Operations in Review

Integrated ICT Business

In the Integrated ICT Business, with the start of a new structure as the newly formed DOCOMO Group, we advanced initiatives to create the three major synergies of expansion of the enterprise business, more competitive network, and strengthening the power of service creation and development and promoting DX, while also promoting sales of 5G services.

Results for the Fiscal Year Ended March 31, 2023

Operating revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023 (Outlook)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>5,870.2</td>
<td>6,059.0</td>
<td>6,110.0</td>
</tr>
</tbody>
</table>

Operating profit

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023 (Outlook)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>1,072.5</td>
<td>1,093.9</td>
<td>1,164.0</td>
</tr>
</tbody>
</table>

Capital Investment

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023 (Outlook)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>698.6</td>
<td>706.3</td>
<td>728.0</td>
</tr>
</tbody>
</table>

Key Initiatives

- NTT East - Intensifying efforts to support a recycling-oriented economy in local communities
  - Evolution of access networks to support a digital society
  - Offering integrated managed services that support on-promise economies for customers
  - Engineering that strengthens the resilience of local communities
  - Further enhancing the reliability of the networks supporting Japanese infrastructure

- NTT West - Contributing to the Resolution of Social Issues Through Businesses in Growing Sectors
  - Offering comprehensive solutions to customers, including the promotion of community revitalization through cloud services targeted at municipalities and the advancement of DX in university education
  - Utilizing QUINTBRIDGE for joint business development pitches and the Future Co-Creation Program to promote business co-creation with our partners
  - Exploring new use cases enabled by IOWN, such as new entertainment experiences leveraging low-latency networks
  - Ensuring the reliable and stable provision of telecommunications services, which serve as critical social infrastructure, through upgraded operations and the strengthening of communication facilities

Launch of APN IOWN 1.0

NTT East and NTT West have launched the All-Photonics Network (APN) IOWN 1.0 as the first commercial service aimed at achieving the IOWN concept, in which all sections of a communications network use optical wavelengths exclusively. APN IOWN 1.0 ensures high speed, high capacity and low latency, and zero fluctuation. Additionally, integrating ONN Anywhere, launched concurrently, enables the visualization and adjustment of latency. We will continue to work with our customers to expand use cases, including remote performances, remote lessons, e-sports, remote equipment operation, and tight integration between data centers. Moreover, we are advancing our R&D efforts to enhance APN-related technologies, with the goal of offering a firsthand IOWN experience at the 2025 World Exposition (Osaka-Kansai Expo).

Philosophy Message from the CEO

NTT Group Sustainability Growth Strategy Data Section

Corporate Governance Data Section

INTEGRATED REPORT 2023

NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Operations in Review

Global Solutions Business

In the Global Solutions Business, NTT DATA Group worked to extend and consistently provide a range of IT services, such as offerings of digitalization and system integration, that are responsive to the changes in the market, as well as to strengthen its ability to provide services in growth areas such as the data center business and managed services.

### Results for Fiscal Year Ended March 31, 2023

<table>
<thead>
<tr>
<th></th>
<th>Operating revenues</th>
<th>Operating profit</th>
<th>Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
</tr>
<tr>
<td>FY2021</td>
<td>3,615.2</td>
<td>210.6</td>
<td>347.2</td>
</tr>
<tr>
<td>FY2022</td>
<td>4,091.7</td>
<td>246.5</td>
<td>500.4</td>
</tr>
<tr>
<td>FY2023 (Outlook)</td>
<td>4,100.0</td>
<td>292.8</td>
<td>90.0</td>
</tr>
</tbody>
</table>

Key Initiatives

- **Strategy in the Medium-term Management Plan of the NTT DATA Group**
  As a Trusted Global Innovator, NTT DATA Group aims to create value for the future and achieve a sustainable society along with its customers by forging connections between various people and technology.

  - **Overall Strategy**
    - Capitalizes on the convergence IT & Connectivity
    - Strengthens consulting with foresight
    - Evolves to an asset-based business model
    - Enhances advanced development technology
    - Sees the best place to work

- **Urban Solutions to Realize a City Full of Energy and Individuality**
  Under the slogan “Connecting People, Cities, and the Future,” NTT Urban Solutions Group combines the consulting prowess to solve local challenges, a proven track record in real estate development both in Japan and abroad, design and engineering expertise across all facility-related domains, and management capabilities that leverage extensive know-how to enhance asset value. We are committed to contributing to the sustained growth and progress of local communities.

  - **Key Initiatives**
    - Consulting, data collection, research, and analysis of basic information related to urban solutions
    - Real estate development and management
    - Design, engineering, and facility solutions
    - Property management, ICT management, and energy management

- **Smart Energy Business**
  NTT Anode Energy contributes to the realization of a decarbonized society through its smart energy business.

  - **Green Power Generation Business**
    - Development of renewable energy, to realize the NTT Group’s Environment and Energy Vision
  - **Local Grid Business**
    - Provision of local energy production for local consumption as well as carbon-neutral services to companies using energy management systems
  - **Consumer Energy Business**
    - Provision of electricity for customers and the NTT Group
  - **Construction/Maintenance/Operation Business**
    - Provision of construction, maintenance, and monitoring services of electricity facilities for customers and the NTT Group

### Others (Real Estate, Energy and Others)

In the Real Estate Business, NTT Urban Solutions has taken the lead in utilizing a wide range of resources—including ICT, real estate, energy, and environmental technology—to spearhead the development of vibrant and unique communities. In the Energy Business, our focus has been on NTT Anode Energy. We have pushed forward with the development of renewable energy power plants, local production and local consumption of energy using energy management systems, and rolled out solutions aimed at decarbonization.

### Results for Fiscal Year Ended March 31, 2023

<table>
<thead>
<tr>
<th></th>
<th>Operating revenues</th>
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<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
</tr>
<tr>
<td>FY2021</td>
<td>1,291.0</td>
<td>72.5</td>
<td>140.7</td>
</tr>
<tr>
<td>FY2022</td>
<td>1,807.0</td>
<td>67.2</td>
<td>197.7</td>
</tr>
<tr>
<td>FY2023 (Outlook)</td>
<td>1,810.0</td>
<td>70.0</td>
<td>191.9</td>
</tr>
</tbody>
</table>

Key Initiatives

- Leveraging the collective strengths of the NTT Group to advance a unique approach to “Urban Solutions”
- Acquiring Green Power Investment Corporation and other renewable energy operators
  - NTT Anode Energy, in collaboration with JERA Co., Inc. (JERA), has completed acquisition of shares of Green Power Investment Corporation (GPI), which is owned by Pattern Energy Group LF, a U.S.-based renewable energy operator. Moving forward, NTT Anode Energy, JERA, and GPI will synergize their respective expertise, insights, and strengths in renewable energy operations, with the goal of contributing to Japan’s goal of becoming carbon neutral by 2050 through further initiatives, thereby promoting the adoption of renewable energy within Japan. (See page 94 for details)

### TOPIC

- **Generative AI service launched capable of crafting evidence-based responses by securely linking a variety of data—including internal regulations, business documents, and public data—through generative AI. NTT DATA Japan already introduced the text-interpretation AI tool LITRON, which uses large-scale language models, to the market a while ago, and it has continued to engage in research and development. This new service benefits from those efforts. Additionally, by leveraging NTT DATA Japan’s data analysis platform, we alleviate customer security concerns while accelerating the adoption of cutting-edge technologies.
  - **Topic**
    - Generative AI service launched capable of crafting evidence-based responses by securely linking a variety of data—including internal regulations, business documents, and public data—through generative AI.

- **Collaboration with Mitsubishi Heavy Industries to build a rack-type liquid immersion cooling system for existing data centers**
  - NTT DATA Japan, in partnership with Mitsubishi Heavy Industries, Ltd., has developed a rack-type liquid immersion cooling system that allows for the direct cooling of servers and other IT equipment in liquid and can be applied to existing data centers. This system submerges IT equipment in a specialized insulating liquid for efficient cooling. Following real-world testing at Mitaoka Data Center EAST, we confirmed a 92% reduction in cooling energy consumption based on our internal building standards, as well as a 173% improvement in operational efficiency compared to conventional systems. Building on these findings, NTT DATA Japan aims to apply this cooling system to its own data centers and provide services to contribute to both the NTT Group’s decarbonization targets and customer efforts toward decarbonization and energy efficiency while endeavoring to offer eco-friendly system services.
  - **Collaboration with**
    - Mitsubishi Heavy Industries to build a rack-type liquid immersion cooling system for existing data centers

### Corporate Leadership

**Philosophy Message from the CEO**

**Message from the CEO**

NTT Group
Sustainability Growth Strategy Data Section
Corporate Governance

**Governance**

- **Philosophy**
  - Message from the CEO
  - NTT Group Sustainability
  - Growth Strategy
  - Corporate Governance
  - Data Section

**INTEGRATED REPORT 2023**