Outline of New Medium-Term Management Strategies

Prior to the announcement of the new medium-term management strategies scheduled for November 2018, NTT announced an outline of the strategies and some of its measures.

Support our customers’ Digital Transformations
- Promote B2B2X model for new value creation
- Roll out 5th-Generation Wireless System
- Provide personal services to support individuals’ lifestyle changes

Accelerate our own Digital Transformation
- Enhance competitiveness in global business
- Drive digital self-transformation in domestic business

Leverage talent, technologies, and assets
- Reinforce and globalize R&D
- Create new lines of business (Real estate, Electric power)

Promote ESG management and enhance returns to shareholders to improve corporate value

ESG Management
Contribute to SDGs with low environmental load
- Energy Efficiency
  Goals for 2025
  ✓ Double the energy efficiency of telecom business
  ✓ Reduce 10% of power consumption of telecom business
  • Convert power facilities into Direct-current
  • Saving energy in telecom facilities

  Plan to participate in EP100

Transition to EV
Goals in 2025
✓ Convert 50% of general domestic corporate vehicles to EV
✓ 15% cost reduction of vehicles

Plan to participate in EV100

Drive Digital Self-Transformation in Domestic Business
Chief digital officers (CDOs) were appointed at Group companies and the IT Strategy Office was established at the NTT head office to accelerate overall efforts to drive the Group’s digital transformation and to facilitate the self-driven digital transformations of operating companies.

Enhance Competitiveness in Global Business
With the goals of enhancing our competitiveness and improving profitability in the global market, we will establish a global holding company under NTT by the third quarter of the fiscal-year ending March 31, 2019, and transfer control of NTT Communications, Dimension Data, NTT DATA, NTT Security, and NTT Innovation Institute to this company. In addition, a global innovation fund will be established under the jurisdiction of the holding company along with a dedicated global procurement company.

Furthermore, NTT is considering integrating the four companies of NTT Communications, Dimension Data, NTT Security and NTTi3 (excluding the NTT DATA group) into two new businesses by the second quarter of the fiscal year ending March 31, 2020: one business will look after NTT’s global business, and the other will cater to NTT’s domestic business in Japan.

Current Status
- NTT Communications
- Dimension Data
- NTT DATA
- NTT Security
- NTT Innovation Institute

Status from Fall 2018
- Global-Holding Company
- NTT Communications
- Dimension Data
- NTT DATA
- NTT Security
- NTT Innovation Institute
- Global Innovation Fund
- Global Procurement Company

Global Holding Company
- NTT Communications
- Dimension Data
- NTT DATA
- NTT Security
- NTT Innovation Institute
- Global Innovation Fund
- Global Procurement Company

*1 NTT DATA will continue to collaborate with other Group companies while retaining its present management structure and status as a listed company.
*2 The dedicated global procurement company will procure the materials and services that are commonly used by domestic and overseas operating companies (excluding NTT, NTT East, and NTT West).

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Energy Efficiency
- Double the energy efficiency of telecom business
- Reduce 10% of power consumption of telecom business
- Convert power facilities into Direct-current
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Transition to EV
- Convert 50% of general domestic corporate vehicles to EV
- 15% cost reduction of vehicles

Plan to participate in EV100

Enhance Competitiveness in Global Business
- Will work to further enhance the efficiency of business processes and to provide new value-added services
- Established IT Strategy Office at the NTT Head Office (September 1, 2018)
- Will further enhance IT strategy and IT governance of NTT Group, boosting Digital Transformation within NTT Group.

Accelerate our own Digital Transformation
- Enhance competitiveness in global business
- Drive digital self-transformation in domestic business

Leverage talent, technologies, and assets
- Reinforce and globalize R&D
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Promote ESG management and enhance returns to shareholders to improve corporate value
- Contribute to SDGs with low environmental load
- Energy Efficiency
  - Double the energy efficiency of telecom business
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- Convert 50% of general domestic corporate vehicles to EV
- 15% cost reduction of vehicles

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*1 EP100 and EV100 are international initiatives sponsored by The Climate Group. EP100 encourages companies to double the energy efficiency of their businesses. EV100, meanwhile, promotes the introduction of electric vehicles and related infrastructure.
*2 Goal in 2030: 100% Electric Vehicle Integration, -30% reduction of cost related company owned fleet.

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