NTT Communications Corporation
CSR REPORT 2015 (Expanded Version)

01 CSR Management
Management

03 Protecting the Environment
Environment

02 Contribution to Society
Society

04 Respecting Our Employees
People

NTT Communications
Global ICT Partner
Innovative. Reliable. Seamless.

CSR Management

From the provision of new value through products and services to the thorough implementation of a corporate culture of fairness and honesty, the "responsibility" that society expects from companies is wide-ranging. To perform these tasks throughout corporate groups, the need is increasing for CSR Management Guidelines that incorporate a management vision and activity policies.

The NTT Communications Group places great emphasis on its contribution to society. To that end, in line with the Group's Fundamental CSR Policy, targets for each activity are set and in line with its Fundamental CSR Policy pursued by each and every employee as part of their day-to-day business tasks.

CSR Concept

Fundamental CSR Policy

As a Global ICT Partner, the NTT Communications Group creates new value, resolves global problems and contributes to the realization of prosperous communities and a sustainable society by providing information and communications services.

■Fundamental CSR Policy of NTT Communications Group

→ Click here for details on the NTT Communications Group's Fundamental CSR Policy

Establishment of Priority Activities in Line with Fundamental Policy

With regard to the fourth area of governance, which forms the foundation of management and was added to the three areas defined in our Fundamental CSR Policy, we establish priority activities that form the focus of the CSR Committee. Setting CSR Indexes that become each priority activity's specific target, we work on continuous improvement. For the content of and our achievements in each priority area, please refer to each section of this report.

As a Member of the NTT Group

We define the Fundamental CSR Policy of the NTT Communication Group guided by the NTT Group CSR Charter set out below.

■The NTT Group CSR Charter

Cornerstone Stance on Consideration for Stakeholders Stated in Our Business Principle (OBP)

Our Business Principle (OBP) is a clearly written expression of the principles that must be understood and shared by each and every employee of the NTT Communications Group.

Compliance with and the practice of OBP go hand in hand with maintaining a perspective that takes each and every stakeholder into consideration. In maintaining relationships with all our stakeholders, there are instances in which there is uncertainty about what constitutes correct judgment and behavior. For such situations, we are distributing OBP as a means for our employees to proactively refer back to the basic principles inscribed in the handbook throughout the course of their daily work and take the correct actions. Based on OBP, we are aiming to remain a company trusted by customers and society as a whole while also garnering customer satisfaction.

■Stance on Consideration for Stakeholders

For Customers
1. From a customer-first perspective, we will provide solutions and services that offer true value.
2. We will act responsibly and with pride as a member of the NTT Communications Group in responding quickly, flexibly, and with integrity to our customers.
3. We will establish enduring relationships of trust with our customers.

For Business Partners
1. We will maximize our cooperation with partner in order to offer the best possible value for our customers.

For Society
1. By providing more secure and innovative Internet services, we will contribute to the sound growth of the Internet society.
2. As part of our strong connection with society, we will contribute to global environmental protection.
3. We will understand and respect the cultures and customs of different nations.

For Competitors
1. We will abide by rules and compete fairly.

For Employees and the Workplace
1. We will recognize individuality and diversity and mutually protect human rights.
2. We will trust and respect each other and create an environment that is conductive to personal development and fulfillment of our goals.
3. As an ICT company, we will make a maximum effort to protect security.

For Shareholders
1. We will disclose information concerning our business performance in a fair, accurate, and timely manner.
2. We will achieve sustainable growth as a company and seek higher benefits for our shareholders.

→ Please click here to view details on Our Business Principle.

Thorough Actions Taken in Line with Guidelines

To connect with society in various forms through our business, we have wide-ranging responsibilities to bear and guidelines to uphold. Having established guidelines in line with our business activities, such as our policy on human rights and Global Environment Charter, we are taking thoroughly responsible actions. In keeping with the increasingly global nature of our customers' businesses in recent years, our own business continues to expand to every part of the world. Consequently, we are accelerating the speed at which overseas Group companies adopt a raft of guidelines.

Fiscal 2014 Activity Achievements

Priority Activities	Measures	Fiscal 2014 Targets		Fiscal 2014 Achievements		
		Qualitative Targets	Quantitative Target	Status of Specific Activities	Quantitative Result	Self-Assessments toward Target Achievement
Ensure information security	Continuous Privacy Mark accreditation	Address new issues in accordance with changes in privacy mark screening standards, revise relevant regulations, conduct and complete fifth updates	–	Continuously adhered to a PDCA cycle for personal information protection (by revising regulations, awareness, audits, etc.), underwent privacy mark renewal screening by outside institutions, passing with zero instances of non-compliance	–	★★★
	Continuously raise awareness by implementing training programs	Reduce number of incidents by working to enhance awareness through stratified security training programs	Ensure 100% attendance by those eligible to have their level of understanding gauged at Company security training sessions	Conducted security training specific to job role · Companywide security training and gauging levels of understanding: (Training) November to December; (Gauging) February to March · IRT*training for systems managers: February to March · Training for those responsible for implementing security management/managers: March	–	★★★
	Strengthen management of processes and systems	Bolster vulnerability assessments of information systems	–	Conducted vulnerability assessments of new and upgraded company information systems.	· Number of vulnerability assessments conducted: 196 systems	★★★
		Strengthen management of processes for the safe handling of customer information	–	· Throughout the year, appropriately managed application and approval systems for downloading customer information. · Implemented measures aimed at reducing the number of customer information downloads	–	★★★
	Implement information security surveys	Implement information security surveys for targeted companies.	–	Added three new companies (RagingWire, Arkadin and Atlas) and conducted surveys of all targeted companies.	–	★★★

*IRT: Incident Response Team

Self-Assessment Achievements Set at Four Levels
☆☆★：Target only partially achieved
☆★★：Target almost achieved
★★★：Target achieved

Stance and Achievements in Dealing with Stakeholders

By promoting dialogue with its stakeholders, the NTT Communications Group is generating opportunities to obtain invaluable input and feedback, which it in turn channels through to its ongoing activities. We adopt a flexible approach toward promoting wide-ranging opportunities and topics. This includes issues that are carried over from year to year to designated themes and discussion points. The NTT Communications Group makes every effort to engage in detailed and in-depth dialogue with its stakeholders.

■Examples of Communication with Stakeholders in Fiscal 2014

|	
Communication with Customers	We gathered feedback from customer satisfaction (CS) surveys and took steps to improve satisfaction levels. · Voice of Customer (VOC) Survey, NTT Communications Forum
Communication with Business Partners	We worked with our business partners to improve communications quality, thereby improving customer satisfaction with respect to quality. · Arcstar Carrier Forum (ACF), Customer Council, Partner Summit We published a policy on procurement in accordance with our Guidelines for Green Procurement to ensure fair procurement activities. · Communication with suppliers
Communication with Society	We worked to raise awareness of issues and develop a clear understanding of situations by communicating with NPOs and external experts. · Dialogue with stakeholders, various social contribution activities
Communication with Employees	To help maintain and improve motivation among employees, we used an appropriate human resources system, provided a forum for communication with management, and made sure that employee feedback was incorporated. · Dialogue with the president, KAIZEN Support Line

Governance

Corporate governance structure

With regard to the governance structure at NTT Communications, we are employing a system that draws on our Board of Directors and our Board of Corporate Auditors and working to enhance governance functions.

The Board of Directors has 16 members and is chaired by the president. In principle, the Board meets once a month to make decisions and report on important management issues in compliance with laws and regulations, the Articles of Incorporation, and our Board of Directors' rules.

The Board of Corporate Auditors is made up of three external auditors. In addition to attending important meetings, including those of the Board of Directors, these auditors hold meetings of the Board of Corporate Auditors and audit the execution of directors' duties. A dedicated organization and staff facilitates efficient audit operations. Maintaining close cooperation with accounting firms and other parties by periodically sharing information on audit plans and results and through similar means, the Board of Corporate Auditors is currently working to strengthen the audit structure.

■Corporate Governance Structure
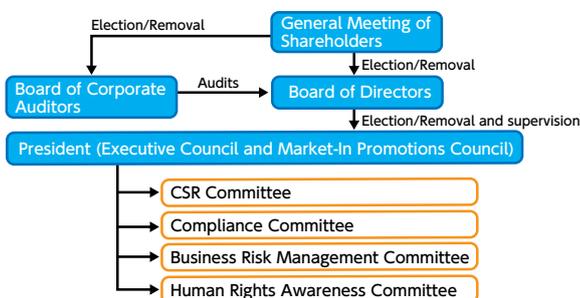
Composition of Board of Directors (as at July 2015)

Directors	Name	Current Position(s) and Organizational Responsibilities
President & CEO	Tetsuya Shoji	
Senior Executive Vice Presidents	Tetsuya Funabashi	In charge of technology In charge of operations In charge of information security In charge of corporate planning
	Katsumi Nakata	In charge of sales In charge of global business Head of Global Business
Executive Vice Presidents	Toru Maruoka	Head of Voice and Video Communication Services
	Kazuhiko Aramoto	Head of Second Sales Division
	Eiichi Tanaka	In charge of CSR
Senior Vice Presidents	Kazuhiro Gomi	NTT America, Inc. President & CEO
	Akihiko Higashi	Head of West Japan Sales Division
	Denji Sakurai	Head of Fourth Sales Division
	Motoo Tanaka	Head of Cloud Services
	Takashi Ooi	Head of Network Services
	Masaaki Moribayashi	NTT EUROPE LTD. Managing Director
	Ken Kusunoki	Head of Third Sales Division
	Hiroatsu Matsumoto	Head of Customer Services
	Masanori Ozawa	
Senior Vice President, NTT Communications Corporate Advisor	Akira Arima	Executive Advisor
Audit & Supervisory Board Members	Akio Oshima	
	Yoko Kobayashi	
	Nobuhiro Takeuchi	

Reasons for Director Appointments

In appointing directors, we expect that they will utilize their extensive knowledge and awareness in each of their respective fields.
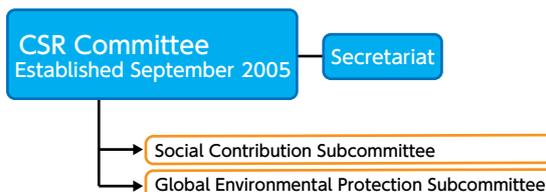
CSR Governance

CSR Promotion Structure

The NTT Communications Group has established the CSR Committee in order to promote CSR initiatives. The Committee aims to establish a structure to implement management initiatives from economic, environmental, and social perspectives. We maintain the Social Contribution Subcommittee and the Global Environmental Protection Subcommittee under the CSR Committee.

Meeting every year, the CSR Committee issues CSR reports, reports on CSR activities, and considers and implements measures aimed at promoting CSR activities.

With regard to the content of the CSR activities mandated by the CSR Committee, a CSR Promotion Committee convenes in the middle of the fiscal year to review the content of the activities and, if necessary, issue an interim report. In fiscal 2014, representatives of 13 major Group companies attended the CSR Committee and CSR Promotion Committee meetings.

In the years to come, we will continue to work to maintain and foster CSR initiatives across the entire NTT Communications Group by holding discussions on a regular basis at CSR Committee and CSR Promotion Committee meetings.

■CSR Promotion Structure

CSR Governance Assessment Process

For us to make the CSR activity promotion structure function steadily, we have put in place and have in continuous operation mechanisms to check on what has been achieved through those activities.

Specifically, we regularly establish CSR Indexes that serve as the main targets for each year's CSR activities. By verifying and reviewing the rate of achievement of those activities every year, we are in the position to gauge the effectiveness of our CSR governance.

Decided upon at CSR Committee meetings, the CSR Indexes are established with the CSR Committee chairman bearing the responsibility for their overall achievement. Not limited to the verification of the degree to which the indexes have been successfully achieved, the CSR Committee and CSR Promotion Committee assess the effectiveness of the indexes themselves. Both the CSR Committee and the CSR Promotion Committee meet once a year.

Compliance

Compliance Promotion Framework

For the NTT Communications Group, compliance goes well beyond merely adhering to laws and ordinances. Viewing compliance as possessing a high sense of ethics that enables the fulfilling of social obligations while continuing to operate a business, we are aiming to bring about the establishment of corporate ethics at a high level.

Having set up the Compliance Committee under the chairmanship of the director in charge of compliance in fiscal 2002, we established lines of responsibility by appointing directors and officials in all business units. In July 2015, to respond to the increasing complexity of compliance and globalization associated with the globalization of the Group's business, we also formulated Global Compliance Regulations as a compliance policy to be commonly applied at Group companies in Japan and overseas.

Looking to the future, based on the NTT Group Corporate Ethics Charter we will continue to take various initiatives to create an environment that enables everyone, from senior executives to all Group employees, to carry out their work duties while adhering to high ethical standards. We will also work to enhance the world-class compliance promotion framework at the NTT Communications Group.

→ More details on the NTT Group Corporate Ethics Charter have been posted here

Corruption Prevention Policy

To prevent corruption, including bribery and bid-rigging, NTT Communications adheres to the National Public Service Ethics Code and formulates and operates guidelines, which cover the prevention of the bribery of foreign public officials, and manuals that provide advice on how to respond. Serving as a fresh reminder, the prevention of corruption forms a topic covered at compliance training sessions (see below).

Appropriate Advertising

The increasing sophistication and diversification of services and pricing schedules in recent years has made it necessary for advertising displays to be made easier to understand.

To give customers peace of mind when selecting and using services, NTT Communications has been striving to ensure that its advertising is trustworthy, in keeping with its own voluntary standards and the guidelines for telecommunications advertising established by the Council for the Promotion of Telecommunication Service Improvement.

Specifically, in November 2011, we formulated regulations on advertising and conducted an examination of advertising. The regulations define the materials requiring examination, designate personnel responsible for carrying out examinations, and clarify the examination process. The examination framework and processes have thus been strengthened.

While electric communication services via the Internet, mobile phones and other means have come to form the basis of customer lifestyles in recent years, service menus and fee structures have become more complex and diverse. We believe it necessary that we work to make advertising more easily understood by our customers and, in examining advertising, we are conducting reviews of examination standards from a customer perspective on an ongoing basis.

As well as complying with laws such as the Act against Unjustifiable Premiums and Misleading Representations, NTT Communications will make further efforts to consider the customer's standpoint when engaging in advertising and other public relations and promotional activity.

Awareness-Raising Programs and Training for Thorough Compliance

From the point of view of the thoroughness of legal compliance and fair business activities, companies are required to implement awareness-raising and training programs for group employees and directors on an ongoing basis. At NTT Communications, we provide annual compliance training to all employees and directors, including those at Group companies, as well as other personnel. We also actively conduct internal awareness-raising programs, including surveys on corporate ethics and a call for compliance slogan entries.

Specifically, at compliance training programs that form the foundation of common knowledge for Group employees, we confirm how we are to act by means of specific case studies in which compliance violations became a problem. In addition, we attach great importance to questionnaire surveys relating to the implemented corporate philosophy, which forms a subject of the training, in conjunction with a Hotline from the point of view of listening closely to frontline feedback. Meaningful feedback was once again received in fiscal 2014.

Consultation Hotline

We established the NTT Communications Group Hotline, which can be accessed by Group employees in all countries. In fiscal 2014, the number of reported cases relating to the whole of NTT Communications* totaled 24.

Additionally, the NTT Group operates an external consultation and reporting liaison desk, staffed with legal experts. These organizations are part of our commitment to a transparent corporate culture.

* Excluding Group companies in Japan and overseas

→ Clicking here will provide you with details about the NTT Group Corporate Ethics Help Line, an external point of contact

Risk Management

Business Risk Management

We established the Business Risk Management Committee to develop a system and the mechanisms to enable us to better respond to the major business risk factors that may affect the operation of the entire Company.

In fiscal 2010, we redesigned our system. At that time we had identified 25 material risk categories and listed them in our Risk Definition Report. We adopted a system to monitor the management status of material risks through audits, while separating risk-related operations and making them more efficient. Thereafter, we have continued to pick out the risks for each organization and request ongoing reviews and revisions of countermeasures. In addition to asking for voluntary evaluations of the status of organizational countermeasures from the heads of all organizations, including directors, and ensuring that no risks have been overlooked, we conduct operational audits of each organization to evaluate the status of risk-related countermeasures. We also extend these activities to include the principal Group companies in Japan, while promoting risk management throughout the NTT Communications Group.

We created a system to collect accurate risk information and ensure proper decision making in response to potential major risks. If such an event were to occur, we would set up a Disaster (Accident)/Risk Response Headquarters, which would be headed by the president or a senior executive vice president, depending on the situation.

We will continue to enhance and strengthen our systems and mechanisms to eliminate or minimize business risks for the entire Group.

Crisis Risk Management

In the aftermath of the Great East Japan Earthquake, there has been a dramatic rise in society's interest in crisis risk management and the corporate sector's ability to anticipate and respond at times of large-scale disasters. With a renewed awareness of our responsibilities and the need to maintain telecommunication services as an integral part of society's basic infrastructure, we are endeavoring to ensure a speedier response to emergency situations while working diligently to improve our management structure. In addition to ensuring strict adherence with crisis management manuals, we are raising awareness across all departments and divisions through training and a variety of other initiatives. In fiscal 2013, there were the requirements of the Act on Special Measures for Preparedness and Response against Pandemic Influenza and New Infectious Diseases, so from the perspective of maintaining respect for human life, we drew up plans outlining how we would undertake and fulfill our duties as a specified public institution in response to a pandemic. On this basis, we made progress toward the formulation of a specific business continuity plan (BCP).

Aside from the operation plan formulated in response to the Act on Special Measures for Preparedness and Response against Pandemic Influenza and New Infectious Diseases, we have drawn up and announced two other plans to fulfill our duties as a specified public institution. These are the Disaster Management Operation Plan based on the Basic Act on Disaster Control Measures and the Civil Protection Business Plan, which is based on the Law Concerning Measures to Ensure National Independence and Security in a Situation of Armed Attack.

Internal Controls

In accordance with the new Companies Act, which came into force in May 2006, and the May 2015 revision to that act, we have compiled a basic policy covering the maintenance of a system of internal controls for the entire NTT Group. Concurrently, as a member of the NTT Communications Group, the Board of Directors resolved to implement the measures necessary for that system. We are also working to upgrade and expand internal controls over financial reporting in line with the requirements of the Financial Instruments and Exchange Act, which was enacted in June 2006.

■Basic Approach for Maintaining an Internal Control System

1. In maintaining a system of internal controls with the aim of complying with laws and regulations, managing any risk from losses and carrying out proper and efficient business operations, NTT Communications takes a variety of measures to prevent and minimize loss.
2. To maintain and assess the effectiveness with regard to operational status of the above system of internal controls, NTT Communications has established a Legal and Internal Audit Department. As a monitoring organization, this Department is responsible for regular audits and special audits of high-risk areas common to the NTT Group, in keeping with the standardized auditing criteria of Nippon Telegraph and Telephone Corporation. The necessary improvements are made following the assessments of the system's effectiveness.
3. NTT Communications will cooperate with Nippon Telegraph and Telephone Corporation and take appropriate measures to ensure the reliability of its system of internal controls based on the U.S. Public Company Accounting Reform and Investor Protection Act (Sarbanes-Oxley Act) and Japan's Financial Instruments and Exchange Law.
4. As the chief executive officer, the president will be responsible for ensuring the development and implementation of the system of internal controls.
5. We will take all necessary steps to comply with Nippon Telegraph and Telephone Corporation's Basic Policies Concerning the Maintenance of Internal Control Systems.

Internal Audits

We conduct standardized audits of our internal organizations and Group companies, both in Japan and overseas. Primarily implemented by our Legal and Internal Audit Department, these audits prioritize business risks and are aimed at ensuring that businesses are managed in a global, seamless manner. Through these audits, we are working to improve internal controls throughout the entire NTT Communications Group by striving to reduce risk at individual organizations and Group companies while making business improvement proposals.

In-House Information Security

Basic Policy

Because we believe that adherence to strict security management standards will lead to security improvements that will benefit our customers, we drew up the NTT Communications Security Declaration that we use as our basic policy when conducting business.

■NTT Communications Security Declaration

In addition to protecting information that is vital to our customers and providing services they know are safe to use, our most important mission is contributing to enhancements of our customers' security systems. We regard security as our top priority when providing services to our customers and pledge to work with them to achieve optimal security systems.

We thus do our utmost to ensure security in all phases of the value chain, from technology and service development to system setup and operation.

Furthermore, as ICT professionals, each one of us will raise our capabilities to respond to security-related issues.

Three Resolutions

1. Regarding security as the top priority in providing our services, we will do our utmost to enhance customer security.
2. As an ICT solutions partner entrusted with our customers' vital information, we will work with them at all times to ensure their security.
3. Business partners and the contract employees from our corporate partners are also important supporting members of NTT Communications. We will therefore collectively strive to ensure our own security.

Protection of Customer Information and Personal Information

We operate in strict compliance with laws and regulations and the Ministry of Internal Affairs and Communications' guidelines relating to the protection of personal information. In cases where we subcontract the handling of customer personal information, in selecting subcontracting companies we select those that sufficiently meet the standards with respect to the handling of customer information and require them to operate in strict compliance with laws and regulations and the ministry guidelines.

Raising of Workplace Awareness and Thorough Training

Having identified efforts to "ensure information security" as one of its four priority CSR index areas, we are engaged in ongoing activities in this regard. Covering a wide range, these activities include strengthening the reliability of our information handling processes, acquiring and maintaining Information Security Management System (ISMS) certification as well as conducting security surveys. In particular, we have identified the raising of workplace awareness as an extremely important responsibility as an ICT company and are actively conducting education and training.

As an entity that targets a safe and secure, networked society, NTT Communications is accelerating the pace of its ongoing initiatives, including those at overseas Group companies.

■Information Security Training   Student Breakdown

Types of Training	2014 Results
Information security training (Total number)	30,171
Companywide security training	15,115
Training to gauge degree of understanding	14,861
IRT training	70
Training for those responsible for implementing security management/managers	125

Information Security Management Structure

We have established common information security management benchmarks and policies in Japan and overseas, in keeping with the requirements of ISO/IEC 27001, the international standard for ISMS. We are enhancing the Group's information security governance by ongoing management activities, through which we devise level improvements centered on the regular monitoring of compliance and the taking of any necessary corrective action.

Specifically, we established the Security Management Office under the Chief Security Officer (CSO) to:

1. Formulate rules and standards and educate all employees to raise their awareness
2. Draw up and implement Companywide information security policies
3. Monitor compliance with information security regulations and take any necessary corrective action
4. Ensure a unified response to information security incidents. Specially assign officials in each organization to manage information security

For the major initiatives in fiscal 2014, we worked on raising the level of our security risk management. This included responding to software vulnerabilities and implementing the ongoing utilization of the WideAngle comprehensive risk-management service on systems throughout the Company. We also addressed upgrading the security issue response processes in the event of an incident by utilizing an information security management platform (ISMP)—a platform that distributes vulnerability assessment information—to conduct centralized management of companywide IT systems.

From the viewpoint of enhanced security management, we formed the Information Security Unit as a new organization that has its mission total information security/cyber security responses, including the functions of the Computer Security Incident Response Team (CSIRT).* Established on October 1, 2015, the new unit will in the years to come be implementing the measures needed to enhance information security based on internal and external trends.

* Monitors to see if problems have arisen in computers and networks and investigates such aspects as cause analyses and impact extent when they do and has the function of implementing response measures

■Security Management Framework
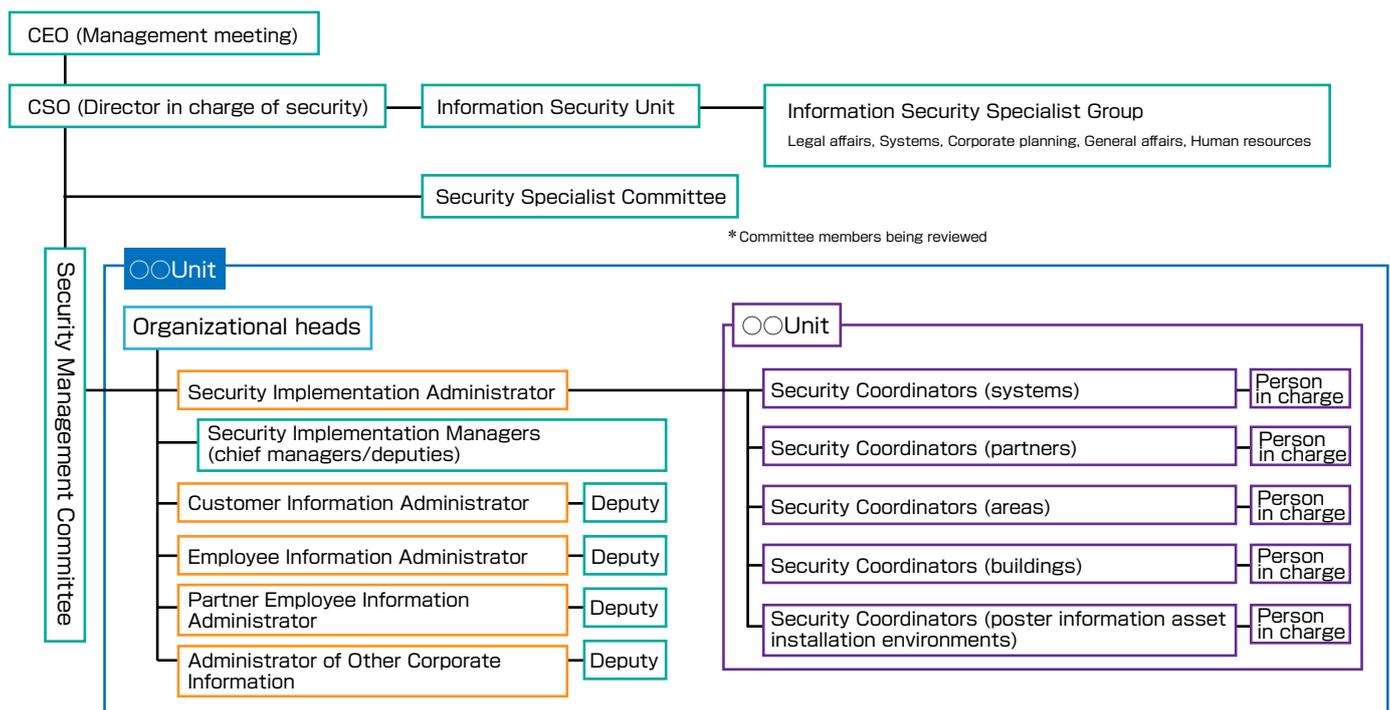
Third-Party Assessment and Certifications

As of March 2015, 21 Group companies, comprising nine Group companies in Japan and 12 Group companies overseas, have received Information Security Management System (ISMS) certification from external organizations.

Seven companies that primarily handle personal information entrusted by customers have obtained Privacy Mark accreditation in recognition of their personal information safeguards.

Respecting Human Rights

Promoting Human Rights Education

In order to create a rich corporate culture with a respect for human rights, the NTT Communications Group put in place a basic human rights education policy in July 1999 and has continued to actively promote human rights awareness ever since. We also established a Human Rights Awareness Committee, which is charged with the establishment of a corporate constitution that does not tolerate discrimination of any kind and the promotion of human rights education. Among its many duties, the Committee reports on educational activities and deliberates on promotional measures.

■Basic Policy on Human Rights Education

As a company that develops business on a global basis, NTT Communications places the utmost importance on solving human rights issues, including discrimination, as a part of its efforts to build a rich corporate culture that respects human rights. As we strive to maintain a corporate constitution that does not tolerate any form of discrimination, we are working to find solutions to human rights and discrimination issues through every facet of our day-to-day business activities.

Maintaining a Business Structure that Respects Human Rights

Placing the utmost importance on human rights, we maintain a corporate constitution that does not tolerate any form of discrimination while aiming to foster bright and energetic workplaces. To provide one specific example, while our regular and temporary staff members recognize each other's diversity, we publish a monthly in-house newsletter that introduces case studies with themes such as ways to communicate with the intention of helping to create a workplace culture that engages in business.

■NTT Communications Group Framework for Promoting Human Rights Education

Human Rights Education Promotion Committee

Human Rights Education Promotion Executive

Human Rights Education Department

Respective responsibilities in the promotion framework
- Human Rights Education Promotion Committee: Basic Policy for NTT Communications Group initiatives, activity planning, formulation of implementation measures, etc.
- Human Rights Education Promotion Executive Committee: Specific executive functions for measures decided by the Human Rights Education Promotion Committee
- Human Rights Education Department: Administrative support duties for the Human Rights Education Promotion Committee and Human Rights Education Promotion Executive Committee and deployment of Groupwide efforts

Measures Geared toward Raising Awareness of Human Rights

We have made it mandatory for all regular NTT Communications Group employees and temporary staff members to attend All-Employee Human Rights Education Training sessions designed to foster a heightened sense of awareness within each and every employee. At the training sessions in fiscal 2014, to deepen the understanding of harassment and cross-cultural communication by looking at internationally recognized human rights and case studies of in-house consultations.

In addition to the training, every year we solicit slogans relating to human rights as well as regulatory compliance and ethics as an initiative that enables each and every employee to consider human rights issues.

In fiscal 2014, a total of 21,611 entries were submitted from 10,217 people, who were all Group employees, including employees of overseas subsidiaries, temporary staff, and employee family members. The top prize-wining slogan was: "Be careful, each person is different, 'it's natural'."

Continuing to implement all types of this kind of educational and awareness measure, we will strive to develop workplaces that do not tolerate harassment and foster diversity and acceptance of differences, while promoting the creation of even brighter and more vibrant workplaces.

Human Rights Consultation Helpdesk

Providing internal and external points of contact via which each and every employee can easily seek a consultation on such matters as concerns that have arisen in the workplace, the NTT Communications Group encourages the use of the points of contact among its employees and temporary staff members through such means as training sessions and in-house newsletters.

Contribution to Society

Society

Under our Fundamental CSR Policy, we work on improvements in information and communications technology (ICT) and on ensuring information security, while providing stable, highly reliable information and telecommunications services worldwide. Furthermore, through the provision of new business models, we contribute to the creation of a society in which all kinds of people can participate. Specifically, having defined three priority activities—the development of ubiquitous network infrastructure, the ensuring of highly stable and reliable mission-critical infrastructure, and engagement in social contribution activities—we have set targets in each priority activity, which form the main pillars of our initiatives, and are devising ongoing initiatives and improvements as CSR Indexes.

Activity Achievements in Line with CSR Indexes

With regard to two of the priority activities, namely the development of ubiquitous network infrastructure and the ensuring of highly stable and reliable mission-critical infrastructure, we were able to "achieve" and "almost achieve" the targets we had set. In contrast, our engagement in social contribution activities was not always adequate and it cannot be said that we achieved our targets, so further improvements in awareness and enforcement activities are necessary at all workplaces. From fiscal 2015 onward, we will conduct a re-examination that takes into account social and our own circumstances.

Fiscal 2014 Activity Achievements

Priority Activity	Measure	Fiscal 2014 Targets		Fiscal 2014 Achievements		
		Qualitative Target(s)	Quantitative Target	Status of Specific Activities	Quantitative Result	Self-Assessments toward Target Achievement
Developed ubiquitous network infrastructure	Provide Arcstar Universal One	We will add functions that will realize global-seamless and cloud-seamless operations as we strive to enhance user-friendliness.	—	In addition to pursuing Carrier Cloud, which enables provision, operation and maintenance of cloud networks in integrated manner, installed factory models and swiftly promoted increases in functionality and expansion in area of advanced services to unified global quality. In fiscal 2014, utilizing network functions visualization (NFV) technologies, launched a number of new functions that virtualize devices, including wide area network (WAN) performance acceleration and firewalls, and world-first services that quickly and cost-effectively achieve network virtualization on existing WANs	Seven functions	★★★
	Provide reliable and secure hosting services	Provide infrastructure services centered on Biz Hosting in order to realize environment in which devices of all kinds can be reliably, securely and easily connected. Strive to further upgrade and extend our range of services in an effort to boost user-friendliness	—	In our Biz Hosting Enterprise Cloud private cloud service and Biz Hosting Cloudⁿ public cloud services, worked to improve service and user-friendliness by revising rates and enhancing performance Earned high ratings in third-party evaluations in Japan and overseas. At Telecom Asia Awards 2014, won Best Cloud-Based Service award, and in cloud service (IaaS) evaluation report produced by HfS Research Limited in United States NTT Group received highest-ranked Winner's Circle evaluation	—	★★★
	Provide Biz Mail cloud computing email service to corporate customers	In light of diversification of working styles and surge in global business, provide value to overseas bases of Japanese customers and to overseas customers by continuing to develop overseas business. Continue to expand functionality	APAC area: July target North America: October target	In APAC region, constructed new platform in Singapore (July) to realize secure and convenient services and sequentially deployed sales services, following on from Taiwan	—	☆★★
	Provide highly stable and reliable data centers	While implementing quality control by means of unified global standard, work toward disaster-resilient data center operations and plan further developments and expansion	—	Started to provide Malaysia Cyberjaya 4 and Shanghai Pudong data centers to be able to respond to demand for next-generation data center services that combine high quality, low cost and flexibility. While also commencing construction of India Mumbai 5 and Osaka 5 data centers, expanded our data center services on global scale—for example by acquiring stake in e-shelter, the top operator of data center services in Germany—introduced more sophisticated levels of service, and implemented improvements in quality Earning high ratings in third-party evaluations in Japan and overseas, named Data Center Service Provider of the Year in 2014 Frost & Sullivan Asia Pacific ICT Awards	—	★★★

Priority Activity	Measure	Fiscal 2014 Targets		Fiscal 2014 Achievements		Self-Assessments toward Target Achievement
		Qualitative Target(s)	Quantitative Target	Status of Specific Activities	Quantitative Result	
Developed ubiquitous network infrastructure	Provide mobile phone safety confirmation/ notification service	In response to changing usage scenarios, improve value derived from smartphone use. Also, given the increasing importance of responding to a range of potential risks from natural disasters, work to improve functionality to provide variety of disaster information	Release of smartphone app: May target	Started to provide smartphone app (August) that improves certainty of safety confirmations by acquiring location information via GPS and other functions and enhances user-friendliness by means of push notification function and display that supports English and Japanese	—	☆★★
	Provide reliable and secure OCN services	Constantly strive to upgrade and expand services so that all customers, irrespective of age group, can reliably access Internet environment. Reinforce security risk management, such as by utilizing MSS for global IP address retention systems, compliance with service interruption procedure manuals when software vulnerabilities detected, and updates of registration content	—	Strengthened functionality of OCN mobile ONE service, for example by starting to provide voice SIM and communications capacity forwarding services as well as commencing free supply trial of Wi-Fi spots. Also focused on high-value-added, including installation of prepaid SIM card vending machines for foreign visitors to Japan that features an opening function, the first in world. Having had this kind of initiative evaluated, gained MM Research Institute's No. 1 share for budget SIM cards continuously from end of fiscal 2013 to end of September 2014. Also gained top overall position in Fiscal 2015 Oricon Customer Satisfaction Ranking in Mobile Virtual Network Operator (MVNO) budget SIM card category	Eight functions	★★★
Ensured highly stable and reliable mission-critical infrastructure	Develop disaster-resilient networks	Continue to maintain disaster-resilient infrastructure facilities that can improve reliability of relay routes in response to latest hazard updates and official announcements, and quickly restore services in affected areas	—	• Solved problems relating to global domestic backhauls • Surveyed fiber routes, checked problematic equipment, implemented fiber maintenance processes for high-risk zones • At time of Great East Japan Earthquake, printed circuit assembly board fell at NTT East Japan Building, checks were made for signs of deterioration of Company's buildings and reinforcement program implemented for high-risk buildings	—	★★★
	Measures to address major natural disasters and similar events (zero incidents)	Assuming a hypothetical earthquake in Nankai Trough, directly under Tokyo metropolitan area, perform checks of necessary activities for emergency recovery, improve content of charts outlining recovery measures, and conduct disaster-response drills for restoration cases and in response to planned electrical outages. Also, augment and establish crisis management processes for liaising with government and municipal bodies. Enhance liaison within NTT Communications Group	Annual drills	On October 21, conducted companywide disaster drill involving disaster response personnel, based on hypothetical earthquake with epicenter in Nankai Trough Performed checks of necessary activities for emergency recovery and improved content of charts outlining recovery measures, conducted disaster-response drills on assumption of restoration cases and planned electrical outages. Enhanced cooperation within NTT Communications Group	Conduct drills once a year	★★★
	Implement network surveillance 24 hours a day, 365 days a year	Constantly monitor customer services (networks, Internet, cloud, hosting, voice services, etc.) to promote global-seamless operations	Reduction in number of long-term malfunctions · Networks in Japan: 140/ year · Overseas networks: 500/year	As a result of having constantly monitored customer services, performance of networks in Japan was lower than previous fiscal year. Moreover, overseas networks reviewed by local affiliates during course of fiscal year did not achieve their targets The number of malfunctions greatly exceeded the target due to various modifications including the expansion of certain services	Number of cases resulting in long-term malfunctions · Networks in Japan: 142 network cases/year · Overseas networks: 597 cases/ year · Other (more than one hour): 82 cases/year	☆★★
	24-hour, year-round monitoring to ensure reliability and security of corporate information systems (Security Operations Center [SOC])	Enhance and strengthen services that contribute to safe and secure corporate information systems in response to security threats that are becoming more sophisticated and growing in number on a daily basis	—	Strengthened and expanded environments capable of contributing to reliability and safety of corporate information systems by enhancing quality and functions of WideAngle service and deploying global-seamless services Continued to develop innovative MSS infrastructure and deployed Global Risk Operations Center with view to cost-effective and stable provision of abovementioned services on global basis In addition to day-to-day monitoring and issuing of reports on service operation trends on a weekly and monthly basis to achieve quality targets, made public NTT Communications' own security reports and NTT Group integrated security threat information reports. Also embarked on low-cost service development that utilizes security geared toward the endpoint and Sandbox technologies.	—	☆★★
Engaged in social contribution activities	Promote Ecocap activities	Engage in promotion of Ecocap as part of concerted initiative throughout NTT Group	1,490,000 caps	Continued NTT Group-wide Ecocap activities	620,031 caps	☆☆★
	Encourage community beautification programs and other social contribution activities	Implement various clean-up programs and other activities, aim to achieve them in tandem with NTT Group Green with Team NTT (GTN) initiatives	1,980 participants	Participated in simultaneous cleanup of areas in Chiyoda Ward (once in the year): total of 212 people Organized cleanup of buildings in the area by rugby team (monthly) 55 people x 12 months = 660 people	872 participants	☆☆★

Achievement Levels
Self-Assessment Set at Four Levels

☆☆★: Target only partially achieved
☆★★: Target almost achieved
★★★: Target achieved

Development of Ubiquitous Network Infrastructure

At a time when information and communications technology (ICT) is becoming part of the fabric of society at an accelerating pace, the content involved in the priority activity of developing a ubiquitous network currently covers a wide range. Moreover, due to the prominence of aspects concerning the creation of value for society through products and services, the main activities also extend across a wide range of departments. Sharing the perspective of "developing products and services that will contribute to the creation of a better society," we are working to improve Group-wide synergies.

Amid the general utilization of cloud services, from everyday lifestyles to business, the development of all types of cloud services and the advances being made in data center service networks have become a major thread in the contributions we have made through our businesses over the past few years. With the Internet of Things (IoT) also having rapidly gained attention in recent years, we are actively facing the challenges of developing innovative ICT services to provide secure and convenient everyday lifestyles to people in all walks of society. Having drawn up CSR Indexes in keeping with these developments, we are seeking to contribute by bringing to fruition innovative products and services.

Main Achievements in Fiscal 2014 and the Coming Years

Centered on the CSR Committee, reviews that activities are in line with CSR Indexes, the verification of achievements, and initiatives toward making further improvements in activities are carried out in conjunction with the department charged with implementing each initiative. In fiscal 2014, achievements were made by bringing to fruition and improving on a range of products and services.

Firstly, in cloud services based on the Arcstar Universal One service brand, we devised enhancements for a variety of menus that enable the benefits of the cloud to be flexibly enjoyed in every business scenario. At the same time, we proposed our Global Cloud Vision to promote a customer shift to the utilization of cloud-based ICT environments and data centers. Promoting the development and expansion of data center networks as service infrastructure to underpin that shift in Japan and overseas, we improved the quality of global-seamless services.

Meanwhile, in the development of ICT services to provide secure and convenient day-to-day lifestyles, we are implementing ongoing service improvements. These improvements include all types of monitoring services of the kind that utilize smartphones to provide safety confirmations or enable all customers, irrespective of their age group, to reliably and securely access an Internet environment.

With respect to the activities defined under the CSR Indexes, results were achieved and self-assessed as "target achieved" or "target almost achieved."

In fiscal 2015, we will continue to promote activities set as ongoing targets.

Providing Services That Help Realize Evolution of Ubiquitous Society

Providing Arcstar Universal One

Cloud services are becoming indispensable in the growth strategies of companies. Turning to network services, the role of cloud services in the building of reliable and secure outsourcing environments that are compatible with a full-scale cloud era are also attracting significant attention and heightening expectations.

NTT Communications began operations for Arcstar Universal One, its high-quality, highly reliable cloud-based optimized network service, in May 2011 and subsequently rolled out the service seamlessly in Japan and overseas. With the addition to NTT Communications' global IP backbones of the high-capacity Asia Submarine-cable Express undersea optic cable, which came online in August 2012, successful steps have been taken to expand the Company's highly reliable international network services.

In January 2014, we acquired Virtela Technology Services Incorporated, a leading US network carrier. Combining our two companies' network services expanded our area of operation to 196 countries and regions. In addition, leveraging Virtela's strength in the Network Functions Virtualization (NFV) of LAN equipment, we are promoting the provision of highly reliable networks with superior user-friendliness in terms of their operation and management.

In May 2014, we also began providing Arcstar Universal One Virtual, an optional service for Arcstar Universal One that makes use of network virtualization technologies, and in the process becoming the first telecommunications carrier to utilize such technology. Involving the creation of a new overlay network to be used for existing corporate networks and Internet environments, this technology has improved flexibility in response to base and network changes.

Looking ahead, as a global ICT partner NTT Communications will continue to offer customers advanced services that address their business needs, which continue to gather pace on a global scale, and to help swiftly realize seamless business growth and development in Japan and overseas.

Rollout of Global Cloud Vision

To define what NTT Communications' Global Cloud Vision means, we view the shift in customers' ICT environments to a cloud computing environment and data centers as an opportunity to provide optimal configurations of services to achieve globally consistent quality. We can contribute to customers' management innovations by providing seamless ICT solutions that we, as a telecommunications carrier, are in a unique position to offer.

In recent years, against the backdrop of more widespread cloud services, the development of high-speed networks on a global scale and other factors, the concept of ICT innovation as a management resource that can make businesses more efficient is rapidly making progress. In the context of customer corporation needs, the Global Cloud Vision, which we launched in October 2011, remains an industry-leading, enterprising measure.

Based on this Vision, NTT Communications provides value by contributing to customer management innovations through seamless ICT solutions. Specifically, this involves the provision of faster, on-demand ICT environments at lower cost by three initiatives: (1) taking advantage of our unique position as a telecommunications provider to reinforce links between networks and the cloud; (2) accelerating virtualization through SDN/NFV and the like; and (3) promoting automation, such as through enhancements of API functionality.

Ensuring Stable and Reliable Services as Mission-Critical Infrastructure

Coming hand in hand with the evolution of the ubiquitous society, the economic and social damage arising from factors that interrupt or bring to a halt information communication networks in emergencies remains unquantifiable. As we are entrusted with managing networks and vital data associated with the globalization of many companies, we are in intense demand to maintain networks and in particular for our responsibilities in continuing network connections at all times.

As a company that provides telecommunications services both in Japan and globally by utilizing the network technologies that underpin advanced ICT societies and maintenance systems, we have set "the ensuring of highly stable and reliable mission-critical infrastructure" as a key initiative for the essential CSR theme of "contribution to society." We ensure network reliability even during disasters and other emergencies. Specifically, we ensure telecommunications reliability and provide stable services by increasing capacity and enhancing the reliability of our communication routes, through redundant and decentralized equipment and facilities and with year-round, 24-hour monitoring throughout the entire network.

Main Achievements in Fiscal 2014 and the Coming Years

All CSR activities based on the priority activities are divided into one of two categories: those relating to the making of information infrastructure more disaster-resilient, including "the development of disaster-resilient networks" and "measures to address major natural disasters and similar events," and those relating to the tightening of network security, including "implementing network surveillance 24 hours a day, 365 days a year" and "defending customer company information systems." Given that, no matter what the issue, the expectations from society grow deeper day by day, we implement reviews and set CSR indexes on the basis of internal and external circumstances, while cooperating with each department in charge, centered on the CSR Committee, that implements each activity.

In fiscal 2014, we devised ongoing improvements in line with each index. In the case of making information infrastructure more disaster-resilient, we firstly implemented the multi-routing and toughening of transmission lines as well as disaster preparedness drills that simulated emergency conditions. Under the tightening of network security we also reduced long-term malfunctions by improving the monitoring accuracy of services for customers and implemented further strengthening of unauthorized access detection. We were able to record "achieved" or "almost achieved" for each initial target.

In fiscal 2015, we will continue to promote activities set as ongoing targets.

Developing Disaster-Resilient Networks

Keeping Networks Reliable Following Disasters
NTT Communications has adopted a set of three Disaster Policy Fundamentals to address disasters. Based on these policy fundamentals, we work to maintain mission-critical communications and swiftly restore disrupted communication services. For some time, we have also conducted annual training exercises aimed at allowing a swift response to disasters.

In April 2013, we gathered disaster information on the theme of a Nankai Trough earthquake and planned emergency recovery methods. In October 2014, we conducted a training exercise jointly with NTT Communications Group companies, the exercise relating to restoration measures on the theme of an earthquake striking directly beneath the Tokyo Metropolitan Area.

We also conduct annual disaster response exercises for employees and employees of partner companies. The training made use of "Safety Confirmation/Notification," one of the services offered by NTT Communications.

By continuing to conduct regular training exercises that simulate large-scale natural disasters in these ways, we are helping to raise awareness about disasters throughout the Company.

Providing Services That Underpin Business Continuity
Offering a range of high-quality services for such crises as major earthquakes and pandemics, NTT Communications supports the continuity of its customers' businesses. To give a typical example, earthquake early-warning information is a service that delivers earthquake information, including seismic intensity and arrival time, before tremors are actually felt. Enabling initial damage prevention and ensuring safety, this is said to be an effective service in formulating a business continuity plan (BCP), since business restoration can be expected soon after an earthquake. A service that simultaneously reports safety confirmations both verifies and gathers information on the safety of employees during times of natural disaster, including outbreaks of new-strain influenza and earthquakes. Available on a routine basis via communications networks, this service is also effective in confirming the safety of school contact networks and elderly persons, as well as in simultaneously contacting employees who are visiting clients.

Expanding services to 14 bases in 11 countries worldwide, Enterprise Cloud is a global cloud service for companies that leverage outstanding technological capabilities as telecommunications carriers and consists of robust data centers that are also resilient to disasters. This service provides BCP solutions that ensure the timely backup of data at remote locations between Japan and overseas bases.

Cloud^n provides an environment that enables flexible changes of resources even during periods of rapidly increasing levels of access at the time of a disaster. This service has a variety of applications, including as a safety confirmation system.

24-Hour, Year-round Efforts to Protect Customers' ICT Systems

Monitoring Enterprise Network Security
With the continued globalization of business activities, we are witnessing growing calls for a uniform global approach toward risk management by the corporate sector. Meanwhile, the dramatic rise in such security risks as cyber attacks, including unauthorized access, computer viruses, and the leakage of data in recent years, has reached a point where the massive losses incurred by companies are threatening their very existence.

Under these circumstances, NTT Communications established the Security Operation Center (SOC) in 2003 and began offering corporate security management services. To that end we brought a company that specialized in overseas security into the Group. In June 2013, in collaboration with NTT Secure Perspective Laboratories we launched WideAngle, a service which provides

comprehensive research and monitoring of security risks as well as providing remedies, and we began offering the service globally. Leveraging a base of security consulting expertise that includes some 8,000 companies, in November 2013 we put together a package that offered this expertise in Japan as well. Also, in May 2014 we significantly increased our detection rate for security threats through the development of an additional operational backbone engine for our management security service. In 2015, we strengthened protection against unknown threats at the endpoint.

Drawing on our extensive expertise in security operations and proven strength in technological development, we work diligently to establish safe and secure information system environments for as many companies as possible, both in Japan and overseas.

Providing Stable Enterprise System Network Monitoring/Operating Services

NTT Com Solutions has been operating its Sapporo Business Continuity Center, a Sapporo City-based operations center that constantly monitors and stably operates information and communications technology (ICT) system networks, since June 2008. In addition to monitoring and operating customer ICT systems 24 hours a day, 365 days a year, the Center is responsible for customer inquiries, malfunction rectifications, and business continuity planning (BCP) management support.

In recent years, ICT systems and the operation centers needed for their stable operation have become essential for company business continuity, and high reliability is being demanded from operation centers, as they form the infrastructure that protects customer ICT systems. Characteristically, Sapporo is an area that suffers relatively few lightning strikes or large-scale natural disasters, such as earthquakes and typhoons, and is some distance from Tokyo. Therefore, the operation center itself is unlikely to be affected by any widespread major disasters or pandemics, which would allow the facility to function as a backup for the operation centers in the Tokyo area.

The Center has introduced and firmly established an IT Service Management System (ITSMS). The aim of the system, which is based on ITIL® *, is to enhance service quality, increase value for customers, and boost customer satisfaction levels while improving efficiency and productivity. As a result, the Center acquired ISO 20000 certification, the international standard for ITSMSs, in December 2009.

Being configured to utilize services that include the cloud, customer systems are also undergoing major changes in terms of their technologies and content. The Sapporo Business Continuity Center will continue working to enable it to keep pace with these changes and to effectively deliver ongoing operational support services which offer high quality at a low cost as part of its drive to increase customer satisfaction.

* ITIL®: Systematic guidelines covering the operation and management of computer systems formulated by the UK government. The guidelines are compiled in several volumes of books. ITIL® (IT Infrastructure Library) is a registered trademark of the Office of Government Commerce (OGC) of the UK government.

Participation in External Groups

Toward the creation of a better society, companies are expected to be actively involved in progressive initiatives for the public and private sectors and in industry-wide initiatives. We collaborate with a variety of organizations and address the measures that will lead the industry.

Assisting in Internet Crime Prevention

The ACTIVE Project to Support Malware Countermeasures through Collaboration between Public and Private Sectors

NTT Communications and NTT Resonant are participating in the Advanced Cyber Threats response InitiatiVE (ACTIVE), a collaborative public-private project to support private-sector malware countermeasures that was launched in November 2013 by Japan's Ministry of Internal Affairs and Communications. As a specific measure to prevent malware infection, the "OCN Toolbar" and "goo Stick" products of our companies will access an ACTIVE-compiled list and launch popup windows in the browsers of customers who are about to enter those sites, cautioning them. This approach is designed to lessen our customers' risk of being infected by malware simply by browsing infected sites.

Following the announcement of the implementation of a strategy to neutralize Internet banking viruses by the Tokyo Metropolitan Police Department (TMPD) on April 10, 2015, there was a request from the Ministry for Internal Affairs and Communications for cooperation in conducting a campaign, using ACTIVE, to draw public attention to people whose computers had been infected with malware. Cooperating on the strategy, OCN implemented proactive alerts and individual contacts based on malware infection information provided by the TMPD. These efforts having been highly commended, OCN was presented with a letter of appreciation from the TMPD. In the years to come, we will promote measures against malicious sites and assist in keeping Internet crime in check.

Helping Healthy Child Development

Industrywide Efforts toward Child Pornography Countermeasures

Blocking child pornography on the Internet is an important issue that must be addressed in order to protect the rights of children and ensure the provision of a safe Internet environment. Taking in particular the opportunity presented by the Japanese government's release of its policy on a national campaign against child pornography in 2010, the setting up of an active system—including the voluntary blocking of access to child pornography websites by Internet service providers (ISPs)—is continuing with support from the public and private sectors. In 2011, the NTT Communications Group joined other ISPs, search engine service providers, filtering service providers, and related businesses to form the Internet Content Safety Association (ICSA). In April 2011, members of the ICSA began to share information on the websites they will block to prevent access to child pornography images by providing other member providers with child pornography website address lists.

Specifically, the NTT Communications Group's "goo," "plala," and "OCN" services have access restrictions based on child pornography website address lists provided by the ICSA. In line with the child pornography website address lists provided by the ICSA, steps were also taken to block child pornographic images by each of the ISP providers in 2011, NTT Resonant is responding by modifying the various search services that it operates. Continuing to work closely with the ICSA, we will work to prevent the distribution and proliferation of child pornography.

Faithfully Serving Our Customers

Our business covers the full gamut, from the building of global telecommunications networks to the provision of Internet service provider operations. The customers with whom we are in contact through business, ranging from corporations to individuals, are thus likewise varied.

Listening with a finely tuned ear to feedback from such a varied customer base, while developing and enhancing the mechanisms to flexibly utilize that feedback, represent challenges that are becoming essential for us to continue to grow as a leading global ICT company in partnership with society. Taking this stance, we are committed to taking customer satisfaction (CS) surveys on a regular basis and proactively utilizing points of contact with our customers.

Centered on the CSR Committee, these initiatives are carried out in conjunction with the department charged with implementing each initiative.

Ongoing Customer Satisfaction Surveys

Efforts That Utilize Feedback from Customers at Affiliates

Aiming to remain the service provider of choice for customers around the world, we are making every effort to understand customers' needs and work on a daily basis to improve our services to meet their demands. These initiatives help us develop innovative services to satisfy our customers, which in turn brings us the satisfaction of helping them.

One of the initiatives we implement is an annual VOC (Voice of the Customer) survey on customer satisfaction. The feedback we receive shows us the results of our steady, ongoing efforts. Customer feedback topics vary broadly, ranging from corporate customers' comments on the use of ICT backbones in their global strategies to input by consumers about their personal communications habits.

The majority of feedback from corporate customers is in the form of requests relating to quality and reliability. Requests such as these—involving network quality, cloud reliability, security initiatives and the like—are essential to our business. There has also been an increasing demand for applications that help companies change the way their employees work. Some of the comments we receive pose challenges to us, such as asking us to ensure seamless domestic and overseas operations or enable integrated management with other companies' services. Responding to such requests is one of our everyday tasks.

The content of requests and feedback from individual consumers also varies, but regardless of the nature of the feedback we make every effort to address the gist of their needs. We have created a host of initiatives that aim to make our services more convenient to use. On our website, we describe initiatives addressing this type of customer feedback.

Looking forward, we will continue to pay close attention to feedback from our customers as we strive to make permanent improvements that will increase customer satisfaction.

Initiatives That Utilize Feedback from Individual Customers

As one of our service improvement initiatives for our OCN service, which is aimed at individual consumers, we have set up a dedicated OCN Customer Feedback website.

We receive numerous comments and requests from customers concerning OCN services. On our website, we provide case studies of improvements based on this feedback.

Feedback sometimes takes the form of either praise or complaints, and this type of interaction is very important to our everyday efforts to enhance service quality.

We will naturally continue to reflect OCN Customer Feedback with improvements in our services, incorporating enhancements leading to more convenient Internet access for our customers.

■**Site Providing Overviews of Initiatives Designed to Deliver Even Higher Level of Customer Satisfaction**

Our Relationship with Suppliers

In recent years, there have been calls for companies to implement CSR activities along entire supply chains. Those demands have naturally necessitated not only Groupwide CSR activities but also the building of honest, sustainable relationships with suppliers. Accordingly, we are focusing on strengthening collaboration with our partners and on the implementation of CSR and green procurement as responsibilities of a global ICT company.

Maintaining a focus on value creation through business, we have a particular need to procure high-quality services and products in an economical and timely manner. On the basis of the three procurement policy items listed below, NTT Communications therefore engages in fair and competitive procurement activities within the global market, conducting its procurement activities from the perspective of the broad global marketplace and in an effort to make Group management more competitive.

■Procurement Policy

1. We provide a broad range of suppliers in Japan and overseas with opportunities for fair competition and strive to foster a sense of mutual understanding and trust-based relationships.
2. We procure competitive products and services to meet our business needs on an economically rational basis, making comprehensive assessments covering quality, price, delivery period and supply stability.
3. In addition to complying with laws, regulations and social norms, we conduct our procurement activities with consideration for the environment and for human rights, in an effort to help contribute to society.

Strengthening Relationships with Our Partners

Development of ACF Partner Forum Designed to Enhance Ongoing Collaboration

The Arcstar Carrier Forum (ACF) is an international conference we have sponsored since 2000 that invites partner carriers from around the world to Japan for the purpose of improving quality in the operation and delivery of international network services. Held on a regular basis every year, the focus at the ACF has been on expanding discussions of initiatives aimed at improving the quality of essential infrastructure, such as ways to deal with malfunctions and construction issues, infrastructure design and construction processes to prevent issues from arising, and operational support systems that enable rapid issue analyses and resolutions.

Bearing the slogan "Empowered Collaboration," which carried the meaning that more cooperation and collaboration are required, the fiscal 2015 ACF was held in Tokyo in June 2015. To improve the value of customer experience, the indications are that it is essential to maintain the quality of all the elements that together make up a service (areas of responsibility for all carriers). It was recognized by all carriers that the points of contact with customers, covering entire processes from construction to maintenance, serve as elements that either raise or lower customer satisfaction.

Through initiatives such as the ACF, we will improve operations and quality in international network services, while also building extensive operational know-how.

■Arcstar Carrier Forum

CSR and Green Procurement

Promoting CSR Procurement

We have formulated supply chain CSR promotion guidelines that encourage procurement policies that respect human rights and protect the environment, ensure the quality and safety of products and services, and recognize the overall needs of society.

Based on the above guidelines, which were formulated in December 2013, we have asked our principal suppliers for their cooperation in completing questionnaires on the status of their initiatives with the aim of promoting CSR activities.

■Content of Supply Chain CSR Promotion Guideline

Human Rights, Labor	・Prohibition of forced labor and child labor ・Respect for the right to organize and conduct collective bargaining
Health and Safety	・Factory safety measures ・Measures targeting occupational injury and illnesses
Environment	・Management of hazardous chemicals ・Effective use of resources and energy
Fair Trade	・Prevention of corruption and bribery ・Respect for intellectual property rights
Quality and Safety	・Ensuring product safety ・Creation of a quality management system
Information Security	・Prohibition of leaks of personal information ・Information system protection measures

→Please click here for details about the supply chain CSR promotion guidelines.
For green procurement, please refer to the Protecting the Environment section of the report.

Avoiding Conflict Minerals

NTT Communications and NTT Communications Group companies conduct procurement activities in accordance with the NTT Group's Approach to Conflict Minerals.

Engagement in Social Contribution Activities

NTT Communications encourages engagement in social contribution activities in a number of fields. We intend to continue contributing to the realization of an affluent society through activities that cover a wide range of fields that include: international cooperation; environmental conservation; health, medical and welfare fields; and regional development. In addition, at a time when efforts toward recovery are under way in the regions affected in the aftermath of the Great East Japan Earthquake, we will continue our support efforts to reconnect the social bonds in those regions and do all we can to be of assistance in rebuilding lives there.

■Social Action Principles

Sustainability	We conduct lean but lasting activities over the long term.
Efficiency	We engage in cost-effective activities for ease of continuity.
Due Diligence	We carefully assess whether prospective donations will truly benefit society.
Global Perspective	We contribute both to Japan and to the international community.
Skills	We utilize services developed for and employee abilities gained in information distribution markets for the benefit of society.

Serving Local and International Communities

Ecocap Movement and NTT Green Team

We have conducted Ecocap activities since February 2007.

This activity donates the proceeds derived from separating and collecting as a resource PET bottle caps. This movement helps reduce CO_2 emissions (800 caps is the equivalent of 6,300g of CO_2 at the time of incineration as waste). In addition to contributing to society, this initiative also helps protect the environment.

In cooperation with the NTT Communications Shining Arcs rugby team, we also collected used PET bottle tops at rugby games.

As a result, in fiscal 2014 we collected 620,031 caps and thereby succeeded in reducing our amount of CO_2 emissions by approximately five tons.

Cleanup Activities

NTT Communications has participated in cleanup campaigns in Tokyo's Chiyoda Ward since 2008. On November 6, 2014, 212 people conducted cleanup activities around Hibiya Park.

In addition, players from the Shining Arcs rugby team conduct cleanup activities in the area every month.

Providing ICT Support Personnel for Education Frontline

Amid the growing digitization within schools and classrooms, the need for teachers to take greater initiative in the use of ICT and the need for increased support for ICT applications continue to mount. In an effort to address these needs and issues, NTT Com CHEO is nurturing ICT supporters and providing human resources to promote the use of ICT during lessons taught at school.

Expertise in ICT is not the only skill required of ICT supporters. Of equal importance are communication skills when dealing with children and teachers. ICT supporters must be able to provide instructions and impart information in an accurate and easy-to-understand manner. Given the multitude of skills required to engage in school education, developing the right human resources over a short period can be difficult.

NTT Com CHEO is fostering ICT support personnel, who can have an immediate impact in schools and classrooms, and providing them to the education frontline through a proprietary school education program. This program was created by NTT Com CHEO staff with considerable communication and instruction skills as well as know-how developed through the ICT skills and customer support operations that underpin ".com Master" (Dot Com Master) Internet certification.

We are helping to cultivate ICT support personnel through training in communications skills, which commenced in July 2013. This training involves speaking in front of others as well as explaining and responding to questions, all of which are communications skills important to ICT support personnel. Covering the skills that are required in Section B of the ICT Support Personnel Proficiency Qualification Test (a test of communications and explanatory skills), the training is subject to certification by an educational information coordinator certification committee.

In the future, the goal is to contribute to the development of children and students through support aimed at promoting ICT use in schools.

■ICT support personnel are participating actively on the education frontline.

Environmental Contribution Activities at Group Companies in Japan

For some time, we have been advocating that each Group company independently perform its own social contribution activities. As a result, gatherings of employee volunteers that perform environmental conservation activities, including natural woodland preservation, have formed at each company and are continuing their enterprising activities. The main activities are listed below. As a corporate citizen, we will continue to encourage the conducting of low-profile though meaningful activities that help local communities.

■Examples of Environmental Contribution Activities at Group Companies in Fiscal 2014

Environmental Program	Main Content	Number of times Performed	Number of Participants (Total)	Implementing Company
Mature forest environment conservation, Higashi-Ome, Tokyo	Tree thinning and tree planting conducted as an environmental conservation activity in collaboration with NPOs such as the Environmental Learning Research Society, designed for employees who have newly joined the company	2	20	NTT PC Communications
Natural woodland preservation activities in Shiroi City, Chiba Prefecture, and the town of Kanan, Osaka Prefecture	Encouraging understanding of natural environment conservation activities through such tasks as rice planting and harvesting as well as festivals	7	141	NTT PC Communications NTT ComMarketing NTT Com Solutions
Autumn environmental protection activities environmental protection activities	Encouraging understanding of environmental protection activities through such tasks as harvest festivals, forest maintenance and digging up potatoes	1	23	NTT Com Solutions

Examples of Environmental Contribution Activities at Overseas Group Companies

In collaboration with the Heads, Hearts and Hands Program run by the Dimension Data company, employees at NTT America's Virginia office participated in a Day of Giving event held on June 12, 2014. One of the AmeriCorps program of events (a corporate citizen activity being carried out by public-private partnerships in the United States), as the Heads, Hearts and Hands Program event was held as part of efforts in support of underprivileged children, NTT America undertook the activities listed below at the Clearview Elementary School in the state of Virginia.

• Created Hope Hallway, the surfaces of the walls in the elementary school's hallway decorated with works that conveyed children's hopes and dreams
• Bench and picnic table woodwork made by event participants
• Gardens and paths landscaped with a variety of plants native to Virginia

Range of Social Contribution Activities Performed by Corporate Rugby Team

Having the goal of helping children live healthier lives and interact more closely with their communities through sports, NTT Communication's rugby team, the Shining Arcs, holds tag rugby—a combination of a game of tag and rugby—and rugby tuition in conjunction with bodies such as the Ichikawa City Board of Education.

By cherishing its ties to the local community, such as through the neighborhoods cleaned up by its players, the team plans to continue to use rugby as a way to help as many people as possible to realize their dreams and learn the importance of perseverance and taking on challenges.

■Tag rugby class

Shining Arcs Cup Held

As there are currently no elementary school rugby tournaments or other initiatives that provide for rankings, the first Shining Arcs Cup comprising 10 teams from local rugby schools in Chiba Prefecture, Tokyo and other areas was held in an effort to boost children's desire to improve their game, their competitive spirit and level of competition. Through this kind of activity, aside from undertaking training we will improve the level of competition and secure future TOP League players and players capable of competing on the world stage.

■The first Shining Arcs Cup

Initiatives Supporting Recovery from the Great East Japan Earthquake

For the people affected by the Great East Japan Earthquake of March 11, 2011, NTT Communications wondered whether lasting memories could be brought about through rugby. By collecting donations from all the Shining Arcs players and staff at games depending on the points scored (10 yen per point), we supported recovery in the disaster-affected regions through rugby. In the most recent 2013–2014 season, all the TOP League teams agreed to the Shining Arcs activity and were able to greatly expand its scale.

■ Rugby TOP League Fundraising Featuring Shining Arcs

	2011–2012 Season	2012–2013 Season	2013–2014 Season
Participating Team(s)	NTT Com only	NTT Com only	All TOP League teams
Money donated	366,525 yen	404,800 yen	Approx. 2 million yen
Use of funds raised	Donated to Japanese Red Cross Society	Donated to Miyagi Rugby Football Union	Invited children from disaster-affected regions to a Japanese national rugby team game held in June 2014

■ General views of the children from the disaster-affected regions who were invited to watch a Japanese national team rugby game held in June 2014.

Protecting the Environment

Environment

> Expectations are high for activities to protect that global environment at ICT companies. Thus far, we have established a Green ICT Vision 2020 that focuses on three areas—the realization of a low-carbon society, the promotion of a recycling-based society, and the preservation of biodiversity—and are promoting a multifaceted approach.
>
> The proactive promotion of activities necessitates the upgrading and strengthening of an environmental management framework. We will make efforts to strengthen a global, seamless environmental management framework as the NTT Communications Group. To this end, we will aggressively pursue protection of the global environment in all processes pertaining to our business activities, ranging from reduced electricity usage and improvements in efficiency as well as procurement to operations and waste disposal.
>
> We will thereby help to establish an environmentally friendly society and ensure that the Earth remains in a healthy state for future generations through our core businesses.

Basic Philosophy and Vision

While emphasizing the philosophy in the Global Environmental Charter established by the NTT Group, our environmental protection activities take shape as the Green ICT Vision 2020 that applies that philosophy to the characteristics of our business. We set initiative goals and implement measures on an ongoing basis.

▶ NTT Communications Group Global Environmental Charter

The NTT Group has established the NTT Group Global Environmental Charter to promote Group-wide consideration and action relating to environmental protection from a global perspective. This philosophy and policy form the basis for the NTT Communications Group Global Environmental Charter, which is being disseminated among employees of the Group as a set of guidelines for the implementation of environmental protection activities.

→Click here for details regarding the NTT Communications Group Global Environment Charter.

▶ Green ICT Vision 2020

In fiscal 2010, the NTT Communications Group formulated Green ICT Vision 2020, which sets forth new policies for environmental protection activities and numerical target values for fiscal 2020. We are promoting our three "eco" initiatives of Green of ICT, Green by ICT, and Green with Team NTT, in order to help enrich and streamline social activities as well as to support the harmonious coexistence of all living things on our beautiful planet.

The promotion of these initiatives enables us to address the need to achieve a low-carbon society, promote a recycling-based society, and preserve biodiversity, as well as to help create a society that cares and shows consideration for the global environment, humans, and other living things.

Green of ICT:	Reducing the increasing environmental impact of ICT equipment and facilities through the use of technology and process innovations.
Green by ICT:	Reducing society's environmental impact through the use of ICT to improve transportation efficiency for people and goods, and by moving away from resource-intensive operations to, for example, a paperless workplace.
Green with Team NTT:	Initiatives to reduce environmental impact in employees' homes and local communities.

→Click the following for details regarding Green ICT Vision 2020.

In fiscal 2014, in line with the three focus areas—the realization of a low-carbon society, the promotion of a recycling-based society, and the preservation of biodiversity—we worked to reduce the environmental impact associated with our business activities and in particular took steps to reduce our CO_2 emissions and improve the final disposal rate both in Japan and overseas. In specific terms, we achieved results across the Group, including the expansion of environmental management at overseas bases, the extension of greenhouse gas reduction initiatives across our global operations, the implementation of PCB waste disposal and of measures to improve the final disposal rate.

In fiscal 2015, we will maintain our focus on reducing environmental impact both in Japan and overseas. In advancing a variety of global measures, we will continue to channel our energies toward reducing electric power consumption, recycling waste, cutting back the volume of paper use, and promoting initiatives aimed at preserving biodiversity.

Chart Showing Targets and Achievements

		Fiscal 2014	Fiscal 2014 Achievements	Achievements	Fiscal 2015 Initiatives	Fiscal 2020 Targets
CO₂ Emissions	Telecommunications equipment	Target: 263,000 t-CO₂ or less*1	254,000 t-CO₂*1 ● Power source equipment measures: reduction of 11,000 tons ● Air-conditioning equipment measures: reduction of 12,000 tons ● Telecommunications equipment measures: reduction of 4,000 tons ● New technology introduction measures: reduction of 1,000 tons	🍀🍀🍀	Target: 262,000 t-CO₂ or less*1 ● Power source equipment measures: reduction of 300 tons ● Air-conditioning equipment measures: reduction of 13,000 tons ● Telecommunications equipment measures: reduction of 5,000 tons ● New technology introduction: reduction of 100 tons	318,000 t-CO₂ or less*1 (reduction of more than 15% from the fiscal 2008 level)
	Offices	Target: 16,000 t-CO₂ or less*1	16,000 t-CO₂*1 ● Installing reflector lights and adopting automatic light level adjustment systems ● Lowering blinds before leaving the office, and ensuring that lights are turned off when not in use ● Continued promotion of dressing warmer in winter and cooler in summer	🍀🍀🍀	Target: 16,000 t-CO₂ or less*1 ● Using energy-efficient PC settings, unplugging PC power cables when leaving the office, turning off PCs when not in use ● Selective operation of elevators and air-conditioning systems ● Continued promotion of dressing warmer in winter and cooler in summer	
Waste	Recycling rate for dismantled telecommunications equipment	Target: At least 99%	99.9% ● Improving the recycling rate for glass and ceramic scrap (glass scrap, FTC,*2 and ball insulators)	🍀🍀🍀	Target: At least 99% ● Internally using dismantled telecommunications equipment ● Promoting the internal use of unneeded articles of inventory and other items ● Promoting further recycling, including at Group companies Goal for all waste: Final waste disposal rate*3 of 31% or lower	Goal for all waste: Final disposal rate*3 of 1% or lower
	Recycling rate for construction waste	Target: Specified materials: At least 99% Other: At least 70%	Specified materials + metals: 98.1% Other: 79.6% ● Promoting measures to reduce final disposal volume ● Completely eliminating waste that must be transported directly to final disposal plants ● Promoting subcontracting to processing companies with higher recycling rates	🍀🍀	Target*4: Specified materials + metals: At least 99% Other: At least 75% ● Promoting measures to reduce final disposal volume ● Promote sending to intermediate processing plants that offer high recycling rates	Target*4: Specified materials + metals: At least 99% Other: At least 75%
	Recycling rate for office waste	Target: At least 84.0%	88% (for a total emission volume of 2,566 tons) ● Promoting thermal recycling ● Promoting the evaluation of telecommunications building and data center status and subcontracting to processing companies with higher recycling rates	🍀🍀	Good progress Target: At least 88% ● Promotion of thermal recycling ● Evaluation of the status of communications buildings and data centers; promotion of subcontracting to processing companies with higher recycling rates	—
Paper usage (office paper, A4 size equivalent)		Target: 8,500 sheets per person	8,081 sheets per person ● Strengthen measures at the level of individual organizations based on data on multifunction printer usage ● Promote paperless working style that utilizes ICT equipment	🍀🍀🍀	Target: 8,500 sheets per person ● Strengthen measures at the level of individual organizations based on data on multifunction printer usage ● Promote paperless working style that utilizes ICT equipment	8,500 sheets per person (30% reduction per person from the fiscal 2008 level)

Self-assessment: 🍀🍀🍀 Good progress   🍀🍀 Basically on target   🍀 Slightly behind target

(Scope: 14 domestic companies of the NTT Communications Group)

*1 The CO_2 emission coefficient is 0.33 kg-CO_2per kWh.
*2 Fire-tight covers (FTC) are used to protect communication cables from fire.
*3 Final disposal rate is calculated as the volume of waste transported to the final processing site divided by the total volume of waste generated.
*4 Materials were reclassified in fiscal 2011.

Activity Indicators and Achievements (at Overseas Bases) Item

Item	Implementation rate*
Switch off unnecessary lighting, air-conditioning, and PCs	94%
Promote the sorting and recycling of waste according to the circumstances of each building	72%
Implement double-sided and double-page office paper printing	84%

*Implementation rate = Number of bases implementing target ÷ total number of bases
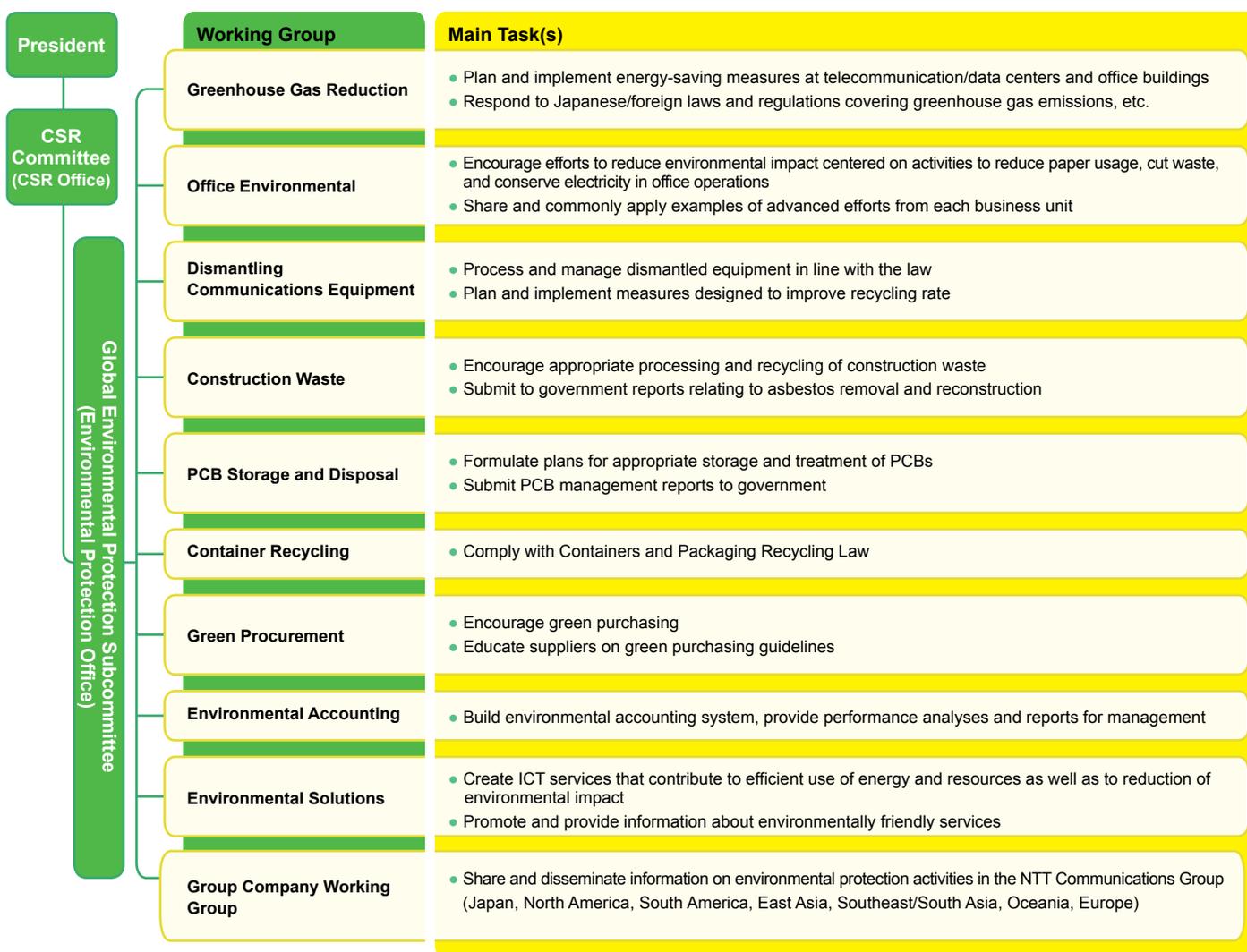
Environmental Management

In order to continuously promote environmental protection initiatives, we formed a working group for each issue, involving the entire NTT Group in tackling environmental issues. Specifically, we hold Environmental Protection Subcommittee meetings at Group companies twice a year to formulate an overall plan encompassing a wide range of issues, including the reduction of greenhouse gas emissions and waste and the promotion of environmental solutions. Through these meetings, we also share information on the results of actions taken and promote the horizontal deployment of various initiatives. In recent years in particular we have been making efforts to ascertain and curb environmental impact by means of Scope 3 at the supply chain level and expanded the scope of the categories covered in fiscal 2014.
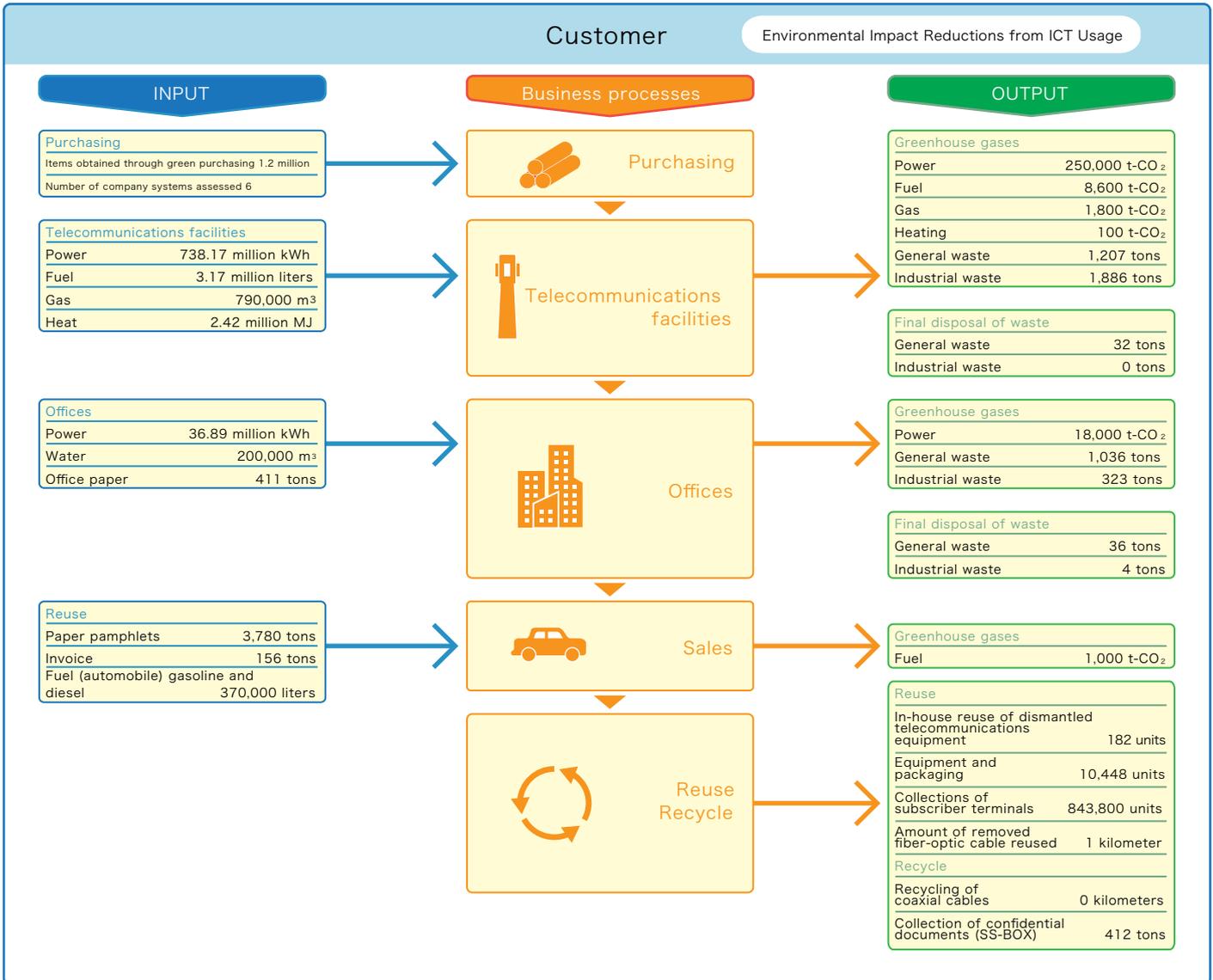
As far as the environmental management structure for our bases in Japan is concerned, we are promoting environmental protection activities at 14 companies. At our overseas bases, with a view to promoting global environmental management we are expanding our management bases, assigning officers responsible for environmental matters, gathering activity information, and working to share that information between bases in Japan and overseas. In the years to come, we will hold global environmental management meetings and would like for these to lead to further reductions in environmental impact.

Environmental Protection Framework

Working Group	Main Task(s)
Greenhouse Gas Reduction	• Plan and implement energy-saving measures at telecommunication/data centers and office buildings • Respond to Japanese/foreign laws and regulations covering greenhouse gas emissions, etc.
Office Environmental	• Encourage efforts to reduce environmental impact centered on activities to reduce paper usage, cut waste, and conserve electricity in office operations • Share and commonly apply examples of advanced efforts from each business unit
Dismantling Communications Equipment	• Process and manage dismantled equipment in line with the law • Plan and implement measures designed to improve recycling rate
Construction Waste	• Encourage appropriate processing and recycling of construction waste • Submit to government reports relating to asbestos removal and reconstruction
PCB Storage and Disposal	• Formulate plans for appropriate storage and treatment of PCBs • Submit PCB management reports to government
Container Recycling	• Comply with Containers and Packaging Recycling Law
Green Procurement	• Encourage green purchasing • Educate suppliers on green purchasing guidelines
Environmental Accounting	• Build environmental accounting system, provide performance analyses and reports for management
Environmental Solutions	• Create ICT services that contribute to efficient use of energy and resources as well as to reduction of environmental impact • Promote and provide information about environmentally friendly services
Group Company Working Group	• Share and disseminate information on environmental protection activities in the NTT Communications Group (Japan, North America, South America, East Asia, Southeast/South Asia, Oceania, Europe)

President — CSR Committee (CSR Office) — Global Environmental Protection Subcommittee (Environmental Protection Office)

Fiscal 2014 Material Flow

Customer

Environmental Impact Reductions from ICT Usage

INPUT

Business processes

OUTPUT

Purchasing
Items obtained through green purchasing 1.2 million
Number of company systems assessed 6

→ **Purchasing**

Greenhouse gases
Power	250,000 t-CO_2
Fuel	8,600 t-CO_2
Gas	1,800 t-CO_2
Heating	100 t-CO_2
General waste	1,207 tons
Industrial waste	1,886 tons

Telecommunications facilities
Power	738.17 million kWh
Fuel	3.17 million liters
Gas	790,000 m³
Heat	2.42 million MJ

→ **Telecommunications facilities**

Final disposal of waste
General waste	32 tons
Industrial waste	0 tons

Offices
Power	36.89 million kWh
Water	200,000 m³
Office paper	411 tons

→ **Offices**

Greenhouse gases
Power	18,000 t-CO_2
General waste	1,036 tons
Industrial waste	323 tons

Final disposal of waste
General waste	36 tons
Industrial waste	4 tons

Reuse
Paper pamphlets	3,780 tons
Invoice	156 tons
Fuel (automobile) gasoline and diesel	370,000 liters

→ **Sales**

Greenhouse gases
Fuel	1,000 t-CO_2

→ **Reuse Recycle**

Reuse
In-house reuse of dismantled telecommunications equipment	182 units
Equipment and packaging	10,448 units
Collections of subscriber terminals	843,800 units
Amount of removed fiber-optic cable reused	1 kilometer

Recycle
Recycling of coaxial cables	0 kilometers
Collection of confidential documents (SS-BOX)	412 tons

In performing these calculations, we have referred to unit emission databases and other materials—produced through studies by the Ministry of the Environment and other government ministries and agencies—and expanded the scope of target categories. Of the 15 target categories, our calculations include 10 that are relevant.

■Volumes of Scope 3 Emissions by Category

Categories	Greenhouse Gas Emissions (t-CO_2)
1 Purchased goods and services	507,735
2 Capital goods	573,292
3 Fuel and energy activities not included in Scope 1 and 2	65,303
4 Upstream transportation and distribution	4,850
5 Waste generated through business activities	247
6 Business travel	14,345
7 Employee commutation	12,157
8 Upstream lease assets	0
9 Downstream transportation and distribution	0
10 Processing of products sold	0
11 Use of products sold	2,312,675
12 Disposal of products sold	109,655
13 Downstream leased asset	0
14 Franchise	80,593
15 Investment	0
TOTAL	3,680,852

Environmental Accounting in Fiscal 2014

The NTT Communications Group tabulates its environmental conservation costs (categories corresponding to business activities) and the economic benefit derived from its environmental conservation activities (real financial impact) in line with Environmental Accounting Guidelines 2005, issued by the Ministry of the Environment, and NTT Group Environmental Accounting Guidelines. The environmental conservation cost in fiscal 2014 increased by approximately ¥0.14 billion year on year to ¥3.02 billion, consisting of around ¥1.72 billion in investments and about ¥1.3 billion in expenses.

On the other hand, the economic benefit derived from environmental conservation in fiscal 2014 increased by approximately ¥0.83 billion from the previous fiscal year to ¥2.58 billion, which included around ¥0.8 billion (compared with an increase of ¥0.24 billion in the previous fiscal year) gained from the implementation of measures to reduce electricity use, including electricity saving and conservation efforts. Equipment re-use had the effect of reducing the cost of new purchases by around ¥1.11 billion (compared with ¥0.54 billion in the previous fiscal year).

■Environmental Conservation Costs (Categories Corresponding to Business Activities) (Millions of yen)

Category	Key Measures		Investment		Expenses	
			FY2013	FY2014	FY2013	FY2014
(1)Business area cost			1,553	1,606	340	415
Breakdown	1. Pollution prevention costs	· Oil tank facility for power generator use · Management of items using PCBs	21	121	30	112
	2. Global environmental conservation costs	· Measures to reduce CO_2 emissions resulting from electricity use	1,523	1,485	89	89
	3. Resource circulation costs	· Waste disposal and reuse expenses	9	0	221	213
(2)Upstream / downstream costs	· Measures to recover, recycle and reuse telecommunications equipment		19	114	795	755
(3)Administration costs	· Environmental conservation management activities		0	—	74	74
(4)R&D costs	· Allocated portion of NTT Group environmental R&D costs		—	—	1	56
(5)Social activity costs	· Costs of supporting volunteer participation		—	—	7	3
(6)Environmental remediation costs			—	—	97	0
Total			1,572	1,719	1,313	1,303

■Economic Benefit Associated with Environmental Conservation Activities (Real Financial Impact) (Millions of yen)

		FY2013	FY2014
Revenue	Revenues from sales (cables, metal scrap, etc.)	125	185
Cost reductions	Reductions in expenses derived from measures such as reduced electricity usage	560	795
	Reductions in cost of purchases due to reuse of dismantled telecommunications equipment	571	1,114
	Decrease in postal and paper costs from utilization of Mypage	481	475
	Other	7	7
Total		1,744	2,576

Target period: April 1 - March 31
Scope: NTT Communications Group
Tabulation and disclosure: Figures were tabulated in line with the Ministry of the Environment's Environmental Accounting Guidelines 2005 and NTT Group Environmental Accounting Guidelines. Expenses include personnel expenses but exclude depreciation.

Environmental Management Structure

Acquiring ISO 14001 Certification

Five companies within the NTT Communications Group had acquired ISO 14001 certification as of March 31, 2015. Through contracts with outside environmental consultants, certified departments and companies undergo internal audits once a year to ensure appropriate implementation of environmental management and continual improvements that will allow a steady reduction of the environmental impact of business activities. Regular reviews and renewal examinations are also undertaken by an independent certification body. Outstanding issues are thus identified and remedial measures swiftly taken. Besides initiatives centering on reductions of office paper and electricity usage and the promotion of waste recycling, we are encouraging measures toward the creation of an environmentally friendly society.

■ISO 14001-certified Company

ISO 14001-Certified Company		Date of Certification
NTT Communications Corp.	Procurement Dept.	October 1999
	Solution Services Dept.	March 2004
NTTPC Communications, Inc.		November 2003
NTT BizLink, Inc.		March 2007
NTT Com Solutions Corp.		April 2007
NTT Plala Inc.		December 2011

As of March 31, 2015

Environmental Audits and Environmental Surveys

Guided by its Global Environmental Charter, the NTT Communications Group issues, twice-yearly PDCA and other reports at the Global Environmental Protection Subcommittee, an organization that comes under the CSR Committee. These reports outline details of the various activities administered by the 10 working groups (WGs) that drive the Group's environmental protection activities. In addition to sharing information and calling for further development of effective initiatives, we are promoting environmental management on a Groupwide basis.

Compliance with Environmental Legislation and Regulations

The NTT Communications Group devotes itself to ensuring legal compliance and proper risk management while liaising closely with the other corporations of the NTT Group. Including environmental laws and ordinances that look to curtail pollution, emissions standards and the PRTR Law*, legislation of all kinds is fully communicated to related departments, and independent guidelines have been established for in-house application. We are also enhancing compliance education. We were not involved in any litigation or legal violations pertaining to environment-related accidents, infringements, fines or complaints during fiscal 2014. We plan to continue our companywide efforts to prevent environmental pollution and comply with related laws and regulations.

*PRTR Law: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Promoting Green Procurement

NTT Communications issued its Guidelines for Green Procurement in 1999. In 2010, the Company brought these guidelines into compliance with the Energy-Saving Performance Guidelines enacted by the NTT Group and, at the same time as adding the energy-saving (Green of ICT) perspective of ICT itself that was considered an issue, renamed the Energy-Saving Performance Guidelines as the Guidelines for Green Procurement.

By applying these guidelines, NTT Communications has added an environmental conservation element to such areas as its own approaches to environmental conservation in the selection criteria of suppliers with which the Company allows dealings and in procurement.

Through its green procurement initiatives NTT Communications works to improve its environmental conservation activities hand in hand with all its suppliers and would like to continue to be of service in realizing further contributions to society.

■Status of Green Procurement and Green Purchasing

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Green procurement of goods excluding office supplies (1,000 units)	1,370	1,230	1,380	1,410	1,200
Green procurement of office supplies (1,000 units)	470	350	260	240	250

Environmental Education Initiatives

We offer environmental education to all employees, aiming to raise their awareness of environmental matters. We are also proactive in environmental awareness activities as part of our CSR efforts, extending the scope of participation to include not just employees, but also their families and business partners.

In fiscal 2014, while continuing to offer environmental education in a variety of places, including all-employee training sessions, we undertook a range of environmental awareness and education activities, including a cleanup of the areas surrounding our offices and promotion of the ecocap movement. In addition, woodland conservation activities were carried out at NTTPC Communications, NTT Com Solutions and NTT Com Marketing in a bid to raise the level of understanding regarding the importance of protecting the natural environment.

Creating a Low-Carbon Society

Although the advancement and spread of ICT have given rise to such benefits as an affluent society and convenient lifestyles, the increase in power consumption due to ICT-related equipment is placing enormous pressure on the environment. Fully aware of this situation, NTT Communications Group employees set targets from three viewpoints—telecommunications, offices and overseas bases—and are working together to reduce CO_2 emissions. Particularly in the case of improvements in the energy efficiency of telecommunications equipment, which account for around 90% of total CO_2 emissions from business activities, they are currently making efforts to be the first in the industry to introduce leading-edge technologies.

Reduction of Greenhouse Gases

Fiscal 2014 Results and Fiscal 2015 Outlook

When calculating the volume of greenhouse gas emissions that we generate, we include in the scope buildings owned by other companies, including those buildings where we rent space as well as data centers (DCs) that provide colocation services, in addition to buildings owned by the NTT Communications Group.

In fiscal 2014, CO_2 emissions by the NTT Communications Group totaled 270,000 t-CO_2. This was 9,000 t-CO_2 less than the Group's established target and a decrease of approximately 1.1% compared with the previous fiscal year. Furthermore, in fiscal 2014 sales per unit of CO_2 emissions improved around 4.0% compared with their fiscal 2013 level due mainly to a decrease in the amount of CO_2 emissions and an increase in sales.

In the case of telecommunications equipment, we concentrated our efforts on proactively curtailing the power used for air-conditioning by, for example, conducting "airflow improvement" initiatives in the server and machinery rooms at communication and data center buildings and installing integrated air-conditioning control systems such as SmartDASH. In offices, we continued with the detailed energy-saving measures that had been implemented previously. By taking these initiatives we had a major effect and data center sales remained robust, ending in the results given above.

In fiscal 2015, the NTT Communications Group will continue to make a concerted effort to save energy. By deploying R&D technologies and introducing energy-saving rules and other new measures, we set a target for CO_2 emissions of 278,000 t-CO_2 or less.

At our overseas facilities fiscal 2014 CO_2 emissions showed an upward trend, totaling approximately 237,000 t-CO_2 (approximately 231,000 t-CO_2 for data centers and 6,000 t-CO_2 for offices), reflecting a significant increase in demand for cloud services and data centers as well as the wider scope of calculation. We are working to reduce electricity use at overseas data centers by operating highly energy-efficient buildings and facilities, such as data-center buildings that have acquired LEED* certification. To the same end in Japan, we are also rolling out high-performance solutions designed to reduce air-conditioning energy consumption. We will continue these measures in fiscal 2015.

At our overseas facilities fiscal 2014 CO_2 emissions showed an upward trend, totaling approximately 237,000 t-CO_2 (approximately 231,000 t-CO_2 for data centers and 6,000 t-CO_2 for offices), reflecting a significant increase in demand for cloud services and data centers as well as the wider scope of calculation. We are working to reduce electricity use at overseas data centers by operating highly energy-efficient buildings and facilities, such as data-center buildings that have acquired LEED certification. To the same end in Japan, we are also rolling out high-performance solutions designed to reduce air-

conditioning energy consumption. We will continue these measures in fiscal 2015.

We are taking steps to consolidate the servers, air-conditioning, UPS, lighting, and other equipment and facilities previously set up and operated by customers at data centers and increase the efficiency of society's power consumption by providing data centers and cloud services.

* An acronym for Leadership in Energy and Environmental Design, LEED is a certification system for entire buildings promoted by the U.S. Green Building Council that evaluates energy savings and environmental impact.

■ CO_2 Emissions from Business Activities
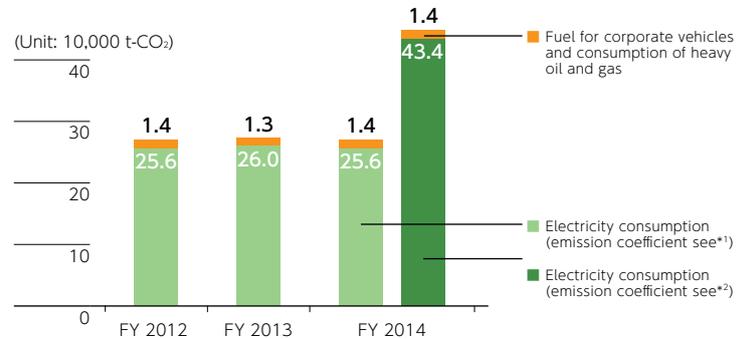
(Unit: 10,000 t-CO_2)

(Scope: 14 domestic companies of the NTT Communications Group)

*1 The CO_2 emission coefficients used in the light green bars are the fiscal 2020 target of 0.33 kg-CO_2 per kWh of the Federation of Electric Power Companies in Japan.
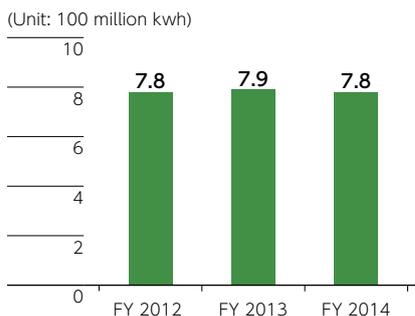
*2 The CO_2 emission coefficients used in the dark green bar are from electric power companies.

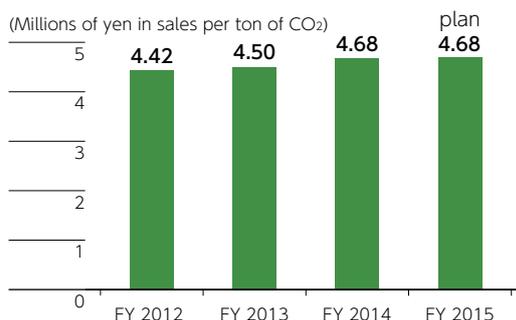### ■ Other Greenhouse Gas Emissions (Converted to CO_2 Equivalents)

(Unit: 10,000 t-CO_2 equivalent)

Percentage change from FY 2013
−9.2 %
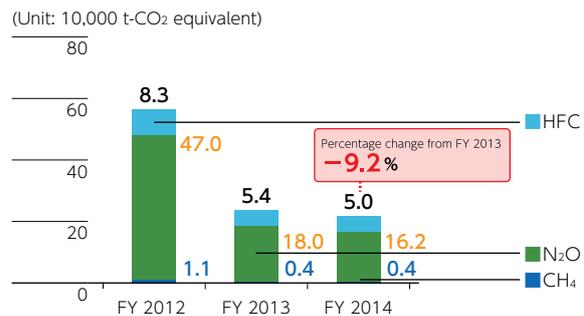
(Scope: 14 domestic companies of the NTT Communications Group)

■ Power Purchases

(Unit: 100 million kwh)

(Scope: 14 domestic companies of the NTT Communications Group)

■ CO_2 Emissions per Unit of Sales

(Millions of yen in sales per ton of CO_2)

Fiscal 2014 Results and Plans for Fiscal 2015

In fiscal 2014, CO_2 emissions increased approximately 2% from their fiscal 2013 level, to 254,000 t-CO_2 (9,000 t-CO_2 below our target), due to factors such as the start of sales at our Tokyo No. 6 Data Center and the augmentation of cloud server equipment.

We expect CO_2 emissions to trend upward in fiscal 2015 due to ongoing robust data center and cloud service sales. However, we have set our emissions target at below 262,000 t-CO_2, which we aim to achieve through new measures that include the application of R&D technologies and "airflow improvement" initiatives.

Acquisition of LEED, the international standard environmental certification, for data centers in various countries

Customers throughout the world are becoming more aware of the need to reduce their impact on the environment. As they explore initiatives to achieve this objective, they are increasingly looking at strong environmental performance and reliability as crucial factors in the selection of data centers, which are a major source of energy consumption. One selection criterion is LEED, a global standard for green building certification.

While making efforts to reduce the environmental impact of its data centers throughout the world and promoting the acquisition of LEED certification, NTT Communications is implementing a raft of initiatives and installing systems of the kind shown below. Through these initiatives, we are continuing to reduce the amount of energy and resources involved in the operation of data centers and proposing "green ICT," which is linked to levels of customer satisfaction and cost reductions.

◆ Air-Conditioning

We are working on the visual display of temperatures inside all server rooms. We are also introducing measures to reduce the amount of energy used in cooling, promoting measures such as SmartDASH[1], which automatically controls temperatures; Aisle Capping[2], which improves cooling efficiency by dispersing waste heat from air-conditioning and ICT equipment; and outdoor air cooling, which uses cold air from outdoors to efficiently cool ICT equipment.

◆ Lighting

We are reducing the amount of energy used for lighting by employing LEDs and motion sensors.

◆ Other measures

We are encouraging the use of solar power, wind power and other forms of natural energy. Introducing high-voltage direct current to decrease AC/DC conversion loss and supply power to ICT equipment more efficiently, we are using rotary uninterruptible power supplies (UPSs) with low power loss.

[1] SmartDASH is a registered trademark of Vigilent Corporation of the United States.
[2] Aisle Capping is a registered trademark of NTT Facilities, Inc.

Promoting Groupwide, Multifaceted Initiatives to Reduce Electricity Consumed by Air-Conditioning by 20%

Having targeted a 20% reduction in the electricity consumed by air-conditioning, we are implementing a range of measures. In fiscal 2014 in particular, we promoted the Groupwide deployment of technologies brought together in the latest facilities as "airflow improvement" initiatives to include existing facilities.

In fiscal 2014, we installed SmartDASH, Aisle Capping and Blank Panel in 10 communications buildings and data center buildings (a cumulative total of 23 buildings). SmartDASH is a system that visualizes temperature zones in server rooms, detects areas that are too cold, and automatically readjusts temperatures. Aisle Capping is a technique that physically separates the intake (low temperature) and exhaust (high temperature) air from IT equipment by strategically placing vinyl sidewalls and ceilings around IT equipment in the aisles between rows of server racks. By combining Aisle Capping with Blank Panel, a technique for enhancing cooling effectiveness within racks by blocking the front of unused spaces in server racks, we brought about an improved cooling effect between the racks.

When initially introduced, there were buildings that fell below the target. However, having investigated the cause and implemented measures, including the making of temperature adjustments and changing the positions of the underfloor panels, all the buildings have achieved reductions that are above the initial targets. NTT Communications will continue to roll out these solutions in a sequence in Japan and overseas and bring about further reductions in power consumption.

■SmartDASH, Aisle Capping, Blank Panel
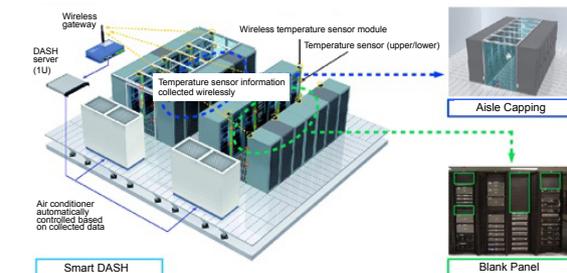
Introducing Solar Power Generation Systems That Actively Utilize Renewable Energy

NTT Communications has been engaged in power generation using solar power generation systems at its communications and data center buildings in Tokyo since 2009.

Currently having three system units in operation, we generated approximately 378,000 kWh of electricity in fiscal 2014. The power generated is used to light communal areas of the buildings. Overseas, we generate solar power at our data centers in Singapore and Malaysia. We have installed a solar-powered heating system at our Hong Kong data center, a wind power generation system at our data center in India, and a hydroelectric power generation system at our data center in Vietnam. In fiscal 2014, these facilities generated approximately 5.73 million kWh of electricity. In the years to come, we will continue to promote the utilization of environment-friendly renewable energy.

■Overall Amounts of Electricity Generated by Solar Panels at Data Centers in Japan

(Unit: kWh)

FY2012	FY2013	FY2014
262,890	331,858	377,600
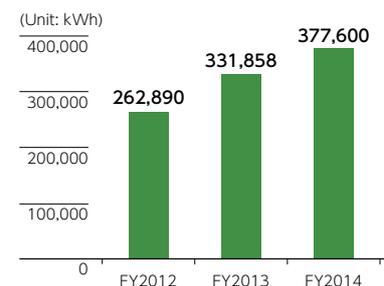
■Solar panels installed at Tokyo No. 5 Data Center

■Solar panels installed on the rooftop of our data center building in Malaysia

Office Initiatives

Fiscal 2014 Results and Plans for Fiscal 2015

From the perspective of supplying services to customers, communications facilities—including data centers and telecommunications buildings—necessitate the constant use of a specific amount of electric power. For that reason, drastic measures to save electricity in their offices are to be expected.

In fiscal 2014, we continued to follow energy-saving measures that have been in place since the Great East Japan Earthquake. Accordingly, CO_2 emissions amounted to 16,000 t-CO_2 (approximately on target), the same level as in fiscal 2013. Although we will relax these measures slightly in fiscal 2015, we are targeting emissions of 16,000 t-CO_2 or less. We intend to meet this objective by revising energy-saving rules and by increasing the deployment of thin-client PCs.

Summer and Winter Energy-Saving Measures

In addition to summer and winter energy-saving measures, the NTT Communications Group implements ongoing electricity-saving measures—including the use of energy-saving settings on PCs, the operation of fewer lighting fixtures and elevators, and the adjustment of air-conditioner settings—and strives to reduce its energy consumption in Japan.

During the summer months, the Group targeted a reduction in electricity consumption of 30% from the fiscal 2010 level. Over the period in question, the Group accordingly undertook a variety of measures. For example, every effort was made to maintain higher air-conditioner settings (at 28°C in summer), cut back the number of lights employed, encourage the use of stairs when going up four floors or down five, and encourage employees to wear summer clothing and switch off office automation equipment when leaving the office. Thanks largely to these endeavors, in fiscal 2014 the Group achieved a reduction in electricity consumption measured in kWh of approximately 32% at its three principal Hibiya, Shiodome, and Tamachi buildings. As in summertime, we introduced measures to save energy in winter, including setting air-conditioning temperatures at 20°C.
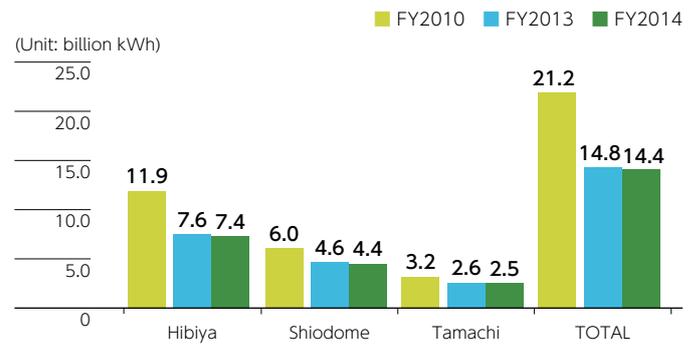
In the same way as at our bases in Japan, we are adopting an aggressive stance on measures to save energy at our overseas facilities, having established as an indication the switching off of unnecessary lighting, air-conditioning and personal computers. The main initiatives involve switching off lighting, air-conditioning and PCs when not in use and at the end of the work day; using the power saving setting on PCs; and making a thorough effort to adjust office thermostats. In this way we are promoting the same level of energy saving awareness as at our offices in Japan.

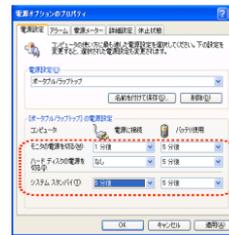Besides these, we are implementing a variety of initiatives in each region.

- China ⸱⸱⸱⸱⸱⸱⸱ Temperature settings for air-conditioning and establishment of periods when its use is forbidden
- Hong Kong ⸱⸱⸱⸱ Temperature settings for air-conditioning and the establishment of periods when lighting is switched off
- Singapore ⸱⸱⸱⸱ Last person to leave the office confirms that power sources are switches off lighting
- Europe ⸱⸱⸱⸱⸱⸱ Use of equipment that switches of lighting automatically
- United States ⸱ Establishment of periods when lighting is switched off

In China and Vietnam we also set power saving targets, take a proactive and progressive approach to reduction measures and aim to meet these targets.

■ Average electrical consumption in office buildings between June and September

Legend: ■ FY2010 ■ FY2013 ■ FY2014
(Unit: billion kWh)

	FY2010	FY2013	FY2014
Hibiya	11.9	7.6	7.4
Shiodome	6.0	4.6	4.4
Tamachi	3.2	2.6	2.5
TOTAL	21.2	14.8	14.4

■ Automatically changing the settings of PCs to electricity saving mode

■ Elevator display promoting the 4 up, 5 down campaign

Office Database Visualization Site

To enable support to be given to the autonomous office-related environmental initiatives of each business operation, we have been operating the Office Database Visualization Website, which tallies and visualizes environmental impact data related to electricity, paper, and waste for each organizational unit, on our Company's intranet since August 2009.

In fiscal 2014, we posted in-house information, on a monthly basis by organization, showing the amount of electricity consumed by each existing organizational unit (the total amount as well as by floor space), paper use (total usage, double-sided printing rate, consolidated printing rate), and office waste recycling rate (on a per-building basis). In addition, we launched "Ecogy-san's Eco Department Visits" for the purpose of the internal horizontal development of each department's best practice measures for reducing the impact on the environment.

Employees responsible for promoting office-related environmental measures in each organization analyze the data posted on this website and give consideration to their business content and characteristics. Following autonomous PDCA cycles, they use this site to chart improvements toward meeting designated indicators through such means as the self-organized deployment of best practice measures.

■ Office Database Visualization Site

Promoting Use of the Company's Internal Cloud

NTT Communications possesses a number of internal systems to provide its services to customers. Migrating these internal system networks to and integrating them with internal ICT infrastructure by means of a private cloud using server virtualization not only lessens environmental impact by rationalizing the number of servers, but the move also contributes to more robust service business continuity plans (BCPs) for customers utilizing the system. Based on the awareness of these kinds of aims, the Company is working to develop utilization of its internal cloud.

As of the end of fiscal 2014, we had migrated 220 internal systems to the internal ICT infrastructure, a move that reduced the number of servers that accommodate the migrated system by around 57%.

Looking ahead, we plan to migrate and integrate our internal ICT infrastructure in Japan with that overseas, while working on efforts to reduce environmental impact on a global basis.

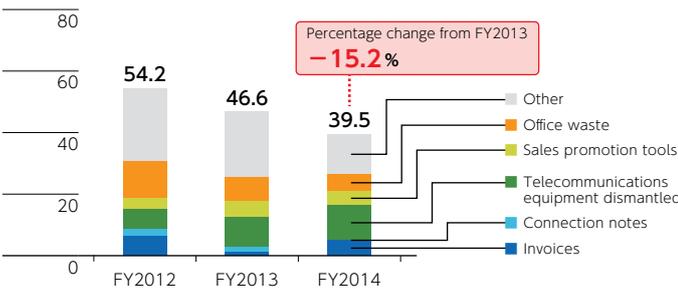## Transportation Initiatives

Electronic Billing Initiative

We annually audit the amount of transportation for invoices, sales promotion tools, and office waste. We voluntarily seek ways to streamline transportation, such as reducing the number of transportation trips, the volume of items transported and the transportation distance, and otherwise enhance logistics.

We have cut the use of transportation by promoting the convenience of our online billing information service. The volume of paper used for invoices fell to 140 tons in fiscal 2014, a year-on-year reduction of approximately 15.7%.

We also implemented various measures to improve our transportation efficiency. Our total transportation decreased 15.2% compared with the previous fiscal year to 395,000 ton-kilometers as a result of increases in sales tools and all types of manuals, a 26% decrease in waste, transportation efficiency gains and greater use of information technology.

■Goods Transportation Volume under the Revised Energy Conservation Law

(Unit: 10,000 metric ton-kilometers)

	FY2012	FY2013	FY2014
Total	54.2	46.6	39.5

Percentage change from FY2013 −15.2%

Legend: Other, Office waste, Sales promotion tools, Telecommunications equipment dismantled, Connection notes, Invoices

(Scope: NTT Communications [non-consolidated])

Reducing Fuel Use by Company Vehicles

To help solve pollution problems and contribute to the realization of a low-carbon society, we have devised measures to introduce environmentally friendly vehicles and are addressing a reduction in the amount of fuel used by Company vehicles across the entire group.

The Company is currently reviewing the number of its sales vehicles and steadily promoting measures that include the more widespread adoption of driving techniques that show consideration for the environment. As a result, gasoline and oil consumption by Company vehicles in fiscal 2014 totaled 359,000 liters and 70,000 liters, respectively. Compared with the previous fiscal year, these figures represent respective decreases of approximately 55,000 liters (13%) and 1,000 liters (13%).

In the case of the introduction of eco-cars, the target set for fiscal 2015 was for 100% introduction. The Company is promoting the optimum stationing of vehicles and a switching over to eco-cars, while steadily promoting them in association with an organizational review. As a result, the rate of eco-car introduction showed a 1% increase from the previous fiscal year, and the Company was able to attain the ratio of 99% of its entire fleet.

■Fuel Consumption by Company Vehicles

(Unit: 10,000 liters)

	FY2012	FY2013	FY2014
Diesel	1.0	0.8	0.7
Gasoline	39.1	41.1	35.9
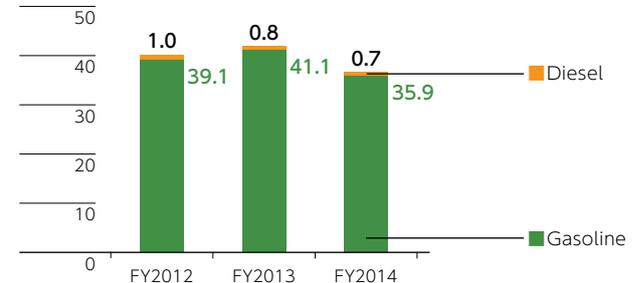
(Scope: 14 domestic companies of the NTT Communications Group)

Preventing Air Pollution and Promoting Energy Conservation through Electric Propulsion Ships

The undersea cable-laying ship Subaru is one of the few ships in Japan with an electric propulsion system (i.e. electricity from a generator drives the propulsion motor). The system helps prevent air pollution by reducing NOx and SOx contained in engine exhaust. Since the Subaru was built for a specialized use, unlike standard cargo vessels, the ship is characterized by low fuel consumption. Furthermore, in operating the ship, we realize energy savings of about 10% per year by efficiently controlling the number of generator-driven engines operating, for example, running three engines when heading to a construction site and running two engines when returning.

In addition, rust and seashells on the hull are eliminated by sandblasting to reduce resistance in the water, and very smooth paint conforming to the International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS Treaty) is used to paint the hull after sandblasting, to conserve energy.

We are also conserving energy by introducing LED lighting for ships and reducing their environmental impact by replacing their air-conditioning systems.

■Cable-laying ship Subaru (9,557 tons)

●Ship Energy Efficiency Management Plan (SEEMP) Implementation

The adoption of SEEMP became a mandatory requirement in July 2011 under the MARPOL international treaty for the prevention of marine pollution caused by ships. As a result, it is now a compulsory requirement for ship operators to adopt the most effective operating methods (which include speed reduction, selection of the most appropriate route taking into consideration ocean currents and weather conditions, and proper maintenance) in order to curtail the amount of CO_2 emitted and to promote improvements in energy efficiency based on a PDCA cycle. NTT Communications had formulated a plan by January 2013, a plan that has been retained for all its ship operations.

Green ICT Initiatives

Green ICT involves aiming to reduce the environmental impact of ICT itself and utilizing ICT effectively to advance environmental impact reductions and environmental protection activities.

Reducing the environmental impact of ICT itself is referred to as "Green of ICT," which specifically refers to initiatives for reducing negative environmental impact by reducing the power consumption of ICT systems and recycling resources. In contrast, utilizing ICT to reduce environmental impact and increasing positive impact on the environment is referred to as "Green by ICT" and includes measures such as improving the efficiency of transportation of people and goods. NTT Communications applies both Green of ICT and Green by ICT approaches to its pursuit of "Green ICT."

Reducing CO_2 by Enterprise Cloud Service

On a global basis, NTT Communications provides ICT solutions, including networks, cloud services, applications and security. In addition to contributing to society, these solutions help reduce environmental impact by curtailing CO_2 emissions.

Linking data centers, networks and servers, Enterprise Cloud is one example of a cloud service for companies that we are uniquely positioned to offer as a telecommunications operator. The service features a host of options, such as the ability to allocate resources flexibly in accordance with customer needs. As the core service can be used for backbone operations, customers can utilize Enterprise Cloud as a virtual server in place of servers and storage that they previously had to install and operate themselves. This service reduces the number of servers that companies need to operate, achieving a decrease equivalent to 97 $t\text{-}CO_2$ per year (approximately 74%)* for small- and medium-sized companies. The service's system environment can be configured to use consistent specifications in Japan and overseas, thereby reducing configuration and operational costs substantially compared to what a client would experience if installing their own independent systems.

■CO_2 Reduction Effect

(Unit: $t\text{-}CO_2$/year)

131.6 Approximately
34.5 Enterprise Cloud
−74%
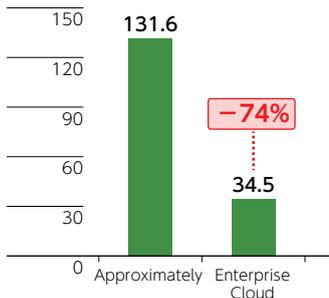
Reducing CO_2 Emissions by Cloud-Based, Next-Generation Building Management System

In November 2014, NTT Communications together with Takenaka Corporation began providing a Next-Generation Building Management Platform that enables cloud-based management services for all types of building.

In recent years, growing needs from the environmental and safety aspects have resulted in a gathering of pace in the complexity of and advanced connectivity required in the management of buildings. Through the deployment of cloud-based building management, the newly launched platform helps in the efficiency of building management, an area in which a shortage of human resources is causing concern, while controlling with pinpoint accuracy the power saving of all the electrical equipment inside buildings. In the years to come, we will contribute to the realization of smart communities with this platform, our aims including the widespread supply of power supply management that utilizes big data analysis technologies.

Environmental Solutions Label System

The NTT Group is exploring the idea of an Environmental Solutions Label System for self-certification of environmentally friendly ICT solutions and services. To qualify, ICT solutions and services will have to achieve CO_2 reductions of at least 15%, as assessed through objective evaluation of environmental impact reduction benefits. The entire NTT Group provides these environmentally friendly services in order to help reduce the environmental impact caused by society.

In utilizing this certification system, we at NTT Communications Group have registered a cumulative total of six solutions, NTT Bizlink having obtained the label for its TV conference systems in fiscal 2014. Details of these are described on the NTT BizLink website together with quantitative CO_2 reduction effects.

■Environmental Solutions Label

→ Click here for details on an Environmental Solutions Label System.

Acquisition of eco-ICT Mark

After performing a self-assessment of our CO_2 reduction measures, we submitted an application in accordance with the ICT Ecology Guidelines created by the ICT Ecology Guideline Council* and acquired the eco-ICT Mark.

The council created and published guidelines for appropriate CO_2 reduction measures to be implemented by telecommunications carriers, clearly defining the standards for procuring systems and data center services from the viewpoint of reducing power consumption. These guidelines have been subsequently revised with a fifth version publicly announced in February 2014. We will continue to participate in this initiative and work to instill the guidelines throughout the Group on an ongoing basis.

* ICT Ecology Guideline Council: The council was established on June 26, 2009 by the following five industry organizations: the Telecommunications Carriers Association, the Telecom Services Association, the Japan Internet Providers Association, the Communications and Information Network Association of Japan, and the ASP-SaaS Industry Consortium (a designated nonprofit organization).

■eco-ICT Mark

→ Click here for details on the self-assessment checklist.
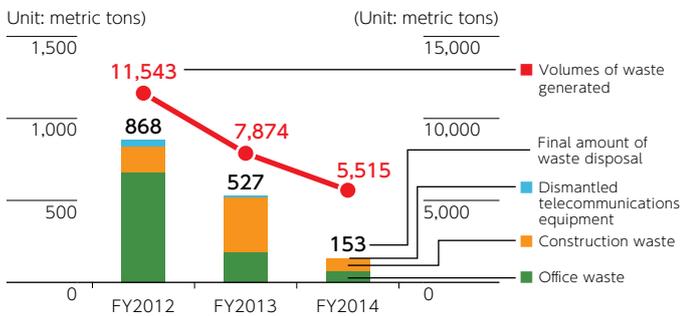
Promoting a Recycling-Oriented Society

In aiming to contribute to the reduction of society's environmental impact, we will work to reduce the waste associated with business activities and undertake to improve our reuse and recycling rates on a daily basis. Specifically, the NTT Communications Group is working to reduce the volume of waste in three areas—dismantled telecommunications equipment, construction waste and office waste—and promoting reuse and recycling in various aspects of its business.

Achievements in Waste Reduction, Reuse and Recycling

In fiscal 2014, the final disposal of waste from dismantled telecommunications equipment amounted to 0.3 tons, construction waste 80.8 tons and office waste 71.5 tons. In overall terms, the total volume of final disposal waste decreased 374.5 tons compared with the previous fiscal year to 152.6 tons, while the total volume of waste generated decreased 2,358.6 tons to 5,515.2 tons.
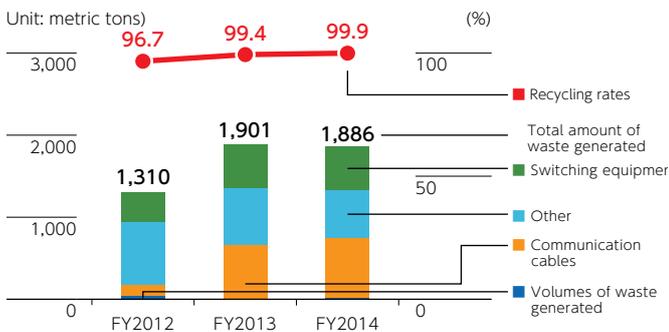
In fiscal 2014, the improvements in the recycle rates for office and construction waste were particularly remarkable. Comparing both with the previous fiscal year, we were able to increase the office waste ratio from 81.5% to 88.2% and that for construction waste from 89.0% to 92.5%.

### ■NTT Communications Group Final Disposal Waste and Total Waste Generation

Unit: metric tons)

(Unit: metric tons)

- Volumes of waste generated
- Final amount of waste disposal
- Dismantled telecommunications equipment
- Construction waste
- Office waste

11,543
868
7,874
527
5,515
153

FY2012 FY2013 FY2014

(Scope: 14 domestic companies of the NTT Communications Group)

■Total Volumes and Recycling Rates of Dismantled Telecommunications Equipment

Unit: metric tons)

(%)

96.7 99.4 99.9

1,310 1,901 1,886

- Recycling rates
- Total amount of waste generated
- Switching equipmer
- Other
- Communication cables
- Volumes of waste generated

FY2012 FY2013 FY2014

(Scope: 14 domestic companies of the NTT Communications Group)

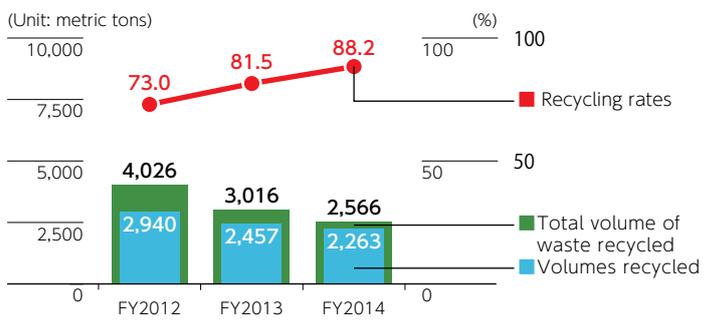### ■Volume of reused fiber-optic cable

(Unit: km)

5.3 6.5 1.0

FY2012 FY2013 FY2014
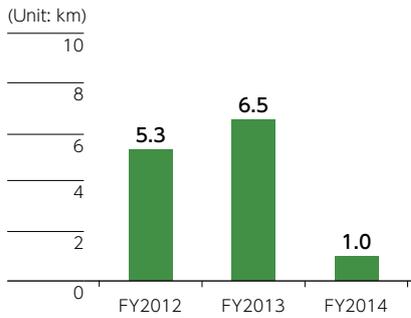
(Scope: 14 domestic companies of the NTT Communications Group)

■Construction Waste Generation and Recycling Rates

(Unit: metric tons)   (%)

97.9 89.0 92.5

6,207 2,957 1,063

- Recycling rates
- Waste generated

FY2012 FY2013 FY2014
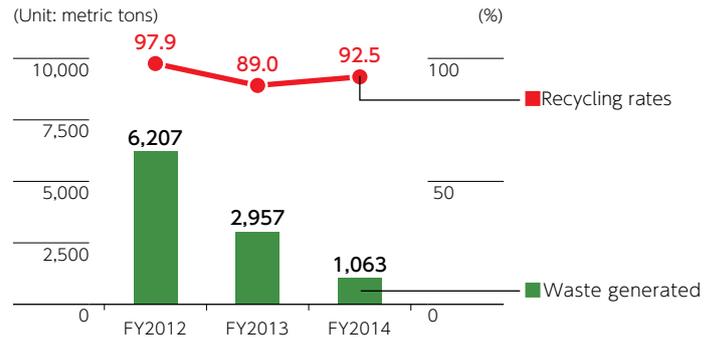
(Scope: 14 domestic companies of the NTT Communications Group)

■Total Office Waste and Recycling Rates

(Unit: metric tons)   (%)

73.0 81.5 88.2

4,026 2,940 3,016 2,457 2,566 2,263

- Recycling rates
- Total volume of waste recycled
- Volumes recycled

FY2012 FY2013 FY2014

(Scope: 14 domestic companies of the NTT Communications Group)

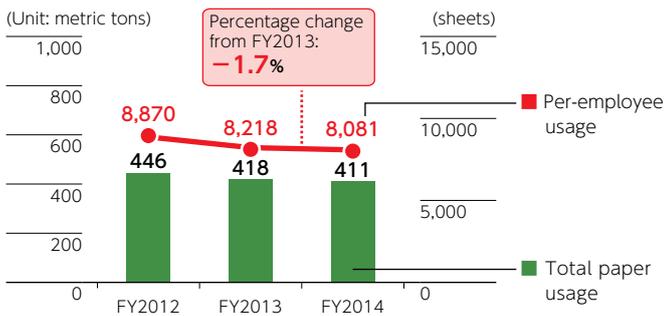## Examples of Initiatives Designed to Reduce Paper Usage

Reduction in Paper for Business Purposes

NTT Communications is working to reduce usage of all kinds of paper for business purposes, including paper for business purposes and paper for printing customer billing statements. In fiscal 2007, we established a paper usage indicator per full-time employee in order to reduce office paper usage.

Specifically, we encourage reduction efforts that include the number of sheets used and the double-sided printing rate by the use of printing log data from IC card multifunction printers. Initiative status data are collected by individual and section, with the results disclosed to all employees on a monthly basis. As a result of having continued to encourage the digitization of paper documents and paperless meetings that make use of projectors and tablets, in fiscal 2014 paper consumed per full-time employee (converted to A4-size office paper) was 8,081 sheets, which beat the target of 8,500 sheets.

Turning to our operations outside Japan, Group companies also reduced copy paper usage and promoted paperless meetings. Targets were set and initiatives accelerated in each of China, Thailand and Vietnam in particular.

■Total and Per-Employee Office Paper Usage (Sheets)

(Unit: metric tons)

Percentage change from FY2013: −1.7%

	FY2012	FY2013	FY2014
Per-employee usage (sheets)	8,870	8,218	8,081
Total paper usage (metric tons)	446	418	411

(Scope: 14 domestic companies of the NTT Communications Group)

Encouraging Use of Tablet Terminals

Since fiscal 2011, we have been creating databases of service-related information and proposals as well as deploying and encouraging the use of tablet computers. From a sales perspective, the benefits are that the use of tablet computers enables easily understood, compelling proposals, including the showing to customers of videos showcasing and explaining our services. Having the benefit of not only enabling the creation of effective proposals, but also of dispensing with the need for proposal printouts and pamphlets outlining our services, it can be expected that tablet computers will have the added effect of reducing our use of paper.

The adoption of paperless meetings that make use of tablets continues at Group companies in an effort to further reduce paper use. Looking ahead, we will continue to focus our attention on this area while making more efficient use of the latest ICT equipment.

Effective Utilization of Food Waste

In addition to giving due consideration to the effective utilization of materials in offices, dealing with waste from cafeterias is taking on added importance. NTT Communications has introduced a raw garbage disposal machine to deal with the waste generated by its employee cafeteria. A system to recycle the waste into organic compost is in operation, with the Gunma branch of NTT East Kanshinetsu acting as subcontractor. In fiscal 2014, we processed 28.6 tons of kitchen waste. As a result, this was recycled and generated 2.86 tons of compost, which was put to use by farmers in the Kanto region and elsewhere.

This initiative is not merely an effective utilization of resources, as it is also important to note the CO_2 reduction effect from disposing of less waste by incineration. In continuing to promote this initiative we are strengthening environmental considerations in our day-to-day operations and at the same time improving employee awareness.

■Bags of compost (Gunma Prefecture)

Biodiversity Conservation

Together with the prevention of global warming, the preservation of ecosystems, where living things co-exist in an intricate balance, has recently developed into a major environmental challenge with regard to the creation of a sustainable society.

NTT Communications has established a set of action guidelines with regard to biodiversity conservation in order to promote activities that take concerns in this area into consideration. Giving thorough consideration of all aspects of business activities, from the construction of facilities to their operation and dismantling, the Company implements multifaceted initiatives along the lines of environmental contribution activities that naturally include participation in local conservation activities and the dissemination of information.

Development of Activities in Line with Action Guidelines

Having formulated Biodiversity Conservation Action Guidelines, we are proactively developing approaches in line with each of the three environmental contributions through ICT—Green of ICT, Green by ICT and Green with Team NTT—that have been promoted for some time.

There is a growing awareness, on a global scale, with regard to biodiversity conservation. In the years to come, we will promote inspection efforts, identify issues and promote improvements across the Group as a whole, including at overseas bases.

■Action Guidelines with Regard to Preservation of Biodiversity

1. Basic Policy: Compliance with NTT Group Biodiversity "Approach Concept," Established by NTT Group
- Development Centered on Business Activities
  The Group recognizes that all activity is inextricably linked to the planet and to biodiversity, understands that the scope and impact at home and overseas are related depending on the nature of a business, and promotes initiatives that are recognized as having a preservation effect.
- Development Centered on Contribution to Society
  In partnership with its stakeholders the Group widely promotes initiatives toward the preservation of biodiversity, regardless of their relevance to its business.

2. Action Guidelines
- Implement actions that take into account the preservation of biodiversity in business activities (Green of ICT)
- Contribute to preservation of social biodiversity in business activities (Green by ICT)
- Deepen understanding of biodiversity, promote nature conservation activities together with employees, their families and the planet (Green with Team NTT)

■NTT Communications Group Initiatives Relating to Preservation of Biodiversity

Initiative Items	Outlines of Initiatives
We implement actions that take into account the preservation of biodiversity in business activities (Green of ICT)	At the time of construction of a wireless relay station, conducting a habitat survey of the area's plants, birds and insects, and implementing a construction plan that does not destroy ecosystems. Removal of wireless relay stations should be carried out in the same way.
	Providing wireless relay station space in an effort to facilitate the observation of wild bird protection
	Decreasing electric power consumption by making air-conditioning more efficient and improving lighting in communications and office buildings as well as through PC energy-saving measures
	Reducing the impact on ecosystems of product procurement by procuring best-selling devices and green purchasing
	With the prevention of marine pollution as a basic policy, laying submarine cables that protect coral reefs and cleaning the ocean floor before and after laying cables
	Rainwater, recycled water used at data centers in Singapore, Hong Kong and Malaysia for air-cooled chillers and for watering plants. Reducing the amount of electricity used for lighting by efficiently applying natural daylight at data centers and office buildings in Vietnam
	Implementation of initiatives toward 5% year-on-year reduction in amount of water used at Taiwan office
We contribute to preservation of social biodiversity in business activities (Green by ICT)	Including biodiversity special features and disseminating information on the environment from home and overseas in "eco-goo."
	Undertaking wildlife damage countermeasures that efficiently employ IT
We deepen understanding of biodiversity and promote nature conservation activities together with employees, their families and the planet (Green with ICT)	Elimination of disposable chopsticks in cafeteria
	Forest maintenance, logging and tree-planting in cooperation with NPOs (Ome City, Tokyo and Shiroi City, Chiba Prefecture)
	Encouragement of personal cup use at vending machines
	Participation by NTT Taiwan in flora and environmental protection activities organized by the Taiwan Environmental Information Association
	Forest environment conservation and tree planting through Tokyo Greenship Action

Considerations during Data Center Construction

As a global ICT company, we promote biodiversity considerations at our data centers. We promote a multifaceted approach at data centers in Japan and overseas.

Minimizing the Influence and Impact on Local Ecosystems

Large-scale facilities like data centers make it necessary to keep in mind the effect they have on the surrounding ecosystem, such as the use of water resources at such facilities, pollution and drought. Without compromising any unique vegetation in the surrounding area, times of construction and on-site maintenance require a basis that implements ways to derive benefit from them while conserving biodiversity.

Naturally, at the Serangoon Data Center that commenced operations in fiscal 2012, a way was thoroughly developed to ensure that hazardous substances such as oil do not become mixed into the on-site water and cooling water that makes effective use of rainwater and recycled water (desalination and re-treated water). While actively incorporating a wide range of trees that are native to the area, great consideration is given to the on-site vegetation by conducting felling of those trees through consultation with the National Environment Agency (NEA).

■**Data center plantings give consideration to indigenous species**

Consideration for Local Landscaping and Greening

We feel it is important to show consideration for biodiversity in facility designs that contribute to local greenery and in the surroundings.

At the Tokyo No. 6 Data Center, a large-scale urban facility that opened in fiscal 2013, we took advantage of funding from the Tokyo Metropolitan Park Association's Urban Green Fund, working closely with the community to promote greening activities. The green spaces within the site have been planted into two zones: spring/summer and autumn/winter, so that visitors can enjoy seeing flowers at the site throughout the year.

We have sought to achieve harmony between the data center and the surrounding community. For example, we have set up a wind-simulation environment and planted evergreen trees in the southwest corner, which is affected by wind.

■**Spring/summer zone**　■**Autumn/winter zone**

Laying of Submarine Cables

In constructing its undersea network infrastructure, NTT Communications' fundamental policy is to prevent marine pollution. We are signatories to treaties on the prevention of marine pollution and, in addition to complying with environmental legislation, undertake initiatives that place importance on coexistence with marine organisms and the fishery industry. Group company NTT World Engineering Marine Inc. (NTT-WE Marine), which handles the laying, burying and maintenance of underwater cables, promotes a strong awareness toward the preservation of the marine ecology.

Consideration Given to Impact of Cable-Laying

We conduct assessments prior to laying underwater cables and work with related government authorities and municipalities in carefully designing cable routes and drawing up construction plans. For example, we seek to avoid coral reefs and other inhabited areas in our efforts to avoid affecting the marine environment.

Moreover, before laying or burying submarine cables, we clean the planned ocean seabed route, bring to the surface debris from the seabed, including discarded nets, rope and wire for proper disposal as industrial waste to preserve the marine environment.

■**Cables laid on sand,**　■**Trash collected from**
　away from coral reefs　　**the bottom of the ocean**

Consideration for the Impact of Cable-Laying Ships

Marine organisms that infest the chain lockers and safety-maintaining ballast water of submarine cable-laying vessels have the potential to threaten native ecosystems in other parts of the ocean as vessels navigate from one area to another. As a result, the cable-laying vessel Subaru undertakes thoroughgoing measures to clean its anchor chain locker as part of its efforts to protect ecosystems. With regard to ballast water, ballast water treatment equipment that meets the standards set by the International Maritime Organization (IMO) was installed in January 2014. Since the equipment has an ultraviolet sterilization system that does not use chemical substances, impact on the environment is minimized.

In the case of ship paints, the effect that tin has on ecosystems has been recognized as an issue in recent years. We are therefore thorough in our use of tin-free paints in compliance with the AFS Convention (the International Convention on the Control of Harmful Anti-fouling Systems on Ships).

■**Prior to hull painting**　■**After hull painting**

Upon Construction and Dismantling of Relay Stations

Underpinning data communication networks, wireless relay stations are often located in rich natural areas, such as on hills and islands. We thus emphasize consideration for biodiversity in their operation.

As of March 31, 2015, 15 of our 106 wireless stations were in national parks or quasi-national parks. The NTT Communications Group carefully builds micro-roads, recognizing that we need to patrol and maintain these facilities, while adhering strictly to the law and our own environmental assessment methods. In undertaking assessments, we establish specific areas of concern and align construction processes accordingly. We adopt a multifaceted approach toward avoiding and minimizing any impact on the ecosystem. In addition, we strive to restore the environment to its original state prior to construction when dismantling wireless stations. We consult with local residents and use local soil in our restoration activities.

We have also been acting appropriately and conducting activities that provide facilities from the perspective of wildlife conservation. For example, every year since September 2012, the Amami Ornithologists' Club NPO has held a Chinese sparrowhawk migration birdwatching meeting within the NTT Communications wireless relay station in Amami City, Kagoshima Prefecture. Wireless relay stations are normally off limits, but having received a request saying that the area is suitable for monitoring the status of the ecosystem, events are held with employees in attendance.

■Chinese sparrowhawk migration

Water Conservation Initiatives

NTT Communications is working to reduce the amount of water used in its offices. As one aspect of these activities, in May 2013 we began installing water-saving valves on the toilet units at our head office building (the NTT Hibiya Building). As the water-saving valves are capable of measuring and separating the flow of the amount of water necessary, we were able to cut our water use by around 45%. The valves also employ usage data to verify water savings and degree of environmental contribution.

We have installed these water-saving valves in 90 toilet units within the NTT Hibiya Building. The annual water-saving effect for fiscal 2014 was a decrease of approximately 9% compared with the NTT Hibiya Building's overall water usage prior to the valves' installation.

■Water-saving automatic washing unit

Contributing to Ecosystem Conservation Using ICT

The damage to agriculture caused by wild boars and deer is becoming an issue of increasing concern across Japan's farming and mountain communities. The setting of traps is being used as one countermeasure to minimize the damage caused by wildlife. NTT PC Communications Inc. has developed "Mimawari Rakutaro" as one part of its "field cloud service." This is a wildlife observation and alarm device which utilizes an outdoor sensor that transmits data. In this manner, the company is contributing to countermeasures aimed at minimizing the damage caused by wildlife. Employing the communication services of NTT Docomo to automatically transmit a message to a designated mail address when a trap has been activated, the Mimawari Rakutaro device has brought about a significant reduction of the burden placed on patrols. As one version of Mimawari Rakutaro also comes equipped with a camera, the transmission of images further ensures an immediate response should a person be caught in a trap by mistake.

Since first going on sale in July 2011, Mimawari Rakutaro has been adopted by 40 local governments across Japan and contributed to ecosystem conservation in woodlands.

■Mimawari Rakutaro

Educational Activities by goo Green Label Information Dissemination

The goo Green Label portal donates a portion of the profits generated through use of the site to organizations engaged in environmental protection and social activities. All users can participate in this initiative simply by changing over to "goo Green Label," the top design version of the "goo" web portal, and using the search engine. A total of 98 companies, including those in the NTT Group, have currently signed up as "Corporate Partners," a program that has been recommended for in-house use within those companies. Since its inception in August 2007, donations totaling 53.8 million yen have been made to 86 organizations, the majority of which are NPOs engaged in global environmental protection activities.

In fiscal 2014, we contributed a total of one million yen to the National Land Afforestation Organization, a public utility association, which undertakes tree-planting activities as part of revival efforts following the Great East Japan Earthquake. Working in cooperation with the artist/music management group Office Augusta under the theme of "music and ecology," we employed a plan linking Web and real events to promote awareness of environmental protection through education.

■ "goo Green Label" site

Preventing Environmental Pollution

The NTT Communications Group is taking various steps to avoid a broad range of environmental risks stemming from business activities, such as environmental pollution and hazardous substance leaks. Measures include the formulation of guidelines covering the introduction of low-emission vehicles, improvements to facilities and methods of operation, the bolstering of management, and education and training.

With regard to chemical substance management systems, in which society has shown a growing interest, the Company has implemented proper management in maintenance departments over the course of its history—based, for example, on the Waste Disposal and Public Cleansing Act, the Law Concerning Special Measures Against PCB Waste and the Electricity Business Act—including the assigning of vice presidents as managers. While conducting storage inspections on a regular basis, we are thoroughly overhauling the system to implement the rapid coordination of information to include senior management under the leadership of the President in the event of an earthquake or other disaster. By means of training sessions on environmental laws, we always keep abreast of the content of law revisions, share information among all Environmental Working Groups and plan optimization of our operations in a timely manner.
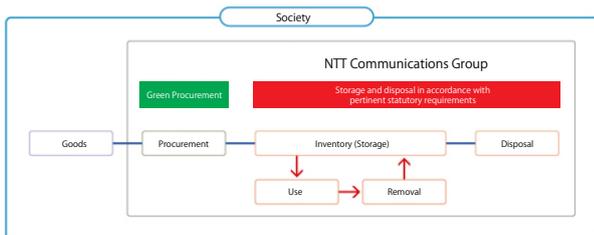

Handling of Environmentally Hazardous Substances

Air Pollution Countermeasures

Our business activities emit NOx and SOx, which cause air pollution. Approximately 70% of the NOx emissions are attributable to the use of gasoline and diesel in our operational vehicles, with the remaining 30% are emitted during the generation of electric power in communications buildings and other facilities. Most SOx (around 93%) is emitted during generation of the electricity we use.

In fiscal 2014, we reduced our emissions of both NOx (by 70 tons year on year, to 463 tons) and SOx (by 25 tons to 92 tons) due in both cases to the lower levels of electric power consumed. In the years to come, we will encourage driving techniques that show consideration for the environment and review our vehicle fleet numbers while promoting the mitigation of global warming and the prevention of air pollution by taking steps to reduce electricity usage in our businesses.

■NOx Emissions
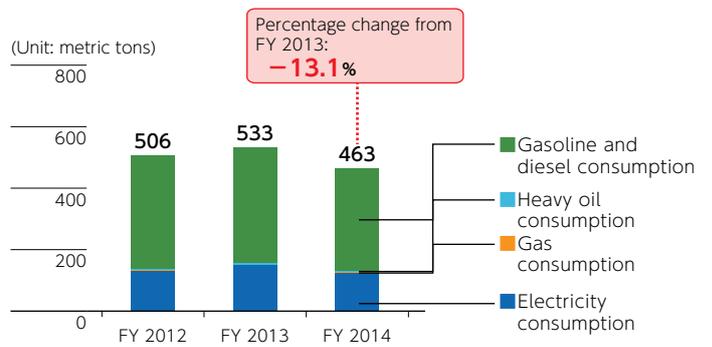
(Scope: 14 domestic companies of the NTT Communications Group)

■SOx Emissions
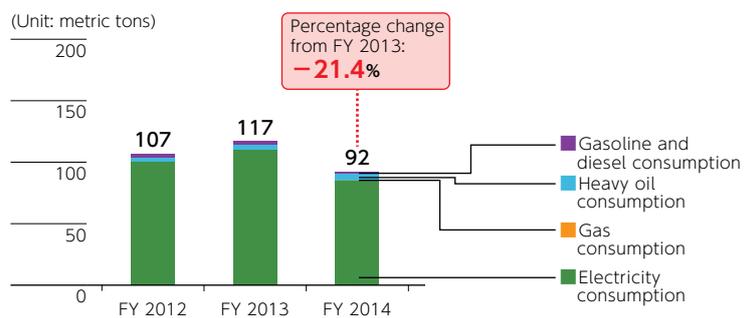
(Scope: 14 domestic companies of the NTT Communications Group)

Ozone-Depleting Substance Countermeasures

We dispose of ozone-depleting substances in an appropriate manner. The volume of specified halons used in our fire extinguishing equipment in fiscal 2014 was approximately 143 tons, roughly the same as in the previous fiscal year. Meanwhile, the volume of specified Freon gas (CFCs) used in our air-conditioning equipment in fiscal 2014 was up 12 tons from the preceding fiscal year to approximately 275 tons.

### ■Volume of Specified Halons Used in Fire-Extinguishing Equipment

(Unit: metric tons)

(Scope: 14 domestic companies of the NTT Communications Group)
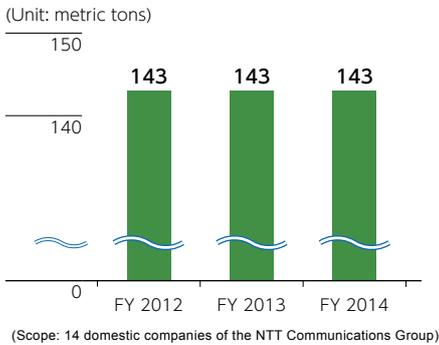
■Volume of Specified CFCs Used in Air-Conditioning Systems

(Unit: metric tons)

(Scope: 14 domestic companies of the NTT Communications Group)
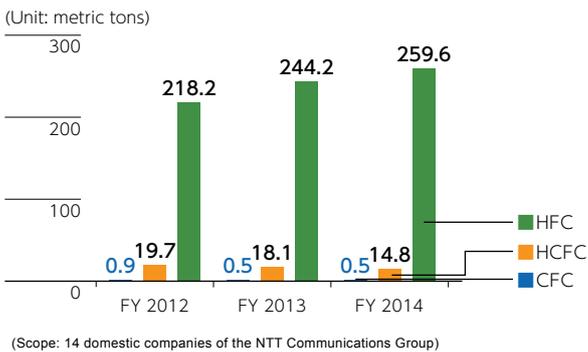
Asbestos Countermeasures

Asbestos countermeasures for buildings and offices involved implementation of airborne asbestos surveys of buildings for which asbestos had been spray-applied to confirm that levels did not exceed statutory limits, which were revised in September 2006. As there were no buildings demolished in fiscal 2014, there were no asbestos emissions. We are going to continue systematic implementation of appropriate measures such as removal, containment or enclosure of asbestos in buildings where it is present in line with manuals issued by the Japan Construction Occupational Safety and Health Association and individual local authorities.

■Asbestos Emissions

(Unit: metric tons)

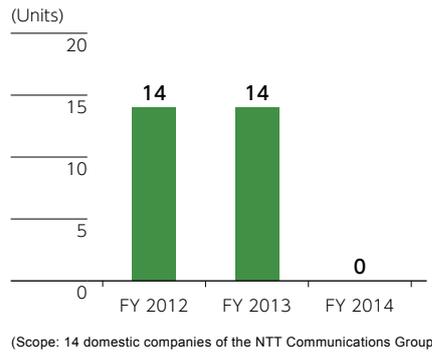(Scope: 14 domestic companies of the NTT Communications Group)
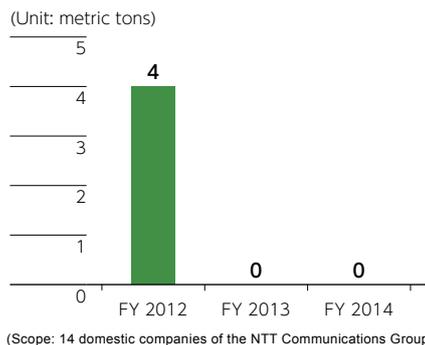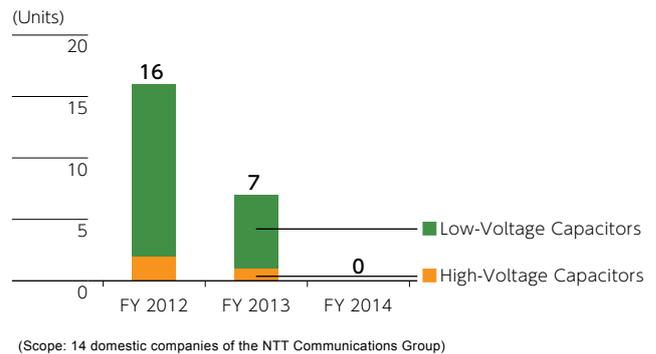
Storage and Management of PCB

NTT Communications appropriately manages devices that contain polychlorinated biphenyl (PCB). Such devices were used in the past as insulators for electrical facilities. As a policy for PCB storage, we have established a set of guidelines prescribing early detoxification treatment as well as methods for ascertaining conditions and management when the use of equipment containing PCBs is to be continued.

In fiscal 2014, we undertook the proper detoxification processing of 1,415 systems, comprising high-concentration PCB systems stored in Kyushu and Hokkaido and trace PCBs from all over Japan. Work on the remaining 2,203 high-concentration PCB systems, which are stored in Tokyo and Osaka, will commence as soon as the processing center preparations are complete.
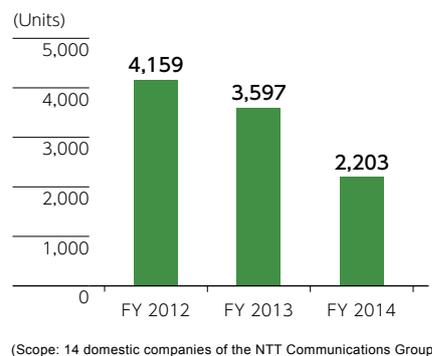
■Number of Transformers Stored

(Units)

(Scope: 14 domestic companies of the NTT Communications Group)

■Number of Capacitors Stored

(Units)

(Scope: 14 domestic companies of the NTT Communications Group)

■Number of Ballasts Stored

(Units)

(Scope: 14 domestic companies of the NTT Communications Group)

Chemical Substance Management in Anticipation of Emergency Situations

Against a backdrop of natural disasters that are occurring frequently on a global scale, in recent years society has shown a growing interest in the management systems needed for environmental pollutants in times of emergency. Owning and operating IT infrastructure throughout the world, we have been thorough in establishing storage and management systems while bearing "unlikely events" in mind for some time.

In the management of pollutants and PCBs in particular, we have implemented measures that recognize such factors as earthquakes, fires, flood controls, lightning protection, puncture resistance, ventilation and security. By carrying out periodic inspections, we are constantly confirming that such substances are properly managed. With regard to such events as major earthquakes and disasters, we have built a rapid verification system designed not only to prevent damage when a disaster first strikes but also from the perspective of preventing secondary disasters. We exercise great care in conducting uninterrupted operations in safety and security.

■Number of PCB storage locations

■Number of devices containing PCBs in storage

Cases of Major Leakage

There were no incidents involving major leakages in the NTT Communications Group in fiscal 2014.

Transport, Import or Export of Toxic Waste

In line with our policy of making an early effort to conduct the detoxification processing of PCBs, in fiscal 2014 we conducted the processing of those stored in Kyushu and Hokkaido. We will process the remainder, held in Tokyo and Osaka, as soon as processing center preparations are complete. We have no plans to transport, import or export any toxic waste.

Respecting Our Employees

People

The NTT Communications Group respects employee diversity and provides workplaces that champion self-fulfillment based on our Fundamental CSR Policy.

Realizing "workplaces with high professional awareness" and "fair workplaces in which personnel maintain a mutual respect for diversity" naturally requires education on the independence of mind for employees and the building of the mechanisms to make that possible. Based on these ideas, we have positioned the Groupwide initiatives to be addressed as core measures and are promoting ongoing improvements. These include the fair treatment of personnel and the development of training systems, the creation of workplaces where diversity is respected, and the upgrading of measures designed to maintain and enhance the health of employees.

We maintain high ethical standards in meeting our social responsibilities as a telecommunications professional that offers services around the world.

Personnel Data

■Total Number of Employees and Breakdown of New Employee Numbers by Gender

		Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Number of employees		8,150	8,000	6,850	6,850	6,509
	Male	7,200	7,000	5,900	5,900	5,543
	Female	950	1,000	950	950	966
New employees (excluding non-Japanese nationals)		215 (5)	226 (14)	212 (36)	223 (29)	219 (36)
	Male	157 (3)	160 (8)	148 (23)	167 (18)	149 (19)
	Female	58 (2)	66 (6)	64 (13)	56 (11)	70 (17)

(Scope: NTT Communications [non-consolidated], excluding seconded employees)

In fiscal 2014, we implemented a wide range of activities on the basis of "respect for diversity and taking steps to promote equal opportunity and other objectives," a priority activity. Firstly, with regard to the building of workplace systems that allow diverse personnel to work with vitality, we consider initiatives that we term Perspectives as a responsibility that companies should fulfill for their employees. In keeping with this belief, we engaged in a number of themes and have steadily achieved results in each. The themes included the promotion of working style reform, support for balancing child raising/nursing care and careers, and improving the statutory ratio of employees with disabilities.

In actively utilizing the diversity of our personnel, we are also building systems to enable companies and their employees to grow together. As these moves are indispensable for a global ICT corporate group that continues to provide value to society, we are accelerating the pace of Groupwide initiatives in the promotion of global human resource exchanges and the placing of women in management positions.

In fiscal 2015, we will continue to encourage the kinds of core initiatives outlined above and ensure that diversity remains respected, while causing the spread of activities to corporate groups that are enlivened by their personnel and to all workplaces, be they in Japan or overseas.

Fiscal 2014 Activity Achievements

Priority Activity	Measure	Fiscal 2014 Targets		Fiscal 2014 Achievements		
		Qualitative Target(s)	Quantitative Target(s)	Status of Specific Activities	Quantitative Result(s)	Self-Assessments toward Target Achievement
Respect diversity and take steps to promote equal opportunity and other objectives	Promote diverse working styles by extending work-related reforms across the Company	In response to issue of workplace productivity raised in all-employee survey, make sustained effort to achieve process improvements	Improve assessments of workplace productivity in companywide employee questionnaires	Work-Life Committee and Diversity Office worked together to formulate action plan to realize effective, highly productive ways of working from each organization Initiatives taken to put into practice productive ways of working	In companywide employee questionnaire, workplace productivity assessment edged down by 0.12, from 3.23 to 3.11 (out of maximum score of 5.0)	☆☆★
	Enhance support for balancing child raising/nursing care responsibilities and careers	Implement support measures to enable both men and women to continue engaging in lively work and careers while balancing child raising/nursing care	–	· (1) Held seminar on supporting balance between childcare responsibilities and careers for employees returning from healthcare leave (May); (2) Held life event (pre-natal) consultations (April, July and March); (3) Held seminar on returning from leave for employees currently on childcare leave (January) · Started skills enhancement training (five-hour menu) in which even people working shorter hours can easily participate · Due to career continuation program (day care center support) two people return to work after childcare leave	–	★★★
	Improve statutory ratio of employees with disabilities	To achieve statutory employment rate of 2.0%, continue recruitment activities throughout NTT Communications Group	Statutory employment rate: 2.0%	To achieve statutory employment rate of 2.0%, implement recruitment activities throughout NTT Communications Group	Statutory employment rate (NTT Communications, non-consolidated): 2.07% Statutory employment rate (NTT Communications Group): 1.91% (As of March 31)	☆★★
	Expand personnel exchanges on a global scale	Increase number of companies involved in both seconding and hosting employees. Enhance program follow-up during secondment and hosting, concentrate on more effective personnel interaction	Continue to second approximately 80 people overseas and host around 20 people from overseas	With regard to people seconded from NTT Communications, number was same as previous year with personnel seconded to companies newly acquired by M&A and increased personnel exchanges With regard to hosting of more personnel from overseas, initiatives taken to revitalize exchanges between those hosted, building of global-scale human networks achieved	Personnel seconded overseas by NTT Communications: 74 Personnel from overseas companies hosted: 24	★★★
	Improve ratio of women in management positions	Continue mentoring and seminar activities by female managers, devise ongoing improvements in employee career-mindedness	–	• Total of 83 women employees took part in Open Cafe events held in September, December • In February, held discussion between women in management positions for newly joined employees, attended by 32 people • Conducted Next-Generation Leader Program for Women (first round: April to December 2014; second round: October 2014 to February 2015), total of 72 employees participated. Individual mentoring offered as part of program. According to a survey, one resulting effect was ratio of women employees in their 30s expressing desire to become managers improved from 55% to 61%	All-employee questionnaire results showed trend toward elimination of gender gap in career-mindedness, but career-mindedness of female employees remained at same level as previous year	☆★★

Self-Assessment Achievements Set at Four Levels

☆☆★：Target only partially achieved
☆★★：Target almost achieved
★★★：Target achieved

Human Resource Development and Evaluation

Aiming to remain a company where employees can demonstrate on-site capabilities while playing an active role in business operations, NTT Communications is pursuing various measures to that end.

We aim for continuous improvement through a human resource development cycle. The cycle begins by defining ideal employees and desired skills. We then assess individual skills and identify gaps between an individual's current skill level and that of an ideal employee. Finally, we consider how to effectively assign job duties and develop a training plan to close any skill gap.

The implementation rate for our Professional Human Resource Development Program, a main pillar of the NTT Communications Group's human-resource development policy, reached virtually 100% in fiscal 2010. We believe that we have gained a significant level of results in raising employee skills and elevating them to higher ranks.

We will continue to promote human resource development efforts, aiming to bolster corporate competitiveness through accelerated globalization. While continuing with our thinking that practical on-site experience is most effective, we will work on human resource development that in particular helps strengthen specialist expertise, as we endeavor to realize our Vision 2015.

Main Achievements in Fiscal 2014 and the Coming Years

We have also expanded opportunities to enhance specialized skills, based on the career development plan (CDP) for training professional human resources. Specifically, while conducting annual skill level checks of all employees, we encourage people to acquire public certifications and offer an extensive range of training menus for employees to choose from, their choices forming the basis for training.

As of April 2015, NTT Communications has offered 748 skills enhancement courses, 160 skills enhancement support courses (such as distance learning) and 94 personal development support courses.

In the years to come, in light of business globalization we plan to carry out further improvements in the career development menus.
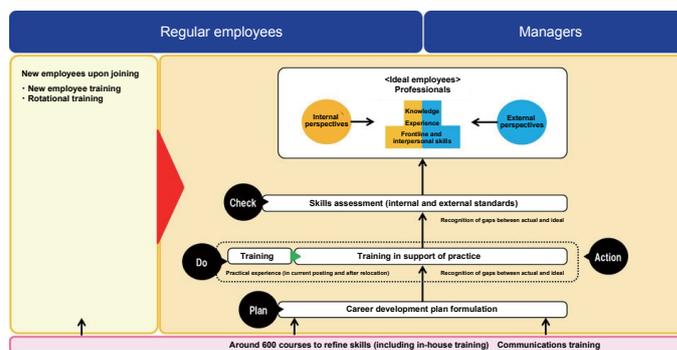
Systems for Human Resource Development and Evaluation

Education/Training Systems

We provide rotational training for new employees to give them experience of a number of positions but mainly at frontline points of contact with customers or in actual business unit environments. The goal here is to cultivate customer-oriented mindsets and encourage an understanding of the value chain at NTT Communications by real-life experience gained in organizations in each of the three functions of services, sales, and operations.

While formulating their career development plans (CDPs) in line with the Professional Human Resource Development Program and gaining real on-site experience, all employees select and decide on training courses after consultation with their superiors. With regard to the training menus, we review more practical and appropriate training content and take into consideration the results of employee surveys, while constantly devising structured training programs.

■ System of Human Resource Development Measures

Professional Human Resource Development Program

Given the changes in the operating environment and customer needs, including the growing diversity, sophistication, and complexity of customer needs as well as the increased pace of transition to new business and consumption models and globalization, NTT Communications is enhancing its frontline professional human resource development to make them capable of being active and accepted on the world stage.

Specifically, we have classified our professional human resources into nine specialized categories. For each, we have identified necessary skill levels from both internal and external perspectives, including applied expertise, experience, skills, ability to communicate with employees on-site, and specialization. In this manner, we support the development of professional skills for each employee in every area of specialization. We flexibly revise these specialist categories and skills standards on an ongoing basis, taking into account changes in the market and evolving operational strategies.

■ Nine Ideal Employees

[Main Category] Management united for employee's CDP	[Subcategory] Units to ascertain employee skills
① Sales	• Corporate sales • Partner sales
② Service planning/Marketing	• Colocation • Applications • Managed ICT • Networks • Voice • Cloud • Security
③ Operational planning	• Charges • SO • Maintenance
④ Engineering	• Data centers • Software development • Infrastructure networks • Applications • IP networks • Voice • Servers & storage • Security
⑤ Service management/ Project management	
⑥ ICT consulting	
⑦ Finance	
⑧ Legal affairs	
⑨ Staff	• Management strategies • Labor and welfare • Publicity • Business planning • Personnel • General affairs

Overseas Secondment Program Extended to Young Employees

Implementing an overseas secondment program with the aim of cultivating the human resources capable of excelling on the world stage, NTT Communications expanded those eligible to include young employees in fiscal 2011. Under this program, employees are sent overseas for one year to undergo on-the-job training, amassing global communications skills through first-hand experience. In fiscal 2014, we sent 74 employees overseas through this program.

Internal Job Posting System

We use an internal job posting system that provides motivated employees with challenging opportunities to maximize their potential in a wide range of fields. The system is being used extensively by employees of all ages, with job postings conducted within the NTT Communications Group and the NTT Group.

Job postings focused on bolstering the human resources in the following areas were conducted in fiscal 2014:

- Human resources aimed at bolstering global business
- Human resources aimed at bolstering cloud-related services
- Human resources aimed at bolstering security-related services
- Human resources aimed at bolstering upper layer-type services
- Human resources who are capable of bolstering Group companies toward the maximization of total Group power

In fiscal 2014, approximately 90 employees were assigned to departments of their choice within the NTT Communications Group and the NTT Group. Looking ahead, we will continue to actively use the internal job posting system to help employees advance their careers and to revitalize the organization. At the same time, we plan to promote job postings in domains that exhibit growing strength with the aim of attaining our business vision.

Personnel Evaluation

NTT Communications aims to improve its employees' desire to confront challenges and motivate them to perform to the best of their abilities. While as ever emphasizing fairness and transparency in this regard, we worked on revisions to our personnel and remuneration systems to put greater emphasis on results and performance.

Accurately assessing employees' performance against their goals is a crucial aspect of this system. Under this system, we recognize the importance of employees who act with an increased sense of speed and are prepared to boldly address change, without the fear of failure, while positioning the needs of customers as their first priority. At the same time, we are cognizant of the need to accurately grasp and evaluate the results of efforts to overcome certain challenges and reach specific results. In this context, we encourage employees to reflect on their voluntarily set goals and provide the opportunity to participate in semiannual performance review meetings with their supervisors to ensure agreement on the results of their job performance evaluation.

Creating Workplaces where Diverse People Thrive

NTT Communications works to create workplaces that enable diverse human resources to thrive, regardless of their gender and age, race, nationality, or whether they are people with disabilities. Having established the Diversity Office in 2008 to utilize the diversity of its human resources and achieve targets stated in management strategies, we implement activities that center on working style reform, including meeting reforms, and the securing of diversity. The aims here are to support the career development of women, promote the hiring of people with disabilities, develop environments that utilize ICT, and improve productivity.

■Promotion of Diversity Fundamental Policy

- **Foster a corporate culture that leverages employee diversity to achieve targets stated in management strategies**
- **Continue to create environments that enable employees to show their full potential to produce human resources who further their own transformation and creativity**

Main Fiscal 2014 Initiatives and Coming Years

In fiscal 2014, particular attention was placed on promoting women in the workplace. The Company continued with efforts to boost the ratio of female employees in management positions, which is showing a steady annual increase and currently stands at 4.4% (as of March 31, 2015). Aiming to increase the number of women who excel on the frontline, we have channeled our energies toward developing the careers of female employees and worked diligently to raise awareness of opportunities. The proactive steps we took included the promotion of mentoring programs among female employees in management positions, the implementation of various role model initiatives, and the running of training programs geared toward female administrator candidate employees.

Although not to be confused with the current demographic process known as the graying of society, in a few years' time the numbers of veteran employees older than 50 will have doubled. Amid the increasingly top-heavy veteran tier, based on the recognition of the need in the years ahead to face up to reforms of existing businesses and to the challenge of new growth fields, we have been backing efforts to build tailor-made careers for employees in their 50s. While anticipating other ways of working following retirement age rehiring, these efforts will enable veterans to improve their willingness to take up challenges, display ongoing high levels of performance, and also enable them to continue working with motivation.

Carrying on from fiscal 2011, we continued to advance "working style reform." In specific terms, we put in place a smart device environment to realize working styles that help increase the efficiency and autonomy of work as well as productivity regardless of time and place. Making full use of this environment, we initiated efforts aimed at engaging in working styles that place a premium on efficiency while promoting paperless meetings. In order to enhance productivity, we hope to introduce ways of better balancing the work and home lives of employees. Accordingly, we will continue to implement this project in an effort to foster a corporate culture that places the utmost emphasis on employee health and the opportunity to further improve skills and capabilities.

Career Development Support for Women

NTT Communications provides career development support at various stages as part of its effort to increase opportunities for diverse human resources to engage in work in a lively and vibrant manner. In fiscal 2014, we channeled our energies into helping our female employees develop their careers and undertook the two key initiatives that follow.

(1) Career formulation through Next-Generation Leader Program for Women, for employees wishing to be considered as administrator-level candidates, and through training necessary for leaders and formulation of career development plans

(2) Established a forum (Open Cafe) that allows female employees to speak directly to female managers, take stock of their careers and better visualize their future

In addition to assessments with regard to working style reforms and other initiatives, the abovementioned encouragement for the development of women's careers was awarded the basic achievement standard grand prize at the Diversity Awards (Corporate Prize, Basic Category) held by the Japan Innovative Women's Network (J-Win) on March 6, 2015. Our efforts were assessed as strategic initiatives toward raising awareness, seen from when women join a company to executive training.

Employing People with Disabilities

Based on the concept of normalization, when employing people with disabilities NTT Communications verifies their desires with regard to the type of work and working environment, so that all can make the most of their skills, gives due consideration to their suitability and decides on their job descriptions.

As of June 1, 2015, we employed 121 people with disabilities in a broad range of fields, including sales and engineering. To remain fully compliant with the 2% statutory rate of employment of people with disabilities we implement recruitment drives for potential new graduate hires and, through employment agencies, for mid-career hires as well as regular support initiatives and have achieved a ratio of 2.08%.

Retirement Age Rehiring

We introduced a continued employment system that allows employees reaching the mandatory retirement age of 60 to continue working, if they wish, until they reach 65.

■Number of Rehired Employees

Fiscal 2012	Fiscal 2013	Fiscal 2014
55	38	54

(Scope: NTT Communications [non-consolidated])

"CAVA" Home-Based Call Center Operations

NTT Com CHEO holds training courses and certification examinations on computer and Internet settings and operations. It contracts certified individuals with a high level of examination-certified ICT skills as "CAVA operators," who work as home-based ISP call center staff.

NTT Com CHEO is working to expand nationwide training opportunities through the introduction of home-based training via the Internet. At the present time, there are approximately 1,900 CAVA operators throughout Japan. This system of home-based operators utilizes untapped human resources such as women who have had to stop employment due to child raising or caring for other family members, as well as retired senior citizens. In fiscal 2012, we institutionalized measures to help single parents become CAVA operators that were first initiated by NTT Com CHEO in fiscal 2009 with the aim of helping others achieve a better balance between work and childcare. We aim to expand employment opportunities by offsetting the cost of acquiring the necessary certifications and training to become CAVA operators.

Moreover, we are collaborating with local governments to provide employment support and to assist job seekers to gain ICT skills and certification while increasing opportunities to work from home. Through such activities, we aim to expand employment opportunities in local communities and contribute to community revitalization. Going forward, we will continue meeting the employment needs of a diverse range of people by providing opportunities for individuals to work without location or time constraints. As a part of this effort, we will expand operations beyond ISPs.

Global Human Resource Management (GHRM) Initiatives

Diversity management is attracting attention as a way of utilizing various concepts of values from a diverse workforce. We will have all Group companies work on GHRM as a unit with "Global One Team" as our key message to promote global activity by human resources.

In the long-term temporary assignment program that started in fiscal 2009, 20 locally hired overseas employees have been seconded to the head office and are promoting global business in Japan. In fiscal 2004, we introduced a system for bringing mid-career employees of overseas subsidiaries to work at headquarters for six months. This program succeeded in transmitting some of the skills and expertise they learned at overseas to the headquarters subsidiaries, and the resulting communication culminated in the "Global One Team" Promotion.

In fiscal 2014, NTT Communications expanded its reciprocal human resource exchanges with overseas subsidiaries. At the same time, we continued our initiatives of the previous fiscal year in global communications training, pre-assignment training and joint management training for NTT Communications and overseas subsidiaries. Since July 2011, eligibility for the overseas assignment program had been extended as far as young employees. This move develops employees who can succeed globally as soon as possible by dispatching new employees who have less than five years of experience in the Company to on-site locations overseas.

In the future we will continue to aim for further expansion of GHRM initiatives through the development and assignment of managers at overseas subsidiaries, who will lead global business for the entire Group, as well as through the promotion of global human resource exchanges.

Recruiting Global Human Resources

Taking into consideration the rapid and dynamic changes in its operating environment, the NTT Communications Group established Vision 2015, a medium-term policy that emphasizes the need to further increase the pace of business development. From the perspective of its human resources, the Group is strengthening its personnel Perspective in an effort to achieve this vision. This entails actively recruiting a wide variety of employees who are capable of bolstering competitiveness while taking the lead in the Group's globalization endeavors. In particular, we are aggressively hiring personnel who adopt a hands-on approach toward our worldwide expansion activities, focusing especially on students from a broad range of countries.

Given the strong global nature of our recruiting activities, we are stepping up efforts at overseas subsidiaries. Considerable emphasis is being placed on uncovering and hiring the highest caliber personnel from outside Japan. In this manner, we are successfully welcoming to the Group outstanding personnel, particularly engineers. In addition to hiring overseas students and Japanese nationals who have graduated from universities outside Japan, we are currently conducting job fairs throughout the world as well as recruiting on the campuses of overseas universities. In fiscal 2014, we undertook local recruiting activities in the United Kingdom, South Korea, the United States, and India.

Incorporating Employee Feedback

We communicate closely with employees because we seek to build a pleasant and motivating corporate culture. Our goal is to quickly reflect the ideas of our employees in our management and business processes by enabling employees to feel free to send proposals directly to us.

As part of that commitment, we launched the KAIZEN (Continuous Improvement) initiative in July 2006. We also instituted a Direct Line program to deal with constructive proposals from employees beyond organizational and supervisory boundaries. In May 2011, we made it easier to submit proposals through a change in the submission format that now requires only the identification of a problem within a business process, without necessarily requiring an improvement plan. We also changed the name to KAIZEN Support Line.

The proposals and the status of related solutions can be viewed on the KAIZEN Portal on the company intranet. In fiscal 2008, we instituted the KAIZEN awards system to encourage more proposals and to recognize both those who submit outstanding proposals and those who implement them. We have seen a number of increases in process efficiency as a result of this initiative.

We received around 999 proposals through June 30, 2015. We will continue to ensure an environment that increases opportunities for employees to voice their concerns, and in which a wide variety of ideas are reflected in business process improvements in a timely manner.

Dream Idea Contest

As an initiative aimed at expanding the horizons and opening up the future of the NTT Communications Group, we are calling for the submission of new ideas in a wide range of areas and implementing measures that will contribute to the development of services. This initiative is dubbed "the Dream Idea Contest," which encapsulates our desire to see a more vibrant NTT Communications Group.

This contest allows anyone working within the NTT Communications Group to submit an idea. During the five calls for submissions made to date, we have received more than 1,300 submissions, of which five have been adopted and turned into actual services. Applications are posted on a designated SNS site to allow for easy access and browsing while promoting the exchange of opinions. A system was put in place that allows even those uninitiated in the use of SNS sites to amend and brush up their ideas as they please.

Ideas that are picked as new services are recognized through an award from the president, which is helping to further motivate applicants to submit ideas.

As we work to become a company that is filled with dreams, we will continue to implement measures that help create vibrant and comfortable workplaces.

■**Dream Idea
Contest poster**

NTT Communications maintains a policy of labor-management equality. Based on this, we prioritize dialog that emphasizes labor-management relations characterized by independence and responsibility. In addition to employment and working conditions, we seek to foster mutual understanding of issues related to operations management.

Maintaining and Improving Employee Health

With regard to maintaining and improving environments, at all workplaces, in which employees can engage in their duties in a lively and vibrant manner, the basis can be said to be the creation of workplaces in which professional personnel are able to display their full potential. From this kind of perspective, we regard improving the work-life balance and the thorough implementation of occupational health and safety practices as two sides of the same coin. We therefore promote all kinds of measures designed to maintain and improving employee health.

On the subject of improving the work-life balance, a Work-Life Committee formed between labor and management at each Group company and a Health and Safety Committee organized at each building to ensure the thorough implementation of occupational health and safety practices serve to accelerate initiatives across the entire NTT Communications Group. In fiscal 2014, the Work-Life Committee implemented a range of measures aimed at decreasing annual total work time. Having made the mitigation of incidents resulting in employee injury a priority issue, the Health and Safety Committee recorded 11 incidents (the same as in the previous fiscal year). We thoroughly implement initiatives via each workplace on an ongoing basis to maintain and improve employee health.

■**Work-Related Accidents (Accidents while Working or Commuting)**

Fiscal 2012	Fiscal 2013	Fiscal 2014
12 (working 5 / commuting 7)	11 (working 3 / commuting 8)	11 (working 2 / commuting 9)

* Excluding corporate rugby team activities
(Scope: NTT Communications [non-consolidated])

Work-Life Committee

The Work-Life Committee at NTT Communications was established to create more satisfying workplaces and help employees improve the balance between their professional and private lives. The committee comprises management and employee representatives, who make a continual effort to implement a range of measures aimed at achieving the goals of decreasing annual total work time, realizing working styles that help increase the efficiency and productivity of work, and ensuring that duties are carried out appropriately and thoroughly.

Supporting Balance between Career and Child Raising/Nursing Care

NTT Communication promotes Measures to Support Next-Generation Childcare, which emphasize the importance of the healthy upbringing of the children who will lead the next generation. We have formulated a General Business Action Plan to help provide an environment with a greater variety of working conditions, both to encourage a balance between employees' work and childcare and also to address the needs of employees who are not raising children. We are working on an ongoing basis to reach the targets outlined in this plan.

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children*, we formulated a First Action Plan (April 1, 2005 through March 31, 2008), a Second Action Plan (April 1, 2008 through March 31, 2011) and a Third Action Plan (April 1, 2011 through March 31, 2015). These plans received strongly positive evaluations, and we were designated by the Tokyo Bureau of the Ministry of Health, Labour and Welfare as a certified business operator for fiscal years 2008, 2011, and 2015.

For employees on childcare leave, in fiscal 2014 we promoted awareness of systems that utilize sites such as "NTT-LiFE+" for employees raising children or providing nursing care. We also conducted prenatal consultations and seminars for employees taking childcare leave or to support employees returning to work after childcare leave. Altogether, 80 people attended these seminars. In January 2015, we joined three other companies—Hitachi Solutions, Ltd., All Nippon Airways Co., Ltd. (ANA) and Nissan Motor Co., Ltd.—in a four-way seminar for employees on childcare leave with people in other industries. Held for employees scheduled to return to work in April 2015, the seminar was aimed at encouraging preparation for employees returning to work.

We are currently formulating our Fourth Action Plan (April 1, 2015 through March 31, 2017) to enable each and every employee to work in a lively and vibrant manner and to create workplace environments where diverse working styles are both accepted and understood.

* Act on Advancement of Measures to Support Raising Next-Generation Children: This act promotes measures to support raising the next generation of children by creating an environment conducive to the healthy birth and upbringing of the children who will lead the next generation. Rather than relying on plans by national or regional public-sector organizations, this act calls upon companies with 101 or more employees to formulate and promptly submit General Business Action Plans. Companies with 100 employees or fewer are encouraged to make efforts on this front as well.

■New *Kurumin* logo

■Seminar for employees taking childcare leave

■Seminar for employees on childcare leave with people in other industries

■Number of People on Childcare/Nursing Care Leave

	Women	Men
Childcare leave	101	3
Nursing care leave	1	4
Maternity/paternity leave	83	—

Promotion of Working Style Reform

Among a host of endeavors, the Company is promoting a system that allows employees to work from home along with other measures designed to increase productivity. These endeavors are designed to provide employees with the opportunity to make the most of their abilities and to help create a workplace environment in which employees can perform their duties with greater vitality.

In addition, we took steps to improve the system for working from home (WFH) by extending the scope of eligibility to help employees with their childcare and nursing care commitments. Currently, the number of system users totals around 330. Through these and other measures, NTT Communications has successfully promoted more flexible working styles across a wide and diverse range of employees.

Over and above the WFH system, we are accelerating the implementation of working style-related measures that are unique to an ICT company. We have focused on creating an environment that would allow employees to work from remote locations when, for example, visiting clients outside the office or on a business trip. The use of tablet computers was therefore introduced to allow staff to more effectively use their spare time. Furthermore, particular emphasis was placed on reducing the number of documents and increasing the efficiency of meetings. To this end, we continued to undertake edification activities using Meeting 1/8th[1] posters while adopting paperless meeting tools to simplify the manner in which meetings are conducted.

Having conducted employee satisfaction surveys since fiscal 2011, we aim to improve employee job satisfaction and productivity by setting agendas and implementing measures in light of the survey results. Since fiscal 2014, we have been working to further improve employee job satisfaction by objectively pinpointing NTT Communications' strengths and weaknesses. To serve as benchmarks indicating job satisfaction we have thus newly adopted the Great Place To Work[2] numerical indexes that are used in research and analyses relating to job satisfaction.

[1] A method for increasing the efficiency of meetings by reducing by half the number of participants in, time taken for, and materials used during each meeting.

[2] Conducting research and analyses relating to job satisfaction, Great Place to Work® is a specialized agency active in more than 40 countries that implements activities, announced in the leading media, covering the companies and organizations that are recognized as having attained a certain level.

Cafeteria Plan

To cater to their varying lifestyles and needs, NTT Communications offers various benefits to all its employees equally throughout their time in our organization. Specifically, we have introduced a "Cafeteria Plan" system, which allows employees to choose from a wealth of benefit options (a total of 45 options in fiscal 2014) that suit individual employee lifestyles. In order to provide employees with life design support, we also set up a life design consultation office. In fiscal 2014, 176 employees used this office. Moreover, we offer life design training to 30-year-old employees while holding second-life seminars for employees aged 59. In fiscal 2014, 154 employees participated in life design training, while 127 employees attended second-life seminars.

We will continue enhancing our programs and menus to make them more employee-friendly.

Encouraging the Planned Taking of Various Types of Leave

Working toward improvements in the work-life balance of its employees, NTT Communications is encouraging the taking of leave. Specifically, we increase awareness about the taking of leave to coincide with long national holidays, such as during Golden Week and over the New Year period, and work to create working environments that facilitate the taking of leave. In fiscal 2014, the average amount of paid leave taken was 17.7 days.

There is also a lifeplan holiday system that enables the taking of leave, if necessary, for a week or more in such cases as employees who want to take a break, for nursing family members, volunteer activities, recurrent training and child care. In fiscal 2014, 52 people took advantage of this system.

Mental Healthcare

We are implementing various measures to secure occupational safety based on the creation of work environments that ensure the health and comfort of our employees.

We have extended to the general manager class the scope of "mental health keepers," whose role is to attend to employee mental health on the job. (In fiscal 2014, 242 employees took the course, bringing the total number of those certified as mental health keepers to 2,503.)

In addition, we offer various other services on a continual basis including counseling for high-risk employees based on reports issued by Japan's Ministry of Health, Labour and Welfare (a total of 392 participants in fiscal 2014). In putting in place a comprehensive support structure, we also provide employee consultation desks both inside and outside the organization as well as a counseling environment geared toward employees being sent on overseas assignment.

Going forward, we will continue to implement various measures that include Group companies in Japan to ensure healthy and comfortable work environments. We will also strengthen measures aimed at providing on-the-job support. We are also undertaking initiatives to reinforce our line care.