

Dealing Equitably With All Our Partners

We at the NTT Communications Group consider our business partners irreplaceable. The Group is steadfastly committed to dealing fairly with its business partners as full equals, working together to provide value-added solutions to customers and the society in which we do business.

Partnerships With Our Suppliers

Procurement Policy

NTT Communications purchases its supplies through transparent procedures. Based on our business needs, we purchase goods of high quality and economical price without regard to national origin.

In September 2004 the Company created the General Procurement Office to oversee all purchasing and procurement operations. We initiated a complete overhaul of our procurement processes based on the following three principles:

- (1) Establishment and Company-wide deployment of a partner system
- (2) Establishment and Company-wide deployment of rules for procurement agreements, based on the principle of free competition
- (3) Strengthening of delivery inspections through on-site delivery inspection and post-acceptance auditing

On the first point, NTT Communications introduced a partner system as a means of ensuring security and compliance in its purchasing activities. In this system, partners are graded on

Guidelines for Green Procurement

In September 1999, we announced the NTT Communications Guidelines for Green Procurement. Under these guidelines, NTT Communications committed itself to making every effort to procure products while taking into account their impact on the environment. To further encourage the procurement of environment-friendly products from suppliers who are actively tackling environmental conservation, we introduced a revised set of guidelines in January 2006.

While the previous guidelines merely set forth "requests for cooperation" on the provision of environment-friendly products, the new guidelines clarify the essential requirements by which suppliers are evaluated, with the aim of achieving further reductions in the environmental impact of our purchasing activities. The essential requirements represent the bare

minimum that we demand of all our partners; NTT Communications expects its partners to integrate completely into our environmental activities, including the construction of environmentally management systems and the promotion of green purchasing. We evaluate all our partners on the basis of these essential requirements, and base our selection of suppliers and products in part on that evaluation.

Through introduction of a revised set of guidelines, NTT Communications will further encourage the procurement of environment-friendly products and, at the same time, we are working to build a closer collaborative relationship with its partners on environmental issues, creating a comprehensive framework for operating in ways that protect the Earth's precious environment.

several criteria such as credit limit, the level of confidence, and security issues. Based on its standards for each of those criteria, NTT Communications then accords that partner a level of authorization. By demanding the same stringent standards for managing the security of personal information from our partners as we do from ourselves, NTT Communications can assure its customers that their confidential data is in safe hands at all times.

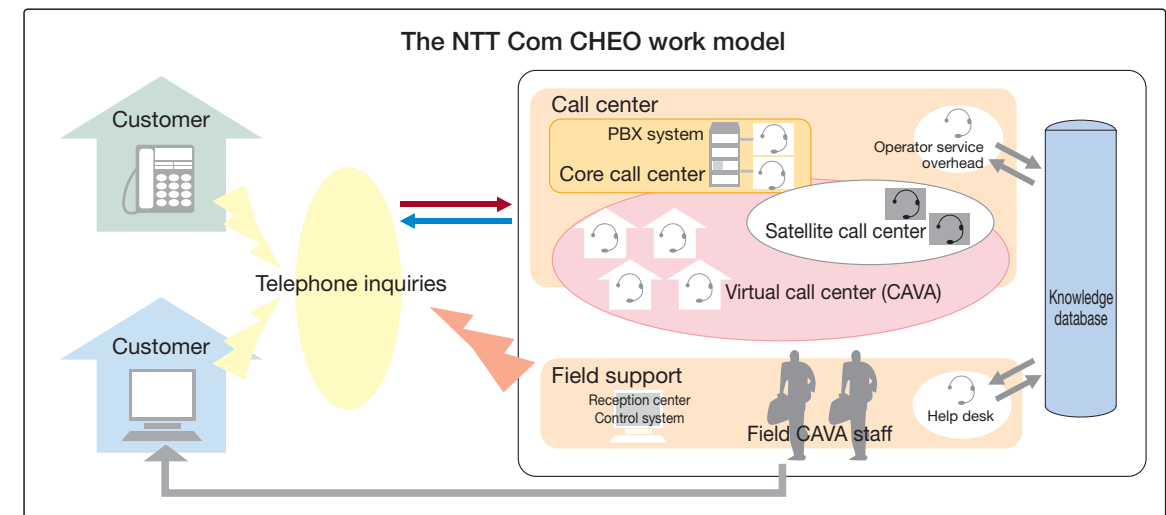
In individual procurement processes, NTT Communications rigorously applies the principle of free competition when selecting its suppliers. We constantly strive to maintain excellent transparency and quality in our procurement activities and to reduce procurement costs.

Finally, to ensure the quality of acceptance inspections, we select key purchases for delivery inspection and audit those inspections according to delivery-inspection guidelines. This procedure is a valuable proactive measure for preventing unlawful and improper practices.

This groundbreaking new style of working and living has proven popular with mothers with small children and retirees.

Today NTT Com CHEO is driving the CAVA network and business model in exciting new directions by adapting the model to a broad new spectrum of industries, creating new work environments unconstrained by familiar conventions of time and place. We are convinced that, in addition to creating a swath of new work opportunities, the CAVA model makes a significant contribution to reducing environmental impact.

The significance of these advances has not been lost on the business community. In November 2004, at its Telework Advancement Awards, the Japan Telework Association awarded NTT Com CHEO the President's Award for "company or organization making an outstanding contribution to the expansion of telework and the support of microbusinesses and SOHO workers."



Partnerships with Distributors

Partnering to Deliver Leading-Edge IT Services to the Financial Sector

In July 2005, NTT Communications partnered with the Daiwa Securities Group, a pioneer in applying cutting-edge IT in the financial industry, to deploy value-added IT solutions in bank branches.

Daiwa Securities has long led the way in financial-sector IT innovation. In 1996 the securities firm became Japan's first company to sell shares online. As part of a major overhaul of its trunk network, Daiwa Securities plans to bolster its group-wide network environment in FY 2005, including all branches throughout Japan. Using the catch phrase "Trade on the net. Get support at your branch," Daiwa Securities installed online trading kiosks in its branches, enabling customers to sample the experience of online trading. As Daiwa Securities examines a range of options for deploying IT in its branch network, NTT

Communications will work with the securities company to deliver exciting new services, fusing the Company's knowledge of advanced IT with Daiwa Securities' financial expertise.

In the first phase of the project, NTT Communications will install HOTSPOTS (wireless LAN service areas) in major Daiwa Securities branches in Tokyo, Nagoya and Osaka. The Company will also roll out a host of other services to make online trading more convenient and familiar to customers, including online dissemination of information and provision of online seminars at branches. NTT Communications' partnership with Daiwa Securities is just one of the many ways that we form partnerships to transform operations through IT and lead the creation of value-added solutions for customers and society at large.