

Financial Results Release

February 8, 2024

For the Nine Months Ended December 31, 2023

[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 : February 9, 2024
 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 Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 2023)

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	
Nine months ended December 31, 2023	9,716,856	1.5%	1,486,187	(2.3)%	1,556,842	1.8%	1,011,115	(2.1)%
Nine months ended December 31, 2022	9,572,594	7.3%	1,520,829	(1.2)%	1,529,910	(1.5)%	1,032,527	0.2%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the Nine months ended December 31, 2023: 1,301,621 million yen 31.3%
 For the Nine months ended December 31, 2022: 991,576 million yen (9.1)%

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
Nine months ended December 31, 2023	11.89 (yen)	- (yen)
Nine months ended December 31, 2022	11.78 (yen)	- (yen)

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

(2) Consolidated Financial Position

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

	Total Assets	Total Equity (Net Assets)	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
December 31, 2023	27,244,710	10,120,645	9,234,156	33.9%	109.78 (yen)
March 31, 2023	25,308,851	9,350,627	8,561,353	33.8%	100.44 (yen)

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

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, 2023	—	60.00 (yen)	—	60.00 (yen)	120.00 (yen)
Year Ending March 31, 2024	—	2.50 (yen)	—		
Year Ending March 31, 2024 (Forecasts)				2.50 (yen)	5.00 (yen)

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

2. NTT conducted a 25-for-1 stock split of its common stock with an effective date of July 1, 2023. Dividend amount and dividend forecast amounts presented for the year ending March 31, 2024 reflect the impact of the stock split. If the stock split is not taken into consideration, the annual dividend amount for the fiscal year ending March 31 2024 (forecast) would be ¥125.00 (¥62.50 at the end of the second quarter and ¥62.50 at the year-end (forecast)).

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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, 2024	13,060,000	(0.6)%	1,950,000	6.6%	1,880,000	3.4%	1,255,000	3.5%	14.80 (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

3. The forecast for Basic Earnings per Share Attributable to NTT for the year ending March 31, 2024 is an amount that reflects the effect of the stock split described in the note under “1.

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 2023) (1) Consolidated Results of Operations” above.

***Notes:**

- (1) Change in significant subsidiaries during the nine months ended December 31, 2023 (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: Yes
 - ii. Changes other than (i): None
 - iii. Changes in accounting estimates: None
- (3) Number of shares outstanding (common stock)
 - i. Number of shares outstanding (including treasury stock):

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

December 31, 2023	: 6,433,625,507 shares
March 31, 2023	: 5,313,944,350 shares
 - iii. Weighted average number of shares outstanding:

For the nine months ended December 31, 2023	: 85,028,855,662 shares
For the nine months ended December 31, 2022	: 87,652,276,500 shares

Notes: 1.NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for “Number of shares outstanding(common stock)” have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

2.The number of shares of treasury stock includes the Company’s shares held by BIP(Board Incentive Plan) Trust (As of December 31, 2023: 23,303,000 shares, As of March 31, 2023: 25,836,650 shares). In addition, these Company’s shares are included in the treasury stock which is deducted from the number of shares outstanding when calculating the weighted average number of shares outstanding during the period.

* 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 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 Thursday, February 8, 2024, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.

1. Summary Information (notes)

(1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2023, that resulted in changes in the scope of consolidation: None

(2) Changes in Accounting Policies and Estimates: Yes

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

Amendments to IAS 12 (Income Taxes)

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

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

	Millions of yen		
	As of March 31, 2023	As of December 31, 2023	Increase (Decrease)
ASSETS			
Current assets			
Cash and cash equivalents	¥793,920	¥945,045	¥151,125
Trade and other receivables	4,186,375	4,471,232	284,857
Other financial assets	98,653	108,243	9,590
Inventories	517,409	559,809	42,400
Other current assets	919,016	1,039,578	120,562
Subtotal	6,515,373	7,123,907	608,534
Assets held for sale	139,495	100,961	(38,534)
Total current assets	6,654,868	7,224,868	570,000
Non-current assets			
Property, plant and equipment	9,717,103	10,004,283	287,180
Right-of-use asset	718,531	796,008	77,477
Goodwill	1,283,448	1,682,661	399,213
Intangible assets	2,122,874	2,166,898	44,024
Investment property	1,242,591	1,265,126	22,535
Investments accounted for using the equity method	446,569	440,580	(5,989)
Other financial assets	1,241,331	1,826,757	585,426
Deferred tax assets	940,196	844,644	(95,552)
Other non-current assets	941,340	992,885	51,545
Total non-current assets	18,653,983	20,019,842	1,365,859
Total assets	¥25,308,851	¥27,244,710	¥1,935,859

Millions of yen

	As of March 31, 2023	As of December 31, 2023	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	¥ 1,840,381	¥ 2,786,681	¥ 946,300
Trade and other payables	2,807,286	2,554,209	(253,077)
Lease liabilities	205,074	187,197	(17,877)
Other financial liabilities	30,200	59,765	29,565
Accrued payroll	567,166	450,428	(116,738)
Income taxes payables	243,306	223,330	(19,976)
Other current liabilities	1,143,518	1,113,743	(29,775)
Sub Total	6,836,931	7,375,353	538,422
Liabilities directly associated with assets held for sale	3,055	4,819	1,764
Total current liabilities	6,839,986	7,380,172	540,186
Non-current liabilities			
Long-term borrowings	6,390,155	6,878,970	488,815
Lease liabilities	714,923	810,261	95,338
Other financial liabilities	148,431	125,064	(23,367)
Defined benefit liabilities	1,362,262	1,390,962	28,700
Deferred tax liabilities	143,326	156,190	12,864
Other non-current liabilities	359,141	382,446	23,305
Total non-current liabilities	9,118,238	9,743,893	625,655
Total liabilities	15,958,224	17,124,065	1,165,841
Equity			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	8,150,117	8,730,476	580,359
Treasury stock	(737,290)	(930,897)	(193,607)
Other components of equity	210,576	496,627	286,051
Total NTT shareholders’ equity	8,561,353	9,234,156	672,803
Non-controlling interests	789,274	886,489	97,215
Total equity	9,350,627	10,120,645	770,018
Total liabilities and equity	¥ 25,308,851	¥ 27,244,710	¥ 1,935,859

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

Condensed Quarterly Consolidated Statements of Profit or Loss

	Millions of yen except per share data		
	Nine-month ended December 31, 2022	Nine-month ended December 31, 2023	Increase (Decrease)
Operating revenues	¥9,572,594	¥9,716,856	¥144,262
Operating expenses			
Personnel expenses	2,061,605	2,174,508	112,903
Expenses for purchase of goods and services and other expenses	4,643,357	4,677,578	34,221
Depreciation and amortization	1,176,675	1,201,877	25,202
Loss on disposal of property, plant and equipment and intangible assets	68,783	71,068	2,285
Impairment losses	236	1,577	1,341
Taxes and dues	101,109	104,061	2,952
Total operating expenses	8,051,765	8,230,669	178,904
Operating profit	1,520,829	1,486,187	(34,642)
Finance income	45,670	141,375	95,705
Finance costs	61,857	93,713	31,856
Share of profit (loss) of entities accounted for using the equity method	25,268	22,993	(2,275)
Profit before taxes	1,529,910	1,556,842	26,932
Income taxes	431,804	502,082	70,278
Profit	¥1,098,106	¥1,054,760	¥(43,346)
Profit attributable to NTT	1,032,527	1,011,115	(21,412)
Profit attributable to Non-controlling interests	65,579	43,645	(21,934)
Earnings per share attributable to NTT			
Basic earnings per share (yen)[※]	¥11.78	¥11.89	

* "Basic earnings per share" figures for the nine months ended December 31, 2022 and 2023 have been adjusted to reflect the 25-for-1 stock split carried out on July 1, 2023.

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Millions of yen		
	Nine-month ended December 31, 2022	Nine-month ended December 31, 2023	Increase (Decrease)
Profit	¥1,098,106	¥1,054,760	¥(43,346)
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	(69,502)	142,149	211,651
Share of other comprehensive income of entities accounted for using the equity method	(58)	889	947
Remeasurements of defined benefit plans	(19)	402	421
Total of items that will not be reclassified to profit or loss	(69,579)	143,440	213,019
Items that may be reclassified to profit or loss			
Cash flow hedges	(43,689)	18,265	61,954
Hedges cost	6,565	8,104	1,539
Foreign currency translation adjustments	104,912	144,367	39,455
Share of other comprehensive income of entities accounted for using the equity method	9,701	15,321	5,620
Total of items that may be reclassified to profit or loss	77,489	186,057	108,568
Total other comprehensive income (net of tax)	7,910	329,497	321,587
Total comprehensive income	¥1,106,016	¥1,384,257	¥278,241
Comprehensive income attributable to NTT	991,576	1,301,621	310,045
Comprehensive income attributable to Non-controlling interests	114,440	82,636	(31,804)

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine Months Ended December 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 equity components			
March 31, 2022	¥937,950	¥—	¥7,293,915	¥(226,459)	¥277,050	¥8,282,456	¥735,676	¥9,018,132
Comprehensive income								
Profit	—	—	1,032,527	—	—	1,032,527	65,579	1,098,106
Other comprehensive income	—	—	—	—	(40,951)	(40,951)	48,861	7,910
Total comprehensive income	—	—	1,032,527	—	(40,951)	991,576	114,440	1,106,016
Transactions with owners and other transactions								
Dividends of surplus	—	—	(419,525)	—	—	(419,525)	(19,171)	(438,696)
Transfer to retained earnings	—	46,517	(47,370)	—	853	—	—	—
Purchase and disposal of treasury stock	—	3	—	(382,170)	—	(382,167)	—	(382,167)
Changes in ownership interest in subsidiaries without loss of control	—	(37,854)	—	—	—	(37,854)	(52,277)	(90,131)
Share-based compensation transactions	—	(5,559)	—	—	—	(5,559)	(243)	(5,802)
Put options granted to non-controlling interests	—	(2,837)	—	—	—	(2,837)	(1,743)	(4,580)
Other	—	(270)	(590)	—	—	(860)	(541)	(1,401)
Total Transactions with owners and other transactions	—	—	(467,485)	(382,170)	853	(848,802)	(73,975)	(922,777)
December 31, 2022	¥937,950	¥—	¥7,858,957	¥(608,629)	¥236,952	¥8,425,230	¥776,141	¥9,201,371

Nine Months Ended December 31, 2023

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, 2023	¥937,950	¥—	¥8,150,117	¥(737,290)	¥210,576	¥8,561,353	¥789,274	¥9,350,627
Comprehensive income								
Profit	—	—	1,011,115	—	—	1,011,115	43,645	1,054,760
Other comprehensive income	—	—	—	—	290,506	290,506	38,991	329,497
Total comprehensive income	—	—	1,011,115	—	290,506	1,301,621	82,636	1,384,257
Transactions with owners and other transactions								
Dividends of surplus	—	—	(417,438)	—	—	(417,438)	(19,460)	(436,898)
Transfer to retained earnings	—	15,762	(11,307)	—	(4,455)	—	—	—
Purchase and disposal of treasury stock	—	8	—	(193,607)	—	(193,599)	—	(193,599)
Changes in ownership interest in subsidiaries without loss of control	—	(9,751)	—	—	—	(9,751)	35,820	26,069
Share-based compensation transactions	—	(1,888)	—	—	—	(1,888)	(733)	(2,621)
Put options granted to non-controlling interests	—	(3,243)	—	—	—	(3,243)	(381)	(3,624)
Other	—	(888)	(2,011)	—	—	(2,899)	(667)	(3,566)
Total Transactions with owners and other transactions	—	—	(430,756)	(193,607)	(4,455)	(628,818)	14,579	(614,239)
December 31, 2023	¥937,950	¥—	¥8,730,476	¥(930,897)	¥496,627	¥9,234,156	¥886,489	¥10,120,645

(4) Going Concern Assumption

None

(5) Subsequent Events

Commencement of Capital and Business Alliance with Monex Group and Monex

In connection with the capital and business alliance agreement entered into on October 4, 2023 between NTT DOCOMO, Monex Group, Inc. and Monex, Inc. (“Monex”), on January 4, 2024, NTT DOCOMO completed a series of capital alliance transactions in which it acquired 49% of the shares and voting rights of an intermediate holding company, Docomo Monex Holdings, Inc. (“Docomo Monex Holdings”), formed by means of share-transfer by Monex. In addition, as NTT DOCOMO has the right to appoint a majority of Docomo Monex Holdings' directors, Docomo Monex Holdings and its subsidiary, Monex, became subsidiaries of NTT DOCOMO. The purchase price totaled ¥48.6 billion, and the form of consideration was cash. Detailed information is not being disclosed as the initial accounting treatment for the business combination has not yet been completed at this time.