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NTT Press Releases

(News Release)

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This English text is a translation of the Japanese original.
The Japanese original is authoritative.

Submission for Approval of Business Operation Plan for the Fiscal Year Ending March 31, 2015

Nippon Telegraph and Telephone Corporation ("NTT") today submitted its business operation plan for the fiscal year ending March 31, 2015 to the Minister for Internal Affairs and Communications for approval.

The information and communications services network and environment are undergoing rapid evolution, as seen in the expansion of broadband communications including FTTH and LTE, advances in the functionality of smartphones and tablet devices, and the growing use of social media and cloud computing. A number of service providers in this market are competing in the areas of technical development, facilities and services, and are focusing their creative energies on the proactive development of creative services, including more advanced wireless broadband services and the deployment of Wi-Fi access points. At the same time, there is growing demand for a more reliable communications infrastructure following the Great East Japan Earthquake. Information and communications services are expected to play a key role in stimulating social and economic activities and enriching people's lifestyles through the creation of new business opportunities in various sectors and highly convenient services utilizing the network.

To help ensure that universal services are maintained amid this evolving information and communications environment, NTT intends to provide all necessary advice, coordination, and other assistance to Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (the "regional companies"). NTT will also endeavor to promote research and development in information communications technology, which serves as a foundation for telecommunications.

In addition, pursuant to NTT Group's "[Towards the Next Stage](#)" strategy announced in fall 2012 and "[Accelerating Innovation and Collaboration for the Next Stage](#)" presentation released last year, each NTT Group company, including the regional companies, will serve as a "valued partner" that customers continue to select, and create a variety of simple, convenient, safe and secure services and business opportunities that are suitable for customers' needs. To achieve this, NTT will establish open and seamless usage environments enabling the deployment of a variety of services using the broadband networks of various market players and actively promote alliances with these market players while ensuring fair competitive conditions under the existing legal framework. In addition to these efforts, NTT will also work to increase corporate value by actively expanding global services and constructively managing its group companies for the development of NTT Group as a whole.

Based on these fundamental concepts, in the management of its business operations for the fiscal year ending March 31, 2015, NTT will aim to grow its businesses by, among other things, expanding new businesses of each group company and strengthening the competitiveness of its network services. NTT will seek to ensure the stable development of its operations in the future, and to return the fruits of these efforts to customers, shareholders and the community at large by providing an advanced broadband network and strengthening its research and development activities directed toward the realization of "smart life" and "smart work."

Based on the concepts outlined above, pursuant to the business operation plan for the fiscal year ending March 31, 2015, NTT expects to manage its business by prioritizing the following activities, and doing so in a flexible manner so as to respond to changes in the business environment.

1. Advice, coordination, and other assistance

NTT will aim to exercise appropriate shareholder rights and provide all necessary advice, coordination and other assistance to its regional companies to ensure the maintenance of high-quality and stable universal services. Such assistance will include planning and coordination relating to the quality and upgrading of telecommunications networks, deployment of control and coordination capabilities in the event of natural disasters and other emergencies, efficient financing, and formulation of policies for material procurement.

NTT will support the efforts of each NTT Group company, including the regional companies, to streamline their business operations and expand their business opportunities, and will assist with the development of human capital that will form the core of NTT Group as well as compliance with applicable regulations.

2. Promotion of basic research and development

NTT Group will work to harmonize network platform technologies, technologies that provide a basis for new services and applications, as well as general advanced and basic technologies, while at the same time accelerating innovation and collaboration. Through these undertakings, NTT Group will focus its efforts on higher value-added research and development, as well as continue to be actively involved in expansion and standardization activities, such as participating in research and development activities in collaboration with other research and development institutions and in technology exchanges both in Japan and abroad.

NTT will seek to further increase research efficiency and ensure the continuous execution of basic research and development efforts through revenues generated from the use of such efforts, and the bearing of related expenses on an ongoing basis, by the regional companies and other NTT Group companies.

Specifically, priority will be given to the following areas of NTT's research and development activities:

(1) Infrastructure-related research and development

In order to develop an information network infrastructure to "connect" everything under the concepts of "smart," "simple" and "sustainable," NTT Group will promote research and development in big data analysis, network control using NFV (Network Function Virtualization) and other software, M2M (machine-to-machine) related technologies to control massive terminals, and improvement of service quality for users via quality-of-experience service metrics. NTT will also pursue research and development that supports disaster-resistant networks and communications systems that assist in reducing power consumption, as well as research and development directed toward realizing common network platforms usable in different services and fields, such as strengthening the relationship between fixed-line and mobile communications and further convergence of telephone and IP networks.

(2) User-related research and development



With a view toward creating advanced services that enrich the lives of and provide comfort to customers, NTT Group plans to promote research and development in technologies that integrate telecommunications and computer technology, such as media processing, personalization, cloud services and security. Specifically, NTT Group will promote research and development in the following technologies: content distribution technology that provides more realistic and convenient information depending on the user and the user's location, data analysis technology to provide services in accordance with the user's circumstances and intentions, cloud platform technology for real-time dispersion processing and virtual unified management of large-scale information, and security-related technology, such as SIEM (Security Information and Event Management) platforms, to ensure safety in information and telecommunications.

(3) Research and development in basic technologies

NTT is committed to contributing to the innovative improvement and development of information and telecommunications in Japan to ensure a leading position in technology research that will support the future of telecommunications. To fulfill these commitments, NTT will pursue research and development activities in basic technologies. Specifically, this will include research in areas such as: Carrier Edge Computing Technology, which uses small servers called "edge servers" located in the vicinity of users and devices to process data and run applications, which had previously been done on devices or on the cloud; machine learning and parallel and distributed computing technologies that contribute to big data analysis; and optical device and integrated nanophotonics technologies. NTT will also pursue research on innovative principles and new concepts, including quantum computer-related technology that exceeds current information processing capabilities; a broad range of cutting-edge materials, including nitride semiconductors and grapheme, and nanobiology; and a scientific analysis of the human sensory, physical and emotional mechanisms related to communications.

[The following table](#) presents an overview of NTT's capital investment plan for the above-mentioned activities.

Attachment-Reference

- ▶ [Table: Capital Investment Plan for the Fiscal Year Ending March 31, 2015](#)
- ▶ [Attachment 1: Revenues and Expenses Plan for the Fiscal Year Ending March 31, 2015](#)
- ▶ [Attachment 2: Planned Sources and Applications of Funds for the Fiscal Year Ending March 31, 2015](#)
- ▶ [Reference: Business Operation Plan for the Fiscal Year Ending March 31, 2015](#)
 - ▶ [Reference: Business Operation Plan for the Fiscal Year Ending March 31, 2015 PDF \(All Pages\)](#)  [116KB]
- ▶ [Entire Report](#)  [625KB]

For more information, please contact:

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