

Financial Results Release

For the Three Months Ended June 30, 2022

August 8, 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 : Akira Shimada, President and Chief Executive Officer
 Contact : Takuro Hanaki, Head of IR, Finance and Accounting Department
 : URL <https://group.ntt/en/ir/contact/>
 Scheduled filing date of quarterly securities report : August 9, 2022
 Scheduled date of dividend payments : -
 Supplemental material on quarterly results : Yes
 Presentation on quarterly results : Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 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	
Three months ended June 30, 2022	3,068,871	6.1%	503,352	3.5%	525,537	5.9%	368,570	8.4%
Three months ended June 30, 2021	2,892,570	4.6%	486,274	(2.3)%	496,282	(0.1)%	339,987	24.7%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the three months ended June 30, 2022: 452,072 million yen 19.3%
 For the three months ended June 30, 2021: 379,089 million yen 14.0%

2. Percentages above represent changes from the corresponding period of previous fiscal year.

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT
Three months ended June 30, 2022	104.07 (yen)	— (yen)
Three months ended June 30, 2021	93.87 (yen)	— (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
June 30, 2022	24,403,316	9,294,449	8,514,340	34.9%	2,404.21 (yen)
March 31, 2022	23,862,241	9,018,132	8,282,456	34.7%	2,338.73 (yen)

2. Dividends

	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
Year Ended March 31, 2022	—	55.00 (yen)	—	60.00 (yen)	115.00 (yen)
Year Ending March 31, 2023	—				
Year Ending March 31, 2023 (Forecasts)		60.00 (yen)	—	60.00 (yen)	120.00 (yen)

Notes: 1. Revision to the dividend forecasts from the latest announcement: None

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

(Millions of yen, except per share amount)

	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 fiscal year.

2. Revision to the consolidated financial results forecasts from the latest announcement: None

***Notes:**

- (1) Change in significant subsidiaries during the three months ended June 30, 2022 (change in specific subsidiaries involving 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):

June 30, 2022	: 3,622,012,656 shares
March 31, 2022	: 3,622,012,656 shares
 - ii. Number of shares of treasury stock:

June 30, 2022	: 80,582,089 shares
March 31, 2022	: 80,580,190 shares
 - iii. Weighted average number of shares outstanding:

For the three months ended June 30, 2022	: 3,541,424,710 shares
For the three months ended June 30, 2021	: 3,622,007,051 shares

Note: The number of shares of treasury stock includes the Company's shares held by BIP(Board Incentive Plan) Trust (As of June 30, 2022: 1,073,566 shares, 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.

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

* Explanation for the appropriate use of earnings forecasts and other notes:

This document is a translation of the authoritative Japanese original. The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein and in other materials being released on TDnet concurrently with these documents, 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 and in such other materials.

On Monday, August 8, 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. Summary Information (notes)

- (1) Change in significant consolidated subsidiaries during the three months ended June 30, 2022, that resulted in changes in the scope of consolidation: None**

- (2) Changes in Accounting Methods and Estimates: None**

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Balance Sheets

	Millions of yen		
	March 31, 2022	June 30, 2022	Increase (Decrease)
ASSETS			
Current assets			
Cash and cash equivalents	834,564	924,727	90,163
Trade and other receivables	3,604,959	3,331,126	(273,833)
Other financial assets	88,441	112,207	23,766
Inventories	408,362	420,668	12,306
Other current assets	574,922	958,954	384,032
Sub Total	5,511,248	5,747,682	236,434
Assets held for sale	205,344	190,949	(14,395)
Total current assets	5,716,592	5,938,631	222,039
Non-current assets			
Property, plant and equipment	9,326,888	9,395,204	68,316
Right-of-use asset	694,612	692,492	(2,120)
Goodwill	1,213,009	1,282,281	69,272
Intangible assets	1,951,824	1,990,937	39,113
Investment property	1,236,490	1,241,827	5,337
Investments accounted for using equity method	429,806	444,276	14,470
Other financial assets	1,426,157	1,505,528	79,371
Deferred tax assets	970,432	997,618	27,186
Other non-current assets	896,431	914,522	18,091
Total non-current assets	18,145,649	18,464,685	319,036
Total assets	23,862,241	24,403,316	541,075

Millions of yen

	March 31, 2022	June 30, 2022	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	1,646,806	2,053,953	407,147
Trade and other payables	2,500,341	2,389,637	(110,704)
Lease liabilities	189,495	187,838	(1,657)
Other financial liabilities	29,566	24,477	(5,089)
Accrued payroll	544,455	458,579	(85,876)
Accrued taxes on income	210,964	127,617	(83,347)
Other current liabilities	1,129,851	1,050,280	(79,571)
Sub Total	6,251,478	6,292,381	40,903
Liabilities directly associated with assets held for sale	7,161	11,783	4,622
Total current liabilities	6,258,639	6,304,164	45,525
Non-current liabilities			
Long-term borrowings	5,717,465	5,935,581	218,116
Lease liabilities	655,729	651,056	(4,673)
Other financial liabilities	135,686	138,700	3,014
Defined benefit liabilities	1,561,049	1,564,484	3,435
Deferred tax liabilities	137,474	148,679	11,205
Other non-current liabilities	378,067	366,203	(11,864)
Total non-current liabilities	8,585,470	8,804,703	219,233
Total liabilities	14,844,109	15,108,867	264,758
Equity			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	7,293,915	7,442,780	148,865
Treasury stock	(226,459)	(226,482)	(23)
Other components of equity	277,050	360,092	83,042
Total NTT shareholders’ equity	8,282,456	8,514,340	231,884
Non-controlling interests	735,676	780,109	44,433
Total equity	9,018,132	9,294,449	276,317
Total liabilities and equity	23,862,241	24,403,316	541,075

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

Condensed Consolidated Statements of Profit or Loss

	Millions of yen except per share data		
	Three-month ended June 30, 2021	Three-month ended June 30, 2022	Increase (Decrease)
Operating revenues	2,892,570	3,068,871	176,301
Operating expenses			
Personnel expenses	633,423	674,709	41,286
Expenses for purchase of goods and services and other expenses	1,329,620	1,443,663	114,043
Depreciation and amortization	382,502	389,642	7,140
Loss on disposal of property, plant and equipment and intangible assets	26,045	21,560	(4,485)
Impairment losses	1,246	311	(935)
Taxes and dues	33,460	35,634	2,174
Total operating expenses	2,406,296	2,565,519	159,223
Operating profit	486,274	503,352	17,078
Finance income	17,672	29,048	11,376
Finance costs	13,842	16,312	2,470
Share of profit (loss) of entities accounted for using equity method	6,178	9,449	3,271
Profit before taxes	496,282	525,537	29,255
Income taxes	140,261	135,255	(5,006)
Profit	356,021	390,282	34,261
Profit attributable to NTT	339,987	368,570	28,583
Profit attributable to Non-controlling interests	16,034	21,712	5,678
Earnings per share attributable to NTT			
Basic earnings per share (yen)	93.87	104.07	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	Three-month ended June 30, 2021	Three-month ended June 30, 2022	Increase (Decrease)
Profit	356,021	390,282	34,261
Other comprehensive income (net of tax)			
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	20,262	(16,594)	(36,856)
Share of other comprehensive income of entities accounted for using the equity method	(722)	92	814
Remeasurements of defined benefit plans	(47)	(126)	(79)
Total of items that will not be reclassified to profit or loss	19,493	(16,628)	(36,121)
Items that may be reclassified to profit or loss			
Cash flow hedges	7,134	(21,557)	(28,691)
Hedges cost	4,921	(19,003)	(23,924)
Foreign currency translation adjustments	4,651	170,495	165,844
Share of other comprehensive income of entities accounted for using the equity method	6,952	6,223	(729)
Total of items that may be reclassified to profit or loss	23,658	136,158	112,500
Total other comprehensive income (net of tax)	43,151	119,530	76,379
Total comprehensive income	399,172	509,812	110,640
Comprehensive income attributable to NTT	379,089	452,072	72,983
Comprehensive income attributable to Non-controlling interests	20,083	57,740	37,657

(3) Condensed Consolidated Statement of Changes in Equity

Three Months Ended June 30, 2021

	Millions of yen							
	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other equity components	Total		
March 31, 2021	937,950	—	7,068,008	(704,793)	261,542	7,562,707	640,336	8,203,043
Comprehensive income								
Profit	—	—	339,987	—	—	339,987	16,034	356,021
Other comprehensive income	—	—	—	—	39,102	39,102	4,049	43,151
Total comprehensive income	—	—	339,987	—	39,102	379,089	20,083	399,172
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(199,211)	—	—	(199,211)	(8,834)	(208,045)
Transfer to retained earnings	—	7,444	812	—	(8,256)	—	—	—
Purchase and disposal of treasury stock	—	0	—	(32)	—	(32)	—	(32)
Changes in ownership interest in subsidiaries without loss of control	—	(876)	—	—	—	(876)	(2,644)	(3,520)
Share-based compensation transactions	—	(5,182)	—	—	—	(5,182)	—	(5,182)
Put options granted to non-controlling interests	—	(1,232)	—	—	—	(1,232)	(1,002)	(2,234)
Other	—	(154)	—	—	—	(154)	(130)	(284)
Total value of transactions with shareholders etc.	—	—	(198,399)	(32)	(8,256)	(206,687)	(12,610)	(219,297)
June 30, 2021	937,950	—	7,209,596	(704,825)	292,388	7,735,109	647,809	8,382,918

Three Months Ended June 30, 2022

Millions of yen

	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other equity components	Total		
March 31, 2022	937,950	—	7,293,915	(226,459)	277,050	8,282,456	735,676	9,018,132
Comprehensive income								
Profit	—	—	368,570	—	—	368,570	21,712	390,282
Other comprehensive income	—	—	—	—	83,502	83,502	36,028	119,530
Total comprehensive income	—	—	368,570	—	83,502	452,072	57,740	509,812
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(212,551)	—	—	(212,551)	(10,719)	(223,270)
Transfer to retained earnings	—	7,614	(7,154)	—	(460)	—	—	—
Purchase and disposal of treasury stock	—	1	—	(23)	—	(22)	—	(22)
Changes in ownership interest in subsidiaries without loss of control	—	(389)	—	—	—	(389)	(3,294)	(3,683)
Share-based compensation transactions	—	(8,072)	—	—	—	(8,072)	12	(8,060)
Put options granted to non-controlling interests	—	1,323	—	—	—	1,323	1,096	2,419
Other	—	(477)	—	—	—	(477)	(402)	(879)
Total value of transactions with shareholders etc.	—	—	(219,705)	(23)	(460)	(220,188)	(13,307)	(233,495)
June 30, 2022	937,950	—	7,442,780	(226,482)	360,092	8,514,340	780,109	9,294,449

(4) Going Concern Assumption

None

(5) Subsequent Events

Issuance of corporate bonds(Green bond)

On July 27, 2022, NTT group issued corporate bonds(Green bond) totaling U.S.\$1,500 million in the overseas market.