

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

February 28, 2025

Submission for Approval of Business Operation Plan

for the Fiscal Year Ending March 31, 2026

Nippon Telegraph and Telephone Corporation (“NTT”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2026 to the Minister for Internal Affairs and Communications for approval, as set forth below.

For inquiries, please contact:

Business Planning Group Corporate Strategy

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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 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 and the spread and advancement of AI is expected to further accelerate this trend. It is expected that this type of creation of innovation will progress even further by developments such as the initiatives to achieve the Digital Garden City Nation 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 realization of regional revitalization and the resolution of Japan's social issues, such as the low birthrate and aging population.

At the same time, as co-existing real-world and online workstyles and lifestyles have become normalized, 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, as demonstrated by the need to meet demand for the increase in data transmission volumes and power consumption caused by the digital shift of social and economic activities and spread and advancement of AI, creation of new value and resolution of social issues, and strengthened countermeasures against increasingly sophisticated and complex security threats and intensifying disasters such as the Noto Peninsula Earthquake of 2024.

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").

III. Fundamental Management Policy

Based on NTT Group's Medium-Term Management Strategy, "New Value Creation & Sustainability 2027 Powered by IOWN," which was announced in May 2023, NTT Group will endeavor to create new value and achieve environmental sustainability. In particular, NTT Group will work to create IOWN-based and data-driven new value, achieve a recycling-oriented society, further improve its business foundations and enhance the customer experience (CX) and employee experience (EX) that support these, and will promote management that furthers the development of the entire group.

NTT intends to actively and continuously promote fundamental research and development, including IOWN, etc., as it has in the past. In addition, taking into consideration NTT's contributions towards the continuous promotion of research and development and maintenance of universals services, NTT's basic policy for shareholder returns is to continuously increase dividends from retained earnings while ensuring a sound financial position.

As NTT undertakes initiatives for the Medium-Term Management Strategy, it intends to continue to ensure fair competitive conditions under the existing legal framework.

IV. Management Policy for the Fiscal Year Ending March 31, 2026

For its management policy for the fiscal year ending March 31, 2026, based on these fundamental concepts, NTT will build an advanced broadband network and provide a variety of services that utilize 5G. In order to provide support for issues that face a sustainable growth society, NTT will also accelerate research on core networks linking mobile and fixed networks in anticipation of the Beyond 5G (6G) era with a particular focus on realizing 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, 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 undertake initiatives to expand its high-capacity, low-latency All-Photonics Network (APN) services and promote the spread and advancement of NTT’s large language model, “tsuzumi”. Furthermore, with respect to electronics-photonics convergence devices, NTT is promoting research on the development of board connection devices and on achieving even further power savings, and accelerating efforts such as the implementation of data-centric infrastructure (DCI) equipped with electronics-photonics convergence devices at the Osaka Kansai Expo.

Further, NTT will work towards the stable growth of its business by strengthening its personal business and its social and industrial DX/data utilization, and providing services that improve customer experience (CX), all in furtherance of data-driven creation of new value, while also working to improve employee experience (EX). In addition, NTT is working to even further strengthen and enhance its governance, such as its internal control functions, including information security, and strengthen cyber security measures. Furthermore, NTT will continue to advance initiatives to preserve economic security and to simultaneously achieve both net-zero emissions and economic growth.

Based on the concepts outlined above, pursuant to the business operation plan for the fiscal year ending March 31, 2026, 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, 2026

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 further upgrading of the APN services, additional functions of which were added in December 2024, 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.

Furthermore, NTT continues to leverage the results of its basic research and development and offsets its ongoing costs with basic research and development revenues from regional companies and other NTT Group companies, with the aim of strengthening its research and development capabilities for the growth of NTT Group as a whole, while also further increasing efficiency.

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 on further increasing the capacity and lowering the power consumption of 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 data-centric infrastructure (DCI) 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 AI, media processing, personalization, cloud services and security.

Specifically, NTT will promote research and development in the following areas: upgrades to its large language model (tsuzumi), which was launched in March 2024, to increase its number of parameters, technology for the real-time transmission of highly immersive videos with an eye on the remote world, 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 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 electronics-photonics convergence devices and integrated Nanophotonics technologies that will lower power consumption, including in servers, in order to achieve carbon neutrality.

NTT will also pursue research on innovative principles and new concepts, including optical 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, 2026

(Billions of yen)

Item	Expected Investment
1. Research and development facilities	18
2. Other facilities	3
Total	21

Attachment 1
(Reference)

Revenues and Expenses Plan
for the Fiscal Year Ending March 31, 2026

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,224*
Non-operating revenues	15
Total revenues	1,239
Expenses	
Operating expenses	173**
Non-operating expenses	38
Total expenses	211
Recurring profit	1,028

* This figure includes revenues from Group management and other sources of 20.0 billion yen.

** This figure includes operating expenses from basic research and development of 130.0 billion yen.

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2026

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,236
Operating revenues	1,221
Non-operating revenues	15
Financial:	788
Proceeds from issuance of long-term loans and bonds	638
Other financial income	150
Estimated consumption tax receipts	16
Balance brought forward from previous fiscal year	1
Total	2,041
Applications:	
Operational:	187
Operating expenses	150
Non-operating expenses	37
Financial:	1,418
Capital investments	21
Other financial expenses	1,397
Account settlement expenses	421
Provisional consumption tax payments	14
Balance carried forward to following fiscal year	1
Total	2,041

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February 28, 2025

Submission for Approval of Business Operation Plan

for the Fiscal Year Ending March 31, 2026

Nippon Telegraph and Telephone East Corporation (“NTT East”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2026 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. In this environment, the importance of information and communications services as social infrastructure is increasing, as these services support the coexistence of real-world and online work styles and lifestyles, and the development of trend towards digitalization and online connectivity.

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 the metaverse, generative AI, digital twin computing, quantum computing, Web3, and the upgrading of mobile communications devices, in addition to initiatives utilizing smart agriculture, telemedicine, land-based aquaculture and other 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 an increase in the volume of data communications due to the rise of remote work and the rapid spread of generative AI, 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 ensure its reputation as a provider of reliable social infrastructure, by developing sophisticated and resilient information and communications networks of the highest quality that leverage NTT East's regionally integrated engineering capabilities and are responsive to large-scale natural disasters, cybersecurity threats and the increasing volume of data traffic, and by strengthening its relationships with regional infrastructure businesses to enable the prompt restoration of services in times of disasters and other calamities.

III. Fundamental Management Policy

NTT East will endeavor to enhance the broadband network environment and further expand fiber-optic access by offering new services and products that leverage the advantages of the telecommunications infrastructure. Through the use of ICT, NTT East will contribute to work style reforms and improvements of productivity and convenience in order to achieve its sustainable development goals (“SDGs”), and will commit to resolving various economic and social issues, including the low birthrate and related decline of the working-age population, and the achievement of carbon neutrality. NTT East will also strive to create new value locally and will work together with each community to co-create a recycling-oriented society that inspires hopes and dreams.

IV. Management Policy for the Fiscal Year Ending March 31, 2026

With regard to the management of its business operations for the fiscal year ending March 31, 2026, 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 offering of services for business users that utilize local 5G and other kinds of networks. NTT East will also pioneer use cases for the new IOWN service, All-Photonics Connect powered by IOWN, and promote the broader implementation of cutting-edge technologies that support a data-driven society.

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 Nation concept. In addition, in light of the growing seriousness of issues surrounding regional disaster prevention due to increasingly severe and frequent disasters, declining population, falling birthrate and aging population, among other factors, NTT East will contribute to the advancement of regional disaster prevention capabilities by establishing the “Disaster Prevention Research Institute” to promote research on regional disaster prevention models and their regional implementation. Furthermore, 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, 2026 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 5.05 million by the end of the fiscal year ending March 31, 2026.

Item	Planned number (subscriptions)
Additional installations	(0.32 million)
Relocations	0.41 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)	1,400
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 42,000 by the close of the fiscal year ending March 31, 2026.

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 422,000 and 3,000, respectively, by the close of the fiscal year ending March 31, 2026.

Item	Planned number (subscriptions)
INS-Net 64 subscriber lines	(65,000)
INS-Net 1500 subscriber lines	(2,000)

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 13.54 million by the close of the fiscal year ending March 31, 2026 (an estimated net increase of 0.07 million for the fiscal year ending March 31, 2025).

Item	Planned number (subscriptions)
FLET'S Hikari*	0.10 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 79,000 and 3,000, respectively, by the close of the fiscal year ending March 31, 2026.

Item	Planned number (subscriptions)
Conventional leased circuit services	(4,000)
High-speed digital transmission services	(2,000)

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 furtherance of new regional value creation, including value-added businesses that utilize 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, 2026**

Type of Service	Plan
Voice transmission services	
Telephone subscriptions	
Additional installations	(0.32) million subscriptions
Relocations	0.41 million subscriptions
Social welfare telephones (Silver Phones)	1,400 units
Public telephones	(6,000) units
Integrated digital communications services	
INS-Net 64 subscriber lines	(65,000) subscriptions
INS-Net 1500 subscriber lines	(2,000) subscriptions
Data transmission services	
FLET'S Hikari*	0.10 million subscriptions
* Including the Hikari Collaboration Model	
Leased circuit services	
Conventional leased circuit services	(4,000 subscriptions)
High-speed digital transmission services	(2,000 subscriptions)

Table 2

**Capital Investment Plan
for the Fiscal Year Ending March 31, 2026**

(Billions of yen)

Item	Expected Investment
1. Expansion and improvement of services	235*
(1) Voice transmission	109
(2) Data transmission	29
(3) Leased circuits	96
(4) Telegraph	1
2. Research and development facilities	1
3. Common facilities and others	14
Total	250

* This figure includes approximately 95.0 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, 2026

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,547
Voice transmission	357
Data transmission	267
Leased circuits	501
Telegraph	4
Others	418
Non-operating revenues	17
Total	1,564
Expenses	
Operating expenses	1,347
Operating costs	1,051
Taxes and dues	82
Depreciation	214
Non-operating expenses	2
Total	1,349
Recurring profit	215

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2026

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,710
Operating revenues	1,693
Non-operating revenues	17
Financial:	92
Proceeds from issuance of long-term loans and bonds	0
Other financial income	92
Estimated consumption tax receipts	153
Balance brought forward from previous fiscal year	5
Total	1,960
Applications:	
Operational:	1,413
Operating expenses	1,411
Non-operating expenses	2
Financial:	270
Capital investments	250
Other financial expenses	20
Account settlement expenses	148
Provisional consumption tax payments	124
Balance carried forward to following fiscal year	5
Total	1,960

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February 28, 2025

Submission for Approval of Business Operation Plan

for the Fiscal Year Ending March 31, 2026

Nippon Telegraph and Telephone West Corporation (“NTT West”) today submitted its business operation plan (non-consolidated) for the fiscal year ending March 31, 2026 to the Minister for Internal Affairs and Communications for approval, as set forth below.

For inquiries, please contact:
Business Management Unit,
Public Relations Office
Nippon Telegraph and Telephone West Corporation
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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 generative AI, digital twin computing, quantum computing and Web3, and the government and the private sector have been working in partnership to achieve these goals. In this environment, co-existing real-world and online workstyles and lifestyles have become normalized, and the trend towards increased digitalization and online connectivity, driven by the proliferation and sophistication of AI, in all aspects of business and life has continued to develop. As the volume of data transmissions increases, the social infrastructure that supports it is also ever-increasing in 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.

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 dramatically changing business environment, and in consideration of the direction of the universal services review, NTT West is continuing to offer high quality, stable and safe communications networks, ensure rapid recovery after disasters and similar events, and provide users with appropriate notification and guidance. NTT West is also striving to enhance the fiber-optic access network that is the backbone of ICT, and 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 data-driven new value creation and 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 sustainable regional communities as well as environmental sustainability by providing diverse 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, 2026

Based on this fundamental management policy, for the business plan for the fiscal year ending March 31, 2026, NTT West expects to provide a more comfortable, safer and more secure telecommunications infrastructure. In addition, NTT West will strive to co-create new value as a value creation partner so that all people can achieve a happy and prosperous future. NTT will do so by developing new ICT use cases that contribute to regional development, providing further increases in speed through the expansion of FLET'S Hikari Cross service area, offering 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 promote the broader implementation of cutting-edge technologies that support a data-driven society, including the All-Photonics Network (APN), and will pioneer All-Photonics Connect use cases that global visitors can use to experience IOWN at the 2025 Osaka Kansai Expo which will be opening in April. 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 initiatives for the digitalization of regional communities and DX education, and contribute to the achievement of the Digital Garden City Nation 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. In addition, in light of the large-scale disasters, such as the Noto Peninsula Earthquake and the torrential rains in Okunoto in the fiscal year ending March 31, 2025, NTT West is continuing its efforts to enhance network resilience and fulfill its social responsibility as a provider of communication services, which is important infrastructure.

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. In addition, NTT West is taking the 2023 incident in which customer information was taken from an NTT West group company very seriously, and is working to improve its corporate culture and governance, including by strengthening its information security to prevent similar incidents from occurring again in the future. 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 4.67 million subscriptions by the close of the fiscal year ending March 31, 2026.

Item	Projected number (subscriptions)
Additional installations	(0.38) million
Relocations	0.45 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), “Meiryō” (clearness), “Hibiki” (sound) and “Fureai” (communication)).

Item		Projected number (units)
Silver Phone	Anshin (relief)	1,200
	Meiryō (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 42,000 by the close of the fiscal year ending March 31, 2026.

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 439,000 and 2,000, respectively, by the close of the fiscal year ending March 31, 2026.

Item	Projected number (subscriptions)
INS-Net 64 subscriber lines	(71,000)
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 10.39 million by the close of the fiscal year ending March 31, 2026, including a net increase of 0.05 million in the fiscal year ending March 31, 2025.

Item	Projected number (subscriptions)
FLET'S Hikari	0.05 million

3. Leased circuit services

Subscriptions for conventional leased circuit services and high-speed digital transmission services are projected to total approximately 80,000 and 3,000, respectively, by the close of the fiscal year ending March 31, 2026.

Item	Projected number (subscriptions)
Conventional leased circuit services	(4,000)
High-speed digital transmission services	(1,000)

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	0.60

(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 Beyond 5G/6G network technologies 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, 2026**

Type of Service	Plan
Voice transmission services	
Telephone subscriptions	
Additional installations	(0.38) million subscriptions
Relocations	0.45 million subscriptions
Social welfare telephones (Silver Phones)	1,300 units
Public telephones	(6,000) units
Integrated digital communications services	
INS-Net 64 subscriber lines	(71,000) subscriptions
INS-Net 1500 subscriber lines	(1,000) subscriptions
Data transmission services	
FLET'S Hikari*	0.05 million subscriptions
* Including the Hikari Collaboration Model	
Leased circuit services	
Conventional leased circuit services	(4,000 subscriptions)
High-speed digital transmission services	(1,000 subscriptions)

Table 2

**Capital Investment Plan
for the Fiscal Year Ending March 31, 2026**

(Billions of yen)

Item	Expected Investment
1. Expansion and improvement of services	213*
(1) Voice transmission	109
(2) Data transmission	19
(3) Leased circuits	84
(4) Telegraph	1
2. Research and development facilities	1
3. Common facilities and others	16
Total	230

* This figure includes approximately 84.0 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, 2026

(Billions of yen)

Item	Amount
Revenues	
Operating revenues	1,270
Voice transmission	331
Data transmission	201
Leased circuits	382
Telegraph	5
Others	351
Non-operating revenues	13
Total	1,283
Expenses	
Operating expenses	1,204
Operating costs	937
Taxes and dues	63
Depreciation	204
Non-operating expenses	4
Total	1,208
Recurring profit	75

Attachment 2
(Reference)

Planned Sources and Applications of Funds
for the Fiscal Year Ending March 31, 2026

(Billions of yen)

Item	Amount
Sources:	
Operational:	1,332
Operating revenues	1,319
Non-operating revenues	13
Financial:	201
Proceeds from issuance of long-term loans and bonds	150
Other financial income	51
Estimated consumption tax receipts	127
Balance brought forward from previous fiscal year	1
Total	1,661
Applications:	
Operational:	1,107
Operating expenses	1,103
Non-operating expenses	4
Financial:	380
Capital investments	230
Other financial expenses	150
Account settlement expenses	51
Provisional consumption tax payments	122
Balance carried forward to following fiscal year	1
Total	1,661