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CSR

The NTT Communications Group CSR Report 2008

Our Business Activities and Stakeholders

The NTT Communications Group has provided services that accommodate diverse information needs since its establishment in 1999 to offer telecommunications services. We are now pursuing Vision 2010, through which we are partnering with customers to bridge their present and future potential and create new communications value. We respect all stakeholders in keeping with our Guiding Principles. These parties include customers, business partners, shareholders, competitors, society, employees, and work environments. We are drawing on the social, environmental, and employee respect qualities of our CSR program so we can work with all stakeholders through our operations to create a sustainable society.

The NTT Communications Group

Enterprise Business and Internet Business: We provide more valuable services through these two business domains.

Enterprise Business ICT Solution Partner

We deliver world-leading consulting-based solutions.

Internet Business CreativE Life for Everyone

We provide personal Internet services that offer new lifestyles and value.

Society

Employees in 21 countries oversee more than 200 service areas (as of March 31, 2008). We constantly explore ways to contribute to society, participating in environmental protection and international exchange programs.

Pledge to Society

- 1 We will provide secure and innovative services that contribute to the sound growth of the Internet.
- 2 We will cherish communications with society.
- 3 We will understand and respect the cultures and customs of different nations.
- 4 We will contribute to the development of society and environmental protection.

Customers

We serve customers in Japan and abroad. We are building a framework to solicit customer opinions around the clock and reflect that feedback in our management and services.

Pledge to Customers

- 1 We will provide solutions and services that will truly benefit customers by understanding their needs, rather than taking our current products and services for granted.
- 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 long-term customer trust.
- 4 We will never betray the trust of our customers.

Business Partners

We source services, supplies, and personnel from our domestic and overseas business partners. We maintain win-win ties with partners by holding, regularly assessing, and following up on explanatory meetings while providing opportunities to exchange opinions.

Pledge to Business Partners

- ① We will fully utilize the partnerships we have formed to maximize value for our customers.
- ② We will select our business partners fairly.
- ③ We will build partner relationships that generate optimal results.
- ④ We will operate with integrity while providing value to our customers.

Employees and Work Environments

We aim to provide attractive work environments for all employees. They numbered 10,780 in Japan, 820 elsewhere in Asia, 1,210 in the United States, and 410 in Europe as of March 31, 2008. We are using our fair assessment system to build workplaces that respect individuality, diversity, and human rights.

Employee and Work Environment Pledge

- ① We will ensure all employees possess a sense of responsibility as ICT professionals.
- ② We will recognize individuality and diversity, and protect human rights.
- ③ We will trust and respect each other and create an environment that is conducive to personal development and self-fulfillment.
- ④ We will implement programs to reform our operations.
- ⑤ We will do our utmost to maintain security as an ICT company.
- ⑥ We will create dynamic workplaces.

Competitors

We compete fairly with domestic and international rivals in keeping with our position as a leading global entity in the NTT Group. Our relations with our rivals include jointly developing public policy proposals and jointly forming committees that report on industry progress.

Pledge to Competitors

- ① We will abide by the rules of competition and carry out business in a fair and sincere manner.
- ② We will further strengthen our own competitiveness by competing fairly.

Shareholders

We provide services that satisfy our customers and aim to improve corporate value by faithfully maintaining the support and trust of our shareholders.

Pledge to Shareholders

- ① We will disclose operating results fairly, accurately, and in a timely manner.
(We disclosed quarterly results in fiscal 2007)
- ② We will accurately convey our medium- long-term visions and strategies.
(We presented these during two results announcements in fiscal 2007)
- ③ We will achieve sustainable growth as a company and seek higher benefits for our shareholders.
- ④ We will not tolerate the misuse of information relating to our business activities which leads to shareholders loss of profits.

Basic CSR Policy

Our CSR activities aim to contribute to community prosperity and sustainability worldwide by creating new value and resolving problems through the information and communications services we provide as an ICT solutions partner.

■Contributing to Society

We strive to improve our information and communications technologies and provide stable, reliable, and secure communications worldwide, thereby making society safer and more secure.

We offer new business models and lifestyles that create new value by enabling people to participate fully in society.

■Protecting the Environment

We safeguard the environment in all our businesses and reduce society's environmental footprint through our telecommunications services.

■Respecting Employees

We respect employee diversity and provide workplaces that champion self-fulfillment. We and our partners main high ethical standards in meeting our social responsibilities as telecommunications professionals.

NTT Communications established its Basic CSR Policy in keeping with the NTT Group CSR Charter.



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NTT Group CSR Charter

■Message

As a leader of the information and telecommunications industry, the NTT Group is committed to providing reliable, high-quality services that contribute to the creation of a safe, secure and prosperous society through communications that serve people, communities and the global environment.

■Goals

Communication between people and their communities

1. We shall strive to create a richer and more convenient communications environment, and utilize our technology to contribute to the resolution of the various issues faced by societies with aging and declining populations.

Communication between people and the global environment

2. We shall strive both to reduce our own environmental impacts and build environment-friendly forms of communications, and to provide information and communications services that help to reduce the impact of society as a whole on the global environment.

Safe and secure communication

3. While striving earnestly to ensure information security and resolve telecommunications-related social issues, we shall do our utmost to provide a safe and secure user environment and contribute to the creation and future development of communication culture.

4. Fully recognizing the role that telecommunications plays as critical infrastructure supporting society and protecting our livelihoods, we shall strive to offer secure and reliable telecommunications services fortified to withstand disasters and capable of connecting people irrespective of time, location and other circumstances.

Team NTT communication

5. All of us on Team NTT* pledge to perform our duties with pride and a keen sense of responsibility in compliance with the highest of ethical standards, striving to fulfill our mission to society by working both for our own development as professionals, and for the further development of a flourishing and vibrant community.

*Team NTT comprises all NTT Group employees, including temporary employees, contract employees, employees of our corporate partners, and also former employees who endorse the NTT Group's CSR activities.

NTT Communications Group CSR Report 2008

Editorial Policy/Report Profile

Editorial Policy

Group CSR activities aim to contribute to community prosperity and sustainability worldwide by creating new value and resolving problems as an information communication technology (ICT) solutions partner. We issued this report to clearly convey our CSR approach to stakeholders.

This year's report presents policies and initiatives in three sections based on our Basic CSR Policy, which we implemented in June 2006.

We drew on feedback from the 2007 edition to build on a special theme in that report of involving all employees in initiatives. We also clarified areas that we wanted to highlight for readers. We identified key themes to cover in the 2008 version in a process to decide from the perspectives of materiality and completeness what we would present in print and online. See below for details on that process.

Methodology for Choosing Key Information for Report

We used the following two-stage process to choose information that is important for the Group, society, and other stakeholders, referring to the materiality requirements of Version 3 of the Global Reporting Initiative's Sustainability Reporting Guidelines.

1. We considered augmenting the themes of the 2007 report with content required under the Global Reporting Initiative's Application Level B, and the disclosure approaches of other telecommunications companies. We referred to the third working draft of the ISO 26000 Social Responsibility guidelines to ensure completeness.
2. We tested the importance of the above areas in terms of the six assessment items below, presenting particularly important information in the printed report and continuing to disclose other issues on our website to ensure completeness.

Materiality Assessment Issues

Issues relating to ongoing CSR impacts, risks, and opportunities that expert individuals and organizations have identified through surveys by the experts of CSR

CSR issues of significant social interest that the media frequently covers

Issues that interest stakeholders
(in employee and customer surveys and through other initiatives)

Key organizational issues, notably those relating to our management philosophy, Basic CSR Policy, and Our Business Principles.

Regulatory and voluntary agreement issues covering our organization and operations, notably the Telecommunication Business Law and the rules of the Telecommunications Carriers Association.

Important issues relating to other companies, particularly competitors and companies with outstanding CSR programs

Report Profile

●Reference Guidelines



Version 3.0 of the Global Reporting Initiative's Sustainability Reporting Guidelines.
Application level: Self-Declared B

The Ministry of the Environment's Environmental Reporting Guidelines (Fiscal Year 2007 Version) and Environmental Accounting Guidelines 2005

●Third-Party Opinion

Mariko Kawaguchi, Senior Analyst at the Management Strategy Research Department of Daiwa Institute of Research Ltd., again assessed our CSR activities and suggested improvements.

●Report Scope

This publication presents the CSR activities of NTT Communications and 44 Group companies (down three from the previous report) based on the Group's basic CSR Policy. It also includes specific information on individual Group companies.

The report also contains information on green and CSR-based purchasing in businesses outside the above scope in line with management's recognition of the significant impact of supply chain activities on society and the environment.

[Click here for details of Main Group Companies](#)

* Group Company Changes in Fiscal 2007

Plala Networks Inc. became NTT Plala Inc. on March 31, 2008. The move was in line with the integration of the video distribution services of NTT Communications' OCN Theater, On Demand TV, and Plala Networks' 4th Media to launch new television offerings through NTT Plala.

●Period Covered

April 1, 2007, through March 31, 2008
(although some content may be outside that timeframe).

●Issue Dates

We publish this report annually

This report: December 2008

Previous edition: December 2007

Next report: November 2009

Key Organizational Directorships of NTT Communications executives

- Telecommunications Carriers Association
- Japan Network Information Center
- Japan Telecommunications Engineering and Consulting Service
- The Association for Promotion of Public Local Information and Communication
- IPv6 Promotion Council

Information of Supplement to Printed Report

In keeping with our editorial policy for choosing key information for the printed report, we supplemented particularly important topics in that publication with information on our website.

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 - [Basic Stance on Creating Internal Controls](#)
 - [Domestic Group Company Activities](#)
 - [Cultivating Respect for Human Rights \(Initiatives\)](#)
 - [CSR Training](#)
- ▣ PART2 Contributing to Society
 - [Utilization of Submarine Telecommunications Cable Installation Technology to Submarine Seismometer Cable Installation](#)
 - [Public-Private Collaboration to Combat Viruses](#)
 - [Making the Internet Safe for Children](#)
 - [Improving Corporate Network Security Monitoring and Operations](#)
 - [Strengthening Internet Security Services](#)
 - [Tackling Spam Emails](#)
 - [Framework for Addressing Customer Requests](#)
 - [Action! OCN Initiative Quickly Addresses Customer Needs](#)
 - [Boosting Satisfaction through 99.999% Service Availability](#)
 - [Offering Advanced Services to Enhance Reliability and Convenience](#)
 - [Adopting Universal Design](#)
 - [Using Service Level Agreements \(SLAs\)](#)
 - [.com Master: A Valuable Internet Certification System for Training ICT Personnel](#)
 - [CAVA: Our Home Call Center System](#)
 - [Subtitling System for Hearing-Impaired Television Viewers](#)
 - [The World's First Joint Experiment of Telemedicine between Japan and Thailand](#)
 - [Matching Gift Program to Support Social Contributions of Employees](#)
 - [Other Activities for the International Community](#)
 - [Running Classes to Familiarize Communities with the Internet](#)
 - [Supporting the NPO Hiroba Database](#)
 - [Nonprofit Organization Accessibility Support Program](#)
 - [Company Kiosk Sales of Confectionery at Workshops for Persons with Disabilities](#)
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 - [NTT Communications Global Environmental Charter](#)
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 - [Environmental Initiatives of Group Companies](#)
 - [Power Purchases](#)
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 - [NOx Emissions](#)
 - [SOx Emissions](#)
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- ▶ [Managing PCB Storage Based on Guidelines](#)
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- PART4 Respecting Our Employees
 - ▶ [Obtaining Kurumin Mark](#)
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NTT Communications Group CSR Report 2008

Top Management's Commitment

Involving All Employees in CSR Initiatives to "Bridge" Today and Tomorrow

The NTT Communications Group aims to help create a sustainable society by resolving various social issues. We will achieve that by drawing on our basic CSR policy to build stronger ties with customers, employees, and other stakeholders from the perspectives of contributing to society, protecting the environment, and respecting human resources. We thus consider it important to keep acting responsibly and proactively, and have endeavored to engage Group employees in ensuring that our CSR thinking translates into the way we do business. In fiscal 2007, top management took further steps in that regard by undertaking initiatives to involve all employees in CSR efforts, complementing top management leadership in those areas to drive CSR forward.

Our mission is to build trust among customers worldwide by contributing to a flourishing society and fostering safe and comfortable lifestyles as a partner that bridges today and tomorrow. We are accordingly striving to create new value for customers and society through our core telecommunications services. Fiscal 2007 was the first year of Vision 2010, which presents specific and shared targets for fulfilling our Group mission. We deployed CSR initiatives involving all employees as part of efforts to strengthen our frontline focus on customers in keeping with Vision 2010.

We began bringing an office consolidation program, to shrink our environmental footprint and enhance operational efficiency. We relocated around 4,000 corporate marketing people, who launched a project to cut power and paper consumption while enhancing productivity in newly centralized offices. This example illustrates that employee initiative generates good solutions.

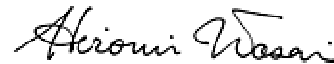
Our prime social mission is to keep linking people through telecommunications networks. We augmented our seven core values with a seventh, that of maintaining high levels of trust, to reiterate our view that each employee should contribute to CSR through our main businesses so we can fulfill our mission.

We set up an office to promote diversity and won recognition as a business that helps foster young people as part of an initial effort to help employees balance childcare and professional commitments.

Other first steps were our initiation of programs to help clean up Mt. Fuji and revitalize terrace rice paddies. With such efforts, we aim to become a true corporate citizen whose employees create opportunities in daily work to pursue CSR.

We are participating fully in the NTT Group's Green NTT program to tackle the issue of global warming from carbon dioxide emissions. We are also working on ICT systems that consume less energy and, indeed, the underlying goal of ICT in the first place is to contribute to socioeconomic activities by helping cut carbon dioxide emissions. In fiscal 2007, we reviewed our value chain and integrated procurement to streamline our overall efficiency. ICT assisted to these activities and also contributed to society.

President and CEO



Hiromi Wasai



We consider it important to restore the natural cleaning and carbon dioxide absorption capabilities of the mountains, rivers, and seas, and are seeking ways for ICT to contribute in those regards. We are also looking into how ICT can help address increasingly serious food and population issues. We will more actively exchange views with stakeholders and work more closely with society to help ensure long-term social sustainability.

CSR

NTT Communications Group CSR Report 2008

2008 CSR Indices

We established indices for activities based on our basic CSR policy. In fiscal 2007, we bolstered our activities by adding more benchmarks and a social contribution category. We will continue to revise and improve our indices in driving forward with CSR.

CSR Structure	Fiscal 2006	Fiscal 2007	Self-assessment	Fiscal 2010 targets
Group CSR Committee meetings	2	3	○	-
Parent corporate governance				
Board of Directors meetings	21	20	○	-
Board of Statutory Auditors meetings	17	17	○	-
Executive Council meetings	53	51	○	-
Market-in Council meetings	40	51	○	-
Group compliance				
Class on compliance in the workplace(number of participants)	776 (17,789)	557 (17,910)	○	All group employees
Group risk management				
Business Risk Management Committee meetings	1	1	○	2
Contributing to Society				
Faithfully serving our customers				
Initiatives to realize our core value of consistent high reliability				
Efforts to prevent accidents, shorten downtimes, and enhance quality (number of meetings)	11	28	○	-
Number of training sessions to create highly skilled engineers (number of participants)	10 (around 40)	70 (around 540)	○	-
Relationships with Society				
NTT Com CHEO's CAVA system participants (including home call center staffers)	1,600	1,630	○	-
NTT Communications Friendly Internet classes (people participating)	3 (64)	4 (85 people in Tokyo and Osaka)	○	-
Organizations involved in NTTPC Communications' NPO accessibility support program	14	14	○	-
Parent donations of used PCs	0	208	○	-
People participating in tours of NTT World Engineering Marine's Subaru, a vessel that lays submarine cable	160	150	○	160
Parent donations	913,940,000yen	45,530,000 yen	○	-
Relationships with Suppliers				
Parent meetings with suppliers to explain procurement	-	4	-	-
Protecting the Environment				
Group carbon dioxide emissions	356,000 metric tons	358,000 metric tons	△	Less than 370,000 metric tons

Group electric power consumption	880 million kWh	910 million kWh	△	-
Group company vehicle fuel consumption (gasoline and diesel) from year earlier	Down 0.9%	Up 10%	✕	-
Group dismantled telecommunications equipment recycling rate	98.7%	99.6%	○	More than 99%
Group construction waste recycling rate	84.0%	93.0%	-	-
Specific materials	97.1%	98.7%	△	More than 98%
Other materials	70.2%	70.9%	△	More than 84%
Group Office waste recycling rate	57.0%	58.6%	△	More than 70%
Parent office paper consumed per employee (A4 equivalent)	15,798 sheets	13,919 sheets	✕	9,500 sheets
Group water consumption	782,000 cubic meters	898,000 cubic meters	-	-
Group chemical substance management: Amounts of PCB treated and stored	2,768 containers	3,717 containers	-	-
Group environmental communications initiatives	2	2	-	-
Respecting Our Employees				
Fostering diversity and maintaining attractive workplaces				
Group				
Number of employees	12,720	13,220	-	-
Japan	10,600	10,780	-	-
Asia	700	820	-	-
United States	1,080	1,210	-	-
Europe	340	410	-	-
Parent				
Number of employees	8,750	8,550	-	-
Males	7,900	7,650	-	-
Females	850	900	-	-
Average age	39.4	39.9	-	-
Average years of service	17.1	17.1	-	-
Females appointed to positions above assistant manager level (and as percentage of appointees to such positions)	140 (3.2%)	145 (3.3%)	-	-
Percentage of employees with disabilities (as of March 1)	1.25%	1.44%	△	1.8%
Number of work-related accidents (while working or commuting)	6	6	△	0
Average annual number of overtime hours	289	289	-	-
Number of people taking maternity leave	57	71	-	-
Number of people taking childcare leave	99 (including 2 males)	111	-	-
Number of people using special working system to assist childcare	93 (including 4 males)	98	-	-
Number of people taking eldercare leave	3 (including 1 males)	6 (including 4 males)	-	-
Number of people working reduced shorter hours for eldercare	1	11 (including 3 males)	-	-
Menu options under cafeteria plan (usage rate)	49 (99%)	49 (99%)	○	100%
Respecting individuality and human rights				
Group				
Classes on human rights in the workplace (number of participants)	776 (17,789)	557 (17,910)	○	All group employees

Human rights issues classes for senior managers (number of participants)	1 (42)	1 (45)	○	1
Classes on sexual harassment (number of participants)	1 (213)	1 (237)	○	1
Parent				
Employees undertaking group training (January through December)	6,091	6,173	-	All relevant employees
Employees trained at external facilities (January through December)	3,071	3,194	-	All relevant employees
Meetings for dialog between senior management and employees (number of participants)	10 (720)	11 (990)	-	-
Experiential learning classes (number of participants)	4 (80)	6 (89)	-	-
Employee relationships				
Number of parent companywide surveys of awareness, etc. (response rate)	-	1 (82%)	-	-
Financial Performance				
Parent operating revenues	1,145.4 billion yen	1,154.5 billion yen	-	-
Parent operating income	77.3 billion yen	104.7 billion yen	-	-
Parent net income	30.3 billion yen	62.7 billion yen	-	-
Parent capital investment	100.5 billion yen	108.1 billion yen	-	-

Notes:

- We provided information for self assessments and 2010 targets only where relevant, indicating nonrelevant areas with dashes.
- Unless otherwise indicated, figures are as of March 31 or for April 1 through March 31.

CSR

NTT Communications Group CSR Report 2008

Employee Round-Table Talk



Deploying diverse CSR activities that involve all employees to create a flourishing society and safeguard the environment

Pursuing CSR offering network design potential and managing building power systems to conserve energy

Tamura: CSR is far broader than what one might expect, extending in recent years to encompass environmental issues and what companies can do as global corporate citizens. And ICT itself relates deeply to CSR, so in that respect it's safe to say that our CSR initiatives are very important. So, today I'd like us to look at the path that we ought to take.

Shida: I am in charge of creating a network ground design, so I think that building reliable networks is itself a form of social contribution. We're integrating our networks and creating simple networks. We can thus achieve low costs and high reliability and reduce electric power consumption.

Tamura: New technologies like optical switches and routers also seem to help reduce energy consumption.

Shida: That's right. New technologies for high speed, broadband capabilities, and saving energy are part of our CSR approach. We're procuring decisively telecom equipments supporting direct current power supply to achieve high power efficiency.

Nemoto: My job is to maintain Group power facilities and manage energy usage. One of our focuses is switching to direct current, which Mr. Shida just mentioned.

Tamura: Mr. Nemoto also looks after our energy conservation facilities.

Nemoto: Yes, I visit tenants in each of our buildings to talk about how they can adopt high-efficiency airconditioning systems and energy-saving personal computers and lighting. We're also working



Masae Tamura

Senior Executive Vice
President and Chairman of Group
CSR Committee



Kazuma Shida

Manager
Network Ground Design Office
Network Business Division

on a project to install solar panels to eliminate our reliance on fossil fuels in power generation. I think that deploying solar power and other natural energy sources will become more important from the CSR perspective.

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Using virtualization technologies to slash energy usage and procure goods that reduce environmental impact

Tamura: Jun Takahashi, you're deploying virtualization technologies, which could dramatically reduce environmental impact.

J.Takahashi: Well, there are conventionally many dedicated servers for email, the Web, or other applications. But virtualization technology could enable us to put multiple capabilities on a single server. So, one server with dual roles would theoretically consume only half the power that two would otherwise need. We call our setup the Green Hosting Service.

Nemoto: Once virtualization technology takes hold there should be tremendous environmental benefits from energy conservation as well as space savings and reduced waste.

J.Takahashi: Another advantage of Green Hosting is that it improves user convenience by eliminating the need to shut down systems for maintenance. In the near future, virtualization technologies should lead to thin clients.

Shida: This will transform the way we work while saving energy. I really look forward to that.

J.Takahashi: That's right. With a thin client, the server manages applications, files, and other resources. The client computer thus needs much less hardware and consumes a lot less power than regular counterparts.

Tamura: Tetsuro Takahashi, you're involved in what's green procurement in CSR terms, right?

T.Takahashi: We approach green procurement based on Guidelines for Green Procurement that aim to boost the overall environmental standards of suppliers.

Nemoto: In procurement of equipment and building networks, the Company pursues energy-saving activities in the energy management field I look after, as do other operations. Still, I think that the Company will need to take more comprehensive steps to make these efforts more effective.

T.Takahashi: Yes. We need to consider procurement that also factors in things like conserving space.

Sakurada: Tetsuro Takahashi, I've heard that your section also engages in environmental protection activities other than your work. What sort of efforts might they be?

T.Takahashi: We called ourselves the Environmental Protection Team. The idea is that we embrace environmentalism in our daily lives, collecting PET bottle caps to support purchases of polio



Isao Nemoto

Manager
Integrated Network Department
Network Business Division



Jun Takahashi

Manager
Server Management Service
Department
IT Management Service Business
Division



Tetsuro Takahashi

Manager
Procurement Office
Corporate Planning Department

vaccines, picking up garbage in Odaiba, Tokyo, and selling unwanted items at bazaars.

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Communicating beyond Immediate Job Frameworks in Drive for CSR Activities Involving All Employees

Tamura: The other day, I participated in the Rice Terrace Revitalization Project in Chichibu, Saitama Prefecture. It was a lot of fun and also very meaningful. You also took part, didn't you Ms.Sakurada?

Sakurada: Yes. As the name suggests, the project covers everything from planting to harvesting rice to revitalize the paddies. It was a great opportunity for us to interact with local people and see diverse creatures. And also, those would have been a very significant experience for our children. The rice terraces looked the most beautiful once we finished planting.

Tamura: That's right. And it was a great vehicle for showing children that nature is so valuable. I think the experience provided insights into thinking how to contribute personally to protecting the environment.

Sakurada: Taking part in the project raised my awareness of CSR and expanded my external and in-house network of contacts. The rice terrace revitalization project is the second participatory program begun this fiscal year, following to the Mount Fuji's cleanup project. They proved the adage that many hands make light work. I look forward to a new participatory CSR efforts like these.

Shida: The rice terrace revitalization project showed that it's important for all participants to share goals and a sense of accomplishment. I get the feeling that it's important with saving energy to make results visible.

T.Takahashi: One way of visualizing energy savings in my section was to convert carbon dioxide emission reductions from reducing power usage into the number of Konara trees the savings would represent and posting the information on a wall.

Nemoto: Visualization is both physical and about having a certain feeling, and I think that provides motivation for driving ahead with CSR.

Tamura: To sum up, we spoke today about various CSR efforts and the importance of stepping up activities in each business unit and expanding participatory CSR efforts. I sensed a need for going further to engage in more complex and collaborative approaches. As people whose mission is to manage networks, we want to contribute decisively to all stakeholders and go forward in safeguarding the environment. Thank you all for your time today.



Kae Sakurada

Process and Knowledge
Management Department
Information Systems Business
Division

NTT Communications Group CSR Report 2008

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Special Feature 1

Pursuing Environmentally Friendly Work Style Reforms in Line with Enterprise Business Division's Relocation to Hamamatsucho Office

In February 2008, the Enterprise Business Division relocated to the Shiodome Building near JR Hamamatsucho Station in Tokyo. The division occupies the fifth through 12th and 19th floors. It has undertaken several trial measures to transform work styles to protect the environment, which we highlight in this section.

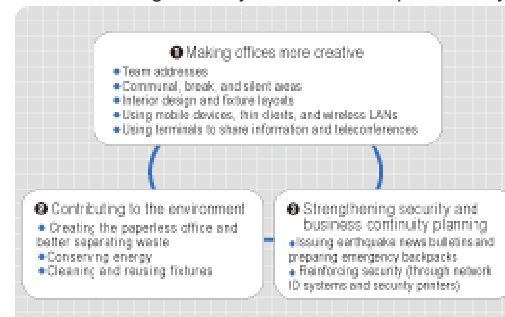


Transforming Work Styles to Improve Productivity

● Boosting productivity to enhance services

We shifted nine Enterprise Business Division offices around Tokyo to a single location as part of a concentration drive to boost our ability to deliver solutions. The new office site aims to transform working styles to support productivity gains that underpin improvements in three respects. The first is to increase offices creativity. The second is to benefit the environment, and the third is to enhance security and business continuity planning. The new office location underscores our efforts as an ICT solutions partner, offering new working styles by reducing the ecological impact of its roughly 4,000 employees, providing a better working environment, and using ICT tools that improve convenience and security.

■ Transforming work styles to increase productivity



[Click to enlarge Transforming work styles to increase productivity](#)

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Pushing Ahead with Environmental Programs that Involve All Office Workers

● Creating the paperless office

Daily business activities generate or destroy a lot of paper materials. So, business efficiency and protecting the environment were major concerns. We took steps toward creating the paperless office by installing several IC-based employee security card systems, which eliminated the problem of people forgetting to pick up printed materials and the issue of misprints. We set up the latest projectors in meeting rooms to enable paperless gatherings. In shifting to the new office site, we classified documents according whether they should be discarded, made electronic, or kept in paper form. We thus destroyed enough printed materials to fill 6,000 cardboard boxes, but after the shift we initiated rules to eliminate needless paper. Our intranet graphically shows all employees the amount of paper that each business unit consumes.

●Increasing office waste recycling rates

Waste recycling rates at NTT Communications offices were unsatisfactory. We addressed this issue for the office relocations by seeking employee understanding of radical solutions that encompassed banning the use of waste baskets for individual employees and setting up 14 categories of waste container in communal areas (including for burnables, food waste, nonburnables, PET bottles, newspapers, and magazines). Another advantage of putting waste containers and even office equipment in communal areas was that employees now communicate significantly better.

●Reducing energy consumption from office equipment, lighting, and air conditioning

The Company already participates in the Team Minus 6% program, the three up, four down program for encouraging employees to use stairs instead of elevators, and puts PCs on energy-saving settings. Our next step was to encourage greater employee participation in efforts by using our intranet to show energy usage by business unit and floor and implement additional initiatives, such as by ensuring that office lights are turned off at lunchtimes.

■Environmental targets and achievements of Hamamatsucho office

	Eliminating paper	Recycle office waste	Using less energy in office
Goals (year-on-year)	Cut 25%	Improve recycling rate by 5%	Cut power consumption 5%
Averages for March through May 2008	Cut 12%	Improved rate by 3%	Reduced by 4%

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Improving the Working Environment

●Enhancing office worker comfort

Interior designs of the new office premises reflect our goal of improving productivity by transforming working styles. We established four business zones based on our creative workplace concept (see below). Meeting and conference rooms are for sharing information between employees and with customers. Silent areas enable employees to isolate themselves to concentrate better. Communal areas allow people to share information while drinking beverages. There is also a break area. We use a team address system, for which we provide special chambers with seating arrangements that vary according to projects and tasks. As a result, we aim to maintain vertical and horizontal collaboration among business units while enhancing office teamwork.

●Using ICT tools that improve convenience and security

New ICT tools have also helped transform work styles. Our internal communications infrastructure plan is to set up servers at data centers and link key buildings. Using client PCs will make it possible to output information from any building. We installed a teaming-based highspeed Ethernet LAN and a quarantine setup to check security that complements ID controls to improve network safety. Each employee carries a mobile voice terminal that operates over a wireless LAN throughout the building and switches to the FOMA 3G cellular system on the road. We installed large displays that make it easier for employees to share information from wherever they are. We won the New Office Promotion Prize in the 21st Nikkei New Office Awards for harnessing ICT to pursue more creative work styles.

■ Creative workplace innovations



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Producing Building Solutions through the Advanced Office

● Presenting creative office ideas to customers

We aim to create the advanced office, one that flexibly accommodates changes in the working environment. Such an office can be changed as needed to improve worker motivation and creativity. It also enables us to propose office solutions and expertise to customers that combine new technologies and existing tools. The Enterprise Sales Division IV office on the ninth floor of the building in Hamamatsucho is open to visiting customers. It showcases our relocation concepts, systems structure, and knowhow to promote our comprehensive building solutions to customers. Through our advanced office concept, we aim to make it easier for employees to work while offering better quality products.



Daisuke Fujioka, Senior Manager

Relocation PT Business Department Enterprise Sales Division I
(now Sales Department 2 in the Enterprise Sales Division II)

We received a lot of positive feedback from many employees with the relocation because it helped improve communication and work efficiency. We will draw on this experience to provide office solutions that satisfy our customers.



Masataka Kouguchi, Senior Manager

General Affairs Department

I oversaw work style changes for the relocation. We managed the project in terms of cost consciousness and were able to improve employee, communication, and environmental awareness while bolstering security.

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Special Feature

Special Feature 2

Supporting the G8 Hokkaido Toyako Summit

It was essential to provide reliable telecommunications at the G8 Hokkaido Toyako Summit in 2008 because of the national and social importance of that gathering. NTT Communications was in charge of safeguarding and maintaining communications networks and ensuring network service quality for the event.

Telecommunications Facilities Protection and Special Maintenance for G8 Hokkaido Toyako Summit

● Establishing a Nationwide Protection and Maintenance Structure

Our roles at the summit were to maintain and manage telecommunications facilities and deploy safeguards and maintenance services to prevent service disruptions. So, in April 2008, ahead of the summit, we participated in meetings with numerous related organizations as part of an effort to strengthen telecommunication facilities security, prevent cyber terrorism, secure communications lines, and ensure proper in-house and external collaboration.

We created three zones nationwide to ensure communications network reliability, protection, and maintenance for the summit. The first was the top priority zone in Hokkaido and Aomori for leaders at the gathering. The second was a priority zone north of Tokyo to maintain links between summit venues and the nation's capital. The rest of the country comprised a third zone of importance.

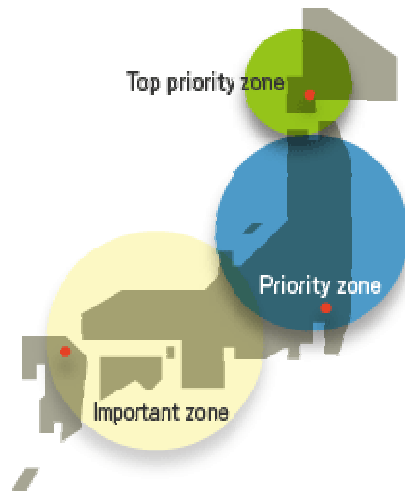


● Undertaking rigorous preparations and inspections

Before deploying protective and maintenance efforts, we prepared plans to prevent loss and theft, check the identities of suspicious persons, install and inspect facilities needing protections, and plan and create backup lines. We implemented a special maintenance program to run during the summit. From July 1 through 10, we took special steps to prevent hazardous construction, patrolled key routes and buildings, and established an information liaison structure.

● **Creating an emergency response structure**

We established a G8 Hokkaido Toyako Summit headquarters, which our president headed, in Hibiya, Tokyo. This headquarters provided companywide information liaison. We also created a structure to swiftly provide emergency response capabilities. On top of that, we created a local response team in Sapporo to liaise with summit venues and other locations. We set up a special team to combat possible cyber terrorism, strengthened threat monitoring, and prepared for emergency responses.



Certificate of appreciation from the Tokyo Metropolitan Police Department for providing systems protection and special maintenance at the G8 Hokkaido Toyako Summit.

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Special Feature 3

Launching the Diversity Office

NTT Communications has long championed employee diversity. In April 2008, we reinforced that commitment by launching the Diversity Office as a specialized management unit.

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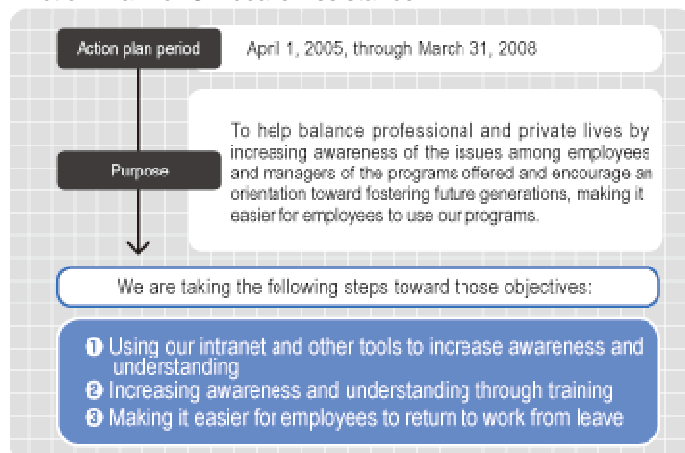
Special Feature

Balancing Professional and Private Lives

• Child-raising support initiatives

One key diversity priority for us is helping employees to balance their professional and private lives. We recognize the importance of enabling female workers to work optimally while caring for their children, so in April 2005 we inaugurated a three-year action plan to support childcare. This initiative has three main components. The first is to use our intranet and other tools to increase awareness and understanding. The second is to increase awareness and understanding through training. The third is to make it easier for employees to return to work from leave.

■ Action Plan for Childcare Assistance



Note: We launched our second childcare support action plan on April 1, 2008.

●NTT-LiFE+ site to assist child-raising and nursing care

In August 2005, we set up the NTT-LiFE+ intranet site to assist employees with child-raising and nursing care. We disseminate information in-house on our programs, and put up a bulletin board with frequently asked questions and information for sharing with employees. We also provide experiential consulting with people who have looked after children and inform about relevant government and private sector services. In fiscal 2007, we added internal publicity and other contents to keep employees well informed even when on leave.



■Kurumin approval mark
NTT Communications received this certification in 2008 for its endeavors in keeping with Japan's Action Plan to Promote Measures to Support the Development of the Next Generation.

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Employing Diverse People

●Swiftly satisfying legal requirements ratio for employing physically and mentally challenged people

The legal requirement for employing physically and mentally challenged people is 1.8% of all employees. We have made significant progress toward that goal, with such people representing 1.44% of our employee number in fiscal 2007. In April 2007, we appointed a manager to oversee such people, participated in job seminars and joint explanatory gatherings, and otherwise sought numerous opportunities to engaged in people with challenges seeking work.

●Post-employment followup

In January 2008, we produced a plan to cultivate employees to improve the rates at which they remain with the organization. We created a system to help improve employee skills based on that plan. In summer 2008, we started a program of interviewing employees individually in the first three years after they begin working with us. This program is one of many ways in which we follow up with employees.

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Holding childcare leave and work return support seminar in fiscal 2008

In April 2007, we began holding seminars to assist employees return to work from childcare leave. The first such gathering was in July 2007. Attendees were very satisfied with the event, which featured a panel discussion. Based on feedback, we held a full-fledged seminar in July 2008. People with childcare leave experience offered consultation. There was also a lunchtime meeting, followed by group work. Attendees found the content of this event even better than the previous one.



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Special Feature

Special Feature 4

Instituting CSR Programs that Fosters Employee Participation

We have instituted CSR programs in which employees learn first-hand about the importance of society and environmental issues and prioritize their responsibilities accordingly. For the current fiscal year, we have broadened our range of programs in which employees can easily participate, with an emphasize on nature and the environment. We plan to institute a points system under which we donate to nonprofit organizations that employees choose.

Mt.Fuji Cleanup Activities

Held on April 12, 2008
 Location: Woodland paths around the foot of Mt. Fuji
 Number of participants: 101 (employees and their families)

Many employees participated in a cleanup activities at Mt. Fuji on April 12, 2008. This was our first event in our employee-based CSR program. We arranged this activity to help to address the threat that discarded garbage is posing to Mt. Fuji's biosystem.

We conducted the activities with assistance from the NPO FUJISAN Club (see note below), with all participating employees wearing sweaters featuring our corporate logo. They collected garbage along 2.5 kilometers of woodland paths near the town of Obuchi, putting the waste in color-coded bags to assist sorting. They collected 1.7 metric tons of garbage during the two-hour effort. They found numerous illegally dumped items in the area that demonstrated the depth of pollution around Mt. Fuji. They included magazines, beverage cans, PET bottles, plastic bags, toys and other small household goods, electrical pots, printers, furniture, and bedding. There were also construction materials, tires, automobiles, and even pachinko gaming machines.



Note: The NPO FUJISAN Club is a nonprofit organization established in 1998 to engage in activities that safeguard and revitalize the environment around Mt. Fuji.

Its Japanese-language website address is: <http://www.fujisan.or.jp/>

Participant Comments

I was shocked at how much garbage people had dumped quite recently. We didn't spend that much time on the activities, but it was enough to attract me to participate again in a similar effort. I want to continue participating in CSR activities.

- Manabu Fujimoto, Network Business Division

I think this company-sponsored program was better than previous ones. It was good that the program in cooperation with the NPO FUJISAN Club which organizes cleanups for individuals and groups. It's very easy for individuals to take part.

- Hiro Okabe, IT Management Services Business Division

We responded to an invitation to people who joined NTT Communications in the same year. It was a really meaningful effort, and when we have children we'd like them to participate with us.

- Yuri Nakano and Yumi Adachi, Enterprise Sales Division II, and Yuki Takahashi, System Engineering Department



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Rice Terrace Revitalization Project in Chichibu

Held on June through November, 2008
Location: Chichibu City, Saitama Prefecture
Number of participants: 90 (employees and their families)

The second initiative in our employee-based CSR program was the Chichibu Rice Terrace Revitalization Project, in which participants amassed six times to plant and eventually harvest rice.

The project started life with a suggestion from the Saitama Prefectural Office, with which we have had ties through our Internet classes. We undertook the effort with guidance from the NPO Chichibu Environmental Association, a nonprofit organization. The goal was to help revitalize and preserve the rice terraces, which are home to a fragile ecosystem.

Participants used traditional organic farming techniques to plant and harvest rice. They observed wild birds, insects, and vegetation near the terraces. They sampled country life by dining on local dishes. The experience underscored the importance of protecting nature. The project exemplified our commitment to contributing to rural areas by engaging with them. It was an excellent vehicle for exploring ongoing CSR initiatives in the countryside that we can employ to develop new business concepts that draw on ICT capabilities that can help enhance agricultural productivity.





Participant Comments

I found it very valuable experiencing the natural cycle first-hand, from getting kneedeep in the mud to plant seedlings to harvesting and eating the rice.

- Junya Kato, IT Management Services Business Division

Lots of people took part on the day I was there despite the light rain. I was surprised just how committed our employees are to CSR activities.

- Toshiaki Ohori, IT Management Services Business Division

I and my seven-year-old daughter enjoyed a unique opportunity to help plant seedlings and harvest rice. She'd never even seen a snail before. Local high-school students had to pull her feet out of the mud numerous times, but she absolutely loved helping to plant seedlings.

- Reiko Ikeda, Enterprise Sales Division III



Yoshiro Kurosawa (right) , chairman of the NPO Chichibu Environmental Association, and Yoshiaki Hagiwara, committee member

Note: The NPO Chichibu Environmental Association was founded in 2003 to explore fair ways to harmonize people and nature in the local area.

[Its Japanese-language website address is:](http://www.urawa.ne.jp/~chichibu/)

<http://www.urawa.ne.jp/~chichibu/>



Comments from Yoshiro Kurosawa, chairman of the Chichibu Environmental Association, and Yoshiaki Hagiwara, committee member

We leased this property from the landowner, collaborating with high-school biology teachers and other volunteers to restore it to its proper condition. Their contributions have doubled the number of creatures inhabiting the terraces since we mounted our first survey. We use traditional organic techniques here, meaning that they are free of agrochemicals and fertilizer. Rice yields are admittedly lower than with modern approaches, but we have made it possible for nature to thrive.

We've worked closely to date with youth groups, schools, and other local bodies. NTT Communications was the first company to collaborate with us in the cycle of planting seedlings through harvesting rice. We welcome all NTT Communications employees to come and see what their colleagues have achieved in Chichibu. We think that their children would find it a very memorable experience. We want everyone to fall in love with Chichibu's natural wonders.



Starting initiatives that involve all employees

In fiscal 2007, NTT Communications launched its employee CSR program by stepping up waste separation and collecting PET bottle caps and donating them to an organization that uses them to buy vaccines. We hope that such efforts help raise employee interest in participating in social efforts.

Separating waste

We are increasing waste separation and recycling. We extensively separate paper waste, and switched from shredding to having NTT LOGISCO collect and recycle documents through its SS-BOX services.

Collecting PET bottle caps

We collect and donate the caps of PET bottles to the NPO Ecocap Movement, a nonprofit organization, which uses proceeds from selling the caps to buy polio vaccines. All employees began participating in our collection efforts in February 2007.

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NTT Communications Group CSR Report 2008

Ensuring Transparent and Sound Management

Our CSR Framework

Our CSR efforts center on faithfully fulfilling our social responsibilities by strengthening corporate governance, establishing a compliance framework, and respecting human rights.

Corporate Governance

● Governance Structure

We aim to strengthen corporate governance by drawing on the Board of Directors and Board of Statutory Auditors.

The Board of Directors has 15 members. In principle, it meets once monthly to ensure adherence to laws and ordinances, our articles of incorporation, and the rules governing that body, and to decide on important management matters. We strengthened oversight to ensure fair business practices by having the president chair this board and appointing one external director to it.

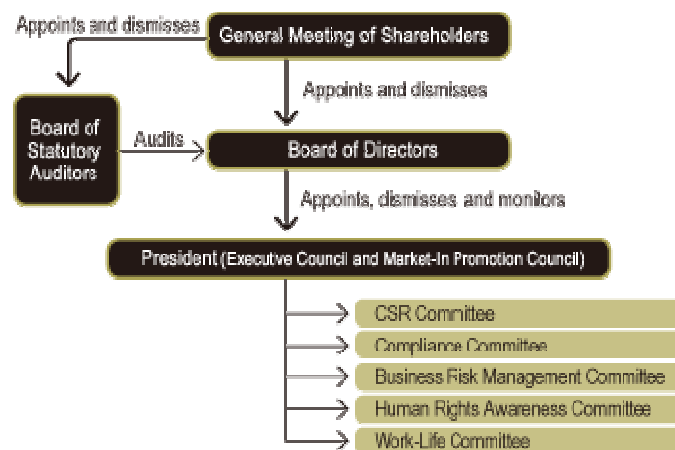
We appoint internal board candidates based on their character and professional excellence, without regard for nationality or gender. There is similarly no discrimination in appointing external directors, the principal requirements being independence from executing our operations and demonstrated supervisory experience and skills throughout their careers.

The Board of Statutory Auditors comprises two external people and one internal person. They attend meetings of the Board of Directors and all other important gatherings, as well as holding their own meetings. The auditors assess the activities of the Board of Directors. The Board of Statutory Auditors has its own staff and organization to optimize efficiency and reinforces oversight by working closely with accounting firms and sharing information on audit plans and results with them.

We replaced our directors' retirement benefits program as of June 2006 with a setup in which we more closely link the remuneration of internal directors to business performance. The remunerations of external directors are not related to operational performance to ensure their independence.

We established the Executive Council to discuss important management issues for NTT Communications and Group companies and thereby accelerate decision-making. That body met 51 times in 2007. The Market-In Council gathered 51 times during the year to deliberate and report on important individual matters. We also have specialist bodies. They include the CSR Committee, which the senior executive vice president chairs, as well as the Compliance Committee, the Business Risk Management Committee, the Human Rights Awareness Committee, and the Work-Life Committee. These councils and committees report regularly to the Board of Directors, which deliberates on and oversees their activities.

■ Governance Framework



● **Internal Controls**

The NTT Group formulated new basic policies to develop internal controls in response to the May 2006 implementation of the Corporation Law. At the same time, NTT Communications' Board of Directors resolved to take the necessary steps for the Group in line with these policies. We are bolstering internal controls for financial reporting in line with the Financial Instruments and Exchange Law, which went into effect in June 2006.

■ **Basic Stance on Creating Internal Controls**

1. NTT Communications will maintain a system of internal controls to comply with laws, operate properly and efficiently, and formulate measures to prevent, minimize, and otherwise appropriately manage losses.
2. The Legal and Internal Audit Department shall assess the above system. We will make improvements as needed based on the department's audits and special audits of high-risk areas common to the NTT Group in keeping with the auditing criteria of Nippon Telegraph and Telephone Corporation.
3. We will cooperate with Nippon Telegraph and Telephone Corporation to monitor the effectiveness of our internal and financial reports under the Sarbanes-Oxley Act of the United States and Japan's Financial Instruments and Exchange Law.
4. As chief executive officer, the president must ensure the establishment, maintenance, and operation of the system.
5. We will take steps needed to comply with the Nippon Telegraph and Telephone Corporation's basic policy related to the creation of a system of internal controls.

● **CSR Committee**

This Group body clarifies our management structure from economic, environmental, and social perspectives. We maintain the Social Contribution Sub-committee and the Global Environmental Protection Sub-committee.

The CSR Committee met three times in fiscal 2007, with representatives of 28 Group companies attending. The committee issued CSR and activity reports and resolved on future activities after discussing issues that it should address. The committee will continue working to foster the NTT Communications Group's CSR initiatives and awareness.



● **Domestic Group Company Activities**

NTTPC Communications, Inc.

NTTPC Communications, Inc. instituted the President's Commendation Program for CSR Activities to recognize and encourage grassroots employee initiatives that contribute to CSR.

In fiscal 2007, three CSR contributions received awards under the program that were the fruit of companywide endeavors to create a CSR-oriented corporate culture. The first was for an industry-leading effort to combat spam emails. The second was for a Web billing service that cuts paper resources usage for ecology. The third was the deployment of a system called "thanks card" to foster good worksite relationships by emailing messages to employees to thank them for their mutual support.

Compliance

●Corporate Ethics Framework

For the NTT Communications Group, compliance goes well beyond merely adhering to laws and ordinances. We believe that it is essential to establish a framework that ensures that our operations follow a strong ethical compass so we can fulfill our social obligations. We have accordingly deployed various initiatives to heighten the ethical consciousnesses of everyone from senior executives to employees and Group companies, drawing on the NTT Group Corporate Ethics Charter, which shows how to prevent or deal with unfair and improper actions. We set up the Compliance Committee and have appointed a director, department, and officials in all business units to oversee corporate ethics.

[Click here for details of the NTT Group Corporate Ethics Charter](#)

●Consultation Hotline

We established the NTT Communications Group Hotline, which Group employees in all countries can access. 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.

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Respect for Human Rights

●Cultivating Respect for Human Rights

As a global business, NTT Communications Group has made combating discrimination and respecting human rights a top priority. We follow a basic policy to tackle these issues through our daily business activities based on a corporate constitution that forbids discrimination. We established the Human Rights Awareness Committee to educate parent and Group company employees and business partners.

Initiatives

- Basic policy and activity plans for human rights initiatives
- Planning and implementing human rights measures, promoting diversity, and soliciting human rights slogans
- Planning and implementing human rights education, including training seminars for top executives, middle management, and employees, and courses on sexual harassment and power abuses
- Consultation and response desk for human rights problems

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Business Risk Management

●Business Risk Management

We established the Business Risk Management Committee to better oversee risks associated with our operations. Members include presidents of Group companies and members of relevant divisions. This committee assesses and formulates policies to safeguard against significant Group risks, among which are such external factors as natural disasters and terrorism and internal risks, notably dishonesty and scandals.

We created a system to swiftly collect risk information and ensure fast and proper decision-making in response to major risks. If such events occur, we inaugurate the Disaster (Accident)/Risk Response Headquarters, which the president or a senior executive vice president may head depending on the situation.

In March 2008, we trained divisional heads and section chiefs on responding to a new influenza outbreak. In May, we held our first drill on having about 40 people walk home following a possible earthquake.

We will continue to strengthen our systems to tackle business risks for the entire Group.

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Enlightening All Employees

Raising Ethical Consciousness

We constantly foster employee consciousness of ethical issues through diverse activities. We offer workplace compliance and human rights training for all employees and management levels, as well as lectures from external experts. We distribute the Our Business Principles booklet to all NTT Communications Group employees to promote ethical behavior. This publication has been an important guideline since we began operations. We will continue to use Our Business Principles as central to our CSR activities.

[Click here for details on Our Business Principles](#)

[Note: See 2008 the CSR Indices for details on frequency and attendance at workplace compliance training sessions and human rights issues classes for senior managers.](#)

CSR Training

NTT Communications extensively trains employees and business partner personnel in CSR to reiterate the importance of social responsibility and environmental activities. We provided all these people with e-learning in April and May 2007. We held a joint training seminar for Group CSR officials in March 2008.

Many of the participants responding to a survey of participants were positive about the event, noting that they were thinking of using what they learned in their daily activities. We will continue providing training to raise employee awareness about CSR issues.



Our Business Principles booklet



Our Business Principles card for employees

CSR

NTT Communications Group CSR Report 2008

Contributing to Society

- ✎ [Maintaining Reliable Telecommunications Services](#)
- ✎ [Making Society Safer and More Secure](#)
- ✎ [Faithfully Serving Our Customers](#)
- ✎ [Providing Services that Society Seeks](#)
- ✎ [Our Relationships with Society](#)
- ✎ [Government Relations](#)
- ✎ [Our Relationships with Suppliers](#)

Maintaining Reliable Telecommunications Services

We are optimizing our communications network technologies and enhancing service reliability to support a global information infrastructure and minimize the impacts of disasters and around the world.

Advanced Network Technologies and Monitoring Systems

● Multiple Routes, Redundancy, and 24/7 Monitoring Ensure Reliability

NTT Communications operates Japan's communications backbone network. We ensure network reliability even in disasters or other emergencies through multiple routes, redundant and decentralized equipment and facilities, and 24/7 network monitoring.

At the end of 2007, we completed joint construction of the fiberoptic submarine cable, Hokkaido-Sakhalin Cable System, with top Russian backbone operator TransTeleCom Company CJSC (TTK). The cable connects with TransTelecom's 50,000-kilometer transcontinental optical route along the Trans-Siberian Railway as the shortest uninterrupted link from Japan to Russia and elsewhere in Europe. The route augments Indian Ocean and American links. We can thus continue meeting the requirements of multinationals companies entering the Russian and European markets and offer highly reliable and high-quality data communications services.

● Delivering High Quality, Efficiency, and Reliability

The NTT Communications Customer Network Service Center (CCNC) oversees our network services to maintain reliability and support diverse operational modes. We can thus deliver unsurpassed quality, efficiency, and reliability today and well into the future.

● Fiscal 2007 Achievements and Fiscal 2008 Plans

In fiscal 2007, we produced a technical training curriculum for our IPVPN/ e-VLAN services, conducted training to bolster overall management capabilities, and formulated an authorization scheme that employs Webbased training. We

continued to offer our 24/7 one-stop customer service to resolve product failures while providing high-quality, highly reliable network services. In fiscal 2008, we will enhance quality by improving our in-house CCNC training curriculum, pushing ahead with human resources training, and reinforce our organization by beefing up our site and personnel capabilities.

One-stop customer service
to resolve product failures

Monitoring and controlling
equipment at network
service nodes

Customized service level
agreements and
failure analysis reports

Serving Worldwide Needs

● Global Network Services

We provide seamless global services. They include such highly reliable offerings as IP-VPN and a Global Tier 1 IP backbone (see note below). On May 1, 2008, we opened our fourth Indian representative office, in Chennai. In March, we set up a joint venture in Vietnam with a local carrier to deploy a data center business.

We launched the Warsaw Representative Office in April 2007. One year later, we opened the Moscow Representative Office to enhance services in Russia and reinforce our support capability in communications systems and ICT environment for businesses entering the Russian market.



■ Our Global Offices

(as of July 31, 2008)

(Subsidiaries and affiliates in 50 cities in 21 countries)

Note: A Global Tier1 provider is an ISP group that can control its own network and does not depend on an upstream provider to maintain service quality.

● Utilization of Submarine Telecommunications Cable Installation Technology to Submarine Seismometer Cable Installation

NTT World Engineering Marine Corporation (NTT-WE Marine) contributes to installation and maintenance of not only domestic telecommunications cables in Japan but also international telecommunications cables in the Pacific Ocean region, the Southeast Asia region and the Indian Ocean region. Our technology to install submarine telecommunications cables has been utilized to install submarine seismometer cables to the water depth of more than 1,000m from the time when NTT-WE Marine was formerly known as "NTT Submarine Cable Engineering Center."



■ Cableship "Subaru"

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Disaster Mitigation

● Keeping Networks Reliable after Disasters

Our basic disaster policy is to make our networks more reliable, secure vital communications, and swiftly restore services. We draw on our experience in disaster recovery, which has equipped us to pursue highly flexible and reliable network designs and stable services. We formulated disaster mitigation and public protection plans as a designated public corporation in keeping with the Disaster Countermeasures Basic Act and the Civil Protection Law (see note below). We conduct regular drills based on various scenarios to reinforce disaster preparedness.

We again participated in disaster drills with national and regional government bodies in fiscal 2007. On top of that, we conducted five drills with other NTT Group companies to raise in-house disaster awareness, and educated on and verified disaster decision-making processes. In fiscal 2008, we undertook two drills with other NTT Group companies and held three internal seminars to prepare for all telecommunications service contingencies at the G8 Hokkaido Toyako Summit.



■ Disaster drill

We will continue to work closely with government bodies and other NTT Group companies to enhance responsiveness to disasters or armed attacks.

Note: The official name of the Civil Protection Law is the Law concerning the Measures for Protection of the Civilian Population in Armed Attack Situations.

[See the following Japanese-language website for details.](#)

●System to Help Rebuild Networks after Major Disasters

We are building disaster management and global network systems to tackle major natural disasters.

We created the Disaster Recovery System to overcome intercity Internet disruptions following large disaster. This system would draw on usable network resources to quickly identify and assess failure point, design bypass routes, and set up equipment automatically. We plan to commercialize a desktop version of this system.

●Earthquake Alert System for Enterprises

After successful trials with several companies, we commercialized Earthquake Early Warning for corporate customers in July 2007. We are expanding the service to encompass enterprise customers using the FLET'S Hikari Next broadband service.

Diverse enterprises have adopted the alert service, including operators of large commercial facilities, condominiums, offices, factories, and schools. These customers link the service to their elevator control and internal broadcasting systems to help ensure swift evacuations and overall safety.

[See the following Japanese-language website for details.](#)

●Service to Confirm Safety and Broadcast Notices

We provide the MobileConnect Safety Confirmation and Notification service for companies, national and local government bodies, organizations to check the safety of employees and their families and thus maintain business continuity. The service notifies such employees of disasters by contacting them through cellphone, wireline phone, or the Web, and asks them to confirm their safety. Administrators can swiftly manage the aggregated information.

Around 40% of customers for this service put it to use following the Iwate-Miyagi Nairiku Earthquake in Japan on June 14, 2008. We will continue to improve the scope and functionality of this service to help customers maintain business continuity.

[See the following Japanese-language website for details.](#)

[Maintaining Reliable Telecommunications Services](#) | [Making Society Safer and More Secure](#)

[Faithfully Serving Our Customers](#) | [Providing Services that Society Seeks](#)

[Our Relationships with Society](#) | [Government Relations](#)

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Making Society Safer and More Secure

We pursue information security in keeping with the top priority we accord to our customers, harnessing our ICT technologies and experience so we can contribute to a safer and more secure society.

Ensuring Information Security

•NTT Communications Security Declaration

Our most important business is to contribute to an enhancement of our customer's security systems with high reliable services. We regard security as our top priority in providing services to our customers, and we pledge to work with them to achieve an optimum security system. We will do our utmost to ensure security in all phases of the value chain from technology and service development to establishment and operation. Furthermore, as ICT Professionals, each one of us will raise our capabilities to respond to security-related issues.

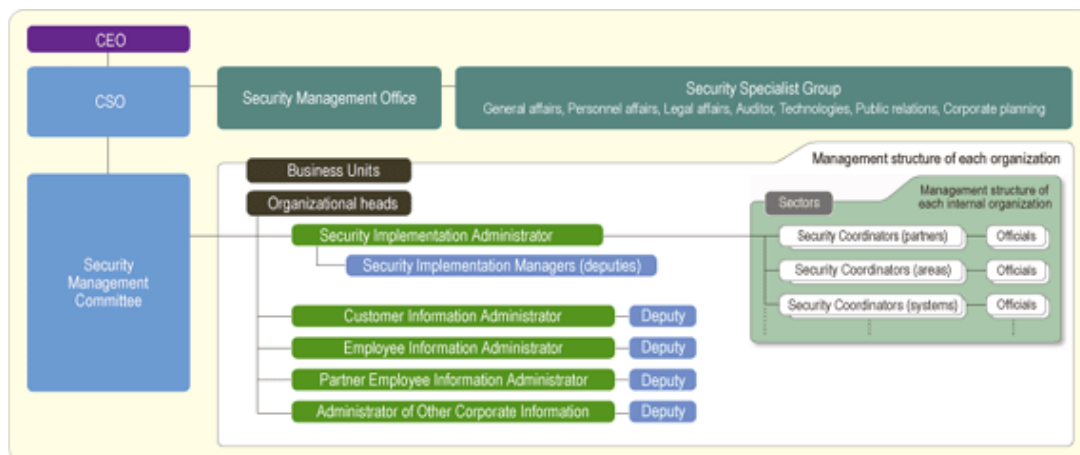
[Click here for details of our Security Declaration and Information Protection Policy](#)

•Information Security Governance

We have established uniform information security management benchmarks and policies in Japan and abroad in keeping with the requirements of ISO 27001, the international standard for information security management systems. We regularly monitor compliance as part of ongoing governance efforts to improve our security management levels.

The Chief Security Officer established the Security Management Office to (1) formulate rules and standards and educate all employees, (2) plan and apply companywide information security policies, (3) monitor compliance with information security regulations, and (4) ensure unified responses to information security incidents.

Special officials in each business unit manage information security based on companywide policies. We conduct job-specific companywide training every year to improve the security consciousness of employees.



[Click to enlarge the Security Management Structure diagram](#)

●Policies to Protect Customers' Information and Privacy

We comply with the Ministry of Internal Affairs and Communications' guidelines on managing personal information. We conduct regular audits to ensure that vendors handling such information adhere strictly to our security standards.

●Third-Party Assessments and Certifications

Seven Group companies have received Information Security Management Systems certification from external organizations. Nine have obtained Privacy Mark accreditation in recognition of their personal information safeguards. All Group companies have obtained either or both certifications.

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Tackling Computer Viruses and Online Crime

●Public-Private Collaboration to Combat Viruses

The "anti-bot measures project" is a public-private initiative launched in December 2006 to combat new threats to the Internet. The project seeks to eliminate bot* infections within five years. NTT Communications and other Internet Service Providers are working on the project with the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry.

The effort has been very successful, gathering more than 8.7 million bot viruses in 330,000 categories to produce tools that victims can use to disinfect their computers. The number of private-sector Internet Service Providers participating in the project has increased from eight, to 69. They have contributed mightily to eradicating bot viruses by warning users and enlightening people about bot countermeasures. The project has attracted tremendous attention in Japan and around the globe because it is so uniquely advanced. We are helping to cultivate the people who will be pivotal to tackling malware. For example, we are collaborating with universities and other educational and research institutions and with the Ministry of Education, Culture, Sports, Science and Technology's Advanced IT Specialist Program. We are also cosponsoring workshops with the Information Processing Society of Japan to train researchers to tackle malware.

* A bot program is a type of virus that a malicious party can develop to remotely force compromised computers to distribute spam or leak information without the owners knowing.

●Making the Internet Safe for Children

NTT Resonant's Kids-goo website provides information on safe Internet usage, enjoyable contents for school or at home, and filtered search services. NTT Resonant plans to offer an array of services for children and their guardians and more material for school usage.

(1) Web picture books present rules and manners needed for children to use the Internet safely. They can turn pages with a mouse to have fun while learning.

(2) Kids-goo is safe and practical for children, displaying properly filtered results from a search database that is as large as that of the other goo portals. Many primary schools use Kids-goo in Internet classes.

(3) NTT Resonant overhauled the portal in February 2008 to offer an array of contents that satisfy children's intellectual curiosity by combining fun and learning and making them practical. The Environment area features games and quizzes. There are proprietary picture books of animals, insects, and plants. A research notes page amasses information that children can use in school coursework. Other additions to the portal include educational news and financial planning information for guardians.

[Click here for details of Kids-goo \(in Japanese\)](#)

●Improving Corporate Network Security Monitoring and Operations

Zero-day attacks and other network threats that focus more on equipment and applications rather than operating systems are increasing. These developments have made it harder for corporate customers to independently safeguard their security.

Our Security Operations Center monitors such new threats 24/7 to protect corporate information systems and prevent business interruptions.

Japanese companies will soon have to monitor and manage their information systems in line with the Japanese Sarbanes-Oxley Act. The Security Operations Center can help customer companies to comply with those requirements.



■ Security Operations Center

●Strengthening Internet Security Services

To ensure that Internet Service Providers can maintain safe and enjoyable environments for subscribers, OCN offers the Anshin Select Pack, which offers discounts on several security services. Group company Plala Networks Inc. offers a free filter for Winny, a file-sharing application that has caused significant problems in Japan owing to inadvertent information leaks.

We and other Internet Service Providers collaborating with the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry on the anti-bot* measures project, a public-private initiative launched in December 2006 to combat new threats to the Internet. OCN has informed users whose computers have become infected, showing them how to remove viruses and prevent reinfection. OCN has also educated users by outlining specific measures on its website and through email magazines to maintain security against bots.

* A bot program is a type of virus that a malicious party can develop to remotely force compromised computers to distribute spam or leak information without the owners knowing.

●Tackling Spam Emails

In April 2007, the OCN Hosting Service for companies and small and home offices began offering the OCN Spam Email Filtering Service. The OCN server blocks the vast bulk of spam and phishing (fraudulent emails and correspondence that lure people into divulging sensitive information) emails, reducing the traffic of unwanted emails and helping customers to enhance operating efficiency.

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Faithfully Serving Our Customers

We always prize communication with our customers. As a leader in our industry, the quality of the services we develop and provide is central to our goal of becoming No.1 in customer satisfaction and building long-term relationships with these customers.

Improving Customer Satisfaction

•Conducting Customer Satisfaction Surveys

NTT Communications regularly conducts customer satisfaction surveys and uses the feedback to improve projects and services.

We audit our sales activities once annually to solicit customer opinions that we use companywide to improve satisfaction levels.

•Deploying New Technologies to Increase Customer Satisfaction

We collaborated with other member companies in the Ubiquitous Open Platform Forum to develop a prototype compact IPv6 adapter that enables secure control and monitoring of office equipment and appliances over the Internet in keeping with that organization's specifications.

We are working with equipment vendors to commercialize the adapter for eventual secure connection services and device-specific remote administration services.

We will continue to deploy advanced technologies to enhance customer peace-of-mind and satisfaction.

•Pursuing "Managed Quality Operation"

We are enhancing our processes and services to deliver reliable services that satisfy our customers.

We set "Managed Quality Operations" one of our core values in fiscal 2007. We are accordingly pursuing advanced one-stop end-to-end operations, implementation of drastic measures starting with maintenance to identify and address any issues, and cultivation of a cadre of professionals to ensure highly reliable maintenance. The goal is to ensure that our networks, people, and structure can deliver even better maintenance and solidly support the businesses of enterprise customers.

•Receiving Highest Marks for International Data Communications Services in Customer Satisfaction Survey

We received a Platinum Award from Telemark Services, a British Research company, in a 2007 report measuring customer satisfaction for international data communications services. The report was based on the results of interviews 749 with multinational companies. It evaluated the world's eight leading carriers. We were the sole Asian provider included in the report, winning Best Global Provider status for our achievements in 2007. We earned the Best Managed Service award at the 2007 World Communication Awards, which influential business media company Terrapinn presented. We were the first Asian carrier to receive such recognition. In Japan, the M&M Research Institute gave us its top award in the ISP services category for our OCN Hikari service.

In November 2007, we renewed our commitment to enhancing service quality by hosting the sixth Arcstar Carrier Forum where 12 partner carriers overseas gather and work together to enhance operations and delivery capability among all Arcstar partners.

●Framework for Addressing Customer Requests

In February 2006, the OCN customer support desk for corporate subscribers extended daily service inquiry support by one hour, to 6:00 p.m. We also lengthened the operating hours of the hosting services desk. This contributed greatly to a high level of satisfaction with the OCN hosting, on an OCN subscriber satisfaction survey that we conducted in 2007. Corporate subscribers can receive emails on construction work and service outages.

We will further improve our services by seeking feedback through our customer support desk and our annual OCN subscriber satisfaction survey.

●Action! OCN Initiative Quickly Addresses Customer Needs

We implemented this initiative to directly solicit feedback from personal OCN customers so we can become a leading Internet services provider.

We regularly solicit monitors to assess our services. More than 80,000 OCN subscribers have registered to provide such evaluations.

We will continue to draw on feedback to enhance customer satisfaction. The following are examples of Action! OCN improvements.

- It is hard to read the name on the invoice ->Made more legible in August 2007
- I don't really know who to contact -> We posted a contact list on the Internet in September 2007
- I get a lot of spam emails -> We strengthened our anti-spam email measures in July 2007
- I want more email addresses -> We increased the maximum number per account from four, to 30, in June 2007
- I want to start a blog but I'm not sure how to do so -> We launched the Bloggers OCN blog service in March 2008 to offer lessons at home

[Click here for details of Action! OCN \(in Japanese\)](#) 

●Boosting Satisfaction through 99.999% Service Availability

We are enhancing OCN services to ensure a user-friendly Internet environment for all subscribers.

We maintain Japan's largest backbone to deliver quality network services. The availability of our personal OCN services was 99.999% as of March 2008. We will continue to monitor our systems to maintain line quality. We will continue to service subscribers following disasters by drawing on our backup routes.

●Offering Advanced Services to Enhance Reliability and Convenience

Our many services aim to improve customer satisfaction. Spam check options enable our servers to automatically intercept millions of dubious emails. Security services include virus checking, safeguards against malicious websites, preventing spyware and unauthorized access, and personal information protection.

We enhance convenience through DoTV, an Internet television channel that offers shopping and information services We were swift to launch the OCN Emergency Earthquake Alert service, which uses OCN IPv6, an address based on next-generation IP standards. We will eventually expand this service to enable people to remotely access information appliance and other equipment from outside the home.

We will develop and deliver even more advanced Internet services in the years ahead to please our customers.

[Click here for details of OCN spam blocking services \(in Japanese\)](#) 

[Click here for details of DoTV \(in Japanese\)](#) 

[Click here for details of OCN IPv6 \(in Japanese\)](#) 

[Click here for details of OCN Emergency Earthquake Alert \(in Japanese\)](#) 

Engaging in Responsible Public Relations and Advertising

●Overseeing Public Relations and Advertising Content

Rates menus have become increasingly complex and diverse in recent years, making it more important to ensure that advertising is easy to understand. We are working in line with the Voluntary Standards and Guidelines for Telecommunications Advertising of the Council for the Promotion of Telecommunication Service Improvement to improve the credibility of our advertising, and to ensure customer peace of mind in choosing and using our services.

We voluntarily instituted internal checks of our advertising to ensure compliance with such legislation as the Act against Unjustifiable Premiums and Misleading Representations and the Copyright Law of Japan. Our Public Relations Office is conducting final evaluations of advertising materials together with our Legal and Internal Audit Department. We constantly monitor the latest external trends.

We will continue to ensure that our public relations and advertising properly presents company and service information.

●Adopting Universal Design

We revised our web guidelines in fiscal 2007 as part of ongoing efforts to optimize our official websites. We improved accessibility by revising dozens of regulations, making our sites compatible with audio browsers. We also deployed a content management system to ensure compliance with the new regulations.

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Responsibly Providing High-Quality Services

●Using Service Level Agreements (SLAs)

These agreements formally guarantee certain service levels, requiring providers to credit customers if the quality is less than contracted.

We are expanding the scope of SLAs for our e-VLAN and Arcstar IP-VPN services. The Arcstar IP-VPN now includes a network availability agreement, providing a guarantee for overall service, not just individual lines. For e-VLAN, we expanded the SLA to cover provision delays.

We are particularly proud of our top-quality corporate leased-line network services, for which we were the first in Japan to offer SLAs. Our GIGASTREAM next-generation leased-line Internet service incorporates SLA support for provision delays, failure recovery, failure notification, and duplicate failures, reflecting our ongoing commitment to outstanding service.

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Providing Services that Society Seeks

NTT Communications develops and deploys services that meet social needs. We generate new value through new business model and lifestyle contributions for an inclusive society.

Building an Inclusive Society

•.com Master: A Valuable Internet Certification System for Training ICT Personnel

Tools that objectively benchmark ICT skills are increasingly important in business and even to lifestyles in light of a fast-growing reliance on the Internet and rapid progress in ICT technologies. We launched our.com Master Internet skill certification system in 2001. There are three levels for certifying ICT skills, ranging from Single Star to the advanced Triple Star.

As of July 2008, we had tested more than 250,000 people, of whom 81,000 had passed. Companies have adopted our system for ICT training, and universities and colleges have included it in their curriculums. The system has become a skills benchmark for those seeking employment or doing business.

[Click here for details of .com Master \(in Japanese\)](#)

•CAVA: Our Home Call Center System

CAVA (.com Advisor and Valuable Agent) contributes to society by unlocking the talents of older people, women, and other home-based workers through the Internet. CAVA provides numerous employment opportunities, and achieved the following in fiscal 2007:

(1) CAVA offers employment opportunities to those wishing to work at home. In fiscal, around 10% of new CAVA staffers were older than 60, double the number a year earlier. CAVA is thus increasingly serving senior citizens as well as housewives.

(2) We combined support services through phone calls or visits, which makes CAVA offers employment opportunities regardless of where people live, and aims to increase staffing levels.

(3) From the second half of fiscal 2007, CAVA doubled the number of staff recruiting drives and training sessions. We enabled people to take CAVA training system at home through the Internet, enabling applicants to take courses anywhere in Japan.

[See the following Japanese-language website for details of CAVA](#)



■ Senior citizen



■ Housewife



■ Individual business owner

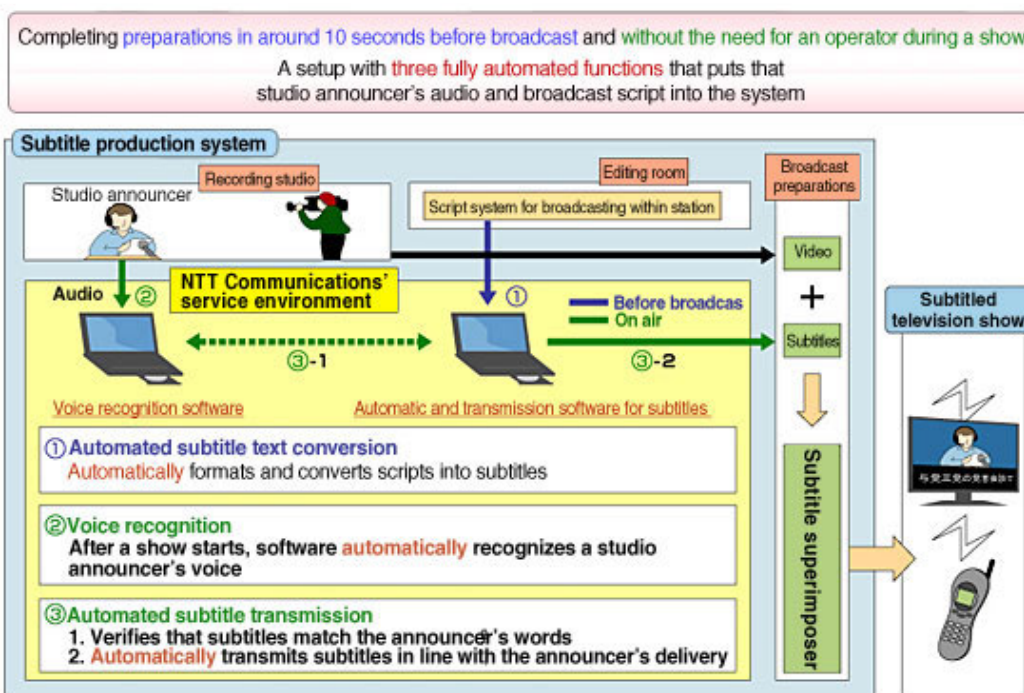
● **Subtitling System for Hearing-Impaired Television Viewers**

We joined with several television stations to test a real-time subtitling system. The system easily satisfied broadcast quality requirements. We also demonstrated the system to nearly 20 stations and the Ministry of Internal Affairs and Communications, which formulated guidelines to foster subtitles in broadcasting.

With a single press of a button, scripts from broadcasters are read into the system, which converts the text into subtitles. When a program goes on air, the system recognizes an announcer's voice and transfers the text to a superimposing facility in sync with the speed at which the announcer is reading, automatically producing subtitles. The system makes operations easier for broadcasters by doing away with manually feeding out subtitles according to reading speeds and eliminating the need for stenographers to input text. There was tremendous interest in Japan and abroad after we announced our system, the first of its type in the world, on January 22, 2007. We are talking with broadcasters about deploying the system commercially during fiscal 2008.



■ Our subtitling system helps the hearing-impaired



■ Conceptual diagram of our automated real-time subtitling system

Creation of New Value for Society

•The World's First Joint Experiment of Telemedicine between Japan and Thailand

In fiscal 2005, we began participating in a project with Kyushu University (Japan) and Nippon Telegraph and Telephone Corporation to experiment telemedicine systems with Thailand as part of an effort to promote broadband applications that employ advanced ICT technologies. The project was part of a Ministry of Internal Affairs and Communications initiative called “Advanced Information Communication Technology Collaboration Experiments for Creating International Info-communication Hub” (see note 1).

One growing social problem in Asia is that while Japan and several other countries have developed advanced treatment and diagnostic technologies, some nations do not even have enough hospitals or physicians. The ICT-based telemedicine trials between Japan and Thailand should help streamline treatment and hasten the adoption of sophisticated medical technologies.

We connected Kyushu University and Chulalongkorn University (Thailand) through Japan Gigabit Network 2 (see note 2), a research and development testbed. The trial proved successful. Systems tested during the trial included an interactive system for real-time communication, an annotation system for remote medical instruction (see note 3), and a server system for video instruction. The experiments confirmed the effectiveness of remote instruction equipment and the basic performance of remote maneuvering of an endoscopic robot.



■ Instructing surgeon and trial monitors



■ Video of trainee doctors in Thailand

Notes

1 Advanced Information Communication Technology Collaboration Experiments for Creating International Info-communication Hub

This is the formal name of for joint experiments that the Ministry of Internal Affairs and Communications began conducting with other Asian countries in 2003. Experiments have been with China, Singapore and Thailand. The efforts have covered telemedicine, as well as distance learning, electronic commerce, and translation systems.

2 Japan Gigabit Network 2

The National Institute of Information and Communications Technology launched this research and development testbed in 2004. Companies, academic institutions, and the national and regional governments are collaborating in this initiative to create and verify next-generation technologies and diverse applications for the network.

3 Annotation

This is an explanatory note on information related to specific data. Under the trial, instructing surgeons used an annotation system, with which they remotely wrote positional and maneuvering instructions for onsite trainees operating endoscopes.

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Our Relationships with Society

While serving our customers, we contribute to social progress and welfare and help safeguard the environment. We respect all cultures and customs and comply strictly with laws wherever we operate. While contributing to society through our business, we are collaborating with our stakeholders to engage in corporate citizenship initiatives. We aim to work with even more stakeholders in the years ahead to help build a better society.

Our Basic Principles on Social Action

•Our Activities

We contribute to society through international cooperation, conservation, health, medicine, welfare, regional social and economic promotion, children's health and education, science, culture, the arts, sports, and social education.

■Social Action Principles

Sustainability	We commit over the long term
Efficiency	We act cost effectively to ensure continuity
Due diligence	We carefully consider whether prospective donations would truly benefit society
World view	We contribute not only in Japan but also to the international community
Skills	We make our information and communication services and employee talents useful for communities

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Serving the International Community

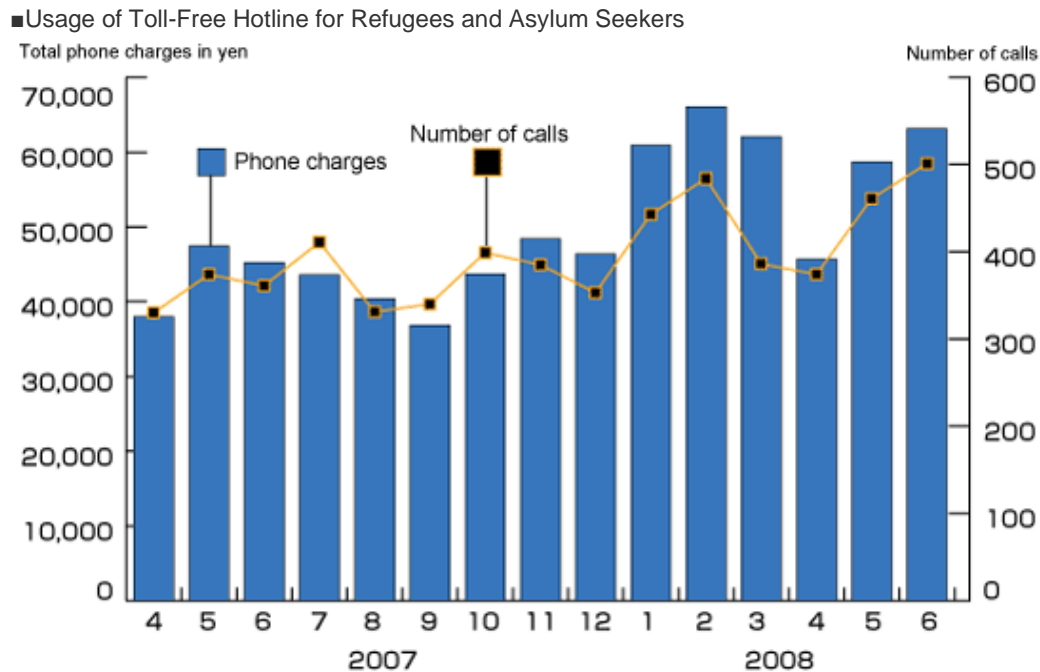
•Helping Establish and Manage Toll-Free Hotline for Refugees and Asylum Seekers

The number of asylum seekers in this nation traditionally averaged 300 to 400. Data from the Immigration Bureau of the Ministry of Justice shows that asylum applications soared to 954 in 2006. There 816 applicants in 2007, with the government recognizing 41 as refugees.

The Japan Association for Refugees provides local refugees and asylum seekers with legal and social assistance as an implementing partner of the Office of the United Nations High Commissioner for Refugees. National Tax Agency of Japan recognized the association as a certified nonprofit organization in May 2008.

We decided to help asylum seekers and refugees by launching and managing a toll-free telephone hotline in April 2006. The number is 0120-477-472. In fiscal 2007, the hotline received more than 300 calls monthly. The annual total of 4,685 that year exceeded the fiscal 2006 number by around 20%. The number has encouraged more inquiries from refugees and asylum seekers who could not afford the telephone bills, enabling the association to offer the right services for diverse situations. For example, it can now provide emergency assistance for new arrivals who lack accommodation or money and answer questions from asylum seekers calling from airports or distant locations. The association plans to bolster its services so it can serve more diverse needs, such as by holding study meetings with local supporting organizations around Japan.

NTT Communications will continue to harness its main business to contribute to society.



● Matching Gift Program to Support Social Contributions of Employees

This program assists employees making social contributions by matching their donations (or paying a percentage thereof) after confirming that the payments are for legitimate nonprofit organization. In the United States, we donated \$3,957 on 38 occasions in fiscal 2007. We expect to pay more in fiscal 2008.

Donations to date

- \$5,488 on 81 occasions in fiscal 2005 (of which we paid \$3,270 in 10 cases to support tsunami and hurricane victims)
Total: \$8,758
- \$1,340 on eight occasions in fiscal 2006

● Other Activities for the International Community

NTT Taiwan

In July 2007, NTT Taiwan Ltd. donated NT\$50,000 to the Jane Goodall Institute - Taiwan through Chunghwa Telecom Co., Ltd., to help in a resources survey to suppress global warming and assist in forestation consultancy activities. Making the donation improved employee awareness of environmental issues formed part of NTT Taiwan's social contribution program. At its 12th anniversary ceremony on June 30, 2008, Chunghwa Telecom noted and lauded these environmental activities.

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Serving Communities

● Collecting PET Bottle Caps for Vaccine Donations

All our employees participate in the efforts of the NPO Ecocap Movement. That nonprofit organization collects and sells PET bottle caps to fund purchases of polio vaccines that it donates for children around the world. Recyclers pay 20 yen per 800 caps, which is enough to immunize a child from a developing country. Another benefit of that initiative is that recycling caps instead of disposing of them as waste cuts carbon dioxide emissions by 6,300 grams per 800 caps. In the first two months after taking part in the NPO Ecocap Movement, our employees collected 38,000 caps, enough to buy vaccines for 47.5 children.

●Contributing to Society through the Web

【Pink Ribbon Campaign】

More than one in 20 Japanese women develop breast cancer. The number of young sufferers has increased significantly in recent years. NTT Resonant launched the Pink Ribbon Campaign in 2006 through the goo portal to help prevent breast cancer by providing basic information and highlighting the importance of testing.



▲Pink Ribbon Campaign 2008

【BRAVE CIRCLE Campaign to Eliminate Colon Cancer】

This campaign calls for a broad, ongoing program of colon cancer checks. Japan will likely have the most colon cancer sufferers in the world by 2020. NTT Resonant's goo portal began participating in the campaign in 2008, providing basic knowledge on colon cancer and highlighting the importance of taking preventive checks. We will continue to supply such information, inform of events, and issue reports.



▲BRAVE CIRCLE campaign to eliminate colon cancer

●Running Classes to Familiarize Communities with the Internet

Our employees voluntarily participate in our Easy Internet program. For the eighth class in Tokyo and Osaka, 34 NTT Communications volunteers and 36 officials from nonprofit organizations learned how to create blogs. This was the second class on this theme, the focus this time being on resolving issues when lacking access to public relations tools to announce or report on events. The ninth class was for senior citizens, which we ran simultaneously at two sites for the first time for 39 participants and 40 employee volunteers. The senior citizens were very enthusiastic. The many activities included learning how to obtain an email ID and send and receive messages. There was also a basic orientation on using the Internet, including particular precautions.



■Ninth Class in Tokyo

We will continue this program as a successful example of our commitment to corporate social responsibility.

●Supporting the NPO Hiroba Database

Citizens increasingly want to know more about the activities of nonprofit organizations. Some might want information about all the organizations around Japan that provide social services and otherwise improve their communities. Others may be seeking organizations in specific regions that support the arts. People asked to donate to a conservation organization may wish to compare its performance with those of similar bodies.

The Japan NPO Center* established the NPO Hiroba (see note below) website in April 2001 to enable dialog between the community, nonprofit organizations, and private enterprises. The site features a searchable database of nationally accredited nonprofit organizations in Japan. NTT Communications launched the site. We provide ongoing operational backup using SecureSmartAccess, our online service. NPO Hiroba provides ready information about nonprofit and other community organizations. This unique resource enables interested citizens or enterprises to learn about and participate in a nonprofit organization, contributing to the development of their activities across Japan.

* The Japan NPO Center is a strong base for the activities of nonprofit organizations that transcends categories and regions. The center supports efforts to build a better society and establish partnerships between businesses, governments, and regional public bodies

Nonprofit organizations registered as of the end of June 2008: 34,402

●Nonprofit Organization Accessibility Support Program

Since 2005, NTTPC Communications has worked with e-elder, a nonprofit organization, in collaboration with other nonprofit organizations and Ministry of Internal Affairs and Communications to help eliminate the digital divide.

That company has endeavored to broaden Internet access by funding contests. It has helped 42 nonprofit organizations over the past three years to increase accessibility. Each year, NTTPC Communications has chosen 14 of nearly 100 nonprofit organizations applying for the program.

●Company Kiosk Sales of Confectionery at Workshops for Persons with Disabilities

Kiosks within NTT Communications sell confectionery produced at joint workshops for persons with disabilities. Sales began in fiscal 2003 during runups to Christmas, St. Valentine's Day and other occasions. By making purchases, employees can make small contributions to the self-help activities of persons with disabilities and enjoy the delicious handmade confectioneries. Sales for fiscal 2007 were triple those of a year earlier.

●Chocom Service for Online Donations

Chocom is a form of electronic money for even the smallest online payments. We accept donations for disaster assistance and other causes through Chocom and transfer the funds to the Mainichi Social Welfare Foundation for distribution to victims.

■Disaster Assistance Donations Received through Chocom in Fiscal 2007

Period	Event	Amount (yen)
March to May 2007	Noto Hanto Earthquake	204,400
July to August 2007	Niigata Chuetsu-oki Earthquake	655,700
December 2007	Year-end giving	55,900
December 2007	Bangladesh cyclone	61,400

[Click here for details on Chocom \(in Japanese\)](#) 

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Government Relations

We will help make the Internet safer and more secure by collaborating in governmental research and development and educational programs.

Participating in Public Policy

• Participating in e-Net Caravan

Private telecommunications organizations, the Ministry of Internal Affairs and Communications, and the Ministry of Education, Culture, Sport, Science, and Technology formed e-Net Caravan. That body sends experts to educate children, students, parents, and teachers free of charge about the Internet. NTT Communications is also providing collaborating, and dispatched employees to 32 courses in fiscal 2007, as follows.

Number of lecturers dispatched during FY2007

- Number of lecturers: 15 (excluding repetitions)

Number of children, students, parents, teachers and others attending courses

- Children and students: 2,430
- Parents and teachers: 1,882
- Others (including juvenile caregivers from municipal governments or the police): 267

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Our Relationships with Suppliers

We build equitable ties with business partners and maintain a fair and honest supply chain.

Fair Transactions and Procurement (CSR-Based Procurement)

● Commitment to Fair Trade

We aim to build social trust for our operations. We forge mutually respectful, open, and beneficial relationships with business partners. We increase trust by ensuring equal respect for corporate cultures and business practices and by clarifying roles and responsibilities. Instead of simply prioritizing our own interests, we seek to grow professionally with our business partners.

● Basic Procurement Policies

We must buy quality products economically and in a timely manner so we can improve our competitiveness. We thus follow three basic policies. The first is to purchase openly and transparently in keeping with our business requirements. The second is to give domestic and overseas vendors equal opportunities to compete for our business. The third is to use global standards and market principles to procure competitive services and products that meet our business needs. We will remain committed to purchasing fairly and competitively from the global marketplace.

● Efforts of Procurement Office

The Procurement Office within the Corporate Planning Department centrally manages procurement and ordering as part of a supply chain management structure that aims to streamline and optimize procurement processes.

We assess the environmental activities of all suppliers and require them to adhere to our green purchasing guidelines. We also seek understanding and collaboration through supplier group study meetings.

[Note: See our 2008 CSR Indices of this report for the number of meetings we have held with suppliers to explain procurement.](#)

● Fair Trade Initiatives

Some employee cafeterias have served Fair Trade coffee since December 2006.

We aim to contribute to the world by informing customers and employees about the Fair Trade mechanism and products.

[Click here for our green purchasing guidelines \(in Japanese\)](#)

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Pursuing Green Procurement

● Guidelines

We produced the second version of our green procurement guidelines in January 2006. The goal is to reduce environmental loads throughout the entire supply chain by adding environmental consciousness to the assessment standards for suppliers. We have already assessed around 300 suppliers on this basis.

■Green Procurement

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Green procurement of goods other than office supplies (1,000 units)	1,780	2,840	47,770
Green purchasing of office supplies (1,000 units)	290	670	760

(Coverage: NTT Communications)

[See Environmental Impacts of Business Activities](#)

[See the following Japanese-language website for details on our green guidelines.](#)

●Guidelines for Buying Office Paper

We reviewed our policy of buying only 100%-recycled office paper in response to changes in the papermaking industry, which now faces high woodchip and crude oil prices and shortages of recycled paper, and revised guidelines from the Green Purchasing Network. We formulated a new procurement policy in October 2006.

We compared three environmental paper products (100%, 70% and 50% recycled) in terms of environmental impact and pricing. We switched to office paper made of 50% recycled stock and 50% afforested tree pulp.

●Power Source-Based Guidelines for Choosing Equipment

We formulated guidelines in which our basic policy on purchasing and upgrades for our in-house telecommunications equipment rooms is to deploy equipment that runs on direct current. The guidelines explain the key points and processes that network designers should note in choosing equipment.

Direct current systems offer greater reliability and power supply facilities simplicity than alternating current ones. They also result in lower transformer losses, helping save energy and benefit the environment.

Topics

Tackling Fraudulent Recycled Content Labeling of Paper Products

In January 2008, we found that the recycled content of some copier paper that we purchased was false.

In October 2006, we set up a policy of buying office paper made of 50% recycled stock and 50% afforested tree pulp. We withdrew electronic procurement system catalogs printed on the mislabeled paper and used Forest Recycled paper instead. To ensure proper procurement, particularly of office supplies, we will buy recycled color copier paper after depleting our existing stocks.

[Maintaining Reliable Telecommunications Services](#) | [Making Society Safer and More Secure](#)

[Faithfully Serving Our Customers](#) | [Providing Services that Society Seeks](#)

[Our Relationships with Society](#) | [Government Relations](#)

[Our Relationships with Suppliers](#)

CSR

NTT Communications Group CSR Report 2008

Protecting the Environment

- ✎ [Basic Environmental Protection Concepts and Management](#)
- ✎ [Preventing Global Warming and Saving Energy](#)
- ✎ [Managing Wastes](#)
- ✎ [Environmental Compliance](#)
- ✎ [Pursuing Environmental Activities](#)
- ✎ [Biodiversity Initiatives](#)
- ✎ [Lowering Environmental Impact through Our Business Activities](#)

Basic Environmental Protection Concepts and Management

We are reinforcing our Group environmental management structure while safeguarding the environment in all our business processes so we can contribute to a better society.

Basic Philosophy

●NTT Communications Group Global Environmental Charter

The NTT Group created the NTT Group Ecology Program 21 and the NTT Group Global Environmental Charter to frame its ideals and actions. We supplemented these initiatives with the NTT Communications Group Global Environmental Charter, which guides the activities of all our employees.

■NTT Communications Global Environmental Charter

Basic Principle NTT Communications will safeguard the environment in all aspects of business and help create an environmentally friendly society by innovating and delivering the best services to all customers.

Basic Policies The following policies apply to all our corporate activities.

1) Meet corporate responsibilities

We observe all domestic and international environmental laws and regulations. We evaluate the environmental impact of our activities, strive to prevent pollution, and continually upgrade our goals and strategies to save energy resources and reduce waste.

2) Support initiatives for an environmentally friendly society

We help to improve society and lower its environmental impact through network services that transform lifestyles. Our efforts include supporting telecommuting and providing an information platform for environmental protection and recycling.

3) Contribute through environmental activities

We collaborate with communities and governments in daily activities that protect the environment.

4) Disclose environmental information

We disclose corporate environmental information and encourage internal and external dialog.

Long-Term Environmental Vision

●Our Approach

We are drawing on our Long-Term Environmental Vision and our medium and long-term plans to deploy measures that are friendly to people and the environment. We harness our telecommunications and ICT technologies in collaborating with other companies, governments, educational institutions, and nongovernment and nonprofit organizations.

■Our Long-Term Environmental Vision

Humanity must restore the environment to coexist perpetually with other creatures. The task of repairing the environment embraces politics, business, education, and culture. We must transform our values and eschew the singleminded pursuit of wealth in favor of new values that prioritize the environment. Ongoing efforts to foster global dialog and mutual understanding will be central to this process.

The NTT Communications Group is convinced that it can capitalize on its global communications network and cutting-edge communications technologies to help bring about a sustainable global community that is spiritually and materially wealthy. We can do this by building a platform for worldwide dialogue, exchanging and sharing knowledge across the world and history, and by facilitating clear and open communication among all peoples.

We can drive this essential process forward by bringing industry, governments, academia, and other communities together.

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Medium- and Long-Term Plans and Initiatives that Benefit the Environment and People

●Medium- and Long-Term Plans

We are contributing to a sustainable society by taking advantage of our environmentally friendly ICT technologies to clearly show the impact of human activities on the environment. We provide five environmental solutions. These are collecting environmental information, processing and analyzing this information, reducing environmental impact, providing environmental education and enlightenment, and creating new economic systems that foster recycling.



■Collecting environmental information

- Conduct environmental assessments covering the air, oceans, rivers, soil, vegetation, and habitats
- Identify environmental loads, including from factories, buildings, housing, and transportation

■Processing and analyzing environmental information

- Categorize information and identify problems
- Analyze products for hazardous substances covered by the European Union's Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment
- Perform environmental accounting that calculates the real-time impacts of cost reductions and social costs
- Make short-term supply forecasts for biomass and other natural energy sources

■Reducing environmental impact

- Manage equipment that affects the environment, notably automatically controlled air conditioning, lighting, and elevators
- Advise external parties on ways to reduce environmental loads so they can obtain ISO certification and help them formulate reduction measures
- Promote reusing and recycling, exchanging unused goods and providing and manage sites that enable such transactions
- Provide alternatives, such as by offering goods and services online, reducing the transportation of people and goods, and providing virtual experiences to replace travel

■Providing environmental education and enlightenment

- Make environmental information readily accessible to communities
- Supply contents for basic environmental studies
- Share environmental expertise and opinions with communities

■ **Creating new economic systems that foster recycling**

- Encourage environmental protection by sharing profits with corporations, organizations, and individuals that help reduce environmental loads
- Promote resources recycling and measures to prevent illegal waste dumping by integrating everything from production to waste disposal
- Share vehicles, office equipment, and housing facilities with various corporations, organizations, and individuals

[Click here for Green ICT details \(Japanese-language\)](#)

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Medium-and Long-Term Plans and Results and Targets for Measures to Reduce Environmental Impact





● **Results and Targets for Measures to Reduce Environmental Impact**



We maintain benchmarks to measure energy conservation, global warming measures, waste reductions, recycling, and paper savings.

We have implemented measures to lower the energy consumption and minimize the global warming impact of our telecommunications facilities. For example, we established guidelines for procuring highly energy-efficient ICT systems and installed gas air conditioning.

We took advantage of the relocation of the Enterprise Sales Division to Hamamatsucho in Tokyo to reinforce our office environmental efforts and engage employees in our initiatives. For example, we eliminated personal waste baskets, installed MFP (Multi Functional Printer) integrated with IC card systems, and hold paperless meetings (see pages 9 and 10 for details). In fiscal 2008, we will focus on using solar energy and more rigorously separating waste.

	Fiscal 2007 Targets	Fiscal 2007 Results	Self-Assessment	Fiscal 2008 Goals	Fiscal 2010 Targets
Carbon dioxide emissions (see note below)	Less than 355,000 metric tons	<p>358,000 metric tons</p> <ul style="list-style-type: none"> ● Installed attachment energy-saving air conditioning by showing water (10 units, saving 53 metric tons) ● Shut wireless relay stations (28 sites) ● Upgraded air conditioning (119 facilities, saving 874 metric tons) ● Modified settings of machine room air conditioning (200 units, saving 290 metric tons) ● Replaced inefficient inverter (1 unit) ● Upgraded inefficient rectifiers (17 units) ● Upgraded special high-voltage power receiving facilities (at 2 buildings) ● Developed outlets and other devices to switch to direct current to power IP equipment (developed direct current outlets) ● Implemented power-saving measures (including those in line with Tokyo Metropolitan Government measures) 		<p>goal Less than 358,000 metric tons</p> <ul style="list-style-type: none"> ● Install attachment energy-saving air conditioning by showing water (5 units, saving 25 metric tons) ● Install gas air conditioning (10 units, saving 8 metric tons) ● Shut wireless relay stations (55 sites) ● Upgrade air conditioning (120 facilities, saving 881 metric tons) ● Modify settings of machine room air conditioning (200 units, saving 290 metric tons) ● Replace inefficient inverters (97 units) ● Upgrade inefficient rectifiers (121 units) ● Develop outlets and other devices to switch to direct current to power IP equipment (develop direct current outlets) ● Implement power-saving measures (including those in line with Tokyo Metropolitan Government measures) 	Less than 370,000 metric tons

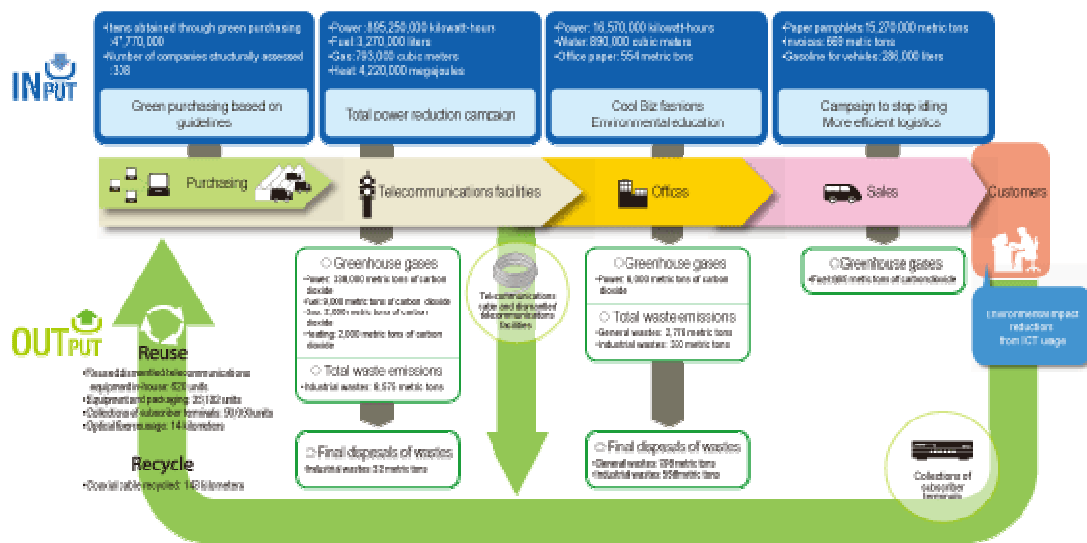
Waste	Recycling rate for dismantled communications equipment	At least 99%	<p>99.6% (8,575 metric tons)</p> <ul style="list-style-type: none"> •Promoted reuse and recycling to reduce waste •Chose contractors with high recycling rates (particularly in outlying islands) •Foster materials recycling (such as for coaxial cables) 		<p>goal At least 99%</p> <ul style="list-style-type: none"> •Improve recycling rate for surplus fiber-optic cable (to at least 90%) 	At least 99%
	Recycling rate for construction waste	Specific materials: At least 98% Others: At least 74%	<p>Specific materials: 98.7% Others: 70.9% (13,406 metric tons of waste generated)</p> <ul style="list-style-type: none"> •Chose intermediate treatment facilities with high recycling rates •Set up management systems at each business site 		<p>goal Specific materials: At least 99% Others: At least 74%</p> <ul style="list-style-type: none"> •Pursue measures to reduce final disposal •Reduce direct final disposal •Choose contractors with high recycling rates 	Specific materials: At least 99% Others: At least 84%
	Office waste recycling rate	At least 62%	<p>58.6% (3,574 metric tons of waste generated)</p> <ul style="list-style-type: none"> •Reinforced waste separation(14 categories) •Eliminated personal waste baskets •Displayed educational posters and otherwise enlightened employees 		<p>goal At least 63%</p> <ul style="list-style-type: none"> •Visibly reduce waste for each business unit •Step up enlightenment efforts (such as by instituting awards) 	At least 70%
Paper consumption (for office use)		Reduce by 25% per employee (11,849 sheets per person)	<p>Reduced per-capita consumption 12% (for 13,919 employees)</p> <ul style="list-style-type: none"> •Installed MFP integrated with IC card systems to eliminate needless printed material •Reduced document storage space •Provided projectors at meetings and encouraged use of this equipment 		<p>goal Reduce per-capita consumption 12% (for 12,300 employees)</p> <ul style="list-style-type: none"> •Encourage paperless information-sharing •Use teleconferencing more 	40% per employee lower than in fiscal 2006 (9,500 sheets per capita)

Self-assessment legend  Excellent  On target  Below target

Note: 0.378 kilograms of carbon dioxide per kilowatt-hour used to calculate carbon dioxide emissions coefficient

Environmental Impact of Business Activities

Inputs and Outputs of NTT Communications Group in Fiscal 2007



[Click here for an enlarged diagram of NTT Communications Group inputs and outputs in fiscal 2007](#)

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Environmental Protection Framework

Strengthening Group Management

The president and special working groups spearhead ongoing environmental initiatives for the Group.

In fiscal 2007, we established the Office Environmental Working Group to strengthen employee-based conservation efforts. We created the Environmental Measures Sub-working Group to support endeavors within business units. Another new entity was the Environmental Solutions Working Group, which aims to cut our companywide ecological impact by applying ICT solutions to our business activities.

The Environmental Protection Sub-committee met twice in fiscal 2007 to formulate proposals, oversee targets, and resolve issues.

Working group	Main Tasks
Greenhouse Gas Reduction	<ul style="list-style-type: none"> Press ahead with Total Power Revolution campaign to cut electricity consumption Hold monthly meetings to formulate ways to conserve energy within our buildings
Dismantling Communications Equipment	<ul style="list-style-type: none"> Process and manage dismantled equipment in line with the law
Construction Waste	<ul style="list-style-type: none"> Process and recycle construction waste Eliminate asbestos and manage reconstruction
PCB Storage and Disposal	<ul style="list-style-type: none"> Store and dissolve polychlorinated biphenyls Submit polychlorinated biphenyl management reports to the government
Office Environmental	<ul style="list-style-type: none"> Aid efforts to share and resolve issues in activities to reduce paper usage, cut waste, and conserve electricity Make the impact of PDCA efforts visible, establish targets, and formulate policies Share and commonly apply examples of advanced efforts from each business unit
Environmental Measures Sub-working Group	<ul style="list-style-type: none"> Maintain system that factors in locations and other elements within business units and educate on the environment Plan and deploy conservation initiatives through small independent groups from business units
Customer Waste	<ul style="list-style-type: none"> Treat and manage industrial waste from installation projects for customers Put industrial waste treatment manuals on intranet and update as necessary
Container Recycling	<ul style="list-style-type: none"> Comply with the Containers and Packaging Recycling Law
Green Procurement	<ul style="list-style-type: none"> Encourage green purchasing companywide Educate suppliers on green purchasing guidelines
Environmental Accounting	<ul style="list-style-type: none"> Build environmental accounting systems for management
Community contributions related to environmental protection	<ul style="list-style-type: none"> Community contributions related to environmental protection Print business cards solely on kenaf to ease deforestation Recycle and donate PCs to nonprofit organizations
Environmental Solutions Working Group	<ul style="list-style-type: none"> Undertake environmental public relations (notably by informing about and promoting environmentally friendly services) Push ahead with Green ICT initiatives Create and deploy new solutions
Group company working groups	<ul style="list-style-type: none"> Expand working group initiatives groupwide and institute PDCA cycles

[Click here for an enlarged diagram of our environmental protection structure](#)

[Click here for ISO 14001 Certification progress](#)

Environmental Accounting

●Costs and Financial Impact of Environmental Protection

We calculate the costs (which we categorize by business activity) and the real financial impact of our programs based on the Ministry of the Environment's Environmental Accounting Guidelines 2005, and the NTT Group's Environmental Accounting Guidelines.

In fiscal 2007, our environmental protection programs cost around ¥1,560 million in total, which consists of investments of around ¥728 million and expenses of around ¥833 million, down roughly ¥120 million from a year earlier. This was the result of the decrease in investment and decrease in maintenance expenses of machine room air conditioners. The financial impact of our initiatives in fiscal 2007 was about ¥3,549 million, due to substantial increase in sales revenue of cables and other equipments and reduction in new purchase cost, up around ¥1,034 million from a year earlier.

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

Category		Key measures	Investments		Expenses	
			Fiscal 2006	Fiscal 2007	Fiscal 2006	Fiscal 2007
(1) Business area costs			798.1	727.5	776.2	737.0
Breakdown	1. Pollution prevention costs	• Oil tank facility for engine generator	88.4	166.8	208.2	343.1
	2. Global Environmental Conservation	• Maintenance expenses for air-conditioning facilities for machinery rooms	702.1	506.6	280.5	103.8
	3. Resource circulation costs	• Waste disposal and recycling expenses	7.5	-	287.5	289.9
(2) Upstream and downstream		• Internet billing information system improvements	-	-	28.9	20.0
(3) Administrative		• Greening of building • Usage fees for environmental information system	-	-	43.1	42.8
(4) R&D		Conducted environmental R&D at laboratories of holding company Nippon Telegraph and Telephone Corporation	-	-	33.3	32.1
(5) Social activities		Donations to environmental organizations	-	-	0.5	0.5
(6) Remediation			-	-	-	-
Total			798.1	727.5	882.1	832.5

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

		Fiscal 2006	Fiscal 2007
Revenue	From sales of cable and metals	539	845.0
Savings	Reduced equipment purchases from reuse	1,688	2,341.9
	Decrease in postal and paper costs from Internet billing information system	287	362.1
Total		2,515	3,579.1

Notes

- Fiscal years are April 1 through March 31.
- Data is for NTT Communications only.
- Tabulations based on the Ministry of the Environment's Environmental Accounting Guidelines 2005 and the NTT Group's Environmental Accounting Guidelines. Expenses included personnel costs but not depreciation.

Environmental Initiatives of Group Companies

●ISO 14001 Certification

As of March 31, 2008, 27 departments from five Group companies were ISO 14001-certified.

●Each Group company's environmental initiatives

See the following Each company's website for details.

■Pages introducing ISO 14001-certified companies and each company's initiatives

ISO 14001-certified companies	certified dates	and initiative statuses
NTT Communications	October 1999 Procurement Office, Corporate Planning Department, NTT Communications March 2004 System Engineering Department, Enterprise Business Division	Click here for details (Japanese-language)
NTT World Engineering Marine	June 2001	Click here for details (Japanese-language)
NTTPC Communications	November 2003	Click here for details on ISO 14001 Certification (Japanese-language) Click here for details (Japanese-language)
NTT BizLink	March 2007	Click here for details (Japanese-language)
NTT FANET SYSTEMS	April 2007	Click here for details (Japanese-language)

■NTTPC Communications, Inc.

In line with an ethos that ecology is indispensable in corporate activities, NTTPC Communications began securing ISO 14001 Certification in 2003, the last two qualifying in November 2007.

Since fiscal 2007, the company's environmental activities have included collecting PET bottle caps for recycling as a fishing pier and for other uses.

With all departments fully certified under ISO 14001, NTTPC Communications renewed its commitment to the environmental in fiscal 2008, drawing on its ICT capabilities and power savings at datacenter to lower its environmental impact.



■ Pier made from recycled PET bottle caps

Topics

Recognition for Our Environmental Initiatives



●First in Communication Services Category of Nikkei Environmental Management Survey

In 2007, the Nikkei Environmental Management Survey ranked us first for the second consecutive year in its communication services category. We will continue to tackle global warming, recycle, and cut paper usage so we can reach our medium- and long-term objectives.

●Minister of Environment's Container and Packaging 3R Promotion Award for Excellence in Regional Liaison and Collaboration

In fiscal 2007, our Adachi Econet business won the Minister of Environment's Container and Packaging 3R Promotion Award for Excellence in Regional Liaison and Collaboration. The unit works with Tokyo's Adachi Ward on environmental initiatives, one of which is a PET bottle collection effort.

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Preventing Global Warming and Saving Energy

All employees engage in activities to prevent global warming, covering everything from the telecommunications equipment that accounts for 98% of our carbon dioxide emissions to offices.

Initiatives to Prevent Global Warming and Save Energy

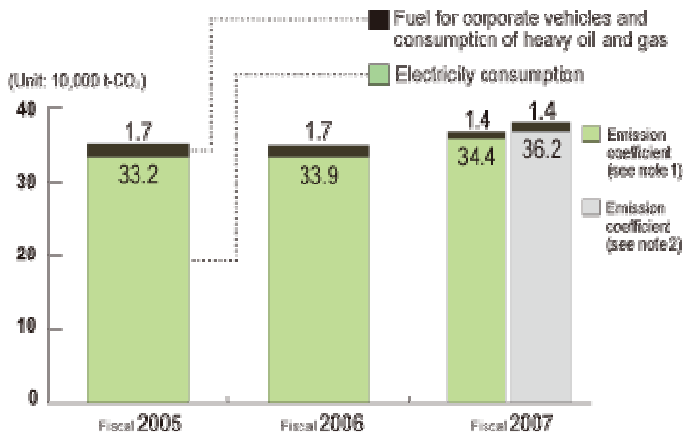
● Initiatives to Cut Carbon Dioxide Emissions

We are striving daily to use energy more efficiently to reach our voluntary environmental targets.

Our power consumption rose in fiscal 2007 because we expanded data center operations. Nonetheless, our carbon dioxide emissions increased just 0.6% from a year earlier because we continued efforts to procure energy-efficient ICT equipment and improve air-conditioning efficiency.

The NTT Group has installed natural energy generating systems with a total capacity of 1.8 megawatts at 112 business sites. In May 2008, it announced the Green NTT program to expand the use of natural energy, centering on solar power systems. The NTT Group aims to deploy solar power systems with a total capacity of 5 megawatts by 2012. In fiscal 2008, we began a drive to use more natural energy at our telecommunications buildings, data centers, and other facilities.

■ Carbon Dioxide Emissions from Business Activities



(Coverage: Seven companies through fiscal 2005 and 12 Group companies in fiscal 2006 and 2007)

Note 1: The carbon dioxide emission coefficients in the green bars for fiscal 2005 through 2007 were 0.378 Kg-CO₂.

Note 2: For the gray fiscal 2007 bar, we used carbon dioxide emission coefficients from each electric power company.

[See the following Japanese-language website for details on our fiscal 2007 power purchases, green energy generation, and our nitrogen and sulfur oxide emissions.](#)

● Green ICT and Team -6% Project Initiatives Involving Society in Combating Global Warming

We produced the Green ICT Solutions Guide for enterprise customers to help drive our Green ICT efforts. This publication explains how ICT can alleviate global warming and outlines specific ICT services that enhance efficiency and lower environmental impact. We will keep working with customers to safeguard the environment through ICT solutions.

NTT Communications, NTTPC Communications, NTT Resonant, NTT Plala (formerly Plala Networks), and NTT BizLink are participating in the Team-6% project. Ongoing efforts under that project include encouraging employees to wear CoolBiz fashions, enabling us to cut the power consumption of air-conditioning systems. Another is the 3 Up, 4 Down initiative through which people walk up three flights of stairs and down four instead of using



elevators. We continue to solicit participants in Team -6% through Kankyogoo, which NTT Resonant operates.

[Click here for details on our Green ICT solutions \(Japanese-language\)](#)

● **Planting Rooftop Gardens to Reduce Environmental Loads**

We are using rooftop gardens (see note 1) on our data center and other facilities to reduce the heat island effect (see note 2) as part of our green ICT efforts.



■ Rooftop Garden on Telecommunications Building

These gardens also shield buildings from heat and reduce the power consumption of air-conditioning systems. Another benefit is that they improve living environments and beautify views because they clean the air by absorbing carbon dioxide and discharging oxygen.

In fiscal 2007, we planted more Sedum creepers on the 473-square-meter rooftop of a telecommunications building in Tokyo. The vegetation reduces the facility's annual carbon dioxide emissions by around about 13 metric tons.

Notes:

1 Rooftop gardens

Cultivating such gardens is one way of improving living environments. Evapotranspiration from plants lowers ambient temperatures and blocks heat, helping cut a building's energy consumption. Municipal governments in Tokyo subsidize the planting of rooftop gardens larger than three square meters.

2 Heat island effect

This phenomenon refers to summer urban temperatures rising several degrees because of heat from asphalt surfaces, buildings, air conditioner, and car exhausts raises urban temperatures. The term describes the notion that cities appear as islands of heat in thermal images compared with surrounding rural areas.

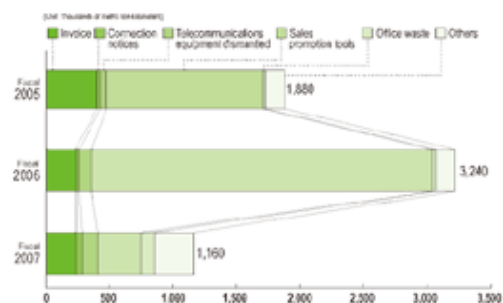
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Lowering the Environmental Impact of Transportation

● **Conserving Logistics Energy Consumption**

The revised Law Concerning the Rational Use of Energy implemented in April 2006 requires that parties providing and seeking transportation services endeavor to save energy. We annually audit transportation volume based on invoices, sales promotion tools, and office waste. We voluntarily seek ways to streamline transportation and otherwise enhance logistics. In fiscal 2007, we reduced transportation volume about 2,080,000 ton kilometers from a year earlier.

■ Goods Transportation Volume under Revised Law Concerning the Rational Use of Energy



(Coverage: NTT Communications)

[Click here for an enlarged diagram of goods transportation volume under the revised Law Concerning the Rational Use of Energy](#)

We have cut the use of transportation by promoting the convenience of our Internet billing information service, as part of which customers receive invoice notices by email and can go to the Mypage dedicated website to view usage details and get receipts. By the end of July 2007, more

than half of our customers were using this service. We made the Internet our standard means as September 2008 billings for invoicing individuals using our OCN Internet services.

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[Lowering Environmental Impact through Our Business Activities](#)

Managing Wastes

We are cutting waste and increasing recycling and reuse ratios from our business and office activities while moving ahead with a program to lower environmental impact by properly managing polychlorinated biphenyls and remove asbestos from facilities.

Waste Management and Recycling

● Recycling Dismantled Telecommunications Equipment

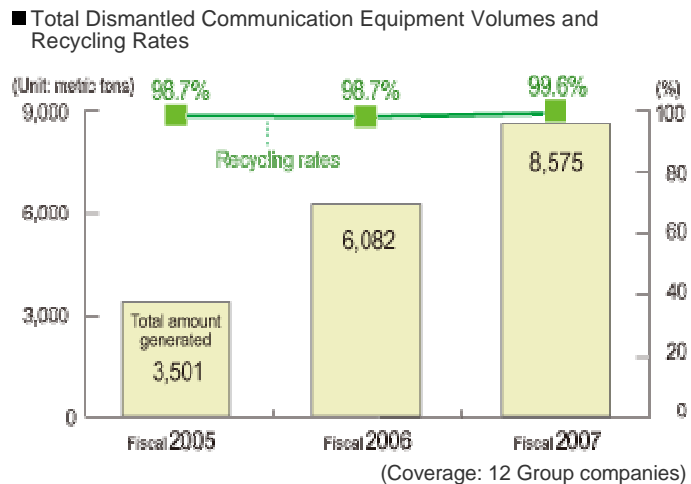
We upgrade telecommunications equipment and cables to provide higher-quality services. We reuse or recycle most of the equipment and cables we remove during upgrades, properly, quantifying and discarding the rest.

In fiscal 2007, we reused 620 items of obsolete equipment in-house. We recycled 33,182 units from our nonoperating inventory, including circuit boards. We chose several industrial waste contractors to improve recycling rates,

especially at isolated islands. We reused 14 kilometers of fiber-optic cable and recycled 143 kilometers of coaxial cable. Our recycling rates thus increased from 98.7%, to 99.6%.

In fiscal 2008, we will pursue specific targets to raise recycling rates for some items. For example, we aim to boost the rate for fiber-optic cable to more than 90%.

[Click here for waste management performance data \(Japanese-language\)](#)

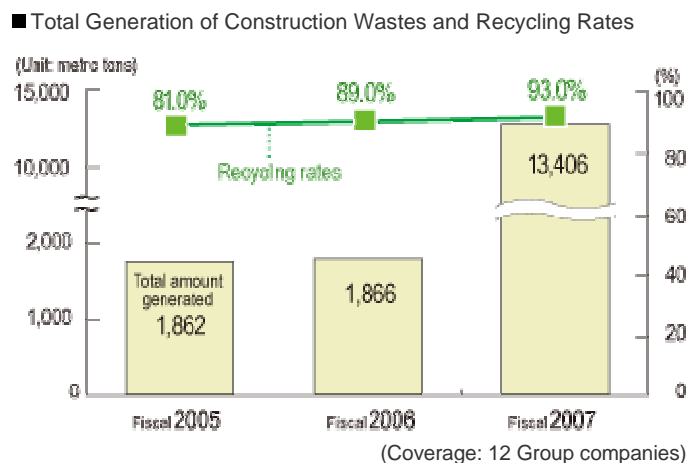


● Construction Waste Recycling

We are rebuilding old facilities and constructing new ones to accommodate rising demand and maintain stable and reliable services.

Total wastes rocketed seven-fold in fiscal 2007, but we chose intermediate processing facilities with high recycling rates and improved our recycling rate for concrete and other designated construction materials from 97.1%, to 98.7%.

In fiscal 2008, we aim to further improve the recycling rate by focusing on other materials, promoting zero waste, and choosing waste contractors that have high recycling rates.



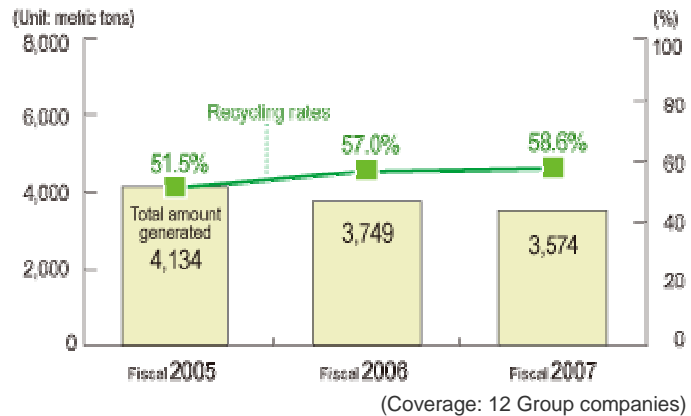
●Office Waste Recycling

We aim to recycle 70% of office waste over the medium and long terms. We are properly processing and managing wastes while separating materials for collection.

In fiscal 2007, our recycling rate climbed from 57.0%, to 58.6%, reflecting several key factors. We formed the Office Environmental Working Group, whose members are from each business unit, to strengthen conservation efforts. We also expanded waste separation to 14 categories and eliminated personal waste baskets.

In fiscal 2008, we will push ahead with efforts to raise the recycling rate five percentage points annually by educating our people through the working group, presenting information on the wastes of each business units, and engaging all employees in our endeavors.

■ Total Office Waste and Recycling Rates



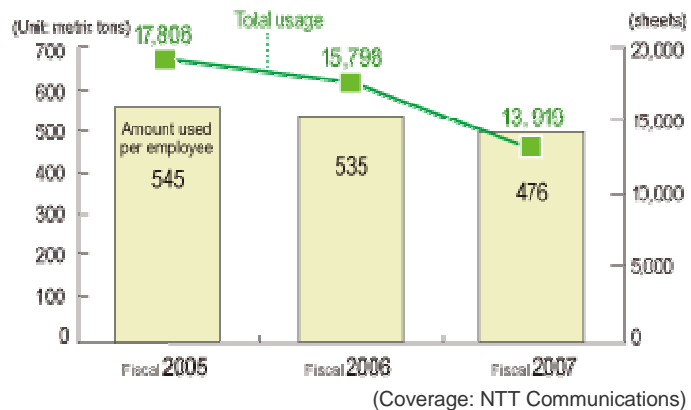
●Reducing Paper Usage

We are working to use less office and other paper.

In fiscal 2007, we installed MFP (Multi Functional Printer) to cut needless printing, encouraged the use of projectors that we put in meeting rooms, and reduced paper consumption per employee from 15,798 sheets, to 13,919 sheets.

In fiscal 2008, we will distribute more electronic documents and use more projectors at meetings to lower paper consumption by 12% per employee.

■ Total and Per-Employee Amounts of Office Paper Used



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Environmental Compliance

Companies should naturally fulfill with legal requirements. We are committed to identifying and complying with a continually expanding range of environmental regulations.

Adhering to Laws and Ordinances

● Adhering to Laws and Ordinances

We collaborate with other NTT Group companies to educate business units about environmental laws, emission standards, the PRTR (see note below), and other ordinances and standards. We have also formulated voluntary internal guidelines to assist compliance. In fiscal 2007, we incurred no litigation and committed no violations of laws and ordinances and had no environmental mishaps, infractions, penalties, or complaints to report.

We will continue companywide compliance efforts.

Note: The Pollution Release and Transfer Register helps organizations to assess and better manage designated chemical substances and their environmental impacts.

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Chemicals Management

● Managing PCB Storage Based on Guidelines

We established guidelines to mandate swift detoxification of polychlorinated biphenyls and strict management of equipment that contains or generates such substances.

In fiscal 2007, we confirmed that 3,717 items incorporated polychlorinated biphenyls.

We will continue to store items and more strictly manage existing equipment and will produce a medium-term plan to improve processing.

■ Polychlorinated Biphenyl Storage Volumes

		Fiscal 2005	Fiscal 2006	Fiscal 2007
Transformers (units)	Volume stored	0	0	1
	Volume used	2	5	4
High-voltage capacitors (units)	Volume stored	0	0	8
	Volume used	0	0	1
Low-voltage capacitors (units)	Volume stored	22	22	0
	Volume used	38	32	0
Ballast (units)	Volume stored	5,097	2,709	3,702
	Volume used	0	0	1
Noncarbon paper (kg)	Volume stored	0	0	0
	Volume used	0	0	0

● Eliminating Asbestos

Working groups for buildings and offices, telecommunications equipment, and health issues are tackling the asbestos issue.

We responded to the government's September 2006 revision of asbestos standards by surveying scattering in eight buildings sprayed with this material. We confirmed that scattering levels were below the maximum permitted. By 2007, we completed the removal of asbestos at five sites, including the Yokohama-Nishi Building and part of the Otemachi Building. We plan to complete asbestos removals, containment, or enclosure at three other sites.

We identified volumes, conditions, and scattering for sprayed materials containing asbestos, completing removal work at 10 sites. By the end of fiscal 2007, we had confirmed the presence of construction materials incorporating asbestos at 21 locations (18,183m³) in 20 buildings nationwide. We will continue act in line with manuals from the Japan Construction Occupational Safety and Health Association and local governments.

[Basic Environmental Protection Concepts and Management](#)

[Preventing Global Warming and Saving Energy](#)

[Managing Wastes](#) | [Environmental Compliance](#)

[Pursuing Environmental Activities](#) | [Biodiversity Initiatives](#)

[Lowering Environmental Impact through Our Business Activities](#)

Pursuing Environmental Activities

It is critical for all employees to remain fully aware of these activities, and we thus endeavor to involve all of them in our initiatives.

Environmental Activities

● Engaging All Employees in Office Environmental Activities

In February 2008, we launched an environmental program at our offices to involve all employees in reducing the ecological impact of our operations. We used posters to enlighten employees on our activities and pushed ahead with initiatives to conserve energy and resources. Employee contributions include turning lights off during lunchtimes (12:00~13:00), using energy-saving settings on personal computers, and having the last people to leave work ensure that lights, air conditioners, and shared office equipment are off. They also collaborate by printing on both sides of paper and fitting two pages per sheet, separating waste to increase recycling rates, and putting documents in SS-BOX service receptacles for recycling.

We plan to step up employee activities by encouraging them to consider creative contributions in their worksites and by instituting awards.

[Basic Environmental Protection Concepts and Management](#)

[Preventing Global Warming and Saving Energy](#)

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[Lowering Environmental Impact through Our Business Activities](#)

Biodiversity Initiatives

We survey habitat distributions from when we install wireless relay stations through when we dismantle them. We endeavor to prevent ecological damage and reduce our environmental impact by adhering to in-house guidelines that accommodate biodiversity.

Biodiversity Initiatives

●Caring for Nature Reserves

As of March 31, 2008, 24 of our 153 wireless relay stations for telecommunications and broadcasting networks were in national parks. We carefully consider biodiversity requirements in building micro-roads that we need to patrol and maintain these facilities, adhering strictly to the law and our own environmental assessment techniques.

We endeavor to prevent ecological damage and reduce our environmental impact in maintaining our wireless relay stations.

●Following Guidelines

To date, we have produced wireless relay station construction plans after surveying the distributions of plant, bird, and insect life, and other habitat distribution factors to prevent biodiversity damage. If identifying animals and plants on the World Conservation Union's Red List of endangered species, we contact third-party government bodies and nonprofit organizations to ensure that our construction plans do not affect biodiversity. In surveying, planning, designing, and working on relay station sites and roads, we will continue to adhere to our guidelines to safeguard nesting areas, animal paths, and vegetation.

[Basic Environmental Protection Concepts and Management](#)
[Preventing Global Warming and Saving Energy](#)
[Managing Wastes](#) | [Environmental Compliance](#)
[Pursuing Environmental Activities](#) | [Biodiversity Initiatives](#)
[Lowering Environmental Impact through Our Business Activities](#)

Lowering Environmental Impact through Our Business Activities

We are using ICT solutions to create new value and collaborate with customers to lower society's overall impact on the environment.

Lowering Environmental Impact through Our Business Activities

●NTT Resonant's Kankyoo-goo Portal, goo Home Project, and goo Green Label Search Engine

【Kankyoo-goo】

This portal encourages people to rediscover the relationships between people and nature and pursue environmentally lifestyles, with sections on the environment, ways to find peace of mind, and health. The portal presents environmental news, CSR information, interviews with top executives from companies engaging in ecological initiatives, environmental education and glossaries, and information that is useful for environmental management and business practices.

Every year, NTT Resonant presents the Kankyoo-goo Awards to companies and groups that engage in activities to protect the environment and serve society. Other recipients are individuals who disseminate useful environmental information through the Internet.



[Kankyoo-goo portal](#)
(Japanese-language)

【goo Home Project】

In October 2007, NTT Resonant launched the goo Home social networking service. The service joined hands with Aqua Planet, a nonprofit organization, to launch the goo Home Project, which is planting corals off the shore of Chatan, a town in Okinawa. We plant one coral for every 30 new subscribers. By May 2008, about 2,000 individual corals were planted.



[goo Home Project](#)
(Japanese-language)

【goo Green Label Search Engine】

From August 2007, NTT Resonant began donating some proceeds from advertisements through this search engine to environmental nongovernment organizations. The company has given 900,000 yen to two such bodies. The site also offers seeks volunteers for environmental protection activities.



[goo Green Label search engine](#)
(Japanese-language)

●Cutting Power Consumption through Plala Dial Service

We replaced regular personal computers for customer call centers, including that of the Plala Dial Service, with thin clients. These terminals do not have storage devices, so they consume less electricity. We will continue to reinforce information security while conserving power to lower our environmental impact.

●OCN ECO Plus Initiatives

At the end of September 2007, we launched the OCN ECO Plus, the first OCN website to offer information on our environmental and social contributions. The goal was to increase in-house and external awareness of our efforts. The website enables us to inform customers about areas of particular concern to them and supports our initiatives to tackle environmental problems and contribute to social and regional progress.

One very popular section of the website highlights natural and cultural treasures around the world and encourages customers to help safeguard them for future generations.

The site has attracted a growing number of applications to cover stories on environmental and social contributions. In fiscal 2008, we will draw on our analysis of the areas of greatest interest to subscribers in fiscal 2007 to present examples of ecological activities.



[OCN ECO Plus](#)
(Japanese-language)

[Basic Environmental Protection Concepts and Management](#)
[Preventing Global Warming and Saving Energy](#)
[Managing Wastes](#) | [Environmental Compliance](#)
[Pursuing Environmental Activities](#) | [Biodiversity Initiatives](#)
[Lowering Environmental Impact through Our Business Activities](#)

NTT Communications Group CSR Report 2008

Respecting Our Employees

- ✎ [Respecting Diversity and Creating Attractive Workplaces](#)
- ✎ [Respecting Individuality and Human Rights](#)

Respecting Diversity and Creating Attractive Workplaces

As a global organization, NTT Communications meets its social responsibilities by creating workplaces that foster personal development and by tackling social issues. We are building a human resources development policy that fosters employee individuality and are creating a system to ensure employee diversity while offering opportunities to people with disabilities.

Fostering Diversity

● Offering Equal Opportunities for Women

We established the Diversity Office within the Human Resources Department in April 2008 as part of a management strategy of fostering the talents of a wide range of people. One of the office's tasks is to help female employees advance their careers. For example, we have external lecturers speak at seminars for executive women, present role models, and are building a cross-departmental female employee network. We also support people taking childcare leave.

■ Women in Positions above Assistant Manager

Fiscal 2006	Fiscal 2007
140	145

Coverage: NTT Communications

■ Numbers of Employees and New Recruits by Gender

	Fiscal 2006	Fiscal 2007
Number of employees	8,750	8,550
male	7,900	7,650
female	850	900
New recruits	211	212
male	148	148
female	63	64

Coverage: NTT Communications

● Helping Employees Fulfill Professional and Private Commitments

It is important to help balance the working and home lives of employees so we can attract and retain diverse people. We provide education and training to foster in-house understanding of our support programs, encourage their use, and help employees to return to work from leave. One such program is NTT-Life+, a website that assists employees caring for their children and elderly relatives.

We also foster diverse working styles, such as through a program allowing employees to do their jobs at home. We are formulating other initiatives to help balance professional and private lives.

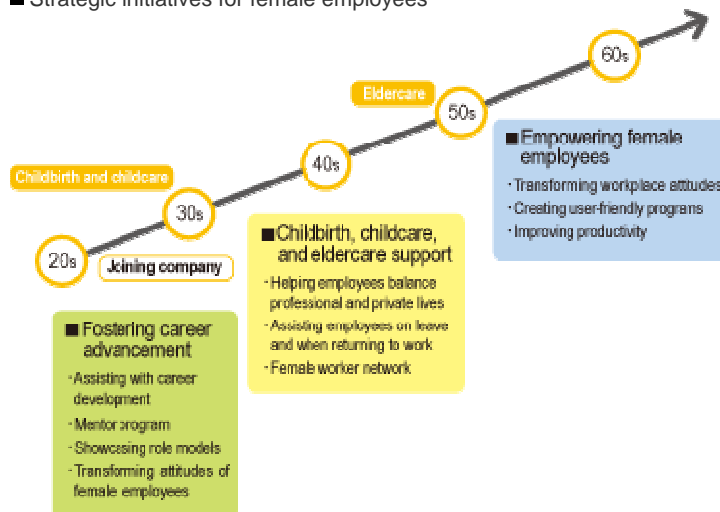
■ Overview of Support Programs and User Numbers in Fiscal 2007

Program	Overview	Number of users	
		Fiscal 2006	Fiscal 2007
Maternity leave	From 6 weeks before and 8 weeks after childbirth	57	71

Childcare leave	Leave for up to 3 years after childbirth	99 (including 2 male employees)	111
Special working system to assist childcare	A reduction of 4, 5, or 6 hours weekly for childcare until a child reaches the age of 7 (until end of first year of elementary school)	93 (including 4 male employees)	98
Eldercare leave	To care for elderly family members, employees may take leave of up to 93 days as designated by law, plus 15 months under company rules	3 (including 1 male employees)	6 (including 4 male employees)
Reduced working hours for eldercare	To care for elderly family members, employees may take leave of up to 93 days as designated by law and work for 4 to 6 hours fewer weekly for up to 33 months	1	11 (including 3 male employees)

Coverage: NTT Communications

■ Strategic initiatives for female employees



■ Seminar on leave and work return support

● Employment of People with Disabilities

We aim to swiftly increase employment of people with disabilities to the statutory rate of 1.8% of our workforce. Our endeavors include following up with these people after they join us and training for all employees so they better understand our policies on people with disabilities.

Note: [click here for related information on employing people with disabilities.](#)

● Obtaining Kurumin Mark

We launched a three-year action plan for childcare assistance in April 2005 to help balance the professional and private lives of employees. We received Kurumin mark certification in 2008 in recognition of our endeavors.

We began our second three-year childcare support action plan in April 2008.



■ Kurumin Mark

Human Resources Education Programs

Human Resources Development Policy

We launched our HRM policy in April 2006 to empower employees and encourage teamwork.

The policy defines ideal employees, our recruiting policy, assignments and training, and goal-setting and personnel evaluations to help us secure, allocate, and cultivate diverse people who can optimize value by pursuing teamwork.

We accordingly secured 212 people in fiscal 2007 under a collective recruiting system, initially allocating new employees to work sites that deal directly with customers.

■HRM Policy	
The ideal employee	An on-site professional who draws on technical skills and experience to proudly serve customers, proactively makes and executes decisions as a team player, and optimizes added value through the team
Recruiting policy	Use the collective recruiting system to employ diverse people who act proactively from companywide standpoints by expanding the scope of work that these people can perform
Assignments and training	Ensure professional advancement through experience by clarifying what we seek in personnel in businesses and fields in which we must maintain our competitive position, institute a program to cultivate professionals, and transfer employees across sections so they can amass experience throughout the value chain
Goal-setting and personnel evaluations	Use a simple framework to strengthen daily communication between managers and subordinates, set goals from the bottom up, and optimize teamwork

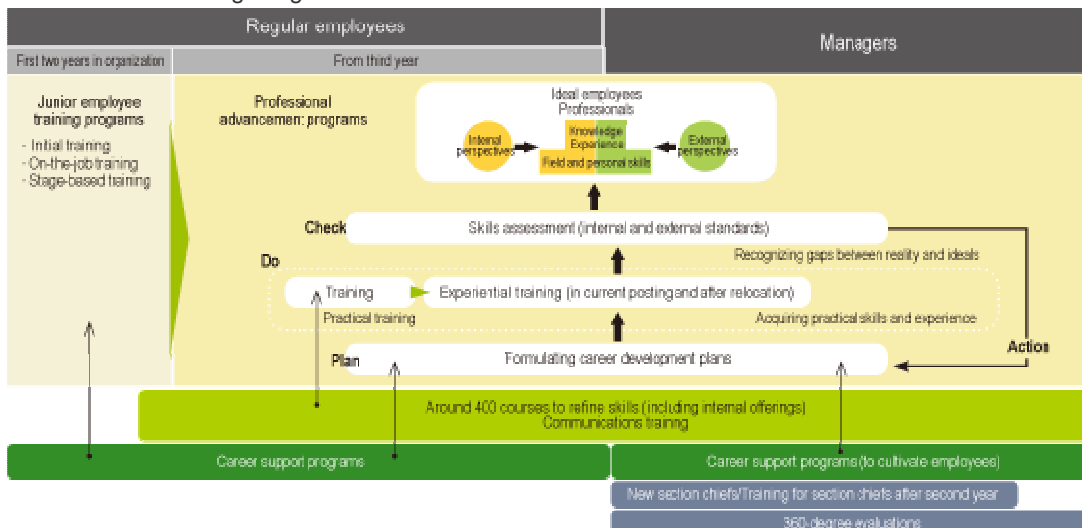
Training Systems

We improve employee skills through an array of training programs for junior and seasoned employees and managers.

We provide rotational training for new employees, mainly in business units that deal directly with customers. The goal here is to cultivate customer-oriented mindsets and encourage these employees to gain broad perspectives on internal operations.

After the junior training period, employees and supervisors discuss and choose courses based on career development plans.

Overview of Training Programs



[Click here for an enlarged diagram of our training system](#)

■Number of Employees Trained

	January through December 2006	January through December 2007
Employees undertaking group training	6,091	6,173
Employees trained at external facilities	3,071	3,194

●Top Management Involvement in Training Programs

We offer opportunities for senior executives to participate in training and discuss management issues directly with employees.

In fiscal 2007, executives attended dialog meetings and addressed questions from 990 employees. They included three gatherings with 156 new manager, one with 157 second-year manager, four with 323 new chiefs, and three meetings with 354 people undergoing stage-based training.

Participants greatly valued the discussions about management specifics. We will arrange more such gatherings in the years ahead.

■Meetings for Dialog Between Senior Management and Employees

	Fiscal 2006	Fiscal 2007
Meetings for dialog	10	11
Number of participants	720	990

●Internal Job Posting System

We established this system to enable employees to meet new challenges and deepen their involvements in our business.

We and other companies in the NTT Group post new internal positions around three times annually. This system has proved particularly popular among younger employees seeking to fully apply their skills or gain new experience. We will continue to use this system to build careers and energize the entire organization.

■Employee Transfers

	Fiscal 2006		Fiscal 2007	
	Number of applications	Number of transfers	Number of applications	Number of transfers
Within NTT Communications	117	52	140	71
To other NTT Group companies	-	54	152	108

[Respecting Diversity and Creating Attractive Workplaces](#)

[Respecting Individuality and Human Rights](#)

Respecting Individuality and Human Rights

We help fulfill our social responsibilities by creating work environments that enable all employees to realize their potential. We provide cumulative training and experience that enables us to build a corporate culture that champions integrity and human rights.

Creating Attractive Workplaces

● Work-Life Committee

We formed this committee of management and union representatives to help balance the professional and private lives of employees. Its goals are to build more satisfying workplaces and reduce total working hours.

In fiscal 2007, the committee pushed ahead with initiatives to cut hours and encourage employees to take annual leave. It also distributed bulletins on better balancing work and private lives.

■ Average Annual Overtime Per Employee

Fiscal 2006	Fiscal 2007
289hours	289hours

● Supporting Volunteer Activities

We help employees fulfill their potential as citizens by encouraging them to use our diverse leave systems for volunteer activities.

We foster the activities of employee volunteers and nonprofit organizations through the Volunteer Gift Program.

Fiscal 2007 marked the ninth year since the program's inception. During the term, we donate video cameras and other equipment to the Nakano City's Daiichi Izumi Classroom to aid intellectually challenged children. We also gave fungo machines to the Chiyoda Fighters. This is a children's baseball team in the Chiba Prefecture Little League, which provides instruction for primary school student teams. Three other organizations in which employees are involved also received donations.



■ Youth baseball team



■ Izumi Classroom

■ Number of Employees Using Our Volunteer Leave System

Fiscal 2006	Fiscal 2007
42	51

● Occupational Safety and Mental Healthcare

Employee safety is a top priority. We prevent accidents by reviewing working environments and operations manuals, using case studies to raise awareness of safety issues, and conducting frequent safety inspections. We created a system to quickly share accident information, contacting customers as necessary and notifying and warning all employees. The goals are to prevent recurrences and maintain work safety.

Mental healthcare initiatives aim to create healthy and comfortable work environments. We offer seminars, counsel high-risk employees, and maintain employee consultation desks inside and outside the organization.

In fiscal 2007, 1,1800 employees attended mental healthcare seminars. We will continue to educate on health management as part of efforts to create healthy and comfortable working environments.

■ **Number of Work-related Accidents (while working or commuting)**

Fiscal 2006	Fiscal 2007
6 (working 2 / Commuting 4)	6 (working 2 / Commuting 4)

● **Cafeteria Plan**

We offer various benefits to all employees throughout their time in our organization. Our cafeteria plan provides extensive menu options. We also provide life design education and consultations.

■ **Number of Cafeteria Plan Menus**

Fiscal 2006	Fiscal 2007
49	49

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Relationships with Employees

● **Applying Employee Feedback**

We communicate closely with employees because we seek to build a pleasant and motivating corporate culture. We are accordingly creating a structure to apply employees feedback.

Our goal is to swiftly reflect ideas from employees in management and business process reforms, by enabling them to feel free to send proposals directly to us. As part of that commitment, we launched the Kaizen (Continuous Improvement) Office in July 2006. We also instituted a Direct Line program for dealing with constructive proposals from employees beyond organizational and supervisory boundaries. We received around 400 such proposals through August 2008. We newly instituted Kaizen awards system in fiscal 2008 to attract more proposals. Another initiative was to set up the Kaizen Portal to share proposal ideas and provide employees with more opportunities to tell us their concerns.

We conduct an annual companywide survey to help improve our assessment systems. We launched an opinion survey on a trial basis in fiscal 2007.

We will continue endeavoring to build more employee-responsive workplaces through the efforts above.

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Revering Ethics and Human Rights

● **Maintaining a Business Structure that Respects Human Rights**

Human rights are a vital focus for NTT Communications. We maintain a corporate structure that abhors discrimination and fosters bright and energetic workplaces. We treat our employees, partner employees, and temporary staffers equally out of trust and respect for diversity and individuality.

● **Human Rights Education**

All Group employees and partner employees must attend human rights seminars at least once annually. These people gain basic knowledge about discrimination and how to prevent it, and learn how management seeks to improve workplaces. Directors and executives attend annual classes on discrimination and other human rights issues. Such classes heighten their awareness of

discrimination and foster a management environment that does not engage in, cause, or tolerate discrimination.

External experts give annual lectures on sexual and power harassment. We distribute a monthly e-mail magazine to all employees and partner employees that highlights examples of workplace harassment.

We will continue to heighten employee awareness of human rights issues through our educational programs.

■Participants in Human Rights Programs

	Fiscal 2006	Fiscal 2007
Classes on sexual harassment	213	237
Classes on human rights in the workplace	17,789	17,910
Human rights issues classes for senior managers	42	45

●Soliciting Human Rights and Compliance Slogans

We solicit slogans every year to increase understanding of human rights issues.

In fiscal 2007, we again received more than 10,000 slogans in a campaign that concurrently focused on human rights and compliance. We gave awards to one Group company and five parent business units for 31 slogans and chose two for the top prizes. The best human rights slogan was, "A single action is far more natural than one hundred words about human rights." The compliance one was, "Leaks from the in-house LAN cause internal turmoil and damage social credibility." We increase daily awareness of human rights issues by distributing block calendars or memo pads featuring these slogans to all worksites.



■ Human rights and compliance calendar



■ Human rights and compliance memo pad

●Experiential Learning

We conduct an annual program to deepen employee understanding of persons with disabilities and the elderly. Employees wear eyeshades, move around in wheelchairs, and simulate the experiences of old age.

In fiscal 2007, we held this program on December 19 and 21, 2007, and January 16, 2008. We received a lot of positive feedback from participants, notably:

- "When I wore eyeshades, I realized it is very hard to walk straight."
- "Sitting in a wheelchair lowered me to the eye level of a senior citizen. I understood the difficulty older people face."
- "Now someone nursed me I think I'll try nursing others differently."
- "It was an unusual experience that gave me a true feel for what it is like to move around freely."



■ Wearing eyeshades



■ Riding in a wheelchair

■Participants in Our Experiential Learning Program

	Fiscal 2006	Fiscal 2007
Eyeshades	37	44
Moving around in wheelchairs and simulating the experiences of aging	43	45

Comments from Experiential Learning Program Participant

Riding in a wheelchair gave me a feel for what it is like to be a senior citizen

Eichiro Sekiguchi Assistant Manager, Strategy Planning Department Enterprise Sales Division I



I rode in a wheelchair on a regular street. I don't normally notice height differences in the pavement, but these became obstacles. There were lots of times in riding less than 100 meters in which I thought I would have tipped over if nobody helped me.

As part of the senior citizen's experience class, we wore earplugs and special goggles to narrow our field of view. We also had our hands and feet tied somewhat to reduce our mobility to that of older people and change our perceptions. I realized that these people live in a different dimension. Just going down a single stair felt dangerous. I very carefully held a handrail and proceeded slowly. Otherwise, I could not have got down the stairs.

The wheelchair experience made me realize the all-round importance of having people to help senior citizens. There is certainly a need for barrier-free facilities. And what I went through also made me realize that less tangible things are crucial, like someone being prepared to lend a hand when you are in difficulty.

[Respecting Diversity and Creating Attractive Workplaces](#)

[Respecting Individuality and Human Rights](#)

CSR

NTT Communications Group CSR Report 2008

Third-Party Opinion and Response

Third-Party Opinion

My Impressions of the 2008 CSR Report

Mariko Kawaguchi

Senior Analyst at Management Strategy Research Department of Daiwa Institute of Research Ltd.

Ms. Kawaguchi joined Daiwa Securities in 1986 after completing a Master's degree in public finance and environmental economics at Hitotsubashi University's Graduate School. She transferred to the Daiwa Institute of Research in 1994. She has been a member of the Tokyo Metropolitan Government's Environmental Council, a committee member for the Kanagawa Industrial Vitalization Conference, an Environmental Businesswomen member for the Ministry of the Environment, a member of the Sustainability Japan Forum's council, and a director and executive committee member of the Social-Investment Forum Japan. She has been a part-time instructor at Aoyama Gakuin University. She is a chartered member of the Security Analysts Association of Japan.



In providing a third-party opinion for the 2007 CSR Report, I noted the issue of maintaining network reliability. In this year's report, a participant in the employee round-table talk duly mentioned that, "Our business entails creating a grand network design, so I think that building reliable networks for a start is itself a form of social contribution." Information networks are certainly essential to society, and NTT Communications' core business is about ensuring reliability. But should society at large know about the efforts to attain that reliability?

The managements of telecommunications companies do a lot that society does not see. For better or worse, they have to shoulder the risks of handling all information equally as a common tool worldwide for an Internet that is part of the social infrastructure. There are negative human and environmental impact aspects to keeping systems running day and night, although society may be comfortable with that. Still, I getting society to properly understand the risks of such a business is as important to CSR as the efforts to ensure reliability.

Also last year, I pointed out that the information technology industry offers particularly diverse workplaces and that NTT Communications should lead in that regard. So, the company deserves praise for establishing the Diversity Office in April 2008 to tackle this issue. The company has steadily improved the working environment for women, launching efforts to balance professional and private lives, and disclosing more data. Examples are the numbers of male and female employees and the numbers of people taking leave to raise their children. But it is a pity that the company has not presented information on female executives as a percentage of the total or numbers on the extent to which its women are active in the organization. Diversity is about creating workplaces for people with a wide range of values and backgrounds. Employing women is just a step in that direction. And diversity has a far broader scope, also encompassing hiring people with disabilities and foreign nationals, and temporary or annual contract staffers. So, I would like to see NTT Communications pursue long-term goals for true workplace diversity.

In the Top Management Commitment letter, Hiromi Wasai, NTT Communications' president and CEO, stated that the company is striving to build new value for customers and society through core telecommunications services that bridge today and tomorrow. The challenge of sustainability is to link current and future generations. Native Americans say that they are trustees of the environment for seven generations that follow them. Our predecessors bequeath the environment to us, but we are also borrowing it from our descendants. It is our duty to safeguard the environment for future generations. Yet, we are consuming their resources as well as ours. The Top Management Commitment letter conveys such a message.

In his letter, Mr. Wasai stressed the importance of the company's frontline focus and ICT solutions for environmental problems. In the employee round-table talk, there was a comment about making results visible. In driving individuals to action, it is important to convey the right information so people can better visualize it. ICT is a valuable and socially significant tool for increasing imaginations. I would like frontline people to truly understand that.

I'll turn now to NTT Communications' global warming initiatives. Last year, I called on the company to execute a bold environmental strategy in its management framework. Management formulated the Group's long-term environmental vision in 2004, which states the following: "We must transform our values and eschew the singleminded pursuit of wealth in favor of new values that prioritize the environment. Ongoing efforts to foster global dialog and mutual understanding will be central to this process. The NTT Communications Group is convinced that it can... help bring about a sustainable global community that is spiritually and materially wealthy. We can do this by building a platform for worldwide dialogue, exchanging and sharing knowledge from across the world and history, and by facilitating clear and open communication among all peoples" (my underlines). So, the company clearly stated that its core business mission is to resolve contemporary social issues. Unfortunately, this year NTT Communications chose to present its longterm vision only on its website. Surely it should have included that document in the printed report as the spiritual underpinning of its environmental management approach and as information that it should make readily available to employees and other stakeholders. FUKUDA's vision which is Japanese nations strategy was presented. I hope that the company takes the next step of formulating a vision through 2020 and engages in long-term environmental management.

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My Response

In fiscal 2007, management focused on employment engagement based on the NTT Communications Group's Basic CSR Policy. We aim to build a corporate culture in which all employees understand, support, and involve themselves in our office environmental and other initiatives.

We are working daily to secure the reliability of networks as central to the social information infrastructure and ensure that customers can happily and safely use our services. Telecommunications companies cannot resolve global warming or disaster risks by themselves. In light of what Ms. Kawaguchi pointed out, we will take the lead in addressing the negative aspects of information infrastructures and expand our employee-based CSR initiatives to keep communicating and collaborating with stakeholders.

In fiscal 2006, we formulated CSR indices to guide progress toward medium- and longterm objectives based on our CSR strategy. The results of those endeavors started to become evident in fiscal 2007. In keeping with our commitment to acting as a bridge, we will adopt strategies for the very long term, seeking progress in diversify and our environmental vision to help create a truly sustainable society.

Masae Tamura



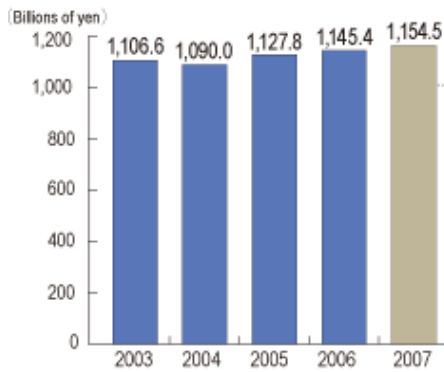
Group CSR Committee
Chairman and Senior
Executive Vice
President of NTT
Communications

NTT Communications Group CSR Report 2008

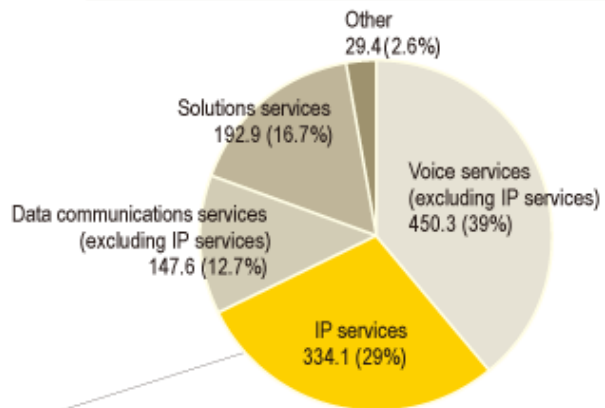
Financial Performance Benchmarks

Financial Performance Benchmarks (For fiscal years ending on March 31)

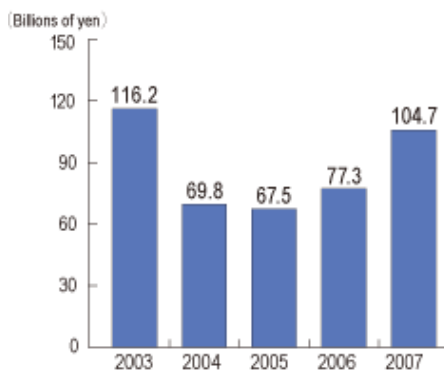
● Operating Revenues



Breakdown of Fiscal 2007 Operating Revenues
Billions of yen



● Operating income

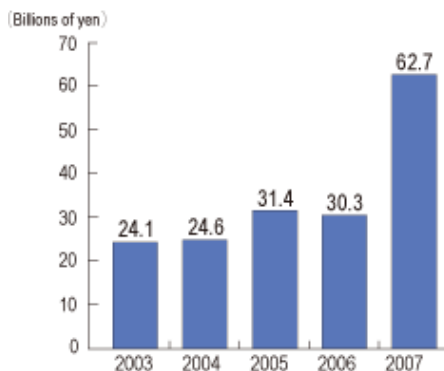


■ Main IP Services

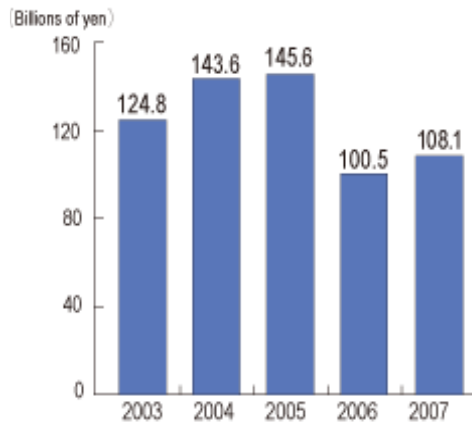
OCN



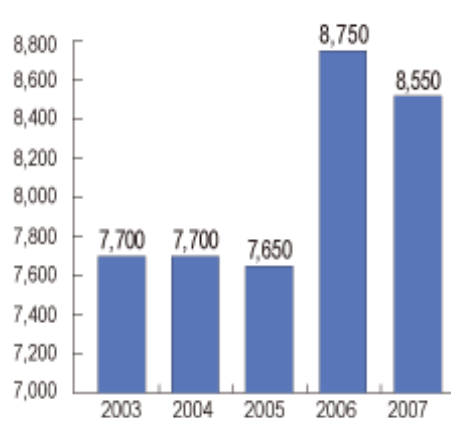
● Net income



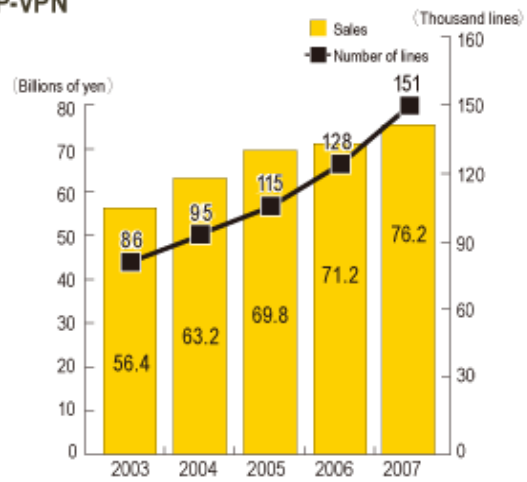
● Capital Investment



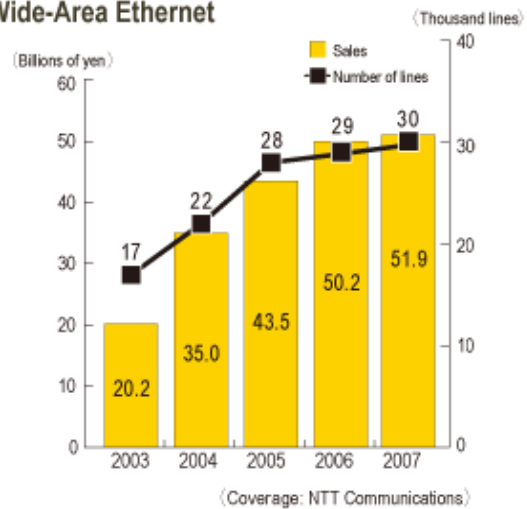
● Number of Employees



IP-VPN



Wide-Area Ethernet



Our Financial Information including business results

Financial Information : http://www.ntt.com/aboutus_e/financial.html

Our corporate information, Domestic Sales Offices, Overseas Sales Offices

Corporate Information: http://www.ntt.com/aboutus_e/gaiyou.html

Domestic Sales Offices: http://www.ntt.com/aboutus_e/domestic.html

Overseas Sales Offices: http://www.ntt.com/aboutus_e/world/index.html

CSR

NTT Communications Group CSR Report 2008

GRI Guideline contrast table

■ Standard Disclosures under Global Reporting Initiative G3 Guidelines for NTT Communications Group Corporate Social Responsibility Report 2008

This report is classed as Application Level B, as defined in the GRI G3 Guidelines



Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

Item	Indicator	Page in the report	Reported Information
1. Strategy and Analysis			
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P5	Top Management's Commitment
1.2	Description of key impacts, risks, and opportunities.	P1-2, P6, P11	Our Business Activities and Stakeholders 2008 CSR Indices Special Feature 2: Supporting the G8 Hokkaido Toyako Summit
2. Organizational Profile			
2.1	Name of the organization.	P3	Corporate Profile
2.2	Primary brands, products, and/or services.	P1, P33	Our Business Activities and Stakeholders Financial Performance Benchmarks
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P3	Corporate Profile
2.4	Location of organization's headquarters.	P3	Corporate Profile
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P1-2, P17	Our Business Activities and Stakeholders Maintaining Reliable Telecommunications Services

2.6	Nature of ownership and legal form.	P3	·Corporate Profile
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P1-2,P17	·Our Business Activities and Stakeholders ·Maintaining Reliable Telecommunications Services
2.8	Scale of the reporting organization, including: · Number of employees; · Net sales (for private sector organizations) or net revenues (for public sector organizations); · Total capitalization broken down in terms of debt and equity (for private sector organizations); and · Quantity of products or services provided. In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as: · Total assets; · Beneficial ownership (including identity and percentage of ownership of largest shareholders); and · Breakdowns by country/region of the following: ○ Sales/revenues by countries/regions that make up 5 percent or more of total revenues; ○ Costs by countries/regions that make up 5 percent or more of total revenues; and ○ Employees.	P3,P33	·Corporate Profile ·economy_performance.html
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: · The location of, or changes in operations, including facility openings, closings, and expansions; and · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	P3	·Group Company Changes in Fiscal 2007
2.10	Awards received in the reporting period.	P20 ,P25	·Faithfully Serving Our Customers ·Basic Environmental Protection Concepts and Management

3. Report Parameters

REPORT PROFILE

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	P4	·Report Profile
3.2	Date of most recent previous report (if any).	P4	·Report Profile
3.3	Reporting cycle (annual, biennial, etc.)	P4	·Report Profile
3.4	Contact point for questions regarding the report or its contents.	Back cover	·Customer service

REPORT SCOPE AND BOUNDARY

3.5	Process for defining report content, including: · Determining materiality; · Prioritizing topics within the report; and · Identifying stakeholders the organization expects to use the report.	P3	·Methodology for Choosing Key Information for Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	P4	·Report Profile
3.7	State any specific limitations on the scope or boundary of the report.	P4	·Report Profile
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	P4	·Report Profile
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	P4	·Report Profile

3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	*	*There was nothing to disclose.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	P4	·Report Profile
GRI CONTENT INDEX			
3.12	Table identifying the location of the Standard Disclosures in the report.	Website	This table
ASSURANCE			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	P4,P34	·Report Profile ·Third-Party Opinion
4. Governance, Commitments, and Engagement			
GOVERNANCE			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	P15	·Our CSR Framework
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	P15	·Our CSR Framework
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	P15	·Our CSR Framework
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	P15,P31	·Our CSR Framework ·Respecting Individuality and Human Rights
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	P15	·Our CSR Framework
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	P15	·Our CSR Framework
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	P15	·Our CSR Framework
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	P1-2	·Our Business Activities and Stakeholders
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	P6,P15	·2008 CSR Indices ·Our CSR Framework
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	P6,P15	·2008 CSR Indices ·Our CSR Framework
COMMITMENTS TO EXTERNAL INITIATIVES			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	P15-16	·Our CSR Framework
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	P12, Back cover, Website	·Special Feature 3 Launching the Diversity Office ·Back cover

4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> · Has positions in governance bodies; · Participates in projects or committees; · Provides substantive funding beyond routine membership dues; or · Views membership as strategic. 	P4	<ul style="list-style-type: none"> · Key Organizational Directorships of NTT Communications executives
STAKEHOLDER ENGAGEMENT			
4.14	List of stakeholder groups engaged by the organization.	P1-2	<ul style="list-style-type: none"> · Our Business Activities and Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	P1-2	<ul style="list-style-type: none"> · Our Business Activities and Stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P1-2,P20,P31	<ul style="list-style-type: none"> · Our Business Activities and Stakeholders · Faithfully Serving Our Customers · Respecting Individuality and Human Rights
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P7-8,P31	<ul style="list-style-type: none"> · Employee Round-Table Talk · Respecting Individuality and Human Rights
5. Management Approach and Performance Indicators			
Economic Performance Indicators			
	Disclosure on Management Approach	*	<ul style="list-style-type: none"> · *Financial Information "NTT Com Announces Financial Results for Fiscal Year Ended March 31, 2008"
ASPECT: ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. (CORE)	P6,P33,Website	<ul style="list-style-type: none"> · 2008 CSR Indices · Financial Performance Benchmarks · Our Relationships with Society
ASPECT: INDIRECT ECONOMIC IMPACTS			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. (CORE)	P6,P21,Website	<ul style="list-style-type: none"> · 2008 CSR Indices · Our Relationships with Society · Providing Services that Society Seeks
Environmental Performance Indicators			
	Disclosure on Management Approach	P22,P23-25	<ul style="list-style-type: none"> · Basic Environmental Protection Concepts and Management · Our Relationships with Suppliers
ASPECT: MATERIALS			
EN1	Materials used by weight or volume.(CORE)	P24,P27	<ul style="list-style-type: none"> · Basic Environmental Protection Concepts and Management · Managing Wastes
ASPECT: ENERGY			
EN3	Direct energy consumption by primary energy source. (CORE)	P24,P26	<ul style="list-style-type: none"> · Basic Environmental Protection Concepts and Management · Preventing Global Warming and Saving Energy

EN4	Indirect energy consumption by primary source. (CORE)	P24,Website	<ul style="list-style-type: none"> ·Basic Environmental Protection Concepts and Management ·Preventing Global Warming and Saving Energy
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. (ADD)	Website	<ul style="list-style-type: none"> ·Lowering Environmental Impact through Our Business Activities
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (ADD)	P26	<ul style="list-style-type: none"> ·Preventing Global Warming and Saving Energy
ASPECT: WATER			
EN8	Total water withdrawal by source. (CORE)	P24	<ul style="list-style-type: none"> ·Basic Environmental Protection Concepts and Management
ASPECT: BIODIVERSITY			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. (CORE)	P28	<ul style="list-style-type: none"> ·Biodiversity Initiatives
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity. (ADD)	P28	<ul style="list-style-type: none"> ·Biodiversity Initiatives
ASPECT: EMISSIONS, EFFLUENTS, AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight. (CORE)	P24,P26	<ul style="list-style-type: none"> ·Basic Environmental Protection Concepts and Management ·Preventing Global Warming and Saving Energy
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (ADD)	P26	<ul style="list-style-type: none"> ·Preventing Global Warming and Saving Energy
EN20	NO _x , SO _x , and other significant air emissions by type and weight. (CORE)	Website/td>	<ul style="list-style-type: none"> ·Preventing Global Warming and Saving Energy
EN22	Total weight of waste by type and disposal method.(CORE)	P24,P27	<ul style="list-style-type: none"> ·Basic Environmental Protection Concepts and Management ·Managing Wastes
ASPECT: PRODUCTS AND SERVICES			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (CORE)	P28	<ul style="list-style-type: none"> ·Lowering Environmental Impact through Our Business Activities
ASPECT : COMPLIANCE			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations. (CORE)	Website	<ul style="list-style-type: none"> ·Environmental Compliance
ASPECT : TRANSPORT			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (ADD)	P24,P26	<ul style="list-style-type: none"> ·Basic Environmental Protection Concepts and Management ·Preventing Global Warming and Saving Energy
ASPECT : OVERALL			
EN30	Total environmental protection expenditures and investments by type. (ADD)	P25	<ul style="list-style-type: none"> ·Environmental Accounting
Social Performance Indicators			
Labor Practices and Decent Work Performance Indicators			
	Disclosure on Management Approach	P12, P29-30,P31	<ul style="list-style-type: none"> ·Special Feature 3 Launching the Diversity Office ·Respecting Diversity and Creating Attractive Workplaces ·Respecting Individuality and Human Rights

ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. (CORE)	P31	Respecting Individuality and Human Rights
ASPECT: TRAINING AND EDUCATION			
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (ADD)	P30	Respecting Diversity and Creating Attractive Workplaces
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. (CORE)	P6,P12,P29	2008 CSR Indices Special Feature 3 Launching the Diversity Office Respecting Diversity and Creating Attractive Workplaces
Human Rights Performance Indicators			
	Disclosure on Management Approach	P16,P31-32	Our CSR Framework Respecting Individuality and Human Rights
SPECT: INVESTMENT AND PROCUREMENT PRACTICES			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (ADD)	P6,P32	2008 CSR Indices Respecting Individuality and Human Rights
Society Performance Indicators			
	Disclosure on Management Approach	P16,P21, P22,Website	Our CSR Framework Our Relationships with Society Our Relationships with Suppliers Government Relations
ASPECT: CORRUPTION			
SO2	Percentage and total number of business units analyzed for risks related to corruption. (CORE)	P6,P22,P24	2008 CSR Indices Our Relationships with Suppliers Basic Environmental Protection Concepts and Management
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures. (CORE)	P6,P16	2008 CSR Indices Our CSR Framework
SO4	Actions taken in response to incidents of corruption. (CORE)	*	*There was nothing to disclose.
ASPECT : PUBLIC POLICY			
SO5	Public policy positions and participation in public policy development and lobbying. (CORE)	P25,Website	Basic Environmental Protection Concepts and Management Making Society Safer and More Secure Government Relations Providing Services that Society Seeks
ASPECT: COMPLIANCE			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. (CORE)	*	*There was nothing to disclose.

Product Responsibility Performance Indicators			
	Disclosure on Management Approach	P17,P19.P20	<ul style="list-style-type: none"> ·Maintaining Reliable Telecommunications Services ·Making Society Safer and More Secure ·Faithfully Serving Our Customers
ASPECT: CUSTOMER HEALTH AND SAFETY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. (CORE)	Website	· Green ICT (Japanese language)
ASPECT : PRODUCT AND SERVICE LABELING			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (ADD)	P20	· Faithfully Serving Our Customers
ASPECT : MARKETING COMMUNICATIONS			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. (CORE)	P20	· Faithfully Serving Our Customers

■Standard Disclosures under Global Reporting Initiative Telecommunications Sector Supplement for NTT Communications Group Corporate Social Responsibility Report 2008

Indicator		Page in the report	Reported Information
Category: Internal Operations			
Infrastructure			
IO8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	P28	· Biodiversity Initiatives
Category: Providing Access			
Access to Telecommunication Products and Services: Bridging the Digital Divide ¹			
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	Website	<ul style="list-style-type: none"> ·Providing Services that Society Seeks ·Our Relationships with Society
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	P11,P17,P20	<ul style="list-style-type: none"> ·Special Feature 2 Supporting the G8 Hokkaido Toyako Summit ·Maintaining Reliable Telecommunications Services ·Faithfully Serving Our Customers
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	P1-2,P17	<ul style="list-style-type: none"> ·Our Business Activities and Stakeholders ·Maintaining Reliable Telecommunications Services
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	P18	· Maintaining Reliable Telecommunications Services

Access to Content			
PA7	<p>Polices and practices to manage human rights issues relating to access and use of telecommunications products and services.</p> <p>For example:</p> <ul style="list-style-type: none"> · Participation in industry initiatives or individual initiatives related to Freedom of Expression · Legislation in different markets on registration, censorship, limiting access, · Interaction with governments on security issues for surveillance purposes · Interaction with national and local authorities and own initiatives to restrict criminal or potentially unethical content. · Protecting vulnerable groups such as children. <p>Explain how such policies and practices are adapted and applied in different countries.</p>	Website	<p>·Making Society Safer and More Secure</p>
Customer Relations			
PA11	<p>Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.</p>	P26,Website	<p>·Preventing Global Warming and Saving Energy</p> <p>·Green ICT (Japanese-language)</p>
Category: Technology Applications			
Resource Efficiency			
TA1	<p>Provide examples of the resource efficiency of telecommunication products and services delivered.</p>	Website	<p>·Green ICT (Japanese-language)</p>
TA2	<p>Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing)</p>	Website	<p>·Green ICT (Japanese-language)</p>
TA3	<p>Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.</p>	P23	<p>·Basic Environmental Protection Concepts and Management:Medium- and Long-Term Plans, Results, and Targets / Initiatives that Benefit the Environment and People</p> <p>·Green ICT (Japanese-language)</p>
TA4	<p>Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.</p>	Website	<p>·Providing Services that Society Seeks</p>

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CSR

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■Standard Disclosures under Environmental Reporting Guidelines (Fiscal Year 2007 Version) for NTT Communications Group Corporate Social Responsibility Report 2008

Items		Page in the report	Reported Information
1)Basic Information (BI)			
BI-1	CEO's statement	P5	· Top Management's Commitment
BI-2	Fundamental requirements of reporting		
BI-2-1	Organizations, periods and areas covered by the reporting	P4	· Report Profile
BI-2-2	Boundary of the reporting organization and coverage of environmental impacts	P4	· Report Profile
BI-3	Summary of the organization's business (including management indices)	P1-2,P3, P6,P33	· Our Business Activities and Stakeholders · Corporate Profile · 2008 CSR Indices · Financial Performance Benchmarks
BI-4	Outline of environmental reporting		
BI-4-1	List of major indicators	P24	· Basic Environmental Protection Concepts and Management
BI-4-2	Summary of objectives, plans and results regarding environmental initiatives	P24	· Basic Environmental Protection Concepts and Management
BI-5	Material balance of organizational activities (inputs, internal recycling, and outputs)	P24	· Basic Environmental Protection Concepts and Management
2)Information and Indicators that Describe the Status of Environmental Management (MPI = Management Performance Indicators)			
MP-1	Status of environmental management		
MP-1-1	Environmental policy in organizational activities	P23-24,Website	· Basic Environmental Protection Concepts and Management
MP-1-2	Status of environmental management systems	P25,Website	· Basic Environmental Protection Concepts and Management
MP-2	Status of compliance with environmental regulations	Website	· Environmental Compliance
MP-3	Environmental accounting information	P25,Website	· Basic Environmental Protection Concepts and Management
MP-5	Status of supply chain management for environmental conservation	P22	· Our Relationships with Suppliers
MP-6	Status of green purchasing or procurement	P22	· Our Relationships with Suppliers
MP-8	Status of environmentally friendly transportation	P26	· Preventing Global Warming and Saving Energy
MP-9	Status of biodiversity conservation and sustainable use of biological resources	P28	· Biodiversity Initiatives

MP-10	Status of environmental communication	P28,Website	·Lowering Environmental Impact through Our Business Activities
MP-11	Status of social contribution related to the environment	P13-14	·Special Feature 4 Instituting CSR Programs that Foster Employee Participation
MP-12	Status of products and services that contribute to the reduction of negative environmental impacts	P28,Web	·Lowering Environmental Impact through Our Business Activities ·Green ICT (Japanese-language)
3)Information and Indicators that Describe the Status of Activities for Environmental Impacts and Reduction Measures (OPI = Operational Performance Indicators)			
Inputs			
OP-1	Total amount of energy input and reduction measures	P24,P26	·Basic Environmental Protection Concepts and Management ·Preventing Global Warming and Saving Energy
OP-2	Total amount of material input and reduction measures	P24	·Basic Environmental Protection Concepts and Management
OP-3	Amount of water input and reduction measures	P24	·Basic Environmental Protection Concepts and Management
Internal recycling			
OP-4	Amount of materials recycled within an organization's operational area	P24,P27	·Basic Environmental Protection Concepts and Management ·Managing Wastes
Outputs			
(Discharge and emissions)			
OP-6	Amount of greenhouse gas emissions and reduction measures	P24,P26,Website	·Basic Environmental Protection Concepts and Management ·Preventing Global Warming and Saving Energy
OP-7	Air pollution, its environmental impacts on the living environment, and reduction measures	Website	·Preventing Global Warming and Saving Energy
OP-8	Amount of release and transfer of chemical substances, and reduction measures	Website	·Environmental Compliance
OP-9	Total amount of waste generation and final disposal and reduction measures	P24	·Basic Environmental Protection Concepts and Management ·Managing Wastes
5)Information and Indicators that Describe the Status of Social Initiatives (Chapter 4) (SPI = Social Performance Indicators)			
SPI	Status of Social Initiatives		
(1)	Information and indicators for occupational health and safety	P31	·Respecting Individuality and Human Rights
(2)	Information and indicators for employment	P29-30,P31	·Respecting Diversity and Creating Attractive Workplaces ·Respecting Individuality and Human Rights
(3)	Information and indicators for human rights	P16,P32	·Our CSR Framework ·Respecting Individuality and Human Rights

(4)	Information and indicators for contributions to local communities and society	P21,P22,Website	<ul style="list-style-type: none"> · Providing Services that Society Seeks · Our Relationships with Society · Our Relationships with Suppliers
(5)	Information and indicators for corporate governance, corporate ethics, compliance and fair trade	P15-16,P22	<ul style="list-style-type: none"> · Our CSR Framework · Our Relationships with Suppliers
(6)	Information and indicators for personal information protection	P19	<ul style="list-style-type: none"> · Making Society Safer and More Secure
(7)	Information and indicators for the broad range of consumer protection and product safety	P20,Website	<ul style="list-style-type: none"> · Making Society Safer and More Secure · Faithfully Serving Our Customers
(8)	Economic information and indicators for an organization's social aspects	P6,Website	<ul style="list-style-type: none"> · 2008 CSR Indices · Our Relationships with Society
(9)	Information and indicators for other social matters	P20,P25	<ul style="list-style-type: none"> · Faithfully Serving Our Customers · Basic Environmental Protection Concepts and Management

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