

Financial Results Release

For the Six Months Ended September 30, 2024

November 7, 2024

[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 : Akira Shimada, President and Chief Executive Officer
Contact : Takuro Hanaki, Head of IR, Finance and Accounting Department
URL <https://group.ntt/en/ir/contact/>
Scheduled filing date of quarterly securities report : November 8, 2024
Scheduled date of dividend payments : November 29, 2024
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, 2024 (April 1, 2024 - September 30, 2024)

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, 2024	6,590,625	3.6%	920,255	(3.2)%	878,845	(15.4)%	554,792	(17.3)%
Six months ended September 30, 2023	6,364,570	1.2%	950,946	(4.6)%	1,039,103	1.9%	670,844	(3.7)%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the Six months ended September 30, 2024: 407,449 million yen (59.0%)
For the Six months ended September 30, 2023: 994,129 million yen 29.1%

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
Six months ended September 30, 2024	6.60 (yen)	-- (yen)
Six months ended September 30, 2023	7.87 (yen)	-- (yen)

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Basic Earnings per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(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, 2024	29,045,759	11,055,392	9,990,849	34.4%	119.16 (yen)
March 31, 2024	29,604,223	10,893,059	9,844,160	33.3%	117.08 (yen)

Note: NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for Shareholders' Equity per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

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, 2024	-	2.50 (yen)	-	2.60 (yen)	5.10 (yen)
Year Ending March 31, 2025	-	2.60 (yen)			
Year Ending March 31, 2025 (Forecasts)			-	2.60 (yen)	5.20 (yen)

Note: Revision to the dividend forecasts from the latest announcement: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(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, 2025	13,460,000	0.6%	1,810,000	(5.9)%	1,720,000	(13.2)%	1,100,000	(14.0)%	13.00	(yen)

Notes: 1. Percentages above represent changes from the previous year.

2. Revision to the consolidated financial results forecasts from the latest announcement: None

***Notes:**

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: 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, 2024	: 90,550,316,400 shares
March 31, 2024	: 90,550,316,400 shares
 - ii. Number of shares of treasury stock:

September 30, 2024	: 6,703,078,947 shares
March 31, 2024	: 6,468,768,847 shares
 - iii. Weighted average number of shares outstanding:

For the six months ended September 30, 2024	: 84,060,369,383 shares
For the six months ended September 30, 2023	: 85,225,873,505 shares

Notes: 1. NTT conducted a 25-for-1 stock split of its common stock, with an effective date of July 1, 2023. The figures for “Number of shares outstanding (common stock)” have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

2. The number of shares of treasury stock includes the Company’s shares held by BIP(Board Incentive Plan) Trust (As of September 30, 2024: 34,782,500 shares, As of March 31, 2023: 23,303,000 shares). In addition, these Company’s shares are included in the treasury stock which is deducted from the number of shares outstanding when calculating the weighted average number of shares outstanding during the period.

* This Financial Results Release is not subject to the 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 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 Thursday, November 7, 2024, 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. Overview of Results of Operations

Please refer to the following materials disclosed on TDnet and our website on Thursday, November 7, 2024, for a summary of results of operations and financial condition during the six months ended September 30, 2024.

-Presentation Material

-Supplementary Data

Download the latest IR materials: <https://group.ntt/en/ir/library/latest/>

2. Summary Information (notes)

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: None

(2) Changes in Accounting Policies and Estimates: None

3. Condensed Semi-annual Consolidated Financial Statements

(1) Condensed Semi-annual Consolidated Statements of Financial Position

	Millions of yen		
	As of March 31, 2024	As of September 30, 2024	Increase (Decrease)
ASSETS			
Current assets			
Cash and cash equivalents	¥982,874	¥1,207,863	¥224,989
Trade and other receivables	4,816,951	4,313,945	(503,006)
Other financial assets	972,278	938,471	(33,807)
Inventories	524,166	581,171	57,005
Other current assets	985,960	905,523	(80,437)
Subtotal	8,282,229	7,946,973	(335,256)
Assets held for sale	41,858	27,673	(14,185)
Total current assets	8,324,087	7,974,646	(349,441)
Non-current assets			
Property, plant and equipment	10,421,986	10,393,336	(28,650)
Right-of-use asset	914,911	921,657	6,746
Goodwill	1,698,851	1,675,209	(23,642)
Intangible assets	2,510,723	2,469,544	(41,179)
Investment property	1,305,219	1,337,586	32,367
Investments accounted for using equity method	410,782	428,208	17,426
Other financial assets	2,251,793	2,020,526	(231,267)
Deferred tax assets	714,276	722,431	8,155
Other non-current assets	1,051,595	1,102,616	51,021
Total non-current assets	21,280,136	21,071,113	(209,023)
Total assets	¥29,604,223	¥29,045,759	¥(558,464)

Millions of yen

	As of March 31, 2024	As of September 30, 2024	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	¥2,542,999	¥2,674,304	¥131,305
Trade and other payables	2,940,928	2,385,408	(555,520)
Lease liabilities	223,473	214,975	(8,498)
Other financial liabilities	895,063	858,815	(36,248)
Accrued payroll	614,976	507,930	(107,046)
Income taxes payables	354,859	306,607	(48,252)
Other current liabilities	1,272,371	1,085,018	(187,353)
Subtotal	8,844,669	8,033,057	(811,612)
Liabilities directly associated with assets held for sale	976	—	(976)
Total current liabilities	8,845,645	8,033,057	(812,588)
Non-current liabilities			
Long-term borrowings	7,048,015	7,132,145	84,130
Lease liabilities	899,524	905,705	6,181
Other financial liabilities	162,765	175,386	12,621
Defined benefit liabilities	1,156,394	1,165,211	8,817
Deferred tax liabilities	222,331	210,583	(11,748)
Other non-current liabilities	376,490	368,280	(8,210)
Total non-current liabilities	9,865,519	9,957,310	91,791
Total liabilities	18,711,164	17,990,367	(720,797)
Equity			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Retained earnings	9,078,084	9,446,222	368,138
Treasury stock	(937,291)	(972,918)	(35,627)
Other components of equity	765,417	579,595	(185,822)
Total NTT shareholders’ equity	9,844,160	9,990,849	146,689
Non-controlling interests	1,048,899	1,064,543	15,644
Total equity	10,893,059	11,055,392	162,333
Total liabilities and equity	¥29,604,223	¥29,045,759	¥(558,464)

(2) Condensed Semi-annual Consolidated Statements of Profit or Loss and Condensed Semi-annual Consolidated Statements of Comprehensive Income

Condensed Semi-annual Consolidated Statements of Profit or Loss

	Millions of yen except per share data		
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase (Decrease)
Operating revenues	¥6,364,570	¥6,590,625	¥226,055
Operating expenses			
Personnel expenses	1,432,289	1,538,753	106,464
Expenses for purchase of goods and services and other expenses	3,063,696	3,161,984	98,288
Depreciation and amortization	794,807	850,786	55,979
Loss on disposal of property, plant and equipment and intangible assets	52,361	43,191	(9,170)
Impairment losses	391	1	(390)
Taxes and dues	70,080	75,655	5,575
Total operating expenses	5,413,624	5,670,370	256,746
Operating profit	950,946	920,255	(30,691)
Finance income	132,553	32,399	(100,154)
Finance costs	58,655	91,447	32,792
Share of profit (loss) of entities accounted for using equity method	14,259	17,638	3,379
Profit before taxes	1,039,103	878,845	(160,258)
Income taxes	341,633	289,288	(52,345)
Profit	¥697,470	¥589,557	¥(107,913)
Profit attributable to NTT	670,844	554,792	(116,052)
Profit attributable to Non-controlling interests	26,626	34,765	8,139
Earnings per share attributable to NTT			
Basic earnings per share (yen)**	¥ 7.87	¥ 6.60	

* "Basic earnings per share" figures for the six months ended September 30, 2023 have been adjusted to reflect the 25-for-1 stock split carried out on July 1, 2023.

Condensed Semi-annual Consolidated Statements of Comprehensive Income

	Millions of yen		
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase (Decrease)
Profit	¥697,470	¥589,557	¥(107,913)
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	144,325	(112,400)	(256,725)
Share of other comprehensive income of entities accounted for using the equity method	(406)	(1,289)	(883)
Remeasurements of defined benefit plans	468	906	438
Total of items that will not be reclassified to profit or loss	144,387	(112,783)	(257,170)
Items that may be reclassified to profit or loss			
Cash flow hedges	(12,661)	45,761	58,422
Hedges cost	(1,150)	(5,396)	(4,246)
Foreign currency translation adjustments	231,050	(99,110)	(330,160)
Share of other comprehensive income of entities accounted for using the equity method	15,731	8,523	(7,208)
Total of items that may be reclassified to profit or loss	232,970	(50,222)	(283,192)
Total other comprehensive income (net of tax)	377,357	(163,005)	(540,362)
Total comprehensive income	¥1,074,827	¥426,552	¥(648,275)
Comprehensive income attributable to NTT	994,129	407,449	(586,680)
Comprehensive income attributable to Non-controlling interests	80,698	19,103	(61,595)

(3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six Months Ended September 30, 2023

Millions of yen

	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
As of March 31, 2023	¥937,950	¥—	¥8,150,117	¥(737,290)	¥210,576	¥8,561,353	¥789,274	¥9,350,627
Comprehensive income								
Profit	—	—	670,844	—	—	670,844	26,626	697,470
Other comprehensive income	—	—	—	—	323,285	323,285	54,072	377,357
Total comprehensive income	—	—	670,844	—	323,285	994,129	80,698	1,074,827
Transactions with owners and other transactions								
Dividends of surplus	—	—	(204,629)	—	—	(204,629)	(11,522)	(216,151)
Transfer to retained earnings	—	9,581	(5,012)	—	(4,569)	—	—	—
Purchase and disposal of treasury stock	—	8	—	(24,026)	—	(24,018)	—	(24,018)
Changes in ownership interest in subsidiaries without loss of control	—	(3,634)	—	—	—	(3,634)	47,658	44,024
Share-based compensation transactions	—	(3,726)	—	—	—	(3,726)	(1,237)	(4,963)
Put options granted to non-controlling interests	—	(1,194)	—	—	—	(1,194)	(871)	(2,065)
Other	—	(1,035)	(341)	—	—	(1,376)	(738)	(2,114)
Total transactions with owners and other transactions	—	—	(209,982)	(24,026)	(4,569)	(238,577)	33,290	(205,287)
As of September 30, 2023	¥937,950	¥—	¥8,610,979	¥(761,316)	¥529,292	¥9,316,905	¥903,262	¥10,220,167

Six Months Ended September 30, 2024

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			
As of March 31, 2024	¥937,950	¥—	¥9,078,084	¥(937,291)	¥765,417	¥9,844,160	¥1,048,899	¥10,893,059
Comprehensive income								
Profit	—	—	554,792	—	—	554,792	34,765	589,557
Other comprehensive income	—	—	—	—	(147,343)	(147,343)	(15,662)	(163,005)
Total comprehensive income	—	—	554,792	—	(147,343)	407,449	19,103	426,552
Transactions with owners and other transactions								
Dividends of surplus	—	—	(218,673)	—	—	(218,673)	(13,118)	(231,791)
Transfer to retained earnings	—	6,025	32,454	—	(38,479)	—	—	—
Purchase and disposal of treasury stock	—	—	—	(35,627)	—	(35,627)	—	(35,627)
Changes in ownership interest in subsidiaries without loss of control	—	(675)	—	—	—	(675)	10,744	10,069
Share-based compensation transactions	—	(3,742)	—	—	—	(3,742)	(1,104)	(4,846)
Put options granted to non-controlling interests	—	(1,717)	—	—	—	(1,717)	(529)	(2,246)
Other	—	109	(435)	—	—	(326)	548	222
Total transactions with owners and other transactions	—	—	(186,654)	(35,627)	(38,479)	(260,760)	(3,459)	(264,219)
As of September 30, 2024	¥937,950	¥—	¥9,446,222	¥(972,918)	¥579,595	¥9,990,849	¥1,064,543	¥11,055,392

(4) Condensed Semi-annual Consolidated Statement of Cash Flows

	Millions of yen		
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase (Decrease)
Cash flows from operating activities			
Profit	¥697,470	¥589,557	¥(107,913)
Depreciation and amortization	794,807	850,786	55,979
Impairment losses	391	1	(390)
Share of loss (profit) of entities accounted for using the equity method	(14,259)	(17,638)	(3,379)
Losses on retirement of property, plant and equipment and intangible assets	23,088	13,277	(9,811)
Gain on sales of property, plant and equipment and intangible assets	(4,218)	(8,416)	(4,198)
Income taxes	341,633	289,288	(52,345)
Decrease (increase) in trade and other receivables ⁽¹⁾	(25,569)	473,040	498,609
Decrease (increase) in inventories	(54,126)	(75,731)	(21,605)
Decrease (increase) in other current assets	(89,842)	(138,859)	(49,017)
Increase (decrease) in trade and other payables / accrued payroll	(345,418)	(438,425)	(93,007)
Increase (decrease) in other current liabilities	(48,565)	(154,174)	(105,609)
Increase (decrease) in defined benefit liabilities	14,216	10,114	(4,102)
Decrease (increase) in non-current handset installment receivables ⁽²⁾	(130,914)	(104,491)	26,423
Increase (decrease) in other non-current liabilities	(3,697)	(11,272)	(7,575)
Other, net ⁽²⁾	(108,115)	(76,932)	31,183
Subtotal	1,046,882	1,200,125	153,243
Interest and dividends received	61,602	62,986	1,384
Interest paid	(45,228)	(44,972)	256
Income taxes paid	(237,346)	(96,773)	140,573
Net cash provided by (used in) operating activities	825,910	1,121,366	295,456
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property	(942,181)	(1,004,506)	(62,325)
Proceeds from sale of property, plant and equipment, intangible assets and investment property ⁽³⁾	54,081	36,113	(17,968)
Proceeds from government grants	1,048	1,462	414
Purchase of investments	(38,464)	(43,747)	(5,283)
Proceeds from sale or redemption of investments	120,014	138,239	18,225
Proceeds from loss of control of subsidiaries	—	5,678	5,678
Payments for acquisition of subsidiaries	(250,127)	(65,043)	185,084
Proceeds from acquisition of subsidiaries ⁽³⁾	673	—	(673)
Net decrease (increase) loan receivable	(643)	4,087	4,730
Other, net ⁽³⁾	(21,121)	(15,819)	5,302
Net cash provided by (used in) investing activities	(1,076,720)	(943,536)	133,184

	Millions of yen		
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase (Decrease)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	120,308	68,152	(52,156)
Proceeds from increases in long-term borrowings	590,240	856,031	265,791
Repayment of long-term borrowings	(269,174)	(473,019)	(203,845)
Repayment of lease liabilities	(115,100)	(129,987)	(14,887)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(6,224)	(4,808)	1,416
Dividends paid	(204,629)	(218,673)	(14,044)
Dividends paid to non-controlling interests	(11,512)	(13,140)	(1,628)
Purchase of treasury stock	(24,392)	(36,123)	(11,731)
Other, net	58,337	15,195	(43,142)
Net cash provided by (used in) financing activities	137,854	63,628	(74,226)
Effect of exchange rate change on cash and cash equivalents	34,044	(16,469)	(50,513)
Net increase (decrease) in cash and cash equivalents	(78,912)	224,989	303,901
Cash and cash equivalents at the beginning of the year ⁽¹⁾	793,920	982,874	188,954
Cash and cash equivalents at the end of the period ⁽¹⁾	¥715,008	¥1,207,863	¥492,855

Notes:

- (1) The last days of six months ended September 30, 2023 and the fiscal year ended March 31, 2024 fell on non-business days, resulting in the due date of certain bills, including telecommunication service bills, being set to the first business day of the following month. Consequently, the impact on the condensed semi-annual consolidated financial statements is as follows.

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
(Condensed Semi-annual Consolidated Statement of Cash Flows)		
Decrease (increase) in trade and other receivables	(199,939)	192,820
Cash and cash equivalents as of April 1	—	(192,820)
Cash and cash equivalents as of September 30	(199,939)	—

- (2) “Decrease (increase) in non-current handset installment receivables,” which had previously been presented within “Other, net” in cash flows from operating activities for the six months ended September 30, 2023, is now presented separately for the six months ended September 30, 2024 due to an increase in the materiality of the amount of this item. As a result of this change, the ¥ (239,029) million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the six months ended September 30, 2023 has been reclassified and presented as ¥ (130,914) million of “Decrease (increase) in non-current handset installment receivables” and ¥ (108,115) million of “Other, net.”
- (3) “Proceeds from sale of property, plant and equipment, intangible assets and investment property” and “Proceeds from acquisition of subsidiaries,” which had previously been presented within “Other, net” in cash flows from investing activities for the six months ended September 30, 2023, are now presented separately for the six months ended September 30, 2024 due to an increase in the materiality of the amount of such items. As a result of this change, the ¥33,633 million amount that had previously been presented as “Other, net” in the consolidated statement of cash flows for the six months ended September 30, 2023 has been reclassified and presented as ¥54,081 million of “Proceeds from sale of property, plant and equipment, intangible assets and investment property,” ¥673 million of “Proceeds from acquisition of subsidiaries” and ¥(21,121) million of “Other, net.”

(5) Going Concern Assumption

None

(6) Segment Information

NTT Group's business segments are as follows, for which discrete financial information is available and whose operating results are utilized by NTT Group's management to make decisions about the allocation of resources and to assess business performance.

Services included in each segment are as follows:

Integrated ICT Business

Fixed voice-related services, Mobile voice-related services, IP/packet communications services, sales of telecommunications terminal equipment, System integration services, and other services

Regional Communications Business

Fixed voice-related services, IP/packet communications services, sales of telecommunications terminal equipment, system integration services, and other services

Global Solutions Business

System integration services and other services

Others (Real Estate, Energy and Others)

Services related to real estate business and energy business, etc.

Operating Revenues

(Millions of yen)

	Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)
Integrated ICT Business		
Transactions with external customers	¥ 2,810,201	¥ 2,865,217
Inter-segment transactions	136,170	128,565
Subtotal	2,946,371	2,993,782
Regional Communications Business		
Transactions with external customers	1,193,353	1,174,707
Inter-segment transactions	333,655	326,115
Subtotal	1,527,008	1,500,822
Global Solutions Business		
Transactions with external customers	1,983,427	2,144,096
Inter-segment transactions	95,086	96,003
Subtotal	2,078,513	2,240,099
Others (Real Estate, Energy and Others)		
Transactions with external customers	377,589	406,605
Inter-segment transactions	370,542	384,241
Subtotal	748,131	790,846
Elimination of inter-segment transactions	(935,453)	(934,924)
Total	¥ 6,364,570	¥ 6,590,625

Segment profit or loss

(Millions of yen)

	Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)
Segment profit		
Integrated ICT Business	¥ 580,775	¥ 553,326
Regional Communications Business	216,151	191,288
Global Solutions Business	121,871	149,011
Others (Real Estate, Energy and Others)	34,209	37,531
Total	953,006	931,156
Elimination of inter-segment transactions	(2,060)	(10,901)
Operating profit	950,946	920,255
Finance income	132,553	32,399
Finance costs	58,655	91,447
Share of profit of entities accounted for using equity method	14,259	17,638
Profit before taxes	¥ 1,039,103	¥ 878,845

During the first six months of the previous fiscal year and of the current fiscal year, there are no operating revenues recorded from transactions with a single external customer that account for 10% or more of total revenue.

(7) Subsequent Events

Issuance of corporate bonds

On October 31, 2024, NTT group issued corporate bonds totaling ¥285,000 million in the domestic market.