



September 29, 2000

**NOTIFICATION OF THE BOARD OF DIRECTORS
RESOLUTION CONCERNING THE ISSUE OF NEW STOCK**

Notification is hereby given of the resolution adopted at the Board of Directors Meeting held September 29, 2000, for the issue of new stock.

To wit:

1. The Issue of New Stock

- (1) Number of Shares Issued 300,000 shares of common par value stock (of which 200,000 of New Stock to be Issued shares will be for a domestic offering, and a total of 100,000 will be for the US and international offerings)
- (2) Issue Price Not yet determined. (To be equal to or greater than face value; based on a provisional price to be determined by the President on Tuesday, October 10, 2000, and in light of market demand, the issue price will be determined at a Board of Directors Meeting to be held on a business day between Friday, October 20, 2000, and Tuesday, October 24, 2000.)
- (3) Offering Methods
- <1>Domestic Offering
A public offering to be underwritten by a management group led by Nikko Salomon Smith Barney Limited, The Nomura Securities Co., Ltd., Merrill Lynch Japan Incorporated, Tokyo Branch and Goldman Sachs (Japan) Ltd.
 - <2>US Offering
An underwriting syndicate lead-managed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co., Nomura Securities International, Inc. and Salomon Smith Barney Inc. will be granted the right to purchase in the US and Canada shares up to a maximum number to be determined later.
 - <3>International Offering
An underwriting syndicate lead-managed by Nomura International plc, Salomon Brothers International Limited, Goldman Sachs International and Merrill Lynch International will be granted the right to purchase in European and others

foreign markets (with the exception of the US and Canada) shares up to a maximum number to be determined later.

*Joint Global Coordinators

Goldman Sachs International, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Nikko Salomon Smith Barney Limited and The Nomura Securities Co., Ltd.

- (4) Subscription Period (for Japan) From Wednesday, October 25, 2000, until Friday, October 27, 2000. There is the possibility that because of market conditions, these dates may be moved up; the earliest these dates would be moved up to would be from Monday, October 23 to Wednesday, October 25, 2000.
- (5) Pay-in Date Thursday, November 9, 2000
- (6) Initial Date for Dividend Sunday, October 1, 2000
- (7) Subscription Unit One share
- (8) The issue value, the amount of the issue value not to be included in capitalization, and other matters necessary for this new issue of stock will be determined at an upcoming Board of Directors Meeting.
- (9) The above items are contingent upon authorization of the Minister of Posts and Telecommunications as stipulated by Article 4 of the Law Concerning Nippon Telegraph and Telephone Corporation, etc. and registration under the Securities Exchange Law taking effect, as well as upon the simultaneous implementation of the sale of NTT stock described in Section 2 below.

2. Miscellaneous

The sale of a maximum of one million shares of government-held NTT stock by the Minister of Finance is to be held simultaneously with the issue of new stock described above.

End

[For Reference]

1. Changes in Capital Stock due to the Upcoming Capital Increase

Current capital stock	15,834,590 shares
Planned number of additional shares due to capital increase	300,000 shares
Capital stock after capital increase	16,134,590 shares

2. Use of Funds

(1) Use of Funds to be Procured in the Upcoming Offering

NTT intends to use the entirety of the net proceeds from the issuance of the new shares, which are estimated to be 356,606 million yen, to fund its investments in NTT Communications. NTT Communications intends to use such proceeds to repay the borrowings made for its acquisition of shares of Verio, Inc.

(2) Effect on Company Profits

Through its acquisition of Verio, Inc., NTT Communications has strengthened its ability to offer global services, in particular, leading-edge IP services, and this should promote future business growth and an expanded base of operations.

3. Distribution of Profits to Shareholders

(1) Basic Policy Concerning Distribution of Profits

NTT is well aware that it is critical to strengthen our finances and ensure long-term profits for our shareholders. Our basic policy in this regard is to pay appropriate dividends, while ensuring that sufficient profits are retained.

(2) Determining Dividends

For the term ending in March 2000, pursuant to the policy outlined above, it was decided to pay an end-of-term dividend of 2,500 yen per share. Combined with the mid-term dividend, this resulted in a total dividend of 5,000 yen per share.

(3) Use of Retained Earnings

Retained earnings will be used as funds to strengthen our finances.

(4) Dividends for the Preceding Three Terms

	Term Ending 03/98	Term Ending 03/99	Term Ending 03/00
Earnings Per Share	18,216.72 yen	37,876.55 yen	△4,271.91 yen
Dividend Per Share	5,000.00 yen	10,000.00 yen	5,000.00 yen
Trailing Dividend Payout Ratio	27.4%	26.4%	-
Return on Equity	6.2%	10.9%	△1.1%
Dividend Yield	1.7%	2.9%	1.3%

Notes: 1. The return on equity is the current profit for a term divided by shareholder equity (the average of the total shareholder equity at the beginning of the term and total shareholder equity at the end of the term).

2. The dividend yield is the aggregate annual dividend amount divided by shareholder equity (the average of the total shareholder equity at the beginning of the term and total shareholder equity at the end of the term).

(5) Past Observance of Profit Distribution Rules

Not applicable.

4. Miscellaneous

(1) Designation of Purchaser

Not applicable.

(2) Dilution due to Latent Stock

Not applicable.

(3) Past Equity Finance

<1> No equity finance has been carried out in the past three years.

<2> Stock Prices over the Past Three Terms

	Term Ending 03/98	Term Ending 03/99	Term Ending 03/00	Term Ending 03/01
Opening price	851,000 yen	1,090,000 yen	1,180,000 yen	1,630,000 yen
High price	1,240,000 yen	1,280,000 yen	1,940,000 yen	1,630,000 yen
Low price	836,000 yen	819,000 yen	1,130,000 yen	1,040,000 yen
Closing price	1,110,000 yen	1,160,000 yen	1,630,000 yen	1,040,000 yen

Note: The stock price as of 09/28/00 is used here as the stock price for the term ending March 2001.

<3> Price/Earnings Ratio and Return on Equity over the Past Three Terms

	Term Ending March 1998	Term Ending March 1999	Term Ending March 2000
Price/Earnings Ratio	Times 60.9	times 30.6	-
Return on Equity	6.2%	10.9%	△1.1%

- Notes: 1. The price/earnings ratio is the closing stock price for a term divided by the current profit per share of the previous term.
2. The return on equity is the current profit for a term divided by shareholder equity (the average of the total shareholder equity at the beginning of the term and total shareholder equity at the end of the term).

End.

Note:	<p>This document is a press release, intended for general release, regarding the issue of new NTT stock; its purpose is not to solicit investment. Individuals considering investment are urged to fully read the Registration Statement and Prospectus (including revisions thereto) for the new stock that NTT is issuing before making their own judgment about whether to invest.</p> <p>Furthermore, this document should not be construed as a solicitation for the sale of securities in the US. In the US, it is forbidden to solicit the purchase of securities or to sell securities without the submission of the Registration Statement, except in cases where the obligation to submit the Registration Statement has been waived. The sale and issue of stock in the US is performed through the use of the Prospectus. This Prospectus can be obtained from NTT or from an underwriter; it contains information about NTT and its operations, as well as financial statements. Of the 1.2 million to 1.3 million shares that are subject to offering and sale as original stock or American Depository Receipts, NTT plans to register 200,000 shares with the US Securities Exchange Commission.</p>
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