3　Sector: Information and Communications

Sub-Sector: Telecommunications

Industry Classification:

JSIC 3700	Head offices primarily engaged in managerial operations
JSIC 3711	Regional telecommunications, except wire broadcast telephones
JSIC 3731	Services incidental to telecommunications

Type of Reservation: National Treatment (Article 2)

Senior Management and Boards of Directors (Article 10)

Measures: Law Concerning Nippon Telegraph and Telephone Corporation (Law No. 85 of 1984), Articles 6 and 10

Description:

1. Nippon Telegraph and Telephone Corporation may not enter the name and address in its register of shareholders if the aggregate of the ratio of the voting rights directly and/or indirectly held by the persons set forth in subparagraphs (a) through (c) reaches or exceeds one third:

(a) a natural person who does not have Japanese nationality;

(b) a foreign government or its representative; and

(c) a foreign legal person or a foreign entity.

2. Any natural person who does not have Japanese nationality may not assume the office of director or auditor of Nippon Telegraph and Telephone Corporation, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation.

4　Sector: Information and Communications

Sub-Sector: Telecommunications and Internet Based Services

Industry Classification:

JSIC 3711	Regional telecommunications, except wire broadcast telephones
JSIC 3712	Long-distance telecommunications
JSIC 3719	Miscellaneous fixed telecommunications
JSIC 3721	Mobile telecommunications
JSIC 401	Internet based services

Note: The activities covered by the reservation under JSIC 3711, 3712, 3719, 3721 or 401 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).

Type of Reservation: National Treatment (Article 2)

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.