

Act on Nippon Telegraph and Telephone Corporation, etc.

(Act No. 85 of December 25, 1984)

(Purpose)

Article 1 (1) Nippon Telegraph and Telephone Corporation (hereinafter referred to as the "Company") is a stock company whose purpose is to own all the shares issued by Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation, to ensure that appropriate and stable telecommunications services are provided by these two companies, as well as to conduct research on telecommunications technologies that would form the basis of telecommunications.

(2) Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (hereinafter collectively referred to as "the Regional Companies") are stock companies whose purpose is to manage regional telecommunications business.

(Business)

Article 2 (1) The Company is to perform the following duties in order to achieve its purposes

- (i) to accept and hold the shares issued by the Regional Companies and to exercise the rights of shareholder of the shares;
- (ii) to offer advice that the Regional Companies need, mediation, or other assistance to the Regional Companies
- (iii) to conduct research on telecommunications technologies that would form the basis of telecommunications;
- (iv) in duties pertaining to the preceding three duties.

(2) The Company may conduct its duties that are necessary to achieve its purposes, with the permission from the Minister of Internal Affairs and Communications, in addition to conducting its duties referred to in the preceding paragraph.

(3) The Regional Companies, are to provide the following services to achieve their purposes:

- (i) regional telecommunications services (meaning telecommunications services that are provided through the telecommunications facilities of the Regional Companies which can provide telecommunications services without using the facilities of other telecommunications carriers within the same prefectures; the same applies hereinafter) to be provided in each of the following prefectural areas (areas are to be specified separately by Order of the

Ministry of Internal Affairs and Communications, as deemed necessary by the Minister after considering the usage of telecommunications services; the same applies hereinafter).

- (a) As for Nippon Telegraph and Telephone East Corporation, it provides the services in Hokkaido Prefecture, Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Yamagata Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Chiba Prefecture, Tokyo Metropolis, Kanagawa Prefecture, Niigata Prefecture, Yamanashi Prefecture and Nagano Prefecture;
 - (b) As for Nippon Telegraph and Telephone West Corporation, it provides the services in Kyoto Prefecture, Osaka Prefecture and other prefectures than those set forth in a).
 - (i) services pertaining to the services referred to in the preceding item.
- (4) The Regional Companies may, with the permission from the Minister of Internal Affairs and Communications, provide the following services
- (i) Beyond what is set forth in the preceding paragraph, the services that are required to achieve the purposes of the Regional Companies;
 - (ii) Regional telecommunications services to be provided in prefectural areas other than the prefectural areas where the regional telecommunications services are to be provided as referred to in item (i) of the preceding paragraph.
- (5) In addition to the services prescribed in the preceding two paragraphs, the Regional Companies may with permission from the Minister of Internal Affairs and Communications, provide the telecommunications services and other services by effectively using their facilities or technologies, or their employees to provide the services prescribed in paragraph (3). In this case, the Minister of Internal Affairs and Communications must grant permission if the Minister finds that the relevant services provided by the Regional Companies do not disrupt the smooth provision of the services and fair competition among the telecommunications service providers as prescribed in that paragraph.

(Obligations)

Article 3 The Company and the Regional Companies must always pay due attention to the proper and efficient management in providing their respective services and must contribute to the adequate, fair and stable provision of nationwide telephone services which are indispensable to the lives of Japanese citizens. In doing so, the Company and the Regional Companies must endeavor to contribute to the innovative advancement and development of telecommunications in Japan by promoting research on telecommunications technologies and disseminating the results of research given the fact that

telecommunications will play a vital role in social and economic progress in future years, and thereby to promote the public welfare.

(Shares)

Article 4 (1) The government must constantly hold more than one-third of the total number of the issued shares of the Company.

(2) Where the Company intends to offer new shares to subscribers (hereinafter referred to as "offering of new shares") or to issue shares (except the Company's own shares held by the Company (hereinafter referred to as "its own shares") in exchange for shares, the Company must obtain permission from the Minister. The same applies to cases where the Company intends to issue new shares to subscribers as prescribed in Article 238 paragraph (1) of the Companies Act (Act No. 86 of 2005) (limited to share options to buy bonds with share options, which are referred to as "share options for subscription" in paragraph (2) of the following Article and Article 23 item (iii)), and if the Company intends to issue bonds with share options (except the bonds with share options held by the Company (referred to as "its own bonds with share options" in Article 23 item (iii))) in exchange for shares.

Article 5 (1) The Company must hold all of the shares issued by each of the Regional Companies.

(2) The Regional Companies must obtain permission from the Minister when they intend to offer new shares. The same applies to cases where they intend to offer new shares to subscribers.

(Treatment of Shares Acquired by Foreign Nationals)

Article 6 (1) In the case where the Company has received a request to enter or record the name and address of the person set forth in the following items who has acquired its shares, , the Company must not register or record the person's name and address in the shareholder register, if the number of direct voting rights held by the persons set forth in items (i) through (iii) and the number of voting rights prescribed by Order of the Ministry of Internal Affairs and Communications as the number of indirect voting rights held by these persons through the person set forth in item (iv), accounts for more than one third of the total number of voting rights (hereinafter referred to as the "ratio of the number of voting rights of foreign shareholders" in this Article).

(i) any person who does not have Japanese nationality;

(ii) any foreign government or its representative;

(iii) any foreign corporation or institution;

(iv) any corporation or institution whose ratio of the number of direct voting rights held by the persons set forth in the preceding three items to the total

number of voting rights exceeds the ratio prescribed by Order of the Ministry of Internal Affairs and Communications

- (2) In cases where the number of shares held by each person set forth in the items in the preceding paragraph, who is a shareholder pertaining to the notification under the provisions of Article 152 paragraph (1) or paragraph (8) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) are to be entered or recorded in the shareholder register, if the number of voting rights of foreign shareholders exceeds one third of the total number of voting rights, , the Company must register a limited number of shares in the register of substantial shareholders so that the number of voting rights of foreign shareholders may not exceed one third of the total number of voting rights, or otherwise must not register or record the number of shares which cannot be registered or recorded through the method prescribed by Order of the Ministry of Internal Affairs and Communications in the register of substantial shareholders, notwithstanding the provisions of that paragraph.
- (3) Beyond what is set forth in the preceding two paragraphs, in the case where the total number of the issued shares is to be changed, the Company must take necessary measures so that the ratio of the number of voting rights of foreign shareholders will not exceed one third of the total number of voting rights.
- (4) The Company must issue a public notice on the ratio of the number of voting rights of foreign shareholders to the total number of voting rights, by the date prescribed by Order of the Ministry of Internal Affairs and Communications, which is earlier than the base date specified in Article 124 paragraph (1) of the Companies Act in the way prescribed by that Order.

(Disposition of Shares Owned by the Government)

Article 7 The number of shares owned by the government to be disposed of must not exceed the maximum number adopted by the Diet based on the budget for the relevant business year.

(Restriction on the Use of Trade Names)

Article 8 Any person other than the Company or the Regional Companies s must not use the characters, such as "Nippon Telegraph and Telephone Corporation," "Nippon Telegraph and Telephone East Corporation" or "Nippon Telegraph and Telephone West Corporation" in their trade name.

(General Security)

Article 9 (1) A bondholder of the Company claiming the right to own the property of the Company, and a bondholder of each Regional Company claiming the right to own the property of the relevant Regional Company, respectively has the priority to receive the payment over other creditors.

(2) The general statutory lien under the provisions of the Civil Code (Act No. 89 of 1896) has priority over the statutory lien under the preceding paragraph.

(Directors and Auditors)

Article 10 (1) Any person who does not have Japanese nationality may not be appointed as a director or an auditor for the Company or the Regional Companies.

(2) A resolution adopted by the Company for the appointment or dismissal of directors or auditors does not become effective unless it is authorized by the Minister of the Internal Affairs and Communications.

(Change in the Articles of Incorporation)

Article 11 (1) A resolution adopted by the Company or the Regional Company on the changes in the articles of incorporation, or on the merger, partition or dissolution or on the disposal of surplus of the Company (except the disposition of loss) does not become effective unless it is authorized by the Minister of Internal Affairs and Communications.

(2) When the Minister of Internal Affairs and Telecommunications approved the resolution on the merger or partition of the Regional Companies under the preceding paragraph (limited to the resolution on the partition of the corporation of which telecommunications business is entirely succeeded by a corporation), the notification referred to in Article 17 paragraph (2) of the Telecommunications Business Act (Act No. 86 of 1984) is deemed to have been submitted.

(Business Plan)

Article 12 The Company and the Regional Companies must formulate an annual business plan for the business year before it starts and obtain approval from the Minister of Internal Affairs and Telecommunications. The same applies in cases where the Company or Regional Companies intend to change the business plan.

(Financial Statements)

Article 13 The Company and the Regional Companies must submit a balance sheet, profit and loss statement and a business report for the business year to the Minister of Internal Affairs and Telecommunications within three months from the date on which the business year ends.

(Transfer of Important Facilities)

Article 14 The Regional Companies must obtain approval from the Minister in order to transfer their telecommunications trunk lines and other important

telecommunications facilities equivalent thereto, or to offer these in security.

(Order to Conduct Audits)

Article 15 (1) The Minister of Internal Affairs and Telecommunications may appoint auditors for the Company or the Regional Companies to have them conduct an audit on specific matters and submit the audit results, if the minister finds it necessary for the enforcement of this Act.

(2) Auditors for the Company or the Regional Companies may submit their opinions based on the audit results to the Minister of Internal Affairs and Telecommunications, if the auditors find it necessary to do so.

(Supervision)

Article 16 (1) The Company and the Regional Companies are subject to the supervision of the Minister of Internal Affairs and Communications according to the provisions of this Act.

(2) The Minister of Internal Affairs and Telecommunications may issue an order to the Company and the Regional Companies in order to supervise their services, if the Minister finds it particularly necessary to do so for the enforcement of this Act order .

(Report)

Article 17 The Minister of Internal Affairs and Communications may have the Company or the Regional Companies submit reports on their services to the extent necessary for the enforcement of this Act .

(Consultation with the Minister of Finance)

Article 18 The Minister of Internal Affairs and Communications must consult with the Minister of Finance in the following cases:

- (i) the Minister grants approval to the Company prescribed in Article 4 paragraph (2), Article 11 paragraph (1) (in case of the changes in the articles of incorporation, approval of the resolution on the changes in the number of shares that can be issued by the Company) , or Article 12;
- (ii) the Minister grants approval to the Regional Companies under Article 11 paragraph (1) (limited to the approval of resolution on the merger, partition and dissolution), Article 12 or Article 14.

(Replacement of Terms in Case of a Company with Committees)

Article 18-2 In cases of a company with committees, with respect to the application of the provisions of this Act set forth in the left-hand column in the following table, the terms and phrases listed in the middle column in that table is deemed to be replaced with the terms and phrases listed in the right-hand

column therein.

Article 10, Article 19, Article 23 and Article 15 of the Supplementary Provisions	auditor	executive officer
Article 15	auditor	audit committee member
Article 26	director	executive officer

(Penal Provisions)

Article 19 (1) If a director, accounting advisor (if the accounting advisor is a juridical person, an employee who acts in the capacity of an accounting advisor: The same applies hereinafter in this Article.), auditor or employee of the Company or the Regional Companies has received, demanded or promised to receive a bribe from those related to their duties, they are punished by imprisonment with work not exceeding three years. If a director or an accounting advisor who engaged in wrongful conduct or failed to act appropriately in the course of their duties , they are punished by imprisonment with work not exceeding seven years.

(2) If a person who intends to become a director, accounting advisor, auditor or employee of the Company or the Regional Companies has received, demanded or promised to receive a bribe from those related to their duties after they have been appointed to these position, and if they become a director, accounting advisor, auditor or employee, they are punished by imprisonment with work not exceeding two years.

(3) If a person who was a director, accounting advisor, auditor or employee of the Company or the Regional Companies has received, demanded or promised to receive a bribe for engaged in wrongful conductor failed to act appropriately after having accepted the request in the course of their duties, they are punished by imprisonment with work not exceeding two years.

Article 20 In the cases referred to in the paragraphs of the preceding Article, the bribe which the offender has received is to be confiscated. If the entire bribe or portion thereof cannot be confiscated, the amount equivalent to market value is to be collected.

Article 21 (1) Any person who has given, offered or promised to give a bribe as specified in the paragraphs of Article 19 is punished by imprisonment with work not exceeding three years or a fine not exceeding two million and five hundred thousand yen.

(2) If a person who has committed the offense prescribed in the preceding paragraph surrenders to authorities, the punishment thereof may be reduced

or exempted.

Article 22 (1) The offenses specified in Article 19 of this Act are governed by the provisions of Article 4 of the Penal Code (Act No. 45 of 1907).

(2) The offenses specified in paragraph (1) of the preceding Article are governed by the provisions of Article 2 of the Penal Code.

Article 23 If a violation set forth in any of the following items has occurred, a fine not exceeding one million yen is imposed on a director, accounting advisor (if the accounting advisor is a juridical person, an employee who acts in the capacity of the accounting advisor) or an auditor for the Company or the Regional Companies who has committed the violation:

- (i) when the Company or the Regional Company conduct duties without obtaining approval specified in Article 2 paragraph (2), (4) or (5);
- (ii) when the Company or the Regional Company conducted duties other than those specified in Article 2;
- (iii) when the Company or the Regional Company has offered new shares or issued shares (except its own shares) in exchange for shares, or has offered new shares to subscribers or issued bonds with share options (except its bonds with share options) in exchange for shares in violation of the provisions of Article 4 paragraph (2) or Article 5 paragraph (2);
- (iv) when the Company or the Regional Company disposed of the shares of the Regional Companies in violation of the provisions of Article 5 paragraph (1);
- (v) when the Company or the Regional Company has failed to submit a request for approval before they start their business year or before they provide the services based on the business plan pertaining to the changes in violation of the provisions of Article 12;
- (vi) when the Company or the Regional Company has, in violation of the provisions of Article 13, failed to submit a balance sheet, profit and loss statements, or business report, or has submitted these documents containing a false statement;
- (vii) when the Company or the Regional Company has, in violation of the provisions of Article 14, transferred their facilities or offered their facilities in security;
- (viii) when the Company or the Regional Company has violated the order issued under the provisions of Article 16 paragraph (2);
- (ix) when the Company or the Regional Company has failed to submit the report under the provisions of Article 17 or has submitted a false report.

Article 24 In cases where any violation of the provisions of Article 6 paragraph (1) or paragraph (2) has occurred, a fine not exceeding five hundred thousand

yen is imposed on the employee or the transfer agent (if the transfer agent is a juridical person, its employee) of the Company who has committed the violation.

Article 25 (1) A fine not exceeding two hundred thousand yen is imposed on a person who has violated the provisions of Article 8.

(2) If a representative of a corporation, or an agent of a juridical or a natural person, a hired person, or other employee has committed the violation prescribed in the preceding paragraph in the course of business of the juridical or natural person, the offender is punished and a fine specified in the same paragraph is imposed on that juridical or natural person.

Article 26 A petty fine not exceeding one million yen is imposed on a director of the Company who has failed to give a public notice or given a false public notice in violation of the provisions of Article 6 paragraph (4).

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of the date of promulgation. The provisions of Articles 11 and 12 of the Supplementary Provisions, however, come into effect as of April 1, 1985.

(Review of the Status of the Company)

Article 2 The government is to conduct reviews on the status of the Company within five years from the date of the incorporation of the Company, taking into account the status of implementation of this Act and changes in the circumstances after this Act came into effect, and to take necessary measures based on the outcomes of the reviews.

(Incorporation of the Company)

Article 3 (1) The Minister of Posts and Telecommunications appoints organizing committee members who conduct duties of a founder in order to incorporate the Company.

(2) The organizing committee members must prepare the articles of incorporation and obtain approval from the Minister of Posts and Telecommunications.

(3) If the Minister of Posts and Telecommunications intends to grant approval under the preceding paragraph, the minister must consult with the Minister of Finance.

(4) The matters specified in each item of Article 168-2 of the Commercial Code with respect to the shares to be issued at the time of incorporation of the Company must be prescribed in the articles of incorporation of the Company.

- (5) With respect to shares to be issued at the time of incorporation of the Company, the amount exceeding one-half of the amount of issued shares does not have to be included in the stated capital, notwithstanding the provisions of the main clause of Article 284-2 paragraph (2) of the Commercial Code. In this case, the term "this Code" in paragraph (1) of the same Article is deemed to be replaced with "this Code or the Act on Nippon Telegraph and Telephone Corporation".
- (6) Nippon Telegraph and Telephone Public Corporation (hereinafter referred to as the "Public Corporation") is to underwrite all shares to be issued at the time of incorporation of the Company, and the organizing committee members are to allocate the shares to the Public Corporation.
- (7) The government exercises the rights of a subscriber of shares pertaining to the incorporation of the Company, to which the shares have been allocated pursuant to the provisions of the preceding paragraph.
- (8) The Public Corporation is to contribute all the assets to the Company at the time of incorporation of the Company. In this case, the provisions of Article 68 of the Nippon Telegraph and Telephone Public Corporation Act (Act No. 250 of 1952) does not apply.
- (9) With respect to the application of the provisions of Article 180, paragraph (1) of the Commercial Code concerning the incorporation of the Company, the term "payments and payments of contributions in kind under the provisions of Article 177" in that paragraph is deemed to be replaced with "allocation of shares under the provisions of Article 3, paragraph (6) of the Supplementary Provisions of the Act on Nippon Telegraph and Telephone Corporation".
- (10) The payment of the contributions in kind by the Public Corporation under the provisions of paragraph (8) is to be made at the time when the provisions of Article 11 of the Supplementary Provisions come into effect, and the Company is incorporated at that point, notwithstanding the provisions of Article 57 of the Commercial Code.
- (11) Notwithstanding the provisions of Article 188, paragraph (1) of the Commercial Code, the Company must file a registration when it is incorporated, without delay.
- (12) Shares of the Company acquired by the Public Corporation by means of contribution are to be transferred gratis to the government at the time of incorporation of the Company.
- (13) The provisions of Article 167, Article 168, paragraph (2) and Article 181 of the Commercial Code do not apply to the incorporation of the Company.

(Dissolution of the Public Corporation)

Article 4 (1) The Public Corporation is to be dissolved at the time of incorporation of the Company, and the Company succeeds to all rights and

obligations of the Public Corporation at that point in time.

- (2) Prior laws continue to govern settlement of accounts and inventory of assets, and a balance sheet and profit and loss statement of the Public Corporation for the business year beginning on April 1, 1984, except the provisions pertaining to Article 10, paragraph (2) item (ii) and Article 58, paragraph (1) (limited to the provisions related to the audit report to be submitted by the auditor) of the Nippon Telegraph and Telephone Public Corporation Act.
- (3) The registration of dissolution of the Public Corporation in the case where the Company dissolves pursuant to the provisions of paragraph (1) are prescribed by Cabinet Order.

(Transitional Measures for the Succession of Rights and Obligations)

- Article 5 (1) The guarantee contracts on the Public Corporation's obligations for telephone and telegram bonds to be transferred to the Company which has been made by the government under the Act on Special Measures for the Acceptance of Foreign Capital from the International Bank for Reconstruction and Development (Act No. 51 of 1953) under the provisions of paragraph (1) of the preceding Article continue to be effective, even after the transfer, based on the existing conditions for the obligations for the telephone and telegram bonds, and the existing provisions apply to interests of telegraph and telephone bonds, taxes on gains on bond retirement, and other public charges specified in that contract.
- (2) With respect to the application of the provisions of Article 7, paragraph (1) of the Act on the Funds of the Trust Fund Bureau (Act No. 100 of 1941) to the telegraph and telephone bonds or borrowings in a situation that the telegraph and telephone bonds or borrowings pertaining to the obligations taken over by the Company pursuant to the provisions of paragraph (1) of the preceding Article are related to subscription of bonds or loan from the Funds of the Trust Fund Bureau, the Company is deemed as a corporation prescribed in item (iii) or iv) of that paragraph.
 - (3) With respect to the application of Article 3, paragraph (1) of the Act on the Operation of the Funds of Postal Life Insurance (Act No. 210 of 1952) to the telegraph and telephone bonds in the case where the telegraph and telephone bonds pertaining to obligations to be taken over by the Company pursuant to the provisions of paragraph (1) of the preceding Article, are related to subscription covered by the reserve funds of the Postal Life Insurance Account and the Postal Annuity Special Account prescribed in Article 1 of the Postal Life Insurance Account and the Postal Annuity Special Account Act (Act No. 12 of 1944) prior to its amendment under the provisions of Article 10 of the Supplementary Provisions of the Act Amending Part of the Postal Life Insurance Act (Act No. 50 of 1990), the Company is deemed to be a corporation

prescribed in item (iv) of that paragraph.

(Transitional Measures for the Employees)

Article 6 (1) Those who are an employee of the Public Corporation at the time of incorporation of the Company are to become the employee of the Company automatically when it is incorporated.

(2) No retirement allowance prescribed in the Act on the Retirement Allowance Paid to National Public Employees (Act No. 182 of 1953) are paid to those who become an employee of the Public Corporation pursuant to the provisions of the preceding paragraph.

(3) If the Company intends to pay a retirement allowance to the employees of the Company under the provisions of the preceding paragraph, the number of years they have served at the Public Corporation is added to their tenure at the Company.

Article 7 Deleted.

Article 8 Deleted.

(Transitional Measures for the Application of Tax Laws and Regulations When the Company is Incorporated)

Article 9 (1) Real estate acquisition taxes, special land holding taxes which are paid on the land acquisition, or automobile acquisition taxes may not be imposed on the real estate pertaining to the contribution in kind made or automobiles acquired by the Public Corporation pursuant to the provisions of Article 3 paragraph (8) of the Supplementary Provisions.

(2) With respect to the land, which is acquired and continuously held by the Company, pertaining to the contribution in kind made by the Public Corporation under the provisions of Article 3 paragraph (8) of the Supplementary Provisions, no special land holding taxes are imposed on the land which has been acquired by the Public Corporation prior to January 1, 1969 (with respect to the land located in Okinawa Prefecture, prior to April 1, 1972).

(3) With respect to the land, which is acquired and continuously held by the Company, pertaining to the contribution in kind made by the Public Corporation under the provisions of Article 3 paragraph (8) of the Supplementary Provisions (limited to the land which is acquired by the Public Corporation on or after April 1, 1982), no special land holding taxes are imposed on the land if more than ten years have passed since the Company acquired the land, as of January 1 of the year in which tax is to be filed and paid, pursuant to the provisions of Article 599 paragraph (1) of the Local Tax

Act (Act No. 226 of 1950).

- (4) With respect to the land, which is acquired and continuously held by the Company, pertaining to the contribution in kind made by the Public Corporation under the provisions of Article 3 paragraph (8) of the Supplementary Provisions (limited to the land which is acquired by the Public Corporation from January 1, 1969 (with respect to the land located in Okinawa Prefecture, from April 1, 1972) to March 31, 1982), no special land holding taxes are imposed on the land which are located outside the "urbanization promotion area" prescribed in Article 7 paragraph (1) of the City Planning Act (Act No. 100 of 1968) as of January 1 of the year in which the Company is required to file and pay tax pursuant to the provisions of Article 599 paragraph (1) of the Local Taxes Act, if more than ten years have passed since the Public Corporation acquired the land.
- (5) The performance pertaining to the contribution in kind of share certificates (including the shares prescribed in the provisions of Article 4 paragraph (2) of the Security Transaction Tax Act (Act No. 102 of 1953)) provided by the Public Corporation pursuant to the provisions of Article 3 paragraph (8) of the Supplementary Provisions do not fall under transfer of securities prescribed in Article 1 of that Act.
- (6) No registration and license taxes are imposed on the registration of incorporation filed by the Company pursuant to the provisions of Article 3 paragraph (11) of the Supplementary Provisions and on the registrations filed by the Company pertaining to the distribution of the property pertaining to the contribution in kind made by the Public Corporation pursuant to the provisions of paragraph (8) of that Article.
- (7) With respect to the amount of test and research expenses in the business year in which the Company is incorporated, the main clause of Article 42-4 paragraph (1) of the Act on Special Measures for Taxation (Act No. 26 of 1957) is to be applied: and the term "test and research expenses in each business year to be included in the amount of deductions to calculate the amount of income tax in each business year during the period from the business year immediately before that business year including January 1, 1967 for the corporation (hereinafter referred to as "the base fiscal year" in this Article) to the business year immediately before the relevant business year " in that paragraph is deemed to be replaced with "test and research expenses in the business year including April 1, 1984 for the Nippon Telegraph and Telephone Public Corporation", and the term "in the case where the amount exceeds the largest amount of" in that paragraph is deemed to be replaced with "in the case where the amount exceeds the amount of", and the proviso of that paragraph does not apply.
- (8) Beyond what is set forth in the preceding paragraph, matters required for the

application of laws and regulations on the corporate tax to be imposed on the Company for the incorporation of the Company are prescribed by Cabinet Order.

(Particulars Governed by Cabinet Order)

Article 10 Beyond what is set forth in Article 3 through the preceding Article of the Supplementary Provisions, matters necessary for the incorporation of the Company and the dissolution of the Public Corporation are prescribed by Cabinet Order.

(Abolition of the Nippon Telegraph and Telephone Public Corporation Act)

Article 11 The following Acts are abolished:

- (i) the Nippon Telegraph and Telephone Public Corporation Act;
- (ii) the Act for Enforcement of the Nippon Telegraph and Telephone Public Corporation Act (Act No. 251 of 1952)

(Transitional Measures for the Abolition of the Nippon Telegraph and Telephone Public Corporation Act)

Article 12 (1) Administrative dispositions made, procedures taken and other conduct in which a person engaged pursuant to the provisions of the Nippon Telegraph and Telephone Public Corporation Act before its abolition (hereinafter referred to as the "Former Act") pursuant to the provisions of that Article are deemed administrative dispositions made, procedures taken and other conduct in which a person engaged pursuant to the corresponding provisions of this Act.

- (2) Prior laws continue to govern the applicability of the provisions of the Former Act to the emoluments payable to the employees of the Public Corporation during the period until the provisions of the preceding Article come into effect.
- (3) Prior laws continue to govern disciplinary action against a person to whom the provisions of Article 6 paragraph (1) of the Supplementary Provisions apply, which is taken before the provisions of the preceding Article comes into effect pursuant to the provisions of Article 33 of the Former Act, and disciplinary action against a person to whom the provisions of Article 6 paragraph (1) of the Supplementary Provisions apply, who is related to the cases filed before the provisions of the preceding Article comes into effect. In this case, if disciplinary action is to be taken after the provisions of the preceding Article come into effect, a representative of the Company or a person to whom the authority of the Company is delegated is to take the disciplinary action.
- (4) Prior laws continue to govern the obligation of an employee who is in charge of handling cash as prescribed in Article 69 of the Former Act or a person who was appointed by the President of the Public Corporation as an employee in

charge of managing goods under the provisions of Article 70 of the Former Act to reimburse based on the fact that happened before the provisions of the preceding Article come into effect.

- (5) Prior laws govern the audit in accounting of the Public Corporation to be conducted by the Board of Audit pursuant to the provisions of Article 73 of the Former Act.
- (6) Prior laws govern the compensation to the employees of the Public Corporation for an accident on duty or on the way to or from work, which occurred before the provisions of the preceding Article come into effect.
- (7) Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before the provisions of the preceding Article come into effect.
- (8) Beyond what is set forth in the preceding paragraphs, transitional measures required for the abolition of the Nippon Telegraph and Telephone Public Corporation Act are prescribed by Cabinet Order.

(Exceptions to the Method for Calculating Total Number of Issued Shares)

- Article 13 (1) With respect to the application of the provisions of Article 4 paragraph (1), , in cases where the new shares are offered to subscribers or where the shares are issued by choosing the share option, or where the shares are delivered in exchange for the acquisition of shares with put options or shares subject to call, an increase in the number of respective shares (referred to as the "number of shares not to be included" in the following paragraph) are not to be included in the total number of issued shares prescribed in the provisions of paragraph (1) of that Article, until otherwise provided by law.
- (2) In cases where shares are divided or consolidated after the number of shares has increased as referred to in the preceding paragraph, the number of shares not to be included in the total number of issued shares is calculated by multiplying the number of shares not to be included by the ratio of the divided or consolidated shares (if the shares are divided or consolidated in more than two steps, the ratio corresponding to the ratio calculated by multiplying the ratio step by step) is the number of shares not to be included in the total number of issued shares referred to in that paragraph.

(Exceptions to Authorization of Offering New Shares of the Company)

- Article 14 (1) The Company may offer new shares to subscribers or deliver shares (except its own shares) in exchange for shares without obtaining approval under Article 4 paragraph (2) until an increase in the number of new shares issued through offering new shares to subscribers or delivering shares (except its own shares) in exchange for shares reaches the number specified by Order of the Ministry of Internal Affairs and Communications, until otherwise

provided by law. In this case, the Company must notify the Minister of Internal Affairs and Telecommunications of this in advance as provided by that Order, until otherwise provided by law.

- (2) If the Minister of Internal Affairs and Communications intends to establish Order of the Ministry of Internal Affairs and Communications prescribed in the first sentence of the preceding paragraph, the Minister must consult with the Minister of Finance.

(Penal Provisions)

Article 15 A fine not exceeding one million yen is imposed on a director or auditor of the Company who has failed to report or made false reports in violation of the provisions of paragraph (1) of the preceding Article.

(Grant of Money)

Article 16 (1) In order for Nippon Telegraph and Telephone East Corporation (hereinafter referred to as "NTT East" in this Article) to ensure that the rate of the specified interconnection charges (meaning interconnection charges pertaining to the telephone services specified by Order of the Ministry of Internal Affairs and Communications, among those prescribed in Article 33, paragraph (2) of the Telecommunications Business Act; the same applies hereinafter in this Article) are equivalent to that of Nippon Telegraph and Telephone West Corporation (hereinafter referred to as "NTT West" in this Article) during the period specified by Order of the Ministry of Internal Affairs and Communications, NTT East is to deliver the amount of money calculated by the method specified by that Order to NTT West to cover part of the costs required for the interconnection services it provides.

- (2) The specified interconnection charges of NTT East and NTT West during the period specified by Order of the Ministry of Internal Affairs and Communications referred to in the preceding paragraph are to be calculated according to the method specified by that Order based on the amount of total costs of the respective specified interconnection charges. In this case, the specified interconnection charges are deemed to be in compliance with Article 33, paragraph (4), item (ii) of the Telecommunications Business Act.

Supplementary Provisions [Act No. 9 of March 30, 1985] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of April 1, 1985.

Supplementary Provisions [Act No. 50 of June 27, 1989] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of April 1, 1990.

Supplementary Provisions [Act No. 65 of June 29, 1990] [Extract]

Article 1 This Act comes into effect as of the date on which the Act to Amend the Commercial Code comes into effect.

(Transitional Measures for the Application of Penal Provisions)

Article 42 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect, and to conduct in which a person engages after this Act comes into effect in a situation that prior laws continue to govern pursuant to the provisions of Article 3 and Article 12 of the Supplementary Provisions of the Act to Amend the Commercial Code (including as applied mutatis mutandis pursuant to the provisions of Article 10) .

Supplementary Provisions [Act No. 61 of May 27, 1992]

This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation.

Supplementary Provisions [Act No. 63 of June 14, 1993] [Extract]

Article 1 This Act comes into effect as of the date on which the Act to Amend the Commercial Code comes into effect.

Supplementary Provisions [Act No. 98 of June 20, 1997] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date specified by Cabinet Order within a period not exceeding eighteen months from the date of promulgation. However, the provisions of the next Article through Article 7 of the Supplementary Provisions, and the provisions of Article 12 (excluding paragraph (4) and paragraphs (6) through (8)) through Article 17 of the Supplementary Provisions, and the provisions of Article 20 of the Supplementary Provisions come into effect as of the date of promulgation.

(Reorganization of Nippon Telegraph and Telephone Corporation)

Article 2 (1) The government incorporates Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation

(hereinafter referred to as the "Regional Companies"), thereby the government is to have each of the Regional Companies take over the services which fall under the regional telecommunications business prescribed in Article 2, paragraph (3), item (i) of the Amended Act on Nippon Telegraph and Telephone Corporation (hereinafter referred to as the "New Act") among the domestic telecommunications services provided by Nippon Telegraph and Telephone Corporation (hereinafter referred to as the "Company").

- (2) The government is to have a new stock company to be incorporated by the Company take over the services other than those to be taken over by the Regional Companies pursuant to the provisions of the preceding paragraph by the date on which this Act comes into effect, among the domestic telecommunication services provided by the Company.
- (3) Beyond what is set forth in the preceding two paragraphs, with respect to the services which are deemed to be appropriate to provide in combination with the services to be provided by the Regional Companies or a stock company (hereinafter referred to as a "Long Distance Company") among the businesses operated by the Company pursuant to the provisions of the two preceding paragraphs, the government is to have the Regional Companies or a Long Distance Company take over the services.

(Basic Policy)

Article 3 (1) The Minister of Posts and Telecommunications must establish the basic policy concerning the handover process of business and succession to rights and obligations (hereinafter referred to as a "Basic Policy") so that the business operated by the Company can be taken over by the Regional Companies and a Long Distance Company (hereinafter referred to as "Successor Companies") properly and smoothly.

- (2) The basic policy is to contain the basic information concerning the following matters:
 - (i) date on which the business is taken over by the Successor Companies.
 - (ii) types and scope of the telecommunications services to be taken over by the Successor Companies
 - (iii) research on the telecommunications technologies to be taken over by the Successor Companies
 - (iv) assets, debts, and other rights and obligations to be taken over by the Successor Companies
 - (v) matters necessary to ensure fair competition in the field of telecommunications in handing over the business to the Successor Companies
 - (vi) other matters concerning an appropriate and smooth handover process of business to the Successor Companies

(Implementation Plan)

Article 4 (1) Having established the Basic Policy, the Minister of Posts and Telecommunications must instruct the Company to prepare an implementation plan of each Successor Company on the hand over process of the business and the succession to rights and obligations (hereinafter referred to as a "Implementation Plan"), pursuant to the provisions of Order of the Ministry of Posts and Telecommunications.

- (2) The matters set forth in each item of paragraph (2) of the preceding Article are to be contained in the Implementation Plan.
- (3) The Company must, upon receipt of an instruction under the provisions of paragraph (1), prepare the Implementation Plan according to the Basic Policy within a period specified by the Minister of Posts and Telecommunications and obtain approval from the Minister of Posts and Telecommunications.
- (4) If the Company intends to make changes to the Implementation Plan, the Company must obtain approval from the Minister of Posts and Telecommunications.

(Incorporation of the Regional Companies)

Article 5 (1) The Minister of Posts and Telecommunications appoints organizing committee members of each Regional Company who conduct duties of an incorporator of the Regional Companies.

- (2) The organizing committee members must prepare the articles of incorporation and obtain approval from the Minister of Posts and Telecommunications.
- (3) The matters set forth in each item of Article 168-2 of the Commercial Code (Act No. 48 of 1899) with respect to the shares to be issued at the time of incorporation of the Regional Company(ies) must be prescribed in the articles of incorporation of the Regional Company(ies).
- (4) With respect to the shares to be issued at the time of incorporation of the Regional Company(ies), the amount exceeding one-half of the amount of the issued shares does not have to be included in the stated capital, notwithstanding the provisions of the main clause of Article 284-2, paragraph (2) of the Commercial Code. In this case, the term "this Code" in paragraph (1) of that Article is deemed to be replaced with "this Code or the Act to Amend the Nippon Telegraph and Telephone Corporation Act (Act No. 98 of 1997)".
- (5) The Company is to underwrite all the shares to be issued at the time of incorporation of the Regional Company(ies), and the organizing committee members are to allocate all the shares to the Company.
- (6) The Company is to contribute or transfer its assets to the Regional Company(ies) at the time of incorporation of the Regional Company(ies) according to the Implementation Plan approved pursuant to the provisions of

paragraph (3) of the preceding Article (in cases where approval under the provisions of paragraph (4) of that Article is obtained, the revised Implementation Plan (hereinafter referred to as the "Succession Plan")). In this case, the provisions of Article 13 of the Nippon Telegraph and Telephone Company Act prior to the amendment (hereinafter referred to as the "Former Act"), do not apply under this Act.

- (7) With respect to the application of the provisions of Article 180 paragraph (1) of the Commercial Code pertaining to the incorporation of the Regional Companies, the term "payment and contribution in kind under the provisions of Article 177" in that paragraph is deemed to be replaced with "allocation of shares under the provisions of Article 5 paragraph (5) of the Supplementary Provisions of the Act to Amend the Nippon Telegraph and Telephone Corporation Act (Act No. 98 of 1997)".
- (8) A resolution on the amendments in the articles of incorporation adopted by the Regional Company(ies) at the organizational meetings does not come into effect without approval from the Minister of Posts and Telecommunications.
- (9) The performance pertaining to the contribution in kind to be made by the Company pursuant to the provisions of paragraph (6) is to be made on the date on which this Act comes into effect and the Regional Companies are incorporated on that date, notwithstanding the provisions of Article 57 of the Commercial Code.
- (10) The transfer to be made by the Company pursuant to the provisions of paragraph (6) is to be made at the time of incorporation of the Regional Companies.
- (11) Notwithstanding the provisions of Article 188 paragraph (1) of the Commercial Code, the Regional Company(ies) must be registered after the incorporation of the Regional Companies, without delay.
- (12) The provisions of Article 167, Article 168 paragraph (2) and Article 181 of the Commercial Code do not apply to the incorporation of the Regional Companies.

(Incorporation of the Long Distance Company)

Article 6 (1) The Company is to underwrite the shares prescribed below:

- (i) total number of shares issued by the Long Distance Company at the time of its incorporation
 - (ii) total number of shares to be issued by the Long Distance Company according to the Succession Plan established after its incorporation
- (2) The Company is to contribute or transfer its assets to the Long Distance Company according to the Succession Plan. In this case, the provisions of the Article 13 of the Former Act do not apply.
 - (3) The performance pertaining to the contribution in kind (limited to those

pertaining to the underwriting of the shares under the provisions of paragraph (1), item (ii)) and the transfer under the provisions of the preceding paragraph, are to be made on the date on which this Act comes into effect.

- (4) The provisions of paragraph (4) of the preceding article apply mutatis mutandis to the shares under the provisions of paragraph (1).
- (5) In the case where the Long Distance Company issues shares at the time of its incorporation, the provisions of Article 173 of the Commercial Code do not apply, and in the case where the Long Distance Company issues shares pursuant to the provisions of paragraph (1) item (ii), the provisions of Article 246 paragraph (2) and Article 280-8 of that Act, do not apply.

(Succession to the Business)

Article 7 The Regional Companies will, at the time of incorporation, and the Long Distance Company, on the date on which this Act comes into effect, respectively take over the businesses and the rights and obligations pertaining to the relevant businesses included in the Succession Plan from the Company according to the Succession Plan.

Article 8 (1) With respect to the services which have been approved pursuant to the provisions of Article 1 paragraph (2) of the Former Act and have been provided by the Company, as of the date on which this Act comes into effect, which are included in the Succession Plan as the services to be taken over by the Regional Companies, the relevant services are deemed to have been approved pursuant to the provisions of Article 2 paragraph (4) item (i) of the New Act at the time at the time when the Regional Companies are incorporated.

- (2) The Company may continue to provide the services which are being provided by the Company as of the date on which this Act comes into effect, which are not included in the Successor Plan as the services to be taken over by the Successor Companies (except the services under the provisions of Article 2 paragraph (1) of the New Act) until otherwise provided for by law.

(Joint and Several Obligation Pertaining to the Corporate Bonds)

Article 9 (1) With respect to the obligation pertaining to the corporate bonds issued as of the date on which this Act comes into effect, the Company and the Successor Companies are jointly and severally liable for the payment.

- (2) In the case referred to in the preceding paragraph, the bond holders have the right to claim priority with respect to the assets of the Company and the Successor Companies over other creditors.
- (3) The order of the general statutory lien under the provisions of the Civil Code (Act No. 89 of 1896) is followed by the statutory lien under the preceding

paragraph.

(Transitional Measures for Business Plans of the Regional Companies)

Article 10 With respect to the business plan in the business year which includes the date of incorporation of the Regional Companies, the term " prior to the starting date of each business year" in Article 12 of the New Act is deemed to be replaced with "after the incorporation of the Regional Companies without delay".

(Grant of Money)

Article 11 Nippon Telegraph and Telephone East Corporation (hereinafter referred to as "NTT East") may, if it is necessary to stabilize the management of Nippon Telegraph and Telephone West Corporation (hereinafter referred to as "NTT West"), grant an amount of money to NTT West, within the amount prescribed by Ordinance of the Ministry of Internal Affairs and Communications, to cover the cost required for the business operation of NTT West, as an appropriation of NTT East's profits in each business year which ends within three years from the date on which NTT East is incorporated.

(Transitional Measures for the Application of Tax Laws and Regulations)

Article 12 (1) Real estate acquisition taxes or special land holding taxes which are paid on acquisition of land, or automobile acquisition taxes may not be imposed on the real estates or automobiles acquired pertaining to the contribution in kind or transfer to the Successor Company made by the Company pursuant to the provisions of Article 5 paragraph (6) or Article 6 paragraph (2) of the Supplementary Provisions.

(2) With respect to the land which is acquired and continuously held by the Successor Companies pertaining to the contribution in kind or transfer made by the Company pursuant to the provisions of Article 5 paragraph (6) or Article 6 paragraph (2) of the Supplementary Provisions, special land holding taxes may not be imposed on the land which was acquired by the Company pursuant to the provisions of Article 3, paragraph (8) of the Supplementary Provisions of the Former Act (limited to the land acquired by Nippon Telegraph and Telephone Public Corporation before its dissolution pursuant to the provisions of Article 4 paragraph (1) of the Supplementary Provisions of the Former Act prior to January 1, 1969 (with respect to the land located in Okinawa Prefecture; limited to the land acquired prior to April 1, 1972)).

(3) With respect to the land which is acquired and continuously held by the Successor Companies pertaining to the contribution in kind or transfer made by the Company pursuant to the provisions of Article 5 paragraph (6) or Article 6 paragraph (2) of the Supplementary Provisions, special land holding taxes may

not be imposed on the land if more than ten years have passed since the Company acquired the land as of January 1 of the year in which the Successor Companies are required to file and pay the tax pursuant to the provisions of Article 599 paragraph (1) of the Local Tax Act (Act No. 226 of 1950).

- (4) With respect to the depreciable assets acquired by the Successor Companies pertaining to the contribution in kind or transfer made by the Company pursuant to the provisions of Article 5 paragraph (6) or Article 6 paragraph (2) of the Supplementary Provisions, prior laws continue to govern the tax base of real estate to which the special tax rate applies on the day before the date on which this Act comes into effect (hereinafter referred to as the "effective date") pursuant to the provisions of: Article 15 paragraph (27) though paragraph (30) of the Supplementary Provisions of the Local Tax Act; provisions of Article 1, paragraph (30) of the Supplementary Provisions of the Local Tax Act prior to the amendment, , or the provisions of Article 6 paragraph (11) or paragraph (12) of the Supplementary Provisions of the Act to Amend the Local Tax Act (Act No. 28 as of 1998) as referred to in the provisions of Article 1 of that Act, as applied pursuant to the provisions of paragraph (18) of that Act in which prior laws remain in effect, during the period to which the special tax rate applies.
- (5) In the case of contribution in kind or transfer of the property made by the Company to the Regional Companies pursuant to the provisions of Article 5 paragraph (6) of the Supplementary Provisions, if the contribution in kind or transfer of the property is made by the Company to the Long Distance Company pursuant to the provisions of Article 6 paragraph (2) of the Supplementary Provisions, registration and license tax is not be imposed on the registration of the property pursuant to the provisions of Cabinet Order.
- (6) No registration and license tax is imposed on the registration of incorporation filed by the Regional Companies pursuant to the provisions of Article 5 paragraph (11) of the Supplementary Provisions.
- (7) The amount not exceeding the amount of money granted to NTT West (hereinafter referred to as the "amount of money") granted by NTT East under the provisions of the preceding Article as an appropriation of the profits in the settlement of accounts in each business year which ends within three years from the date of incorporation of NTT East (limited to the business year which ends on the same date as the business year of the NTT West (hereinafter referred to as the "applicable business year")), the amount not exceeding the amount of loss (which is the amount equivalent to the loss prescribed in the provisions of Article 2 paragraph (19) of the Corporate Tax Act (Act No. 34 of 1965) which is caused in cases where the amount equivalent to the grant money is not included in the amount of gross income) in the relevant business year of NTT West (meaning the business year which ends on the same date as

the applicable business year; the same applies hereinafter) is included in the loss in calculating the income in the relevant business year. In this case, with respect to the application of the provisions of Article 37 of the same act to NTT East, the term the "amount recorded in the books" in paragraph (1) of that Article is deemed to be replaced with "excluding the amount recorded in the books (meaning the amount of money under the provisions of Article 12 paragraph (7) of the Supplementary Provisions of the Act to Amend the Nippon Telegraph and Telephone Corporation Act (Act No. 98 as of 1997) not exceeding the amount of loss (meaning the "amount of grant money including the loss") in the next paragraph)", and the term "excluding the amount of contributions" in paragraph (2) of that Article is deemed to be replaced with "excluding the amount of contributions and the amount of grant money including the loss".

(8) The amount equivalent to the grant money, which is recorded in the books as an appropriation of the profits in the settlement of the account in the applicable business year of NTT East, is deemed the amount of income of the corresponding business year of NTT West.

(9) Beyond what is set forth in the preceding two paragraphs, necessary matters concerning the application of the provisions of laws and regulations to the corporate tax imposed on the Company and the Successor Companies for the incorporation of the Successor Companies are prescribed by Cabinet Order.

Article 13 Deleted.

(Capital Investments in the Corporation Operating International Telecommunications Business)

Article 14 The Company may invest capital in a corporation operating international telecommunications business after obtaining approval from the Minister of Posts and Telecommunications prior to the date on which this Act comes into effect.

(Order to Succeed the Business)

Article 15 If the Minister of Posts and Telecommunications finds it particularly necessary to enforce the provisions of Article 2 and Article 4 through Article 7 of the Supplementary Provisions, the Minister may issue an order to the Company to the extent necessary for the enforcement.

Article 16 Deleted.

(Penal Provisions)

Article 17 If a violation prescribed in the following items is committed, a director or auditor for the Company, which committed the violation, is punished by a

fine not exceeding one million yen:

- (i) when the Company invests capital in a corporation operating international telecommunications business against the provisions of Article 14 of the Supplementary Provisions
- (ii) when the Company violates the order under the provisions of Article 15 of the Supplementary Provisions

(Transitional Measures for the Application of Telecommunications Business Act)

Article 18 (1) The type I telecommunications business operated by the Company prescribed in the Successor Plan as the business to be taken over by the Successor Companies, is deemed to be permitted to the Regional Companies at the time when it is incorporated and to the Long Distance Company as of the date on which this Act comes into effect respectively under the provisions of Article 9 paragraph (1) of the Telecommunications Business Act (Act No. 86 of 1984).

(2) The Successor Companies must, with respect to the businesses which is deemed to be permitted under the provisions of Article 9 paragraph (1) of the Telecommunications Business Act pursuant to the provisions of the preceding paragraph, submit the documents providing the information set forth in the items of paragraph (2) of that Article, within one month from the date on which this Act comes into effect, to the Minister of Posts and Telecommunications. In this case, the provisions of Article 13 and Article 14 of that Act apply as the information provided in the documents are deemed to be provided in the relevant documents pursuant to the provisions of that paragraph.

(3) The Successor Companies must, with respect to the information required for the provision of the telecommunications service which requires approval or notification under the provisions of Article 31 or Article 31-2 of the Telecommunications Business Act, submit an request for approval or a notification within three months from the date on which this Act comes into effect. In this case, with respect to the information which requires the approval or notification, the Successor Companies may provide the same telecommunications services as those provided by the Company as of the date on which this Act comes into effect, until the administrative disposition of the approval pertaining to the request is taken, or until the notification is submitted.

(Transitional Measures for the Application of Relevant Acts)

Article 19 (1) A permission, approval or license granted to the Company by a person listed in the third column pursuant to the provisions under the second column of that table of the Act listed in the first column of the following table

on the day prior to the date on which the Act comes into effect, is respectively deemed to be the permission approval or license listed in the fifth column in that table granted to the Successor Companies, which succeeded to the rights and obligations pertaining to the permission, approval or license granted by the person listed in the third column of that table, as provided in the provisions of Article 7 of the Supplementary Provisions, pursuant to the provisions under the second column of that table.

Column 1	Column 2	Column 3	Column 4
Act on Control of Nuclear Raw Material, Nuclear Fuel and Nuclear Reactor (Act No. 166 of 1957)	Article 61-3 paragraph (1)	Director General of the Science and Technology Agency	Permission
	Article 61-8 paragraph (1)	Director General of the Science and Technology Agency	Authorization
Act on Prevention of Radiation Disease Due to Radioactive Isotope, etc. (Act No.167 of 1957)	Article 3 paragraph (1)	Director General of the Science and Technology Agency	Permission
Natural Park Act(Act No.161 of 1957)	Article 17 paragraph (3), or Article 18 paragraph (3) or Article 28-2 paragraph (3)	As for national parks, Director General of the Science and Technology Agency. As for semi-national parks, the Governor	Permission

Fishing Port Act (Act No. 137 of 1950)	Article 39 paragraph (1)	Minister of Agriculture, Forestry and Fisheries	Permission (including the permission pertaining to the activities operated by the Company regarded as being permitted under the provisions of Article 15 of the Supplementary Provisions of the Act on Preparation of Relevant Acts Accompanying Effectuation of the Nippon Telegraph and Telephone Corporation Act and the Telecommunications Business Act (Act No. 87 of 1984, hereinafter referred to as "the Preparation Act")
Coast Act (Act No.101 of 1956)	Article 7 paragraph (1)	Coast administrator	Permission (including the permission pertaining to the occupation by the Company regarded as being permitted under the provisions of Article 16 of the Supplementary Provisions of the Preparation Act)
	Article 8 paragraph (1)	Coast administrator	Permission
High Pressure Gas Safety Act (Act No. 204 of 1951)	Article 5 paragraph (1), Article 14 paragraph (1), or Article 16 paragraph (1) or Article 19 paragraph (1)	Governor	Permission

Port Regulation Act (Act No. 174 of 1948)	Article 31 paragraph (1)	Portmaster	Permission
Harbor Act (Act No.218 of 1950)	Article 37 paragraph (1)	Chief harbor administrator	Permission (including the permission pertaining to the activities made by the Company regarded as being permitted under the provisions of Article 17 of the Supplementary Provisions of the Preparation Act.)
Maritime Traffic Safety Act (Act No.115, 1972)	Article 30 paragraph (1)	Director-General of the Japanese Maritime Safety Agency (Japan Coast Guard)	Permission
Radio Act (Act No.131 of 1950)	Article 4	Minister of Posts and Telecommunications	License
	Article 17 paragraph (1)	Minister of Posts and Telecommunications	Permission
Road Act (Act No.180 of 1952)	Article 32 paragraph (1) or paragraph (3)	Road administrator	Permission
Urban Park Act (Act No. 79 of 1956)	Article 6 paragraph (1) or paragraph (3)	Park administrator	Permission

Special Measures Act on Preparation, etc. for Common-Use Tunnel (Act No.81 of 1963)	Article 14 paragraph (1)	Road administrator	Permission (including the permission pertaining to the occupation by the Company regarded as being permitted under the provisions of Article 26 of Supplementary Provisions of the Preparation Act)
River Act (Act No.167 of 1964)	Article 24, Article 26 paragraph (1), Article 27 paragraph (1), Article 55 paragraph (1) or Article 57 paragraph (1)	River administrator	Permission
Special Measures Act on Preparation, etc. for Common-Use Cable Tunnel (Act No. 39 of 1995)	Article 10	Road administrator	Permission

- (2) An approval or permission granted to the hospitals or clinics owned by the Company by a prefectural governor pursuant to the provisions of Article 4 paragraph (1) or Article 7 paragraph (1) of the Medical Care Act (Act No. 205 of 1948) prior to the date on which this Act comes into effect, is deemed the approval or permission granted to the hospitals or clinics owned by the Successor Companies which succeeded to the rights and obligations pertaining to the approval or permission granted by the prefectural governor as provided by the provisions of Article 7 of the Supplementary Provisions, pursuant to these provisions.
- (3) The hospitals designated by a prefectural governor after obtaining the consent of the Company pursuant to the provisions of the following Acts prior to the date on which this Act comes into effect, is respectively deemed the hospitals designated by the prefectural governor after the consent of the Successor Companies which succeeded to the rights and obligations pertaining to the hospitals is obtained as provided by the provisions of Article 7 of the Supplementary Provisions, pursuant to the relevant provisions.
- (i) Article 19-2 paragraph (1) of the Act on Welfare of Physically Disabled

People (Act No. 283 of 1949)

(ii) Article 49 of the Public Assistance Act (Act No. 144 of 1950)

(iii) Article 36 paragraph (1) of the Tuberculosis Prevention Act (Act No. 96 of 1951)

(iv) Article 19 paragraph (1) of the Atomic Bomb Survivors' Assistance Act (Act No. 117 of 1994)

(4) The notification submitted to a person listed in the second column of the following table by the Company pursuant to the provisions of the Act listed in the first column of that table prior to the effective date of this Act is respectively deemed the notification submitted to the person prescribed in the second column of that table by the Successor Companies which succeeded to the rights and obligations pertaining to the notification as provided by the provisions of Article 7 of the Supplementary Provisions, pursuant to the provisions of the Act listed in the first column of that table.

	Column 1	Column 2
(i)	Article 21 paragraph (1) of the National Park Act	Prefectural Governor
(ii)	Article 31 paragraph (1) of the Maritime Traffic Safety Act	Director-General of the Japanese Maritime Safety Agency (Japan Coast Guard)

(5) The status as an prospective occupant of common-use cable tunnel under the provisions of the Article 5 paragraph (2) of the Act on Special Measures for the Development of Common-Use Cable Tunnels, pertaining to the request for approval to occupy submitted to the road administrator by the Company pursuant to the provisions of Article 4 paragraph (1) of prior to the date on which this Act comes into effect, is taken over by the Successor Companies which succeeded to the rights and obligations pertaining to the request pursuant to the provisions of Article 7 of the Supplementary Provisions.

(Particulars Governed by Cabinet Order)

Article 20 Beyond what is set forth in the provisions of Article 2 through the preceding Article of the Supplementary Provisions, transitional measures and other matters necessary for the enforcement of this Act are prescribed by Cabinet Order.

(Transitional Measures for the Application of the Penal Provisions)

Article 21 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect.

Supplementary Provisions [Act No. 24 of March 31, 1998] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of April 1, 1998.

Supplementary Provisions [Act No. 27 of March 31, 1998] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of April 1, 1998.

Supplementary Provisions [Act No. 160 of December 22, 1999] [Extract]

(Effective Date)

Article 1 This Act (except Article 2 and Article 3) come into effect as of January 6, 2001.

Supplementary Provisions [Act No. 91 of May 31, 2000]

(Effective Date)

(1) This Act comes into effect as of the date on which the Act to Amend the Commercial Code (Act No. 90 of 2000) comes into effect.

(Transitional Measures)

(2) In the case where the date on which this Act comes into effect before the effective date of the provisions of Article 8 of the Supplementary Provisions of the Act on the Food and Agricultural Materials Inspection Center (Act No. 183 of 1999) comes into effect, the term "Article 27" in the amended provisions of Article 19-5-2, Article 19-6 paragraph (1) and Article 27 of the Act on Standardization and Proper Labeling on Quality of Agricultural and Forestry Products referred to in Article 31 of this Act, is deemed to be replaced with "Article 26".

Supplementary Provisions [Act No. 6 of March 30, 2001] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of March 31, 2001.

Supplementary Provisions [Act No. 62 of June 22, 2001] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order not exceeding six months from the date of promulgation.

(Transitional Measures for the Application of Penal Provisions)

Article 4 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effective.

(Other Transitional Measures Governed by Cabinet Order)

Article 5 Beyond what is set forth in these Supplementary Provisions, other transitional measures (including the transitional measures for penal provisions) required for the enforcement of this Act are prescribed by Cabinet Order.

(Review)

Article 6 The government is to conduct comprehensive reviews on the system pertaining to telecommunications including the categories of communications and broadcasting, to take the necessary measures including improvements of a legal system based on the outcomes of the reviews, by taking into account the implementation status of the provisions amended by this Act, technologies of the Internet and other advanced information and communications networks and the trends in use thereof and changes in socioeconomic circumstances in and outside Japan, and by giving due consideration to the smooth operation of international telecommunications business and the improvement of international competitiveness of telecommunications technologies of Japan,.

Supplementary Provisions [Act No. 129 of November 28, 2001] [Extract]

(Effective Date)

(1) This Act comes into effect as of April 1, 2002.

(Transitional Measures Concerning the Application of the Penal Provisions)

(2) Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect and to conduct in which a person engages after this Act comes into effect in a situation that prior laws continue to govern pursuant to the provisions of this Act .

Supplementary Provisions [Act No. 45 of May 29, 2002]

(Effective Date)

(1) This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation.

(Transitional Measures)

(2) In the case where the date on which this Act comes into effect before the effective date of the provisions of Article 2 of the "Act to Amend the Agricultural Co-operatives Act (Act No. 94 of 2001)", the term "Article 30, paragraph (12)" in the amended provisions of Article 30, paragraph (12) of the Agricultural Co-operatives Act referred to in Article 9 is deemed to be replaced with "Article 30, paragraph (11)".

Supplementary Provisions [Act No. 125 of July 24, 2003] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding nine months from the date of promulgation. However, the provisions set forth in the following items come into effect as of the day specified respectively in the relevant items.

(i) the provisions of the following Article and Article 17 through Article 19 of the Supplementary Provisions come into effect as of the date of promulgation.

(ii) the provisions for amending the Supplementary Provisions of the Act on Nippon Telegraph and Telephone Corporation (referred to as the "Companies Act" in the following item and Article 16 of the Supplementary Provisions) to add an Article and the provisions of Article 16 of the Supplementary Provisions referred to in Article 3 come into effect as of the date specified by Cabinet Order within a period not exceeding three months from the date of promulgation.

(iii) the provisions of Article 2, the provisions for amending Article 11, paragraph (2) of the Companies Act referred to in Article 3, and the provisions of Article 6 through Article 15 of the Supplementary Provisions, Article 21 through Article 31 of the Supplementary Provisions, Article 34 through Article 41 of the Supplementary Provisions and Article 44 through Article 48 of the Supplementary Provisions come into effect as of the date specified by Cabinet Order within a period not exceeding one year from the date of promulgation.

(Transitional Measures for the Amendment to the Act on Nippon Telegraph and Telephone Corporation)

Article 16 With respect to the application of Article 16 of the Supplementary Provisions of the Companies Act amended pursuant to the provisions for amending the Supplementary Provisions during the period from the date on which the provisions for amending the Supplementary Provisions to add an Article to these Supplementary Provisions comes into effect to the day before the effective date of the provisions for amending the Supplementary Provisions referred to in Article 3, the term "Article 33, paragraph (2)" in paragraph (1) of

that Article is deemed to be replaced with "Article 38-2, paragraph (2)" and the term "Article 33, paragraph (4), item (ii)" in paragraph (2) of that Article is deemed to be replaced with "Article 38-2, paragraph (3), item (ii)".

Supplementary Provisions [Act No. 88 of June 9, 2006] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding five years from the date of promulgation (hereinafter referred to as the "effective date").

(Transitional Measures for the Application of Penal Provisions)

Article 134 Prior laws continue to govern the applicability of penal provisions to conduct in which a person engages before this Act comes into effect, and to conduct in which a person engages after this Act comes into effect in a situation that prior laws continue to govern pursuant to the provisions of these Supplementary Provisions; and to conduct in which a person engages after this Act comes into effect in a situation for which prior laws remain effect pursuant to the provisions of these Supplementary Provisions.

(Other Transitional Measures Governed by Cabinet Orders)

Article 135 Beyond what is set forth in these Supplementary Provisions, the transitional measures required for the enforcement of this Act are prescribed by Cabinet Order.

(Reviews)

Article 136 At the time five years have passed since this Act came into effect, the government is to conduct reviews on the settlement system of stock trades, etc. amended by this Act, by taking into account the status of implementation of the provisions amended by this Act and changes in socioeconomic circumstances, and is to take necessary measures based on the outcomes of the review , if the government finds it necessary to do so.

Supplementary Provisions [Act No. 87 of July 26, 2005] [Extract]

This Act comes into effect as of the date on which the Companies Act comes into effect.