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## Corporate Governance Report

**Last Update: August 6, 2021**

**Nippon Telegraph and Telephone Corporation**

**Representative: Jun Sawada, President and Chief Executive Officer**

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**Securities Code: 9432**

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

The corporate governance of Nippon Telegraph and Telephone Corporation (the “Company” or “NTT”) is described below.

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

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

NTT Group, in order to “continue providing reliable and safe services, and to continue being of use as a company that will continue to be trusted by everyone” on the foundation of the confidence and performance that has sustained the development of telecommunications in Japan for over 100 years and on a world-leading research and development capacity, will aggressively develop businesses that meet diversifying and expanding ICT needs, will always obtain high levels of trust from customers and shareholders, and will target continuous development as it fulfills the legal obligations and social missions required of each of its businesses in the midst of severely competitive environments.

Under this basic policy, NTT Group formulated and announced its new “Your Value Partner 2025” Medium-Term Management Strategy, with the aim of working together with all its partners to promote initiatives to resolve social issues in its role as “Your Value Partner” in November 2018.

As the holding company of NTT Group, NTT believes that raising the effectiveness of corporate governance is an important management issue for meeting the expectations of various stakeholders, including shareholders and other investors, as well as customers, business partners, and employees, and for maximizing corporate value. Accordingly, NTT is working to strengthen corporate governance based on the purpose of the principles of the Corporate Governance Code. Based on NTT’s “Your Value Partner 2025” Medium-Term Management Strategy in order to work together with all its partners to promote initiatives to resolve social issues in its role as “Your Value Partner,” NTT will work towards: (1) ensuring sound management; (2) executing appropriate decision-making and business activities; (3) clarifying accountability; and (4) maintaining thorough compliance as basic policies.

##### (1) Ensuring sound management

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

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

Decisions at NTT are made based on “responsibility regulations” setting forth the responsibilities and authorities for the president, the senior executive vice presidents, senior vice presidents and the officers of each organization under the supervision of the Board of Directors. Furthermore, in order to convene

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

(3) Clarifying accountability

NTT is making efforts to disclose information in an appropriate, fair and timely manner, as it considers receiving the appropriate market ratings with respect to this area as important. Therefore, NTT strives to clarify accountability through various channels; NTT hosts presentations of financial results conducted by related officers, including the president, explains matters such as NTT Group’s business progress and trends via a variety of press conferences and press releases, and swiftly discloses information via NTT’s website.

(4) Maintaining thorough compliance

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

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

NTT Group has implemented all principles of the Corporate Governance Code.

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

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

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

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

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

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

In terms of the composition of NTT’s Board of Directors, the nomination of executives is based on the “NTT Group Personnel Policy,” and personnel with the skills to resolve issues recognized by NTT Group are nominated broadly from inside and outside of the Group. Outside Members of the Board and outside Audit & Supervisory Board Members are elected with the expectation that they can provide opinions based on a broad management perspective or as an expert. Furthermore, both non-outside and outside Members of the Board are elected in line with NTT Group’s promotion of diversity. The Board of Directors consists of eight directors, including four independent outside directors (one of whom is a woman), and the ratio of outside directors is 50%. Furthermore, appointments and dismissals of Members of the Board are made upon deliberation by the Appointment and Compensation Committee, which consists of five Members of the Board, including three outside independent Members of the Board. In addition, pursuant to applicable law (Article 10(1) of the Act on Nippon Telegraph and Telephone Corporation, etc.), NTT is not permitted to appoint non-Japanese Members of the Board.

#### NTT Group Personnel Policy

##### [Basic Policy]

NTT Group strives to contribute to the resolution of social issues and the realization of a safer, more secure, and more affluent society. To accomplish this goal, the Group acts as a trusted “Your Value Partner” that customers continue to select in order to provide them with new value on a global basis. NTT has established the policy of positioning individuals that share these ideals in the upper ranks of NTT Group’s management, and NTT is electing such individuals from both inside and outside the Group.

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

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

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

[Nomination of Candidates for Audit & Supervisory Board Members]

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

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

With regard to the nomination of Members of the Board, NTT has established the Appointment and Compensation Committee, which consists of five Members of the Board including three outside independent Members of the Board. The committee discusses candidates and then makes proposals to be approved by the Board of Directors and presented for voting at the General Meeting of Shareholders.

With regard to the nomination of Audit & Supervisory Board Members, nomination involves Members of the Board proposing Audit & Supervisory Board Member candidates based on the nomination policy described above. These proposals are then discussed by the Audit & Supervisory Board, which consists of half or more of outside independent Audit & Supervisory Board Members, and consent is granted if appropriate. The candidates are then approved by the Board of Directors and presented for voting at the General Meeting of Shareholders.

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

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

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

Note: Up to five fields in which expectations for individual Members of the Board/Audit & Supervisory Board Members are particularly high are listed.

The above table is not an exhaustive list of the knowledge and experience possessed by each Member of the Board or Audit & Supervisory Board Member.

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

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

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

Members of the Board and Audit & Supervisory Board Members execute the work necessary to fulfill their roles and responsibilities, and the number of the significant concurrent positions held by Members of the Board and Audit & Supervisory Board Members is considered to be within a reasonable range. For details relating to the status of significant concurrent positions held by Members of the Board and Audit & Supervisory Board Members, see pages 47 through 48 of the “Notice of Convocation of the 36th Ordinary General Meeting of Shareholders.” ([https://group.ntt/en/ir/shares/shareholders\\_meeting/pdf/shmeeting36\\_1.pdf](https://group.ntt/en/ir/shares/shareholders_meeting/pdf/shmeeting36_1.pdf)).

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

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

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

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

In the fiscal year under review, due in part to the introduction of an executive officer system and the election of executive officers by group companies, there was an increase in the proportion of resolutions related to corporate governance in particular. Furthermore, in addition to the advance explanations for outside independent Members of the Board of matters discussed at meetings of the Board of Directors, in the fiscal year ended March 31, 2021, explanations of matters such as issues of immediate concern and the status of considerations were also given by Representative Members of the Board after meetings of the Board of Directors. By striving to clarify the focus of execution of duties and the purpose of such initiatives, we are working to strengthen the supervisory function of the Board of Directors.

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

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

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

In addition, NTT implements an annual evaluation of the effectiveness of the Board of Directors for the purpose of strengthening the governance of senior management through the continuous improvement of the

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

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

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

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

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

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

■ Full Disclosure (Principle 3-1)

(1) Please see "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report. Furthermore, see NTT's website (<https://group.ntt/en/ir/mgt/managementstrategy/>) for details about the medium-term management strategy, which is described therein.

(2) Please see "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

(3) Please see "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" under "Director Remuneration" in "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" in this report.

(4) Please see "Composition of the Board of Directors, Nomination Procedures of Directors, etc. (Supplementary Principle 4-11-1)" of "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

(5) Since the fiscal year ended March 31, 2016, reasons for individual nominations and appointments when Member of the Board and Audit & Supervisory Board Member candidates are appointed have been explained in General Meeting of Shareholders reference documents. Please see pages 8 through 15 of the "Notice of Convocation of the 34th Ordinary General Meeting of Shareholders" ([https://group.ntt/en/ir/shares/shareholders\\_meeting/pdf/shmeeting34\\_1.pdf](https://group.ntt/en/ir/shares/shareholders_meeting/pdf/shmeeting34_1.pdf)) and pages 6 through 13 of the "Notice of Convocation of the 35th Ordinary General Meeting of Shareholders" ([https://group.ntt/en/ir/shares/shareholders\\_meeting/pdf/shmeeting35\\_1.pdf](https://group.ntt/en/ir/shares/shareholders_meeting/pdf/shmeeting35_1.pdf)).

■ Cross-Shareholdings (Principle 1-4)

NTT does not hold any shares to create stable shareholders, and has no plans to hold them in the future. On the other hand, NTT's business policy is to promote open innovation and collaboration with partners in a

variety of industries with the aim of enhancing corporate value over the medium to long term. Based on this policy, NTT verifies whether an individual holding will contribute to medium- to long-term enhancements in corporate value and holds or sells shares accordingly. Among the comprehensive list of factors taken into consideration are the contribution to the medium- to long-term results of NTT, the progress of business collaborations, future considerations concerning business collaborations, trends in performance at investment targets and future business strategies of NTT. We apply the same policy to the strategic shareholdings of our Group companies, verifying every year whether individual holdings are appropriate, and taking steps to sell or take other actions accordingly.

The status of NTT's holdings of such shares is as described below:

<u>Company Name</u>	<u>Number of Shares</u>	<u>Balance Sheet Value</u> (millions of yen)	<u>Purpose of Holding</u>	<u>Determination of Holding Necessity</u>
KADOKAWA CORPORATION	2,040,000	Fiscal year ended March 31, 2020: 2,781 Fiscal year ended March 31, 2021: 8,761	Mainly strengthening business collaboration in the field of research and development for video and social media services	Comprehensively taking into account NTT Group's aim of expanding the usage area of NTT Group's technology, including through demonstration experiments of a variety of advanced technologies, the contribution to medium- to long-term business results resulting from the evolution of services that utilize them, as well as the company's business results and future management strategies, NTT Group will continue holding their shares.
Tokyo Century Corporation	12,302,800	Fiscal year ended March 31, 2020: 41,644 Fiscal year ended March 31, 2021: 91,533	Mainly strengthening our cooperative relationship in the leasing and asset business fields	In addition to the expected contribution to our mid- to long-term business performance through the strengthening of the leasing business and joint development of the asset business through the joint venture with the said company, NTT Group will continue holding the shares of such company after periodically reviewing its business performance and future management strategies.
Toyota Motor Corporation	29,730,900	Fiscal year ended March 31, 2020: — Fiscal year ended March 31, 2021: 256,161	Mainly strengthening the collaborative relationship in the smart city business	During the fiscal year under review, NTT Group entered into a capital and business alliance with such company during the current fiscal year mainly for the purpose of strengthening the collaborative relationship in the smart city business, and acquired and held shares in the company. In addition to the fact that it is expected to contribute to the medium- to long-term business performance of NTT Group through research and development, planning, design, construction, and implementation of a smart city platform jointly with such company and long-term continuous efforts in the smart city business, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold the shares of such company after periodically reviewing the business performance and future management strategies of such company.
Zenrin Co., Ltd.	4,200,000	Fiscal year ended March 31, 2020: — Fiscal year ended March 31, 2021: 5,565	Mainly strengthening its collaborative relationship in the area of increased map sophistication	During the fiscal year under review, NTT Group entered into a capital and business alliance with the aim of strengthening its collaborative relationship in the area of increased map sophistication, and acquired and held shares in the company. In order to solve various social problems and create value in new business fields by utilizing the "advanced geospatial information

				database" to be jointly developed with the company, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold the shares of such company after periodically reviewing the business performance and future management strategies of such company.
NEC Corporation	13,023,600	<p>Fiscal year ended March 31, 2020: —</p> <p>Fiscal year ended March 31, 2021: 84,914</p>	Mainly strengthening the collaborative relationship in joint research and development and global development, mainly utilizing innovative optical and wireless technologies	<p>During the fiscal year under review, NTT Group entered into a capital and business alliance with the company with the aim of strengthening the collaborative relationship in joint research and development and global development, mainly utilizing innovative optical and wireless technologies, and acquired and held shares in the company.</p> <p>In addition to the expected contribution to NTT Group's medium- to long-term business performance through the expansion of sales of jointly developed products, NTT Group's Board of Directors has reported that it has decided that NTT Group will continue to hold such company's shares after periodically reviewing the business performance and future management strategies of such company.</p>

(Note) Amounts of less than one million yen had previously been presented rounded down, but beginning with the current fiscal year, the presentation has been changed to rounding to the nearest million. As a result of this change, figures for the previous fiscal year have also been reclassified to be presented as rounded to the nearest million.

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

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

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

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

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

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

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

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

NTT promotes management that prioritizes discussions with shareholders, which not only includes discussions at General Meetings of Shareholders, but also involves senior management, including the president, actively promoting discussions with shareholders about medium-term management strategies,



corporate governance, business performance trends, and other topics through one-on-one meetings with institutional investors and briefings targeting individual investors.

The opinions it receives from shareholders through such discussions are shared in the Company. NTT further considered and formulated the medium-term management strategy, which was announced in November 2018, in light of shareholder opinions.

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

## 2. Capital Structure

(1) Foreign Shareholding Ratio	<input type="checkbox"/> Less than 10%
	<input type="checkbox"/> From 10% to less than 20%
	<input checked="" type="checkbox"/> From 20% to less than 30%
	<input type="checkbox"/> More than 30%

### [(2) Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Minister of Finance	1,260,902,328	34.81
The Master Trust Bank of Japan, Ltd. (Trust Account)	211,111,900	5.83
Custody Bank of Japan, Ltd. (Trust Account)	158,769,000	4.38
Toyota Motor Corporation	80,775,400	2.23
Custody Bank of Japan, Ltd. (Trust Account 7)	38,008,400	1.05
Custody Bank of Japan, Ltd. (Trust Account 5)	35,186,500	0.97
Moxley & Co. LLC	34,032,423	0.94
Custody Bank of Japan, Ltd. (Trust Account 6)	31,197,800	0.86
Custody Bank of Japan, Ltd. (Trust Account 1)	28,001,300	0.77
JPMorgan Chase Bank 385632	27,525,097	0.76

(3) Controlling Shareholder (except for Parent Company)	—
(4) Parent Company	—

(5) Supplementary Explanation	—
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## 3. Corporate Attributes

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

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

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

NTT develops management strategies for the entire NTT Group based on a conscious alignment with each group company, and provides appropriate advice and assistance for each company. Each company takes this advice into account but is accountable for its own management responsibilities and independently manages its businesses.

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

- For NTT DATA CORPORATION, being publicly listed enables it to flexibly develop its business in the changing IT market by allowing it to access the markets to raise funds necessary for its growth and development.
- For NTT DATA INTRAMART CORPORATION, being publicly listed enables it to flexibly develop its business for Web systems development platforms and the package development and sales businesses by allowing it to access the markets to raise funds necessary for its growth and development.
- For XNET CORPORATION, being publicly listed enables it to flexibly develop its business for various types of securities-related services by allowing it to access the markets to raise funds necessary for its growth and development.
- For Netyear Group Corporation, being publicly listed enables it to flexibly develop its digital technology-driven marketing industry support business by allowing it to access the markets to raise funds necessary for its growth and development.

Regarding the case in which members of NTT's management dined with ministry officials, we have announced that, based upon the report of our Special Investigations Committee, we are implementing initiatives to prevent any reoccurrences, such as formulating rules related to dining events and similar events. We will also strengthen internal controls by developing an appropriate management system for our operational status. Furthermore, we have imposed penalties for involved members of the board and officers, including reductions in compensation. In the future, we will reform our existing business style and work to transform into a new management style that is based on remote working, which is appropriate for the new age.

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

### 1. Organizational Composition and Operation

(1) Organization Form	Company with <i>Kansayaku</i> Board
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**[(2) Directors]**

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	<input type="checkbox"/> Company President <input checked="" type="checkbox"/> Company Chairperson <input type="checkbox"/> Member of the Board other than Chairperson or President <input type="checkbox"/> Outside Member of the Board <input type="checkbox"/> Other Member of the Board <input type="checkbox"/> None
Number of Directors	8
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Outside Directors who are Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	C	d	e	f	g	h	i	j	k	
Katsuhiko Shirai	From another company									△		△	
Sadayuki Sakakibara	From another company									△		△	
Ken Sakamura	Academic									○		○	
Keiko Takegawa	Academic									○			

\* Categories for "Relationship with the Company"

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Katsuhiko Shirai	<ul style="list-style-type: none"> <li>•</li> </ul>	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with Waseda University, where Mr. Katsuhiko Shirai, who is designated as an independent Outside Director, served as President, and The Foundation for the Open University of Japan, where he served as Chairperson, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Katsuhiko Shirai has a wealth of experience as operational director of an educational institution and has a high level of integrity and insight. The Company believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging managerial perspective. In addition, although the Company and its major subsidiaries have relationships involving transactions and donations with Waseda University, where Mr. Shirai served as President, and The Foundation for the Open University of Japan, where he served as Chairperson, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Waseda University, at which Mr. Shirai served as President, and the Company and its major subsidiaries (see "Matters relating to Independent Directors/Kansayaku")</p> <p>The total amount of transactions carried out between the aforementioned university with the Company and its major subsidiaries within the last three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, so the independence standards established by the Company have been met. Moreover, the amount did not exceed 1% of the total income of the university in any of the respective years.</p>

			<p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Shirai retired from the aforementioned university in November 2010.</p> <p>* Status of transactions between the Foundation for the Open University of Japan, at which Mr. Shirai served as Chairperson, and the Company and its major subsidiaries</p> <p>The total amount of transactions carried out with the Company and its major subsidiaries within the last three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, so the independence standards established by the Company have been met.</p> <p>Furthermore, Mr. Shirai retired from the aforementioned foundation in March 2017.</p>
Sadayuki Sakakibara	●	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with Toray Industries, Inc., where Mr. Sadayuki Sakakibara, who is designated as an independent Outside Director, served as Chairman of the Board, and the Japan Business Federation (Keidanren), where he served as Chairperson, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Sadayuki Sakakibara has a wealth of experience as a corporate manager and has a high level of integrity and insight. The Company believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging managerial perspective. In addition, although the Company and its major subsidiaries have relationships involving transactions and donations with Toray Industries, Inc., where Mr. Sakakibara served as Chairman of the Board, and the Japan Business Federation (Keidanren), where he served as Chairperson, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on</p>

		<p>which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Toray Industries, Inc., at which Mr. Sakakibara served as Chairman of the Board, and the Company and its major subsidiaries</p> <p>The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. They also account for less than 1% of the total sales of the aforementioned company in each of the respective fiscal years.</p> <p>Furthermore, Mr. Sakakibara retired from the aforementioned company in June 2015.</p> <p>* Status of transactions between Japan Business Federation (Keidanren), at which Mr. Sakakibara previously served as Chairman, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned association that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries was less than 10 million yen in each of the most recent three</p>
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			<p>fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Sakakibara retired from the aforementioned association in May 2018.</p>
Ken Sakamura	<ul style="list-style-type: none"> <li>•</li> </ul>	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Ken Sakamura, who is designated as an independent Outside Director, previously served as a professor, and Toyo University, where he currently serves as a dean, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Ken Sakamura has a wealth of experience as an operational director of research institutions and universities, and has a high level of integrity and insight. The Company therefore believes that he will help strengthen the supervisory function for business execution and expects to incorporate the advice he provides from his wide-ranging perspective.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Ken Sakamura previously served as a professor, and Toyo University, where he currently serves as a dean, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between the University of Tokyo, at which Mr. Sakamura previously served as a professor, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than</p>



			<p>1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Sakamura retired from the aforementioned university in March 2017.</p> <p>* Status of transactions between Toyo University, at which Mr. Sakamura currently serves as a dean, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
Keiko Takegawa	•	<p>Although the Company and its major subsidiaries have a relationship involving transactions with the Gender Equality Bureau Cabinet Office, where Ms. Keiko Takegawa, who is designated as an independent Outside Director, previously served as Director General, and Showa Women's University, where she currently serves as a professor, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the</p>	<p>Ms. Keiko Takegawa has a wealth of experience in public relations and diversity promotion within the government and has a high level of integrity and insight. The Company therefore believes that she will help strengthen the supervisory function for business execution and expects to incorporate the advice she provides from her wide-ranging perspective.</p> <p>Although the Company and its major subsidiaries have a relationship involving transactions with the Gender Equality Bureau Cabinet Office, where Ms. Keiko</p>

		<p>judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Takegawa previously served as Director General, and Showa Women's University, where she currently serves as a professor, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between the Gender Equality Bureau Cabinet Office, at which Ms. Takegawa previously served as Director General, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned cabinet office that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>Furthermore, Ms. Takegawa retired from the aforementioned cabinet office in March 2019.</p> <p>* Status of transactions between Showa Women's University, at which Ms. Takegawa currently serves as a dean of faculty, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p>
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

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

Supplementary Explanation

For the purpose of improving objectivity and transparency in the decisions of appointments and compensation of Members of the Board, NTT has established on a non-statutory basis the Appointment and Compensation Committee, which consists of five Members of the Board, including three outside independent Members of the Board, as a preliminary review institution of the Board of Directors, and is increasing the effectiveness of governance. During the fiscal year ended March 31, 2021, in addition to the Appointment and Compensation Committee meeting five times, Committee members met on multiple occasions to exchange opinions, engaging in active discussions on subjects such as enhancing governance at Group companies, succession planning, and on revising the officer compensation system. In the fiscal year ended March 31, 2021, the membership of the Appointment and Compensation Committee consisted of Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board), and Sadayuki Sakakibara (outside Member of the Board). The committee maintained the same membership from April 2021, and, starting on August 6, 2021, Ken Sakamura (outside Member of the Board) has been added as an additional member.

[*Kansayaku*]

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

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

Audit & Supervisory Board Members (*Kansayaku*) also engage in initiatives that include: exchanging ideas and opinions periodically with the accounting auditors and internal audit divisions; gaining access to reports containing explanations of audit plans, the status of internal control systems and other such content; and providing suggestions.

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

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

Name	Attribute	Relationship with the Company*															
		a	b	c	d	e	f	g	h	i	j	k	l	m			
Takashi Iida	Lawyer													○			
Hideki Kanda	Academic													○			
Kaoru Kashima	CPA													○			

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)

k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)

m. Others

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

Name	Designation as Independent <i>Kansayaku</i>	Supplementary Explanation of the Relationship	Reasons for Appointment
Takashi Iida	●	Although the Company and its major subsidiaries have relationships involving transactions with Mori Hamada & Matsumoto, where Mr. Takashi Iida, who is designated as an independent Outside Auditor, previously served, and Kowa Law Office, where he currently serves as a representative, as described in	Mr. Takashi Iida is an attorney with a wealth of experience in the legal sector. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career. In addition, Although the Company and its major subsidiaries have relationships involving transactions with Mori Hamada & Matsumoto, where Mr.

		<p>the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Takashi Iida previously served, and Kowa Law Office, where he currently serves as a representative, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between Mori Hamada &amp; Matsumoto, with which Mr. Iida was affiliated, and the Company and its main subsidiaries</p> <p>The total amount of transactions of the aforementioned law office that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>Further, Mr. Iida retired from the aforementioned law office in December 2011.</p> <p>* Status of transactions between Kowa Law Office, at which Mr. Iida currently serves, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of Kowa Law Office that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years account for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p>
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			These transactions only consist of common communications services.
Hideki Kanda	●	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Hideki Kanda, who is designated as an independent Outside Auditor, previously served as a professor, and Gakushuin University, where he currently serves as a professor, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Hideki Kanda is an expert with a wealth of experience in the legal sector and has served as a university professor specializing in law for many years. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions and donations with the University of Tokyo, where Mr. Hideki Kanda previously served as a professor, and Gakushuin University, where he currently serves as a professor, both cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p>* Status of transactions between the University of Tokyo, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of</p>

			<p>the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Kanda retired from the aforementioned university in March 2016.</p> <p>* Status of transactions between Gakushuin University, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries</p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
Kaoru Kashima	●	<p>Although the Company and its major subsidiaries have relationships involving transactions with Ernst &amp; Young ShinNihon LLC, where Ms. Kaoru Kashima, who is designated as an independent Outside Auditor, previously served, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Kaoru Kashima is an expert with a wealth of experience as a certified public accountant. The Company expects that she will conduct future audits based on the knowledge and insight she has gained throughout her career.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions with Ernst &amp; Young ShinNihon LLC, where Ms. Kaoru Kashima previously served, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the</p>

			<p>Company's own independence standards for independent officers.</p> <p>* Status of transactions between Ernst &amp; Young ShinNihon LLC, at which Ms. Kashima previously served, and the Company and its major subsidiaries</p> <p>The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. They also account for less than 1% of the total sales of the aforementioned company in each of the respective fiscal years.</p> <p>Furthermore, Ms. Kashima retired from the aforementioned company in June 2019.</p>
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**[Independent Directors/*Kansayaku*]**

Number of Independent Directors/ <i>Kansayaku</i>	7
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Matters relating to Independent Directors/ <i>Kansayaku</i>
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<p>[Independence Standards for the Independent Directors/ Audit &amp; Supervisory Board Members (<i>Kansayaku</i>)]</p> <p>NTT designates outside Directors and outside Auditors that fulfill both the independence criteria stipulated by the Tokyo Stock Exchange as well as NTT's own independence standards.</p> <p>In order to meet the independence standards, a person may not fall under any of the categories below in the last three fiscal years</p> <p>(1) A person who executes business in a partner company that exceeds NTT's standards*<sup>1</sup></p> <p>(2) A person who executes business in a lending company that exceeds NTT's standards*<sup>2</sup></p> <p>(3) A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than ¥10 million, excluding the Board Members' or Audit &amp; Supervisory Board Members' compensation, from NTT or its major subsidiaries*<sup>3</sup> in any of the last three fiscal years</p> <p>(4) A person who executes business in an organization that received donations exceeding NTT's standards*<sup>4</sup></p> <p>Even if any of (1) through (4) above applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of the person's appointment as the Independent Member of the Board or Audit &amp; Supervisory Board Member.</p>
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- \*1 "A partner company that exceeds NTT's standards" is defined as a company that has had any business dealing with NTT and its major subsidiaries\*3 in any of the last three fiscal years equal to or more than 2% of the total operating revenues of NTT and its major subsidiaries for the respective fiscal year.
- \*2 "A lending company that exceeds NTT's standards" is defined as a company in which the total amount of borrowings on a consolidated basis in any of the last three fiscal years equals to or is more than 2% of NTT's consolidated total assets for the respective fiscal year.
- \*3 The major subsidiaries are NTT DOCOMO, INC., NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT COMMUNICATIONS CORPORATION, and NTT DATA CORPORATION.
- \*4 "An organization that received donations exceeding NTT's standards" is defined as an organization which received donations from NTT and its major subsidiaries\*3 in any of the last three fiscal years exceeding ¥10 million or 2% of the total income of the organization, whichever is larger, during the respective fiscal year.

## [Incentives]

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

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

With respect to the performance indicators for bonuses, performance is evaluated against the performance indicator targets set forth in the Medium-Term Management Strategy, and, specifically, are determined based on EPS, operating profit, ROIC, capex to sales, overseas sales, overseas operating income margin and the total number of B2B2X projects.

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

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

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

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## [Director Remuneration]

Disclosure of Individual Members of the Board's Remuneration	No Individual Disclosure
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### Supplementary Explanation

Maximum limits on total annual compensation of Members of the Board had previously been set at up to ¥750 million for Members of the Board at the 21st Ordinary General Meeting of Shareholders held on June 28, 2006. At the 36th Ordinary General Meeting of Shareholders held on June 24, 2021, however, it was resolved that compensation would be revised to comprise the following three types: (i) amount of monetary compensation: up to ¥600 million per year; (ii) amount to be paid to Members of the Board as funds to acquire company shares through the Board Members Shareholding Association: up to ¥50 million per year; and (iii) funds to be contributed to the performance-linked stock compensation system: up to ¥100 million per year. If all three types of compensation are aggregated, the resulting amount of up to ¥750 million per year would maintain the previous level of compensation. The actual amount of total compensation paid for the fiscal year ended March 31, 2021 was ¥447 million.

For details, please see NTT's Business Reports and Securities Reports. Please note that the Business Reports and Securities Reports are disclosed on NTT's website (<https://group.ntt/en/ir/library/>).

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

With respect to the determination policy for compensation and the composition and level of compensation for Members of the Board of NTT, in order to secure objectivity and transparency, NTT established the Appointment and Compensation Committee, comprised of five Members of the Board, including three outside independent Members of the Board. Compensation matters are decided by the Board of Directors after deliberation by this committee. Moreover, decisions on the composition ratios and calculation methods for compensation, and individual amounts of compensation for each Member of the Board, are delegated by the Board of Directors to the Appointment and Compensation Committee.

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

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

With respect to the performance indicators for bonuses, performance is evaluated against the performance indicator targets set forth in the Medium-Term Management Strategy.

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

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

Member of the Board is calculated by multiplying the performance-linked coefficient by the number of accumulated points. Shares are granted upon retirement.

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

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

#### [Supporting System for Outside Directors and/or *Kansayaku*]

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

#### [Status of Persons Who Have Retired as President and Representative Director

Names of Advisors or Executive Advisors Who Are Former Presidents or Representative Directors

<u>Name</u>	<u>Title/Position</u>	<u>Description of Position</u>	<u>Nature of Work/ Conditions (Full-Time, Part- Time, Compensated, etc.)</u>	<u>Date of Retirement as President/ Representative Director/ Other Capacity</u>	<u>Term of Office</u>
Masashi Kojima* <sup>1</sup>	Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 27, 1996	July 1, 2021 to June 30, 2023
Junichiro Miyazu	Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 27, 2002	July 1, 2020 to June 30, 2022
Norio Wada* <sup>1</sup>	Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 28, 2007	July 1, 2021 to June 30, 2023
Satoshi Miura	Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 26, 2012	July 1, 2020 to June 30, 2022
Hiroo Unoura* <sup>2</sup>	Advisor	Respond to inquiries from the President regarding specific tasks, and conduct external activities	Part-Time, Uncompensated	June 26, 2018	July 1, 2021 to June 30, 2023

Total Number of Advisors or Executive Advisors Who Are Former Presidents or Representative Directors:	5
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(Notes) 1. Mr. Masashi Kojima and Mr. Norio Wada have been serving as advisors (Part-Time, Uncompensated) from July 1, 2019 to June 30, 2021, responding to inquiries from the President regarding specific tasks, and conducting external activities.

2. Mr. Hiroo Unoura has been serving as an executive advisor (Full-Time, Compensated) from July 1, 2020 to June 30, 2021, responding to inquiries from the President regarding the general business of the Company, and conducting external activities.

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

### **(1) Corporate Governance System**

NTT, in order to strengthen functions for appropriately supervising and auditing business execution, seeks to strengthen its auditing system by appointing several outside independent Members of the Board, and by establishing an Audit & Supervisory Board, of which outside independent Audit & Supervisory Board Members make up a majority. In addition, through its adoption of an executive officer system, NTT intends to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility. Additionally, NTT has voluntarily established an “Appointment and Compensation Committee,” which consists of five Members of the Board, including three outside independent Members of the Board, to further increase the objectivity and transparency of decisions relating to appointment and compensation. NTT has determined that governance functions based on a Board of Corporate Auditors (Audit & Supervisory Board) are sufficiently effective to achieve this purpose.

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

#### <Board of Directors>

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

#### < Audit & Supervisory Board Members and Audit & Supervisory Board>

The Audit & Supervisory Board consists of a total of five Audit & Supervisory Board Members, comprising two internal Audit & Supervisory Board Members and three outside independent Audit & Supervisory Board Members (including two women, one in each category). Audit & Supervisory Board Members conduct business and accounting audits from an independent standpoint different from those responsible for business execution, and audit the status of execution of duties by Members of the Board and senior vice presidents.

#### <Appointment and Compensation Committee>

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

planning, and on revising the officer compensation system. In the fiscal year ended March 31, 2021, the membership of the Appointment and Compensation Committee consisted of Jun Sawada (Representative Member of the Board, President), Akira Shimada (Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (outside Member of the Board), and Sadayuki Sakakibara (outside Member of the Board). The committee maintained the same membership from April 2021, and, starting on August 6, 2021, Ken Sakamura (outside Member of the Board) has been added as an additional member.

<Executive Officers Meeting>

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

<Various Committees>

A number of committees have been established below the Executive Officers Meeting to discuss specific important business execution-related matters. Major committees include the Technology Strategy Committee, which deliberates on the Group’s R&D vision and technology development strategy; the Investment Strategy Committee, which examines investment projects that are larger than a certain scale; and the Finance Strategy Committee, which discusses basic financial strategies and financial issues. These committees, which are held as necessary throughout the year, are in principle chaired by the president or a senior executive vice president, and are attended by relevant senior vice presidents and others.

<Contracts Limiting the Liabilities for Damages>

Contracts limiting the liabilities for damages in Article 423(1) of the Companies Act of Japan are put in place between NTT and outside Members of the Board and Audit & Supervisory Board Members based on Article 427(1) of the same act. Under these contracts, the maximum amount of liability for damages is defined as the maximum amount of liability set forth in Article 425(1) of the Companies Act.

<Liability Insurance Policy for Members of the Board and Executive Officers >

NTT has entered into a liability insurance policy for Members of the Board and executive officers as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This insurance policy covers the insured’s losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured in his or her capacity as a Member of the Board or executive officer or a person at a certain position of the Company and the premiums for the insured are fully borne by the Company. However, losses and costs personally incurred by a Member of the Board or executive officer through criminal acts and intentional illegal activities, such as bribery, are not covered by the policy as a measure to ensure that the proper performance of duties by Members of the Board and executive officers is not impaired. The insureds included in this policy consist of the Members of the Board, Audit & Supervisory Board Members and Executive Officers of NTT and the NTT subsidiaries NTT East, NTT West and NTT, Inc.

**(2) Board of Directors**

<Composition of the Board of Directors>

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

<Activities of the Board of Directors>

In principle, the ordinary meetings of the Board of Directors are held once per month. In addition, extraordinary meetings are held as needed. The Board of Directors makes decisions on matters stipulated by law and on important matters related to company management and Group management. Moreover, through such means as periodic reports from Members of the Board and senior vice presidents on the status of business execution, the Board of Directors supervises the business execution of Members of the Board and senior vice presidents.

<Evaluation of the Effectiveness of the Board of Directors>

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

<Nomination Policies and Procedure for Members of the Board>

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

<Succession Plan>

With respect to successor candidates for the CEO position, please see "Disclosure Based on the Principles of the Corporate Governance Code — Succession Plan (Supplementary Principle 4-1-3)" of "1. Basic Views" under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information."

<Support System for Members of the Board>

The secretariat of the Board of Directors is made available as a venue of contact for outside independent Members of the Board, which they can use to receive support with regard to their daily duties through explanations, responses to inquiries about business execution, and other means.

<Training for Members of the Board>

For details regarding training for NTT's Members of the Board, please see "Disclosure Based on the Principles of the Corporate Governance Code" and "Training for Members of the Board and Audit & Supervisory Board Members (Supplementary Principle 4-14-2)" of "1. Basic Views" of "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

### **(3) Audit & Supervisory Board Members**

<Composition of the Audit & Supervisory Board>

The Audit & Supervisory Board comprises three outside independent Audit & Supervisory Board Members (including one female member), who have experience and knowledge in a range of fields—as a lawyer, university professor, and Certified Public Accountant—and two internal Audit & Supervisory Board Members (including one female member). NTT conducts effective audits by combining the independence of outside Audit & Supervisory Board Members with the superior information collection capabilities of internal Audit & Supervisory Board Members. Among the board members, the Audit & Supervisory Board Member, Takao Maezawa, has experience in the accounting division of NTT and its affiliated companies while Audit & Supervisory Board Member, Kaoru Kashima, a Certified Public Accountant, has considerable knowledge in the areas of finance and accounting.

<Activities of the Audit & Supervisory Board>

For the fiscal year ended March 31, 2021, amid continued significant changes in management, including the global business reorganization, expansions of areas of business and the conversion of NTT DOCOMO into a wholly owned subsidiary, the Audit & Supervisory Board conducted an efficient and effective audit in collaboration with the Internal Control Office, Independent Auditors and Group company corporate auditors on both audit matters required by law and on other matters such as the progress of the Medium-Term Management Strategy and initiatives to maintain and improve corporate governance, on the basis of the audit plan. Furthermore, despite the ongoing spread of the COVID-19 pandemic, through the cooperation of related audit organizations and the active utilization of web conferencing for site visits, the effectiveness of the audit was not impaired.

Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings. In addition, Audit & Supervisory Board Members meet with Representative Members of the Board and outside Members of the Board to exchange ideas and opinions in order to maintain an understanding of the status of the execution of duties by Members of the Board and Executive Officers, and to provide their opinions as needed.

In the fiscal year ended March 31, 2021, the Audit & Supervisory Board met 20 times (with Mr. Takao Maezawa, Mr. Takashi Iida, Mr. Hideki Kanda and Ms. Kaoru Kashima each attending 20 out of 20 meetings, and with Ms. Kanae Takahashi attending 13 out of the 13 meetings that were convened after her appointment on June 23, 2020).

Moreover, separate from meetings of the Audit & Supervisory Board, the Audit & Supervisory Board Members Preliminary Deliberation Meeting met 33 times. These meetings provide a venue for the sharing of information. For example, at these meetings Audit & Supervisory Board Members receive explanations from corporate officers of matters to be discussed at the Executive Officers Meeting. Furthermore, Audit & Supervisory Board Members work closely with Independent Auditors and the Internal Control Office. Audit & Supervisory Board Members exchanged opinions with Independent Auditors eight times and the Internal Control Office 10 times, and receive explanations of audit plans and reports on the status of internal control systems and provide advice as needed.

In initiatives related to Group companies, site visits were conducted at locations that were selected from among Group companies in Japan and overseas on the basis of materiality and risk approach. Audit & Supervisory Board Members received information from the Representative Members of the Board of 19 major Group companies regarding the status of corporate governance and measures to maintain and enhance corporate governance, and discussions were conducted on those matters. In addition, Audit & Supervisory Board Members conducted site visits to 26 locations in Japan and overseas, received information from senior management, and conducted discussions. Furthermore, Audit & Supervisory Board Members received reports regarding audit results from Audit & Supervisory Board Members of major Group companies and exchanged opinions with them. In addition, the Audit & Supervisory Board is implementing initiatives that contribute to enhancing the auditing activities of Audit & Supervisory Board Members of major Group companies, including regularly holding training sessions by outside experts for Audit & Supervisory Board Members of major Group companies.

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

Regarding the case in which members of NTT's management dined with ministry officials, the Audit & Supervisory Board will undertake the necessary response based on the report of the Special Investigations Committee and measures to prevent reoccurrence based on the report. In addition, the Audit & Supervisory Board will confirm the maintenance and operational status of internal rules regarding dining events.

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

The effectiveness of the Audit & Supervisory Board has continued to be evaluated since the fiscal year ended March 31, 2019 for the purpose of looking back at the audit activities of the current fiscal year, reflecting such evaluation in the audit plan for the following fiscal year and improving the quality of audits. When conducting the evaluation of effectiveness for the fiscal year under review, in addition to a questionnaire being given to each Audit & Supervisory Board Member, interviews of three independent outside Audit & Supervisory Board Members were conducted. To ensure anonymity and to introduce fresh perspectives, a third-party organization was used to implement the questionnaire and interviews and to analyze the collected results. The primary items of evaluation for the fiscal year under review were as follows: the audit plan; advice to the management and audits of business execution; the Group's audit system; responses to acts in violation of rules, etc.; cooperation between the three audits (audit by the Audit & Supervisory Board, audit by the Independent Auditor, and audit by the internal audit division); and operation of Audit & Supervisory Board meetings, among other matters. As a result of discussion and inspection by the Audit & Supervisory Board based on the above, the effectiveness of the Audit & Supervisory Board was evaluated as being secured.

NTT will continue to strengthen cooperation between the various bodies, such as the Internal Control Office and Group companies' respective Audit & Supervisory Board Members, and work to further develop the sophistication of the Group's audit system, based on NTT Group's business development and reorganizations both in Japan and overseas. Also, going forward, in light of the internal and external management environment, NTT will work to further improve the effectiveness of the Audit & Supervisory

Board by further strengthening cooperation with outside Members of the Board while conducting audits on executive management.

<Nomination Policies and Procedure for Audit & Supervisory Board Members>

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

<Support Structures for Audit & Supervisory Board Members>

The Office of Audit & Supervisory Board Members, which has four dedicated NTT employees, has been established as a structure to support audits by the Audit & Supervisory Board Members. In addition, NTT has concluded contracts with lawyers and other specialists who may be called upon as necessary to provide advice at the expense of NTT. In addition, when Audit & Supervisory Board Members are elected, they are trained with respect to market trends and compliance. They then continue to undergo training on broad spectrum of topics, including domestic and overseas economic and social issues, after appointment. Moreover, NTT is creating opportunities for tours and implementing other initiatives so that outside Audit & Supervisory Board Members can further deepen their understanding of NTT and NTT Group.

**(4) Outside Members of the Board and Audit & Supervisory Board Members**

For details regarding the compensation of Members of the Board and Audit & Supervisory Board Members, please see "Directors," "Kansayaku," "Independent Directors/Kansayaku," and "Supporting System for Outside Directors and/or Kansayaku" of "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management."

**(5) Compensation of Members of the Board and Audit & Supervisory Board Members**

For details regarding the compensation of Members of the Board and Audit & Supervisory Board Members, please see "Director Remuneration" of "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management."

Compensation of Audit & Supervisory Board Members is determined by resolution of the Audit & Supervisory Board. In order to maintain a high level of independence, compensation of Audit & Supervisory Board Members is paid monthly and is not linked to NTT's business results.

**(6) Independent Auditor**

<Activities of the Independent Auditor>

NTT has appointed KPMG AZSA LLC as its Independent Auditor. The Independent Auditor maintains the level of coordination with the Audit & Supervisory Board and the Internal Control Office necessary to conduct appropriate audits. As part of this coordination, the Independent Auditor appropriately audits through reporting the audit plans and audit results to the Audit & Supervisory Board and working together with the Internal Control Office to establish systems for monitoring the status of oversight related to evaluating internal control systems for financial reports.

For the fiscal year ended March 31, 2021, the Independent Auditors who carried out the audit were Takuji Kanai, Kenji Tanaka and Masashi Oki, whose years of experience as Independent Auditor are within the statutory guidelines. In addition, 21 public certified accountants and 27 other staff assisted in conducting the audits.

<Nomination of the Independent Auditor>

NTT believes that it is important to maintain and enhance audit quality while increasing audit efficiency. Based on this policy, the Audit & Supervisory Board evaluates Independent Auditor candidates from the perspectives of their independence and specialties and the appropriateness and adequateness of their auditing activities. The candidates that are approved by the Audit & Supervisory Board are then presented for voting at the Ordinary General Meeting of Shareholders.



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

### 3. Reasons for Adoption of Current Corporate Governance System

NTT, in order to strengthen functions for appropriately supervising and auditing business execution, seeks to strengthen its auditing system by appointing several outside independent Members of the Board, and by establishing an Audit & Supervisory Board, of which outside independent Audit & Supervisory Board Members make up a majority. In addition, through its adoption of an executive officer system, NTT plans to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility. Additionally, NTT has voluntarily established an “Appointment and Compensation Committee,” which consists of five Members of the Board, including three outside independent Members of the Board, to further increase the objectivity and transparency of decisions relating to appointment and compensation. NTT has determined that governance functions based on a Board of Corporate Auditors are effective to achieve this purpose. NTT recognizes that determining what kind of corporate governance system is appropriate for NTT, taking into account trends in society, is an important management issue that must be continuously examined.

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

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

Status of compliance to the following items

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

d. Participation in Electronic Voting Platforms, and other efforts to enhance the Environment for Exercising Voting Rights for Institutional Investors	Starting from the Ordinary General Meeting of Shareholders held in June 2006, shareholders are able to exercise their voting rights through the use of the platform operated by ICJ, Inc. (Investor Communications Japan), which is designed for institutional investors to exercise their voting rights.
e. Providing the Notice of Convocation (Summary) in English	NTT prepares full text English versions of the Notice of Convocation, which includes its business results, and discloses them on the websites of NTT and the Tokyo Stock Exchange, just as it does for the Japanese versions. (the English version was disclosed on the same day as the Japanese version.)
f. Other	Extraordinary reports (with English translations) on results of the execution of voting rights are posted on NTT's website.

## 2. IR Activities

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

	Explanation by the representative	Supplementary Explanations
a. Preparation and Publication of Disclosure Policy	-	The "Disclosure Policy" is posted on NTT's website. Note that the URL is: <a href="https://group.ntt/en/ir/shares/disclosure_policy/">https://group.ntt/en/ir/shares/disclosure_policy/</a>
b. Regular Investor Briefings for Individual Investors	Yes	For individual investors, financial results briefings held quarterly by the president or the senior executive vice president are available via live and on-demand video through the internet. They can also submit questions to the IR office. Additionally, for the purpose of preventing the spread of COVID-19, we actively worked on holding web-based briefings and endeavored to enhance opportunities for diverse dialogue with individual investors. Senior management, including the president, attend and participate in the discussion with individual investors at briefings.
c. Regular Investor Briefings for Analysts and Institutional Investors	Yes	NTT hosts financial results briefings every quarter where the president or the senior executive vice presidents provides explanations and holds question and answer sessions with respect to business results, and videos of these briefings are delivered (with English translations) live and on-demand through the internet. Additionally, senior managers, including the president and the senior executive vice presidents, hold separate meetings with analysts and institutional investors in Japan and overseas and also hold theme-specific briefings, such as the "NTT IR DAY,"

		considering the needs of analysts and institutional investors, mainly online.
d. Regular Investor Briefings for Overseas Investors	Yes	In addition to delivering the aforementioned results briefings in English, senior managers, including the president and the senior executive vice presidents, regularly visit overseas investors to explain business results, medium-term management strategies, and governance policies, and to hold question and answer sessions. They also attend conferences and various meetings held in Japan and overseas online.
e. Posting of IR Materials on Website	Yes	NTT posts information, Q&A, etc. relating to financial information, non-financial information that requires timely disclosure, securities and quarterly reports, notices of convocation of Ordinary General Meetings of Shareholders, financial data, presentation materials from various types of briefings (including video) on its website. Furthermore, this information is provided in English. The URL relating to IR is: <a href="https://group.ntt/en/ir/">https://group.ntt/en/ir/</a>
f. Establishment of Department and/or Manager in Charge of IR	-	The Head of Finance and Accounting is responsible for communications with investors, and the IR office is established within the Finance and Accounting Department. The IR office plays a central role in promoting IR activities by working closely with all relevant internal departments and group companies. Opinions received from shareholders and investors are shared widely within the group, including among senior managers, to improve communication and are used as reference material for group management.
g. Other	-	NTT makes timely, fair and impartial disclosure of information relating to NTT Group in accordance with relevant laws and regulations in Japan and overseas and listing regulations set forth by stock exchanges and also makes efforts to avoid insider trading by setting forth “regulations regarding insider trading,” through the proper management of insider information. In addition, not only does NTT disclose information required by these related laws and regulations, but it also proactively discloses information considered to be useful for promoting understanding of NTT Group.

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

Status of compliance to the following items

	Supplementary Explanations
a. Stipulation of Internal Rules for Respecting the Position of Stakeholders	NTT believes communication with stakeholders is vital to fulfilling its social obligations as a company, and publishes an annual report (integrated report) and a sustainability report every year expressing ideas that respect the positions of all stakeholders, such as “customers,” “shareholders and investors” and “business partners.”
b. Implementation of Environmental Activities, CSR Activities etc.	<p>NTT Group works to solve social issues through NTT’s business activities as “Your Value Partner,” in order to contribute to the realization of a sustainable society that securely and safely connects people, society, and the earth, and is making efforts to contribute to solving social problems through its businesses. Especially with regard to the environment, the NTT Group will promote initiatives to reduce environmental impact and aim for zero environmental impact. In addition to promoting the use of renewable energy as part of our own green power initiatives, we will promote research and development at IOWN and the Space Environment and Energy Laboratory with the aim of achieving overwhelmingly low power consumption, disclose information in accordance with TCFD, and utilize green bonds to enhance our environmental energy initiatives.</p> <p>Please see our annual report (integrated report) published each year and our website (<a href="https://group.ntt/en/csr/">https://group.ntt/en/csr/</a>) for details.</p>
c. Development of Policies on Information Provision to Stakeholders	NTT has established company regulations and procedures for disclosure and control of important management information and has set forth the “Disclosure Policy” as a basic policy for information disclosure and IR activities to enable timely, fair, and impartial disclosure of NTT Group’s information to its stakeholders.
d. Other	<p>&lt;Diversity and Inclusion Initiatives&gt;</p> <p>NTT Group has assigned a group in charge of diversity at each group company as part of its efforts to promote diversity. Especially for women, NTT has achieved its goal of doubling the percentage of female managers (from 2.9% at the end of the fiscal year ended March 31, 2013 to 6.0% in fiscal year ending March 31, 2021) one year ahead of schedule (reaching 6.3% at the end of fiscal year ended March 31, 2020), and is now aiming to reach 10% or more by the fiscal year ending March 31, 2026. Going forward, NTT will expand development opportunities, such as career development training, mentoring by female executives and the introduction of programs to build human networks, and will also improve the work environment and foster a corporate culture by providing training to support childcare-work balance, promoting the use of childcare leave for male employees, unconscious bias training, and other things. NTT will also focus on achieving flexible and efficient work styles, promoting the activities of employees with disabilities, and improving employee engagement.</p>

**IV. Matters Related to the Internal Control System**

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

The Board of Directors made the resolution with respect to the “Basic Policy Concerning the Development of the Internal Control Systems for NTT Group.” The contents of the resolution are set out below.

### Basic Policies Concerning the Maintenance of Internal Control Systems

#### I. Basic Concepts for the Development of Internal Control Systems

1. NTT shall develop a system of internal controls through taking measures for the prevention and minimization of losses, with the objectives of ensuring compliance with legal requirements, managing risks, and achieving appropriate and efficient business operations.
2. NTT shall establish the Internal Control Office which oversees the establishment of internal control rules and frameworks. The Internal Control Office shall evaluate the effectiveness of the internal control systems based on internal audits regarding high risk matters affecting the entire NTT Group, and shall make sure that necessary corrective measures and improvements are implemented.
3. NTT shall also take appropriate measures to ensure the reliability of its internal control systems for financial reporting based on the Financial Instruments and Exchange Act.
4. As a chief executive officer, the president shall be responsible for ensuring the development and operation of the internal control systems.

#### II. Development of the Internal Control Systems

1. Systems to ensure that the performance of duties by members of the board, senior vice presidents and employees conform with laws and regulations and NTT’s Articles of Incorporation  
NTT shall implement the following measures with the objective of ensuring that its business is conducted in compliance with laws and regulations and in accordance with high ethical standards:
  - (1) NTT shall establish the Employment Rules which require employees to adhere faithfully to applicable laws, regulations and official notices, and to devote all their efforts to the performance of their duties so that business activities are appropriately and effectively carried out.
  - (2) NTT shall adopt the NTT Group Corporate Ethics Charter setting forth specific conduct guidelines concerning corporate ethics for all NTT Group officers and employees.
  - (3) NTT shall establish the Corporate Ethics Committee, chaired by the Senior Executive Vice President in charge, to clarify the structure of responsibilities for corporate ethics. It addresses promotion of corporate ethics, improvement of compliance awareness, maintenance of corporate discipline, and investigates whistleblowers' allegation.
  - (4) NTT shall establish an internal Corporate Ethics Helpline and an external Corporate Ethics Helpline handled by an independent law firm in order to foster a more open group-wide corporate culture. Whistleblower reports may be made on an anonymous or identified basis. In addition, NTT shall establish an independent reporting route to Audit & Supervisory Board Members as a contact point independent from the management. NTT shall ensure that whistleblowers do not suffer disadvantage as a result of using the Corporate Ethics Helpline or reporting to Audit & Supervisory Board Members.
  - (5) Corporate ethics training shall be conducted as part of continuous educational activities for officers and employees. In addition, surveys on awareness of corporate ethics shall be conducted to check the effectiveness of these activities.
  - (6) The Internal Control Office reports the internal audit plan to the Board of Directors, conducts internal audits based on the plan, and reports audit results to the Board of Directors on a regular basis.
2. Rules and other systems concerning business risk management  
NTT shall take the following measures to appropriately manage business risks:
  - (1) NTT shall establish the Risk Management Rules to prescribe fundamental rules concerning risk management and to promote effective and efficient business operations.
  - (2) NTT shall establish the Business Risk Management Committee, chaired by the Senior Executive Vice President in charge, to clarify responsibilities concerning management of business risks and to perform crisis management in response to new business risks affecting corporate operations.
  - (3) In order to address group-wide coordination of risk management, NTT shall also formulate the Business Risk Management Manual to focus on preventing and preparing for risks, and positioning NTT Group to respond appropriately and rapidly as risks materialize.
3. Systems for ensuring that members of the Board and senior vice presidents efficiently perform their duties

NTT shall take the following measures to ensure that its business activities are managed efficiently through allocating responsibilities appropriately among members of the Board and senior vice presidents and maintaining an appropriate oversight structure to monitor such matters:

- (1) NTT shall adopt the Organization Rules governing the functions and operations of internal organizational groups, and the Authority Matrix setting forth the allocation of responsibilities among the various organizational groups.
- (2) NTT shall adopt an executive officer system, and intends to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility.
- (3) NTT shall adopt the Rules for the Board of Directors governing the function and responsibilities of the Board of Directors. In principle, the Board of Directors shall hold meetings once each month, and be responsible for decisions on important managerial matters on the basis of applicable laws and regulations, business judgment principles, and other considerations including the duty of care.

Members of the Board and senior vice presidents shall report regularly to the Board of Directors the status of implementation of their duties.

- (4) The Board of Directors shall include outside directors with independent perspectives to reinforce the oversight function for ensuring the impartial performance of duties.
- (5) As a holding company that oversees and coordinates NTT Group, NTT shall establish the Executive Officers Meeting and subcommittees for the purpose of considering and deciding important managerial matters of NTT and NTT Group, with the objective of promoting efficient and effective group management.

NTT Group shall also establish a reporting structure for matters regarding business operations of group companies.

4. Systems for retaining and managing information related to the performance of duties of members of the Board and senior vice presidents

NTT shall adopt the following measures to facilitate appropriate and efficient conduct of business activities through appropriate management of information on the performance of duties by members of the Board and senior vice presidents:

- (1) NTT shall adopt the Document Management Rules and the Rules for Information Security Management to manage documents (including related materials and information recorded on electronic media; referred to as "Documents") and other information properly.
- (2) Documents shall be retained for the periods required by law and/or as necessary for business operations.

5. Systems for ensuring the propriety of the business activities of NTT Group

NTT shall ensure that transactions among NTT Group companies are conducted appropriately and in compliance with laws and regulations, and that all group companies adopt following measures to conduct their business operations appropriately and to contribute to the growth and development of NTT Group:

- (1) Establishing a crisis communication system to notify the parent company,
- (2) Conducting employee education and training to prevent fraud or misconduct,
- (3) Establishing systems for information security and protection of personal information,
- (4) Reporting regularly to the parent company on their financial condition, and
- (5) Accepting audits by the parent company's internal audit division.

6. Employees who assist Audit & Supervisory Board Members in the performance of their duties and the independence of those employees from members of the Board and senior vice presidents

NTT shall adopt the following measures with respect to employees who assist Audit & Supervisory Board Members in the performance of their duties to ensure the effective performance of audits by Audit & Supervisory Board Members:

- (1) Office of Audit & Supervisory Board Members shall be established as an integral part of NTT's corporate organization under the Companies Act. Office of Audit & Supervisory Board Members shall be staffed with dedicated personnel who work full time in assisting Audit & Supervisory Board Members in the performance of their duties.
- (2) Personnel assigned to Office of Audit & Supervisory Board Members perform their responsibilities at the instruction and direction of Audit & Supervisory Board Members.
- (3) Decisions on transfer of personnel assigned to Office of Audit & Supervisory Board Members, evaluations of such personnel shall be made with due regard for the opinion of the Audit & Supervisory Board.

7. Systems for reporting to Audit & Supervisory Board Members by members of the Board, senior vice presidents and employees and systems for ensuring effective implementation of audits by Audit & Supervisory Board Members

To ensure that audits by Audit & Supervisory Board Members are carried out effectively, NTT shall adopt the following measures concerning reporting to Audit & Supervisory Board Members by members of the Board, senior vice presidents and employees with regard to important matters relating to the performance of their duties:

- (1) Members of the board and other personnel report the following matters concerning the performance of their duties:
  - (a) Matters resolved at Executive Officers Meeting;
  - (b) Matters that cause or may cause substantial damage to NTT;
  - (c) Monthly financial reports;
  - (d) Results of internal audits;
  - (e) Matters that pose a risk of violation of laws and regulations or the Articles of Incorporation;
  - (f) Whistleblowing;
  - (g) Material matters reported by group companies; and
  - (h) Other material compliance matters.
- (2) Representative members of the Board, accounting auditors, and the Internal Control Office shall report to and exchange ideas and opinions with Audit & Supervisory Board Members periodically or as needed upon request from Audit & Supervisory Board Members.
- (3) Audit & Supervisory Board Members have the right to attend meetings of the Board of Directors and other important meetings.
- (4) Audit & supervisory board members auditors may contract independently with and seek advice from external experts with respect to the performance of audit operations.
- (5) Audit & Supervisory Board Members may request prepayment or reimbursement of expenses incurred in the execution of their duties. NTT shall provide prepayment or reimbursement upon such requests.
- (6) Persons who report to the Audit & Supervisory Board Members will not be treated disadvantageously as a result of such reports.

Reference: please see the diagram of the Corporate Governance System” at the end of this report

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

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

## V. Other

### 1. Adoption of Anti-Takeover Measures

Applicability	Supplementary explanation of applicable items
None	NTT has worked to increase its corporate value in the medium- and long-term so as to meet the mandate of its stakeholders, including its shareholders.

### 2. Other Matters Concerning to Corporate Governance System

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

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

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

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



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

