

This English text is a translation of the Japanese original. The Japanese original is authoritative.

March 1, 2023

Submission for Approval of Business Operation Plan

for the Fiscal Year Ending March 31, 2024

Nippon Telegraph and Telephone Corporation (“NTT”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2024 to the Minister for Internal Affairs and Communications for approval, as set forth below.

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I. Environment Surrounding Information and Communications

In information and communications services, in addition to the enhancement of the broadband communications environment and the proliferation and penetration of smartphones, tablets and other devices, the expansion of fifth-generation mobile communication system (5G) services, and the growing use of cloud computing and new technologies such as AI, digital twin computing, quantum computing and Web3 are rapidly progressing. In addition, various types of data are being gathered, and through efforts to improve the data usage environment, data analysis and utilization are also advancing, enabling the creation and provision of new value in a wide range of fields including improvements in the convenience of people's lives and greater efficiency in each industry. It is expected that this type of creation of innovation will be accelerated even further by developments such as the initiatives to achieve the Digital Garden City concept, and the Osaka Kansai Expo.

In the information and communications services market, a number of service providers have been working to generate an increasing variety of innovative new services through business partnerships that go beyond the boundaries of industry sectors and business types in order to contribute to sustainable economic growth, the vitalization of local economies and the resolution of Japan's social issues, such as the low birthrate and aging population.

At the same time, amid the progressive shift to workstyles and lifestyles where the physical and online exist side-by-side as a result of the COVID-19 pandemic, the acceleration of the digital shift of social and economic activities, increased expectations to create new value and resolve social issues and strengthened countermeasures against increasingly sophisticated and complex security threats and intensifying disasters all demonstrate that the role of information and communications services in achieving the secure and reliable operation of social systems and enriching people's lifestyles is becoming increasingly important.

II. Responsibilities of NTT

To help ensure that universal services are maintained amid this evolving information and communications environment, NTT intends to provide all necessary advice, coordination, and other assistance to Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (the "regional companies"). NTT will also endeavor to promote research and development in information communications technology, which serves as a foundation for telecommunications.

III. Fundamental Management Policy

In addition, based on the framework of the revisions of NTT Group's Medium-Term Management Strategy, "Your Value Partner 2025," as revised in October 2021, NTT Group will continue to promote initiatives through its business operations, work with its partners to resolve social issues and promote management that furthers the development of the entire group.

At the same time, in accordance with the NTT Group Sustainability Charter announced in November 2021, by promoting a high level of ethical standards and through the realization of cutting-edge technology and innovation based on the IOWN concept, NTT will advance a variety of initiatives to achieve a sustainable society.

As NTT undertakes these initiatives, it intends to continue to ensure fair competitive conditions under the existing legal framework.

IV. Management Policy for the Fiscal Year Ending March 31, 2024

For its management policy for the fiscal year ending March 31, 2024, based on these fundamental concepts, in addition to building an advanced broadband network and providing a variety of services that utilize 5G, in order to provide support for issues that face a sustainable growth society, NTT will accelerate research relating to a core network that links mobile and fixed networks in anticipation of the Beyond 5G (6G) era, beginning with the realization of the IOWN concept, which consists of the “All-Photonics Network,” “Digital Twin Computing” and “Cognitive Foundation” initiatives, to achieve new value creation through technological innovation.

NTT will seek to ensure the stable development of its operations in the future, and to proactively return the fruits of these efforts to customers, shareholders and society and contribute to the development of the information and communication industry by engaging in research and development activities that will produce the technology and human capital to support a new business model by sustaining and strengthening open innovation.

Furthermore, NTT will advance additional disaster relief initiatives, such as further improvements and increased resilience of its information and communications network, maintain safe and reliable ICT infrastructure, ensure the steady migration of fixed voice telephones to IP networks beginning in January 2024, and promote returns to customers and research and development through cost reductions from joint procurement in compliance with guidelines.

In addition to creating new use cases for 5G, such as autonomous driving support and telemedicine, NTT will commercialize All-Photonics Network (APN) services beginning in March 2023. NTT will advance initiatives to expand the spread of telemedicine, smart factories and other applications that make use of the high-capacity, low-latency characteristics of APN, and will also actively utilize it in e-Sports and other scenarios.

Furthermore, “electronics-photonics convergence devices” that will serve as key devices will also enable the commercialization of compact, low-power devices for networks, and contribute to reducing the environmental impact of society as a whole by significantly reducing power consumption. NTT will continue to expand and develop its services in furtherance of the realization of the IOWN concept.

Further, NTT will work towards the stable growth of its business by strengthening initiatives such as expanding its own radical process reforms through digital transformation and providing customers with services that improve customer experience in line with the digital shift of social and economic activities, while also working to enhance its governance, including its internal control functions. Furthermore, NTT will continue to advance initiatives to preserve economic security and to simultaneously achieve both zero environmental impact and economic growth.

Based on the concepts outlined above, pursuant to the business operation plan for the fiscal year ending March 31, 2024, NTT expects to manage its business by prioritizing the following activities, and doing so in a flexible manner so as to respond to changes in the business environment.

V. Business Plan for the fiscal year ending March 31, 2024

1. Advice, coordination, and other assistance

NTT will aim to exercise appropriate shareholder rights and provide all necessary advice, coordination and other assistance to its regional companies to ensure the maintenance of high-quality and stable universal services. Such assistance will include planning and coordination relating to the quality and upgrading of telecommunications networks, deployment of control and coordination capabilities in the event of natural disasters and other emergencies, efficient financing, and formulation of policies for material procurement.

NTT will support the efforts of each NTT Group company, including the regional companies, to streamline their business operations and expand their business opportunities, and will assist with the development of human capital that will form the core of NTT Group, as well as strictly adhering to fair terms of competition within the current legal framework and complying with applicable regulations.

2. Promotion of basic research and development

In order to rapidly achieve the realization of the IOWN concept, including Beyond 5G (6G), that will be enabled by the commercialization of IOWN services and products, including accelerating the research and development for photonics-electronics convergence technology and upgrading the APN services that will be launched in March 2023, NTT will work to harmonize network platform technologies, technologies that provide a basis for new services and applications and general advanced and basic technologies, while further focusing its efforts on high value-added research and development. NTT will continue to be actively involved in innovation and technology exchanges in collaboration with other research and development institutions and business partners and in expansion, intellectual property and standardization activities, both in Japan and abroad, starting with the IOWN Global Forum.

NTT will seek to further increase research efficiency and ensure the continuous execution of basic research and development efforts, while at the same time strengthening the research and development capabilities with an eye on the development of the group as a whole, with revenues from basic R&D generated from the regional companies and other NTT Group companies that use the fruits of these efforts and bear related expenses on an ongoing basis.

Specifically, NTT will give priority to the following areas of NTT's research and development activities:

(1) Infrastructure-related research and development

In order to develop an information network infrastructure to “connect” everything, NTT will continue to undertake research and development to realize a highly profitable information network that can flexibly respond to the various needs of the customers and service providers who use it.

Specifically, in addition to research and development to upgrade APN services, NTT will pursue research and development related to, among other things, technology for transmission-related functions that combines general-use equipment to develop a flexible network, operational technology that enables automation and autonomy, a server architecture with high scalability and redundancy in which the scale can be changed flexibly using software in response to demand, and orchestration technologies for these.

NTT will also pursue research and development for technology related to the maintenance of communications facilities, a vital part of social infrastructure, research and development that supports disaster-resistant networks as well as research and development directed toward realizing common network platforms usable in different fields, with a view towards creating integrated mobile and fixed line services and space-based optical wireless communications between satellites.

(2) User-related research and development

With a view toward creating advanced services that enrich the lives of and provide comfort to customers, NTT plans to continue to undertake research and development in technologies that integrate telecommunications and computer technology, such as media processing, personalization, cloud services and security.

Specifically, NTT will promote research and development in the following technologies: technology for the real-time transmission of highly immersive videos with an eye on the remote world, technology that detects users' circumstances and intentions and enables natural dialogue using predictive

technology invented by NTT, DTC (digital twin computing) for urban development, and security-related technologies that counteract cyberattacks, such as authentication and encryption, in anticipation of a decentralized society, and technology that contributes to carbon neutrality.

NTT also intends to engage in activities that provide support to other companies, universities and other institutions with the goal of raising the cybersecurity skill level in all industries while simultaneously developing security experts within NTT Group.

(3) Research and development in basic technologies

NTT is committed to contributing to innovative improvement and development of information and telecommunications in Japan to ensure a leading position in technology research that will support the future of telecommunications. To fulfill these commitments, NTT will continue to undertake research and development activities in basic technologies.

Specifically, this will include research in areas such as: the next generation high-capacity, long-distance fiber-optic communications infrastructure that can support connectivity of 1 Tbps, extra high-speed fiber-optic communications technologies and photoelectric devices and integrated Nanophotonics technologies.

NTT will also pursue research on innovative principles and new concepts, including quantum computing-related technology that exceeds current information processing capabilities, materials and devices that account for environmental impact and improvement of convenience and a scientific analysis of the human sensory, physical and emotional mechanisms in various scenarios.

The following tables present an overview of NTT's capital investment plan for the above-mentioned activities.

Table

Capital Investment Plan for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Expected Investment
1. Research and development facilities	26
2. Other facilities	2
Total	28

Attachment 1
(Reference)

Revenues and Expenses Plan
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,213*
Non-operating revenues	12
Total revenues	1,225
Expenses	
Operating expenses	155
Non-operating expenses	27
Total expenses	182
Recurring profit	1,043

* This figure includes revenues from basic research and development of 117.0 billion yen and revenues from Group management and other sources of 18.0 billion yen.

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,008
Operating revenues	996
Non-operating revenues	12
Financial:	290
Long-term loans and bonds	290
Other financial income	0
Estimated consumption tax receipts	15
Balance brought forward from previous fiscal year	1
Total	1,314
Applications:	
Operational:	161
Operating expenses	136
Non-operating expenses	25
Financial:	952
Capital investments	28
Other financial expenses	924
Account settlement expenses	187
Provisional consumption tax payments	13
Balance carried forward to following fiscal year	1
Total	1,314

This English text is a translation of the Japanese original. The Japanese original is authoritative.

March 1, 2023

Submission for Approval of Business Operation Plan

for the Fiscal Year Ending March 31, 2024

Nippon Telegraph and Telephone East Corporation (“NTT East”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2024 to the Minister for Internal Affairs and Communications for approval, as set forth below.

For inquiries, please contact:
Corporate Strategy Planning Department
Nippon Telegraph and Telephone East Corporation
Tel: +81-3-5359-2997

I. Environment Surrounding Information and Communications

Information and communications services have become an essential part of the infrastructure of socio-economic activity. These services are expected to make significant contributions to increasing the convenience of people's daily lives and the revitalization of local communities, while also improving corporate efficiency, creating new businesses and enhancing industry-wide international competitiveness. Their importance has further increased as social life has changed as a result of the spread of the COVID-19 pandemic with the trend towards increased digitalization and going online, in all aspects of business and life, having accelerated and stabilized.

The information and communications market is undergoing structural changes beyond the existing framework, including an increasing shift to broadband services and globalization, the development of new technologies such as AI, digital twin computing, quantum computing, Web3, and the upgrading of mobile communications devices, in addition to initiatives to apply smart agriculture information and communications technologies to resolve social issues.

Regional telecommunications markets are also changing dramatically. The competition in services based on fiber-optic access is intensifying and new services using a variety of wireless devices are also expanding, leading to diversification in the way customers use these devices and to the expansion of the volume of data communications resulting from teleworking, among other factors.

II. Responsibilities of NTT East

Amid such a challenging and volatile business environment, as a carrier with an important leadership role in the information and communications industry, NTT East will aim to continue providing high-quality, stable universal services and further strive to ensure that it strictly abides by fair competition and seeking to secure a stable and solid foundation for its business, as well as complying with applicable regulations.

In addition, NTT East will work to develop a sophisticated and strong information and communications network of the highest quality that is responsive to large-scale natural disasters, cybersecurity threats and the increasing volume of data traffic, and that promptly restores services in times of disasters and other calamities, based on improving resilience from strengthened relationships with regional infrastructure business, ensuring their reliability as part of the social infrastructure, and responding to network migration appropriately.

III. Fundamental Management Policy

NTT East will endeavor to enhance the broadband network environment and further expand fiber-optic access through offering services and products that leverage the advantages of the telecommunications infrastructure with customer-friendly and long-term appealing pricing. NTT East will contribute to the further enrichment of society and the achievement of sustainable development goals (“SDGs”) by committing to the resolution of various economic and social issues, including the low birthrate and related decline of the working-age population, and the achievement of carbon neutrality, through various measures that facilitate the use of ICT to contribute to the vitalization of local economies, work style reforms and improvement of productivity and convenience, among other things.

IV. Management Policy for the Fiscal Year Ending March 31, 2024

With regard to the management of its business operations for the fiscal year ending March 31, 2024, NTT East plans to continue expanding and promoting the use of fiber-optic access, and aims to achieve the upgrade and increase of the speed of its broadband network infrastructure on the basis of its fundamental management policy and contribute to the advancement of society’s digital transformation. These objectives will be achieved through the creation of new uses for ICT that are closely connected to daily life at home and in the community, the enhancement of the ICT environment through, among other things, the use of SaaS and cloud computing, and the development and provision of services for business users that utilize local 5G and other various kinds of networks. NTT East will develop new use cases applying the high-capacity, low-latency characteristics of the All-Photonics Network (APN) service that was commercialized in March 2023. At the same time, with respect to the migration of landline phones to the IP network beginning in January 2024, NTT East will promote a smooth transition toward the completion of migration (approximately January 2025), beginning with transfers to IP connections with connection service providers and the development of systems to increase quality assurance.

NTT East plans to offer an even wider range of services including optical IP telephony services and video services as well as maintenance and support on this network infrastructure. As a “social innovation company that supports the future of its community,” NTT East aims to contribute to the expansion of regional value through the expansion of ICT and digital technologies, and the creation of customer value by achieving the Digital Garden City concept. In addition, NTT East will provide service providers in a wide range of fields with fair and equal services on the basis of its world-class network through the Hikari Collaboration Model, as well as support a variety of value creation opportunities.

At the same time, NTT East will also advance its own digital transformation and, utilizing joint procurement in compliance with guidelines, will take steps to build a stable and stronger management base and to ensure steady business growth into the future by further increasing operating efficiency and productivity. NTT East will strive to return the results of these measures to customers, the local community and, through its holding company, to its shareholders.

V. Conclusion

NTT East plans to manage its business in the fiscal year ending March 31, 2024 on the basis of the above outlined concepts, emphasizing the items outlined below, while maintaining the flexibility needed to respond to changes in the business environment.

1. Voice transmission services

(1) Telephone subscriptions

NTT East will aim to respond promptly to all demands for telephone subscriptions, including the relocation of existing lines. The number of subscriptions is projected to total approximately 5.64 million by the end of the fiscal year ending March 31, 2024.

Item	Planned number (subscriptions)
Additional installations	(0.45 million)
Relocations	0.53 million

(2) Social welfare telephones

As social welfare programs continue to expand and develop, social demand for welfare-oriented telecommunications services has increased. In response to this need, NTT East plans to continue to promote the provision of welfare-oriented products, such as its “Silver Phone series” (“Anshin” (relief), “Meiryō” (clearness), “Hibiki” (sound) and “Fureai” (communication)).

Item	Planned number (units)
Silver Phones	
Anshin (relief)	3,200
Meiryō (clearness)	0

(3) Public telephones

NTT East plans to continue to ensure at least a minimum means of communication for safety and when outdoors, and, with respect to low-usage public telephones, will be streamlined in accordance with installation standards. NTT East will also strive to continue to improve

convenience by, among other things, publicizing the locations of public telephones in order to promote their increased usage and to prepare for disasters and other emergencies. The number of public telephone units is projected to total approximately 54,000 by the close of the fiscal year ending March 31, 2024.

Item	Planned number (units)
Public telephones	(6,000)

(4) Integrated digital communications services

The numbers of INS-Net 64 and INS-Net 1500 subscriber lines are projected to total approximately 533,000 and 6,000, respectively, by the close of the fiscal year ending March 31, 2024.

Item	Planned number (subscriptions)
INS-Net 64 subscriber lines	(87,000)
INS-Net 1500 subscriber lines	(1,000)

2. Data transmission services

To respond to the increasing demand for broadband services, NTT East will endeavor to expand its fiber-optic access services by targeting the appealing power of services unique to fiber-optic technologies, such as Hikari Denwa and video services, and will aim to provide a wide range of other services. The number of FLET's Hikari subscriptions is projected to total approximately 13.56 million by the close of the fiscal year ending March 31, 2024 (an estimated net increase of 0.2 million for the fiscal year ending March 31, 2023).

Item	Planned number (subscriptions)
FLET'S Hikari*	0.20 million

*This figure for FLET'S Hikari includes subscribers to the Hikari Collaboration Model.

3. Leased circuit services

Subscriptions for conventional leased circuit services and high-speed digital transmission services are projected to total approximately 87,000 and 6,000, respectively, by the close of the fiscal year ending March 31, 2024.

Item	Planned number (subscriptions)
Conventional leased circuit services	(3,000)
High-speed digital transmission services	(3,000)

4. Telegraph services

NTT East will conduct maintenance of its systems in order to promote the enhancement and operational efficiency of its telegraph services.

5. Improvements and advances in telecommunications facilities

(1) Optical access network

NTT East plans to promote the efficient shift to fiber optics in its access network in response to, among other things, the demand for broadband services.

Item	Planned number (million fiber km)
Optical subscriber cables	0.7

(2) Telecommunications network

In its telecommunications network, NTT East will aim to upgrade network services and improve network efficiency, among other things, while continuing its efforts to meet demand for broadband services.

(3) Disaster prevention measures

NTT East expects to take necessary measures in response to disasters. Such measures would include disaster prevention measures to prepare for damage to telecommunications equipment and facilities, securing lines for emergency communications, strengthening its organizational structure for crisis management and restoring systems in the event of large-scale disasters, and supporting information distribution after a disaster.

(4) Underground installation of transmission cables

In order to improve the reliability of communications facilities, ensure safe and pleasant roads and other transit areas, and enhance the appearance of the urban landscape, NTT East will work, in coordination with the national and local governments and with other companies, to install transmission cables underground.

(5) Facility maintenance

NTT East will aim to provide stable and high-quality services by conducting cable maintenance and replacement, and by ensuring quality customer services, safe operations, harmonization with the social environment and stabilization of communications systems.

NTT East will seek to minimize costs by making full use of existing equipment and facilities in improving and upgrading its communications facilities.

6. Promotion of research and development activities

In order to further stabilize and strengthen its management base and to provide better communication services to its customers, NTT East will continue to promote research and development in network systems and access systems, with the aim of advancing its telecommunications networks. In addition, NTT East will also conduct research and development in such areas as AI, IoT and digitalization to resolve local social issues through safe and convenient telecommunications services, and in new market development including, among other things, value-added businesses utilizing telecommunications networks.

The following tables present an overview of the business plans for the above principal services and capital investment plans.

Table 1

**Principal Services Plan
for the Fiscal Year Ending March 31, 2024**

Type of Service	Plan
Voice transmission services	
Telephone subscriptions	
Additional installations	(0.45) million subscriptions
Relocations	0.53 million subscriptions
Social welfare telephones (Silver Phones)	3,200 units
Public telephones	(6,000) units
Integrated digital communications services	
INS-Net 64 subscriber lines	(87,000) subscriptions
INS-Net 1500 subscriber lines	(1,000) subscriptions
Data transmission services	
FLET'S Hikari*	0.20 million subscriptions
* Including the Hikari Collaboration Model	
Lease circuit services	
Conventional leads circuit services	(3,000 subscriptions)
High-speed digital transmission services	(3,000 subscriptions)

Table 2

**Capital Investment Plan
for the Fiscal Year Ending March 31, 2024**

(Billions of yen)

Item	Expected Investment
1. Expansion and improvement of services	224*
(1) Voice transmission	109
(2) Data transmission	28
(3) Leased circuits	86
(4) Telegraph	1
2. Research and development facilities	1
3. Common facilities and others	10
Total	235

* This figure includes approximately 85.0 billion yen to be invested in the fiber-optic access network.

Attachment 1
(Reference)

Revenues and Expenses Plan
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,565
Voice transmission	403
Data transmission	267
Leased circuits	486
Telegraph	5
Others	404
Non-operating revenues	15
Total	1,580
Expenses	
Operating expenses	1,315
Operating costs	1,030
Taxes and dues	78
Depreciation	207
Non-operating expenses	2
Total	1,317
Recurring profit	263

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,763
Operating revenues	1,748
Non-operating revenues	15
Financial:	20
Proceeds from issuance of long-term loans and bonds	0
Other financial income	20
Estimated consumption tax receipts	156
Balance brought forward from previous fiscal year	94
Total	2,033
Applications:	
Operational:	1,367
Operating expenses	1,365
Non-operating expenses	2
Financial:	255
Capital investments	235
Other financial expenses	20
Account settlement expenses	227
Provisional consumption tax payments	125
Balance carried forward to following fiscal year	59
Total	2,033

This English text is a translation of the Japanese original. The Japanese original is authoritative.

March 1, 2023

**Submission for Approval of Business Operation Plan for
the Fiscal Year Ending March 31, 2024**

Nippon Telegraph and Telephone West Corporation (“NTT West”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2024 to the Minister for Internal Affairs and Communications for approval, as set forth below.

For inquiries, please contact:
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I. Environment Surrounding Information and Communications

Information and communications services are expected to make significant contributions to the invigoration and increased efficiency of social and economic activities, improvements in lifestyle convenience and the vitalization of local economies through the formation of a new ICT society from the development of AI, digital twin computing, quantum computing and Web3. Although the government and the private sector have been working in partnership to achieve these goals, social life has changed as a result of the COVID-19 pandemic with the trend towards increased digitalization and going online, in all aspects of business and life, accelerating and stabilizing, increasing their importance.

Moreover, the information and telecommunications market is undergoing a structural change as a result of the shift to broadband and globalization, as well as the spread of smart devices and social media. The market is catering to increasingly sophisticated and diversified needs and patterns of usage by, among other things, utilizing Big Data and IoT, as well as expanding platform services and cloud services.

Regional telecommunications markets are also undergoing significant changes, such as the convergence of fixed and mobile services, and of telecommunications and broadcasting, and the introduction of new services as a result of the use of a diverse range of wireless devices. This is due in part to an increase in competition not only between the providers of fiber-optic access services but also between the various services made available by faster mobile connections.

II. Responsibilities of NTT West

Within this challenging and dramatically changing business environment, NTT West is striving to ensure steady implementation of the migration of landline phones to the IP network beginning in January 2024 by gradually transitioning each region, enhance the fiber-optic access network that is the backbone of ICT by beginning IP connections, in addition to continuing to maintain high-quality, stable universal services, develop advanced and strong communications networks, provide for rapid recovery after disasters and similar events, and give appropriate notification and guidance to users. NTT West also aims to contribute to the development of fair telecommunications markets and promote applied research and development to ensure the reliability and public utilization of telecommunications services.

III. Fundamental Management Policy

While continuing to offer an open telecommunications infrastructure that utilizes the unique characteristics of fiber optics, NTT West will promote the realization of the IOWN concept based on cutting edge technologies and innovations. At the same time, NTT West will endeavor to contribute to the realization of a convenient and prosperous society and the achievement of sustainable development goals (“SDGs”) through the creation of a new lifestyle by developing solutions for issues facing society, such as achieving carbon neutrality, including the provision of “various services that match each customer’s patterns of usage.”

In conducting its business activities, NTT West will strictly adhere to fair terms of competition within the current legal framework and encourage thorough compliance.

IV. Management Policy for the Fiscal Year Ending March 31, 2024

This is the fundamental management policy that underlies the business plan for the fiscal year ending March 31, 2024. NTT West expects to provide a more comfortable, safer and more secure telecommunications infrastructure. In addition, NTT West will strive to provide customers with greater convenience by developing new ICT scenarios that contribute to regional development, further increases in speed, in addition to providing the Hikari Collaboration Model to a wide-range of service providers in an appropriate and fair manner and promoting business alliances in order to create new

services. NTT West will also continue to commercialize the All-Photonics Network (APN) service, demonstrate new use cases that apply the high-capacity, low-latency characteristics of APN, in order to pioneer IOWN APN use scenarios that global visitors can use to experience IOWN at the 2025 Osaka Kansai Expo. In addition, NTT West plans to maintain its community-oriented sales activities in order to respond to customers' opinions and requests in an appropriate and timely manner, while also leveraging management resources including the latest technology, facilities and bases to resolve social issues using digital strengths such as supporting community-based digital implementation initiatives and DX education, and contribute to the achievement of the Digital Garden City concept.

In conjunction with this, and in recognition of its responsibilities as an operator of important social infrastructure, NTT West will aim to contribute to the creation of a safe and secure society by seeking to ensure the stable provision of communications services, attempting to prevent equipment failures, preparing for possible large-scale disasters, , such as anti-flooding measures in communications buildings and building in redundancies in network relay systems and by extending the life of backup power supplies to minimize impact on service and other measures to strengthen facilities countermeasures, responding vigorously to restore service and providing victims and affected individuals with various means of communication in times of disaster, and bringing all of its group resources to bear on activities and services that will earn the continued trust of its customers. NTT West will strive to continue to improve the efficiency of its operations and to achieve a stable and strong management base by accelerating its own digital transformation. As a provider of communication services, which is important infrastructure, and in serious consideration of the breakdown of communications equipment that occurred in the fiscal year ending March 31, 2023, NTT West is fulfilling its social responsibility by making efforts to improve network reliability through prevention measures, upgrading operations and enhancing and strengthening information coordination and dissemination to prevent a similar event from happening again.

NTT West will work to lay the foundations for the stable development of its business into the future by proactively working to facilitate connectivity and ensure the openness of its networks, actively promoting human resource development, expanding into new business areas in coordination with its group companies, making a positive contribution to reducing its burden on the environment and utilizing joint procurement. As these policies and programs bear fruit, NTT West will endeavor to share the benefits with its customers, local communities and, through its holding company, its shareholders.

V. Conclusion

NTT West plans to manage its business on the basis of the above-outlined concepts, emphasizing the items outlined below, while maintaining the flexibility needed to respond to changes in the business environment.

1. Voice transmission services

(1) Telephone subscriptions

NTT West will aim to promptly respond to all demands for telephone subscriptions, including the relocation of existing lines, and forecasts that it will have approximately 5.46 million subscriptions by the close of the fiscal year ending March 31, 2024.

Item	Projected number (subscriptions)
Additional installations	(0.51) million
Relocations	0.60 million

(2) Social welfare telephones

As social welfare programs continue to expand and develop, social demand for welfare-oriented telecommunications services has increased. In response to this need, NTT West plans to continue to promote the provision of welfare-oriented products, such as its “Silver Phone series” (“Anshin” (relief), “Meiryo” (clearness), “Hibiki” (sound) and “Fureai” (communication)).

Item		Projected number (units)
Silver Phone	Anshin (relief)	1,600
	Meiryo (clearness)	100

(3) Public telephones

NTT West plans to continue to maintain public telephone facilities to ensure public safety and meet the minimum requirements for providing a public means of communication. At the same time, NTT West will review its plan with respect to underutilized public telephones, and will also strive to provide social welfare services by continuing the maintenance of wheelchair-accessible public telephone booths. The number of public telephone units is projected to total approximately 58,000 by the close of the fiscal year ending March 31, 2024.

Item	Projected number (units)
Public telephones	(6,000)

(4) Integrated digital communications services

The total numbers of INS-Net 64 subscriber lines and INS-Net 1500 subscriber lines are projected to be approximately 619,000 and 4,000, respectively, by the close of the fiscal year ending March 31, 2024.

Item	Projected number (subscriptions)
INS-Net 64 subscriber lines	(63,000)
INS-Net 1500 subscriber lines	(1)

2. Data transmission services

To respond to the increasing demand for broadband services, NTT West will endeavor to expand its fiber-optic access services and provide a wider range of services. The number of FLET's Hikari subscriptions is projected to total approximately 10.41 million by the close of the fiscal year ending March 31, 2024, including a net increase of 0.15 million in the fiscal year ending March 31, 2023.

Item	Projected number (subscriptions)
FLET'S Hikari*	0.15 million

* This figure for FLET'S Hikari includes subscribers to the Hikari Collaboration Model.

3. Leased circuit services

Subscriptions for conventional leased circuit services and high-speed digital transmission services are projected to total approximately 92,000 and 7,000, respectively, by the close of the fiscal year ending March 31, 2024.

Item	Projected number (subscriptions)
Conventional leased circuit services	(3,000)
High-speed digital transmission services	(2,000)

4. Telegraph services

NTT West will conduct maintenance of its systems in order to promote the enhancement and operational efficiency of its telegraph services.

5. Improvement and advances in telecommunications facilities

(1) Optical access networks

NTT West plans to efficiently promote the shift to fiber optics in its access network in response to, among other things, the demand for broadband services.

Item	Projected number (million fiber km)
Optical subscriber cables	0.50

(2) Telecommunications network

In its telecommunications network, NTT West will aim to upgrade network services, improve network efficiency and increase reliability, among other things, while working to meet demand for broadband services.

(3) Disaster prevention measures

NTT West expects to take necessary measures in response to disasters. Such measures would include disaster prevention measures to prepare for damage to telecommunications equipment and facilities, securing lines for emergency communications, strengthening its organizational structure for crisis management and restoring systems in the event of large-scale disasters, and supporting information distribution after a disaster.

(4) Underground installation of transmission cables

In order to improve the reliability of communications facilities, ensure safe and pleasant roads and other transit areas, and enhance the appearance of the urban landscape, NTT West will work in coordination with the national and local governments and with other companies in installing transmission cables underground.

(5) Facility maintenance

NTT West will conduct necessary cable maintenance and replacements to provide stable and high-quality services and ensure quality customer services, safe operations, harmonization with the social environment and stabilization of communications systems.

NTT West will seek to minimize costs by making full use of existing equipment and facilities in improving and upgrading communications facilities.

6. Promotion of research and development activities

With the aim of utilizing ICT and IoT technology to find solutions to social problems, NTT West will promote a policy of technological experimentation and research, focusing on the following three points:

- (1) Consideration of the utilization of network technologies for IoT and AI technology.
- (2) Consideration of the implementation of cost-effective, high-speed and high capacity networks and a sophisticated and efficient operations practice.
- (3) Consideration of the implementation of security and other technologies that utilize flexible networks, cloud computing and data to respond to changes in the diversifying customer environment.

The following tables present an overview of the business plan for the above principal services and capital investment plans.

Table 1

**Principal Services Plan
for the Fiscal Year Ending March 31, 2024**

Type of Service	Plan
Voice transmission services	
Telephone subscriptions	(0.51) million subscriptions
Additional installations	
Relocations	0.60 million subscriptions
Social welfare telephones (Silver Phones)	1,700 units
Public telephones	(6,000) units
Integrated digital communications services	
INS-Net 64 subscriber lines	(63,000) subscriptions
INS-Net 1500 subscriber lines	(1,000) subscriptions
Data transmission services	
FLET'S Hikari*	0.15 million subscriptions
* Including the Hikari Collaboration Model	
Lease circuit services	
Conventional leads circuit services	(3,000 subscriptions)
High-speed digital transmission services	(2,000 subscriptions)

Table 2

**Capital Investment Plan
for the Fiscal Year Ending March 31, 2024**

(Billions of yen)

Item	Expected Investment
1. Expansion and improvement of services	192*
(1) Voice transmission	98
(2) Data transmission	16
(3) Leased circuits	77
(4) Telegraph	1
2. Research and development facilities	1
3. Common facilities and others	17
Total	210

* This figure includes approximately 77.0 billion yen to be invested in the fiber-optic access network.

Attachment 1
(Reference)

Revenues and Expenses Plan
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,314
Voice transmission	383
Data transmission	213
Leased circuits	387
Telegraph	7
Others	324
Non-operating revenues	17
Total	1,331
Expenses	
Operating expenses	1,195
Operating costs	937
Taxes and dues	64
Depreciation	194
Non-operating expenses	4
Total	1,199
Recurring profit	132

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2024

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,424
Operating revenues	1,407
Non-operating revenues	17
Financial:	50
Proceeds from issuance of long-term loans and bonds	0
Other financial income	50
Estimated consumption tax receipts	132
Balance brought forward from previous fiscal year	1
Total	1,607
Applications:	
Operational:	1,108
Operating expenses	1,104
Non-operating expenses	4
Financial:	260
Capital investments	210
Other financial expenses	50
Account settlement expenses	117
Provisional consumption tax payments	121
Balance carried forward to following fiscal year	1
Total	1,607