

To Shareholders:

**THE 41ST ORDINARY GENERAL MEETING OF SHAREHOLDERS
OTHER MATTERS SUBJECT TO MEASURES FOR ELECTRONIC PROVISION
(MATTERS EXCLUDED FROM PAPER-BASED DOCUMENTS DELIVERED)**

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Pursuant to applicable laws and regulations, and NTT's Articles of Incorporation, the above matters are excluded from the paper-based documents delivered to shareholders who have made a request for the delivery of documents stating matters for which measures for providing information in electronic format are to be taken.

Business Report

Outline of the Business of the NTT Group

Main Businesses

Category	Main businesses
Integrated ICT Business	Consumer telecommunications services (mobile phone services, optical broadband services, etc.), smart life services (financial services, content and lifestyle services, etc.), enterprise services (telecommunications services for enterprise customers, solutions services, system development services, etc.) and related services
Global Solutions Business	Consulting services, IT solutions services, system and software development services, maintenance and support services, data center services, and related services
Regional Communications Business	Optical services, corporate services, fixed-line services, and related services
Others (Real Estate, Energy and Others)	Real estate business, energy business and others

Main Locations, etc.

1. NTT

- **Head Office**

Chiyoda-ku, Tokyo

- **Laboratories**

○ Laboratory Groups

- IOWN Integrated Innovation Center (Minato-ku, Tokyo)
- Service Innovation Laboratory Group (Yokosuka-shi, Kanagawa)
- Information Network Laboratory Group (Musashino-shi, Tokyo)
- Science & Core Technology Laboratory Group (Atsugi-shi, Kanagawa)

○ Total number of laboratories*:14

* The 14 laboratories are internal sections of the 4 Laboratory Groups.

2. Major Subsidiaries, etc.

As described in location in “6. Material Subsidiaries” in the Business Report.

Employment

Number of employees (as of March 31, 2026): 344,196 (an increase of 2,875 from the previous fiscal year)

Category	Number of Employees
Integrated ICT Business	53,780
Global Solutions Business	201,140
Regional Communications Business	61,567
Others (Real Estate, Energy and Others)	27,709

Changes in Consolidated Assets and Consolidated Profit or Loss of the NTT Group

Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenues (billions of yen)	13,136.2	13,374.6	13,704.7	14,409.1
Operating profit (billions of yen)	1,829.0	1,922.9	1,649.6	1,706.2
Profit before taxes (billions of yen)	1,817.7	1,980.5	1,564.7	1,581.9
Profit (billions of yen)	1,213.1	1,279.5	1,000.0	1,037.0
Earnings per share (yen)	13.92	15.09	11.96	12.61
Total assets (billions of yen)	25,308.9	29,604.2	30,062.5	46,721.3
Shareholders' equity (billions of yen)	8,561.4	9,844.2	10,221.6	9,727.6
Shareholders' equity per share (yen)	100.44	117.08	123.54	119.47

- Notes:
1. Profit reflects profit attributable to NTT (excluding the portion attributable to non-controlling interests).
 2. Earnings per share reflects profit per share attributable to NTT (excluding the portion attributable to non-controlling interests).
 3. Earnings per share is calculated based on the average number of shares outstanding, excluding treasury stock, during the fiscal year. Shareholders' equity per share is calculated based on the number of shares outstanding, excluding treasury stock, at the end of the fiscal year.
 4. Shares of NTT held by the officer compensation BIP trust and the stock-granting ESOP trust that are recorded as treasury stock under shareholders' equity are included in the number of shares of treasury stock that is excluded from the average number of shares outstanding when calculating earnings per share. In addition, these shares are included in the number of shares of treasury stock that is excluded from the number of shares outstanding at the end of the fiscal year when calculating shareholders' equity per share.
 5. NTT implemented a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. Earnings per share and shareholders' equity per share have been adjusted to reflect the impact of this stock split.
 6. The consolidated financial statements of the NTT Group are prepared in accordance with IFRS.

Changes in Non-consolidated Assets and Non-consolidated Income of NTT

Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenues (billions of yen)	1,324.2	1,295.0	1,330.7	1,155.7
Operating income (billions of yen)	1,149.4	1,125.6	1,164.2	977.1
Recurring profit (billions of yen)	1,131.6	1,106.3	1,139.4	901.4
Net income (billions of yen)	1,152.9	1,166.9	1,145.1	921.9
Net income per share (yen)	13.23	13.76	13.70	11.21
Total assets (billions of yen)	11,805.9	12,284.9	11,966.9	14,892.4
Net assets (billions of yen)	5,194.1	6,048.9	6,463.0	6,885.7
Net assets per share (yen)	60.94	71.94	78.11	84.57

- Notes:
1. Net income per share is calculated based on the average number of shares outstanding, excluding treasury stock, during the fiscal year. Net assets per share is calculated based on the number of shares outstanding, excluding treasury stock, at the end of the fiscal year.
 2. Shares of NTT held by the officer compensation BIP trust and the stock-granting ESOP trust that are recorded as treasury stock under net assets are included in the number of shares of treasury stock that is excluded from the average number of shares outstanding when calculating net income per share. In addition, these shares are included in the number of shares of treasury stock that is excluded from the number of shares outstanding at the end of the fiscal year when calculating net assets per share.
 3. NTT implemented a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. Net income per share and net assets per share have been adjusted to reflect the impact of this stock split.

Matters Regarding Corporate Officers

Overview of Limited Liability Agreements

Pursuant to Article 427, paragraph (1) of the Companies Act, NTT has entered into agreements with Members of the Board (excluding executive Members of the Board) to limit liability for damages as provided for in Article 423, paragraph (1) of the Companies Act, if they have acted in good faith and without gross negligence in performing their duties. Under these agreements, the maximum amount of liability for damages is the minimum liability amount provided for in Article 425, paragraph (1) of the Companies Act.

Matters Regarding Independent Auditors

1. Name of Independent Auditor

KPMG AZSA LLC

2. Compensation to Independent Auditor

Independent auditor	Amount
KPMG AZSA LLC	¥344 million

Notes:

1. The audit engagement agreements between NTT and the independent auditor do not distinguish between compensation for audits performed pursuant to the Companies Act and compensation for audits performed pursuant to the Financial Instruments and Exchange Act, and since it is not practically possible to make such a distinction, the above amount represents the total figure for both audits.
2. After confirming and reviewing matters including the details of the independent auditor's audit plan, the status of performance of accounting audit duties, and the basis for calculating the estimated compensation, the Audit and Supervisory Board before transitioning to a company with an Audit and Supervisory Committee has provided its consent to such compensation pursuant to Article 399, paragraph (1) of the Companies Act.

3. Total Monetary and Other Financial Benefits Payable by NTT and its Subsidiaries

Independent auditor	Amount
KPMG AZSA LLC	¥3,827 million

Note: Of NTT's material subsidiaries, those overseas were audited by firms other than KPMG AZSA LLC.

4. Policies Concerning Decisions to Dismiss or Not Reappoint Independent Auditor

If the Audit and Supervisory Committee determines that the independent auditor falls under any of the items set forth in Article 340, paragraph (1) of the Companies Act, it will dismiss the independent auditor with the unanimous consent of all Members of the Board who are Audit and Supervisory Committee Members.

In addition, if the Audit and Supervisory Committee determines that it is difficult for the independent auditor to perform appropriate audits, it will determine the content of proposals regarding the dismissal or non-reappointment of the independent auditor to be submitted to the General Meeting of Shareholders.

Content of Resolutions Concerning the Design of Systems to Ensure the Propriety of NTT's Business

The Board of Directors resolved the Basic Policy on the Development of Internal Control Systems for the NTT Group. The content of the resolution is as follows. Pursuant to the resolution of the 40th Ordinary General Meeting of Shareholders held on June 19, 2025, the Company transitioned to a company with an Audit and Supervisory Committee on the same date. While the following descriptions relate to the period after the transition, the Company maintained and operated similar systems as a company with an Audit and Supervisory Board before the transition.

Basic Policy on the Development of Internal Control Systems

As a partner that supports society and industry, the NTT Group not only provides services that support the safety and security of people around the world, but will also pursue the creation of new value to make people's lives more convenient and prosperous through ongoing transformation and the realization of a global sustainable society.

In pursuing these challenges, it is essential to comply with laws and regulations, social norms, and internal rules both in Japan and overseas, and to conduct business operations with integrity, efficiency, and high ethical standards.

Accordingly, the Company has established a Basic Policy on the Development of Internal Control Systems. The President, as the chief executive responsible for business execution, implements and oversees the development and operation of the internal control systems in accordance with this Basic Policy.

1. Systems to Ensure that the Execution of Duties by Members of the Board, etc. and Employees Complies with Laws, Regulations, and the Articles of Incorporation

The Company implements the following initiatives to ensure compliance with laws and regulations and the conduct of business with high ethical standards:

(1) Corporate Ethics and Compliance

- (i) The NTT Group Corporate Ethics Code has been established to set forth the basic principles of corporate ethics and provide specific guidelines for ethical behavior for all Members of the Board, etc. and employees of the NTT Group.
- (ii) The Corporate Ethics Committee, chaired by a Senior Executive Vice President, has been established to clarify the responsibilities for corporate ethics, promote corporate ethics, foster compliance awareness, maintain discipline, and conduct investigations and reviews related to reports. In addition, to prevent workplace harassment, the Company establishes anti-harassment regulations and prescribe necessary measures.
- (iii) The Company conducts corporate ethics training, etc., to continuously promote awareness of corporate ethics and compliance among Members of the Board, etc. and employees. In addition, the Company conducts awareness surveys, etc. to evaluate the effectiveness of these initiatives.
- (iv) The Company stipulates in the Employee Work Rules and related regulations the obligation of employees to faithfully comply with laws, regulations, internal regulations, and directives and to devote themselves fully to the performance of their duties in order to ensure appropriate and efficient business operations.
- (v) The Company establishes disciplinary regulations, etc., and shall address any violations of laws and internal regulations in accordance with such regulations.

(2) Whistleblowing

The Company seeks to foster an open corporate culture and has established Corporate Ethics Helpline contact points within each NTT Group company as well as a Group-wide Corporate Ethics Helpline staffed by attorneys to receive reports on either an anonymous or named basis. The Company has also established an independent reporting channel to the Audit and Supervisory Committee. No person will be treated disadvantageously because they made a report to a Corporate Ethics Helpline or to the Audit and Supervisory Committee.

(3) Internal Audit

- (i) To promote efficient and effective internal audit activities, the Company has established internal audit regulations that prescribe fundamental matters concerning the conduct of internal audits, and has established an Internal Audit Department as an organization independent from audited units and under the direct control of the President. The Internal Audit Department, whose mission is to enhance the value of the NTT Group and to contribute to the achievement of management objectives, evaluates the appropriateness and effectiveness of governance, risk management, and internal control processes and provides recommendations from an independent and objective standpoint in accordance with the internal audit regulations.
- (ii) The Internal Audit Department formulates an internal audit plan, which is approved by the Board of Directors. The Internal Audit Department periodically reports the results of internal audits to the Board of Directors and Audit and Supervisory Committee.

(4) Information Disclosure

- (i) The Company implements appropriate measures to ensure the reliability of reports prepared in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations.
- (ii) The Company has established disclosure regulations that prescribe disclosure control procedures for important management information held by the Company in order to ensure timely, fair, and equitable disclosure of information concerning the NTT Group and support appropriate investment decisions by investors. The Company has also established and published a Disclosure Policy as the basic policy governing information disclosure to investors and investor relations activities.
- (iii) The Company discloses information in accordance with applicable domestic and international laws and stock exchange rules and proactively discloses information that it considers useful in promoting understanding of the NTT Group.

(5) Sustainability

The Company has established a Sustainability Committee and oversees activity policies related to sustainability and their progress across the NTT Group.

2. Regulations and Other Systems Related to Risk Management

The Company implements the following initiatives to appropriately manage risks:

- (1) The Company has established risk management regulations that prescribe fundamental matters for risk management in order to ensure appropriate and efficient business operations.
- (2) The Company has established a Business Risk Management Promotion Committee, chaired by a Senior Executive Vice President, to ensure that risk management functions effectively across the Company and is strengthened on a company-wide basis. The Business Risk Management Promotion Committee oversees overall risk management and determines policies for identifying and managing company-wide risks.

3. Systems to Ensure the Efficient Execution of Duties by Members of the Board, etc.

The Company implements the following initiatives to ensure efficient business operations through an appropriate allocation of responsibilities and supervisory structures for Members of the Board, etc.

- (1) The Company has established regulations for the Board of Directors and in principle, hold Board meetings once per month to decide important management matters based on applicable laws and regulations, principles of business judgment, and the duty of care of a prudent manager, while Members of the Board, etc., report regularly on the status of execution of their duties.
- (2) To strengthen the function of supervising the fairness of the execution of duties, the Board of

Directors includes independent outside Members of the Board.

- (3) The Company has introduced an Executive Officer system to establish a structure that clearly separates the decision-making and supervisory functions of the Board of Directors from the business execution functions by Executive Officers, thereby enhancing management agility.
 - (4) The Company has established an Executive Officers Meeting and committees responsible for important business execution under the Executive Officers Meeting in order to ensure the smooth execution of business operations delegated by the Board of Directors.
 - (5) The Company has established organizational regulations that define the organizational structure of and responsibilities of each organization, and authority regulations that define the allocation of authority.
4. Systems for the Retention and Management of Information Related to the Execution of Duties by Members of the Board, etc.

The Company implements the following initiatives to manage information related to the execution of duties by Members of the Board, etc. and to contribute to appropriate and efficient business operations.

- (1) The Company has established document management regulations to prescribe necessary matters regarding the management of documents (including related materials and electromagnetic records and the same shall apply hereinafter.) and other information. Documents are retained not only for the period prescribed by laws and regulations but also for the periods necessary for business operations.
- (2) The Company has established information security management regulations to prescribe all fundamental matters related to the acquisition and management of information handled in the course of business, and implements information security measures to identify and prevent risks and minimize damage when a risk materializes.

5. Systems to Ensure the Appropriateness of Operations Within the NTT Group

The Company implements the following initiatives to ensure that the Company and NTT Group companies comply with all applicable laws and regulations and, while fully respecting their respective independence and autonomy, conduct business appropriately and efficiently and contribute to the growth and development of the Group as a whole.

- (1) The Company oversees and coordinates the NTT Group and has established a reporting system under which each company reports on matters necessary for the business operations of the NTT Group in order to promote efficient and effective Group management.
- (2) The Company provides education and training to employees to prevent misconduct and similar incidents within the NTT Group.
- (3) The Company has established a business risk management manual to prevent risks, ensure preparedness, and enable accurate and prompt responses when risks materialize, and conducts risk management on a unified Group-wide basis.
- (4) The Company has established the NTT Group information security regulations that set forth the fundamental policies, strategic direction, and specific measures related to information security to be observed by the NTT Group.
- (5) The Company conducts risk-based internal audits, taking into consideration the business conditions of NTT Group companies and other relevant factors.

6. Matters Relating to Employees Who Assist the Audit and Supervisory Committee in the Performance of Its Duties and Matters Relating to the Independence of Such Employees from Members of the Board, etc. (Excluding Members of the Board Who Are the Audit and Supervisory Committee Members; The Same Shall Apply Hereinafter in This Section and the Following Section.)

The Company implements the following initiatives with respect to employees who assist the Audit and Supervisory Committee in order to ensure effective audits by the Audit and Supervisory Committee.

- (1) The Company has established an Audit and Supervisory Committee Office as an important organization under the Companies Act to provide dedicated employees to assist the Audit and

Supervisory Committee in the performance of its duties.

- (2) Employees assigned to the Audit and Supervisory Committee Office perform their duties under the direction and supervision of the Audit and Supervisory Committee.
 - (3) Decisions regarding personnel transfers, evaluations and other matters concerning employees assigned to the Audit and Supervisory Committee Office are made with due regard for the opinions of the Audit and Supervisory Committee.
7. Systems for Reporting to the Audit and Supervisory Committee by Members of the Board, etc. and Employees, and Other Systems to Ensure the Effective Conduct of Audits by the Audit and Supervisory Committee

The Company implements the following initiatives, including reporting by Members of the Board, etc. and employees to the Audit and Supervisory Committee on important matters related to the execution of duties, in order to ensure effective audits by the Audit and Supervisory Committee.

- (1) Members of the Board, etc. report the following matters regarding the status of the execution of their duties:
 - (i) Matters resolved by the Executive Officers Meeting
 - (ii) Matters that have caused, or may cause, significant damage to the Company
 - (iii) Monthly financial statements
 - (iv) Status of internal audits
 - (v) Matters that may involve violations of laws and regulations, the Articles of Incorporation, or other internal rules and regulations
 - (vi) Status of reports to helplines
 - (vii) Important matters reported by NTT Group companies
 - (viii) Other compliance-related matters of material importance
- (2) Members of the Board, etc., the independent auditor, and the Internal Audit Department exchange opinions with the Audit and Supervisory Committee on a regular or as-needed basis.
- (3) The Audit and Supervisory Committee, the independent auditor, and the Internal Audit Department maintain close coordination. The Audit and Supervisory Committee may issue instructions to the Internal Audit Department when it deems necessary.
- (4) Members of the Board who are Audit and Supervisory Committee Members may attend meetings of the Board of Directors and other important meetings.
- (5) The Audit and Supervisory Committee may engage external experts and obtain advice regarding audit activities.
- (6) Members of the Board who are Audit and Supervisory Committee Members may request reimbursement for expenses necessary for the execution of their duties, and the Company makes such payments accordingly.
- (7) No person who reports to the Audit and Supervisory Committee is subject to disadvantageous treatment on the grounds that they made such report.

Note: For the purposes of this Basic Policy, unless otherwise stipulated, "Members of the Board, etc." means Members of the Board, Executive Officers, and officers responsible for research and development.

Outline of Operations of the Systems to Ensure the Propriety of NTT's Business

The following section provides an outline of operations of the systems to ensure the propriety of NTT's business on the basis of the Basic Policy on the Development of Internal Control Systems for the NTT Group.

1. Systems to Ensure that the Execution of Duties by Members of the Board, etc. and Employees Complies with Laws, Regulations, and the Articles of Incorporation

NTT strives to maintain and heighten awareness regarding corporate ethics and compliance with the objective of ensuring that its business is conducted in compliance with laws and regulations and in accordance with high ethical standards.

With respect to corporate ethics, the NTT Group Corporate Ethics Code and the Employee Work Rules are disseminated via NTT's intranet. NTT aims to maintain and heighten compliance awareness through its efforts geared to improving the level of understanding of such issues among officers and employees. To that end, NTT offers corporate ethics training to its officers and employees, and also provides them with detailed explanations on case studies involving corporate ethics issues through NTT's intranet. NTT also conducts employee awareness surveys regarding corporate ethics, which it draws on in its efforts to further instill increasingly widespread awareness of corporate ethics.

The Corporate Ethics Committee held two meetings during the fiscal year under review, and was tasked with investigating matters reported to the Corporate Ethics Helpline for whistleblowing, and then reporting such matters to the Board of Directors, along with the status of actions taken to address such matters. During the fiscal year under review, the NTT Group's external Corporate Ethics Helpline received 687 reports. The Company shall deal with any violations of laws, regulations, or internal regulations in accordance with disciplinary regulations, etc. NTT stipulates and appropriately implements regulations on Corporate Ethics Helpline operating procedures to ensure that whistleblowers will not suffer disadvantage as a result of using these helplines.

The Internal Audit Department reports to the Board of Directors on the annual internal audit plan. It also reports to the President on audit results along with advice to improve and correct issues, while regularly and directly reporting audit results to and sharing them with the Board of Directors and the independent auditor, and promoting necessary coordination.

With respect to disclosure, the Company provides timely, fair, and impartial disclosure of information of the NTT Group based on disclosure regulations, and discloses information to investors, etc. and conducts investor relations activities based on the Disclosure Policy.

Regarding sustainability, the Sustainability Committee, which was established directly under the Board of Directors and is chaired by the President, manages the action policies and progress of initiatives across the entire Group.

2. Regulations and Other Systems Related to Risk Management

With respect to risk management, NTT has established risk management regulations that set forth fundamental risk management principles aimed at anticipating and preventing potential risks and minimizing losses should such risks materialize. Centered on the Business Risk Management Promotion Committee, which is chaired by Representative Member of the Board and Executive Vice President, NTT has established and operates a PDCA cycle for risk management. During the fiscal year under review, the committee held two meetings, during which discussions were held regarding the identification of risks expected to have a company-wide impact and policies for managing such risks.

3. Systems to Ensure the Efficient Execution of Duties by Members of the Board, etc.

The Board of Directors makes decisions on matters stipulated in regulations for the Board of Directors, including those required by laws and regulations, as well as those involving other important matters related to both corporate and Group management. Moreover, the Board

of Directors supervises Members of the Board, etc. in executing their duties through such means as receiving periodic status reports from the Members of the Board and Executive Officers with respect to execution of their duties. The Board of Directors, which comprises 16 members including eight independent outside Directors, met 11 times during the fiscal year under review.

Important NTT decisions are deliberated and decided in principle at the Executive Officers Meeting, which was held 37 times during the fiscal year under review. Under the Executive Officers Meeting, NTT has also established subcommittees that deliberate on issues pertaining to both corporate management strategy and Group management strategy, and which convene as necessary. The major subcommittees and the number of times that meetings of the respective subcommittees were held during the fiscal year under review are as follows.

- Technology Strategy Committee (R&D vision, technology development strategy, R&D alliance strategy): 1
- Investment Strategy Committee (Investment strategy related to large investment projects, etc.): 24
- Finance Strategy Committee (Basic strategies related to finance, policies for addressing financial issues): 7

NTT executes operations on the basis of organizational regulations governing the functions and operations of internal organizational groups, and under the supervision of the Board of Directors, makes decisions on the basis of the authority regulations that define the allocation of authority among the various organizational groups.

4. Systems for the Retention and Management of Information Related to the Execution of Duties by Members of the Board, etc.

NTT has established document management regulations and information security management regulations with respect to its management of information, including information related to the execution of duties by Members of the Board, etc. Those regulations are disseminated via NTT's intranet. NTT retains documents (including electromagnetic records) for periods determined according to document type, as required by laws and regulations, and as necessary for business operations. In addition, based on the information security management regulations, NTT establishes information security management systems and the related policies, and takes various information security measures.

5. Systems to Ensure the Appropriateness of Operations Within the NTT Group

NTT obtains necessary information regarding business operations of group companies including business planning and financial reporting of these companies. To that end, NTT has established systems for obtaining reports from each group company, and otherwise gets such information by gaining access to business reports, temporarily dispatching officers from NTT, and through other such means geared to the size and characteristics of its each group company.

Group companies appropriately report their financial status, including their quarterly and monthly results, to the parent company. Those results are reported to NTT's Executive Officers Meeting and its Board of Directors.

With the aim of maintaining and heightening compliance awareness across the entire NTT Group, NTT provides guidance to group companies on offering corporate ethics training sessions, and monitors progress of those training sessions.

NTT has also formulated the NTT Group Business Risk Management Manual and distributed it to each Group company in order to promote Group-wide risk management initiatives. Based on

this manual, NTT develops and implements systems that enable the NTT Group to prevent and prepare for risks in advance, and to respond to risk events appropriately and promptly.

In terms of ensuring information security across the entire NTT Group, NTT has established the NTT Group Information Security Policy and disseminated via NTT's corporate website. Further, NTT has established the Group CISO Committee, whose membership consists of Chief Information Security Officers (CISOs) of each group company, as a forum for deliberating on risk management and solutions to issues pertaining to information security. The committee met twice during the fiscal year under review. The NTT Group is working on Group-wide security measures based on the belief that cybersecurity risks are a serious risk to companies, and that cyber incidents are inevitable and minimizing damage is crucial.

NTT's Internal Audit Department conducts internal audits of group companies as well as reviews the status of the implementation of internal audits of group companies.

6. Matters Relating to Employees Who Assist the Audit and Supervisory Committee in the Performance of Its Duties and Matters Relating to the Independence of Such Employees from Members of the Board, etc. (Excluding Members of the Board Who Are the Audit and Supervisory Committee Members; The Same Shall Apply Hereinafter in This Section and the Following Section.)

NTT has established the Audit and Supervisory Committee Office to act as a system for supporting audits performed by Audit and Supervisory Committee Members. The office comprises seven dedicated personnel who appropriately perform their responsibilities under the direction and supervision of Audit and Supervisory Committee. Personnel matters of these staff members, such as transfers and evaluations, are coordinated with the Audit and Supervisory Committee.

7. Systems for Reporting to the Audit and Supervisory Committee by Members of the Board, etc. and Employees, and Other Systems to Ensure the Effective Conduct of Audits by the Audit and Supervisory Committee

Members of the Board who are Audit and Supervisory Committee Members attended meetings of the Board of Directors and other important meetings, held 32 Preliminary Deliberation Meetings of the Audit and Supervisory Board before the transition to a company with an Audit and Supervisory Committee and of the Audit and Supervisory Committee after the transition during the current fiscal year, and held regular opinion-exchange meetings with Representative Members of the Board and discussions with Members of the Board and others on specific themes. Through such forums, they gain access to status reports on matters such as execution of duties as indicated by NTT's Basic Policy, and also provide suggestions when necessary.

Members of the Board who are Audit and Supervisory Committee Members also engage in initiatives that include: exchanging ideas and opinions with the independent auditor and the Internal Audit Department; gaining access to reports containing explanations of audit plans, the operational status of operation of internal control systems and other such content; and providing suggestions when necessary.

Members of the Board who are Audit and Supervisory Committee Members have contracted independently with attorneys and other external experts in order to seek advice with respect to the performance of audit operations, and NTT appropriately covers required costs incurred in that regard, along with other costs necessary for performing audits.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(from April 1, 2025 to March 31, 2026)

(Millions of yen)

	NTT, Inc. shareholders' equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
At beginning of year	937,950	–	9,726,370	(1,139,170)	696,437	10,221,587	1,123,052	11,344,639
Comprehensive income								
Profit	–	–	1,037,032	–	–	1,037,032	45,606	1,082,638
Other comprehensive income	–	–	–	–	682,043	682,043	3,008	685,051
Total comprehensive income	–	–	1,037,032	–	682,043	1,719,075	48,614	1,767,689
Transactions with owners and other transactions								
Dividends of surplus	–	–	(433,963)	–	–	(433,963)	(22,006)	(455,969)
Transfer to retained earnings	–	1,573,133	(1,401,772)	–	(171,361)	–	–	–
Purchase and disposal of treasury stock	–	0	–	(204,473)	–	(204,473)	–	(204,473)
Changes in ownership interest in subsidiaries without loss of control	–	(1,549,549)	–	–	–	(1,549,549)	(648,975)	(2,198,524)
Share-based compensation transactions	–	(17,231)	–	–	–	(17,231)	(10,939)	(28,170)
Put options granted to non-controlling interests	–	(6,060)	–	–	–	(6,060)	122	(5,938)
Other	–	(293)	(1,470)	–	–	(1,763)	42	(1,721)
Total Transactions with owners and other transactions	–	–	(1,837,205)	(204,473)	(171,361)	(2,213,039)	(681,756)	(2,894,795)
At end of year	937,950	–	8,926,197	(1,343,643)	1,207,119	9,727,623	489,910	10,217,533

Note: Amounts are rounded to the nearest million yen.

Notes to Consolidated Financial Statements

Basis for the Preparation of Consolidated Financial Statements

Principal Accounting Policies

1. Standards for preparation of consolidated financial statements

The consolidated financial statements of the NTT Group are prepared in accordance with International Financial Reporting Standards ("IFRS") under Article 120, Paragraph 1 of the Regulation on Corporate Accounting. However, certain supplementary material and notes required under IFRS are omitted pursuant to the second sentence of the same paragraph.

2. Financial assets

Recognition, classification and measurement

The NTT Group recognizes these assets on the dates when the NTT Group becomes party to the contract. Financial assets are classified as (a) financial assets measured at amortized cost, (b) financial assets measured at fair value through other comprehensive income, or (c) financial assets measured at fair value through profit or loss.

If the contractual rights to the cash flows of the financial asset expire, or if the contractual rights to receive the cash flows of the financial asset are transferred and substantially all the risks and rewards of ownership of the financial asset are thereby transferred, the financial asset is derecognized and excluded from the consolidated statement of financial position.

(a) Financial assets measured at amortized cost

Of loans and other similar debt instruments, financial assets that satisfy both of the following conditions are classified as financial assets measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, these financial assets are measured at fair value plus any transaction costs directly attributable to the acquisition of the financial asset. Based on the timing of the payment of consideration for goods and services provided, the effect of the time value of money is immaterial, and trade receivables that do not include any significant financial elements are initially measured at their transaction price without adjustment of the effect of the time value of money.

After initial recognition, they are measured at amortized cost by deducting loss allowance from the gross carrying amount calculated applying the effective interest method.

(b-1) Financial assets measured at fair value through other comprehensive income (debt instruments)

Of corporate bonds and other similar debt instruments, debt instruments that satisfy both of the following conditions are classified as "financial assets measured at fair value through other comprehensive income."

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the time of initial recognition, these financial assets are measured at fair value plus any transaction costs directly attributable to the acquisition of the financial asset. After initial recognition, they are measured at fair value and any subsequent changes in the fair value are recognized in other comprehensive income. Cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss when the asset is derecognized due to sales and other reasons.

(b-2) Financial assets measured at fair value through other comprehensive income (equity instruments)

At initial recognition, an entity may make an election (irrevocable to change after the election) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument such as stock that is not held for trading. The NTT Group makes this designation for each financial instrument.

At the time of initial recognition, these financial assets are measured at fair value plus any transaction costs directly attributable to the acquisition of the financial asset. After initial recognition, they are measured at fair value and any subsequent changes in the fair value are recognized in other comprehensive income. Cumulative other comprehensive income recognized in "Other components of equity" is transferred to retained earnings and not to profit or loss, when these financial assets are derecognized. Dividends are recognized in profit or loss.

(c) Financial assets measured at fair value through profit or loss

Financial assets such as derivatives, other than those mentioned in (a), (b-1) and (b-2), are classified as financial assets measured at fair value through profit or loss.

At the time of initial recognition, these financial assets are measured at fair value, and any transaction costs directly attributable to the acquisition of the financial asset are recognized in profit or loss when incurred. After initial recognition, they are measured at fair value, with any subsequent changes in the fair value recognized in profit or loss.

Impairment

The NTT Group determines the amount of impairment loss (loss allowance) for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), lease receivables, contract assets, financial guarantee contracts, and loan commitments, based on the expected credit losses measured as below:

- If, at the end of the fiscal year, the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowance is measured using the amount of the expected credit losses from a possible default within 12 months after the reporting date (12-month expected credit losses).
- If, at the end of the fiscal year, the credit risk on a financial asset has increased significantly since initial recognition, the loss allowance is measured using the amount of the expected credit losses from all possible defaults over the expected life of the financial instrument (lifetime expected credit losses).

Notwithstanding the above, the amounts of loss allowance for trade receivables and contract assets that do not include significant financial elements and lease receivables are always measured using the amount of the lifetime expected credit losses.

3. Inventories

Valuation standard

Inventories consist of telecommunications terminal equipment, materials to be sold, work in progress, and supplies, which are measured at the lower of cost and net realizable

value (net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell).

Valuation method

The costs of telecommunications terminal equipment and materials to be sold are determined mainly on a first-in, first-out basis. The cost of work in progress is mainly attributable to software production pursuant to contracts with customers and construction of real estate held for sale, including labor and subcontractors' costs. The cost of supplies is determined by the average cost method or the specific identification method.

4. Goodwill

Goodwill is not amortized, but tested for impairment whenever there is an indication of impairment in cash-generating units or group of units to which goodwill is allocated, and at the same time every year irrespective of whether there is any indication of impairment. Goodwill is accounted for at the carrying amount determined by deducting the accumulated impairment losses from the cost.

5. Property, plant and equipment, intangible assets and investment property

Measurement method

The NTT Group chooses the cost model which deducts accumulated depreciation and accumulated impairment losses from the cost.

Depreciation and amortization method

(1) Property, Plant and Equipment

Principally straight-line method

(2) Intangible Assets

Straight-line method, except that intangible assets with indefinite lives and intangible assets that are not yet available for use are not amortized, but are tested for impairment at the same time every year.

(3) Investment Property

Principally straight-line method

6. Lease

Accounting treatment as a lessee

(1) Lease liabilities

Lease liabilities are initially measured at the present value of unpaid lease payments at the commencement date of the contract, discounted using the NTT Group's incremental borrowing rate*. Lease payments are accounted as payments for interest calculated applying the effective interest method and payments for principal. Payments for interest are presented as finance cost in the consolidated statement of profit or loss.

* As interest rate implicit in the lease cannot be readily determined, the NTT Group uses incremental borrowing rate as discount rate.

(2) Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liabilities, adjusted for any initial direct costs incurred, prepaid

lease payments, etc. After the initial measurements, right-of-use assets are depreciated over the useful life or the lease term of the underlying asset, whichever is shorter, from the commencement date of the contract using the straight-line method. The estimated useful life of right-of-use assets is determined as same as owned property, plant and equipment. Right-of-use assets are deducted by impairment if identified, and adjusted at remeasurement of the specific lease liabilities. A part of right-of-use assets, which satisfies the definition of investment property, is presented as Investment property in the consolidated statements of financial position.

7. Provisions

Provisions are recognized in cases where the NTT Group has present legal or constructive obligations as a result of past events, as well as where it is probable that the obligations will be required to be settled and when it is possible to reliably estimate the amount of the obligation.

Using a pre-tax interest rate that reflects the time value of money, provisions are measured by discounting the estimated future cash flows to the present value, taking into account the risks and uncertainties related to the obligation as of the fiscal year end.

The provisions that the NTT Group recognizes are primarily asset retirement obligations, provisions for points programs, and provisions for credit card rewards.

8. Defined benefit liabilities

Liabilities recognized in connection with the defined benefit plans (defined benefit liabilities) are determined by deducting the fair value of the plan assets from the present value of the defined benefit obligations as of the end of the fiscal year.

Remeasurements of the net amount of assets and liabilities in the defined benefit plans consist of actuarial gains and losses and the return on plan assets (excluding amounts included in interest). They are recognized in other comprehensive income, with the cumulative amount being promptly reclassified from "Other components of equity" to retained earnings.

9. Revenue

Revenue is recognized in an amount of the consideration to which the NTT Group expects to be entitled in exchange for those goods or services transferred to customers based on the following five-step approach, excluding interest and dividend revenues pursuant to IFRS 9 and insurance premium revenues pursuant to IFRS 4.

Step 1: Identifying the contract with the customer

Step 2: Identifying performance obligations in the contract

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to separate performance obligations in the contract

Step 5: Recognizing revenue when or as the performance obligation is satisfied

The part of incremental costs of obtaining a contract and costs to fulfill a contract with customers that is expected to be recoverable is recognized as an asset. Incremental costs of obtaining a contract are those incurred in obtaining a contract with a customer that would not have incurred if the contract had not been obtained. Costs to fulfill a contract are costs incurred for fulfilling contracts before goods or services are transferred to customers. The NTT Group applies the practical expedient of Paragraph 94 of IFRS 15 except for installation fees, activation fees, point programs, and other fees in telecommunication services and system integration services and recognizes incremental cost of obtaining a contract as expenses when incurred if the amortization period of the asset that otherwise would have been recognized is less than 1 year.

The NTT Group has four business categories: Integrated ICT Business, Global Solutions Business, Regional Communications Business, and Others (Real Estate, Energy and Others). Through these segments, the Group provides the following four services: telecommunication services, sales of telecommunications terminal equipment, system integration services, and other services.

(1) Telecommunication services

In the Integrated ICT Business, services such as the LTE (Xi), 5G, docomo Hikari, Arcstar Universal One, IP-VPN, and OCN are provided to customers. In the Regional Communications Business, FLET'S Hikari (including Hikari Collaboration Model*), telephone subscriber lines, INS-Net, conventional leased circuits, and high-speed digital circuits are provided. The NTT Group recognizes revenue according to the usage of these services because performance obligations are deemed to be satisfied as the services are used. Telecommunication services for consumers are billed monthly, and the payment due date is typically the end of the month following the month in which the services were used or one month after the period in which the services were used. Telecommunication services for enterprise customers are billed at the contractually agreed time, and consideration for the services is typically collected by the end of the month following the month in which the services were used.

In addition, the NTT Group offers a point program whereby points are granted to customers depending on their use of telecommunication services and the points can be appropriated to payments on merchandise and mobile phone charges. Transaction prices are allocated for the telecommunication services and points based on the respective ratio of standalone selling prices. Of the transaction price allocated for points, the unused portion is recorded in "Other current liabilities" as contract liabilities, and after that, those points are recognized as revenue as the points are used. The standalone selling prices are estimated by taking into account assumptions including a portion of points that is expected to expire due to future cancellation and value of products and services subject to exchanges for the points.

In some of its billing plans, the NTT Group determines an amount of telecommunications traffic (for data communications) available within the scope of the fixed charge of each billing plan, offering a service of automatically carrying forward to the following month the unused amount of telecommunications traffic.

For these services, the portion of revenue corresponding to the data allowances that are unused in the current month but are expected to be used in the following month or afterward is deferred, and deferred amounts are recognized as revenue when such allowances are used.

Non-recurring upfront fees such as installation charges and activation fees are deferred and recognized as revenues over the estimated average period of the end customers' subscription for FLET'S Hikari and Hikari Collaboration Model.

New sales incentives paid to collaboration model operators for new contracts under the Hikari Collaboration Model are deferred as "Other non-current assets" in the consolidated statement of financial position, and are deducted from revenues over the estimated average period of the end customers' subscription from the time of payment. The amounts paid as sales incentives for ongoing use at the time of future annual contract renewal are estimated as variable consideration mainly based on historical performance and deducted from revenues for one year from the time of initial contract conclusion or the most recent contract renewal.

* Hikari Collaboration Model: Fiber-optic access services and others are provided on a wholesale basis to various operators by NTT EAST and NTT WEST.

(2) Sales of telecommunications terminal equipment

In the Integrated ICT Business, telecommunications terminal equipment is sold mainly to sales agents. The NTT Group recognizes revenue upon delivery of the equipment to sales agents.

Upon delivery to sales agents, revenues from sales of telecommunications terminal equipment are recognized after deducting certain agency commissions and incentives given to subscribers. Subscribers have an option to select installment payments for the purchase of handsets from sales agents and others over a period of 12 or 24 months. When installment payments are selected, under the agreements entered into between the NTT Group, subscribers, and sales agents, the NTT Group makes payments to sales agents for the handsets in place of the subscribers. The NTT Group then charges the subscribers for the purchased handsets, together with basic monthly charges and communication charges, over the term of installment payments. The payment due date is typically the end of the month following the month in which the services were used. Because terminal equipment sales are recognized upon delivery of handsets to sales agents, advance payments for the purchased handsets to sales agents and subsequent cash collection of the installment receivable from subscribers do not impact the NTT Group's revenues.

Integrated ICT Business offers a program in which we give a waiver on the payment of some installment sales receivables on the sale of a handset, on condition of returning the handset to us after use, among other requirements. The amount which we do not expect to be paid by the customers due to this program is recognized as refund liabilities upon the sale of handset, and deducted from revenues. The refund liabilities are included in "Other current liabilities" and "Other non-current liabilities" in the consolidated statement of financial position. The refund liabilities are calculated as the amount which we do not expect to be paid by the customers, and are estimated by taking into account return rate and timing of handset return for each type of product based on our historical experiences. The amount is calculated and recognized only to the extent that it is highly probable that significant reversal in the cumulative revenue recognized will not occur. The calculation includes assumptions such as return rate of handsets from customers under the program. Additionally, the right of collection of handsets from customers in exchange for settlement of the refund liability is recorded in "Other current assets" and "Other non-current assets" respectively in the consolidated statement of financial position. These assets are measured at the amount equal to carrying amount of the product less any expected costs to recover those handsets (including potential decreases in the value to the entity of returned handsets) when they are sold.

(3) System integration services

In the Integrated ICT Business and Regional Communications Business, the NTT Group provides system development services and other services, while in the Integrated ICT Business and Global Solutions Business, the Group provides system integration services; both of these services are mainly provided to customers. With respect to system integration services, the NTT Group recognizes revenue over the course of the installation period, as the benefits transfer to customers as the installation progresses. As cost is deemed to arise in proportion to the degree of installation progress, the cost-based input method is used for recognition of revenue. Contract consideration is usually invoiced upon delivery, and consideration for the services is mainly collected within 30 days from the day immediately following the invoice date.

When losses are expected to arise, an allowance for losses is recognized based on the estimates of all revenues and expenses expected to accrue upon delivery. As a result, revenues and expenses may be reasonably estimated at different stages until completion of benefits transfer. Recognized losses may be reassessed as the contract progresses and are recorded in the fiscal year in which the factual cause for the loss is confirmed.

(4) Other services

In the Integrated ICT Business, the NTT Group offers services including distribution services of movies, music, and e-books; financial and payment services; shopping services; services to support activities of daily living; and "Mobile Device Protection Service."

In addition, the NTT Group provides services related to real estate business, energy business and others.

With respect to these services, the NTT Group recognizes revenues either upon delivery or completion of services.

Scope of Consolidated Subsidiaries and Application of Equity Method Investments

As of March 31, 2026, the NTT Group comprised 1,026 consolidated subsidiaries and 161 equity method affiliates.

Notes Concerning Revenue Recognition

1. Disaggregation of revenues

(1) Revenue from contracts with customers and others

(Millions of yen)

Revenue from contracts with customers	13,234,229
Revenue from other sources	1,174,892
Total	14,409,121

Revenues recognized from other sources mainly comprises real estate rental income and lease income under IFRS 16, interest and dividend income under IFRS 9, and insurance income under IFRS 4.

(2) Relationship between disaggregated revenues and segment revenues

(Millions of yen)

	Revenue	Intersegment revenue	Total
Integrated ICT Business Segment	6,146,232	311,841	6,458,073
Mobile communications services	2,435,850	11,488	2,447,338
Equipment sales, SI, Other	3,710,382	300,353	4,010,735
Global Solutions Business Segment	4,754,653	249,961	5,004,614
System integration services	4,754,653	249,961	5,004,614
Regional Communications Business Segment	2,555,241	654,966	3,210,207
Enterprise business, Fiber-Optic business, etc.	2,088,237	626,533	2,714,770
Legacy network business	467,004	28,433	495,437
Others (Real Estate, Energy and Others)	952,995	799,604	1,752,599
Total	14,409,121	2,016,372	16,425,493

Regarding the components of operating revenues, we have changed to a new classification due to revising some of our internal management classifications. Mobile communications services include revenues from mobile voice related services as well as IP/packet communications services associated with mobile, which were previously part of the old classification. Legacy network business includes revenues from fixed voice related services such as telephone subscriber lines, INS-Net, conventional leased circuits, and high-speed digital circuits, which were also previously part of the old classification.

In its four business categories, Integrated ICT Business, Global Solutions Business, Regional Communications Business, and Others (Real Estate, Energy and Others), the NTT Group provides the following four services: telecommunication services, sales of telecommunications terminal equipment, system integration services, and other services. Description is presented in "9. Revenue" of "Principal Accounting Policies."

2. Contract balances

Information on receivables, contract assets, and contract liabilities

	(Millions of yen)
Receivables from contracts with customers (Trade and other receivables)	3,188,471
Contract assets (Other current assets)	312,866
Contract liabilities (Other current liabilities and Other non-current liabilities)	1,110,995

Contract assets are mainly related to the NTT Group's rights to compensation for its work on system integration services that has created a customer-controlled asset as of the reporting date, but for which the Group has not yet billed. Contract assets are transferred to receivables when the right to payment becomes unconditional. Contract liabilities are mainly related to unused points that have been granted to customers as they use mobile phones, and to consideration received in advance and accounted for as deferred revenues from the initial construction fees for FLET'S Hikari and docomo Hikari and activation. Contract liabilities are transferred to revenue at the time goods or services are transferred to the customer.

Of the revenues recognized in the fiscal year ended March 31, 2026, ¥428,007 million, were included in the balance of contract liabilities as of the beginning of the fiscal year.

The amount of revenue recognized in the fiscal year ended March 31, 2026 due to performance obligations satisfied, or partially satisfied, in the past periods was immaterial.

3. Transaction price allocated to the remaining performance obligations

		(Millions of yen)
Types of performance obligations	As of March 31, 2026	Description about the expected time of satisfaction of performance obligations
Installation fees, activation fees, point programs, and other fees in telecommunication services	463,820	Expected to be satisfied within approximately 17 years
System integration services including development of system and software	5,678,217	Expected to be satisfied within approximately 4 years.
Other than above (mainly common service charges under non-cancelable lease contracts, construction work)	352,393	Common service charges under non-cancelable lease contracts are expected to be satisfied within approximately 22 years, construction works are within approximately 13 years, others are within approximately 13 years.

The practical expedient of Paragraph 121 of IFRS 15 has not been applied to residual performance obligations related to installation fees, activation fees, point programs, and other fees in telecommunication services, in addition to system integration services. Remaining performance obligations related to contracts expected to be satisfied within one year are included. Other than above, the practical expedient has been applied, and remaining performance obligations related to contracts expected to be satisfied within one year are not included.

4. Assets recognized from the costs to obtain or fulfill a contract with a customer

(Millions of yen)

Assets recognized from the costs to obtain a contract	478,953
Assets recognized from the costs to fulfill a contract	60,099
Total	539,052

The NTT Group recognizes as an asset the incremental cost of obtaining a contract and the cost to fulfill a contract with a customer if it expects to recover those costs. The asset is recorded in "Other non-current assets" in the consolidated statement of financial position. The incremental costs of obtaining a contract are those that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The costs to fulfill a contract are those that the Group incurs to fulfill a contract generated before it transfers goods or services to a customer.

The incremental costs of obtaining a contract, which the NTT Group recognizes as an asset, are mainly commissions to sales agents that were incurred to acquire customers, and incremental costs that would not have been incurred if the contract had not been obtained. The costs to fulfill a contract are mainly direct personnel expenses related to the reception clerical work to accept new contracts, and costs directly related to the service provided to the customer. When recognizing as an asset the incremental cost for obtaining a contract and the cost to fulfill a contract, only the amount expected to be recovered is recognized as an asset, taking into account the cancellation rates of customers (contractors). The asset is amortized over the estimated average contract term of the related service.

Assets recognized from contract costs are reviewed quarterly for recoverability. The Group assesses whether the carrying amount of the asset exceeds the remaining consideration that is expected to be received during the contract term of providing related services in consideration of the cancellation rates and other factors less costs that are directly related to the goods or services provided and not yet recognized as an expense. These estimates and assumptions may have a significant impact on the amount of assets recognized from contract costs if the underlying circumstances change and impairment loss is recognized for the assets. Therefore, the NTT Group considers that such estimates are important.

The amounts of amortization on the assets recognized from contract costs for the fiscal year ended March 31, 2026 were ¥144,269 million, and no impairment losses occurred.

Notes on Accounting Estimates

There are items that have been recorded on consolidated financial statements for the fiscal year ended March 31, 2026 using accounting estimates, and the following matters may have a material impact on the consolidated financial statements in the following fiscal year.

1. Valuation of non-financial assets

In the consolidated statement of financial position as of March 31, 2026, the NTT Group recorded property, plant and equipment of ¥1,276,887 million, right-of-use assets of ¥1,021,044 million, goodwill of ¥2,079,718 million, intangible assets of ¥2,872,974 million, and investment property of ¥1,523,792 million.

The recoverable amount in the impairment test is calculated as the higher of either the value in use or fair value less costs of disposal. For some recoverable amounts of impairment tests, the fair value less costs of disposal is used, and in such cases, the discounted cash flow method is primarily applied for the valuation method. The discounted cash flow method includes estimates of cash flow projection calculated based on the business plan approved by management, discounting them at the weighted average cost of capital. Assumptions such as perpetuity growth rate and weighted average cost of capital are included when performing that calculation, and if those assumptions change, it may cause impairment loss.

2. Recognition of revenue

The NTT Group provides telecommunication services, and sells telecommunications terminal equipment related to those services. In the fiscal year ended March 31, 2026, the NTT Group recorded operating revenue of ¥14,409,121 million on its consolidated statement of profit or loss.

The NTT Group conducts various estimates, including the following, when recognizing revenue relating to the telecommunication services and the sale of telecommunication terminal equipment.

(1) Telecommunication services (contract liabilities relating to points programs)

The NTT Group offers point programs that allow customers to exchange points granted to them through their use of communication services for benefits regarding payments when purchasing products, communication charges, etc. Transaction prices are allocated for the telecommunication services and points based on the respective ratio of standalone selling prices. Of the transaction price allocated for points, the unused portion is recorded in "Other current liabilities" as contract liabilities, and after that, those points are recognized as revenue upon their use.

The estimates for contract liabilities related to points include assumptions such as the forfeiture rate, the cancellation rate, and the value per point, and there may be changes to the recognized revenue amount if there are changes in those assumptions.

(2) Sales of telecommunications terminal equipment (recognition of refund liabilities)

For the sale of telecommunications terminal equipment, the NTT Group offers a program in which we give a waiver on the payment of some installment sales receivables on the sale of a handset, on condition of returning the handset to the NTT Group after use, among other requirements. The estimated amount we expect not to receive through the use of this program is deducted from revenues and recorded as refund liabilities in "Other current liabilities" and "Other non-current liabilities."

Refund liabilities are recognized to the extent that it is highly probable that a significant subsequent reversal of cumulative revenues will not arise, using such assumptions as return rate of handsets from customers under the program. Therefore, there may be changes to the recognized revenue amount if there are changes in those assumptions.

3. Deferred tax assets

The NTT Group recorded ¥460,837 million in deferred tax assets on the consolidated statement of financial position.

Deferred tax assets are recognized to the extent that it is probable that deductible temporary differences and the unused tax losses and unused tax credits can be utilized against the future taxable profit. The amount of deferred tax assets that are considered to be recoverable could change if there are changes in the assumptions for future taxable profit.

4. Defined benefit liabilities

The NTT Group recorded ¥714,718 million in defined benefit liabilities on the consolidated statement of financial position.

Defined benefit liabilities are calculated by deducting the fair value of the plan assets from the present value of the defined benefit obligations as of the end of the fiscal year. Assumptions such as discount rates are included when measuring the defined benefit obligations, and the amount of defined benefit liabilities could change if those assumptions change.

Notes to Consolidated Statement of Financial Position

1. Other components of equity include the change in the fair value of financial assets measured at fair value through other comprehensive income, cash flow hedge, hedges cost, remeasurements of defined benefit plans, and foreign currency translation adjustment.
2. Assets offered as security and secured liabilities

(1) Assets offered as security

(Millions of yen)

	Value reported on consolidated statement of financial position
Cash and cash equivalents	14,137
Loans for banking business	2,445,959
Securities for banking business	367,489
Other financial assets	127,106
Trade and other receivables	49,718
Property, plant and equipment	97,314
Intangible assets	20,373
Investment property	77,559
Other non-current assets	3,458
Other	1,461
Total	3,204,574

(2) Secured liabilities

(Millions of yen)

	Value reported on consolidated statement of financial position
Other current liabilities	2,542
Other financial liabilities*1	211,319
Short-term borrowings*2	714,489
Corporate bonds	100
Long-term borrowings*3	778,869
Total	1,707,319

*1 Cash collateral received for securities lent, corresponding to the collateral of the subsidiary engaged in banking business, accounts for the majority.

*2 Borrowings corresponding to the collateral of the subsidiary engaged in banking business account for the majority.

*3 Long-term borrowings include the current portion.

3. Debt guarantees and others ¥1,462,189 million
4. Loss allowance deducted directly from assets

Trade and other receivables	¥119,212 million
Loans for banking business	¥3,326 million
Other financial assets	¥23,294 million

5. Component of Property, plant and equipment

(Millions of yen)

	Value reported on consolidated statement of financial position
Telecommunications equipment	11,592,433
Telecommunications service lines	17,404,778
Buildings and structures	6,429,787
Machinery, tools and fixtures	3,819,435
Land	1,038,417
Construction in progress	1,032,049
Sub-total	41,316,899
Accumulated depreciation and impairment losses	(30,040,012)
Property, plant and equipment - total	11,276,887

6. Accumulated depreciation and impairment losses of right-of-use assets ¥641,790 million
7. Accumulated depreciation and impairment losses of investment property ¥533,097 million

Notes to Consolidated Statement of Changes in Equity

- Number and class of shares issued and outstanding as of the end of the fiscal year ended March 31, 2026

Common stock: 90,550,316,400 shares

- Dividends

(1) Payment of dividends

Resolution	Class of Shares	Total Dividends (Millions of yen)	Dividends per Share (Yen)	Record Date	Effective Date
June 19, 2025 Ordinary general meeting of shareholders* ¹	Common stock	215,210	2.6	March 31, 2025	June 20, 2025
November 4, 2025 Board of Directors meeting* ²	Common stock	218,753	2.65	September 30, 2025	November 28, 2025

*¹ Total dividends include the dividend of ¥90 million paid for the Company's shares held by the BIP trust.

*² Total dividends include the dividend of ¥84 million paid for the Company's shares held by the BIP trust.

(2) Dividends for which the record date fell in the fiscal year ended March 31, 2026 with an effective date falling in the following fiscal year

Proposed Resolution	Class of Shares	Source of Dividends	Total Dividends (Millions of yen)	Dividends per Share (Yen)	Record Date	Effective Date
May 8, 2026 Board of Directors meeting* ³	Common stock	Retained earnings	215,940	2.65	March 31, 2026	June 1, 2026

*³ Total dividends include the dividend of ¥84 million paid for the Company's shares held by the BIP trust and the dividend of ¥84 million paid for shares held by the stock-granting ESOP trust.

Notes Concerning Financial Instruments

1. Qualitative information on financial instruments

The NTT Group owns financial instruments mainly listed in "2. Fair value of financial instruments" below and is exposed to financial risks (credit risk, liquidity risk, and market risk) in conducting business activities. In order to avoid or reduce such risks, it manages risks based on certain policies. In addition, the NTT Group reports on the status of major financial risk management to its management.

The NTT Group has established risk management policies to alleviate market risk and is conducting derivative transactions, such as forward foreign exchange contracts, interest rate swaps, and currency swaps. The NTT Group does not conduct derivative transactions for speculative purposes.

2. Fair value of financial instruments

(Millions of yen)

	Carrying amount on consolidated statement of financial position*2	Fair value*2	Difference
Financial assets and financial liabilities measured at amortized cost			
Loans for banking business	10,870,387	10,845,182	25,205
Long-term debt (including current portion or balance due within 1 year)	(13,294,226)	(12,974,488)	319,738
Financial assets and financial liabilities measured at fair value			
Securities for banking business	947,760	947,760	–
Other financial assets (Current / Non-current)			
Investments in capital	132,817	132,817	–
Equity securities	1,494,342	1,494,342	–
Trust of money	187,042	187,042	–
Other financial assets / Other financial liabilities (Current / Non-current)			
Derivatives*1	696,339	696,339	–

*1 Amounts of assets and liabilities related to derivatives are presented in net amounts.

*2 Amounts reported as liabilities are shown in parentheses.

Note: Assets and liabilities with carrying amounts that approximate fair values, such as cash and cash equivalents, trade and other receivables, short-term borrowings, trade and other payables, deposits for banking business, and accrued payroll, are not included in the above table.

3. Components, etc. of financial instruments by their appropriate fair value classification

The fair value is determined based on market information including market prices, and calculation techniques such as the market approach, income approach, and cost approach.

The assumptions (inputs) for valuation techniques used to measure fair value are required to be categorized into three levels based on their observability. The use of more observable inputs is required in valuation techniques. The NTT Group categorizes the assumptions (inputs) used to measure fair value into the following three levels and puts Level 1 measurements as the highest priority:

- Level 1
Unadjusted market prices of identical assets or liabilities in active markets that the company can access at the measurement date
- Level 2
Of the inputs that are directly or indirectly observable, such as a market price of a similar asset or liability in an active market or a market price of an identical or similar asset or liability in an inactive market, those inputs that are other than market prices included in Level 1
- Level 3
Unobservable inputs for assets or liabilities

Changes between these levels are recognized as having occurred at the end of each quarter.

(1) The fair value of financial instruments not measured at fair value

The carrying amount and estimated fair value of financial instruments not measured at a fair value
(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Loans for banking business	10,870,387	–	–	10,845,182	10,845,182
Financial liabilities:					
Long-term debt (including current portion or balance due within 1 year)	13,294,226	–	12,974,488	–	12,974,488

With the exception of the above-mentioned items, the financial instruments not measured at fair value are not included in the table, because their carrying amounts approximate their fair values. The valuation techniques for each item are as follows:

(i) Loans for banking business

The total amount of principal and interests is calculated for each category based on the type of loan, internal rating, and term, and the fair values are measured by discounting at the interest rate expected to be applied if similar new transactions were made.

(ii) Deposits for banking business

For deposits, specifically demand deposits that are paid immediately upon demand on the fiscal-year end, the relevant amount is used as the fair value. Moreover, time deposits are classified into certain periods, and the fair values are measured based on the present value obtained by discounting future cash flows. The discount rate is the interest rate used when new deposits are received. For those with a short deposit period (within one year), the carrying amount is used as the

fair value, as the fair value approximates the carrying amount. The relevant market value is classified as Level 2.

(iii) Long-term borrowings (including current portion or balance due within 1 year)

The fair values are measured by discounting future cash flows using discount rates assumed for similar new debt, except for floating rate debt whose carrying amounts and fair values are deemed almost equivalent.

(2) Fair value measurement
Assets and liabilities measured at fair value

(Millions of yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investments in capital	602	47,775	84,440	132,817
Securities for banking business	3,751	55,371	–	59,122
Derivatives financial assets				
Applied hedge accounting	–	719,373	–	719,373
Not applied hedge accounting	–	63,056	–	63,056
Financial assets measured at fair value through other comprehensive income				
Equity securities	1,317,703	–	176,639	1,494,342
Trust of money	187,042	–	–	187,042
Securities for banking business	518,690	369,948	–	888,638
Total	2,027,788	1,255,523	261,079	3,544,390
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivatives financial liabilities				
Applied hedge accounting	–	14,005	–	14,005
Not applied hedge accounting	–	72,085	–	72,085
Total	–	86,090	–	86,090

There was no material transfer between levels.

Reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis

(Millions of yen)

Classifi- cation	Balance at the beginning of the year	Gain (losses)		Increase by purchases	Decrease by sales	Other changes	Balance at the end of the year	Gain (losses) for the period relating to assets held at the end of the year
		Profit	Other compre- hensive income					Profit
Financial assets:								
Invest- ments in capital	72,284	6,437	–	10,808	(4,379)	(710)	84,440	7,760
Equity securities	148,260	–	726	35,593	(3,638)	(4,302)	176,639	–

Notes:

1. “Increase by purchases” and “Decrease by sales” include increases or decreases from new consolidations, deconsolidations, and transfers from (to) other accounts.
2. Gains or losses included in the “Profit” are included in the “Finance income” or “Finance costs” in the consolidated statement of profit or loss.

Valuation techniques used to measure fair value of financial instruments

In the consolidated statement of financial position, the valuation techniques used to measure fair value of financial instruments classified as Level 2 and Level 3 are as follows:

- (i) Debt securities
Debt securities include corporate bonds and others. Their fair value is measured based on the pricing models developed independently by financial and other institutions using underlying conditions that are observable in markets, such as credit ratings and discount rates.
- (ii) Securities for banking business
Corporate bonds, local government bonds, and short-term corporate bonds for banking business are classified as Level 3 when significant unobservable inputs are used in valuation, and as Level 2 when they are not. In the evaluation process, observable inputs are utilized to the maximum extent possible, and these inputs include market interest rates.
For other securities, the prices provided by counterparty financial institutions and others are used as the fair value. However, if significant unobservable inputs are used, they are classified as Level 3; otherwise, they are classified as Level 2.
- (iii) Loans receivable
The fair value of loans receivable is calculated primarily by discounting the total principal and interest using interest rates assumed for similar new transactions.
- (iv) Derivatives
Derivatives mainly comprise forward exchange contracts, currency swap agreements and interest rate swap agreements. The fair value of forward exchange contracts is measured using underlying conditions that are observable in markets, such as exchange rates. The fair values of currency swap agreements and interest rate swap agreements are measured by using underlying conditions that are observable in markets, such as interest rate index and exchange rates, and by discounting future cash flows to present value.
- (v) Equity securities and investments in capital
The fair values of equity securities and investments in capital are measured using an evaluation model that is selected through appropriate processes and that suits the circumstances of the investee, including reasonable estimates of inputs. As a result, these fair values are primarily measured using the adjusted net asset method.

Notes Concerning Investment Property

1. Investment property
The NTT Group owns leased office buildings and others.

2. Fair value of investment property

(Millions of yen)	
Carrying amount on consolidated statement of financial position *1	Fair value *2
1,523,792	3,080,454

*1 Carrying amount on consolidated statement of financial position represents the cost reduced by the accumulated depreciation and accumulated impairment losses.

*2 Fair value is mainly an appraisal value by an independent real estate appraisal expert, and is based on an evaluation by the discount cash flow method or observable market prices of similar assets.

Notes Concerning Financial Data Per Share

Shareholders' equity per share:	¥119.47
Basic earnings per share attributable to NTT:	¥12.61

Note: Shares of NTT held by the officer compensation BIP trust and the stock-granting ESOP trust that are recorded as treasury stock under shareholders' equity are included in the number of shares of treasury stock that is excluded from the average number of shares outstanding when calculating basic earnings per share attributable to NTT.
In addition, these shares are included in the number of shares of treasury stock that is excluded from the number of shares outstanding at the end of the fiscal year when calculating shareholders' equity per share.

Other

1. Performance-related stock compensation for officer compensation (officer compensation BIP trust)

(1) Overview of transactions

The NTT Group has adopted a performance-related stock compensation plan (the "Plan") in the form of an officer compensation BIP trust. The purposes are to provide increased incentive to achieve the financial targets set forth in the medium-term management strategy, and further promote shared value with shareholders by advancing ownership of NTT's shares.

Under the Plan, the Group has established a trust into which it contributes funds that constitute the source of the funds for the stock compensation, and NTT's shares, which are acquired using the funds in the trust, are delivered in accordance with the degree of achievement of performance targets and other factors.

(2) Shares of NTT held by the Trust

The carrying amount and number of the shares of NTT held by the Trust as of the end of the fiscal year were ¥4,160 million and 31,611,838 shares, respectively, and the shares are treated as "Treasury stock" on the consolidated statement of financial position.

2. Assets held for sale

Sale of shares of data center asset holding company

(1) Overview

NTT DATA Group has listed the real estate investment trust "NTT DC REIT," which is managed by NTT DC REIT Manager Pte, Ltd, on the Singapore Exchange, and has sold some of the shares of the companies owned by a consolidated subsidiary that own data center assets to the REIT and acquired a portion of the units of the REIT.

(2) Accounting treatment and Impact on the consolidated financial statements

The assets related to the sale of the shares of the companies that hold data centers and the liabilities directly associated with these assets, which are included in the Global Solutions Business Segment, have been classified as assets held for sale and liabilities directly associated with assets held for sale. This is based on the decision made in the previous fiscal year to proceed with the sale procedures within one year. Accordingly, the sale of assets has been completed during the fiscal year under review. The ¥129,451 million in the Global Solutions Business Segment gain on sale from such transaction has been recorded under operating profit in the consolidated statements of profit or loss for the fiscal year under review, and the total consideration received from the transaction was ¥222,159 million. The portion of the consideration received that consisted of cash and cash equivalents was ¥184,291 million. The major classes of assets and liabilities at the time of such sale were as set forth below.

		(Millions of yen)	
Accounting item		Accounting item	
ASSETS		LIABILITIES	
Cash and cash equivalents	4,307	Trade and other payables	3,819
Trade and other receivables	5,568	Other	2,760
Property, plant and equipment	83,635		
Other	1,056		
Total	94,566	Total	6,579

3. Equity Transactions with Non-controlling Interests

Transaction making NTT DATA Group Corporation a wholly owned subsidiary of NTT Pursuant to a resolution of its Board of Directors on May 8, 2025, NTT has conducted a series of transactions by implementing a tender offer for the common stock of NTT DATA Group Corporation ("NTT DATA Group," and its common stock, excluding the shares owned by NTT and the treasury shares owned by NTT DATA Group, the "NTT DATA Group Shares"), in accordance with the Financial Instruments and Exchange Act, with the aim of acquiring all NTT DATA Group Shares and making NTT DATA Group a wholly-owned subsidiary of NTT.

Tender Offer

On May 8, 2025, NTT resolved to acquire all of the NTT DATA Group Shares through the tender offer, and purchased the NTT DATA Group Shares for a total purchase price of ¥1,347.2 billion from May 9, 2025 to June 19, 2025. As a result of the tender offer, the NTT Group's ownership interests in NTT DATA Group increased from 57.73% to 81.75%

Share Consolidation

At the Board of Directors meeting held on July 24, 2025, NTT DATA Group resolved to submit a proposal to an extraordinary general meeting of shareholders to conduct a share consolidation whereby 256,029,428 shares would be consolidated into 1 share, in order to make the Company the sole shareholder of NTT DATA Group. The proposal was approved as originally proposed at the extraordinary general meeting of shareholders held on August 29, 2025. As a result, NTT's ownership interests in NTT DATA Group is accounted for as 100% since the day of the resolution and the approval.

Details of the transaction with non-controlling interest in the additional acquisition of the NTT DATA Group Shares are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Carrying amount of non-controlling interest acquired	797,321
Consideration paid to non-controlling interest(*1)	2,368,349
Decrease in equity attributable to NTT, Inc. shareholders(*2)	(1,571,028)

*1 Consideration paid to non-controlling interest does not include transaction costs.

*2 As for a portion that additional paid-in capital becomes negative figure due to Consideration paid to non-controlling interest exceeding Carrying amount of non-controlling interest acquired, we deducted the portion from Retained earnings.

Funds for the acquisition

In order to secure the funds for the acquisition, based on the resolution by the Board of Directors of NTT on May 8, 2025, the NTT Group made borrowings from financial institutions as necessary within a threshold of ¥2,380.0 billion.

4. Business Combination

Acquisition of Shares of SBI Sumishin Net Bank, Ltd.

(1) Overview

At the Board of Directors meeting held on May 29, 2025 of NTT DOCOMO, the NTT Group determined to acquire SBI Sumishin Net Bank, Ltd.'s (the "Target Company") common stock (the "Target Company Stock") through a tender offer (the "Tender Offer"), pursuant to the Financial Instruments and Exchange Act, and to execute business alliance agreements between NTT DOCOMO and the Target Company.

The Tender Offer was completed on July 10, 2025, and NTT DOCOMO purchased the Target Company Stock for a total purchase price of ¥182.6 billion. Additionally, as a result of a series

of transactions in order to take the Target Company private, NTT DOCOMO's voting rights in the Target Company increased to 50.00%.

The Target Company became a consolidated subsidiary of NTT DOCOMO on October 1, 2025, as a result of the entering into the Shareholders' Agreement and a series of transactions, in order to take the Target Company private.

The purpose of the acquisition is to acquire general banking business capabilities, including know-how and technology, and to expand the NTT Group's financial business in the smart life area.

The purchase price, including the Tender Offer totaled ¥420.0 billion, and the form of consideration was cash.

(2) Acquired assets, assumed liabilities, non-controlling interests and goodwill

The amounts of acquired assets, assumed liabilities, non-controlling interests and goodwill, each as of the acquisition date, are as set forth below. Goodwill arises from the ability to earn excess profits, synergies with existing businesses and other factors.

	(Millions of yen)
	As of the acquisition date
Current assets	
Short-term loans for banking business*1	580,936
Other	2,019,135
Non-current assets	
Long-term loans for banking business*1	9,275,791
Securities for banking business	613,079
Other	383,774
Acquired assets Total	12,872,716
Current liabilities	
Short-term deposits for banking business	10,495,302
Other	516,599
Non-current liabilities	
Long-term deposits for banking business	509,331
Other	1,113,097
Assumed liabilities Total	12,634,329
Net assets acquired Total	238,386
Non-controlling interests*2	(81,506)
Goodwill	263,079
Total	419,959

*1 Regarding the fair value of ¥9,856,727 million in the acquired "Short-term loans for banking business" and "Long-term loans for banking business," the total contract amount is ¥9,992,728 million, and the estimated unrecoverable amount is ¥3,753 million.

*2 Non-controlling interests are measured at the proportionate share of non-controlling shareholders in the identifiable net assets of the acquired company.

(3) Revenue and profit or loss after the acquisition date

Net sales and profit that arose after the acquisition date are ¥92,378 million and ¥12,010 million, respectively.

(4) Revenue and profit or loss assuming the business combination had taken place at the beginning of the fiscal year (unaudited information)

The impact assuming the business combination had taken place at the beginning of the fiscal year is not disclosed as it is immaterial.

5. Impairment of Goodwill

As a result of conducting an impairment test on the goodwill of Green Power Investment Corporation, NTT has decided to carry out an impairment process in this consolidated fiscal year. Accordingly, an impairment loss of ¥51,441 million on goodwill has been recorded in the consolidated income statement. The recoverable amount of the cash-generating unit is measured using the discounted cash flow method.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (March 31, 2026)

Item	Amount
ASSETS	
Current assets	
Cash and bank deposits	674
Accounts receivable, trade	4,937
Supplies	181
Advance payment	2,189
Short-term loans receivable	288,000
Accounts receivable, other	52,988
Other	6,447
Total current assets	355,415
Fixed assets	
Property, plant and equipment	
Buildings	68,004
Structures	4,780
Machinery, equipment and vehicles	327
Tools, furniture and fixtures	27,729
Land	27,746
Lease assets	68
Construction in progress	943
Total property, plant and equipment	129,597
Intangible fixed assets	
Software	18,439
Other	288
Total intangible fixed assets	18,727
Investments and other assets	
Investment securities	1,102,167
Investments in subsidiaries and affiliated companies	12,441,856
Other securities of subsidiaries and affiliated companies	41,056
Investments in capital	20
Contributions to affiliated companies	5,973
Long-term loans receivable to subsidiaries	790,000
Prepaid pension costs	3,920
Other	3,636
Total investments and other assets	14,388,627
Total fixed assets	14,536,952
Total assets	14,892,367

(Millions of yen)

Item	Amount
LIABILITIES	
Current liabilities	
Accounts payable, trade	230
Current portion of long-term borrowings	5,000
Current portion of long-term borrowings from subsidiaries	762,154
Short-term borrowings	852,508
Lease obligations	23
Accounts payable, other	61,624
Accrued expenses	20,786
Accrued taxes on income	573
Advances received	691
Deposits received	500
Other	12
Total current liabilities	1,704,101
Long-term liabilities	
Long-term borrowings	250,614
Long-term borrowings from subsidiaries	5,842,238
Lease obligations	53
Deferred tax liabilities	164,947
Liability for employees' retirement benefits	37,534
Asset retirement obligations	1,827
Other	5,333
Total long-term liabilities	6,302,545
Total liabilities	8,006,647
NET ASSETS	
Shareholders' equity	
Common stock	937,950
Capital surplus	
Additional paid-in capital	2,672,826
Other capital surplus	15
Total capital surplus	2,672,841
Earned surplus	
Legal reserve	135,333
Other earned surplus	
Accumulated earned surplus	4,054,771
Total earned surplus	4,190,104
Treasury stock	(1,343,643)
Total shareholders' equity	6,457,252
Unrealized gains (losses), translation adjustments, and others	
Net unrealized gains (losses) on securities	428,468
Total unrealized gains (losses), translation adjustments, and others	428,468
Total net assets	6,885,720
Total liabilities and net assets	14,892,367

Note: Amounts are rounded to the nearest million yen.

Non-consolidated Statement of Income (Fiscal Year Ended March 31, 2026)

(Millions of yen)

Item	Amount	
Operating revenues		
Dividends received	1,006,839	
Revenues from group management	20,100	
Revenues from basic R&D	117,000	
Other services	11,749	1,155,687
Operating expenses		
Administration	43,831	
Experiment and research	105,938	
Depreciation and amortization	23,385	
Retirement of fixed assets	843	
Miscellaneous taxes	4,560	178,556
Operating income		977,131
Non-operating revenues		
Interest income	9,111	
Lease and rental income	8,970	
Miscellaneous income	1,727	19,808
Non-operating expenses		
Interest expenses	73,850	
Loss on valuation of shares of subsidiaries and associates	9,500	
Lease and rental expenses	5,233	
Loss on investments in partnerships	5,576	
Miscellaneous expenses	1,358	95,517
Recurring profit		901,422
Income before income taxes		901,422
Corporation, inhabitant, and enterprise taxes	(21,738)	
Deferred tax expenses (benefits)	1,212	(20,527)
Net income		921,948

Note: Amounts are rounded to the nearest million yen.

Non-consolidated Statement of Changes in Shareholders' Equity and Other Net Assets
(from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity									Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus			Earned surplus			Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other earned surplus	Total earned surplus					
						Accumulated earned surplus						
At beginning of year	937,950	2,672,826	15	2,672,841	135,333	3,566,786	3,702,119	(1,139,170)	6,173,740	289,242	289,242	6,462,982
Net change during the annual period												
Cash dividends	–	–	–	–	–	(433,963)	(433,963)	–	(433,963)	–	–	(433,963)
Net income	–	–	–	–	–	921,948	921,948	–	921,948	–	–	921,948
Payments to acquire treasury stock	–	–	–	–	–	–	–	(204,890)	(204,890)	–	–	(204,890)
Resale of treasury stock	–	–	0	0	–	–	–	417	417	–	–	417
Others, net	–	–	–	–	–	–	–	–	–	139,226	139,226	139,226
Total net change during the annual period	–	–	0	0	–	487,985	487,985	(204,473)	283,512	139,226	139,226	422,739
At end of year	937,950	2,672,826	15	2,672,841	135,333	4,054,771	4,190,104	(1,343,643)	6,457,252	428,468	428,468	6,885,720

Note: Amounts are rounded to the nearest million yen.

Notes to Non-consolidated Financial Statements

Notes Concerning Principal Accounting Policies

1. Valuation standard and method for certain assets

(1) Valuation standard and method for securities

[1] Investments in subsidiaries and affiliated companies

Investments in subsidiaries and affiliated companies are stated at cost, which is determined by the moving average method.

[2] Other securities

(a) Securities, other than shares, etc., that do not have a market price

The securities are stated at fair value, which includes market price, as of the balance sheet date, with valuation differences directly reported as a separate component of net assets. The cost of securities sold is determined by the moving average method.

(b) Shares, etc. that do not have a market price

The shares are stated at cost, which is determined by the moving average method.

(2) Valuation standard and method for inventories

Supplies are stated at cost, which is determined by the last purchase cost method (balance sheet amount is computed by devaluing the book price to reflect declines in profitability).

2. Depreciation and amortization of fixed assets

(1) Property, plant and equipment (except lease assets)

Property, plant and equipment are depreciated using the straight-line method.

The useful life of assets is primarily as follows, and the residual values are calculated based on real residual values.

Buildings:	4 to 56 years
------------	---------------

Tools, furniture and fixtures:	3 to 26 years
--------------------------------	---------------

(2) Intangible fixed assets (except lease assets)

Intangible assets (except lease assets) are amortized using the straight-line method.

Internal-use software is amortized using the straight-line method over its estimated useful life (within 5 years).

(3) Lease assets

Financial leases other than those deemed to transfer ownership of properties to lessees

The useful lives of the assets are the terms of leases, and the residual values are calculated based on real residual values using the straight-line method.

3. Accounting standard for allowances

(1) Allowance for doubtful accounts

To cover expected losses from bad debts, estimated uncollectible amounts are accrued for general claims on the basis of historical bad-debt ratios, and for specific claims, including doubtful accounts, on the basis of their recoverability.

No allowance was accrued as of the end of the fiscal year ended March 31, 2026.

(2) Liability for employees' retirement benefits

To provide for employees' retirement benefits, benefit obligations and plan assets are estimated and accrued as of the end of the fiscal year ended March 31, 2026.

[1] Period allocation method of projected retirement benefits

When calculating retirement benefit obligations, the benefit formula method is used in determining the amount of the expected retirement benefit obligations attributed to the period up to the end of the fiscal year ended March 31, 2026.

[2] Method of recognizing actuarial differences and prior service costs

The amount of a prior service cost is accounted for as an expense from the fiscal year during which it arises, and calculated by using the straight-line method based on the average remaining service period of the employees in service.

Actuarial differences are accounted for as an expense from the fiscal year following the fiscal year in which such gains or losses are incurred, and calculated by using the straight-line method based on the average remaining service period of the employees in service.

4. Basis for recording revenues and expenses

Revenue from promised goods or services is recognized at the time the control of said goods or services is transferred to the customer at the amount expected to be received upon the exchange of said goods or services.

NTT's major revenues from contracts with customers are revenues from basic R&D. NTT centrally performs basic research and development for the Group and enters into agreements with its subsidiaries regarding continuous use of the fruits of NTT's basic research and development. For said agreements, NTT's provision of comprehensive services related to the basic research and development to its subsidiaries is identified as performance obligations. Because said performance obligations are satisfied over the passage of time, revenue is recorded at an amount that has been averaged over the period of the agreement for use of the fruits of basic research and development.

5. Other material matters relating to the preparation of financial statements

(1) Accounting for hedging activities

Hedging activities are principally accounted for under "deferral hedge accounting." The designation "hedge accounting" is applied to forward exchange contracts and other foreign exchange contracts, and the designation "exceptional accounting" is applied to interest-rate swaps that qualify for "exceptional accounting" (Accounting Standards for Financial Instruments, Footnote 14).

(2) Adoption of group tax sharing system

NTT applies for the group tax sharing system.

Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation on property, plant and equipment: ¥334,594 million
2. Debt guarantees
NTT has made the following debt guarantees.
 - (1) Corporate bond issuances of subsidiaries
NTT Finance Corporation ¥1,662,750 million
 - (2) Electric power supply contract of subsidiaries
NTT Anode Energy Corporation ¥94,468 million
3. Accounts receivable from and payable to affiliates are as follows (excluding those otherwise classified):

Short-term accounts receivable:	¥338,256 million
Long-term accounts receivable:	¥1,359 million
Short-term accounts payable:	¥882,500 million
Long-term accounts payable:	¥2,353 million

Notes to Non-consolidated Statement of Income

Transactions with affiliated companies

Balance of operating transactions	
Operating revenues	¥141,624 million
Operating expenses	¥68,264 million
Balance of non-operating transactions	¥97,945 million

Notes to Non-consolidated Statement of Changes in Shareholders' Equity and Other Net Assets

Number of shares of treasury stock outstanding as of the end of the fiscal year ended March 31, 2026.

Common stock: 9,063,346,225 shares

(Note) Shares of NTT held by the officer compensation BIP trust and the stock-granting ESOP trust are not included in the above number of shares of treasury stock.

Notes Concerning Tax Effect Accounting

1. The major causes of the occurrence of deferred tax assets were "securities" and "liability for employees' retirement benefits." The major cause of occurrence of deferred tax liabilities was "net unrealized gains (losses) on securities."
Deferred tax assets exclude ¥201,657 million in valuation allowance.
2. Accounting for income taxes and local income taxes, and related tax effect accounting
NTT has adopted the group tax sharing system. NTT accounts for and discloses income taxes, local income taxes and the related tax effects in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

Notes Concerning Related Party Transactions

Subsidiaries

(Millions of yen)

Affiliation	Name	Voting Rights Ownership Ratio	Relationship with Affiliated Party	Transaction Details	Transaction Amount	Category	Balance at End of Term
Subsidiary	NTT EAST, Inc.	100% direct ownership	Exercise of rights as shareholder, offering intermediary advice, and other support	Loan of capital ¹	100,000	Short-term loans receivable	38,000
						Long-term loans to subsidiaries	260,000
				Receipt of interest ¹	1,802	Other current assets	409
Subsidiary	NTT WEST, Inc.	100% direct ownership	Exercise of rights as shareholder, offering intermediary advice, and other support	Loan of capital ¹	250,000	Short-term loans receivable	250,000
						Long-term loans to subsidiaries	530,000
				Receipt of interest ¹	5,614	Other current assets	1,766
Subsidiary	NTT Finance Corporation	100% direct ownership	Exercise of rights as shareholder, offering intermediary advice, and other support	Borrowing of capital ²	3,897,322 ³	Current portion of long-term borrowings from subsidiaries	762,154
						Short-term borrowings	852,508
						Long-term borrowings from subsidiaries	5,842,238
				Payment of interest ²	69,001	Accrued expense	16,774
				Debt guarantees ⁴	1,662,750	—	—

Transaction Conditions and Standards for Determining Transaction Conditions

Notes:

- 1 Loan conditions are the same as those for procurement of capital by NTT. No security is provided.
- 2 Interest on borrowing of capital is set taking into consideration market rates. No security is provided.
- 3 For borrowings from the Cash Management System (CMS), the transaction amount that corresponds to the day-to-day operational funds is recorded as the average balance during the fiscal year. For other borrowings, the transaction amount is the total amount.
- 4 NTT has made debt guarantees regarding corporate bonds issued by NTT Finance Corporation, and does not receive any guarantee fees.

Notes Concerning Financial Data per Share

Net assets per share	¥84.57
Net income per share	¥11.21

Note: Shares of NTT held by the officer compensation BIP trust and the stock-granting ESOP trust that are recorded as treasury stock under shareholders' equity are included in the number of shares of treasury stock that is excluded from the average number of shares outstanding when calculating net income per share. In addition, these shares are included in the number of shares of treasury stock that is excluded from the number of shares outstanding at the end of the fiscal year when calculating net assets per share.

Other

Performance-related stock compensation for officer compensation (officer compensation BIP trust)

1. Overview of transactions
An overview of the transactions is presented in "1. Performance-related stock compensation for officer compensation (officer compensation BIP trust)" of "Other" in "Notes to Consolidated Financial Statements."
2. Shares of NTT held by the trust
The carrying amount and number of the shares of NTT held by the trust as of March 31, 2026 were ¥4,160 million and 31,611,838 shares, respectively, and the shares are treated as "Treasury stock" on the non-consolidated balance sheet.

Transaction making NTT DATA Group Corporation a wholly owned subsidiary of NTT

Pursuant to a resolution of its Board of Directors on May 8, 2025, NTT has conducted a series of transactions by implementing a tender offer for the common stock of NTT DATA Group Corporation ("NTT DATA Group," and its common stock, excluding the shares owned by NTT and the treasury shares owned by NTT DATA Group, the "NTT DATA Group Shares"), in accordance with the Financial Instruments and Exchange Act, with the aim of acquiring all NTT DATA Group Shares and making NTT DATA Group a wholly-owned subsidiary of NTT.

Tender Offer

On May 8, 2025, NTT resolved to acquire all of the NTT DATA Group Shares through the tender offer, and purchased the NTT DATA Group Shares for a total purchase price of ¥1,347.2 billion from May 9, 2025 to June 19, 2025. As a result of the tender offer, the NTT Group's ownership interests in NTT DATA Group increased from 57.73% to 81.75%

Share Consolidation

At the Board of Directors meeting held on July 24, 2025, NTT DATA Group resolved to submit a proposal to an extraordinary general meeting of shareholders to conduct a share consolidation whereby 256,029,428 shares would be consolidated into 1 share, in order to make the Company the sole shareholder of NTT DATA Group. The proposal was approved as originally proposed at the extraordinary general meeting of shareholders held on August 29, 2025. NTT has paid ¥1,024.1 billion as a share acquisition price for any fractional part of less than one share resulting from this share consolidation. As a result, NTT's ownership interests in NTT DATA Group is accounted for as 100% since the day of the resolution and the approval.

The shares acquired through this series of additional acquisitions of the NTT DATA Group Shares were recorded in Investments in subsidiaries and affiliated companies.

Funds for the acquisition

In order to secure the funds for a series of transactions, NTT borrowed from its subsidiary, NTT Finance Corporation.

Auditor's Report

Auditor's Report on Non-Consolidated Financial Statements

Independent Auditor's Report

To the Board of Directors of NTT, Inc.:

Opinion

We have audited the financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and other net assets and the notes to non-consolidated financial statements, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of NTT, Inc. ("the Company") as at March 31, 2026 and for the year from April 1, 2025 to March 31, 2026 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note "Transaction making NTT DATA Group Corporation a wholly owned subsidiary of NTT" in "Other" to the financial statements, which describes that the Company conducted a series of transactions with the aim of making NTT DATA Group Corporation a wholly owned subsidiary. The Company entered into borrowings from its subsidiary in order to secure the funds necessary to finance the aforementioned transactions.

Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise

appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the

financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Kotetsu Nonaka
Designated Engagement Partner
Certified Public Accountant

Kei Sakayori
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 7, 2026