



# **Financial Results for the Nine Months Ended December 31, 2021**

**February 7, 2022**

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 FY2021.3Q**
  - **Status of Consolidated Results for FY2021.3Q**
  - **Contributing Factors by Segment for FY2021.3Q**
- **Financial Results Forecast**
- **Topics**
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# Overview of Consolidated Results for the Nine Months Ended December 31, 2021

# Status of Consolidated Results for FY2021.3Q



- Year-on-year, both operating revenues and operating income increased
- Operating revenues, operating income and profit all reached record-high levels

## Status of Consolidated Results

- Operating Revenues: **¥8,923.2B** <+¥185.2B [+2.1%] year-on-year>
  - Operating Income: **¥1,539.7B** <+¥37.3B [+2.5%] year-on-year>
  - Profit<sup>(1)</sup>: **¥1,030.3B** <+¥199.2B [+24.0%] year-on-year>
- 
- Overseas Operating Income Margin<sup>(2)</sup>: **5.4%** <+2.4pt 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.

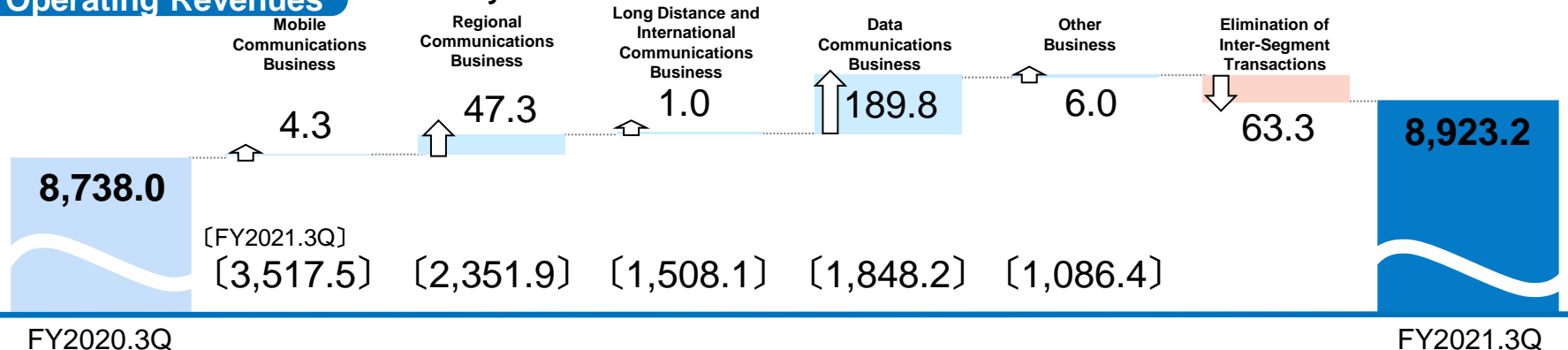
# Contributing Factors by Segment for FY2021.3Q



(Billions of yen)

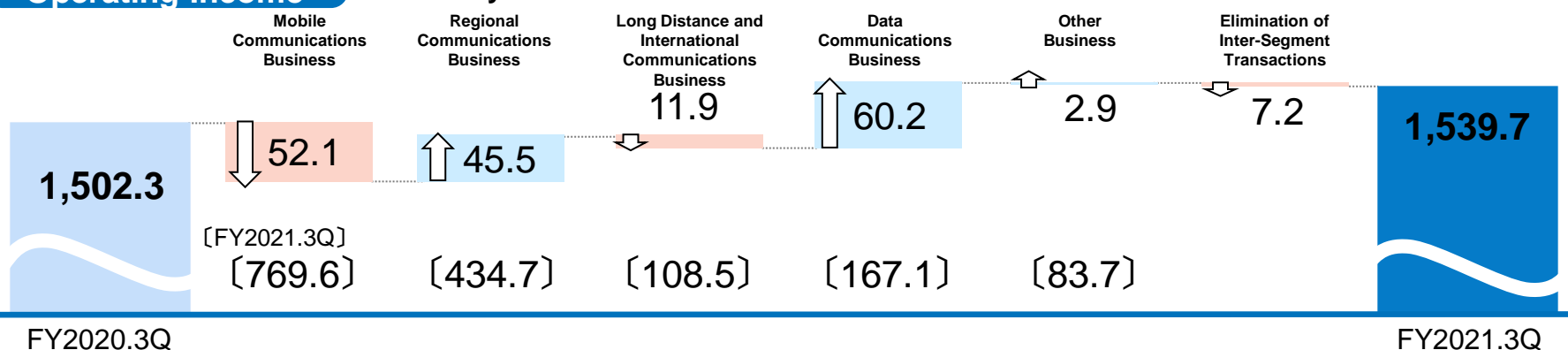
## Operating Revenues

<Year-on-year: +185.2>



## Operating Income

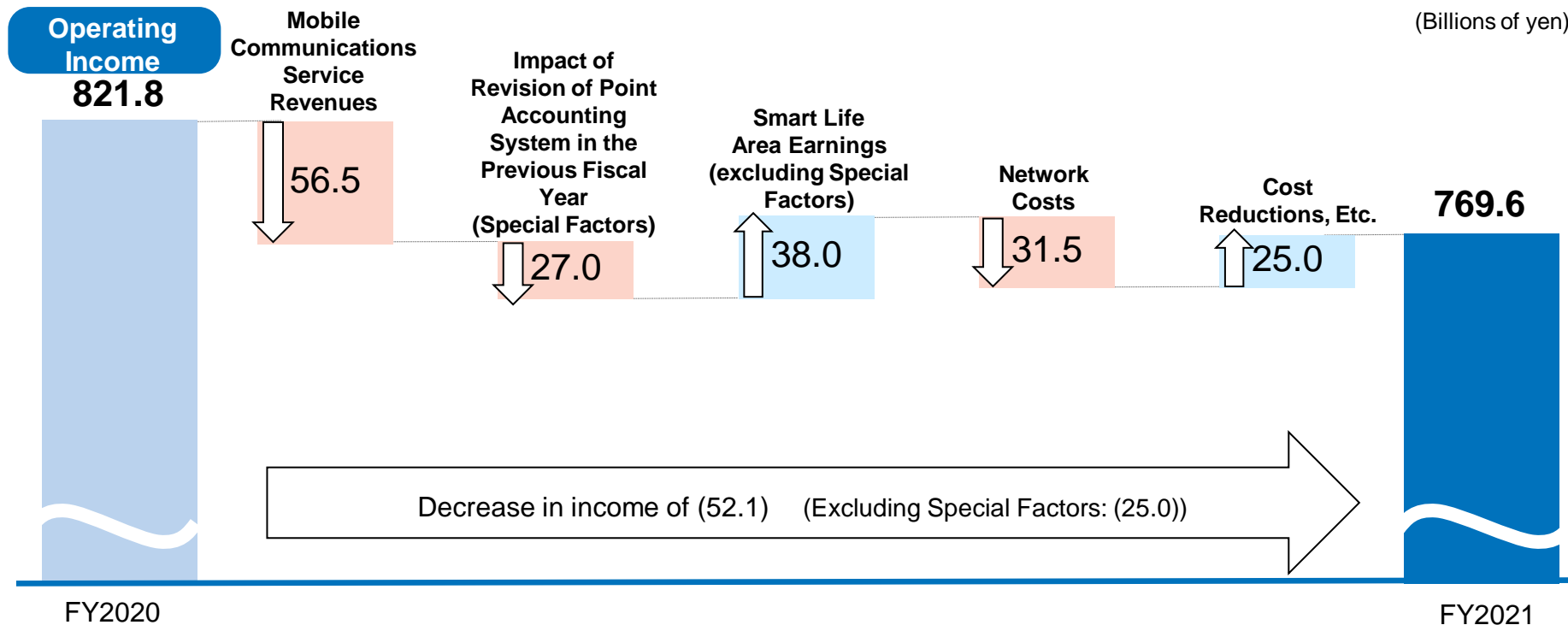
<Year-on-year: +37.3>



# FY2021.Q3 Details for NTT DOCOMO



- Despite a decrease in profits compared to the prior year, the Smart Life area continues to steadily grow



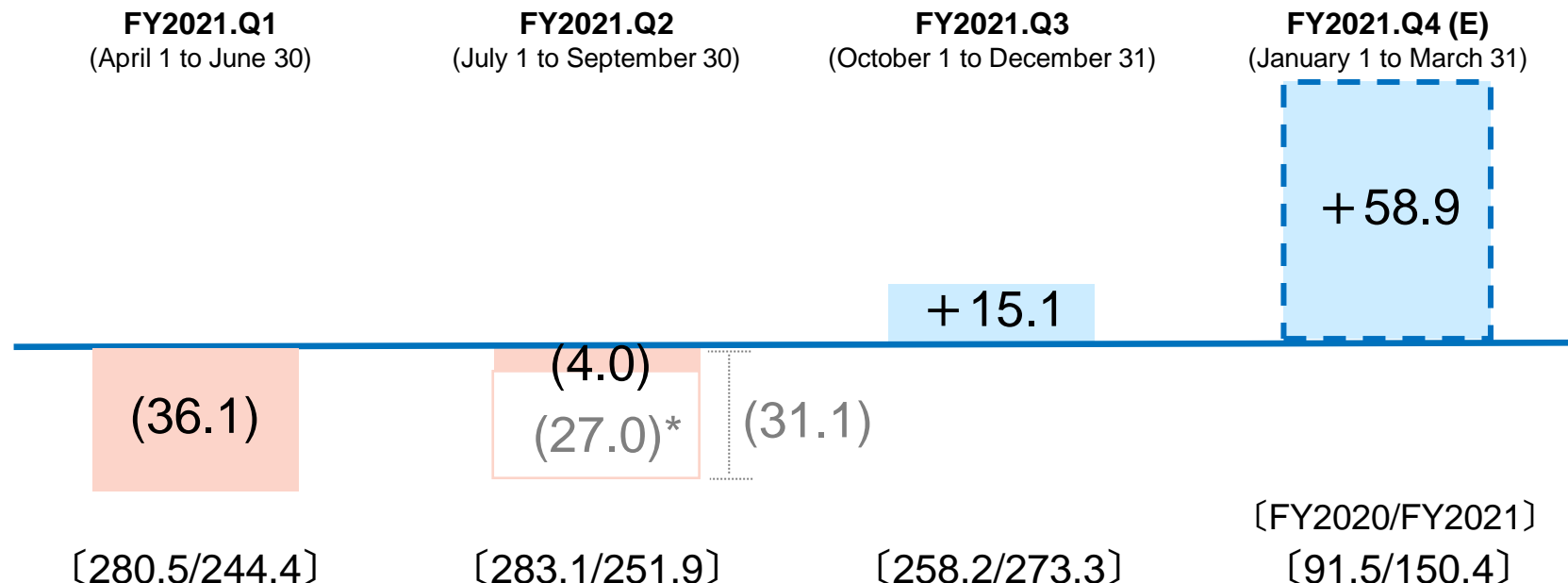
# FY2021 NTT DOCOMO Quarterly Income Trends



- Income has been steadily improving each quarter, shifting to profitability for Q3 on a standalone basis, and with further increases expected in Q4

## Operating Income (Year-on-Year Increase/Decrease)

(Billions of yen)





# Financial Results Forecast

# FY2021 Financial Results Forecast



- Operating revenues, operating income, profit, EPS and overseas operating income margin forecasts have all been revised upwards, reflecting strong business results

## Consolidated Revenues and Income Plan

	Initial Forecast (Announced on August 6, 2021)	Financial Results Forecast (Announced on February 7, 2022)	Change from Initial Forecast
Operating Revenues	¥12,000.0B	¥12,180.0B	+¥180.0B
Operating Income	¥1,730.0B	¥1,745.0B	+¥15.0B
Profit <sup>(1)</sup>	¥1,085.0B	¥1,100.0B	+¥15.0B
EPS	¥302	¥306	+¥4
Overseas Operating Income Margin <sup>(2)</sup>	6.0%	6.1%	+0.1pt

(1) Profit represents 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.

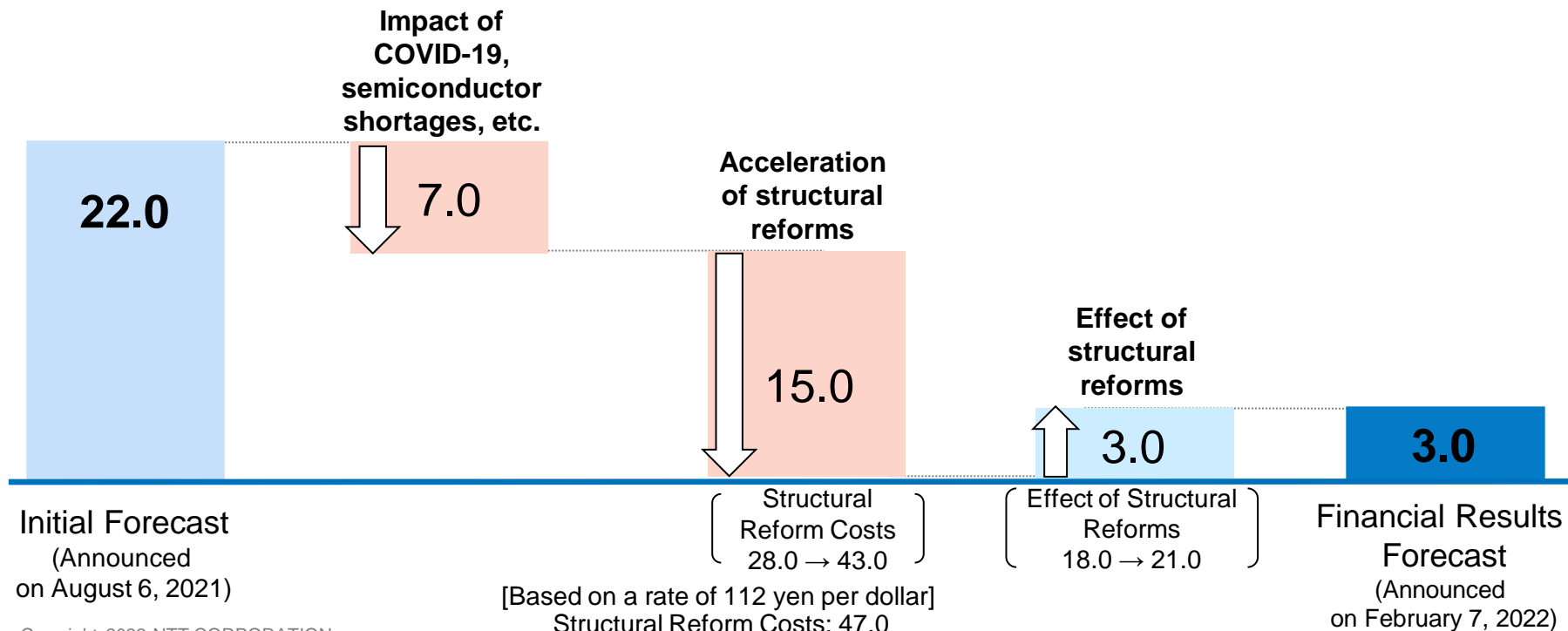
# Revision of NTT Ltd. Financial Results Forecast



**Operating Income**

**(Compared to Initial Forecast: (19.0))** [Based on a rate of 104 yen per dollar from the time of the Initial Forecast]

(Billions of yen)

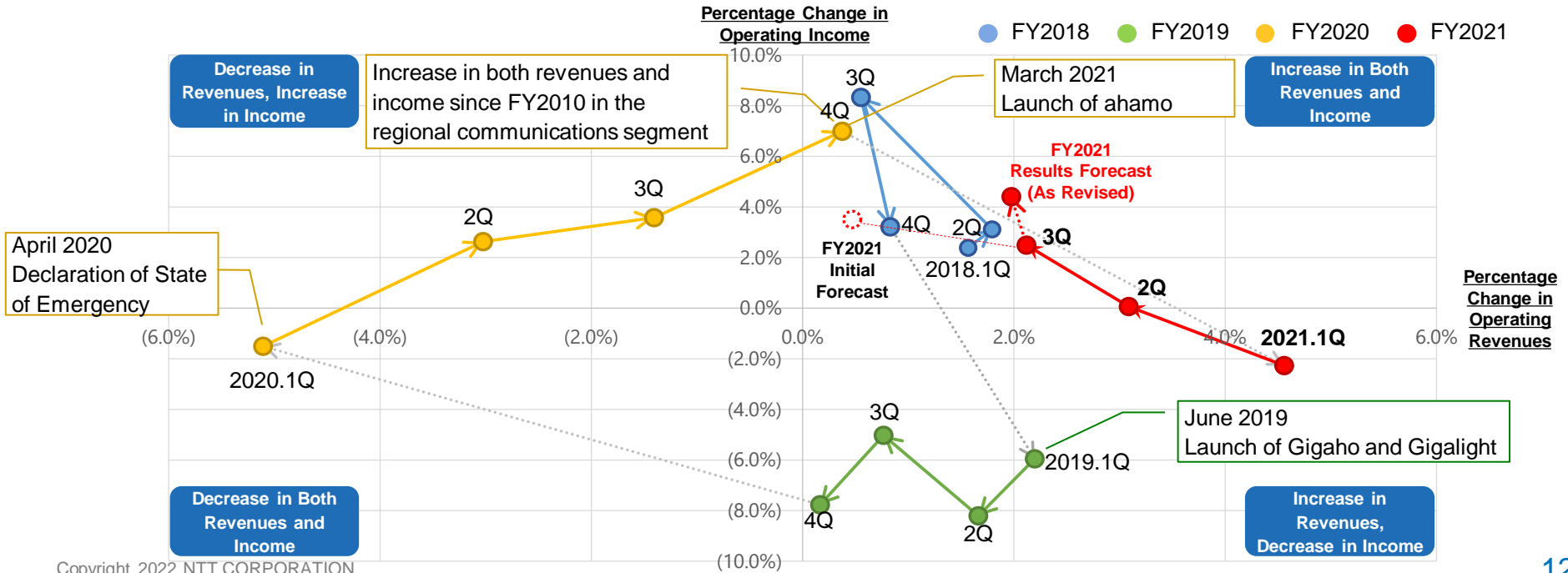


# FY2021 Financial Results Forecast (by Company)

	Operating Revenues	Change from Initial Forecast	Operating Income	Change from Initial Forecast
NTT DOCOMO	¥4,790.0B	-	¥920.0B	-
NTT East	¥1,730.0B	-	¥273.0B	-
NTT West	¥1,470.0B	-	¥156.0B	-
NTT Communications	¥1,075.0B	-	¥138.0B	-
NTT Ltd.	¥1,080.0B	-	¥3.0B	(¥19.0B)
NTT DATA	¥2,540.0B	+ ¥180.0B	¥215.0B	+ ¥35.0B
NTT Urban Solutions	¥465.0B	-	¥47.0B	-

# Operating Revenue and Operating Income Trends

- In FY2018, there continued to be increases in both revenues and income, while FY2019 saw a shift to a downward trend in income as a result of the effect of the introduction of new billing plans by NTT DOCOMO, among other factors
- In FY2020, while continuing to be impacted by COVID-19, there was a return to having increases in both revenues and income, as a result of increases in revenues and decreases in costs at each company, among other factors
- FY2021 2Q saw a shift to an increase in income, and an increase in both revenues and income is also forecasted for the fiscal year



## Dividends

- **Increase in the year-end dividend of ¥5 over the forecast at the beginning of FY2021 to ¥60**
- **Annual dividend per share forecast of ¥115 (an increase of ¥10 over the prior fiscal year)**

## ■ Completion of Share Buybacks

- Completed share buybacks of ¥250.0 billion (79,358,500 shares) as authorized at the meeting of the board of directors held on August 6, 2021 (December 23, 2021)

# Topics

# ① Cyber Security Business



## ■ Reorganizing NTT Security (from April 1st, 2022)

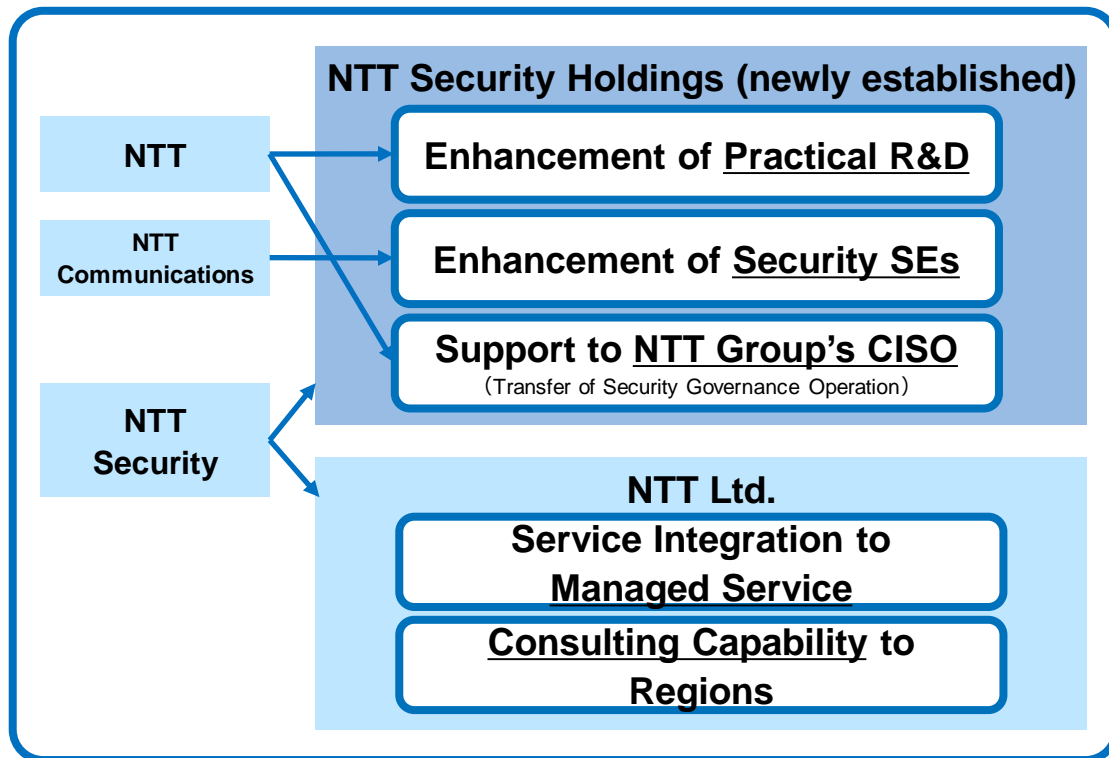
### Strengthen Cybersecurity Capability

Security Service  
Creation Capabilities

Client Supports

Information Security  
Governance

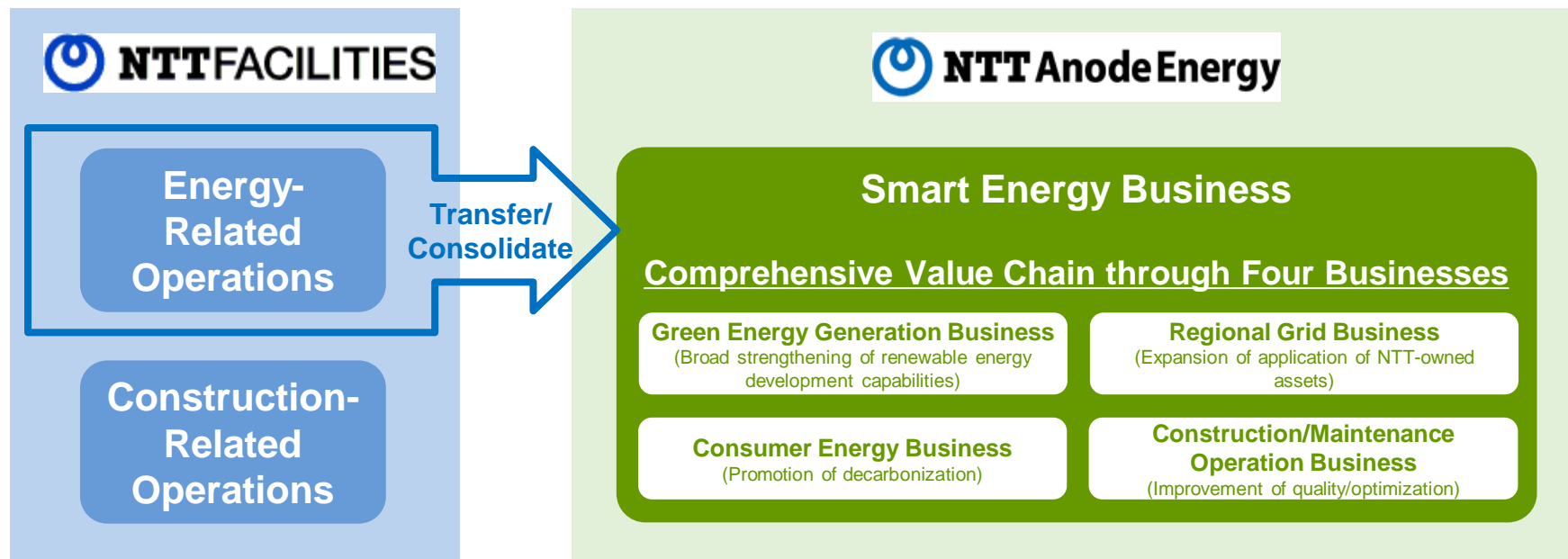
Managed Service  
Provision Capabilities





## ② Consolidation of Energy-Related Operations to Accelerate the Expansion of the Smart Energy Business

- NTT Group's functions related to energy will be consolidated under "NTT Anode Energy" to achieve "NTT and Society's carbon neutrality," "local energy generation for local consumption" and "strengthening resilience" (scheduled for July 2022)



# ③ Transformation to a New Business Style Premised on Remote Work



## Introduction of Zero-Trust Systems

## Advancement of the Promotion of Female Managers

## Promotion of Work-in-Life (Health Management) through Workplace-Residence Proximity

## Decentralization of the Organization

- **Development of an IT Environment that Enables Employees to Work From Anywhere (Staff/Sales): Scheduled to complete introduction in FY2022**

(NTT Communications, NTT DATA, NTT: complete; NTT East/West, NTT DOCOMO: scheduled to be completed in FY2022)

- **Appointment Rate of New Managers: 31% (FY2021 Target: 30%)**

(Average of totals across five companies: NTT East/West, NTT DOCOMO, NTT Communications, NTT)

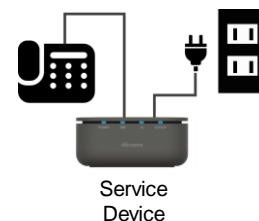
- **Rate of Remote Work: 70.8%** (results from October 2021 to December 2021)
- **Development of an Environment to Expand the Options for Places to Work**
  - ✓ Remote work that does not require approval each time, removal of restrictions on the locations of employees who can do remote work, burden of expenses related to commuting from distant locations (from FY2022)
  - ✓ Expansion of groups eligible for remote work through DX (development of security requirements at primary contact centers and introduction of anti-peep tools) (during FY2021)
- **Maintenance of Satellite Offices: 249 locations** (as of January 31, 2022)
- **Decentralization of the Organization from Major Metropolitan Areas to Regional Areas (Major Urban Areas)**
  - ✓ Steadily expand the decentralization of head offices and back offices (from FY2022)
  - ✓ Introducing a work style premised on telework where people can engage in head office work while living in regional areas
  - ✓ Introducing “Furusato Double Work,” which contributes to the revitalization of local communities and other associated areas while continuing current work operations

## ④Launch of “home Denwa” Fixed-Line Telephone Service



### ■ **NTT DOCOMO will offer a 0AB-J fixed-line telephone service using the mobile network (scheduled to begin in March 2022)**

- **Able to use the service just by connecting an in-use phone to a service device (no installation required)**
- **Two plans will be offered: “home Denwa Basic,” which bundles together five additional functions, including caller ID display and spam call blocking service, with free calls up to 550 yen (monthly, including tax), and “home Denwa Light,” which includes only basic functions (calls between DOCOMO subscribers in the same family are free)**
- **A set discount with a smartphone and home 5G will be available at 1,650 yen or 550 yen, respectively (monthly, including tax)**
- **Able to be consolidated with other DOCOMO services used at home, such as DOCOMO Denki**



# ⑤ Overview of Medium-Term Management Strategy Initiatives



## Overview since November 2021

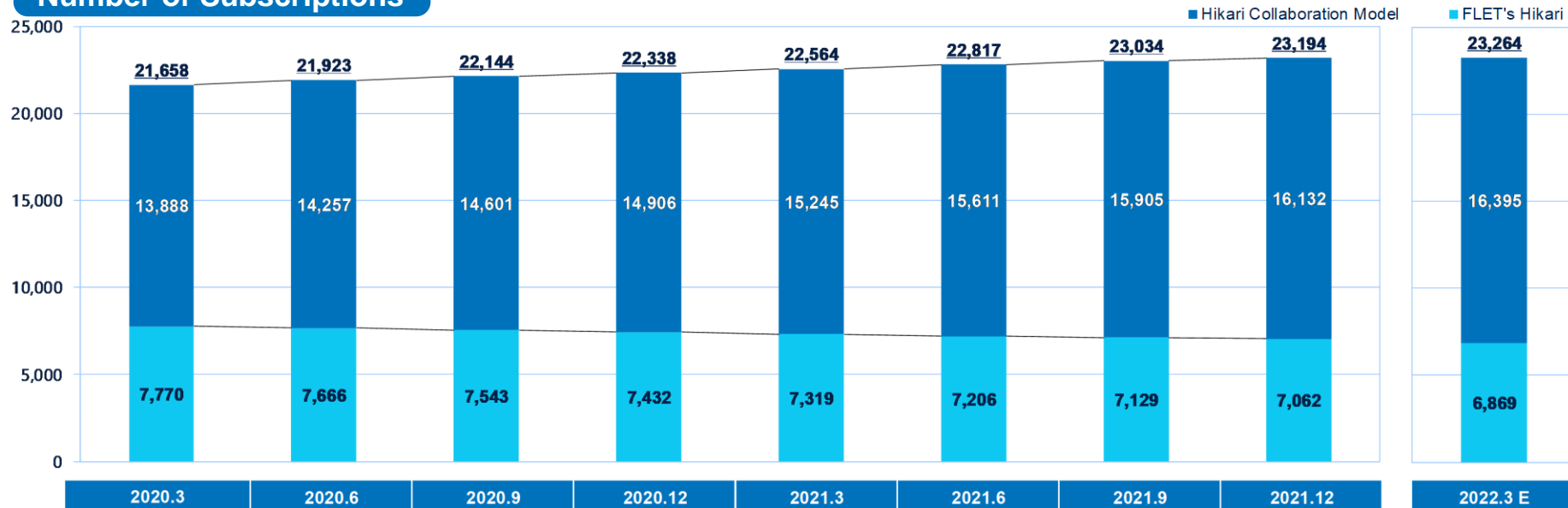
<b>Growth and Strengthening of the Newly Formed DOCOMO Group</b>	<ul style="list-style-type: none"> <li>• <b>NTT Communications and NTT COMWARE became subsidiaries as part of the new DOCOMO Group</b> (NTT DOCOMO, NTT Communications, NTT COMWARE; January)</li> <li>• <b>Launched SA (Standalone) 5G services for businesses</b> (NTT DOCOMO; from December)</li> <li>• <b>New billing services added to “DOCOMO’s Economy MVNO”</b> (NTT DOCOMO, FreeBit; from December)</li> <li>• <b>Launched the “Business dX Store,” which promotes DX for small- and medium-sized enterprises</b> (NTT DOCOMO; December)</li> <li>• <b>Entered into a capital and business alliance with HIKKY to realize XR strategy</b> (NTT DOCOMO; November)</li> </ul>
<b>Promotion of the IOWN Development/Rollout Plan</b>	<ul style="list-style-type: none"> <li>• <b>Together with the University of Tokyo and RIKEN, realization of modularized quantum light source toward fault-tolerant large-scale universal optical quantum computers</b> (December)</li> <li>• <b>Airbus, NTT, DOCOMO and SKY Perfect JSAT Jointly Studying Connectivity Services from High-Altitude Platform Stations (HAPS)</b> (NTT DOCOMO; January)</li> </ul>
<b>Enhance Competitiveness in Global Business</b>	<ul style="list-style-type: none"> <li>• <b>University of Technology Sydney and NTT Group collaborate to promote smarter and safer cities</b> (November)</li> <li>• <b>NTT DATA Services agreed to acquire U.S.-based Chainalytics</b> (NTT DATA; December)</li> </ul>
<b>Strengthening of New Businesses</b>	<ul style="list-style-type: none"> <li>• <b>Entered into a “Collaboration Agreement for Regional Development” with HEPCO Group, and a “Collaboration Agreement on Initiatives to Optimize Infrastructure Business Efficiency and Resolve Regional Issues” with Tohoku Electric Power and Tohoku Electric Power Network</b> (NTT East; December)</li> <li>• <b>Conducted joint trials on learning analytics with Kyushu University and Hiroshima City University</b> (NTT West; December)</li> <li>• <b>Started a new collaboration with Mizuho Trust &amp; Banking for the prevention of damage from special fraud</b> (NTT East; December)</li> <li>• <b>Established “NTT DX Partner,” a new company that will work to support the business transformations of regional customers</b> (NTT East; January)</li> <li>• <b>Established an investment fund for renewable energy businesses with Tokyo Century, Sumitomo Mitsui Trust Bank and Sumitomo Mitsui Trust Investment</b> (NTT Anode Energy; December)</li> <li>• <b>Implementation of joint project at Kanazawa Institute of Technology Ohgigaoka Campus using direct current</b> (NTT Anode Energy; February)</li> </ul>
<b>Transformation to a New Management Style</b>	<ul style="list-style-type: none"> <li>• <b>Achieved in initiatives to leverage multi AI to improve the safety of telecommunications equipment construction</b> (NTT Communications, NTT COMWARE; November)</li> <li>• <b>In the “2021 IT Awards” of the Japan Institute of Information Technology, won the “IT Encouragement Award (Transformation Category)”</b> (NTT Business Associe, NTT COMWARE; December)</li> </ul>
<b>Enhancement of Corporate Value</b>	<ul style="list-style-type: none"> <li>• <b>NTT Group's greenhouse gas emissions reduction target based on 1.5°C level approved by Science Based Targets initiative</b> (December)</li> <li>• <b>Hosted the “Results Announcement Event for the NTT Art Contest: Drawing ‘Connections,’” and creating new employment for people with disabilities</b> (December)</li> <li>• <b>Issued NTT Group Euro-denominated green bonds</b> (NTT Finance; December)</li> <li>• <b>Won first place for the second consecutive year in the “Corporate Bonds for Institutional Investors Category” of the Nikkei Veritas “Deal of the Year 2021” awards</b> (NTT Finance; January)</li> </ul>

# Appendix

# Broadband Services

# Fixed-Line Broadband Services Subscriptions

## Number of Subscriptions

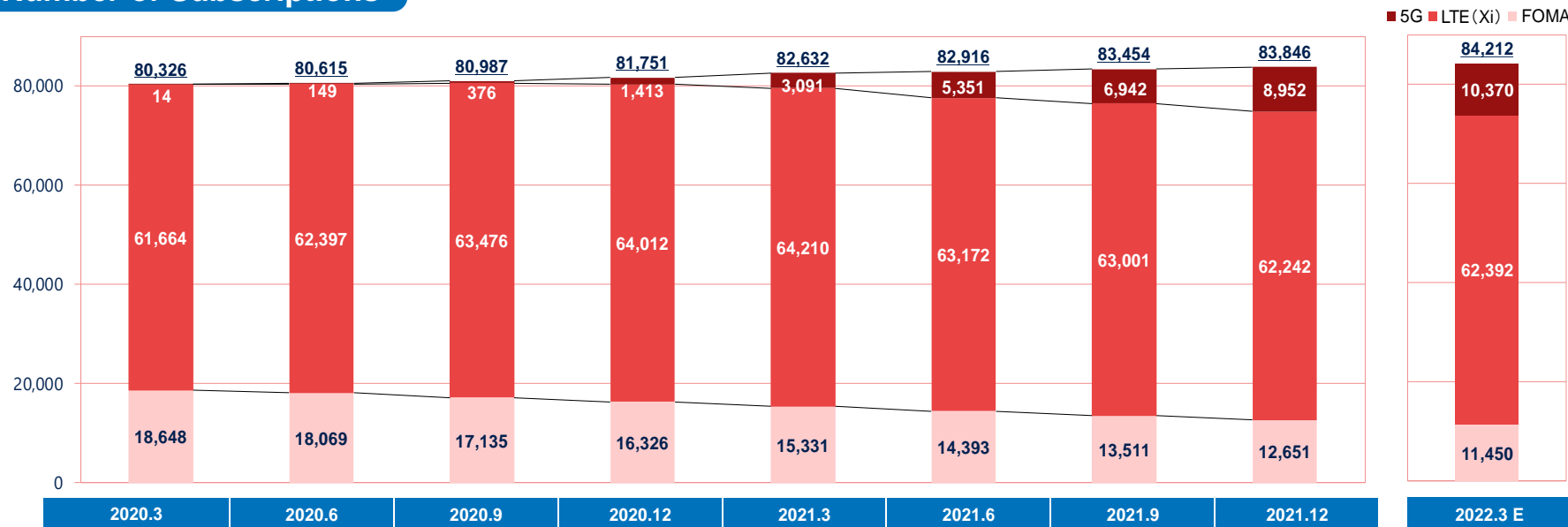


## Net Increase

	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4-6	2021 7-9	2021 10-12	2021 4 - 2022 3 E
Total	+266	+221	+194	+226	+253	+217	+160	+700
Hikari Collaboration Model	+369	+344	+305	+339	+366	+294	+227	+1,150
FLET'S Hikari	(104)	(123)	(111)	(113)	(113)	(78)	(67)	(450)
		+906				+630		
		+1,357				+887		
		(451)				(257)		

# Mobile Communications Services Subscriptions

## Number of Subscriptions



## Net Increase

	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4-6	2021 7-9	2021 10-12	2021 4 - 2022 3 E
5G + LTE(Xi) + FOMA	+289	+372	+764	+881	+284	+537	+392	+1,580
	+2,306			+1,213				



# Financial Information

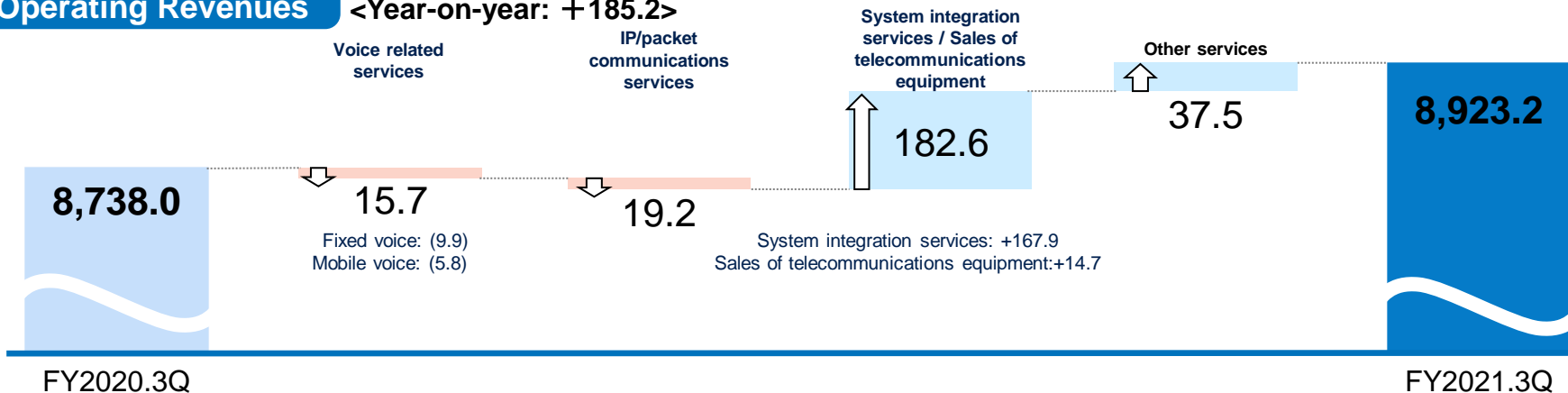
# Details of Consolidated Statement of Income



(Billions of yen)

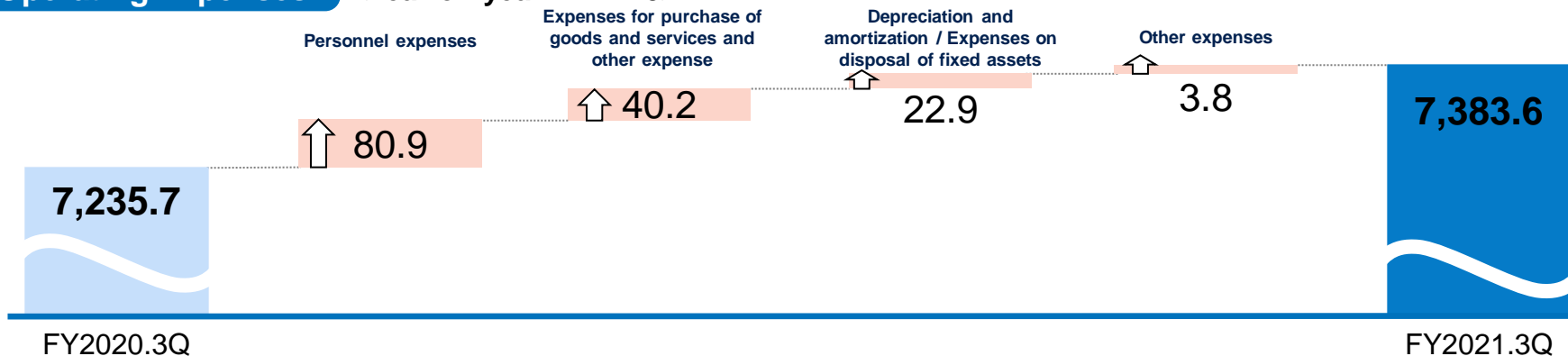
## Operating Revenues

<Year-on-year: +185.2>



## Operating Expenses

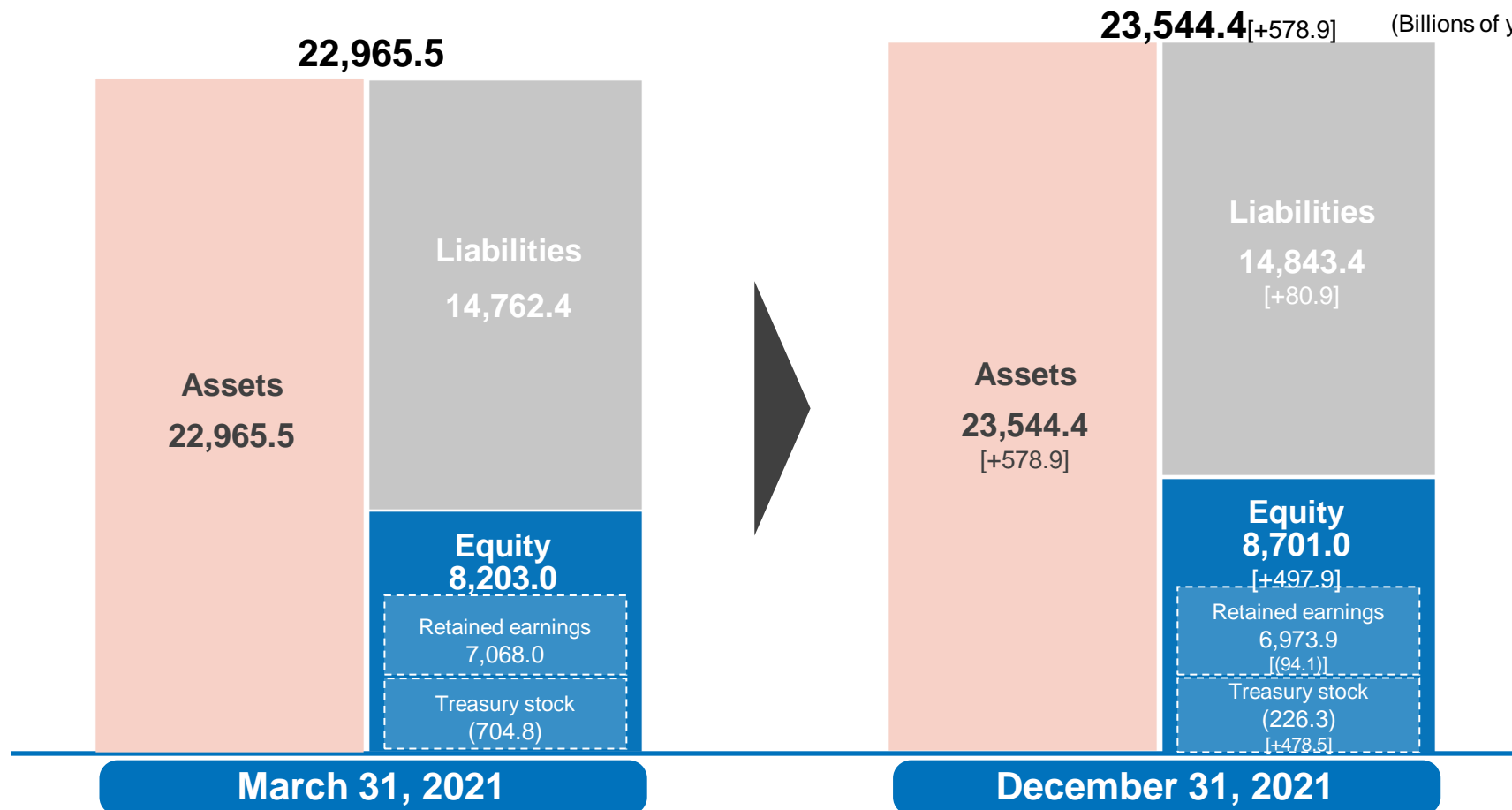
<Year-on-year: +147.9>



# Details of Consolidated Balance Sheet



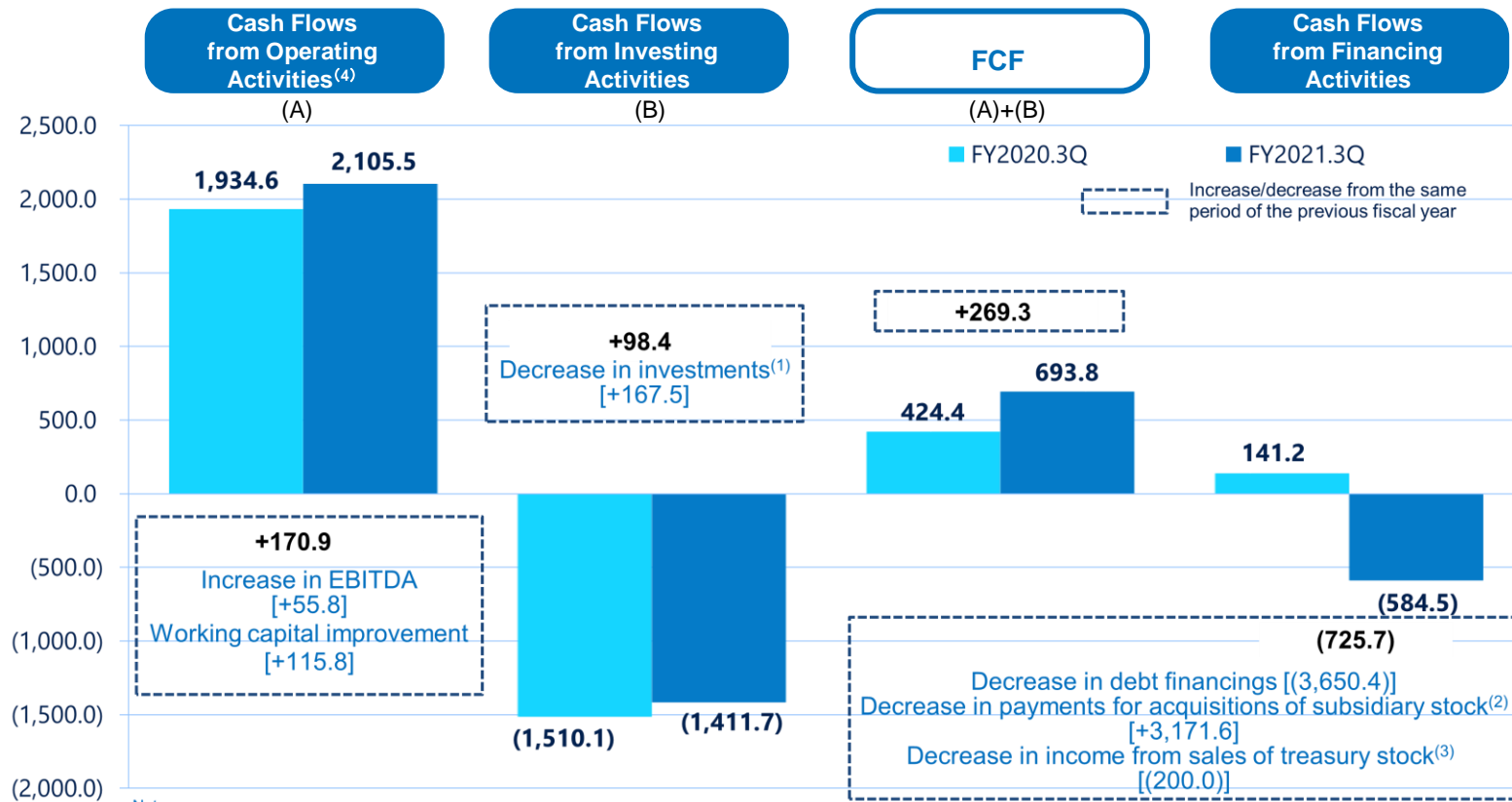
(Billions of yen)



# Details of Consolidated Cash Flows



(Billions of yen)



Note :

(1) In the first quarter of FY2020, shares of Toyota Motor Corporation were acquired for ¥200.0 billion.

(2) In the third quarter of FY2020, shares of NTT DOCOMO, Inc. were acquired in a takeover bid tender offer.

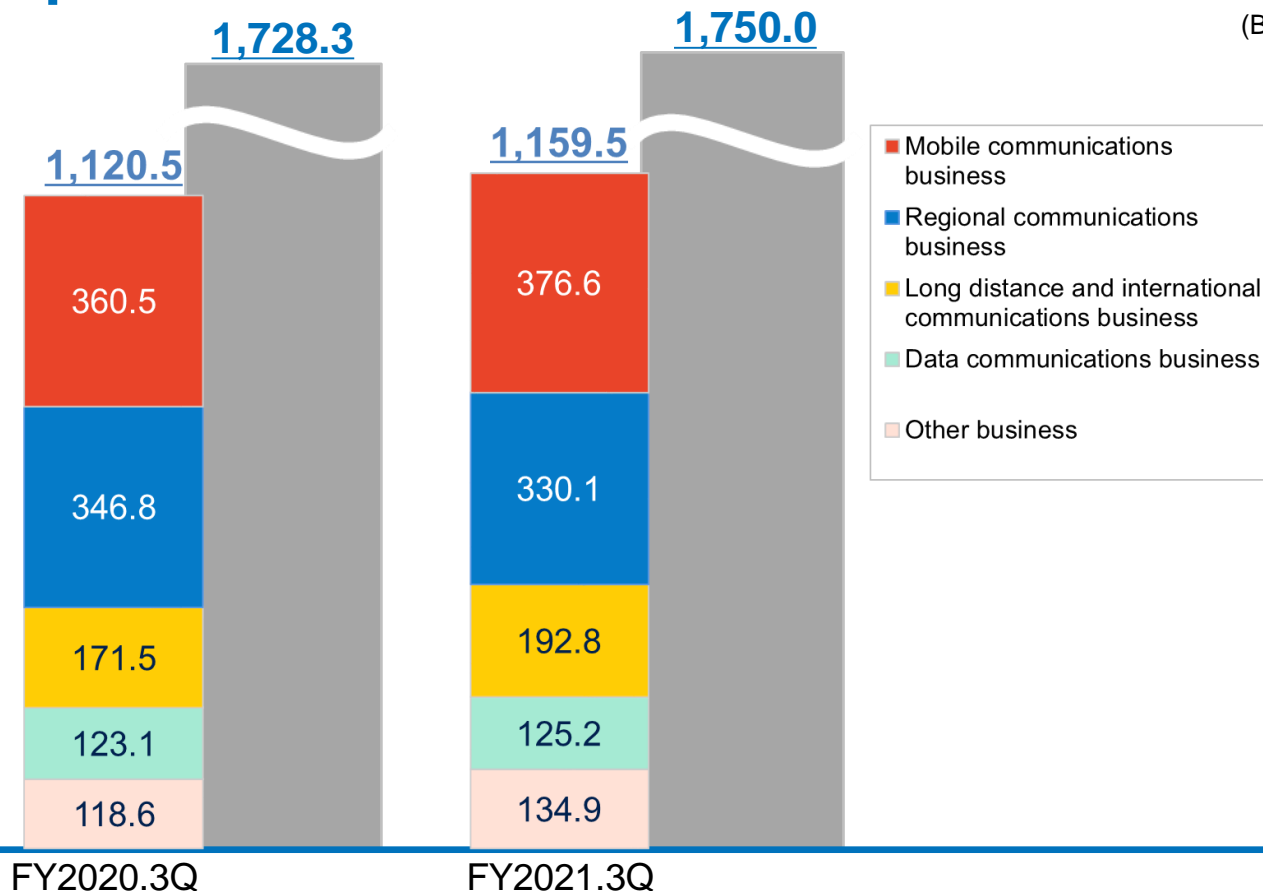
(3) In the first quarter of FY2020, ¥200.0 billion of treasury shares were sold to Toyota Motor Corporation.

(4) Amounts exclude the impact of non-business days. (Operating CF including the impact of non-business days was ¥1,698.0 billion for FY2020 and ¥1,876.7 billion for FY2021.)

# Details of Capital Investment



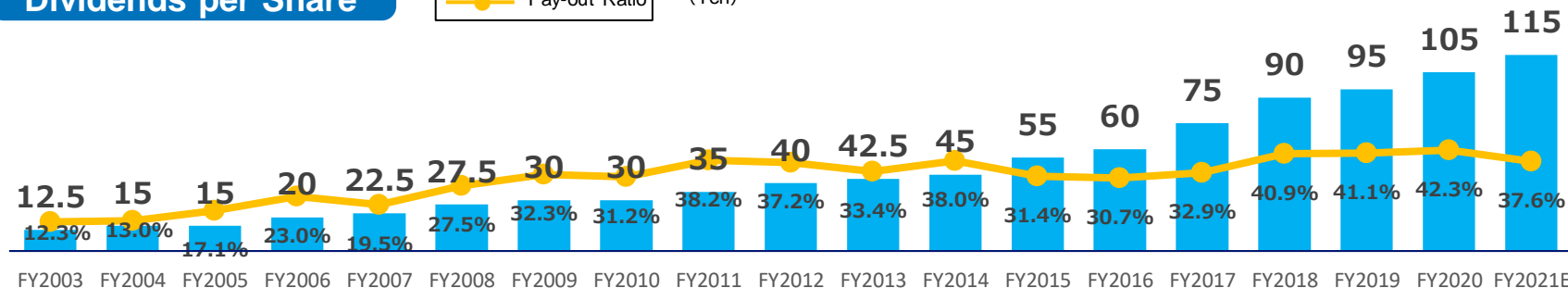
(Billions of yen)



# 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)



***Your Value Partner***