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## Corporate Governance Report

Last Update: June 21, 2024

**NIPPON TELEGRAPH AND TELEPHONE CORPORATION**

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**Securities Code: 9432**

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

The corporate governance of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (the “Company” or “NTT”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

NTT believes that raising the effectiveness of corporate governance is an important management issue for meeting the expectations of various stakeholders, including shareholders and other investors, as well as customers, business partners, and employees, and for maximizing corporate value. Accordingly, NTT is working to strengthen corporate governance based on the purpose of the principles of the “Corporate Governance Code” by: (1) ensuring sound management; (2) executing appropriate decision-making and business activities; (3) clarifying accountability; and (4) maintaining thorough compliance as basic policies.

##### (1) Ensuring sound management

NTT, in order to strengthen functions for appropriately supervising and auditing business operations, ensures sound management by appointing outside Members of the Board and outside Audit & Supervisory Board Members as independent officers for implementing the supervision and auditing through the meetings of the Board of Directors and Audit & Supervisory Board. In addition, through its adoption of an executive officer system, NTT intends to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility.

##### (2) Executing appropriate decision-making and business activities

Decisions at NTT are made based on an authority policy setting forth the responsibilities and authorities for the president, the senior executive vice presidents, senior vice presidents and the officers of each organization under the supervision of the Board of Directors. Furthermore, in order to convene discussions regarding fundamental policies and other important business execution-related matters, and to smoothly execute matters delegated by the Board of Directors, NTT established Executive Officers Meetings comprising the senior vice presidents, to enhance deliberations on matters decided at Board of Directors’ meetings, consultations are held in Executive Officers Meetings ahead of time, committees are formed for each type of significant business execution-related matters under the Executive Officers Meetings, in which relevant senior vice presidents and others also participate, to enable discussions towards the resolution and appropriate decision-making of matters. NTT implements appropriate business execution with respect to matters resolved and determined at Board of Directors’ meetings or during Executive Officers Meetings, through the autonomous business operations of the major organizations, based on NTT’s organization policy, for which each major organization is responsible.

##### (3) Clarifying accountability

NTT is making efforts to disclose information in an appropriate, fair and timely manner, as it considers receiving the appropriate market ratings with respect to this area as important. Therefore, NTT strives to clarify accountability through various channels; NTT hosts presentations of financial results conducted by

related officers, including the president, explains matters such as NTT Group's business progress and trends via a variety of press conferences and press releases, and swiftly discloses information via NTT's website.

**(4) Thorough compliance**

In order to comply with applicable rules and regulations, NTT formulated the NTT Group Corporate Ethics Policy, which applies to all officers and employees of NTT Group, lays out the basic principles of corporate ethics and provides specific guidelines for ethical behavior. Based on this policy, NTT engages in business while maintaining high ethical standards. NTT believes that in order to make this effective, it must conduct on-going educational activities. NTT conducts corporate ethics and sustainability/environmental and other training for its employees, and also conducts surveys to assess corporate ethics awareness of its employees. Furthermore, in order to foster a more open group-wide corporate culture, NTT has established a "Corporate Ethics Help Line" across the group as an internal and external point of contact for making whistleblower reports, which may be made on an anonymous or identified basis. NTT shall ensure that whistleblowers do not suffer disadvantages as a result of using these help lines. In addition, NTT Group has established and operates an independent reporting (direct reporting) route to Audit & Supervisory Board Members as a contact point that is independent from management.

**[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

NTT Group has implemented all principles of the "Corporate Governance Code" as revised in June 2021.

## [Disclosure Based on the Principles of the Corporate Governance Code]

### ■ Cross-Shareholdings (Principle 1-4)

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, at the Investment Strategy Committee, the Company verifies whether an individual holding will contribute to medium- to long-term enhancements in financial results 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. In addition, 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 or take other actions accordingly.

Details of the status of NTT's holdings of such shares are as described in NTT's Annual Securities Report.

- IR Library: <https://group.ntt/en/ir/library/>

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- and 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.

### ■ Related Party Transactions (Principle 1-7)

Transactions with directors and other important transactions must be approved by the Board of Directors in advance. NTT sets out fair and appropriate terms and conditions for all transactions considering market prices and other factors so as not to harm the interests of the company and the shareholders.

Transactions between directors and major shareholders are examined by the Legal Office, among others, in accordance with internal regulations and other procedures and are regularly reported at Board of Directors' meetings attended by outside independent Members of the Board and outside independent Audit & Supervisory Board Members.

Furthermore, NTT approves all transactions according to the size and importance of each transaction based on internal regulations. NTT has a system in which Audit & Supervisory Board Members and the internal auditing department check the details of approvals.

### ■ Ensuring Company Diversity (Supplementary Principle 2-4-1)

#### (1) Views on Ensuring Diversity, Implementation of Measurable Targets and Disclosure of Current Progress

As of the filing date of this report, NTT's Board of Directors, Audit & Supervisory Board and Executive Officers are each least 30% composed of women. NTT Group has been working to ensure, develop and nurture a climate for diverse personnel in order to reflect a diversity of opinions in its business operations. NTT has set targets for female and mid-career hires, as set forth in the table below. NTT has been working to actively recruit foreigners and will work to increase their recruitment and promotion for the future.

NTT also emphasizes employee experience (EX), based on the principle that "people" are the driving force that will create value for the world and build a sustainable society. In order to assess employee experience, NTT conducts engagement surveys every year, and strengthens initiatives to improve upon issues identified through the surveys. NTT aims to improve its engagement score every year, and in FY2023, its engagement score was 54% (a 3 points decrease from the previous fiscal year).

Furthermore, across NTT Group as a whole, outside of Japan there are approximately 150,000 personnel working across 75 countries and regions worldwide (as of March 2024). Amongst the main group companies,

one non-Japanese board member has been appointed at NTT DATA GROUP CORPORATION and seven non-Japanese board members have been appointed at NTT DATA, Inc.

In addition, through the job-based personnel system for high-ranking managers, it is possible to secure a diverse range of personnel, not limited to personnel within the company.

<b>Subject</b>		<b>Measurable Target</b>	<b>Current Status</b>
Women	Employment	30% per year	33.4% FY2023
	Promotion to Managers and Directors	30% of New Manager Appointment from FY2021	27.9% in FY2023
		15% of Managers in 2025	11.8% in FY2023
	Appointment as Core Personnel	25% to 30% of Directors in 2025	23.7% in June 2024
External Personnel	Mid-Career Hires	-	42.4% in FY2023

\* The scope of the targets and current statuses listed in the table above consists of the five main domestic companies (NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NTT DOCOMO, INC. \*, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and NTT DATA GROUP CORPORATION\*).

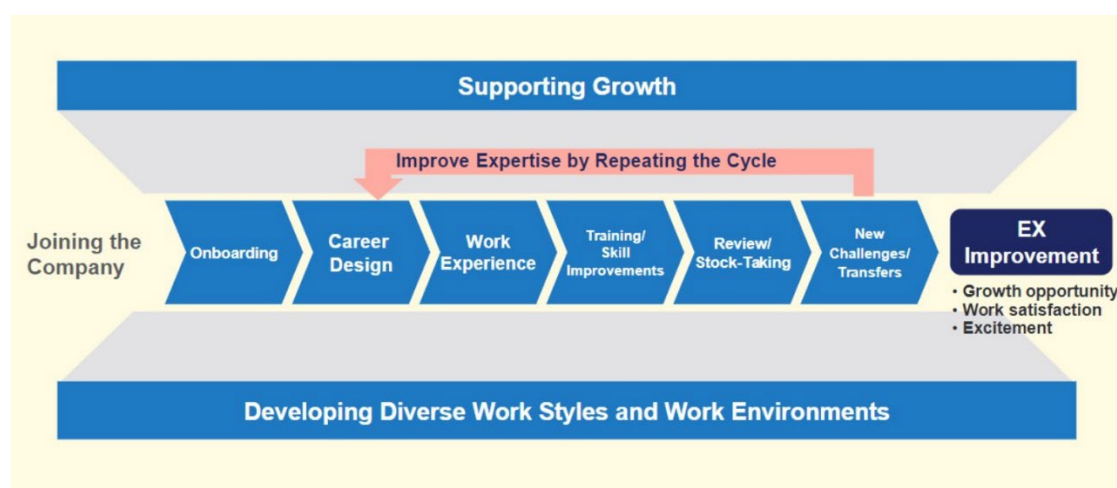
\* Figures for NTT DOCOMO, INC. include NTT COMMUNICATIONS CORPORATION. In addition, while figures for NTT DATA GROUP CORPORATION include NTT DATA JAPAN CORPORATION and NTT DATA, Inc., the rate of female executives does not include NTT DATA JAPAN CORPORATION and NTT DATA, Inc.

\* As of the filing date of this report, the ratios of female Members of the Board, Audit & Supervisory Board Members, and Executive Officers at the Company were 40.0%, 40.0%, and 33.3%, respectively.

\* As NTT has achieved the mid-career hire rate target that had been established in FY2021 (ratio of 30% in FY2023) for three consecutive fiscal years, NTT will only be monitoring performance for FY2024.

## (2) Policies for Personnel Development and Improving the Environment for Ensuring Diversity, and Status of Implementation

NTT Group believes that the key to improving EX is to have a diverse range of personnel autonomously think about their careers starting from the time they join the company, and then develop work experience, add to their skills through trainings and take on new challenges after assessing their development. In order to enable each individual employee to pursue their own autonomous career development, NTT Group provides the environment illustrated in the diagram below, and is developing a wide range of personnel policies for the purpose of both supporting growth and creating diverse work styles and work environments.



In order to support employees' growth, beginning in October 2021, NTT implemented a job-based personnel and salary system for all managers, moving away from age and seniority-based systems and shifting from the prior system of allocating the best position available for a particular person, towards a system of allocating the best person available for a particular position, and creating a system in which compensation is more closely linked to company and individual performance. NTT intends that, through this system, it will be possible to allocate personnel who are suited to necessary roles/jobs (posts) to achieve particular strategies, and that it will create and increase opportunities for employees to take on challenges. For regular employees, NTT introduced a new personnel and salary system in April 2023 aimed at nurturing them into true professionals with high levels of expertise and skills who can carve out their own careers. Moving forward, in every phase of employees' careers from recruitment and development to placement, NTT aims to shift towards operations that emphasize specialization, thereby facilitating the autonomous career development of its employees. By implementing these improvements in the personnel system, the selection rate for management positions (the percentage of managers who were selected in July 2023, in excess of the previous pace of promotions) was 18.8%, and the selection rate of regular employees (the percentage of employees who were promoted in excess of the previous pace of promotions, at the regular employee promotion time of October 2023) was 10.0%, showing support for autonomous career development and taking on challenges.

Furthermore, to enhance the effectiveness of high-level specialization and skill acquisition, NTT has expanded its training programs. NTT has prepared approximately 650 courses, which employees can select based on their own career plans and skill development goals and proceed with their learning accordingly. In addition, NTT began deploying dedicated career consultants for NTT Group starting in July 2023 to support employees in taking an active and autonomous approach to designing their careers. These consultants, who hold national certifications and draw from rich sets of experiences, provide individualized career advice to each employee.

Additionally, NTT promotes public recruitment and allows side jobs to offer a diverse range of career paths. As a method for supporting voluntary applications for personnel transfers, NTT established the "NTT Group Job Board," which allows for constant recruitment and timely applications. Since this was launched on July 1, 2023, approximately 750 applications have been received in a nine-month span. On an annualized basis, this represents an approximately 6x increase in the number of applications compared to the former public recruitment system that was in place until the prior fiscal year. In addition, NTT has implemented an in-house side job ("double-work") system in which employees can allocate a portion of their work time to other groups while continuing to work within their current groups, in order to support employees' autonomous skill and career development. NTT will continue working to develop an environment that allows NTT Group employees to actively take on challenges and develop themselves.

In order to develop diverse work styles and work environments, NTT promotes remote-work standard and hybrid work. Adopting policies such as the remote-work standard system, flex time without fixed work times and split-shift work, has increased the degree of freedom available for employees' working hours, work places and homes, which has further expanded the options for work styles that align with employees' lifestyles. NTT is implementing an optimized work style (hybrid work) that combines that strengths of both in-person and remote work, aiming to balance flexibility in employees' work styles with improvements in organizational and team productivity. NTT has determined that there is a positive relationship between autonomous work styles (where employees can choose their own work styles) and engagement, and will continue to promote the development of a diverse range of work styles and environments. In addition, NTT promotes diversity and inclusion as a means of achieving both the sustainable growth of NTT Group and a sustainable society. In order to be a business that flexibly adapts to changes in the external environment and that continues to create new value, NTT believes that it must transform itself from a homogeneous organization into an organization where a diverse range of personnel can thrive. As a specific measure, NTT Group continuously aims to develop female core management personnel. In addition to ensuring that at least 30% of the eligible employees at NTT University are women, NTT Group has also set a target ratio of at least 30% women amongst newly appointed managers, and conducts trainings for female employees at all levels, as well as trainings for employees returning from childcare leave, their managers and others.

Furthermore, in order to create a work environment that is comfortable for all minorities including women, persons with disabilities and LGBTQ persons, and for employees with circumstances such as childcare

or nursing care, NTT Group is building networks of personnel and conducting trainings to develop knowledge from surrounding personnel (particularly managers), change mindsets and cultivate a corporate culture.

Also, in order to enhance its employees' "work-in-life," NTT is promoting a work environment in which employees are able to actively participate in childcare and balance nursing care and medical treatment. With respect to the rate of childcare leave and other leave taken by male employees for childcare purposes, NTT achieved a rate of 128.5% against the target of 100% of FY2023. Among them, the proportion of employees taking childcare leave is 39.5% (an increase of 11.1% compared to the previous year), indicating a rise in the ratio of employees taking childcare leave instead of short-term leave. NTT will promote the creation of an environment where employees are more easily able to take long-term childcare leave.

At NTT Group, a "D&I Statement" has been formulated in order to promote diversity and inclusion. Please refer to NTT's website for details on specific initiatives, including ensuring diversity and developing personnel.

- Sustainability Charter: <https://group.ntt/en/newsrelease/2021/11/10/211110d.html>
- Human Rights Policy: <https://group.ntt/en/newsrelease/2021/11/10/211110e.html>
- IR Library: <https://group.ntt/en/ir/library/>
- NTT Group Diversity and Inclusion: <https://group.ntt/en/diversity/index.html>

#### ■ Roles of Corporate Pension Funds as Asset Owners (Principle 2-6)

Based on the fact that management of corporate pension funds affects the stability of employee assets, and also has an effect on the company's financial condition, NTT Group is working to allocate and develop personnel with the necessary experience and qualifications to be able to conduct monitoring and other appropriate activities with respect to the organization in charge of the corporate pension.

#### ■ Full Information Disclosure (Principle 3-1)

(1) Please see NTT's website for a discussion of company objectives (e.g., business principles), business strategies and business plans.

- Medium-Term Management Strategy: <https://group.ntt/en/ir/mgt/managementstrategy/>

(2) Please see "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report for a discussion of basic views and guidelines on corporate governance.

(3) Please see "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" under "Director Remuneration" in "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" in this report for a discussion of board policies and procedures in determining the remuneration of senior management and directors.

(4) Please see "Composition of the Board of Directors, Nomination Procedures of Directors, etc. (Supplementary Principle 4-11-1)" of "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report for a discussion of board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and *kansayaku* candidates.

(5) Since the fiscal year ended March 31, 2016, reasons for individual nominations and appointments when Member of the Board and Audit & Supervisory Board Member candidates are appointed have been explained in General Meeting of Shareholders reference documents. Please refer to NTT's website for details.

- Shareholders' Meetings: [https://group.ntt/en/ir/shares/shareholders\\_meeting/](https://group.ntt/en/ir/shares/shareholders_meeting/)

■ Initiatives Regarding Sustainability, Human Resources and Investments in Intellectual Property Resources (Supplementary Principle 3-1-3)

Through the promotion of the IOWN concept, which is based on high ethical standards and cutting-edge technology and innovation, NTT Group is working towards (1) co-existence with nature (Earth) (responses to environmental issues), (2) joint prosperity of cultures (groups, societies and countries) (responses to social issues) and (3) the maximization of well-being (happiness) (responses to human rights/Diversity & Inclusion). Through these initiatives, NTT Group will simultaneously achieve both corporate growth and the resolution of social issues, contributing to the achievement of a sustainable society.

In addition, in May 2023, NTT Group announced its new Medium-Term Management Strategy, “New Value Creation & Sustainability 2027 Powered by IOWN.” NTT is aiming to be a creator of new value and accelerator of a global sustainable society, and advancing a wide variety of other initiatives.

NTT Group considers the promotion of sustainability to be an important management issue, and particularly important matters are determined based on discussions with members of the board.

As a supervisory system of members of the board, NTT Group has established a Sustainability Committee (with the President as the chairperson) directly under the Board of Directors to manage group-wide activity policies and their progress. Policies related to sustainability (the establishment, revision or abolition of the charter and related policies, and the determination of particularly important indicators) are determined by the Board of Directors after going through the Sustainability Committee.

With respect to the matters that have been chosen as important issues and activities amongst all sustainability-related issues, in FY2021, NTT Group discussed, selected and identified issues that NTT Group should address on a global scale after comprehensively considering new issues that surround sustainability, with reference to third-party organizations, ISO 26000, GRI Standards and other evaluation organizations, SDGs, global trends, internal workshops, the materiality of other companies and other factors. In addition, the level of priority for addressing these issues was assessed based on their impact on both “growth as a company” and “resolution of social issues,” aiming for management that simultaneously achieves the resolution of social issues and business growth, while also incorporating opinions from external experts.

Sustainability-related issues and the appropriateness of their determined levels of priority are reviewed periodically (once a year) by the Board of Directors after deliberation by the Sustainability Committee and are reassessed as needed. NTT has determined that its four primary sustainability matters are: (1) climate change, (2) human resources, (3) new value creation and (4) resilience.

Risks and opportunities related to climate change are disclosed in NTT’s Integrated Report in accordance with TCFD.

Initiatives with respect to human resources are as set forth in Supplementary Principle 2-4-1. With respect to intellectual property, NTT Group is promoting strategic acquisitions, intellectual property asset risk management and leveraging of owned intellectual property, as an intellectual property strategy that is integrated with NTT Group’s business strategy and research and development strategy. NTT Group believes that the appropriate protection and utilization of intellectual property that is created through research and development is important for the continuous growth of NTT Group and, therefore, for NTT Group’s continuous contributions to customers and society.

In addition to the above, please refer to the company’s website, Annual Securities Report, and Integrated Report for details on specific initiatives regarding sustainability, human resources and intellectual property initiatives.

- Sustainability Charter: <https://group.ntt/en/newsrelease/2021/11/10/211110d.html>
- Human Rights Policy: <https://group.ntt/en/newsrelease/2021/11/10/211110c.html>
- New Environment and Energy Vision, “NTT Green Innovation towards 2040”: <https://group.ntt/en/newsrelease/2021/09/28/210928a.html>
- IR Library (Annual Securities Report, Integrated Report): <https://group.ntt/en/ir/library/>



- NTT Group Sustainability: <https://group.ntt/en/csr/>
- NTT Research and Development: <https://www.rd.ntt/e/>

#### ■ The Roles and Responsibilities of the Board of Directors (Supplementary Principle 4-1-1)

The Board of Directors decides on matters set forth in a policy of the Board of Directors, including statutory items as well as important matters related to corporate management and Group management and supervises the status of the execution of Members of the Board and senior vice presidents through quarterly reports received from the Members of the Board and senior vice presidents. Furthermore, an appropriate range of delegation has been established for executing business related to matters that do not require decisions by the Board of Directors. For further details, please see “(1) Corporate Governance System” under “2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

#### ■ Succession Plan (Supplementary Principle 4-1-3)

With respect to successor candidates for positions such as the CEO, NTT views it as important to secure successor candidates who can respond to the speed of changes in technological innovation, market trends, and business environment. By securing the diversity of candidates through offering experience of a broad range of jobs and appointments to important posts, NTT is cultivating personnel for promotion who, in addition to possessing integrity and insight, are exceptionally well-suited to the times. Decisions regarding appointments are made by the Board of Directors after they have been presented for deliberation to the Nomination Committee, a preliminary review institution of the Board of Directors which consists of five Members of the Board, including three outside independent Members of the Board.

For future management candidates, NTT selects various people of any age, gender, or field of expertise. Through education at “NTT University,” which is a program for developing management candidates, NTT targets diverse people who are full of desire to lead NTT’s transformation.

#### ■ Independence Standards and Qualification for Independent Directors (Principle 4-9)

NTT designates outside Members of the Board and Audit & Supervisory Board Members that fulfill both the independence criteria stipulated by the Tokyo Stock Exchange as well as NTT’s own independence standards as independent Members of the Board or independent Audit & Supervisory Board Members. For details on NTT’s independence standards, please see “Matters relating to Independent Directors/*Kansayaku*” under “Independent Directors/*Kansayaku*” in “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

#### ■ Use of Optional Approach (Supplementary Principle 4-10-1)

Please see “2. Directors” in “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

#### ■ Composition of the Board of Directors, Nomination and Dismissal Procedures for Directors, etc. (Supplementary Principle 4-11-1)

In terms of the composition of NTT’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. The Board of Directors consists of 10 Members of the Board, including five independent outside Members of the Board (three of whom are women), such that the ratio of outside Members of the Board is 50%. Pursuant to applicable law (Articles 10(1) and (2) of the Act on Nippon Telegraph and Telephone Corporation, etc.), NTT is not permitted to appoint non-Japanese



Representative Members of the Board, and is not permitted to have non-Japanese Members of the Board comprise one-third or more of its total Members of the Board.

## **NTT Group Personnel Policy**

### **[Basic Policy]**

NTT Group strives to contribute to the resolution of social issues and the realization of a safer, more secure, and more affluent society. To accomplish this goal, the Group aims to be a contributor to a global sustainable society by creating new value. NTT has established the policy of positioning individuals that share these ideals in the upper ranks of NTT Group's management, and NTT is electing such individuals from both inside and outside the Group.

### **[Nomination Policy of Candidates for Members of the Board]**

In regard to Member of the Board candidates, individuals are elected 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 of 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 elects 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 Policy of Candidates for Audit & Supervisory Board Members]**

NTT has the policy of electing 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 elects individuals who present no risk of a conflict of interest with general shareholders. In accordance with the Companies Act, NTT ensures that outside independent 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 Nomination Committee, which consists of five Members of the Board including three outside independent Members of the Board. The Nomination 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 Audit & Supervisory Board Members, 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 independent 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.

### ***Ref. Skill Matrix for Directors/Audit & Supervisory Board Members***

The fields considered especially important by NTT Group for realizing its Medium-Term Management Strategy have been defined as: (1) business management; (2) marketing/global business; (3) IT/DX/R&D; (4) legal/risk management/public policy; (5) HR; and (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	Jun Sawada	●	●	●		●	●
	Akira Shimada	●	●		●	●	●
	Katsuhiko Kawazoe	●	●	●	●	●	
	Takashi Hiroi	●	●		●	●	●
	Sachiko Oonishi	●	●	●			
	Ken Sakamura	●	●	●			
	Yukako Uchinaga	●	●	●			
	Koichiro Watanabe	●	●				●
	Noriko Endo	●		●	●		
	Natsuko Takei	●	●		●		
Audit & Supervisory Board Members	Keiichiro Yanagi		●		●	●	●
	Kanae Takahashi			●	●	●	●
	Kensuke Koshiyama				●	●	●
	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.

■ Concurrent Positions Held by Members of the Board and Audit & Supervisory Board Members (Supplementary Principle 4-11-2)

Members of the Board and Audit & Supervisory Board Members execute the work necessary to fulfill their roles and responsibilities, and the number of the significant concurrent positions held by Members of the Board and Audit & Supervisory Board Members is considered to be within a reasonable range. Please refer to NTT's website for details relating to the status of significant concurrent positions held by Members of the Board and Audit & Supervisory Board Members.

- Details of Shareholders' Meetings: [https://group.ntt/en/ir/shares/shareholders\\_meeting/](https://group.ntt/en/ir/shares/shareholders_meeting/)

■ Evaluation of the Effectiveness of the Board of Directors (Supplementary Principle 4-11-3)

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, as well as initiatives for growing the business, such as investments and partnerships, are reported and reviewed. During the fiscal year ended March 31, 2024, active discussions were held centering on the new Medium-Term Management Strategy "New Value Creation & Sustainability 2027 powered by IOWN," the appropriate business direction for NTT Group, and priority initiatives for the future. Furthermore, in addition to the advance explanations of agenda items to be discussed at Board of Directors meetings, explanations of matters such as issues of immediate concern and the status of considerations were also given to the outside independent Members of the Board by Representative Members of the Board. By striving to clarify the focus of execution of duties and the purpose

of initiatives, we are creating an environment in which the supervisory function of the Board of Directors can be fully exercised.

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 and introduction of lectures using the latest ICT technologies at 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 and the Audit & Supervisory Board Members of the Company.

At these meetings, the outside independent Members of the Board and the Audit & Supervisory Board Members assess that adequate information is provided by NTT's Board of Directors, 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 ended March 31, 2024, NTT again 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 roles and responsibilities, with a majority of positive opinions for all of the questions.

In addition, as a result of holding opinion-exchange meetings to simulate strategic discussions, and enhancement of discussions on important matters including the appropriate business direction for NTT Group and priority initiatives for the future, all members expressed positive opinions. Therefore, we have evaluated that the effectiveness of the Board of Directors is being ensured.

■ Training for Members of the Board and Audit & Supervisory Board Members (Supplementary Principle 4-14-2)

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 NTT's group businesses through opportunities to deepen their understanding of the business trends of Group companies and of the latest R&D results at the research facilities of NTT.

■ Policy for Constructive Dialogue with Shareholders (Principle 5-1)

NTT promotes management that prioritizes discussions with shareholders, which not only includes discussions at General Meetings of Shareholders, but also involves senior management, including the president, actively promoting discussions with shareholders about medium-term management strategies, corporate governance, business performance trends, and other topics through one-on-one meetings with institutional investors and briefings targeting individual investors.

The opinions received from shareholders through such discussions are shared in the Company. NTT considered and formulated the "New Value Creation & Sustainability 2027 Powered by IOWN" Medium-Term Management Strategy (as announced in May 2023) in light of shareholder opinions.

During discussions with shareholders, insider information is strictly controlled, and information is proactively disclosed with due consideration to fair disclosure (timely, public and fair information disclosure). Please see "2. IR Activities" of "III. Implementation of Measures for Shareholders and Other Stakeholders" in this report for details on NTT's policies and efforts.

■ Measures to Develop Management that Emphasizes Capital Costs and Stock Prices

### *Analysis of Current Position*

NTT's return on equity (ROE) was 13.9% for the fiscal year ended March 31, 2024. In addition, total shareholder return (TSR) including dividends, which is one of the indicators of market valuation, was 215.0% over the past five-year period, a performance that exceeds the TOPIX's TSR including dividends of 196.2% over the same period. In recognition of these results, NTT was selected for the "JPX Prime 150 Index" as a company that meets both capital returns standards and market valuation standards. In order to achieve sustainable growth in the future, NTT believes that it is necessary to increase its corporate value by increasing its cash generation ability and achieving profit growth.

### *Medium- and Long-Term Initiatives to Increase Corporate Value and Achieve Sustainable Growth*

In its medium-term strategy announced in May 2023, "New Value Creation & Sustainability 2027 powered by IOWN," NTT newly established EBITDA as a key performance indicator with the intention of accelerating initiatives that are focused on increasing NTT's cash generation ability. NTT is aiming to increase its EBITDA by expanding its investments in growth areas, including IOWN, digital data centers, power and energy, smart life, real estate, AI and robots.

On the other hand, in order to improve the efficiency of its invested capital, when NTT invests in existing areas, it aims to appropriately control the total amount of investment by increasing efficiency while also maintaining service quality. When NTT invests in growth areas, it holds discussions with Members of the Board and auditors from a variety of perspectives, and makes decisions on a project-by-project basis based on ROIC and other hurdle rates as a means of pursuing appropriate returns. After making its investments, NTT conducts regular monitoring to check whether there are deviations between its original plan and actual results, and takes prompt measures for improvement.

NTT's basic policy for shareholder returns is to pursue ongoing increases in dividends and to conduct share buybacks flexibly to improve capital efficiency, and there has been no change to this policy in its new medium-term management strategy.

NTT believes that the stable cashflows from its business activities are sufficient for the increase in cash outflows for initiatives to increase investments in growth areas and to enhance shareholder returns. Investments in growth areas include projects with long-term returns that are expected to require initial upfront investments, so although NTT's debt-to-EBITDA ratio is expected to temporarily increase, in the medium-term, NTT plans to decrease the debt-to-EBITDA ratio to approximately 2x in FY2027 by further increasing its growth area EBITDA through its growth area investments.

Furthermore, by establishing the components of individual compensation for Members of the Board (excluding outside Members of the Board) to comprise bonuses (compensation linked to short-term performance), stock acquisitions through the executive stock ownership association and performance-linked stock compensation (compensation linked to medium- and long-term performance), in addition to monthly compensation (basic compensation), NTT has designed its compensation system for management to function as a healthy incentive for sustainable growth.

For details on measures to develop management that emphasizes capital costs and stock prices, please refer NTT's Integrated Report.

- IR Library: <https://group.ntt/en/ir/library/>

### ■Status of Conducting Dialogues with Shareholders

For details on the status of management dialogues with shareholders, please see "III. Implementation of Measures for Shareholders and Other Stakeholders —2. IR Activities" in this Corporate Governance Report, as well as NTT's Annual Securities Report.

- IR Library: <https://group.ntt/en/ir/library/>

## 2. Capital Structure

### (1) Foreign Shareholding Ratio

- ☐ Less than 10%  
☐ From 10% to less than 20%  
☒ From 20% to less than 30%  
☐ More than 30%

### (2) Status of Major Shareholders

Name / Company Name	Number of Shares Owned	Percentage (%)
The Minister of Finance	29,199,372,200	34.72
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,992,259,900	10.69
Custody Bank of Japan, Ltd. (Trust Account)	4,031,389,400	4.79
Toyota Motor Corporation	2,019,385,000	2.40
JP Morgan Chase Bank 385632	1,358,093,521	1.61
Moxley & Co. LLC	904,508,150	1.08
State Street Bank West Client – Treaty 505234	683,958,100	0.81
Barclays Securities Japan Ltd.	640,700,000	0.76
NTT Employee Share-Holding Association	600,732,975	0.71
Nippon Life Insurance Company	584,126,800	0.69

(3) Controlling Shareholder (except for Parent Company)	None
(4) Parent Company	None
(5) Supplementary Explanation	None

## 3. Corporate Attributes

(1) Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
(2) Fiscal Year-End	March
(3) Type of Business	Information & Communication
(4) Number of Employees (consolidated) as of the End of the Previous Fiscal Year	<input type="checkbox"/> Less than 100 <input type="checkbox"/> From 100 to less than 500 <input type="checkbox"/> From 500 to less than 1000 <input checked="" type="checkbox"/> More than 1000
(5) Sales (consolidated) as of the End of the Previous Fiscal Year	<input type="checkbox"/> Less than ¥10.0 billion <input type="checkbox"/> From ¥10.0 billion to less than ¥100.0 billion <input type="checkbox"/> From ¥100.0 billion to less than ¥1.0 trillion <input checked="" type="checkbox"/> More than ¥1.0 trillion
(6) Parent company	None
(7) Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	<input type="checkbox"/> Less than 10 <input type="checkbox"/> From 10 to less than 50 <input type="checkbox"/> From 50 to less than 100 <input type="checkbox"/> From 100 to less than 300 <input checked="" type="checkbox"/> More than 300

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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## 5. Other Special Circumstances which may have Material Impact on Corporate Governance

## **(1) Listed Company Subsidiaries of NTT**

### *Approach and Policies Related to Group Management*

NTT develops management strategies for the entire NTT Group, while respecting the independence and autonomy of each group company, based on contractual agreements with each group company with the aim of maximizing profits for each group company, and provides appropriate advice and assistance for each company. Each company takes this advice into account but is accountable for its own management responsibilities and independently manages its businesses. Further, under NTT's medium-term management strategy, NTT is aiming to transform into a group that can create new value and achieve global sustainability by increasing its investments in new growth areas and strengthening its initiatives focused on cash generation ability for further sustainable growth. In developing the medium-term management strategy, the direction of the business portfolio within the medium-term management strategy, including matters related to increasing investments in growth areas such as IOWN, smart life, AI and robots, data centers, green solutions and recycling-oriented businesses, is deliberated on and discussed at meetings of the Board of Directors and elsewhere.

### *Significance of Holdings of Listed Company Subsidiaries to the Approach and Policies Related to Group Management*

NTT's listed subsidiaries and the significance of having them as its subsidiaries are described below. NTT works toward the ongoing growth and development of NTT Group through maintaining close ties with these subsidiaries while respecting their autonomy and independence.

- With respect to NTT DATA GROUP CORPORATION, NTT believes that holding NTT DATA GROUP CORPORATION will allow NTT to comprehensively offer customers new value by providing business users with global solutions from applications to IT infrastructure. In addition, being publicly listed enables NTT DATA GROUP CORPORATION to flexibly develop its business in the changing IT market by allowing it to access the markets to raise funds necessary for its growth and development.
- With respect to INTAGE HOLDINGS Inc., NTT believes that holding INTAGE HOLDINGS Inc. will enable it to strengthen its marketing offerings that enrich peoples' lives by providing marketing solutions that combine the company's data leveraging knowledge with NTT Group's customer behavioral data. In addition, maintaining a distinct corporate culture and management autonomy and independence by being a listed company is important for INTAGE HOLDINGS Inc.'s sustainable development, and because a strong level of neutrality is a necessary business condition in the company's business of providing data and marketing research to customers, the company maintains its independence as a listed company.

### *Measures for Ensuring the Effectiveness of Listed Company Subsidiaries' Governance Structures*

The development and operation of listed company subsidiaries' governance structures is proactively handled through the appointment of independent outside members of the board and measures, and NTT respects its listed company subsidiaries' independence as a matter of policy.

- With respect to NTT DATA GROUP CORPORATION, during the selection process of candidates for members of the board, NTT receives explanations from candidates prior to the company's Board of Directors and provides its advice accordingly. The company's Board of Directors then makes its own assessments and determinations from the perspective of increasing corporate value, which NTT also believes ensures the company's independence. In addition, NTT takes these determinations into consideration when exercising its voting rights at the company's general meetings of shareholders.
- With respect to INTAGE HOLDINGS Inc., during the selection process of members of the board other than NTT Group's designees, NTT fully respects the recommendations of the company's Nomination and Compensation Committee, which is primarily composed of outside members of

the board, and the company's Board of Directors makes its own assessments and determination from the perspective of increasing corporate value, which NTT also believes ensures the company's independence. In addition, NTT takes these determinations into consideration when exercising its voting rights at the company's general meetings of shareholders.

\* For information on the significance of holdings of listed company subsidiaries and measures for ensuring the effectiveness of listed company subsidiaries' governance structures with respect to listed company subsidiaries that are under the umbrella of NTT DATA GROUP CORPORATION, please refer to NTT DATA GROUP CORPORATION's Corporate Governance Report.

## **(2) Listed Company Affiliates of NTT**

### *Approach and Policies Related to Group Management*

Although NTT has two listed company affiliates – All About, Inc. and Jimoty, Inc. – each company develops its own management strategy, assumes responsibility over its own management and independently manages its own business.

### *Measures for Ensuring the Effectiveness of Listed Company Affiliates' Governance Structures*

As of the filing date of this report, NTT Group has designated one Member of the Board on each of its two listed company affiliates, but because the number of designees is less than a majority of each company's Board of Directors, among other reasons, NTT believes there is low risk of any conflicts of interest arising among the minority shareholders of the listed company affiliates, and accordingly has not established special measures to ensure independence from the perspective of minority shareholder protections.

## **II. Business Management Organization regarding Decision-making, Execution of Business, and Oversight in Management and Other Corporate Governance Systems**

### **1. Organizational Composition and Operation**

(1) Organization Form	Company with <i>Kansayaku</i> Board
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## (2) Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	<input type="checkbox"/> Company President <input checked="" type="checkbox"/> Company Chairperson <input type="checkbox"/> Member of the Board other than Chairperson or President <input type="checkbox"/> Outside Member of the Board <input type="checkbox"/> Other Member of the Board <input type="checkbox"/> None
Number of Directors	10
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Outside Directors who are Independent Directors	5

### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ken Sakamura	Academic								○		○	
Yukako Uchinaga	From another company								○			
Koichiro Watanabe	From another company								○			
Noriko Endo	From another company								○		○	
Natsuko Takei	From another company								△			

\* Categories for "Relationship with the Company"

- \* "○" when the director presently falls or has recently fallen under the category;
- \* "△" when the director fell under the category in the past
- \* "●" when a close relative of the director presently falls or has recently fallen under the category;
- \* "▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

## Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ken Sakamura	●	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Ken Sakamura, who is designated as an independent Outside Director, previously served as a professor, and Toyo University, where he currently serves as Head of Collaboration Hub, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Ken Sakamura has a wealth of experience as an operational director of research institutions and universities, and has a high level of integrity and insight. The Company therefore believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging managerial perspective.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Ken Sakamura previously served as a professor, and Toyo University, where he currently serves as Head of Collaboration Hub, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p><b><i>Status of transactions between the University of Tokyo, at which Mr. Sakamura previously served as a professor, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Sakamura retired from the aforementioned university in March 2017.</p> <p><b><i>Status of transactions between Toyo University, at which Mr. Sakamura currently serves as Head of Collaboration Hub, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition,</p>

			<p>such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
Yukako Uchinaga	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with IBM Japan, Ltd., where Ms. Yukako Uchinaga, who is designated as an independent Outside Director, previously served as a Director and Senior Executive Officer, and Globalization Research Institute Co., Ltd., where she currently serves as President and CEO, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Yukako Uchinaga has a wealth of experience in global business management and the promotion of diversity and has a high level of integrity and insight. The Company expects that she will contribute to the strengthening of the supervisory function for business execution and expects her to provide advice from her wide-ranging managerial perspective.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions with IBM Japan, Ltd., where Ms. Uchinaga previously served as a Director and Senior Executive Officer, and Globalization Research Institute Co., Ltd., where she currently serves as President and CEO, as described below, all of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p><b><i>Status of transactions between IBM Japan, Ltd., at which Ms. Uchinaga previously served as a Director and Senior Executive Officer, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 2% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Uchinaga retired from the aforementioned company in March 2008.</p> <p><b><i>Status of transactions between Globalization Research Institute Co., Ltd., where Ms. Uchinaga currently serves as President and CEO, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition,</p>

			such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.
Koichiro Watanabe	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with The Dai-ichi Life Insurance Company, Limited, where Mr. Koichiro Watanabe, who is designated as an independent Outside Director, previously served as Director and Chairman of the Board, and Dai-ichi Life Holdings, Inc., where he previously served as a Director, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Koichiro Watanabe has a wealth of experience as a corporate executive, and has a high level of integrity and insight. The Company expects that he will contribute to the strengthening of the supervisory function for business execution and expects him to provide advice from his wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with The Dai-ichi Life Insurance Company, Limited, where Mr. Watanabe previously served as Director and Chairman of the Board, and Dai-ichi Life Holdings, Inc., where he currently serves as Director, as described below, both of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><b><i>Status of transactions between The Dai-ichi Life Insurance Company, Limited, at which Mr. Watanabe previously served as Director and Chairman of the Board, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Mr. Watanabe resigned from this position in March 2023.</p> <p><b><i>Status of transactions between Dai-ichi Life Holdings, Inc., Limited, at which Mr. Watanabe previously served as a Director, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Mr. Watanabe retired from the aforementioned company in June 2023.</p>

Noriko Endo	●	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with DIAMOND, Inc., where Ms. Noriko Endo, who is designated as an independent Outside Director, previously served, Keio University, where she currently serves as a Project Professor and Waseda University where she currently serves as a Professor, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Noriko Endo has a wealth of experience that has been developed through her experiences in her reporting work as an editor of economic publications, in public policy research (including in the energy field) and as an outside director of companies, and has a high level of integrity and insight. The Company expects that she will contribute to the strengthening of the supervisory function for business execution and expects her to provide advice from her wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions and donations with DIAMOND, Inc., where Ms. Endo previously served, Keio University, where she currently serves as a Project Professor and Waseda University where she currently serves as a Professor, as described below, both of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><b><i>Status of transactions between DIAMOND, Inc., at which Ms. Endo previously served, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Endo retired from the aforementioned company in December 2013.</p> <p><b><i>Status of transactions between Keio University, at which Ms. Endo currently serves as a Project Professor, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
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			<p><b><i>Status of transactions between Waseda University, at which Ms. Endo currently serves as a Professor, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
Natsuko Takei	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with Sony Group Corporation, where Ms. Takei, who is designated as an independent Outside Director, previously served as an Executive Vice President, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Natsuko Takei has a wealth of experience as a legal and compliance officer, and has a high level of integrity and insight. The Company expects that she will contribute to the strengthening of the supervisory function for business execution and expects her to provide advice from her wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with Sony Group Corporation, where Ms. Takei previously served as an Executive Vice President, as described below, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><b><i>Status of transactions between Sony Group Corporation, at which Ms. Takei previously served as an Executive Vice President, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Takei retired from this position in March 2023.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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**Committee's Name, Composition, and Attributes of Chairperson**


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	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination Committee	Compensation Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Internal Member of the Board	Internal Member of the Board

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**Supplementary Explanation**


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With the objective of further strengthening independence, objectivity and accountability in decisions made by the Board of Directors with respect to appointments and compensation of Members of the Board and officers, the Company has voluntarily established a Nomination Committee and a Compensation Committee, each consisting of five Members of the Board, of which a majority (three) are outside independent Members of the Board, as preliminary review institutions of the Board of Directors, thereby increasing the effectiveness of governance.

As of the end of the fiscal under review, membership of each committee consists of Akira Shimada (Representative Member of the Board, President), Takashi Hiroi (Representative Member of the Board, Senior Executive Vice President), Ken Sakamura (outside Member of the Board), Yukako Uchinaga (outside Member of the Board), and Koichiro Watanabe (outside Member of the Board), with Akira Shimada (Representative Member of the Board, President) serving as chairman of each committee. As of the filing date of this report, there has been no change in the members of the two committees or in the chairman who oversees the proceedings of the committees. Resolutions of each committee are made by a majority of such committee's members in attendance, at meetings in which a majority of committee members are present. In the fiscal year under review, the Nomination Committee met six times and the Compensation Committee met once, engaging in active discussions on subjects such as the nomination of officers, etc., succession planning, and revising the officer compensation system. (Each committee member attended all meetings of the committee.).



**Supplementary Explanation:**

Nomination Committee	Preliminary Deliberation Items	<ol style="list-style-type: none"> <li>1. Policies with respect to the appointment and dismissal of Members of the Board and executive officers of the whole group, and the nomination of candidates</li> <li>2. Matters related to the appointment and dismissal of Members of the Board</li> <li>3. Matters related to the selection and dismissal of representative Members of the Board of major group companies</li> <li>4. Selection and dismissal of representative Members of the Board and other named roles of Members of the Board</li> <li>5. Selection and dismissal of the Chairman</li> <li>6. The order of Members of the Board to assume the responsibilities the President of the Company in the event that anything occurs to the President</li> <li>7. Determination of the allocation of responsibilities for Members of the Board and assignment of employee duties</li> <li>8. Appointment and dismissal of executive officers and assignment of duties</li> <li>9. In addition to the foregoing matters, other nomination-related matters regarding Members of the Board, executive officers and others, for which the committee receives requests for deliberation from the Board of Directors</li> </ol>
	Specifically Delegated Items	Nomination-related matters regarding Members of the Board, executive officers and others, for which the committee receives requests for deliberation from the Board of Directors
Compensation Committee	Preliminary Deliberation Items	<ol style="list-style-type: none"> <li>1. Policies for determining compensation of Members of the Board and executive officers, and composition and levels of compensation</li> <li>2. In addition to the foregoing matters, other compensation-related matters regarding Members of the Board and executive officers, for which the committee receives requests for deliberation from the Board of Directors</li> </ol>
	Specifically Delegated Items	<ol style="list-style-type: none"> <li>1. Ratios, calculation methods and amounts of compensation for each individual Member of the Board and executive officers</li> <li>2. Other matters that are specifically delegated by the Board of Directors regarding the determination of compensation-related decisions of Members of the Board and executive officers</li> </ol>

**(3) Kansayaku**

Establishment of <i>Kansayaku</i> Board	Established
Maximum Number of <i>Kansayaku</i> Stipulated in Articles of Incorporation	6
Number of <i>Kansayaku</i>	5

**Cooperation among *Kansayaku*, Accounting Auditors and Internal Audit Departments**

We have established a system whereby the accounting auditors and internal audit divisions regularly exchange ideas and opinions, gain access to reports containing explanations of audit plans, the status of internal control systems and other such content and provide suggestions.

Appointment of Outside <i>Kansayaku</i>	Appointed
Number of Outside <i>Kansayaku</i>	3
Number of Independent <i>Kansayaku</i>	3

Outside *Kansayaku*'s Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kensuke Koshiyama	From another company										△			
Hideki Kanda	Academic										○			
Kaoru Kashima	CPA										△			

\* Categories for "Relationship with the Company"

- \* "○" when the director presently falls or has recently fallen under the category;
- "△" when the director fell under the category in the past
- \* "●" when a close relative of the director presently falls or has recently fallen under the category;
- "▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. *Kansayaku* of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
- k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)
- m. Others

Outside *Kansayaku's* Relationship with the Company (2)

Name	Designation as Independent <i>Kansayaku</i>	Supplementary Explanation of the Relationship	Reasons for Appointment
Kensuke Koshiyama	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with the Board of Audit of Japan, where Mr. Kensuke Koshiyama, who is designated as an independent Outside Auditor, previously served as Secretary-General, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Kensuke Koshiyama is an expert with a wealth of experience on financial accounting and business execution audits that has been developed through his many years of responsibilities at the Board of Audit of Japan. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with the Board of Audit of Japan, where Mr. Koshiyama previously served as Secretary-General, as described below, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><b><i>Status of transactions between the Board of Audit of Japan, at which Mr. Koshiyama previously served as Secretary-General, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned institute that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>Furthermore, Mr. Koshiyama retired from the aforementioned institute in December 2021.</p>
Hideki Kanda	●	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo and Gakushuin University, where Mr. Hideki Kanda, who is designated as an independent Outside Auditor, previously served as a professor, as described in the</p>	<p>Mr. Hideki Kanda is an expert with a wealth of experience in the legal sector and has served as a university professor specializing in law for many years. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo and Gakushuin University, where Mr. Hideki Kanda previously served as a professor, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><b><i>Status of transactions between the University of Tokyo, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries:</i></b></p>

		<p>“Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Kanda retired from the aforementioned university in March 2016.</p> <p><b><i>Status of transactions between Gakushuin University, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries:</i></b></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>Furthermore, Mr. Kanda retired from the aforementioned university in March 2024.</p>
Kaoru Kashima	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with Ernst &amp; Young ShinNihon LLC, where Ms. Kaoru Kashima, who is designated as an independent Outside Auditor, previously served, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments</p>	<p>Ms. Kaoru Kashima is an expert with a wealth of experience as a certified public accountant. The Company expects that she will conduct future audits based on the knowledge and insight she has gained throughout her career.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions with Ernst &amp; Young ShinNihon LLC, where Ms. Kaoru Kashima previously served, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p><b><i>Status of transactions between Ernst &amp; Young ShinNihon LLC, at which Ms. Kashima previously served, and the Company and its major subsidiaries:</i></b></p> <p>The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition,</p>

		of shareholders and investors, so a summary of this relationship has been omitted here.	such amount also accounts for less than 1% of the total annual revenues of the aforementioned company in each such year.  Furthermore, Ms. Kashima retired from the aforementioned company in June 2019.
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#### (4) Independent Directors/*Kansayaku*

Number of Independent Directors/ <i>Kansayaku</i>	8
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##### Matters relating to Independent Directors/*Kansayaku*

[Independence Standards for the Independent Directors/ Audit & Supervisory Board Members (*Kansayaku*)]

NTT designates outside Directors and outside Auditors that fulfill both the independence criteria stipulated by the Tokyo Stock Exchange as well as NTT's own independence standards.

In order to meet the independence standards, 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<sup>\*1</sup>
- (2) A person who executes business in a lending company that exceeds NTT's standards<sup>\*2</sup>
- (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<sup>\*3</sup> in any of the last three fiscal years
- (4) A person who executes business in an organization that received donations exceeding NTT's standards<sup>\*4</sup>

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 Audit & Supervisory Board Member.

<sup>\*1</sup> "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<sup>\*3</sup> 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.

<sup>\*2</sup> "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.

<sup>\*3</sup> 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 GROUP CORPORATION.

<sup>\*4</sup> "An organization that received donations exceeding NTT's standards" is defined as an organization which received donations from NTT and its major subsidiaries<sup>\*3</sup> 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.

#### (5) Incentives

Incentive Policies for Members of the Board	<input checked="" type="checkbox"/> Performance-linked Remuneration
	<input type="checkbox"/> Stock Options
	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> No Incentives

##### Supplementary Explanation

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

For details, please see “(6) Director Remuneration” in “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

Recipients of Stock Options	N/A
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#### Supplementary Explanation

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## (6) Director Remuneration

Disclosure of Individual Members of the Board's Remuneration	Partial Individual Disclosure
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#### Supplementary Explanation

At the 36th Ordinary General Meeting of Shareholders held on June 24, 2021, it was resolved that the amount of compensation for Members of the Board comprises 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, etc.: ¥50 million or less annually and 600,000\* shares or less annually, and (3) the amount to be contributed for the performance-related stock compensation system, etc.: ¥100 million or less annually and 1,175,000\* shares or less annually. \*Figures are as-adjusted for NTT's implemented a 25-for-1 stock split of common stock, which was implemented with an effective date of July 1, 2023.

For details regarding actual amounts of total compensation paid, and persons to whom over ¥100 million of compensation has been paid, please refer to NTT's Annual Securities Report which such information is disclosed. Please note that the Securities Reports are disclosed on NTT's website.

- IR Library: <https://group.ntt/en/ir/library/>

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Regarding the composition and level of compensation for Members of the Board of NTT under its determination policy, in order to secure objectivity and transparency, NTT established the Compensation Committee, comprising five Members of the Board, including three 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 Compensation Committee. The reason for delegating these authorities to the Compensation Committee is that such committee is composed of two Representative Members of the Board and three outside Members of the Board, and we believe that it is able to make the appropriate judgements from an outside perspective while also taking a bird's-eye view of the Company's overall performance.

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



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

For details regarding the performance indicators for bonuses, please refer to NTT's Annual Securities Report and Notice of Convocation, where such information is disclosed. Please note that the Securities Report and Notice of Convocation are disclosed on NTT's website.

- IR Library: <https://group.ntt/en/ir/library/>
- Shareholders' Meetings: [https://group.ntt/en/ir/shares/shareholders\\_meeting/](https://group.ntt/en/ir/shares/shareholders_meeting/)

Also, to reflect NTT's medium- to long-term business results, Members of the Board purchase NTT shares through the Board Members Shareholding Association using the compensation for stock acquisition that is paid every month. Purchased shares are to be held by the Members of the Board throughout their terms of office.

Performance-related stock compensation is made pursuant to a trust established by NTT. Members of the Board are granted points corresponding to their role in June of each year, and a performance-linked coefficient corresponding to the degree to which performance indicators have been achieved is determined in June of the year following the final fiscal year of the Medium-Term Management Strategy. The number of shares to be granted to each Member of the Board is calculated by multiplying the performance-linked coefficient by the number of accumulated points. Shares are granted upon retirement.

Furthermore, in connection with the announcement of the new medium-term management strategy, the trust period has been extended from FY2024 and the performance indicator has been changed (EPS has been replaced with EBITDA, which is the financial target indicator under the new medium-term management strategy).

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%.

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

## **(7) Supporting System for Outside Directors and/or *Kansayaku***

For the Outside Independent Members of the Board, the secretariat of the Board of Directors is made available as a venue of contact for outside independent Members of the Board, which they can use to receive support with regard to their daily duties through means such as explanations, responses to inquiries about business execution, etc. For the Outside Independent Audit & Supervisory Board Members, NTT has established the Office of Audit & Supervisory Board Members, which supports the Audit & Supervisory Board Members in their auditing duties.

**(8) Status of Persons Who Have Retired as President and Representative Director**

Names of Advisors or Executive Advisors Who Are Former Presidents or Representative Directors
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<u>Name</u>	<u>Title/ Position</u>	<u>Description of Position</u>	<u>Nature of Work/ Conditions (Full-Time, Part- Time, Compensated, etc.)</u>	<u>Date of Retirement as President/ Representative Director/ Other Capacity</u>	<u>Term of Office</u>
Junichiro Miyazu*	Executive Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 27, 2002	July 1, 2024 to June 30, 2026
Norio Wada	Executive Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 28, 2007	July 1, 2023 to June 30, 2025
Satoshi Miura*	Executive Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 26, 2012	July 1, 2024 to June 30, 2026
Hiroo Unoura	Executive Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 26, 2018	July 1, 2023 to June 30, 2025
Hiromichi Shinohara*	Advisor	Respond to inquiries from the President regarding general company-related tasks, and conduct external activities	Full-Time, Compensated	June 24, 2022	July 1, 2024 to June 30, 2026

Total Number of Advisors or Executive Advisors Who Are Former Presidents or Representative Directors:	5
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**Other Matters:**

\* Mr. Junichiro Miyazu and Mr. Satoshi Miura have also responded to inquiries from the President regarding specific tasks and conducted external activities as executive advisors (nature of work: part-time; conditions: uncompensated) during their current term (from July 1, 2022 to June 30, 2024). Mr. Hiromichi Shinohara has also responded to inquiries from the President regarding general company-related tasks and conducted external activities as an advisor (nature of work: full-time; conditions: compensated) during his current term (from June 24, 2022 to June 30, 2024).

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

### (1) 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, NTT has adopted the model of being a company with a Board of Company Auditors (Audit & Supervisory Board). In addition, through the election of outside independent Members of the Board, NTT has strengthened the function of appropriately supervising business execution. Furthermore, through its adoption of an executive officer system, NTT intends to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility. Additionally, NTT has voluntarily established a Nomination Committee and a Compensation Committee, each of which consists of five Members of the Board, including three outside independent Members of the Board, to further

increase the objectivity and transparency of decisions relating to nomination and compensation. NTT has determined that governance functions based on a Board of Corporate Auditors (Audit & Supervisory Board) are sufficiently effective to achieve this purpose.

Business execution at NTT is conducted in accordance with an organization policy governing the functions and operations of each organization. Important decisions are made under the supervision of the Board of Directors and based on an authority policy regulations that define the responsibilities and authorities for the president, senior executive vice presidents, senior vice presidents and the head of each organization. In addition, NTT has established various meetings and committees as has been deemed necessary to discuss important business execution-related matters in order to ensure that appropriate decisions are made for facilitating effective Group management.

## **(2) Details of Company Organization**

### ***Board of Directors***

The Board of Directors has ten Members of the Board, including five outside independent Members of the Board, which brings the total percentage of outside Members of the Board to 50%. Through the introduction of an executive officer system and the clear separation of management decision-making/oversight functions and operational execution functions, the supervision of business execution functions and management flexibility will be ensured. 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. NTT believes that the outside independent Members of the Board will help strengthen the supervisory function for business execution, and expects to incorporate the opinions they provide from their wide-ranging managerial perspective.

With the objective of further strengthening the independence, objectivity, and accountability in decisions with respect to appointments and compensation of officers and related matters made by the Board of Directors, NTT has voluntarily established a Nomination Committee and Compensation Committee, each consisting of five Members of the Board, of which a majority (three) are outside independent Members of the Board, as preliminary review institutions of the Board of Directors, thereby increasing the effectiveness of governance.

Moreover, in recognition of the fact that response to sustainability issues is an important management challenge, NTT has voluntarily established a Sustainability Committee that reports directly to the Board of Directors. The committee will work to further promote initiatives after important issues and indicators have been decided by resolution of the Board of Directors.

#### **<Composition of the Board of Directors>**

The Board of Directors is of a size appropriate to the Group's business, and the composition of the Board of Directors reflects consideration for a balance of experience and specialties and for diversity. The Board of Directors has 10 Members of the Board, including five outside independent Members of the Board who have been appointed in order to strengthen functions for appropriately supervising business execution.

#### **<Activities of the Board of Directors>**

In principle, ordinary meetings of the Board of Directors are held once per month. In addition, extraordinary meetings are held as needed. The Board of Directors makes decisions on matters stipulated by law and on important matters related to company management and Group management. Moreover, through such means as periodic reports from Members of the Board and senior vice presidents on the status of business execution, the Board of Directors supervises the business execution of Members of the Board and senior vice presidents. In the fiscal year ended March 31, 2024, the Board of Directors met 12 times (all Members of the Board and Audit & Supervisory Board Members attended all meetings).

<Evaluation of the Effectiveness of the Board of Directors>

For details regarding the evaluation of the effectiveness of NTT's Board of Directors, please see "Disclosure Based on the Principles of the Corporate Governance Code" and "Evaluation of the Effectiveness of the Board of Directors (Supplementary Principle 4-11-3)" of "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

<Nomination and Dismissal Policies and Procedure for Members of the Board>

For details regarding the nomination and dismissal policies and procedure for NTT's Members of the Board, please see "Disclosure Based on the Principles of the Corporate Governance Code" and "Composition of the Board of Directors, Nomination Procedures of Directors, etc. (Supplementary Principle 4-11-1)" of "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

<Succession Plan>

For details regarding succession plans, please see "Disclosure Based on the Principles of the Corporate Governance Code — Succession Plan (Supplementary Principle 4-1-3)" of "1. Basic Views" under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

<Support System for Members of the Board>

For details, please see "(2) Directors," "(3) Kansayaku," "(4) Independent Directors/Kansayaku" and "(7) Supporting System for Outside Directors and/or Kansayaku" of "1. Organizational Composition and Operation" under "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" in this report.

***Audit & Supervisory Board Members and Audit & Supervisory Board***

<Composition of the Audit & Supervisory Board>

The Audit & Supervisory Board comprises three outside independent Audit & Supervisory Board Members (including one female member), who have experience and knowledge in a range of fields—as a university professor, and Certified Public Accountant—and two internal Audit & Supervisory Board Members (including one female member). NTT conducts effective audits by combining the independence of outside Audit & Supervisory Board Members with the superior information collection capabilities of internal Audit & Supervisory Board Members. As Audit & Supervisory Board Member Keiichiro Yanagi is a certified member of the Securities Analysts Association of Japan, Audit & Supervisory Board Member Kensuke Koshiyama has experience developed through his work at the Board of Audit of Japan, and Audit & Supervisory Board Member Kaoru Kashima is a Certified Public Accountant, they all have considerable knowledge in the areas of finance and accounting.

<Activities of the Audit & Supervisory Board>

During the fiscal year ended March 31, 2024, management continued to make major changes with the aim of transforming NTT Group into a creator of new value and supporter of global sustainability, based on a new medium-term management strategy announced during the year, under which investments in growth areas will be increased and initiatives to increase cash generation potential will be strengthened. In addition to audit matters in accordance with applicable laws and regulations based on the audit plan, the audit also focused on the launch and progress of the new medium-term management strategy, the status of efforts to maintain and improve corporate governance, including that of domestic and overseas subsidiaries, the thoroughness of compliance, further strengthening communications networks and other business infrastructure, and responses to sustainability-related issues. Furthermore, the Audit & Supervisory Board strived to conduct audits flexibly in response to events and changes that occurred during the period, and to conduct effective audits based on dialogues between management and investors.

During the fiscal year ended March 31, 2024, the Audit & Supervisory Board met 25 times (with Mr. Takashi Iida attending all nine meetings that were held while he served as an Audit & Supervisory Board Member, and all other Audit & Supervisory Board Members attending all meetings). Separate from meetings of the Audit & Supervisory Board, the Audit & Supervisory Board Members Preliminary Deliberation Meeting met 31 times. These meetings provide a venue for the collection and sharing of information. For example, at these meetings

Audit & Supervisory Board Members receive explanations from corporate officers of matters to be discussed at the Executive Officers Meeting. In addition, Audit & Supervisory Board Members, including independent outside Audit & Supervisory Board Members, attended meetings of the Board of Directors and other important meetings. In the fiscal year ended March 31, 2024, the Audit & Supervisory Board Members met with Representative Members of the Board and independent outside Members of the Board 42 times to exchange opinions, and also held interviews with other heads of the organization, discussed management issues and issues and responses and audited members of board on the execution of their duties. Furthermore, Audit & Supervisory Board Members work closely with Independent Auditors and the Internal Audit Department. Audit & Supervisory Board Members exchanged opinions with Independent Auditors 14 times and worked closely together to ensure an appropriate audit, including through confirmations of the audit status and discussions of major audit-related matters. Audit & Supervisory Board Members also met with the Internal Audit Department 18 times, and worked closely with the department by receiving explanations of audit plans and reports on the status of internal control systems, holding discussions regularly and providing advice as needed.

In initiatives related to Group companies, in the fiscal year ended March 31, 2024, Audit & Supervisory Board Members held meetings to exchange opinions with the Representative Members of the Board, management and Audit & Supervisory Board Members of Group companies, including overseas subsidiaries, and also conducted 82 on-site inspections, covering the executive departments of each company. By inquiring about and discussing the above-mentioned priority audit items, the Audit & Supervisory Board was able to assess the status of the execution of duties by Members of the Board, and made recommendations as necessary. Also, in order to improve the functionality of group audit systems and unify awareness among auditors of major group companies of material risks from the perspective of NTT Group as a whole, auditors of major group companies conducted audits of each company, delivered reports detailing the results of each of the audits to the Audit & Supervisory Board and exchanged opinions. In addition, the Audit & Supervisory Board conducted initiatives that contribute to enhancing the audit activities of the auditors of major Group companies, including holding liaison conferences for major Group companies and between auditors of major Group companies to share risk awareness and providing audit-related trainings.

Through these activities, Audit & Supervisory Board Members support the sound, steady growth of NTT and Group companies from an independent perspective that differs from that of executives. In addition, Audit & Supervisory Board Members contribute to the strengthening of corporate governance systems and the fostering of awareness of compliance matters.

#### < Evaluation of the Effectiveness of the Audit & Supervisory Board >

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 an analysis of activities based on questionnaires, interviews, and audit materials, the Audit & Supervisory Board began conducting interviews with two auditors of major group companies to verify the actual state of collaboration, given that collaboration between the auditors of group companies is extremely important to auditors who audit holding companies that have many group companies under their umbrella. To ensure anonymity and objective perspectives, a third-party organization was used to implement the questionnaires and interviews and to analyze the collected results. The primary items of evaluation 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 Department); operation of the Audit & Supervisory Board meetings, among other matters. The analysis of the questionnaires and interviews and other items was conducted based not only on changes over time, but also on the audit status of the aforementioned priority audit items. As a result of discussion and inspection by Audit & Supervisory Board meeting, 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 Audit Department and Group companies' respective auditors, and work to further develop the sophistication of the Group's audit system, based on NTT Group's business development and reorganizations both in Japan and overseas. Also, while audit plans are developed each year based on environmental changes both inside and outside the company and the status of NTT Group's business operations, the Audit & Supervisory Board will increase its focus on the initiatives of Members of the Board and executive officers and proactively make recommendations

by flexibly conducting audits during the fiscal year as necessary in response to events and changes. NTT will work to further improve the effectiveness of the Audit & Supervisory Board by further strengthening cooperation with outside Members of the Board and the auditors of group companies while conducting audits on executive management.

Furthermore, regarding the matter in which a former temporary employee of an NTT group company illegally took customer information and leaked it to a third party, the Audit & Supervisory Board has confirmed that provisional measures have been taken to address the deficiencies revealed in the investigation of the matter. The Audit & Supervisory Board will continue to monitor the progress of group-wide initiatives and maintain a close focus on the continued strengthening and improvement of the security level of the entire group.

#### ***Nomination Committee and Compensation Committee***

With the objective of further strengthening independence, objectivity, and accountability in decisions made by the Board of Directors with respect to appointments and compensation of Members of the Board and officers, the Company has voluntarily established a Nomination Committee and a Compensation Committee, each consisting of five Members of the Board, of which a majority (three) are outside independent Members of the Board, as preliminary review institutions of the Board of Directors, thereby increasing the effectiveness of governance.

For details on the composition and activities of the Nomination Committee and Compensation Committee, please see “(2) Directors” of “1. Organizational Composition and Operation” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

#### ***Sustainability Committee***

NTT Group considers its response to sustainability issues to be an important management challenge, and therefore has voluntarily established the Sustainability Committee, for which the President serves as committee chair, as a preliminary review institution for the Board of Directors in order to strengthen the supervisory function of Members of the Board over initiatives related to sustainability. The committee discusses sustainability-related fundamental strategies, the status of implementing sustainability-related activities and information disclosure, and promotes sustainability initiatives.

#### ***Executive Officers Meeting***

Important corporate matters to be decided are, in principle and in advance, discussed by “Executive Officers Meetings,” which is made up of executive officers and others. The Executive Officers Meeting is held about once a week. To improve the transparency of management decision-making, one Audit & Supervisory Board Member participates in the Executive Officers Meeting.

### **(3) Other Matters Related to Corporate Governance**

#### ***Overview of Contracts Limiting Liabilities***

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts limiting the liabilities for damages as set forth in Article 423, Paragraph 1 of the Companies Act with outside Members of the Board and Audit & Supervisory Board Members. Under these contracts, the maximum amount of liability for damages is defined as the lowest amount of liability set forth in Article 425, Paragraph 1 of the Companies Act.

#### ***Liability Insurance Policy for Members of the Board and Executive Officers***

NTT has entered into a liability insurance policy for Members of the Board and executive officers 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 in his or her capacity as a Member of the Board or

executive 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 any person as a result of criminal acts and intentional illegal activities, such as bribery, by such person, are not covered by the policy as a measure to ensure that the proper performance of duties by Members of the Board and executive officers is not impaired.

The insured parties included in this policy consist of the Members of the Board, Audit & Supervisory Board Members and Executive Officers of NTT and the NTT subsidiaries NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT DOCOMO, INC. (including certain subsidiaries of NTT DOCOMO, INC.), NTT COMMUNICATIONS CORPORATION, NTT COMWARE CORPORATION (including certain subsidiaries of NTT COMWARE CORPORATION), NTT Urban Solutions, Inc., NTT URBAN DEVELOPMENT CORPORATION, NTT Anode Energy Corporation and NTT FACILITIES, INC.

### ***Internal Audit***

In order to promote the efficiency and effectiveness of its internal audit activities, NTT has established internal audit policies that set out fundamental matters related to the implementation of internal audits, and established the Internal Audit Department (which, as of the date of this filing, consists of 15 members), as an organization that is independent from the organizations that are subject to internal audits, and that reports directly to the president.

The directive of the Internal Audit Department is to increase the value of NTT Group and contribute to the achievement of management goals. Based on the internal audit policies, the Internal Audit Department assesses the validity and effectiveness of governance, risk management and internal control processes from an independent and objective perspective and makes recommendations accordingly. In addition, the Internal Audit Department conducts internal audits based on risk factors in consideration of the business condition of NTT Group companies.

The Internal Audit Department reports its internal audit plan and audit results periodically to the Board of Directors and the Audit & Supervisory Board. In addition, by testing the development and operation of internal control systems related to financial reporting pursuant to the Financial Instruments and Exchange Act of Japan, the Internal Audit Department continuously verifies and improves their effectiveness.

### ***Overview of the Independent Auditor***

#### **<Activities of the Independent Auditor>**

NTT has appointed KPMG AZSA LLC as its Independent Auditor since 1985.

The Independent Auditor maintains the level of coordination with the Audit & Supervisory Board and the Internal Audit Department necessary to conduct appropriate audits. As part of this coordination, the Independent Auditor appropriately audits through reporting the audit plans and audit results to the Audit & Supervisory Board and working together with the Internal Audit Department to establish systems for monitoring the status of oversight related to evaluating internal control systems for financial reports. For the fiscal year ended March 31, 2024, the Independent Auditors who carried out the audit were Yutaka Terasawa, Kenji Tanaka and Kei Sakayori, with 22 public certified accountants and 59 other staff assisting in conducting the audits.

In order to maintain the independence of the audit process, NTT also conducts appropriate rotations of KPMG AZSA LLC officers in accordance with the Certified Public Accountants Act of Japan, with lead engagement partners not being able to participate in audit responsibilities for more than five consecutive accounting periods, after which there is an interval of five accounting periods before such partners may participate again. Furthermore, officers other than lead engagement partners may not participate in audit responsibilities for more than seven consecutive account periods, after which there is an interval of two accounting periods before such officers may participate again.

#### **<Nomination of the Independent Auditor>**

NTT believes that it is important to maintain and enhance audit quality while increasing audit efficiency. Based on this policy, the Audit & Supervisory Board evaluates Independent Auditor candidates from the



perspectives of their independence and specialties and the appropriateness and adequateness of their auditing activities. The candidates that are approved by the Audit & Supervisory Board are then presented for voting at the Ordinary General Meeting of Shareholders.

The Audit & Supervisory Board may choose to dismiss or not reappoint the Independent Auditor in any of the cases described in Article 340, Paragraph 1 of the Companies Act based on a unanimous vote by all Audit & Supervisory Board Members. In addition, if the Board of Directors determines that it would be difficult for the Independent Auditor to perform proper audits, the Audit & Supervisory Board may propose a resolution to the Ordinary General Meeting of Shareholders that the Independent Auditor be discharged or that the Independent Auditor not be reappointed.

### 3. Reasons for Adoption of Current 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, NTT has adopted the model of being a company with a Board of Company Auditors (Audit & Supervisory Board). In addition, through the election of outside independent Members of the Board, NTT has strengthened the function of appropriately supervising business execution. Furthermore, through its adoption of an executive officer system, NTT plans to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility. Additionally, NTT has voluntarily established a Nomination Committee and a Compensation Committee, each of which consists of five Members of the Board, including three outside independent Members of the Board, to further increase the objectivity and transparency of decisions relating to appointment and compensation. NTT has determined that governance functions based on a Board of Corporate Auditors are effective to achieve this purpose. NTT recognizes that determining what kind of corporate governance system is appropriate for NTT, taking into account trends in society, is an important management issue that must be continuously examined.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

Status of compliance to the following items

	Supplementary Explanations
a. Early Notification of General Shareholder Meeting	Starting from the Ordinary General Meeting of Shareholders held in June 2015, NTT began providing the Notice of Convocation of Ordinary General Meeting of Shareholders early by posting the notice on NTT's website and by disclosing it on the Tokyo Stock Exchange in order to ensure the time needed for all shareholders to consider the agenda for Ordinary General Meeting of Shareholders. (This year's notification was disclosed approximately six weeks before the Ordinary General Meeting of Shareholders.)
b. Avoiding Scheduling Conflicts of Annual General Shareholder Meetings	All efforts are being made to avoid scheduling conflicts and the best available date is selected considering the fact that outside officers serve concurrently as officers of other companies.
c. Allowing Electronic Exercise of Voting Rights	To give shareholders more options, NTT made it possible for shareholders to exercise their voting rights via PCs connected to the internet starting from the Ordinary General Meeting of Shareholders held in June 2002, via mobile phones starting from the Ordinary General Meeting of Shareholders held in June 2004, and via sites that support smartphones and tablet devices starting from the Ordinary General Meeting of Shareholders held in June 2019.

d. Participation in Electronic Voting Platforms, and other efforts to enhance the Environment for Exercising Voting Rights for Institutional Investors	Starting from the Ordinary General Meeting of Shareholders held in June 2006, shareholders are able to exercise their voting rights through the use of the platform operated by ICJ, Inc. (Investor Communications Japan), which is designed for institutional investors to exercise their voting rights.
e. Providing the Notice of Convocation (Summary) in English	NTT prepares full text English versions of the Notice of Convocation, which includes its business results, and discloses them on the websites of NTT and the Tokyo Stock Exchange, just as it does for the Japanese versions (the English version is disclosed on the same day as the Japanese version).
f. Other	<p>NTT provides a live internet broadcast of its Ordinary General Meeting of Shareholders for its shareholders. In addition, after such meeting has concluded, resolutions adopted at the Ordinary General Meeting of Shareholders (with English translations) is posted on NTT's website.</p> <ul style="list-style-type: none"> <li>Shareholders' Meetings:  <a href="https://group.ntt/en/ir/shares/shareholders_meeting">https://group.ntt/en/ir/shares/shareholders_meeting</a> </li> </ul>

## 2. IR Activities

Status of compliance to the following items (Select the appropriate items. Multiple items may be selected.)

	Explanation by the representative	Supplementary Explanations
a. Preparation and Publication of Disclosure Policy	-	<p>The "Disclosure Policy" is posted on NTT's website Disclosure Policy.</p> <ul style="list-style-type: none"> <li>Disclosure Policy:  <a href="https://group.ntt/en/ir/shares/disclosure_policy/">https://group.ntt/en/ir/shares/disclosure_policy/</a> </li> </ul>
b. Regular Investor Briefings for Individual Investors	Yes	<p>For individual investors, financial results briefings held quarterly by the president or the senior executive vice president are available via live and on-demand video through the internet. They can also submit questions to the IR office.</p> <p>Additionally, in consideration of the increase in the number of individual stockholders (particularly younger generations) as a result of stock splits and other factors, we actively worked on digitalizing information distributions using a variety of Web-based media, SNS and other platforms to widely distribute content, and endeavored to enhance opportunities for diverse dialogue with individual investors.</p> <p>Senior management members attend and participate in the discussion with individual investors at briefings.</p>
c. Regular Investor Briefings for Analysts and Institutional Investors	Yes	NTT hosts financial results briefings every quarter where the president or the senior executive vice presidents provides explanations and holds question and answer sessions with respect to business results, and videos of these

		briefings are delivered (with English translations) live and on-demand through the internet. Additionally, senior managers, including the president and the senior executive vice presidents, hold separate meetings with analysts and institutional investors in Japan and overseas and also hold theme-specific briefings, such as the “NTT IR DAY,” considering the needs of analysts and institutional investors, mainly online.
d. Regular Investor Briefings for Overseas Investors	Yes	In addition to delivering the aforementioned results briefings in English, senior managers, including the president and the senior executive vice presidents, regularly visit overseas investors to explain business results, medium-term management strategies, and governance policies, and to hold question and answer sessions. They also attend conferences held in Japan and abroad.
e. Posting of IR Materials on Website	-	<p>NTT posts information, Q&amp;A, etc. relating to financial information, non-financial information that requires timely disclosure, annual and semi-annual securities reports (and quarterly reports through the end of the fiscal year ended March 31, 2024), notices of convocation of Ordinary General Meetings of Shareholders, financial data, presentation materials from various types of briefings (including video) on its company website. Furthermore, this information is provided in English.</p> <ul style="list-style-type: none"> <li>Investor Relations: <a href="https://group.ntt/en/ir/">https://group.ntt/en/ir/</a></li> </ul>
f. Establishment of Department and/or Manager in Charge of IR	-	<p>The Head of Finance and Accounting is responsible for communications with investors, and the IR office is established within the Finance and Accounting Department. The IR office plays a central role in promoting IR activities by working closely with all relevant internal departments and group companies.</p> <p>Opinions received from shareholders and investors are shared widely within the group, including among senior managers, to improve communication and are used as reference material for group management.</p>
g. Other	-	<p>NTT makes timely, fair and impartial disclosure of information relating to NTT Group in accordance with relevant laws and regulations in Japan and overseas and listing regulations set forth by stock exchanges and also makes efforts to avoid insider trading by setting forth “regulations regarding insider trading,” through the proper management of insider information.</p> <p>In addition, not only does NTT disclose information required by these related laws and regulations, but it also proactively discloses information considered to be useful for promoting understanding of NTT Group.</p>

### 3. Measures to Ensure Due Respect for Stakeholders

Status of compliance to the following items

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	NTT believes communication with stakeholders is vital to fulfilling its social obligations as a company, and publishes an integrated report every year expressing ideas that respect the positions of all stakeholders, such as “customers,” “shareholders and investors” and “business partners.”
Development of Policies on Information Provision to Stakeholders	NTT has established company regulations and procedures for disclosure and control of important management information and has set forth the “Disclosure Policy” as a basic policy for information disclosure and IR activities to enable timely, fair, and impartial disclosure of NTT Group’s information to its stakeholders.

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

The Board of Directors made the resolution with respect to the “Basic Policy on the Design of Internal Control Systems for NTT Group,” which was revised as of April 1, 2024. The contents of the resolution are set out below.

#### Basic Policies on the Design of Internal Control Systems

As a partner that enables society and industry to move ahead, NTT Group companies will not only provide services that support the safety and security of people around the world, but will also rise to the challenge of creating new value to make people's lives more comfortable and prosperous through continuous innovation, and the challenge of realizing of a global sustainable society.

In meeting these challenges, it is essential that the Company not only comply with laws and regulations, social norms, and internal policies both in each country and region, but also conduct our business with integrity and efficiency and high ethical standards.

We have established a basic policy to achieve the above. The President, as the chief executive officer, shall be responsible for the design and operation of the internal control systems in accordance with this Basic Policy.

#### 1. System to Ensure that the Execution of Duties by Directors, etc. and Employees Complies with Laws and Regulations and the Articles of Incorporation

The Company shall take the following actions to ensure that it not only complies with laws and regulations but also conducts its business with high ethical standards:

##### (1) Corporate Ethics and Compliance

(i) The NTT Group Corporate Ethics Policy shall be established to lay out the basic principles of corporate ethics and provide specific guidelines for ethical behavior for all NTT Group Directors, etc. and employees.

(ii) The Corporate Ethics Committee, chaired by a Senior Executive Vice President, shall be established to clarify the responsibilities of corporate ethics, promote corporate ethics, foster compliance awareness, maintain discipline, and conduct investigations and reviews of whistleblowing reports. In addition, to prevent harassment at the workplace, the Company shall establish an anti-harassment policy and prescribe the measures to be taken.

(iii) The Company shall conduct corporate ethics training, etc., to continuously raise the awareness of Directors, etc., and employees regarding corporate ethics and compliance. In addition, the Company shall conduct awareness surveys, etc. to evaluate the effectiveness of these initiatives.

- (iv) The Company shall stipulate in an employment policy, etc., the obligations of employees to faithfully comply with laws, regulations, internal policies, and notices and to devote all efforts to the performance of their duties to operate the business properly and efficiently.
- (v) The Company shall establish a disciplinary policy, etc., and shall deal with any violations of laws, regulations, or internal policies in accordance with such policy.

(2) Whistleblowing

The Company shall endeavor to foster a more open corporate culture and shall establish a Corporate Ethics Help Line in each of NTT Group companies and an external Corporate Ethics Help Line contact point throughout the Group, staffed by lawyers, to receive whistleblowing reports, whether anonymous or named. The Company shall also establish an independent reporting channel to Audit & Supervisory Board Members. Whistleblowers shall be protected from any disadvantages because of making a report to the Corporate Ethics Help Line and/or to Audit & Supervisory Board Members.

(3) Internal Audit

- (i) In order to promote the efficient and effective internal audit activities, the Company shall formulate an internal audit policy, which shall determine the fundamental matters concerning the conduct of internal audits, and establish the Internal Audit Department as an independent organization under the direct control of the President. The Internal Audit Department, whose mission is to increase the value of NTT Group and to contribute to the achievement of its business objectives, shall evaluate the adequacy and effectiveness of governance, risk management, and internal control processes and make recommendations from an independent and objective standpoint in accordance with the internal audit policy.
- (ii) The Internal Audit Department shall report the internal audit plan to the Board of Directors and Audit & Supervisory Board Members and shall periodically report the results of internal audits to the Board of Directors and Audit & Supervisory Board Members.

(4) Disclosure

- (i) The Company shall make reasonable efforts to ensure the reliability of its reports prepared in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations.
- (ii) The Company shall formulate an internal policy that establishes disclosure control procedures for important management information of the Company to provide timely, fair, and impartial disclosure of information of NTT Group and to facilitate appropriate investment decisions by investors, etc. The Company shall also formulate and disclose a Disclosure Policy as its fundamental policy for disclosure of information to investors, etc. and investor relations activities.
- (iii) The Company shall make disclosures in accordance with relevant domestic and foreign laws and stock exchange rules and will proactively endeavor to disclose such information as the Company believes may be useful in promoting shareholders' and investors' understanding with respect to NTT Group.

(5) Sustainability

The Company shall establish a Sustainability Committee and manage the action policies and progress of sustainability initiatives across the entire Group.

2. Policies and Other Systems Related to Risk Management

The Company shall take the following measures to effectively manage risks:

- (1) The Company shall establish a risk management policy, which defines fundamental policies concerning the risk management for appropriate and efficient business operations.
- (2) The Company shall establish a Business Risk Management Committee, chaired by a Senior Executive Vice President, to ensure that risk management functions effectively and strongly throughout the Company. The Business Risk Management Committee shall oversee overall risk management and establish policies for identifying and managing enterprise-wide risks.

3. System to Ensure the Efficient Execution of Duties by Directors, etc.

The Company shall take the following measures to ensure efficient business operations through an appropriate allocation of responsibilities and the oversight framework for Directors, etc.:

- (1) The Company shall establish a policy of the Board of Directors. In principle, the Board of Directors shall hold meetings once each month to make decisions on important management matters based on applicable laws and regulations, the principles of business judgment and the duty of care of a prudent manager, and Directors, etc., shall also report regularly on the status of the performance of their duties.

- (2) To strengthen the function of supervising the fairness of the performance of duties, the Board of Directors shall include outside independent directors.
  - (3) The Company shall adopt an executive officer system to clearly separate the management decision-making and supervisory functions of the Board of Directors from the business execution functions of the executive officers, thereby enhancing management flexibility.
  - (4) The Company shall establish an Executive Officers Meeting and committees under the Executive Officers Meeting in charge of the important business execution to ensure the smooth conduct of business operations delegated by the Board of Directors.
  - (5) The Company shall establish an organization policy that defines the structure of the internal organizations and the responsibilities of each organization, and an authority policy that defines the division of authority.
4. System for Retaining and Managing Information Related to the Performance of Duties by Directors, etc.  
The Company shall take the following measures to manage information related to the performance of the duties of Directors, etc. and to contribute to the appropriate and efficient conduct of business:
- (1) The Company shall establish a document policy to regulate necessary matters regarding the management of documents (including related materials and electromagnetic records. The same shall apply hereinafter.) and other information. In addition, such documents shall be retained for the period prescribed by laws and regulations or for the period necessary for business operations.
  - (2) The Company shall establish an information security management policy to define all fundamental matters related to the acquisition and management of information necessary for its business, and shall take information security measures to identify and prevent risks, and to minimize damage when a risk materializes.
5. System to Ensure the Proper Business Activities of NTT Group  
The Company shall take the following measures to ensure that each of NTT Group companies complies with all applicable laws and regulations and, while fully respecting each other's independence and autonomy, conducts its business appropriately and efficiently and contributes to the growth and development of the Group as a whole:
- (1) In order to oversee and coordinate NTT Group and promote efficient and effective group management, the Company shall establish a system for reporting from each company on matters necessary for NTT Group's business operations.
  - (2) The Company shall conduct education and training to employees to prevent fraud or misconduct in NTT Group.
  - (3) The Company shall formulate a business risk management manual to enable NTT Group to prevent and prepare for risks in advance, and to respond to risk events appropriately and promptly, and shall manage risks on a Group-wide basis.
  - (4) The Company shall establish NTT Group Information Security Regulations and provide the direction of essential principles and specific measures related to information security to be followed by the entire NTT Group.
  - (5) The Company shall conduct internal audits of NTT Group companies, etc. in a risk-based manner, taking into consideration their business conditions and other factors.
6. Matters Relating to Employees Engaged to Assist Audit & Supervisory Board Members in the Performance of Their Duties and Matters Relating to the Independence of Such Employees from Directors, etc.  
The Company shall take the following measures with respect to employees assigned to assist the Audit & Supervisory Board Members in the performance of their duties, to ensure the effective performance of the audits by Audit & Supervisory Board Members:
- (1) The Company shall establish the Office of Audit & Supervisory Board Members as an important structure under the Companies Act to provide dedicated employees to assist Audit & Supervisory Board Members in the performance of their duties.
  - (2) Employees assigned to the Office of Audit & Supervisory Board Members shall perform their responsibilities under the direction and orders of Audit & Supervisory Board Members.

- (3) Decisions on the transfer of employees assigned to the Office of Audit & Supervisory Board Members, evaluations of such employees shall be made with due regard to the opinion of the Audit & Supervisory Board.
7. System for Reporting to Audit & Supervisory Board Members by Directors, etc. and Employees and System for Ensuring Effective Conduct of Audits by Audit & Supervisory Board Members  
To ensure that audits by Audit & Supervisory Board Members are conducted effectively, the Company shall take the following measures, including the reporting to Audit & Supervisory Board Members by Directors, etc., and employees of important matters concerning the performance of their duties:
- (1) Directors, etc. shall report the following matters concerning the performance of their duties:
    - (i) Matters decided by the Executive Officers Meeting
    - (ii) Matters that have caused or may cause material damage to the Company
    - (iii) Monthly financial reports
    - (iv) Results of internal audits
    - (v) Matters involving a risk of violation of laws and regulations or the Articles of Incorporation
    - (vi) Status of whistleblower reports to the Help Line
    - (vii) Material matters reported by an NTT Group company
    - (viii) Other material compliance matters
  - (2) Directors, etc., Independent Auditors and the Internal Audit Department shall exchange opinions with Audit & Supervisory Board Members on a regular or ad hoc basis.
  - (3) Audit & Supervisory Board Members may attend meetings of the Board of Directors and other important meetings.
  - (4) Audit & Supervisory Board Members may independently engage and obtain advice from external experts with respect to the performance of audit.
  - (5) Audit & Supervisory Board Members may claim expenses necessary for the performance of their duties, and the Company shall pay such expenses based on such claim.
  - (6) No person who reports to Audit & Supervisory Board Members shall be treated adversely because of such report.
- Note: For purposes of this Basic Policy, "Directors, etc." means Directors, Executive Officers, and Senior Vice President of R&D.

\*A schematic diagram of the corporate governance system, including an summary of internal control system, is attached to the last page of this report as reference material

## 2. Basic Views on Eliminating Anti-Social Forces

It is NTT's basic view that, in accordance with the NTT Group Corporate Ethics Policy, all officers and employees, including in Japan and overseas, not only must carefully observe laws and regulations, social norms, and company rules, but must act with the highest possible level of ethical standards in both public and private. NTT's specific policies in response to anti-social forces are set forth in detail in writing in the NTT's business risk management manual.

- NTT Group Corporate Ethics Policy: <https://group.ntt/en/csr/governance/compliance.html>

## V. Other

### 1. Adoption of Anti-Takeover Measures

Applicability	Supplementary explanation of applicable items
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None	NTT has worked to increase its corporate value in the medium- and long-term so as to meet the mandate of its stakeholders, including its shareholders.
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## 2. 2. Other Matters Concerning to Corporate Governance System

NTT has established the “Disclosure Policy” defining disclosure control procedures for important management information, and is taking appropriate actions to provide timely, fair and impartial disclosure of information concerning NTT Group.

The director of each organization shall control information management relating to such organization as the individual in charge of information control. Before information is publicly disclosed, the director of the finance department of such organization or relating subsidiary must be contacted if such information may possibly be considered important management information. If the Head of Finance and Accounting determines that the information is important management information, the individual in charge of information control shall, together with the Head of Finance and Accounting, discuss the disclosure of said information at the Executive Officers Meeting, and then render a decision. However, if the Head of Finance and Accounting determines that it is not necessary to discuss the matter at the Executive Officers Meeting, the individual in charge of information control may disclose the information based on such decision by the Head of Finance and Accounting.

NTT publishes important management information approved for disclosure based on the process described above through stock exchange listings, press releases and its own website.

Furthermore, NTT is promoting more aggressively than ever the formation and operation of a group-wide internal control system, including IT, centered on the Internal Audit Department, as well as work improvements and further improvements in efficiency. It will be NTT Group’s policy going forward to consider what mechanisms are best suited to NTT based on changes to the social environment and the legal system, and then to make the necessary revisions to further strengthen corporate governance.

### [Corporate Governance System (including a summary of internal control system)]

