

Corporate Governance

NTT continues to enhance its various management systems to support the sound development of its Group companies and establish a foundation of trust.

Strengthening Corporate Governance and the Internal Control System

Basic Philosophy

As the holding company of NTT Group, NTT believes that raising the effectiveness of corporate governance is an important management issue for meeting the expectations of various stakeholders, including shareholders and other investors, as well as customers, business partners, and employees, and for maximizing corporate value.

Accordingly, NTT Group is working to strengthen corporate governance based on its fundamental policies of ensuring sound management, conducting appropriate decision-making and business activities, clarifying accountability and maintaining thorough compliance.

Board of Directors and Board of Corporate Auditors

NTT maintains a Board of Directors with 12 members, including two outside directors. In principle, the Board of Directors meets once per month to make decisions and report on important management issues.

NTT also maintained a Corporate Auditor system, including a Board of Corporate Auditors with five members, three of whom are outside corporate auditors.

Executive Officers Meeting and Committees

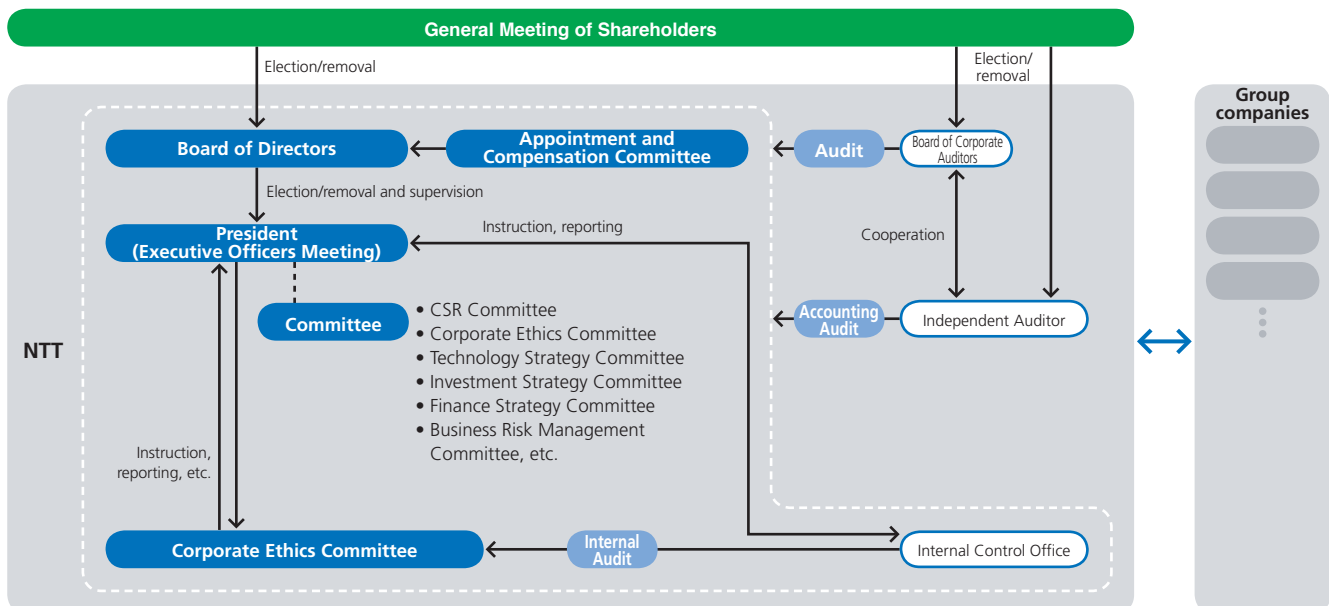
The important corporate matters to be decided are, in principle and in advance, discussed by NTT's Executive Officers Meeting. The Executive Officers Meeting comprises the President, Senior Executive Vice Presidents, directors with management responsibilities and the heads of staff organizations, and meets around once a week, with a total of 28 meetings held in the fiscal year ended March 31, 2009.

In addition, committees have been created under the Executive Officers Meeting to discuss specific issues related to the management strategies of NTT Group companies. These committees are in principle chaired by the President or a Senior Executive Vice President, and meetings are attended by relevant directors and other personnel as necessary.

Audits by Corporate Auditors

NTT's corporate auditors audit the performance of directors' duties from the viewpoint of appropriateness. The corporate auditors are working with the Independent Auditor periodically to exchange information on audit plans and audit results to bolster the audit system, in addition to conducting audits in partnership with the corporate auditors of group companies.

Corporate Governance Structure (Including an Outline of the Internal Control System)



Internal Control Systems

NTT has established a basic policy on the maintenance of an internal control system for NTT Group through a resolution of the Board of Directors to put in place a structure for ensuring the appropriate execution of duties within each Group company, while continuing efforts to establish further rules and systems related to internal controls based on the above-mentioned basic policy.

In terms of ensuring the reliability of the internal control over financial reporting based on the U.S. Sarbanes-Oxley Act and Japan's Financial Instruments and Exchange Law, NTT Group is working to document business processes and conduct repeated tests to provide reasonable assurance as to effectiveness of internal control over financial reporting.

NTT's Internal Control Office plays a primary role in monitoring the status and verifying the effectiveness of internal controls across the Group as a whole through such measures as conducting standardized audits that target all Group companies and checking the status of progress of internal auditors in each Group company, as well as leading efforts to improve the Group's internal control systems.

Basic Policy on the Maintenance of an Internal Control System for NTT Group (Board of Directors Resolution)

- (1) NTT maintains a system of internal controls, including measures for the prevention and minimization of losses, to ensure compliance with applicable laws, appropriate risk management and proper and efficient business operations.
- (2) To maintain the internal control system outlined above, NTT has established an Internal Controls Office to oversee the establishment and maintenance of rules and structures. This body also evaluates the effectiveness of the internal control system and makes necessary system revisions by conducting audit reviews and coordinating audits of high-risk matters common to group companies.
- (3) NTT also takes appropriate measures to ensure the reliability of its internal control system based on the U.S. Sarbanes-Oxley Act Sections 302 (disclosure controls) and 404 (internal control relating to financial reporting).
- (4) As the Chief Executive Officer, the President is responsible for ensuring the establishment, maintenance and operation of the system of internal controls.

Defining Accountability

NTT strives to maintain appropriate, timely and fair information disclosure and is aware that obtaining proper corporate valuations in the market through such disclosure is essential. Accordingly, NTT announces quarterly financial results. In addition, the President and other officers will conduct briefings, and NTT Group management strategies are disclosed through press conferences and announcements. Information is also promptly disclosed on the NTT website to fulfill NTT Group's accountability responsibilities.

Ensuring Compliance

NTT Group Corporate Ethics Charter

Recognizing that it is imperative to conduct business in compliance with laws and regulations, and maintain high ethical standards in order to promote sound corporate activities, NTT drew up NTT Group Corporate Ethics Charter in November 2002.

The Charter, which applies to all officers and employees of NTT Group, lays out the basic principles of corporate ethics and provides specific guidelines for ethical behavior. The stipulations in the guidelines are intended to remind everyone of their duty as members of a communications group which bears significant responsibility to society in terms of preventing dishonesty, misconduct, and the disclosure of corporate secrets, as well as refraining from exchanging excessive favors with customers and suppliers, and ensuring that they conduct themselves according to the highest ethical standards in both private and public activities.

Ethics Education and Awareness Surveys

To ensure the effectiveness of the Corporate Ethics Charter, NTT Group companies offer training sessions on corporate ethics and CSR to employees, and conduct surveys to monitor employee awareness. By conducting surveys of regular employees, as well as temporary and contract staff, every year, NTT Group is working to raise awareness of corporate ethics and CSR among its workforce.

Help Line

To prevent dishonesty and misconduct, each company has in place a system for employees to report and consult on ethical issues. NTT Group have also established a group-wide Corporate Ethics Help Line to enable employees to go outside their company for help if required.

In line with Japan's Whistleblower Protection Act, which came into force in April 2006, and other laws, NTT Group also accepts reports from companies outside the Group that do business with NTT Group.



NTT Group Corporate Ethics Charter website

NTT Group has put in place structures and guidelines to support and ensure sound corporate conduct with the view to meeting the expectations and interests of our stakeholders. The entire Group is working as one to carry out CSR activities.

NTT Group Stakeholders and CSR

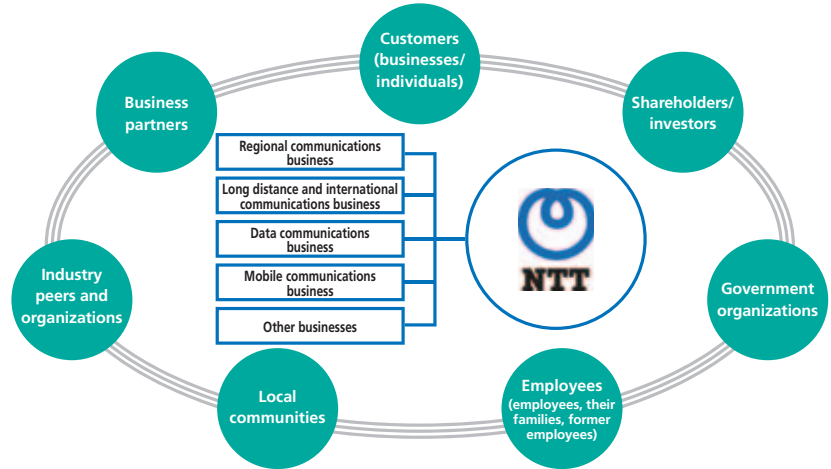
NTT Group is promoting CSR activities across the Group to address the expectations of its stakeholders.

NTT Group carries out its CSR activities based on the NTT Group CSR Charter adopted in 2006. Furthermore, in November 2008, NTT newly established NTT Group CSR Priority Activities to define common areas of each of the CSR activities for each of NTT Group companies. (Please see the below column.)

The CSR Charter consists of a CSR Commitment and four CSR Goals.

The Activities consist of eight areas corresponding to the above four Goals of the CSR Charter. At the same time, the Guidelines for NTT Group CSR Activities were also established to enable NTT Group companies to establish their own activity objectives and proceed with activities appropriately in line with PDCA cycles.

Starting from the fiscal year ending March 2010, NTT and its group companies will choose and adopt their own action plan and review the status of each action stipulated in the above action plan based on the PDCA level. Guided by this plan, each company will proceed with CSR activities autonomously and proactively.



NTT Group CSR Charter (The Eight Key Areas of CSR Activity are shown in the colored boxes below)

Our Commitment

As a leader of the information and telecommunications industry, NTT Group is committed to providing reliable, high-quality services that contribute to the creation of a safe, secure and prosperous society through communications that serve people, communities, and the global environment.

Our CSR Goals

□ Communication between people and their communities

1. We shall strive to create a richer and more convenient communications environment, and utilize our technology to contribute to the resolution of the various issues faced by societies with aging and declining populations.

① Activities that contribute to the further evolution of ubiquitous communications

□ Communication between people and the global environment

2. We shall strive both to reduce our own environmental impacts and build environment-friendly forms of communications, and to provide information and communications services that help to reduce the impact of society as a whole on the global environment.

② Mitigation of global warming ③ Waste reduction ④ Reduction of paper consumption

□ Safe and secure communication

3. While striving earnestly to ensure information security and resolve telecommunications-related social issues, we shall do our utmost to provide a safe and secure user environment and contribute to the creation and future development of communication culture.
4. Fully recognizing the role that telecommunications plays as critical infrastructure supporting society and protecting our livelihoods, we shall strive to offer secure and reliable telecommunications services fortified to withstand disasters and capable of connecting people irrespective of time, location and other circumstances.

⑤ Ensuring information security ⑥ Ensuring stable and reliable services as critical infrastructure

□ Team NTT* communication

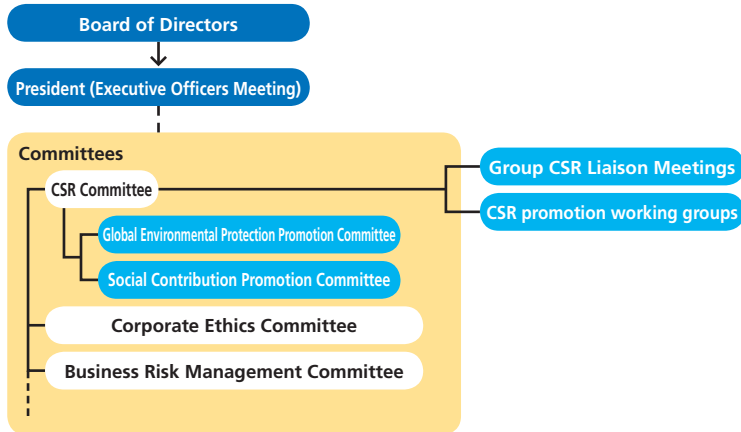
5. All of us on Team NTT pledge to perform our duties with pride and a keen sense of responsibility in compliance with the highest of ethical standards, striving to fulfill our mission to society by working both for our own development as professionals, and for the further development of a flourishing and vibrant community.

⑦ Activities that contribute to respect for diversity and equal opportunity ⑧ Corporate citizenship activities

* Team NTT comprises all NTT Group employees, including temporary employees, contract employees, employees of our corporate partners, and also former employees who endorse NTT Group's CSR activities.

CSR Promotion Framework

NTT organized a CSR Committee chaired by a Senior Executive Vice President in June 2005 for the purpose of conducting continuous and appropriate CSR management. To unify CSR initiatives across the Group, regular Group CSR Liaison Meetings are held at which member companies discuss issues and share information on examples of the CSR activities of individual Group companies.



Topics

Recognition From Socially Responsible Investment (SRI) Indexes in Japan and Overseas

NTT has been highly rated by SRI evaluation organizations. As of April 1, 2009, NTT was included in international global SRI indexes such as Ethibel Sustainability Index (ESI) EXCELLENCE Global of Belgium, as well as the Morningstar Socially Responsible Investment Index of Japan.



Representative Director and Senior Executive Vice President

Kaoru Kanazawa

In charge of risk management and international standardization; and Chief Compliance Officer

CSR Activities Across NTT Group

Eyeing the realization of a future broadband and ubiquitous society, NTT Group is emphasizing its initiatives to deliver new services based on next-generation telecommunications networks, to build networks and systems which can respond to all manner of natural disasters, to respond to urgent global environmental issues, and to ensure that NTT conducts unified activities together with stakeholders. We believe this will enable us to act as a "Service Creation Business Group" in taking a proactive approach to addressing social issues in Japan and overseas, and contribute as a trusted group to the development of a safe, secure, prosperous, and sustainable society.

For example, to address CO₂ emissions reductions, NTT Group is engaged in "the provision of services that help reduce the CO₂ emissions of society as a whole" and "reduction of CO₂ emissions generated by NTT Group business operations" under the CSR catchphrase of "Connected. That's Eco."

Most of NTT Group's CO₂ emissions are attributable to electric power consumption. Through the Total Power Revolution (TPR) campaign, we have worked to reduce energy consumption in business activities.

To move these efforts forward, and help reduce its impact on the global environment, NTT Group has actively implemented clean power generation systems using renewable energy, centered on solar systems. In September 2008, NTT-Green LLP, a limited liability partnership, was established as an organization to lead this implementation.

As of March 31, 2009, clean power generation systems in operation at approximately 120 office buildings and other locations across Japan provided around 2.1 megawatts of electric power from renewable energy. We aim to expand the implementation of these systems to the 5 megawatts scale by the end of March, 2013.

These measures are based on "Mitigation of global warming," a key area of CSR activity under "Communication between people and the global environment," one of the CSR Goals set forth in the NTT Group CSR Charter. Guided by the CSR Charter, the entire NTT Group will continue working as one to promote a variety of CSR activities consonant with the key theme of "communication."



"Connected. That's eco"

Directors and Corporate Auditors

(As of June 24, 2009)



Hiroo Unoura
Representative Director and
Senior Executive
Vice President CFO

Norio Wada
Director and Chairman

Satoshi Miura
Representative Director
and President CEO

Noritaka Uji
Representative Director and
Senior Executive Vice President
CTO and CIO

Kaoru Kanazawa
Representative Director and
Senior Executive Vice
President CCO

Director and Chairman

Chairman of Board of Directors

Norio Wada

Representative Director and President

Chief Executive Officer

Satoshi Miura

Representative Directors and Senior Executive Vice Presidents

Noritaka Uji

In charge of technical strategy; Chief Technology Officer; and Chief Information Officer

Hiroo Unoura

In charge of business strategy, Chief Financial Officer; Director of NTT Strategic Business Development Division

Kaoru Kanazawa

In charge of risk management and international standardization; and Chief Compliance Officer

Director and Executive Vice President

Yasuyoshi Katayama

Director of NTT Technology Planning Department; and Director of Next Generation Network Promotion Office, Technology Planning Department

Directors and Senior Vice Presidents

Toshio Kobayashi

Director of NTT Finance and Accounting Department; and President of NTT Capital (U.K.) Limited

Hiroki Watanabe

Director of NTT Corporate Strategy Planning Department; and President of NTT Investment Partners, Inc.

Hiromichi Shinohara

Director of NTT Research and Development Planning Department

Tetsuya Shouji

Director of NTT General Affairs Department; and Director of Internal Control Office, General Affairs Department

Directors

Takashi Imai

Senior Advisor, Honorary Chairman of Nippon Steel Corporation

Yotaro Kobayashi

Full-time Corporate Auditors

Susumu Fukuzawa

Toshiro Morota

Shunsuke Amiya

Corporate Auditors

Shigeru Iwamoto

Toru Motobayashi

Notes:

1. Mr. Takashi Imai and Mr. Yotaro Kobayashi are outside directors assigned in accordance with Article 2, Paragraph 15 of the Japanese Corporate Law.
2. Mr. Toshiro Morota, Mr. Shigeru Iwamoto and Mr. Toru Motobayashi are outside corporate auditors assigned in accordance with Article 2, Paragraph 16 of the Japanese Corporate Law.