

NTT Communications Group

# CSR Report 2012



Global ICT Partner  
Innovative. Reliable. Seamless.

# Bridging the World to Expand

# NTT Communications Group CSR Report 2012

CONTENTS/HOW TO USE OF THIS REPORT



## Contents



Akira Arima  
President and CEO

About the Cover  
An elementary school in Indonesia

## How to Use of this Report

Navigation and category tabs have been provided for each page making it easier to move between pages throughout this report.

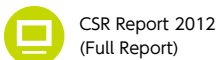


### Category tabs



Click to go to the first page of each category

### Link tabs



### Navigation tabs



Return to the Contents page

Return to the previous page

Page number

Move to the next page



With the exception of the relevant page number, the navigation banner will not appear when printing each page.



OUR BUSINESS AND SOCIETY

## Our Business Deeply Rooted in Society

### Global ICT Partner

Innovative. Reliable. Seamless.

The NTT Communications Group's Growth Strategy: Vision 2015 shines a light on its unwavering commitment to provide innovative, highly reliable, and seamless ICT services to customers in Japan and overseas.

#### Innovative

Our innovative ICT services, including cloud computing, enable customers to succeed in this increasingly complex world. We anticipate both market trends and needs to develop innovative services ahead of the curve, giving our customers an important advantage.

#### Reliable

As a reliable global ICT partner, we provide high-quality services that earn the customer's trust. Reliability is emphasized in everything we offer, including applications, services, operations and maintenance, backed by our robust global infrastructure of networks, data centers and much more.

#### Seamless

ICT services are provided on a seamless basis in markets worldwide, supported by the comprehensive standardization of our global operations as well as services. Customers promptly receive the consistent, high-quality ICT services they require no matter where in the world they may be.

The NTT Communications Group's mission is to "Bridge the World." Guided by this mission statement, we offer a breadth of services worldwide centered on our core Domestic and International Telecommunications Services.

### Our Missions is to "Bridge the World."

As a partner that helps customers bridge their present and future potential, the NTT Communications Group will continue to support efforts aimed at realizing a prosperous society where people can lead secure and comfortable lives through ICT solutions.



Society



People



The Environment

Contributing to society, people, and the environment in every possible location throughout the world in a manner that is unique to the NTT Communications Group

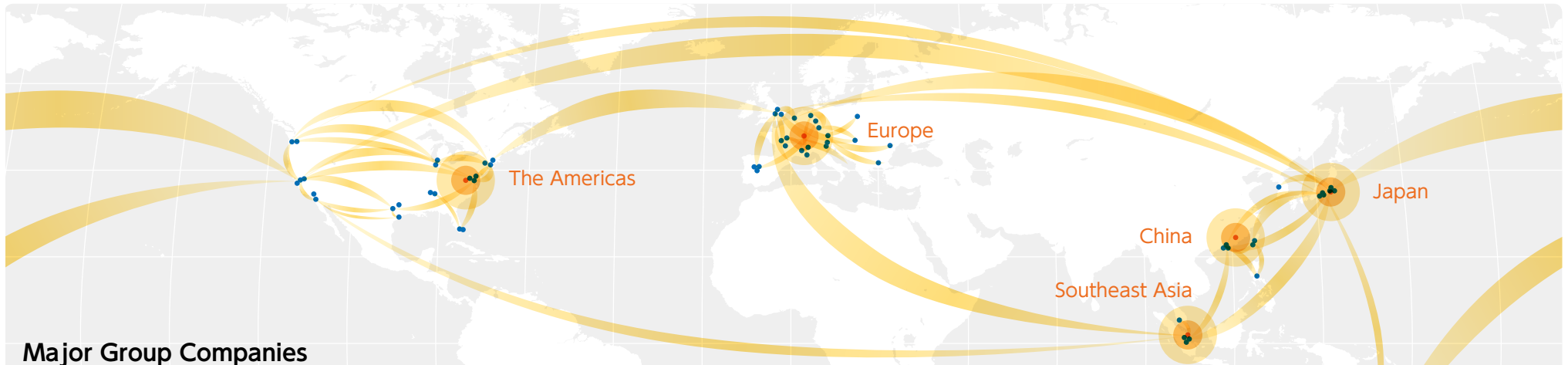
# Bridging the World to Expand Our Unique Brand of CSR



OUR BUSINESS AND SOCIETY

# Providing Global Support

The NTT Communications Group consistently provides the underlying support that allows people to lead prosperous lives through a global operating network, diverse human resources, and sound business platform.



## Major Group Companies

Companies in which NTT Communications maintains an equity interest of 50% or more or that have executed Group agreements (as of March 31, 2012)

### Overseas

#### The Americas

- NTT America, Inc.
- NTT do Brasil Telecomunicações Ltda.
- NTT Multimedia Communications Laboratories Inc.

#### Europe

- NTT Europe Ltd.

#### Asia/Oceania

- HKNet Company Ltd.
- NTT Australia Pty. Ltd.
- NTT Com Asia Ltd.
- NTT Communications (Thailand) Co., Ltd.
- NTT Communications Philippines Corporation
- 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.
- Emerio GlobeSoft Pte. Ltd.
- PT. NTT Indonesia
- Shanghai NTT Telecommunications Engineering Co., Ltd.

### Japan

- NTT Worldwide Telecommunications Corporation
- NTT Com Technology Corporation
- NTT Co. CHEO Corporation
- NTTPC Communications, Inc.
- NTT Com Solution & Engineering Corporation
- Digital Forest Inc.
- NTT Plala Inc.
- NTT Bizlink, Inc.
- NTT NaviSpace Corporation
- NTT World Engineering Marine Corporation
- NTT Resonant Inc.
- NTT SmartTrade Inc.
- X-LISTING Co., Ltd.

Global Services

Total Number of Consolidated Subsidiaries

99

## Top Message

## “ Contributing to Global Growth and Development as a Global ICT Partner ”

Despite signs of a positive turnaround from the impacts of the Great East Japan Earthquake and Thailand floods, the future surrounding Japan's economy remains surrounded in uncertainty due to such factors as the slump in overseas economy growth rates and financial instability throughout Europe.

Against this backdrop of a harsh operating environment, we put in place our Vision 2015 growth strategy and are working in unison to become the preferred ICT partner of choice among customers.

In specific terms, and guided by our Global Cloud Vision, we will promote the development and expansion of our global seamless ICT services in order to provide total ICT outsourcing services. At the same time, we will engage in integrated Group-wide sales and marketing activities based on a robust structure of global account management, and do our utmost to support today's increasingly ubiquitous society through ICT and the comprehensive management reforms of customers by promoting interaction and exchange with overseas subsidiaries as well as M&A companies.

The NTT Communications Group's very existence is based on the support and close-knit ties not only with its customers, but also a wide spectrum of stakeholders. Looking ahead, we will stride confidently forward working to achieve our Vision 2015 growth strategy, convinced that our ongoing evolution will provide the momentum for resolving society's issues.



*Akira Arima*

President and CEO  
NTT Communications Corporation

OUR APPROACH TO CSR

# Contributing to Society in a Manner Unique to the NTT Communications Group

The NTT Communications Group is working to find solutions to the issues facing society based on its basic CSR activity policy.

## Our Approach to CSR

The NTT Communications Group places the utmost importance on contributing to society in an effective and unique manner. To this end, each and every employee is endeavoring to carry out the Group's CSR policy in their daily business activities based on more specific CSR priority activity targets and the Group's environmental vision.

### Basic CSR Policy

(Formulated in 2006)

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 a Global ICT Partner.

### CSR Priority Activity Policy

(Formulated in 2011)

The NTT Communications Group continues to establish specific goals as a part of efforts to carry out its CSR policy. In addition, the Group has put in place a separate environmental vision while implementing other wide-ranging measures in keeping with its distinctive business activities.

### As a Member of the NTT Group

NTT Communications established its Basic CSR Policy in keeping with the NTT Group CSR Charter. The entire NTT Group will take on initiatives to resolve issues facing society.



### The NTT Group CSR Charter



The NTT Communications Group supports global growth and development by fulfilling its corporate social responsibilities in a genuinely distinctive manner through every facet of its business activities.



OUR APPROACH TO CSR

# Fulfilling Our Responsibilities as a Member of Society

We will always be aware of our ties with various stakeholders as we bridge their present and future potential.

## Our Basic Principles

We define “stakeholders” as all the entities that have relations of any kind with the NTT Communications Group. The term includes not only our customers, business partners and shareholders, but also competitors that our business activities influence, society as a whole and individual employees. Understanding the perspectives and earning the trust of our stakeholders are essential to enabling the Group to continue to profit and grow.

### For Customers

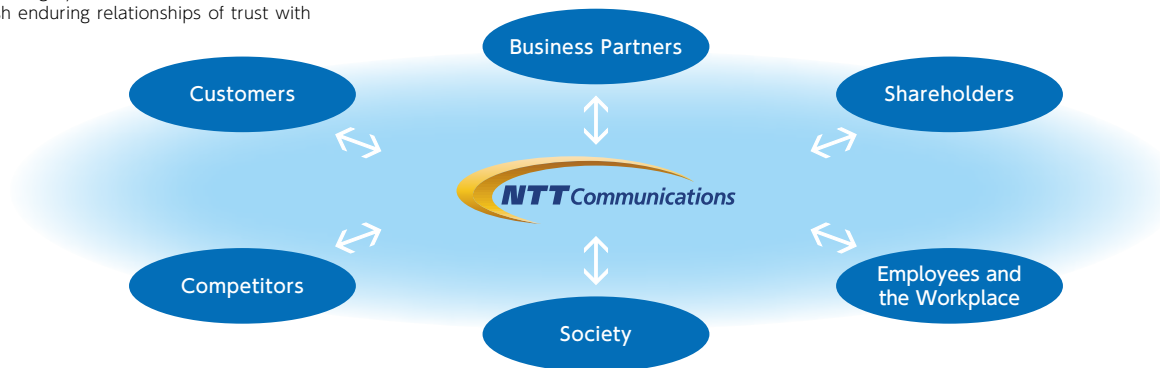
1. From a customer-first perspective, we will provide solutions and services that offer true value.
2. We will act responsibly and with pride as a member of the NTT Communications Group in responding quickly, flexibly, and with integrity to our customers.
3. We will establish enduring relationships of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

### For Business Partners

1. We will maximize our cooperation with partners in order to offer the best possible value for our customers.

### For Shareholders

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



### For Competitors

1. We will abide by rules and compete fairly.

### For Society

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

### For Employees and the Workplace

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

- **Human Rights Policy**  
As a company that strives to develop and grow in the global market, NTT Communications considers one of its missions to be the creation of a corporate culture that respects human rights. With this in mind, we work diligently to solve human rights issues through our daily business activities.

- **Global Environmental Charter**  
The NTT Communications Group will work actively to protect the global environment and to help bring about an environmentally friendly society. To this end, the Group will endeavor to provide the highest quality services, through every facet of its business activities from development to delivery, and help realize increased benefits for its customers worldwide.

**Accelerating Global Activities**  
As our customers have continued to expand their activities on the world stage in recent years, our own business model has evolved to incorporate increasingly diverse, cross-border concerns. Under these circumstances, we are accelerating our activities around the world, cognizant of the importance of introducing and expanding global concerns within our CSR activities, as we help create a sustainable society.

Our Business Principle

Goals

## CSR Priority Areas



Activities aligned to the Group's new, priority areas identified in 2011 are coming to the end of their first full year of implementation. I would like to touch on the results of our efforts to date, as we work step-by-step to contribute to society in a manner that is unique to the NTT Communications Group.



Kiyoshi Mori  
Executive Vice President  
Chairperson of the CSR Committee

### Area 1: Contributing to Society

We will consistently engage in activities that garner the trust of society.

#### Areas of Particular Focus

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

#### Key Social Issues

- Consumers
- Community participation



The NTT Communications Group is endeavoring to put in place infrastructure that is resilient to disaster cognizant of its mission to help create a safe and secure society. At the same time, the Group has put forward a Global Cloud Vision with the aim of providing an optimal communication network for an increasingly ubiquitous society.

### Area 2: Protecting the Global Environment

We are working to protect the continued beauty of the planet while supporting the harmonious coexistence of all living things.

#### Areas of Particular Focus

- Prevent global warming
- Reduce waste
- Reduce paper consumption
- Preserve biodiversity

#### Key Social Issues

- The environment



As a provider of ICT services, the NTT Communications Group places the utmost emphasis on bringing to fruition a low-carbon society, promoting recycling, and preserving biodiversity. In addition to reducing CO<sub>2</sub> emissions at its expanding network of data centers, the Group is paying particular attention to engaging in global-scale activities that encompass a wide-range of areas including efforts to cut back the environmental footprint of its equipment and facilities and increasingly incorporating biodiversity concerns into its business activities.

### Area 3: Respecting Our Employees

We take great pains to nurture strong ties of mutual trust based on a deep respect for our employees and make every effort to put in place workplace environments that allow employees to fully express their individuality and fulfill their inherent potential.

#### Area of Particular Focus

- Respect diversity and take steps to promote equal opportunity and other objectives

#### Key Social Issues

- Human rights
- Labor practices



The NTT Communications Group is committed to consistently implementing measures that reflect its deep respect for the diversity of its employees and help build dynamic structures and systems. In addition, the Group has stepped up the pace of multifaceted initiatives that take into consideration the growing borderless nature of business to better harness the capabilities of global human resources.

### Area 4: Governance

We have positioned transparent and sound management as a key priority.

#### Area of Particular Focus

- Ensure information security

#### Key Social Issues

- Organizational governance
- Fair business practices



The NTT Communications Group strictly complies with all statutory and regulatory requirements. At the same time, the Group is fully aware of the importance of protecting the information of customers in its possession. Every effort has been made to confirm that all workplaces are fully appraised of the critical need to maintain monitoring systems that ensure information security and the provision of reliable services.



Contributing  
to Society

## Reliably and Securely Bridging the World

### Supporting a Ubiquitous Society through ICT under a developed Global Cloud Vision



#### Putting Forward a Fresh Vision to Address the Expectations of an Increasingly Global Society

In addition to reliable Internet access anywhere in the world on a 24/7 basis, communication needs continue to expand together with shift to an advanced ubiquitous society. Responding to these needs, the NTT Communications Group is committed to consistently fulfilling its mission by contributing to the development of society through the provisions of advanced services.

This trend and focus on increasingly sophisticated global ICT services has become particularly prominent in recent years with the advent of a borderless global economy. In addition, the critical role that ICT plays during emergency situations has attracted growing attention with the incidence of such large-scale disasters as the Great East Japan Earthquake. Against this backdrop, a portion of the NTT Communications Group's Global Cloud Vision announced in October 2011 has introduced innovative initiatives that can be expected to address the expectations of society following a major disaster.

BRIDGING THE WORLD  
TO EXPAND

Serving as a continuous bridge for society in efforts to foster new business opportunities.

#### Delivering Safe and Reliable Services that Transcend the World

A defining feature of the Group's Global Cloud Vision entails the use of its cloud computing to deliver an environment in which wide-ranging and highly reliable services can be applied from anywhere around the world. This is made possible through a one-stop capability that encompasses everything from a comprehensive terminal menu through data centers distributed widely throughout the world to a high quality communication network. More than anything else, this forum allows us to contribute to society through the application of our management resources, as a global communications specialist.

Building on our communications and data center network that provides a seamless operating platform that transcends users' needs in Japan and overseas, we will actively employ virtualization technology that bridges data centers around the world to deliver advanced and highly reliable services.



BRIDGING THE WORLD TO EXPAND



24/7  
Operation and Maintenance System



- Lending a keen ear to the concerns of customers (VOC)
- Communicating with business partners and overseas carriers through such initiatives as the Arcstar Carrier Forum
- Engaging in social contribution and cultural support activities

Drawing on the Lessons Learned from the Recent Spate of Major Disasters to Build an Increasingly Robust Network



Preparing for Every Possible Contingency around the World

Drawing on past experience and more recently the lessons learned following the Great East Japan Earthquake, we are adopting a unified approach when considering the construction of facilities that are resilient to disaster and that can facilitate an increasingly prompt restoration.

The NTT Communications Group recognizes that one of its important missions is to collate all relevant information for use in the construction of infrastructure in Japan and overseas.



Cable restoration work

Toward a More Robust and Flexible Network

Reflecting on our restoration activities, we distributed all records relating to recovery activities following the Great East Japan Earthquake to all employees. Wary of the purpose of our experiences following each disaster from deteriorating with time, we are working to further enhance our comprehensive disaster response capabilities with an increased sense of mission. In specific terms, we took steps to review the distance between cables on a nationwide basis following interruptions to cables across multiple routes in Japan.

In addition, steps are being taken to build a flexible network, drawing on the broad experiences and know-how of the NTT Communications following interruptions to multiple international submarine cables in the aftermath of the Taiwan Offshore Earthquake. Among a host of measures, Asia Submarine Cable-Express (ASE) cable is being laid avoiding areas that are susceptible to frequent earthquakes.

Disaster Countermeasures

Making the most of the lessons learned following the Great East Japan Earthquake, the NTT Communications Group was quick to gain an accurate picture of local conditions following the floods in Thailand through close collaboration between staff at NTT Communications (Thailand) Co., Ltd. and members of the disaster countermeasures team in Japan. This collaboration was also helpful in preventing damage to the equipment and facilities of many customers and to put forward alternative communication methods. In a current environment in which expectations of ICT during periods of disaster are extremely high, the NTT Communications Group will continue to work in unison to deliver safe and reliable networks.

Flood damage in the inner city areas of Thailand



## Building Bridges that Help Reduce Environmental Impact



Contributing to the creation of a sustainable society through advanced data centers that adhere strictly to a policy of CO<sub>2</sub> reduction



### Toward Increasingly Green Data Centers

As the use of cloud services becomes increasingly widespread and the role of data centers that underpin the ubiquitous society gain in prominence, the effects on efforts to build a low-carbon society are growing in tandem. The NTT Communications Group recognizes data centers as a key component in the pursuit of environmental management by ICT companies and is actively promoting green initiatives in this area.

### NTT Communications' Data Centers Bring Together Advanced Technologies

The density of ICT equipment including servers and storage devices continues to increase. This is in turn pushing up the need for the efficient removal of the large amounts of concentrated heat that is generated. NTT Communications has introduced highly efficient air conditioning systems as well as AISLE CAPPING\*<sup>1</sup> airflow control solutions that separate the cold air used to cool ICT equipment from warm air emissions and cooling techniques that employ external air.

Green ICT

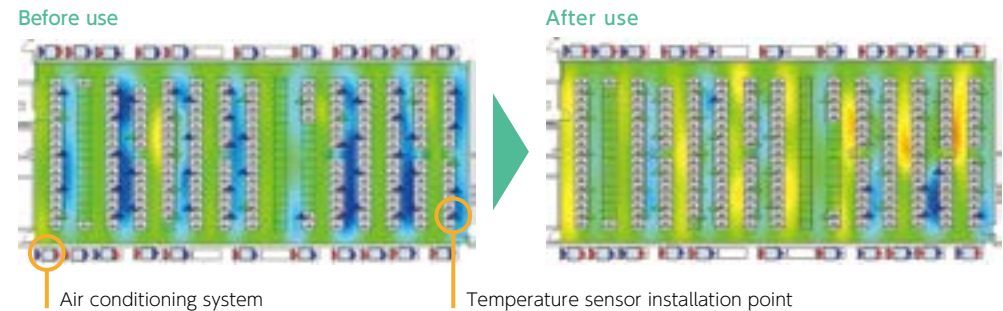
Linking each of the technology and front line perspectives with an eye to our planet's future; our efforts continue to gather pace in Japan and worldwide

In a recent development, SmartDASH\*<sup>2</sup> air conditioning control systems are being trialed and assessed at data centers in Japan and overseas. These SmartDASH systems are used to ensure efficient air conditioning based on temperature measurements taken at multiple points within server rooms. Initial results indicate reductions in air conditioning power consumption of up to 20%. Taking into account investment- as well as cost saving and other considerations, steps will be taken to promote a full-scale introduction in the future. Expectations are for a cutback in the volume of CO<sub>2</sub> emissions of approximately 6,000 tons.

\*<sup>1</sup> Aisle Capping is a registered trademark of NTT Facilities, Inc.

\*<sup>2</sup> Depending on the country and region, SmartDASH is a registered trademark or trademark of Vigilent Corporation.

### Supercooling Improvements Using SmartDASH



▲ Excessive cooling (below the established lower limit)  
 ▲ Correct temperature (temperature setting between 18°C and 24°C)

BRIDGING THE WORLD TO EXPAND



Fiscal 2012 CO<sub>2</sub> Emission (Target)  
**278,000** tons-CO<sub>2</sub>

\* Utilizing new energy-saving technologies and facilities, we will contain the amount of CO<sub>2</sub> emissions to levels recorded in the previous fiscal year.



- Identify, actively adopt, and expand green ICT technologies
- Work toward zero emissions by promoting recycling
- Preserve biodiversity through business activities

Expanding Green Innovation Worldwide



Further Enhancing Environmental Performance

Environmental performance demands on data centers extend well beyond the reduction of CO<sub>2</sub> emissions. Among a wide spectrum of requirements, data centers are expected to help cutback the use of substances that impose a burden on the environment and incorporate the need for biodiversity conservation. The NTT Communications Group positions environmental protection as a common global concern and is actively applying appropriate technologies at overseas data centers.

Amassing Cutting-Edge Technologies in Singapore

Singapore Serangoon Data Center, which opened in April 2012, not only focuses on reducing power consumption through the use of such facilities as water cooled air conditioning systems that offer high cooling efficiency and building energy management systems, but also implements the following wide-ranging initiatives.

- 1 **The effective use of water:** Recycled water is used as a coolant for air conditioning systems and collected rainwater is used to nourish the plant life within the facility site. In this manner, every effort is made to use recycled water and rainwater as a part of ongoing measures aimed at conserving water resources.
- 2 **The reduction of environmental impact:** In addition to an unwavering commitment to recycling beginning with the sorting of waste, the Center uses rotary uninterruptible power supply (UPS) systems as opposed to lead storage batteries as a part of comprehensive efforts to curtail the use of substances that impose a burden on the environment.
- 3 **Consideration for biodiversity:** The flora at the construction site has been replanted within the facility site. Through this and other initiatives, ample consideration was given to preserving plant life throughout the Data Center construction process.

Based on these wide-ranging initiatives, the Data Center is attracting significant acclaim as a cutting-edge, environmentally conscious data center that sets the global standard for the future. Looking ahead, the NTT Communications Group will continue to contribute to data center green innovation.



Rotary UPS system that helps to substantially reduce environmental impact



Actively utilizing rain and recycled water



Enjoying an Outstanding Global Reputation

Singapore Serangoon Data Center has earned a host of globally recognized accreditations, one of which is the Green Mark Platinum Award, for special building under the BCA Green Mark Scheme.

BCA Green Mark Scheme



An evaluation system for environmental consideration in building design. The Scheme is administered by the Building & Construction Authority; a statutory board under the Ministry of National Development, Singapore.

Respecting  
Our  
Employees

## Building Bridges based on Our Global Capabilities



### Promoting Programs that Entail the Dispatch of Personnel Overseas and the Training of Overseas Staff in Japan as a means of Mutually Enhancing Diverse Perspectives and Values



JAPAN

#### From Japan to Overseas and from Overseas to Japan

In an effort to quickly develop employees capable of working successfully overseas, NTT Communications has introduced the “Global Challenging Program” for first-year and second-year employees.

Based on the human resources development policy that opportunities for growth are grounded in firsthand experience on the front lines, we expanded this program to include first-year and second-year employees from fiscal 2011. This program allows employees to obtain globally applicable business skills by actually working overseas.

On top of their daily work duties, while working overseas the employees submit periodic reports as part of the program to follow up on their development.



Mutually enhancing diverse perspectives

### Fostering human resources who consistently challenge the world; Promoting cross-border, global human resource management

Employees work overseas for one year. In fiscal 2011, approximately 50 employees were stationed overseas, with plans to increase this number going forward.

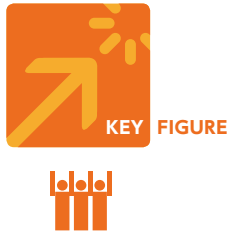
Moreover, NTT Communications invites employees of overseas subsidiaries to work in Japan through six-month and two-year training programs. As of February 29, 2012, a total of 24 employees from 12 subsidiaries in the U.S., Europe, and Asia are working in Japan. As globalization in the business world accelerates, this interaction between employees from each country and the carrying out together of duties helps foster a deeper understanding of diversity that goes beyond language and culture.

#### Accelerating the Hiring of Employees Who Have an Immediate Impact

NTT Communications is working to secure human resources with the necessary practical experience to address the rapid globalization of its corporate customers' businesses. In addition to hiring foreign students in Japan, we are bolstering efforts to locally recruit foreign students overseas. With a focus on Asia, we have set the target of lifting the ratio of foreign national hires to total hires to 10% or more.

Looking ahead, we will promote interaction between human resources who boast wide-ranging global perspectives. Our goal is to entrench a uniform culture toward diversity across the entire Group.

BRIDGING THE WORLD TO EXPAND



Number of first-year or second-year employees dispatched overseas

50

Number of overseas subsidiary employees undertaking training in Japan

24



- Regular exchange of opinions between management and employees
- Global human resources exchange program
- Initiatives aimed at harnessing diverse human resources

Sharing Values and Building Close-knit Ties of Mutual Trust Helps Nurture Global Teamwork



JAPAN

After gaining experience in overall financial operations at NTT Europe Ltd. over a period of one year from April 2011, I am now working in the Global Business Promotion Division in Japan responsible for overseas subsidiary business planning and financial analysis. During my period of training I had the pleasure of working not only with colleagues from the U.K., but also from many cultures and countries throughout Europe including the Netherlands and Spain. Through this experience, I learned the importance of the 3S principle, Simple, Speedy, and Smile, when endeavoring to earn the trust of people from diverse cultures. This 3S Principle continues to prove useful when dealing with my counterparties responsible for finance in each Group subsidiary around the world.

Keisuke Takahashi

Manager responsible for planning  
Planning Department  
Global Business Promotion Division



We Share the Future as One Team



GLOBAL

Ensuring effective operations in a global environment that is characterized by its mix of diverse thoughts, ideas, and cultures is regarded as an extremely difficult task posing a multitude of challenges. When commercializing a global product or engaging in business with global customers and partners, however, it is essential to take this issue into consideration when pushing forward each project.

I was fortunate to participate in the Group's transfer program in Japan learning along the way various methods in resolving conflicts of interest between organizations and gaining an insight into wide-ranging global perspectives. I consider this a valuable asset and extremely helpful in carrying out my duties.

John Nassar

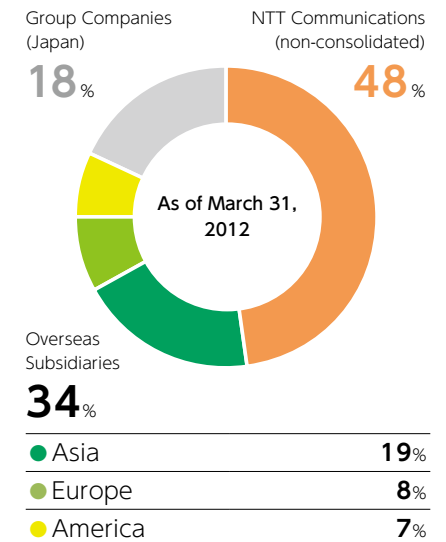
NTT America  
Finance Department  
Director



Composition of the NTT Communications Group's Workforce

In a few short years, the number of the Group's overseas employees has increased from around 2,000 to over 5,000 today.

Going forward, the Group will continue to embrace different nationalities and values, and create opportunities for all employees to succeed at work.



Exploring  
New  
Challenges

## Expanding into New Horizons


**Fulfilling the Aspiration of Children;  
Taking Up the Challenge of Promoting a BOP Business**

**Contributing to the BOP Demographic while Creating New Value**

Developing countries throughout the world are said to comprise a “bottom of the pyramid (BOP)” demographic of low-income earners. It has also been reported that people earning less than US\$3,000 annually total around four billion, accounting for approximately 70% of the world’s total population. Under these circumstances, the challenge of creating social value in cooperation with the BOP demographic is attracting increased interest from the global corporate sector. Put simply, companies are paying more and more attention to measures that help resolve social issues in BOP areas while enhancing living environments as a means of creating new markets for the future.

**The Children of Indonesia Continue to Face a Harsh Reality**

The percentage of children in Indonesia, who receive an education that we ourselves would hope to receive, is said to be no more than 3 to 5%. In other words, the vast majority of children are unable to receive an adequate education due to poverty or geographical constraints irrespective of their motivation and abilities. Given these

**We place the utmost importance on the ability to take action that leads to the creation of new value for society. Here, we provide examples from our day-to-day activities where we endeavor to take up new challenges as we contribute to society.**

circumstances, NTT Communications has received calls for the provision of effective education services using ICT in the hope of resolving this serious issue.

**Utilizing Our Unique Capabilities to Overcome Hurdles One at a Time**

Initially, NTT Communications partnered with institutions in Japan to build an ICT-based education environment. Steps were then taken to collaborate with local partners in an effort to resolve those issues that could not be addressed using ICT.

Confronted with a mountain of extremely difficult issues to be overcome, we are only just now embarking on this challenge of major substance. Moving forward, we hope to create new value for the world.



A local project briefing session



A meeting with a local partner



BRIDGING THE WORLD TO EXPAND



Creating New Value for Society while Fulfilling the Dreams of Children

We had numerous discussions with partners in an effort to fully grasp the nature of local issues and needs. It was with a significant sense of relief and responsibility that the services provided had a greater than expected positive effect on children, who genuinely enjoyed to opportunity to receive an education. Clearly the expectations of parents and guardians were also substantial.

Our efforts in Indonesia have only just begun. Moving forward, we will do our utmost to deliver better content and services to as many regions and children as possible.



Kashin Shu  
Account Executive  
Public Section Sales Group  
Third Sales Division

Children Can Study without Anxiety

Children do not normally have the opportunity to come into contact with ICT. As a parent, I was worried that my child would be able to properly use these services. I was relieved and happy to see the bright and energetic way my child was participating in this learning experience.

(Comments from a parent)

Whether at home or at school, I had never come into contact with ICT. Everything was so new, and the experience so enjoyable that I completely lost track of time. I want to learn much more.

(Comments from a child)

Toward a Project that Covers All of Asia From Indonesia to Asia and then on to the World

Education, and particularly elementary education, is essential for life in general. I strongly believe that it is vital for children to work toward fulfilling their hopes and dreams. This is important not only for the children themselves, but also for the growth and development of each country. The issues that can be found in Indonesia are equally inherent in other parts of Asia and will undoubtedly become more prominent in other countries and regions including Africa, the Middles East, and South America in the future.

While filled with a strong sense of mission and responsibility, I cannot think of a more satisfying opportunity than to bring a service to people in need that generates a genuine sense of joy. With this in mind, I plan to do my very best.



Terufumi Takada  
Director, Sales  
Public Sector Sales Group  
Third Sales Division



# CSR Index: Fiscal 2011 Summary

Major achievements in fiscal 2011 are presented as follows. Please refer to the full version of the report for a detailed list of indices.

Contributing to Society

Area 1: Social Index

**Develop a ubiquitous network infrastructure**

- **Provide Arcstar Universal One**  
Arcstar Universal One is a next-generation network service designed to ensure continuous and secure connectivity with cloud computing environments to solve the ICT issues faced by corporations. We will work to enhance the user friendliness of this service by successively adding various functions that address customer needs.
- **Provide highly stable and reliable data centers**  
We will work to maintain and enhance quality by applying Information Technology Infrastructure Library (ITIL®)<sup>1</sup>-compliant standards to various subsidiaries in Japan and overseas. Also, we will constantly strive to enhance data center quality while maintaining and upgrading data centers, with the aim of achieving disaster-resilient data center operations.
- **Ensure highly stable and reliable mission-critical infrastructure**
- **Develop disaster-resilient networks**  
We will seek to build a disaster-resilient society by providing high-quality ICT services through multiple transmission routes, important communication centers spread across wide-ranging locations and other initiatives in preparation for emergencies.
- **Implement measures to address major natural disasters and similar occurrences**  
We will upgrade disaster drills assuming hypothetical scenarios including a major natural disaster extending to the Tokyo metropolitan area and rolling blackouts. We will refine and entrench crisis management processes in close cooperation with central and local governments.

**Social contribution activities**

- **Participate in community beautification programs and other social contribution activities**  
We aim to achieve this target by implementing various clean-up programs and other activities, and tying them into NTT Group initiatives. Number of participants: 1,300



Fiscal 2011 Results

We turned a new page in the provision of global ICT services with the launch of Arcstar Universal One in 159 countries and regions around the world in September 2011. In addition, we accelerated the construction of a network drawing on the lessons learned from the earthquake disaster while at the same time completing construction of a fifth data center in Tokyo that offers cutting-edge green performance and incorporates advanced disaster-risk countermeasures. Through these and other means, we took positive steps toward delivering increased reliability and security.

CSR Index Fiscal 2011 Details

Protecting the Global Environment

Area 2: Environment Index

**Prevent global warming**

- **Reduce CO<sub>2</sub> emissions**  
Amount of CO<sub>2</sub> emissions<sup>2</sup>: 278,000 tons-CO<sub>2</sub>  
Environmental efficiency index for CO<sub>2</sub> emissions: 4.36  
(Million yen in sales per tons of CO<sub>2</sub> emitted)
- **Reduce waste**
- **Reduce office waste**  
Recycling rate: 73.4%  
Environmental efficiency index for waste processing: 961  
(Million yen in sales per tons of final disposal volume)
- **Reduce paper resource consumption**
- **Reduce paper consumption**  
Paper consumed per employee (A4 equivalent): 9,287 sheets  
Environmental efficiency index for paper usage: 2,856  
(Million yen in sales per tons of paper used)
- **Preserve Biodiversity**
- **Put in place action guidelines**  
Put in place action guidelines and systematically assessed activities to date; set priority activity fields



Fiscal 2011 Results

In fiscal 2011, took proactive steps to promote the prevention of global warming. Among a host of measures, introduced new technologies to help reduce electricity consumption at communications buildings; adhered strictly to a policy of energy conservation at office buildings; and adopted a policy to shift to low-emissions vehicles. In addition, pushed forward global initiatives aimed at effectively using water resources and constructing data centers that take into consideration biodiversity conservation concerns in an effort to reduce the environmental impact of the Group's business activities.

Respecting Our Employees

Area 3: Human Resources Index

**Respect diversity and take steps to promote equal opportunity and other objectives**

- **Promote diverse working styles by extending work-related reforms across the Company**  
We will promote a diverse range of working styles, such as telecommuting, by implementing initiatives designed to take a new look at how people work according to business sector, with the aim of promoting more highly productive working styles. Number of employees working remotely: Approximately 5,000
- **Enhance support for balancing child raising/nursing care responsibilities and careers**  
Besides implementing conventional work-life balance measures, we will expand the scope of these measures to male and younger employees, as well as other personnel, while extending these measures horizontally across the Group, to ensure that all employees can work energetically with a good work-life balance. Rate of female employees returning to work after childbirth: 90% or more
- **Put in place action guidelines**  
Systematic guidelines regarding the operation and management of computer systems formulated by the U.K. government. The guidelines are compiled into several volumes of books. ITIL® is a registered trademark of the Office of Government Commerce (OGC) of the U.K. government.  
<sup>2</sup> 0.33 kg-CO<sub>2</sub> per kWh is used for the CO<sub>2</sub> emissions coefficient.
- **Expand personnel exchanges on a global scale**  
We will energize personnel exchanges on a global scale by stepping up various initiatives, such as a program to dispatch primarily younger and mid-career employees as overseas trainees, and the secondment of employees of overseas subsidiaries in Japan



Fiscal 2011 Results

In fiscal 2011, steps were taken to accelerate global human resource development. In addition to increasing the number of newly recruited employees sent overseas for training and further promoting the exchange of personnel with overseas subsidiaries, we expanded hiring efforts targeting non-Japanese personnel. Moreover, we continued to focus on initiatives that emphasize diversity. During the fiscal year under review, the number of employees working remotely reached 5,000. At the same time, the number of participants in seminars that focus on support for balancing child-raising with careers surpassed 200.

Management

Area 4: Governance Index

**Ensure information security**

- **Continuously raise awareness by implementing training programs**  
We will reduce incidents by working to enhance awareness through information security training programs and measuring understanding, as well as by offering information security training specific to job role. Completion rate for various training programs: 100 %
- **Strengthen management of processes and systems**  
We will strengthen management of processes for safely handling customer information, bolster vulnerability analyses of information systems and expand such analysis Group-wide.
- **Implement information security surveys**  
We will expand information security surveys to include the entire Group.



Fiscal 2011 Results

We worked to ensure that all employees had a thorough awareness and understanding of the index to ensure information security in which we have placed considerable emphasis. As a result, we achieved the proactive participation of employees and maintained a completion rate for various security training of 100% by position. In working to strengthen the management of processes and systems, we implemented strict handling procedures for customer information and successfully expanded the implementation of vulnerability analyses of information systems.

## About the CSR Report

### Editorial Policy

As a Global ICT 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 the provision of telecommunications services. We have issued this report to clearly convey our CSR approach and activities to our stakeholders.

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. The information provided in this report has been assigned a Self-Declared B Application Level under the GRI’s Sustainability Reporting Guidelines. Going forward, we intend to continue enhancing the report’s content.

### Selection of Material Issues and Other Items for Disclosure

We used the two-stage selection process described to the right to provide a well-balanced presentation of material issues and other items, in terms of their importance to the Group, as well as requests from society and the need for disclosure from all stakeholders. In the process, we referred to the materiality requirements of Version 3 of the Global Reporting Initiative’s Sustainability Reporting Guidelines and other publications.

We present information with a high degree of materiality in the booklet and all other information in the online version of the report, according to the results of the selection process. In this manner, the printed and online versions of the report are differentiated to make the most of the features of these media.

In response to the issuance of the ISO 26000 standard, we have sought to improve how we explain our contribution to society as a global corporate group and the penetration of CSR within our organization in the 2012 version of the report. Another priority was to actively disclose information about our response to the Great East Japan Earthquake.

#### ● Two-Stage Selection Process

##### Stage 1: Determine issues and other items that should be considered for disclosure from the following:

- Traditional disclosure items reflecting GRI’s Sustainability Reporting Guidelines
- Issues disclosed by peer companies, and various companies in peripheral business sectors
- Issues attracting growing interest following the issuance of ISO 26000

##### Stage 2: Select disclosure items from the following six perspectives

- Issues relating to ongoing CSR impacts, risks, and opportunities identified through surveys by expert individuals and organizations specializing in CSR
- CSR issues of significant social interest that the media frequently covers
- Issues that interest stakeholders (in employee and customer surveys and through other initiatives)
- Key organizational issues, notably those relating to our management philosophy, Basic CSR Policy, and Our Business Principles
- Regulatory and voluntary agreement issues covering our organization and operations, notably the Telecommunication Business Law and the rules of the Telecommunications Carriers Association
- Important issues relating to other companies, particularly competitors and companies with outstanding CSR programs

### Report Profile

#### ● Reference Guidelines

GRI (Global Reporting Initiative)  
Version 3.0 of the GRI’s Sustainability Reporting Guidelines  
Japan’s Ministry of the Environment’s Environmental Reporting Guidelines (Fiscal Year 2012 Version)  
Japan’s Ministry of the Environment’s Environmental Accounting Guidelines 2005  
ISO 26000: 2010, Guidance for social responsibility

\* Report compliance with the GRI’s Sustainability Reporting Guideline and Environmental Reporting Guidelines is disclosed in the online version.

#### ● Third-Party Opinion

Each year, we have an independent expert provide an opinion to help us improve our CSR activities. Maki Saito of ASU International LLC kindly provided her opinion for the 2012 edition of the report.

#### ● Report Scope

This report covers organizations important to reporting on CSR activities, namely NTT Communications and Group companies, based on the Group’s Basic CSR Policy. However, any reporting outside this scope is indicated separately.

#### ● Period Covered

Fiscal 2011: April 1, 2011 to March 31, 2012  
(some content may fall outside this timeframe)

#### ● Issue Dates

This report: November 2012  
(Previous edition: November 2011; Next report: Scheduled for November 2013)

Third-Party Opinion



## About the Reporting Medium

### CSR Website

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

The CSR website is updated regularly and provides information on the latest CSR activities of various NTT Group companies.

### CSR Report Website

<http://www.ntt.com/csr/report2012/>

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

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

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



NTT Communications has renewed its website in an effort to enhance the convenience of users. Moving forward, we kindly request the continued support and understanding of all stakeholders.

## Corporate Information

Name	NTT Communications Corporation
Address	1-1-6 Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan 100-8019
Date established	July 1, 1999
Paid-in capital	211.7 billion yen (as of March 31, 2012)
Number of employees	8,000 (as of March 31, 2012)
Business	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)

### Global Awards and Recognition

NTT Communications has been recognized as "World Class" in a customer satisfaction survey conducted by the U.K.-based Telemark Services for four consecutive years. In addition to this World Class recognition, the Company has received Diamond and Gold awards.

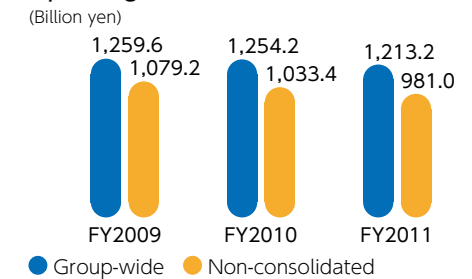
● World Class

● Diamond Award  
● Gold Award

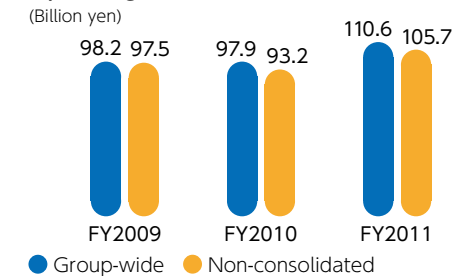


Source: Telemark Services "Global dataVPN NTT Com Highlights (February 2010)"  
Telemark Services "Global dataVPN NTT Com Highlights (February 2010)"  
Telemark Services "Global dataVPN NTT Com Highlights (August 2010)"

### Operating Revenues



### Operating Income



### Number of Employees

