



Your Value Partner

THE 36TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE OF CONVOCATION

[Request to Refrain from Attending in Person]

To prevent the spread of novel coronavirus disease (COVID-19), please exercise your voting rights via the Internet or in writing. We

strongly request that you refrain from attending the meeting in person.

*** Souvenirs will not be presented.**

Table of contents

■ Notice of Convocation of the 36th Ordinary General Meeting of Shareholders	1
■ Exercising Your Voting Rights	3
■ Reference Materials for the Ordinary General Meeting of Shareholders	
[Company Proposals]	
First Item: Distribution of Earned Surplus	5
Second Item: Determination of Amount and Other Details of Performance-Related Stock Compensation, etc. to Members of the Board	6
Third Item: Revision of Amount and Other Details of Compensation, etc. for Members of the Board	11
[Shareholder Proposal]	
Fourth Item: Removal of Director Naoki Shibutani	12
>> Attachments	
■ Business Report	
I Outline of the Business of NTT Group	15
II Matters Regarding Shares	38
III Matters Regarding Corporate Governance	39
IV Matters Regarding Corporate Officers	47
■ Consolidated Financial Statements	
Consolidated Statement of Financial Position	57
Consolidated Statement of Profit or Loss	58
■ Non-consolidated Financial Statements	
Non-consolidated Balance Sheet	59
Non-consolidated Statement of Income	60
■ Auditor's Reports	
Auditor's Report on Consolidated Financial Statements	61
Auditor's Report on Non-consolidated Financial Statements	63
Audit & Supervisory Board's Report	65

Based on the applicable laws and regulations, and Article 16 of the Articles of Incorporation, the following items are posted on NTT's website and are therefore not included in the Attachments to the Notice of Convocation.

Business Report

- Outline of the Business of NTT Group
 - Main Businesses
 - Main Locations, etc.
 - Employment
 - Changes in Consolidated Assets and Consolidated Profit or Loss
 - Changes in Non-consolidated Assets and Non-consolidated Income of NTT
- Matters Regarding Corporate Officers
 - Agreements Limiting Liability
- Matters Regarding Independent Auditors
- Content of Resolutions Concerning the Development of Systems to Ensure the Propriety of NTT's Business
- Outline of Operations of the Systems to Ensure the Propriety of NTT's Business

Consolidated Financial Statements

- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements

Non-consolidated Financial Statements

- Non-consolidated Statement of Changes in Shareholders' Equity and Other Net Assets
- Notes to Non-consolidated Financial Statements



NTT Website

<https://group.ntt/en/ir/>

- The Business Report, audited by Audit & Supervisory Board Members, and the Consolidated Financial Statements and the Non-consolidated Financial Statements, audited by independent auditors and Audit & Supervisory Board Members, are the documents presented in the Attachments to the Notice of Convocation of the 36th Ordinary General Meeting of Shareholders as well as items posted on our website (excluding "(Reference)").
- Any subsequent revisions to the reference materials for the Ordinary General Meeting of Shareholders or the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements will be posted on our website.

You can exercise your voting rights or view the convocation notice via your smartphone.

• You may use a voting rights exercising service for smartphones.

By using your smartphone to scan the QR code® on the voting rights exercise form, you can log in to the designated website and exercise the voting rights without entering your voting code and password.

Image for use

STEP 1

Use your smartphone or tablet device to scan the "QR code for login to the voting rights exercising website for smartphones" located in the bottom-right of the enclosed voting rights exercise form.



You **do not need** to enter your voting code or password

STEP 2

Access the URL shown on the screen to open the voting rights exercising website. Press "Indicate approval for each item separately" and proceed to exercise your voting rights.

When **indicating approval** of the Company's proposals/Board of Directors opinions

This is the opinion of the Board of Directors of the Company.

When **indicating disapproval** of the Company's proposals/Board of Directors opinions

*QR code is a trademark of DENSO WAVE INCORPORATED.

• You can view major contents of the convocation notice via your smartphone.



<https://p.sokai.jp/9432/>



Notice of Convocation of the 36th Ordinary General Meeting of Shareholders

To All Shareholders

I would like to begin by extending our heartfelt thoughts and prayers to everyone who has been impacted by the COVID-19 pandemic.

I also offer our sincere apologies for the great inconvenience and concern caused to our shareholders, customers and all related parties by the recent media reports concerning members of management dining with ministry officials, and going forward, we will make every effort to restore public trust in the Company by ensuring that our response to this occurrence is characterized by integrity and fairness.

During the 36th fiscal year (from April 1, 2020 to March 31, 2021), in addition to pursuing measures to achieve the goals of the Medium-Term Management Strategy “Your Value Partner 2025,” we implemented a variety of support measures for customers in response to the COVID-19 pandemic, such as providing new services to help realize our Remote World vision and extending payment deadlines for usage fees, etc. for services of each company.

In this new fiscal year as well, all companies in the NTT Group under the leadership of NTT DOCOMO, our wholly owned subsidiary, are making a united effort to continue to resolve societal issues as “Your Value Partner.”

The 36th Ordinary General Meeting of Shareholders will be held on Thursday, June 24, 2021. I would like to ask our shareholders to exercise their voting rights via the Internet or in writing, and conclude this message by thanking our shareholders in advance for their continued understanding and support.

A portrait of Jun Sawada, President and Chief Executive Officer of Nippon Telegraph and Telephone Corporation. He is an older man with grey hair, wearing a dark blue suit, a light blue shirt, and a red tie. He is standing with his arms crossed against a plain white background.

澤田 純

Jun Sawada
President and Chief Executive Officer
Representative Member of the Board
NIPPON TELEGRAPH AND TELEPHONE CORPORATION

1	Date and Time:	Thursday, June 24, 2021 10:00 a.m. (JST)
2	Venue:	Grand Prince Hotel Shin Takanawa 13-1, Takanawa 3-chome, Minato-ku, Tokyo
3	Purpose of the Meeting:	Matters to be reported <ol style="list-style-type: none"> 1 Report on the Business Report, Consolidated Financial Statements and audit results of independent auditors and Audit & Supervisory Board for the 36th fiscal year (from April 1, 2020 to March 31, 2021) 2 Report on the Non-consolidated Financial Statements for the 36th fiscal year (from April 1, 2020 to March 31, 2021)
		Matters to be resolved <p>[Company Proposals]</p> <p>First Item Distribution of Earned Surplus</p> <p>Second Item Determination of Amount and Other Details of Performance-Related Stock Compensation, etc. to Members of the Board</p> <p>Third Item Revision of Amount and Other Details of Compensation, etc. for Members of the Board</p> <p>[Shareholder Proposal]</p> <p>Fourth Item Removal of Director Naoki Shibutani</p>

1. The ordinary general meeting of shareholders is a valuable opportunity to have a dialogue with shareholders once a year. However, in view of the spread of COVID-19 infection, **we strongly request that you refrain from attending the meeting.**
2. We request that you exercise your voting rights prior to the meeting via the Internet or in writing. For details, please read Exercising Your Voting Rights on page 3 of this Notice of Convocation. The deadline for exercising voting rights is **at 5.30 p.m. on Wednesday, June 23, 2021 (JST).**
3. You will be able to view the meeting on the day through a real-time stream* over the Internet.
4. The Company will receive questions* prior to the meeting through the Internet and other means.
* For details regarding the real-time stream over the Internet and reception of questions in advance, please read the guide included on the back cover of this Notice of Convocation.
5. **Souvenirs will not be presented.**

Exercising Your Voting Rights

You are requested to review the attached Reference Materials for the Ordinary General Meeting of Shareholders (pages 5 - 12) before exercising your voting rights. Shareholders may exercise their voting rights in the following ways.

A Voting via the Internet*

INTERNET DEADLINE
Wednesday, June 23, 2021
5:30 p.m. (JST)



"Smart Vote®" method

- 1 By scanning the QR code located on the bottom right of the voting rights exercise form, you can simply exercise your voting rights without entering your voting code and password.

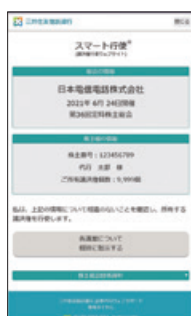


Caution

If you need to make a correction to the content of your vote after you have exercised your voting rights, please log in by entering your voting code and password for the PC site to make the correction.

- 2 Please input "For" or "Against" following the instructions displayed on the screen.

Please refer to the page following the table of contents for the optional methods for exercising your voting rights



"Voting Code/Password Input" method

- 1 Exercise your voting rights via the Internet by accessing the designated web site for shareholder voting (<https://www.web54.net>) from any one of PCs, smartphones and mobile phones.
- 2 On the login screen, please enter the "Voting Code" given on the voting rights exercise form.
- 3 On the password authentication screen, please enter the "Password" given on the voting rights exercise form.
- 4 Next, indicate your approval or disapproval of the resolutions by following the instructions on the screen.



When **indicating approval** of the Company's proposals/ Board of Directors opinions

This is the opinion of the Board of Directors of the Company.

会社提案	議案に対する賛否
第1号議案 剰余金の配当の件	*賛 ○否
第2号議案 取締役に対する業績連動型株式報酬等の授けおよび内容決定の件	*賛 ○否
第3号議案 取締役の報酬等の授けおよび内容決定の件	*賛 ○否
株主提案	議案に対する賛否
第4号議案 取締役 渋谷直樹氏解任の件	○賛 *否

When **indicating disapproval** of the Company's proposals/Board of Directors opinions

会社提案	議案に対する賛否
第1号議案 剰余金の配当の件	○賛 *否
第2号議案 取締役に対する業績連動型株式報酬等の授けおよび内容決定の件	○賛 *否
第3号議案 取締役の報酬等の授けおよび内容決定の件	○賛 *否
株主提案	議案に対する賛否
第4号議案 取締役 渋谷直樹氏解任の件	*賛 ○否

If you have questions about the use of a PC, smartphone or mobile phone for exercising your vote via the Internet, please contact:

Sumitomo Mitsui Trust, Securities Agent
Web Support Hotline
0120-652-031 (Toll Free)
(9:00 to 21:00)

* Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

*QR code is a trademark of DENSO WAVE INCORPORATED.

B Voting via mail

MAIL DEADLINE
Wednesday, June 23, 2021
5:30 p.m. (JST)



Please indicate your approval or disapproval of the resolutions on the enclosed voting rights exercise form and return it to the Company by mail so that it arrives before the deadline.

How to fill out your voting rights exercise form

Please indicate your approval or disapproval of each resolution here.

- If you approve, put a circle in the box marked 賛 [Approve].
- If you disapprove, put a circle in the box marked 否 [Disapprove].

You will need the "QR code" given on the enclosed voting rights exercise form in order to vote via the Internet.

When indicating approval of the Company's proposals/Board of Directors opinions

議案	第1号議案	第2号議案	第3号議案	議案	第4号議案
会社提案	賛	賛	賛	株主提案	賛
	否	否	否		否

Important points

1. If approving the shareholder's proposal, circle 賛 [Approve].
2. If disapproving the shareholder's proposal, circle 否 [Disapprove].

The opinion of the Board of Directors of the Company is to disapprove the shareholder's proposal.

This is the opinion of the Board of Directors of the Company.

When indicating disapproval of the Company's proposals/Board of Directors opinions

議案	第1号議案	第2号議案	第3号議案	議案	第4号議案
会社提案	賛	賛	賛	株主提案	賛
	否	否	否		否

Important points

1. If approving the shareholder's proposal, circle 賛 [Approve].
2. If disapproving the shareholder's proposal, circle 否 [Disapprove].

The opinion of the Board of Directors of the Company is to disapprove the shareholder's proposal.

1 Duplicate voting via mail or online will be handled as follows:

- ① In the case of duplicate voting online, the last vote placed will be considered valid.
- ② In the case of duplicate voting via mail, the votes on the last voting rights exercise form received will be considered valid.
- ③ In the case of duplicate voting done via both online and mail, the vote received last will be considered valid. If both votes are received on the same day, the votes placed online will be considered valid.
- ② If no approval or disapproval is expressed for the respective proposals, it will be treated as an approval vote for the Company's proposals and a disapproval vote for the shareholder's proposal.
- ③ If you wish to make a diverse exercise of your voting rights, please advise us in writing three days prior to the Ordinary General Meeting of Shareholders, stating your reasons therefor.
- ④ In view of the spread of COVID-19 infection, we urge you to refrain from attending the meeting in person, and to exercise your voting rights prior to the meeting via the Internet or in writing. In order to reduce the risk of infection, the venue of the Ordinary General Meeting of Shareholders will have approximately 500 seats with sufficient space between each seat, and therefore, you may be refused entrance even if you do travel to the venue in person.

END

Reference Materials for the Ordinary General Meeting of Shareholders

Resolutions and matters for reference

<Company Proposals>

First Item Distribution of Earned Surplus

Nippon Telegraph and Telephone Corporation (the “Company”) has set as its important management challenge the maximization of corporate value over the medium to long term, and the Company has identified the return of profits to shareholders as an important management goal.

In determining the level of dividends for the fiscal year ended March 31, 2021, the Company, while giving consideration to stability and sustainability, takes into account a full range of factors, including business performance, financial standing and dividend payout ratio.

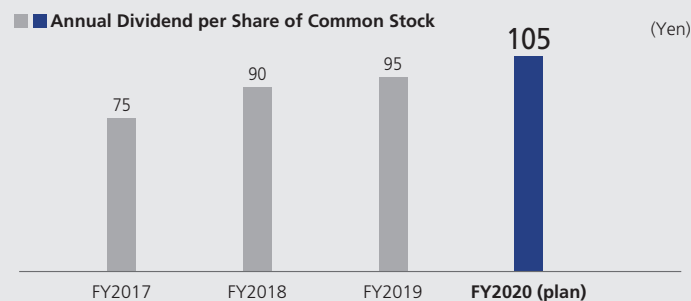
1 Type of asset to be distributed: Cash

2 Matters relating to allotment of dividends and total amount of dividends to be distributed: Per share of common stock : ¥55
Total amount of dividends : ¥199,210,696,080

As the Company has already distributed an interim dividend of ¥50 per share of common stock, the annual dividend for the fiscal year will be ¥105 per one share of common stock.

3 Date on which the dividend becomes effective: June 25, 2021

Reference | Changes in Dividends per Share



Note: NTT implemented a two-for-one stock split of common stock with an effective date of January 1, 2020. Figures for annual dividend per share of common stock are stated, taking the stock split into consideration.

Please refer to page 46 for the capital policy. ►

[Information related to the Second Item and Third Item]

The Second Item and Third Item are related to the review of the officer compensation system. A summary of the main points of these items is provided below.

- The Second Item is a request to introduce a new performance-related stock compensation system for the Company's Members of the Board (excluding outside Members of the Board) and establish a new maximum amount for financial contributions of ¥100 million per fiscal year (¥300 million over three fiscal years) for that system.
- The Third Item is a request to change the total amount of compensation, etc. for Members of the Board from the current ¥750 million or less annually to ¥600 million or less annually in monetary compensation (including ¥200 million for outside Members of the Board) and ¥50 million or less annually as an amount paid to Members of the Board (excluding outside Members of the Board) of the Company as funds for the acquisition of NTT's common shares through the Board Members Shareholding Association.
- As a result of the above change, compensation, etc. for Members of the Board will be comprised of three components: 1) the amount of monetary compensation: ¥600 million or less annually, 2) the amount paid to Members of the Board as funds to acquire NTT's shares through the Board Members Shareholding Association: ¥50 million or less annually, and 3) the amount contributed for the performance-related stock compensation system: ¥100 million or less annually. Accordingly, the total amount of compensation, etc. will be ¥750 million or less annually, and the pre-existing level will be maintained.

Second Item Determination of Amount and Other Details of Performance-Related Stock Compensation, etc. to Members of the Board

1. Reasons for Proposal and for Deeming This Compensation, etc. Reasonable

In this proposal, as a measure to provide compensation, etc. to the Company's Members of the Board (excluding outside Members of the Board; hereinafter in this proposal, the same shall apply), we request to introduce a performance-related stock compensation system (the "System") to provide, separately from the compensation of Members of the Board to be proposed in the Third Item "Revision of Amount and Other Details of Compensation, etc. for Members of the Board," a delivery of a number of NTT's shares according to the degree of achievement of the Company's Medium-Term Management Strategy.

The purpose of the introduction of the System is to enhance the motivation of Members of the Board with the objective of achieving financial targets in the Company's Medium-Term Management Strategy by further clarifying linkage between compensation for Members of the Board and the corporate value of the Company, and to further promote shared interest of Members of the Board with shareholders by promoting ownership of NTT shares by Members of the Board. Moreover, at the meeting of the Board of Directors held on May 12, 2021 the Company has decided upon the new policy regarding determination of details of individual compensation, etc. of Members of the Board, subject to the approval of this Item. The overview of that policy is as described in pages 49 - 50 of the Business Report. The particulars of this proposal are considered appropriate since the particulars are necessary and reasonable to grant compensation, etc. for each individual Member of the Board in line with such policy.

Based on the above, the compensation for Members of the Board will be changed so that it consists of three types of payment: monthly salary (base salary), bonuses (compensation related to performance over the short term), and stock purchase through Board Members Shareholding Association and performance-related stock compensation (compensation related to performance over the medium to long term). The compensation structure is therefore a well-balanced arrangement that reflects both NTT's business results of the relevant fiscal year and the corporate value in the medium to long term.

There are currently four Members of the Board of the Company who are eligible for the System.

For the purpose of ensuring transparency and objectivity in the compensation determination process, the Company has voluntarily established the Appointment and Compensation Committee, which consists of four Members of the Board, including two outside independent Members of the Board, as a preliminary review institution of the Board of Directors, and deliberations on the introduction of the System have been carried out by the Appointment and Compensation Committee.

2. Amount and Details of Compensation, etc. of the System

(1) Overview of the System

The System is a stock compensation system under which NTT's shares of common stock ("NTT's Shares") are acquired by a trust using the compensation for Members of the Board contributed by the Company as the source of funds, and NTT's Shares are delivered and/or the cash of an amount equivalent to the proceeds from cash conversion of NTT's Shares is paid ("NTT's Shares, etc."; and such delivery and payment are hereinafter collectively referred to as the "Delivery, etc.") to the Members of the Board through the trust. Details are described in (2) and subsequent paragraphs below.

(i) Eligible persons for the Delivery, etc. of NTT's Shares, etc. covered by this proposal	<ul style="list-style-type: none"> Members of the Board of the Company (excluding outside Members of the Board and those who are non-residents of Japan)
(ii) Impact of NTT's Shares covered by this proposal on the total number of issued shares	
Maximum amount of money to be contributed by the Company for acquisition of NTT's Shares subject to the Delivery, etc. to Members of the Board (as described in (2) below)	<ul style="list-style-type: none"> The amount shall be calculated by multiplying ¥100 million by the number of years in the target period, and the maximum for the three fiscal years that make up the initial target period shall be ¥300 million (the initial target period will be three fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024)
Maximum number of NTT's Shares, etc. to be provided for the Delivery, etc. to Members of the Board (as described in (3) below)	<ul style="list-style-type: none"> The number of shares corresponding to the number of points calculated by multiplying 47,000 points by the number of years of the target period (corresponding to 47,000 shares at one share per point) and the total maximum number of points to be granted to Members of the Board for the initial target period of three fiscal years is 141,000 points (total maximum number of shares shall be 141,000 shares.) However, if a stock split, consolidation of shares or any other such event occurs during the trust period with respect to NTT's Shares, then the Company shall adjust the number of NTT's Shares to be granted per one point, depending on the ratio of such stock split or consolidation of shares, or otherwise, involving NTT's Shares
Method of acquisition of NTT's Shares (as described in (2) below)	<ul style="list-style-type: none"> As it is planned that this trust acquires NTT's Shares from the stock market, no dilution will occur The ratio of number of shares corresponding to the number of points per fiscal year above that can be delivered (47,000 shares), to the total number of NTT's issued shares (as of March 31, 2021, after deducting the number of treasury shares) shall be approximately 0.001%
(iii) Details of conditions for performance achievement (as described in (3) below)	<ul style="list-style-type: none"> Performance is to be evaluated using financial targets, etc. stated in the Company's Medium-Term Management Strategy, and it shall vary within a range of 0 to 150%, corresponding to the degree of financial targets achievement, etc. in the final year of the fiscal years of the relevant Medium-Term Management Strategy (for the initial target period, it shall be the degree of financial targets achievement such as EPS growth, etc.)

(iv) Conditions and timing of the Delivery, etc., of NTT's Shares, etc., to Members of the Board (as described in (4) below)	<ul style="list-style-type: none"> • In the event that a Member of the Board ceases to be a Member of the Board or Executive Officer of the Company or forfeits all other positions designated by the Board of Directors of the Company, becomes a non-residents of Japan, dies during his/her term of office or satisfied other conditions for providing Delivery, etc. of NTT's Shares designated by the Board of Directors of the Company, NTT's Shares, etc. shall be provided for the Delivery, etc. to the Members of the Board after such satisfaction • However, in the event that a Member of the Board resigns due to personal reasons contrary to the Company's wishes (however, excluding unavoidable circumstances such as injuries or sickness) or in the event that a Member of the Board is dismissed due to behavior with grounds for dismissal of a Member of the Board, such Member of the Board shall not satisfy the conditions for providing Delivery, etc. of NTT's Shares
--	---

(2) Maximum amount of money to be contributed by the Company

The period to be the target of the System shall be the fiscal years corresponding to the period of the Company's Medium-Term Management Strategy (the "Target Period"). The initial Target Period shall be the three fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024.

For the Target Period, the Company shall contribute trust money, within a range of the amount calculated by multiplying ¥100 million by the number of years of the Target Period (¥300 million for the three fiscal years that make up the initial Target Period), and establish a trust for the period corresponding to the Target Period in which Members of the Board who satisfy the requirements for beneficiaries shall be beneficiaries (the "Trust") for acquisition of NTT's Shares subject to the Delivery, etc. to Members of the Board. The Trust shall follow the instructions of the trust manager, and acquire NTT's Shares from the stock market in a lump purchase using the aforementioned trust money as the source of funds. The Company shall grant points to Members of the Board during the Target Period (as described in (3) below), and NTT's Shares, etc., corresponding to the number of points granted in a prescribed time that is determined beforehand, shall be provided for the Delivery, etc. from the Trust.

Please note that the Trust may continue after the expiry of the Trust of the trust period by amending the trust agreement and making additional contributions to the trust instead of establishing a new Trust. In such an event, the number of years corresponding to the Medium-Term Management Strategy at that time shall become the new Target Period, and the trust period for the Trust will be extended for the same amount of time as the new Target Period. For each extended trust period, the Company plans to make additional contributions within a range of an amount calculated by multiplying ¥100 million by the number of years of the new Target Period. However, when such additional contributions are made, if there are NTT's Shares (excluding NTT's Shares equivalent to the points granted to Members of the Board for which the Delivery, etc. has not yet been completed) and cash remaining in the trust assets on the final day of the trust period prior to the extension ("Residual Shares, etc."), the sum of the amount of Residual Shares, etc. equivalent to compensation earmarked for Members of the Board and the trust money to be additionally contributed by the Company shall be within the range of the amount calculated by multiplying ¥100 million by the number of years in the new Target Period. Such extension of the trust period shall not be limited to once only, and the trust period may be extended in the same manner again afterwards.

(3) Calculation method for and maximum number of NTT's Shares, etc. to be provided for the Delivery, etc. to Members of the Board

At a prescribed timing every year during the trust period, points, calculated by the formula set forth below in accordance with the position of the Member of the Board ("Standard Points"), are granted to Members of the Board, and the number of the NTT's Shares to be provided for the Delivery, etc. is determined, based on the number of points calculated by multiplying the number of Standard Points accumulated during the trust period (the "Number of Accumulated Points") at a prescribed timing directly after the final day of the final fiscal year of the Target Period (for the initial Target Period, this timing is scheduled to be around June 2024; such number of

points hereinafter “Number of Share Delivery Points”) by the performance-related coefficient.

The performance-related coefficient shall be evaluated by the financial targets, etc. stated in the Company’s Medium-Term Management Strategy, and for the initial Target Period, this shall be determined within a range of 0 to 150% based on the degree of financial targets achievement, such as EPS growth of the final fiscal year of the Target Period (the fiscal year ending March 31, 2024).

(Formula for calculating Standard Points)

Standard stock compensation amount determined by the Member of the Board’s position / Average of closing price of NTT’s stock at the Tokyo Stock Exchange in the month preceding the starting month of the Target Period (decimal figures of the closing price are truncated)

Regarding the number of NTT’s Shares, etc. that are provided for the Delivery, etc. to Members of the Board through the Trust, one NTT’s Share per one point is delivered with decimal figures of the number of points truncated. However, if a stock split, consolidation of shares or any other such event occurs during the trust period with respect to NTT’s Shares, then the Company shall adjust the number of NTT’s Shares to be granted per one point, depending on the ratio of such stock split or consolidation of shares, or otherwise, involving NTT’s Shares.

If a Member of the Board resigns or dies during the trust period, the number of points accumulated up until that time will be deemed to be the Number of Share Delivery Points and the number of shares to be provided for the Delivery, etc. will be determined based on that.

The maximum number of points that can be granted to Members of the Board during a trust period of the Trust shall be calculated by multiplying 47,000 points by the number of years of the Target Period, and the maximum number of NTT’s Shares to be acquired for the Trust to provide the Delivery, etc. to the Members of the Board and to be provided for the Delivery, etc. to the Members of the Board during the trust period shall be the number of shares corresponding to the aforementioned maximum number of points (the “Maximum Number of Deliverable Shares”). Accordingly, the Maximum Number of Deliverable Shares for the initial Target Period spanning three fiscal years shall be 141,000 shares (in the case where one point corresponds to one share). The maximum number of points and the Maximum Number of Deliverable Shares has been determined by taking into consideration the maximum amount of money to be contributed by the Company in (2) above, and with reference to the most recent stock prices, etc. Note that if the Trust is continued by the method described in (2) above, the maximum number of points that can be granted to Members of the Board during an extended trust period shall be calculated by multiplying 47,000 points by the number of years of the new Target Period. Moreover, the maximum number of NTT’s Shares to be acquired for the Trust to provide the Delivery, etc. to Members of the Board and to be provided for the Delivery, etc. to Members of the Board during the trust period shall be the number of shares corresponding to the aforementioned maximum number of points.

(4) Conditions, timing and method for providing the Delivery, etc. of NTT’s Shares, etc. to the Members of the Board

In the event that a Member of the Board ceases to be a Member of the Board or Executive Officer of the Company or forfeits all other positions designated by the Board of Directors of the Company, becomes a non-resident of Japan, dies during his/her term of office or satisfied other conditions for providing Delivery, etc. of NTT’s Shares designated by the Board of Directors of the Company, NTT’s Shares, etc. shall be provided for the Delivery, etc. to the Members of the Board after such satisfaction. However, in the event that a Member of the Board resigns due to personal reasons contrary to the Company’s wishes (however, excluding unavoidable circumstances such as injuries or sickness) or in the event that a Member of the Board is dismissed due to behavior with grounds for dismissal of a Member of the Board, such Member of the Board shall be deemed to not satisfy the conditions for providing Delivery, etc. of NTT’s Shares.

The Members of the Board who satisfy the requirements for beneficiaries shall receive, from the Trust, delivery of NTT's Shares corresponding to the determined ratio of the Number of Share Delivery Points (shares representing less than one unit shall be truncated) and payment of cash of an amount equivalent to the proceeds from cash conversion, conducted within the Trust, of NTT's Shares shall be paid to Members of the Board for a number of NTT's Shares corresponding to the remaining Number of Share Delivery Points.

In the event of the death of a Member of the Board during the trust period, the heirs of the Member of the Board will receive payment of cash of an amount equivalent to the proceeds from cash conversion, conducted within the Trust, of the number of NTT's Shares corresponding to all of the Number of Share Delivery Points calculated at the time of death.

(5) Clawback system, etc.

To provide for cases where a Member of the Board commits a materially wrongful act or contravention, or cases where a Member of the Board takes employment at another company in the same industry without the permission of the Company, the Company will establish a system that enables the Company to demand loss or forfeiture of beneficiary rights to receive the Delivery, etc. of NTT's Shares, etc., under the System (malus) or the return of cash of an amount equivalent to the delivered NTT's Shares, etc., (clawback) against the Member of the Board.

(6) Voting rights concerning NTT's Shares within the Trust

In order to ensure neutrality toward management, voting rights of NTT's Shares within the Trust shall not be exercised during the trust period.

(7) Dividends on NTT's Shares within the Trust

Dividends on NTT's Shares within the Trust shall be received by the Trust and applied to trust fees and trust expenses for the Trust. In the event that there is a remaining amount of dividends when the Trust is finally closed after dividends are applied to trust fees and trust expenses, that amount will be returned to the Company within the limit of the trust expense reserve after deducting from the trust money the fund for share acquisition, and for any amount in excess of the trust expense reserve, the Company plans to donate it to an organization that has no interest with the Company and Members of the Board.

(8) Other details of the System

Other details concerning the System shall be determined at a meeting of the Board of Directors each time of establishing the Trust, amending a trust agreement, or making an additional contribution to the Trust.

(Reference)

The Company plans to use the same trust for Executive Officers of the Company, and Members of the Board and Executive Officers of subsidiaries that the Company designates as major subsidiaries as persons eligible for the System on the condition that this proposal is approved and adopted as originally proposed (for Members of the Board of the major subsidiaries, there is the additional condition that the relevant proposal proposed at the respective major subsidiaries' general meeting of shareholders is approved and adopted). Furthermore, the compensation amount and number of shares for the Executive Officers of the Company, and Members of the Board and Executive Officers of subsidiaries that the Company designates as major subsidiaries is not subject to this item.

For details of the System, please refer to the "Notice Regarding Adoption of Performance-Linked Stock Compensation System for Members of the Board and Officers of NTT and Its Major Subsidiaries," which is the timely disclosure released on May 12, 2021.

Third Item

Revision of Amount and Other Details of Compensation, etc. for Members of the Board

The total amount of compensation, etc. for Members of the Board of the Company was approved to be ¥750 million or less annually at the 21st Ordinary General Meeting of Shareholders held on June 28, 2006, and has remained unchanged to date. At this time, the Company requests the revision of 1) the amount of monetary compensation for Members of the Board to ¥600 million or less annually (of which ¥200 million or less annually is allocated to outside Members of the Board) and 2) the amount paid through the Board Members Shareholding Association to the Company's Members of the Board (excluding outside Members of the Board) as funds for acquisition of NTT's common shares (hereinafter "NTT's Shares") (hereinafter the "System") to ¥50 million or less annually, separately from the amount of monetary compensation for Members of the Board in 1) above, as part of a policy to revise the overall officer compensation system for the Company's Members of the Board with the purpose of encouraging efforts for enhancing the medium- to long-term corporate value of the Company, having each Member of the Board hold a stronger sense of responsibility as a corporate manager, and promoting management from the same perspective as shareholders.

In accordance with 2) above, the maximum number of NTT's Shares to be acquired by the Company's Members of the Board (excluding outside Members of the Board) shall be 24,000 shares per fiscal year (however, if a stock split, consolidation of shares or any other such event occurs with respect to NTT's Shares, an adjustment to the maximum number of NTT's Shares will be made in accordance with the ratio of such stock split or consolidation of shares, or otherwise). The Company's Members of the Board (excluding outside Members of the Board) participate in the Board Members Shareholding Association and acquire NTT's Shares through monthly contributions designated in the Association's regulations, with all NTT's Shares acquired through the System to be held by Members of the Board throughout their terms of office.

The Company prescribed at a meeting of the Board of Directors held on May 12, 2021, a new policy for determining the details of individual compensation, etc. of Members of the Board based on the premise that this proposal is approved with an overview provided on pages 49 - 50 of the Business Report. This proposal is judged to be appropriate with necessary and reasonable particulars as a compensation framework that highlights aspects such as the standards for calculation of monetary compensation for individuals prescribes by such approach, the proportion of the Members of the Board's entire compensation, and the number of Members of the Board eligible for grants.

The amount of compensation, etc. for Members of the Board will continue to not include the salary for their service as employees of Members of the Board who are also employees.

Note that if the Second Item "Determination of Amount and Other Details of Performance-Related Stock Compensation, etc. to Members of the Board" is approved and adopted as originally proposed, the total amount of compensation, etc. for Members of the Board, including the amount for stock compensation, etc., will be ¥750 million or less annually, and the pre-existing level will be maintained. However, the compensation structure for Members of the Board (excluding outside Members of the Board), will be changed so that it consists of three types of payment: monthly salary (base salary), bonuses (compensation related to performance over the short term), and stock purchase through Board Members Shareholding Association and the newly introduced performance-related stock compensation (compensation related to performance over the medium to long term). Through these changes, the Company aims to create a well-balanced compensation structure in which both NTT's business results for the relevant fiscal year and medium- to long-term corporate value are reflected, while clarifying the responsibility for performance of Members of the Board and strengthening the incentive function in order to further enhance corporate value.

There are currently eight Members of the Board (of which, four are outside Members of the Board).

<Shareholder Proposal>

The proposal and the reason is stated verbatim as proposed by the Shareholder.

Fourth Item Removal of Director Naoki Shibutani

Reasons

Director Naoki Shibutani, while serving as Director of Nippon Telegraph and Telephone East Corporation (hereinafter "NTT East"), took the following management actions. In the light of these actions, he is unfit to serve as a director of the Company. Accordingly, I propose that he be removed from the position of Director.

I concluded a FLET'S Hikari Light contract with NTT East. Under this contract, no fee is charged for the first 200MB (I can use it for approximately two hours).

There are many months in which I do not use the service at all. Even when I do use it, it is within the limits of the free 200MB. Despite this, I have regularly been sent fraudulent demands for payment.

I have in the past requested that this be investigated. I have indicated that, if necessary, I would permit my use of the service to be investigated. Since then, I have communicated this every time these events have occurred. I believe it is likely that NTT East is already monitoring my use of the service. Even if that were the case, there would be nothing unusual about it.

However, I have received no explanation despite the passage of many years.

Several months ago, I received about a payment in relation to usage of 1,009MB. At that time also I requested that this be investigated. I lodged a complaint with NTT FINANCE. They told me to contact the NTT billing center. After prolonged discussions on the subject with the NTT billing center, I was told to go and talk to my provider. With matters as they stand, I do not know who my contract is with.

Furthermore, a few days ago I received a payment demand for the month of January 2021. This states that my usage was 644MB (including the free portion). My usage of the service in January consisted of approximately five minutes from 08:14 to 08:19 on January 4, and approximately 25 minutes on January 19 from 11:28 to 11:53, for a total of approximately 30 minutes (50MB). The demand for payment was for an amount an astonishing 12 times larger than the amount that I had actually used.

For at least the past seven years, I have been raising this issue of fraudulent demands for payment. The only party that is in a position to clarify this is NTT East.

With regard to the fraudulent demands for payment, I request that the approach of not asking questions be discarded promptly and that a convincing explanation to be provided.

Furthermore, it is an indisputable fact that Naoki Shibutani at NTT East performed the management actions described here.

Opinion of the Board of Directors

The Board of Directors is against this proposal.

The shareholder proposal for removal of a Director was received from the same shareholder at the 34th Ordinary General Meeting of Shareholders two years ago. It is the view of the Board of Directors that the above does not constitute a reason for the dismissal of a Director at this Ordinary General Meeting of Shareholders.

Furthermore, concerning the transaction mentioned in the Shareholder Proposal, it has been confirmed by NTT East that the charges from such company to the proposing shareholder are justified.

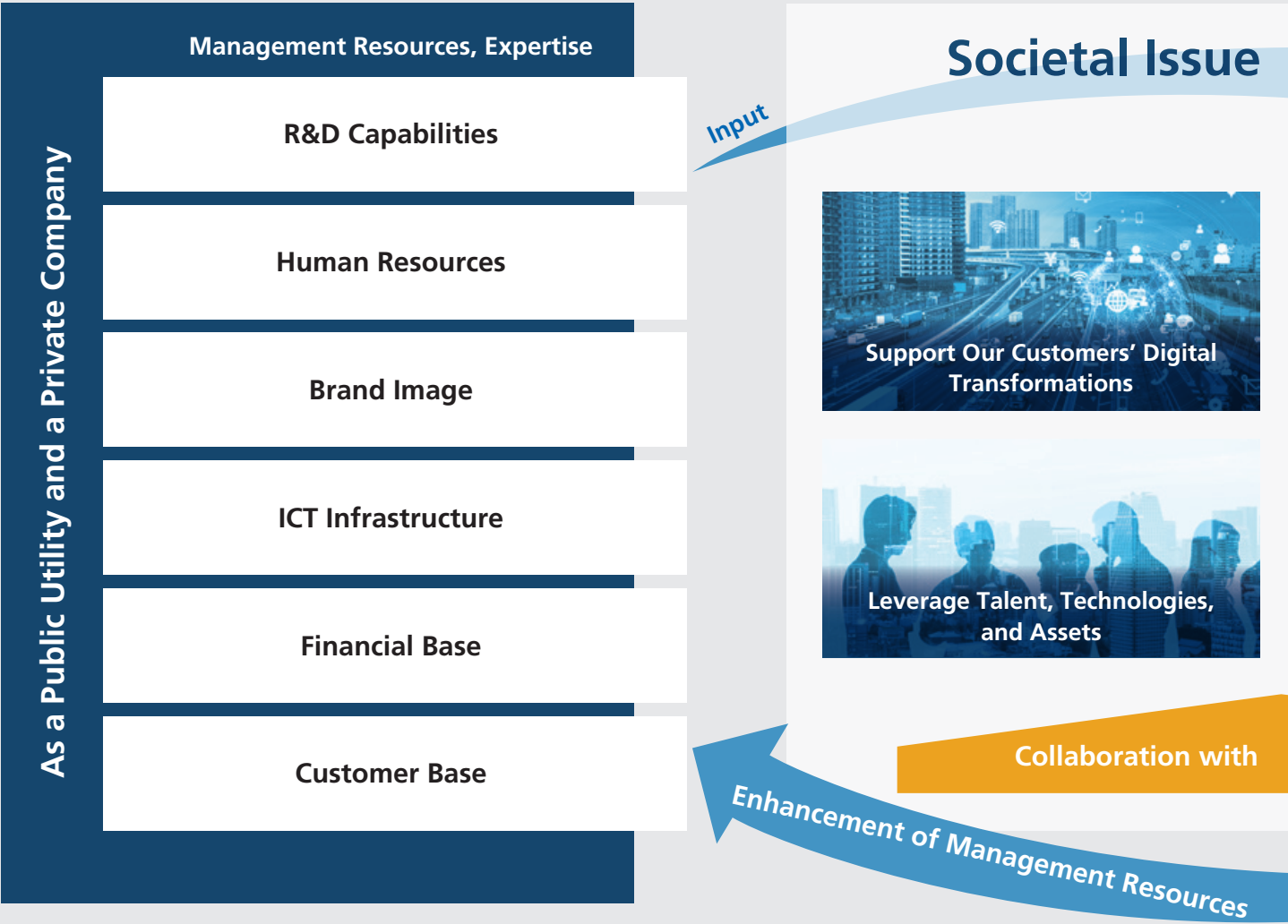
Director Naoki Shibutani has a wealth of experience as a senior corporate manager as represented by his work in overseeing technology strategy of the NTT Group as a whole, such as increasing the sophistication of network facilities, and by his promotion of digital transformation across the NTT Group as a whole. The Board of Directors also believes him to have a high level of integrity and insight, and accordingly nominated him at the 35th Ordinary General Meeting of Shareholders as a candidate for Member of the Board, and at that General Meeting of Shareholders, he was duly elected.

Accordingly, the Board of Directors is against this proposal.

Business Report (For the Fiscal Year ended March 31, 2021)

Reference | Value Creation Process ~Cycle to Realize Ongoing Improvements of Corporate Value~

The Company’s attributes include a solid customer base in Japan and overseas, global brand power, human resource capabilities, and world-class research and development capabilities. We will leverage these to sustainably increase our corporate value in a manner unique to NTT through digital transformation (DX) together with our partners.



Contribute to
Realization of
Smart World/
Society 5.0

Towards a sustainable society/SDGs

SUSTAINABLE
DEVELOPMENT GOALS



Resolution through Business Operation

Outcome

Accelerate Our Own Digital
Transformations

Promote ESG Management, and
Enhance the Returns of Shareholders
to Improve Corporate Value

Various Partners

Medium-Term Financial Targets

(Announced in November 2018)

<FY2021 Targets>

EPS Growth

FY2023 (vs. FY2017^{*1})

+50% (Approx. ¥320/share^{*2}) <¥300/share>

Overseas Sales / Overseas Operating Profit Margin^{*3}

FY2023

US\$25 billion / 7%

<US\$19 billion/6.0%>

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

FY2023 (vs. FY2017)

at least ¥800 billion

<at least ¥840 billion>

ROIC

Return on invested capital

FY2023

8%

<7.4%>

Capex to Sales (Domestic Network Business^{*4})

Capital expenditure to sales ratio

FY2021

13.5% or less

<13.5% or less>

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

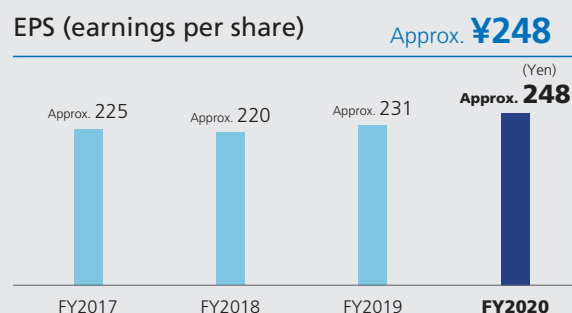
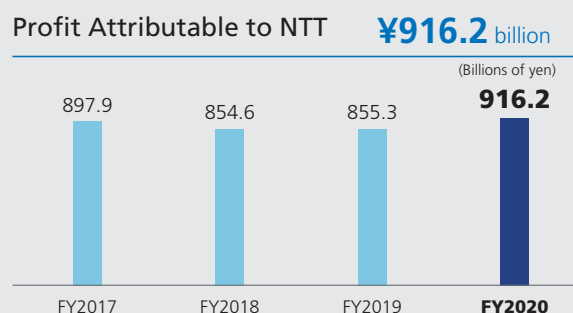
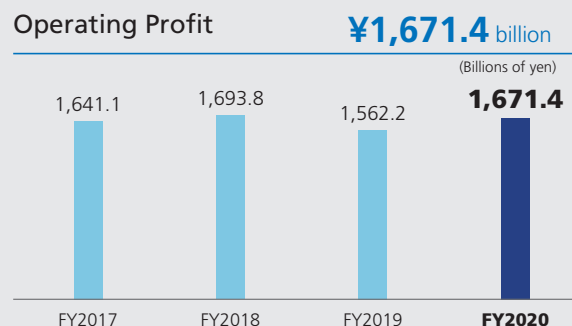
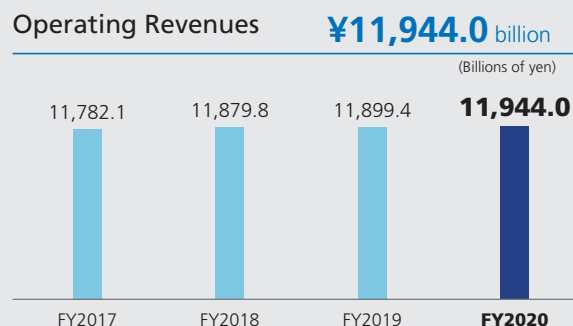
*2 EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020.

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

*4 Excludes NTT Communications' data centers and certain other assets.

I Outline of the Business of NTT Group

Reference | Consolidated Financial Results (IFRS)



Note: NTT implemented a two-for-one stock split of common stock with an effective date of January 1, 2020. The figures for EPS have been adjusted to reflect the stock split.

1. Business Progress and Results

(1) Business Environment

In the fiscal year ended March 31, 2021, the information and telecommunications market continued to see an acceleration in digitalization initiatives as a result of advances in such areas as cloud services, IoT, big data and AI. In addition, there was growth in 5G services. The analysis and utilization of data (data management) accumulated through the use of such services are driving a global digital transformation resulting in reforms that will further take in a positive direction, such as by improving the convenience of people's daily lives, creating new business models and enhancing productivity. In addition, it is becoming increasingly necessary to take steps such as strengthening information security against increasingly sophisticated and complex cyberattacks, reinforcing anti-disaster measures, and contributing to the protection of the environment. Furthermore, given the spread of COVID-19, there is demand for initiatives that transform lifestyles, such as working from home, remote education, and remote medical care.

The role of information and telecommunications is becoming more important in terms of resolving these wide-ranging societal issues.

(2) Business Status

In light of these circumstances, based on the Medium-Term Management Strategy “Your Value Partner 2025,” NTT Group promoted initiatives to resolve societal issues in its role as “Your Value Partner” with all partners.

Transition of NTT DOCOMO to a Wholly Owned Subsidiary

In December 2020, the Company made NTT DOCOMO a wholly owned subsidiary, in preparation for strengthening NTT DOCOMO's competitiveness and enhancing its growth potential and the growth potential of the NTT Group as a whole.

- In the information and telecommunications market, together with the end of boundaries between fixed-line communications and mobile communications, multifaceted and multilayered market competition, including global players, that transcends telecommunication layers is developing. In addition, looking ahead to the post-COVID society following the spread of COVID-19, there are likely to be major changes such as a society based on Remote World vision (decentralized society) and transformation of globalism. NTT Group needs to respond to such dynamic environmental changes at a global level.
- In this management environment, in order for the NTT Group to grow and develop over the medium term, we seek 1) the development and provision of new services that take into account our Remote World vision, 2) the concentration of resources and the promotion of digital transformation, 3) the promotion of research and development at a global scale, and 4) the enhancement of new businesses such as smart life services.
- In addition, the Company made NTT DOCOMO a wholly owned subsidiary, believing this to be essential for the strategic group-wide utilization of resources and assets and for speeding up decision-making.
- Going forward, NTT DOCOMO will leverage the power of Group companies, such as NTT Communications and NTT Comware, aiming to strengthen corporate sales capabilities, enhance service creation capability, bolster cost competitiveness, and reinforce research and development capabilities. Moreover, we will propose an integration of mobile and fixed-line services for communications infrastructure installations with a focus on new services and solutions, as well as 6G, and with the aim of evolving into a comprehensive ICT company whose activities reach into the upper layers of business.

Reference | Major Initiatives Going Forward

1 | Strengthening Corporate Sales Capabilities

- ✓ Creating new integrated mobile and fixed-line services
- ✓ Creating blended solutions involving the linking of cloud services and data

2 | Strengthening our Service Creation Capabilities

- ✓ Working together with partners to strengthen smart life services and create new businesses
- ✓ Strengthening software development capabilities and enhancing user experience

3 | Strengthening Cost Competitiveness

- ✓ Optimizing resources and assets associated with networks, buildings, and IT infrastructure

4 | Strengthening R&D Capabilities

- ✓ Core network capable of dealing with mobile and fixed elements for 6G era
- ✓ Making the IOWN concept a reality
- ✓ Research and development related to O-RAN^{*1} + vRAN^{*2}

*1: Open Radio Access Network

*2: virtualized Radio Access Network

Realization and Expansion of 5G Services and Development of Personal Services

We have worked on initiatives to implement and roll out 5G services, and supported lifestyle changes through the promotion of increasingly personalized services.

- The area in which 5G services are provided was expanded across Japan at the end of June 2020, to 574 cities at the end of March 2021, including all ordinance-designated cities. In addition to the expansion of the service area, we worked on initiatives such as providing a fuller lineup of 5G-compatible terminals and rolling out new services, resulting in the number of 5G service subscribers reaching 3.09 million as of the end of March 2021.
- In March 2021 we began providing the new “[ahamo](#)” billing plan, which is tailored for the digital native generation. We began a campaign to take advance orders for this billing plan in December 2020, and received approximately 2.54 million applications before we began providing the service.



“ahamo” Logo

Promotion of the B2B2X Model

We have worked to support the creation of new value through the promotion of the [B2B2X](#) model.

- In November 2020 we entered into a comprehensive cooperation agreement with Kindai University in preparation for 5G trials, the creation of [smart cities](#) and smart campuses, and the development of education, research and local communities.
- In cooperation with Hokkaido University and the City of Iwamizawa, we achieved stable and smooth unmanned operation of agricultural equipment over a wide area, including remote monitoring and control, using cutting-edge agricultural robotics, 5G, and IOWN-related technologies.

Strengthening the Competitiveness of Global Businesses

We moved forward with such initiatives as the “One NTT” global growth strategy to enhance the competitiveness of the global business.

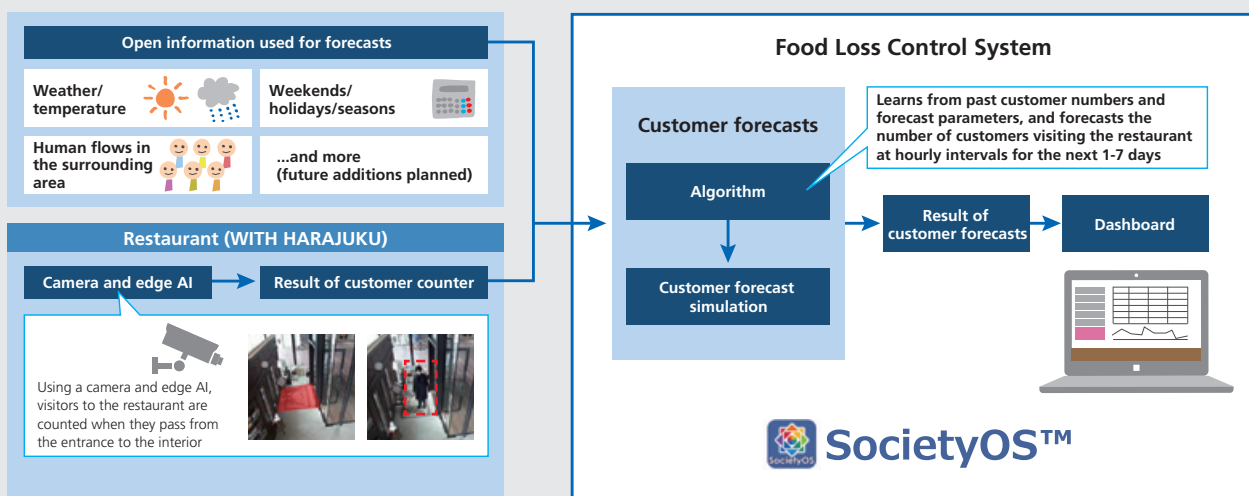
- In March 2021, we entered into a Memorandum of Understanding with the state government of New South Wales, in Australia, in relation to the implementation of safe and smart cities. Drawing on the smart solutions and ICT platforms of the NTT Group, we will promote open co-creation and innovation in inner Sydney.
- In December 2020, we announced an expansion of our strategic alliance with SAP SE, a German software company, with the aim of constructing an omnidirectional partnership. We will provide solutions that lead to the realization of our Remote World vision through the building of a global, digitally connected value chain.

New Business Initiatives and Contributing to the Revitalization of Local Communities and Economies

We worked on the utilization of real estate, the creation of new businesses such as green power supply, and the revitalization of local communities and economies.

- In February 2021, we began trials of the Urban DTC™ digital platform for linking the real and virtual worlds. By leveraging the ICT of the NTT Group, we will optimize the entire urban area by taking into account a whole range of indicators, such as low energy consumption and comfort, the efficiency of town management, and a lively atmosphere.

Reference | Concept Diagram of the Urban DTC™ Trials

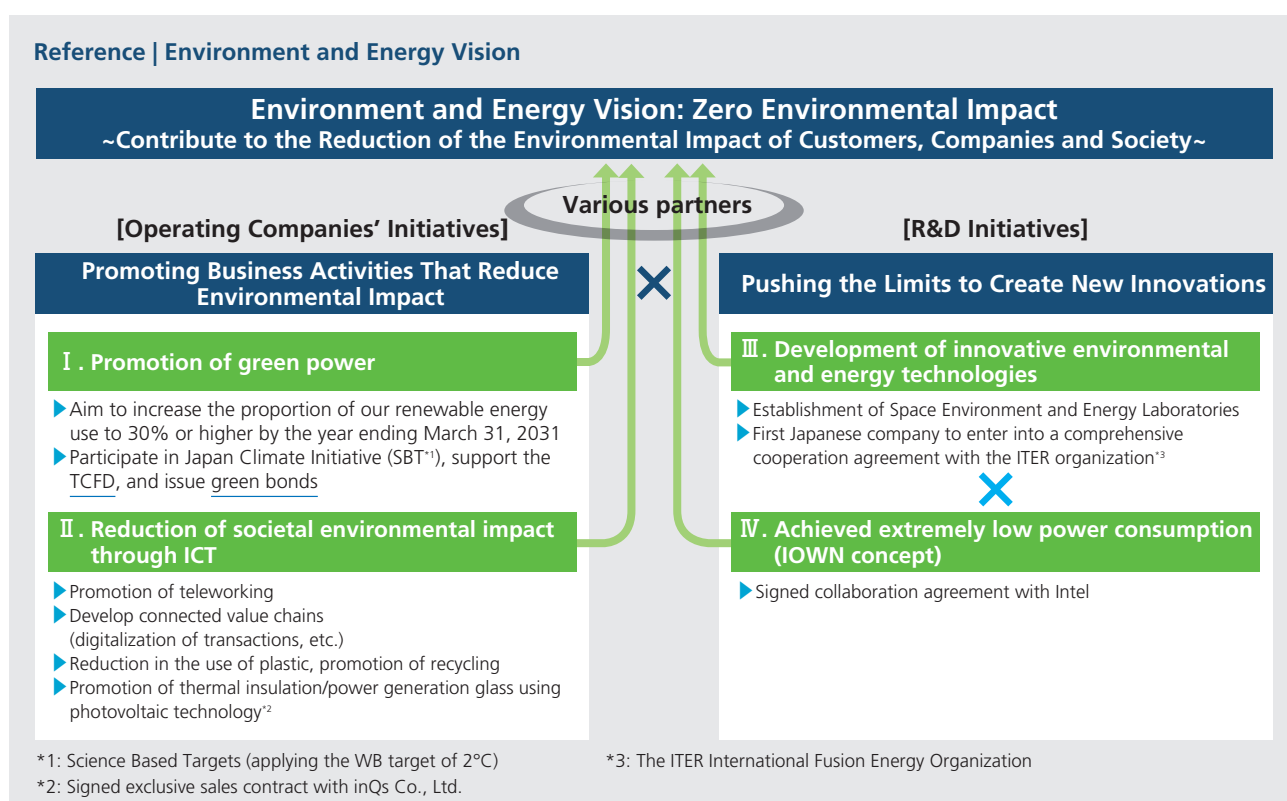


- We moved ahead with initiatives aimed at establishing distributed energy infrastructure, which is the key element responsible for local energy production and consumption, such as supply of green power through the installation of solar panels both inside and outside the grounds of the facilities of customers such as manufacturers and local government agencies.
- In December 2020 we established NTT ArtTechnology Corporation, which aims to drive fresh regional revitalization by linking local communities, cities and the outside world and by proposing the digitization and use of valuable regional arts and culture, thus enabling new ways to appreciate and protect culture and the arts.
- In preparation for regional revitalization and resolving issues through the maximal use of resources such as ICT, real estate, energy and environmental technology, we concluded an industry-government-academia-financial agreement with the City of Nagasaki and Fukuoka Financial Group, Inc., in October 2020.

Promoting ESG Management and Enhancing the Returns of Shareholders to Improve Corporate Value

We consider the continuous enhancement of corporate value and the return of profits to shareholders to be important management issues, and have worked to reduce our environmental impact, implement disaster countermeasures, reinforce information security, leverage diverse human resources, and enhance the returns of shareholders.

- In May 2020, we formulated our environment and energy vision, under which we will contribute to reducing the environmental impacts of customers, companies, and society. In addition to working to reduce the environmental impact on society through such measures as utilizing ICT and promoting green power, we endorsed the Task Force on Climate-related Financial Disclosures (TCFD), a framework for the disclosure of corporate information concerning climate change.

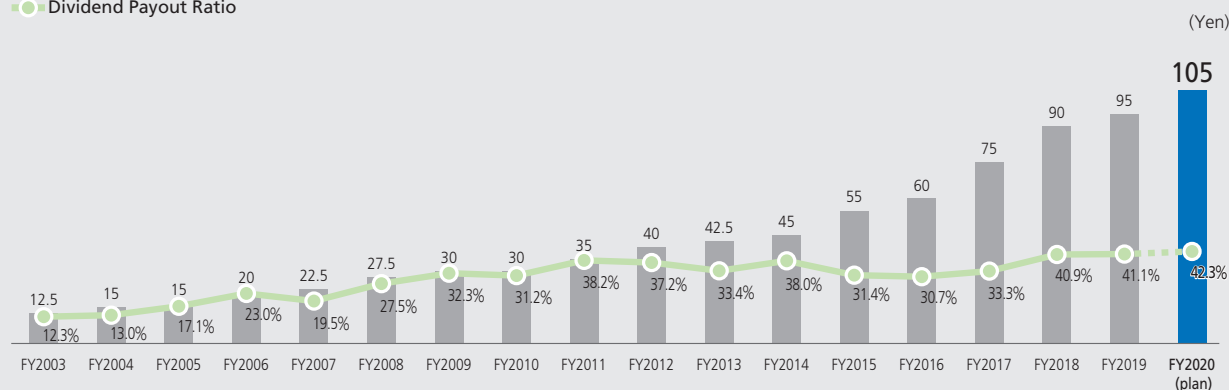


- In September 2020, NTT concluded a social contribution coordination agreement with KDDI CORPORATION for resolving societal issues. Under this agreement, in the event of a major natural disaster, the two companies will promote mutual utilization of their ships for transporting necessary supplies. In addition, the companies will work together to conduct disaster response drills and awareness-raising activities. In March 2021, we also began initiatives related to supporting those in the “recruitment ice age” generation in their attempts to find work.
- Since July 2020, the “OriHime-D” remote avatar robot developed by Ory Laboratories Inc. has been used by people with disabilities to perform operations at the reception desk of the Company. In October 2020, we entered into a capital and business alliance with Ory Laboratories Inc. with the aim of promoting the employment of people with disabilities, strengthening our business and technological cooperation in preparation for our Remote World vision, and growing businesses that depend on them.

- In terms of returns of shareholders, we increased dividends on a continuous basis and implemented flexible share buybacks. With the aim of raising the attractiveness of NTT's shares and increasing the number of shareholders prepared to own the stock over the medium to long term, NTT began presenting "d POINTs" in proportion to the length of time shareholders have been holding the NTT's shares.

Reference | Trends of Dividends and Share Buyback Amounts

■ Annual Dividend per Share of Common Stock
● Dividend Payout Ratio



Notes: 1. NTT implemented a 100-for-one stock split of common stock with an effective date of January 4, 2009 and two-for-one stock splits of common stock with effective dates of July 1, 2015 and January 1, 2020. Figures for annual dividend per share of common stock have been adjusted to reflect these stock splits.
2. Beginning in the fiscal year ended March 31, 2019, NTT has applied IFRS, with the dividend payout ratio of the fiscal year ended March 31, 2018 also being recalculated under IFRS.

■ Amount of Share Buybacks



Main Initiatives of NTT Group in Relation to COVID-19

[Ensuring the Stable Provision of Communication Services as a Designated Public Institution]

As a designated public institution*¹, the NTT Group has continued to work on ensuring the stable provision of communication services. Under the state of emergency, data traffic (telecommunications load) on fixed-line communications between January 2021 and March 2021, both daytime and nighttime on weekdays, recorded an increase of no more than 10% or so*² when compared to before the state of emergency was declared. We will continuously monitor traffic, and make any necessary capital investments in facilities.

*1 Five companies –the Company, NTT DOCOMO, NTT East, NTT West, and NTT Communications– have been designated public institutions under the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response.

*2 The rate of increase of data traffic on fixed-line communications was measured based on the actual data of the weekly report of January 25, 2021 (compared against weekly report of November 30, 2020).

[Customer Support Measures]

For the periods of the declarations of the state of emergency, namely April-May 2020 and January-March 2021, the companies of the NTT Group have extended payment deadlines in cases where customers have indicated that they are having difficulty making payments, such as their bills for services, etc., by the original deadline. NTT DOCOMO and NTT Communications also implemented initiatives to support remote education and teleworking, such as by providing customers who are 25 or younger with some data communication services free of charge to support the use of online learning using smartphones.

[Measures to Systems and Working Environments Relating to Work Styles]

We are moving forward with measures to create systems and working environments that are suited to remote-centric work styles. We have begun paying remote work allowances, shifted to paying actual commuting costs instead of reimbursing commuter passes, and introduced super flex time, aiming to implement working at home for more than 50% during ordinary times (more than 70% in areas subject to state of emergency declarations) of those in administrative departments. We are also taking steps to open satellite offices in buildings owned by the NTT Group. We have also expanded the use of working from home for our in-house call centers by strengthening security measures to enable the secure handling of customer information in a home-working environment. Moreover, for fiber-optic-line installation work at customer dwellings, we are adopting techniques that do not require face-to-face contact.

[Provision of new Services]

We have launched a new service brand called “Remote World” with the aim of implementing a new space that transcends face-to-face interactions. To induce customers to choose services that are suitable for the coronavirus and post-coronavirus era, while moving to create a lineup of services, we will use various promotions to share our world view and to popularize these services among the public.

Main services in the “Remote World” lineup



elgana	Business chat service offering reliable and smooth communication.
AceReal for docomo	Solution for providing remote support for on-site operations, etc. using <u>AR</u> smart glasses.
SmartGo™ Staple	Automatic reimbursement service for expenses and transportation fares.
AI Phone Service	Service for call centers that automates telephone response and PC operations.

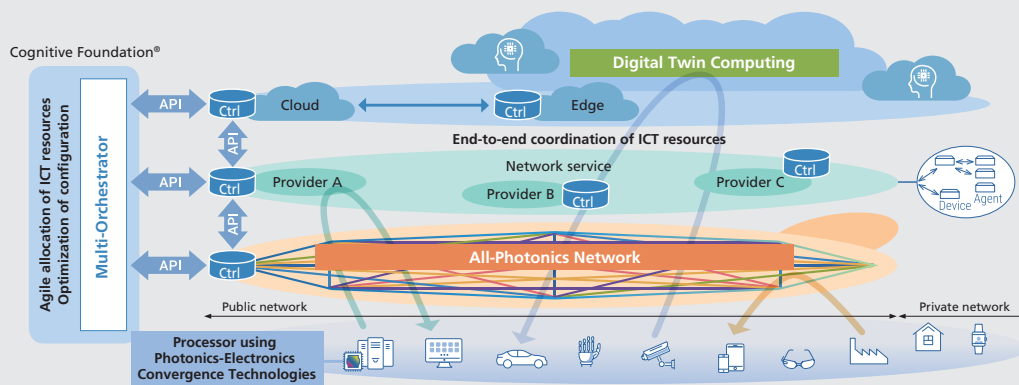
*For the latest information, please refer to our website (<https://group.ntt/en/covid19/index.html>)

(3) Status of Fundamental Research & Development, etc.

In accordance with the “Your Value Partner 2025” Medium-Term Management Strategy, the NTT Group has promoted innovative research and development with the aim of effecting global change. In preparation for realizing the IOWN (Innovative Optical and Wireless Network) concept announced in May 2019, we engaged in research and development of component technologies and carried out initiatives for creating use-cases in various industries. Furthermore, to form wellsprings of new value creation in diverse areas, we have promoted initiatives together with parties in a wide range of industrial fields in Japan and overseas, with the goal of enhancing industrial competitiveness and resolving societal issues.

Reference | Image for IOWN Concept

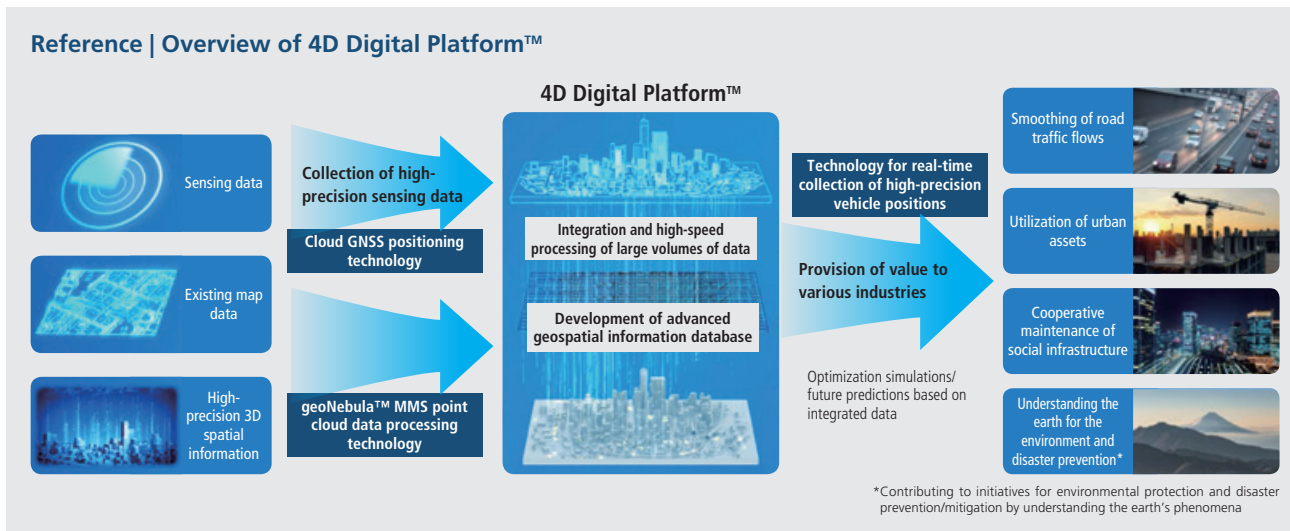
IOWN comprises three main technology components: “all-photonic network” that uses optical technology; digital twin computing that enables high-speed, real-time interaction between things and people in cyberspace; and Cognitive Foundation®, in which these and various other ICT resources are efficiently managed.



Research and Development in Preparation for Making the IOWN Concept a Reality

- We succeeded in the world's first low-loss, high-speed operation of a “ Ψ (psi) gate,” high-performance optical logic gate for ultra-low latency processing, as a component technology for a new hybrid opto-electronic information processing platform.
- We developed, in collaboration with the Tokyo Institute of Technology, the world's fastest directly modulated laser, which has a bandwidth in excess of 100GHz. In the field of broadband optical transmission, by utilizing optical parametric amplifiers, we succeeded in another world first trunk-line transmission using broadband optical amplification. This response to the increase in traffic enables lower costs and power consumption, and contributes to the realization of the all-photonic networks that support the IOWN concept.

- As part of its research and development into a 4D digital platform™ able to weave sensing data from people, objects, and occurrences into high-precision spatial information in real time in order to integrate data with various industry platforms and make future predictions, we have established MMS point cloud data processing technology (geoNebula™), high-precision satellite positioning technology, and time and spatial data management technology.



- In November 2020, we announced our medical and health vision for contributing to the realization of a world in which healthy outcomes and a hopeful view of the future continue to be maintained for people and healthcare providers. Through digital twin computing, which is one of the components of IOWN, we will generate detailed representations of a person's body and psychology (bio-digital twin), and use it to make future predictions regarding their physical and mental state.
- As our research and development target for digital twin computing, we have set a grand challenge. Our goal is to implement technology that communicates via senses such as thoughts and feelings, technology for avatars that grow and coexist with people ("Another Me"), technology to explore the ideal future society, and technology to derive inclusive equilibrium solutions for the Earth and its socio-economic systems.

Research and Development Aimed at Contributing to the Realization of a Carbon-Neutral Society

- We concluded cooperation agreements in May 2020 with the ITER organization, and in November 2020 with the National Institutes for Quantum and Radiological Science and Technology in relation to the [ITER project](#), respectively. In preparation for demonstrating fusion energy we are collaborating on opto-related research and development, and working on the development of innovative environmental and energy technologies.
- In July 2020 we established the NTT Space Environment and Energy Laboratories. In preparation for regenerating the global environment and helping realize a sustainable and inclusive society, in addition to creating technologies that enable resilient adaptation to this environment through such next-generation energy technologies as fusion and solar power generation in space, the Laboratories will move forward with research that contributes to reducing environmental impacts to zero.

Research and Development Conducted to Contribute to a Society Undergoing Dramatic Change due to COVID-19

- We have developed "Window Talk[®]," which allows conversations through the closed window of a vehicle or building just as if the window did not exist. This technology enables communication while controlling the risk of infection by keeping the window closed.
- We have begun research and development into a technology ("Fivery[™]") that inactivates viruses by using optical fiber to expose a remote object to ultraviolet irradiation. By leveraging the optical fiber technology that we developed in the field of communications, we seek the ability to prevent infections in a variety of locations and situations.
- We have developed a wearable acoustic sensor array system by using multiple acoustic sensors to collect biological sounds and send them remotely over the network. It is expected to be utilized in remote medical applications, such as diagnosis.

Strengthening and Globalizing of Research and Development

- In June 2020, NTT and NEC Corporation (NEC) agreed to a capital and business alliance with the aim of conducting joint research and development into ICT products using innovative optical and wireless technologies, and of implementing the global rollout of the same. While collaborating with other vendors of communications equipment, we will work to strengthen Japan's industrial competitiveness, and to further ensure the safety and reliability of its communications infrastructure.
- In the activities of the IOWN Global Forum, in which many global corporations from various industries participate, we have taken a lead role as the chair of the board and of the technology working group. In preparation for the earliest possible implementation of the IOWN concept, we have created and published white papers and other documents related to the 2030 vision, and conducted discussions via quarterly meetings in which more than 300 people participate.
- At the Crypto 2020 conference, which is the most prestigious international event in the field of cryptologic research, researchers from NTT Secure Platform Laboratories and NTT Research, Inc. won the Best Paper Award. In addition, NTT Research, Inc. had more papers adopted at Crypto 2020 and Eurocrypt 2020 than any other research organization.
- At the highly selective NeurIPS conference for the field of AI and machine learning, we won the anonymization competition. Going forward we will seek to develop anonymization and privacy protection technology, and to automate such processing using artificial intelligence.

As a result of the above efforts, NTT Group's consolidated operating revenues for the fiscal year ended March 31, 2021 were 11,944.0 billion yen (an increase of 0.4% from the previous fiscal year) and consolidated operating expenses were 10,272.6 billion yen (a decrease of 0.6% from the previous fiscal year). As a result, consolidated operating profit was 1,671.4 billion yen (an increase of 7.0% from the previous fiscal year), consolidated profit before taxes was 1,652.6 billion yen (an increase of 5.3% from the previous fiscal year), and consolidated profit attributable to NTT was 916.2 billion yen (an increase of 7.1% from the previous fiscal year).

(4) Status by Segment

Reference | Main Businesses



Mobile Communications Business

In addition to providing LTE services, 5G services, and "docomo Hikari," we promote collaboration with a variety of vendors to provide new added value.



Regional Communications Business

We provide fixed line communications services centered around "FLET'S Hikari" and work to revitalize regional communities and economies by deploying the "Hikari Collaboration Model."



Long Distance and International Communications Business

For corporate clients, we provide global ICT services, while for individual customers, we provide more convenient applications, etc.



NTT Ltd.
(Global operating company)



NTT, Inc.
(Global holding company)



Data Communications Business

Leveraging our advanced technologies and our customer relationships both inside and outside Japan, we expand our businesses such as system integration and network system.

Other Business

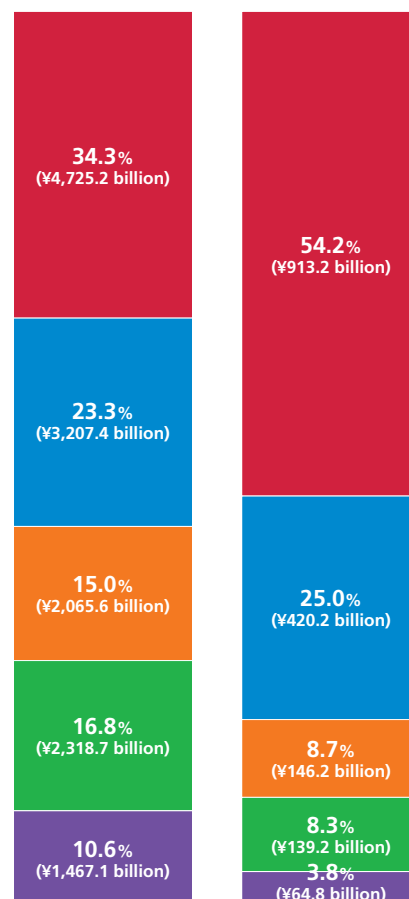
We provide services related mainly to real estate, finance, electric power, and system development.



Other group companies

Operating Revenues*
(FY2020)
¥11,944.0 billion

Operating Profit*
(FY2020)
¥1,671.4 billion

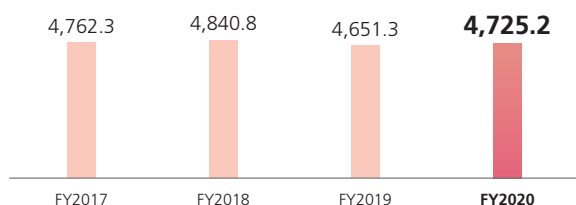


* Percentage of simple sum of each segment
(including intersegment transactions)

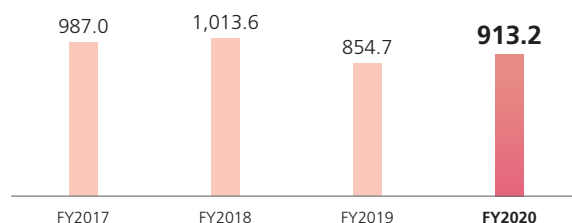
Mobile Communications Business



Operating Revenues (IFRS) **¥4,725.2 billion**
(Billions of yen)



Operating Profit (IFRS) **¥913.2 billion**
(Billions of yen)



Overview

In the Mobile Communications Business, we promoted sales of mobile telecommunications services, including 5G services and the new “ahamo” billing plan, as well as “docomo Hikari,” and in the smart life area we also collaborated with various business partners in an effort to provide new value-added services.

Details of Main Initiatives

- We worked to expand the number of retail outlets using the “d Pay” smartphone payment service and “d POINT.” As a result, the number of “d POINT CLUB” subscribers reached 81.95 million as of the end of March 2021, while the number of registered “d POINT CARD” came to 50.78 million.
- We also made efforts to expand services and solutions that leverage the strengths of 5G. In November 2020, we broadcast the whole of the opening matches of the T.League table tennis league over 5G, delivering a new spectator experience that gave an unprecedented sense of being there. In addition, NTT opened the “Smart Smile Factory” 5G smart factory as a collaboration between industry and academia, and added functions such as remote MR (Mixed Reality) meetings, and virtual factory tours. We are implementing a “human-centric” digital transformation, and contributing to the reinvigoration of communication, both inside and outside the company, that has become an issue due to geographical factors and the COVID-19 pandemic.
- In December 2020, we began gradually rolling out “App Setting Support” at DOCOMO stores nationwide to help customers transfer account data to some third-party apps and perform the initial settings in those apps.

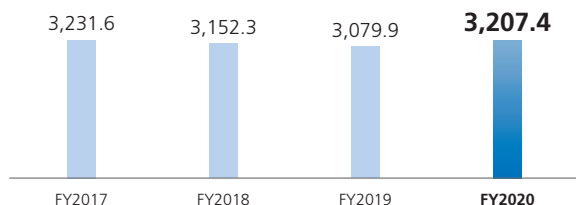
Reference | Number of Subscriptions for Major Services

- “Mobile telecommunications services”: 82.63 million subscriptions (increase of 2.31 million year-on-year)
- “docomo Hikari”: 7.04 million subscriptions (increase of 0.55 million year-on-year)

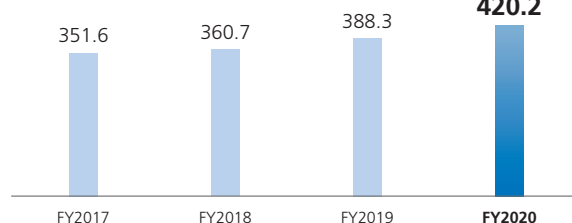
Regional Communications Business



Operating Revenues (IFRS) **¥3,207.4 billion**
(Billions of yen)



Operating Profit (IFRS) **¥420.2 billion**
(Billions of yen)



Overview

In the Regional Communications Business Segment, we worked on the “[Hikari Collaboration Model](#),” which provides wholesale fiber-optic access services, among other things, to various service providers, as well as strengthening our solutions business with the aim of revitalizing local communities and regional economies.

Details of Main Initiatives

- In July 2020, we established Biostock, a company that aims to achieve sustainable livestock production and dairy farming, as well as revitalizing regional economies. It works on initiatives for implementing and operating biogas plant projects that hold the promise of solving various issues relating to the processing of livestock animal waste and providing next-generation solutions for stockbreeding and dairy production through the utilization of ICT.
- We have been working on providing solutions related to e-sports, and making a contribution to local communities and economic revitalization. In addition to opening the eXeField Akiba facility in Akihabara, Tokyo for creating new culture and communities through the fusion of ICT and e-sports, we have concluded agreements with multiple local governments and universities, and have conducted trials and promotions to further the spread of e-sports.
- In November 2020 we began providing a “Special Fraud Countermeasures Service.” We are working on initiatives to enable customers to use their phone safely, such as by making telephone calls and sending emails to warn the customer in cases where analysis of the content of a call by a special fraud countermeasures AI leads to the suspicion that it involves special fraud.

Reference | Number of Subscriptions for Major Services

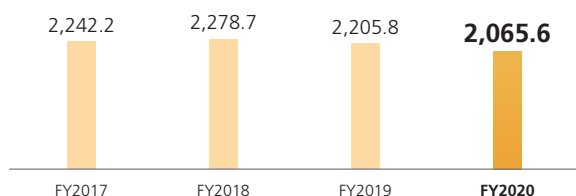
- “FLET’S Hikari”: 22.56 million subscriptions (increase of 0.91 million year-on-year)
- (Included in the above) “[Hikari Collaboration Model](#)”: 15.25 million subscriptions (increase of 1.36 million year-on-year)

Note: The figures for “FLET’S Hikari” include the number of subscriptions for wholesale services provided to service providers through the use of the “[Hikari Collaboration Model](#)” by NTT East and NTT West.

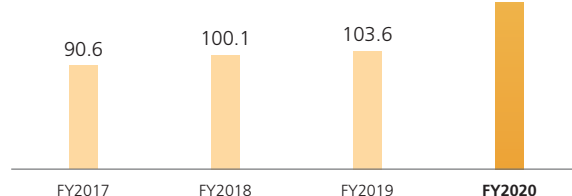
Long Distance and International Communications Business



Operating Revenues (IFRS) **¥2,065.6 billion**
(Billions of yen)



Operating Profit (IFRS) **¥146.2 billion**
(Billions of yen)

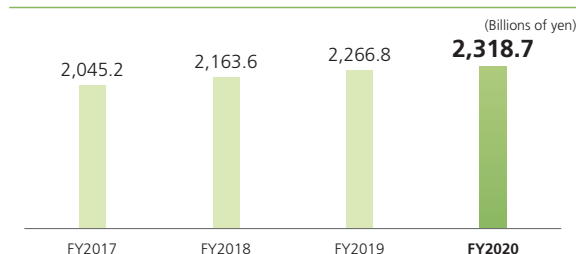


Overview

In the Long Distance and International Communications Business, in addition to strengthening our ability to provide ICT solutions that combine networks and security, we worked to enhance our service provision in growth areas such as cloud and managed services.

Details of Main Initiatives

- In order to respond to global demand for cloud services and data centers, in countries where the market continues to expand we worked to enhance our service provision structure. NTT Communications began offering services at the Tokyo No.11 Data Center in September 2020, in order to maintain pace with customer demand. NTT Ltd., a global operating company, also opened new data centers, in India, the United Kingdom, the United States, Germany, and Malaysia. The NTT Group operates approximately 160 data centers in more than 20 countries and regions around the world, putting it in the top rank of data center operators globally.
- We began joint research with Chiba University Hospital into clinical data analysis using technologies such as deep learning with secure computation. Through this joint research, we will build a high-level information security environment for collecting and analyzing clinical research data, safely and securely.
- In August 2020, we began offering “NeWork” as an online workspace for reinvigorating remote work communication. This service is designed to encourage users to seek advice from and chat with each other, and contributes to enhanced productivity and communication for remote workers.

Operating Revenues (IFRS) **¥2,318.7 billion**Operating Profit (IFRS) **¥139.2 billion**

Overview

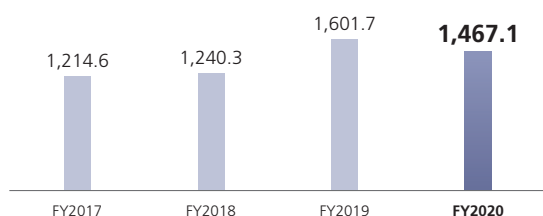
In the Data Communications Business Segment, we responded to the acceleration of our customers' digital transformation at a global level, and to their increasingly diversified and sophisticated needs, by working to expand our business in the global market and to extend and consistently provide a range of IT services, such as offerings of digitalization and system integration, that are responsive to the changes in the market.

Details of Main Initiatives

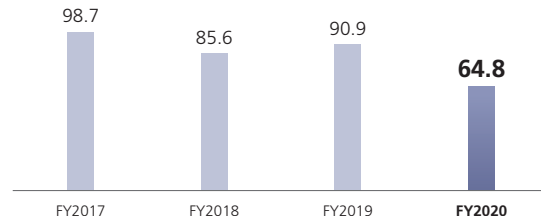
- In April 2020, we started a business alliance with TOYOTA Connected Corporation in the mobility service domain. Aiming to improve the functions of the mobility service platform with regard to the smart city concept and pursue the global development of connected cars, together with TOYOTA, we will work to further strengthen software development capabilities and expand the platform business.
- We have been conducting business structural reform in North America, EMEA (Europe, Middle-East, and Africa) and Latin America. In North America, we have been working on expansion of digital human resources and reskilling, resource optimization measures, and elimination and consolidation measures for offices, etc. In EMEA and Latin America, our efforts in business structural reforms have led to the acquisition of multiple digital transformation projects, including the signing of multiple agreements related to IT system development with the authority in charge of Europe's border control system.
- In February 2021, we started the provision of "Open Canvas for Government," a community cloud service for government, which is a cloud infrastructure that provides platforms that have been optimized to various needs. Through this service, we are contributing to the creation of appealing public and private services, such as the provision of new digital services like cashless services created through collaborations between governments and financial institutions.

Other Business

Operating Revenues (IFRS) **¥1,467.1 billion**
(Billions of yen)



Operating Profit (IFRS) **¥64.8 billion**
(Billions of yen)



Overview

In the Other Business Segment, we mainly provided services related to the real estate business, finance business, electric power business, and system development business.

Details of Main Initiatives

Real Estate Business

- Primarily through NTT Urban Solutions, Inc., a company that centralizes the functions of the NTT Group's real estate business, we promoted office and retail operations, residential operations, and the global business. In addition to opening mixed-use facilities in Harajuku and Kyoto in June 2020, we took steps to contribute to urban development in local communities, such as by concluding agreements in relation to the revitalization of the center of the City of Sendai.

Finance Business

- We provided billing and collection services for telecommunication service bills, as well as for settlement of credit card transactions, primarily through NTT FINANCE CORPORATION.

Electric Power Business

- Centering on the activities of NTT Anode Energy Corporation, which promotes smart energy business, we worked to encourage the shift towards renewable energy by implementing initiatives such as expanding renewable energy power generation and providing new power supply solutions that leverage the assets of the NTT Group.

System Development Business

- In preparation for implementing digital transformation, we have begun developing and deploying a cluster of IT systems that will become the new service platform. We were also engaged in the development of solutions for resolving societal issues, such as the efficient maintenance of social infrastructure and the revitalization of regions.

2. Issues to be Addressed

■ (1) Future Outlook of the Business Environment

There has been an acceleration in the growth of the global population and in the spread of urbanization, and environmental problems are becoming serious. Taken together with the effects of COVID-19, the impact on our society and economy is becoming increasingly uncertain. On the other hand, there has been a movement around the world towards more sustainable societies, based on the SDGs (Sustainable Development Goals) adopted by the United Nations.

Under such social conditions, the information and telecommunications market is seeing intensifying competition, some of it driven by new players. We expect that new services that utilize cutting-edge technologies such as 5G, virtualization and AI will be developed, and through the process of digital transformation, smart societies will be achieved. When that happens, in order to create new value and to resolve societal issues, there will be an increase in cooperation and connections between a variety of players that transcends the boundaries of traditional business areas, and the role that information and communications will be required to play will increasingly expand.

■ (2) Business Developments Pursuant to the Medium-Term Management Strategy

Based on the “Your Value Partner 2025” Medium-Term Management Strategy, NTT Group will work with all our partners to resolve societal issues through our business activities, and strive to enhance corporate value.

Realization and Expansion of 5G Services and Development of Personal Services

As for the realization and expansion of 5G services, we will generate new value by leveraging the characteristics of 5G to provide highly immersive and interactive services with a wide range of partners. Furthermore, we will strengthen the customer base through the provision of services such as NTT DOCOMO’s “5G Gigaho Premier” and “ahamo,” and create revenue opportunities through services for members of the “d POINT CLUB.” These initiatives will enable us to implement solutions that provide highly personalized offerings to each individual customer, thus supporting customers’ lifestyle changes.

Promotion of B2B2X Model

Toward the realization of a smart society, NTT is promoting the development of the B2B2X model, which makes use of digital services and data management. In FY2020, NTT achieved its target for FY2021 of 100 projects one year early. Going forward, we will continue to work on expanding the number of projects.

Boosting Competitiveness for the Global Business

While enhancing synergistic effects by combining integrated solutions to promote customer digitalization with innovative initiatives utilizing cutting-edge technology, in alignment with the NTT Group’s global resources and branding, we will strengthen the competitiveness and accelerate the growth of our international business as One NTT. Specifically, by establishing sales systems that best suit the customer, we will shift to a business centered on high value-added services. In addition, by centralizing sales support, HR and accounting operations, as well as integrating IT, we will work to reduce costs.

Promotion of Digital Transformation in the Domestic Business

For the domestic business, measures for digitalization will be driven primarily by the Chief Digital Officers (CDO) appointed to the main companies. In addition to seeking to raise efficiency through the digitalization of our own business processes by using AI and RPA, we will implement smart operations that do not require human intervention, which will include the business processes of external partner companies. Also, to further enhance Group management, we will adopt a unified ERP system and integrate shared functions.

New Business Initiatives and Contributing to the Revitalization of Local Communities and Economies

Centering on NTT Urban Solutions, Inc., we will leverage NTT Group's strengths in real estate, ICT, energy and environmental technology and other fields to the fullest extent and advance a new urban solutions business beyond conventional real estate development. Furthermore, in order to swiftly provide new energy solutions, NTT Anode Energy Corporation will advance service development and provision, and the optimization of operating resources as a means of promoting a smart energy business that makes full use of ICT.

In addition, by leveraging management resources such as our community-based sales structures, cutting-edge technology, facilities and locations, and through collaborations with a variety of partners, such as local governments, we will support the improvement of administrative and life services and the revitalization of local industry.

We will continue to focus our efforts on ensuring a safe and secure ICT platform, such as by further ruggedizing our facilities and improving turnaround time for recovery work in disaster countermeasures.

Promoting ESG Management and Enhancing the Returns of Shareholders to Improve Corporate Value

By applying ESG (environmental, social and governance) management, we seek to resolve societal issues, and achieve continuous improvements to corporate value. From the perspective of ESG management, the most important areas with the highest levels of priority have been set as reducing environmental impact, strengthening security, leveraging diverse human resources, reinforcing disaster countermeasures, and strengthening corporate governance in order to achieve continuous growth, with the aim of expanding business opportunities while minimizing business risks.

With regard to the environment, through the environment and energy vision that we formulated in May 2020, we aim to contribute to reducing the environmental impacts of customers, companies, and society, ultimately to zero.

As for the promotion of diversity and inclusion, by establishing work styles that assume remote working, and other measures, we are taking steps to create an environment in which every individual can contribute energetically. Furthermore, we have set a target of achieving a female manager ratio of 10% or higher by FY2025.

In addition, in order to secure high levels of stability and reliability for our network, we will work to provide even safer and more secure services through the accumulation of everyday network operational knowhow.

In order to reinforce governance for sustainable growth, we are working to develop a corporate culture that prevents the occurrence of wrongful acts or scandal, and business operations that are characterized by high ethical standards.

Regarding Revision of Internal Rules on the Company's Management Dining with Ministry Officials

In order to restore trust in NTT from our related parties, including shareholders and customers, we revise internal rules concerning dinner meetings, the giving of gifts, etc. carried out by NTT (hereinafter "dinner meetings, etc.").

1. Response concerning top three ministry officials when conflicts of interest are involved
Separate dinner meetings, etc. shall not be held with the top three ministry officials when conflicts of interest are involved in consideration of the Code of Conduct for Ministers, Vice Ministers and Parliamentary Secretaries.
2. Response concerning government officials when conflicts of interest are involved
Separate dinner meetings, etc. shall not be held with government officials when conflicts of interest are involved in consideration of the National Public Service Ethics Act and the National Public Service Ethics Code.
3. Response concerning other persons outside the company, etc.
New internal rules shall be established to clarify appropriate response for dinner meetings, etc.
4. Action in cases of violations
Punishments shall be established for the cases of 1. to 3. above.

Based on the opinions of the Special Investigations Committee, which has been established consisting of independent outside Members of the Board, independent outside Audit & Supervisory Board Members, and external legal experts, NTT will formulate initiatives aimed at transforming the management into one that is appropriate for the new age.

At the main companies of the Group, including NTT, we are seeking to pass resolutions at General Meetings of Shareholders to introduce a new stock compensation system to encourage management to achieve the Medium-Term Management Strategy targets, to generate sustainable growth, and to create a stronger awareness of the need to enhance corporate value over the medium to long term. In addition, for the main unlisted subsidiaries, we will also move forward with the introduction of an executive officer system. By appointing outside Directors who are equivalent to independent Members of the Board, we will energize Board of Directors discussions and strengthen corporate governance.

With regard to dividends, our basic policy is to steadily increase dividends, and we also flexibly carry out buybacks to improve capital efficiency.

■ (3) Promotion of Fundamental Research & Development, etc.

While striving to achieve a balance between the network technology platform, technology that will provide the foundation for new services and applications, and cutting-edge/basic technology, we will promote higher value-added research and development, while collaborating for innovation with other research institutions and partner companies both in Japan and overseas, as exemplified by the IOWN Global Forum, and actively working to exchange, disseminate and standardize technology.

In preparation for regenerating the global environment and helping realize a sustainable and inclusive society, we will move forward with research that contributes to reducing environmental impacts to zero.

3. Capital Investment

NTT Group made a total of ¥1,728.3 billion of capital investments (a decrease of 4.3% from the previous fiscal year), focused on responding to customer demands for various services such as 5G, LTE services, and “FLET’S Hikari (including the Hikari Collaboration Model)” among others.

Category	Capital Investment (Billions of yen)
Mobile Communications Business	569.1
Regional Communications Business	527.4
Long Distance and International Communications Business	259.0
Data Communications Business	169.5
Other Business	203.3

4. External Financing

The NTT Group raised capital for the conversion of NTT DOCOMO INC. into a wholly owned subsidiary and for capital investment and other purposes in the form of long-term funding in the amount of ¥2,658.5 billion (including ¥2,106.9 billion in corporate bonds for the conversion of NTT DOCOMO INC. into a wholly owned subsidiary issued by NTT FINANCE CORPORATION and guaranteed by the Company).

The details of the long-term funding are as follows:

Category	Amount (Billions of yen)
Corporate bonds	2,146.9
Long-term borrowings	511.6
Total	2,658.5

Note that the Company raised ¥2,206.9 billion as long-term borrowings from subsidiaries for the purpose of turning NTT DOCOMO into a wholly owned subsidiary and making loans to NTT West (of which ¥2,106.9 billion was used to turn NTT DOCOMO into a wholly owned subsidiary).

5. Main Lenders and Outstanding Borrowings

Lender	Outstanding Borrowings (Billions of yen)
MUFG Bank, Ltd.	1,375.9
Mizuho Bank, Ltd.	717.2
Sumitomo Mitsui Banking Corporation	682.5
The Norinchukin Bank	245.4
Sumitomo Mitsui Trust Bank, Limited	210.6
Nippon Life Insurance Company	121.0
Meiji Yasuda Life Insurance Company	99.0
Development Bank of Japan Inc.	88.1
The Nishi-Nippon City Bank, Ltd.	47.0
Shinkin Central Bank	42.0

6. Material Subsidiaries

Segment	Company	NTT's Equity Ownership Percentage (%)	Main Business Activities
Mobile Communications Business	NTT DOCOMO, INC.	100.00	Provision of mobile communication services and smart life area services
	NTT Plala Inc.	0 (100.00)	Provision of internet connection services and video distribution services
Regional Communications Business	Nippon Telegraph and Telephone East Corporation	100.00	Provision of intra-prefectural communications services in the eastern part of Japan
	Nippon Telegraph and Telephone West Corporation	100.00	Provision of intra-prefectural communications services in the western part of Japan
Long Distance and International Communications Business / Data Communications Business	NTT, Inc.	100.00	Governance and strategy formulation, and promotion of measures in the global business of NTT Group

Segment	Company	NTT's Equity Ownership Percentage (%)	Main Business Activities
Long Distance and International Communications Business	NTT Communications Corporation	0 (100.00)	Provision of inter-prefectural communications services, international communications services and internet-related services
	NTT Ltd.	0 (100.00)	Provision of IT services and communications and internet-related services for corporations
	Dimension Data Holdings	0 (100.00)	IT system building and maintenance support for corporations
	NTT Security Corporation	0 (100.00)	Provision of professional security services
	NTT America	0 (100.00)	Provision of ICT services in North America
	NTT EUROPE	0 (100.00)	Provision of ICT services in Europe
	NTT Global Data Centers EMEA	0 (100.00)	Provision of data center-related services in Europe
	NTT Cloud Communications International Holdings	0 (100.00)	Provision of teleconference, web conference and video conference services
	NTT Global Data Centers Americas	0 (100.00)	Provision of data center-related services in North America
	NTT Global Networks	0 (100.00)	Provision of network services
	NETMAGIC SOLUTIONS	0 (100.00)	Provision of data center-related services in India
	NTT Global Data Centers EMEA UK	0 (100.00)	Provision of data center-related services in the UK
	NTT Managed Services Americas Intermediate Holdings	0 (100.00)	Provision of managed services in North America
Data Communications Business	Transatel	0 (80.70)	Provision of mobile connectivity services for IoT
	NTT Security AppSec Solutions	0 (100.00)	Provision of security services
	Symmetry Holding	0 (100.00)	Provision of managed services in North America
	NTT DATA CORPORATION	0 (54.21)	Provision of data communications systems services and network system services
	NTT DATA	0 (100.00)	Consulting, system design and development in North America
	NTT DATA Services	0 (100.00)	Consulting, system design and development in North America
	EVERIS PARTICIPACIONES	0 (100.00)	Consulting, system design and development

Segment	Company	NTT's Equity Ownership Percentage (%)	Main Business Activities
Other Business	NTT Urban Solutions, Inc.	100.00	Contact point for urban solutions business, and integrated management of urban solutions-related information
	NTT URBAN DEVELOPMENT CORPORATION	0 (100.00)	Real estate acquisition, development, leasing, and management
	NTT FACILITIES, INC.	0 (100.00)	Design, management, and maintenance-related to buildings, equipment, and electric power facilities
	NTT FINANCE CORPORATION	100.00	Provision of billing and collection of charges for communications and other services, and credit card transaction settlement services
	NTT Anode Energy Corporation	100.00	Development of smart energy solutions and energy management system
	NTT COMWARE CORPORATION	100.00	Development, production, operation and maintenance of information communications systems and software

- Notes: 1. The equity ownership percentages are calculated exclusive of the treasury stock each company owns. The figures in parentheses represent the equity ownership percentages of NTT's subsidiaries.
2. During the fiscal year under review, Lux e-shelter 1, Arkadin International, GYRON INTERNET and WhiteHat Security changed their name to NTT Global Data Centers EMEA, NTT Cloud Communications International Holdings, NTT Global Data Centers EMEA UK and NTT Security AppSec Solutions, respectively.
3. The status of specific wholly owned subsidiary as of March 31, 2021 is as follows:

Name	Address	Total Book Value	Total Assets of NTT
NTT DOCOMO, INC.	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo	¥4,268,147 million	¥11,476,431 million

II Matters Regarding Shares

1. Total number of shares authorized to be issued by NTT

6,192,920,900 shares

2. Total number of shares issued and outstanding

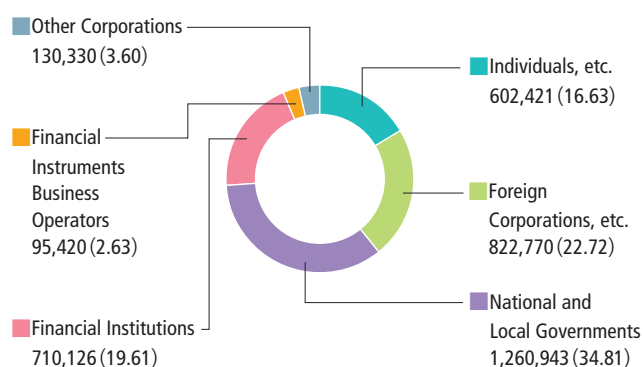
3,900,788,940 shares

3. Number of shareholders as of the end of the fiscal year ended March 31, 2021

890,450 shareholders

(Reference) Breakdown of Shares by Shareholder

The number of shares is rounded down to the nearest thousand. The figures in parentheses represent percentage of total shares owned for each category of shareholder.



Notes: 1. The percentages represent the ratio of shareholders' shares to the total number of issued shares excluding treasury stock.

2. "Other Corporations" above includes 57 thousand shares in the name of Japan Securities Depository Center.

4. Principal Shareholders

Shareholders	Number of Shares Held (thousands)	Equity Ownership (%)
The Minister of Finance	1,260,902	34.81
The Master Trust Bank of Japan, Ltd. (Trust Account)	211,111	5.83
Custody Bank of Japan, Ltd. (Trust Account)	158,769	4.38
Toyota Motor Corporation	80,775	2.23
Custody Bank of Japan, Ltd. (Trust Account 7)	38,008	1.05
Custody Bank of Japan, Ltd. (Trust Account 5)	35,186	0.97
Moxley & Co. LLC	34,032	0.94
Custody Bank of Japan, Ltd. (Trust Account 6)	31,197	0.86
Custody Bank of Japan, Ltd. (Trust Account 1)	28,001	0.77
JPMorgan Chase Bank 385632	27,525	0.76

Notes: 1. Number of Shares Held is rounded down to the nearest thousand.

2. NTT's holdings of treasury stock (278,776,284 shares) are not included in the above table.

3. Equity ownership percentages do not include treasury stock.

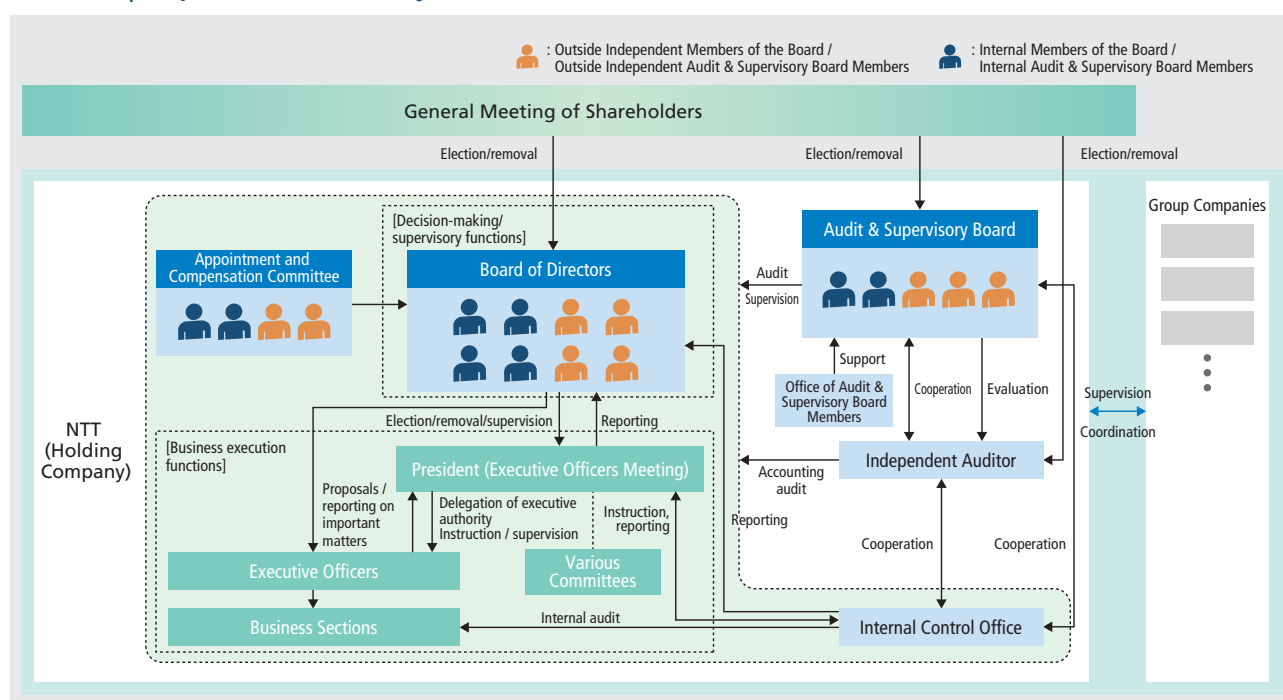
4. Japan Trustee Services Bank, Ltd. merged with JTC Holdings, Ltd. and Trust & Custody Services Bank, Ltd. on July 27, 2020, to form Custody Bank of Japan, Ltd.

III Matters Regarding Corporate Governance

1. Fundamental Policies

We believe that strengthening the system of corporate governance in accordance with the purposes of each principle of the “Corporate Governance Code” of the Tokyo Stock Exchange is an important management issue for maximizing corporate value while meeting the expectations of various stakeholders (interested parties), including shareholders and other investors, as well as customers, business partners, and employees. Based on “Your Value Partner 2025,” the Medium-Term Management Strategy, in order to advance activities that aim to solve societal issues together with all our partners as “Your Value Partner,” we are working to strengthen corporate governance based on our fundamental policies of ensuring sound management, executing appropriate decision-making and business activities, clarifying accountability, and maintaining thorough compliance.

Reference | Corporate Governance System



As of March 31, 2021

2. Overview of Corporate Governance System

NTT believes that an auditing system based on Audit & Supervisory Board Members, including outside independent Audit & Supervisory Board Members, is an effective means of supervising management. Accordingly, we chose the company with Board of Company Auditors (Audit & Supervisory Board) model. In addition, through the election of outside independent Members of the Board, NTT has strengthened the function of appropriately supervising the business execution.

3. Board of Directors

The Board of Directors has eight Members of the Board, including four outside independent Members of the Board, which brings the total percentage of outside Members of the Board to 50%. The introduction of an executive officer system results in a clear separation of the management decision-making/oversight function and the operational execution function, with the goals of closer supervision of execution and enhanced management flexibility. In principle, the ordinary meetings of the Board of Directors are held once per month, and extraordinary meetings are held as needed. The Board of Directors discusses the group management strategies and makes decisions on matters stipulated by laws and regulations and on important matters related to company management and group management. Moreover, through such means as periodic reports from Members of the Board and Executive Officers on the status of business execution, the Board of Directors supervises the business execution of Members of the Board and Executive Officers.

Each outside independent Member of the Board has extensive experience and a high level of integrity and insight. We believe that the outside independent Members of the Board will help strengthen the supervisory function for business execution and expect to incorporate the opinion they provide from their wide-ranging managerial perspective.

NTT has voluntarily established the Appointment and Compensation Committee, which consists of four members, including two outside independent Members of the Board, as a preliminary review institution of the Board of Directors to further secure the objectivity and transparency of decisions with respect to appointments and compensation of Members of the Board, thereby increasing the effectiveness of governance.

■ Evaluation of the Effectiveness of the Board of Directors

The Board of Directors of the Company, which is a pure holding company, plays the role of monitoring the specific business operations of the Group companies based on the medium- to long-term business strategy of the entire Group.

The Board of Directors of the Company decides important items related to the Group's management that have passed the Executive Officers Meeting, which is made up of the Executive Officers and others, as well as the review of the various committees chaired by the President or a Senior Executive Vice President and attended by the relevant Executive Officers, while also monitoring the status of the execution of the duties of the individual Members of the Board and Executive Officers.

At meetings of the Board of Directors, based on the authority of the individual Members of the Board, current issues in group management and the initiatives being taken to resolve them are reported and reviewed, as well as initiatives for growing the business, such as investments and partnerships. During the fiscal year under review, active discussions were held centering on important matters related to company and group management, such as partnerships and other initiatives to advance the B2B2X model under the "Your Value Partner 2025" Medium-Term Management Strategy, as well as the formulation of policies to further strengthen governance.

In the fiscal year under review, due in part to the introduction of an executive officer system and the election of executive officers by group companies, there was an increase in the proportion of resolutions related to corporate governance in particular. Furthermore, in addition to the advance explanations for outside

independent Members of the Board of matters discussed at meetings of the Board of Directors, in the fiscal year ended March 31, 2021, explanations of matters such as issues of immediate concern and the status of considerations were also given by Representative Members of the Board after meetings of the Board of Directors. By striving to clarify the focus of execution of duties and the purpose of such initiatives, we are working to strengthen the supervisory function of the Board of Directors.

Furthermore, to allow the outside independent Members of the Board to more deeply understand the Company's business, meetings were held between the outside independent Members of the Board and Representative Members of the Board to exchange ideas and opinions on the Company's management strategies, and they received explanations on topics such as the results of cutting-edge research, including attending exhibitions of research and development where the Company is focusing its efforts.

Additionally, ideas and opinions on issues in NTT Group management were exchanged among the outside independent Members of the Board, the Audit & Supervisory Board Members of the Company, and the outside independent Members of the Board of the major Group companies and other members.

In these meetings, we received opinions on NTT's Board of Directors from the outside independent Members of the Board and the Audit & Supervisory Board Members that adequate information is provided and Members of the Board engage in active discussions, thereby ensuring the Board's effectiveness.

In addition, NTT implements an evaluation of the effectiveness of the Board of Directors annually for the purpose of strengthening the governance of the top management through continuous improvement of effectiveness of the Board of Directors. During the fiscal year under review also, NTT implemented an evaluation of its effectiveness as a Board of Directors, with the support of a third-party organization, getting all Members of the Board and Audit & Supervisory Board Members to complete a questionnaire survey concerning the Board of Directors. Questions were asked with regard to the role and responsibilities of the Board of Directors, its composition, its operation, and its satisfaction level. The results, which were compiled at the third-party organization, confirmed that the Board was sufficiently fulfilling its important role and responsibilities, with a majority of positive opinions for all of the questions.

In addition, as a result of a series of governance-related changes, such as the introduction of an executive officer system that was implemented to reinvigorate strategic discussions, and the establishing of meetings to exchange ideas and opinions, all members held the positive view that the effectiveness of the Board of Directors had been enhanced. Therefore, we have evaluated that the effectiveness of the Board of Directors is being ensured.

On the other hand, it was noted that there are issues with the compliance system and supervisory structure that should be improved and a review of the compliance system and enhancements to the supervisory functions will be conducted quickly focusing on the revision and strict application of internal rules regarding dinner meetings, etc.

Moreover, NTT will continue efforts to achieve improvements by aiming for more efficient operation of the Board of Directors through further enhancing opportunities for exchanging opinions with the executives of the major subsidiaries.

Reference | Breakdown of Matters Discussed at the Meetings of the Board of Directors

Corporate Governance

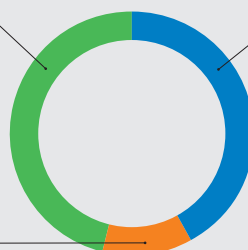
46%

- General Meeting of Shareholders-related
- Evaluation of the effectiveness of internal control systems
- Operational status of internal whistleblowing system
- Human resources
- Policies to further strengthen governance Etc.

Capital Policy

12%

- Returns of shareholders (share buybacks and dividends)
- Financing and loans Etc.



Management Strategy

42%

- NTT Group operations
- Review of NTT Group operational structure
- Global strategy
- M&A of operating companies
- Report on the status of execution of duties
- Approval of Annual Report and Financial Statements
- Research and development plans Etc.

4. Audit & Supervisory Board

The Audit & Supervisory Board consists of a total of five Audit & Supervisory Board Members: two internal Audit & Supervisory Board Members and three outside independent Audit & Supervisory Board Members (including two women, one in each category). Based on the audit plan for the fiscal year under review, and with business continuing to change significantly as a result of global business restructuring and expansion in business areas, and the transition of NTT DOCOMO, INC., to become a wholly owned subsidiary, in addition to auditing based on laws and regulations, the Internal Control Office, the Independent Auditor, and the Audit & Supervisory Board Members of Group companies worked together in relation to efficient and effective auditing of progress reports on the Medium-Term Management Strategy and the status of initiatives aimed at maintaining and improving corporate governance. Furthermore, by exchanging opinions with Representative Members of the Board and outside independent Members of the Board, and sharing views on various topics with Representative Members of the Board and Audit & Supervisory Board Members of Group companies, not only do the Audit & Supervisory Board Members gain an understanding of the status of the performance of duties by Members of the Board and Executive Officers, but they are also in a position to offer suggestions as required. During the fiscal year under review, Audit & Supervisory Board Members exchanged opinions with Representative Members of the Board and outside independent Members of the Board a total of 26 times, and held meetings to exchange opinions with Representative Members of the Board and Audit & Supervisory Board Members of Group companies a total of 44 times.

In addition, the Audit & Supervisory Board Members, including outside independent Audit & Supervisory Board Members, attend important meetings, such as meetings of the Board of Directors, and conduct appropriate audits regarding the status of the business execution by Members of the Board and Executive Officers. They also take steps to strengthen audit cooperation by meeting periodically, or as required, with the Independent Auditor, Internal Control Office, and Audit & Supervisory Board Members of Group companies, with the aim of exchanging information on a timely basis. Moreover, in relation to the status of corporate governance, Audit & Supervisory Board Members selected candidates from Group companies both in Japan and overseas based on their importance and their approach to risk, and conducted audit visits to them. In response to the COVID-19 pandemic, when cooperating with related audit organizations or conducting the visits, we make active use of web conferencing systems to prevent situations that could hinder the effectiveness of the audit.

Moreover, the effectiveness of the Audit & Supervisory Board has continued to be evaluated since FY2018 for the purpose of looking back at the audit activities of the current fiscal year, reflecting such evaluation in the audit plan for the following fiscal year and improving the quality of audits. When conducting the evaluation of effectiveness for the fiscal year under review, in addition to a questionnaire being given to each Audit & Supervisory Board Member, the three independent outside Audit & Supervisory Board Members were interviewed. To ensure anonymity and to introduce fresh perspectives, a third-party organization was used to implement the questionnaire and interviews and to analyze the collected results. The primary items of evaluation for the fiscal year under review were as follows: the audit plan; advice to the management and audits of business execution; the Group's audit system; responses to acts in violation of rules, etc.; cooperation between the three audits (audit by the Audit & Supervisory Board, audit by the Independent Auditor, and audit by the internal audit division); operation of the Audit & Supervisory Board meetings, among other matters. As a result of discussion and inspection by Audit & Supervisory Board meeting based on the above, the effectiveness of the Audit & Supervisory Board was evaluated as being secured.

NTT will continue to strengthen cooperation between the various bodies such as the Internal Control Office, the Group companies' respective Audit & Supervisory Board Members and work to further develop the sophistication of the Group's audit system. Also, going forward, in light of the internal and external management environment, NTT will work to further improve the effectiveness of the Audit & Supervisory Board by further strengthening cooperation with outside Members of the Board while conducting audits on executive management.

Regarding the recent occurrence concerning in which members of management dined with ministry officials, the Audit & Supervisory Board will pay close attention to the progress of the investigation by the Special Investigations Committee and respond as needed. It will also check on the status of the establishment and implementation of measures such as internal rules regarding dinner meetings, etc.

5. Appointment and Compensation Committee

For the purpose of improving objectivity and transparency in the decisions of appointments and compensation of Members of the Board, NTT has established on a non-statutory basis the Appointment and Compensation Committee, which consists of four Members of the Board, including two outside independent Members of the Board, as a preliminary review institution of the Board of Directors, and is increasing the effectiveness of governance. During the fiscal year ended March 31, 2021, in addition to the Appointment and Compensation Committee meeting five times, Committee members met on multiple occasions to exchange opinions, engaging in lively discussions on subjects such as enhancing governance at Group companies, succession planning, and on revising the officer compensation system.

In the fiscal year under review, the membership of the Appointment and Compensation Committee consists of Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board), and Sadayuki Sakakibara (outside Member of the Board).

6. Nomination of Directors

In terms of the composition of the Company's Board of Directors, the nomination of executives is based on the "NTT Group Personnel Policy," and personnel with the skills to resolve issues recognized by NTT Group are nominated broadly from inside and outside of the Group. Outside Members of the Board and outside Audit & Supervisory Board Members are elected with the expectation that they can provide opinions based on a broad management perspective or as an expert. Furthermore, both non-outside and outside Members of the Board are elected in line with NTT Group's promotion of diversity.

Moreover, due to the provisions of the law of Japan (Article 10, paragraph (1) of the Act on Nippon Telegraph and Telephone Corporation, etc.), a person who does not have Japanese nationality may not become a Director or Audit & Supervisory Board Member.

NTT Group Personnel Policy

[Basic Policy]

NTT Group strives to contribute to the resolution of societal issues and the realization of a safer, more secure, and more affluent society. To accomplish this goal, the Group acts as a trusted "Your Value Partner" that customers continue to select in order to provide them with new value on a global basis. We have established the policy of positioning individuals that share these ideals in the upper ranks of NTT Group's management, and we are nominating such individuals from both inside and outside the Group.

[Nomination of Candidates for Members of the Board]

In regard to Member of the Board candidates, individuals are nominated based on the broad-ranging perspective and experience, superior management skill and leadership, business sense and motivation necessary to contribute to the overall development of NTT Group in order to facilitate the improvement in NTT Group's corporate value. The Board of Directors is of a size appropriate to the Group's business, and the composition of the Board of Directors takes into account a balance of specialties and diversity.

From the perspective of strengthening the function of supervising business execution, for outside independent Members of the Board, NTT nominates individuals who present no risk of a conflict of interest with general shareholders. In principle, NTT appoints several outside independent Members of the Board.

[Nomination of Candidates for Audit & Supervisory Board Members]

NTT has the policy of nominating candidates for Audit & Supervisory Board Members that have the capacity to provide audits based on specialized experience and insight.

From the perspective of guaranteeing fair audits of the execution of duties by Members of the Board, for outside independent Audit & Supervisory Board Members, NTT nominates individuals who present no risk of a conflict of interest with general shareholders. In accordance with the Companies Act, NTT ensures that outside Audit & Supervisory Board Members make up half or more of the Audit & Supervisory Board.

With regard to the nomination of Members of the Board, NTT has established the Appointment and Compensation Committee, which consists of four Members of the Board including two outside independent Members of the Board. The committee discusses candidates and then makes proposals to be approved by the Board of Directors and presented for voting at the General Meeting of Shareholders. With regard to the nomination of candidates for Audit & Supervisory Board Members, the procedure for nomination involves Members of the Board proposing Audit & Supervisory Board Member candidates based on the nomination policy described above. These proposals are then discussed by the Audit & Supervisory Board, which consists of half or more of outside Audit & Supervisory Board Members, and consent is granted if appropriate. The candidates are then approved by the Board of Directors and presented for voting at the General Meeting of Shareholders.

Reference | Skill Matrix for Directors/Audit & Supervisory Board Members

The fields considered especially important by the Company for realizing the NTT Group's Medium-Term Management Strategy are defined as 1) Business management, 2) Marketing/global business, 3) IT/DX/R&D, 4) Legal/risk management/public policy, 5) HR, 6) Accounting/ finance. The skills of individual Members of the Board are also well-balanced and appropriately distributed. A list is presented in the table below.

Name		Field					
		Business Management	Marketing/ Global Business	IT/DX/R&D	Legal/Risk Management/ Public Policy	HR	Accounting/ Finance
Members of the Board	Hiromichi Shinohara	●		●	●		
	Jun Sawada	●	●	●		●	●
	Akira Shimada	●	●		●	●	●
	Naoki Shibutani	●	●	●	●	●	
	Katsuhiko Shirai	●	●	●			
	Sadayuki Sakakibara	●	●		●		
	Ken Sakamura	●	●	●			
	Keiko Takegawa	●			●	●	
Audit & Supervisory Board Members	Takao Maezawa		●		●	●	●
	Kanae Takahashi			●	●	●	●
	Takashi Iida				●	●	●
	Hideki Kanda				●	●	●
	Kaoru Kashima				●	●	●

Note: Up to five fields in which expectations for individual Members of the Board/Audit & Supervisory Board Members are particularly high are listed.
The above table is not an exhaustive list of the knowledge and experience possessed by each Member of the Board or Audit & Supervisory Board Member.

■ Succession Plan

With respect to successor candidates for the CEO position, we view it as important to secure successor candidates who can respond to technological innovation, market trends, and the speed of changes in the business environment. By securing the diversity of candidates through offering experience of a broad range of jobs and appointments to important posts, we are cultivating personnel for promotion who, in addition to possessing integrity and insight, are exceptionally well-suited to the times. The decision regarding the appointment is made by the Board of Directors after it has been presented for deliberation to the Appointment and Compensation Committee, which consists of four Members of the Board including two outside independent Members of the Board.

■ Independence of Outside Members of the Board and Outside Audit & Supervisory Board Members

From the perspectives of strengthening the supervisory function for execution and guaranteeing appropriate audits of the execution of duties by Members of the Board, NTT has the policy of selecting individuals to serve as outside Members of the Board and outside Audit & Supervisory Board Members who do not represent risks of conflicts of interest with general shareholders. NTT designates outside Members of the Board and outside Audit & Supervisory Board Members who fulfill both the independence criteria stipulated by the Tokyo Stock Exchange and NTT's own independence standards as independent Members of the Board or independent Audit & Supervisory Board Members.

Independence Standards

In order to meet the independence criteria, a person may not fall under any of the categories below in the last three fiscal years

- (1) A person who executes business in a partner company that exceeds NTT's Standards^{*1}
- (2) A person who executes business in a lending company that exceeds NTT's Standards^{*2}
- (3) A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than ¥10 million, excluding the Board Members' or Audit & Supervisory Board Members' compensation, from NTT or its major subsidiaries^{*3} in any of the last three fiscal years
- (4) A person who executes business in an organization that received donations exceeding NTT's Standards^{*4}

Even if any of (1) through (4) above applies to a person, where it has been decided that a person meets the Independence Standards, the reasons shall be explained and disclosed at the time of the person's appointment as the independent Member of the Board or independent Audit & Supervisory Board Member.

^{*1} "A partner company that exceeds NTT's Standards" is defined as a company that has had any business dealing with NTT and its major subsidiaries^{*3} in any of the last three fiscal years equal to or more than 2% of the total operating revenues of NTT and its major subsidiaries for the respective fiscal year.

^{*2} "A lending company that exceeds NTT's Standards" is defined as a company in which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals to or is more than 2% of NTT's consolidated total assets for the respective fiscal year.

^{*3} The major subsidiaries are NTT DOCOMO, INC., NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT COMMUNICATIONS CORPORATION, and NTT DATA CORPORATION.

^{*4} "An organization that received donations exceeding NTT's Standards" is defined as an organization which received donations from NTT and its major subsidiaries^{*3} in any of the last three fiscal years exceeding ¥10 million or 2% of the total income of the organization, whichever is larger, during the respective fiscal year.

7. Training for Members of the Board and Audit & Supervisory Board Members

NTT Group works to cultivate candidates suitable for top management who are able to respond to the rapidly changing management environment, by creating a range of training opportunities in areas including domestic and overseas economic and social issues, compliance, and risk management, and by allowing employees to accumulate new job experiences. Additionally, outside independent Members of the Board can gain a deeper understanding of the Company's group businesses through opportunities to deepen their understanding of the business trends of NTT Group companies and of the latest R&D results at the research facilities of the Company.

8. Strategic Shareholdings

NTT does not hold shares for the purpose of creating stable shareholders, and has no plans to hold such shares in the future.

Conversely, NTT's business policy is to promote open innovation and collaboration with partners in a variety of industries with the aim of enhancing corporate value over the medium to long term. Based on this policy, the Company verifies whether an individual holding will contribute to medium- to long-term enhancements in corporate value and holds or sells shares accordingly. Among the comprehensive list of factors taken into consideration by the Investment Strategy Committee are the contribution to the medium- to long-term results of NTT, the progress of business collaborations, future considerations concerning business collaborations, trends in performance at investment targets and future business strategies of NTT. We apply the same policy to the strategic shareholdings of our Group companies, verifying every year whether individual holdings are appropriate, and taking steps to sell, etc. accordingly.

With respect to exercising voting rights of strategic shareholdings, NTT exercises voting rights acquired through share ownership, as it sees fit and appropriate and upon determining whether it is an initiative that would contribute to the improvement of medium- to long-term corporate value, from the perspective of sustainable growth of the companies NTT invests in and improving corporate value for both NTT and the companies.

9. Capital Policy

With regard to dividends, our basic policy is to steadily increase dividends, and we also flexibly carry out buybacks to improve capital efficiency.

IV Matters Regarding Corporate Officers

1. Status of Members of the Board and Audit & Supervisory Board Members

Name		Position and Responsibilities	Number of Shares of the Company Held
Hiromichi Shinohara		Chairman of the Board	49,300 shares
Jun Sawada		Representative Member of the Board President and Chief Executive Officer (CEO)	38,300 shares
Akira Shimada		Representative Member of the Board Senior Executive Vice President In charge of business strategy Chief Financial Officer (CFO) Chief Compliance Officer (CCO) Chief Human Resource Officer (CHRO)	24,508 shares
Naoki Shibutani		Representative Member of the Board Senior Executive Vice President In charge of technical strategy Chief Technology Officer (CTO) Chief Information Officer (CIO) Chief Digital Officer (CDO)	11,600 shares
Katsuhiko Shirai	Outside Independent	Member of the Board	10,800 shares
Sadayuki Sakakibara	Outside Independent	Member of the Board	21,900 shares
Ken Sakamura	Outside Independent	Member of the Board	1,300 shares
Keiko Takegawa	Outside Independent	Member of the Board	1,500 shares
Takao Maezawa		Full-time Audit & Supervisory Board Member	20,508 shares
Kanae Takahashi		Full-time Audit & Supervisory Board Member	5,600 shares
Takashi Iida	Outside Independent	Audit & Supervisory Board Member	7,300 shares
Hideki Kanda	Outside Independent	Audit & Supervisory Board Member	0 shares
Kaoru Kashima	Outside Independent	Audit & Supervisory Board Member	0 shares

Notes: 1. Of the 13 Members of the Board and Audit & Supervisory Board Members, ten are male and three are female.

2. Of the Members of the Board, Mr. Katsuhiko Shirai, Mr. Sadayuki Sakakibara, Mr. Ken Sakamura and Ms. Keiko Takegawa are outside Members of the Board as defined in Article 2, paragraph (15) of the Companies Act. Also, based on the listing rules of the Tokyo Stock Exchange, NTT has designated them as independent Members of the Board and filed the information related thereto with the Tokyo Stock Exchange.

3. Of the Audit & Supervisory Board Members, Mr. Takashi Iida, Mr. Hideki Kanda and Ms. Kaoru Kashima are outside Audit & Supervisory Board Members as defined in Article 2, paragraph (16) of the Companies Act. Also, based on the listing rules of the Tokyo Stock Exchange, NTT has designated them as independent Audit & Supervisory Board Members and filed the information related thereto with the Tokyo Stock Exchange.

Term of Office	Attendance Rate		Description of Principal Concurrent Positions
	Board of Directors Meetings	Audit & Supervisory Board Meetings	
12 years	13/13 (100%)	—	
7 years	13/13 (100%)	—	President and Chief Executive Officer of NTT, Inc.
9 years	13/13 (100%)	—	Senior Executive Vice President of NTT, Inc.
1 year	11/11 (100%)	—	
9 years	13/13 (100%)	—	
9 years	13/13 (100%)	—	Outside Director of SHIMANO INC. Outside Director of Nitori Holdings Co., Ltd. Chairman of the Board of The Kansai Electric Power Co., Inc. (Assumed on June 25, 2020)
2 years	13/13 (100%)	—	Professor of Toyo University
2 years	13/13 (100%)	—	Professor of Showa Women's University Outside Auditor of MITSUI MINING & SMELTING CO., LTD.
5 years	13/13 (100%)	20/20 (100%)	Audit & Supervisory Board Member of NTT, Inc.
1 year	11/11 (100%)	13/13 (100%)	Audit & Supervisory Board Member of NTT, Inc. (Assumed on June 23, 2020)
7 years	13/13 (100%)	20/20 (100%)	Lawyer Outside Director of ALPS ALPINE CO., LTD. [Outside Corporate Auditor of Shimadzu Corporation (Resigned on June 25, 2020)]
2 years	13/13 (100%)	20/20 (100%)	Professor of Professional School of Gakushuin University External Director of Sumitomo Mitsui Trust Bank, Limited
2 years	12/13 (92%)	20/20 (100%)	Certified Public Accountant External Director of Sumitomo Mitsui Trust Bank, Limited Audit & Supervisory Board Member of Kirin Holdings Company, Limited

- Audit & Supervisory Board Member Takao Maezawa has business experience in the accounting division of NTT and its related companies, and Audit & Supervisory Board Member Kaoru Kashima is a certified public accountant. Both individuals have extensive knowledge of finance and accounting matters.
- There is no special relationship between NTT and the companies where outside Members of the Board and outside Audit & Supervisory Board Members hold concurrent positions.
- Even in circumstances where outside Members of the Board and outside Audit & Supervisory Board Members were unable to attend a meeting, they were provided with an explanation in advance and they submitted their opinions.
- Audit & Supervisory Board Member Akiko Ide resigned from her position at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2020.
- The Attendance Rate of the Board of Directors Meetings and the Audit & Supervisory Board Meetings shown for Member of the Board Naoki Shibutani and Audit & Supervisory Board Member Kanae Takahashi is their attendance after they assumed office on June 23, 2020.

2. Directors and Officers Liability Insurance Policy

NTT has entered into an Officers, Etc. liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an Officer or a person at a certain position of the Company and the premiums for the insured are fully borne by the Company. However, losses and costs personally incurred by Officer through criminal acts and intentional illegal activities, such as bribery are not covered by the policy as a measure to ensure that the proper performance of duties of Officers, Etc., is not impaired.

The insureds included in this policy consist of the Members of the Board, Audit & Supervisory Board Members and Executive Officers of NTT and the NTT subsidiaries NTT East, NTT West, NTT Inc.

3. Policies Concerning, and Total Compensation, etc. of Members of the Board and Audit & Supervisory Board Members

The Board of Directors resolved at its meeting held on May 12, 2021 a new policy for determining the details of individual compensation, etc. for Members of the Board (hereinafter "Determination Policy"), contingent on the approval of Second and Third Items submitted to this General Meeting of Shareholders. This policy partially modifies the policy regarding determination of details of individual compensation, etc. of Members of the Board at the end of the fiscal year under review (hereinafter, the "Determination Policy at the End of the Fiscal Year under Review"). If Second and Third Items submitted to this General Meeting of Shareholders concerning non-monetary compensation is approved, the overview of the Determination Policy will be as follows.

Concerning the Determination Policy, composition and level of compensation for Members of the Board of NTT, in order to secure objectivity and transparency, NTT established the Appointment and Compensation Committee, comprised of four Members of the Board, including two outside independent Members of the Board. Compensation matters are decided by the Board of Directors after deliberation by this committee. Moreover, decisions on the composition ratios and calculation methods for compensation, and individual amounts of compensation for each Member of the Board are delegated from the Board of Directors to the Appointment and Compensation Committee.

Compensation of Members of the Board (excluding outside Members of the Board) consists of a monthly salary (base salary) and a bonus (compensation related to performance over the short term), NTT stock purchase through Board Members Shareholding Association and stock compensation (compensation related to performance over the medium to long term).

The base salary is a fixed compensation paid monthly on the basis of the scope of each Member of the Board's roles and responsibilities. The bonus is paid in June each year, taking into account NTT's business results for the current fiscal year.

Concerning performance indicators for the bonus, performance is evaluated against the performance indicator targets set in the Medium-Term Management Strategy.

(Please refer to "Bonus Performance Indicators.")

Also, Members of the Board make contributions of a certain defined amount or more every month for the purchase of NTT shares through the Board Members Shareholding Association in order to reflect NTT's medium-to long-term business results in compensation. Purchased shares are to be held by the Members of the Board throughout their terms of office.

For the stock compensation, a trust, established by NTT is used. The Members of the Board are granted points corresponding to their role in June each year and a performance-related coefficient corresponding to the level of achievement of the performance indicator is determined in June of the year following the final fiscal year of the Medium-Term Management Strategy, and the number of shares to be granted to each Member of the Board is calculated by multiplying the performance-related coefficient by the number of points that has been accumulated. The granted shares are delivered to the Member of the Board upon retirement.

The composition ratio of compensation in a case where standard business results are achieved is roughly as follows: Fixed compensation: Short-term performance-related compensation: Medium- to long-term performance-related compensation = 50%: 30%: 20% (before the revision, the composition ratio of compensation in a case where standard business results are achieved is roughly as follows: Fixed compensation: Performance-related compensation = 70%: 30%).

In order to maintain a high level of independence, compensation of outside Members of the Board consists of a monthly fixed compensation only, and is not linked to NTT's business results.

The new policy for determining the details of individual compensation, etc. of Members of the Board is outlined above.

Compensation of Audit & Supervisory Board Members is determined by resolution of the Audit & Supervisory Board and consists of a base salary only, for the same reasons as those cited above with respect to outside Members of the Board.

In the fiscal year under review, the membership of the Appointment and Compensation Committee consists of Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board), and Sadayuki Sakakibara (outside Member of the Board).

Bonus Performance Indicators

Financial targets of the Medium-Term Management Strategy and other measures are set as performance indicators and the level of year on year improvement or achievement level of the plan are evaluated.

Performance Indicators*	Evaluation Weighting	Evaluation Method	FY2019 Results	FY2020 Results
EPS	35%	YoY improvement	¥231	¥248

Performance Indicators*	Evaluation Weighting	Evaluation Method	FY2020 Targets	FY2020 Results
Operating profit	35%	Achievement level of plan	¥1,590.0 billion	¥1,671.4 billion
ROIC	9%		6.8%	7.2%
Capex to Sales	6%		13.8%	13.6%
Overseas sales	6%		\$18,390 million	\$18,648 million
Overseas operating profit margin	6%		2.2%	3.0%

*In addition to the above performance indicators, the level of achievement of the plan target for the number of B2B2X projects was evaluated.

Total Compensation, etc. of Members of the Board and Audit & Supervisory Board Members during the Fiscal Year Ended March 31, 2021

The new compensation policies are provided in the above section. An overview of the policy for determining the details of individual compensation, etc. of Members of the Board for the fiscal year under review is as follows.

Compensation of Members of the Board (excluding outside Members of the Board) consists of a base salary and bonuses. The base salary is paid on the basis of the scope of each Member of the Board's roles and responsibilities. The bonus is paid based on consideration of the level of achievement of performance indicators. The financial targets of the Medium-Term Management Strategy have been selected as performance indicators. This is because greater clarification of the link between Members of the Board's compensation and the Company's corporate value increases the motivation to achieve the financial targets in the Medium-Term Management Strategy. In addition, the method for calculating bonuses is to convert the level of year on year

improvement or achievement level of the plan for each financial target into a payment rate with a pre-determined method for each indicator, weighting the average based on the weight of each indicator then multiplying the base salary by position by a fixed number.

(Please refer to “Bonus Performance Indicators” on the previous page.)

Also, Members of the Board make contributions of a certain defined amount or more from their base salary and bonus for the purchase of NTT shares through the Board Members Shareholding Association in order to reflect NTT’s medium-to long-term business results in compensation. Purchased shares are to be held by the Members of the Board throughout their terms of office. The composition ratio of compensation in a case where standard business results are achieved is roughly as follows: Fixed compensation: Performance-related compensation = 70%: 30%.

In order to maintain a high level of independence, compensation of outside Members of the Board consists of a monthly base salary only, and is not linked to NTT’s business results.

Note that for the specific particulars of the individual compensation, etc. of Members of the Board relating to the fiscal year under review, this is determined by the Appointment and Compensation Committee in accordance with the Determination Policy resolved at the Board of Directors. The details of the authority entrusted to the Appointment and Compensation Committee by the Board of Directors are the determination of the proportion of compensation, method of calculation and the amount of compensation for each individual. These have been entrusted to the Appointment and Compensation Committee because this Committee comprises two Representative Members of the Board and two outside Members of the Board (Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board) and Sadayuki Sakakibara (outside Member of the Board)), and is considered to have a bird’s-eye view of the entire Company, and an outside perspective and able to make the appropriate judgements.

Note that the method of determining the Determination Policy relating to the details of the individual compensation, etc. of Members of the Board and an overview of the particulars of the Determination Policy are as provided in the aforementioned Determination Policy at the end of the fiscal year under review, and when determining the details of the individual compensation, etc. of Members of the Board, the Appointment and Compensation Committee considers from various angles including consistency with the Determination Policy, so, the Board of Directors also respect such judgement, and the details of the individual compensation, etc. of Members of the Board for the fiscal year under review is judged to be in line with the Determination Policy.

Compensation of Audit & Supervisory Board Members is determined by resolution of the Audit & Supervisory Board and consists of a base salary only, for the same reasons as those cited above with respect to outside Members of the Board.

Position	Number of Persons	Base Salary (Millions of yen)	Bonuses (Millions of yen)	Total Compensation (Millions of yen)
Members of the Board	16	350	97	447
Audit & Supervisory Board Members	6	119	—	119
Total (Of which outside Officers)	22 (7)	469 (105)	97 (—)	566 (105)

Notes: 1. Compensation amounts shown above include compensation paid to eight Members of the Board and one Audit & Supervisory Board Member who resigned on June 23, 2020, at the conclusion of the 35th Ordinary General Meeting of Shareholders.

2. Maximum limits on total annual compensation of Members of the Board and Audit & Supervisory Board Members were set at ¥750 million for Members of the Board (15 members or less) and ¥200 million for Audit & Supervisory Board Members (five members or less) at the 21st Ordinary General Meeting of Shareholders held on June 28, 2006. Note that at the conclusion of this General Meeting of Shareholders there were 11 Members of the Board and five Audit & Supervisory Board Members.

3. In addition to the above, an aggregate of ¥3 million is to be paid to Members of the Board who are also employees as bonuses for their service as employees.

4. Outside Members of the Board and Outside Audit & Supervisory Board Members

Principal Activities of Outside Members of the Board and Audit & Supervisory Board Members

Position	Name	Statements Made at Board of Directors' Meetings and Overview of Duties in Relation to the Role Expected to be Fulfilled by Outside Members of the Board
Outside Members of the Board	Katsuhiko Shirai	<p>Mr. Katsuhiko Shirai has a wealth of experience as an operational director of educational institutions, and has a high level of integrity and insight. He was therefore elected at the Ordinary General Meeting of Shareholders held in June 2020 on the expectation that he would help strengthen the supervisory function for business execution and provide advice from his wide-ranging perspectives on management, and he has been serving as outside Member of the Board.</p> <p>Mr. Shirai has made comments at meetings of the Board of Directors and during meetings held to exchange opinions with the Representative Members of the Board, mainly on subjects such as the impact of the Company's business on society, global strategy, advanced technology, and compliance. In addition, on the Appointment and Compensation Committee he has offered advice on succession planning and revising the officer compensation system.</p>
	Sadayuki Sakakibara	<p>Mr. Sadayuki Sakakibara has a wealth of experience as a corporate manager, and has a high level of integrity and insight. He was therefore elected at the Ordinary General Meeting of Shareholders held in June 2020 on the expectation that he would help strengthen the supervisory function for business execution and provide advice from his wide-ranging perspectives on management, and he has been serving as outside Member of the Board.</p> <p>Mr. Sakakibara has made comments at meetings of the Board of Directors, and during meetings held to exchange opinions with the Representative Members of the Board, mainly on subjects such as Group management, capital policy, corporate governance, and compliance. At the "IR DAY" event held for investors, he provided an explanation on the background on corporate governance reforms at NTT. On the Appointment and Compensation Committee he has offered advice on succession planning and revising the officer compensation system. In addition, he has also appropriately responded to his role as chair of the Special Investigations Committee, which was established by NTT on March 9 this year.</p>
	Ken Sakamura	<p>Mr. Ken Sakamura has a wealth of experience as an operational director of research institutions, including universities, and has a high level of integrity and insight. He was therefore elected at the Ordinary General Meeting of Shareholders held in June 2020 on the expectation that he would help strengthen the supervisory function for business execution and provide advice from his wide-ranging perspectives, and he has been serving as outside Member of the Board.</p> <p>Mr. Sakamura has made comments at meetings of the Board of Directors, and during meetings held to exchange opinions with the Representative Members of the Board, mainly on subjects such as advanced technology, research and development, and compliance. At meetings held to exchange views with executives, he has given advice on industries and technological trends regarding investment projects.</p>
	Keiko Takegawa	<p>Ms. Keiko Takegawa has a wealth of experience in public relations and diversity promotion within the government and has a high level of integrity and insight. She was therefore elected at the Ordinary General Meeting of Shareholders held in June 2020 on the expectation that she would help strengthen the supervisory function for business execution and provide advice from her wide-ranging perspectives, and she has been serving as outside Member of the Board.</p> <p>Ms. Takegawa has made comments at meetings of the Board of Directors, and during meetings held to exchange opinions with the Representative Members of the Board, mainly on subjects such as PR strategy and compliance. In addition, she has attended CSR conferences, offered advice on revising NTT Group's approach to CSR, and on the promotion of diversity at training sessions for female employees of NTT Group.</p>

Position	Name	Statements Made at Board of Directors Meetings and Audit & Supervisory Board Meetings
Outside Audit & Supervisory Board Members	Takashi Iida	Based on the professional perspective fostered through his extensive experience as a lawyer, Mr. Takashi Iida has made comments as necessary at meetings of the Board of Directors and the Audit & Supervisory Board, at meetings held to exchange opinions with Representative Members of the Board and outside independent Members of the Board, and at meetings held to exchange opinions with Representative Members of the Board and Audit & Supervisory Board Members of Group companies. These comments mainly concerned subjects such as corporate governance and compliance. In addition to the above, he is a member of the Special Investigations Committee, which was established by NTT on March 9 this year.
	Hideki Kanda	Based on the professional perspective fostered through his extensive experience as a university professor, Mr. Hideki Kanda has made comments as necessary at meetings of the Board of Directors and the Audit & Supervisory Board, at meetings held to exchange opinions with Representative Members of the Board and outside independent Members of the Board, and at meetings held to exchange opinions with Representative Members of the Board and Audit & Supervisory Board Members of Group companies. These comments mainly concerned subjects such as corporate governance and compliance. In addition to the above, he has actively provided advice and information, from such perspectives as Companies Act and corporate governance, that contributes to the proper execution of business by the organizations of NTT Group.
	Kaoru Kashima	Based on the professional perspective fostered through her extensive experience as a certified public accountant, Ms. Kaoru Kashima has made comments as necessary at meetings of the Board of Directors and the Audit & Supervisory Board, at meetings held to exchange opinions with Representative Members of the Board and outside independent Members of the Board, and at meetings held to exchange opinions with Representative Members of the Board and Audit & Supervisory Board Members of Group companies. These comments mainly concerned subjects such as accounting audits, corporate governance and compliance. In addition to the above, at meetings held to exchange opinions with the Independent Auditor, and elsewhere, she has actively provided advice that contributes to higher quality of accounting audits.

■ General Terms

▼ Anonymization

A process of deleting or changing information such as names, birthdates, and addresses, etc., included in data to prevent the identification of individuals.

▼ AR (Augmented Reality)

A technology that displays computer graphics or information retrieved from the Internet and overlaid on a real world scene.

▼ B2B2X

An initiative aimed at working together with service providers such as local government bodies or business operators in other fields (B) to provide solutions to social problems and new value creation for end users (X) through working behind the scene or in intermediary roles to expand cooperation with the aforementioned service providers and conducting activities that support digital transformation.

▼ Deep Learning

A machine learning technology or method in which a computer itself comprehends the hidden characteristics included in data to make more accurate and efficient judgements.

▼ Digital Transformation (DX)

Process of creating new business models or transforming existing business by using ICT tools to accumulate various data or use data in management.

▼ ERP (Enterprise Resources Planning)

A management method for achieving overall optimization of an enterprise by centrally managing its management resources.

▼ Green Bond

Bonds issued with the purpose of using funds for solving environmental and social issues, such as investment in renewable energy.

▼ ITER Project

A major international project with participation by seven members, namely Japan, Europe, Russia, United States, South Korea, China, and India, aiming to realize humankind's first experimental nuclear fusion reactor (ITER), to demonstrate the scientific establishment of nuclear fusion energy for the sake of peace.

▼ Managed Services

A service for undertaking installation, management, operation, and maintenance of the equipment and software needed for use of telecommunication services, IT services, and others.

▼ MR (Mixed Reality)

A technology that can make virtual objects appear as though present in the real world using a dedicated display.

▼ RPA (Robotic Process Automation)

Automated solutions that divide tasks into rules and use robots to perform the tasks currently performed by humans.

▼ Smart City

A city that realizes improved convenience and comfort of daily life, and solutions to various issues, through more efficient and advanced urban and regional functions and services by the use of advanced technologies.

▼ TCFD

The Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board at the request of the G20. The TCFD is a framework that promotes disclosures of corporate initiatives in response to climate change.

■ Terms Related to NTT Group Services

▼ **ahamo**

A simple new NTT DOCOMO billing plan that aims to win customers' strong acceptance of fees and service details and encourage them to sign up by eliminating new contract processing fees and complex discount conditions as far as possible.

▼ **d POINT**

Reward points that can be accumulated and used in various ways, including through monthly DOCOMO mobile phone charges and shopping in real and online stores. Accumulated points can be used for shopping at the rate of 1 point = 1 yen.

▼ **docomo Hikari**

An optical Internet service provided by NTT DOCOMO using a FLET'S Hikari line or cable TV equipment.

▼ **FLET'S Hikari**

A collective name for fiber optic Internet connection services provided by NTT East and NTT West.

▼ **Hikari Collaboration Model**

The wholesale provision of FLET'S Hikari and other services provided by NTT East and NTT West to various service providers.

(Regarding the Contents of the Business Report)

- In this Business Report, "NTT DOCOMO," "NTT East," "NTT West," "NTT Communications," and "NTT Comware" refer to NTT DOCOMO, INC., Nippon Telegraph and Telephone East Corporation, Nippon Telegraph and Telephone West Corporation, NTT Communications Corporation, and NTT COMWARE CORPORATION respectively.
- Beginning in the fiscal year ended March 31, 2019, the consolidated financial statements of NTT have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") in place of generally accepted accounting principles in the United States ("U.S. GAAP"), which had previously been used, with figures from the fiscal year ended March 31, 2018, also being recalculated under IFRS for the purpose of comparison and analysis.
- With respect to amounts appearing in this Business Report, figures are rounded to the nearest whole unit. Moreover, figures determined in accordance with Japanese accounting standards had previously been rounded down to the nearest whole unit, but from FY2020 onward this has been changed to rounding them to the nearest whole unit. Following this change, figures by FY2019 have been recalculated and are also displayed rounded to the nearest whole unit.
- With respect to underlined terms, a definition of each term is provided in the "Glossary of Terms."
- The forward-looking statements, remarks and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in this Business Report.

Consolidated Financial Statements

Consolidated Statement of Financial Position (March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES AND EQUITY	
Current assets		Current liabilities	
Cash and cash equivalents	935,727	Short-term borrowings	3,168,613
Trade and other receivables	3,534,555	Trade and other payables	2,356,705
Other financial assets	41,732	Lease liabilities	193,915
Inventories	315,437	Other financial liabilities	28,334
Other current assets	498,106	Accrued payroll	509,416
Sub Total	5,325,557	Income taxes payables	115,965
Assets held for sale	816	Other current liabilities	1,053,196
Total current assets	5,326,373	Sub Total	7,426,144
Non-current assets		Liabilities directly associated with assets held for sale	18
Property, plant and equipment	9,282,286	Total current liabilities	7,426,162
Right-of-use asset	639,627	Non-current liabilities	
Goodwill	1,056,187	Long-term borrowings	4,455,724
Intangible assets	1,765,858	Lease liabilities	553,836
Investment property	1,182,713	Other financial liabilities	137,620
Investments accounted for using the equity method	411,033	Defined benefit liabilities	1,731,645
Other financial assets	1,515,922	Deferred tax liabilities	81,420
Deferred tax assets	993,858	Other non-current liabilities	376,042
Other non-current assets	791,635	Total non-current liabilities	7,336,287
Total non-current assets	17,639,119	Total liabilities	14,762,449
		Equity	
		Nippon Telegraph and Telephone Corporation ("NTT") shareholders' equity	
		Common stock	937,950
		Retained earnings	7,068,008
		Treasury stock	(704,793)
		Other components of equity	261,542
		Total NTT shareholders' equity	7,562,707
		Non-controlling interests	640,336
		Total equity	8,203,043
Total assets	22,965,492	Total liabilities and equity	22,965,492

Note: Amounts are rounded to the nearest million yen.

Consolidated Statement of Profit or Loss (Fiscal Year Ended March 31, 2021)

(Millions of yen)

Item	Amount
Operating revenues	11,943,966
Operating expenses	
Personnel expenses	2,461,410
Expenses for purchase of goods and services and other expenses	5,875,302
Depreciation and amortization	1,507,153
Loss on disposal of property, plant and equipment and intangible assets	156,869
Impairment losses	
Goodwill	2,702
Other	22,997
Taxes and dues	246,142
Operating profit	1,671,391
Finance income	31,785
Finance costs	50,830
Share of profit (loss) of entities accounted for using the equity method	229
Profit before taxes	1,652,575
Income taxes	524,719
Profit	1,127,856
Profit attributable to NTT	916,181
Profit attributable to Non-controlling interests	211,675

Note: Amounts are rounded to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash and bank deposits	342	Accounts payable, trade	296
Accounts receivable, trade	925	Current portion of corporate bonds	69,999
Supplies	196	Current portion of long-term borrowings	125,048
Advance payment	1,985	Current portion of long-term borrowings from subsidiaries	70,000
Short-term loans receivable	190,800	Short-term borrowings	2,727,879
Accounts receivable, other	166,173	Lease obligations	5
Other	20,974	Accounts payable, other	82,761
Total current assets	381,394	Accrued expenses	5,834
Fixed assets		Accrued taxes on income	657
Property, plant and equipment		Advances received	905
Buildings	82,415	Deposits received	350
Structures	5,015	Other	1,591
Machinery, equipment and vehicles	299	Total current liabilities	3,085,327
Tools, furniture and fixtures	24,100	Long-term liabilities	
Land	27,746	Corporate bonds	99,990
Lease assets	17	Long-term borrowings	534,474
Construction in progress	893	Long-term borrowings from subsidiaries	2,521,880
Total property, plant and equipment	140,485	Lease obligations	12
Intangible fixed assets		Deferred tax liabilities	15,704
Software	15,462	Liability for employees' retirement benefits	35,555
Other	325	Asset retirement obligations	1,677
Total intangible fixed assets	15,788	Other	5,181
Investments and other assets		Total long-term liabilities	3,214,474
Investment securities	457,721	Total liabilities	6,299,801
Investments in subsidiaries and affiliated companies	10,008,710	NET ASSETS	
Other securities of subsidiaries and affiliated companies	14,542	Shareholders' equity	
Contributions to affiliated companies	5,013	Common stock	937,950
Long-term loans receivable to subsidiaries	448,600	Capital surplus	
Prepaid pension costs	1,565	Additional paid-in capital	2,672,826
Other	2,614	Other capital surplus	1,291
Total investments and other assets	10,938,765	Total capital surplus	2,674,117
Total fixed assets	11,095,038	Earned surplus	
		Legal reserve	135,333
		Other earned surplus	
		Accumulated earned surplus	2,032,668
		Total earned surplus	2,168,001
		Treasury stock	(704,793)
		Total shareholders' equity	5,075,275
		Unrealized gains (losses), translation adjustments, and others	
		Net unrealized gains (losses) on securities	101,355
		Total unrealized gains (losses), translation adjustments, and others	101,355
		Total net assets	5,176,630
Total assets	11,476,431	Total liabilities and net assets	11,476,431

Note: Previously, the amounts have been presented rounded down (truncated) to the nearest million yen. From the fiscal year ended March 31, 2021, they are presented rounded to the nearest million yen.

Non-consolidated Statement of Income (Fiscal Year Ended March 31, 2021)

(Millions of yen)

Item	Amount	
Operating revenues		
Dividends received	648,398	
Revenues from group management	25,400	
Revenues from basic R&D	102,500	
Other services	17,776	794,074
Operating expenses		
Administration	26,842	
Experiment and research	98,665	
Depreciation and amortization	19,514	
Retirement of fixed assets	806	
Miscellaneous taxes	3,820	149,647
Operating income		644,427
Non-operating revenues		
Interest income	3,791	
Lease and rental income	12,232	
Miscellaneous income	2,118	18,141
Non-operating expenses		
Interest expenses	11,954	
Corporate bond interest expenses	3,245	
Lease and rental expenses	6,110	
Miscellaneous expenses	1,500	22,809
Recurring profit		639,759
Income before income taxes		639,759
Corporation, inhabitant, and enterprise taxes	316	
Deferred tax expenses (benefits)	206	522
Net income		639,237

Note: Previously, the amounts have been presented rounded down (truncated) to the nearest million yen. From the fiscal year ended March 31, 2021, they are presented rounded to the nearest million yen.

Auditor's Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S OPINION

May 10, 2021

To the Board of Directors of
Nippon Telegraph and Telephone Corporation

Tokyo Office, KPMG AZSA LLC

Takuji Kanai (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kenji Tanaka (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masashi Oki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to consolidated financial statements of Nippon Telegraph and Telephone Corporation (the "Company") as at March 31, 2021 and for the fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 444(4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the provisions of the second sentence of Article 120(1) of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared.

Basis for Audit Opinion

We conducted our audit on the basis of auditing standards generally accepted in Japan. Our responsibility under accounting standards is as described under "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." In accordance with the Code of Professional Ethics in Japan, our firm is independent from the Company and its consolidated subsidiaries, and we have fulfilled other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As stated in 2. "Transaction making NTT DOCOMO, INC. a wholly owned subsidiary of NTT" of "Other" in the notes to consolidated financial statements, the Company implemented a series of transactions in the fiscal year ended March 31, 2021 for the purpose of making NTT DOCOMO, INC. a wholly owned subsidiary. In addition, NTT Group issued corporate bonds and took out necessary borrowings in fiscal year ended March 31, 2021 to secure the funds required for the aforementioned series of transactions.

This matter does not affect our opinion.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the second sentence of Article 120(1) of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In its preparation of the consolidated financial statements, management evaluates whether it is appropriate to prepare the consolidated financial statements on the basis of a going concern assumption. In the event that it is necessary to disclose any going concern-related matters on the basis of the provisions of the second sentence of Article 120(1) of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, management is responsible for disclosing such matters.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution by Members of the Board of the maintenance and operation of financial reporting processes.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

We are responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to error or fraud, and expressing an independent opinion on the consolidated financial statements in the auditor's report based on our audits. Misstatements may occur due to fraud or error and are determined to be material in the event that such misstatements, whether individually or in the aggregate, can be reasonably expected to affect the decision making of users of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we make a determination as professional experts through the audit process, and conduct the following processes with an attitude of professional skepticism.

- We identify and assess risks of material misstatement due to fraud or error. In addition, we design and implement audit procedures with respect to the risk of material misstatement. The selection and implementation of audit procedures is at our discretion. We also obtain evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- We consider internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although the objective of the consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies adopted by management and the method of application of those policies, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- We render a conclusion as to whether it is reasonable for management to prepare the consolidated financial statements on the basis of a going concern assumption, and whether, based on evidence that we have obtained, material uncertainty exists related to events or conditions that may cast significant doubt on the going concern assumption. In the event that material uncertainty exists regarding the going concern assumption, in our audit opinion, we are required to call attention to such items in the consolidated financial statements, or, in the event that it is not appropriate to make such notes regarding items in the consolidated financial statements that are related to such material uncertainty, we are required to express a qualified opinion with respect to the consolidated financial statements. Although our conclusions are based on audit evidence that we have obtained up until the date of the audit report, future events and circumstances may cause a company to be unable to continue as a going concern.
- In addition to evaluating whether the presentation and notes of the consolidated financial statements comply with the provisions of the second sentence of Article 120(1) of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, we also evaluate the presentation, composition and content of the consolidated financial statements, including the related notes, as well as whether the consolidated financial statements appropriately present the transactions and accounting events upon which such statements are based.
- In order to express our opinion on the consolidated financial statements, we obtain sufficient and appropriate evidence regarding the financial information of the company and its consolidated subsidiaries. We are responsible for directing, supervising and implementing our audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We notify Audit & Supervisory Board Members and the Audit & Supervisory Board about the scope and implementation timing of planned audits and material findings from our audits, including material weaknesses in internal controls identified in the course of our audit process, and also report on other matters as required by auditing standards.

We notify Audit & Supervisory Board Members and the Audit & Supervisory Board about our compliance with the Code of Professional Ethics in Japan regarding independence and matters that could be reasonably believed to affected our independence and, if safeguards have been established to eliminate or reduce obstructive factors, we also report on such matters.

Interests in the Company or Its Consolidated Subsidiaries

Our firm and engagement partners have no interest in the Company or its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Auditor's Report on Non-Consolidated Financial Statements

INDEPENDENT AUDITOR'S OPINION

May 10, 2021

To the Board of Directors of
Nippon Telegraph and Telephone Corporation

Tokyo Office, KPMG AZSA LLC

Takuji Kanai (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kenji Tanaka (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masashi Oki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and other net assets, the notes to non-consolidated financial statements and the supplemental schedules (collectively, the "financial statements") of Nippon Telegraph and Telephone Corporation (the "Company") as at March 31, 2021 and for the 36th fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 436(2)(i) of the Companies Act.

In our opinion, the financial statements referred to above, which were prepared in accordance with generally accepted accounting principles in Japan, present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the financial statements were prepared.

Basis for Audit Opinion

We conducted our audit on the basis of auditing standards generally accepted in Japan. Our responsibility under accounting standards is as described under "Auditor's Responsibility for the Audit of the Financial Statements." In accordance with the Code of Professional Ethics in Japan, our firm is independent from the Company, and we have fulfilled other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As stated in "Transaction making NTT DOCOMO, INC. a wholly owned subsidiary of NTT" of "Other" in the notes to non-consolidated financial statements, the Company implemented a series of transactions in the fiscal year ended March 31, 2021 for the purpose of making NTT DOCOMO, INC. a wholly owned subsidiary. Furthermore, while taking out necessary borrowings in the fiscal year ended March 31, 2021 to secure the funds required for the aforementioned series of transactions, the Company provided a guarantee of obligation on corporate bonds that NTT FINANCE CORPORATION issued.

This matter does not affect our opinion.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In its preparation of the financial statements, management evaluates whether it is appropriate to prepare the financial statements on the basis of a going concern assumption. In the event that it is necessary to disclose any going concern-related matters on the basis of generally accepted accounting principles in Japan, management is responsible for disclosing such matters.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution by Members of the Board of the maintenance and operation of financial reporting processes.

Auditor's Responsibility for the Audit of the Financial Statements

We are responsible for obtaining reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to error or fraud, and expressing an independent opinion on the financial statements in the auditor's report based on our audits. Misstatements may occur due to fraud or error and are determined to be material in the event that such misstatements, whether individually or in the aggregate, can be reasonably expected to affect the decision making of users of the financial statements.

In accordance with auditing standards generally accepted in Japan, we make a determination as professional experts through the audit process, and conduct the following processes with an attitude of professional skepticism.

- We identify and assess risks of material misstatement due to fraud or error. In addition, we design and implement audit procedures with respect to the risk of material misstatement. The selection and implementation of audit procedures is at our discretion. We also obtain evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- We consider internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies adopted by management and the method of application of those policies, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- We render a conclusion as to whether it is reasonable for management to prepare the financial statements on the basis of a going concern assumption, and whether, based on evidence that we have obtained, material uncertainty exists related to events or conditions that may cast significant doubt on the going concern assumption. In the event that material uncertainty exists regarding the going concern assumption, in our audit opinion, we are required to call attention to such items in the financial statements, or, in the event that it is not appropriate to make such notes regarding items in the financial statements that are related to such material uncertainty, we are required to express a qualified opinion with respect to the financial statements. Although our conclusions are based on audit evidence that we have obtained up until the date of the audit report, future events and circumstances may cause a company to be unable to continue as a going concern.
- In addition to evaluating whether the presentation and notes of the financial statements comply with generally accepted accounting principles in Japan, we also evaluate the presentation, composition and content of the financial statements, including the related notes, as well as whether the financial statements appropriately present the transactions and accounting events upon which such statements are based.

We notify Audit & Supervisory Board Members and the Audit & Supervisory Board about the scope and implementation timing of planned audits and material findings from our audits, including material weaknesses in internal controls identified in the course of our audit process, and also report on other matters as required by auditing standards.

We notify Audit & Supervisory Board Members and the Audit & Supervisory Board about our compliance with the Code of Professional Ethics in Japan regarding independence and matters that could be reasonably believed to affected our independence and, if safeguards have been established to eliminate or reduce obstructive factors, we also report on such matters.

Interests in the Company

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit & Supervisory Board's Report

AUDIT & SUPERVISORY BOARD'S REPORT

Based on reports from each Audit & Supervisory Board Member, and following due discussion at meetings, the Audit & Supervisory Board has prepared this report regarding the execution of the duties of the Members of the Board in the 36th fiscal year from April 1, 2020 to March 31, 2021. The Board reports as follows:

1. Outline of Audit Methodology

(1) The Audit & Supervisory Board established auditing policies and received reports from each Audit & Supervisory Board Member on the status of the implementation of audits and the results thereof, as well as reports regarding the status of execution of duties from the Members of the Board and other persons and the Independent Auditors, and requested explanations as necessary.

(2) On the basis of the Audit & Supervisory Board Rules, and in accordance with its auditing policies, the Audit & Supervisory Board Members sought mutual understanding with Members of the Board, the internal auditing department and employees and other persons in their efforts to collect information and achieve an environment conducive to audits, and conducted the audits based on the methods described below.

I. The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, and received reports from Members of the Board, employees and other persons regarding performance of their duties, requested explanations as necessary, perused important statements regarding decisions and approvals made and investigated the status of operations and assets at the head office and R&D laboratories. Regarding the subsidiaries, the Audit & Supervisory Board sought to achieve a mutual understanding and exchange of information with Members of the Board and Audit & Supervisory Board Members and other persons of the subsidiaries, and where necessary received business reports from the subsidiaries.

II. With respect to the particulars of Board of Directors resolutions relating to establishment of structures as set forth in Article 100 (1) and (3) of the Ordinance for Enforcement of the Companies Act, necessary to ensure that Board Members' performance of their duties, as stated in the Business Report, is in conformity with laws and regulations and their company's Articles of Incorporation and to otherwise ensure the appropriateness of the business of a corporate group consisting of a kabushiki kaisha and its subsidiaries, as well as the structures established pursuant to such resolutions (internal control systems), the Audit & Supervisory Board Members received reports regularly from Members of the Board and other employees regarding the status of the establishment and implementation of the systems, requested explanations as necessary, and expressed opinions thereon.

III. The Audit & Supervisory Board Members audited and verified whether the Independent Auditor maintained its independence and carried out its audits appropriately, received reports from the Independent Auditor regarding the execution of its duties and, where necessary, requested explanations. Also, the Audit & Supervisory Board received notification from the Independent Auditors to the effect that the "structure to ensure that duties are executed appropriately" (the matters listed in Article 131 of the Regulation on Corporate Accounting) has been established in accordance with "Quality

Control Standards for Auditing" (Business Accounting Council, October 28, 2005) and, where necessary, requested explanations.

Based on the above methodology, the Audit & Supervisory Board audited the Business Report and related supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and other net assets, notes to non-consolidated financial statements) and related supplementary schedules, as well as the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements) related to the fiscal year under review.

2. Audit Results

(1) Results of the audit of the Business Report

I. We find that the Business Report and its supplementary schedules accurately reflect the conditions of the company in accordance with applicable laws and the Articles of Incorporation.

II. No inappropriate conduct concerning the execution of duties by Members of the Board or material facts in violation of law or the Articles of Incorporation were found.

III. We find that the particulars of Board of Directors' resolutions concerning the internal control systems are appropriate.

Further, no matters worthy of note were found with respect to the content of the Business Report and Board Members' execution of duties in regards to the internal control systems. Note that as stated in the Business Report, regarding the NTT's management dinner with ministry officials, the Audit & Supervisory Board will pay close attention of the progress of the investigation by the Special Investigations Committee, and respond as needed.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules

We find that the methodology and results of the audit by the Independent Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of the audit of the consolidated financial statements

We find that the methodology and results of the audits conducted by the Independent Auditor, KPMG AZSA LLC, are appropriate.

May 11, 2021

Nippon Telegraph and Telephone Corporation
Audit & Supervisory Board

Full-time Audit & Supervisory Board Member	Takao Maezawa (seal)
Full-time Audit & Supervisory Board Member	Kanae Takahashi (seal)
Audit & Supervisory Board Member	Takashi Iida (seal)
Audit & Supervisory Board Member	Hideki Kanda (seal)
Audit & Supervisory Board Member	Kaoru Kashima (seal)

Notes: 1. Audit & Supervisory Board Members Takashi Iida, Hideki Kanda, Kaoru Kashima are outside Audit & Supervisory Board Members as prescribed in Article 2(xvi), and Article 335(3) of the Companies Act.

2. The Audit & Supervisory Board Members have provided their seal by electronic means.

END

Real-time Streaming over the Internet on the Day of the General Meeting of Shareholders

Date and time of streamed broadcast
Thursday, June 24, 2021,
beginning at 10:00 a.m. (JST)



The Company strongly requests that you refrain from attending the meeting as you will be able to view the state of affairs on the day through a real-time stream over the Internet.

For URL, please refer to the Notice of Convocation scheduled to be sent on June 9, 2021.

* While viewing, shareholders will be unable to exercise their voting rights or ask questions.

To prevent the spread of the COVID-19, please exercise your voting rights and send your questions over the Internet, etc. prior to the meeting.

Reception of Questions over the Internet Prior to the Meeting

Deadline:
5:30 p.m., Wednesday,
June 23, 2021 (JST)



The Company will receive questions from shareholders regarding matters to be reported and matters to be resolved in relation to the 36th Ordinary General Meeting of Shareholders prior to the meeting.

Following the procedures below, please input the required items on the reception form and send it by the deadline.

For URL, please refer to the Notice of Convocation scheduled to be sent on June 9, 2021.

1 Access the Company's website above from any one of PCs, smartphones, etc.



2 Input required items, such as name and shareholder number, on the reception form.



3 Click the send button after confirming the details input.

* The Company plans to post the answers to the questions received on its website. Furthermore, the Company plans to introduce a portion of these questions at the meeting.

* Questions that are not related to matters to be reported or matters to be resolved at the meeting may not be answered.

* Questions may also be received in writing. Please send your question to the address below by mail so that it arrives before the deadline.

[Address] IR Office, NIPPON TELEGRAPH AND TELEPHONE CORPORATION 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8116