

# Financial Results Release

November 8, 2022

For the Six Months Ended September 30, 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 : November 9, 2022  
 Scheduled date of dividend payments : December 15, 2022  
 Supplemental material on quarterly results : Yes  
 Presentation on quarterly results : Yes (for institutional investors and analysts)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 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	
Six months ended September 30, 2022	6,286,177	6.8%	996,539	(1.3)%	1,019,452	0.4%	696,607	3.1%
Six months ended September 30, 2021	5,887,647	3.1%	1,009,276	0.1%	1,015,294	1.0%	675,833	24.8%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the Six months ended September 30, 2022: 770,265 million yen 3.3%  
 For the Six months ended September 30, 2021: 745,432 million yen 16.6%

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
Six months ended September 30, 2022	197.04 (yen)	-- (yen)
Six months ended September 30, 2021	186.77 (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
September 30, 2022	24,881,836	9,294,562	8,470,487	34.0%	2,456.26 (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	-	60.00 (yen)			
Year Ending March 31, 2023 (Forecasts)			-	60.00 (yen)	120.00 (yen)

Notes: 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 six months ended September 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):

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

September 30, 2022	: 173,486,714 shares
March 31, 2022	: 80,580,190 shares
  - iii. Weighted average number of shares outstanding:

For the six months ended September 30, 2022	: 3,535,345,412 shares
For the six months ended September 30, 2021	: 3,618,531,872 shares

Note: The number of shares of treasury stock includes the Company's shares held by BIP(Board Incentive Plan) Trust (As of September 30, 2022: 1,033,466 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 Tuesday, November 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 six months ended September 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	September 30, 2022	Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	834,564	948,817	114,253
Trade and other receivables	3,604,959	3,559,912	(45,047)
Other financial assets	88,441	126,915	38,474
Inventories	408,362	472,274	63,912
Other current assets	574,922	950,565	375,643
Sub Total	5,511,248	6,058,483	547,235
Assets held for sale	205,344	211,262	5,918
Total current assets	5,716,592	6,269,745	553,153
<b>Non-current assets</b>			
Property, plant and equipment	9,326,888	9,430,997	104,109
Right-of-use asset	694,612	694,140	(472)
Goodwill	1,213,009	1,314,589	101,580
Intangible assets	1,951,824	2,025,280	73,456
Investment property	1,236,490	1,245,352	8,862
Investments accounted for using equity method	429,806	461,774	31,968
Other financial assets	1,426,157	1,521,409	95,252
Deferred tax assets	970,432	1,001,296	30,864
Other non-current assets	896,431	917,254	20,823
Total non-current assets	18,145,649	18,612,091	466,442
<b>Total assets</b>	<b>23,862,241</b>	<b>24,881,836</b>	<b>1,019,595</b>

Millions of yen

	March 31, 2022	September 30, 2022	Increase (Decrease)
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	1,646,806	2,290,639	643,833
Trade and other payables	2,500,341	2,224,638	(275,703)
Lease liabilities	189,495	188,401	(1,094)
Other financial liabilities	29,566	25,640	(3,926)
Accrued payroll	544,455	497,972	(46,483)
Accrued taxes on income	210,964	237,618	26,654
Other current liabilities	1,129,851	997,278	(132,573)
Sub Total	6,251,478	6,462,186	210,708
Liabilities directly associated with assets held for sale	7,161	13,829	6,668
Total current liabilities	6,258,639	6,476,015	217,376
<b>Non-current liabilities</b>			
Long-term borrowings	5,717,465	6,216,908	499,443
Lease liabilities	655,729	658,603	2,874
Other financial liabilities	135,686	153,467	17,781
Defined benefit liabilities	1,561,049	1,579,104	18,055
Deferred tax liabilities	137,474	133,821	(3,653)
Other non-current liabilities	378,067	369,356	(8,711)
Total non-current liabilities	8,585,470	9,111,259	525,789
Total liabilities	14,844,109	15,587,274	743,165
<b>Equity</b>			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	7,293,915	7,768,544	474,629
Treasury stock	(226,459)	(586,713)	(360,254)
Other components of equity	277,050	350,706	73,656
Total NTT shareholders’ equity	8,282,456	8,470,487	188,031
Non-controlling interests	735,676	824,075	88,399
Total equity	9,018,132	9,294,562	276,430
Total liabilities and equity	23,862,241	24,881,836	1,019,595

**(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		
	Six-month ended September 30, 2021	Six-month ended September 30, 2022	Increase (Decrease)
<b>Operating revenues</b>	5,887,647	6,286,177	398,530
<b>Operating expenses</b>			
Personnel expenses	1,258,714	1,358,469	99,755
Expenses for purchase of goods and services and other expenses	2,732,450	3,034,238	301,788
Depreciation and amortization	769,600	781,312	11,712
Loss on disposal of property, plant and equipment and intangible assets	52,157	47,363	(4,794)
Impairment losses	1,251	235	(1,016)
Taxes and dues	64,199	68,021	3,822
<b>Total operating expenses</b>	4,878,371	5,289,638	411,267
<b>Operating profit</b>	1,009,276	996,539	(12,737)
Finance income	25,502	41,084	15,582
Finance costs	28,950	34,792	5,842
Share of profit (loss) of entities accounted for using equity method	9,466	16,621	7,155
<b>Profit before taxes</b>	1,015,294	1,019,452	4,158
Income taxes	301,943	278,412	(23,531)
<b>Profit</b>	713,351	741,040	27,689
<b>Profit attributable to NTT</b>	675,833	696,607	20,774
Profit attributable to Non-controlling interests	37,518	44,433	6,915
Earnings per share attributable to NTT			
Basic earnings per share (yen)	186.77	197.04	

## Consolidated Statements of Comprehensive Income

	Millions of yen		
	Six-month ended September 30, 2021	Six-month ended September 30, 2022	Increase (Decrease)
<b>Profit</b>	713,351	741,040	27,689
<b>Other comprehensive income (net of tax)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Change in the fair value of financial assets measured at fair value through other comprehensive income	61,754	(50,162)	(111,916)
Share of other comprehensive income of entities accounted for using the equity method	(501)	(58)	443
Remeasurements of defined benefit plans	(2)	(17)	(15)
<b>Total of items that will not be reclassified to profit or loss</b>	<b>61,251</b>	<b>(50,237)</b>	<b>(111,488)</b>
<b>Items that may be reclassified to profit or loss</b>			
Cash flow hedges	(1,368)	(52,574)	(51,206)
Hedges cost	15,676	(15,898)	(31,574)
Foreign currency translation adjustments	7,142	236,871	229,729
Share of other comprehensive income of entities accounted for using the equity method	6,104	13,311	7,207
<b>Total of items that may be reclassified to profit or loss</b>	<b>27,554</b>	<b>181,710</b>	<b>154,156</b>
<b>Total other comprehensive income (net of tax)</b>	<b>88,805</b>	<b>131,473</b>	<b>42,668</b>
<b>Total comprehensive income</b>	<b>802,156</b>	<b>872,513</b>	<b>70,357</b>
<b>Comprehensive income attributable to NTT</b>	<b>745,432</b>	<b>770,265</b>	<b>24,833</b>
Comprehensive income attributable to Non-controlling interests	56,724	102,248	45,524

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

Six Months Ended September 30, 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, 2021	937,950	—	7,068,008	(704,793)	261,542	7,562,707	640,336	8,203,043
Comprehensive income								
Profit	—	—	675,833	—	—	675,833	37,518	713,351
Other comprehensive income	—	—	—	—	69,599	69,599	19,206	88,805
Total comprehensive income	—	—	675,833	—	69,599	745,432	56,724	802,156
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(199,211)	—	—	(199,211)	(9,728)	(208,939)
Transfer to retained earnings	—	7,315	1,608	—	(8,923)	—	—	—
Purchase and disposal of treasury stock	—	1	—	(85,521)	—	(85,520)	—	(85,520)
Changes in ownership interest in subsidiaries without loss of control	—	(1,644)	—	—	—	(1,644)	(2,961)	(4,605)
Share-based compensation transactions	—	(4,705)	—	—	—	(4,705)	15	(4,690)
Put options granted to non-controlling interests	—	(889)	—	—	—	(889)	(1,001)	(1,890)
Other	—	(78)	—	—	—	(78)	(66)	(144)
Total value of transactions with shareholders etc.	—	—	(197,603)	(85,521)	(8,923)	(292,047)	(13,741)	(305,788)
September 30, 2021	937,950	—	7,546,238	(790,314)	322,218	8,016,092	683,319	8,699,411



Six Months Ended September 30, 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	—	7,293,915	(226,459)	277,050	8,282,456	735,676	9,018,132
Comprehensive income								
Profit	—	—	696,607	—	—	696,607	44,433	741,040
Other comprehensive income	—	—	—	—	73,658	73,658	57,815	131,473
Total comprehensive income	—	—	696,607	—	73,658	770,265	102,248	872,513
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(212,551)	—	—	(212,551)	(11,792)	(224,343)
Transfer to retained earnings	—	8,839	(8,837)	—	(2)	—	—	—
Purchase and disposal of treasury stock	—	3	—	(360,254)	—	(360,251)	—	(360,251)
Changes in ownership interest in subsidiaries without loss of control	—	(372)	—	—	—	(372)	116	(256)
Share-based compensation transactions	—	(6,770)	—	—	—	(6,770)	27	(6,743)
Put options granted to non-controlling interests	—	(2,266)	—	—	—	(2,266)	(1,730)	(3,996)
Other	—	566	(590)	—	—	(24)	(470)	(494)
Total value of transactions with shareholders etc.	—	—	(221,978)	(360,254)	(2)	(582,234)	(13,849)	(596,083)
September 30, 2021	937,950	—	7,768,544	(586,713)	350,706	8,470,487	824,075	9,294,562

#### **(4) Going Concern Assumption**

None

#### **(5) Subsequent Events**

##### Realignment of the Global Business

NTT has implemented the following realignment of NTT group's global business, which was based on the resolution at the Board of Directors meeting held on May 9, 2022.

##### (1) Dividend-in-Kind of NTT DATA Shares from NTT, Inc. to NTT

With an effective date of October 1, 2022, NTT, Inc. distributed all 760,000,000 of the NTT DATA common shares (voting rights ownership ratio: 54.2% of the total number of voting rights) that it held to NTT as dividends of surplus. As a result, NTT DATA has become a direct subsidiary of NTT.

##### (2) Absorption-type Company Split of NTT DATA's Global Business to NTT, Inc.

With an effective date of October 1, 2022, NTT DATA and NTT, Inc. conducted an absorption-type company split (the "Absorption-type Company Split") with NTT DATA as the splitting company and NTT, Inc. as the successor company, in which NTT, Inc. succeeded to the rights and obligations regarding NTT DATA's global business from NTT DATA. As consideration for the Absorption-type Company Split, NTT, Inc. issued 3,315 of its common shares and allocated such shares to NTT DATA. As a result, following the Absorption-type Company Split, 49% of the issued common shares of NTT, Inc. are held by NTT and 51% are held by NTT DATA, and NTT, Inc. has become a subsidiary of NTT DATA.

Furthermore, on October 1, 2022, NTT, Inc. changed its company name to NTT DATA, Inc.

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

On October 1, 2022, NTT transferred 260 common shares of NTT, Inc. owned by NTT to NTT DATA, and received payment of 112.0 billion yen from NTT DATA as consideration therefor. As a result, 45% of the issued common shares of NTT, Inc. are held by NTT and 55% are held by NTT DATA.

NTT is currently investigating financial impacts on NTT Group.

##### NTT's repurchase of treasury stock and resolution

On November 8, 2022, the Board of Directors resolved that NTT may repurchase up to 41 million shares of its outstanding common stock for an amount in total not exceeding ¥150,000 million from November 9, 2022 through March 31, 2023.