

# Financial Results for the Fiscal Year Ended March 31, 2025 (26th Term)

May 9, 2025

Nippon Telegraph and Telephone East Corporation

# **Business Overview**

#### Shifting to a Management Structure that can Generate Long-Term Stable Earnings

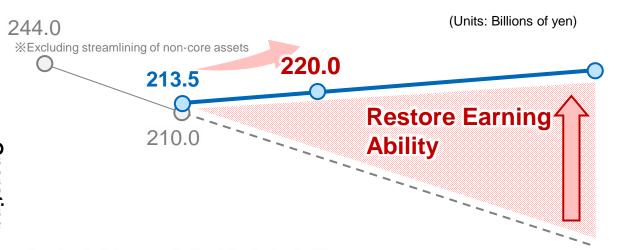
#### FY2024~FY2027 New Medium-Term Business Plan

A one-year downturn before a comeback



Shifting to a management structure that can generate long-term stable earnings

Recover Hikari
Services Market Share



**2** Grow the Enterprise Business

- Accelerated decrease in fixed line/voice traffic
- Reaction to heightened demand for Hikari driven by remote work

Profit base of existing fixed-line communications

of existing munications 

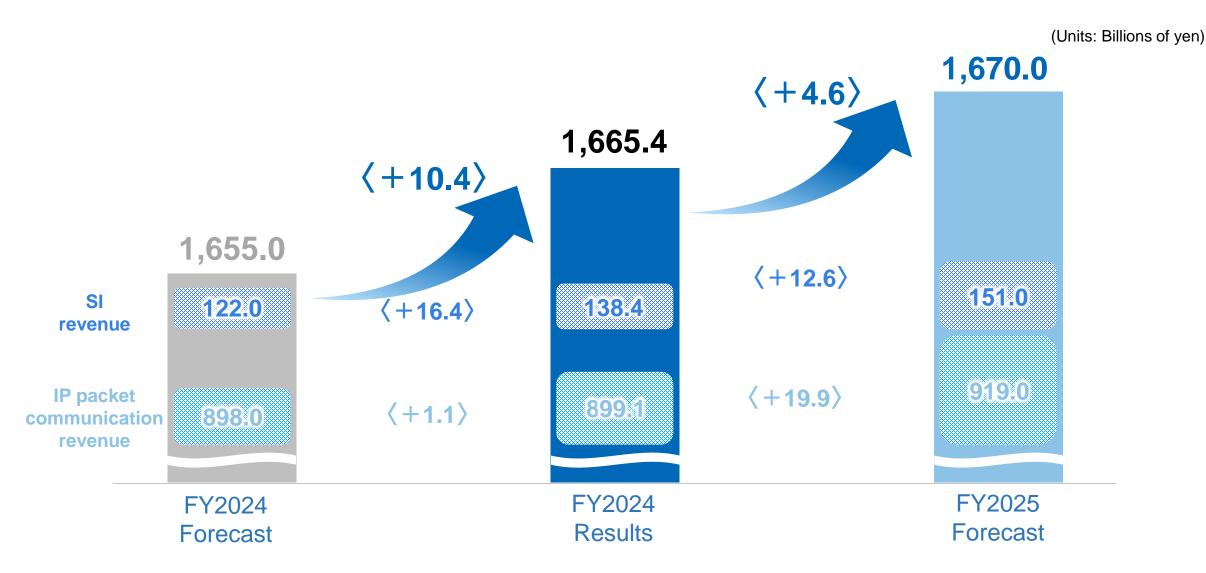
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- · Soaring electricity prices
- Soaring outsourcing and procurement costs

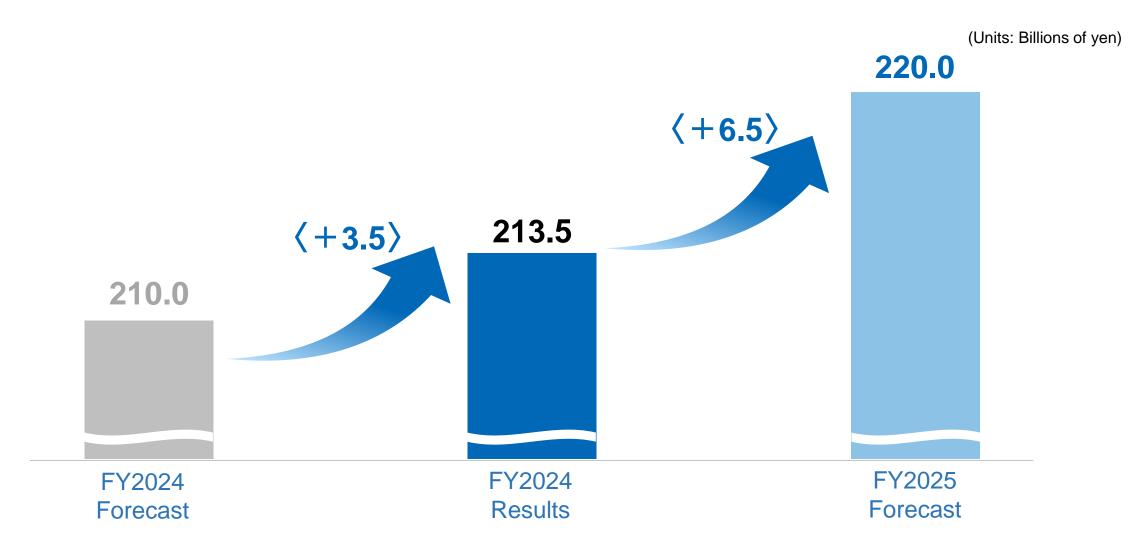
2023 2024 2025 2026 2027

1/13

# **Operating Revenues (Restore Earning Ability)**



## **Operating Profit (Profit-Turnaround)**



#### (Reference) FY2024 Financial Results Summary and FY2025 Earnings Forecast

(Units: Billions of yen, except Hikari Subscriptions)

IFRS (Consolidated)	FY2023 Results	FY2024 Results	Year-over-year	FY2025 Forecast	Year-over-year
Operating Revenues	1,710.5 〈1,655.9※²〉	1,665.4	(4.5) (+9.5)	1,670.0	+4.6
Operating Profit	298.6 〈244.0 <sup>※2</sup> 〉	213.5	(85.1) 〈(30.5)〉	220.0	+6.5
Profit**1	206.9	153.5	(53.4)	158.0	+4.5
EBITDA	498.8	426.8	(72.0)	437.0	+10.2
Capital Investment	243.8	251.6	+7.8	277.0	+25.4
Net increase (decrease) in Hikari Subscriptions (Number of Subscriptions)	+40,000 (13.37 million subscriptions)	+70,000 (13.44 million subscriptions)	+30,000	+100,000 (13.54 million subscriptions)	+30,000

X1 Represents profit attributable to NTT East, excluding noncontrolling interests.

<sup>※2</sup> Excludes impact of streamlining of non-core assets in FY2023.

# **Market Trends and Business Strategy**

#### NW Demand and Customer Needs in the Wake of Explosive Digitization

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#### **For Consumers**



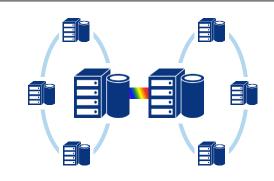
Video services, games, remote work

#### **For Enterprises**



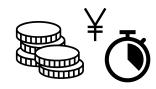
Cloud migration and multi-site connectivity resilience

#### For Hyperscalers



Low latency connections for generative Al

#### **Cost and Response Time**



Want low-cost, timely responses

#### **Remoting and Security**



Want to combine remote and flexible working style with a secure environment

# **Comprehensive and Centralized Support**

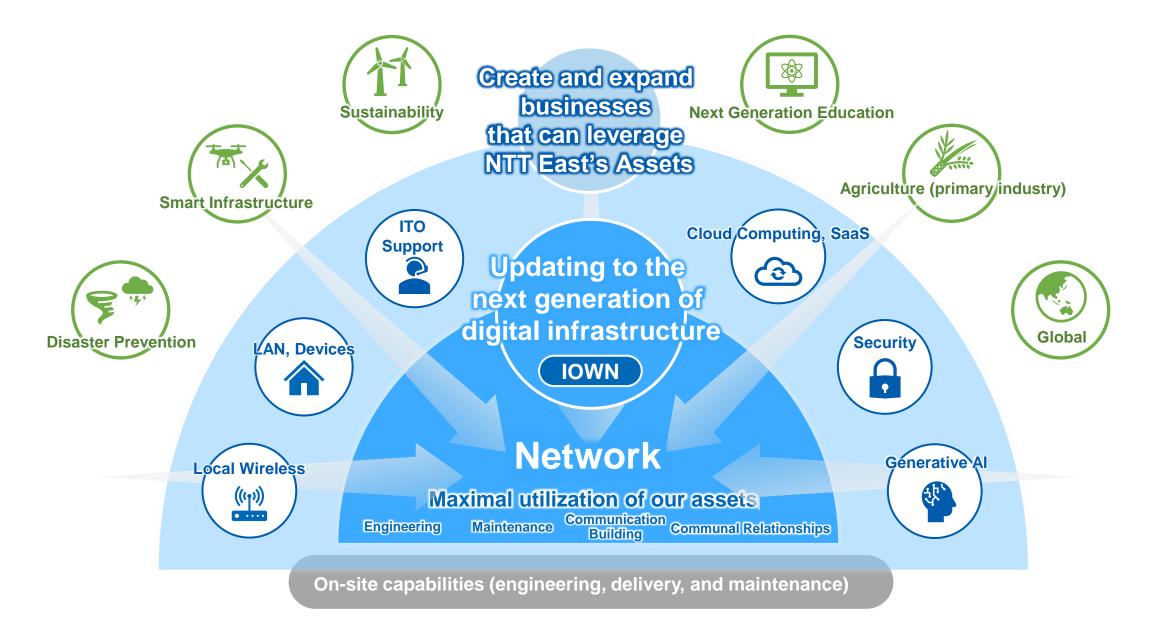


Want to leave everything from fullsite design, investigation, construction, wiring, maintenance, and monitoring to professionals all at once.

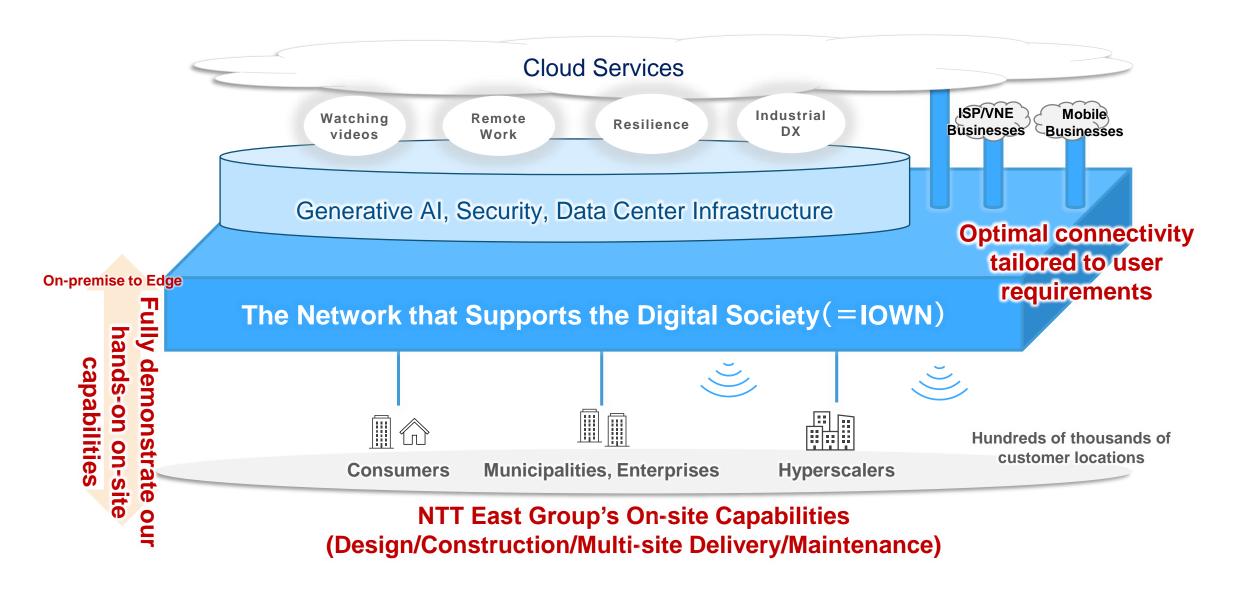
Want to consult with a <u>professional</u> who is familiar with my business, industry, or field as a <u>partner</u>

5/13

## **NTT East's Target Business Portfolio**



#### **Updating Existing Assets to Next Generation Digital Infrastructure**



# **Status of Individual Businesses**

#### **Net Increase in Hikari Services**

10 Gbps area coverage

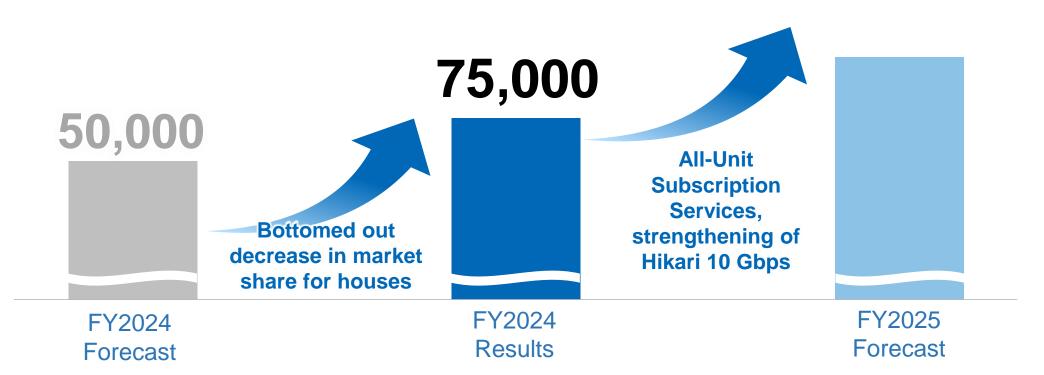
Expand to all prefectures in the East Japan area

**70**%

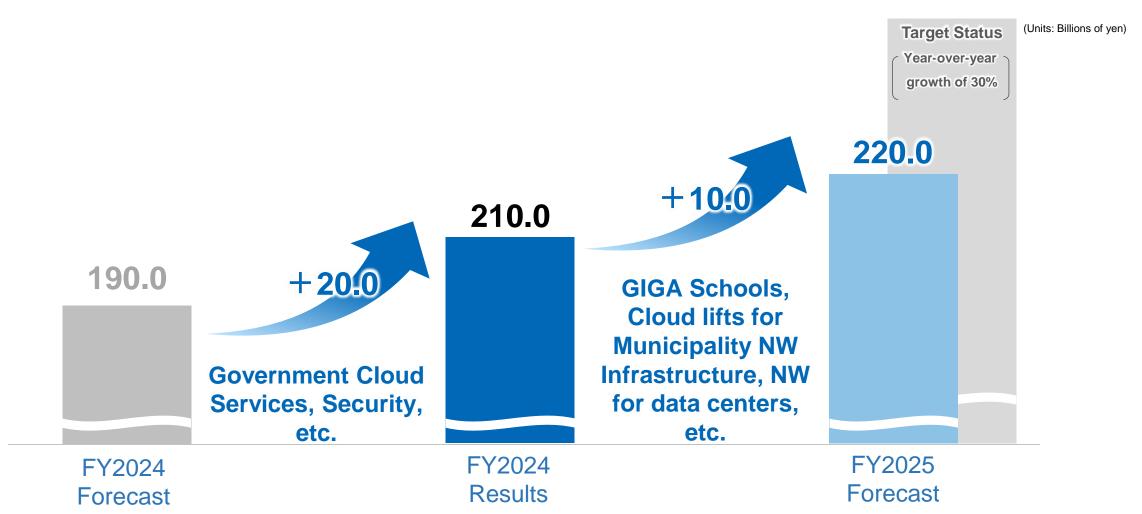
Gradual expansion in response to demand

100,000

(Lines)



### **Enterprise Business Revenue**



# Offering FLET's Hikari Cross (10 Gbps) Service for Businesses

# Plan to launch highly reliable Hikari services targeting business users

- Stable communications through secured bandwidth
- 2 SLA (service level agreement)
- Troubleshooting within 24 hours



#### **Generative Al Services to Promote Customers' Business DX**

# Launched generative Al services specialized in streamlining municipal government operations

Implementation preparation and consultation

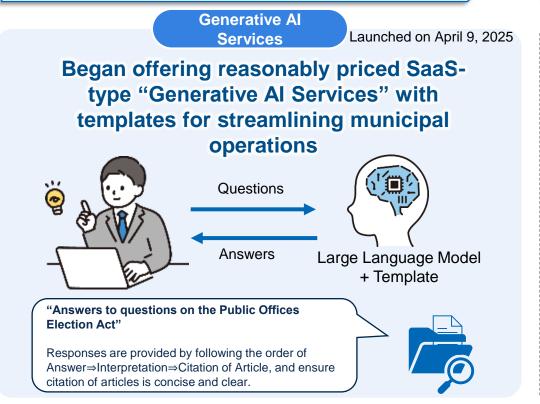


Generative AI basic training, use case creation workshop



Optimal NW environment, formulation of operational quidelines

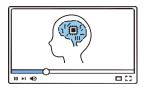
#### Implementation of Generative Al



End-to-end support



User support (Improving answer accuracy, etc.)



Case study sharing meetings

#### **FTTH Service Businesses Overseas**

# **Expand Indonesia's FTTH services by** leveraging our engineering capabilities

**SURGE Group (Weave) and NTT East's Capabilities** 



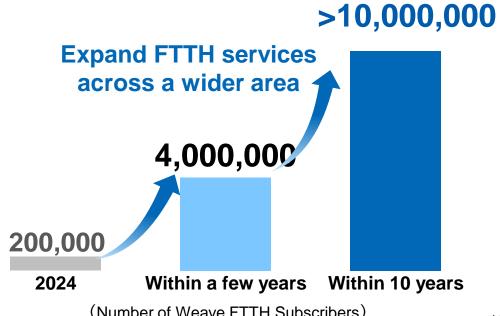
- Owns optical relay network (7,000 km) along rail lines
- Low-cost FTTH service (Approx. ¥1,000/month)



- Engineering capabilities for construction, operation, and maintenance of FTTH facilities
- Operational capabilities for the operation and management of large-scale infrastructure facilities

#### **Future Developments**

- Efficient installation and expansion of FTTH facilities
- Improved operational efficiency and maintenance quality



# (Reference) Major Topics and Collaborations

	IOWN	<ul> <li>Launched "All-Photonics Connect," the world's highest level of guaranteed bandwidth communication service between user locations of up to 800 Gbps (December)</li> <li>Successfully demonstrated first live audio remote production utilizing IOWN APN in the year-end music program titled "The Japan Record Awards" with TBS Television, etc. (December)</li> <li>Successfully demonstrated remote analysis and viewing of 3D point cloud data using IOWN, aimed at improving the efficiency of infrastructure inspections in collaboration with Mitsubishi Electric Corporation (January)</li> <li>Successfully demonstrated first telesurgery support between two distant hospitals using IOWN APN connection in collaboration with Hirosaki University, MEDICALOID Corporation, Kajima Corporation, etc. (February)</li> </ul>				
Al		<ul> <li>Launched "Virtual Product Mall," a generative AI service that produces new product ideas by combining the technological capabilities of businesses with customer feedback (December)</li> <li>Launched a cloud-based anomaly detection AI service to prevent incidents and accidents at commercial facilities based on the business alliance with Asilla, Inc. (March)</li> <li>Launched NTT East's first generative AI service, leveraging its in-house know-how and strengths in utilization support (April 2025)</li> </ul>				
Smart Infrastructure for Disaster Prevention		<ul> <li>Launched "Regional Disaster Prevention Support System powered by EYE-BOUSAI" for small and medium-sized municipalities (July)</li> <li>Launched an underground cavity detection project using sensing technology which utilized optical fibers for communications (February)</li> <li>Established the "Disaster Prevention Research Institute," which focuses exclusively on research and social implementation of regional disaster prevention models (April 2025)</li> <li>Entered into a collaboration agreement with the National Research Institute for Earth Science and Disaster Resilience for the realization of a sustainable society resilient to natural disasters (April 2025)</li> </ul>				
Other	Local 5G	Began demonstrations of digital twin using local 5G at Tokyo Midtown Yaesu, in collaboration Mitsui Fudosan Co., Ltd. (January)				
	Creating a Recycling- Oriented Society	<ul> <li>Entered into an Industry-Academia-Government Collaboration Agreement with the University of Tokyo and Obuse Town, Nagano Prefecture (August)</li> <li>Established "NTT Landscape," a new company in the field DX business categories of camping and urban development (November)</li> </ul>				
	Agriculture	<ul> <li>NTT Agri-Technology and Nousouken entered into a capital and business alliance agreement (September)</li> <li>Began demonstrations of a remote farming support system by NTT Agri-Technology, Taiwan National Ilan University and ThroughTek Co., Ltd. (April 2025)</li> </ul>				
	Education	Opened "NTTe-Sports High School," a correspondence support school in Chiba City, Chiba Prefecture, that nurtures the ability to thrive in society through e-sports (April 2025)				
	Global	Announced a strategic investment in Weave, which aims to expand the low-cost FTTH service business in Indonesia (April 2025)				

# (9) NTT EAST

New Company Name: NTT EAST, Inc. (July 1, 2025~)