NTT's Vision of a Sustainable Society
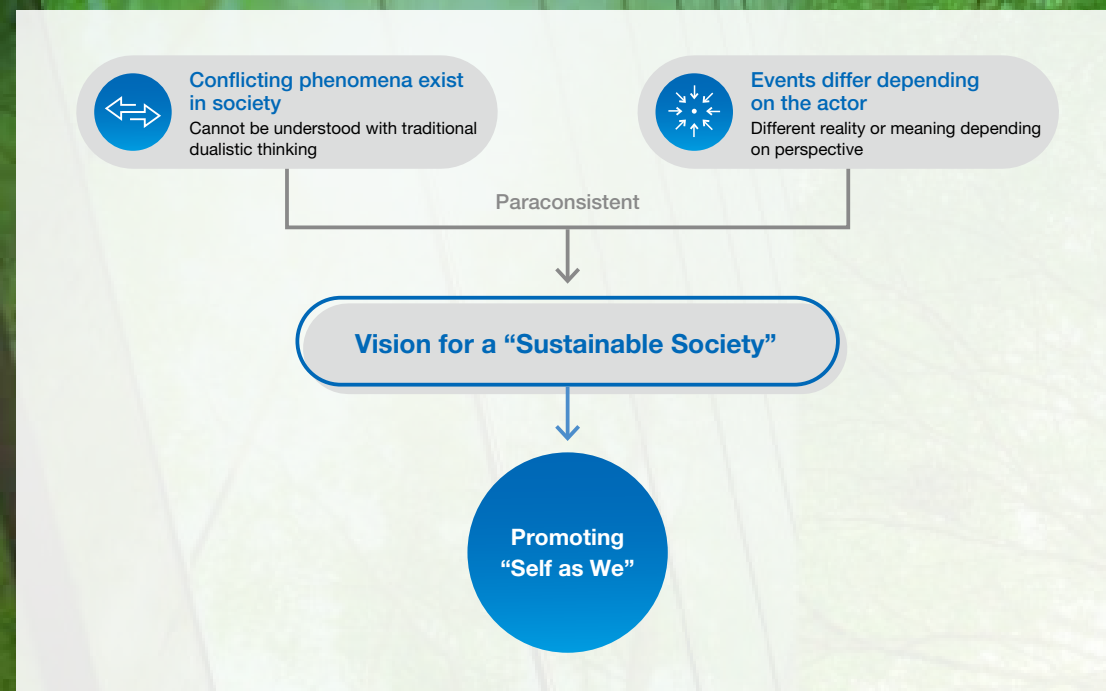
NTT Group Global Sustainability Charter

In today's society, there exist conflicting phenomena that cannot be understood in a black-and-white manner, whether it be global versus local, environmental versus economic, or 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 a 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. 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.

In April 2024, we revised our NTT Group Global Sustainability Charter to link it to our Management Strategy, increase its effectiveness, and adapt it to changes in the global environment. More specifically, we revised the activities based on the three themes and nine challenges included under NTT's vision of a sustainable society in our Charter, deciding on 18 activities by considering the key revision points below.

Conflicting phenomena exist in society
Cannot be understood with traditional dualistic thinking

Events differ depending on the actor
Different reality or meaning depending on perspective

Paraconsistent

Vision for a "Sustainable Society"

Promoting "Self as We"

Ensuring the Positive Coexisting of Nature and Humanity
- Moving toward a decarbonized society
- A commitment to a resource-recycling future
- A future where people and nature are in harmony

Improving Prosperity for All People and Cultures
- Establish shared ethical standards
- Prepare for a new future with the power of digital technologies
- Moving toward a safe, secure, and resilient society

Maximizing Well-being for All
- Respect for human rights
- Diversity & Inclusion
- Creating new work styles and workplaces

Material Issue Selection Process

Material issues are selected using the following steps based on the GRI materiality standards and processes.

STEP 1 Identifying material issues
Using evaluation organizations like third party institutions, ISO 26000 and GRI Standards, global trends, internal workshops, and materiality at other companies as a guide, we identify material issues through comprehensive review of new problems related to sustainability, in order to discuss and select important issues that the NTT Group should address on a global scale.

STEP 2 Setting priorities
NTT assesses the priorities to be addressed based on their impact on two aspects, "Growth as a company" and "Solving social issues." To achieve management that simultaneously helps resolve social issues and achieve business growth, NTT assesses priorities by incorporating the opinions of outside experts.

STEP 3 Confirming validity & approval
NTT also incorporates the opinions of third parties from a global perspective, which are then deliberated by the Sustainability Committee and approved by the Board of Directors.
* These are reviewed regularly (once per year) and revised when necessary

As a result of our Sustainability Committee deliberating on the activities based on the three themes and nine challenges included under NTT's vision of a sustainable society in our NTT Group Global Sustainability Charter, our Board of Directors approved a revision from 30 activities to 18, effective as of April 2024.

Key Points for Revising the Activities (Material Issues)

1. Consistency with our management strategy
Making updates, including initiatives related to net-zero emissions, customer engagement, and employee engagement called for by Medium-Term Management Strategy

2. Responding to changes in the external environment
Clearly stating environmental topics, including promoting the decarbonization of the entire supply chain, respect for human rights, and biodiversity in line with the ISSB (International Sustainability Standards Board) and CSRD (Corporate Sustainability Reporting Directive) frameworks

3. Improving effectiveness
Keeping our three themes and nine challenges the same but selecting 18 important activities, setting indicators for all these activities, and utilizing quantitative monitoring to increase their effectiveness

The 18 activities resulting from the revision are organized into four categories (climate change, human capital, new value creation, and resilience), and we will disclose our strategy, main indicators, and targets for each of them.

Organization for Implementation

The NTT Group regards the promotion of sustainability as an important management issue, and items of particular importance, such as creating environmental targets for the entire Group, are decided based on discussions held with directors. Under the governance structure overseen by the directors, we have established a Sustainability Committee (chaired by the president and chief executive officer) directly reporting to the Board. This committee is responsible for managing the policy direction and progress of sustainability initiatives across the entire Group. Policies related to sustainability (the Charter and creating and abolishing acc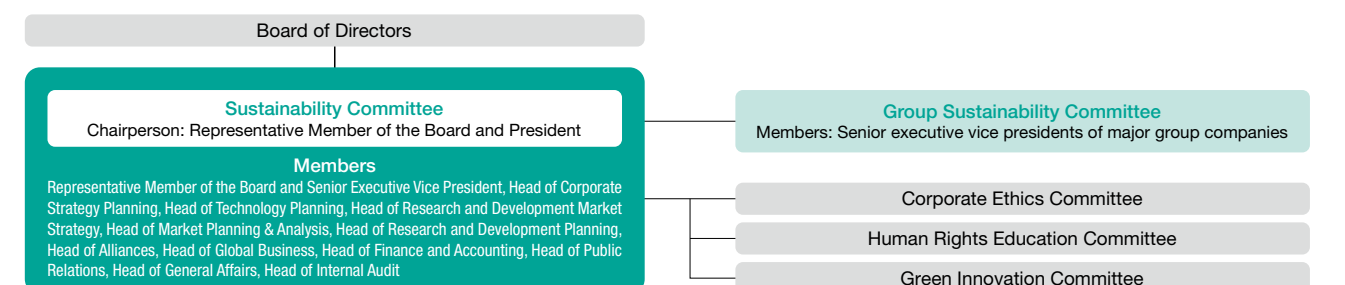ompanying policies, particularly deciding critical indicators) will be decided by the Board of Directors via the Sustainability Committee. In addition, the Sustainability Committee includes the Corporate Ethics Committee, Human Rights Committee, and Green Innovation Committee to handle the individual topics relevant to each sub-committee. Furthermore, Group Sustainability Committee meetings (with senior executive vice presidents and others from major Group companies) are held to share common challenges and successful examples from each Group company, as well as to monitor progress on sustainability implementation with respect to PDCA cycles and further promoting a sense of unity throughout the Group.

■ Sustainability Initiatives
In FY2023, we held one Sustainability Committee meeting and one Group Sustainability Committee meeting. During these meetings, we discussed matters that included revising our Sustainability Charter, our strategies towards achieving net-zero emissions, and changing the sustainability indicator for performance-linked bonuses (from the amount of B2B2X revenues to customer engagement). In addition, our Board of Directors passed resolutions concerning the Charter revisions and the sustainability indicator change.

■ Sustainability Promotion System

Board of Directors

Sustainability Committee
Chairperson: Representative Member of the Board and President

Members
Representative Member of the Board and Senior Executive Vice President, Head of Corporate Strategy Planning, Head of Technology Planning, Head of Research and Development Market Strategy, Head of Market Planning & Analysis, Head of Research and Development Planning, Head of Alliances, Head of Global Business, Head of Finance and Accounting, Head of Public Relations, Head of General Affairs, Head of Internal Audit

Group Sustainability Committee
Members: Senior executive vice presidents of major group companies

- Corporate Ethics Committee
- Human Rights Education Committee
- Green Innovation Committee

NTT Group Sustainability

Key Issues in Sustainability

We set 33 measurable indicators to increase the effectiveness of the 18 activities (material issues) set under our revised Sustainability Charter.

Compensation-linked indicators are written using **bold font** (officers and managers).
Indicators monitored starting in FY2024 are written using purple font. (We plan to set targets starting in FY2025.)

3 Themes	9 Challenges	18 Activities (Material Issues)	Indicator	Medium-Term Targets	Achievement Year	Category
Ensuring the Positive Coexisting of Nature and Humanity	Moving toward a decarbonized society	1) Achieve our decarbonization goals through energy conservation, implementing IOWN and other innovative technologies, developing and expanding renewable energy usage 2) Implement decarbonization requirements for partners throughout the supply chain	i) 2040: carbon neutrality across the entire NTT Group (Scope 1 & 2) ii) 2040: net-zero across the entire supply chain (Scope 1, 2 & 3)	**i) 100% reduction** ii) Net-Zero	**i) 2040** ii) 2040	Climate Change
	A commitment to a resource-recycling future	3) Increasing the reuse and recycling of communications equipment, mobile terminals, and other technologies (metals, plastics, etc.) 4) Proper treatment, storage, and management of hazardous waste	iii) 2030: waste recycling rate iv) Waste disposal (PCB) related legal violations	iii) At least 99% iv) 0	iii) 2030 iv) Every year	
	A future where people and nature are in harmony	5) Promote increased biodiversity, natural ecosystems and conservation 6) Appropriate and efficient management of water resources	v) The number of business facilities placed in wildlife preserves and the proportion they represent of the whole vi) The number of business facilities placed in water risk regions and the proportion they represent of the whole	v) — vi) —	v) — vi) —	
Improving Prosperity for All People and Cultures	Establish shared ethical standards	7) Develop and enforce thoroughly the code of ethics including conduct risk, compliance, and governance 8) Sharing high ethical standards with business partners	vii) Number of anti-competitive violations / number of anti-corruption violations viii) Direct dialogue rate with suppliers from whom improvements have been requested	vii) 0 viii) 100%	vii) Every year viii) Every year	Resilience
	Prepare for a new future with the power of digital technologies	9) Ensure continuous improvement of services and support to meet the evolving needs of customers, communities and corporations 10) Protection and respect for intellectual property	ix) Customer engagement (NPI, NPS) x) Number of patent applications	ix) **NPI: the same or better year on year NPS: the same or better year on year** x) Same level as last year	ix) — x) —	New Value Creation
	Moving toward a safe, secure, and resilient society	11) Ensuring the stability and reliability of services 12) Strengthening information security and personal information protection	xi)-1 Number of serious incidents xi)-2 Number of civil life support system incidents xii)-1 Number of serious incidents due to cyberattacks xii)-2 Number of data leaks	xi)-1 0 xi)-2 0 xii)-1 0 xii)-2 0	xi)-1 Every year xi)-2 Every year xii)-1 Every year xii)-2 Every year	Resilience
Maximizing Well-being for All	Respect for human rights	13) Compliance with the NTT Group Global Human Rights Policy 14) Encourage human rights and respect for the individual across our organization, customers, and partners	Common to xiii) to xviii) **Employee engagement rate** xiii) Number of confirmed human rights violations xiv) Direct dialogue rate with suppliers from whom improvements have been requested	**Common to xiii) to xviii) 57%** xiii) 0 xiv) 100%	**Every year** xiii) Every year xiv) Every year	Human Capital
	Diversity & Inclusion	15) Attract and retain diverse human resources 16) Support flexible work life balance choices and support an inclusive work environment	xv)-1 Ratio of mid-career hires xv)-2 Employment of foreign nationals, Ph.D.s, and technical college graduates xv)-3 Employment rate of people with disabilities xvi)-1 **New female manager promotion rate** xvi)-2 Proportion of women in managerial positions xvi)-3 Proportion of women executive officers xvi)-4 Acquisition and maintenance of PRIDE indicators (LGBTQ dissemination indicators)	xv)-1 At least 30% xv)-2 — xv)-3 — **xvi)-1 30%** xvi)-2 15% xvi)-3 25-30% xvi)-4 Gold status	xv)-1 Every year xv)-2 — xv)-3 — **xvi)-1 Every year** xvi)-2 2025 xvi)-3 2025 xvi)-4 Every year	
	Creating new work styles and workplaces	17) Support diverse work styles for health and well-being management 18) Supporting autonomous capacity development	xvii)-1 Rate of positive responses regarding independent work methods xvii)-2 Male childcare leave rate xvii)-3 Number of occupational injuries xvii)-4 Presenteeism loss rate xviii)-1 Training time xviii)-2 Training investment amount xviii)-3 Exceptional promotion rate xviii)-4 Number of successful public solicitations (compared to previous year) xviii)-5 Number of career support interviews / survey response rate	xvii)-1 - xvii)-2 100% xvii)-3 0 xvii)-4 6.0% or less xviii)-1 - xviii)-2 - xviii)-3 - xviii)-4 - xviii)-5 -	xvii)-1 - xvii)-2 Every year xvii)-3 Every year xvii)-4 2024 xviii)-1 - xviii)-2 - xviii)-3 - xviii)-4 - xviii)-5 -	

NTT Group Sustainability

NTT Group Sustainability Conferences

The Sustainability Conference is a NTT Group sustainability promotion initiative that was launched in 2014 as the "CSR Conference." There were 70 entries at the first conference, but the number of entries and regions has been increasing over time. The 11th conference in 2024 saw 149 entries from 22 countries and regions worldwide—the largest number of entries yet. The winning sustainability initiatives are those that have been successfully implemented as real businesses and demonstrate the potential to be rolled out in other parts of the world. NTT will continue developing sustainability initiatives in order to keep "innovating a sustainable future for people and planet."

2014 (1st)
First-time hosting at the training institute
70 entries, 1 winner

▸ **Grand Prize**
Cloud-based system to curb the issue in emergency medicine of *taraimawashi*, or being refused admission by multiple hospitals
(NTT DATA)
➡Expanded nationwide after a decade

2015 (2nd)
85 entries, 2 winners

▸ **Grand Prize**
Collaboration with the Vatican Library on a digital archive project for preserving valuable human heritage
(NTT DATA)
➡Converted to 3D after a decade

2016 (3rd)
Guest participants from around the world
60 entries, 2 winners

▸ **Grand Prize**
"Move&Flick," a new text input app for smartphones
(NTT DOCOMO)

▸ **Excellence Award**
- Everis Foundation Activities -

2017 (4th)
Official participation by overseas participants
37 entries, 7 winners

▸ **Grand Prize**
Development of Communication Engine "COTOHA," an AI capable of natural Japanese conversation
(NTT Communications)
➡Progressing toward AI development

2018 (5th)
Overseas project wins Grand Prize for the first time
45 entries, 7 winners

▸ **Grand Prize**
QHUBEKA: an educational and environmental conservation project through bicycles
(Dimension Data)

2019 (6th)
Incorporating work style reforms as a theme
36 entries, 6 winners

▸ **Grand Prize**
Leading the Japanese RPA market through WinActor/WinDirector deployment
(NTT DATA)
➡Helping to solve labor shortages and contributing to work style reforms

2023 (10th)
First public awards ceremony open to outside parties (media personnel)
118 entries, 12 winners

▸ **Grand Prize**
Building a supply chain for medical supplies using drones
(NTT DATA Business Solutions)

▸ **Grand Prize**
Achieving a carbon-neutral society through forestry DX
(NTT West)
➡Global Environment Award, Minister of Internal Affairs and Communications Award

2022 (9th)
Held in a hybrid format with an online and in-person awards ceremony at the Palace Hotel Tokyo
98 entries, 6 winners

▸ **Grand Prize**
Addressing community transportation issues through AI operations (NTT DOCOMO)
➡Contributing to society via AI and mobile technology

2021 (8th)
Held online due to the COVID-19 pandemic
69 entries, 9 winners

▸ **Grand Prize**
Take on challenge of contributing to regional revitalization and cultivating new normal in cultural appreciation through local culture and art
(NTT East)

▸ **Excellence Award**
Health ticket and the first smart bus station (NTT Data Romania)
➡Creating a new form of regional development

2020 (7th)
Olympic and Paralympic exhibition (hands-on wheelchair and boccia experience)
44 entries, 6 winners

▸ **Grand Prize**
Promoting food recycling through the deployment of local food resource recycling solutions
(NTT FIELDTECHNO CORPORATION)
➡Advancing recycling-oriented business models

2024 (11th) ▸ Grand Prizes (3 MVPs)

Use of AI
149 entries and 14 winners from 22 countries and regions worldwide
—the largest number of entries yet

Decarbonizing data centers to achieve Net-Zero commitments (NTT Global Data Centers)

NTT Group is committed to decarbonization as one of the world's largest data center providers, with more than 200 data centers worldwide. We are promoting a variety of decarbonization initiatives around the world: our data center in Chicago, United States, is using tools that automatically aggregate carbon dioxide (CO_2) and wastewater volumes that were previously input manually; in India, we are using the latest cooling technology; in Germany, we have a system that repurposes exhaust heat from the data center for heating and water heating in the surrounding area; and in Austria, we are testing the use of hydrogenated vegetable oil (HVO) as an alternative to fossil fuels.

Protecting children's lives with AI
(NTT TechnoCross Corporation)

NTT TechnoCross collaborated with the Edogawa City Child Guidance Center, which has the highest number of consultation cases in Japan, and child welfare specialists to develop an AI system that converts voice calls into text and automatically displays a manual, among other features. The system records the content of calls and shares information about the content of the calls in real time, which has reduced the workload on the staff.

The same system has already been introduced at nine child guidance centers, and 40 more are considering introducing the system. NTT TechnoCross is in discussions with local authorities to see if the system can be combined with other solutions for use by organizations other than child guidance centers.

Water conservation with smart monitoring
(NTT Global Data Centers)

Leaking water pipes were a major challenge for CILE, a water utility company that supplies tap water in the province of Liège, eastern Belgium. To solve this problem, CILE collaborated with NTT Belgium to introduce a system that detects leaks between the water purification plant and each household and can be monitored through an IoT network. This system also enabled CILE to estimate the amount of groundwater being pumped after identifying filtered water usage in each household, leaks in water pipes, and the amount of leakage, which helped to limit water leaks.

The model shows potential for expansion throughout Europe, and NTT DATA Belgium will work to promote its introduction in smart cities throughout Europe.

For more information, see the Sustainability Conference's official website.
https://group.ntt/jp/sus_conf

NTT Group Sustainability
Climate Change

[Related Medium-Term Management Strategy Initiatives]

1 NTT as a Creator of Value and Accelerator of a Global Sustainable Society

❶ IOWN-Driven Creation of New Value
(from concept to commercialization)
  i. Establishment of manufacturing company for photonic-electronic convergence devices
  ii. Acceleration of IOWN research and development/commercialization
❷ Data-Driven Creation of New Value
  i. Strengthening the personal business
  ii. Strengthening the use of DX/data in society and industry
  iii. Expansion and upgrade of data center infrastructure

❸ Achievement of a Circular Economy Society
  i. Develop sustainability solutions for customers
  ii. Creating Circular Economy businesses
  iii. Progression towards Net-Zero
❹ Further Strengthening of Business Foundations

2 Upgrading the Customer Experience (CX)
❺ Fusion of Research and Development with a Market-Focused Strategy
❻ Strengthening of Services that Emphasize Customer Experience (CX)

3 Improving the Employee Experience (EX)
❼ Open and Innovative Corporate Culture
❽ Support Career Growth
❾ Global Benefits for Employees and their Families

Strategies Related to Climate Change

Risks

Given the widespread acknowledgement of climate change as a significant global risk, insufficient measures or disclosures on the NTT Group's part for climate change, resource circulation, biodiversity, etc. could potentially undermine the understanding and support of our stakeholders, including customers, partners, shareholders, employees, and communities, thereby affecting our business operations. Additionally, the introduction of new laws and regulations, or the tightening thereof, could increase our costs, impacting the NTT Group's business performance and financial conditions.

Addressing Risks

To address these risks, the NTT Group formulated its NTT Green Innovation toward 2040 environment and energy vision and is advancing initiatives to reduce its environmental impact to achieve carbon neutrality (Scope 1 & 2) by FY2040. We will also expand our initiatives to encompass Scope 3 emissions with the aim of achieving net-zero emissions (Scope 1, 2 & 3) by FY2040. Therefore, besides promoting renewable energy usage as part of its own efforts to promote green power, the company is also working to enhance its environmental energy initiatives and information disclosure by promoting IOWN research and development aimed at achieving extremely low power consumption, utilizing an internal carbon pricing system, utilizing green bonds, further strengthening collaboration with suppliers, and contributing to customers' decarbonization efforts. We are also addressing risks related to resource recycling by promoting the reuse and recycling of communications equipment, mobile terminals, etc. (metals, plastics, etc.) as well as the proper treatment, storage, and management of hazardous waste. Similarly, we are addressing risks related to biodiversity by fleshing out our efforts to conduct research and disclose information on our business situation in terms of nature reserves, etc.

Opportunities

With regard to opportunities, we are focusing on expanding renewable energy options at data centers, aiding in the development of processes for visualizing greenhouse gas emissions, and broadening the sale of green energy to both corporate and individual clients. In addition, we are promoting green solutions by combining green energy and ICT, expanding our renewable energy generation business, optimizing and efficiently securing a stable supply of locally produced, locally consumed electricity, recycling resources among various industries, and further accelerating regional development to create circular economy businesses.

Climate Change Indicators and Targets

Indicator	Target		Results	
Greenhouse Gas Emissions	[Scope 1 & 2]	FY2030: 80% reduction (compared to FY2013) FY2040: Carbon neutrality	[Scope 1 & 2]	FY2023: 2.32 million tons, 50% reduction (compared to FY2013)
	[Scope 1, 2 & 3]	FY2040: Net-Zero	[Scope 1, 2 & 3]	FY2023: 21.03 million tons, 26% reduction (compared to FY2018)

(Notes) 1. The scope of the greenhouse gas emission calculations includes our company and its consolidated subsidiaries.
2. Scope 1 & 2 are in line with the Plan for Global Warming Countermeasures, which is outlined by the Japanese government, by using FY2013 as the base year. For Scope 1, 2 & 3 (the overall figures including Scope 3), the base year was set to FY2018, the year calculations began under the same calculation scope currently being used, including our overseas Group companies.

Initiatives Related to Climate Change in the Medium-Term Management Strategy (Progression towards Net-Zero)

· Our Scope 1 & 2 result for FY2023 was 2.32 million tons, which means that we achieved a reduction in excess of the target set in our plan to achieve carbon neutrality by 2040 and made good progress.
· Our Scope 1, 2 & 3 emissions goal for FY2030 is 17 million tons, which we plan to achieve by encouraging and facilitating emissions reduction and visualization by our suppliers, by facilitating the introduction of renewable energy by our customers, and by pursuing other relevant initiatives.

NTT Green Innovation toward 2040

2040 Carbon-Neutral

Scope 3 Main Reduction Initiatives

Further Strengthening of Collaborations with Suppliers
· Encouraging and facilitating emissions visualization and target formulation

Customers' Contributions to Decarbonization
· Facilitating the introduction of renewable energy by data center customers, etc.
· Providing cloud services and promoting product energy conservation

● Illustration of NTT Group Greenhouse Gas Emission Reductions (Domestic + Overseas)

Scope 1, 2 & 3: 28.35 million tons
Result: 21.03 million tons
Interim target: down 40%
17 million tons
Scope 1 & 2
Result: 2.32 million tons
950,000 tons
Net-Zero emissions by 2040

FY2018 | FY2023 | FY2030 | FY2040

* Scope 1: company's own direct greenhouse gas emissions
  Scope 2: indirect emissions from using electricity, heat, and steam supplied by other companies
  Scope 3: emissions from the supply chain related to the activities of businesses

Reduction of greenhouse gas emissions for Scope 1 & 2

Illustration of NTT Group Greenhouse Gas Emission[*2] Reductions (Domestic + Overseas)

· Increased use of renewable energy: Reduce greenhouse gas emissions by 45%[*3] 1
· Lower energy consumption with IOWN technologies: Reduce greenhouse gas emissions by 45%[*4] 2

(10,000 tons)
860 Outcome
Energy Savings
-10%
IOWN
-55% (Reduction of energy consumption) 2
-45% 2
465
400
Greenhouse Gas Emissions
-80%
-45% (Introduction of renewable energy, etc.) 1
Renewable Energy
95
Offsets
2022

2013 | 2020 | 2030 | 2040 (Fiscal year)
Introduction of internal carbon pricing system | Mobile, Data Centers to be Carbon Neutral | NTT Group to be Carbon Neutral

Overview of Shifts in NTT Group's Energy Consumption (Domestic + Overseas)

· Approximately half of energy consumption will be reduced by introducing IOWN 1
· Renewable energies will be introduced for the other approximate half[*5] 2

Approx. 2x (compared to FY2013)
Outcome
Energy Savings
IOWN
Reduced electricity consumption 1
8.3 billion kWh
From Fossil Fuels Electricity Derived
Renewable Energy 2

2013 | 2020 | 2030 | 2040 (Fiscal year)
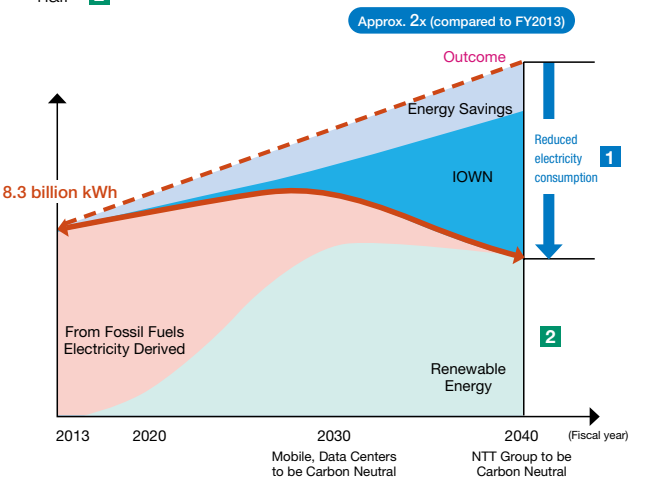Mobile, Data Centers to be Carbon Neutral | NTT Group to be Carbon Neutral

*2 GHG Protocol: for Scope 1 & 2
*3 Estimated introduction of renewable energy (including actual renewable energy through Non-Fossil Fuel Certificates) → FY2020: 1.0 billion kWh; FY2030 to FY2040: approx. 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 and other factors. Approximately half of the domestic renewable energy usage is anticipated to be from energy sources owned by NTT (FY2030).
*4 Estimated reduction of energy consumption through the introduction of IOWN (comparison to outcome) → FY2030 target: Reduce by 2.0 billion kWh (15% reduction) FY2040 target: Reduce by 7.0 billion kWh (45% reduction)
Percentage of introduction of IOWN (photonics-electronics convergence technologies, etc.) out of total energy volume → FY2030: 15%; FY2040, 45%

*5 Estimated Introduction of Renewable Energy (including actual renewable energy through Non-Fossil Fuel Certificates) FY2020: 1.0 billion kWh; FY2030 to FY2040: approx. 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 and other factors. Approximately half of the domestic renewable energy usage is anticipated to be from energy sources owned by NTT (FY2030).

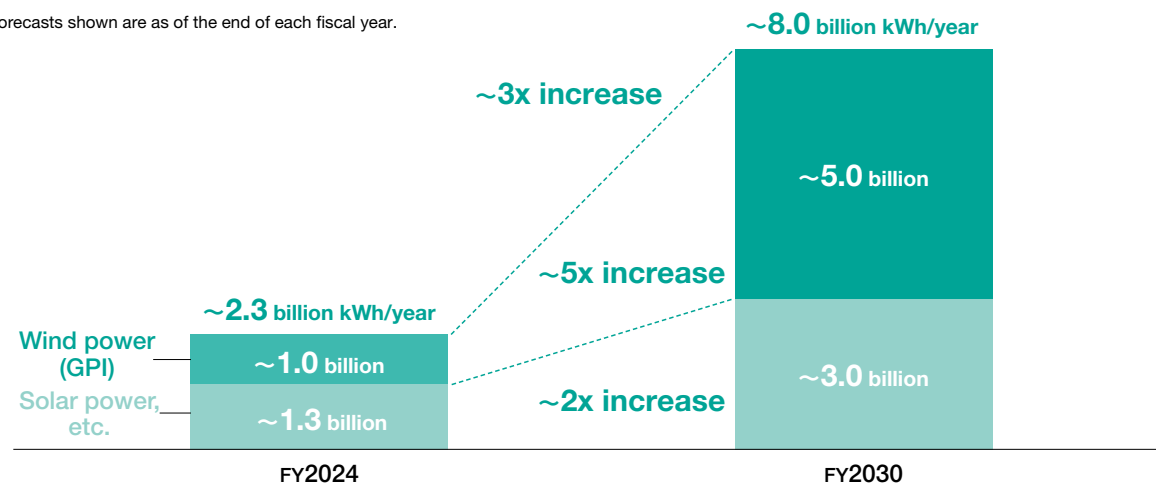## Initiatives Related to Acquiring Sources of Renewable Energy

■ Establishment of Green Power Investment Corporation as a Subsidiary and Our Outlook for Acquiring Sources of Renewable Energy

In August 2023, NTT Anode Energy and JERA Co., Inc. completed the acquisition of shares of Green Power Investment Corporation, etc. The two companies are effectively harnessing their renewable-energy-business know-how, insights, and strengths to contribute to the spread of renewable energy throughout Japan. This is also expected to help the NTT Group achieve its target of introducing approximately 8.0 billion kWh/year of renewable energy by FY2030.

Outlook for Acquiring Sources of Renewable Energy

* The forecasts shown are as of the end of each fiscal year.

~8.0 **billion kWh/year**

~3x increase

~5.0 billion

~5x increase

~2.3 **billion kWh/year**

Wind power (GPI)   ~1.0 billion

Solar power, etc.   ~1.3 billion

~3.0 billion

~2x increase

FY2024   FY2030

Wind Farm Tsugaru
(Tsugaru, Aomori Prefecture)

350 million kWh/year

Green Power Fukaura Wind Farm
(Fukaura Town, Nishitsugaru District, Aomori Prefecture)

210 million kWh/year

Green Power Futtsu Solar Power Plant
(Futtsu, Chiba Prefecture)

50 million kWh/year

Miyazaki Kamenoko Solar Power Plant
(Kunitomi Town, Higashi-morokata District, Miyazaki Prefecture)

40 million kWh/year

Initiatives Using Climate Change as an Opportunity

■ Launch of GX Solution Brand NTTG × Inno

As a leading public company, the NTT Group fully utilizes its various managerial resources and capabilities—including its research and development and ICT infrastructure as well as its human resources—to contribute to the resolution of social issues in collaboration with its partners.

Given that the NTT Group consumes approximately 1% of Japan's power, we have major social responsibilities in terms of helping to achieve a decarbonized society. We will take the lead in fulfilling these responsibilities, use them as an opportunity for growth, and collaborate with our customers and partners to take on the challenge of spearheading the transformation of society for the better.

As a global social infrastructure provider, we contribute to the well-being of society, such as by launching NTT G × Inno and establishing cutting-edge, sustainable social systems and infrastructure.

Advancing the Visualization and Analysis of the Green Power Generation Business: Providing the Smart Data Fusion® Integrated Platform

NTT COMWARE and NTT Anode Energy have started collaborating to provide Smart Data Fusion®, a green energy business integration platform, for Japanese renewable energy operators, etc.

NTT Anode Energy is currently working on introducing the platform and expects to achieve an approximately 70% reduction in hours necessary for monitoring work related to operational management at power plants for which the platform is introduced.

NTT Anode Energy hopes to utilize the platform to further increase business feasibility and optimize investments, thereby promoting the carbon neutrality of the NTT Group.

Meanwhile, NTT COMWARE is collaborating with NTT Anode Energy and other NTT Group companies to expand the value of this green energy business integration platform —such as by increasing the sophistication of its AI model—in order to support the advancement and stable operations of NTT's renewable energy generation business. We will provide the platform to a wider range of Japanese renewable energy operators and other users to accelerate the promotion of both their GX and green power generation.

Advancement of Power Generation Business Operations Through the Integrated Management, Analysis, Utilization, and Visualization of Power Generation and Financial Data, etc.

Power generation data → **Integrated data management** ← Financial data → **Green Energy Business Integration Platform** (Analysis, Visualization) → **Renewable energy producers**
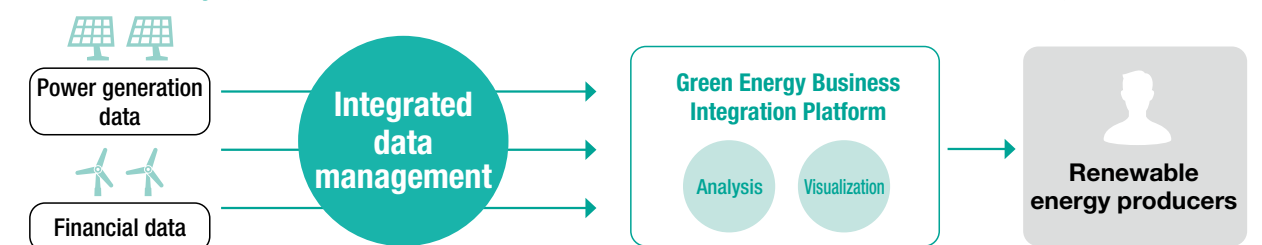
Collaboration with Tokyo Electric Power Company Holdings, Inc. Aimed at Developing Our Energy Storage Station Business

NTT Anode Energy has established a limited liability company with Tokyo Electric Power Company Holdings, Inc. in Tsumagoi, Agatsuma, Gunma Prefecture to conduct energy storage station business.* Preparations are underway to build an energy storage station and otherwise prepare for this company to start operating in 2025.

Japan hopes to achieve carbon neutrality by 2050, but a number of power system issues are becoming apparent, including the introduction and utilization of renewable energy as well as securing the necessary coordinating capabilities and taking measures to expand electric power systems. To address these issues, NTT Anode Energy and Tokyo Electric Power are combining their know-how to collaborate on energy storage station business—for which a growing need is expected—thereby expanding the storage-battery utilization area, reducing the costs, and thus aiming to further develop the energy storage station business.

*Selected for the following Agency for Natural Resources and Energy program: FY2022 Business Expense Subsidy to Support the Introduction of Distributed Energy Resources Contributing to the Expanded Introduction of Renewable Energy

TCFD and TNFD

■ TCFD/TNFD Integration Approach

The climate and natural environment are closely related, and there is an increasing risk of water shortages and other ecosystem changes stemming from rising temperatures causing dangerous chain reactions. We also predict more serious physical risks in terms of our business operations as well due to the intensification of disasters and increasing natural impact of climate change.

If the global trend to focus on nature conservation grows any stronger, it will be necessary for operating companies to actively respond and to avoid transition risks due to regulations, etc. The NTT Group is employing various countermeasures in response to such issues. We are also disclosing information on the status of our efforts in line with the TCFD/TNFD framework.

Governance

The NTT Group regards the promotion of sustainability as an important management issue, and items of particular importance, such as creating environmental targets for the entire Group, are decided based on discussions held with directors.

Under the governance structure overseen by the Directors, we have established a Sustainability Committee (chaired by the President and Chief Executive Officer) directly reporting to the Board. This committee is responsible for managing the policy direction and progress of sustainability initiatives across the entire Group. Policies related to sustainability (the Charter and creating and abolishing accompanying policies, particularly deciding critical indicators) will be decided by the Board of Directors via the Sustainability Committee.

In FY2021, for the processes selected as key issues and activities to be addressed from among the sustainability related issues, we used evaluation organizations like third party institutions, ISO 26000 and GRI Standards, global trends, internal workshops, and materiality at other companies as a guide to identify material issues through comprehensive review of new problems related to sustainability, in order to discuss and select issues that the NTT Group should address on a global scale. In addition, NTT assessed the priorities to be addressed based on their impact on two aspects, "Growth as a company" and "Solving social issues." To achieve management that

simultaneously helps resolve social issues and achieve business growth, NTT assesses priorities by incorporating the opinions of outside experts.

Our Sustainability Committee deliberates on the validity of the issues identified as described above and the setting of the corresponding priorities. Our Board of Directors then regularly (once per year) reviews the results and makes revisions as necessary. In addition, we have identified the following four key sustainability items: 1) climate change, 2) human capital, 3) new value creation, and 4) resilience.

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Board of Directors ── Nomination Committee
                   ── Compensation Committee
                   ── Sustainability Committee
     President     ── Green Innovation Committee
(Executive Officers Meeting)
                   ── Business Risk Management
                      Promotion Committee
                   ── High Performance Energy Use
                      Promotion Committee
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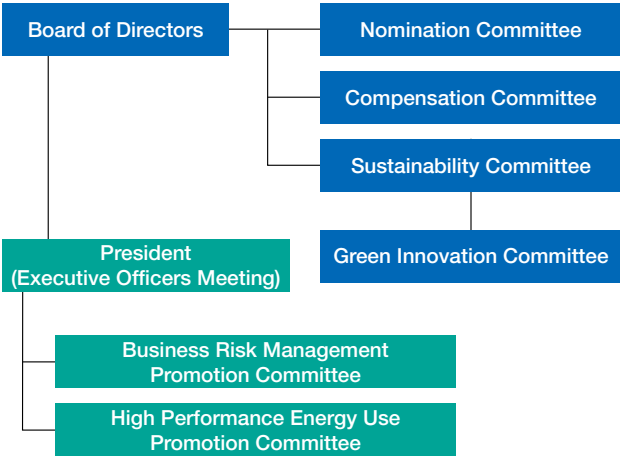
Risk Management

The NTT Group discusses risks and opportunities related to key sustainability issues at Sustainability Committee meetings and reports these to the Board of Directors.

Additionally, as part of the NTT Group's risk management process, the Business Risk Management Promotion Committee—headed by the senior executive vice president— along with the Group Business Risk Management Promotion Committee are central to establishing and operating a PDCA cycle for risk management, with the aim of anticipating and

preventing the occurrence of the potential risks close at hand and minimizing losses in the event that risks do materialize. The processes concerning the identification, evaluation, and management of sustainability-related risks are integrated into the NTT Group's overall risk management framework.

Climate change, resource recycling, and biodiversity are treated as business environment and strategy-related risks within the Business Risk Management Promotion Committee.

Strategy

The NTT Group formulated its Environment and Energy Vision *NTT Green Innovation toward 2040* and is advancing initiatives to reduce its environmental impact to achieve carbon neutrality by FY2040. The Group will also expand its initiatives to encompass Scope 3 emissions with the aim of achieving net-zero emissions by FY2040. Therefore, besides promoting renewable energy usage as part of its own efforts to promote green power, the company is also working to enhance its environmental energy initiatives and information disclosure by promoting IOWN research and development aimed at achieving extremely low power consumption, utilizing an internal carbon pricing system, utilizing green bonds, further strengthening collaboration with suppliers, and contributing to customers' decarbonization efforts.

In terms for resource recycling, we are also promoting the reuse and recycling of communications equipment, mobile terminals, etc. (metals, plastics, etc.) as well as the proper treatment, storage, and management of hazardous waste. Similarly, we are promoting biodiversity by fleshing out our efforts to conduct research and disclose information on our business situation in terms of nature reserves, etc.

With regard to opportunities, we are focusing on expanding renewable energy options at data centers, aiding in the development of processes for visualizing greenhouse gas emissions, and broadening the sale of green energy to both corporate and individual clients. In addition, we are promoting green solutions by combining green energy and ICT, expanding our renewable energy generation business, optimizing and efficiently securing a stable supply of locally produced, locally consumed electricity, recycling resources among various industries, and further accelerating regional development to create circular economy businesses.

STEP 1 ▶ Scenario Definitions

Scenario	Overview	Reference Methodology for Scenario
Transition Risk Scenario	Scenario in which the decarbonization of society is achieved rapidly . . . A future in which the target increase of 1.5°C has been attained	IEA World Energy Outlook: NZE IPCC AR6 WG1: RCP 2.6
Physical Risk Scenario	Scenario in which physical risks materialize . . . A future in which the average temperature has risen by 4°C	IEA World Energy Outlook: STEPS IPCC AR6 WG1: RCP 8.5

STEP 2 ▶ Risks and Opportunities Identified (Overview)

Overview	Target	Scenario 1.5°C	Scenario 4.0°C	Type	Timeframe	Response
Increase in costs for decarbonization, renewable energy charges, and renewable energy implementation	Climate	LOSS ▼	—	Transition risk (policy/regulations)	Long-term	· Initiatives for realizing the IOWN concept · Introducing and expanding the use of renewable energy · Promotion of energy conservation, high-efficiency data centers
Social criticism related to fewer efforts toward ESG (drop in market share)	Climate / Nature	▼	Minor	Transition risk (market/criticism)	Long-term	· Actively disclosing information on initiatives related to climate change, natural capital (biodiversity and water risk), and resource recycling
Expanding sales of services that help reduce society's environmental impact	Climate / Nature	▲ / ▲	Profit ▲	Opportunity (products and services, energy)	Long-term	· Creating new services related to carbon neutrality, biodiversity conservation, and resource recycling · Increase in green electricity retail
Achieve the IOWN concept	Climate	▲	▲	Opportunity (investment toward R&D)	Long-term	· Acceleration of DX and promotion of remote world · Reduction of greenhouse gases across the supply chain
Disasters caused by heavy rain and typhoons Droughts due to abnormal weather	Climate / Nature	—	▼	Physical risk (acute)	Short-term	· Provide disaster response and disaster prevention training · Conserving water and monitoring the water withdrawal amount
Increased air-conditioning costs due to increasing temperatures	Climate	—	▼	Physical risk (chronic)	Long-term	· Promoting energy conservation

Notes 1. Degree of impact with 1.5°C scenario and 4°C scenario in FY2030
2. There are three timeframes: short-term (less than 3 years), medium-term (3 to less than 6 years), and long-term (6 years or more). There are also three degrees of impact (▲: low, ▲▲: medium, and ▲▲▲: high).
3. To promote energy conservation, in August 2024, we increased our internal carbon price to ¥19,000/t-CO_2 based on the expected future carbon tax. We utilize this for decision-making related to procurement (product selection), etc.

*Estimated impact on annual profits:
1) If carbon pricing is introduced (approx. -¥17 billion)
2) Increased cost of renewable energy charges and implementation of renewable energy (approx. -¥19 billion yen)
3) Repairs for damage caused by heavy rainfall and typhoons (FY2021: approx. -¥0.2 billion, FY2022: approx. -¥3 billion, FY2023: approx. -¥2.4 billion)
4) Higher air conditioning costs as temperatures rise (-¥1.1 billion if outdoor temperatures rise 1 degree)

[Assumptions and basis for calculations]
1) Carbon pricing ($140 USD/t-$CO_2$) × FY2030 emission goals
(Aim for 80% reduction by 2030 with a baseline of 4.65 million tons of Scope 1 + 2 emissions from FY2013)
<Carbon pricing: estimated unit price for FY2030 based on IEA World Energy Outlook 2023, Advanced economies: 140 USD>
2) Renewable energy charges in FY2030: ¥4.1/kWh, FY2023: ¥1.40/kWh
3) Estimated impact from repairs to damage caused by heavy rainfall and typhoons from FY2021 to FY2023
4) Estimated air conditioning costs increase based on domestic electricity consumption in FY2023

Climate Change Indicators and Targets

Indicator	Target		Results	
Greenhouse Gas Emissions	[Scope 1 & 2]	FY2030: 80% reduction (compared to FY2013) FY2040: Carbon neutrality	[Scope 1 & 2]	FY2023: 2.32 million tons, 50% reduction (compared to FY2013)
	[Scope 1, 2 & 3]	FY2040: Net-Zero	[Scope 1, 2 & 3]	FY2023: 21.03 million tons, 26% reduction (compared to FY2018)

(Notes) 1. The scope of the greenhouse gas emission calculations includes our company and its consolidated subsidiaries.
2. Scope 1 & 2 are in line with the Plan for Global Warming Countermeasures, which is outlined by the Japanese government, using FY2013 as the base year. For Scope 3, the base is FY2018, the year calculations began under the same calculation scope currently being used, including our overseas Group companies.
3. Greenhouse gas emissions include SF_6, PFC, HFC, N_2O, NF_3, and CH_4. In addition, the greenhouse gas emissions from electricity consumption are calculated based on the market.

Regional Evaluation of Biodiversity Conservation and Water Utilization

We conducted a regional evaluation of each type of business facility (communications equipment, base stations (steel towers), data centers, and renewable energy (solar and wind power generation)) to confirm the degree of impact on biodiversity conservation and water utilization.

1) Biodiversity Conservation

Of our business facilities, we conducted KBA and IBAT-based screening and comprehensive research on communications equipment, base stations (steel towers), and data centers (approximately 43,000 sites).

Given that renewable energy equipment (solar and wind power generation) is assumed to have a high level of dependence and impact on the natural environment, we also interviewed construction companies to confirm how they handle impact risk.

2) Water Utilization

We used Aqueduct, our water risk analysis tool, to comprehensively research data centers with *extremely high water stress* and confirm their impact.

Standards, Indicators, and Tools Used for These Initiatives/Evaluation Standards

Standards	Indicators used for these initiatives	Tools used for these initiatives
Importance of biodiversity	■ KBA (Key Biodiversity Area) ■ Protected areas (natural park areas, nature conservation areas, and wildlife sanctuaries)	■ IBAT Biodiversity evaluation map tools
Water risk	■ Water stress (baseline water stress)	■ Aqueduct Water risk analysis map tools

Diagnosis results

1) Biodiversity Conservation

In terms of communications equipment and data centers for which we conducted comprehensive research, we inquired with each municipality to try to determine whether there were any causes for concern regarding the effects of each facility on nearby ecosystems. As a result, we determined that there were no such causes for concern regarding the equipment we looked at, and the possible business risks are limited.

In terms of renewable energy (solar and wind power generation) equipment, we conducted an environmental impact assessment as stipulated by the Environmental Impact Assessment Act, etc., specifically investigating and assessing the impact on each ecosystem (flora and fauna). The environmental impact assessment procedure involved following a four-stage process—submission of a document on primary environment impact consideration, scoping document, draft environmental impact statement, and environmental impact statement—and then the results were published on the website for a certain period of time based on the law. We also researched, predicted, and assessed the possibility of birds of prey colliding with wind power generation facilities. In the case of facilities for which such risks have been identified, we obtain the guidance and advice of specialists as we conduct long-term observation and implement development and maintenance management that consider the ecology of local birds, mammals, etc.

Focused Regional Evaluation (Communications Buildings, Data Centers)

Environmental Impact Assessment Targeting Ecosystems Related to Renewable Energy Equipment

Bird research (wind power generation)
Bat research (wind power generation)
Plant research (wind power generation)
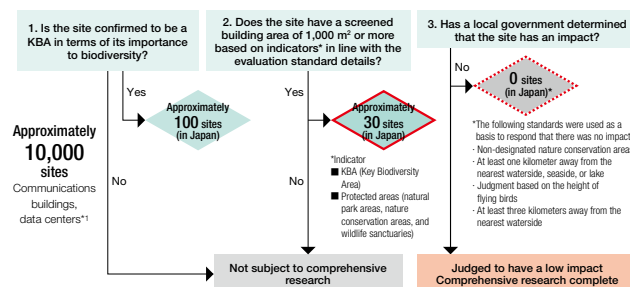
2) Water Utilization

As a result of our analysis, we learned that one of our sites in Southeast Asia is located in a region that has an extremely high level of water stress.

However, upon confirming the details of this particular data center, we learned that the local water supplier uses reverse osmosis membrane technology as well as treated recycled water and is therefore extremely careful regarding the utilization of water resources in the region.

According to our assessment, business continuity has also been assured even in the event of a drought, and there are only limited cases where a drought could affect operations.

* We assessed biodiversity risks at base stations separately using IBAT (Important Bird and Biodiversity Area Tool), and finding that approximately 3.3% of the base stations (steel towers) set up in Japan were located in important biodiversity areas, identified them as hot spots.

Forest Conservation and Forest Value Improvement

As some of our initiatives for helping to achieve a sustainable society, we conduct various forest-related activities. We aim to reduce CO_2 emissions and conserve biodiversity through tree-planting, tree cultivation, and other forest conservation activities.

We also work on improving forest value, such as by supporting the creation of carbon credits for around 900 hectares of forest. Through these activities, we aim to enrich society.

Contributing to Biodiversity Preservation and Transitioning to a Circular Economy

The NTT Group believes the increasing focus on biodiversity and a recycling-oriented society opens up new business opportunities. We will continue to contribute to the achievement of a sustainable society through our business activities. We will continue to verify and disclose risks and opportunities related to biodiversity and resource circulation for the NTT Group.

TOPIC 1　Forest Conservation

By actively promoting technological innovation aimed at conserving forests, we increase carbon dioxide absorption, conserve and protect ecosystems and water resources, and contribute to the achievement of a sustainable society.

For example, we have conducted an operational field demonstration of a self-driving underbrush clearing machine (called "the demonstration" below) developed to reduce the cost of clearing away underbrush through forestry labor-saving and automation.

During the demonstration, we used the above machine to clear away underbrush at an actual forestry site, thereby verifying the machine's operational performance. The machine was operated by setting a self-driving route and using a tablet with a special application for remotely monitoring the vehicle installed on it.

Demonstration Experiment Overview
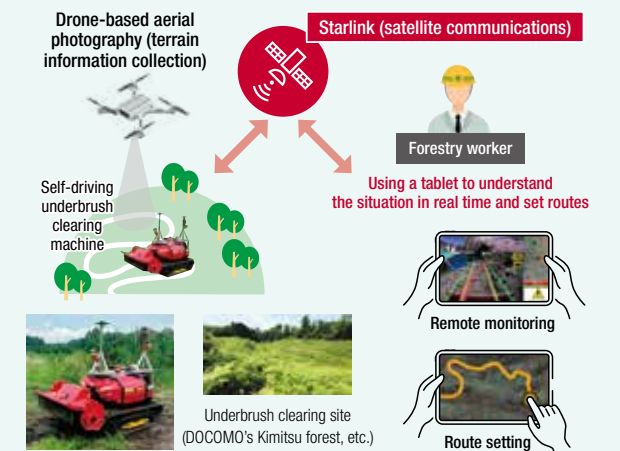
NTT DOCOMO: Operational Demonstration of Underbrush Clearing Operations

TOPIC 2　Appropriate Management of Water Resources

In Belgium, the NTT Group is aiming to optimize the use of water resources by installing sensors on home water meters to detect where problems occur. In addition, we have incorporated a predictive maintenance system that identifies which pipelines are likely to require replacement or repairs. Water-tower and home water consumption can be analyzed via our network, and the collected data can then be used as a basis for utilizing AI to predict how much water is likely to be consumed in the next few days. This makes it possible to draw only the necessary amount of water, which enables groundwater conservation.
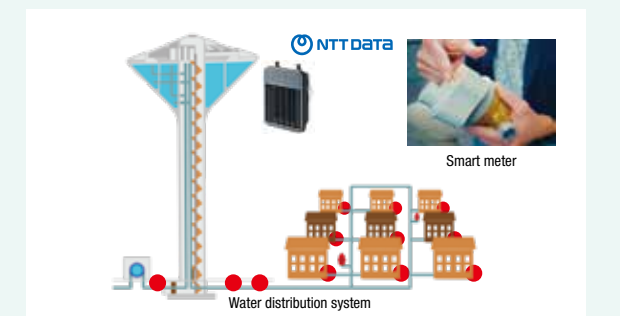

This shows how water is conserved through smart monitoring by NTT DATA Belgium. We have utilized smart sensors to establish water conservation infrastructure that enables both the optimization of water usage and health management

TOPIC 3　Promotion of Resource Recycling

We have established a battery traceability platform that enables the aggregation of supply-chain carbon footprint information (called "CFP information" below) and the visualization of recycling and reuse, and, in May 2024, we started providing services that enable companies to aggregate and share CFP information when manufacturing batteries.

Going forward, we will establish interoperability with our overseas databases, pursue global operations, and promote the handling of a circular economy for rare minerals.

Battery Traceability Platform Overview
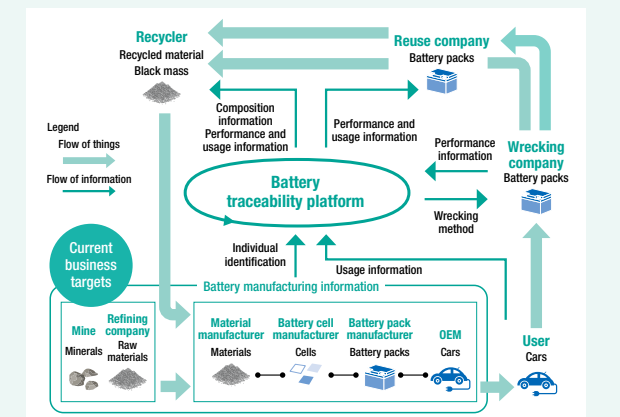
NTT Group Sustainability
Human Capital

[Related Medium-Term Management Strategy Initiatives]

1 NTT as a Creator of New Value and Accelerator of a Global Sustainable Society

❶ IOWN-Driven Creation of New Value
(from concept to commercialization)
 i. Establishment of manufacturing company for photonic-electronic convergence devices
 ii. Acceleration of IOWN research and development/commercialization

❷ Data-Driven Creation of New Value
 i. Strengthening the personal business
 ii. Strengthening the use of DX/data in society and industry
 iii. Expansion and upgrade of data center infrastructure

❸ Achievement of a Circular Economy Society
 i. Develop sustainability solutions for customers
 ii. Creating Circular Economy businesses
 iii. Progression towards Net-Zero

❹ Further Strengthening of Business Foundations

2 Upgrading the Customer Experience (CX)

❺ Fusion of Research and Development with a Market-Focused Strategy
❻ Strengthening of Services that Emphasize Customer Experience (CX)

3 Improving the Employee Experience (EX)

❼ Open and Innovative Corporate Culture
❽ Support Career Growth
❾ Global Benefits for Employees and their Families

Human Capital Strategy ❶ <Improving the Employee Experience (EX)>

Risks

The telecommunications and related markets are seeing the expansion of cloud services and 5G services, as well as rapid advances in technologies, such as AI, digital twin, and quantum computing. Various players, both domestic and international, are rapidly joining the fray. With services and equipment diversifying and becoming increasingly sophisticated, we anticipate that this landscape will continue to evolve at an accelerating pace, especially around cloud services and AI. In addition, we identified actively investing in growth areas as one of the pillars of the Medium-Term Management Strategy announced in May 2023, and are focused on creating new value through IOWN-related services, smart world, green solutions, and other areas. Given the situation, enhancing EX is pivotal for improving productivity, sparking creativity, and retaining top-tier talent. Decreased EX could adversely affect areas such as the development of new technologies, the introduction of new services, the refinement of existing services, and the execution of growth strategies, potentially impacting the NTT Group's financial performance.

Addressing Risks

To address such risks, the NTT Group conducts employee engagement surveys and is intensifying efforts to tackle the challenges identified. Our analysis of the survey findings and intentions for improvement are submitted for discussion by the Sustainability Committee, the Executive Officers Meeting, and other fora, while feedback is also given to employees. With respect to matters that affect engagement, we conduct cross-analyses with various HR policies, monitors these policies, and promotes improvements in engagement by implementing the PDCA cycle. Additionally, we are establishing forums for bi-directional communication between management and employees to ensure that our corporate strategy is communicated and understood. Also, given that creating an environment where diverse talent can thrive serves as a foundation for improving employee engagement, we will continue our efforts to realize a balanced work-life integration.

Opportunities

In terms of opportunities, we anticipate that boosting employees' willingness to take on challenges and acquire specialized skills will enhance their job satisfaction and sense of fulfillment. This, in turn, is expected to elevate employee engagement, thereby improving labor productivity and creativity across the NTT Group.

Human Capital Strategy ❷ <Health and Safety>

Risks

Failing to adequately secure employee health and safety could result in decreased labor productivity and potentially impact the NTT Group's business performance and financial stability.

Addressing Risks

We at the NTT Group not only comply with the Labor Standards Act and other related laws, but have also established safety and health management policies. We continue to take a variety of measures and enhance safety awareness throughout the entire the NTT Group to prevent accidents and create a safe working environment in the construction of the telecommunications facilities that support the NTT Group's business, which includes our subcontractors.

Opportunities

Health management is pursued as a key corporate strategy with the understanding that initiatives for maintaining and improving employee health also enhance motivation and productivity and ultimately lead to higher corporate earnings. Specific measures include initiatives such as using a smartphone app (d Healthcare) to encourage employees to improve their health, conducting regular Pulse Surveys to monitor employee health conditions and detect any irregularities, and providing health consultations and mental health counseling from an external consultation service.

Human Capital Strategy ❸ <Human Rights>

Risks

Should forced labor, child labor, or other forms of human rights violations occur within our Group or supply chain, there is a risk that it could erode the NTT Group's credibility and corporate image, as well as potentially affect our financial performance and business results.

Addressing Risks

We at the NTT Group are engaged in various initiatives aimed at enhancing awareness and management of human rights across the entire Group. These include conducting human rights due diligence by leveraging external assessment agencies, providing training on human rights issues, and establishing and operating consultation services focused on human rights. Given the emergence of a wide range of human rights issues, we will expand the scope of our human rights-related due diligence, not only with respect to our suppliers, but within the company as well.

Opportunities

We believe that actively engaging in direct dialogue with suppliers from which improvements are sought, and with all NTT Group companies from which improvements are sought, as part of our human rights due diligence, as well as disclosing these processes and their outcomes in a transparent manner, will improve our brand image and help us earn the trust of all of our stakeholders.

Indicators and Targets Related to Strengthening Employee Engagement and Ensuring Diversity of Human Resources

Indicator	Target	Results
Employee Engagement Rate	To be improved (Compared to FY2022 (57%))	FY2023: 54%
New Female Manager Promotion Rate	Each year: 30%	FY2023: 27.9%
Male Childcare Leave Rate	Each year: 100%	FY2023: 128.5%

Notes 1. The scope of aggregation for the employee engagement rate is based on the percentage of positive responses to four NTT Group KPIs that measure engagement. The scope of aggregation includes the major companies and their designated subsidiaries. The major companies are NTT DOCOMO*, NTT East, NTT West, NTT DATA Group, NTT Urban Solutions, and NTT Anode Energy.
* Figures for NTT DOCOMO include figures for NTT Communications.
2. The scope for the percentage of women newly promoted to manager and the percentage of men taking childcare leave includes five major domestic companies: NTT, NTT DOCOMO*, NTT East, NTT West, and NTT DATA Group*.
* NTT DOCOMO includes figures from NTT Communications. Furthermore, NTT DATA Group includes figures from NTT DATA and NTT DATA, Inc.

● (Reference) Other Indicators and Targets Related to Diversity

Indicator		Target	Results
Women	Hiring Ratio	Every year: 30%	FY2023: 33.4%
	Manager Ratio	FY2025: 15%	FY2023: 11.8%
	Executive Officer Ratio	FY2025: 25-30%	June 2024: 23.7%
External Hires	Ratio of Mid-Career Hires	FY2024: -	FY2023: 42.4%

Notes 1. The scope for the above indicators includes five major domestic companies: NTT, NTT DOCOMO*, NTT East, NTT West, and NTT NTT DATA Group*.
* NTT DOCOMO includes figures from NTT Communications. Furthermore, NTT DATA Group includes figures from NTT DATA and NTT DATA, Inc.
2. As of March 31, 2024, the percentage of female board members at our company is as follows: 30.0% for directors, 40.0% for Audit & Supervisory Board Members, and 40.0% for executive officers.

Indicators and Targets Related to Human Rights

Indicator	Target	Results
Direct Dialogue Rate with Key Suppliers	FY2024: -	FY2023: 100%
Direct Dialogue Rate with Suppliers from whom Improvements Have Been Requested	FY2024: 100%	FY2023: -

Notes 1. The scope of aggregation for the direct dialogue rate with key suppliers is calculated by using 40 suppliers, selected based on procurement amount, item importance, substitutability, etc., as the denominator, and the number of suppliers with whom direct dialogue was completed during the fiscal year as the numerator.
2. In order to improve the effectiveness of human rights due diligence, the indicator for human rights will change in fiscal 2024 from Percentage of Direct Dialogue with Key Suppliers to Percentage of Direct Dialogue with Suppliers from which Improvements Are Sought.

Message from the CHRO

Our business environment is changing rapidly. To respond flexibly to these changes, it will be critical for diverse human resources to demonstrate their abilities fully. At the same time, it is essential to strengthen our organizational capabilities so that we can leverage individuals with extensive expertise and continue adapting to changes in the future.

Enhancing talent and organizational capabilities will bring about innovations, which in turn will offer new value to our customers and society. We expect this will contribute to increasing the NTT Group's corporate value. Furthermore, we aim to create a virtuous cycle where employees work feeling excited about such outcomes, which lead to greater engagement.

Based on this view, we implemented various transformations in fiscal 2023. At their core is autonomous career formation (career ownership). Through this scheme, employees will be able to grow their skills and strengths and choose organizations and jobs where they can make use of those abilities. Moreover, it is crucial to create a more enabling work environment for such motivated employees. Through these continuous transformations, we will work to attain employees' self-realization and the Group's business growth.

Executive Officer
Head of General Affairs
CHRO
Shuji Sakamoto

Medium-Term Management Strategy and Human Resources Strategy

The NTT Group announced the Medium-Term Management Strategy in May 2023. Its fundamental concept is to "continue taking on challenges" to create new value and support a sustainable society.

To "continue taking on challenges," we consider it important to foster excitement in each employee, and made "Improving the Employee Experience (EX)" one of the major pillars of the strategy's initiatives.

<Improving the Employee Experience (EX)>
(1) Strengthening Support for Autonomous Career Formation
(2) Open and Innovative Corporate Culture
(3) More Supportive Work Environment

We are advancing human resources initiatives based on a strategy in sync with this Medium-Term Management Strategy.

Review of Fiscal 2023: A Year of Framework Building

In fiscal 2023, we focused on creating a scheme that generates high added value while enabling each employee to acquire and demonstrate higher levels of expertise and skills than ever before, along with allowing diverse human resources to autonomously build up careers in various fields.

(1) Strengthening Support for Autonomous Career Formation (Initiatives for employee growth)

In April 2023, we changed to a "salary system with promotions based on expertise" and "career development support system." In addition, to complement and support these systems, we introduced career consulting and launched the NTT Job Board (job posting system).

(2) Open and Innovative Corporate Culture (Initiatives for organizational transformation)

We are also striving to foster a trial-and-error mindset needed to "continue taking on challenges." We promote a challenge-oriented mindset by organizing conferences on a number of themes and from different perspectives, including the "Conference to Learn from Failures (EX)," and introducing and awarding employees who are taking on challenges in various settings.

(3) More Supportive Work Environment (Creating a comfortable work environment)

To enhance work-life integration, we have allowed early morning work (starting at 5 a.m.) and introduced fertility treatment support leave. Such measures have been established and begun to be implemented to flexibly accommodate the increasingly diverse work styles of our employees.

Fiscal 2024 and Beyond: A Year of Implementing and Promoting the Framework

In fiscal 2024, while continuing to engage in dialogue with employees through various opportunities and occasions, we will further embed the initiatives and measures into our company and bring the employee experience closer to the ideal experience.

We established four goals (outcomes) to measure the ideal employee experience.

(1) Autonomous Career Formation
Believing that full-scale use of AI will be necessary in all areas both inside and outside the company, in addition to promoting digital transformation, we will further work to secure and develop AI talent with extensive expertise and skills.

(2) Organizational Transformation
By establishing our own "TX indicators*," we intend to more carefully monitor whether momentum is building for behaviors that lead to the formation of an open and innovative corporate culture.

(3) Creating a Comfortable Work Environment
We will promote diverse work styles by setting as an indicator "autonomous work styles (positive evaluation)," which affects engagement and other EX-related indicators.

(4) Improving the Employee Experience (EX)
Through employee engagement surveys, we will measure the outcomes of our initiatives for improving EX and make changes or additions to the systems and measures as needed.

Including the above outcomes, by internally and externally communicating our initiatives and the underlying concepts in detail, we will endeavor to assess and improve the effectiveness of these efforts, as well as foster employee understanding.

*TX indicators: Transformation indicators. Our own indicators for achieving the "Open and Innovative Corporate Culture" mentioned in our Medium-Term Management Strategy.

Human Capital-related Initiatives in the Medium-Term Management Strategy (Human Resources Strategy and Policy)

To create new value, improve the customer experience (CX), and realize a sustainable society, we attach importance to the employee experience (EX) and aim to establish a virtuous cycle that generates new value.

As part of the human resources strategy to realize our management strategy, we will improve EX to ensure that diverse talent can challenge themselves to create new value and innovations while finding their work rewarding and experiencing personal growth. The effectiveness of these initiatives will be monitored over time by establishing indicators for the three pillars of the human resources strategy. By properly reviewing and continuously implementing these initiatives, we will deliver outcomes that lead to improved CX and increased productivity, which in turn will improve business growth and corporate value.

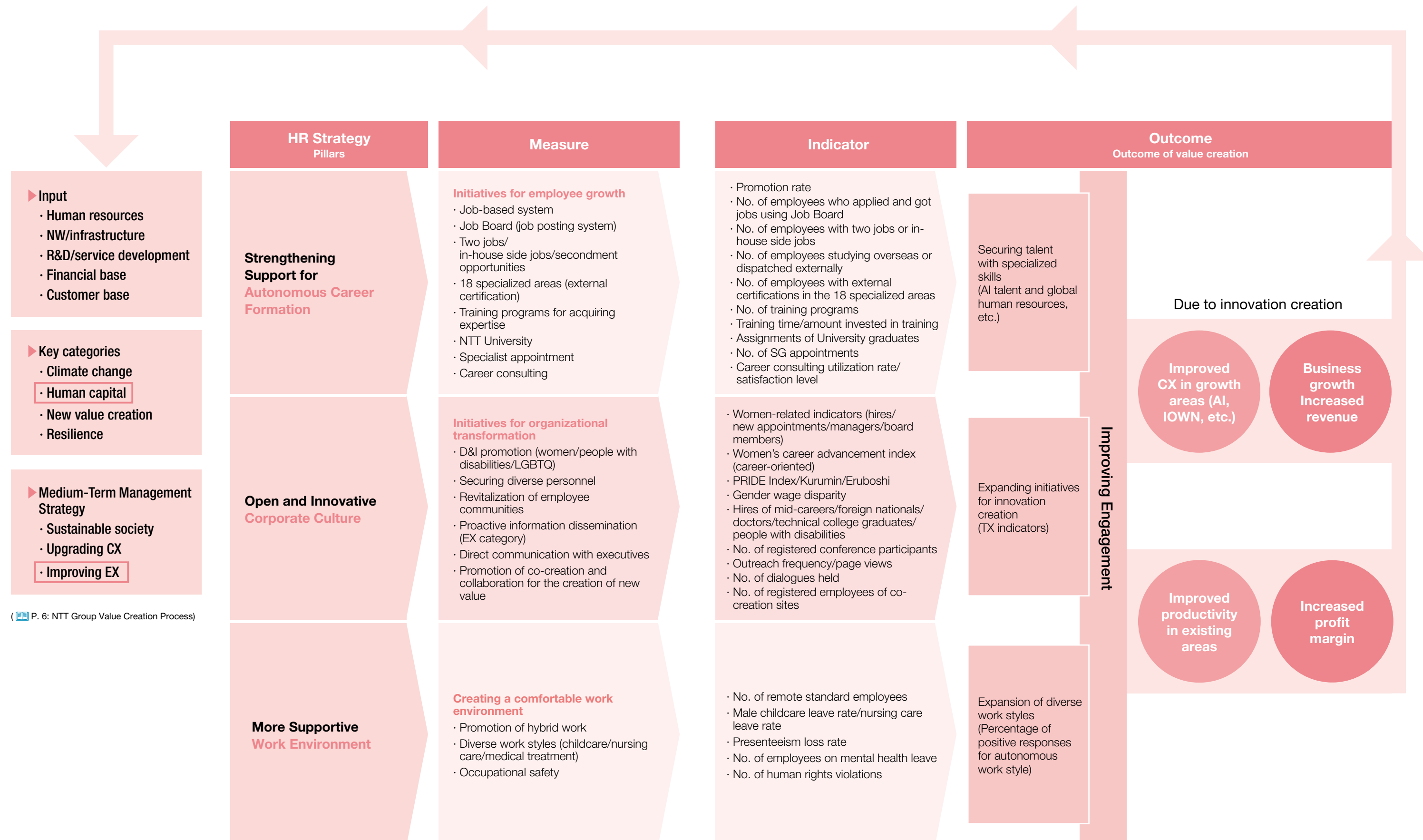| Initiatives for employee growth	Initiatives for organizational transformation	Creating a comfortable work environment
Strengthening Support for Autonomous Career Formation	**Open and Innovative Corporate Culture**	**More Supportive Work Environment**
Support trainings and other initiatives for employees to hone and enhance their expertise, while also encouraging autonomous career formation.	Pursue open discussions and trial-and-error approaches (challenges) that transcend boundaries between companies and organizations, contributing to even greater diversity.	Create a secure work environment for employees and expand and strengthen relevant supports.

Value Creation Process Related to Human Resources

Promoting initiatives that strengthen talent and organizational capabilities

Input
- Human resources
- NW/infrastructure
- R&D/service development
- Financial base
- Customer base

Key categories
- Climate change
- Human capital
- New value creation
- Resilience

Medium-Term Management Strategy
- Sustainable society
- Upgrading CX
- Improving EX

(P. 6: NTT Group Value Creation Process)

HR Strategy Pillars	Measure	Indicator	Outcome Outcome of value creation
Strengthening Support for Autonomous Career Formation	**Initiatives for employee growth** · Job-based system · Job Board (job posting system) · Two jobs/in-house side jobs/secondment opportunities · 18 specialized areas (external certification) · Training programs for acquiring expertise · NTT University · Specialist appointment · Career consulting	· Promotion rate · No. of employees who applied and got jobs using Job Board · No. of employees with two jobs or in-house side jobs · No. of employees studying overseas or dispatched externally · No. of employees with external certifications in the 18 specialized areas · No. of training programs · Training time/amount invested in training · Assignments of University graduates · No. of SG appointments · Career consulting utilization rate/satisfaction level	Securing talent with specialized skills (AI talent and global human resources, etc.)
Open and Innovative Corporate Culture	**Initiatives for organizational transformation** · D&I promotion (women/people with disabilities/LGBTQ) · Securing diverse personnel · Revitalization of employee communities · Proactive information dissemination (EX category) · Direct communication with executives · Promotion of co-creation and collaboration for the creation of new value	· Women-related indicators (hires/new appointments/managers/board members) · Women's career advancement index (career-oriented) · PRIDE Index/Kurumin/Eruboshi · Gender wage disparity · Hires of mid-careers/foreign nationals/doctors/technical college graduates/people with disabilities · No. of registered conference participants · Outreach frequency/page views · No. of dialogues held · No. of registered employees of co-creation sites	Expanding initiatives for innovation creation (TX indicators)
More Supportive Work Environment	**Creating a comfortable work environment** · Promotion of hybrid work · Diverse work styles (childcare/nursing care/medical treatment) · Occupational safety	· No. of remote standard employees · Male childcare leave rate/nursing care leave rate · Presenteeism loss rate · No. of employees on mental health leave · No. of human rights violations	Expansion of diverse work styles (Percentage of positive responses for autonomous work style)

Improving Engagement

Due to innovation creation

- Improved CX in growth areas (AI, IOWN, etc.)
- Business growth Increased revenue
- Improved productivity in existing areas
- Increased profit margin

Securing Talent with Specialized Skills (AI talent and global human resources, etc.)

Alongside enhancing individual expertise, we will make efforts to strengthen AI (digital) skills and global skills as skills to be developed across all areas.

■ Strengthening AI Talent

Digital technology is essential for IOWN- and data-driven creation and provision of new value. With advanced expertise and skills demanded more than ever, we are reinforcing our efforts to secure and develop talent. In addition to launching the AI Working Group, we offer trainings tailored to different levels for enhancing AI skills in each business area.

Furthermore, to promote appropriate use of AI and control AI counter-risk measures in line with the rapid spread of AI, we created the position of Co-Chief Artificial Intelligence Officer (Co-CAIO) and are enhancing governance (Appointment of CAIO, P. 80).

There are now approximately 2,000 core AI talent with expertise. We will continue to strengthen personnel skills, aiming to more than double this number by fiscal 2027.

■ Security Specialists

The NTT Group is training personnel for strengthening our security. As part of this effort, we have introduced a security expert certification system to certify expert-level personnel who are leading figures in the industry, with strong track records that have earned significant trust and recognition both internally and externally, as well as intermediate-level certified personnel who have sufficient practical experience and expertise.

Approximately 4,700 personnel are ranked intermediate and are certified to work in the security field, while about 100 are ranked expert and have industry-leading achievements that are recognized also by external experts.

■ Strengthening Global Human Resources

Approximately 151,000 employees of the NTT Group are working overseas. Global business growth is essential for achieving our Medium-Term Management Strategy. We will strengthen our efforts to secure and develop human resources who can work globally for the expansion of the Group's business in the medium to long term.

Expanding Initiatives for Innovation Creation (TX Indicators*)

The market environment is changing continuously, requiring us to adapt flexibly to these changes. This demands that we "continue taking on challenges."

The NTT Group listed the elements needed to "continue taking on challenges" in its Medium-Term Management Strategy.

We strive to transform into an organization and company that practices "trial and error," "openness," and "collaboration," with "D&I" as their foundation. To visualize how each employee's awareness has changed and to reflect this in our initiatives, we will establish "TX indicators" and strengthen our efforts accordingly.

* TX indicators: Transformation indicators. Our own indicators for achieving the "Open and Innovative Corporate Culture" mentioned in our Medium-Term Management Strategy.

Percentage of Employees Who Gave Positive Responses

	Trial & Error	Openness	Collaboration	D&I
(%)	61	63	69	63

(Reference) Challenge Indicator Questions

Trial & Error	Openness	Collaboration	D&I
· My supervisor allows me to take risks. · I can change traditional methods. · Our company learns from failures. A total of six items including the above	· I can freely express my opinions. · Open and honest communication takes place. · I can ask questions without hesitation, accept failures, and point out issues. A total of six items including the above	· There is effective collaboration between teams. · We work together to accomplish tasks. · My supervisor sets an example of collaborating properly with other teams. A total of four items including the above	· Having diverse views is valued and encouraged. · I feel I am part of the company. A total of six items including the above
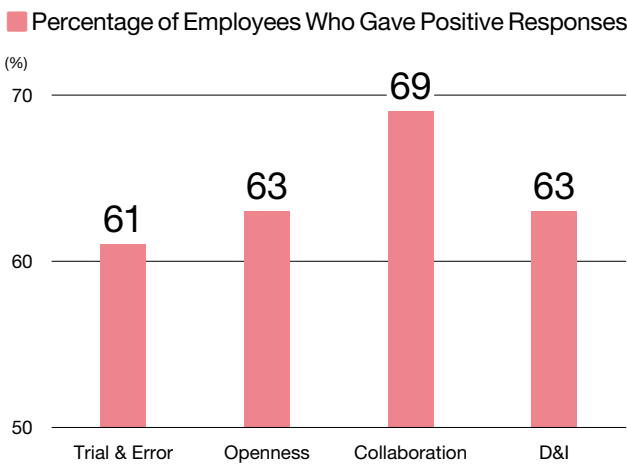
Expansion of Diverse Work Styles (Percentage of Positive Responses for Autonomous Work Style)

The fiscal 2023 engagement survey results revealed that employees who are able to work autonomously have a positive impact on engagement and other EX indicators. We will monitor this as an indicator for promoting diverse work styles.

Legend: Engagement, Inclusion, Well-being, Intention to continue working. X-axis: ↓Unable ← to Work Autonomously → ↑Able
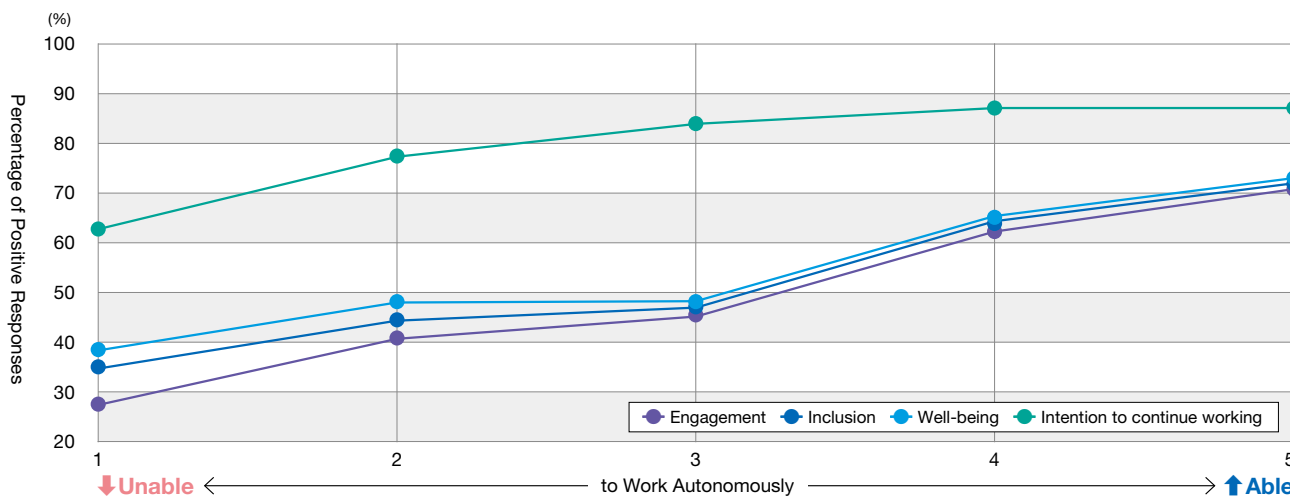
Improving Engagement

The NTT Group has established four indicators for measuring engagement as NTT Group Key Performance Indicators (KPIs).

By introducing Qualtrics, the NTT Group-wide experience management platform, and taking actions for improvement, we hope to increase the number of highly engaged employees who identify with the company's and organization's policies and strategies, as well as feel pride and take initiative in their work. Additionally, with the aim of improving employee engagement as a company, we set it as a criterion for the performance bonuses of board members and managers.

In fiscal 2023, the percentage of positive responses was 54%, falling short of the improvement target compared to the baseline year (percentage of positive responses in 2022: 57%).

NTT Group's Four KPIs

1. I am motivated to contribute more than is required to get the job done at the company (willingness to make contributions)
2. I am proud to work at this company (attachment and pride)
3. I would recommend our company as a great place to work to those I know (attachment and pride)
4. I gain a sense of personal accomplishment through my work (satisfaction)

■ Strengths of the Maintenance Area (items that are strongly correlated with the four KPIs and are evaluated positively)

Over 70% of employees responded positively about their relationships with supervisors and colleagues, psychological safety, and diversity, indicating that they are able to perform work in an inclusive environment.

In the maintenance area, including psychological safety, we will strengthen efforts to build good relationships between employees and teams, including through one-on-one meetings.
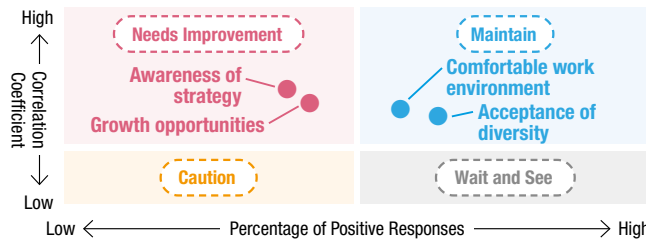
■ Initiatives in the Area Needing Improvement (items that are strongly correlated with the four KPIs and are evaluated negatively)

The items on which only about 40% of employees responded positively were "Opportunities for growth (ability to achieve career goals)," "Strategy penetration (having confidence in the future of the company)/change management (receiving support for organizational changes)," and "The management team is addressing employee feedback."

It demonstrates that employees do not clearly understand and have not made sense of the company's strategy (e.g., future direction, vision, associated revisions to personnel systems), and this is reflected in communication challenges between employees and managers and in metrics related to change management.

In light of these findings, we will expand opportunities for dialogue between the management team and employees. We will also hold exchanges of views regarding survey results within each company and organization, thoroughly discussing and consistently deliberating over organizational specific issues.

Supporting Autonomous Career Formation

The NTT Group puts efforts into supporting employee growth (human capital investment), in order to ensure that the right personnel are assigned to positions fulfilling the roles necessary for achieving our Medium-Term Management Strategy.

Career Development Support System

(1) System for Managers

To break away from annual and seniority-based systems and create and expand opportunities for employees to challenge themselves, we introduced a job-based personnel salary system for all managers in October 2021. This allows for flexible placement of the most suitable talent in roles and positions necessary for achieving our strategy, which will maximize our organizational performance.

The promotion rate of managers (the percentage of managers who were assigned at a rate exceeding previous promotion speeds during the July 2023 personnel transfers) was 18.8%. We are steadily breaking away from annual and seniority-based systems and transitioning from placing the right person in the right job to finding the right job for the right person. We will continue our efforts to ensure that suitable talent is placed in roles and positions necessary for our business growth.

(2) System for General Employees

To enable employees to pursue and achieve their career visions more autonomously, we have changed to a system that prioritizes the acquisition of expertise rather than years of service, age, or years of experience. Specifically, we have established 18 specialized areas attuned to external markets, as well as "grading standards" that clarify the required expertise and level of action for each area. In addition, based on these "grading standards," we have implemented an absolute evaluation system that allows high-performing employees to be duly recognized, abolished the minimum years of service required for promotions, and established a system in which employees are promoted and paid according to the degree of expertise they have acquired and demonstrated.

The promotion rate of general employees (the percentage of employees who were promoted at a rate exceeding previous speeds during the October 2023 promotion of general employees) was 10.0%, indicating an increase in employees undertaking autonomous career formation and challenges.

Moving forward, in every phase—from recruitment and development to placement—we will continue with operations that emphasize specialization, thereby facilitating the autonomous career development of our employees.

System & Compensation for Highly Specialized Personnel

Specialist Grade (SG)

We have established a Specialist Grade as part of our personnel and salary system focusing on specialized expertise. This grade offers higher compensation to employees who possess particularly marketable skills and deliver exceptional performance. This system allows specialized personnel to receive compensation equivalent to that of managers. By broadening employees' career options, we will further enhance employee motivation and performance.

NTT Group SG Networking Event

Participants shared their passionate views, e.g., "I'm happy I can now prioritize my life and engage in work that makes the most of my expertise (realize work-life integration)," "I want to become a leading expert in the world, not just in the NTT Group," and "I would like to have many more opportunities to communicate outwardly."

Professional Employee System

We have introduced a system that offers higher levels of compensation for employees who fully leverage highly specialized skills and experience in specific industries and fields.

<Examples>
· As a foremost authority in the financial payment sector, manage the entire wallet service business and actively pursue partnerships with strategic partners
· As a specialist in networking and IoT, also holds a position as a guest researcher at universities and makes appearances at numerous international conferences

Researchers (Fellow, Senior Special Researcher, Special Researcher)

Fellow : A special title given to emblematic researchers who have exceptional research achievements that are recognized worldwide

Senior Special Researcher: A title given to exceptionally talented researchers from among the Special Researchers who are expected to provide long-term contributions

Special Researcher : A title given to innovative researchers recognized for their excellence around the world

As personnel who have made significant achievements and contributed to producing research outcomes in their specialized fields, we have recognized 11 Fellows, 28 Senior Special Researchers, and 67 Special Researchers.

For details on Fellows, Senior Special Researchers, and Special Researchers:https://www.rd.ntt/e/organization/researcher/

### Expanding Opportunities for Challenges and Supporting Growth

Training Programs for Acquiring Advanced Expertise and Skills

We have expanded our training programs to allow for more effective acquisition of advanced expertise and skills in the 18 specialized areas.
(1) Training to support acquiring external certifications tailored to each area of specialization
(2) Training to improve unique specialized skills not solely obtained through certifications
(3) Training to gain common skills
We now offer roughly 1,000 courses structured around the above three trainings. Employees can select from these training programs based on their own career plans and skill development goals, and proceed with their learning accordingly.

The average training time per employee was 40.7 hours (+2.7 hours over the previous year), and the training cost per employee was 117,000 yen (+14,000 yen over the previous year).

(Thousand yen) / (Hours)

	2020	2021	2022	2023
Training cost	91	90	103	117
Training time	24.0	34.0	38.0	40.7
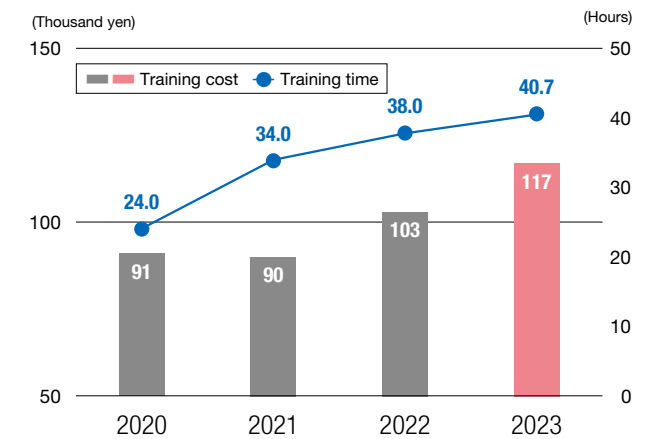
Penetration of Career Design

We held Career Design Week 2023, an event aimed at deepening understanding of "career development envisioned by each employee" and "career development of management personnel." The event featured a variety of programs, including lectures on career development and learning by outside experts, presentations by current board members of the holding company on careers and support for the NTT Group's management personnel, and interviews with employees excelling in specialized fields.

Column

NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Legal Office, General Affairs Department
Tatsuya Nakamori

Interview with an employee working in his field of expertise

Legal departments of companies carry out a lot of behind-the-scenes work, and they have had few opportunities to step out in front of the public. Nowadays, however, company legal officers speak at seminars as lecturers, or young legal staff at the NTT Group are taking the lead in publishing books. In line with this trend, I too hope to draw on my legal background to communicate compellingly both inside and outside the company, and contribute to enhancing the overall presence of the NTT Group.

NTT Group Job Board (job posting system)

We created NTT Group Job Board, a system that supports voluntary employee transfers by allowing for ongoing recruitment and timely applications. In the year since July 1, 2023, approximately 1,000 employees applied for transfers, about six times more than through the old job posting system used until the previous fiscal year, indicating that more employees are challenging themselves at their initiative.
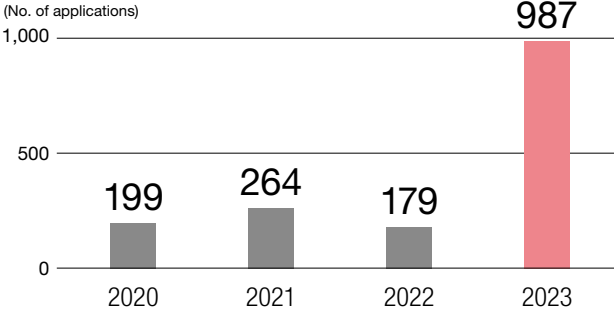
In-house Side Jobs (two jobs)

To foster skill development and independent career growth, we have introduced a system of side jobs (two jobs). This system allows employees to allocate a portion of their work hours to tasks in other departments while maintaining their responsibilities in their current roles. We will continue to promote an environment that fosters proactivity and self-growth for employees within the NTT Group.

Career Consulting Service

A variety of factors, including the field in which they wish to work, desired roles and positions, specialized skills, strengths and weaknesses, and life events, can impact career planning. To support employees, we have assigned dedicated career consultants for the Group since July 2023. These consultants, who hold national certifications and are rich in experience, will provide individualized career advice to each employee.

(No. of applications)

2020	2021	2022	2023
199	264	179	987

Column

NTT Communications Business Planning, Solution & Marketing Division
Yui Matsuzawa

Transferred to NTT Communications Using Job Board

Because of the job posting system, I was able to develop my career plan autonomously with a sense of hope.

I saw an opening in my desired field and transferred to HR using Job Board. I have two jobs in HR through which I am broadening my knowledge and experience. I have also been able to devote time to studying and enhancing my skill set, including obtaining national certification in career consulting. Using Job Board and choosing my own career has given me a greater sense of responsibility, fulfillment, and motivation.

Systematically Fostering the Next Generation of Management Personnel

NTT University

In an ever-changing business environment, we operate NTT University as an initiative for developing a diverse range of management personnel who possess broad perspectives and experience and are filled with the ambition to lead the world. In addition to the Next Executive Course (NEX) aimed at those striving to be promoted to executive officers within five years, in July 2023, we launched the Future Executive Course (FEX) aimed at potential future executives.

We select personnel regardless of their years of service or age who are committed to becoming executives based on meritocratic principles, and we support their growth as management-level personnel. Centered around difficult assignments that entail solving critical and challenging management issues, we provide a mentoring program that offers opportunities for learning and insights through dialogue with current board members,as well as external conferences, seminars, training, and other selective support programs.

Approximately 150 students (30% women) in NEX, as well as 230 students in FEX, are committed to becoming the next generation of leaders.

Of the 88 students who graduated NEX in fiscal 2022 and fiscal 2023, 32 have already been appointed as directors and executive officers.

Management Position

Details

NTT University Next Executive Course
Aiming to become executive officers within five years
Approx. 150 people

NTT University Future Executive Course
Aiming to become executive officers in the future
Approx. 230 people

Increase and reinforce specialization (fostering professional human resources)

Stretch Assignment
Achieve growth with actual duties in a position resolving management issues

Mentoring Program
Support autonomous growth through dialogue with Group management

Support Program
Support growth utilizing internal and external programs

Open and Innovative Corporate Culture

The NTT Group listed the elements needed to "continue taking on challenges" in its Medium-Term Management Strategy. We strive to transform into an organization and company that practices trial and error, openness, and collaboration, with D&I as their foundation.

Increasing Opportunities for Dialogue between Management and Front Line Staff

To achieve the Medium-term Management Strategy, management at NTT Group companies are actively creating opportunities for dialogue with employees. Since the beginning of his term, NTT's president, with a commitment to always focus on the front lines and be there for every single employee, regularly visits front lines in growth and new business areas and continues to communicate the NTT Group's initiatives and his personal vision. The dialogues with employees are shared with employees on our owned media platform.* In particular, efforts are made so that a wide range of employees across Group companies can view the dialogues with the holding company's management.

*The NTT Group inner communication site "NTT News Network" regularly shares updates on Group companies' initiatives, messages from executives, and more.

Promoting a Challenge-oriented Mindset through Conferences

The NTT Group holds conferences from various perspectives, such as sustainability, CX, DX, and EX. Through these conferences, we shine the spotlight on employees who are challenging themselves in various fields, and thereby, promote a challenge-oriented mindset throughout the Group.

Sustainability Conference

The NTT Group holds the Sustainability Conference annually to introduce and share projects that contribute to a sustainable society undertaken by NTT Group companies in Japan and abroad, aiming to promote awareness of sustainability management across the entire Group.

The 11th conference held this fiscal year received 149 project entries from a record-high 22 countries and regions. Recipients of the Grand Prize, the Excellence Award, and the Audience Award were selected from among the 56 projects that passed the first screening. ()

■ CX Conference `CX`

As part of our efforts to improve CX, which is one of the pillars of our Medium-Term Management Strategy, the CX Conference was held to share the CX initiatives of NTT Group companies.

■ TSUNAGU Conference `DX`

We held an event highlighting employees from Group companies who are working hard on DX projects. It shared case studies and how they addressed challenges in promoting DX, aiming to give further momentum to DX efforts across the entire Group.

■ Conference to Learn from Failures `EX`

This conference was organized to share failures that could lead to future successes and consider how we should embark on future endeavors based on the lessons. By coming together and reviewing various case studies openly, we will cultivate a culture of trial and error.

Securing Diverse Personnel (Recruitment Activities)

■ Recruitment Activities for Securing Diverse Personnel

The NTT Group carries out a range of recruitment activities. Approximately 60% of our hires are new graduates and 40% mid-career. Both new graduates and experienced hires are graded based on their expertise and skills.

Ratio of Mid-Career Hires

Target **30%**
Result **40%**

Mid-careers **40%**
New graduates **58%**
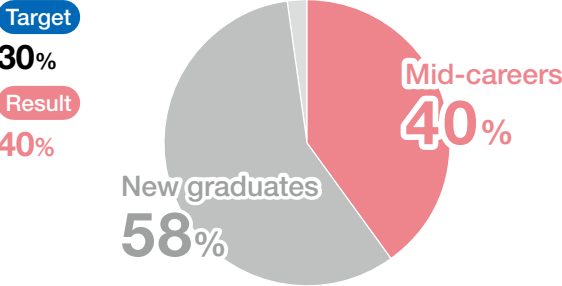
Ratio of Women Among New Graduate Hires

Target **30%**
Result **38%**

Women **38%**
Men **62%**
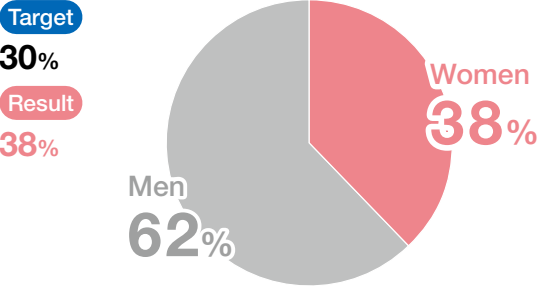
■ Initiatives for Alumni

We have an alumni community for employees who have left the NTT Group. To foster new relationships that are not bound by place of employment, we actively hold workshops and other activities to grow the network of peers with whom we can collaborate to bring value to society. Through such activities, we will create new business opportunities not confined by the NTT Group's existing business areas and promote open innovation.

Promoting Diversity & Inclusion (D&I)

■ Message from Top Management

A new message from the CEO on promoting D&I was released in March 2024.

> Diversity and Inclusion (D&I) is an important management strategy for the NTT Group, which is "NTT as a Creator of New Value and Accelerator of a Global Sustainable Society". In May 2023, we announced our Medium-Term Management Strategy, which positions D&I as the foundation of the corporate culture necessary for the creation of new value.
>
> In recent years, customer needs have diversified, social issues have become more complex, and the pace of technological evolution has increased. This means each employee must enhance their expertise and challenge themselves to create and innovate while combining knowledge and values from different fields and cultures.
>
> By allowing diverse members to openly share their opinions in the decision-making process, we can overcome the risks that homogeneous organizations run into.

Excerpt from "Promoting Diversity and Inclusion," March 2024 https://group.ntt/en/diversity/message.html

■ D&I Statement: Our Commitments

· Based on international standards, we aim to be an organization where all individuals, regardless of their characteristics and values[*1], are accepted for who they are, have equal opportunities, take on challenges without fear of failure, and continuously grow through mutual improvement. We will also work to enhance the well-being of each individual, improve engagement, and realize work-in-life.

· With social responsibility in mind, we contribute to create a more diverse, inclusive and sustainable society through connecting precious resources such as people, the environment, and culture to the future.

*1 Regardless of ethnicity, race, nationality, origin, class, religion, belief, language, culture, gender, sexual orientation, gender identity, age, disability, disease/health status, appearance, values, family status, lifestyle, or any other social or personal characteristics

■ Ensuring Diverse Management and Managers

In the NTT Group, we have established numerical targets for the ratio of female board members and managers to ensure that a diverse range of opinions is represented in decision-making processes. In the holding company, the ratio of female board members is already 38.5%, achieving the target ahead of schedule. The ratio of female directors, Audit & Supervisory Board Members, and executive officers, respectively, also exceeds 30%. Group companies are also making steady progress toward reaching their targets.

Target	Result
Ratio of female board members: 25–30%/FY2025	➡ **23.7**% (+2.7% YoY) (Holding company: 38.5%)
Ratio of female managers: 15%/FY2025	➡ **11.8**% (+1.4% YoY)
New female manager promotion rate: 30%/Every year	➡ **27.9**% (-1.8% YoY)

Ratio of Women at Five Major Domestic Companies[*2]

	FY2020	FY2021	FY2022	FY2023	FY2024	Target
Board members[*3]	10.6% (17 women)	11.4% (20 women)	17.7% (32 women)	21.0% (35 women)	**23.7**% (40 women)	**25–30%** (FY2025)
Managers — Manager Ratio	7.3% (1,506 women)	8.7% (1,830 women)	10.4% (2,128 women)	**11.8**% (2,364 women)		**15%** (FY2025)
Managers — Ratio of Newly Appointed Managers	—	29.1%	29.7%	**27.9**%		**30%** (FY2021 onwards)
General staff	22.7% (11,166 women)	23.0% (11,436 women)	25.2% (11,488 women)	25.5% (12,257 women)	—	—

2 The scope includes five major domestic companies: NTT, NTT DOCOMO, NTT East, NTT West, and NTT DATA Group*.
* NTT DOCOMO includes figures from NTT Communications. Furthermore, NTT DATA Group includes figures from NTT DATA and NTT DATA, Inc.
*3 Board members consist of directors, Audit & Supervisory Board Members, and executive officers.

In addition, for managers, our owned media[*4] regularly features stories about career role models who have stepped up in their careers while staying true to themselves. They also attend panel discussions of various training sessions. By sharing their personal experiences directly with participants, they give encouragement to employees who may be struggling with their careers.

*4 Managers from NTT Group companies are introduced on "& manager" on the NTT Group inner communication site "NTT News Network." Similarly, general staff are introduced on "& people."

■ D&I Seminars

In fiscal 2023, we launched theme-specific D&I seminars that employees can attend based on their interests and preferences. Held monthly, the seminars choose topics that are useful for both workplace management and work processes, including balancing work and life events, such as childcare, nursing care, and medical treatment, help seeking, and management that leverages diversity.

Also, in addition to off-the-job training, we provide on-the-job training, including putting employees in tough assignments, with the intention of training female employees with the skills, mindsets and experiences necessary for promotions.
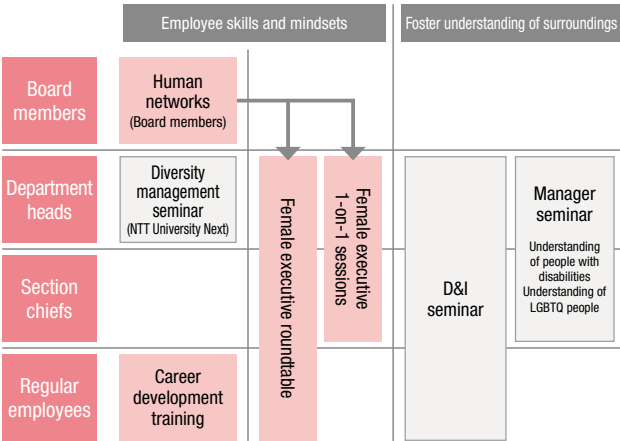
■ Mentorship Program by 25 Female Executive Officer Volunteers from the NTT Group

Female executive officers from the NTT Group launched a voluntary group in 2022, and there are currently 25 members. They conduct activities that leverage their experience and knowledge, including a mentorship program that has expanded to include not only female employees but also local students. In fiscal 2023, they organized 28 roundtable discussions with female employees across Japan, including laboratories, and 257 people participated. Furthermore, as their first public event, they held a technology workshop for junior high school students in Yokosuka, Kanagawa, aimed at heightening interest in their work. A total of 68 students attended over two days. These activities will continue to be held with plans to expand into other regions.

Career design discussion attended by executive officers

Exchanging views with executive officers on diversity and inclusion (D&I)

■ Gender Wage Disparity

In our human resources and salary system, there is no wage gap based on gender. The main factors for the wage disparity between men and women are as follows:
· For regular employees: the ratio of women in managerial positions is lower than that of men
· For non-regular employees: men occupy a larger percentage of high-paying specialized posts

The NTT Group announced the Plan to Double the Number of Female Managers in December 2013, setting a target of 30% women in new graduate hires. We have been actively hiring women, leading to a younger age demographic among female employees, and currently, most are in non-managerial roles. In September 2021, as part of the Transformation to a New Management Style, we set a target for 30% of newly appointed managers to be women. The numbers have been making steady gains, recording 27.9% in fiscal 2023.

Female employee wage ratio when male employee wages are set to 100 (Fiscal 2023)

All employees	Regular employment	(Repost) Managers	(Repost) Non-managers	Non-regular employment
77.7%	77.6%	91.3%	82.6%	83.1%

(Note) The scope includes five major domestic companies (NTT, NTT DOCOMO*, NTT East, NTT West, and NTT DATA Group*).
  * NTT DOCOMO includes figures from NTT Communications. Furthermore, NTT DATA Group includes figures from NTT DATA and NTT DATA, Inc.

■ Promoting the Advancement of Employees with Disabilities

The NTT Group actively hires people with disabilities and is expanding their workplace opportunities. We create jobs that use the unique strengths and characteristics of employees with disabilities. They include web accessibility diagnosis, production of hand-made paper from recycled paper, office massages, and agricultural and cleaning projects in cooperation with local communities.

Approximately 4,000 employees with disabilities work at the NTT Group. Around 3,000 of them are directly employed by NTT Group companies, while another 1,000 work at our special subsidiary companies. The employment rate of people with disabilities in June 2024 was 2.57% (+0.06 points over the previous year).

The NTT Group's Employment Rate of People with Disabilities (as of June 1, 2024)

(%)

2021	2022	2023	2024
2.45	2.47	2.51	2.57
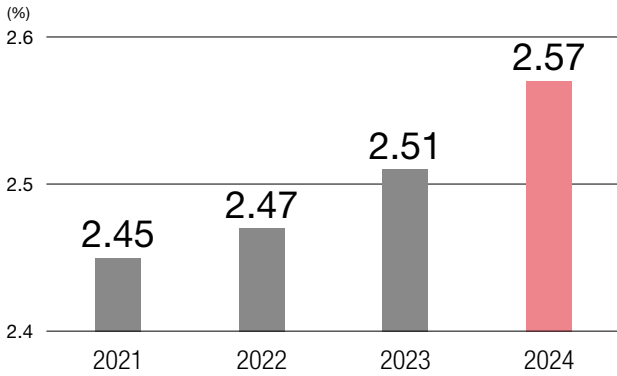
■ Employment Promotion Initiatives

· The NTT Group People with Disabilities Employment Promotion Project

To promote the employment of people with disabilities across the entire NTT Group, we regularly exchange opinions on Group company initiatives and measures for retaining employees with disabilities. As part of this effort, a joint information session participated by NTT Group companies was held for the first time in July 2024 at Tsukuba University of Technology, a university for people with visual and hearing disabilities.

Company information session at Tsukuba University of Technology

■ Fostering Understanding of Employees

· Neurodiversity Promotion Seminar

An online seminar for managers titled "Facing Diversity and Working Collaboratively: Promoting Neurodiversity" was held, aimed at understanding the mindset, know-how, and methods necessary to face diversity and work collaboratively.

· Training for Expo 2025 Osaka, Kansai, Japan Staff

The NTT Group is a Pavilion Partner of Expo 2025 Osaka, Kansai, Japan. To reinforce awareness of D&I during the Expo, special subsidiary company NTT Claruty Corp. (NTT Claruty) provided a trial Diversity Training through Disability Experiences for the NTT Group Expo Team. Based on recommendations received from all trial participants, the training will expand its scope this fiscal year and is to be offered jointly by NTT Claruty and special subsidiary company NTT West Lucent Corp.

Training for Expo 2025 Osaka, Kansai, Japan staff

■ Community and External Exchanges

We organize the NTT Art Contest, events using the remotely operated robot OriHime, and other opportunities, aimed at deepening many people's understanding of the NTT Group's initiatives to promote the active participation of people with disabilities.

· NTT Art Contest

The NTT Group holds the NTT Art Contest as part of its activities to empower people with disabilities, based on the concept of "Illuminating Individuality with the Power of Art: For a World Where Everyone, with or without Disabilities, Can Shine." With the cooperation of Japan Airlines Co., Ltd., which endorsed this concept, we invited submissions in fiscal 2023 under the theme of "An Expanding World," which expresses how each person's brilliance can shine a new world. A total of 554 works were submitted from Japan and overseas.

Award ceremony for the FY2023 NTT Art Contest
(https://www.u-x3.com/nttart2023_award/)

■ Initiatives for Fostering Understanding of LGBTQ People

The NTT Group aims to become an organization where everyone can stay true to themselves, regardless of sexual orientation, gender identity, or gender expression. We regularly conduct training for managers and hold ally meetings across the Group to foster understanding of LGBTQ people and other sexual minorities. Institutionally, we began the application, in principle, of all systems for spouses to same-gender partners who have the equivalent of spousal relationships with employees. In addition, we have created a handbook that outlines topics such as the use of common names and guidelines on restroom use to foster employee understanding.

■ Fostering Understanding of Employees

· Member & Ally Exchange Meeting

The NTT Group has been a sponsor of Pride House Tokyo since 2020. While we have previously held ally meetings across the Group, in order to create an environment where LGBTQ members can participate more comfortably, we organized an exchange meeting that included LGBTQ people and other sexual minority participants, with the cooperation of Pride House Tokyo. Participating employees were very satisfied, and the meeting contributed to fostering understanding.

· Seminar for Fostering Understanding of LGBTQ People

With the participation of NTT Group employees who identify themselves as LGBTQ and with the cooperation of Pride House Tokyo, we held a seminar to foster understanding of LGBTQ people across the NTT Group. Members of the L, G, B, T, and Q communities shared their life histories to help attendees recognize that there are all kinds of sexual orientations, gender identities, and gender expressions, and that each person faces different challenges. Panel discussions were also held on both gender identity and sexual orientation, which provided deeper insights. Through these efforts, we are fostering understanding of LGBTQ people and other sexual minorities.

■ External Initiatives

· Participation in Tokyo Rainbow Pride

The NTT Group participated in Tokyo Rainbow Pride, one of Japan's largest fan events focused on LGBTQ people and other sexual minorities. At our booth, we introduced the NTT Group's initiatives and interacted through a rainbow-colored public telephone.

Additionally, we encouraged broad participation in the parade, and approximately 200 NTT Group employees took part.

· Partnership with Pride House Tokyo and Japan Rugby League One

The NTT Group is collaborating across sectors with Japan Rugby League One and NPO Pride House Tokyo, with the aim of achieving an inclusive society where everyone can be themselves through rugby, regardless of gender identity, sexual orientation, or gender expression. As part of this initiative, we distributed jointly produced leaflets during the League One finals.

· Participation in Diversity Career Forum

We participated in Diversity Career Forum, one of the largest career forums in Japan focused on D&I. Through panel discussions, we introduced NTT Group's D&I initiatives, and through meetups between employees and participants, we outlined the NTT Group's company profile.

(Left) The NTT Group's parade participants, Tokyo Rainbow Pride 2024
(Right) An original public telephone made by an NTT East employee exhibited at the NTT Group booth, Tokyo Rainbow Pride 2024

In PRIDE Index 2023, an evaluation index for LGBTQ initiatives in the workplace developed by work with Pride, 23 NTT Group companies were awarded gold ratings, which indicates that the companies fulfilled all five indicators of the certification criteria.

● More Supportive Work Environment

The NTT Group has increased the opportunities for diverse talent to thrive. Notably, recognizing the issue of career disruptions due to life events, such as childcare, nursing care, or a partner's job transfer, we have introduced various support systems for employees. We believe promoting diverse work styles leads to improvements, including productivity and motivation. We will continue to listen to employee feedback and strive to create an environment where all employees can work by staying true to themselves.

A Choice of Work Styles (Freedom of Work Location, Hours, and Place of Residence)

■ A Choice of Work Styles

The NTT Group is expanding various systems with the aim of giving employees more work style options suited to their lifestyles.

Work location	Remote work, expanded satellite office locations, etc.
Work hours	Flexible hours, split shifts, etc.
Place of residence	Remote standard

Since the introduction of the remote standard system, we have been enhancing work-life integration, including the decrease in the number of employees given solo transfer assignments by about 1,500, and the increase in the number of employees who work while residing in remote locations. The fiscal 2023 engagement survey found that, among the employees who used the remote standard system, those who experienced changes in their work style (such as elimination of solo transfer assignments or increased opportunities to work from their parents' home) showed engagement levels that were 5 to 10 points higher than those who did not experience such changes. The remote work implementation rate as of the end of fiscal 2023 was 65.6%.

--- Column ---

Accounts and Finance Department, NTT East
Reina Takaki

About the Remote Standard System

After getting engaged, I began thinking about living with my partner in Osaka where he was based. I was conflicted between my desire to live together as a family and not give up my career.

Using the remote standard system, I was able to continue working in my current department while living in Osaka. Thanks to this system, I could integrate work and life without having to sacrifice work or life.

■ Introduction of Early Morning Work Starting at 5 a.m. (Since July 2024)

In the employee awareness survey, mainly employees raising children expressed a strong desire for "early morning work (starting at 5 a.m.)" to be able to concentrate and work. Our flexible hour system has enabled employees to split shifts, and furthermore, start work at 5 a.m. regardless of the reason. This allows for greater flexibility in working hours, for example, starting work at 5 a.m. when employees can focus on their work, then pausing at 7 a.m. for childcare, and resuming at 10 a.m., which will contribute to enhancing work-life integration.

Balancing between Life Events and Work

To help employees balance diverse work styles and childcare, nursing care, and medical treatment, we have been offering D&I seminars for all employees since fiscal 2023. Employees can sign up for seminars on their topics of interest. From this fiscal year, we have increased the number of seminars and topics, adding content related to management skills necessary for balancing life events and work, help seeking, and the mindset required for balancing these responsibilities. Employee, manager, and other trainings tailored to the topics are offered.

■ Establishment of Fertility Treatment Support Leave (Since July 2024)

Employee engagement and other surveys revealed that among those balancing work with medical treatment, those undergoing fertility treatment made up the highest percentage of employees who responded that balancing the two was difficult. The reason cited was scheduling adjustments around treatment, and the most desired support was leave and other such considerations.

In addition to existing systems, we established fertility treatment support leave, believing that it was important to accommodate various work style needs to help diverse talent thrive, including long-term leave for those who wish to focus on fertility treatment, both mentally and physically.

■ Salary Measure for Employees Returning from Childcare, Nursing Care, or Other Leaves (Since June 2024)

The NTT Group has offered childcare and nursing care leave systems that are more comprehensive than national systems. Previously, in cases where an employee took leave for the entire evaluation period due to childcare or other leaves and did not perform any work over that duration,* the employee was marked as "not evaluated." To increase motivation upon returning to work and to make childcare and nursing care leaves easier to take, we have introduced a new measure where returning employees receive a certain salary adjustment (specifically, instead of "not evaluated," employees receive an evaluation that is one level higher).

*Employees have been evaluated if they worked even for a day during the evaluation period.

■ Ratio of Male Employees Taking Time Off Work for Childcare

Following amendments to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, we actively encouraged our employees to take advantage of the available leave systems through individual meetings and other channels. We managed to achieve a result of 128.5%, exceeding our fiscal 2023 target of 100%. In addition, 60.5% took short-term leave (-11.1% over the previous year) and 39.5% took long-term childcare leave (+11.1% over the previous year). To forge an environment in which it is easy to take long-term childcare leave, we will continue to not only promote uptake among individuals, but also actively encourage organizations and supervisors to support this.

* Percentage of male workers using paternity leave or other leave for childcare purposes (number of male employees with children up to the beginning of elementary school enrollment in fiscal 2023 who took time off work for childcare/number of employees whose partners gave birth in fiscal 2023)

Ratio of Male Employees Taking Time Off Work for Childcare

(%)

	2022	2023
	114.1	128.5
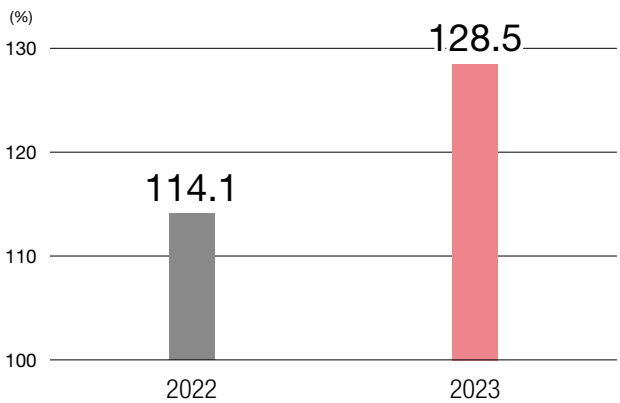
Column

NTT Marketing ACT ProCX
Takaaki Irimiya

As an Employee Who Took Childcare Leave

So many changes occur in a child's growth process. Every day was a joy seeing these changes up close. Parenting is not always fun and games. There are also many challenges. I realized that working with my partner and overcoming them together deepened our family bond.

Health Management

Health management is pursued as a key corporate strategy. We believe that giving due consideration for the health of our employees as well as their families will motivate and invigorate each employee (improve EX) and lead to the growth and development of the Group as a whole. By actively promoting the health of our employees, we will achieve the indicators set in the Health Management Strategy Map, keep down total medical expenses, and improve productivity.

Approach to health → **Maintain and promote the health of employees and their families** → **Motivate and invigorate each employee (improve EX)** → **The Group's growth and development**

- Health initiatives and health-shaping culture
- · Health checkup results
- · Stress check results
- · Pulse Survey results
- · Exercise status (d Healthcare)
- · Engagement survey
- · Work style survey (health-related culture survey, etc.)
- · Presenteeism survey (survey of productivity loss due to health issues)
- · Absenteeism survey (losses due to missed work, e.g., absence rate)

Brush up our approach and methodology based on feedback on each indicator result

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Health Management Strategy Map (2024–2026) *Fiscal 2026 Targets*

Actions (processes) — **Results**

- **Activity support**
- **Understanding and discovery**
- **Disease risk reducing activities**

Target setting item — Periodic health checkup receiving rate — **100%**

Target setting item — Specific health checkup receiving rate — **100%**

Target setting item — Specified health guidance receiving rate — **14.5% or less**

Target setting item — Smoking rate — **12.0% or less**

Target setting item — Specified health guidance completion rate — **60.0% or more**

Management indicator — d Healthcare registration rate

Management indicator — Percentage of employees who maintain a healthy body weight

Management indicator — Percentage of employees who have high blood pressure, blood sugar, or cholesterol

Target setting item — Stress check participation rate — **98.5%**

Target setting item — Overwork interview implementation rate — **100%**

Management indicator — Number of employees who work more than 80 or more than 45 hours a month

Management indicator — Percentage of employees who get enough sleep

Management indicator — Percentage of employees who regularly exercise

Original company measures

Medium-term target — Medical-care-cost growth rate per employee (year on year) — **2.0% or less** → **Reduction of total medical care costs**

Medium-term target — Incidence of employees working while undergoing medical treatment (A or B) (incidence per 1,000 employees) — **17.7 employees or fewer** — Mental: 13.1 employees or fewer — Physical: 4.5 employees or fewer

Presenteeism loss rate — **6% or less** → **Productivity improvement**

■ Promoting Health Activities and Behavioral Changes with "d Healthcare" at the Core (Healthcare Portal)

We are working to implement effective measures through central management and analysis of various information on health promotion measures that have been individually developed. As part of these efforts, we implemented initiatives to make d Healthcare into a portal for an array of healthcare services.

(1) "Pulse Survey" for promoting self-care and line care <Improving convenience>

(2) Viewing the results of periodic health checkups (including physical examinations), etc. <Promoting health activities and behavioral change>

(3) Stress checks <Improving convenience and promoting health activities and behavior change>
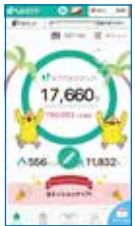
■ 2023 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category [White 500])

We were chosen as a 2023 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category [White 500]) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. We will continue to strengthen our efforts to further encourage health management.

* Certified Health & Productivity Management Outstanding Organizations Recognition Program: A program that recognizes corporations, including both large and small-to-medium-sized corporations, that practice particularly excellent health and productivity management based on initiatives that address local health issues and the health promotion initiatives supported by the Nippon Kenko Kaigi.

■ Comprehensive Employee Benefits

A cafeteria plan is being introduced across the entire NTT Group. The plan includes health promotion measures such as comprehensive medical check-ups, assistance for acquiring health IT devices, and support for asset accumulation. Employees can use their allocated points to freely select from these menu options. A core menu is also available, offering a range of options that do not require points, such as comprehensive medical check-ups and genetic testing for the early detection of diseases such as lifestyle-related illnesses and cancer, the risks of which increase with age. We also offer a range of options that can be chosen at any time, such as fitness club subsidies and smartphone app-based health improvement programs.

Human Rights Policy

The NTT Group is committed to respecting global human rights and believes it is an important corporate social responsibility. The 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 included the existing NTT Group Global Human Rights Charter in the NTT Group Global Sustainability Charter and established the new NTT Group Global Human Rights Policy in November 2021. While supporting international covenants and treaties as a company with global operations, the NTT Group internally and externally discloses its human rights policy that complies with global standards. This policy applies to all employees and board members of The 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 on 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 the NTT Group. In addition, due diligence will be conducted among the stakeholders in the entire business value chain, and direct dialogue will be the basis of our efforts, especially with major suppliers. The status of these initiatives will be disclosed on our website in an effort to continuously evaluate and improve the process.

■ Human Rights Due Diligence Survey

NTT conducted a human rights due diligence survey in fiscal 2023. While Japan is considered to have low human rights risks in international rankings, NTT proactively picked up key human rights issues that may arise domestically and conducted the survey, using a self-assessment questionnaire with a focus on identifying human rights risks in view of international standards and recent trends. In accordance with the NTT Group Global Human Rights Policy, we carried out the survey and analyzed its results following the human rights due diligence process. No major human rights risks were discovered. We will continue to identify, prevent, mitigate, and correct human rights issues globally, while scaling up these efforts within the NTT Group. We will strive to improve human rights awareness and human rights management throughout the NTT Group.

List of Human Rights Issues

1	Respect for human rights (compliance with international norms)
2	Non-complicity in human rights violations, compliance, social security, and fair competition
3	Prohibition of discrimination and equality before the law
4	Access to (legal) remedies
5	Thorough procurement practices (management of business partners)
6	Harassment and abuse
7	Women's rights
8	Child labor (respect for the right to education)
9	Forced labor
10	Occupational health and safety
11	Work hours (right to rest and days off)
12	Adequate working conditions (including access to water)
13	Wages (right to an adequate standard of living)
14	Freedom of association and right to collective bargaining
15	Freedom of expression
16	Rights of indigenous people and local communities
17	Consumer interests (consumers' safety and right to know)
18	Management of consumer personal information
19	Thorough management of sales destinations (general human rights violations by sales destinations)

Basic Policy on Customer Harassment

The NTT Group established the "NTT Group Basic Policy on Customer Harassment" in July 2024, believing that protecting every employee from customer harassment and creating a safe, comfortable working environment leads to the provision of high-quality services that emphasize customer experience (CX). If any behavior or statements are deemed customer harassment, we will take firm actions to protect our employees, give top priority to caring for affected employees, and take steps to prevent recurrences.

<Basic Policy on Customer Harassment>
https://group.ntt/jp/newsrelease/2024/07/26/240726a.html

Value Chain Management

■ Basic Policy

In recent years, companies find themselves required to monitor the ESG risks and impact on sustainability, including consideration of human rights and mitigation of environmental impacts, of not only their own Group companies, but also throughout the entire value chain, from raw materials and supplies procurement to disposal and recycling.

The NTT Group is committed to deepening mutual understanding and building a trustful relationship with all the suppliers that make up our supply chain. By dedicating ourselves to creating and sustaining a safe and reliable supply chain with everyone under high ethical standards, we aspire to proactively and enthusiastically contribute to a sustainable society. To implement this vision, we have established the "NTT Group Basic Procurement Policy"[*1].

For our suppliers, we have published the NTT Group Supply Chain Sustainability Promotion Guidelines[*2], which contain detailed requirement items in the seven areas of human rights/labor, health/safety, the environment, fair trade/ethics, quality/safety, information security, and business continuity plans. We ask suppliers to comply with these guidelines by including them in contracts and other agreements. In addition, we have also published the NTT Group Green Procurement Standards[*3] as a supplement to our environmental guidelines and are advancing efforts to reduce greenhouse gas emissions throughout the supply chain.

Basic Procurement Policy	Basic procurement activity policy for achieving a sustainable society
Supply Chain Sustainability Promotion Guidelines	Requests to suppliers regarding social issues established based on the Basic Procurement Policy
Group Green Procurement Standards	NTT Group's environmental energy policies, target figures, specific laws and standards suppliers must reference, procurement evaluation items, etc.

■ Supplier Engagement Initiatives

Building upon the aforementioned NTT Group Supply Chain Sustainability Promotion Guidelines, we are conducting activities aimed at establishing a reliable partnership with our suppliers. While NTT Group previously conducted an NTT-specific Supply Chain Sustainability Survey for the Group's key suppliers, beginning in fiscal 2022, we initiated new ESG risk assessments carried out by Ecovadis[*4], a third-party evaluation organization.

Based on the results of these surveys, we are promoting the enhancement of supplier engagement activities, including direct dialogue with suppliers.

Additionally, in July 2022, our company joined Joint Alliance for CSR (JAC)[*5], a joint audit consortium consisting of global telecommunications carriers, and we became the first telecommunications provider from Asia to do so. Starting in fiscal 2023, we have been conducting sustainability audits at the factories of NTT Group suppliers based on JAC's audit standards.

Through these activities, the NTT Group will help make a sustainable society a reality by building and maintaining a safe and secure supply chain.

■ ESG Assessments when Selecting Suppliers

As a way of promoting a sustainable supply chain, in supplier selection, the NTT Group adds additional points to the evaluation of suppliers engaged in superior ESG-related initiatives. Specifically, we prioritize procurement from suppliers promoting initiatives to reduce greenhouse gases, based on our Green Procurement Standards. Furthermore, Group companies have progressively introduced internal carbon pricing, a system of promoting a reduction in the environmental impact by calculating the cost of CO_2 emissions, and add that cost onto proposed product prices for evaluation.

■ Cooperation in the Telecommunications Industry

The three companies of NTT, KDDI Corporation, and SoftBank Corp. have announced that they will jointly engage in the standardization of supplier engagement activities and in various initiatives with the goal of realizing a sustainable supply chain in the telecommunications industry.

The three companies are utilizing a common sustainability self-assessment questionnaire (SAQ) for suppliers since fiscal 2023 and common sustainability assessments by a third-party evaluator (EcoVadis)[*4] since fiscal 2024, and are employing these assessments for their supplier engagement activities.

We plan to continue partnering with various industries and companies to work toward the realization of a sustainable supply chain.

*1 https://group.ntt/en/procurement/policy/index.html
*2 https://group.ntt/en/procurement/supplier/pdf/NTT_Group_Guidelines_for_Sustainability_in_Supply_Chain.pdf
*3 https://group.ntt/en/procurement/supplier/pdf/NTT_Group_Green_Procurement_Standards.pdf
*4 https://ecovadis.com/
*5 https://jointallianceforcsr.org/

NTT Group Sustainability
New Value Creation

[Related Medium-Term Management Strategy Initiatives]

1 NTT as a Creator of New Value and Accelerator of a Global Sustainable Society

❶ IOWN-Driven Creation of New Value (from concept to commercialization)
  i. Establishment of manufacturing company for photonic-electronic convergence devices
  ii. Acceleration of IOWN research and development/commercialization

❷ Data-Driven Creation of New Value
  i. Strengthening the personal business
  ii. Strengthening the use of DX/data in society and industry
  iii. Expansion and upgrade of data center infrastructure

❸ Achievement of a Circular Economy Society
  i. Develop sustainability solutions for customers
  ii. Creating Circular Economy businesses
  iii. Progression towards Net-Zero

❹ Further Strengthening of Business Foundations

2 Upgrading the Customer Experience (CX)

❺ Fusion of Research and Development with a Market-Focused Strategy
❻ Strengthening of Services that Emphasize Customer Experience (CX)

3 Improving the Employee Experience (EX)

❼ Open and Innovative Corporate Culture
❽ Support Career Growth
❾ Global Benefits for Employees and their Families

Strategy for Creating New Value <Upgrading the Customer Experience (CX)>

Risks

The NTT Group promotes initiatives aimed at creating new value and resolving social issues in collaboration with various partners to enhance the customer experience. If it proves impossible to create business that provides new value to customers as expected, it could adversely affect our market competitiveness, thereby potentially impacting the NTT Group's financial standing and business performance.

Addressing Risks

To address such risks, we have established and run a Marketing Strategy Committee chaired by the President. We have also established a CX promotion line at each company to consider CX and take action accordingly, and we promote initiatives aimed at collecting customer feedback, visualizing our introduction process for improving services, etc. We have also established CCXOs at major companies, and, starting in FY2024, we set customer engagement indicators as important non-financial indicators for the focus-area business of major companies, based on which we will accelerate and vigorously promote initiatives aimed at promoting the Group's CX.

Opportunities

To effectively respond to opportunities, we hold cross-Group in-house conferences through which we strive to expand our business by sharing examples of success by individual companies between our companies. In addition, we strive to enhance our CX-oriented services by pursuing agile improvements and updates that put the customer experience first for services and solutions in the focus areas of major operating companies. By constantly improving and updating our services in an agile manner, we aim to exceed customer expectations and provide new experiences and excitement in an effort to be the NTT Group that continues to be people's choice.

Indicators and Targets Related to New Value Creation

Indicator	Target	Results
Amount of B2B2X Revenues	FY2024:—	FY2023: ¥1,058.1 billion
Customer Engagement	[NPI] Improvement (year-on-year) [NPS] Improvement (year-on-year)	[NPI] — [NPS] —

(Notes) 1. The scope of B2B2X revenues includes the Integrated ICT Business Segment, the Regional Communications Business Segment, and the Global Solutions Business Segment.
2. From the perspective of further strengthening CX, indicators related to new value creation will be changed from B2B2X revenues to customer engagement in FY2024. Customer Engagement Next Purchase Intention (NPI) indicates whether a customer intends to continue using a product, while Net Promoter Score® (NPS®) *1 indicates the degree to which a customer would recommend the product to others. The scope for customer engagement includes services for small and medium-sized corporations and services for consumers, which are the focus areas of NTT East, NTT West, and NTT DOCOMO*2 (there are plans to expand the scope to include services for large corporations in future).

*1 Net Promoter Score and NPS used in the text are the registered trademarks of Bain & Company, Fred Reichheld, and SatMetrix Systems (present-day NICE Systems, Inc.).
*2 The figures for NTT DOCOMO include NTT Communications.

Strengthening the Use of DX/Data in Society and Industry (Integration with Medical and Healthcare Companies to Achieve Precision Medicine)

In July 2024, the NTT Group established NTT Precision Medicine Corporation to combine the Group's assets and resources in the medical and healthcare fields, thereby achieving one-stop data generation and utilization.

The new company collaborates with medical institutions and other organizations to generate and collect medical and healthcare data and then accelerates the distribution of such data to pharmaceutical companies, research institutions, and others to support the research and development of next-generation preventive and treatment methods.

The company is aiming to contribute to the resolution of drug lag and drug loss issues—two major social issues in Japan—while also collaborating with various partners to achieve precision medicine* in an effort to provide optimal preventive and medical care in line with the genetic makeup of individuals through a data-driven approach.

*A medical concept intended to provide optimal preventive and medical care personalized for individuals
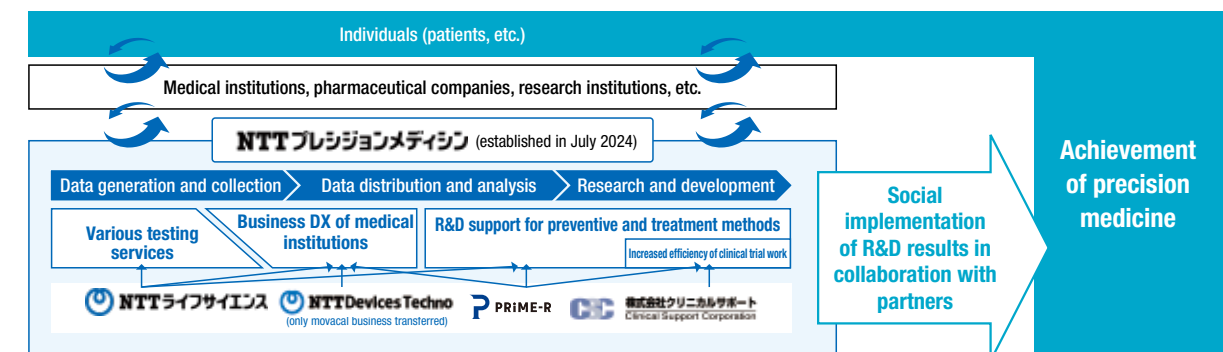
Strengthening the Use of DX/Data in Society and Industry (Providing a Self-Driving System (May Mobility, Inc.))

Japanese society currently faces social issues that include a shortage of drivers as well as difficulties securing transportation methods due to the country's aging and declining population. These issues go beyond transportation and are also leading to issues in various fields, including the effects of distribution problems on the economy, driver health, and the well-being of mobility-impaired people. The NTT Group is taking advantage of its strengths in terms of wireless communication, the IoT and other ICT technologies, and the area networks of regional companies—all of which are essential for self-driving—to promote the commercialization of self-driving support services aimed at resolving the above issues.

In November 2023, NTT invested in May Mobility, Inc. (head office: U.S.) and acquired exclusive rights to distribute the company's self-driving system in Japan. May Mobility, Inc. possesses strengths in terms of self-driving technologies suitable for Japan's traffic conditions, and this technology company's track record includes over 350,000 self-driving results in 13 North American and Japanese cities.

The NTT Group is promoting self-driving demonstration projects in collaboration with local governments and transportation companies on public roads, providing safe and secure self-driving services, and otherwise working to gain society's acceptance of self-driving technologies. In FY2024, we were contracted by Aichi Prefecture to work on preparing regular transportation service using self-driving minivans in central Nagoya. This initiative is Japan's first example of an attempt to provide regular transportation service using self-driving vehicles running in a heavy-traffic urban area in line with main-road vehicle speed

● Initiatives Related to Cars
· We strive to resolve social issues as we collaborate with local governments and various stakeholders.
· We invested in May Mobility, Inc., a U.S.-based self-driving system vendor, and obtained exclusive rights to distribute their system in Japan.
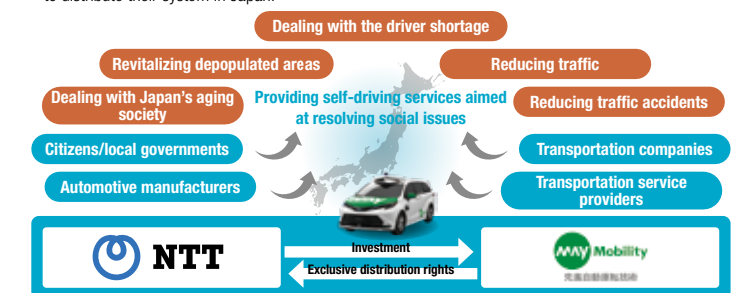
Collaborating with Various Partners to Provide Self-Driving Services Aimed at Resolving Social Issues

limits, and we plan to launch this service in October 2024.

The NTT Group is also preparing an initiative that involves introducing self-driving showcase vehicles to client and partner companies at the NTT Group's related facilities in the Greater Tokyo Area.

We will combine our self-driving services—which are a result of the digital transformation (DX) of mobility itself—with the community-based problem-solving capabilities we have cultivated up until now as we form partnerships with local governments, transportation companies, automotive manufacturers, and other stakeholders to provide solutions that contribute to the resolution of social issues.

Transforming the Industry by Promoting Chain AI (NTT AI-CIX)

In August 2024, NTT AI-CIX Inc.[1] (called NTT AI-CIX below) was established to achieve a transition from individual AI—conventional AI that optimizes individual businesses and industries—to chain AI services—AI that achieves mutual linkage between different businesses and industries. NTT AI-CIX utilizes cross-business and cross-industry data to optimize the entire supply chain, thereby aiming to resolve social issues that include labor shortages.

In recent years, as lifestyles have started becoming more diverse in response to the COVID-19 pandemic, the value provided in industrial fields is less and less likely to be limited to individual industries, and the resulting cross-field services are becoming increasingly complex. Due to such social changes, we are seeing a transition to a new stage of industrial transformation in which the world is shifting from AI-based DX for individual companies to AI-based DX that straddles multiple companies or industries.

Up until now, the NTT Group has worked on digital-twin-computing prediction and optimization AI as well as the related chain technology. NTT AI-CIX is now utilizing this cutting-edge technology to optimize everything from individual businesses to the overall supply chain via chain AI, an approach that enables various kinds of AI to mutually link different businesses and industries. In addition, the company provides one-stop solutions that include consulting, product and solution development, and AI platform services.

Description of the Business and Value It Provides
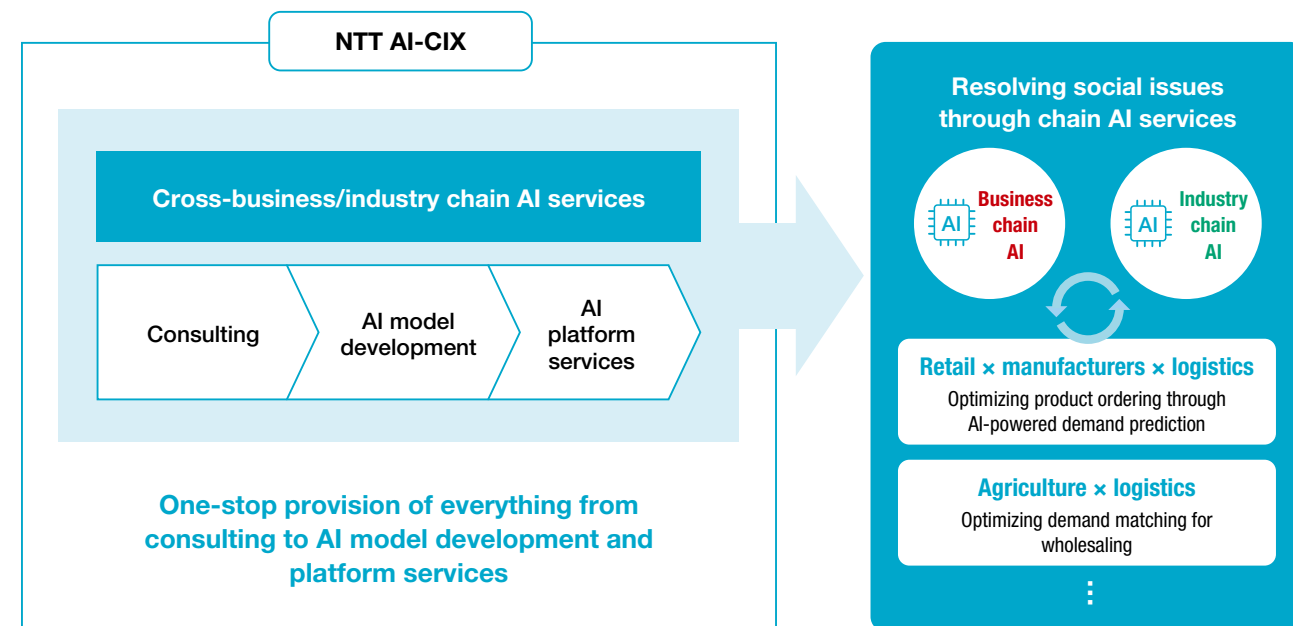
One example of a solution provided by NTT AI-CIX is overall supply chain optimization in the retail and distribution industry.

In January 2024, we concluded a cooperation agreement with Trial Holdings Inc. (called Trial below) to jointly consider supply chain management (called SCM below) with the aim of optimizing it throughout the distribution industry. By combining the retail industry knowledge, stores, and data[2] possessed by Trial with the NTT Group's knowledge and technology in the data science field, we are working on increasing store-running and logistics efficiency, improving customer value, etc. In addition, we are accelerating the fusion of related manufacturer, wholesaler, and retailer data and considering the different supply chains and purchasing trends of each product category to optimize overall SCM for the distribution industry.

Overview of How We Utilize Business and Industry Data to Optimize the Entire Supply Chain
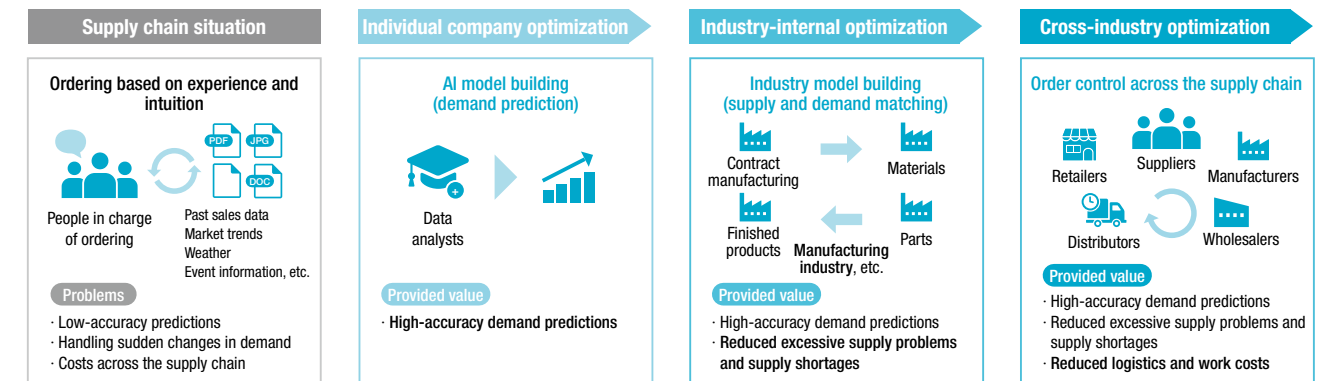
NTT AI-CIX is utilizing its knowledge of the various industrial fields where it has done business (retail, urban development, transportation, power, agriculture, healthcare, etc.) to accelerate social implementation in collaboration with customers and partner companies. In addition, we will continue to utilize chain AI in all kinds of industrial fields in response to industrial and corporate needs as we endeavor to create new value and business.

[1] AI-Cross Industry transformation. NTT has hammered out its approach to transforming society through AI as AI-Cross Industry transformation (AIX), and the new company's name is based on the fact that the company's core competency is the ability to utilize AI to achieve cross-industry optimization with the aim of transforming the industry in line with the AIX concept.

[2] Product sales data, etc.

Initiatives in the Space Business Field by NTT Group Companies (Establishment of the Space Brand NTT C89 and Collaboration with Business Partners)

In June 2024, we launched the NTT C89 brand in the space business field and accelerated our business development based on specified focus areas to work towards achieving our Space Integrated Computing Network in response to the environment surrounding our space business. By organically connecting related businesses and providing solutions in line with customer needs, NTT Group companies contribute to the expansion of the NTT Group's space business as well as to the development of the space industry as a whole.

More specifically, we are pursuing initiatives that include the following to gradually promote the achievement of our Space Integrated Computing Network. (1) To provide an advanced satellite broadband network that achieves high reliability over a wide area of coverage to Japanese customers and strengthen both the availability and resilience of communications, we—along with NTT DOCOMO, NTT Communications, and SKY Perfect JSAT Corporation—agreed to strategic collaboration with Project Kuiper, a low-earth-orbit satellite broadband network provided by Amazon.com, Inc., in November 2023. (2) In June 2024, NTT DOCOMO and Space Compass Corporation agreed to a capital alliance boasting a scale of up to 100 million dollars with AALTO HAPS Limited to promote the early launch and global deployment of HAPS business services. (3) In July 2024, NTT Data established Marble Visions, Inc.—a new provider of observation satellite services—to develop an observation satellite system capable of high-frequency, high-accuracy image capturing, thereby establishing a system for offering one-stop service to users including everything from providing satellite images to decision-making support.

Under the NTT C89 brand, the NTT Group companies will continue to actively flesh out our lineup of services in the space business field to enable us to propose the best possible mix of solutions to our customers.

Launch of the Space Brand NTT C89 - Organically Connecting and Expanding Businesses -
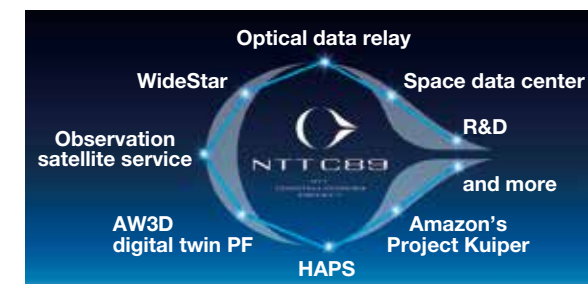
Space Integrated Computing Network Focus Areas for Achieving Our Concept
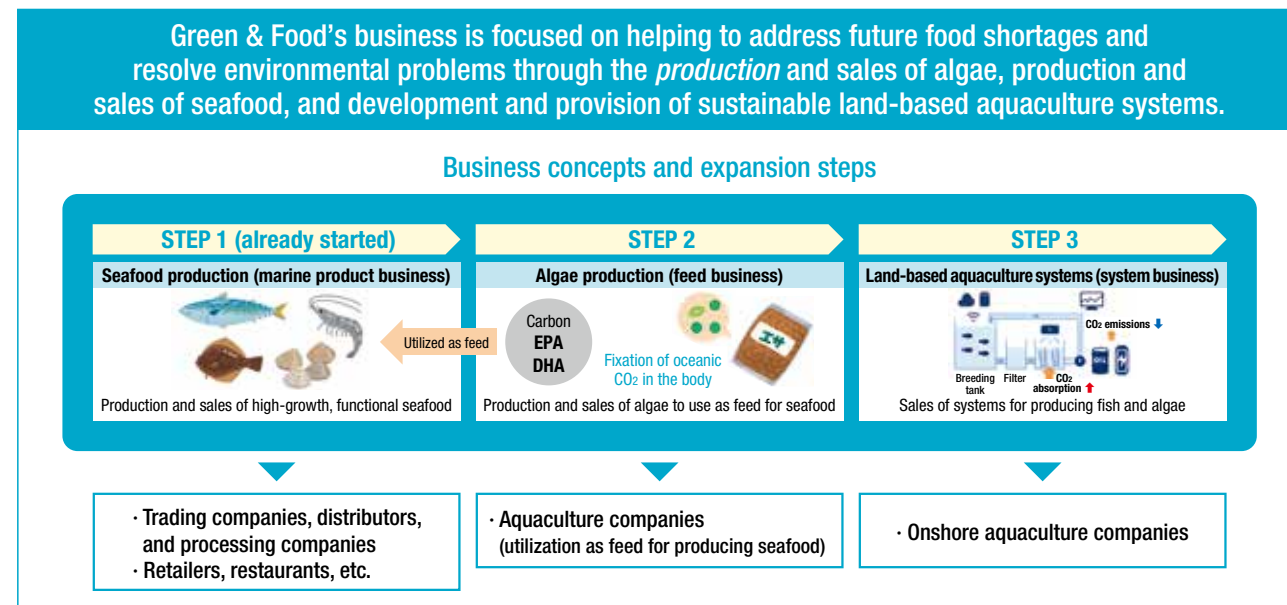

This concept was announced in collaboration with SKY Perfect JSAT Corporation in 2021. We are aiming to establish a new space ICT platform that integrates HAPS, geostationary-orbit satellites, and low-earth-orbit satellites, connects them with optical wireless communication networks on the ground, and takes advantage of distributed computing to make various kinds of data processing more sophisticated.

Promoting Sustainable Onshore Aquaculture Systems (NTT Green & Food, Inc.)

The agriculture, forestry, and fisheries industry—a core regional industry—is currently facing numerous issues, including decreasing workers, accelerated population aging, and a declining food self-sufficiency rate. This trend is especially striking in the fisheries industry, where Japan—once the king of this industry—has suffered an approximately 60% decrease in both workers and marine-product productivity over the last 30 years or so and is losing its leadership position. In addition, due to issues that include rising ocean temperatures stemming from climate change as well as overfishing, fish can no longer be found in nearby waters, which is starting to have a major effect on local marine products and processing, ice manufacturers, etc. Meanwhile, elsewhere in the world, explosive population growth, geopolitical risk, and other factors are triggering fierce competition for food and other resources, which is causing prices to soar. To respond to this strong demand, there has been a dramatic increase in the output of the fishing industry—mainly from aquaculture—and we are seeing a striking shift from an industry focused on catching fish to one focused on raising them. *Will we really be able to find food ten years from now? Will we be able to pass the baton to the children of the next generation without concern for their welfare?* To respond to anxiety around the world concerning food and the environment and contribute to the resolution of social issues faced by Japan, we collaborated with Regional Fish to establish NTT Green & Food, Inc. (called NTT Green & Food), which started doing business on July 1, 2023.

Green & Food's business is focused on helping to address future food shortages and resolve environmental problems through the *production* and sales of algae, production and sales of seafood, and development and provision of sustainable land-based aquaculture systems.

### Business concepts and expansion steps

NTT Green & Food has combined two key strengths—*algae that absorb more CO₂* and *fish and shellfish that grow fast and feed on algae that fix more CO₂*—to establish an environmentally-friendly, circular land-based aquaculture system and hopes to popularize its use.

This system can be broadly divided into an aquaculture tank for producing seafood and an algae cultivation tank for growing the algae used as feed. In addition, with this system, selectively bred algae capable of absorbing a lot of CO_2 are grown in the ocean water that is brought in, these algae are used as feed for fish and shell fish to fix more CO_2 into their bodies, bones, and shells, and then the ocean water, which ultimately ends up with a lower concentration of CO_2, is returned to the ocean.

We call this a *sustainable system*. Our goal is to selectively breed fish, shellfish, and algae and then produce marine products using a circular system to achieve a land-based aquaculture system that is environmentally friendly and offers a high level of production efficiency.
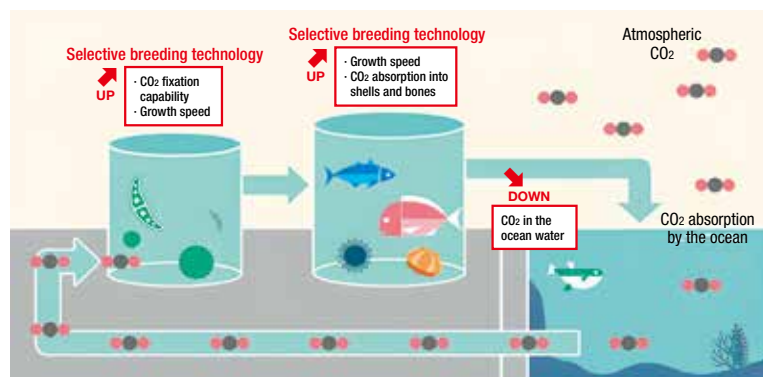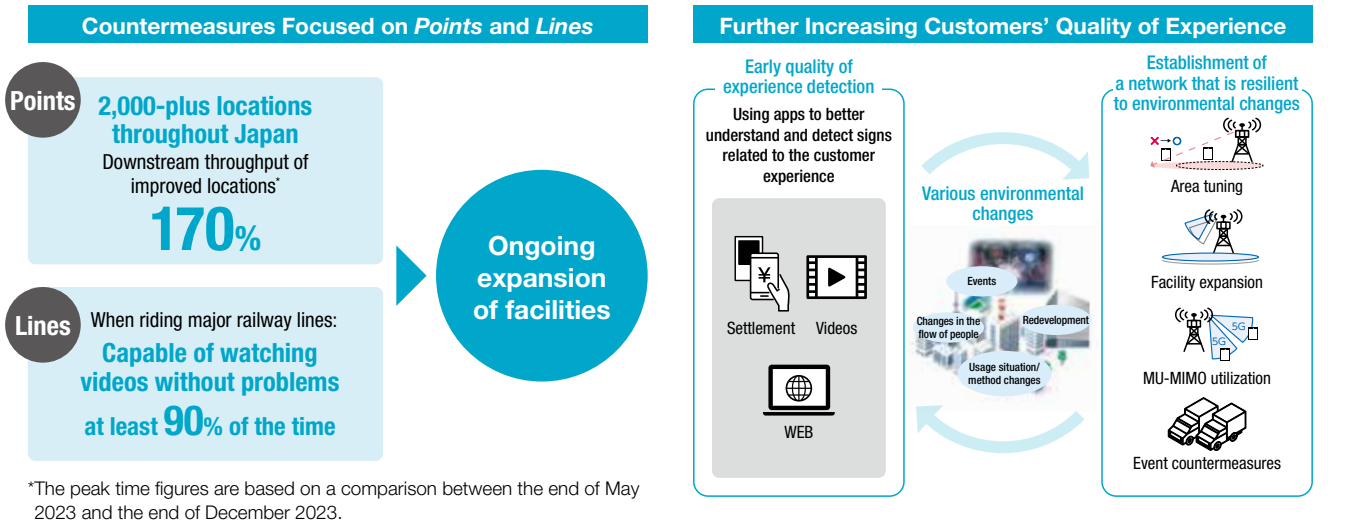

Initiatives Related to Strengthening Services that Emphasize the Customer Experience (CX)

■ Initiatives Aimed at Improving the Customer Experience of Mobile Communications Quality

In areas where using smartphones has become more difficult due to increased data traffic resulting from the spread of smartphones as well as the use of the web for social media, watching videos, and other activities, we have implemented initiatives aimed at improving communications quality to enable the worry-free use of such services, including expanding and even setting up new facilities.

We will continue pursuing initiatives to increase our customer's quality of experience, including expanding relevant facilities in anticipation of increases in demand, obtaining more advanced usage data from apps, and taking steps to ensure early detection and improvements in cases where countermeasures are required.

Countermeasures Focused on *Points* and *Lines*

Points 2,000-plus locations throughout Japan
Downstream throughput of improved locations*
170%

Lines When riding major railway lines:
Capable of watching videos without problems at least 90% of the time

Ongoing expansion of facilities

Further Increasing Customers' Quality of Experience

*The peak time figures are based on a comparison between the end of May 2023 and the end of December 2023.

■ Revising to Prices and Services That Are Attractive to Customers

In July 2023, we started offering plans in response to the increasingly diverse needs of our customers, including the *irumo* price plan—an economical option for customers who use little smartphone data—and the *eximo* price plan—which is for customers who want to use data without any restrictions. In April 2024, we also started offering the *Docomo Poikatsu Plan*, a new price plan that enables customers to earn additional d POINTs based on their payment method usage. In addition, in terms of collaboration with other companies, in April 2024, Docomo and Amazon started collaborating with regard to d POINTs and Amazon Prime, and it became possible to earn d POINTs by shopping on Amazon and use the points there as well.

We will continue improving our d POINT system in line with the lifestyles of individual customers so that they can enjoy using our fee-based services for a long time and feel like they are getting a good deal.

Shop with d Payments to earn more points!
ahamo ポイ活
Basic fee **6,500** (excluding tax) yen/month
Go here for details
https://ahamo.com/special/poikatsu/

Unlimited data plan*
eximo ポイ活
Basic fee **9,650** (excluding tax) yen/month
Go here for details
https://www.docomo.ne.jp/special_contents/poikatsu/eximo_poikatsu/

* Data usage may be restricted during times of network congestion or heavy data traffic.

■ Appointment of CCXOs (Chief Customer Experience Officers)

To further strengthen our initiatives aimed at improving CX, we appointed new CCXOs at major Group companies. Through our CCXOs, we will offer new experiences and excitement that exceed customer expectations by clarifying the value of our services and solutions from the perspective of our customers and by improving and updating our services so that customers continue to choose them.

NTT Group Sustainability
Resilience

[Related Medium-Term Management Strategy Initiatives]

1 NTT as a Creator of New Value and Accelerator of a Global Sustainable Society

❶ IOWN-Driven Creation of New Value
(from concept to commercialization)
  i. Establishment of manufacturing company for photonic-electronic convergence devices
  ii. Acceleration of IOWN research and development/commercialization
❷ Data-Driven Creation of New Value
  i. Strengthening the personal business
  ii. Strengthening the use of DX/data in society and industry
  iii. Expansion and upgrade of data center infrastructure

❸ Achievement of a Circular Economy Society
  i. Develop sustainability solutions for customers
  ii. Creating Circular Economy businesses
  iii. Progression towards Net-Zero
❹ Further Strengthening of Business Foundations

2 Upgrading the Customer Experience (CX)

❺ Fusion of Research and Development with a Market-Focused Strategy
❻ Strengthening of Services that Emphasize Customer Experience (CX)

3 Improving the Employee Experience (EX)

❼ Open and Innovative Corporate Culture
❽ Support Career Growth
❾ Global Benefits for Employees and their Families

Resilience Strategy ❶ <Natural Disasters, Large-Scale Failures and Other Similar Events>

Risks

The NTT Group is active around the globe, providing a myriad of services that sustain both social and economic activities as well as safeguarding daily life. These include communications networks, information systems, and other essential life-supporting services such as finance and payment solutions. There is a risk that the provision of these services could be compromised due to natural disasters like earthquakes, tsunamis, typhoons, and floods, as well as physical attacks including military invasions and terrorism, delays in development or glitches in vital systems, or the occurrence of significant network malfunctions. Such events have the potential to negatively impact the trustworthiness and corporate image of the NTT Group.

Addressing Risks

To address such risks, the NTT Group has implemented a variety of strategies to ensure that the systems and networks necessary for service delivery operate safely and reliably. These strategies include fortifying the seismic and flood-resistant capabilities of communication buildings, diversifying transmission routes, and enhancing emergency power supplies for communication buildings and base stations during extended power outages. Further, in line with our response to the Noto Peninsula earthquake and similar disasters, we will update our disaster recovery policy in order to adapt to the changing telecommunications usage needs of our customers and technological advances. Particularly for large-scale failures, our concrete measures involve not only swift and accurate service restoration, but also rapid identification of the root causes. We will continue to enact cross-Group initiatives aimed at 1) comprehensive assessments and recurrence prevention for apparent risks, and 2) building a more resilient network based on an inventory of cross-Group risks, considering that unforeseen incidents are inevitable.

Opportunities

In terms of seizing opportunities, we believe that improvements in network resilience and faster recovery capabilities will boost the reliability of our communication networks and information systems. This, in turn, will elevate customer satisfaction and enhance our brand image. For customers demanding even higher reliability, we will offer new value by expanding our range of solutions designed to reinforce their Business Continuity Plans.

Indicators and Targets Related to Natural Disasters, Large-Scale Failures and Other Similar Events

Indicator	Target	Results
Number of Serious Incidents	FY2024: Zero	FY2023: Four

(Notes) 1. The scope of tallying the number of serious incidents and telecommunications service interruptions due to external cyberattacks includes four specified public institutions: NTT East, NTT West, NTT Communications, and NTT DOCOMO.
2. A "significant incident" is defined as an event meeting the following conditions that disrupt or degrade the quality of telecommunications services:
· Voice services that handle emergency calls (110, 119, etc.): Lasting more than 1 hour and impacting over 30,000 people
· Voice services that do not handle emergency calls: Lasting more than 2 hours and impacting over 30,000 people, or more than 1 hour and impacting over 100,000 people
· Internet-related services (free): Lasting more than 12 hours and impacting over 1 million people, or more than 24 hours and impacting over 100,000 people
· Other services: Lasting more than 2 hours and impacting over 30,000 people, or more than 1 hour and impacting over 1 million people

Disaster Countermeasure Initiatives

As a designated public organization, the NTT Group is making a daily effort to ensure emergency and critical communication channels. Furthermore, in recent years, there has been an escalating risk of physical attacks, such as armed assaults and acts of terrorism, on top of the increasing frequency of large-scale, expansive, and long-lasting natural disasters. 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.

Improving communications network reliability

Building facilities resistant to disasters such as earthquakes, fires, and wind and flood damage, as well as different transmission routes.

Network monitoring and control 24 hours a day, 365 days a year.

· Earthquake-resistant design of communication buildings to withstand shindo 7 tremors
· Implementing non-combustible and fire-resistant building features, including fire shutters and fire doors in telecom equipment rooms
· Tsunami and flood countermeasures with water barriers and reinforcement materials
· Installation of backup power supplies such as batteries and engines
· Geographical dispersion of key communication buildings to avoid simultaneous impact from disasters
· Training and education for personnel engaged in maintenance and operations etc.

Disaster Countermeasures: 3 Key Themes

Disaster!

Securing critical communications

Securing emergency service communications, e.g. 110 and 119, and critical communications.

· Installation of special public telephones in disaster-affected areas
· Provision of safety confirmation services during disasters
· Early resolution of communications blackouts, etc.

Prompt restoration of telecommunications services

Prompt restoration of services by utilizing disaster countermeasure equipment and procuring materials, equipment, and manpower for restoration purposes.

· Enhancement of organization for disaster countermeasure operations
· Development and deployment of crisis management talent and skills
· Communicating information on the status of damage and estimated recovery time, etc.

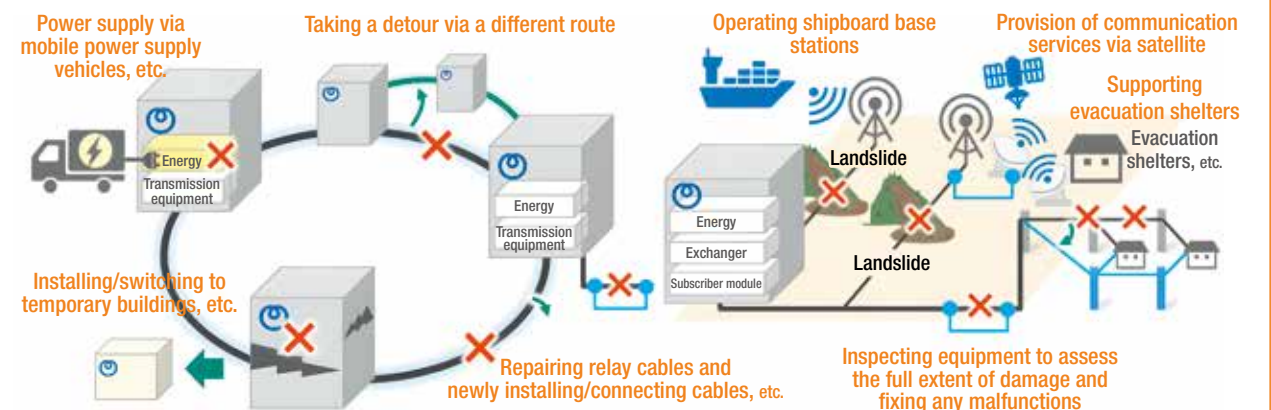## Further Enhancing Our Ability to Respond to Severe Disasters

Consideration of our disaster response based on unexpected scenarios for possible future catastrophic disasters

Faster	Predictive support for complex troubleshooting that exceeds human judgment through DX, such as AI and data utilization
Stronger	Utilizing self-supplied energy, such as battery-equipped electric vehicles and on-site renewable energy generation
Safer	Implement BCP measures such as diversifying supply chains and dispersing business locations and employee residences

Efforts to Restore Communications Services Following the Noto Peninsula Earthquake in January 2024

The Noto Peninsula earthquake that occurred in January 2024 caused large-scale power outages coupled with the cutting off of roads due to landslides and so forth, leading to many areas that became difficult to access. Consequently, communications equipment providing telephone and Internet services for both landlines and mobiles was significantly damaged. In the face of this, we pushed forward with restoring communications services by maintaining power for communications equipment and utilizing disaster countermeasure equipment, along with supporting evacuation shelters and securing vital communications and communications in afflicted areas in our efforts to help victims.

Given the geographical conditions resulting from the earthquake on the peninsula, we once again confirmed the effectiveness of restoring services by utilizing satellites and shipboard base stations on vessels for relief efforts in difficult-to-access areas. The NTT Group is promoting the further expansion of the scope of application in preparation for future anticipated disasters.

- Power supply via mobile power supply vehicles, etc.
- Taking a detour via a different route
- Operating shipboard base stations
- Provision of communication services via satellite
- Supporting evacuation shelters
- Evacuation shelters, etc.
- Installing/switching to temporary buildings, etc.
- Repairing relay cables and newly installing/connecting cables, etc.
- Inspecting equipment to assess the full extent of damage and fixing any malfunctions
- Landslide

Resilience Strategy ❷ <Security>

Risks

Should we experience any security incidents caused by cyber attacks or inadequate security management, etc., that lead to service outages, degradation in service quality, or the leakage, alteration, or destruction of information, there is a risk that the NTT Group's reputation and corporate image could suffer. This, in turn, could potentially impact our business performance and financial stability.

In addition, amid growing calls for the protection of customer and other personal information across society, there are greater demands for the protection of personal information from a legal standpoint as well. However, it may not be possible to eliminate the risk of leakage or inappropriate handling of personal or other confidential information due to criminal activities that target personal information becoming increasingly devious and sophisticated.

Addressing Risks

To mitigate such risks, the NTT Group utilizes the U.S. National Institute of Standards and Technology (NIST) cybersecurity framework in actively engaging in risk-based information security initiatives. These are grounded in the belief that cyber incidents are inevitable and that minimizing damage is crucial. Under the leadership of top management of both the holding company and Group companies, measures are taken including the implementation of a "3 lines of defense" principle, establishing regulations and ensuring their Group-wide implementation, transitioning and updating to Zero Trust IT systems to provide secure remote work environments, collecting and utilizing global threat information in light of geopolitical risk and security developments, adopting the latest technologies for early detection and quick response, verifying security measures from an attacker's perspective, collaborating with national and international government agencies, critical infrastructure providers, and others, and practicing incident response for potential scenarios, and delivering basic operational training to all employees.

Opportunities

As for capitalizing on opportunities, we are committed to nurturing security specialists endowed with state-of-the-art technology and deep expertise. Furthermore, we are actively offering risk management support services to businesses and communities outside the Group by leveraging the knowledge and insights accumulated through our risk-mitigation efforts.

Indicators and Targets Related to Security

Indicator	Target	Results
Suspension of telecommunications services due to external cyberattacks	FY2024: Zero	FY2023: Zero

(Note) The scope of tallying the number of telecommunications service interruptions due to external cyberattacks includes four specified public institutions: NTT East, NTT West, NTT Communications, and NTT DOCOMO.

■ Organization for Implementation
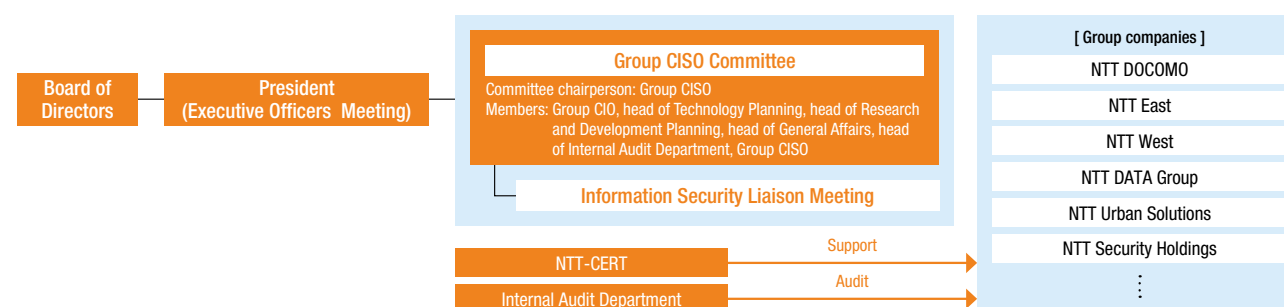
■ NTT Group's Security Governance Goals
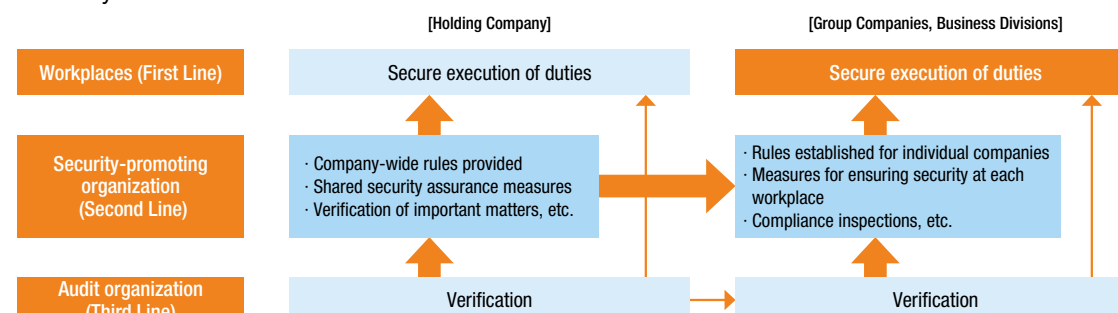
Efforts to Prevent Leakage of Critical Information

The NTT Group is actively engaged in measures based on the belief that cybersecurity risks are a serious risk to companies, and that cyber incidents are inevitable and minimizing damage is crucial. We take very seriously the case information leakage incident that occurred at the NTT West Group, and top management of both the holding company and Group companies will further strengthen countermeasures against such leakages.

Efforts by Top Management of the Holding Company and Group Companies

Countermeasures against critical information leakages involve first providing training to each NTT Group president so that he or she can acquire knowledge and skills on security as president, implement security countermeasures as a company, and exercise leadership in responding to incidents should they occur.

Next, we are taking technical measures including migrating to Zero Trust IT systems, adhering to and thoroughly enforcing security regulations, and strengthening cooperation within the Group through the Group CISO Committee, among other measures. Moreover, we have introduced a security expert certification system to certify expert-level personnel who are leading figures in the industry both domestically and internationally, with strong track records that have earned significant trust and recognition both internally and externally, as well as intermediate-level certified personnel who have sufficient practical experience and expertise.

In promoting these initiatives, we are making use of risk analysis methodology established by the National Institute of Standards and Technology (NIST) for ensuring the cybersecurity of critical national and economic infrastructure.

Collection and Utilization of Global Threat Information

NTT has joined the Joint Cyber Defense Collaborative (JCDC), a U.S. joint cyber defense initiative, as its first Asian member. Established by the U.S. Cybersecurity and Infrastructure Security Agency (CISA) in 2021, the JCDC is spearheading the development of public-private joint cyber defense plans and information sharing on cybersecurity with the aim of protecting critical infrastructure such as electricity, gas, water, and communications. Members include AT&T, Microsoft, Google, and U.S. government agencies. NTT is leveraging intelligence compiled by JCDC to effectively strengthen cybersecurity and address incidents.

Red Team Verification

NTT formed a Red Team in 2019. Conducting pseudo cyberattacks from the perspective of an external attacker, the Red Team exists to strengthen an organization's defenses against real attacks. Their mission is to explore vulnerabilities as if they were an attacker and take defensive measures as necessary. Following a pseudo attack, the team analyzes and reports on system vulnerabilities and issues, along with providing advice and support on making improvements.

CISO Message

The NTT Group has five unique strengths in terms of security. Our first strength is the Group's scale. As an information and telecommunications infrastructure operator, the NTT Group is the target of many cyberattacks. This enables us to understand the world's most advanced cyberattack techniques.

Second is our superior technology, which is instrumental in the early detection of cyberattacks and subsequent rapid response and recovery. We use an AI engine that automatically detects, visualizes, and notifies us of threats. We also maintain global partnerships for the collection and sharing of threat information, and employ high-level security analysts and other engineers at our Security Operation Center (SOC). Third is our human resources. All NTT Group employees in Japan take mandatory security courses. Approximately 3% of our domestic employees (around 4,500 people) are ranked as intermediate-level security professionals, which are recognized as playing an active role in the security field. Moreover, we have a group of approximately 100 elite specialists recognized by external experts as having some of the best track records in the industry. Fourth is our know-how. The NTT Group was a corporate partner of international sports events held in Tokyo in 2021, and was partly responsible for defense against cyber attacks. We also have experience handling other major international events, such as past G7 and G20 summits.

Our fifth strength is the ability to disseminate information. We are the only Japanese company with a team dedicated to external information dissemination specialized in cybersecurity, and deliberately disclose and share our strategies within feasible limits to promote global collaboration.

We believe that by ensuring information security and protecting personal data, we safeguard "trust." Society is entering a connected age, where everything is interconnected. Based on the five strengths given above, we will protect not only our own company but also our customers, companies upon which the Group depends, and the entire supply chain in its broader sense, making society secure as a whole and thereby contributing to the realization of a safe, secure, and trusting society.

Group CISO
Shinichi Yokohama