

NTT Communications Corporation

CSR Report 2016



Creating Value for Society and for the World

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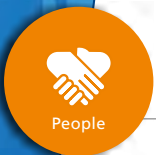
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New Business Vision

“Transform. Transcend.”

By providing world-leading technologies and services, we will dramatically evolve (“Transform”) and dynamically transform the business of our clients (“Transform”), as well as society and markets. We wish to create new value that exceeds expectations and imaginations (“Transcend”) and realize a seamlessly connected world (“Transcend”).

Using CSR Report 2016



About the Cover

We are creating new value for business and everyday life through the innovation of ICT on a daily basis, in line with our Corporate Slogan “Transform. Transcend.” As ICT becomes more embedded in the infrastructure of global society, NTT Communications will be responsible for many aspects of this infrastructure. With a clear vision for our future, we will continue to contribute to the realization of a sustainable society. This aspiration is the principal theme of the front cover of the report.



Tetsuya Shoji

President and CEO
NTT Communications Corporation

Top Message

We will contribute to society from a global perspective to resolve social issues and achieve sustainable development.

By providing world-leading technologies and services, the NTT Communications Group will dramatically evolve (“Transform”) and dynamically transform the business of its clients, as well as society and markets. We wish to create new value that exceeds expectations and imaginations (“Transcend”) and realize a seamlessly connected world that crosses all boundaries (“Transcend”).

As the importance of ICT increases in tandem with business innovation and growth, ICT environments are likely to become more complex at corporations with the adoption of hybrid multi-cloud environments. Cybersecurity is also a major issue confronting corporate management as the number of unknown viruses increases around the world.

At the NTT Communications Group, we aim to help our clients transform their businesses (digital transformation) by taking a fine-tuned

approach to assisting our clients evolve their operations and create new businesses with highly reliable and secure services and solutions based on the extensive security knowledge of the NTT Group, advanced technologies (IoT, AI, SDx) and a globally integrated ICT foundation.

In addition to accelerating the pace of our involvement, in the years ahead, we will strive to act responsibly as members of society to enable us to constantly ascertain market trends and customer needs rapidly and accurately as well as to continue providing innovative, highly reliable services. In association with these activities, we will value communications with all our stakeholders, including our customers throughout the world, and will continue working to help resolve social issues on a global scale and achieve sustainable development by initiating CSR activities worthy of a Global ICT Partner.



Business Overview

Providing global one-stop ICT services

By providing facilities with the highest level of quality in the industry and operational performance that is consistent throughout the world, we aim to be the partner of choice for customers everywhere, providing seamless global services in such areas as colocation, hosting, networks, and security.



Data Centers

We provide next-generation global data center services with facilities that are highly disaster-resistant. Our facilities also reduce environmental impact through the use of high-quality equipment with advanced energy-saving functionality.



Network Surveillance

Working in tandem with help services at overseas locations, we are constantly monitoring networks to minimize the impact on our customers' businesses in the unlikely event of a service interruption.



Total Operations

We handle total operations for entire ICT environments (including services provided by other companies) that are compliant with ITIL*, an international standard that covers surveillance, recovery, cause investigation, countermeasure planning and change management.

* Information Technology Infrastructure Library, a set of best practices and expertise covering ICT service operation and management that is recognized as an industry standard.



Solutions at Overseas Facilities

We provide our customers with global ICT environments that are safe and secure from all threats. Our services range from overseas facility networks to LAN and server design and configuration as well as to the provision of applications.



Security Consulting

From design to installation to operation, our security consultants and engineers draw on their extensive expertise to provide highly specialized security services.



ICT Outsourcing

We act as our customers' ICT personnel, not only configuring high-quality, safe, secure and simple ICT systems to match their needs and scale of operation but also providing the operational management of and security for those systems.

Accelerating Our Global Strategy

Global Cloud Vision 2016

Helping Clients Transform their Operations with Seamless ICT solutions

Our Global Cloud Vision entails contributing to our customers' management innovations (digital transformation) through optimized ICT environments based on seamless ICT solutions.

Details of Global Cloud Vision 2016

<http://www.ntt.com/en/about-us/we-are-innovative/global-ict.html>

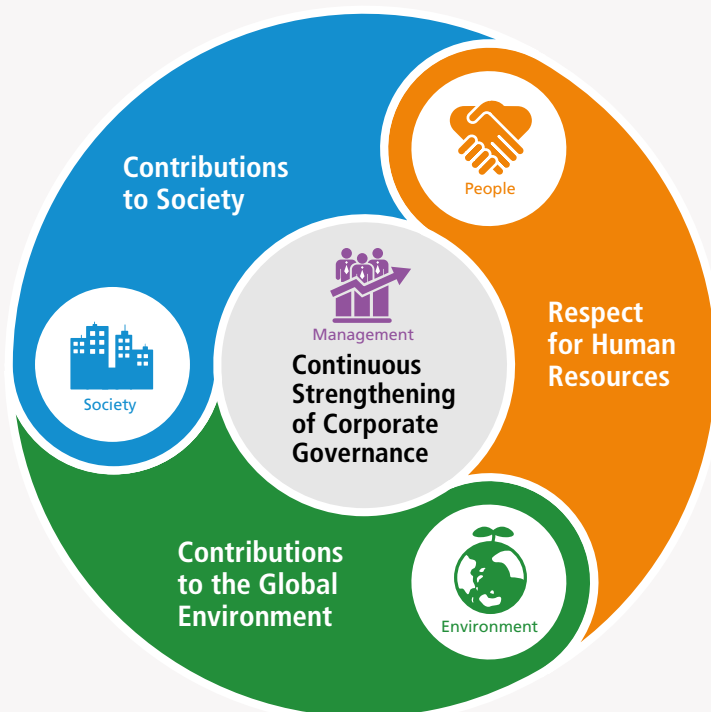
New Fundamental CSR Policy

With a “new promise” to ourselves, we will advance global CSR activities across the Group.

In June 2016, the NTT Communications Group created a new Fundamental CSR Policy. We aim to thoroughly implement this new policy as our “promise to society” shared by the entire Group.

Fundamental CSR Policy

As a partner that links the present to the future, the NTT Communications Group contributes to the realization of a safe, comfortable and abundant society by working to solve social issues and create new value for society on a global scale through ICT.



Contributions to Society

We shall contribute to the resolution of social issues in Japan and overseas through the development and provision of innovative ICT, while providing highly reliable services for the sustained development of society.

As a group of companies that provides key infrastructure that supports society and protects our lifestyles, we shall provide secure environments for communications that are fortified against cybersecurity threats and resilient to natural disasters.



Contributions to the Global Environment

We shall endeavor to solve environmental problems on a global scale through initiatives to use ICT to reduce the impact of society on the environment, while lightening the environmental burden of our business activities as a Group.



Respect for Human Resources

We shall create work environments that invigorate each and every employee, while respecting the diversity of our employees and other stakeholders. Moreover, we shall contribute to the creation of an abundant society by changing ourselves for the better and seeking to break free from our own limitations.



Continuous Strengthening of Corporate Governance

While valuing opportunities to communicate with all our stakeholders, we shall contribute to the sustainable development of society by engaging in business with high ethical standards and respect for human rights.

Materiality of NTT Communications Group

We continue to take on various challenges every day to fulfill the expectations placed on us by society.

Amid changes in the economic and social fabric, the expectations of society continue to evolve, constantly challenging us to raise the medium-term targets for our CSR activities. From 2015 to 2016, we reassessed key issues (materiality) with input from external experts. Based on the outcome of this assessment, we updated priority areas and activities based on our fundamental CSR policy, and are now pushing forward with initiatives.

CSR Priority Areas

Key Social Issues

Priority Activities



Society

Contributions to Society

- Globalization of corporate activities
- Evolution of Internet of Things (IoT), progress toward “smarter” society
- Meet expectations for CSR in our supply chain
- More widespread corporate citizen activities

- Innovation that supports a networked society
- Ensure highly stable and reliable mission-critical infrastructure
- Robust network security for customers
- Continuous improvement in customer satisfaction
- Collaboration with suppliers
- Contribute to regional society and foster communities



Environment

Contributions to the Global Environment

- Global warming
- Scarcity of resources
- Reduced biodiversity

- Creating a low-carbon society
- Promoting a recycling-oriented society
- Preserving biodiversity



People

Respect for Human Resources

- Acceleration of falling birthrate, aging society
- Creation of societies that take advantage of diversity
- Enhance constructive relationships between employees and their employers

- Training personnel
- Respect for diversity, equal opportunity and other objectives
- Supporting and promoting the health of employees



Management

Continuous Strengthening of Corporate Governance

- Escalation of cyber crime
- Growing interest in corporate governance
- Obligation to strictly comply with laws and regulations
- Growing awareness of human rights

- Compliance
- Respecting human rights
- Risk management
- Information security

Engagement with Stakeholders

Aiming for a better society by engaging with each and every stakeholder

We believe a cornerstone of CSR is having all employees take into consideration dialogue with stakeholders in their daily business activities.

We take a flexible approach to creating opportunities for talking about various topics in a bid to realize a sustainable society.

Stance on Consideration for Stakeholders

Main Communication Channels

	Stance on Consideration for Stakeholders	Main Communication Channels
For Customers	<ol style="list-style-type: none"> 1. From a customer-first perspective, we will provide solutions and services that offer true value. 2. We will act responsibly and with pride as a member of the NTT Communications Group in responding quickly, flexibly, and with integrity to our customers. 3. We will establish enduring relationships of trust with our customers. 	<ul style="list-style-type: none"> • Voice of Customer (VOC) Survey • NTT Communications Forum
For Business Partners	<ol style="list-style-type: none"> 1. We will maximize our cooperation with partners in order to offer the best possible value for our customers. 	<ul style="list-style-type: none"> • Arcstar Carrier Forum (ACF) • Customer Council • Partner Summit • Ongoing communication with suppliers
For Society	<ol style="list-style-type: none"> 1. By providing more secure and innovative Internet services, we will contribute to the sound growth of the Internet society. 2. As part of our strong connection with society, we will contribute to global environmental protection. 3. We will understand and respect the cultures and customs of different nations and regions. 	<ul style="list-style-type: none"> • Dialogue with stakeholders • Various social contribution activities • Explain products through customer service channels • Distribute information to society via content and services
For Competitors	<ol style="list-style-type: none"> 1. We will abide by rules and compete fairly. 	<ul style="list-style-type: none"> • Exchange of opinions at industry organizations • Collaborate with outside institutions and on industry-government-academic projects
For Employees and the Workplace	<ol style="list-style-type: none"> 1. We will recognize individuality and diversity and mutually protect human rights. 2. We will trust and respect each other and create an environment that is conducive to personal development and fulfillment of our goals. 3. As an ICT company, we will make a maximum effort to protect security. 	<ul style="list-style-type: none"> • Dialogue with the president • KAIZEN Support Line • Exchange of opinions with management via intranet
For Shareholders	<ol style="list-style-type: none"> 1. We will disclose information concerning our business performance in a fair, accurate, and timely manner. 2. We will achieve sustainable growth as a company and seek higher benefits for our shareholders. 	<ul style="list-style-type: none"> • NTT Group Management Conference • NTT Group CSR Manager Meeting

Contributions to Society

Helping more people around the world connect seamlessly with ICT in their daily lives

ICT has been advancing, especially for the Internet of Things (IoT). We are taking on the challenge of moving society forward to one where people around the world can effortlessly benefit from ICT through reliable services.

Our Goals

A society where everyone is connected through ICT

- A society unrestricted by time, distance or language
- A society with always secure and fast networks



Society

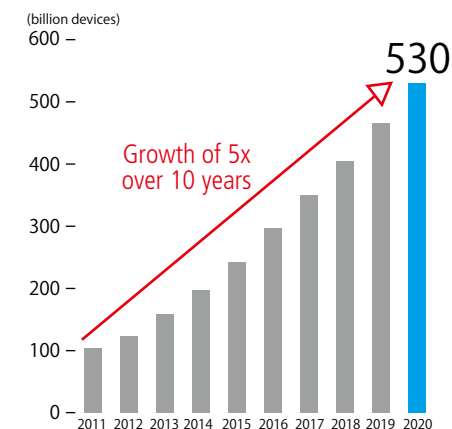
A Society with Abundant ICT Keyword: IoT

A society where all electronic devices are connected, a world moving at a faster pace

According to the 2015 White Paper on Information and Communications, the Internet of Things (IoT) will rapidly expand from 10.4 billion devices in 2011 to 53 billion devices by 2020. This forecast calls for the number of connected devices to grow by more than 5 times over a 10-year period.

In the near future, it will be possible to create more convenient and efficient social infrastructure by leveraging cloud computing and artificial intelligence (AI) to take advantage of interconnected electronic devices and home appliances at the office, inside the home, and at public institutions.

Trends and forecasts for IoT



Source: 2015 White Paper on Information and Communications



Contributions to Society

Leveraging the power of ICT in Japan and then the world

We are taking innovative steps to realize a more convenient and secure society.



Our Approach

New ICT is being created every day, and the paradigm of economic activity is constantly evolving. In our daily business activities across the NTT Communications Group, we focus on helping solve social issues by providing society and our customers with cutting-edge technologies while creating highly dependable, high-quality communications infrastructure.

Moreover, we are constantly reassessing our contributions to society through ICT. By taking a multi-faceted approach in our core initiatives, we aim to help create a better future while prospering in unison with various communities throughout society.

Core Initiatives

- 1 Develop ubiquitous network infrastructure
- 2 Ensure highly stable and reliable mission-critical infrastructure
- 3 Engage in social contribution activities



Expansion of New IoT Solutions with Cutting-Edge Technology

In August 2015, NTT Communications established the IOT Tascforce to accelerate the development of services that use IoT. We will steadily enhance our lineup to provide more customers with IoT Platform Services that facilitate the use of various IoT for visualizing production processes at manufacturers, monitoring the state of devices, and managing vehicle fleets. For example, Vehicle Manager is a service that improves the management of marketing vehicle fleets. Automotive devices with communications functions connect to the cloud to relay daily reports on driving activity and patterns for analysis, which can be viewed and managed on the web to ensure safe driving practices and eco-friendly driving patterns.

Moreover, we are turning our own office buildings into digital hubs with IoT platforms, allowing the automation of equipment inspection work without having to patrol the premises. By taking steps to change our own practices, we have accumulated technology and knowledge that will help solve social problems.



NTT Communications IoT Platform
<http://www.ntt.com/en/services/iot/iot.html>

Our Goals

Provide advanced IoT solutions to more people



Commencement of Arcstar Network Services in India

In India, expectations have risen for high-quality network services. In order to cover the vast country, NTT Communications India Pvt Ltd. obtained a National Long Distance (NLD) telecommunications license in India in the belief that it is essential to provide one-stop management across multiple carriers. The company developed the Arcstar domestic network service and began providing the service in December 2015.

In India, government agencies place a diverse array of requirements on telecommunications companies, creating hurdles for telecommunications providers to clear for providing comprehensive solutions that include networks, data centers and security monitoring. By bringing together the expertise of NTT Communications and the global management resources of Group companies, NTT Communications India Pvt Ltd. has been able to provide total ICT solutions. Through these services, we are able to provide high-quality network services to our corporate clients that conduct business in India.



VPN Network Service Arcstar Universal One
<http://www.ntt.com/en/services/network/virtual-private-network.html>

Our Goals

Provide high-quality network services around the world

Contributions to the Global Environment

A sustainable green future with abundance

Rising temperatures, frequent weather anomalies, and the depletion of natural resources are concerns shared across the world. Using the power of ICT, we aim to realize a future of abundance in harmony with the global environment.

Our Goals

A society in harmony with nature, preserving the planet's abundance

- A low-carbon society with a light environmental footprint that thoroughly recycles resources
- A society that respects biodiversity and protects abundant natural resources



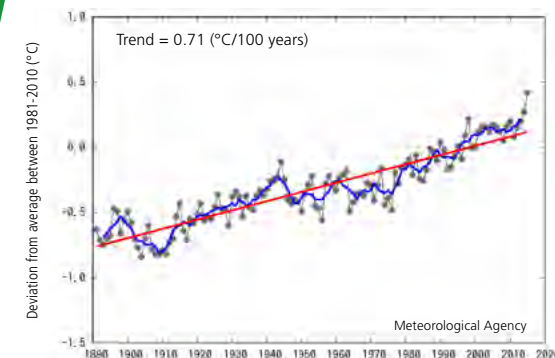
Environment

Global Warming Continues Unabated

Society needs to create a framework for quickly reducing carbon and moving away from carbon

According to estimates by the Meteorological Agency of Japan, the average annual temperature of the world has steadily risen since the 1900s, and the temperature of the planet today is its warmest ever over the past 1,400 years. Unless changes are made, the temperature of the planet is expected to continue increasing, posing a greater risk of food and water shortages, more frequent weather anomalies, and health problems for the human population. In order to mitigate and avoid these negative effects on future society, the environment and economy, we must strive to reduce and eventually eliminate carbon emissions in society.

Average Annual Global Temperature



Source: Meteorological Agency



Contributions to the Global Environment

Leaving an abundant, diverse planet for future generations

We view protecting the environment as a core responsibility of a global corporation.



Our Approach

The reduction of CO₂ emissions has been hailed as a necessary means of addressing abnormal weather patterns around the world and to combat global warming. However, not enough has been done. With pressing needs to do more, we at the NTT Communications Group are moving proactively to deploy low-carbon technologies as a provider of services that utilize ICT equipment.

In order to leave future generations an abundant global environment, such as by promoting a closed-loop economy and biodiversity, NTT Communications is aggressively implementing a multitude of initiatives while fulfilling its responsibilities as a leading global ICT company.

Core Initiatives

- 1 Creating a Low-Carbon Society
- 2 Promoting a Recycling-Oriented Society
- 3 Preserving Biodiversity



Business-Linked Initiative to Protect Coral Reefs

As a leader in media services, NTT Plala, Inc. has taken action to protect coral reefs, which play a vital role in the ecosystem of our oceans, by enlisting the help of its six million members.

Specifically, NTT Plala, Inc. offers tours of coral grafting to members of its Bukatsu DO! service, an online community for adults. Participants in the tour experience coral grafting with employees. In addition, NTT Plala, Inc. produces and distributes 4K videos about the state of coral reefs and activities to protect them, creating opportunities for people to think more about protecting coral reefs. In January 2016, we began donating a portion of proceeds from people who watched the video for initiatives to protect coral reefs, as a part of our aim to preserve biodiversity, a key aspect of our Green ICT Vision 2020.

NTT Plala, Inc. will continue to protect the environment with help from its members by providing enjoyable projects linked with its business activities.



Hikari TV 4K "Rejuvenating Okinawa's Coral Reefs for Future Enjoyment"
Japanese Only <http://www.hikariv.net/sp/okinawa/>



NTT Plala, Inc.'s Bukatsu DO! Visions to Reality—Community Creation
Japanese Only <https://bukatsu.hikariv.net/#/discover/14>

Our Goals

Creating value in environmental protection by leveraging unique qualities of our business



Promoting Green Energy Use in Japan and Overseas

As a global ICT corporate group, one of our responsibilities is to promote the use of green energy around the world. In order to curb emissions of CO₂ and realize a low-carbon society, companies are expected to more proactively use green energy, but this must be implemented with due consideration paid to the unique traits of each local community and regional climates. From this standpoint, we have installed solar panels on top of our data centers in Tokyo, Singapore and Malaysia, solar water heating systems at our data center in Hong Kong, and wind turbines at our data centers in India and office buildings in Thailand. In these and other ways, we have advanced the use of diverse renewable energy sources.

The generated electricity is used to light common areas. In fiscal 2015, the amount of renewable electricity generated in Japan was equivalent to saving 128,405kg-CO₂, the amount of CO₂ absorbed by a forest of 9,171 Japanese cedar trees in one year.



NTT Communications' Initiatives to Protect the Environment
<http://www.ntt.com/en/about-us/csr/eco.html>

Our Goals

Fulfill our duty to protect the environment in regions around the world

Respect for Human Resources

A business where everyone is respected and employees can be themselves

The diversification of the workforce has accelerated due to diverse issues, such as declining birthrates and aging populations in advanced countries, and explosive population growth in emerging countries.

We strive to operate businesses where diversity is respected and utilized with respect to gender, nationality and physical traits.

Our Goals

A society where everyone acknowledges and lifts each other higher

- A society where diversity is respected in terms of individuality, attributes and ideology
- A society where people can use their abilities to the fullest



Japan, a Country Where Women Can Fulfill Their Ambitions

Female workforce participation rate is still lower than other advanced countries
Create a foundation that promotes women in the workplace via public-private initiatives

Promoting female participation in the workforce is a key topic in respect for diversity. Countries around the world have endeavored to promote women for decades. Disappointingly, Japan has lagged in this regard. According to the 2016 White Paper on Gender Equality in Japan, Japan has the lowest ratio of women in the overall workforce and management positions among advanced countries. As a consequence, the public and private sectors in Japan have advanced measures to improve this situation, such as by enacting the Act of Promotion of Women's Participation and Advancement in the Workplace* in 2016.

*Official name: Act of Promotion of Women's Participation and Advancement in the Workplace

Women as a percentage of the workforce and management positions



Source: 2016 White Paper on Gender Equality





People

Respect for Human Resources

Diverse employees work together as one team

We place emphasis on respect for one another and helping each other in the workplace.



Our Approach

Employees carry out the responsibilities of companies and are the stakeholder who is closest to the daily operations of companies. At the NTT Communications Group, we seek to foster a mutually beneficial, sustainable relationship with our employees, and have created measures to nurture talented employees with a keen awareness of globalization.

Over the past few years, attention worldwide has focused on diversity in management as more emphasis is placed on supporting the health of employees and converting diversity into a competitive advantage. As more women join the workforce and new workstyles are adopted, NTT Communications is trying out various new measures including the exchange of personnel around the world.

Core Initiatives

- 1 Training personnel
- 2 Creating workplaces where diversity thrives
- 3 Supporting and promoting the health of employees



Example 1

Highest "Eruboshi" certification obtained based on the Act of Promotion of Women's Participation and Advancement in the Workplace

In May 2016, NTT Communications received the highest certification among the certifications bestowed by the Minister of Health, Labour and Welfare based on the Act of Promotion of Women's Participation and Advancement in the Workplace (the Women's Participation Promotion Act). Of the companies that have created and submitted action plans based on the Women's Participation Promotion Act, this certification recognizes companies that have put in place the best measures for promoting the advancement of women in the workplace. Certified companies are allowed to use the "Eruboshi" certification mark.

NTT Communications has taken steps that will allow its diverse employees to adopt different workstyles and lifestyles with the aim of creating a corporate culture that empowers its employees. These steps include updating various support systems, such as for child rearing and nursing care, as well as reforms to workplaces with the use of ICT for working remotely. As a result of these initiatives, NTT Communications received the certification with high marks in all categories, including the ratio of female employees, the ratio of women returning to work after leave, and the ratio of women in management positions.



46 companies have received the "Eruboshi" certification from the Ministry of Health, Labour and Welfare

Japanese Only <http://www.mhlw.go.jp/stf/houdou/0000123991.html>

Our Goals

Create a corporate culture where women and other employees can work to the best of their abilities



Example 2

New Diversity Management Selection 100 award received from Ministry of Economy, Trade and Industry

In March 2016, NTT Communications was selected by the Ministry of Economy, Trade and Industry to receive the New Diversity Management Selection 100 award. The Diversity Management Selection 100 award is given by the Minister of Economy, Trade and Industry to companies that have improved corporate value through diversity management. The New Diversity Management Selection 100 award was created in fiscal 2015.

Ever since we established the Diversity Promotion Office in 2008, NTT Communications has endeavored to foster a corporate culture that allows employees with diverse backgrounds to work to their best ability, regardless of gender, age, birthplace, nationality, religion or disability. Moreover, in recent years, we have moved aggressively to introduce a companywide workflow management system, standardize service operations across the globe, promote an employee dispatch program to overseas affiliates, and hire people of foreign nationality amid the globalization of our operations. These multi-faceted initiatives around the world also contributed to our receiving of this award.



Ministry of Economy, Trade and Industry's New Diversity Management Selection 100 award

http://www.meti.go.jp/english/press/2016/0316_01.html

Our Goals

Respect for diversity as a leading global ICT company

Continuous Strengthening of Corporate Governance

Our mission is to always be trusted

The responsibilities that NTT Communications are expected to fulfill have been broadening and deepening amid the move toward borderless economies and spread of ICT in society.

As a corporate group responsible for ICT infrastructure, NTT Communications will continue to strengthen its business foundation based on trust while strictly complying with laws and regulations.

Our Goals

A society built on coexistence and mutual trust between stakeholders and companies

- A society where corporate actions are completely in line with laws, regulations and ethics
- A society that benefits from corporate activities and daily dialog with stakeholders



Management

Improving Security, an Unending Obligation of ICT Companies

Building out a precise protection and countermeasure system for constantly evolving security threats

As ICT advances and becomes more important as social infrastructure, the severity of cybercrime that sneaks through cracks in security has been on the rise. This increase in the severity of cybercrime is mirrored in the list of the 10 biggest threats kept up to date by the Information Technology Promotion Agency.

Our ICT service companies include companies that handle sensitive information for customers and society. Our fundamental duty is to vigilantly ensure information security on a daily basis. To this end, we must advance and maintain systems that prevent and thwart cyberattacks on a daily basis.

Ten Biggest Information Security Threats (2015)

Rank	Rank title
1	Illicit use of internet banking and credit card information
2	Internal data leaks
3	Espionage with targeted attacks
4	Unlawful use of login credentials on websites
5	Theft of customer data from website services
6	Cyberterrorism by hacker groups
7	Defacing of websites
8	Attacks that subvert underlying technology of the Internet
9	Attacks based on exposed vulnerabilities
10	Ill-intentioned smartphone apps

Source: Information Technology Promotion Agency's Ten Biggest Information Security Threats in 2015



Management

Continuous Strengthening of Corporate Governance

Fulfilling our responsibilities as a global ICT company We will build an efficient, fair and robust management foundation.



Our Approach

As we continue to provide ICT services embedded in social infrastructure throughout the world, our management foundation must be able to operate as an efficient and nimble business organization with an open corporate culture and risk management systems able to seamlessly address rare events, such as accidents and natural disasters. At the NTT Communications Group, we take a thorough approach to ensuring compliance and efficient governance in order to continue contributing to the development of a sustainable society.

In recent years, cybercrime has become a serious social problem, and we have been working diligently to prevent and thwart cybercrime.

Core Initiatives

- 1 Efficiency in governance
- 2 Thorough compliance
- 3 Ensure information security



1 Creating a framework for countering threats, centered on NTT Com-SIRT, our information security organization

In recent years, there has been an increase in information security threats such as cyberattacks that have taken servers offline and intruders stealing data. Every day, previously unknown threats are discovered, and the damage from these threats has become more severe. An increasing number of companies have set up CSIRTs*, a team dedicated to responding to security incidents in emergency situations.

At NTT Communications, our customers trust us with their information and network operations. In October 2015, NTT Communications established the Information Security Division as a new organization for managing information security, and launched its CSIRT team "NTT Com-SIRT". This team is charged with responding to and dealing with security incidents related to systems and networks across the entire NTT Communications Group, and aims to reinforce security management by advancing measures (including sweeping measures) to prevent a reoccurrence.

* Computer Security Incident Response Team

Our Goals

Ensure robust security with an eye on the future



2 Participation in public-private initiative for testing and training comprehensive defense models against cyberattacks

To address the increase in cyberattacks, NTT Communications has participated in the actual testing and training of comprehensive defense models against cyberattacks with the Ministry of Internal Affairs and Communications since fiscal 2013. This endeavor analyzes attacks and verifies the effectiveness of defense models with the aim of creating systems able to respond to new cyberattacks. The public-private project provides practical training on defenses against cyberattacks.

NTT Communications is in charge of evaluating the effectiveness of defense models, from detecting and countering cyberattacks (prevention and response measures) to forming an incident response. The knowledge gained from these experiments is reflected in actual CYDER* exercises.

The objective of these exercises is to improve security incident responsiveness, namely the early detection and identification of increasingly sophisticated cyberattacks. At the same time, we support close-knit collaboration between the public and private sectors to reinforce the defensive posture of information infrastructure underlying society.

* Cyber Defense Exercise with Recurrence

Our Goals

Continue to secure and protect information infrastructure for society



CSR Activity Achievements

We introduce the main activities in fiscal 2015 aligned with the Group's CSR priority areas. For more details, please read the expanded version of the 2016 report.

Priority areas	Priority Activities	Measures	FY2015 Targets	Outcome of Fiscal 2015 Initiatives		
				Status of Specific Activities	Self-Assessments toward Target Achievement	
CSR Management	Ensure information security	Continuous Privacy Mark accreditation	Continuously adhered to a PDCA cycle for personal Information protection (by revising regulations, awareness, audits, etc.)	<ul style="list-style-type: none"> Review rules for introducing My Number system Revise privacy policy 	★★★	
		Continuously raise awareness by implementing training programs	Reduce number of incidents by working to enhance awareness through stratified security training programs	<ul style="list-style-type: none"> Companywide security training: 18,629 employees Secure programming training: 40 employees Training for security implementation managers: 127 employees 	★★★	
		Strengthen management of processes and systems	Conduct vulnerability assessments of new and updated internal systems	Conducted vulnerability assessments for 149 new and upgraded information systems.	★★★	
		Implement information security surveys	Conduct security surveys at relevant companies	Conducted surveys of all targeted companies	★★★	
Contributions to Society	Ensure highly stable and reliable mission-critical infrastructure	Provide safe and secure hosting services	Provide infrastructure services centered on Biz Hosting in order to realize environment in which devices of all kinds can be reliably, securely and easily connected. Seek to extend our range of services and boost user-friendliness.	At Telecom Asia Awards 2015, NTT Communications won Best Cloud-Based Service award for a third time. We also obtained "Leader" ranking in Gartner's survey of cloud providers in the Asia/Pacific region.	★★★	
		Provide safe and secure data center services	Provide data centers in over 130 locations around the world. While implementing quality control by means of unified global standard, work toward disaster-resilient data center operations	Earned high ratings in third-party evaluations in Japan and overseas, named Data Center Service Provider of the Year in the 2015 Frost & Sullivan Asia Pacific ICT Awards for a second straight year	★★★	
		Create networks resilient to natural disasters	Continue to maintain disaster-resilient infrastructure facilities that can quickly restore services in affected areas in order to ensure continuity of services, while updating and disclosing information about the latest hazards	Prepared additional mobile power source vehicle to reduce the risk of service interruptions from prolonged wide-area blackouts.	★★★	
		24-hour, 365-day network surveillance	Reduction in number of long-term service interruption incidents for customers <ul style="list-style-type: none"> Networks in Japan (more than three hours): 122 cases/year Overseas networks (more than four hours): 400 cases/year Other (CL, A&C, voice, etc.) (more than one hour): 71 cases/year 	Number of cases resulting in long-term malfunctions in fiscal 2015 (From April to March) <ul style="list-style-type: none"> Networks in Japan: 117 network cases/year Overseas networks: 520 cases/year Other (CL, A&C, voice, etc.) (more than one hour): 52 cases/year 	★★★☆☆	
Respect for Human Resources	Take steps to promote respect for diversity and equal opportunity	Enhance support for balancing child raising/nursing care responsibilities and careers	Implement support measures to enable both men and women to continue engaging in lively work and career formation while balancing child raising/nursing care	<ul style="list-style-type: none"> Held seminar for employees returning from healthcare leave Held life event (pre-natal) consultations Expanded skills enhancement training menu in which even people working shorter hours can easily participate 	★★★★	
		Improve statutory ratio of employees with disabilities	Maintain statutory employment rate of 2.0% at Group companies	NTT Communications (parent): 2.0%, NTT Communications Group: 2.01% (as of March 1, 2016)	★★★★	
		Expand personnel exchanges on a global scale	Focus on effective personnel interaction by dispatching employees overseas, inviting overseas employees to Japan, and following up during the program period.	Dispatched 50 people overseas and hosted 24 people from overseas affiliates	★★★☆☆	
		Improve ratio of women in management positions	Continue mentoring and seminar activities by female managers, promote ongoing improvements in employee career-mindedness	A total of 85 female employees took part in Open Cafe events. 25 newly hired employees participated in dialog with female managers. 36 female employees participated in a next-generation leader program for women.	★★★☆☆	
Protecting the Environment	Prevent global warming	Reduction of CO ₂ emissions	<ul style="list-style-type: none"> Reduction of CO₂ emissions at NTT Communications Group telecommunications facilities and office buildings thanks to energy-conservation measures: Less than 278,000 t-CO₂ (Emission coefficient is 0.33 kg-CO₂ per kWh) 	266,000 t-CO ₂	★★★★	
		Reduce waste	Improve recycling rates	Improvement in recycling rates for industrial waste (dismantled telecommunications equipment, construction waste and office waste) at the NTT Communications Group: <ul style="list-style-type: none"> Recycling rate for dismantled telecommunications equipment: 99% Recycling rate for construction waste: Specified 99% Other: 75% Recycling rate for office waste: 88% 	Recycling rate for dismantled telecommunications equipment: 99.9% Recycling rate for construction waste: Specified 100% Other: 71.5% Recycling rate for office waste: 89%	★★★☆☆
		Preserve biodiversity	Reduce paper usage	The NTT Communications Group has reduced the use of office paper by installing photocopiers and encouraging the use of tablets in meetings. We aim to reduce paper use through paperless meetings and meeting 1/8 measures. 8,500 sheets of paper per employee per year	6,565 pages per employee per year	★★★★

About the Reporting Medium

CSR Website



<http://www.ntt.com/en/about-us/csr.html>

The CSR website is updated with the latest information on a regular basis. Here can be found information on the CSR activities at each NTT Communications Group company.

CSR Report Website



<http://www.ntt.com/en/about-us/csr/report.html>

This website provides a comprehensive presentation of the content of the NTT Communications Group CSR Report 2016. This report comprises two parts: a highlight version and an expanded version. We aim to provide information effectively by taking into consideration those readers envisioned for each medium. As can be expected of a company that provides ICT services, the NTT Communications' CSR Report has been provided in electronic format since 2012.

The highlight version presents the NTT Communications Group's more important CSR activities in a clear, straightforward manner to the general public.

The expanded version presents numerous examples of the NTT Communications Group's CSR activities, through a comprehensive look at specific CSR activities and detailed data.

● Period Covered

Fiscal 2015: April 1, 2015 to March 31, 2016
(Some content may fall outside this time frame.)

● Issue Date Information

This report: December 2016

(Previous edition: December 2015; next report scheduled for December 2017)

Corporate Information

Name

NTT Communications Corporation

Address

1-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo
100-8019, Japan

Date established

July 1, 1999

Paid-in capital

211.7 billion yen

Number of employees

6,450 (as of March 31, 2016)

Business

Domestic and international telecommunications services

Globally Recognized Achievements

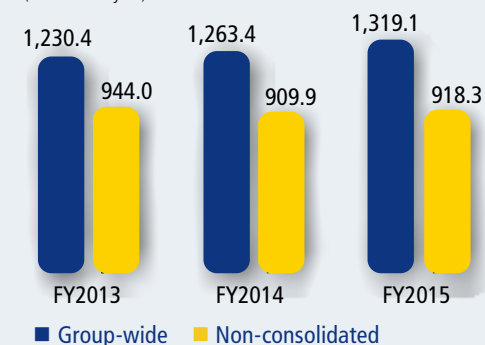
- Winner of Best Cloud-Based Service in Telecom Asia Awards 2016 for a fourth year
- Named Operator of the Year at Asia Communication Awards 2016
- As a global communications business operator gains No. 1 position for the fifth consecutive time in the Global Customer Satisfaction Survey for International Data Communications Services conducted by Ocean82 Ltd. in the UK



"World Class" logo

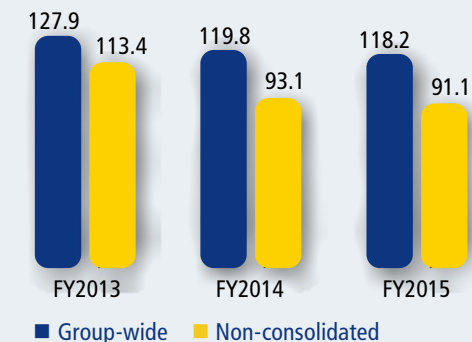
Operating Revenues

(Billions of yen)



Operating Income

(Billions of yen)



Number of Employees

