



# Financial Results for the Three Months Ended June 30, 2021

August 6, 2021

This document is a translation of the Japanese original. The Japanese original is authoritative.

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, as well as other risks included in NTT's most recent Annual Securities Report and in any other materials publicly disclosed by NTT on its website.

\* "E" in this material represents that the figure is a plan or projection for operation.

\*\* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.

- **Overview of Consolidated Results for FY2021.1Q**
  - **Status of Consolidated Results for FY2021.1Q**
  - **Contributing Factors by Segment for FY2021.1Q**
  - **Future Outlook Based on FY2021.1Q Results**
  
- **Topics**
  
- **Appendix**

# Overview of Consolidated Results for the Three Months Ended June 30, 2021

# Status of Consolidated Results for FY2021.1Q



- Both revenues and income exceeded expectations
- Year-on-year, operating revenues increased, operating income decreased and profit increased
- Profit set a new record high level

## Status of Consolidated Results

● Operating Revenues:	¥2,892.6B	<+¥126.1B [+4.6%] year-on-year>
● Operating Income:	¥486.3B	<¥ (11.3B) [(2.3)%] year-on-year>
● Profit <sup>(1)</sup> :	¥340.0B	<+¥67.3B [+24.7%] year-on-year>
<hr/>		
● Overseas Sales <sup>(2)</sup> :	\$4.6B	<+\$0.26B [+5.9%] year-on-year>
● Overseas Operating Income Margin <sup>(2)</sup> :	4.1%	<+1.9pt year-on-year>

(1) Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

(2) Includes results from the global holding company, its subsidiaries and its affiliates. Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

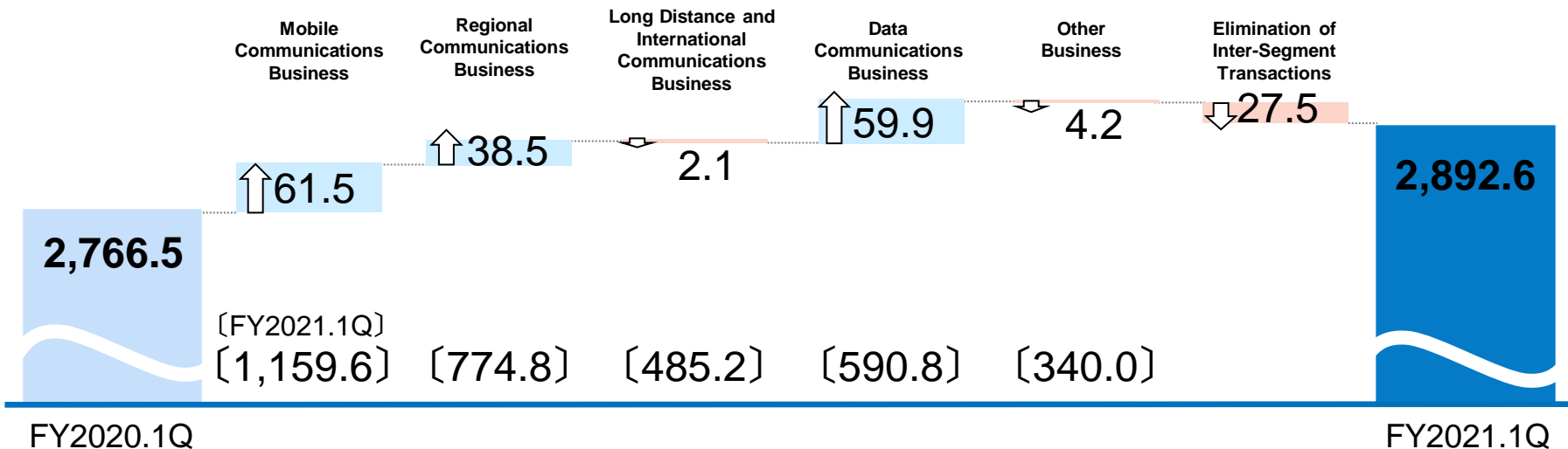
# Contributing Factors by Segment for FY2021.1Q



(Billions of yen)

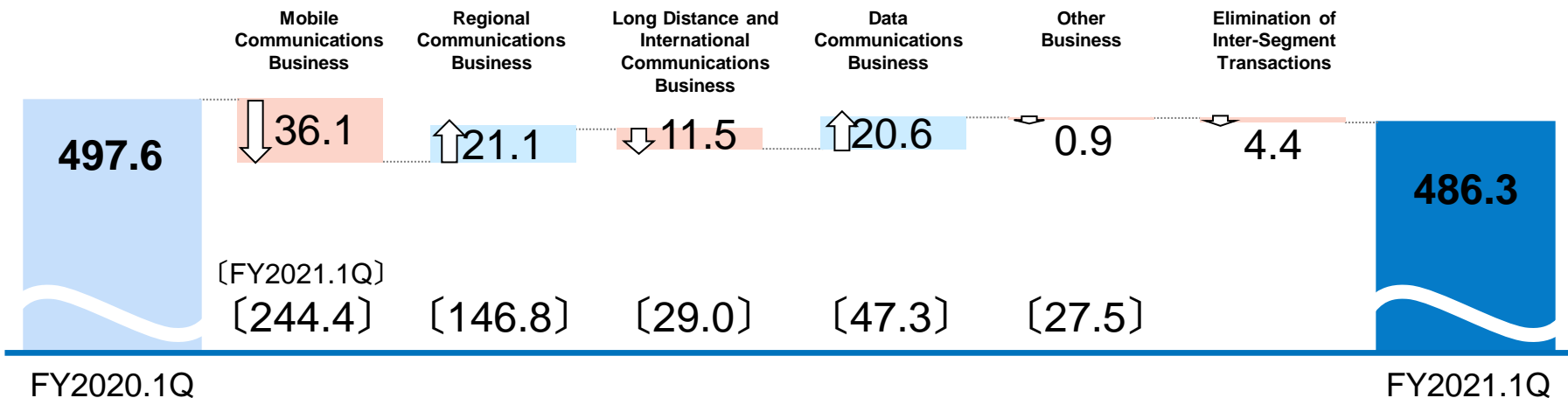
## Operating Revenues

<Year-on-year: +126.1>



## Operating Income

<Year-on-year:(11.3)>



## ■ Mobile Competitive Environment

- Sales, especially in ahamo, were strong, with both net increases and MNP improving as expected
- Acquisition of the younger market in particular has been strong, and we are aiming to further expand our customer base
- The development of the 5G area is progressing well. The number of base stations for new 5G-dedicated frequency bands has exceeded 10,000 stations, which is 2 to 4 times more advanced than other companies

## ■ Impact of COVID-19

- Although the negative impact of COVID-19 has decreased compared to the previous fiscal year, there is some continuing impact, including on revenues from international roaming and overseas SI business
- In the future, the impact is expected to gradually decrease as a result of the recovery in economic activity

## ■ Revision of Medium-Term Management Strategy

- Once the Ministry of Internal Affairs and Communications has released its report on its “Study Meeting on the Ideal Way of Ensuring Fair Competition,” we plan to undertake a review of the Medium-Term Management Strategy
- With respect to the current medium-term financial target of reaching an EPS of ¥320 by FY2023, we are aiming to achieve the target one year ahead of schedule

# Topics



# Contributions to the Tokyo 2020 Olympic and Paralympic Games



## ■ Management of the Games (Network Operation, Etc.)

- NTT has been operating the networks used for broadcasting and for the management of the games without any issues to this point, and will continue to provide for the networks' stable operation

## ■ Providing of New Technology

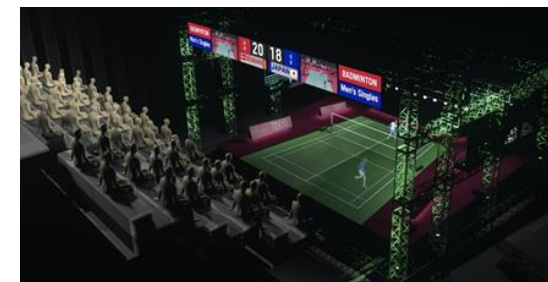
### • "TOKYO 2020 5G Project"

- ✓ Live transmission of 12K ultra-wide composite images of an entire sailing event to remote locations



### • "TOKYO 2020 Future Sports Viewing Project"

- ✓ Demonstration of transmitting badminton competition as holographic video



### • Providing "CUzo" that enables AR guidance to support the management of the Tokyo 2020 Games

## ■ Joint Testing with the Japan Softball Association

- November 2017 Entered into Joint Testing Agreement

NTT conducted experimental and actual measurements of top players' and younger players' "series of actions for batting," promoting research on the performance and brain information processing of athletes (including Japanese national team players) with a wide range of abilities.

Through this joint testing, NTT supported the improvement of the Japanese national team's batting strength in furtherance of their winning the gold medal



## ■ Employee Vaccination Status

- NTT Group as a whole plans to vaccinate approximately 164,000 people by the end of the year
- Began in stages on June 28, with vaccinations of approximately 58,000 people completed as of July 31

## ■ Rate of Remote Work

- Rate of remote work in June was 71.8% (excluding essential workers)

# Strengthening and Globalizing R&D

## ■ Launch new business using “Personalized Sound Zone (PSZ) Technology”

- Helps achieve a more fulfilling life by effectively controlling the spaces where sounds can be heard and creating a comfortable acoustic space
- “NTT sonority, Inc.” to be established in September 2021  
Kazunori Kobayashi (Senior Research Engineer, Supervisor, NTT Service Innovation Laboratory Group, which developed the technology) will be appointed as president
- In the future, NTT will collaborate with partners to develop and provide airplane and car seats that allow users to enjoy music without headphones, as well as office chairs for web conferencing.



Headphone-free airplane seats



Collaboration : JAMCO Corp.



Web conferencing without sound leakage (chair-integrated sound/microphone)



Collaboration : OKAMURA Corp.



Car seats that are able to play different contents for each seat




Collaboration :  
TOYOTA BOSHOKU Corp.



Wearable devices and portable speakers that allow for regular conversations without sound leakage

< Usage Scenarios Made Possible by PSZ Technology (Example) >

## ■ Launch New Services

- ① **Began development of “evidence.path™”, a cloud service that converts corporate bond issuance processes to DX** (NTT Data Group, services planned to launch in February 2022)
    - ✓ Converts paper-based processes that are done through paper, stamps, mail and fax into DX, in order to achieve faster processes and telework
    - ✓ Also expected to be utilized within the NTT Group
  
  - ② **“home 5G™”, which provides an internet connection environment immediately without on-site construction** (NTT DOCOMO, from late August 2021)
    - ✓ Unlimited data, and compatible with 5G and 4G networks
- 

- ③ **“OCN Hikari App Control Option,” which helps small and medium-sized enterprises achieve stable online meetings** (NTT Com, from July 2021)
  - ✓ Reduces audio and video interruptions and delays when using certain applications, including online meetings

# Overview of Medium-Term Management Strategy Initiatives

## Overview since May 2021

<b>Roll Out 5th-Generation Wireless System</b>	<ul style="list-style-type: none"> <li>• Developed enterprise solutions that utilize 5G with NEC in Germany (NTT DATA, from June)</li> <li>• Cumulative number of “Lightning Speed 5G” base stations exceeded 10,000 (NTT DOCOMO, June)</li> </ul>
<b>Provide Personal Services</b>	<ul style="list-style-type: none"> <li>• Launched the “U15 Hajimete Sumaho Plan” (NTT DOCOMO, from July)</li> </ul>
<b>Enhance Competitiveness in Global Business</b>	<ul style="list-style-type: none"> <li>• In collaboration with Edmonton International Airport to deliver on-demand transport services (NTT DATA Services, NTT Ltd., May)</li> <li>• In collaboration with Tokyo Century to operate data center in India (NTT GDC, June)</li> </ul>
<b>Drive DX in Domestic Business</b>	<ul style="list-style-type: none"> <li>• Lowered wholesale fees for wholesale Hikari services (NTT East, NTT West, from July)</li> <li>• Provided customer self-assessment fault diagnosis on the repair service “Web 113” (NTT East, NTT West, from July)</li> <li>• Assignment of tower assets of the Company to JTOWER to accelerate Infra-Sharing (NTT West, from July)</li> </ul>
<b>Enhance and Globalize R&amp;D</b>	<ul style="list-style-type: none"> <li>• Reached agreement on a business alliance with SKY Perfect JSAT on new space enterprise to aid in the realization of a sustainable society (May)</li> <li>• Reached agreement on a partnership with ACCESS toward the realization of the IOWN concept (July)</li> </ul>
<b>Create New Lines of Business</b>	<ul style="list-style-type: none"> <li>• Started operations at two companies responsible for comprehensive management and think tank functions for urban solutions (NTT Urban Value Support, NTT Urban Solutions Research Institute, from July)</li> </ul>
<b>Contribute to Vitalization of Regional Societies and Economies</b>	<ul style="list-style-type: none"> <li>• Established a new company, “Co-Designing Institute for Polyphonic Society,” to promote regional vitalization (NTT West, July)</li> <li>• Entered into the “Agreement to Promote Cross-Organizational Industry-Academia Collaboration” with Niigata University (NTT East, July)</li> </ul>
<b>Promote ESG Management</b>	<ul style="list-style-type: none"> <li>• Made donations for pandemic relief to India (NTT Data, NTT Ltd., May)</li> <li>• Free offering of classes on how to use various types of operations in docomo Smartphone classes (NTT DOCOMO, from June)</li> <li>• Sponsored the Avatar Robot Cafe DAWN ver.β, and conducted demonstration tests of remote robot operation for the realization of the IOWN concept (from June)</li> <li>• Changed the membership of the Appointment and Compensation Committee to consist of five members, including three independent outside Members of the Board, strengthening governance (August)</li> </ul>



## Share Buybacks

- **Resolved to buy back shares in order to improve capital efficiency and enhance shareholder returns**
- **Details of Share Buybacks**
  - **Aggregate Amount: Up to ¥250.0 billion**
  - **Aggregate Number of Shares: Up to 100,000,000 shares**
  - **Buyback Period: From August 10, 2021 to March 31, 2022**
- **Based on the above, the FY2021 EPS target has been revised from ¥300 to ¥302 (an increase of ¥2)**

# Appendix

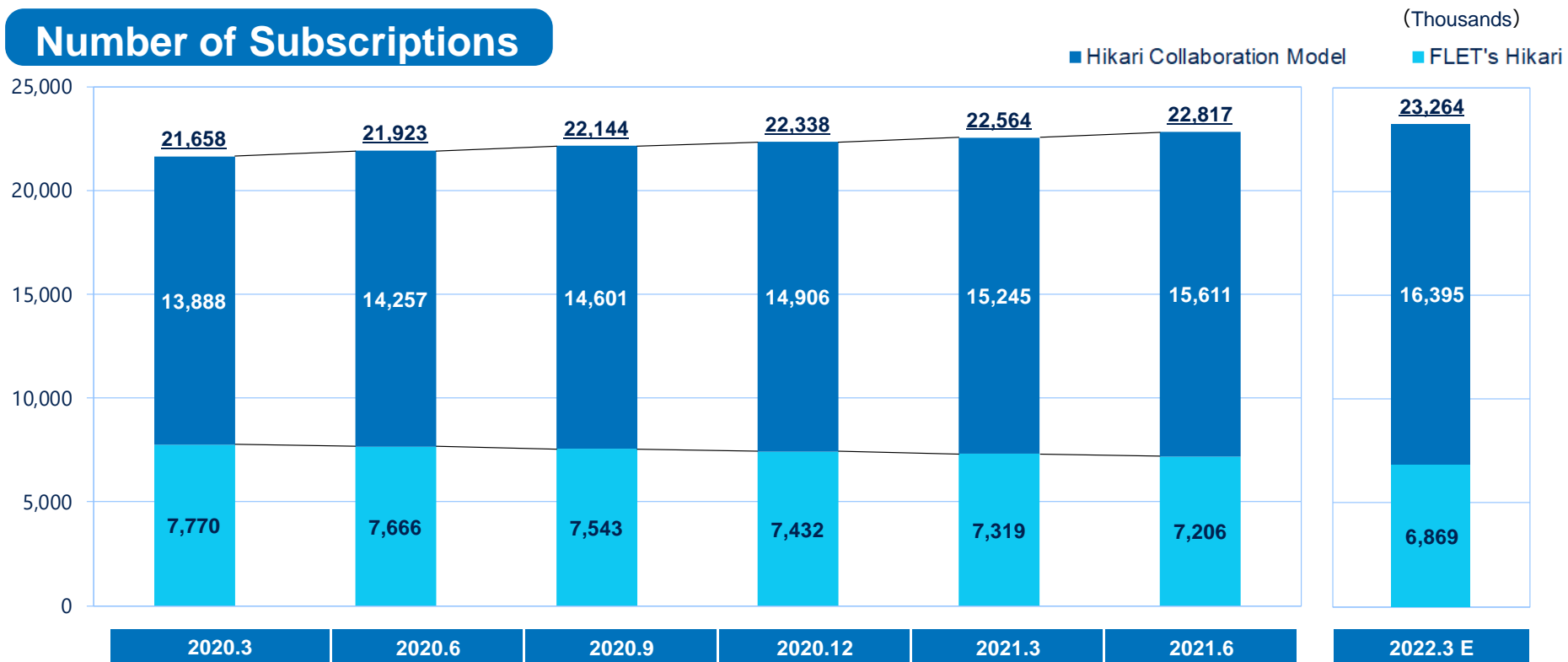


# Broadband Services

# Fixed-Line Broadband Services Subscriptions



## Number of Subscriptions



## Net Increase

	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4-6	2021 4 - 2022 3 E
Total	+266	+221	+194	+226	+253	+700
		+906			+253	
Hikari Collaboration Model	+369	+344	+305	+339	+366	+1,150
		+1,357			+366	
FLET'S Hikari	▲ 104	▲ 123	▲ 111	▲ 113	▲ 113	▲ 450
		▲ 451			▲ 113	

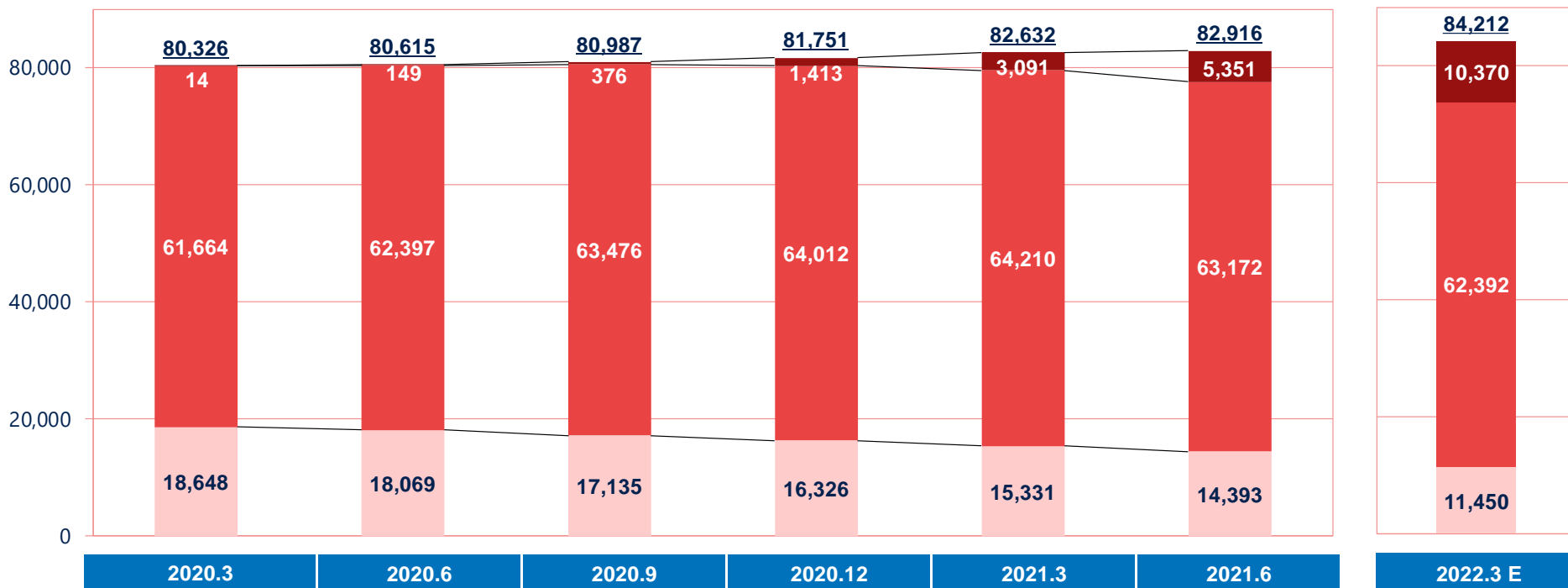
# Mobile Communications Services Subscriptions



(Thousands)

## Number of Subscriptions

■ 5G ■ LTE(Xi) ■ FOMA



## Net Increase

	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4-6	2021 4 - 2022 3 E
5G+LTE(Xi)+ FOMA	+289	+372	+764	+881	+284	+1,580
	+2,306					

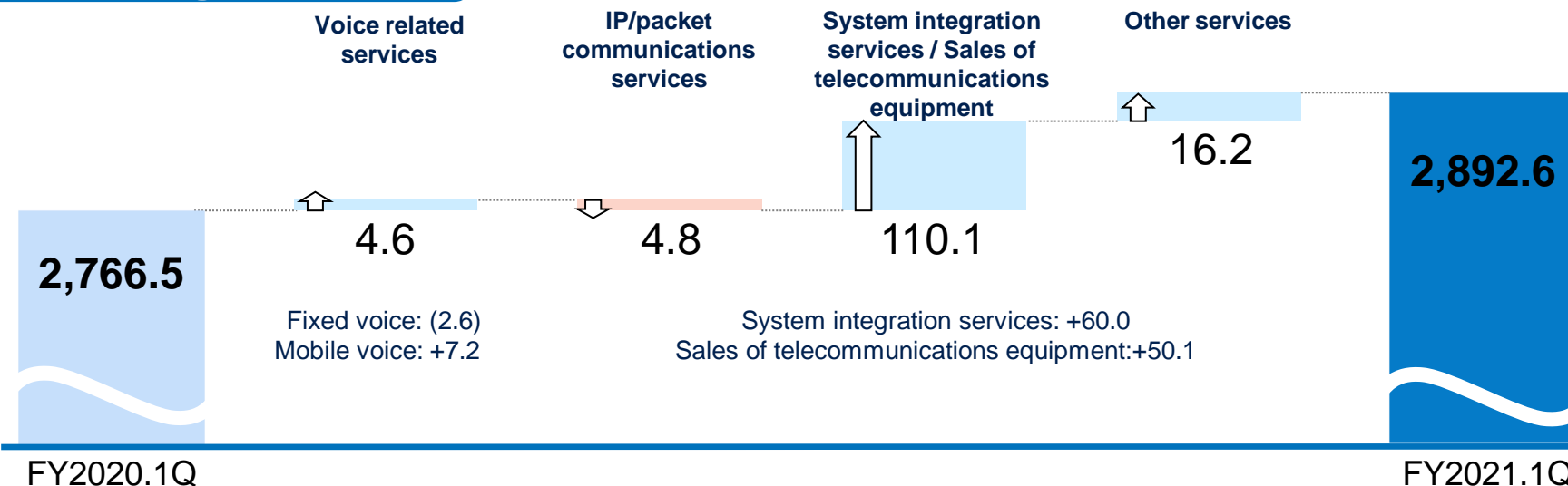
# Financial Information

# Details of Consolidated Statement of Income

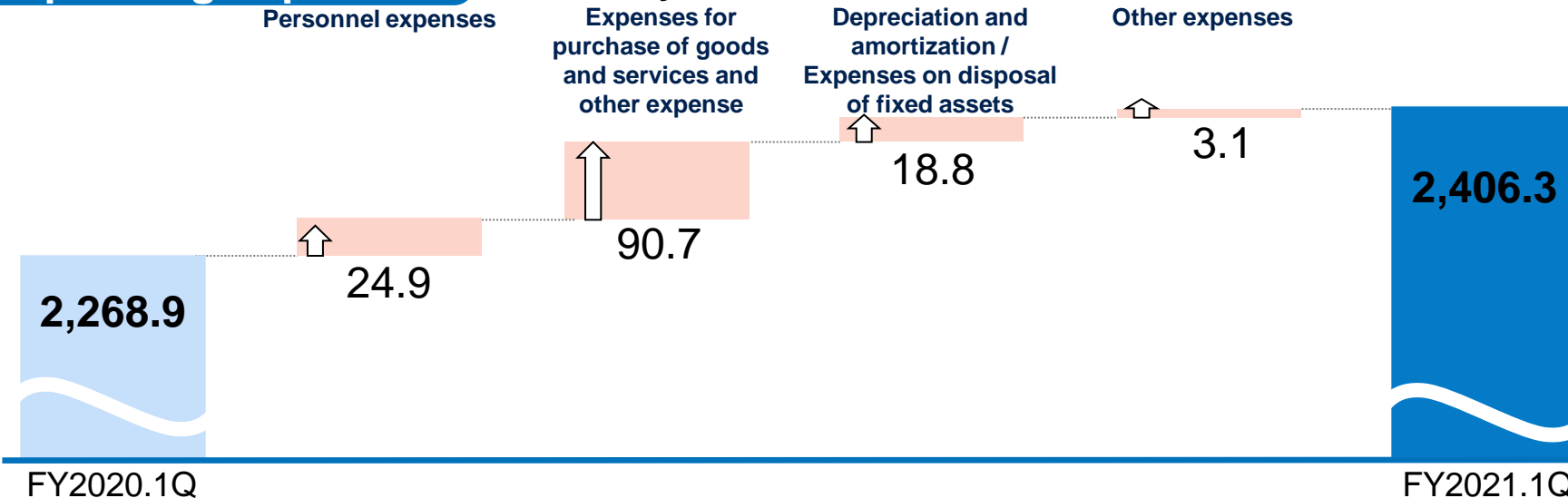


(Billions of yen)

## Operating Revenues <Year-on-year: +126.1>



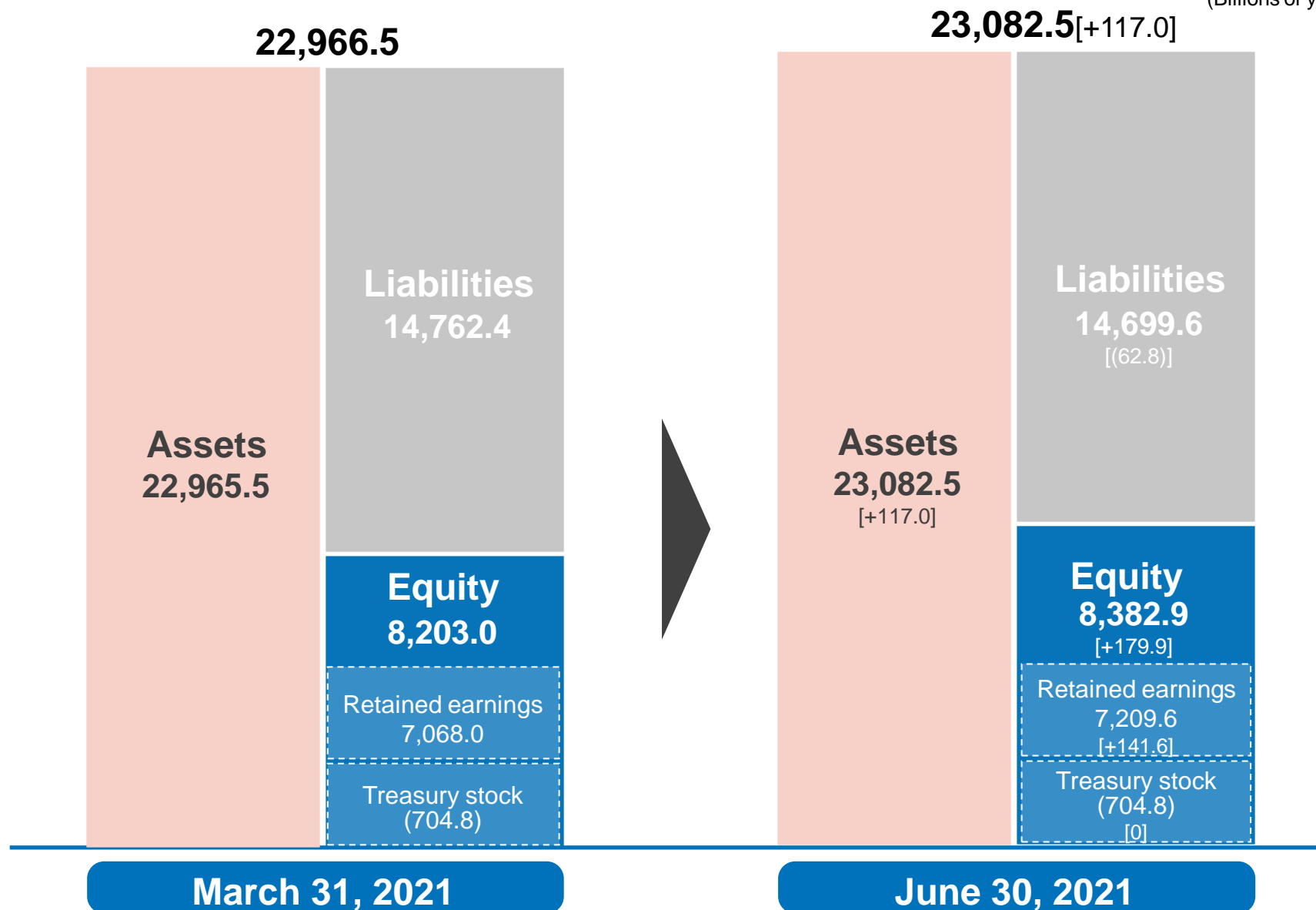
## Operating Expenses <Year-on-year: +137.4>



# Details of Consolidated Balance Sheet



(Billions of yen)



# Details of Consolidated Cash Flows

Cash Flows  
from Operating  
Activities

(A)

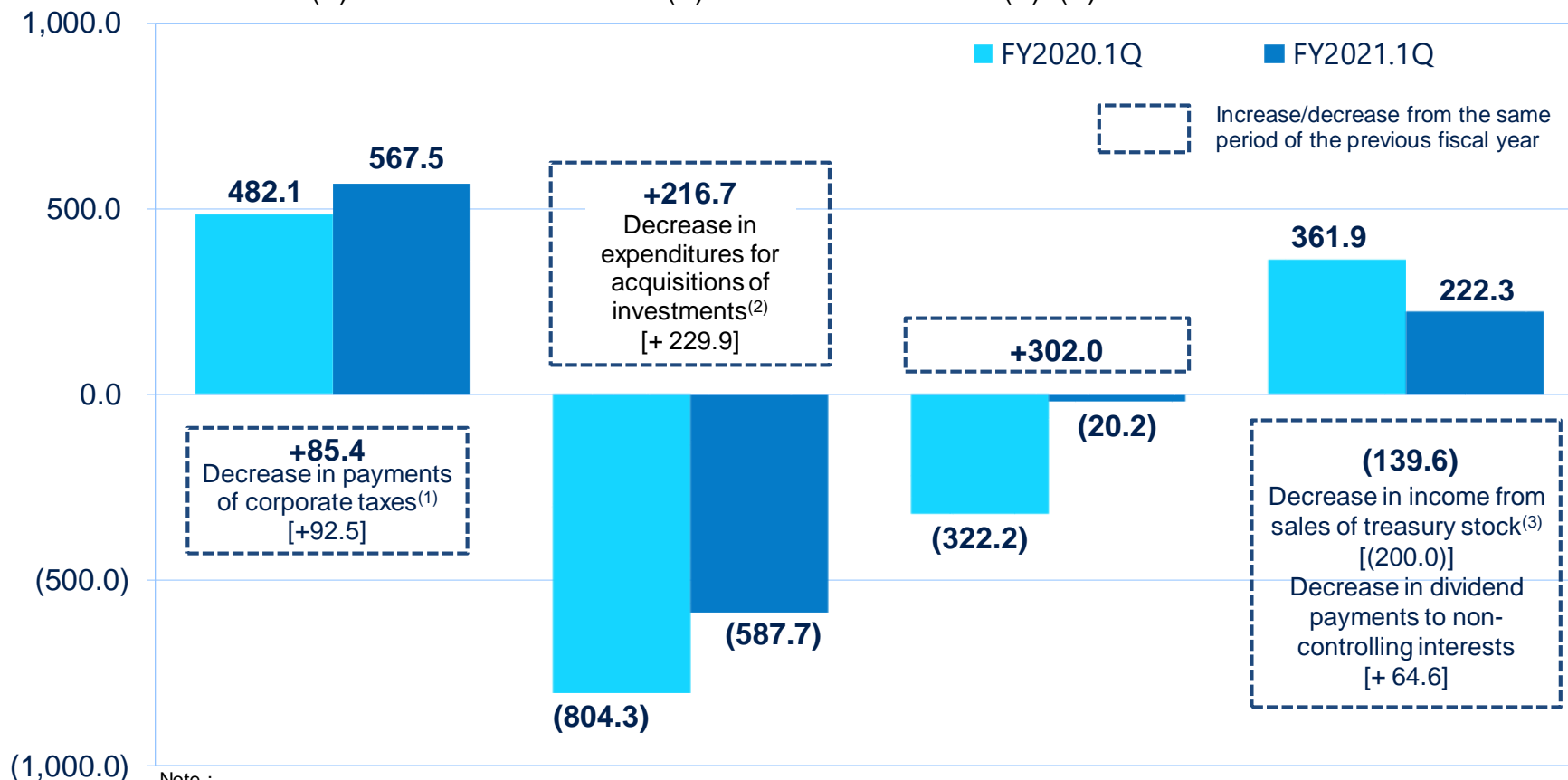
Cash Flows  
from Investing  
Activities

(B)

FCF

(A)+(B)

Cash Flows  
from Financing  
Activities



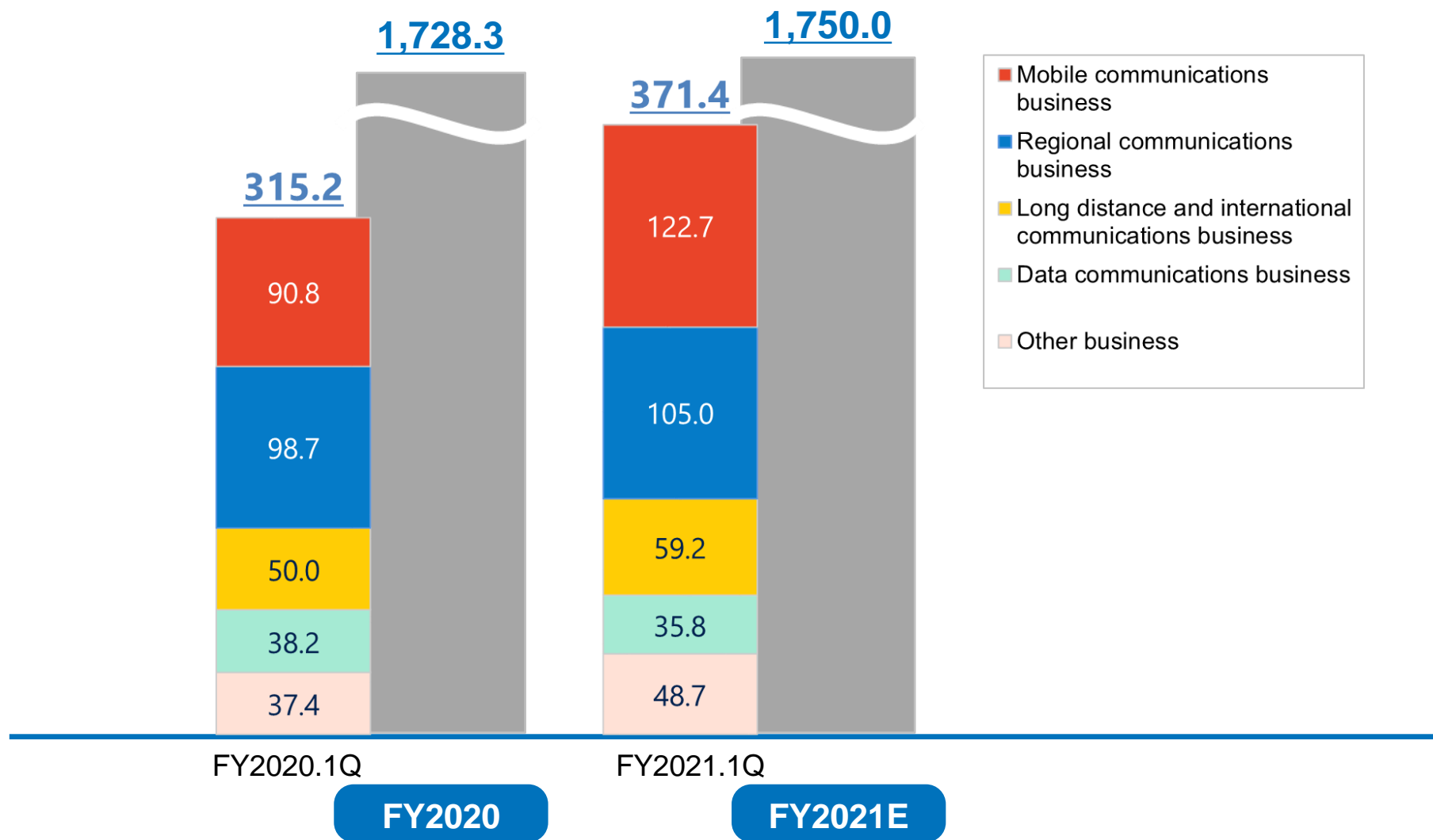
Note :

- (1) Because certain corporate taxes corresponding to the period prior to NTT DOCOMO's addition to NTT's tax consolidation were paid in March 2021, corporate tax payments decreased for the first quarter of FY2021.
- (2) In FY2020, shares of Toyota Motor Corporation were acquired for ¥200.0 billion.
- (3) In FY2020, ¥200.0 billion of treasury shares were sold to Toyota Motor Corporation.

# Details of Capital Investment



(Billions of yen)



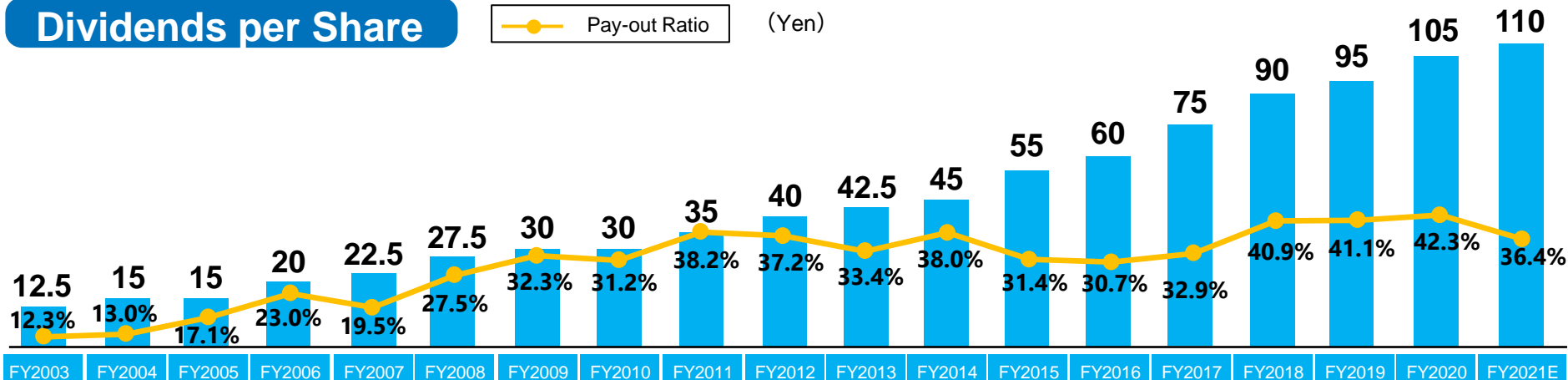


# Shareholder Returns



## Dividends per Share

—●— Pay-out Ratio (Yen)

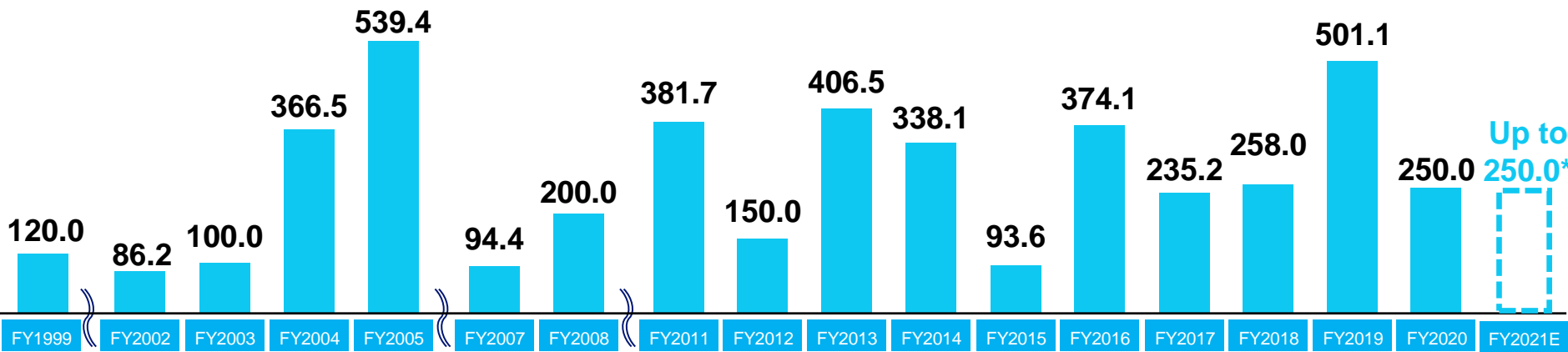


Note 1: Dividend-per-share amounts have been adjusted to reflect the 100-for-one stock split carried out on January 4, 2009, the two-for-one stock split carried out on July 1, 2015 and the two-for-one stock split carried out on January 1, 2020.

Note 2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.

## Share Buybacks

(Billions of yen)



\* On August 6, 2021, the Board of NTT resolved to buy back shares in an amount up to ¥250.0 billion. Buyback Period: From August 10, 2021 to March 31, 2022.

***Your Value Partner***