

Financial Results Release

For the Six Months Ended September 30, 2021

November 10, 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 : November 11, 2021
 Scheduled date of dividend payments : December 13, 2021
 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, 2021 (April 1, 2021 - September 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	
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%
Six months ended September 30, 2020	5,711,364	(3.0)%	1,008,580	2.6%	1,005,067	0.3%	541,511	(1.1)%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the Six months ended September 30, 2021: 745,432 million yen 16.6%
 For the Six months ended September 30, 2020: 639,420 million yen 31.7%

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, 2021	186.77 (yen)	-- (yen)
Six months ended September 30, 2020	145.86 (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, 2021	22,719,507	8,699,411	8,016,092	35.3%	2,230.17 (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	-	55.00 (yen)			
Year Ending March 31, 2022 (Forecasts)			-	55.00 (yen)	110.00 (yen)

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

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 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

***Notes:**

- (1) Change in significant subsidiaries during the six months ended September 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):

September 30, 2021	: 3,900,788,940 shares
March 31, 2021	: 3,900,788,940 shares
 - ii. Number of shares of treasury stock:

September 30, 2021	: 306,395,672 shares
March 31, 2021	: 278,776,284 shares
 - iii. Weighted average number of shares outstanding:

For the six months ended September 30, 2021	: 3,618,531,872 shares
For the six months ended September 30, 2020	: 3,712,433,988 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 Wednesday, November 10, 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 six months ended September 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	September 30, 2021	Increase (Decrease)
ASSETS			
Current assets			
Cash and cash equivalents	935,727	905,220	(30,507)
Trade and other receivables	3,534,555	2,981,827	(552,728)
Other financial assets	41,732	52,920	11,188
Inventories	315,437	330,975	15,538
Other current assets	498,106	633,385	135,279
Sub Total	5,325,557	4,904,327	(421,230)
Assets held for sale	816	49,609	48,793
Total current assets	5,326,373	4,953,936	(372,437)
Non-current assets			
Property, plant and equipment	9,282,286	9,334,405	52,119
Right-of-use asset	639,627	608,247	(31,380)
Goodwill	1,056,187	1,106,173	49,986
Intangible assets	1,765,858	1,774,284	8,426
Investment property	1,182,713	1,217,365	34,652
Investments accounted for using equity method	411,033	467,640	56,607
Other financial assets	1,515,922	1,531,995	16,073
Deferred tax assets	993,858	912,241	(81,617)
Other non-current assets	791,635	813,221	21,586
Total non-current assets	17,639,119	17,765,571	126,452
Total assets	22,965,492	22,719,507	(245,985)

Millions of yen

	March 31, 2021	September 30, 2021	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	3,168,613	2,072,352	(1,096,261)
Trade and other payables	2,356,705	1,845,853	(510,852)
Lease liabilities	193,915	181,910	(12,005)
Other financial liabilities	28,334	37,897	9,563
Accrued payroll	509,416	472,618	(36,798)
Accrued taxes on income	115,965	136,937	20,972
Other current liabilities	1,053,196	938,828	(114,368)
Sub Total	7,426,144	5,686,395	(1,739,749)
Liabilities directly associated with assets held for sale	18	2,098	2,080
Total current liabilities	7,426,162	5,688,493	(1,737,669)
Non-current liabilities			
Long-term borrowings	4,455,724	5,439,587	983,863
Lease liabilities	553,836	544,216	(9,620)
Other financial liabilities	137,620	128,195	(9,425)
Defined benefit liabilities	1,731,645	1,752,380	20,735
Deferred tax liabilities	81,420	102,332	20,912
Other non-current liabilities	376,042	364,893	(11,149)
Total non-current liabilities	7,336,287	8,331,603	995,316
Total liabilities	14,762,449	14,020,096	(742,353)
Equity			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	7,068,008	7,546,238	478,230
Treasury stock	(704,793)	(790,314)	(85,521)
Other components of equity	261,542	322,218	60,676
Total NTT shareholders’ equity	7,562,707	8,016,092	453,385
Non-controlling interests	640,336	683,319	42,983
Total equity	8,203,043	8,699,411	496,368
Total liabilities and equity	22,965,492	22,719,507	(245,985)

(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, 2020	Six-month ended September 30, 2021	Increase (Decrease)
Operating revenues	5,711,364	5,887,647	176,283
Operating expenses			
Personnel expenses	1,215,339	1,258,714	43,375
Expenses for purchase of goods and services and other expenses	2,637,017	2,732,450	95,433
Depreciation and amortization	741,793	769,600	27,807
Loss on disposal of property, plant and equipment and intangible assets	1,681	52,157	6,108
Impairment losses	341	1,251	(430)
Taxes and dues	60,905	64,199	3,294
Total operating expenses	4,702,784	4,878,371	175,587
Operating profit	1,008,580	1,009,276	696
Finance income	13,343	25,502	12,159
Finance costs	23,543	28,950	5,407
Share of profit (loss) of entities accounted for using equity method	6,687	9,466	2,779
Profit before taxes	1,005,067	1,015,294	10,227
Income taxes	309,231	301,943	(7,288)
Profit	695,836	713,351	17,515
Profit attributable to NTT	541,511	675,833	134,322
Profit attributable to Non-controlling interests	154,325	37,518	(116,807)
Earnings per share attributable to NTT			
Basic earnings per share (yen)	145.86	186.77	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	Six-month ended September 30, 2020	Six-month ended September 30, 2021	Increase (Decrease)
Profit	695,836	713,351	17,515
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	124,048	61,754	(62,294)
Share of other comprehensive income of entities accounted for using the equity method	59	(501)	(560)
Remeasurements of defined benefit plans	(222)	(2)	220
Total of items that will not be reclassified to profit or loss	123,885	61,251	(62,634)
Items that may be reclassified to profit or loss			
Cash flow hedges	2,919	(1,368)	(4,287)
Hedges cost	925	15,676	14,751
Foreign currency translation adjustments	(4,621)	7,142	11,763
Share of other comprehensive income of entities accounted for using the equity method	2,631	6,104	3,473
Total of items that may be reclassified to profit or loss	1,854	27,554	25,700
Total other comprehensive income (net of tax)	125,739	88,805	(36,934)
Total comprehensive income	821,575	802,156	(19,419)
Comprehensive income attributable to NTT	639,420	745,432	106,012
Comprehensive income attributable to Non-controlling interests	182,155	56,724	(125,431)

(3) Condensed Consolidated Statement of Changes in Equity

Six Months Ended September 30, 2020

	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, 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	—	—	541,511	—	—	541,511	154,325	695,836
Other comprehensive income	—	—	—	—	97,909	97,909	27,830	125,739
Total comprehensive income	—	—	541,511	—	97,909	639,420	182,155	821,575
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(172,672)	—	—	(172,672)	(76,207)	(248,879)
Transfer to retained earnings	—	—	(133)	—	133	—	—	—
Purchase and disposal of treasury stock	—	0	—	199,953	—	199,953	—	199,953
Changes in ownership interest in subsidiaries without loss of control	—	2,621	—	—	—	2,621	(5,212)	(2,591)
Share-based compensation transactions	—	(1,572)	—	—	—	(1,572)	—	(1,572)
Put options granted to non-controlling interests	—	(284)	—	—	—	(284)	(168)	(452)
Other	—	1,816	(1,047)	—	—	769	885	1,654
Total value of transactions with shareholders etc.	—	2,581	(173,852)	199,953	133	28,815	(80,702)	(51,887)
September 30, 2020	937,950	2,255,253	6,867,601	(453,416)	121,950	9,729,338	2,502,977	12,232,315

Six Months Ended September 30, 2021

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	—	7,068,008	(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

(4) Going Concern Assumption

None

(5) Subsequent Events

Issuance of corporate bonds(Green bond)

On October 28, 2021, NTT group issued corporate bonds(Green bond) totaling ¥300,000 million in the domestic market.

The Company's repurchase of treasury stock

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. Based on this resolution, NTT repurchased 26,498,100 shares of its common stock for ¥82,273 million from August to September 2021 and repurchased 17,312,300 shares of its common stock for ¥54,456 million in October 2021.

Cancellation of treasury stock

On November 10, 2021, the board of directors resolved that NTT will cancel 278,776,284 shares currently held as treasury stock on November 17, 2021.