



# Financial Results for the Three Months Ended June 30, 2022

August 8, 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.

# Table of Contents



- **Overview of Consolidated Results for FY2022.1Q**
- **Topics**
- **Appendix**

# Overview of Consolidated Results for the Three Months Ended June 30, 2022

# Status of Consolidated Results for FY2022.1Q



- Operating Revenues, Operating Income and Profit all increased
- Operating Revenues and Profit reached new record high levels

## Status of Consolidated Results

- Operating Revenues:           **¥3,068.9B** <+¥176.3B [+6.1%] year-on-year>
- Operating Income:               **¥503.4B** < +¥17.1B [+3.5%] year-on-year>
- Profit<sup>(1)</sup>:                       **¥368.6B** < +¥28.6B [+8.4%] year-on-year>
- Overseas Operating  
Income Margin<sup>(2)</sup>:                       **6.1%** < +2.1pt year-on-year>

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

(2) The scope of consolidation consists of the subsidiaries of NTT, Inc. at the time the medium-term strategy was formulated (NTT DATA's overseas businesses, NTT Ltd., NTT Communications' overseas businesses, etc.). Overseas Operating Income Margin excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

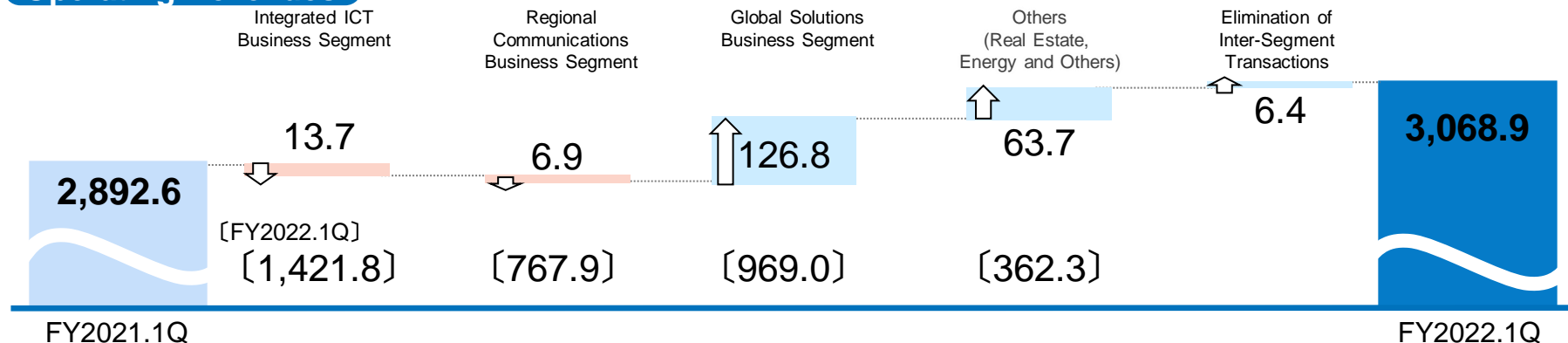
# Contributing Factors by Segment for FY2022.1Q



## Operating Revenues

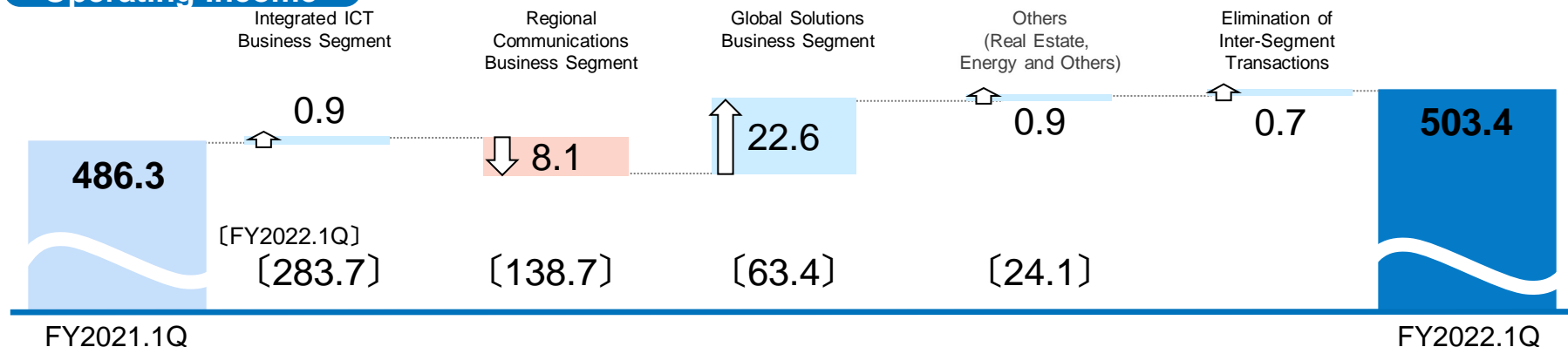
<Year-on-year: +176.3>

(Billions of yen)



## Operating Income

<Year-on-year: +17.1>



# Topics

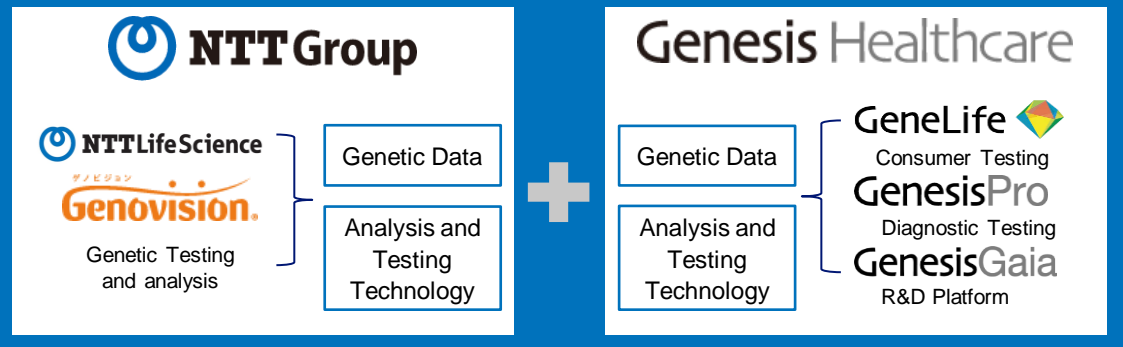
# ① Promotion of Medical/Healthcare Business



- Entered a capital and business partnership with “Genesis Healthcare Co.,” a pioneer in genetic testing, research and data analysis (August 8, 2022)

※ Will acquire 19.3% of Genesis Healthcare’s shares

- Will strengthen the genetic database, through joint projects between NTT Life Sciences and Genesis Healthcare
- Will improve the quality of data analysis and genetic testing, by combining their respective technology



Support  
medical  
and  
healthcare  
advancement

Pharmaceutical  
Companies

Medical  
Institutions

Healthcare Service  
Businesses

Individual  
Customers



## ② Decentralization of the Organization (Including head offices and back offices)

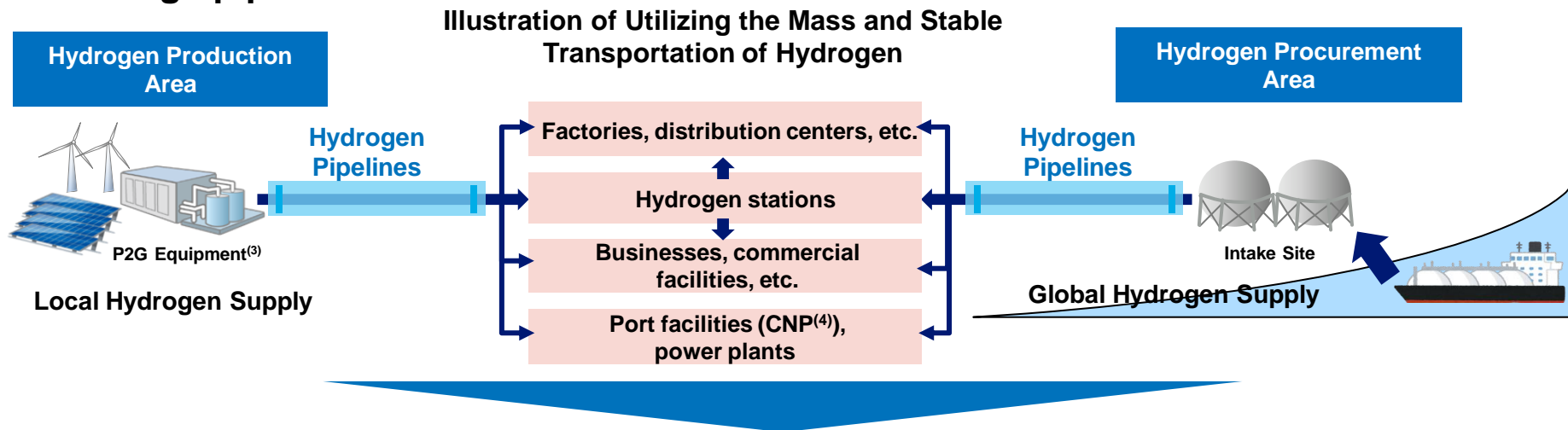


- **Plan to begin trial decentralization of holding company organization to regional areas (from October 2022)**
  - **From a resilience perspective, we are aiming to achieve sustainable business operations by establishing offices in Takasaki and Kyoto and promoting decentralized work**
  - **Initially, a trial will be conducted with certain divisions of the holding company (approximately 200 people in scope)**
  - **We will determine issues and countermeasures related to business execution, communication and other topics through the trial, and will further deepen our consideration of full-scale implementation**

### ③ Field Testing for the Mass and Stable Transportation of Hydrogen



- Began technological development and research<sup>(2)</sup> relating to the stability of double-piping systems<sup>(1)</sup> in order to achieve the mass and stable transportation of hydrogen through pipelines



**Contributing to the development of smart cities and the establishment of hydrogen supply means through pipelines in regions with a view to a society that consumes a large amount of hydrogen**

(1) A method in which a hydrogen pipe is placed inside a sheath pipe (an outer-layer pipe)

(2) Jointly conducted by NTT Anode Energy, the National Institute of Advanced Industrial Science and Technology and Toyota Tsusho, in accordance with a research request from the New Energy and Industrial Technology Development Organization (NEDO)

(3) Power to Gas (technology that converts power from renewable energies, such as sunlight, into hydrogen, and stores it)

(4) Carbon neutral port (a port that aims to reduce greenhouse gas emissions to zero)

## ④ New Solutions Development with SAP



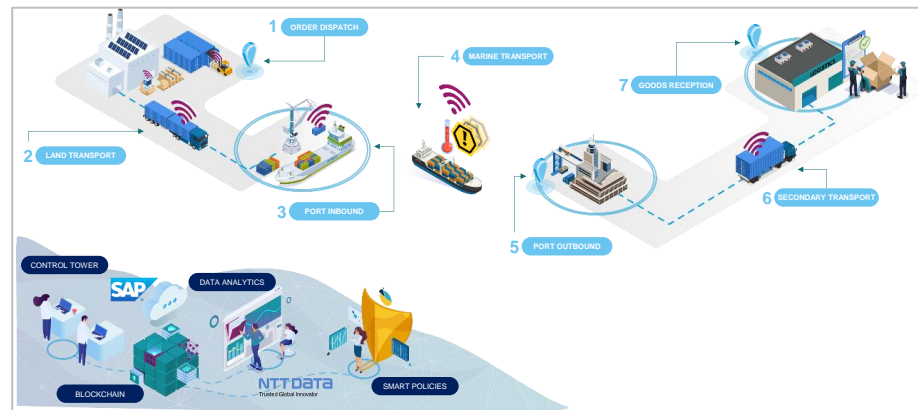
- **NTT DATA and SAP jointly developed “Connected Product,” a solution that tracks fragile and sensitive cargo shipments through IoT sensors and facilitates insurance procedures**

Simplification of tracking and insurance processes for cargo across the supply chain

Visualization of the entire supply chain  
(End-to-end monitoring of transportation conditions)

Improvement of accountability for each stakeholder  
(Simplification of transport insurance management)

Automatic execution of insurance policies if goods are not transported under certain pre-determined conditions



(Illustration of cost reduction achievements across the whole ecosystem)

**Scheduled to be applied to businesses operations for international insurance and logistics companies**

## ⑤ Overview of Medium-Term Management Strategy Initiatives



Progress since May 2022

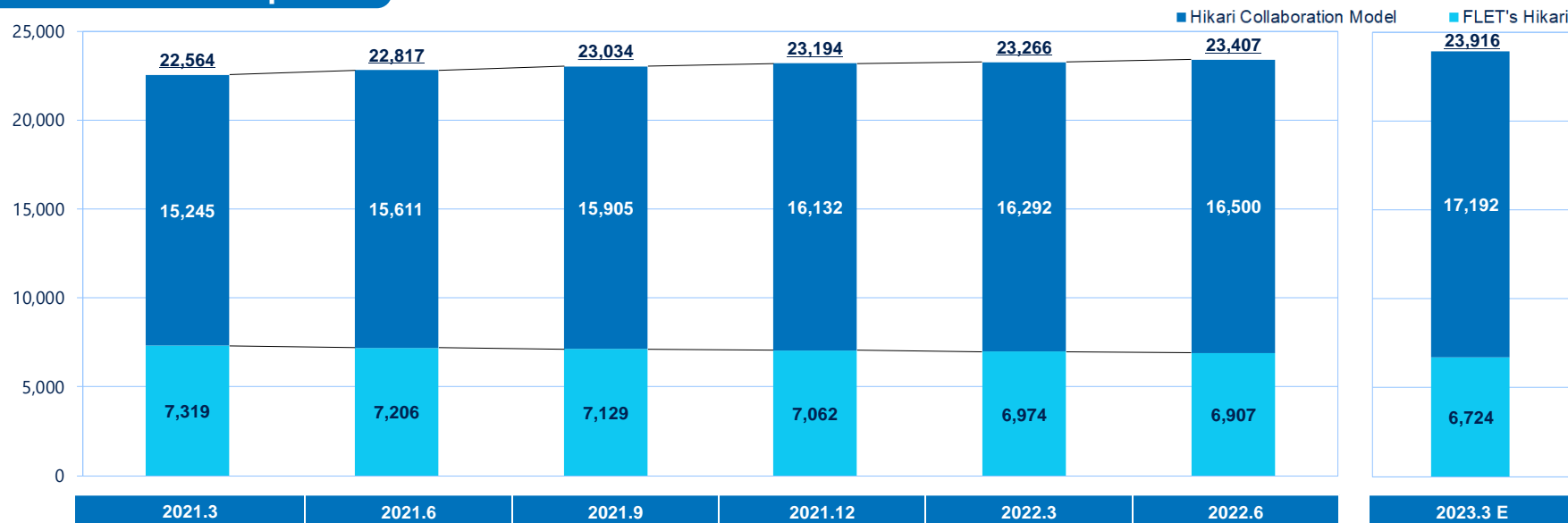
<b>Growth and Strengthening of the Newly Formed DOCOMO Group</b>	<ul style="list-style-type: none"> <li>Integrated functions and clarified business responsibilities to accelerate the execution of the medium-term strategy with the start of the DOCOMO Group's new structure (July)</li> <li>Established "DOCOMO Business Solutions" to promote DX of society and industry through mobile/cloud-first (NTT Communications, July)</li> <li>Launched "XR City," an AR service that combines the digital and real worlds (NTT DOCOMO, from July)</li> <li>Announced that DOCOMO and CyberAgent agreed to establish a new company, Prism Partner Inc., to utilize DOCOMO and CyberAgent's business resources for advertising (NTT DOCOMO, May)</li> <li>Launched "d Smartphone Loan," a loan service for individual customers (NTT DOCOMO, July)</li> <li>Agreed to a collaboration with Fujitsu, NEC, and Nokia to conduct experimental trials of new mobile communications technologies for the targeted commercial launch of 6G services by around 2030 (NTT DOCOMO, June)</li> </ul>
<b>Promotion of the IOWN Development/Rollout Plan</b>	<ul style="list-style-type: none"> <li>Published the "NTT Technology Report for Smart World 2022" (July)</li> <li>Demonstrated failure-location prediction for high-capacity optical transport network toward IOWN APN (July)</li> <li>A Digital Twin of Shido Nakamura created with NTT's Another Me technology debuts at "Cho Kabuki 2022 Powered by NTT" (August)</li> </ul>
<b>Enhancement of Competitiveness in Global Business</b>	<ul style="list-style-type: none"> <li>Agreed to acquire Postlight LLC, a U.S. company with strengths in digital design and application development (NTT DATA, June)</li> <li>Founded a new company to operate Trans-Pacific submarine cable system between Japan and the US, together with Mitsui &amp; Co., Ltd. and JA Mitsui Leasing, Ltd. (NTT Ltd Japan, PC Landing Corp, July)</li> </ul>
<b>Strengthening of New Businesses</b>	<ul style="list-style-type: none"> <li>Launch of joint project to effectively utilize solar power by grid-scale battery storage with Kyushu Electric Power Company, Inc. and Mitsubishi Corporation (NTTAE, June)</li> <li>Established "NTT Risk Manager Corporation," which provides one-stop services in the risk management field, together with Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. and Trend Micro Incorporated (NTT East, July)</li> <li>Established "NTT Sports X, Inc.," a rugby company, and launched a new team, the "Urayasu D-Rocks" (NTT DOCOMO, NTT Communications, July)</li> </ul>
<b>Transformation to a New Management Style</b>	<ul style="list-style-type: none"> <li>Launched the "Team Self as We," primarily comprising women executives from major NTT Group companies, in order to advance the transformation to a new management style and achieve a sustainable society (June)</li> <li>Introduced a system that makes it possible to work remotely from anywhere in Japan (Remote Standard) (from July)</li> </ul>
<b>Enhancement of Corporate Value</b>	<ul style="list-style-type: none"> <li>Issued NTT Group U.S. dollar-denominated green bonds (NTT Finance, July)</li> <li>Announced accession to the United Nations Global Compact (NTT, NTT DATA, July)</li> <li>Became the first Asian telecommunications carrier to join the Joint Audit Cooperation (JAC) along with telecommunications carriers of the global ICT supply chain (July)</li> </ul>

# Appendix

# Broadband Services

# Fixed-Line Broadband Services Subscriptions

## Number of Subscriptions



## Net Increase

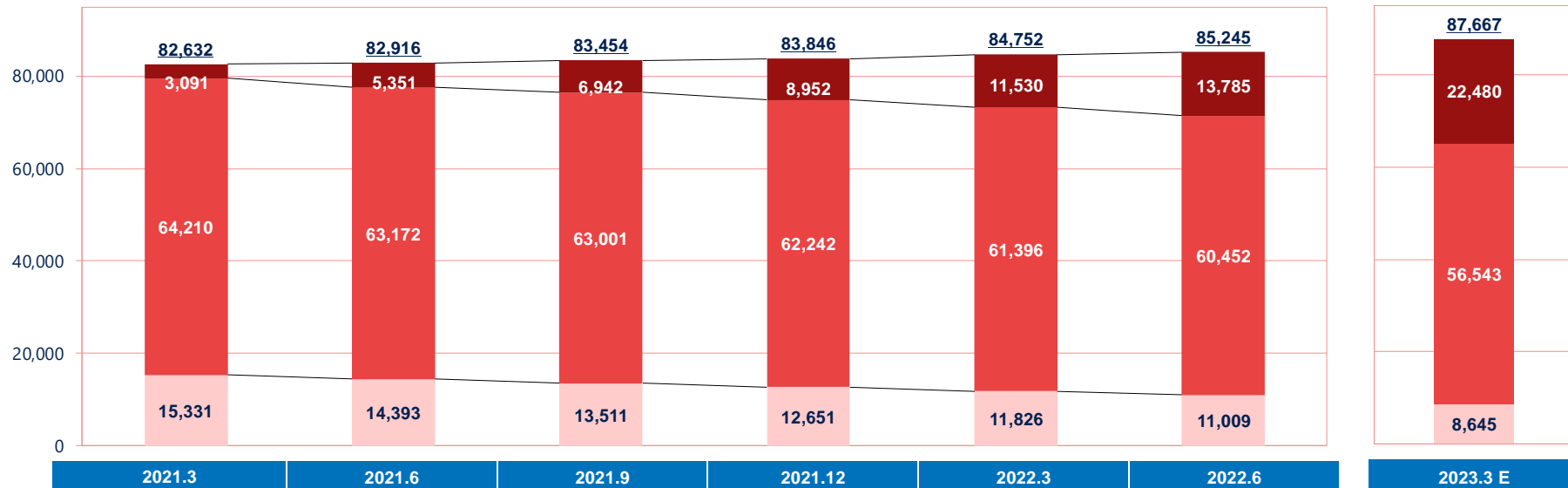
	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 4 - 2023 3 E
Total	+253	+217	+160	+72	+140	+650
Hikari Collaboration Model	+366	+294	+227	+160	+208	+900
FLET'S Hikari	(113)	(78)	(67)	(88)	(67)	(250)

# Mobile Communications Services Subscriptions

## Number of Subscriptions



■ 5G ■ LTE (Xi) ■ FOMA



## Net Increase

	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 4 - 2023 3 E
5G+LTE(Xi)+ FOMA	+284	+537	+392	+907	+493	+2,915
	+2,120				+493	

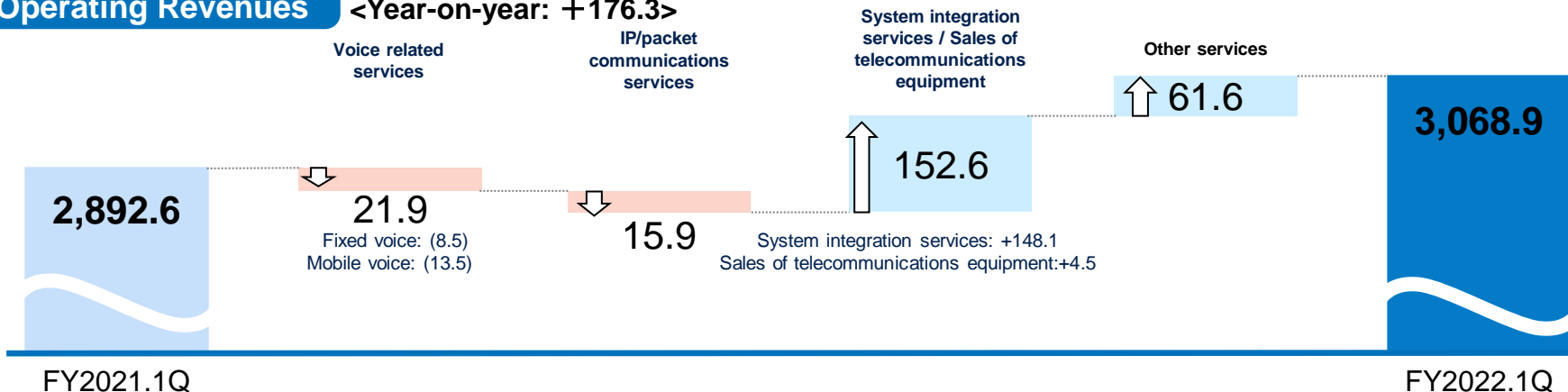


# Financial Information

# Details of Consolidated Statement of Income

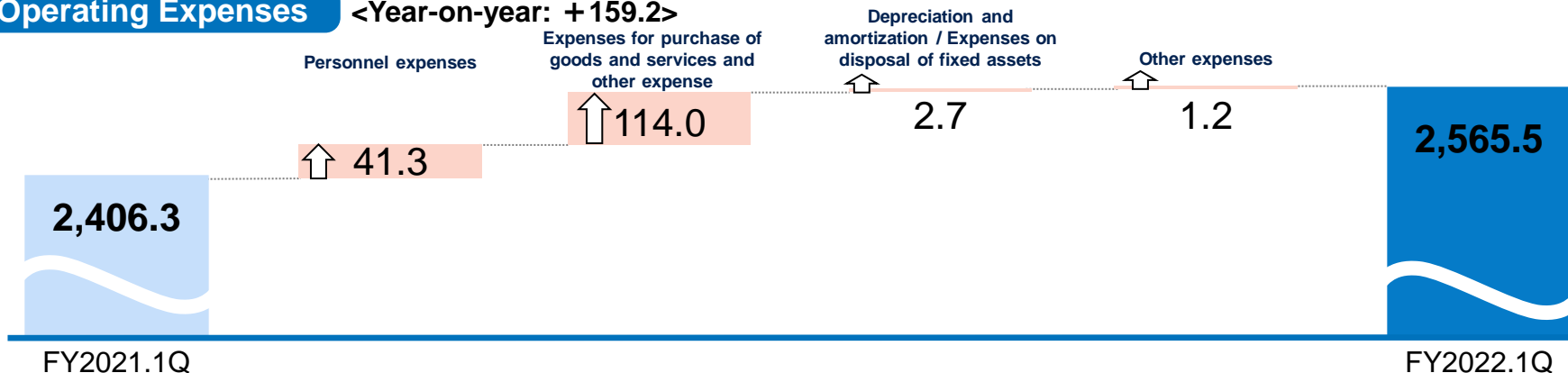
## Operating Revenues

<Year-on-year: +176.3>

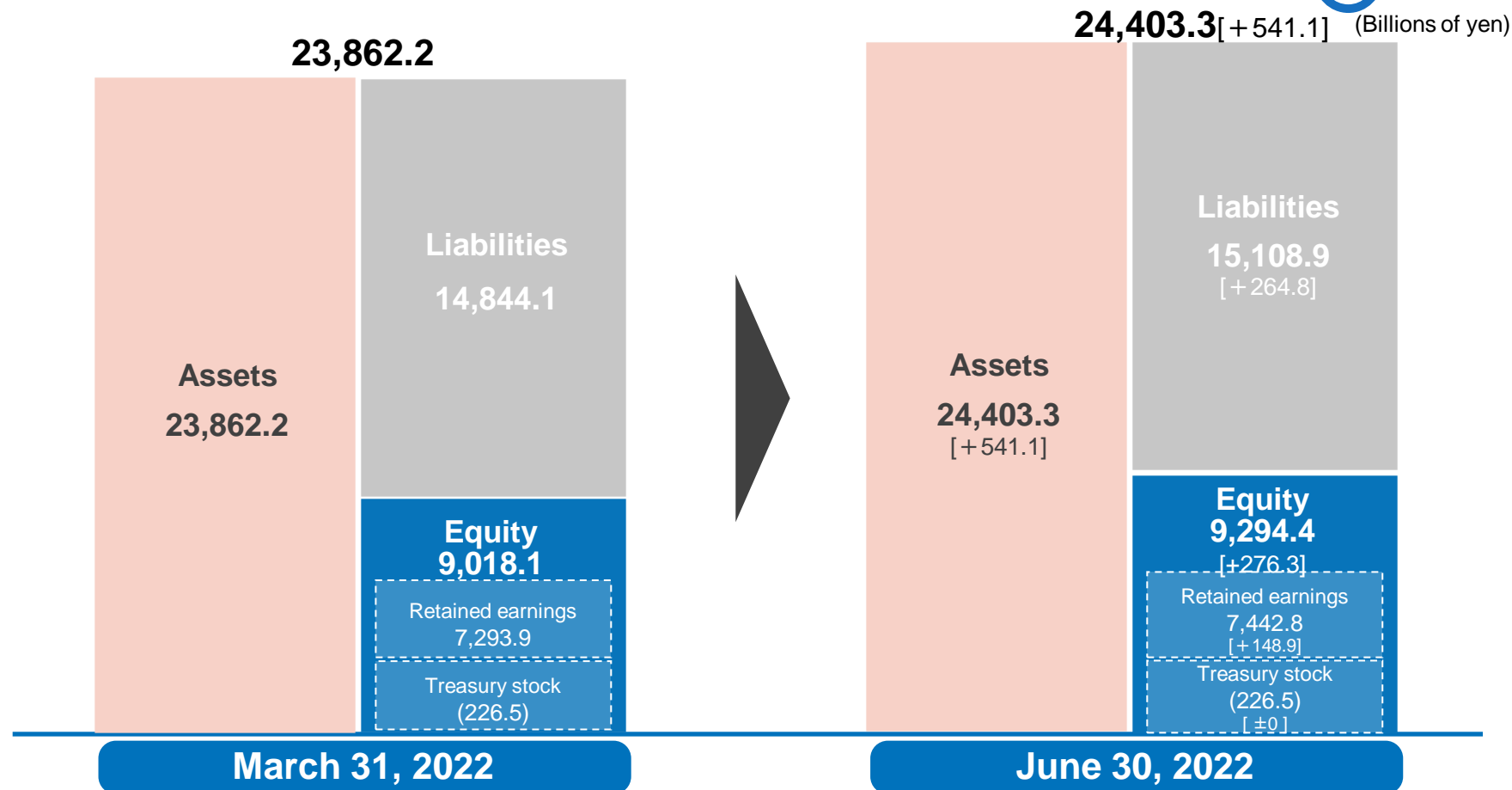


## Operating Expenses

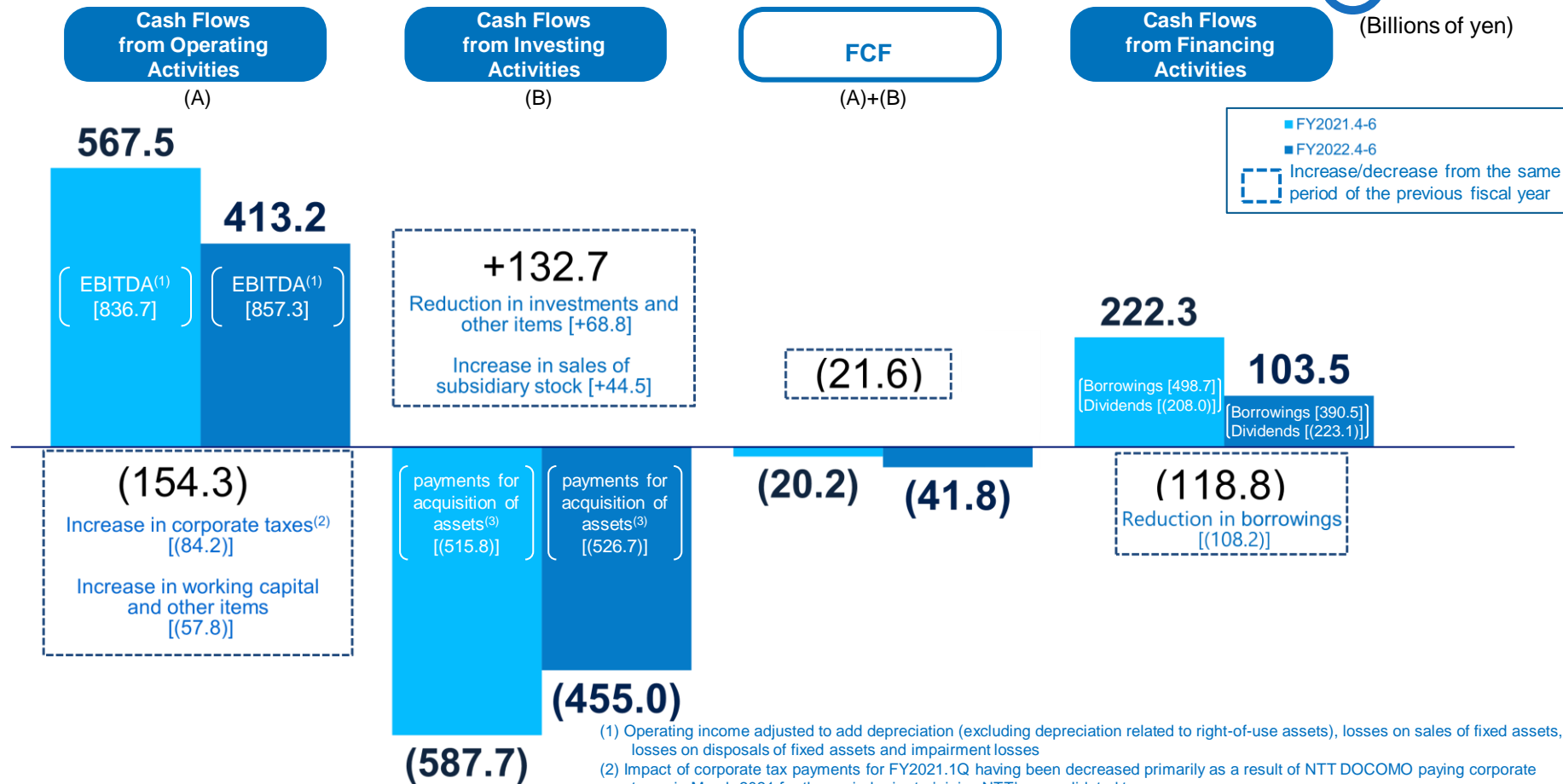
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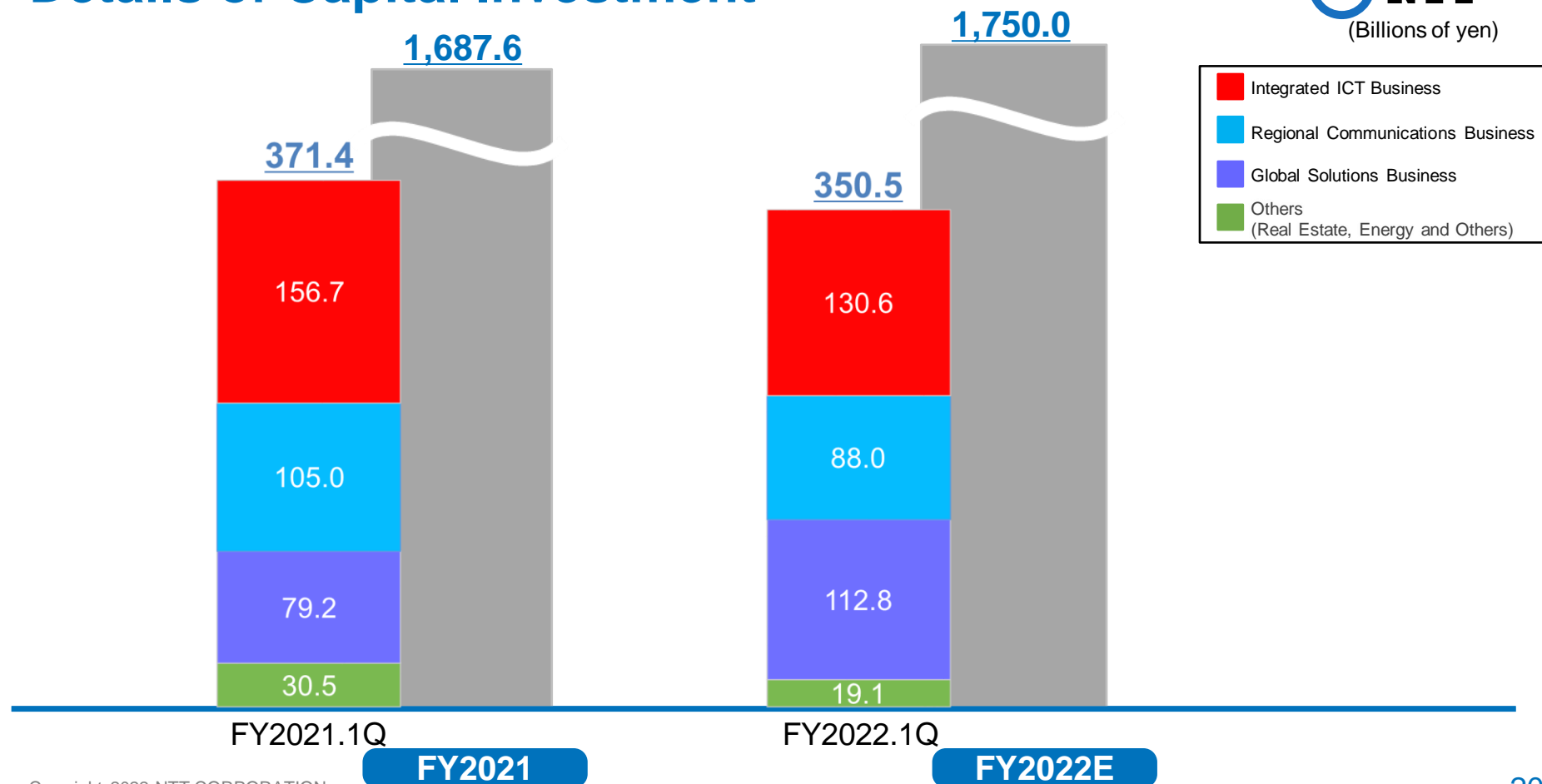
# Details of Consolidated Balance Sheet



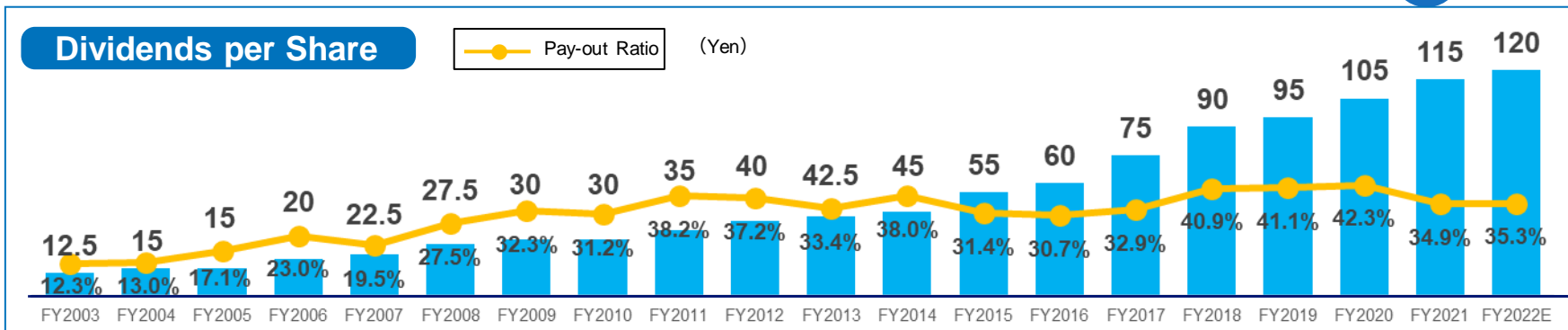
# Details of Consolidated Cash Flows



# Details of Capital Investment

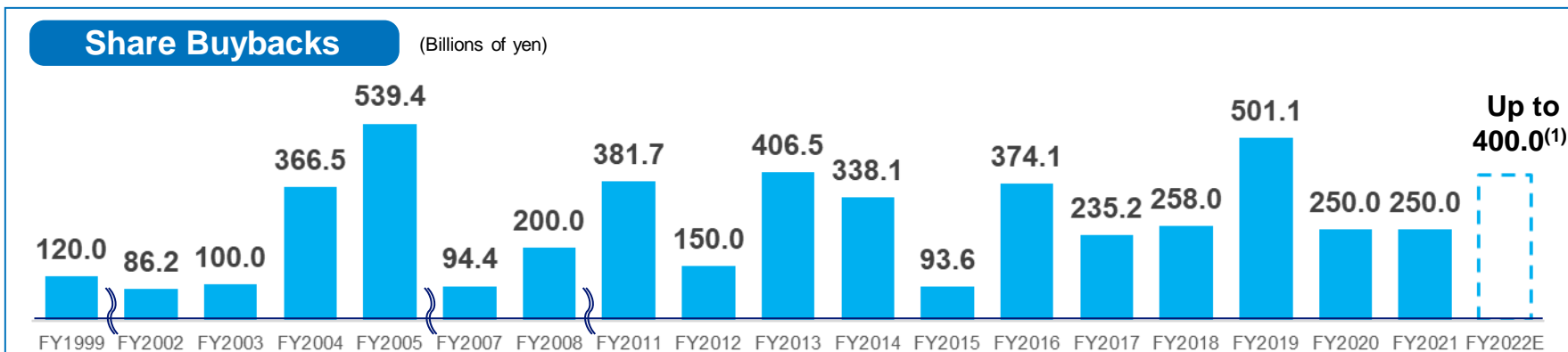


# Shareholder Returns



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.



(1) On May 12, 2022, the Board of Directors of NTT resolved to buy back shares in an amount up to ¥400.0 billion. Buyback Period: May 13, 2022 to March 31, 2023.

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