



October 6, 2008

Notice regarding Settlement of a Lawsuit filed in Texas, U.S.A

Nippon Telegraph and Telephone Corporation ("NTT") hereby announces that it has reached a settlement today with The University of Texas and Hydro-Quebec (collectively, the "Plaintiffs") over a lawsuit filed against NTT in Texas state court.

The terms of the settlement include that NTT and the Plaintiffs will terminate the lawsuit, the settlement does not in any way indicate admission by NTT of any wrongdoing, NTT will pay the Plaintiffs a settlement amount of 30 million USD, NTT retains ownership of the patents that were the subject of this lawsuit, and that NTT will grant the Plaintiffs an exclusive license to the patents.

In the lawsuit (filed in June 2001), the Plaintiffs petitioned for damages and equitable relief based on an alleged misappropriation of trade secrets by NTT relating to lithium rechargeable-battery technology*. In response, NTT has denied any wrongdoing.

However, after giving comprehensive consideration to such factors as the cost that would arise from continuing the proceedings and the uncertainty of jury trial outcomes, NTT agreed with the Plaintiffs to settle the case.

NTT is not making any amendment to its consolidated business operation plans for the fiscal year ending March 31, 2009 to reflect the settlement.

* Unlike the technology currently used in mobile telephones or laptop PCs, this technology involves the use of materials such as LiFePO₄ as the cathode material of a battery.

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