Financial Results for the Fiscal Year Ended March 31, 2024 (25th Term)

May 10, 2024

This document is a translation of the Japanese original. The Japanese original is authoritative.

The forward-looking statements and projected figures concerning the future performance of NTT West 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 West in light of information currently available to it regarding NTT West 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 West 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, and other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein.

* "E" in this material represents that the figure is a plan or projection for operation.
** "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.

FY2023 Financial Results and FY2024 Financial Results Forecast

➢ In FY2023, operating revenues were ¥1,497.0 billion and operating profit was ¥138.9 billion, leading to decreased revenues and increased profits

➢ In FY2024, operating revenues are expected to be ¥1,445.0 billion and operating profit is expected to be ¥80.0 billion, leading to decreased revenues and decreased profit

(Billions of yen)

IFRS (Consolidated)	FY2022 Results	FY2023 Results	Year-over-year	FY2024 Forecast	Year-over-year
Operating Revenues	1,501.6	1,497.0	(4.6)	1,445.0	(52.0)
Operating Profit	134.9	138.9	+4.0	80.0	(58.9)
Profit*	93.2	98.8	+5.6	54.0	(44.8)
EBITDA	335.0	328.8	(6.2)	279.0	(49.8)
Capital Investment	249.2	237.2	(12.1)	237.0	(0.2)
Net Increase (Decrease) in Hikari Subscriptions (Number of Subscriptions)	+140,000 (10.25 million)	+40,000 (10.29 million)	(10,000)	+50,000 (10.34 million)	+10,000

* Represents profit attributable to NTT West (after deducting income attributable to non-controlling interests).
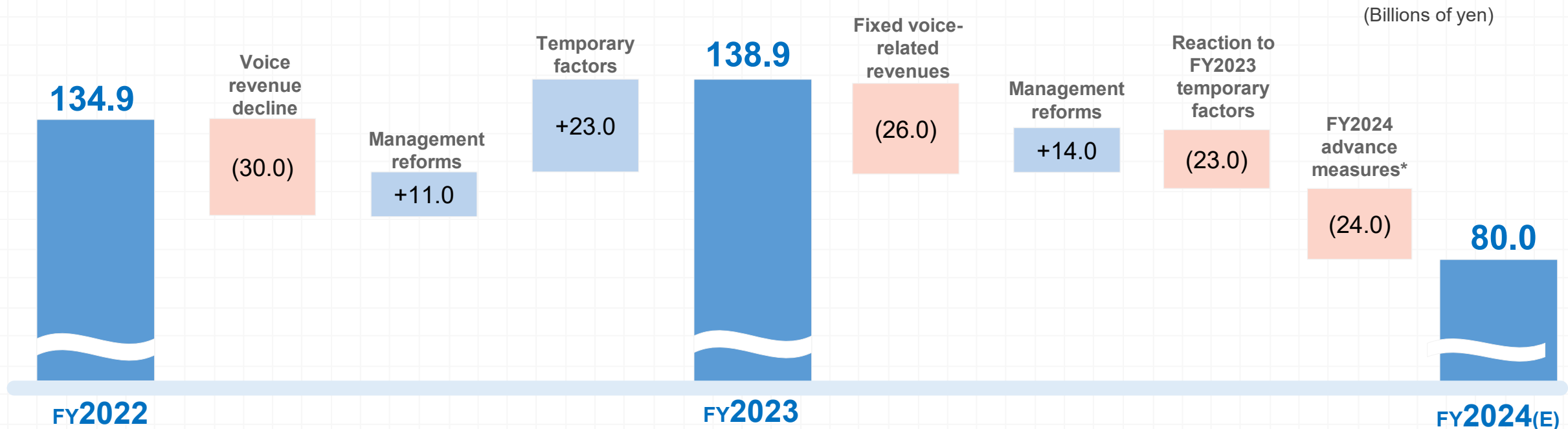
Status and Forecast of Operating Profit

FY2023

Although voice revenues decreased due to receded demand for remote work, NTT West was able to ensure a year-over-year increase in profits by expanding its growth businesses, implementing cost improvements and through temporary factors, such as the systematic sale of non-core assets to reduce future costs associated with asset holding

FY2024

NTT West forecasts an operating profit of ¥80.0 billion, which represents a year-over-year decrease in profits, as a result of reactions to temporary factors and advance measures for future sustainable growth, among other factors, partially offset by the continued expansion of growth businesses and cost improvements

(Billions of yen)

134.9

Voice revenue decline
(30.0)

Management reforms
+11.0

Temporary factors
+23.0

138.9

Fixed voice-related revenues
(26.0)

Management reforms
+14.0

Reaction to FY2023 temporary factors
(23.0)

FY2024 advance measures*
(24.0)

80.0

FY**2022**   FY**2023**   FY**2024**(E)

* Includes the impact of a full-scale recovery from the earthquake and of telecommunications carrier migration..

Initiatives for Sustainable Business Growth

Operating Profit Forecast

Shifting towards increasing profitability, with FY2024 as a baseline

(Billions of yen)

138.9

Temporary factors

Temporary factors

80.0

2023   2024(E)   2027
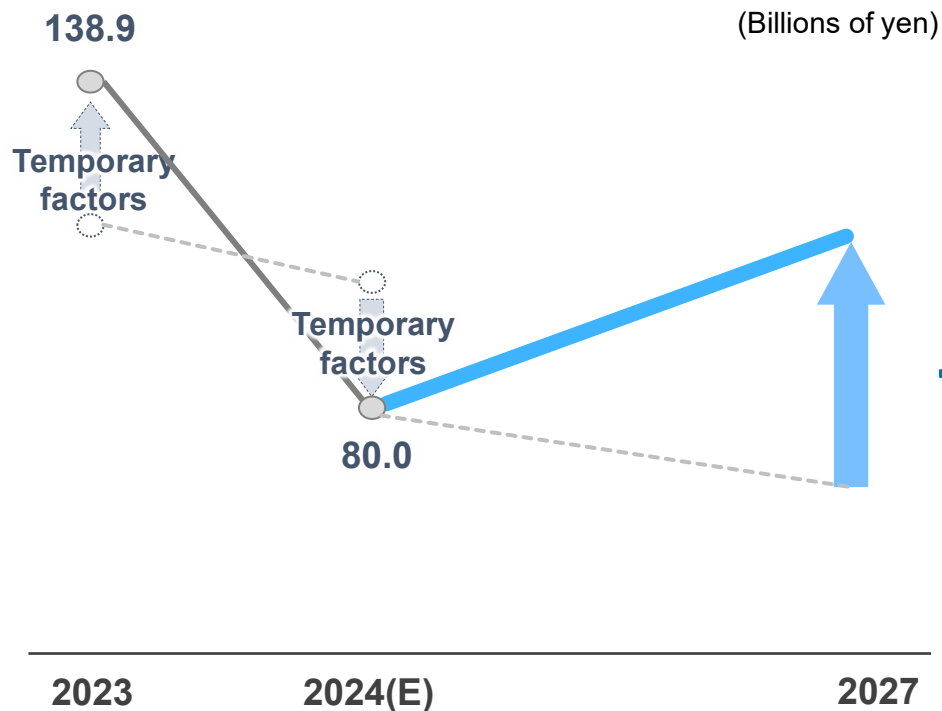
Specific Initiatives

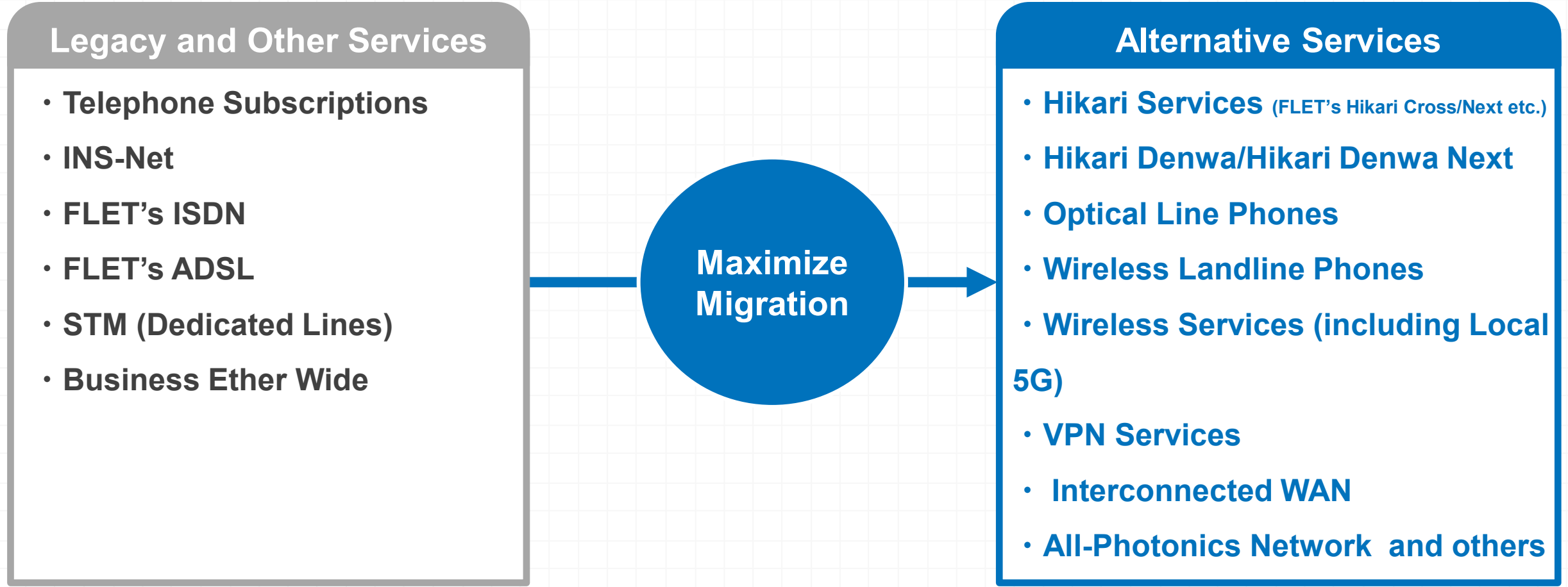| 1	**Growing and expanding Hikari services**
2	**Steadily migrating from legacy and other services**
3	**Expanding social infrastructure businesses in the public sector and elsewhere**
4	**Further expanding growth businesses**
5	**Improving CX and strengthening cost competitiveness**

1. Growing and Expanding Hikari Services

➤ **Maintaining net increases in Hikari services by expanding the Hikari service area, among other measures**

➤ **For the Hikari Cross area, increasing market share and improving ARPU by thoroughly promoting a "Cross-first" approach**

	FY2022	FY2023	FY2024	FY2025 and After
Expanding to Un-Serviced Areas*	~2,610 buildings	~2,620 buildings + ~10 buildings	+ ~50 buildings	~2,670 buildings → Over 2,700 buildings
Expanding the Hikari Cross Area	Area expansion focusing on urban centers in the Kansai and Tokai regions		• Sept. 2024: Further area expansions in Kansai and Tokai regions • Oct. 2024: Expand area to cover Chugoku, Shikoku and Kyushu regions • Jan. 2025: Further expand area across western Japan	Further area expansions from and after FY2025 under discussion
Household Coverage Rate	Number %	Over ~4x → ~40%	~1.5x	~60% Further increase the Hikari Cross household coverage rate
Number of Hikari Cross Openings	~10,000 contracts	~5x → 50,000 contracts	Over ~2x	Over 100,000 contracts Further increase the number of Hikari Cross openings
Number of Optical Lines	10.25 million contracts	+50,000 → 10.30 million contracts	+50,000	10.35 million contracts Maintain net increases

※竣工ベース

2-(1). Steadily Migrating from Legacy and Other Services

➢ **Maximizing the retention of our customer base for legacy and other services (approx. ¥300.0 billion)**

Legacy and Other Services
- Telephone Subscriptions
- INS-Net
- FLET's ISDN
- FLET's ADSL
- STM (Dedicated Lines)
- Business Ether Wide

Maximize Migration

Alternative Services
- Hikari Services (FLET's Hikari Cross/Next etc.)
- Hikari Denwa/Hikari Denwa Next
- Optical Line Phones
- Wireless Landline Phones
- Wireless Services (including Local 5G)
- VPN Services
- Interconnected WAN
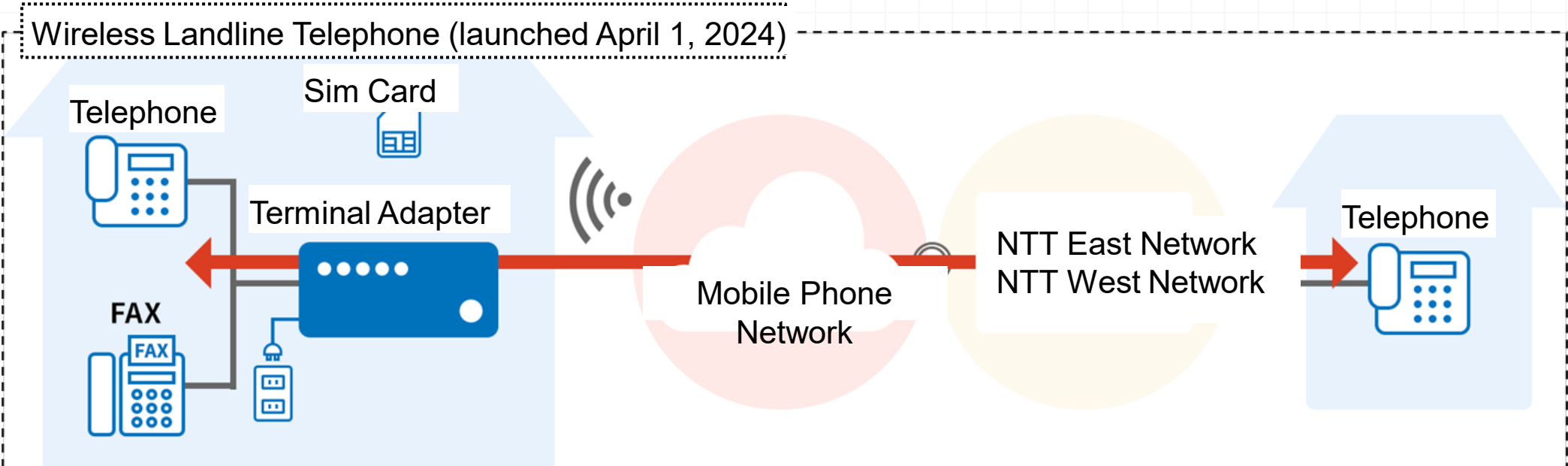- All-Photonics Network and others

2-(2). Metal Migration Initiatives

➤ **We are utilizing wireless landline telephone services, which were launched in April, and also transitioning from metal services and creating and removing zero-capacity (unused) metal equipment**

(Removals completed in FY2023: 500 km of underground cables)

Transitioning From Metal Services	Creating and Removing Zero-Capacity (Unused) Metal Equipment
✓ Started transitions of subscribed phone users in remote islands and rural areas **where costs for metal cable maintenance are high** and for customers whose metal cables need to be replaced	✓ Proceeding with cable switching and integration of thick bundles of **underground cables,** thereby creating **zero-capacity (unused) cables**
✓ **Utilizing wireless landline telephones** in addition to optical line telephones	✓ **Implementing cable removals** with funds from sales of cables

Wireless Landline Telephone (launched April 1, 2024)

Telephone   Sim Card

Terminal Adapter

FAX

Mobile Phone Network

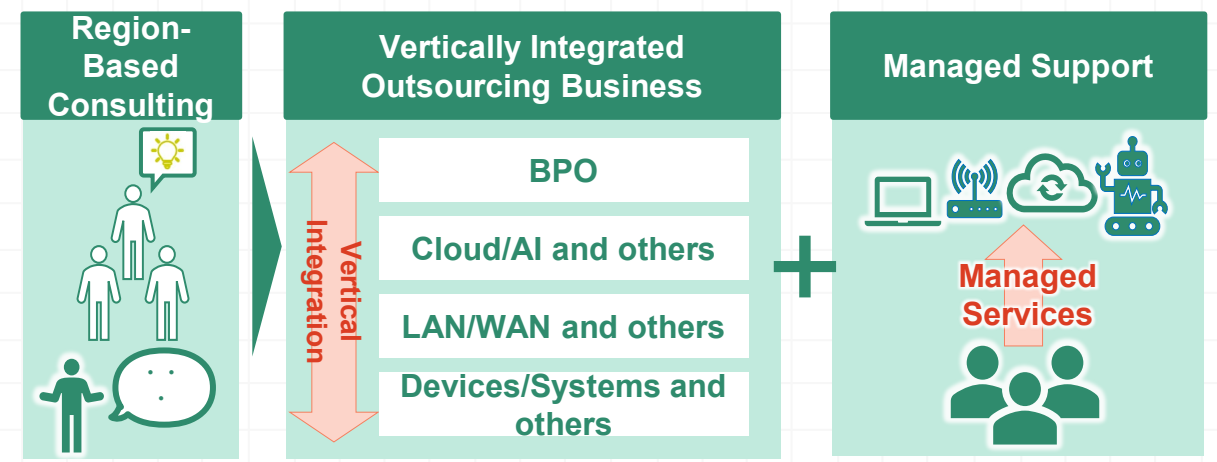NTT East Network
NTT West Network

Telephone

3. Expanding Social Infrastructure Businesses in the Public Sector and Elsewhere

➢ **Taking advantage of opportunities such as the lift of core local government processes to the government cloud, and investing resources and products into the social infrastructure business field**
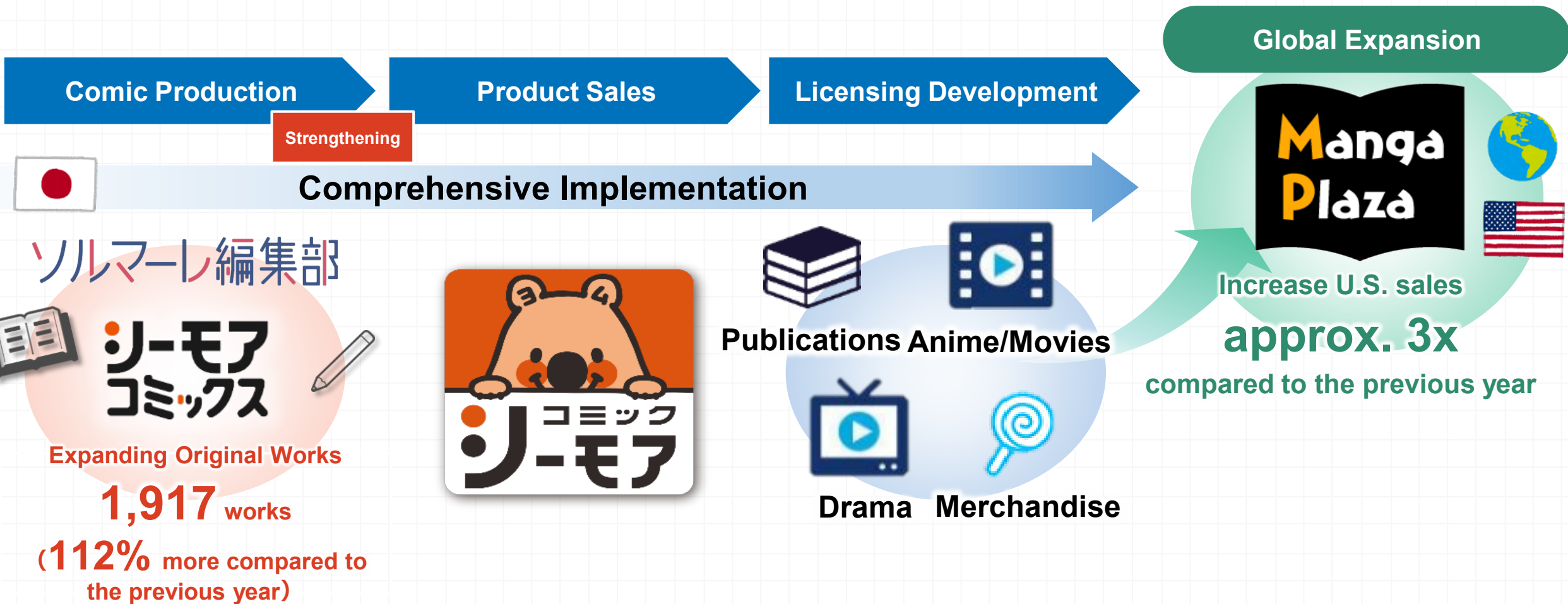
System Integration/SaaS Revenues

¥112.0 billion (2022)
¥118.0 billion (2023)
¥125.0 billion (Forecast) (2024)
(2025-27)

2022　2023　2024　2025-27
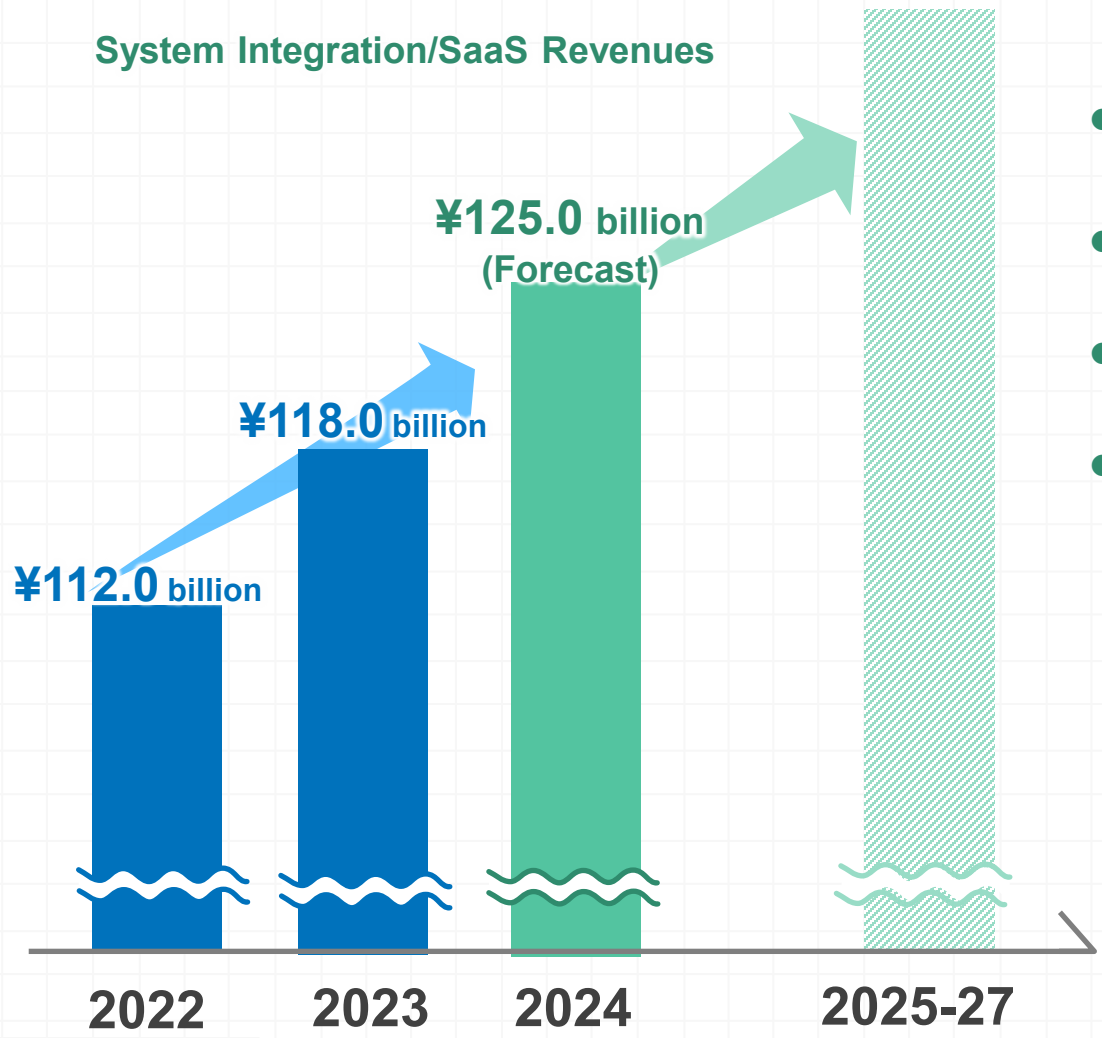
Specific Initiatives

- **Shifting operating resources (800 people) to social infrastructure businesses** (local governments, education, medical, environmental, etc.)

- **Increasing the number of specialists in the cloud and security fields**
(Currently: approx. 3,000 people → FY2027: approx. 5,000 people)

- **Enhancing managed services**
(Launched the "Government Cloud Connection Support Service" on April 17)

- **From LAN/WAN to cloud/AI, providing total support to solve customer problems, starting from the consulting stage**

Region-Based Consulting

Vertically Integrated Outsourcing Business

Vertical Integration

BPO

Cloud/AI and others

LAN/WAN and others

Devices/Systems and others

+

Managed Support

Managed Services

4. Further Expanding Growth Businesses (Solmare Expansion)

➢ **One of the largest e-book stores in Japan (with more than 35 million monthly users and over 1.34 million books)**

➢ **Strengthening comprehensive efforts, from original comic production to licensing development, and expanding business into global markets**

Global Expansion

| Comic Production | Product Sales | Licensing Development |

Strengthening

Comprehensive Implementation

ソルマーレ編集部

Manga Plaza

Expanding Original Works

1,917 works

（**112%** more compared to the previous year）
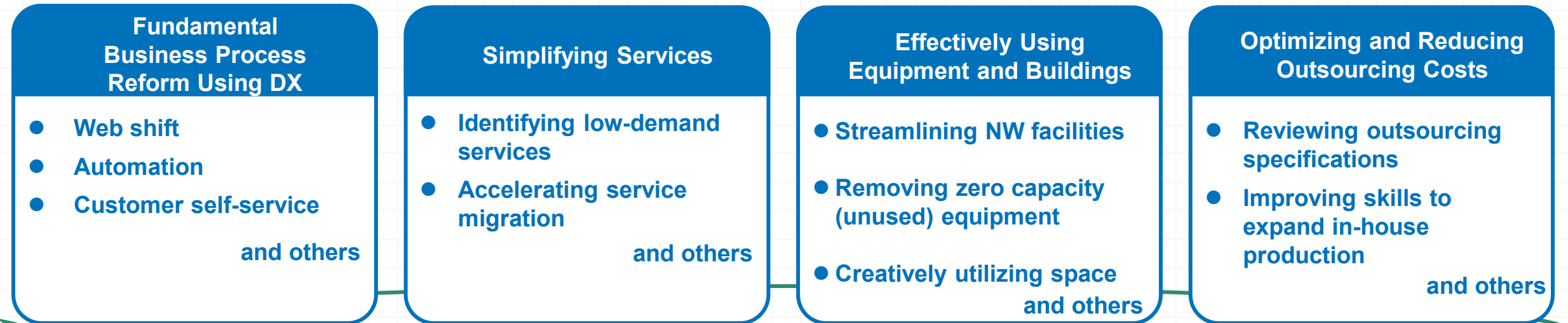
Publications Anime/Movies

Drama   Merchandise

Increase U.S. sales

approx. 3x

compared to the previous year

5. Improving CX and Strengthening Cost Competitiveness

➤ **Leveraging DX and AI to strengthen both CX and cost competitiveness at the same time**

Fundamental Business Process Reform Using DX	Simplifying Services	Effectively Using Equipment and Buildings	Optimizing and Reducing Outsourcing Costs
• Web shift • Automation • Customer self-service and others	• Identifying low-demand services • Accelerating service migration and others	• Streamlining NW facilities • Removing zero capacity (unused) equipment • Creatively utilizing space and others	• Reviewing outsourcing specifications • Improving skills to expand in-house production and others

Improving CX

Starting in FY2024: Establishing a CCXO (Chief CX Officer) and CX Improvement Committee
Improving customer loyalty (customer recommendation levels, likelihood of repeat purchases, etc.)
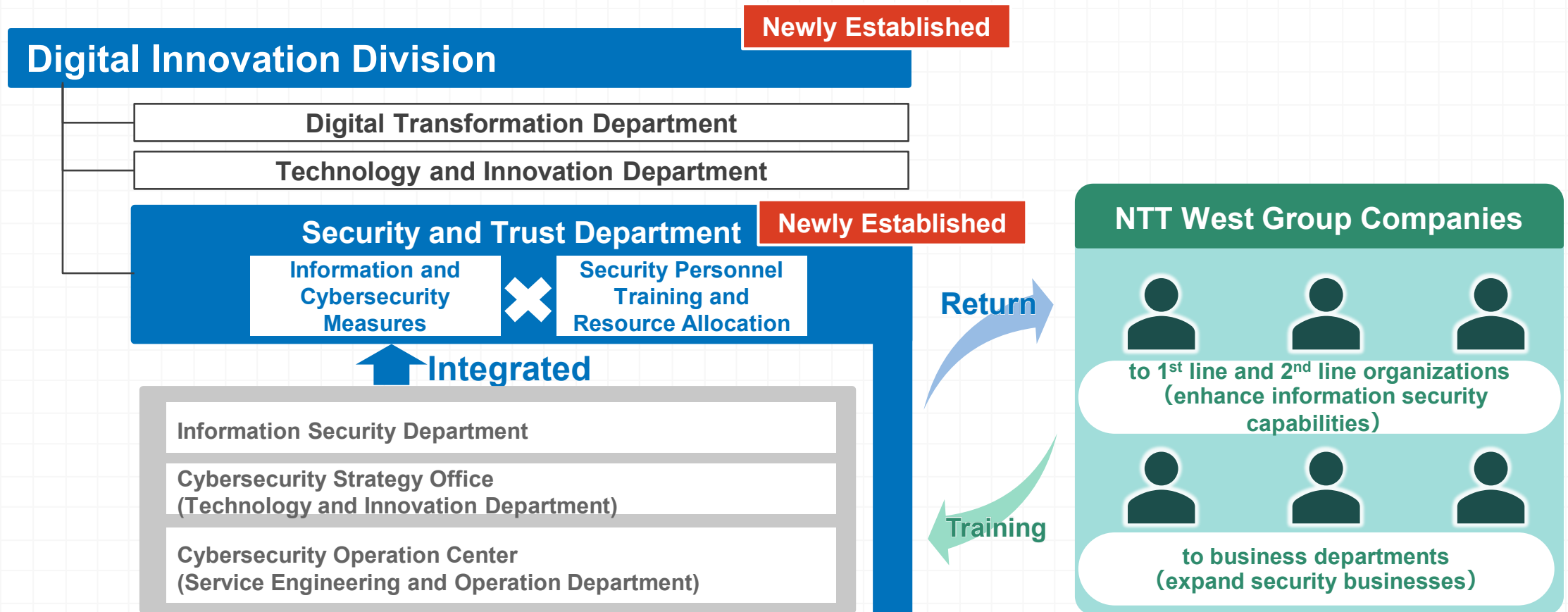
Strengthening Cost Competitiveness

Total from FY2024~FY2027: Cost Reduction Effect: over **¥30.0 billion**

Positions Created: over **4,000**

Topics

① Developing an Organization with Total Management of DX, Security and Other Matters

➢ **Established a new "Digital Innovation Division" (with three departments under its supervision) to strongly promote company-wide DX/systemization, innovation, security and other matters**

➢ **Newly established the "Security and Trust Department" to handle total management of information and cybersecurity measures and the training of security personnel**

Newly Established

Digital Innovation Division

Digital Transformation Department

Technology and Innovation Department

Security and Trust Department **Newly Established**

Information and Cybersecurity Measures ✖ **Security Personnel Training and Resource Allocation**

↑ Integrated

Information Security Department

Cybersecurity Strategy Office (Technology and Innovation Department)

Cybersecurity Operation Center (Service Engineering and Operation Department)

Return →

Training

NTT West Group Companies

to 1st line and 2nd line organizations （enhance information security capabilities）

to business departments （expand security businesses）

② Status of Response to the 2024 Noto Peninsula Earthquake

➢ **Emergency restoration work has been completed except for areas that are difficult to access. The entire NTT Group is continuing to work with local governments to achieve a full-scale recovery**
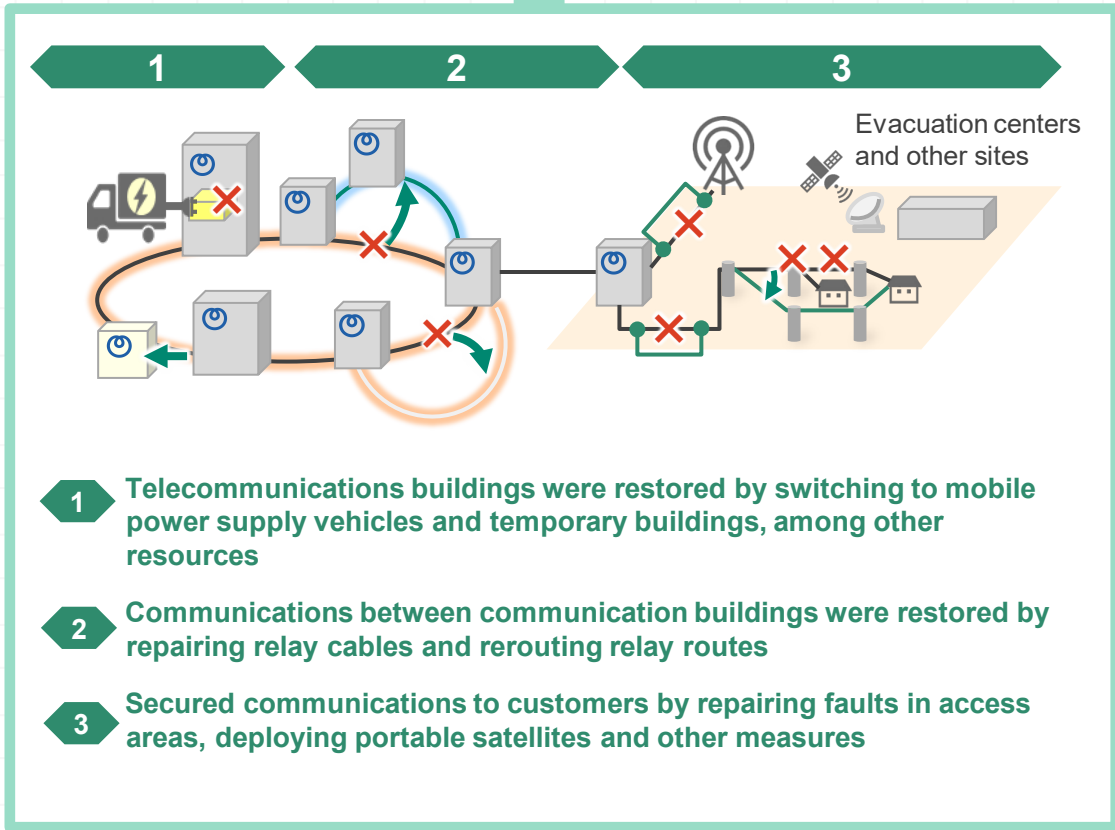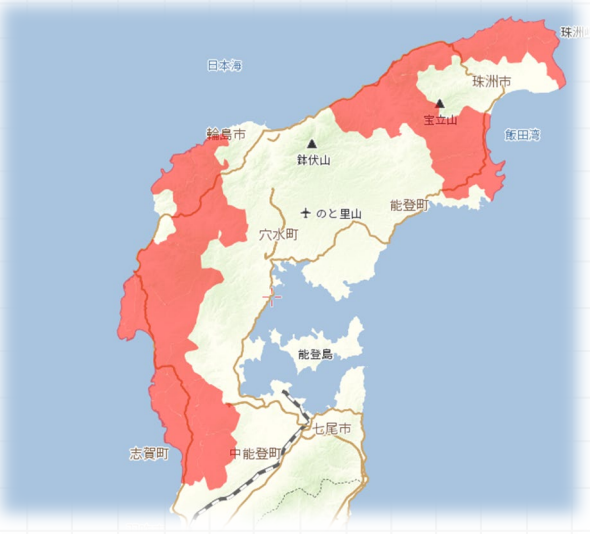
**Status after the Disaster
(January 3, around 15:30)**

**Current Status
(as of May 10)**

Services Restored to 19 Buildings

**Impacted Services
(by number of buildings):
up to 20 buildings**

**Remaining Impacted Services
(by number of buildings):
1 building**

Nishiho Building

	1	2	3

Evacuation centers and other sites

1. **Telecommunications buildings were restored by switching to mobile power supply vehicles and temporary buildings, among other resources**

2. **Communications between communication buildings were restored by repairing relay cables and rerouting relay routes**

3. **Secured communications to customers by repairing faults in access areas, deploying portable satellites and other measures**

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「つなぐ」その先に「ひらく」
あたらしい世界のトビラを

私たちは、地域社会の一員として、
あらゆる人々が幸せで豊かな未来の姿を追求しつづけます。
そのために、技術と知恵をみがき、新たな価値の共創に挑戦します。

NTT西日本グループの『パーパス』［存在意義］

News Release
<div align="right">
May 10, 2024
Nippon Telegraph and Telephone West Corporation
</div>

Changes in Board of Directors and Executive Officers

<div align="right">Scheduled Date: June 14, 2024</div>

(1) Candidates for Representative Director

    [1]   Candidate for President, Executive Director

President, Executive Director	Ryota Kitamura (NTT West, President, Executive Director, Representative Member of the Board)

    [2]   Candidates for Senior Executive Vice President, Representative Director

Senior Executive Vice President, Representative Director	Kazunori Katsura (NTT West, Senior Executive Vice President, Representative Director)
Senior Executive Vice President, Representative Director	Hidenori Kigami (NTT West, Senior Executive Vice President, Member of the Board)

(2) Candidates for New and Promoted Executive Officer

Executive Vice President, Executive Officer	Masahiro Kajiwara (NTT West, Executive Manager, Administration and Human Resources Department)
Executive Officer	Koichi Nakanishi (NTT Business Solutions Corporation, Senior Manager, Enterprise Business Department (Senior Vice President, Enterprise Business Promotion Division))
Executive Officer	Shinji Okuda (NTT West, Executive Manager, Network Interconnection Department, Network and Engineering Division)
Executive Officer	Yuji Tsuruta (NTT West, Executive Manager, Finance and Legal Department)
Executive Officer	Minako Kodama (NTT West, General Manager, Gifu Branch)
Executive Officer	Seiji Ikuta (Nippon Telegraph and Telephone Corporation, Senior Manager, Corporate Strategy Planning Department)

(3) Executive Officers Scheduled to Resign from Office

Executive Officer	Akira Shirahase (scheduled to join EXEO Group, Inc.)
Executive Officer	Masahiro Abe (scheduled to join NTT Finance Corporation)

(4) Officer Structure

Position Title	Name	Appointment
President, Executive Director President, Executive Officer	Ryota Kitamura	CEO (Chief Executive Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Kazunori Katsura	Senior Executive Manager, Network and Engineering Division CTO (Chief Technology Officer) CIO (Chief Information Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Hidenori Kigami	CCO (Chief Compliance Officer) CFO (Chief Financial Officer) CCXO (Chief Customer Experience Officer)
Member of the Board, Executive Officer	Katsumi Kuroda	Executive Manager, Corporate Strategy Department
Member of the Board	Masatoshi Kimata	
Member of the Board	Yasushi Shingai	
Member of the Board	Kyoko Yamamoto	
Audit & Supervisory Board Member	Keiko Yokoyama	
Audit & Supervisory Board Member	Tatsuya Sato	
Audit & Supervisory Board Member	Hirotoshi Shinohara	
Audit & Supervisory Board Member	Nae Iijima	

Executive Vice President, Executive Officer	Taizou Kitayama	Senior Executive Manager, Business and Marketing Division
		Executive Manager, Enterprise Business Department, Business and Marketing Division
Executive Vice President, Executive Officer	Masahiro Kajiwara	Executive Manager, Administration and Human Resources Department
		CHRO (Chief Human Resource Officer)
Executive Officer	Nariko Ogawa	General Manager, Kansai Branch
Executive Officer	Yoshikazu Oda	Executive Manager, Digital Transformation Department
		CDAIO (Chief Digital AI Officer)
		CISO (Chief Information Security Officer)
Executive Officer	Hitoshi Maeda	Executive Manager, HIKARI Broadband Network Business Department, Business and Marketing Division
Executive Officer	Yukihiro Yokoi	Executive Manager, Marketing Strategy Department, Business and Marketing Division
Executive Officer	Hiroshi Higashiseto	Executive Manager, Network Infrastructure Design Department, Network and Engineering Division
Executive Officer	Atsushi Maeda	Executive Manager, Smart Business Department, Business and Marketing Division
Executive Officer	Tomotaka Fujiwara	Executive Manager, Customer Success Department, Business and Marketing Division
Executive Officer	Masahide Migita	General Manager, Kyusyu Branch

Position Title	Name	Appointment
Executive Officer	Koichi Nakanishi	Executive Manager, Value Design Department, Business and Marketing Division
Executive Officer	Shinji Okuda	Executive Manager, Service Engineering and Operation Department, Network and Engineering Division
Executive Officer	Yuji Tsuruta	Senior Manager, Finance and Legal Department
Executive Officer	Minako Kodama	General Manager, Tokai Branch
Executive Officer	Seiji Ikuta	Senior Manager, Internal Audit Department

Scheduled Date: July 1, 2024

Position Title	Name	Appointment
President, Executive Director President, Executive Officer	Ryota Kitamura	CEO (Chief Executive Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Kazunori Katsura	Senior Executive Manager, Network and Engineering Division CTO (Chief Technology Officer) CIO (Chief Information Officer)
Senior Executive Vice President, Representative Director Senior Executive Vice President, Executive Officer	Hidenori Kigami	CCO (Chief Compliance Officer) CFO (Chief Financial Officer) CCXO (Chief Customer Experience Officer)
Member of the Board, Executive Officer	Katsumi Kuroda	Executive Manager, Corporate Strategy Department
Member of the Board	Masatoshi Kimata	

Member of the Board	Yasushi Shingai	
Member of the Board	Kyoko Yamamoto	
Audit & Supervisory Board Member	Keiko Yokoyama	
Audit & Supervisory Board Member	Tatsuya Sato	
Audit & Supervisory Board Member	Hirotoshi Shinohara	
Audit & Supervisory Board Member	Nae Iijima	
Executive Vice President, Executive Officer	Taizou Kitayama	Senior Executive Manager, Business and Marketing Division
		Executive Manager, Enterprise Business Department, Business and Marketing Division
Executive Vice President, Executive Officer	Masahiro Kajiwara	Executive Manager, Administration and Human Resources Department
		CHRO (Chief Human Resource Officer)
Executive Officer	Nariko Ogawa	General Manager, Kansai Branch
Executive Officer	Yoshikazu Oda	Senior Executive Manager, Digital Transformation Division
		Executive Manager, Digital Transformation Department, Digital Transformation Division
		CDAIO (Chief Digital AI Officer)
		CISO (Chief Information Security Officer)
Executive Officer	Hitoshi Maeda	Executive Manager, HIKARI Broadband Network Business Department, Business and Marketing Division

Executive Officer	Yukihiro Yokoi	Executive Manager, Marketing Strategy Department, Business and Marketing Division
Executive Officer	Hiroshi Higashiseto	Executive Manager, Network Infrastructure Design Department, Network and Engineering Division
Executive Officer	Atsushi Maeda	Executive Manager, Smart Business Department, Business and Marketing Division
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Executive Officer	Yuji Tsuruta	Senior Manager, Finance and Legal Department
Executive Officer	Minako Kodama	General Manager, Tokai Branch
Executive Officer	Seiji Ikuta	Senior Manager, Internal Audit Department

Notes:

- Changes in the appointments of executive officers on July 1, 2024 are due to internal corporate reorganizations.

- Masatoshi Kimata and Yasushi Shingai are Outside Directors as defined in Article 2, paragraph 15 of the Companies Act of Japan.

- Tatsuya Sato, Hirotoshi Shinohara and Nae Iijima are Outside Company Auditors as defined in Article 2, paragraph 16 of the Companies Act of Japan.

- Kazunori Katsura will be in charge of the Network and Engineering Division (the Network Infrastructure Design Department, the Service Engineering and Operation Department and the Network Interconnection Department) and the Digital Innovation Division (the Digital Transformation Department, the Technology and Innovation Department and the Security and Trust Department).*

  * Until June 30, 2024, Kazunori Katsura will be in charge of the Digital Transformation Department, the Technology and Innovation Department and the Information Security Department.

- Hidenori Kigami will be in charge of the Corporate Strategy Department, the Administration and Human Resources Department and the Finance and Legal Department.