NTT communications Group

Corporate Social Responsibility Report 2011

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ECO

Global ICT Partner
Innovative. Reliable. Seamless.

NTT Communications

Our Mission: "Bridge the World"

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. As an enterprise underpinning societal and economic activities
with ICT services, we will continue to help realize a prosperous society
where people can lead secure and comfortable lives.

Contents

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, 2011)	
Number of employees	8,150 (as of March 31, 2011)	
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)

Main Group Companies (as of November 1, 2011)

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 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

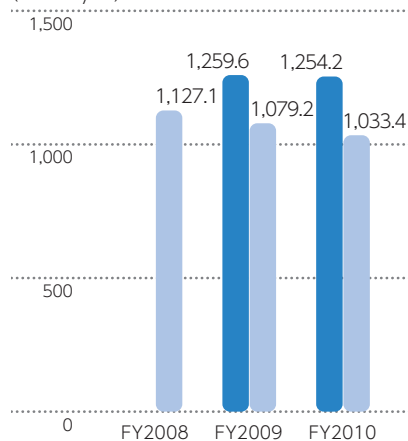Shanghai NTT Telecommunications Engineering Co., Ltd.

Japan

NTT Worldwide Telecommunications Corporation

NTT Com Technology Corporation

NTT Com 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.

(Among 94 consolidated subsidiaries of NTT Communications, only major subsidiaries are noted above.)

Operating Revenues
(Billion yen)

	FY2008	FY2009	FY2010
Group-wide		1,259.6	1,254.2
Non-consolidated	1,127.1	1,079.2	1,033.4

Operating Income
(Billion yen)

	FY2008	FY2009	FY2010
Group-wide		98.2	97.9
Non-consolidated	100.8	97.5	93.2

Number of Employees

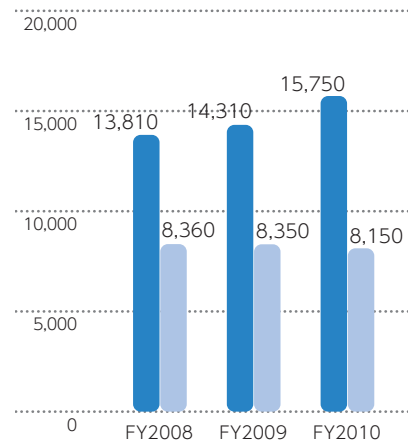|	FY2008	FY2009	FY2010
Group-wide	13,810	14,310	15,750
Non-consolidated	8,360	8,350	8,150
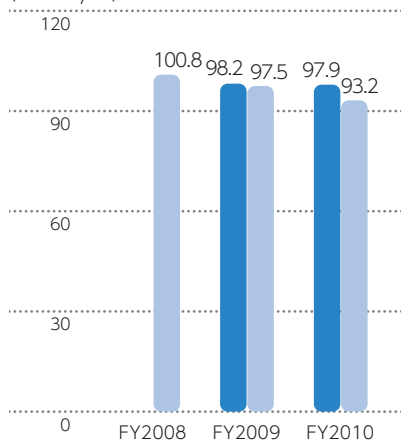
■ Group-wide ■ Non-consolidated

Group-wide figures for operating revenues and operating income have been disclosed since FY2009.

Top Commitment

As we work to find solutions to the issues facing society, it is with a renewed sense of purpose that we aim to be a "Global ICT Partner" in order to provide ICT solutions that contribute to a prosperous society and safe and pleasant lifestyles.

In recent years Japan's domestic market has matured because of low birth rates and an aging population, while the economy has become shrouded in uncertainty, attributable to deflation and the appreciation of the yen. Amid this environment, many Japanese companies are looking overseas to develop markets in Asia and other emerging countries as they search for growth opportunities, and the push for global business development is accelerating. Meanwhile, the ICT industry is in the midst of a transformative period, highlighted by the switch to broadband, the spread of smartphones and tablet computers, and advances in cloud technology.

Against this backdrop, we have formulated a new vision for our business, "Vision 2015," with this year marking the first year of our next step into the future.

As we strive to achieve the goals set forth in the new vision, we will work to upgrade our processes and restructure our organization in order to provide seamless services across all business divisions, to operate smoothly, and to meet our customers' needs both in Japan and overseas. Also, as discussed in this report's feature, we will develop professional human resources capable of success both in Japan and overseas, and demonstrate our Group's total capabilities to the maximum extent possible.

Contributing to Society

In the current information society, we are keenly aware of how indispensable communications infrastructure is. Providing communications infrastructure that is safe, reliable, and able to withstand natural disasters is an important mission for us. The Great East Japan Earthquake, which struck on March 11, was an unprecedented disaster. Overall, the NTT Group suffered tremendous damage, which had an impact on many of our customers. Information is the lifeline of society, and it is essential that during a natural disaster communications infrastructure continue to function regardless of the situation. At NTT Communications, we believe that our duty to society is to restore services as quickly as possible and help customers improve their lives. Based on this belief, we garnered all of our efforts to address these priorities.

We will use this experience to safely and reliably provide communications infrastructure that is even better able to withstand natural disasters.

This July, our employees began volunteering to support the recovery efforts in areas impacted by the earthquake. We hope that our proactive volunteer efforts will help the affected areas to recover as quickly as possible.

Global ICT Partner
Innovative. Reliable. Seamless.

As a true global leading player, we aim to be a partner chosen by customers throughout the world

Based on our new vision, we will continue to provide global ICT services as a partner to help customers bridge their present and future potential.

Main Businesses

Global Networks

As one of the few global Tier 1 providers in the world, we provide the highest quality ICT services, particularly in one-stop maintenance. We provide integrated support to customers through our offices in 77 cities in 29 countries/regions.

The Cloud and Networks

The cloud is a platform in which customers can safely and reliably entrust data in an ICT environment that can be accessed securely anytime and from anywhere. Through Green ICT we are reducing environmental footprints.

Internet Business

We expand the scope of communications through application services and content services, thereby providing a safer and more comfortable lifestyle.

Over the years, we have worked proactively to protect the environment, establishing an environmental vision and implementing it through our environmental activities. Fiscal 2010 was a target year in the environmental vision. To further advance our initiatives, we enacted new targets and an environmental vision for the NTT Communications Group to achieve by fiscal 2020 and formulated a document named "Green ICT Vision 2020" to outline what this new environmental vision entailed.

Under the new environmental vision, we have added "preserve biodiversity" to our existing priorities of "prevent global warming," "reduce waste," and "reduce paper." Going forward, our efforts will be focused on three approaches: making ICT less energy intensive ("Green of ICT"), reducing environmental footprints by having customers use ICT ("Green by ICT"), and promoting environmental conservation activities by employees and their families ("Green with Team NTT").

Following the Great East Japan Earthquake, the supply of electric power is less stable than before, and the need for energy efficiency and conservation is more acute than ever, both from the standpoint of preventing global warming as well as ensuring a stable supply of electricity. In addition to making ICT more energy efficient, we will offer ICT services such as those that allow people to work from home and remotely, and contribute to energy efficiency and conservation in offices.

We are always aware that taking on challenges is important in order to address the changing business environment. In fiscal 2011, significant reforms will be necessary to achieve the objectives we have laid out in the newly formulated business vision. I would like for our employees to take on new challenges to become globally successful personnel who can lead our businesses into the future. To this end, we will continue to develop human resources who can communicate with people around the world and who respect human rights.

In Closing

I believe that being brave and reforming the NTT Communications Group with an eye towards achieving the objectives set forth in the new Vision 2015 will ultimately lead to resolving some of the problems that society faces. In August, NTT Communications upgraded its organizational structure, and overhauled work processes, in turn further revitalizing the company and making operations more efficient.

We must continually move forward in order to become a true global leading player.

Akira Arima

President and CEO
NTT Communications Corporation

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 a Global ICT Partner.

● Make society safer and more secure
● Offer new business models and lifestyles

Contributing to Society

Protecting the Environment

Respecting Our Employees

● Prioritize in all business activities
● Reduce society's environmental footprint through our services

● Respect diversity
● Provide workplaces that champion self-fulfillment
● Work with partners to maintain high ethical standards in meeting social responsibilities

● 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

Safe and secure communication

Creation of a safe, secure and prosperous society through communications that serve people, communities, and the global environment

Team NTT communication

Communication between people and their communities

Communication between people and the global environment

The NTT Group CSR Charter is available for detailed inspection online.
http://www.ntt.co.jp/csr_e/csr-policy.html

● Our Business 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 perspective and earning the trust of our stakeholders are essential to enabling the Group to continue to profit and grow. We shall always be aware of our ties with various stakeholders as we bridge their present and future potential.

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.
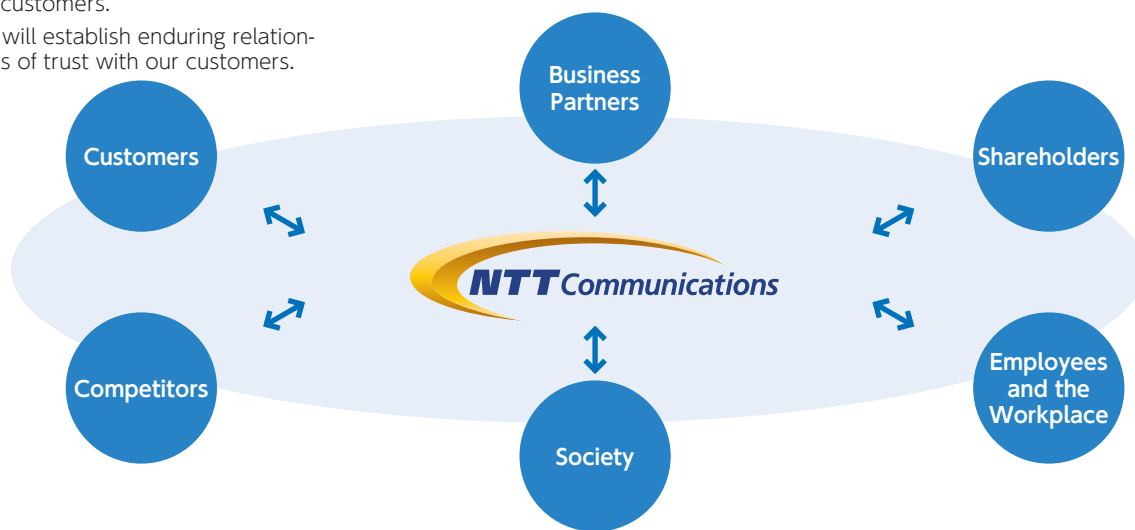
For Competitors

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.

Examples of Communication with Stakeholders

Communication with Customers	We gather feedback from customer satisfaction surveys and take steps to improve satisfaction levels. • Voice of Customer (VOC) Survey, NTT Communications Forum
Communication with Business Partners	We work with our business partners to improve communications quality, thereby improving customer satisfaction with respect to quality. • Arcstar Carrier Forum (ACF), Customer Council, Partner Summit We published a policy on procurement in accordance with our Guidelines for Green Procurement to ensure fair procurement activities. • Communication with suppliers
Communication with Society	We work to raise awareness of issues and develop a clear understanding of situations by communicating with NPOs and external experts. • Dialog with stakeholders, various social contribution activities
Communication with Employees	To help maintain and improve motivation among employees, we use an appropriate human resources system, provide a forum for communication with management, and make sure to reflect employees' feedback. • Dialog with president, KAIZEN Direct Line.

CSR Priority Activities Established

● The NTT Communications Group CSR Priority Activities were established in fiscal 2011.

In March 2011, we established the NTT Communications Group CSR Priority Activities in order to promote CSR activities in unison with the entire NTT Group. When formulating these activities, we referred to the NTT Group CSR Priority Activities, which were chosen from the list of NTT Group CSR Activities based on the NTT Group CSR Charter and other policies. Looking ahead, we are determined to fulfill our social responsibilities and corporate mission with an emphasis on these priority activities.

Four Priority Areas Defined

We have defined four priority areas, consisting of the three elements of our Basic CSR Policy and corporate governance, which is essential to corporate activities. Priority activities have been established in each of these priority areas.

Area 1 Society

Contributing to Society

We shall constantly endeavor to enhance Information and Communication Technology (ICT) as we provide stable and highly reliable ICT services worldwide with the aim of achieving a safer and more secure society.

Furthermore, we shall work to create new value for society, while helping to build inclusive communities in which all people can fully participate.

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

Area 2 The Environment

Protecting the Environment

We are committed to actively safeguarding the Earth's natural environment in all stages of business operations, while helping to develop an environmentally friendly society through the provision of ICT services.

[Priority Activities]
- Prevent global warming
- Reduce waste
- Reduce paper
- Preserve biodiversity

Area 3 Human Resources

Respecting Our Employees

We shall respect the diversity of every employee while building worksites that enable each employee to reach his or her full potential. At the same time, we shall fulfill our social responsibilities through our business activities in adherence to high ethical standards.

[Priority Activities]
- Respect diversity and take steps to promote equal opportunity and other objectives

Area 4 Corporate Governance

Management

We shall strive to enhance corporate governance as the foundation for sound business activities, with the view to remaining a highly trusted enterprise at all times.

[Priority Activities]
- Ensure information security

● We have formulated a new Medium- and Long-Term Environmental Vision for fiscal 2020.

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 Green ICT Vision 2020, which includes specific numerical goals through fiscal 2020.

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.

Long-Term Environmental Vision

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:
http://www.ntt.com/csr_e/report2011/data/en_manage.html

Green ICT Vision 2020

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.

Our three "eco" initiatives:

Green of ICT
Green by ICT
Green with Team NTT

Realization of a Low-Carbon Society
Efficient use of energy
We are working to realize a low-carbon society through such initiatives as promoting the introduction of top-runner equipment, refurbishing and upgrading to high-efficiency air conditioning systems, enhancing lighting using reflectors, LED and other devices, introducing high voltage DC power supply systems and expanding the use of natural energy sources.

Further details on these initiatives are available on the following website:
http://www.ntt.com/csr_e/report2011/data/en_load.html

Promotion of a Recycling-Based Society
Effective utilization of materials and resources
We are promoting a recycling-based society through such initiatives as clarifying and thoroughly implementing recycling guidelines, promoting thermal recycling, achieving zero emissions* for all removed telecommunications equipment, and reducing the volume of office paper used.

* Zero emissions: The NTT Communications Group considers a final disposal rate of 1% or less to satisfy zero emissions conditions.

Further details on these initiatives are available on the following website:
http://www.ntt.com/csr_e/report2011/data/en_measures.html

Preservation of Biodiversity
Protection of species facing the risk of extinction
We are working to preserve biodiversity through such initiatives as promoting construction work based on consideration for biodiversity, revising our biodiversity preservation guide, and promoting environmental protection programs undertaken by employees and their family members.

Further details on these initiatives are available on the following website:
http://www.ntt.com/csr_e/report2011/data/en_biodiversity.html

Fiscal 2020 goals

Reducing CO_2 emissions

318,000 t-CO_2 or less
(Reduce by 15% or more from the fiscal 2008 level)

Reducing the volume of waste generated

Final disposal rate: **2**% or less
(Final disposal rate = Volume of waste transported to the final processing site/ Total volume of waste generated)

Reducing the volume of office paper consumed (conversion to A4-size sheets)

8,500 sheets/employee
(Reduce by 30% from the fiscal 2008 level)

Contributing to Society

Reliably and Securely Bridging the World

Continuing to Bridge at All Times

Reliable Maintenance Service, 24 Hours a Day, 365 Days a Year

The NTT Communications Group's communications network supports the foundation of the information society on a global scale. Our mission is to provide stable communications services to customers and to continue to bridge society. In order to be prepared for unforeseen natural disasters or accidents, we have installed multiple transmission routes and redundant communication equipment worldwide. We have also established one-stop maintenance and monitoring around the clock all year round to provide highly-reliable communications services. Furthermore, while giving due consideration to our employees' work schedules, we operate and manage our network services around the clock, and have put in place a high-quality, highly efficient and reliable maintenance system.

Building Networks that Withstand Natural Disasters

At the NTT Communications Group, we handle natural disasters based on the following three principles: maximize network reliability, maintain critical communications, and quickly restore all communications services.

Maximize Network Reliability

We have enhanced network reliability by installing multiple transmission lines and redundant communications equipment.
- Facilities in buildings capable of withstanding a major earthquake
- Protecting against fires by using fireproof doors and fire-resistant cables
- Keeping emergency power supply equipment for use in the event of a prolonged power outage
- Enhancing security through stringent entry/exit control
- Measures in accordance with the Basic Act on Disaster Control Countermeasures and the Act Concerning the Measures for Protection of the Civilian Population

Maintain Crucial Communications

As a designated public institution, we partner with government institutions and local governments to secure crucial communications in times of disaster.
- Securing emergency communications with the police, fire department, local governments and other organizations
- Providing a Disaster Emergency Message Dial (171) service

Quickly Restore All Communications Services

When a natural disaster strikes, we establish a company-wide framework to handle any problems by immediately establishing a disaster management headquarters. We aim to quickly repair any damaged electrical communications equipment and restore services.
- Establishing a disaster management headquarters
- Quickly dispatching power supply vehicles and deploying disaster response equipment
- Transporting personnel as well as equipment and materials via helicopter

WEB Details on disaster readiness and response measures are available on the website below.
→ http://www.ntt.com/csr_e/report2011/data/st_stable.html

Specific Examples of Activities

Quickly Restoring Services in the Event of Major Damages to the Global Network

The NTT Communications Group has constructed a global network prepared for large-scale damages from natural disasters. In the event that a fiberoptic submarine cable were to be severed, it would be detected by an alarm and a host of measurements would be made to identify the location of the cut within several tens of meters. Thereafter, a cable-laying vessel would travel to the damaged location as quickly as possible to perform repairs, and a Remotely Operated Vehicle (ROV) capable of submerging to a maximum depth of 2,500 meters would pull up the cable for repair.

We have also partnered with telecommunications providers around the world to secure a variety of detour routes that would allow us to quickly restore any disrupted communications services. Furthermore, fiberoptic submarine cables are connected in loops, enabling automatic restoration in the event of damage, and providing cable redundancy. As a result, our network is strong in the face of disasters.

ROV capable of submerging to a depth of 2,500 meters

Focusing on Network Reliability in Times of Disaster

The NTT Communications Group focuses on securing network reliability by building networks capable of withstanding disasters. This effort includes preparing for such events as strong earthquakes, torrential rains, and tsunamis.

In the event of an earthquake beneath the Tokyo metropolitan area, we would set up an Initial Response Headquarters in the Kansai region of western Japan. Moreover, in the Tokyo metropolitan area, an Area Response Headquarters would be set up within 24 hours of the earthquake to perform network restoration.

To overcome communications disruptions in the core network among cities, once the location and extent of the failure are identified, we will design detour routes and establish equipment settings.

Digging up a severed cable

Response to the Great East Japan Earthquake

NTT Communications suffered major damages from the Great East Japan Earthquake which struck on March 11, 2011. Two of our three transmission lines running from the Kanto region (including Tokyo) to the Tohoku region of northeast Japan were completely severed. Of the two completely severed routes, we assumed that the tsunami had caused tremendous damage to the Pacific route, so we hurried to begin repairing the inland route. We arrived in the disaster area the following day, and on the morning of March 13, we began to work with local companies to install utility poles and otherwise work to restore services. We successfully restored the inland route approximately 50 hours after the earthquake struck.

Voice

"I felt the weight of our responsibility to support the facility."
The day after the earthquake, I went to the disaster-stricken area by helicopter. The situation was still dangerous, as the full extent of the damage was yet unknown, but nonetheless we made the decision to go there as quickly as we could. As the group worked around the clock on disaster recovery, I felt the weight of our responsibility to support the country's internal communications infrastructure and strongly felt the employees' dedication as we worked together and gave all we had to the effort. In that sense, it was a very valuable experience for me.

Ken Ishii
Senior Manager
KAIZEN*
Process and Knowledge Management
(formerly Senior Manager, Core Network Department, Network Business Division)
* Continuous improvement

Operation & Maintenance Framework

24 hours a day, 365 days a year

Glossary

Multiple Transmission Routes
NTT Communications has developed multiple transmission routes across Japan, so in the event that one route suffers damage, its functions are automatically switched to another route to secure communications.

Redundant Communications Equipment
Two units of the same equipment are installed to ensure communications in the event of a failure.

Designated Public Institution
Refers to a public institution designated by the Prime Minister, as stipulated in Article 2-4 of the Basic Act on Disaster Control Countermeasures.

Protecting the Environment

Bridging to Reduce Environmental Footprint

NTT Communications Provides Environmentally Friendly Technologies and Services

Using the Power of ICT to Create a Society that is Friendly to the Global Environment, People and All Other Living Things

In addition to creating the highest level of services across the world, the NTT Communications Group works to realize an environmentally friendly society. Our Global Environmental Charter articulates our goal of actively pursuing conservation of the global environment. With this environmental vision having reached its target year in fiscal 2010, we formulated the new "Green ICT Vision 2020," which sets forth our environment-related objectives with an eye to 2020.

Green ICT Vision 2020

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. Based on the vision these initiatives entail, we will strive to reduce the environmental impact of all our business activities, with the three aims of realizing a low-carbon society, promoting a recycling-based society and preserving biodiversity.

Green of ICT
We will mitigate the environmental impact of our ICT equipment and facilities, applying increasing technology and process innovation each time we replace them for upgrades, thereby raising their efficiency and reducing the electricity they consume.

Green by ICT
We reduce society's environmental impact through the use of ICT to improve transportation efficiency for people and goods as well as more efficient use of energy, and by moving away from resource-intensive operations to, for example, a paperless workplace.

Green with Team NTT
In addition to carrying out their business activities, each and every Group employee practices eco-friendly activities to reduce the environmental impact in their workplace, home and local community.

Fiscal 2020 Targets
Reducing the NTT Communications Group's Own CO$_2$ Emissions

318,000
tons-CO$_2$ or less
Utilizing new energy-saving technologies and facilities, we will reduce CO$_2$ emissions by 15% or more compared to the fiscal 2008 level.

Fiscal 2020 Targets
Reducing Society's CO$_2$ Emissions

2 million
tons-CO$_2$ or more
By providing ICT services, we will contribute to the reduction of society's overall CO$_2$ emissions by 2 million tons or more.
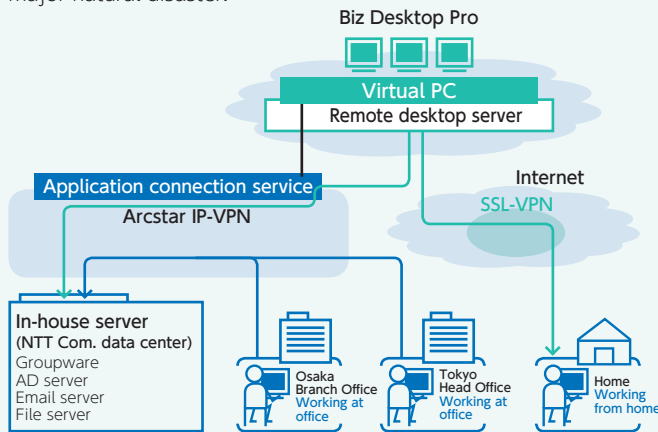
Specific Examples of Activities

Contributing to Society with the Newest Telecommuting Model Green ICT Utilizing "Biz Desktop Pro"

"Biz Desktop Pro" is a service that allows users to access their workplace PC environment from their home computer simply by inserting a dedicated USB device. This works by accessing a virtual PC on the cloud via the Internet, and enables users to use internal resources from outside the company while also ensuring security.

With this dedicated USB device, users can easily create their own work environment. In addition to helping to reduce a company's power consumption, "Biz Desktop Pro" enables a variety of working styles through remote access from any location, and also enables business continuity planning (BCP) in the event of a major natural disaster.

Biz Desktop Pro

Virtual PC
Remote desktop server

Application connection service
Arcstar IP-VPN

Internet
SSL-VPN

In-house server
(NTT Com. data center)
Groupware
AD server
Email server
File server

Osaka Branch Office
Working at office

Tokyo Head Office
Working at office

Home
Working from home

Contributing to Society with the Latest Green ICT Technology

In addition to increasing data center demand, society is demanding that ICT equipment consume power more efficiently and be able to withstand natural disasters. At NTT Communications, we are focused on building world-class data centers featuring cutting-edge green ICT capabilities. In April 2011, the Tokyo No. 5 Data Center was completed and entered service.

The Tokyo No. 5 Data Center

The Tokyo No. 5 Data Center is housed in a high-performance earthquake-proof building that is capable of withstanding an earthquake as strong as the Great East Japan Earthquake or the Great Hanshin Awaji Earthquake. The data center is also equipped with high-efficiency power generating equipment and an advanced air-flow management system capable of reducing energy use by up to 35%. As a result, the PUE (Power Usage Effectiveness) is under 1.45, giving the data center one of Japan's highest levels of environmental performance.

We also contribute to society through our comprehensive, continuous efforts to make our overseas data centers more eco-friendly.

Voice of Sales Staff

Our customers appreciate being able to access their office working environment from anywhere simply by inserting a dedicated USB device, and also like the fact that they do not need to worry about security, as information leaks are protected against with SSL-VPN and by using a screen transfer method that leaves no data on the computer. No complicated settings are required, and customers also like the fact that a connection speed of 1Mbps is enough to comfortably access the system, and that it allows them to significantly reform the working styles of employees.

Masayuki Tamura
Application Services
Applications and Content

Voice of Sales Staff

On the day of the Great East Japan Earthquake, construction workers working on a high floor of the building felt some light shaking. When they looked outside they saw other buildings shaking violently. Customers feel safe knowing that the earthquake-resistant design of the building and equipment will offer strong support for their business continuity planning. They also appreciate the fact that it is an energy-efficient, green data center equipped with solar panels, LED lighting and other eco-friendly features.

Hiroshi Seo
Manager
Data Centers
Cloud Services

Energy-Saving with ICT Services

Using ICT services is an effective way for companies to save energy. Cloud services utilizing virtualization technology and moving servers to data centers allow companies to reduce power consumption as well as continue business operations in the event of a natural disaster or sudden power outage.

Furthermore, creating a remote access-based work environment also helps reduce office power consumption by facilitating telecommuting and changing how people work in other ways.

Glossary

Dedicated USB Device
A USB memory stick that contains the functions required to use "Biz Desktop Pro." Inserting this dedicated USB memory stick into a PC allows users to access "Biz Desktop Pro" from anywhere.

SSL-VPN
Encrypted communications technology used to ensure security when communicating via an Internet web browser. SSL-VPN stands for Secure Sockets Layer Virtual Private Network.

PUE
Short for Power Usage Effectiveness, PUE indicates a data center's energy efficiency. PUE is found by dividing the data center's overall power consumption (power consumption of ICT equipment + power consumption of air conditioning/lighting, etc.) by the power consumption of ICT equipment. The closer to 1.0 the value is, the higher the energy efficiency.

SPECIAL FEATURE 3:

Using Global Capabilities to Bridge

Respecting Our Employees

Developing Human Resources Capable of Succeeding on a Global Level

With the domestic market maturing and recent economic uncertainties, Japanese companies are increasingly looking to globalize their operations. As a result, more and more Japanese companies are proactively sending employees overseas and hiring foreign nationals. We are promoting "seamless operations in Japan and overseas," so it is critical that we develop global human resources.

In addition to developing human resources capable of working globally, we are focusing our efforts on developing "professional human resources" equipped with knowledge, experience, on-site capabilities, as well as people skills.

Promoting Global Human Resource Management Across National Borders

Responding to the needs of customers expanding their businesses on a global scale requires a corporate culture that utilizes diverse human resources, beyond just differences in nationality. We promote Global Human Resource Management (GHRM) under the slogan of "Global One Team." We embrace different nationalities, values and positions. Based on this approach, we actively utilize global human resources and create and provide opportunities for personal growth for each employee, while managing human resources in a way that is best for the Group overall, and sharing our vision.

GHRM Policy
Human Resource Development Targeting All Employees

● **Harnessing Global Human Resources**
Throughout the global NTT Communications Group, we are actively moving employees of overseas subsidiaries between these subsidiaries, as well as promoting exchanges of personnel with Japan. As we aim to further make the most of diverse human resources regardless of nationality, from fiscal 2012 more than 10% of the new hires at NTT Communications will be foreign nationals.

● **Human Resource Development Aimed at Globalization**
Certain employees are sent abroad from Japan as trainees in order to learn about technologies and obtain skills through on-the-job training at overseas subsidiaries, to cultivate a global mindset while expanding their perspectives through experiences overseas, and to encourage growth and development as global human resources. In addition to a "Global Challenging Program (Advanced Trainee)" targeting mid-level employees, from fiscal 2011 we are implementing a program targeting first-year or second-year employees.

● **Management Including Overseas Subsidiaries**
We are carrying out efforts to build a common GHRM platform, with an aim to share our basic GHRM philosophy and rules, and to put the right people in the right positions, regardless of nationality.

WEB **Details on GHRM are available on the website below.**
→ http://www.ntt.com/csr_e/report2011/data/of_education.html

Specific Examples of Activities

"Global Challenging Program (Trainee)" for First-year or Second-year Employees

In an effort to quickly develop employees capable of working successfully overseas, NTT Communications conducts a program for first-year or second-year employees to work overseas called the "Global Challenging Program (Trainee)."

The human resources development policies are based on "firsthand experience on the front lines," because we feel that true opportunities for growth can be found on the front lines. From fiscal 2011, this program is being expanded to target first-year and second-year employees. The program allows these 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. Employees work overseas for one year. In fiscal 2011, 50 employees were stationed overseas, with plans to increase this number going forward.

Training in Japan for Employees of Overseas Subsidiaries

NTT Communications invites employees of overseas subsidiaries to work in Japan through six-month and two-year training programs. As of January 2011, a total of 26 employees from 12 subsidiaries in the U.S., Europe and Asia are working in Japan.

As globalization in the business world rapidly accelerates, exchanging employees with overseas subsidiaries holds the tangible advantage of fostering an understanding of diversity that goes beyond differences in language and culture. Going forward, we will continue these exchanges of personnel from an even more global perspective as we strive to firmly establish a culture of diversity and solidarity in the Group.

**Number of Planned Participants in the Fiscal 2011 GHRM Program
Training of Japanese Staff Overseas**

50 trainees

**Number of Planned Participants in the Fiscal 2011 GHRM Program
Training of Employees of Overseas Subsidiaries in Japan**

30 trainees

Voice of Participating Employee

I took up this two-year program so as to understand the situation and perspectives of HQ and to share my experience with our HQ colleagues by working together. This program gave me opportunities to work with many overseas affiliates from HQ, and share our common goal of winning customers and serving them as a global ICT partner.

Tay Liza Swee Eng
Two-Year Training Program
NTT Singapore Pte. Ltd.

Voice of Participating Employee

India is an emerging country where globalization is rapidly advancing. In this climate, I realized that to compete with international carriers in the Indian market, it's necessary to learn global business processes and a global business approach suited to different markets. I am confident that this program will enhance my career and contribute to the future growth of NTT Communications India.

Sushil Kulkarni
Six-Month Training Program
NTT Communications India Private Ltd.

Composition of NTT Communications Group Workforce

While there were approximately 2,000 overseas employees until a few years ago, this number has increased to nearly 5,000 employees.
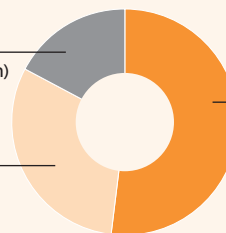
Going forward, the Group will continue to embrace different nationalities and values, and create opportunities for all employees to succeed at work.

Group Companies (Japan)
17%

Overseas Subsidiaries
31%

NTT Communications (non-consolidated)
52%

As of March 31, 2011

CSR Index 2011

● Previous Indices

◎ NTT Communications Group   ● NTT Communications

CSR issues and policies	Measures and actions	Fiscal 2010 results	Self-assessment	Fiscal 2009 results
Contributing to Society				
Faithfully Serving Our Customers	◎ Communication service coverage	We provided comprehensive support services to customers concerning the development of ICT environments and related operations by enabling services to be provided around the world. Provided in **159 countries**/areas	—	Provided in 159 countries/areas
	● 24-hour-a-day network service	Besides guaranteeing high quality through Service Level Agreements (SLAs), we assisted customers with a full-scale support system, including operations in 3 major global centers 24 hours a day, 365 days a year. Service uptime: **99.999%**	—	Service uptime: 99.999%
Contributing to Local Communities	◎ CSR activities for employee participation	As a corporate citizen, we provided employees with opportunities to raise their awareness of contributing to society while encouraging them to participate in such activities in their local communities and regions. **10 times** (717 attendees)	—	8 times (549 attendees)
Protecting the Environment				
Environment Management	◎ Environmental efficiency index for CO_2 emissions[1]	**3.94** (million yen in sales/tons of CO_2 emitted)	—	3.27[2] (million yen in sales/tons of CO_2 emitted)
	◎ Environmental efficiency index for waste processing	**1,115** (million yen in sales/tons of final disposal volume)	—	277[2] (million yen in sales/tons of final disposal volume)
	◎ Environmental efficiency index for paper usage	**331** (million yen in sales/tons of paper used)	—	343[2] (million yen in sales/tons of paper used)
Global Warming Prevention	◎ Greenhouse gas emissions[1]	**319,000 tons** (Telecommunications: 298,000 tons; Offices: 21,000 tons)	Achieved	330,000 tons (Telecommunications: 306,000 tons; Offices: 24,000 tons)
Reduction of Waste	◎ Promoting recycling of office waste	Recycling rate: **72.4%**	Achieved	Recycling rate: 64.6%
	● Reducing paper consumption in offices	Paper consumed per employee (A4 equivalent): **9,314 sheets**	Achieved	Paper consumed per employee (A4 equivalent): 10,515 sheets
Respecting Our Employees				
Respect Diversity	● Promoting the hiring of people with disabilities	We have continued to meet the statutory percentage of employees with disabilities of 1.8% by providing favorable working conditions for people with disabilities. Percentage of employees: **1.93%**[3]	Achieved	Percentage of employees: 2.02%
Maintaining and Improving Employee Health	● Mental health keeper	Almost all managers have obtained qualification. The qualification is designed to improve managers' ability to respond to mental health risks by completing a systematic training program on mental health care management. Qualification by **1,420 employees**	Achieved	Qualification by 1,040 employees
Respecting Human Rights	◎ Classes on human rights	Seeing human rights initiatives as an important activity for corporations, we promoted awareness to ensure that all employees respect individuality and human rights. **19,500 attendees**	Achieved	18,530 attendees
Management				
Compliance	◎ Classes on compliance at all workplaces	Every year, classes on compliance are offered to not only employees, but also partner employees. The goals are to develop favorable work-site conditions and to foster an appreciation of the importance of corporate ethics by developing an understanding of business risks, and to reflect these business risk considerations into daily conduct. Classes were also offered at 11 Group companies in fiscal 2010. **21,506 attendees** (590 times)	Achieved	21,209 attendees (705 times)
	◎ Questionnaire on corporate ethics	Implement questionnaires designed to step up corporate ethics activities by gauging the current status of such matters as the extent of penetration of corporate ethics initiatives within the Company and at Group companies, as well as related awareness among employees and other personnel and the openness of the corporate culture. Questionnaires were implemented at 11 Group companies in fiscal 2010. Collection rate: **98.4%**	Achieved	Collection rate: 95.6%
Risk Management	◎ Business risk management study group (Safety training for personnel taking overseas business trips)	Training sessions led by experts are held for personnel taking overseas business trips. These sessions cover information that overseas travelers should be aware of and specific ways of avoiding becoming a victim of crime overseas. Through this program, we are enhancing risk management with respect to personnel taking overseas business trips. **270 attendees** (7 times)	—	53 attendees (1 time)

*1 0.378 kg-CO_2/kWh is used for the CO_2 emissions coefficient.
*2 For NTT Communications on a non-consolidated basis.
*3 Calculated based on conditions after the exclusion rate was amended (amended in July 2010).

● Establishment of New Indices

We have established new CSR indices that reflect our newly formulated CSR Priority Activities.
Our main initiatives are outlined below.

Contributing to Society

Area 1　Society

Develop ubiquitous network infrastructure

● **Provide highly stable and reliable data centers**
We will work to maintain and enhance quality by applying Information Technology Infrastructure Library (ITIL®)[*4]—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 seek to build a disaster-resilient society by providing high-quality ICT services through multiple transmission routes, the distributed location of important communication centers and other initiatives in preparation for emergencies.

● **Measures to address major natural disasters and similar times**
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 attendees: **3,000**

Protecting the Environment

Area 2　The Environment

Global Warming Prevention
● **Reduce CO_2 emissions**

CO_2 emissions[*5]: **315,000** tons-CO_2 or less

Environmental efficiency index for CO_2 emissions: **4.00** (million yen in sales/tons of CO_2 emitted)

Reduction of waste
● **Reduce office waste**

Recycling rate: **76** % or more

Environmental efficiency index for waste processing: **1,274** (million yen in sales/tons of final disposal volume)

Reduce paper resources
● **Reduce paper consumption**

Paper consumed per employee (A4 equivalent): **9,300** sheets

Environmental efficiency index for paper usage: **333** (million yen in sales/tons of paper used)

Preservation of biodiversity
● **Protection of species facing the risk of extinction and related priorities**
We will promote business activities giving consideration to biodiversity based on environmental assessments.

Respecting Our Employees

Area 3　Human Resources

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.

● **Enhancing 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.

Management

Area 4　Corporate Governance

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.

Details on other indices are available on the website below.

http://www.ntt.com/csr_e/report2011/data/csr_index.html

[*4] 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.
[*5] 0.33 kg-CO_2/kWh is used for the CO_2 emissions coefficient.

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 provision of telecommunications services. We have issued this report to clearly convey our CSR approach and activities to our stakeholders.

The English version of this report is based on a two-part electronic format comprising an abridged version and a detailed version. We aim to provide information effectively by remaining aware of the readers envisioned for this type of report.

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.

Report Profile

● Reference Guidelines

GRI (Global Reporting Initiative)
Version 3.0 of the GRI's Sustainability Reporting Guidelines
The Ministry of the Environment's Environmental Reporting Guidelines (Fiscal Year 2007 Version)
The Ministry of the Environment's Environmental Accounting Guidelines 2005
ISO26000: 2010, Guidance for social responsibility
* Report compliance with the GRI's Sustainability Reporting Guidelines 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. Sachiko Kishimoto, Executive Director of the Center for Public Resources Development (NPO), kindly provided her opinion for the 2011 edition of the report.

Third-party opinion details are available on the following website.
http://www.ntt.com/csr_e/report2011/data/opinion.html

● 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 2010: April 1, 2010 to March 31, 2011
(some content may fall outside this timeframe)

● Issue Dates

This report: November 2011
(Previous edition: November 2010; Next report: Scheduled for November 2012)

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 for 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 2011 version of the report. Another priority was to actively disclose information about our response to the Great East Japan Earthquake.
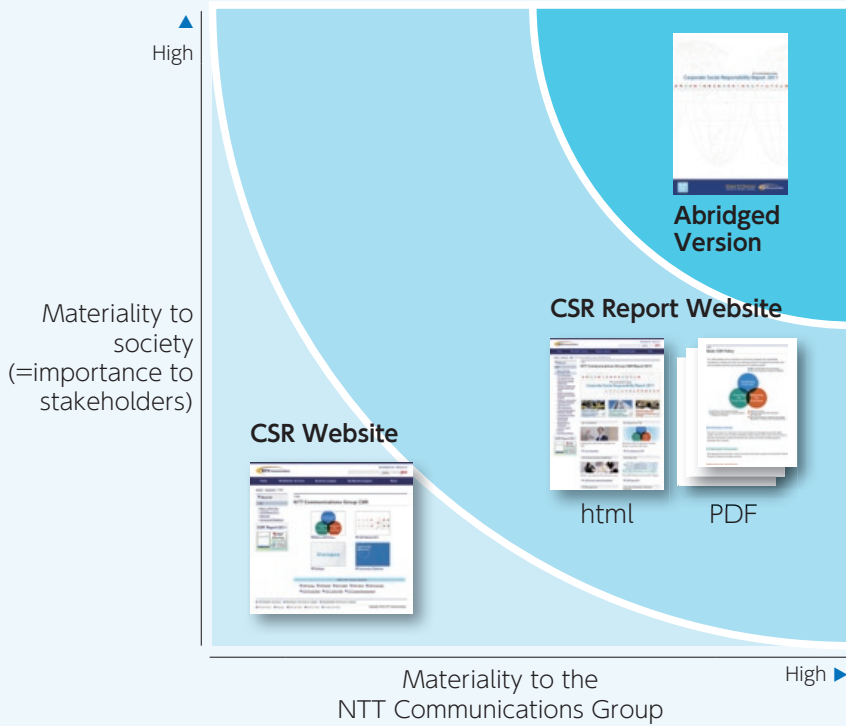
Two-Stage Selection Process

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

Focus of Report Content by Version

High

Materiality to society (=importance to stakeholders)

CSR Website

CSR Report Website

html   PDF

Abridged Version

Materiality to the NTT Communications Group

High ▶

The abridged version summarizes the content of the detailed version by presenting 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.

CSR Website

The CSR website provides information on the CSR activities of various NTT Group companies.

We hold dialogues regularly.

The abridged version of the CSR Report is also available in PDF and e-Book formats.

CSR Report Website

This website provides a comprehensive presentation of the content of the NTT Communications Group CSR Report 2011.

The abridged version and the detailed version of the report can be downloaded from the CSR Report website in PDF format.

Examples of CSR activities are presented in greater detail.

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

http://www.ntt.com/csr_e/report2011/

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