Medium-Term Management Strategy

— Our New Medium-term Management Strategy —

Innovating a Sustainable Future for People and Planet

Medium-Term Financial Targets

<table>
<thead>
<tr>
<th>Target Indicators</th>
<th>Target Levels (FY2027)</th>
<th>Establishing Sustainability Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-Wide Targets</td>
<td>EBITDA</td>
<td>+20% increase (compared to FY2022)</td>
</tr>
<tr>
<td>Growth Areas</td>
<td>EBITDA</td>
<td>+40% increase (compared to FY2022)</td>
</tr>
<tr>
<td>Overseas Operating Income Margin</td>
<td>10% (FY2022)</td>
<td></td>
</tr>
<tr>
<td>Existing Areas</td>
<td>EBITDA</td>
<td>+10% increase (compared to FY2022)</td>
</tr>
<tr>
<td>ROIC</td>
<td>9% (FY2022: 8.2%)</td>
<td></td>
</tr>
</tbody>
</table>

*1 IOWN, digital/data centers, power/energy, Smart Life, real estate, Artificial, etc.
*2 NTT DATA Group consolidated. Excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets. *3 NTT DOCOMO's consumer telecommunications businesses, NTT East and NTT West.

Regarding our Medium-term financial goals, we will use EBITDA as the primary indicator and target a 20% increase compared to fiscal 2022. In growth sectors, which will be the drivers of this increase, we aim for a 40% rise in EBITDA compared to fiscal 2022. Furthermore, in global businesses within these growth sectors, we have set a target overseas operating profit margin of 10% for fiscal 2025. We hope to continue generating profits in existing sectors as well, with our goal being a 10% EBITDA increase compared to fiscal 2022, and we have set a ROIC target of 9% to improve capital efficiency. We also aim to maintain or reduce the level of interest-bearing debt at around twice the level of EBITDA, with attention given to capital efficiency.

Expansion of Investment for Further Growth

We plan to allocate approximately 8 trillion yen toward investments and capital contributions in growth sectors over the next five years, representing a 50% increase over previous levels. Overall, we are planning investments totaling about 12 trillion yen. Although the larger scale of investment for further growth will increase our need for capital, we aim to maintain or reduce the level of interest-bearing debt at around twice the level of EBITDA, with attention given to capital efficiency.

Fundamental Policy on Shareholder Returns

Dividend Policy

Our basic policy is to implement steady increases in dividends that of blue-chip stocks in the U.S. stock market. As a result, the investment unit for NTT shares was significantly reduced, becoming a level comparable to that of blue-chip stocks in the U.S. stock market. We expect that this initiative will expand the individual investor base for NTT stock to a wide range of generations, including younger investors with less capacity for investment. On July 1, 2023, NTT executed a stock split in which each share held as of June 30, 2023 would be split into 25 multiplied by 25 is 2,500 shares

Example: If 100 shares of NTT shares were held before the split (share price: 4,500 yen)

100 shares held before the split: 450,000 yen
100 multiplied by 25 is 2,500 shares
2,500 shares: 450,000 yen

Stock Split

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