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Corporate Governance Report

Last Update: June 27, 2022

Nippon Telegraph and Telephone Corporation

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Securities Code: 9432

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

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

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

1. Basic Views

NTT Group has a vision of working together with all of its partners to promote initiatives to resolve social issues through its business activities, in its role as “Your Value Partner.” As an enterprise that is both public and commercial, NTT will resolve social issues by leveraging all of its management resources and capabilities to the fullest extent, including its research and development, ICT infrastructure and personnel, and by promoting digital transformation (DX) and CSR while collaborating with all of its partners.

Under this vision, in November 2018, NTT Group formulated and announced its “Your Value Partner 2025” Medium-Term Management Strategy (as amended in October 2021). In light of changes in society and the economy, NTT Group strives to contribute to the realization of a sustainable society through three innovations: a new management style that is compatible with a decentralized network society, the strengthening of domestic and global business, and the improvement of corporate value through ESG initiatives.

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

(1) Ensuring sound management

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

(2) Executing appropriate decision-making and business activities

Decisions at NTT are made based on 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) Thorough compliance

In order to comply with applicable rules and regulations, NTT formulated the NTT Group Corporate Ethics Policy, which applies to all officers and employees of NTT Group, lays out the basic principles of corporate ethics and provides specific guidelines for ethical behavior. Based on this policy, NTT engages in business while maintaining high ethical standards. NTT believes that in order to make this effective, it must conduct on-going educational activities. NTT conducts corporate ethics and 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" as revised in June 2021.

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

■ Cross-Shareholdings (Principle 1-4)

NTT does not hold shares for the purpose of creating stable shareholders, and has no plans to hold such shares in the future. Conversely, NTT's business policy is to promote open innovation and collaboration with partners in a variety of industries with the aim of enhancing corporate value over the medium to long term. Based on this policy, at the Investment Strategy Committee, the Company verifies whether an individual holding will contribute to medium- to long-term enhancements in financial results and holds or sells shares accordingly. Among the comprehensive list of factors taken into consideration by the Investment Strategy Committee are the contribution to the medium- to long-term results of NTT, the progress of business collaborations, future considerations concerning business collaborations, trends in performance at investment targets and future business strategies of NTT. In addition, we apply the same policy to the strategic shareholdings of our Group companies, verifying every year whether individual holdings are appropriate, and taking steps to sell or take other actions accordingly.

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

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

The total balance sheet amounts and the ratio to total equity as of March 31, 2022 are as follows:

(a) Total equity (consolidated)	¥9,018,132 million
(b) Total amount recorded on the balance sheet	¥754,501 million
(c) Ratio ((b)÷(a))	8.4%

(Note) The total amount recorded on the balance sheet in (b) above consists of the total of the amounts for NTT and NTT DOCOMO, as such two companies are the Annual Securities Report filer and its consolidated subsidiary with the highest amount, as required under the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc."

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.

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

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

As of the filing date of this report, NTT's Board of Directors, Audit & Supervisory Board and Executive Officers are each least 30% composed of women. NTT Group has been working to ensure, develop and nurture a climate for diverse personnel in order to reflect a diversity of opinions in its business operations. NTT has

set targets for female and mid-career hires, as set forth in the table below. NTT has been working to actively recruit foreigners and will work to increase their recruitment and promotion for the future.

Furthermore, across NTT Group as a whole, outside of Japan there are approximately 140,000 personnel working across 84 countries and regions worldwide (as of March 2021). NTT, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation are prohibited by law (Article 10, Paragraph 1 of the “Act on Nippon Telegraph and Telephone Corporation, etc.”) from appointing non-Japanese Members of the Board. Accordingly, amongst the six main companies, one non-Japanese board member has been appointed at NTT DATA.

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

Subject		Measurable Target	Current Status
Women	Employment	30% per year	Achieved each year since FY2013
	Promotion to Managers and Directors	30% of New Manager Appointment from FY2021	29.1% in FY2021
		15% of Managers in 2025	8.7% in FY2021
	Appointment as Core Personnel	25% to 30% of Directors in 2025	17.7% in June 2022
External Personnel	Mid-Career Hires	Mid-career hire ratio of 30% in FY2023	32.5% in FY2021

* The table above provides the targets and current status at the six main companies (Nippon Telegraph and Telephone Corporation, NTT DOCOMO Inc., Nippon Telegraph and Telephone East Corporation, Nippon Telegraph and Telephone West Corporation, NTT Communications Corporation and NTT DATA Corporation).

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

“NTT University,” a program for developing candidates for management of NTT Group, maintains a female candidates ratio of at least 30%. With respect to specific development measures for female candidates, training and high-difficulty assignments are given to female employees of all levels, with the aim of producing female candidates for core personnel positions. In addition, trainings are conducted for personnel who have returned from parental leave and their supervisors.

In addition, as a means of developing global management personnel, every year NTT sends approximately 40 managers from Japan to overseas operating companies in order to foster an environment in which they can experience global business.

With respect to the company environment, in order to achieve “work-in-life,” remote work will become the default, with a policy of creating an environment that allows for flexible workstyles through the use of super flex-time and split shifts. In order to create a comfortable workplace environment for various types of personnel – whether they are minorities such as women, persons with disabilities or LGBTQ+ persons, or are personnel who face certain restrictions such as childcare or long-term care – NTT Group is developing human networks, providing trainings to nearby personnel (particularly supervisors) to acquire knowledge, transform mindsets and improve the corporate environment, while also actively promoting male participation in childcare.

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

- Sustainability Charter: <https://group.ntt/en/newsrelease/2021/11/10/211110d.html>

- Human Rights Policy: <https://group.ntt/en/newsrelease/2021/11/10/211110c.html>
- Annual Report: <https://group.ntt/en/ir/library/annual/>
- Sustainability Report: <https://group.ntt/en/csr/data/report.html#sustainability-report>
- NTT Group Diversity and Inclusion: <https://group.ntt/en/diversity/index.html>

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

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

■ Full Information Disclosure (Principle 3-1)

(1) Please see “1. Basic Views” of “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” in this report for a discussion of company objectives (e.g., business principles), business strategies and business plans. Furthermore, see NTT's website for details about the medium-term management strategy, which is described therein.

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

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

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

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

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

- Shareholders' Meetings: https://group.ntt/en/ir/shares/shareholders_meeting/

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

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

For example, as a response to climate change, NTT formulated and announced the “NTT Green Innovation towards 2040” new environment and energy vision, in order to reduce NTT's environmental impact to zero and at the same time achieve economic growth. In addition to aiming to achieve carbon neutrality in 2040, as a means of contributing to the reduction of society's environmental impact, NTT is advancing a variety of initiatives, such as contributing to the reduction of greenhouse gases in Japan and worldwide by expanding the adoption of IOWN technologies from the telecommunications field to other industries. Furthermore, risks

and opportunities related to climate change are disclosed in NTT's Annual Report and Sustainability Report in accordance with TCFD.

In addition, the Sustainability Committee has been established to report directly to the Board of Directors, which strengthens the supervisory function of the Board with respect to sustainability initiatives and helps further promote such initiatives.

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

In addition to the above, please refer to the company's website for details on specific initiatives regarding sustainability and other matters. In addition, details on the status of other initiatives regarding human resources and intellectual property are disclosed in the Annual Report and Sustainability Report TCFD.

- Sustainability Charter: <https://group.ntt/en/newsrelease/2021/11/10/211110d.html>
- Human Rights Policy: <https://group.ntt/en/newsrelease/2021/11/10/211110c.html>
- New Environment and Energy Vision, "NTT Green Innovation towards 2040": <https://group.ntt/en/newsrelease/2021/09/28/210928a.html>
- Annual Report: <https://group.ntt/en/ir/library/annual/>
- Sustainability Report: <https://group.ntt/en/csr/data/report.html#sustainability-report>
- NTT Group Sustainability: <https://group.ntt/en/csr/>
- NTT Research and Development: <https://www.rd.ntt/e/>

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

The Board of Directors decides on matters set forth in 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.

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

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

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

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

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

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

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

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

In terms of the composition of NTT’s Board of Directors, the nomination of executives is based on the NTT Group Personnel Policy, and personnel with the skills to resolve issues recognized by NTT Group are nominated broadly from inside and outside of the Group. Outside Members of the Board and outside Audit & Supervisory Board Members are elected with the expectation that they can provide opinions based on a broad management perspective or as an expert. Furthermore, both non-outside and outside Members of the Board are elected in line with NTT Group’s promotion of diversity. The Board of Directors consists of 10 Members of the Board, including five independent outside Members of the Board (two of whom are women), such that the ratio of outside Members of the Board is 50%. 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 Nomination Committee, which consists of five Members of the Board including three outside independent Members of the Board. The Nomination Committee discusses candidates and then makes proposals to be approved by the Board of Directors and presented for voting at the General Meeting of Shareholders.

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

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

The fields considered especially important by NTT Group for realizing its Medium-Term Management Strategy have been defined as: (1) business management; (2) marketing/global business; (3) IT/DX/R&D; (4) legal/risk management/public policy; (5) HR; and (6) accounting/finance. The skills of individual Members of the Board are also well-balanced and appropriately distributed. A list is presented in the table below.

	Name	Field					
		Business Management	Marketing/Global Business	IT/DX/R&D	Legal/Risk Management/ Public Policy	HR	Accounting/ Finance
Members of the Board	Jun Sawada	●	●	●		●	●
	Akira Shimada	●	●		●	●	●
	Katsuhiko Kawazoe	●	●	●	●	●	
	Takashi Hiroi	●	●		●	●	●
	Akiko Kudo	●	●	●			
	Ken Sakamura	●	●	●			
	Yukako Uchinaga	●	●	●			
	Ryoji Chubachi	●	●	●			
	Koichiro Watanabe	●	●				●
Noriko Endo	●		●	●			
Audit & Supervisory Board Members	Keiichiro Yanagi		●		●	●	●
	Kanae Takahashi			●	●	●	●
	Kensuke Koshiyama				●	●	●
	Takashi Iida				●	●	●
	Hideki Kanda				●	●	●
	Kaoru Kashima				●	●	●

Note: Up to five fields in which expectations for individual Members of the Board/Audit & Supervisory Board Members are particularly high are listed. The above table is not an exhaustive list of the knowledge and experience possessed by each Member of the Board or Audit & Supervisory Board Member.

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

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

- Details of Shareholders' Meetings: https://group.ntt/en/ir/shares/shareholders_meeting/

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

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

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

At meetings of the Board of Directors, based on the authority of the individual Members of the Board, current issues in group management and the initiatives being taken to resolve them, as well as initiatives for growing the business, such as investments and partnerships, are reported and reviewed. During the fiscal year ended March 31, 2022, active discussions were held centering on important matters related to company and group management, such the promotion of sustainability and the formulation of policies to further strengthen governance under the "Your Value Partner 2025" Medium-Term Management Strategy, which was revised with a view toward future changes in the business environment.

In the fiscal year ended March 31, 2022, there was an increase in the proportion of agenda items related to management strategy in particular, due to the refinement of the Medium-Term Management Strategy, capturing social conditions such as growing interest in sustainability and the development of a remote and decentralized society, as well as to the changes to the Group's management structure, including making NTT DOCOMO a wholly owned subsidiary. Furthermore, in addition to the advance explanations for outside independent Members of the Board of matters discussed at meetings of the Board of Directors, 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 creating an environment in which the supervisory function of the Board of Directors can be fully exercised.

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

At these meetings, the outside independent Members of the Board and the Audit & Supervisory Board Members assess that adequate information is provided by NTT's Board of Directors, and Members of the Board engage in active discussions, thereby ensuring the Board's effectiveness.

In addition, NTT implements an 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 ended March 31, 2022, 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 roles and responsibilities, with a majority of positive opinions for all of the questions.

In addition, as a result of the enhancement of governance-related issues, such as holding meetings to exchange opinions to stimulate strategic discussions, and enhancement of discussions on important issues such as sustainability, all members expressed positive opinions. Therefore, we have evaluated that the effectiveness of the Board of Directors is being ensured. At the same time, regarding efforts to deepen understanding of increasingly complex proposals, while a certain degree of recognition was received, there was also the opinion that there is still room for improvement, so we will continue our efforts to improve by aiming for more efficient operation of the Board of Directors, through enhancing supplementary explanations related to the background of the deliberation items in advance, and further expanding opportunities for exchanges of opinions with 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.

■ 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 (and amended in October 2021), 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

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

(2) Status of Major Shareholders

Name / Company Name	Number of Shares Owned	Percentage (%)
The Minister of Finance	1,260,901,512	35.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	368,424,800	10.40
Custody Bank of Japan, Ltd. (Trust Account)	159,421,200	4.50
Toyota Motor Corporation	80,775,400	2.28
Moxley & Co. LLC	35,674,063	1.01
Nippon Life Insurance Company	27,200,272	0.77
Barclays Securities Japan Ltd.	25,876,000	0.73
State Street Bank West Client – Treaty 505234	25,278,676	0.71
JPMorgan Chase Bank 385632	24,783,196	0.70
NTT Employee Share-Holding Association	24,740,748	0.70

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

3. Corporate Attributes

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

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

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

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.

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	10
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Outside Directors who are Independent Directors	5

Outside Directors' Relationship with the Company (1)

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

* Categories for "Relationship with the Company"

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

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

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

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ken Sakamura	<ul style="list-style-type: none"> • 	<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><i>Status of transactions between the University of Tokyo, at which Mr. Sakamura previously served as a professor, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p> <p>Furthermore, Mr. Sakamura retired from the aforementioned university in March 2017.</p> <p><i>Status of transactions between Toyo University, at which Mr. Sakamura currently serves as a dean, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition,</p>

			<p>such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
Yukako Uchinaga	<ul style="list-style-type: none"> • 	<p>Although the Company and its major subsidiaries have relationships involving transactions with IBM Japan, Ltd., where Ms. Yukako Uchinaga, who is designated as an independent Outside Director, previously served as a Member of the Board and Senior Managing Executive Officer, Berlitz Corporation, where she served as Chairman, President and CEO, Benesse Holdings, Inc., where she served as Director and Executive Vice President, and Globalization Research Institute Co., Ltd., where she currently serves as President and CEO, as described in the "Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this</p>	<p>Ms. Yukako Uchinaga has a wealth of experience in global business management and the promotion of diversity and has a high level of integrity and insight. The Company 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 managerial perspective.</p> <p>Although the Company and its major subsidiaries have relationships involving transactions with IBM Japan, Ltd., where Ms. Uchinaga previously served as a Member of the Board and Senior Managing Executive Officer, Berlitz Corporation, where she served as Chairman, President and CEO, Benesse Holdings, Inc., where she served as Director and Executive Vice President, and Globalization Research Institute Co., Ltd., where she currently serves as President and CEO, as described below, all of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p><i>Status of transactions between IBM Japan, Ltd., at which Ms. Uchinaga previously served as a Member of the Board and Senior Managing Executive Officer, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Uchinaga retired from the aforementioned company in March 2018.</p> <p><i>Status of transactions between Berlitz Corporation, at which Ms. Uchinaga served as Chairman, President and CEO, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent</p>

		<p>relationship has been omitted here.</p>	<p>Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Uchinaga retired from the aforementioned company in June 2013.</p> <p><i>Status of transactions between Benesse Holdings, Inc., at which Ms. Uchinaga served as Director and Executive Vice President, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Uchinaga retired from the aforementioned company in June 2013.</p> <p><i>Status of transactions between Globalization Research Institute Co., Ltd., where Ms. Uchinaga currently serves as President and CEO, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p>
Ryoji Chubachi	<ul style="list-style-type: none"> ● 	<p>Although the Company and its major subsidiaries have relationships involving transactions with Sony Corporation, where Mr. Ryoji Chubachi, who is designated as an independent Outside Director, previously served as a Member of the Board, Representative Executive Officer and President, and</p>	<p>Mr. Ryoji Chubachi has a wealth of experience as a corporate executive and as a director of research institutions, and has a high level of integrity and insight. The Company therefore believes that he will contribute to the strengthening of the supervisory function for business execution and expects him to provide advice from his wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with Sony Corporation, where Mr. Chubachi previously served as a Member of the Board, Representative Executive Officer and President, and the National Institute of Advanced Industrial Science and Technology, where he currently serves as the Grand Emeritus Advisor, as described below, both of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p>

		<p>the National Institute of Advanced Industrial Science and Technology, where he currently serves as the Grand Emeritus Advisor, 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><i>Status of transactions between Sony Corporation, at which Mr. Chubachi previously served as a Member of the Board, Representative Executive Officer and President, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Mr. Chubachi retired from the aforementioned company in March 2013.</p> <p><i>Status of transactions between National Institute of Advanced Industrial Science and Technology, at which Mr. Chubachi currently serves as the Grand Emeritus Advisor, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned research institute that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p>
Koichiro Watanabe	<ul style="list-style-type: none"> • 	<p>Although the Company and its major subsidiaries have relationships involving transactions with Dai-ichi Life Holdings, Inc. and The Dai-ichi Life Insurance Company, Limited, where Mr. Koichiro Watanabe, who is designated as an independent Outside Director, currently serves as Director and Chairman of the Board, as described in the “Reasons for Appointment” column, the</p>	<p>Mr. Koichiro Watanabe has a wealth of experience as a corporate executive, and has a high level of integrity and insight. The Company expects that he will contribute to the strengthening of the supervisory function for business execution and expects him to provide advice from his wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with Dai-ichi Life Holdings, Inc. and The Dai-ichi Life Insurance Company, Limited, where Mr. Watanabe currently serves as Director and Chairman of the Board, as described below, both of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><i>Status of transactions between Dai-ichi Life Holdings, Inc., at which Mr. Watanabe currently serves as Director and Chairman of the Board, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues</p>

		<p>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>of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p><i>Status of transactions between The Dai-ichi Life Insurance Company, Limited, at which Mr. Watanabe currently serves as Director and Chairman of the Board, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p>
Noriko Endo	<ul style="list-style-type: none"> • 	<p>Although the Company and its major subsidiaries have relationships involving transactions and donations with DIAMOND, Inc., where Ms. Noriko Endo, who is designated as an independent Outside Director, previously served, and Keio University, where she currently serves as a Project Professor, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Ms. Noriko Endo has a wealth of experience that has been developed through her experiences in her reporting work as an editor of economic publications, in public policy research (including in the energy field) and as an outside director of companies, and has a high level of integrity and insight. The Company expects that she will contribute to the strengthening of the supervisory function for business execution and expects her to provide advice from her wide-ranging managerial perspective.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions and donations with DIAMOND, Inc., where Ms. Endo previously served, and Keio University, where she currently serves as a Project Professor, as described below, both of these cases fulfill the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><i>Status of transactions between DIAMOND, Inc., at which Ms. Endo previously served, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual sales of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Endo retired from the aforementioned company in December 2013.</p>

			<p>Status of transactions between Keio University, at which Ms. Endo currently serves as a Project 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. In addition, such amount also accounts for less than 1% of the total annual income of the aforementioned university in each such year.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 10 million yen of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>
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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 Compensation Committee
Committee's Name	Nomination Committee	Compensation Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Internal Member of the Board	Internal Member of the Board

Supplementary Explanation

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

Furthermore, from and after August 6, 2021, membership of each committee increased by one independent outside Member of the Board, increasing independence. From and after November 10, 2021, the Company decided to separate and transfer the functions of the existing Appointment and Compensation Committee into the separate Nomination Committee and Compensation Committee based on their applicable functions, and further delineated the authority and role of each committee. During the fiscal year ended

March 31, 2022, membership of each committee consisted of Jun Sawada (former Representative Member of the Board, President), Akira Shimada (former Representative Member of the Board, Senior Executive Vice President), Katsuhiko Shirai (former outside Member of the Board), Sadayuki Sakakibara (former outside Member of the Board) and Ken Sakamura (outside Member of the Board), with Jun Sawada (former Representative Member of the Board, President) serving as chairman of each committee. As of the filing date of this report, the membership of each committee consisted of Akira Shimada (Representative Member of the Board, President), Takashi Hiroi (Representative Member of the Board, Senior Executive Vice President), Ken Sakamura (outside Member of the Board), Yukako Uchinaga (outside Member of the Board) and Koichiro Watanabe (outside Member of the Board), with Akira Shimada (Representative Member of the Board, President) serving as chairman to oversee the proceedings of each committee. Resolutions of each committee are made by a majority of such committee's members in attendance, at meetings in which a majority of committee members are present.

During the fiscal year ended March 31, 2022, the Appointment and Compensation Committee met six times, the Nomination Committee met two times, and the Compensation Committee met one time. In addition, members of each committee held meetings to exchange opinions, where active discussions were held regarding the form of the compensation system, the appointment of Members of the Board and officers, succession plans and measures in consideration of amendments to the Corporate Governance Code, among other topics.

Supplementary Explanation:

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

(3) *Kansayaku*

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

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

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

Appointment of Outside <i>Kansayaku</i>	Appointed
Number of Outside <i>Kansayaku</i>	4
Number of Independent <i>Kansayaku</i>	4

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

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kensuke Koshiyama	From another company										△			
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
Kensuke Koshiyama	<ul style="list-style-type: none"> • 	<p>Although the Company and its major subsidiaries have relationships involving transactions with the Board of Audit of Japan, where Mr. Kensuke Koshiyama, who is designated as an independent Outside Auditor, previously served as Secretary-General, as described in the “Reasons for Appointment” column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>Mr. Kensuke Koshiyama is an expert with a wealth of experience on financial accounting and business execution audits that has been developed through his many years of responsibilities at the Board of Audit of Japan. The Company expects that he will conduct future audits based on the knowledge and insight he has gained throughout his career.</p> <p>In addition, although the Company and its major subsidiaries have relationships involving transactions with the Board of Audit of Japan, where Mr. Koshiyama previously served as Secretary-General, as described below, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company’s own independence standards for independent officers.</p> <p><i>Status of transactions between the Board of Audit of Japan, at which Mr. Koshiyama previously served as Secretary-General, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned institute that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>Furthermore, Mr. Koshiyama retired from the aforementioned institute in December 2021.</p>
Takashi Iida	<ul style="list-style-type: none"> • 	<p>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 the</p>	<p>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. 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><i>Status of transactions between Mori Hamada & Matsumoto, with which Mr. Iida was affiliated, and the Company and its main subsidiaries:</i></p> <p>The total amount of transactions of the aforementioned law office that have been carried out with the Company and its</p>

		<p>"Reasons for Appointment" column, the Company has determined that there is no possibility of this having any effect on the judgments of shareholders and investors, so a summary of this relationship has been omitted here.</p>	<p>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><i>Status of transactions between Kowa Law Office, at which Mr. Iida currently serves, and the Company and its major subsidiaries:</i></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> <p>These transactions only consist of common communications services.</p>
Hideki Kanda	<ul style="list-style-type: none"> • 	<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</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><i>Status of transactions between the University of Tokyo, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries:</i></p> <p>The total annual amount of transactions of the aforementioned university that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company.</p> <p>The total amount of donations from the Company and its major subsidiaries accounts for less than 1% of the aforementioned university's total income in each of the last three fiscal years, fulfilling the independence standards established by the Company.</p>

		relationship has been omitted here.	<p>Furthermore, Mr. Kanda retired from the aforementioned university in March 2016.</p> <p><i>Status of transactions between Gakushuin University, at which Mr. Kanda previously served as a professor, and the Company and its major subsidiaries:</i></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 & 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 & Young ShinNihon LLC, where Ms. Kaoru Kashima previously served, this case fulfills the independence criteria stipulated by the Tokyo Stock Exchange, on which the Company is listed, and the Company's own independence standards for independent officers.</p> <p><i>Status of transactions between Ernst & Young ShinNihon LLC, at which Ms. Kashima previously served, and the Company and its major subsidiaries:</i></p> <p>The total amount of transactions of the aforementioned company that have been carried out with the Company and its major subsidiaries within the most recent three fiscal years accounts for less than 1% of the total annual operating revenues of the Company and its major subsidiaries in the corresponding fiscal year, fulfilling the standards for independent Directors/Auditors established by the Company. In addition, such amount also accounts for less than 1% of the total annual revenues of the aforementioned company in each such year.</p> <p>Furthermore, Ms. Kashima retired from the aforementioned company in June 2019.</p>

(4) Independent Directors/*Kansayaku*

Number of Independent Directors/ <i>Kansayaku</i>	9
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Matters relating to Independent Directors/*Kansayaku*

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

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

In order to meet the independence standards, a person may not fall under any of the categories below in the last three fiscal years

- (1) A person who executes business in a partner company that exceeds NTT's standards^{*1}
- (2) A person who executes business in a lending company that exceeds NTT's standards^{*2}
- (3) A consultant, accountant, lawyer, or any other person providing professional services, who received monetary payments or any other gain in assets equal to or more than ¥10 million, excluding the Board Members' or Audit & Supervisory Board Members' compensation, from NTT or its major subsidiaries^{*3} in any of the last three fiscal years
- (4) A person who executes business in an organization that received donations exceeding NTT's standards^{*4}

Even if any of (1) through (4) above applies to a person, where it has been decided that a person meets the independence standards, the reasons shall be explained and disclosed at the time of the person's appointment as the Independent Member of the Board or Audit & Supervisory Board Member.

*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.

(5) Incentives

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

Supplementary Explanation

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

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

Recipients of Stock Options	N/A
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Supplementary Explanation

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(6) Director Remuneration

Disclosure of Individual Members of the Board’s Remuneration	Partial Individual Disclosure
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Supplementary Explanation

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

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

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

Regarding the composition and level of compensation for Members of the Board of NTT under its determination policy, in order to secure objectivity and transparency, NTT established the Compensation Committee, comprising five Members of the Board, including three outside independent Members of the Board. Compensation matters are decided by the Board of Directors after deliberation by this committee. Moreover, decisions on the composition ratios and calculation methods for compensation, and individual amounts of compensation for each Member of the Board are delegated from the Board of Directors to the Compensation Committee. The reason for delegating these authorities to the Compensation Committee is that such committee is composed of two Representative Members of the Board and three outside Members of the Board, and we believe that it is able to make the appropriate judgements from an outside perspective while also taking a bird’s-eye view of the Company’s overall performance.

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

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.

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

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

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%.

Note that an overview of the policy for determining the details of individual compensation and related matters of Members of the Board is as provided above, and when determining the details of the individual compensation and related matters of Members of the Board, the Compensation Committee considers matters from various angles, including consistency with NTT's determination policy. The Board of Directors therefore respects its judgment, and the details of the individual compensation and related matters of Members of the Board for the fiscal year under review are judged to be in line with NTT's determination policy.

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

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

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

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

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

<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	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, 2022 to June 30, 2024
Norio Wada	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, 2022 to June 30, 2024
Hiroo Unoura	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
Hiromichi Shinohara	Senior Advisor	Respond to inquiries from the President regarding general company-related tasks, and conduct external activities	Full-Time, Compensated	June 24, 2022	June 24, 2022 to June 30, 2024

Total Number of Advisors or Executive Advisors Who Are Former Presidents or Representative Directors:	6
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Other Matters:

* Mr. Junichiro Miyazu and Mr. Satoshi Miura have also responded to inquiries from the President regarding specific tasks and conducted external activities as advisors (nature of work: part-time; conditions: uncompensated) during their current term (from July 1, 2020 to June 30, 2022).

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

(1) Corporate Governance System

NTT believes that an auditing system based on Audit & Supervisory Board Members, including outside independent Audit & Supervisory Board Members, is an effective means of supervising management. Accordingly, NTT has adopted the model of being a company with a Board of Company Auditors (Audit & Supervisory Board). In addition, through the election of outside independent Members of the Board, NTT has strengthened the function of appropriately supervising business execution. Furthermore, through its adoption of an executive officer system, NTT intends to clearly separate management-related decision-making and supervisory functions from business execution functions and improve its management flexibility. Additionally, NTT has voluntarily established a Nomination Committee and a Compensation Committee, each of which consists of five Members of the Board, including three outside independent Members of the Board, to further increase the objectivity and transparency of decisions relating to nomination and compensation.

NTT has determined that governance functions based on a Board of Corporate Auditors (Audit & Supervisory Board) are sufficiently effective to achieve this purpose.

Business execution at NTT is conducted in accordance with 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.

NTT has reorganized its personnel structure to establish a new management style and to further strengthen governance, as outlined below:

1. Number of Members of the Board has been increased from the previous eight members to 10 members (with five outside Members of the Board).
2. In order to strengthen the corporate auditor system, one full-time outside corporate auditor has been added, increasing the total number of Audit & Supervisory Board Members from the previous five members to six members.
3. The ratio of female Members of the Board, Audit & Supervisory Board Members and Senior Vice Presidents has been increased to over 30%.
4. The Internal Control Office has been reorganized into an Internal Audit Department under the direct control of the President.
5. Newly commissioned a person in charge of economic security.

(2) Details of Company Organization

Board of Directors

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

Each outside independent Member of the Board has extensive experience and a high level of integrity and insight. NTT believes that the outside independent Members of the Board will help strengthen the supervisory function for business execution, and expects to incorporate the opinions they provide from their wide-ranging managerial perspective.

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

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

<Composition of the Board of Directors>

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

<Activities of the Board of Directors>

In principle, ordinary meetings of the Board of Directors are held once per month. In addition, extraordinary meetings are held as needed. The Board of Directors makes decisions on matters stipulated by law and on important matters related to company management and Group management. Moreover, through such means as periodic reports from Members of the Board and senior vice presidents on the status of business execution, the Board of Directors supervises the business execution of Members of the Board and senior vice presidents. In the fiscal year ended March 31, 2022, the Board of Directors met 15 times (Ms. Keiko Takegawa, a Member of the Board, and Ms. Kaoru Kashima, an Audit & Supervisory Board Member, each attended 14 out of 15 meetings; other Members of the Board and Audit & Supervisory Board Members attended 15 out of 15 meetings).

<Evaluation of the Effectiveness of the Board of Directors>

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

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

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

<Succession Plan>

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

<Support System for Members of the Board>

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

Audit & Supervisory Board Members and Audit & Supervisory Board

<Composition of the Audit & Supervisory Board>

The Audit & Supervisory Board consists of a total of six Audit & Supervisory Board Members, comprising two internal Audit & Supervisory Board Members and four 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 executive officers.

<Activities of the Audit & Supervisory Board>

For the fiscal year ended March 31, 2022, amid continued significant changes in management, including initiatives to strengthen global competitiveness and to integrate functions within the new NTT DOCOMO Group, the Audit & Supervisory Board conducted an efficient and effective audit in collaboration with the Internal Audit Department, 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.

NTT's Audit & Supervisory Board Members, including independent outside 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 independent outside Members of the Board to exchange ideas and opinions, in addition to holding meetings to exchange ideas and opinions for certain topics with representative Members of the Board and Audit & Supervisory Board Members of Group companies, including overseas subsidiaries, 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, 2022, Audit & Supervisory Board Members met to exchange ideas and opinions with Representative Members of the Board, independent outside Members of the Board and others 43 times. In particular, based on the results of the evaluation of effectiveness of the Audit & Supervisory Board for the fiscal year ended March 31, 2021, during audits of executives, NTT significantly increased opportunities to exchange opinions with independent outside Members of the Board during audits of management, and held discussions regarding management issues and responses, among other topics. In the fiscal year ended March 31, 2022, the Audit & Supervisory Board met 26 times (with Mr. Takao Maezawa, Ms. Kanae Takahashi, Mr. Takashi Iida, Mr. Hideki Kanda and Ms. Kaoru Kashima each attending 26 out of 26 meetings). Moreover, separate from meetings of the Audit & Supervisory Board, the Audit & Supervisory Board Members Preliminary Deliberation Meeting met 40 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 Audit Department. Audit & Supervisory Board Members exchanged opinions with Independent Auditors 11 times and the Internal Audit Department 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, in order to improve the Group audit structure and on the basis of materiality and risk approach, NTT aligned risk awareness between Audit & Supervisory Board Members of major Group companies and then conducted audits through Audit & Supervisory Board Members of major Group companies. In the fiscal year ended March 31, 2022, Audit & Supervisory Board Members held meetings to exchange opinions with the Representative Members of the Board and Audit & Supervisory Board Members of Group companies 53 times to inquire about and hold discussions on the status of progress on the Medium-Term Management Strategy, and the status of corporate governance and initiatives to maintain and improve it, among other topics. In addition, the Audit & Supervisory Board Members of each Group company received reports and held meetings to exchange opinions on audit results for audit matters based on their unified risk awareness. Furthermore, the Audit & Supervisory Board is implementing initiatives that contribute to enhancing the auditing activities of Audit & Supervisory Board Members of major Group companies, including holding training liaison conferences for major Group companies and between Audit & Supervisory Board Members of major Group companies to share risk awareness.

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.

Furthermore, despite the continued spread of the COVID-19 pandemic, through the cooperation of related audit organizations and the active utilization of web conferencing systems for site visits, the effectiveness of the audit was not impaired.

< 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 ended March 31, 2022, 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 objective perspectives, a third-party organization was used to implement the questionnaire and interviews and to analyze the collected results. In addition, given the increasing globalization of the NTT Group, in order to incorporate a global perspective into audits for the fiscal year ended March 31, 2022, the Audit & Supervisory Board examined its analysis and evaluation processes while referring to the practices of audit committees in the United States and United Kingdom as reference points for survey items and analysis, in addition to usual evaluations of items that have changed through the year. The primary items of evaluation for the fiscal year ended March 31, 2022 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 Audit Department 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, while audit plans are developed each year based on risk scenarios, in consideration of increasing responsibility to societal demands and to enhance disclosure of non-financial information, the Audit & Supervisory Board will increase its focus on the initiatives of Members of the Board and executive officers and proactively make recommendations. 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 Committee and Compensation Committee

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

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

Sustainability Committee

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

Executive Officers Meeting

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

(3) Other Matters Related to Corporate Governance

Overview of Contracts Limiting Liabilities

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

Liability Insurance Policy for Members of the Board and Executive Officers

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

Internal Audit

NTT's Internal Audit Department (which, as of the filing date of this report, consists of 12 members) works together with the internal auditing divisions of each Group company to verify the internal control systems in place throughout the Group and the status of their implementation. Specifically, internal audits are conducted by the internal auditing divisions of each Group company, and the results of these auditing activities are reviewed by NTT. In addition, by conducting standardized audits with regard to major risk factors that are common issues throughout the Group and testing the development and operation of internal control systems related to financial reporting pursuant to the Financial Instruments and Exchange Act of Japan, NTT is continuously enhancing and verifying their effectiveness.

In addition, the Internal Audit Department reports the above results to the President and to the Board of Directors, and also reports them to and shares them with the Audit & Supervisory Board and the independent auditor and promotes necessary coordination.

Furthermore, the Internal Audit Department shares the above results with relevant departments. Based on such results, relevant departments work to improve the internal control system as needed.

Overview of the 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 Audit Department necessary to conduct appropriate audits. As part of this coordination, the Independent Auditor appropriately audits through reporting the audit plans and audit results to the Audit & Supervisory Board and working together with the Internal Audit Department to establish systems for monitoring the status of oversight related to evaluating internal control systems for financial reports. For the fiscal year ended March 31, 2022, the Independent Auditors who carried out the audit were Yutaka Terasawa, Kenji Tanaka and Masashi Oki, with 18 public certified accountants and 28 other staff assisting in conducting the audits.

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

<Nomination of the Independent Auditor>

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

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

3. Reasons for Adoption of Current Corporate Governance System

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

III. Implementation of Measures for Shareholders and Other Stakeholders

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

Status of compliance to the following items

	Supplementary Explanations
a. Early Notification of General Shareholder Meeting	Starting from the Ordinary General Meeting of Shareholders held in June 2015, NTT began providing the Notice of Convocation of Ordinary General Meeting of Shareholders early by posting the notice on NTT's website and by disclosing it on the Tokyo Stock Exchange in order to ensure the time needed for all shareholders to consider the agenda for Ordinary General Meeting of

	Shareholders. (This year's notification was disclosed approximately six weeks before the Ordinary General Meeting of Shareholders.)
b. Avoiding Scheduling Conflicts of Annual General Shareholder Meetings	All efforts are being made to avoid scheduling conflicts and the best available date is selected considering the fact that outside officers serve concurrently as officers of other companies.
c. Allowing Electronic Exercise of Voting Rights	To give shareholders more options, NTT made it possible for shareholders to exercise their voting rights via PCs connected to the internet starting from the Ordinary General Meeting of Shareholders held in June 2002, via mobile phones starting from the Ordinary General Meeting of Shareholders held in June 2004, and via sites that support smartphones and tablet devices starting from the Ordinary General Meeting of Shareholders held in June 2019.
d. Participation in Electronic Voting Platforms, and other efforts to enhance the Environment for Exercising Voting Rights for Institutional Investors	Starting from the Ordinary General Meeting of Shareholders held in June 2006, shareholders are able to exercise their voting rights through the use of the platform operated by ICJ, Inc. (Investor Communications Japan), which is designed for institutional investors to exercise their voting rights.
e. Providing the Notice of Convocation (Summary) in English	NTT prepares full text English versions of the Notice of Convocation, which includes its business results, and discloses them on the websites of NTT and the Tokyo Stock Exchange, just as it does for the Japanese versions. (the English version was disclosed on the same day as the Japanese version.)
f. Other	<p>NTT provides a live internet broadcast of its Ordinary General Meeting of Shareholders for its shareholders. In addition, after such meeting has concluded, resolutions adopted at the Ordinary General Meeting of Shareholders (with English translations) is posted on NTT's website.</p> <ul style="list-style-type: none"> Shareholders' Meetings: https://group.ntt/en/ir/shares/shareholders_meeting

2. IR Activities

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

	Explanation by the representative	Supplementary Explanations
a. Preparation and Publication of Disclosure Policy	-	<p>The "Disclosure Policy" is posted on NTT's website Disclosure Policy.</p> <ul style="list-style-type: none"> Disclosure Policy: https://group.ntt/en/ir/shares/disclosure_policy/
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.

		<p>Additionally, we worked on holding online briefings and endeavored to enhance opportunities for diverse dialogue with individual investors.</p> <p>Senior management, including the president, attend and participate in the discussion with individual investors at briefings.</p>
c. Regular Investor Briefings for Analysts and Institutional Investors	Yes	<p>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.</p>
d. Regular Investor Briefings for Overseas Investors	Yes	<p>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 online.</p>
e. Posting of IR Materials on Website	-	<p>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 company website. Furthermore, this information is provided in English</p> <ul style="list-style-type: none"> Investor Relations: https://group.ntt/en/ir/
f. Establishment of Department and/or Manager in Charge of IR	-	<p>The Head of Finance and Accounting is responsible for communications with investors, and the IR office is established within the Finance and Accounting Department. The IR office plays a central role in promoting IR activities by working closely with all relevant internal departments and group companies.</p> <p>Opinions received from shareholders and investors are shared widely within the group, including among senior managers, to improve communication and are used as reference material for group management.</p>

g. Other	-	<p>NTT makes timely, fair and impartial disclosure of information relating to NTT Group in accordance with relevant laws and regulations in Japan and overseas and listing regulations set forth by stock exchanges and also makes efforts to avoid insider trading by setting forth “regulations regarding insider trading,” through the proper management of insider information.</p> <p>In addition, not only does NTT disclose information required by these related laws and regulations, but it also proactively discloses information considered to be useful for promoting understanding of NTT Group.</p>
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3. Measures to Ensure Due Respect for Stakeholders

Status of compliance to the following items

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	NTT believes communication with stakeholders is vital to fulfilling its social obligations as a company, and publishes an 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.”
Development of Policies on Information Provision to Stakeholders	NTT has established company regulations and procedures for disclosure and control of important management information and has set forth the “Disclosure Policy” as a basic policy for information disclosure and IR activities to enable timely, fair, and impartial disclosure of NTT Group’s information to its stakeholders.

IV. Matters Related to the Internal Control System

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

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

Basic Policies Concerning the Development 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 Audit Department which oversees the establishment of internal control rules and frameworks. The Internal Audit Department 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 Policy 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 Audit Department 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 Audit Department 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 Policy, all officers and employees, including in Japan and overseas, not only must carefully observe laws and regulations, social norms, and company rules, but must act with the highest possible level of ethical standards in both public and private. NTT’s specific policies in response to anti-social forces are set forth in detail in writing in the NTT Group Business Risk Management Manual.

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

V. Other

1. Adoption of Anti-Takeover Measures

Applicability	Supplementary explanation of applicable items
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 Audit Department, as well as work improvements and further improvements in efficiency. It will be NTT Group’s policy going forward to consider what mechanisms are best suited to NTT based on changes to the social environment and the legal system, and then to make the necessary revisions to further strengthen corporate governance.

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

