

Refinement of the NTT Group Medium-Term Management Strategy

October 25, 2021

Directionality of Refinement of the Medium-Term Management Strategy



Effect of Synergies in the Newly Formed DOCOMO Group FY2023 Profit Increase of ¥100.0 billion

Transformation to a New Management Style (Further Promotion of DX) FY2023 Cost Reductions over ¥200.0 billion

Achieving EPS of ¥370 in FY2023

New Environment and Energy Vision FY2023 Minimal Impact on Costs

Directionality of NTT Group's Transformation

Social/Economic Directionality

Advancement of Digitalization/DX

Society During COVID-19 and Post-COVID-19

A <u>New Management Style</u> Suitable for a Decentralized Network Society

Realization of a Well-Being Society Enhancement of Corporate Value through ESG Initiatives



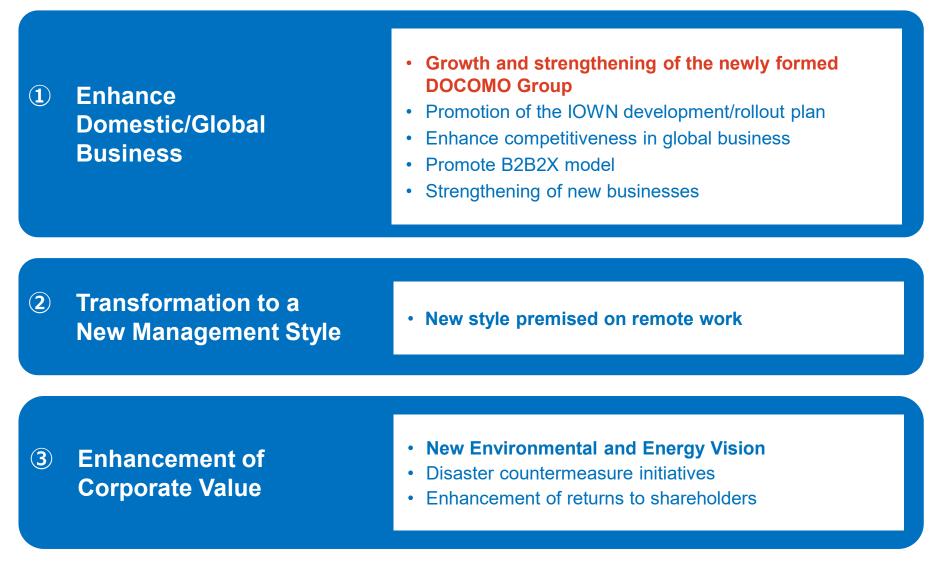
Enhance Domestic and Global Business

NTT Group's

Directionality

New Strategic Framework





Growth and Strengthening of the Newly Formed DOCOMO Group



Challenge of the New DOCOMO Group

New DOCOMO Group Medium-Term Strategy

Expansion of enterprise business	Expansion of the Smart Life Business	
Strengthening the telecommunications business	Strengthening global business	
Strengthening IT	Strengthening R&D	
Promoting ESG		



As the synergistic effect of integrating NTT DOCOMO, NTT Communications and NTT Comware, Create profits of ¥100.0 billion in FY2023, and over ¥200.0 billion in FY2025

Refinement of Medium-Term Financial Targets



Target	Current Target	New Target	(Reference) FY2021 Plan
EPS	Approx. ¥320 (FY2023)	¥370 (FY2023)	¥302
Overseas (1), (2) Sales	\$ 25B (FY2023)	 (FY2023)	\$ 19B
Overseas (1) Operating Income Margin	7% (FY2023)	7% (FY2023)	6%
Cost Reductions (3) (In Fixed-Line/Mobile Access Networks)	At least ¥(800.0) billion (FY2023)	At least ¥(1,000.0) billion (FY2023)	¥(840.0) billion
ROIC	8% (FY2023)	8% (FY2023)	7.4%
Capex to Sales (4) (Domestic Network Business)	13.5% or less (FY2021)	13.5% or less (FY2021)	13.5%

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(2) In addition to the change in accounting for some of the income, the impact of COVID-19 is also significant, so no target is set.
(3) Figures above show cumulative reductions since FY2017. (4) Excludes NTT Communications' data centers and certain other items.



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* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.



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