

Financial Results Release

For the Six Months Ended September 30, 2024

November 7, 2024

[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 8, 2024
 Scheduled date of dividend payments : November 29, 2024
 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, 2024 (April 1, 2024 - September 30, 2024)

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, 2024 | 6,590,625 | 3.6% | 920,255 | (3.2)% | 878,845 | (15.4)% | 554,792 | (17.3)% |
| Six months ended September 30, 2023 | 6,364,570 | 1.2% | 950,946 | (4.6)% | 1,039,103 | 1.9% | 670,844 | (3.7)% |

Notes: 1. Comprehensive income (loss) attributable to NTT: For the Six months ended September 30, 2024: 407,449 million yen (59.0%)
 For the Six months ended September 30, 2023: 994,129 million yen 29.1%

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 |
|-------------------------------------|--|--|
| Six months ended September 30, 2024 | 6.60 (yen) | -- (yen) |
| Six months ended September 30, 2023 | 7.87 (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 |
|--------------------|--------------|------------------------------|-------------------------|--|-----------------------------------|
| September 30, 2024 | 29,045,759 | 11,055,392 | 9,990,849 | 34.4% | 119.16 (yen) |
| March 31, 2024 | 29,604,223 | 10,893,059 | 9,844,160 | 33.3% | 117.08 (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, 2024 | - | 2.50 (yen) | - | 2.60 (yen) | 5.10 (yen) |
| Year Ending March 31, 2025 | - | 2.60 (yen) | | | |
| Year Ending March 31, 2025 (Forecasts) | | | - | 2.60 (yen) | 5.20 (yen) |

Note: Revision to the dividend forecasts from the latest announcement: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(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, 2025 | 13,460,000 | 0.6% | 1,810,000 | (5.9)% | 1,720,000 | (13.2)% | 1,100,000 | (14.0)% | 13.00 | (yen) |

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

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

***Notes:**

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: 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, 2024 | : 90,550,316,400 shares |
| March 31, 2024 | : 90,550,316,400 shares |
 - ii. Number of shares of treasury stock:

| | |
|--------------------|------------------------|
| September 30, 2024 | : 6,703,078,947 shares |
| March 31, 2024 | : 6,468,768,847 shares |
 - iii. Weighted average number of shares outstanding:

| | |
|---|-------------------------|
| For the six months ended September 30, 2024 | : 84,060,369,383 shares |
| For the six months ended September 30, 2023 | : 85,225,873,505 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 September 30, 2024: 34,782,500 shares, As of March 31, 2023: 23,303,000 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 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, November 7, 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. Overview of Results of Operations

Please refer to the following materials disclosed on TDnet and our website on Thursday, November 7, 2024, for a summary of results of operations and financial condition during the six months ended September 30, 2024.

-Presentation Material

-Supplementary Data

Download the latest IR materials: <https://group.ntt/en/ir/library/latest/>

2. Summary Information (notes)

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: None

(2) Changes in Accounting Policies and Estimates: None

3. Condensed Semi-annual Consolidated Financial Statements

(1) Condensed Semi-annual Consolidated Statements of Financial Position

| | Millions of yen | | |
|---|-------------------------|-----------------------------|------------------------|
| | As of March 31, 2024 | As of September 30, 2024 | Increase (Decrease) |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | ¥982,874 | ¥1,207,863 | ¥224,989 |
| Trade and other receivables | 4,816,951 | 4,313,945 | (503,006) |
| Other financial assets | 972,278 | 938,471 | (33,807) |
| Inventories | 524,166 | 581,171 | 57,005 |
| Other current assets | 985,960 | 905,523 | (80,437) |
| Subtotal | 8,282,229 | 7,946,973 | (335,256) |
| Assets held for sale | 41,858 | 27,673 | (14,185) |
| Total current assets | 8,324,087 | 7,974,646 | (349,441) |
| Non-current assets | | | |
| Property, plant and equipment | 10,421,986 | 10,393,336 | (28,650) |
| Right-of-use asset | 914,911 | 921,657 | 6,746 |
| Goodwill | 1,698,851 | 1,675,209 | (23,642) |
| Intangible assets | 2,510,723 | 2,469,544 | (41,179) |
| Investment property | 1,305,219 | 1,337,586 | 32,367 |
| Investments accounted for using equity method | 410,782 | 428,208 | 17,426 |
| Other financial assets | 2,251,793 | 2,020,526 | (231,267) |
| Deferred tax assets | 714,276 | 722,431 | 8,155 |
| Other non-current assets | 1,051,595 | 1,102,616 | 51,021 |
| Total non-current assets | 21,280,136 | 21,071,113 | (209,023) |
| Total assets | ¥29,604,223 | ¥29,045,759 | ¥(558,464) |

Millions of yen

| | As of March 31, 2024 | As of September 30, 2024 | Increase (Decrease) |
|---|-------------------------|-----------------------------|------------------------|
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Short-term borrowings | ¥2,542,999 | ¥2,674,304 | ¥131,305 |
| Trade and other payables | 2,940,928 | 2,385,408 | (555,520) |
| Lease liabilities | 223,473 | 214,975 | (8,498) |
| Other financial liabilities | 895,063 | 858,815 | (36,248) |
| Accrued payroll | 614,976 | 507,930 | (107,046) |
| Income taxes payables | 354,859 | 306,607 | (48,252) |
| Other current liabilities | 1,272,371 | 1,085,018 | (187,353) |
| Subtotal | 8,844,669 | 8,033,057 | (811,612) |
| Liabilities directly associated with assets held for sale | 976 | — | (976) |
| Total current liabilities | 8,845,645 | 8,033,057 | (812,588) |
| Non-current liabilities | | | |
| Long-term borrowings | 7,048,015 | 7,132,145 | 84,130 |
| Lease liabilities | 899,524 | 905,705 | 6,181 |
| Other financial liabilities | 162,765 | 175,386 | 12,621 |
| Defined benefit liabilities | 1,156,394 | 1,165,211 | 8,817 |
| Deferred tax liabilities | 222,331 | 210,583 | (11,748) |
| Other non-current liabilities | 376,490 | 368,280 | (8,210) |
| Total non-current liabilities | 9,865,519 | 9,957,310 | 91,791 |
| Total liabilities | 18,711,164 | 17,990,367 | (720,797) |
| Equity | | | |
| Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity | | | |
| Common stock | 937,950 | 937,950 | — |
| Retained earnings | 9,078,084 | 9,446,222 | 368,138 |
| Treasury stock | (937,291) | (972,918) | (35,627) |
| Other components of equity | 765,417 | 579,595 | (185,822) |
| Total NTT shareholders’ equity | 9,844,160 | 9,990,849 | 146,689 |
| Non-controlling interests | 1,048,899 | 1,064,543 | 15,644 |
| Total equity | 10,893,059 | 11,055,392 | 162,333 |
| Total liabilities and equity | ¥29,604,223 | ¥29,045,759 | ¥(558,464) |

(2) Condensed Semi-annual Consolidated Statements of Profit or Loss and Condensed Semi-annual Consolidated Statements of Comprehensive Income

Condensed Semi-annual Consolidated Statements of Profit or Loss

| | Millions of yen except per share data | | |
|---|---|---|------------------------|
| | Six Months Ended September 30, 2023 | Six Months Ended September 30, 2024 | Increase (Decrease) |
| Operating revenues | ¥6,364,570 | ¥6,590,625 | ¥226,055 |
| Operating expenses | | | |
| Personnel expenses | 1,432,289 | 1,538,753 | 106,464 |
| Expenses for purchase of goods and services and other expenses | 3,063,696 | 3,161,984 | 98,288 |
| Depreciation and amortization | 794,807 | 850,786 | 55,979 |
| Loss on disposal of property, plant and equipment and intangible assets | 52,361 | 43,191 | (9,170) |
| Impairment losses | 391 | 1 | (390) |
| Taxes and dues | 70,080 | 75,655 | 5,575 |
| Total operating expenses | 5,413,624 | 5,670,370 | 256,746 |
| Operating profit | 950,946 | 920,255 | (30,691) |
| Finance income | 132,553 | 32,399 | (100,154) |
| Finance costs | 58,655 | 91,447 | 32,792 |
| Share of profit (loss) of entities accounted for using equity method | 14,259 | 17,638 | 3,379 |
| Profit before taxes | 1,039,103 | 878,845 | (160,258) |
| Income taxes | 341,633 | 289,288 | (52,345) |
| Profit | ¥697,470 | ¥589,557 | ¥(107,913) |
| Profit attributable to NTT | 670,844 | 554,792 | (116,052) |
| Profit attributable to Non-controlling interests | 26,626 | 34,765 | 8,139 |
| Earnings per share attributable to NTT | | | |
| Basic earnings per share (yen)** | ¥ 7.87 | ¥ 6.60 | |

* "Basic earnings per share" figures for the six months ended September 30, 2023 have been adjusted to reflect the 25-for-1 stock split carried out on July 1, 2023.

Condensed Semi-annual Consolidated Statements of Comprehensive Income

| | Millions of yen | | |
|--|--|--|------------------------|
| | Six Months Ended September 30, 2023 | Six Months Ended September 30, 2024 | Increase (Decrease) |
| Profit | ¥697,470 | ¥589,557 | ¥(107,913) |
| 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 | 144,325 | (112,400) | (256,725) |
| Share of other comprehensive income of entities accounted for using the equity method | (406) | (1,289) | (883) |
| Remeasurements of defined benefit plans | 468 | 906 | 438 |
| Total of items that will not be reclassified to profit or loss | 144,387 | (112,783) | (257,170) |
| Items that may be reclassified to profit or loss | | | |
| Cash flow hedges | (12,661) | 45,761 | 58,422 |
| Hedges cost | (1,150) | (5,396) | (4,246) |
| Foreign currency translation adjustments | 231,050 | (99,110) | (330,160) |
| Share of other comprehensive income of entities accounted for using the equity method | 15,731 | 8,523 | (7,208) |
| Total of items that may be reclassified to profit or loss | 232,970 | (50,222) | (283,192) |
| Total other comprehensive income (net of tax) | 377,357 | (163,005) | (540,362) |
| Total comprehensive income | ¥1,074,827 | ¥426,552 | ¥(648,275) |
| Comprehensive income attributable to NTT | 994,129 | 407,449 | (586,680) |
| Comprehensive income attributable to Non-controlling interests | 80,698 | 19,103 | (61,595) |

(3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six Months Ended September 30, 2023

| | 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 | | |
| As of March 31, 2023 | ¥937,950 | ¥— | ¥8,150,117 | ¥(737,290) | ¥210,576 | ¥8,561,353 | ¥789,274 | ¥9,350,627 |
| Comprehensive income | | | | | | | | |
| Profit | — | — | 670,844 | — | — | 670,844 | 26,626 | 697,470 |
| Other comprehensive income | — | — | — | — | 323,285 | 323,285 | 54,072 | 377,357 |
| Total comprehensive income | — | — | 670,844 | — | 323,285 | 994,129 | 80,698 | 1,074,827 |
| Transactions with owners and other transactions | | | | | | | | |
| Dividends of surplus | — | — | (204,629) | — | — | (204,629) | (11,522) | (216,151) |
| Transfer to retained earnings | — | 9,581 | (5,012) | — | (4,569) | — | — | — |
| Purchase and disposal of treasury stock | — | 8 | — | (24,026) | — | (24,018) | — | (24,018) |
| Changes in ownership interest in subsidiaries without loss of control | — | (3,634) | — | — | — | (3,634) | 47,658 | 44,024 |
| Share-based compensation transactions | — | (3,726) | — | — | — | (3,726) | (1,237) | (4,963) |
| Put options granted to non-controlling interests | — | (1,194) | — | — | — | (1,194) | (871) | (2,065) |
| Other | — | (1,035) | (341) | — | — | (1,376) | (738) | (2,114) |
| Total transactions with owners and other transactions | — | — | (209,982) | (24,026) | (4,569) | (238,577) | 33,290 | (205,287) |
| As of September 30, 2023 | ¥937,950 | ¥— | ¥8,610,979 | ¥(761,316) | ¥529,292 | ¥9,316,905 | ¥903,262 | ¥10,220,167 |

Six Months Ended September 30, 2024

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 | | | |
| As of March 31, 2024 | ¥937,950 | ¥— | ¥9,078,084 | ¥(937,291) | ¥765,417 | ¥9,844,160 | ¥1,048,899 | ¥10,893,059 |
| Comprehensive income | | | | | | | | |
| Profit | — | — | 554,792 | — | — | 554,792 | 34,765 | 589,557 |
| Other comprehensive income | — | — | — | — | (147,343) | (147,343) | (15,662) | (163,005) |
| Total comprehensive income | — | — | 554,792 | — | (147,343) | 407,449 | 19,103 | 426,552 |
| Transactions with owners and other transactions | | | | | | | | |
| Dividends of surplus | — | — | (218,673) | — | — | (218,673) | (13,118) | (231,791) |
| Transfer to retained earnings | — | 6,025 | 32,454 | — | (38,479) | — | — | — |
| Purchase and disposal of treasury stock | — | — | — | (35,627) | — | (35,627) | — | (35,627) |
| Changes in ownership interest in subsidiaries without loss of control | — | (675) | — | — | — | (675) | 10,744 | 10,069 |
| Share-based compensation transactions | — | (3,742) | — | — | — | (3,742) | (1,104) | (4,846) |
| Put options granted to non-controlling interests | — | (1,717) | — | — | — | (1,717) | (529) | (2,246) |
| Other | — | 109 | (435) | — | — | (326) | 548 | 222 |
| Total transactions with owners and other transactions | — | — | (186,654) | (35,627) | (38,479) | (260,760) | (3,459) | (264,219) |
| As of September 30, 2024 | ¥937,950 | ¥— | ¥9,446,222 | ¥(972,918) | ¥579,595 | ¥9,990,849 | ¥1,064,543 | ¥11,055,392 |

(4) Condensed Semi-annual Consolidated Statement of Cash Flows

| | Millions of yen | | |
|---|--|--|------------------------|
| | Six Months Ended September 30, 2023 | Six Months Ended September 30, 2024 | Increase (Decrease) |
| Cash flows from operating activities | | | |
| Profit | ¥697,470 | ¥589,557 | ¥(107,913) |
| Depreciation and amortization | 794,807 | 850,786 | 55,979 |
| Impairment losses | 391 | 1 | (390) |
| Share of loss (profit) of entities accounted for using the equity method | (14,259) | (17,638) | (3,379) |
| Losses on retirement of property, plant and equipment and intangible assets | 23,088 | 13,277 | (9,811) |
| Gain on sales of property, plant and equipment and intangible assets | (4,218) | (8,416) | (4,198) |
| Income taxes | 341,633 | 289,288 | (52,345) |
| Decrease (increase) in trade and other receivables ⁽¹⁾ | (25,569) | 473,040 | 498,609 |
| Decrease (increase) in inventories | (54,126) | (75,731) | (21,605) |
| Decrease (increase) in other current assets | (89,842) | (138,859) | (49,017) |
| Increase (decrease) in trade and other payables / accrued payroll | (345,418) | (438,425) | (93,007) |
| Increase (decrease) in other current liabilities | (48,565) | (154,174) | (105,609) |
| Increase (decrease) in defined benefit liabilities | 14,216 | 10,114 | (4,102) |
| Decrease (increase) in non-current handset installment receivables ⁽²⁾ | (130,914) | (104,491) | 26,423 |
| Increase (decrease) in other non-current liabilities | (3,697) | (11,272) | (7,575) |
| Other, net ⁽²⁾ | (108,115) | (76,932) | 31,183 |
| Subtotal | 1,046,882 | 1,200,125 | 153,243 |
| Interest and dividends received | 61,602 | 62,986 | 1,384 |
| Interest paid | (45,228) | (44,972) | 256 |
| Income taxes paid | (237,346) | (96,773) | 140,573 |
| Net cash provided by (used in) operating activities | 825,910 | 1,121,366 | 295,456 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment, intangible assets and investment property | (942,181) | (1,004,506) | (62,325) |
| Proceeds from sale of property, plant and equipment, intangible assets and investment property ⁽³⁾ | 54,081 | 36,113 | (17,968) |
| Proceeds from government grants | 1,048 | 1,462 | 414 |
| Purchase of investments | (38,464) | (43,747) | (5,283) |
| Proceeds from sale or redemption of investments | 120,014 | 138,239 | 18,225 |
| Proceeds from loss of control of subsidiaries | — | 5,678 | 5,678 |
| Payments for acquisition of subsidiaries | (250,127) | (65,043) | 185,084 |
| Proceeds from acquisition of subsidiaries ⁽³⁾ | 673 | — | (673) |
| Net decrease (increase) loan receivable | (643) | 4,087 | 4,730 |
| Other, net ⁽³⁾ | (21,121) | (15,819) | 5,302 |
| Net cash provided by (used in) investing activities | (1,076,720) | (943,536) | 133,184 |

| | Millions of yen | | |
|--|--|--|------------------------|
| | Six Months Ended September 30, 2023 | Six Months Ended September 30, 2024 | Increase (Decrease) |
| Cash flows from financing activities | | | |
| Net increase (decrease) in short-term borrowings | 120,308 | 68,152 | (52,156) |
| Proceeds from increases in long-term borrowings | 590,240 | 856,031 | 265,791 |
| Repayment of long-term borrowings | (269,174) | (473,019) | (203,845) |
| Repayment of lease liabilities | (115,100) | (129,987) | (14,887) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (6,224) | (4,808) | 1,416 |
| Dividends paid | (204,629) | (218,673) | (14,044) |
| Dividends paid to non-controlling interests | (11,512) | (13,140) | (1,628) |
| Purchase of treasury stock | (24,392) | (36,123) | (11,731) |
| Other, net | 58,337 | 15,195 | (43,142) |
| Net cash provided by (used in) financing activities | 137,854 | 63,628 | (74,226) |
| Effect of exchange rate change on cash and cash equivalents | 34,044 | (16,469) | (50,513) |
| Net increase (decrease) in cash and cash equivalents | (78,912) | 224,989 | 303,901 |
| Cash and cash equivalents at the beginning of the year ⁽¹⁾ | 793,920 | 982,874 | 188,954 |
| Cash and cash equivalents at the end of the period ⁽¹⁾ | ¥715,008 | ¥1,207,863 | ¥492,855 |

Notes:

- (1) The last days of six months ended September 30, 2023 and the fiscal year ended March 31, 2024 fell on non-business days, resulting in the due date of certain bills, including telecommunication service bills, being set to the first business day of the following month. Consequently, the impact on the condensed semi-annual consolidated financial statements is as follows.

| | Six Months Ended September 30, 2023 | Six Months Ended September 30, 2024 |
|---|--|--|
| (Condensed Semi-annual Consolidated Statement of Cash Flows) | | |
| Decrease (increase) in trade and other receivables | (199,939) | 192,820 |
| Cash and cash equivalents as of April 1 | — | (192,820) |
| Cash and cash equivalents as of September 30 | (199,939) | — |

- (2) “Decrease (increase) in non-current handset installment receivables,” which had previously been presented within “Other, net” in cash flows from operating activities for the six months ended September 30, 2023, is now presented separately for the six months ended September 30, 2024 due to an increase in the materiality of the amount of this item. As a result of this change, the ¥ (239,029) million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the six months ended September 30, 2023 has been reclassified and presented as ¥ (130,914) million of “Decrease (increase) in non-current handset installment receivables” and ¥ (108,115) million of “Other, net.”
- (3) “Proceeds from sale of property, plant and equipment, intangible assets and investment property” and “Proceeds from acquisition of subsidiaries,” which had previously been presented within “Other, net” in cash flows from investing activities for the six months ended September 30, 2023, are now presented separately for the six months ended September 30, 2024 due to an increase in the materiality of the amount of such items. As a result of this change, the ¥33,633 million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the six months ended September 30, 2023 has been reclassified and presented as ¥54,081 million of “Proceeds from sale of property, plant and equipment, intangible assets and investment property,” ¥673 million of “Proceeds from acquisition of subsidiaries” and ¥(21,121) million of “Other, net.”

(5) Going Concern Assumption

None

(6) Segment Information

NTT Group's business segments are as follows, for which discrete financial information is available and whose operating results are utilized by NTT Group's management to make decisions about the allocation of resources and to assess business performance.

Services included in each segment are as follows:

Integrated ICT Business

Fixed voice-related services, Mobile voice-related services, IP/packet communications services, sales of telecommunications terminal equipment, System integration services, and other services

Regional Communications Business

Fixed voice-related services, IP/packet communications services, sales of telecommunications terminal equipment, system integration services, and other services

Global Solutions Business

System integration services and other services

Others (Real Estate, Energy and Others)

Services related to real estate business and energy business, etc.

Operating Revenues

(Millions of yen)

| | Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023) | Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024) |
|---|---|---|
| Integrated ICT Business | | |
| Transactions with external customers | ¥ 2,810,201 | ¥ 2,865,217 |
| Inter-segment transactions | 136,170 | 128,565 |
| Subtotal | 2,946,371 | 2,993,782 |
| Regional Communications Business | | |
| Transactions with external customers | 1,193,353 | 1,174,707 |
| Inter-segment transactions | 333,655 | 326,115 |
| Subtotal | 1,527,008 | 1,500,822 |
| Global Solutions Business | | |
| Transactions with external customers | 1,983,427 | 2,144,096 |
| Inter-segment transactions | 95,086 | 96,003 |
| Subtotal | 2,078,513 | 2,240,099 |
| Others (Real Estate, Energy and Others) | | |
| Transactions with external customers | 377,589 | 406,605 |
| Inter-segment transactions | 370,542 | 384,241 |
| Subtotal | 748,131 | 790,846 |
| Elimination of inter-segment transactions | (935,453) | (934,924) |
| Total | ¥ 6,364,570 | ¥ 6,590,625 |

Segment profit or loss

(Millions of yen)

| | Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023) | Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024) |
|---|---|---|
| Segment profit | | |
| Integrated ICT Business | ¥ 580,775 | ¥ 553,326 |
| Regional Communications Business | 216,151 | 191,288 |
| Global Solutions Business | 121,871 | 149,011 |
| Others (Real Estate, Energy and Others) | 34,209 | 37,531 |
| Total | 953,006 | 931,156 |
| Elimination of inter-segment transactions | (2,060) | (10,901) |
| Operating profit | 950,946 | 920,255 |
| Finance income | 132,553 | 32,399 |
| Finance costs | 58,655 | 91,447 |
| Share of profit of entities accounted for using equity method | 14,259 | 17,638 |
| Profit before taxes | ¥ 1,039,103 | ¥ 878,845 |

During the first six months of the previous fiscal year and of the current fiscal year, there are no operating revenues recorded from transactions with a single external customer that account for 10% or more of total revenue.

(7) Subsequent Events

Issuance of corporate bonds

On October 31, 2024, NTT group issued corporate bonds totaling ¥285,000 million in the domestic market.