Financial Results
for the Fiscal Year Ended March 31, 2021
and
Forecasts
for the Fiscal Year Ending March 31, 2022

May 12, 2021

NTT Communications Corporation

NTT Com Group FY2020 Financial Results

Operating Revenues was 1,070.4 billion yen and Operating Income was 137.3 billion yen, **both exceeding forecasts**, with Operating Profit **reaching a record high**.

(Billions of yen)

	FY2020 Financial Forecasts (A)	FY2020 Financial Results (B)	Increase (Decrease) (B)-(A)	Achievement rate %(B)/(A)
NTT Com Group Operating Revenues	*1,037.0*	*1,070.4*	*+33.4*	*103.2%*
Cloud Computing Platforms	*106.0*	*102.8*	*(3.2)*	*97.0%*
Data Networks	*383.0*	*391.1*	*+8.1*	*102.1%*
Voice Communications	*216.0*	*221.8*	*+5.8*	*102.7%*
Applications & Content	*73.0*	*74.1*	*+1.1*	*101.5%*
Solution Services	*235.0*	*255.1*	*+20.1*	*108.6%*
Other	*24.0*	*25.4*	*+1.4*	*105.9%*
NTT Com Group Operating Income	*119.0*	*137.3*	*+18.3*	*115.4%*

NTT Com Group FY2021 Forecasts

Operating Revenue is anticipated to be 1,075.0 billion yen and Operating Profit is anticipated to be 138.0 billion yen, the same levels as in FY2020.

(Billions of yen)

	FY2020 Financial Results (A)	FY2021 Financial Forecasts (B)	Increase (Decrease) (B)-(A)
NTT Com Group Operating Revenues	**1,070.4**	**1,075.0**	**+4.6**
Cloud Computing Platforms	**102.8**	**106.0**	**+3.2**
Data Networks	**391.1**	**394.0**	**+2.9**
Voice Communications	**221.8**	**211.0**	**(10.8)**
Applications & Content	**74.1**	**78.0**	**+3.9**
Solution Services	**255.1**	**260.0**	**+4.9**
Other	**25.4**	**26.0**	**+0.6**
NTT Com Group Operating Income	**137.3**	**138.0**	**+0.7**

Initiatives of FY2021 （1）

①<u>Promotion of Smart World</u>

Smart City

-Established "CROSS LAB for the Smart City," an environment for Smart City PoCs (proof-of-concept) and co-creation, in Tamachi. Commenced "Digital Twin" PoCs with the University of Tokyo Green ICT Project (March 2021)

-Started providing the "Smart Data Platform for City," a data utilization platform that contributes to solving urban issues in accordance with the "Smart City Reference Architecture" stipulated by the Cabinet Office (April 2021)

⇒**Based on the "Smart Data Platform for City," which has been standardized based on existing case studies, we will expand the platform to include private sector building and area development, municipal super city concepts, and global projects.**

Initiatives of FY2021 (2)

Smart Factory

-Established a new company, "DUCNET," with FANUC and Fujitsu to contribute to the DX of the manufacturing industry (January 2021), and commenced service (April 2021)

-Successfully conducted PoCs on the international distribution of manufacturing line data with "GAIA-X," a data distribution platform that is compatible with the transmission and reception of highly confidential data with European countries (April 2021). Aim to provide a commercial platform that enables interconnection with "GAIA-X" by the end of this fiscal year.

⇒ **Strengthening the provision of platforms that are shared by the industry and compatible with international standards. Contributing to the improvement of the global competitiveness of Japan's manufacturing industry**

Smart Education

-Cloud-based education platform "MANABI Pocket" reaches approximately 2 million IDs. Signed a partnership agreement with Koganei City and Tokyo Gakugei University to utilize ICT environments in line with the Ministry of Education, Culture, Sports, Science and Technology's "GIGA School Initiative" (April 2021).

⇒ **While promoting the development of the digital environment in school, we are also accumulating and developing know-how on the use of ICT in education through partnership agreements. Contributing to the DX of education in local governments and schools using "MANABI Pocket."**

Initiatives of FY2021 (3)

②Deployment of the Smart Data Platform

-Started providing "Customer Experience Quality Monitoring," which visualizes the quality of customers' networks and provides consulting services for building optimal IT environments (April 2021). Will contribute to the achievement of a more comfortable business environment.

-Improve the menu system and user interface of the portal site to provide the functions necessary for data utilization in a unified manner (May 2021). Will improve customer convenience more than ever.

⇒ **In addition to expanding functions and menus, we will provide a "Smart Data Platform" that is easier to understand and use than ever before. We will also develop platforms centered on the "Smart Data Platform" for various industries.**

Initiatives of FY2021 （4）

③ ICT infrastructure transformation

-Launched "Local 5G Service," providing support from installation to operation, utilizing NTT DOCOMO's wireless technology and know-how (March 2021). Will promote joint PoCs, mainly with customers in the manufacturing industry

-Launched "Flexible Remote Access," a remote access service with security features that support zero trust (April 2021). Enables secure and easy connection to internal business systems, SaaS, and other ICT services scattered on-premises and across the cloud from outside the office, at home and other locations through integration with the interconnect service "Flexible InterConnect."

⇒ **Expand ICT services required in the new normal era, such as 5G/IoT and safe, secure and flexible services using Software Defined technologies**

④Digital Transformation and Corporate Transformation

Work Style Reform
-Maintain a remote work rate of approximately 80% by utilizing "Secured PC," which achieves both security and convenience. Post-COVID-19, we will consolidate our major offices in Tokyo in order to create a remote-native work style premised on an average attendance rate of 30%. (from January 2022)

-Agile development of "NeWork," a service that enables natural communication during remote work, and provide it to customers (functional enhancement in June 2021)

Strengthen the System for Providing DX Solutions
-Through the absorption of NTT Com Solutions, we will establish an integrated ICT solutions and engineering structure to enhance responsiveness and efficiency to customer needs (July 2021)

Develop Human Resources
-Strengthen the development of highly skilled human resources required for business growth, such as data scientists, engineers, and consultants, through the use of human resource development programs. (Approx. 3,000 employees in FY2024)

(Reference) Initiatives for Business Development

Re-connect X (Announced October 2020)

Contribute to the realization of sustainable future by redefining value in the remote world, "re-connecting" consumers, businesses, and society in a secure, safe, and flexible manner through co-creation with customers and partners.
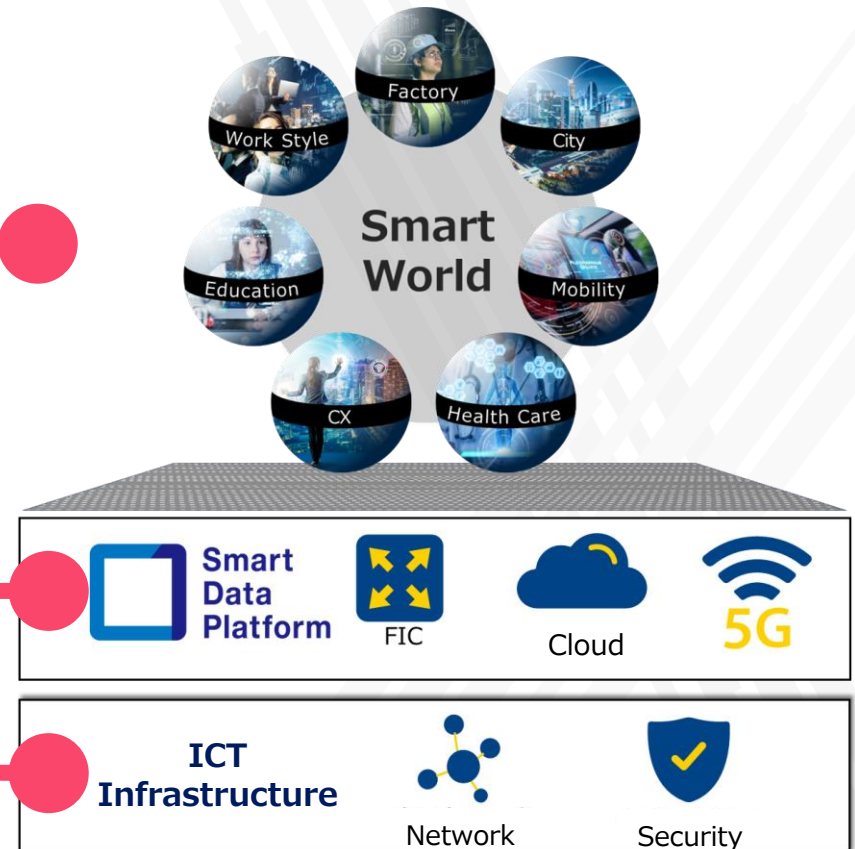
Co-creation with customers and partners

①Smart World
Connect society with future

②Smart Data Platform
Connecting data with value

③ICT infrastructure transformation
For safe, secure, and flexible connections

Our own Digital Transformation

Work Style
Factory
City
Education
Smart World
Mobility
CX
Health Care

Smart Data Platform
FIC
Cloud
5G

ICT Infrastructure
Network
Security

* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.