Creating Value for Society and for the World
Harnessing the powers of ICT, we at the NTT Communications Group are supporting every facet of business and everyday life on a global basis. As innovation drives us toward a borderless and seamless global society at an increasingly accelerated pace, we will endeavor to help realize a better future while recognizing the need to incorporate a wide range of global perspectives. This aspiration is the principal theme of the front cover of the report.
Top Message

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

By providing the latest technologies and safe and secure as well as highly reliable information and communications technology (ICT) services, we at the NTT Communications Group like to consider ourselves as the best partner for contributing to corporate management reforms and for bringing about enhancements in personal lifestyles.

It goes without saying that the ability to make the accurate and rapid decisions demanded in corporate activities will as a rule be absent if the ICT environment that can support those decisions is not in place as a business foundation right now.

Taking this kind of standpoint, we have formulated our Global Cloud Vision, which brings together wide-ranging innovative services in such areas as cloud computing, networks and security. Moreover, through the further seamless deployment and provision of these services on a global basis, we will bring about improvements in the speed of our customers' business management and contribute to enhancing their competitiveness while supporting them in such areas as new market cultivation and penetration.

With regard to individual customers, over the years to come, we want to continue providing services that enable them to conveniently enjoy new lifestyles with confidence. To that end, while protecting customers from all forms of cyber threat, we will continue to respond quickly and sensitively to deliver services that provide new value.

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

Providing Global One-Stop ICT Services

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

One-stop solutions optimized from both system and network aspects.

Data Centers

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

Network Surveillance

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

Total Operations

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

Solutions at Overseas Facilities

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

Security Consulting

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

ICT Outsourcing

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

* Information Technology Infrastructure Library, a set of best practices and expertise covering ICT service operation and management that is recognized as an industry standard.
Striving to achieve the right balance as a Global ICT Partner

As a Member of the NTT Group
Guided by the NTT Group CSR Charter, the NTT Communication Group’s fundamental CSR policy is to engage in promoting CSR activities across the Group to solve societal problems.

Stakeholders and Our Fundamental CSR Policy

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 partner 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.

Fundamental CSR Policy
(Formulated in 2006)
The NTT Communications Group aims to contribute to community prosperity and sustainability worldwide by creating new value for society and resolving societal problems through the information and communications services the Group provides as a Global ICT Partner.

Priority Activity Policy
(Formulated in 2011)
The NTT Communications Group continues to establish specific goals as a part of its efforts to carry out its fundamental CSR policy on an ongoing basis. 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.

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 Competitors
1. We will abide by rules and compete fairly.

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.
Sustainability Concept

Our sustainability management is based on ongoing efforts in line with priority areas. On that basis, we are promoting a “Value Creation for a Better Future” concept as a form of CSR that leverages our ICT company characteristics.

Ongoing CSR activities in line with four priority areas

Having added the fourth area of governance, which forms the foundation of management, to the three areas that are in line with our fundamental CSR policy, we determine priority activity areas. We establish CSR indexes in the form of ongoing targets in each of these priority areas and promote CSR activities on a daily basis.

The NTT Communications Group CSR Priority Areas

- Contributing to Society
- Protecting the Environment
- Respecting Our Employees
- Improvements in Governance

Ongoing improvements by means of the CSR indexes in line with the priority areas

Global Promotion of “Value Creation for a Better Future” Concept

Stakeholder expectations are growing for the development of products and services that will contribute to the solving of societal problems. Having positioned the “Value Creation for a Better Future” concept as a Group-wide challenge, we will promote business development.
Creating Advanced Enterprise Networks Using Cloud Computing and Virtualization Technologies

Construction and Integrated Management of Network Environments with Virtualization by Arcstar Universal One

To create a ubiquitous society, ICT companies have certain duties and responsibilities to fulfill. NTT Communications offers next-generation solutions that combine cloud computing and virtualization technologies. We build seamless virtual networks that connect business sites around the world. In addition to being able to single-handedly manage complex network settings, the highly reliable enterprise networks we build are protected by robust security measures, giving users around the world a work environment that feels like they are back in their own office.

Arcstar Universal One Advanced Options

Advanced virtualization technology (NFV)

Secure high-speed enterprise network accessible from more than 190 countries/regions

Utilizing an Overseas Network of Bases

We support customers' daily time-sensitive decision-making needs through networks.

With the continued globalization of business activities, enterprise networks have gone super-regional. For businesspeople, virtual private networks (VPNs) have become essential for establishing secure high-speed connections between bases scattered around the world.
Contributing to Society

Providing New Value through Business and Contributing to Advances in Society

We continue to take on challenges as a global ICT company through multi-faceted business activities.

NTT Communications and Society

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

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

Cloud-Based Contact Center Promotes New Workstyles

Amid growing interest in promoting diversity in an aging society with low birthrates, attention has focused on creating systems that allow people to work at home, such as for women with small children.

In response, NTT Communications has developed the cloud-based Arcstar Contact Center, which launched services in May 2014.

Arcstar Contact Center manages customer databases and contact center applications in the cloud. For companies with call center operations, the service provides the benefit of flexibly increasing or decreasing the floor space in their contact centers with robust security while keeping fixed costs in check. As services such as this become more prevalent throughout society, contact center employees will be able to continue working remotely from home if they so desire. This provides an added benefit of facilitating changes in how we work as a society.

Mobile ICT Unit U.N. Project Under Way in Typhoon-Struck Regions of the Philippines

In regions struck by natural disasters, it is important to restore information communications quickly as a vital part of social infrastructure. Learning from the lessons of the Great East Japan Earthquake, NTT and NTT Communications have researched and developed the concept of a mobile ICT unit that can be transported to disaster-affected regions in a short time to flexibly and easily set up ICT services. This research has attracted attention from around the world. In December 2014, our mobile ICT unit was sent to Cebu Island in the Philippines to help restore communications in areas struck by a typhoon, as an official prototype project of the International Telecommunication Union (ITU), a specialized agency within the United Nations.

In this project, we are working closely with the local officials and residents of Cebu Island to effectively deploy the ICT unit to support daily communications until regional communications networks can be restored. Based on this experience, the mobile ICT unit aims to improve further with an eye on being deployed to another disaster-stricken region somewhere in the world.

Core Initiatives

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

Our Action 01

A future where diverse people work with cloud technology

Our Action 02

Lessons learned from disaster areas applied around the world with ICT
The prominence of data centers continues to grow alongside the use of Big Data and the spread of cloud-based services. At our data centers being built around the world, we deploy low-carbon technologies as a part of our drive to create facilities in tune with the unique traits of each regional environment.

Construction of Green Data Centers with Advanced Air-Conditioning Systems

Our next-generation data centers support Silicon Valley ICT companies. Our California Sacramento 3 (CA3) Data Center commenced operations in April 2014. It is located in a seismically stable area, and is only a 15-minute drive by car to the nearest international airport. Having won the attention of many ICT companies, this data center excels in both security and environmental performance. More specifically, the data center features the latest in air-conditioning systems with outdoor air and water-cooled systems, realizing a high level of energy conservation with efficient temperature management.

The highest level of service quality in the industry offered at more than 140 locations around the world.
The reduction of CO₂ emissions has been hailed as a necessary means of addressing abnormal weather patterns around the world and to combat global warming. However, not enough has been done. With pressing needs to do more, we at the NTT Communications Group are moving proactively to deploy low-carbon technologies as a provider of services that utilize ICT equipment.

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

Our Data Centers Are Easy on the Global Environment and in Tune With Local Communities

The installation of cutting-edge energy-conserving equipment and the efficient operation of this equipment with finely tuned control are the keys to achieving low-carbon data centers. NTT Communications has reduced energy consumption in air-conditioning systems by installing SmartDASH* to efficiently control air-conditioning systems using data on temperatures sent from sensors set up in server rooms. We aim to further reduce energy consumption in our data centers by field testing an integrated air conditioning control system that coordinates the control of outdoor chillers and water pumps that had previously been individually controlled.

At our data centers in urban areas, we promote the greenification of the site, such as by planting greenery on rooftops, out of consideration of people living and working nearby. We also pay attention to noise levels in an effort to make our data centers blend in with local communities.

* SmartDASH is a registered trademark of Vigilent Corporation of the United States.

Low-Carbon Communications Facilities That Use Our Expertise in Data Centers

The knowledge we have gained from making our data centers low carbon emitters is being applied to four facilities in the telecommunications business. For example, we have been making iterative improvements in airflow within communications equipment rooms in telecommunications buildings in each region since fiscal 2011.

Our initiative to make iterative improvements in airflow aims to improve cooling efficiency by optimally placing flooring panels so that cool air from air conditioners can flow freely, and by closing up holes to prevent the leakage of cool air. In addition, we reposition temperature sensors to get more accurate readings for SmartDASH in order to remedy any excess or insufficient cooling. Unused spaces with no equipment are blocked off with sheets and panels, and blank panels are installed on server racks where equipment has not been installed yet. Through these and other measures, we aim to improve cooling effectiveness by eliminating waste and ensuring efficient airflow.

Compared with the amount of electricity used in fiscal 2011, NTT Communications lowered power usage by about 60kWh in fiscal 2014 and expects to reduce consumption by 90kWh in fiscal 2015, thanks to steady results from these measures and the proper use of temperature settings.
Respecting Our Employees

Creating Value for People Working Together

Tokyo, Japan

N35°41N, 139°45E

People Are Fundamental to Business

New value is created when diverse opinions come together from multi-talented people.

In a seamless global economy, diversity is key to fostering relationships of mutual benefit between employees and their employers, and we are pushing forward with the creation of better workplaces from multi-faceted angles.

Professional human resource development program was designed with the skills and people needed for a global ICT company in mind.

NTT Communications’ measures to develop human resources are based on the idea of helping employees grow as professionals while promoting diversity in the workforce. More specifically, we have defined nine specialty fields and subcategories for classifying the professional employees that are desired by our customers and society. We are working together with employees on building a system for taking the next step. We are also encouraging employees to think globally and acquire the skills necessary for working around the world.

Professional human resource development program nurturing ICT specialists able to work around the world

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

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

**Fundamental Program for Fostering Global Perspectives**

With the globalization of business at our customers, it is vital that we provide our customers with seamless global services through a unified team worldwide. Created against this backdrop, the fundamental program entails sending overseas employees to the head office of NTT Communications in Japan for approximately six months of training.

Through this program, participating employees are given a top-down perspective of the entire Group and after returning to their home countries, become bridges for teams working together around the world. This program is meaningful for NTT Communications as a global corporation because it gives the trainees a global perspective of its operations.

In 2014, this program was held from March through July for a total of 24 employees visiting from overseas. In 2015, the program commenced in March with 24 participants.

**Next-Generation Leadership Program Encourages Diversity with Women**

Amid a declining birthrate and aging population in Japan, the working population is set to decline. Companies must compete for talented personnel in order to grow and sharpen their competitiveness, hire diverse personnel without regard to gender, age or nationality, and prepare a work environment where they can thrive. At NTT Communications, we make a concerted effort to create environments where women and diverse employees can work efficiently together toward achieving our management vision.

For example, our next-generation women leadership program aims for female employees to become leaders of future generations across the NTT Communications Group. This program has two clear objectives. First, it aims to help employees gain experience and learn the skills that move organizations while forging a consensus through conviction, skills that leaders need to succeed. Second, it sets out career development plans (CDP) for women to guide them in setting and achieving goals. Over the course of about six months, this program serves as an opportunity for participants to find their leadership skills while growing toward their goals. The program is a first step toward diversity and inclusion in the workforce, and we expect it to help women advance within the organization.

**Core Initiatives**

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

**Our Action 01**

Fostering employees who act as bridges in a unified global team

**Our Action 02**

Programs that draw out leadership skills in women
Further Innovation

Creating Value for Tomorrow All-Japan

Solutions Based on Handsets
We protect people in the event of an emergency.

Mobile handsets are relied upon during natural disasters and unforeseen accidents to seek help if needed and contact other family members.

Development and release of goo Disaster Prevention App + goo Disaster Map for smartphones conveniently provides disaster-related information and means of communication.

Learning from the Great East Japan Earthquake and abnormal weather over the past few years, national and regional governments have been improving their dissemination of disaster-related information and evacuation guidance. Citizens have become more aware of disaster prevention, such as how to find information about disasters and communicate during emergencies. NTT Resonant Inc. has released the goo Disaster Prevention App + goo Disaster Map for smartphones, a portal for disaster-related information and a means of communicating via a social networking service. With a single app, smartphone users can see all the information they need during an emergency.

goo Disaster Prevention App + goo Disaster Map
Sponsored by Geospatial Information Authority of Japan
Winner of second Disaster Prevention App Award
Further Innovation

**Developing Technologies That Are the Seeds of a Better Future**

We continue to create new value that helps solve social issues.

**IoT Technology with Existing Infrastructure**

The Internet of Things (IoT) is a connected network of information devices that relate to our daily lifestyles. IoT has been advancing at a fast clip on the back of innovation in networking technology. The increasing prevalence of IoT in our lifestyle infrastructure has the potential to drastically change our lives for the better. It is a megatrend that has caught the world’s attention. In Japan as well, a number of companies in various industries are researching IoT.

NTT PC Communications, Inc. has continued to explore how IoT can benefit our livelihoods in a safe, secure and comfortable manner by using technologies that analyze Big Data. Based on this cutting-edge research, in fiscal 2014 we formed a tie-up with TOTO Co., Ltd and announced the Onara Big Data health management solution that uses sensors in toilets to gather data about excrement that can be used for the early detection of colon cancer, for example.

We have also partnered with local governments to field test a Water Smart Data system that monitors the safety of elderly people living alone by measuring their lifestyle patterns with data taken from water usage meters.

**Innovation That Makes Our Daily Lives Safer and More Comfortable**

Another megatrend that has the world’s attention recently is the increasing devastation caused by natural disasters. Collaborations between industry, government and academia have gained momentum around the world to prevent and mitigate damage caused by natural disasters. The Ministry of Internal Affairs and Communications has explored the efficient and creative use of ICT to speed up reconstruction in regions struck by the Great East Japan Earthquake. One of these projects promotes the digitization of records about disaster-stricken areas.

In Miyagi Prefecture and 33 municipalities within the prefecture, this project seeks to pass on to future generations a recording of natural disasters that are in danger of being lost to time. The plan is to create a system for gathering and publishing information about earthquakes that have occurred within the prefecture. NTT Communications participates in this project, employing people from affected communities to recreate a history of the earthquakes using augmented reality image processing and other digital technologies.

This project has a vital mission of preserving the history of natural disasters, data that will help local governments prepare for future disasters. At the same time, this digital data has the advantage of being able to be stored for a long period of time and allow anyone to access this data over the Internet. We believe the project will prevent the loss of this important history and help prevent disasters in Japan and around the world.
### CSR Activity Achievements

#### Main activities in fiscal 2014 aligned with the Group’s CSR priority areas

<table>
<thead>
<tr>
<th>Contributing to Society</th>
<th>Protecting the Environment</th>
<th>Respecting Our Employees</th>
<th>Improvements in Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will consistently engage in activities that garner the trust of society.</td>
<td>We are working to protect the continued beauty of the planet while supporting the harmonious coexistence of all living things.</td>
<td>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.</td>
<td>We have positioned transparent and sound management as a key priority.</td>
</tr>
<tr>
<td><strong>Areas of Particular Focus</strong></td>
<td><strong>Key Social Issues</strong></td>
<td><strong>Main activities for fiscal 2014</strong></td>
<td></td>
</tr>
<tr>
<td>- Develop ubiquitous network infrastructure</td>
<td>- Globalization of corporate activities</td>
<td>- Promotion of service globalization in accordance with Global Cloud Vision</td>
<td></td>
</tr>
<tr>
<td>- Ensure highly stable and reliable mission-critical infrastructure</td>
<td>- Evolution of Internet of Things (IoT), progress toward “smarter” society</td>
<td>- Deployment of services utilizing IoT</td>
<td></td>
</tr>
<tr>
<td>- Engage in social contribution activities</td>
<td>- More widespread corporate citizen activities</td>
<td>- Social contribution activities by each NTT Communications Group company</td>
<td></td>
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<tr>
<td>- Prevent global warming</td>
<td>- Global warming</td>
<td>- Promotion of power saving at all Group companies</td>
<td></td>
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<tr>
<td>- Reduce waste</td>
<td>- Scarcity of resources</td>
<td>- Enhancement of global environment management systems</td>
<td></td>
</tr>
<tr>
<td>- Reduce paper consumption</td>
<td>- Reduced biodiversity</td>
<td>- Improvement in final disposal ratio of waste</td>
<td></td>
</tr>
<tr>
<td>- Preserve biodiversity</td>
<td>- Acceleration of falling birthrate, aging society</td>
<td>- Enhancement of global human resource development</td>
<td></td>
</tr>
<tr>
<td>- Take steps to promote respect for diversity, equal opportunity and other objectives</td>
<td>- Creation of societies that take advantage of diversity</td>
<td>- Creation of environments that enable diverse workforces to display their full potential</td>
<td></td>
</tr>
<tr>
<td>- Ensure information security</td>
<td>- Escalation of cyber crime</td>
<td>- Improve security awareness within the Company</td>
<td></td>
</tr>
<tr>
<td>- Growing interest in corporate governance</td>
<td>- Growing awareness of human rights</td>
<td>- Enhance vulnerability assessments of IT systems</td>
<td></td>
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<tr>
<td>- Implement thorough security surveys at overseas Group companies</td>
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</tbody>
</table>
About the Reporting Media

CSR Website

http://www.ntt.com/csr_e/index.html

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

CSR Report Website


This website provides a comprehensive presentation of the content of the NTT Communications Group CSR Report 2015. This report comprises two parts: a highlight version and an expanded version. We aim to provide information effectively by taking into consideration those readers envisioned for each medium. As can be expected of a company that provides ICT services, the NTT Communications’ CSR Report has been provided in electronic format since 2012.

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

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

● Period Covered
Fiscal 2014: April 1, 2014 to March 31, 2015
(Some content may fall outside this time frame.)

● Issue Date Information
This report: December 2015
(Previous edition: October 2014; next report scheduled for October 2016)

Corporate Information

Name
NTT Communications Corporation

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

Date established
July 1, 1999

Paid-in capital
211.7 billion yen

Number of employees
6,500 (as of March 31, 2015)

Business
Domestic and international telecommunications services

Globally Recognized Achievements

■ Winner in three categories at Telecom Asia Awards 2015
■ Recipient of Operator of the Year and Best Enterprise Service awards at Asia Communication Awards 2015
■ As a global communications business operator gains No. 1 position for the third consecutive time in the 18th Global Customer Satisfaction Survey for International Data Communications Services conducted by Ocean82 Ltd. in the UK

Operating Revenues (Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group-wide</th>
<th>Non-consolidated</th>
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<tbody>
<tr>
<td>FY 2012</td>
<td>1,194.7</td>
<td>944.8</td>
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<td>FY 2013</td>
<td>1,230.4</td>
<td>944.0</td>
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<tr>
<td>FY 2014</td>
<td>1,263.4</td>
<td>909.9</td>
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Operating Income (Billions of yen)

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<th>Year</th>
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<tr>
<td>FY 2012</td>
<td>116.3</td>
<td>88.8</td>
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<tr>
<td>FY 2013</td>
<td>127.9</td>
<td>113.4</td>
</tr>
<tr>
<td>FY 2014</td>
<td>119.8</td>
<td>93.1</td>
</tr>
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</table>

Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Group-wide</th>
<th>Non-consolidated</th>
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</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>17,850</td>
<td>6,850</td>
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<tr>
<td>FY 2013</td>
<td>20,400</td>
<td>6,850</td>
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<tr>
<td>FY 2014</td>
<td>21,500</td>
<td>6,500</td>
</tr>
</tbody>
</table>