

Financial Results Release

For the Year Ended March 31, 2022

May 12, 2022

[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 : Jun Sawada, President and Chief Executive Officer
 : Natsuko Fujiki, 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 24, 2022
 Scheduled date of dividend payments : June 27, 2022
 Scheduled filing date of securities report : June 27, 2022
 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, 2022 (April 1, 2021 - March 31, 2022)

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, 2022 | 12,156,447 | 1.8% | 1,768,593 | 5.8% | 1,795,525 | 8.7% | 1,181,083 | 28.9% |
| Year Ended March 31, 2021 | 11,943,966 | 0.4% | 1,671,391 | 7.0% | 1,652,575 | 5.3% | 916,181 | 7.1% |

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

2. Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2022: 1,373,364 million yen 7.7%
 For the year ended March 31, 2021: 1,275,214 million yen 71.5%

| | 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, 2022 | 329.29 (yen) | - (yen) | 14.9% | 7.7% | 14.5% |
| Year Ended March 31, 2021 | 248.15 (yen) | - (yen) | 11.0% | 7.2% | 14.0% |

(Reference) Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2022: 19,711 million yen
 For the year ended March 31, 2021: 229 million yen

(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, 2022 | 23,862,241 | 9,018,132 | 8,282,456 | 34.7% | 2,338.73 (yen) |
| March 31, 2021 | 22,965,492 | 8,203,043 | 7,562,707 | 32.9% | 2,087.98 (yen) |

(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, 2022 | 3,010,257 | (1,699,152) | (1,438,130) | 834,564 |
| Year Ended March 31, 2021 | 3,009,064 | (1,424,532) | (1,689,548) | 935,727 |

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, 2021 | - | 50.00 (yen) | - | 55.00 (yen) | 105.00 (yen) | 385,008 ^(millions of yen) | 42.3 % | 5.0 % |
| Year Ended March 31, 2022 | - | 55.00 (yen) | - | 60.00 (yen) | 115.00 (yen) | 410,303 ^(millions of yen) | 34.9 % | 4.9 % |
| Year Ending March 31, 2023 (Forecasts) | - | 60.00 (yen) | - | 60.00 (yen) | 120.00 (yen) | - | 35.3 % | - |

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(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, 2023 | 12,600,000 | 3.6% | 1,820,000 | 2.9% | 1,822,000 | 1.5% | 1,190,000 | 0.8% | 340.00 (yen) |

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

2. At a Board of Directors meeting held on May 12, 2022, NTT resolved to acquire its own treasury stock. Accordingly, “Basic Earnings per Share Attributable to NTT” in the Forecast of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 has been presented taking into account the effect of this acquisition of treasury stock. For details on the acquisition of the treasury stock, refer to “(9) Subsequent Events”.

***Notes:**

- (1) Change in significant consolidated subsidiaries during the fiscal year ended March 31, 2022 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: None
 - 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, 2022 | : 3,622,012,656 shares |
| March 31, 2021 | : 3,900,788,940 shares |
 - ii. Number of shares of treasury stock:

| | |
|----------------|----------------------|
| March 31, 2022 | : 80,580,190 shares |
| March 31, 2021 | : 278,776,284 shares |
 - iii. Weighted average number of shares outstanding:

| | |
|-----------------------------------|------------------------|
| For the Year Ended March 31, 2022 | : 3,586,788,697 shares |
| For the Year Ended March 31, 2021 | : 3,691,993,269 shares |

Note: The number of shares of treasury stock includes the Company's shares held by BIP(Board Incentive Plan) Trust (As of March 31, 2022: 1,089,760 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, 2022

[Japanese GAAP]

1. Non-consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

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, 2022 | 650,116 (18.1)% | 479,806 (25.6)% | 474,497 (25.8)% | 470,502 (26.4)% |
| Year Ended March 31, 2021 | 794,074 22.2% | 644,427 26.3% | 639,759 25.7% | 639,237 33.0% |

Note: Percentages above represent changes from the previous year.

| | Earnings per Share | Diluted Earnings per Share |
|---------------------------|--------------------|----------------------------|
| Year Ended March 31, 2022 | 131.18 (yen) | - (yen) |
| Year Ended March 31, 2021 | 173.14 (yen) | - (yen) |

(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, 2022 | 11,664,291 | 5,012,166 | 43.0% | 1,415.29 (yen) |
| March 31, 2021 | 11,476,431 | 5,176,630 | 45.1% | 1,429.21 (yen) |

(Reference) Shareholders' equity: For the year ended March 31, 2022: 5,012,166 million yen
For the year ended March 31, 2021: 5,176,630 million yen

2. Non-consolidated Financial Forecasts for the Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(Millions of yen, except per share amounts)

| | Operating Revenues | Operating Income | Ordinary Income | Net Income | Earnings per Share |
|----------------------------|--------------------|------------------|------------------|------------------|--------------------|
| Year Ending March 31, 2023 | 1,300,000 100.0% | 1,136,000 136.8% | 1,121,000 136.3% | 1,151,000 144.6% | 329.00 (yen) |

Note: Percentages above represent changes from the previous 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, 2022 have not been prepared.

On Thursday, May 12, 2022, 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, 2021 – March 31, 2022)

(Billions of yen)

| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
|----------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|--------|-------------------|
| Operating revenues | 11,944.0 | 12,156.4 | 212.5 | 1.8% |
| Operating expenses | 10,272.6 | 10,387.9 | 115.3 | 1.1% |
| Operating profit | 1,671.4 | 1,768.6 | 97.2 | 5.8% |
| Profit before taxes | 1,652.6 | 1,795.5 | 143.0 | 8.7% |
| Profit attributable to NTT | 916.2 | 1,181.1 | 264.9 | 28.9% |

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

In the fiscal year ended March 31, 2022, the information and telecommunications market saw initiatives towards digitalization accelerate with the expansion of cloud services and 5G services and the rapid advance of technologies such as IoT, big data and AI. In conjunction with this, the analysis and utilization of data (data management) accumulated through the use of such services are driving a global digital transformation resulting in reforms that will further take in a positive direction, such as by improving the convenience of people's daily lives, creating new business models and enhancing productivity. 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, as well as shifting to a decentralized network society aligned with transformation in community life due to the COVID-19 pandemic.

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

In this business environment, NTT Group refined its Medium-Term Management Strategy during the fiscal year under review and promoted initiatives aimed at contributing to the realization of a sustainable society through transformation to a new management style, enhancing domestic and global business, and enhancement of corporate value.

● Transformation to a New Management Style

We worked on business transformation and digital transformation, reviewing systems and improving the environment, promoting work-in-life (health management), and realizing open, global, and innovative business operations.

[Business Transformation and Digital Transformation]

- Zero trust systems have been introduced at the Company, NTT Communications, and NTT DATA, to allow all staff and personnel of sales organizations to work at any time in any location. (NTT DOCOMO, NTT East and NTT West are scheduled for introduction in FY2022.)

[Refinement of Systems and Improvement of the Environment]

- In October 2021, the job-based personnel system was expanded to cover all managers in order to promote the optimal allocation of human resources regardless of number of years of service or age.

[Promotion of Work-in-Life (Health Management), Realization of Open, Global, and Innovative Business Operations]

- We have been working to improve the environment for expanding the number of organizations subject to remote work through digital transformation, such as major contact centers, and expanding the development of satellite offices.

- **Enhance Domestic and Global Business**

We worked on growth and strengthening of the newly formed DOCOMO Group, promoting IOWN development/rollout plan, enhancing competitiveness in global business, promoting the B2B2X model, and strengthening of new businesses.

[Growth and Strengthening of the New DOCOMO Group]

- In October 2021, NTT DOCOMO announced its New DOCOMO Group Medium-Term Strategy, and in January 2022, NTT DOCOMO made NTT Communications and NTT Comware its subsidiaries. By integrating the functions of the three companies, we aim to expand enterprise business, to strengthen competitiveness of the network, to enhance service creation and development capabilities, and to promote digital transformation.

[Promotion of IOWN Development and Rollout Plan]

- We proceeded with various efforts toward realization of the IOWN (Innovative Optical and Wireless Network) concept announced in May 2019. (For details of these efforts, please refer to Status of Fundamental Research & Development, etc.)

[Enhance the Competitiveness in Global Business]

- In March 2022, NTT Group entered a strategic partnership with Macquarie Asset Management regarding NTT Group's data centers in Europe and North America. By maximizing investment efficiency and expanding growth investments even further in the data center business, NTT Group aims to provide high quality services to global corporations.

[Promotion of the B2B2X Model]

- Industry One, Inc., was established through joint investment with Mitsubishi Corporation to provide digital transformation services and began operations in July 2021. The company will provide a full range of services from planning to solutions for digital transformation by integrating Mitsubishi Corporation's industrial knowledge and our ICT technologies and working with a wide range of partner companies.

[Strengthening of New Businesses]

- In January 2022, the Company obtained ISO 37106, a smart city operation-related international certification, for the first time in Japan in recognition for its human-centric, open, and collaborative urban development utilizing digital infrastructure in the Higashi-ku area of Nagoya City. We will contribute to solving social issues and realizing Society 5.0 by applying the knowledge and know-how gained through this project to urban development nationwide.

- **Enhancement of Corporate Value**

The Company promoted initiatives to reduce environmental impact based on its new environment and energy vision, disaster countermeasure initiatives, and enhancement of returns to shareholders.

[New Environment and Energy Vision]

- In September 2021, we formulated NTT Green Innovation toward 2040 as a new environment and energy vision. In addition to ongoing energy-saving efforts, we aim to achieve carbon neutrality for the entire NTT Group by FY2040 by expanding the use of renewable energy and introducing IOWN that enables power saving.
- In March 2022, we began offering “docomo Denki Green,”* an earth-friendly plan that actively utilizes renewable energy sources such as solar, wind, and geothermal power.
*Effectively 100% renewable energy, including non-fossil certificates with renewable energy designations, etc.

[Disaster Countermeasure Initiatives]

- In light of the increasing number of disasters that are becoming larger, more widespread, and more prolonged, we have been working to harden our facilities and speed up our restoration response.

[Enhancement of Returns to Shareholders]

- We increased capital efficiency through continuous dividend increases and flexible share buybacks.

- **Status of Fundamental Research & Development, etc.**

NTT Group is advancing innovative research and development with the aim of effecting global change. In preparation for realizing the IOWN concept, we engaged in research and development of component technologies and carried out initiatives for creating use-cases in various industries. Furthermore, we have promoted initiatives together with parties in a wide range of industrial fields in Japan and overseas, with the goal of enhancing industrial competitiveness and resolving social issues.

IOWN comprises three main technology components: “all-photonics network” (APN) that uses optical technology; digital twin computing (DTC) that enables high-speed, real-time interaction between things and people in cyberspace; and Cognitive Foundation® (CF), in which these and various other ICT resources are efficiently managed.

- Research and Development in Preparation for Making the IOWN Concept a Reality
 - In the research and development of photonics-electronics converged devices, which is the key to the IOWN concept, we have prepared a five-generation road map and we are working to create innovative technologies and quickly bring these technologies to practical application. In the past, NTT has succeeded in achieving practical application of coherent optical subassemblies (COSAs), which are miniature communication modules with optical interface functions for converting optical and electric signals. The Company recently built upon this success with the development of optical-electric co-packages that integrate COSAs, which have traditionally been used as standalone components, with digital signal processors. These new co-packages make it possible to reduce both the size and power consumption of optical interfaces.
 - Toward the realization of APN, we have constructed an experimental environment, which can dynamically provide optical paths between multiple points to accommodate user requests. The optical paths have the features of large capacity over 100 Gbps/lambda, extremely low latency fluctuation and absolute latency values. In disaggregated computing, in which distributed computer devices are connected optically, a new computer architecture (memory-centric architecture) was devised, and prototypes were developed. As a result of verifying the effectiveness of this architecture, we expected to reduce power consumption of approximately one-half that of the conventional method.
 - As one of the initiatives utilizing the Urban DTC®, which optimizes the entire city through various future predictions and the linkage between digital twins, using the 4D digital platform® that grasps the entire city in real time and with precision, we established feed-forward AI air-conditioning control technology that enables comfort prediction based on short-term data and demonstrated its effectiveness in achieving both energy conservation and a comfortable environment. In addition, in order to realize “Another Me,” a digital twin of oneself, a philosophical redefinition of “I” that includes oneself and Another Me based on the “Self as We” view of oneself was created in collaboration with Kyoto University and presented.
 - The IOWN Global Forum, established in January 2020, expanded to 93 member companies (as of March 2022), with the participation of major ICT companies from around the world that support IOWN’s vision of the world and its innovations. The first Annual Member Meeting was held in April 2021 and attended by over 400 people. In October 2021, two documents were created and published as use case documents, and in January 2022, six documents were created and published as technical documents.
- Promoting Collaboration Toward Realization of the IOWN Concept
 - The Company and Fujitsu Limited concluded a strategic business alliance aimed at realizing a sustainable future digital society. Through the innovations created through this alliance, the two companies will collaborate globally and openly with a wide range of partners who support the IOWN concept, aiming to realize a new low-energy and highly efficient digital society.
 - The Company and ACCESS CO., LTD. concluded a partnership aimed at realizing the IOWN concept. It will promote research and development of new user interfaces and user experiences for the IOWN era and leverage the structure of IP Infusion, a wholly owned subsidiary of ACCESS CO., LTD., and promote the development of a system to market the developed software products on the global market.
 - The Company and SKY Perfect JSAT Holdings, Inc. concluded a business alliance for a new space business aimed at realizing a sustainable society. It will integrate multiple orbits, from the ground to high-altitude platforms flying in the stratosphere to low earth orbits and geostationary orbits in space, and connect them to the ground via an optical wireless communication network to accelerate various data processing through distributed computing, provide access to mobile terminals on the ground, and achieve ultra-wide service coverage, aiming at building a space integrated computing network.

- Research and Development to Realize a Safe and Secure Society, Including Solutions to Environmental Problems
 - We have developed a technology that can transform asbestos from a fiber shape to a spherical shape by irradiating it with a high-power laser. This technology can transform asbestos into a harmless spherical shape and suppress the amount of dust dispersed, thereby significantly reducing the health risks to workers due to inhalation of asbestos dust.
 - In collaboration with NEC Corporation, we have developed a security transparency assurance technology that drastically reduces security risks by sharing the configuration and risks of telecommunications equipment and systems that make up the information and telecommunications infrastructure throughout the supply chain and by ensuring transparency regarding security.

- Promoting Cutting-Edge Research and Development
 - For the purpose of promoting the research and development of the Company to realize the IOWN concept and beyond, we have formed the NTT R&D Authority Team, consisting of researchers who are renowned authorities in their respective fields, as well as establishing the Institute for Fundamental Mathematics, headed by Dr. Masato Wakayama, a member of the Authority Team who serves as the Fundamental Mathematics Research Principal, to further strengthen research and development from a long-term perspective.
 - In the area of quantum computing, which faced a major challenge with regard to miniaturization to enable practical application due to the need for large-scale cooling and vacuum equipment, the Company, in cooperation with the University of Tokyo and RIKEN, has jointly developed a fiber-coupled quantum light source (squeezed light source), which is the key technology to realize a rack-sized large-scale optical quantum computer.

As a result of the above efforts, NTT Group's consolidated operating revenues for the fiscal year ended March 31, 2022 were 12,156.4 billion yen (an increase of 1.8% from the previous fiscal year) and consolidated operating expenses were 10,387.9 billion yen (an increase of 1.1% from the previous fiscal year). As a result, consolidated operating profit was 1,768.6 billion yen (an increase of 5.8% from the previous fiscal year), consolidated profit before taxes was 1,795.5 billion yen (an increase of 8.7% from the previous fiscal year), and consolidated profit attributable to NTT was 1,181.1 billion yen (an increase of 28.9% from the previous fiscal year).

The consolidated financial forecast for the fiscal year ending March 31, 2023 is as follows: operating revenues of 12,600.0 billion yen, operating profit of 1,820.0 billion yen, profit before taxes of 1,822.0 billion yen, and profit attributable to NTT of 1,190.0 billion yen.

Effective from the fiscal year ended March 31, 2022, NTT Group has transitioned to a following four-segment structure, from its previous five-segment structure consisting of the Mobile Communications Business, Regional Communications Business, Long Distance and International Communications Business, Data Communications Business, and Other Business. Operating revenues and operating profit for the consolidated fiscal year ended March 31, 2021 have been restated to align with the segment classifications subsequent to the change.

(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 Ltd., NTT DATA CORPORATION, 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, 2022 are as follows.

■ **Integrated ICT Business Segment**

Overview of Business Results by Business Segment (April 1, 2021 – March 31, 2022)

| | (Billions of yen) | | | |
|--------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|--------|-------------------|
| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
| Operating revenues | 5,880.9 | 5,870.2 | (10.7) | (0.2)% |
| Operating expenses | 4,820.9 | 4,797.6 | (23.3) | (0.5)% |
| Operating profit | 1,060.0 | 1,072.5 | 12.6 | 1.2% |

Number of Subscriptions

| | (Thousands of subscriptions) | | | |
|-----------------------------------------|------------------------------|----------------------|---------|-------------------|
| | As of March 31, 2021 | As of March 31, 2022 | Change | Percent Change |
| Mobile Telecommunications Services | 82,632 | 84,752 | 2,120 | 2.6% |
| Telecommunications Services (5G) | 3,091 | 11,530 | 8,439 | 273.0% |
| Telecommunications Services (LTE (Xi)) | 64,210 | 61,396 | (2,814) | (4.4)% |
| Telecommunications Services (FOMA (3G)) | 15,331 | 11,826 | (3,505) | (22.9)% |

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

In the Integrated ICT Business, in addition to promoting sales of 5G services and “docomo Hikari,” etc., for corporate business, we promoted initiatives for “docomo Business,” a corporate business brand unifying NTT DOCOMO, NTT Communications, and NTT Comware, to support all corporate customers with one-stop service. In the smart life area, we promoted collaborations with various businesses and worked to provide new added value.

● Details of Main Initiatives

- To meet the needs of customers seeking affordable options for their main plan, DOCOMO has agreed to collaborate with economy MVNO that utilizes d ACCOUNT® and d POINT to bolster its lineup of billing plans tailored to each customer's lifestyle. Nationwide docomo Shops have begun handling the billing plans offered by economy MVNO.
- In December 2021, we started providing 5G services to corporate customers using the stand-alone method*. Going forward, we will expand the services so that they can be used by customers in various industries and business categories, and work toward industrial development through the creation of new services and solutions.
*A method that uses 5GC, a core network facility dedicated to 5G, and 5G base stations.
- In October 2021, we launched “droppin™,” a service that allows users to search for and reserve workspace. By integrating contracts, payments, and space reservations with multiple providers of workspace, the service reduces the burden on companies related to managing payments and creating manuals on how to make reservations, thereby contributing to the further spread of flexible work.

As a result of the above, consolidated operating revenues in the Integrated ICT Business Segment for the fiscal year ended March 31, 2022 were 5,870.2 billion yen (a decrease of 0.2% from the previous fiscal year). On the other hand, consolidated operating expenses were 4,797.6 billion yen (a decrease of 0.5% from the previous fiscal year). As a result, consolidated operating profit was 1,072.5 billion yen (an increase of 1.2% from the previous fiscal year).

■ Regional Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2021 – March 31, 2022)

| | (Billions of yen) | | | |
|--------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|--------|-------------------|
| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
| Operating revenues | 3,207.4 | 3,207.6 | 0.2 | 0.0% |
| Operating expenses | 2,787.2 | 2,767.6 | (19.6) | (0.7)% |
| Operating profit | 420.2 | 440.0 | 19.8 | 4.7% |

Number of Subscriptions

| | (Thousands of subscriptions) | | | |
|---------------------------------------------------------------------|------------------------------|----------------------|--------|-------------------|
| | As of March 31, 2021 | As of March 31, 2022 | Change | Percent Change |
| FLET'S Hikari (including Hikari Collaboration Model) ⁽¹⁾ | 22,564 | 23,266 | 702 | 3.1% |
| NTT East | 12,727 | 13,156 | 429 | 3.4% |
| NTT West | 9,837 | 10,110 | 273 | 2.8% |
| Hikari Collaboration Model | 15,245 | 16,292 | 1,047 | 6.9% |
| NTT East | 8,918 | 9,573 | 656 | 7.4% |
| NTT West | 6,328 | 6,719 | 391 | 6.2% |
| Hikari Denwa | 18,692 | 18,782 | 89 | 0.5% |
| NTT East | 10,018 | 10,075 | 57 | 0.6% |
| NTT West | 8,674 | 8,707 | 32 | 0.4% |

Notes:

1. Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "FLET'S Hikari Cross," "B FLET'S," (Service ended at the end of January 2021) "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, subscribers to "FLET'S Hikari Cross," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari Light" and "FLET'S Hikari WiFi Access" 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.
2. 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 Segment, we worked on the “Hikari Collaboration Model,” which provides wholesale fiber-optic access services, among other things, to various service providers, as well as strengthening our solutions business with the aim of revitalizing local communities and regional economies.

● Details of Main Initiatives

- In October 2021, NTT EDX CORPORATION, a company to work on the advancement of higher education, was established through joint investment with Dai Nippon Printing Co., Ltd. Centered on the electronic textbook and educational materials business, the company will provide various services to solve issues in higher education and support the digitization and streamlining of the operations of publishers and bookstores.
- In November 2021, the Company concluded a cooperation agreement with Tohoku Electric Power Co., Inc. and Tohoku Electric Power Network Co., Inc. related to initiatives to improve the operational efficiency of the infrastructure businesses and to solve regional issues, and in December 2021, a cooperation agreement with the HEPCO Group toward development of the region. The parties agreed to work together to improve operational efficiency in the infrastructure businesses that each company is responsible for, to improve disaster response capabilities, and to solve regional issues.
- In January 2022, NTT DX Partner was established to support the digital transformation of small and medium-sized enterprises and local governments. Leveraging its accumulated know-how in ICT utilization, deep ties with local communities, and abundant assets, the company will provide one-stop services ranging from digital transformation consulting to digital platform construction and operation, while making co-creation and running alongside customers, promoting solutions to regional issues and social issues.

As a result of the above, consolidated operating revenues in the Regional Communications Business Segment for the fiscal year ended March 31, 2022 were 3,207.6 billion yen (an increase of 0.0% from the previous fiscal year). On the other hand, consolidated operating expenses were 2,767.6 billion yen (a decrease of 0.7% from the previous fiscal year). As a result, consolidated operating profit was 440.0 billion yen (an increase of 4.7% from the previous fiscal year).

■ Global Solutions Business Segment

Overview of Business Results by Business Segment (April 1, 2021 – March 31, 2022)

| | (Billions of yen) | | | |
|--------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------|-------------------|
| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
| Operating revenues | 3,367.1 | 3,615.2 | 248.1 | 7.4% |
| Operating expenses | 3,219.8 | 3,404.7 | 184.9 | 5.7% |
| Operating profit | 147.3 | 210.5 | 63.2 | 42.9% |

In the Global Solutions Business, the Group worked to strengthen its ability to provide services in growth areas such as data center business and managed services, as well as 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.

● Details of Main Initiatives

- In May 2021, NTT Group and Canada’s Edmonton International Airport agreed to jointly develop a smart transportation project. It will utilize NTT Group’s smart city technology to provide shuttle buses operating at the airport and surrounding facilities with optimal routes based on user demand, introducing an on-demand bus service.
- In July 2021, NTT established a local subsidiary in Israel with the aim of incorporating Israel’s cutting-edge technology into NTT Group and creating new businesses. This will create an ecosystem for the creation of new businesses through synergies between Israeli companies and NTT Group. Specifically, we will strengthen relationships with startups, venture capital firms, and global companies in Israel to develop new businesses.
- In November 2021, we began offering the “Zero Trust Security Service,” which provides a work environment tailored to flexible work styles, regardless of work location or type of device. Utilizing the know-how gained from the introduction and operation of zero trust environments used by NTT DATA Group employees, we will provide a full range of support services globally, from consulting to construction and operation of zero trust security.

As a result of the above, consolidated operating revenues in the Global Solutions Business Segment for the fiscal year ended March 31, 2022 were 3,615.2 billion yen (an increase of 7.4% from the previous fiscal year). On the other hand, consolidated operating expenses were 3,404.7 billion yen (an increase of 5.7% from the previous fiscal year). As a result, consolidated operating profit was 210.5 billion yen (an increase of 42.9% from the previous fiscal year).

■ Others (Real Estate, Energy and Others)

Overview of Business Results by Others (April 1, 2021 – March 31, 2022)

| | (Billions of yen) | | | |
|--------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------|-------------------|
| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
| Operating revenues | 1,335.4 | 1,396.0 | 60.5 | 4.5% |
| Operating expenses | 1,279.0 | 1,323.5 | 44.5 | 3.5% |
| Operating profit | 56.4 | 72.5 | 16.1 | 28.5% |

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. We took steps to contribute to urban development in local communities, such as by completing construction of a next-generation advanced office in Nagoya that contributes to regional revitalization, the achievement of SDGs, and decarbonization in January 2022.
- Energy Business
Centering on the activities of NTT Anode Energy Corporation, which promotes smart energy business, we worked to promote initiatives toward achieving NTT Group's new environment and energy vision (NTT Green Innovation toward 2040), including the development of renewable energy power plants, expanded utilization of NTT Group's assets, and deployment of decarbonization solutions, and worked toward realization of NTT Group and society becoming carbon neutral, local energy production and consumption, and strengthening resilience.

As a result of the above, consolidated operating revenues by others (real estate, energy and others) for the fiscal year ended March 31, 2022 were 1,396.0 billion yen (an increase of 4.5% from the previous fiscal year). On the other hand, consolidated operating expenses were 1,323.5 billion yen (an increase of 3.5% from the previous fiscal year). As a result, consolidated operating profit was 72.5 billion yen (an increase of 28.5% from the previous fiscal year).

(2) Summary of the Consolidated Financial Position

Cash flows provided by operating activities for the fiscal year ended March 31, 2022 increased ¥1.2 billion (0.04%) from the previous fiscal year to ¥3,010.3 billion.

Cash flows used in investing activities for the fiscal year ended March 31, 2022 was ¥1,699.2 billion an increase of net payments by ¥274.6 billion (19.3%) from the previous fiscal year. The increase of net payments during this fiscal year was due to a decrease of proceeds from collections of loan receivables, which is partially offset by a decrease of payments for purchase of investments and an increase of sale of investments, compared to the previous fiscal year.

Cash flows used in financing activities for the fiscal year ended March 31, 2022 was ¥1,438.1 billion, a decrease of net payments by ¥251.4 billion (14.9%) from the previous fiscal year. The decrease of net payments during this fiscal year was mainly due to a decrease in payments for acquisitions of interests in subsidiaries from non-controlling interests, which is partially offset by a net decrease of borrowings and a decrease of proceeds from sale of treasury stocks, compared to the the previous fiscal year

As a result of the above, NTT Group's consolidated cash and cash equivalents as of March 31, 2022 was ¥834.6 billion, a decrease of ¥101.2 billion (10.8%) from the end of the previous fiscal year.

(Billions of yen)

| | Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021) | Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022) | Change | Percent Change |
|----------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|---------|-------------------|
| Cash flows provided by operating activities | 3,009.1 | 3,010.3 | 1.2 | 0.04% |
| Cash flows used in investing activities | (1,424.5) | (1,699.2) | (274.6) | (19.3)% |
| Cash flows used in financing activities | (1,689.5) | (1,438.1) | 251.4 | 14.9% |
| Cash and cash equivalents at the end of year | 935.7 | 834.6 | (101.2) | (10.8)% |

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

| | Millions of yen | | |
|-----------------------------------------------|-------------------|-------------------|------------------------|
| | March 31, 2021 | March 31, 2022 | Increase (Decrease) |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 935,727 | 834,564 | (101,163) |
| Trade and other receivables | 3,534,555 | 3,604,959 | 70,404 |
| Other financial assets | 41,732 | 88,441 | 46,709 |
| Inventories | 315,437 | 408,362 | 92,925 |
| Other current assets | 498,106 | 574,922 | 76,816 |
| Sub Total | 5,325,557 | 5,511,248 | 185,691 |
| Assets held for sale | 816 | 205,344 | 204,528 |
| Total current assets | 5,326,373 | 5,716,592 | 390,219 |
| Non-current assets | | | |
| Property, plant and equipment | 9,282,286 | 9,326,888 | 44,602 |
| Right-of-use asset | 639,627 | 694,612 | 54,985 |
| Goodwill | 1,056,187 | 1,213,009 | 156,822 |
| Intangible assets | 1,765,858 | 1,951,824 | 185,966 |
| Investment property | 1,182,713 | 1,236,490 | 53,777 |
| Investments accounted for using equity method | 411,033 | 429,806 | 18,773 |
| Other financial assets | 1,515,922 | 1,426,157 | (89,765) |
| Deferred tax assets | 993,858 | 970,432 | (23,426) |
| Other non-current assets | 791,635 | 896,431 | 104,796 |
| Total non-current assets | 17,639,119 | 18,145,649 | 506,530 |
| Total assets | 22,965,492 | 23,862,241 | 896,749 |

Millions of yen

| | March 31, 2021 | March 31, 2022 | Increase (Decrease) |
|-------------------------------------------------------------------------|-------------------|-------------------|------------------------|
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Short-term borrowings | 3,168,613 | 1,646,806 | (1,521,807) |
| Trade and other payables | 2,356,705 | 2,500,341 | 143,636 |
| Lease liabilities | 193,915 | 189,495 | (4,420) |
| Other financial liabilities | 28,334 | 29,566 | 1,232 |
| Accrued payroll | 509,416 | 544,455 | 35,039 |
| Income taxes payables | 115,965 | 210,964 | 94,999 |
| Other current liabilities | 1,053,196 | 1,129,851 | 76,655 |
| Sub Total | 7,426,144 | 6,251,478 | (1,174,666) |
| Liabilities directly associated with assets held for sale | 18 | 7,161 | 7,143 |
| Total current liabilities | 7,426,162 | 6,258,639 | (1,167,523) |
| Non-current liabilities | | | |
| Long-term borrowings | 4,455,724 | 5,717,465 | 1,261,741 |
| Lease liabilities | 553,836 | 655,729 | 101,893 |
| Other financial liabilities | 137,620 | 135,686 | (1,934) |
| Defined benefit liabilities | 1,731,645 | 1,561,049 | (170,596) |
| Deferred tax liabilities | 81,420 | 137,474 | 56,054 |
| Other non-current liabilities | 376,042 | 378,067 | 2,025 |
| Total non-current liabilities | 7,336,287 | 8,585,470 | 1,249,183 |
| Total liabilities | 14,762,449 | 14,844,109 | 81,660 |
| Equity | | | |
| Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity | | | |
| Common stock | 937,950 | 937,950 | — |
| Retained earnings | 7,068,008 | 7,293,915 | 225,907 |
| Treasury stock | (704,793) | (226,459) | 478,334 |
| Other components of equity | 261,542 | 277,050 | 15,508 |
| Total NTT shareholders’ equity | 7,562,707 | 8,282,456 | 719,749 |
| Non-controlling interests | 640,336 | 735,676 | 95,340 |
| Total equity | 8,203,043 | 9,018,132 | 815,089 |
| Total liabilities and equity | 22,965,492 | 23,862,241 | 896,749 |

(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 | | |
|-------------------------------------------------------------------------|------------------------------------------|------------|------------------------|
| | 2021 | 2022 | Increase (Decrease) |
| Operating revenues | 11,943,966 | 12,156,447 | 212,481 |
| Operating expenses | | | |
| Personnel expenses | 2,461,410 | 2,566,127 | 104,717 |
| Expenses for purchase of goods and services and other expenses | 5,875,302 | 5,839,441 | (35,861) |
| Depreciation and amortization | 1,507,153 | 1,561,183 | 54,030 |
| Loss on disposal of property, plant and equipment and intangible assets | 156,869 | 132,073 | (24,796) |
| Impairment losses | | | |
| Goodwill | 2,702 | 228 | (2,474) |
| Other | 22,997 | 37,824 | 14,827 |
| Taxes and dues | 246,142 | 250,978 | 4,836 |
| Total operating expenses | 10,272,575 | 10,387,854 | 115,279 |
| Operating profit | 1,671,391 | 1,768,593 | 97,202 |
| Finance income | 31,785 | 63,471 | 31,686 |
| Finance costs | 50,830 | 56,250 | 5,420 |
| Share of profit (loss) of entities accounted for using equity method | 229 | 19,711 | 19,482 |
| Profit before taxes | 1,652,575 | 1,795,525 | 142,950 |
| Income taxes | 524,719 | 539,531 | 14,812 |
| Profit | 1,127,856 | 1,255,994 | 128,138 |
| Profit attributable to NTT | 916,181 | 1,181,083 | 264,902 |
| Profit attributable to Non-controlling interests | 211,675 | 74,911 | (136,764) |
| Earnings per share attributable to NTT | | | |
| Basic earnings per share (yen) | 248.15 | 329.29 | |

Consolidated Statements of Comprehensive Income

Year Ended March 31

| | Millions of yen | | |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|------------------------|
| | 2021 | 2022 | Increase (Decrease) |
| Profit | 1,127,856 | 1,255,994 | 128,138 |
| Other comprehensive income (net of taxes) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Change in the fair value of financial assets measured at fair value through other comprehensive income | 241,404 | (25,482) | (266,886) |
| Share of other comprehensive income of entities accounted for using the equity method | (922) | (2) | 920 |
| Remeasurements of the defined benefit plans | 121,455 | 131,032 | 9,577 |
| Total of items that will not be reclassified to profit or loss | 361,937 | 105,548 | (256,389) |
| Items that may be reclassified to profit or loss | | | |
| Cash flow hedges | (2,012) | (50,748) | (48,736) |
| Hedges cost | (16,555) | 14,434 | 30,989 |
| Foreign currency translation adjustments | 81,356 | 167,688 | 86,332 |
| Share of other comprehensive income of entities accounted for using the equity method | 7,029 | (835) | (7,864) |
| Total of items that may be reclassified to profit or loss | 69,818 | 130,539 | 60,721 |
| Total other comprehensive income (net of taxes) | 431,755 | 236,087 | (195,668) |
| Total comprehensive income | 1,559,611 | 1,492,081 | (67,530) |
| Comprehensive income attributable to NTT | 1,275,214 | 1,373,364 | 98,150 |
| Comprehensive income attributable to Non-controlling interests | 284,397 | 118,717 | (165,680) |

(3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2021

| | 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, 2020 | ¥937,950 | ¥2,252,672 | ¥6,499,942 | ¥(653,369) | ¥23,908 | ¥9,061,103 | ¥2,401,524 | ¥11,462,627 |
| Comprehensive income | | | | | | | | |
| Profit | — | — | 916,181 | — | — | 916,181 | 211,675 | 1,127,856 |
| Other comprehensive income | — | — | — | — | 359,033 | 359,033 | 72,722 | 431,755 |
| Total comprehensive income | — | — | 916,181 | — | 359,033 | 1,275,214 | 284,397 | 1,559,611 |
| Transactions with owners and other transactions | | | | | | | | |
| Dividends of surplus | — | — | (358,470) | — | — | (358,470) | (152,543) | (511,013) |
| Transfer to retained earnings | — | 109,983 | 11,416 | — | (121,399) | — | — | — |
| Purchase and disposal of treasury stock | — | 1,290 | — | (51,424) | — | (50,134) | — | (50,134) |
| Changes in ownership interest in subsidiaries without loss of control | — | (2,366,079) | — | — | — | (2,366,079) | (1,891,495) | (4,257,574) |
| Share-based compensation transactions | — | 3,043 | — | — | — | 3,043 | — | 3,043 |
| Put options granted to non-controlling interests | — | (2,364) | — | — | — | (2,364) | (2,124) | (4,488) |
| Other | — | 1,455 | (1,061) | — | — | 394 | 577 | 971 |
| Total transactions with owners and other transactions | — | (2,252,672) | (348,115) | (51,424) | (121,399) | (2,773,610) | (2,045,585) | (4,819,195) |
| March 31, 2021 | ¥937,950 | ¥— | ¥7,068,008 | ¥(704,793) | ¥261,542 | ¥7,562,707 | ¥640,336 | ¥8,203,043 |

Year Ended March 31, 2022

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, 2021 | ¥937,950 | ¥— | ¥7,068,008 | ¥(704,793) | ¥261,542 | ¥7,562,707 | ¥640,336 | ¥8,203,043 |
| Comprehensive income | | | | | | | | |
| Profit | — | — | 1,181,083 | — | — | 1,181,083 | 74,911 | 1,255,994 |
| Other comprehensive income | — | — | — | — | 192,281 | 192,281 | 43,806 | 236,087 |
| Total comprehensive income | — | — | 1,181,083 | — | 192,281 | 1,373,364 | 118,717 | 1,492,081 |
| Transactions with owners and other transactions | | | | | | | | |
| Dividends of surplus | — | — | (396,963) | — | — | (396,963) | (17,580) | (414,543) |
| Transfer to retained earnings | — | 4,370 | 172,403 | — | (176,773) | — | — | — |
| Purchase and disposal of treasury stock | — | 8 | — | (253,581) | — | (253,573) | — | (253,573) |
| Cancellation of treasury stock | — | (1,299) | (730,616) | 731,915 | — | — | — | — |
| Changes in ownership interest in subsidiaries without loss of control | — | (1,754) | — | — | — | (1,754) | (4,729) | (6,483) |
| Share-based compensation transactions | — | 235 | — | — | — | 235 | 48 | 283 |
| Put options granted to non-controlling interests | — | (943) | — | — | — | (943) | (595) | (1,538) |
| Other | — | (617) | — | — | — | (617) | (521) | (1,138) |
| Total transactions with owners and other transactions | — | — | (955,176) | 478,334 | (176,773) | (653,615) | (23,377) | (676,992) |
| March 31, 2022 | ¥937,950 | ¥— | ¥7,293,915 | ¥(226,459) | ¥277,050 | ¥8,282,456 | ¥735,676 | ¥9,018,132 |

(4) Consolidated Statement of Cash Flows

Year Ended March 31

| | Millions of yen | | |
|-----------------------------------------------------------------------------|-----------------|-----------|------------------------|
| | 2021 | 2022 | Increase (Decrease) |
| Cash flows from operating activities | | | |
| Profit | 1,127,856 | 1,255,994 | 128,138 |
| Depreciation and amortization | 1,507,153 | 1,561,183 | 54,030 |
| Impairment losses | 25,699 | 38,052 | 12,353 |
| Share of loss (profit) of entities accounted for using the equity method | (229) | (19,711) | (19,482) |
| Losses on retirement of property, plant and equipment and intangible assets | 79,873 | 60,936 | (18,937) |
| Gain on sales of property, plant and equipment and intangible assets | (12,308) | (30,208) | (17,900) |
| Income taxes | 524,719 | 539,531 | 14,812 |
| Decrease (increase) in trade and other receivables (*) | 24,097 | 828 | (23,269) |
| Decrease (increase) in inventories | (64,263) | (86,559) | (22,296) |
| Decrease (increase) in other current assets | (48,086) | (10,421) | 37,665 |
| Increase (decrease) in trade and other payables / accrued payroll | 270,146 | 137,551 | (132,595) |
| Increase (decrease) in other current liabilities | 50,690 | 37,198 | (13,492) |
| Increase (decrease) in defined benefit liabilities | (17,727) | (15,936) | 1,791 |
| Increase (decrease) in other non-current liabilities | 39,408 | 5,304 | (34,104) |
| Other, net | (2,413) | (61,066) | (58,653) |
| Sub-total | 3,504,615 | 3,412,676 | (91,939) |
| Interest and dividends received | 70,636 | 79,703 | 9,067 |
| Interest paid | (41,856) | (47,858) | (6,002) |
| Income taxes paid | (524,331) | (434,264) | 90,067 |
| Net cash provided by (used in) operating activities | 3,009,064 | 3,010,257 | 1,193 |

| | Millions of yen | | |
|--------------------------------------------------------------------------------------|-----------------|-------------|------------------------|
| | 2021 | 2022 | Increase (Decrease) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment, intangible assets and investment property | (1,795,430) | (1,758,045) | 37,385 |
| Proceeds from government grants | 266 | 38,110 | 37,844 |
| Purchase of investments | (375,161) | (125,838) | 249,323 |
| Proceeds from sale or redemption of investments | 41,974 | 187,198 | 145,224 |
| Proceeds from loss of control of subsidiaries | 57,127 | 15,936 | (41,191) |
| Acquisition of subsidiaries, net of cash acquired | (30,755) | (121,747) | (90,992) |
| Net decrease (increase) loan receivable | 672,683 | 26,343 | (646,340) |
| Other, net | 4,764 | 38,891 | 34,127 |
| Net cash provided by (used in) investing activities | (1,424,532) | (1,699,152) | (274,620) |
| Cash flows from financing activities | | | |
| Net increase (decrease) in short-term borrowings | 1,165,623 | (1,860,107) | (3,025,730) |
| Proceeds from increases in long-term borrowings | 2,674,593 | 1,716,162 | (958,431) |
| Repayments of long-term borrowings | (524,880) | (401,905) | 122,975 |
| Repayments of lease liabilities | (195,783) | (208,232) | (12,449) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (4,249,407) | (16,791) | 4,232,616 |
| Dividends paid | (358,470) | (396,963) | (38,493) |
| Dividends paid to non-controlling interests | (152,275) | (17,485) | 134,790 |
| Purchase of treasury stock | (250,244) | (253,685) | (3,441) |
| Proceeds from sale of treasury stock | 200,026 | 58 | (199,968) |
| Other, net | 1,269 | 818 | (451) |
| Net cash provided by (used in) financing activities | (1,689,548) | (1,438,130) | 251,418 |
| Effect of exchange rate change on cash and cash equivalents | 7,169 | 25,862 | 18,693 |
| Net increase (decrease) in cash and cash equivalents | (97,847) | (101,163) | (3,316) |
| Cash and cash equivalents as of April 1 | 1,033,574 | 935,727 | (97,847) |
| Cash and cash equivalents as of March 31 | 935,727 | 834,564 | (101,163) |

(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, 2021.

(7) Business Segments

For the strategic group-wide utilization of resources and assets and for speeding up decision-making, NTT Group has overhauled the corporate structure which has involved making NTT DOCOMO a wholly owned subsidiary in December 2020 and furthermore making NTT Communications and NTT Comware subsidiaries of NTT DOCOMO in January 2022. Accordingly, effective from the fiscal year ended March 31, 2022, the Group has transitioned to a four-segment structure consisting of the Integrated ICT Business, Regional Communications Business, Global Solutions Business, and Others (Real Estate, Energy and Others), from its previous five-segment structure consisting of the Mobile Communications Business, Regional Communications Business, Long Distance and International Communications Business, Data Communications Business, and Other Business.

1. Operating revenues

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|-----------------------------------------|-------------------------------------|-------------------------------------|
| Integrated ICT Business | | |
| External customers | ¥5,627,304 | ¥5,581,895 |
| Intersegment | 253,575 | 288,288 |
| Sub-total | 5,880,879 | 5,870,183 |
| Regional Communications Business | | |
| External customers | 2,503,262 | 2,498,908 |
| Intersegment | 704,124 | 708,711 |
| Sub-total | 3,207,386 | 3,207,619 |
| Global Solutions Business | | |
| External customers | 3,176,154 | 3,415,856 |
| Intersegment | 190,953 | 199,318 |
| Sub-total | 3,367,107 | 3,615,174 |
| Others (Real Estate, Energy and Others) | | |
| External customers | 637,246 | 659,788 |
| Intersegment | 698,183 | 736,173 |
| Sub-total | 1,335,429 | 1,395,961 |
| Elimination | (1,846,835) | (1,932,490) |
| Consolidated total | ¥11,943,966 | ¥12,156,447 |

2. Segment profit or loss

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|-----------------------------------------|-------------------------------------|-------------------------------------|
| Segment profit | | |
| Integrated ICT Business | ¥1,059,964 | ¥1,072,544 |
| Regional Communications Business | 420,178 | 440,013 |
| Global Solutions Business | 147,327 | 210,507 |
| Others (Real Estate, Energy and Others) | 56,435 | 72,505 |
| Total Segment profit | 1,683,904 | 1,795,569 |
| Elimination | (12,513) | (26,976) |
| Consolidated total | ¥1,671,391 | ¥1,768,593 |

Segment profit represents operating revenues less operating expenses.

3. Segment assets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|--------------------------------------------|-------------------------|-------------------------|
| Segment assets | | |
| Integrated ICT Business | ¥9,520,851 | ¥10,341,030 |
| Regional Communications Business | 6,876,431 | 6,881,276 |
| Global Solutions Business | 5,115,428 | 5,647,556 |
| Others (Real Estate, Energy and Others) | 15,641,287 | 16,351,285 |
| Total segment assets | 37,153,997 | 39,221,147 |
| Elimination | (14,188,505) | (15,358,906) |
| Consolidated total | ¥22,965,492 | ¥23,862,241 |

4. Other significant items

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|-----------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation and amortization | | |
| Integrated ICT Business | ¥750,550 | ¥779,906 |
| Regional Communications Business | 422,887 | 421,327 |
| Global Solutions Business | 296,946 | 309,058 |
| Others (Real Estate, Energy and Others) | 106,081 | 118,873 |
| Total segment | 1,576,464 | 1,629,164 |
| Elimination | (69,311) | (67,981) |
| Consolidated total | ¥1,507,153 | ¥1,561,183 |

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| Capital investments for segment assets (*) | | |
| Integrated ICT Business | ¥734,312 | ¥698,609 |
| Regional Communications Business | 527,362 | 501,109 |
| Global Solutions Business | 327,914 | 347,204 |
| Others (Real Estate, Energy and Others) | 138,732 | 140,677 |
| Consolidated total | ¥1,728,320 | ¥1,687,599 |

*1. 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, 2022 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, 2021 | Fiscal year ended March 31, 2022 |
|-----------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Purchase of property, plant and equipment, intangible assets and investment property | ¥1,795,430 | ¥1,758,045 |
| Difference from the total of capital investments | ¥67,110 | ¥70,446 |

(8) Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale

Transfer of towers to JTOWER Inc.

Overview

NTT DOCOMO decided at a Board of Directors meeting held on March 25, 2022 to enter a master agreement with JTOWER Inc. (“JTOWER”), under which 6,002 telecommunications towers (maximum) owned by NTT DOCOMO are to be transferred to JTOWER for ¥106.2 billion (maximum) and NTT DOCOMO will lease these towers from JTOWER (the “Transaction”). The master agreement was concluded on March 31, 2022.

Under the master agreement, NTT DOCOMO plans to sell the telecommunications towers to JTOWER during the fiscal year ending March 31, 2023.

JTOWER positions the purchase of existing telecommunications towers owned by telecommunications companies and the promotion of infra-sharing by attracting new tenants to these towers (carve-out) to be one of the key growth strategies. The Transaction will greatly expand its business foundation as a tower sharing operator. NTT DOCOMO is working to build an economical 5G network by promoting infra-sharing and the Transaction will enable further streamlining of network operations.

Impact on accounting treatment and on the consolidated financial statements

As of March 31, 2022, assets related to the transfer of towers, that are included in Integrated ICT Business segment, are classified as assets held for sale until the completion of the transfer.. These assets are measured at their carrying amounts at the time.

Major classes of assets classified as held for sale are as below.

(Millions of yen)

| | Telecommunications service lines | Buildings and structures |
|-----------------|----------------------------------|--------------------------|
| Carrying amount | 93,764 | 12,408 |

Furthermore, the impact of the Transaction on NTT’s consolidated statements of profit and loss is immaterial.

Sale of shares of data center holding company

Overview

NTT group and Macquarie Asset Management have agreed to enter into a strategic real estate partnership covering NTT group’s wholesale facilities across Europe and North America on March 31, 2022. NTT group will sell a part of shares of data center holding company based on this partnership and will classify as assets held for sale at the timing of resolution of individual sale.

NTT group is one of the world’s largest data center operators, with over 1,300 MWs of data center capacity today, including a large development pipeline of a 25% increase in capacity across more than 20 countries and regions globally. This strategic real estate partnership will give Macquarie Asset Management the opportunity to invest real estate capital alongside NTT group to support its expansion in Europe and North America. At the same time, this partnership provides NTT group the opportunity to further accelerate its data center development to take advantage of unprecedented growth in the market as the move to digital continues to grow globally.

Impact on accounting treatment and on the consolidated financial statements

As of March 31, 2022, assets related to sale of shares of data center holding company and liabilities directly associated with the assets, that were included in Global Solutions Business segment, were classified as assets held for sale and liabilities directly associated with assets held for sale until the completion of the share transfer and were ¥69,260 million and ¥19,400 million, respectively. Assets and liabilities classified as held for sale were measured at their carrying amount at that time.

Major classes of assets and liabilities classified as held for sale are as below.

(Millions of yen)

| Accounting item | | Accounting item | |
|-------------------------------|---------|---------------------------------|---------|
| Assets | | Liabilities | |
| Cash and cash equivalents | ¥2,929 | Trade and other payables | ¥1,268 |
| Property, plant and equipment | 60,493 | Long-term borrowings | 12,239 |
| Right-of-use asset | 4,301 | Lease liabilities (Non-current) | 4,476 |
| Other | 1,537 | Other | 1,417 |
| Total | ¥69,260 | Total | ¥19,400 |

Amounts in the table above represent the figures before elimination of intercompany transactions. Intercompany transactions with consolidated subsidiaries are Long-term borrowings amounted to ¥12,239 million.

(9) Subsequent Events

Realignment of the Global Business

NTT has resolved at the Board of Directors meeting held on May 9, 2022, that it will realign NTT group's global business (the "Realignment") by making NTT, Inc., a global holding company of NTT group, and NTT Ltd., a wholly owned subsidiary of NTT, Inc. operating the global IT services and communications business, subsidiaries of NTT DATA, a listed subsidiary of NTT, thereby grouping the global businesses operated under NTT, Inc. and NTT Ltd. with the global business operated by NTT DATA group, and has executed with NTT DATA a master agreement regarding the Realignment and shareholders' agreement. The Realignment is to be conducted for the purpose of strengthening global capabilities for business users and global governance by bringing together the global human resources and other resources of NTT group.

The outline of the Realignment is as follows:

1. Dividends in Kind, Etc.

NTT, Inc. holds 760,000,000 common shares (voting rights ownership ratio: 54.2% of the total number of voting rights as of September 30, 2021) of NTT DATA as of May 9, 2022, and will distribute all of these common shares of NTT DATA to NTT (the "Dividends in Kind") as dividends of surplus, which will become effective on October 1, 2022. As a result, NTT DATA will become a direct subsidiary of NTT and cease to be a lower-tier subsidiary of NTT.

Also, all common shares or interests in NTT Disruption Europe, S.L.U., NTT Global Sourcing, Inc., and NTT Venture Capital, L.P. held by NTT, Inc. as of May 9, 2022 are scheduled to be transferred through dividends in kind or other methods to NTT by September 30, 2022.

2. Absorption-type Company Split of NTT DATA's Global Business

On the condition that the Dividends in Kind and the Share Split (as defined below) become effective, Absorption-type Company Split (Global Business) (as defined below) is approved at the annual general shareholders meeting of NTT DATA to be held in June 2022, and permits and approvals from the relevant authorities are obtained as necessary, NTT DATA and NTT, Inc. will conduct an absorption-type company split with NTT DATA as the splitting company and NTT, Inc. as the successor company, which will become effective on October 1, 2022, in which NTT, Inc. will succeed to the rights and obligations regarding NTT DATA's global business from NTT DATA. NTT DATA will acquire 3,315 common shares of NTT, Inc. as consideration for that succession (the "Absorption-type Company Split (Global Business)"). As a result, 49% of the issued common shares of NTT, Inc. will be held by NTT and 51% will be held by NTT DATA, and NTT, Inc. will become a subsidiary of NTT DATA.

Before the effective date of the Absorption-type Company Split (Global Business), NTT, Inc. will conduct a share split in which each common share of NTT, Inc. will be split into 49 shares (the "Share Split"), and thereby the number of issued shares of NTT, Inc. will increase from 65 shares to 3,185 shares.

NTT DATA and NTT, Inc. have executed on May 9, 2022 an absorption-type company split agreement regarding the Absorption-type Company Split (Global Business).

3. Transfer of NTT, Inc.'s Shares from NTT to NTT DATA

On the condition that the Absorption-type Company Split (Global Business) becomes effective, NTT will transfer 260 common shares of NTT, Inc. owned by NTT to NTT DATA and receive payment of 112 billion yen from NTT DATA as consideration therefor. As a result, 45% of the issued common shares of NTT, Inc. will be held by NTT and 55% will be held by NTT DATA.

Based on the resolution at the Board of Directors meeting held on May 9, 2022, NTT will acquire shares of NTT DATA up to 60 million shares or 100 billion yen through market transactions, from the perspective of enhancing the cooperation with NTT DATA.

NTT is currently investigating the effects of these transactions on its consolidated financial statements.

NTT's repurchase of treasury stock

NTT resolved at the Board of Directors meeting held on May 12, 2022 to repurchase up to 110 million shares of its outstanding common stock for an amount in total not exceeding ¥400,000 million from May 13, 2022 through March 31, 2023.

3. Other

Changes in Board of Directors

Scheduled appointment date: June 24, 2022

(1) Candidates for Member of the Board

Katsuhiko Kawazoe (Executive Vice President)

Takashi Hiroi (Senior Executive Vice President, Representative Member of the Board of Directors of NTT DOCOMO, INC.)

Akiko Kudo (Senior Vice President)

Yukako Uchinaga (President and CEO of Globalization Research Institute Co., Ltd.)

Ryoji Chubachi (Grand Emeritus Advisor of National Institute of Advanced Industrial Science and Technology)

Koichiro Watanabe (Director, Chairman of the Board of Dai-ichi Life Holdings, Inc. and The Dai-ichi Life Insurance Company, Limited)

Noriko Endo (Project Professor of Keio University Global Research Institute)

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

Hiromichi Shinohara (Chairman of the Board; scheduled to take office as Executive Advisor)

Naoki Shibutani (Senior Executive Vice President, Representative Member of the Board; scheduled to take office as President, Executive Directors of Nippon Telegraph and Telephone East Corporation)

Katsuhiko Shirai (Member of the Board)

Sadayuki Sakakibara (Member of the Board)

Keiko Takegawa (Member of the Board)

(3) Candidates for Audit & Supervisory Board Member

Keiichiro Yanagi (President and CEO of NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.)

Kensuke Koshiyama (Former Secretary-General of Board of Audit of Japan)

(4) Audit & Supervisory Board Member scheduled to resign from office

Takao Maezawa

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

1. Candidate scheduled to be elected as Chairman and Representative 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

(6) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 24, 2022

| New Position(s) and Organizational Responsibilities | Name | Current Position(s) and Organizational Responsibilities |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman of the Board | Jun Sawada | Representative Member of the Board President Chief Executive Officer (CEO) |
| Representative Member of the Board President Chief Executive Officer (CEO) | Akira Shimada | 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) |
| 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) | Katsuhiko Kawazoe | Executive Vice President |
| 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) | Takashi Hiroi | |
| Member of the Board Senior Vice President | Akiko Kudo | Senior Vice President |
| Member of the Board | Ken Sakamura | Member of the Board |
| Member of the Board | Yukako Uchinaga | |
| Member of the Board | Ryoji Chubachi | |
| Member of the Board | Koichiro Watanabe | |
| Member of the Board | Noriko Endo | |

(Notes)

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

Of the candidates for Audit & Supervisory Board Member, Kensuke Koshiyama is a candidate for Outside Audit & Supervisory Board Members.