

Financial Results for the Fiscal Year Ended March 31, 2024 (25th Term)

May 10, 2024

Nippon Telegraph and Telephone East Corporation

Financial Results

In FY2023, achieved increased revenues and profits; 12th consecutive year of increased profits, setting a new record high

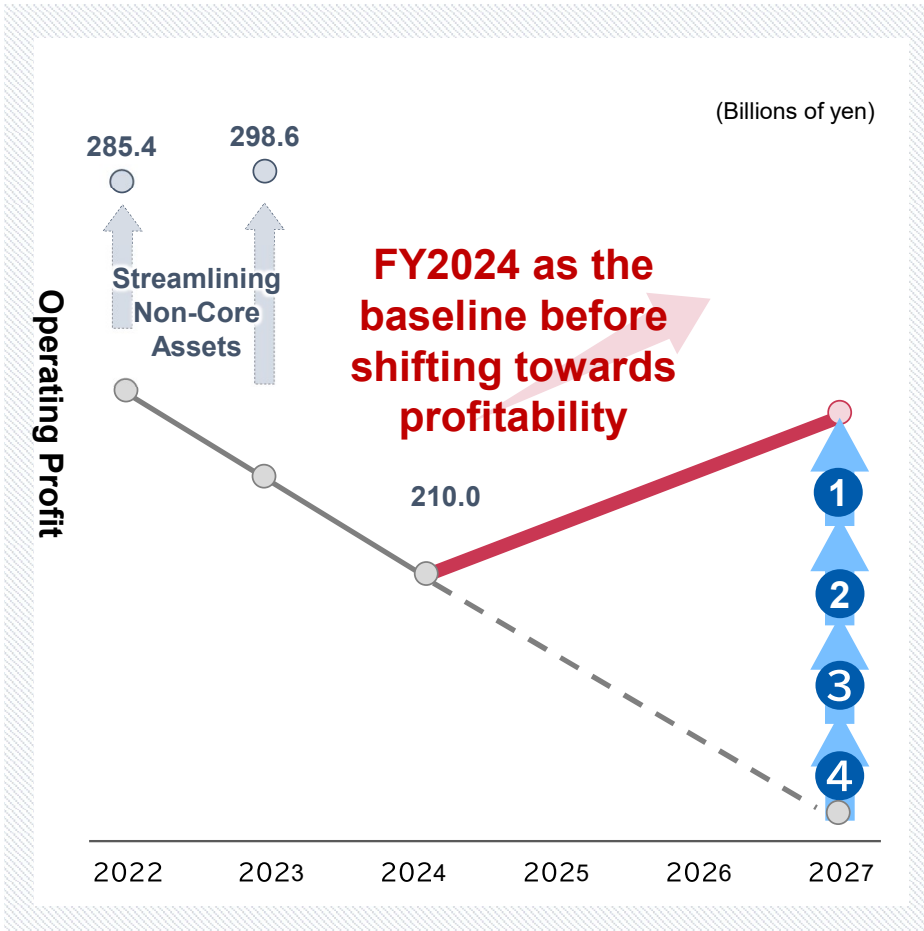
In FY2024, plan to increase revenues excluding the impact of the streamlining of non-core assets conducted in FY2023

(Units: Billions of yen, except Hikari Subscriptions)

IFRS (Consolidated)	FY2022 Results	FY2023 Results		FY2024 Forecast	Year-over-year
			Year-over-year		
Operating Revenues	1,702.2	1,710.5	+8.3	1,655.0	(55.5)
Operating Profit	285.4	298.6	+13.2	210.0	(88.6)
Profit*	202.4	206.9	+4.5	147.0	(59.9)
EBITDA	493.9	498.8	+4.9	414.0	(84.8)
Capital Investment	248.9	243.8	(5.0)	245.0	+1.2
Net increase (decrease) in Hikari Subscriptions (Number of Subscriptions)	+170,000 (13.33 million subscriptions)	+40,000 (13.37 million subscriptions)	(130,000)	+50,000 (13.42 million subscriptions)	+10,000

* Represents profit attributable to NTT East.

Initiatives to Restore Earning Ability



1 Migrating Legacy Services to Alternative Services, and Improving Customer Engagement through CX×DX

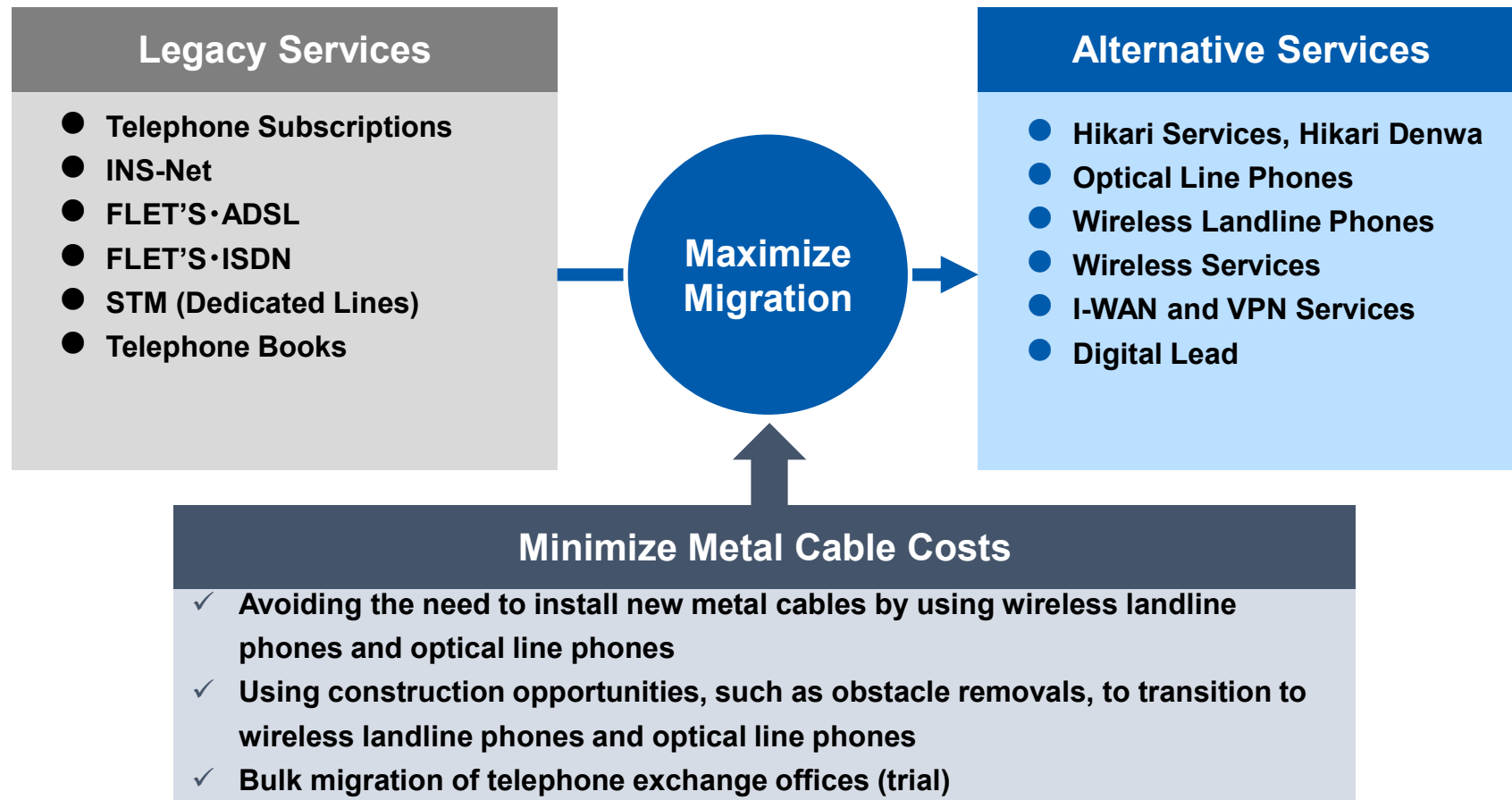
2 Developing Optical Demand to Capture High-Speed Needs

3 Turning Regional Customers in Loyal Customers

4 Strengthening Networks to Support Increasing Traffic

①-1 Migrating Legacy Services to Alternative Services

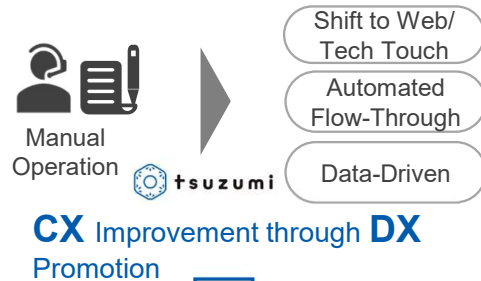
Maximizing the approx. ¥200.0 billion Legacy Service Revenues Base



①-2 Improving Customer Engagement through CX×DX

Creating a simple business flow that aims to both improve customer engagement and optimize business efficiency

- Leveraging generative AI and other cutting-edge technologies
- Redeveloping operations systems

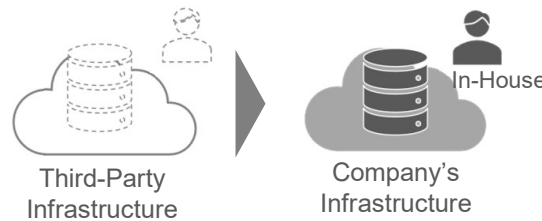


Cumulative from FY2024~FY2027

approx. 3,000 Positions Created

Develop business flow experts, and promote self-sufficiency and in-house development of business systems

- Migrating outsourced business systems to in-house infrastructure (cloud)
- Expanding the scope of in-house system development and operation



Cumulative from FY2024~FY2027

approx. ¥30.0 billion in Reductions

Accelerate the early-stage transition of paper- and people-based services into digital services

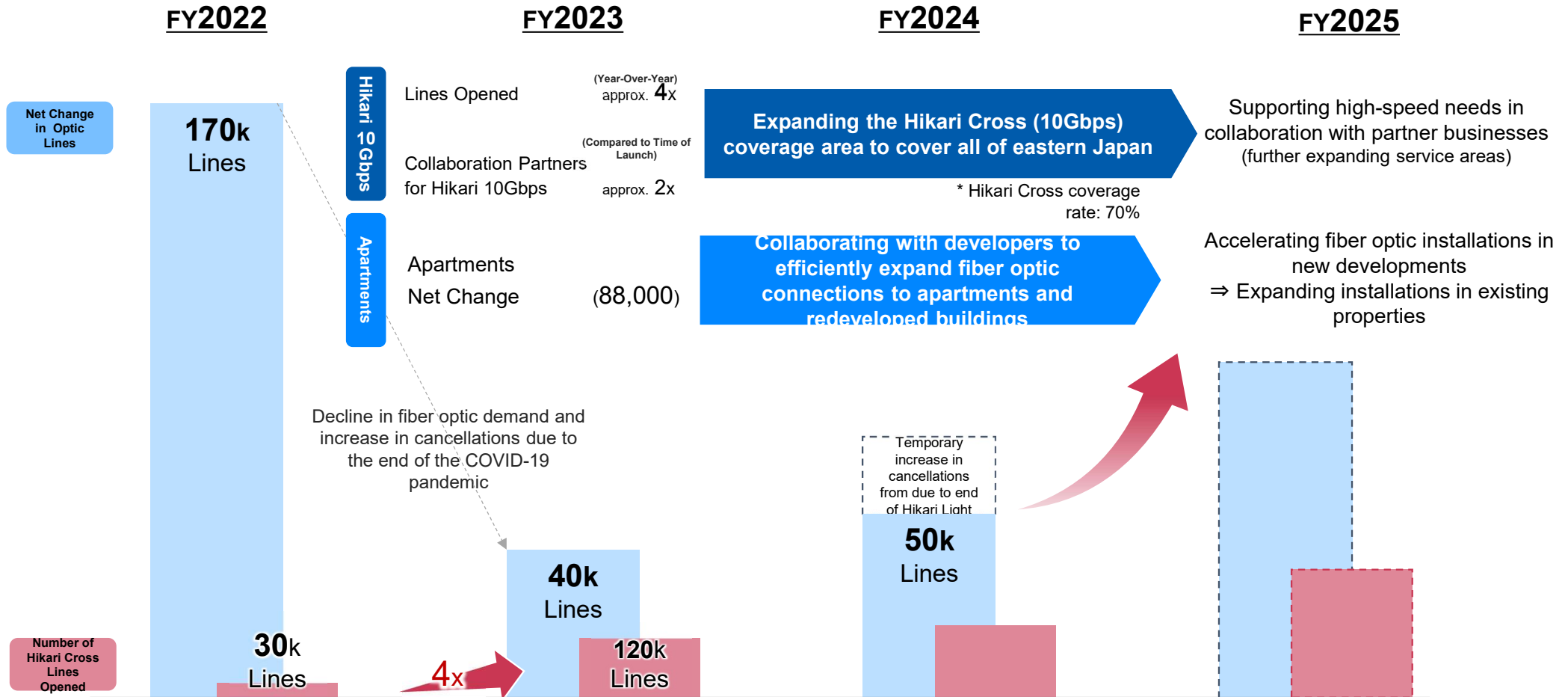
- Updating phone books into digital services ((Digital Lead, iTownPage)
- Reducing environmental impact by eliminating paper forms



Cumulative from FY2024~FY2027

approx. ¥10.0 billion in Reductions

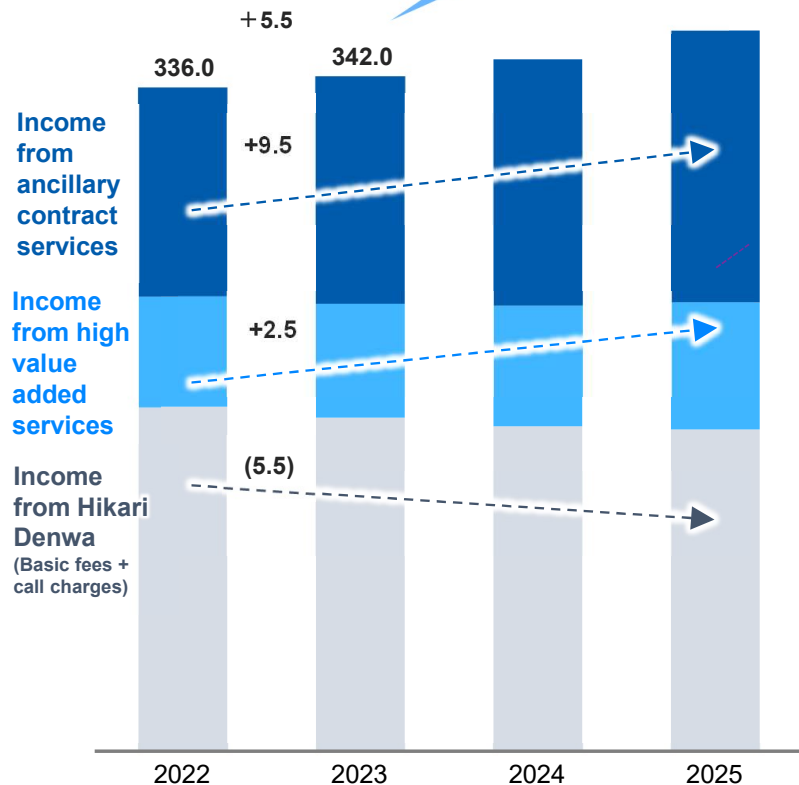
② Developing Optical Demand to Capture High-Speed Needs



③ Turning Regional Customers into Loyal Customers

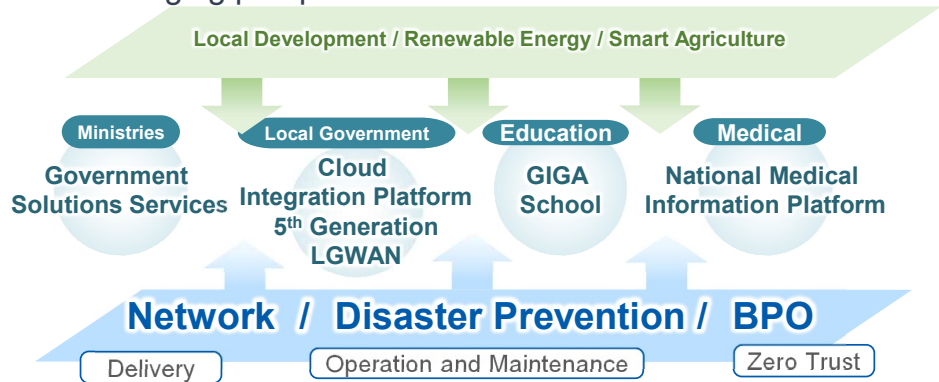
Operating Revenues from Hikari-Related Businesses

(Billions of yen)



Supporting the Digitalization of Local Governments and Public Institutions

- One-stop provider of regional problem-solving and value creation, AI and digitalization needs from wide-ranging perspectives

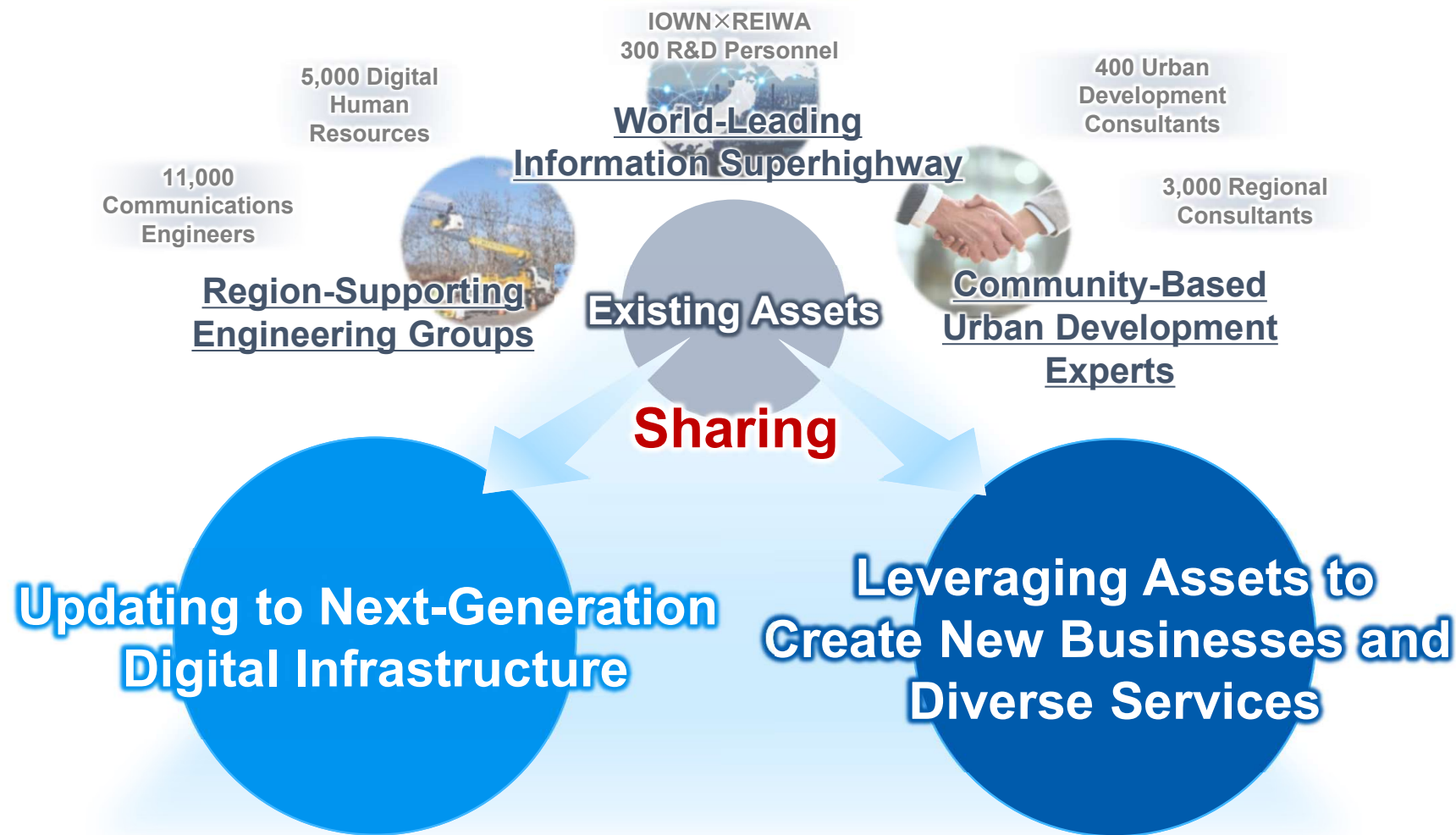


Total Support for Small and Medium-Sized Enterprises

- Proactive and total support for office ICT environments through multi-channel collaboration

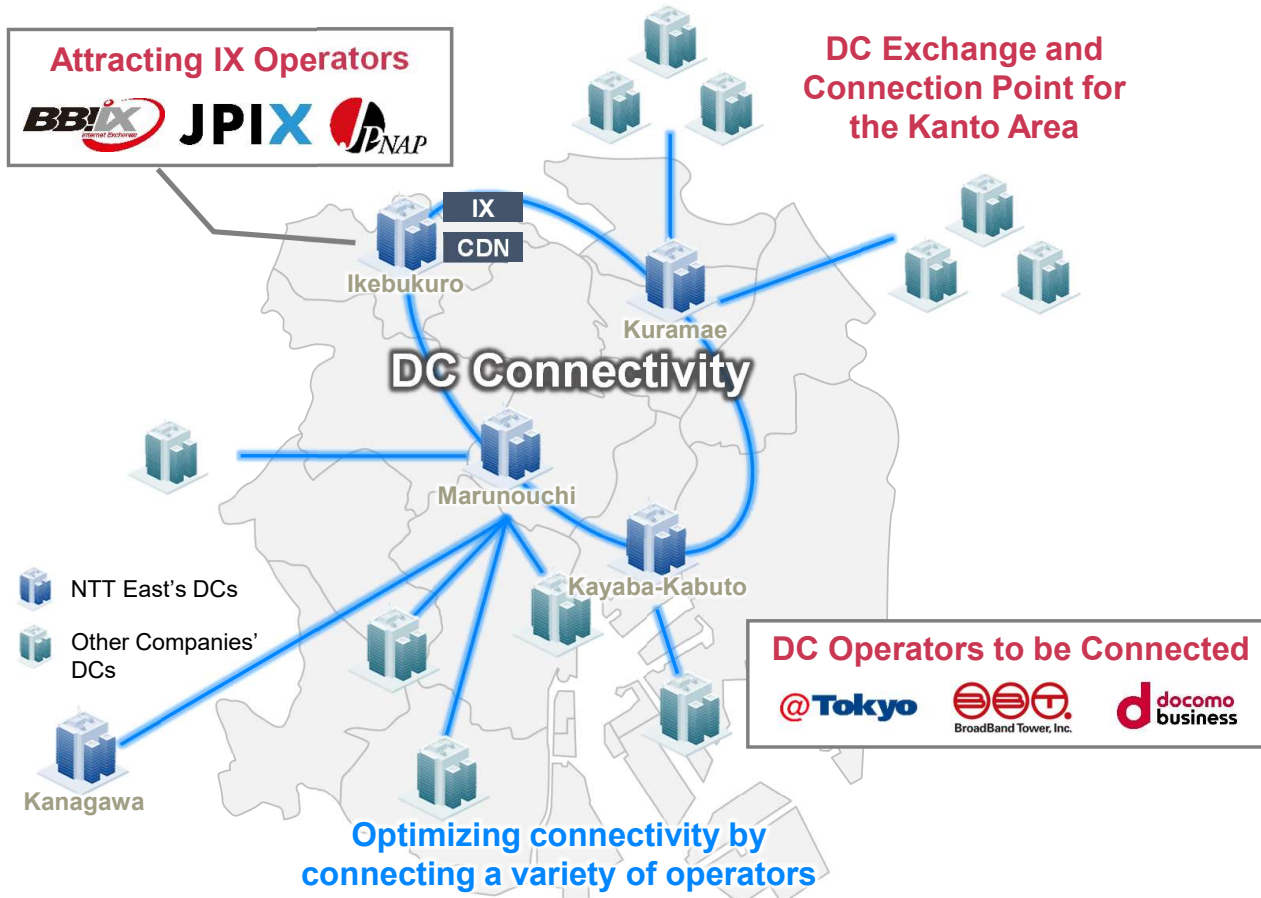


④-1 Updating Existing Assets (to Profitable Assets for the AI Era)

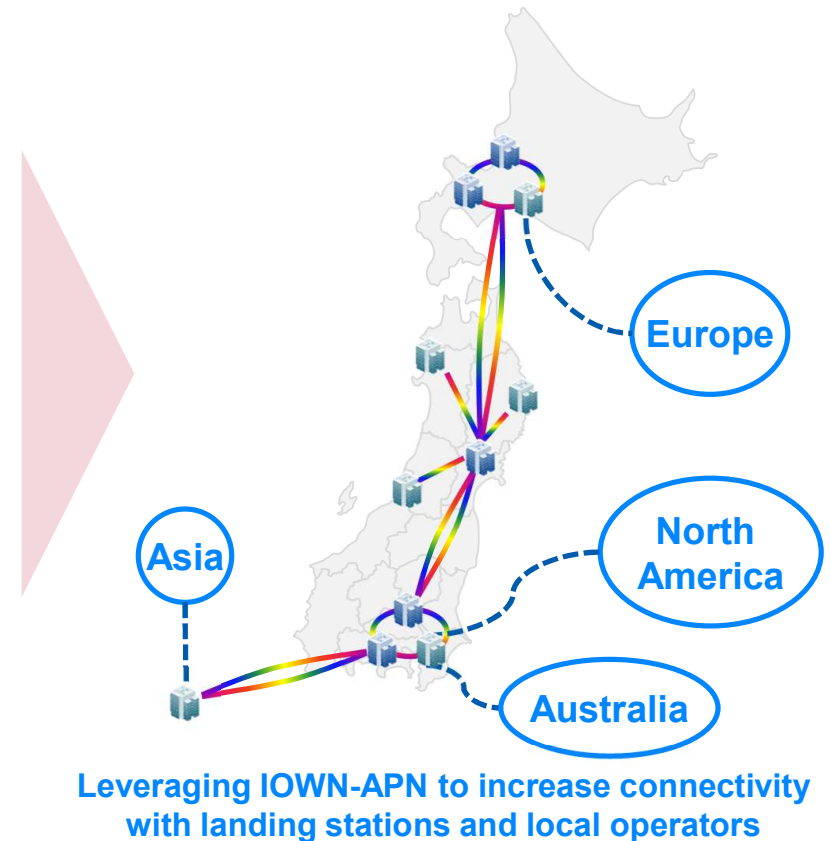


④-2 Strengthening Networks To Support Increased Traffic

Network Infrastructure to Handle Increased Traffic



Future (Making Japan Asia's Data Hub)



Major Topics and Collaborations

Smart Agriculture	<ul style="list-style-type: none"> • 【National Agriculture and Food Research Organization and Mirai Co-Creation Farm Akita】 Launched the data-driven Remote Farming Support Project (June) • 【Plantio and Tanita】 Entered into collaboration for new urban farming business (July) • 【Ichii and Okayama University of Science】 Conducted demonstration experiments for the commercialization of land-based aquaculture of sockeye salmon in a complete closed-circuit system using optimal environmental water® (July) • 【Osaka University】 Launched a freshness preservation consulting service to establish optimal preservation methods for local products (December) • 【Tsuno in Miyazaki Prefecture, and Okayama University of Science】 Successfully bred high-end fish Kue-Tama and Tamakai in the world's first completely closed-circuit land-based aquaculture system (February)
IOWN	<ul style="list-style-type: none"> • 【NEC and Kajima】 Completed the world's first successful demonstration experiment for construction vibration detection using communication optical fibers (August) • 【TV Tokyo】 Conducted the world's first live broadcast using APN IOWN 1.0. on TV Tokyo and BS TV Tokyo for the “Tokyu Silvester Concert 2023-2024” (December) • 【Mitsubishi Electric and NEC】 Opened the “IOWN Lab” to create use cases using IOWN technology (January)
Local 5G and Wireless	<ul style="list-style-type: none"> • 【18 5G Vendors】 Launched a new co-creation project to accelerate social implementation of local 5G systems (November) • 【JIG-SAW】 Became the first Japanese telecommunications company to join the Connectivity Standards Alliance (CSA) and entered into a business alliance for the development of services to encourage widespread adoption of smart homes using the “Matter” standard (November) • Opened the “Local 5G Smart Factory and Logistics Lab” (January)
Creating a Recycling-Oriented Society	<ul style="list-style-type: none"> • 【Yokohama】 Signed an agreement related to promoting “urban development aimed at creating a city where people want to live, continue living, and is chosen by others” (September) • 【University of Tokyo】 Signed an industry-academia collaboration agreement with the aim of creating a next-generation digital network infrastructure and social entrepreneurs in order to achieve a regional recycling-oriented society (FY24, April)
Other	<ul style="list-style-type: none"> • To prevent fraud, number display and number request services were made free for senior citizens (May) • Bulk banning of phone numbers owned by scam call-forwarding companies (July)

地域の価値創造企業へ



NTT 東日本グループ