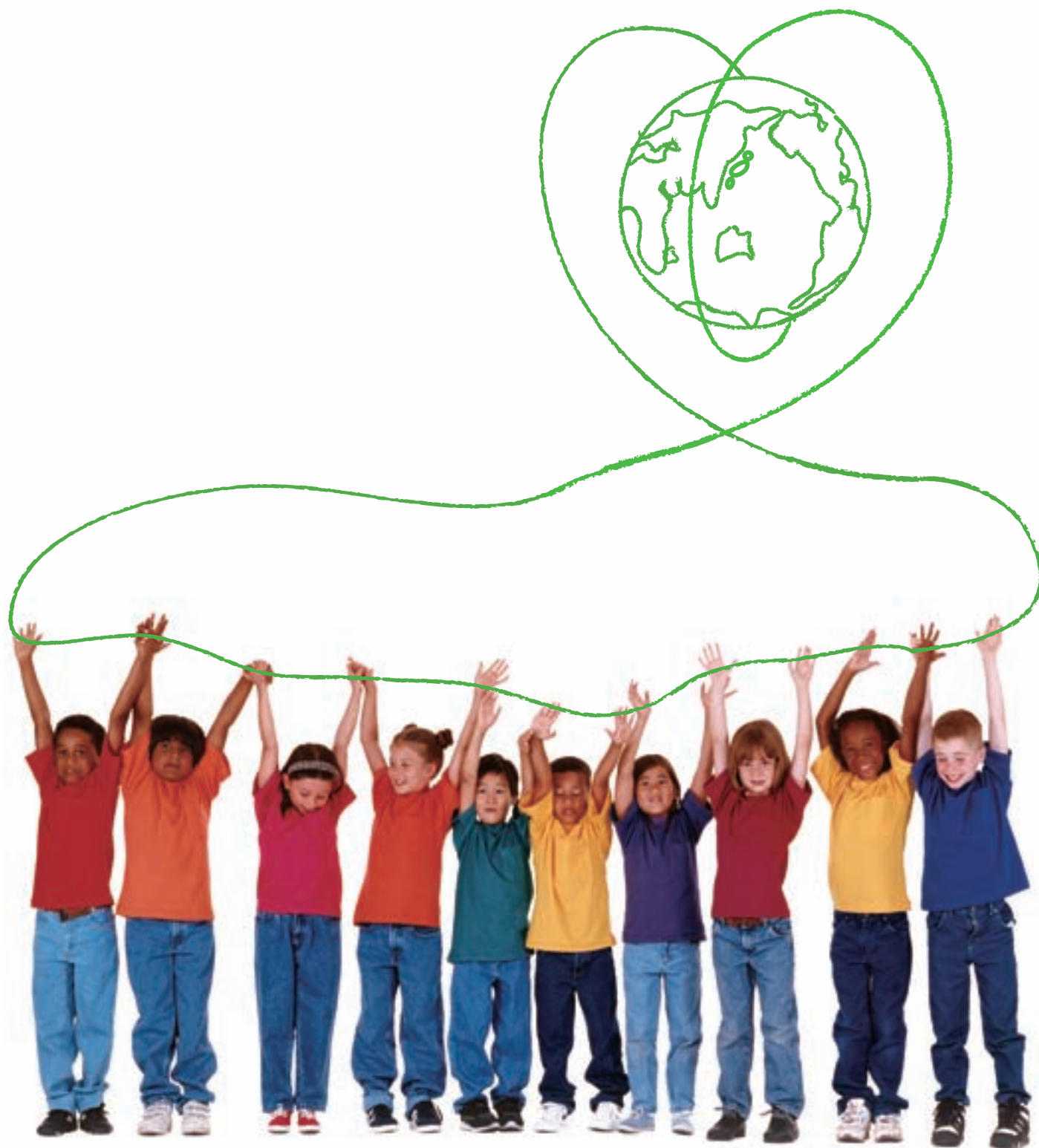


NTT Communications Group  
**Corporate Social Responsibility Report 2008**



## NTT Communications Group

# 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, though 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.

## 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.

## 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.

## 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

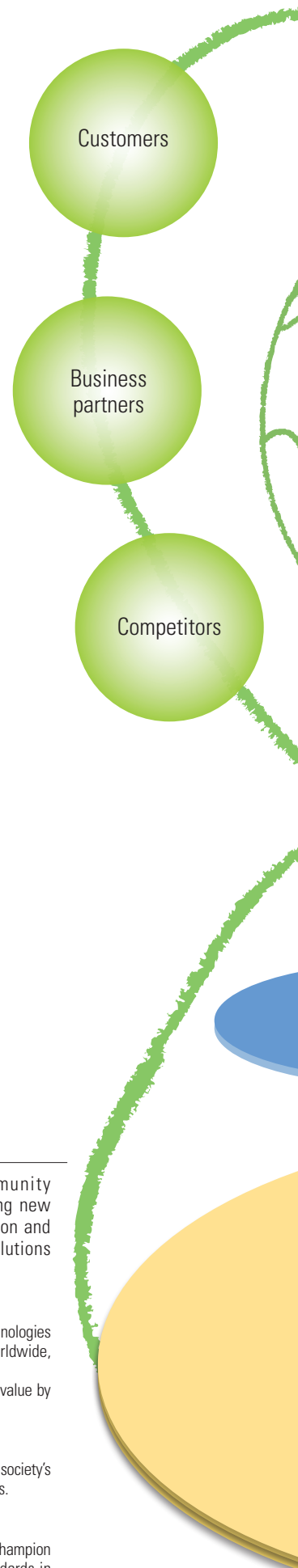
We strive to improve our information and communications technologies and provide stable, reliable, and secure communications worldwide, thereby making society safer and more secure. We offer new business models and lifestyles that create new value by enabling people to participate fully in society.

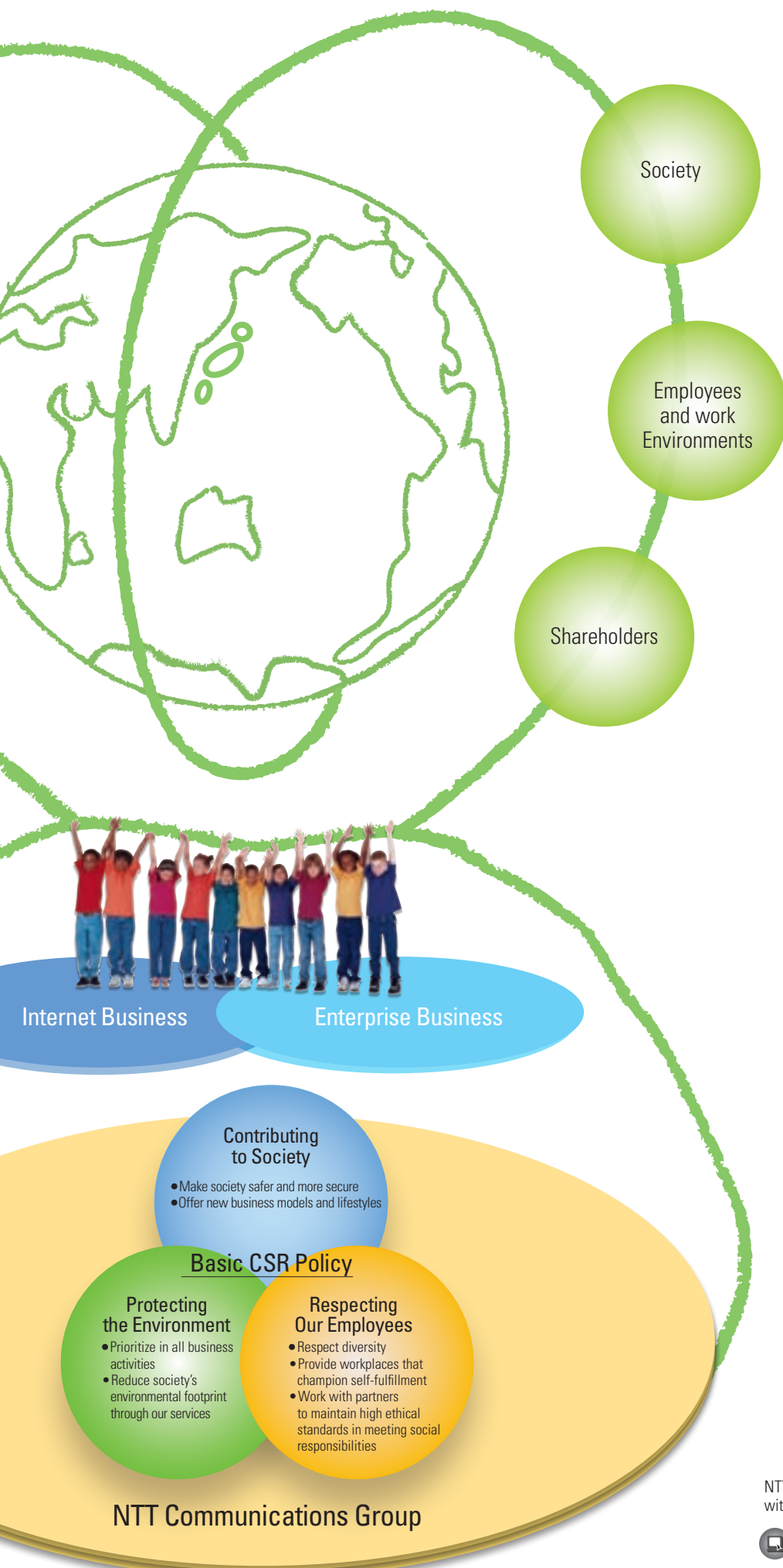
### ■ Protecting the Environment

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 maintain high ethical standards in meeting our social responsibilities as telecommunications professionals.





## 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.

## 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.

## 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.

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



You can access the NTT Group CSR Charter at the following website:  
[http://www.ntt.com/csr\\_e/report2008/stake-holder.html#9](http://www.ntt.com/csr_e/report2008/stake-holder.html#9)

# Corporate Profile

## NTT Communications Corporation

Name	NTT Communications Corporation
Address	1-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-8019, Japan
Date established	July 1, 1999
Paid-in capital	211.7billion yen (as of March 31, 2008)
Sole shareholder	Nippon Telegraph and Telephone Corporation
Number of employees	8,550 (as of March 31, 2008)
Business	Domestic and international telecommunications services

## Main Group Companies (As of June 30, 2008)

Beijing Telecom NTT Engineering Co., Ltd.  
 Shanghai NTT Telecommunications Engineering Co., Ltd.  
 NTT Communications China Co., Ltd.  
 NTT Com Asia Ltd.(and one affiliate of that company)  
 HKNet Company Ltd.  
 NTT Taiwan Ltd.  
 NTT Korea Co., Ltd.  
 NTT MSC Sdn Bhd.  
 NTT Communications (Thailand) Co., Ltd.  
 NTT Communications (Vietnam) Ltd.  
 NTT Singapore Pte. Ltd.  
 P.T. NTT Indonesia  
 NTT Australia Pty. Ltd.  
 NTT Communications India Private Ltd.  
 NTT America, Inc.  
 NTT Multimedia Communications Laboratories, Inc.  
 Verio Inc.  
 NTT do Brasil Telecomunicacoes Ltda.  
 NTT Europe Ltd.  
 NTT Europe Online B.V. (and six affiliates of that company)  
 NTT IF Corporation  
 NTT Com CHEO Corporation  
 NTTCom Technology Corporation  
 NTT Smart Trade Inc.  
 NTT NaviSpace Corporation  
 NTT Visual Communications System Inc.  
 NTT BizLink, Inc.  
 NTTPC Communications, Inc.  
 NTT FANET SYSTEMS Corporation  
 NTT Plala Inc.  
 NTT Resonant Inc.  
 NTT World Engineering Marine Corporation (and one affiliate of that company)  
 Live Life Japan Co., Ltd.

### \*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.

## 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

### ● Web Access

You can download this report from the following website:

[http://www.ntt.com/csr\\_e/](http://www.ntt.com/csr_e/)

The  marks in this printed report indicate that more detail is available on that website. Page 33 of this report lists the information available solely on the website. See the website for a table showing comparisons with GRI guidelines.

### ● 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.

### ● 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

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## Top Management's Commitment Involving All Employees in CSR Initiatives to "Bridge" Today and Tomorrow

President and CEO



Hiromi Wasai

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.

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.



## 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	Relevant page
Group CSR Committee meetings	2	3	○	—	P15
Parent corporate governance					
Board of Directors meetings	21	20	○	—	P15
Board of Statutory Auditors meetings	17	17	○	—	P15
Executive Council meetings	53	51	○	—	P15
Market-in Council meetings	40	51	○	—	P15
Group compliance					
Class on compliance in the workplace (number of participants)	776 (17,789)	557 (17,910)	○	All group employees	P16
Group risk management					
Business Risk Management Committee meetings	1	1	○	2	P16
<b>Contributing to Society</b>					
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	○	—	P20
Number of training sessions to create highly skilled engineers (number of participants)	10 (around 40)	70 (around 540)	○	—	P20
Relationships with Society					
NTT Com CHEO's CAVA system participants (including home call center staffers)	1,600	1,630	○	—	Website
NTT Communications Friendly Internet classes (people participating)	3 (64)	4 (85 people in Tokyo and Osaka)	○	—	Website
Organizations involved in NTTPC Communications' NPO accessibility support program	14	14	○	—	Website
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	913,940,000 yen	45,530,000 yen	○	—	P21
Relationships with Suppliers					
Parent meetings with suppliers to explain procurement	—	4	—	—	P22
<b>Protecting the Environment</b>					
Group carbon dioxide emissions	356,000 metric tons	358,000 metric tons	△	Less than 370,000 metric tons	P26
Group electric power consumption	880 million kWh	910 million kWh	△	—	P26
Group company vehicle fuel consumption (gasoline and diesel) from year earlier	Down 0.9%	Up 10%	×	—	P26
Group dismantled telecommunications equipment recycling rate	98.7%	99.6%	○	More than 99%	P27
Group construction waste recycling rate	84.0%	93.0%	—	—	P27
Specific materials	97.1%	98.7%	△	More than 98%	P27
Other materials	70.2%	70.9%	△	More than 84%	P27
Group Office waste recycling rate	57.0%	58.6%	△	More than 70%	P27
Parent office paper consumed per employee (A4 equivalent)	15,798 sheets	13,919 sheets	×	9,500 sheets	P27
Group water consumption	782,000 cubic meters	898,000 cubic meters	—	—	P24
Group chemical substance management: Amounts of PCB treated and stored	2,768 containers	3,717 containers	—	—	Website
Group environmental communications initiatives	2	2	—	—	—
<b>Respecting Our Employees</b>					
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	—	—	P29
Males	7,900	7,650	—	—	P29
Females	850	900	—	—	P29
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%)	—	—	P29
Percentage of employees with disabilities (as of March 1)	1.25%	1.44%	△	1.8%	P12
Number of work-related accidents (while working or commuting)	6	6	△	0	P31
Average annual number of overtime hours	289	289	—	—	P31
Number of people taking maternity leave	57	71	—	—	P29
Number of people taking childcare leave	99 (including 2 males)	111	—	—	P29
Number of people using special working system to assist childcare	93 (including 4 males)	98	—	—	P29
Number of people taking eldercare leave	3 (including 1 males)	6 (including 4 males)	—	—	P29
Number of people working reduced shorter hours for eldercare	1	11 (including 3 males)	—	—	P29
Menu options under cafeteria plan (usage rate)	49 (99%)	49 (99%)	○	100%	Website
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	P32
Human rights issues classes for senior managers (number of participants)	1 (42)	1 (45)	○	1	P32
Classes on sexual harassment (number of participants)	1 (213)	1 (237)	○	1	P32
Parent					
Employees undertaking group training (January through December)	6,091	6,173	—	All relevant employees	P30
Employees trained at external facilities (January through December)	3,071	3,194	—	All relevant employees	P30
Meetings for dialog between senior management and employees (number of participants)	10 (720)	11 (990)	—	—	P30
Experiential learning classes (number of participants)	4 (80)	6 (89)	—	—	P32
Employee relationships					
Number of parent companywide surveys of awareness, etc. (response rate)	—	1 (82%)	—	—	P31
<b>Financial Performance</b>					
Parent operating revenues	1,145.4 billion yen	1,154.5 billion yen	—	—	P33
Parent operating income	77.3 billion yen	104.7 billion yen	—	—	P33
Parent net income	30.3 billion yen	62.7 billion yen	—	—	P33
Parent capital investment	100.5 billion yen	108.1 billion yen	—	—	P33

### 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.



## 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 air-conditioning systems and energy-saving personal computers and lighting. We're also working 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.

### 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.



Masae Tamura  
Senior Executive Vice  
President and Chairman of  
Group CSR Committee



Kazuma Shida  
Manager  
Network Ground Design Office  
Network Business Division



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



Kae Sakurada  
Process and Knowledge Management  
Department  
Information Systems Business  
Division

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

## 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.

## 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.

### 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 to 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

#### Transforming work styles to increase productivity

##### 1 Making offices more creative

- Team addresses
- Communal, break, and silent areas
- Interior design and fixture layouts
- Using mobile devices, thin clients, and wireless LANs
- Using terminals to share information and teleconferences

##### 2 Contributing to the environment

- Creating the paperless office and better separating waste
- Conserving energy
- Cleaning and reusing fixtures

##### 3 Strengthening security and business continuity planning

- Issuing earthquake news bulletins and preparing emergency backpacks
- Reinforcing security (through network ID systems and security printers)

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)	Per capita paper consumption 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%

## 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 high-speed 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.



## 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.

## 2

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

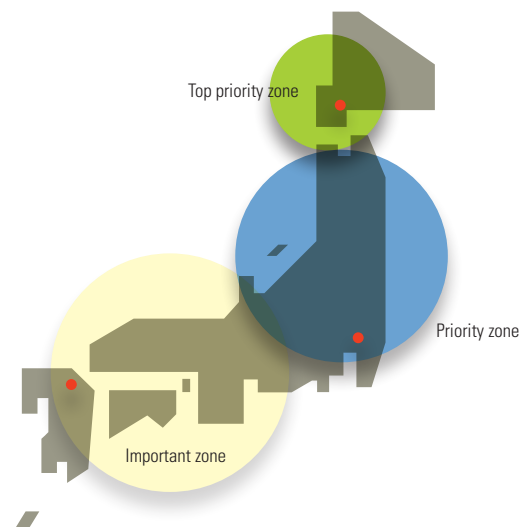
Before deploying protective and maintenance efforts, we prepared plans to prevent loss and theft, check the identities of suspicious persons, install and inspect facilities needing protections, and plan and create backup lines. We implemented a special maintenance program to run during the summit. From 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.



## 3

Special Feature

## 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.

### 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.

#### ● 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.

#### ■ Action Plan for Childcare Assistance

Action plan period April 1, 2005, through March 31, 2008

Purpose

To help balance professional and private lives by increasing awareness of the issues among employees and managers of the programs offered and encourage an orientation toward fostering future generations, making it easier for employees to use our programs.

We are taking the following steps toward those objectives:

- ① Using our intranet and other tools to increase awareness and understanding
- ② Increasing awareness and understanding through training
- ③ Making it easier for employees to return to work from leave

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

### 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.

### 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.



## 4

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/>



See the following Japanese-language website for details on our Mt. Fuji cleanup activities and our Rice Terrace Revitalization Project in Chichibu:  
<http://www.ntt.com/community/>

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



## 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 knee-deep 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/>

### 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.

# 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.

### ● 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

See the following website for details on our basic approach to creating internal control systems:  
[http://www.ntt.com/csr\\_e/report2008/management.html#2](http://www.ntt.com/csr_e/report2008/management.html#2)

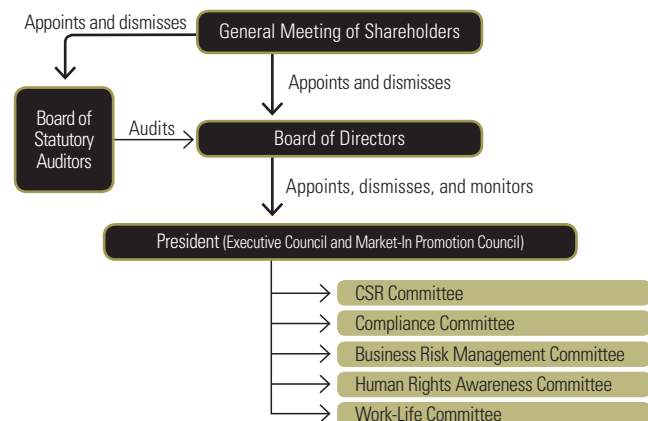
### ● CSR Committee

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.

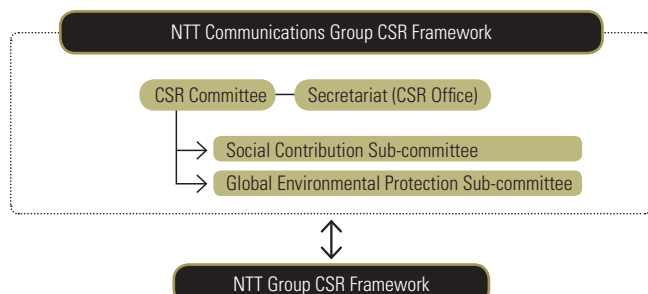
We established the Executive Council to discuss important management issues for NTT Communications and Group companies and thereby accelerate decision-making. That body met 51 times in 2007. The Market-In Council gathered 51 times during the year to deliberate and report on important individual matters. 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



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.

### ■ CSR Committee





## 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



See the following website for details:  
[http://www.ntt.com/obp\\_e/torikumi/](http://www.ntt.com/obp_e/torikumi/)

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.

### ● Consultation Hotline

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



See the following Japanese-language website for details:  
<http://www.ntt.com/compliance/>

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

## 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



See the following website for details:  
[http://www.ntt.com/csr\\_e/report 2008/management.html#7](http://www.ntt.com/csr_e/report%202008/management.html#7)

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.

## 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.

## Enlightening All Employees

### Raising Ethical Consciousness

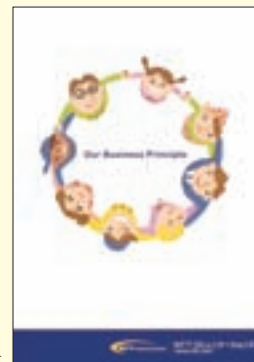
We constantly foster employee consciousness of ethical issues through diverse activities. We offer workplace compliance and human rights training for all employees and management levels, as well as lectures from external experts. We distribute the *Our Business Principles* booklet to all NTT Communications 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.



See the following website for details:  
[http://www.ntt.com/obp\\_e/](http://www.ntt.com/obp_e/)



■ *Our Business Principles* card for employees



■ *Our Business Principles* booklet

Note: See 2008 CSR Indices on page 6 for details on frequency and attendance at workplace compliance training sessions and human rights issues classes for all employees and management levels.

# 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 fiber-optic 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 multinational companies entering the Russian and European markets and offer highly reliable and high-quality data communications services.

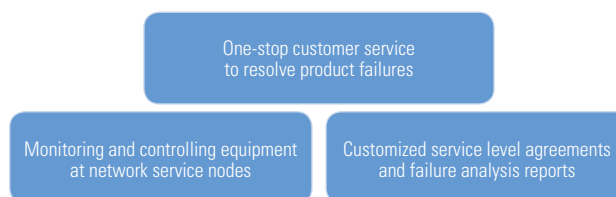
### Delivering High Quality, Efficiency, and Reliability

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.

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.

### Fiscal 2007 Achievements and Fiscal 2008 Plans

In fiscal 2007, we produced a technical training curriculum for our IP-VPN/e-VLAN services, conducted training to bolster overall management capabilities, and formulated an authorization scheme that employs Web-based training. We continued to offer our 24/7 one-stop customer service to resolve product failures while providing high-quality, highly reliable



## 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.



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.

## 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.

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:  
<http://www.ntt.com/saitai/>

### ● 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



■ Disaster drill

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.



See the following Japanese-language website for details:  
<http://www.ntt.com/jishinsokuho/>

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.

### ● 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:  
<http://www.ntt.com/anpi/>

# 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

See the following website for details:  
[http://www.ntt.com/obp\\_e/torikumi/02.html](http://www.ntt.com/obp_e/torikumi/02.html)

### ● Information Security Governance

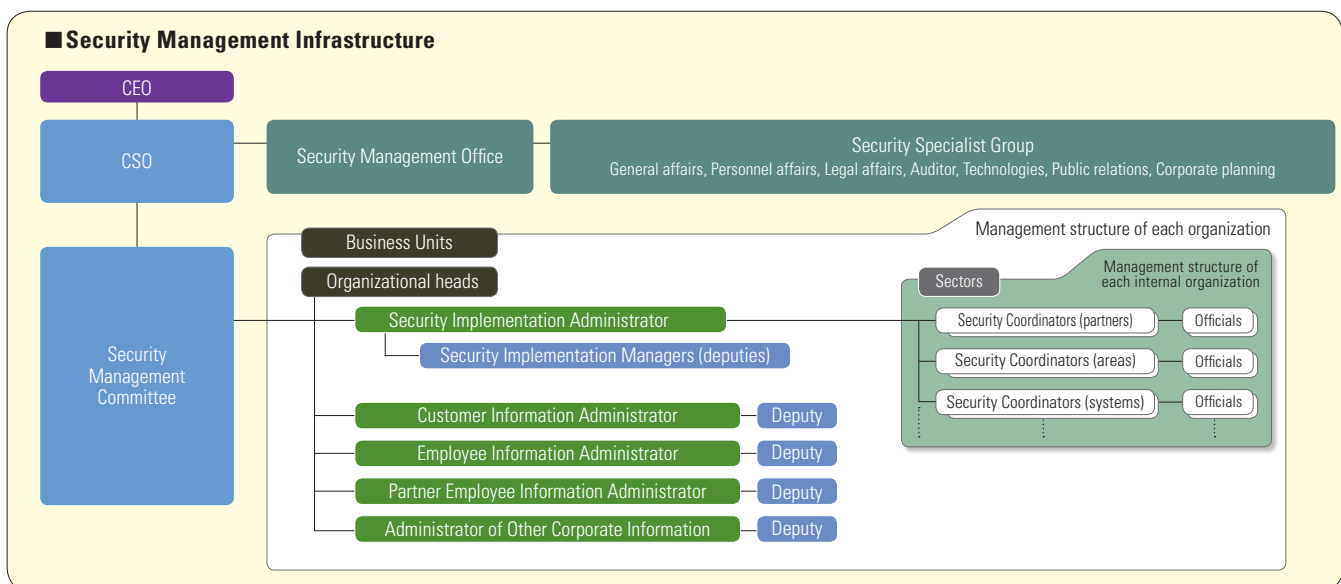
We have established uniform information security management benchmarks and policies in Japan and abroad in keeping with the requirements of ISO 27001, the international standard for information security management systems. We regularly monitor compliance as part of ongoing governance efforts to improve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

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.



### ● 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.

# 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.

## 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.

# 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,

See the following website for details of our Social Action Principles:  
[http://www.ntt.com/csr\\_e/report2008/social.html#1](http://www.ntt.com/csr_e/report2008/social.html#1)

children's health and education, science, culture, the arts, sports, and social education.

#### Social Action Principles

Sustainability

Efficiency

Due diligence

World view

Skills

## Serving the International Community

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

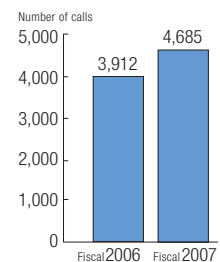
The number of asylum seekers in this nation traditionally averaged 300 to 400. Data from the Immigration Bureau of the Ministry of Justice shows that asylum applications soared to 954 in 2006. There 816 applicants in 2007, with the government recognizing 41 as refugees.

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.



■ Usage of Toll-Free Hotline for Refugees and Asylum Seekers

See the following website for details of toll-free telephone hotline for asylum seekers:  
[http://www.ntt.com/csr\\_e/report2008/social.html#2](http://www.ntt.com/csr_e/report2008/social.html#2)

## 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

# 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 on page 6 of this report for the number of meetings we have held with suppliers to explain procurement.

## 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 supplies. We have already assessed around 300 suppliers on this basis.

See the following Japanese-language website for details on our green guidelines: <http://www.ntt.com/eco/data/guideline.html>

### ■ 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

(See Environmental Impacts of Business Activities on page 24)

(Coverage: NTT Communications)

### ● 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.

# 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

- Meet corporate responsibilities
- Support initiatives for an environmentally friendly society
- Contribute through environmental activities
- Disclose environmental information

See the following website for details on our Global Environmental Charter:  
[http://www.ntt.com/csr\\_e/report2008/environment\\_manage.html#1](http://www.ntt.com/csr_e/report2008/environment_manage.html#1)

## 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.

See the following website for details on our Long-Term Environmental Vision:  
[http://www.ntt.com/csr\\_e/report2008/environment\\_manage.html#2](http://www.ntt.com/csr_e/report2008/environment_manage.html#2)

## 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

See the following Japanese-language website for details on our green ICT approach:  
<http://www.ntt.com/eco/data/ict.html>



## 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.

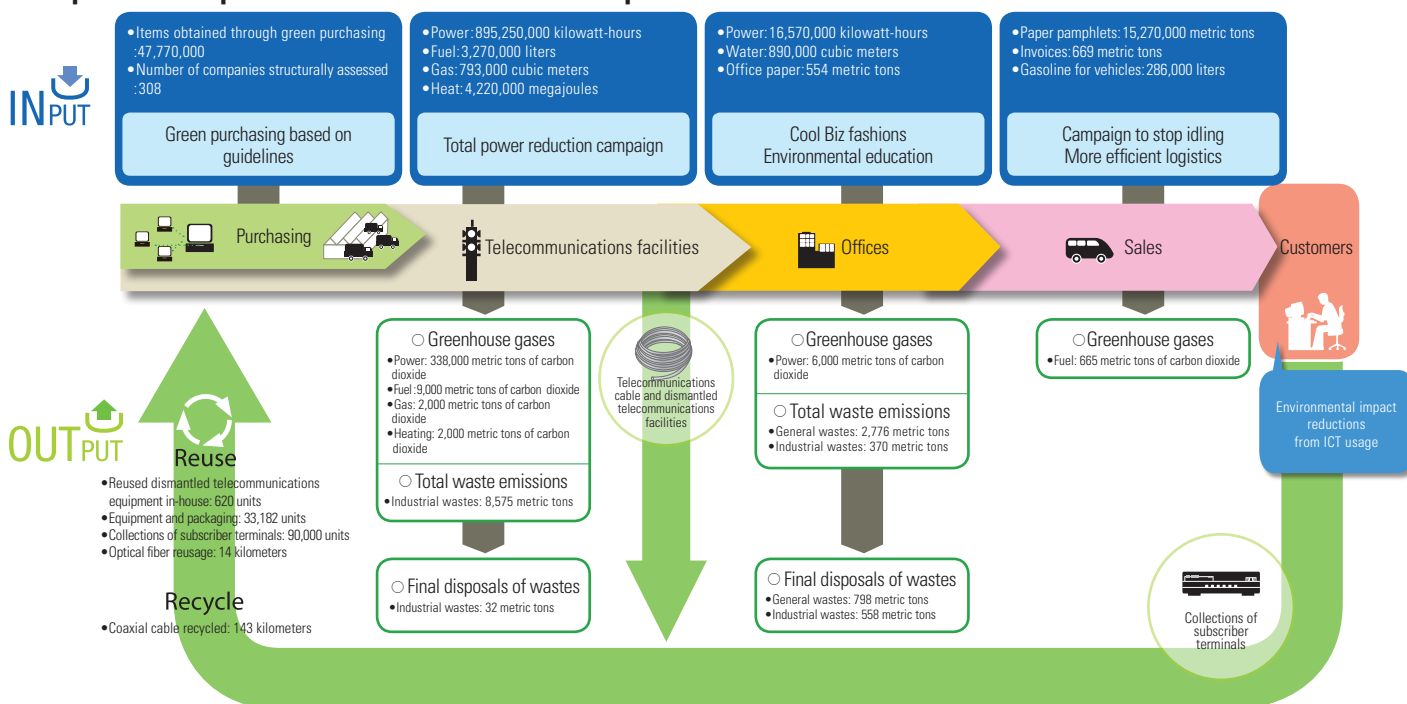
Fiscal 2007 Targets		Fiscal 2007 Results		Self-Assessment	Fiscal 2008 Goals		Fiscal 2010 Targets
Carbon dioxide emissions (see note below)	Less than 355,000 metric tons	358,000 metric tons	<ul style="list-style-type: none"> <li>Installed attachment energy-saving air conditioning by showing water (10 units, saving 53 metric tons)</li> <li>Shut wireless relay stations (28 sites)</li> <li>Upgraded air conditioning (119 facilities, saving 874 metric tons)</li> <li>Modified settings of machine room air conditioning (200 units, saving 290 metric tons)</li> <li>Replaced inefficient inverter (1 unit)</li> <li>Upgraded inefficient rectifiers (17 units)</li> <li>Upgraded special high-voltage power receiving facilities (at 2 buildings)</li> <li>Developed outlets and other devices to switch to direct current to power IP equipment (developed direct current outlets)</li> <li>Implemented power-saving measures (including those in line with Tokyo Metropolitan Government measures)</li> </ul>		<b>goal</b> Less than 358,000 metric tons <ul style="list-style-type: none"> <li>Install attachment energy-saving air conditioning by showing water (5 units, saving 25 metric tons)</li> <li>Install gas air conditioning (10 units, saving 8 metric tons)</li> <li>Shut wireless relay stations (55 sites)</li> <li>Upgrade air conditioning (120 facilities, saving 881 metric tons)</li> <li>Modify settings of machine room air conditioning (200 units, saving 290 metric tons)</li> <li>Replace inefficient inverters (97 units)</li> <li>Upgrade inefficient rectifiers (121 units)</li> <li>Develop outlets and other devices to switch to direct current to power IP equipment (develop direct current outlets)</li> <li>Implement power-saving measures (including those in line with Tokyo Metropolitan Government measures)</li> </ul>	Less than 370,000 metric tons	
Waste	Recycling rate for dismantled communications equipment	At least 99%	99.6% (8,575 metric tons) <ul style="list-style-type: none"> <li>Promoted reuse and recycling to reduce waste</li> <li>Chose contractors with high recycling rates (particularly in outlying islands)</li> <li>Foster materials recycling (such as for coaxial cables)</li> </ul>		<b>goal</b> At least 99% <ul style="list-style-type: none"> <li>Improve recycling rate for surplus fiber-optic cable (to at least 90%)</li> </ul>	At least 99%	
	Recycling rate for construction waste	Specific materials: At least 98% Others: At least 74%	Specific materials: 98.7% Others: 70.9% (13,406 metric tons of waste generated) <ul style="list-style-type: none"> <li>Chose intermediate treatment facilities with high recycling rates</li> <li>Set up management systems at each business site</li> </ul>		<b>goal</b> Specific materials: At least 99% Others: At least 74% <ul style="list-style-type: none"> <li>Pursue measures to reduce final disposal</li> <li>Reduce direct final disposal</li> <li>Chose contractors with high recycling rates</li> </ul>	Specific materials: At least 99% Others: At least 84%	
	Office waste recycling rate	At least 62%	58.6% (3,574 metric tons of waste generated) <ul style="list-style-type: none"> <li>Reinforced waste separation (14 categories)</li> <li>Eliminated personal waste baskets</li> <li>Displayed educational posters and otherwise enlightened employees</li> </ul>		<b>goal</b> At least 63% <ul style="list-style-type: none"> <li>Visibly reduce waste for each business unit</li> <li>Step up enlightenment efforts (such as by instituting awards)</li> </ul>	At least 70%	
Paper consumption (for office use)	Reduce by 25% per employee (11,849 sheets per person)	Reduced per-capita consumption 12% (for 13,919 employees) <ul style="list-style-type: none"> <li>Installed MFP integrated with IC card systems to eliminate needless printed material</li> <li>Reduced document storage space</li> <li>Provided projectors at meetings and encouraged use of this equipment</li> </ul>		<b>goal</b> Reduce per-capita consumption 12% (for 12,300 employees) <ul style="list-style-type: none"> <li>Encourage paperless information-sharing</li> <li>Use teleconferencing more</li> </ul>	40% per employee lower than in fiscal 2006 (9,500 sheets per capita)		

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

Self-assessment legend: Excellent On target Below target

## Environmental Impact of Business Activities

### Inputs and Outputs of NTT Communications Group in Fiscal 2007



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

See the following website for details on ISO 14001 certification progress: [http://www.ntt.com/csr\\_e/report2008/environment\\_manage.html#9](http://www.ntt.com/csr_e/report2008/environment_manage.html#9)

## 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.

See the following website for environmental accounting details: [http://www.ntt.com/csr\\_e/report2008/environment\\_manage.html#7](http://www.ntt.com/csr_e/report2008/environment_manage.html#7)

#### 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.

# 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

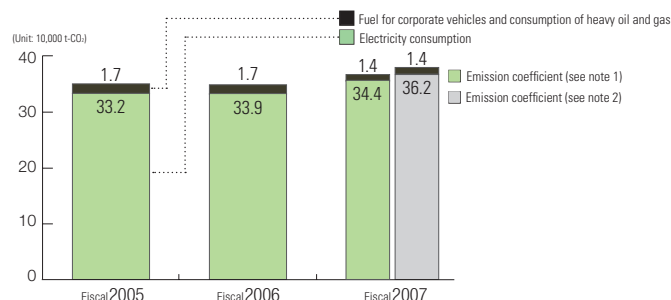
### Initiatives to Cut Carbon Dioxide Emissions

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-CO<sub>2</sub>.

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:  
<http://www.ntt.com/eco/data/data.html>

### 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



See the following Japanese-language website for details on Green ICT:  
<http://www.ntt.com/eco/data/ict.html>

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 Kanyou-go, which NTT Resonant operates.



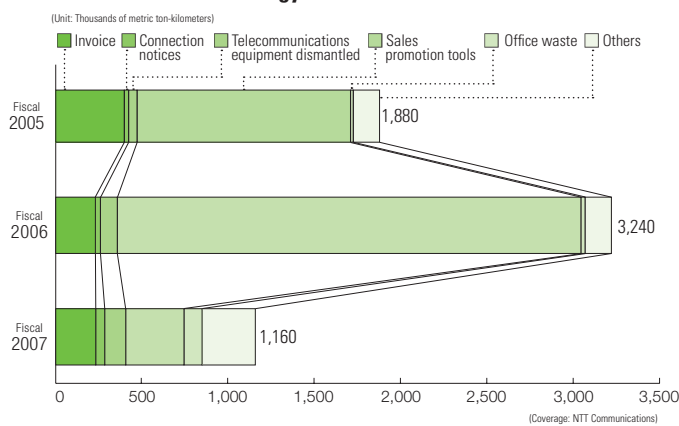
## Lowering the Environmental Impact of Transportation

### 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.

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.

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



(Coverage: NTT Communications)

# 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



See the following Japanese-language website for details on waste management performance data: <http://www.ntt.com/eco/data/data.html>

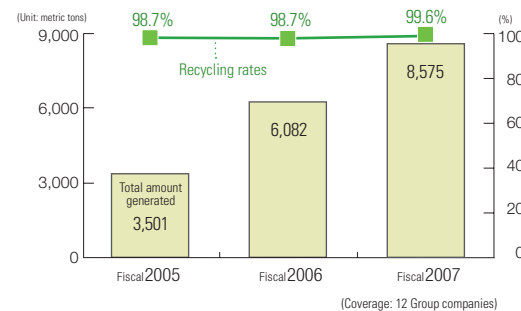
### Recycling Dismantled Telecommunications Equipment

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%.

### Total Dismantled Communication Equipment Volumes and Recycling Rates



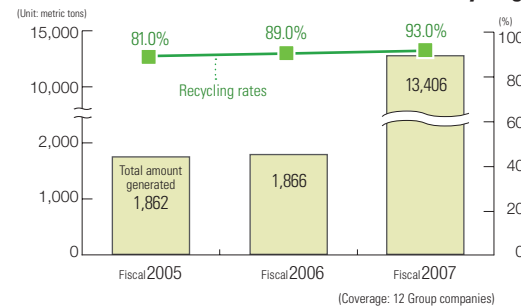
### Construction Waste Recycling

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.

### Total Generation of Construction Wastes and Recycling Rates



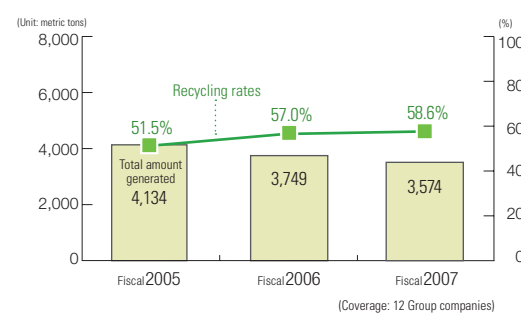
### Office Waste Recycling

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



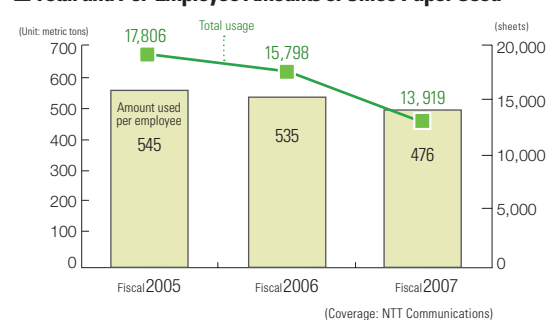
### Reducing Paper Usage

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



## 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.

## 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 : <http://eco.goo.ne.jp/>

##### [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 :  
<http://sango.goo.ne.jp/landing.htm>

##### [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:  
<http://green.goo.ne.jp/>



See the following website for other examples of our efforts to reduce environmental impact through our operations: [http://www.ntt.com/csr\\_e/report2008/businessactivity.html](http://www.ntt.com/csr_e/report2008/businessactivity.html)

# 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.

#### ■ Overview of Support Programs and User Numbers in Fiscal 2007

Program	Number of users	
	Fiscal 2006	Fiscal 2007
Maternity leave	57	71
Childcare leave	99 (including 2 male employees)	111
Special working system to assist childcare	93 (including 4 male employee)	98
Eldercare leave	3 (including 1 male employee)	6 (including 4 male employees)
Reduced working hours for eldercare	1	11 (including 3 male employees)

Coverage: NTT Communications

See the following website for an overview of our employee support programs:  
[http://www.ntt.com/csr\\_e/report2008/office.html#2](http://www.ntt.com/csr_e/report2008/office.html#2)



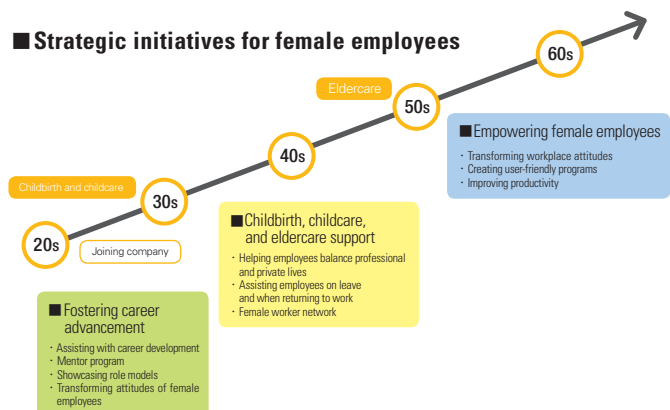
Seminar on leave and work return support



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.

#### ■ Strategic initiatives for female employees



### ● 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: See page 12 for related information on employing people with disabilities and page 6 for data on the percentages of such people in our workforce.

## 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

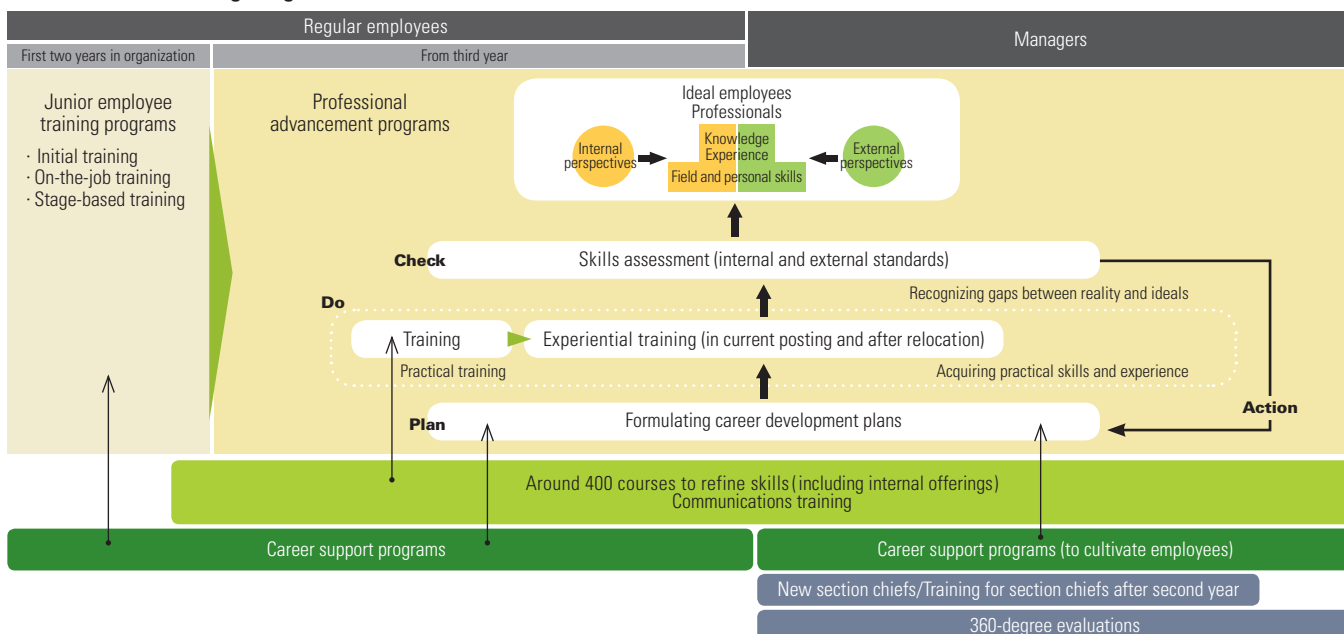
We improve employee skills through an array of training programs for junior and seasoned employees and managers.

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



### 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.

# 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.

Note: See 2008 CSR Indices on page 6 for data on the average annual number of overtime 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.

### ● 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

See the following website for details of the number of employees taking leave for volunteer work:  
[http://www.ntt.com/csr\\_e/report2008/esteem.html#2](http://www.ntt.com/csr_e/report2008/esteem.html#2)

### ● 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.

Note: See the 2008 CSR Indices on page 6 for details of the number of work-related accidents.

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.

## 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.



## 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.

Note: See the 2008 CSR Indices on page 6 for the numbers of senior managers taking classes on human rights issues and the frequency of sexual harassment classes and attendance.

### ● 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 memo pad

■ Human rights and compliance calendar

### ● 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

Note: See the 2008 CSR Indices on page 6 for the numbers of experiential classes and the number of people participating.

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

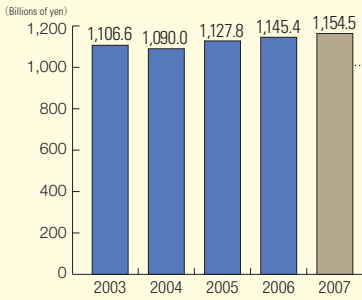
going down a single stair felt dangerous. I very carefully held a handrail and proceeded slowly. Otherwise, I could not have got down the stairs.

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.

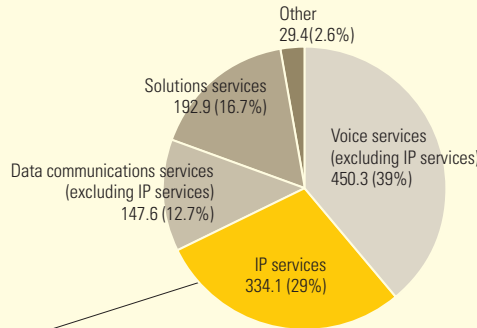
## Financial Performance Benchmarks

(For fiscal years ending on March 31)

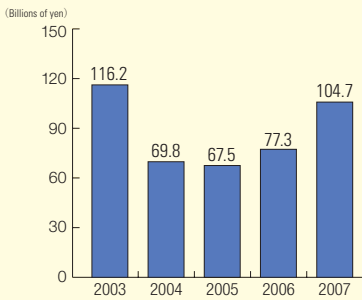
### Operating Revenues



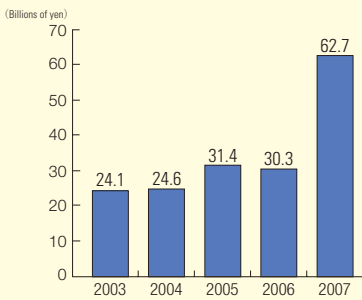
**Breakdown of Fiscal 2007 Operating Revenues**  
Billions of yen



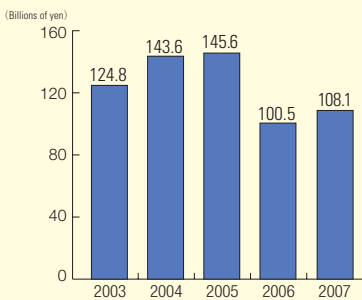
### Operating income



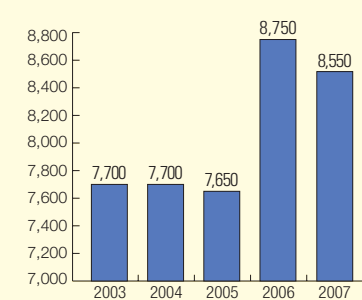
### Net income



### Capital Investment

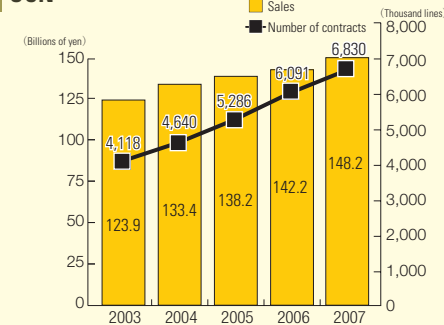


### Number of Employees

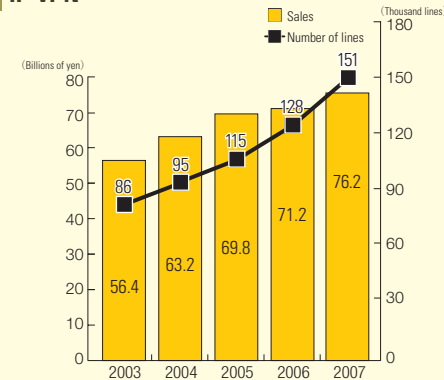


### Main IP Services

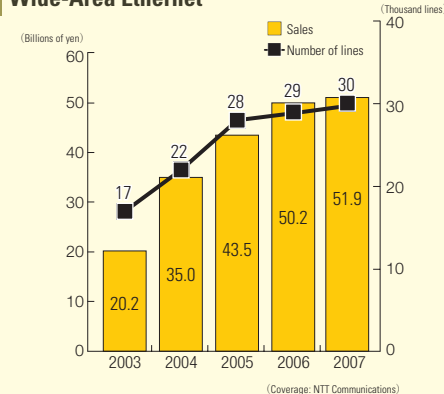
#### OCN



#### IP-VPN



#### Wide-Area Ethernet



(Coverage: NTT Communications)

## CSR Topics Presented only on Our Website

In keeping with our editorial policy on page 3, we have marked topics in this report that appear only on the Web version of our CSR Report, at: [http://www.ntt.com/csr\\_e/report2008/](http://www.ntt.com/csr_e/report2008/)

### Our Business Activities and Stakeholders

- NTT Group CSR Charter.

#### PART1

##### Ensuring Transparent and Sound Management

- 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
- Chocom Service for Online Donations
- Participating in e-Net Caravan
- Fair Trade Initiatives

#### PART3

##### Protecting the Environment

- NTT Communications Global Environmental Charter (details)
- Our Long-Term Environmental Vision (details)
- Environmental Accounting (details)
- ISO 14001 Certification
- Environmental Initiatives of Group Companies
- Power Purchases
- Clean Energy Generation
- NOx Emissions
- SOx Emissions
- Planting Rooftop Gardens to Reduce Environmental Loads
- Adhering to Laws and Ordinances
- Managing PCB Storage Based on Guidelines
- Eliminating Asbestos
- Engaging All Employees in Office Environmental Initiatives
- Cutting Power Consumption through Pala Dial Service
- OCN ECO Plus Initiatives

#### PART4

##### Respecting Our Employees

- Obtaining Kurumin Mark
- Internal Job Posting System
- Cafeteria Plan

## 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 single-minded 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 long-term 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.

## My Response

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

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 long-

term 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.





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**Environmental considerations in printing this report**

**Materials**

- Paper  
This publication was printed on Forest Stewardship Council-certified paper.
- Ink  
To prevent air pollution, we printed publication with 100% vegetable ink that is free of volatile organic compounds.

**Production Processes**

- We based these processes on the Offset Printing Service guidelines of the Green Purchasing Network.
- Printing  
We lowered environmental impact by using computer-to-plate printing, thus eliminating developer-based film. We also employed waterless printing processes.
- Binding  
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- We packaged each copy for distribution through the Eco Mail service.

