



# **Financial Results for the Six Months Ended September 30, 2021**

**November 10, 2021**

This document is a translation of the Japanese original. The Japanese original is authoritative.

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, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Securities Report and in any other materials publicly disclosed by NTT on its website.

\* "E" in this material represents that the figure is a plan or projection for operation.

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

- **Overview of Consolidated Results for FY2021.2Q**
  - **Status of Consolidated Results for FY2021.2Q**
  - **Operating Revenue and Operating Income Trends**
  - **Contributing Factors by Segment for FY2021.2Q**
  
- **Topics**
  
- **Appendix**

# Overview of Consolidated Results for the Six Months Ended September 30, 2021

- Year-on-year, both operating revenues and operating income increased, and profit set a new record high level
- Both revenues and income exceeded expectations

## Status of Consolidated Results

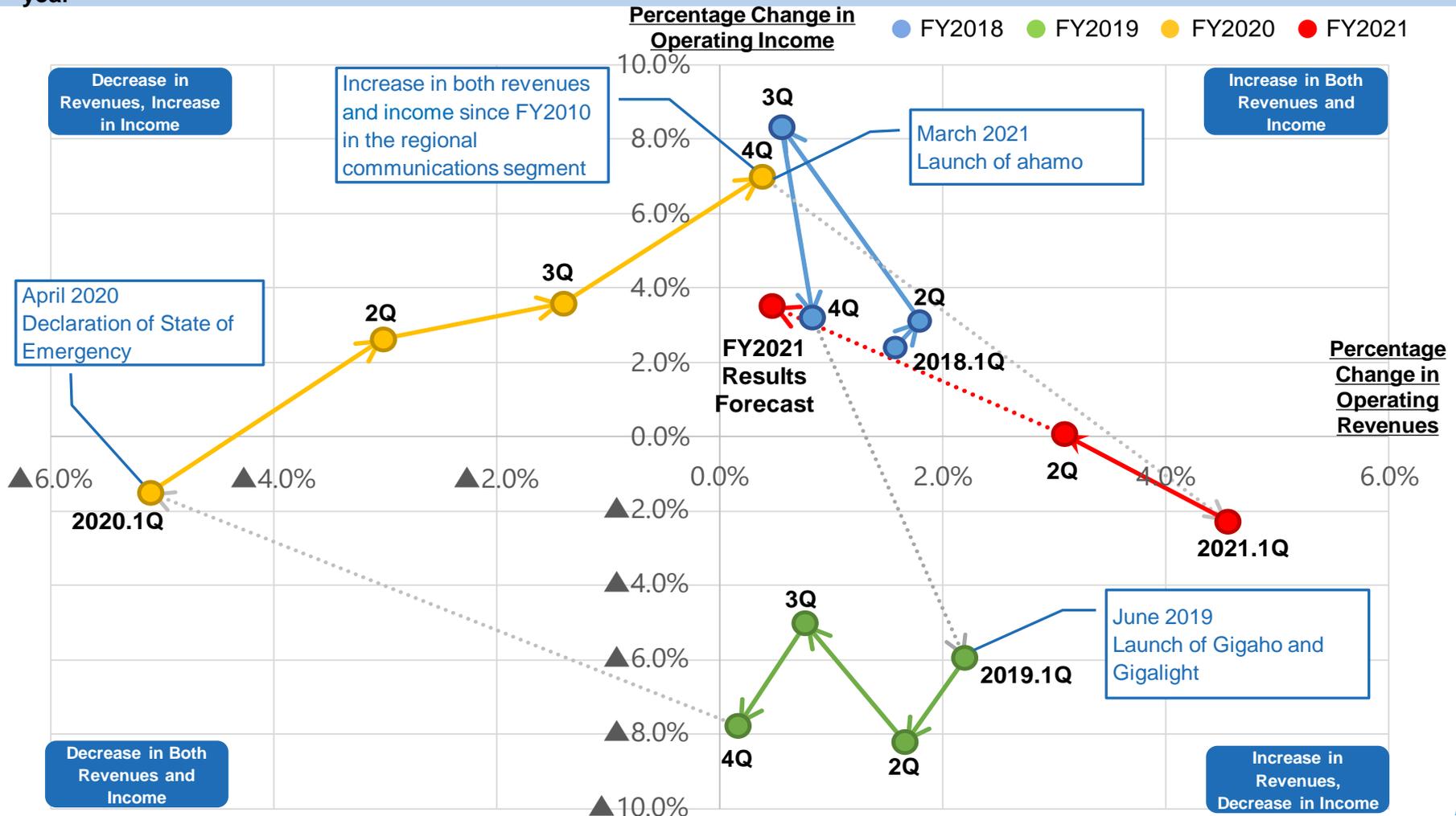
|   |           |                                  |
|---|-----------|----------------------------------|
| ● Operating Revenues:                               | ¥5,887.6B | <+¥176.3B [+3.1%] year-on-year>  |
| ● Operating Income:                                 | ¥1,009.3B | <+¥0.7B [0.1%] year-on-year>     |
| ● Profit <sup>(1)</sup> :                           | ¥675.8B   | <+¥134.3B [+24.8%] year-on-year> |
| <hr/>   |           |                                  |
| ● Overseas Sales <sup>(2)</sup> :                   | \$9.3B    | <+ \$0.29B [+3.2%] year-on-year> |
| ● Overseas Operating Income Margin <sup>(2)</sup> : | 4.8%      | <+1.9pt year-on-year>            |

(1) Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

(2) Includes results from the global holding company, its subsidiaries and its affiliates. Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

# Operating Revenue and Operating Income Trends NTT

- In FY2018, there continued to be increases in both revenues and income, while FY2019 saw a shift to a downward trend in income as a result of the effect of the introduction of new billing plans by NTT DOCOMO, among other factors
- In FY2020, while continuing to be impacted by COVID-19, there was a return to having increases in both revenues and income, as a result of increases in revenues and decreases in costs at each company, among other factors
- FY2021 2Q saw a shift to an increase in income, and an increase in both revenues and income is also forecasted for the fiscal year



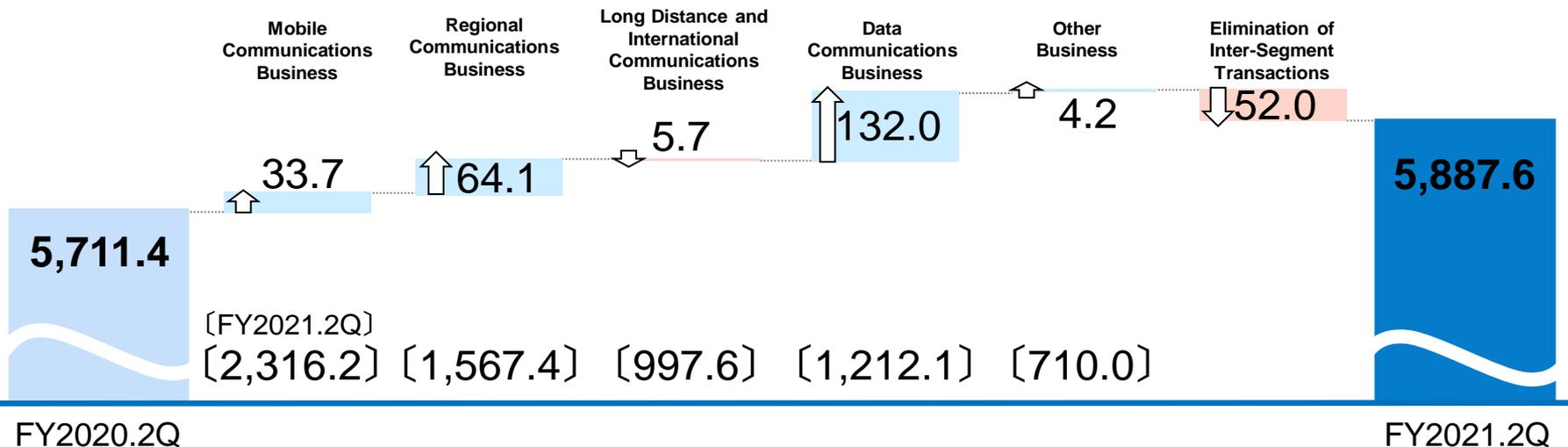
# Contributing Factors by Segment for FY2021.2Q



(Billions of yen)

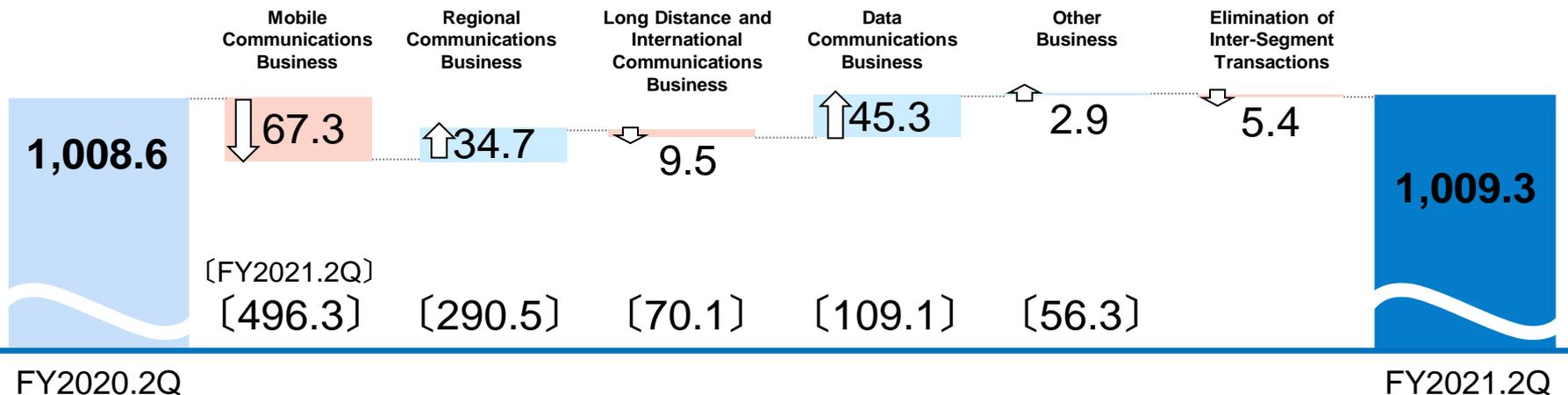
## Operating Revenues

<Year-on-year: +176.3>



## Operating Income

<Year-on-year: +0.7>



# Topics

# ① Establishment of Sustainability Charter: Towards a Sustainable Society



Creating a Global Sustainability Charter as a Broad Concept that  
Includes SDGs, ESG and CSV

## Sustainability Charter

## Corresponding Policies

**NTT's vision  
of a  
sustainable  
society**

**Based on  
Principles of  
"Self as We"**

**Ensuring  
coexistence of  
nature and  
humanity**

**Addressing  
Environmental  
Challenges**

**Environment and  
Energy Vision**

**Improving  
prosperity for all  
people and  
cultures**

**Addressing  
social issues**

**New Management  
Style**

**Maximizing  
wellbeing for all**

**Addressing human  
rights, diversity and  
inclusion**

**Human Rights  
Policy**

Simultaneous Existence of  
Conflicting Things that are  
Not Defined as Dualism

Facts Interpretation Differ  
Different Realities Exist  
Depending on Viewpoints



**Paraconsistent**  
(Simultaneous Achievement of Conflicting Goals)

**“Sustainable Society”**



**【Fundamental Philosophy】**

**“Self as We”\* Philosophy for the  
Achievement of that Goal**

\* The idea that the “Self” exists as a “Self” within a “We” (which consists of everything, including people, things and technology), and is supported by connections consisting of diverse people, things and technology

Based on the “Self as We” Concept,



## Three Themes for a Sustainable Society Have Been Set

### “Self as We” Concept

**Nature is an Altruistic Force, and  
“We” is a Part of That**

**Culture and Society are Secured by  
Connecting “We” with the Thread of  
Ethics**

**Altruistic Co-Existence  
(Co-Existence of One’s Own  
Happiness and Others’ Happiness)**



### Three Themes

**Ensuring the coexistence  
of nature and humanity**

**Improving prosperity for  
all people and cultures**

**Maximizing wellbeing  
for all**

# For the 3 Themes, 9 Challenges and 30 Activities Have Been Set; Key Indicators will be Reflected in Executive Compensation



| 3 Themes      | Ensuring the coexistence of nature and humanity  | Improving prosperity for all people and cultures   | Maximizing wellbeing for all   |
|---------------|--|--|--|
| 9 Challenges  | Moving towards a decarbonized society  | Establish shared ethical standards   | Respect for Human Rights   |
|               | A commitment to a resource-recycling future  | Prepare for a new future with the power of technology  | Diversity & Inclusion  |
|               | A future where people and nature are in harmony  | Moving towards a safe, secure, and resilient society   | Creating new work style models   |
| 30 Activities | <ul style="list-style-type: none"> <li>① Promoting energy conservation</li> <li>② Reducing power consumption by introducing IOWN technologies</li> <li>③ Developing and expanding the use of renewable energy</li> <li>④ Providing new services that contribute to carbon neutrality</li> <li>⑤ Creating innovative environmental and energy technologies</li> <li>⑥ Increasing the reuse and recycling of communications equipment, mobile terminals, and other technologies</li> <li>⑦ Reduction of plastic use and increased recycling</li> <li>⑧ Properly treating, storing, and managing hazardous waste</li> <li>⑨ Appropriate and efficient managing water resources</li> <li>⑩ Thoroughly implementing environmental assessment</li> <li>⑪ Contributing to natural ecosystem conservation</li> </ul> | <ul style="list-style-type: none"> <li>⑫ Establishing and thoroughly complying with ethical standards</li> <li>⑬ Appropriately managing personal and group conduct risk</li> <li>⑭ Thoroughly reinforcing corporate governance and compliance</li> <li>⑮ Sharing high ethical standards with business partners</li> <li>⑯ Promoting the B2B2X model</li> <li>⑰ Protecting and respecting intellectual property</li> <li>⑱ Contributing to the revitalization of local communities and economies</li> <li>⑲ Ensuring the stability and reliability of services</li> <li>⑳ Strengthening information security and personal information protection</li> <li>㉑ Promoting a decentralized society based on remote work</li> </ul> | <ul style="list-style-type: none"> <li>㉒ Complying with the NTT Group Human Rights Policy</li> <li>㉓ Encouraging society as a whole to respect human rights</li> <li>㉔ Promoting recruitment, training, and education of diverse human resources and women's advancement in the workplace</li> <li>㉕ Encouraging of understanding of LGBTQ and promoting the advancement of disabled people</li> <li>㉖ Supporting for balancing work and life such as childcare/nursing care</li> <li>㉗ Promoting remote work and other workplace models</li> <li>㉘ Achieving zero fatal accidents as well as maintaining and promoting employees' health</li> <li>㉙ Supporting autonomous capacity development</li> <li>㉚ Promoting paperless operations</li> </ul> |

## Support International Standards, and Specify Policies for Particular High-Priority Human Rights Issues from 4 Perspectives

### “Diversity & Inclusion”

- Prohibition of discrimination
- Respect for freedom and rights
- Fairness in the workplace
- Economic disparities and poverty

### “Healthy Work in Daily Life” (Health Management)

- Diverse work styles
- Prohibition of forced labor and child labor
- Workplace safety
- Freedom of association and the right to organize
- Living wages
- Enhanced benefits

### “Technology Based on High Ethical Standards”

- Technology
- Data bias
- Privacy
- Personal data Protection
- Security

### “Appropriate Speech and Other presentations”

- Freedom of expression and respect for human rights in advertising and other presentations
- Accessibility



**Thorough Human Rights Due Diligence;  
Management throughout the Entire Value Chain, Including Globally**

## ② Entered into Title Partnership Agreement with JAPAN RUGBY LEAGUE ONE



- Entered into a title partnership agreement with JAPAN RUGBY LEAGUE ONE (JRLO), set to open on January 7, 2022
- NTT DOCOMO and NTT Communications will also work with JRLO as business creation partners to create new fan experiences utilizing ICT

**New League Name:**

**“NTT JAPAN RUGBY LEAGUE ONE”**



JAPAN RUGBY  
LEAGUE  
**ONE**



## ③ Initiatives to Create a Remote World



### ■ Launch New Services

- ① **“Thin Telework System,”** which easily turns workplace PCs into thin clients  
(NTT East, IPA; being provided at no cost for practical testing purposes since April 2020)
  - ✓ Currently being used by approximately 200,000 people, with direct connection from non-Windows devices being enabled through the launch of a Web browser version (from August 2021)
  
- ② **“elgana” business chat** (NTT BUSINESS SOLUTIONS)
  - ✓ Number of user IDs has exceeded 1,200,000 (October 2021)
  
- ③ **“Maina Pocket™” service that allows for identity verification via My Number cards and smartphones** (NTT DATA, from October 2021)
  - ✓ By simply having users hold their My Number cards in front their smartphones and enter in a password number, service-using businesses can perform secure non-face-to-face identity verifications, among other features



# ④ Overview of Medium-Term Management Strategy Initiatives

## Overview since August 2021

|  |   |
|--|---|
| <b>Growth and Strengthening of the Newly Formed DOCOMO Group</b> | <ul style="list-style-type: none"> <li>• Launched the “U30 Long Wari,” which provides for continuous discounts until users are 30 years old (NTT DOCOMO, from September)</li> <li>• Reached agreement with Economy MVNOs that utilize d Points (NTT DOCOMO, FreeBit, NTT Communications, October)</li> </ul>  |
| <b>Promotion of the IOWN Development/Rollout Plan</b>            | <ul style="list-style-type: none"> <li>• Established the <b>NTT Institute for Fundamental Mathematics</b> (October)</li> <li>• Contributed to <b>distribution cost, food loss, and Greenhouse gases reduction by agricultural product distribution DX</b> (Shinmei HD, Toka Osaka, NTT West, NTT Agritechnology, from November)</li> <li>• <b>Demonstration of natural remote operation of the avatar robot “OriHime-D” through telecommunications control technology</b> (November)</li> <li>• <b>First demonstration in the world of optical network technology for supporting eSports</b> (November)</li> </ul>  |
| <b>Enhance Competitiveness in Global Business</b>                | <ul style="list-style-type: none"> <li>• Launched <b>Private 5G Network-as-a-Service Platform</b> (NTT Ltd., from August)</li> <li>• Established “<b>NTT DATA EMEAL</b>,” a new company that integrates overseas businesses in Europe, the Middle East, Africa and Latin America (NTT DATA, September)</li> <li>• Agreed to begin development of two data centers in India with Tokyo Century (NTT GDC, November)</li> </ul>  |
| <b>Promote B2B2X Model</b>                                       | <ul style="list-style-type: none"> <li>• <b>Number of B2B2X Projects: 119</b></li> </ul>  |
| <b>Strengthening of New Businesses</b>                           | <ul style="list-style-type: none"> <li>• <b>Together with eight companies, including MUFG Bank and Osaka Gas Co., established “Z Energy Co.,” a business management company for the creation of a renewable energy fund</b> (NTT Anode Energy, September)</li> <li>• <b>Will enter the energy business through the offering of “docomo Denki”</b> (NTT DOCOMO, expected to launch beginning in March 2022)</li> <li>• Established “<b>NTT EDX CORPORATION</b>,” a new company that will work towards the improvement of higher education, with Dai Nippon Printing Co. (NTT East, NTT West, October)</li> <li>• Announced a development plan for the <b>Hoenzaka Northern Specified Block (the location of the NTT West headquarters)</b>(NTT West, NTT Urban Solutions, NTT Urban Development, October)</li> </ul> |
| <b>Transformation to a New Management Style</b>                  | <ul style="list-style-type: none"> <li>• <b>Announced the transformation to a new style premised on remote work</b> (September)</li> </ul>  |
| <b>Enhancement of Corporate Value</b>                            | <ul style="list-style-type: none"> <li>• Announced the “<b>NTT Green Innovation toward 2040</b>” new environment and energy vision (September)</li> <li>• <b>NTT DOCOMO Commits to Carbon Neutrality by 2030, Aiming to Achieve Effectively Zero Greenhouse Gas Emissions</b> (NTT DOCOMO, September)</li> <li>• <b>Issued NTT Group green bonds</b> (NTT Finance, October)</li> <li>• <b>With respect to the Tokyo Stock Exchange’s new market classification, selected the Prime Market; also complied with the revised CG Code* ahead of schedule</b> (November)</li> </ul>  |

\* Corporate Governance Code

# ⑤ Cancellation of Treasury Stock



- **Resolved to cancel treasury stock at a meeting of the Board of Directors held today**
- **Details of Cancellations**
  - **Number of Shares to be Cancelled: 278,776,284 shares**
    - \* **Percentage of Outstanding Shares prior to Cancellation: 7.15%**
  - **Scheduled Cancellation Date: November 17, 2021**

# Appendix

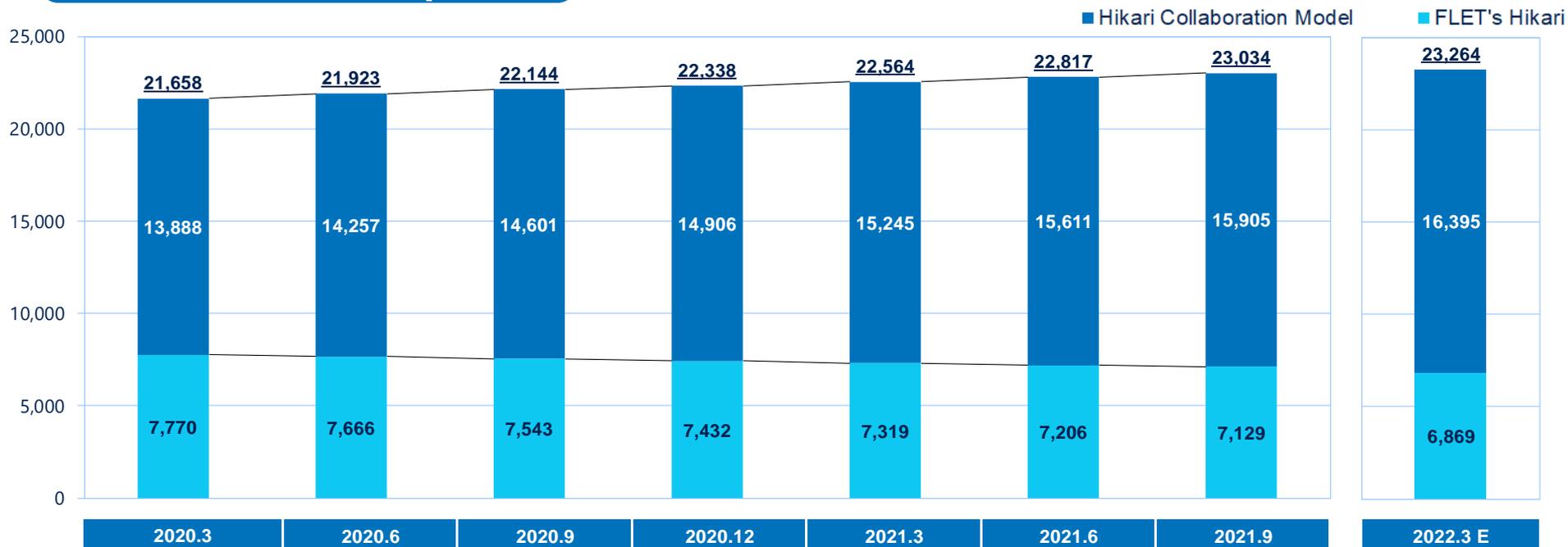
# Broadband Services

# Fixed-Line Broadband Services Subscriptions



(Thousands)

## Number of Subscriptions



## Net Increase

|                            | 2020 4-6 | 2020 7-9 | 2020 10-12 | 2021 1-3 | 2021 4-6 | 2021 7-9 | 2021 4 - 2022 3 E |
|----------------------------|----------|----------|------------|----------|----------|----------|-------------------|
| Total                      | +266     | +221     | +194       | +226     | +253     | +217     | +700              |
| Hikari Collaboration Model | +369     | +344     | +305       | +339     | +366     | +294     | +1,150            |
| FLET'S Hikari              | ▲104     | ▲123     | ▲111       | ▲113     | ▲113     | ▲78      | ▲450              |
|                            |          | ▲451     |            |          | ▲190     |          |                   |

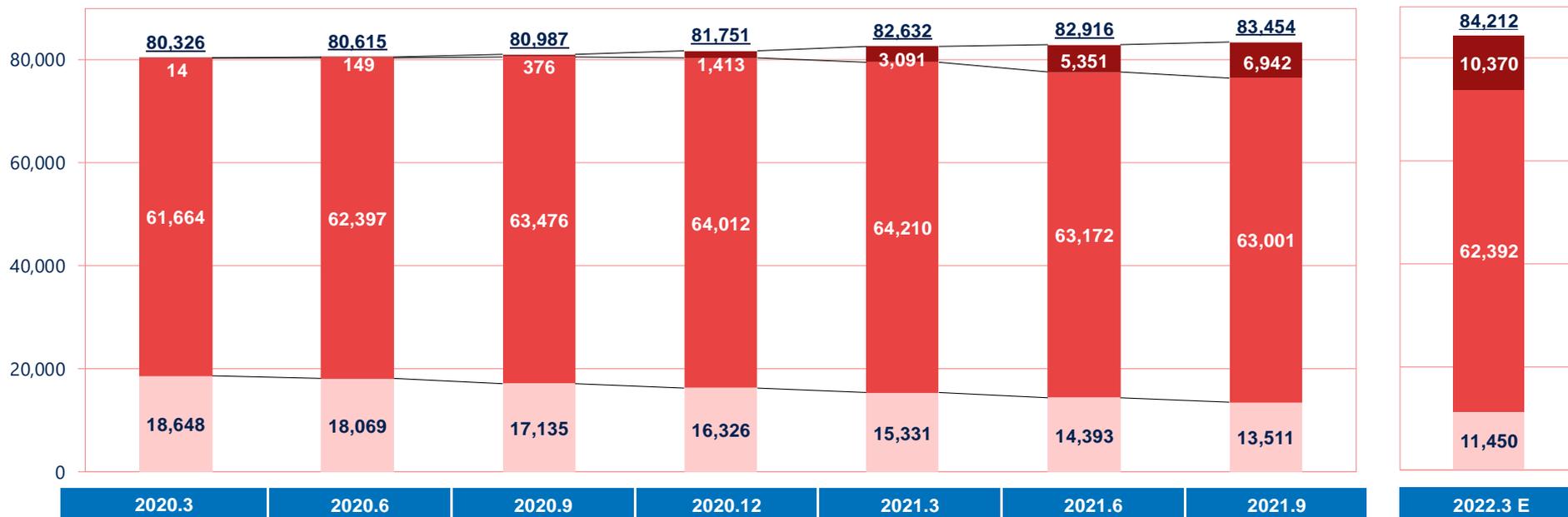
# Mobile Communications Services Subscriptions



(Thousands)

## Number of Subscriptions

■ 5G ■ LTE (Xi) ■ FOMA



## Net Increase

|                  | 2020 4-6 | 2020 7-9 | 2020 10-12 | 2021 1-3 | 2021 4-6 | 2021 7-9 | 2021 4 - 2022 3 E |
|------------------|----------|----------|------------|----------|----------|----------|-------------------|
| 5G+LTE(Xi)+ FOMA | +289     | +372     | +764       | +881     | +284     | +537     | +1,580            |
|                  |          | +2,306   |            |          | +822     |          |                   |

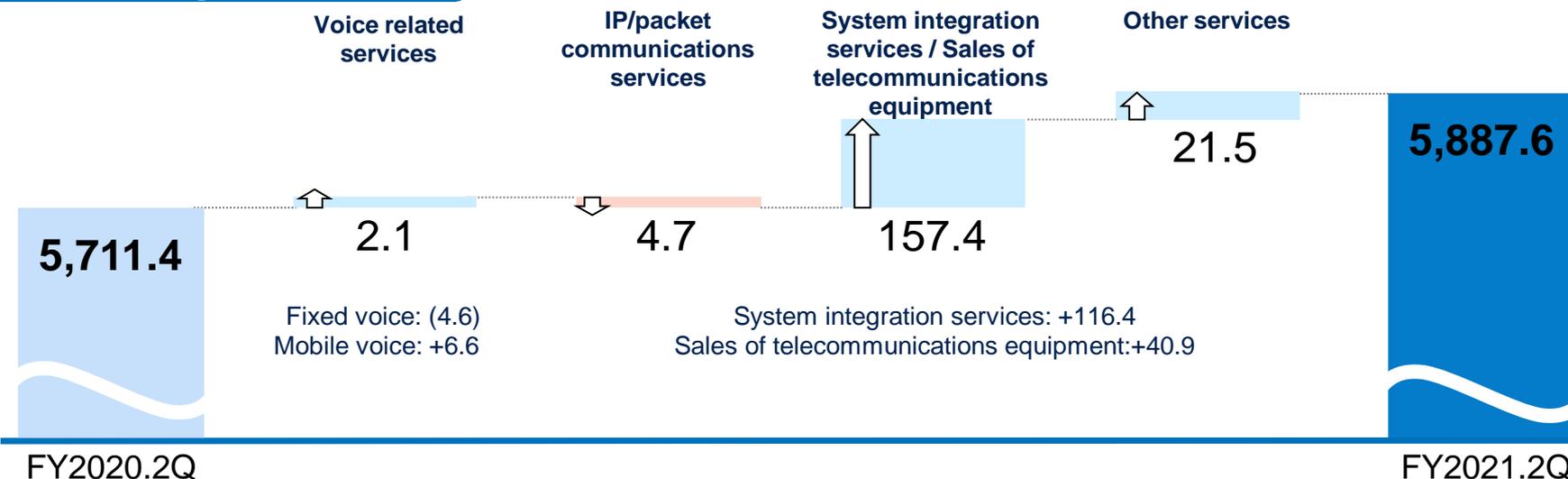
# Financial Information

# Details of Consolidated Statement of Income



(Billions of yen)

## Operating Revenues <Year-on-year: +176.3>



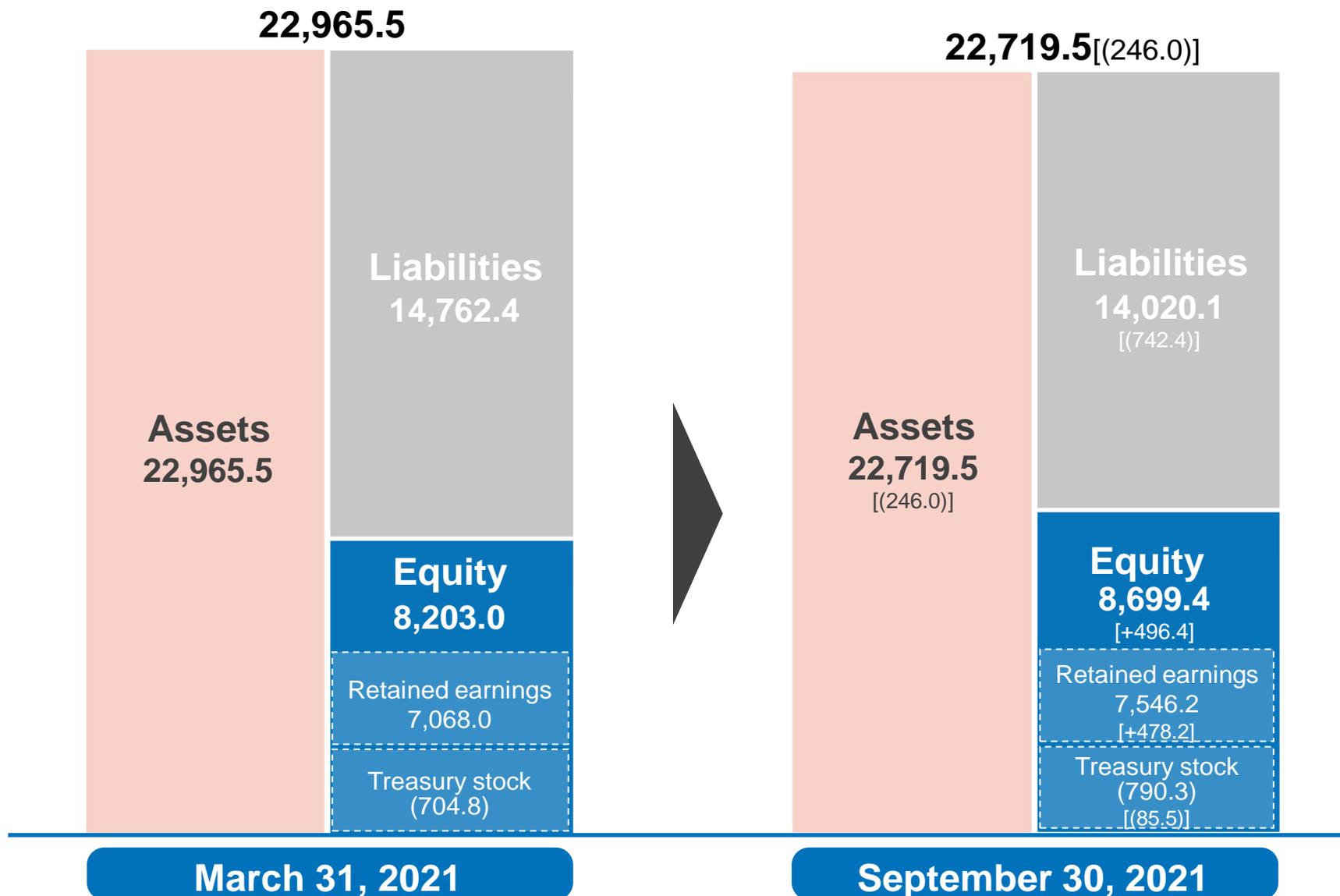
## Operating Expenses <Year-on-year: +175.6>



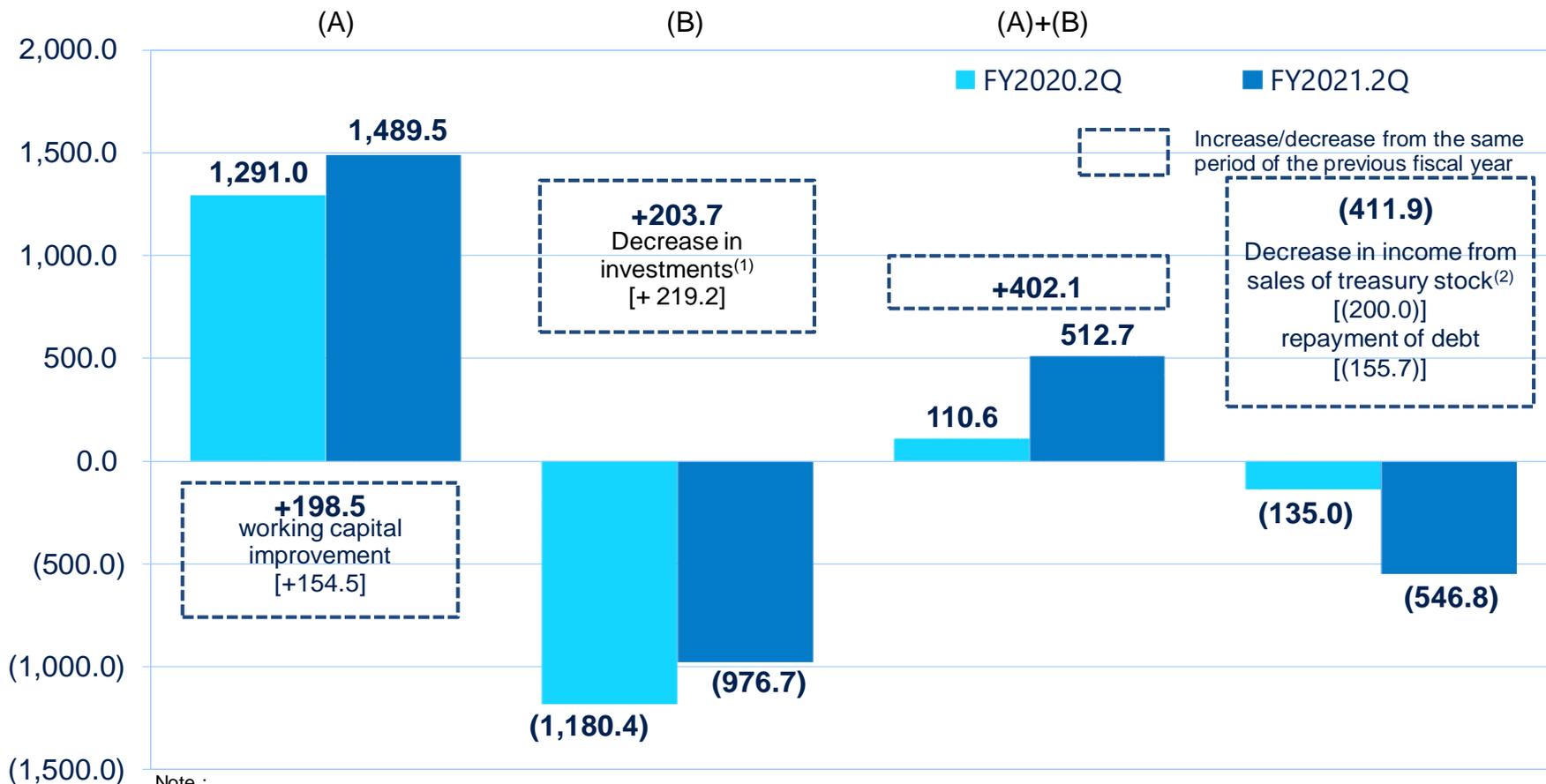
# Details of Consolidated Balance Sheet



(Billions of yen)



# Details of Consolidated Cash Flows



Note :

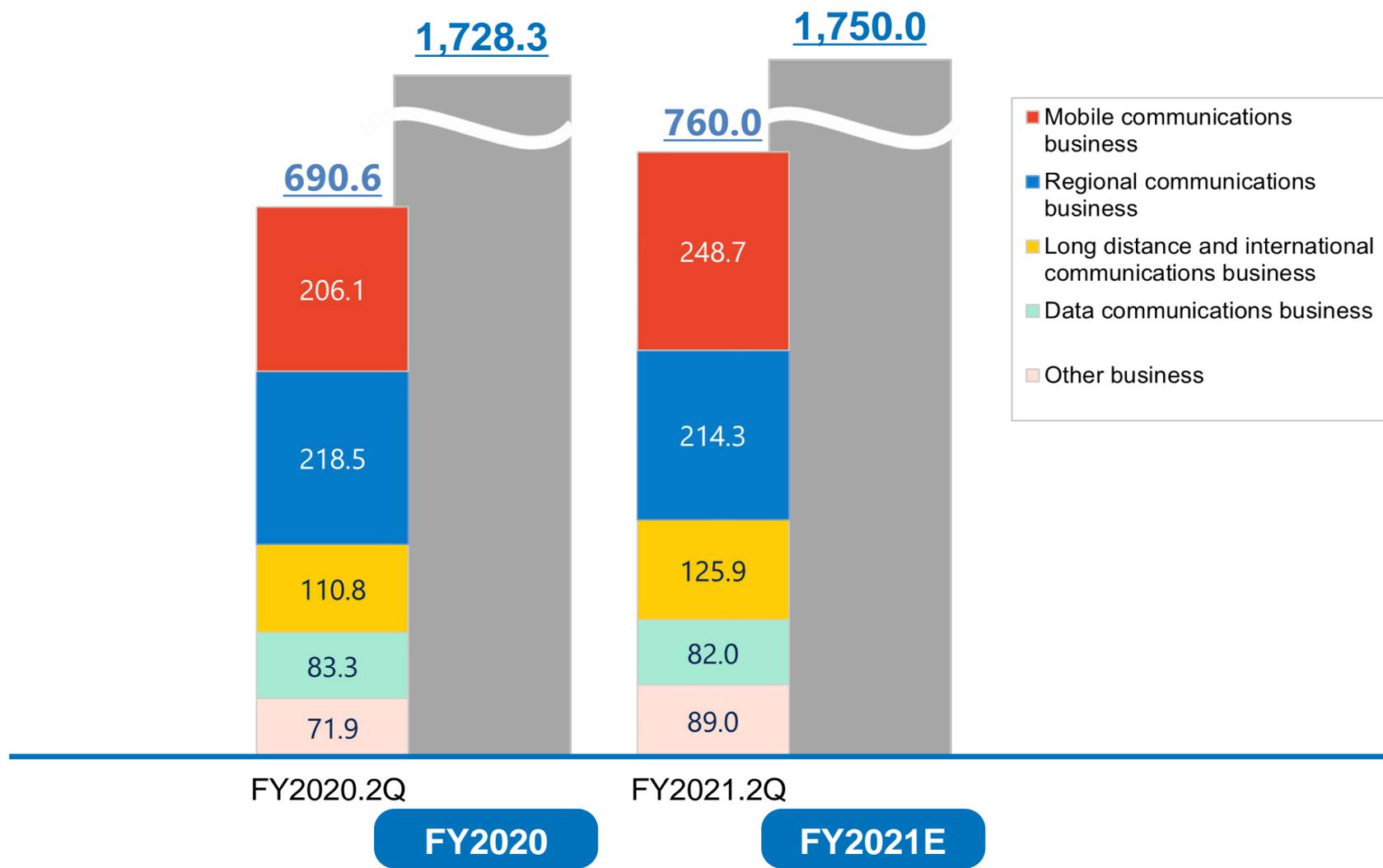
(1) In FY2020, shares of Toyota Motor Corporation were acquired for ¥200.0 billion.

(2) In FY2020, ¥200.0 billion of treasury shares were sold to Toyota Motor Corporation.

# Details of Capital Investment



(Billions of yen)

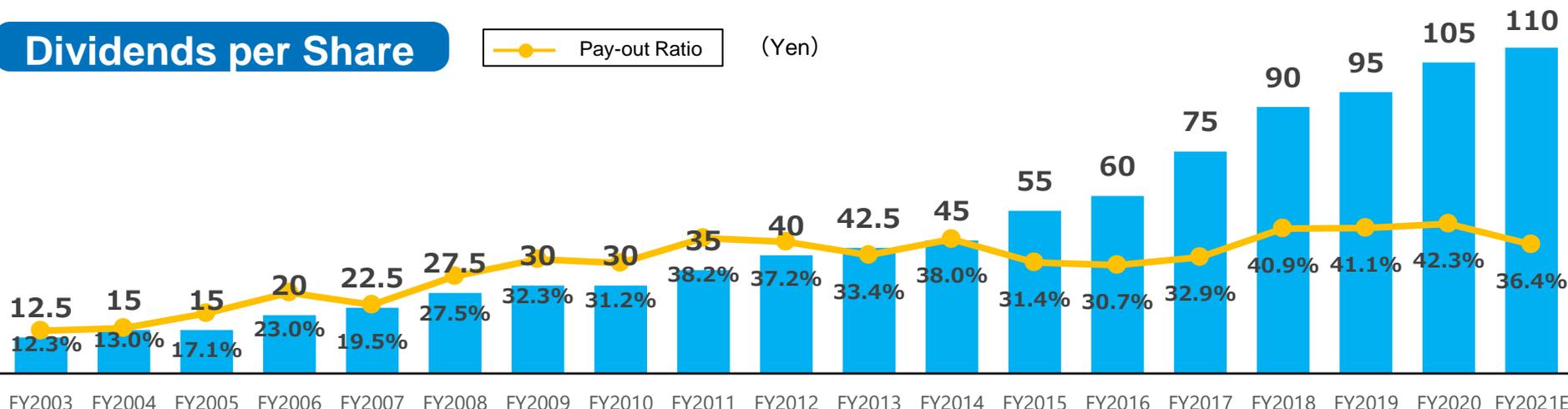


# Shareholder Returns



## Dividends per Share

Pay-out Ratio (Yen)

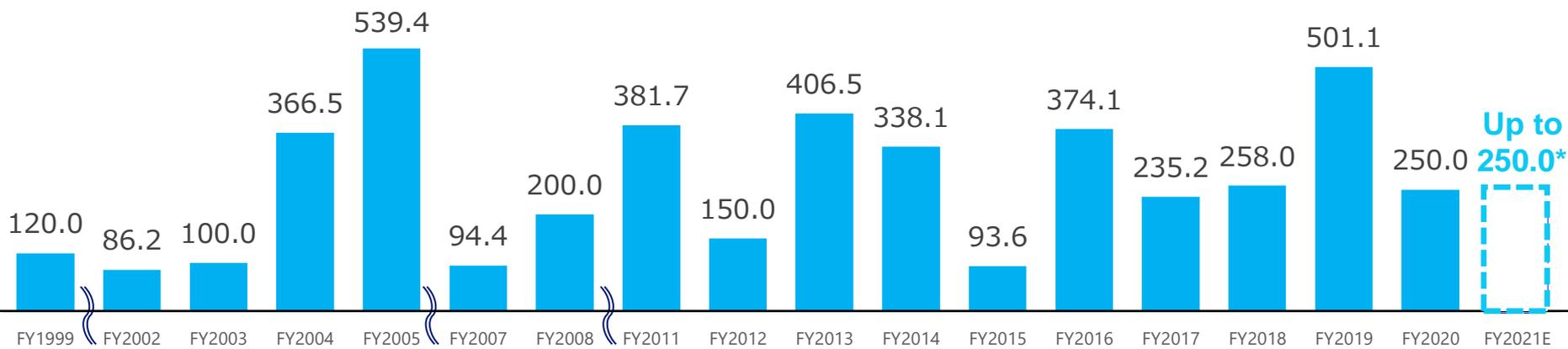


Note 1: Dividend-per-share amounts have been adjusted to reflect the 100-for-one stock split carried out on January 4, 2009, the two-for-one stock split carried out on July 1, 2015 and the two-for-one stock split carried out on January 1, 2020.

Note 2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.

## Share Buybacks

(Billions of yen)



\* On August 6, 2021, the Board of NTT resolved to buy back shares in an amount up to ¥250.0 billion. Buyback Period: From August 10, 2021 to March 31, 2022.

***Your Value Partner***