

# Pursuit of a Sustainable Society

In November 2021, NTT Group announced its revision of the NTT Group CSR Charter, based on a resolution by the Board of Directors, to create the new global-level NTT Group Global Sustainability Charter, which infuses the prior charter with a wider range of concepts—including the United Nations Sustainable Development Goals (SDGs), ESG issues, and the creation of shared value. Guided by the new charter, the Board of Directors will make decisions regarding priority sustainability issues and indicators while also accelerating Groupwide sustainability initiatives. These initiatives will be advanced based on the enhanced oversight functions granted by placing the Sustainability Committee, previously positioned under the Executive Officers Meeting, under the direct control of the Board of Directors.

## NTT's Vision for a Sustainable Society

Modern society is plagued by a number of opposing concepts that cannot be properly assessed through traditional dualist thinking, such as those pertaining to global and local perspectives, the environment and the economy, and human rights issues. It is also true that a single phenomenon can have a different meaning and significance based on the perceiver.

NTT believes that realizing a paraconsistent society, in which these opposing concepts and phenomenon are included and diverse values are accepted, will contribute to the realization of sustainable society.

The concept of "Self as We" will form the basis of NTT Group's efforts to contribute to the realization of such a sustainable society.

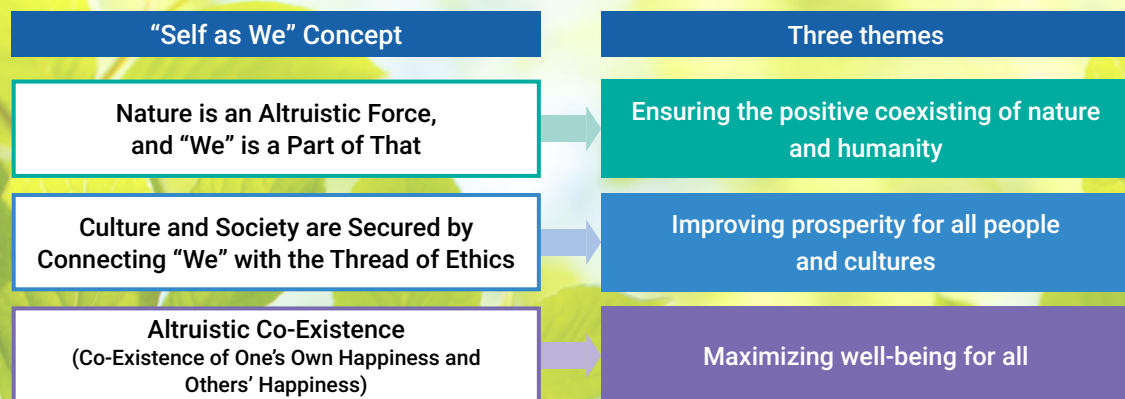
Through this concept, people are encouraged to find themselves within the "We" and to realize that we are supported by the connections between diverse people, things, and technologies. Based on this concept, we look to implement various initiatives founded on the principles of altruistic co-existence through which people will seek to increase their happiness along with the happiness of others.

The "Self as We" concept casts light on the need to contribute to the realization of a sustainable society through initiatives for ensuring the positive coexisting of nature and humanity, improving prosperity for all people and cultures, and maximizing well-being for all.



**"Self as We"\* Philosophy for the Achievement of that Goal**

\* The idea that the "Self" exists as a "Self" within a "We" (which consists of everything, including people, things and technology), and is supported by connections consisting of diverse people, things and technology



## NTT Group Global Sustainability Charter

The NTT Group Global Sustainability Charter defines nine challenges and 30 activities based on three themes. Important indicators, designated with red boxes in the table below, will be reflected in the compensation of executive officers.

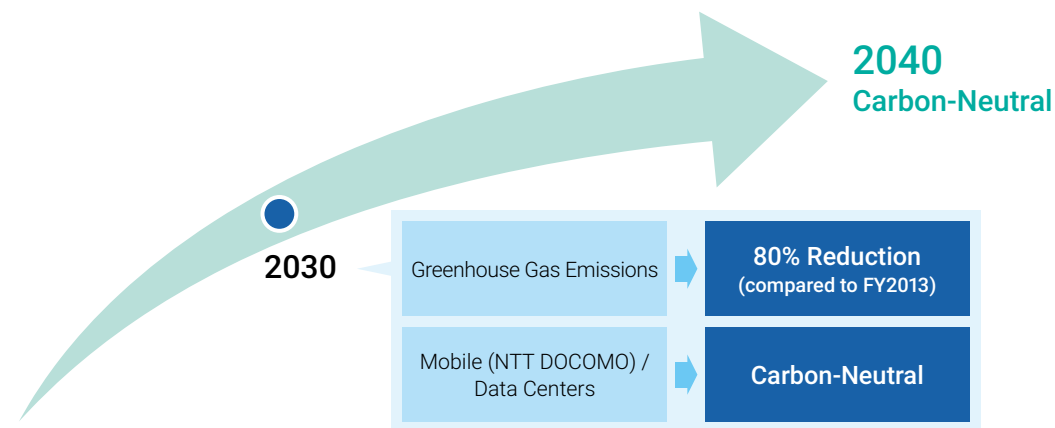
Three Themes	Nine Challenges	30 Activities					
Ensuring the positive coexisting of nature and humanity	Addressing Environmental Challenges	Moving toward a decarbonized society	1 ) Promoting energy conservation 2 ) Reducing power consumption by introducing IOWN technologies 3 ) Developing and expanding the use of renewable energy 4 ) Providing new services that contribute to carbon neutrality 5 ) Creating innovative environmental and energy technologies	P.36-41			
		A commitment to a resource-recycling future	6 ) Increasing the reuse and recycling of communications equipment, mobile terminals, and other technologies 7 ) Reduction of plastic use and promotion of recycling 8 ) Proper treatment, storage and management of hazardous waste 9 ) Appropriate and efficient management of water resources				
			A future where people and nature are in harmony	10 ) Thoroughly implementing environmental assessment 11 ) Contributing to natural ecosystem conservation			
			Addressing social issues	Establish shared ethical standards	12 ) Establishing and thoroughly complying with ethical standards 13 ) Appropriately managing conduct risk 14 ) Thoroughly reinforcing corporate governance and compliance 15 ) Sharing high ethical standards with business partners	P.54-67	
		Prepare for a new future with the power of technology		16 ) Promoting the B2B2X model 17 ) Protection and respect for intellectual property 18 ) Contribution to the revitalization of local communities and economies	P.32-33		
	Moving toward a safe, secure, and resilient society			19 ) Ensuring the stability and reliability of services 20 ) Strengthening information security and personal information protection 21 ) Promoting a decentralized society based on remote work	P.42-43 P.44-45 P.20-21, 46-47		
		Maximizing well-being for all		Addressing human rights, diversity and inclusion	Respect for human rights	22 ) Compliance with the NTT Group Global Human Rights Policy 23 ) Encouraging society as a whole to respect human rights	P.53
					Diversity and inclusion	24 ) Promoting recruitment, training, and education of diverse human resources and women's advancement in the workplace 25 ) Encouraging of understanding of LGBTQ and promoting the advancement of disabled people 26 ) Support for balancing work and life such as childcare and nursing care	P.48-52 P.50-51 P.50
	Creating new work style models		27 ) Promoting remote work and other workplace models 28 ) Achieving zero fatal accidents as well as maintaining and promoting employee health 29 ) Supporting autonomous capacity development 30 ) Promoting paperless operations	P.20-21, 46-47 P.51			

# Reducing Environmental Burden

—Realizing Carbon Neutrality

NTT Group aims to simultaneously achieve zero environmental impact and economic growth by reducing the environmental impact of its business activities and coming up with breakthrough innovations. In September 2021, NTT Group announced a new vision for the environment and energy, “NTT Green Innovation toward 2040,” with the aim of achieving zero environmental impact.

## Environment and Energy Vision NTT Green Innovation toward 2040

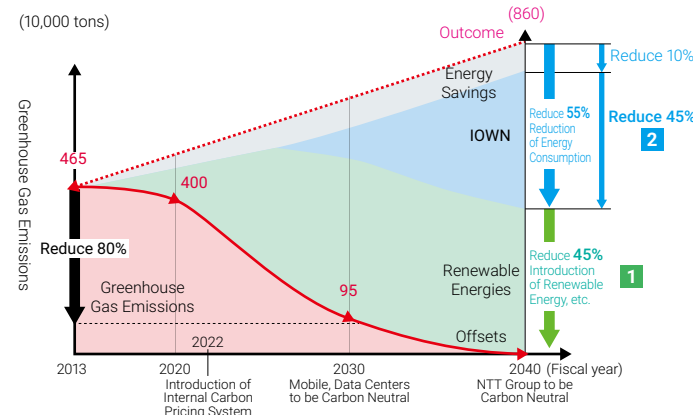


\* Scope of reduction targets  
GHG protocol: Scope 1 (own direct emissions of GHG) and Scope 2 (indirect emissions from using electricity, heat and steam supplied by other companies)  
Mobile: 15 companies in NTT DOCOMO Group (as of September 28, 2021)  
\* NTT Group's SBT targets (Scope 1, 2): Raised to 1.5°C scenario

To achieve carbon neutrality, NTT Group will strive to reduce power consumption through the introduction of IOWN, expand the use of renewable energy to reduce greenhouse gas emissions.

### Illustration of NTT Group Greenhouse Gas Emission<sup>(3)</sup> Reductions (Domestic + Overseas)

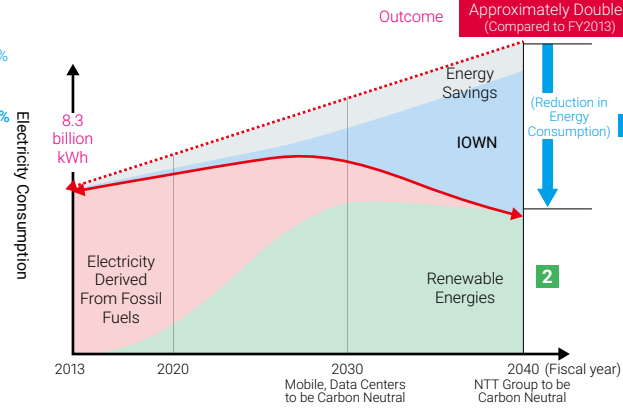
- **Increased use of renewable energy:** Reduce greenhouse gas emissions by 45%<sup>(1)</sup>
- **Lower energy consumption with IOWN technologies:** Reduce greenhouse gas emissions by 45%<sup>(2)</sup>



(1) Estimated Introduction of Renewable Energy (including actual renewable energy through Non-Fossil Fuel Certificates) → FY2020: 1.0 billion kWh; FY2030 to FY2040: around 7.0 billion kWh  
The introduction of renewable energy will have the optimal types of energy determined on the basis of each country's energy composition, etc. Approximately half of the domestic renewable energy usage is anticipated to be from energy sources owned by NTT (FY2030).  
(2) Estimated Reduction of Energy Consumption through the Introduction of IOWN (Comparison to Outcome) → FY2030: (2.0) billion kWh ((15)%); FY2040: (7.0) billion kWh ((45)%)  
Percentage of Introduction of IOWN (Photonics-electronics Convergence Technologies, etc.) out of Total Energy Volume → FY2030: 15%; FY2040: 45%  
(3) GHG Protocol: for Scope 1 and 2

### Illustration of Transition Trends in NTT Group's Energy Consumption<sup>(2)</sup> (Domestic + Overseas)

- Energy Consumption Outcome: will be approximately doubled by FY2040
- **Approximately half of energy consumption will be reduced by introducing IOWN**
- **Renewable energies will be introduced for the other approximate half<sup>(1)</sup>**



(1) Estimated Introduction of Renewable Energy (including actual renewable energy through Non-Fossil Fuel Certificates) → FY2020: 1.0 billion kWh; FY2030 to FY2040: around 7.0 billion kWh  
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(2) Energy consumption used in calculating greenhouse gas emissions on the left.

## Key Initiatives Toward Carbon Neutrality

In addition to the Green of ICT, which will curb the environmental impact of NTT Group by introducing IOWN and expanding the use of renewable energy, we will also work on Green by ICT, which will contribute to reducing the environmental impact of society as a whole.

### Specific Initiatives toward Carbon Neutrality

	Reduction of Environmental Impact through Business Activities	Creation of Breakthrough Innovation
<b>Green by ICT</b> Contributions to Reducing Society's Environmental Impact	<b>Reducing society's environmental impact</b> <ul style="list-style-type: none"> <li>▶ Further acceleration of DX and promotion of Remote World</li> <li>▶ Promotion of regional urban development and the introduction of new social infrastructure development</li> <li>▶ Promotion of greenhouse gas reduction across the entire supply chain</li> <li>▶ Provision of new services that contribute to carbon neutrality</li> <li>▶ Contribute to local production and consumption of energy, through smart grids based on battery farms</li> <li>▶ Expansion of green electricity retail</li> </ul>	<b>Creation of innovative environmental energy technology</b> <ul style="list-style-type: none"> <li>▶ Use of 4D digital platform™ for future predictions / optimal use of urban assets*</li> <li>▶ Optimal operation of fusion reactors (ITER / QST)</li> <li>▶ Lightning charging</li> <li>▶ Applied genome-editing technology for “Green” (Collaboration)</li> </ul> <small>* Energy, transportation, logistics, etc.</small>
<b>Green of ICT</b> Reducing NTT's Own Environmental Impact	<b>Introduction of IOWN and Expansion of Renewable Energy</b> <ul style="list-style-type: none"> <li>▶ Reduction of energy consumption through the introduction of IOWN</li> <li>▶ Expansion of the development and usage of renewable energy</li> <li>▶ Introduction of an internal carbon pricing system</li> <li>▶ Issuance of green bonds</li> </ul>	<b>Achievement of Ultra-Low Power Consumption</b> <ul style="list-style-type: none"> <li>▶ Photonics-electronics Convergence Technologies (IOWN All-Photonic Network)</li> </ul> <b>Creation of Decentralized Technology</b> <ul style="list-style-type: none"> <li>▶ Photonic disaggregated computing</li> <li>▶ Space integrated computing network</li> </ul>

### Contributing to the Reduction of Society's Environmental Impact

The Green by ICT initiative takes a three-pronged approach to reducing the environmental impact of society.

1. Expanding adoption of IOWN technologies from the telecommunications field into other industries
2. Providing new services that contribute to carbon neutrality
3. Strengthening development and expanding introduction of NTT Group's Renewable Energy Plan

By advancing these initiatives, NTT Group aims to reduce its own GHG emissions and across the entirety of society.

#### Expanding adoption of IOWN technologies from the telecommunications field into other industries

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- Contribute to the reduction of greenhouse gases<sup>(1)</sup> in Japan and the world
  - Japan: Reductions: over 0.02 billion tons; Reduction Rate: over 4%
  - World: Reductions: over 0.3 billion tons; Reduction Rate: over 2%
- Further accelerate DX<sup>(2)</sup> (e.g. of digital twin computing)
- Promote greenhouse gas reduction across the entire supply chain

#### Providing new services that contribute to carbon neutrality

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#### Strengthening development and expanding introduction of NTT Group's Renewable Energy Plan

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- Promotion of local energy production for local consumption

(1) Conditions for Reduction Estimates
 

- Target: beginning in FY2040
- Adoption Rate of IOWN for Electric Semiconductors, etc. (Photonics-electronics Convergence Technologies, etc.): approximately 50%
- CO<sub>2</sub> Emission Factor: Japan...0.185kg-CO<sub>2</sub>/kWh; World...0.130kg-CO<sub>2</sub>/kWh

(2) CO<sub>2</sub> Reduction Potential: approximately 50 → (2030; Target: World, calculated based on GeSI and IEA estimates)



## NTT DOCOMO's Initiatives toward Carbon Neutrality

### Realize Carbon-Neutral in 2030

- Thorough power saving of network / data center; Use of renewable energy
- Provide green power through eco-friendly *Green 5G* and *docomo Denki Green*
- Providing '*Caboneu*' platform everyone can participate and contribute toward reduction of CO<sub>2</sub> in the world

#### Reduce GHG emissions in own business activities

##### Conserve energy in telecommunication networks

We are developing technologies and installing equipment for reducing the power consumption of networks, such as improving the sleep functions of base stations and using energy-saving 5G equipment.



NTT DOCOMO will reduce power consumption by consolidating into high-density base station equipment, supplying power directly from high-voltage DC equipment with less power transmission loss, actively introducing air conditioning control systems with self-learning functions, and upgrading to high-efficiency air conditioning equipment.

##### Actively introduce renewable energy

Working together with NTT Anode Energy, NTT DOCOMO will promote the introduction of renewable energy directly procured from solar power plants and other sources exclusively for DOCOMO. In addition, the Company aims for an effectively 100% renewable energy ratio for the electricity used in our business activities, including the purchase of non-fossil fuel certificates designated as renewable energy.



#### Initiatives to reduce GHG emissions for society as a whole in cooperation with customers and partner companies

##### Development of services that use renewable energy



The power consumed by mobile network communications will be greened by introducing effective renewable energy\*.

The ratio of real renewable energy\* to total electricity consumption will be greater than the ratio of the number of 5G subscriptions to DOCOMO's total subscriptions, making 5G environmentally friendly without greenhouse gas emissions.

\* Effective renewable energy includes non-fossil fuel certificates designated as renewable energy.



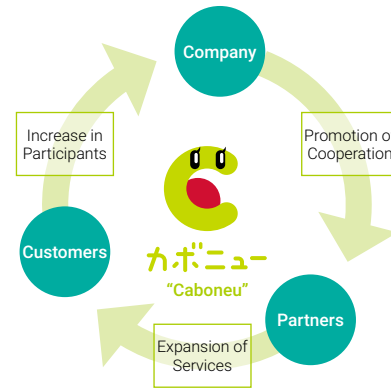
We provide an earth-friendly plan\* that actively utilizes renewable energy sources such as solar, wind, and geothermal.

\* Plan to start offering in March 2022

##### Visualize contributions to reducing GHG emissions of customers

##### Provide Caboneu platform

We plan to provide a platform where anyone can enjoyably participate in activities to become carbon neutral, such as by visualizing contributions to reducing the GHG emissions of customers.



## Strengthening the Development and Expanding the Introduction of Renewable Energy by NTT Anode Energy

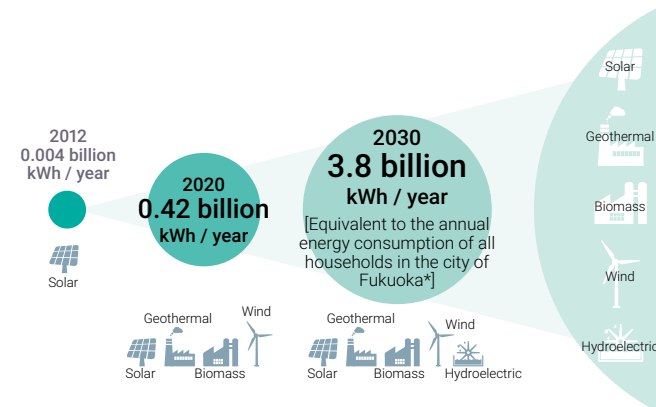
#### Initiatives to develop renewable energy power plants

- NTT Group uses approximately 1% of total electricity in Japan at its nationwide telecommunications facilities.
- Strengthen development of renewable energy power plants in a bid to decarbonize customers and NTT Group

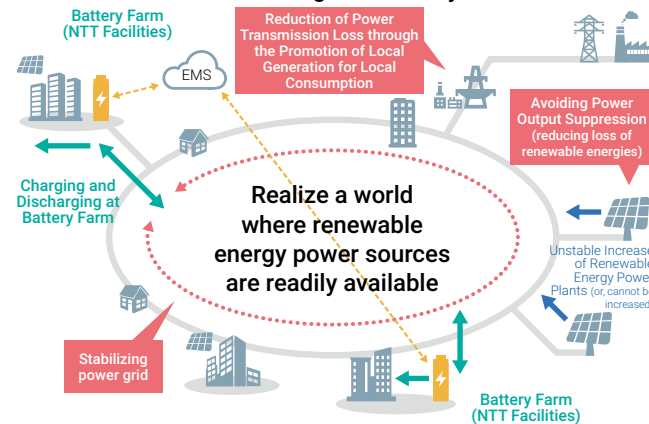
#### Towards the Local Generation for Local Consumption of Renewable Energies

- We aim to reduce social cost (reduce power transmission loss, etc.) by helping to expand renewable energy power plants that facilitate local production of electricity for local consumption, by utilizing NTT buildings around Japan as places to store electricity.

#### Renewable energy generation by NTT Group



#### Illustration of Usage of "Battery Farms"



\* Company estimate based on the Ministry of the Environment's "CO<sub>2</sub> Emissions Fact-Finding Survey of the Household Sector in 2019 (Confirmed Value)"

## COLUMN

### Issuance of NTT Group Green Bond

In June 2020, the NTT Group issues its first-ever green bond. Green bonds are bonds issued by companies and local governments to raise money for green projects (renewable energy, energy conservation and other projects that help improve the environment) around the world.

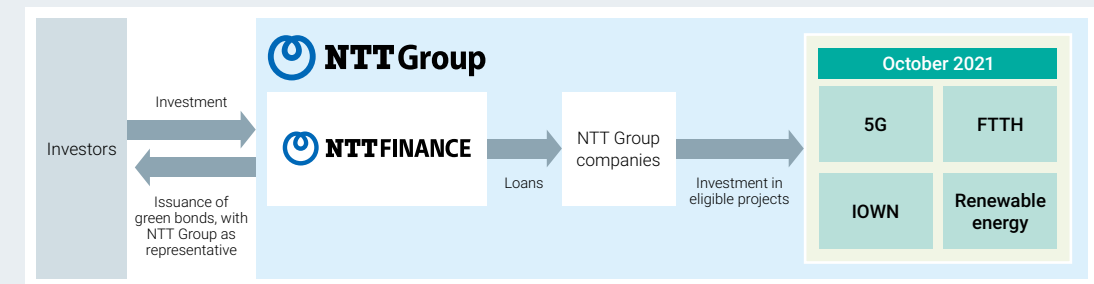
NTT Group places top-level priority on environmental issues. Accordingly, as a Group we are undertaking a host of measures to address these issues. One example is the issuance of NTT Group green bonds by NTT Finance, the Group's core financial firm. The funds raised through this issuance will be used to fund projects that address environmental issues.

In conjunction with the September 2021 unveiling of NTT Green Innovation toward 2040, our new environment and energy vision, we revised the framework for green bonds to make it easier to continue issuing green bonds by expanding the scope of applicable projects to 5G-related investments, FTTH-related investments, and R&D to realize IOWN, in addition to green buildings, highly efficient and electricity-conserving data centers, and renewable energy.

#### State of Green Bond Issuance

October 2021 issuance	Issuance period	3 years	5 years	10 years
Amount issued: ¥300 billion	Issuance amount	¥100 billion	¥100 billion	¥100 billion
	Interest rate	0.001% / issue price ¥100.003	0.100%	0.270%

**Applicable projects:** To move NTT Group closer to becoming carbon neutral, project scope included R&D for IOWN, key renewable energy projects, and investments in 5G and FTTH, the basis for realizing remote worlds.



For details about conditions for this green bond and companies earmarked for investment, please see the following news release (in Japanese only) <https://www.ntt-finance.co.jp/news/211022.html>

Eligible projects	Specific projects	Impact reporting item
<b>5G-related investment</b>	• Development and installation of energy-saving 5G base stations / installation of commercial base stations and development of base stations capable of conserving electricity by automatically switching to sleep mode, such as during the evenings and time of low traffic	• Number of 5G base stations installed
<b>FTTH-related investment</b>	• Construct and operate optical fiber networks (FTTH) as foundation for a remote world, to help reduce amount of electricity used compared with the Company's conventional equipment	• Number of subscribers (households)
<b>R&amp;D to make IOWN a reality</b>	• Roll out / aim to commercialize by 2030 photonics-based connections between bases at end-point devices, such as handsets and computers, R&D to make possible an optical disaggregated computing architecture that should sharply reduce electricity usage through the use of photonics connections (optics inside LSI) when transmitting signals between chips on circuit boards	• Explain impact of aims in R&D projects • Introduce examples of products and services to be created, and progress on R&D
<b>Renewable energy</b>	• Solar power projects and wind power projects	• Generation capacity / generated electricity (GWh) • Amount of CO <sub>2</sub> reduced (t-CO <sub>2</sub> )

Fund allocation reporting: May 2022 (plan)      Impact reporting: May 2022 (plan)

June 2020 issuance	Eligible projects: Green buildings			Impact reporting: May 31, 2021
Issue amount: ¥40 billion				
Issue period: 3 years				
Interest rate: 0.001%				
	Building name	Certification level	Acquisition / evaluation date	FY2020 (April 2020–March 2021) CO <sub>2</sub> emissions
	Shinagawa Season Terrace	BELS 5 Stars	December 2019	10,391 tons CO <sub>2</sub>
	URBANNET NAGOYA nexta BUILDING	CASBEE Nagoya S Rank	December 2019	Under construction (to be completed in January 2022)

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Organization for Environmental Management

To address climate change and other environmental issues, the Board of Directors decides policy after deliberating. Unveiled in September 2021, NTT Green Innovation toward 2040 was deliberated upon and approved by the Board of Directors as its new vision for the environment and energy.

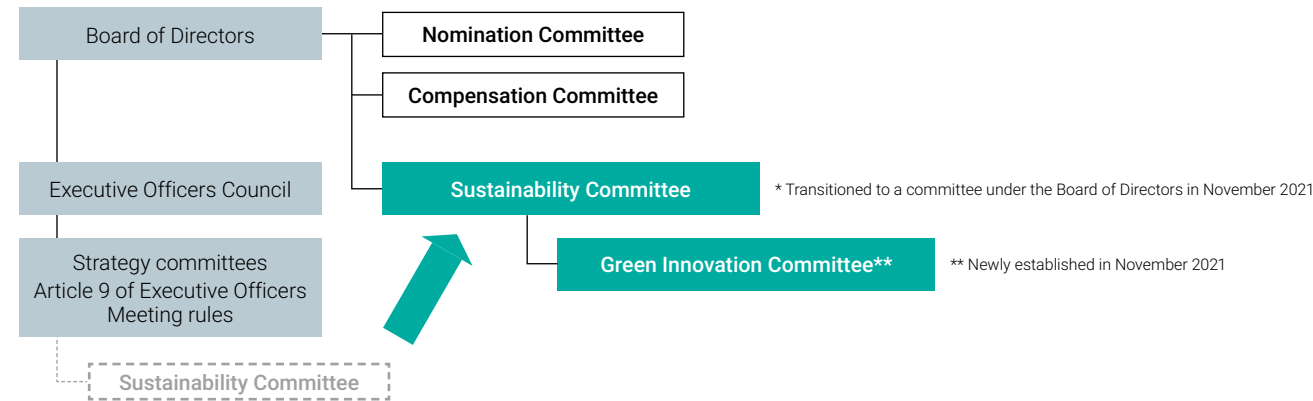
We also established the Green Innovation Committee as an internal unit under the Sustainability Committee, which reports directly to the Board of Directors, to discuss and determine the environmental activities policies for the entire Group.

We are planning the transfer of functions from the NTT Group Global Environmental Protection Promotion Committee, which was previously under the purview of the Executive Officers Meeting, to the Green Innovation Committee.

The NTT Group Global Environmental Protection Promotion Committee, which met regularly throughout the year, was chaired by the general manager of the NTT Environmental Protection Office (Head of Research and Development Planning) with membership comprising heads of environmental departments at major Group companies. Also, this committee oversaw the Climate Change Actions Committee, the Closed-loop Recycling Committee, and the Natural Harmony Working Group and drafts basic policies, manages targets, and addressed issues related to environmental protection.

Further, risks and opportunities identified as having a significant impact on business, such as laws, regulations, and systems related to the environment, are presented to the Business Risk Management Committee, which identifies Companywide risks, and to the Board of Directors.

In addition to working with the environmental departments, the committee cooperates with other departments to pursue related initiatives. Particularly with regard to electricity use, which accounts for more than 90% of NTT Group's CO<sub>2</sub> emissions, the committee collaborates with the High Performance Energy Use Promotion Committee, which is responsible for promoting the Total Power Revolution (TPR) campaign, NTT Group's energy conservation activities. As for the risks and opportunities presented by environmental issues to our facilities and equipment, monitoring and assessment are conducted through a collaborative effort between staff in charge of environmental issues and those responsible for facilities, and these individuals are appointed for every Group company.



Goals for the Reduction of Environmental Impact

In addition to reducing environmental impact through its business activities, NTT Group prioritizes the reduction of environmental impact within society through the use of ICT. Based on our analysis of materiality issues related to environmental problems, we have set targets for environmental activities to undertake by the fiscal year ending March 31, 2041, and we are working to reduce environmental impact accordingly.

Key activities	Medium-term target	Quantitative indicator	KPIs	Goal Achievement Time	Results (FY)			
					2018	2019	2020	
Reduce environmental impact of business operations	While reducing CO <sub>2</sub> emissions of the Company, contribute to the reduction of CO <sub>2</sub> emissions of all society, including value chains, through the utilization of ICT	Total GHG emissions (Scope 1, 2)	80% reduction vs. FY2013 level	FY2030	4,722 thousand tons	4,605 thousand tons	3,986 thousand tons	
			Carbon neutral	FY2040				
	Improve power efficiency to reduce the environmental impact of business operations	Electricity efficiency of domestic telecommunications businesses (electricity efficiency per unit of communication)	At least 10x FY2013 level	FY2030	4.5 times	5.4 times	6.2 times	
At least 2x FY2017 level			FY2025	1.2 times	1.5 times	1.7 times		
Effectively use resources	Control the final disposal ratio of waste and work toward the effective use of resources	Final disposal ratio of waste	Electric vehicles as a percentage of general vehicles in Japan	100%	FY2030	0.40%	1.45%	8.28%
			Zero emissions (under 1%)	FY2025				



Impact of Climate Change on Businesses

Climate change has the potential to affect the cost of electricity for providing communications services and other purposes, and may lead to large-scale disasters causing enormous damage to communications infrastructure. NTT Group takes the following perspectives on the risks of climate change in terms of business operation, measures to deal with those risks, as well as opportunities.

Potential Risks

As society as a whole expands the use of renewable energies in an effort to decarbonize, the risk of increased costs due to renewable energy charges and carbon pricing is expected. Charges on renewable energy are rising year by year, and there is a possibility that electricity prices will continue to rise. In addition, there is a risk that such natural disasters as torrential rain or typhoons could damage access networks, which could give rise to physical and economic losses. With respect to the aforementioned risks, we are implementing the following measures.

- Consolidating telecommunications equipment and facilities, which account for most of NTT Group's power use and upgrading to equipment with higher levels of energy efficiency (including carrying out upgrades ahead of schedule)
- Installation of high-voltage direct current (HVDC) systems and systems for analyzing the status of electricity usage
- Our own use of renewable energy
- Investment in R&D for IOWN to help reduce electricity use
- Securing the stability and reliability of telecommunications services in anticipation of large-scale natural disasters

\* Estimated impact on annual profits: (1) -¥10 billion if carbon pricing introduced, (2) -¥6.4 billion from increase in renewable energy charges, (3) -¥2 billion due to repairs to damage caused by heavy rainfall and typhoons, (4) -¥0.5 billion (if outdoor temperatures rise 1) or -¥2 billion (if outdoor temperatures rise 4) due to higher air conditioning costs as temperatures rise

[Assumptions and basis for calculations]

- (1) Carbon pricing (\$100/t-CO<sub>2</sub>) x FY2030 target emissions (reduction of 80% in FY2030 based on actual Scope 1 + 2 emissions of 4.65 million tons in FY2013)  
<Carbon pricing: Estimated unit price for FY2030 on IEA World Energy Outlook 2019, Advanced economics: 100USD>
- (2) Increase in the unit price of the renewable energy charges (¥1.2) x domestic electricity usage in FY2020 (6.67 billion kWh)  
Renewable energy charges in FY2030: ¥4.1/kWh, FY2020: ¥2.9/kWh
- (3) Estimated impact from repairs to damage caused by heavy rainfall and typhoons in FY2020
- (4) Estimated air conditioning costs increase based on domestic electricity consumption in FY2020

Potential Opportunities

A further increase in demand for the smart energy business in relation to its provision of ICT-enabled energy management and other services and for low-power-consumption data centers due to growing demand for efficient energy use in areas, buildings, and homes

- Expansion of the business continuity solutions business leveraging ICT and cloud technologies in line with the corporate migration to the cloud and digitalization
- Growing demand for ICT services as teleworking and remote working become more familiar and mainstream, and to support work style transformation due to DX, as well as to reduce environmental impact
- Increasing demand for BCP-oriented ICT services addressing such factors as natural disasters and system failures
- Development of *Green 5G* and *docomo Denki Green*

# Reinforcement of Disaster Countermeasures

—Protection of Service Stability and Reliability

As well as ensuring the stability and reliability of telecommunications services by anticipating the potential damage resulting from large-scale disasters, NTT Group helps clients restore their operations and maintain business continuity in the event of disasters.

## Stable and Reliable Telecommunications Services in Preparation for Large-Scale Disasters

NTT Group has defined three key themes for disaster countermeasures—improving the reliability of communications networks, securing critical communications systems, and promptly restoring telecommunications services. We have been strengthening efforts based on these themes since the Great East Japan Earthquake.

Specifically, we are taking measures to improve the reliability of our telecommunications infrastructure. To ensure that our telecommunications services operate without interruption at all times, we employ transmission trunk line multi-routing, have enacted blackout countermeasures for communications buildings and base stations, and are making communications buildings more disaster resistant. In addition, we are expanding the assortment of power supply vehicles and other disaster response equipment that we have positioned throughout Japan and are continuously conducting training to prepare for major natural disasters. Furthermore, we are making a daily effort to guarantee that, in the event of a disaster, we are able to immediately set up a Disaster Countermeasures Office, implement other emergency preparations, and make the necessary emergency and critical communications as a public institution as designated by the Basic Act on Disaster Control Measures.

In recent years, natural disasters have been becoming more frequent and causing wider, bigger, and more lasting damage. Recognizing the potential for natural disasters to have greater impacts on telecommunications facilities and services and for recovery efforts to be prolonged, NTT is increasing the resilience of its facilities and taking steps to expedite recovery efforts.

Past initiatives	Further efforts
<p><b>1 Improve Communications Network Reliability</b></p> <ul style="list-style-type: none"> <li>Employ transmission trunk line multi-routing</li> <li>Install large-zone base stations</li> <li>Build disaster-resistant facilities</li> </ul> <p><b>2 Secure Critical Communications Systems</b></p> <ul style="list-style-type: none"> <li>Secure 100, 119, and other emergency services</li> <li>Provide tools to check safety status (171)</li> </ul> <p><b>3 Promptly Restore Services</b></p> <ul style="list-style-type: none"> <li>Deploy disaster countermeasure equipment (power supply vehicles, portable satellite equipment, etc.)</li> <li>Procure and convey materials and equipment for restoration purposes</li> <li>Use drones</li> </ul>	<p><b>Major Facility Resilience Initiatives</b></p> <ul style="list-style-type: none"> <li>Expansion of medium-zone base stations with countermeasures for blackouts and natural disasters</li> <li>Blackout countermeasures at base stations using electric vehicles</li> <li>Integrated management and operation of NTT Group's power supply vehicle fleet (approx. 400 vehicles)</li> <li>Examination of possibility of installation of underground cables or wireless fixed-line telephony systems for disaster preparedness purposes</li> </ul> <p><b>Major Initiatives for Expediting Recovery Efforts</b></p> <ul style="list-style-type: none"> <li>Pre-disaster establishment of recovery teams (nationwide support teams, etc.) through AI-powered prediction of damages</li> <li>Reinforcement of recovery teams and securing of staff through mobilization of retired NTT employees, etc.</li> </ul> <p><b>Enhanced Support for Affected Customers</b></p> <ul style="list-style-type: none"> <li>Provision of accurate, easy-to-understand information to support evacuation, etc. (information on communications disruptions, recovery status, charging points, emergency-use public telephones, support for non-Japanese visitors and residents of Japan, etc.)</li> <li>Establishment of local trouble support stations in disaster-stricken regions to respond to issues and consultations regarding communications services</li> <li>Coordination with municipal government agencies, etc., to secure communications capabilities in times of disaster through installation of Wi-Fi systems and storage batteries for public telephones</li> </ul>
<p>Lessons from the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake</p>	<p>Disasters causing wider, bigger, and more lasting damage</p>

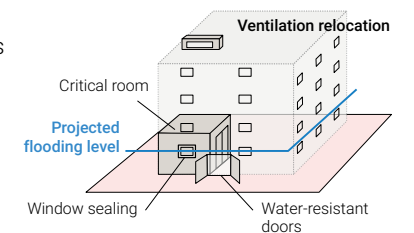
\* Disaster Voice Messaging Service scheduled to be discontinued on March 31, 2022.

## Disaster-Resilient Networks and Equipment

Damage from natural disasters is becoming increasingly common in recent years as climate change causes more frequent instances of heavy rains, frequent typhoons, and other natural disasters. As a result, there is a growing risk of water and lightning damage and power outages, which now threaten to cause extensive damage should they occur. NTT is committed to building disaster-resilient networks and equipment to ensure that it is able to provide reliable communications services even in the event of a large-scale natural disaster.

### Flooding Countermeasures at Communications Buildings

NTT implements countermeasures to prevent flooding at communications buildings as a result of tsunamis, floods, or other natural disasters. These measures include replacing doors with more durable, water-resistant doors, sealing windows and other gaps, and reinforcing walls with concrete to ensure they can withstand the force of tsunamis.

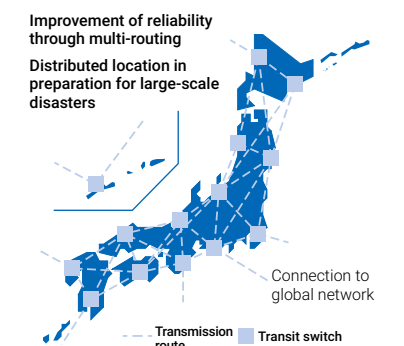


### Blackout Countermeasures at Communications Buildings and Base Stations

Communications buildings and wireless communications base stations are equipped with batteries, engines, and other auxiliary power supplies that can be used as a prolonged source of electricity in the event of a blackout. Moreover, we are enacting the lessons learned from the Great East Japan Earthquake by implementing blackout countermeasures for engine generators and having batteries available for use around the clock at its roughly 1,900 base stations in important areas, such as those where municipal disaster response headquarters or city offices are located.

### Transmission Trunk Line Multi-Routing and Distributed Location of Important Communications Buildings

Our nationwide network of trunk lines has been designed to secure communications and prevent disruption of services over the network as a whole by automatically diverting transmission through other routes when a certain route is damaged. Meanwhile, if communications buildings (important communications buildings) fitted with transit switches suffer disaster damage, communications via such buildings may be severed. Distributing important communications buildings in different locations helps avoid the risk of multiple buildings suffering disaster damage at the same time.



## Swift Restoration of Service

Should a disaster strike, swift action will be taken to restore service via the utilization of mobile disaster response equipment and the use of drones to confirm the situation.

### Disaster Response Equipment

NTT has positioned mobile base stations and power supply vehicles across Japan that can be quickly deployed to disaster sites should a wireless communications base station be damaged by a disaster. Moreover, we have adopted off-shore base stations comprised of mobile communications base stations mounted on ships. Should a tsunami or other disaster knock out service over a wide spread of coastal area, we can provide service by using entrance satellite lines to transmit signals to the coastal areas from anchored ships.

### Disaster Site Confirmation with Drones

When damage to roads or other conditions prevent us from reaching base stations, drones will be deployed to confirm the status of the site and facilitate the quick restoration of service thereafter.



Large-scale power supply vehicle for powering communications buildings



# Enhancement of Security

—Preparation for the Zero-Trust, Cloud-Native Era

To resolve social issues through its business operations, NTT Group works together with its partners as “Your Value Partner.” Based on this approach, we are contributing to the healthy development of a digital economy and remote society by exercising our responsibility as a supplier of safe and secure ICT infrastructure to guarantee effective information security.

## Message Message from the Chief Information Security Officer

NTT is transforming, and we must therefore move away from the customs and practices we have embraced thus far. Moreover, Group governance is imperative to promoting this transformation.

The word “governance” does not necessarily refer to issuing orders, but rather can mean creating frameworks that allow all members of the Group to naturally arrive at the optimal course of action. I hope to lead NTT Group in developing governance systems that accommodate the security needs of the zero-trust, cloud-native era.

We have issued a news release explaining the cybersecurity initiatives NTT implemented at the Olympic and Paralympic Games Tokyo 2020 as well as the success of these efforts.\* Our experience with this event made it apparent that damages from cybersecurity incidents can be kept at a minimum, even in the increasingly challenging cybersecurity environment, so long as effective measures are put in place.

There are three focuses to NTT’s security initiatives: 1) protecting the internal security of customers, 2) protecting the digital services provided to customers, and 3) protecting ourselves. We plan to further enhance these initiatives based on our experience with the Olympic Games.



Shinichi Yokohama  
Head of the Security and Trust Office  
Chief Information Security Officer (CISO)



\* NTT’s Contribution to Olympic and Paralympic Games Tokyo 2020  
—From the perspectives of Telecommunication Services with Cybersecurity—  
<https://group.ntt/en/newsrelease/2021/10/21/211021a.html>

## Security Initiatives Supporting the Medium-Term Management Strategy

Security initiatives will be imperative to the transformation to a new management style that has been defined as one of the pillars of the refined medium-term management strategy.

IT infrastructure that allows people to work from anywhere	<b>Introduction of zero-trust systems</b> Development of IT infrastructure with security measures prefaced on cloud and mobile usage for accommodating the shift to remote work styles
	<b>Revision of information security regulations</b> Revision of information security regulations to implement zero-trust security measures and IT infrastructure to transition to less ambiguous and more easily understood measures to increase the security awareness of all employees, not just information security staff, and ensure compliance with measures

## TOPICS 1

### NTT Group’s Contributions to Global Measures for Combating Malware

Partnering with IT companies, global network providers, and law enforcement agencies, NTT helped roll out measures that lock out the primary platform for TrickBot, a major botnet threat that has continued to cause damage in various IT systems, and was even thought to have had an impact on the U.S. presidential election.\*

NTT Group is promoting threat intelligence information research collaboration between the Global Threat Intelligence Center (GTIC) of NTT Ltd., Security Operation Centers (SOCs), and NTT R&D. These research efforts have involved the analysis of our global internet backbone traffic, and this ongoing collaboration contributed to the aforementioned measures.

Modern threats are without boundaries, so our approach to cybersecurity must also be borderless. Accordingly, we expect that cross-country and cross-company cybersecurity collaboration will continue to be evolved and pursued, even in regard to various global events.



\* International efforts in the fight against global cybercrime:  
Disrupting cybercriminal operations  
<https://hello.global.ntt/en-us/insights/blog/international-efforts-in-the-fight-against-global-cybercrime>

## TOPICS 2

### Security Expert Training at NTT Group

NTT Group launched a security expert certification system in 2015 with the aim of increasing the quality and number of its security personnel. This system defines three levels based on human resource type and skill level.

We must be constantly vigilant in our effort to remain abreast of the recent changes in security technologies and circumstances (zero trust, cloud native, DX, teleworking, etc.). As such, the effective and consistent training of security experts is a matter of utmost importance.

#### Intermediate and Expert Level

Intermediate and expert level security staff members are core to our efforts for combating the ever-evolving threat of cyberattacks. Individuals certified as intermediate level under the certification system play a central role in strengthening security at NTT Group as principal members on the front lines of the Group’s cybersecurity efforts. Adapting to and preventing damages from the constantly emerging new threats requires staff to gain experience combating new forms of cyberattacks in a simulated environment. Our practical, hands-on security training programs are an effective means of endowing employees with such experience. Moreover, NTT partners with security training companies to shape its practical security training programs based on the latest trends. Intermediate level security staff members are required to undergo regular training in order to keep their skills up to date.

In order to be certified as expert level, an individual must have industry-leading security experience in Japan and overseas, be highly trusted and have a strong reputation both inside and outside of the organization. Expert level certification represents that an individual is contributing to improved cybersecurity within NTT Group and throughout the business sphere in Japan and around the world. Moreover, we recognize that it is important to deploy the expertise of such high-level experts and to use this expertise to foster the next generation of employees. We also must create forums in which expert level and other security professionals can meet to share their experience and discuss. For these purposes, NTT Group holds an annual global conference. This internal conference provides an opportunity for exchanges between professionals active in various fields, including R&D, operations, consulting, and information provision, around the world. In the fiscal year ended March 31, 2021, the COVID-19 pandemic made it difficult for people to gather in person for this conference, as has been done traditionally. We therefore held the conference online for the first time, a move that proved beneficial as this conference drew a record-breaking number of around 700 participants.

#### Basic Level

NTT used to offer basic level certification. However, the rising number of certification holders coupled with the increase in awareness regarding the importance of security prompted us to reinvent our security training programs to target all employees worldwide.

People tend to shy away from security training due to the perceived complexity and limited applicability of the subjects covered. To address this issue, we positioned raising employee interest in these subjects as our top priority, which we went about doing with animated videos and other endearing content, including a humorous introductory message by the CISO structured like a dramatic performance. Through these programs, we hope to make all employees recognize the necessity of security awareness and instill in them the basic practice of reporting any suspicious activities in their daily work. We thereby aim to motivate employees to participate in and contribute to our organization-wide drive to quickly detect and address security issues.



Employee security training program

# Maximizing Well-Being

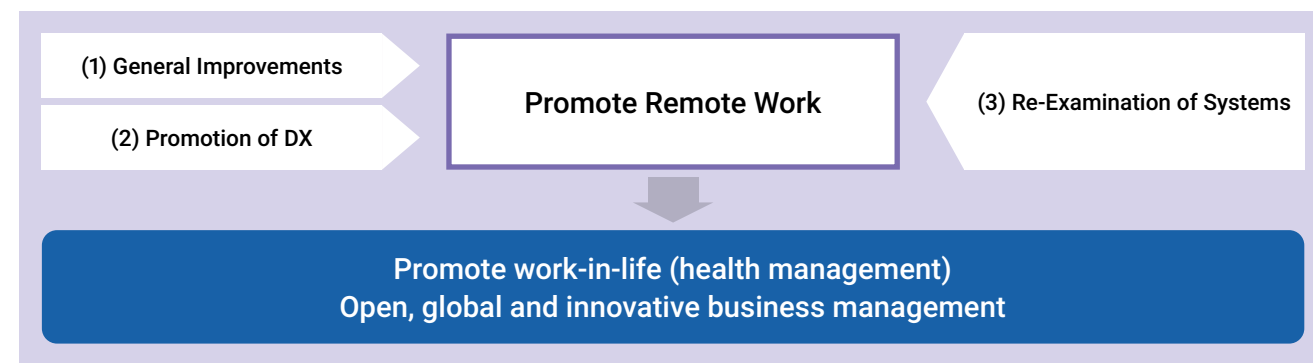
—Advocating Work-in-Life with Work Style Reforms

As work styles change, it is necessary to review work processes in order to accommodate diverse ways of working. Allowing diverse work styles leads to greater opportunities to employ people of diverse backgrounds, while improving their motivation to work and ease of working. This results in better employee engagement and sparks innovation.

The NTT Group engages in a variety of initiatives to promote diverse work styles. In particular, we are changing work styles while focusing on better treatment and environments for mainly remote work.

When changing work styles, it is important to ensure openness, globalization and innovative work management from a business perspective. From the standpoint of employees, we believe the first step is to promote work-in-life and their well-being.

## Shift to new work styles premised on remote work



Ratio of female directors*1	Ratio of female managers*1	Ratio of newly appointed female managers*1	Ratio outside personnel*1	Ratio of employees with disabilities*2
11.4% (July 2021)	7.3% (fiscal year ended March 31, 2021)	12.5% (fiscal year ended March 31, 2021)	27% (fiscal year ended March 31, 2021)	2.45% (June 2021)
Target <b>new</b> 25–30% by fiscal year ending March 31, 2026	Target 15% by fiscal year ending March 31, 2026	Target <b>new</b> 30% from fiscal year ending March 31, 2022	Target <b>new</b> 30% by fiscal year ending March 31, 2024	Target At least 2.3%

Remote work ratio*3*4	Male employees taking leave for childrearing*3*5	Total work hours*3	Employee satisfaction*6
65.5% (March 2021)	80.4% (fiscal year ended March 31, 2020 and 2021)	1,901 hours (fiscal year ended March 31, 2021)	3.9 (fiscal year ended March 31, 2021)
Target 70% by fiscal year ending March 31, 2023	Target 100% ratio of male employees taking time off for childrearing by the fiscal year ending March 31, 2023	Target Under 1,800 hours by fiscal year ending March 31, 2023	Target YoY improvement (5 points = perfect score)

\*1 Six major domestic companies (NTT, NTT East, NTT West, NTT Communications, NTT DATA, NTT DOCOMO)

\*2 Domestic Group companies (at least 43.5 employees)

\*3 NTT (holding company) only

\*4 Work-from-home ratio (excluding essential workers)

\*5 Percentage of total number of male workers using paternity leave or leave for purposes of child raising (items disclosed by companies with "Platinum Kurumin Certification")

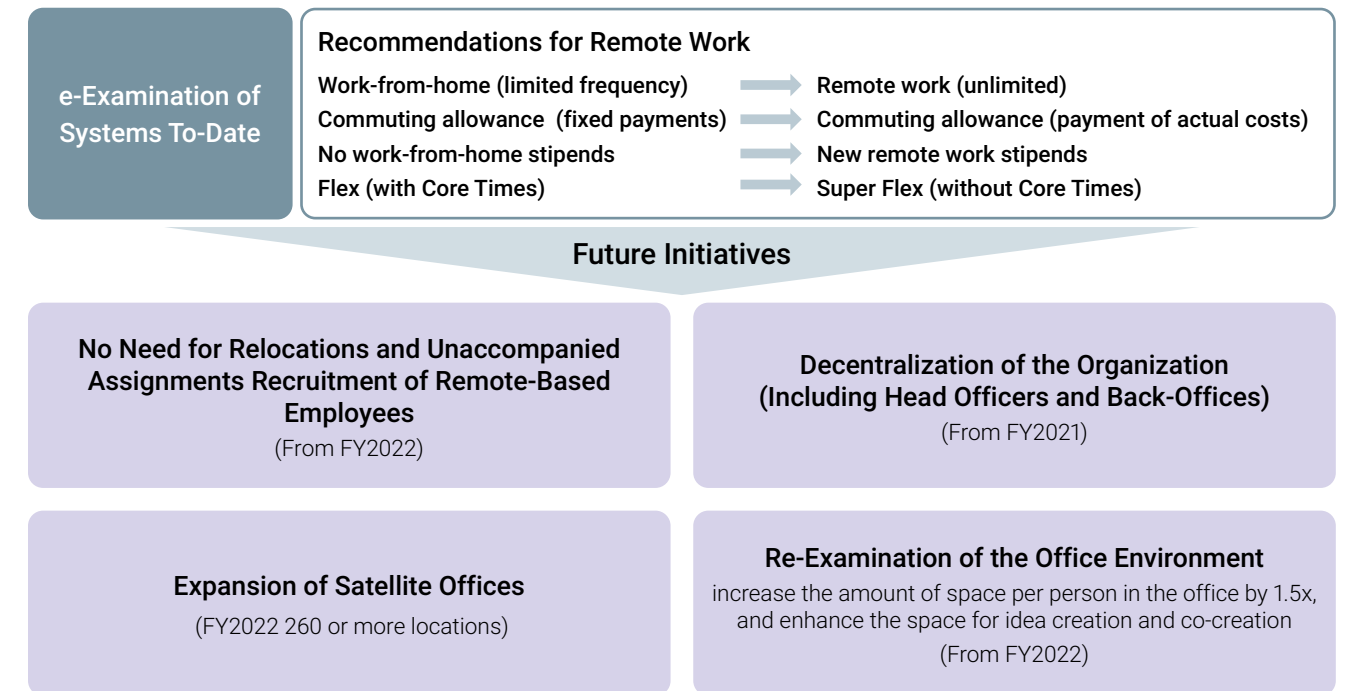
Number of employees with children entering grammar school by the fiscal years ended March 31, 2020 and 2021 who took time off work for child raising / number of employees who gave birth (or whose partners gave birth) in the fiscal years ended March 31, 2020 and 2021.

\*6 Domestic Group companies

## Changes in Work Styles

NTT Group intends to shift toward new work styles centered on remote work, by upgrading IT environments and reviewing various systems, in addition to advancing DX projects and work reforms with an eye on the post-pandemic world. In the fiscal year ended March 31, 2021, NTT introduced a super flex-time system, stopped subsidizing commuter passes, and created an allowance for employees working at home and other remote locations, in a bid to promote remote work styles.

To encourage more remote work, we will update systems and work environments and advance reforms toward a decentralized, self-disciplined network-style organization. We aim to create a work-from-anywhere environment that frees employees from time and location, allowing everyone to work anywhere and anytime.



### Employee Satisfaction, Turnover Rate

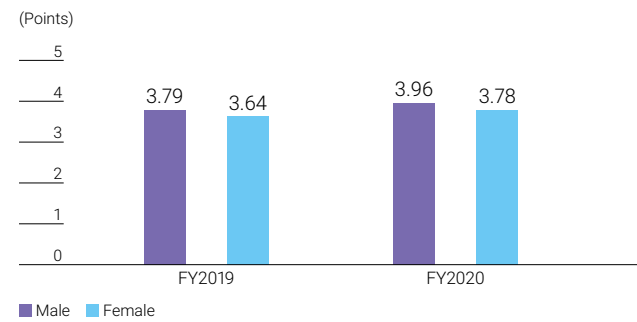
NTT Group endeavors to identify issues in creating a company where it is easier to work, improving corporate systems and updating work environments. As a part of these efforts, we periodically conduct surveys of employee satisfaction to help improve work environments.

In the fiscal year ended March 31, 2021, the employee satisfaction survey for NTT Group employees came back with a score of 3.9 points out of 5.0 points, its highest level since the survey began in 2014.

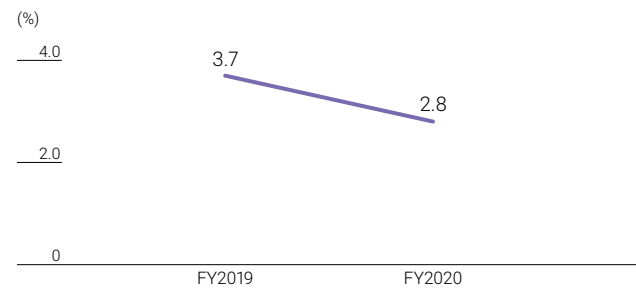
In particular, with remote work becoming the norm, questions about work styles saw marked improvement in scores versus the previous fiscal year, such as questions about easy-to-work environments, and ability to work efficiently.

Moreover, on questions about satisfaction and pride about working at the Company, scores by female employees rose, narrowing the gap in workplace satisfaction between men and women. The turnover rate declined by 0.9 percentage point from the previous fiscal year. Remote work has helped to improve employee engagement.

#### Employee Satisfaction



#### Turnover Rate



### Empowerment of Women in the Workforce

#### New Targets for Empowering Women

NTT Group has set a new target of 25–30% for the ratio of women in director positions by the fiscal year ending March 31, 2026, in order to incorporate diverse opinions in decision-making settings.

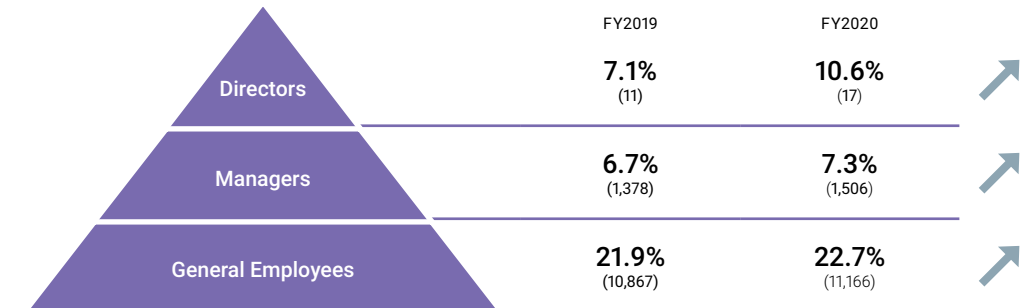
At the same time, we see the necessity of expanding the pipeline of female candidates in order to continue reflecting diverse opinions in decision-making. In the fiscal year ending March 31, 2022, we set a target of 30% for the ratio of new manager appointment. We also raised our target for the percentage of women in managers and directors positions from 10% to 15% in the fiscal year ending March 31, 2026.

With regard to hiring women, in the fiscal year ended March 31, 2014, NTT set a target of 30% or higher for the percentage of women in new hires straight out of college, and it has achieved at least 30% each year since then.

Subject	Measurable Target	Current Status
Women	Directors (Members of the Board, Audit & Supervisory Board Members, Executive Officers)	25% to 30% of Directors in 2025 11.4% in July 2021
	Managers	30% of New Manager Appointment from FY2021 15% of Managers in 2025 (up from 10% previously) 12.5% in FY2020 7.3% in FY2020
	Employment	30% per year Achieved each year since FY2013

\* Targets and current conditions at six main companies (NTT, NTT DOCOMO, NTT East, NTT West, NTT Communications, NTT DATA)

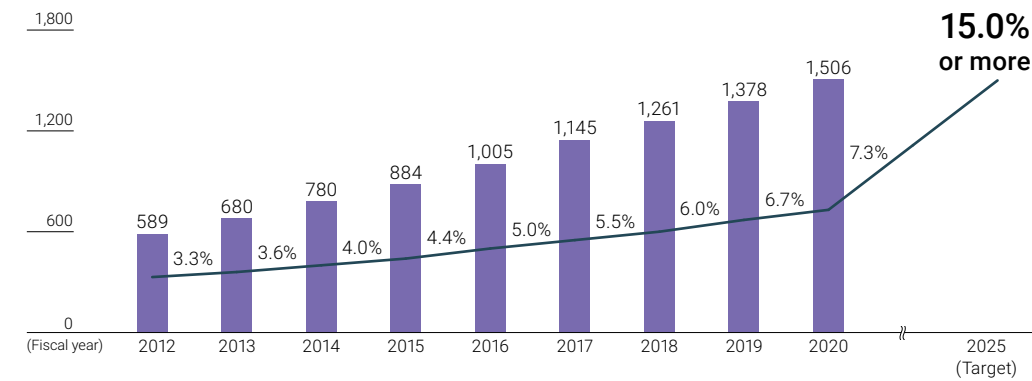
### Ratio of Women by Rank



\* Six major domestic companies (NTT, NTT DOCOMO, NTT East, NTT West, NTT Communications, NTT DATA)

#### Number of Female Managers

■ Number of female managers  
— Ratio of female managers  
\* Six major domestic companies (NTT, NTT DOCOMO, NTT East, NTT West, NTT Communications, NTT DATA)



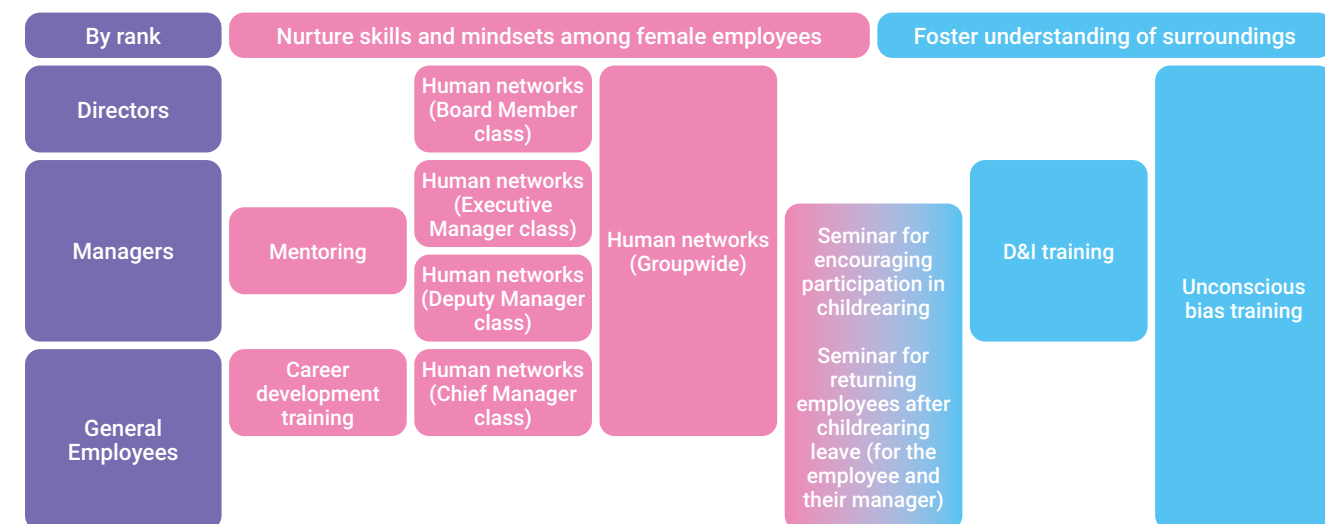
#### Initiatives for Skills and Career Development

NTT is stepping up initiatives to groom more female employees for decision-making management positions and positions for providing guidance.

Specifically, for female employees interested in management positions, we are implementing women career development training programs Groupwide and programs for building up necessary leadership skills and awareness through dialogues with upper management and exchanges with other companies.

Moreover, we will expand training opportunities with the aim of increasing the ratio of women participating in internal and external training programs, mainly for managers. NTT Group also offers mentoring by female directors and a human network program for strengthening vertical and horizontal connections for women within the Group, spanning all positions and ranks. In addition to off-the-job training, we provide on-the-job training, including putting employees in tough assignments, with the intention of training women with the skills, mindsets and experiences necessary for promotions.

NTT University has been established for the purpose of grooming candidates for upper management positions within NTT Group, and it aims to have at least 30% women in the program.





### Balance between Work and Childcare or Nursing Care

NTT offers Life Plan Leave (up to 40 days) where up to three days of unused annual paid leave can be carried over each year, in addition to five days granted for every five years of continuous service. This leave can be taken for any reason, separately from annual paid leave.

NTT has set a target for having 100% of male employees take paid leave for childrearing by the fiscal year ending March 31, 2023, in a bid to create systems and work environments where employees feel free to take time off for childrearing. In the fiscal years ended March 31, 2020 and 2021, the ratio of male employees taking leave for childrearing was 80.4%.

Starting in the fiscal year ending March 31, 2022, NTT will hold seminars to encourage employees to participate in childrearing, and through panel discussions featuring explanations of the system and talks by employees who took time off, strive to create a workplace culture that encourages childrearing.

### Initiatives for Employing People with Disabilities

#### Business Partnership with OryLab Inc.

NTT has formed a capital and business tie-up with OryLab Inc. for the purpose of strengthening its business responsiveness in remote environments while advancing the interests of people with disabilities. Through this partnership, NTT Group's R&D capabilities are combined with the advanced product development capability of OryLab, such as OriHime, a robot that can be controlled remotely by people who have disabilities. We aim to provide employment opportunities and broader access to people with physical disabilities or find it difficult to go outdoors through this effort to connect remotely to the world.

#### Use of OriHime Remote-Controlled Robot

The NTT Group is using OriHime in a variety of scenarios.

- Sports: Joint experiment with E Cheer Up!, a project for ICT x sports x regional co-creation
- Culture: Collaborative agreement with a *Kyogen* troupe about making DX a reality (Nomura Mansai II (*Mansaku no Kai*))
- Education: OriHime and NTT R&D offer well-being classes at elementary schools
- Research: At robot café DAWN, conduct experiments with remote robot control based on based on IOWN

OriHime-D, a robot that can be controlled remotely, is being used by people with physical disabilities to offer employment opportunities and broaden their range of activity while maintaining physical distancing during the pandemic. In recognition of this achievement, OriHime-D was awarded the Special Prize in the Environment Creation Category of the 2020 ACE Awards, sponsored by the Accessibility Consortium of Enterprises (ACE).



#### Increase in Employment Opportunities for People with Disabilities

In addition to direct hires, NTT Group established a special subsidiary in order to provide more employment opportunities for people who have disabilities. NTT Group currently employs around 3,700 people with disabilities, representing 2.45% (up 0.01 percentage point from the previous fiscal year) of its workforce as of June 2021.

Examples of work that are performed by people with disabilities include web accessibility diagnosis, lectures for better understanding people with disabilities (barrier-free mindset seminars), production of hand-made paper from recycled paper, and office massages.

### LGBTQ

#### Systems

With respect to the approximately 200,000 employees of NTT Group companies in Japan, in April 2018 we began the application, in principle, of all systems for spouses to same-gender partners who have the equivalent of spousal relationships with employees.

<b>Salary</b>	Allowance for dependent, allowance for working away from home, expenses of returning home, relocation expenses (family relocation expenses)
<b>Work</b>	Special leave (marriage, bereavement), life plan leave, nursing care leave, short-term leave for nursing care, childcare leave, long-term care leave, shorter working hours to provide childcare or nursing care, limit on or exemption from overtime work, limit on nighttime work, shift work on an individual unit basis to provide childcare or nursing care, reemployment of employees who resigned due to childcare, nursing care, or the relocation of their spouse's job
<b>Welfare</b>	Congratulatory / condolence payments (special payments for marriage, condolence payments), company housing, NTT Benefits Package, M3PSP (health consultations with specialist physicians, "best doctor" referrals, and healthcare policy proposals)
<b>Overseas Assignments</b>	Family members included in the calculation of cost-of-living in their home country, spouses in receipt of empty home allowance, handling of relocation expenses of family members of employees working overseas

#### Major Initiatives

NTT Group voices its approval of LGBTQ-related initiatives.

To deepen understanding of LGBTQ issues, NTT Group stands with LGBTQ people by participating in the Tokyo Rainbow Pride parade and the DIVERSITY CAREER FORUM, one of the largest career forums in Japan related to diversity.

This fiscal year, we held an online ALLY meeting twice for the entire NTT Group, inviting external lecturers to give presentations and lead discussions. Around 110 employees joined the ALLY meeting, discussing what they want to accomplish in future ALLY meetings and details about future ALLY initiatives.



### Mid-Career Hiring Initiatives

NTT Group proactively hires outside personnel for the purpose of incorporating diverse opinions in business operations. In the fiscal year ended March 31, 2021, the ratio of mid-career hires at the six major domestic Group companies was 27%. We will continue to hire outside personnel in order to have diverse personnel on staff, and aim for a 30% ratio of mid-career hires by the fiscal year ending March 31, 2024.

### New Personnel System for Self-Guided Career Formation and Assigning Right Person to Right Job

In October 2021, NTT Group introduced a job-based system for all management positions, where people are assigned to jobs regardless of their seniority, age or years of experience. For general employees, we are encouraging self-guided career formation, instead of company-guided career formation. By increasing the specialization of each employee, we aim to nurture professionals who decide their own careers by themselves.

#### Job-Based Personnel Compensation System

In July 2020, NTT introduced a job-based personnel compensation system for high-ranked managers at the main operating companies, where compensation varies according to the weight of the work at their assigned posts. NTT expanded this system to all management positions in October 2021. The job-based system defines the work for each post based on business plans and business operation policies of each company, and assigns the best-suited personnel to posts regardless of age. The ultimate aim is to increase corporate value over the longer term and sustain growth as a company, while ratcheting up the motivation of individuals to take on challenges and change perceptions of one's own post and the company's earnings.

#### Self-Guided Career Formation

The system seeks to assign the best-suited person to the work and post, regardless of age, and stimulate growth by improving the motivation of individuals to take on challenges and acquire specialized knowledge and skills. We believe this system will lead to stronger earnings for the company. To realize this, it is important to clarify the types of specializations, skills and skill levels required to perform the work in various fields. We will create a framework where employees can enhance their careers by improving their specializations on their own.

### Promotion of Global Diversity

Each year, we conduct Group training for senior managers of NTT Group in Japan and overseas, called Global Leadership Development Program Leadership Excellence and Accelerating Diversity (GLDP LEAD). This training is designed to foster leadership among managers aiming to move to higher positions. This training, in which more than half of the participants are female, emphasizes diversity and innovative culture as organizational capabilities of topmost importance. In the fiscal year ended March 31, 2021, 42 employees from nine countries underwent this training in an online format.



GLDP LEAD

### Promotion of Health Management

#### Policy and Approach

Health management is an important part of our management strategy, based on the idea that helping employees maintain and improve their health will lead to greater motivation and productivity, and translate into growth in corporate earnings.

At NTT Group, we firmly believe that in addition to employees, helping their families maintain and improve their health will result in greater motivation and vitality of all employees, and ultimately lead to the further growth and development of the Group.

#### Main Initiatives

Below, we introduce key initiatives being undertaken on various fronts to help employees maintain and improve their health.

#### Mental Healthcare

NTT Group implements various measures from prevention to early discovery and treatment of mental health issues. While employees continue to work remotely, we endeavor to improve mental health measures by periodically scheduling simple inquiries about mental health to help employees better understand and manage their moods (self-care). We aim to enrich our ongoing initiatives by introducing pulse surveys and other ideas to facilitate communications between employees and their managers (line care).

#### Physical Healthcare

The NTT Group also takes steps to help employees fortify their physical health by using ICT. Specifically, we focus on the two measures below.

##### (1) Encourage healthy activities with smartphone app (d health care)

Information about how to refresh oneself and eat and sleep better, as well as information about NTT Group's symbolic sports teams (Exercise Videos), are pushed to the smartphone app to get employees more engaged in healthy activities

##### (2) Guidance for specific health guidance via smartphones

Introduce ICT-based specific health guidance so that employees can conveniently receive specific guidance anytime and anywhere on their smartphone apps

To augment periodic health checkups, employees are eligible for an extensive health checkup every five years, from age 30 to age 60 (younger and older people can also receive these check-ups if they wish). We also support employees who wish to join sports gyms.



Workplace exercise with videos of affiliated sports teams

NTT has received certifications as a Health & Productivity Stock and Certified Health and Productivity Management Organization (White 500) from third parties. The Company will continue to enhance its initiatives for promoting health management.



## NTT Group Global Human Rights Policy

### Background of NTT Group Global Human Rights Policy and Approach

NTT is committed to respecting global human rights and believes it is an important corporate social responsibility. NTT Group will strive to correctly understand and recognize each country and region's laws, cultures, religions, and values. We aim to create a safe, secure, prosperous and sustainable society by fulfilling this responsibility. We will also replace NTT Group's existing Human Rights Charter with the new NTT Group Human Rights Policy. We will include the NTT Group Global Human Rights Policy, the Environmental Vision, and the New Management Style in the new NTT Group Global Sustainability Charter.

While supporting international covenants and treaties as a company with global operations, NTT Group internally and externally discloses its global human rights policy. This policy applies to all employees and board members on NTT Group, and we ask all of our suppliers and business partners to support this policy and respect human rights.



NTT Group Global Human Rights Policy  
<https://group.ntt/en/newsrelease/2021/11/10/211110c.html>

### Due Diligence

Based on the UN Guiding Principles of Business and Human Rights, we will use the human rights due diligence process to identify, prevent, mitigate, and correct human rights issues globally. And we will strive to improve human rights awareness and human rights management throughout NTT Group.

In addition, due diligence will be conducted among the stakeholders in the entire business value chain, and a direct dialogue will be the basis of our efforts, especially with major suppliers. The status will be disclosed on our website, in our Sustainability Report, and in our Human Rights Report to evaluate and improve the process continuously.



### Addressing Human Rights Issues of Particular Importance

NTT Group identifies serious human rights issues to monitor from the four following perspectives.

	<b>Theme 1</b>	<b>Promotion of "Diversity &amp; Inclusion"</b> Aiming to create new value, NTT Group believes it is essential to respect the diverse values and individuality of its employees in order to address the diversifying needs of its customers.
	<b>Theme 2</b>	<b>Promotion of "Technology that is based on high ethical standards."</b> New technology will be necessary to strike a balance between people and nature. We believe it will therefore be necessary to pursue R&D and the social implementation of technologies while maintaining a high level of ethics.
	<b>Theme 3</b>	<b>Promotion of "Healthy work in daily life (health management)"</b> We believe it is important to create safe and secure work environments and promote diverse work styles so that employees can work in physical and mental health with enthusiasm and motivation.
	<b>Theme 4</b>	<b>Promotion of "appropriate expression, speech, and display"</b> With the spread of the internet, corporate messaging must be even more balanced and appropriate than before. We take care to avoid discriminatory expressions, phrases and signage.



# Corporate Governance

—Reinforcement of Governance for Sustained Growth—

NTT strives to meet the expectations of various stakeholders, including its shareholders and other investors as well as customers, business partners, and employees. The Company also recognizes the need to strengthen its corporate governance system based on the intent of the principles of Japan's Corporate Governance Code. NTT is in conformity with all 83 principles of Japan's Corporate Governance Code.

## Members of the Board

\* As of June 30, 2021



### Hiromichi Shinohara

**Chairman of the Board**

Years Served as Member of the Board ..... 12  
 Shares Owned ..... 49,300  
 1978 Joined Nippon Telegraph and Telephone Public Corporation  
 2018 Chairman of the Board of the Company  
 2021 Member of the Board of Yamaha Corporation



### Jun Sawada

**President and Chief Executive Officer**

Years Served as Member of the Board ..... 7  
 Shares Owned ..... 38,300  
 1978 Joined Nippon Telegraph and Telephone Public Corporation  
 2018 President and Chief Executive Officer



### Akira Shimada

**Senior Executive Vice President**

Years Served as Member of the Board ..... 9  
 Shares Owned ..... 24,508  
 1981 Joined Nippon Telegraph and Telephone Public Corporation  
 2018 Senior Executive Vice President



### Naoki Shibutani

**Senior Executive Vice President**

Years Served as Member of the Board ..... 1  
 Shares Owned ..... 11,600  
 1985 Joined the Company  
 2020 Senior Executive Vice President



### Katsuhiko Shirai

**Outside Independent Member of the Board**

Years Served as Member of the Board ..... 9  
 Shares Owned ..... 10,800  
 2012 Member of the Board of the Company  
 2016 Honorary Advisor of Waseda University



### Sadayuki Sakakibara

**Outside Independent Member of the Board**

Years Served as Member of the Board ..... 9  
 Shares Owned ..... 21,900  
 2012 Member of the Board of the Company  
 2018 Honorary Chairman of the Japan Business Federation  
 2019 Outside Director of SHIMANO INC.  
 2019 Outside Director of Nitori Holdings Co., Ltd.  
 2019 Director and Chairperson of the Board of Japan Investment Corporation  
 2020 Chairman of the Board of The Kansai Electric Power Co., Inc.



### Ken Sakamura

**Outside Independent Member of the Board**

Years Served as Member of the Board ..... 2  
 Shares Owned ..... 1,300  
 2002 Director of YRP Ubiquitous Networking Laboratory  
 2014 President of Vitalizing Local Economy Organization by Open Data & Big Data  
 2017 Professor and Dean of Faculty of Information Networking for Innovation and Design of Toyo University  
 2017 Emeritus Professor of the University of Tokyo  
 2019 Member of the Board of the Company  
 2019 President of Association for IoT Services Coordination



### Keiko Takegawa

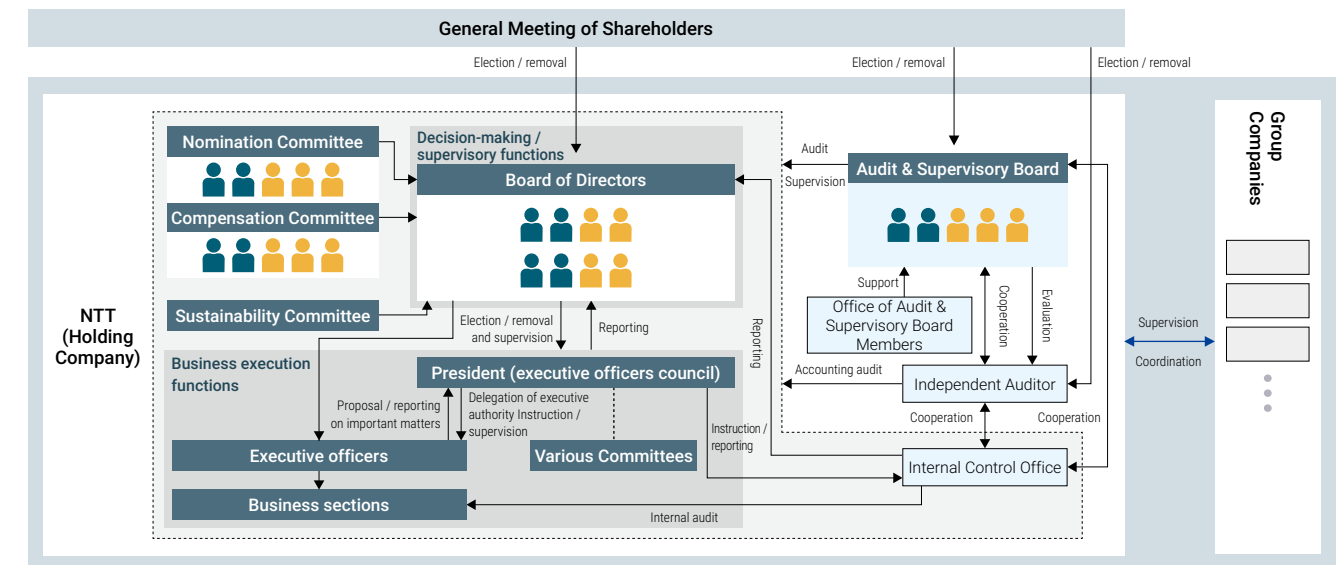
**Outside Independent Member of the Board**

Years Served as Member of the Board ..... 2  
 Shares Owned ..... 1,500  
 2019 Member of the Board of the Company  
 2019 Audit & Supervisory Board Member of MITSUI MINING & SMELTING CO., LTD.  
 2021 Specially Appointed Professor and Dean of Faculty of Global Business and Director of the Institute of Women's Culture of Showa Women's University  
 2021 Director of Sekisui House, Ltd.  
 2021 Director of MITSUI MINING & SMELTING CO., LTD.

## Corporate Governance System

NTT, in order to strengthen functions for appropriately supervising business execution, appoints several outside independent Members of the Board and has established the Audit & Supervisory Board, of which outside independent Audit & Supervisory Board Members make up a majority to strengthen its auditing system. With our adoption of an executive officer system, we are also configured to clearly separate the functions of managerial decision-making / supervision and business execution, and we are working to improve our business mobility. Additionally, NTT has voluntarily established the Nomination Committee and Compensation Committee, which consist of five members, including three outside independent Members of the Board, to further increase the objectivity and transparency of decisions related to appointments and compensation for directors, and it has determined that the governance functions of the Audit & Supervisory Board structure are thoroughly effective.

In addition, NTT has established various meetings and committees as has been deemed necessary on important business execution, in order to ensure that appropriate decisions are made for facilitating Group management.



■ Outside independent directors and outside independent Audit & Supervisory Board Members  
 ■ Inside directors and inside Audit & Supervisory Board Members

## A History of Strengthening Corporate Governance

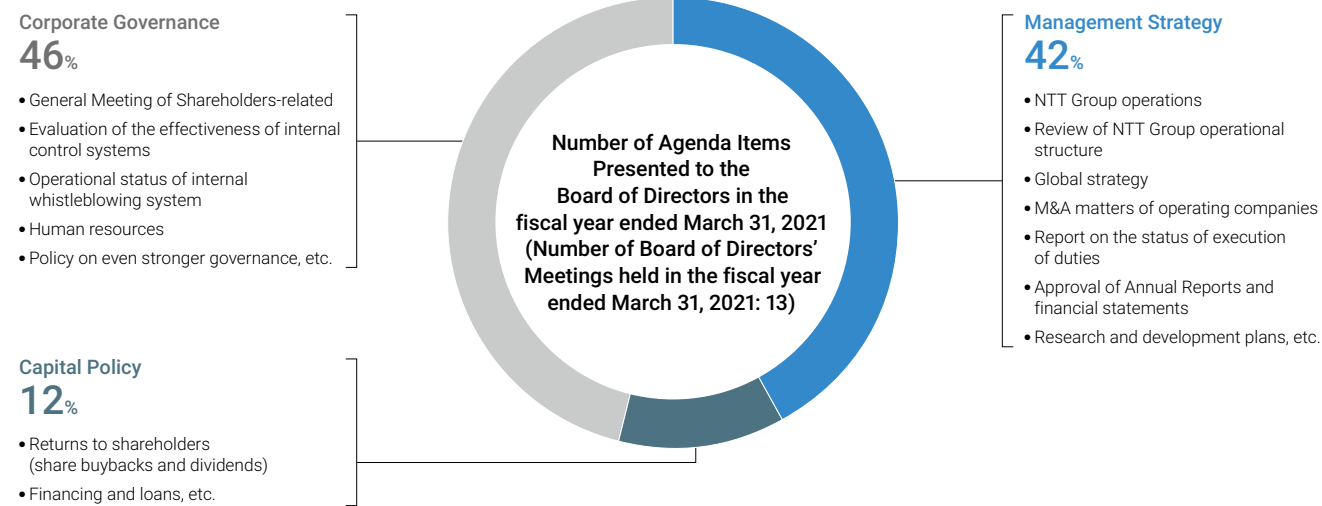
2020-	Separation of the functions of managerial decision-making / supervision and business execution	2021	<ul style="list-style-type: none"> <li>Expanded ratio of performance-linked compensation: 30% ⇒ 50%</li> <li>Increased number of outside directors on Nomination Committee and Compensation Committee: 2 ⇒ 3</li> <li>Transfer the existing Appointment and Compensation Committee into the separate Nomination Committee and Compensation Committee based on their application functions</li> <li>Disclosed skill matrix for Members of the Board and Audit &amp; Supervisory Board members</li> </ul>
2020-	Further reinforcement of oversight function by enhancing diversity, Advancement of disclosure	2020	<ul style="list-style-type: none"> <li>Optimizing the size of the Board of Directors Ratio of outside directors: 27% ⇒ 50%</li> <li>Adoption of executive officers system Separation of the functions of managerial decision-making / supervision and business execution</li> <li>Disclosure of specific KPIs for officers' earnings-linked remuneration</li> </ul>
2018-	Further reinforcement of oversight function by enhancing diversity, Advancement of disclosure	2019	<ul style="list-style-type: none"> <li>Establishment of NTT, Inc. (strengthening of the governance of the global business), appointment of three foreign-national directors</li> <li>Conducting of evaluation questionnaire on the effectiveness of the Board of Directors</li> <li>Commencement of ESG information disclosure in notices of convocation</li> </ul>
2018-	Further reinforcement of oversight function by enhancing diversity, Advancement of disclosure	2018	<ul style="list-style-type: none"> <li>Appointment of two female directors (one inside and one outside), a Company first</li> <li>Increase in the number of outside Members of the Board: 2 ⇒ 54</li> <li>Strengthening of the reflection of KPIs in performance-linked compensation</li> <li>Expansion and improvement of statements regarding the compensation of directors, strategic shareholdings, succession plans, and evaluations of the effectiveness of the Board of Directors</li> <li>Inclusion of summary of directors in notices of convocation</li> </ul>
2011-	Strengthening of information disclosure with an awareness of dialogue with stakeholders	2017	<ul style="list-style-type: none"> <li>Introduction of notices of convocation that are viewable via smartphones</li> </ul>
2015-	Strengthening of information disclosure with an awareness of dialogue with stakeholders	2015	<ul style="list-style-type: none"> <li>Response to Corporate Governance Code</li> <li>Establishment of independence standards for independent Members of the Board and independent Audit &amp; Supervisory Board Members</li> <li>Commencement of issuance of sustainability reports</li> <li>Commencement of disclosure of the notices of convocation before they are sent (henceforth, 42-45 days before the date of the convening of the Ordinary General Meeting of Shareholders, in Japanese and English on the same date)</li> </ul>
2011-	Strengthening of information disclosure with an awareness of dialogue with stakeholders	2011	<ul style="list-style-type: none"> <li>Appointment of first female corporate officer (1 outside Audit &amp; Supervisory Board Member)</li> </ul>
2006-	Strengthening of supervisory function and improvement of corporate governance transparency	2006	<ul style="list-style-type: none"> <li>Increase in number of outside Audit &amp; Supervisory Board Members: from 2 members ⇒ 3 members</li> <li>Appointment of financial expert as Audit &amp; Supervisory Board Member</li> <li>Commencement of disclosure of Corporate Governance Report</li> </ul>
2005-	Strengthening of supervisory function and improvement of corporate governance transparency	2005	<ul style="list-style-type: none"> <li>Establishment of Disclosure Committee</li> <li>Establishment of Nomination Committee and Compensation Committee</li> <li>Commencement of issuance of CSR reports</li> </ul>
2003-	Strengthening of supervisory function and improvement of corporate governance transparency	2003	<ul style="list-style-type: none"> <li>Increase in number of Audit &amp; Supervisory Board Members: from 4 members (2 inside members, 2 outside members) ⇒ 5 members (3 inside members, 2 outside members)</li> </ul>
1985-	Strengthening of supervisory function and improvement of corporate governance transparency	1985	<ul style="list-style-type: none"> <li>Appointment of multiple outside Members of the Board</li> </ul>



## Board of Directors

The Board of Directors is sized according to the content of our business portfolio and is structured in consideration of balance and diversity of fields of specialization. The Board consists of eight directors, including four independent outside directors, who have been appointed in order to enhance the supervision of business execution. In addition, in principle, a regular Board meeting is held once a month, with extraordinary Board meetings held as necessary. The Board determines matters stipulated by the "Board of Directors Regulations," which include matters stipulated by law and important matters pertaining to Company and Group management. It also supervises the execution of duties by directors and executive officers by regularly receiving reports on the status of duty execution from those directors and executive officers.

### Breakdown of Agenda Items Presented to the Board of Directors



### Status of Activities of Independent Outside Members of the Board (FY2020)

Name	Statements made at Board of Directors' Meetings	Rate of attendance at Board of Directors' Meetings
Katsuhiko Shirai	Outside Member of the Board Katsuhiko Shirai made comments mainly concerning the circumstances of Group management and global strategies from his perspective as an operational director of an educational institution with extensive experience.	13/13 (100%)
Sadayuki Sakakibara	Outside Member of the Board Sadayuki Sakakibara made comments mainly concerning the circumstances of Group management and shareholder return from his perspective as a corporate executive with extensive experience.	13/13 (100%)
Ken Sakamura	Member of the Board Ken Sakamura made comments mainly concerning organizational operations and human resources strategies from his perspective as an administrator of universities and other research institutions with extensive experience.	13/13 (100%)
Keiko Takegawa	Member of the Board Keiko Takegawa made comments mainly concerning system design from her perspective with extensive experience in PR and diversity measures at government institutions.	13/13 (100%)

Further, with a view to deepening the understanding of outside independent Members of the Board in relation to NTT Group's businesses, we implement a variety of measures.

- In addition to providing prior explanations of agenda items, explanations of near-term issues and the progress of examinations are provided by the Representative Member of the Board, and details to be focused on in execution and the aims of initiatives are clarified.
- We facilitate exchanges of opinion with Audit & Supervisory Board Members, the Representative Member of the Board, the senior management teams of major subsidiaries, and the outside independent Members of the Board of respective companies.
- NTT enables participation in exhibitions related to its R&D.

## Evaluation of the Effectiveness of the Board of Directors

### ► Overview of Evaluation

<b>Participants</b>	All 8 directors and all 5 corporate auditors
<b>Evaluation Implementation</b>	April 2021
<b>Questionnaire Format</b>	Anonymous surveys comprised 26 questions involving 4-level rankings as well as open-ended questions
<b>Major Subjects</b>	Roles and responsibilities of Members of the Board and of the Board of Directors itself, composition of the Board of Directors, operation of the Board of Directors, support systems for outside independent Members of the Board
<b>Results Aggregation and Analysis Method</b>	Aggregation by third-party organization, analysis by Board of Directors' organizing office, and then sharing of results and discussion of issues and improvement measures at Board of Directors' meeting

### ► Evaluation Results

In the evaluation of the fiscal year ended March 31, 2021, positive responses were received for all questions, indicating that the Board of Directors is effectively fulfilling its important expected roles and responsibilities. All Members of the Board positively noted that the effectiveness of the Board of Directors had improved as a result of a series of governance-related changes, such as creating opportunities to exchange opinions and the introduction of an executive officer system, implemented to invigorate strategic discussions. Therefore, we have evaluated that the effectiveness of the Board of Directors is being ensured.

However, a number of areas in need of improvement were noted in the compliance structure and supervision system. NTT is strengthening supervision functions and reviewing the compliance structure, mainly by reviewing and strict application of internal rules, such as for dinner meetings and other matters.

Moreover, NTT will continue efforts to achieve improvements by aiming for more effective operation of the Board of Directors by further enhancing opportunities for exchanges of opinions with the executives of the major subsidiaries.

## Executive Officers Meeting

In principle, important decisions are made by the Company after deliberation by the "Executive Officers Meeting" consisting of executive officers and other officers. The Meeting will convene approximately once a week. Moreover, to enhance the transparency of decision-making, one corporate auditor will also participate in the Executive Officers Meeting.

## Various Committees

A number of committees have been established under the Executive Officers Meeting to discuss important matters related to business execution. Major committees include the Technology Strategy Committee, which deliberates on the Group's R&D vision and technology development strategy; the Investment Strategy Committee, which examines investment projects that are larger than a certain scale; and the Finance Strategy Committee, which discusses basic financial strategies and financial issues. These committees, which are convened as necessary throughout the year, are, in principle, chaired by the president or a senior executive vice president and are attended by relevant executive officers and others.

Message

Messages from Outside Independent Members of the Board

Based on my experience as a science and engineering educator and as manager of an educational institution, I make recommendations and participate in decision-making with a focus on confirming the competitiveness of NTT Group, the potential benefits and risks of new partnerships and collaboration projects, and the Group's compliance system. Overseeing management is an important role of an outside Member of the Board. I also am also deeply concerned with issues regarding the development of a comfortable workplace environment or in the provision of mental healthcare for employees. These tasks are crucial amid the rise in teleworking seen in response to the COVID-19 pandemic. I also provide advice regarding the need to continuously confirm the status of compliance with internal rules related to matters such as dining with coworkers and to ensure that appropriate pre-checks are performed.

When it comes to monitoring the business execution status of Members of the Board, I mainly conduct checks related to the competitiveness of mobile service businesses, the future potential of global businesses, and other matters related to the pursuit of sustainable growth. Opportunities to discuss with Audit & Supervisory Board Members and outside Members of the Board are invaluable to performing the monitoring duties of an outside independent Member of the Board and thus to improving the objectivity and transparency of Board proceedings, and I have voiced my desire for the Company to arrange such opportunities on a regular basis.

I will continue to contribute to proper business operations and to the enhancement of enterprise value by advising the Board of Directors, continuously monitoring business execution, and providing appropriate support for risk-taking for the sake of growth.

New lifestyles and work styles will likely become more commonplace going forward. We can thus project that the needs and expectations for ICT will become greater and more diverse in the future. It will therefore be crucial for NTT to fulfill its social mission as an ICT company, specifically with regard to disaster preparedness and CO<sub>2</sub> emissions reductions as well as to the development of next-generation ICT, in order to achieve ongoing improvements in enterprise value.



**Katsuhiko Shirai**  
**Outside Independent Member of the Board**  
 Assumed the position of Outside Member of the Board of the Company in June 2012

I have experience contributing to the realization of ubiquitous computing and the IoT. Specifically, I have been involved in an open architecture R&D project centered on a real-time OS called TRON (The Real-time Operating system Nucleus) for over 40 years, and we have released the fruits of those efforts openly and free of charge throughout the world. As DX is promoted with the aim of sculpting a new society based on our experience with COVID-19, global competition is spreading across regional and national boundaries and growing more intense. At the same time, we will need to defend against cyberattacks and respond to new laws and regulations in business operations, new concepts of privacy, and the standardization of ethics in the information field.

Based on my experience thus far, I have voiced opinions at meetings of the Board of Directors that are mainly related to technology. Topics I have raised include the verification of procured articles from the perspectives of national defense and export control as well as the examination of NTT's ability to adapt to technologies likely to become mainstream in the future. I also offered advice about the potential of diverse technologies in order to help support the implementation of the medium-term management strategy. The new management style NTT seeks to adopt was shaped over the course of multiple discussions. I have high praise for this style as it incorporates a vision for contributing to society as a whole. I have also offered input regarding the need to clarify internal rules for dining with coworkers and other matters and to enhance and expand compliance measures. It is in this manner that I oversee the establishment of strategies and business execution by management from an objective standpoint and judge the appropriateness of these activities.

Achieving the DX of NTT Group and of its customers and greater Japanese society will require the utilization of NTT's various management resources, such as its R&D resources, ICT infrastructure, and human resources, as well as collaboration with partners. As we approach a new era of telecommunications, characterized by such innovations as IOWN, I hope to contribute to the ongoing growth of NTT while remaining considerate of the need to prepare for various potential business changes.



**Ken Sakamura**  
**Outside Independent Member of the Board**  
 Assumed the position of Outside Member of the Board of the Company in June 2019

The global economy and society have been changing at breakneck speed since the start of the COVID-19 pandemic, and DX has fundamentally altered the way we work and live.

Taking advantage of my long experience in corporate management at Toray Industries, Inc. and Keidanren (Japan Business Federation), I work to supervise management from the perspective of resolving social issues through business activities and contributing to accomplishment of the Sustainable Development Goals (SDGs). I am also helping enhance governance. In the fiscal year ended March 31, 2021, NTT adopted an executive officer system and revised the membership of the Board of Directors to make outside Members of the Board a majority. These changes represented a major step forward for NTT's governance system. I believe one of the major roles of outside Members of the Board is to help determine the ideal governance system for the Company based on social trends.

On the Board of Directors, I have made recommendations and voiced various observations regarding global business strategy and governance, the establishment of internal rules related to matters such as dining with coworkers, appropriate management systems, and shareholder returns. I am impressed with NTT's declaration of a clear stance toward promoting DX and the elimination of CO<sub>2</sub> emissions for itself as well as for society as a whole. This declaration was the result of an ongoing process of discussion.

In the fiscal year ended March 31, 2021, I met with institutional investors as an outside Member of the Board of NTT and also participated in the Company's NTT IR DAY event, where I discussed the governance reforms that NTT has implemented. While keeping the views of shareholders and investors constantly in mind at meetings of the Board of Directors and other forums, I will continue to monitor management from a medium- to long-term perspective with the aim of helping achieve sustainable growth and enhance NTT's enterprise value by providing proactive input utilizing my independence as an outside Member of the Board and my experience in corporate management.

NTT has substantial potential for growth. I hope NTT will become a company capable of achieving greater growth beyond the period of its medium-term management strategy and into 2030 and 2040.



**Sadayuki Sakakibara**  
**Outside Independent Member of the Board**  
 Assumed the position of Outside Member of the Board of the Company in June 2012

Innovation and the creation of new services are indispensable for addressing social issues. Such innovation requires that a company secure talented human resources while promoting diversity. Particularly in the rapidly evolving ICT industry, I believe it is necessary to incorporate new perspectives and value by promoting diversity. As a civil servant, I have long been involved in the promotion of diversity, and I have been encouraging the active participation of women in various fields, specifically through the promotion of corporate initiatives and support for the appointment of female corporate executives.

As the COVID-19 pandemic sparks demand for accelerated DX, I am aware that NTT has a number of issues that still require attention. It needs to coalesce its Group abilities to deal with a competitive environment and enhance global Group governance. NTT also has abundant business resources including a diverse work force, as well as a great social responsibility.

At meetings of the Board of Directors, I have contributed to appropriate decision-making by voicing opinions and advice on a variety of matters. Such matters included the establishment of systems for preventing misconduct as well as systems for monitoring global businesses from Japan. I have also spoke about measures for preventing flooding and for responding to electrocution hazards resulted from heavy rains. Furthermore, I believe that strong messages from senior management are imperative to uniting employees and raising the morale of frontline organizations, which will be important to improving the enterprise value of NTT Group. The Company is advocating a new management style that puts forth a clear vision for employee diversity and work styles from the perspective of bettering society as a whole. I think it is spectacular that NTT presented such a vision.

The role of an outside Member of the Board is to support healthy risk-taking. Going forward, I will continue contributing to NTT's sustainable growth and to the medium- to long-term enhancement of enterprise value through the oversight of decision-making and of business execution.



**Keiko Takegawa**  
**Outside Independent Member of the Board**  
 Assumed the position of Outside Member of the Board of the Company in June 2019



## Members of the Audit & Supervisory Board

\* As of June 30, 2021



### Takao Maezawa

#### Full-Time Audit & Supervisory Board Member

Years Served as Audit & Supervisory Board Member .....5  
 Shares Owned .....20,508  
 1978 Joined Nippon Telegraph and Telephone Public Corporation  
 2016 Full-Time Audit & Supervisory Board Member



### Kanae Takahashi

#### Full-Time Audit & Supervisory Board Member

Years Served as Audit & Supervisory Board Member .....1  
 Shares Owned .....5,600  
 1987 Joined the Company  
 2020 Full-Time Audit & Supervisory Board Member



### Takashi Iida

#### Outside Independent Audit & Supervisory Board Member

Years Served as Audit & Supervisory Board Member .....7  
 Shares Owned .....7,300  
 1974 Registered as Attorney-at-Law (Daini Tokyo Bar Association) (registration up-to-date)  
 2012 Established Kowa Law Office  
 2013 Outside Director of Alps Electric Co., Ltd. (currently registered as Alps Alpine Co., Ltd.)  
 2014 Outside Audit & Supervisory Board Member of the Company



### Hideki Kanda

#### Outside Independent Audit & Supervisory Board Member

Years Served as Audit & Supervisory Board Member .....2  
 Shares Owned .....0  
 2016 Professor of the Professional School of Law (Law School) of Gakushuin University  
 2016 Emeritus Professor of the University of Tokyo  
 2017 Director of Sumitomo Mitsui Trust Bank, Limited  
 2019 Outside Audit & Supervisory Board Member of the Company



### Kaoru Kashima

#### Outside Independent Audit & Supervisory Board Member

Years Served as Audit & Supervisory Board Member .....2  
 Shares Owned .....0  
 1985 Registered as a Certified Public Accountant (registration up-to-date)  
 2019 Outside Audit & Supervisory Board Member of the Company  
 2020 Audit & Supervisory Board Member of Kirin Holdings Company, Limited  
 2021 Director of Sumitomo Mitsui Trust Holdings, Inc.

## Audit & Supervisory Board

The Audit & Supervisory Board comprises three outside independent Audit & Supervisory Board Members (one of whom is female) who have experience and knowledge in wide-ranging professions—as a lawyer, university professor, and certified public accountant—and two inside Audit & Supervisory Board Members (one of whom is female). We conduct effective audits by combining the independent perspective of outside Audit & Supervisory Board Members with the superior information collection capabilities of inside Audit & Supervisory Board Members. Among the Board members, Audit & Supervisory Board Member Takao Maezawa has experience in the accounting division of NTT and its affiliated companies, while Audit & Supervisory Board Member Kaoru Kashima, a Certified Public Accountant, has considerable knowledge in the areas of finance and accounting.

## Activities of the Audit & Supervisory Board

For the fiscal year ended March 31, 2021, amid continued significant changes in management, including the global business reorganization, expansions of areas of business and the conversion of NTT DOCOMO into a wholly owned subsidiary, the Audit & Supervisory Board conducted an efficient and effective audit in collaboration with the Internal Control Office, Independent Auditors and Group company corporate auditors on both audit matters required by law and on other matters such as the progress of the Medium-Term Management Strategy and initiatives to maintain and improve corporate governance, on the basis of the audit plan. Furthermore, despite the ongoing COVID-19 pandemic, through the cooperation of related audit organizations and the active utilization of web conferencing for site visits, the effectiveness of the audit was not impaired.

Audit & Supervisory Board Members, which include independent outside corporate Audit & Supervisory Board Members, attend meetings of the Board of Directors and other important meetings. In addition, Audit & Supervisory Board Members meet with Representative Members of the Board and outside Members of the Board to exchange ideas and opinions in order to maintain an understanding of the status of the execution of duties by Members of the Board and Executive Officers, and to provide their opinions

as needed. In the fiscal year ended March 31, 2021, opinions were exchanged with representative directors and outside directors on 26 occasions.

In the fiscal year ended March 31, 2021, the Audit & Supervisory Board met 20 times (with Mr. Takao Maezawa, Mr. Takashi Iida, Mr. Hideki Kanda and Ms. Kaoru Kashima each attending 20 out of 20 meetings, and with Ms. Kanae Takahashi attending 13 out of the 13 meetings that were convened after her appointment on June 23, 2020).

Moreover, separate from meetings of the Audit & Supervisory Board, the Audit & Supervisory Board Members Preliminary Deliberation Meeting met 33 times. These meetings provide a venue for the sharing of information. For example, at these meetings Audit & Supervisory Board Members receive explanations from corporate officers of matters to be discussed at the Executive Officers Meeting. Furthermore, Audit & Supervisory Board Members work closely with Independent Auditors and the Internal Control Office. Audit & Supervisory Board Members exchanged opinions with Independent Auditors eight times and the Internal Control Office 10 times, and receive explanations of audit plans and reports on the status of internal control systems and provide advice as needed.

In initiatives related to Group companies, site visits were conducted at locations that were selected from among Group companies in Japan and overseas on the basis of materiality and risk approach. Audit & Supervisory Board Members received information from the Representative Members of the Board of 19 major Group companies regarding the status of corporate governance and measures to maintain and enhance corporate governance, and discussions were conducted on those matters. In addition, Audit & Supervisory Board Members conducted site visits to 26 locations in Japan and overseas, received information from senior management, and conducted discussions. Furthermore, Audit & Supervisory Board Members received reports regarding audit results from Audit & Supervisory Board Members of major Group companies and exchanged opinions with them. In addition, the Audit & Supervisory Board is implementing initiatives that contribute to enhancing the auditing activities of Audit & Supervisory Board Members of major Group companies, including regularly holding training sessions by outside experts for Audit & Supervisory Board Members of major Group companies.

Through these activities, Audit & Supervisory Board Members support the sound, steady growth of NTT and Group companies from an independent perspective that differs from that of executives. In addition, Audit & Supervisory Board Members contribute to the strengthening of corporate governance systems and the fostering of awareness of compliance matters.

Regarding the case in which members of NTT's management dined with ministry officials, the Audit & Supervisory Board will undertake the necessary response based on the report of the Special Investigations Committee and measures to prevent reoccurrence based on the report. In addition, the Audit & Supervisory Board will confirm the maintenance and operational status of internal rules regarding dining events.

### Status of Activities of Outside Independent Members of the Audit & Supervisory Board (FY2020)

Name	Statements made at Board of Directors' meetings and Audit & Supervisory Board meetings	Attendance rate	
		Board of Directors' meetings	Audit & Supervisory Board meetings
Takashi Iida	Audit & Supervisory Board Member Takashi Iida made comments mainly concerning corporate governance based on the professional perspective fostered through his extensive experience as a lawyer.	13/13 (100%)	20/20 (100%)
Hideki Kanda	Audit & Supervisory Board Member Hideki Kanda made comments mainly concerning corporate governance from his expert perspective based on his abundant experience as a university professor.	13/13 (100%)	20/20 (100%)
Kaoru Kashima	Audit & Supervisory Board Member Kaoru Kashima made comments mainly concerning accounting auditing from her expert perspective based on her abundant experience as a certified public accountant.	12/13 (92%)	20/20 (100%)

## Evaluation of the Effectiveness of the Audit & Supervisory Board

The effectiveness of the Audit & Supervisory Board has continued to be evaluated since the fiscal year ended March 31, 2019. We looked back at the audit activities of the fiscal year under review, reflecting such evaluation in the audit plan for the following fiscal year and improving the quality of audits. When conducting the evaluation of effectiveness for the fiscal year ended March 31, 2021, in addition to a questionnaire being given to each Audit & Supervisory Board Member, interviews of three independent outside Audit & Supervisory Board Members were conducted. To ensure anonymity and to introduce fresh perspectives, a third-party organization was enlisted to implement the questionnaire and interviews and to analyze the collected results. The primary items of evaluation for the fiscal year ended March 31, 2021, were as follows: the audit plan; advice to the management and audits of business execution; the Group's audit system; responses to acts in violation of rules, etc.; cooperation between the three audits (audit by the Audit & Supervisory Board, audit by the Independent Auditors, and audit by the internal audit division); and operation of Audit & Supervisory Board meetings, among other matters. As a result of discussion and inspection by the Audit & Supervisory Board based on the above, the effectiveness of the Audit & Supervisory Board was evaluated as being secured.

NTT will continue to strengthen cooperation between the various bodies, such as the Internal Control Office and Group companies' respective Audit & Supervisory Board Members, and work to further develop the sophistication of the Group's audit system, based on NTT Group's business development and reorganizations both in Japan and overseas. Also, going forward, in light of the internal and external management environment, NTT will work to further improve the effectiveness of the Audit & Supervisory Board by further strengthening cooperation with outside Members of the Board while conducting audits on executive management.

### Summary of Opinion Exchanges

Exchanges with Representative Members of the Board	26
Audit & Supervisory Board meetings	20
Audit & Supervisory Board Members Preliminary Deliberation Meeting	33
Exchanges with Independent Auditors	8
Exchanges with the Internal Control Office	10
Listening to and discussing the status of corporate governance and efforts to maintain and improve it from the representative directors of major Group companies	19
Number of major domestic bases visited	26

In addition, the Audit & Supervisory Board received reports on audit results from the auditors of major Group companies and exchanges opinions.



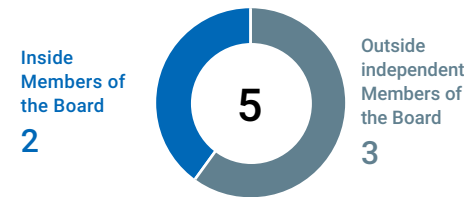
## Composition and Activities of Nomination Committee and Compensation Committee

For the purpose of improving objectivity and transparency in the decisions of nominations and compensation of Members of the Board, NTT has established on a non-statutory basis the Nomination Committee and the Compensation Committee, which each consist of five Members of the Board, including three outside independent Members of the Board, as institutions to conduct preliminary reviews and other matters for the Board of Directors, and is increasing the effectiveness of governance.

Furthermore, from and after August 6, 2021, a majority of committee membership consisted of independent outside Members of the Board, increasing independence. Additionally, from and after November 10, 2021, NTT decided to separate and transfer the existing Appointment and Compensation Committee into the separate Nomination Committee and Compensation Committee based on their application functions, and further delineating the authority and role of each committee. Membership of each committee consists of Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board), Sadayuki Sakakibara (outside Member of the Board) and Ken Sakamura (outside Member of the Board), with Jun Sawada (Representative Member of the Board, President) serving as chairman of each committee.

Resolutions of each committee are made by a majority of such committee's members in attendance, at meetings in which a majority of committee members are present.

### Composition of the Nomination Committee and Compensation Committee



Committee	Item	Details
Nomination Committee	Preliminary deliberation items	<ol style="list-style-type: none"> <li>Policies with respect to the appointment and dismissal of Members of the Board and executive officers of the whole group, and the nomination of candidates</li> <li>Matters related to the appointment and dismissal of Members of the Board</li> <li>Matters related to the selection and dismissal of representative Members of the Board of major group companies</li> <li>Selection and dismissal of representative Members of the Board and other named roles of Members of the Board</li> <li>Selection and dismissal of the Chairman</li> <li>The order of Members of the Board to assume the responsibilities of the President of the Company in the event that anything occurs to the President</li> <li>Determination of the allocation of responsibilities for Members of the Board and assignment of employee duties</li> <li>Appointment and dismissal of executive officers and assignment of duties</li> <li>In addition to the foregoing matters, other nomination-related matters regarding Members of the Board, executive officers and others, for which the committee receives requests for deliberation from the Board of Directors</li> </ol>
	Specifically delegated items	Nomination-related matters regarding Members of the Board, executive officers and others, for which the committee receives requests for deliberation from the Board of Directors
	Compensation Committee	Preliminary deliberation items
	Specifically delegated items	<ol style="list-style-type: none"> <li>Ratios, calculation methods and amounts of compensation for each individual Member of the Board and executive officers</li> <li>Other matters that are specifically delegated by the Board of Directors regarding the determination of compensation-related decisions of Members of the Board and executive officers</li> </ol>

## Nomination Policy

In terms of the composition of the Company's Board of Directors, the nomination of executives is based on the "NTT Group Personnel Policy," and personnel with the skills to resolve issues recognized by NTT Group are nominated broadly from inside and outside of the Group. Outside Members of the Board and outside Audit & Supervisory Board Members are elected with the expectation that they can provide opinions based on a broad management perspective or as an expert. Furthermore, both inside and outside Members of the Board are elected in line with NTT Group's promotion of diversity. The Board of Directors consists of eight directors, including four independent outside directors (one of whom is a woman), and the ratio of outside directors is 50%. Furthermore, appointments and dismissals of Members of the Board are made upon deliberation by the Nomination Committee, which consists of five Members of the Board, including three outside independent Members of the Board. In addition, pursuant to applicable law (Article 10(1) of the Act on Nippon Telegraph and Telephone Corporation, etc.), NTT is not permitted to appoint non-Japanese Members of the Board.

### NTT Group Personnel Policy

#### Basic Policy

NTT Group strives to contribute to the resolution of social issues and the realization of a safer, more secure, and more affluent society. To accomplish this goal, the Group acts as a trusted "Your Value Partner" that customers continue to select in order to provide them with new value on a global basis. NTT has established the policy of positioning individuals that share these ideals in the upper ranks of NTT Group's management, and NTT is electing such individuals from both inside and outside the Group.

#### Nomination of Candidates for Members of the Board

In regard to Member of the Board candidates, individuals are elected based on the broad-ranging perspectives and experience, superior management skills and leadership, and business senses and motivation necessary to contribute to the overall development of NTT Group in order to facilitate the improvement of the Group's corporate value. The Board of Directors is of a size appropriate to the Group's business, and the composition of the Board of Directors takes into account a balance of specialties and diversity. From the perspective of strengthening the function of supervising business execution, for outside independent Members of the Board, NTT elects individuals who present no risk of a conflict of interest with general shareholders. In principle, NTT appoints several outside independent Members of the Board.

#### Nomination of Candidates for Audit & Supervisory Board Members

NTT has the policy of electing candidates for Audit & Supervisory Board Members who have the capacity to provide audits based on specialized experience and insight. From the perspective of guaranteeing fair audits of the execution of duties by Members of the Board, with respect to outside independent Audit & Supervisory Board Members NTT elects individuals who present no risk of a conflict of interest with general shareholders. In accordance with the Companies Act, NTT ensures that outside independent Audit & Supervisory Board Members make up half or more of the Audit & Supervisory Board.

## Reason for Nomination and Nomination Procedure for Outside Members of the Board and Outside Audit & Supervisory Board Members

From the perspectives of strengthening supervisory functions for execution and guaranteeing appropriate audits of the execution of duties by Members of the Board, NTT has a policy of selecting individuals to serve as outside Members of the Board and outside Audit & Supervisory Board Members who do not represent risks of conflicts of interest with general shareholders. NTT designates outside Members of the Board and outside Audit & Supervisory Board Members who fulfill both the independence criteria stipulated by Tokyo Stock Exchange, Inc., and NTT's own independence standards as outside independent Members of the Board or outside independent Audit & Supervisory Board Members.



To see NTT's independence standards, please refer to the NTT corporate website.  
<https://group.ntt/en/ir/mgt/governance/04.html>

## Succession Plan

With respect to successor candidates for the CEO position, NTT views it as important to secure successor candidates who can respond to technological innovation, market trends, and the speed of changes in the business environment. By securing the diversity of candidates through offering experience of a broad range of jobs and appointments to important posts, NTT is cultivating personnel for promotion who, in addition to possessing integrity and insight, are exceptionally well-suited to the times. The decision regarding the appointment is made by the Board of Directors after it has been presented for deliberation to the Nomination Committee, which consists of five Members of the Board, including three outside independent Members of the Board.

## Training for Members of the Board and Audit & Supervisory Board Members

NTT Group works to cultivate candidates suitable for top management who are able to respond to the rapidly changing management environment, by creating a range of training opportunities in areas including domestic and overseas economic and social issues, compliance, and risk management, and by allowing employees to accumulate new job experiences. Additionally, outside independent Members of the Board can gain a deeper understanding of NTT Group's businesses through opportunities to deepen their understanding of the business trends of NTT Group companies and of the latest NTT Group works to cultivate candidates suitable for top management who are able to respond to the rapidly changing management environment, by creating a range of training opportunities in areas including domestic and overseas economic and social issues, compliance, and risk management, and by allowing employees to accumulate new job experiences. Additionally, outside independent Members of the Board can gain a deeper understanding of NTT Group's businesses through opportunities to deepen their understanding of the business trends of NTT Group companies and of the latest R&D results at the research facilities of NTT.

## Compensation for Board Members

### Decision-Making Policy and Process for Board Member Compensation

With regard to compensation policy and the composition and levels of compensation of Members of the Board of NTT, in order to ensure objectivity and transparency, NTT established the Compensation Committee, comprised of five Members of the Board, including three outside independent Members of the Board. Compensation matters are decided by the Board of Directors after deliberation by this committee. Compensation ratios, calculation methods and individual compensation amounts are decided by the Compensation Committee at the direction of the Board of Directors.

### Compensation Amounts, Calculation Methods

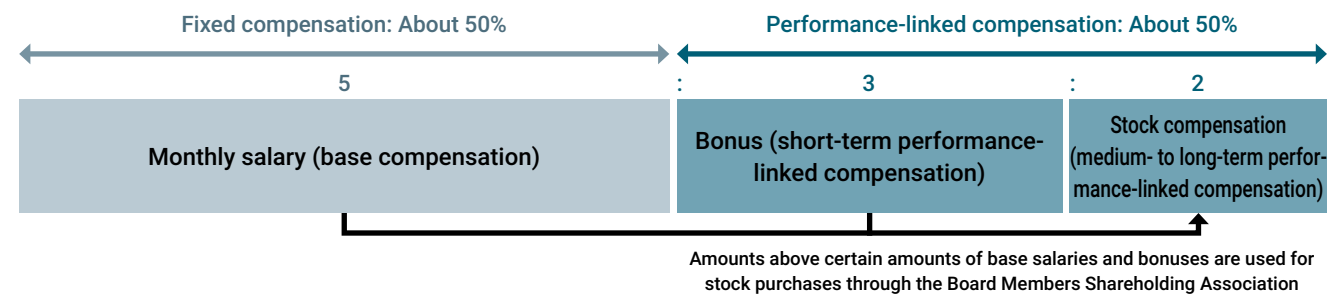
Maximum limits on total annual compensation of Members of the Board had previously been set at up to ¥750 million for Members of the Board at the 21st Ordinary General Meeting of Shareholders held on June 28, 2006. At the 36th Ordinary General Meeting of Shareholders held on June 24, 2021, however, it was resolved that compensation would be revised to comprise the following three types: (i) amount of monetary compensation: up to ¥600 million per year; (ii) amount to be paid to Members of the Board as funds to acquire company shares through the Board Members Shareholding Association: up to ¥50 million per year; and (iii) funds to be contributed to the performance-linked stock compensation system: up to ¥100 million per year. If all three types of compensation are aggregated, the resulting amount of up to ¥750 million per year would maintain the previous level of compensation.

Compensation of Members of the Board (excluding outside Members of the Board) consists of a monthly salary (base compensation), a bonus (short-term performance-linked compensation), and purchases of the Company's stock through the Board Members Shareholding Association and stock compensation (medium- to long-term performance-linked compensation). In cases where earnings are at standard levels of achievement, the ratio of compensation types is 50% fixed compensation, 30% short-term performance-linked compensation and 20% medium- to long-term performance-linked compensation (before the change, the composition of compensation, assuming standard levels of earnings, was 70% fixed compensation and 30% performance-linked compensation).

- **Monthly salary (base compensation):** This fixed monthly compensation amount is based on the duties and responsibilities of each Member of the Board.
- **Bonus (short-term performance-linked compensation):** The bonus is paid in June each year, taking into account NTT's business results for the current fiscal year. The amount of this bonus is based on the achievement of indicators based on targets in the Medium-Term Management Strategy.
- **Purchases of the Company's stock and stock compensation (medium- to long-term performance-linked compensation):** Members of the Board make contributions of a certain defined amount or more every month for the purchase of NTT shares through the Board Members Shareholding Association. The purchased stock must be held in its entirety during their terms of office. Stock compensation is made through a trust established by NTT. Members of the Board are granted points corresponding to their role in June of each year, and a performance-linked coefficient corresponding to the achievement of performance indicators is determined in June of the year following the last fiscal year of the Medium-Term Management Strategy. The number of shares to be granted to each Member of the Board is calculated by multiplying the performance-linked coefficient by the number of accumulated points. Shares are granted upon retirement.

In order to maintain a high level of independence, compensation of outside Members of the Board consists of monthly fixed compensation only, and is not linked to NTT's business results. Compensation of Audit & Supervisory Board Members is determined by resolution of the Audit & Supervisory Board. In order to maintain a high level of independence, compensation of Audit & Supervisory Board Members is paid monthly and is not linked to NTT's business results.

Starting in the fiscal year ending March 31, 2023, NTT plans to link the compensation of Members of the Board to key ESG indicators, such as carbon neutrality, B2B2X earnings, and the ratio of women newly promoted to management positions.



#### Performance indicators for bonuses

Performance indicator*	Evaluation weight	Evaluation method	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
EPS	35%	Year-on-year improvement	231	248

Performance indicator*	Evaluation weight	Evaluation method	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating profit	35%	Achievement of targets	15,900	16,714
ROIC	9%		6.8%	7.2%
Capex to sales	6%		13.8%	13.6%
Overseas sales	6%		18,390	18,648
Overseas operating profit margin	6%		2.2%	3.0%

\* In addition to the above, the degree of achievement for number of B2B2X projects is also evaluated.

#### Total Compensation of Members of the Board and Audit & Supervisory Board Members (Fiscal Year Ended March 31, 2021)

	Number of Persons Paid (persons)	Monthly Remuneration (millions of yen)	Board Member Bonuses (millions of yen)	Total Amount (millions of yen)
<b>Members of the Board (excluding Outside Members of the Board)</b>	12	290	97	387
<b>Audit &amp; Supervisory Board Members (excluding Outside Audit &amp; Supervisory Board Members)</b>	3	74	—	74
<b>Total</b>	15	364	97	461

\*1 The figures above include eight Members of the Board and one Audit & Supervisory Board Member who retired at the conclusion of the 35th General Meeting of Shareholders held on June 23, 2020.

\*2 Held on June 28, 2006, the 21st General Meeting of Shareholders passed a resolution that capped the total amount of compensation paid to Members of the Board at ¥750 million per year. At the June 24, 2021, 36th General Meeting of Shareholders, a resolution was approved to change the breakdown of compensation into three types, while (1) capping the maximum amount of monetary compensation at ¥600 million per year, (2) capping the maximum amount paid to Members of the Board as funds for acquiring the Company's stock through the Board Members Shareholding Association at ¥50 million per year, and (3) capping the maximum amount of compensation from the performance-linked stock compensation system at ¥100 million per year. The total amount of all three types of compensation is no higher than ¥750 million per year, unchanged from before. The total amount of compensation paid out in the fiscal year ended March 31, 2021 was ¥447 million.

\*3 In addition to the above figures, a total of ¥3 million was paid for the salaries of assistants and assistants to Members of the Board.

## Strategic Shareholdings

NTT does not hold any shares to create stable shareholders, and has no plans to hold them in the future.

NTT primarily hold shares strictly for portfolio investment, seeking financial return on short-term fluctuations in interest rates and currencies and securities market prices, or market disparities. However, we also pursue collaboration and open innovation with partners in various industries to contribute to medium- to long-term improvement in corporate value. Based on this policy, we own strategic shares of partner companies as necessary.

NTT's policy on strategic shareholdings is to own shares of partner companies as necessary to pursue collaboration and open innovation with partners in various industries to contribute to medium- to long-term improvement in corporate value. With regard to the shares held pursuant to these policies, the Investment Strategy Committee evaluates the appropriateness of holding individual stocks by comprehensively taking into consideration the contribution to the medium- to long-term results of NTT, the progress of business collaborations, future considerations concerning business collaborations, performance trends of the investment targets, and future business strategies of NTT. Moreover, regarding strategic shareholdings of NTT Group companies as well, we conduct annual reviews of the appropriateness of each individual stock and move to sell off those deemed unnecessary.

With respect to exercising voting rights of strategic shareholdings, NTT exercises voting rights acquired through share ownership, as it sees fit, from the perspective of sustainable growth of the companies NTT invests in and improving corporate value for both NTT and the companies.

Company name	Number of shares	Balance sheet value (millions of yen)		Purpose of holdings	Effects of holding
		2019	2020		
<b>KADOKAWA Corporation</b>	2,040,000	2,781	8,762	Mainly strengthening business collaboration in the field of R&D for video and social media services	Comprehensively taking into account NTT Group's aim of expanding the usage area of NTT Group's technology, including through demonstration experiments of a variety of advanced technologies, the contribution to medium- to long-term business results resulting from the evolution of services that utilize them, as well as the company's business results and future management strategies, NTT Group continues to hold their shares.
<b>Tokyo Century Corporation</b>	12,302,800	41,645	91,533	Mainly strengthening our cooperative relationship in the leasing and asset business fields	In addition to the expected contribution to our mid- to long-term business performance through the strengthening of the leasing business and joint development of the asset business through the joint venture with the said company, NTT Group continues to hold the shares of Tokyo Century after periodically reviewing its business performance and future management strategies.
<b>Toyota Motor Corporation</b>	29,730,900	—	256,161	Mainly strengthening the collaborative relationship in the smart city business	In addition to the fact that it is expected to contribute to the medium- to long-term business performance of NTT Group through R&D, planning, design, construction, and implementation of a smart city platform jointly with Toyota Motor and long-term continuous efforts in the smart city business, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold the shares of Toyota Motor after periodically reviewing the business performance and future management strategies of Toyota Motor.
<b>Zenrin Co., Ltd.</b>	4,200,000	—	5,565	Mainly strengthening its collaborative relationship in the area of increased map sophistication	In order to solve various social problems and create value in new business fields by utilizing the "advanced geospatial information database" to be jointly developed with the company, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold the shares of Zenrin after periodically reviewing the business performance and future management strategies of Zenrin.
<b>NEC Corporation</b>	13,023,600	—	84,914	Mainly strengthening the collaborative relationship in joint R&D and global development, mainly utilizing innovative optical and wireless technologies	During the fiscal year under review, NTT Group entered into a capital and business alliance with the company with the aim of strengthening the collaborative relationship in joint research and development and global development, mainly utilizing innovative optical and wireless technologies, and acquired and held shares in the company. In addition to the expected contribution to NTT Group's medium- to long-term business performance through the expansion of sales of jointly developed products, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold NEC's shares after periodically reviewing the business performance and future management strategies of NEC.

## Internal Control

NTT has established the Basic Policies Concerning the Maintenance of Internal Control Systems for NTT Group, which was approved via resolution by the Board of Directors.

Based on these policies, NTT Group has established the Internal Control Office, which oversees the establishment of internal control rules and frameworks. In addition, NTT Group evaluates the effectiveness of the internal control systems based on audit reviews and uniform audits regarding high-risk matters affecting the entire Group. Necessary improvements will be implemented accordingly.

In regard to internal control systems for financial reporting based on the Financial Instruments and Exchange Act, the Company takes appropriate measures to ensure the reliability of its financial reporting. To facilitate these measures, tests and evaluations are performed on the implementation status of pertinent internal control systems.



More information on the Basic Policies Concerning the Maintenance of Internal Control Systems for NTT Group can be found on NTT's corporate website.  
<https://group.ntt/en/corporate/internalcontrol.html>

### A History of Internal Control / Risk Management

2002	<ul style="list-style-type: none"> <li>• Establishment of Business Risk Management Committee</li> <li>• Establishment of Corporate Ethics Committee</li> <li>• Establishment of NTT Group Corporate Ethics Charter</li> <li>• Establishment of Groupwide Corporate Ethics Help Line</li> </ul>
2006	<ul style="list-style-type: none"> <li>• Establishment of Internal Control Office</li> <li>• Establishment of Basic Policies Concerning the Development of Internal Control Systems</li> </ul>
2010	<ul style="list-style-type: none"> <li>• Establishment of Risk Management Rules</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Establishment of the IT Strategy Office</li> <li>• Improvement of the management and operation of the Groupwide Corporate Ethics Help Line (establishment of a reporting route to Audit &amp; Supervisory Board Members that is separate from reporting routes to the senior management team)</li> </ul>



## Promotion of Risk Management

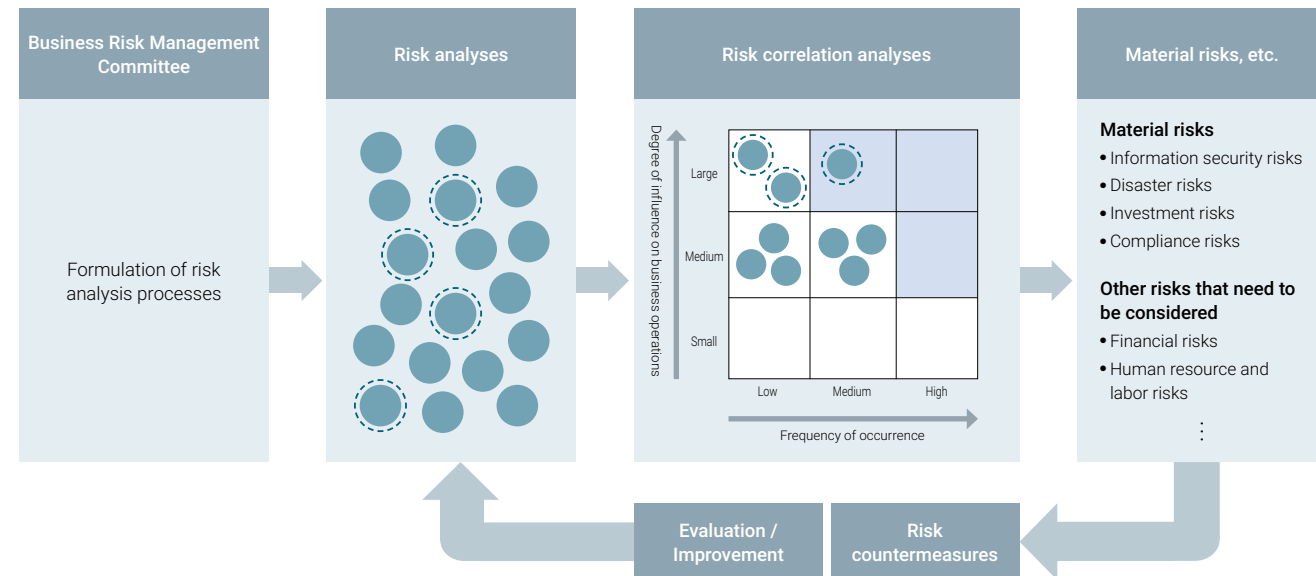
With respect to business risk management, NTT has established Risk Management Rules stipulating basic policies on risk management with the aims of, among others, anticipating and preventing the materialization of potential risks and minimizing losses if any risk materializes. Chaired by a senior executive vice president, the Business Risk Management Committee spearheads efforts to develop and operate a PDCA cycle for managing risks. During the fiscal year ended March 31, 2021, the committee held one meeting during which discussions involved identifying risks that could potentially have a Companywide impact, policies for managing such risks, and other such matters.

NTT has also formulated the NTT Group Business Risk Management Manual and distributed it to each Group company, in order to facilitate Groupwide risk management initiatives. On the basis of the manual, which stipulates matters that include proactive measures for potential risks, collaborative Groupwide approaches and policies for addressing risks that materialize, and pathways for communicating information, systems have been developed and implemented that enable swift action to be taken.

## Identification of Risks and Specified Material Risks

From time to time, NTT reviews assumed risks and management policies based on changes in the social environment.

In the identification of risks, the Business Risk Management Committee plays the central role. Analysis processes for the risks faced by NTT Group are formulated, and risk analyses are periodically implemented in accordance with these processes. In this way, Companywide risks are identified. In addition, correlation analyses are implemented for these risks. Those risks with the potential to have the greatest influence are specified as material risks, and countermeasures are formulated.



### Designated Priority Risks

<b>System failure, network failure, and related risks</b>	Damage to network caused by major disasters Indirect damage caused by major disasters Impact of COVID-19 Service level compromised or other damage caused by cyberterrorism
<b>Risk of operating revenues decline due to changes in market structure and increased competition</b>	Decline of NTT Group's consolidated operating revenues
<b>Environmental issue response-related risks</b>	Substantial damage to corporate value due to market judgment that response to environmental issues is lacking
<b>Domestic and overseas investments not producing expected returns</b>	Investments do not produce expected returns
<b>Domestic and overseas scandals, contractual issues, and related risks</b>	Loss of social trust and damage to income stemming from compliance violations
<b>Risk of terrorism or similar incidents domestically or internationally</b>	Loss of ability to conduct business due to employees or companies falling victim to terrorist or similar incidents



For more information on risk factors, please refer to NTT's corporate website.  
[https://group.ntt/en/ir/mgt/risks\\_factors.html](https://group.ntt/en/ir/mgt/risks_factors.html)

## Stakeholder Engagement

With its ever-more global and complex value chain, NTT Group provides products and services to a diverse range of stakeholders across the globe. These stakeholders have a wide variety of needs and expectations regarding our operations. Stakeholder engagement serves as a means of understanding and taking into consideration the needs and expectations of our stakeholders in the way we conduct our business.

		Examples of Engagement
<b>Customers (Enterprises and Individuals)</b>	Aiming to become "Your Value Partner", we will strive to increase customer satisfaction by providing safe, secure services that are high in quality and convenient from the customer's standpoint.	<ul style="list-style-type: none"> <li>Venues for customer inquiries</li> <li>Conducting of customer satisfaction surveys</li> <li>Utilization of websites and social media</li> </ul>
<b>Shareholders and Investors</b>	We will return profits to shareholders while maintaining a sound financial standing and enhancing our corporate value. Furthermore, we will communicate proactively to provide the information needed to make investment decisions.	<ul style="list-style-type: none"> <li>General Meetings of Shareholders, financial results announcements</li> <li>Explanatory presentations for individual investors</li> <li>Explanatory presentations for institutional investors</li> <li>Publication of annual reports</li> </ul>
<b>Business Partners</b>	Through the procurement of products that consider the environment and human rights, and the creation of fair partnerships, we fulfill our social responsibility as a company and aim to grow sustainably with our business partners.	<ul style="list-style-type: none"> <li>Creation of inquiry forms</li> <li>Disclosure of procurement policies and guidelines, etc.</li> <li>Surveys for suppliers</li> <li>Explanatory presentations for suppliers</li> </ul>
<b>ICT Companies and Industry Associations</b>	We will further our discussions on the direction and initiatives of the information and telecommunications industry, taking the global market into account, aiming to stimulate the entire industry and to promote solutions for various social issues.	<ul style="list-style-type: none"> <li>Participation in industry groups and initiatives</li> <li>Participation in committees, etc.</li> </ul>
<b>Employees (Employees, Their Families, and Retired Employees)</b>	We will support employees' lives and promote the creation of workplaces that enable employees to work with confidence, thereby enabling each employee to realize their full potential and work with a high awareness of CSR.	<ul style="list-style-type: none"> <li>Conducting of employee satisfaction surveys</li> <li>Regular interviews</li> <li>Communication between management and employees</li> <li>Groupwide Corporate Ethics Help Line</li> <li>CSR conferences</li> </ul>
<b>Local Communities</b>	We will contribute to the creation of abundant local communities, understanding local issues and contributing to their resolution in multiple ways through our businesses.	<ul style="list-style-type: none"> <li>Support and collaboration through social contribution activities</li> <li>Negotiation with local community residents when constructing or installing equipment</li> <li>Donations, sponsorship, and other support</li> </ul>
<b>Central Government and Administrative Agencies</b>	We will respond appropriately to the policies of the central and local governments, conducting appropriate business activities and contributing to solutions for social issues facing citizens and local governments.	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Suggestions for government policy</li> <li>Participation in public-private partnership projects</li> </ul>