tokyo. Members of the NTT Disaster Countermeasures Office participated in the drills without prior knowledge of the scenario. The drills included rushing from their homes to the office, setting up the Disaster Countermeasure Office and the alternate site, and travelling by foot. They checked mechanisms for classifying and sharing information on the status of damage and impact on communications services, as well as the operation of information sharing tools.

We also participated in the government's annual comprehensive disaster simulation exercises. These exercises are designed to improve process implementation capabilities and examine the efficacy of emergency response measures with respect to cooperation between the Emergency Response Headquarters of the government, relevant local governments, designated public institutions and other organizations based on the government's Guidelines for Emergency Response Activities and other references.

The NTT Group also implemented drills for securing the oil supply. In the event of an extended power failure due to a large disaster, for example, restoration and maintenance of communications services would require petroleum to ensure power supplied by emergency power generators in buildings and other facilities housing NTT Group communications equipment. We therefore carried out a drill under a scenario of a Tokyo Inland Earthquake in cooperation with the Agency for Natural Resources and Energy, the Petroleum Association of Japan and other organizations in July 2015.

The drills held in cooperation with external organizations and independent drills of the Group enable us to continue identifying measures to be adopted before a disaster and actions to be taken after a disaster by assuming the occurrence of a large disaster so that we can strengthen our resilience under these conditions.

Scenes from disaster drills

UN project using a transportable ICT unit in a typhoon-hit area of the Philippines

NTT and NTT Communications, in cooperation with the Ministry of Internal Affairs and Communications of Japan, the Department of Science and Technology of the Philippines and the International Telecommunication Union (ITU), a special organization of the United Nations, will implement a demonstration experiment using a transportable ICT unit that enables immediate restoration of communications on Cebu Island, the Philippines, which was ravaged by a typhoon in November 2013, for the period from December 2014 to September 2015.

A transportable ICT unit can be installed in shelters and other locations to provide Wi-Fi access in a short period and thereby enables telephone and data communications in the event of a large-scale disaster. The

system was developed through collaboration involving NTT, NTT Communications Corporation, Fujitsu Limited and Tohoku University, and commissioned by the Ministry of Internal Affairs and Communications after the Great East Japan Earthquake.

The demonstration experiment was to support examination of the usefulness of the proposed concept and technology in cooperation with local government officials and residents of Cebu Island, who would use the telephone and data communications services provided by the transportable ICT unit under real conditions. The experiment was implemented as a UN project (ITU project) and NTT Communications provided ITU with the transportable ICT unit to be used for the experiment and

also operated and supported the project in cooperation with Fujitsu and other companies.

Installing a Wi-Fi access point on Cebu Island, the Philippines

Ensuring reliability of communications services

Communications networks represent lifelines that are indispensable to the functioning of society, business activities and public safety.

The NTT Group endeavors to build disaster-resistant communications infrastructure and maintain and operate it in a way that ensures its proper functioning at all times by conducting regular safety patrols, replacing devices as a preventive maintenance measure, and other such means, in an effort to develop disaster-resilient communication networks and equipment.

Ensuring the disaster resistance of communications equipment

We also strive to enable communications equipment housings, pylons and other facilities to withstand contingencies such as earthquakes, storms, flooding, fire and power outages in accordance with predetermined design standards.

For example, NTT's communications buildings and pylons are designed to withstand earthquakes of a seismic intensity of 7 on Japan's intensity scale, and 60 m/sec winds experienced during the strongest typhoons. Our facilities are equipped with flood doors and other defenses according to location to prevent inundation of communications equipment by tsunamis or floods. We also equip our

communications equipment rooms with fire doors or shutters. Our communications buildings and wireless base stations are fitted with backup power sources to keep them running for extended periods in the event of sudden power outages, and as a further fallback, power supply vehicles can be hooked up to them to supply power. We also use trunk line multi-routing to ensure that our communications services operate without interruption at all times. We are also deploying large zone base stations capable of covering wide areas in disaster and other emergency situations, and installing emergency power supply fuel tanks.

Strengthening monitoring processes

NTT East, NTT West, NTT Communications and NTT DOCOMO monitor their communications networks on a 24/7 basis from their operation centers. On discovery of a failure or abnormality caused by a disaster or some other contingency, they work to restore service by switching to standby equipment and other means through remote operations, and dispatch maintenance personnel if on-site

repairs are required. Depending on the scale of the failure, the Disaster Countermeasures Office or Risk Management Office of the relevant Group companies takes appropriate action. Clear and simple failure information is promptly posted on company websites, and a failure report is submitted to the central government.

Toward improving the stability and reliability of society as a whole

The NTT Group draws upon its disaster countermeasure expertise and the results of its research and development to contribute to improving the stability and reliability of society as a whole by providing disaster countermeasure solutions to local governments, participating in international initiatives and through other efforts.

Providing ICT-based disaster countermeasures and crisis management solutions

NTT

NTT is promoting research and development to reduce damage associated with large-scale disasters. NTT Group companies will provide disaster countermeasure and crisis management solutions taking advantage of ICT prior to and after a disaster and up to restoration and reconstruction. Solutions include support for local governments' disaster countermeasure operations, useful services for resident activities in disaster sites and the activities of disaster victims, as well as useful technologies for ensuring communications and power supply in disaster areas. Here are a few specific examples:

1. Crisis Information Management Support System for a unified grasp of information for crisis response

To support the emergency management efforts of local government Emergency Operations Centers (EOCs), we will enable the creation of a comprehensive, Plan-Do-See list by unifying the management of information concentrated through the coordination of various systems and incorporating a management flow of incident response information based on ISO 22320, thereby significantly reducing operations and realizing efficient, effective crisis management.

2. "Machi App"—Disaster prevention app for mapping tweets requesting support in times of disaster as well as other postings

We not only provide support for self-reliance and cooperation in times of disaster but also a concept demo app that we developed to help users become familiar with ways to access information under normal circumstances. The application filters tweets and map postings for vital information, extracting, for example, requests for aid during evacuations or reports of torrential rainfall to aid in the rescue of residents and support local government and volunteer disaster operations. In addition, we hold experience-based workshops to confirm the usefulness of the app and are actively using the results for development.

3. "Portable Backup Power Supply for Disaster Countermeasure" to ensure power supply and communication in shelters and other sites

In fiscal 2014, NTT developed an attaché case-size ICT BOX equipped with rapid communication recovery functions. The use of this box with the newly developed Portable Backup Power Supply for Disaster Countermeasure at disaster-stricken locations can maintain open communications in shelters, disaster control headquarters and other critical locations for two to five days. Features of the backup power supply include batteries that can be separately transported and subsequently assembled and the ability to supply power for long hours using a technology that manages the charging and discharging of batteries and several power sources for optimal control of multiple power sources, including solar panels and engine generators.

▶ ICT-based disaster countermeasures and crisis management solutions
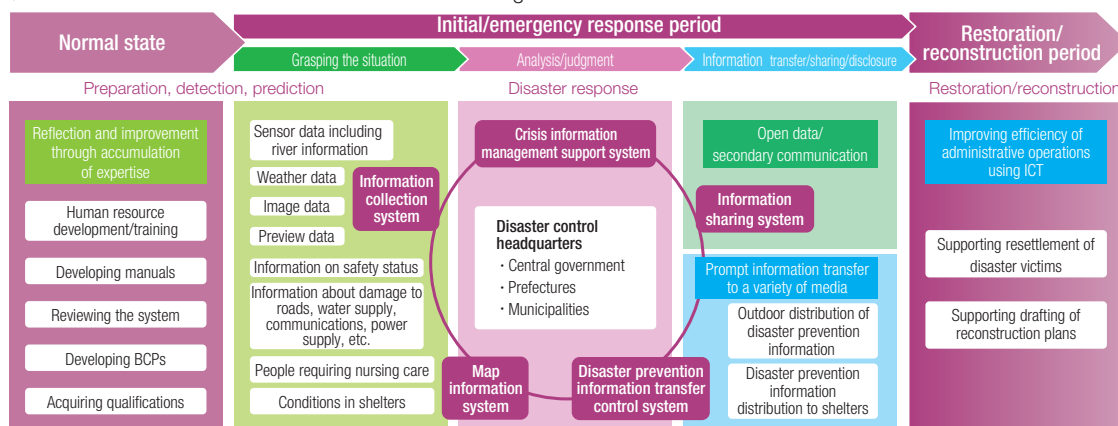
Participating in the R!SE Initiative

In 2014, the United Nations International Strategy for Disaster Reduction (UNISDR) requested the NTT Group to participate in the R!SE (Disaster Risk-Sensitive Investments) Initiative based on the Group's earlier establishment of three key themes for disaster countermeasures—improving communications network reliability, securing critical communications, and prompt restoration of communications services—as well as the prompt efforts to restore communications services after the Great East Japan Earthquake. The purpose of the R!SE Initiative is to realize a disaster-resilient and sustainable society and communities. Specific objectives include disaster prevention investment by the public sector while also engaging private sector knowledge and experience; the encouragement of investment with due consideration for disaster risks in cooperation with insurance businesses, investment organizations and educational institutions; and the development of global risk metrics and standards for individual industries.

Drawing upon the practical knowledge gained from the experience and lessons from the Great East Japan Earthquake, the NTT Group is working to improve information management in times of international disaster. The R!SE Initiative is pursuing high-level standardization through Disaster Risk Reduction (DRR) activities and the NTT Group is proud to have been invited to contribute to this initiative.

The Third UN World Conference on Disaster Risk Reduction (WCDRR) was held in Sendai City for five days in March 2015 with over 6,500 participants, including prime ministers and other cabinet members as well as delegates of 187 UN member states and representatives of international organizations, NGOs and private companies. A total of 50,000 people participated in 404 related seminars and an exhibition and engaged in vigorous discussions on disaster prevention and mitigation.

During the conference, the R!SE Initiative also held a seminar in which representatives of the UN, governments and private companies discussed partnering with the private sector to promote disaster prevention. UN personnel and members of PricewaterhouseCoopers Co., Ltd. supporting the R!SE initiative presented the key points of R!SE activities: the need for investment with due consideration for disaster risks and strategies to reduce disaster risks. In addition, NTT described the research and development results of the NTT Group and its commitment to continue contributing to R!SE activities using its knowledge in reducing disaster risks in the information and telecommunications industry.

We will continue our efforts toward realizing a safe and secure society while contributing to activities for reducing disaster risk through public-private partnerships in common cause with other international initiatives.

NTT representative speaking at the UN World Conference on Disaster Risk Reduction

Realizing Safe and Secure User Environments

Promoting knowledge for safe and secure ICT use and user etiquette

The NTT Group provides users with relevant information and encourages user etiquette to ensure a more comfortable, safer and secure use of communications services. Above all, we believe that guaranteeing the safe use of ICT in public places and promoting consideration among people across generations is a part of our role in providing telecommunications infrastructure.

Holding NTT Dream Kids Net Towns across the country

NTT Group

Every year, the NTT Group holds NTT Dream Kids Net Town, a summer holiday event in which children learn the rules and etiquette for safe and secure use of information communications services while having fun in a comfortable setting.

The event is jointly held by NTT, NTT East, NTT West, NTT Communications, NTT DOCOMO and NTT Data. The ninth event was held in fiscal 2015. Elementary school children from the third to sixth grades accompanied by their guardians can participate in the event free of charge. This year once again the event was held in the five major cities of Sendai, Sapporo, Tokyo, Nagoya, Osaka and Fukuoka with approximately 1,900 children in attendance.

Children participating in these events learn about the structure and services of the Internet, smartphones and programming as well as basic etiquette and cautions for their use in an enjoyable way and using actual equipment. They can also apply what they have learned here for summer vacation research projects. Children have shared favorable comments such as, "I've learned that the Internet is useful in our daily life" and "It was fun to see the program I have made actually work," while parents expressed appreciation for how the event conveyed not only the fun of communications but also its rules and etiquette.

We also launched an interactive learning website during the events to enable those unable to participate in person to study the same content online.

The NTT Dream Kids Net Town 2013 received the Awards Committee Encouragement Prize of the FY2014 Awards for Companies Promoting Experience-based Learning Activities sponsored by the Ministry of Education, Culture, Sports, Science and Technology.

Children at the NTT Dream Kids Net Town

Compliance concerning the safe provision of radio wave and information

Mobile base stations and terminals of NTT DOCOMO observe the provisions of laws and ordinances regarding radio waves and are operated under the reference value of the radio-wave protection guidelines. Radio waves under the reference value are recognized internationally as being harmless to health, and DOCOMO mobile phones can be safely used.

"Radio Wave Safety," a webpage of NTT DOCOMO
https://www.nttdocomo.co.jp/corporate/csr/network/index.html
(Japanese only)

Customer Satisfaction Initiatives

Pursuing customer satisfaction

Our Group companies all build and deploy mechanisms for gathering opinions, requests and other feedback from customers and other stakeholders, and for improving their work processes, products and services and developing new products and services based on that feedback. They also each implement their own initiatives for improving customer satisfaction.

For example, NTT East and NTT West set up their own Customer Consultation Centers as unified points of contact to receive customer opinions and requests. NTT Communications maintains separate call centers for individual and corporate customers, and customer feedback is forwarded to the customer service section handling complaints. Feedback and service improvements made in response are disclosed on its website. NTT DOCOMO stores customer opinions and requests in a company database and shares them with employees across the company, including executives, to improve and enhance products and services.

Promoting Universal Design

Establishment of the NTT Group Web Accessibility Policy

The NTT Group is working to ensure and improve the accessibility of its websites for a wide spectrum of customers, including senior citizens and persons with disabilities.

The Group established the NTT Group Web Accessibility Policy in March 2014. The policy for official websites of the Group companies with head office functions in Japan is set according to JIS X 8341-3:2010[1]. There are three levels of conformance corresponding to degree of accessibility: Level A, Level AA and Level AAA. The NTT Group intends to comply[2] with Level AA.

All the pages for which the Group declared its intention to comply with Level AA requirements of JIS X 8341-3:2010 by March 2016[3] were actually in compliance at the end of March 2015, ahead of the schedule.

We will continue to improve the accessibility of the official websites of Group companies in accordance with the NTT Group Web Accessibility Policy.

[1] JIS X 8341-3:2010:
"Guidelines for older persons and persons with disabilities—information and communications equipment, software and services—Part 3: Web content" of Japanese Industrial Standards

[2] Refers to compliance with the description defined in the "Compliance Performance Announcement Guidelines for JIS X 8341-3:2010. First Edition, August 20, 2010" of the Web Accessibility Infrastructure Committee, Info-communication Access Council. This means that we have established and disclosed an accessibility policy and confirmed that the pages fulfilled all the requirements through the tests implemented and based on JIS X 8341-3:2010.

[3] Refer to the URL below to view the pages for which the Group declared its intention to comply with the Level AA requirements of JIS X 8341-3:2010 on March 28, 2014.

About the Web accessibility efforts of the NTT Group
[WEB] http://www.ntt.co.jp/apolicy/   (Japanese only)

Web accessibility assessment from the perspective of people with visual impairments

NTT CLARUTY CORPORATION

NTT CLARUTY, a special-purpose subsidiary of the NTT Group, provides assessment and training services for Web accessibility from the perspective of people with visual impairments. In fiscal 2015 the company conducted tests to check the homepage and 66 other pages of the NTT official website for compliance with the Level AA requirements of the Japanese Industrial Standard "JIS X 8341-3:2010" for Web content, and supported the Group companies in their efforts to improve the accessibility of their official websites in accordance with the NTT Group Web Accessibility Policy established in March 2014.

We will continue to work to improve the accessibility of websites in and outside the Group by conducting assessments, workshops and other initiatives from the perspective of people with visual impairments and according to the JIS standard for Web accessibility.

Workshop for understanding disabilities
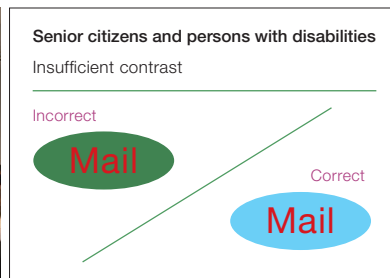
Examples of color layout for persons with impaired color vision
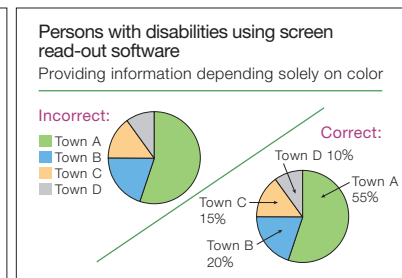
Example of a graph for users of screen read out software

Efforts for appropriate advertising of products and services

Advertising review from a customer perspective and operation of a committee for appropriate advertising

NTT EAST NTT WEST

NTT East and NTT West, which operate regional communications businesses in Japan, established their Advertising Review Office in June 2008 to ensure advertising materials were appropriate and easy for customers to understand. They have since developed internal rules on advertising and vet all advertising materials in advance at the Advertising Review Offices to make sure the advertising is appropriate (NTT East vetted about 7,600 ads while NTT West vetted about 3,700 in fiscal 2015) .

To ensure appropriate advertising, the Advertising Review Offices developed internal rules for advertising materials as well as for vetting advertisement implementation. They also promote compliance with the rules while holding regular Appropriate Advertising Oversight Committee meetings chaired by a senior executive vice president to check on the status of implementation of the advertising policies and the appropriateness of advertising materials.

Our education and awareness-building activities for employees include training on suitable advertising for all employees and training sessions for creators of advertising materials at the head office, regional headquarters and Group companies aimed at improving their advertising material creation skills.

We will continue our efforts to ensure compliance with relevant laws and regulations and provide clear-worded and easy-to-understand advertising materials through further institutionalizing advertisement vetting practices and improving the quality of our advertising materials.

Team NTT Communication

As Team NTT, we pledge to contribute to society by conducting our business according to the highest ethical standards and awareness of human rights and creating agreeable workplaces where diversity is respected.

Promoting Respect for Diversity and Equal Opportunity

CSR Priority Activities

Ratio of women in managerial positions **3.6** %

Why this is a CSR Priority Activity for the NTT Group

As a global ICT conglomerate, the NTT Group must create innovation to breed new value and address the needs of various users around the world. We are also upholding "global cloud service" as a pillar of our Medium-Term Management Strategy and intend to expand overseas sales as a global ICT conglomerate. To respond to dramatic changes in the markets and meet diversifying customer needs, as well as to become a consistently selected "Value Partner," we believe that respecting the individuality of employees and their differing values is essential.

Accordingly, the NTT Group places great importance on creating diverse workplaces in which people can realize their full potential irrespective of sex, age, race, nationality, disability, sexual orientation, or other factors.

Management approach

NTT aims to double the current ratio of female officers and managers in Japan by fiscal 2021, and we are actively fostering and promoting capable women to these managerial positions. At the same time, our business is becoming more global at an accelerated pace, and now approximately 30% of Group employees are working overseas in one of our various countries of operation. In light of this situation, we are hiring and cultivating employees who are capable of understanding and communicating with people from other cultures and who are thereby able to compete on the global stage. Furthermore, we are promoting the employment of people with disabilities and striving to create a workplace environment in which such individuals feel motivated.

The NTT Group operates a qualification rank system, and while salary and bonus levels may differ depending on qualification rank, there are no differences in terms of gender or disability within the same rank.

We hope to make the NTT Group into a place where a diverse range of employees are understanding of each other's individuality and where all of these people can work to their full potential.

Creating workplaces where everyone can realize their full potential

The NTT Group has always striven to create diverse workplaces in which people can realize their full potential irrespective of sex, age, race, nationality, disability, sexual orientation or other factors. In October 2007, NTT established the Diversity Management Office to bolster workplace diversity efforts across the whole Group, and by April 2008, diversity promotion supervisors were in place in Group companies. In the shared conviction that diversity can drive innovative actions and outcomes, the Diversity Management Office and diversity promotion supervisors have worked together to support work-life management improvements and career development for an increasing diversity of employees, and conduct educational activities aimed at reforming corporate culture and ingrained practices.

We also hold twice yearly diversity promotion conferences to enable individual Group companies to share their initiatives with the whole NTT Group, and monitor female manager ratios, status of hiring people with disabilities and other diversity management parameters.

In December 2013, we announced a plan to double ratio of our female managers by intensifying our efforts to support the career development of female employees in 41 companies* of the NTT Group.

* Number of employees at NTT, companies in Japan directly controlled by NTT, and their major subsidiaries (59 companies at the time of plan formulation, 41 companies at present).

Communication Handbook

Diversity Management Office web page screenshot

▶ Employment in the NTT Group

Women	Men
17,000	105,000

Total employees[1]
122,000

Women	Men
920	24,000

Management level employees[1,2]
24,920

Overseas	Domestic
77,000	165,000

Domestic/ overseas employees[3]
242,000

[1] Approximate number of employees in NTT, companies in Japan directly controlled by NTT, and major subsidiaries as of March 31, 2015
[2] Section managers and above
[3] Approximate number of employees in the NTT Group companies (917 companies) as of March,31 2015

Actively providing equal opportunities for female employees

The NTT Group is working across its whole organization to provide female employees with equal opportunities.

The Diversity Management Office and Group company diversity promotion supervisors share information on nurturing female leaders, supporting the balancing of work with child-rearing, work style reforms and other common goals, so as to implement the successful initiatives of individual companies across the Group.

We continued to pursue initiatives such as the provision of Company information to employees on childcare leave, training for employees preparing to return to work after childcare leave, and the use of e-learning materials to promote understanding for diversity. To put the ideas and values of a greater diversity of people to use in our management and services, in December 2013 we also announced a plan to double the current ratio of our female managers at section chief level and above by fiscal 2021 and intensified efforts to train and promote female employees to managerial positions in 41 companies* of the NTT Group.

Women occupied 3.6% of managerial positions as of the end of fiscal 2015 and comprised 28% of new graduates joining the NTT Group in 2015. We published these figures on the website launched by the Cabinet Office Gender Equality Bureau in January 2014 for companies to declare their achievements in promoting female leadership.

Nine NTT Group companies also hold joint forums and training sessions to promote networking among managerial level female employees and motivate them to nurture future female leaders. These forums and training sessions provide female employees from different Group companies with an opportunity to exchange views, inspire each other, share concerns and otherwise boost motivation.

* Number of employees at NTT, companies in Japan directly controlled by NTT, and their major subsidiaries (59 companies at the time of plan formulation, 41 companies at present).
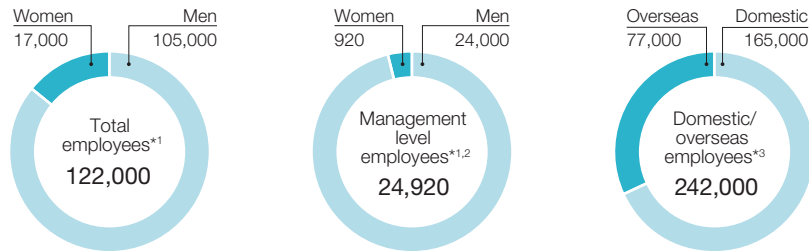
First real estate company to be selected as a Nadeshiko Brand

NTT Urban Development became the first real estate company to be selected as a Nadeshiko Brand, which recognizes and publicizes companies listed on the First Section of the Tokyo Stock Exchange that are exceptional in encouraging women's success in the workplace.

As a member of the NTT Group, we established various programs that encourage diverse personnel to realize their full potential, including the creation of the Diversity and Inclusion Office in October 2014 to drive further change toward creating a corporate culture and atmosphere of innovation under our new corporate slogan of "With Integrity, Through Innovation." We also sought to raise employee awareness through training and seminars.

Looking ahead, we plan to introduce a teleworking system and flexible working shifts in an ongoing effort to realize diverse work styles as part of our diversity initiatives.

Expanding employment of people with disabilities

The NTT Group has established three special purpose subsidiaries to actively recruit people with disabilities and expand hiring opportunities for them, and endeavors to create pleasant, agreeable workplaces.

In collaboration with the three special purpose subsidiaries and NTT Laboratories, the NTT Group is working to implement web accessibility and pursuing initiatives designed to share the knowledge and expertise gained by these subsidiaries through employing people with disabilities.

● Status of each Group company

Special purpose subsidiary within the NTT Group	Status of employment (as of June 1, 2015)	Company information and businesses
NTT CLARUTY	Number of employees: 269 Employees with disabilities: 214	Established in 2004 as a special purpose subsidiary of the NTT Group and wholly owned by NTT. Currently employs 214 persons with disabilities at five offices nationwide, including the head office in Musashino City, Tokyo. Engages in businesses ranging from operating the "Yu Yu Yu" portal site, with the active participation of persons with disabilities, to offer useful information for persons with disabilities and senior citizens; web accessibility diagnosis based on the Japanese Industrial Standards (JIS); training on special needs awareness; digitization operations; production and sales of handmade paper products; production of name cards; direct marketing and subscription solicitations; call center operations and office massage services.
NTT WEST LUCENT	Number of employees: 68 (including loaned employees) Employees with disabilities: 56	Established in 2009 as a wholly-owned special purpose subsidiary of NTT WEST. Three teams comprising 56 persons with disabilities are engaged in sales, facilities and planning and administrative operations under consignment from the NTT WEST Group. We also added web accessibility diagnosis to operations from fiscal 2015.
NTT Data Daichi	Number of employees: 150 (including loaned employees) Employees with disabilities: 115	Established in 2008 as a special purpose subsidiary of NTT DATA. Upholding the goal of promoting employment of persons with disabilities and creating sites that offer the joy of working together, our four offices located across Japan from Ishigaki island, Okinawa to Sapporo, Hokkaido provide IT services such as website production, web accessibility analysis and IT training, as well as office support services, including health-keeper operations for relieving the fatigue of NTT DATA employees, collection and dissolution of confidential documents and maintenance of office greenery.

Creating an international workforce

To address market changes and diversifying customer needs and become a Value Partner that will continue to be our customers' first choice, we are endeavoring to enhance our powers of innovation and corporate strengths through hiring and leveraging the abilities of a diversity of people. We consider diversity management to be critical to achieving our management goals, and actively seek to create workplaces where a diversity of people can realize their full potential irrespective of race or nationality. We apply the same conditions to the hiring and promotion of non-Japanese personnel as we do to our Japanese employees, and allow non-Japanese candidates to be interviewed or give presentations in English.

Of the 2,206 people hired by the NTT Group's eight major companies in fiscal 2015, 96 (approximately 4%) were non-Japanese.

● Status of each Group company

Group company	Number of new hires (persons)
NTT	1
NTT East	4
NTT West	0
NTT Communications	36
NTT DOCOMO	28
NTT DATA	20
NTT COMWARE	0
NTT FACILITIES	7

Continuous employment of retired employees

In 1999 the NTT Group introduced a continuous employment program for employees who have reached the retirement age of 60 in response to the raising of the qualifying age for pensions, the need of employees who want to continue working after retirement, the changing business environment and public expectations regarding elderly employment.

Furthermore, in view of the revised Act on Stabilization of Employment of Elderly Persons and from the standpoint of making maximum use of limited human resources in managing the NTT Group's businesses in the future, we introduced a new program in October 2013 that will enable applicants to continue working to fit their lifestyles up to the age of 65 and demonstrate their abilities by putting their experience to work.

Many retired employees have opted to use this program, which has been applied to approximately 23,000 employees* as of April 1, 2015.

* Number of retired employees who were continuously employed in fiscal 2015.

Rehiring program that responds to former employees' aspirations for reemployment

A significant number of employees who left the company for reasons such as the relocation of their spouse aspire to resume work at the NTT Group in the future. To respond to their requests and to effectively use the experience and skills they had acquired during their previous period of employment, NTT has established a program for rehiring former employees.

The program applies to employees with more than three years of service who were forced to leave after March 31, 2010, due to their inability to continue commuting because of a change of address necessitated by the relocation or career change of their spouse, or by marriage.

Employees who want to be reemployed are registered under the program by issuing a request to their supervisor upon leaving the company. For each of the following six years, registered individuals are asked about their intentions to rejoin the company. A request for reinstatement is followed by interviews and a health checkup, and the company decides whether or not to reemploy the former employee with due consideration for the current management and personnel situation.

As of March 31, 2015, 179 individuals have been registered, and 12 have been reemployed since the program was introduced.

Promoting work-life management

Encouraging employees to take annual paid leave

The NTT Group encourages taking annual paid leaves in an effort to promote the work-life management of each employee. We remind employees to take their annual leave ahead of long major holidays such as Golden Week, end-of-year and New Year holidays, and summer vacation, to create an encouraging environment.

In fiscal 2015, the average length of total paid leave taken at eight major NTT Group companies was 18.9 days, and the utilization ratio for paid leave was 94.5%.

● Status of each Group company

Group company	Total paid leave taken (average: days/person)	Utilization ratio of paid leave (%)
NTT	15.6	77.8
NTT East	19.7	98.7
NTT West	19.1	95.4
NTT Communications	18.0	83.5
NTT DOCOMO	18.2	94.0
NTT DATA	17.4	86.9
NTT COMWARE	19.0	95.1
NTT FACILITIES	17.5	87.3

Encouraging the use of childrearing and family care programs

The NTT Group believes in the importance of balancing careers with private life, and offers childcare and family care benefits that go beyond legally mandated levels. To address the issue of low birthrate and aging population, we also place no limits on the number of dependents that employees may claim under our family allowance system. In recognition of company efforts to support childrearing by employees, NTT earned the Kurumin Mark[*1] in April 2008, a certification provided by the Ministry of Health, Labour and Welfare, and received the new Kurumin Mark in August 2015 upon the revision of the Act on Advancement of Measures to Support Raising Next-Generation Children. Group companies[*2] have also obtained the mark. In addition, the ministry created the Tomonin symbol mark in November 2014 to promote the establishment of working environments for balancing work and family care. NTT has been actively using the mark since 2015 to publicize its initiatives and promote development of a workplace environment that prevents employees from being forced to quit in order to care for their family.

We are endeavoring to further improve our childrearing and family care programs to address the needs of employees and revisions in laws. In fiscal 2011, we revised these programs in line with the 2009 revision of the Child Care and Family Care Leave Law so as to better enable our employees to balance work with childrearing and family care commitments. We have also created NTT-LiFE+, a childrearing and family care support website, for NTT Group employees. In addition to providing details and instructions on the use of the various programs, NTT-LiFE+ carries all sorts of other information, including articles about employees who have succeeded in balancing work, childrearing and family care commitments. We also hold seminars on childcare support and returning to work after childcare or family care leave, conduct personal talks with employees prior to maternity leave and after returning from childcare leave, and are establishing workplace crèches.

Each Group company organizes family care study sessions and other events aimed at creating an environment that enables their employees to balance work with family care commitments in the coming age when such needs are predicted to become greater than ever. Many employees participate in these events,

demonstrating that this is a matter of keen interest to them, and we plan to continue providing such opportunities. We also have a rehiring program through which employees who took nursing care leave, and subsequently left the company to continue providing care, can be rehired if their request for reemployment is submitted within three years of the date on which the nursing care leave was approved. We also offer a program in which employees on family care leave who subsequently left to continue providing care can be rehired if they submit a request for reemployment within three years from the start of their initial leave for family care.

As a result of these efforts, a great many NTT Group employees balance work with childrearing and family care, and cases of employees leaving their jobs for childrearing and family care reasons are now relatively uncommon. We made changes to our family allowance system in July 2014 to better support the efforts of the childrearing generation to balance career development with childrearing, and will endeavor to further flesh out relevant systems while also cultivating employee understanding of these systems and changing outdated mindsets.

New Kurumin Mark

仕事と介護の両立支援

Tomonin Mark
Support for balancing
work and family care

* Kurumin Mark
Companies that developed an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and achieved the goals set out in the plan while also meeting certain standards are recognized as Childcare Support Companies by the Minister of Health, Labour and Welfare and earn the Kurumin Mark.

* Kurumin Mark and new Kurumin Mark-certified Group companies:
NTT, NTT East, NTT West, NTT Communications, NTT DOCOMO, NTT DATA, NTT FACILITIES, NTT COMWARE, NTT Software and Nippon Information and Communication

●Status of Group companies

Group company	Number of employees taking maternity leave	Number of employees who took childcare leave in FY2015		
		Men	Women	Return rate (%)
NTT	27	6	23	100
NTT East	209	7	349	94.3
NTT West	162	7	312	93.5
NTT Communications	83	3	101	100
NTT DOCOMO	552	12	835	98.4
NTT DATA	180	18	288	94.4
NTT COMWARE	50	3	86	95.2
NTT FACILITIES	15	1	36	97.3

Group company	Number of employees who took nursing care leave (as of March 2015)	
	Men	Women
NTT	0	0
NTT East	8	3
NTT West	5	7
NTT Communications	4	1
NTT DOCOMO	12	34
NTT DATA	0	5
NTT COMWARE	2	1
NTT FACILITIES	0	1

Work-Life Management Forum

NTT Group

The NTT Group held a Work-Life Management Forum in December 2014 to facilitate an evolution in working style and corporate culture, drawing upon employee initiatives for achieving a more flexible way to work and improve productivity.

Two panelists were on hand: Mr. Adam Beije, Press and Information Officer of Embassy of Sweden in Japan and Mr. Naoki Atsumi, Team Leader of the Cabinet Taskforce on Birthrate Decline of Japanese Cabinet Office. The forum began with greetings from the president and vice president, which were followed by a lecture on gender equality in Sweden and a panel discussion. The second part of the forum was the screening of a Swedish comedy depicting a father struggling to raise his child and work at the same time. The forum's target audience was managers who have, or will have, subordinates who will be raising children, male and female employees currently taking childcare leaves, and employees who may also be involved in childrearing, that is to say all employees, for a total of about 240 participants.

Although career development for women has been encouraged in Japan, the average number of working hours for female workers with children six years old or younger is still quite low, and the hours they spend childrearing is 1.5 to 2 times longer than in other advanced nations. This suggests that men are not participating enough in childrearing, and Japan has set a goal for raising the rate of childcare leaves taken by men to 13% by 2020 from the current level of around 2%. The NTT Group will continue to strengthen employee work-life management to enable both male and female employees to maintain a good balance between work and home, work efficiently and utilize their skills and insight gained through their private and social life, thereby generating new value for society.

Screening of the Swedish movie *Double Shift*

Changing work styles by utilizing the telework system and other measures

The NTT Group is promoting the use of its telework system to boost productivity and enable its diverse human resources to fulfill their potential by supporting childcare and family care, and thereby realize flexible work styles through work-life management.

In response to the request from the government and Keidanren (Japan Business Federation) in fiscal 2016, we have been promoting early morning work styles, telework and other options toward changing lifestyles during the summer.

● Status of Group companies

Group company	Number of employees using telework system at each Group company
NTT	1,047
NTT East	293
NTT West	84
NTT Communications	315
NTT DOCOMO	57
NTT DATA	–
NTT COMWARE	68
NTT FACILITIES	38

Life design training at 40 and 50 years and other career milestones

In light of increasing diversity in employee life plans, the NTT Group provides life design training for employees reaching age or career milestones to consider how they wish to spend the rest of their lives, including their working lives.

● Status of Group companies

Group company	Number of life design training sessions	Aggregate number of participants
NTT East	98	6,497
NTT West	1	900
NTT Communications	3	187
NTT DOCOMO	5	204
NTT DATA	19	841
NTT COMWARE	14	602
NTT FACILITIES	5	239

Fair Evaluation and Compensation

Fair evaluation of employee performance

The NTT Group operates a qualification system that puts priority on performance, and sets behavior and performance targets tailored to each qualification rank. Our human resources management system is designed to encourage employees to think and act for themselves in the execution of their work duties through an evaluation process that incorporates the setting of targets and provision of feedback to employees as well as actual work performance evaluation.

Performance evaluation that employees are happy with

Rather than having each company operate their own mechanisms for human resources management and development, we operate an all-inclusive system for managing employee placement, capacity building, evaluation, rating and pay, centered on an employee qualification system that indicates our expectations in terms of behavior and performance according to employee level. Proper evaluation requires a sound understanding of the principles and content of the human resources management system, and appropriate execution of the successive processes of target setting, everyday communication, evaluation implementation and interviews to provide feedback. To this end, we adhere to the following process. The evaluation system applies to 68% of the NTT Group, including companies outside Japan.

● **Regular personal interviews with superiors and human resources manager**

All NTT Group employees meet regularly with their superiors and human resource managers for personal interviews to ensure that they share the same perception as their superiors regarding performance targets and the processes required to achieve them, and to share thoughts on areas with scope for improvement and discuss career paths and personal growth.

Employees are given six opportunities each year to talk personally with their superiors—once each at the start, middle, and end of each fiscal year, plus one overall evaluation feedback interview and two (April and October) performance evaluation feedback interviews.

The first interview of the year is for employees and their superiors to align their views on targets for the year, and for employees to seek advice on any outstanding matters. The midyear, yearend and feedback interviews are for managers and their subordinates to review results, performance, and the processes for achieving targets, and for managers to provide advice and motivation for making further improvements and growth. Records are kept on the implementation of these interviews, which are held without fail except in cases in which vacations or leave prevent implementation in the allotted period.

● **Evaluator Meetings**

We endeavor to enhance the fairness and objectivity of our evaluation process and prevent subjective and arbitrary evaluations by having all of the evaluators in the same business unit hold evaluator meetings to align their evaluation criteria and perspectives.

● **Evaluator Training**

We provide employees in evaluator positions with evaluator training (e-learning) and new manager training as well as our Human Resources Evaluation Manual as part of our efforts to further improve the fairness of evaluations and employee satisfaction with those evaluations. We also provide employees subject to evaluations with evaluation subject training, a handbook explaining evaluation, target setting and other topics, online educational tools for promoting understanding of our human resources management and pay systems, and a collection of high performance model examples.

Improving human resource management and pay systems

The NTT Group implements policies aimed at enabling each and every employee to make the most of their abilities as members of Team NTT, and to grow steadily as competent professionals and take the initiative in developing their careers.

● **Improving human resource management and pay systems**

We reconstructed our human resources management and pay systems in October 2013 to create an environment in which employees of all ages can realize their full potential in a way that grows our business, while also hiring the right mix of both people possessing frontline skills and specializations and people eager to take on new challenges based on our perception of the period from start of employment up to the age of 65 as a single block. The new systems are designed to better reward employees who perform the roles and produce the results expected of them through introducing

evaluation-based compensation and expanding results-based awards.

● Average salary in the NTT Group*

Average salary for female employees	Average salary for male employees
3,522,562 yen (basic salary only)	4,488,311 yen (basic salary only)

* Ratio of average salary to minimum local wage in Japan, upon which the majority of NTT Group operations is based, is 5.2:1. (Average annual salary of 2,835 employees at NTT Corporation: 8,795,504 yen; minimum local wage: calculated based on the minimum wage in Tokyo (888 yen/hour) to be 1,678,320 yen (21 days × 888 yen × 7.5 hours × 12 months).

Placing the right people in the right jobs

Approach and system of personnel allocation

The NTT Group engages in businesses across a broad range of content. The development of each business requires placing the right people in the right jobs, so that each employee can fully demonstrate their potential.

Therefore, we periodically rotate personnel on the basis of each employee's overall skill development and career plan decisions.

In-house recruitment programs

We raise motivation and promote networking within the Group by providing ambitious employees with opportunities to seek new challenges through our NTT Group Job Challenge in-house recruitment program. In recent years, we have been using the Job Challenge program also to nurture and raise the number of employees across the whole Group who are capable of working globally. We are actively providing opportunities for employees to transfer to global posts by creating new global posts and increasing global recruit numbers. In fiscal 2015, 420 employees used the Job Challenge program, with 159 transferring as a result to their desired workplace.

Employee turnover

Human resources serve as the cornerstone of a company seeking economic growth or pursuing corporate strategies, and a company's ability to secure excellent human resources is a key indicator of its potential to achieve sustainable growth. Since the end of fiscal 2015, we began calculating the turnover rate for eight major NTT Group companies including their affiliated companies. As a result, the turnover rate* for fiscal 2015 was 8.8%.

	FY2014	FY2015
Turnover rate for all employees	9.5%	8.8%
Turnover rate for retirement due to personal reasons	1.8%	2.1%

* Figures include those subject to mandatory retirement

Layoffs

Organizational changes are implemented after discussion and negotiation with all labor unions. No layoffs occurred in fiscal 2015.

Human Resource Development

Education and training programs

Employee education, training policies and management system

The NTT Group creates an environment in which each employee can demonstrate their abilities through their work and become a high-value added human resource.

Each employee sets up a self-development plan based on the expertise required in their respective work and enhances their skills by following a PDCA cycle. Each Group company has established programs for cultivating diverse human resources by setting up a mechanism for recognizing areas of expertise relevant to the characteristics and content of their business and for certifying skills.

Helping employees to develop their abilities

In addition to Group training and on-the-job training to enable employees to gain necessary skills in various fields of business, we provide many other opportunities for employees who are eager to get ahead, including e-learning, distance learning, in-house certification of skill levels, and support for earning qualifications.

We actively support employee career development in various ways, including having superiors hold personal talks with their subordinates at the start of the year, midyear and yearend to review performance and career plans, and providing management training to employees tapped for promotion. To nurture personnel capable of performing on the world stage, we also send employees to study at overseas graduate schools or participate in our overseas work experience programs. In fiscal 2015, about 7,000 training programs were provided for employees in seven major Group companies (NTT East, NTT West, NTT Communications, NTT DOCOMO, NTT DATA, NTT COMWARE and NTT Facilities) and 62,000 yen was spent per employee.

● Status of each Group company

Group company	Training costs (yen/person)	Length of training per employee (hours)	Number of training sessions
NTT East	45,070	8	1,096
NTT West	34,449	7	1,019
NTT Communications	109,629	9	1,055
NTT DOCOMO	172,000	51	940
NTT DATA	128,756	77.6	1,936
NTT COMWARE	62,722	31	487
NTT FACILITIES	116,188	40	265

Creating Safe and Healthy Workplaces

Occupational safety and health

Establishing management systems and cultivating everyday awareness for protecting safety and health

In addition to observing relevant laws and regulations such as Japan's Labor Standards Act and Industrial Safety and Health Act, the NTT Group endeavors to provide further protection of its employees' safety and health by establishing its own Safety Management Rules and Health Management Rules and taking measures to ensure their smooth implementation.

More specifically, we have established a safety and health management system at each site to achieve our goal of securing the safety and health of employees in the workplace and appointed a general safety and health manager as well as safety managers. Under this system, we provide regular health checks, arrange workplace inspections by industrial physicians, and otherwise endeavor to create safe and comfortable workplaces and promote the health of our employees.

We ensure that specific measures related to the individual operations of each worksite are in compliance with the ministerial order of the Ministry of Health, Labour and Welfare, and fulfill our obligation of implementing health checks for all NTT Group employees as well as measures for assessing, managing and reducing excessive work hours.

From December 2012, we launched a field trial with the NTT Health Insurance Union and NTT Medical Center Tokyo on the utilization of the latest ICT technologies to prevent lifestyle-related illness and promote health. In April 2014, the union also launched a health point system for insured employees and spouses under the same coverage. We leverage such initiatives to maintain and improve employee health and reduce our healthcare bill. We also aim to contribute to society by utilizing the data and knowledge gained from such initiatives to develop and provide services for local authorities and corporate customers.

Initiatives to eliminate accidents

In fiscal 2015, 20 serious accidents occurred while partner companies carried out telecommunications-related works and repairs commissioned by NTT Group companies. Analysis of the accidents revealed that similar incidents from the past were being repeated, such as those caused by carbon monoxide poisoning and electrical shock during crane operations. We therefore conducted an emergency Group-wide campaign in the second half of fiscal 2015 for establishing thorough adherence to established rules for preventing recurrences. The unified slogan for this Group-wide initiatives is "Back to the basics. Now."

We have also been making continuous Group-wide efforts to further boost safety awareness and maintain the back-to-basics ethos among all on-site workers.

In addition, we hold regular meetings of Group company safety leaders to share information on accidents and near misses, and we apply the lessons we have learned. During the Safety Measure Reinforcement Periods, held from June 1 to July 7, and from December 1 to January 15 of the following year as an additional period starting from fiscal 2015, we use standardized NTT Group safety posters and other means to promote awareness of safety measures with the aim of eliminating serious accidents.

Safety measures and track record for construction work at each Group company

Group company	Number of serious accidents (fiscal 2015)	Implementation status of safety measures
NTT East	10	• The entire NTT East Group is working to build a strong safety management system in order to eliminate accidents and create a safe working environment where everyone can work with peace of mind. • Trained a small group of activity advisors* and assigned them to support the activities of and provide guidance for each team. • For the health management of employees, lecturers were invited to speak about approaches to mental health during training and other opportunities. • From fiscal 2015, the tenth day of every month has been designated as "Safety Day," when all employees involved with construction and maintenance duties implement KYT (hazard prediction training) while learning from past accidents and reconfirming basic actions to prevent accidents. * Employees who participate in team activities to provide support through guidance on methods including how to move activities forward smoothly and narrow down points in a discussion.
NTT West	6	• NTT West Group communication construction companies reinforced safety patrols and provided safety guidance through direct talks with construction site workers in a unified effort to instill basic actions. • Introduced fail-safe functions when changing vehicles in order to prevent accidents resulting in injury. Also introduced HITOMARUKUN and other equipment to forcibly stop vehicles from entering in an effort to prevent accidents caused by a vehicle plunging into a worksite. • Conducted a safety awareness survey to check the awareness of past serious physical injuries and recurrence prevention measures, informed all employees of the recurrence prevention measures, and implemented tests to check their comprehension. • In order to prevent accidents due to the site environment, all workers check the work environment and content, and also make sure to implement on-site hazard prediction. • Designated a safety enhancement week for the entire NTT West Group to implement small group activities related to safety and using near-miss reports and daily chanting of a point for safe work.
NTT Communications	0	• Worked to develop safety leaders by having managers take KYT (hazard prediction training) for the enhancement of their safety guidance ability. • Shared information on past accidents leading to injury that occurred in NTT Group companies to improve safety awareness and knowledge. • Checked unsafe behavior through safety patrols and improved safety awareness at a construction site.
NTT DOCOMO	2	• Enhanced safety patrols to improve the safety awareness of construction site workers while ensuring the implementation of on-site KY (hazard prediction) and various safety measures. • Implemented training to teach about the characteristics of special vehicles and high-place work skill training jointly with partner companies in light of the lessons learned from past accidents involving special vehicles and high-place work. • With the aim of improving safety management skills as persons who place orders, solicited NTT DOCOMO Group employees across the country and implemented DOCOMO safety training to practice KYT (hazard prediction training) and high-place work and to teach about the related laws and regulations as well as vehicle characteristics. • Implemented a safety overhaul to check the safety measures, accident prevention, a work procedure and the basic actions of all work teams using a checklist. • Implemented a safety awareness survey: interviewed construction site workers to find out if they recognized past accident cases and reviewed safety measures at each workplace.
NTT FACILITIES	2	• Planned safety activities based on F-OSMS, checked safety activities with a focus on improvements, and developed good measures. • Motivated employees to implement checks and action such as checking performance after an accident and developing cross-sectional recurrence prevention measures, shared accident information, conducted safety initiatives, and checked the spread of the initiatives in cooperation with the block offices. • Implemented e-learning for safety specialized in the Industrial Safety and Health Act for all employees with the aim of enhancing the educational content. • Improved the safety of the working environment through the standardization of safety tools. • Implemented SQAT activities, repeated e-SQAT learning until a full score was achieved, and conducted follow-up activities. • Cultivated a safety mindset by sharing information about accidents occurring throughout the entire NTT Group. • Shared accident information with partner companies through a dedicated website for safety information.

Industrial accidents

The NTT Group monitors occurrences of industrial accidents in its effort to create a secure workplace for employees.

● Status of each Group company

Group company	Commuting accidents	Other operational accidents
NTT	3	3
NTT East	4	0
NTT West	0	0
NTT Communications	9	1
NTT DOCOMO	9	0
NTT DATA	8	1
NTT COMWARE	5	1
NTT FACILITIES	0	0

Prevention of overwork

Overwork prevention measures promoted by each Group company according to their business characteristics

To prevent overwork and maintain employee health, the NTT Group is taking measures such as designating Wednesday as a weekly no-overtime day. Each Group company is actively striving to prevent overwork according to the nature of their respective businesses.

Group companies are seeking to optimize working hours and prevent overwork by using log management functions that record when an employee logs in and off their computer. In fiscal 2015, the average annual overtime hours per person was 15.0.

Mental healthcare

Enhancing care for mental health

To strengthen mental health management on an ongoing basis, the NTT Group has set up contact points inside and outside the Company and has been providing medical interviews on mental health as well as periodic training to raise employee awareness.

● Status of each Group company
Each Group company is seeking to enhance their systems and initiatives according to their respective business characteristics and actual circumstances of their operations.

Group company	Training implementation status, number of employees with relevant qualification, initiatives and results
NTT East	Implementation rate of mental health interview: 99.5%
NTT West	Participants of self-care training: 6,738; Participants of life-care training: 3,247
NTT Communications	Mental Health Management Proficiency Test Number of employees who took the test in FY2014: 236; Number of employees who passed the test: 202 Total number of employees who took the test: 2,428
NTT DOCOMO	Implementation rate of stress survey: 99.1% (1.3% increase from the previous year)
NTT DATA	Number of employees who passed the official Mental Health Management exam: 203, pass rate: 89.7%
NTT COMWARE	Number of employees who passed the Mental Health Management Training Test: 324 (accumulated total) Rate of taking the mental check: 98.3% (1% increase from the previous year)
NTT FACILITIES	Employee coverage of mental health e-learning: 97.5%

NTT Group's extensive benefit programs

The NTT Group operates a cafeteria-style service for its benefit programs. Employees are given points that can be used for a variety of benefit "menu items," ranging from property accumulation and support for life plans such as childrearing, to the use of lodgings and amusement facilities. The program applies to approximately 140,000 employees at 130 NTT Group companies.

In fiscal 2015, labor and management agreed to add a further 3,000 points (equivalent to 3,000 yen) to the health "mileage" program toward maintaining and improving the mental and physical health of employees and contract staff who work at the NTT Group. This is equivalent to approximately 800 million yen.

Enhancing employee satisfaction

The NTT Group strives to understand the issues at hand for improving its working environment and corporate mechanisms toward creating companies that are acceptable for workers. As part of this effort, we regularly conduct a survey of employees at Group companies and use the results to improve the working environment. Results of the survey conducted at Group companies in fiscal 2015 showed the level of employee satisfaction at 3.64 out of 5 points.

Labor-Management Dialogue

With the exception of managers, most NTT employees in Japan belong to the NTT Labor Union, a member of the Japan Labor Union Confederation, and labor-management relations have remained stable (membership: 89.8%). There have been no labor union strikes for more than 10 years. In fiscal 2015, management and labor engaged in 49 consultations and negotiations.

The company adheres to the minimum notice period of 10 days before an official announcement, as designated by the "Agreement on Employee Relocation" under the collective agreement with the NTT Labor Union.

Citizenship Activities

Number of local community cleanup participants **126,000**

Number of PET bottle caps collected (Ecocap Movement) **29.95** million

Why this is a CSR Priority Activity for the NTT Group

The NTT Group has operating bases located not only in Japan but also around the world, from which it provides telecommunications networks, an important lifeline. For these reasons, our business is deeply rooted in local communities. In order to further develop this business, it is absolutely essential that we pursue harmonious relationships and strive to resolve local issues in collaboration with local residents, central and local governments, NGOs, NPOs, and educational institutions.

The NTT Group looks to address the various issues faced by local communities in which we operate, including those related to environmental issues, aging populations, declining birthrates, and the education of children. NTT believes it is important to contribute to the development of flourishing and vibrant local communities through the actions of each member of Team NTT, comprising NTT Group employees, their families, and retired employees.

In addition to making a social contribution through our businesses, the ideal is for each employee of the 200,000 strong NTT Group to interact with members of their local community, identify local needs, and contribute in even small ways to addressing issues. Herein lies the strength of the NTT Group, a global enterprise that engages in businesses deeply rooted in local communities. We will continue to ensure that Team NTT's actions will lead to civic involvement that is unique to the NTT Group.

Management approach

The NTT Group CSR Charter calls on Team NTT to work together to fulfill our mission to society by contributing to the further development of a flourishing and vibrant community. In accordance with this policy, we have defined the following six pillars for corporate citizenship activities: environmental conservation, social welfare, education and cultural promotion, local community development and dialogue, international exchange activities, and sports promotion. As one initiative in the area of environmental conservation, we launched the Green with Team NTT slogan in fiscal 2010, under which we engage in Group-wide environmental conservation activities that encourage employee participation. We also carry out Operation Clean Environment community cleanups and take part in the Ecocap Movement PET bottle cap collection as a priority policy shared by the NTT Group. Green with Team NTT is one of the three approaches set forth in THE GREEN VISION 2020, the NTT Group vision for the environment announced in November 2010.

NTT also believes that reaching out to people that have been impacted by the Great East Japan Earthquake and other major natural disasters is another important way we must aid communities, and we have consistently participated in volunteer activities for reconstructing the areas affected by the Great East Japan Earthquake.

Support for citizenship activities by employees

With the belief that participation in citizenship activities can help to broaden the mind, NTT Group companies are implementing an increasing range of policies to support employee citizenship activities, informing employees of support programs, and commending citizenship activities carried out under such programs. Other programs include a Matching Gift Program under which Group companies match donations collected independently by employees, and a Volunteer Gift Program under which Group companies donate goods to facilities, etc. where employees are engaged in voluntary citizenship activities.

● Measures to support citizenship activities

Programs	Details
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.
Matching Gift Program	Under this program, NTT Group companies support employees' fund-raising and charity activities by matching donations made by employees.
Volunteer Leave Program	This program enables employees to take extended leave for volunteer activities or other purposes in line with life design plans.

Promoting citizenship activities in a united Group effort

The NTT Group has defined the following six pillars for corporate citizenship activities: environmental conservation, social welfare, education and cultural promotion, local community development and dialogue, international exchange activities, and sports promotion. In fiscal 2015, eight major NTT Group companies were engaged in approximately 2,300 citizenship activities.

Activity area	Number of activities in fiscal 2015	Representative initiatives
Environmental conservation	801	Operation Clean Environment community cleanups, Ecocap Movement PET bottle cap collection, forestry preservation
Local community development and dialogue	693	Participation and sponsorship of local festivals, participation in traffic safety activities
Social welfare	493	Distribution of "Help Me Make a Call" notepads, hosting charity bazaars
Education and cultural promotion	163	Sponsorship of concerts, support for preservation of cultural assets
Sports promotion	89	Hosting of various sports classes (baseball, rugby, soft tennis, soccer), sponsorship of sports events
International exchange activities	69	Dispatch of employees to the Japan Overseas Cooperation Volunteers, participation in TABLE FOR TWO

To raise the environmental awareness of each individual employee, the NTT Group encourages participation in community cleanups at operating bases throughout Japan as part of its employee engagement efforts. The entire Group is involved in the Operation Clean Environment under a priority policy of our citizenship activities, and the number of participants has been growing over the years. In fiscal 2015, this number reached approximately 126,000, about 3,000 more than in the previous year.

We also take part in the Ecocap Movement PET bottle cap collection as a priority policy of our citizenship activities, in which we have made a focused Group-wide effort since 2010. The activity is aimed at reducing CO_2 emissions from incineration and donating the proceeds from recycling the PET bottle caps to encourage the recycling of caps.

In fiscal 2015, we collected more than 29.95 million caps, which is equivalent to CO_2 reductions of 214 tons or a donation of approximately 570,000 yen.

We intend to continue our engagement in citizenship activities in fiscal 2016.

Continuing support for the reconstruction of areas affected by the Great East Japan Earthquake

Green with Team NTT
Green Pearl Coastal Forest Regeneration Project

NTT

In order to support the post-disaster reconstruction of Kesennuma Oshima, an island in Miyagi Prefecture that suffered extensive damage from the earthquake and ensuing tsunamis and forest fires, NTT launched the Green with Team NTT Green Pearl Coastal Forest Regeneration Project in March 2013.

Kesennuma Oshima constitutes a natural bulwark in Kesennuma Bay that served to protect the city of Kesennuma from even worse damage when the Great East Japan Earthquake tsunamis hit the coast. The regeneration of Oshima's coastal forest will contribute to the local community from various perspectives, including environmental protection and restoration, conservation of biodiversity, disaster mitigation and disaster zone reconstruction.

In fiscal 2015, a team of 61 members including retired employees as well as Group company employees and their families gathered from the Tokyo area and Tohoku region to help nurture the 1,006 oak, cherry and other saplings planted in fiscal 2013 by clearing scrub under the supervision of the Japan Forest Biomass Network, an NPO cooperating with the project. The island's rich natural environment was also put to good use to hold a nature appreciation field class and stargazing session for the children participating in the event.

Supporting the post-disaster reconstruction of Kesennuma Oshima

Ongoing employee volunteer support for areas affected by the earthquake

docomo

At NTT DOCOMO, employee volunteers, vowing not to forget the disaster and to take action as individuals, continue to take part in activities to support reconstruction from impacts of the Great East Japan Earthquake. In fiscal 2015, volunteers continued to support the recovery of the fishing and agricultural industries and conduct cleanups by removing debris in the Miyagi Prefecture town of Minamisanriku, which suffered catastrophic tsunami damage. Employees also maintained the effort launched in fiscal 2014 of installing wood decks on temporary housing in Rikuzentakata City, Iwate Prefecture, to help address the needs of and improve living conditions for the evacuees that are forced to continue to live in these housing units.

A total of 106 people participated in activities to support the fishing and agricultural industries in Minamisanriku, and 22 took part in activities to install wood decks on temporary housing in Rikuzentakata City, bringing the total number of DOCOMO employees who participated in activities to support the Tohoku region in fiscal 2015 to 128. Meanwhile, 10,720 donors responded to DOCOMO's call for donations in support of Tohoku, an increase of 28%, and together with the corporate donation, a total of approximately 79.8 million yen was collected. Through an intermediary support organization, the donations are being used for activities that include visits to elderly citizens in affected areas while distributing meals, and support for the schooling of children in these places.

In view of the declining number of on-site activities by NPOs and the growing importance of local governments in the areas, we intend to continue our donations in fiscal 2016 by adding local governments to the list of recipients.

Support for agriculture

Support for fisheries

Citizenship activities by retired NTT Group employees

NTT Group

Retired employees of the NTT Group are also actively participating in citizenship activities individually or in a group as a member of "Team NTT".

Denyu-Kai, whose membership consists of retired NTT Group employees, engages in a broad range of citizenship activities, including social welfare and environment beautification.

Denyu-Kai supports the citizenship activities of retired employees by annually presenting the Volunteer Activity Awards to members and organizations who undertake effective citizenship activities. The 24th Awards in fiscal 2014 recognized 31 persons and 5 groups (36 awards in total).

Performing a folk song and dance in a nursing home
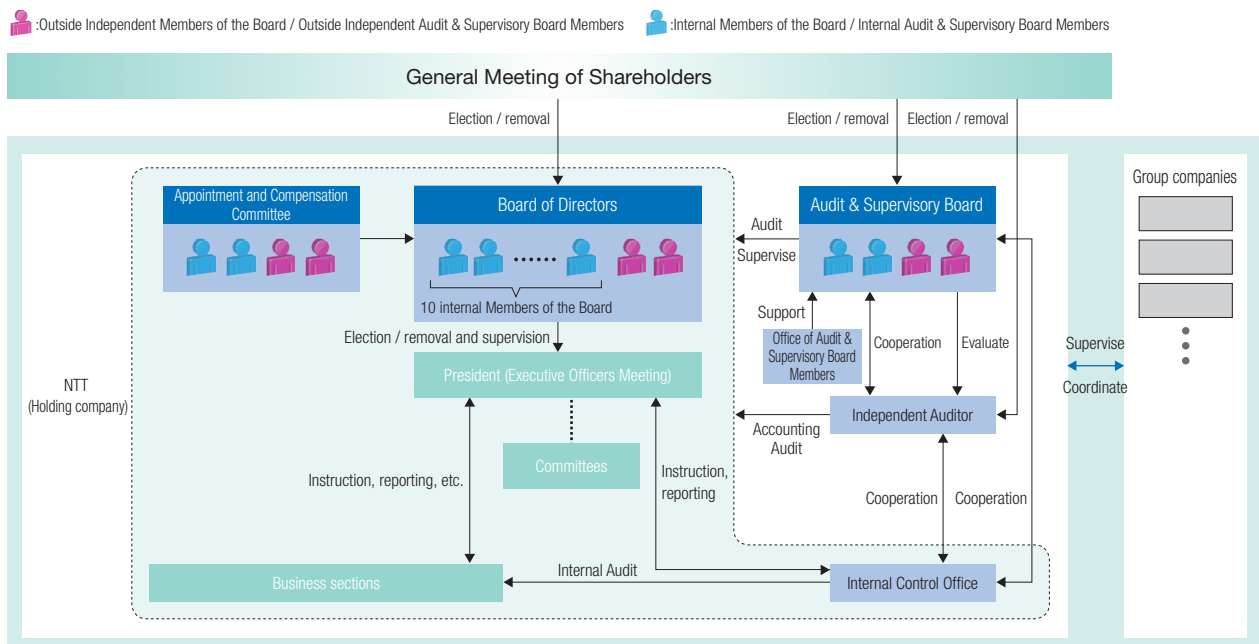
Corporate Governance

Corporate Governance Systems

Basic Policy

As the holding company of the NTT Group, NTT believes that raising the effectiveness of corporate governance is an important management issue for meeting the expectations of various stakeholders, including shareholders and other investors, as well as customers, business partners, and employees, and for maximizing corporate value. Accordingly,

NTT is working to strengthen corporate governance based on its fundamental policies of ensuring sound management, conducting appropriate decision-making and business activities, clarifying accountability, and maintaining thorough compliance.

Corporate Governance Structure

:Outside Independent Members of the Board / Outside Independent Audit & Supervisory Board Members   :Internal Members of the Board / Internal Audit & Supervisory Board Members

General Meeting of Shareholders

Election / removal   Election / removal   Election / removal

NTT (Holding company)

Appointment and Compensation Committee

Board of Directors
10 internal Members of the Board

Audit & Supervisory Board

Group companies

Audit
Supervise

Election / removal and supervision

President (Executive Officers Meeting)

Support

Office of Audit & Supervisory Board Members

Cooperation   Evaluate

Instruction, reporting, etc.

Committees

Instruction, reporting

Accounting Audit

Independent Auditor

Supervise
Coordinate

Cooperation   Cooperation

Business sections

Internal Audit

Internal Control Office

Overview of Corporate Governance Structure

NTT has an Audit & Supervisory Board (is a Company with Board of Company Auditors as defined by the Companies Act of Japan). Its corporate governance provides two layers of supervising and auditing for execution with a Board of Directors that contains two outside independent Members of the Board as well as an Audit & Supervisory Board consisting of a majority of outside independent Audit & Supervisory Board Members. NTT has judged the current governance system to be effective.

NTT's Board is currently composed of 12 members, including two outside independent Members of the Board. In principle, the Board of Directors meets once per month.

In addition, extraordinary meetings are held as needed. The Board of Directors makes decisions on matters stipulated by law and on important matters related to corporate management and Group management. Moreover, through such means as periodic reports from Members of the Board on the status of the execution of his / her duties, the Board of Directors supervises the execution of Members of the Board. NTT has elected two outside independent Members of the Board to strengthen the supervisory function for business execution. Each outside independent Member of the Board has extensive experience and a high level of integrity and insight. NTT believes that the outside

independent Members of the Board will help strengthen NTT's supervisory function for business execution and expects to incorporate the opinion they provide from their wide-ranging managerial perspective.

Business execution at NTT is conducted in accordance with the organizational regulations governing the functions and operations of each organization. Important decisions are made under the supervision of the Board of Directors and based on the responsibility regulations that define the responsibilities and authorities for the president, senior executive vice presidents, and the head of each organization.

In addition, NTT has established various meetings and committees as has been deemed necessary to discuss important matters related to corporate management and Group management in order to ensure that appropriate decisions are made for facilitating effective Group management. For example, important corporate matters to be decided are, in principle and in advance, discussed by NTT's Executive Officers Meeting, which is made up of

the president, senior executive vice presidents, full-time directors, and the heads of staff organizations. In principle, meetings of the Executive Officers Meeting are held about once a week. To improve the transparency of management decision-making, one Audit & Supervisory Board Member participates in the Executive Officers Meeting.

Furthermore, a number of committees have been established below the Executive Officers Meeting to discuss specific issues related to corporate and Group management strategies. Major committees include the Technology Strategy Committee, which deliberates on the Group's R&D vision and technology development strategy; the Investment Strategy Committee, which examines investment projects that are larger than a certain scale; and the Finance Strategy Committee, which discusses basic financial strategies and financial issues. These committees, which are held as necessary throughout the year, are in principle chaired by the president or a senior executive vice president, and are attended by relevant Members of the Board and others.

▶ Major Committees

Committee Name	Overview
CSR Committee	Formulates basic CSR strategy and CSR goals for the Group, formulates basic policy for CSR-related reports
Corporate Ethics Committee	Establishes corporate ethics, takes thorough steps to maintain discipline
Human Rights Education Committee	Establishes human rights education systems and responds to discrimination incidents, etc.
Technology Strategy Committee	R&D vision, technology development strategy, R&D alliance strategy
Investment Strategy Committee	Investment strategy related to large investment projects, etc.
Finance Strategy Committee	Basic strategies related to finance, policies for addressing financial issues
Business Risk Management Committee	Crisis management for the handling of new business risks related to company management
Disclosure Committee	Establishment of policies for compiling yearly reports
U.S. Sarbanes-Oxley Act Internal Control Committee	Tracking of status of internal control in accordance with Sarbanes-Oxley Act on a Groupwide basis
	Verification and monitoring of measures to improve deficiencies
	Formulation of measures to maintain and improve internal control systems Groupwide

The Audit & Supervisory Board, consists of a total of five Audit & Supervisory Board Members (two internal Audit & Supervisory Board Members, one of whom is a woman, and three outside independent Audit & Supervisory Board Members, one of whom is a woman). In the fiscal year ended March 31, 2015, the Audit & Supervisory Board met 22 times. Furthermore, the Audit & Supervisory Board Members periodically conduct meetings with NTT's Representative Members of the Board to exchange ideas and opinions and also hold discussions with other Members of the Board as well as the Representative Members of the Board of Group companies with regard to various themes. Through these efforts, the Audit & Supervisory Board Members maintain an understanding of the status of the execution by Members of the Board, providing suggestions when necessary. In

addition, the Audit & Supervisory Board Members, including outside independent Audit & Supervisory Board Members, attend important meetings, such as meetings of the Board of Directors, and conduct appropriate audits regarding the status of the execution by Members of the Board.

They also work closely with the Independent Auditor, periodically exchanging information on audit plans and audit results to enhance the audit system. Furthermore, the Audit & Supervisory Board Members exchange information with the Internal Control Office, through means such as receiving reports on the results of internal audits. The Audit & Supervisory Board also conducts audits in partnership with the Audit & Supervisory Board Members of Group companies.

Members of the Board and Audit & Supervisory Board Members (As of June 30, 2015)

Background and Experience of Members of the Board

Satoshi Miura

Date of Birth: April 3, 1944
Member of the Board and Chairman
Chairman of the Board

Date First Appointed
June 2012

Shares Owned
31,240

Background and Experience
Apr. 1967: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 1996: Member of the Board and Vice president of the Personnel Department of the Company
Jul. 1996: Member of the Board and Vice president of the Personnel Industrial Relations Department of the Company
Jun. 1998: Executive Vice President and Vice president of the Personnel Industrial Relations Department of the Company
Jan. 1999: Executive Vice President and Deputy Senior Executive Manager of the NTT-East Provisional Headquarters of the Company
Jul. 1999: Representative Member of the Board and Senior Executive Vice President of Nippon Telegraph and Telephone East Corporation
Jun. 2002: Representative Member of the Board and President of Nippon Telegraph and Telephone East Corporation
Jun. 2005: Representative Member of the Board, Senior Executive Vice President and Senior Vice President of the Corporate Management Strategy Division of the Company
Jun. 2007: Representative Member of the Board, President of the Company
Jun. 2012: Member of the Board and Chairman of the Company (present post)

Principal Concurrent Positions
None

Hiroo Unoura

Date of Birth: January 13, 1949
Representative Member of the Board and President
Chief Executive Officer

Date First Appointed
June 2012

Shares Owned
25,400

Background and Experience
Apr. 1973: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 2002: Member of the Board and Senior Vice President of Department I of the Company
Jun. 2005: Member of the Board and Senior Vice President of Department V of the Company
Jun. 2007: Executive Vice President, Senior Vice president of the Corporate Strategy Planning Department, and Vice President of the Corporate Business Strategy Division of the Company
Jun. 2008: Representative Member of the Board, Senior Executive Vice President and Senior Vice President of the Strategic Business Development Division of the Company
Jun. 2011: Representative Member of the Board and Senior Executive Vice President of the Company
Jun. 2012: Representative Member of the Board and President of the Company (present post)

Principal Concurrent Positions
None

Hiromichi Shinohara

Date of Birth: March 15, 1954
Representative Member of the Board and Senior Executive Vice President
Chief Technology Officer, Chief Information Security Officer, Senior Vice President of Research and Development Planning;
In charge of technical strategy and international standardization

Date First Appointed
June 2014

Shares Owned
12,600

Background and Experience
Apr. 1978: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 2003: Vice President of the Access Network Service Systems Laboratories of the Information Sharing Laboratory Group of the Company
Jun. 2007: Senior Vice President of the Information Sharing Laboratory Group of the Company
Jun. 2009: Member of the Board and Senior Vice President of the Research and Development Planning Department of the Company
Jun. 2011: Member of the Board, Senior Vice President of the Research and Development Planning Department and Senior Vice President of the Information Sharing Laboratory Group of the Company
Oct. 2011: Member of the Board and Senior Vice President of the Research and Development Planning Department of the Company
Jun. 2012: Executive Vice President and Senior Vice President of the Research and Development Planning Department of the Company
Jun. 2014: Representative Member of the Board, Senior Executive Vice President, and Senior Vice President of Research and Development Planning Department of the Company (present post)

Principal Concurrent Positions
None

Jun Sawada

Date of Birth: July 30, 1955
Representative Member of the Board and Senior Executive Vice President
Chief Financial Officer, Chief Compliance Officer and Chief Information Officer;
In charge of business strategy and risk management

Date First Appointed
June 2014

Shares Owned
9,400

Background and Experience
Apr. 1978: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 2008: Senior Vice President and Executive Manager of the Corporate Strategy Planning Department of NTT Communications Corporation
Jun. 2011: Executive Vice President and Executive Manager of the Corporate Strategy Planning Department of NTT Communications Corporation
Jun. 2012: Senior Executive Vice President and Executive Manager of the Corporate Strategy Planning Department of NTT Communications Corporation
Jun. 2013: Senior Executive Vice President of NTT Communications Corporation
Jun. 2014: Representative Member of the Board and Senior Executive Vice President of the Company (present post)

Principal Concurrent Positions
None

Mitsuyoshi Kobayashi

Date of Birth: November 3, 1957
Executive Vice President
Senior Vice President of Technology Planning Department

Date First Appointed
June 2014

Shares Owned
7,000

Background and Experience
Apr. 1982: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 2006: General Manager of Okayama Branch of Nippon Telegraph and Telephone West Corporation
Jul. 2008: General Manager of the Service Management Department of Nippon Telegraph and Telephone West Corporation
Jun. 2010: Senior Vice President and General Manager of the Service Management Department of Nippon Telegraph and Telephone West Corporation
Jun. 2012: Member of the Board of the Company; concurrently serving as Senior Vice President of Systems Planning Department and Senior Vice President of Strategic Business Development Division
Jun. 2012: Senior Vice President, NTT COMWARE CORPORATION (present post)
Jun. 2014: Executive Vice President and Senior Vice President of Technology Planning Department of the Company (present post)

Principal Concurrent Positions
Senior Vice President, NTT COMWARE CORPORATION

Akira Shimada

Date of Birth: December 18, 1957
Executive Vice President
Senior Vice President of the General Affairs Department

Date First Appointed
June 2015

Shares Owned
6,400

Background and Experience
Apr. 1981: Joined Nippon Telegraph and Telephone Public Corporation
Jul. 2007: General Manager of the Accounts and Finance Department of Nippon Telegraph and Telephone West Corporation
Jul. 2009: General Manager of the General Affairs and Personnel Department of Nippon Telegraph and Telephone East Corporation
Jun. 2011: Senior Vice President and General Manager of the General Affairs and Personnel Department of Nippon Telegraph and Telephone East Corporation
Jun. 2012: Member of the Board and Senior Vice President of the General Affairs Department of the Company
Jun. 2012: Senior Vice President of Nippon Telegraph and Telephone West Corporation (present post)
Jun. 2015: Executive Vice President and Senior Vice President of the General Affairs Department of the Company (present post)

Principal Concurrent Positions
Senior Vice President of Nippon Telegraph and Telephone West Corporation

* The above information is as of June 30, 2015. Figures of the number of shares held account for the two-for-one stock split conducted on July 1, 2015.

Hiroshi Tsujigami

Date of Birth: September 8, 1958
Member of the Board
Senior Vice President of the Corporate Strategy Planning Department

Date First Appointed
June 2012

Shares Owned
6,200

Background and Experience
Apr. 1983: Joined Nippon Telegraph and Telephone Public Corporation
Oct. 2000: Vice President of Department I of the Company
Jul. 2003: Senior Manager of the Corporate Strategy Planning Department of Nippon Telegraph and Telephone West Corporation
Jul. 2007: Vice President of the Corporate Strategy Planning Department of the Company
Jun. 2012: Member of the Board and Senior Vice President of the Corporate Strategy Planning Department of the Company (present post)
Jun. 2012: Senior Vice President of Nippon Telegraph and Telephone East Corporation (present post)

Principal Concurrent Positions
Senior Vice President of Nippon Telegraph and Telephone East Corporation

Tsunehisa Okuno

Date of Birth: October 12, 1960
Member of the Board
Senior Vice President of the Global Business Office

Date First Appointed
June 2012

Shares Owned
3,600

Background and Experience
Apr. 1983: Joined Nippon Telegraph and Telephone Public Corporation
Jul. 2007: Vice President of the Corporate Business Strategy Division of the Company
Jun. 2008: Senior Vice President of the Global Business Strategy Office, Strategic Business Development Division of the Company
Jan. 2011: Senior Vice President of Dimension Data Holdings plc (present post)
Jun. 2011: Senior Vice President of the Global Business Office of the Company
Jun. 2012: Member of the Board and Senior Vice President of the Global Business Office of the Company (present post)

Principal Concurrent Positions
Senior Vice President of Dimension Data Holdings plc

Hiroki Kuriyama

Date of Birth: May 27, 1961
Member of the Board
Senior Vice President of Strategic Business Development;
In charge of 2020 Project

Date First Appointed
June 2014

Shares Owned
2,370

Background and Experience
Apr. 1985: Joined the Company
Feb. 2003: Vice President of Department I of the Company
May 2005: Vice President of the Corporate Business Strategy Division of the Company
Jun. 2008: Vice President of the Corporate Strategy Planning Department of the Company
Jun. 2012: Vice President of President's Office, General Affairs Department of the Company
Jun. 2014: Member of the Board and Senior Vice President of the Strategic Business Development Division of the Company (present post)

Principal Concurrent Positions
None

Takashi Hiroi

Date of Birth: February 13, 1963
Member of the Board
Senior Vice President of the Finance and Accounting Department

Date First Appointed
June 2015

Shares Owned
2,400

Background and Experience
Apr. 1986: Joined the Company
Jul. 2002: Vice President of Department I of the Company
May 2005: Vice President of the Corporate Business Strategy Division of the Company
Jun. 2008: Vice President of the Strategic Business Development Division of the Company
Jul. 2009: Vice President of the Corporate Strategy Planning Department of the Company
Jun. 2014: Senior Vice President of the Finance and Accounting Department of the Company
Jun. 2015: Member of the Board and Senior Vice President of the Finance and Accounting Department of the Company (present post)

Principal Concurrent Positions
None

Katsuhiko Shirai

Date of Birth: September 24, 1939
Outside Independent Member of the Board

Date First Appointed
June 2012

Shares Owned
2,400

Background and Experience
Apr. 1965: Assistant of the First Faculty of Science and Engineering of Waseda University
Apr. 1968: Full-time lecturer of the Faculty of Science and Engineering of Waseda University
Apr. 1970: Assistant Professor of the Faculty of Science and Engineering of Waseda University
Apr. 1975: Professor of the Faculty of Science and Engineering of Waseda University
Nov. 1994: Director of Academic Affairs and Executive Director of the International Exchange Center of Waseda University
Nov. 1998: Executive Director of Waseda University
Nov. 2002: President of Waseda University
Nov. 2010: Educational Advisor of Waseda University (present post)
Apr. 2011: Chairperson of the Foundation for the Open University of Japan (present post)
Jun. 2012: Member of the Board of the Company (present post)
Jun. 2012: Director of Japan Display, Inc. (present post)

Principal Concurrent Positions
Chairperson of the Foundation for the Open University of Japan
Director of Japan Display, Inc.

Sadayuki Sakakibara

Date of Birth: March 22, 1943
Outside Independent Member of the Board

Date First Appointed
June 2012

Shares Owned
6,600

Background and Experience
Apr. 1967: Joined Toyo Rayon Co., Ltd. (currently registered as Toray Industries, Inc.)
Jun. 1994: Director of the First Corporate Planning Department of Toray Industries, Inc.
Jun. 1996: Director of Toray Industries, Inc.
Jun. 1998: Managing Director of Toray Industries, Inc.
Jun. 1999: Senior Managing Director of Toray Industries, Inc.
Jun. 2001: Executive Vice President of Toray Industries, Inc.
Jun. 2002: President of Toray Industries, Inc.
Jun. 2010: Chairman of the Board of Toray Industries, Inc.
Jun. 2012: Member of the Board of the Company (present post)
Jun. 2013: Director of Hitachi Ltd. (present post)
Jun. 2014: Chairman of the Japan Business Federation (present post)
Jun. 2014: Chairman of the Board of Directors, Toray Industries, Inc.
Jun. 2015: Chief Senior Adviser and Chief Senior Counselor of Toray Industries, Inc. (present post)

Principal Concurrent Positions
Director of Hitachi, Ltd.
Chairman of the Japan Business Federation (Keidanren)

* The above information is as of June 30, 2015. Figures of the number of shares held account for the two-for-one stock split conducted on July 1, 2015.

Activities of the Board of Directors

NTT's Board of Directors makes decisions regarding the items described in the Regulations of Board of Directors, including legally stipulated issues as well as important matters related to corporate management and Group management. In addition, the Board of Directors supervises the status of the execution of Members of the Board through quarterly reports received from the Members of the Board. With regard to business execution matters that do not require decisions by the Board of Directors, the scope of authorities delegated to other decision-making bodies has been defined. Meetings for exchanges of opinion are held between executives and outside independent Members of the Board and Audit & Supervisory Board Members in which objective discussions are conducted regarding the proceedings of the Board of Directors and measures for improving its effectiveness from an independent and objective standpoint. Accordingly, NTT has judged that the effectiveness of the Board of Directors is being assured.

Nomination Policies and Procedures

The NTT Group strives to contribute to the resolution of social issues and the realization of a safer, more secure, and more affluent society. To accomplish this goal, the Group acts as a trusted "Value Partner" that customers continue to select, in order to provide them with new value on a global basis. We have established the policy of positioning human resources that share these ideals in the upper ranks of the NTT Group's management, and are selecting these human resources from both inside and outside of the Group.

The Board of Directors is of a size appropriate to the Group's business and has an appropriate balance of specialties and a sufficient level of diversity. In regard to Member of the Board candidates, individuals are selected that have the broad-ranging perspective and experience necessary to contribute to the overall development of the NTT Group in order to facilitate the increase of the NTT Group's corporate value. We look for ambitious human resources with an aptitude for managing companies that also demonstrate superior management skills and leadership.

To support the process of selecting Member of the Board candidates by ensuring objectivity and transparency, NTT has established the Appointment and Compensation Committee, which consists of two outside independent Members of the Board and two internal Members of the Board. The committee discusses candidates and then makes proposals to be approved by the Board of Directors and finally presented for voting at the General Meeting of Shareholders.

Support Structures for Members of the Board

NTT has concluded contracts with the lawyers and other specialists who may be called upon as necessary to provide advice at the expense of NTT.

In addition, the secretariat of the Board of Directors is made available as a venue of contact for outside independent Members of the Board, which they can use to receive support with regard to their daily duties through means such as explanations, responses to inquiries about business execution, etc.

Candidates selected to become Members of the Board have a wide range of insight into corporate business activities, finances, and organizations, and receive additional training upon appointment. They then continue to undergo training on a diverse assortment of areas, including market trends and domestic and overseas social and economic issues, after appointment.

Compensation of Members of the Board

The NTT Group has established the following NTT Group Personnel Policy, which defines policies for determining the amounts and calculation methods for compensation of Members of the Board. Based on this policy, decisions on matters related to compensation of Members of the Board are decided by the Board of Directors after discussion by the Appointment and Compensation Committee.

NTT Group Personnel Policy (Compensation of Members of the Board)

Compensation of Members of the Board (excluding outside Members of the Board) consists of a base salary and a bonus. The base salary is paid monthly on the basis of the scope of each Member of the Board's roles and responsibilities. The bonus is paid taking into account NTT's business results for the respective fiscal year.

Also, Members of the Board make monthly contributions of a minimum defined amount from their base salary for the purchase of NTT shares through the Board Members Shareholding Association in order to reflect NTT's medium- and long-term business results in compensation. Purchased shares are to be held by the Members of the Board throughout their terms of office.

In order to maintain a high level of independence, compensation of outside Members of the Board consists of a base salary only, and is not linked to NTT's business results.

● Total Compensation of Members of the Board (Fiscal Year Ended March 31, 2015)

Position	Number of payees	Total compensation
Members of the Board	14	¥491 million

* Compensation amounts shown above include compensation paid to three Members of the Board who retired on June 26, 2014, after the conclusion of the 29th Ordinary General Meeting of Shareholders.
* Total compensation of Members of the Board includes ¥80 million in bonuses for the current fiscal year.
* In addition to the above, an aggregate of ¥13 million is to be paid to Members of the Board who are also employees as bonuses for their service as employees.

Audit & Supervisory Board Members (As of June 30, 2015)

Background and Experience of Audit & Supervisory Board Members

Kiyoshi Kosaka

Date of Birth: March 28, 1951
Audit & Supervisory Board Member

Date First Appointed
June 2012

Shares Owned
9,800

Background and Experience
Apr. 1974: Joined Nippon Telegraph and Telephone Public Corporation
Oct. 1997: General Manager of the Kyoto Branch of the Company
Jul. 1999: General Manager of the Kyoto Branch of Nippon Telegraph and Telephone West Corporation
Sep. 2000: Vice President of Department V of the Company
Jul. 2002: Executive Manager of Personnel Department of Nippon Telegraph and Telephone West Corporation
Jun. 2003: Senior Vice President and Executive Manager of Personnel Department of Nippon Telegraph and Telephone West Corporation
Jun. 2005: Member of the Board and Senior Vice President of Department I of the Company
Jun. 2007: Member of the Board and Senior Vice President of Department of the General Affairs of the Company
Jun. 2009: Representative Director and President of NTT BUSINESS ASSOCIE Corporation
Jun. 2012: Audit & Supervisory Board Member of the Company (present post)

Principal Concurrent Positions
None

Akiko Ide

Date of Birth: February 28, 1955
Audit & Supervisory Board Member

Date First Appointed
June 2014

Shares Owned
2,400

Background and Experience
Apr. 1977: Joined Nippon Telegraph and Telephone Public Corporation
Jun. 2003: General Manager of Customer Services at NTT DOCOMO Inc.
Sep. 2004: General Manager of Customer Services and General Manager of Information Security at NTT DOCOMO Inc.
Jun. 2005: General Manager of Customer Services at NTT DOCOMO Inc.
Apr. 2006: General Manager of Corporate Citizenship Department at NTT DOCOMO Inc.
Jun. 2006: Executive Director and General Manager of the Corporate Citizenship Department at NTT DOCOMO Inc.
Jul. 2008: Executive Director and General Manager of the Chugoku regional office at NTT DOCOMO Inc.
Jun. 2012: Executive Director and Director of Information Security at NTT DOCOMO Inc.
May 2013: President and Chief Executive Officer of Radishbo-ya Co., Ltd.
Jun. 2013: Executive Director and Senior Manager in Charge of Commerce Business Promotion at NTT DOCOMO Inc.
Jun. 2014: Audit & Supervisory Board Member of the Company (present post)

Principal Concurrent Positions
None

Michiko Tomonaga

Date of Birth: July 26, 1947
Outside Independent Audit & Supervisory Board Member

Date First Appointed
June 2011

Shares Owned
2,000

Background and Experience
Mar. 1975: Registered as Certified Public Accountant (present post)
Jul. 2007: Vice President of Japanese Institute of Certified Public Accountants
Jul. 2008: Senior Partner of Ernest & Young Japan
Jun. 2010: Outside Corporate Auditor of Keikyu Corporation (present post)
Jun. 2011: Outside Audit & Supervisory Board Member of the Company (present post)
Feb. 2012: Corporate Auditor of the Corporation for Revitalizing Earthquake-Affected Business
Jun. 2014: Outside Director of Japan Exchange Group, Inc. (present post)

*Audit & Supervisory Board Member Michiko Tomonaga is a Certified Public Accountant who has extensive knowledge concerning finance and accounting matters.

Principal Concurrent Positions
Certified Public Accountant
Corporate Auditor of Keikyu Corporation
Director of Japan Exchange Group, Inc.

Seiichi Ochiai

Date of Birth: April 10, 1944
Outside Independent Audit & Supervisory Board Member

Date First Appointed
June 2012

Shares Owned
4,604

Background and Experience
Apr. 1974: Instructor in the Faculty of Law of the University of Tokyo
Apr. 1977: Associate Professor in the Faculty of Law of Seikei University
Apr. 1981: Professor in the Faculty of Law of Seikei University
Apr. 1990: Professor of the University of Tokyo Graduate Schools for Law and Politics and the Faculty of Law of the University of Tokyo
Apr. 2007: Professor of Chuo Law School
Apr. 2007: Registered as Lawyer (Daiichi Tokyo Bar Association) (present post)
Jun. 2007: Emeritus Professor of the University of Tokyo (present post)
Jun. 2008: Outside Director of EBARA CORPORATION
Jun. 2012: Outside Audit & Supervisory Board Member of the Company (present post)
Jul. 2012: Outside Director of Meiji Yasuda Life Insurance Company (present post)
Jun. 2013: Outside Corporate Auditor of Ube Industries, Ltd. (present post)

Principal Concurrent Positions
Lawyer
Director of Meiji Yasuda Life Insurance Company
Corporate Auditor of Ube Industries, Ltd.

Takashi Iida

Date of Birth: September 5, 1946
Outside Independent Audit & Supervisory Board Member

Date First Appointed
June 2014

Shares Owned
2,200

Background and Experience
Apr. 1974: Registered as Lawyer (Daini Tokyo Bar Association) (present post) and joined Mori Sogo Law Offices (currently Mori, Hamada and Matsumoto Law Offices)
Apr. 1991: Deputy Chairman of the Daini Tokyo Bar Association
Apr. 1997: Executive Director of the Japan Federation of Bar Associations
Apr. 2006: Chairman of the Daini Tokyo Bar Association
Apr. 2006: Deputy Chairman of the Japan Federation of Bar Associations
Jan. 2012: Established Kowa Law Office (present post)
Jun. 2012: Outside Corporate Auditor for Shimadzu Corporation (present post)
Jun. 2013: Outside Corporate Auditor for JAFCO Co., Ltd.
Jun. 2013: Outside Director for Alps Electric Co., Ltd. (present post)
Jun. 2014: Outside Audit & Supervisory Board Member of the Company (present post)

Principal Concurrent Positions
Lawyer
Corporate Auditor for Shimadzu Corporation
Director for Alps Electric Co., Ltd.

* The above information is as of June 30, 2015. Figures of the number of shares held account for the two-for-one stock split conducted on July 1, 2015.

Message from the Audit & Supervisory Board

The Audit & Supervisory Board comprises three outside independent Audit & Supervisory Board Members, who have experience and knowledge in a range of fields—as a Certified Public Accountant, university professor, and lawyer—and two internal Audit & Supervisory Board Members. We conduct effective audits by combining the independence of the outside Audit & Supervisory Board Members with the superior information collection capabilities of the internal Audit & Supervisory Board Members. One of the Audit & Supervisory Board Members has extensive knowledge concerning finance and accounting matters.

The Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings. In addition, Audit & Supervisory Board Members meet periodically with the Representative Members of the Board to exchange ideas and opinions and hold discussions on various topics with the Members of the Board. In this way, the Audit & Supervisory Board Members maintain an understanding of the status of the execution of Members of the Board and provide their opinions as needed.

Moreover, separate from meetings of the Audit & Supervisory Board, meetings of the Audit & Supervisory Board Members Preliminary Deliberation Meetings are held about once a week. These meetings, which are attended, in principle, by all Audit & Supervisory Board Members, provide a venue for the sharing of information. For example, at these meetings the Audit & Supervisory Board Members receive explanations from corporate officers of matters to be discussed at the Executive Officers Meeting.

In regard to on-site audits, the Audit & Supervisory Board Members receive information from the representatives of major subsidiaries in Japan and overseas regarding the status of internal control and initiatives to enhance corporate governance, and discussions are conducted on those matters.

In regard to coordination with the Audit & Supervisory Board Members of NTT Group companies, NTT's Audit & Supervisory Board Members receive yearly reports regarding audit results from the Audit & Supervisory Board Members of principal subsidiaries and exchange opinions with them. In addition, NTT is implementing initiatives that contribute to enhancing the auditing activities of Audit & Supervisory Board Members, including regularly holding training sessions by outside experts for Audit & Supervisory Board Members.

Furthermore, the Audit & Supervisory Board Members periodically exchange opinions with the Independent Auditor and the Internal Control Office. The Audit & Supervisory Board Members also receive explanations of audit plans and reports on the status of internal control systems and provide advice as needed.

NTT has established the Office of Audit & Supervisory Board Members, an important structure described in the Companies Act of Japan, as a body to contain dedicated staff tasked with supporting the Audit & Supervisory Board Members in their duties. The four staff members positioned in this office act based on the directions of the Audit & Supervisory Board Members.

Through these activities, the Audit & Supervisory Board Members support the sound, steady growth of NTT and its subsidiaries in Japan and overseas from an independent perspective that differs from that of executives. In addition, the Audit & Supervisory Board Members strive to contribute to the strengthening of corporate governance systems and the fostering of awareness of compliance matters.

Nomination Policies and Procedures

NTT has the policy of selecting candidates for Audit & Supervisory Board Members that have the capacity to provide audits based on specialized experience and insight. From the perspective of guaranteeing fair audits of the execution of Members of the Board, NTT selects outside independent Audit & Supervisory Board Members as those that present no risk of a conflict of interest with general shareholders arising. In accordance with the Companies Act, NTT ensures that outside independent Audit & Supervisory Board Members make up half or more of the Audit & Supervisory Board.

The procedure for nomination involves Members of the Board proposing Audit & Supervisory Board Member candidates based on the aforementioned nomination policy. These proposals are then discussed by the Audit & Supervisory Board, which consists of half or more of outside independent Audit & Supervisory Board Members, and consent is granted if appropriate. The candidates are then approved by the Board of Directors and presented for voting at the General Meeting of Shareholders.

Support Structures for Audit & Supervisory Board Members

NTT has established the Office of Audit & Supervisory Board Members, which contains four dedicated staff members tasked with supporting the Audit & Supervisory Board Members in their auditing duties. In addition, NTT has concluded contracts with the lawyers and other specialists who may be called upon as necessary to provide advice at the expense of NTT.

Candidates selected to become Audit & Supervisory Board Members have a wide range of insight into corporate business activities, finances, and organizations, and receive additional training upon appointment. They then continue to undergo training on a diverse assortment of areas, including market trends and domestic and overseas social and economic issues, after appointment.

Compensation of Audit & Supervisory Board Members

Compensation of Audit & Supervisory Board Members is determined by resolution of the Audit & Supervisory Board.

● Total Compensation of Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2015

Position	Number of payees	Total
Audit & Supervisory Board Members	7	¥104 million

* The above amounts include compensation paid to two Audit & Supervisory Board Members that resigned from their positions following the conclusion of the 29th Ordinary General Meeting of Shareholders held on June 26, 2014.

Independent Members of the Board and Audit & Supervisory Board Members

Nomination Policies

From the perspectives of strengthening supervising functions for execution and guaranteeing fair audits of the execution of Members of the Board, NTT has the policy of selecting individuals to serve as outside Members of the Board and Audit & Supervisory Board Members that do not represent risks of conflicts of interest with general shareholders. NTT designates outside

Members of the Board and Audit & Supervisory Board Members that fulfill both the independence criteria stipulated by the Tokyo Stock Exchange as well as NTT's own independence standards as independent Members of the Board or independent Audit & Supervisory Board Members. NTT's independence standards are as follows.

Independence Standards

Individuals are judged to be independent if they have not been applicable under one of the following categories in any of the past three fiscal years.

(1) A person involved in operation of a business partner with which transactions exceed the threshold set by the Company[1]

(2) A person involved in operation of a money lender from which borrowings exceed the threshold set by the Company[2]

(3) A consultant, accountant, lawyer, or other individual providing professional services that has received amounts of monetary payments or other financial assets of equal to or more than ¥10 million from the Company or its major subsidiaries[3] in any of the past three fiscal years that are separate from the compensation paid for services as a Member of the Board or Audit & Supervisory Board Member

(4) A person involved in operation of an organization that has received donations exceeding the threshold set by the Company[4]
Even in the event that an individual is applicable under one of items 1 through 4 above, they may be designed as an independent Member of the Board or Audit & Supervisory Board Member if it is determined that they effectively have the necessary level of independence from the Company. In this case, an explanation of the reason behind this decision will be disclosed.

*1. A "business partner with which transactions exceed the threshold set by the Company" is defined as an entity with which the total amount of transactions with the Company and its major subsidiaries[3] in any of the past three fiscal years has been equal to or more than 2% of the total operating revenues of the Company and its major subsidiaries during the respective fiscal year.

*2. A "money lender from which borrowings exceed the threshold set by the Company" is defined as an entity from which the total amount of borrowings on a consolidated basis in any of the past three fiscal years have been equal to or more than 2% of the total operating revenues of the Company's consolidated total assets during the respective fiscal year.

*3. Major subsidiaries are NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT COMMUNICATIONS CORPORATION, NTT DATA CORPORATION, and NTT DOCOMO, INC.

*4. An "organization that has received donations exceeding the threshold set by the Company" is defined as an entity that has received donations from the Company and its major subsidiaries in any of the past three fiscal years exceeding ¥10 million or 2% of the total income of the entity, whichever is larger, during the respective fiscal year.

Reason for Nomination and Status of Independence

	Name	Reason for nomination	Status of independence
Outside Members of the Board (Independent Members of the Board)	Katsuhiko Shirai	Katsuhiko Shirai has a wealth of experience as operational director of an educational institution and a high level of integrity and insight. NTT believes that he will help strengthen the supervisory function for business execution and expects to incorporate the opinion he provides from his wide-ranging experience and his managerial perspective.	Katsuhiko Shirai previously held the position of president of Waseda University. NTT conducts transactions with and provides donations to this university. However, it has been deemed that these transactions and donations should not impact the decisions of shareholders and other investors for the following reasons. ·The transactions between Waseda University and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. In addition, these transactions represented less than 1% of Waseda University's total income during each of the past three fiscal years. ·The total donations made to Waseda University in each of the past three fiscal years by NTT and its major subsidiaries were less than 1% of Waseda University's total income in each of these years, and are therefore not in conflict with NTT's independence standards. Katsuhiko Shirai has been designated as an independent Member of the Board as he was judged to not to represent the risk of conflicts of interest with general shareholders based on the independence criteria of the Tokyo Stock Exchange and the independence standards of NTT.
	Sadayuki Sakakibara	Sadayuki Sakakibara has a wealth of experience as a corporate executive, and a high level of integrity and insight. NTT believes that he will help strengthen the supervisory function for business execution and expects to incorporate the opinion he provides from his wide-ranging experience and his managerial perspective.	Sadayuki Sakakibara was chairman of the Board of Toray Industries, Inc., and is chairman of the Japan Business Federation (Keidanren). NTT conducts transactions with both of these entities. However, it has been deemed that these transactions should not impact the decisions of shareholders and other investors for the following reasons. Moreover, Sadayuki Sakakibara resigned from the position of chairman of the Board of Toray Industries, Inc., in June 2015. ·The transactions between Toray Industries, Inc., and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. In addition, these transactions represented less than 1% of Toray Industries, Inc.'s total net sales during each of the past three fiscal years. ·The transactions between the Japan Business Federation and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. Sadayuki Sakakibara has been designated as an independent Member of the Board as he was judged to not to represent the risk of conflicts of interest with general shareholders based on the independence criteria of the Tokyo Stock Exchange and the independence standards of NTT.
Outside Audit & Supervisory Board Members (Independent Audit & Supervisory Board Members)	Michiko Tomonaga	Michiko Tomonaga has worked for many years as a Certified Public Accountant, and NTT expects that she will conduct future audits based on the knowledge and insight that she has gained through her career.	Michiko Tomonaga previously worked as senior partner at Ernst & Young Japan. NTT conducts transactions with this entity. However, she resigned from this position in June 2010, prior to becoming an outside Audit & Supervisory Board Member of NTT, and it has been deemed that these transactions should not impact the decisions of shareholders and other investors for the following reasons. ·The transactions between Ernst & Young Japan and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. In addition, these transactions represented less than 1% of Ernst & Young Japan's total net sales during each of the past three fiscal years. Michiko Tomonaga has been designated as an independent Audit & Supervisory Board Member as she was judged not to represent the risk of conflicts of interest with general shareholders based on the independence criteria of the Tokyo Stock Exchange and the independence standards of NTT.
	Seiichi Ochiai	Seiichi Ochiai has been serving for many years as a university professor specializing in the study of law, and NTT expects that he will conduct future audits based on the knowledge and insight that he has gained through his career.	Seiichi Ochiai previously has been a professor at Chuo University and has also worked as a professor of the University of Tokyo in the past. NTT conduct transactions with and provides donations to these universities. However, it has been deemed that these transactions and donations should not impact the decisions of shareholders and other investors for the following reasons. Moreover, Seiichi Ochiai resigned from the professor position of Chuo University in March 2015. ·The transactions between Chuo University and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. In addition, these transactions represented less than 1% of Chuo University's total income during each of the past three fiscal years. ·The total donations made to Chuo University in each of the past three fiscal years by NTT and its major subsidiaries were equal to or less than ¥10 million in each of these years, and are therefore not in conflict with NTT's independence standards. ·The transactions between the University of Tokyo and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTTÅfs independence standards. In addition, these transactions represented less than 1% of the University of TokyoÅfs total income during each of the past three fiscal years. ·The total donations made to the University of Tokyo in each of the past three fiscal years by NTT and its major subsidiaries were less than 1% of the University of TokyoÅfs total income in each of these years, and are therefore not in conflict with NTT's independence standards. Seiichi Ochiai has been designated as an independent Audit & Supervisory Board Member as he was judged to not represent the risk of conflicts of interest with general shareholders based on the independence criteria of the Tokyo Stock Exchange and the independence standards of NTT.
	Takashi Iida	Takashi Iida has worked for many years in legal sectors, and NTT expects that he will conduct future audits based on the knowledge and insight that he has gained through his career.	Takashi Iida has previously worked at Mori Hamada & Matsumoto. NTT has transactions with this entity. However, he resigned from this position in December 2011, prior to becoming an outside Audit & Supervisory Board Member of NTT, and it has been deemed that these transactions should not impact the decisions of shareholders and other investors for the following reasons. ·The transactions between Mori Hamada & Matsumoto and NTT and its major subsidiaries during the past three fiscal years amounted to less than 1% of the total operating revenues of NTT and its major subsidiaries in each of the past three fiscal years, and are therefore not in conflict with NTT's independence standards. Takashi Iida has been designated as an independent Audit & Supervisory Board Member as he was judged to not represent the risk of conflicts of interest with general shareholders based on the independence criteria of the Tokyo Stock Exchange and the independence standards of NTT.

Major Activities in the Fiscal Year Ended March 31, 2015

Name		Board of Directors' meetings		Audit & Supervisory board meetings		Statements made at Board of Directors and Audit & Supervisory Board Meetings
		Attended	Attendance rate	Attended	Attendance rate	
Outside Members of the Board (Independent Members of the Board)	Katsuhiko Shirai	13 / 13	100%	—	—	Katsuhiko Shirai made comments mainly concerning the business strategies of Group companies, global strategy, and research and development from his perspective as an operations manager of an educational institution with extensive experience.
	Sadayuki Sakakibara	13 / 13	100%	—	—	Sadayuki Sakakibara made comments mainly concerning global strategy, the business strategies of Group companies, and business plans from his perspective as a corporate executive with extensive experience.
Outside Audit & Supervisory Board Members (Independent Audit & Supervisory Board Members)	Michiko Tomonaga	13 / 13	100%	22 / 22	100%	Michiko Tomonaga made comments mainly concerning the accounting audit based on the professional perspective fostered through her extensive experience as a Certified Public Accountant.
	Seiichi Ochiai	11 / 13	85%	18 / 22	82%	Seiichi Ochiai made comments mainly concerning corporate governance based on the professional perspective fostered through his extensive experience as a university professor and lawyer.
	Takashi Iida	9 / 9	100%	14 / 14	100%	Takashi Iida made comments mainly concerning corporate governance based on the professional perspective fostered through his extensive experience as a lawyer.

● **Total Compensation of Outside Members of the Board and Outside Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2015**

Number of payees	Total
6	¥60 million

* The above amounts are included in the amounts listed for director compensation on page 91 and Audit & Supervisory Board Member compensation on page 94.

* The above amounts include compensation paid to one outside Audit & Supervisory Board Members that resigned from their position following the conclusion of the 29th Ordinary General Meeting of Shareholders held on June 26, 2014.

Independent Auditor

Activities of the Independent Auditor in the Fiscal Year Ended March 31, 2015

NTT has appointed KPMG AZSA LLC as its Independent Auditor. In the fiscal year ended March 31, 2015, audits were conducted by Hideki Amano, Hiroshi Miura, and Atsuji Maeno, all Certified Public Accountants that have been auditing NTT for less than the legally mandated upper limit for consecutive years of auditing (5 years). In addition, they were supported in their duties by 18 Certified Public Accountants and 23 other individuals.

The Independent Auditor maintains the level of coordination with the Audit & Supervisory Board and the Internal Control Office necessary to conduct appropriate audits. As part of this coordination, the Independent Auditor appropriately audits through reporting the audit plans and audit result to the Audit & Supervisory Board and working together with the Internal Control Office to establish systems for monitoring the status of oversight related to evaluating internal control systems for financial reports.

Nomination of the Independent Auditor

NTT believes that it is important to maintain and enhance audit quality while increasing audit efficiency. Based on this policy, the Audit & Supervisory Board evaluates Independent Auditor candidates from the perspectives of their independence and specialties and the appropriateness and adequateness of their auditing activities. The candidates that are approved by the Audit & Supervisory Board are then presented for voting at the general meeting of shareholders.

The Audit & Supervisory Board may choose to dismiss or not reappoint the Independent Audit in any of the cases described in Article 340 (1) of the Companies Act based on a unanimous vote by all Audit & Supervisory Board Members. In addition, if the Board of Directors determines that it would be difficult for the Independent Auditor to perform proper audits, the Audit & Supervisory Board may propose a resolution to the Ordinary General Meeting of Shareholders that the Independent Auditor be discharged or that the Independent Auditor not be reappointed.

Independent Auditor Compensation

● **Compensation Paid to KPMG AZSA and other Member Firms of the KPMG Network**

NTT and its major subsidiaries pay compensation to KPMG AZSA LLC, NTT's Independent Auditor, and other member firms of the KPMG network for audit services and for non-audit services.

* Audit services refer to the auditing of the financial statements of NTT and its consolidated subsidiaries in Japan and overseas.
  Non-audit services include the provision of guidance and advice related to

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Compensation for audit services	¥4,100 million	¥4,527 million
Compensation for non-audit services	¥228 million	¥200 million
Total	¥4,328 million	¥4,728 million

International Financial Reporting Standards, tax returns for consolidated subsidiaries in Japan and overseas, and tax consultation.

Internal Control

Status of Internal Control Systems

NTT maintains internal control systems related to financial reporting based on Article 404 of U.S. Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act) and the Financial Instruments and Exchange Act of Japan. Based on tests and evaluations of the design and operation effectiveness of these systems, we were able to confirm, as of March 31, 2015, the effectiveness of these systems without any particular issues.

In regard to general internal control systems, internal audits are conducted by the internal auditing divisions of each Group company, and the results of these auditing activities are reviewed by NTT. In addition, standardized audits are performed with regard to major risk factors that are common issues throughout the Group, and we are continually enhancing and verifying their effectiveness. As for internal audits, the Internal Control Office and its staff of 22 people verify the internal control systems in place throughout the Group and the status of their implementation. NTT is continually accelerating its efforts to develop and implement IT and other Groupwide internal control systems and to improve their operational procedures and efficiency.

For information on Basic Policies Concerning the Maintenance of Internal Control Systems, please refer to the following website.

WEB http://www.ntt.co.jp/ir/mgt_e/csr.html

Policies for Communication with Shareholders

NTT has formulated disclosure regulations defining the procedures for disclosing important management information and has also established disclosure policies that set forth its basic stance toward information disclosure and investor relations (IR) activities. Based on these regulations and policies, we strive to disclose information about the NTT Group for stakeholders in a timely, appropriate, and fair manner.

Systems for Communicating with Investors

The director that serves as the senior vice president of the Finance and Accounting Department has been placed in charge of communications with investors, also guiding the IR Office established within the Finance and Accounting Department. Centered on the IR Office, NTT proactively advances IR activities while maintaining close coordination with relevant divisions and Group companies.

In addition, input from shareholders and other investors is shared with management and throughout the Group to be used for improving communication with investors and incorporated into Group management.

Handling of Insider Information

The NTT Group takes steps to ensure that insider information is handled appropriately in order to prevent insider trading. We disclose information about the Group in a timely, appropriate, and fair manner based on the relevant domestic and overseas laws and security exchange regulations for listed companies. In addition, we have defined internal rules regarding insider trading regulations.

Specific Initiatives

● Initiatives for Communicating with Institutional Investors

At quarterly financial results presentations, the president or senior executive vice presidents provide explanations of results and other matters and also conduct question and answer sessions. The presentations are streamed live over the Internet and subsequently NTT provides these videos for on-demand viewing, with English-dubbed versions of these videos offered as an option. Furthermore, the president, senior executive vice presidents, and other members of management meet with domestic and overseas analysts and institutional investors on an individual basis. NTT also holds presentations on various topics for analysts and institutional investors. One such presentation is NTT IR DAY.

Initiatives for Communicating with Overseas Institutional Investors

NTT posts English-language versions of IR materials on its website. Examples of these materials include financial results and other financial information; timely disclosure materials; annual securities reports and quarterly reports; the notice of convocation for the General Meeting of Shareholders; financial data; presentation materials, including videos for presentations; stock information; and summaries of question and answer sessions. NTT posts English translations of entire notices of convocation for General Meetings of Shareholders for the fiscal year ended March 31, 2015, including the business report sections, on its website as well as the Tokyo Stock Exchange's website one month before the day of the meetings.

As stated above, English-dubbed versions of financial results presentations videos are available on NTT's website. In addition, the president, senior executive vice presidents, and other members of management periodically visit overseas investors to offer explanations on performance and other matters and respond to questions. They also participate in conferences conducted around the world, where they hold meetings and engage in other communication activities.
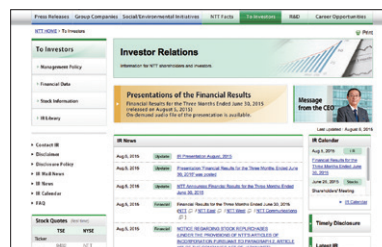
English-language "To Investors" section of NTT's website

● Initiatives for Communicating with Individual Investors

The videos of quarterly financial results presentations conducted by the president and senior executive vice presidents are made available for viewing by individual investors via live streaming over the Internet and through on-demand viewing. Furthermore, individual investors may contact the IR Office for answers to any questions they may have.

In addition to the above, NTT held 60 explanatory presentations for individual investors at locations throughout Japan during the fiscal year ended March 31, 2015, and also conducted Internet presentations and participated in IR fairs. The president and other members of management took part in the explanatory presentations for individual investors.

Risk Management

The NTT Group faces a rapidly changing business environment, including intensified competition in the information and telecommunications sector. In this context, NTT Group companies are exposed to an increasing amount of business risk.

The NTT Group strives to minimize the impact of losses that could result from the materialization of risk by anticipating and preventing the occurrence of potential risks. As part of these efforts, NTT has formulated the NTT Group Business Risk Management Manual and has distributed it to all Group companies so that the entire Group can work together to conduct risk management.

In addition, each Group company has formulated its own manuals and other guidelines, which reflect its specific business operations, business environment, and other factors, and is using these materials to control business risks.

Risk management system

At NTT, Risk Management Regulations are in place, which define fundamental policies concerning risk management for effective and efficient business operations, and a PDCA cycle has been conducted on a continuous basis under the leadership of the Business Risk Management Committee, chaired by the representative director and senior executive vice president.
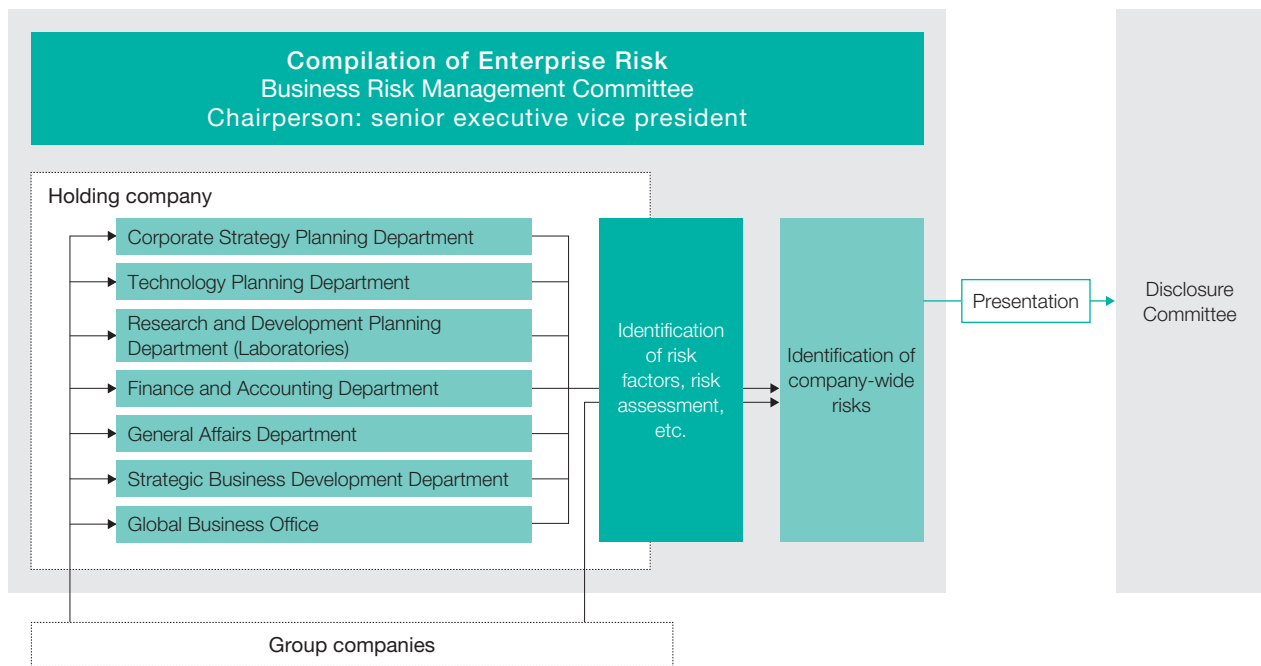
Identifying material risks

From time to time, NTT reviews assumed risks and management policies based on changes in the social environment. The Business Risk Management Committee leads implementation of periodic risk analysis processes for each organization. A report is submitted to the Board of Directors, which reviews the results as well as the overall risk factors of each organization, prioritizes the material risks, and decides on responses.

Response to individual risks

Information security

● Information security risk

If there is a leak or other misuse of confidential information such as personal information, the action may affect the NTT Group's business, including its credibility and reputation, and its ability to obtain new subscribers or secure governmental contracts may be adversely impacted.

To prevent such a situation, the NTT Group is making efforts to protect confidential information obtained in the course of its business, including the personal information of customers. In addition, the NTT Group has formulated the NTT Group Information Security Policy (P.53), which outlines our stance on ensuring information security, and is taking rigorous steps on a Group-wide basis, including enhanced internal information management, training and awareness-raising for officers and employees, and publication of manuals, to protect the personal information of our customers and prevent any leakage.

NTT Group Information Security Policy
WEB http://www.ntt.co.jp/g-policy/index.html   (Japanese only)

Protection of Personal Information
WEB http://www.ntt.co.jp/kojinjo/index.html   (Japanese only)

● Risks related to disasters

Five Group companies—NTT, NTT East, NTT West, NTT Communications, and NTT DOCOMO—have been designated public institutions under the Basic Act on Disaster Control Measures.

Accordingly, in preparation for a disaster, the NTT Group has formulated the Disaster Management Operation Plan for the purpose of smooth, appropriate implementation of measures to prevent damage. Damage prevention measures require an ongoing process of periodic review to reflect the latest knowledge and legal revisions.

In June 2014, the Japanese government revised the Nankai Trough Earthquake Countermeasures Basic Plan. In response, the NTT Group has revised the Disaster Management Operation Plan and is strengthening damage prevention measures.

● Pandemic risk

The global spread of novel influenza and other diseases has had a major influence on economies and lifestyles. In this setting, countermeasures have become a social issue.

In accordance with the Act on Special Measures for Countermeasures against Novel Influenza that was promulgated in 2012, five companies in the NTT Group (same as above) are designated public institutions.

In response, in March 2014 the NTT Group formulated the Novel Influenza Countermeasures Plan. In accordance with the stages of an outbreak of novel influenza or other diseases, we have created a specific plan for the fulfillment of our responsibilities as designated public institutions and for the prevention of infection from the viewpoint of respect for human life.

We also take action to prepare against novel influenza and other diseases by conducting response training in correlation with national training organized by the government.

Compliance

NTT Group Corporate Ethics Charter

Recognizing that it is imperative to conduct business in compliance with laws and regulations, and maintain high ethical standards in order to promote sound corporate activities, NTT drew up the NTT Group Corporate Ethics Charter in November 2002.

The charter, which applies to all officers and employees of the NTT Group, lays out the basic principles of corporate ethics and provides specific guidelines for ethical behavior.

The stipulations in the guidelines are intended to remind everyone of their duty as members of a telecommunications group that bears significant responsibility to society in terms of preventing dishonesty, misconduct, and the disclosure of corporate secrets, as well as refraining from exchanging excessive favors with customers and suppliers, and ensuring that they conduct themselves according to the highest ethical standards in both private and public activities.

NTT Group Corporate Ethics Charter

1. Recognizing the establishment of corporate ethics as one of its most important missions, top management shall exert its leadership to ensure that the spirit of this Charter is adopted throughout the Company, and shall assume full responsibility for solving any problems when any event inconsistent with that spirit occurs.

2. Every person with subordinate employees shall not only act in a self-disciplined manner, but shall also always provide guidance and assistance to his/her subordinate staff to ensure that their conduct is in conformity with our corporate ethics.

3. Every officer and employee of the NTT Group shall not only comply with all laws and regulations, social standards, and internal company rules whether in Japan or overseas, but officers and employees shall also hold the highest ethical philosophy within himself/herself both in public and in any private situations. Among other things, each officer and employee, as an officer or employee of a member of a Global Information Sharing Corporate Group, shall keep himself/herself fully aware that any disclosure of customer or other internal privileged information constitutes a materially wrongful act. Also, as a member of a group of companies which holds great social responsibilities, he/she shall strictly refrain from giving or receiving from customers, business partners, and other interested parties excessive gratuities.

4. Each NTT Group company, at the first opportunity, shall take initiatives to provide training programs in order to help its officers and employees enhance their awareness of our corporate ethics.

5. Every officer and employee of the NTT Group shall direct his/her efforts to prevent wrongful or scandalous acts which may potentially occur as specialization and advancement of our business proceeds. Each NTT Group company shall improve its system to prevent such acts, including, for instance, the re-assignment of contract representatives who have remained with the same customers for a long period of time, and the improvement of monitoring tools to protect customer and other information.

6. Any officer or employee who may come to know of the occurrence of any wrongful act or any scandal shall promptly report the wrongful act or scandal to his/her superior or other appropriate persons. If he/she is not able to make such a reporting, he/she may contact the "Corporate Ethics Help Line (Contact Point)." It should be noted that every officer and employee who reports the occurrence of any wrongful act or scandal shall be protected so that the reporting party shall not suffer any negative consequences due to such reporting.

7. In the event of an occurrence of any wrongful act or scandal, each NTT Group company shall be committed to the settlement of the problem by taking appropriate steps through a speedy and accurate fact finding process, and responding in a timely, suitable, and transparent manner in order to fulfill its social accountability.

Prevention of bribery

The NTT Group has established the NTT Group Corporate Ethics Charter, which mandates compliance with all laws and regulations, social standards, and internal company rules whether in Japan or overseas. In particular, the charter contains clear, detailed rules on preventing corruption and bribery as well as information management.

In addition, NTT Corporation, NTT East Japan and NTT West Japan stipulate that corruption and bribery are forbidden under the Law Concerning Nippon Telegraph and Telephone Corporation (hereafter "the NTT Law"), and that breaches are punishable by law. To prevent any illegal or illicit funding and remain in compliance with the Act on Prevention of Unjust Acts by Organized Crime Groups, contributions and other types of support are only given to charitable organizations deemed suitable by NTT.

We have a zero tolerance approach to corruption. We strongly prohibit bribery of any kind, including facilitation payments.

● **Political contributions**

As a holding company and in compliance with Japan's Political Funds Control Law, NTT Corporation refrains from making political contributions, while a few Group companies make political contributions at their own discretion and in accordance with the relevant laws and regulations as well as the companies' respective codes of corporate ethics.

● **Request to business partners for compliance and risk assessment**

Guidelines for CSR in Supply Chain, the operational guidelines we issue to our suppliers, clearly outlines fair trade practices and business ethics (nine articles). With respect to major suppliers, we conducted a survey on the status of CSR procurement. We checked activities concerning compliance in general, including their response to preventing corruption, illegal political contributions and antisocial forces, and also requested further improvements where necessary. No risks associated with bribery have been identified from the results of the survey conducted in fiscal 2015.

Initiatives to promote awareness of the NTT Group Corporate Ethics Charter

To instill the NTT Group Corporate Ethics Charter in all Group companies, NTT Group companies offer training sessions on corporate ethics to employees. In addition, on a website for employees, the NTT Group Corporate Ethics Charter and examples of corporate ethics issues are explained in detail. In these ways, NTT is working to enhance the understanding of employees. Furthermore, NTT conducts annual surveys of employees to measure their awareness, and the results are then used for awareness enhancement initiatives.

● **Corporate ethics and compliance training**

Corporate ethics training is conducted as part of continuous educational activities for all officers and employees. This training is tailored to meet the specific compliance and corruption risks of each company throughout the NTT Group. In fiscal 2015, 92.6% of employees attended the corporate ethics training.

● **Anti-Bribery Handbook**

As part of our compliance training, we created a new Anti-Bribery Handbook, which is being used at all Group companies in Japan and abroad. Along with a message from the president, the Anti-Bribery Handbook provides knowledge and examples regarding the basics of bribery and facilitation payments.

Corporate ethics website for employees

● **Response to compliance violations**

In response to the arrests of employees of NTT East and NTT West for violation of the NTT Law (bribery) in fiscal 2014, the NTT Group has further strengthened measures to enhance compliance throughout the Group. The CEO of every NTT Group company identified the risk of being involved in illegal conduct and issued messages of zero tolerance toward illegal conduct. To enhance internal auditing, we added Group-wide standardized audit check items, such as checking the rationality/validity of contractor selection reasons stated in approval documents. In addition, we are randomly monitoring Group companies to instill awareness of compliance among employees and collect their feedback.

The occurrence of a compliance violation or breach of the Corporate Ethics Charter in spite of these initiatives may be reflected in assessments (evaluations) and personnel transfers, as well as disciplinary measures such as pay cuts and work suspension.

In fiscal 2015, no illegal conduct associated with bribery or contribution/support was confirmed within the NTT Group.

Establishment of Corporate Ethics Help Line Contact Point

To prevent illegal conduct or a scandal, each Group company has set up an internal consulting center. In addition, NTT has established the Corporate Ethics Help Line as an external contact point and outsources its operation to a law firm.

The content of the consultations and reports are investigated and handled by the staff member in charge, and a report is submitted to the Corporate Ethics Committee of each Group company. All reports are collected at least once a year by NTT, where the response status is ascertained and reported to the Board of Directors.

● **Number of reports received by the Corporate Ethics Help Line (external contact point)**

We monitor the number of reports received by the Corporate Ethics Help Line. In fiscal 2015, we received 322 reports. Since fiscal 2013, the number of reports has been steadily increasing, which we believe reflects growing trust in the help line rather than an actual increase in the number of questionable incidents.

Number of reports		
FY2013	FY2014	FY2015
266	312	322

The NTT Group Corporate Ethics Charter clearly states that people who file reports with these help lines are protected from any disadvantage arising from the fact that they filed a report.

Tax Practice

Ensuring proper execution of tax-related operations

In the NTT Group Corporate Ethics Charter, all directors and employees of the NTT Group have declared their commitment to the basic idea of complying with all laws and regulations, social standards, and internal company rules, whether in Japan or overseas, and of acting in accordance with the highest ethical standards in both private and public activities. In tax-related operations, we also strive to maintain and enhance tax compliance by setting up internal rules and providing education for employees.

Tax record and reporting

NTT pays the various taxes associated with business management in an appropriate manner by complying with related laws and regulations. Income taxes for fiscal 2015 were 397,349 million yen, and the tax burden ratio to pretax income was 37.25%.

Creating Innovation

NTT Group's R&D initiatives

With respect to R&D undertaken by the NTT Group, NTT's laboratories are responsible for conducting basic research that serves as the backbone of telecommunications, such as basic and component technologies related to services and networks, while each operating company conducts applied research that is closely related to its business, toward delivering quality services to its customers in a timely manner. The NTT Group currently employs about 5,500 researchers and spends approximately 230 billion yen on annual R&D expenditures.

▶ NTT Group R&D Framework
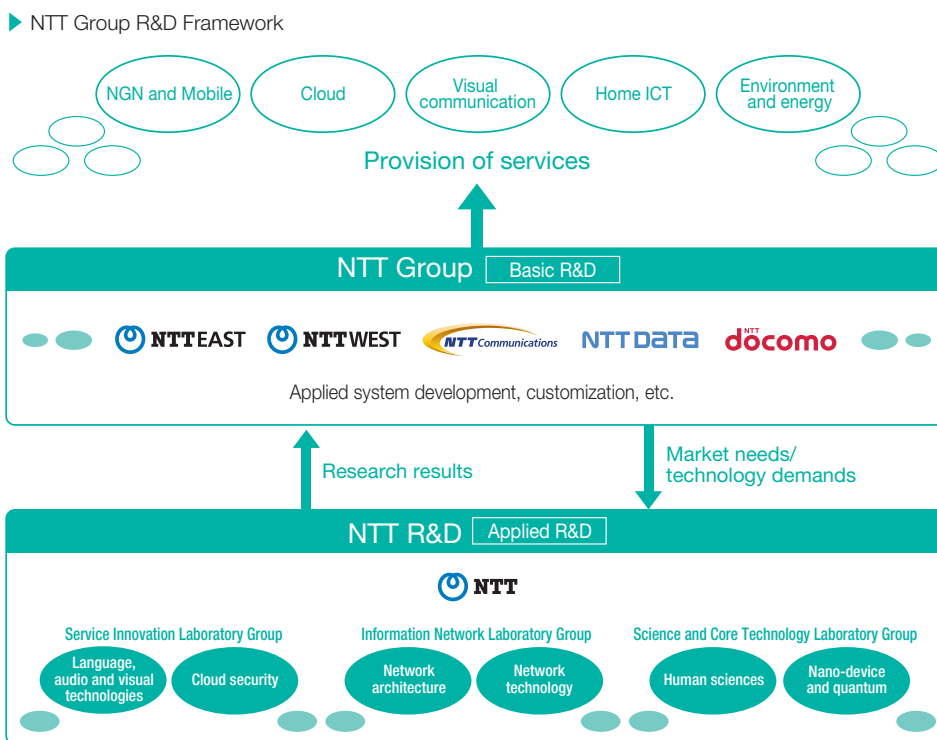
● Actively developing a global cloud service through NTT i[3]
To speed up our development of services in the most advanced and competitive North American market, we established NTT Innovation Institute, Inc. (NTT I[3], pronounced NTT I Cube) in April 2013 in Silicon Valley, USA. By adopting a "market-in" approach to promoting R&D related to the "cloud" and "security" areas, we will bolster our efforts to develop a global cloud service as the driver of growth for the NTT Group.

R&D initiatives

Under the NTT R&D vision of developing cutting-edge technologies that contribute to the advancement of society, science and industry, NTT maintains approximately 2,500 researchers in the Service Innovation Laboratory Group, Information Network Laboratory Group and Science and Core Technology Laboratory Group. These groups engage in a wide range of diverse research activities, from basic research to R&D that supports the business development initiatives of operating companies. R&D is the source of the NTT Group's growth potential.

On that basis, the NTT Group creates competitive technologies and engages in open innovation/collaboration initiatives with a wide range of corporations, universities, and research institutions, and thereby strives to create new value.

● Comprehensive Commercialization Functions for generating business from research outcomes

NTT R&D formulates marketing and business plans, creates alliances and takes other actions to bring the R&D outcomes of its laboratories to early fruition in the form of new business for NTT Group companies. With its Comprehensive Commercialization Functions, NTT R&D actively drives the timely commercialization of research outcomes and creates new services through seeking ways of combining its wide-ranging basic technologies with existing technologies and forging alliances both within the NTT Group and with many other businesses and organizations outside the Group.

Initiatives for 2020

In the world today, in which all industries are connected to the network, the feared surge in cyber attacks is an issue that affects not only communications but also the entire social infrastructure, which includes finance, electricity and transport. Increased use of ICT will be accompanied by a proportionate rise in security risks, and so NTT will seek to provide the highest quality of security. To do this it will harness the world's most advanced technologies and a global network of operation centers, while also collaborating

with carriers in each country.

We are also pursuing technology that will deliver highly realistic sensations, allowing people around the world on a real-time basis to feel as if, for example, they are in a stadium, so that everyone can share in the excitement. Moreover, we are promoting R&D toward creating a technology to understand the needs of people, such as visitors to Japan, in order to realize the provision of "proactive hospitality."

"Kirari!" — new technology for simultaneously sending live, high-definition 3D broadcasts of an "entire stadium" across the globe

○ NTT

We are conducting R&D on "immersive telepresence Kirari!" which combines next-generation image compression technology (HEVC) with new, "Advanced MMT" ultra-highly realistic sensation media synchronization technology to transmit not only the audiovisual image of an athlete but also data on the surrounding space and environment, to generate 3D video with sound using projection mapping technology.

The technology can reproduce competition between top athletes as if it were happening right in front of the viewers in a remote location, making it possible to broadcast the realistic sensations and excitement of the venue to audiences in different locations around the world.

Immersive telepresence technology, "Kirari"

Open innovation/collaboration initiatives

To meet diverse needs and address a broad range of issues, we are collaborating not only in business but also in "Open Innovation" with various companies in the area of R&D. We hope to accelerate the pace of new value creation through these initiatives.

Compact Intelligent Microphone — voice recognition technology for an environment with high ambient noise

NTT developed a Compact Intelligent Microphone that enables high-quality calls and highly accurate voice recognition even in extremely loud environments exceeding 100 dB. NTT conducted tests to enable accurate communication in factories through the Social Infrastructure x ICT research and development collaboration initiative with Mitsubishi Heavy Industries, Ltd.
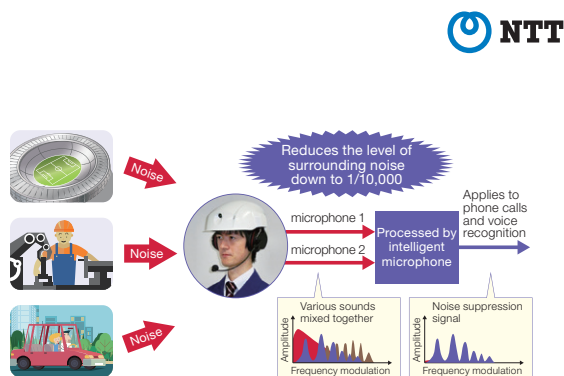
Public recognition and technological awards

For the fourth straight year, NTT received an award for the Thomson Reuters (New York) Top 100 Global Innovator 2014 program. NTT understands this award certifies that R&D activities of the NTT Group are pioneering inventions with significant value in a global market.

In May 2015, the invention and dissemination of our "Line Spectrum Pair (LSP) for high-compression speech coding (1975)" was officially recognized as an IEEE Milestone for contributing to the rapid spread of mobile phones and IP phones.

● Major Technological Awards Received in Fiscal 2015
・Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology Invention of Next International Standard Key Cryptosystem

・Maejima Hisoka Award
  High-speed Transferrable 100G Digital Coherent Hikari Network Technology R&D

Protection and utilization of intellectual property

● Our approach to intellectual property
The business activities of the NTT Group are sustained by products and services derived from the results of our aggressive R&D. For this reason, we believe that appropriate protection and utilization of intellectual property generated by R&D is vital for the NTT Group to achieve continuous growth, which in turn will enable us to continue contributing to our customers and society at large. We strive to protect the intellectual property of the NTT Group and promote activities that respect the intellectual property of others in every aspect of our business activities.

● System of intellectual property management
NTT protects the results of its R&D to maintain its competitive edge but at the same time makes its intellectual property available to a wider audience by licensing technologies that would contribute to the development of industries and businesses as well as standardized technologies that are already used in society.

Under the leadership of the NTT Intellectual Property Center, NTT has established policies for intellectual property activities involving the entire NTT Group and also provides support and coordination for the use and management of intellectual properties, aggregates the opinions within the Group on the intellectual property system and disseminates information outside the Group.

● Protection of third-party intellectual property
In order to prevent the infringement of domestic and overseas third party rights, NTT examines the third party rights of technologies used in our business at every step from the early stage of research and development up to the provision of the developed technologies to Group companies. NTT also strives to enhance the Group's compliance with intellectual property laws and regulations in Japan and abroad and mitigate potential business risks by sharing among the Group companies information on system amendments, trends concerning intellectual property including disputes and court cases.

▶ Number of patents
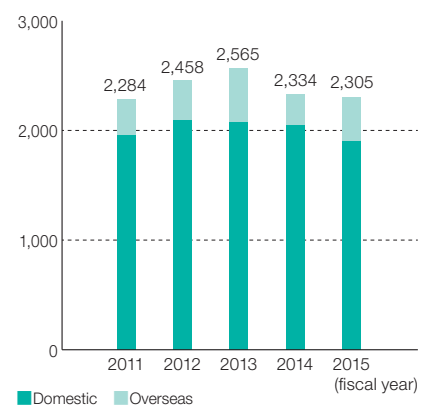
* Figures cover only NTT. Figures for overseas are the totals of the products multiplying each case by the number of countries involved.

Human Rights

NTT Group's Human Rights Charter and basic policy

Following the Universal Declaration of Human Rights and other references, the NTT Group has addressed the Dowa issue (discrimination based on ancestry in Japan) and other human rights issues, and to create a corporate culture opposed to any form of discrimination. In recent years, businesses have been becoming ever-more global, and the international community is strongly urging companies to implement measures to ensure that human rights are respected. Amid this rising emphasis on human rights, the NTT Group unveiled its NTT Group's Human Rights Charter in June 2014. This charter embodies our commitment toward fulfilling our social responsibilities as a company that is actively growing on the global stage.

NTT supports the ideals contained within ISO 26000, an international standard for social responsibility published in 2010,

as well as the Guiding Principles on Business and Human Rights that were endorsed by the United Nations Human Rights Council in 2011. These ideals were incorporated into the NTT Group's Human Rights Charter.

NTT will continue working to spread awareness throughout the Group's global operations with regard to the background of the formulation and goals of the NTT Group's Human Rights Charter with the aim of instilling its mindset into all employees. At the same time, we will pursue the resolution of various human rights issues by acting in accordance with Our Basic Policies on Human Rights.

We will also consider a mechanism for human rights due diligence to maintain our Group efforts on respecting human rights under the NTT Group's Human Rights Charter.

The NTT Group's Human Rights Charter

We recognize that the respect for human rights is a corporate responsibility and aim to create a safe, secure and rich social environment by fulfilling its responsibility.

1. We[1] respect internationally recognized human rights[2], including the Universal Declaration of Human Rights in all company activities.
2. We responsibly respect for human rights by efforts to reduce any negative impacts on human rights holders. We respond appropriately when negative impacts on human rights occur.
3. We aim to not be complicit in infringing human rights, including being involved in discrimination, directly or indirectly.
4. When negative impacts on human rights are done by a business partner and are linked to a product or service of the NTT Group, we will expect them to respect human rights and not to infringe on them.

[1] "We" means the NTT Group and its officers and employees.
[2] "Internationally recognized human rights" are rights included in declarations and rules that form the basis for international standards of universal human rights throughout the world and specifically refer to the following.
  United Nations (the Universal Declaration of Human Rights and the two Covenants on human rights)
• The Universal Declaration of Human Rights (adopted by the United Nations General Assembly in 1948)
• International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights (adopted by the United Nations General Assembly in 1966, in force from 1977)
  International Labour Organization (eight basic principles of the Core Conventions of the ILO Declaration)
• ILO Declaration on Fundamental Principles and Rights at Work (adopted at the 86th International Labour Conference in 1998)

Our Basic Policies on Human Rights

Nippon Telegraph and Telephone Corporation, hereunder NTT, believes that human rights is an important issue, and recognizes the fact that making efforts towards promotion of and respect towards human rights is a social responsibility that all companies should discharge. NTT aims to build up corporate culture that respects human rights in order to build a safe secure and enriched society.

1. The NTT management themselves take a lead in respecting human rights of all the stakeholders.
2. NTT will, through its business activities, strive for a solution on the Dowa issue* and other human rights issues.
3. NTT respects diversity, promotes equal opportunity, and strives to create a healthy working environment that is free of harassment issues.
4. NTT will, and from the standpoint of respect to human rights, review its operation, as appropriate, and will adapt and improve these to its business activities.
5. NTT will, through its Human Rights Education Committee, initiate and execute employee-focused activities.
6. NTT is committed to supporting its Group companies in their efforts to raise awareness on human rights issues.

* Owing to discrimination which had been formed based on the structure of social status in the course of the historical development of Japanese society, some Japanese people have been forced to accept a lower status economically, socially and culturally, and they are subject to various kinds of discrimination in their daily lives even today. This is the Dowa issue, which is a unique Japanese human rights problem.

Group-wide Human Rights Education Programs

In October 2014, NTT organized lectures by outside experts for staff in charge of human rights education at major Group companies as an opportunity to learn about international human rights issues in general. The lecturers spoke about the definition of human rights and international standards, including the UN Guiding Principles on Business and Human Rights, the corporate responsibility of respecting human rights, and human rights issues associated with corporate activities and examples of responses. In November we also conducted e-learning for all NTT employees to explain the background and purpose of the NTT Group's Human Rights Charter with the intention of promoting understanding and a broadened awareness among employees. The e-learning content is being used by Group companies in an effort to instill a shared awareness throughout the NTT Group.

Group-wide training was attended by approximately 250,000 NTT Group employees, including contract employees, over a period of 1,627 hours, bringing attendance to 93% of all employees. With a firm understanding of the importance of respecting human rights and the significance of making a Group-wide effort, we will continue to promote broad familiarity of our Human Rights Charter and to provide training for employees. All NTT Group companies provide multifaceted and ongoing human rights education programs that include workshops, e-learning courses and other programs that enable employees to learn about these issues. Other activities to boost and establish awareness of human rights include soliciting slogans and ideas for posters promoting awareness of human rights from NTT employees and their families, the best of which are compiled into calendars and distributed around the workplace.

Major Group companies have set up a Human Rights Education Committee that determines policies on human rights education each year. Specifically, we conduct rank-based training including programs targeting new employees, newly appointed managers, all employees and top management in an ongoing human rights education effort.

Lecture on international human rights issues

Incidents of human rights violations and corrective actions

In an effort to ensure awareness and prevent recurrence, we use our corporate ethics website for Group employees to provide the Corporate Ethics Action Q&A, which cites nine representative examples describing each action, explains why these are violations of corporate ethics, and introduces laws and regulations that serve as the basis of reasoning. When the NTT Group has taken disciplinary action related to human rights, we publish excerpts of the cases and expound the cases on the site to raise employee awareness and prevent recurrence.

Supply Chain

Basic approach

To provide its customers with valuable services, the NTT Group uses cost-effective products and technologies. Also, in order to contribute to society, the Group procures products that take into account the environment, human rights, and other issues. Building trust-based partnerships with suppliers is essential to implementing such policies.

Promoting CSR procurement

The NTT Group has released its Procurement Policies and formulated the NTT Guidelines for CSR in Supply Chain and NTT Guidelines for Green Procurement. In accordance with these guidelines, we are working to conduct socially responsible procurement together with our suppliers.

Aiming to procure products that give due consideration to quality, safety and the environment, we have formulated and released technical requirements for products that help lower environmental impacts. We ask all suppliers to adhere to these requirements.

We also provide support for the activities of our suppliers. In addition to conducting seminars for suppliers, we present awards to suppliers who have provided us with proposals that contribute to environmental conservation.

Procurement website
[WEB] http://www.ntt.co.jp/ontime/e/index.html

Procurement Policies

1. NTT will strive to provide competitive opportunities with fairness to both domestic and foreign suppliers, and to build mutual trust and understanding.
2. NTT will conduct economically rational procurement of competitive goods and services that meet its business needs, deciding on suppliers based on quality, price, delivery times, and stable supply in a comprehensive manner.
3. NTT will conduct procurement in a manner that follows laws and regulations as well as social norms, and takes the environment, human rights, and other issues into account to contribute to society.

NTT Guidelines for Green Procurement

The NTT Group strives to procure products in a manner that is friendly toward the environment (green procurement). These guidelines set forth the general areas in which the NTT Group and its suppliers address environmental issues on a continuing basis.

NTT Guidelines for CSR in Supply Chain

In recent years, a number of supply chain issues have come to light, including excessive work hours, child labor, unlawful disposal of chemicals, bribery, and other examples of malpractice. These issues have served to intensify society's expectations for companies to comply with legal and social standards in their procurement activities.

In light of this situation, we formulated the NTT Guidelines for CSR in Supply Chain in December 2013 to guide our efforts as we work together with suppliers in order to conduct procurement activities in a socially responsible manner.

The NTT Guidelines for CSR in Supply Chain have been released to complement the Procurement Policies and the NTT Guidelines for Green Procurement. We expect suppliers to adhere to each of these guidelines.

Survey on status of CSR procurement

In fiscal 2015, we began issuing to major suppliers questionnaires based on these guidelines in order to maintain an understanding of their CSR activities. We reviewed the status of their activities in such areas as general environmental management, freedom of association, child labor, forced labor, prevention of discrimination and general management, and also requested further improvements where necessary. No risks associated with the environment, labor practices or human rights were identified by the survey.

We will continue to scrutinize the survey method, questionnaire content and analysis method and use the findings of these questionnaires to provide feedback and advance discussions with suppliers in order to reduce risks across the value chain of the NTT Group.

Cooperation with suppliers

Cooperation with Suppliers to Resolve Conflict Mineral Issues

The trade in minerals originating in the Democratic Republic of the Congo and nine adjoining countries has become a global human rights issue owing to the likelihood that some of these minerals have become a source of financing for militant armed groups suspected of committing inhumane acts.

Companies listed in the United States are obliged by law to disclose any use of these conflict minerals in their products. With NTT and NTT DOCOMO listed in this country, the NTT Group issued the NTT Group's Approach to Conflict Minerals in March 2013 as a basic policy with respect to conflict minerals so as to fulfill its social responsibility in the area of procurement in line with U.S. laws. Furthermore, in 2013 and 2014 the NTT Group held briefings on conflict minerals for suppliers. We also asked that suppliers cooperate with written surveys and allow us to inspect their offices and factories to determine whether or not these minerals are used in their products.

The results of the 2014 survey were submitted to the U.S. Securities and Exchange Commission together with a report on our due diligence activities in May 2015. This information has also been made available on the websites of NTT and NTT DOCOMO.

Going forward we will continue to conduct surveys as we work together with suppliers to eliminate the usage of conflict minerals with the aim of severing the flow of funds to militant groups.

NTT Group's Approach to Conflict Minerals
WEB http://www.ntt.co.jp/ontime/e/policy/conflict/index.html

Briefing on conflict minerals for suppliers

Conflict minerals policy statement on the website

GRI Index

GENERAL STANDARD DISCLOSURES				Report Pages	

Strategy and Analysis

		G4-1	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	PP.03-04	Message from the President
		G4-2	a. Provide a description of key impacts, risks, and opportunities.	PP.03-04 PP.35-36 PP.99-100	Message from the President Risks and opportunities related to climate change Risk Management

Organizational Profile

		G4-3	a. Report the name of the organization.	P.05	NTT Group in Brief
		G4-4	a. Report the primary brands, products, and services.	P.05	NTT Group in Brief
		G4-5	a. Report the location of the organization's headquarters.	P.02	Inquiries
		G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P.05	NTT Group in Brief (Reference) ・Diagram of NTT Affiliate Groups 　http://www.ntt.co.jp/gnavi_e/index.html
		G4-7	a. Report the nature of ownership and legal form.	P.05 P.87	NTT Group in Brief Corporate Governance
		G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	PP.05-06	NTT Group in Brief
		G4-9	a. Report the scale of the organization, including: ・Total number of employees ・Total number of operations ・Net sales (for private sector organizations) or net revenues (for public sector organizations) ・Total capitalization broken down in terms of debt and equity (for private sector organizations) ・Quantity of products or services provided	PP.05-06	NTT Group in Brief
		G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	PP.05-06 P.68	NTT Group in Brief Creating workplaces where everyone can realize their full potential
		G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	P.82	Labor-Management Dialogue
		G4-12	a. Describe the organization's supply chain.	PP.111-112	Supply Chain
		G4-13	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: ・Changes in the location of, or changes in, operations, including facility openings, closings, and expansions ・Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) ・Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	P.06	Major M&A During the Past Year

COMMITMENTS TO EXTERNAL INITIATIVES

		G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	PP.99-100	Risk Management
		G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P.31 P.64 P.109	Pursuing initiatives across the industry for energy-efficient ICT devices Participating in the R!SE Initiative Human Rights
		G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: ・Holds a position on the governance body ・Participates in projects or committees ・Provides substantive funding beyond routine membership dues ・Views membership as strategic	P.06	List of Memberships

Identified Material Aspects and Boundaries

		G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	P.05	NTT Group in Brief (Reference) ・Diagram of NTT Affiliate Groups 　http://www.ntt.co.jp/gnavi_e/index.html

GENERAL STANDARD DISCLOSURES			Report Pages	
Identified Material Aspects and Boundaries				
	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	P.08 PP.14-15	NTT Group CSR Charter NTT Group Materiality
	G4-19	a. List all the material Aspects identified in the process for defining report content. Pp	PP.14-15	NTT Group Materiality
	G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: ・Report whether the Aspect is material within the organization ・If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: —The list of entities or groups of entities included in G4-17 for which the Aspect is not material or —The list of entities or groups of entities included in G4-17 for which the Aspects is material ・Report any specific limitation regarding the Aspect Boundary within the organization	PP.14-15	NTT Group Materiality
	G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: ・Report whether the Aspect is material outside of the organization ・If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified ・Report any specific limitation regarding the Aspect Boundary outside the organization	PP.14-15	NTT Group Materiality
	G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Not applicable	
	G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Not applicable	
Stakeholder Engagement				
	G4-24	a. Provide a list of stakeholder groups engaged by the organization.	P.12	Major stakeholders
	G4-25	a. Report the basis for identification and selection of stakeholders with whom to engage.	PP.12-13	Dialogue with Stakeholders
	G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	PP.12-13	Dialogue with Stakeholders
	G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	PP.12-13	Dialogue with Stakeholders
Report Profile				
	G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	P.02	Scope of Organization
	G4-29	a. Date of most recent previous report (if any).	P.02	Scope of Organization
	G4-30	a. Reporting cycle (such as annual, biennial).	P.02	Scope of Organization
	G4-31	a. Provide the contact point for questions regarding the report or its contents.	P.02	Inquiries
GRI CONTENT INDEX				
	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured.	Reference	
ASSURANCE				
	G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	P.39	Third-party verification of greenhouse gas emissions
Governance				
GOVERNANCE STRUCTURE AND COMPOSITION				
	G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	P.10 PP.87-88 P.99	CSR Management System Corporate Governance Risk Management
	G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	P.10 P.88	CSR Management System Corporate Governance Structure
	G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	P.10 P.88	CSR Management System Corporate Governance Structure

GENERAL STANDARD DISCLOSURES			Report Pages	
Governance				
	GOVERNANCE STRUCTURE AND COMPOSITION			
	G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	P.13 P.88	Feedback from Stakeholders Major Committees
	G4-38	a. Report the composition of the highest governance body and its committees by: • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation	PP.87-96	Corporate Governance
	G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or herfunction within the organization's management and the reasons for this arrangement).	PP.87-96	Corporate Governance
	G4-40	a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: • Whether and how diversity is considered • Whether and how independence is considered •Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved	P.91 P.94	Selection Policies and Procedures (Directors) Selection Policies and Procedures (Audit & Supervisory Board Members), Independent Directors and Auditors
	G4-41	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures	PP.87-96	Corporate Governance
	HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY			
	G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	P.10 PP.87-88	CSR Management System Corporate Governance Structure
	HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION			
	G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	P.102	Initiatives to promote awareness of the NTT Group Corporate Ethics Charter
	G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	P.07 P.10	Evaluations by Outside Parties CSR Management System
	HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT			
	G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	P.10 PP.99-100	CSR Management System Risk Management
	G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	P.10 P.99-100	CSR Management System Risk Management
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	P.10 P.99-100	CSR Management System Risk Management
	HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING			
	G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	P.10	CSR Management System
	HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL			
	G4-49	a. Report the process for communicating critical concerns to the highest governance body.	P.13 P.82 P.98 P.103	Feedback from Stakeholders Enhancing employee satisfaction, Labor-Management Dialogue Policies for Communication with Stakeholders Establishment of Corporate Ethics Help Line Contact Point
	G4-50	a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	P.13 P.103	Feedback from Stakeholders Establishment of Corporate Ethics Help Line Contact Point

GENERAL STANDARD DISCLOSURES		Report Pages	
Governance			
REMUNERATION AND INCENTIVES			
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: ・Fixed pay and variable pay: 　-Performance-based pay 　-Equity-based pay 　-Bonuses 　-Deferred or vested shares ・Sign-on bonuses or recruitment incentive payments ・Termination payments ・Clawbacks ・Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	P.91 P.94 P.96	Director Compensation Audit & Supervisory Board Member Compensation Total Compensation of Outside Directors and Outside Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2015
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	P.91 P.94 P.96	Director Compensation Audit & Supervisory Board Member Compensation Total Compensation of Outside Directors and Outside Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2015
G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	P.91 P.94 P.96	Director Compensation Audit & Supervisory Board Member Compensation Total Compensation of Outside Directors and Outside Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2015
G4-54	a. Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	The ratio of compensation between directors and employees in Japan, where the majority of NTT Group operations are based, is 3.9:1.	
G4-55	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	–	
Ethics and Integrity			
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P.08 P.101 P.109	NTT Group CSR Charter NTT Group Corporate Ethics Charter NTT Group's Human Rights Charter
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	P.103	Establishment of Corporate Ethics Help Line Contact Point
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	P.103	Establishment of Corporate Ethics Help Line Contact Point

SPECIFIC STANDARD DISCLOSURES

Disclosures on Management Approach			
GENERIC DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: The mechanisms for evaluating the effectiveness of the management approach The results of the evaluation of the management approach Any related adjustments to the management approach	PP.08-15	NTT Group CSR
Economic			
Economic Performance			
G4-EC1	Direct economic value generated and distributed	P.05 PP.83-85	NTT Group in Brief Citizenship activities
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	PP.35-36	Risks and opportunities related to climate change
G4-EC3	Coverage of the organization's defined benefit plan obligations	20-F：(2) Social Welfare Pension Scheme and NTT Kigyou-Nenkin-Kikin (NTT Corporate Defined Benefit Pension Plan) http://www.ntt.co.jp/ir/library_e/sec/pdf/20-F_1503.pdf	
G4-EC4	Financial assistance received from government	Annual Report 2015: P.133	

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Economic				
	Market Presence			
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	PP.76-77	Fair Evaluation and Compensation
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	–	
	Indirect Economic Impacts			
	G4-EC7	Development and impact of infrastructure investments and services supported	PP.59-67 P.100	Ensuring Stable and Reliable Services as Critical Infrastructure Risks related to disasters
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	P.64	Participating in the R!SE Initiative
	Procurement Practices			
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	–	
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	Materials			
	G4-EN1	Materials used by weight or volume	P.33 P.37 P.46	Environmental impacts overview Electric power consumption Paper consumption
	G4-EN2	Percentage of materials used that are recycled input materials	P.33 PP.47-48	Environmental impacts overview Reuse and recycling of communications equipment
	Energy			
	G4-EN3	Energy consumption within the organization	P.33 P.35 P.37	Environmental impacts overview Creating a Low Carbon Society Targets and results for creating a low carbon society
	G4-EN4	Energy consumption outside of the organization	P.33 P.35 P.42	Environmental impacts overview Creating a Low Carbon Society Increasing low-emission company vehicles
	G4-EN5	Energy intensity	P.37	Policy on energy intensity
	G4-EN6	Reduction of energy consumption	PP.40-45	Initiatives for creating a low carbon society
	G4-EN7	Reductions in energy requirements of products and services	PP.40-45	Initiatives for creating a low carbon society
	Water			
	G4-EN8	Total water withdrawal by source	P.33 P.49	Environmental impacts overview Water management and recycling
	G4-EN9	Water sources significantly affected by withdrawal of water	P.49	Water management and recycling
	G4-EN10	Percentage and total volume of water recycled and reused	P.49	Water management and recycling
	Biodiversity			
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P.50 P.51	Our approach to conserving biodiversity Environmental assessments when selecting locations for data centers and other facilities
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	P.50 P.51	Our approach to conserving biodiversity Environmental assessments when selecting locations for data centers and other facilities
	G4-EN13	Habitats protected or restored	P.85	Green with Team NTT
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	P.50	Our approach to conserving biodiversity
	Emissions			
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	P.33 P.37 P.39	Environmental impacts overview Targets and results for creating a low carbon society CO_2 emissions at overseas Group companies
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	P.33 P.37 P.39	Environmental impacts overview Targets and results for creating a low carbon society CO_2 emissions at overseas Group companies

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	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	P.33 P.38 P.39	Environmental impacts overview Scope 3 (indirect GHG emissions generated over the whole value chain) Categories CO$_2$ emissions at overseas Group companies
	G4-EN18	Greenhouse gas (GHG) emissions intensity	P.37	Policy on energy intensity
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	P.35 P.37 P.39 P.42 P.43 P.45	Creating a Low Carbon Society Targets and results for creating a low carbon society CO$_2$ emissions at overseas Group companies Increasing low-emission company vehicles CO$_2$ emissions reduction benefits derived from ICT CO$_2$ emissions reduction benefits derived from ICT at overseas Group companies
	G4-EN20	Emissions of ozone-depleting substances (ODS)	P.42	Initiatives for protecting the ozone layer
	G4-EN21	NOx, SOx, and other significant air emissions	P.37	Targets and results for creating a low carbon society
Effluents and Waste				
	G4-EN22	Total water discharge by quality and destination	P.33 P.49	Environmental impacts overview Water management and recycling
	G4-EN23	Total weight of waste by type and disposal method	P.33 PP.46-47 P.49	Environmental impacts overview Targets and results for implementing closed loop recycling Handling of hazardous waste
	G4-EN24	Total number and volume of significant spills	P.49	Handling of hazardous waste, Water management and recycling
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention2 annex I, II, III, and VIII, and percentage of transported waste shipped internationally	P.49	Handling of hazardous waste
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats signifi cantly affected by the organization's discharges of water and runoff	P.49	Water management and recycling
Products and Services				
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	PP.40-45 PP.50-51	Initiatives for creating a low carbon society Conserving Biodiversity
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	P.33 PP.46-48	Environmental impacts overview Implementing closed loop recycling
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	G4-EN29	Monetary value of significantfines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	P.32	Compliance with environmental laws and regulations
Transport				
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	P.33 P.41 P.42	Environmental impacts overview Scope 3 (indirect GHG emissions generated over the whole value chain) Categories Increasing low-emission company vehicles
Overall				
	G4-EN31	Total environmental protection expenditures and investments by type	P.34	Environmental accounting
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	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	P.31 PP.111-112	Pursuing initiatives across the industry for energy-efficient ICT devices Supply Chain
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	PP.111-112	Supply Chain
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	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	P.30	Environmental Management System

SPECIFIC STANDARD DISCLOSURES	Report Pages	
Social		
Labor Practices and Decent Work		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	P.71 P.77	Creating an international workforce Placing the right people in the right jobs
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	P.72 P.73 P.75	Rehiring program that responds to former employees' aspirations for reemployment Encouraging the use of childrearing and family care programs Changing work styles by promoting the telework system
G4-LA3	Return to work and retention rates after parental leave, by gender	P.73	Encouraging the use of childrearing and family care programs
Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	P.82	Labor-Management Dialogue
Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management. worker health and safety committees that help monitor and advise on occupational health and safety programs	100% of full-time employees	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	PP.79-81	Occupational safety and health
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	P.81	Prevention of overwork
G4-LA8	Health and safety topics covered in formal agreements with trade unions	P.79	Occupational safety and health
Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	P.78	Human Resource Development
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P.78	Human Resource Development
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	P.76	Fair Evaluation and Compensation
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G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	PP.68-74 PP.87-96	Promoting Respect for Diversity and Equal Opportunity Corporate Governance
Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	P.68 PP.76-77	Management approach Improving human resource management and pay systems
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	PP.111-112	Supply Chain
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	PP.111-112	Supply Chain
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G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Not applicable	
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G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	PP.109-110	Human Rights
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	P.110	Group-wide Human Rights Education Programs
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G4-HR3	Total number of incidents of discrimination and corrective actions taken	P.110	Incidents of human rights violations and corrective actions
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G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at signifi cant risk, and measures taken to support these rights	PP.109-110 PP.111-112	Human Rights Supply Chain
Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	PP.109-110 PP.111-112	Human Rights Supply Chain

SPECIFIC STANDARD DISCLOSURES		Report Pages	
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Human Rights			
Forced or Compulsory Labor			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	PP.109-110 PP.111-112	Human Rights Supply Chain
Security Practices			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	–	
Indigenous Rights			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	P.110	Incidents of human rights violations and corrective actions
Assessment			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	PP.109-110	Human Rights
Supplier Human Rights Assessment			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	PP.111-112	Supply Chain
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	PP.111-112	Supply Chain
Human Rights Grievance Mechanisms			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	P.103 P.110	Establishment of Corporate Ethics Help Line Contact Point Incidents of human rights violations and corrective actions
Society			
Local Communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	P.84	Promoting citizenship activities in a united Group effort
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Not applicable	
Anti-corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	P.102	Prevention of bribery
G4-SO4	Communication and training on anti-corruption policies and procedures	P.102	Initiatives to promote awareness of the NTT Group Corporate Ethics Charter
G4-SO5	Confirmed incidents of corruption and actions taken	P.102	Prevention of bribery, Initiatives to promote awareness of the NTT Group Corporate Ethics Charter
Public Policy			
G4-SO6	Total value of political contributions by country and recipient/beneficiary	P.102	Prevention of bribery
Anti-competitive Behavior			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not applicable	
Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not applicable	
Supplier Assessment for Impacts on Society			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	PP.111-112	Supply Chain
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	PP.111-112 P.102	Supply Chain Prevention of bribery
Grievance Mechanisms for Impacts on Society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not applicable	
Product Responsibility			
Customer Health and Safety			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	In accordance with the Law Concerning Nippon Telegraph and Telephone Corporation, etc. (NTT Law), NTT Corporation is not permitted to provide services directly to customers. Therefore, NTT Corporation does not assess the health and safety impacts of our products or services. As for the related activities of operating companies of the NTT Group, please refer to their Sustainability Report or CSR Report.	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Not applicable	

SPECIFIC STANDARD DISCLOSURES	Report Pages	
Social		
Product Responsibility		
Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	P.62 — Strengthening monitoring processes P.65 — Realizing Safe and Secure User Environments P.67 — Efforts for appropriate advertising of products and services
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Not applicable
G4-PR5	Results of surveys measuring customer satisfaction	PP.66-67 — Customer Satisfaction initiatives
Marketing Communications		
G4-PR6	Sale of banned or disputed products	Not applicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Not applicable
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	P.100 — Response to individual risks
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not applicable