NTT Communications Corporation

Sustainability Report 2024



docomo business | NTT Communications

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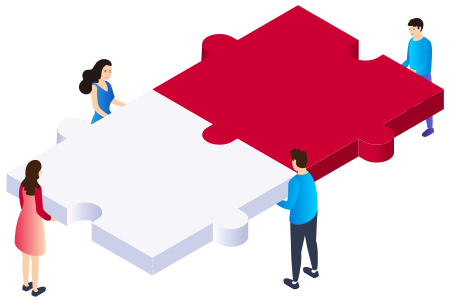
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Realizing a sustainable future through surprising and inspiring digital transformation that transforms society and industry

The NTT Communications Group, as the core company responsible for the corporate business of the NTT DOCOMO Group, is driving the digital transformation of society and industry under its “docomo business” brand. Our role is to ensure that networks, as communications infrastructure, operate safely and securely while connecting people, communities, and businesses through technology to generate new value that contributes to the realization of an affluent society.

Under the Sustainability Policy formulated in 2021, we have set four Priority Areas—“society,” “the environment,” “human resources,” and “governance”—for achieving net-zero greenhouse gas emissions from our business activities by 2030 and from our entire supply chain by 2040. Under “society,” we are working to address social issues through technological innovation, such as by providing tsuzumi, a large language model with world-class Japanese language processing performance despite its light parameter size, and a dedicated APN service that allows for the IOWN® concept to reduce power consumption by replacing electrical signals with optical signals. In addition, by providing a recirculating land-based aquaculture system that combines cutting-edge filtration technology with ICT, we contribute to improving the sustainability of the primary industry and revitalizing local communities. Under “the environment,” we are promoting the development of Green Nexcenter®, Japan’s first ultra-energy-saving data center that uses a liquid cooling system to cope with the increased power consumption and high heat generated by the expanding use of generative AI and rapid development of GPUs. Since meeting these challenges is supported by the area of “human resources,” we are fostering diversity and autonomy by promoting diversity, equity, and inclusion throughout the NTT Communications Group. The Priority Area of “governance” must also be strengthened in order to maintain business activities sustainably. We will therefore continue to enhance our compliance risk management and information security while working with our partners to address business risks throughout the value chain, thereby reinforcing the overall sustainability of our business.

As the role of telecommunications and digital technologies in society has become increasingly important, we see CX as integral to our efforts. We will continue to grow into a company that delivers surprises and excitement beyond customer expectations and will work with our customers to take on the challenges of achieving a safe, secure, and sustainable future.



Katsushige Kojima

Representative Member of the Board
President & CEO
NTT Communications Corporation

DOCOMO Group's Mid-Term Initiatives

DOCOMO announced in October 2021 the challenge of the New DOCOMO Group and its medium-term strategies and management targets as the New DOCOMO Group Medium-Term Strategies.

Challenge of the New DOCOMO Group

NTT Communications, together with NTT COMWARE, joined the DOCOMO Group to take on the challenge of bringing a new world into reality as the New DOCOMO Group.

How We Will Take on the Challenge and Realize Our Goals

The challenge of the New DOCOMO Group comprises four pillars and three values for attaining our goals.

Challenge of the New DOCOMO Group

- Pursue Customer First, Provide new values beyond customer expectations
- Accelerate pace of DX and leveraging Data in operations, realize better CX and business reform
- Leveraging service/solution/technology developed and nurtured in Japan, roll out our businesses globally
- Pursue business and ESG as one, contribute to creating a sustainable society

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One Step Ahead
Not following; predict and move in advance
Keep challenging with positive thinking

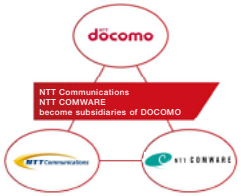
Openness
Create innovations with customers and partners

Trust
Gain a trust from customers/partners by committing words to action, and fair interactions

The New DOCOMO Group

NTT Communications along with NTT COMWARE joined the DOCOMO Group to expand its business domain to encompass mobile, services, and solutions and create a new world as the New DOCOMO Group. Unifying management policies and functions of the three companies and more clearly defining their respective roles will streamline the Group's decision-making process and enable the organization to operate with greater agility and flexibility. We seek to grow the Enterprise Business and Smart Life Business and drive forward the structural reform of the Telecommunications Business to release innovation that will transform society.

As the New DOCOMO Group, we are expanding our business domain to encompass mobile, services, and solutions and create a new world



- Integration of the three companies
- Clear business responsibilities
- Structural reform of the Telecommunications Business and expansion of the Enterprise/ Smart Life Businesses

Synergy Through Integration

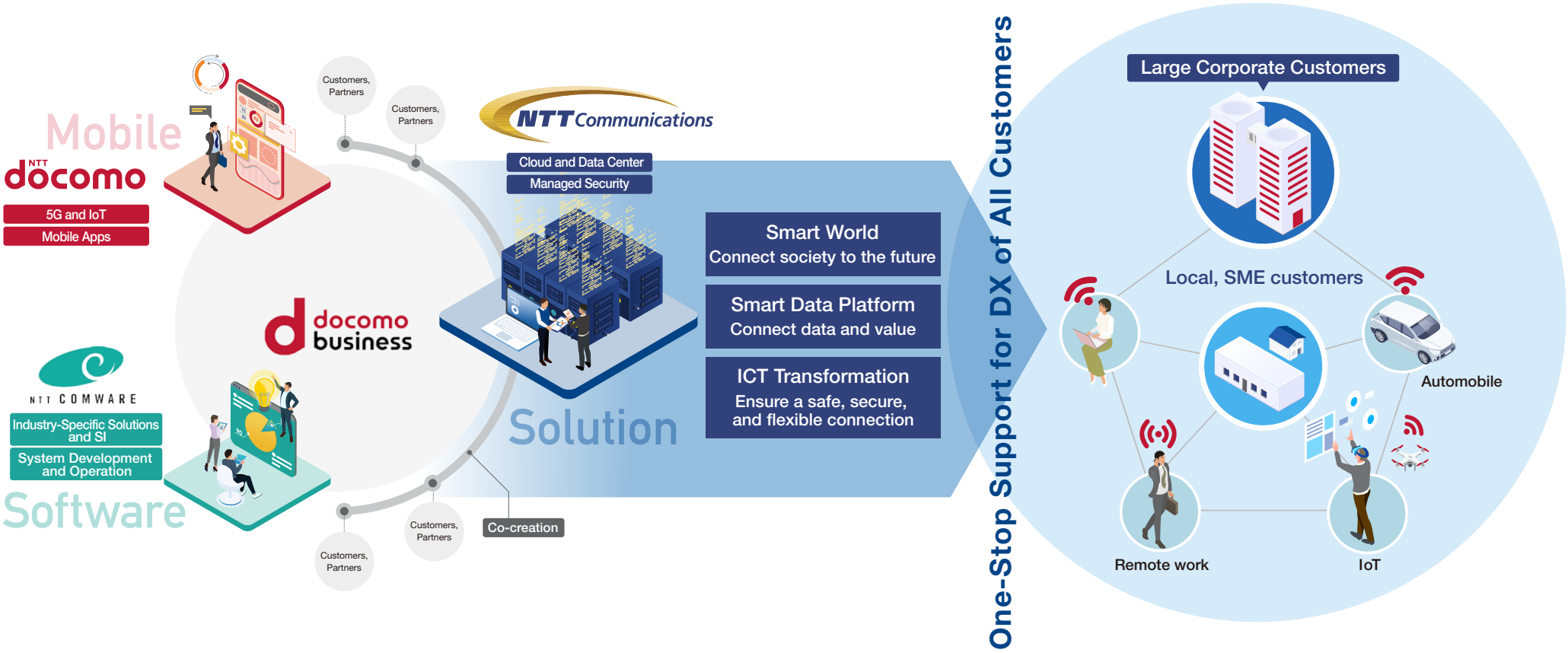
The New DOCOMO Group will generate three significant synergies by integrating the functions of the three companies.

Synergy Through Integration

Expansion of enterprise business	Integrate all enterprise business under the New DOCOMO Group and support all corporate customers through one stop service—contribute toward DX of society and industry
More competitive network	Fixed-mobile convergence brings higher quality and economical network to provide inexpensive, easy-to-use services and accelerate evolution toward 6G/IOWN
Strengthening the power of service creation and development while promoting DX	Integrate the R&D of DOCOMO, services of NTT Communications and software capability of NTT COMWARE, leading to quick response through the creation of innovative services, and accelerating DX of the New DOCOMO Group

NTT Communications' Role in docomo business

Under the new DOCOMO Group's enterprise business brand, "docomo business," NTT Communications' role is to provide a one-stop shop for services and solutions that support the DX of corporate customers. Not only do we help them to develop their global businesses, but we also support DX in local communities and promote structural reform in society and industry through our new fixed-mobile convergence services, 5G IoT services and solutions, and secure data distribution, based on our Mobile First, Cloud First strategy, toward realizing a Smart World and ultimately creating a sustainable society.





Sustainability Policy

The NTT Communications Group aims to realize a sustainable future. As Your Value Partner, we will take initiatives to overcome social challenges and drive the emergence of new value by creating a new way of communication that will open the door to possibilities for people and the world.

Priority Areas in the Sustainability Policy and Our Vision of the Future

Society

A better future characterized by innovation, vitality, resilience, safety, and security, in which sustainable development is achieved through value creation.

For more details, see: P.029

Environment

An eco-friendly future characterized by carbon neutrality, closed-loop recycling, and harmonious coexistence with nature based on the preservation of biodiversity.

For more details, see: P.044

Human Resources

A future rich in diversity based on mutual respect and enhancement and where everyone can shine in their own way and play a valuable role in society.

For more details, see: P.082

Governance

A future in which the Company is trusted for its lofty ethics and solid governance and develops a sustainable society for the future based on diverse co-creation.

For more details, see: P.113

Supporting the SDGs as the NTT Group

SUSTAINABLE DEVELOPMENT GOALS

In fiscal 2016, the NTT Group announced its support for the UN's Sustainable Development Goals (SDGs). As a member of the NTT Group, we also began promoting efforts to contribute to the SDGs in fiscal 2016. We have been training employees to raise awareness of sustainability, and we will seek to achieve these goals through business activities, including the Sustainability Priority Activities linked to them.



Evolving into a Corporate Group that Creates a Sustainable Future

In May 2021, the NTT Communications Group established the Sustainability Policy by reframing its Fundamental CSR Policy in response to the increasingly worsening climate change situation, trends in Japan and overseas in relation to the SDGs and ESG, and subsequent changes underway in the business environment, as well as trends in cutting-edge technologies that will support a future society.

The Sustainability Policy is composed of the four Priority Areas of "society," "the environment," "human resources," and "governance." Each area embodies our Vision of the Future, and to realize this vision, we have set 12 Sustainability Priority Activities, related main initiatives, targets such as achieving carbon neutrality by 2030 (Scopes 1 and 2), and KPIs.

Through efforts to promote these priorities and pursue sustainability management by following the PDCA cycle, while co-creating with various stakeholders including customers and business partners, we will work strategically and appropriately to create business and growth opportunities and reduce risks. We intend to further reinforce the positive impact of our business activities on society across the value chain and minimize negative risk and impact. By building on these efforts, we will overcome all hurdles, and in addition to the promotion of DX, WX*, GX, and SX for society as a whole, we will promote CX with an eye to the future of BtoB, to sustainably increase corporate value and contribute to achieving the SDGs in our efforts to realize a sustainable future.

* Workstyle transformation

P.011 For information about the process of identifying our materiality, refer to "Process of Identifying Materiality and Setting Main Initiatives, KPIs, and Targets" in this report.

P.006 For our Sustainability Policy, refer to "Our Vision of Society" in this report.

Priority Areas in the Sustainability Policy and Our Vision of the Future

Society

A better future characterized by innovation, vitality, resilience, safety, and security, in which sustainable development is achieved through value creation.

Priority Activities

- Promotion of DX to Connect Society with the Future
- Promotion of Innovations that Break through Limits
- ICT Transformation
- Promotion of Corporate Citizenship

Environment

An eco-friendly future characterized by carbon neutrality, closed-loop recycling, and harmonious coexistence with nature based on the preservation of biodiversity.

Priority Activities

- Promotion of a Decarbonized Society
- Development of a Closed-Loop Society

Human Resources

A future rich in diversity based on mutual respect and enhancement and where everyone can shine in their own way and play a valuable role in society.

Priority Activities

- Development of Human Resources
- Promotion of Diversity, Equity, and Inclusion
- Respect for Human Rights

Governance

A future rich in diversity based on mutual respect and enhancement and where everyone can shine in their own way and play a valuable role in society.

Priority Activities

- Thorough Compliance and Risk Management
- Enhanced Value Chain Partnerships
- Continuously Strengthening Information Security

Building a sustainable, well-being society as an ICT company that elicits surprise and excitement



Yuji Sasaki
Executive Vice President, In charge of Sustainability

The issue of sustainability is directly connected to our future daily lives and related to global environmental concerns and the medium- to long-term state of the world. NTT Communications, as a member of the NTT Group and DOCOMO Group, has set 12 Priority Activities (materiality) in the four Priority Areas of “society,” “the environment,” “human resources,” and “governance,” as stated in the Sustainability Policy, under its mission of “creating communication methods that open up new possibilities for people and our world.” All of our employees have been working in concert to achieve 41 specific KPIs in these areas.

DX and GX are viewed as pillars of Japan’s future economic growth, and NTT Communications is already providing services that utilize low-power IOWN®, which includes opto-electronic fusion technology, as well as tsuzumi, a small, low-power AI. We are also advancing GX in cutting-edge technologies and will soon launch Green Nexcenter® to support power-saving liquid-cooled servers for data centers, which are expected to consume an enormous amount of power in the AI era.

Meanwhile, NTT Communications is co-creating a sustainable digital society with its customers, partners, and other stakeholders. Through the OPEN HUB as a co-creation platform, we have developed more than 1,000 new projects in the three years since its establishment, including comprehensive infrastructure management JCLaaS, digital BPO, land-based aquaculture, and Morikati, which generates forest value. In addition to DX solutions such as Smart World and the Smart Data Platform, which are provided using cutting-edge technologies, we have launched a guaranteed bandwidth service for docomo business RINK®, a network service that can be configured securely and flexibly with zero trust. Moreover, we are collaborating with our stakeholders to establish a sustainable society.

These initiatives can be achieved if every employee consistently demonstrates their capabilities and plays an active individual role in response to the needs of society. NTT Communications values autonomous career development and is enhancing internal and external training programs, as well as developing BoostPark to support individual human resource development through AI. We are also advancing a diverse and inclusive human resources strategy, including women’s empowerment, and establishing a resilient and secure governance system through respect for human rights, creating a corporate culture with sound corporate ethics and dialogue with stakeholders.

In 2024, we revised our KPIs to further strengthen the pathway for a sustainable future society. In the Priority Area of “society,” we included engagement (NPI, NPS) for customers to which we offered digital solutions. For “the environment,” we expanded to Scope 3 for the Net-Zero by 2040 initiative for GHG emissions reduction and will green the electricity used in our data centers. For “human resources,” the percentage of female executives was added to the existing indicator for percentage of newly appointed female managers as part of our diversity, equity, and inclusion efforts. For “governance,” we expanded the scope of dialogue with stakeholders to include NPOs.

By pursuing activities in the four Priority Areas and conducting sustainability management through the PDCA cycle, we will open up new business and growth opportunities while minimizing risks. Since last fiscal year, we have been linking particularly important KPIs, such as GHG emissions and customer engagement rate, to the compensation of all managers to firmly support these activities.

To meet expectations worldwide, NTT Communications will continue to work as an ICT company together with our stakeholders through our business activities toward establishing a sustainable well-being society that elicits surprise and excitement.

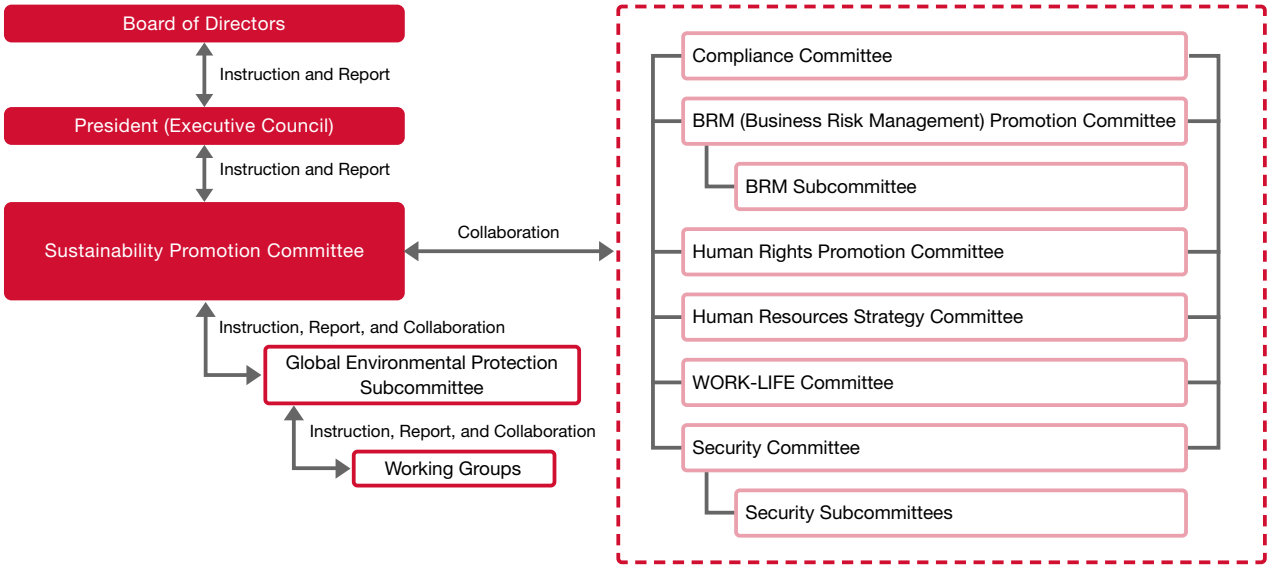
Sustainability Management

Sustainability Promotion Structure and Governance, Risk Management, Strategy, Indicators, and Targets

Sustainability Promotion Structure

In the NTT Communications Group, the Sustainability Promotion Committee was established as a deliberating body to examine measures for addressing apparent and potential ESG-related social issues and to comprehensively, strategically, and precisely promote and manage sustainability activities. Chaired by the executive vice president in charge of sustainability, the committee consists of the heads of each organization (executive officers, etc.) and the presidents of each Group company. Under the committee, we have set up the Environmental Protection Subcommittee. In addition, individual committees discuss key topics related to sustainability activities. In order to take appropriate actions in cooperation with these committees, we have established a system for promoting sustainability throughout the Group by sharing information and collaborating Groupwide.

[Sustainability Promotion Structure]



Governance

Under this sustainability promotion structure, matters reported and discussed by each committee are shared with the Board of Directors. After deliberation, the board makes final decisions for addressing issues and determining management strategies and business plans. In addition, the board complies with recommendations from the Board of Corporate Auditors and oversees the necessary governance to promote sustainability activities strategically and appropriately.

Sustainability Promotion Committee Members and Secretariat

Chairperson:	Executive vice president in charge of Sustainability
Members:	Heads of each organization and presidents of NTT Communications Group companies
Secretariat:	Sustainability Office

Risk Management

We have established the Risk Management Rules, which stipulate the basic elements of risk management to help achieve sustainable corporate growth by anticipating and preventing the occurrence of potential risks that exist in and around our business and by minimizing any loss in the event they materialize. We are implementing the necessary actions through the lead organizations for the Priority Activities. As a system and mechanism for effectively addressing major risks that may affect our business management, we set up the Business Risk Management Committee, chaired by the senior executive president, to construct and implement a PDCA cycle for risk management. Processes for identifying, assessing, and managing sustainability-related risks are also integrated into this total risk management process.
We will comprehensively and appropriately promote the sustainability activities of the NTT Communications Group, based on the implementation of proactive initiatives and management of social issues, risks, and business opportunities by each responsible organization. Furthermore, we comprehensively adjust and finalize the Main Initiatives, KPIs, and Targets, in light of the latest domestic and international trends in ESG and our medium-term management strategy and policy. The level of achievement is verified, evaluated, summarized, and reflected in the formulation of the following year's Main Initiatives and KPIs. The Sustainability Promotion Committee also reviews the Sustainability Policy and priority issues.

Strategy

The NTT Communications Group has established the Main Initiatives under Priority Activities to address current and potential social issues and their associated risks and business opportunities, for each of the Priority Areas of "society," "the environment," "human resources," and "governance." To address those initiatives in line with the Sustainability Policy, we will (1) enhance value chain partnerships, stakeholder engagement, and human capital, (2) extensively collaborate and co-create with our customers, partners, and various other stakeholders, and (3) further demonstrate the positive effects and minimize the negative impacts and risks on society associated with our business activities throughout the entire value chain. Through the combined impact of these efforts, we seek to sustainably enhance our corporate value and strategically and precisely take action to realize a sustainable future.

For details of the process for setting the Main Initiatives, KPIs, and Targets for each identified materiality, refer to "Process of Identifying and Setting Materiality and Setting the Main Initiatives, KPIs, and Targets" on the next page.

P.012 For details on the Main Initiatives, refer to the tables in "KPIs, Targets, and Outcome of Activities" in this report.

P.021 For more information on initiatives throughout the value chain, refer to "NTT Communications Group Value Chain for Providing Service" in this report.

- **Operating Compensation-Linked Indicators for All Managers**

Key sustainability indicators (greenhouse gas emissions, customer engagement rate, employee engagement rate, and new female manager appointment rate for fiscal 2024) have been set as evaluation indicators for executive compensation and bonuses for all managers, and the achievements of these indicators are reflected in their compensation.

Process of Identifying and Setting Materiality and Setting the Main Initiatives, KPIs, and Targets

STEP 1 — Examine the Issues

We examined social issues using international guidelines and initiatives and external evaluation indices as a reference.

External evaluation indices: DJSI, FTSE, MSCI, EcoVadis, etc.
International guidelines: GRI standard, ISO 26000
International initiatives: UNGC, SDGs, etc.

STEP 2 — Prioritize

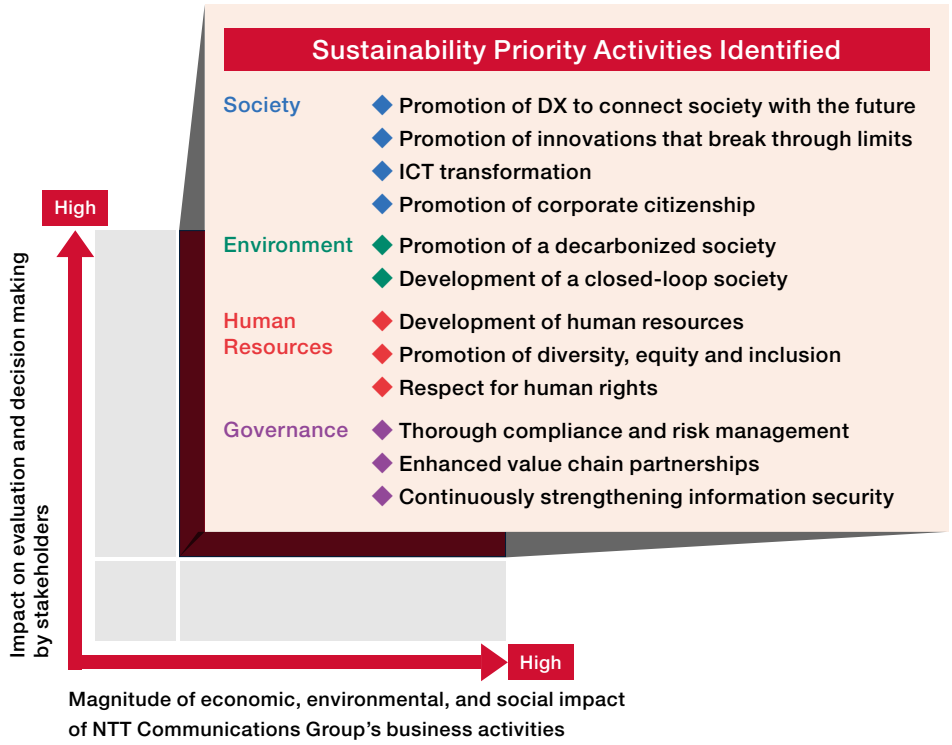
Priority Activities were categorized into items that remained significant and items deemed highly important to the Company's business, including initiatives to address sustainability-related risks and opportunities that may affect the Group's business strategy and other factors over the short, medium, and long term. These were then integrated and condensed into items prioritized based on the twin axes of expectations and requests from stakeholders and the magnitude and significance of the economic, environmental, and social impact of business activities for the NTT Communications Group.

STEP 3 — Designate Priority Activities

Comprehensive consideration was based on Our Mission and business strategies, initiatives of the NTT Group and NTT DOCOMO Group, and various internal and overseas trends. Interviews with relevant departments were held before designating Priority Activities.

STEP 4 — Designate Main Initiatives, KPIs, and Targets

The Main Initiatives, KPIs, and Targets were considered for each Priority Activity from such perspectives as social trends, related risks and opportunities, contributions to achieving the SDGs, and links with KPIs adopted by the NTT Group through discussions with the relevant departments and related organizations, and they were designated following confirmation of their validity by the Sustainability Promotion Committee.



KPIs, Targets, and Outcome of Activities

The following tables show the Priority Areas (society, the environment, human resources, and governance) of the Sustainability Policy, the main initiatives, key performance indicators (KPIs) and targets for fiscal 2023 for the Priority Activities, and the outcome of these activities (review, assessment, and targets) as well as the main initiatives, KPIs, and targets for fiscal 2024.

Society

Our Vision of the Future

We envision a better future characterized by innovation, vitality, resilience, safety and security, in which sustainable development is achieved through value creation.



Priority Activity | Promotion of DX to connect society with the future

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Promote DX in society and industry Promote DX in workstyles and lifestyles	Qualitative Promote Smart World projects based on BBX strategy Qualitative Promote the realization of sustainable local communities by promoting DX Quantitative Number of service projects: 5	Qualitative 60 BBX-related external announcements Qualitative ● Promoted the revitalization of local communities and small and medium-sized enterprises by supporting the customer approach and DX to key regional industries in cooperation with branch offices ● Started creating market-in proposal models that lead to resolving issues in each region and industry, such as the data utilization business Quantitative Number of service projects: 7 ● 4 services, including Arcstar IP Voice Wireless, which digitally transforms the voice communication environment by integrating mobile and fixed networks ● 3 services, including Regional Alert Direct	○	Promote DX in society, industry, workstyles, and lifestyles	Quantitative New Integrated solutions Revenues and revenue ratio Quantitative New Customer engagement (NPI, NPS) *For companies with up to 1,000 employees
				Realize sustainable local communities by promoting DX	Quantitative New Growth of regional collaborative business (year-on-year increase)
Promote DX in global business	Qualitative Develop global DX solutions	Won an order to build a global IoT platform for a major foreign manufacturing company	○	Promote DX in global business	Qualitative Develop global DX solutions

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Priority Activity | Promotion of innovations that break through limits					
Generate creative innovations	Qualitative Promote creative and innovative SmartX projects	● Promoted the wind platform service developed at the Innovation Center ● Started to provide the OsecT service for partners, which visualizes security risks in control systems	○	Generate creative innovations	Quantitative New Patent applications on key intellectual property themes that support the sustainability of innovative businesses (10–99 patent applications per theme per year) Themes: ● Smart World ● Integrated Network Service (RINK) ● Generative AI ● IOWN
Promote innovation management	Qualitative Promote unique innovations in collaboration with internal and external members	● Planned and ran new business creation programs such as the new DigiCom business creation contest (now docomo STARTUP CHALLENGE)	○		
Priority Activity | ICT transformation					
Provide ICT services that are resistant against natural disaster, highly reliable, safe, and secure	Quantitative Stable service provision rate: 99.99% ● Voice service ● Corporate network service ● Cloud service	● 99.99% achieved ● Completed migration of voice services (inter-prefecture and intra-prefecture telephone services, international telephone services) and cloud service (ECL1.0)	○	Provide ICT services that are resistant against natural disaster, highly reliable, safe, and secure	Quantitative New Number of serious accidents: 0
Provide advanced and robust information and cybersecurity	Quantitative Develop advanced, robust security services and add to the menu: 3 services	● ID security (tenable/CrowdStrike) ● Managed CSPM (CWPP) ● WideAngle MSS service size (log volume size)	○	Provide advanced ICT services	Quantitative Develop advanced, robust security services and add to the menu: 3 services
Provide managed services to help customers have a safe and secure transformation	Quantitative Develop managed services to support the sustainable development of a safe and secure ICT society and add to the menu: 2 services	● Linked with XmPF experience quality monitoring ● Provided ZABICOM terms of use type (menu selection type)	○		Quantitative Develop managed services to support the sustainable development of a safe and secure ICT society and add to the menu: 2 services
					Quantitative New Provide new voice application services focused on value provided to customers and add to the menu: 3 services

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Provide advanced and flexible network services	Quantitative Number of services: 4	Number of services: 4 ● Phase 1 of docomo business RINK® ● APN dedicated line plan powered by IOWN® ● IoT Connect Mobile active multi-access SIM ● IoT Connect Gateway virtual connection functionality added, etc.	○	Provide advanced ICT services	Quantitative Provide advanced and flexible network services: 4
Priority Activity | Promotion of corporate citizenship					
Promote social contribution activities that are beneficial to a sustainable future	Qualitative Expand opportunities for participating in community service activities	Implemented the following new initiatives: ● NTT Communications Group's own pro bono project (10 employees participated in 3 supported NPOs) ● Employee Fundraising Program to Support Disaster Recovery and the Creation of a Sustainable Society (1,508 employees participated, raising 7,908,000 yen)	○	Promote social contribution activities that are beneficial to a sustainable future	Quantitative New Implement new social contribution activities: 2

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

Environment

Our Vision of the Future

An eco-friendly future characterized by carbon neutrality, closed-loop recycling, and harmonious coexistence with nature based on the preservation of biodiversity.

We intend to become carbon neutral by fiscal 2030 by achieving net-zero for Scope 1 and 2 greenhouse gas emissions from the NTT Communications Group's operations through the following related main initiatives.

Priority Activity | Promotion of a decarbonized society

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Reduce greenhouse gas emissions:	Quantitative Become carbon neutral (by FY2030) GHG Protocol: targeted at Scope 1 and 2 GHG emissions in FY2023 (Scope 1 and 2): 11.7 ten thousand t-CO_2	9.7ten thousand t-CO_2	○	Reduce greenhouse gas emissions:	Quantitative Become carbon neutral (by FY2030) GHG Protocol: targeted at Scope 1 and 2 GHG emissions in FY2024 (Scope 1 and 2): 9.5 ten thousand t-CO_2 Quantitative Net-Zero by FY2040 GHG Protocol: targeted at Scope 1, 2, and 3 Quantitative New Renewable energy utilization rate for data center power (Scope 2): 100% by FY2030, 54% by FY2024
Introduce electric vehicles (EVs)	Quantitative Percentage of EVs in fleet: 100% by FY2030, 50% by FY2025	41%	○	Introduce electric vehicles (EVs)	Quantitative Percentage of EVs in fleet: 100% by FY2030, 50% by FY2025
Improve energy efficiency	Quantitative Power efficiency in our telecommunications business: improvement of at least 10 times in FY2030 compared to FY2013	4.7 times	○	Improve energy efficiency	Quantitative Power efficiency in our telecommunications business: improvement of at least 10 times in FY2030 compared to FY2013
Provide services that help reduce GHG emissions	Quantitative Promote the co-creation of services that help reduce GHG emissions: 2 cases	● Rollout of Green Nexcenter®, an ultra-energy-efficient data center service ● Launch of J-Credit creation and sales through the projects of extending the mid-season drainage period in wetland rice cultivation	○	Provide services that help reduce GHG emissions	Quantitative Promote the co-creation and expansion of services that help improve the global environment, including GHG emissions reduction in FY2024: 5 or more cases

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

Priority Activity | Development of a closed-loop society

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Thoroughly implement the 3Rs (reduce, recycle, and reuse) Promote the recycling of plastics	Quantitative Waste recycling ratio: at least 98.2% in FY2023 and at least 99% in FY2030	97.8%	△	Thoroughly implement the 3Rs (reduce, recycle, and reuse)	Qualitative Waste recycling ratio: at least 97.8% in FY2024 and at least 99% in FY2030 Qualitative New Number of legal violations related to disposal of waste (PCBs): 0 cases Qualitative New Continue reducing the use of business paper (office paper and invoices)

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

P.045 See “Environmental Management” in this report for our approach to achieving carbon neutrality for Scope 1 and 2 by fiscal 2030 and net-zero emissions across Scope 1, 2, and 3 by 2040.

Human Resources

Our Vision of the Future

We envision a future rich in diversity based on mutual respect and enhancement, where everyone can shine in their own way and play a role in society.

Priority Activity | Development of human resource

FY2023 Main Initiatives	FY2023 KPIs	FY2023 Review	FY2023 Assessment	FY2024 Main Initiatives	FY2024 KPIs
Promote measures that enable employees to learn and grow autonomously to realize their careers (a growth cycle in which employees and the business grow together)	Quantitative Training costs per person: 220,000 yen per year Quantitative DX human resources fill ratio (by end of FY2023): 100%	● Training costs: 217,000 yen ● DX human resources: 94.6% (actual result)	△	Promote measures that enable employees to learn and grow autonomously to realize their careers (a growth cycle in which employees and the business grow together)	Quantitative Training costs per person: 220,000 yen per year

Priority Activity | Promotion of diversity, equity and inclusion

FY2023 Main Initiatives	FY2023 KPIs	FY2023 Review	FY2023 Assessment	FY2024 Main Initiatives	FY2024 KPIs
Promote hiring, development, assignment, and equal opportunities for diverse human resources	Quantitative Percentage of female employees in managerial positions: 15% in FY2025	● Percentage of female employees in managerial positions: 10.5% (as of April 2024) ● Percentage of female employees appointed as new managers: 30%	○	Promote hiring, development, assignment, and equal opportunities for diverse human resources	Quantitative Percentage of female employees in managerial positions: 15% in FY2025
	Quantitative Percentage of female employees appointed as new managers: 30%				Quantitative Percentage of female employees appointed as new managers: 30%
					Quantitative New Ratio of female directors: 25–30% in 2025
	Quantitative Percentage of male employees taking leave for childcare: 100%	116%*1	○		Quantitative Percentage of male employees taking leave for childcare: 100%
	Quantitative Percentage of employees with disabilities: 2.3%	4.5% (as of June 1, 2023, percentage of employees directly employed by NTT Communications) (2.5% for the DOCOMO Group as a whole)	○		Quantitative Percentage of employees with disabilities: 2.5%
	Quantitative Hire external personnel: 30%	Hire external personnel: 43.1%*2	○		Quantitative Hire external personnel: 30%

*1 As of April 1, 2024. Scope: NTT Communications Corporation, including seconded employees
*2 Denominator includes new graduates hired by DOCOMO and those seconded to NTT Communications.

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Promote work-life balance	Quantitative Improve the engagement score compared to the previous year (mid-term target: 65%)	● NTT Communications Group: 59%, down 2 points year-on-year ● NTT Communications Corporation: 62%, down 1 point year-on-year Note: The average rate for the quarterly survey was either little changed or trending upward at 61% for the NTT Communications Group and 65% for NTT Communications Corporation.	△	Promote work-life balance	Quantitative Improve the engagement score compared to the previous year
	Quantitative Percentage of remote work implemented Remote standard organizations: 60% Office-based organizations: 40%	● Remote standard organizations: 79% ● Office-based organizations: 61% (from April 2023 to March 2024) Note: the Companywide average rate was 76%.	○		Quantitative New Positive response rate on autonomous workstyles
Thoroughly implement occupational safety and health and health management for employees	Quantitative Work-related accidents: 0	1 accident	△	Thoroughly implement occupational safety and health and health management for employees	Quantitative Work-related accidents: 0
					Quantitative New Presenteeism loss ratio
Priority Activity | Respect for human rights					
Proactively promote activities for human rights education	Quantitative Attendance of human rights training: 100%	● NTT Communications Group: 97.3% ● NTT Communications Corporation: 97.7%	△	Proactively promote activities for human rights education	Quantitative Attendance of human rights training: Higher than the previous fiscal year
	Quantitative Human rights due diligence: more than once a year	Re-assessments conducted by external organizations for projects in areas with high country risk	○		Quantitative Human rights due diligence: more than once a year
	Quantitative Human rights violations: 0 cases	1 case	△		Quantitative Human rights violations: 0 cases

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

Governance

Our Vision of the Future

We envision a future in which the Company is trusted for its lofty ethics and solid governance and develops a sustainable society for the future based on diverse co-creation.



FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Priority Activity | Thorough compliance and risk management					
Share high ethical standards and ensure compliance	Quantitative Serious compliance violations: 0 cases	0 cases	○	Share high ethical standards and ensure compliance	Quantitative Serious compliance violations: 0 cases
Corporate culture for maintaining and improving business ethics	Quantitative Percentage of employees reporting that their workplace has an open atmosphere: 97%	Average positive response rate for related questions: 95.9%	△	Corporate culture for maintaining and improving business ethics	Quantitative Percentage of employees reporting that their workplace has an open atmosphere: 97%
Continuously upgrade the risk management structure	Qualitative Promote Companywide risk management	● Held Business Risk Management Committee meetings (twice) and subcommittee meetings (12 times) ● Submitted a quarterly report to the Executive Council (4 times)	○	Continuously upgrade the risk management structure	Qualitative Promote Companywide risk management
Priority Activity | Enhanced value chain partnerships					
Collaborate with suppliers to ensure thorough sustainability and green procurement	Quantitative Percentage of direct dialogue with key suppliers conducted: 100%	● Direct dialogue: 5 companies (100%) ● SAQ: 14 companies (100%)	○	Collaborate with suppliers to ensure thorough sustainability and green procurement	Qualitative Percentage of direct dialogue with suppliers requiring improvement requests: 100%
Enhance stakeholder engagement	Qualitative Dialogue with stakeholders and response to their requests	● Developed dialogue with customers on sustainability in general through SAQ and by other means	○	Enhance stakeholder engagement	Quantitative New Increase, from the previous fiscal year, opportunities for dialogue with a wide range of stakeholders, including NGOs/NPOs and local communities

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

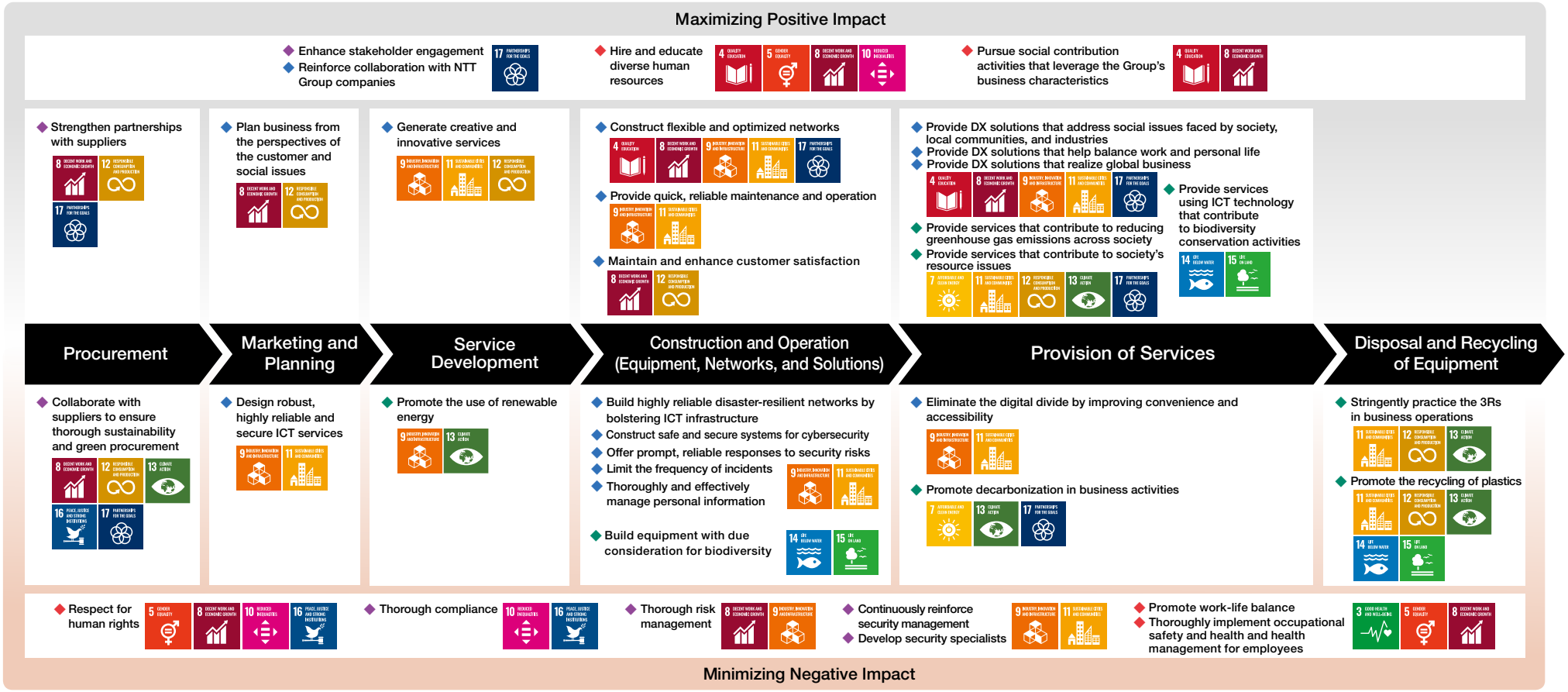
FY2023				FY2024	
Main Initiatives	KPIs	Review	Assessment	Main Initiatives	KPIs
Priority Activity | Continuously strengthening information security					
Continuously reinforce security management	Quantitative Number of serious incidents involving external attacks: 0 Qualitative Conduct system audits and information security audits, implement security measures, and enhance the management structure	● Number of serious security incidents: 0 ● Completed the introduction of UEBA in addition to EDR/NDR as a measure against unauthorized access to the Company network ● Promoted the automation and efficiency of security operations through the introduction of tools ● Held Security Committee meetings to strengthen IT/security governance for IT/OT asset management and internal fraud measures ● Conducted an information security survey targeting seven NTT Communications organizations and two NTT Communications Group companies	○	Continuously reinforce security management	Quantitative New Number of serious incidents involving cyberattacks : 0 Quantitative New Serious incidents of personal information leakage : 0

Achievement levels based on self-assessment ○: Achieved △: Partially achieved ×: Unachieved

NTT Communications Group's Value Chain for Service Provision

The NTT Communications Group clearly redefines the main issues it must address by gauging the social and environmental impact of its business activities across its value chain, adhering to its Sustainability Policy and referencing the SDGs. Toward achieving the SDGs and realizing a sustainable future, we will enhance our value chain partnerships as we implement initiatives for addressing the main issues through our business activities by reinforcing the positive impact and minimizing the risks and negative impact on society.

Four Priority Areas ◆ Society ◆ Human Resources ◆ Environment ◆ Governance



Relationship with the NTT Group

Promoting Sustainability throughout the Entire Group

NTT Communications engages in initiatives Groupwide to address social issues as a member of the NTT Group by adhering to the NTT Group Sustainability Charter, established in November 2021 as a revision to the NTT Group CSR Charter. As part of the revision, the NTT Group set up the Sustainability Committee, chaired by the president, to discuss the basic strategies, status of activities, and information disclosure related to sustainability to promote its initiatives. The NTT Communications Group participates in these discussions as an operating company, and decisions made by the committee are reflected in our own activities.

Furthermore, the NTT Group has been holding NTT Group Sustainability Conferences since fiscal 2013 to understand and promote sustainability activities. The NTT Communications Group has consistently received awards at the conference since fiscal 2016. In fiscal 2023, we proactively shared and reported on initiatives and services beneficial from the perspective of sustainability.

For more information on the NTT Group Sustainability Charter, refer to the following link.
https://group.ntt/en/newsrelease/2021/11/10/211110d.html

Relationship with External Entities

Participation in External Groups

NTT Communications actively participates in external organizations and shares information so that initiatives for addressing social issues can be shared beyond corporate boundaries.

Participation in External Organizations (Major Groups Only)

- Japan Climate Initiative (JCI)
- Japan Circular Economy Partnership (J-CEP)
- Green Purchasing Network (GPN)
- Okinawa Open Laboratory (Member of the Board)
- Advanced IT Architect Human Resource Development Council (Member of the Board)
- Internet Content Safety Association (ICSA) (Member of the Board)
- Security Promotion Council (SPREAD)

Outside Advice for Management

We believe that we have an important responsibility for conducting business with due consideration to the diverse outlook of our stakeholders. With this in mind, each executive not only participates in dialogues as part of daily business but also actively takes part in internal and external meetings and individual interviews.
To incorporate the perspective of sustainability into our business strategies, we believe it is important to exchange opinions with internal and external experts and intellectuals, and we will continue to convene dialogues involving management and outside experts.

For more dialogues, refer to the following link.
https://www.ntt.com/en/about-us/csr/dialog.html

Serving Society through the docomo business

NTT Communications is working to resolve social issues and create new value through a variety of services and solutions that leverage cutting-edge ICT. We are striving to broadly improve customer experience (CX), including digital transformation (DX) and green transformation (GX), and effecting change in the world with each challenge we take on through diverse co-creative efforts.

GX

- Launched Green Nexcenter®, an ultra-energy-saving data center service that supports liquid-cooled server devices



https://www.ntt.com/about-us/press-releases/news/article/2023/1004_2.html (in Japanese only)

- Began providing MIeCO$_2$, a cloud service that calculates, visualizes, and analyzes GHG emissions across the supply chain, including those associated with steel products. The service makes use of the CO2MOS® platform for visualizing GHG emissions provided by Marubeni-Itochu Steel Inc. and NTT Communications along with the environmental consulting expertise of WasteBox, Inc.



https://www.ntt.com/about-us/press-releases/news/article/2023/0830.html (in Japanese only)



- NTT Communications began selling J-credits developed with YANMAR MARCHÉ by reducing greenhouse gas emissions based on extending the mid-season drainage period in wetland rice cultivation

https://www.ntt.com/about-us/press-releases/news/article/2024/0129.html (in Japanese only)

P.026 For more details, see: “CASE 01 Supporting the Creation and Use of J-credits through Collaboration with Companies and Local Communities” in this report.

Network Security

- Began offering new functions that utilize automation and generative AI for Managed SOAR, which supports security experts by providing rapid automatic response to the threat of cyberattacks



https://www.ntt.com/about-us/press-releases/news/article/2024/0903.html (in Japanese only)

- Launched the docomo business RINK®, an integrated network service combined with cloud-based security to realize a secure ICT environment and diverse workstyles



https://www.ntt.com/about-us/press-releases/news/article/2023/1004.html (in Japanese only)



Smart World

Smart City

- Began providing the RobiCo™ autonomous robot control service to resolve user issues with autonomous robots outdoors and on public roads

https://www.ntt.com/about-us/press-releases/news/article/2023/1011.html (in Japanese only)



- The first demonstration conducted in Japan by a municipality to resolve traffic safety issues using AI smart streetlighting and local 5G was adopted as a Regional Digital Infrastructure Utilization Promotion Project for FY2023 by the Ministry of Internal Affairs and Communications

https://www.ntt.com/about-us/press-releases/news/article/2023/1005.html (in Japanese only)

- NTT Communications' Smart Data Platform for City begins operations at the Tokyo Midtown Yaesu commercial complex

https://www.ntt.com/about-us/press-releases/news/article/2023/0310.html (in Japanese only)



P.027 For more details, see: "CASE 02 Making Advanced Use of Robots in Smart Buildings" in this report.

- Launched the Mobiscan® platform for use of big data from video footage of urban areas.

https://www.ntt.com/about-us/press-releases/news/article/2024/0112.html (in Japanese only)

Healthcare



- Began offering Brain Health Check, a corporate service that allows users to check the state of their cognitive functions over the phone

https://www.ntt.com/about-us/press-releases/news/article/2024/0403.html (in Japanese only)



- Began providing the Smart Data Health Supporter service to support corporate efforts for management of health and productivity

https://www.ntt.com/about-us/press-releases/news/article/2024/0131_2.html (in Japanese only)

Education

- Launched the GIGA School Pack for updating learning with data beyond usage to support the second term of the GIGA School concept

https://www.ntt.com/about-us/press-releases/news/article/2024/0409_2.html (in Japanese only)



- Manabi Pocket began offering a new Mental Health Observation function to detect and provide support for small early signs of distress from children and students

https://www.ntt.com/about-us/press-releases/news/article/2024/0329.html (in Japanese only)



Smart Solutions for Local Communities

- Supported the revival of the Wajima Asaichi morning market with live commerce and metaverse technologies during the 2024 Noto Peninsula Earthquake reconstruction event Shuccho Wajima Asaichi



https://www.ntt.com/about-us/press-releases/news/article/2024/0319.html (in Japanese only)



- Launched a cleanup project that unites the local community, businesses, and tourists by introducing smart trash cans in Dotonbori, the Kuidaore (food crawl) town in Osaka, on Thursday, November 16, to create a world-class city for international tourism

https://www.ntt.com/about-us/press-releases/news/article/2023/1116.html (in Japanese only)

P.028 For more details, see: “CASE 03 Using Smart Trash Cans to Solve the Problem of Littering” in this report.

- Promoting smart solutions in Hachijo Island by introducing smart displays in Hachijo Town



https://www.ntt.com/about-us/press-releases/news/article/2023/1114.html (in Japanese only)



- Developing a local government platform and app to provide optimal solutions for issues faced by the depopulated and aging municipality of Naganohara Town, Gunma Prefecture

https://www.docomobs.com/case/gunmanaganoharamachi/ (in Japanese only)

- Began verification tests for the regional revitalization project for the Shimanami Kaido national cycle route through the use of rental bicycles



https://www.ntt.com/about-us/area-info/article/20231006.html (in Japanese only)

AI and IoT

- Began accepting applications for the “tsuzumi” Partner Program

https://www.ntt.com/about-us/press-releases/news/article/2024/0529.html (in Japanese only)

- E.design Insurance Co., Ltd. and NTT Communications conduct verification tests for the sophistication of customer contact points using generative AI



https://www.ntt.com/about-us/press-releases/news/article/2024/0603.html (in Japanese only)



- Launched commercial sales of Active Multi-access SIM™ for carrier redundancy in diverse IoT devices

https://www.ntt.com/en/about-us/press-releases/news/article/2024/0131.html

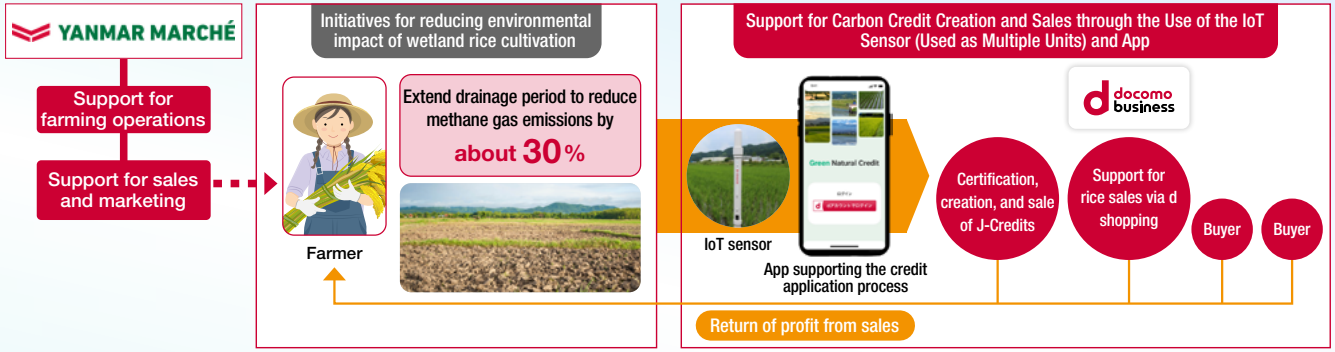


CASE of docomo business

01 J-Credits × ICT × Decarbonization

Supporting the Creation and Use of J-Credits through Collaboration with Companies and Local Communities





Social Issue

Growing Need for Carbon Credits

Companies are actively using carbon offsetting* to achieve carbon neutrality by 2050. Although the J-Credit scheme, through which the government certifies greenhouse emissions reduction, has gained attention as a reliable and promising option in Japan, only a small number of tradable credits have been issued, making it inadequate for meeting the expected increase in demand. Furthermore, the complicated certification process for creating carbon credits remains a barrier to broad adoption.

*A system that enables the volume of reduced emissions and absorption of greenhouse gases such as CO_2 to be traded mainly among companies. A company purchases credits to offset (compensate for) emissions that it cannot reduce by its own efforts.

Solution

Create Credits by Reducing Methane Gas Emissions from Rice Paddies

To promote decarbonization across society, NTT Communications is committed to supporting the creation of J-credits through ICT solutions. Our collaboration with Yanmar Marché Co. Ltd., announced in August 2023, is one such initiative in which credits are created by reducing the emission of methane gas from wetland rice cultivation for constructing an agricultural model that lessens environmental impact while at the same time increasing farmers' profits.

About 45% of methane gas emissions in Japan are derived from cultivating rice, and its greenhouse potential is about 25 times greater than that of CO_2 emissions. Mid-season drainage is a common practice in wetland rice cultivation, and we were able to confirm that if the drainage period is extended by about a week, methane emissions can be reduced by roughly 30%. This was approved as a new method under the J-Credit system in April 2023.The initiative will support the farming operations of Yanmar Marché's contract farmers as they introduce an extended drainage period and utilize ICT solutions for cultivating rice. We will install the MIHARAS IoT sensor, capable of obtaining data on soil temperature, water levels, water temperature, humidity, and air temperature, in the rice paddies and use the data to improve the efficiency of the work involved in credit certification to create highly reliable credits. The two companies will also support the branding of the harvested rice to help farmers expand their business.

This initiative was launched during the planting of the 2023 rice crop with 12 farmers in 6 prefectures including the Tohoku and Hokuriku regions. The extended drainage period showed no negative effects on the harvested volume, and the method was certified as a J-Credit in January 2024. In the current fiscal year, use of the method has expanded to around 20 prefectures, which is expected to significantly increase the volume of credits to be created. We will continue to strengthen our collaboration with companies and local communities to contribute to society as a whole through decarbonization.

Our Vision of Society

Using GX to Create the Future of the Next 100 Years

While the need to create J-Credits continues to grow, the limited number of screening organizations and the labor-intensive registration and application process have formed a bottleneck hindering the expansion of J-Credit creation. We also believe that one of our key missions is to support the creation of reliable credits by providing ICT solutions, such as our IoT sensor, to ensure the credits are not considered greenwashing, or deemed as superficial consideration for the environment. In addition to the aforementioned rice paddy credits, we are also applying our solutions to create credits through the use of biochar on farmland, as well as those derived from forests that can contribute more directly to decarbonization (see page 66). Driven by a sincere desire to create the future for the next 100 years through co-creation with various partners, we will continue to engage in GX projects that contribute to realizing a decarbonized society and revitalizing regional communities.



Daichi Mizushima
Solution Services Department
Business Solution Division

CASE of docomo business

02 Office Buildings × SDPF for City × Solutions

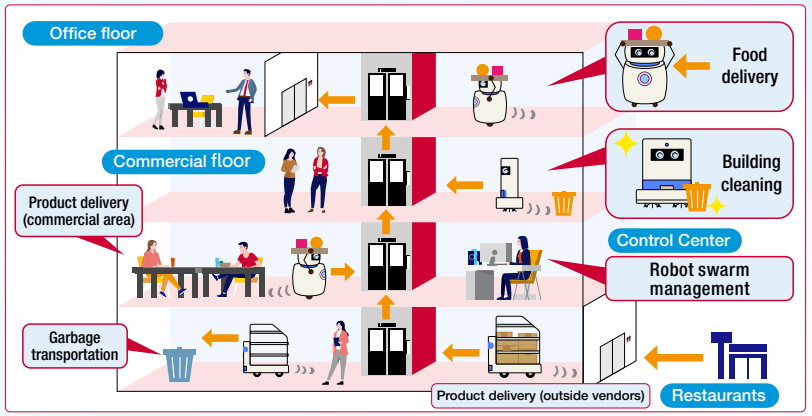
Advanced Use of Robots in Smart Buildings

Social Issue

Transforming Office Environments

The shrinking working population and spread of remote work triggered by the COVID-19 pandemic have led to significant change in office environments and worker awareness. With regard to offices and commercial facilities, attention is focused on saving energy and improving user comfort and convenience inside buildings, while in terms of building maintenance, there is a growing need for smart buildings capable of raising the efficiency of management operations through DX. The landscape of next-generation buildings is particularly expected to be dramatically transformed by robot-based solutions, and efforts are underway to develop platforms for linking diverse technologies.

[Use of Multiple Robots in Tokyo Midtown Yaesu]



Multi-robot management
Coordination of robots from different manufacturers

Coordination with building facilities
Coordination with building facilities such as elevators, security doors, and emergency alarms

Centralized management
Visualization of the operational status of robots inside the building, such as location and battery level, and simple operational commands

Improved efficiency and labor saving in various operations
Food delivery through apps, and transportation of equipment and garbage in collaboration with humans

Solution

Raise Efficiency and Save Labor in Building Management Operations

The Smart Data Platform for City (SDPF for City) provided by NTT Communications is a smart building platform for linking and controlling various data for facilities inside a building. The platform has been implemented in Tokyo Midtown Yaesu, a large-scale commercial complex that opened in front of Tokyo Station in March 2023, and is helping achieve cutting-edge DX for buildings.

We have been advancing the application of robots in smart buildings by providing solutions for controlling different manufacturers' robots, which have varying capabilities, and by carrying out demonstrations to explore the coordinated control between building facilities and robots from multiple makers. Tokyo Midtown Yaesu was at the ideal stage for testing the results of these demonstrations. Currently, 19 robots from multiple manufacturers are operating together on the SDPF for City platform to reduce the labor required for building management tasks such as cleaning and delivery. We constantly monitor the location and operational status of autonomous robots moving inside the building, as well as those capable of getting on and off elevators and passing through doors on their own. This is also the first office building in Japan to use robots to operate a delivery service for office workers. Facial recognition supports completely touchless building entry and exit, while the level of congestion in commercial areas and the office lobby is analyzed from images captured from building cameras and posted on signage as well as the facilities' official website. SDPF for City will continue to expand the potential of smart buildings by continually growing its collection of accumulated data.

Our Vision of Society

Spreading Smarter Solutions from Buildings to Cities

Kaeriyama: The strength of SDPF for City lies in its ability to collect and analyze data and then implement improvements based on the results. By leveraging our track record in urban development and experience gained from collaborations with other industries, we hope to develop and popularize smart buildings as a multi-vendor that can deliver the optimal solutions for customer needs and create a better future by expanding the scale of our services from buildings to cities.

Inoue: Our goal is to further enhance and develop services related to air conditioning management, safety, and security and increase the number of smart buildings where visitors can feel safe and work comfortably. In addition, by establishing exciting workspaces for people through the active use of robots and functions not yet imagined, we hope to energize buildings and entire cities to realize the future we have envisioned.



Tsukasa Kaeriyama
Smart City, Smart World Business, Business Solution Division



Masashi Inoue
Solution Services Department

CASE of docomo business

03 Trash Bins × ICT × Solutions

Using Smart Trash Bins to Solve the Problem of Littering

Social Issue

Tourist Spots Littered with Trash

Tourist spots across Japan receive a significant number of visitors from within the country and overseas, which has led to the problem of littering.

For the merchants'association of the Dotonbori shopping district in Osaka Prefecture, popular among tourists as Kuidaore (food crawl) town, the trash left behind from eating tours has become particularly problematic, causing a deterioration in the scenery and public hygiene that must be addressed. Although every food and beverage shop has installed trash bins, the effort is not sufficient, and a lot of garbage continues to be carelessly discarded on the streets and inside facilities. In addition, since the streets in the shopping district are public spaces, placing a trash bin requires various permits, as well as time and effort, which has hindered installation.



Solution

Installing Smart Trash Bins for a Cleaner Dotonbori

NTT Communications is working with the Dotonbori Merchants' Association and other local companies to install ICT-based Smart Trash Bins in the Dotonbori district. In this initiative, we responded to the local community's call for help and took the lead in initiating and coordinating the Dotonbori Clean Project, a co-creative project involving the local community, businesses, and government.

During a demonstration in January 2023, we placed one Smart Trash Bin in the shopping district to verify the impact in terms of the increase or decrease in the volume of litter and the sustainability of operation. We installed a Smart Trash Bin developed by Forcetec, Inc. called SmaGO, which not only supports the real-time cloud-based monitoring of the accumulated trash using an IoT sensor inside the bin but also automatically compresses the content, making it possible to hold approximately six times the normal amount of trash. The system also sends a notification to smartphones of personnel in charge as the level of trash bin fills up.

As a result of the pilot demonstration, the total weight of litter was reduced by 39%, and the total number of littered items was 14% less than before installation. What is more, thanks to the compressing function, the frequency of trash collection fell from several times a day to just once a day, and there was no trash overflow from the bins during the test period. The decrease in the frequency of trash collection also led to reducing the time and costs needed to conduct patrols to monitor the condition of the bins and collect trash, thus confirming that the local community including merchants' association was able to sustainably operate the bins without any risk of overflowing.

By November 2023, a total of ten Smart Trash Bins were placed in the Dotonbori area.

Our Vision of Society

Contributing to Sustainable Tourism

Installing trash bins on local streets and in locations not privately owned requires permission from the local government and other local authorities, so the local community, businesses, and government must work together to promote the project. Therefore, we leveraged our problem-solving ability to formulate an ICT-based solution, launch the co-creative project, and install Smart Trash Bins. We will contribute to the development of Dotonbori into a world-class international tourist city in advance of the upcoming Expo 2025 Osaka, Kansai, by making the town cleaner than ever by placing more Smart Trash Bins and having the merchants' association release announcements to encourage people to stop littering. Apart from the Dotonbori area, we will also strive to help other regions where littering is a problem. Also, we will take on the challenge of creating Smart Cities, beginning with the installation of Smart Trash Bins.



Kazuaki Sanri
First Solution & Marketing Division
Kansai Regional Office



A Better Future Characterized by Innovation and Abundant Vigor, in Which Sustainable Development Is Achieved through Value Creation

Society

As a leading ICT company spearheading DX across society, the NTT Communications Group works to resolve diverse social issues through initiatives, including the realization of a Smart World that connects society and the future, ICT Transformation, and promotion of advanced innovation, with the intention of developing a sustainable future. We will venture beyond our corporate boundaries and continuously take on challenges to co-create and drive the emergence of new value and demonstrate our commitment. Furthermore, as a corporate citizen, we will engage in business activities deeply rooted in the local community to bring about a better future that is resilient, safe, and secure while constantly pursuing opportunities to contribute to society through ICT.

Targeted SDGs



Priority Activities

- 030 Promotion of DX to Connect Society with the Future
- 034 Promotion of Innovations that Break through Limits
- 036 ICT Transformation
- 041 Promotion of Corporate Citizenship

Priority Activities

Promotion of DX to Connect Society with the Future

Our Approach

Our goal is to facilitate DX that will lead customers to create new businesses and bolster their competitiveness and to realize a Smart World through the utilization of ICT. By accumulating a broad array of data and reusing it to improve existing formats and develop and introduce new systems, technologies, and services, we will resolve a number of the issues facing society and create better ICT environments.

We will contribute to addressing social challenges by promoting DX in collaboration among Group companies and with our partners to address the issues faced by clients developing global business, various industries, and society as a whole. The NTT Communications Group will also provide solutions for promoting DX to connect society with the future, such as realizing a world in which every worker can choose an optimal workstyle and demonstrate their talents.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

Our focus for the docomo business brand continued to be on the projects and co-creation that demonstrate the Smart World in fiscal 2023. The business co-creation program, OPEN HUB for Smart World, created more than 1,000 projects and the Xtrepreneur Award, established in collaboration with Forbes JAPAN staff, increased momentum for social innovation throughout society. In addition, we supported DX for revitalizing local communities and small and medium-sized enterprises (SMEs) to realize sustainable local communities. We also promoted docomo business Rink, Arcstar IP Voice Wireless, and Business d App as services that improve the way we work and live, while also focusing on providing global DX solutions that utilize IoT, AI, and other technologies.

We will continue to promote DX across society, industry, work/lifestyles, and global businesses, guided by progress toward achieving integrated solutions and in regional business collaborations, and with customer engagement rates as indicators.

Providing Services that Help Advance the Evolution of an ICT Society

Pursuing Our Mission to Realize a Smart World

The NTT Communications Group intends to facilitate DX that will lead customers to create new businesses and bolster their competitiveness and to realize a Smart World in which social issues are resolved through the utilization of ICT. To address issues that we see emerging throughout society, from urban development, construction, and customer experience to education, industry, medical/healthcare, mobility, and workstyles, we are pursuing digital transformation, including the utilization of data and development of new technologies and systems. By doing so, we will resolve social issues and achieve sustainable growth, which in turn will lead to generating new value.

Promoting the Realization of Sustainable Local Communities

Our docomo business brand uses mobile and IoT technologies and other synergies of the DOCOMO Group to help revitalize local communities together with our customers and local governments nationwide. A major challenge facing local communities is a shortage of workers due to an aging and decreasing population, which calls for greater efficiency through DX. We will contribute across a wide range of sectors, including agriculture, fisheries, healthcare, transportation, and education, to addressing the challenges faced by each community and industry with the most effective solutions, thereby contributing to the realization of sustainable local communities.

Providing Services that Enable Secure Access to Internal Systems

Today's social environment, where remote and hybrid work has become common, requires an environment that allows flexible access from anywhere to internal systems, SaaS*1, and websites scattered across on-premises*2 and public clouds*3. However, many companies have been concerned about the cost, lead time, and operation required to introduce an ICT environment that addresses alternative working styles and new security threats.

In December 2023, NTT Communications launched docomo business RINK®, a new security-integrated network service that offers a secure ICT environment based on the Zero Trust*4 security model and supports diverse working styles.

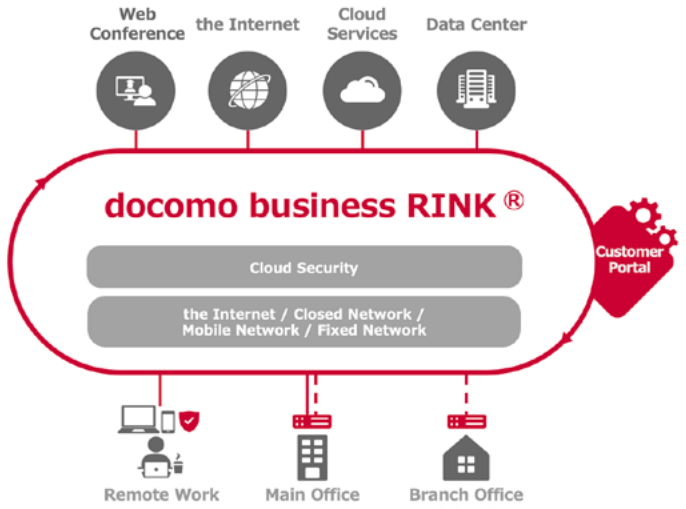
In addition to a variety of network access options tailored for specific locations, such as the office, home, and store, the service also offers remote access that enables employees to connect securely to the resources they need from anywhere while ensuring cloud-based security, such as an Internet gateway with advanced UTM functions. By combining these functions according to need, customers can set up the ideal ICT environment.

While similar conventional network services can take up to a month to be activated, docomo business RINK® allows customers to apply for services and change settings through a dedicated web portal, making it possible to quickly establish an optimal ICT environment. The service for mobile phone access can be activated in as few as 10 business days after the application has been submitted. The only required on-site work is to turn on the power, so the service can be started without having to possess the specialized knowledge needed for configuring the equipment. This enables companies to reduce the total cost and lead time of building an ICT environment. Furthermore, by fully utilizing software-defined technology, which is at the forefront of the global market, the service can be configured on demand through a web portal to increase or decrease communication bandwidth and Internet breakouts. These functions allow users to set up a comfortable work environment even under heavy communication loads, such as when multiple employees are participating in a web conference from their office desks. We plan to start offering an integrated ID management function (IDaaS) by the end of fiscal 2024. This will facilitate centralized management of IDs for cloud services and internal systems and provides multi-factor authentication and access restrictions to prevent unauthorized access and information leaks. It is also expected to improve user convenience through single sign-on.

Going forward, we plan to provide a function to counter risks to IoT devices, which are otherwise considered difficult to secure. By detecting and blocking threats on the network side, the service will proactively minimize damage (business model patent has been obtained). By continually expanding service functions, we will ensure the secure operation of ICT environments that strengthen the business continuity of our customers.

*1 Software as a Service: Software or a software platform that is provided in the cloud and can be used as a service with necessary functions in the required quantities
*2 In-house operation of information systems such as servers
*3 An open form of cloud computing environment that is provided to an unspecified number of companies or individuals
*4 Concept of security measures to be taken based on the premise of "trusting nothing"

[docomo business RINK®]



Promotion of DX in Workstyles and Lifestyles

In fiscal 2023, we continued to offer a variety of new services supporting DX at work and in daily life. The rise of diverse workstyles and growing interest in business continuity planning is driving the need for creating highly flexible voice communications environments. In order to provide the DX of an optimal voice communication environment with greater location flexibility than ever before, we began offering Arcstar IP Voice Wireless, which eliminates the location restrictions and installation work required for fixed telephone lines by connecting them with telecommunications carriers and subscribers' wireless services. Furthermore, in order to contribute to the sustainable operation and development of small and medium-sized enterprises, we provided Business d App as a comprehensive portal for enterprises that allows employees to easily use services that enhance work efficiency and employee satisfaction and lead to the resolution of enterprise issues. It also supports employee benefits, and Business d Prepaid, a prepaid card for enterprises, which facilitates cashless payment of expenses. We are also supporting the implementation of DX in working styles and lifestyles by providing services related to wellness solutions, disaster prevention, and healthcare.

Safety and Security for Everyone through DX

Now that ICT has become an indispensable social infrastructure, we are working with our Group companies and partners to realize DX across society and industry to resolve the issues facing our world today. This includes bridging the digital divide, allowing people all over the world to enjoy the benefits of ICT without any constraints related to where they live, their age, or economic standards. For example, in IoT we are working to create use cases that contribute to resolving such social issues as watching over children, preventing crime in public areas, and assisting the elderly and physically challenged with mobility issues.

NTT Communications is promoting universal design* to provide products and services easy to use by all customers, regardless of age, gender, or physical abilities. For example, our AI chatbot COTOHA Chat & FAQ®, which uses a unique semantic search engine to read the intent of questions and provide highly accurate answers, was made compatible with universal design. The ability of the service to provide multilingual customer support with only Japanese FAQs and Japanese-speaking operators has been well received.

* Products and services, including functional enhancements, that can be used by the elderly, children, people with disabilities, and foreign visitors to Japan who experience language barriers.

For more information on COTOHA Chat & FAQ®, see:
https://www.ntt.com/cotoha-cf.html (in Japanese only)

Promotion of DX in Our Global Businesses

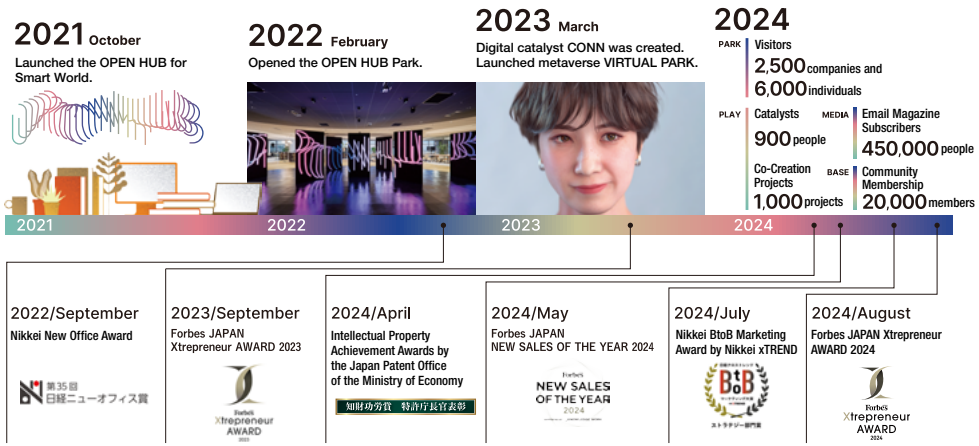
Following the reorganization of the global business operations of the NTT Group and NTT DOCOMO Group, NTT Communications is expanding its global reach together with its subsidiaries NTT Com Asia Limited, NTT Communications China, Shanghai NTT Telecommunications Engineering, and Mobile Innovation. To fuel the global expansion of our docomo business brand, Mobile Innovation in Thailand has set up a its Customer Experience Center as a showroom where visitors can try out some of our 5G and IoT solutions currently offered in Japan. In collaboration with the other NTT Group companies involved, we will continue to contribute to DX in our global businesses by proposing and introducing our docomo business brand to a wide range of customers.

Business Co-Creation Initiatives

OPEN HUB for Smart World, a Business Co-Creation Program

A Business Co-Creation Program Launched in 2021 to Address Increasingly Complex Social Issues The OPEN HUB for Smart World program provides customers and partners with four functions: owned media, community, co-creation space, and program catalyst. The OPEN HUB Base community has more than 20,000 registered members, and the co-creation space, OPEN HUB Park, has been visited by 2,500 companies and 6,000 individuals. The number of internal and external experts who lead co-creation businesses, whom we call “catalysts,” increased to 900 in fiscal 2024, with expanded expertise into areas such as AI and smart cities. As a result, more than 1,000 co-creation projects have been started in the first three years. The program has received various awards in recognition of its efforts and achievements, including the Nikkei Cross Trend BtoB Marketing Award in the Strategy Category and the Intellectual Property Merit Award from the Ministry of Economy, Trade and Industry.

[History of OPEN HUB]



Xtrepreneur AWARD to Accelerate Social Innovation

In 2023, we established the Xtrepreneur AWARD with Forbes JAPAN to recognize co-creation projects that tackle social issues.

In 2024, out of over 100 entries, we recognized six award-winning projects that address social issues, including carbon neutrality and circular economy, in Japan and around the world. By creating our own co-creation projects and also recognizing outstanding projects from other companies that are tackling social issues, we disseminate information and build momentum throughout Japanese society to realize a sustainable future.

Business Co-Creation Projects to Tackle Social Issues

CASE 1 Creating J-Credits by Extending the Midsummer Drainage Period of Paddy Rice Cultivation

In Japan, 45% of methane gas, a greenhouse gas, is generated from paddy fields. Together with Yanmar Marché Co., Ltd., we visualized data on methane gas emissions curbed by extending the midsummer drainage period to create carbon credits.

P.026 See also “CASE 01: Supporting the Creation and Use of J-Credits through Collaboration with Companies and Local Communities” in this report.

CASE 2 Value Add Femtech Community to Create a Well-Being Society for All Women

As part of our support for women’s advancement in society and addressing the declining birthrate, the Value Add Femtech Community develops and provides products and services suited to individual women across companies that address women’s specific health concerns. The number of participating companies has increased from 12 at the time of establishment to 45 (as of November 2024).

CASE 3 Brain Health Check to Connect Family Ties in an Aging Society through Telephone and AI

To create a society where fewer dementia patients, their families, and businesses experience anxiety about dementia, NTT Communications has combined its telephone service assets with Nippontect Systems’ AI technology to provide a service in which AI checks the health of participants’ brains via phone calls.

CASE 4 JCLaaS Business to Realize a Society Where People Can Live in Perpetual Affluence through Infrastructure Management

The deterioration of social infrastructure facilities and equipment and increasingly severe disasters must be addressed. We therefore jointly launched a comprehensive infrastructure management business for local governments with the West Japan Railway Company, which supports infrastructure including railroads, and four banks, to foster industry from a financial perspective.

CASE 5 Digital Hub on the Road to Be Realized by Co-Creating the Future of City Planning

We work with Stanley Electric Co., Ltd. and KAGA FEI Co., Ltd. to make streetlights a smarter social infrastructure by using AI cameras to address social issues including regional traffic problems. This project has also been selected by the Ministry of Internal Affairs and Communications for the FY2023 Regional Digital Infrastructure Utilization Promotion Project.

Priority Activities

Promotion of Innovations that Break through Limits

Our Approach

Under our mission of “Creating communications methods that open up new possibilities for people and our world,” we aspire to connect the world by providing advanced technologies and services that generate new social value.

We will pursue innovations unshackled by conventional wisdom. To generate creative innovations, we will apply new ideas to establish businesses and engage in new business development such as Smart X and business co-creation with our customers. We will also develop a new framework for generating innovations within the Group through internal reforms and the Open Innovation Program.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

As in the previous fiscal year, we continued to actively promote the development and demonstration of new businesses in fiscal 2023. We also promoted the commercialization of developed functions and services. For example, OsecT, which visualizes and detects security risks in OT systems in factories, was developed to support OT protocols originating in Japan. Moreover, we also generating value and demonstrating new businesses with medium- to long-term prospects.

We actively promoted innovation management in collaboration with internal and external parties. In addition, we expanded the scope of a new business creation content launched in 2016 for generating new businesses originating from employees, to include the DOCOMO Group. Starting in fiscal 2023, the contest has been held under the docomo STARTUP brand.

We are pursuing further innovation by setting “driving creative innovation” as a main initiative and using patent applications on key intellectual property themes that support the sustainability of innovative businesses, such as Smart World, as an indicator.

Driving Creative Innovation

NTT Communications established the Innovation Center to drive creative innovation for realizing a Smart World and contributing to the DX of our customers.

Promoting Creative and Innovative Smart X

● Innovation Center

NTT Communications established the Innovation Center in 2020 to create new businesses and common knowledge as pillars of its future business. The center was comprised of four divisions: the Technology Strategy Division, which works to gain technological superiority; the Design Division, which promotes customer-oriented management; the Technology Division, which drives the entire company with cutting-edge technologies; and the Produce Division, which leads the development of new businesses. In April 2023, the IOWN Promotion Office was added to these four divisions to be responsible for developing and verifying technology, planning and executing promotion strategies, and promoting demonstration experiments for the early deployment of the next-generation information infrastructure IOWN® across society.

● Creating New Businesses

The Innovation Center has been creating a number of new businesses. The WideAngle professional service, OsecT, which visualizes and detects security risks in control systems for production lines in plants, was launched as a commercial service in April 2022. To expand the scope of its application, we conducted technical and business

verifications, and in fiscal 2023 we supported CC-Link, an OT protocol originating in Japan. Up until now, we have developed and demonstrated Droppin, an instant search and reservation service for workspaces that best suit the needs of users, in partnership with various coworking spaces and private work booths to support flexible workstyles, as well as Home Currency Anywhere, a foreign currency exchange platform with guaranteed rates that dramatically accelerates and improves cross-border business. Some of our next business projects under discussion from a mid- to long-term perspective are remote-controlled robotics and space-related businesses. We will continue to create new added value to bring about change and drive creative innovation and new businesses for realizing a Smart World.

Promotion of Innovation Management

Promoting Creative Innovation through Internal and External Collaboration

We believe that promoting internal innovation and co-creation and collaboration with external parties are essential for generating innovation and new businesses to resolve social issues. With this in mind, we are developing mechanisms for encouraging innovation.

DigiCom was originally started in 2016 to encourage employees to innovate and to develop human resources and a corporate culture conducive for driving innovation. In fiscal 2023, it was relaunched as the docomo STARTUP Challenge, a new business creation contest for docomo STARTUP, a program that all Docomo Group employees can participate in to commercialize their ideas. As one way to encourage co-creation with other companies, we hold the ExTorch open innovation program for co-creation of new value by drawing upon NTT Communications' extensive resources, including services, technologies, infrastructure, and data. ExTorch connects startup companies with our various internal departments to create new businesses.

Priority Activities

ICT Transformation

Our Approach

As the IoT society evolves, economic and social damage caused by emergency telecommunication breakdowns is becoming incalculably severe. As we are entrusted with managing networks and vital data associated with the globalization of many companies, we are absolutely required to fulfill our responsibility to maintain network connections at all times.

As a corporate group that provides global telecommunications services by utilizing the network technologies and maintenance systems that underpin advanced ICT societies, we focus on the Three Disaster Policy Fundamentals to put into place a communication environment that allows for the confident use of networks even in the event of a disaster or other emergencies. Through the consistent strengthening of ICT infrastructure equipment to prevent telecommunication breakdowns in the event of emergency, we will maintain the network as vital infrastructure, resolve customer security issues as a security advisor for the “new normal” era, and provide advanced services that integrate Group technologies such as local 5G and edge computing to realize flexible and optimal network environments for our customers.

As an ICT services provider, we are responsible for ensuring the confidentiality, secure retention, and management of information we receive from customers. We believe that fulfilling this responsibility is essential for realizing advanced, safe, secure, and sustainable living environments and economic and social activities.

Furthermore, we are working to provide advanced and robust information and cybersecurity. We have established a set of security regulations necessary for the NTT Communications Group as a whole to meet public expectations, and we apply them to the ongoing monitoring and operation of the ICT systems and networks entrusted to us by customers to ensure they are robust while enhancing their vulnerability response to unknown threats.

Disaster Policy Fundamentals

1. **Improving Network Reliability**
   We are working to improve reliability so that partial damage to telecommunications systems does not have a great effect on others.
2. **Ensuring Crucial Communications**
   We have secured means of communication to allow important communications in a disaster situation.
3. **Quickly Restoring Communications Services**
   We will restore to service damaged telecommunications equipment as soon as possible.

For more information on the Disaster Policy Fundamentals, see:
https://www.ntt.com/about-us/cs/saitai.html (in Japanese only)

Main Achievements in Fiscal 2023 and Goals for the Coming Years

In preparation for the arrival in Japan of diplomats from various countries for the G7 Hiroshima Summit in fiscal 2023, we took every precaution to ensure that our telecommunications facilities were properly protected and that we were ready to act quickly and effectively in the event of any incidents. These special security and maintenance efforts contributed to a successful, problem-free event.

In addition, we have established evaluation criteria based on the required roles, competencies, and skills of employees in charge of disaster response, and are continuing our efforts to certify employees who possess a high level of know-how and can serve as role models. Through these efforts, we will develop highly specialized human resources by indicating the direction and roadmap for improving their skills.

We also strengthened our security services to combat increasingly sophisticated cyberattacks, such as emerging threats from the spread of remote work caused by the COVID-19 pandemic as well as persistent, malicious ransomware attacks. Furthermore, we started offering a new security service that is affordable and easy to introduce, considering the growing number of cyberattacks affecting not only large but also small and medium-sized enterprises.

We specifically focused on offering services that meet the expectations of our customers for security. These included support for our highly secure and scalable Internet gateway service, Distributed Secure Internet GateWay (DSIGW)*1, expansion of products for EDR log analysis*2, risk scoring to visualize corporate security risks for SMEs, and security education and email training that combines security education and phishing email training.

In fiscal 2023, we will continue to strengthen our network security by promoting advanced and robust information and cybersecurity services, and we will expand our service lineup to meet the security needs of all customers, in light of the increasing prevalence of security incidents in IT as well as OT environments, regardless of enterprise scale.

*1 A service that provides UTM security and proxy functions (an intermediary system for accessing the Internet) necessary for secure Internet connections outside the company. It allows the resource size (specifications) to be adjusted on demand based on the customer situation and needs.
*2 Obtaining log information from endpoints (PCs, servers, and other devices) connected to the organization's network and analyzing them for any suspicious activities or traces of them.

Development of Disaster-Resilient Networks

Keeping Networks Reliable Following Disasters

NTT Communications works under the three basic guidelines for disaster prevention measures to maintain mission-critical communications and swiftly restore disrupted communication services.

In January 2024, the Noto Peninsula Earthquake occurred with a maximum seismic intensity of 7 in Wajima City, Ishikawa Prefecture and Shika Town, Hakui County, causing extensive damage. While the earthquake did not damage our communications facilities, it had a widespread and long-lasting impact on access lines. We worked with related telecommunications carriers to quickly restore the affected customer lines.

We work every day to raise awareness about disasters among our employees and those of partner companies so they can rapidly respond to disasters. Specifically, we conduct training that makes use of the Biz Safety Confirmation and Notification service, offered by NTT Communications, and also regular training exercises that simulate large-scale natural disasters.

For more information on disaster response, see:
https://www.ntt.com/about-us/cs/saitai.html (in Japanese only)

Providing Services that Underpin Corporate Business Continuity

Offering a range of services to respond to such crises as major earthquakes and pandemics, NTT Communications supports the continuity of its customers' businesses. For example, earthquake early-warning information is provided through a service and includes details about seismic intensity and arrival time before the tremors are felt. As the service enables initial damage prevention and ensures personal safety, it is considered effective for formulating a business continuity plan (BCP), since business restoration can be expected soon after an earthquake. Safety Confirmation and Simultaneous Alert Service verifies and gathers information on the safety of employees during a pandemic or natural disaster. Available on a routine basis via communications networks, it is also effective in confirming the safety of school contact networks and elderly persons as well as for simultaneously contacting employees dispatched to client companies.

In addition to these services to protect the personal safety of customers, we offer highly reliable ICT infrastructure services that will keep customer businesses and operations running uninterrupted even in times of disaster. For example, Nexcenter, a data center service with excellent disaster resistance, and SDPF Cloud/Server service (formerly the Enterprise Cloud service), a cloud service for companies that leverage outstanding technological capabilities as telecommunications carriers, are both connected via high-quality, high-volume networks between bases and therefore provide BCP capabilities that ensure the timely backup of data at remote locations.

Furthermore, DOCOMO IoT Managed Service began offering a one-stop solution for multi-carrier redundancy in December 2022 to enable companies that use IoT in their business development to construct robust networks.

Subsea Cable-Laying Ship Kizuna with Cutting-Edge Features

Receiving favorable evaluations for the effectiveness of ships used in restoring telecom equipment during disasters, we are examining various ways of using ships not only for NTT Communications but also throughout the NTT Group.

The subsea cable-laying ship Kizuna carries disaster recovery equipment, six 20-foot containers, aerial work platforms, and a mobile base station, which enables the NTT Group to transport emergency supplies and vehicles used for disaster reconstruction. Kizuna supported the rapid restoration of the telecommunications network during recovery work following the 2018 Hokkaido Eastern Iburi Earthquake, the 2024 Noto Peninsula Earthquake, by transporting supplies and vehicles to the nearest ports.

Kizuna also has an onboard emergency mobile base station with dynamic positioning functions. This allows it to set up temporary regional telephone services disabled during a disaster. The ship's upper bridge has enough space for numerous parabolic antennas that keep satellite communications from being impeded. This design allows for the installation of more telecom equipment during a disaster. In addition, the ship features unique living quarters that can be equipped with lodging and support equipment (including meal provision) for disaster relief workers. It is also equipped with switchboards and water intake ports that enable ship-to-shore energy and water supply.

In response to the Noto Peninsula Earthquake, which occurred in January 2024, the cable-laying ship Kizuna rushed to the coast of Wajima City carrying DOCOMO and KDDI mobile phone base stations, in accordance with the Social Contribution Partnership Agreement concluded between NTT and KDDI Corporation in 2020. The ship supported the operation of the onboard base stations for two weeks to ensure mobile communications in Wajima City, where land routes had been cut off and restoration had been delayed. The ship also transported and provided about 7 tonnes of emergency food and other relief supplies from its home port in Nagasaki City, Nagasaki Prefecture, to Ishikawa Prefecture.

In fiscal 2021, high-speed maritime broadband service JSATMarine provided by SKY Perfect JSAT was introduced to the Kizuna to make it possible to use the same business and communication tools on land and at sea. Thanks to the significant increase in communication capacity, we can now exchange large files with our clients when conducting cable work and other projects, allowing us to better manage business operations. In addition, program updates for special construction equipment manufactured overseas can now be performed remotely, so technicians from overseas are not required in person.

[Onboard equipment and disaster recovery support on Kizuna]





Replacing Lubricating Oil in Emergency Power Generators

In January 2024, when the Noto Peninsula Earthquake occurred, NTT Anode Energy Corporation requested lubricating oil replacement for generators that were running continuously at the telephone facilities and on mobile emergency power generators due to power outages in the affected areas. In response to this request, NTT World Engineering Marine Corporation's maintenance team for emergency power generation engines worked on the task for about a month in various locations on the Noto Peninsula, thereby contributing to secure telecommunications.

Process

2024

January 2 Received a deployment request; prepared lubrication oil and equipment

January 3 Traveled from Yokohama to Kanazawa

January 4 Began replacement work

[Details of Work Performed*]

- Telephone Exchange Facility: 1 location
  Lubrication oil replaced a total of 5 times (Wajima Building)
- Emergency Power Vehicles: 8 units
  Lubrication oil replaced a total of 17 times (7 units for NTT West, 1 unit for DOCOMO)
- Portable Generators: 5 units
  Lubrication oil replaced a total of 7 times
- Total Lubrication Oil Replaced: Approximately 578 liters (with a total of 2 additional supplies transported from Yokohama during the process)

*Managed by a team of 2 people on-site at all times for a total of 29 days (total of 6 members rotated)

February 1 Replacement work completed.

February 2 February 2: Returned to Yokohama

[Emergency power generator in the telephone facility]



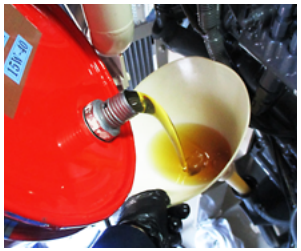
[NTT West's emergency power supply vehicle]



[DOCOMO's mobile emergency power generator]



[Replacing lubricating oil]



Provision of Advanced and Robust Information and Cybersecurity

Monitoring Enterprise Network Security

We have been addressing cyberthreats for about 20 years and have expanded our services by providing security operation services for enterprises through our Security Operation Center (SOC) and globally through the comprehensive security risk management service WideAngle for ten years.

While DX presents business opportunities for companies, it also signifies the start of an era of zero trust in an ICT environment where business expansion leads to assimilation into the Internet, thereby increasing cyber risks. Under these circumstances, safeguarding business continuity in the face of both foreseeable and unforeseeable risks, as well as risks associated with external attacks or internal foul play, has become a major management concern. In addition, with the increasing number and sophistication of cyberattacks, there are fewer security engineers who can prevent and restore damaged equipment. To address this, we recently began offering Managed SOAR using SOAR*1 technology, which enables automatic response and recovery when a threat is detected, allowing for a rapid response to cyberattacks, as well as standardizing and enhancing responses regardless of the availability of skilled engineers, thereby systematically improving security.

In fiscal 2023, in addition to ransomware that encrypts data, damage caused by ransomware attacks that steal and expose confidential and personal information has become prominent. This damage is magnified when attackers exploit authentication functions within the ICT environment of the compromised company. In response, we developed and provided Managed Security Service ID Security to detect abnormal behavior of authentication systems. To counter new threats arising from the shift to the cloud, we started offering Managed CSPM*2 to provide enhanced cloud security for customers in fiscal 2022 by visualizing the status of IaaS*3 misconfigurations and compliance, and we have added CWPP*4 as a new function to audit vulnerabilities. Furthermore, with the rising volume of logs to be analyzed to detect sophisticated cyberattacks, we have boosted the capacity of the

Managed Security Service, a monitoring service by SOC, to handle large-volume log analysis. We will continue to contribute to customer DX by providing solutions for safely using data and generating new value.

*1 Security Orchestration, Automation and Response: A solution to streamline and automate security operations by consolidating and analyzing data from various products, platforms, and external sources, and by taking action through pre-defined processes
*2 Cloud Security Posture Management: A solution that automatically assesses and monitors various settings in a cloud environment to ensure compliance with security policies
*3 Infrastructure as a Service: A business model that delivers IT infrastructure such as computing, storage, and network resources via the Internet
*4 Cloud Workload Protection Platform: Used to investigate potential threats or vulnerabilities in VMs and containers

Countering Malware, a Growing Social Problem

In February 2016, NTT Communications became the first Internet service provider in Japan to provide free of charge the Malware Unauthorized Communication Blocking Service, which blocks communications to unauthorized access destinations (C&C servers*). Since then, the list of unauthorized access destinations has been constantly updated to provide a safe and secure network.

* Command and Control servers: Servers managed by a malicious third party that issues remote commands to infected terminals

Priority Activities

Promotion of Corporate Citizenship

Our Approach

Guided by our Social Action Principles, the NTT Communications Group promotes activities for realizing a prosperous society by designating six pillars of social contribution: Preservation of the Natural Environment, Social Welfare, Promotion of Education and Culture, Regional Development and Exchange, International Exchange, and Promotion of Sports. Companies are increasingly expected to play a role through their social contribution activities to support the development of diverse communities grouped by region, generation, and so forth. In addition to community development, we intend to actively participate as a corporate citizen by also developing community engagement activities with an understanding of the SDGs as well as ways to achieve their targets. These efforts will have a significant effect on expanding a sustainability mindset throughout the Group and encourage each company to contribute to the creation of a sustainable society as a member of the NTT Communications Group.

Social Action Principles

Sustainability	We conduct lean but sustainable activities over the long term.
Efficiency	We engage in cost-effective activities to ensure continuity.
Due Diligence	We carefully assess the relative benefit to society of prospective donations.
Global Perspective	We contribute to Japan and the international community.
Skills Gained in Those Markets for the Benefit of Society	We utilize services developed for information distribution markets as well as employee abilities.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

We conduct social contribution activities that support a sustainable future. In fiscal 2023, we set the goal of expanding opportunities to participate in community engagement projects as an indicator. Specifically, we conducted new social contribution activities, including the NTT Communications Group's own pro bono project and the DOCOMO Group's Employee Fundraising Program to Support Disaster Recovery and the Creation of a Sustainable Society. We will continue to provide an environment that encourages more employees to take part in social contribution and volunteer activities, and we will expand these opportunities.

Serving Local Communities

The NTT Communications Group promotes activities to serve local communities by designating six pillars of social contribution: Preservation of the Natural Environment, Social Welfare, Promotion of Education and Culture, Regional Development and Exchange, International Exchange, and Promotion of Sports.

In fiscal 2023, 3,283 employees participated in 165 social contribution activities, some of which were canceled or reduced to contain the spread of COVID-19.

[Social Contribution Activities in Fiscal 2023]

	Number of Projects	Number of Participants	Activity Expenditure (Yen)
Preservation of the Natural Environment	42	461	4,241,580
Social Welfare	52	419	2,807,006
Promotion of Education and Culture	14	25	526,500
Regional Development and Exchange	35	2,049	16,045,851
Promotion of Sports	3	45	962,667
Others	19	284	8,603,426
Total	165	3,283	33,187,030

Pro Bono Activities

The NTT Communications Group promotes pro bono activities that apply the expertise of its employees.

In fiscal 2023, the NTT Communications Group organized a pro bono project with the participation of 13 members and provided support for the activities of

three NPOs for approximately three months starting in February 2024. We specifically focused on sorting out issues in the management of the organizations, making recommendations for their future management, developing materials to introduce their activities to companies and corporations that were potential funders, and producing video resources, including an update manual so that the materials could be used on an ongoing basis. Participating in this project not only contributed to addressing social issues but also provided an opportunity for participants to experience the diverse philosophies, creative approaches to operations, and challenges faced by these NPOs firsthand, and also to gain insights into improving their skills and developing their careers by working with diverse members who do not usually interact in their day-to-day work.

Since 2022, NTT Com Engineering Corporation has had the opportunity to give a special lecture, Diversity Management Initiatives in the Information and Communication Technology Industry, for Chuo University's Diversity Management Course. After the lecture, many students ask questions about diversity, equity, and inclusion in organizational and team management, displaying a different level of enthusiasm and inquisitiveness compared to those in internships and the like.

We believe that engaging in pro bono activities as a way to contribute to society creates a virtuous cycle in which employees can develop their careers and achieve personal growth while also generating new value through business and addressing social issues. NTT Communications will continue to actively engage in pro bono activities.

Participation in the DOCOMO Group's Employee Fundraising Program to Support Disaster Recovery and the Creation of a Sustainable Society

The Employee Fundraising Program to Support Disaster Recovery and the Creation of a Sustainable Society, a new version of the DOCOMO Group's employee donation program, which was originally launched to support the recovery efforts for the Great East Japan Earthquake, began in fiscal 2023 with a participation of the NTT Communications Group. Employees can choose a social issue area (e.g., disaster recovery, environment, people with disabilities, children, next generation development, diversity) and raise money with d-payment. In addition, to encourage cooperation between employees and the company in donation efforts that contribute to society, the company matches the amount raised by employees and donates the total to disaster-affected municipalities, NPOs, and others. In fiscal 2023, a total of 1,508 employees participated in the program, donating to municipalities affected by the Noto Peninsula Earthquake and the Great East Japan Earthquake and organizations working to address social issues.

Other Initiatives

NTT Communications engages in a variety of social contribution activities in addition to pro bono efforts and the employee fund-raising program.

In fiscal 2023, we welcomed junior high school students to visit our company. Under the school trip program for junior high schools in the Tohoku and Chubu regions, we introduced our company and sustainability initiatives, hosted tours of our offices and cable tunnel facilities, and arranged discussions led by our employees. We intend to continue this activity to educate younger generations as future leaders.

As an environmental protection initiative, we have participated in cleanup campaigns in Tokyo's Chiyoda Ward since 2008. These events were suspended to prevent the spread of COVID-19 and then resumed in November 2021. Employees and partner employees working at our headquarters also pick up empty cans and cigarette butts dumped around the building each morning on their way to work to keep the area clean.

We also hold regular events to sell sweets made by people from extended employment support offices. Through the simple action of purchasing delicious snacks, we support the independence of people with disabilities and foster employee awareness of social welfare. This initiative has been in place since fiscal 2003, and even amid the spread of COVID-19, we continued to hold the events by considering sales methods such as assigning staff to facilities for people with disabilities and switching to sales by order.

Social Contribution Activities at Group Companies

For some time, we have been encouraging Group companies to develop their own social contribution activities and, as a result, each has been actively doing so based on their own policies. These include environmental conservation activities, donations, and contributions. As a corporate citizen, we will continue to promote low-profile yet meaningful activities that help communities.

[Major Social Contribution Activities at Group Companies in Fiscal 2023]

Company Name	Activity
NTT Com Engineering	Free lecture entitled “Diversity Management Initiatives in the Information and Communication Technology Industry” at Chuo University
NTTCom Online Marketing Solutions	Participation in Osaki Full of Flowers (a community flower-planting activity)
NTT Com CHEO	Donating emergency food supplies to the Street Corner Food Pantry in Itabashi Ward, Tokyo, following the closure of Narimasu Office operations
NTT Com DD	Sending Christmas cards and gifts to children via World Vision’s Child Sponsorship Program
NTT Smart Trade	Donating surplus calendars to facilities in Chiyoda Ward
NTT PC Communications	Reducing food loss by donating disaster prevention foods
Comware Financial Systems	Donating books (Book Baton Project)
DOCOMO Business Solutions	Selling used books collected from employees and donating the proceeds to support the education of girls in developing countries; promoting Satoyama conservation activities, including rice planting, bamboo cutting, and rice harvesting
N.F. Laboratories	Providing free lectures on security to academic institutions such as technical colleges and universities; sponsoring security-related events
NTT BizLink	Live streaming of a chorus competition by deploying the company’s video streaming technology for those unable to attend, including family and other relations, and current students, during the COVID-19 pandemic, and live streaming for parents who could not attend Sports Day because admission had been limited due to the pandemic
NTT Com Asia Limited	Participation in the UNICEF Charity Run
Phone Appli	Participation in the NIPPON IT Charity Relay Road Race
NTT Communications Group	Participation in woodland preservation projects, including the one organized by Shiroi Kankyo Juku
	Donating PCs to social welfare organizations such as NPOs, etc.
	Cleanup campaigns in Tokyo’s Chiyoda Ward
	Holding a sale of sweets made where people with disabilities are on the staff
	Employee Fundraising Program to Support Disaster Recovery and the Creation of a Sustainable Society



Achieving Net-Zero for a Green and Sustainable Future

Environment

Public expectations for environmental protection are growing along with the responsibilities of ICT companies for engaging in these activities. We have established and announced our Environmental Statement and New Environmental Goals and are pursuing a multifaceted approach focused on the three themes of promoting a decarbonized society; developing a closed-loop society; and co-existing with nature, including the preservation of biodiversity.

In March 2024, we renewed the previously established Eco Strategy 2030 as the New Environmental Goals to respond to a rapidly changing global environment and accompanying social conditions. These updated goals strengthen various targets, including achieving carbon neutrality by fiscal 2030*1 and net-zero by fiscal 2040*2. Along with reducing the environmental impact of our own business activities, we are also committed to reducing environmental impact across our supply chain and society as a whole, striving to achieve both solutions to environmental challenges and sustainable economic development.

*1 Targeted GHG Protocol: Scope 1 (direct emissions of greenhouse gases from our own sources) and Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies)
*2 Targeted GHG Protocol: Includes Scope 1, 2, and 3 (indirect emissions other than Scope 1 and 2, such as emissions from other companies related to the organization's activities).

Targeted SDGs



Priority Activities

- 045 Environmental Management
- 053 Promotion of a Decarbonized Society
- 069 Development of a Closed-loop Society
- 072 Co-existing with Nature
- 079 Prevention of Environmental Pollution

Environmental Management

Basic Philosophy and Vision

While emphasizing the philosophy in the NTT Group Global Sustainability Charter, established by the NTT Group, our environmental protection activities take shape as the NTT Communications Group Global Environmental Charter, Environmental Statement, and New Environmental Goals which applies the philosophy to the characteristics of our business. We set initiative goals and implement measures on an ongoing basis.

NTT Communications Group Global Environmental Charter

The NTT Group has established the NTT Group Global Sustainability Charter to promote Groupwide consideration and actions relating to environmental protection from a global perspective. This policy forms the basis for the NTT Communications Group Global Environmental Charter, which is disseminated among employees of the Group as a set of guidelines for the implementation of environmental protection activities.

For more information on the NTT Communications Group Global Environmental Charter, see:
https://www.ntt.com/en/about-us/csr/sustainability/policy/environment/details.html

Environmental Statement and New Environmental Goals

Under the NTT Communications Group Environmental Statement and New Environmental Goals, established in line with the policies of the NTT Group and NTT DOCOMO Group, we have continued to strengthen our environmental activities while closely monitoring global trends. The environmental statement outlines three key themes for a future in which people and the planet remain in harmony: Realizing a Decarbonized Future, Implementing Closed-loop Recycling, and Planning a Future of Natural Harmony. The new environmental goals set specific objectives for these three themes, and all employees are united in working toward these environmental efforts.

The NTT Communications Group Environmental Statement

We are dedicated to global environmental management for a future in which people and the planet remain in harmony, and

we will address three futures by providing technologies and services that pioneer eras.



Realizing a Decarbonized Future

We are contributing to the reduction of CO_2 emissions and facilitating adaptation to climate change risk.



Implementing Closed-Loop Recycling

We are working toward more effective resource allocation.



Planning a Future of Natural Harmony

We are contributing to the preservation of ecosystems.

New Environmental Goals
(Set in March, 2024)

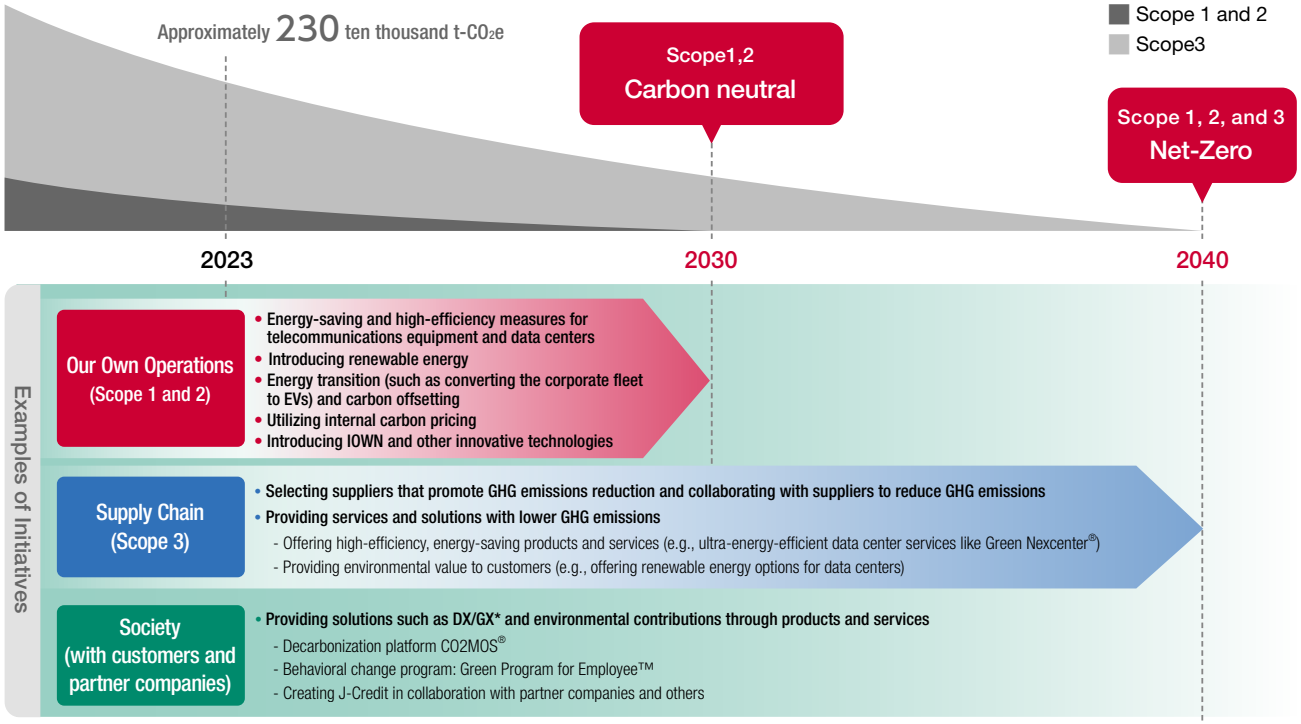
Three Futures We Are Targeting	Items	Target FY	Targets
Realizing a Decarbonized Future	Reducing GHG emissions from the Company (Scope1 and2)	2030	Carbon neutral (Scope 1 and 2)
	Reducing GHG emissions across the supply chain (Scope 1, 2, and 3)	2040	Net-Zero (Scope 1, 2, and 3)
	Conversion rate of our corporate fleet to EVs in Japan (%)	2030	100%
		2025	50%
	Power efficiency of telecommunications operators	2030	At least 10 times (compared to FY2013)
Implementing Closed-loop Recycling	Landfill waste disposal ratio	2030	At least 99%
Planning a Future of Natural Harmony	Promotion of activities to preserve ecosystems	2030	Ecosystem preservation activities

* The scope of these targets, set in March 2024, encompasses NTT Communications Corporation and 18 Group companies.

Realizing a Decarbonized Future for Society

In May 2023, the NTT Group announced its new medium-term management strategy for achieving carbon neutrality by fiscal 2040 with net-zero emissions from its own operations as well as from its supply chains (Scope 3). The NTT DOCOMO Group subsequently declared in November 2023 its commitment to the Net-Zero by 2040 plan under its slogan “Saving Our Planet With You. ” In its New Environmental Goals, formulated in March 2024, the NTT Communications Group set the goal of achieving carbon neutrality by fiscal 2030 (Scope 1 and 2), in addition to striving for net-zero by fiscal 2040 (Scope 1, 2, and 3). Furthermore, the NTT Communications Group will work with customers and partner companies to promote decarbonization across society, going beyond Scope 1, 2, and 3.

[Roadmap to Net-Zero by Fiscal 2040]



*DX: Digital transformation, GX: Green transformation

Risks and Opportunities

We believe that a company’s response to environmental issues such as climate change not only represents a risk to business, society, and the planet but also opens up new opportunities for business growth and the strengthening of corporate structure and resilience.

The NTT Communications Group’s business inherently includes activities that contribute to the emission of GHGs and waste, thus placing a certain level of burden on the planet’s environment. In this context, without proper management and timely efforts to address and disclose environmental issues, including climate change, we risk not only criticism from society for greenwashing* but also the weakening of our corporate reputation and competitiveness. Furthermore, there is a potential risk to the sustainability of the planet, such as GHG emissions that accelerate global warming, and the illegal dumping of industrial waste.

On the other hand, as society’s awareness of environmental issues rapidly increases, we believe that offering services and solutions with lower GHG emissions, as well as DX/GX products that contribute to reducing society’s overall GHG emissions, will lead to business expansion. As an ICT company that provides cutting-edge technologies and services, the NTT Communications Group will contribute to addressing societal challenges, including environmental issues, by promoting more advanced and symbolic initiatives, thereby enhancing its corporate value.

* A form of misleading environmental marketing

Promotion Framework for Reducing Environmental Impact

In order to continuously promote environmental protection initiatives in a Groupwide effort, we have established the Global Environmental Protection Subcommittee within the Sustainability Management Committee, headed by the executive vice president, serving as the dedicated officer for sustainability promotion. We have also formed issue-specific working groups to address environmental challenges as a unified NTT Communications Group. The Global Environmental Protection Subcommittee formulates an overall plan that encompasses a wide range of issues, including the reduction of greenhouse gas emissions and waste, shares information on the results of actions taken, and promotes the horizontal deployment of various initiatives.

Sustainability Office coordinates responses to the TCFD and TNFD and related activities of the NTT DOCOMO Group as a whole, along with other issues, under the Group's sustainability management.

We believe that our approach to environmental issues is a key aspect of our business risk management. To that end, our Business Risk Management Committee, consisting of the executive vice president and other senior executives, assesses all potential risks and discusses appropriate measures to address them.

We will continue to improve our management systems as necessary to more effectively respond to environmental trends.

P.009 For more information on our approach to sustainability management, see the "Sustainability Management" section in the report.

P.010 For more information on our approach to business risk management, see the "Risk Management" section in the report.

[Environmental Protection Framework]

Board of Directors

President (Executive Council)

Sustainability Management Committee Chairperson of Sustainability Management Committee (Secretariat) Sustainability Office

Global Environment Protection Subcommittee (Secretariat) Sustainability Office

Note: Quarterly activity status reports are provided to the Board of Directors and the president (Executive Council).

Working Group	Main Tasks
Greenhouse Gas Reduction WG	• Plan and implement energy-saving measures for telecommunications equipment and at data centers and office buildings • Plan for the introduction and performance management of renewable energy • Respond to Japanese laws and regulations covering greenhouse gas emissions, etc.
Waste Management WG	• Promote initiatives to reduce plastic waste and improve the landfill rate (e-billing, container packaging recycling, etc.)
Dismantling Telecommunications Equipment WG	• Thoroughly process and manage dismantled telecommunications equipment in line with the law • Promote material recycling measures
Construction Waste WG	• Encourage appropriate processing and recycling of construction waste • Submit government reports relating to asbestos removal and reconstruction
PCB Storage and Disposal WG	• Formulate plans for the appropriate storage and treatment of PCBs • Submit PCB management reports to the government
Green Procurement WG	• Promote Groupwide green purchasing and instill it throughout the supply chain (including measures for Scope 3) • Introduce and promote internal carbon pricing
Environmental Accounting WG	• Build an environmental accounting system and provide performance analyses and reports for management
EV Promotion WG	• Plan for EV conversion and performance management
Group Company WG	• Share and disseminate information on environmental protection activities in the NTT Communications Group

(As of March 31, 2024)

Environmental Impact of Business Activities

Fiscal 2023 Material Flow

Environmental Impact of Business Activities

INPUT

Energy	Power	4.3 hundred million kWh
	Renewable energy-derived power	2.5 hundred million kWh
	Heat	260 ten thousand MJ
	Gas	11 ten thousand m³
	Fuel	175 ten thousand liters
Water resources	Water	31.3 ten thousand m³

Telecommunications Equipment and Data Centers

OUTPUT

GHG emissions	Power (CO_2)	7.2 ten thousand t-CO_2
	Heat (CO_2)	0.0*2 ten thousand t-CO_2
	Gas (CO_2)	0.0*2 ten thousand t-CO_2
	Fuel (CO_2)	0.5 ten thousand t-CO_2
	GHGs other than CO_2	0.5 ten thousand t-CO_2e
Wastewater	Total wastewater volume	31.3 ten thousand m³
Waste generated and recycled*	General waste generated	432 t
	General waste recycled	421 t
	Industrial waste generated	1,213 t
	Industrial waste recycled	1,210 t

Energy	Power	0.3 hundred million kWh
	Renewable energy-derived power	0.1 hundred million kWh
	Heat	3,393 ten thousand MJ
	Gas	1 ten thousand m³
	Fuel (excluding automobile)	0.3 ten thousand liters
	Fuel (automobile)	20.7 ten thousand liters
Water resources	Water	10.9 ten thousand m³
Others (office supplies)	Office paper	176 t
	Recycled paper and eco-friendly pulp	173 t
	Invoices	123 t
	Brochures	13 t

Offices

GHG emissions	Power (CO_2)	1.2 ten thousand t-CO_2
	Heat (CO_2)	0.2 ten thousand t-CO_2
	Gas (CO_2)	0.0*2 ten thousand t-CO_2
	Fuel (excluding automobile) (CO_2)	0.0*2 ten thousand t-CO_2
	Fuel (automobile) (CO_2)	0.0*2 ten thousand t-CO_2
	GHGs other than CO_2	0.0*2 ten thousand t-CO_2e
Wastewater	Total wastewater volume	10.9 ten thousand m³
Waste generated and recycled*1	General waste generated	315 t
	Plastic waste generated	19 t
	General waste recycled	303 t
	Industrial waste generated	297 t
	Plastic waste generated	28 t
	Industrial waste recycled	297 t

Scope: NTT Communications Corporation and 18 Group companies

*1 We separate waste insofar as possible to improve the recycling rate. Note that waste volumes in this table do not include construction waste.
*2 Less than 0.05

Environmental Accounting in Fiscal 2023

The NTT Communications Group tabulates its environmental conservation costs (categories corresponding to business activities) and the economic benefit associated with its environmental conservation activities (actual benefits) in line with the Environmental Accounting Guidelines 2005*1, issued by the Ministry of the Environment, and the NTT Group Environmental Accounting Guidelines.

The total amount of environmental conservation cost in fiscal 2023 was approximately 28.6 hundred million yen (–7.8 hundred million yen compared to fiscal 2022), consisting of around 15.5 hundred million yen in investments and about 13.0 hundred million yen in expenses. The economic benefits associated with environmental conservation activities were about 548 hundred million yen (–11.8 hundred million yen compared to fiscal 2022). Both the environmental conservation costs and the economic benefits associated with environmental conservation have decreased significantly due to the organizational restructuring carried out in July 2022 with the NTT DOCOMO Group. As part of this restructuring, environmental accounting-related operations and assets were transferred from the NTT Communications Group to the NTT DOCOMO Group, resulting in a significant overall reduction.

On the other hand, based on reference values excluding the impact of the organizational restructuring, environmental conservation costs (expenses) increased by 100 million yen over fiscal 2022, primarily due to increased pollution prevention costs associated with the disposal of iron towers containing low-concentration PCBs in paint. However, the environmental conservation costs (investments) and the economic benefits associated with environmental conservation measures remained virtually unchanged compared to fiscal 2022.

[Environmental Conservation Costs (Categories Corresponding to Business Activities)] (Millions of Yen)

Category	Key Measures		Investment		Expenses*2	
			FY2022	FY2023	FY2022	FY2023
(1) Business area cost			2,234	1,344	1,250	1,194
Breakdown	Pollution prevention costs	Oil tank facility for power generator use Management of items using PCBs	353	148	76	200
	Environmental conservation costs	Measures to reduce GHG Emissions resulting from electricity use	1,881	1,196	467	312
	Resource circulation costs	Waste disposal and reuse expense	0	0	707	682
(2) Upstream/downstream costs	Measures to recover, recycle, and reuse telecommunications equipment		39	209	1	1
(3) Administration costs	Environmental conservation management activities		0	0	79	94
(4) R&D costs	Allocated portion of the NTT Group's environmental R&D costs		0	0	23	8
(5) Social activity costs	Costs of supporting volunteer participation		0	0	7	4
(6) Environmental remediation costs			0	0	0	0
Total*3			2,272 (1,549)	1,553	1,360 (1,205)	1,302

*1 For the Environmental Accounting Guidelines 2005, please see:
https://www.env.go.jp/en/policy/ssee/eag05.pdf

*2 Not including depreciation
*3 Figures in parentheses are provided as reference values calculated based on the boundaries set by the organizational restructuring in 2022.

[Economic Benefits Associated with Environmental Conservation Activities (Actual Benefits)] (Millions of Yen)

Category	Key Measures	FY2022	FY2023
Revenue	Revenues from sales (cables, metal scrap, etc.)	341	140
Cost reduction	Reductions in expenses as a result of measures such as those related to reducing electricity use	691	305
	Reductions in purchase cost as a result of reusing dismantled telecommunications equipment	174	103
	Decrease in postal and paper costs due to increased use of My Page (online account page)	521	0
	Others	4	0
Total*		1,731 (552)	548

Period: April 1 to March 31 of each year
Tabulation and disclosure:
Figures were tabulated in line with the Ministry of the Environment's Environmental Accounting Guidelines 2005 and the NTT Group Environmental Accounting Guidelines. Expenses include personnel expenses but exclude depreciation.
* Total in parentheses is provided as a reference value calculated based on the boundaries set by the organizational restructuring in 2022.
(Scope: NTT Communications Corporation and 18 Group companies)

Environmental Management Initiatives

Acquiring ISO 14001 Certification

Three companies in the NTT Communications Group have acquired ISO 14001 certification as of March 31, 2024. We have contracted outside environmental consultants to perform annual internal audits of the certified companies and departments in order to ensure the appropriate implementation of environmental management and continual improvements that will allow for a steady reduction of the environmental impact of business activities. Regular reviews and renewal examinations are undertaken by an independent certification body as well. Outstanding issues are thus identified, and remedial measures are taken swiftly. Besides our initiatives centering on reductions of office paper and electricity use and the promotion of waste recycling, we encourage the adoption of measures aimed at creating an environmentally friendly society.

[Companies Certified under ISO 14001*1]

Organizations Certified		Date Certified
NTT Communications Corporation*2	Procurement & Billing	October 1999
	Business Solution Division - Solution Services	March 2004
NTT Com DD Corporation		June 2012
NTT PC Communications, Inc.	Technology and Operations Development Division - SO Delivery Team, System Monitoring and Maintenance Team, ISO Team, Development and Operations Group, Customer Service Department - Service Practical Application Team, Development and Operations Group, Service Development Department	November 2003
	Corporate Business Promotion Division - Solution and Service Department - Supplier Business Team, Solution Design Section	

(As of March 31, 2024)

*1 Percentage of employees or target organizations to total Group employees: 12%
*2 Percentage of employees of target organizations to total employees: 22%

Promoting Groupwide Environmental Management

Guided by its Global Environmental Charter, the NTT Communications Group shares PDCA and other reports at the Global Environmental Protection Subcommittee, an organization under the Sustainability Management Committee. These reports outline details of the various initiatives administered by the nine working groups that drive the Group's environmental protection efforts. In addition to sharing information and calling for the further development of effective initiatives, we are promoting environmental management on a Groupwide basis.

Compliance with Environmental Legislation and Regulations

The NTT Communications Group is committed to ensuring legal compliance and proper risk management while liaising closely with the other NTT Group companies. All legislation, including environmental laws and regulations aimed at curtailing pollution, emissions standards, and the PRTR Law*, is fully communicated to related departments, and independent guidelines and enhanced compliance education have been established for in-house application. We were not involved in any litigation or legal violations pertaining to environment-related accidents, infringements, fines, or complaints in fiscal 2023.

We will continue our Companywide efforts to prevent pollution and comply with related laws and regulations.

* Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Promoting Green Procurement

We are promoting green procurement by expanding our GHG emissions reduction targets across the supply chain toward achieving net-zero by 2040.

The evaluation criteria for procurement are based on the NTT Docomo Green Procurement Guidelines, which clearly specify factors in our set of criteria applied when selecting suppliers, such as the supplier's actions toward environmental conservation and the environmental conservation elements of the procured items.

Reducing GHG emissions in Scope 3, specifically Categories 1 and 2, requires collaborative efforts with suppliers across the entire supply chain. We have therefore completed the visualization of emissions for suppliers representing over 80% of our total procurement volume, after engaging discussions on achieving the net-zero goal with them and providing CO2MOS® emissions visualization services. We will continue to promote this visualization effort while also requesting their cooperation to reduce emissions and adding SBT*-aligned initiatives to the RFP criteria for procurement. By 2030, we will complete the visualization of key suppliers with significant procurement volumes and accelerate the realization of net-zero across the entire supply chain.

To further raise awareness, we have made the related guidelines available on the official NTT Communications website.

Through our efforts for procuring products taking into account their impact on the environment under the Green Procurement Standards, we will work to improve our environmental protection activities with our suppliers and seek to commit to further social contribution.

*Abbreviation for Science Based Targets. Companies set these greenhouse gas emissions reduction targets to align with the levels defined in the Paris Agreement.

Utilization of Internal Carbon Pricing

NTT Communications has been utilizing internal carbon pricing (ICP) since September 2022 to guide investment decisions. For example, we applied an internal carbon price (6,500 yen/t-CO_2) in fiscal 2023 when investing in capital equipment that can reduce GHG emissions. More specifically, ICP is applied for procuring network equipment and other necessary items. To accelerate emissions reduction efforts, we revised the internal carbon price in August 2024 (from 6,500 yen/t-CO_2 to 19,000 yen/t-CO_2). Moving forward, we will expand the scope of the ICP system to the emissions from the respective suppliers as well as the products themselves. This will allow us to evaluate suppliers who are actively reducing emissions with the ultimate goal of achieving net-zero across the entire supply chain.

Fostering a Sense of Environmental Stewardship

We offer all employees environmental education with the intention of raising their awareness of environmental matters. We are also proactive in environmental awareness activities as part of our sustainability efforts, extending the scope of participation to include not only employees but also their family members and our business partners.

In fiscal 2023, we held workshops on ESG management, non-financial information disclosure, and biodiversity initiatives in addition to conducting sustainability training for all employees (95.6% attendance). We also shared articles on our environmental activities with employees to deepen understanding of domestic and international social trends such as the SDGs, ESG investment, decarbonization efforts, and global risks.

● Hosting Employee-participatory Decarbonization Events

In July to October 2023, we hosted the ONE TEAM CHALLENGE, a participatory eco-action campaign aimed at promoting corporate decarbonization efforts, based on the internal campaign implemented by NTT Communications in fiscal 2022, to encourage actions that drive CO_2 emissions reduction. This initiative was jointly organized by NTT Communications and NTT Comware to join the national “Decokatsu ” movement, led by the Ministry of the Environment, to create a lifestyle toward decarbonization. We invited participation from different industries, and a total of 13 companies and 1,348 employees joined the challenge. In addition, approximately 30,000 eco-actions were implemented, resulting in a reduction of around 15 tonnes of CO_2 emissions. Furthermore, feedback from about 80% of the participants indicated that their awareness of the environment had improved.

During the event, we implemented visualization of participant environmental actions using Green Program® for Employee, an app provided by NTT Communications that enables company users to enhance employee environmental awareness and behavior change. We also used NTT Comware’s Stats™, a tool for aggregating and analyzing corporate environmental behavior data, allowing for comparative evaluations across companies and industries, and we provided feedback on environmental behavior trends among employees of each company and supported external communications.

[Poster for One Team Challenge, a Participatory Eco-action Campaign for Participating Companies]



[Screen Images of Corporate Environmental Behavior Data Aggregation and Analysis]



● Raising Employee Awareness

We visualize electricity and paper usage, waste generation, recycling rates, and GHG emissions at each office and internally distribute this information every month to raise employee awareness.

As the value of coexistence with nature grows throughout society, in fiscal 2023 we have carried out a range of environmental awareness and educational activities, including cleaning up around our offices in ways that allow employees to easily participate, collecting PET bottle caps for donation, and preserving woodlands by maintaining trees and growing rice and vegetables year-round.

[Chiyoda Ward Cleanup Day]



[Shirai Woodland Preservation Project]



● Development of GX Talent for Decarbonization

The NTT Group is focusing on the development of GX talent, with the goal of nurturing individuals who possess specialized knowledge to drive decarbonization within the Group and lead internal initiatives.

The NTT DOCOMO Group is actively recruiting Caboneu Ambassadors from among Group employees nationwide to promote proactive information dissemination and voluntary actions at each company site. In fiscal 2023, about 800 Caboneu Ambassadors advanced the internal dissemination of these efforts. In fiscal 2024, the Group launched the Environmental Skill Development Program for developing GX personnel with specialized knowledge and skills to support both business and sustainability initiatives. We seek to enhance our corporate value by utilizing these environmental skills and expanding opportunities for employees.

Against this backdrop, NTT Communications has been selecting GX Catalysts to lead GX business initiatives since fiscal 2022. A total of 39 individuals were trained by the end of fiscal 2023 through comprehensive internal and external training programs, learning everything from the basics of GX to about industry-specific trends and other latest developments. Ongoing efforts are enhancing their capabilities and further spreading GX across the Company, including through the exchange and sharing of information via internal social media platforms. By centering our activities around the GX Catalysts, we hope to contribute to society's decarbonization efforts by supporting customers' GX through our solution proposals.

Priority Activities

Promotion of a Decarbonized Society

Our Approach

While the advance and spread of ICT has helped to bring about an affluent society and convenient lifestyles, the increase in power consumption from ICT-related equipment is placing enormous pressure on the environment. We continue to reduce greenhouse gas (GHG) emissions, recognizing our responsibility to contribute to addressing environmental problems, including climate change as one of the most pressing issues for realizing a sustainable future. We are also continuing to take various initiatives aimed at reducing GHG emissions throughout our entire supply chain.

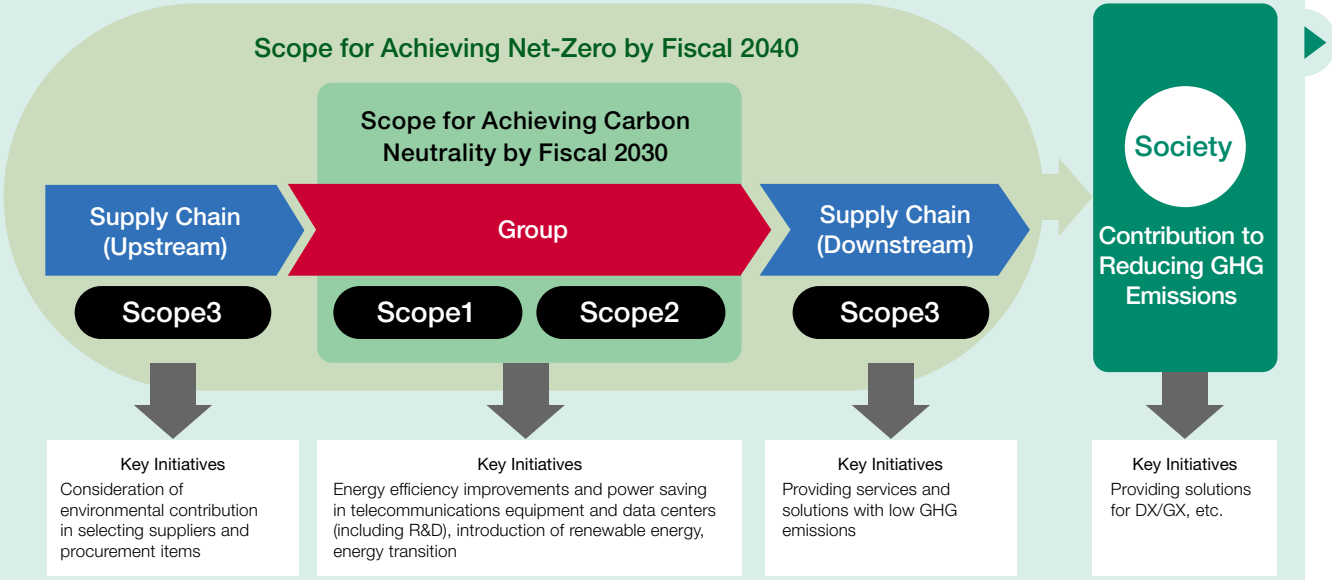
For example, we set “Realizing a Decarbonized Future” as one of the themes for our Environmental Statement and established the New Environmental Goals. In this context, we are focusing on a number of approaches for reducing GHG emissions across the Group, the supply chain, and society. In the Group, we prioritize R&D to enhance energy efficiency and reduce power consumption in telecommunications equipment and data centers while also introducing renewable energy and transitioning to alternative energy sources. In the supply chain, we incorporate environmental considerations into the selection of suppliers and procurement items, and we offer services and solutions with low GHG emissions. For society, we provide a variety of solutions that promote digital transformation (DX) and green transformation (GX), toward achieving carbon neutrality for Scope 1 and 2 by fiscal 2030 and net-zero emissions across Scope 1, 2, and 3 by fiscal 2040.

When assuming that no renewable energy is used, electricity consumption accounts for approximately 95% of total CO_2 emissions from business activities of the NTT Communications Group. Therefore, we can particularly expect great advantages as a result of saving energy and improving the energy efficiency of telecommunications equipment. We are thus making strong efforts in such respects as leading the industry in introducing cutting-edge technologies.

We contribute to the efficiency of society’s electricity usage in data centers and cloud services by consolidating servers, air-conditioning systems, UPS systems, and lighting, which were traditionally installed and operated by customers, into highly energy-efficient data centers.

Furthermore, as a member of the NTT Group, which supports the GX League Basic Concept announced by the Ministry of Economy, Trade, and Industry, we intend to demonstrate our social responsibility by actively engaging in policy formation toward realizing a society in which companies committed to GX can reduce GHG emissions, be properly evaluated, and grow.

[Overview of Efforts toward Promoting a Decarbonized Society]



Main Achievements in Fiscal 2023 and Goals for the Coming Years

In fiscal 2023, we continued our efforts to raise power efficiency per data transmission in our telecommunications businesses. Our comprehensive activities to improve power efficiency included adjusting telecommunications facility intake/exhaust directions, using humidity sensors to improve airflow, optimizing the room temperature by controlling air-conditioning, and turning off unused equipment. As a result, power efficiency increased by 4.7 times that of fiscal 2013, making steady progress toward achieving the target of an increase of 10 times more by fiscal 2030.

Our introduction rate of renewable energy (including virtually renewable energy by using non-fossil fuel certificates) also increased from 8% in fiscal 2020 to about 56% in fiscal 2023. As a result, GHG emissions for fiscal 2023 were 9.7 ten thousand t-CO_2e for the Group (Scope 1 and 2), and 230.9 ten thousand t-CO_2e for the Group plus the supply chain (Scope 1, 2, and 3).

In addition, as part of our energy transition efforts, we continue to focus on electrifying the Company fleet and retiring old vehicles. Of the 500 Company vehicles at the end of fiscal 2023, 206 were electric, representing an EV conversion rate of 41%. For fiscal 2024, we intend to achieve the intermediate target of a 50% EV conversion rate for domestic Company vehicles by fiscal 2025, ahead of schedule, as outlined in our New Environmental Goals.

In fiscal 2024, we will continue these efforts and strengthen services and solutions that contribute to the realization of a decarbonized society. In addition, we will further accelerate the introduction of renewable energy and the transition of our general fleet to EVs to achieve carbon neutrality for Scope 1 and 2 by fiscal 2030 and net-zero emissions across Scope 1, 2, and 3 by fiscal 2040.

Governance

At NTT Communications, we have established the Global Environmental Protection Subcommittee within the Sustainability Management Committee, headed by the executive vice president in charge of sustainability. This subcommittee formulates an overall plan that encompasses a wide range of issues, including the reduction of GHG emissions and waste, and promotes the sharing of results and the horizontal deployment of various initiatives, with a focus on implementing the PDCA cycle. It has also formed working groups (WGs) for specific issues. Among these, the Greenhouse Gas Reduction WG is responsible for planning and implementing energy-saving measures for telecommunications facilities, data centers, and office buildings, planning for the introduction and performance management of renewable energy, and responding to Japanese laws and regulations covering greenhouse gas emissions and more. These efforts contribute to achieving a decarbonized society. Furthermore, the Group Company WG is expanding these initiatives to include the NTT Communications Group companies.

The various initiatives of the Global Environmental Protection Subcommittee are reported and reviewed at the Sustainability Management Committee. Progress on these activities is also shared quarterly with the president and CEO (Executive Committee) and the Board of Directors. The Board of Directors makes final decisions on addressing issues as well as management strategies and business plans. The board also complies with recommendations from the Board of Corporate Auditors and oversees the necessary governance to strategically and appropriately promote sustainability activities while linking GHG emissions to executive compensation and other factors as part of the evaluation for advancing a decarbonized society.

P.047 See the “Promotion Framework for Reducing Environmental Impact” section in the report.

Risk Management

The NTT Communications Group convenes biannual meetings of the Business Risk Management Committee, chaired by the senior executive president, to discuss the definition of risks to be addressed, the identification of critical risks, and initiatives to promote risk management, taking into account the evolving business environment. Within the Business Risk Management Committee, we have also established a Business Risk Management Subcommittee that conducts monthly risk observations.

In addition, we recognize climate change as a significant business risk that could significantly impact the operations of the NTT Communications Group. The Business Risk Management Committee evaluates these risks and confirms the corresponding response measures to ensure effective management.

Strategy

We have declared an Environmental Statement under the NTT Communications Group Global Environmental Charter. One of the three core themes in this statement is “Realizing a Decarbonized Future,” which confirms our focus on a future where people and the planet coexist in harmony.

Climate Scenario Analysis and Initiatives

In May 2020, the NTT Group declared its support for the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB). Following our new beginning as the NTT DOCOMO Group in July 2022, we conducted a fresh scenario analysis as a member of the DOCOMO Group in addition to our conventional analysis as a member of the NTT Group. Using the results, we reviewed our efforts and actions as the NTT Communications Group and updated our approach as of October 2024. The analysis of the DOCOMO Group adopted two scenarios of climate-related risks and opportunities associated with the Group’s operations: a well-below 2°C (e.g., 1.5°C) scenario of rapid decarbonization and a 4°C warmer scenario assuming apparent physical impacts.

Taking into account the DOCOMO Group’s scenario analysis as an alternative perspective, we will continue to adopt various approaches for decarbonization and net-zero emissions, including our choice of scenario models.

- A scenario assuming rapid decarbonization:
  Net-Zero Emissions Scenario (NZE), World Energy Outlook 2023, International Energy Agency (IEA)
  Efficient Cooling Scenario, IEA The Future of Cooling, 2018
  NZE Scenario, Study on Scenario Analysis of Climate Change-Related Risks, Central Research Institute of Electric Power Industry (CRIEPI)

- A scenario assuming apparent physical impacts:
  I ntergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report , and IPCC Special Report on Global Warming of 1.5°C
  Baseline Scenario, IEA The Future of Cooling, 2018
  Study on Scenario Analysis of Climate Change-Related Risks, Central Research Institute of Electric Power Industry (CRIEPI)
  Current Policy Scenario
  Ministry of Land, Infrastructure, Transport and Tourism, Technical Study Committee on Flood Control Plans Reflecting Climate Change, Recommendations for Flood Control Plans Reflecting Climate Change, RCP8.5 Scenario

[Risks Identified with Scenario Analysis, and a Summary of the Group's Initiatives]

				Potential Impact on Business	Materiality (Business/ Financial)	Timeframe	Initiatives by the NTT Communications
Well below 2°C scenario (e.g., 1.5°C scenario)	Transition risk	Policies/regulations	Carbon price/ carbon tax	• Increased procurement costs due to the collection of fossil fuel levies starting in fiscal 2028 • Increased costs due to the introduction of a carbon tax	High	Long term	• Improving the power efficiency of air-conditioning and IT equipment at data centers through new technologies and implementing various power reduction measures • Actively introducing renewable energy (including virtually renewable energy by using non-fossil fuel certificates) to achieve carbon neutrality by fiscal 2030 • Introducing internal carbon pricing • Promoting the Net-Zero by fiscal 2040 plan
			Increased policies and regulations for products and services	• Possibility of products not meeting energy efficiency regulations/ standards, resulting in a loss of government or other customers, shifting demand to more satisfactory products/ services	Medium	Long term	• Early launch of services based on customer trends and social needs - Providing renewable energy-derived menu in data centers - Visualizing CO_2 emissions in cloud services - Providing PFs and solutions for decarbonization
		Industry/market	Energy price fluctuations	• Increased energy prices and a shift in demand to energy-efficient products and services	High	Long term	• Reducing power consumption by improving the power efficiency of air-conditioning and IT equipment at data centers through new technologies and implementing various power reduction measures • Securing stable power sources through long-term fixed contracts with power companies, development of special power sources (e.g., PPA), etc. • Promoting IOWN Initiative
			Changes in customer reputation, demands, and behavior	• Customer disengagement and damaged corporate image if our efforts are perceived as passive	Medium	Long term	• Announcing net-zero by fiscal 2040 • Actively introducing renewable energy • Reviewing internal carbon pricing rates
4°C scenario	Physical risks	Chronic	Increased average temperatures and midsummer days	• Possibility of customers not choosing us for data center and telecommunications equipment with low air-conditioning management efficiency and capacity	Medium	Long term	• Reducing power consumption by improving the power efficiency of air-conditioning and IT equipment at data centers through new technologies and implementing various power reduction measures. Ultra-energy-efficient data center service Green Nexcenter®*, incorporating liquid cooling as the latest technology to be deployed in selected data centers • Promoting IOWN Initiative
		Acute	Severe extreme weather conditions	• Damaged data centers due to flooding • Damaged reputation from lack of resilience to disasters	Low	Medium term	• Reliable risk assessment when selecting a construction site • Redundant facilities based on disaster simulation • Securing multiple power supply routes assuming power supply interruption • Reviewing and establishing equipment procurement plans addressing the risk of flooding at manufacturing plants

High materiality: Extremely important in climate action for business continuity and financial reasons
Medium materiality: Relatively less important, although potentially damaging
Low materiality: Limited impact on business, including future prospects

Timeframe: Short term (less than 4 years, assuming NTT Group's new mid-term management strategy period)
Timeframe: Medium term (less than 4 to 7 years, assuming NTT Communications Group's New Environmental Goals targeting carbon neutrality by fiscal 2030 (Scope 1 and 2))
Timeframe: Long term: (7 years or more, assuming NTT Communications Group's New Environmental Goals targeting net-zero by fiscal 2040 (Scope 1, 2, and 3))

*For more information on our Green Nexcenter® and future plans, see:
https://www.ntt.com/business/services/greennexcenter.html (in Japanese only)

*For more information on our other initiatives, see:
https://www.ntt.com/en/about-us/csr/sustainability/policy/environment/report01.html#anc2

[Opportunities Identified with Scenario Analysis, and a Summary of the Group's Initiatives]

			Opportunity Factors	Initiatives by the NTT Communications Group
Opportunities	Resource efficiency	Energy efficiency	• Reducing costs and expanding revenue through improvements in the energy efficiency of air-conditioning systems in telecommunications equipment and data centers, as well as the cooling efficiency of high-heat servers	• Adopting indirect evaporative cooling systems in data centers, which can switch to the optimal heat exchange method based on outdoor conditions • Deploying the ultra-energy-efficient data center service Green Nexcenter® • Providing power options that allow for the selection of renewable energy to meet different decarbonization requests
	Energy sources	Utilization of renewable energy	• Improving the corporate image through the use of renewable energy and decarbonization efforts	• Installing solar power generation systems at 6 data center locations • Purchasing non-fossil certificates • Promoting EV adoption with the goal of achieving 100% by fiscal 2030
		Participation in the carbon market	• Expanding business by creating J-Credits in collaboration with partner companies	• Developing and providing a platform that comprehensively supports the creation, verification, and matching of forest-derived carbon credits • Creating and selling carbon credits through the projects for extending the mid-season drainage period in wetland rice cultivation • Creating credits through biochar
	Products and services	Development and expansion of low-pollution products and services	• Expanding revenue by developing and providing services and technologies that contribute to reducing GHG emissions	• Offering GHG emission calculation, visualization, and analysis services, as well as platforms that contribute to decarbonization • Implementing 100% renewable energy (including effectively renewable energy using non-fossil certificates) for all locations providing SDPF cloud/ servers in their power consumption
		Diversification of business activities, changes in consumer preferences	• Shift in customer needs toward services with better environmental performance	
	Resilience	Expansion of demand for services related to ensuring resilience	• Strengthening reliability by building disaster-resistant data centers	• Constructing data centers in safe locations with low risk from natural disasters such as flooding or earthquakes and adopting seismic isolation structures • Building disaster-resistant data centers through redundant power, air-conditioning, communication equipment, and other systems • Preventing data center downtime by establishing a system capable of rapid response during disasters

Metrics and Targets

The NTT Communications Group, in line with the Environmental Statement and its goal of realizing a decarbonized future, has set the following New Environmental Goals: carbon neutrality by fiscal 2030 (Scope 1 and 2), net-zero by fiscal 2040 (Scope 1, 2, and 3), 100% EV adoption for its corporate fleet in Japan by fiscal 2030, and achieving a ten-fold increase in energy efficiency as a telecommunications operator by fiscal 2030 (compared to fiscal 2013). Progress and initiatives toward each goal are disclosed in sustainability reports and other materials.

Calculation of GHG Emissions (Fiscal 2023 Results)

The Scope 2 GHG emissions for fiscal 2023 were 8.6ten thousand t-CO_2 based on the market-based method*1. In comparison, using the location-based method*2, the emissions were 20.5 ten thousand t-CO_2.

For Scope 3, we calculated emissions by referring to unit emission databases and other materials produced through studies by the Ministry of the Environment and other government ministries and agencies.

Although not reflected as an offset in GHG emissions, we are working toward realizing a sustainable society by procuring J-Credits created through projects for extending the mid-season drainage period in paddy rice cultivation, which is focused on addressing social issues in local communities, including agriculture.

*1 Using emission factors specific to each retail electricity provider: May reflect such company efforts as the purchase of renewable energy-derived electricity and non-fossil certificates. However, GHG emissions may fluctuate significantly depending on changes in emission factors from different retail electricity providers.
*2 Using emission factors specific to each country or region (applying a single emission factor to nearly all electricity consumed): It is nearly impossible to reflect corporate efforts, such as purchasing renewable energy-derived electricity and non-fossil certificates. However, the impact of changes in emission factors from retail electricity providers is small, making it easier to reflect energy-saving efforts.

[GHG Emissions (Scope 1 and 2, Market-based Method)*1, 2]

Fiscal 2023 target	11.7 ten thousand t-CO_2e
Fiscal 2023 result	9.7 ten thousand t-CO_2e
Fiscal 2024 target	9.5 ten thousand t-CO_2e

*1 Includes emissions of greenhouse gases other than CO_2, such as CFC substitutes
*2 Emissions associated with electricity are calculated using emission factors obtained from electric power companies.
Scope: NTT Communications Corporation and 18 Group companies

[GHG Emissions by Scope and Category]

Category	GHG Emissions (ten thousand t-CO_2e)	Composition Ratio (%)
Total emissions	230.9	100%
Scope 1 (direct emissions of greenhouse gases from our own sources, such as fuel combustion)*1	1.0	0.5%
Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies) (market-based))*2	8.6	3.7%
Scope 3 (indirect emissions other than Scope 1 and 2, such as emissions by others related to activities of the NTT Communications Group)	221.2	
Category 1 (purchased goods and services)*3	103.1	44.7%
Category 2 (capital goods)*3	14.6	6.3%
Category 3 (fuel and energy activities not included in Scope 1 or 2)	2.7	1.2%
Category 4 (upstream transportation and distribution)	1.2	0.5%
Category 5 (waste generated through business activities)	0.0*10	0.0%*10
Category 6 (business travel)	0.9	0.4%
Category 7 (employee commutations)	0.0*10	0.0%*10
Category 8 (upstream leased assets)*4	—	—
Category 9 (downstream transportation and distribution)*5	—	—
Category 10 (processing of products sold)*6	—	—
Category 11 (use of products sold)*7	52.8	22.9%
Category 12 (disposal of products sold)*7	0.2	0.1%
Category 13 (downstream leased assets)	45.7	19.8%
Category 14 (franchise)*8	—	—
Category 15 (investments)*9	—	—

*1 Includes emissions of greenhouse gases other than CO_2, such as CFC substitutes
*2 Emissions associated with electricity are calculated using emission factors obtained from electric power companies.
*3 Calculated by multiplying each supplier's transaction amount by their emissions intensity (calculated from their disclosed data) or by the emissions intensity according to the transaction details. Categorization methods for Categories 1 and 2 were reviewed to improve accuracy from the fiscal 2023 results, and the scope of calculation was expanded to include the entire NTT Communications Group.
*4 Counted for calculation, but no results were available (fuel and electricity used by leased assets are calculated under Scope 1 or 2)
*5 Counted for calculation, but no results were available (mostly outsourced transportation calculated under category 4)
*6 Counted for calculation, but no results were available (no intermediate product processing in main businesses)
*7 Updated the targeted services starting from the fiscal 2023 results, based on the organizational restructuring with NTT Docomo Group implemented in July 2022.
*8 Counted for calculation, but no results were available (not applicable)
*9 Counted for calculation, but no results were available (calculated in Scope 1 or 2)
*10 Less than 0.05
Scope: NTT Communications Corporation and 18 Group companies

Reduction of GHG

Fiscal 2023 Results: Group

GHG Emissions

Fiscal 2023 Target: 11.7 ten thousand t-CO_2e or lower*
*YoY –10%

Fiscal 2023 Result: 9.7 ten thousand t-CO_2e or lower*
(Fiscal 2022 result: 13.0 ten thousand t-CO_2e or lower)
* Includes emissions of greenhouse gases other than CO_2, such as CFC substitutes

In fiscal 2023, GHG emissions (Scope 1 and 2) from NTT Communications Group business activities totaled 9.7 ten thousand t-CO_2e, achieving the 2023 target set after revising the aggregation boundary for overseas Group companies. This was mainly achieved by further striving to save energy in telecommunications facilities and data centers, promoting remote work, which resulted in a continued reduction in power consumption in offices, and expanding the introduction of renewable energy (including virtually renewable energy by using non-fossil fuel certificates). The GHG emissions per unit of sales were 0.08 t-CO_2e per millions of yen (fiscal 2022 result: 0.11 t-CO_2e per millions of yen).

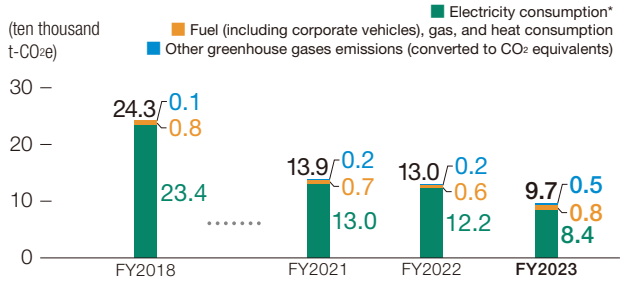
We have set the GHG emissions target (Scope 1 and 2) for fiscal 2024 at 9.5 ten thousand t-CO_2e, a reduction of 0.2 ten thousand t-CO_2e from the previous fiscal year, taking into account the significant shortfall in fiscal 2023 performance. The NTT Communications Group will continue working in concert on energy-saving activities, the expansion of renewable energy adoption, and new initiatives, including the utilization of R&D technologies, to steadfastly advance toward achieving carbon neutrality (Scope 1 and 2) by fiscal 2030.

* To clarify the scope of the initiatives implemented by the NTT Communications Group to promote a decarbonized society, the following tags have been added to the headings.

Group ····· Initiatives corresponding to Scope 1 and 2 of the NTT Communications Group
SC ····· Initiatives corresponding to Scope 3 of the NTT Communications Group (SC: supply chain)
Society ····· Initiatives that contribute to GHG emission reductions in society but do not directly correspond to Scope 1, 2, or 3 of the NTT Communications Group
(Customers) ····· Initiatives specifically related to customers

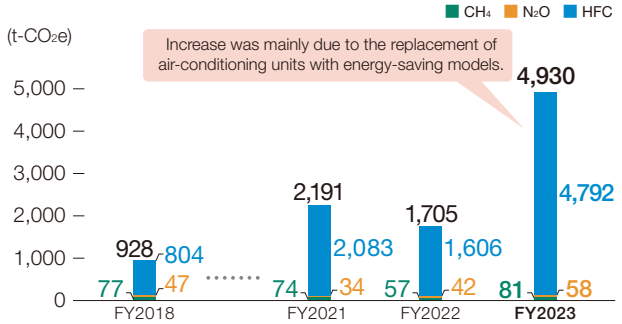
P.053 For the "Overall Initiatives for Promoting a Decarbonized Society," see:

[GHG Emissions from Business Activities]



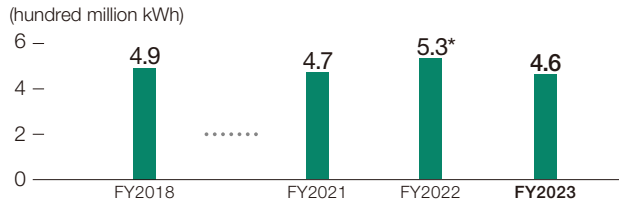
Scope: NTT Communications Corporation and 18 Group companies
* Emissions associated with electricity are calculated using emission factors obtained from electric power companies

[Other GHG Emissions (Converted to CO_2 Equivalents)]



Scope: NTT Communications Corporation and 18 Group companies

[Power Consumption (including electricity and renewable energy derived from GHG Protocol Scope 2 emissions from business activities)]



Scope: NTT Communications Corporation and 18 Group companies
* In fiscal 2022, there was a temporary increase due to the adoption of a different calculation method at overseas Group companies, which became consolidated entities starting from the third quarter. Using the current calculation method, the total is 4.8 hundred million kWh.

Expanding the Use of Renewable Energy Group

Since April 2020, we have been actively introducing and expanding the use of renewable energy, including virtually renewable energy through the use of non-fossil fuel certificates. In fiscal 2023, 2.6 hundred million kWh was derived from renewable energy sources, representing 56% of the total electricity consumption of 4.6 hundred million kWh.

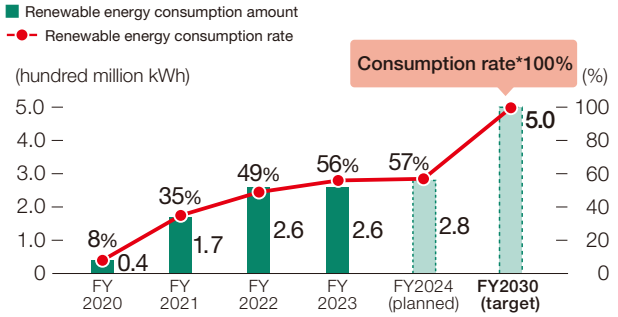
In Tokyo, our telecommunications facilities and data center buildings have been using solar power generation systems since fiscal 2009, with six systems currently in operation. In fiscal 2023, these solar power systems generated a total of 52.5 ten thousand kWh.

In fiscal 2024, we will continue to expand the use of renewable energy.

[Saitama 1 Data Center (100% powered by renewable energy from fiscal 2022)]

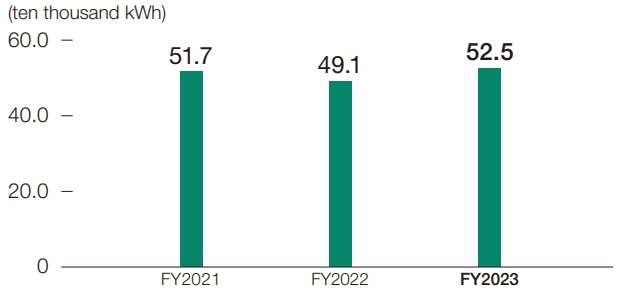


[Consumption rate of electricity derived from renewable energy sources (including virtually renewable energy by using non-fossil fuel certificates)]



Scope: NTT Communications Corporation and 18 Group companies
* Targeted GHG Protocol: Scope 2 emissions from business activities

[Total Solar Panel Power Generation]



Scope: NTT Communications Corporation and 18 Group companies

Evaluation by National and Local Governments

Group SC (Customers)

In fiscal 2023, NTT Communications received the following evaluations from the national and local governments.

- Agency for Natural Resources and Energy: Class S (highest rank) under the business operator classification system based on the Act on Rationalizing Energy Use (Energy Conservation Act)
- Tokyo Metropolitan Government: SS rank (highest rank) for efforts related to addressing global warming
- Tokyo Metropolitan Government: S rank (highest rank) for our global warming countermeasure plans for specified tenant buildings, such as Otemachi Place and Granpark
- Osaka Prefecture: Governor's Award (equivalent to the highest award) for the Osaka Climate Change Action Awards in recognition of significant reductions in greenhouse gas emissions and contributions to mitigating climate change
- Sendai City: Excellent business operator (first plan period) for the Greenhouse Gases Reduction Action Program

NTT Communications will remain committed to legal and regulatory compliance to prevent global warming, while actively promoting a decarbonized society in many regions. This includes participating in the GX League as part of the NTT Group, joining the Osaka Prefecture Decarbonization Management Declaration, and engaging in the Yokohama Decarbonization Innovation Council.

* Specified tenant buildings are those occupied by businesses that use at least 600 ten thousand kWh of electricity per year or lease at least 5,000 m2 of floor space.






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[Award Ceremony for the Osaka Climate Change Action Awards (Mitigation Sector)]



Initiatives Related to Telecommunications Facilities and Data Centers

Fiscal 2023 Result Group

GHG Emissions

Fiscal 2023 Target: 11.0 ten thousand t-CO_2e or lower*
*YoY –10%

Fiscal 2023 Result: 8.3 ten thousand t-CO_2e*
(Fiscal 2022 result: 12.2 ten thousand t-CO_2e)
* Includes emissions of greenhouse gases other than CO_2, such as CFC substitutes

In fiscal 2023, our GHG emissions (Scope 1 and 2) decreased as a result of the increased use of renewable energy as well as the augmented and expanded measures such as reducing electricity use in air-conditioning systems by making visible the power usage status of machinery and server rooms, along with introducing AI-powered automatic control for cooling systems and optimizing the number of telecommunications facilities. Although there was a rise in demand for sales at data centers in Tokyo and Osaka, we were nevertheless able to achieve our FY2023 target.

Although the trend of rising demand is expected to continue in fiscal 2024, we intend to meet our GHG emissions target through a year-on-year reduction by expanding visualization of power usage, implementing newly developed technologies, improving airflow, and optimizing equipment for telecommunications services.

The NTT Communications Group contributes to reducing GHG emissions from its own operations as well as its customers through the following initiatives.

- Introducing and utilizing energy-saving technologies in data centers
- Forecasting and visualizing CO_2 emissions in cloud services and achieving carbon neutrality in electricity usage
- Offering customers a renewable energy menu for using data centers

Data Center Initiatives Group SC (Customers)

Operating data centers requires a constant supply of electric power. As an ICT company, we proactively introduce leading-edge equipment and technologies for reducing the carbon footprint of our data centers.

For example, our relatively new data centers are equipped with improved cooling efficiency and lower power consumption in their air-conditioning systems owing to the use of outside air for cooling IT equipment, precise automatic temperature measurement, and proactive AI-based air-conditioning control based on these measurements. In addition, we have installed an indirect evaporative cooling system for the new data center in Tokyo. This made us the industry's first to use the system, which is expected to reduce the annual energy cost by 60% compared to a conventional system.

Comparison to a conventional air-conditioning system ▶ 60% reduction per year

In addition to cooling systems, we are working toward decarbonization by introducing a solar power generation system and an automatic motion sensor lighting system to conserve and more efficiently use energy.

In fiscal 2024, we will begin deploying Green Nexcenter®, a service that supports the use of liquid-cooled equipment in ultra-energy-saving data centers. This service reduces cooling power consumption by approximately 30% compared to conventional data centers, addressing the substantial energy demands and heat generation of intensive computing tasks such as those involved in operating generative AI. We are

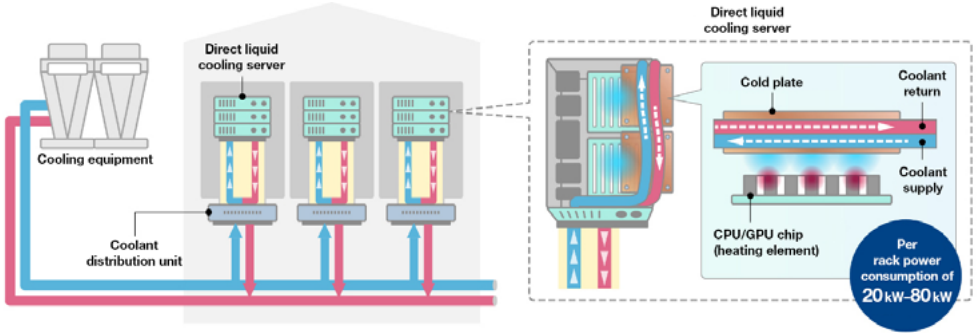
also advancing plans to introduce new communication infrastructure for APN (All-Photonics Network as a cutting-edge optical transmission technology that contributes to ultra-high-speed communication with minimal fluctuations and reduces power consumption in ICT infrastructure) as part of the IOWN (Innovative Optical and Wireless Network) concept, for realizing next-generation network and information processing platforms through the use of photonic fusion technologies. By accelerating the connection between APN and Green Nexcenter®, we will help establish an environment that significantly reduces the power required for the latest technologies, thereby accelerating the decarbonization of data centers.

Latest Cooling Technology for High-Heat Servers Group SC (Customers)

Along with the recent increased demand for servers with robust processing capabilities, managing the extremely high heat generated by their equipment continues to be a challenge that requires cooling facilities or systems that can efficiently cool the super-heated servers. Green Nexcenter® adopts the direct liquid cooling method, the first of its kind in Japan for commercial colocation services. This technology provides cooling for high-heat servers, which is difficult with conventional data center methods, offering energy-saving performance that significantly exceeds previously used technologies. In direct liquid cooling, liquid is supplied directly to heat sinks, which are components designed to dissipate heat from high-heat chips installed in server equipment. This cooling approach is specifically designed to manage the heat generated by these powerful chips.

[Direct Liquid Cooling]





Providing Renewable Energy Tailored to Data Center Customers'Needs SC (Customers)

With the expansion of the digital society, demand for power in data centers is increasing year by year. The issue is that while it is possible to improve the energy consumption efficiency of data centers, it is not possible to eliminate power consumption itself.

In addition to our data centers located in telecommunications buildings that began using renewable energy in fiscal 2020, our new data center established in Tokyo in fiscal 2021 also relies on renewable energy. In fiscal 2022, we began featuring a wide range of renewable energy options to meet customer needs at our five data centers in the Tokyo metropolitan area. This enables our customers to comply with RE100* and other international environmental initiatives as well as to promote their ESG management toward decarbonization.

Going forward, we will not only begin providing renewable energy through the Green Nexcenter® service but also gradually expand our efforts to spread the use of renewable energy not only inside the Company but with our customers.

Starting in the second half of fiscal 2025, we will be offering services at the new Keihanna Data Center (provisional name) to be constructed in Kyoto Prefecture by NTT Global Data Centers Corporation. We are currently working on a system that will virtually eliminate CO_2 emissions from this data center by using renewable energy according to customer needs.

* A global initiative that brings together companies that intend to switch to 100% renewable energy sources for electricity used in their business activities.

Carbon Neutral Initiatives in Our Cloud Service

Group Society (Customers)

In the Smart Data Platform Cloud/Server service, our cloud computing service that uses NTT Communications data centers, we completed the introduction of 100% renewable energy, which includes the use of non-fossil fuel certificates, at all operational sites by August 2023, achieving carbon neutrality for our electricity consumption. With this service, we will support our customers in moving their on-premise environments to the cloud and reduce GHG emissions in their value chains.

Providing CO_2 Emissions Forecasting and Visualization Functions in Our Cloud Service

In our Smart Data Platform Cloud/Server service, we have started to provide simulation to forecast CO_2 emissions and a dashboard to visualize emissions free of charge in fiscal 2023, the first cloud service provider in Japan to do so. The service allows customers to simulate the CO_2 emissions reduced by migrating from their conventional on-premise environment to the SDPF Cloud/Server, and to confirm the volume of CO_2 emitted by their usage on the portal with the use of cloud services powered by 100% renewable energy. We will continue to promote efforts to help customers further reduce their environmental impact.

[Screen image of the Carbon Footprint Simulation for forecasting CO_2 emissions]



[Screen image of the Carbon Footprint Dashboard for visualizing CO_2 emissions]



Ongoing Efforts to Cut Cooling Power Consumption at Telecoms Facilities and Data Centers

Group SC (Customers)

In past efforts to reduce power consumed by cooling, we have implemented a range of measures, including SmartDASH® an automated AI system that visualizes temperature zones, detects areas that are too cold, and automatically controls air-conditioning, and Aisle Capping, a technique that physically separates the intake (low temperature) and exhaust (high temperature) air from IT equipment by placing sidewalls and ceilings in the aisles between rows of server racks.

As a further step to reduce power used for cooling at our data centers, we are moving beyond ICT-driven visualization of both temperature and power consumption to continue our work on more finely tuned air-conditioning power management. This includes calculating the power usage effectiveness (PUE)* of each room to improve low-efficiency rooms by implementing thorough airflow improvement, temperature adjustments, and air-conditioning shutdown initiatives.

In addition, for our telecommunications buildings, we will address the migration in ICT equipment from old models to highly efficient new ones, we will also seek to cut down on power consumed by ICT and air-conditioning systems through the timely discontinuation of use of the old models.

* Power usage effectiveness: (Power consumption of the entire data center)/(Power consumption of ICT equipment in the data center). An indicator for measuring the energy efficiency of a data center; the closer the number approaches 1, the more efficient the data center.

Office Initiatives

Fiscal 2023 Result Group

GHG Emissions

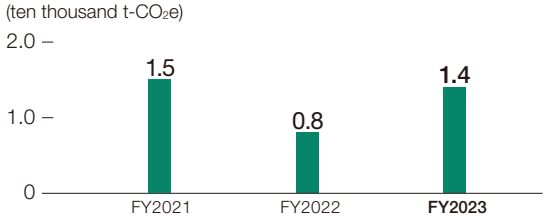
Fiscal 2023 Target: 0.8 ten thousand t-CO_2e or lower*
*Down at least 5% YoY

Fiscal 2023 Result: 1.4 ten thousand t-CO_2e*
(Fiscal 2022 result: 0.8 ten thousand t-CO_2e)
* Includes emissions of greenhouse gases other than CO_2, such as CFC substitutes

In fiscal 2023, as remote work became a standard option for employees, we continued efforts to reduce office electricity consumption and GHG emissions. These efforts included designing metropolitan area offices based on the assumption of maintaining an employee attendance rate capped at 30%, as well as sustaining zero-emission electricity usage for all power in the headquarters building (Otemachi Place), which was achieved in September 2021. As a result, our GHG emissions temporarily increased due to factors such as the expansion of office space following the organizational restructuring with the NTT DOCOMO Group in July 2022 and changes in the procurement methods for renewable energy in offices. However, the NTT Communications Group as a whole, including telecommunications facilities and data centers, successfully achieved its GHG emissions target for fiscal 2023.

In fiscal 2024, we expect to see an increase in employee office attendance due to changing societal expectations as the COVID-19 pandemic subsides. However, we will actively focus on further reducing electricity usage through enhanced energy-saving measures in offices and additional office consolidations. Furthermore, we are committed to expanding the adoption of renewable energy across the entire Group, including our Group companies.

[GHG Emissions from Offices]



Scope: NTT Communications Corporation and 18 Group companies
* Includes emissions of greenhouse gases other than CO2, such as CFC substitutes

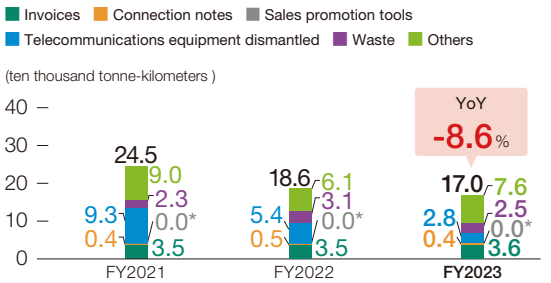
Transportation Initiatives

Fiscal 2023 Results SC

NTT Communications annually audits the amount of transportation for invoices, sales promotion tools, and office waste. Also, we voluntarily seek ways to streamline transportation such as by reducing the number, volume, and distance required for transport and by otherwise enhancing logistics.

In fiscal 2023, we took action to reduce the amount of paper by expanding web-based applications, digitalizing sales tools, and continuing remote sales efforts. We also observed a decrease in the volume of dismantled telecommunications equipment transported due to the reorganization with the NTT DOCOMO Group in July 2022. As a result, total transportation volume was 17.0 ten thousand tonne-kilometers. In fiscal 2024, we will continue to reduce transportation volume by promoting the use of web-based application systems and digitalization.

[Goods Transportation Volume under the Revised Energy Conservation Law]



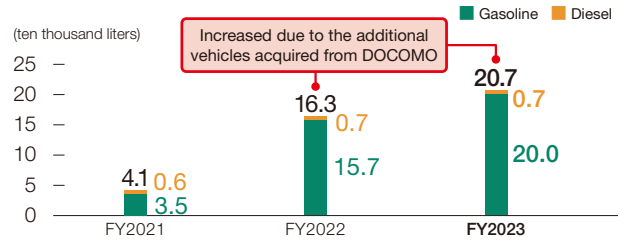
Scope: NTT Communications Corporation
*Less than 0.05

Reducing Fuel Use by Company Vehicles Group

To help solve pollution problems and contribute to the realization of a low-carbon society, we are working to have EVs account for 100% of our corporate fleet by fiscal 2030 under the EV100 initiative declared by the NTT Group in October 2018. We are also reviewing the number of our sales vehicles and steadily promoting eco-driving and other measures to reduce the volume of fuel used by Company vehicles across the entire Group.

In fiscal 2023, we continued our efforts to introduce EVs, replacing 46 vehicles with EVs and scrapping 74 vehicles through efficient vehicle operations and the implementation of remote sales. As a result, the number of Company vehicles, including those acquired as part of the organizational restructuring with the NTT DOCOMO Group in the second quarter of fiscal 2022 , decreased from 574 vehicles (160 EVs) at the end of fiscal 2022 to 500 vehicles (206 EVs) at the end of fiscal 2023.

[Fuel Consumption by Company Vehicles]



Scope: NTT Communications Corporation and 18 Group companies

For more information on EV 100, see:
https://www.ntt.com/en/about-us/csr/eco/details.html

Preventing Air Pollution and Promoting Energy Conservation through Electric Propulsion Ships Group

The subsea cable-laying vessels Kizuna and Subaru utilize an electric propulsion system* that optimizes the number of engines in operation in accordance with the load from the type of the subsea cable being laid and changes in the weather at sea. Due to the increasing occurrence of natural disasters in recent years, these subsea cable-laying vessels have been more frequently deployed. Despite this, by controlling the number of engines in operation, we keep down the amount of heavy fuel oil used while reducing emissions of, for example, CO_2, NOx, and SOx.

When in operation, we work to optimize fuel consumption by the most effective operating methods (including optimum route selection that takes into account the ship's speed, ocean currents, and weather conditions as well as other factors) in order to curtail the amount of CO_2 emitted based on a Ship Energy Efficiency Management Plan (SEEMP).

We are also carrying out the partial installation of LED energy-saving lighting for the ships (cable-laying ship Kizuna was fully equipped with LED lighting when it was first built).

* An electric propulsion system is a type of ship that turns a generator with its engines, drives motors with the electric power obtained, and turns propellers and bow thrusters for propulsion.

[Cable-laying ship Kizuna (8,598 tonnes)]



[Cable-laying ship Subaru (9,557 tonnes)]



Reducing the Carbon Footprint of Society through Our Products and Services

Social Contribution through Business Activities

Society (Customers)

- **Supporting the Creation and Trading of Forest-derived J-Credits: A Platform for Sustainability**

In recent years, a growing number of municipalities and companies have been considering the adoption of carbon credits, particularly with the introduction of initiatives like the GX-ETS*1, as part of efforts to achieve carbon neutrality. The use of forest-derived carbon credits is particularly expected to promote the cyclical use of forests and timber, and to contribute to the restoration of the multiple functions of forests, leading to proper management.

However, many challenges remain, related to the creation of carbon credits such as forest data management. To address these challenges, NTT Communications and Sumitomo Forestry Co., Ltd. have developed the Forest Value Creation Platform, Morikati, which will be offered starting in fiscal 2024. Morikati is a comprehensive platform that supports the creation, certification, and trading of forest J-Credits*2.

The Morikati platform provides geographic information system (GIS*3) functionality to credit creators, certifying bodies, and buyers of forest J-Credits. This functionality allows for the easy, centralized management of digitized data, reduces the data management burden for credit creators, and improves the operational efficiency of certifying bodies. It also allows credit buyers to easily access information about the forest's location and related documents through the GIS functionality, as well as to obtain various details, such as the forest's region and environmental value beyond CO_2 absorption, on the dedicated sales page for buyers.

These features are intended to streamline the forest J-Credit issuance process, promote the creation and circulation of credits, enhance trust through transaction transparency, and enable us to contribute to addressing social issues by involving both buyers and local communities.

Going forward, we will develop systems to support carbon offsetting at events and evolve the platform to facilitate the quantitative evaluation of functions beyond CO_2 absorption.

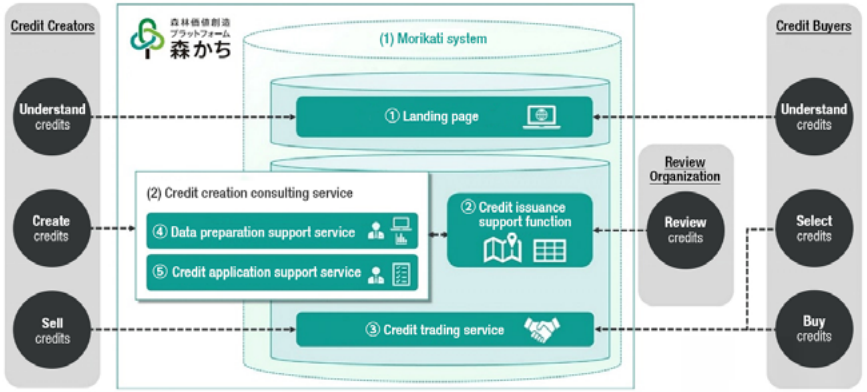
*1 GX-ETS is the first nationwide emissions trading system in Japan, established to help companies that support the GX League implement GX investments, greenhouse gas reduction efforts, and information disclosure.

*2 The Forest-based J-Credit is a credit certified by the government based on the amount of CO_2 absorbed through proper forest management practices such as thinning (source: J-Credit System website https://japancredit.go.jp/case/scheme/02/).

*3 GIS is a technology that comprehensively manages and processes spatial data related to geographical locations and visually displays it, enabling advanced analysis and quick decision-making.

P.026 For more information, see CASE 1: Supporting the Creation and Utilization of J-Credits through Collaboration with Companies and Local Communities section in this report.

[Overview of Morikati]



[Screen image of the Morikati GIS page]



[Screen image of the Morikati sales page]

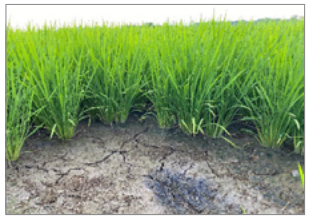


● Creation of J-Credits through Projects for Extending Mid-Season Drainage Period in Wetland Rice Cultivation

NTT Communications is working on reducing the emissions of methane gas, which is said to be about 25 times more harmful than CO_2 as a greenhouse gas, through a method* of extending the mid-season drainage period in paddy rice cultivation, formulated by the Ministry of Agriculture, Forestry and Fisheries. In January 2024, NTT Communications received the first domestic certification of J-Credits under this methodology. In addition to supporting producers in the creation and sale of J-Credits, we want to enhance the brand value of agricultural products through environmental conservation. This contributes to expanding revenue sources and aligns with our goal of building a sustainable agricultural model.

* This method extends the period of mid-season drainage, when water is drained from paddy fields to dry the soil, by more than seven days during the rice cultivation period to reduce methane gas emissions from the soil.

[During mid-season drainage]



For more information on the Methane Gas Reduction Project through Extension of the Mid-Season Drainage Period in Rice Fields, for which we have obtained J-Credit certification, see:
https://www.maff.go.jp/j/press/kanbo/b_kankyo/240126.html (in Japanese only)

P.026 For more information, see CASE 1: Supporting the Creation and Utilization of J-Credits through Collaboration with Companies and Local Communities section in this report.

● Provision of Greenhouse Gas Emissions Calculation, Visualization, and Analysis Service: CO2MOS®

NTT Communications provides the CO2MOS® GHG emissions calculation, visualization, and analysis service to support the realization of a decarbonized society. The service enables companies to calculate not only their own GHG emissions but also emissions across the entire supply chain through data integration capabilities, including carbon footprint calculations. In fiscal 2024, we started implementing the CO2MOS® service with suppliers of the DOCOMO Group to reduce GHG emissions across the entire supply chain.

Furthermore, by flexibly applying the features of CO2MOS® to meet the needs of various industries and companies, we are advancing the provision of services tailored to customer requirements. As the first initiative, we began offering the MIeCO$_2$ decarbonization solution, which incorporates insights from the steel industry in collaboration with Marubeni-Itochu Steel Inc. and Wastebox Co., Ltd. in September 2023. Moving forward, we will expand the value of our offerings through further deployment with upstream suppliers and across other industries.

[Screen image of Scope 1, 2, and 3 emissions analysis and visualization on CO2MOS®]



[Screen image of the greenhouse gas reduction simulation on CO2MOS®]



● Provision of Environmental Behavior Change Solution for Employees: Green Program® for Employee

NTT Communications has been offering the Green Program® for Employee app since November 2022 to promote environmental awareness and change employee behavior. The program is intended to instill employee environmental awareness and actions, uniting with them to promote green transformation (GX). Users can experience the reduction of CO_2 emissions through their environmental actions in daily life and work while also adding to their environmental knowledge through quizzes and articles. The app aggregates and visualizes the user's environmental actions, encouraging further engagement and promoting Companywide efforts. The accumulated data also allows for the quantitative assessment of impact, which can be used to improve initiatives and communicate results both internally and externally. Going forward, we will collaborate with more companies and expand our offerings to support the realization of carbon neutrality across society as a whole.

[Screen images of Green Program® for Employee]



Environmental Labeling System for Solutions

The NTT Group is exploring the idea of an Environmental Labeling System for Solutions for self-certification of environmentally friendly ICT solutions and services. To qualify, ICT solutions and services will have to achieve CO_2 reductions of at least 15%, as assessed through the objective evaluation of environmental impact reduction benefits using life-cycle assessment. The entire NTT Group provides these environmentally friendly services to help reduce the environmental impact of society.

The NTT Communications Group has obtained a cumulative total of 12 solutions certified under the Environmental Labeling System, and we will continue to obtain additional certifications.

(Unit: %)

Certified Solutions (Excerpt)	CO_2 Reduction Effect (at the Time of Certification)
docomo sky Cloud	37
LoRa®	36
Nexcenter	43
Enterprise Cloud	74
Arcstar IP Voice	30
Arcstar Universal One Mobile	24

For more information on the Environmental Labeling System for Solutions, see:
https://group.ntt/jp/environment/protect/lowcarbon/label/

Acquisition of the Eco ICT Logo

We conducted a self-assessment of our GHG reduction measures and submitted an application in accordance with the ICT Ecology Guidelines created by the ICT Ecology Guideline Council* and acquired the eco-ICT Mark.

The council created and published the Ecology Guideline for the ICT Industry, which are guidelines for applying the appropriate GHG reduction measures to be implemented by telecommunications carriers and clearly defines the standards for procuring systems and data center services from the viewpoint of reducing power consumption. The guidelines have been subsequently revised, and version 10.1 was published in February 2024.

Working together with our Group companies participating in this initiative, we will continue to roll out our ecological initiatives in the ICT field.

* Established on June 26, 2009 by five industry organizations: Telecommunications Carriers Association, Telecom Services Association, Japan Internet Providers Association, Communications and Information Network Association of Japan, and Japan Cloud Industry Association

For more information on the Eco ICT Logo, see:
https://www.tca.or.jp/press_release/2010/0701_400.html
(in Japanese only)

For more information on the self-assessment checklist, see:
https://www.ntt.com/about-us/csr/eco/ecoict.html
(in Japanese only)

Priority Activities

Development of a Closed-loop Society

Our Approach

To contribute to the realization of a closed-loop society, the NTT Communications Group promotes the 3Rs of reduce (waste prevention), reuse (encouraging repeated use), and recycle (improving recycling rates) while also building business models with low environmental impact. The inefficient use of resources and rising volume of waste are becoming increasingly serious social issues and encompass a variety of risks. To fulfill our social responsibility regarding these issues, we organized working groups in the three areas of dismantled telecommunications equipment, construction waste, and office waste, and we are working in cooperation with other NTT Group companies to thoroughly implement the 3Rs while promoting resource circulation, such as recycling plastics.

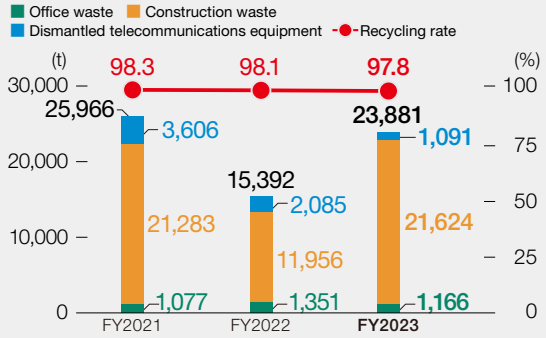
We are also working to provide and co-create ICT platforms as well as services and solutions that lead to a closed-loop society, which can also provide a business opportunity for increasing our corporate value. Through these initiatives and many other efforts, and united as the NTT Communications Group, we are committed to a greener future with the most effective use of resources through proper waste management and promotion of reusing and recycling in our business activities.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

In fiscal 2023, the total volume of waste from dismantled telecommunications equipment was 1,091 tonnes, construction waste was 21,624 tonnes, and office waste was 1,166 tonnes. The total volume of waste generated increased by 8,489 tonnes, compared to the previous fiscal year, to 23,881 tonnes, mainly due to the increase in construction waste, which includes a large amount of items that are difficult to recycle. The recycling rate for the total volume of waste was 97.8% due to the increase in construction waste, a slight decrease compared to the previous fiscal year (98.1%).

We will continue to manage the recycling rate as part of our efforts to create a recycling-oriented society and ensure that the 3Rs are thoroughly implemented in our business activities.

[Volume of Waste Generated and Recycling Rate]



Scope: NTT Communications Corporation and 18 Group companies

Risks and Opportunities

Unless global efforts to promote resource circulation are effectively advanced, there is a risk of long-term harm to the Earth's natural environment and ecosystems, as well as the potential for widespread resource shortages and soaring costs. Against this background, social concerns about waste issues are rising, and waste-related regulations that require compliance by businesses are becoming stricter year by year. If a violation of regulations, such as the illegal dumping of industrial waste, occurs, a company could face strong public criticism. This in turn could result in a loss of social reputation, posing a business risk, and potentially lead to reduced sales revenue due to a failure to meet customer procurement standards.

On the other hand, we believe that realizing a circular economy within the NTT Communications Group and providing ICT platforms, services, and solutions to help our customers address waste issues and achieve a circular economy can contribute to addressing regional and global environmental challenges. This approach also presents a significant opportunity to enhance corporate value and drive business growth.

Building Business Models with Low Environmental Impact

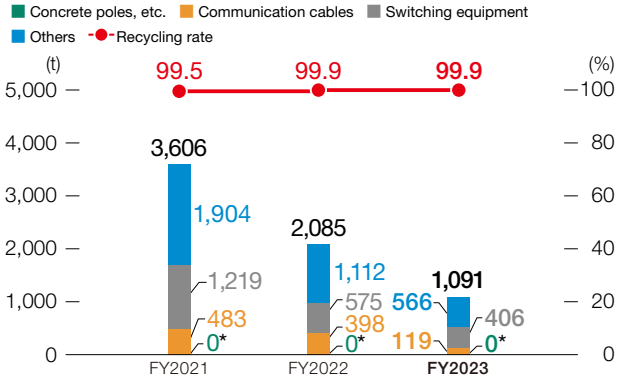
Effectively Using Water Resources

Water resources are indispensable for the survival of all living things, but the increasing world population and economic development have led to concerns over water shortages and pollution. We are striving to use water resources more effectively by recycling and reusing cooling water in our data centers and switching to water-saving toilets in our major office buildings. As part of utilizing ICT to support social infrastructure, we are developing a water demand prediction system to contribute to addressing social issues related to water resources. The total volume of water used in fiscal 2023 was 422,000 m³.

Initiatives to Improve the Recycling Rate

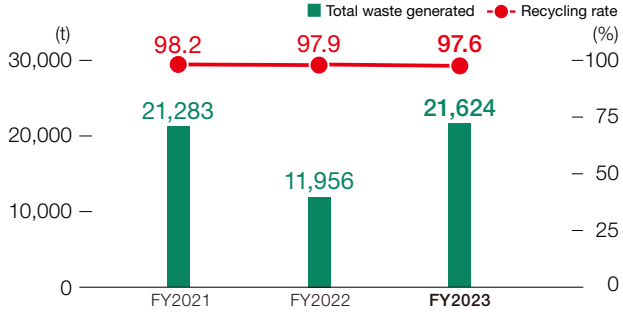
We believe that one of our most important obligations as an ICT services provider is to create business models that emphasize recycling. We are therefore carefully selecting waste processors for telecommunications equipment, data centers, and office buildings based on their recycling rates. In selecting waste processing service providers, we seek to ensure proper disposal and improve the recycling rate by screening candidates based on our pre-established criteria and consigning work to businesses that meet the qualifications. As a result, the recycling rate of office waste, which was 81.5% in fiscal 2013, has improved to 97.8%, as of fiscal 2023, showing steady progress.

[Total Volume and Recycling Rate of Dismantled Telecommunications Equipment]



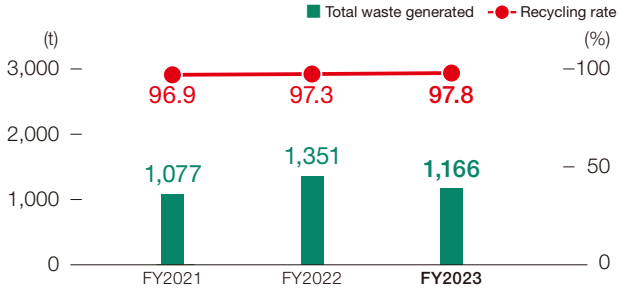
Scope: NTT Communications Corporation and 18 Group companies
* Less than 0.5

[Total Volume and Recycling Rate of Construction Waste]



Scope: NTT Communications Corporation and 18 Group companies

[Total Office Waste and Recycling Rate]



Scope: NTT Communications Corporation and 18 Group companies

Promoting the Reuse of Fixed Assets

From the perspective of promoting the efficient operation and reuse of fixed assets, including small assets and equipment, we are matching organizations that need assets with those that do not. Thanks in part to this effort, in fiscal 2023 we reused 159 items of dismantled equipment and 594 units of equipment and packages overall. In fiscal 2024, we will continue to promote the reuse of fixed assets and strive to reduce the amount of waste we generate.

Promoting the Reuse of Fixed Assets

Reduction in Paper Use for Business Purposes

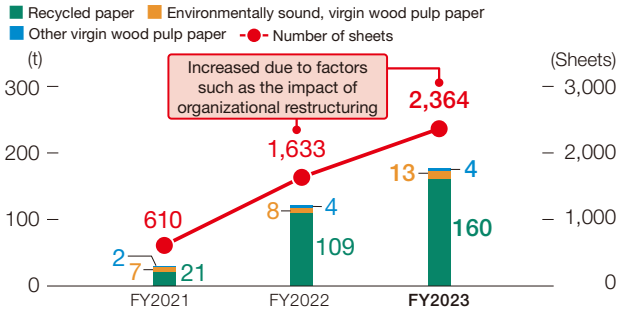
NTT Communications is working to reduce its use of all kinds of paper for business purposes, including that for printing customer billing statements. We have been using our own paper use indicator per full-time employee since fiscal 2007 to reduce the use of office paper and have also

been raising employee awareness through various efforts such as curbing the use of paper and increasing the rate of double-sided printing by using printing log data from IC card multifunction printers, and collecting the initiative status data per individual and section and disclosing it to all employees on a monthly basis.

Since fiscal 2020, we have made significant progress in digitizing paper documents as part of our initiatives to promote remote work and work-life balance, resulting in a substantial decrease in the amount of paper used per employee (converted to A4-size office paper) from fiscal 2019 (3,585 sheets). However, the amount of office paper used per employee increased due to the impact of the organizational restructuring with the NTT DOCOMO Group in July 2022 , including the transfer of personnel and systems.

In fiscal 2023, as a result of the full-year impact of the organizational restructuring, changes in business processes, and social environmental changes associated with the end of the COVID-19 pandemic, the amount of office paper used per employee increased to 2,364 sheets, a significant rise compared to fiscal 2022. In fiscal 2024, we will continue to reduce the amount of office paper used by improving our business processes and systems.

[Total and Per-employee Office Paper Use]



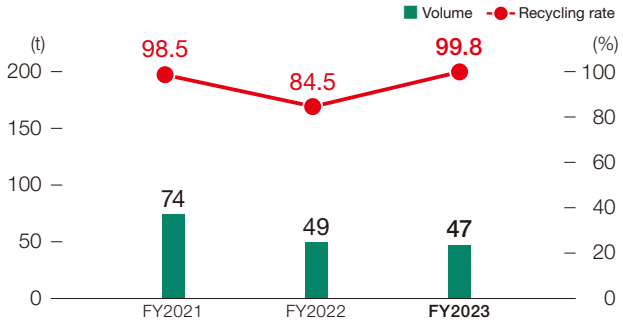
Scope: NTT Communications Corporation and 18 Group companies

Response to Plastics Pollution

Concern has been growing around the world over plastic waste, including the pollution of marine environments. NTT Communications upholds the implementation of closed-loop recycling as a CSR Priority and is working on reducing and promoting the recycling of plastic waste.

In fiscal 2023, the volume of plastic waste generated decreased due in part to the disposal of fixtures following office relocation, and the rate of plastic recycling also improved. We will continue addressing plastic pollution through our business activities.

[Volume of Plastic Waste and Recycling Rate (Office)*]

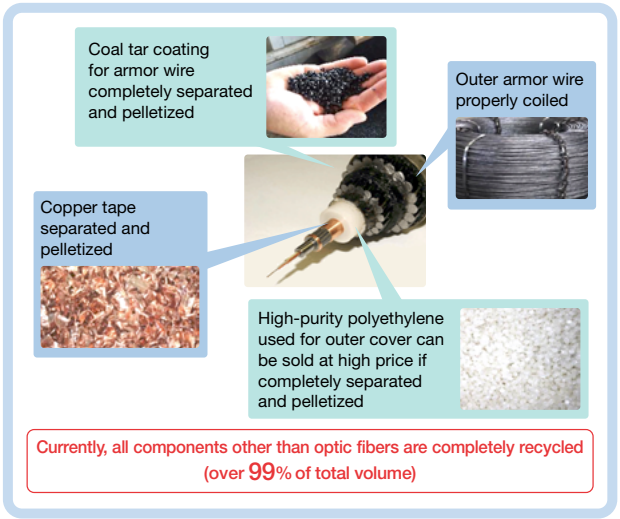


Scope: NTT Communications Corporation and 18 Group companies
* Tabulated general and industrial waste generated from office buildings, including PET bottles, plastic waste, and other sources

Developing a New Recycling Scheme for Subsea Cables

While the typical length of subsea cables laid in Japan's territorial waters is 20 to 30 km per cable, the cable managed and operated by NTT World Engineering Marine Corp., an NTT Communications Group company, connecting Kagoshima and Okinawa prefectures is approximately 260 km long, passing through many islands along the way. When the cable went out of service in 2018, approximately 850 tonnes of waste was expected to be generated, raising major issues in terms of environmental impact and disposal costs.

To address these issues, NTT Communications signed an agreement with South Africa's Mertech Marine, the only company in the world with the technology to recycle subsea cables to the level of raw materials, to build a new scheme to recycle 99% of subsea cables to reduce both environmental impact and disposal costs. Additionally, the scheme is contributing to creating regional safety nets by actively employing unskilled workers at the recycling plant in South Africa through Mertech Marine, and donating 30% of the profits from this recycling initiative to charitable organizations that support the education of impoverished families in Africa and the Middle East.



Co-existing with Nature

Primary Concept

Biodiversity conservation and co-existing with nature, frequently discussed as key environmental issues for achieving a sustainable society, are also critical topics that encompass risks related to business continuity.

We have set “Planning a Future of Natural Harmony” as part of our environmental declaration and established the Biodiversity Action Plan. Under these policies, we are carrying out environmentally sound business activities from the construction of facilities to their operation and dismantling in accordance with the NTT Group Sustainability Design Guideline for Buildings and other guidelines. We are also engaged in local conservation efforts, including the preservation of satoyama (traditional Japanese rural landscapes), local greening initiatives, and reforestation tailored to regional vegetation.

To fulfill our corporate social responsibility, we will continue to place a high priority on conservation of biodiversity throughout our business operations and conduct business while inspecting the progress of initiatives, identifying problems, and making improvements. We will also adopt a multifaceted approach, including the provision and co-creation of ICT/DX solutions and services that contribute to nature-positive economic activities, which can become business opportunities, as well as environmental contribution efforts such as participating in local conservation projects and disseminating environmental information.

NTT Communications Group Biodiversity Action Plan

1. Basic Policy

- **Development Centered on Business Activities**
  The Group recognizes that all activity is inextricably linked to the planet and to biodiversity, understands that the scope and impact at home and overseas are related depending on the nature of a business, and promotes initiatives that are recognized as having a preservation effect.
- **Development Centered on Contribution to Society**
  In partnership with its stakeholders, the Group widely promotes initiatives toward the preservation of biodiversity, regardless of their relevance to its business.

2. Action Guidelines

- **Implement actions that take into account the preservation of biodiversity in business activities**
- **Contribute to the preservation of social biodiversity in business activities**
- **Deepen understanding of biodiversity, promote nature conservation activities together with employees, their families, and the planet**

Main Achievements in Fiscal 2023 and Goals for the Coming Years

We engaged in building, maintaining, repairing, and evaluating facilities in compliance with the Biodiversity Action Plan as well as the concept of the NTT Group Sustainability Design Guideline for Buildings*, established by the NTT Group. We also played a role in resolving environmental issues through our businesses, disseminated information, and raised awareness during several initiatives that leverage the expertise unique to ICT enterprises, including the provision of ICT solutions for sustainable agriculture for increasing the population of wild ibis as well as support for coral ecosystem surveys and conservation initiatives that we joined as an NTT DOCOMO company, in which we applied our underwater drone capabilities.

In fiscal 2024, we will continue to take action by leveraging our capacity to serve society as an ICT enterprise.

* Guidelines for environmentally sound buildings (e.g., promoting energy efficiency and the use of natural energy, selecting water-saving equipment and protecting water resources, and encouraging resource circulation)

Promoting Biodiversity Conservation Initiatives

The NTT Communications Group is committed to biodiversity conservation toward realizing a future of co-existing with nature. It operates biodiversity-friendly facilities and leverages ICT to minimize the impact on ecosystems, based on an understanding of the relationship between biodiversity and our business. We also strive to pass on abundant biodiversity to future generations through various actions.

These include satoyama conservation for maintaining unique ecosystems and promoting environmental education, protecting ecosystems by submarine cable-laying ships during their operations, assessing the potential environmental impact from the construction and dismantling of telecommunications facilities and data centers, and providing agricultural ICT solutions as part of nature-positive initiatives. We will continue to conserve ecosystems and work with our stakeholders through these efforts.

Initiatives Related to the TNFD

In accordance with the LEAP approach*1 proposed by the TNFD, the NTT DOCOMO Group conducted an analysis*2 of its nature-related dependencies, impacts, risks, and opportunities. The analysis also encompasses the business areas and value chains of NTT Communications. The NTT Communications Sustainability Office, responsible for promoting environmental activities, participated in the analysis through the identification of potential material issues, analysis of the value chain's location-specific issues, determination of material issues, and review of countermeasures, leading biodiversity conservation in our business operations as a member of the DOCOMO Group.

*1 A location-based approach to prioritizing impacts on natural capital and actions to address them. The approach involves four phases: locate interface with nature, evaluate dependencies and impacts on nature, assess nature-related risks and opportunities, and prepare to respond to nature-related risks and opportunities and report to investors.

*2 This report is based on TNFD beta v0.4, released in March 2023. We will review the contents based on v1.0, released in September 2023, and take any necessary actions.

For information disclosure based on the TNFD recommendations from the NTT DOCOMO Group, see:
https://www.docomo.ne.jp/corporate/csr/ecology/protection/tnfd/ (in Japanese only)

Initiatives Related to the TNFD (Continued)

Scenario Analysis and Results within the NTT DOCOMO Group (Focusing on NTT Communications' Business Areas)

STEP 1 Identification of key issues

The analysis following the LEAP approach within the NTT DOCOMO Group includes the corporate business areas managed by NTT Communications. By evaluating the relationship between stakeholder interests and our business operations, we identified these potential key issues: development of land with high conservation value, impact on surrounding ecosystems, resource extraction, and waste emissions.

STEP 2 Analysis of the value chain's location-specific issues

The analysis of the value chain's location-specific issues includes telecommunications facilities and equipment related to NTT Communications' business. Given the nature of our operations, we added water resource use and wastewater discharge as a potential key issue and organized the analysis by value chain stage: upstream, direct operations, and downstream. We then identified risk hotspots and potential risks to be addressed in each value chain stage through the analysis using IBAT*1 and Aqueduct*2, focusing on risk themes such as resource extraction, water use, land development, and surrounding ecosystems.

For example, it has been confirmed that no NTT Communications' telecommunications equipment is located in areas with high water stress across all 56 sites (as of August 2023). For more details on the analysis of the value chain's location-specific issues within the NTT DOCOMO Group, please refer to the information disclosure based on the TNFD recommendations from the NTT DOCOMO Group.

*1 Integrated Biodiversity Assessment Tool, developed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

*2 A global water risk mapping tool developed by the World Resources Institute (WRI)

STEP 3 Confirmation of key issues

We identified and evaluated risks and opportunities based on the results of STEP 1 and STEP 2.

Risks

Various potential risks (e.g., price increases and unstable supply of telecommunications equipment necessary for offering services may affect our financial plans when there is a shortage of supplies from resource extraction) have been identified, but after reviewing the sites within NTT Communications, we verified that there are no immediate material risks that would affect our business. However, having identified development of land with high conservation value, impact on surrounding ecosystems, and resource extraction as key issues based on the analysis results from STEP 1 and STEP 2, we will assess risks during the development of new sites, including expansions and renovations, and continue to promote initiatives for biodiversity conservation as part of the NTT DOCOMO Group.

Opportunities

As societal interest in biodiversity rises, we believe that actively engaging in conservation efforts not only enhances the Company's social reputation but also drives revenue growth by providing services and solutions that support smart agriculture, fisheries, and the reduction of environmental impact.

P.009 For more information on related governance and risk management initiatives, see the "Sustainability Management" section in the report.

STEP 4 Examination of countermeasures

The NTT DOCOMO Group conducted a GAP analysis, based on the confirmed key issues, to select priority action items and examined countermeasures using the SBTN AR3T framework*3. NTT Communications, in light of the NTT DOCOMO Group countermeasures, then reviewed and assessed the progress of those countermeasures for the identified key issues.

*3 A framework proposed by the SBTN, comprised of a series of four steps (avoid, reduce, regenerate and restore, and transform) to plan countermeasures for actions damage the environment

Key Issues	Countermeasures	NTT Communications' Initiatives
Resource extraction	• Prioritizing suppliers with a focus on biodiversity • Promoting resource circulation	• Prioritizing the selection and procurement of suppliers who engage in or use materials that contribute to biodiversity conservation in accordance with the NTT Communications Corporation Guidelines for Sustainability in Supply Chain*4 • Promoting logistics DX for metal scrap and construction waste based on the Circular Economy Metal Processing Framework (CEMPF); the pilot experiment has been completed, and commercialization discussions are ongoing (as of October 2024)
Development of land with high conservation value	• Efforts to conserve natural environments (such as forests) and reduce impacts on ecosystems	• Proper forest management and conservation through thinning and replanting, leading to the creation of forest-derived credits • Starting the cultivation of healthy forests through tree planting in collaboration with stakeholders (approximately 1,000 trees to be planted by October 2024) • Ecosystem conservation through satoyama (traditional Japanese rural landscapes) preservation activities involving employees and their families
Impact on surrounding ecosystems		

*4 For more details on the NTT Communications Corporate Guidelines for Sustainability in Supply Chain, see:
https://www.ntt.com/content/dam/nttcom/hq/jp/about-us/procurement/pdf/SustainabilityGuidelines_J_202211.pdf

Considerations for Building Construction

Biodiversity-conscious Guidelines

When constructing new buildings such as data centers, we strive to understand the historical, social, geographical, and biological environment characteristics of the building site and its surrounding areas in accordance with the NTT Group Sustainability Design Guideline for Buildings (established in December 2022), and we reflect that understanding into our designs insofar as possible. In addition to our ongoing efforts to promote decarbonization, resource recycling, and co-existence with the environment, we are also working to create an environment that is safe and resilient to natural disasters, which are becoming more frequent and devastating, and to create more people-friendly workplaces to promote diversity, equity, and inclusion as well as health and productivity management. These efforts will contribute to the realization of a sustainable society.

Along with these considerations, we ensure that construction is completed with consideration for minimal noise and vibration and with attention to community beautification during the work. Furthermore, our outdoor air-conditioning units and emergency power generators are designed to generate exhaust heat and noise levels that do not adversely affect the community.

For more information on the NTT Group Sustainability Design Guideline for Buildings, see:
https://group.ntt/jp/design/ (in Japanese only)

Complying with the Environmental Impact Assessment

All developers planning large-scale projects, such as data center construction, are required to conduct a preliminary survey, forecast, and assessment of how the project will affect the surrounding environment, and to submit an Environmental Impact Assessment (EIA) report. The details of all submitted EIA reports are made public, and developers can modify their plans to be more considerate of neighboring residents and the surrounding environment by incorporating into their project plans comments from the national government, local governments, and the public.

NTT Communications has conducted an EIA to proceed with the expansion project for the sixth building of the Osaka 7 Data Center. We used a compliance checklist to ensure that the project is environmentally sound at each stage, including design, construction, and completion, and completed the confirmation of the design phase in October 2024.

Local Landscaping and Greening

We believe biodiversity should be considered in facility design toward contributing to local greenery in our surroundings.

At the Tokyo No. 6 Data Center, one of the largest of such facilities in Tokyo, we have been working closely with the community to promote greening activities by applying a subsidy from the Tokyo Metropolitan Park Association's Urban Green Fund. The green spaces at the site have been divided into two zones, spring/summer and autumn/winter, and planted accordingly so that visitors can enjoy flowers there throughout the year. We seek to achieve harmony between the data center and the surrounding environment. For example, we simulated a wind environment around the building and planted evergreen trees in the southwest corner, which is exposed to wind.

[Spring/summer zone]



[Autumn/winter zone]



Laying Subsea Cables

In constructing its subsea communications cable network, NTT Communications' fundamental policy is to prevent marine pollution. We are signatories to treaties on the prevention of marine pollution and, in addition to complying with environmental legislation, undertake initiatives that place importance on co-existence with marine organisms and the fisheries industry.

The NTT Communications Group company NTT World Engineering Marine Inc., which handles the laying, burying, and maintenance of subsea cables, develops business with a strong awareness of the need to preserve marine environments.

Considerations for the Impact of Laying Subsea Cables

Prior to subsea cable-laying and burying work, we conduct an environmental assessment and cooperate with related government authorities and municipalities in carefully designing cable routes and drawing up construction plans. For example, we duly consider shallow areas for preserving marine environments and generally exclude coral reefs and other inhabited areas when designing cable routes, insofar as possible, or

transplanting them outside the cable-laying area.

There are also cases in which minesweeping operations are undertaken on the seabed prior to laying or burying the cables. We collect debris from the seabed, including fishing nets, rope, and wire pulled out by the minesweeping operations, and we properly process it as industrial waste after returning to port.

[Cables laid on sand to avoid coral reefs]



[Debris collected from the seabed]



Measures to Preserve Ecosystems Taken on Cable-laying Ships

There are concerns that the marine organisms that infest the ballast water used to maintain the stability of vessels will destroy ecosystems after being discharged into other parts of the ocean as vessels navigate from one area to another. In order to prevent the destruction of ecosystems by ballast water, the subsea cable-laying vessels Kizuna and Subaru are equipped with ballast water treatment equipment, in accordance with the Ballast Water Management Convention* set by the International Maritime Organization (IMO), so that they discharge water that does not contain marine organisms.

Furthermore, the ballast water treatment equipment installed on both of our cable-laying vessels is an ultraviolet sterilization system, which does not use chemical substances and thus has low environmental impact. With regard to ship paints, we use those that are in compliance with the AFS Convention (International Convention on the Control of Harmful Antifouling Systems on Ships), which regulates the use of anti-fouling paint containing organic tin compounds on the bottom of hulls.

* Adopted by the IMO in 2004, the convention took effect on September 8, 2017, to prevent the movement of marine organisms across habitat boundaries from affecting the marine environment.

Considerations for the Construction and Dismantling of Relay Stations

Wireless relay stations, the backbone of data communication networks, are often in areas rich with nature such as on hills and islands within national and quasi-national parks, so we emphasize consideration for biodiversity and other natural risks in their operations.

For our four wireless stations nationwide (as of the end of fiscal 2023), we build micro-roads if needed for the patrol and maintenance of these stations while strictly adhering to the law and our own environmental assessment standards. These assessments identify specific concerns associated with construction processes to enable the application of multifaceted approaches for preventing or minimizing impact on the ecosystem.

In addition, when dismantling a wireless station, we strive to restore the environment to its original state by paying careful attention to the presence of rare animals and plants and using local soil for restoration while also consulting local environmental organizations and residents.

Moreover, we have been offering our stations to support ecosystem conservation activities. For example, every year since September 2012, the Amami Ornithologists' Club, an NPO, has convened a meeting for observing the migration of Chinese sparrow hawks on the premises of our wireless relay station site, then located in Amami City, Kagoshima Prefecture. Although wireless relay stations are typically off limits, these events are held under the observation of employees in response to a request that identified this area as particularly well suited for fixed-point ecological monitoring.

[Watching the migration of Chinese sparrow hawks]





Contributing to a Nature-positive Future and Ecosystem Conservation Using ICT

Providing ICT Solutions for Sustainable Agriculture and Bringing Back the Crested Ibis

Since April 2022, we have been conducting a demonstration experiment in Niigata Prefecture's Sado City, a site designated as a Globally Important Agricultural Heritage System, to promote rice farming in rice terraces with reduced or no pesticides and chemical fertilizers. This includes the use and verification of advanced technologies such as drone aerial imaging, robots for weeding rice paddies, and ICT-based water management systems.

In Sado City, where the population is rapidly aging, the use of pesticides and chemical fertilizers has expanded to improve agricultural productivity. However, coexisting with the local ecosystem, including the Japanese crested ibis, a special national treasure, has become a significant challenge. To meet this challenge, we have introduced a variety of agricultural ICT solutions suitable for terraced fields to reduce

costs, minimize labor, and enhance profitability while reducing pesticides and adopting organic, chemical-free farming. Furthermore, we hope to benefit not only human communities but also increase the local wildlife population in the terraced fields by expanding these sustainable farming practices.

Note: This demonstration has been adopted by the Smart Agriculture Production Area Development Demonstration of the National Agriculture and Food Research Organization.

[Robot equipped with AI-supported image recognition for weeding rice paddies]



[Migratory Japanese crested ibises in Sado City]



Improving the Productivity of Kuruma Shrimp Farming for Sustainable Fisheries

Since September 2023, we have been conducting a demonstration project for adopting ICT buoys and Oxygen fighter® at the kuruma shrimp farming ponds of the Shin-Matsuura Fisheries Cooperative and shifted to full-scale operation in August 2024.

In the Shin-Matsuura region, concerns over the potential decline of wild kuruma shrimp led to the start of kuruma shrimp farming about 40 years ago to protect natural resources. Improving the survival rate of farmed kuruma shrimp, however, has remained a challenge.

In response, we introduced ICT buoys to measure oxygen levels in the aquaculture ponds. By preemptively injecting high-concentration oxygen using an Oxygen fighter® during the early morning hours—when oxygen levels typically drop—we have successfully prevented oxygen deficiency in the shrimp, thereby improving survival rates and overall productivity. This initiative not only boosts the income of producers but also reduces the need for pond cleaning and night-time inspections, which are typically required when dissolved oxygen levels drop. Furthermore, the success of this approach is expected to extend to other marine products, supporting the sustainable development of Japan's fisheries industry.



[Oxygen fighter® (left) and box containing ICT buoy communication equipment (right)]

Initiatives to Support Coral Ecosystem Surveys

Due to the rise in sea temperatures and the massive volume of plastic waste, coral bleaching in Okinawa's waters has become a serious problem. In response, NTT Communications has joined the OIST Coral Project* in collaboration with NTT DOCOMO as a special partner, using underwater drones to assist in coral ecosystem surveys and conservation efforts.

* Coral Conservation Project by the Okinawa Institute of Science and Technology (OIST)

[Underwater drone survey in progress]



Connecting the Natural Environment to the Future —Initiatives for Citizen-participatory Ecological Surveys

NTT Communications and Goto City, Nagasaki Prefecture, are conducting citizen-participatory ecological surveys as part of an effort to learn, protect, and make use of the regional resources within the Goto Islands (Shimo-Goto area) Geopark.

This initiative is intended to both observe the distribution of species in the Geopark area and raise awareness about biodiversity conservation by increasing the interest in wildlife of local residents and visitors who are using the Biome mobile app to participate in the survey. In addition, by showcasing Goto City's natural assets through the app and assisting in the development of a sustainable conservation model, we support both regional development and environmental preservation.

[Biological survey in Goto City]



[Biome app]



Contributing to Forest Restoration through Stakeholder Collaboration

The Present Tree Project

Recognizing the important roles of forest conservation for carbon dioxide absorption, water source replenishment, and biodiversity preservation, NTT Communications has aligned with the Present Tree* forest restoration project, operated by the Environmental Relations, Certified Non Profit Organization, which focuses on regenerating forests and promoting regional development across the country. We actively participate in tree planting efforts to support this project in collaboration with stakeholders.

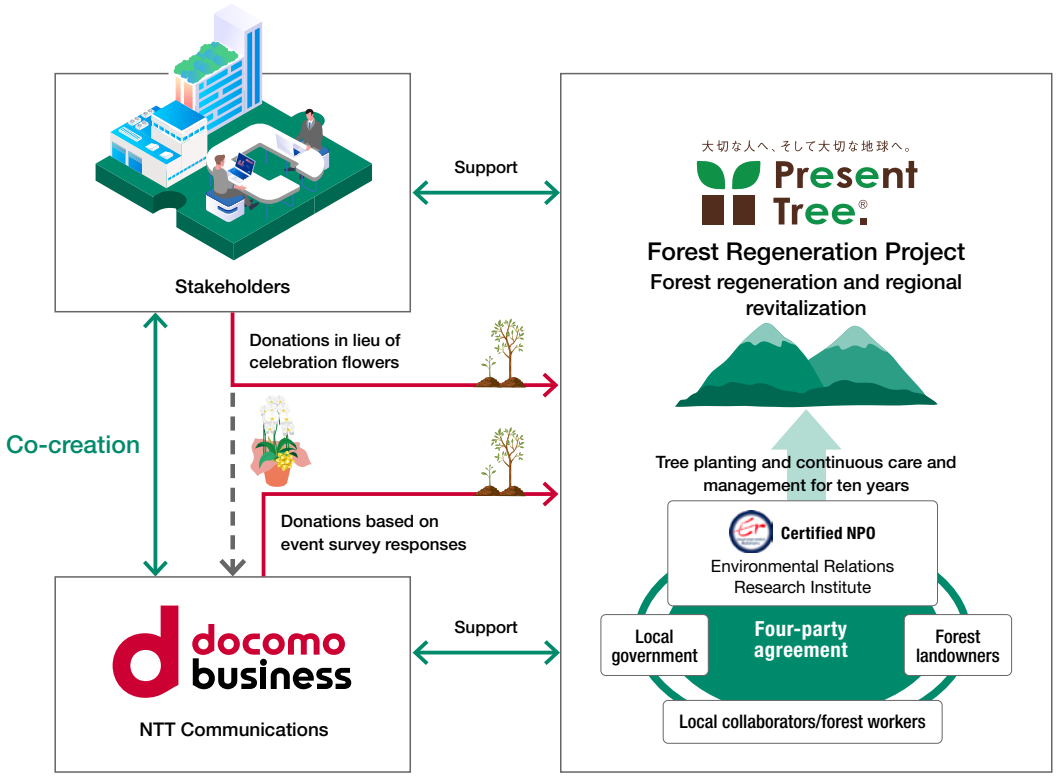
In fiscal 2024, we invited stakeholders to contribute to the Forest Restoration Project as an alternative to sending congratulatory flowers for the appointments of the CEO and vice president and received support from over 50 companies, resulting in donations for planting 852 trees.

Thanks to contributions from our stakeholders, we plan to carry out tree planting in the spring of 2025 as part of the Present Tree in Fuefuki Ashigawa project in Fuefuki City, Yamanashi Prefecture. This effort will include planting broadleaf trees such as Japanese beech, oak, mountain cherry, and Amur cork on a larch felling site, prioritizing the local ecosystem, and ensuring continuous care and management of the forest over the next ten years. We will remain committed to supporting the long-term development of water source recharge forests and the conservation of biodiversity in the Ashigawa headwaters area.

We will also expand our forest conservation initiatives by contributing to forest regeneration projects based on the number of responses collected from attendee surveys at Company-hosted events.

* A project launched in January 2005 by the certified NPO Environmental Relations Research Institute for linking reforestation with regional revitalization. Trees are planted in former development sites, abandoned clear-cut areas, and disaster-affected forests across Japan, where the population is aging and the birthrate is declining. People from the Tokyo metropolitan area become foster parents for these trees, nurturing them over a period of ten years in collaboration with local communities.

[Present Tree Schematic Diagram]



Prevention of Environmental Pollution

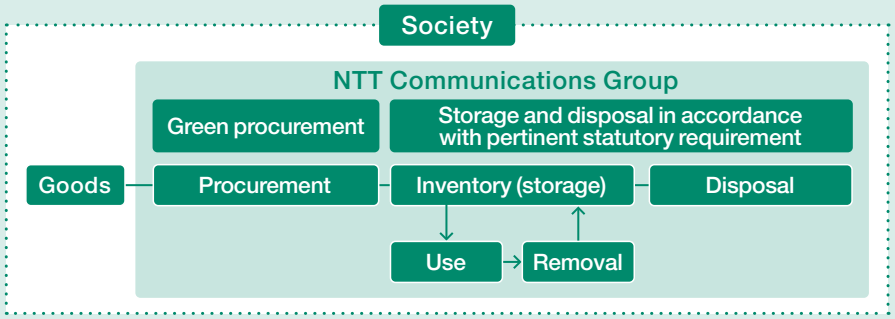
Primary Concept

Everyday production and consumption generating emissions and waste and increasing environmental pollution has long been a social issue.

We are working to reduce emissions and waste generated from our business activities and properly manage and dispose of hazardous substances to prevent environmental pollution and create a safe and secure social environment. In addition, we are seeking to minimize environmental risks associated with business activities, such as environmental pollution, including the leakage of hazardous substances, by formulating guidelines for introducing low-emission vehicles, improving equipment and operations, bolstering management, and conducting thorough inventories.

Chemical substances are properly managed by our maintenance departments in accordance with the Waste Management and Public Cleansing Act, the Law Concerning Special Measures Against PCB Waste, and the Electricity Business Act, which include the assigning of managers. While conducting storage inspections on a regular basis, we maintain a robust system to ensure the rapid coordination of information among senior management and the president in the event of an earthquake or other disaster. We always stay current on changes in environmental regulations, share information among environmental working groups, and optimize our operations in a timely manner. In addition, we are striving to reduce the environmental impact of our supply chain by, for example, urging suppliers to reduce and thoroughly manage the use of hazardous materials based on the NTT DOCOMO Green Procurement Standards.

[Prevention of Environmental Pollution at Each Business Stage]



Main Achievements in Fiscal 2023 and Goals for the Coming Years

We collaborate with other companies in the NTT Group to ensure the proper awareness and communication of environmental laws and regulations, as well as pollution control measures, emission standards, the PRTR Law, and related reporting. We also enhance compliance training and focus on ensuring both legal compliance and effective risk management.

As a result of our ongoing efforts to reduce emissions and waste generated by business activities, manage and dispose of hazardous substances properly, and strengthen compliance education, there were no environmental-related accidents, violations, fines, complaints, or legal issues in fiscal 2023.

The NTT Communications Group has set a target for making EVs account for 100% of the corporate fleet used in Japan by fiscal 2030 while also taking action to significantly reduce GHG emissions from the corporate fleet. To achieve this goal, we have reviewed the number of vehicles and promoted eco-driving to reduce fuel consumption of the corporate fleet across the Group. We have also been working to reduce emissions of other air pollutants while ensuring compliance with relevant laws and regulations.

We will continue to convert the corporate fleet in Japan to EVs and prevent pollution while ensuring Groupwide compliance with those laws and regulations.

Risks and Opportunities

Waste emissions that impact the environment arise not only from our business operations but also from the daily production and consumption activities of all people. As a result, environmental pollution is advancing worldwide and becoming an increasingly serious problem for society. As a company, failing to implement sufficient preventive measures against the leakage or discharge of chemical pollutants from our business activities, or neglecting proper treatment and management, could exacerbate environmental harm, disrupt ecosystems, and potentially lead to health risks for local communities by polluting their living environments. Furthermore, this could result in social criticism, a decline in reputation and trust, and a loss of competitiveness, which could seriously jeopardize our business continuity.

On the other hand, we believe that fostering robust compliance awareness of the harm chemical pollutants can cause, related countermeasures, and proper management methods in accordance with relevant laws will lead to the steadfast prevention of pollution while reducing management and recovery costs. In addition, preventing related accidents and communicating responses to harmful substances both internally and externally will enhance social trust and expand business opportunities.

Initiatives to Address Environmental Pollutants

Preventing Air Pollution

Our business activities produce NOx and SOx emissions, which cause air pollution.

The subsea cable-laying vessels Kizuna and Subaru utilize an electric propulsion system that optimizes the number of engines in operation in accordance with the load from the type of the subsea cable being laid and changes in the weather at sea. By controlling the number of engines in operation, we keep down the amount of heavy fuel oil used while reducing emissions of GHGs as well as NOx and SOx.

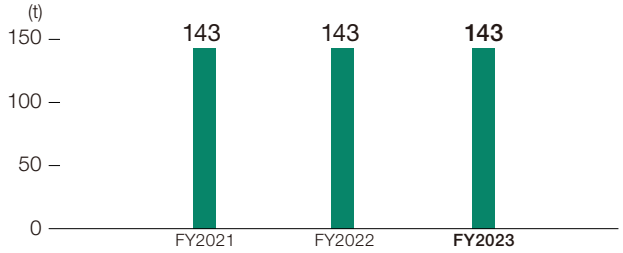
Other sources of NOx and SOx emissions include the gasoline and diesel used by the corporate fleet, as well as the use of backup power supplies in telecommunications facilities. To reduce gasoline and diesel consumption, we will continue to review our vehicle fleet numbers, promote the use of EVs, and encourage eco-driving toward contributing to the mitigation of global warming and prevention of air pollution.

Controlling Ozone-depleting Substances

We dispose of ozone-depleting substances in an appropriate manner. The volume of specified halons used in our fire extinguishing equipment in fiscal 2023 was approximately 143 tonnes, unchanged from the previous fiscal year.

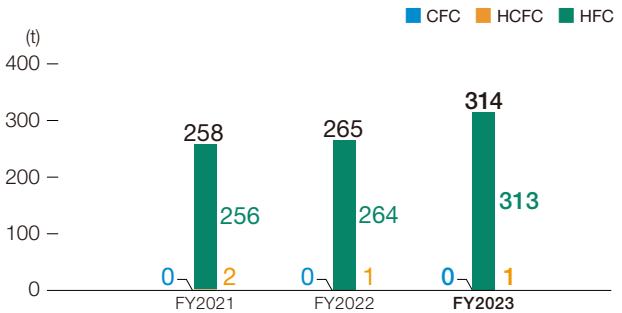
Meanwhile, the volume of specified chlorofluorocarbons (CFCs) used in our air-conditioning equipment in fiscal 2023 saw a temporary rise of approximately 49 tonnes from the preceding fiscal year, reaching about 314 tonnes, due to the active replacement of current units with energy-efficient models in data centers.

[Volume of Specified Halons Used in Fire-extinguishing Equipment]



(Scope: NTT Communications Corporation and 18 Group companies)

[Volume of Specified CFCs Used in Air-conditioning Systems]



(Scope: NTT Communications Corporation and 18 Group companies)

Addressing Asbestos Concerns

Asbestos remediation for buildings and offices involved the implementation of airborne asbestos surveys of buildings for which asbestos had been spray-applied in order to confirm that levels did not exceed statutory limits, as revised in September 2006. Since fiscal 2019, we have been conducting an annual survey of four buildings to confirm that airborne emissions have been below the statutory limit at all buildings subject to legal

compliance. We will continue appropriate measures, such as the removal, containment, or enclosure of asbestos in buildings where it is present, in compliance with manuals issued by the Japan Construction Occupational Safety and Health Association and local authorities.

In response to the revision of the Air Pollution Control Act in April 2021, we have investigated, analyzed, and reported the presence of asbestos in construction waste generated by our business activities, in compliance with national standards. To ensure proper treatment in accordance with the relevant laws, we have also established an internal system for selecting disposal contractors, created operational workflows, and conduct regular internal workshops on related regulations.

Storage and Management of PCBs

The NTT Communications Group appropriately manages devices that contain polychlorinated biphenyls (PCBs). Such devices were used in the past as insulators for electrical facilities. As a policy for PCB storage, we have established a set of guidelines prescribing early detoxification treatment as well as methods for ascertaining conditions and management when the use of equipment containing PCBs is to be continued. We also monitor compliance with these guidelines and track violations of relevant laws as key sustainability performance indicators.

Since fiscal 2021, we have been detoxifying equipment found to contain any PCBs based on the PCB inspection survey conducted in fiscal 2020.

For devices containing high concentrations of PCBs, we have completed the detoxification treatment by the end of fiscal 2023. Meanwhile, we are removing existing low-voltage capacitors that may contain low concentrations of PCBs and are systematically working to complete this by the disposal deadline of the end of fiscal 2026.

[Number of Transformers Stored]

	FY2021	FY2022	FY2023
Number of Transformers Stored	0	0	4

Scope: NTT Communications Corporation and 18 Group companies

[Number of Capacitors Stored]

		FY2021	FY2022	FY2023
Number of Capacitors Stored	High-voltage capacitors	0	0	0
	Low-voltage capacitors	12	4	16

Scope: NTT Communications Corporation and 18 Group companies

[Number of Electric Ballasts Stored]

	FY2021	FY2022	FY2023
Number of Electric Ballasts Stored	276	112	0

Scope: NTT Communications Corporation and 18 Group companies

Chemical Substance Management in Anticipation of Emergencies

Against a backdrop of natural disasters occurring frequently on a global scale, there is a growing public concern over the management systems for environmental pollutants in times of emergency. Leveraging our expertise as an owner and operator of IT infrastructure, we have been thorough in establishing storage and management systems while also bearing in mind the possible occurrence of unlikely events. In the management of PCBs in particular, we have implemented a management system while taking into account factors such as earthquakes, fires, flood controls, lightning protection, puncture resistance, ventilation, and security. By carrying out periodic inspections, we are constantly confirming that such substances are properly managed. Moreover, we maintain a system for quickly confirming the secure storage of chemical substances and reliably ensuring operational readiness in the event of major earthquakes and other disasters in order to prevent damage when one strikes as well as in the occurrence of secondary disasters.

Cases of Major Leakage

There were no incidents involving major leakages in the NTT Communications Group in fiscal 2023.

Transport, Import, and Export of Toxic Waste

We handle PCBs in strict accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes and the PCB Waste Collection and Transport Guidelines issued by the Ministry of the Environment.



Human Resources

Undertaking Business with Respect to Employees While Enabling Them to Succeed

The source of competitiveness of NTT Communications is the power of its people. Employees drive the operations of the Company as partners who grow with it as they pursue their own happiness and personal development.

Management that draws strength from diversity has recently been gaining attention around the world. In this context, the NTT Communications Group aspires to grow with its employees by implementing advanced initiatives for human resource development to ensure their well-being.

By emphasizing actions for turning diversity into a competitive edge, we have taken on the challenges of multifaceted programs that promote human resource development and workstyle reform as well as the expansion of diverse forms of employment. We want to develop a sustainable society by actively applying the knowledge and skills accumulated in the course of our efforts as our contribution to society.

Targeted SDGs



Priority Activities

- 083 Human Capital
- 087 Development of Human Resources
- 097 Promotion of Diversity, Equity and Inclusion
- 108 Respect for Human Rights

Human Capital

People are the driving force for creating value in the world and realizing a sustainable society. Here we introduce the NTT Communications Group's stance and initiatives on human capital.

Governance

To create businesses with mid- to long-term competitive Risk Management advantages for sustainable business growth and enhanced corporate value, it is essential to formulate and implement integrated strategies and investments for human capital as the source of competitiveness. We established the Human Resource Strategy Committee from this perspective to discuss, examine, and promote the formulation and execution of human resource strategies and development policies linked to our management strategies. Through the committee, we have developed a management governance structure that includes the formulation of mid- to long-term strategies and implementation management based on KPIs under major HR management themes, such as human resource portfolio management, strategic allocation of human resources for strengthening businesses, and resource management policies based on labor productivity indicators.

The committee also collaborates and deliberates with the Sustainability Management Committee on key human resource issues and periodically reports to the Board of Directors.

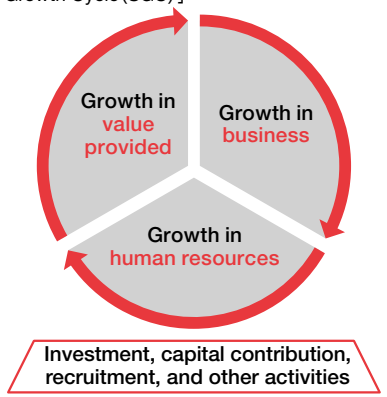
P.009 Please also see our Sustainability Management Promotion Framework.

[Overview of Human Resource Strategy Committee]

	Details
Purpose	Discuss, examine, and promote the formulation and execution of human resource strategies and development policies linked to management strategies
Composition	Chairperson: Senior executive vice president (in charge of corporate affairs) Members: Senior executive vice president, heads of divisions, senior vice president of Corporate Planning, senior vice president of Human Resources
Meetings	Held as required by the discussion agenda, about once every quarter
Discussion topics	(1) Human resource strategies and policies linked to management strategies (2) Human resource measures and policies for expanding businesses and resolving business issues
Secretariat	Human Resources

We have also established the Sustainable Growth Cycle (SGC), which combines growth in human resources, value provided, and business, as well as Sustainable Growth Metrics (SGMs) to promote management for sustainable business growth by visualizing progress to achieve change based on periodic and quantitative monitoring.

[Sustainable Growth Cycle (SGC)]



The SGM for growth in human resources includes important items for driving growth, such as the fill ratio of key personnel required by each category of business promotion, diversity indicators, status of resource shift, and engagement scores. A monitoring cycle is set up to account for the level of change in each item, and the results are reported to the Human Resource Strategy Committee and others for discussion of issues and solutions.

Risk Management

We have established the Risk Management Rules to achieve sustainable corporate growth by anticipating and preventing the occurrence of potential risks that exist in and around our business and by minimizing any loss in the event they materialize. Risk management is conducted by the Business Risk Management Committee, chaired by the senior executive president, and we consider human risk as a Companywide concern. With regard to human resources, we assume the following as major risk items and examine the scenarios and the scope of impact while also establishing monitoring methods to conduct periodic risk management.

Geopolitical risk

- Rise in political, social, and military tensions in certain geographic locations makes it difficult to ensure the employee safety

Resilience-related risk associated with natural disasters

- Natural disasters such as typhoons, floods, earthquakes, and volcanic eruptions result in employee casualties

Pandemic risk

- Outbreak of an infectious disease pandemic results in employees becoming infected

Risk related to response to human rights issues

- Incidents of harassment and inappropriate corporate response
- Deterioration of the workplace environment and reputational risk caused by discriminatory comments or behavior based on gender, disabilities, or being insensitive to issues of religion and race

Risk related to corporate governance

- Insufficient control over Group companies and lack of coordination

Risk related to human resources (recruitment, training, and workstyles)

- Inability to recruit and train necessary human resources
- Decline in employee motivation leading to resignations
- Increased dissatisfaction related to promotions, transfers, evaluations, and growth opportunities
- Stagnation of personnel assignments, aging workforce, and increase in retirements
- Outdated programs for human resource development
- Occurrence of mental and physical illness among employees

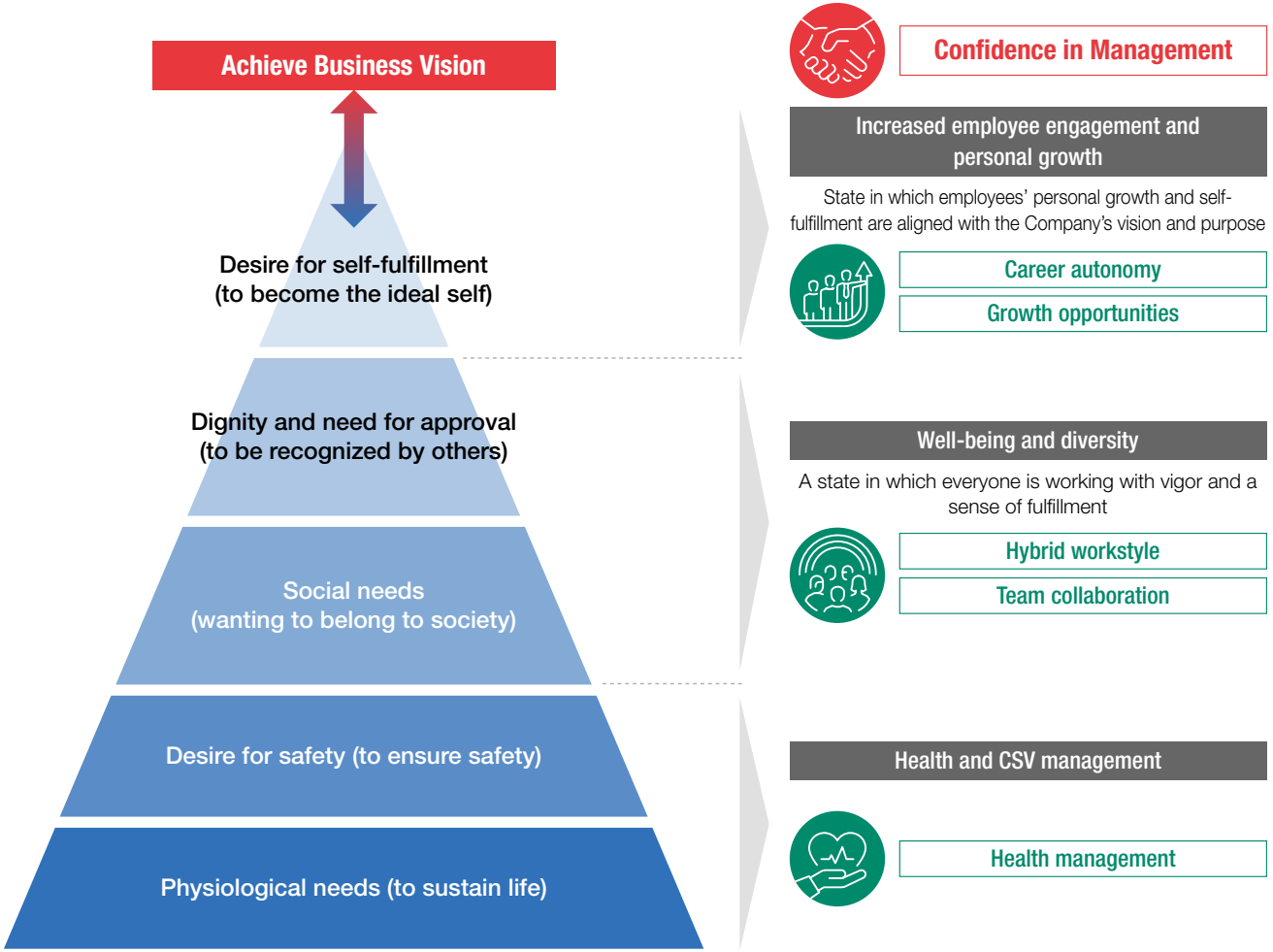
Conduct risk to stakeholders

- Unreasonable treatment or refusal to hire or promote minority employees due to failure to recognize value of diversity
- Concentration of workload on specific employees and lack of improvement in work efficiency resulting in long working hours and accumulated physical and mental stress as well as a delay in understanding the situation and inappropriate corporate response due to insufficient communication with relevant employees.

We will ensure employee safety and security, boost motivation, and encourage personal growth by steadily addressing these risks, led by risk managers.

Strategy

To achieve our business vision, we are striving in various ways to fulfill the intrinsic motivation we all possess naturally and to help each employee achieve self-fulfillment and personal growth by maximizing their abilities.



Confidence in Management

We intend to achieve a state in which employees have confidence in management by transparently and honestly disclosing information, providing opportunities for employee dialogue and continuously investing in human resources.

Increased Employee Engagement and Personal Growth

We want to develop a state in which employee self-fulfillment and personal growth are aligned with the Company's vision and purpose.

● Career Autonomy

Based on our vision of supporting lifelong career development for self-fulfillment, we will establish an environment and structures that enable employees to independently learn and grow toward achieving career autonomy. In addition, the Career Design Office was established in 2020 to support employees as an organization specializing in career consulting, and the Motivating and Stance Theory, which summarizes the wisdom and expertise accumulated in the Career Design Office, is available to all managers for improving supervisor career support and interviewing skills. As a mechanism for enabling employees to envision their career pathway, we introduced BoostPark, a career autonomy support system that facilitates the use of job-related data such as open posts listed in the JobBoard talent management system, information on learning opportunities such as training sessions, and personnel information as reference materials for career development.

By encouraging employees to think, decide, and act on their own, we hope to improve job satisfaction, link value creation and enhanced productivity to business growth, and increase engagement through a cycle of growth for both employees and the business.

● Growth Opportunities

As a leading DX company, we support autonomous upskilling for the sake of having all employees select and participate in in-house learning and educational content in the areas of data utilization, business/design, and engineering so that they can acquire new knowledge and skills that will contribute to DX and be applied to decision-making and work. We are fostering a culture in which individual employees can learn autonomously, openly learn from each other, and improve their personal skills together.

We also provide an online platform with options and information on learning and work and have created an environment in which employees can realize their careers through daily operations, thereby encouraging personal growth with a rich diversity of skills and experience. Options include an internal recruitment system that enables them to apply for positions required by the organization, an internal scouting system in which the organization offers positions to employees who have applied, and a dual work system in which staff can participate in work that is different from their main duties.

Well-being and Diversity

We are striving to create an environment in which everyone works with vigor and a sense of fulfillment.

● Employment, Training, and Promotion of Diverse Human Resources

We are developing an environment in which members from various backgrounds respect each other, with the goal of realizing the well-being of each individual and creating new innovations. Specifically, we have continuously implemented measures such as supporting the career development of female managers, assisting employees who are facing major life events, and employing people with disabilities in consideration of their aptitudes so that each employee can maximize their abilities.

● Hybrid Workstyle

We are working to build a strong team by developing a working environment that enables employees to choose a highly flexible workstyle and workplace that combines face-to-face and remote operations according to the characteristics of their responsibilities and by increasing activities that generate more collaborative opportunities that also emphasize face-to-face communication. In July 2022, we introduced a system that allows employees to choose not only where to work but also where to live, allowing them to choose a workstyle that does not involve only relocation or moving to a new location exclusively (approximately 337 employees were using this system by the end of July 2024). We will further promote "work-in-life" (work as an important part of life) by creating a flexible environment in which each employee can freely design their own workstyle.

● Team Collaboration

In addition to widely establishing and improving the quality of one-on-one meetings as a means of interactive communication for supporting members' growth, and

cultivating a culture of mutual praise and recognition, we have also launched an organizational development initiative to promote collaboration and co-creation based on dialogue. We intend to create a workplace in which diverse personalities are respected and recognized and employees can learn from experience through repeated trials to create new value. This is premised on ensuring a sense of security for employees by creating an environment where they can freely communicate and collaborate across organizations and teams.

Health and CSV Management

● Health Management

We promote health management for maintaining and promoting the physical and mental health of employees and their families, as the most fundamental initiative of our business operations. In addition to the thorough implementation of occupational safety and health management, we promote employee health through measures for maintaining physical health, such as walking events, programs for healthy sleep, and specific health guidance, as well as mental health support, including fixed-point checks based on monthly pulse surveys and training on self-care and line care for young employees, transferees, and managers.

● CSV Management

We promote eco-friendly initiatives through activities such as having all employees understand how much carbon dioxide is emitted in their daily lives, and we are working to reduce these emissions through eco-action, as well as by preserving Satoyama. We also provide our employees with a wide range of opportunities for participating in social contribution activities such as pro bono activities in which they volunteer the skills and techniques developed through their work, as well as various fundraising activities to create a corporate culture in which our employees can be proud of these activities.

Indicators and Targets

In accordance with our Sustainability Policy, we implement human resource management by establishing priority activities and related KPIs for each of our priority activities in the Priority Area of “human resources”: development of human resources; promotion of diversity, equity, and inclusion; and respect for human rights.

P.017 For our KPIs, refer to “KPIs, Targets, and Outcome of Activities” in this report.

Priority Activities

Development of Human Resources

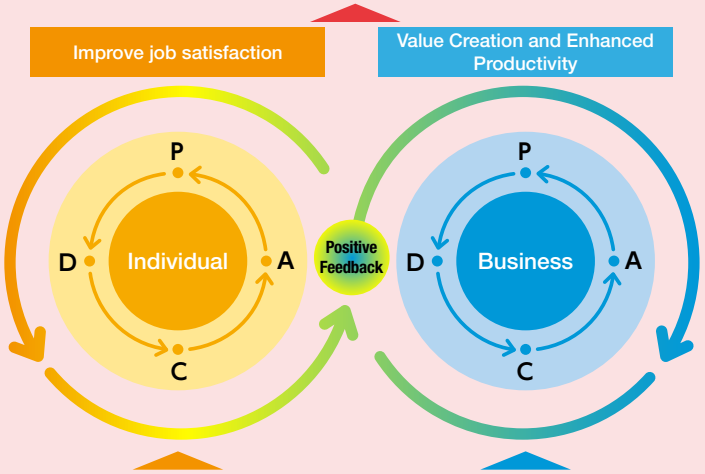
Our Approach

Our basic policy is to promote human resource development from the perspective of achieving growth for both employees (individuals) and the business, thereby creating a virtuous cycle of mutual growth. In particular, we are reinforcing our efforts to help employees achieve self-driven growth by establishing an autonomous learning environment so we can survive as a company amid intensifying competition driven by the increasing acceleration of DX.

We are also promoting measures that emphasize the development of personnel capable of driving DX and enhancement of expertise, such as the ODYSSEY human resource development program, to maintain sustainable, mutually beneficial relationships with employees. Based on the Three Concepts, ODYSSEY provides options and information that enable individuals to find their path to self-fulfillment. The Three Concepts are “Talent,” “Open,” and “Active,” which signify introducing talent as a common indicator, fostering an open corporate culture, and establishing an environment where employees can make their own choices and take action. These measures are creating a mechanism for directly linking personal and corporate growth.

[Approach to Human Resource Development]

Virtuous Cycle (Engagement) in which Employees (Individuals) and Business Grow Together



Expected Benefits from the Employee Perspective

Life-long autonomous career development and maintenance and improvement of each employee’s employability

- Express individuality
- Experience satisfaction
- Gain survival skills
- Realize a stable career

Expected Benefits from the Company’s Perspective

Developing human resources who can keep up with and adapt to changes in the business environment and contribute to the business

- Maximize the power of the individual
- Create innovation
- Respond flexibly to changes in the environment
- Contribute to society

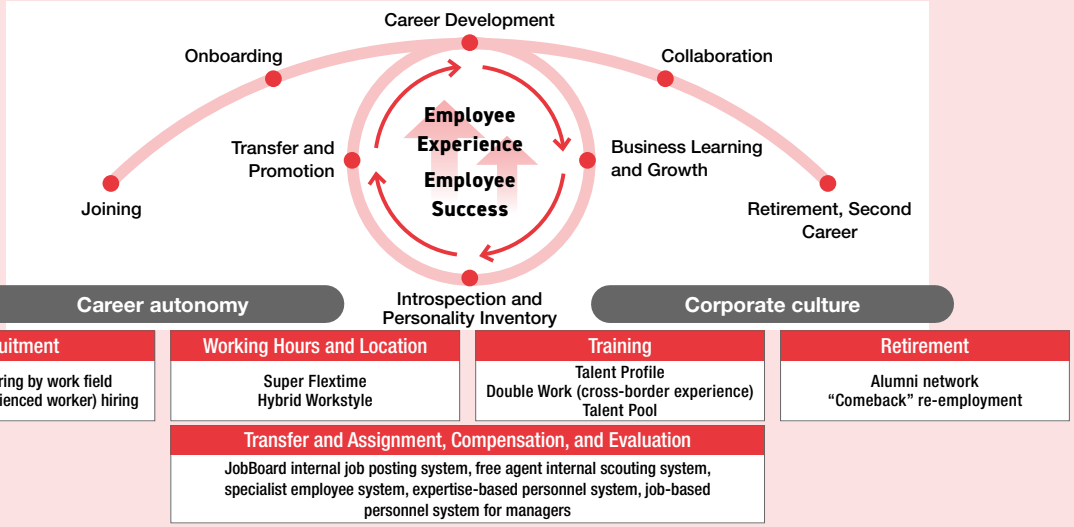
Three Concepts	
① Talent	By visualizing the skills of employees and the image of human resources needed in each business field through common indicators (talent profiles and skills), employees can set clear goals for improving their skills, and the Company can efficiently take action with limited resources.
② Open	By disclosing the skills and past experiences of other individuals, employees can discover role models and peers, while a culture of mutual learning is fostered by showing and visualizing the learning process.
③ Active	By providing information and options for finding a path to self-fulfillment through policies and systems, employees are encouraged to grow on their own through self-reflection while gaining opportunities to take on challenges and achieve growth based on their results.

In this era of change and diversity, we continue to promote efforts to offer more choices for each employee journey as part of our HRM* Policy focused on the power of the individual. We are providing more opportunities for envisioning career pathways to foster an independent mindset that enables employees to think and act for themselves and encouraging them to take the initiative of choosing a workstyle that matches their personal lifestyle and career plan. We must create an environment in which employees can always take on new challenges instead of simply focusing on their current position or job, and foster an organizational culture that encourages these efforts. We believe this will improve job satisfaction while also leading to business growth by creating value and enhancing productivity, making it possible to enhance engagement in a virtuous cycle of employee (individual) growth and business growth.

The power of human resources can change the future precisely because we are living in the digital age. Through employee-centered HRM, we will create a cycle in which employees and the business grow together toward a state in which employee work values, personal growth, and self-fulfillment are in harmony with the Company's philosophy and purpose.

*Human resource management

[HRM Initiatives Focused on the Individual]

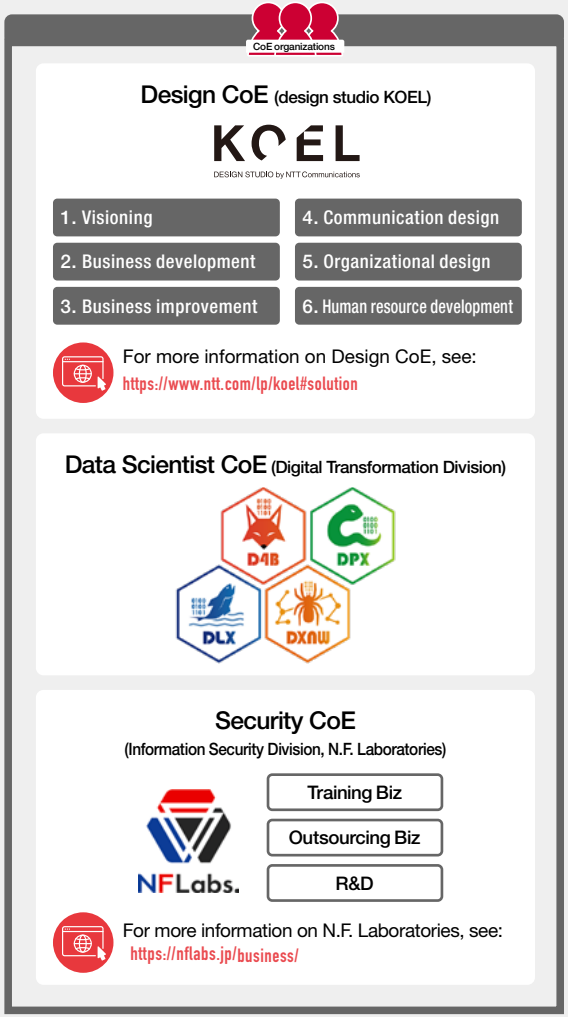


Main Achievements in Fiscal 2023 and Goals for the Coming Years

As we believe that the Group's sustainable growth depends on providing workplaces that increase every employee's motivation, we support self-driven career development over the lifetime of each of them and for maintaining and improving employability. In fiscal 2023, we introduced the BoostPark system for supporting career autonomy and held a Career Fest to promote autonomous career development. In addition, we expanded our dual work policy to provide more opportunities for learning about the diverse jobs available within the DOCOMO Group. We will continue to develop ways for fostering a career autonomy mindset in fiscal 2024.

Meanwhile, since fiscal 2023, we have been visualizing human resource information in terms of talent profiles and skill levels that define who would be able to execute our business strategies. With the visualized information, we determined areas with particularly large human resource gaps and set numerical targets. As we have also been formulating a human resource development plan to strategically fill such gaps through training for a skill shift, from a medium- to long-term perspective, we particularly focused on strengthening measures for developing human resources with areas of expertise for Center of Excellence (CoE) organizations as one of the initiatives under the plan. We intend to further refine our data to build a human resource portfolio for strategically determining our human resource requirements in accordance with business conditions.

[Support for Human Resource Development by CoE Organizations]



Risks and Opportunities

In identifying the risks involved in human resource development, there are concerns that a decline in employee vitality or an exodus of human resources could occur if every individual from a diverse human resource pool is not afforded the support for playing an active role through sufficient training, motivation maintenance, growth opportunities, personnel assignments, and evaluation. Obsolete human resource development programs in particular can easily lead to delays in training to gain key skills for the future or a decline in motivation. This could increase dissatisfaction with the company and hinder the medium- to long-term fulfillment of human resource needs.

In terms of opportunities, employee motivation can be expected to rise by formulating human resource development plans for strategically filling gaps and annually reviewing programs to provide the required updating. Furthermore, measures such as the adoption of programs that encourage active participation are expected to boost growth opportunities and minimize dissatisfaction with personnel assignments.

Systems for Human Resource Development and Evaluation

Education and Training Systems

We provide a range of training programs designed to support employee skill development and encourage appropriate career path choices.

The new training program covers not only NTT Communications Group strategies and systems but also business conduct and attitudes. This helps to deepen employee understanding of the value and importance of always seeing and acting from the customer's perspective. To form the foundation for improving the basic skills of our employees and for autonomy in their careers, we also have learning management systems and provide practical training through experience-based learning cycles that improve self-management.

In addition, all employees gain hands-on experience in accordance with the career development plans (CDP) they formulated and choose suitable training courses in consultation with their supervisors. Our rank-based training programs reinforce the acquisition of skills required by each rank, including training for younger, entry-level employees, milestone training for middle-level employees at the age of 30, and training for higher-level employees such as executives and section managers. We also provide general Off-JT training for employees, including public lectures offering around 1,300 training courses on varied topics and training organized by CoE organizations as well as technical advisors. In addition, we offer distance learning courses to promote self-driven

skill development and support for acquiring qualifications. We are creating a system that will enable employees to become aware of and improve their employability by applying a PDCA cycle in their daily work, as well as by disclosing their skills and collaborating with each other through mutual learning.

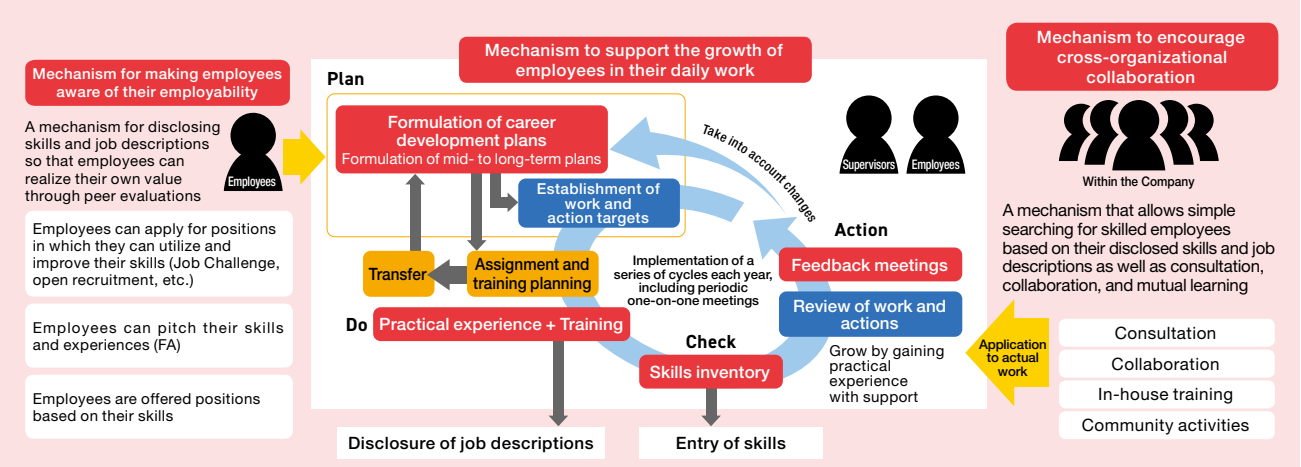
We are training supervisors who manage these employees by providing training for new and existing section managers and reinforcing career support capabilities to address increasingly complex employee consultations. From a business perspective, there is a need to reinforce our software development capabilities and firmly establish modern product development methods in order to work with customers to create new value that will bring about change in society. To address these areas, we invited three external technical advisors with considerable knowledge and abundant experience to provide wide-ranging support, from regular study groups to assistance for individual projects and support for organizational reform, thereby offering an opportunity for employees to receive valuable, useful input.

Since fiscal 2022, we have been promoting the DX Talent 100 initiative so that all employees could add new knowledge and skills that contribute to DX (customers, society, industry DX, service development DX, and internal operation DX) and apply them to their decision-making and business operations. We have been fostering a culture in which all employees, including executives, are learning autonomously, and employees are openly engaged in mutual learning and enhancement. In fiscal 2023, we expanded the range of training options to help employees achieve career autonomy by offering a lineup of high-level content for improving customer experience (CX). As a result, we were able to complete the DX Talent 100 initiative by the end of fiscal 2023.

We want employees to be chosen by society based on their own value, and not their company affiliation, so that they become individuals with unique personalities who can make their mark both within the Company and in the world. After reaching the milestone set in fiscal 2022 of certifying all employees as DX human resources, with half of them certified as core DX personnel, we will continue to invest in human resources to take the next step of training them toward their being able to demonstrate their capabilities in priority areas such as AI and data utilization.

In fiscal 2023, the average training cost was 217,000 yen for an average of 14 hours per employee. To cope with the disruptive change associated with remote workstyles, we believe it is necessary to emphasize employee-driven learning and career development that is more autonomous. To that end, in addition to providing employee training required for carrying out jobs and developing careers, we will enhance courses that are highly needed by each organization.

[Double Awards for the Motivating Stance Theory]



[Job-based Training System]

	Rank-based training	Training (Off-JT)					Group-wide Training Initiatives (support for self-development)
Managers / Expert Grade	Executive training	Public lectures			Training organized by CoE organizations	Training by technical advisors	Distance learning
	Training for new and current section managers	Competency Training E.g.: Critical thinking training	Specialized skill training E.g.: AI literacy training	Training for enterprise business skills E.g.: Training on formulating REP and key points	E.g.: Training for strengthening data analytics	E.g.: Product management training	Support for acquiring qualifications Support for language courses Micro Learning Support for book-based learning (learning share)
Leadership level	Milestone training at age 30						
Middle level							
Entry level	Training for new and younger employees						
Purpose	Providing input of skills required by each rank (common skills)	Boosting competence	Enhancing skills required in specialized areas	Enhancing domain skills required in corporate business	Developing human resource in areas offering opportunities for enhancement	Agile product management	Providing various supportive measures from multiple perspectives to promote autonomous learning

Support for Career Design

Every employee must achieve career autonomy to think about their own careers and remain motivated to continue working. To this end, we are implementing a variety of measures, such as career design training, to help employees design their careers. We also provide training for supervisors to enhance their career support skills and offer employees opportunities for career consultation to indirectly support career development.

Looking ahead, we will encourage employees to develop their careers autonomously by adding measures, such as cross-border experience* that allows them to leave their usual workplace and gain fresh perspectives and knowledge through secondments to companies outside the Group, study, do volunteer work, and take part in other activities, in an effort to provide greater opportunities for employees to act autonomously for their careers. We also plan to strengthen measures for raising awareness of business growth, such as enhancing the training menu to improve the skills of employees involved in priority areas.

* Refers to activities inside and outside the company that differ from the current job, such as dual work, secondment, study, and volunteer work.

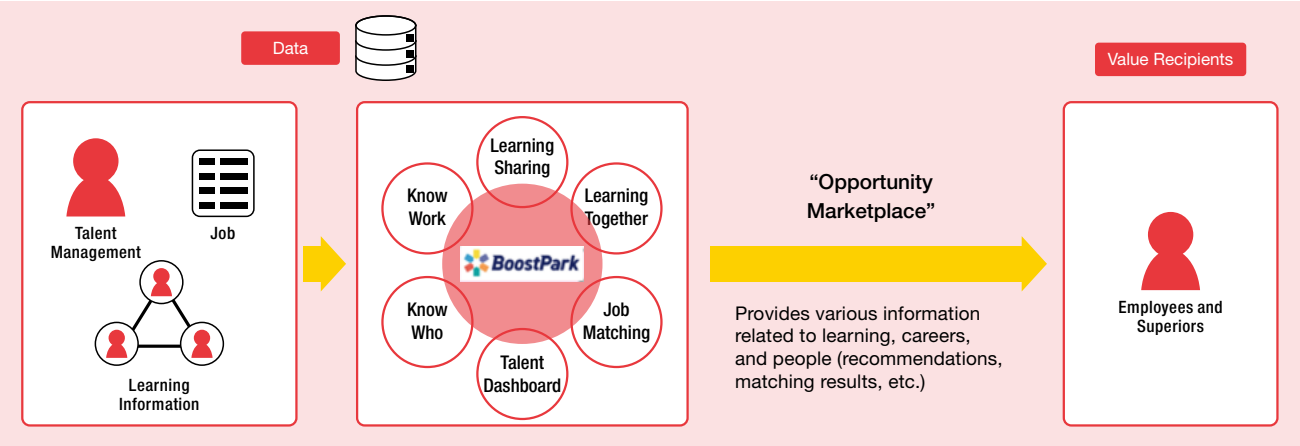
[Measures to Support Career Development]

	Career Design Training	Support for Career Development		Cross-border Experience	Fostering a Career Autonomy Culture	
Veteran employees (including managers)	Second career training		Career consultation	Dual work inside the company	Career Design Fest, docomo academy	Tools and systems used to support careers
	Milestone training at age 48					
Mid-career employees	Training for employees in their 40s and 50s (optional)	Training for enhancing career support skills				BoostPark, Career Autonomy Portal, Motivating Stance Theory
Younger employees	Training for employees in their 20s and 30s (optional)					
	Training for first- and second-year employees					
Purpose	Providing hints for designing careers according to the requirements of each age group	Building a system for supporting the careers of supervisors and subordinates		Providing opportunities for action and practice	Creating an environment that facilitates thinking about careers and taking action	

System for Supporting Career Autonomy

NTT Communications has introduced BoostPark, a system for supporting career autonomy, to provide more opportunities for envisioning career paths. BoostPark enables employees to access information on the talent management system, the JobBoard for open posts, and details about learning opportunities, such as scheduled training sessions, as data sources. We intend to expand the use of BoostPark as an Opportunity Marketplace, where employees can learn about each other and their respective jobs, engage in mutual learning and sharing, and encounter a variety of opportunities. After entering their career aspirations into BoostPark and setting goals, employees receive recommendations on opportunities for learning and work within the company, which facilitates their career development.

[BoostPark]



Career Fest

In fiscal 2023, we organized the "Hello! Career Fest for Everyone," an in-house event designed to provide opportunities for career seminars and mutual information exchange. We provided more than 3,000 employees with opportunities to raise their interest in various careers.

Enhancement of Career Interview Skills

We established the Career Design Office in 2020, which has interviewed over 5,000 employees from NTT Communications and all Group companies to date in its responsibility to support career autonomy. Achieving career autonomy, however, depends upon recognizing the urgency to improve career interview skills for dedicated career support staff as well as supervisors who deal with their subordinates on a daily basis. The Motivating Stance Theory is a handbook that compiles the wisdom and expertise accumulated by NTT Communications' Career Design Office for improving the career interviewing skills of supervisors. It includes a 500-page manual, 10 sets of video teaching materials, and a Q&A section with 700 questions. We made the theory available to all managers and are also holding individual study sessions for each organization to improve the career interview skills of managers.

Apart from these measures, skilled career consultants from the Career Design Office periodically provide career training and conduct interviews for company athletes to enhance their expertise and market value as businesspersons to promote career autonomy. We are developing a program for strengthening the career autonomy of athlete-employees as a way for introducing this initiative to companies with sports teams. We also have a program for supporting the second careers of managers by matching them with NTT Group companies and affiliates hoping to hire managers from the NTT Communications Group who possess specific skills and experience.

In fiscal 2024, we will further enhance the opportunities and environments we provide for employees to think autonomously about their future careers while

strengthening support for employee growth, including helping supervisors develop their career support capabilities.

[Double Awards for the Motivating Stance Theory]

We received two awards for our Motivating Stance Theory handbook, the HR Award and the Good Career Company Award. This is the first time that a company has received both awards in the same fiscal year.

HR Award

The HR Awards are presented to initiatives that promote the growth of people and organizations based on voting by 240,000 HR professionals nationwide. In fiscal 2022, 13 companies out of 388 entries received awards. NTT Communications received the Excellence Award in the planning and human resources category.





HR Award Recipient Interview
https://jinjibu.jp/article/detl/tonari/3031/(in Japanese only)

Good Career Company Award

The Good Career Company Awards are presented by the Ministry of Health, Labor and Welfare to companies that are committed to the autonomous career development of their employees. In fiscal 2022, 16 companies received awards out of 89 entries, with NTT Communications winning the Innovation Award.





Good Career Company Award 2022 Recipients
https://www.mhlw.go.jp/stf/newpage_30058.html (in Japanese only)

Global Human Resource Development Program

As markets and user needs become increasingly diverse and complex due to rapid changes in social structures and technological trends, NTT Communications is also committed to developing global human resources who can demonstrate leadership and show results in a highly diverse environment, based on communication skills and specialized skills that meet international standards. Under the Global Challenging Program (GCP), an entry-level measure for global human resource development, we sought applications and dispatched 14 employees to our overseas offices in fiscal 2023. We plan to more than double the number of employees we dispatch overseas in fiscal 2024 to further grow our global business.

Employees Dispatched to One Young World, a Global Platform for Fostering the Next Generation of Leaders

One Young World (OYW) is one of the world's largest global platforms for developing the next generation of leaders and encouraging global exchanges. The annual OYW Summit brings together more than two thousand young people from over 190 countries to discuss actions for addressing social issues facing the world. The NTT Communications Group dispatched four employees to the 2023 Belfast Summit to apply the learnings and awareness gained through the summit to address social issues, develop global human resources, and create businesses, and it plans to do so again in fiscal 2024.

Taking One Step Forward to Change the World!—What NTT Communications' Young Employees Learned at One Young World, One of the World's Largest Global Summits
https://www.ntt.com/shines/posts/b-t_20240208.html (in Japanese only)

Internal Job Posting System

We have implemented an internal job posting system to expand the possibility of transfers from the employee's standpoint and to provide personnel with a wide range of challenging opportunities. The system is extensively used by employees of all ages, with job postings from within the NTT Communications Group and NTT Group. In parallel with the internal job posting systems of the NTT Group as a whole, we developed JobBoard and FreeAgent within the NTT Communications Group, which are unique recruitment systems based on the employees' standpoint.

JobBoard is an internal system that allows for employees to voluntarily apply for positions required by the organization (employee-oriented approach), while FreeAgent is an internal scouting system through which employees who apply to the program are offered positions by the organization (organization-oriented approach). We are developing measures based on this two-way approach to offer more employees opportunities to move into the positions of their choice.

In fiscal 2022, approximately 90 employees were assigned to departments of their choice within the NTT Communications Group and NTT Group. We will continue to use the internal job posting system actively in order to facilitate career advancement and revitalize the organization while also creating job postings in specific focus areas associated with achieving our business vision.

Focus Areas for Human Resource Development

- Business for small and medium-sized enterprises
- Global business
- Security-related services
- Upper layer services
- New areas including design, data science, and business creation
- Human resources capable of bolstering Group companies toward the maximization of total Group power

Personnel Evaluation

In April 2023, the NTT Group introduced new promotion and compensation systems based on expertise for developing mechanisms that enable each employee to acquire and demonstrate ever higher levels of expertise and skills and to create high added value while allowing diverse personnel to autonomously build diverse careers in various fields.

In the environment surrounding the NTT Communications Group, the accelerating pace of digitization and rapid technological innovation have made it possible to create and provide new value across a broad range of business fields, while at the same time market competition is intensifying across industries and other boundaries. Under these circumstances, the NTT Communications Group is striving to become a leading company that supports DX in society and industry through advanced mobile-first and cloud-first solutions. Achieving sustainable growth and development, however, requires creating new value by advancing business transformation and expanding into new business domains. To that end, we have revised the systems in which evaluations, salaries, and personnel transfers are determined based on expertise, rather than on years of service, age, or years in the position, so that employees can realize their career visions while maintaining their motivation to acquire higher levels of expertise.

Specifically, we established grade standards to clarify the required level of expertise and behavior for each of the 18 newly created specialized fields and established a system in which employees are promoted and paid according to the degree to which they acquire and demonstrate expertise. In addition, we will strengthen support for autonomous career development by shifting to personnel assignments that enable employees to improve their expertise and by enhancing training.

Through these efforts, we will realize a system that allows diverse employees to autonomously build and grow diverse careers while realizing different workstyles, thereby improving EX (Employee Experience) and creating new added value for our customers.

[Employee Data]

			FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees*1	Non-consolidated		5,523	5,533	6,760	8,723	9,065
		Male	4,590	4,552	5,550	6,974	7,147
		Female	933	981	1,210	1,749	1,918
	Consolidated		11,494	11,602	11,846*2	16,851*2	17,175*2
Percentage of women in managerial positions*3			6.7	7.2	8.3	9.5	10.5*4
Turnover rate*5			3.6	2.4	2.6	2.6	2.2
New employees (foreign nationals)*6			203(7)	203(5)	257(8)	221(9)	229(3)
	Male		137(4)	137(2)	176(4)	149(4)	147(2)
	Female		66(3)	66(3)	81(4)	72(5)	82(1)
	Percentage of women		32.5	32.5	31.5	34.1	35.8
Number of experienced personnel hires			50	76	79	103	217
Percentage of experienced personnel hires among new hires			19.8	27.2	23.5	31.0	48.7
Ratio of employees with disabilities*7	Non-consolidated		2.39	2.41	2.38	4.54	4.90
	Non-consolidated and domestic Group companies*8		2.27	2.23	2.34	2.66	2.75

*1 As of March 31 for each fiscal year
*2 NTT Communications and 19 Group companies and affiliates
*3 As of March 31 for each fiscal year, scope: NTT Communications Corporation, including seconded employees
*4 As of April 1, 2024. Scope: NTT Communications Corporation, including seconded employees
*5 As of March 31 for each fiscal year, scope: NTT Communications Corporation, excluding seconded employees
*6 As of April 1 for each fiscal year, scope: NTT Communications Corporation
*7 As of June 1 of the following year for each fiscal year
*8 NTT Communications Corporation and 9 domestic Group companies

Maintaining and Improving Motivation

Ongoing Employee Satisfaction Surveys

We have been conducting employee satisfaction surveys since fiscal 2011 and addressing issues identified in the results to improve employee job satisfaction and productivity. In fiscal 2021, we revised the process as an Employee Engagement Survey to compare results on common questions asked by the NTT Group and against average national and international results.

As we work toward attaining an average positive response rate of 65% for the four employee engagement questions, which we call the Engagement 4KPIs, we began using them in fiscal 2023 as indicators of executive compensation and also started incorporating them into plans specific to each organization to encourage improvements. For fiscal 2023, the Engagement 4KPIs were 61%.

The results of the third survey, held in fiscal 2023, showed a slight decrease in the positive response rate; down 2 points from the previous year at 59% for the NTT Communications Group, and down 1 point at 62% for NTT Communications Corporation.

Compared to the previous year, the fiscal 2023 survey showed improvements in the items, “Self as We (team effort),” “compensation and benefits,” and “responsibility for corporate performance,” while the items “survey follow-up,” “communication,” “resources,” and “inclusion” showed declines.

In particular, the positivity rate was low in items such as “corporate culture and climate,” “strategy penetration,” and “career,” despite the high correlation with engagement, indicating that there is still room for improvement.

[Outline of Survey]

Period conducted: November to December 2023
Survey targets: NTT Communications Group employees, contract workers, etc., in Japan
Number of respondents: 19,679 (response rate: 88.0%)

[Scope of Calculations for Engagement 4KPIs for Fiscal 2023]

Companies: NTT Communications Corporation, NTT Com Engineering Corporation, NTT Com CHEO Corporation, DOCOMO Business Solutions, Inc., and others
Survey targets: Employees and contract workers at the above companies

[NTT Group’s Four KPIs]

Willingness to make voluntary contributions
(1) I am motivated to contribute more than is required to get the job done at the company
Attachment to and pride in the company
(2) I am proud to work at this company
(3) I would recommend our company as a great place to work to those I know
Job satisfaction
(4) I gain a sense of personal accomplishment through my work



Fostering a Culture of Challenge and Creating New Value—New Business Creation Program (docomo STARTUP)

To expand its future horizons, the DOCOMO Group implements various measures for inviting new ideas from employees and developing them into new businesses and services. As part of this effort, NTT Communications launched the DigiCom contest for new business creation in 2016 to develop future core businesses. In fiscal 2022, DigiCom was integrated with the new business creation programs of other DOCOMO Group companies and was relaunched under a new name, “docomo STARTUP.” The new program consists of “COLLEGE,” in which participants learn new business skills and mindsets, “CHALLENGE,” a contest in which participants submit new business ideas, and “GROWTH,” for nurturing ideas with potential for commercialization. We will create businesses based on employee ideas using the lean startup methodology in areas of high uncertainty. As a result of past efforts, several projects have progressed to demonstration experiments with local governments and partner companies, and some projects have been launched as a service for customers.

docomo STARTUP is an initiative in which employees go beyond the boundaries of their normal duties and create new businesses based on their own ideas. As the scope of participation was expanded to include the entire DOCOMO Group, cross-Company teams were formed, resulting in the creation of a wide variety of ideas. By taking the initiative to create new businesses, we are fostering a culture of challenge and opening up opportunities for discovering and developing human

resources. We will continue to deliver new value through the creation of new businesses that change society.

[docomo STARTUP]



Other Initiatives

● Family Day

In August 2023, we held Family Day as a way to improve employee engagement. A total of 330 employees and their families participated in this first large-scale event for NTT Communications. Taking advantage of docomo business's distinctive services and technologies, many employees worked together to prepare the exhibits and simulated experiences, which were enjoyed by families at the event.

At the same time, each organization held an event to welcome family members to visit their workplaces. Family Day was an opportunity for employees, as both visitors and hosts, to discover and deepen their understanding of various aspects of their colleagues outside of work.

● Waku Waku Project

Following the reorganization within the DOCOMO Group, the Business Solution Division has seized the integration of people and organizations as an opportunity to enhance employee engagement and has been implementing the Waku Waku Project to create an exciting workplace for everyone through mutual understanding and exchange of organizational cultures and work content, as well as to communicate appealing aspects of the workplace.

In particular, we plan and implement various events designed to encourage connections and interactions. For example, we hold events in which participants barter with each other while sharing food and drinks, and organize tours and exchange events at the OPEN HUB Park, Urayasu D Park, and other company-related facilities.

We are also producing content to convey job satisfaction and workplace appeal both inside and outside the company, such as videos that closely follow young employees, and employee dialogues. Employees who have participated and experienced these activities have said it was good to see new interactions emerge across organizations and that they will try to use this experience in their daily activities.

Labor-Management Relations

We value active dialogue based upon independent and responsible labor-management relations. Any issues related to employment, working conditions, or other operational management matters are vigorously discussed toward reaching mutual understanding before taking any action toward remediation.

Priority Activities

Promotion of Diversity, Equity, and Inclusion

Our Approach

Under our Promotion of Diversity Fundamental Policy, NTT Communications is committed to creating workplaces and implementing hiring activities that allow personnel with diverse backgrounds to work to the best of their ability, regardless of gender, sexual orientation or sexual identity, age, race, nationality, or disability.
To stimulate new innovation and respond to diversifying customer needs, as well as to help employees realize their well-being, we are creating a working environment that encourages employees with different personalities and backgrounds to work together with mutual respect and maximize their strengths in their own way.

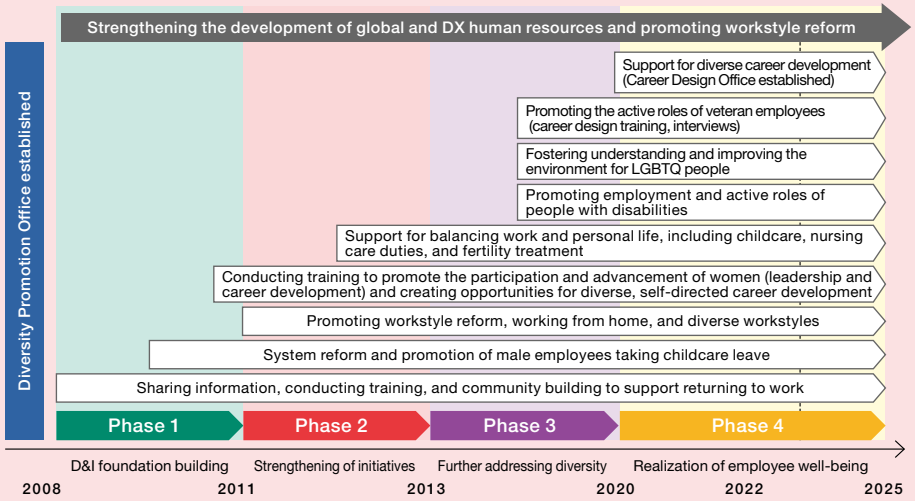
With the firm belief that promoting diversity is essential for the sustainable development of our business, we are promoting diversity, equity, and inclusion through our medium-term vision, which upholds goals such as creating working environments that make it easier for employees to design their life plans; fostering a corporate culture that encourages both men and women to take childcare leave; developing systems that enable employees to work with vigor, regardless of where they work, while boosting motivation and vitality; and thoroughly implementing occupational safety and health as well as employee health management.

Promotion of Diversity Fundamental Policy

- Foster a corporate culture that leverages employee diversity to achieve targets stated in management strategies.
- Create an environment that enables employees to maximize their own individuality by mutually recognizing diverse values and leading the way in realizing employee well-being and addressing social issues.

To create more satisfying workplaces and help employees improve their “work-in-life” (work as an important part of life), our Work-Life Committee, comprised of management and employee representatives, serves as the core organization continually striving to implement a range of measures for realizing workstyles that are more efficient and productive while also ensuring that duties are carried out in an effective and thorough manner. In October 2020, we abolished core hours (10:00 A.M. to 3:00 P.M.) under the flextime system to ease working hour restrictions. In addition, we

[Diversity and Inclusion Initiatives]



Priority Initiatives Going Forward

- Encouraging male employees to take childcare leaves
- Increasing support for balancing work with family life (childcare, fertility treatment, nursing care, illness)
- Appointing women to managerial positions by taking advantage of diversity, promoting the active roles of women
- Exploring workstyles that allow employees to choose where to work

Principal External Evaluations

revised our remote work system in July 2022 to allow employees to live anywhere in Japan. In principle, transfers and assignments away from family have been eliminated, giving employees greater freedom in terms of where they live.

Looking ahead, we will promote the highly flexible, hybrid workstyle, in which employees autonomously combine face-to-face and remote communication according to the nature of their work and needs of the team.

[Review of Remote Work System]

	Past	July 2022
Definition	Work is basically performed at the business site	Work is basically performed through remote work
Work location	Business site	Home
Procedures for implementing remote work	Required an application by the employee and approval by a supervisor	Does not require application* by the employee * Application and approval are required when working in a location other than home

Main Achievements in Fiscal 2023 and Goals for the Coming Years

In fiscal 2023, we further promoted the Hybrid Workstyle, which is not restricted by the place or time of work, to establish an environment in which diverse personnel can demonstrate their unique talents. We also provided opportunities and fostered a corporate culture to develop diverse managers who succeed in their careers by balancing life and work. As a result of these efforts, the ratio of female managers rose to 10.5% in fiscal 2023, and we achieved our 100% target for the percentage of men taking childcare leave. Going forward, we will promote a variety of efforts, including initiatives and individual follow-ups, to achieve the targets for the percentage of newly appointed female managers as a key indicator of the NTT Group Global Sustainability Charter, and the percentage of men taking maternity leave, a social concern.

We are also working on reducing employee's working hours. In fiscal 2023, the total number of working hours per employee was 1,956, compared to 1,948 in fiscal 2022. Since the number remains high, we will re-examine the ideal workstyles and find ways to bring this number down. Since the total number of working hours per employee remains high, we will re-examine the ideal workstyles and find ways to continue to bring this number down.

In addition, we have focused on reducing the number of workplace accidents as a key measure in pursuing thorough implementation of occupational safety and health management. We endeavored to raise awareness of workplace accidents and promoted preventive measures, resulting in one incident. Combined with a health checkup rate of 99.9%, we have more or less met our goal for this year. Going forward, we will continue our efforts to maintain and improve employee health across all our workplaces.

[Total Number of Working Hours]

	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of working hours	1,885	1,980	1,956	1,948	1,956

Employment, Training, and Promotion of Diverse Human Resources

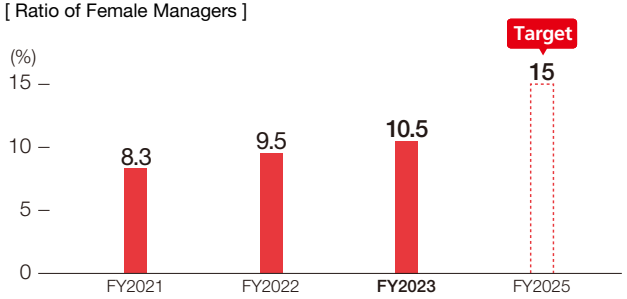
Promoting Women's Participation and Advancement

In line with the NTT Group's declaration to double the number of female managers in its organization, the NTT Communications Group supports employees at various stages of their career development to increase opportunities for engaging diverse human resources. In 2016, we received the highest order of certification for Eruboshi from the Minister of Health, Labour and Welfare based on the Act of Promotion of Women's Participation and Advancement in the Workplace*. Since then, we have continued to provide support for career development that leads to more women in managerial positions and measures for employees facing major life events, in accordance with their needs. We have formulated an action plan through fiscal 2025, based on the Act of Promotion of Women's Participation and Advancement in the Workplace, and achieved a female manager ratio of 10.5% in fiscal 2023 (female executive ratio: 12.9%). Such progress can be attributed to the fact that many employees, regardless of gender, have begun to pursue autonomous career development as we presented images of diverse managers and their workstyles, implemented leadership training, and offered opportunities for employees to take on new career challenges of their own choice.

To help employees visualize their career options as managers at an early stage, we present role models in our internal newsletters and on the diversity website and conduct interviews and hearings of pre-leadership level employees by in-house career consultants. Through these measures, we hope to change the mentality of our employees and foster their mindsets. We will continue to promote women's careers toward our goal of raising the ratio of female managers to 15% by 2025.

* In light of the rapidly decreasing population and anticipated labor shortages, this act was established to promote women's participation in the workplace. It is intended to create an environment in which women can choose how they work, demonstrate their abilities, and succeed in their professional lives. From April 1, 2022, companies with over 100 employees are obligated to draw up action plans to encourage the active participation of female employees.

[Ratio of Female Managers]



Scope: Employees of NTT Communications Corporation including seconded employees

Comeback Re-Employment

We are actively engaged in "Comeback" hiring, through which people who have left NTT Communications and gained experience in various businesses and industries return to the Company.

Comeback re-employment allows us to hire employees who have a deep understanding of our business and also bring a perspective from outside our group, and we expect it will expand the scope of our business.

Employing Persons with Disabilities

Under the concept of normalization, when employing persons with disabilities NTT Communications confirms their desires in relation to type of work and working environment so that everyone can make the most of their skills. It also gives due consideration to their suitability in certain roles and when determining their job descriptions.

In an environment characterized by mutual respect for the differences of each individual, regardless of disabilities, employees are positioned and actively contributing in various parts of our organization including sales and engineering. Our employees also make use of highly flexible hybrid workstyles that combine face-to-face and remote communication to demonstrate their individual abilities. As of June 1, 2024, NTT Communications' rate of employees with disabilities is 4.90%, while the rate is 2.59% for the DOCOMO Group as a whole.

Alternative Career Designs

NTT Communications offers a variety of employment options to meet the career aspirations of its employees, including those who wish to pursue careers in a wide range of fields and those who wish to make use of their specialized skills.

We provide a form of employment for those who wish to gain work experience and improve their expertise in a wide range of business fields and job categories, and it is based on a conventional, Japanese-style lifetime employment. In addition, we have established the Specialist Employee System for those who wish to focus mainly on increasing their expertise in a specific field.

We have also introduced a continued employment system that allows employees reaching the mandatory retirement age of 60 to continue working, if they wish, until they reach 65. Our employment system is designed to meet the needs of each workstyle, including work arrangements that allow employees to make the most of the skills they have cultivated prior to retirement to achieve the same high level of performance as before, alternative work days, and short working hours.

On top of that, we introduced a system that allows employees to continue to work beyond the age of 65 and up to the age of 70, as long as their work is required by the Company. In addition to supporting the career aspirations of the working-age population, by providing seasoned employees with opportunities to play active roles, we expect the system to enhance their willingness to take on challenges and continue demonstrating high levels of performance. We promote initiatives to develop career designs that keep them motivated regardless of age.

Initiatives for LGBTQ Issues

We are actively raising awareness of LGBTQ and other sexual minorities across our organization and implementing policies to support them.

To create an inclusive working environment based on an accurate understanding of those who identify as LGBTQ, we have included these topics in our standard human rights training curriculum, which targets all full-time and temporary employees. We also took part in the RAINBOW CROSSING TOKYO career development forum, which focuses on diversity including LGBTQ concerns, and organized a get-together for those who have declared themselves as allies across the NTT Group.

While face-to-face interaction among employees is decreasing due to the pandemic, we have been developing an environment in which LGBTQ employees can engage in their work with a sense of security, by distributing a virtual background to allies to show their support publicly during remote meetings. We also set up a helpdesk where employees can discuss their sexual orientation, sexual identity, and other related matters. Furthermore, most of our life-event-related benefits, such as special leave, condolence, and congratulation money, are also applied to same-sex partners.

These efforts have been recognized by the nonprofit organization “work with Pride,” which evaluates corporate efforts to foster inclusiveness. Since fiscal 2016, we have continuously been awarded the Gold rating, the highest in its PRIDE Index, and were rated Gold again in fiscal 2023.

[Virtual Background Distributed to Allies]



[PRIDE Index]

work with Pride Gold 2023

Work-in-Life (Work as an Important Part of Life)

To enable employees to balance work with childcare, nursing care, illness, and other life events, NTT Communications promotes flexible and diverse workstyles that are not restricted by time or location, provides information to employees, and conducts career interviews. We also implement measures to increase understanding of supervisors and team members. We will continue to create a work-in-life environment in which employees can work with vigor.

Supporting the Balance between Career and Child-Raising/Nursing Care —Total Support from Before Childbirth to Reinstatement

In 2017, we obtained the Platinum Kurumin certification from the Ministry of Health, Labour and Welfare for formulating and actively promoting the Fifth Action Plan under the Act on Advancement of Measures to Support Raising Next-Generation Children*1. In our seminars for employees who were about to give birth or return to work after childbirth, and employees on childcare leave, we offer a curriculum that incorporates a variety of information, roundtable discussions by experienced participants, and career development programs. These seminars are open to participants regardless of gender or position, including not only mothers but their partners as well, and they have led to fostering a corporate culture that supports balancing life and work.

In line with Japan's revised law on childcare leave and family care leave, in fiscal 2023 we began providing information on our childcare leave program to employees who announce, in principle through interviews, their pregnancy or their partners' pregnancy and confirm their intentions to take childcare leave.

We also encourage male employees to participate in childcare by presenting "Ikupapa Leave" (a pattern of male childcare leave) to establish an environment in which male employees can easily apply for leave with the support of their supervisors. As a result, the percentage of male employees taking leave for childcare reached 116%*2. We have also started creating a supportive community for employees during childcare leave and have established a system that provides total care from before childbirth to after they return to work.

*1 This act was established to encourage actions to support raising the next generation of children. Its initiatives are not completely led by the government; companies with over 100 employees are obligated to draw up action plans that support employees who are raising young children.
*2 Denominator: male employee whose partner gave birth during the fiscal year, numerator: male employee with a pre-elementary school child who took childcare leave, etc. (including the Company's unique leave system for childcare) during the fiscal year.

Support for Balancing Work with Medical Treatment and Nursing Care

To balance work with medical treatment, employees must obtain information at an early stage and gain understanding and support in the workplace. To give accurate information, we presented a lecture on women's health issues, such as menopause, premenstrual syndrome, fertility treatment, and breast cancer, to provide correct information, and we presented a panel discussion by experienced participants. The seminar not only provided information to those engaged in or considering such treatments but also deepened understanding among those in the workplace and ideal forms of support. Assuming that even more employees will be involved in nursing care in the future, we have implemented measures for balancing work and nursing care, provided information, and fostered relationships between relevant employees. We encourage employees to prepare for the possibility of balancing work and nursing care at an early stage in order to prevent them from having to take long-term leaves of absence or leave their jobs altogether due to nursing care. We will continue to provide support by disseminating information on our internal website and offering follow-ups through our consultation service to foster a culture in which everyone can continue to work in their own way.

[Platinum Kurumin Logo]



[Eruboshi Logo]



[Tomonin Logo]



[Changes in the Number of Employees Who Took Maternity, Childcare, or Nursing-Care Leave in Fiscal 2023]

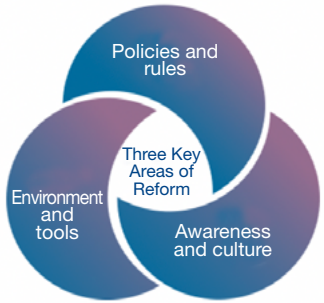
		FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of male employees taking leave for childcare*1		—	—	67.8	132.8	116*2
Number of employees taking nursing care leave		8	8	5	7	9
	Female	5	4	3	5	5
	Male	3	4	2	2	4
Average number of paid leave days taken		16.2	14.0	16.4	17.9	16.3
Average paid leave acquisition rate		81	70	82	90	82
Number of employees who resigned without becoming reinstated		2	2	0	3	4
	Female	2	2	0	3	3
	Male	0	0	0	0	1

*1 Denominator: male employees whose partner gave birth during the fiscal year, numerator: male employees with a pre-elementary school child who took childcare leave, etc. (including the Company's unique leave system for childcare) during the fiscal year.
*2 As of April 1, 2024. Scope: NTT Communications Corporation, including seconded employees

Promotion of Workstyle Reform

In line with our principles of taking the initiative in taking actions, mutual enhancement, and meeting the needs of society, NTT Communications has been organizing and promoting workstyle reform focused on three areas: policies and rules, environment and tools, and awareness and culture.

[Three Key Areas of Reform]



Since the pilot introduction of remote work in 2002, we have promoted reform using ICT and data, as evidenced by the participation of 6,350 employees in Telework Days from 2018 to 2019. As the pandemic started to accelerate in February 2020, we were quick to make the decision to shift to Companywide remote work. From that year to the present, we have maintained a remote work rate of above 70%.

Remote work rate 77% (fiscal 2023 average)

Through our transition to remote work, we have reaffirmed our goal of offering each and every employee the opportunity to choose a workstyle that allows them to fully demonstrate their capabilities and continued our reform to address issues and situations that have newly emerged amidst the accelerating pace of changes.

● Policies and Rules

We are working to introduce flexible systems that cater to individual circumstances and operations. These include the abolition of rules limiting eligibility for working from home, which is intended to support balancing work and family needs, and remote working, which allows for a more effective use of time. We also share examples of employees using these and the flextime system.

Through these efforts, we have created an environment in which employees facing a variety of challenges, including childcare and nursing care, can continue to play active roles. As a result, the percentage of employees working shorter hours has declined from 2.4% in fiscal 2019 to 1.7% in fiscal 2020, 1.3% in fiscal 2021, and 1.2% in fiscal 2022, thus remaining consistently low, and fell even lower, to 0.9%, in fiscal 2023, thus significantly raising the number of employees returning to full-time work.

We will continue to support our employees facing the difficulty of balancing childcare and work by helping them to make better use of the systems and reduce commuting time through remote work.

[Percentage of Employees Working Shorter Hours]

(Unit: %)

FY2019	FY2020	FY2021	FY2022	FY2023
2.4	1.7	1.3	1.2	0.9

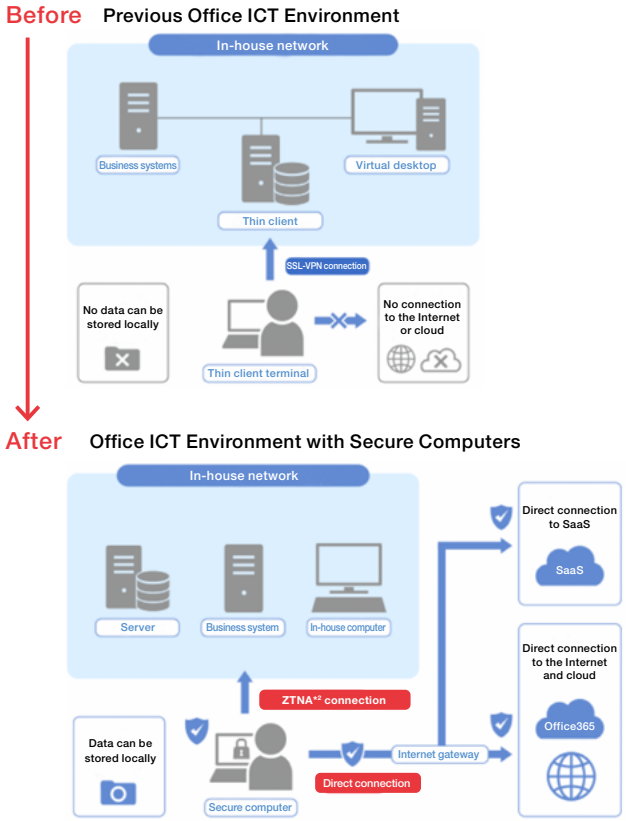
● Environment and Tools

Although we asked all of our employees to work from home during the pandemic as a general rule, there were still certain situations that required them to come to the office, such as to fill out paper applications, sign contracts, and check the mail. This was an issue that needed to be addressed in order to promote a new way of working. To create a new workstyle tailored to hybrid working arrangements, we reviewed our entire business process, including digitization and moving online.

In addition, we replaced the previously introduced thin client PCs*1 with fat terminals that are unaffected by the network environment, rolling out these secured PCs throughout the Company to realize office ICT, which frees people from limitations of time and place and allows anyone to create a workplace anytime, anywhere. We are promoting home delivery and collection for replacements in the event of failure and automatic setup under the Internet environment, minimization of on-premise environments and review of perimeter defense, and zero-trust security systems. In our annual internal IT Environment Satisfaction Survey, 80% of employees expressed positive opinions about Secured PCs. We use daily communication data obtained from the cloud to visualize how the organization works. We have also taken on new challenges, including data and AI utilization such as by providing awareness of the state of the organization and our own workstyles, based on graphs that display engagement scores and communication data. We will continue to explore new workstyles through automation and higher efficiency by capitalizing on DX.

*1 Specialized terminals without storage media that are used in virtual desktop environments

[New Working Environment]



*2 Zero Trust Network Access: Approach to security based on the zero-trust concept, in which communication is restricted to users with authorized access to the network.

● Corporate Culture and Climate

Corporate culture and climate and strategy penetration became priority issues as a result of the fiscal 2023 employee satisfaction survey, and to address these we formed a Groupwide organizational development working group in the fall of 2023 and created an organization based on psychological safety.

The working group operates under the five themes of: Promoting strategies through highly transparent communication and dialogue, Expressing and accepting diverse personalities and different opinions, Understanding and sharing values and standards of conduct, Connecting and cooperating with each other, and Learning from the results of repeated trials without fear of failure. The working group activity has provided opportunities for dialogue between employees and executives, while executives and working group members have issued their declarations of action for organizational development, and the status of subsequent efforts is being actively conveyed.

Under this hybrid working environment, we also conducted one-on-one meetings between supervisors and subordinates to prevent any inconsistencies in information sharing or communication within the team of employees and make sure they were on the same page. At the same time, we supported employee growth and provided physical and mental health care to foster a sense of trust between the Company and employees. Consequently, survey results have shown a high level of trust, with more than 80% of the respondents indicating they strongly trust their managers.

Furthermore, a Companywide “Thanks” tool has been introduced to foster a culture of appreciation and praise with the aim of revitalizing communication among employees, increasing motivation, building trust, and fostering a sense of unity in the organization through the open sharing of gratitude.

Cafeteria Plan

NTT Communications offers various benefits to its employees at different points of their careers, based on their needs and lifestyles. Specifically, we have implemented the Cafeteria Plan system, which allows employees to choose from 18 wide-ranging benefit options that match their respective lifestyles within the limit of points assigned to them in advance. And we provide 23 benefits that can be chosen regardless of points. We offer a wide-ranging lineup that includes a package of general benefits that also apply to employees’ families in areas such as healthcare, childcare, and nursing care, as well as an option that enables employees to choose from four major physical fitness clubs and use the facilities for 500 yen (plus tax) per session.

In the last few years, we have been reviewing the options to focus on health maintenance and promotion, and we offer health activity promotion options through the dHealthcare smartphone application, which can be used freely at any time. In fiscal 2024, we added group long-term disability (GLTD) insurance to the Cafeteria menu to alleviate concern over risks such as employees’ inability to work due to prolonged medical treatment. Given the increase in telecommuting, we added ear speakers to the list of health equipment that can be acquired with company support, as a measure against health problems such as otitis externa caused by prolonged use of earphones. We plan to offer more options in future so as to provide a system that overall is even more beneficial to employees.

Encouraging Employees to Take Various Leaves

As part of our work-life balance initiatives, we encourage employees to take their entitled leaves. We strive to establish working environments that support them by raising awareness of entitled leaves and encouraging them to schedule their leaves to coincide with long national holidays. In fiscal 2023, 14.9 paid leave days were used per person, on average.

We are also promoting the use of our Life Plan Leave system, which entitles employees to a certain number of leave days for the purpose of lifecycle-related downtime, nursing of family members, volunteer activities, recurrent training, and childcare.

To meet the needs of diverse workstyles that are becoming ever more apparent from the standpoint of further improving our systems, we have been working since July 2024 to establish a framework for enhancing our support of life events, such as expanding the time zones in the flextime system and creating leave to support infertility treatment. We believe that we can contribute to balancing work in life and to realizing a sustainable society by improving the well-being of our employees and creating an environment where a diverse workforce can flourish.

[Support for Employee Leave]

	Main Support
Support for maternity and childcare	We support employees expecting or raising children to balance work and family life through the following systems and measures. • Maternity leave (6 weeks before and 8 weeks after the date of birth) • Childcare leave (until the child turns 3) • Shorter working hours for childcare (choose from 4, 5, or 6 hours per day until the child reaches the third grade of elementary school) • Restrictions on overtime and late-night work • Issuance of discount coupons for childcare services
Support for nursing care	We support employees caring for a family member to balance work and family life through the following systems and measures. • Short-term leave system for nursing care • Nursing care leave (up to 1 year and 6 months) • Shorter working hours for nursing care (choose from 4, 5, or 6 hours per day) • Restrictions on overtime and late-night work • Issuance of discount coupons for nursing care services
Support for continued employment	• We have established a system that allows employees forced to resign due to their partner's transfer or to focus on childcare or nursing care to be rehired within 6 years of resignation (3 years for childcare or nursing care reasons) under certain requirements. • We have also introduced a continuous employment system that allows those who wish to continue working until the age of 65 (or 70 if necessary) after reaching the mandatory retirement age of 60.
Support for balancing work and family life in case of illness	• Employees are entitled to a certain period of leave when they are injured or become ill. • They can also take sick leave after the period of sick leave has elapsed, depending on their condition and based on the approval of their medical doctor (maximum period of sick leave: 3 years).
Support for LGBTQ and other sexual minority employees	• Some of the systems related to life events (special leave, congratulatory and condolence payments, etc.) are available to same-sex partners.
Support for fertility treatment	• An employee undergoing fertility treatment can take leave once within the span of a year.
Others	We offer leave systems to meet a variety of needs, including volunteer activities and recurrent learning. • Life plan leave (5 days granted for every 5 years of service, which can be set aside as part of annual leave)

Thorough Occupational Safety and Health Management

NTT Communications has a safety and health management system in place at each of its business sites. A health manager, safety manager, and industrial physician are assigned to offices that have 50 or more workers on a regular basis, and a general health and safety supervisor is assigned additionally to offices that have 100 or more workers on a regular basis.

At offices that usually have 50 or more workers, we have set up a Health and Safety Committee. The committee strives to achieve a 100% health checkup implementation rate and implements measures to ensure a healthier workplace environment, prevent occupational accidents, and reduce long working hours. Stress checks are conducted each year in the autumn and in collaboration with the staff in charge at each office (fiscal 2023 response rate: 93.6%).

Also, we are promoting and deploying safety measures aimed at eliminating personal injury accidents so that employees engaged in network facility construction work can perform their duties safely. We hold safety meetings to discuss safety measures on a regular basis, share cautionary points for different situations, and distribute safety video content to improve safety management and safety awareness among construction workers, including those at our suppliers.

[Number of Workplace Accidents (Occupational Accidents)]

	FY2019	FY2020	FY2021	FY2022	FY2023
Occupational accidents	2	1	1	–	1
Commuting accidents	–	–	–	1	4

Health Management

Improving Employee Health

As well as ensuring the safety of our working environments, we are committed to creating places where employees can lead healthy and fulfilling work lives. A number of actions have been implemented to achieve that goal.

As measures for maintaining physical health, we held two walking events for the entire DOCOMO Group in fiscal 2023, one in the spring and the other in the fall. In addition to encouraging employees to walk as a healthy practice, we also held a “do Com-Meet” event to promote face-to-face communication and foster a sense of unity across the organization. In the fall, we also presented awards associated with rugby and Expo 2025 Osaka and held events for participants to enjoy exercising while learning about rugby or the expo, which were attended by 8,056 employees from the NTT Communications Group. In addition, we provided a program that allows those with lifestyle-related diseases to receive the necessary health guidance via a smartphone app, thereby raising employee awareness and improving lifestyle habits. The percentage of employees receiving the health guidance was 19.2% for fiscal 2023, down 1.3% from the previous year. As a result of these efforts, the percentage of employees who exercised at least twice a week increased to 30.7% in fiscal 2023, up 1.4% from the previous year, while attendance and completion rates for health guidance remained among the highest among NTT Group companies in fiscal 2023. We will continue to encourage employees to receive medical guidance and strive to improve attendance and completion rates.

[Health Challenge 2022 featuring the do Com-Walk, Com-Record, and do Com-Fitness Campaigns]



For staff in their first to third years, we offer one-on-one counseling on an ongoing basis as well as other types of support (553 participants in fiscal 2023). Other measures for further expanding our support include conducting a monthly pulse survey for self-care and line care, setting up consultation desks, both in and outside the organization, and developing counseling programs for employees being sent on overseas assignments.

To promote data-based health and productivity management, NTT Communications measures the presenteeism loss ratio* and other indicators based on the results of the Workstyle Questionnaire conducted across the NTT Group, specifically on employee responses to the question on “Presenteeism (the state in which an employee is working with a mental or physical illness)” (survey method: QQ Method, number of questions: 6)

The presenteeism loss ratio for fiscal 2023 was 4.7%, a decrease of 0.4% from fiscal 2022 (the questionnaire, distributed to approximately 170,000 people across the NTT Group with a response rate of 98.5%, included around 20,000 respondents from the NTT Communications Group). We will continue to use the results of the questionnaire to plan while considering ways to improve.

* Calculated as: Decline in performance = 1 - ((quantity of work) + (quality of work)) ÷ 2 × 1 ÷ 10

These efforts resulted in our being recognized in March 2024 as an outstanding enterprise under the Recognition for Excellence in Health and Productivity Management by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Furthermore, we received a special award from the holding company and the NTT Health Insurance Union in the NTT Group's health awards, which recognizes Group companies that significantly contribute to employees' health maintenance and improvement toward promoting health and productivity management and stimulating related initiatives.

We will continue to implement measures across all Group companies in Japan toward maintaining healthy and comfortable working environments and further strengthening the capability of those providing mental health care at each workplace.

[Health and Productivity Management Health Management Certification Logo]

2024 健康経営優良法人 Health and productivity

As for measures undertaken by the NTT Group, the NTT Health Insurance Union offers outpatient checkups for dependent spouses and voluntarily insured persons for the early detection and treatment of illnesses and health management.

For more information on the NTT Health Insurance Union's utpatient checkups, see:
https://www.nttkenpo.jp/member/health/dock.html (in Japanese only)

Measures for Mental Health

We have established several consultation services both in and outside the Company to help employees with various types of mental health issues. Employees seeking advice on mental and physical health can consult with their organization's physician or public health nurse, while those who wish to seek advice on a wide range of matters, including private issues such as childcare and nursing care, can contact the Mental Condition Support Desk, staffed by clinical psychologists and other specialists.

In addition, we conduct group analysis of the results of the annual stress check for each workplace and hold three-way discussions among labor (union), management (Company), and health (health management center) on issues and future measures that can be applied to improve the workplace.

In fiscal 2023, we held a mental keeper training course for 286 employees to further enhance line care in the workplace. We also conducted team management training for 212 supervisors of employees with mental illnesses (NTT Communications: 110; affiliates: 102). Participants learned how to provide support by involving team members in creating a support system and environment. They also learned how to prevent the recurrence of mental and physical illnesses. In addition, we organized self-care seminars for 924 employees who had undergone changes in their working conditions, such as personnel transfers, which are considered to have high potential risk for mental health problems. The seminar included content useful for everyday self-care, and in a post-seminar questionnaire, 94.0% of employees said it was either "very good" or "good."

For employees affected by the Noto Peninsula Earthquake, which occurred in January 2024, we provided psychological care by having a specialized counselor interview them.

Moreover, we conducted a pulse survey every month to ensure that we are not missing any signs of changes in employees even in a remote working environment and to facilitate smooth communication between superiors and subordinates, leading to appropriate line care and other support.

[Types of Consultation Services]

	Work-related concerns, communication issues with superiors, colleagues, etc.	Personal issues, health problems, marriage, childbirth, childcare, education, second career, nursing care, etc.	Human rights and harassment
Line care: Supervisors (senior managers and directors), trainers, and organizational managers	○	○	○
Care by health staff	○	○	–
Mental Condition Support Desk (EAP)	○	○	○
Face-to-face counseling by professional counselors	○	○	○
M3PSP* (AskDoctors option)	–	○	–
Human Rights Office	–	–	○
Harassment Hotline	–	–	○

* A service providing medical information to employees using AskDoctors, one of the largest physician consultation sites in Japan

Priority Activities

Respect for Human Rights

Our Approach

To enrich corporate culture founded on respect for human rights, NTT Communications has been promoting human rights education by establishing a Basic Policy on Human Rights Education.

Given the broad recognition of the importance of addressing human rights risks that arise across the value chain, companies have recently been subject to growing public demand for establishing human rights protection frameworks that are closely aligned with the nature of each business and addressing diverse human rights risks. There is also the risk that failure or any delays to properly address human rights issues may result in the loss of trust in the Company and its reputation in society, as well as the risk that it may ultimately lose business. In response, NTT Communications has been working to ensure respect for human rights by establishing the Rules for Preventing Harassment under its Basic Policy on Human Rights Education. To raise human rights awareness, we also conduct training for all full-time and temporary employees, disclose case studies, publish messages from top management regarding human rights education, distribute e-mails to employees, and widely disseminate information on internal and external contact points for human rights. NTT Communications also conducts human rights due diligence and other measures to address human rights risks in the value chain. By pursuing these proactive human rights education activities and promoting human rights due diligence initiatives to enhance human rights management, we intend to establish a corporate constitution that does not tolerate any form of discrimination, create bright and vibrant workplaces, and realize a value chain that respects human rights.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

We are proactively promoting human rights awareness activities by increasing the rate of participation in human rights training and conducting human rights due diligence. In fiscal 2023, we were able to raise attendance in human rights training from the previous year to 26,543 (participation rate: 97.2%), up 1.1 points. We will continue our efforts in fiscal 2024 toward the goal of raising participation to 100%. For new employees of NTT Communications, we conducted startup training and other programs to provide opportunities for staff to think for themselves about topics such as preventing all forms of discrimination and harassment, business and human rights, the SDGs, and LGBTQ issues.

In addition to our various training programs, we invite entries on human rights and compliance slogans as an opportunity for each employee to consider the importance of human rights. In fiscal 2023, we received 7,056 entries from 4,319 people, comprising full-time and temporary employees at all Group companies, and their family members.

On the other hand, we were unable to meet our goal of zero cases of human rights violations. Looking ahead, we will continue strengthening our initiatives for raising human rights awareness.

Governance

Placing the utmost importance on human rights, we seek to establish a corporate constitution that does not tolerate any form of discrimination and is intended to establish bright and vibrant workplaces.

Specifically, we set up the Human Rights Education Promotion Committee, which reports on human rights enlightenment activities and considers measures for promoting human rights education. We have also implemented measures for preventing workplace harassment based on the Rules for Preventing Harassment, established in May 2020 and in accordance with the NTT Communications Group's Basic Policy on Human Rights Education.

[NTT Communications Group Framework for Promoting Human Rights Education]



Respective Responsibilities in the Promotion Framework

Human Rights Education Promotion Committee:
Consists of the chairperson (senior executive vice president), heads of each unit, and presidents of each Group company. Formulates basic policies, action plans, and measures for initiatives pursued by the NTT Communications Group and reports on activities.

Human Rights Education Promotion Executive Committee:
Responsible for executing the actions determined by the Human Rights Education Promotion Committee

Human Rights Education Department:
Serves as the secretariat for the Human Rights Education Promotion Committee and Human Rights Education Promotion Executive Committee, responsible for the Groupwide deployment of initiatives. Also submits an agenda and reports on key human rights issues to the Executive Council.

Risk Management

We strive to identify and prevent human rights risks by conducting human rights due diligence throughout the NTT Group. Of the risks identified, those considered particularly important are addressed by formulating and implementing appropriate countermeasures.

Indicators and Targets

The NTT Communications Group has designated the rate of participation in human rights training and regular implementation of human rights due diligence as KPIs for further promoting human rights awareness activities.

P.017 For more information on the KPIs, see "KPIs, Targets, and Outcome of Activities" of this report:

Promoting Human Rights Education

The NTT Group recognizes that respect for human rights is an important corporate social responsibility and strives to correctly understand and acknowledge the laws and regulations of each country and region and their cultures, religions, and values. We aim to realize a safe, secure, and prosperous, sustainable society by fulfilling this responsibility. To that end, we have established the new NTT Group Human Rights Policy by incorporating our existing Human Rights Charter into the NTT Group Global Sustainability Charter.

Under the policy, we respect the Universal Declaration of Human Rights and other internationally recognized human rights in all our corporate activities. We strive to ensure that we are not directly or indirectly involved in discrimination or other human rights violations. In the unlikely event of any negative impact on human rights, we take appropriate action.

When negative impacts on human rights by business 'partners are directly related to the NTT Group's relationships, products or services, the NTT Group requires these partners to respect human rights and not violate them. To fulfill this responsibility, we respect all stakeholders' human rights. We review and improve business operations and other aspects as necessary from the perspective of respecting human rights and reflect this in our business activities to establish a corporate structure that respects human rights.

NTT Communications has been promoting human rights education by establishing its own Basic Policy on Human Rights Education in accordance with the principles of the NTT Group Policy so as to create a rich corporate culture founded on respect for human rights and resolve human rights issues.

NTT Group Global Human Rights Policy

(1) Addressing to International Norms

The NTT Group discloses its global human rights policies both internally and externally, in addition to meeting the requirements* of international laws and evaluation organizations.

*International laws: International conventions and treaties adopted from a global perspective, including the "Universal Declaration of Human Rights"

(2) Addressing Critically Important Human Rights Issues

The NTT Group will identify critically important human rights issues and take action on these priority themes through the following:

1. Promotion of "Diversity & Inclusion" (prohibition of discrimination, respect for freedom and rights, fairness in the workplace, economic disparities and poverty)
2. Promotion of "Technology based on high ethical standards" (technology, data bias, privacy, personal data protection, and security)
3. Promotion of "Healthy Work in Daily Life (Health Management)" (diverse work styles, prohibition of forced labor and child labor, workplace safety, freedom of association and the right to organize, living wage, enhanced benefits)
4. Promotion of "appropriate expressions, speech, and other presentations" with consideration for human rights (freedom of expression and respect for human rights in advertising and other presentations)

(3) Scope of application

This policy applies to all employees and officers of the NTT Group. We also ask our suppliers and business partners to support this policy and strive to respect human rights.

(4) Due Diligence

Based on the UN Guiding Principles of Business and Human Rights, we will use the human rights due diligence process to identify, prevent, mitigate, and correct human rights issues globally. And we will strive to improve human rights awareness and human rights management throughout the NTT Group. In addition, due diligence will be conducted among the stakeholders in the entire business value chain, and a direct dialogue will be the basis of our efforts, especially with major suppliers. The status will be disclosed on our website, in our Sustainability Report, and in our Human Rights Report to evaluate and improve the process continuously.

(5) Accusation and Remedy

The NTT Group has established internal and external contact points for whistle-blowing at each Group company to prevent human rights violations. We promise to protect whistle-blowers from unfair personnel actions (e.g., dismissal, demotion) or other disadvantages resulting from their reporting. In addition, consultations and reports received at the contact points will be reported to the Board of Directors appropriately to ensure transparency. We will take sincere measures to resolve problems.

For more information on the NTT Group Human Rights Policy, see:
https://group.ntt/en/newsrelease/2021/11/10/211110c.html

Human Rights Due Diligence

The importance of addressing human rights risks that occur in the value chain is increasingly being recognized, and there are growing calls for companies to respond. Failure or delays in responding to such issues could lead to a deterioration in the corporate image and a loss of trust in a company and its public reputation. Furthermore, if such a situation cannot be remedied appropriately, customers may no longer do business with that company, which may affect its short-term as well as medium- to long-term business performance and financial position.

In response to these risks, we will implement the aforementioned initiatives while identifying, preventing, mitigating, and correcting human rights issues on a global scale by applying the human rights due diligence process in accordance with the United Nations Guiding Principles on Business and Human Rights, and strive to raise awareness of human rights and improve human rights management throughout the Group. In fiscal 2023, assessments were conducted for specific situations in which human rights issues were a concern. In addition, as a member of the NTT Group, we will conduct due diligence throughout the entire value chain and require that our suppliers make an effort to comply with the separately established NTT Group Guidelines for Sustainability in Supply Chain. Direct dialogue will be the basis of our efforts, especially with important suppliers. Through these efforts, we hope to establish a rich corporate culture founded on respect for human rights and to become a corporate group that is always trusted and chosen, which are prerequisites for maintaining and expanding business opportunities.

Measures for Raising Human Rights Awareness

Human Rights Education Training

Companies have recently been subject to growing public demand for establishing human rights protection frameworks closely aligned with the nature of each business.

A diverse array of full-time and temporary employees participates in NTT Communications' business operations. Accordingly, we promote respect for human rights with due consideration for diversity. Every year, we organize Human Rights Education Training sessions for all full-time and temporary employees of the NTT Communications Group with the aim of preventing all forms of discrimination by fostering a heightened sense of awareness in each and every employee. In fiscal 2023, we sought to develop a broad understanding of harassment, the diverse nature of human rights, and the relationship between corporate activity and human rights. We also seek to raise awareness and deepen understanding of human rights among employees and others by encouraging them to frequently study the NTT Group Global Human Rights Policy established in November 2021 and the NTT Communications Group's Basic Policy on Human Rights Education, and by widely disseminating information on our multiple contact points for consultation.

During these training sessions, we assess the level of understanding and also conduct surveys on potential human rights issues in the workplace, the nature of such issues, and the use of contact points for consultation, and we also gather comments. The results are reported to the Human Rights Education Promotion Committee and are used to consider, implement, and evaluate our efforts to promote human rights education.

[Overview of Human Rights Education Training in Fiscal 2023]

	Overview
Major topics	**Business and Human Rights** • Definition of human rights • Companies and Human Rights Today • Regulatory processes related to the workplace • Reasonable accommodation for persons with disabilities **Diverse Nature of Human Rights** • Harassment in the workplace • Sexual harassment • Notable cases of reports or consultations in FY2022–FY2023 • LGBTQ+ and other sexual minorities • Discrimination against burakumin • Human rights and the Internet • Psychological safety **Basic Policy on Human Rights Education** • NTT Group's Human Rights Policy • NTT Communications Group's Basic Policy on Human Rights Education • Consultation services
Target	Full-time and temporary employees of the NTT Communications Group
Attendance	26,543

[Attendance of Human Rights Education Training]

(Unit: %)

	FY2019	FY2020	FY2021	FY2022	FY2023
Attendance	89	87	96	96	97

* Scope: NTT Communications Group

Human Rights Education Initiatives and Training Programs

For new employees of NTT Communications, we conducted startup training with the aim of creating worker-friendly environments, based on the content of our annual All-Employee Human Rights Education Training sessions. The program covered topics such as preventing all forms of discrimination and harassment and the relationship between business and human rights and the SDGs, and it provides an opportunity for employees to consider LGBTQ issues. In fiscal 2023, 426 employees participated in this training.

Human Rights and Compliance Slogans

In addition to our various training programs, we invite entries on human rights and compliance slogans as an opportunity for each employee to consider the importance of this public concern. In fiscal 2023, we received 7,056 entries from 4,319 people, comprising full-time and temporary employees at all Group companies. The best slogans were chosen by online voting across the Group. The grand prize and special prize from the chairperson of the Human Rights Education Promotion Committee were presented, and the results announced, on the Group portal site.

Examples of Best Slogans for FY2023

Human Rights Category

Grand Prize

AI can't generate compassion

Special prize from the chairperson of the Human Rights Education Promotion Committee

Be the epicenter of kindness

Compliance Category

Grand Prize

"Just making sure"—It's routine tasks that require extra care

Special Prize from the chairperson of the Compliance Committee

Don't ignore your instincts—Blow the whistle

Looking ahead, we will continue to engage in various educational measures and foster respect for diversity and acceptance of differences toward creating brighter, more vibrant workplaces.

Contact Points for Human Rights Issues

NTT Communications has set up internal and external contact points for all full-time and temporary employees as well as the staff of business partners to consult on issues and concerns related to human rights and harassment. The Human Rights Education Department and counseling system for workplace issues serve as internal contact points, and we provide external contact points through a law firm and the Consultation Hotline. The contact points are absolutely committed to confidentiality and protecting the rights of individuals who seek consultation.

These contact points appropriately respond for the purpose of resolving issues and alleviating concerns while taking due care to protect the privacy of individuals seeking consultation and the interests of the whistleblower. In particular, the external contact points offer consultation with counsellors at specialized institutions outside the Company.



Governance

Society expects companies to fulfill a wide range of responsibilities, from providing new value through products and services to maintaining a corporate culture of integrity and fairness. We will always place compliance at the foundation of our operations as a trusted corporate group.

To achieve sustainable corporate growth and continuously contribute to realizing a sustainable future, we are committed to practicing efficient governance and solid compliance across the Group. In particular, the trend toward remote interactions has heightened the importance of ensuring information security as a social concern, and we have been actively preventing problems and providing countermeasures. We will remain faithful to our corporate mission, core beliefs, and policies in order to ensure each and every employee takes action with a sense of responsibility and strive to establish corporate governance and compliance systems throughout the Group to construct an efficient, legally compliant, and ethical management foundation.

Up to the present and into the future, we will endeavor to realize solid governance and enhance corporate value as we continue to advance as a company that has earned the public's trust.

Remaining Trustworthy and Mission-oriented

Targeted SDGs



Priority Activities

- 114 Thorough Compliance and Risk Management
- 122 Enhanced Value Chain Partnerships
- 128 Continuously Strengthening Information Security

Priority Activities

Thorough Compliance and Risk Management

Our Approach

Under the NTT Group Corporate Ethics Policy, NTT Communications will not only adhere to laws and ordinances but will also engage in its daily operations with high ethical standards as a corporate group that retains the trust of all stakeholders, including customers, business partners, shareholders, and society as a whole. We promote compliance management across the NTT Communications Group by developing our compliance promotion framework centered on the Compliance Committee, disseminating top management messages, educating and training employees, and operating points of contact for internal reporting.

We also prepare against various business risks, including large-scale disasters, by establishing systems and mechanisms that enable us to effectively respond to risks in our business operations. This is done under the leadership of the Business Risk Management Committee and involves reviewing and revising risk identification, response policies, and countermeasures. In addition to improving Groupwide risk sensitivity and handling the risks that have materialized, these activities are intended to build a system for addressing environmental and social risks in the future through a concerted Group effort.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

As part of our ongoing compliance efforts, we conduct annual compliance training. Attendance for the NTT Communications Group as a whole rose to 99.4% in fiscal 2023 from 99.1% in fiscal 2022, while the implementation rate for the corporate ethics survey conducted throughout the Group rose to 97.2% from 95.2% in fiscal 2022. We also conducted training to promote understanding of harassment and management for managers, project leaders, and others and to raise awareness of the importance of good communication and building favorable working environments. We will continue to work on establishing a compliance foundation with integrity to promote harmony and mutual understanding among employees and adapt to the new structure and processes.

In addition, we are striving Companywide to continuously enhance our risk management system. In fiscal 2023, we designated geopolitics, corporate governance, and information security as material risks. Regarding geopolitics, we strengthened our system to promote economic security, including response to geopolitical risks, and worked on formulating and implementing risk scenarios.With regard to corporate governance, we further strengthened proven efforts to establish a foundation for growing as the docomo business. As for information security, we continued to enhance our responses in such areas as operations and the supply chain, in light of the evolving business environment. We also held seminars on risk management in business operations for management and those in charge of daily operations. In fiscal 2024, we designated and will continue to focus on five key risk areas of changes in the geopolitical environment, occurrence of catastrophic disasters, promotion of the docomo business, impact of internal fraud on management, and sound AI implementation in business. We will also steadfastly enhance the effectiveness of risk management.

Governance

With regard to compliance, under the Global Compliance Regulations, NTT Communications has the Compliance Committee, which is chaired by a senior executive vice president and supervises compliance promotion leaders and staff assigned to each unit and Group company. Under this framework, we consistently promote compliance management across the NTT Communications Group by disseminating top management messages on compliance, training employees, operating points of contact for internal reporting, and conducting internal audits to confirm and improve the ongoing initiatives at each Group company.

As for risk management, in accordance with the Risk Management Rules, we have established the Business Risk Management Committee, chaired by the senior executive president, to develop systems and mechanisms that enable us to effectively respond to risks. Each risk item, including material risks, is handled through a monthly Business Risk Management Subcommittee and regular exchanges of opinions with Group companies to implement a practical PDCA cycle for risk management by examining and analyzing the occurrence of risks and discussing countermeasures. In addition to improving Groupwide risk sensitivity and handling the risks that have materialized, these activities are intended to build a system for addressing environmental and social risks in the future through a concerted Group effort.

Furthermore, in June 2024 we assigned a chief risk officer (CRO), who is ultimately responsible for risk management, to address risk responses and crisis management with tighter integration across organizational boundaries.

Risk Assessment

Under the leadership of the Business Risk Management Committee, we annually determine risks, and we conduct an ongoing review and revision of response policies as business risks countermeasures, in light of changes in our surrounding business environment. We focus on the current status of internal and external risks as well as their impact and scope to identify risk items, and we make assessments according to their assumed frequency of occurrence and impact to determine material risks.

Strategy

Under the NTT Group Corporate Ethics Policy, in order to deal with increasingly complex compliance issues in Japan and overseas, NTT Communications will not only adhere to laws and ordinances but will also engage in its daily operations with high ethical standards as a corporate group that retains the trust of all stakeholders, including customers, business partners, shareholders, and society as a whole. We regard integrity as one of the NTT Group's abiding values and intend to establish a compliance infrastructure with solid integrity.

In the ever-evolving business environment, we are working to manage risks to contribute to the sustainable growth of the DOCOMO Group by appropriately addressing uncertain risk factors that may hinder the achievement of our business vision and business goals.

By constantly monitoring risk status and combining the medium-term cycle (selecting and assessing material risks, formulating response policies, and so forth) with the short-term cycle (taking timely action for each risk), we are preparing for potential risks and addressing those that have materialized.

KPIs and Targets

We have set KPIs for three main initiatives. The KPI for sharing high ethical standards and ensuring compliance is zero serious compliance violations, while the KPI for corporate culture for maintaining and improving business ethics is 97% of employees responding that their workplaces have an open atmosphere, and the KPI for continuously upgrading the risk management structure is promoting Companywide risk management.

P.019 For more information on KPIs, see "KPIs, Targets, and Outcome of Activities" in this report.

Sharing High Ethical Standards and Ensuring Compliance

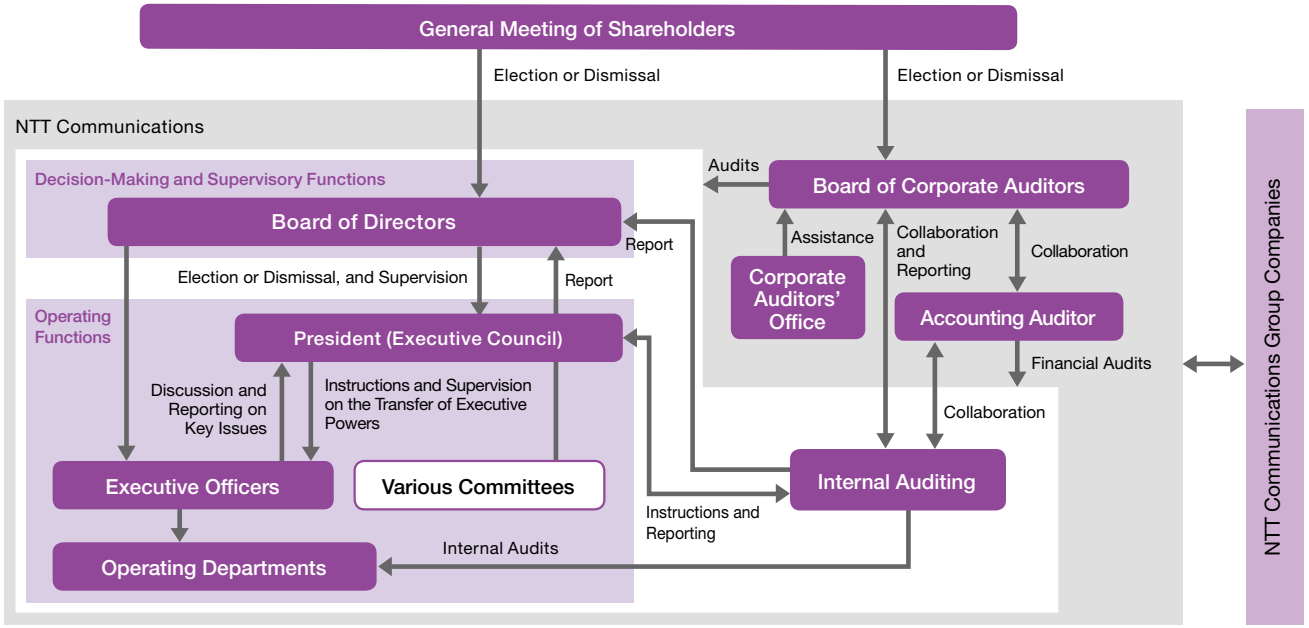
Corporate Governance

● Corporate Governance Structure

NTT Communications has adopted a governance structure based on a system of Board of Directors and Board of Corporate Auditors and has assigned outside directors to bolster its governance functions. The board is chaired by the president and in principle meets once a month to make key management decisions in compliance with laws and regulations, the Articles of Incorporation, and the Board of Directors' rules.

We have set up an Internal Audit Department at the head office to conduct annual internal audits by selecting audit items based on the results of risk assessment to minimize or prevent management risks and boost corporate value. In addition to attending important meetings such as those of the Board of Directors, three auditors hold meetings of the Board of Corporate Auditors to audit the execution of directors' duties with an emphasis on confirming the legality and appropriateness of management decisions. A dedicated organization and staff facilitate efficient audit operations. The corporate auditors conduct their audits in close cooperation with accounting firms and the Internal Audit Department by periodically sharing information on audit plans and results.

[Corporate Governance Structure]



[Composition of Board Directors and Auditors (as of June 13, 2024)]

Main Item	Content
Chairman of the Board of Directors	Concurrently held by the president
Number of directors (including outside directors)	9 (1)
Number of auditors (including outside auditors)	3 (2)
Number of executive officers (including female officers)	23 (3)
Term of office of directors	Approx. 2 years
Term of office of auditors	Approx. 4 years

● Appointing Directors

Directors are appointed with the expectation that they will utilize their extensive knowledge and insight in their respective fields.

[Composition of Board Directors and Auditors (as of June 13, 2024)]

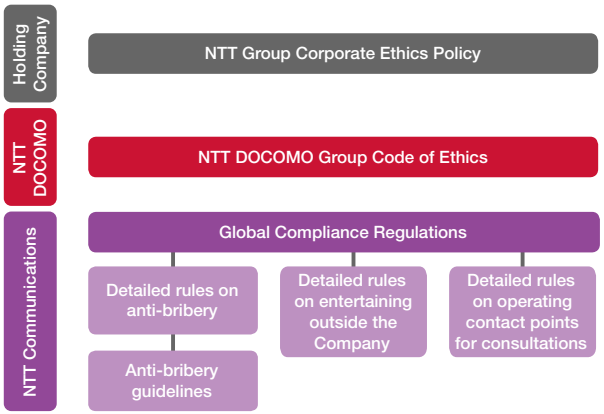
Position(s) / Organizational Responsibilities	Name
President Representative Member of the Board of the Company / CEO(Chief Executive Officer)	Katsushige Kojima
Senior Executive Vice President Representative Member of the Board of the Company / Head of Platform Service Division	Toshio Kanai
Senior Executive Vice President Representative Member of the Board of the Company / In charge of Sales CCXO(Chief Customer Experience Officer)	Akiko Kudo
Senior Executive Vice President Representative Member of the Board of the Company / In charge of Corporate & Group Management In charge of Global Business In charge of Innovation CAIO(Chief AI Officer) CTO(Chief Technology Officer) CIO(Chief Information Officer) CISO(Chief Information Security Officer) CRO(Chief Risk Officer)	Hiraku Otsuchi
Senior Vice President Member of the Board / Head of Corporate Planning	Shinya Okuzawa
Members of the Board	Masaaki Shintaku
	Ikuko Suzuki
	Kaoru Asakura
	Takeshi Fujita
Audit & Supervisory Board Members	Shuji Ota
	Masanori Ozawa
	Haruka Saito

Continuously Enhancing Compliance Activities as a Company Consistently Trusted by Society

Compliance Promotion Framework

The NTT Communications Group acts in accordance with the NTT Group Corporate Ethics Policy, established by Nippon Telegraph and Telephone Corporation and applied throughout the NTT Group, as well as the NTT DOCOMO Group Code of Ethics, established by NTT DOCOMO, Inc. and applied across the NTT DOCOMO Group. We maintain the relevant rules under the Global Compliance Regulations that serve as the standard compliance policy for the NTT Communications Group.

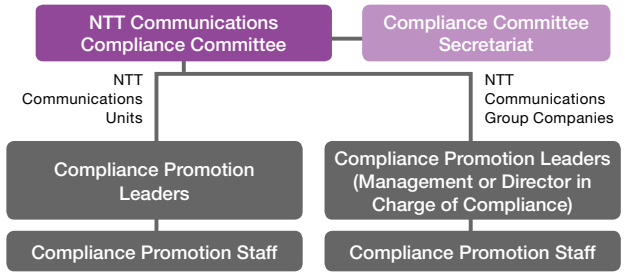
[Compliance Promotion Framework]



We also promote compliance led by the Compliance Committee, which is chaired by a senior executive vice president and supervises compliance promotion leaders and staff assigned to each unit and Group company.

The Compliance Committee, consisting of compliance promotion leaders (heads of each unit) of NTT Communications and presidents of each Group company, meets regularly every six months to provide a forum for sharing the status of reporting at internal points of contact and holding discussions on measures for establishing corporate ethics. The committee reports on the content of its discussions for each fiscal year to the Executive Council and Board of Directors of NTT Communications.

[Compliance Promotion Framework]



Looking ahead, even as we respond to regulatory changes in Japan and overseas and the evolving business environment, management and all Group employees will engage in ethical business practices and seek to strengthen the Group's compliance system worldwide.

For more information on the NTT Group Corporate Ethics Policy, see:
https://group.ntt/en/sustainability/governance/corporate-ethics/

Awareness-raising Programs and Training for Thorough Compliance

To ensure thorough legal compliance and fair business activities, companies are required to implement ongoing awareness and training programs for employees and directors. The NTT Communications Group is actively pursuing internal awareness-raising activities through various programs including compliance training, and by conducting employee awareness surveys on corporate ethics, inviting entries for compliance slogans, and regularly providing information via the internal website.

Every year, we provide compliance training for all employees and directors. In fiscal 2023, we covered basic themes related to compliance with laws, Company rules, and social norms, such as ensuring fair competition, prohibiting bribery and excessive hospitality, and preventing harassment. We also addressed topics such as promoting fair sales activity, appropriate use of SNS, and adapting to the post-pandemic era. Attendance for the NTT Communications Group as a whole was 99.4%.

In fiscal 2024, we are continuing training on themes that address changes in the business environment, such as compliance with contracts and precautions to take when using generative AI. By enhancing content and increasing attendance, we are working to strengthen compliance management across the Group.

In light of the increasing importance of supply chain compliance, including enforcing legal compliance among subcontractors, we include a clause seeking compliance with guidelines such as the NTT Communications Corporation Guidelines for Sustainability in Supply Chain in our subcontracting agreements as part of an ongoing effort to ensure compliance across our operations, including the supply chain.

For more information on our procurement activities, see:
https://www.ntt.com/en/about-us/procurement.html

Initiatives for Preventing Corruption

To ensure compliance with the prevailing laws and regulations in Japan and overseas on preventing corruption, including bribery and bid-rigging, NTT Communications adheres to the Anti-Bribery Handbook compiled by its parent company Nippon Telegraph and Telephone Corporation, as well as its own internal rules, to prevent corruption.

We have stipulated detailed rules against bribery as well as prevention guidelines under the Global Compliance Regulations to clearly demonstrate we have proper measures in place to combat this concern, and we are determined to stringently address specific acts of bribery. As part of our Groupwide effort to prevent corruption, we follow procedures in various countries with regard to prior approval in cases where providing benefits to public officials are tolerated under law and examine the eligibility of agents and consultants hired to execute our operations. We also include prevention of corruption as a topic in our compliance training in an ongoing effort to raise awareness.

Furthermore, we are continuing to ensure fairness in operating our business by reviewing the rules on entertaining outside the Company, which was established in August 2021 in response to such factors as changes in the external environment.

Anti-competitive Behavior

NTT Communications complies with fair competition laws and regulations, such as the Antimonopoly Act, to maintain a fair competitive environment in its business activities. We specifically provide training and awareness-raising programs for employees engaged in sales activities for public organizations, covering bid-rigging, bidding practices that impair fairness, bribery, and other points to consider in public sales activities. Continuing our awareness-raising activities will draw greater attention to competition laws within the Company as we contribute to promoting fair and free market competition.

Appropriate Advertising

Telecommunication services such as the Internet and smartphones have become indispensable infrastructure for daily life and business. Moreover, these areas are undergoing rapid technological innovation in which the content, providers, contracts, and other aspects related to services used by customers are becoming increasingly sophisticated and diverse.

NTT Communications will create new value by proposing integrated solutions combining mobile, security, and managed services under the docomo business, our corporate business brand. and will provide these services to all types of customers, from large corporations to small and medium enterprises. In light of the evolution of the business environment, such as expanded service offerings and the rising number of customers, we are required to provide customers with more appropriate

information and to display advertisements in an easy-to-understand manner. To this end, NTT Communications practices established operational procedures, including an accountability system related to advertisements and a screening system for advertising. At the same time, we continuously strive to ensure the proper display of advertisements that are easy to understand by reviewing our advertising screening system and business processes in light of the docomo business.

Initiatives on AI Ethics

With regard to artificial intelligence (AI), we are now observing the rapid spread of generative AI, represented by ChatGPT, alongside practical applications in such areas as automated driving and robotics. While AI brings various benefits along with remarkable technological progress, there is the risk it may become entangled with ethical issues such as discrimination and prejudice, legal concerns such as copyrights, and other problems such as information leakage. Under the NTT Communications Group Basic Policy on AI, formulated in April 2021 with the objective of ensuring the sound and reliable use of AI founded on an understanding of its possibilities and inherent risks, we have implemented risk assessments to ensure the sound application of AI in our service management and project management processes. And in July 2023, we composed the Guidelines for the Use of Generative AI.

For more information on the NTT Communications Group Basic Policy on AI, see:
https://www.ntt.com/en/about-us/cs/principle.html

Consultation Hotline

The NTT Group has established a common contact point for all Group companies for consultation and reporting with a reception by a law firm. The NTT Communications Group has also set up its own hotline for reporting and consulting on compliance issues and a contact point for consulting on human rights issues. We are fostering an open corporate culture by creating an environment that encourages employees to seek consultation and by swiftly and appropriately responding to their concerns and reports.

In fiscal 2023, a total of 103* incidents related to the NTT Communications Group (71 related to harassment, 24 to dissatisfaction in the workplace, 2 to labor, and 28 others) were reported through the channels described above. The Compliance Office responded appropriately to the reports based on the judgment of the chairperson of the Compliance Committee, and investigated the facts and obtained third-party expert opinions as required, prior to implementing the necessary actions to prevent recurrence.

We have been widely making announcements about the reporting and consultation desk through our website and training programs while operating it in accordance with internal rules such as the Global Compliance Regulations under the revised Whistleblower Protection Act. These regulations stipulate the ability to submit reports anonymously, the necessary measures that will be implemented to ensure that whistleblowers are not treated unfairly as a result of filing a report, and that those involved in an investigation will be bound by confidentiality with regard to information contained in the report. Reporting and consultation are available in Japanese and English. In February 2024, we revised the Global Compliance Regulations to ensure proper and efficient operation of the reporting desk. We are constantly striving to improve our hotline so that it is easier to access for reporting and consultation.

* The total figure does not add up because a single report may include several incidents.

For more information on the external contact point for the NTT Group Corporate Ethics Helpline, see:
https://group.ntt/en/sustainability/governance/pdf/Help-Line.pdf

Corporate Culture for Maintaining and Improving Business Ethics

The NTT Communications Group regards integrity as a higher voluntary and proactive value that allows all of us to sincerely respond to society and stakeholders and to build trust, both as individuals and as a company. Accordingly, we are working to embody and instill integrity through measures such as compliance training.

In our corporate ethics survey for fiscal 2023, the ratio of employees responding that their workplaces have an open atmosphere was 95.8% (average positive response rate for related questions). We will continue to foster an open corporate culture to establish an integrity-based compliance infrastructure as a company that continues to be trusted and exists in harmony with society.

Continuously Upgrading the Risk Management Structure

Business Risk Management

The basic elements of risk management are defined in the Risk Management Rules we established to achieve sustainable corporate growth by anticipating and preventing the occurrence of potential risks that exist in and around our business and by minimizing any loss in the event they materialize. As a system and mechanism for effectively addressing major risks that may affect our business management, we set up the Business Risk Management Committee, chaired by the senior executive president, to construct and implement a PDCA cycle for risk management.

The heads of units and presidents of Group companies comprising the members of the Business Risk Management Committee meet twice a year to address the changing business environment by defining risks that require action, identifying material risks, and discussing issues such as initiatives for promoting risk management. In fiscal 2023, the committee focused on the current status of internal and external risks as well as their impact and scope to identify 19 items, which were also assessed according to their assumed frequency of occurrence and impact. As a result, information security was identified and addressed as a material risk for the second consecutive fiscal year. In addition, we have recently designated geopolitics as a key risk due to the need to promote and strengthen new initiatives in response to economic security legislation.

Crisis Management

Since the Great East Japan Earthquake, we have seen growing public interest in crisis management for times of emergency, such as large-scale natural disasters. With a renewed awareness of our mission as a company responsible for maintaining social infrastructure through communication, we have strengthened our management structure to accelerate our response to contingencies and have sought to instill that awareness in all departments by ensuring strict adherence to manuals and organizing drills. In the event that a material risk occurs, we will set up a Disaster Response Headquarters and other units, headed by the president or senior executive president, as needed in order to provide the structure for gathering accurate information and making effective decisions. Thereafter the Disaster Response Headquarters will take the lead in addressing the situation on the ground.

In July 2021, we established the Supply Chain BCP Guidelines to strengthen business continuity across the entire supply chain. We are working to ensure stable procurement with the cooperation of our suppliers.

Since fiscal 2013, we have laid out an operational plan to prepare against a pandemic in compliance with the Act on Special Measures for Preparedness and Response against Pandemic Influenza and New Infectious Diseases, and we are currently formulating a related concrete business continuity plan.

Furthermore, to comply with Japan's Disaster Countermeasures Basic Act and Act on Measures for Protecting Japanese Nationals in Armed Attack and Other Situations, we have established and publicly disclosed our Operational Plan for Disaster Prevention and Operational Plan for the Protection of Japanese Nationals in order to fulfill our responsibility as a designated public institution.

For more information on NTT Communications' initiatives against disaster, see:
https://www.ntt.com/about-us/cs/saitai.html
(in Japanese only)

Responding to Geopolitical and Economic Security Risks

A variety of impacts on corporate activities are anticipated amid drastic changes in the global geopolitical environment, and the Japanese government is also moving forward with economic security legislation. Considering this, we are taking actions to handle geopolitical and economic security threats as part of our business risk management, with an emphasis on comprehensive and effective efforts across the entire Group.
Specifically, we have adopted the basic stance of ensuring both employee safety and business continuity, and we are identifying issues that need to be addressed, discussing policies to address them, and developing and managing a lead organization and promotion system along with their implementation schedule for each issue.

We are responding to the amended regulations on specific user information in the Telecommunications Business Act (effective June 2023) and to our designation as a specified social infrastructure operator in the telecommunications field (in November 2023) based on the system for ensuring the stable provision of specified social infrastructure services under the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures.

Internal Controls

In accordance with the new Companies Act, enacted in May 2006 and revised in May 2015, NTT Communications has drawn up basic policies for establishing a system of internal controls for the entire NTT Group. Concurrently, as a member of the NTT DOCOMO Group, the Board of Directors resolved to implement the measures necessary for the system. We are also working to reinforce and upgrade internal controls over financial reporting in line with the requirements of the Financial Instruments and Exchange Act, enacted in June 2006.

Basic Approach for Maintaining an Internal Control System

1. In maintaining a system of internal controls for complying with laws and regulations, managing any risk from losses and carrying out proper and efficient business operations, NTT Communications takes a variety of measures to prevent and minimize loss.
2. NTT Communications has established the Internal Auditing departmentto maintain and assess effectiveness with regard to operational status of the above system of internal controls. As a monitoring organization, it is responsible for regular audits and special audits of high- risk areas common to the NTT Group, in keeping with the standardized auditing criteria of NTT. The necessary improvements are made following assessments of system effectiveness.
3. NTT Communications will cooperate with NTT DOCOMO, INC. and take appropriate measures to ensure the reliability of its system of internal controls for financial reporting under Japan's Financial Instruments and Exchange Law.
4. The president is responsible for ensuring the development and implementation of the system of internal controls.
5. We will take all necessary steps to comply with NTT DOCOMO, INC.'s Basic Policies Concerning the Maintenance of Internal Control Systems.

Internal Audits

At NTT Communications, Internal Auditing plans to achieve its goal of implementing audits that benefit management by taking the lead in conducting internal audits of internal organizations and Group companies, with an emphasis on business risks. By conducting internal auditing activities throughout the year, we seek to reduce and prevent the manifestation of management risks while also proposing operational improvements to enhance the corporate value of the entire NTT Communications Group.

In fiscal 2023, in response to the risks related to information security, geopolitical risks, and additional business structure reforms identified by the Business Risk Management Committee and other organizations, we designated information security and systems audit and NTT Group priority audit in addition to the basic audit and themed audit, which had already been conducted, as the four pillars of our internal auditing.

We are also working to enhance our audit methods and have recently added the information security field (analysis of print logs) to the target for detecting signs of inadequacy and fraud based on CAAT* in order to expand the scope of data-driven audits. We also conducted audits of eight branches nationwide and regional offices selected based on risk, as well as domestic and overseas Group companies that joined the NTT Communications Group in fiscal 2022. Moreover, we provided guidance and support for establishing internal controls to the domestic Group companies that joined the NTT Communications Group in fiscal 2023.

In fiscal 2024, we intend to become an advanced company in digital audits by further enhancing the sophistication and expanding the scope of data-driven audits and pursuing greater efficiency across the NTT Communications Group. We will also undergo external evaluations to further improve the quality of our internal audits, thereby contributing to the Group's internal controls.

* Computer-assisted audit techniques is an auditing method centered on big data analysis. Business Intelligence (BI) tools are used to visualize the results of analysis to reveal signs or trends of declining performance or fraud.

Priority Activities

Enhanced Value Chain Partnerships

Our Approach

We will manage the entire supply chain with high ethical standards by promoting and strengthening the sustainability of NTT Communications Group suppliers to ensure a reliable procurement system for our customers. To that end, we established NTT Communications Corporation Guidelines for Sustainability in Supply Chain and focus on developing mutual understanding and relationships of trust with our suppliers. At the same time, we are developing a procurement system based on the concept of sustainable procurement, which extends beyond environmental issues, with thorough consideration of humanitarian and social issues as well. We will strive to enhance our partnerships to properly understand and address the impact of our business activities on the value chain and engage in a dialogue with our stakeholders to meet the various requests and expectations from society, toward operating business on the trust of our stakeholders.

[Summary of NTT Communications Corporation Guidelines for Sustainability in Supply Chain]

Procurement Policies

1. NTT will strive to provide competitive opportunities with fairness to both domestic and foreign suppliers, and to build mutual trust and understanding.
2. NTT will conduct economically rational procurement of competitive goods and services that meet its business needs, deciding suppliers based on quality, price, delivery times and stable supply in a comprehensive manner.
3. NTT will contribute to realizing a sustainable society by doing procurement with an emphasis on human rights, the environment, safety, and other critical issues, in compliance with laws and social norms.

With the basic ideas of the previous Guidelines for CSR in Supply Chain, the new guidelines clarify the positioning of our requests to suppliers (code of conduct). The guidelines as a whole now require stronger cooperation, such as requesting primary suppliers to take responsibility for seeking compliance from upstream suppliers, establishing management systems to comply with each guideline, and taking actions such as suspending business with suppliers who do not correct violations. The content of each specific item has also been enhanced.

[NTT Communications Corporation Guidelines for Sustainability in Supply Chain] ★ Indicates the main additions and enhanced item

Content

Introduction★

Requests to Suppliers (Code of Conduct): Common Matters

1. Build management systems ★
2. Detect inappropriate activities early by building complaint processing mechanisms
3. Publicize and disclose the status of initiatives related to these guidelines

I. Human Rights and Labor

1. Prohibit forced labor ★
2. Prohibit inhumane treatment
3. Prohibit child labor and make considerations for young workers
4. Prohibit discrimination ★
5. Proper wages and allowances
6. Regulate working hours
7. Respect the right to freedom of association and collective bargaining
8. Implement human rights due diligence in the supply chain ★
9. Promotion of “Technology that is based on high ethical standards.”

II. Occupational Health and Safety

1. Occupational Safety
2. Apply safety measures for equipment and instruments
3. Promote hygiene in the workplace
4. Apply appropriate measures for occupational injuries and illnesses ★
5. Prepare for and respond to emergencies
6. Consider physical workload
7. Promote safety and hygiene in company facilities
8. Conduct health maintenance programs for employees
9. Communicate about safety and hygiene

III. Environment

1. Obtain environmental permits and report to the government
2. Manage chemical substances contained in products
3. Manage chemical substances
4. Minimize environmental pollution (wastewater, sludge, exhaust, noise, vibration, etc.)
5. Reduce energy consumption and greenhouse gas emissions ★
6. Reduce environmental burden by implementing product assessment
7. Effectively use resources and manage waste
8. Conserve biodiversity ★
9. Implement environmental investigations in the supply chain

IV. Fair Trade & Ethics

1. Prevent corruption and illegal political contributions, prohibit improperly providing or receiving benefits
2. Prohibit abuse of dominant bargaining position
3. Execute business fairly
4. Respect intellectual property
5. Appropriately manage imports and exports
6. Prevent improper acts
7. Responsibly procure minerals and carry out due diligence

V. Product Quality and Safety Product Quality and Safety

1. Ensure product safety
2. Provide accurate product and service information

VI. Information Security

1. Provide products and services that take into consideration security and privacy ★
2. Prevent the leaking of confidential information
3. Protect personal information
4. Take countermeasures against cyber attacks on one’s own company
5. Respond to security incidents ★

VII. Formulate business continuity plans

For more information on the NTT Communications Corporation Guidelines for Sustainability in Supply Chain, see:
https://www.ntt.com/content/dam/nttcom/hq/en/about-us/procurement/pdf/SustainabilityGuidelines_E_202211.pdf

Main Achievements in Fiscal 2023 and Goals for the Coming Years

In order to realize the sustainable procurement concept, we will thoroughly promote the procurement of products with minimal impact on the environment by conducting product assessments with the cooperation of suppliers. Also, we will encourage the worldwide adoption of supply chains that do not engage in the trade of conflict minerals or in any way intensify social and humanitarian problems. Under this concept, we have been continuously conducting sustainable procurement promotion surveys of our suppliers since fiscal 2016. In fiscal 2022, we also began utilizing EcoVadis*, a global rating organization. In fiscal 2023, we introduced the collaborative self-risk assessment questionnaire (SAQ) for sustainable procurement, in collaboration with three telecommunications companies (KDDI, SoftBank, and NTT), and conducted a SAQ survey at about 170 suppliers that cover 90% of the NTT Group's total procurement. NTT Communications was in charge of 14 of the above companies and collected 100% of their responses to identify a variety of risks. We are also strengthening our engagement with suppliers through meetings in which we exchange opinions.

In fiscal 2024, we will continue to build on the supplier surveys while simultaneously taking steps to promote the exchange of opinions with suppliers and increase information disclosure. We will also continue to provide supplier information to EcoVadis.

Furthermore, we are engaged in multifaceted activities with a primary focus on continuous customer satisfaction surveys as our main measure for continuously improving customer satisfaction. In the voice of customer (VOC) survey, the process enables us to respond to survey results by identifying priority issues from the customer perspective and quickly improving these issues, which we continue to do.

In fiscal 2024, we will assign a chief customer experience officer (CCXO) to strengthen our system for improving customer experience (CX) across the entire Company and strive to provide value that will further satisfy our customers.

* An organization that evaluates supply chain sustainability. Providing platforms for evaluating the sustainability of companies related to policy, measures, and achievements, EcoVadis conducts surveys and evaluations of suppliers in 175 countries and 200 industries from the perspective of four areas: the environment, labor conditions, business activities, and the supply chain.

Risks and Opportunities

We are taking initiatives in procurement with the understanding that environmental issues, such as climate change, as well as social change present both business risks and opportunities.

We recognize that rising greenhouse gas emissions is an environmental risk. As climate change is recognized as an important global issue, the NTT Communications Group has set a goal of achieving net-zero by fiscal 2040 (Scopes 1, 2, and 3). To this end, we confirm compliance with the Supply Chain Sustainability Promotion Guidelines before entering into any contract and have been promoting the use of ICP since September 2022 to reduce greenhouse gas emissions throughout the supply chain, including those of our suppliers. We also conduct direct discussions with key suppliers.

In terms of social risks, we believe that the occurrence of human rights violations such as forced labor and child labor, as well as the introduction of new laws and regulations or their strengthening, could increase our cost burden and affect the business performance and financial position of the NTT Group as a whole.

As for opportunities, supplier compliance with the guidelines will encourage them to reduce their greenhouse gas emissions, which will lead to reductions in our greenhouse gas emissions and in turn enhance our corporate value through ESG management.

We recognize that realizing a sustainable society depends upon collaborating with suppliers as well as our own efforts. We will therefore continue to improve the evaluation and understanding of our stakeholders, including investors, through direct discussions with

our key suppliers and disclosing information about the processes and results of these talks.

Collaboration with Suppliers to Ensure Sustainability Procurement and Green Procurement

Dissemination of Sustainable and Green Procurement

We have formulated the NTT Communications Corporation Guidelines for Sustainability in Supply Chain, which encourage procurement policies for respecting human rights and protecting the environment, ensure the quality and safety of products and services, and recognize the overall needs of society. When selecting and entering into agreements with new business partners, we have designated our own sustainability compliance items, in addition to credit screening criteria, which include confirming corporate initiatives on human rights and labor issues. When we determine that a company has failed to meet our criteria and thus represents a risk, we do not trade with them.

To promote sustainable procurement, we conduct SAQs using EcoVadis, a global rating organization, and also hold meetings to exchange ideas on details and confirm that there are no risks.

While the target has been set to engages in direct dialogue with 40 supplier companies across the NTT Group each year, NTT Communications held direct dialogues with five key suppliers in fiscal 2023, continuing on from the first time this was done in fiscal 2022 . In the course of developing mutual understanding and trust, we exchange views on human rights, the environment, information security, and other issues to promote further initiatives across the supply chain. Looking ahead, we will continue to work with our suppliers to promote sustainable procurement.

For more information on the NTT Communications Corporation Guidelines for Sustainability in Supply Chain, see:
https://www.ntt.com/content/dam/nttcom/hq/en/about-us/procurement/pdf/SustainabilityGuidelines_E_202211.pdf

P.050 For more information on green procurement, see: Contributions to the Global Environment.

Developing Procurement Professionals

In maintaining sound management throughout the NTT Communications Group, we uphold our Sustainability Policy to thoroughly establish and enhance our awareness of sustainability through efforts that also involve suppliers. We encourage our employees to obtain the Certified Procurement Professional (CPP) qualification, designated by the Japan Management Association, so they can have specialized knowledge in purchasing and procurement. As of the end of fiscal 2023, a total of 65 employees have been certified (Grade A: 27, Grade B: 38), excluding those certified while working in other organizations. Looking ahead, we will continue nurturing human resources in each area to practice sustainable and responsible procurement.

The Procurement and Billing Department has also acquired ISO 14001 certification and engages in environmental protection. Every fiscal year, employees responsible for activities as core members are required to participate in ISO 14001 internal auditor training, and four employees took part in fiscal 2023. We also encourage the acquisition of environmental qualifications, and two employees have passed the Certification Test for Environmental Specialists (Eco Test). As in the past, we also provided video training in fiscal 2023 on the outline of ISO 14001 and our environmental protection activities as an organization so that all employees in the department can actively participate in protecting the environment.

UK Modern Slavery Act Statement

The NTT Communications Group had been disclosing its statement on slave labor and human trafficking in accordance with the UK Modern Slavery Act 2015. Due to the closure of our London branch on March 31, 2021, the Group is no longer subject to the disclosure of statements under this act. However, we will continue to build honest and sustainable relationships with a wide range of suppliers in Japan and overseas, procure quality services and products in an economical and timely manner, cooperate with suppliers to prevent slave labor and human trafficking, and continue to promote and strengthen our activities based on the Guiding Principles on Business and Human Rights.

P.123 For more information on human rights efforts in the value chain, see: Governance.

Response to Conflict Minerals

The NTT Communications Group will promote initiatives to refrain from using conflict minerals under the NTT Communications Corporation Guidelines for Sustainability in Supply Chain and will conduct procurement activities in accordance with the guidelines. The response to conflict minerals by major suppliers is confirmed by conducting a questionnaire survey aimed at checking the operational status of the NTT Communications Corporation Guidelines for Sustainability in Supply Chain.

Disclosure of Supply Chain through EcoVadis

Rising public expectations for sustainability activities that also encompass the supply chain have increased the importance of companies knowing the status of their suppliers' sustainability activities and disclosing that information to clients. Since fiscal 2016, we have registered supply chain information with EcoVadis. We have also been proactively disclosing information to our clients and to companies considering doing business with us. As a result, we received a Bronze rating in 2024. Our stance on the environment in particular was highly evaluated for setting quantitative targets for multiple related issues. We will continue to work to improve our sustainability performance in the areas of the environment, fair labor and human rights, ethics, and sustainable procurement.

Environmental Protection Activities as a Procurement Organization

The Procurement and Billing Department has been ISO 14001 certified since October 1999, and the scope of certification was expanded in fiscal 2022 to include the Billing Service section, which is responsible for billing and collection of Companywide charges, to create an environmentally sound society in a shared effort by the entire Procurement and Billing Department. We also engage in environmental protection by appropriately operating their environmental management system. In addition to setting and managing environmental targets as KPIs in line with our business operations, we have expressed our support for COOLCHOICE*, soliciting and selecting activities from all members, and proactively engaging in environmental protection activities that can be easily undertaken by everyone in the department, such as recycling pull tabs and participating in woodland preservation projects in Shiroi Kankyo Juku, candle night events, and Kodomo Mirai (Children's Future) used book donations.

* The Ministry of the Environment's national campaign to combat global warming

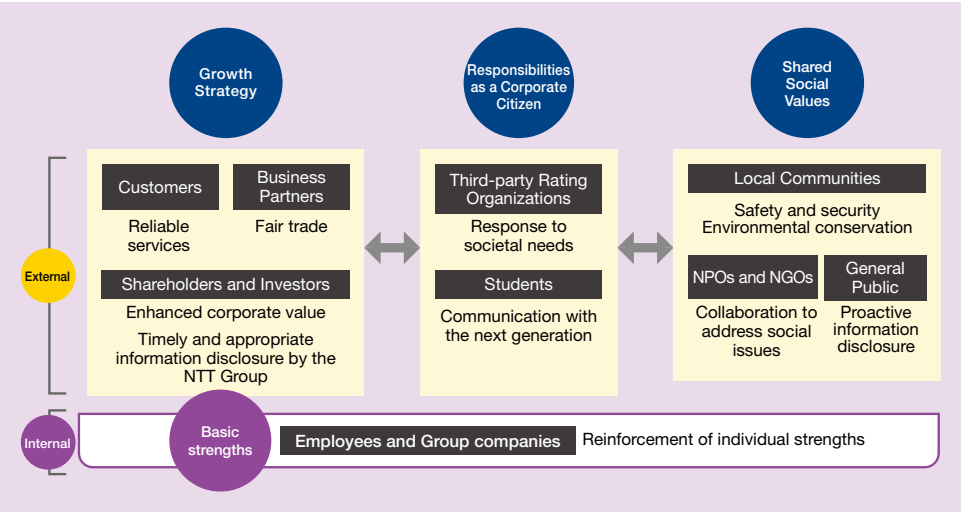
P.050 For more information, see: "Acquiring ISO 14001 Certification" in this report.

Enhance Stakeholder Engagement

Our Approach to Stakeholder Engagement

Building and enhancing stakeholder relationships are extremely important for the NTT Communications Group toward becoming a corporate group that creates the future and maintaining business operations. In a renewed effort to improve stakeholder engagement by disclosing information on sustainability, we have categorized our disclosure from the perspectives of required information, information that should be shared, and communication media. In addition to this report, we will engage with our stakeholders through our website, various events, and surveys.

[NTT Communications Stakeholders]



[Dialogue with Stakeholders and Major Topics]

Stakeholder		Opportunities for Engagement	Main Themes
Customers	We gather feedback through such means as customer satisfaction (CS) surveys and take steps to improve satisfaction levels.	• Voice of customer (VOC) survey, CS surveys • Exchange of opinions at the docomo business Forum • Exchange of opinions based on daily interaction with customers	• Improving quality in products and services • Consideration of new products and services • Continuous improvement in customer service
Business Partners	We constantly exchange opinions to raise customer satisfaction and establish sustainability throughout the supply chain.	• Supplier due diligence • Surveys, daily exchange of opinions	• Improving quality in products and services • Consideration and co-creation of new products and services • Ensuring fair business practices • Ensuring sustainable procurement and respect for human rights
Society at Large	We create opportunities for engaging with diverse stakeholders in society to understand the issues and current status.	• Dialogue with stakeholders • Exchange of opinions with NPOs, NGOs • Social contribution activities • Environmental protection activities	• Contributing to the development of a sustainable society • Participation in social contribution and community activities • Harmony with local communities • Responsibility as a corporate citizen
Employees	We consistently incorporate employees' opinions to ensure effective employment and sustain employee motivation.	• Comments from executives during dialogue meetings and lectures • e-learning programs and questionnaires • Feedback collected through the corporate website and helpline • KAIZEN Support Line • Employee satisfaction surveys	• Instilling the corporate vision and philosophy • Instilling the Sustainability Policy • Self-development and creation of customer value • Realization of job satisfaction • Autonomous career development and personal growth

● Initiatives to Improve CX

In order to remain the service provider of choice for customers around the world, daily contact with customers cannot be limited to sales personnel. All employees consider customer interaction as a top priority and make every effort to increase customer satisfaction through innovative services and daily improvement efforts. One such initiative is the annual VOC survey on customer satisfaction. We take the comments seriously and are working diligently to make improvements.

Our fiscal 2023 VOC survey was conducted to understand customer implementation status and required support for generative AI, in addition to the level of overall satisfaction with NTT Communications as well as its service and sales activities. We conducted a detailed analysis of survey results by customer attribute to gain a more detailed understanding of focused DX areas, and we incorporated the learnings into service development.

Looking ahead, we will continue to pay close attention to what our customers have to say as we strive to make permanent improvements to ensure their satisfaction.

Guidelines for Diverse Business Activities

Society has entrusted us with diverse responsibilities to fulfill through our operations, from developing products and services that address social issues to protecting the environment and fostering a corporate culture that respects fairness and diversity. We encourage strict adherence to various guidelines in our corporate activities in order to continue fulfilling our social mission in each of the Priority Areas defined under our Sustainability Policy.

[Examples of Policies and Guidelines for Sustainability Priority Areas and Priority Activities]

Sustainability Priority Areas and Priority Activities		Policies and Guidelines	Page in Report
Society	Promotion of DX to connect society with the future Promotion of innovations that break through limits	Our Mission	030 034
	ICT transformation	NTT Communications Three Disaster Policy Fundamentals	036
	Promotion of corporate citizenship	Social Action Principles	041
Social Action Principles	Promotion of a decarbonized society Development of a closed-loop society	Global Environmental Charter	045
		Environmental Statement	045
		New Eco Strategy	045
		Biodiversity Action Plan	072
Human Resources	Promotion of Diversity, Equity, and Inclusion	Promotion of Diversity Fundamental Policy	097
	Respect for human rights	Basic Policy on Human Rights Education	108
Governance	Thorough compliance and risk management	Basic Approach for Maintaining an Internal Control System	121
	Enhanced value chain partnerships	NTT Communications Corporation Guidelines for Sustainability in Supply Chain	122
	Continuously strengthening information security	NTT Communications Security Declaration	129

Priority Activities

Continuously Strengthening Information Security

Our Approach

We are committed to continuously strengthening cybersecurity measures and promoting security governance to enhance the cyber resilience of our ICT infrastructure and ensure information security, including the protection of customer personal information, in response to societal change, advancements in digitalization, and the increasing sophistication and severity of security threats such as cyberattacks.

By adhering to the ISO/IEC 27001 international standard for information security management systems, we conduct information security audits and implement comprehensive cybersecurity measures. We also focus on training our employees as ICT professionals and developing security specialists.

The NTT Communications Group, responsible for the corporate business of the DOCOMO Group, has positioned compliance and security as critical for conducting the docomo business and is dedicated to enhancing its capacity to effectively respond to security risks.

Main Achievements in Fiscal 2023 and Goals for the Coming Years

The NTT Communications Group has set a goal of zero serious incidents. In fiscal 2023, we achieved our goal by promoting the introduction of security tools such as Endpoint Detection and Response (EDR) and Network Detection and Response (NDR), automating and streamlining security operations, improving IT governance by centralizing ITOT asset management, and conducting security checks on systems that handle important information such as customers' personal information. In fiscal 2024, we will remain committed to strengthening different measures to achieve our goal.

Governance

The NTT Communications Group established the Security Committee, chaired by the chief information security officer (CISO), to ensure information security governance. The committee examines information security measures, formulates and reviews related regulations, and conducts activities by department and Groupwide.

Risk Management

The NTT Communications Group implements risk management at both the organizational level and the individual system level.

At the organizational level, the CISO and the senior vice president of the Information Security Division assess cross-sectional risks throughout the entire organization and in accordance with business characteristics and formulate action plans based on the priority of measures, thereby ensuring their efficient implementation.

At the system level, we conduct risk assessments and implement information security measures for each in-house system used and managed by the Company and Group companies, and conduct risk management in line with the system development lifecycle.

Strategy

The NTT Communications Group is committed to security that contributes to the business of our customers and partners as well as to the country and society on the whole.

Policy for Initiatives

- Security policies and measures are formulated based on information security considerations in accordance with related standards. such as ISO and NIST documents.
- As a security-by-design approach, information security measures are never treated as afterthoughts; they are considered at every stage of the system development lifecycle. A “shift left” approach is adopted to consider and incorporate security measures from an upstream perspective, such as the design stage of business processes and systems. In this way, we utilize basic information security measures that correspond to the concepts of zero trust security and multilayer defense, as well as an increasingly pervasive cloud environment.
- Information security measures are designed to balance risks and information security measures according to business objectives, with consideration for usability that does not impose excessive burdens on end users and operation managers. The measures are also designed with an emphasis on mobility in response to the recent demand for remote work environment, supporting productivity and employee challenges to boost security as the driving force.

Representative Initiatives

Based on this policy, we are building and monitoring an IT/security environment to prevent the leakage of critical information to NTT Communications Group companies, suppliers, and other supply chain companies. We have also established a support system within the Information Security Division to promote these initiatives.

To strengthen the overall organizational capabilities of the information security line, we will further promote DX (automation, efficiency, and sophistication) in security operations and expand our cyberattack prevention initiatives.

KPIs and Targets

The NTT Group has set a common goal of zero serious security incidents. To achieve this, NTT Communications sets and monitors internal KPIs such as the number of incidents and the status of response to external threats (e.g., blocking malicious emails, addressing OS/application vulnerabilities) and reports monthly to management.

P.020 For more information, see: “KPIs, Targets, and Outcome of Activities” in this report.

Priority Activities Continuously Strengthening Information Security

Ensuring Information Security

● Basic Policy

NTT Communications regards raising security awareness in the workplace, including among all executives, employees, and partner employees, as a crucial responsibility of an ICT company. The NTT Communications Security Declaration has been our basic policy for conducting business based on our belief that adhering to strict security management standards will lead to improving security and delivering benefit to our customers.

NTT Communications Security Declaration

At NTT Communications, we believe that our most important mission is to provide our customers with services which they can use with the assurance that their critical information is being protected and to contribute to improving the security of our customers. We view security as the single most important issue to be addressed in providing services, and we pledge to work together with our customers to provide the best in security for their needs. To achieve this end, we do our utmost to ensure security throughout all aspects of the value chain, from the development of technologies and services to the construction and operation of systems.

As ICT professionals, all of us at NTT Communications are committed to improving our capabilities to respond to security issues.

Three Resolutions

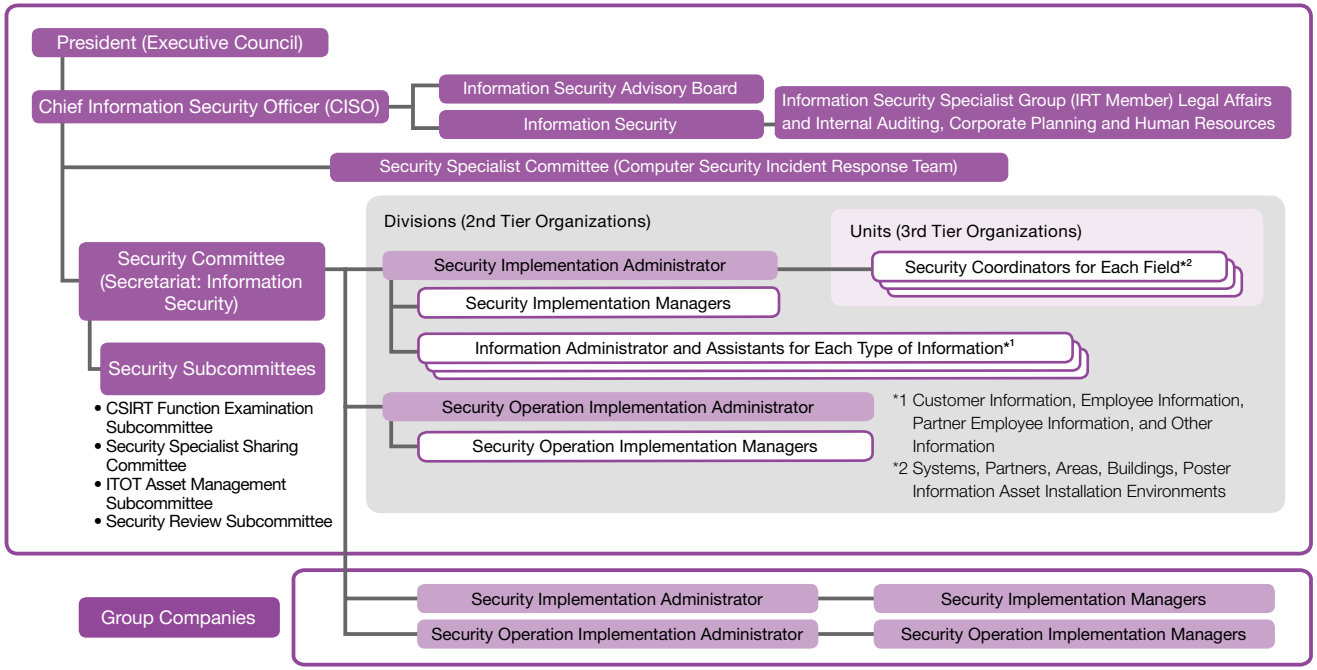
1. **We regard security as our top priority in providing services to our customers, and we will do our utmost to enhance their security.**
2. **As an ICT solution partner entrusted with our customers’ vital information, we will work with them at all times to ensure their security.**
3. **Business partners and contract employees are also important supporting members of NTT Communications. We will therefore collectively strive to ensure our own security.**

Information Security Governance Structure

The NTT Communications Group has established a system for ensuring information security governance by appointing a CISO and assigning a security management officer to each company and organization, and defining their roles, responsibilities, and functions. We implement the following measures under the leadership of the CISO: formulate rules and standards and educate all employees to raise their awareness, draw up and implement Companywide information security policies, monitor compliance with information security regulations and take any necessary corrective action, and ensure a unified response to information security incidents.

We have established the Security Committee, which has been expanding activities across the entire Group, including determining security measures based on regulations, formulating and reviewing regulations to improve service quality, reviewing business processes, sharing information on vulnerabilities, and taking emergency action to prevent unauthorized access and responding should it occur.

[Security Management Framework]



Information Security Risk Assessment and Management Process

The NTT Communications Group maintains many systems that handle important and highly confidential information, such as customer information, and therefore conducts risk management both at the organizational level and the individual system level.

For risk management at the organizational level, the CISO and the senior vice president of the Information Security Division assess cross-sectional, information security risks throughout the entire organization and in accordance with business characteristics, and formulate action plans based on the priority of measures, thereby ensuring their efficient implementation. We conduct the risk assessments at least once a year to identify gaps against targets, determine risk response criteria, and formulate and implement response plans.

For risk management at the system level, we conduct risk assessments and implement information security measures for each in-house system used and managed by the Company and our Group companies. We also conduct risk management in line with the system development lifecycle.

Appropriate Management of Personal Information

Protection of Customer Information and Personal Information

We protect customer personal information in compliance with the relevant laws and regulations as well as guidelines published by the Ministry of Internal Affairs and Communications, operating under an effective system of information management to stringently implement our Personal Information Management Rules , which define the basic elements of protecting customer information and personal data. When subcontracting the handling of customer personal information, we select subcontractors that meet the required standards.

We have been operating since 2002 under the ISMS certification*1, which is primarily for our corporate sales and maintenance divisions, and since 2004 under the PrivacyMark certification*2. These certifications are reviewed for renewal every two years and have been registered to date.

As of March 2024, 10 Group companies in Japan have been operating under the ISMS certification and 7 companies that mainly handle customers' personal information have been operating under the PrivacyMark certification.

In response to the revised Personal Information Protection Law that came into effect in April 2022, we have revised our internal regulations to strengthen our operations, including lifecycle management of customer information. With regard to raising employee awareness, we are taking actions such as conducting annual training sessions for all directors, employees, and partner employees. With regard to GDPR, we had been operating under the EU Customer Personal Information Management Guidelines, which stipulate the handling of personal information in the EU. In addition, in fiscal 2022, we took the opportunity of becoming a member of the new DOCOMO Group to introduce the Privacy Impact Assessment System (PIA System) to ensure appropriate use of personal data based on the Behavioral Principles of the NTT DOCOMO Personal Data Charter. We will continue to protect customer privacy and promote the appropriate use of data so they can use our services without concern.

*1 A screening and certification system for assessing whether an information security management system conforms to JIS Q 27001 (ISO/IEC 27001) standards.
*2 A registered trademark granted for use by companies that have been certified by the Japan Information Processing Development Corporation as having established a system for appropriately protecting personal information in compliance with Japanese Industrial Standard JIS Q 15001 requirements for personal information management systems.

For more information on our policy concerning the handling of personal information, see:
https://www.ntt.com/en/about-us/hp/privacy.html

For more information on the NTT DOCOMO Personal Data Charter, see:
https://www.docomo.ne.jp/english/utility/personal_data/charter/

● Raising Workplace Awareness and Providing Thorough Training

We are actively working to ensure that employees understand our information security policies and the appropriate handling of information and to raise awareness of compliance and security against internal fraud. To this end, we provide Companywide training in information security and handling targeted attack emails as well as for security managers and staff.

In fiscal 2023, in light of recent security trends, we also conducted practical training for management that included the handling of ransomware attacks for the heads of organizations.

We intend to further improve the security awareness and literacy of every employee through training and information dissemination that incorporate internal and external trends and case studies.

[Information Security Training Attendance]

Type of Training	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Information security training (total)	11,641	16,449	19,783	22,994	23,611
Companywide security training and assessment of understanding	11,527	16,291	19,588	22,819	23,611
Training for managers and leaders in charge of implementing security management	114	158	195	175	—*

*Jointly held in 2024

Independent Assurance Statement

SUSA
Sustainability Accounting Co.,Ltd.

Independent Assurance Statement

December 5, 2024

Mr. Katsushige Kojima
Representative Member of the Board, President & CEO
NTT Communications Corporation

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by NTT Communications Corporation ("the Company") to provide limited assurance on the Company's performance indicators for the fiscal year 2023, which indicate 10.5 % for the percentage of female employees in managerial positions (Non-consolidated including seconded employees, as of April 1, 2024), 30 % for the percentage of female employees appointed as new managers (Non-consolidated, as of April 1, 2024), 12.9 % for female executive ratio (Non-consolidated, as of March 31, 2024), 116 % for the percentage of male employees taking leave for childcare (Non-consolidated including seconded employees), 4.90 % (Non-consolidated) for the ratio of employees with disabilities (as of June 1, 2024), 59 % for the employee engagement rate (NTT Communications Group※), GHG emissions: 1.0 ten thousand t-CO_2e for Scope1, 8.6 ten thousand t-CO_2 for Scope2 (market-based), 20.5 ten thousand t-CO_2 for Scope2 (location-based) and 221 ten thousand t-CO_2e for Scope3 (Categories 1,2,3,4,5,6,7,11,12,13), 2.6 hundred million kWh (56 %) for the consumption and rate of electricity derived from renewable energy source, 23.9 kt for the total waste generated and 42.2 ten thousand m^3 for the total water used (collectively, "the Performance Indicators"). The purpose of this process is to express our conclusion on whether the Performance Indicators were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Performance Indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

※NTT Communications Corporation, NTT Com Engineering Corporation, NTT Com CHEO Corporation, and DOCOMO Business Solutions, Inc.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Performance Indicators were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Performance Indicators have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director, Sustainability Accounting Co., Ltd.

Corporate Overview (as of September 30, 2024)

Company Name	NTT Communications Corporation
Headquarters	Otemachi Place West Tower 2-3-1 Otemachi, Chiyoda-ku, Tokyo 100-8019, Japan
Date Established	July 1, 1999
Paid-in Capital	230.9 billion yen
Operating Revenues*1	1,119.7 billion yen
Operating Income*1	96.4 billion yen
Number of Employees	9,050 (NTT Communications Group: 17,200)*2
Business	ICT services and solutions business, international telecommunications business, and related business

*1 Results for FY2023 (NTT Communications Corporation)
*2 As of June 2024

Group Companies (as of September 30, 2024)

- NTT Com Engineering Corporation
- NTT Com Online Marketing Solutions Corporation
- NTT Com CHEO Corporation
- NTT Com DD Corporation
- NTT Smart Trade Inc.
- NTT PC Communications, Inc.
- NTT World Engineering Marine Corporation
- COMWARE Financial Systems Corporation
- DOCOMO Business Solutions, Inc.
- N. F. Laboratories, Inc.
- NTT BizLink, Inc.
- codeTakt Inc.
- DOCOMO gacco, Inc.
- Phone Appli Inc.
- NTT Com Asia Limited
- NTT Communications China Co., Ltd.
- Shanghai NTT Telecommunications Engineering Co., Ltd.
- Mobile Innovation Co., Ltd.

External Recognition and Awards

- Certified “Bronze” in the 2024 sustainability assessment by France-based EcoVadis



- Received seven awards, including the Overall Grand Prize for Nexcenter and the Runner-up Grand Prize for BConnection Digital Trade in the 17th ASPIC Cloud Awards 2023, held in November 2023



Business Domains

NTT Communications provides a wide range of ICT services, including networks, cloud, data centers, applications, security, and AI, leveraging the high-quality infrastructure and technologies unique to a telecommunications carrier.

As the core company responsible for the corporate business of the NTT DOCOMO Group, we drive value through 5G, IoT, and other advanced technologies under the docomo business brand by enabling structural transformation in society and industry globally, fostering new workstyles, and supporting DX in local communities.

[NTT Communications Business Domains]

Services and Solutions	Cloud and Data Center	5G	Network and Mobile
Telephone and Visual Communication	Operational Management	Security	IoT
AI	Data Utilization	Business Support and Marketing	Disaster Countermeasures

Editorial Policy

About this Edition

As the expectations and requirements of stakeholders become increasingly diverse and complex, NTT Communications consistently pursues initiatives for sustainability. With this in mind, we introduce readers of this edition to a series of our future visions, illustrated with concrete examples, that are at the core of our stance to continuously provide solutions for social problems. The first half of the report presents the future direction of NTT Communications and examples of solutions addressing social issues, followed by the results of our activities in the four Priority Area in fiscal 2023.

Scope of the Report

This report covers the activities of NTT Communications Corporation and the following Group companies* as of fiscal 2023, unless otherwise indicated.

* Eighteen Group companies (NTT Com Engineering Corporation, NTT Com Online Marketing Solutions Corporation, NTT Com CHEO Corporation, NTT Com DD Corporation, NTT Smart Trade Inc., NTT PC Communications, Inc., NTT World Engineering Marine Corporation, COMWARE Financial Systems Corporation, DOCOMO Business Solutions, Inc., N. F. Laboratories, Inc., NTT BizLink, Inc., codeTakt Inc., DOCOMO gacco, Inc., Phone Appli Inc., NTT Com Asia Limited, NTT Communications China Co., LTD, Mobile Innovation Co., Ltd., Shanghai NTT Telecommunications Engineering Co., Ltd.)

Period Covered

Fiscal 2023: April 1, 2023 to March 31, 2024
(Also contains information on activities conducted before or after this period)

Issue Date Information

This report: December 2024
(Previous report: November 2023; next report: scheduled for December 2025)

Reference Guidelines

GRI Sustainability Reporting Standards 2016/2018/2019/2020/2021
Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures
Final Report: Recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)
SASB Standards
Environmental Reporting Guidelines 2018, Ministry of the Environment
Environmental Accounting Guidelines 2005, Ministry of the Environment
ISO 26000:2010 Guidelines on Social Responsibility

Inquiries

Sustainability Promotion Office, Human Resources, NTT Communications Corporation

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Reporting Media

Sustainability Website



We provide information on the NTT Communications Group's sustainability activities.
The site serves as a platform for information about sustainability while also supplementing the Sustainability Report. Information is periodically updated.

Sustainability website
https://www.ntt.com/en/about-us/csr.html

Sustainability Report



Published annually since fiscal 2003 as a tool for conveying and developing a systematic understanding of the NTT Communications Group's approach to sustainability.

Download the Sustainability Report and view previous reports at:
https://www.ntt.com/en/about-us/csr/pdf/download.html