



# Financial Results for the Nine Months Ended December 31, 2023

February 8, 2024

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.

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# Overview of Consolidated Results for the Nine Months Ended December 31, 2023

# Status of Consolidated Results for FY2023.3Q



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

## Status of Consolidated Results

- Operating Revenues:           **¥9,716.9B** <+¥144.3B [+1.5%] year-on-year>
- Operating Profit:               **¥1,486.2B** < (¥34.6)B [(2.3)%] year-on-year>
- Profit<sup>(1)</sup>:                       **¥1,011.1B** < (¥21.4)B [(2.1)%] year-on-year>

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- EBITDA<sup>(2)</sup>:                      **¥2,571.7B** < (¥16.2)B [(0.6)%] year-on-year>

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

(2) EBITDA, and the depreciation and amortization included in its calculation, excludes all depreciation and amortization related to right-of-use assets.

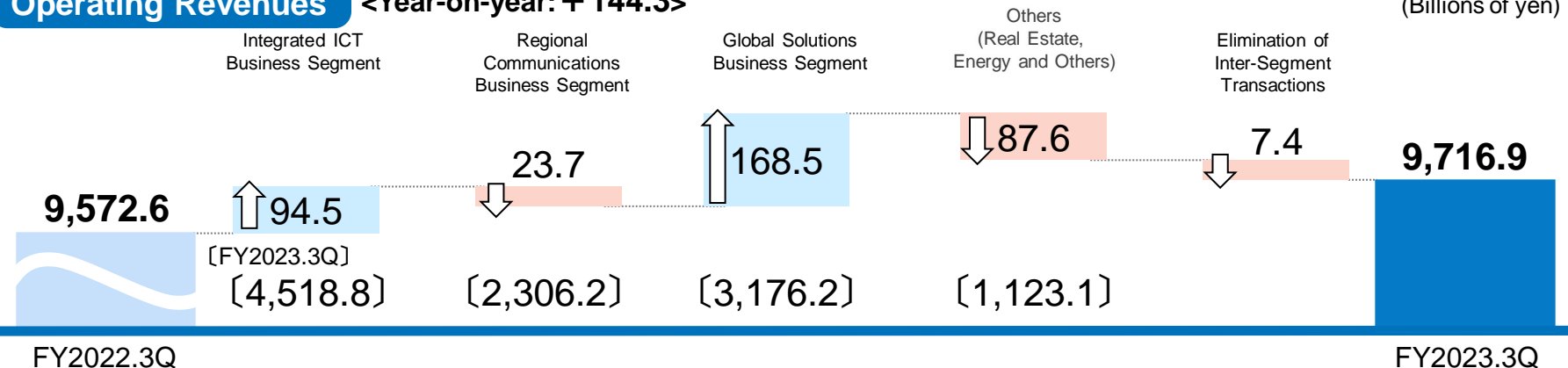
# Contributing Factors by Segment for FY2023.3Q



(Billions of yen)

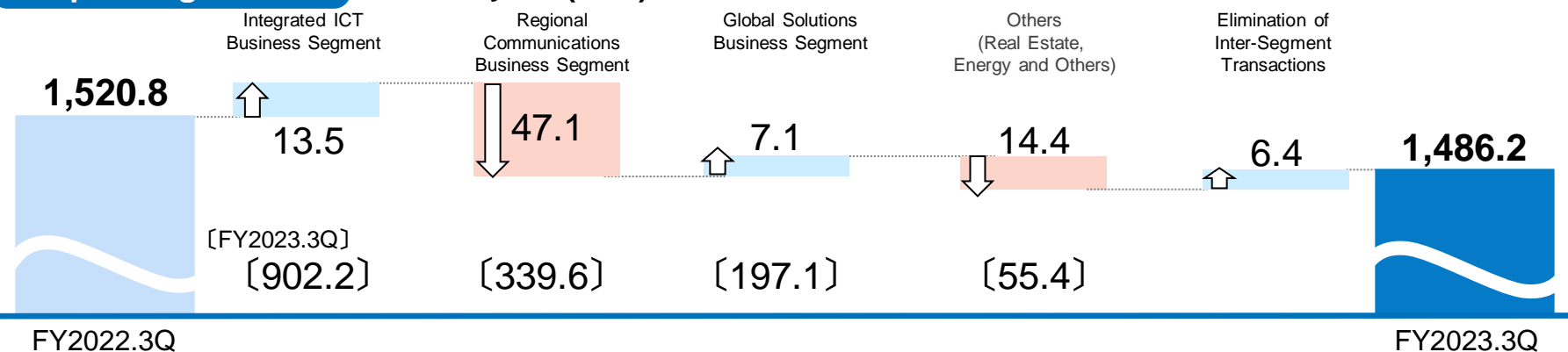
## Operating Revenues

<Year-on-year: +144.3>



## Operating Profit

<Year-on-year: (34.6)>



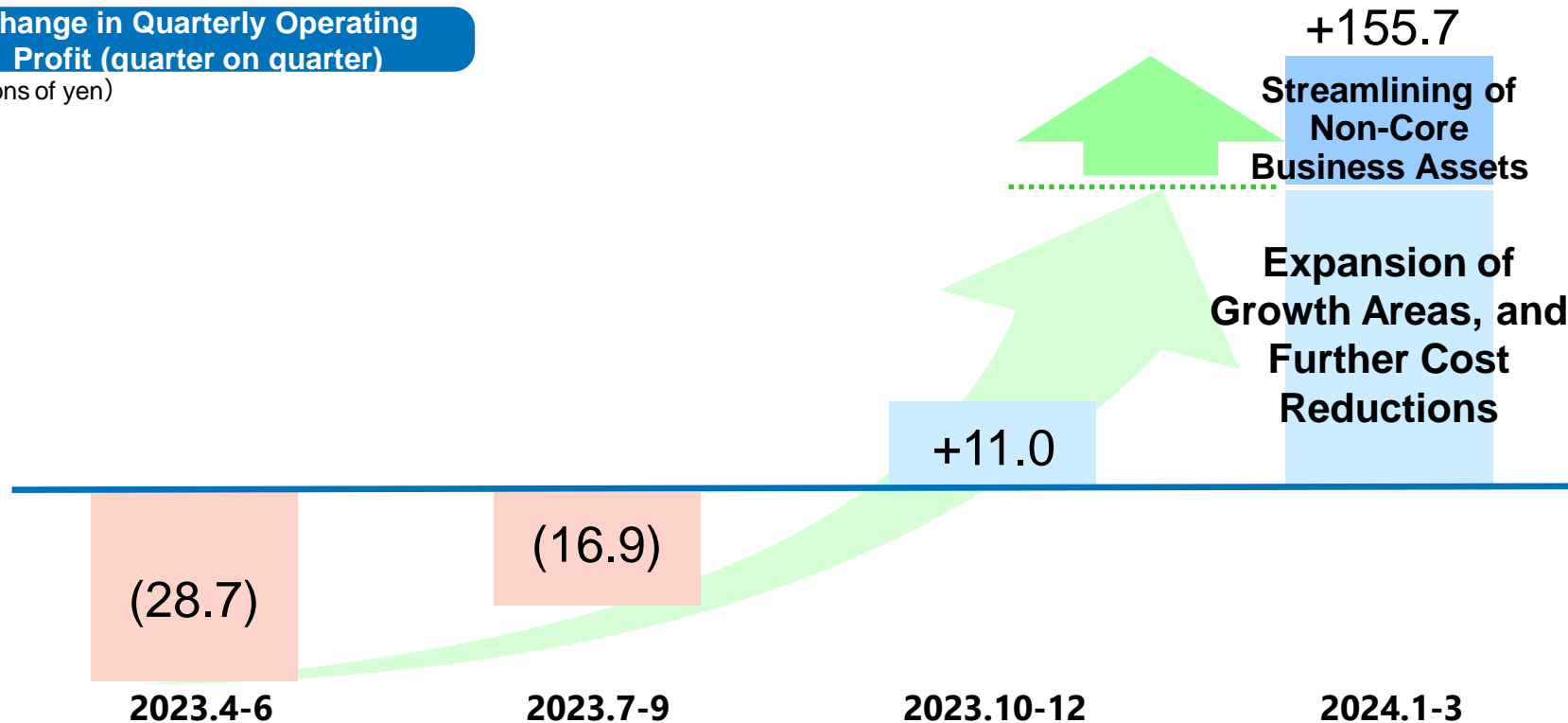
# Outlook for FY2023 Operating Profit



- Operating Profit has improved steadily every quarter, and is expected to increase further in FY2023.4Q
- No amendment to FY2023 forecast (Operating Profit: ¥1950.0B)

## Change in Quarterly Operating Profit (quarter on quarter)

(Billions of yen)



# Topics

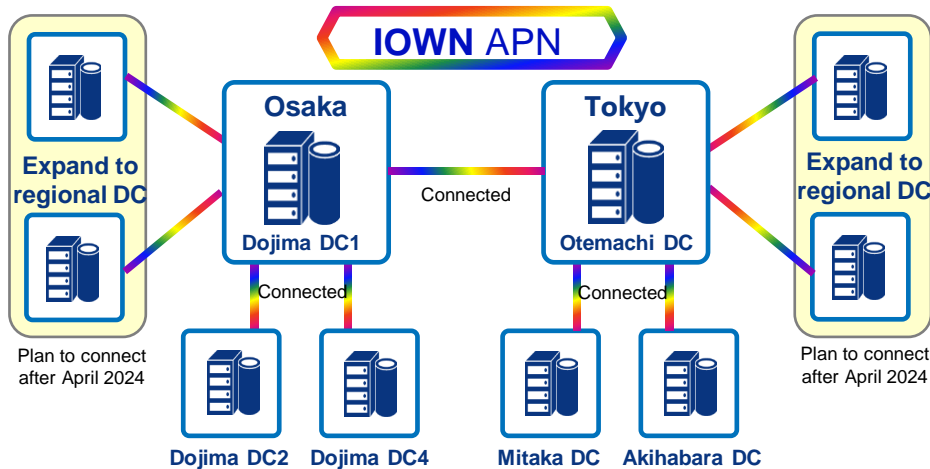


# ① Creating Distributed Data Centers through IOWN APN



- By the end of FY2023, NTT Group's major data centers will be connected through IOWN APN. From FY2024 connections will be further extended to regional data centers, thereby creating distributed data centers
- By leveraging the characteristics of APN (ultra-high speed, low latency) to connect remote data centers in real-time, it will be possible to use multiple data centers as if they were a single data center

## Initiative in Japan:



## Initiative in UK and US:



Ashburn (United States)



Hemel Hempstead/Dagenham (UK)

## ② New Initiatives with Tokyo Electric Power Company (TEPCO) Group

### ■ Will establish a new company for joint development of data centers

- NTT DATA Group, NTT Global Data Centers Japan and TEPCO Power Grid, Inc. agreed to establish a new company to jointly develop and operate data centers in the Inzai-Shiroi area of Chiba prefecture
- Will establish a special purpose company in FY2023 and, as a first step, develop a data center with a 50MW power capacity in the Inzai-Shiroi area, with the launch of services scheduled for the second half of FY2026

### ■ Established a limited liability company for a battery storage business in Tsumagoi in Gunma prefecture

- NTT Anode Energy Corporation and Tokyo Electric Power Company Holdings, Inc. established a limited liability company in November 2023 to operate a battery storage business in Tsumagoi, in the Agatsuma district of Gunma
- Aiming to launch operations in 2025

**TEPCO and NTT aim to realize a sustainable society  
by utilizing our assets and know-how in the power and telecom business**

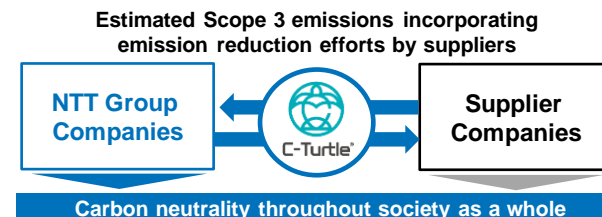
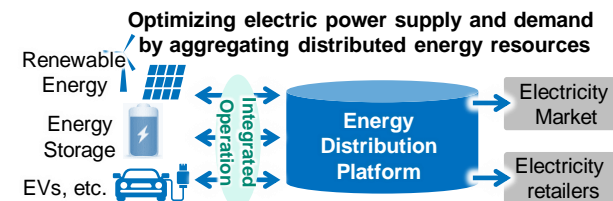
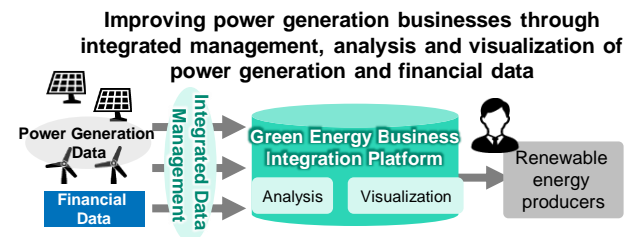
# ③ New Green Transformation Initiatives (GX)



## ■ Launch the new **NTTG×Inno** solutions brand to strengthen initiatives in the GX field

### Specific Initiatives:

- NTT Comware launched the “Smart Data Fusion” green energy business integration platform to help renewable energy producers with their GX
- NTT Anode Energy will develop an energy distribution platform to support the supply of renewable energy and provide optimal operation and control solutions that balance the supply and demand for renewable energy producers, electricity retailers and others
- Aiming to achieve up to Scope 3 carbon neutrality by adopting NTT DATA’s “C-Turtle” greenhouse gas emissions visualization platform across all NTT Group companies, and increasing the number of suppliers working together to reduce carbon emissions to around 1,000 companies by FY2027



## ④ Support for Areas Affected by the 2024 Noto Peninsula Earthquake



- We restored communications, conducted approximately 300 on-site visits to evacuation shelters (including non-designated sites) and supplied 1,520 free docomo public mobile phones, 375 satellite phones (Widestar II) and 9 Starlink ground stations. We also provided multi-chargers and mobile batteries free of charge to improve charging capabilities.
- We put into operation pre-installed temporary public telephones in 171 locations to be used as emergency public telephones, and installed additional portable satellite equipment in 23 locations in response to requests from evacuees affected by the disaster.
- Furthermore, follow-up telehealth consultations and video services were provided to care for the physical and mental health of long-term evacuees, including those in secondary evacuation shelters. Going forward, we are collaborating with local governments and other organizations to establish consultation desks where evacuees and those affected by disasters can address communications-related issues.

**docomo Public Mobile Phones**



**Starlink**



**Satellite Phones**



**Temporary Public Phones**



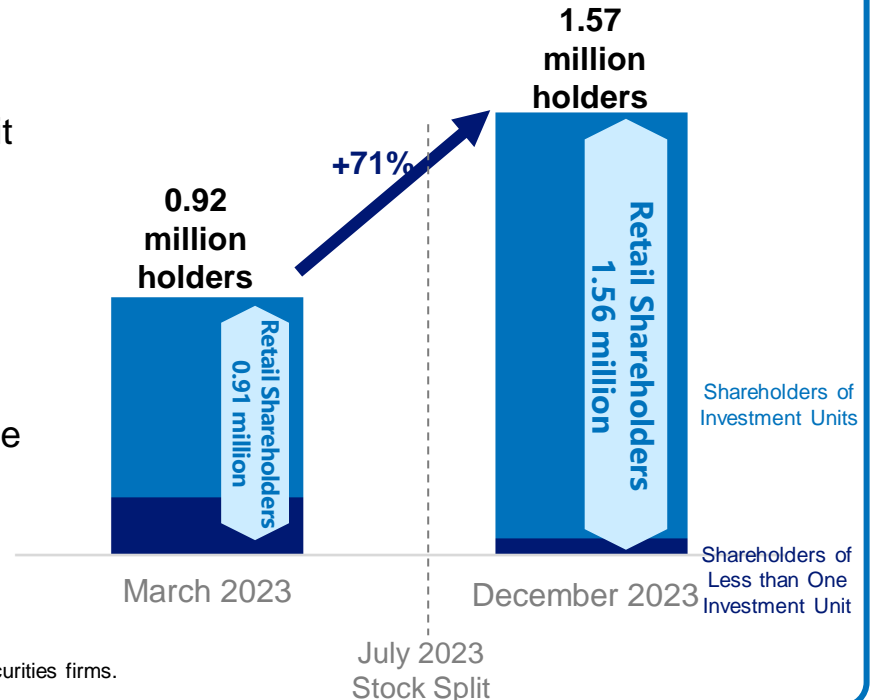
**Portable Satellite Equipment**



## ⑤ Number of Shareholders

### Stock Split as an Opportunity to Increase the Number of Shareholders

- ◆ The number of shareholders has increased 1.57 million (+ 0.65million), a 1.7x increase from prior to the stock split (March 2023).
- ◆ The proportion of shareholders under forties has increased approximately 4x (from approx. 10% to 40%)\*, as the age composition of shareholders has become more diverse.



\* Comparison of December 2020 to December 2023, based on interviews with securities firms.

# ⑥ Progress under the Medium-Term Management Strategy



## Progress since November 2023

### IOWN-Driven Creation of New Value

- Selected to participate in implementation of NEDO's Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems (NTT, January)
- Selected to participate in implementation of NICT's Innovative ICT Fund Projects for Beyond 5G/6G (NTT, November)
- NTT & Nokia demonstrate dynamic rerouting in mobile fronthaul using IOWN All-Photonics Network (APN) (NTT, January)
- Agreed upon de jure standardization of IOWN technical specifications at the United Nations standards organization, ITU-T (NTT, December)
- NTT and ACCESS entered into a capital and business alliance agreement to accelerate IOWN development (NTT, December)
- Debuted "Cho Kabuki Powered by NTT 'Hanakurabe Senbonzakura,'" a new stage production that combines IOWN's real-time CG production and classical kabuki for the first time, at KABUKIZA in Tokyo (NTT, December)
- "Tokyu Silvester Concert 2023-2024" broadcasted live using APN IOWN1.0 on TV Tokyo and BS TV Tokyo for the first time ever (NTT East, December)
- NTT and Sakana AI entered into a collaboration agreement for the R&D of AI constellations that will enable a society in which sustainable generative AI is used (NTT, November), and NTT DOCOMO Ventures invested in Sakana AI (NTT DOCOMO Ventures, December)

### Data-Driven Creation of New Value

- NTT West and ugo entered into a basic agreement for the use of robotics in all industries to resolve human resource shortages (NTT West, December), and NTT DOCOMO Ventures invested in ugo (NTT DOCOMO Ventures, December)
- Launched "Business d App" and "Business d Prepaid" to contribute to the DX of small and medium-sized enterprises (NTT Com, December)
- Completed the first property of the Sendai city center reconstruction project, the "Urbannet Sendai - Chuo Building" (NTT Urban Development, November)
- Acquired Sapphire Systems, a UK based provider of SAP cloud and digital services (NTT DATA, Inc., November)

### Achievement of a Circular Economy Society

- Launched food preservation consulting service and reported research results of studies on optimal preservation methods for local products (NTT East, NTT AgriTechnology, December)

### Further Strengthening of Business Foundations

- NTT, SKY Perfect JSAT and Amazon's Project Kuiper entered into strategic collaboration (NTT, NTT DOCOMO, NTT Com, November)

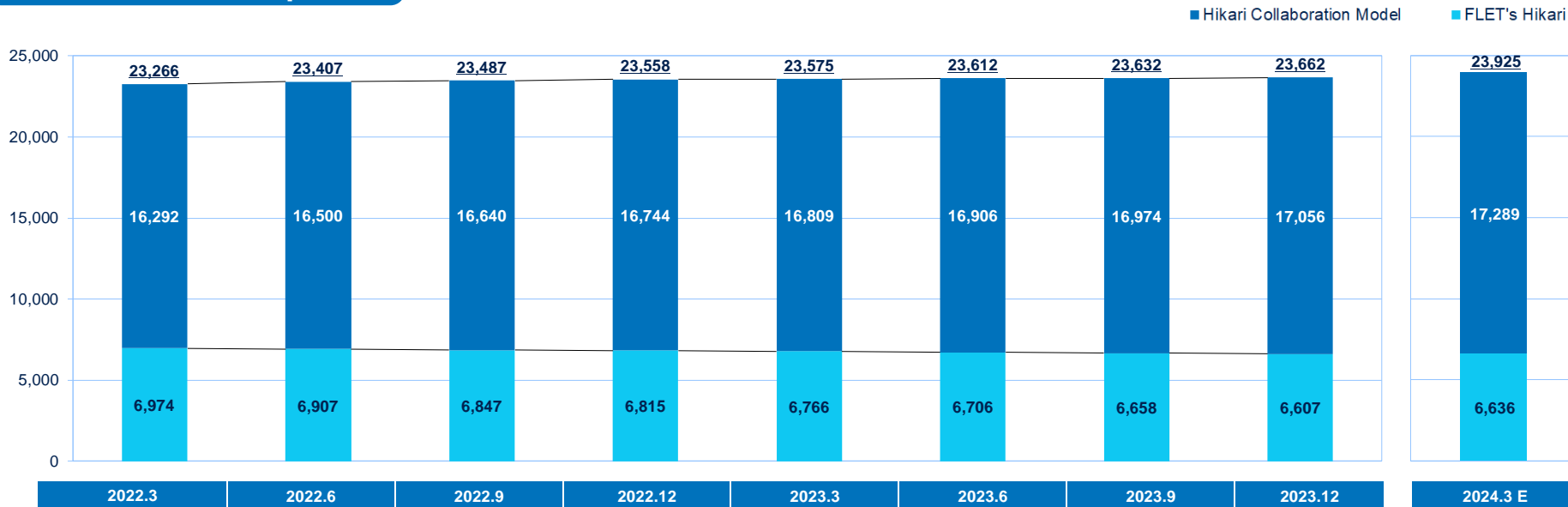
# Appendix

# Broadband Services



# Fixed-Line Broadband Services Subscriptions

## Number of Subscriptions



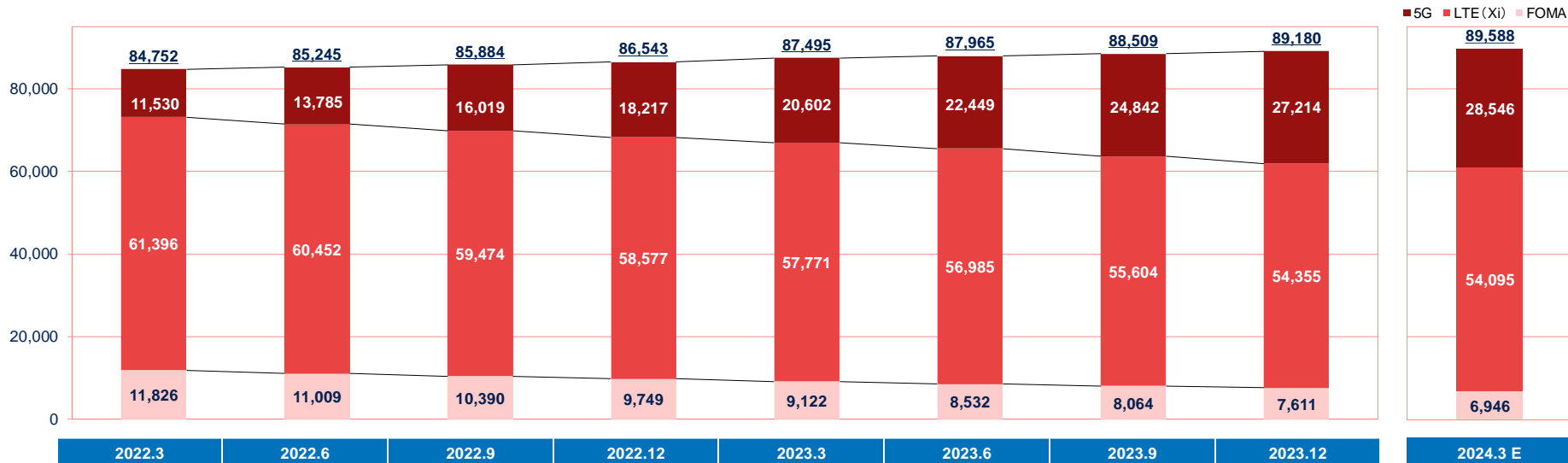
## Net Increase

	2022 4-6	2022 7-9	2022 10-12	2023 1-3	2023 4-6	2023 7-9	2023 10-12	2023 4 - 2024 3 E
Total	+140	+80	+72	+17	+37	+19	+30	+350
Hikari Collaboration Model	+208	+140	+104	+65	+97	+68	+82	+480
FLET'S Hikari	(67)	(59)	(32)	(48)	(60)	(48)	(51)	(130)
		(208)				(160)		

# Mobile Communications Services Subscriptions



## Number of Subscriptions



## Net Increase

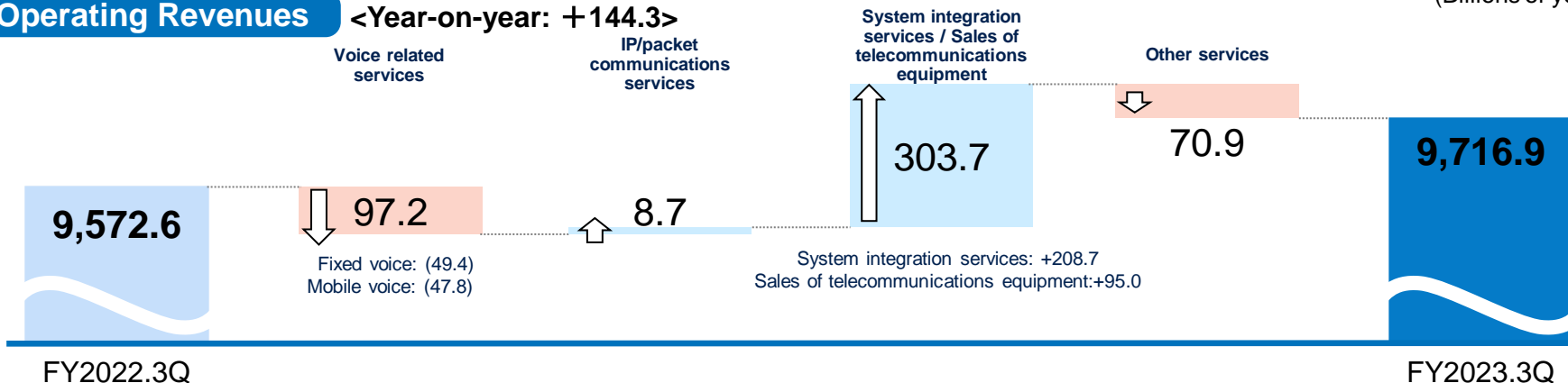
	2022 4-6	2022 7-9	2022 10-12	2023 1-3	2023 4-6	2023 7-9	2023 10-12	2023 4 - 2024 3 E
5G+LTE(Xi)+ FOMA	+493	+639	+659	+952	+471	+544	+670	+2,093
		+2,742				+1,685		

# Financial Information

# Details of Consolidated Statement of Income

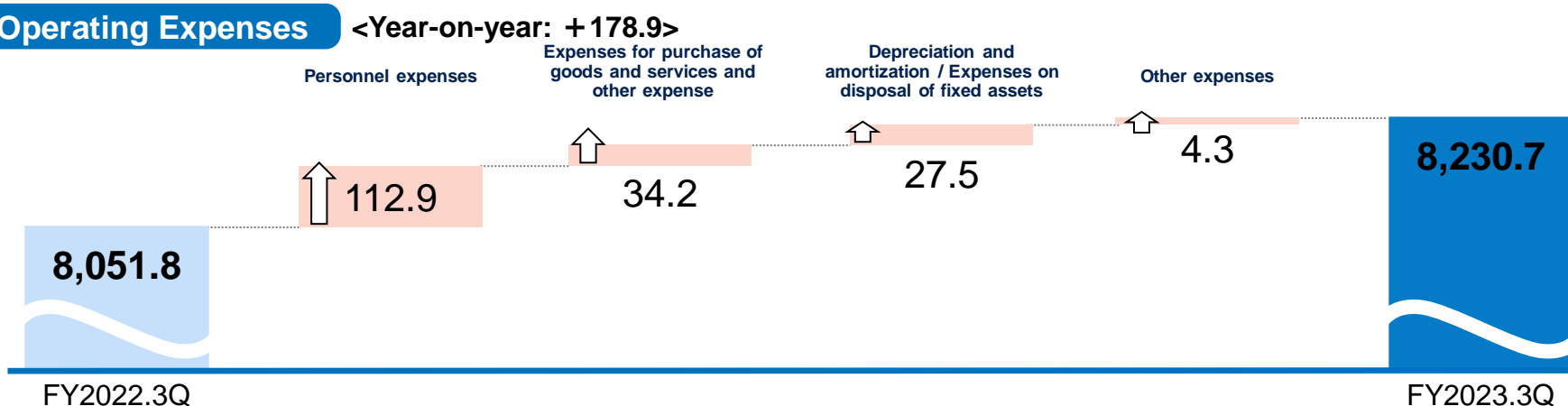
## Operating Revenues

<Year-on-year: +144.3>



## Operating Expenses

<Year-on-year: +178.9>

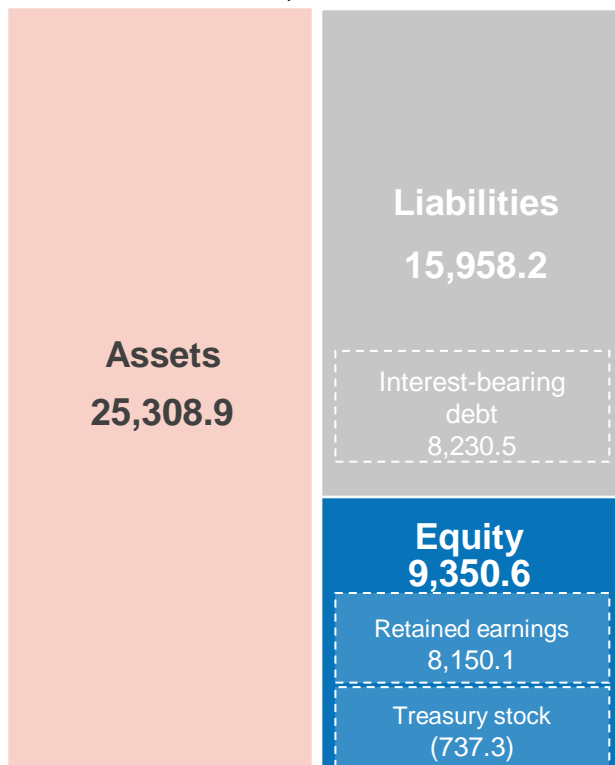


# Details of Consolidated Balance Sheet

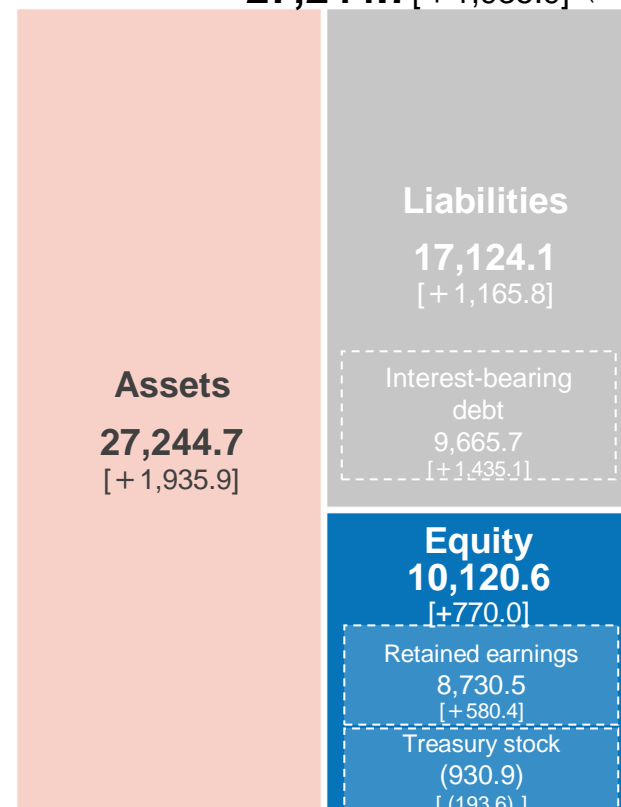


27,244.7 [+ 1,935.9] (Billions of yen)

25,308.9



March 31, 2023



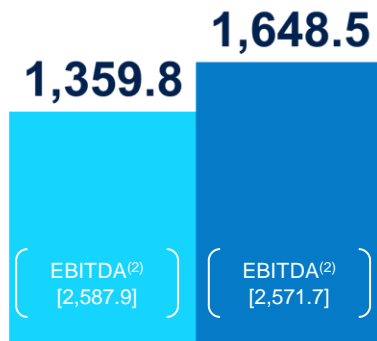
December 31, 2023

# Details of Consolidated Cash Flows



Cash Flows  
from Operating  
Activities<sup>(1)</sup>

(A)



Cash Flows  
from Investing  
Activities

(B)



FCF<sup>(1)</sup>

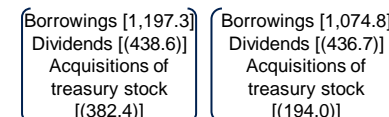
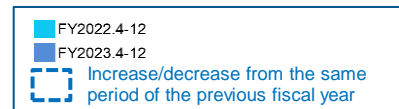
(A)+(B)

63.3      20.3

(43.1)

Cash Flows  
from Financing  
Activities

(Billions of yen)



125.5      327.1

+201.6

+288.7  
Decrease in payment  
of income taxes  
+267.6

Payments for  
acquisitions  
of assets<sup>(3)</sup>  
[(1,314.7)]

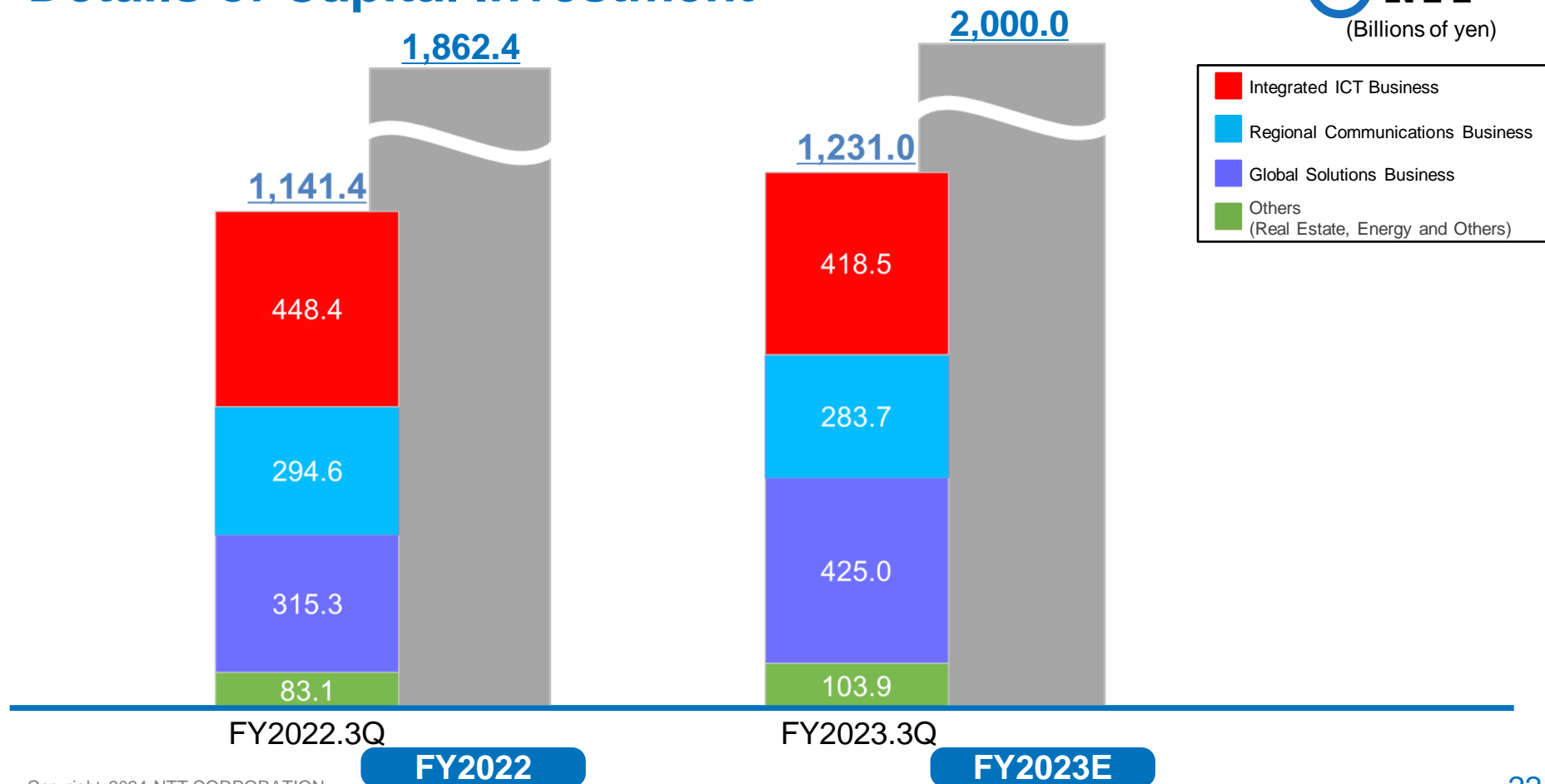
Payments for  
acquisitions  
of assets<sup>(3)</sup>  
[(1,445.1)]

(1,296.5)

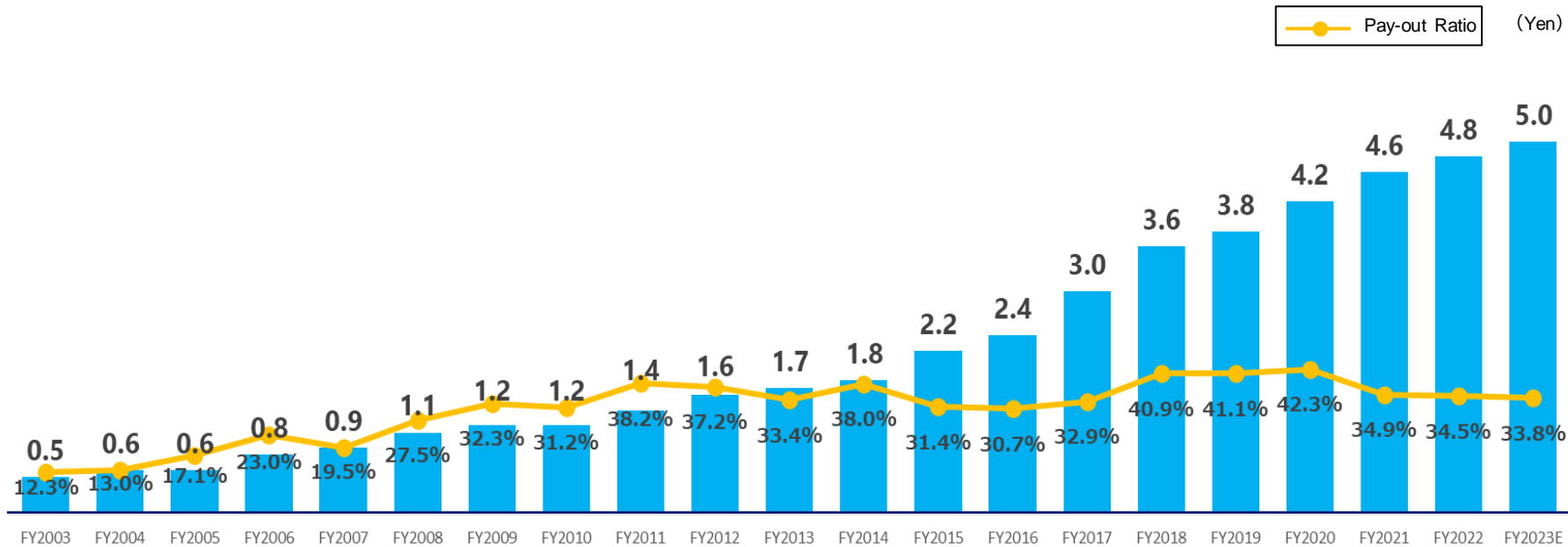
(1,628.3)

- (1) Excludes the impact of the last days of FY2022.3Q and FY2023.3Q having been non-business days, resulting in the due date for certain accounts receivable being set to the first business day of the following month (for FY2022.3Q and FY2023.3Q, Operating CF including the impact of non-business days was ¥1,135.8 billion and ¥1,432.6 billion, respectively, and FCF including the impact of non-business days was ¥(160.8) billion and ¥(195.7) billion, respectively).
- (2) Operating profit adjusted to add depreciation (excluding depreciation related to right-of-use assets), losses on sales of fixed assets, losses on disposals of fixed assets and impairment losses
- (3) Payments for acquisitions of property, plant and equipment, intangible assets and investment properties

# Details of Capital Investment



# Changes in Dividend

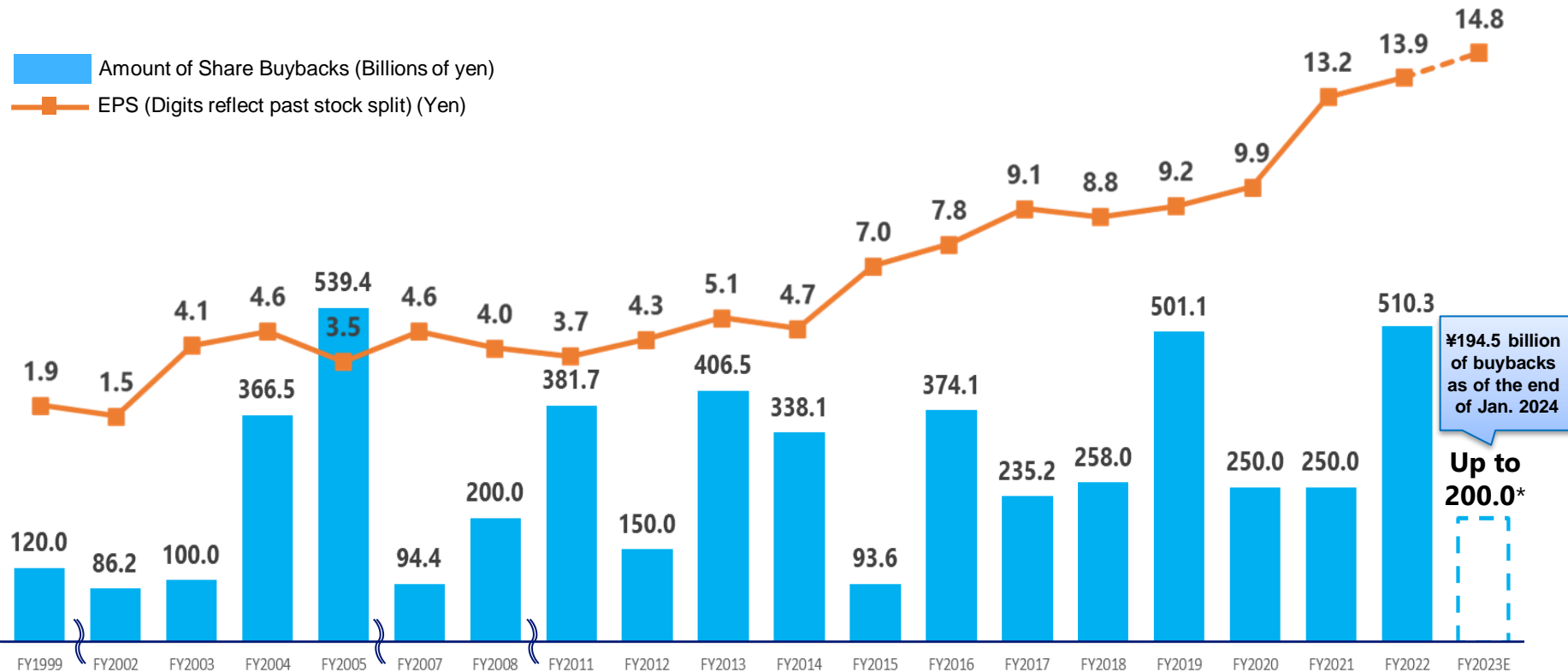


Note 1: Dividend-per-share amounts have been adjusted to reflect the 100-for-one stock split carried out on January 4, 2009, the two-for-one stock split carried out on July 1, 2015, the two-for-one stock split carried out on January 1, 2020, and the 25-for-one stock split carried out on July 1, 2023.

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.



# Record of Share Buybacks



\* On August 9, 2023, the Board of Directors of NTT resolved to buy back shares in an amount up to ¥200.0 billion. Buyback Period: August 10, 2023 to March 29, 2024.

***Innovating a Sustainable Future  
for People and Planet***