

Independent Directors/Auditors (Audit & Supervisory Board Members) Notification

1. Basic Information

Company Name	NIPPON TELEGRAPH AND TELEPHONE CORPORATION		Code	9432
Date of Filing	5/11/2018	Date of change	5/11/2018	
Reasons for Filing this Notification	"Attributes of the Directors/Auditors" have been changed.			
<input checked="" type="checkbox"/>	NTT has designated all candidates who meet the Independence standards as Independent Directors/Auditors.※1			

2. Information Regarding Independence of Independent Directors/Auditors and Outside Directors/Auditors

No.	Name	Outside Directors/Auditors	Independent Directors/Auditors	Attributes of the Directors/Auditors ※ 2, 3											Change	Consent of the Director/Auditor					
				a	b	c	d	e	f	g	h	i	j	k			l	N/A			
1	Katsuhiko Shirai	Outside Director	○													△		△		Modified	Yes
2	Sadayuki Sakakibara	Outside Director	○													○		○		Modified	Yes
3	Michiko Tomonaga	Outside Auditor	○													△				Modified	Yes
4	Seiichi Ochiai	Outside Auditor	○													△				Modified	Yes
5	Takashi Iida	Outside Auditor	○													△				Modified	Yes

3. Description of Attributes of Independent Directors/Auditors and Reasons for Appointment

No.	Supplementary Explanation of the Relationship ※4	Reasons for Appointment ※5
1	There have been transactions conducted by the Company with and donations given by the Company to Waseda University, at which Mr. Katsuhiko Shirai, who is designated as an independent Outside Director, has served as President. However, as described in the "Reasons for Appointment" column, the Company determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.	<p>Mr. Katsuhiko Shirai has a wealth of experience as operational director of an educational institution and has a high level of integrity and insight. The Company believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging managerial perspective.</p> <p>In addition, Mr. Shirai fulfills the independence criteria stipulated by the Tokyo Stock Exchange and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Waseda University, at which Mr. Shirai served as President, and the Company and its major subsidiaries (see Note 3 under "4. Supplementary Explanation")</p> <p>The total amount of transactions carried out between the aforementioned university with the Company and its major subsidiaries within the last three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company. Moreover, the amount did not exceed 1% of the total income of the university in any of the respective years.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards for independent officers established by the Company.</p> <p>* Status of transactions between the Foundation for the Open University of Japan, at which Mr. Shirai served as Chairperson, and the Company and its major subsidiaries</p> <p>The total amount of transactions carried out between the Foundation and the Company and its major subsidiaries within the last three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries to the Foundation was 10 million yen or less annually in each of the most recent three fiscal years, fulfilling the independence standards for independent officers established by the Company.</p> <p>Furthermore, Mr. Shirai retired from the aforementioned foundation in March 2017.</p>
2	There have been transactions conducted by the Company with Toray Industries, Inc., at which Mr. Sadayuki Sakakibara, who is designated as an independent Outside Director, served as Chairman of the Board, and transactions with and donations given by the Company to the Japan Business Federation (Keidanren) where he currently serves as Chairman. However, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.	<p>Mr. Sadayuki Sakakibara has a wealth of experience as a corporate manager and has a high level of integrity and insight. The Company believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging managerial perspective.</p> <p>In addition, Mr. Sakakibara fulfills the independence criteria stipulated by the Tokyo Stock Exchange and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Toray Industries, Inc., at which Mr. Sakakibara served as Chairman of the Board, and the Company and its main subsidiaries</p> <p>The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company. They also account for less than 1% of the total sales of the aforementioned company in each of the respective fiscal years.</p> <p>* Status of transactions between Japan Business Federation (Keidanren), at which Mr. Sakakibara currently serves as Chairman, and the Company and its main subsidiaries</p> <p>The total annual amount of transactions of the aforementioned association that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries was less than 10 million yen in each of the most recent three fiscal years, fulfilling the independence standards for independent officers established by the Company.</p>

3	<p>There have been transactions conducted by the Company with Ernst & Young ShinNihon LLC, at which Ms. Michiko Tomonaga, who is designated as an independent Outside Audit & Supervisory Board Member, served as Senior Partner. However, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Michiko Tomonaga has a wealth of audit experience, having worked as a certified public accountant for many years, and the Company expects that she will conduct future audits based on the knowledge and insight she has gained throughout her career.</p> <p>In addition, Ms. Tomonaga fulfills the independence criteria stipulated by the Tokyo Stock Exchange and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Ernst & Young ShinNihon LLC, at which Ms. Tomonaga served as Senior Partner, and the Company and its main subsidiaries The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company. They also account for less than 1% of the total sales of the aforementioned company in each of the respective fiscal years.</p> <p>Furthermore, Ms. Tomonaga retired from the aforementioned company in June 2010, prior to being appointed an outside Audit & Supervisory Board Member in June 2011.</p> <p>* Status of transactions between the Japanese Institute of Certified Public Accountants, at which Ms. Tomonaga served as Vice President, and the Company and its main subsidiaries The total amount of transactions of the aforementioned institute that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company. They also account for less than 1% of the total sales of the aforementioned institute in each of the respective fiscal years.</p> <p>Furthermore, Ms. Tomonaga retired from the aforementioned institute in July 2010, prior to being appointed an outside Audit & Supervisory Board Member in June 2011.</p>
4	<p>There have been transactions conducted by the Company with Chuo University, at which Mr. Seiichi Ochiai, who is designated as an independent Outside Audit & Supervisory Board Member, served as Professor. However, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Seiichi Ochiai has held academic positions as a university professor and specialized in law for many years. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>In addition, Mr. Ochiai fulfills the independence criteria stipulated by the Tokyo Stock Exchange and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Chuo University, at which Mr. Ochiai was a professor, and the Company and its main subsidiaries In each of the most recent three fiscal years, the total amount of transactions carried out between the aforementioned university with the Company and its major subsidiaries accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company. Moreover, the amount did not exceed 1% of the total income of the university in any of the respective years.</p> <p>The total amount of donations from the Company and its major subsidiaries respectively was less than 10 million yen in each of the most recent three fiscal years, fulfilling the independence standards established by the Company. The donations were to departments other than the law school that Mr. Ochiai belonged to.</p> <p>Furthermore, Mr. Ochiai retired in March 2015 from the aforementioned university.</p>
5	<p>There have been transactions conducted by the Company with Mori Hamada & Matsumoto, to which Mr. Takashi Iida, who is designated as an independent Outside Audit & Supervisory Board Member, belonged. However, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Takashi Iida is an attorney with a wealth of experience in the legal sector. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>In addition, Mr. Iida fulfills the independence criteria stipulated by the Tokyo Stock Exchange and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Mori Hamada & Matsumoto, with which Mr. Iida was affiliated, and the Company and its main subsidiaries The total amount of transactions of the aforementioned law office that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company.</p> <p>Further, Mr. Iida retired from the aforementioned law office in December 2011, prior to being appointed an outside Audit & Supervisory Board Member in June 2014.</p> <p>* Status of transactions between Kowa Law Office, which Mr. Iida has established, and the Company and its main subsidiaries The total annual amount of transactions of Kowa Law Office that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years account for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the independence standards for independent officers established by the Company.</p> <p>These transactions only consist of common communications services.</p>

4. Supplementary Explanation

[Independence Standards for the Independent Directors/Auditors]

NTT designates outside Directors and outside Auditors that fulfill both the independence criteria stipulated by the Tokyo Stock Exchange as well as NTT's own independence standards.

In order to meet the independence standards, a person may not fall under any of the categories below in the last three fiscal years

- (1) A person who executes business in a partner company that exceeds NTT's standards*1
 - (2) A person who executes business in a lending company that exceeds NTT's standards*2
 - (3) A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than ¥10 million, excluding the Board Members' or Audit & Supervisory Board Members' compensation, from NTT or its major subsidiaries*3 in any of the last three fiscal years
 - (4) A person who executes business in an organization that received donations exceeding NTT's standards
- Even if any of (1) through (4) above applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of the person's appointment as the Independent Member of the Board or Audit & Supervisory Board Member.

*1 "A partner company that exceeds NTT's standards" is defined as a company that has had any business dealing with NTT and its major subsidiaries*3 in any of the last three fiscal years equal to or more than 2% of the total operating revenues of NTT and its major subsidiaries for the respective fiscal year.

*2 "A lending company that exceeds NTT's borrowing standards" is defined as a company in which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals to or is more than 2% of the total operating revenues of NTT's consolidated total assets for the respective fiscal year.

*3 The 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 received donations exceeding NTT's standards" is defined as an organization which received donations from NTT and its major subsidiaries*3 in any of the last three fiscal years exceeding ¥10 million or 2% of the total income of the organization, whichever is larger, during the respective fiscal year.

- ※1 Check the box if all of the Outside Directors/Auditors who meet the standards for Independent Directors/Auditors have already been registered as Independent Directors/Auditors.
- ※2 Items to check regarding the attributes of each Director/Auditor:
 - a. Executive of the listed company or its subsidiary
 - b. Non-executive Director or accounting advisor of the listed company or its subsidiaries (in the case of an Outside Auditor)
 - c. Non-executive Director or executive of a parent company of the listed company
 - d. Auditor of a parent company of the listed company (in the case of an Outside Auditor)
 - e. Executive of a fellow subsidiary company of the listed company
 - f. A party whose major client or supplier is the listed company or an executive thereof
 - g. Major client or supplier of the listed company or an executive thereof
 - h. Consultant, accountant or legal professional who receives a large amount of monetary payments or other assets from the listed company besides compensation as Director/Auditor
 - i. Major shareholder of the listed company (or an executive of such major shareholder if the shareholder is a legal entity)
 - j. Executive of a client or supplier company of the listed company (which does not correspond to any of f., g., or h.) (the Director/Auditor himself/herself only)
 - k. Executive of a company, between which and the listed company Outside Directors/Auditors are mutually appointed (the Auditor himself/herself only)
 - l. Executive of a company or organization that receives donations from the listed company (the Director/Auditor himself/herself only)

Please note that the above items from a. to l. are brief descriptions of the items specified in the TSE regulations.
- ※3 Mark the box with "○" if the category presently applies to or has recently applied to the Director/Auditor or with "△" when the category applied to the Director/Auditor in the past. Mark the box with "●" when the category presently applies to or has recently applied to a close relative or with "▲" when the category applied to a close relative in the past.
- ※4 If any of the items a. through l. apply to the Director/Auditor, describe the attributes in detail (outline).
- ※5 Describe the reasons for appointment as an independent Director/Auditor.