Financial Results for the Fiscal Year Ended March 31, 2023
(24th Term)

May 12, 2023

FY2022 Financial Results and FY2023 Financial Results Forecast

NTT 西日本

(Billons of yen, other than Hikari Subscriptions)

	FY2021 Results	FY2022 Results	Year-on-Year	FY2023 Forecast	Year-on-Year
Operating Revenues	1,513.5	1,501.6	(11.9)	1,515.0	+13.4
Operating Profit	160.9	134.9	(26.0)	162.0	+27.1
Profit[1]	110.5	93.2	(17.3)	111.0	+17.8
Capital Investments	249.5	249.2	(0.3)	248.0	(1.2)
Net Increase (Decreases) in Hikari Subscriptions (Final Number of Subscriptions)	+270,000 (10.11 million)	+140,000 (10.25 million)	(130,000)	+150,000 (10.40 million)	+10,000

(1) Represents profit attributable to NTT West (after deducting income attributable to non-controlling interests).
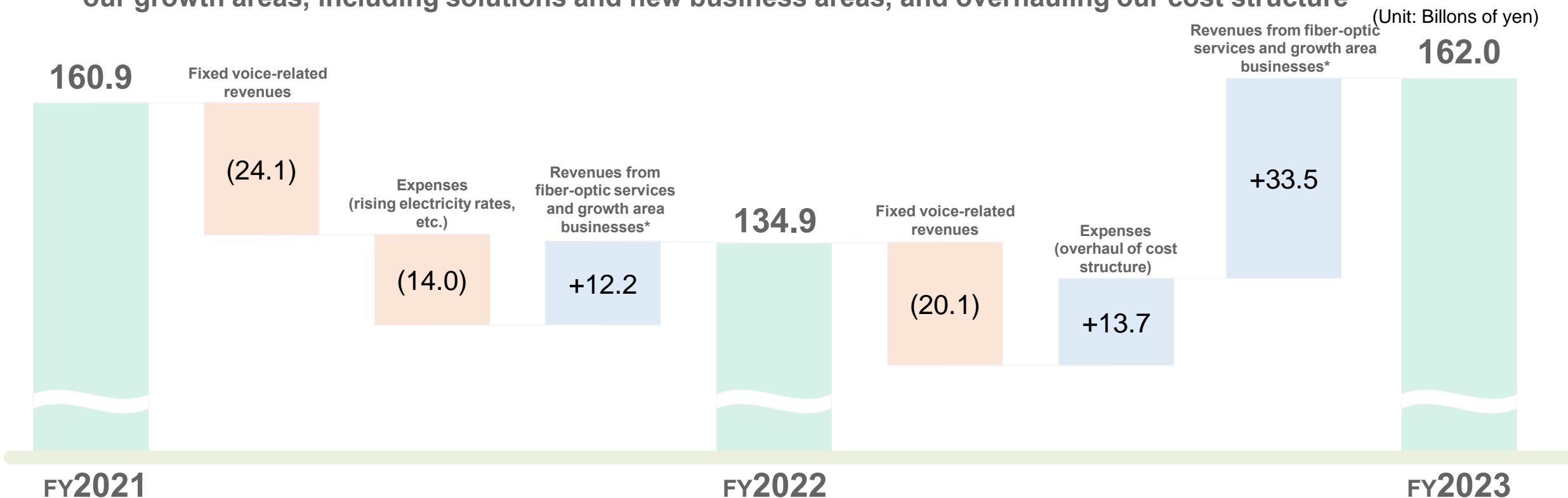
Status of Operating Profit

FY2022

Operating profit decreased as a result of a decrease in fixed voice revenues and an increase in expenses due to rising electricity rates, among other factors
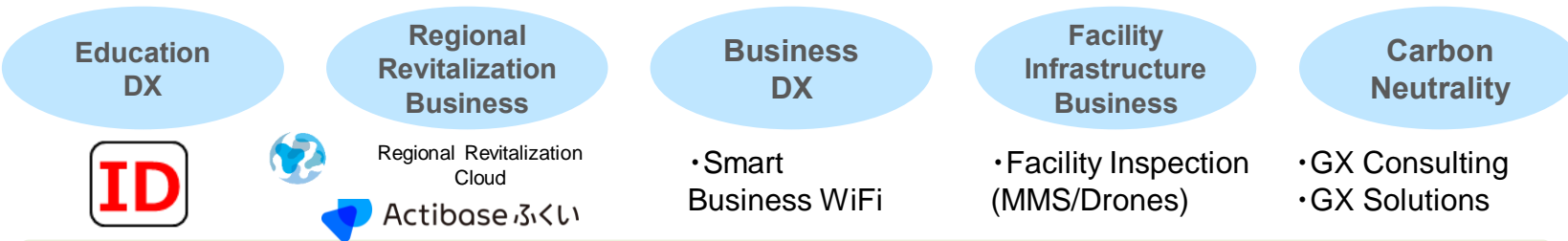
FY2023

We will again take on the challenge of increasing revenues and profit. We aim to achieve our targets by expanding our growth areas, including solutions and new business areas, and overhauling our cost structure

(Unit: Billons of yen)

160.9

Fixed voice-related revenues

(24.1)

Expenses (rising electricity rates, etc.)

(14.0)

Revenues from fiber-optic services and growth area businesses*

+12.2

134.9

Fixed voice-related revenues

(20.1)

Expenses (overhaul of cost structure)

+13.7

Revenues from fiber-optic services and growth area businesses*

+33.5

162.0

FY2021   FY2022   FY2023

* Revenues from IP packet communications, telecommunications device sales, system integration and other operating revenues

New Challenges

Helping to Resolve Social Issues through Our Growth Area Businesses

Education DX

ID

Regional Revitalization Business

Regional Revitalization Cloud

Actibase ふくい

Business DX

・Smart Business WiFi

Facility Infrastructure Business

・Facility Inspection (MMS/Drones)

Carbon Neutrality

・GX Consulting
・GX Solutions

(Released Oct. 2022)

Total Support for EVs

N.mobi

Support and Security

MC-SOC
Managed Cloud Service Operation Center

Back-Office Consulting/ IPCC

OC ONE CONTACT
Quality Management

Contact Center Business

OMNI CHANNEL
MOBILE SOCIAL MEDIA EMAIL CALL CENTER WEBSITE PRINT ADS STORE

Regional Edge & Data Center Business

X-EDGE

X-HUB

Network

フレッツ SDx

Interconnected WAN

フレッツ 光 クロス

(Released May 2023)

FLET'S Hikari Cross

Gradual Expansion of Service Areas*

■ Sept. 2023 (Scheduled)

・Kobe, Hyogo Prefecture

・Otsu, Shiga Prefecture

・Nara, Nara Prefecture

・Shizuoka, Shizuoka Prefecture

・Tsu, Mie Prefecture   etc.

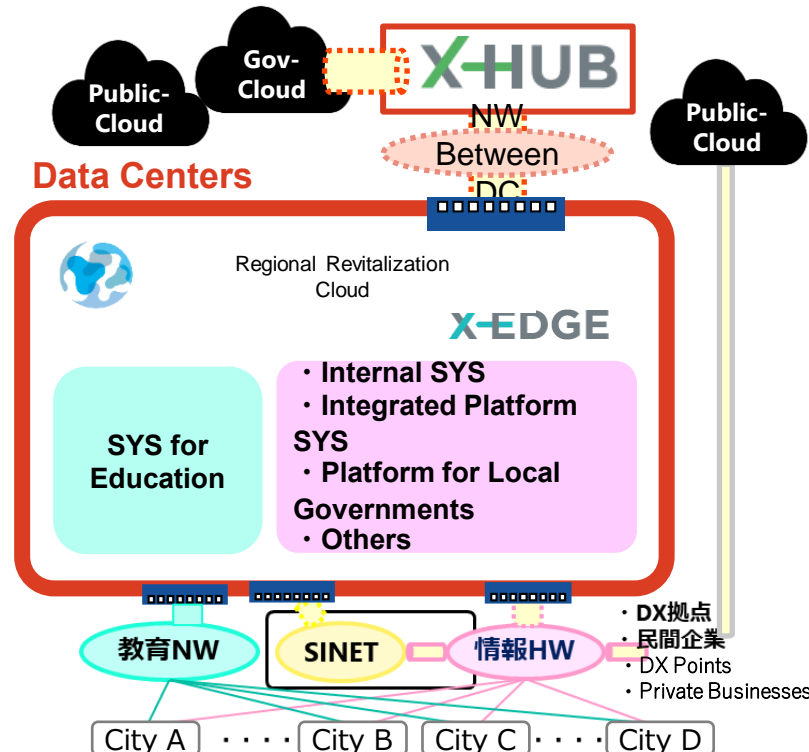**Implementing Measures to Improve Reliability**
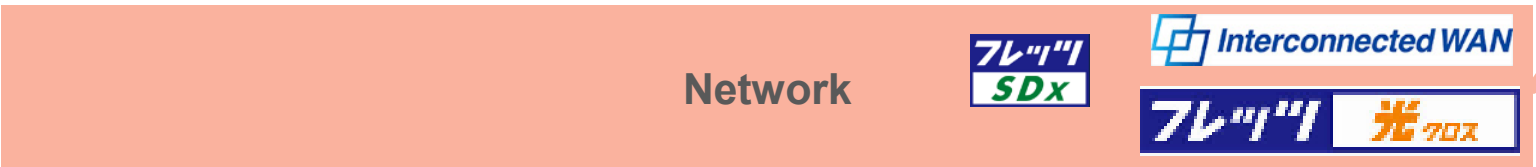
* Please refer to the May 8 news release for details on service areas.

Offering Customers Total Solutions

Promoting Cloud for Regional Revitalization
for Local Governments

✓ Strengthen cooperation with various kinds of NW and cloud services, **focused on cloud infrastructure for regional revitalization**

Promoting Education DX
for Universities

✓ Support for education DX promotion, with **"Eru ID"* as a starting point** and prime model for collaboration between universities/regions/partners
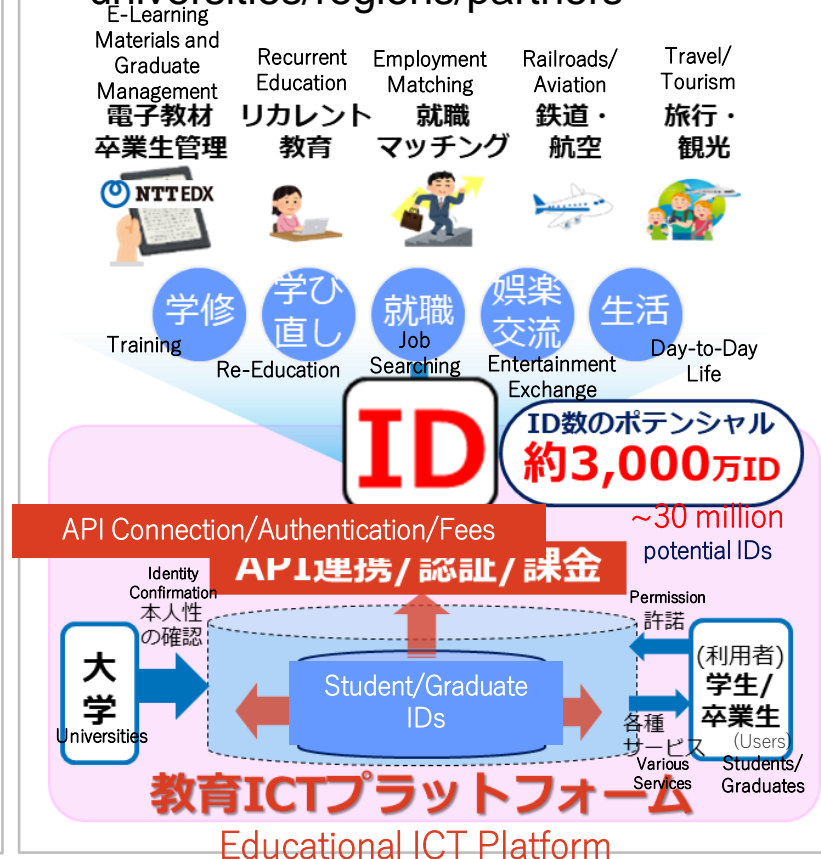
Customer Contact Consulting

✓ **Leveraging a DX infrastructure that will realize digitalization of contact centers,** will improve EX and create CX

Marketing Out ProCX
NTT マーケティング アクトProCX

First in Asia to be Commercialized
Automated evaluation with integrated AI for emotion/voice/text

* Name is subject to change.

QUINTBRIDGE Co-Creation Program

NTT 西日本

Business Co-Creation Pitching

elgana
Awarded "Leader" in the business chat category in the "ITreview Grid Award 2023 Spring"

29 applications
▶ pitches by **12 companies**
▶ selected **5 companies**

【First Recruitment Theme】
Services related to the "elgana" business chat tool

【Second Recruitment Theme】
Safe and comfortable urban development by using equipment inspection assets

Launch of Disaster Prevention DX Services for Local Governments
First Service Edition (April 2023)

* Illustrative image

Future Co-Creation Programs

101 applications
▶ **6 projects/ 10 companies** selected

Take on the challenge of solving social issues and creating the society of the future, in a short-term intensive period (~6 months)

4 Fields / 6 Themes

Health　**Day-to-Day Life**　**Economy**　**Environment**
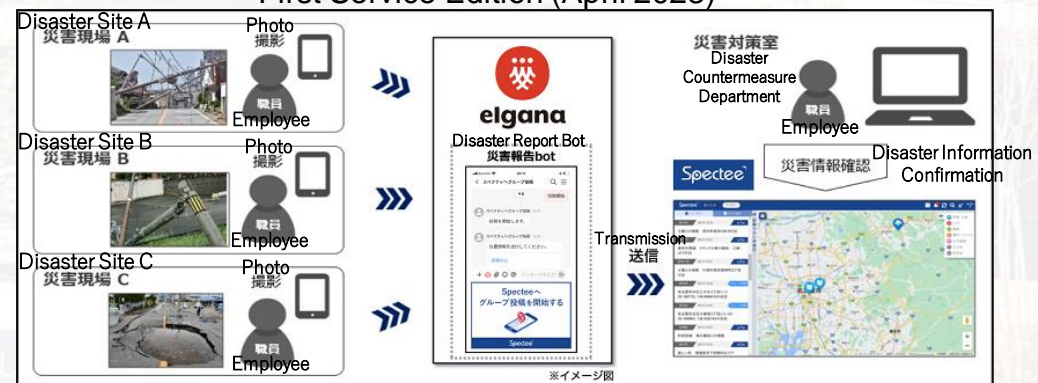
Conference to Announce Field Testing Results (March 2023)

▶ **Two projects advancing to the commercialization testing stage with NTT West**

New Use Cases Leveraging IOWN

Launching the Ultra-Low-Latency Communication Service "IOWN1.0 (APN)"
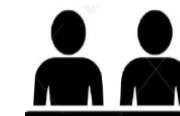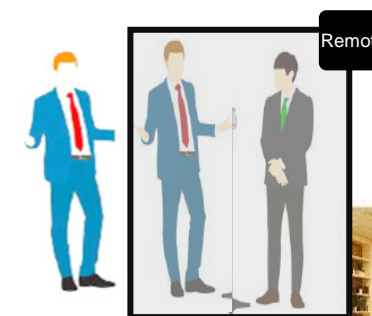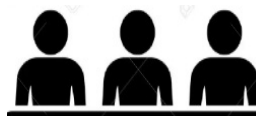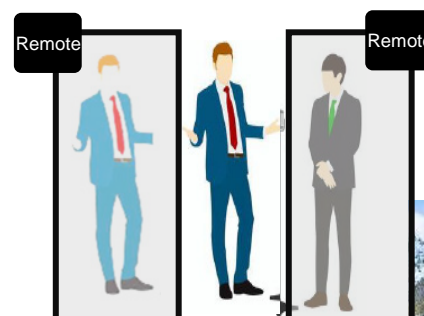
Event with Yoshimoto Kogyo (March 20, 2023)

Osaka, Namba (Yoshimoto Manzai Theater) — APN — **Osaka, Kyobashi** (QUINTBRIDGE) — APN — **Osaka, Umeda** (LINKSPARK)
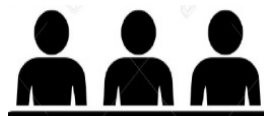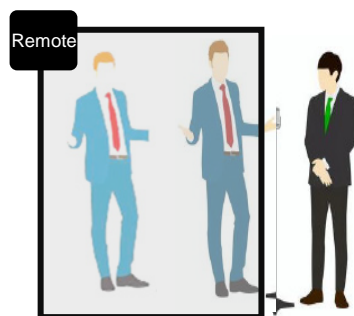
Three venues were connected by commercial APN services, providing a new entertainment experience that utilized the low-latency network for remote interactions, including manzai comedy and skits

Initiatives to Improve Network Reliability

Reliable and Stable Offering of Services

Operation Upgrades	Strengthening Telecommunications Equipment	Strengthening Collaborations with Makers/Vendors	Strengthening the Risk Assessment Structure
✓ Establishing a system that enables the assessment of failure scenarios in their entirety (visualization of service quality and traffic) ✓ Implementing large-scale complex failure exercises	✓ Redundancy and resilience of networks (including transmission lines) (including flood and earthquake countermeasures) ✓ Strengthening telecommunications facilities	✓ Strengthening collaborations for equipment inspections and rapid recovery in the event of a failure ✓ Appropriate information sharing on equipment function implementation (reflected in procurement conditions)	✓ Strengthening the risk assessment structure by having third-party organizations, outside of the groups responsible for development, ensure the validity of the items being verified (strengthening efforts to improve quality assurance)

We will fulfill our social responsibility as a company that provides telecommunications services, which are important infrastructure

「つなぐ」その先に「ひらく」
あたらしい世界のトビラを

私たちは、地域社会の一員として、あらゆる人々が幸せで豊かな未来の姿を追求しつづけます。
そのために、技術と知恵をみがき、新たな価値の共創に挑戦します。

NTT西日本グループの『パーパス』［存在意義］