

August 6, 2021

Company Name: Nippon Telegraph and Telephone Corporation
Representative: Jun Sawada, President and Chief Executive Officer
(Code No.: 9432, First Section of Tokyo Stock Exchange)

NOTICE REGARDING RESOLUTION OF DETAILS OF PERFORMANCE-LINKED STOCK COMPENSATION SYSTEM FOR MEMBERS OF THE BOARD AND OFFICERS OF NTT AND ITS MAJOR SUBSIDIARIES

Nippon Telegraph and Telephone Corporation (the “company” or “NTT”) hereby announces that, at a meeting of its Board of Directors held today, NTT resolved certain details in connection with its adoption of a performance-linked stock compensation system^(*) (the “Compensation System”), including the scope and timing of acquisitions of company shares, for its Members of the Board and Executive Officers (excluding outside Members of the Board and those who are non-residents of Japan) and for Members of the Board and Executive Officers of certain of NTT’s major subsidiaries as determined by NTT (excluding outside Members of the Board and members of Audit and Supervisory Committees of such subsidiaries, and those who are non-residents of Japan), as further described below.

NTT received resolutions approving the adoption of the Compensation System for NTT’s eligible Members of the Board at the 36th Ordinary General Meeting of Shareholders held on June 24, 2021. In addition, the major subsidiaries of NTT who will be eligible for the Compensation System have also received resolutions approving the adoption of the Compensation System for their respective eligible Members of the Board at their respective shareholder meetings.

For an overview of the Compensation 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,” dated May 12, 2021.

- (*) The Compensation System will adopt an executive compensation structure referred to as a BIP (Board Incentive Plan) trust (the “Trust”). A Trust, like performance-linked stock compensation (Performance Shares) and restricted stock compensation (Restricted Stock) in Europe and the United States, is a system for granting and providing company shares or funds in amounts equivalent to the conversion price of such shares, in accordance with results and position.

Overview of the Trust Agreement

Date of Entry into Trust Agreement	August 12, 2021 (planned)
Initial Trust Period	August 12, 2021 (planned) to August 30, 2024 (planned)
Amount of Funds to be Contributed to the Trust	¥3,160,000,000 (planned) (including trust fees and expenses) * Aggregate amount of trust funds to be contributed to the Trust for Members of the Board and Executive Officers of NTT (excluding outside Members of the Board and those who are non-residents of Japan) and for Members of the Board and Executive Officers of certain of NTT’s major subsidiaries as determined by NTT (excluding outside Members of the Board and members of Audit and Supervisory Committees of such subsidiaries, and those who are non-residents of Japan). Of this amount, the aggregate amount of trust funds for Members of the Board of NTT is ¥217,000,000 (planned).

Timing of Share Acquisitions	August 13, 2021 (planned) to August 20, 2021 (planned)
Method of Share Acquisitions	Acquisitions from the stock market

Reference

The eligible major subsidiaries of the company, as determined by NTT, are as follows:

- Nippon Telegraph and Telephone East Corporation
- Nippon Telegraph and Telephone West Corporation
- NTT Communications Corporation
- NTT DOCOMO, INC.
- NTT Urban Solutions, Inc.
- NTT, Inc.

For inquiries regarding these matters,
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