



# IR Presentation

This document is a translation of the Japanese original. The Japanese original is authoritative.

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Securities Report and in any other materials publicly disclosed by NTT on its website.

- \* "E" in this material represents that the figure is a plan or projection for operation.
- \*\* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.
- \*\*\* "1Q" in this material represents the three-month period beginning on April 1 and ending on June 30, "2Q" represents the six-month period beginning on April 1 and ending on September 30, "3Q" represents the nine-month period beginning on April 1 and ending on December 31, and "4Q" represents the twelve-month period beginning on April 1 and ending on March 31.

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# **Overview of Consolidated Results for FY2020 and FY2021 Forecast**

# FY2020 Financial Results – Key Points (1)



• FY2020 revenues and income both increased, and operating income and profit set new record highs. Although there were reductions in operating revenues caused by the impact of COVID-19 and other factors, operating revenues increased by ¥44.6 billion (an increase of 0.4%) year-over-year due to increases in NTT DOCOMO's Smart Life revenues and in domestic SI revenues, among other factors. In addition, although there were also reductions in operating income caused by the impact of COVID-19, these reductions were covered by increases in revenues, cost reductions and other measures taken at each Group company, and as a result, operating income increased by ¥109.2 billion (an increase of 7.0%) year-over-year and profit increased by ¥60.9 billion (an increase of 7.1%) year-over-year.

• For the FY2021 forecast, revenues and income are both expected to increase, with operating revenues, operating income and profit each expected to set new record highs, and profit expected to exceed ¥1.0 trillion for the first time ever, caused by increases in SI revenues that capture the strong demand for digitalization, the expansion of the Smart Life field and the effects of structural reforms overseas, among other factors, partially offset by an anticipated decrease in revenues caused by NTT DOCOMO's further improvements of customer returns through "ahamo" and "Gigaho Premier."

Q: Will there be any review of the medium-term management strategy based on the transaction to make NTT DOCOMO a wholly owned subsidiary and the synergies with NTT Communications and NTT Comware?

A: Regarding our medium-term management strategy, once the Ministry of Internal Affairs and Communications has released its report on its "Study Meeting on the Ideal Way of Ensuring Fair Competition," we will clarify the specific details of the reorganization between NTT DOCOMO, NTT Communications and NTT Comware, and will then plan to undertake a review of the strategy that will incorporate synergies from the reorganization and other factors. EPS is expected to be ¥300 for FY2021, and we are aiming to achieve the FY2023 target of ¥320 one year ahead of schedule. Furthermore, we have set a target of cost reductions<sup>(1)</sup> of ¥840.0 billion for FY2021, and are working to achieve the FY2023 target of ¥800.0 billion of cost reductions two years ahead of schedule.

<sup>(1)</sup> Fixed and mobile access; amount represents cumulative reductions since FY2017.

Q: What was the extent of the impact of COVID-19 on FY2020 results? Please also discuss its impact on FY2021.

A: COVID-19 had a negative impact of approximately ¥(200.0) billion on operating revenues and approximately ¥(50.0) billion on operating income in FY2020. As a result of NTT DATA working to steadily acquire projects from its existing customers and to expand its digital field, and a recovery in NTT DOCOMO's sales of devices from and after the second quarter, among other factors, we were able to reduce the impact of COVID-19 compared to initial estimates (which were a negative impact of ¥(350.0) billion on operating revenues and ¥(70.0) billion on operating income). For FY2021, our plan contemplates a negative impact of ¥(65.0) billion on operating revenues and ¥(35.0) billion on operating income, in light of the negative impact on certain businesses including NTT DOCOMO's international roaming revenues and overseas SI business.

# FY2020 Financial Results – Key Points (2)



Q: Given that a negative impact on FY2021 results is expected from the adoption of “ahamo” and “Gigaho Premier,” how will NTT DOCOMO achieve an increase in revenues and income?

A: Since “ahamo” was launched on March 26, the number of contracts has already exceeded 1,000,000 <sup>(2)</sup> and it has been well received. Although we expect there to be decreases in revenues in FY2021 caused by the introduction of “ahamo” and other factors, we are aiming to increase revenues and income compared to the previous fiscal year by way of growth in the Smart Life area through the expansion of the finance/settlement business and an increase in revenues from sales of devices, together with cost reductions from organizational reforms, including improvements in network efficiency and advancing the digitalization of sales channels, among other factors.

<sup>(2)</sup> As of the end of April, 2021.

Q: Although there is a plan to increase overseas operating income margin by 3.0 pts compared to the previous year to 6.0% in FY2021, in what way do you plan to implement this?

A: We will work to improve our income margin by promoting further cost reductions and expanding our high-value added services, including data centers and managed services, at NTT Ltd., and through the effects of cost reductions resulting from structural reforms implemented in the previous fiscal year and efforts in digital-related businesses at NTT DATA, among other things.

Q: Please discuss your response to the recent dining incident with ministry officials.

A: We sincerely apologize for causing great inconvenience and concern to all of our related parties. In order to regain the trust of our customers, our shareholders and all other related parties, we are undertaking a review of our internal rules regarding situations such as dinner events, and will implement thorough initiatives to prevent any reoccurrence. In addition, based on the opinions of our Special Investigations Committee, we will formulate and announce initiatives to shift towards management that is suitable for the new era.

Q: Please discuss your future initiatives to strengthen governance.

A: In the same manner as previously adopted by NTT (the holding company), NTT DOCOMO and NTT DATA, our major unlisted subsidiaries will also adopt an executive officer system and seek to stimulate discussions at the Board of Directors and promote strengthened governance by appointing outside Members of the Board who are equivalent to independent officers. In addition, we will increase the ratio of performance-linked compensation at NTT and its major group subsidiary companies from 30% to 50% and adopt a new stock-based compensation system that better reflects medium- and long-term results.

# FY2020 Consolidated Results Highlights



- Operating Revenues, Operating Income and Profit all increased
- Operating Revenues and Profit set new record highs

## Status of Consolidated Results

● Operating Revenues:	¥11,944.0B	<+¥44.6B [+0.4%] year-on-year>
● Operating Income:	¥1,671.4B	<+¥109.2B [+7.0%] year-on-year>
● Profit <sup>(1)</sup> :	¥916.2B	<+¥60.9B [+7.1%] year-on-year>
<hr/>		
● Overseas Sales <sup>(2)</sup> :	\$18.6B	<\$(0.81)B [(4.1)%] year-on-year>
● Overseas Operating Income Margin <sup>(2)</sup> :	3.0%	<+0.6pt year-on-year>

(1) Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

(2) Includes results from the global holding company, its subsidiaries and its affiliates. Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

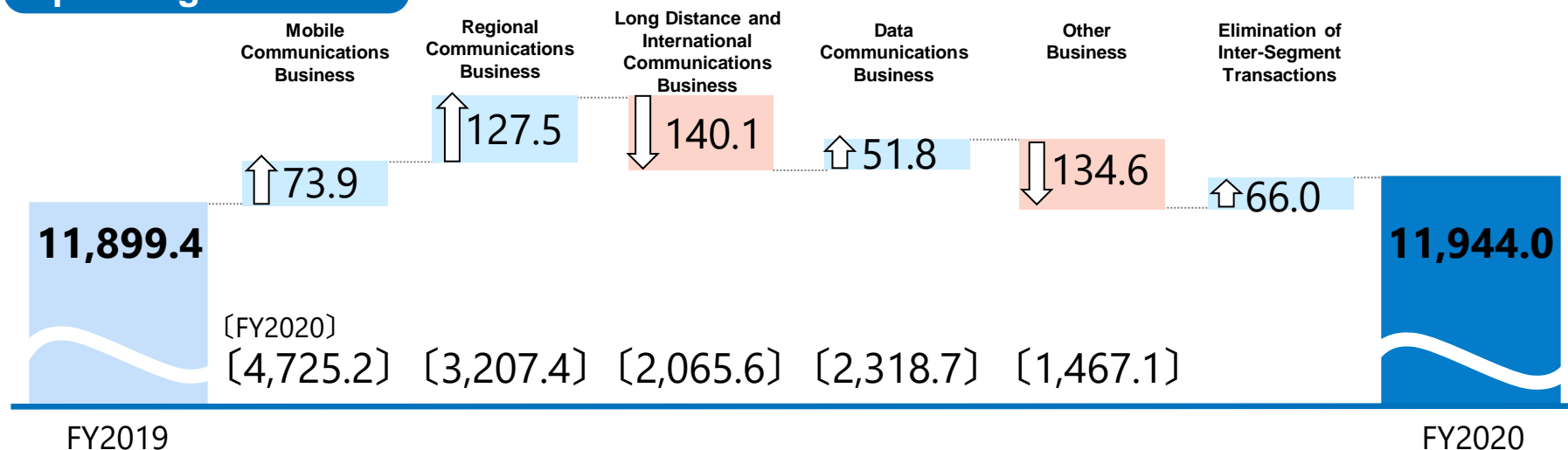
# Contributing Factors by Segment for FY2020



(Billions of yen)

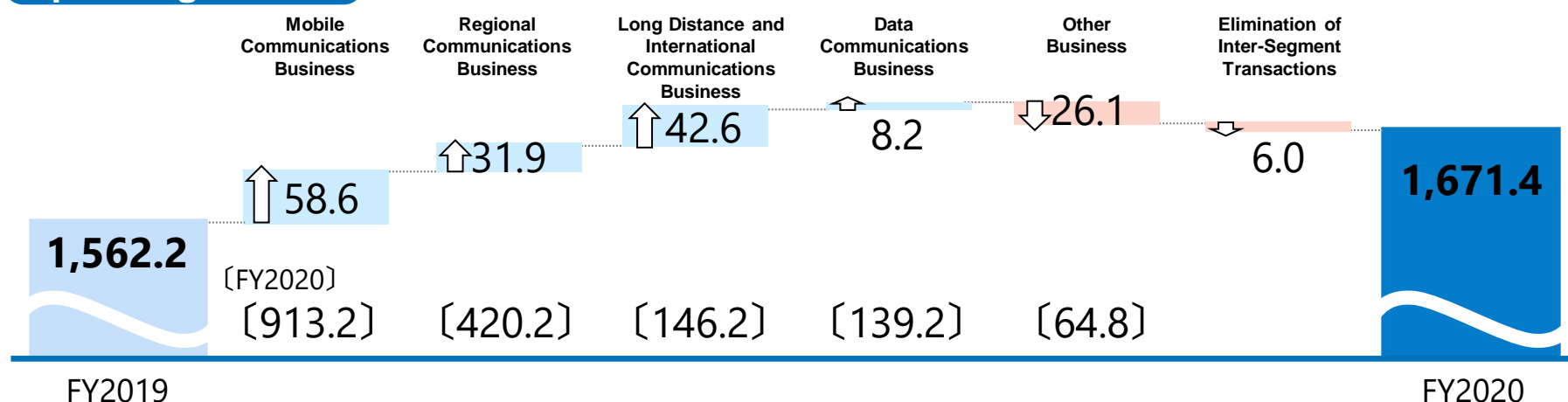
## Operating Revenues

[Year-on-year: +44.6]



## Operating Income

[Year-on-year: +109.2]





# FY2021 Forecast Summary



- Operating Revenues, Operating Income and Profit will all increase
- Operating Revenues, Operating Income and Profit are each expected to reach record high levels

## Consolidated Revenues and Income Plan

	FY2020 Results	FY2021 Forecast	Year-on-Year
Operating Revenues	¥11,944.0B	¥12,000.0B	+¥56.0B
Operating Income	¥1,671.4B	¥1,730.0B	+¥58.6B
Profit <sup>(1)</sup>	¥916.2B	¥1,085.0B	+¥168.8B
EPS	¥248	¥300	+¥52

(1) Profit represents profit attributable to NTT, excluding noncontrolling interests.

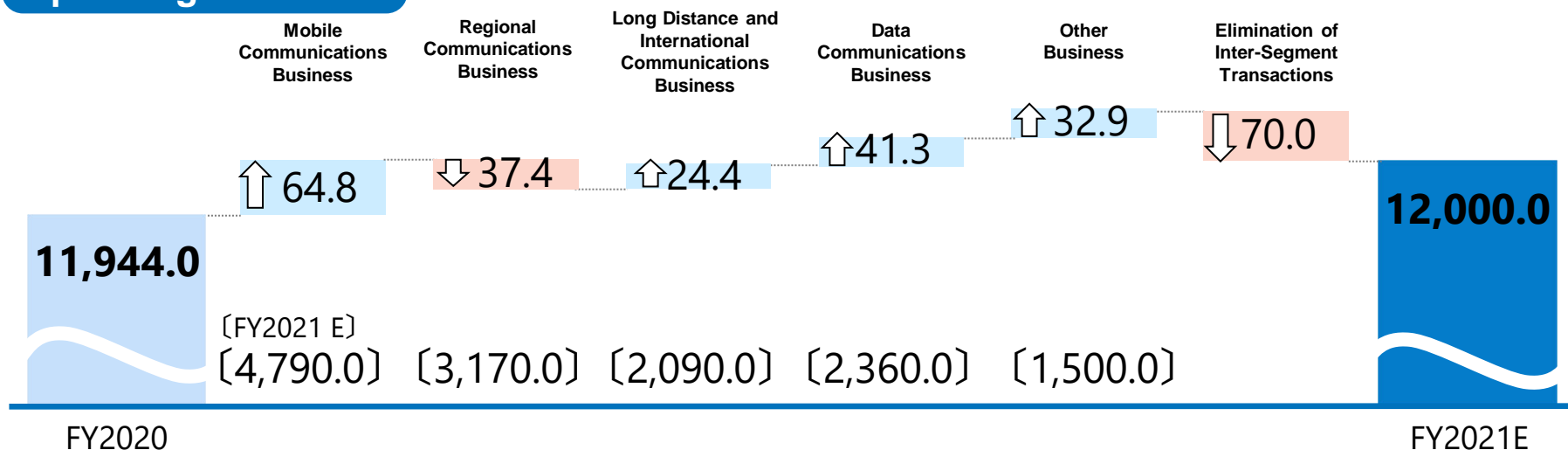
# FY2021 Forecast Summary by Segment



(Billions of yen)

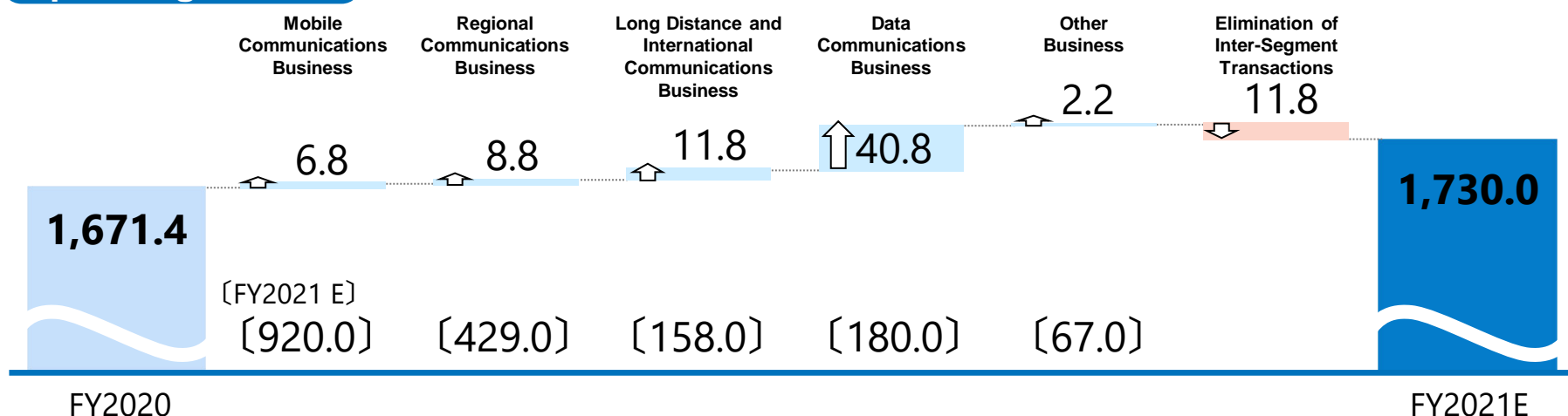
## Operating Revenues

[Year-on-year: +56.0]



## Operating Income

[Year-on-year: +58.6]



# Overview of Medium-Term Financial Targets



	FY2020 Results	FY2021 Forecasts	Year-on-Year	Target (Target Fiscal Year) <announced November 8, 2018>
EPS	¥248	¥300	+¥52	Approx. ¥320 (FY2023)
Overseas Sales <sup>(1)</sup>	\$ 18.6B	\$ 19.0B	+ \$ 0.4B	\$ 25B (FY2023)
Overseas Operating Income Margin <sup>(1)</sup>	3.0%	6.0%	+3.0pt	7% (FY2023)
Cost Reductions <sup>(2)</sup>	¥(670.0)B	¥(840.0)B	¥(170.0)B	at least ¥(800.0)B (FY2023)
ROIC	7.2%	7.4%	+0.2pt	8% (FY2023)
Capex to Sales <sup>(3)</sup>	13.6%	13.5%	▲ 0.1pt	13.5% or less (FY2021)

(1) Includes results from the global holding company, its subsidiaries and its affiliates.

Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

(2) In fixed-line/mobile access networks. Figures above show cumulative reductions since FY2017.

(3) Domestic network business (excludes NTT Communications' data centers and certain other items).

Items with positive progress are shown in green, and items that are expected to meet the medium-term financial targets during the current fiscal year are shown in white text.

# Topics

# Enhance and Globalize R&D (1/2)

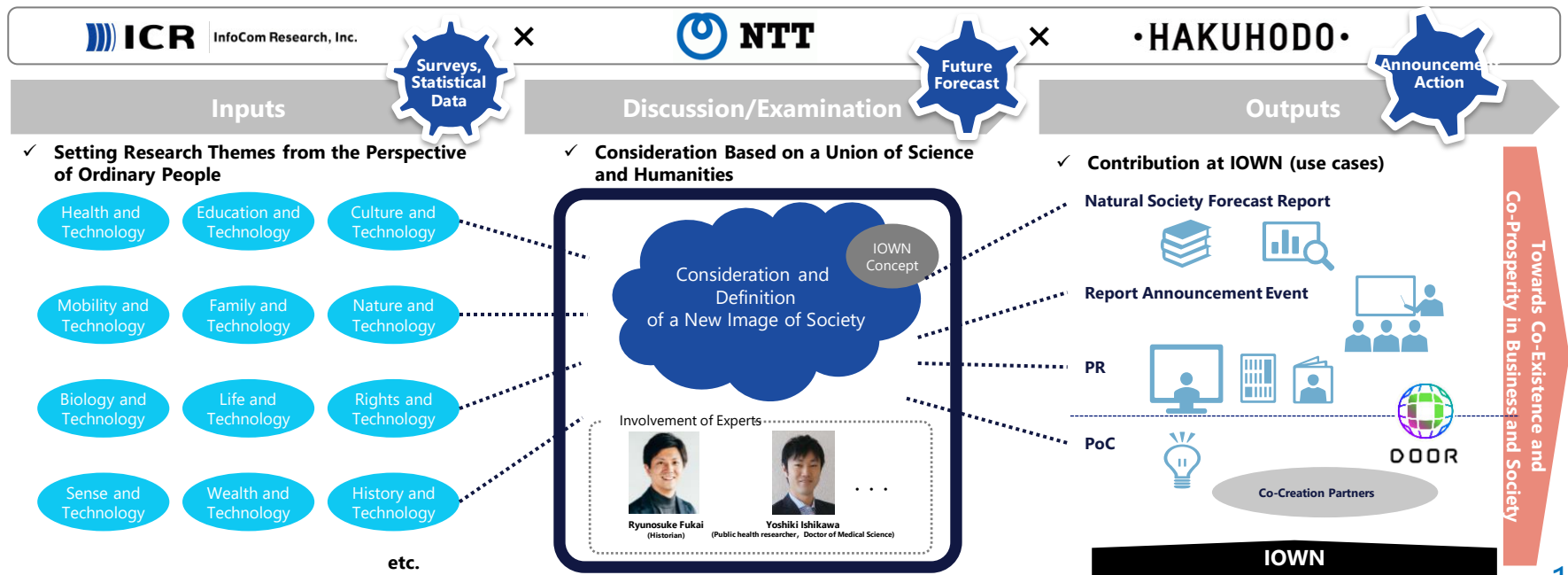


- **“IOWN Integrated Innovation Center” to be established in July 2021**
  - **Strengthen collaboration between NTT’s fundamental R&D and development capabilities of global vendors**
  - **Accelerate the following initiatives using photonics-electronics convergence technologies**
    - ✓ **Development of “photonic disaggregated computing infrastructure”**
    - ✓ **Integration of “mobile and fixed” and “network and computing”**
  - **Hidehiro Tsukano (Corporate Adviser, NTT Advanced Technology Corporation) will be appointed as Head of the IOWN Integrated Innovation Center**
  
- **Expansion of “R&D Into New Areas”**  
**(Investment in FY2021: approx. ¥500.0B in scope)**

# Enhance and Globalize R&D (2/2)

## ■ Lab Concept of Aiming for a Natural World (scheduled to be launched in May)

- Translate and spread a new image of society created by the IOWN concept into information that can be felt by ordinary people at an individual level
- Take initiative to gain the world's approval, with the aim of achieving co-existence and co-prosperity in business and society
  - ✓ "Setting research themes" from the perspective of ordinary people, "discussion with experts" on the basis of surveys and statistical data and defining and spreading "the specific form of the future and areas for IOWN to contribute"
  - ✓ Co-creation project with Professor Deguchi of Kyoto University\*



## ■ Launch New Services

<Expanding the work that can be done remotely>

- ① **“COTOHA® Call Center,” a cloud-based contact center service that enables remote work** (NTT Com, from March 31, 2021)
  - ✓ Easy and inexpensive implementation possible for medium and small-sized enterprises
- ② **“Flexible Remote Access,” which enables secure access to work systems and ICT services from anywhere** (NTT Com, from April 23, 2021)
  - ✓ Enables a smooth response by providing optimal communication settings from remote environments
  - ✓ Enables secure access that is compatible with zero-trust networks

# Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary



**Changes surrounding the telecommunications market environment**

**Changes in social trends**

**Integration of fixed-line and mobile communications**

**Remote world  
(decentralized society)**

**Multifaceted, multilayered market competition that transcends the level of communications**

**New Glocalism**



**Dynamic changes in the environment at the global level**

# Toward NTT's Medium-Term Growth and Development (1)



## ◆ Goals Being Pursued

- ① **Development and offering of new services for a remote world**
- ② **Centralization of resources and promotion of DX**
- ③ **Promotion of research and development on a global scale**
- ④ **Strengthening of new types of businesses, including the Smart Life business**

# Toward NTT's Medium-Term Growth and Development (2)



## ◆ Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary

### Objective

- **Improved competitiveness of, and growth of, NTT DOCOMO**  
NTT DOCOMO can utilize the capabilities of NTT Communications and NTT Comware and promote new services/solutions and the development of 6G-focused communications infrastructure that integrates mobile and fixed-line services, to evolve into a comprehensive ICT company that also provides upper-layer services
- **Growth of NTT Group as a whole**

## ① Strengthening corporate sales capabilities

- ✓ **Creating services that integrate mobile and fixed-line services**
- ✓ **Creating integrated solutions through the combination of clouds and data**

## ② Strengthening service creation capabilities

- ✓ **Strengthening the smart life business and creating new businesses by collaborating with partners**
- ✓ **Strengthening software development capabilities and improving user experience**

## ③ Strengthening cost competitiveness

- ✓ **Optimizing resources and assets related to networks, buildings, IT infrastructure, etc.**

## ④ Strengthening R&D capabilities

- ✓ **6G-generation core network that spans mobile and fixed-line services**
- ✓ **Realization of the IOWN concept**
- ✓ **Research and development related to O-RAN + v RAN**

## ① Enhancing the international competitiveness of Japanese industry

- ✓ Development and production of telecommunications equipment, software and services that will be used around the world
- ✓ Contribution to international standards for telecommunications

## ② Resolving social issues

- ✓ Popularization of digitization and promotion of smart technology systems
- ✓ Revitalization of local communities and regional economies

## ③ Maintaining a reliable and secure communication infrastructure

- ✓ Improvement of business continuity, strengthening of telecommunications resilience in the event of a disaster and strengthening of cybersecurity

## ④ Achieving the development of the telecommunications industry and services that provide high levels of customer satisfaction

- ✓ Provision of services and rates that are more user-friendly and affordable

## ◆ Financing

- ✓ Funds required to make NTT DOCOMO a wholly owned subsidiary had been financed through a bridge loan
- ✓ Bridge loan is planned to eventually be taken out with domestic bonds, foreign bonds, bank loans or other forms of financing  
( Domestic bonds were issued in December 2020 and foreign bonds were issued in March 2021 )
- ✓ No stock issuances will be conducted
- ✓ Securitization of receivables and asset sales are also under consideration(Partial credit securitization implemented in March 2021)

## ◆ Financial Policy

- ✓ Aim to further improve cash flow generation ability through this initiative
- ✓ Preserve financial stability by steadily reducing level of indebtedness, which will temporarily increase  
(reduction of financial leverage)
- ✓ Shareholder returns policy will remain unchanged  
(fundamental policy of implementing steady dividend increases; flexibly carry out share buybacks)

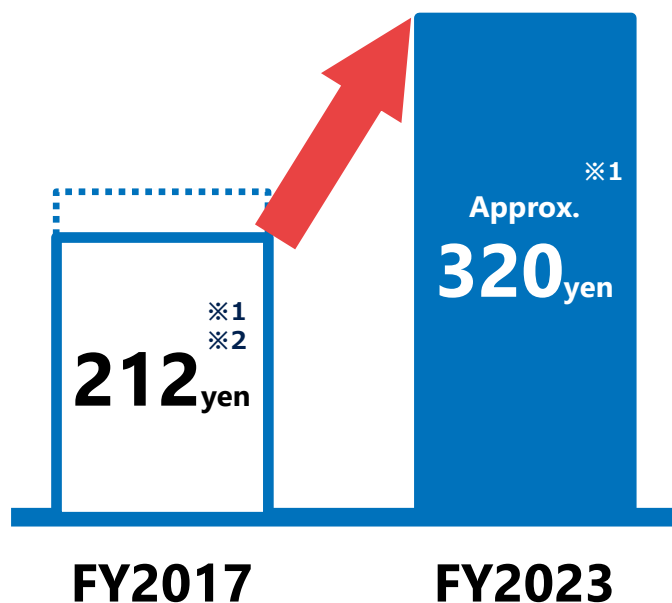
# NTT Group Medium-Term Management Strategy

# Medium-Term Targets



## EPS Growth

**+50%**



## Financial Targets

EPS Growth	+ 50% <sup>※2</sup>	Target FY2023 (vs. FY2017)
Overseas Sales / Overseas Operating Income Margin <sup>※3</sup>	\$25B/ 7%	FY2023
Cost Reductions <sup>At least</sup> (in fixed-line/mobile access networks)	¥800B	FY2023 (vs. FY2017)
ROIC	8%	FY2023
Capex to Sales (Domestic Network Business <sup>※4</sup> )	13.5% or less	FY2021

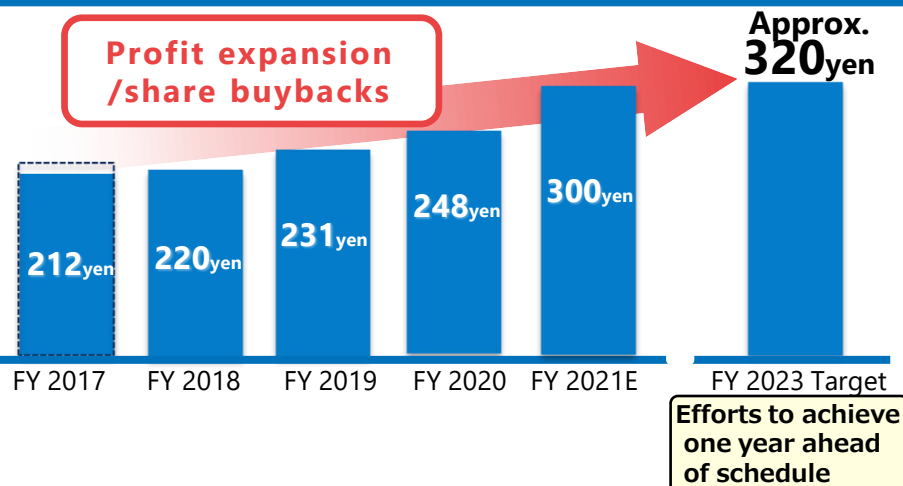
※1 : EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020. ※2 : Excludes the effects of the arbitration award received from Tata Sons Limited. ※3 : Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets. ※4 : Excludes NTT communications' data centers and certain other assets.



# Transition of Medium-Term Targets



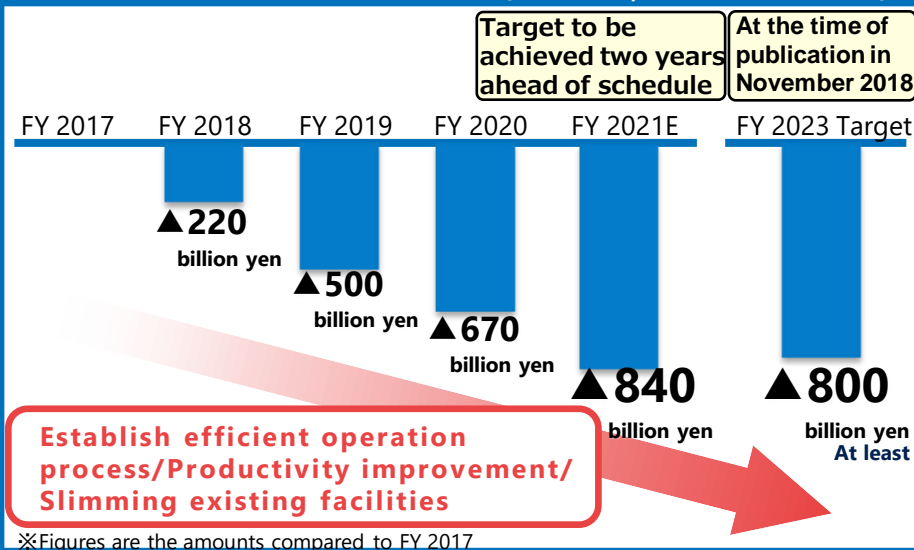
## EPS Growth <sup>\*1</sup>



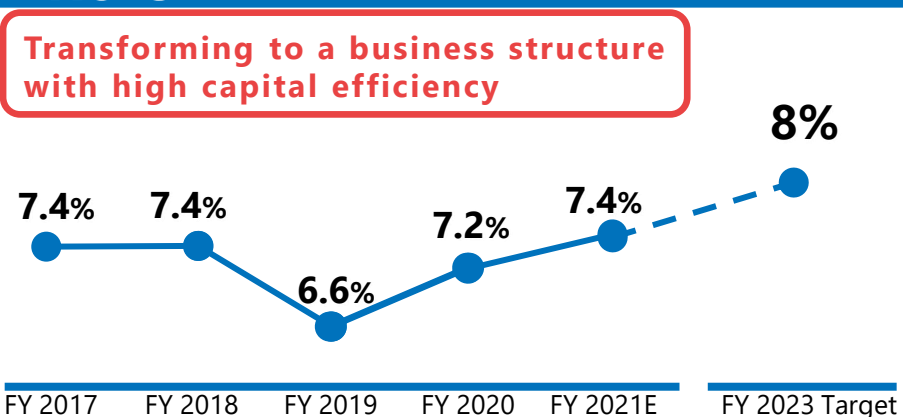
\*1 EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020.

\*2 Excludes the effects of the arbitration award received from Tata Sons Limited.

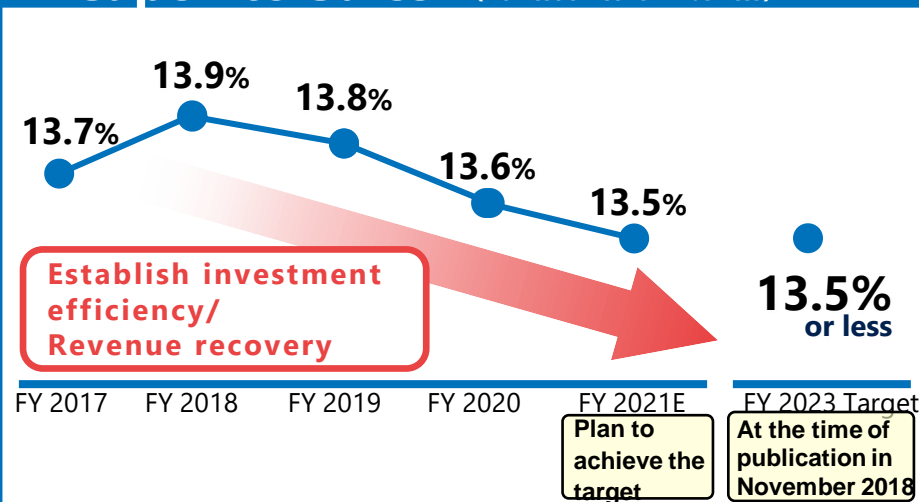
## Cost Reductions (in fixed-line/mobile access networks)



## ROIC



## Capex to Sales (Domestic Network Business) <sup>\*1</sup>



\*1 : Excludes NTT communications' data centers and certain other assets.

# Overview of Medium-Term Management Strategy Initiatives

## Overview since February 2021

Promote B2B2X Model	<ul style="list-style-type: none"> <li>Number of B2B2X Projects: 104 (+91)*</li> <li>Established a new DX company with Mitsubishi Corporation, and will launch services beginning with the food products distribution field (scheduled to be established in FY2021)</li> <li>Established EARTHRAIN Ltd., with Komatsu and others to promote DX in the construction industry (NTT DOCOMO; commencing business operations in July)</li> </ul>
Roll Out 5th-Generation Wireless System	<ul style="list-style-type: none"> <li>Launched “ahamo” (with monthly fees of ¥2,970 (including tax)) (NTT DOCOMO, from March)</li> <li>Launched the new rate plan for “OCN Mobile ONE” (NTT Com, from April)</li> </ul>
Provide Personal Services	<ul style="list-style-type: none"> <li>Launched the new “LAUGH&amp;PEACE MOTHER” education x entertainment service (from March)</li> <li>Launched the “kikito” device rental service (NTT DOCOMO, from April)</li> <li>Reached agreement on a capital and business alliance with Medley Inc., beginning with online medicine (NTT DOCOMO, April)</li> <li>Reached agreement on a business alliance with Mitsubishi UFJ Bank to provide digital financial services (NTT DOCOMO, May)</li> </ul>
Enhance Competitiveness in Global Business	<ul style="list-style-type: none"> <li>Reached an agreement to provide a service that monitors and improves congestion in real-time at a commercial facility in Chicago, U.S. (March)</li> <li>Entered into an MOU with NSW, Australia to realize a safe and smart city (March)</li> <li>Establishing a local corporation in Israel for the purpose of creating new business (scheduled for July)</li> </ul>
Enhance and Globalize R&D	<ul style="list-style-type: none"> <li>Reached an agreement with Fujitsu on a strategic alliance to drive “Realization of a Sustainable Digital Society” (April)</li> </ul>
Create New Lines of Business	<ul style="list-style-type: none"> <li>Reached agreement on urban development policy for the Uchisaiwai-cho 1-chome area (NTT Urban Development, others; March)</li> <li>Reached an agreement with Mansai Nomura (Mansaku no Kai) for a partnership to achieve the DX of Kyogen (NTT West, March)</li> <li>Introduced green power, including Japan’s first** off-site PPA, at certain Seven &amp; i Holdings stores (NTT Anode Energy, NTT Com; from April)</li> <li>Began joint web-based reception with Tokyo Gas for buried materials surveys and construction attendance (NTT East, NTT Infranet; from May)</li> </ul>
Promote ESG Management	<ul style="list-style-type: none"> <li>Launched initiatives with KDDI related to employment support for the “Employment Ice Age Generation” (First Term: from February; Second Term: from April)</li> </ul>

\* Information as of March 31, 2021. Information in parentheses indicates changes from the time of announcement of the medium-term management strategy (October 2018).

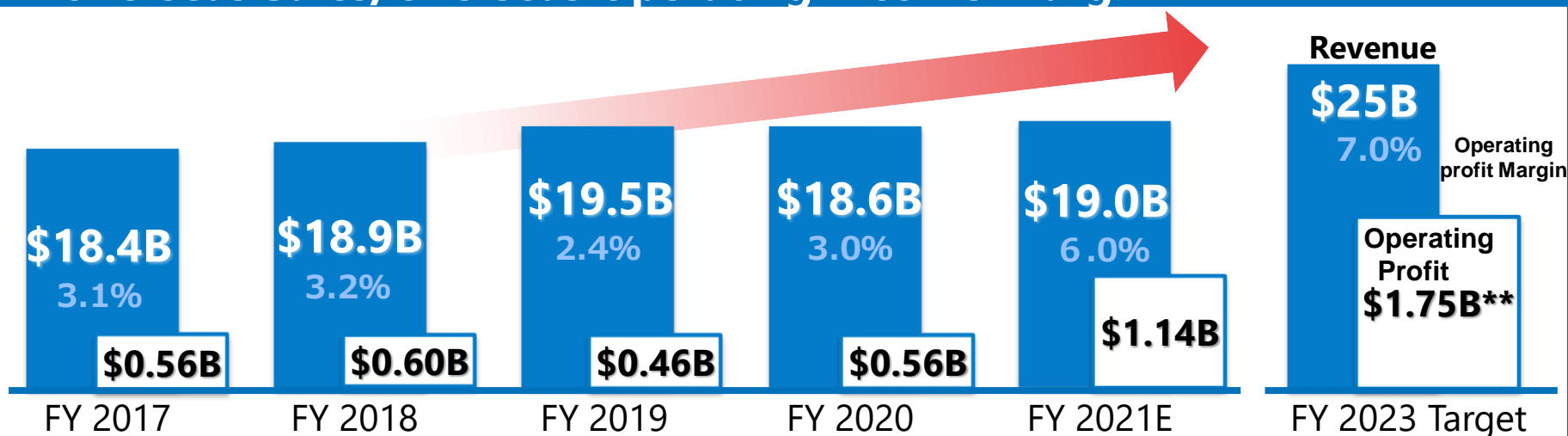
\*\* According to NTT Anode Energy though interviews, etc. with RTS Corporation.

# Global Business

# Global Business Overview



## Overseas Sales/Overseas Operating Income Margin\*



\* Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

\*\* Estimated value of \$ 25B multiplied by 7%

## Revenue\* (USD, FY2019) and Employee by Region (excl. Japan)

	TOTAL	AMERICAS	EMEA	APAC※2
Revenue	\$ 19.5B	\$ 6.7B	\$ 7.7B	\$ 5.0B
No. of employee	135,000	38,000	50,000	47,000

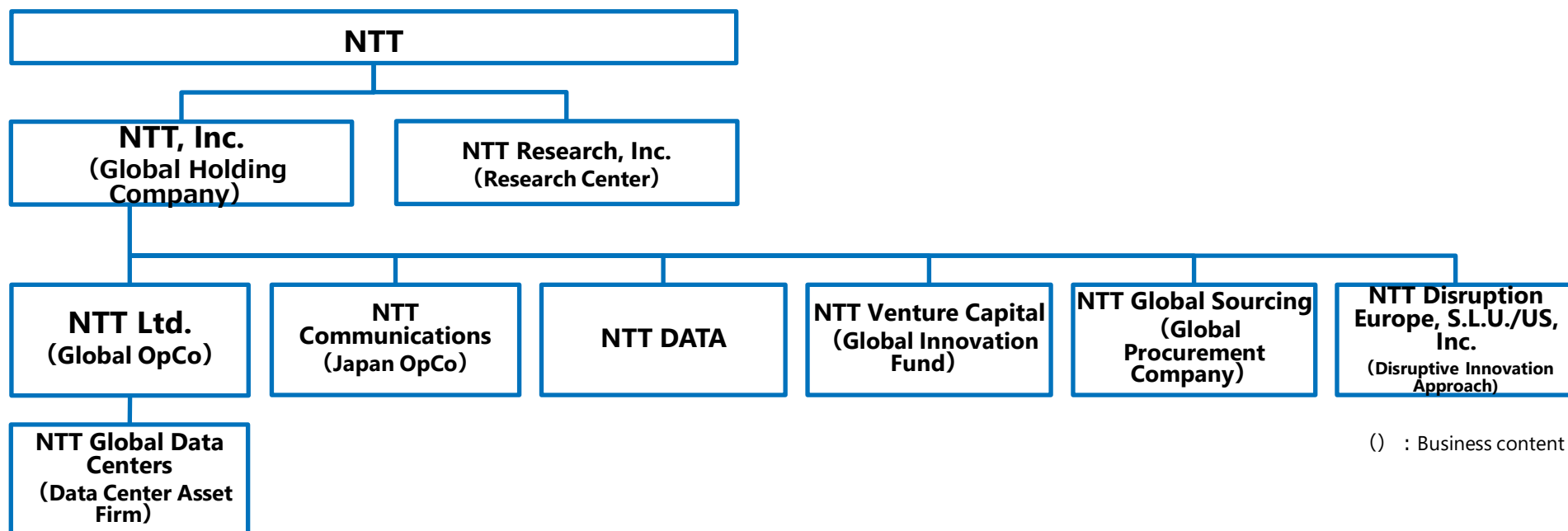
\* Including results from the global holding company, its subsidiaries and its affiliates.

\*\* Exclude Japan

# Enhance Competitiveness in Global Business (1)



- We established a new global holding company under NTT Corporation by the third quarter of the fiscal year ending March 31, 2019. And NTT Communications, Dimension Data, NTT DATA, NTT Security, and NTTi3 will be transferred to NTT, Inc. and will align together under its new leadership.
- While making NTT Group more competitive and profitable, our global governance will also benefit from embracing and integrating our people's diverse talents, skills, and management experience in global markets.
- We'll also intensify our R&D activities in global markets by using a global network of experts from advanced academic research institutions and venture-capital communities around the world.



( ) : Business content

# Enhance Competitiveness in Global Business (2)



## "One NTT" Global Growth Strategy

Deliver High Value Solutions

### Business Modernization

Industry Advisory Expertise Drives Outcome-Based Solutions

Financial Services

Automotive /Manufacturing

Healthcare

Communications /Media

Public Sector

...

Accelerate IT-as-a-Service with Software-Defined Technologies

Managed Infrastructure

Cybersecurity Services

Cognitive Foundation

Global Edge Services

...

Data Center Asset Firm

Improve Efficiency of Data Center Business

NTT Global Procurement Company

Global Procurement Excellence

Integrated Capabilities  
(Enabling a Smart World)

Create New Innovative Solutions

### Disruptive Innovation

Global Innovation Fund

Invest in the Next Innovative Technology Frontier

Venture Ecosystem

Digital Startups

Disruptive Innovation Approach

Co-Create with Clients using Advanced Technologies

Industry Specialized

Business Function

Smart World

Technology-Led

e.g. AI, Robotics, Edge Computing

Research Center (Outside of Japan)

Invent World-Leading Innovative Technologies

Global Talent Development

One NTT

Global Branding

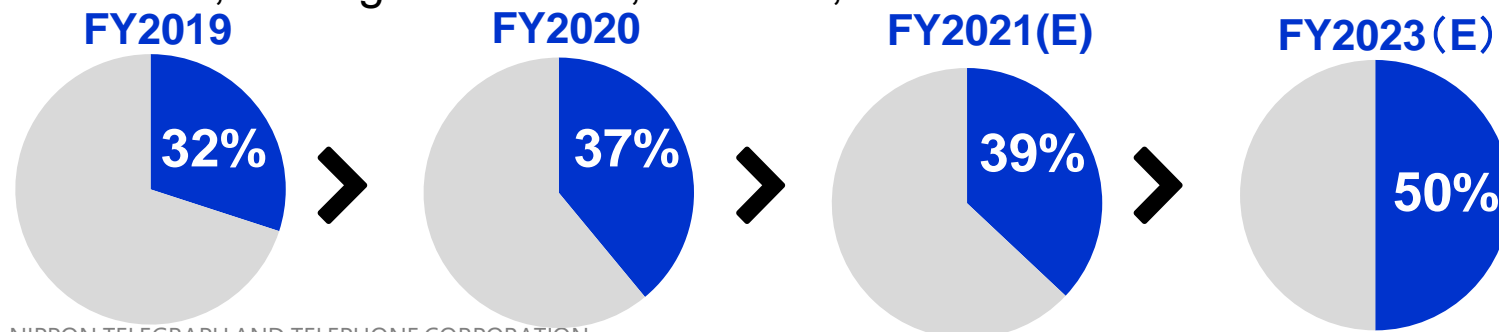
# Structural Reform of NTT Ltd.



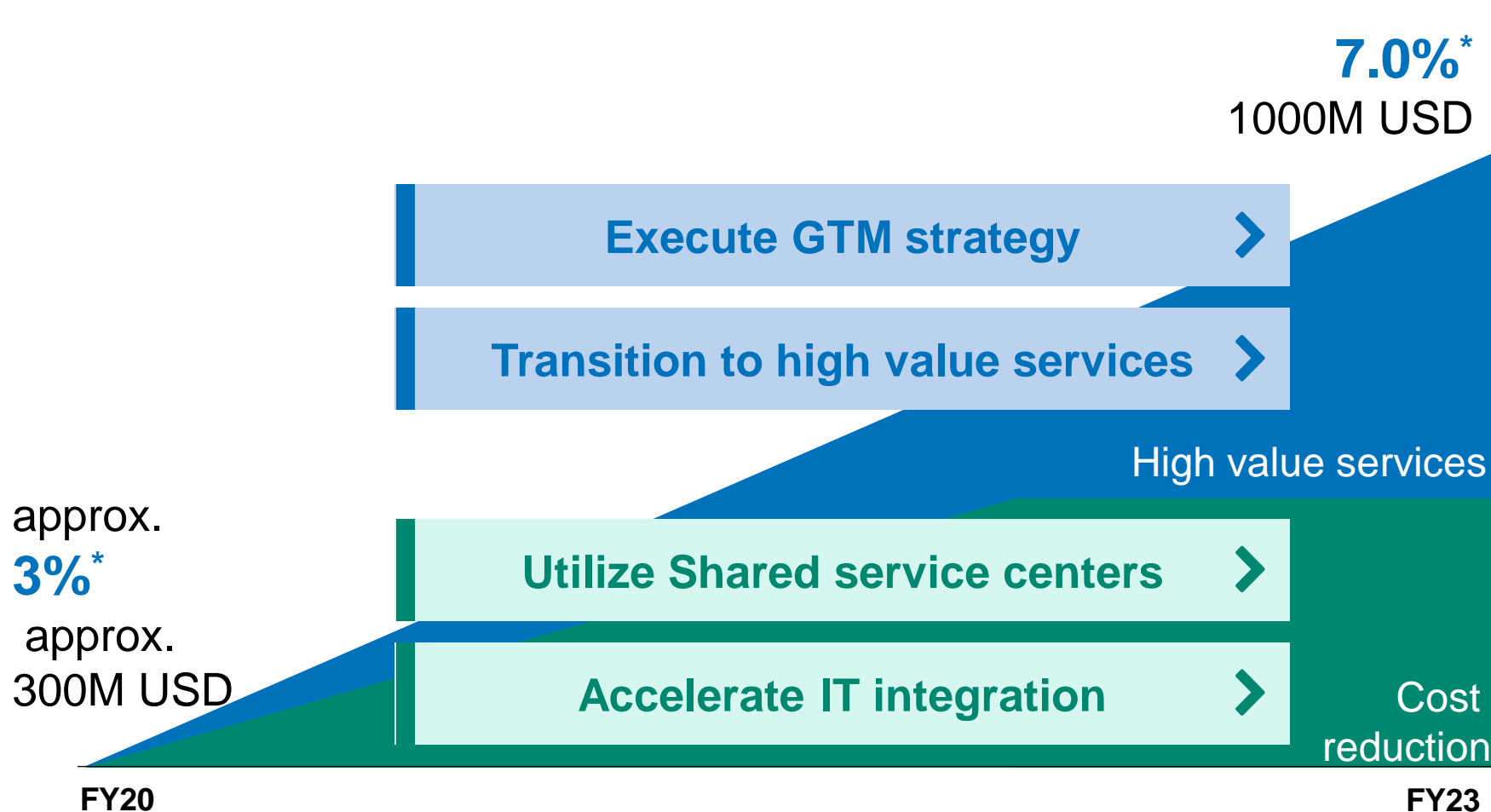
- Promoted integration at NTT Ltd. since its establishment in July 2019
- Promoting structural reforms to realize business shift to attractive markets centered on managed IT services
  - Streamlining business operations
    - Optimization by consolidating operations and overlaps
    - Launching a shared service center, automating internal processes, unifying systems
  - Strengthening competitiveness
    - Supporting customers' digital transformation with consulting as a starting point
    - Focus on secure and reliable hybrid cloud-enabled business by utilizing partnering with Microsoft
    - Expanding solutions that meet emerging needs by utilizing communication technologies and collaboration tools

< Ratio of attractive markets to revenue >

Data center, Managed services, Network, Cloud Communications etc



# NTT Ltd. Road to FY23



[\* Based on Overseas Operating Income Margin\*\*]

\*\*Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.



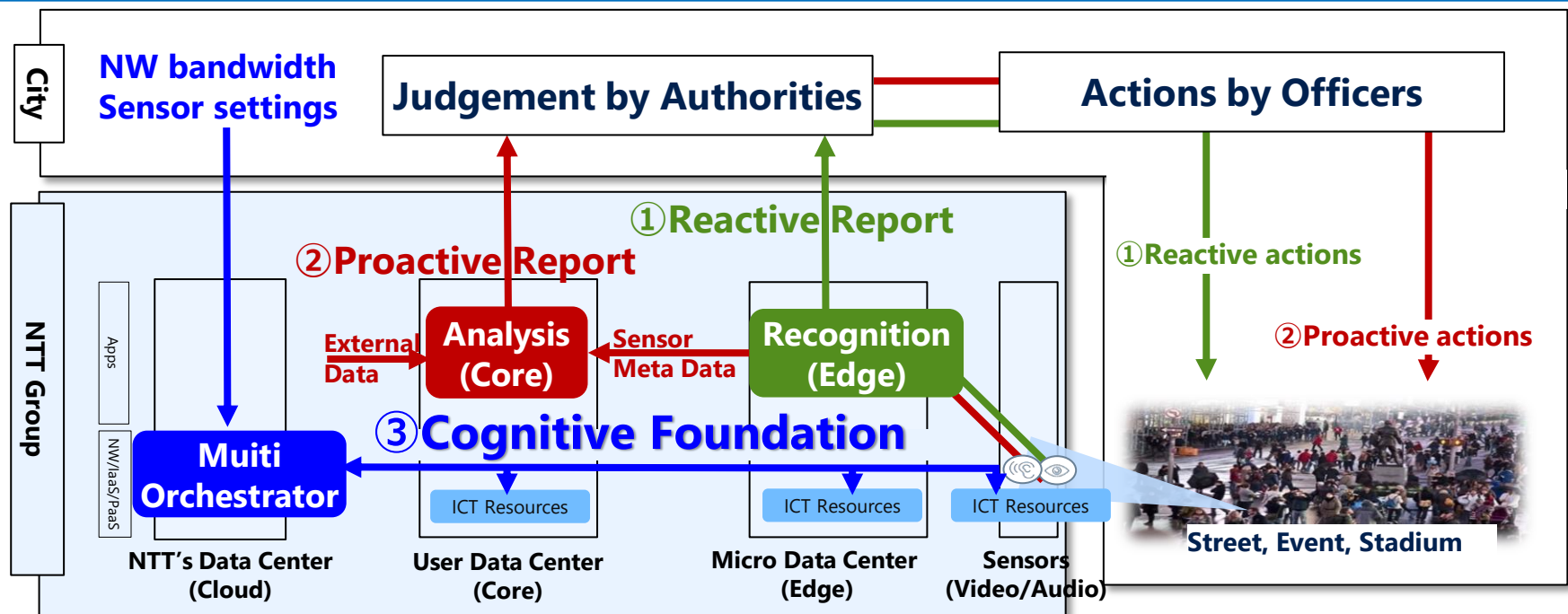
# Smart City Project (Las Vegas City)

**Pain Point of the City:**  
**Requirements:**

**To reduce "Response Time"**

- ① **Reactive actions:**
- ② **Proactive actions:**
- ③ **Flexible ICT :**

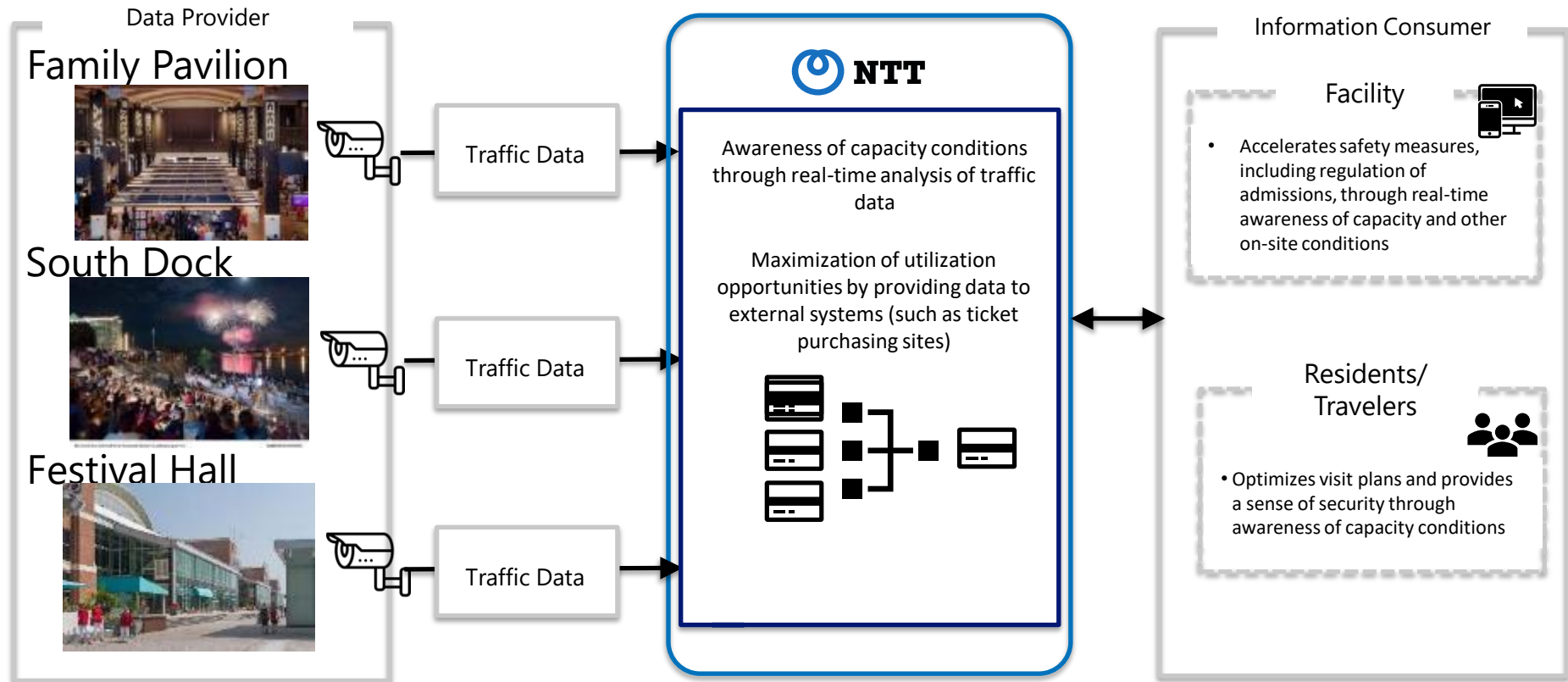
**Notify "What is going on ? "**  
**Notify "What is going to happen next ? "**  
**Deploy ICT resources ASAP**



# Smart City Project (Chicago City)



- By leveraging the Smart City technology being provided in Las Vegas, facilitates real-time awareness of on-site situations and provides information to visitors by using statistical data on space occupancy and analysis of usage patterns for particular times
- Contributed to resolution of issues for the re-opening of Navy Pier (a leisure and cultural facility in the Midwest United States), which was temporarily closed beginning in September 2020 due to the spread of COVID-19, by improving awareness of on-site conditions











# Global Data Centers

## Service delivery schedule



FY2020

FY2021

<b>In 20</b> <b>+</b> Countries/ Regions worldwide	<b>India</b>  Mumbai 7 Data Center	<b>UK</b>  London 1 Data Center	<b>Japan</b>  Tokyo 11 Data Center	<b>US</b>  Hillsboro 1 Data Center	<b>Malaysia</b>  Cyberjaya 5 Data Center	<b>US</b>  Chicago 1 Data Center	<b>US</b>  Silicon Valley 1 Data Center	<b>US</b>  Ashburn 5 Data Center

FY2021

FY2022

<b>Germany</b>  Berlin 2 Data Center	<b>Spain</b>  Madrid 1 Data Center	<b>UK</b>  Hemel Hempstead 4 Data Center	<b>US</b>  Phoenix 1 Data Center	<b>Indonesia</b>  Jakarta 3 Data Center	<b>South Africa</b>  Johannesburg 1 Data Center	<b>India</b>  Mumbai 8 / Data Center	<b>India</b>  Chennai 2 Data Center	<b>India</b>  Navi Mumbai 1 Data Center
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The above plan is subject to  
change.

# Mobile Communication Business

Reconstruct services/network/channel from customers' perspective to enhance CX and realize business structure reform

## Telecommunications business

- Expand customer base by offering rate plans and services catered to diverse customer needs
- Achieving both Early expansion of 5G coverage and improvement of network cost efficiency
- Accelerate digital shift of sales channel and digital transformation (DX) of call centers and docomo Shops (converged online/offline CX)

## Smart life business

- Expand finance/payment business and establish data-driven B2B2X ecosystem
- Create new lifestyles centered on video offerings and expand new business domains

## Enterprise business

- Expand areas/industries where 5G solutions are applied and achieve nationwide deployment
- Support DX of small- and medium-sized companies through early proliferation of "Business d Account".

# NTT DOCOMO Expansion of Customer Base

Expand customer base by offering rate plans and services catered to customer needs

Aim to grow 5G subscriptions to 10 million within FY2021

## Addressing diverse customer needs



5G Gigaho Premier  
**》5G ギガホプレミア**

Gigaho Premier  
**ギガホプレミア**

Launched April 1



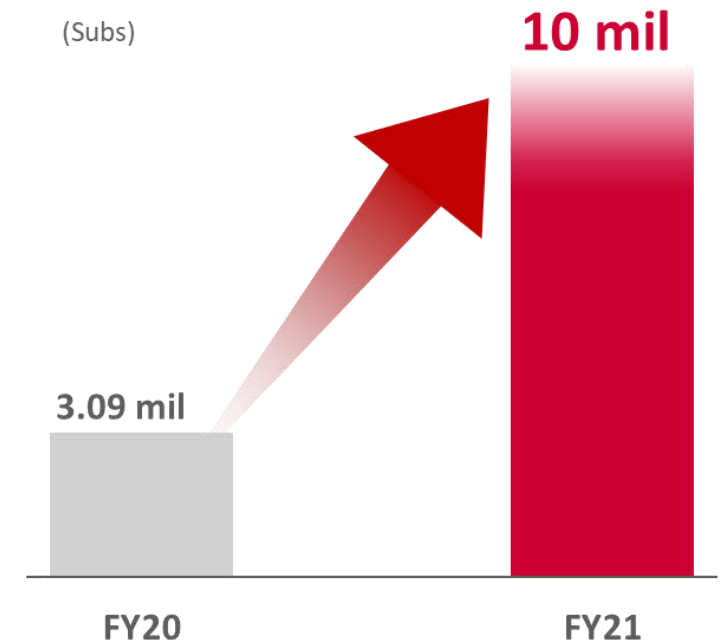
**ahamo**  
**Topped 1 million**  
(Users in their 30s and younger account for over 50%)

Launched March 26



To be announced

## Expansion of 5G subscriptions

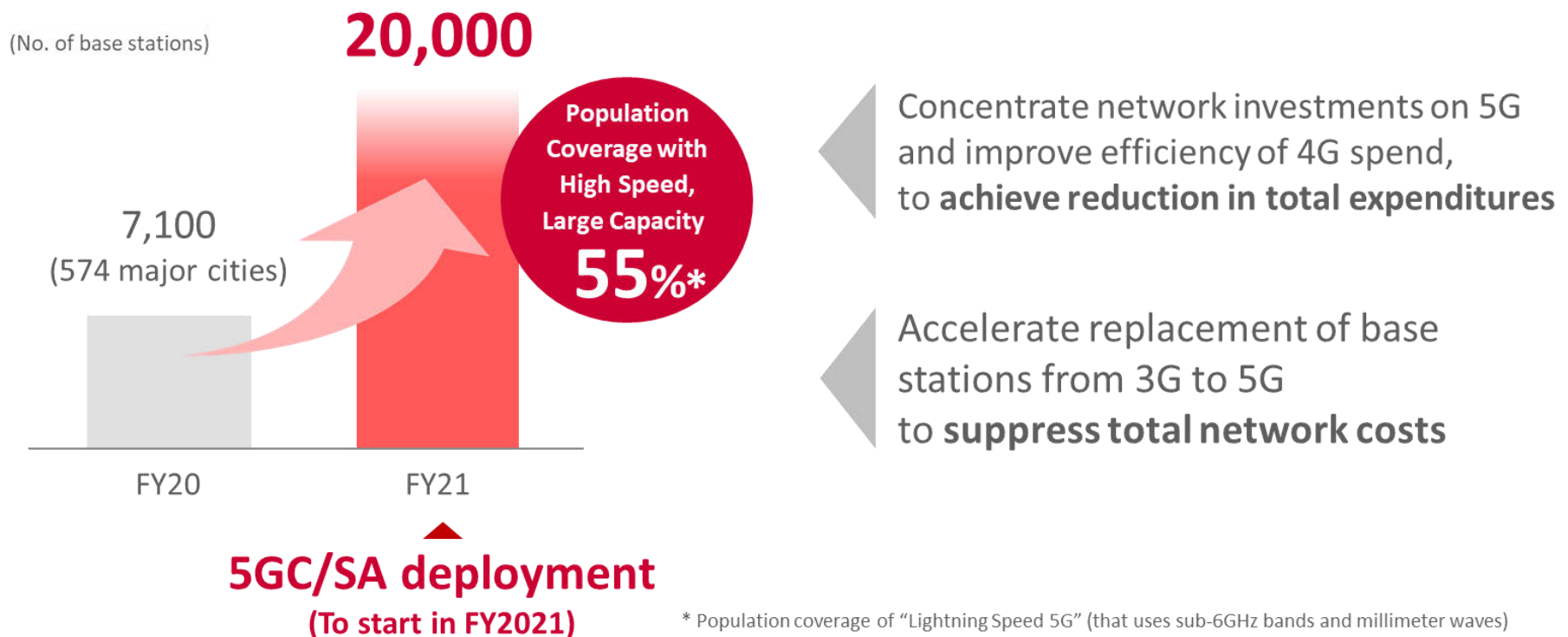




# NTT DOCOMO Achieving both Early Expansion of 5G Coverage and Efficiency Improvement



Build 5G coverage that exceeds competitions' in both speed and breadth while elevating our service offerings. Concentrate managerial resources on 5G to deliver on efficiency improvement at the same time.

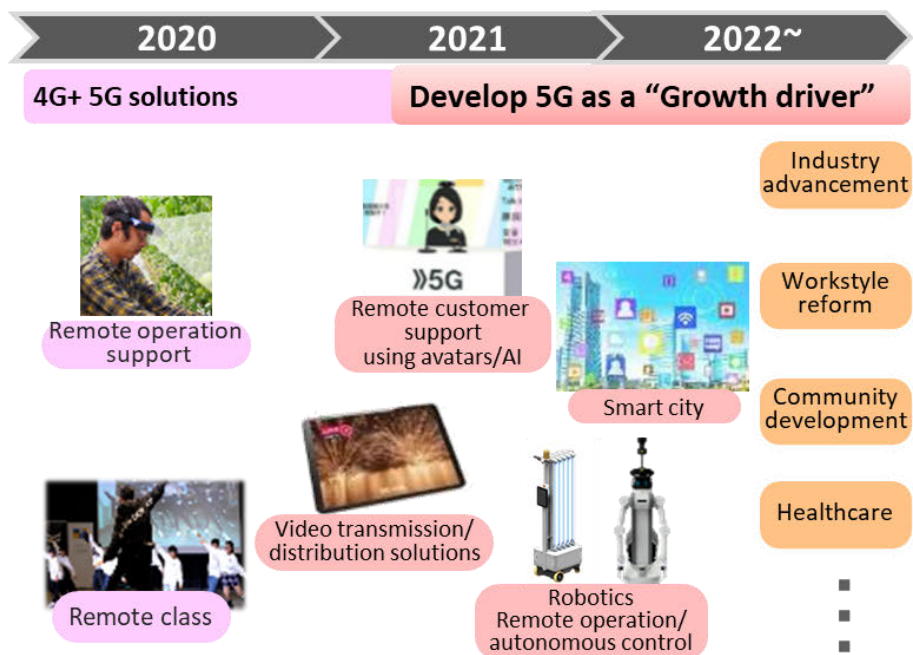


\* Population coverage of "Lightning Speed 5G" (that uses sub-6GHz bands and millimeter waves)

# NTT DOCOMO Provision of 5G Solutions



Expand and advance sectors by enrichment of 5G solutions, etc.  
Accelerate growth through horizontal deployment  
in Japan and overseas



## Establishment of EARTHRAIN Ltd. with **Komatsu, Ltd.**

Launch new DX business for the construction industry delivering improved safety, productivity and environmental performance.

To start July 2021



EARTHRAIN

Introduce digital twins to realize construction sites of the future



Global deployment



## Smart Life Business: Principal Services

### Content/ commerce

Digital content, e-commerce and healthcare businesses. Monthly subscription-based content service has one of the largest scale in Japan.



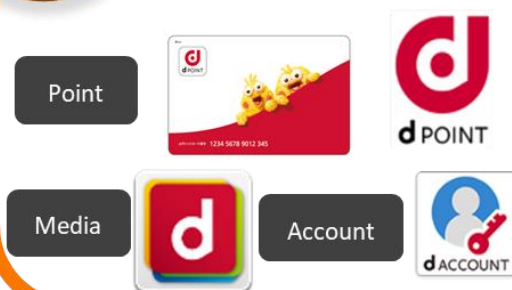
### Finance Payment

Credit card and payment businesses. Point investment service, one of our FinTech offerings, has been showing strong performance



### Platform

"d POINT" is one of the largest common point programs in Japan. Aim to further expand transactions leveraging media.



### Support services for customers' peace of mind

Provision of device protection, online security, insurance services.



### Enterprise solutions

Solution for clients' pain points and business co-creation leveraging DOCOMO assets (e.g., 5G, AI, IOT)



# NTT DOCOMO Growth and Scope

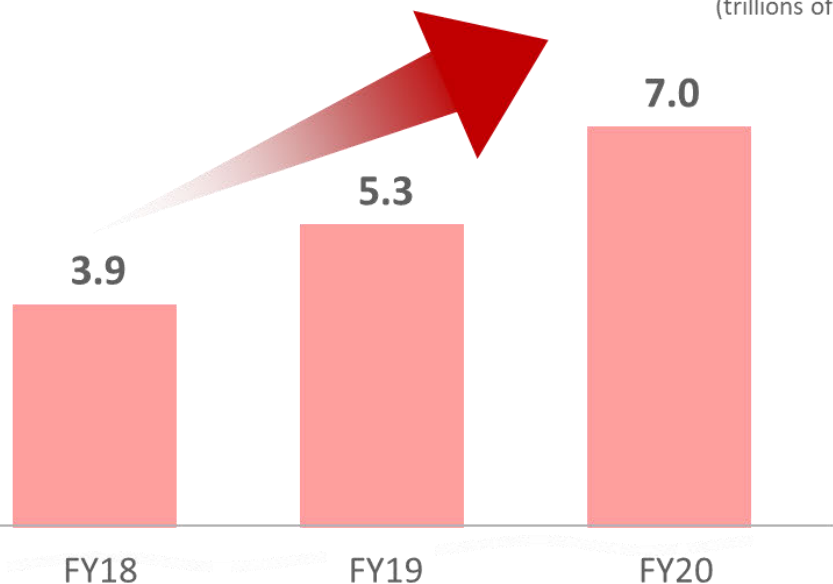


## Expansion of Finance/Payment Business

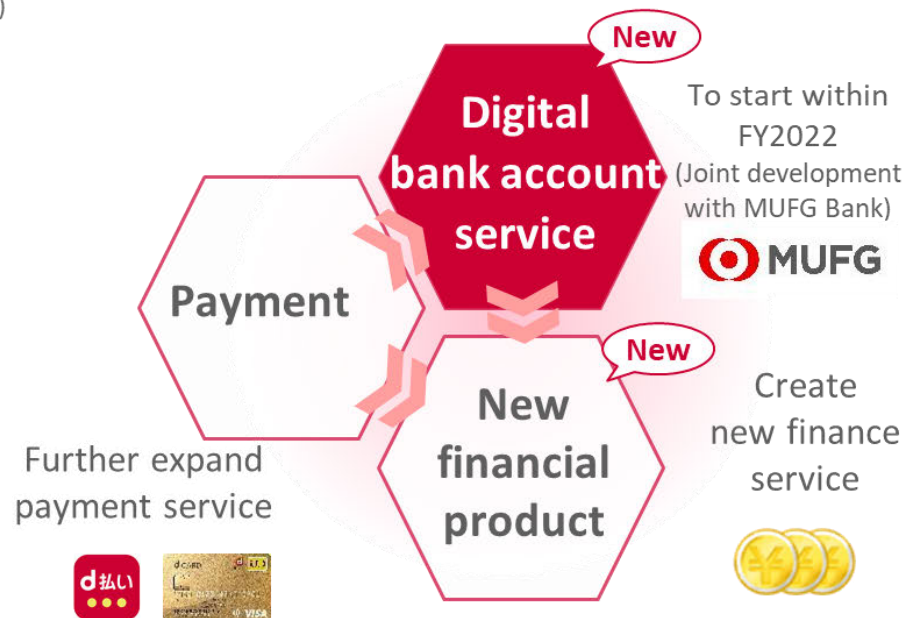
Further grow finance/payment business by stimulating everyday use, and broaden scope of business by strengthening customer touchpoints and data utilization

Growth of “d CARD” and “d Payment” transactions

(trillions of yen)



Strengthen customer touchpoints and expand business domains using payment service as a pivot



# NTT DOCOMO Creation of New Lifestyles NTT

Reinforce video business leveraging 5G's unique properties and  
tackle new business development  
making use of our membership base

## Creation of new lifestyles combining video with real-world experience



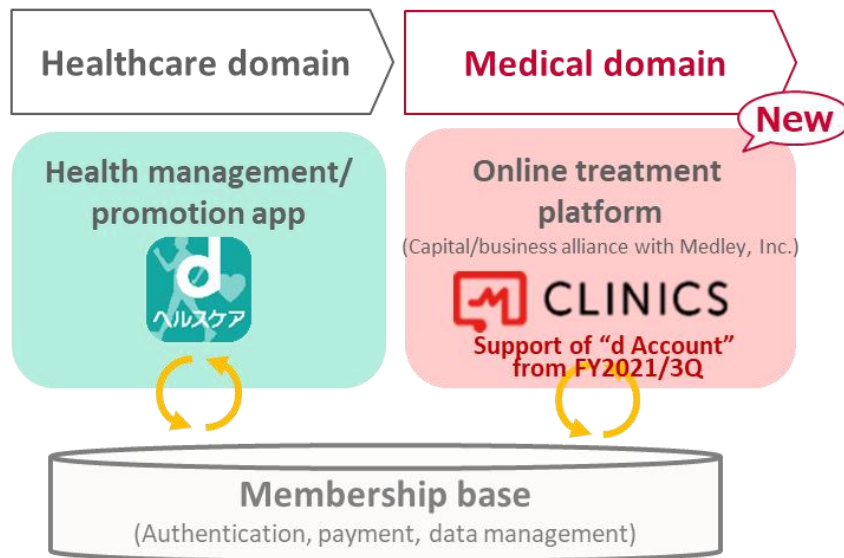
Further enrich movies,  
dramas, Korean films and  
animation offerings



Create new video experience



## Rollout of medical services based on online treatment

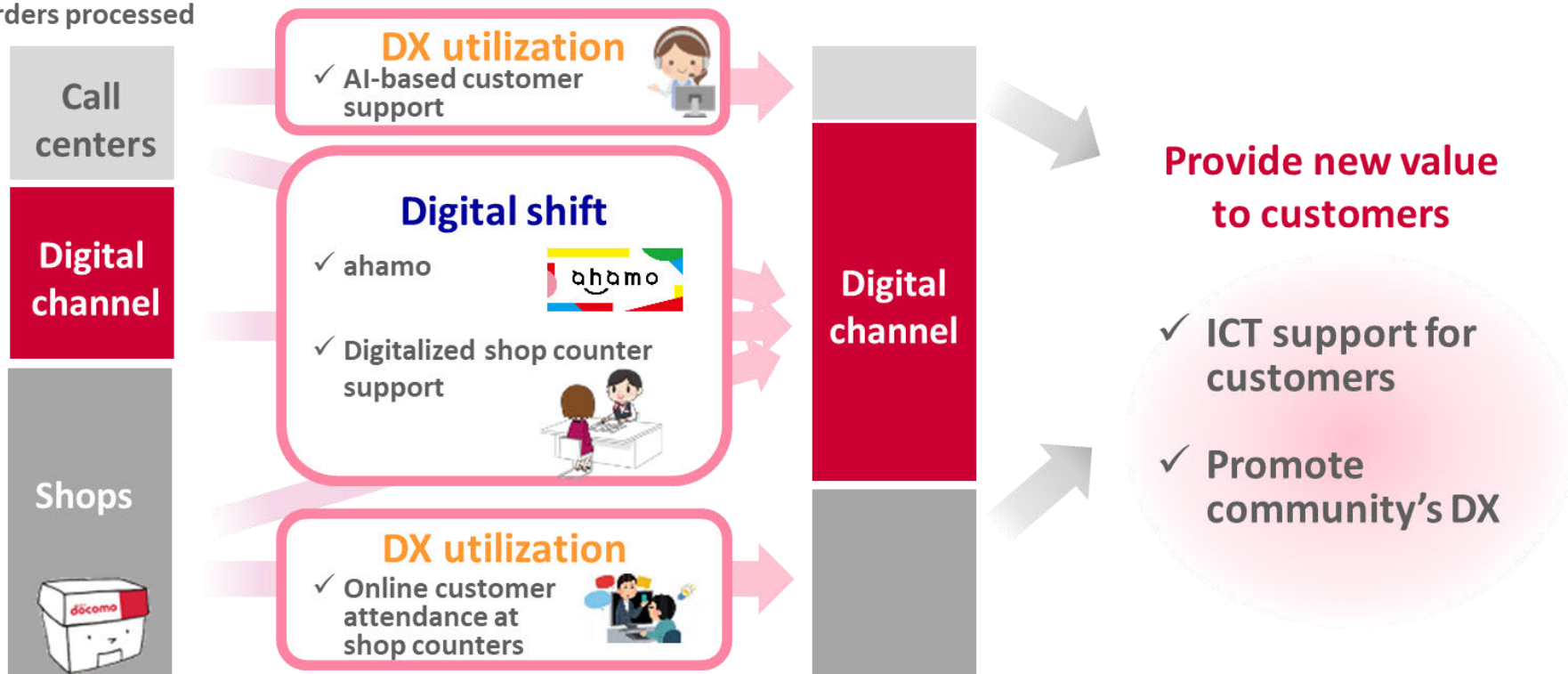


## Digitalization of Sales Channel

Accelerate digital shift of sales channel and DX utilization  
responding to the needs of society

(Support digitalization and DX of customers)

Orders processed





## Early Proliferation of “Business d Account”

Assist DX promotion of enterprise customers

**New**

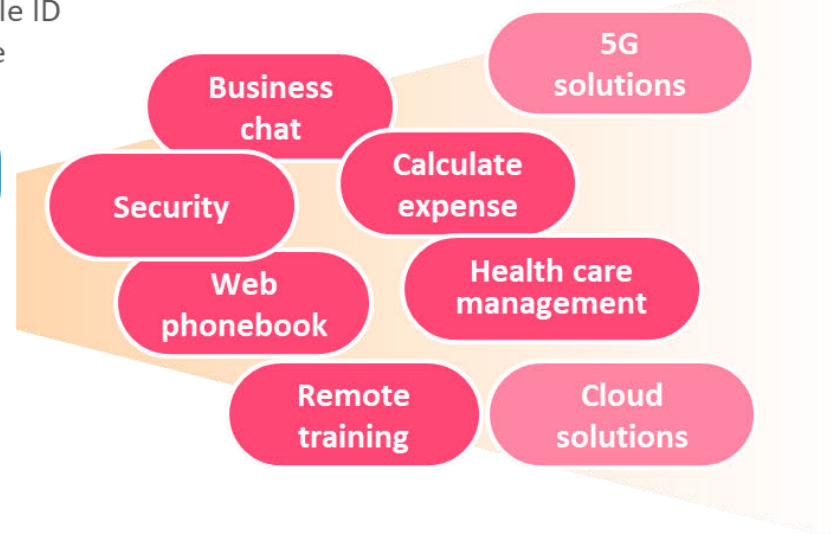
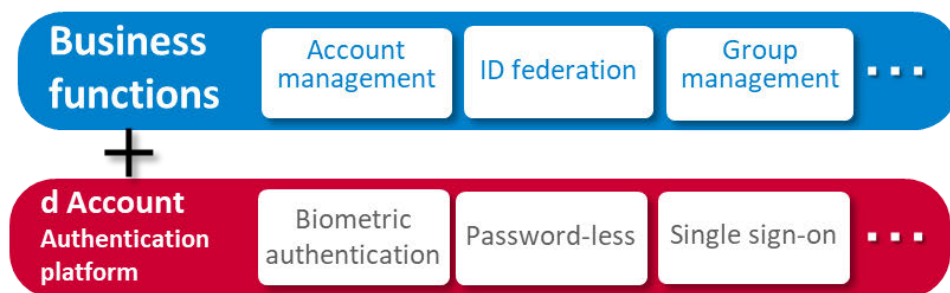
**ビジネス d アカウント**  
Business d Account

**To start May 13, 2021**

Contract partners

Enables “safe” and “convenient” use of a variety of services with a single ID for each employee

Compatible with various services/solutions



## Termination of FOMA (3G) Service

**Terminate 3G service on Mar. 31, 2026**



◆ Stop accepting new applications for 3G after Mar. 31, 2020



◆ Terminate service on Mar. 31, 2026

**PREMIUM  
4G**

◆ Max. download speed of 1,576Mbps to be offered from winter 2019

**»5G**

**Commercial launch in spring 2020**



◆ Acceptance of new applications for FOMA Voice Plans and i-mode has been finished on Sept. 30, 2019. Acceptance of new applications for all FOMA billing plans including FOMA Data Plans and Ubiquitous Plans, etc. will be finished on Mar. 31, 2020.

# NTT DOCOMO Key Operational Indicators (1) NTT

	FY2019 (1)	FY2020 (2)	Changes
“d POINT CLUB” members (Million)	75.09	81.95	+9%
“d POINT CARD” registrants	43.26	50.78	+17%
“d POINTs” used (Billion points)	199.8	249.3	+25%
“d POINTs” used at partners’ stores, etc.	121.1	176.0	+45%
Mobile telecommunications service subscriptions (Million subs)	80.33	82.63	+3%
5G subscriptions	0.014	3.09	—
Churn rate (%)	0.54%	0.48%	-0.06pt
Handset churn rate	0.44%	0.40%	-0.03pt
Total smartphone/tablet users (Millions)	42.04	43.92	+4%
“docomo Hikari” subscriptions (Million subs)	6.49	7.04	+9%

◆ “d POINT CARD” registrants indicate the no. of users who can earn and use “d POINTs” at participating stores by registering their personal information.

◆ “d POINTs” used and churn rate represent the cumulative data for FY2020.

◆ Handset churn rate indicates the combined churn rate for smartphones and feature phones.

# NTT DOCOMO Key Operational Indicators (2) NTT

	FY2019 (1)	FY2020 (2)	Changes
<b>Finance/Payment transactions handled</b> (Billions of yen)	<b>5,320.0</b>	<b>6,980.0</b>	<b>+31%</b>
<b>“d CARD” transactions</b>	<b>4,150.0</b>	<b>5,250.0</b>	<b>+27%</b>
<b>“d Payment” transactions</b>	<b>399.0</b>	<b>810.0</b>	<b>+103%</b>
<b>“d CARD” members</b> (Million members)	<b>12.97</b>	<b>14.37</b>	<b>+11%</b>
<b>“d CARD GOLD”</b>	<b>6.85</b>	<b>7.97</b>	<b>+16%</b>
<b>“d Payment” users</b> (Millions)	<b>25.26</b>	<b>35.23</b>	<b>+39%</b>
<b>Locations where payment/point service can be used</b> (Million locations)	<b>1.73</b>	<b>3.09</b>	<b>+79%</b>

- ◆ The amount of transactions handled represent the cumulative amount for FY2020, which includes the transactions handled with “d CARD,” “iD,” “d Payment,” direct carrier billing and “DOCOMO Mobile Payment Service,” etc.
- ◆ The amount of transactions processed with “d Payment” represents the cumulative amount of payments made with “d Payment” (code and online payment) and “d Payment (iD)”.
- ◆ The number of “d Payment” users represents the sum of total number of “d Payment” app downloads and “d Payment (iD)” members.
- ◆ Locations where payment/point service can be used represents the combined no. of locations where “d POINT,” “iD,” and “d Payment” (code and online payment) services can be used. The FY2019 data for the locations where “iD” service can be used was revised to reflect the actual number as of Mar. 31, 2020.



# Fixed-line Communication Business

# Local 5G utilization example



- Realizing the improvement of the manufacturing site by remote monitoring, etc. by utilizing local 5G, eliminates labor shortage and improves productivity .(Collaboration agreement with Yamaguchi Prefecture and joint experimental agreement with Hibiki Seiki Co., Ltd. April 4, 2020)
- Going forward, we will proactively expand the use cases of smart factories such as remote control to other fields and contribute to solving social issues in a new remote society.

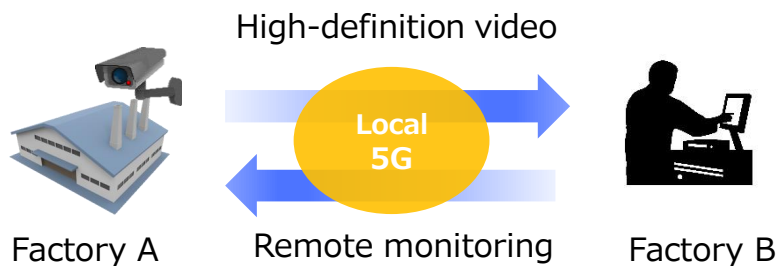


## Local 5G

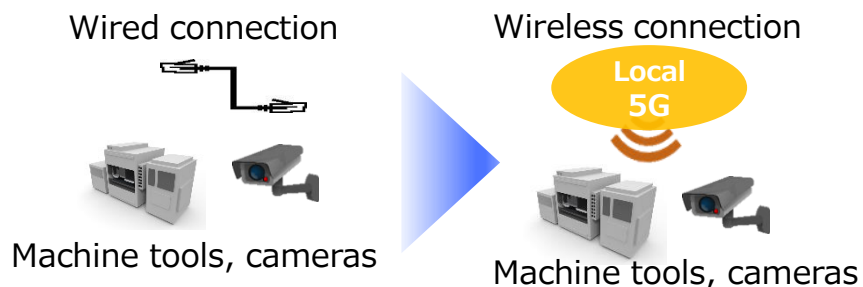
### Between factories

### In the factory

#### Remote monitoring with high-definition video



#### Wireless connection of factory equipment



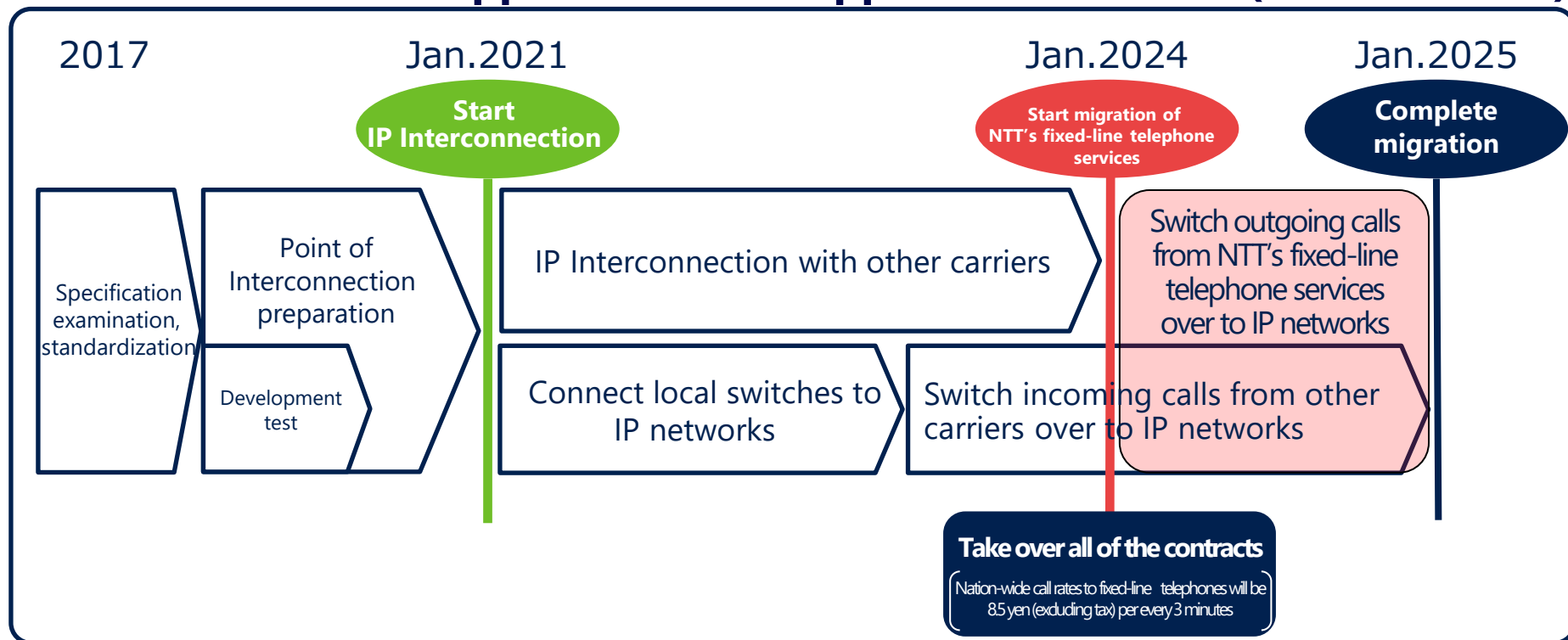
**Providing new value by utilizing the characteristics of local 5G in a new lifestyle**

# Migrate PSTN to IP Networks



## Simplify services and networks with IP networks

- Nation-wide call rates to fixed-line telephones will be 8.5 yen per every 3 minutes (from January 2024)
- Migrate tandem/signal transfer switches to IP, and connect to other carriers through IP (scheduled completion by January 2025)
- Continue use of copper lines and copper line terminals (local switches)



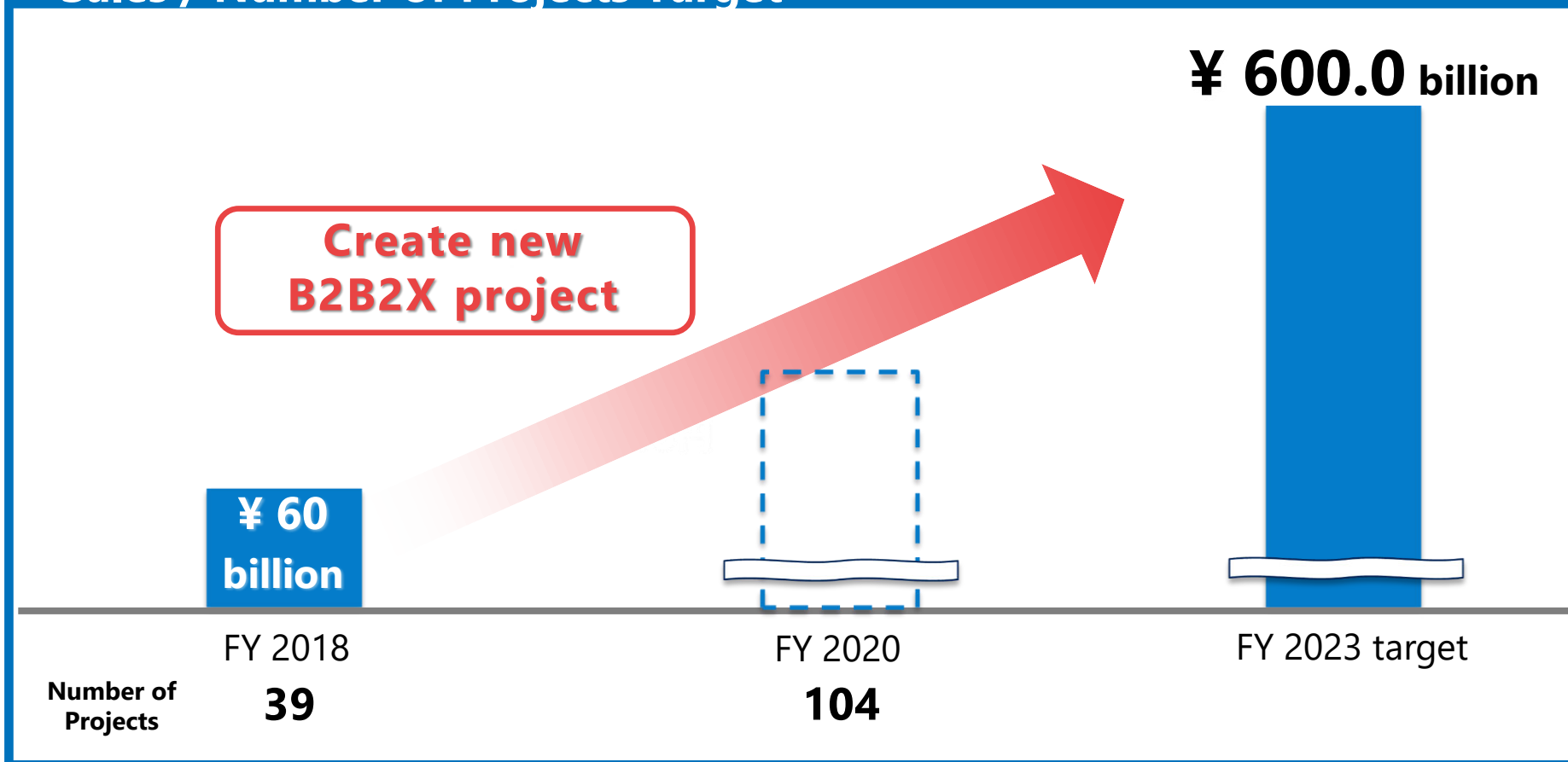
# Other Businesses

# Promote B2B2X Model



- Number of B2B2X Projects: 104  
(as of the end of March 2021, **Achieved the 2021 target "100" one year earlier than planned**)
- Set B2B2X Sales Target: ¥600.0 billion (for FY2023)

## Sales / Number of Projects Target



# Strategic Business Alliance with Fujitsu for the “Realization of a Sustainable Future Digital Society”



**NTT**

As “Your Value Partner,” aims to resolve social issues through its business operations, working together with its partners

**Fujitsu**

Makes the world more sustainable by building trust in society through innovation

**Aligned with the Vision of the IOWN Initiative**

**Establishing Photonics-Electronics Convergence Manufacturing Technology**

**Promotion of Open Communication Technologies**

**Joint R&D for Low Power Consumption in High-Performance Computing**

**Realization of a Sustainable Future Digital Society**

# Business Partnership to Pursue "Industrial Digital Transformation(DX)" with Mitsubishi Corporation



## Objectives of business partnership: Pursuing DX through cross-industry collaboration

- Collaborate Mitsubishi Corporation's industry knowledge with technologies of NTT Group
- Expand its expertise, developed know-how and pursue DX across the industry
- Establishment of DX New Company with Mitsubishi Corporation, Started providing services in the food distribution field



### Industries and Companies



### Society and Citizens



### Digital and ICT



**Digital platform to support Smart Life & Businesses**

# Create New Lines of Business

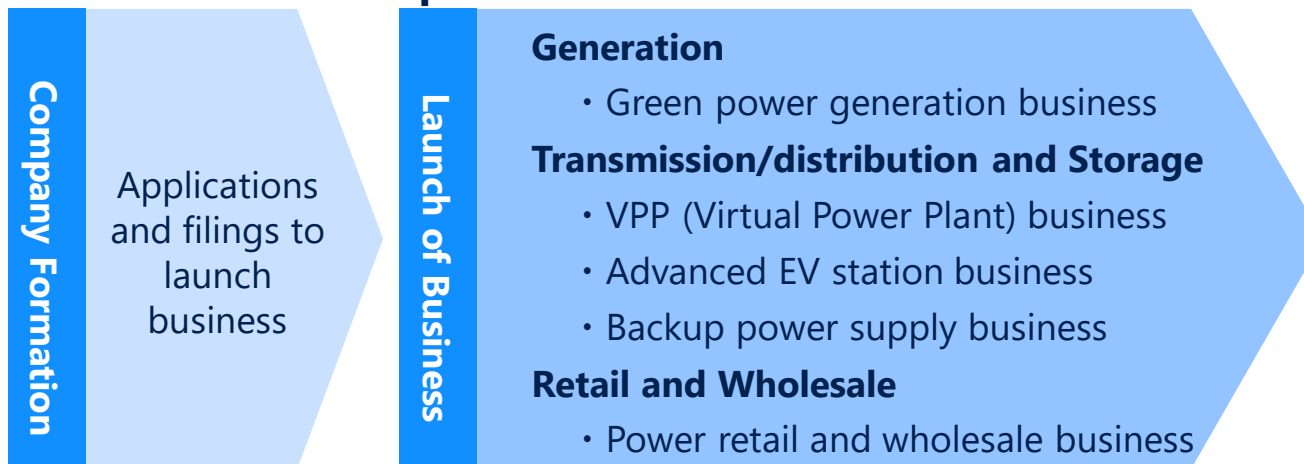


## Promotion of Smart Energy Business

- Establishment of “NTT Anode Energy” (June 3, 2019)
- Efforts to popularize and expand the use of renewable energy (Capital tie-up with Furusato netsu-den Corporation (September 2020 : Geothermal) ,Capital and business alliance with Forest Energy Inc. ( September 2020 : Biomass ) , Joint business management with Tokyo Century Corporation ( October 2020 : Solar power ) etc ) , Introduction of green power, including offsite PPAs, at some Seven & i Group stores (April 2021 : Solar power )

June 2019

September 2019



FY2025  
(Target)

Sales  
Volume of  
¥600.0  
Billion※

※ Sales volume related to NTT Group energy related businesses



**R&D**

# Worldwide promotion of research and development



## Road to IOWN

### (1) Wireless

- Expanding wireless coverage and increasing capacity
- 6G strategy

### (2) All-Photonics Network (APN)

- LSI serving as a key to the APN

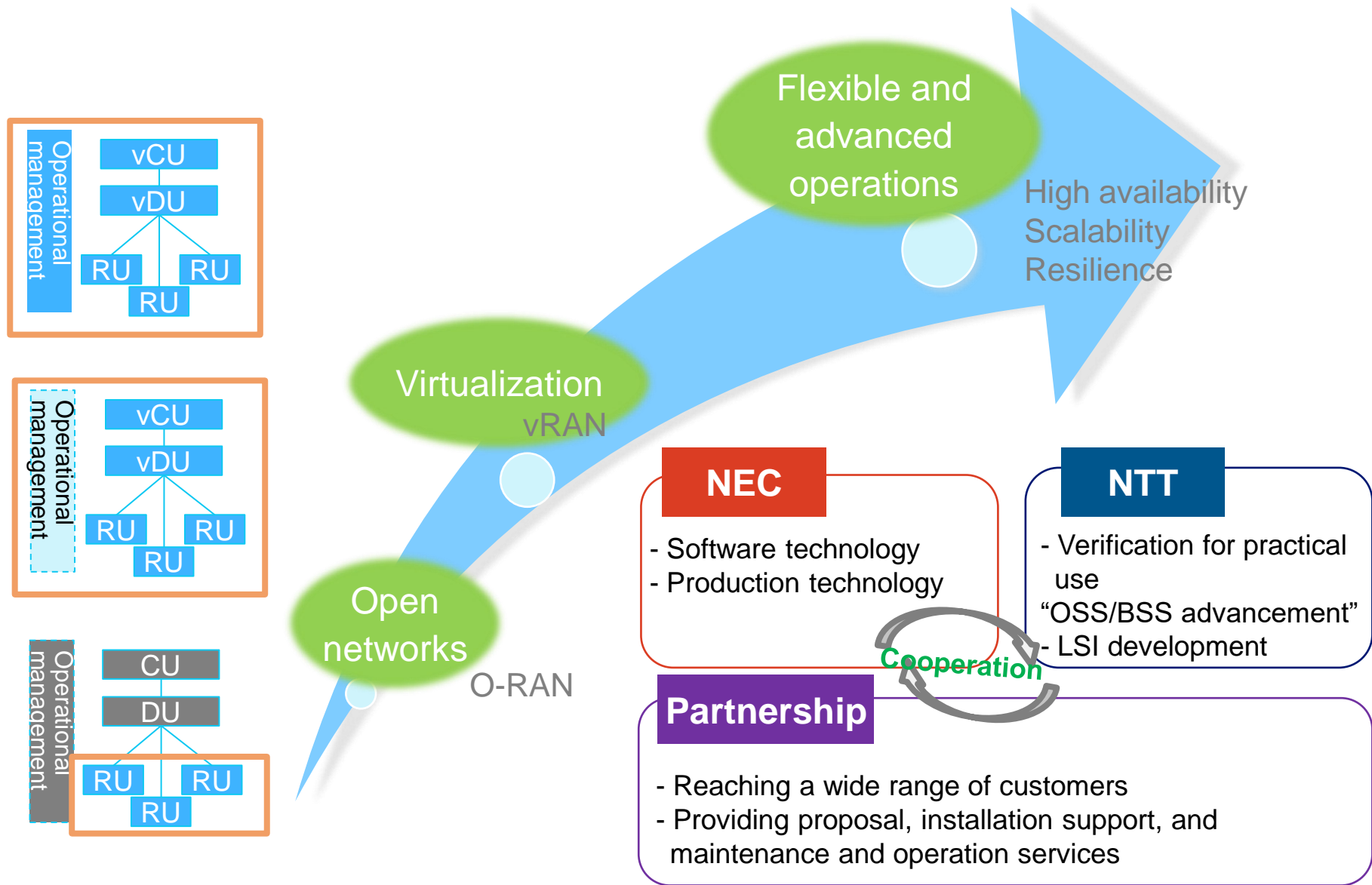
### (4) Disaggregated Computing / OS

### (3) Digital Twin Computing (DTC)

- 4D digital platform™
- Digital twin devices

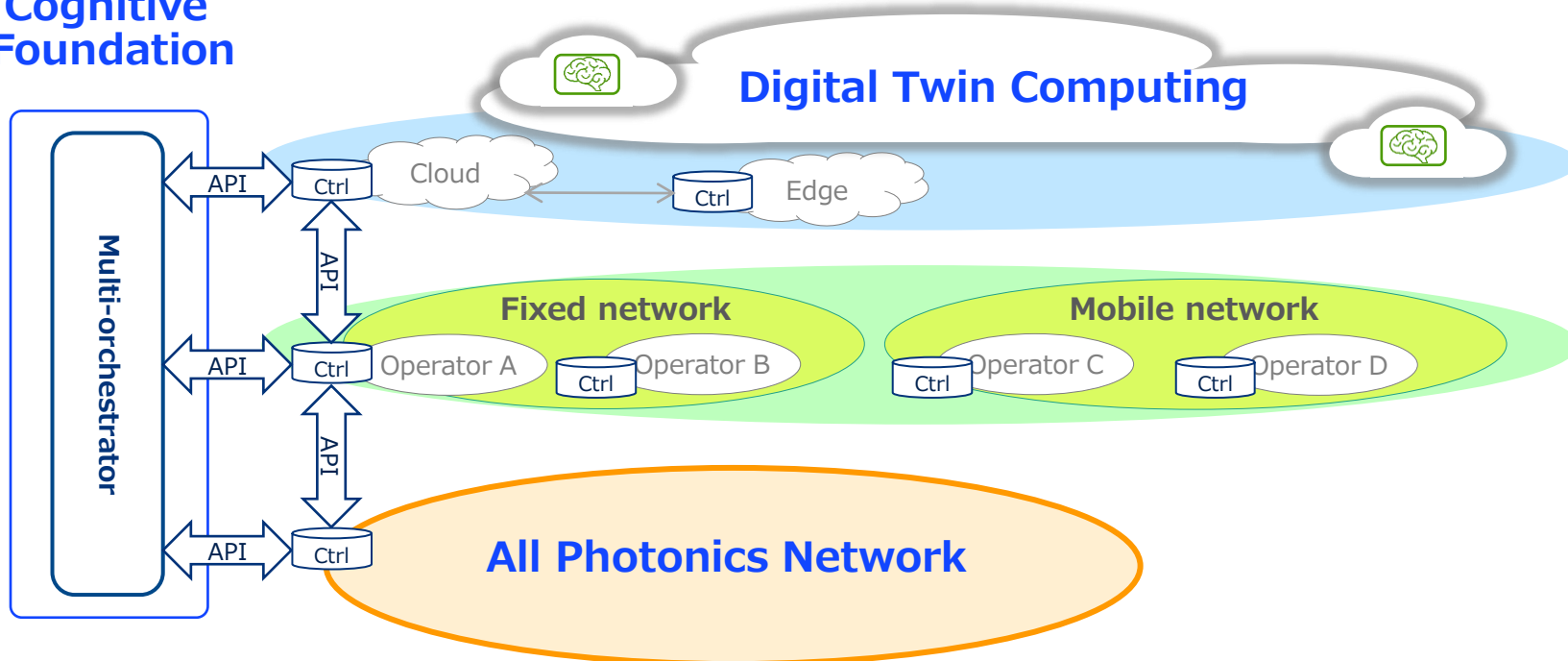
Cognitive Foundation

# Open access networks (O-RAN plus vRAN)

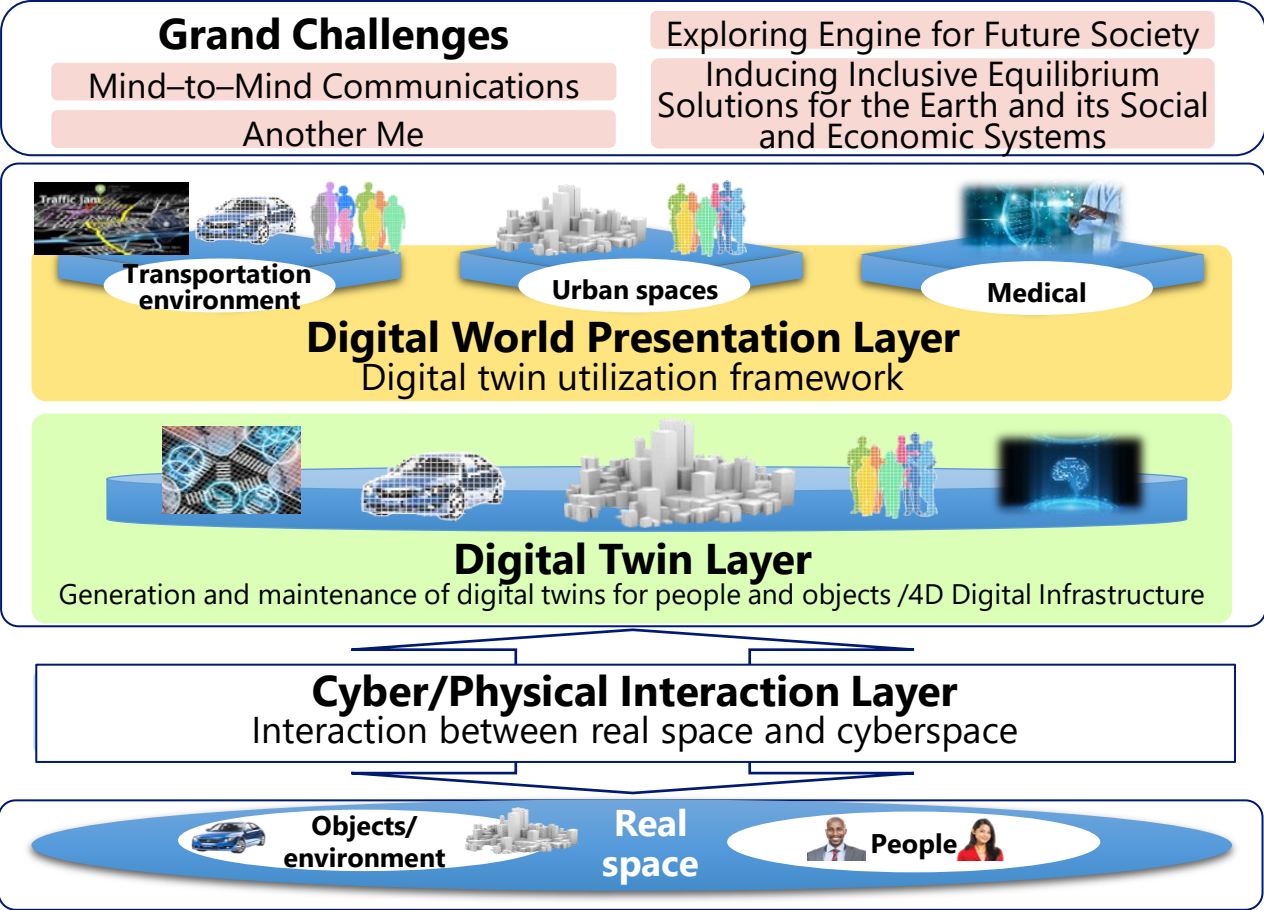


# Three elements that make up IOWN

## Cognitive Foundation



# Digital Twin Computing



**Design of future cities**



**Optimal control of flow of people and traffic**



**Digitalization of medical field**



⋮

# Shareholder Returns/ ESG

## ◆ Dividend Policy

- **Basic policy is steady dividend increases**

## ◆ Share Buybacks

- **Carry out buybacks flexibly to improve capital efficiency**

## Dividends

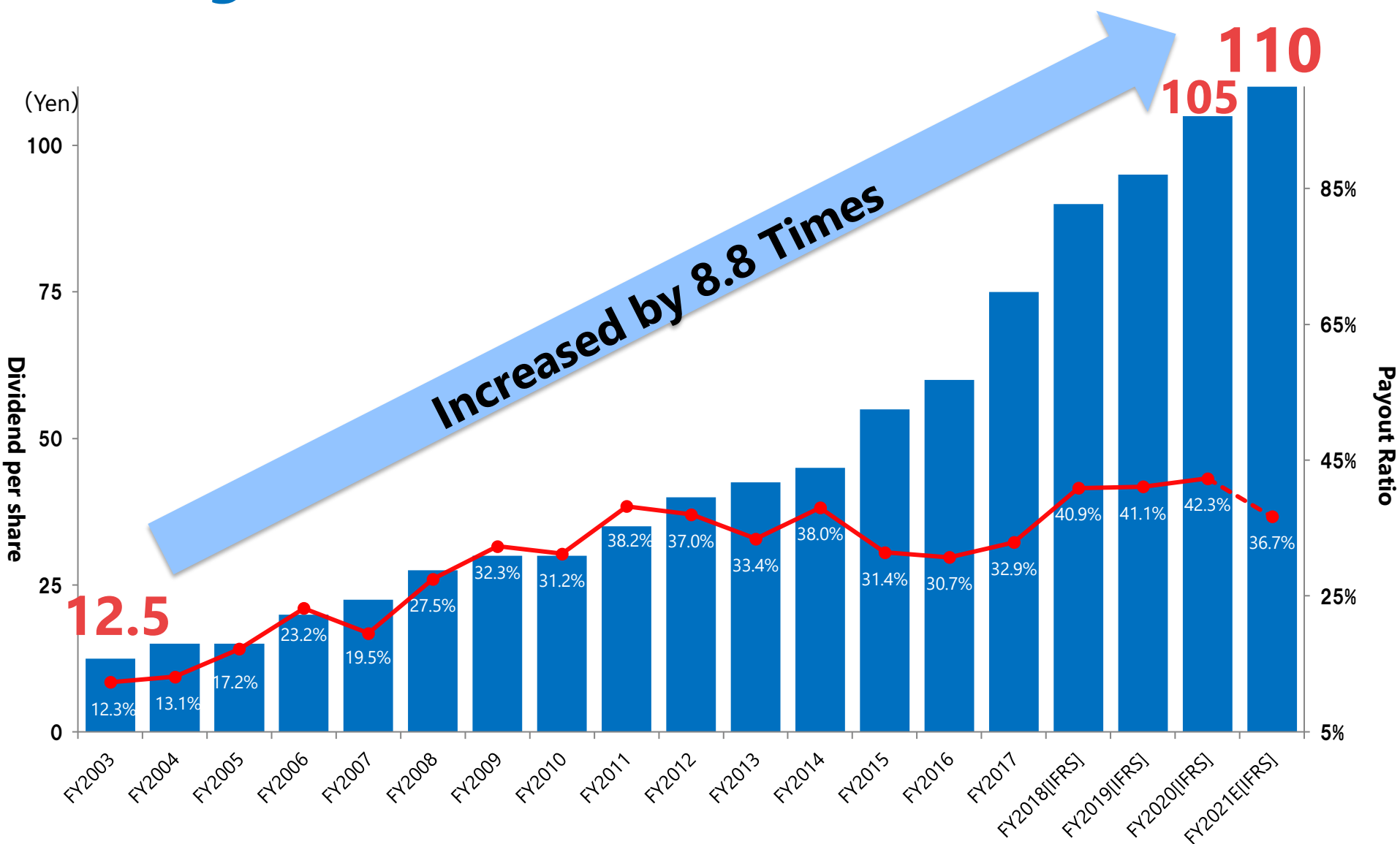
- **Aggregate annual dividends for FY2021 are expected to increase to ¥110 per share, an increase of ¥5 from FY2020**
- **Dividends are expected to increase for the 11th consecutive year since FY2011**

## Completion of Share Buybacks

- **Share Buybacks: Completed share buybacks of ¥250.0 billion (93,906,900 shares) as authorized at the meeting of the board of directors held on November 6, 2020 (February 22, 2021)**



# Changes in Dividend

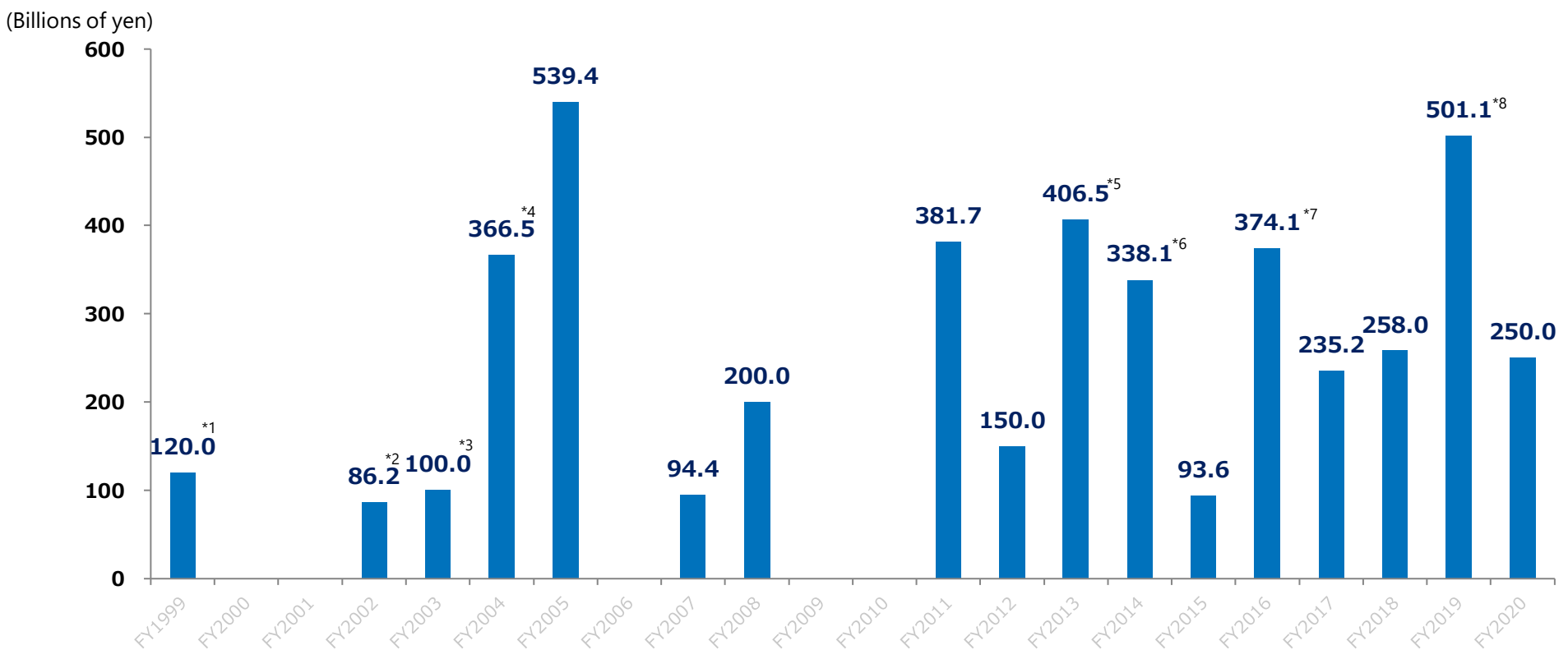


- Dividend reflects the one hundred-for-one stock split effective on January 4, 2009.
- Dividend reflects the two-for-one stock split effective on July 1, 2015, and January 1, 2020.
- FY2003-FY2017, financial statements are prepared in accordance with U.S.GAAP.

# Record of Share Buybacks

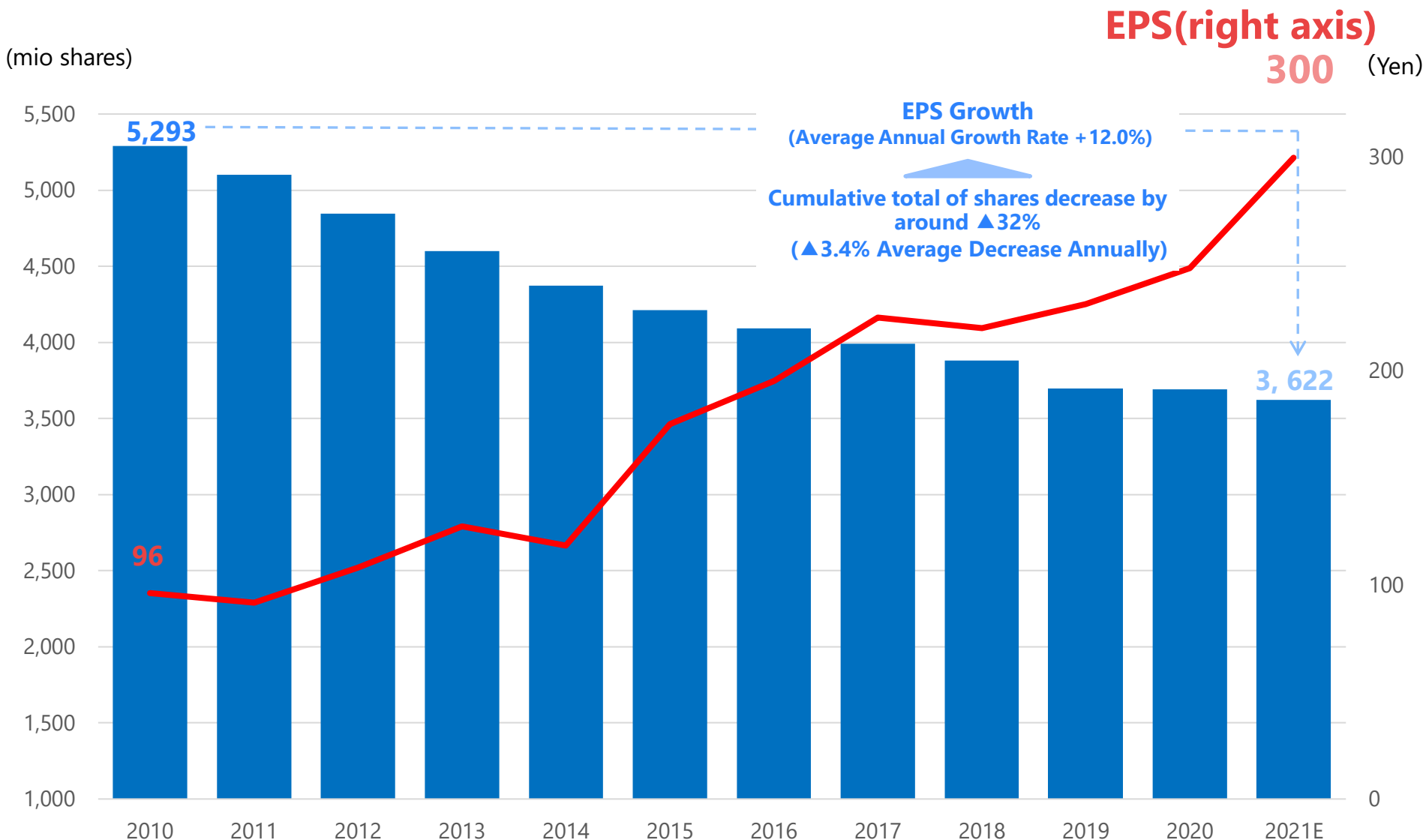


Approx. 4.5 Trillion Yen in Buybacks



\*1:Market 48.0 billion yen, Gov't 72.0 billion yen \*2:Market 46.6 billion yen, Gov't 39.6 billion yen \*3:Market 61.0 billion yen, Gov't 39.0 billion yen \*4:Market 0.1 billion yen, Gov't 366.4 billion yen  
 \*5:Market 253.2 billion yen, Gov't 153.3 billion yen \*6:Market 101.2 billion yen, Gov't 236.9 billion yen \*7:Market 106.9 billion yen, Gov't 267.2 billion yen  
 \*8:Market 251.6 billion yen, Gov't 249.5 billion yen

# Changes of EPS and Outstanding Shares



(Note1) Outstanding Shares : Average number of shares outstanding, excluding own shares

(Note2) This chart reflects the two-for-one stock split effective on July 1, 2015 , and January 1, 2020.

# Promote ESG Management (1)

## Environment

- Reduce environmental impact
- Leverage ICT to contribute to the environment

etc.

## Social

- Promote diversity
- Protect personal information
- Support customers in reinforcing information security
- Strengthen disaster countermeasures

etc.

## Governance

- Enhance structure on the basis of the intent of Japan's Corporate Governance Code
- Strengthen global corporate governance

etc.



- ◆ Capture business opportunities
- ◆ Minimize business risks



**Ongoing  
improvements of  
corporate value**

# Promote ESG Management (2)



## Environment and Energy Vision: Zero Environmental Impact

Contribute to the reduction of the environmental impact of customers, companies and society

### ■ Promotion of renewable energy

- Aim To increase the proportion of our renewable energy usage to 30% or higher by FY2030
- Participate in climate change initiatives (SBT\*), support TCFD\*\*, and issue green bonds

### ■ Reduction of societal environmental load through ICT technologies

- Promotion of teleworking
- Develop “Connected Value Chains” (digitization of transactions, etc.)
- Reduction of the use of plastic, promotion of recycling
- Promotion of thermal insulation/power generation glass using photovoltaic technology\*\*\*

### ■ Development of innovative environment and energy technologies

- Establish the Space Environment and Energy Laboratories (July 2020)
- First private Japanese company to have a Long Term Non-Commercial Cooperation Agreement with the ITER Organization\*\*\*\*

### ■ Realization of extremely low power consumption (IOWN initiative)

- Signed Collaboration Agreement with Intel

\* Science Based Targets \*\* Task Force on Climate-related Financial Disclosures \*\*\* Signed exclusive sales contract with inQs \*\*\*\* The ITER International Fusion Energy Organization

## ■ Enhancement of Governance

- **Activation of the Board of Directors**
  - ✓ **Introduced the outside member of the board/executive officer system to major subsidiaries**  
(NTT East, NTT West, NTT Com and NTT Urban Solutions; scheduled to be implemented from June 2021)
- **Review of Executive Compensation**
  - ✓ **Expanded the scope of performance-based compensation from 30% to 50%, and introduced a new stock compensation system that better reflects medium- and long-term results**  
(scheduled to be introduced from July 2021)

# Financial Data, etc.

# NTT Group Formation



Voting rights to major subsidiaries  
(As of March 31, 2021)



Nippon Telegraph and  
telephone Corporation  
(Holding Company)

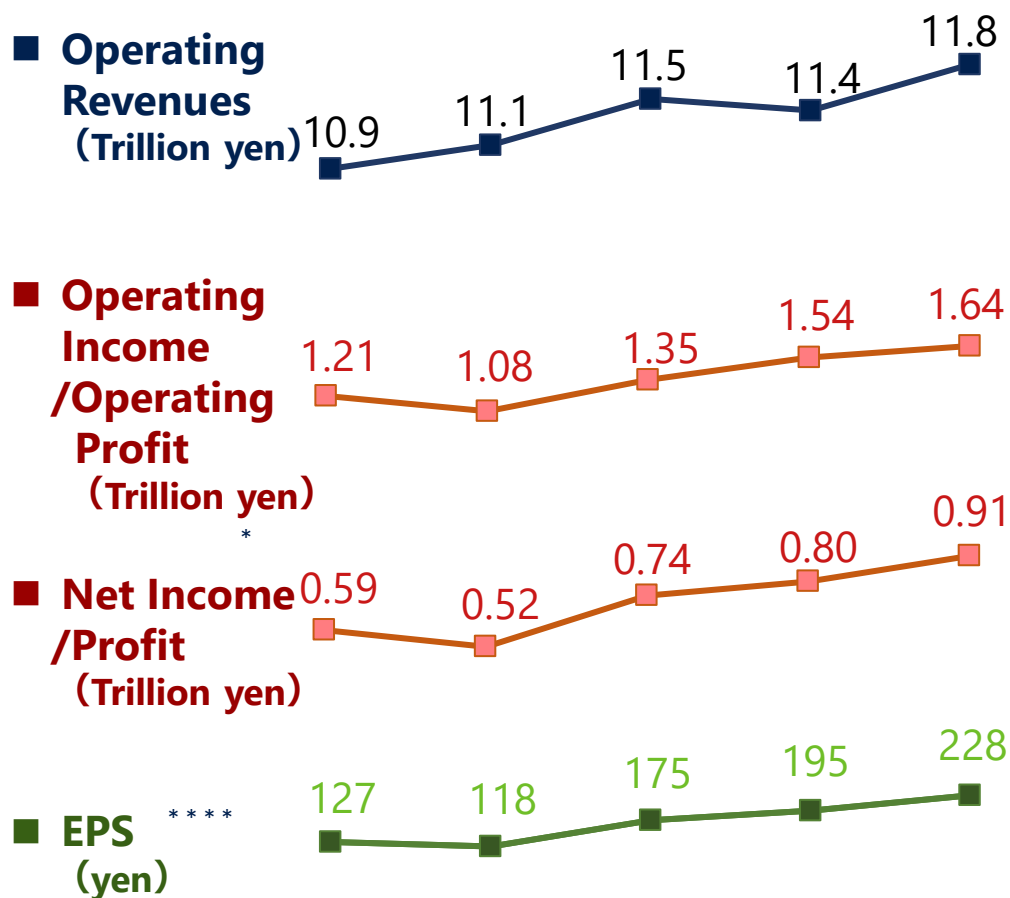
Operating revenue :  
(Consolidated) ¥11,944.0billion  
Operating income :  
(Consolidated) ¥1,671.4billion  
No. of employees : 324,650  
No. of subsidiaries : 964

100%	 Mobile communications business		Operating revenue : ¥4,725.2 billion Operating income : ¥ 913.2 billion No. of employees : 28,100 No. of subsidiaries : 82
100%	 Regional communications business	 	Operating revenue : ¥3,207.4 billion Operating income : ¥ 420.2 billion No. of employees : 75,400 No. of subsidiaries : 51
100%	 Long distance and international communications business	 	Operating revenue : ¥2,065.6 billion Operating income : ¥ 146.2 billion No. of employees : 49,950 No. of subsidiaries : 387
54.2%	 Data communications business	 	Operating revenue : ¥2,318.7 billion Operating income : ¥ 139.2 billion No. of employees : 139,700 No. of subsidiaries : 314
	 Other businesses	Other group companies 	Operating revenue : ¥1,467.1 billion Operating income : ¥ 64.8 billion No. of employees : 31,500 No. of subsidiaries : 130

- Fiscal year ended March 2021. Operating revenue and operating income of each segment include inter-segment transactions.
- No. of employees and subsidiaries are as of the end of March 2021.



# Trend in Consolidated Financial Results NTT



\* U.S. GAAP term / IFRS term.

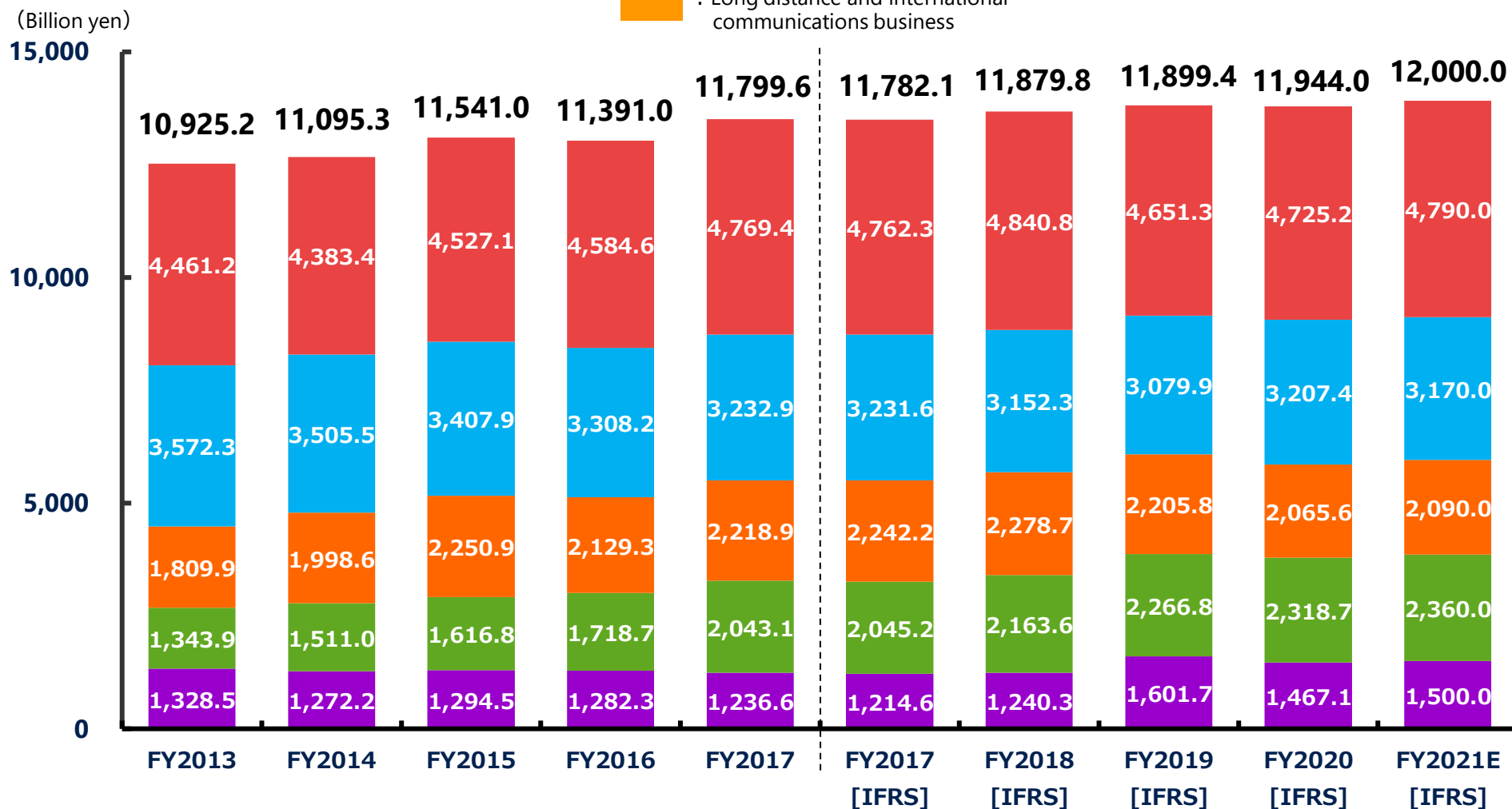
\*\* Excluding the effects of the arbitration award received from Tata Sons Limited, net income is expected to be 860 billion yen, EPS is 215 yen.

\*\*\* Excluding the effects of the arbitration award received from Tata Sons Limited, profit is expected to be 848 billion yen, EPS is 212 yen.

\*\*\*\* EPS amounts reflect the two-for-one stock split effective on July 1, 2015, and January 1, 2020.

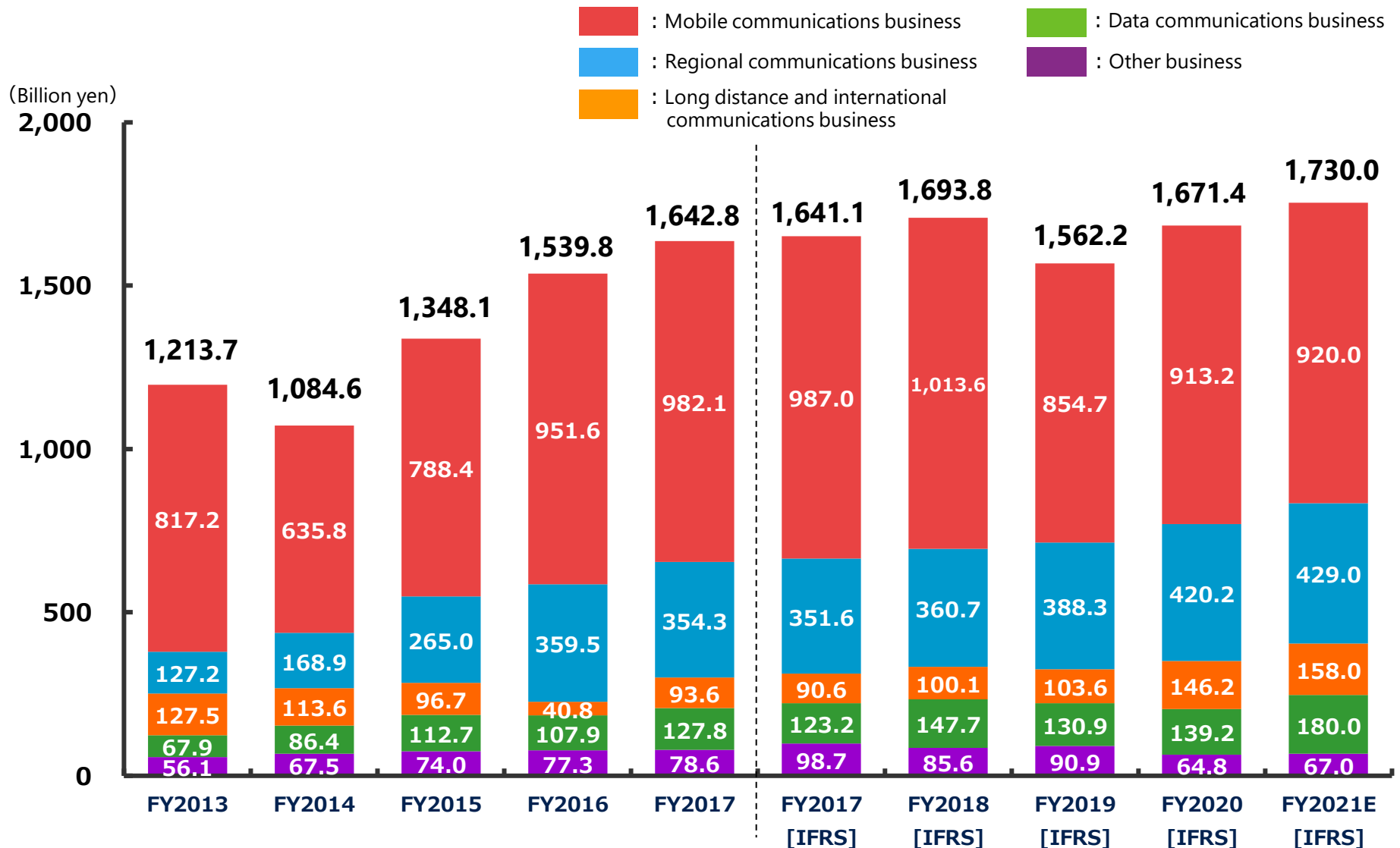
# Changes in Consolidated Operating Revenues NTT

- : Mobile communications business
- : Data communications business
- : Regional communications business
- : Other business
- : Long distance and international communications business



\* Business segment operating revenues include inter-segment transactions

# Changes in Consolidated Operating Income

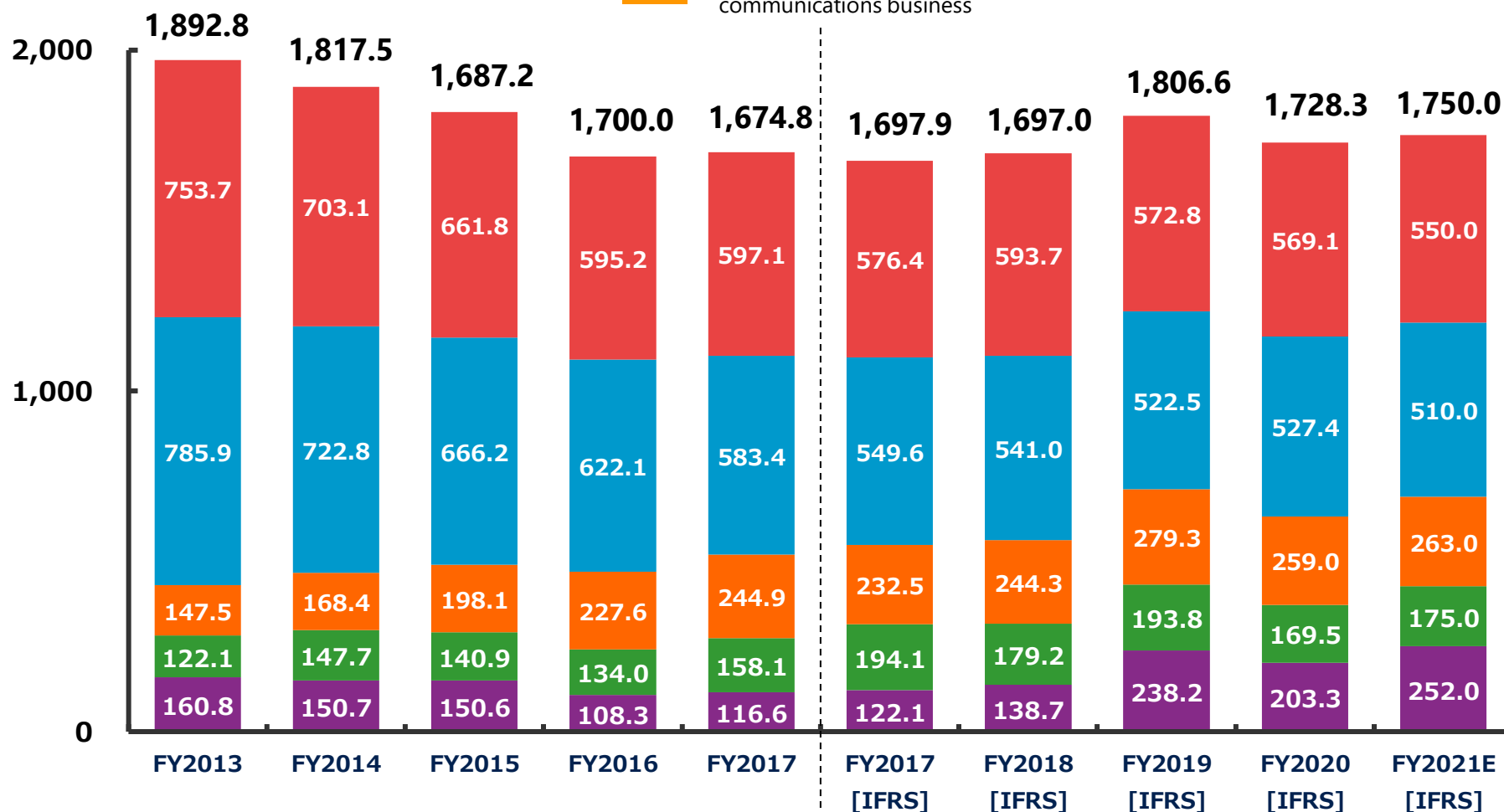


\* Business segment operating income include inter-segment transactions

# Changes in CAPEX

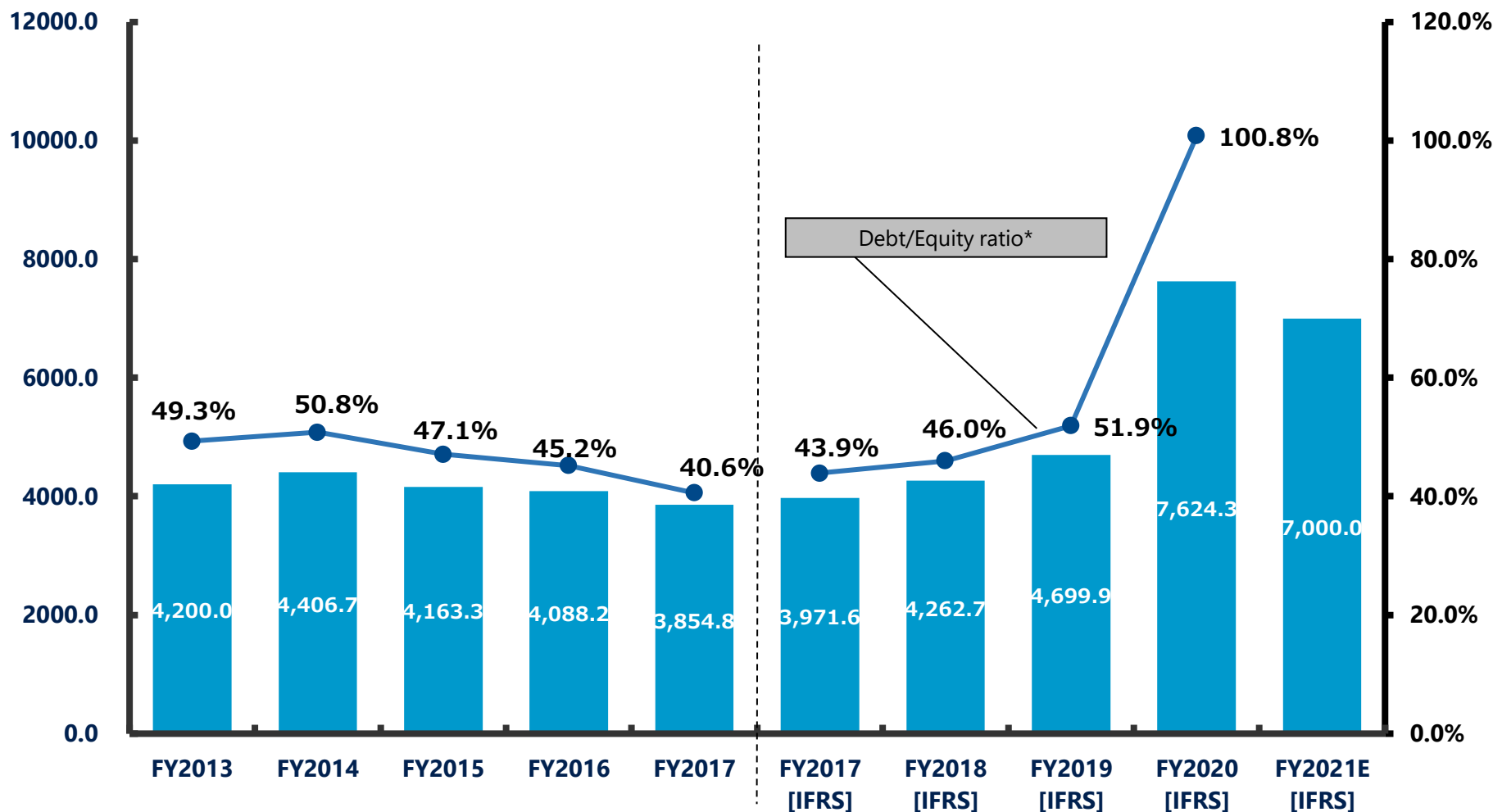


(Billion yen)



# Changes in Interest-bearing Debt

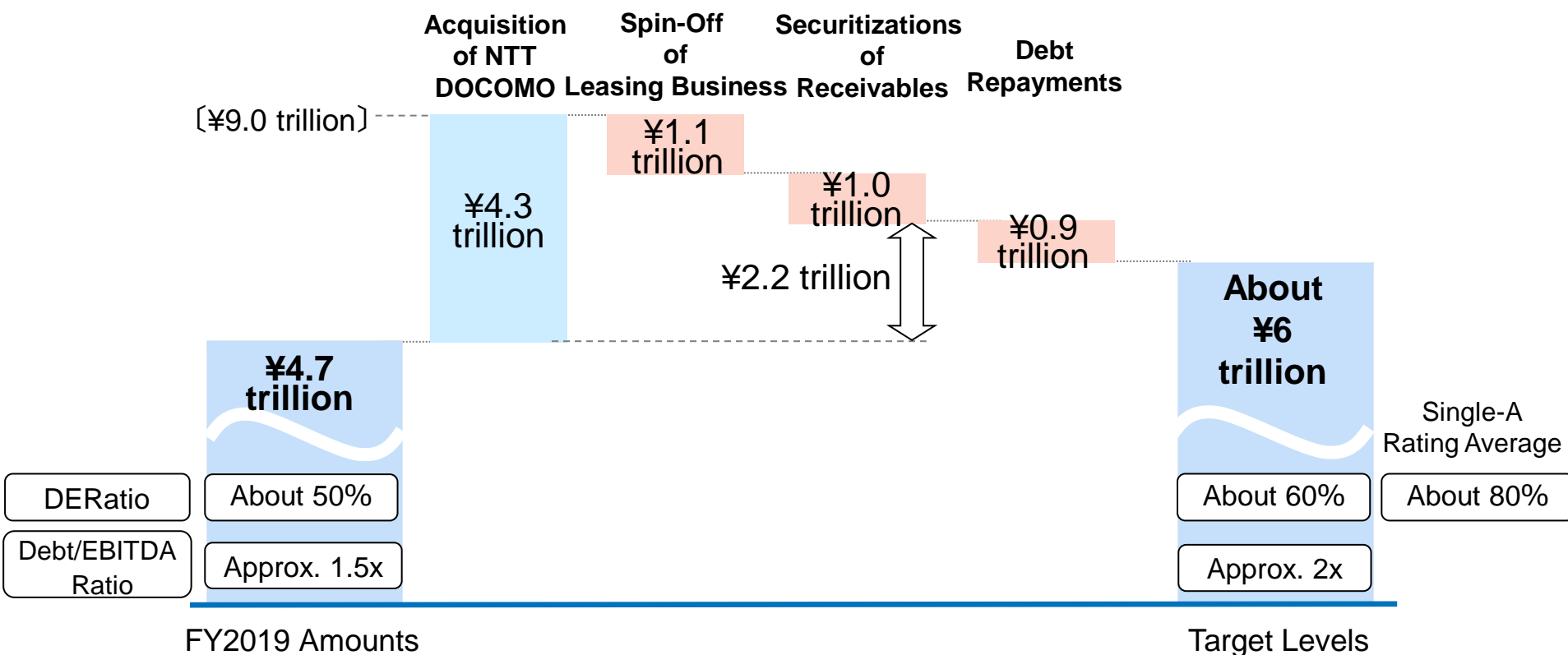
(Billion yen)



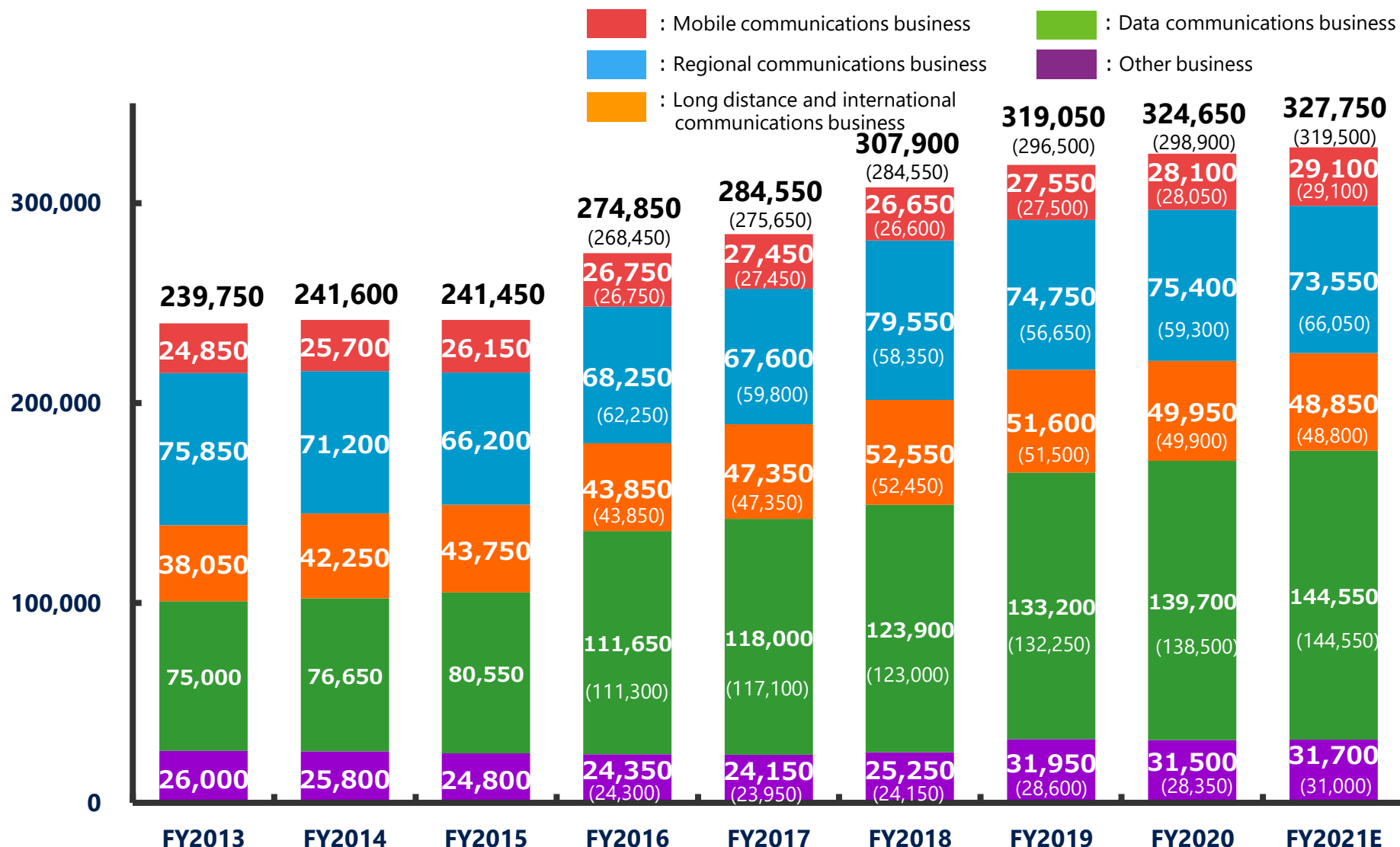
\* Debt Equity ratio = Interest-bearing debt / Shareholders' equity x 100

# Medium-Term Debt Levels

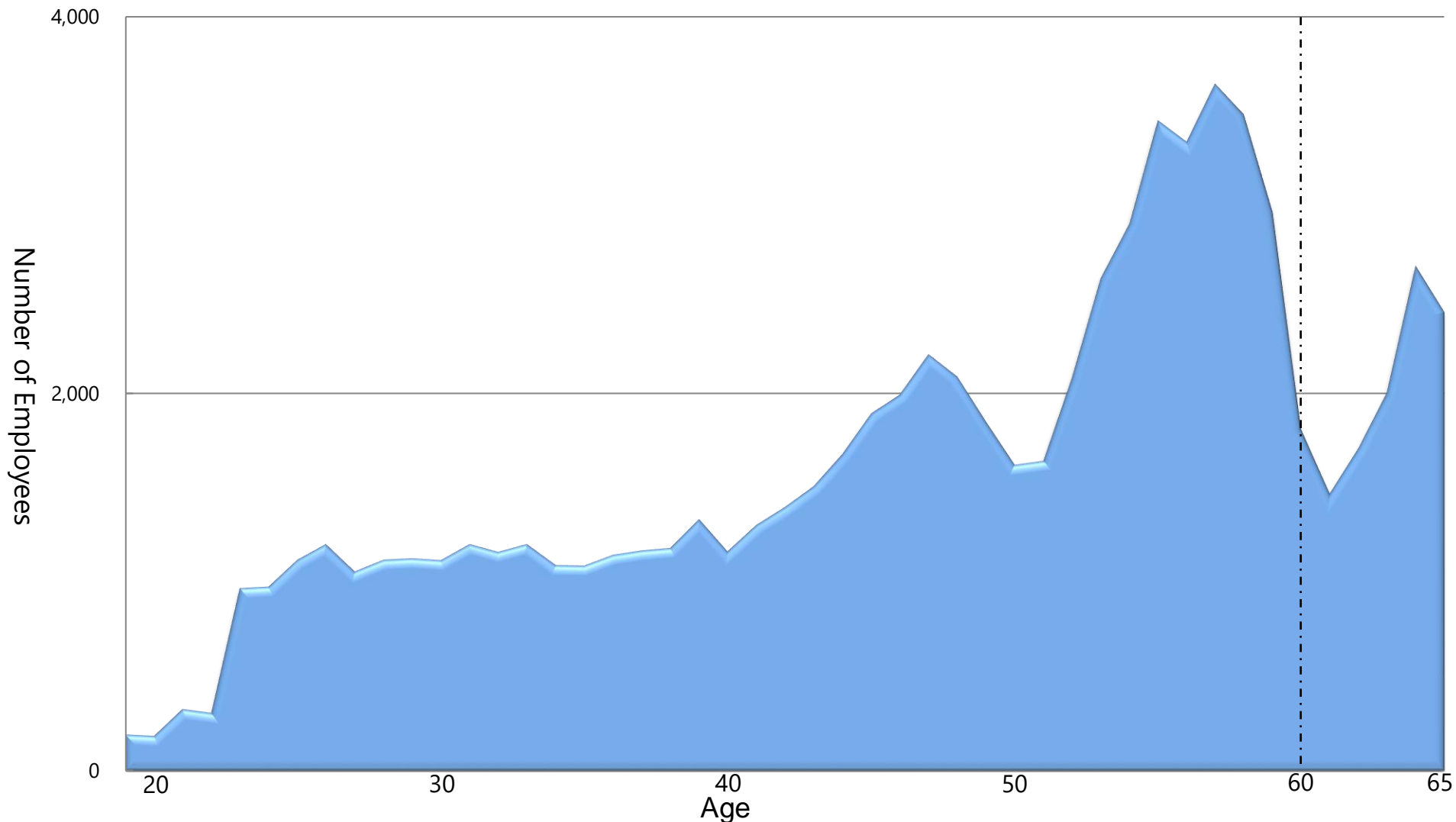
- Targeted debt levels are ¥6 trillion; includes the spin-off of the leasing business, securitizations of receivables and debt repayments of ¥0.9 trillion.
- Debt will be repaid while maintaining the same shareholder returns as before.
- No goodwill will be generated by the transaction to make NTT DOCOMO a wholly owned subsidiary.



# Changes in Number of Employees



# Age Distribution of Employees at NTT East, NTT West and “Outsourcing Companies” (As of March 31, 2021)



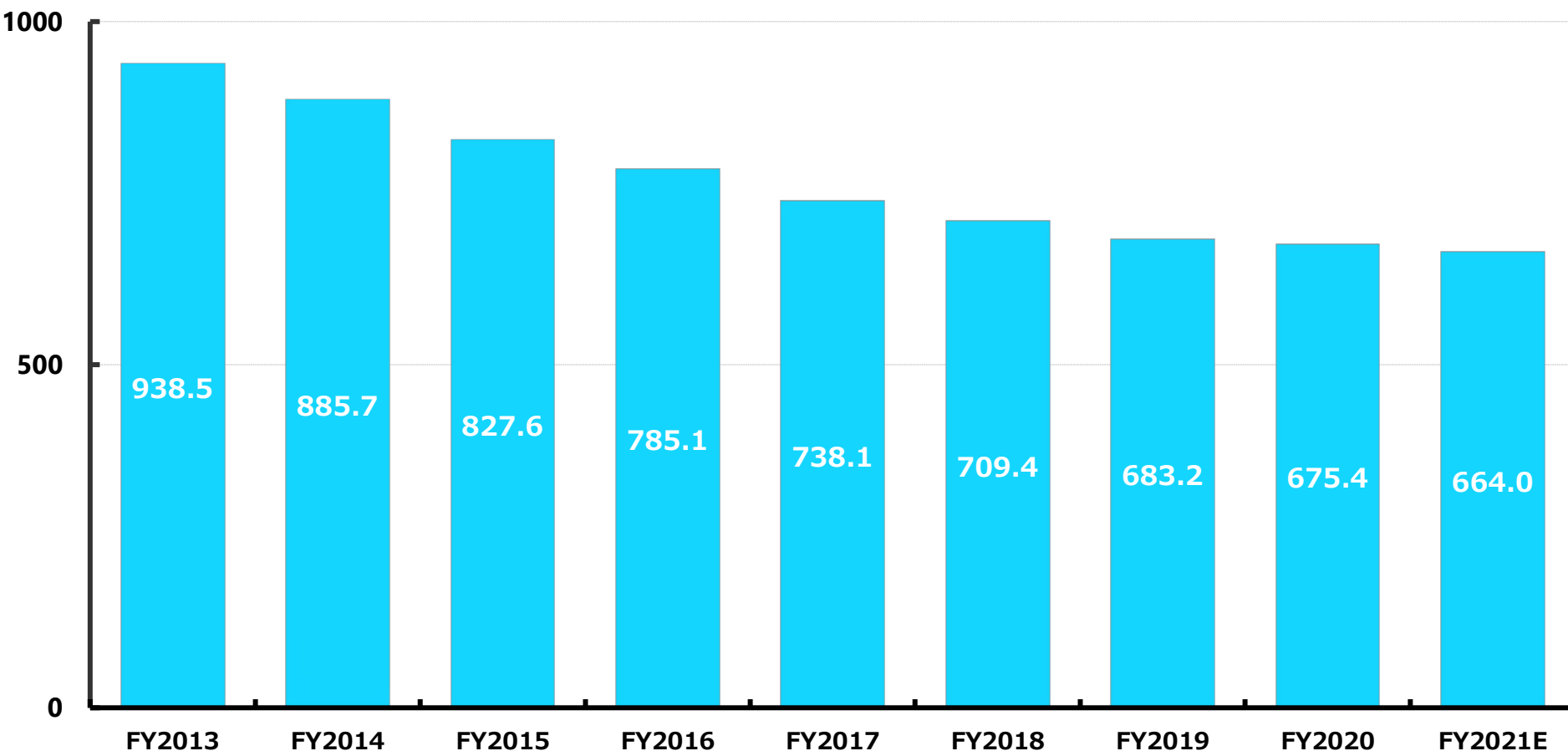
\* Figures for East Outsourcing Companies include employees from the consolidated regional outsourcing companies (NTT EAST-MINAMIKANTO and others), NTT-ME and NTT EAST SERVICE, while figures for West Outsourcing Companies include NTT BUSINESS SOLUTIONS, NTT MARKETING ACT, NTT NEOMEIT, NTT FIELDTECHNO and NTT BUSINESS ASSOCIE WEST. Figures for those companies include the number of more than 60-year-old contracted employees.



# Changes in Personnel expenses (NTT East Group, NTT West Group)



(Billion yen)



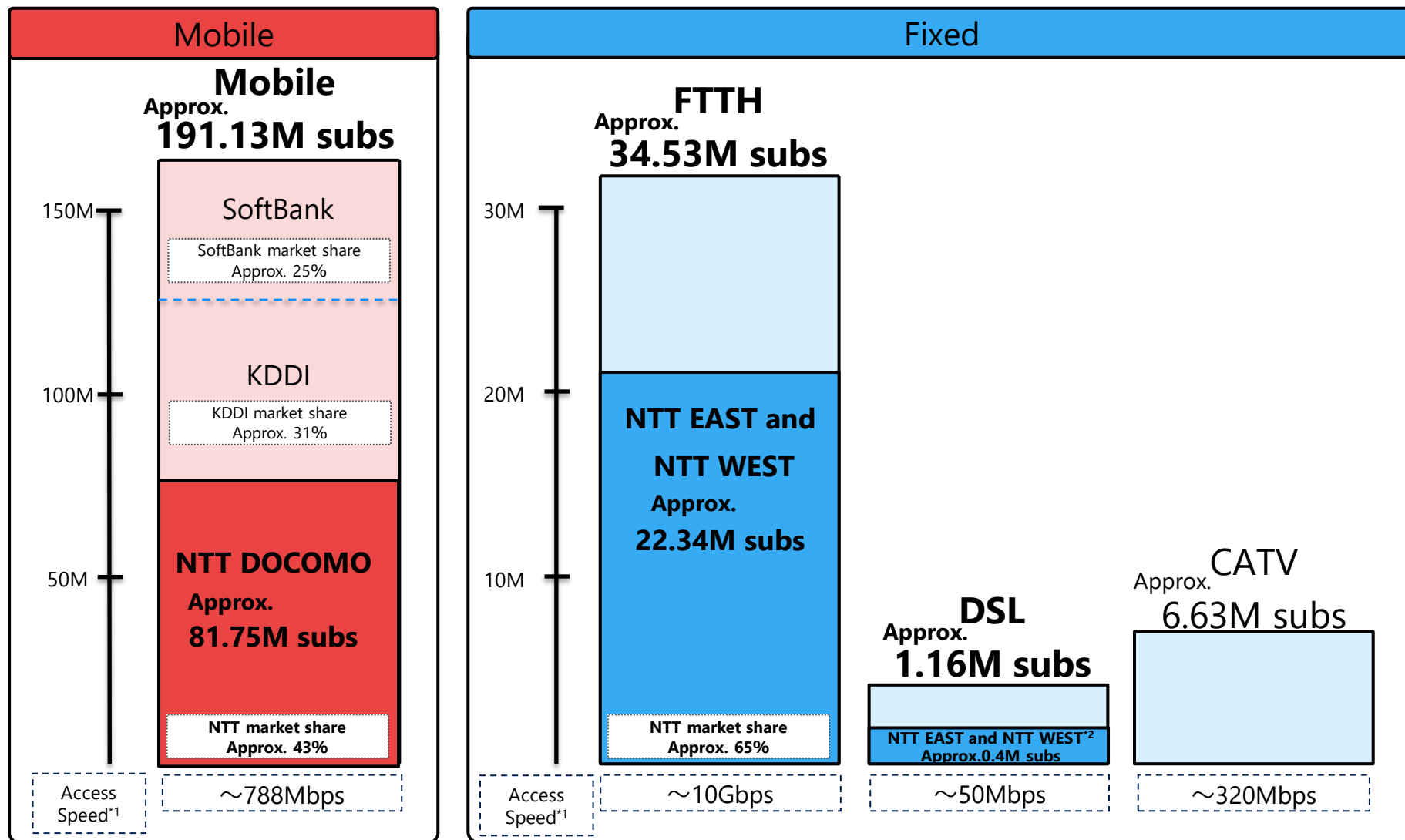
\* The scope of aggregation for each of the figures are not audited and are provided for reference only.

(FY2011~FY2016 : U.S. GAAP-based figure, FY2017~FY2021E : International Financial Reporting Standards (IFRS) –based figure)

NTT East Group : The figures presented for NTT East group is internal management figures after eliminating internal transactions between NTT East and its subsidiaries.

NTT West Group : The figures presented for NTT West group is internal management figures after eliminating internal transactions between NTT West and its subsidiaries.

# Broadband Access Services in Japan



\*1 Figures for access speed are the speeds of typical commercial services, and are the maximum values of the best-effort traffic.

\*2 Stopped accepting applications from July 1, 2016.

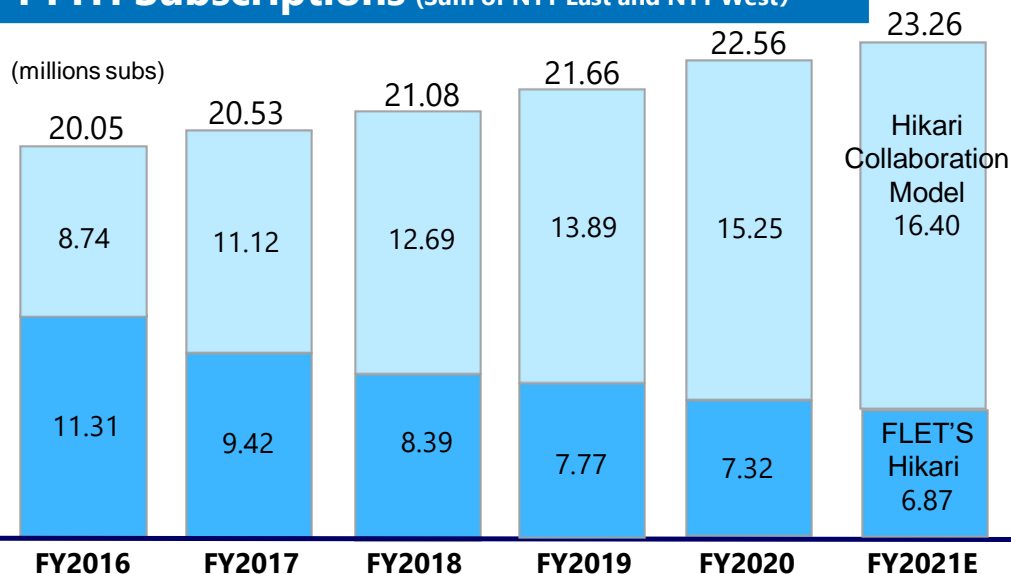
(Source) MIC data (As of the end of December 2020)

# Fixed Broadband Business

# FTTH Subscriptions



## FTTH Subscriptions (Sum of NTT East and NTT West)

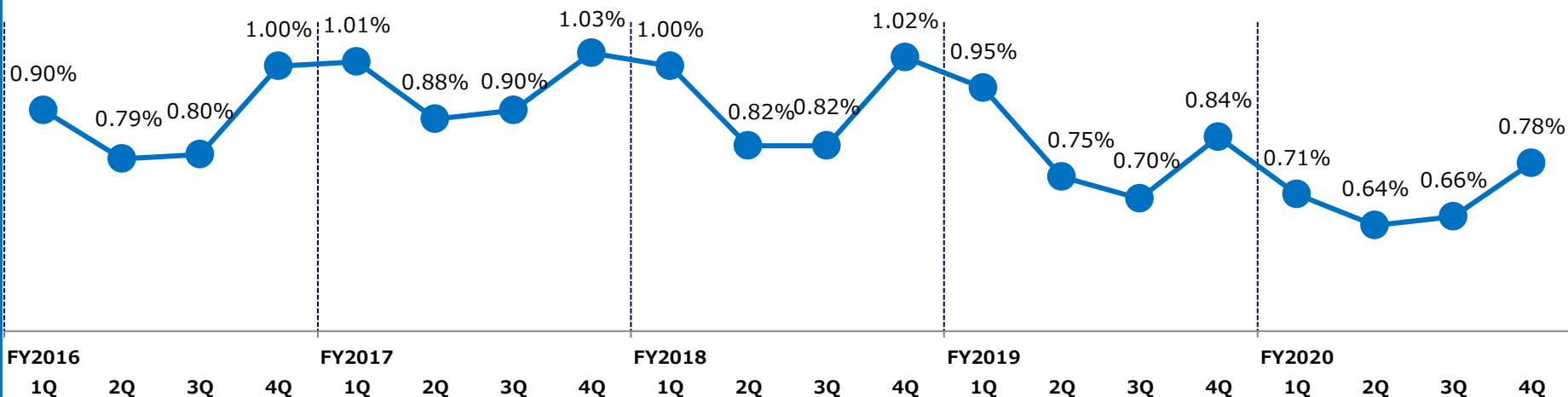


Reference:

FY2021E Breakdown of FTTH Subscriptions (millions subs)

		FY2021E
Total FTTH Service: Change from preceding Fiscal Year		+0.70
Hikari Collabo- ration Model	(1) Number of opened connections	+2.55
	Number of switchover lines	+0.55
	(2) Number of cancellations	(1.40)
	Net Increase (1)+(2)	+1.15
FLET'S Hikari	(1) Number of opened connections	+0.65
	(2) Number of cancellations	(1.10)
	Number of switchover lines	(0.55)
	Net Increase (1)+(2)	(0.45)

## FTTH Churn Rate\* (Sum of NTT EAST and NTT WEST)

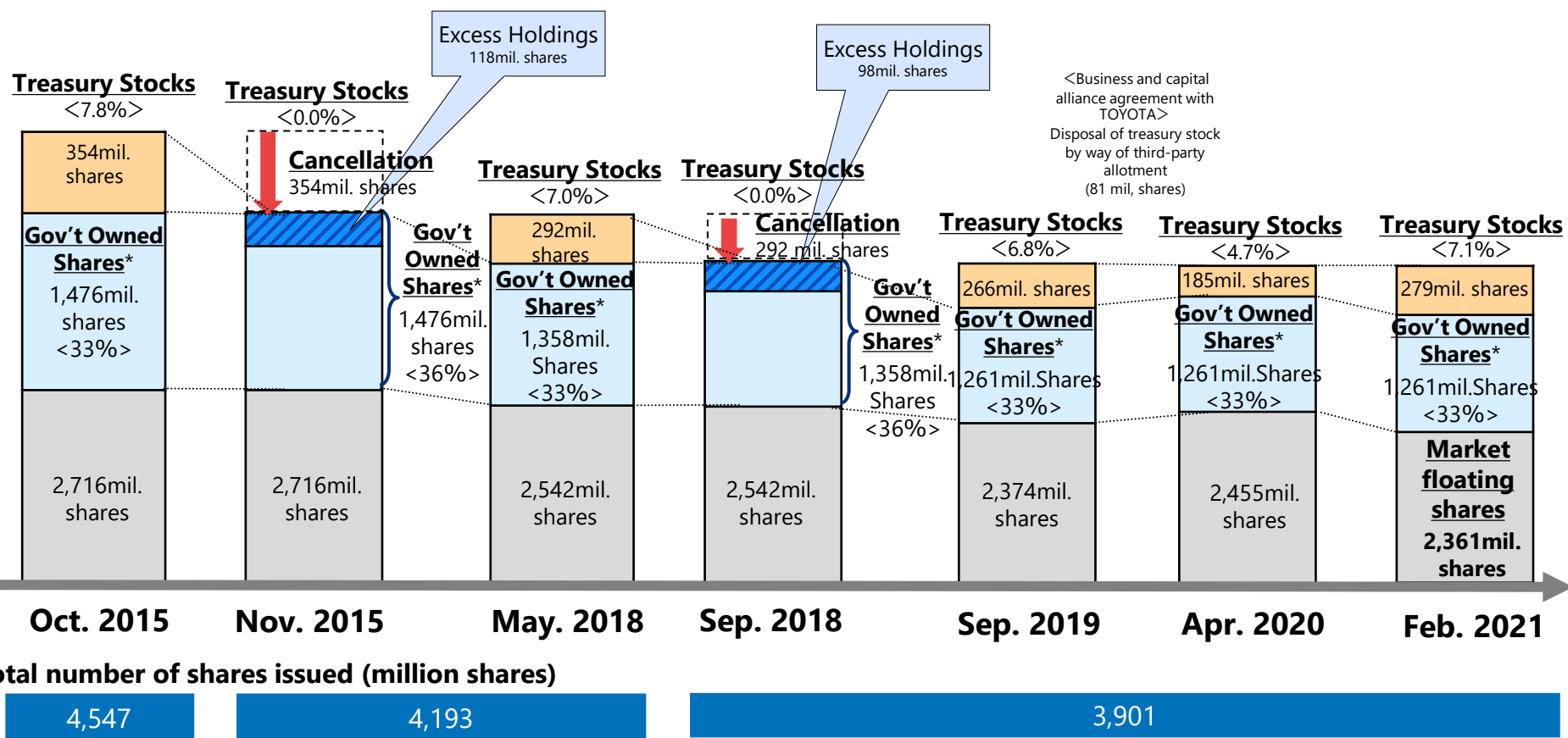
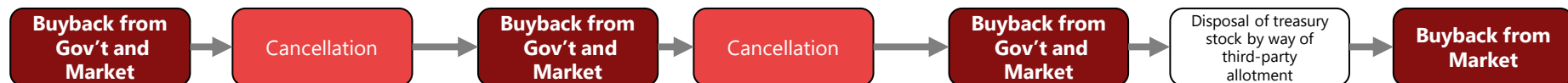


\* "Sum of number of churn for each month of each quarter"/"Sum of number of active subscribers\*\* for each month of each quarter"

\*\* Active subscribers = (number of subscribers at end of previous month + number of subscribers at the end of the current month) / 2

# Share Buybacks and Cancellation

<> : share holding ratio



Number of shares reflect the two-for-one stock split effective on January 1, 2020.

\* Mandatory (minimum) number of shares to be held by the Government under the NTT Act = (total number of shares issued – 60 million shares issued at the IPO in 2000) × 1/3  
(The number of shares issued after the initial listing are not to be included in the calculations. (NTT Act, supplementary provision 13))

***Your Value Partner***



Attachment

※The Document submitted for the commission  
at the Ministry of Internal Affairs and  
Communications

# **Matters Currently under Consideration to Strengthen Collaboration after Making NTT DOCOMO a Wholly Owned Subsidiary**

December 25, 2020

These materials include a discussion of matters which are currently under consideration as of the date hereof and which are all subject to change in the future.

- NTT DOCOMO will utilize the capabilities of NTT Communications and NTT Comware and promote new services/solutions and the development of 6G-focused communications infrastructure that integrates mobile and fixed-line services, to evolve into a comprehensive ICT company that also provides upper-layer services
- Advancing the initiatives below will contribute to enhancing the international competitiveness of Japanese industry, resolving social issues, maintaining a reliable and secure communication infrastructure and achieving the development of the telecommunications industry and services that provide high levels of customer satisfaction

## ① Strengthening Corporate Sales Capabilities

- ✓ Creating services that integrate mobile and fixed-line services
- ✓ Creating integrated solutions through the combination of clouds and data

## ② Strengthening Service Creation Capabilities

- ✓ Strengthening the smart life business and creating new businesses by collaborating with partners
- ✓ Strengthening software development capabilities and improving user experience

## ③ Strengthening Cost Competitiveness

- ✓ Optimizing resources and assets related to networks, buildings, IT infrastructure, etc.

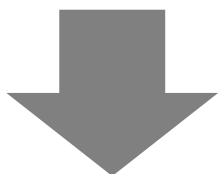
## ④ Strengthening R&D Capabilities

- ✓ 6G-generation core network that spans mobile and fixed-line services
- ✓ Realization of the IOWN concept
- ✓ Research and development related to O-RAN + v RAN



- Transformation into a new DOCOMO Group is planned to be implemented through the following two steps

## STEP 1



## STEP 2

(Proposed for Summer 2021)

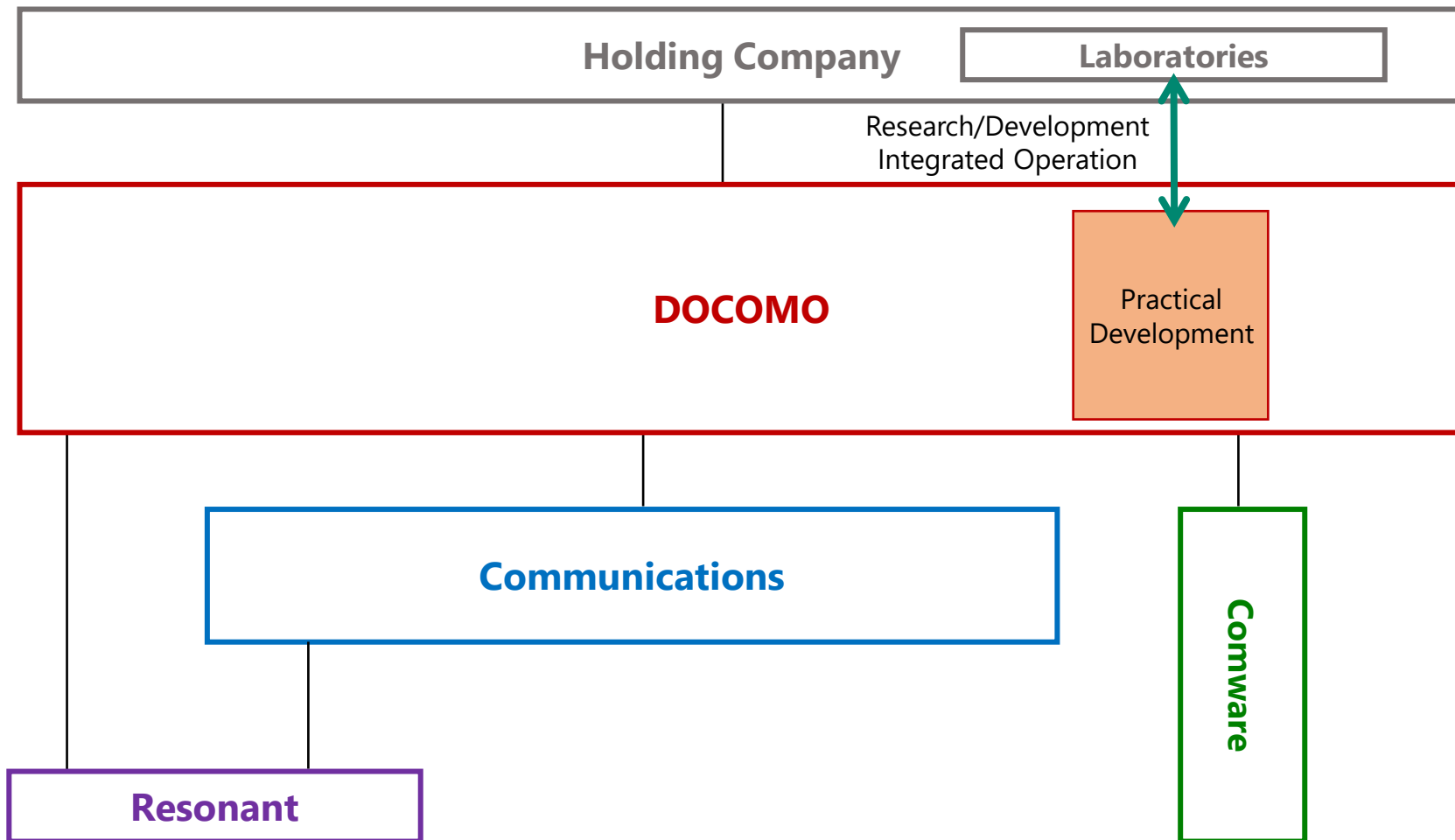
- Making Communications and Comware into subsidiaries of DOCOMO
- Strengthening collaboration in the research and development capabilities of the NTT holding company and DOCOMO

(Proposed for Spring/Summer 2022)

- Allocating functions between DOCOMO, Communications and others

# Matters Currently under Consideration <STEP 1>

- Making Communications and Comware subsidiaries of DOCOMO
- Research and development functions will be operated in an integrated manner to strengthen 6G and IOWN development capabilities



### ■ Allocation of Functions between DOCOMO, Communications, Comware and Others

- ✓ Sales for individual customers will be primarily conducted by DOCOMO. For the MVNO and ISP businesses, VNE business will primarily be the responsibility of Communications, and business for individuals will be conducted by Resonant
- ✓ For corporate business, Communications will implement centralized customer services and strengthen its capabilities in developing and proposing new services that integrate fixed and mobile communications
- ✓ For Smart Life business, DOCOMO will collaborate with Communications, partner companies and others to achieve business expansion and the development of new types of business
- ✓ DOCOMO will collaborate with Communications to promote the optimization of facilities and the development of networks that integrate mobile and fixed-line services
- ✓ Comware will support software development for the new DOCOMO group and strengthen service creation capabilities

## ■ Allocation of Functions between DOCOMO, Communications, Comware and Others

