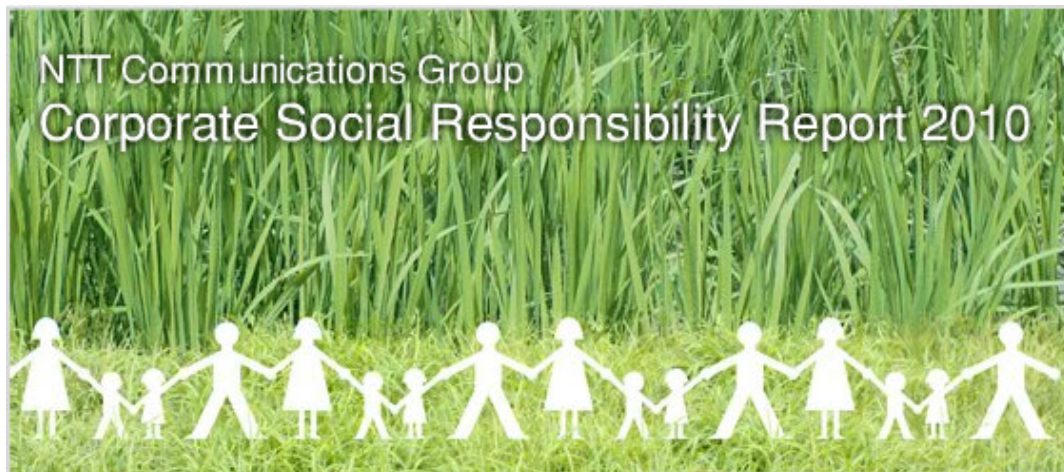




CSR

## NTT Communications Group CSR Report 2010



Special Feature  
**Bridge**



Special Feature  
**Continue to Bridge**



Special Feature  
**Support**

### NTT Communications Group CSR



#### ▶ [Top Commitment](#)

Greetings from Akira Arima,  
President and CEO



#### ▶ [Corporate Information / Business Overview](#)

Corporate information of the  
NTT Communications Group



#### ▶ [Our Approach to CSR](#)

#### ▶ [CSR Management](#)



#### ▶ [CSR Index 2010](#)

We have self-assessed our  
achievements and actual  
performance for fiscal 2009,  
and have set our targets for  
fiscal 2010.



#### ▶ [Medium- and Long-Term Environmental Vision](#)

We have also created our  
Medium- and Long-Term  
Vision, which includes specific  
numerical goals through fiscal  
2012.



#### ▶ [Dialogue](#)

Under the theme of promoting  
diversity management, we  
held an internal dialogue  
session.

## Introducing our Activities

### Contributing to Society



We work toward improvements in information and communication technology and ensuring information security, and provide stable, highly reliable information and telecommunications services worldwide.

- ▣ [Contributing to Society](#)
  - [Maintaining Stable and Reliable Telecommunications Services](#)
  - [Information Security in Telecommunication Services](#)
  - [Using ICT to Solve Social Issues](#)
  - [Faithfully Serving Our Customers](#)
  - [Our Relationship with Society](#)
  - [Our Relationship with Government](#)
  - [Our Relationship with Suppliers](#)

### Protecting the Environment



We take steps to reduce environmental impact in all our business activities as well as provide information and telecommunications service solutions that reduce environmental impact to help achieve a sustainable society.

- ▣ [Protecting the Environment](#)
  - [Basic Philosophy and Environmental Management](#)
  - [Biodiversity Conservation](#)
  - [Global Warming Prevention](#)
  - [Reduction of Waste](#)
  - [Prevention of Environmental Pollution](#)
  - [Reducing Environmental Impact Through Our Services](#)
  - [Promoting and Utilizing Internal Green ICT](#)
  - [Site Data](#)

### Respecting Our Employees



We respect employee diversity and provide workplaces that champion self-fulfillment while maintaining high ethical standards in meeting our social responsibilities.

- ▣ [Respecting Our Employees](#)
  - [Human Resources Development and Evaluation](#)
  - [A Workplace for Everyone](#)
  - [Maintaining and Improving Employee Health](#)
  - [Relationships with Employees](#)
  - [Respecting Human Rights](#)

## About this report

- ▣ [CSR Report](#)
  - [Editorial Policy](#)
  - [Third-Party Opinion/Response](#)
  - [GRI Guidelines Contrast Table](#)
- [Environmental Reporting Guidelines Contrast Table](#)

## Top Commitment

### What We Can Do to "Bridge" and "Continue to Bridge" the World



We are now facing a number of social issues including those concerning employment, medical care, a low birthrate and aging population, and education. In addition, the environmental issues posed by energy concerns and global warming are becoming increasingly of the moment. Information and communication technology (ICT) will play an important role in solving these kinds of problems and realizing a more abundant and sustainable society.

We hope to carry out our social mission by working to reduce environmental impact through the promotion of "Green of ICT" and "Green by ICT" using ICT, and by providing seamless, one-stop services and solutions with Japanese quality in both domestic and international markets.

Furthermore, we aim to achieve growth as a true global business by focusing our efforts on developing the human resources that support such business operations.

As an ICT solutions partner, we will continue to focus on our mottoes of being a "bridge" to "Continue to Bridge" the world, and we look forward to contributing to the realization of a safe and pleasant society.

#### **Promoting Energy Efficiency through Proactive Utilization of ICT**

In our role as an ICT solutions partner, we have taken on the endless challenge of possessing the drive and passion to become an industry leader and operate on a global level. Most people have become aware of the impact of ICT services for telecommuting, as well as its potential as an alternative to physical business trips, not only from a cost perspective but also in terms of efficient time use, diversification of work styles, and energy efficiency.

Our BizCITY cloud computing service is designed to cater to the shift in companies' needs from the ownership of equipment to the utilization of services. This service uses servers located in environmentally efficient data centers with highly efficient operational capabilities through the use of virtualization technologies. Thus BizCITY offers greater efficiency not just in terms of maintenance and improved service availability, but also in terms of energy use compared with customers owning their own servers.

In order to improve efficiency across the whole of society via customer implementation of ICT, we are also working toward improving energy efficiency through ICT services—in other words by striving to lessen the environmental impact of the ICT equipment itself, an initiative that we term Green of ICT. We promote energy efficiency through the introduction of highly energy-efficient IT equipment and air-conditioning systems, and fine temperature control in data centers.

Furthermore, we have introduced initiatives not only for the purpose of accumulating knowledge but also to improve energy efficiency in business operations by migrating internal business systems to cloud computing and ubiquitous services.

This fiscal year, the NTT Communications Group will establish its medium- to long-term environmental plan based on the three pillars of Realization of a low-carbon society; Promotion of a recycling-based society; and Preservation of biodiversity, as well as further strengthening its energy efficiency initiatives.

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## Supporting Globally Expanding Companies with Japanese Quality

Since the onset of the global economic crisis, there has been an increasing trend for companies to expand their operations overseas. It is our mission to provide safe and secure support, irrespective of time or location, for our globally expanding customers. In addition to providing a consistent level of service quality on a global scale, the whole Group must operate together as one to provide support for our customers based on the reliability of Japanese quality, just as if our customers were in Japan, by providing the same continuous services such as Managed Quality Operations, no matter where our customers are situated around the globe.

Through ICT, we will continue to provide support for new business enterprises to enable our customers to grow.

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## Promoting Diversity to Connect People Across the World

There are no national borders in business and human resources, just as there are no such borders on the Internet. As a global company, in order to develop seamless services between Japan and the rest of the world, we must share common values such as Japanese quality and a sense of solidarity, while respecting the diversity of differing values. To enable continuous adaptation to market and customer needs, we must improve internal communication and actively pursue communication between each individual. We must also be able to ensure a good work-life balance for all in order to achieve rapid reform. In each of these areas, it is essential to promote increased diversity.

As one initiative in this area, last year we began accepting employees from overseas subsidiaries at our headquarters in Japan. This year, as part of the promotion of diversity for global business development, we held our first round-table discussion with external experts.

Through these kinds of initiatives, we hope to enable exchanges between various cultures and improve frontline empowerment and character quality.

Furthermore, although we are already engaged in human rights awareness activities as part of employee training, we will redouble our efforts in this area to promote initiatives to address human rights issues by the Group as a whole.

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## CSR Reports as a Communication Tool

We are pursuing our total power reduction campaign by fully utilizing the capabilities of the entire Group, and are developing a range of layer services on a global level and implementing various initiatives to address social issues.

We publish this CSR report as a communication tool to provide our many stakeholders with an outline of the CSR activities undertaken by the NTT Communications Group throughout the year.

This report is published in two forms: a booklet and an online version.

In order to continue creating added value for our customers and society, and to maintain our status as a corporation trusted by society, we welcome any and all feedback and your thoughts and opinions on our CSR initiatives.



Akira Arima  
President and CEO  
NTT Communications Corporation

## Corporate Information / Business Overview

We contribute to the creation of a sustainable society  
as an ICT solutions partner.

### NTT Communications Corporate Information

#### NTT Communications Corporate Information

<b>Name</b>	NTT Communications Corporation
<b>Address</b>	1-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan 100-8019
<b>Date established</b>	July 1, 1999
<b>Paid-in capital</b>	211.7 billion yen (as of March 31, 2010)
<b>Number of employees</b>	8,350 (as of March 31, 2010)
<b>Business</b>	Domestic and international telecommunications services

#### Major organizations of which NTT Communications is a member

- Telecommunications Carriers Association Director
- Japan Network Information Center (JPNIC) Trustee
- Japan Telecommunications Engineering and Consulting Service Board Member
- The Association for Promotion of Public Local Information and Communication Board Member
- IPv6 Promotion Council Board Member

#### Main Group Companies (as of March 31, 2010)

##### •Overseas

•Americas  
NTT America, Inc.  
NTT Comunicações do Brasil  
Participações Ltda.  
NTT Multimedia Communications  
Laboratories, Inc.

•Europe  
NTT Europe Ltd.

•Asia (excl. Japan) / Oceania  
HKNet Company Ltd.  
NTT Australia Pty. Ltd.  
NTT Com Asia Ltd.  
NTT Communications (Thailand) Co., Ltd.  
NTT Communications (Vietnam) Ltd.  
NTT Korea Co., Ltd.  
NTT MSC Sdn. Bhd.  
NTT Singapore Pte. Ltd.  
NTT Communications China Co., Ltd.  
NTT Taiwan Ltd.  
NTT Communications India Private Ltd.  
PT. NTT Indonesia  
Shanghai NTT Telecommunications  
Engineering Co., Ltd.

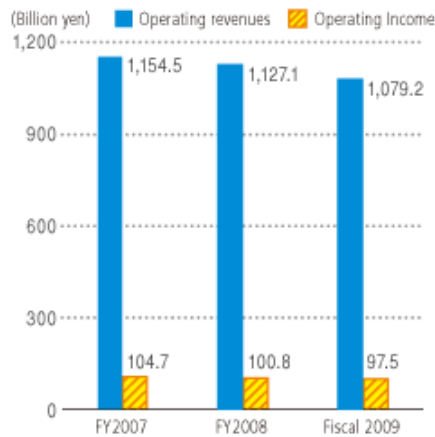
##### •Japan

NTT Worldwide Telecommunications  
Corporation  
NTT Com Technology Corporation  
NTT Com CHEO Corporation  
NTTPC Communications, Inc.  
NTT Visual Communications System Inc.  
NTT FANET SYSTEMS Corporation  
Digital Forest Inc.  
NTT Plala Inc.  
NTT BizLink, Inc.  
NTT NaviSpace Corporation  
NTT World Engineering Marine  
Corporation  
NTT Resonant Inc.  
X-LISTING Co., Ltd.

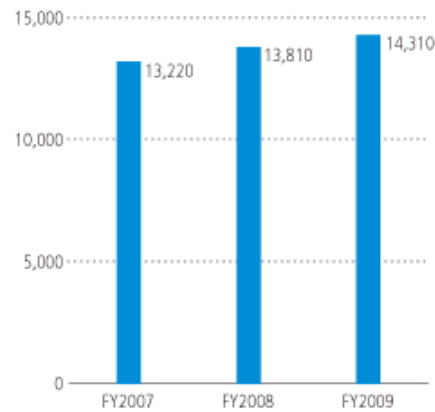
(Among 77 consolidated subsidiaries of  
NTT Communications, only major  
subsidiaries are noted above.)



### Operating Revenues and Operating Income (non-consolidated)



### Number of Employees (group-wide)



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## Corporate Business

### Addressing Customers Business Challenges through Consulting-Based Solutions

The advance of an information-oriented society and globalization of business are creating increasingly diverse business challenges for customers, including cost reductions, productivity improvements and business continuity planning. The NTT Communications Group aims to be an ICT solutions partner offering ongoing support for customers in a wide range of industries in the form of trust and security, managing their ICT-related operations through high value-added solutions tailored to their individual needs. To create services that allow customers to enhance their competitiveness, we offer support with our state-of-the-art ICT solutions, employing network and server infrastructure, as well as fixed-mobile convergence (FMC)\* and data centers.



\* Value-added services merging fixed and mobile communications. They provide environments for seamless communications through dual use of in-house corporate networks and mobile services.

## Global Business

### "Bridging" the World through Japanese Quality

We support customers in their construction and operation of global ICT environments through overseas bases in 73 cities in 29 countries and regions (as of Nov. 2010). As one of the world's top Global Tier 1\* providers, we deliver Internet services of the highest quality and safeguard our customers' networks through onestop maintenance and monitoring around the clock, 365 days a year. We will continue to contribute to the global business of customers through world-recognized "Japanese quality."



\* A Global Tier 1 is an Internet service provider (ISP) that can control its own broad-bandwidth global IP backbone without relying on upstream providers.

## Internet Business

### Supporting Essential Internet Environments for Lifestyles and Business

The NTT Communications Group provides ubiquitous, state-of-the-art broadband environments through comprehensive provision of upperlayer services, which are the more familiar forms of ICT. We carry out one-stop operation of high-quality services via the Internet under the "CreativE-Life' for Everyone" concept. These include Internet access services such as OCN and Plala, IP telephony, and music and video content distribution. Through ongoing enhancements, we will always strive to deliver services ever more attractive to the customer, contributing to their safety and peace of mind by making home and business environments more comfortable and enjoyable.

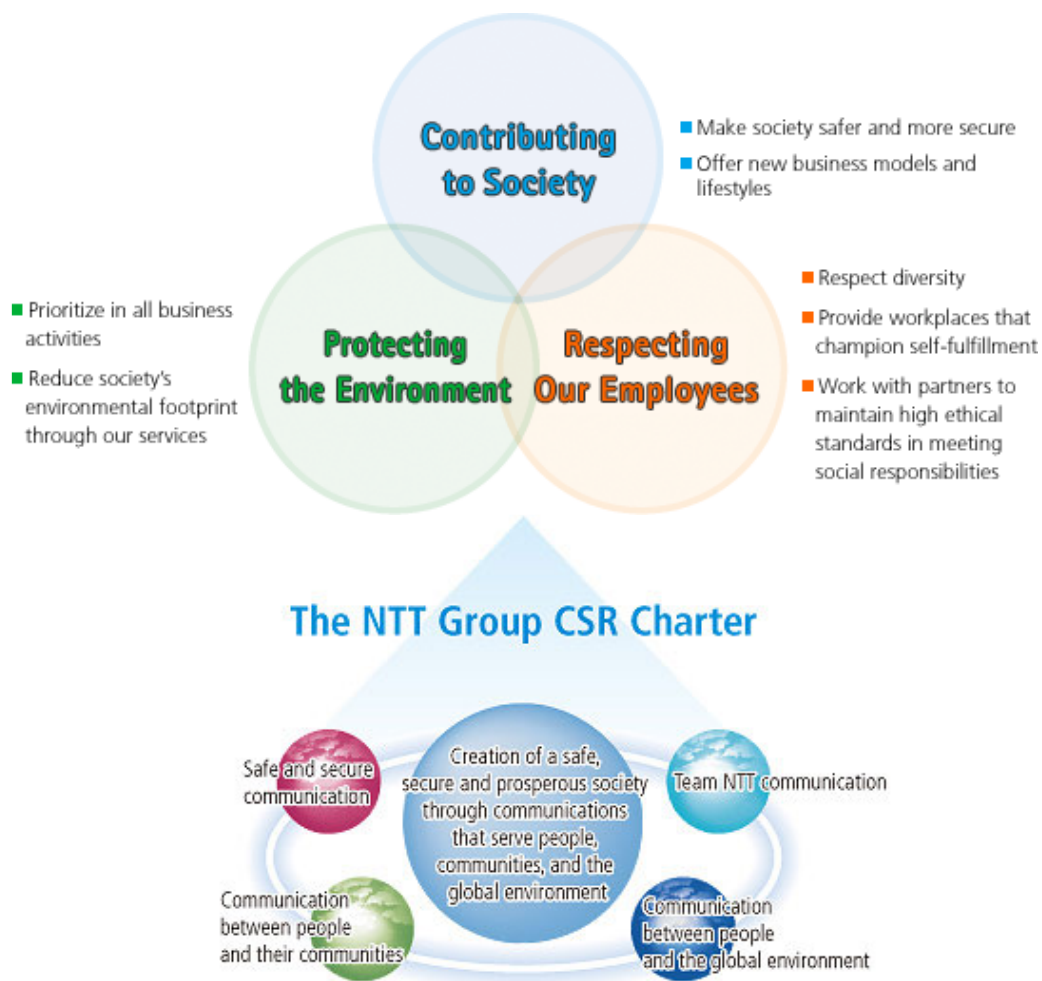


# Our Approach to CSR

The NTT Communications Group established its Basic CSR Policy in June 2006. All efforts pursued by employees in line with this policy as part of day-to-day business constitute CSR activity.

## 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.



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:](#)

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## Our Guiding Principles

The NTT Communications Group implements CSR activity based on a set of “guiding principles” stipulating considerations we shall make, as a partner bridging present and future potential and creating new communication value, toward customers, business partners, employees and shareholders, and even competitors and society as a whole, which are also influenced by our



business activities. As a partner connecting people to the future and to new worlds, we will continue to strive through business, together with all our stakeholders, toward sustainable development of society in keeping with our Basic CSR Policy.

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### **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.

---

### **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.

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### **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.

---

### **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.

---

### **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.

---

### **Pledge to Shareholders**

- 1 We will disclose operating results fairly, accurately, and in a timely manner.(We disclosed quarterly results in fiscal 2009)
- 2 We will accurately convey our medium- to long-term visions and strategies.
- 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.

# CSR Management

## Corporate Governance

### Basic Stance

NTT Communications considers strengthening our corporate governance and ensuring transparent and sound management to be essential to increase our corporate value while fulfilling our public role as a provider of communications services.

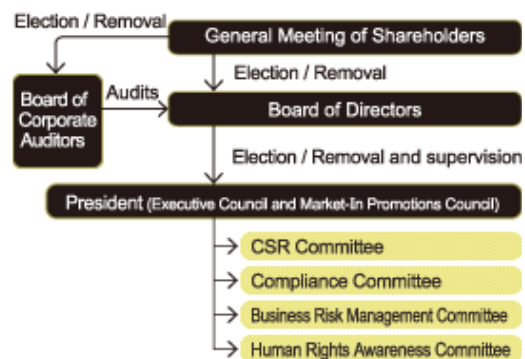
### Corporate governance structure

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

The Board of Directors has 15 members, one of whom is an outside director. In principle, the Board meets once a month to make decisions and report on important management issues. We appoint internal board candidates based on their character and professional experience, regardless of gender or nationality. The principal requirements for external directors are demonstrated supervisory experience and skills throughout their careers, and appointment is not based on the conduct of business operations.

The Board of Corporate Auditors consists of three external auditors. The auditors assess the activities of the Board of Directors. The Board of Corporate Auditors periodically shares information on audit plans and results with accounting firms and is working to strengthen the audit structure. We abolished our directors' retirement benefits program in 2006. The remuneration of internal directors was replaced with a system closely linked to business performance. The remunerations of external directors and corporate auditors are not related to business performance. We established the Executive Council under the Board of Directors to discuss important management issues for NTT Communications and Group companies and aid in accelerating decision-making by the president on operating issues. The Executive Council met 47 times in fiscal 2009. The Market-In Promotions Council gathered 47 times during the year to deliberate and report on important individual matters.

We also established committees, chaired by the senior executive vice president, to deliberate individual issues outlined in the management strategies of NTT Communications Group companies. These councils and committees report regularly to the Board of Directors, which deliberates on and oversees their activities.



■ Corporate governance structure

### Internal Control System

In order to ensure proper business operations, the NTT Communications' Board of Directors has determined a "Basic Approach to the Internal Control System" and devised the necessary measures to be employed by the system. We are bolstering internal control systems for financial reporting in line with Financial Instruments and Exchange Law requirements.

### Basic Approach to Internal Control System

1. NTT Communications will maintain a system of internal controls, including measures for the prevention and minimization of losses, to ensure compliance with applicable laws, appropriate risk management, and proper and efficient business operations.
2. To maintain and effectively assess the above system of internal controls, NTT Communications has established a Legal and Internal Audit Department. This Department is responsible for regular audits and special audits of high-risk areas common to the NTT Group in keeping with the auditing criteria of Nippon Telegraph and Telephone Corporation.
3. NTT Communications will cooperate with Nippon Telegraph and Telephone Corporation and take appropriate measures to ensure the reliability of its system of internal controls based on the US Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act) Sections 302 (disclosure controls) and 404 (internal control over financial reporting) and Japan's Financial Instruments and Exchange Law.
4. As the chief executive officer, the president will be responsible for ensuring the establishment, maintenance, and operation of the system of internal controls.
5. We will take steps needed to comply with the Nippon Telegraph and Telephone Corporation's basic policy related to the creation of a system of internal controls.

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#### Internal Audit

Throughout the year, we conduct standardized audits on our internal organizations and group companies, primarily through the Legal and Internal Audit Department.

Through these audits and other improvement measures, we are working to improve internal controls throughout the entire NTT Communications Group by verifying the establishment and operation of internal controls at individual organizations and group companies.

#### CSR Committee

The NTT Communications Group has established the CSR Committee in order to promote CSR initiatives. The Committee aims to establish a structure to implement management initiatives from economic, environmental, and social perspectives. We maintain the Social Contribution Sub-committee and the Global Environmental Protection Sub-committee under the CSR Committee. The CSR Committee met twice in fiscal 2009, with representatives of 22 Group companies attending. The Committee issued CSR and activity reports and resolved on fiscal 2009 activities after discussing issues that it should address.

The Committee will continue working to foster the NTT Communications Group's CSR initiatives and awareness.

## Fostering CSR awareness

### Our Business Principle (OBP)

To promote CSR initiatives and foster employee consciousness of CSR throughout the entire NTT Communications Group, we distribute the "Our Business Principles" booklet and card to all NTT Communications employees that clarify the principles that must be shared to enhance understanding of the Group.

This publication has been an important guideline since we began operations. It defines three key CSR policies outlining how we will go about achieving our responsibilities toward society. As such, we will continue to make fundamental use of Our Business Principles in the implementation of our CSR activities.



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

### CSR Seminar

The CSR Division holds CSR seminars for executives every year. In fiscal 2009, participation in the seminar was extended to the Senior Manager of each business unit with the objective of deepening understanding of CSR management.

The 3rd Annual CSR Seminar in January 2010 was attended by the heads of the corporate planning and administrative divisions of each organization and the presidents of Group companies, in addition to officials and organization leaders, with participation totaling fifty-five. This was the first time we invited external management. The discussion centered on the ways in which ICT companies can contribute to a sustainable society from a management perspective. The NTT Communications Group envisions companies playing an active role and contributing to the global economy: we are working hard toward developing new roles for ICT and creating energy-efficient social models.

#### ■ Record of Achievements for CSR-Related Training in Fiscal 2009

Target Group	Training Type	Occasions	Total Participants
<b>Executives</b>	Training for senior management	1	55
<b>CSR leaders</b>	Meeting of Administrative Managers	2	70
	Routine Office Environmental Working Group meetings	11	380
<b>New Recruits</b>	Classroom Lectures	1	215

(Compiled from 13 NTT Communications Group companies in Japan)

## CSR Leaders Meeting

Beginning in fiscal 2009, CSR leaders from individual organizations as well as Group companies came together to hold the CSR Leaders Meeting with the objective of strengthening group initiatives.

Seventy CSR leaders from individual organizations and twelve Group companies in Japan gathered for the first CSR Leaders Meeting held in November 2009.

Activities were initiated to help promote CSR by sharing information such as the makeup of CSR Committees and the CSR activities held within each company. We are now making every effort to strengthen Group initiatives.

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## Compliance

### Corporate Ethics Framework

For the NTT Communications Group, compliance goes well beyond merely adhering to laws and ordinances. Therefore, we are striving to establish a high level of corporate ethical standards so we can fulfill our social obligations.

For this reason, we set up the Compliance Committee and have appointed a director, department, and officials in all business units to oversee corporate ethics. Based on the NTT Group Corporate Ethics Charter, we are taking various initiatives to create an environment that enables everyone, from senior executives to all Group employees, to carry out their work duties with high ethical standards.

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

### Educating employees on legal risks

In August 2009, we began publishing a legal e-newsletter that focuses on explaining and interpreting revisions to laws and ordinances that affects our business. This newsletter was implemented as an effective means of educating employees on the underlying legal risks that affect business activities, and to help every employee improve their knowledge of the law.

Furthermore, as of fiscal 2008, we introduced a new policy to regularly distribute the “Legal Risk Management Handbook”, which details particular points of concern about the law, most specifically for sales representatives. This handbook describes the various legal risks that could occur during a business deal, from start to finish, and what to do in such situations, and also includes a Q & A section about contracts and the like. We hope to reduce legal risks to a strict minimum by our movement as; “Legal Section in Action”.



## Consultation Hotline

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

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

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## Business Risk Management

### Business Risk Management

We established the Business Risk Management Committee to better oversee and cope with major business risk factors capable of impacting the operation of the entire company.

The Committee meets twice a year to assess and formulate policies with members of relevant divisions 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.

Several new initiatives were introduced in fiscal 2009: Group companies gathered together to form the Business Risk Management Committee, measures against the H1N1 flu were implemented, a Tamiflu distribution system for overseas workers was established, and risk management workshops were organized. In addition, we conducted our annual disaster training exercise in November by simulating the need to return home on foot should no other means of transportation be available in an emergency situation. A total of 159 people, 65 of whom were from Group companies, participated in the event. Care was taken to support and share know-how so that each company could perform the exercise independently.

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

### Handouts

In August 2006, NTT Communications commenced distribution of handouts to all of its regular and temporary employees to be carried at all times in case of an emergency. An improved version of this basic handout, which explains what to do in an emergency, was distributed in March 2010. At NTT Communications, we are committed to the safety of all our employees, whether they are regular workers or not.





## Information Security

### Security Declaration

Because we believe that adhering to strict security management standards will lead to security improvements that will benefit our customers, we have set up the NTT Communications Security Declaration and use it as the basic guideline in conducting our business.

#### NTT Communications Security Declaration

Our most important mission, in addition to protecting information that is vital to our customers and providing services they know are safe, is contributing to an enhancement of our customers' security systems.

We regard security as our top priority in providing services to our customers, and we pledge to work with them to achieve optimum security systems.

We will do our utmost to ensure security in all phases of the value chain from technology and service development to establishment and operation.

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

#### Three Resolutions

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

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

### Information Security Management Structure

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 and take any necessary corrective action as part of ongoing governance efforts to improve our security management levels.

Specifically, the Chief Security Officer established the Security Management Office to:

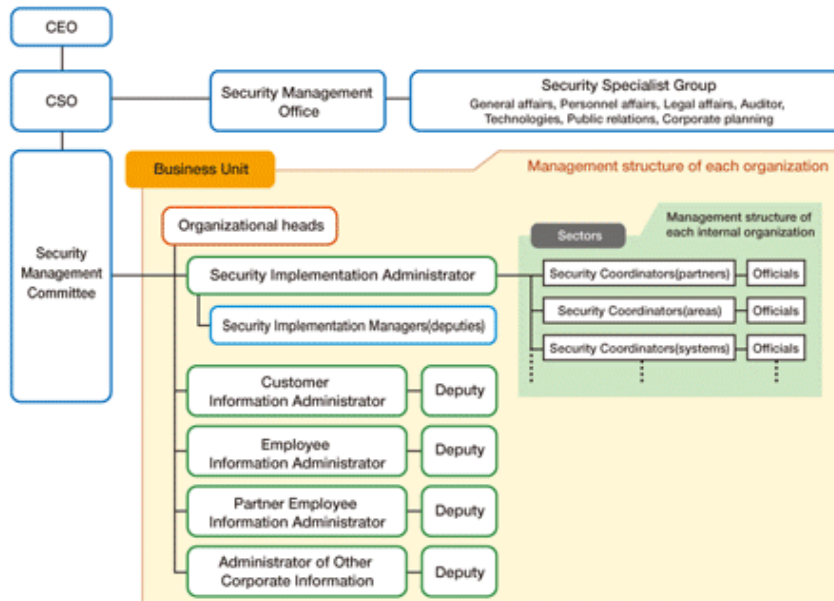
- (1) Formulate rules and standards and educate all employees
- (2) Plan and apply company-wide information security policies
- (3) Monitor compliance with information security regulations and take any necessary corrective action
- (4) Ensure unified responses to information security incidents

Specially assigned officials in each business unit manage information security based on company-wide policies.

Major initiatives in fiscal 2009:

- Work areas were separated according to the degree of importance of information kept in each area, with installation of surveillance cameras at entrances and exits, and installation of an antipassback system in areas housing important information to prevent successive use of one ID card to pass through any portal in the same direction.
- In order to protect information systems from Internet security threats, we performed vulnerability assessments to reduce the amount of vulnerable information hidden in the system to "0".

We will continue to monitor internal and external trends and implement all necessary information security enhancement measures.



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

### ■ 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 Assessment and Certifications

Seven Group companies have received Information Security Management System certification from external organizations.

Nine have obtained Privacy Mark accreditation in recognition of their personal information safeguards.

## CSR Report 2010

# CSR Index 2010

Based on our basic CSR policy, we established indices for the actions we take to contribute to society, protect the environment, and show our respect to employees. We perform self-assessment on the results of these indices, then revise and improve upon them for the following year.

## CSR Structure

NTT Communications Group ● NTT Communications

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
<b>CSR Management</b>				
● Continual CSR Committee sessions	2 times	-	-	-
<b>Corporate Governance</b>				
● Regular Board of Directors meetings	24 times	-	-	-
● Regular Board of Corporate Auditors meetings	19 times	-	-	-
● Regular Executive Council meetings	47 times	-	-	-
● Regular Market-in Promotion Council meetings	47 times	-	-	-
<b>Compliance</b>				
● Classes on compliance at all workplaces	21,209 attendees (705 times)	plus 117 employees	○	Employees within the entire group
● Questionnaire on corporate ethics	Collection rate: 95.6%	plus 1.1%	○	96% or more
<b>Risk Management</b>				
● Business risk management study group	53 attendees	-	-	All employees who travel overseas on business or who are transferred overseas

## Contributing to Society

NTT Communications Group ● NTT Communications

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
<b>Faithfully Serving Our Customers</b>				
● 24-hour-a-day network service	Service uptime: 99.999%	-	-	100.00%
● Communication service coverage	Provided in 159 countries/areas	-	-	-
● Training to create highly skilled engineers	176 times (1,049 attendees)	plus 83 times	○	200 times

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
● Certification system for highly skilled operators	22 employees certified	plus 7 employees	○	33 employees
<b>Contributing to Local Communities</b>				
⊗ CSR activities for employee participation	549 attendees (8 times)	-	-	-
⊗ Internet classes	32 attendees (2 times)	-	-	-
● Encouraging donations to charitable organizations and relief funds, as well as volunteer activities	Total amount: 55.49 million yen	-	-	-
<b>Our Relationship with Suppliers</b>				
● Meetings with suppliers to explain procurement procedures	2 times	-	-	-

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## Protecting the Environment

⊗ NTT Communications Group ● NTT Communications

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
<b>Environment Management</b>				
● Environmental efficiency index for CO <sub>2</sub> emissions	3.27 (million yen in sales/tons of CO <sub>2</sub> emitted)	minus 0.98 points	✕	-
● Environmental efficiency index for waste processing	277 (million yen in sales/tons of final disposal volume)	plus 55.5 points	○	-
● Environmental efficiency index for paper usage	343 (million yen in sales/tons of paper used)	minus 37.9 points	△	-
⊗ Environmental communications initiatives	2 times (68 attendees)	-	-	-
<b>Global Warming Prevention</b>				
⊗ Greenhouse gas emissions*	330,000 tons	plus 43,000 tons	△	339,000 tons or less
	Telecommunications: 306,000 tons	plus 25,000 tons	△	315,000 tons or less
	Offices: 24,000 tons	plus 18,000 tons	✕	24,000 tons or less
⊗ Greenhouse gas emissions (other than CO <sub>2</sub> )	CH <sub>4</sub> : 202 t-CO <sub>2</sub>	minus 25 t-CO <sub>2</sub>	○	-
	N <sub>2</sub> O: 96 t-CO <sub>2</sub>	minus 74 t-CO <sub>2</sub>	○	-
	HFC: 0.1 t-CO <sub>2</sub>	minus 6.9 t-CO <sub>2</sub>	○	-
⊗ Electricity consumption	809.75 million kWh	plus 130.18 million kWh	△	-
	Telecommunications: 763.95 million kWh	plus 98.61 million kWh	△	-
	Offices: 45.80 million kWh	plus 31.57 million kWh	✕	-

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
⊗ Fuel consumption	620,000 liters	minus 1.16 million liters	○	-
● Number of electronic invoice subscribers	4.94 million people registered	plus 740 thousand employees	○	-
⊗ Promoting clean energy such as photovoltaic power generation	Amount of power generated: 10.11 million kWh	minus 1.39 million kWh	△	-
<b>Reduction of Waste</b>				
⊗ Promoting recycling of dismantled telecommunications equipment	Recycling rate: 99.7%	plus 0.6%	○	Recycling rate: 99% or more
⊗ Promoting recycling of construction equipment	Recycling rate: 94.1%	minus 1.9%	△	-
	Designated materials: 99.7%	plus 0.8%	○	Designated materials: 99% or more
	Other materials: 73.9%	minus 5.6%	×	Other materials: 84% or more
⊗ Promoting recycling of office waste**	Recycling rate: 64.6%	minus 3.6%	△	Recycling rate: 70% or more
● Reducing paper consumption in offices	Paper consumed per employee (A4 equivalent): 10,515 sheets	minus 15.3%	○	Paper consumed per employee (A4 equivalent): 9,500 sheets
<b>Prevention of Environmental Pollution</b>				
⊗ Investigating soil contamination	Not applicable	-	-	-
⊗ Water consumption	130,000 m <sup>3</sup>	minus 710,000 m <sup>3</sup>	○	-
⊗ Comprehensive management of chemical substances	Amount of PCB stored: 3,717 units	-	-	-
⊗ Reducing NOx emissions	362 tons	minus 96 tons	○	-
⊗ Reducing SOx emissions	83 tons	minus 69 tons	○	-

\*0.378 kg-CO<sub>2</sub>/kWh is used for the CO<sub>2</sub> emissions coefficient.

\*\*Thermal recycling was added to material recycling beginning in fiscal 2009.

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## Respecting Our Employees

⊗ NTT Communications Group ● NTT Communications

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
<b>Securing a Pleasant Working Environment</b>				
● Female managers	74 employees (appointment rate: 3.1%)	plus 7 employees	-	-
● Promoting the hiring of people with disabilities	Percentage of employees: 2.02%	plus 0.1%	○	1.8% or more

Measures and actions	Fiscal 2009 results	Comparison to previous year	Self-assessment	Fiscal 2010 target
● Maternity leave system	Number of users: 59 employees	-	-	-
● Childcare leave system	Number of users: 140 employees	-	-	-
● Special working system to assist childcare system	Number of users: 149 employees	-	-	-
● Eldercare leave system	Number of users: 2 employees	-	-	-
● Reduced working hours for eldercare system	Number of users: 0 employees	-	-	-
<b>Maintaining and Improving Employee Health</b>				
● Work-related accidents	17 cases	minus 1 case	▲	0 cases
● Mental health keeper	Qualification by 1,040 employees	plus 609 employees	○	All managers
<b>Respecting Human Rights</b>				
● Experiential learning classes to gain familiarity with people with disabilities and senior citizens	79 attendees (3 times)	-	-	-
⊗ Classes on human rights	18,530 attendees	-	○	All group employees
<b>Human Resources Development</b>				
● Executive participation in education and training classes	12 times (833 attendees )	plus 1 time	-	-

Note 1: Information is provided for self-assessment and 2010 targets only where relevant, with the non-relevant areas indicated by dashes.

Note 2: Unless otherwise indicated, figures are as of March 31, 2010 or tallied for the period from April 1, 2009 through to March 31, 2010.



## Medium- and Long-Term Environmental Vision

Based on our Global Environmental Charter, the NTT Communications Group has established its Long-Term Environmental Vision as a guide for carrying out environmental preservation and protection activities. As a concrete step toward achieving this vision, we have also created our Medium- and Long-Term Vision, which includes specific numerical goals through fiscal 2012.

### NTT Communications Group Global Environmental Charter

#### Our Basic Philosophy

The NTT Communications Group will actively pursue conservation of the global environment and help to bring about an environmentally friendly society through all facets of its creation and provision of high-quality services benefiting customers across the globe.

[Further details on our Global Environmental Charter are available on the following website:](#)



### NTT Communications Group Long-Term Vision Regarding Environmental Protection

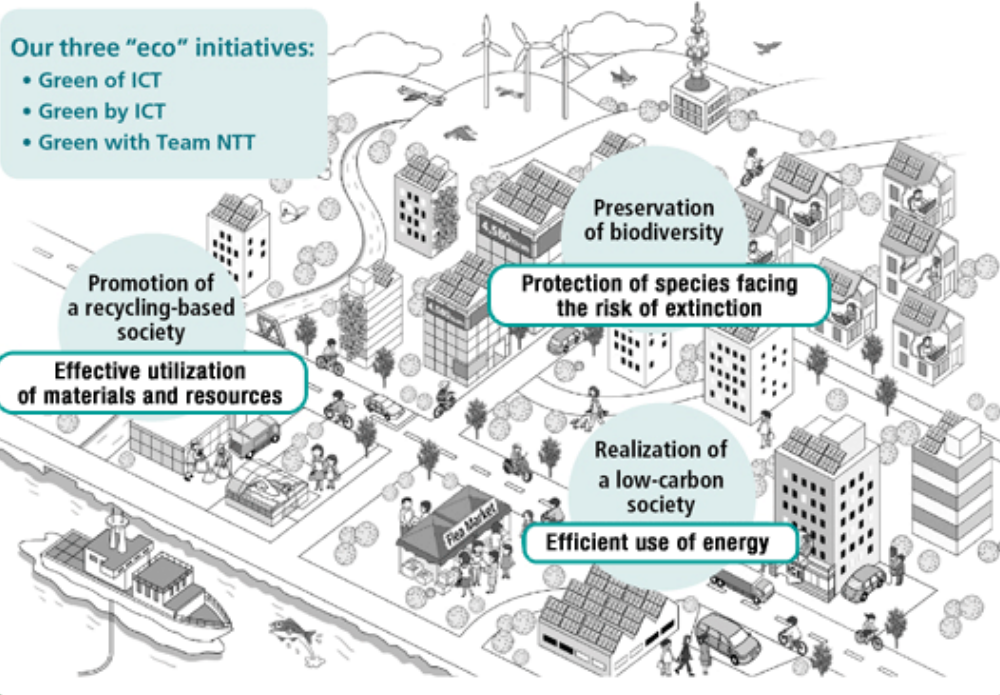
We will take advantage of the global reach of our telecommunications networks and the latest ICT advances to provide platforms enabling the exchange and sharing of knowledge which is unevenly distributed across the world, and also to support communication among people around the globe. In this way, we can help to bring about a sustainable, spiritually rich society.

[Further details on our Long-Term Environmental Vision are available on the following website:](#)



### Medium- and Long-Term Vision

By promoting our three "eco" initiatives of Green of ICT, Green by ICT, and Green with Team NTT, The NTT Communications Group is committed to helping enrich and streamline social activities, and to supporting the harmonious coexistence of all living things on our beautiful planet.



[Further details on our Medium- and Long-Term Vision are available on the following website:](#)

### Fiscal 2012 goals

<b>Reducing CO<sub>2</sub> emissions</b>	36,000 t-CO <sub>2</sub> reduction from the fiscal 2008 level <b>339,000 t-CO<sub>2</sub> or less*</b>	<ul style="list-style-type: none"> <li>▪ Promoting the introduction of top-runner equipment</li> <li>▪ Adopting new air-conditioning technology</li> <li>▪ Expanding the use of natural energy sources</li> </ul>
<b>Reducing the volume of waste generated</b>	<b>Final disposal rate: 7% or less**</b>	<ul style="list-style-type: none"> <li>▪ Clarifying and thoroughly implementing our recycling guidelines</li> <li>▪ Promoting thermal recycling</li> </ul>
<b>Reducing the volume of office paper used</b>	25% reduction from the fiscal 2008 level <b>9,300 sheets/employee</b>	<ul style="list-style-type: none"> <li>▪ Introducing ICT equipment to achieve a paperless work environment</li> <li>▪ Promoting the use of electronic formats for internal documents</li> </ul>

\*For the CO<sub>2</sub> emissions coefficient, we use 0.34 kg-CO<sub>2</sub>/kWh (the value published by the Federation of Electric Power Companies of Japan).

\*\*Final disposal rate = Volume of waste transported to the final processing site/Total volume of waste generated

## Dialogue

### Dialogue Promoting diversity management as the company strategy



The promotion of diversity is essential to ensure the growth of any global corporation. We held a discussion with external expert Yoshiki Midorikawa on the current status and future direction of NTT Communications.

#### PROFILE



##### Yoshiki Midorikawa

Chairman of the Green Consumer Research Group. Founded the CSR Research Group in 2004 while working as co-chair of the Valdez Society. Judge for the Sustainability Reporting Awards; also provides assessments of corporate CSR activities.



##### Shinobu Umino

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



##### Yoko Kobayashi

President and CEO of NTT Com CHEO Corporation



##### Hideaki Ozaki

Vice President of the Global Strategy Department, Global Business Division



##### Megumi Yamamura

Director of the Human Resource Development Group, Human Resource Management Department



##### Nick Kraal

Manager of NTT MSC Sdn. Bhd.



##### Kathryn Mensendiek

Manager of NTT America, Inc.

#### The mutual understanding is the first step toward diversity

**Yamamura:** Global human resource management (GHRM) initiatives focus on human resource development for employees in Japan and also national staff (NS) at overseas subsidiaries. Currently, we run a program for accepting NS from overseas subsidiaries as part of a variety of career exchange programs and training courses including on-the-job training (OJT). Kathryn

Mensendiek is one such NS member. After spending half a year here, we are interested to hear about the differences between Japan and her own country.

**Mensendiek:** I feel that there are many people in Japan who think in the same way and have similar values. At NTT America, where I work, a variety of values coexist and respecting each other's opinion is considered important. I hope the Japanese staff find the lively exchanges with seconded employees from overseas stimulating and that this contributes positively to business activities.

**Kobayashi:** This is because Japanese people have achieved their successes to date by conforming to those around them, thereby achieving unity.

**Ozaki:** With the progress of globalization nowadays, Japanese people feel the same as NS. If you can't cooperate in all aspects of business operations, you won't be able to provide better services. Because of this, I tell employees who are seconded overseas to open their hearts to the local people.

**Kraal:** I think it is important that headquarter staff appointed from Japan understand diversity concepts before being assigned overseas. Some seconded employees tend to cluster together because of their uncertainty about the differences in language and culture and as a result walls are built between them and NS. In such situations, I try to create opportunities for interaction in and out of the workplace to engender understanding of the merits of working in a varied environment. It is true that language skills are essential for global business but this is nothing more than a tool. By actively interacting with NS it is possible to create better relationships and work environments yielding positive results in terms of improved teamwork, decision making, and problem solving.

**Ozaki:** In order to gain the most from the experience, the specialist knowledge, and the leadership of the NS, it is important to have a shared awareness of mutually recognized individuality, in addition to a language skills base.

**Umino:** Globalization is causing upheavals in the management environment and at the same time huge changes in individual awareness. In particular, we are seeing changes in concepts. For example, the idea among young people that broken English is okay, as long as you are understood. We are also seeing changes in people of all ages in the notion that women will leave the workforce when they get married or have children. In other words, as changes occur in economic systems and individual awareness, it is likely that the promotion of diversity at companies is not just necessary, it is inevitable.

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### Creating an environment that fosters diversity

**Kobayashi:** When I joined the Company in 1978, there were still disparities between men and women. However the privatization of NTT in 1985 marked a major turning point, as we came to understand the importance of incorporating the female perspective when creating services that appealed to users, and women began to be employed to realize the full extent of their potential. In the old days, childcare and nursing care was considered by many to be the responsibility of

women, but in recent years, company systems have undergone significant improvements and, as Vice President Umino mentioned, we are starting to see large changes in employee awareness.

**Yamamura:** From a female perspective, the increasing number of female role models like Ms. Kobayashi is very encouraging. However, in Europe and North America many fathers leave



work on time and pick up their children from daycare and there is no difference between the childcare or work responsibilities of men and women. In future, changing not just womens but also men's work styles will probably be the key to changing Japanese companies.

**Mensendiek:** To me it seems like the work style at Japanese companies is one where everyone comes together at a fixed time and place and works together. This means that if you leave early to pick up your kids, you might feel like you are doing something wrong. In America, there is a lot of freedom in work styles, regardless of gender, and just because someone is not in the office doesn't mean people will think they're not working.

**Midorikawa:** Overseas, even permanent full-time employees may work shorter hours for various reasons, making it easy to choose a work style that suits the individual. In Japan, too, more flexible work styles regardless of gender or type of employment will likely become an issue for consideration.

**Kraal:** It is a common view to think of Japanese people as working diligently in a regimented environment from early in the morning through to the last train. In my home country of Malaysia, the generalization is that people are relaxed at work and are very casual about time. After spending over a year working in Japan, I have come to feel that when you compare the work styles and work environments in both countries, you will find they are not so different after all. I think not only businesses but also work environments are becoming more globalized little by little.

**Midorikawa:** While Japanese companies are working to rid themselves of the Japanese employment system, which is mostly advantageous for permanent full-time male employees, there is still no support system for a diversity of work styles. In future, we may need to think about introducing initiatives in Japan similar to those overseas. In addition to creating a variety of options for work styles, I look forward to the establishment of a system that allows men and women alike to build their careers and continue working.

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### Changing employee awareness of diversity

**Umino:** Japanese people have traditionally had relatively low awareness of time management at work. In this day and age where if you have a computer you can work from home, it would be best to think of improving performance and making efficient use of time by breaking work into a certain number of hours at the office and a certain number of hours at home. For diversity to translate into



business growth, it will be important to not only increase the number of work style choices and the ratio of female managers, but also to change employees' awareness of diversity.

**Kobayashi:** If individuals can manage their own time and earn an income based on results rather than being tied to a set number of work hours, then working from home will become one ideal

work style. Working from home will also allow people to raise their children and at the same time give children the opportunity to see their mothers at work, which should provide a positive influence on their education.

**Umino:** NTT Com CHEO's home technical support is a good example of this.

**Kobayashi:** The CAVA system\* for OCN technical support began in 2001, and is managed using cloud computing, allowing people who have passed the .com Master Internet certificate examination to work from home in hours of their own choosing. There are a total of 2,000 telephone support and onsite support agents around the country, and around 60% of the telephone support agents are women. A high level of customer satisfaction with CAVA support has been proven and we believe that this is a result of high staff satisfaction.

**Midorikawa:** CSR fundamentally means companies proactively working on initiatives related to social issues to engender stakeholder trust and improve corporate value. By engaging in diversity initiatives, companies can improve employee satisfaction, thereby improving corporate value. NTT Communications works on strengthening global teams, and providing support for women's careers and employment for people with disabilities, although I do think these concepts have yet to take hold throughout the company. However, I believe you are taking a proactive approach toward challenges in which Japanese companies tend to be lagging. Within the Group as a whole, including the people employed overseas, developing awareness in each and every employee and creating a shared awareness throughout the Group will be the key to the Company's growth.

**Umino:** We have raised the topic of promoting the fuller employment of women as one aspect of diversity at our Company, but in order to meet the needs of modern society and business we will work on the broad promotion of efforts such as the employment of human resources regardless of nationality or gender and the promotion of a variety of work styles for each employee. In future, we hope to develop an organizational culture that allows for a choice of work styles adapted to the lifestyle of each individual, leading to improved performance and growth for the Company.



\* CAVA:

Stands for ".com Advisor & Valuable Agent." In other words staff with highly developed ICT skills who provide Internet support, primarily ISP technical support from their homes.



## Special Feature: Bridge



We are reducing our environmental impact by utilizing virtualization technologies to shift our internal ICT infrastructures (which support us in providing services to our customers) to private cloud computing. We are planning to expand this effort globally in the future.

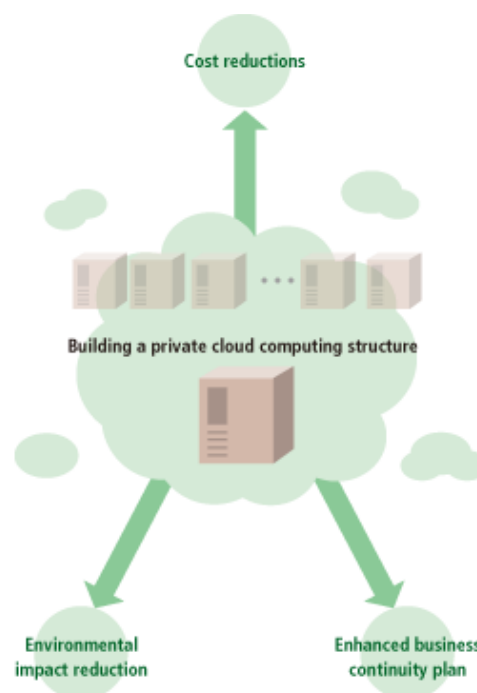
### Taking advantage of our accumulated know-how to integrate internal ICT infrastructures and shift to private cloud computing.

NTT Communications has built internal ICT infrastructures and is utilizing them to perform the various operations required in providing OCN and VPN services, such as receiving customers' subscription applications, activating services, and maintenance.

In the past we built such internal ICT infrastructures for each system, including servers, storage, networks, and data centers, scattered in many locations, and resulting in very high operating costs. Therefore, in order to cut costs, reduce environmental impact, and enhance our business continuity plan (BCP), we decided to integrate our ICT infrastructures and shift to private cloud computing.

By taking full advantage of our expertise we had accumulated in providing our services to customers, we moved and integrated approximately 50 systems from five data centers to a new data center without incident in fiscal 2009. This was a move that reduced our system operating costs by 30% to 40%. Furthermore, having achieved an internal cloud computing service that utilizes virtualization technology, we can now complete operation such as a system expansion in just a few days instead of the two to three months it once took. In this way, we are building a framework that can respond to process improvements and new service support requests from operating departments more quickly, enabling us to provide services to our customers at a much faster rate.

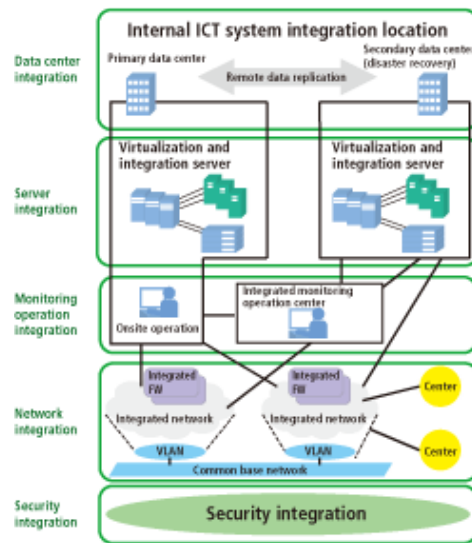
#### Objectives of ICT infrastructure integration



## Initiatives for reducing environmental impact

When implementing our internal ICT infrastructure integration policy, we reassessed our data centers, servers, storage media, monitoring operations, networks, and security from various viewpoints, and actively took steps to reduce power usage and lessen the environmental impact. In our data centers, we adopted an air-conditioning configuration that improves efficiency by separating the cool air taken in by servers from the hot air they discharge. We reduced the power consumption of servers by lowering their number through virtualization and integration, and by converting to DC power supplies. We streamlined networks by reassessing our design policy and integrating circuits and network devices, which were formerly built individually for each system. Furthermore, we virtualized and integrated security functions such as firewalls, which were previously provided separately for each network, into a unified threat management (UTM) system, thereby significantly reducing both the number of devices needed and total power consumption. We also integrated the validation environments, which had been scattered at individual system development sites.

### ■ Outline of ICT infrastructure integration



[Click to enlarge Outline of ICT infrastructure integration](#)

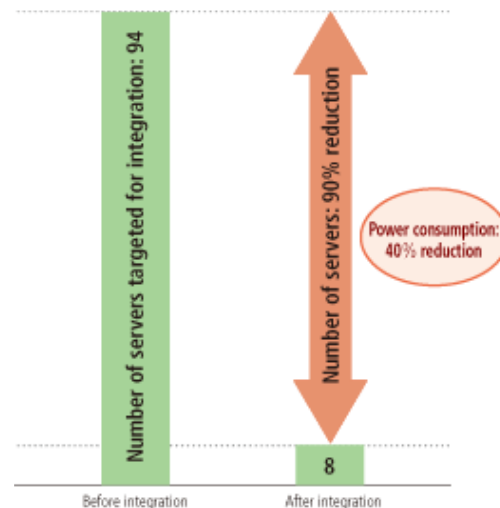


## Benefits of our initiatives and future vision

The actual benefits resulting from our server virtualization and integration initiative are significant. We cut the number of servers from 94 in fiscal 2009 to only eight in July 2010: a 90% reduction. As a result, we expect to decrease power consumption by approximately 40%, as well as achieve a 55% reduction by the end of fiscal 2010 through further efficiency improvement measures. In addition, by increasing redundancy through cloud computing virtualization technology, we improved our business continuity plan (BCP), enhancing our system for the purpose of fulfilling our social responsibility as a corporation.

In the future, we plan to expand this internal ICT infrastructure integration policy to our overseas locations, implementing environmental protection measures as we expand our business globally. We also intend to plan and implement a grand design for companywide ICT infrastructure integration while maintaining coordination with the cloud computing services we provide to our customers.

### ■ Results of ICT infrastructure integration





## Staff Comments



### Promoting further ICT infrastructure integration in order to reduce environmental impact

Yoshinori Ando  
 Director  
 Network Grand Design Office  
 Network Business Division

As part of our ICT infrastructure integration policy, we plan to implement various measures that will increase the effects of integration, such as increasing the number of servers housed as virtual servers, the virtualization and integration of storage, expansion and integration of firewalls onto UTM, virtualization and integration of IPS/IDS, and development of a network simplification policy with a view toward companywide optimization. Through these measures, we will continue to strive to reduce our power consumption and CO<sub>2</sub> emissions, thereby fulfilling our responsibility as a global communications carrier.

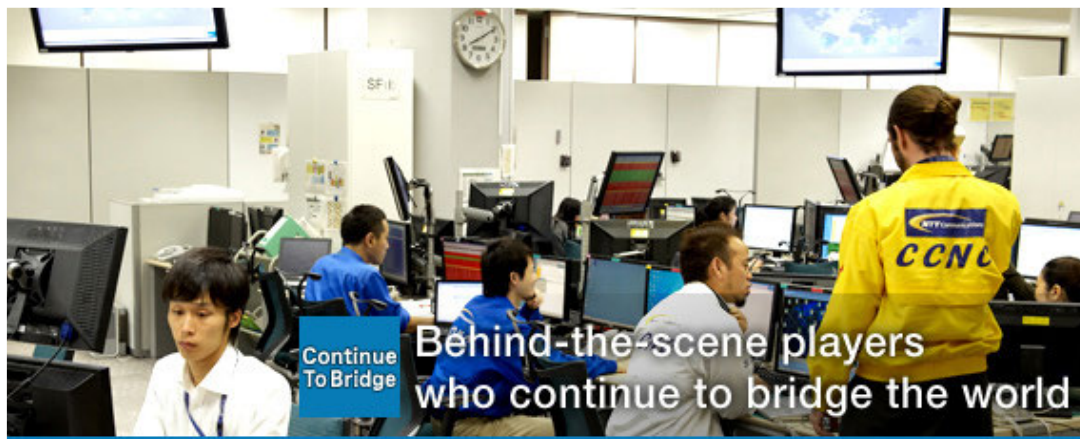


### We have both improved system quality and reduced environmental impact

Masafumi Naka  
 IT Operation Service Department  
 Network Business Division

The main purposes of the recent server integration were to reduce costs and improve the quality of NTT Communications' internal operation system. At the same time, I feel a great joy and sense of satisfaction due to the fact that these efforts are also leading to the creation of data centers and systems that are environmentally friendly. Utilizing our expertise in integrating ICT infrastructures and building private cloud computing systems, we plan to continue with ICT infrastructure integration, including server integration, to fulfill our social responsibility by reducing our environmental impact.

## Special Feature: Continue to Bridge



To ensure that our customers never have a problem connecting, our group of maintenance professionals provides 24/7 network monitoring with the customer's viewpoint in mind.

### Toward the goal of providing Managed Quality Operation to make customers happy

Since its founding, NTT Communications has continued to grow beyond being a conventional fixed-line telephone business into global, IP, and solutions businesses. With our basic mission of "Continue to Bridge" between the communication networks that constitute our social infrastructure, we continue to provide advanced services for solving the wide range of issues faced by our customers and society.

Once we form a partnership with a customer to establish a network connection, our maintenance group works hard to sustain a long-lasting business relationship with the customer. Our company has two service centers--the NTT Communications Customer Network service Center (CCNC) in Japan and the Global Network Operations Center (GNOC) for overseas locations--both of which perform various operations 24 hours a day, 365 days a year, including establishing alternative trunk routes, duplicating or decentralizing telecommunications facilities, monitoring service status, and receiving error reports.



Operations rooms at the CCNC and GNOC

We strive to provide a range of outstanding services to ensure our customers are completely satisfied with their decision to work with us. To achieve this goal, we always approach issues from the customer's point of view and work constantly to improve the quality of our maintenance work, in order to prevent any type of failure from recurring. To keep our customers' businesses connected, our professional maintenance group works continuously to provide Managed Quality Operations support.

## A range of initiatives for quality improvement

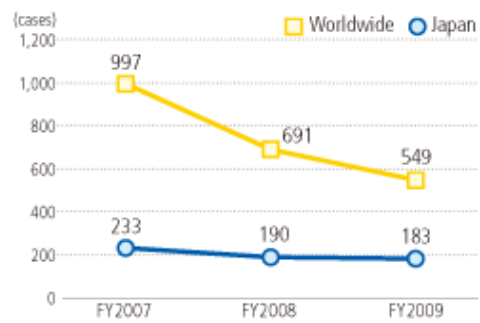
Although it is impossible to completely eliminate network failures, we carry out continuous improvement activities to prevent the recurrence of any type of failure in order to come as close as possible to zero defects. To completely eliminate the three main failure modes that occur daily, i.e., failures caused by human error, service startup problems, and extended service disruptions, we maintain a database on failure causes and countermeasures, and share this information among all our employees. We have also built a centralized maintenance operation system that addresses all failures across the board, instead of separately tackling failures in subscribed network services on a line-by-line basis. This system enables us to support the lines of other carriers as well. In our customer network service operations, services used to be handled by a different professional for each type of service offered. Now, however, we have changed to a system in which the same serviceperson is responsible for handling a failure from start to finish, making it possible to provide a solution as quickly as possible and minimize the impact of the failure on the customer's business.

These actions have led to improvements in operation quality and reduced the occurrence of various types of failures, including extended service disruptions (see graph).

We also focus our resources on training personnel who can support Managed Quality Operations. For example, in order to improve the troubleshooting skills of our professionals and equip them with practical operational skills, we replicate actual failures on actual systems to enable them to find rapid recovery methods. We have also built a system that evaluates the customer service abilities

of our operators, in order to improve their customer orientation and levels of skill. We distribute our Operation Quality Handbook and List of Inappropriate Words (see photo) to all of our operators to help them approach each case from the customer's perspective.

■ Trends in the number of extended service disruptions



Operation Quality Handbook, List of Inappropriate Words

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## Building trusted face-to-face relationships with global customers

Now that telecommunication infrastructures have become a lifeline for customers operating businesses on a global scale, seamlessly receiving network services both inside and outside of Japan has become the minimum essential requirement. At the same time, local lines in Southeast Asia, where many Japanese corporations have business operations, are highly prone to failure, creating an urgent need to improve the quality of overseas access lines.

However, in view of the obsolete facilities, unstable electricity supplies, and the different telecommunication situations in each country, it is extremely difficult to maintain the quality of local lines. In order to improve this situation as much as possible, we have held the Arcstar Carrier Forum (ACF) annually since 2000. At this forum, partner carriers, mostly from Asia, gather together to exchange opinions on improving the quality of overseas access lines and share know-how. The steady pace of our activities through the ACF is helping build trusted face-to-face relationships with partner carriers and achieve smoother operations.



## Towards Seamless Operations throughout Japan and Abroad

The tough business environment of today makes it imperative for companies to create new value if they want to pursue continuous growth. Our customers run businesses worldwide, and the value we offer them is the support of their business growth by providing high-quality, stable ICT infrastructures whether in Japan or abroad. To this end, we are now pursuing the Total One Stop Operation, a project whose territory spans beyond those of CCNC and GNOC. Merging the operating centers into one location as of June 2010 was the first initiative taken for this project. This was undertaken to fully utilize Japanese technology and know-how and also form a common front through face-to-face communication in order to solve problems happening overseas. We have the experience and technology to produce networks of the highest quality in the world that achieve five nines availability, and consider it our social mission to contribute this knowledge to the world. Joining hands with similar companies that support Japan's networks, we have nurtured a sense of deepening trust with our domestic competitors by creating opportunities to discuss each company's operation methods so that Japanese quality becomes recognized throughout the world. Meanwhile, we are increasing the importance of customer service overseas because Japanese companies have expressed a strong need for the highest level of service from one end of their network to the other, including for their overseas offices. Through our "Global One Team," we are working towards establishing networks that can be used in complete peace of mind from end to end by increasing cooperation with overseas subsidiaries and even engaging in in-depth consultations to help local carriers increase their awareness of the continuous need to improve quality.

The basic mission to promote "bridge" and "Continue to Bridge" cannot be accomplished solely through our own efforts. We work towards improving face-to-face relationships by learning from partner carriers and competitors, and will continue to work hard and aim for the day when a world-class infrastructure is achieved through cooperative efforts like these.



### Staff Comments



#### Think independently, make decisions, and take responsibility

Mamoru Watanabe  
Senior Director, NTT Communications Customer Network service Center (CCNC)  
Customer Service Department

"Think independently, make decisions, and take responsibility". This is the basic principle that guides those of us responsible for customer service in Japan. These words embody the idea that everyone involved should take pride in being a professional and make decisions without being afraid of making mistakes. An employee who is afraid to make a move without looking to a supervisor for instruction is not able to handle the unexpected failures that could occur at any time. Each employee's ability to make quick and appropriate decisions adds value to our company in its endeavors to provide high-quality services.



### **Our company's CSR spirit is our core strength**

Toshiki Tsukimi  
Senior Director, Global Service Section  
Customer Service Department

The earthquake that occurred off the coast of Taiwan in December 2006 caused major damage to the submarine cables in Asia, wreaking havoc with telephone and Internet services. In this worst-case scenario, in which the majority of large-capacity cables were severed, we cooperated with many carriers to restore approximately 90% of the network within two days of the disaster. We are proud that all our employees worked together to implement disaster countermeasures, going well beyond the scope guaranteed in contracts, to restore telecommunications capabilities. Such service symbolizes our company's CSR spirit and is one of our core strengths.



## Special Feature: Support



For a global business to grow, it is essential to have a business culture that fosters diversity in human resources to support that growth. By accepting a variety of values and ways of thinking, we will create a work environment where each and every employee can utilize their abilities to the fullest.

### Diversity Initiatives

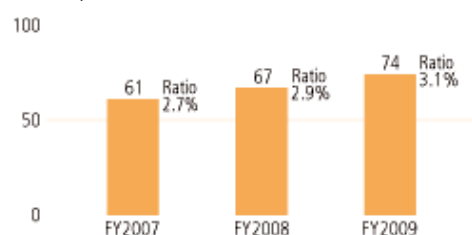
The Diversity Office was established in April 2008 in order to advance our business strategy of utilizing diverse human resources. Since then, we have engaged in a range of initiatives on a global scale, including supporting career development for women, promoting the employment of people with disabilities, and establishing a culture of diversity.

As a result of ongoing initiatives for establishing employment opportunities for people with disabilities, such as programs for ongoing support after hiring and improving employee awareness of employment of people with disabilities, we achieved the statutory disabled employee ratio again in fiscal 2009.

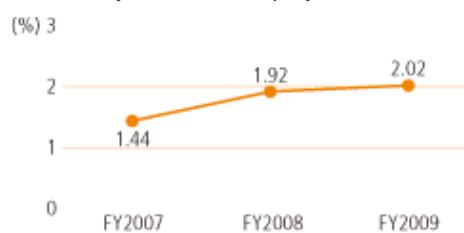
In the area of support for career development of female employees, we held career design sessions with external experts and seminars to support a return to work following childcare leave as part of our program to support people in finding a balance between their work and childcare commitments. We also held lectures given by our female member of the Board of Directors and provided examples of a variety of role models including female managers.

In fiscal 2009, we continued the NTT Group Female Forum from the previous year to facilitate communication between female employees at the management level.

■ Number of Female Managers (Manager and Above)



■ Statutory Disabled Employee Ratio





Lecture given by our female director



Seminar on childcare leave and work return support

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### Promoting Diversity on a Global Scale

We promote diversity management by utilizing a variety of values in corporate management on a global scale. In connection with promotion of our global operations, we are working toward incorporating human resource management (HRM) into the whole Group from a perspective that transcends national borders.

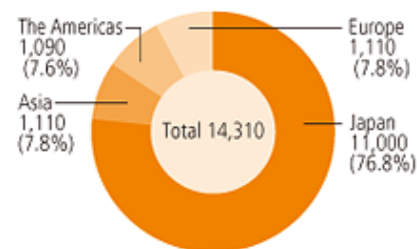
We promote the utilization of global human resources throughout the entire Group under the slogan of "Global One Team". In order to accept and utilize different nationalities and values within global human resource management (GHRM), we carry out human resource exchanges with overseas subsidiaries.

Looking toward a global growth strategy, we aim to take a more global perspective and create a climate of diversity to establish a sense of unity throughout the Group.

#### ■NTT Communications Group Overseas Subsidiaries



#### ■NTT Communications Group Overseas Subsidiaries



Final presentation of overseas employee's exchange program



### **Voice** Employee Comments from Overseas Group Companies

We asked employees at overseas Group companies to comment on the differences between work styles in Japan and their own country.



### No Matter How Busy We are, Work does not Become Overwhelming



Judy C. de Dios  
NTT America, Inc.

In America, there is little familiarity with the idea of job security, unlike in Japan. Workplace diversity is valued and more popular. I have developed my career in an environment where I work with various people with different background. Work environment and culture in the West Coast is more tolerant and casual with respect to attires and manners. Nonetheless, meetings are important and relationship with colleagues and customers are respected. No matter how busy we are, work does not become overwhelming, there is always a room for enjoyment.



### Valuing Freedom while Engaging in Exchanges and Sharing Information



Morfaux Florent  
NTT Europe Ltd. Paris Branch

The five keywords for explaining the work style of the Paris Branch are procedures, simplification, efficiency, freedom, and flexibility. All five are linked, and by integrating them, we avoid wasting time and effort. Employees work in an open and friendly manner disregarding their position in the hierarchy. The French value freedom above all else, and as a result, the atmosphere facilitates exchanges and information sharing, even between completely different teams, and enables personnel to discuss anything openly.



### Belief in Continuous Improvement Activities is Prevalent



Peiszu Lee  
NTT Taiwan Ltd.

The working style at NTT Taiwan, similar to Japan, is to emphasize on diligent, meticulous yet flexible solutions to customers. We have a strong sense of belief that continuous improvement is the foundation concepts for us to provide the highest level of services to customers. As a result, we have never stopped improving our work processes by hosting regular office meeting to discuss on the issues. By the way, Taiwanese are always fond of Japanese culture, and the concept of "Japan Boom" is a way of life here.



### The Company is Like a Family



Moonsook Song  
NTT Korea Co., Ltd.

NTT Korea is such a small company that you can see everyone the minute you step in the office, and as a result, the staff is like a family. It is clear what everyone's job responsibilities are and who you should see about a particular matter, so we can always act quickly and communications are good. We don't do a lot of meetings and documentation work in Korea as compared with NTT com HQ. Everyone works at their own jobs, and generally we talk on the phone or in person as necessary.

## Contributing to Society

Under our Basic CSR Policy, we work toward improvements in information and communication technology (ICT) and ensuring information security, and provide stable, highly reliable information and telecommunications services worldwide. Furthermore, through the provision of new business models, we contribute to the creation of a society in which all kinds of people can participate.



### ▣ Maintaining Stable and Reliable Telecommunications Services

We provide a global communications network with advanced network technologies to support a sophisticated information society while our high-quality maintenance systems contribute to a society that is disaster resilient.

### ▣ Using ICT to Solve Social Issues

By generating new business models and lifestyles through ICT services, NTT Communications is contributing to the creation of a fully inclusive society.

### ▣ Our Relationship with Society

Under our Social Action Principles, we operate in harmony with society and make a variety of contributions to international and local communities as a good corporate citizen.

### ▣ Our Relationship with Suppliers

NTT Communications established the CSR Procurement Policy to build strong ties based on trust with suppliers and all other business partners, and to ensure transactions are entered into in fairness and good faith.

### ▣ Information Security in Telecommunication Services

NTT Communications strives to ensure information security because we put the customer first. We are helping to bring about a network society where customers enjoy greater safety and peace of mind.

### ▣ Faithfully Serving Our Customers

We endeavor to increase customer satisfaction through rapid and sincere responses to customer feedback, and are working to create a system that guarantees high-quality service.

### ▣ Our Relationship with Government

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

## Maintaining Stable and Reliable Telecommunications Services

### Network Technologies and Maintenance Systems for an Advanced Information Society

#### Capacity Increases, Redundancy, and 24/7 Monitoring to Ensure Reliability

NTT Communications uses its advanced network technologies and maintenance systems to provide telecommunications services both in Japan and globally. We ensure network reliability even in disasters or other emergencies.

Specifically, we ensure telecommunications reliability and provide stable services through capacity increases and reliability enhancement of our communication routes, redundant and decentralized equipment and facilities, and 24/7 monitoring throughout the entire network.

#### Submarine Cable-Laying Technology

NTT World Engineering Marine Corporation (NTT-WE Marine) helps install and maintain not only domestic telecommunications cables in Japan but also international telecommunications cables in the Pacific Ocean, Southeast Asia and Indian Ocean regions.

Our technology to install submarine telecommunications cables has been utilized to install submarine seismometer cables in water at depths of more than 1,000m, right from the time when NTT-WE Marine was known as "NTT Submarine Cable Engineering Center".



■ Cables ship "Subaru"

#### Achieving Managed Quality Operations (Highly Reliable Maintenance Services)

In order to provide our customers with appropriate services that invite their trust and satisfaction, NTT Communications endeavors to implement process innovations and service quality improvements.

In the area of corporate data communication services, we provide a one-stop management service that centrally monitors the entire route from our network to the equipment installed at the customer's site, detects failures and notifies the customer, and implements recovery measures.

We are also proactively enhancing our one-stop maintenance service by, for example, expanding the maintenance targets for which network failure notification and recovery measures are dynamically carried out.

With our hands-on seminars and certification systems, we are also continuing to develop professional human resources who, by implementing continuous-improvement and management proposals, enable us to provide our customers with the best possible maintenance services.

We are striving to provide high-quality maintenance services and powerful support to our customers' businesses by offering the following four benefits: Fast and easy operation for customers, complete one-stop operation, highly skilled technical support, and global operation that takes advantage of ICT.

#### Ensuring 99.999% Service Uptime

In order to provide an Internet environment that is easy to use for each customer, OCN is working daily to enhance its service quality.



To maintain the quality of the lines, which are essential for providing services, we employ the largest Internet backbone (trunk line) in Japan. We also provide an environment that ensures connectivity for emergency communication needs, even in the face of a disaster, by ensuring the availability of alternate routes.

As of March 2010, the uptime of our OCN services for individuals was 99.999%, and we will continue to monitor line status 24/7 to maintain the quality level of this line.

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## Technologies for Building ICT Infrastructures on a Global Scale

To support our advanced information society, NTT Communications is providing high value-added total ICT solutions that combine networks with data centers, security, and server management. As of June 2009, we were operating data centers in approximately 100 cities in Japan and elsewhere, and were carrying out quality control according to unified global standards. We are also in the process of opening premium data centers with equipment and operational levels offering both high levels of quality and reliability in Europe, North America, and Asia, and are working to improve their quality even further and enhance their facilities to protect customers' systems and data, which are both extremely valuable assets.

NTT Communications became the first data center service operator in Japan to acquire Statement on Auditing Standards No. 18 for our Metropolitan Data Center in fiscal 2008. The Statement can be used for evaluating internal control status in accordance with the Japanese version of the Sarbanes-Oxley Act.

All companies in the NTT Communications Group in Japan and overseas are working together to provide carefully tailored support services to customers who are expanding their businesses globally.

[Click here for details on Statement on Auditing Standards No. 18.](#)

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## Disaster Response

### Keeping Networks Reliable following Disasters

With the goal of achieving networks that remain reliable even after disasters, we pursue highly flexible and reliable network designs and provision of stable services.

As such, it is essential to establish a sturdy, disaster-resistant network to maintain critical communications if a disaster strikes, and to restore network connections as quickly as possible. We implement various measures in support of these principles. As a specially designated public corporation, in cooperation with national and regional bodies, we make every effort to ensure that the lines of communication stay open during a disaster.

\*Civil Protection Law: a Law that specifies the measures to be taken to protect Japanese citizens against military attack or the like.

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### Earthquake Early Warning Service

Our Earthquake Early Warning Service provides delivers information such as epicenter location and magnitude, immediately following an earthquake. It is designed to reduce earthquake damage by forecasting the arrival time and magnitude at the location of each customer.

The Warning Service was launched in July 2007 and has been adopted widely by diverse enterprises, including operators of large commercial facilities, condominiums, offices, factories, and schools. These customers can ensure swift evacuation and confirm safety by, for example, linking the service to their elevator control or internal broadcasting systems.

We have also begun offering this service to ordinary homes and individuals, providing solutions for both enhancement of safety and reduction of damage from disasters.

## MobileConnect Safety Confirmation and Notification Service

We provide the MobileConnect Safety Confirmation and Notification service, which enables companies, national and local government bodies, and other organizations to check on the safety of employees and their families during disasters swiftly. The service notifies such employees of disasters by contacting them through cell-phone, landline phone, or the Web, and asks them to confirm their safety. By swiftly managing the aggregated information, administrators can effectively maintain business continuity.

This service can also be utilized during a pandemic. It allows administrators to identify infected employees, confirm whether a specific employee can report to work, and assess an employee's health condition before he/she reports to work, daily or on a continuous basis, thereby enabling administrators to easily obtain accurate updates on situations that change minute to minute. We will continue to improve the scope and functionality of this service to help customers maintain business continuity in many different scenarios, and will provide a bulletin board function as well as a function for checking the damage and recovery state of facilities and systems following a disaster.

## Sapporo Business Continuity Center

In June 2008, NTT Com Technology inaugurated its Sapporo Business Continuity Center, designed to constantly monitor and operate system networks, in Sapporo city, where relatively few natural disasters occur. In addition to monitoring and operating information and communications technology (ICT) systems 24 hours a day, 365 days a year, the Center handles customer inquiries, provides troubleshooting assistance, and supports business continuity planning (BCP).

Because ICT systems are crucial to corporate activities, data centers have been geographically dispersed as a countermeasure against potential major disasters and terrorism in Japan. However, the manned operation centers that constantly monitor and operate the ICT systems have tended to be concentrated in major metropolitan areas in order to attract a highly skilled workforce, frequently resulting in a single center monitoring dispersed systems. As corporations have come to recognize the importance of integrated BCP, the demand for dispersed operation centers for corporate systems has increased to cope with major disasters and pandemics. It was in response to this demand that we inaugurated the Sapporo Business Continuity Center.

In 2009, we introduced an IT Service Management System (ITSMS) based on the ITIL, the best implementation of ITSMS in order to enhance service quality, increase value for customers, and improve efficiency and productivity. As a result, in December 2009, the Center acquired ISO 20000 certification, an international standard for ITSMS. At the same time, we introduce ZABICOM, an ITIL-based open-source monitoring system, allowing easy customization.

We will endeavor to provide uninterrupted service in a high-quality and low-cost environment through full-scale introduction of virtualization technologies.



■ Sapporo Business Continuity Center



# Information Security in Telecommunication Services

## Combating Viruses and Internet Crime

### Fighting Malware Through Public-Private Collaboration and ISP Alliances

Public and private sectors joined forces in December 2006 to launch an “anti-bot<sup>1</sup> project” (Cyber Clean Center) as a countermeasure against new Internet threats. Under the project, the Ministry of Internal Affairs and Communications, the Ministry of Economy, Trade and Industry, and private Internet service providers (ISPs) such as NTT Communications are jointly pursuing a five-year plan to eradicate bot infections.

Since its inception, the Cyber Clean Center has achieved great success. For example, it has already collected more than 16 million bot viruses of a million different varieties and developed removal tools for all of them. The Cyber Clean Center sent 500,000 alert emails to 100,000 users of personal computers infected with bot viruses to eradicate the viruses. A jump in the number of participating private ISPs from the original eight members to 76 has contributed enormously to the momentum of bot virus eradication efforts and greater awareness and application of those measures. This project involving public and private sectors is a pioneering initiative with no precedent and has attracted much attention at home and abroad. As a result of the Cyber Clean Center's tireless efforts to eradicate bot viruses, the infection rate fell from between 2 to 2.5% of broadband users in Japan in 2005 to only 1% in 2008.

Continuing from fiscal 2008, in fiscal 2009 too we sought to increase the effectiveness of anti-bot measures by further cementing ties with private sector ISPs and pursuing dissemination and awareness activities through a variety of channels. We are also actively involved in the development of human resources essential in the fight against malware<sup>2</sup>. For example, we have teamed up with universities and other educational or research institutions in support of the Ministry of Education, Culture, Sports, Science and Technology, IT specialist program to promote Key Engineers as Security Specialists (IT keys) and we joined with the Information Processing Society of Japan to host the anti Malware engineering WorkShop(MWS) used for training people in research of malware countermeasures. Fiscal 2010 will be the final year for the anti-bot project (Cyber Clean Center), but we will continue working toward eradication of bot virus infection. Due to the rise in the number of cases of computers infected by malware via websites, NTT Communications is continuing to evaluate such malware by cooperating in validation experiments conducted by the Ministry of Internal Affairs and Communications, with the goal of helping achieve a safe and secure Internet society in Japan.

1. Bot: A type of computer virus or malicious program controlled remotely by an attacker to gain unauthorized access to computer terminals. Malicious programs slipped on to a network terminal might be used to distribute email spam or leak information stored on the terminal without the owner's knowledge.

2. Malware: Any software designed with malicious intent, including computer viruses, worms and spyware. The spread of the Internet means programs can now be obtained via networks, putting computers at greater risk of malware infiltration. This has developed into a global social problem.

### Enhancing ISP Security Services

In our role as an Internet service provider (ISP), NTT Communications must create environments allowing customers safe and secure access to the Internet. OCN offers a variety of security services bundled into a discount package (“Anshin Select Pack”), while Plala provides a free filtering service that blocks communications originating from Winny, a file-sharing program which has become a major problem.

The Ministry of Internal Affairs and Communications, the Ministry of Economy, Trade and Industry, and private ISPs such as NTT Communications are cooperating on various initiatives for eradicating bot infections through a joint public-private “anti-bot project” launched in December 2006. OCN notifies users whose systems have been infected by a bot and gives them instructions on how to remove them and prevent a recurrence. ISPs are also putting effort into raising awareness, for example, by outlining specific security measures for bot attack prevention on its website and in e-newsletters, as well as in notices mailed through the postal service. Based on inquiries received in the past, OCN enhanced the information on its website regarding bot virus eradication and attack-prevention procedures in March 2010, and will continue to make improvements to ensure that its website is as user friendly as possible.

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## ■ Making the Internet Safe for Children

The “Kids-goo” portal operated by NTT Resonant, Inc. is based on the concept of offering a web portal that is safe and secure for kids, and provides educational, fun, and useful services for children as well as safe and helpful services for parents and educators.

### Features of the Kids-goo Portal

1) “Kids-goo” provides a safe and practical search service for children. While employing the same large-capacity search database as the “goo” portal, “Kids-goo” comes with its own filtering function and displays only pages deemed safe from among the large number of search results. Many elementary schools use this service for Internet classes.

2) The portal introduces the rules and manners required for safe and secure Internet use through an online picture book. By turning the pages using the mouse, children learn the material in an engaging manner. The portal also offers parents tools that they can use to establish rules for Internet use at home.

The portal's major projects in fiscal 2009 included the establishment of the Information Ethics Education Study Group for connecting homes with schools in cooperation with JustSystems Corporation, and Teacher's Page, which is designed to help improve children's awareness of information ethics and assist elementary school teachers with schoolwork and lesson planning (Study Group activities ended in March 2010).

The results of the Study Group were published in the form of a textbook for teachers in April 2010 entitled, “Lessons on Information Ethics for Helping Children Develop Communication Skills”.

The plan is to continue expanding the scope of the portal's services with the goal of creating a website that will be used by as many children, parents, and teachers as possible under a variety of scenarios, while continuing to tackle the issues of safety, security, and information ethics.

## ■ Enhancing Monitoring and Operation for Enterprise Network Security

Zero-day attacks and other network threats that users are unable to cope with themselves have increased in recent years, and more threats are targeting terminals and applications rather than servers and operating systems.

NTT Communications' Security Operation Center (SOC) monitors such new threats 24 hours a day, 365 days a year in order to protect customers' information systems and assist business continuity.

The Financial Instruments and Exchange Act, commonly known as the Japanese Sarbanes-



■ Security Operation Center

Oxley Act or J-SOX, came into effect beginning with the fiscal year ending March 2008, and demands much more vigilant monitoring and regulation from companies to enable sound and effective operation of information systems. The SOC has adapted to these changes and is actively working to ensure the safety and security of information systems belonging to corporate customers.

In fiscal 2009, the SOC launched two information security services: The Biz Security Vulnerability Management service, which continuously monitors IT assets to discover vulnerability early and effectively manage and control it, and the OCN Security Gateway service, which lends UTM devices inexpensively to corporations to lessen the workload and costs associated with anti-threat measures and enable them to easily implement robust and integrated security measures.

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## **OCN Anti-DDoS Service Protects Servers and Networks**

Since June 2009, NTT Communications has offered the OCN Anti-DDoS Service, which protects corporate customers' servers and networks against DDoS attack\*. DDoS attack is one of the methods of cyber attack via internet (See footnote).

Because it is difficult to distinguish legitimate communication traffic from illegitimate one during a DDoS attack, it is extremely challenging for customers to take effective countermeasures, even after detection of an attack.

The OCN Anti-DDoS Service protects customers' systems by installing an anti-DDoS device on our OCN backbone, which will reduce illegitimate traffic to customers' servers and routers.

\*Distributed Denial of Service (DDoS) attack: This kind of attack renders a service unavailable by sending a massive number of communication requests to the target server or network from multiple computers connected to the Internet, causing the load level to exceed the communication bandwidth or the server's processing capacity.

## Using ICT to Solve Social Issues

### Sound Child Development

#### “.com KIDS”

NTT Com CHEO offers a program called “.com KIDS” to help children improve their academic abilities and deepen the connection to their local communities, utilizing after-school hours and non-school days.

In this program, children use barcodes to print out study sheets. This allows them to learn Japanese, arithmetic, and Chinese characters from materials matching their level of proficiency. The program can also be used as a learning tool or communication tool since it can be operated in community schools or other groups attended by students of varying school grades, as well as by community volunteers.



■ “.com KIDS”

#### LoiLo Education Software

In response to the desire of educators to nurture the ability of children to be creative and expressive, NTT Com CHEO became a distributor of “LoiLo Education” video editing software in February 2010, in order to support the efforts of educators to create a new learning approach that utilizes video.

“LoiLo Education” software was created under the supervision of the NHK Educational Corporation and is equipped with an open and user-friendly interface that makes it easy for teachers to explain subjects without interfering with the independent thought processes of the children receiving the instructions. The software can quickly and easily be incorporated into classroom lessons. Several schools have already installed this software; some examples of its use include elementary school students making advertising videos for tourist spots they visited on their school trip, and junior high school students creating a yearbook prior to graduation.

### Creating a Fully-Inclusive Society

#### “.com Master” Internet Certification for ICT Personnel Development

Rapid expansion of the Internet and dramatic advancements in ICT have created many more situations, both in the business world and the lives of individuals, demanding standards that enable objective evaluation of ICT skills. The “.com Master” (Dot Com Master) Internet certification program is an ICT skills certification program operated by NTT Communications since 2001. The program assesses the ability of human resources to apply their ICT skills in society, assigning four grades-Basic, Single Star, Double Star and Triple Star.

Approximately 280,000 people had taken examinations by March 2010 with around 92,000 people passing. The certification is being used to provide evidence of ICT skills in job-hunting and business settings. The program has been incorporated into corporate ICT personnel development systems and ICT learning curriculums of universities and vocational training schools. The fiscal 2010 goal is for 21,000 people to take the examinations.

NTT Com CHEO operates “CAVA” (.com Advisor and Valuable Agent), an IT support business run by personnel certified with a .com Master Single Star grade or higher. The system serves as a bridge between participants' newly acquired skills and practical application in work.

## “CAVA” Home-Based Call Center Operations

“CAVA” (.com Advisor and Valuable Agent) is a new Internet-based teleworking style for people certified as a “.com Master” with ICT skills. Personnel located anywhere in the country may work at any time they choose between 9 a.m. and 9 p.m. depending on their lifestyle, providing a support service for our ICT-based society. The system, which taps female and elderly resources, currently employs more than 2,000 operators across Japan.

In fiscal 2009, we implemented measures to help single mothers receiving childcare assistance to become CAVA staff to enable them to balance work with childcare. (Recruitment period: December 14, 2009 - end of March 2010). Additionally, in Nago city, Okinawa prefecture, we worked to create employment opportunities by training people for CAVA.

In the future, we plan to expand our efforts to create employment opportunities to local municipalities.

### Features of CAVA

(1) There are two types of CAVA operations. The first is a home-based telephone support service to provide support for problems such as Internet connection settings. The second is a visiting setup support operation in which the employee travels to a customer's home to provide support. The two types can also be combined.

(2) We offer a wide range of employment opportunities to people wishing to work from home, and are helping to expand employment opportunities not only for housewives who must care for children or other family members, but also for senior citizens.

(3) We carry out CAVA staff recruitment and training every month. By offering Internet-based CAVA training that can be undertaken (remotely) from home, we are making this training available throughout Japan.



■ Operator-senior citizen

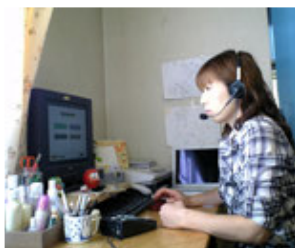


■ Operator-housewife



■ Operator-individual business owner

### Perspectives of CAVA Staff



Mari Senba

I learned about CAVA when I was a full-time mother and housewife and decided to acquire “.com Master” certification because I felt it could lead to a job. The biggest benefits of CAVA are the fact that I can work from home and have complete control over when and how many hours I work. A woman's lifestyle changes according to her family situation and the location and hours she can work also change as a result. However CAVA enables us to continue working. Since I probably could not have worked full time while raising my children, I am really grateful for the CAVA system.



Hiroaki Tanaka

After retiring from my company, I acquired PC-related certification as I am interested in computers. I never dreamed I would be learning new skills at the age of 50, but I studied hard and was able to acquire “.com Master” certification. I think “.com Master” certification ensures that the applicant understands the basics of the Internet thoroughly, and I am grateful because, for me, it transformed a hobby into a job. Also, I have always been an avid motorcycle rider and now I can ride my bike when visiting customers to provide support. It would be great if I could keep working as a supporter like this for the rest of my life.





Masafumi Okada

I moved to Okinawa from a large city to recover from an illness. The CAVA system is really helpful to me because it allows me to take both my health and other commitments into consideration when scheduling work. Furthermore, because the system has no restrictions on work location or hours, it offers great benefits in local areas where there are few employment opportunities. I find it really exciting that I am connected to customers all over Japan through my CAVA work, even though I live in Okinawa.

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### **Medical and Health Management Services Utilizing ICT**

NTTPC Communications joined with Medical-i, Inc. and the Sukoh Cable TV Corporation to establish the Shinshu Sukoh Area Regional Medical Consortium, with the objective of building a regional medical infrastructure that connects to homes creating a human network in prefectures where many elderly people live. This Consortium began its first project in September 2009. This project covers the Sukoh district in Nagano prefecture as the target area and provides a service that enables workers in a wide range of medical fields, including medicine, nursing, care giving, and welfare to share information. It also utilizes a cable TV network and data broadcasting to send diagnostic and other information to the homes of patients so that they can receive medical services remotely at their own homes. The project has been adopted as part of the Regional Monitoring Support System Validation Project promoted by the Ministry of Economy, Trade and Industry, and we are working to establish an appropriate business model through this model operation.

### **Biz Mail cloud computing email service for corporate customers**

In this era of the globalization of economic activities and accelerating changes in the business environment, corporate system administrators and users are increasingly demanding system capabilities that allow them to store emails on a network. This is to enable them to access their emails from anywhere and also to ensure protection of their emails from accidental loss. In October 2009, NTT Communications began offering Biz Mail, a new cloud computing email service that provides an ICT environment in which users can use email functions anytime, anywhere, with ease and security. Biz Mail offers security functions equivalent to those of proprietary email systems combined with a high level of quality in operation and maintenance that offers corporate system administrators a sense of security about outsourcing email functions. We plan to continue improving and strengthening this service by enhancing the customer portal functions that can be viewed or modified anytime by corporate system administrators.

## Faithfully Serving Our Customers

### Improving Customer Satisfaction

#### Voice of Customer Surveys

NTT Communications carries out “voice of customer” surveys and uses findings to enhance the quality of services and make process improvements relating to the provision of customer service. In fiscal 2009 we received responses from around 2,000 companies.

The results of the latest survey were highly positive for areas in which we struggled to make progress in fiscal 2008, including “service commencement processes” for domestic networks and “project management” in system installation and construction. However, results were generally harsh for “service content and quality” (global networks) and “cost.” As customers expand their business overseas, we must bear in mind costs and, at the same time, strongly recognize the demand for higher quality and more stable services than previously offered, and treat these as important issues.

We must also move toward conducting periodic investigations under companywide projects regarding customer feedback and demands, and engage in initiatives aimed at resolving issues. Specific examples of improvements in fiscal 2009 include the establishment of a specialist rescue team to thoroughly investigate the causes of failures, and initiatives to enable a rapid response to service failures on local access lines.

Improvement activities will be strengthened further to ensure that customers feel a sense of security when using our services.

#### Examples of Improvements in Fiscal 2009 (February 2010)

- Thorough analysis of faults (for IP-VPN as well as e-VLAN).
- Strengthening of service fault analyses resulting from analyses of and responses to service fault information by the technical support specialist unit.

#### “Action! OCN” - Quickly Addressing Customer Needs

The “Action! OCN” initiative allows us to respond quickly to direct requests from customers of OCN personal services, making improvements to ensure that customers will continue to be satisfied. We have also signed up more than 130,000 OCN subscribers as evaluators who regularly assess services.

The customer's perspective is incorporated into ongoing efforts to improve customer satisfaction. Improvements made through this initiative are reported via the Action! OCN site.

#### Examples of Improvements

- In response to customers who stated that when an abuse of service occurs, such as when they receive spam mail or the administration of bulletin boards and blogs is interfered with, and they have no idea where to begin when it comes to security measures, we published the relevant contact information and response methods on the webpage “Abuse of services by OCN members.” (August 2009)
- In response to concerns about what bots actually are and what customers should do about them, we updated the bot response webpage with easier-to-understand explanations and response methods for bots. (March 2010)
- In response to requests for more sites for donations in addition to the Guide Dogs site, we added the capability to change the layout of the OCN home page in May 2010. With the release of the environmental contribution and search service “OCN Green Search,” we added the design template option “OCN Green Search.” This allows for donations from part of the



profits earned from searches to be made to environmental conservation organizations engaged in initiatives that address environmental issues. (June 2010)

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### **Advanced Services for Convenience and Peace of Mind**

NTT Communications seeks to improve customer satisfaction through advanced services that provide convenience and peace of mind.

For greater convenience and peace of mind when using email services, "My Address Plus" allow customers to select a generic JP domain of their choice (xxx.jp) for email addresses and blog URLs, to restrict incoming messages to only those from designated addresses, and also to use separate addresses for different purposes.

"OCN Kids Care" for parents and children blocks access to harmful Internet sites, helping to protect children and promote proper PC usage.

The "DoTV" Internet service for television enriches customers' lifestyles and offers greater convenience by facilitating shopping, information gathering and trial reading of magazines via television sets.

"OCN IPv6" was one of the world's first IPv6 access services for general users. As a solution to the exhaustion of IPv4 addresses, the need for IPv6 technology is growing. NTT Communications will continue to develop and deliver cutting-edge Internet services in order to provide even greater customer satisfaction.

### **Acquiring certification for the IT service management international standard ISO/IEC 20000-1:2005**

NTT Communications received certification under the ISO/IEC 20000-1:2005 international certification standard for IT service management in May 2010. The certification is for the Company's Biz Hosting Enterprise which is a high-quality cloud computing hosting service that uses virtualization technologies and AGILIT Hosting that specializes in hosting services for core systems and basic information infrastructure.

The ISO/IEC 20000-1:2005 standard, issued in 2005, defines a system operation management procedure in 13 processes and incorporates the concept of the PDCA cycle.

As a result, the scope of certification acquired by NTT Communications expanded beyond that received in the previous year for IT service management systems, primarily for our large-scale private network management service that we offer to corporate customers.

In future, we will continue to acquire further certification, and through the establishment and improvement of IT service management systems provide our customers with high-quality IT services to ensure an enhanced feeling of security when using them.

### **NTT Communications Receives COPC-2000® Quality Management Certification**

In August 2009, NTT Communications received certification under version 4.2 of the COPC-2000®\* standard for contact center performance management.

Our Service Desk offers the Super Help Desk Service, which provides corporate customer and system manager end-users with 24/7 support in English and Japanese for ICT issues. We will continue to aim to achieve clearer visualization and improvement processes for services offered and provide the best service desk services available for our customers to ensure a greater feeling of safety when using ICT services.

\* COPC-2000 is a trademark or registered trademark of COPC Inc. (headquartered in New York) in the United States and other countries.

## NTT Communications Acquires Latest International HDI Support Center Certification

In November 2004, NTT Communications' Sendai OCN Service Center first acquired HDI Support Center Certification from the Help Desk Institute (HDI), and in January 2009, the Center acquired certification under version 4.1, the latest standard. HDI is an international organization for the support service industry. Its international HDI Support Center Certification program enables evaluation of support center quality and performance in comparison with ideal conditions under international certification standards for support service businesses.

Under the latest standard, new escalation standards have been added through strengthened cooperation with the Information Technology Infrastructure Library (ITIL),\* with stricter evaluations of quality and performance requiring even higher levels of service quality than the standard to date. In future, we will work to improve support service quality from the customer's perspective and create centers that leave customers with a positive impression.

\*ITIL: A framework for best practice IT service management. Created and published by a UK government organization in the latter half of 1980, it provides accumulated knowledge and know-how in IT operations. Also known as the de facto standard in Europe and North America.

## Evaluations of NTT Plala Educette

In November 2009, the Net Barrier Basic filtering service we provide for NTT Plala, our Internet access service for individuals, and Business Plala, our Internet access service for corporate customers, received approval as a recommended product from the All Japan Parents and Teachers Association.

Educette, our Internet access service for schools, received high praise overall for its services tailored to educational institutions, such as Web Filtering to protect children and students from harmful sites and the option of making half-yearly or yearly payments. Furthermore, Educette is the first Internet access service to have received this approval.

We will continue to dedicate our efforts to providing safe Internet services for children.

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## Responsible Public Relations and Advertising

### Formulation of Advertising Regulations

Sophistication and diversification of services and pricing schedules in recent years mean advertising needs to be made easier to understand.

To give customers peace of mind when selecting and using services, NTT Communications has been striving to ensure reliability of advertising in keeping with voluntary standards and guidelines for telecommunications advertising established by the Council for the Promotion of Telecommunication Service Improvement. In November 2008, we formulated and commenced enforcement of regulations on advertising.

Specifically, the regulations define materials requiring examination, designate personnel responsible for carrying out examinations and clarify the examination process. The examination framework and processes have thus been strengthened.

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

## Universal Design Initiatives

NTT Communications is pursuing ongoing initiatives to optimize its official websites.

In fiscal 2007, we overhauled our website development and operation guidelines on the basis of World Wide Web Consortium (W3C) Accessibility Guidelines (Web Contents Accessibility Guidelines: WCAG2.0). We improved accessibility by revising dozens of regulations, including those related to audio browser compatibility.

In fiscal 2009, we completed similar initiatives for our global website.

In fiscal 2010, we revised our website development and operation guidelines to harmonize them with "JIS X 8341-3:2010", which had been updated to ensure consistency with international standards, WCAG2.0.

Additional effort will be made to these regulations to ensure that our websites are easily accessible to all users.

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## Responsibility for Delivering High-Quality Services

### Adoption of Service Level Agreements (SLA)

In Service Level Agreements (SLA), a quality standard is set for the services we provide. Then, in case the standard is not satisfied, discounted fee will be applied.

In enterprise network services such as e-VLAN, Arcstar IP-VPN and GIGASTREAM, NTT Communications applies the highest level of SLAs in the industry. We thereby guarantee continual provision of top-quality services.

With an aim to further improving customer satisfaction further, we will continuously examine and revise (if necessary) SLA parameters and criteria within SLA.

### Forum Emphasizes Service Quality and Customer Satisfaction for Global Data Communication Services

NTT Communications and 19 major international telecommunications companies discussed how to enhance NTT Com's global network-service quality and customer satisfaction during the annual Arcstar Carrier Forum 2010 held in Tokyo in March 2010.

The Arcstar Carrier Forum is a conference we have convened annually together with partner corporations from around the world since 2000 for the purpose of improving quality in the operation and delivery of international network services. Until now, the focus has been on expanding discussions for initiatives aimed at improving the quality of essential infrastructure, such as ways to deal with service failures and construction issues, infrastructure design and construction processes to prevent issues arising, and operational support systems that enable rapid issue analysis and resolutions. At the latest conference, in addition to discussions leading up to the present, we expanded the scope of discussions to incorporate operational processes including human organization under the themes of design and quality improvements for quality assurance and highly reliable infrastructure, and reached agreement on initiatives for quality improvements for infrastructure.

Through initiatives like the Arcstar Carrier Forum, NTT Communications has improved service quality and strengthened customer satisfaction, and we will persist with efforts to raise the overall standard of our global network, including expansion of the area of activity.



■ Arcstar Carrier Forum 2010

## Our Relationship with Society

### Basic Approach to Social Contribution

#### Social Contribution Activity of NTT Communications

NTT Communications implements a wide range of social contribution activities through which we are contributing to the enrichment of society. The spheres of activity are diverse and include international cooperation; environmental conservation; health, medical care and welfare; regional development.

#### Basic Principles for Social Contribution Activity

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

### Serving Local and International Communities

#### Support for Human Resource Development Programs in Asian Countries

The BHN\* Association was founded as a designated nonprofit organization with the objective of bridging the digital divide in worldwide telecommunications. Since 1992, the Association has been providing emergency assistance to disaster zones around the world including telecommunications assistance following the Chernobyl disaster, in addition to telecommunications assistance and humanitarian assistance to medical facilities in Asia, including Myanmar, Laos, Malaysia, and Afghanistan.

The Association has also gained international recognition as the only NGO to specialize in activities in the area of telecommunications, such as supporting human resources exchanges and development in the telecommunications field involving young people across Asia. In the area of human resources development, the Association runs the annual BHN Human Resources Development Program for the purpose of nurturing the talents and expertise of young people who are expected to become the future leaders of the telecommunications industry in Asia.

Trainees are invited through related government authorities and corporate controlling departments in the various countries. Each year, up to ten trainees are selected from nominated applicants.

Training is then implemented in two sessions.

The NTT Communications Group actively supports this program by providing financial assistance, teaching staff and assistance in other facets of the program and is committed to continuing its support for human resources development in the future.

\*BHN: Basic human needs (i.e. food, clothing, shelter, primary education, healthcare and other infrastructure). The association employs the term in its name as it considers telecommunications to be a vital component of BHN.



■ BHN Human Resources Development Program

## Donations for Disaster Relief Via “Chocom” e-Money Service

“Chocom” is an electronic money service enabling even the smallest of payments to be made online. NTT Communications has been using “Chocom” to collect donations following disasters since April 2005. Donations are delivered to disaster victims through the Mainichi Social Welfare Foundation (Tokyo).

### Donations for Disaster Relief (Fiscal 2009)

Period	Details	Amount
From October 7, 2009 to November 30, 2009	Samoa/Sumatra Earthquake Relief Funds	¥34,200
From December 1, 2009 to December 25, 2009	Year-end Donations	¥7,300
From January 19, 2010 to February 20, 2010	Haiti Earthquake Donations	¥214,900

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## Participation in “chokotto iikoto program”

NTT NaviSpace Corporation, which operates the “Potora” interactive point earning and ranking information website, has been participating in the “chokotto iikoto program” run by Rakuten Bank, Ltd. (formerly known as eBANK Corporation) since October 2008. Registered Potora users include many housewives in their 30s or 40s who have few opportunities to donate through corporations or other organizations. One of Potora’s objectives is therefore to assist social contributions by housewives. Under the “chokotto iikoto program,” funds are automatically paid to designated charity organizations whenever the Rakuten payment system is used. As a participant in this program, NTT NaviSpace donates funds (equivalent to 10 yen for every point) each time Potora users change points into cash using Rakuten, twice yearly in even amounts to the Japan Guide Dog Association, the Japan Marrow Donor Program, Plan Japan, the Japan Cancer Society, and Medecins Sans Frontieres Japan. NTT NaviSpace assumes responsibility for the donated funds, allowing Potora users to participate in the program simply by exchanging their points into cash. A total of 115,810 yen was accumulated between October 2009 and March 2010 and donated toward the end of May 2010.

### Breakdown of Donations

Organization	Amount
Japan Guide Dog Association	¥23,162
Japan Marrow Donor Program	¥23,162
Plan Japan	¥23,162
Japan Cancer Society	¥23,162
Medecins Sans Frontieres (MSF) Japan	¥23,162
<b>Total</b>	<b>¥115,810</b>

## Contributing to Society Through Websites

NTT Resonant Inc. undertakes various social contribution activities through the “goo” internet portal. As of last year, the Pink Ribbon Campaign was in its fifth year, and aims to increase awareness of the importance of accurate knowledge about breast cancer and the importance of early detection, diagnosis, and treatment. In fiscal 2009, the campaign included a variety of content related to breast cancer under the catchphrase, “1 in 20 people is not someone else’s problem!”.



Continuing on from the previous year, a portion of revenue from Web searches through the “goo Pink Label” search engine were donated to the Japan Fund for Breast Cancer to help in the fight against breast cancer. Provision of a Pink Ribbon template for the goo home page and blog modules, as well as the addition of the goo Pink Label to mobile devices, resulted in increasing numbers of people using the system under the slogans, “Your search will help in the early detection of breast cancer,” and “Do everyday searches using the goo Pink Label search engine”.

As a result of initiatives in fiscal 2009, we received responses from 30,000 people to the annual survey on breast cancer awareness. The responses indicated that although awareness of the Pink Ribbon campaign and breast cancer has become well established and interest is increasing, few people conduct self examinations, with the number changing little in the past five years. In future, it will become an important issue for the campaign to determine the kinds of initiatives that will connect activities to self examinations.

## MUSICO Joins UNICEF Charity Project

NTT Communications’ online music store, Music Ocean (MUSICO), participates in the HAPPY BIRTHDAY DOWNLOAD for children, a charity project organized by the Japan Committee for UNICEF through which musicians, recording companies, and music retailers donate money to save the lives of babies around the world.

When MUSICO users download a recording of Happy Birthday to You as a ringtone for their mobile phones, a portion of the proceeds is donated to UNICEF activities for saving the lives of babies.

Everyday around the world someone sings Happy Birthday to You to a loved one. However, there are many young children in the world who will not live to see their next birthday because of suffering caused through poverty. We support these activities through music to try and protect as many children as possible.

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## NTT Plala’s Haiti and Chili Relief Funds

NTT Plala carried out various activities between February and March 2010 through NTT Plala’s Hikari TV video distribution service to provide support for victims of the earthquakes in Haiti and Chili. Each time a designated video was viewed on the Hikari TV video-on-demand service, 50 yen was donated to the disaster stricken areas via the Japanese Red Cross Society.

### Number of Videos Viewed for Donations to Haiti and Chili

Target	Period	Number of Videos Viewed
Haiti donations	February 1 - 28, 2010	3,498
Chili donations	March 5 - 31, 2010	6,375

## Employees Donations

The NTT Communications Group also collected donations from employees to support the victims of the earthquake in Haiti.

Total donations collected from employees of international and domestic Group companies including NTT Communications and overseas subsidiaries amounted to 2.8 million yen, which was donated to the disaster stricken area via the Japanese Red Cross Society.



■ Donations to the disaster stricken area via the Japanese Red Cross Society

## Social Contribution Point System

Because we want to help build a corporation and workforce on which society can rely, we support and promote the participation of our employees in social contribution activities. To encourage each employee to become active in at least one volunteer activity, we introduced the Social Contribution Point System in fiscal 2008. In this system, Group and partner company regular and temporary employees submit reports on the social contribution and environmental conservation activities they undertook voluntarily. These activities are then converted into points, the monetary value of which the Company donates to selected NPOs.

Furthermore, once a year we publicly acknowledge individuals and organizations depending on the type of activities conducted.

In future, we will continue to support regular and temporary employees from Group and partner companies who are working to resolve social issues.

## Group Social Contribution Activities through CSR Programs

The NTT Communications Group runs CSR programs that welcome participation from employees and their families.

Major activities include the Chichibu Rice Terrace Revitalization Project, Morinosaisei.Com (Forest Revitalization), and Mt. Fuji cleanup Project. In addition to increasing environmental conservation awareness, these experiences provide opportunities for exchanges with regional areas and contributions to society.

### CSR Programs for Employees of NTT PC Communications

NTT PC Communications undertakes many CSR activities for employees which create communication to overcome organizational and contract barriers, and to provide opportunities for employees to engage in work tasks in a lively way.

The company promotes employee participation in CSR activities in collaboration with the NPO Shiroy Kankyojuku (Environmental Coaching School, based in Shiroy City, Chiba, such as activities to restore abandoned fields and rice paddies in spring and fall, and tree thinning and planting under the Higashioume Forest Environmental Conservation Project as a CSR activity for new employees in spring. Within the company we hold a bread and cookies sales made by NPO which support disabilities once a month so that whole employees can start to join in our CSR project easily.

These kinds of activities have changed employees' awareness which was "CSR as corporate ethics", and increased the number of employees positively participating in these activities.



In addition, these activities have increased opportunities for communication between the participants and contributed to raising awareness of CSR among new employees. In future, we aim to create an environment where every employee can create ideas and participate voluntarily in CSR activities, and then enjoy and understand the full significance of these activities.



■ Activities to make effective use of fallow or neglected rice fields in collaboration with NPO Shiroy Kankyojuku.



■ Tree thinning and planting under the Higashioume Forest Environmental Conservation Project.

Voice

### Comment from the Organizer

Since its establishment in July 2009, the project has been progressing at breakneck speed. While the business environment has undergone continuous changes, it is a great pleasure that through CSR activities, participating employees has changed their awareness and understood this real meanings. We hope to further increase the number of activities everyone can enjoy in the future.



Yuki Kuramochi  
CSR Promotion Group,  
General Affairs Department,  
NTT PC Communications

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## Our Relationship with Government

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### Participation in Public Policy Programs

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#### ■ Participating in e-Net Caravan

Private telecommunications organizations, the Ministry of Internal Affairs and Communications, and the Ministry of Education, Culture, Sport, Science, and Technology formed e-Net Caravan, an initiative providing education about safe Internet usage targeting children, students, parents and teachers. NTT Communications is actively involved, dispatching teaching staff, in principle, free of charge.

## Our Relationship with Suppliers

### Promoting Fair Transactions and Procurement (CSR Procurement)

#### Promoting Fair Transactions

NTT Communications is eager to earn the trust of society. In our relationships with business partners, we place primary importance on building ties which are acceptable and beneficial to both parties, who partake in transactions on an equal footing based on mutual respect for the other's position. In building a relationship of trust, it is important to clarify the roles and responsibilities of each party while respecting one another's corporate culture and practices. As professionals in the industry, we do not pursue benefit or convenience solely for ourselves, but seek growth together with our business partners through mutual stimulation and encouragement.

#### CSR Procurement Policy

NTT Communications has to procure high-quality services and products in an economical and timely manner to be able to maximize competitiveness as a corporation, respond flexibly to customer demands and make continual improvements to our own services. NTT Communications therefore engages in fair and competitive procurement activities within the global market based on three basic procurement policies.

- (1) Procure in an open and transparent manner according to business needs;
- (2) Give all suppliers, Japanese or overseas, an equal opportunity to compete for our business;
- (3) Apply global standards and market principles to procure competitive services and products matching our business needs;

#### Procurement Office Initiatives

The Procurement Office within the Corporate Planning Department centrally manages procurement operations and supply agreements and carries out supply chain management to streamline and optimize procurement processes.

We assess the environmental activities of all suppliers of products and obligate them to observe our Guidelines for Green Procurement. We also seek understanding and cooperation through supplier group study sessions. In fiscal 2009, we developed these Guidelines for the NTT Communications Group, held seminars at one company to explain their contents, and embarked on expansion of the Guidelines.

### Promoting Green Procurement

#### Guidelines for Green Procurement

NTT Communications issued the second version of its Guidelines for Green Procurement in January 2006. As we aim to reduce environmental impact along the entire supply chain, the guidelines incorporate awareness toward environmental conservation into criteria for supplier assessment. Around 400 suppliers had been assessed as of the end of March 2010.

Version two of the Guidelines for Green Purchasing was revised in line with formulation of the NTT Group Energy Efficiency Performance Guidelines (the beginning of procurement of energy efficient ICT equipment) and changed the name to Guidelines for Green Procurement in June 2010.

**■ Status of Green Procurement & Green Purchasing**

	Fiscal 2007	Fiscal 2008	Fiscal 2009
<b>Green procurement of goods excluding office supplies (1,000 units)</b>	47,770	2,760	1,520
<b>Green purchasing of office supplies (1,000 units)</b>	760	580	510

\*Scope: NTT Communications (non-consolidated)

[Click here to view the Guidelines for Green Procurement.](#)

## Protecting the Environment

In line with our Basic CSR Policy, the NTT Communications Group is taking steps to reduce environmental impact in all our business activities. We are committed to providing information and telecommunications service solutions that reduce environmental impact, thereby helping to achieve a sustainable society that harmoniously coexists with the global environment.



### ■ [Basic Philosophy and Environmental Management](#)

Using our Global Environmental Charter as our guiding principle, we established our Long-Term Environmental Vision and have been working with our Medium- and Long-Term Environmental Plan, which extends through to fiscal 2012.

### ■ [Global Warming Prevention](#)

We are reducing our total CO<sub>2</sub> emissions by improving the energy efficiency of our telecommunications and office facilities, as well as our transport and transportation methods.

### ■ [Prevention of Environmental Pollution](#)

To prevent our business activities from causing environmental pollution, we comply with all environmental regulations and are strengthening control of all environment-polluting substances.

### ■ [Promoting and Utilizing Internal Green ICT](#)

We are utilizing our internal ICT technologies, such as thin client terminals, Mobile Connect, and video conferencing systems, to improve our operational efficiency and reduce environmental impact.

### ■ [Biodiversity Conservation](#)

When installing or dismantling wireless relay stations or laying submarine cables, we endeavor to preserve the ecosystems and communicate information related to biodiversity.

### ■ [Reduction of Waste](#)

We are working on reducing the volume of waste generated from our offices and business activities, such as used telecommunications equipment and cables, and are striving to improve our reuse and recycling rates.

### ■ [Reducing Environmental Impact Through Our Services](#)

We provide solutions for reducing environmental impact through our Green of ICT and Green by ICT initiatives, as well as utilizing our website to increase awareness and provide relevant information.

### ■ [Site Data](#)

For each of NTT Communications' business sites, we present a data file containing a Global Warming Countermeasure Plan/Report to the local community.

## Basic Philosophy and Environmental Management

To help bring about an environmentally-friendly society and ensure that the Earth remains in a healthy state for future generations, we will make efforts to strengthen the framework of the NTT Communications Group for environmental management and will aggressively pursue protection of the global environment in all processes pertaining to all our business activities, including procurement, disposal of waste and social contribution activities.

### Basic Philosophy and Vision

#### NTT Communications Group Global Environmental Charter

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

In fiscal 2010, based on the NTT Communications Medium- and Long-Term Environmental Vision, we added a guideline on actions for preserving biodiversity to the Basic policy.

#### NTT Communications Group Global Environmental Charter

##### Our Basic Philosophy

The NTT Communications Group will actively pursue conservation of the global environment and help to bring about an environmentally-friendly society through all facets of its creation and provision of high-quality services benefiting customers across the globe.

##### Our Basic Policy

The following policies apply to all our business activities.

##### 1. Fulfillment of corporate responsibilities

We will comply with all domestic and overseas laws and regulations relating to environmental conservation as a matter of course and we will endeavor, having assessed the environmental impact of our business activities, to prevent pollution of the environment and seek continual improvements based on established targets in areas including energy and resource conservation and waste reduction.

##### 2. Support initiatives for an environmentally friendly society

We will, through the development and provision of information-sharing platforms relating to environmental conservation and recycling as well as networking services enabling teleworking and other new lifestyle approaches, help to bring about a society with a low environmental impact which is friendly to people and to the Earth.

##### 3. Contribution to the environment through social interaction

We will endeavor to support day-to-day environmental protection activities in partnership with local communities and government authorities.

##### 4. Disclosure of environmental information

We will disclose environmental information and engage in relevant communication both internally and externally.

##### 5. Biodiversity preservation and sustainable utilization (ecosystem preservation and sustainable utilization)



We will promote harmonious coexistence with the natural world by recognizing the benefits we receive from ecosystems and the impact of our business activities upon them (in addition to taking action to reduce environmental impact).

## NTT Communications Group Long-Term Vision Regarding Environmental Protection

We established the Long-Term Vision Regarding Environmental Protection as a guide for carrying out environmental preservation and protection activities. As a concrete step toward achieving this vision, we also established the Medium- and Long-Term Goals and the Medium- and Long-Term Plan in fiscal 2010. Our goal is to help create a society that is friendly to the global environment, humans, and other living things. We will therefore utilize telecommunications and ICT technologies to help achieve a low-carbon society, promote a recycling-based society, and preserve biodiversity, while collaborating with customers, business partners, government agencies, education institutions, NGOs, and NPOs.

### NTT Communications Group Long-Term Vision Regarding Environmental Protection

In our view, humanity has a duty to turn the Earth back into a place where humans and all other living things are able to coexist indefinitely. To restore the Earth to such a state, first there needs to be a shift in values across society, for example in political, economic, educational and cultural spheres. Instead of exalting material wealth, we must put priority on preserving the natural environment. For there to be a shift in values, allowing the world to embark on change, it is of utmost importance that people around the world engage in dialogue and gain mutual understanding.

We will take advantage of the global reach of our telecommunications networks and the latest ICT advances to provide platforms enabling the exchange and sharing of knowledge which is unevenly distributed across the world, and also to support communication among people around the globe. In this way, we can help to bring about a sustainable, spiritually-rich society.

The NTT Communications Group will join hands with industry, governments, academia and communities around the world to pursue this vision.

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## Medium- and Long-Term Environmental Plan

### Medium- and Long-Term Vision

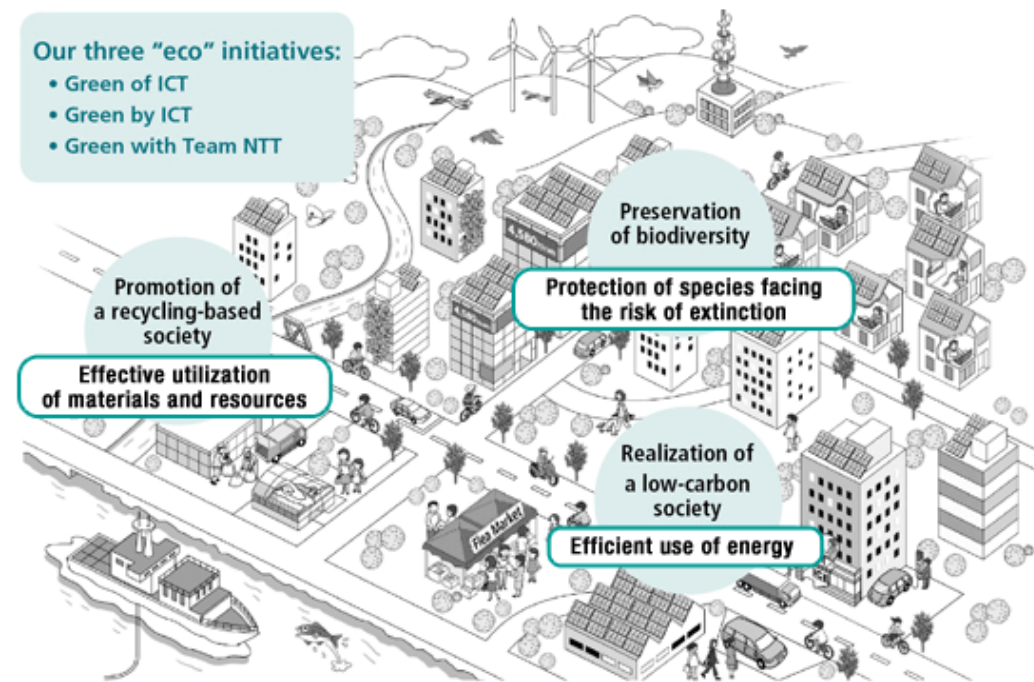
The NTT Communications Group is promoting our three "eco" initiatives of Green of ICT, Green by ICT, and Green with Team NTT, in order to help enrich and streamline social activities, and to support the harmonious coexistence of all living things on our beautiful planet.

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

- Green of ICT  
Reducing the increasing environmental impact of ICT equipment and facilities through the use of technology and process innovations.
- Green by ICT  
Reducing society's environmental impact through the use of ICT to improve transportation efficiency for people and goods, and by moving away from material-based operations to, for example, a paperless workplace.

- Green with Team NTT  
The initiatives to reduce environmental impact in employees homes and local communities.

## ■ Medium- and Long-Term Vision







## ■ Fiscal 2009 Results and Medium- and Long-Term Goals

We have created Medium- and Long-Term Environmental Goals, covering the period through fiscal 2012. We are working to reduce the environmental impact associated with all of our business activities, in order to accomplish the following goals: reducing our greenhouse gas emissions by 36,000 t-CO<sub>2</sub> from the fiscal 2008 level (for a total emission volume of 339,000 t-CO<sub>2</sub>),\*\* achieving a final waste disposal rate of 7% or less, and reducing the volume of paper used by 25% from the fiscal 2008 level (or usage of 9,300 sheets a year per person).




In fiscal 2009, in order to comply with the revised Law Concerning the Rational Use of Energy and local government ordinances, we strengthened our energy management structure and expanded our collaborative framework for assessing energy usage and implementing energy-saving measures, for example, in cooperation with the owners of the buildings we tenant. In terms of environmental measures for offices, we expanded the scope of our current environmental activities to all locations in Japan and our overseas subsidiaries, where we are taking specific environmental protection actions with full employee participation. For our fiscal 2010 target, we had set the target at 370,000 t-CO<sub>2</sub>, however, to be based upon the revised Law Concerning the Rational Use of Energy in fiscal 2008, we revised our target scope of our internal consumption use to 339,000 t-CO<sub>2</sub>.

In fiscal 2010, we plan to further improve our waste recycling rate by instituting more focused management of each building and site. As for paper usage, we will analyze the detailed data related to printing by each organization to help reduce usage while simultaneously improving business efficiency.

Environmental Impact Reduction Initiatives, Targets and Achievements in Fiscal 2009

		Fiscal 2009 Target	Fiscal 2009 Achievements	Assessment	Fiscal 2010 Initiatives	Fiscal 2012 Targets
CO <sub>2</sub> emissions	Telecom. equipment	Target: 303,000 t-CO <sub>2</sub> or less*	306,000 t-CO <sub>2</sub> * <ul style="list-style-type: none"> <li>Outdoor units for air conditioners and filter cleaning: reduction of 4,120 tons</li> <li>Turning off idle equipment: reduction of 1,100 tons</li> <li>Upgrading older air conditioners: reduction of 1,092 tons</li> <li>Raising temperatures slightly in machine room cooling systems: reduction of 1,035 tons</li> <li>Close wireless stations: reduction of 457 tons</li> <li>Upgrading facilities (higher capacity and conversion to DC): reduction of 393 tons</li> <li>Reducing use of older facilities as a result of service elimination: reduction of 336 tons</li> <li>Upgrading to gas heat pumps (GHP): reduction of 178 tons</li> </ul>		Target: 315,000 t-CO <sub>2</sub> or less* <ul style="list-style-type: none"> <li>Outdoor units for air conditioners and filter cleaning: reduction of 2,199 tons</li> <li>Turning off idle equipment: reduction of 1,397 tons</li> <li>Upgrading older air conditioners: reduction of 539 tons</li> <li>Raising temperatures slightly in machine room cooling systems: reduction of 990 tons</li> <li>Close wireless stations: reduction of 5 tons</li> <li>Upgrading facilities (higher capacity and conversion to DC): reduction of 845 tons</li> <li>Reducing use of older facilities as a result of service elimination: reduction of 2,557 tons</li> <li>Upgrading to gas heat pumps (GHP): reduction of 15 tons</li> </ul>	339,000 t-CO <sub>2</sub> or less** (reduction of 36,000 t-CO <sub>2</sub> from the fiscal 2008 level)
	Offices	Target: 5,700 t-CO <sub>2</sub> or less*	24,000 t-CO <sub>2</sub> * <ul style="list-style-type: none"> <li>Ensuring lights are off when not in use</li> <li>Lowering blinds before leaving the office</li> <li>Continued promotion of dressing warmer in winter and cooler in summer</li> </ul>		Target: 24,000 t-CO <sub>2</sub> or less* <ul style="list-style-type: none"> <li>Introduction of automatic light level adjustment systems, reflectors, and LED lights</li> <li>Automated lowering of blinds</li> <li>Continued promotion of dressing warmer in winter and cooler in summer</li> </ul>	
Waste	Recycling rate for dismantled telecom. equipment	Target: At least 99%	99.7% <ul style="list-style-type: none"> <li>Improving the recycling rate for glass and ceramic scrap (glass scrap, FTC,*** and ball insulators) from 50.3% to 70.6%</li> </ul>		Target: At least 99% <ul style="list-style-type: none"> <li>Continually improving the recycling rate for glass and ceramic scrap (glass scrap, FTC,*** and ball insulators)</li> </ul>	Goal for all waste: Final disposal rate of 7% or lower
	Recycling rate for construction waste	Target: Specified materials: At least 99% Other: At least 81%	Specified materials: 99.7% Other: 73.9% <ul style="list-style-type: none"> <li>Promoting measures to reduce final disposal volume</li> <li>Completely eliminating waste that must be transported directly to final disposal plants</li> <li>Promoting subcontracting to processing companies with higher recycling rates</li> </ul>		Target: Specified materials: At least 99% Other: At least 84% <ul style="list-style-type: none"> <li>Promoting measures to reduce final disposal volume</li> <li>Completely eliminating waste that must be transported directly to final disposal plants</li> <li>Promoting subcontract</li> </ul>	

					ing to processing companies with higher recycling rates	
	<b>Recycling rate for office waste</b>	Target: At least 69%	64.6% (for a total emission volume of 3,488 tons) <ul style="list-style-type: none"> <li>■ Highlighting model measures from each organization</li> <li>■ Eliminating personal trash baskets</li> <li>■ Giving clearer instructions on trash sorting</li> </ul> 		Target: At least 70% <ul style="list-style-type: none"> <li>■ Recycling plastic waste</li> <li>■ Promoting thermal recycling</li> <li>■ Recycling confidential documents properly</li> <li>■ Conducting focused building-by-building management</li> </ul>	
	<b>Paper usage (office paper, A4 size equivalent)</b>	Target: 12% reduction/person (10,900/person)	15% reduction per person (10,515 sheets/person) <ul style="list-style-type: none"> <li>■ Visualizing paper usage status (double-sided printing rate, consolidated printing rate)</li> <li>■ Highlighting model measures from each organization</li> <li>■ Promoting the use of a video conferencing system</li> </ul> 		Target: 10% reduction/person (9,500/person) <ul style="list-style-type: none"> <li>■ Promoting more paperless meetings</li> <li>■ Educational campaign to reduce use of papers such as posters</li> </ul>	25% reduction per person from the fiscal 2008 level (9,300 sheets/person)

Self-assessment:  Good progress  Basically on target  Slightly behind target  
 (Scope: 13 domestic companies of the NTT Communications Group)

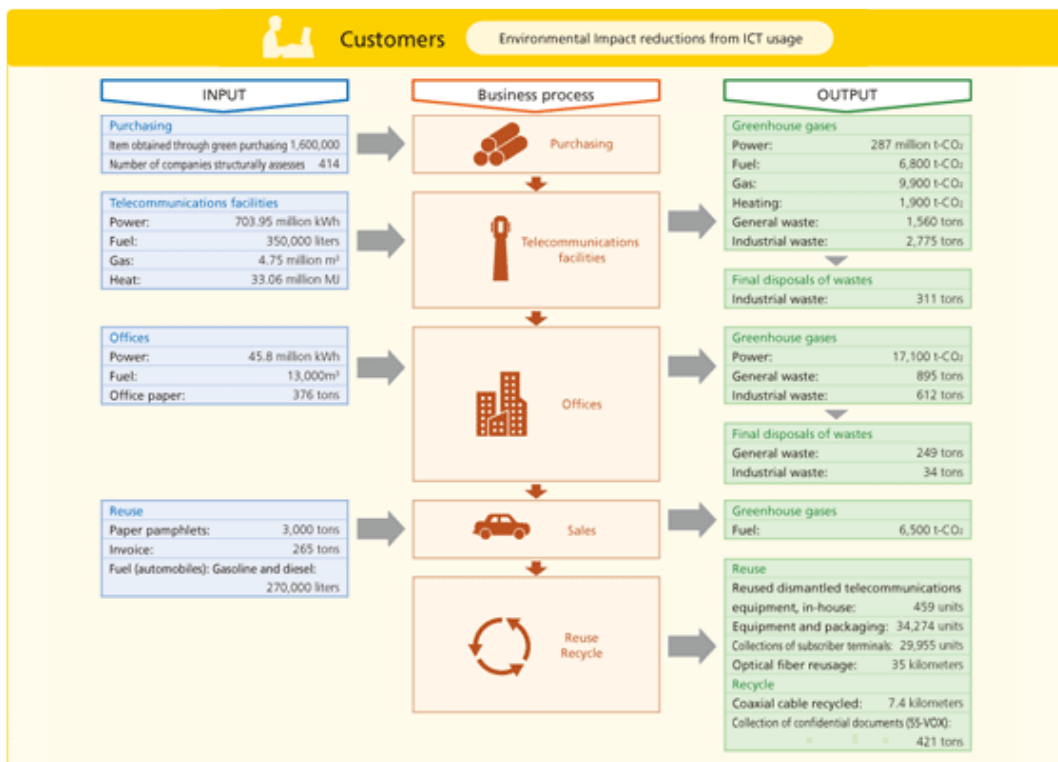
(\*) The CO<sub>2</sub> emission coefficient is 0.378kg-CO<sub>2</sub>/kWh.

(\*\*) The CO<sub>2</sub> emission coefficient is 0.34kg-CO<sub>2</sub>/kWh.

(\*\*\*) Fire-tight covers (FTC) are used to protect communication cables from fire.

## Environmental Impact of Business Activities

### Fiscal 2009 material flow



[Click here to view an enlarged diagram summarizing inputs and outputs of the NTT Communications Group for fiscal 2009](#)

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## Environmental Management Structure

### Framework and Fiscal 2009 Actions

In order to continuously promote environmental protection initiatives, we formed a working group for each issue, involving the entire NTT Group in tackling environmental issues.

As a general rule, we hold Environmental Protection Subcommittee meetings twice a year to formulate an overall plan encompassing a wide range of issues, including reduction of greenhouse gas emissions, reduction of waste, and promotion of environmental solutions. Through these meetings, we also share information on the results of actions taken and promote horizontal expansion of various initiatives.

In fiscal 2009, we streamlined the bases for environmental management at key global locations, and expanded the scope of environmental protection initiatives in the telecommunications field and office buildings.

### Environmental Protection Framework



[Click here for an enlarged diagram showing the environmental protection framework](#)

### ISO 14001 Certification

Five companies within the NTT Communications Group had acquired ISO 14001 certification as of March 31, 2009.

Through contracts with outside environmental consultants, certified departments and companies undergo internal audits once a year to ensure appropriate implementation of environmental management and continual improvements that will allow a steady reduction of the environmental impact of business activities. Regular reviews and renewal examinations are also undertaken by an independent certification body. Outstanding issues are thus identified and remedies are swiftly taken. Besides initiatives centering on reduction of office paper and electricity usage and promotion of waste recycling, we are pursuing the following measures as part of our contribution to the creation of an environmentally-friendly society.

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### ISO 14001-certified Company

ISO 14001-certified Company	Date of Certification	Status of Initiatives	
		Main Initiatives Contributing to an Environmentally-friendly Society	Related Company Websites
NTT Communications Corp.	Procurement Office	October 1999	<ul style="list-style-type: none"> <li>■ Promoted procurement of energy-saving ICT equipment in line with the adoption of the Energy Performance Guidelines</li> <li>■ Cleaned the park in Tokyo twice</li> <li>■ Held two rummage sales of goods brought in by employees, donating the proceeds to the Environmental Restoration and Conservation Agency of Japan.</li> <li>■ Held internal and external seminars</li> </ul>
	System Engineering Dept.	March 2004	<ul style="list-style-type: none"> <li>■ Provided ICT solutions, such as video conferencing systems, that help achieve a low environmental impact society</li> </ul>



		<ul style="list-style-type: none"> <li>■ Created environmentally friendly proposals and designs</li> <li>■ Ensured proper disposal of industrial waste</li> <li>■ Enhanced employee awareness of the environment through an employee seminars (held annually) and other activities</li> </ul>	
<b>NTT World Engineering Marine Corp.</b>	<b>July 2001</b>	<ul style="list-style-type: none"> <li>■ Reduced fuel consumption of the vessels that lay submarine cable by implementing an energy-saving operation policy (177.4 t-CO<sub>2</sub>/year)</li> <li>■ Implemented a paper usage reduction policy by introducing paperless meetings</li> <li>■ Promoted introduction of video conferencing systems</li> <li>■ Ensured proper disposal of industrial waste</li> <li>■ Improved the environmental awareness of all employees through education (Once a year: DVD viewing, laws and regulations, etc.)</li> </ul>	<a href="#">Click here for details on environmental initiatives</a> 
<b>NTTPC Communications, Inc.</b>	<b>November 2003</b>	<ul style="list-style-type: none"> <li>■ Vaccine donations to developing nations based on number of drink bottle caps delivered to a charity organization (enough for 5.7 vaccine doses)</li> <li>■ Environmentally friendly data center employing solar power, DC power supply and rooftop greenery</li> <li>■ Installation of tea dispenser requiring personal cups</li> <li>■ Reduced paper usage through the introduction of multi-function printers (by approximately 10% from the previous year)</li> <li>■ Use of control books to ensure lights are turned off when not in use</li> <li>■ Fostered environmental awareness by ensuring all employees take the environmental e-learning classes, and implemented a management system (once)</li> </ul>	
<b>NTT BizLink, Inc.</b>	<b>March 2007 (company-wide)</b>	<ul style="list-style-type: none"> <li>■ The ordering rate for environmentally friendly pamphlets reached 100% for the third year in a row</li> <li>■ Reduced copy paper usage (by 10% from the previous year)</li> <li>■ Reduced the office supply purchase value (by 27% from the previous year)</li> <li>■ Reduced electricity usage (by 18% from the previous year)</li> <li>■ Introduced the eco cap recycling initiative (enough for 32 vaccine doses)</li> <li>■ Ran a sales campaign promoting green ICT and environmental protection (twice)</li> <li>■ Reduced CO<sub>2</sub> emissions by promoting green ICT (provided data center-related services and video conferencing services; reduction of 169,550 t-CO<sub>2</sub>/year compared to conventional methods)</li> </ul>	<a href="#">Click for details on NTT BizLink environmental protection activities</a> 
<b>NTT FANET SYSTEMS Corp.</b>	<b>April 2007</b>	<ul style="list-style-type: none"> <li>■ Provided devices and systems with lower environmental impact</li> <li>■ Encouraged double-sided printing and reduced-size printing</li> </ul>	

		<ul style="list-style-type: none"> <li>■ Turned off lights during the lunch break</li> <li>■ Promotion of green purchasing</li> <li>■ Nurtured employee environmental awareness through internal seminars</li> </ul>	
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Figures inside parentheses indicate actual results from fiscal 2009.

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## Environmental Accounting

### Environmental Accounting in fiscal 2009

NTT Communications tabulates environmental conservation cost (categories corresponding to business activities) and economic benefit associated with environmental conservation activities (real financial impact) in line with Environmental Accounting Guidelines 2005, issued by the Ministry of the Environment, and NTT Group Environmental Accounting Guidelines.

Total environmental conservation cost in fiscal 2009 was approximately 2,140 million yen, consisting of around 1,506 million yen in investments and around 634 million yen in expenses. This represents an increase of around 325 million yen compared to the previous fiscal year. A major factor contributing to the increase was the roughly 371 million yen rise in capital investment relating to Multiunit Air-Conditioning Systems (MACS).

On the other hand, the economic benefits derived from the environmental conservation measures in fiscal 2009 included approximately 2 million yen gained from comprehensive implementation of environmental measures in offices, such as electricity usage reduction and expansion of the number of sites targeted. At the same time, the launch of the Mypage\* website helped reduce mailing costs and paper usage, bringing the total cost of environmental conservation to nearly level with the previous year at approximately 428 million yen. Meanwhile, the excellent proceeds from selling used cables and other materials together with the substantial reduction in the value of new equipment purchases achieved through equipment reuse resulted in overall economic benefits amounting to around 1.125 billion yen, a saving of around 775 million yen from the previous year.

\* Mypage

A service providing notification via the Internet and/or email of billing information relating, for example, to NTT Communications telephone charges, and which also allows receipt display and printing. By using the Internet and email to notify customers of billing information instead of conventional printing and postage, it is quicker and easier for customers to locate relevant information. This contributes to protection of not only paper resources, but also energy resources required for printing and delivery.

### ■ Environmental Conservation Cost-Categories Corresponding to Business Activities (Million yen)

Category		Key measures	Investment		Expenses	
			2008	2009	2008	2009
<b>(1) Business area cost</b>			977.1	1,506.0	735.0	526.6
Break down	<b>1. Pollution prevention costs</b>	<ul style="list-style-type: none"> <li>■ Asbestos removal and disposal, etc.</li> <li>■ Oil tank facility for engine generator</li> </ul>	197.3	355.2	289.1	36.1
	<b>2. Global environmental conservation costs</b>	<ul style="list-style-type: none"> <li>■ Maintenance expenses for air-conditioning facilities for machinery rooms</li> <li>■ Air-conditioning facilities for machinery rooms</li> </ul>	779.7	1,150.9	107.0	85.8
	<b>3. Resource circulation costs</b>	<ul style="list-style-type: none"> <li>■ Waste disposal and reuse expenses</li> </ul>	-	-	338.8	404.6
<b>(2) Upstream / Downstream costs</b>		<ul style="list-style-type: none"> <li>■ Mypage system improvements</li> </ul>	-	-	35.6	31.7

(3) Administration costs	* Greening of buildings; usage fees for environmental information system	-	-	36.8	64.5
(4) R&D costs	* NTT Communications' portion of holding company's environmental R&D expenses	-	-	29.9	6.2
(5) Social activity costs	* Donations to environmental conservation organizations	-	-	0.5	5.0
(6) Environmental remediation costs		-	-	-	-
<b>Total</b>		977.1	1,506.0	837.9	634.0

### ■ Economic Benefit Associated with Environmental Conservation Activities (Real Financial Impact) (Million yen)

		2008	2009
<b>Revenue</b>	Revenues from sales (cables, metal scrap, etc.)	339.5	100.1
<b>Cost reductions</b>	Reductions in expenses derived from measures such as reduced electricity usage	-	2.1
	Reductions in new item purchases generated by equipment reuse	1,081.9	594.2
	Decrease in postal and paper costs from utilization of Mypage	479.4	428.7
<b>Total</b>		1,900.8	1,125.1

\* Target period: April 1 - March 31

\* Scope: NTT Communications (non-consolidated)

Tabulation and disclosure: Figures were tabulated in line with the Ministry of Environment's Environmental Accounting Guidelines 2005 and NTT Group Environmental Accounting Guidelines. Expenses include personnel expenses but exclude depreciation.

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## Environmental Education

### ■ Initiatives in Environmental Education

Environmental awareness activities and environmental education, offered to all employees according to job type and description, have purposely been incorporated into CSR training and the NTT Communications Group is always seeking new ways to raise employee awareness of environmental matters. We have also been extending the scope of participation to include not just employees, but also their families and business partners.

### ■ Objective/Level-Based Training

We provide level-based classroom instruction and participatory seminars on a regular basis to executives, CSR promotion leaders (leaders who promote environmental conservation initiatives in each workplace), general employees, and newly hired employees.

As a result of our environmental education, there has been an increase in the number of kaizen (continual improvement) suggestions related to environmental protection submitted to the in-house company blog and Eco Suggestion Boxes. The NTT Communications Group is committed to listening to the suggestions of each of our employees, and to expanding our environmental protection initiatives in our business activities and office operations.

- Publishing of pamphlets using a printing method that does not require heating to dry the ink
- Stopping the supply of hot water to lavatories (in summer)
- Introduction of automatic light level adjustment systems
- Use of automated blinds to improve air-conditioning efficiency
- Installation of toner-saving software
- Standardization of items to be sorted inside buildings

- Elimination of disposable chopsticks from cafeterias
- Reduction in the number of print copies for shared viewing (one set per room as a rule)

[See the following website for details on level-based training:](#)

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### **Participation in the Our Family's Environmental Minister program**

As part of Green with Team NTT, which is an environmental conservation initiative involving the entire NTT Group, we are encouraging all of our employees to participate in the Our Family's Environmental Minister program, which is managed by the Ministry of the Environment to promote energy-saving activities at home.

In order to help our employees achieve lifestyles that are kind to the environment, we, as a corporation, are assisting them to heighten their environmental awareness and expand their activity range through the Internet, educational materials, and informational magazines.

## Biodiversity Conservation

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

The NTT Communications Group makes an effort to avoid affecting ecosystems through business activities such as the construction and dismantling of wireless relay stations within nature reserves. We also engage broadly in awareness activities and dissemination of information through the "eco-goo" portal of Group company, NTT Resonant Inc., on which a special biodiversity website was set up early on.

### Laying of Submarine Cables

#### Ecology in the Ocean

The NTT Communications Group is also actively taking steps to protect the oceanic environment when providing global network services. NTT World Engineering Marine Inc. (NTT-WE Marine), which lays and maintains submarine cables, has designated the prevention of ocean pollution as one of its basic policies. When building submarine network infrastructures, we maintain a high level of awareness as a company that is closely involved with the natural marine environment. Our intention is to fully comply with environment-related laws and regulations, including MARPOL 73/78 (a treaty for preventing marine pollution), and to harmoniously coexist with marine life forms and the fishing industries.

#### ●Designing cable routes to protect coral reefs

When designing routes for laying submarine cables in shallow offshore areas, we pay special attention to the protection of the natural marine environment. For example, in areas with multiple coral reefs, we carry out detailed assessment and develop a careful plan that allows us to lay cables while avoiding the coral colonies, in order to protect them and the creatures living within and around them. In the Inland Sea, where the majority of the marine area is designated as a national park, we work with the relevant government agencies and local governments to develop careful plans before laying cables.



■Protecting coral colonies

#### ●Collecting trash from the bottom of the ocean

Before laying or burying submarine cables, we clean the planned ocean seabed route. We collect abandoned fishing nets, rope, and wires during the cleanup operation and take them back to the construction base and properly dispose of them as industrial waste.



■ Trash collected from the bottom of the ocean

● **Using electrically propelled vessels to prevent air pollution and save energy**

NTT-WE's Subaru, a vessel that lays submarine cable, is one of only a handful of ships in Japan that use an electric propulsion system (in which the electricity from a generator drives the propulsion motors). This system reduces the amounts of NOx and SOx contained in the engine exhaust and helps reduce air pollution. The system also decreases the vessel's energy consumption, which helps mitigate global warming by reducing CO<sub>2</sub> emissions. By efficiently controlling the number of engines driven by the generator during trips, for example, using three engines when traveling to the construction site but only two on the way back, energy consumption is reduced by about 10% a year. Furthermore, the paints used on the ship's body are free of toxic substances such as tin and lead, while the lights inside the ship have been changed to LEDs.



■ The Subaru, a vessel that lays submarine cable (total weight: 9,557 tons)

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## Considerations During Wireless Station Construction and Dismantling

### ■ Caring for Nature Reserves

As of March 31 2010, 10 of our 54 wireless stations for telecommunications and broadcasting networks were in national parks. The NTT Communications Group carefully considers 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 stations.



■ Wireless station



## Following Guidelines

We have produced wireless 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 station sites and roads, we will continue to adhere to our guidelines to safeguard nesting areas, animal paths, and vegetation.

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## Awareness Activities Through Provision of Information

### Special Feature on Biodiversity on the "eco-goo" Portal

NTT Resonant Inc. took the lead in setting up a special biodiversity site on its Japanese "eco-goo" portal in January 2008. The site uses a test and other features to convey information about biodiversity in a straightforward manner. In April 2009, NTT Resonant joined the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB) and looks to enhance the information available through collaboration with the NTT Group and a wide range of corporations in the run-up to the International Year of Biodiversity in 2010.



■ Special feature on biodiversity on the "eco-goo" portal

## Global Warming Prevention

Although the advancement and spread of ICT are adding convenience to lifestyles and business, the increase in power consumption by ICT-related equipment is placing enormous pressure on the environment. The NTT Communications Group's employees are responding eagerly to energy efficiency improvements and other initiatives, as they progress as a team toward voluntary company targets set for telecommunications equipment, which account for around 90% of total CO<sub>2</sub> emissions from business activities, through to energy savings by offices.

### Fiscal 2009 Results

#### Fiscal 2009 Initiatives

We are vigorously pushing ahead with power savings under the "Green of ICT" concept. Through improvements to equipment inside data centers and telecommunications buildings, as well as to operating methods, we enable efficient operation of ICT equipment that boasts high reliability and high quality, and yet has a minimized environmental impact.

In fiscal 2009, in order to improve the efficiency of our air-conditioning equipment, which accounts for half of our electricity consumption, we implemented various creative kaizen (continual improvement) ideas suggested by people in charge of operations, such as upgrading to higher-efficiency models, designing a wiring layout that takes airflow into account, and trapping cool air. We also established procurement and design guidelines and adopted them into our operations. For example, we actively introduced telecommunications equipment that runs on a DC power supply. In terms of purchasing renewable energy, we began operation of a 162-kilowatt solar system at our data center in Tokyo in May 2009, as the first step toward installation of a 5-MW system in 2012, which is the goal for the entire NTT Group.



■ Trapping cool air



■ Wiring layout with dual-walled structure (underfloor)

#### Fiscal 2009 Results and Fiscal 2010 Outlook

When calculating the volume of greenhouse gasses emissions that we generate, we include buildings owned by other companies (where we rent spaces for offices, data centers, and colocation services), in addition to buildings owned by the NTT Group.

In fiscal 2009, the CO<sub>2</sub> emissions from our telecommunications facilities were estimated to have increased by 25,000 t (around 8.9%) from fiscal 2008 to 306,000 t-CO<sub>2</sub>, partly because of robust data center business.

Emissions of greenhouse gasses other than CO<sub>2</sub> all declined from fiscal 2008 levels, with the following results: CH<sub>4</sub>: 202 t-CO<sub>2</sub> (down by 25 t-CO<sub>2</sub> equivalent); N<sub>2</sub>O: 96 t-CO<sub>2</sub> (down by 74 t-CO<sub>2</sub> equivalent); and HFC: 0.1 t-CO<sub>2</sub> (down by 7 t-CO<sub>2</sub> equivalent).

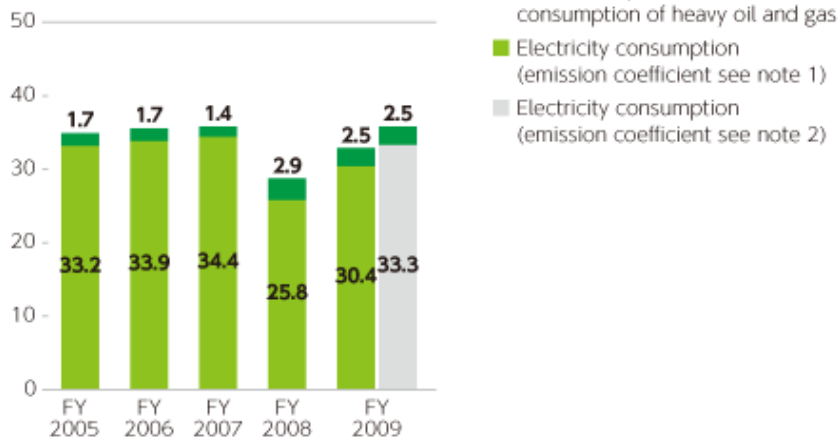
The total amount of electricity purchased in fiscal 2009 was 810 million kWh, while 10.11 million kWh was generated in-house using renewable energy sources.

In fiscal 2010, we plan to continue making improvements to our telecommunications facility buildings and data center facilities, as well as to their operation methods. We will actively install energy-saving devices and share information regarding energy conservation measures with global sites and Group Companies in collaboration with the personnel there. We also plan to expand our solar power generation system to 300 kW.

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### ■ CO<sub>2</sub> Emissions from Business Activities

(Unit : 10,000 t-CO<sub>2</sub>)



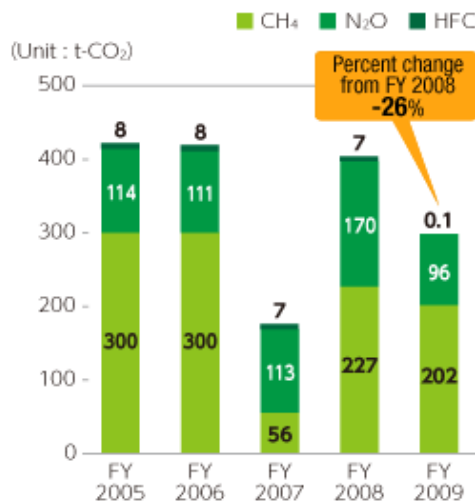
\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

Note 1: The CO<sub>2</sub> emission coefficient in the olive bars is 0.378 kg-CO<sub>2</sub>/kWh.

Note 2: The CO<sub>2</sub> emission coefficients used in the gray bar are from electric power companies.

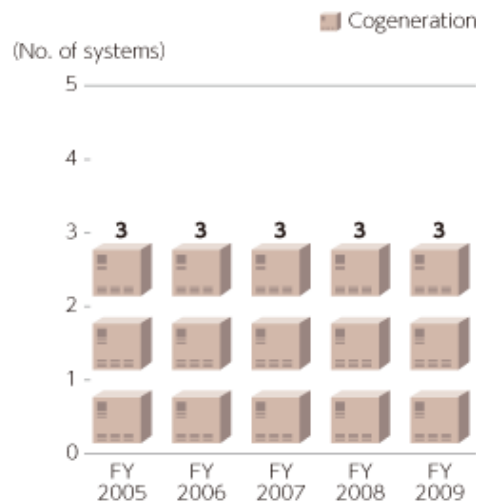
Note 3: Through to fiscal 2007, CO<sub>2</sub> emissions from other telecommunications operators (telecommunications facilities) inside our buildings had been included in the calculation. However, beginning in fiscal 2008, only net emissions (excluding those from other telecommunications operators) are included.

### ■ Other Greenhouse Gas Emissions (Converted to CO<sub>2</sub>)



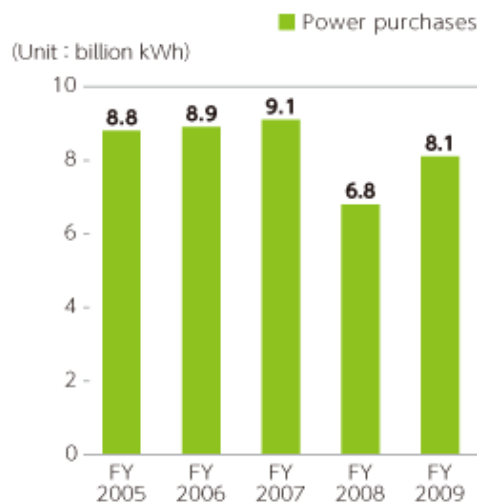
\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

### ■ Number of Cogeneration Systems



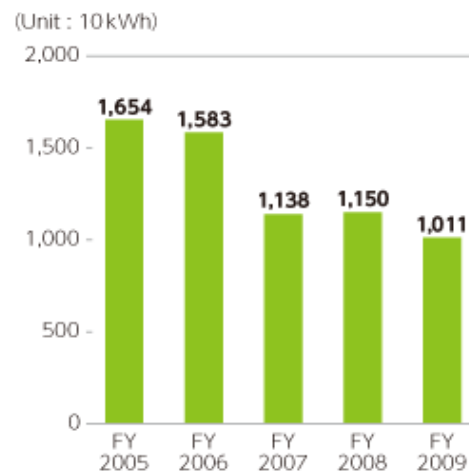
\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

## Power purchases



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

## Clean energy generation



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

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## Compliance with Revised Laws and Regulations

### Compliance with the revised Law Concerning the Rational Use of Energy and local government ordinances

In line with the requirements for business operators to submit reports in accordance with the standards stipulated in various laws and regulations, we have been reporting on our energy usage and reduction plans.

The Law Concerning the Rational Use of Energy (hereinafter "the Energy Conservation Law") underwent revision in April 2010, which included changing how energy use is assessed from a site-by-site basis to a company basis. In fiscal 2009, we held two study sessions with Group companies to examine the key revision points and clarify which companies would be subject to control and reporting.

By ensuring that information is collected and shared within the Group in a timely manner, the NTT Communications Group as a whole is continuing its efforts to comply with laws, regulations, and ordinances.

[The following website provides details on the Global Warming Countermeasure Plan/Report:](#)

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## Initiatives Related to Telecommunications Facilities

### Introduction of the NTT Group Energy Conservation Performance Guidelines

As part of our initiatives to prevent global warming, the eight companies of the NTT Group, including NTT Communications, established the NTT Group Energy Conservation Performance Guidelines and began implementing the necessary actions in April 2010.

These Guidelines established by the NTT Group are modeled after the ICT Ecology Guidelines created by the ICT Ecology Guideline Council, and spell out our basic philosophy regarding the development and procurement of the ICT devices, such as routers and servers, used by the NTT Group.

In developing and procuring the ICT devices that we use, we take into consideration their functions, performance, and cost, as well as their energy-saving performance.

## Introduction of a Solar Power Generation System

In May 2009, we started operating a 162-kilowatt power generation system at a data center in Tokyo employing solar panels installed on the roof. The system is expected to generate around 170,000 kWh per year. The generated electricity is used in part to power the air-conditioning equipment and office equipment inside the data center. We will gradually introduce solar power systems to other buildings and disclose information on power generation.

In fiscal 2009, the system generated a total of 167,628 kWh of electricity. This translates into a reduction of 63,364 kg-CO<sub>2</sub>, equal to the amount of CO<sub>2</sub> absorbed by 4,528 Japanese cedar trees in one year.



■ Solar panels installed at a data center in Tokyo

## Installation of LED lights in data centers

NTT Communications installed LED lights in some of its data centers. LED lights offer the benefits of reduced electricity usage and lower maintenance costs due to their longer service life, and also help reduce the electricity required for air conditioning because they run cooler.

We plan to actively promote installation of LED lights in our data centers and office buildings in order to help alleviate global warming.



■ LED lights at the data centers

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## Planting Rooftop Gardens

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

These gardens also shield buildings from heat and reduce the power consumption of air-conditioning systems. Another benefit is that they improve living environments and beautify views because they clean the air by absorbing CO<sub>2</sub> and discharging oxygen.

In fiscal 2009, we installed rooftop gardens on a telecommunications building in Tokyo and an office building in the Kansai area, expanding the total green area by 450 m<sup>2</sup>.

Notes:

1 Rooftop gardens

Cultivating such gardens is one way of improving living environments. Evapotranspiration from plants lowers ambient temperatures and blocks heat, helping cut a building's energy consumption.

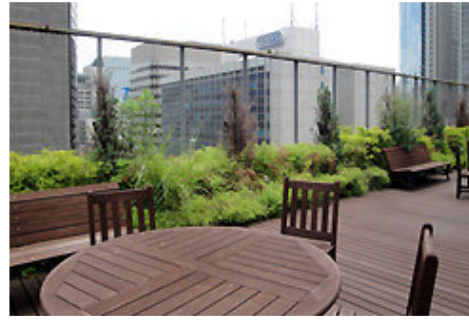
2 Heat island effect

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





■ Rooftop garden on a telecommunications building in Tokyo

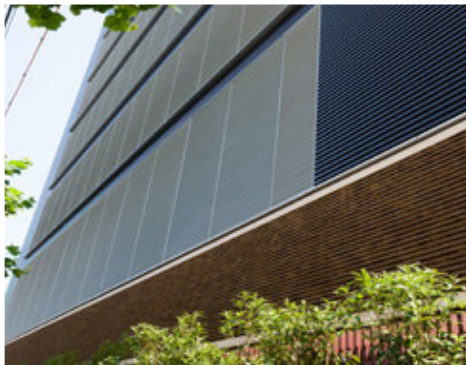


■ Rooftop garden on an office building in the Kansai area

## Green walls

NTT Communications installed green walls for the first time on a telecommunications building in Tokyo. Like rooftop gardens, green walls help reduce the heat island effect as well as shielding buildings from the sun, and reduce the power consumption of air-conditioning systems, in addition to beautifying the view.

By implementing various greening measures according to the structures and uses of individual buildings, we plan to help prevent global warming and promote harmonious coexistence with the natural world through our business activities.



■ Building with green walls



■ Green walls

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## Transportation Initiatives

### Electronic Billing Initiative

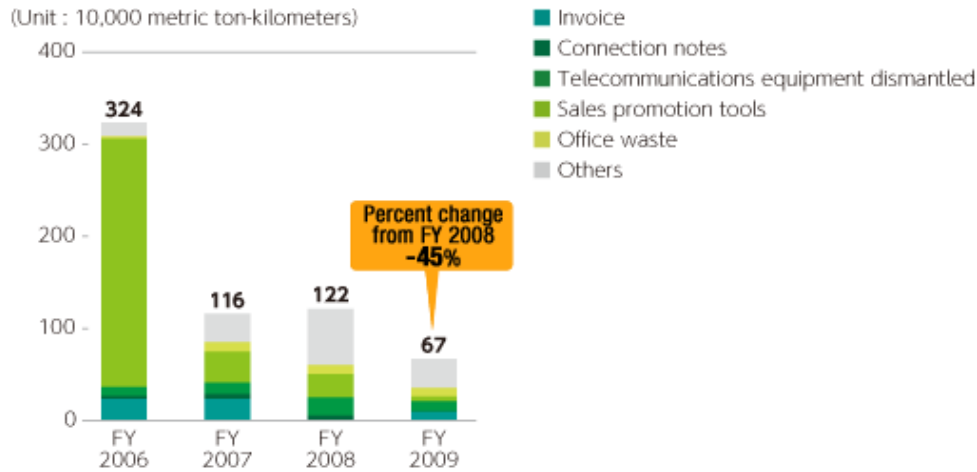
The revised Act on the Rational Use of Energy implemented in April 2006 requires that parties providing and seeking transportation services endeavor to save energy. We annually audit transportation volume based on invoices, sales promotion tools, and office waste. We voluntarily seek ways to streamline transportation, such as reducing the number of transportation trips, the volume of items transported and the transportation distance, and otherwise enhance logistics. We have cut the use of transportation by promoting the convenience of our online billing information service. In addition, to further reduce transportation, we have made the Internet our standard means of invoicing since October 2008 instead of mailing billing statements (mainly for individual users of OCN Internet services).

Thanks to our continued promotion of Internet-based billing using emails, the number of OCN subscribers using our Internet-based billing system increased by 740,000 from fiscal 2008 to 4.94 million subscribers in fiscal 2009. As a result, the volume of paper used for invoices in fiscal 2009 fell to 265 tons from 286 tons in fiscal 2008 (a reduction of approximately 8%). We also updated our Mypage\* website in March 2010, which had 530,000 subscribers as of May 2010. We also implemented various measures to improve our transportation efficiency, and achieved



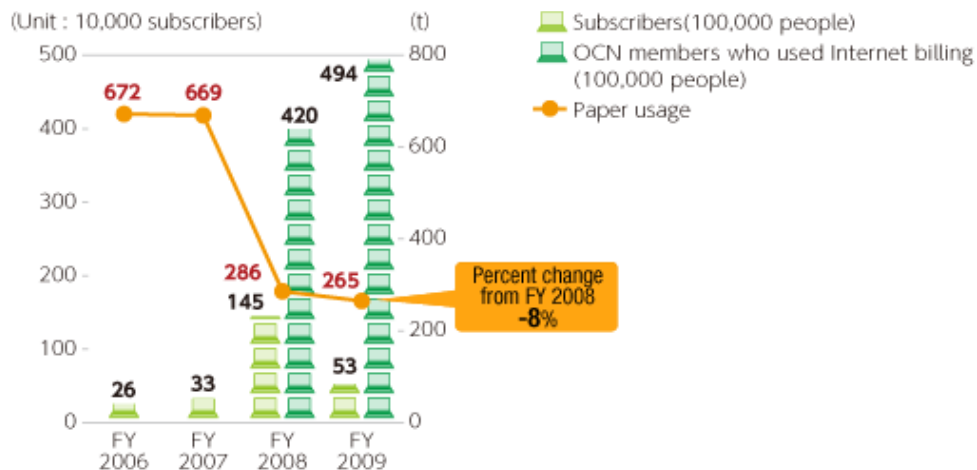
significant reductions in the transport of promotional sales tools (around 200,000 ton-kilometers) and dismantled telecommunications equipment (reduction of around 90,000 ton-kilometers). As a result, the total transported quantity declined by 540,000 ton-kilometers from the previous year to 670,000 ton-kilometers.

**■ Goods Transportation Volume under Revised Act on the Rational Use of Energy**



\* Scope: NTT Communications (non-consolidated)  
 \*An error in the fiscal 2008 summary data has been corrected.

**■ Number of Mypage Subscribers and Paper Usage for Billing Statements**

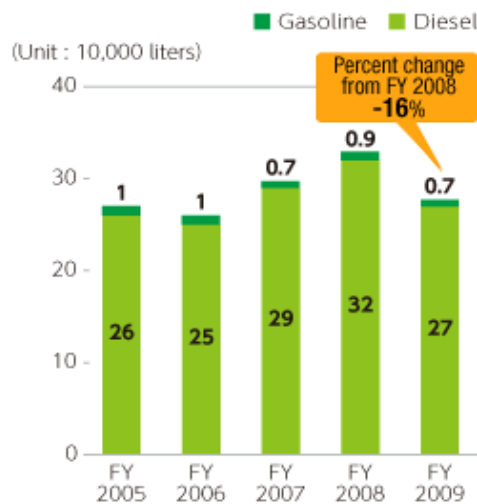


\* Scope: NTT Communications (non-consolidated)

**■ Initiatives Relating to Company Vehicles**

We have taken a number of proactive steps in relation to company vehicles, including introducing hybrid vehicles, raising employee awareness of ecologically sound driving practices, and implementing modal shifts to public transportation. As a result, fiscal 2009 use of gasoline by company vehicles was reduced to 270,000 liters, a decrease of approximately 50,000 liters from the fiscal 2008 level, while the use of diesel was reduced to 7,000 liters, down by approximately 2,000 liters.

## Fuel Consumption by Company Vehicles



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

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## Office Initiatives

### Initiatives Relating to Office Buildings

NTT Communications established the Office Environmental Working Group for evaluating and implementing all environmental protection measures related to offices, and created a policy that assists each business operation in undertaking autonomous office-related environmental initiatives. These initiatives are not limited to Japanese locations alone, but are also being actively carried out at our overseas subsidiaries, tailored to the individual circumstances of each country. In Japan, we have been operating the Office Database Visualization Website, which tallies and visualizes environmental impact data related to electricity, paper, and waste for each organizational unit, on our Company's intranet since August 2009. The employee responsible for promoting office-related environmental measures in each organization analyzes the data posted on this website in detail and goes through an autonomous PDCA cycle that takes into account business content and characteristics, in an effort to reduce electricity and paper usage. Furthermore, by featuring best practices from various organizations every month and sharing them through the intranet, successful measures are disseminated across organizational boundaries. As a result, our monthly paper usage per employee in fiscal 2009 fell to 438 sheets, surpassing the goal of fewer than 450 sheets.

In office areas, we utilize RenaCast Spot Media, a streaming information bulletin board, to help employees improve their environmental awareness on a daily basis, for example, by highlighting best practices, promoting trash sorting, and encouraging employees to turn off lights when not in use and use double-sided or consolidated printing. Furthermore, the Environmental Email Newsletter, sent to all employees by the Environmental Protection Promotion Office every month, includes monthly trends in environmental data, features the initiatives being taken by various organizations, and helps employees improve their skill levels, for example, by providing advice to those employees hoping to obtain "eco certification".



■ Office database visualization website



■ Clarification of rules for sorting items (by building)

## Installation of LED Lights and Reflectors

In order to reduce the amount of electricity consumed for lighting, NTT Communications installed LED lights and reflectors in its headquarters building in Hibiya.

To ensure that our employees can continue to work comfortably in this old but treasured building, we considered ways to maintain a sufficient illumination level during the changeover. As a result, we installed reflectors (components that efficiently reflect light) in the office area, reduced the number of fluorescent light bulbs by half, and installed LED lighting fixtures and bulbs in common areas such as the front entrance, cafeteria, and bathrooms. These changes are expected to reduce annual CO<sub>2</sub> emissions by approximately 65 tons.

We plan to expand this policy, which achieves both energy conservation and operational comfort, to other office buildings.



■ Front entrance



■ Conference room



■ Cafeteria



■ Rest area



■ Bathroom



■ Fluorescent light bulb with reflector

## Reduction of Waste

The NTT Communications Group is making a concerted effort to minimize environmental impact through the reduction of waste generated by business and office activities and the improvement in reuse and recycling rates.

### Waste Reduction and Recycling Initiatives

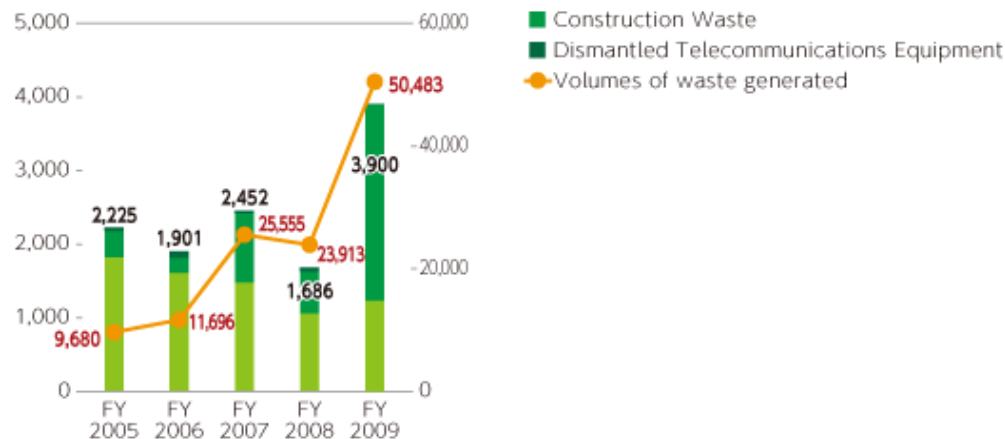
#### Fiscal 2009 Initiatives

The NTT Communications Group is working to reduce volumes of dismantled telecommunications equipment, construction waste and office waste and is promoting reuse and recycling.

In fiscal 2009, the total volume of final disposal waste increased by 2,214 tons from the previous year to 3,906 tons because of increases in construction waste of 2,088 tons and office waste of 176 tons, respectively. The total volume of waste generated increased year-on-year by 26,570 tons to 50,483 tons, due to a significant increase in the volume of waste from major construction projects

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

(Unit : metric tons)



\*The scope of tabulations for dismantled telecommunications equipment was NTT Communications (non-consolidated). The scope of tabulations for office waste and construction waste was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and NTT Communications (non-consolidated) for fiscal 2005.

\*Errors in fiscal 2005 to fiscal 2008 summary data have been corrected.

#### ■ Recycling of Dismantled Telecommunications Equipment

We upgrade telecommunications equipment and cables to provide more reliable, higher-quality services. Wherever possible, we try to reuse telecommunications equipment that is no longer needed in-house and within the NTT Group, and to properly dispose of the remainder in compliance with laws and regulations relating to industrial waste and industrial waste requiring special handling.

In fiscal 2009, the volume of dismantled telecommunications equipment declined by 3,657 tons from fiscal 2008 to 2,775 tons due to a reduction in the number of large wireless relay station dismantling projects. Of this volume, 2,765 tons were recycled, achieving a recycling rate of 99.7%.

In fiscal 2009, we focused on recycling fire-tight covers (FTC)\*, glass scrap, and ball insulators, all of which had low recycling rates. By subcontracting with processing companies with higher recycling rates, we were able to improve the recycling rate for these items from 50.3% in fiscal 2008 to 70.6% in fiscal 2009.

We also continued to promote the reuse of abolition fiber-optic cable, and increased the volume by 26 km to 35km in fiscal 2009.

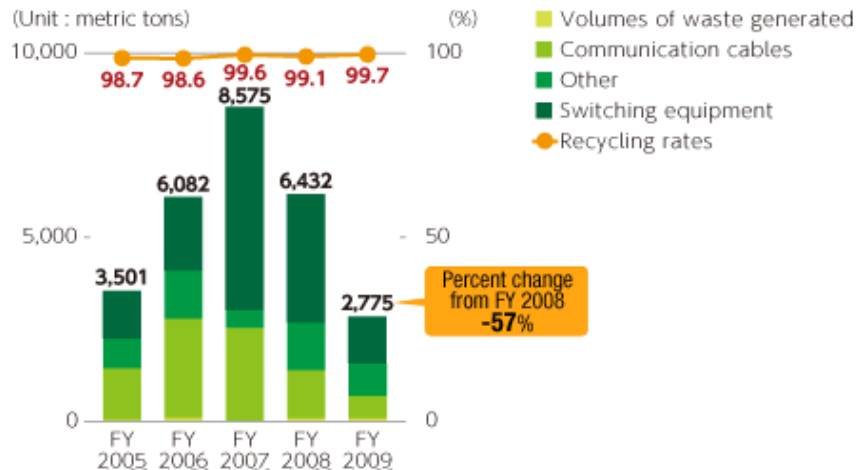
We plan to continue focusing on recycling dismantled telecommunications equipment containing significant amounts of plastics such as FTC, glass, and ceramics, which have low recycling rates.

\*FTC (fire-tight cover)

Fire-proof cover for protecting telecommunications cables against fire.

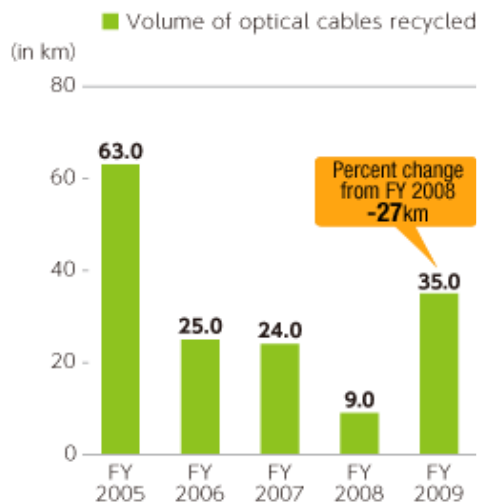
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### ■ Total Volumes and Recycling Rates of Dismantled Telecommunications Equipment



\*Scope: NTT Communications (non-consolidated)

### ■ Volume of abolition fiber-optic cable



\*The scope of tabulations was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and NTT Communications (non-consolidated) for fiscal 2005.

## ■ Recycling of Construction Waste

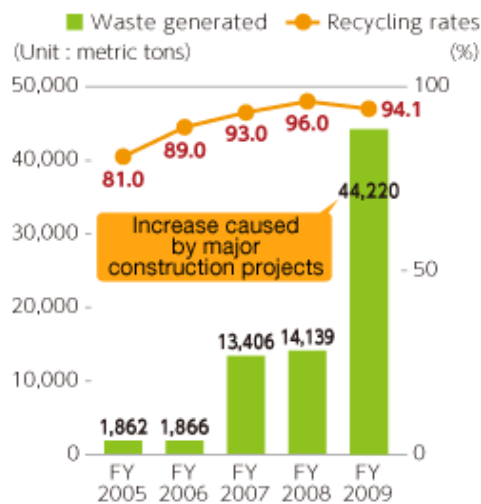
In order to continue offering customers highly reliable services, we are rebuilding old facilities and implementing expansion and remodeling to accommodate rising demand.

In fiscal 2009, the volume of construction waste generated increased by 30,081 tons over the fiscal 2008 level to 44,220 tons due to the rebuilding of a telecommunications facility and demolition of a training center, etc. For the construction project, we developed a plan that addressed recycling from the start. By subcontracting with processing companies with higher recycling rates, we increased the recycling rate for designated materials such as concrete from 98.9% in fiscal 2008 to 99.7%. The recycling rate for non-designated materials was 73.9%.

We are pushing ahead with ongoing efforts to promote reduction of final disposal waste, reduce the amount of waste taken directly to final disposal sites to zero, and outsource jobs to contractors with high recycling rates.



### Total Generation and Recycling Rates of Construction Waste



\*The scope of tabulations was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and NTT Communications (non-consolidated) for fiscal 2005.

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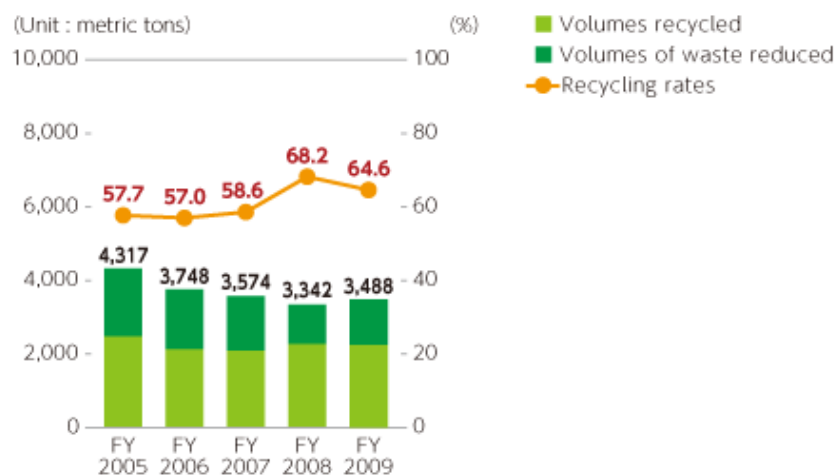
### Recycling of Office Waste

The NTT Communications Group ensures proper disposal, control, and complete sorting of waste in compliance with laws and regulations. In fiscal 2009, the total volume of office waste generated increased by 146 tons from fiscal 2008 to 3,488 tons, the volume recycled was 2,280 tons, and the recycling rate was 64.6%.

We are expanding the scope of our efforts toward the complete sorting of waste through enhanced collaboration with building management companies, in addition to continued employee education. For example, we began thermal recycling of plastics at offices in Tokyo. We also began thermal recycling of burnable trash in April 2010.

As for ensuring proper disposal and promoting the recycling of confidential documents, we switched to a process that dissolves documents directly without going through the shredding process. The dissolved documents are recycled and utilized as food-packaging boxes, etc. We will continue to work harder and collaborate with our subcontractors to improve the quality of our recycling system, achieving both environmental protection and security.

### Total Office Waste and Recycling Rates



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

## Initiatives for Reducing Paper Usage

### Reducing usage of paper for business purposes

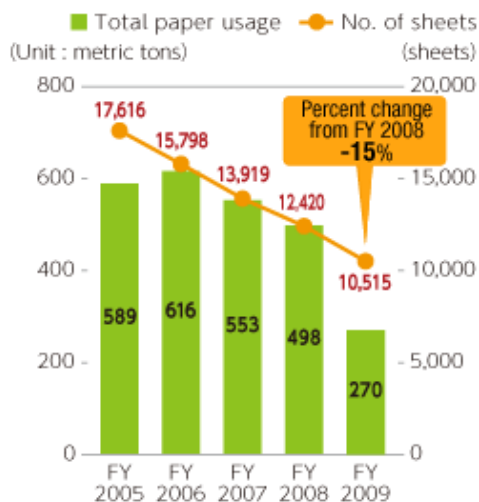
NTT Communications is working to reduce usage of all kinds of paper for business purposes, including office paper and paper for printing customer billing statements.

In fiscal 2007, we established a paper usage index per full-time employee in order to reduce office paper usage. In fiscal 2009, we introduced multi-function printers with an IC card authentication function into nearly all locations as planned, thereby expanding a companywide framework for reducing wasteful printing. Specifically, based on printing log data, the number of sheets used, the double-sided printing rate, and the consolidated printing rate are automatically collected and analyzed for each employee and each organization, and the resulting data is disclosed to all employees on a monthly basis. Furthermore, we encourage employees to reduce paper usage by attaching a report to the multi-function printers with an IC card authentication function they normally use that shows their usage in comparison with the Company average. We are also promoting digitization of scanned and faxed documents through in-house use of the Printer Security service, which utilizes multi-function printers with an IC card authentication function to prevent information leakage.

In fiscal 2009, paper usage per full-time employee (equivalent of A4-size office paper) declined by 15% (1,905 sheets) from fiscal 2008 to 10,515 sheets after we installed projectors in meeting rooms and encouraged their use.

In fiscal 2010, we plan to accelerate practical measures that examine how paper is used based on multi-function printers with an IC card authentication function usage, and promote electronic information sharing and video conferences.

### ■ Total and Per-Employee Office Paper Usage



\*The scope of tabulations for total office paper usage was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005. The scope of tabulations for office paper usage per full-time employee was NTT Communications (non-consolidated).

# Prevention of Environmental Pollution

The NTT Communications Group is taking various steps to prevent actualization of a broad range of environmental risks stemming from business activities, such as environmental pollution and hazardous substance leaks. Measures include improvements to facilities and methods of operation, bolstering of management, and education and training.

## Conformance with Environmental Legislation

### Compliance with Environmental Legislation and Regulations

The NTT Communications Group devotes itself to ensuring legal compliance and proper risk management while liaising closely with other corporations of the NTT Group. Legislation of all kinds, including environmental laws and ordinances, emissions standards and the PRTR Law\*, is fully communicated to related departments, and independent guidelines have been established for in-house application. We are also enhancing compliance education.

We were not involved in any litigations or legal violations pertaining to environment-related accidents, infringements, fines or complaints during fiscal 2009. We plan to continue our companywide efforts to prevent environmental pollution and comply with related laws and regulations.

\*PRTR Law:

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

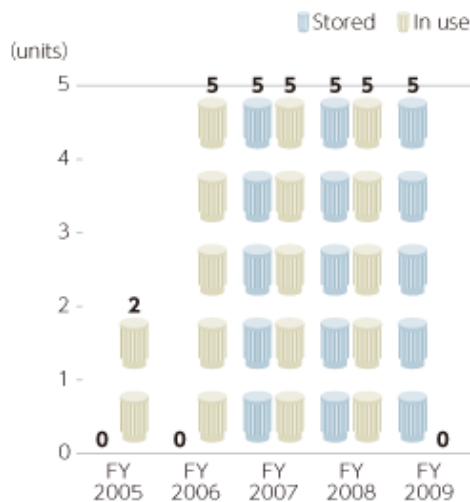
## Handling of Environmentally Hazardous Substances

### Storage and Control of PCBs

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

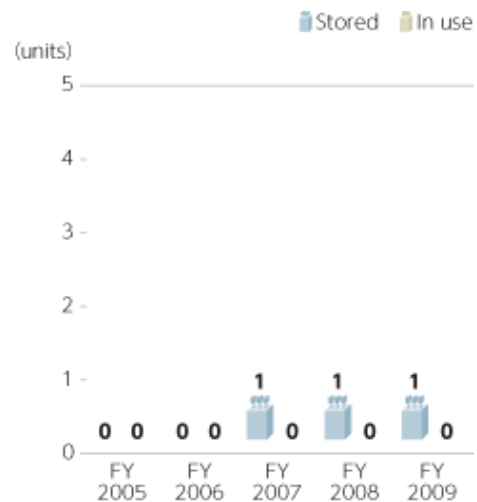
NTT Communications was confirmed to be in possession of 3,717 systems containing PCBs in fiscal 2009, and will continue to carry out thorough management of items stored and in use while working toward formulation of a medium- and long-term plan targeting proper PCB processing.

#### Number of transformers in our possession



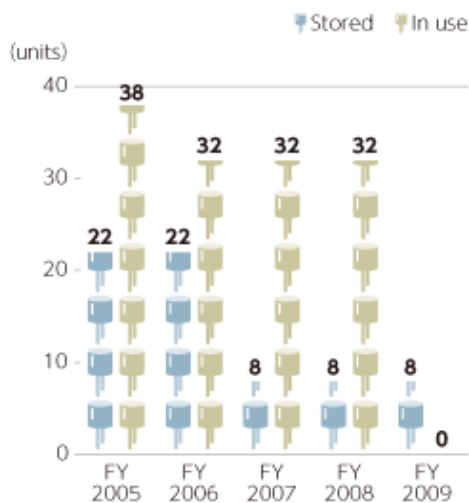
\*Scope: NTT Communications (non-consolidated)  
\*Errors in fiscal 2007 and fiscal 2008 summary data have been corrected.

#### Number of high-voltage capacitors in our possession



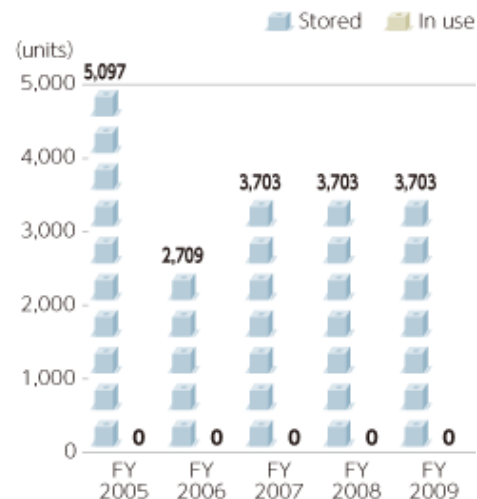
\*Scope: NTT Communications (non-consolidated)  
\*Errors in fiscal 2007 and fiscal 2008 summary data have been corrected.

■ Number of low-voltage capacitors in our possession



\*Scope: NTT Communications (non-consolidated)  
 \*Errors in fiscal 2007 and fiscal 2008 summary data have been corrected.

■ Number of Ballasts in our possession



\*Scope: NTT Communications (non-consolidated)  
 \*Errors in fiscal 2007 and fiscal 2008 summary data have been corrected.

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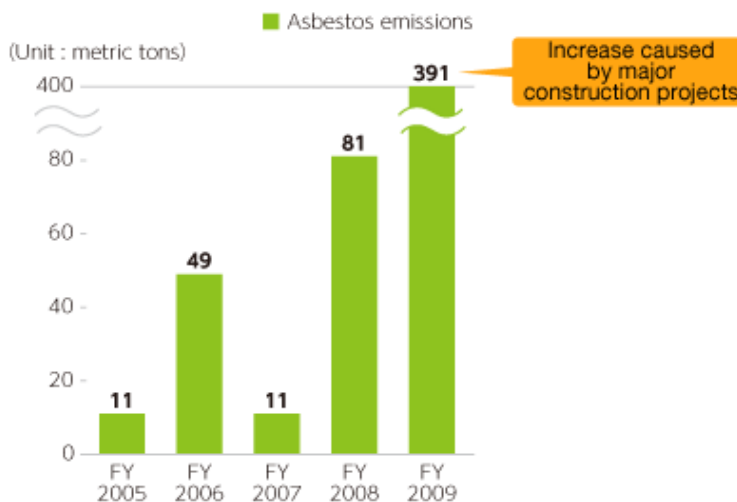
■ Asbestos Countermeasures

Asbestos countermeasures for buildings and offices involved implementation of airborne asbestos surveys of buildings for which asbestos had been spray-applied to confirm that levels did not exceed statutory limits, which were revised in September 2006.

In fiscal 2009, asbestos emissions amounted to 391 tons because of two asbestos removal projects carried out at the Telecommunications Building and the Training Center. As of the end of fiscal 2009, building materials containing asbestos were confirmed to be present in six NTT buildings in Japan (with a total area of 14,701m<sup>2</sup>). We plan to carry out removal projects at two of these buildings (with a total area of 691m<sup>2</sup>) in fiscal 2010.

We are going to continue systematic implementation of appropriate measures such as removal, containment or enclosure of asbestos in buildings where it is present in line with manuals issued by the Japan Construction Occupational Safety and Health Association and individual local authorities.

■ Asbestos Emissions



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

## Air Pollution Countermeasures

Our business activities emit NOx and SOx, which cause air pollution.

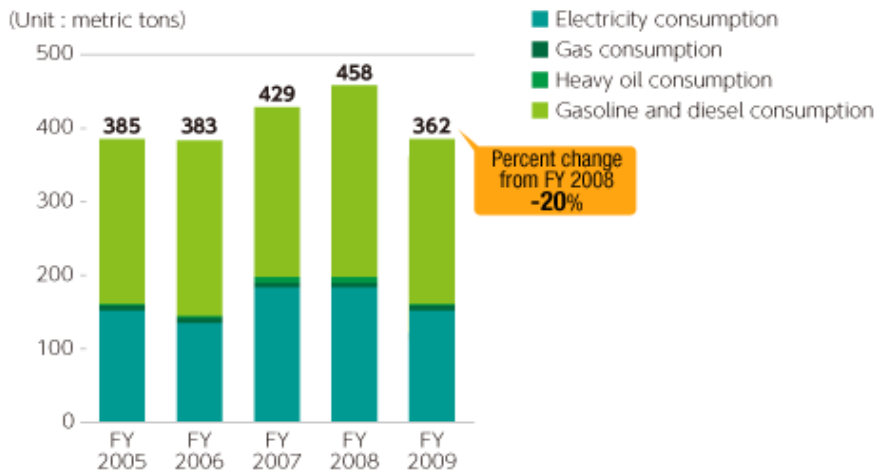
Approximately two-thirds of the NOx emissions are attributable to the use of gasoline and diesel in our operational vehicles, with the remaining one-third emitted during generation of the electricity we use.

Most SOx (around 88%) is emitted during generation of the electricity we use.

In fiscal 2009, we reduced our NOx emissions from the fiscal 2008 level by 96 tons to 362 tons, and SOx emissions by 69 tons to 83 tons.

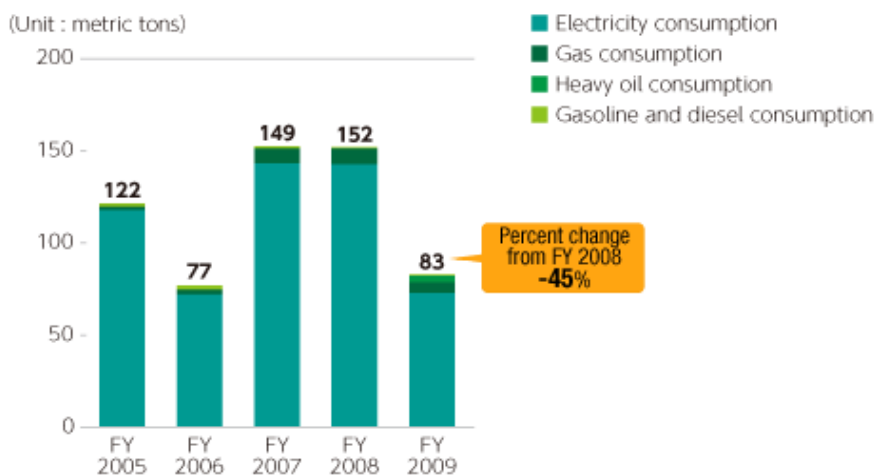
We will continue to take action to mitigate global warming and prevent air pollution, for example, by promoting Eco-drive and reduction of electricity usage.

### NOx Emissions



\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

### SOx Emissions



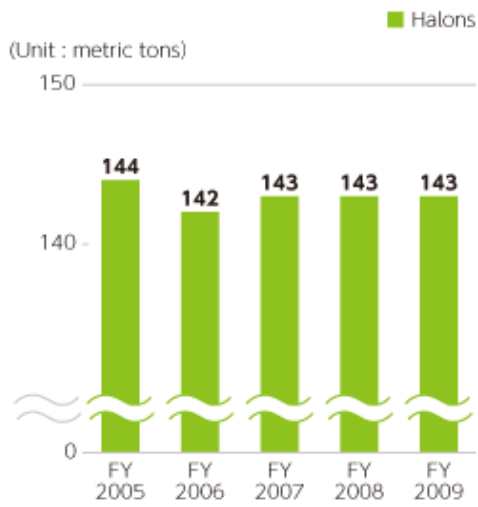
\* The scope of tabulation was 13 NTT Communications Group companies in fiscal 2009, 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

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## Countermeasures to Ozone-Depleting Substances

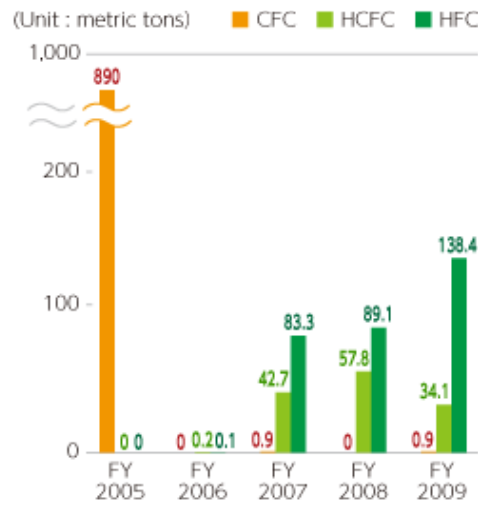
We dispose of ozone-depleting substances in an appropriate manner. The volume of specified halons used in our fire extinguishing equipment in fiscal 2009 was approximately 143 tons, the same as in fiscal 2008. Meanwhile, the volume of specified halons used in our air-conditioning equipment in fiscal 2009 was around 173 tons, an increase of 26 tons from fiscal 2008.

■ Volume of Specified Halons Used in Fire-Extinguishing Equipment



\*The scope of tabulation was 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.

■ Volume of Specified CFCs Used in Air-Conditioning Systems



\*The scope of tabulation was 11 Group companies for fiscal 2008, 12 Group companies for fiscal 2006, and 7 Group companies for fiscal 2005.



# Reducing Environmental Impact Through Our Services

The NTT Communications Group employs ICT solutions to create and provide new value and collaborates with customers to lower society's overall impact on the environment. As a business, we offer environmental impact reduction solutions, which involve reducing the environmental impact of ICT itself, and we are also actively engaged in awareness activities and provision of information, for example via websites.

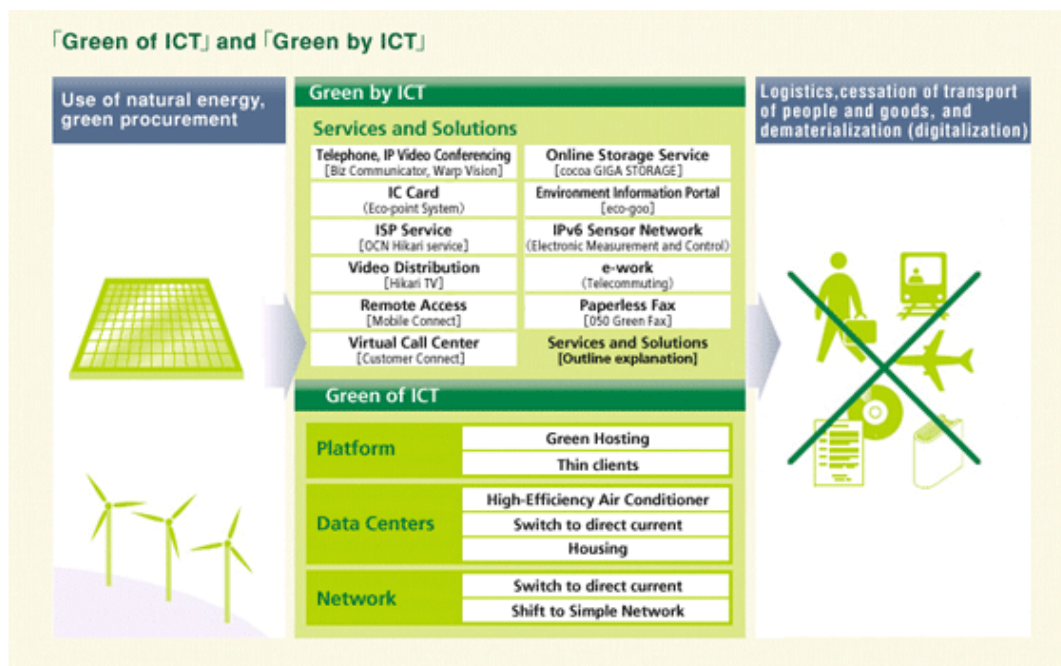
## Green ICT

### Green ICT Initiatives

NTT Communications provides solutions for reducing environmental impact that utilize two types of Green ICT. Green ICT involves aiming to reduce the environmental impact of ICT itself and utilizing ICT effectively to advance environmental impact reductions and environmental protection activities.

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

### Green ICT



[Click here to view an enlarged diagram summarizing Green of ICT and Green by ICT.](#)

## Providing Environmentally-Friendly Services

### Environmental Solutions Label System

The NTT Group is exploring the idea of an Environmental Solutions Label System for self-certification of environmentally friendly ICT solutions and services. To qualify, ICT solutions and services will have to achieve CO<sub>2</sub> reductions of at least 15%, as assessed through

objective evaluation of environmental impact reduction benefits. The entire NTT Group provides these environmentally friendly services in order to help reduce the environmental impact caused by society.

In fiscal 2010, we registered five solutions, the details of which are described on the NTT BizLink website together with quantitative CO<sub>2</sub> reduction effects.

[Click here for details on NTT BizLink's ICT solutions services.](#)



■ Environmental Solutions Label

### Acquisition of the eco-ICT Mark

After performing self-assessment of our CO<sub>2</sub>-reduction measures, we submitted an application in accordance with the ICT Ecology Guidelines created by the ICT Ecology Guideline Council ("the Council")\* and acquired the eco-ICT Mark in July 2010.

In February 2010, the Council created and published guidelines for appropriate CO<sub>2</sub>-reduction measures to be implemented by telecommunications carriers, clearly defining the standards for procuring systems and data center services from the viewpoint of reducing power consumption.

Through participation in these efforts, NTT Communications is striving to reduce CO<sub>2</sub> emissions from the industry as a whole and involve Group Companies in these efforts in the future.

\* ICT Ecology Guideline Council

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



■ eco-ICT Mark

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## Raising Awareness and Providing Information via the Web

### goo Green Label Search Engine

We encourage participation in environmental protection activities through the use of the "goo Green Label" search engine, a service provided by NTT Resonant's "goo" web portal.

The "goo Green Label" search engine donates part of its profits earned through the provision of services to organizations engaged in environmental and social protection activities. Since its inception, the site has donated a total of 19.35 million yen (as of June 30, 2010).

The site also began the One Million Clover Campaign in December 2009. This campaign encourages participating users to send electronic greeting cards to their friends to promote the use of the "goo Green Label" search engine.

We plan to continue expanding the circle of participating users and provide platforms where more people can easily support environmental protection activities.



■ goo Green Label Search Engine site

## Green Biz-IT

Green Biz-IT presents content related to the environment and is part of the Biz-IT website, which was developed with small to medium-sized corporations and independent proprietors in mind. NTT Communications provides information to these customers via Green Biz-IT to encourage their engagement in environmental protection actions.

Green Biz-IT presents the following information:

1. Explanation of current environmental issues in simple terms
2. Explanation of the fact that environmental activities can lead to company growth
3. Introduction of simple environmental activities, including reduction of promotional costs by using the Web and bottle cap collection to promote recycling and donate vaccines
4. Introduction of environmental activities by Biz-IT personnel in blog format
5. Interviews with small to medium-sized enterprises engaged in environmental activities

### ■ Biz-IT



### ■ Green Biz-IT



## Promoting and Utilizing Internal Green ICT

The NTT Communications Group actively utilizes in-house ICT to improve operational efficiency and reduce environmental impact.

### Utilizing In-house ICT to Reduce Environmental Impact

#### Utilizing Thin Client Terminals to Reduce Transportation and Paper Usage

Utilizing thin client terminals reduce power consumption through server sharing, which leads to reduced transportation and paper usage. Thin client terminals are also used for improving security since unable to store data.

As of March 31, 2010, approximately 3,400 NTT Communications employees (during childcare leave) were using thin client terminals for working in remote locations as e-Work. Total usage in fiscal 2009 was around 540,000 hours, which was a reduction of 190 t-CO<sub>2</sub> compared to conventional methods.

#### Using Mobile Connect Service to Reduce Transportation

The Mobile Connect Service provided by NTT Communications enables users to remotely send and receive business emails and check their schedules by mobile phones. As of June 30, 2010, approximately 13,500 employees were using the Mobile Connect Service, achieving work that both reduces transportation and is friendly to the environment.

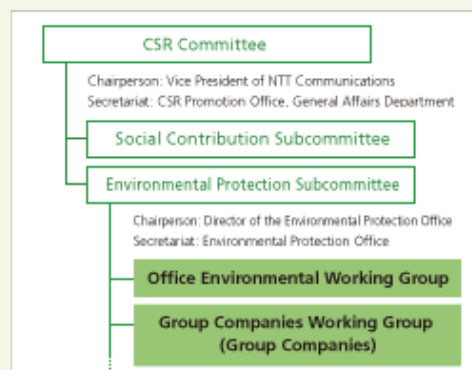
#### Using Video Conferencing to Reduce Transportation Needs

As a global company, the NTT Communications Group is actively utilizing video conferencing to reduce business trips and paper usage. In fiscal 2009, the average monthly usage was 565 times, up 37% from fiscal 2008 (when the monthly usage was 390 times).

Special  
Feature

### Video Conferences for Sharing Environmental Awareness and Discussing Ways to Reduce the Environmental Impact of Offices

Since supporting the communication needs of people throughout the world is our primary line of business, we use video conferencing as a familiar mode of communication in our daily business operations, in order to reduce the environmental impact associated with transportation. For this special feature, we used our video conferencing system to conduct a discussion on various environmental actions being taken in our offices, and to nurture collaboration and a sense of solidarity within the NTT Communications Group.



## Initiatives at Group Companies

### Initiatives at NTT Communications



In fiscal 2009, we set up the Office Database Visualization Site on our intranet, which enables each in-house organization to view the electricity and paper usage of offices, as well as the volume of waste generated, to assist each organization in taking autonomous initiatives. As for electricity, the installation of reflectors for fluorescent light bulbs and LED lights helped reduce the amount of electricity used for lighting by 20%, or 65 tons of CO<sub>2</sub> a year. We have also installed IC card systems for multifunction printers and are reducing paper usage. Regarding the sorting of trash, we worked on improving the recycling rate, for example creating easy-to-understand posters showing actual examples of different kinds of trash.

In fiscal 2010, we are expanding the number of buildings to be included on the Office Database Visualization Site. In order to reduce electricity usage, we are promoting the installation of lower power consumption personal computers, and are ensuring that power-saving settings are used on all personal computers. We are also encouraging paperless meetings, double-sided and consolidated printing, and an improved thermal recycling rate for trash.

### Initiatives at NTT Communications China



China is continuing to develop at an amazing pace and became the world's largest emitter of CO<sub>2</sub> emissions in 2007. At the same time, Chinese people's awareness of environmental issues and recycling has also been increasing. NTT Communications China has implemented a number of environmentally conscious steps including ensuring that lights are turned off during lunch breaks and power-saving settings are used on all personal computers, and reducing paper cup usage by encouraging employees to bring their own reusable cups. It is also assessing and reducing monthly paper usage using a tool called "PrintOne," which uses consolidated printing, double-sided printing, and black-and-white printing as the default settings.

As part of global warming mitigation measures, NTT Communications China is also implementing other measures, such as setting air conditioners to higher temperatures and encouraging employees to dress in cooler clothes, and encouraging the use of a video conferencing system to reduce the number of business trips to locations in China. Other CSR initiatives as a future plan include earthquake relief and afforestation activities.

### Initiatives at NTT-WE Marine



NTT World Engineering Marine (NTT-WE Marine), which lays and maintains submarine cables, introduced an electric propulsion system for its cable-laying vessels, and is working to reduce energy consumption and CO<sub>2</sub> emissions by controlling the number of engines driven by the generator during trips. Furthermore, in addition to encouraging the use of video conferencing, the company has been actively using web conferences since fiscal 2009. Whereas all meetings used to be paper based, NTT-WE Marine is now moving to paperless meetings, significantly reducing its paper usage. It is also using a file server to promote information sharing and reduce the volume of paper-based data.

The company's other initiatives for reducing energy consumption include recommending the use of a paperless electronic approval system, complete sorting of trash, double-sided and black-and-white printing, and lights-off during lunch breaks.



## Initiatives at NTT BizLink

As a result of  
companywide  
efforts to assess



and reduce copy paper usage, the cost of office supplies, and electricity usage, NTT BizLink succeeded in reducing its paper usage by 10%, office supply purchases by 27%, and electricity usage by 18% in fiscal 2009 compared to fiscal 2008. The company also improved its trash recycling rate by establishing more detailed sorting categories, such as PET bottles and lunch containers, in addition to burnable and nonburnable trash.

Furthermore, for items such as pamphlets, the company ensures the use of FSC-certified paper and soy ink, and since fiscal 2008 has created all of its pamphlets using an environmentally friendly printing method. NTT BizLink is making more of its mandatory employee seminars paperless through the use of projectors, resulting in a reduction of copy paper usage by approximately 10,000 sheets. Furthermore, the Ecocap Recycling Movement, which has been promoted in collaboration with the company's labor union, collected 25,600 PET bottle caps, which is enough to purchase 32 vaccine doses for children in developing countries.

## Issues and Vision for the Future

### Results and Issues for the NTT Communications Group

Under the leadership of the Environmental Protection Office, the NTT Communications Group is reviewing and implementing environmental protection measures throughout its offices. The Environmental Protection Promotion Subcommittee meeting is held twice a year and is attended by all Group Companies in Japan. At the meeting, companies share the status of the initiatives they are taking, describe the issues they face, and discuss creative ways of implementing various measures. To expand our efforts globally, in fiscal 2009 we began sending groups of trained employees to assess the status of environmental measures being taken at overseas subsidiaries—NTT America, NTT Europe, NTT Communications China, and NTT Singapore—and to share the initiatives being taken in Japan.



In fiscal 2010, we will promote policies that take into account each country's legal system, culture, and customs, in addition to basic initiatives such as the promotion of video conferencing and the reduction of paper usage. Our plan is to fully establish and accelerate environmental protection activities with a sense of company solidarity.

### Future Initiatives

Environmental measures implemented at offices are supported by the daily efforts of each employee. By sharing the results of these steady efforts through the Office Database Visualization Site, the Environmental Protection Office helps each organization analyze its own data and drive the PDCA cycle for environmental measures being implemented at its offices. It will also work on improving employee environmental awareness by establishing environmentally friendly in-house infrastructures on a global scale.





## Perspectives of Video Conference Participants

### Yuka Nanba (NTT Communications)



Rather than simply asking our employees to cooperate on environmental protection, I think it is important to establish a framework that helps them take specific actions in all workplaces. For example, if we are going to promote paperless meetings, we need to install projectors in meeting rooms first, and if we are recommending video conferences, we need to install video conferencing systems in as many meeting rooms as possible. I believe that putting in place the necessary infrastructure will lead to a heightened awareness of environmental protection among employees.

### Yasutaka Saiga (NTT Communications China)



The reality in China is that managers and workers are operating with more emphasis on cost reduction than environmental protection. However, as members of the NTT Communications Group, levels of interest among managers and workers in how environmental initiatives will affect their lives are beginning to rise. We hope to improve their awareness of the need to reduce the environmental impact of offices, while working to reduce paper and electricity usage and promoting the sorting of trash, which is not yet an established concept in China.

### Yasushi Tajima (NTT-WE Marine)



If we are too aggressive in encouraging trash sorting or promoting reductions in paper and electricity usage, there could be a backlash. While environmental protection is of course important, cost reduction is also a major issue. I think it is important to help all employees maintain a high level of awareness and produce excellent results while maintaining a sense of balance between these two issues.

### Hideki Sakurai (NTT BizLink)



In the beginning, voices were heard saying things like, "Why do we have to bother with such things?" and "How relevant are these things to our work?" However, as we kept stressing the importance of environmental protection on a global scale through employee education, a change began to occur in the attitude of employees. At our company, we calculate and "visualize" the environmental contribution (CO<sub>2</sub> emissions reduction) we are making through the data center-related services and video conferencing services we provide to our customers on an annual basis. I think this information helped enormously in allowing us to feel the direct contribution that our daily operations have on the global environment.

## NTT BizLink's Multi-Location Video Conferencing Connection Service

NTT BizLink's Multi-Location Video Conferencing Connection Service connects multiple locations simultaneously for video conferences. Customers can easily utilize this stable service any time without having to invest in video

conferencing equipment or lines themselves. The full support provided by our dedicated staff means that customers need not concern themselves with complex procedures for managing or operating video conferences, but can simply enjoy their benefits.

In terms of environmental benefits, video conferences significantly reduce the environmental impact associated with transportation compared to a conventional scenario in which attendees have to travel to a meeting venue using transportation means such as airplanes, trains, and buses. In fiscal 2009, our video conferencing service reduced CO<sub>2</sub> emissions by 137,891 tons (or 97%) compared to conventional means.

This service has been evaluated based on NTT Group's Environmental Solutions Label System and certified as an environmentally friendly service.

[Click here for details on the environmental contribution made by the Multi-Location Video Conferencing Connection Service.](#)



## TOPICS Assessment by External Organizations

### 👑 First prize in the Communication Services Category of the Nihon Keizai Shinbun Environmental Management Survey

NTT Communications was awarded first place in the Communication Services Category of the 13th Nihon Keizai Shinbun Environmental Management Survey. In order to meet our medium- and long-term goals, the entire NTT Communications Group will endeavor to strengthen measures for mitigating global warming, and to improve waste recycling rates and reduce paper usage.

### 👑 Third Eco Printing Grand Prize Contest "Environmental/CSR Report 2009", Ongoing Excellence Award

The Eco Printing Grand Prize Contest was started in 2007 by the Eco Printing Society, which researches environmentally friendly printing methods. The NTT Communications Group is proud to announce that our CSR Report 2009 received the Ongoing Excellence Award in the Environmental/CSR Report 2009 category in the Third Eco Printing Grand Prize Contest.

## Site Data

### Planning and Reporting for Measures against Global Warming / Reporting System for Measures against Global Warming




#### Tokyo Metropolis

- ▶ [NTT Communications Site 0923](#)  [PDF : 2,552KB]
- ▶ [NTT Communications Site 0924](#)  [PDF : 2,383KB]
- ▶ [NTT Communications Site 0925](#)  [PDF : 2,540KB]
- ▶ [NTT Communications Site 0926](#)  [PDF : 2,547KB]
- ▶ [NTT Communications Site 0927](#)  [PDF : 2,558KB]
- ▶ [NTT Communications Site 0928](#)  [PDF : 2,568KB]
- ▶ [NTT Communications Site 0929](#)  [PDF : 2,549KB]
- ▶ [NTT Communications Site 1326](#)  [PDF : 2,498KB]
- ▶ [NTT Communications Site 1327](#)  [PDF : 2,535KB]

#### Ibaraki Prefecture

- ▶ [NTT Communications Ibaraki A Building](#)  [PDF : 447KB]






#### Yokohama City

- ▶ [NTT Communications Yokohama A Building](#)  [PDF : 247KB]
- ▶ [NTT Communications Yokohama B Building](#)  [PDF : 238KB]
- ▶ [NTT Communications Yokohama C Building](#)  [PDF : 225KB]




#### Shizuoka Prefecture

- ▶ [NTT Communications Shizuoka A Building](#)  [PDF : 151KB]




#### Nagoya City

- ▶ [NTT Communications Nagoya A Building \(Plan Document\)](#)   [PDF : 1,159KB]
- ▶ [NTT Communications Nagoya A Building \(Report\)](#)  [PDF : 1,211KB]
- ▶ [NTT Communications Nagoya B Building \(Plan Document\)](#)   [PDF : 1,155KB]
- ▶ [NTT Communications Nagoya B Building \(Report\)](#)  [PDF : 1,213KB]

#### Kyoto Prefecture

- ▶ [NTT Communications Kyoto A Building \(Plan Document\)](#)  [PDF : 84KB]
- ▶ [NTT Communications Kyoto A Building \(Report\)](#)  [PDF : 193KB]
- ▶ [NTT Communications Kyoto A Building \(Breakdown\)](#)  [PDF : 149KB]

**■ Kyoto City**

- ▶ [NTT Communications Kyoto A Building \(Plan Document\)](#)  [PDF: 86KB]
  - ▶ [NTT Communications Kyoto A Building \(Report\)](#)  [PDF: 193KB]
  - ▶ [NTT Communications Kyoto A Building \(Breakdown\)](#)  [PDF: 149KB]
- 

**■ Miyazaki Prefecture**

- ▶ [NTT Communications Miyazaki A Building](#)  [PDF: 132KB]
- 

**■ Kagoshima Prefecture**

- ▶ [NTT Communications Kagoshima A Building](#)  [PDF: 157KB]

## Respecting Our Employees

The NTT Communications Group respects employee diversity and provides workplaces that champion self-fulfillment based on our Basic CSR Policy. We maintain high ethical standards in meeting our social responsibilities as a telecommunications professional that offers services around the world.



### ▣ [Human Resources Development and Evaluation](#)

We are dedicated to establishing a personnel system that maximizes the use of the individual strengths and abilities of each and every employee, as well as supporting competency development to enable self-fulfillment.

### ▣ [Maintaining and Improving Employee Health](#)

We strive to provide a safe and secure work environment where employees can work in a healthy manner.

### ▣ [Respecting Human Rights](#)

We strive to build a corporate culture based on high ethical standards and offer a non-discriminatory workplace where people respect diversity and individuality.

### ▣ [A Workplace for Everyone](#)

We offer a workplace with diverse human resources where employees can truly harness their skills by drawing on individual attributes, values, and ideas.

### ▣ [Relationships with Employees](#)

We aim to provide a workplace that promotes an atmosphere of openness and high employee motivation by encouraging communication between employees.

# Human Resources Development and Evaluation

## Human Resources Development and Evaluation

### Human Resources Development Policy

We launched our Human Resource Management (HRM) policy in April 2006 to draw on employee experience and encourage teamwork. This policy encourages continuous improvement, by defining ideal employees and desired skills, assessing individuals' skills to identify areas needing improvement, and creating an effective job assignment and training plan to close the skill gap. In fiscal 2009, we extended our training framework to seconded employees from other Group companies. Through this initiative, training guidelines at Group companies are gradually being set, and training was newly provided to 1,070 seconded employees at 32 Group companies. We plan to promote human resource development based on our HRM policy, and aim to reinforce business competitiveness brought on by accelerating company's globalization.

#### ■HRM Policy

<b>The ideal employee</b>	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.
<b>Recruiting policy</b>	Recruit diverse people who will strengthen the competitiveness of the NTT Communications Group by supporting its globalization and managing changes in its business structure.
<b>Assignments and training</b>	Ensure professional advancement through experience by instituting a program to cultivate professionals who are proactive from a company-wide standpoint and fully utilize their skills in their area of expertise while broadening knowledge, and transfer employees across sections so they can amass experience throughout the value chain.
<b>Goal-setting and personnel evaluation</b>	Use a simple framework to strengthen daily communication between managers and subordinates, set goals from the bottom up, and optimize teamwork.

### Global HRM Initiative

Diversity management is attracting attention as a means to utilize various concepts of values from a diverse workforce. NTT Communications and its entire Group believe that by engaging in HRM from a global perspective, it will lead to resolving management issues.

In fiscal 2009, we encouraged global HRM through the following measures and are continuing to implement them throughout our operations.

1. Promote the global use of human resources (by increasing opportunities for international exchanges and transfers between overseas subsidiaries.)
2. Offer individual opportunities for personal growth (by expanding our training programs.)
3. Aim for the integration and support of teamwork throughout the entire Group (by promoting a collective philosophy and vision.)



## Training Systems

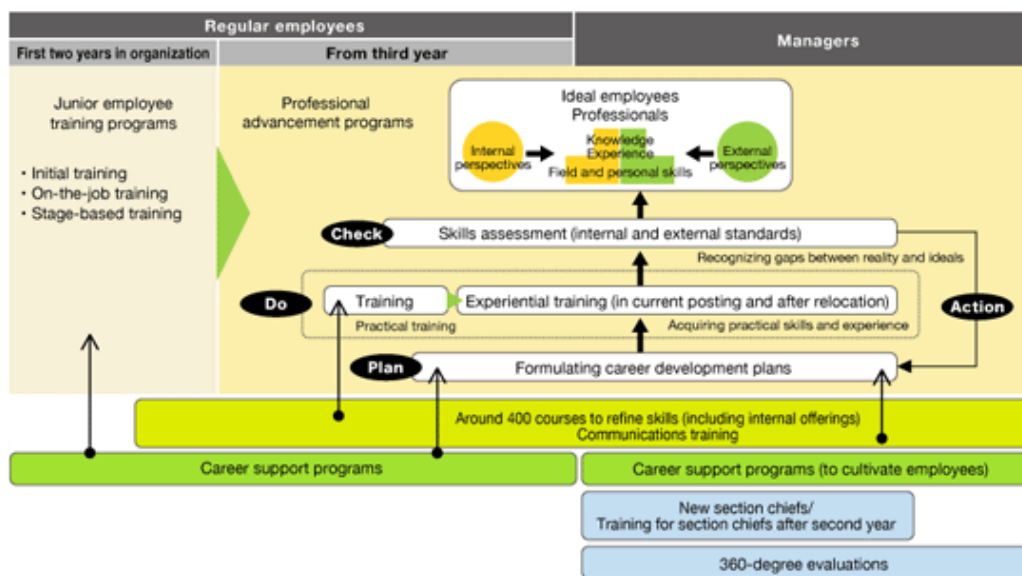
We improve employee skills and encourage career development through an array of training programs.

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 objective perspectives on individual operations. After the junior training period, employees move to the professional human resources development program, where they discuss their career development plans with supervisors and choose courses accordingly.

After an employee has been with us for three years, we encourage their development as a professional human resource and their growth through real onsite experience based on employee Career Development Plans. In fiscal 2009, we established the “Mid-Career Training” program for employees in their fifth year with the company who has reached the point where the promotion of hands-on mid-management experience is needed.

We develop practical and systematic training menus, partly based on employee survey results.

### Overview of Training Programs



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

### Number of Employees Trained

	January through December 2007	January through December 2008	January through December 2009
Employees undertaking group training	6,173	4,052	2,817
Employees trained at external facilities	3,194	2,827	2,762

\*Scope: NTT Communications (non-consolidated)

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### Top Management Involvement in Training Programs

We also hold training classes for second-year employees, new section chiefs, new managers, and second-year managers' opportunities to reflect upon what they have learned so far. We offer opportunities for our senior executives to participate in the trainings and discuss management issues directly with employees.

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

#### ■ Meetings for Dialog Between Senior Management and Employees

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Meetings for dialog	11	12	12
Number of participants	990	817	833

\*Scope: NTT Communications (non-consolidated)

#### ■ Internal Job Posting System

We established this system to provide employees challenging opportunities to maximize their potential in a wide range of fields. An internal job posting system has been introduced for jobs within the NTT Communications Group and NTT Group, and is widely used particularly by younger employees who are in the earlier stages of their career.

We will continue to use this system to help employees build their careers and energize the entire organization.

#### ■ Employee Transfers

	Fiscal 2007		Fiscal 2008		Fiscal 2009	
	Number of applications	Number of transfers	Number of applications	Number of transfers	Number of applications	Number of transfers
Within NTT Com s Group	140	71	40	19	9	3
To other NTT Gr oup companies	152	108	163	69	132	54

\*Scope: entire NTT Group

#### ■ Personnel Evaluation

To further motivate our employees, we introduced a performance evaluation and compensation system that values results. This system places importance on fairness and transparency, and does not tolerate discrimination of any kind, including, for example, gender-based discrimination.

Accurately assessing employees' performance against their goals is a crucial aspect of this system. Therefore, after voluntarily setting their own goals and assessing their results, employees participate in semiannual performance review meetings with their supervisors to ensure agreement on the results of their job performance evaluation.

In April 2010, we revised our training program to develop truly capable workers by establishing a set training period for younger employees, and to better evaluate the duration and enthusiasm of their challenges.

#### ■ Number of Total Employees and New Employees

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Number of employees	8,550	8,360	8,350
Male	7,650	7,455	7,410
Female	900	905	940

<b>New employees</b>	212	201	196
<b>Male</b>	148	146	144
<b>Female</b>	64	55	52

\*Scope: NTT Communications (non-consolidated), excluding seconded employees

## A Workplace for Everyone

### Fostering Diversity

#### Diversity Office

In April 2008, NTT Communications established the Diversity Office in order to promote a business management strategy that utilizes the diversity of human resources, and implemented activities that centered on securing diversity, promoting the hiring of people with disabilities, and supporting the successful development of women in the workplace. In future, we hope to further adhere to diversity and extend this culture throughout Group companies in Japan and overseas.

#### e-learning

Our first e-learning program for all employees was held in fiscal 2009 to share the importance of and further support our policy of fostering diversity. Roughly 96% of employees participated in the course, which aimed to promote understanding by informing employees about the status of NTT Communications and providing them with examples of common problems with miscommunication.



■ e-learning screen

#### Obtaining Kurumin Mark

In April 2005, we launched a three-year action plan for childcare assistance and have been working to promote various initiatives to help our employees balance their professional and private lives. We received Kurumin mark certification in 2008 in recognition of our endeavors. With the goal of receiving Kurumin mark certification again in 2011, we launched our second action plan for childcare assistance, covering April 2008 through March 2011. In fiscal 2009, we implemented a new Career Design Seminar for working mothers. Additionally, as part of our support activities for employees who balance their professional lives with their childcare commitments, we offer individual consultations to increase their understanding of the available support systems.



■ Kurumin Mark

#### Supporting working women

One role of the Diversity Office is to promote support for the successful development of women in the workplace. In particular, we carry out measures to support employees in balancing their professional lives with childcare and other demands by inviting visiting lecturers to hold childcare leave and work return support seminars, offering a variety of role models, and creating an internal cross-sectional communications network for female employees.



Continuing on from the previous year, in fiscal 2009 we held another NTT Group Women's Forum. Female assistant managers from Group companies gathered together for group discussions and speeches from visiting lecturers. Although the number of female employees and managers are increasing every year, their numbers still remain relatively small. We thus hope to promote a better work environment for female employees by providing them with familiar role models, and organizing many opportunities for direct dialogue.



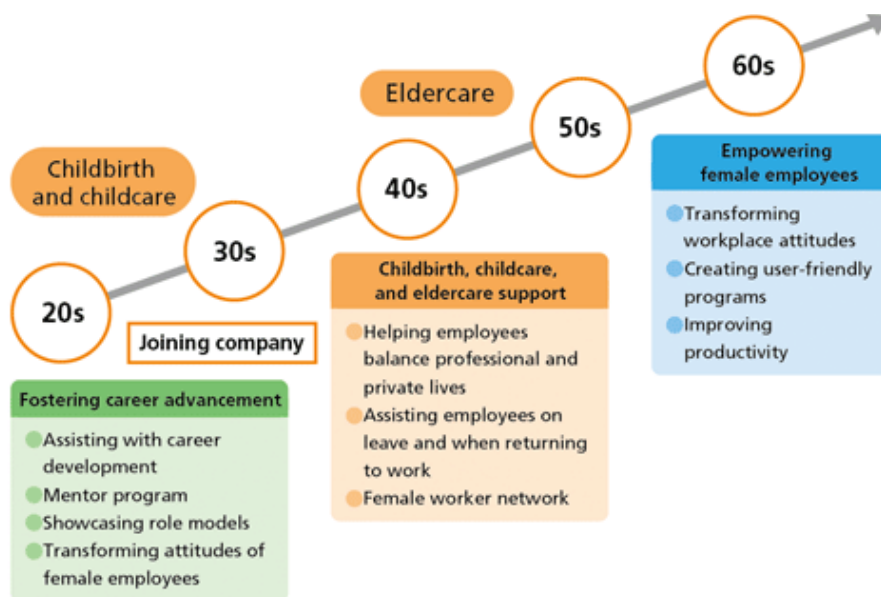
■ Seminar on childcare leave and work return support

■ Number of female managers (section manager or higher)

Fiscal 2007	Fiscal 2008	Fiscal 2009
61(2.7%)	67(2.9%)	74(3.1%)

\*Scope: NTT Communications (non-consolidated), including seconded employees

■ Strategic initiatives for female employees



Lecture given by our female director

After conducting a companywide survey, we discovered that many female employees feel uncertain about choosing a career path due to the range of choices and the small number of familiar role models. In fiscal 2009, a lecture was organized by NTT Communications' only female board member to provide support in establishing career goals for female employees. The lecture provided a meaningful opportunity to listen to tales of her successes and failures as well as advice, and was also attended by a number of male managers.



■ Lecture given by our female director

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■ Helping Employees Fulfill Professional and Private Commitments

To make sure that having a child or caring for children or elderly relatives does not interfere with career development, we established a system of vacations, leaves, and shortened workweeks to

help employees balance their professional and private commitments.

In fiscal 2009, we fostered in-house understanding of our system by utilizing NTT-Life+, a website that assists employees caring for their children and elderly relatives. The information on this website can be accessed from home by employees who are on childcare leave, thereby helping them prepare to return to work.

In March 2009, the NTT Group created and issued a Communication Handbook, which was distributed to all NTT Communications employees. This Handbook is designed to help foster understanding of the various work modes that may suit individual employees' career stages, by ensuring smooth communication among supervisors, the workplace, and employees.

Our goal is to address employees' concerns about career development and create a workplace environment that encourages employees to utilize the various support programs available within the company. To accomplish this, we plan to implement various measures, including holding one-on-one meetings with employees and providing them with opportunities to hold dialogues with employees who possess longer experience.

#### ■ Overview of Support Programs and User Numbers

Program	Overview	Number of users		
		Fiscal 2007	Fiscal 2008	Fiscal 2009
<b>Maternity leave</b>	From 6 weeks before and 8 weeks after childbirth	71	49	59
<b>Childcare leave</b>	Leave for up to 3 years after childbirth	111 (including 2 men)	109 (including 2 men)	140
<b>Special working system to assist childcare</b>	4, 5, or 6 hour workday to accommodate childcare until the end of the school year in which the child reaches the age of 8 (until end of the third year of elementary school)	98	120	149 (including 2 men)
<b>Eldercare leave</b>	To care for elderly family members, employees may take leave of up to 93 days as designated by law, plus an additional 15 months under company rules for care of the same person	6 (including 4 men)	3 (including 3 men)	2 (including 1 man)
<b>Reduced working hours for eldercare</b>	To care for elderly family members, employees may work reduced hours for up to 93 days as designated by law and work for only 4, 5, or 6 hour a day for up to 33 months under company rules for care of the same person	11 (including 3 men)	5	0

\*Scope: NTT Communications (non-consolidated)

#### ■ Promoting working from home

In August 2007, the e-work (working from home) system was introduced as a way of balancing work and home life. The system enables employees that need to take care of children or family members to be provided with Company "thin client" computers up to two days a week, and has been used by a total of approximately 180 employees since its implementation.

We hope to continue offering this service to enable employees to continue working with vigor and enthusiasm.



■ A look at e-work



## ■ Employment of People with Disabilities

To promote workplace diversity, we promote the hiring of physically and mentally challenged people.

In fiscal 2008, we increased our employment of people with disabilities to the statutory rate of 1.8% of our workforce. Our endeavors include following up with these employees after they join us and conducting trainings to help all our employees better understand our policies on people with disabilities.

We are taking action to continue promoting employment for people with disabilities and offering them follow-up services after they join the Company.

## ■ Retaining Employees Who Reach Retirement Age

We introduced the Career Staff System, which allows employees reaching the mandatory retirement age of 60 to continue working if they wish, until they reach 65.

### ■ Number of rehired employees

Fiscal 2007	Fiscal 2008	Fiscal 2009
25	36	56

\*Scope: NTT Communications (non-consolidated)

## Maintaining and Improving Employee Health

### Balancing Work and Home Lives

#### Work-Life Committee

We are taking active steps to build more satisfying workplaces and help our employees balance their professional and private lives.

The Work-Life Committee, comprising management and union representatives, continues to work toward decreasing annual total work time and obtaining comprehensive control of work hours. In fiscal 2009, we engaged in educational activities such as the regular delivery of e-newsletters to all employees and seminars to managers.

#### Occupational Safety and Mental Healthcare

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

We are training "mental health keepers" whose role is to tend to employee mental health on the job so that employees can work in a stress-free environment. We also offer various other services on a continual basis, including counseling for high-risk employees and employee consultation desks provided inside and outside the organization in addition to "stress-check corners".

In fiscal 2009, 609 employees were certified as mental health keepers, bringing the total number to 1040. Approximately 500 employees received counseling.

To create healthy and comfortable work environments, we plan to expand the scope of services we offer. By creating and distributing a handbook that summarizes the key issues in maintaining employee mental health and provides overviews of the various programs to managers, and by striving to enhance the Line Care tools used in this regard, we hope to build a management structure that is ready to swiftly deal with any crisis.

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

Fiscal 2007	Fiscal 2008	Fiscal 2009
6	18	17
(working 2 / commuting 4)	(working 17 / commuting 1)	(working 12 / commuting 5)

\*Scope: NTT Communications (non-consolidated)

#### Cafeteria Plan

We offer various benefits to all employees equally throughout their time in our organization to cater to varying lifestyles and needs.

Our cafeteria plan provides extensive menu options, and we also provide life design education and consultation.

In fiscal 2009, we offered 48 menu items as in fiscal 2008. Approximately 191 employees attended life design seminars, and approximately 260 employees received consultations. We will continue enhancing our programs and menus to make them employee-friendly.

## Supporting Volunteer Activities

We believe that being exposed to a variety of value systems inside and outside the workplace will help vitalize both our employees and our corporation. We therefore instituted a volunteer leave system that has been in place since the early days of the Company, and we encourage employees to utilize it for volunteer activities.

### ■ Number of Employees Using Our Volunteer Leave System

Fiscal 2007	Fiscal 2008	Fiscal 2009
51	74	65

\*Scope: NTT Communications (non-consolidated)

## Relationships with Employees

### Creating More Satisfying Workplaces

#### Applying Employee Feedback

We communicate closely with employees because we seek to build a pleasant and motivating corporate culture. Our goal is to swiftly reflect ideas from employees in management and business processes 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. These proposals and their solutions are shared on the Kaizen Portal. In fiscal 2008, we instituted the Kaizen awards system to attract more proposals and to recognize those who submit outstanding proposals and those who implement them. We received around 490 proposals through the end of May 2010. We will continue endeavoring to build an employee-responsive environment that allows employees to voice their concerns and permits a wide variety of ideas to be reflected in process improvements in a timely manner. As a means to support and improve employee motivation, we also conduct surveys to gain an understanding of the actual conditions surrounding the degree of implementation of the daily habits of employees, as well as their attitudes toward work and the workplace. We use the survey results to establish a range of measures to help support and improve employee motivation.

#### Employees who shine in their private lives

In fiscal 2009, we launched the “Shining Sha-in (Experts in their Private Lives)” project. We wanted to use this to create more opportunities for communication and get to know each other better by introducing the enthusiastic pursuits of employees outside of work, such as their hobbies, talents or special interests. As a result, we received roughly 400 entries including those from overseas subsidiaries and Group Companies. The project has been published in a booklet, on the intranet, and contributes to building an open corporate culture.



■ Intranet (in English)



■ Booklet

## Respecting Human Rights

### Respecting Ethics and Human Rights

#### Promoting Human Rights Education

As a global corporation, NTT Communications Group considers one of its missions to be creating a corporate culture that respects human rights, and works to solve human rights-related problems, including discrimination of any kind. To ensure that our corporate culture does not engage in, cause, or tolerate discrimination, one of our basic policies is to solve human rights issues through our daily business activities.

The Human Rights Awareness Committee, which was established to help promote human rights education, performs a range of activities including reporting on educational activities and discussing promotional measures. As of fiscal 2009, we have been strengthening our group ties by having employees who are responsible for promoting human rights in Group Companies also acting as members of the Committee.

#### Maintaining a Business Structure that Respects Human Rights

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

#### Human Rights Education

All regular and temporary employees of the NTT Communications Group must attend classes on human rights in the workplace at least once annually. Participants gain basic knowledge about discrimination and how to prevent it. Directors and executives attend an annual class on discrimination and other human rights issues. Such classes heighten their awareness of discrimination and foster a corporate culture that does not engage in, cause, or tolerate discrimination.

In the area of sexual and power harassment, we have invited an external expert to give an annual class on harassment each year since fiscal 2000. We distribute a monthly e-newsletter to all regular and temporary employees that highlights examples of workplace harassment in an effort to raise awareness about the issue.

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

#### Participants in Human Rights Programs

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Classes on harassment	237	182	182
Classes on human rights in the workplace	17,910	19,774	18,302
Human rights issues classes for senior managers	45	46	46

\*Scope: 12 domestic companies of the NTT Communications Group

## Soliciting Human Rights as well as Regulatory Compliance and Ethics Slogans

We solicit human rights as well as regulatory compliance and ethics slogans every year to increase understanding of human rights issues.

A total of 20,952 entries, more than the previous year, were submitted in fiscal 2009. Prizes were awarded to 28 entries in the individual category and seven entries in the group category. The top prize-winning slogan was: "Look at their faces / Listen with your heart / The voice of your employees".

We hope to increase understanding of human rights by publishing the best slogans on calendars and memo pads, then making them available in every workplace so that employees have something close at hand to remind them of human rights.



■ Human rights and regulatory compliance and ethics memo pad



■ Human rights and regulatory compliance and ethics calendar

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## Experiential Learning

We conduct an annual experiential learning 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 2009, we held this program on February 15, 19, and 22.

Many participants spoke about how meaningful the experiential learning experience was: "It was a most worthwhile experience. I discovered many new things I never would have in my everyday life". "It made me realize how important sight really is. I learned more from experiential learning than I would have in a class". "People who don't have a disability might think they understand, but to truly understand you really have to experience it".



■ Wearing eyeshades



■ Riding in a wheelchair

### Participants in Our Experiential Learning Program

	Fiscal 2007	Fiscal 2008	Fiscal 2009
<b>Eyeshades</b>	44	44	40
<b>Moving around in wheelchairs and simulating the experiences of old age</b>	45	42	39

\*Scope: NTT Communications (non-consolidated)

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## About this report

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We have included the NTT Communications Group's approach toward compiling and publishing the report, and supplemental data and information for the present fiscal year.

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▣ [Editorial Policy](#)

We have included our policy and approach toward creating the booklet and online edition, our methodology for choosing key information to report, and a profile of the report.

▣ [GRI Guidelines Contrast Table](#)

We have included an index and a table comparing the guidelines we followed with those from G3 (Third Generation) GRI of the Global Reporting Initiative's Sustainability Reporting Guidelines.

▣ [Third-Party Opinion / Response](#)

We have included the opinion of Sachiko Kishimoto, Executive Director of the Center for Public Resources Development, as well as our thoughts and responses to Ms. Kishimoto's comments.

▣ [Environmental Reporting Guidelines Contrast Table](#)

We have included an index and a table comparing the guidelines we followed with those from the Ministry of the Environment's Environmental Reporting Guidelines (Fiscal Year 2007 Version).



## Editorial Policy

As an information and communications technology (ICT) solutions partner, the NTT Communications Group conducts CSR activities with the aim of contributing to community prosperity and sustainability worldwide by creating new value and resolving problems through provision of telecommunications services. We have issued this report to clearly convey our CSR approach to our stakeholders.

For our 2010 report, our aim has been to provide our readers with information in a more effective and faithful manner by taking extra care in the selection of content and effectively using the individual characteristics of the online and booklet versions.

We are also dedicated to improving accuracy and thus use "we" when reporting on the entire NTT Communications Group, and use company names when reporting on NTT Communications or Group Companies.

### Booklet Version

In order for the report to be easily read and understood by the general public, we have endeavored to organize the content by focusing on our basic approach towards CSR and the three key CSR topics of society, the environment, and human resources. The booklet also provides a list of CSR indices for an overall picture of the Group's CSR activities, which leads readers who need further information to the online version.

### Online Version

In addition to information contained in the booklet, the online version also contains information on specific initiatives relating to financial, environmental and social performance, which are areas important to our stakeholders. An emphasis has been placed on full coverage, providing verification of the CSR activities implemented.

### 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.

We augmented the themes of the 2009 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 committee draft of the ISO26000 Social Responsibility guidelines to ensure completeness.

We tested the importance of the above areas in terms of the six assessment items below, presenting particularly important information in the printed report as special features 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

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## Report Profile

### Reference Guidelines



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

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

### Third-Party Opinion

Each year we have an independent expert provide an opinion to help us improve our CSR activities. Sachiko Kishimoto, Executive Director of the Center for Public Resources Development (NPO), kindly provided her opinion for the 2010 edition of the report.

#### <Report Scope>

This publication presents the CSR activities of NTT Communications and Group companies 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>

Fiscal 2009: April 1, 2009 to March 31, 2010  
(some content may fall outside this timeframe)

#### <Issue Dates>

This report: November 2010  
Previous edition: November 2009  
Next report: November 2011

## Third-Party Opinion / Response

### Third-Party Opinion

#### Sachiko Kishimoto

Executive Director of the Center for Public Resources Development

Ms. Kishimoto graduated from the Department of Liberal Arts in the College of Arts and Sciences at The University of Tokyo. She worked at the research institute of a private corporation before taking up her present post in 2000. Her focus is socially responsible investment, corporate social responsibility, and the theory of non-profit organizations. Ms. Kishimoto is also an adjunct lecturer at the Rikkyo University Graduate School and Yokohama National University Graduate School.



This is the first time I have provided a third-party opinion for your report and I have thoroughly gone over the information disclosed both in your CSR Report 2010 and on your website. The level of awareness of issues at NTT Communications is conveyed clearly in your CSR report through Top Commitment and the special features on the themes of "Bridge," "Continue to Bridge" and "Support." A huge volume of data is disclosed on your website including initiatives in the areas of biodiversity, telecommuting, and global human resource development, which are seldom touched upon. It is clear that your Company is engaging in sincere CSR initiatives, which leaves a favorable impression.

Your Top Commitment points out that in order to promote energy efficiency by proactively utilizing ICT (Green by ICT), the Company must implement energy efficient ICT itself (Green of ICT). The Company's mission is to form a partnership with customers to bridge their present and future potential. The strategy is clear enough: to contribute to the creation of a low-carbon society through "eco" initiatives in these two areas of Green ICT within the core business of the information and telecommunications industry, and this deserves a positive assessment. Reducing environmental impact by moving toward cloud computing for the Company's internal ICT infrastructure is a focus point of this year's report under the motto of "Bridge." In future, I think introducing case studies with quantitative figures for results from customers would make initiatives in both of these "eco" areas easier to understand.

Under the theme of "Continue to Bridge", it was mentioned that the Company is becoming more global while providing the same Managed Quality Operations as in Japan. As a "behind-the-scene players who continue to bridge" with local partners, this report introduces the Company's efforts to develop trusting relationships with local partners and establish teams, while at the same time moving toward conducting quality improvement consultations with local partners. However, such activities can only be carried out through the efforts of your employees. Thus, I would also like to see disclosure of information related to improvements in the working environment such as reductions in the number of hours worked each year and the thorough management of office hours.

Within the area of "Support" it was noted that the Company provides support for the development of global businesses and is working on initiatives in the area of human resource management (HRM) from perspectives that transcend national borders. This section also introduces a number of employees from various countries and presents a discussion related to diversity between employees, including foreign employees, and external experts. A selection of initiatives in the environmental field was chosen based on internal discussions, and the results and topics are presented online. For HRM also, I hope a similar method will be trialed and concrete topics chosen based on internal discussions and the status of the initiatives disclosed.

Your Basic CSR Policy states that the Group aims to create new value and resolve problems worldwide through information and communications services. However, I feel there could be more information provided on your website under the section "Resolving Social Problems with ICT." You point out that CAVA, your home call center system, provides diverse employment opportunities,

however with the Company's technologies and awareness of issues it should be possible to undertake an even broader range of initiatives or perhaps you are already engaged in other activities of this kind. I would like to see more initiatives and the establishment of new business models in fields such as the construction of medical infrastructure in regional areas using ICT, which is at the moment considered a demonstrative business.

The Company's ideas are also explained well in the CSR report and online information. With regard to the items chosen as CSR indices, in future I hope that you will set annual targets for indices other than those in the environmental field and establish a Plan-Do-Check-Act (PDCA) cycle for these by providing self-evaluations for the levels achieved toward these targets.

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## Response

The NTT Communications Group facilitates accelerated global business expansion by providing Japanese quality as an ICT solutions partner, and at the same time proactively engages in activities such as improving organizational and employee CSR awareness. In our report for the current fiscal year, we outline what we have achieved worldwide as the "Bridge," "Continue to Bridge" and "Support" initiatives that we carried out for these activities. We hope to use this assessment of our activities and approach as an incentive for further action in the future.

In regards to insufficient information disclosure and activities from the perspective of customers that have not progressed and the lack of detail regarding solutions to social problems, as pointed out by Ms. Kishimito, we hope to take further action such as by creating initiatives to resolve problems. We will also work on more complete information disclosure by setting indices and improving the accessibility of data on results.

In future, we aim to continue to be a global company that contributes to the realization of a safe and prosperous community through ICT, and for the Group as a whole to engage in CSR activities to engender the trust of all of our stakeholders.

### **Shinobu Umino**

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



## CSR Report 2010

## GRI Guidelines Contrast Table

G3 Disclosure	Description	Reported Information
<b>1 Strategy and Analysis</b>		
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	· <a href="#">Top Commitment</a>
1.2	Description of key impacts, risks, and opportunities.	· <a href="#">Top Commitment</a> · <a href="#">Our Approach to CSR</a>
<b>2 Organizational Profile</b>		
2.1	Name of the organization.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.2	Primary brands, products, and/or services.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.4	Location of organization's headquarters.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.6	Nature of ownership and legal form.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.8	Scale of the reporting organization, including: · Number of employees; · Net sales (for private sector organizations) or net revenues (for public sector organizations); · Total capitalization broken down in terms of debt and equity (for private sector organizations); and · Quantity of products or services provided.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: · The location of, or changes in operations, including facility openings, closings, and expansions; and · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Not applicable
2.10	Awards received in the reporting period.	<a href="#">Assessment by External Organizations</a>
<b>3 Report Parameters</b>		
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	· <a href="#">Report Profile</a>
3.2	Date of most recent previous report (if any).	· <a href="#">Report Profile</a>
3.3	Reporting cycle (annual, biennial, etc.)	· <a href="#">Report Profile</a>
3.4	Contact point for questions regarding the report or its contents.	· Back Cover
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: · Determining materiality; · Prioritizing topics within the report; and · Identifying stakeholders the organization expects to use the report.	· <a href="#">Editorial Policy</a>

3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	<a href="#">Report Profile</a>
3.7	State any specific limitations on the scope or boundary of the report.	<a href="#">Report Profile</a>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	<a href="#">Report Profile</a>
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	<a href="#">Report Profile</a>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	<a href="#">Report Profile</a>
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	<a href="#">Report Profile</a>
<b>GRI content index</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	This table
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	<a href="#">Third-Party Opinion</a>
<b>4 Governance, Commitments, and Engagement</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<a href="#">Corporate Governance</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	<a href="#">Corporate Governance</a>
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	<a href="#">Corporate Governance</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<a href="#">Corporate Governance</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	<a href="#">Corporate Governance</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	<a href="#">Corporate Governance</a>
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	<a href="#">Corporate Governance</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<a href="#">Our Approach to CSR</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<a href="#">Corporate Governance</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	<a href="#">Corporate Governance</a>
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<a href="#">Business Risk Management</a>

4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<ul style="list-style-type: none"> <li>· <a href="#">Special Feature on Biodiversity on the "eco-goo" Portal</a></li> <li>· <a href="#">Acquisition of the eco-ICT Mark</a></li> </ul>
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>· Has positions in governance bodies;</li> <li>· Participates in projects or committees;</li> <li>· Provides substantive funding beyond routine membership dues; or</li> <li>· Views membership as strategic.</li> </ul>	<ul style="list-style-type: none"> <li>· <a href="#">Corporate Information</a></li> <li>· <a href="#">Business Overview</a></li> </ul>
<b>Stakeholder Engagement</b>			
4.14		List of stakeholder groups engaged by the organization.	· <a href="#">Our Approach to CSR</a>
4.15		Basis for identification and selection of stakeholders with whom to engage.	· <a href="#">Our Approach to CSR</a>
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<ul style="list-style-type: none"> <li>· <a href="#">Dialogue</a></li> <li>· <a href="#">Faithfully Serving Our Customers</a></li> <li>· <a href="#">Our Relationship with Society</a></li> <li>· <a href="#">Our Relationship with Government</a></li> <li>· <a href="#">Our Relationship with Suppliers</a></li> <li>· <a href="#">A Workplace for Everyone</a></li> <li>· <a href="#">Respecting Human Rights</a></li> </ul>
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<ul style="list-style-type: none"> <li>· <a href="#">Improving Customer Satisfaction</a></li> <li>· <a href="#">Relationships with Employees</a></li> </ul>
<b>5 Management Approach and Performance Indicators</b>			
<b>Economic</b>			
		Disclosure on Management Approach	· <a href="#">Top Commitment</a>
<b>aspect: Economic Performance</b>			
EC1	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<ul style="list-style-type: none"> <li>· <a href="#">Financial Information</a></li> <li>· <a href="#">CSR Index 2010</a></li> </ul>
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	-
EC3	CORE	Coverage of the organization's defined benefit plan obligations.	-
EC4	CORE	Significant financial assistance received from government.	-
<b>aspect: Market Presence</b>			
EC5	ADD	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	-
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	· <a href="#">Our Relationship with Suppliers</a>
EC7	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	-
<b>aspect: Indirect Economic Impacts</b>			
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<ul style="list-style-type: none"> <li>· <a href="#">Special Feature: Continue to Bridge</a></li> <li>· <a href="#">Maintaining Stable and Reliable Telecommunications Services</a></li> <li>· <a href="#">Information Security in Telecommunication Services</a></li> <li>· <a href="#">Our Relationship with Society</a></li> </ul>



EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	· <a href="#">Top Commitment</a> · <a href="#">Business Risk Management</a>
<b>Environmental</b>			
		Disclosure on Management Approach	· <a href="#">Basic Philosophy and Environmental Management</a>
<b>aspect: Materials</b>			
EN1	CORE	Materials used by weight or volume.	· <a href="#">Environmental Impact of Business Activities</a>
EN2	CORE	Percentage of materials used that are recycled input materials.	· <a href="#">Environmental Impact of Business Activities</a>
<b>aspect: Energy</b>			
EN3	CORE	Direct energy consumption by primary energy source.	· <a href="#">Global Warming Prevention</a>
EN4	CORE	Indirect energy consumption by primary source.	· <a href="#">Global Warming Prevention</a>
EN5	ADD	Energy saved due to conservation and efficiency improvements.	· <a href="#">Global Warming Prevention</a>
EN6	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	· <a href="#">Global Warming Prevention</a>
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	· <a href="#">Global Warming Prevention</a>
<b>aspect: Water</b>			
EN8	CORE	Total water withdrawal by source.	· <a href="#">Environmental Impact of Business Activities</a>
EN9	ADD	Water sources significantly affected by withdrawal of water.	-
EN10	ADD	Percentage and total volume of water recycled and reused.	-
<b>aspect: Biodiversity</b>			
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	· <a href="#">Biodiversity Conservation</a>
EN12	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-
EN13	ADD	Habitats protected or restored.	-
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	· <a href="#">Basic Philosophy and Environmental Management</a> · <a href="#">Biodiversity Conservation</a>
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-
<b>aspect: Emissions, Effluents, and Waste</b>			
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	· <a href="#">Environmental Impact of Business Activities</a>
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	· <a href="#">Environmental Impact of Business Activities</a>
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	· <a href="#">Special Feature: Bridge</a> · <a href="#">Global Warming Prevention</a>
EN19	CORE	Emissions of ozone-depleting substances by weight.	· <a href="#">Prevention of Environmental Pollution</a>
EN20	CORE	NOx, SOx, and other significant air emissions by type and weight.	· <a href="#">Prevention of Environmental Pollution</a>
EN21	CORE	Total water discharge by quality and destination.	-
EN22	CORE	Total weight of waste by type and disposal method.	· <a href="#">Reduction of Waste</a>

EN23	CORE	Total number and volume of significant spills.	-
EN24	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	-
EN25	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	· <a href="#">Biodiversity Conservation</a>
<b>aspect: Products and Services</b>			
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	· <a href="#">Reducing Environmental Impact Through Our Services</a>
EN27	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.	-
<b>aspect: Compliance</b>			
EN28	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	· <a href="#">Prevention of Environmental Pollution</a>
<b>aspect: Transport</b>			
EN29	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	· <a href="#">Special Feature: Bridge</a> · <a href="#">Global Warming Prevention</a>
<b>aspect: Overall</b>			
EN30	ADD	Total environmental protection expenditures and investments by type.	· <a href="#">Environmental Accounting</a>
<b>Labor Practices and Decent Work</b>			
		Disclosure on Management Approach	· <a href="#">Human Resources Development and Evaluation</a> · <a href="#">A Workplace for Everyone</a> · <a href="#">Maintaining and Improving Employee Health</a> · <a href="#">Relationships with Employees</a> · <a href="#">Respecting Human Rights</a>
<b>aspect: Employment</b>			
LA1	CORE	Total workforce by employment type, employment contract, and region.	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a> · <a href="#">Special Feature: Support</a>
LA2	CORE	Total number and rate of employee turnover by age group, gender, and region.	-
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	· <a href="#">Maintaining and Improving Employee Health</a>
<b>aspect: Labor/Management Relations</b>			
LA4	CORE	Percentage of employees covered by collective bargaining agreements.	-
LA5	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	-
<b>aspect: Occupational Health and Safety</b>			
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	-
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	· <a href="#">Maintaining and Improving Employee Health</a>
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	· <a href="#">Maintaining and Improving Employee Health</a>

LA9	ADD	Health and safety topics covered in formal agreements with trade unions.	-
<b>aspect: Training and Education</b>			
LA10	CORE	Average hours of training per year per employee by employee category.	· <a href="#">Human Resources Development and Evaluation</a>
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	· <a href="#">Human Resources Development and Evaluation</a>
LA12	ADD	Percentage of employees receiving regular performance and career development reviews.	· <a href="#">Human Resources Development and Evaluation</a>
<b>aspect: Diversity and Equal Opportunity</b>			
LA13	CORE	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	· <a href="#">Special Feature: Support A Workplace for Everyone</a>
LA14	CORE	Ratio of basic salary of men to women by employee category.	· <a href="#">Personnel Evaluation</a>
<b>Human Rights</b>			
		Disclosure on Management Approach	· <a href="#">Respecting Human Rights</a>
<b>aspect: Investment and Procurement Practices</b>			
HR1	CORE	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	-
HR2	CORE	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	-
HR3	ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	· <a href="#">Respecting Human Rights</a>
<b>aspect: Non-Discrimination</b>			
HR4	CORE	Total number of incidents of discrimination and actions taken.	-
<b>aspect: Freedom of Association and Collective Bargaining</b>			
HR5	CORE	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	-
<b>aspect: Child Labor</b>			
HR6	CORE	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not applicable
<b>aspect: Forced and Compulsory Labor</b>			
HR7	CORE	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not applicable
<b>aspect: Security Practices</b>			
HR8	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	· <a href="#">Respecting Human Rights</a>
<b>aspect: Indigenous Rights</b>			
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	-
<b>Society</b>			
		Disclosure on Management Approach	· <a href="#">Compliance</a> · <a href="#">Our Relationship with Society</a>

aspect: Community			
SO1	CORE	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	-
aspect: Corruption			
SO2	CORE	Percentage and total number of business units analyzed for risks related to corruption.	-
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	· <a href="#">CSR Index 2010</a>
SO4	CORE	Actions taken in response to incidents of corruption.	Not applicable
aspect: Public Policy			
SO5	CORE	Public policy positions and participation in public policy development and lobbying.	· <a href="#">Information Security in Telecommunication Services</a>
SO6	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	-
aspect: Anti-Competitive Behavior			
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	-
aspect: Compliance			
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable
Product Responsibility			
		Disclosure on Management Approach	· <a href="#">Policies to Protect Customers' Information and Privacy</a> · <a href="#">Faithfully Serving Our Customers</a>
aspect: Customer Health and Safety			
PR1	CORE	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	· <a href="#">Faithfully Serving Our Customers</a> · <a href="#">Information Security in Telecommunication Services</a>
PR2	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	-
aspect: Product and Service Labeling			
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	-
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	· <a href="#">Improving Customer Satisfaction</a>
aspect: Marketing Communications			
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	· <a href="#">Responsible Public Relations and Advertising</a>
PR7	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	-

aspect: Customer Privacy			
PR8	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-
aspect: Compliance			
PR9	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not applicable

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**Standard Disclosures under Global Reporting Initiative Telecommunications Sector Supplement for NTT Communications Group Corporate Social Responsibility Report 2010**

Indicator		Reported information
Internal Operations		
Investment		
IO 1.	Capital investment in telecommunication network infrastructure broken down by country/region.	-
IO 2.	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.	-
Health and Safety		
IO 3.	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	<a href="#">·Maintaining and Improving Employee Health</a>
IO 4.	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	-
IO 5.	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	-
IO 6.	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	-
Infrastructure		
IO 7.	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	<a href="#">·Biodiversity Conservation</a>
IO 8.	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	-
Providing Access		
Access to Telecommunication Products and Services: Bridging the Digital Divide		
PA 1.	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	-
PA 2.	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	<a href="#">·Information Security in Telecommunication Services</a> <a href="#">·Using ICT to Solve Social Issues</a> <a href="#">·Faithfully Serving Our Customers</a>
PA 3.	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	<a href="#">·Special Feature: Continue to Bridge</a> <a href="#">·Maintaining Stable and Reliable Telecommunications Services</a> <a href="#">·Information Security in Telecommunication Services</a>

PA 4.	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	-
PA 5.	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	-
PA 6.	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	<ul style="list-style-type: none"> <li>·<a href="#">Special Feature: Continue to Bridge</a></li> <li>·<a href="#">Maintaining Stable and Reliable Telecommunications Services</a></li> </ul>
<b>Access to Content</b>		
PA 7.	<p>Policies and practices to manage human rights issues relating to access and use of telecommunications products and services. For example:</p> <ul style="list-style-type: none"> <li>·Participation in industry initiatives or individual initiatives related to Freedom of Expression</li> <li>·Legislation in different markets on registration, censorship, limiting access.</li> <li>·Interaction with governments on security issues for surveillance purposes.</li> <li>·Interaction with national and local authorities and own initiatives to restrict criminal or potentially unethical content.</li> <li>·Protecting vulnerable groups such as children.</li> </ul> <p>Explain how such policies and practices are adapted and applied in different countries.</p>	<ul style="list-style-type: none"> <li>·<a href="#">Information Security in Telecommunication Services</a></li> <li>·<a href="#">Using ICT to Solve Social Issues</a></li> <li>·<a href="#">Faithfully Serving Our Customers</a></li> <li>·<a href="#">Our Relationship with Society</a></li> </ul>
<b>Customer Relations</b>		
PA 8.	Policies and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.	-
PA 9.	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	-
PA 10.	Initiatives to ensure clarity of charges and tariffs.	-
PA 11.	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	· <a href="#">Faithfully Serving Our Customers</a>
<b>Technology Applications</b>		
<b>Resource Efficiency</b>		
TA 1.	Provide examples of the resource efficiency of telecommunication products and services delivered.	· <a href="#">Reducing Environmental Impact Through Our Services</a>
TA 2.	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing).	· <a href="#">Reducing Environmental Impact Through Our Services</a>
TA 3.	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	· <a href="#">Reducing Environmental Impact Through Our Services</a>
TA 4.	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	<ul style="list-style-type: none"> <li>·<a href="#">Information Security in Telecommunication Services</a></li> <li>·<a href="#">Using ICT to Solve Social Issues</a></li> <li>·<a href="#">Faithfully Serving Our Customers</a></li> </ul>
TA 5.	Description of practices relating to intellectual property rights and open source technologies.	-

## CSR Report 2010

# Environmental Reporting Guidelines Contrast Table

Items		Reported Information
<b>1)Basic Information (BI)</b>		
BI-1	CEO's statement	· <a href="#">Top Commitment</a>
BI-2	Fundamental requirements of reporting	
BI-2-1	Organizations, periods and areas covered by the reporting	· <a href="#">Report Profile</a> · <a href="#">Editorial Policy</a> ·Back Cover
BI-2-2	Boundary of the reporting organization and coverage of environmental impacts	· <a href="#">Editorial Policy</a>
BI-3	Summary of the organization's business (including management indices)	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a>
BI-4	Outline of environmental reporting	
BI-4-1	List of major indicators	· <a href="#">Corporate Information</a> · <a href="#">Business Overview</a> · <a href="#">Prevention of Environmental Pollution</a> · <a href="#">Environmental Impact of Business Activities</a> · <a href="#">Global Warming Prevention</a> · <a href="#">Reduction of Waste</a> · <a href="#">CSR Index 2010</a>
BI-4-2	Summary of objectives, plans and results regarding environmental initiatives	· <a href="#">Fiscal 2009 Results and Medium- and Long-Term Goals</a>
BI-5	Material balance of organizational activities (inputs, internal recycling, and outputs)	· <a href="#">Environmental Impact of Business Activities</a>
<b>2)Information and Indicators that Describe the Status of Environmental Management (MPI = Management Performance Indicators)</b>		
MP-1	Status of environmental management	
MP-1-1	Environmental policy in organizational activities	· <a href="#">Basic Philosophy and Environmental Management</a>
MP-1-2	Status of environmental management systems	· <a href="#">Basic Philosophy and Environmental Management</a>
MP-2	Status of compliance with environmental regulations	· <a href="#">Prevention of Environmental Pollution</a>
MP-3	Environmental accounting information	· <a href="#">Environmental Accounting</a>
MP-4	Status of environmentally conscious investment or financing	· <a href="#">Fiscal 2009 Results and Medium- and Long-Term Goals</a>
MP-5	Status of supply chain management for environmental conservation	· <a href="#">Our Relationship with Suppliers</a>
MP-6	Status of green purchasing or procurement	· <a href="#">Our Relationship with Suppliers</a>
MP-7	Status of research and development of new environmental technologies and DfE	· <a href="#">Global Warming Prevention</a>
MP-8	Status of environmentally friendly transportation	· <a href="#">Global Warming Prevention</a> · <a href="#">Environmental Impact of Business Activities</a>
MP-9	Status of biodiversity conservation and sustainable use of biological resources	· <a href="#">Biodiversity Conservation</a>
MP-10	Status of environmental communication	· <a href="#">Basic Philosophy and Environmental Management</a>
MP-11	Status of social contribution related to the environment	· <a href="#">Basic Philosophy and Environmental Management</a>



MP-12	Status of products and services that contribute to the reduction of negative environmental impacts	<a href="#">·Reducing Environmental Impact Through Our Services</a>
<b>3)Information and Indicators that Describe the Status of Activities for Environmental Impacts and Reduction Measures (OPI = Operational Performance Indicators)</b>		
Inputs		
OP-1	Total amount of energy input and reduction measures	<a href="#">·Fiscal 2009 Results and Medium- and Long-Term Goals</a> <a href="#">·Environmental Impact of Business Activities</a> <a href="#">·Global Warming Prevention</a>
OP-2	Total amount of material input and reduction measures	<a href="#">·Fiscal 2009 Results and Medium- and Long-Term Goals</a> <a href="#">·Environmental Impact of Business Activities</a>
OP-3	Amount of water input and reduction measures	<a href="#">·Environmental Impact of Business Activities</a>
Internal recycling		
OP-4	Amount of materials recycled within an organization's operational area	<a href="#">·Fiscal 2009 Results and Medium- and Long-Term Goals</a> <a href="#">·Environmental Impact of Business Activities</a>
Outputs		
(Products)		
OP-5	Total amount of manufactured products or sales	-
(Discharge and emissions)		
OP-6	Amount of greenhouse gas emissions and reduction measures	<a href="#">·Fiscal 2009 Results and Medium- and Long-Term Goals</a> <a href="#">·Environmental Impact of Business Activities</a> <a href="#">·Global Warming Prevention</a>
OP-7	Air pollution, its environmental impacts on the living environment, and reduction measures	<a href="#">·Prevention of Environmental Pollution</a>
OP-8	Amount of release and transfer of chemical substances, and reduction measures	<a href="#">·Prevention of Environmental Pollution</a>
OP-9	Total amount of waste generation and final disposal and reduction measures	<a href="#">·Waste Reduction and Recycling Initiatives</a> <a href="#">·Environmental Impact of Business Activities</a>
OP-10	Total amount of water discharge and reduction measures	<a href="#">·CSR Index 2010</a>
<b>4)Information and Indicators that Describe the Status of the Relationship between Environmental Considerations and Management (EEI = Eco-efficiency indicator)</b>		
EEI	Information and indicators for occupational health and safety	<a href="#">·CSR Index 2010</a>
<b>5)Information and Indicators that Describe the Status of Social Initiatives (Chapter 4) (SPI = Social Performance Indicators)</b>		
SPI	Status of Social Initiatives	
-1	Information and indicators for occupational health and safety	<a href="#">·Maintaining and Improving Employee Health</a>
-2	Information and indicators for employment	<a href="#">·Human Resources Development and Evaluation</a> <a href="#">·A Workplace for Everyone</a>
-3	Information and indicators for human rights	<a href="#">·Respecting Human Rights</a>

- 4	Information and indicators for contributions to local communities and society	· <a href="#">Our Relationship with Society</a>
- 5	Information and indicators for corporate governance, corporate ethics, compliance and fair trade	· <a href="#">Corporate Governance</a> · <a href="#">Compliance</a>
- 6	Information and indicators for personal information protection	· <a href="#">Information Security</a>
- 7	Information and indicators for the broad range of consumer protection and product safety	· <a href="#">Information Security in Telecommunication Services</a>
- 8	Economic information and indicators for an organization's social aspects	· <a href="#">CSR Index 2010</a>
- 9	Information and indicators for other social matters	· <a href="#">Maintaining Stable and Reliable Telecommunications Services</a> · <a href="#">Using ICT to Solve Social Issues</a> · <a href="#">Faithfully Serving Our Customers</a> · <a href="#">Our Relationship with Government</a> · <a href="#">Our Relationship with Suppliers</a>