

# Financial Results Release

For the Three Months Ended June 30, 2021

August 6, 2021

[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 : Jun Sawada, President and Chief Executive Officer  
 Contact : Natsuko Fujiki, Head of IR, Finance and Accounting Department  
 URL <https://group.ntt/en/ir/contact/>  
 Scheduled filing date of quarterly securities report : August 10, 2021  
 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, 2021 (April 1, 2021 - June 30, 2021)

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, 2021	2,892,570	4.6%	486,274	(2.3)%	496,282	(0.1)%	339,987	24.7%
Three months ended June 30, 2020	2,766,457	(5.1)%	497,586	(1.5)%	496,619	(5.7)%	272,638	(2.8)%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the three months ended June 30, 2021: 379,089 million yen 14.0%  
 For the three months ended June 30, 2020: 332,476 million yen 35.1%

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
Three months ended June 30, 2021	93.87 (yen)	— (yen)
Three months ended June 30, 2020	73.51 (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, 2021	23,082,532	8,382,918	7,735,109	33.5%	2,135.59 (yen)
March 31, 2021	22,965,492	8,203,043	7,562,707	32.9%	2,087.98 (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, 2021	-	50.00 (yen)	—	55.00 (yen)	105.00 (yen)
Year Ending March 31, 2022	-	—	—	—	—
Year Ending March 31, 2022 (Forecasts)	—	55.00 (yen)	—	55.00 (yen)	110.00 (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, 2022 (April 1, 2021 - March 31, 2022)

(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, 2022	12,000,000	0.5%	1,730,000	3.5%	1,716,000	3.8%	1,085,000	18.4%	302.00	(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  
 3. Basic Earnings per Share Attributable to NTT has been revised with this financial results release.

**\*Notes:**

- (1) Change in significant subsidiaries during the three months ended June 30, 2021 (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, 2021	: 3,900,788,940 shares
March 31, 2021	: 3,900,788,940 shares
  - ii. Number of shares of treasury stock:

June 30, 2021	: 278,787,184 shares
March 31, 2021	: 278,776,284 shares
  - iii. Weighted average number of shares outstanding:

For the three months ended June 30, 2021	: 3,622,007,051 shares
For the three months ended June 30, 2020	: 3,708,868,906 shares

\* 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 Friday, August 6, 2021, 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, 2021, 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, 2021	June 30, 2021	Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	935,727	1,139,296	203,569
Trade and other receivables	3,534,555	3,113,618	(420,937)
Other financial assets	41,732	60,188	18,456
Inventories	315,437	331,084	15,647
Other current assets	498,106	677,488	179,382
Sub Total	5,325,557	5,321,674	(3,883)
Assets held for sale	816	31,153	30,337
Total current assets	5,326,373	5,352,827	26,454
<b>Non-current assets</b>			
Property, plant and equipment	9,282,286	9,324,079	41,793
Right-of-use asset	639,627	633,393	(6,234)
Goodwill	1,056,187	1,107,474	51,287
Intangible assets	1,765,858	1,772,351	6,493
Investment property	1,182,713	1,202,872	20,159
Investments accounted for using equity method	411,033	442,266	31,233
Other financial assets	1,515,922	1,507,239	(8,683)
Deferred tax assets	993,858	942,847	(51,011)
Other non-current assets	791,635	797,184	5,549
Total non-current assets	17,639,119	17,729,705	90,586
<b>Total assets</b>	<b>22,965,492</b>	<b>23,082,532</b>	<b>117,040</b>

Millions of yen

	March 31, 2021	June 30, 2021	Increase (Decrease)
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	3,168,613	3,725,026	556,413
Trade and other payables	2,356,705	1,995,432	(361,273)
Lease liabilities	193,915	188,798	(5,117)
Other financial liabilities	28,334	36,499	8,165
Accrued payroll	509,416	427,022	(82,394)
Accrued taxes on income	115,965	56,574	(59,391)
Other current liabilities	1,053,196	974,699	(78,497)
Sub Total	7,426,144	7,404,050	△22,094
Liabilities directly associated with assets held for sale	18	86	68
Total current liabilities	7,426,162	7,404,136	(22,026)
<b>Non-current liabilities</b>			
Long-term borrowings	4,455,724	4,411,832	(43,892)
Lease liabilities	553,836	540,296	(13,540)
Other financial liabilities	137,620	131,453	(6,167)
Defined benefit liabilities	1,731,645	1,739,180	7,535
Deferred tax liabilities	81,420	101,137	19,717
Other non-current liabilities	376,042	371,580	(4,462)
Total non-current liabilities	7,336,287	7,295,478	(40,809)
Total liabilities	14,762,449	14,699,614	(62,835)
<b>Equity</b>			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	7,068,008	7,209,596	141,588
Treasury stock	(704,793)	(704,825)	(32)
Other components of equity	261,542	292,388	30,846
Total NTT shareholders’ equity	7,562,707	7,735,109	172,402
Non-controlling interests	640,336	647,809	7,473
Total equity	8,203,043	8,382,918	179,875
Total liabilities and equity	22,965,492	23,082,532	117,040

**(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, 2020	Three-month ended June 30, 2021	Increase (Decrease)
<b>Operating revenues</b>	2,766,457	2,892,570	126,113
<b>Operating expenses</b>			
Personnel expenses	608,501	633,423	24,922
Expenses for purchase of goods and services and other expenses	1,238,948	1,329,620	90,672
Depreciation and amortization	368,232	382,502	14,270
Loss on disposal of property, plant and equipment and intangible assets	21,565	26,045	4,480
Impairment losses	30	1,246	1,216
Taxes and dues	31,595	33,460	1,865
<b>Total operating expenses</b>	<b>2,268,871</b>	<b>2,406,296</b>	<b>137,425</b>
<b>Operating profit</b>	<b>497,586</b>	<b>486,274</b>	<b>(11,312)</b>
Finance income	8,337	17,672	9,335
Finance costs	10,993	13,842	2,849
Share of profit (loss) of entities accounted for using equity method	1,689	6,178	4,489
<b>Profit before taxes</b>	<b>496,619</b>	<b>496,282</b>	<b>(337)</b>
Income taxes	149,177	140,261	(8,916)
<b>Profit</b>	<b>347,442</b>	<b>356,021</b>	<b>8,579</b>
<b>Profit attributable to NTT</b>	<b>272,638</b>	<b>339,987</b>	<b>67,349</b>
Profit attributable to Non-controlling interests	74,804	16,034	(58,770)
<b>Earnings per share attributable to NTT</b>			
Basic earnings per share (yen)	73.51	93.87	

## Consolidated Statements of Comprehensive Income

	Millions of yen		
	Three-month ended June 30, 2020	Three-month ended June 30, 2021	Increase (Decrease)
<b>Profit</b>	347,442	356,021	8,579
<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	70,809	20,262	(50,547)
Share of other comprehensive income of entities accounted for using the equity method	107	(722)	(829)
Remeasurements of defined benefit plans	61	(47)	(108)
<b>Total of items that will not be reclassified to profit or loss</b>	<b>70,977</b>	<b>19,493</b>	<b>(51,484)</b>
<b>Items that may be reclassified to profit or loss</b>			
Cash flow hedges	2,404	7,134	4,730
Hedges cost	393	4,921	4,528
Foreign currency translation adjustments	1,049	4,651	3,602
Share of other comprehensive income of entities accounted for using the equity method	823	6,952	6,129
<b>Total of items that may be reclassified to profit or loss</b>	<b>4,669</b>	<b>23,658</b>	<b>18,989</b>
<b>Total other comprehensive income (net of tax)</b>	<b>75,646</b>	<b>43,151</b>	<b>(32,495)</b>
<b>Total comprehensive income</b>	<b>423,088</b>	<b>399,172</b>	<b>(23,916)</b>
<b>Comprehensive income attributable to NTT</b>	<b>332,476</b>	<b>379,089</b>	<b>46,613</b>
Comprehensive income attributable to Non-controlling interests	90,612	20,083	(70,529)

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

Three Months Ended June 30, 2020

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, 2020	937,950	2,252,672	6,499,942	(653,369)	23,908	9,061,103	2,401,524	11,462,627
Comprehensive income								
Profit	—	—	272,638	—	—	272,638	74,804	347,442
Other comprehensive income	—	—	—	—	59,838	59,838	15,808	75,646
Total comprehensive income	—	—	272,638	—	59,838	332,476	90,612	423,088
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(172,672)	—	—	(172,672)	(75,316)	(247,988)
Transfer to retained earnings	—	—	(1,621)	—	1,621	—	—	—
Purchase and disposal of treasury stock	—	0	—	199,991	—	199,991	—	199,991
Changes in ownership interest in subsidiaries without loss of control	—	(1,716)	—	—	—	(1,716)	139	(1,577)
Share-based compensation transactions	—	(2,902)	—	—	—	(2,902)	—	(2,902)
Put options granted to non-controlling interests	—	(52)	—	—	—	(52)	(26)	(78)
Other	—	1,972	(6)	—	—	1,966	1,045	3,011
Total value of transactions with shareholders etc.	—	(2,698)	(174,299)	199,991	1,621	24,615	(74,158)	(49,543)
June 30, 2020	937,950	2,249,974	6,598,281	(453,378)	85,367	9,418,194	2,417,978	11,836,172



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

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

None

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

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

On August 6, 2021, the Board of Directors resolved that NTT may repurchase up to 100 million shares of its outstanding common stock for an amount in total not exceeding ¥250,000 million from August 10, 2021 through March 31, 2022.