Financial Results for the Fiscal Year Ended March 31, 2024 (25th Term)

May 10, 2024

Nippon Telegraph and Telephone East Corporation

Financial Results

In FY2023, <u>achieved increased revenues and profits</u>; 12th consecutive year of increased profits, setting a new record high
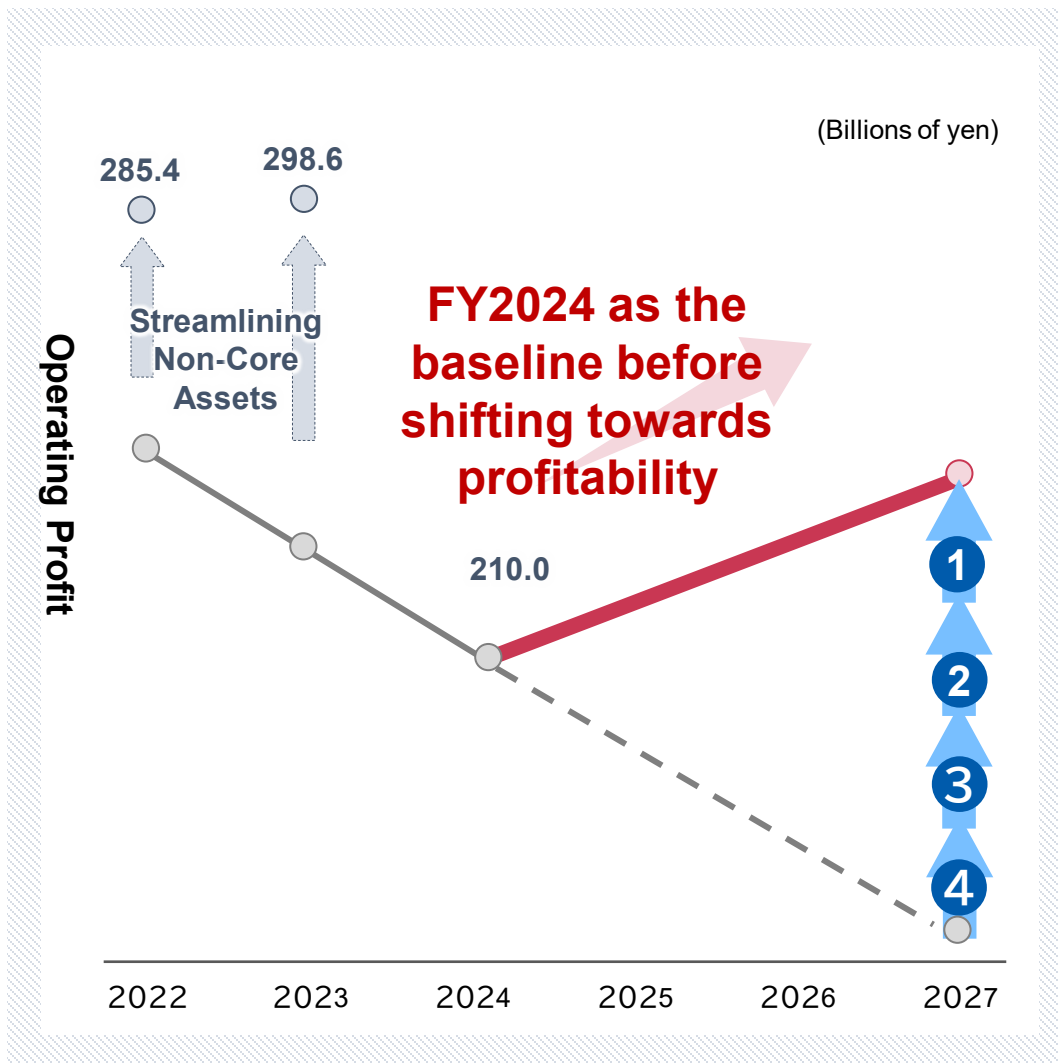
In FY2024, plan to increase revenues excluding the impact of the streamlining of non-core assets conducted in FY2023

(Units: Billions of yen, except Hikari Subscriptions)

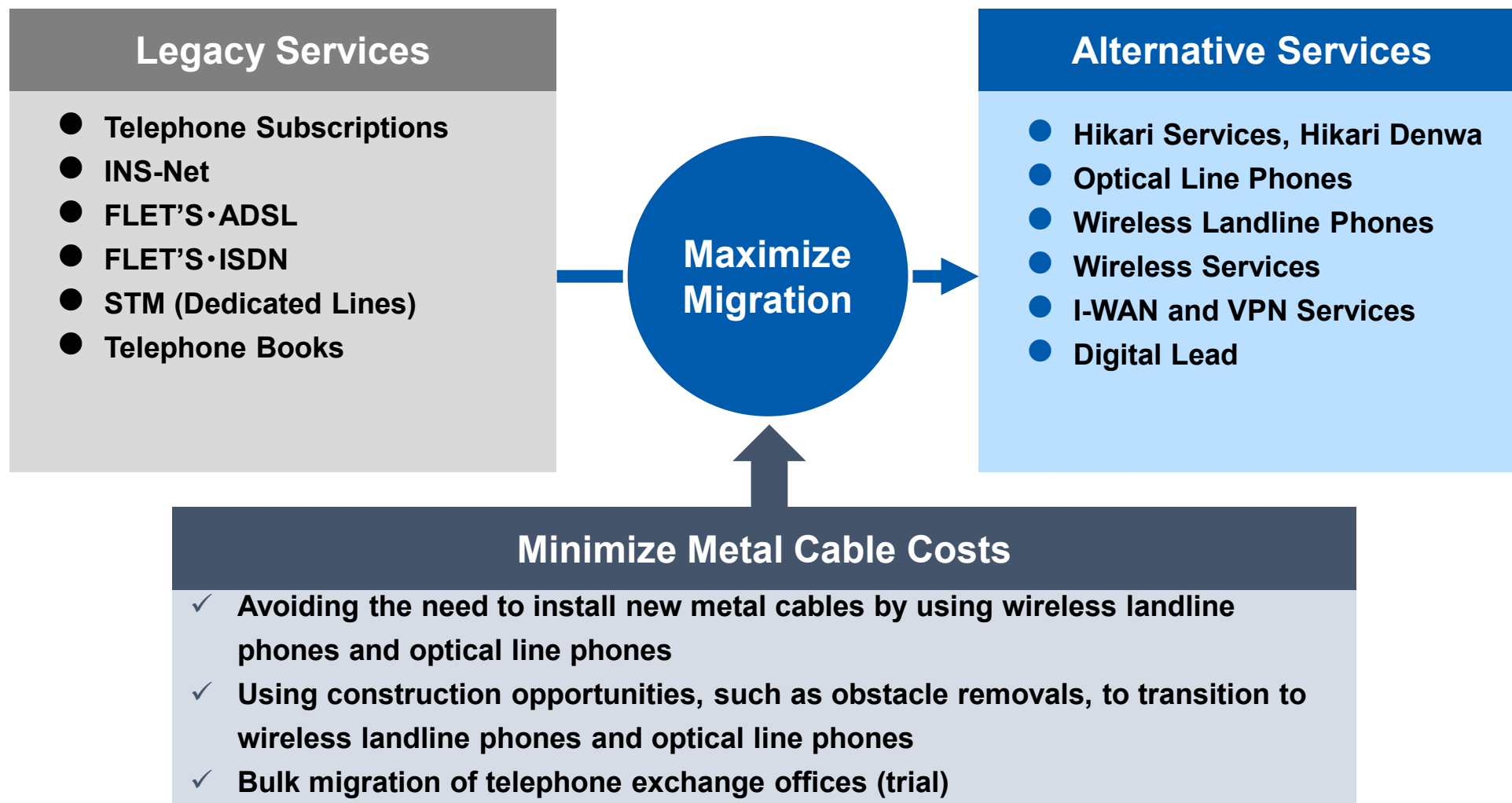| IFRS (Consolidated)	FY2022 Results	FY2023 Results	Year-over-year	FY2024 Forecast	Year-over-year
Operating Revenues	1,702.2	1,710.5	+8.3	1,655.0	(55.5)
Operating Profit	285.4	298.6	+13.2	210.0	(88.6)
Profit*	202.4	206.9	+4.5	147.0	(59.9)
EBITDA	493.9	498.8	+4.9	414.0	(84.8)
Capital Investment	248.9	243.8	(5.0)	245.0	+1.2
Net increase (decrease) in Hikari Subscriptions (Number of Subscriptions)	+170,000 (13.33 million subscriptions)	+40,000 (13.37 million subscriptions)	(130,000)	+50,000 (13.42 million subscriptions)	+10,000

* Represents profit attributable to NTT East.

Initiatives to Restore Earning Ability

(Billions of yen)

285.4   298.6

Streamlining Non-Core Assets

FY2024 as the baseline before shifting towards profitability

Operating Profit

210.0

1
2
3
4

2022   2023   2024   2025   2026   2027

1 Migrating Legacy Services to Alternative Services, and Improving Customer Engagement through CX×DX

2 Developing Optical Demand to Capture High-Speed Needs

3 Turning Regional Customers in Loyal Customers

4 Strengthening Networks to Support Increasing Traffic

Maximizing the approx. ¥200.0 billion **Legacy Service Revenues Base**

Legacy Services		Alternative Services
● Telephone Subscriptions ● INS-Net ● FLET'S・ADSL ● FLET'S・ISDN ● STM (Dedicated Lines) ● Telephone Books	**Maximize Migration** →	● Hikari Services, Hikari Denwa ● Optical Line Phones ● Wireless Landline Phones ● Wireless Services ● I-WAN and VPN Services ● Digital Lead

Minimize Metal Cable Costs

✓ Avoiding the need to install new metal cables by using wireless landline phones and optical line phones

✓ Using construction opportunities, such as obstacle removals, to transition to wireless landline phones and optical line phones

✓ Bulk migration of telephone exchange offices (trial)

①-2 Improving Customer Engagement through CX×DX

Creating a simple business flow that aims to both improve customer engagement and optimize business efficiency	Develop business flow experts, and promote self-sufficiency and in-house development of business systems	Accelerate the early-stage transition of paper- and people-based services into digital services

- Leveraging generative AI and other cutting-edge technologies
- Redeveloping operations systems

Manual Operation ◉ tsuzumi

Shift to Web/ Tech Touch

Automated Flow-Through

Data-Driven

CX Improvement through **DX** Promotion
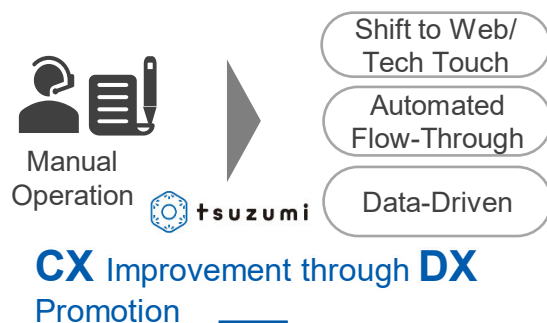
Cumulative from FY2024〜FY2027

approx. 3,000 Positions Created

- Migrating outsourced business systems to in-house infrastructure (cloud)
- Expanding the scope of in-house system development and operation

Third-Party Infrastructure

In-House

Company's Infrastructure
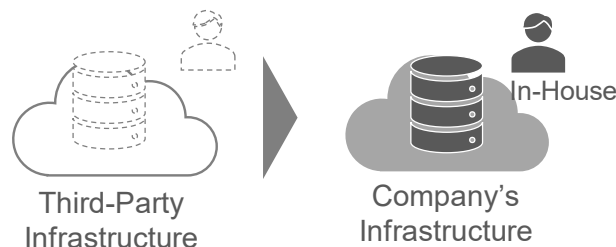
Cumulative from FY2024〜FY2027

approx. ¥30.0 billion in Reductions
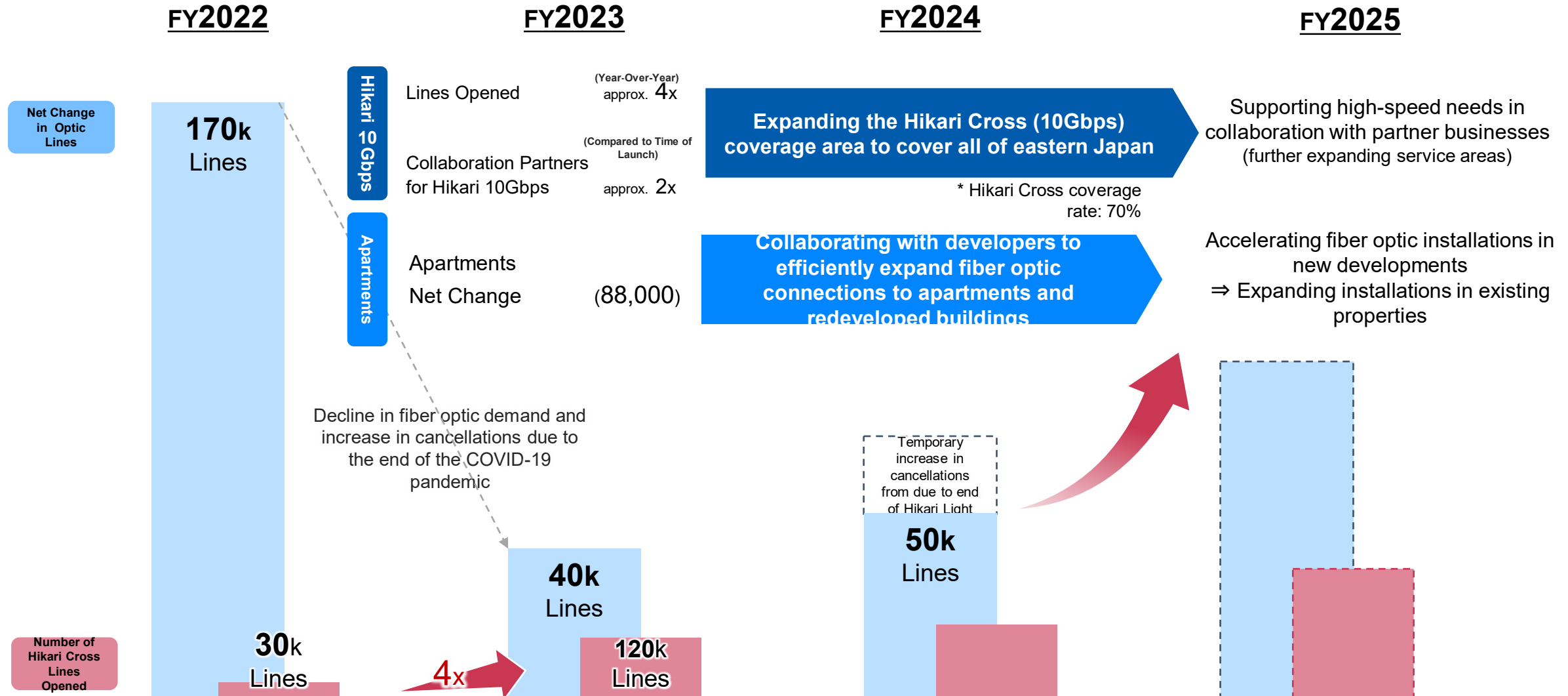
- Updating phone books into digital services ((Digital Lead, iTownPage)
- Reducing environmental impact by eliminating paper forms

Paper Forms

Web-Based

Cumulative from FY2024〜FY2027

approx. ¥10.0 billion in Reductions

② Developing Optical Demand to Capture High-Speed Needs

FY2022 **FY2023** **FY2024** **FY2025**

Net Change in Optic Lines

Hikari 10Gbps

Lines Opened — (Year-Over-Year) approx. **4**x

Collaboration Partners for Hikari 10Gbps — (Compared to Time of Launch) approx. **2**x

Apartments

Apartments Net Change — (88,000)

Expanding the Hikari Cross (10Gbps) coverage area to cover all of eastern Japan

* Hikari Cross coverage rate: 70%

Collaborating with developers to efficiently expand fiber optic connections to apartments and redeveloped buildings

Supporting high-speed needs in collaboration with partner businesses (further expanding service areas)

Accelerating fiber optic installations in new developments
⇒ Expanding installations in existing properties

170k Lines

Decline in fiber optic demand and increase in cancellations due to the end of the COVID-19 pandemic

40k Lines

50k Lines

Temporary increase in cancellations from due to end of Hikari Light

Number of Hikari Cross Lines Opened

30k Lines

4x

120k Lines

Operating Revenues from Hikari-Related Businesses

(Billions of yen)

Annual revenue increases of approximately ¥10.0 billion

Loyal Customer Creation

+5.5

336.0

342.0

Income from ancillary contract services
+9.5

Income from high value added services
+2.5

Income from Hikari Denwa
(Basic fees + call charges)
(5.5)

2022　2023　2024　2025
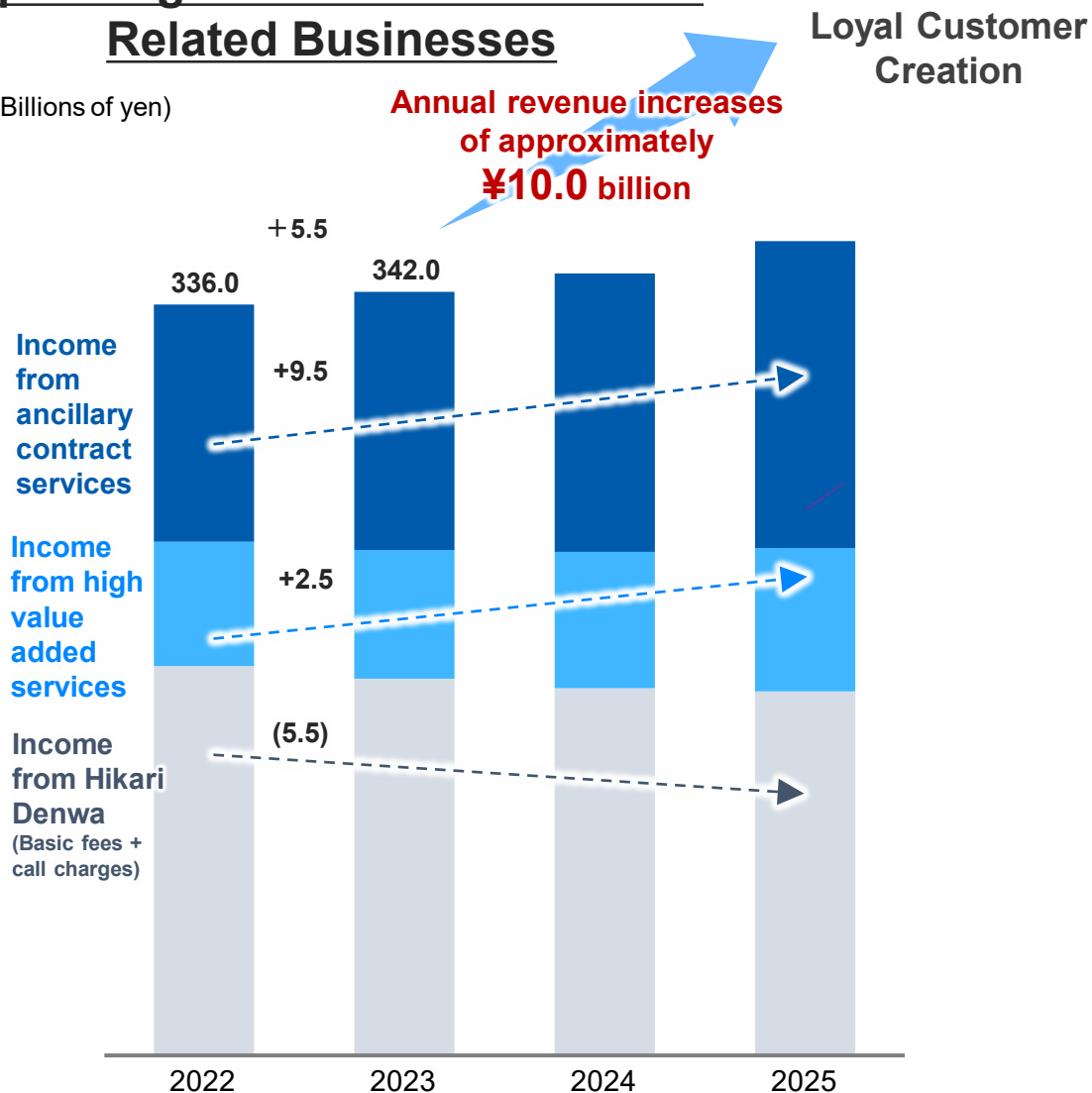
Supporting the Digitalization of Local Governments and Public Institutions

- One-stop provider of regional problem-solving and value creation, AI and digitalization needs from wide-ranging perspectives

Local Development / Renewable Energy / Smart Agriculture

| Ministries | Local Government | Education | Medical |

Government Solutions Services

Cloud Integration Platform 5th Generation LGWAN

GIGA School

National Medical Information Platform

Network / Disaster Prevention / BPO

Delivery　　Operation and Maintenance　　Zero Trust

Total Support for Small and Medium-Sized Enterprises

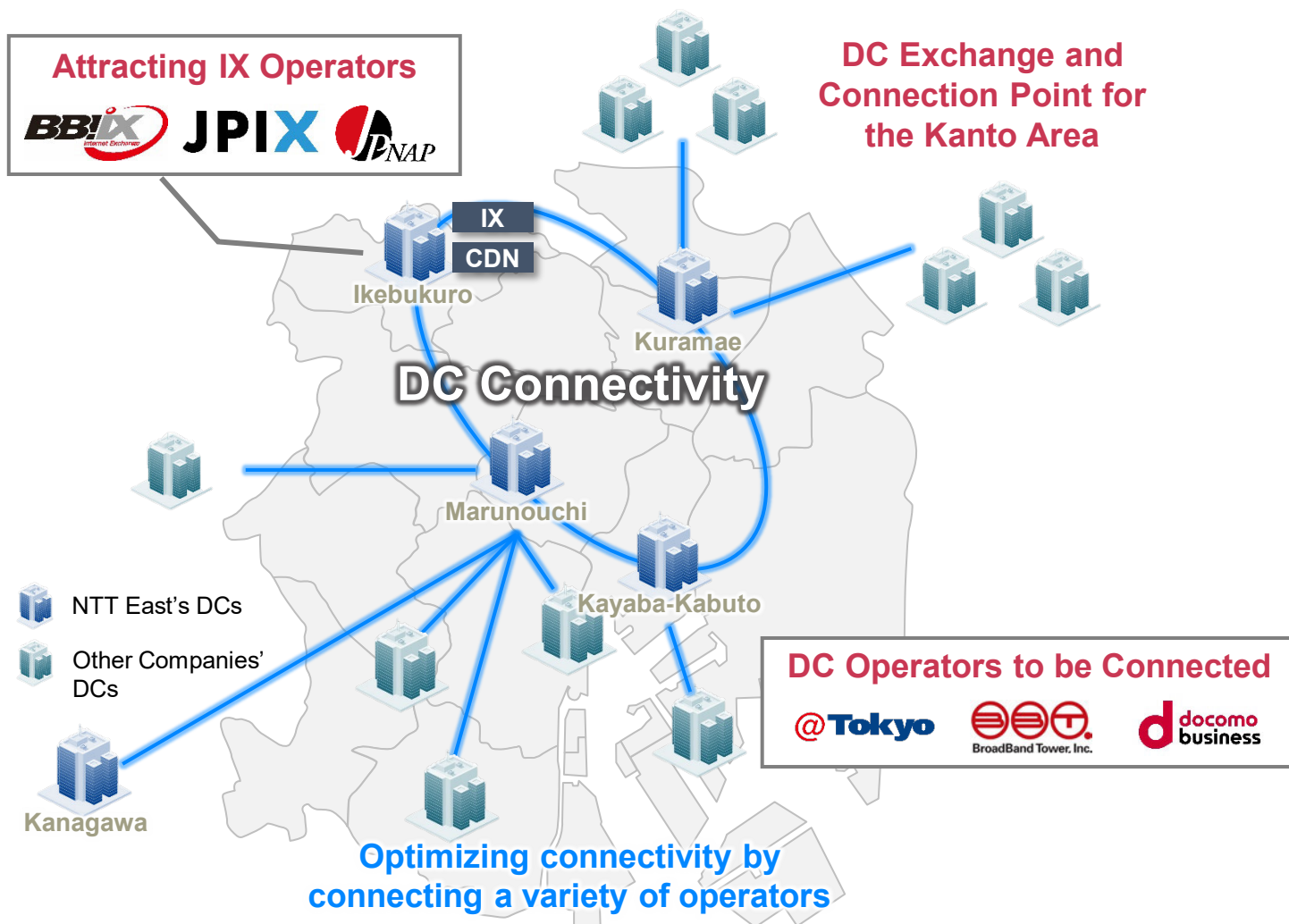- Proactive and total support for office ICT environments through multi-channel collaboration

Total support for the home environment

Multi-channel customer support

IOWN×REIWA
300 R&D Personnel

5,000 Digital Human Resources

World-Leading Information Superhighway

400 Urban Development Consultants

11,000 Communications Engineers

3,000 Regional Consultants

Region-Supporting Engineering Groups

Existing Assets

Community-Based Urban Development Experts

Sharing

Updating to Next-Generation Digital Infrastructure

Leveraging Assets to Create New Businesses and Diverse Services

④-2 Strengthening Networks To Support Increased Traffic

Network Infrastructure to Handle Increased Traffic

Future (Making Japan Asia's Data Hub)

Attracting IX Operators

BB!IX   JPIX   JPNAP

DC Exchange and Connection Point for the Kanto Area

IX
CDN
Ikebukuro

Kuramae

DC Connectivity

Marunouchi

Kayaba-Kabuto

🏢 NTT East's DCs

🏢 Other Companies' DCs

DC Operators to be Connected

@Tokyo   BroadBand Tower, Inc.   docomo business

Kanagawa

Optimizing connectivity by connecting a variety of operators

Europe

Asia

North America

Australia

Leveraging IOWN-APN to increase connectivity with landing stations and local operators

Major Topics and Collaborations

Smart Agriculture	• 【National Agriculture and Food Research Organization and Mirai Co-Creation Farm Akita】Launched the data-driven Remote Farming Support Project (June) • 【Plantio and Tanita】Entered into collaboration for new urban farming business (July) • 【Ichii and Okayama University of Science】Conducted demonstration experiments for the commercialization of land-based aquaculture of sockeye salmon in a complete closed-circuit system using optimal environmental water© (July) • 【Osaka University】Launched a freshness preservation consulting service to establish optimal preservation methods for local products (December) • 【Tsuno in Miyazaki Prefecture, and Okayama University of Science】Successfully bred high-end fish Kue-Tama and Tamakai in the world's first completely closed-circuit land-based aquaculture system (February)
IOWN	• 【NEC and Kajima】Completed the world's first successful demonstration experiment for construction vibration detection using communication optical fibers (August) • 【TV Tokyo】Conducted the world's first live broadcast using APN IOWN 1.0. on TV Tokyo and BS TV Tokyo for the "Tokyu Silvester Concert 2023-2024" (December) • 【Mitsubishi Electric and NEC】Opened the "IOWN Lab" to create use cases using IOWN technology (January)
Local 5G and Wireless	• 【18 5G Vendors】Launched a new co-creation project to accelerate social implementation of local 5G systems (November) • 【JIG-SAW】Became the first Japanese telecommunications company to join the Connectivity Standards Alliance (CSA) and entered into a business alliance for the development of services to encourage widespread adoption of smart homes using the "Matter" standard (November) • Opened the "Local 5G Smart Factory and Logistics Lab" (January)
Creating a Recycling-Oriented Society	• 【Yokohama】Signed an agreement related to promoting "urban development aimed at creating a city where people want to live, continue living, and is chosen by others" (September) • 【University of Tokyo】Signed an industry-academia collaboration agreement with the aim of creating a next-generation digital network infrastructure and social entrepreneurs in order to achieve a regional recycling-oriented society (FY24, April)
Other	• To prevent fraud, number display and number request services were made free for senior citizens (May) • Bulk banning of phone numbers owned by scam call-forwarding companies (July)

News Release

<div align="right">

May 10, 2024

Nippon Telegraph and Telephone East Corporation

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<u>Changes in Board of Directors and Executive Officers</u>

<div align="right">

Scheduled Date: June 14, 2024

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(1) Candidates for Audit & Supervisory Board Member

Machiko Sakai	(NTT East, Executive Officer, General Manager, Chiba Division; and General Manager, Chiba Branch, Chiba Division)

(2) Senior Vice President and Executive Officer Scheduled to Resign from Office

Senior Vice President, Executive Officer	Kenichi Yamamoto (scheduled to join NTT Nexia Corporation)

(3) Audit & Supervisory Board Member Scheduled to Resign from Office

Full-Time Auditor	Hideo Fujimoto

(4) Candidates for Representative Director

[1] Candidate for Executive Director

Naoki Shibutani

[2] Candidates for Senior Executive Vice President, Representative Director

Riaki Hoshino

Toshimasa Kumagai

(5) Candidates for Executive Officers

Executive Officer	Koichi Suzuki (NTT East, Deputy Senior Executive Manager, Network Business Headquarters; and Executive Manager, Maintenance and Service Operation Department, Network Business Headquarters)
Executive Officer	Takaharu Kitajima (NTT East, Deputy Senior Executive Manager, Business Innovation Headquarters; and Executive Manager, Core Business Development Department, Business Innovation Headquarters)
Executive Officer	Shingo Ishida (Nippon Telegraph and Telephone Corporation, Senior Manager, Technology Planning Department)
Executive Officer	Shinya Momose (Nippon Telegraph and Telephone Corporation, Senior Manager, President's Office, General Affairs Department)
Executive Officer	Tadayuki Yamaguchi (NTT East, Deputy Senior Executive Manager, New Business Development Headquarters; and Executive Manager, Cloud & Network Business Department, New Business Development Headquarters; Senior Manager, IOWN Promotion Office, Corporate Strategy Planning Department; and Senior Manager, Innovation and Technology Department)

(6) Executive Officers Scheduled to Resign from Office

Managing Executive Officer   Tamaki Endo (scheduled to join Nippon COMSYS Corporation)

Executive Officer   Machiko Sakai (scheduled to be appointed as Audit & Supervisory Board Member, NTT East)

Executive Officer   Shigeharu Kato (scheduled to join NTT Broadband Platform, Inc.)

(7) Officer Structure

Position Title	Name	Appointment/ Responsibilities
President, Executive Director President, Executive Officer	Naoki Shibutani	CEO (Chief Executive Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Riaki Hoshino	CDAIO (Chief Digital and AI Officer) CISO (Chief Information Security Officer) CCXO (Chief Customer Experience Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Toshimasa Kumagai	Executive Manager, Corporate Strategy Planning Department CCO (Chief Compliance Officer)
Senior Vice President, Executive Officer	Yuusaku Shima	Senior Executive Manager, Network Business Headquarters; Executive Manager of the Strategic Plant Planning Department, Network Business Headquarters Head of Plant pursuant to Ordinance for Enforcement of the Telecommunications Business Act; and Responsible for Information Management pursuant to Ordinance for Enforcement of the Telecommunications Business Act
Senior Vice President	Yoshinori Kanehana	
Senior Vice President	Makiko Sekine	
Audit & Supervisory Board Member	Kosuke Nagano	
Audit & Supervisory Board Member	Tetsuya Kitagawa	
Audit & Supervisory Board Member	Machiko Sakai	

Managing Executive Officer	Takashi Ebihara	Senior Executive Manager, Digital Transformation Headquarters
		Executive Manager, Innovation and Technology Department
		CTO (Chief Technology Officer)
		CIO (Chief Information Officer)
Executive Officer	Yasushi Shimazu	General Manager, Hokkaido Division; and
		General Manager, Hokkaido Branch, Hokkaido Division
Executive Officer	Taigo Ichikawa	General Manager, Saitama Division; and
		General Manager, Saitama Branch, Saitama Division
Executive Officer	Takashi Abe	Senior Executive Manager, Business Innovation Headquarters
Executive Officer	Katsunori Shigehara	Executive Manager, General Affairs and Personnel Department
		CHRO (Chief Human Resource Officer)
Executive Officer	Sakiko Kato	Deputy Senior Executive Manager, Business Innovation Headquarters
		Executive Manager, Social Innovation Department, Business Innovation Headquarters
Executive Officer	Tomoko Aihara	General Manager, Kanagawa Division; and
		General Manager, Kanagawa Branch, Kanagawa Division
Executive Officer	Chinatsu Kataoka	Senior Executive Manager, Internal Audit Department
Executive Officer	Hiroshi Sudo	General Manager, Miyagi Division; and
		General Manager, Miyagi Branch,

		Miyagi Division
Executive Officer	Akinobu Matsui	Senior Executive Manager, Sales Promotion Headquarters
Executive Officer	Koichi Suzuki	General Manager, Tokyo Division
Executive Officer	Takaharu Kitajima	Deputy Senior Executive Manager, Business Innovation Headquarters
		Executive Manager, Core Business Development Department, Business Innovation Headquarters
Executive Officer	Shingo Ishida	Deputy Senior Executive Manager, Network Business Headquarters
		Executive Manager, Maintenance and Service Operation Department, Network Business Headquarters
Executive Officer	Shinya Momose	Executive Manager, Accounts and Finance Department
		CFO (Chief Financial Officer)
Executive Officer	Tadayuki Yamaguchi	Senior Executive Manager, New Business Development Headquarters

Notes:

* Riaki Hoshino is in charge of the Interconnection Promotion Department, Innovation and Technology Department, New Business Development Headquarters, Network Business Headquarters and Digital Transformation Headquarters.

* Toshimasa Kumagai is in charge of the General Affairs and Personnel Department, Accounting and Finance Department, Information Security Department, Sales Promotion Headquarters and Business Innovation Headquarters.

* Shinya Momose, an Executive Officer candidate, is scheduled to take office on June 21, 2024.