

# Financial Results Release

For the Year Ended March 31, 2024

May 10, 2024

[IFRS]

Name of registrant : Nippon Telegraph and Telephone Corporation (“NTT”)  
 : URL <https://group.ntt/en/ir/>  
 Code No. : 9432  
 Stock exchanges on which the Company's shares are listed : Tokyo  
 Representative : Akira Shimada, President and Chief Executive Officer  
 : Takuro Hanaki, Head of IR, Finance and Accounting Department  
 Contact : URL <https://group.ntt/en/ir/contact/>  
 Scheduled date of the ordinary general meeting of shareholders : June 20, 2024  
 Scheduled date of dividend payments : June 21, 2024  
 Scheduled filing date of securities report : June 21, 2024  
 Supplemental material on financial results : Yes  
 Presentation on financial results : Yes (for institutional investors and analysts)

## 1. Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

Amounts are rounded to the nearest million yen.

### (1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Profit		Profit before Taxes		Profit Attributable to NTT	
Year Ended March 31, 2024	13,374,569	1.8%	1,922,910	5.1%	1,980,457	9.0%	1,279,521	5.5%
Year Ended March 31, 2023	13,136,194	8.1%	1,828,986	3.4%	1,817,679	1.2%	1,213,116	2.7%

Notes: 1. Percentages above represent changes from the previous fiscal year.

2. Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2024: 1,962,087 million yen 54.4%  
 For the year ended March 31, 2023: 1,270,639 million yen (7.5)%

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT	ROE (Ratio of Profit Attributable to NTT)	ROA (Ratio of Profit before Taxes to Total Assets)	Operating Profit Margin (Ratio of Operating Profit to Operating Revenues)
Year Ended March 31, 2024	15.09 (yen)	- (yen)	13.9%	7.2%	14.4%
Year Ended March 31, 2023	13.92 (yen)	- (yen)	14.4%	7.4%	13.9%

(Reference) Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2024: 24,206 million yen

For the year ended March 31, 2023: 14,012 million yen

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Basic Earnings per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

### (2) Consolidated Financial Position

(Millions of yen, except equity ratio and per share amounts)

	Total Assets	Total Equity (Net Assets)	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
March 31, 2024	29,604,223	10,893,059	9,844,160	33.3%	117.08 (yen)
March 31, 2023	25,308,851	9,350,627	8,561,353	33.8%	100.44 (yen)

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Shareholders' Equity per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

### (3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2024	2,374,159	(1,989,235)	(234,454)	982,874
Year Ended March 31, 2023	2,261,013	(1,736,912)	(590,197)	793,920

## 2. Dividends

	Annual Dividends					Total Annual Dividends	Payout Ratio (Consolidated)	Ratio of Dividends to Shareholders' Equity (Consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total			
Year Ended March 31, 2023	-	60.00 (yen)	-	60.00 (yen)	120.00 (yen)	411,603 <sup>(millions of yen)</sup>	34.5 %	4.8 %
Year Ended March 31, 2024	-	2.50 (yen)	-	2.60 (yen)	5.10 (yen)	431,481 <sup>(millions of yen)</sup>	33.8 %	4.4 %
Year Ending March 31, 2025 (Forecasts)	-	2.60 (yen)	-	2.60 (yen)	5.20 (yen)	-	40.0 %	-

Note: NTT conducted a 25-for-1 stock split of its common stock with an effective date of July 1, 2023. The year-end dividend amount presented for the year ended March 31, 2024, and the dividend forecast amount presented for the year ending March 31, 2025, reflect the impact of the stock split. If the stock split is not taken into consideration, the year-end dividend amount presented for the year ended March 31, 2024, would be ¥127.50 (¥62.50 at the end of the second quarter and ¥65.00 at the year-end) and the dividend forecast amount presented for the year ending March 31, 2025, would be ¥130.00 (¥65.00 at the end of the second quarter (forecast) and ¥65.00 at the year-end (forecast)).

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Millions of yen)

	Operating Revenues		Operating Profit		Profit before Taxes	Profit Attributable to NTT	Basic Earnings per Share Attributable to NTT
Year Ending March 31, 2025	13,460,000	0.6%	1,810,000	(5.9)%	1,720,000 (13.2)%	1,100,000 (14.0)%	13.00 (yen)

Note: Percentages above represent changes from the previous fiscal year.

**\*Notes:**

- (1) Change in significant consolidated subsidiaries during the fiscal year ended March 31, 2024, that resulted in changes in the scope of consolidation: None
- (2) Change of accounting policy and accounting estimates
  - i. Changes in accounting policy required by IFRS: Yes
  - ii. Changes other than (i): None
  - iii. Changes in accounting estimates: None
- (3) Number of shares outstanding (common stock)
  - i. Number of shares outstanding (including treasury stock):
 

March 31, 2024	: 90,550,316,400 shares
March 31, 2023	: 90,550,316,400 shares
  - ii. Number of shares of treasury stock:
 

March 31, 2024	: 6,468,768,847 shares
March 31, 2023	: 5,313,944,350 shares
  - iii. Weighted average number of shares outstanding:
 

For the Year Ended March 31, 2024	: 84,799,194,212 shares
For the Year Ended March 31, 2023	: 87,152,141,738 shares

Notes: 1. NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for "Number of shares outstanding (common stock)" have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.  
 2. The number of shares of treasury stock includes the Company's shares held by BIP (Board Incentive Plan) Trust (As of March 31, 2024: 23,303,000 shares, As of March 31, 2023: 25,836,650 shares). In addition, these Company's shares are included in the treasury stock which is deducted from the number of shares outstanding when calculating the weighted average number of shares outstanding during the period.

**(Reference) Non-Consolidated Financial Results**

For the Year Ended March 31, 2024

[Japanese GAAP]

**1. Non-consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)**

Amounts are rounded to the nearest million yen.

(1) Non-consolidated Results of Operations

(Millions of yen, except per share amounts)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
Year Ended March 31, 2024	1,294,957	(2.2)%	1,125,598	(2.1)%	1,106,278	(2.2)%	1,166,938	1.2%
Year Ended March 31, 2023	1,324,225	103.7%	1,149,363	139.6%	1,131,632	138.5%	1,152,905	145.0%

Note: Percentages above represent changes from the previous fiscal year.

	Earnings per Share	Diluted Earnings per Share
Year Ended March 31, 2024	13.76 (yen)	- (yen)
Year Ended March 31, 2023	13.23 (yen)	- (yen)

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Earnings per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(2) Non-consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Net Assets per Share
March 31, 2024	12,284,883	6,048,907	49.2%	71.94 (yen)
March 31, 2023	11,805,898	5,194,125	44.0%	60.94 (yen)

(Reference) Shareholders' equity: For the year ended March 31, 2024: 6,048,907 million yen  
 For the year ended March 31, 2023: 5,194,125 million yen

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Net Assets per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

**2. Non-consolidated Financial Forecasts for the Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)**

(Millions of yen, except per share amounts)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Earnings per Share
Year Ending March 31, 2025	1,324,000	2.2%	1,164,000	3.4%	1,148,000	3.8%	1,148,000	(1.6)%	13.60 (yen)

Note: Percentages above represent changes from the previous fiscal year.

\* This Financial Results Release is not subject to audit by a certified public accountant or audit firm.

\* Explanation of financial results forecasts and other notes:

This document is a translation of the authoritative Japanese original. The assumptions for the financial forecasts and cautionary matters to consider in using such financial forecasts are as follows.

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, and other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein.

As NTT evaluates its business performance on an annual basis, financial forecasts for the six months ending September 30, 2023, have not been prepared.

On Friday, May 10, 2024, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.

## 1. Business Results

### (1) Summary of Business Results

#### Overview of Consolidated Business Results (April 1, 2023 – March 31, 2024)

(Billions of yen)

	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Operating revenues	13,136.2	13,374.6	238.4	1.8%
Operating expenses	11,307.2	11,451.7	144.5	1.3%
Operating profit	1,829.0	1,922.9	93.9	5.1%
Profit before taxes	1,817.7	1,980.5	162.8	9.0%
Profit attributable to NTT	1,213.1	1,279.5	66.4	5.5%

(Note): NTT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards. ("IFRS")

The information and telecommunications market and its related markets saw the expansion of cloud services and 5G services and the rapid advance of technologies such as AI, digital twin, and quantum computing. In conjunction with these changes, the progressing accumulation, analysis, and utilization of a wide range of data are driving a global digital transformation (DX) resulting in reforms, such as by improving the convenience of people's daily lives, creating new business models, and enhancing productivity. This trend is accelerating amid the increasing volumes of data circulation as the workstyles and lifestyles in which both the real and online worlds coexist take hold. Meanwhile, society needs to take steps such as strengthening information security against increasingly sophisticated and complex cyberattacks, reinforcing anti-disaster measures, and contributing to the protection of the environment.

The role of information and telecommunications is also becoming more important in terms of resolving these wide-ranging societal issues.

In this business environment and based on its new Medium-Term Management Strategy announced in May 2023 entitled "New Value Creation & Sustainability 2027 Powered by IOWN," NTT Group (NTT and its affiliated companies) has promoted various initiatives in each of its business segments, centered on the three pillars of "NTT as a Creator of New Value and Accelerator of a Global Sustainable Society," "Upgrading the Customer Experience (CX)," and "Improving the Employee Experience (EX)."

#### ● **NTT as a Creator of New Value and Accelerator of a Global Sustainable Society**

##### **IOWN-Driven Creation of New Value (from concept to commercialization)**

[Establishment of manufacturing company for photonic-electronic convergence devices]

- We established NTT Innovative Devices Corporation in June 2023. Through this company, we will accelerate product development, market launch, and business expansion of photonic-electronic convergence devices, which will be key elements of the IOWN concept, introducing and expanding the application of the benefits of photonic-electronic convergence, namely the extremely low power consumption, not only in the communications domain but also in the computing domain, including data centers, in order to overcome the general societal trend toward ever-increasing power consumption and instead get us closer to achieving carbon neutrality.

[Acceleration of commercialization]

- In March 2023, we started providing our commercial service APN IOWN1.0, and in November 2023, we concluded an agreement with Sony Corporation on cooperation and collaboration to accelerate the formation and development of a multi-site wide-area remote production platform utilizing the APN. We are aiming to improve the customer experience by providing highly convenient services, such as content distribution at regional stadiums and concert venues, which were not possible to deliver until now.

## **Data-Driven Creation of New Value**

[Strengthening the personal business]

- NTT DOCOMO, INC. (NTT DOCOMO) made the following companies consolidated subsidiaries: INTAGE HOLDINGS Inc. in October 2023, Monex, Inc. in January 2024, and ORIX Credit Corporation in March 2024. By combining NTT DOCOMO's membership base with each company's expertise, we endeavor to provide new marketing value and maximize our customer base.

[Strengthening the use of DX/data in society and industry]

- We are using AI to promote the digital transformation (DX) of various industries (including our own operations) that support daily life and society. In March 2024, we launched a commercial service that uses NTT's Large-scale Language Model (LLM) "tsuzumi." Drawing on our accumulated expertise in natural language processing research and research capabilities in the cutting-edge field of AI, we have developed "tsuzumi," which achieves world-class Japanese processing capabilities with a lightweight LLM framework.
- In September 2023, NTT DOCOMO announced the lineup of its OREX<sup>®</sup> Open RAN service, which it will offer to international telecom operators. The introduction of OREX<sup>®</sup> Open RAN service can be expected to reduce the total cost of ownership, including initial setup costs at the time of implementation and ongoing maintenance costs, the time required for network design, and power consumption at base stations, thereby accelerating the deployment of 5G networks.
- Looking ahead to the full-scale commercialization of services utilizing autonomous driving technology in Japan, we invested in May Mobility, Inc. (headquarters: U.S.) in November 2023 and acquired exclusive rights to sell its autonomous driving system in Japan. Combining autonomous driving services—which constitute digital transformation (DX) of mobility itself—with the community-based problem-solving capabilities we have cultivated, we will work together with local governments and transportation businesses to offer solutions to social problems. Through this initiative, we will cooperate with stakeholders and contribute to solving not only transportation problems, but also various social issues such as health and welfare.

[Expansion and upgrade of data centers]

- As the world's third largest<sup>\*1</sup> provider of data centers, we expanded our business to meet further growing demand, driven by generative AI, as well as strong demand centered on hyperscalers. In FY2023, we opened new data centers at ten sites in 13 buildings, bringing our cumulative total to 149 sites in 202 buildings<sup>\*2</sup>.

\*1 Excluding operators in the People's Republic of China.

\*2 Information on the NTT Ltd. Group and NTT Communications Corporation Group (including joint ventures with third parties) (including sites currently under construction).

## **Achievement of a Circular Economy Society**

[Develop sustainability solutions for customers]

- We launched the Green Transformation (GX) solution brand "NTT G×Inno" in December 2023. Viewing activities to achieve carbon neutrality and greenhouse gas emission reduction targets as opportunities for economic growth, we will start by taking action for our own decarbonization and the decarbonization of the value chains related to us. We will then contribute to the realization of carbon neutrality of society at large through Green Transformation (GX) solutions that leverage the expertise we have gained and actual results we have produced through the aforementioned decarbonization efforts. As one of these NTT G×Inno initiatives, NTT COMWARE CORPORATION and NTT Anode Energy Corporation (NTT Anode Energy) have begun providing Smart Data Fusion<sup>®</sup>, a green power generation business integration platform for advancing Green Transformation (GX), to renewable energy power generation companies in Japan.

[Creating circular economy businesses]

- NTT Anode Energy and JERA Co., Inc. completed their acquisition of Green Power Investment Corporation's shares in August 2023. By effectively leveraging the expertise, knowledge, and strengths of each of these companies in the renewable energy business, we will further promote initiatives to contribute to the realization of Japan's carbon neutrality by 2050 through spreading the use of renewable energy in Japan.

[Progression towards Net-Zero]

- In our new Medium-Term Management Strategy "New Value Creation & Sustainability 2027 Powered by IOWN" announced in May 2023, we have established new targets aimed at achieving Net-Zero by FY2040. We will promote decarbonization throughout the entire supply chain in addition to our own decarbonization. (Actual NTT Group greenhouse gas emission for FY2023 will be disclosed in the Integrated Report in late September 2024.)

### **Further Strengthening of Business Foundations**

- Assuming that unexpected events will necessarily occur, we take measures to prevent human errors and failures from occurring, such as by making network failure information visible and dealing with large traffic inflows, and promote measures to minimize the impact when failures do occur.

#### **● Upgrading the Customer Experience (CX)**

- We have been expanding existing facilities and building new ones in an effort to improve the reliability and quality of communications in areas where the spread of smartphones, social media, and video streaming has made it difficult to use smartphones due to the increased data traffic. We will continue our efforts to ensure that our customers can feel confident in using our services.

#### **● Improving the Employee Experience (EX)**

- In April 2023, we revised our personnel system for general employees to encourage them to shape their careers and take on challenges based on their self-awareness of their expertise regardless of their age or seniority. To instill and promote understanding of this new system, we expanded our training menu based on specialization starting in April, and introduced a cross-group job posting system (NTT Group Job Board) and career consulting functions in July, expanding human capital investment in employee autonomy in career growth.
- We carried out an employee engagement survey covering the roughly 100 Group companies in Japan (approximately 180,000 employees). We analyzed the current status of engagement, the points that should be maintained or strengthened, and the points that should be improved, and examined and implemented measures, etc., to improve engagement from both an organizational-specific basis and a cross-group basis.
- In times of rapid change, when the future is difficult to predict, the effective approach to take is to ascertain which areas must be protected and which can be challenged while being willing to search for the routes to success even if we occasionally make small failures. Based on this idea, we held the "Conference to Learn From Failures," which sought to nurture a positive mindset toward accepting failures, within the Company, with attendance reaching approximately 2,000 people.

#### **● Enhancement of Returns to Shareholders**

- We increased capital efficiency through continuous dividend increases and flexible share buybacks.
- With the objectives of lowering the price per unit of investment, creating a more investment-friendly environment, and expanding the investor base, NTT implemented a 25-for-1 stock split of common stock in July 2023.

#### **● Status of Research & Development, etc.**

We advanced initiatives to flesh out the IOWN concept and to roll out the technology and resolve issues in

a range of industries.

[Research and Development in Preparation for Making the IOWN Concept a Reality]

- By connecting principal data centers via IOWN APN, real time linkages were established between more distant data centers to construct an environment that could be used as if there were one single data center. Although data centers have traditionally been concentrated in urban centers, etc., this initiative will be expanded to regional data centers to create distributed data centers that capitalize on the characteristics of IOWN APN (ultra-high speed and ultra-low latency).
- The Company and its co-proposers who proposed IOWN and other state-of-the-art technologies were selected as the implementing companies for the “Beyond 5G Research and Development Promotion Project” and “Innovative Information and Communication Technology (Beyond 5G (6G)) Fund Project” publicly solicited by the National Institute of Information and Communications Technology (NICT) and the “Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems” publicly solicited by the New Energy and Industrial Technology Development Organization (NEDO). We will work together with our co-proposers and partners participating in the IOWN Global Forum to accelerate the research and development of IOWN with a view to its commercialization.

[Developing Technologies and Resolving Issues in Various Industries]

- NTT Green & Food, Inc. launched its business in July 2023 with the aim of solving food shortages and environmental issues while revitalizing local industries as the NTT Group’s first fisheries company. It seeks to foster regional job creation, collaboration with local industries, and the promotion of education and culture, centered on a sustainable land-based aquaculture business that leverages information and communications technology, technologies for the breeding improvement of fish, shellfish, and microalgae, and other technologies.
- In December 2023, four companies, consisting of Space Compass Corporation, NTT DOCOMO, NTT and SKY Perfect JSAT Corporation, began research and development of high-speed, high capacity technology aimed at accelerating the commercialization of device-to-device mobile system, which will be deployed via a space-based non-terrestrial network (NTN) using high altitude platform stations (HAPS), and at expanding the use after the commercialization. Through this development, we aim to improve the quality of communication services from the stratosphere via HAPS and promote development that leads to the realization of flexible and efficient HAPS communication service operations. We are working on developing space RAN to achieve “ultra-coverage expansion” in the Beyond 5G era, reaching the sky, sea, outer space, and every other area.

As a result of the above efforts, NTT Group’s consolidated operating revenues for the fiscal year ended March 31, 2024 were 13,374.6 billion yen (an increase of 1.8% from the previous fiscal year), consolidated operating profit was 1,922.9 billion yen (an increase of 5.1% from the previous fiscal year), and consolidated profit attributable to NTT was 1,279.5 billion yen (an increase of 5.5% from the previous fiscal year).

The consolidated financial forecast for the fiscal year ending March 31, 2025 is as follows: operating revenues of 13,460.0 billion yen, operating profit of 1,810.0 billion yen, and profit attributable to NTT of 1,100.0 billion yen.

**(1) Integrated ICT Business segment**

The principal services in the Integrated ICT Business are mobile phone services, domestic inter-prefectural communications services, international communications services, solutions services, and system development services and related services.

(Consolidated Subsidiaries)

NTT DOCOMO, NTT Communications, NTT Comware, etc.

**(2) Regional Communications Business Segment**

The principal services in the Regional Communications Business are domestic intra-prefectural communications services and related ancillary services.

(Consolidated Subsidiaries)

NTT East, NTT West, etc.

**(3) Global Solutions Business Segment**

The principal services in the Global Solutions Business are system integration services, network system services, cloud services, global data center services, and related services.

(Consolidated Subsidiaries)

NTT DATA Group, etc.

**(4) Others (Real Estate, Energy and Others)**

Others include the real estate business, energy business and others.

(Consolidated Subsidiaries)

NTT Urban Solutions, NTT Anode Energy, etc.

The business results for each segment for the consolidated fiscal year ended March 31, 2024 are as follows.

## ■ Integrated ICT Business Segment

Overview of Business Results by Business Segment (April 1, 2023 – March 31, 2024)

(Billions of yen)

	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Operating revenues	6,059.0	<b>6,140.0</b>	81.0	1.3%
Operating expenses	4,965.1	<b>4,995.6</b>	30.5	0.6%
Operating profit	1,093.9	<b>1,144.4</b>	50.5	4.6%

Number of Subscriptions

(Thousands of subscriptions)

	As of March 31, 2023	As of March 31, 2024	Change	Percent Change
Mobile Telecommunications Services	87,495	<b>89,940</b>	2,445	2.8%
Telecommunications Services (5G)	20,602	<b>29,740</b>	9,137	44.4%
Telecommunications Services (LTE (Xi))	57,771	<b>53,041</b>	(4,730)	(8.2)%
Telecommunications Services (FOMA (3G))	9,122	<b>7,159</b>	(1,963)	(21.5)%

Note: Number of Mobile Telecommunications Services includes MVNOs and Communication Module Services.

In the Integrated ICT Business, we advanced initiatives including the further expansion of the enterprise business and discontinuous growth through M&A in the smart life business, while strengthening the customer base by expanding billing plans to support customer needs in the consumer telecommunications business.

### ● Details of Main Initiatives

- In July 2023, we started a collaboration with TAKENAKA CORPORATION and SHIMIZU CORPORATION to leverage digitalization to improve the productivity of the entire construction management operations that link processes and work.
- In April 2023, we began offering the video streaming platform Lemino, which allows followers to connect to each other by sharing impressions and reviews and makes it easy to find content they want to watch.
- In addition to promoting M&A, our website “docomo smart insurance navi®” began handling life insurance and health insurance that can be signed up to on the Internet—provided by HANASAKU LIFE INSURANCE Co., Ltd.—in August 2023. In collaboration with E.design Insurance Co., Ltd., we began offering docomo Automobile Insurance in January 2024.
- In response to diversifying customer needs, we began offering the affordable “irumo” billing plan, which is aimed at customers with low data usage volumes, and “eximo” plan, which caters for up to unlimited data usage, in July 2023.

As a result of the above, consolidated operating revenues in the Integrated ICT Business Segment for the fiscal year ended March 31, 2024 were 6,140.0 billion yen (an increase of 1.3% from the previous fiscal year). On the other hand, consolidated operating expenses were 4,995.6 billion yen (an increase of 0.6% from the previous fiscal year). As a result, consolidated operating profit was 1,144.4 billion yen (an increase of 4.6% from the previous fiscal year).



## ■ Regional Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2023 – March 31, 2024)

(Billions of yen)

	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Operating revenues	3,177.6	<b>3,183.2</b>	5.6	0.2%
Operating expenses	2,757.1	<b>2,745.5</b>	(11.6)	(0.4)%
Operating profit	420.5	<b>437.7</b>	17.2	4.1%

Number of Subscriptions

(Thousands of subscriptions)

	As of March 31, 2023	As of March 31, 2024	Change	Percent Change
FLET'S Hikari (including Hikari Collaboration Model) <sup>(1)</sup>	23,575	<b>23,653</b>	78	0.3%
NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (NTT East)	13,326	<b>13,368</b>	41	0.3%
NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (NTT West)	10,249	<b>10,286</b>	37	0.4%
Hikari Collaboration Model	16,809	<b>17,116</b>	307	1.8%
NTT East	9,871	<b>10,069</b>	198	2.0%
NTT West	6,938	<b>7,048</b>	109	1.6%
Hikari Denwa	18,752	<b>18,304</b>	(448)	(2.4)%
NTT East	10,058	<b>9,786</b>	(272)	(2.7)%
NTT West	8,694	<b>8,518</b>	(176)	(2.0)%

Notes:

- Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "FLET'S Hikari Cross," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus," "FLET'S Hikari WiFi Access" and "Hikari Denwa Next (Hikari IP Phone)" provided by NTT East, subscribers to "FLET'S Hikari Cross," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari Light" and "Hikari Denwa Next (IP Phone Services)" provided by NTT West and subscribers to the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.
- The figures for Hikari Denwa indicate the number of channels (in thousands). Number of "Hikari Denwa" subscribers includes wholesale services provided to service providers by NTT East and NTT West.

In the Regional Communications Business, in addition to strengthening our solutions business which supports the digital transformation (DX) of companies, local governments, and societies to resolve regional social issues, we offered our "Hikari Collaboration Model," which provides wholesale fiber-optic access services, among other things, to various service providers.

### ● Details of Main Initiatives

- In view of the decline in the number of fixed-line telephone contracts (telephone subscriber lines and INS-Net) due to the diversification of communication methods in the wake of the development of mobile and broadband services, as well as the limit (around 2025) to maintaining the infrastructure (tandem transfer switches and signal transfer switches) of the Public Switched Telephone Network (PSTN) used for telephone services, we began replacing the fixed-line telephone (telephone subscriber lines and INS-Net) equipment with IP network equipment in stages by region starting from January 1, 2024.
- NTT East was among a consortium of 18 domestic and overseas communication device vendors and others that entered into an agreement in November 2023 to launch a new co-creation project to verify interconnections with and optimization of local 5G devices, with the objectives of disseminating and expanding local 5G by further reducing costs and improving user-friendliness.
- In December 2023, NTT West came to an agreement with ugo, Inc. to consider a joint project to use robots to solve social issues, such as labor shortages accelerating due to the population decline.

As a result of the above, consolidated operating revenues in the Regional Communications Business Segment for the fiscal year ended March 31, 2024 were 3,183.2 billion yen (an increase of 0.2% from the previous fiscal year). On the other hand, consolidated operating expenses were 2,745.5 billion yen (a decrease of 0.4% from the previous fiscal year). As a result, consolidated operating profit was 437.7 billion yen (an increase of 4.1% from the previous fiscal year).

## ■ Global Solutions Business Segment

Overview of Business Results by Business Segment (April 1, 2023 – March 31, 2024)

(Billions of yen)

	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Operating revenues	4,091.7	<b>4,367.4</b>	275.7	6.7%
Operating expenses	3,826.1	<b>4,057.8</b>	231.7	6.1%
Operating profit	265.6	<b>309.6</b>	43.9	16.5%

In the Global Solutions Business, the Group worked to extend and consistently provide a range of IT services, such as offerings of digitalization and system integration, that are responsive to the changes in the market, as well as to strengthen its ability to provide services in growth areas such as the data center business and managed services.

### ● Details of Main Initiatives

- In August 2023, we came to an agreement with Mitsubishi UFJ Trust and Banking Corporation to proceed with the construction of standardized infrastructure for digital bonds. MUFG Bank, Ltd. has begun supporting the issuing of digital bonds using the same infrastructure.
- In August 2023, we reached an agreement to enter into a strategic partnership with Ferrovial Corp. from Spain to create digital business in the infrastructure markets of the transportation sector (e.g., airports, roads, railroads) and social sector (e.g., energy supply networks).
- In December 2023, NTT DATA Group Corporation and NTT Global Data Centers Corporation reached an agreement with TEPCO Power Grid, Incorporated to establish a new company to jointly develop and operate data centers in the Inzai-Shiroi area of Chiba Prefecture. The companies aim to realize an advanced data center model, drawing upon and combining each company's expertise to contribute to solving social issues and achieve both digitalization and carbon neutrality.

As a result of the above, consolidated operating revenues in the Global Solutions Business Segment for the fiscal year ended March 31, 2024 were 4,367.4 billion yen (an increase of 6.7% from the previous fiscal year). On the other hand, consolidated operating expenses were 4,057.8 billion yen (an increase of 6.1% from the previous fiscal year). As a result, consolidated operating profit was 309.6 billion yen (an increase of 16.5% from the previous fiscal year).

## ■ Others (Real Estate, Energy and Others)

Overview of Business Results by Others (April 1, 2023 – March 31, 2024)

(Billions of yen)

	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Operating revenues	1,807.0	<b>1,632.9</b>	(174.1)	(9.6)%
Operating expenses	1,739.8	<b>1,573.1</b>	(166.7)	(9.6)%
Operating profit	67.2	<b>59.8</b>	(7.4)	(11.0)%

We provided services related to real estate business and energy business, etc.

### ●Details of Main Initiatives

#### ○ Real Estate Business

Primarily through NTT Urban Solutions, Inc., a company that centralizes the functions of NTT Group's real estate business, we promoted office and retail operations, residential operations, and the global business. In March 2024, we opened URBANNET SENDAI-CHUO BUILDING in Sendai. Outfitted with one of the largest high functionality office floors in the area on the west side of Sendai Station, a work space that accommodates diverse working styles, and open spaces and terraces aimed at promoting new vibrancy and pedestrian circulation in the city center, it is the first property of the Sendai Metropolitan Center Rebuilding Project promoted by Sendai City.

#### ○ Energy Business

NTT Anode Energy, a company that handles the NTT Group's energy business, has worked with NTT Group companies and various other partners to promote achievement of a decarbonized society through the use of renewable energy and local production for local consumption of energy. In December 2023, the company began building an energy distribution platform aimed at facilitating the adoption of renewable energy and stabilizing the electricity supply and demand. Going forward, this company will continue its commitment to the stable provision of renewable energy.

As a result of the above, consolidated operating revenues by others (real estate, energy and others) for the fiscal year ended March 31, 2024 were 1,632.9 billion yen (a decrease of 9.6% from the previous fiscal year). On the other hand, consolidated operating expenses were 1,573.1 billion yen (a decrease of 9.6% from the previous fiscal year). As a result, consolidated operating profit was 59.8 billion yen (a decrease of 11.0% from the previous fiscal year).

The accounting method for certain expense-related line items under "Others (Real Estate, Energy and Others)" and "Elimination of inter-segment transactions" has been revised. In connection with this change, segment information for the fiscal year ended March 31, 2023 has been restated. (See "Note 7. Business Segments.")

## (2) Summary of the Consolidated Financial Position

### Cash Flows

	(Billions of yen)			
	Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Change	Percent Change
Cash flows provided by operating activities	2,261.0	2,374.2	113.1	5.0%
Cash flows provided by operating activities (excluding the impact of non-business days)	2,261.0	2,567.0	306.0	13.5%
Cash flows used in investing activities	(1,736.9)	(1,989.2)	(252.3)	(14.5)%
Cash flows used in financing activities	(590.2)	(234.5)	355.7	60.3%
Cash and cash equivalents at the end of year	793.9	982.9	189.0	23.8%
Cash and cash equivalents at the end of year (excluding the impact of non-business days)	793.9	1,175.7	381.8	48.1%

Note: The impact in the amount of ¥192.8 billion, caused by the last day of the fiscal year ended March 31, 2024 falling on a non-business day, resulting in the due date for certain bills, including telecommunication services bills, being set to the first business day of the following month.

Cash flows provided by operating activities (excluding the impact of non-business days) for the fiscal year ended March 31, 2024 was ¥2,567.0 billion. This was primarily due to profit (loss) as adjusted for non-cash items (profit for the period, plus non-cash items such as depreciation and losses on retirement of fixed assets) reaching ¥3,010.3 billion. This represented an increase of ¥306.0 billion (13.5%) from the previous fiscal year due to a decrease in the amount of corporate tax payments, among other factors. Cash flows provided by operating activities for the fiscal year ended March 31, 2024 was ¥2,374.2 billion.

Cash flows used in investing activities for the fiscal year ended March 31, 2024 was ¥1,989.2 billion. This was primarily due to payments for the purchase of property, plant and equipment, intangible assets and investment property reaching ¥2,084.0 billion. This represented an increase of net payments by ¥252.3 billion (14.5%) from the previous fiscal year, primarily due to an increase in payments for investments and other items in addition to the increase in payments for the purchase of property, plant and equipment, intangible assets and investment property, partially offset by an increase in revenues from sales of assets.

Cash flows used in financing activities for the fiscal year ended March 31, 2024 was ¥234.5 billion, which included dividend payments of ¥437.7 billion and net income from borrowings of ¥593.4 billion. This represented a decrease of net payments by ¥355.7 billion (60.3%) from the previous fiscal year due to, among other factors, a decrease in payments for the purchase of treasury stock during the fiscal year ended March 31, 2024 compared to the previous fiscal year.

As a result of the above, NTT Group's consolidated cash and cash equivalents at the end of year (excluding the impact of non-business days) as of March 31, 2024 was ¥1,175.7 billion, an increase of ¥381.8 billion (48.1%) from the end of the previous fiscal year. Cash and cash equivalents at the end of year as of March 31, 2024 was ¥982.9 billion.

### Financial Position

	(Billions of yen)		
	As of March 31, 2023	As of March 31, 2024	Change
Assets	25,308.9	29,604.2	4,295.4
Liabilities	15,958.2	18,711.2	2,752.9
(incl.)Interest-bearing debt	8,230.5	9,591.0	1,360.5

	As of March 31, 2023	As of March 31, 2024	Change
Equity	9,350.6	10,893.1	1,542.4
(incl.)Total NTT shareholders' equity	8,561.4	9,844.2	1,282.8

Assets as of the end of the fiscal year under review increased by ¥4,295.4 billion from the end of the previous fiscal year to ¥29,604.2 billion, due to, among other factors, an increase in other financial assets resulting from the integration of financial businesses and an increase in property, plant and equipment.

Liabilities as of the end of the fiscal year under review increased by ¥2,752.9 billion from the end of the previous fiscal year to ¥18,711.2 billion, due to, among other factors, an increase in other financial liabilities resulting from the integration of financial businesses, and an increase in borrowings due to the payment of taxes and the procurement of capital contributions. The balance of interest-bearing debt was ¥9,591.0 billion, an increase of ¥1,360.5 billion from ¥8,230.5 billion as of the end of the previous fiscal year.

Shareholders' equity as of the end of the fiscal year under review increased by ¥1,282.8 billion from the end of the previous fiscal year to ¥9,844.2 billion, due to an increase in profit. The ratio of interest-bearing debt to shareholders' equity was 97.4% (compared to 96.1% at the end of the previous fiscal year). In addition, equity, which consists of the sum of shareholders' equity and non-controlling interests, increased by ¥1,542.4 billion from the end of the previous fiscal year to ¥10,893.1 billion.

## **2. Basic Concepts Concerning the Selection of Accounting Standards**

NTT Group has adapted International Financial Reporting Standards ("IFRS") to improve the international comparability of its financial information in the capital markets, among other reasons, beginning with the first quarter of the fiscal year ended March 31, 2019.

### 3. Consolidated Financial Statements

#### (1) Consolidated Statement of Financial Position

	Millions of yen		
	March 31, 2023	March 31, 2024	Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	¥793,920	¥982,874	¥188,954
Trade and other receivables	4,186,375	4,816,951	630,576
Other financial assets	98,653	972,278	873,625
Inventories	517,409	524,166	6,757
Other current assets	919,016	985,960	66,944
Sub Total	6,515,373	8,282,229	1,766,856
Assets held for sale	139,495	41,858	(97,637)
Total current assets	6,654,868	8,324,087	1,669,219
<b>Non-current assets</b>			
Property, plant and equipment	9,717,103	10,421,986	704,883
Right-of-use asset	718,531	914,911	196,380
Goodwill	1,283,448	1,698,851	415,403
Intangible assets	2,122,874	2,510,723	387,849
Investment property	1,242,591	1,305,219	62,628
Investments accounted for using equity method	446,569	410,782	(35,787)
Other financial assets	1,241,331	2,251,793	1,010,462
Deferred tax assets	940,196	714,276	(225,920)
Other non-current assets	941,340	1,051,595	110,255
Total non-current assets	18,653,983	21,280,136	2,626,153
<b>Total assets</b>	<b>¥25,308,851</b>	<b>¥29,604,223</b>	<b>¥4,295,372</b>

	Millions of yen		
	March 31, 2023	March 31, 2024	Increase (Decrease)
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	¥1,840,381	¥2,542,999	¥702,618
Trade and other payables	2,807,286	2,940,928	133,642
Lease liabilities	205,074	223,473	18,399
Other financial liabilities	30,200	895,063	864,863
Accrued payroll	567,166	614,976	47,810
Income taxes payables	243,306	354,859	111,553
Other current liabilities	1,143,518	1,272,371	128,853
Sub Total	6,836,931	8,844,669	2,007,738
Liabilities directly associated with assets held for sale	3,055	976	(2,079)
Total current liabilities	6,839,986	8,845,645	2,005,659
<b>Non-current liabilities</b>			
Long-term borrowings	6,390,155	7,048,015	657,860
Lease liabilities	714,923	899,524	184,601
Other financial liabilities	148,431	162,765	14,334
Defined benefit liabilities	1,362,262	1,156,394	(205,868)
Deferred tax liabilities	143,326	222,331	79,005
Other non-current liabilities	359,141	376,490	17,349
Total non-current liabilities	9,118,238	9,865,519	747,281
Total liabilities	15,958,224	18,711,164	2,752,940
<b>Equity</b>			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	8,150,117	9,078,084	927,967
Treasury stock	(737,290)	(937,291)	(200,001)
Other components of equity	210,576	765,417	554,841
Total NTT shareholders’ equity	8,561,353	9,844,160	1,282,807
Non-controlling interests	789,274	1,048,899	259,625
Total equity	9,350,627	10,893,059	1,542,432
Total liabilities and equity	¥25,308,851	¥29,604,223	¥4,295,372



## (2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

### Consolidated Statements of Profit or Loss

Year Ended March 31

	Millions of yen except per share data		
	2023	2024	Increase (Decrease)
<b>Operating revenues</b>	¥13,136,194	¥13,374,569	¥238,375
<b>Operating expenses</b>			
Personnel expenses	2,768,711	2,935,465	166,754
Expenses for purchase of goods and services and other expenses	6,563,282	6,489,394	(73,888)
Depreciation and amortization	1,582,625	1,628,586	45,961
Loss on disposal of property, plant and equipment and intangible assets	118,620	118,980	360
Impairment losses			
Goodwill	6,164	487	(5,677)
Other	9,803	13,985	4,182
Taxes and dues	258,003	264,762	6,759
Total operating expenses	11,307,208	11,451,659	144,451
<b>Operating profit</b>	1,828,986	1,922,910	93,924
Finance income	54,105	163,826	109,721
Finance costs	79,424	130,485	51,061
Share of profit (loss) of entities accounted for using equity method	14,012	24,206	10,194
<b>Profit before taxes</b>	1,817,679	1,980,457	162,778
Income taxes	524,923	635,338	110,415
<b>Profit</b>	¥1,292,756	¥1,345,119	¥52,363
Profit attributable to NTT	1,213,116	1,279,521	66,405
Profit attributable to Non-controlling interests	79,640	65,598	(14,042)
Earnings per share attributable to NTT			
Basic earnings per share (yen) <sup>*</sup>	¥13.92	¥15.09	

\* NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Basic Earnings per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

## Consolidated Statements of Comprehensive Income

Year Ended March 31

	Millions of yen		
	2023	2024	Increase (Decrease)
<b>Profit</b>	¥1,292,756	¥1,345,119	¥52,363
<b>Other comprehensive income (net of taxes)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Change in the fair value of financial assets measured at fair value through other comprehensive income	(83,650)	324,056	407,706
Share of other comprehensive income of entities accounted for using the equity method	(1,135)	(5,583)	(4,448)
Remeasurements of the defined benefit plans	112,672	134,080	21,408
Total of items that will not be reclassified to profit or loss	27,887	452,553	424,666
<b>Items that may be reclassified to profit or loss</b>			
Cash flow hedges	(33,249)	16,242	49,491
Hedges cost	(8,645)	3,773	12,418
Foreign currency translation adjustments	119,360	273,426	154,066
Share of other comprehensive income of entities accounted for using the equity method	7,875	12,225	4,350
Total of items that may be reclassified to profit or loss	85,341	305,666	220,325
<b>Total other comprehensive income (net of taxes)</b>	113,228	758,219	644,991
<b>Total comprehensive income</b>	¥1,405,984	¥2,103,338	¥697,354
Comprehensive income attributable to NTT	1,270,639	1,962,087	691,448
Comprehensive income attributable to Non-controlling interests	135,345	141,251	5,906

### (3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2023

	Millions of yen							
	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
March 31, 2022	¥937,950	¥—	¥7,293,915	¥(226,459)	¥277,050	¥8,282,456	¥735,676	¥9,018,132
Comprehensive income								
Profit	—	—	1,213,116	—	—	1,213,116	79,640	1,292,756
Other comprehensive income	—	—	—	—	57,523	57,523	55,705	113,228
Total comprehensive income	—	—	1,213,116	—	57,523	1,270,639	135,345	1,405,984
Transactions with owners and other transactions								
Dividends of surplus	—	—	(419,525)	—	—	(419,525)	(20,087)	(439,612)
Transfer to retained earnings	—	54,926	69,071	—	(123,997)	—	—	—
Purchase and disposal of treasury stock	—	6	—	(510,831)	—	(510,825)	—	(510,825)
Changes in ownership interest in subsidiaries without loss of control	—	(50,284)	—	—	—	(50,284)	(59,752)	(110,036)
Share-based compensation transactions	—	(2,751)	—	—	—	(2,751)	1,313	(1,438)
Put options granted to non-controlling interests	—	(4,805)	—	—	—	(4,805)	(4,129)	(8,934)
Other	—	2,908	(6,460)	—	—	(3,552)	908	(2,644)
Total transactions with owners and other transactions	—	—	(356,914)	(510,831)	(123,997)	(991,742)	(81,747)	(1,073,489)
March 31, 2023	¥937,950	¥—	¥8,150,117	¥(737,290)	¥210,576	¥8,561,353	¥789,274	¥9,350,627

Year Ended March 31, 2024

Millions of yen

	NTT Shareholders' Equity					Total	Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity			
March 31, 2023	¥937,950	¥—	¥8,150,117	¥(737,290)	¥210,576	¥8,561,353	¥789,274	¥9,350,627
Comprehensive income								
Profit	—	—	1,279,521	—	—	1,279,521	65,598	1,345,119
Other comprehensive income	—	—	—	—	682,566	682,566	75,653	758,219
Total comprehensive income	—	—	1,279,521	—	682,566	1,962,087	141,251	2,103,338
Transactions with owners and other transactions								
Dividends of surplus	—	—	(417,438)	—	—	(417,438)	(20,256)	(437,694)
Transfer to retained earnings	—	60,316	67,409	—	(127,725)	—	—	—
Purchase and disposal of treasury stock	—	8	—	(200,001)	—	(199,993)	—	(199,993)
Changes in ownership interest in subsidiaries without loss of control	—	(13,673)	—	—	—	(13,673)	138,545	124,872
Share-based compensation transactions	—	1,268	—	—	—	1,268	214	1,482
Put options granted to non-controlling interests	—	(46,893)	—	—	—	(46,893)	315	(46,578)
Other	—	(1,026)	(1,525)	—	—	(2,551)	(444)	(2,995)
Total transactions with owners and other transactions	—	—	(351,554)	(200,001)	(127,725)	(679,280)	118,374	(560,906)
March 31, 2024	¥937,950	¥—	¥9,078,084	¥(937,291)	¥765,417	¥9,844,160	¥1,048,899	¥10,893,059

#### (4) Consolidated Statement of Cash Flows

Year Ended March 31

	Millions of yen		
	2023	2024	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Profit	¥1,292,756	¥1,345,119	¥52,363
Depreciation and amortization	1,582,625	1,628,586	45,961
Impairment losses	15,967	14,472	(1,495)
Share of loss (profit) of entities accounted for using the equity method	(14,012)	(24,206)	(10,194)
Losses on retirement of property, plant and equipment and intangible assets	48,518	46,362	(2,156)
Gain on sales of property, plant and equipment and intangible assets	(46,259)	(126,674)	(80,415)
Income taxes	524,923	635,338	110,415
Decrease (increase) in trade and other receivables <sup>(1)</sup>	(525,313)	(318,431)	206,882
Decrease (increase) in inventories	(140,858)	(51,819)	89,039
Decrease (increase) in other current assets	(33,609)	(62,211)	(28,602)
Increase (decrease) in trade and other payables / accrued payroll	252,070	27,848	(224,222)
Increase (decrease) in other current liabilities	6,301	73,113	66,812
Increase (decrease) in defined benefit liabilities	(63,644)	(68,404)	(4,760)
Decrease (increase) in non-current handset installment receivables <sup>(2)</sup>	56,174	(268,085)	(324,259)
Increase (decrease) in other non-current liabilities	(21,286)	(9,262)	12,024
Other, net <sup>(2)</sup>	37,219	1,478	(35,741)
Sub-total	2,971,572	2,843,224	(128,348)
Interest and dividends received	95,023	105,206	10,183
Interest paid	(67,224)	(88,666)	(21,442)
Income taxes paid	(738,358)	(485,605)	252,753
Net cash provided by (used in) operating activities	2,261,013	2,374,159	113,146

	Millions of yen		
	2023	2024	Increase (Decrease)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment, intangible assets and investment property	(1,851,879)	(2,084,004)	(232,125)
Proceeds from sale of property, plant and equipment, intangible assets and investment property <sup>(3)</sup>	91,216	260,211	168,995
Proceeds from government grants	17,888	2,593	(15,295)
Purchase of investments	(76,504)	(90,608)	(14,104)
Proceeds from sale or redemption of investments	109,153	148,558	39,405
Proceeds from loss of control of subsidiaries	53,628	72,660	19,032
Payments for acquisition of subsidiaries	(81,645)	(380,513)	(298,868)
Proceeds from acquisition of subsidiaries <sup>(4)</sup>	1,047	95,197	94,150
Net decrease (increase) loan receivable	17,337	13,940	(3,397)
Other, net <sup>(3),(4)</sup>	(17,153)	(27,269)	(10,116)
Net cash provided by (used in) investing activities	(1,736,912)	(1,989,235)	(252,323)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term borrowings	295,564	134,528	(161,036)
Proceeds from increases in long-term borrowings	1,090,877	1,085,358	(5,519)
Repayments of long-term borrowings	(693,427)	(626,451)	66,976
Repayments of lease liabilities	(223,907)	(241,473)	(17,566)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(109,932)	(7,129)	102,803
Dividends paid	(419,525)	(417,438)	2,087
Dividends paid to non-controlling interests	(20,197)	(20,255)	(58)
Purchase of treasury stock	(511,070)	(200,388)	310,682
Other, net	1,420	58,794	57,374
Net cash provided by (used in) financing activities	(590,197)	(234,454)	355,743
Effect of exchange rate change on cash and cash equivalents	25,452	38,484	13,032
Net increase (decrease) in cash and cash equivalents	(40,644)	188,954	229,598
Cash and cash equivalents as of April 1	834,564	793,920	(40,644)
Cash and cash equivalents as of March 31 <sup>(1)</sup>	¥793,920	¥982,874	¥188,954

Notes:

- (1) The last day of the fiscal year ended March 31, 2024 fell on a non-business day, resulting in the due date for certain bills, including telecommunication service bills, being set to the first business day of the following month. Consequently, on the last day of the fiscal year ended March 31, 2024, cash and cash equivalents decreased by ¥192,820 million and trade and other receivables increased by the same amount. Please see “1. BUSINESS RESULTS — (2) Summary of Financial Position” for details.
- (2) “Decrease (increase) in non-current handset installment receivables,” which had previously been presented within “Other, net” in cash flows from operating activities for the fiscal year ended March 31, 2023, is now presented separately for the fiscal year ended March 31, 2024 due to an increase in the materiality of the amount of this item. As a result of this change, the ¥93,393 million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the fiscal year ended March 31, 2023 has been reclassified and presented as ¥56,174 million of “Decrease (increase) in non-current handset installment receivables” and ¥37,219 million of “Other, net.”
- (3), (4) “Proceeds from sale of property, plant and equipment, intangible assets and investment property” and “Proceeds from acquisition of subsidiaries,” which had previously been presented within “Other, net” in cash flows from investing activities for the fiscal year ended March 31, 2023, are now presented separately for the fiscal year ending March 31, 2024 due to an increase in the materiality of the amount of such items. As a result of this change, the ¥75,110 million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the fiscal year ended March 31, 2023 has been reclassified and presented as ¥91,216 million of “Proceeds from sale of property, plant and equipment, intangible assets and investment property,” ¥1,047 million of “Proceeds from acquisition of subsidiaries” and ¥(17,153) million of “Other, net.”

(5) Going Concern Assumption

None

(6) Basis for the Preparation of Consolidated Financial Statements

**1. Accounting standard for preparation of Consolidated Financial Statements**

NTT Group has prepared the Consolidated Financial Statements pursuant to International Financial Reporting Standards (“IFRS”).

**2. Principal Accounting Policies**

The accounting policies applied on the consolidated financial statements are consistent with those applied on the consolidated financial statements for the year ended March 31, 2023, other than as described below.

Amendments to IAS 12 (Income Taxes)

NTT Group has adopted the amendments to IAS 12 (Income Taxes), which clarify the accounting treatment of deferred tax related to assets and liabilities arising from a single transaction. The adoption of this standard did not have a material effect on the consolidated financial statements.

(7) Business Segments

1. Operating revenues

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Integrated ICT Business		
External customers	¥5,777,806	¥5,864,465
Intersegment	281,174	275,497
Sub-total	6,058,980	6,139,962
Regional Communications Business		
External customers	2,482,087	2,489,496
Intersegment	695,505	693,686
Sub-total	3,177,592	3,183,182
Global Solutions Business		
External customers	3,896,991	4,176,337
Intersegment	194,729	191,050
Sub-total	4,091,720	4,367,387
Others (Real Estate, Energy and Others)		
External customers	979,310	844,271
Intersegment	827,715	788,671
Sub-total	1,807,025	1,632,942
Elimination	(1,999,123)	(1,948,904)
Consolidated total	¥13,136,194	¥13,374,569

## 2. Segment profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Segment profit		
Integrated ICT Business	¥1,093,893	¥1,144,405
Regional Communications Business	420,478	437,691
Global Solutions Business	265,631	309,550
Others (Real Estate, Energy and Others)	67,182	59,819
Total Segment profit	1,847,184	1,951,465
Elimination	(18,198)	(28,555)
Consolidated total	¥1,828,986	¥1,922,910

Segment profit represents operating revenues less operating expenses.

The accounting method for certain expense-related line items under “Others (Real Estate, Energy and Others)” and “Elimination of inter-segment transactions” has been revised for the purpose of managing business performance more appropriately. In connection with this change, segment information for the fiscal year ended March 31, 2023 has been restated.

## 3. Segment assets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Segment assets		
Integrated ICT Business	¥10,200,385	¥11,842,652
Regional Communications Business	7,014,776	7,030,771
Global Solutions Business	6,239,150	7,312,174
Others (Real Estate, Energy and Others)	16,858,130	18,636,513
Total segment assets	40,312,441	44,822,110
Elimination	(15,003,590)	(15,217,887)
Consolidated total	¥25,308,851	¥29,604,223



## 4. Other significant items

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Depreciation and amortization		
Integrated ICT Business	¥785,851	¥812,326
Regional Communications Business	419,586	409,364
Global Solutions Business	314,432	339,134
Others (Real Estate, Energy and Others)	126,925	133,295
Total segment	1,646,794	1,694,119
Elimination	(64,169)	(65,533)
Consolidated total	¥1,582,625	¥1,628,586

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Capital investments for segment assets (*)		
Integrated ICT Business	¥706,263	¥705,391
Regional Communications Business	498,076	480,990
Global Solutions Business	500,386	657,444
Others (Real Estate, Energy and Others)	157,679	219,288
Consolidated total	¥1,862,404	¥2,063,113

\* The figures for capital investments are the accrual-based amounts required for acquisition of property, plant and equipment, intangibles assets and investment property. The amount related to non-current assets classified as assets held for sale, government grants related to assets and other during the fiscal year ended March 31, 2023 and March 31, 2024 are deducted from the figures for capital investments. The differences from the figures for “Purchase of property, plant and equipment, intangible assets, and investment property” in the Consolidated Statements of Cash Flows are as follows  
In addition, the increase in right-of-use assets, including those that meet the definition of investment property, is not included in the figures for capital investments.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Purchase of property, plant and equipment, intangible assets and investment property	¥1,851,879	¥2,084,004
Difference from the total of capital investments	¥(10,525)	¥20,891

(8) Business combinations

Acquisition of Equity of Green Power Investment Corporation, a renewable energy power generation company, and Other Businesses

On August 3, 2023, NTT Anode Energy Corporation (“NTT Anode Energy”) acquired 80% of the equity of Green Power Investment Corporation and its group companies (collectively, “GPI Group”), and GPI Group became a subsidiary of NTT Anode Energy.

The purpose of the acquisition is to strengthen NTT Group's wind power generation business by incorporating GPI Group's wind power development, construction and operational know-how into the wind power generation projects of NTT Anode Energy.

The purchase price totaled ¥257.6 billion, and the form of consideration was cash.

The allocation of the acquisition price to acquired assets and assumed liabilities was completed during the fiscal year under review. The amounts of acquired assets, assumed liabilities, non-controlling interests and goodwill, each as of the acquisition date after giving effect to the allocation, are as set forth below. Goodwill arises from the ability to earn excess profits, synergies with existing businesses and other factors.

(Millions of yen)

	As of the Acquisition Date
Current assets	¥148,486
Non-current assets	318,704
Acquired assets Total	467,190
Current liabilities	109,466
Non-current liabilities	169,049
Assumed liabilities Total	278,515
Net assets acquired Total	188,675
Non-controlling interests	(78,761)
Goodwill	147,687
Total	¥257,601

## Acquisition of Docomo Monex Holdings, Inc., an Intermediate Holding Company for Monex

On January 4, 2024, NTT DOCOMO acquired 49% of the shares of an intermediate holding company, Docomo Monex Holdings, Inc. (“Docomo Monex Holdings”), formed by means of share-transfer by Monex. In addition, as NTT DOCOMO has the right to appoint a majority of Docomo Monex Holdings' directors, Docomo Monex Holdings and its subsidiary, Monex, became subsidiaries of NTT DOCOMO.

The purpose of the acquisition is to acquire general securities business capabilities, including know-how, technology and licenses, and to expand NTT Group’s financial business in the smart life area.

The purchase price totaled ¥48.6 billion, and the form of consideration was cash.

The allocation of the acquisition price to acquired assets and assumed liabilities was completed during the fiscal year under review. The amounts of acquired assets, assumed liabilities, non-controlling interests and goodwill, each as of the acquisition date after giving effect to the allocation, are as set forth below. Goodwill arises from the ability to earn excess profits, synergies with existing businesses and other factors.

(Millions of yen)

	As of the Acquisition Date
Current assets	¥923,519
Non-current assets	38,562
Acquired assets Total	962,081
Current liabilities	840,206
Non-current liabilities	55,472
Assumed liabilities Total	895,678
Net assets acquired Total	66,403
Non-controlling interests	(33,832)
Goodwill	15,989
Total	¥48,560

## Acquisition of ORIX Credit Corporation

On March 29, 2024, NTT DOCOMO acquired 66% of the equity of ORIX Credit Corporation (“ORIX Credit”). As a result of this acquisition, ORIX Credit became a subsidiary of NTT DOCOMO.

The purpose of the acquisition is to provide a broader range of financial services by combining NTT DOCOMO’s membership base, which is the largest in Japan, with ORIX Credit’s strengths, including its operational capabilities in the finance business, know-how in personal lending and new service development capabilities in the finance field.

The purchase price totaled ¥79.2 billion, and the form of consideration was cash.

The amounts of acquired assets, assumed liabilities, non-controlling interests and goodwill, each as of the acquisition date, are as set forth below. Goodwill arises from the ability to earn excess profits, synergies with existing businesses and other factors. In addition, as the allocation of the purchase price to acquired assets and assumed liabilities has not yet been completed at this time, provisional amounts have been recorded in the consolidated statement of financial position.

(Millions of yen)

	As of the Acquisition Date
Current assets <sup>※</sup>	¥174,951
Non-current assets	46,661
Acquired assets Total	221,612
Current liabilities	81,689
Non-current liabilities	60,345
Assumed liabilities Total	142,034
Net assets acquired Total	79,578
Non-controlling interests	(27,056)
Goodwill	26,679
Total	¥79,200

<sup>※</sup> Regarding the ¥136,897 million fair value of the trade loans included in the acquired “Trade and other receivables,” the total contract amount is ¥150,495 million, and the estimated unrecoverable amount is ¥13,598 million.

A written put option was granted to a non-controlling shareholder of the acquired company. The present value of the redemption amount was recognized as ¥47,645 million of “Other financial liabilities,” and additional paid-in capital was reduced by the same amount.

(9) Subsequent Events

Not applicable.

#### **4. Other**

Changes in Board of Directors

Scheduled appointment date: June 20, 2024

(1) Candidates for Member of the Board

Sachiko Oonishi (Executive Vice President)

Natsuko Takei (Former Executive Vice President of Sony Group Corporation)

(2) Members of the Board scheduled to resign from office

Akiko Kudo (Member of the Board; scheduled to take office as Senior Executive Vice President,  
Representative Member of the Board of NTT COMMUNICATIONS CORPORATION)

Ryoji Chubachi (Member of the Board)

(3) Candidates for Chairman of the Board and Representative Member of the Board

1. Candidate scheduled to be elected as Chairman and Member of the Board

Jun Sawada

2. Candidate scheduled to be elected as President and CEO, Representative Member of the Board

Akira Shimada

3. Candidates scheduled to be elected as Senior Executive Vice President, Representative Members of the Board

Katsuhiko Kawazoe

Takashi Hiroi

(4) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 20, 2024

New Position(s) and Organizational Responsibilities	Name	Current Position(s) and Organizational Responsibilities
Member of the Board Chairman of the Board	Jun Sawada	Representative Member of the Board Chairman of the Board
Representative Member of the Board President Chief Executive Officer (CEO)	Akira Shimada	Representative Member of the Board President Chief Executive Officer (CEO)
Representative Member of the Board Senior Executive Vice President In charge of technical strategy Chief Technology Officer (CTO)	Katsuhiko Kawazoe	Representative Member of the Board Senior Executive Vice President In charge of technical strategy Chief Technology Officer (CTO) Chief Information Officer (CIO) Chief Digital Officer (CDO)
Representative Member of the Board Senior Executive Vice President In charge of business strategy Chief Financial Officer (CFO)	Takashi Hiroi	Representative Member of the Board Senior Executive Vice President In charge of business strategy Chief Financial Officer (CFO) Chief Compliance Officer (CCO) Chief Human Resource Officer (CHRO)
Executive Member of the Board Executive Vice President	Sachiko Oonishi	Executive Vice President
Member of the Board	Ken Sakamura	Member of the Board
Member of the Board	Yukako Uchinaga	Member of the Board
Member of the Board	Koichiro Watanabe	Member of the Board
Member of the Board	Noriko Endo	Member of the Board
Member of the Board	Natsuko Takei	

(Notes)

Ken Sakamura, Yukako Uchinaga, Koichiro Watanabe, Noriko Endo, and Natsuko Takei are candidates for Outside Members of the Board.