



Financial Results for the Six Months Ended September 30, 2022

November 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.

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Overview of Consolidated Results for the Six Months Ended September 30, 2022

- Year-over-year, operating revenues increased, operating income decreased and profit increased
- Operating Revenues and Profit reached new record high levels

Status of Consolidated Results

- **Operating Revenues:** ¥6,286.2B <+¥398.5B [+6.8%] year-on-year>
- **Operating Income:** ¥996.5B < (¥12.7B) [(1.3%)] year-on-year>
- **Profit⁽¹⁾:** ¥696.6B < +¥20.8B [+3.1%] year-on-year>

- **Overseas Operating Income Margin⁽²⁾:** 5.8% < +1.1pt 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.

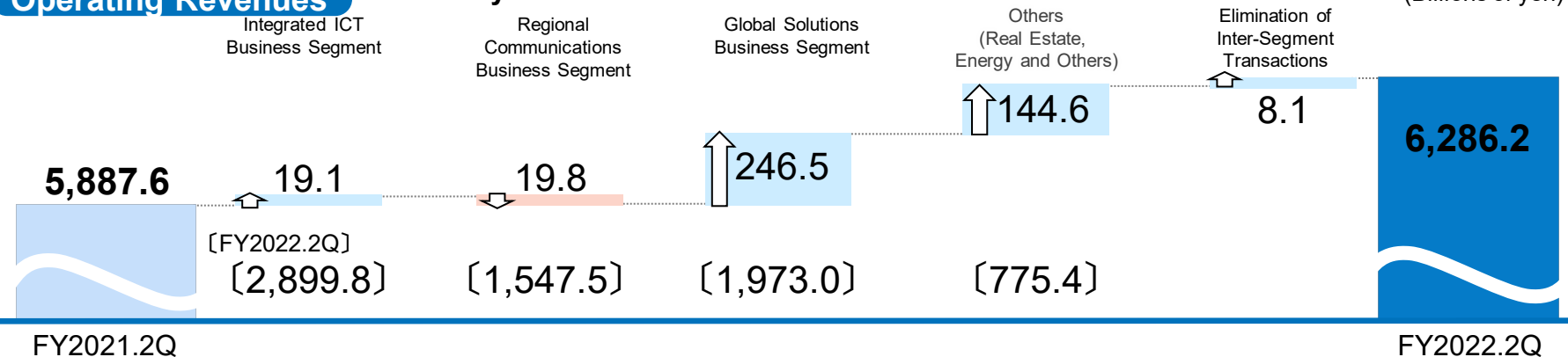
Contributing Factors by Segment for FY2022.2Q



Operating Revenues

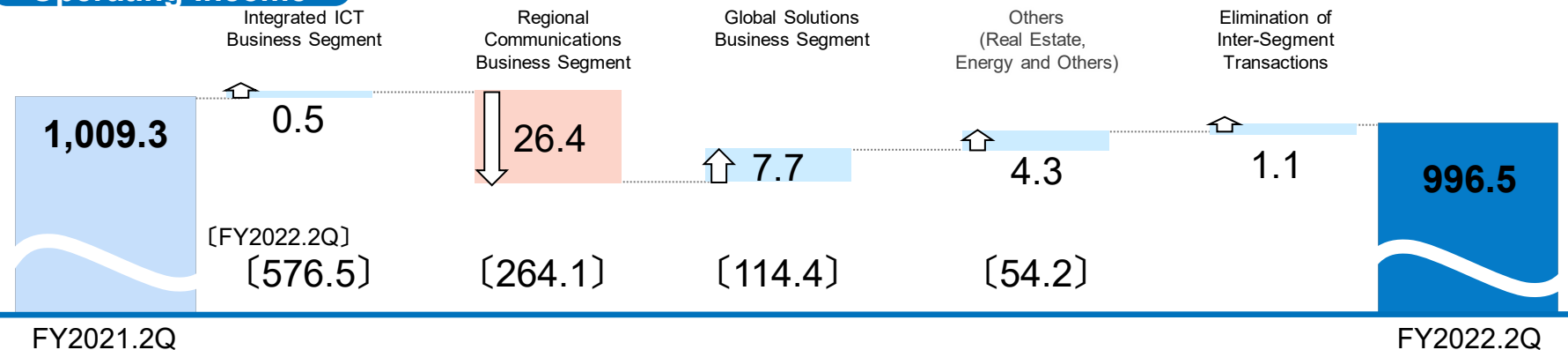
<Year-on-year: +398.5>

(Billions of yen)



Operating Income

<Year-on-year:(12.7)>



Topics

① Increase in Starting Salaries for New Graduates

- In order to hire more highly skilled talent going forward, NTT Group's major domestic companies⁽¹⁾ are increasing the standard starting salary by 14% (to ¥250,000)
- We will also begin offering higher salaries based on higher levels of expertise at the time of hiring

Example for College Graduates:

Current (College Graduates)	Beginning April 2023
¥219,000	Talent with High Levels of Expertise ¥272,000 or higher ⁽²⁾ (+¥53,000, +24%)
	¥250,000 ⁽²⁾ (+¥30,930, +14%)

(1) NTT, NTT East, NTT West, NTT DOCOMO, NTT Communications, NTT DATA, NTT Comware, NTT Urban Development, NTT FACILITIES, NTT FINANCE

(2) In addition to the monthly salaries described above, a housing allowance of approximately ¥38,000 (per month) is also provided

- **NTT Group's major domestic companies (including NTT Corp.) will implement a new salary system based on expertise from April 2023.**

Salary System with Promotions Based on Expertise

- Promotions and salary increases based on the degree to which expertise has been acquired and displayed
(Grade standards for each of the 18 fields of expertise to clarify the required level of expertise)
- Establishing a “Specialist Course” that enables particularly skilled talent to be treated with a higher priority (multi-tracking career paths)

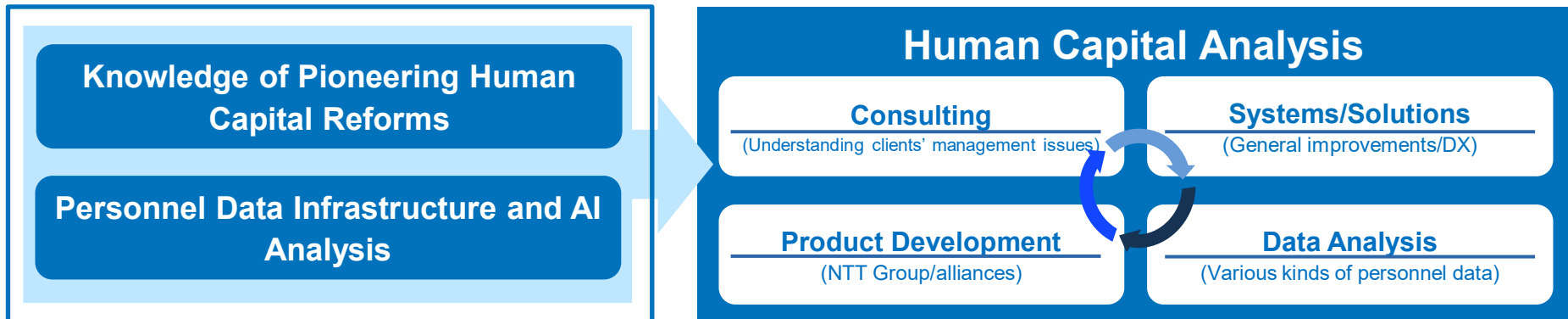
Career Development Support System

- Shift to a talent assignment/transfer policy enabling people to increase their levels of expertise
- Strengthening support functions for career development of talent (enhancing training, strengthening career consulting)

② Establishing a New Company in the Field of Human Capital

■ Establishing “NTT HumanEX Corp.” in December 2022

- Will establish a new company that uses HC (human capital) data analysis to provide comprehensive support from consulting to system integration
- Based on NTT Group’s knowledge of pioneering human capital reforms, will leverage NTT Group’s personnel data infrastructure and AI analysis to support company work style reforms, environment-building and improvement of engagement for the career development of each employee

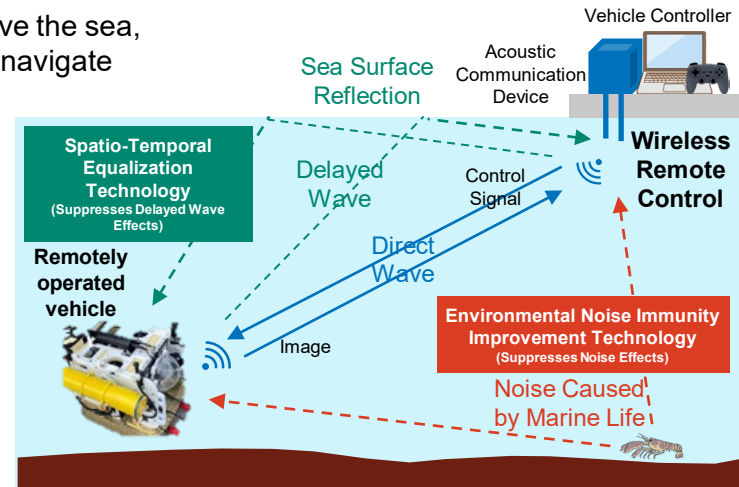


③ Developed Technology that Enables High-Speed Wireless Underwater Communications



■ Developed “spatio-temporal equalization technology⁽¹⁾” and “environmental noise immunity improvement technology⁽²⁾” that will enable stable, high-speed underwater acoustic communications

- Successfully conducted world’s first transmission test, with transmission speeds of 1Mbps/300m in shallow water areas
- Applied this technology to achieve the world’s first fully remote, wirelessly controlled remotely operated vehicle using underwater acoustic communication
 - ✓ Can be operated remotely while checking underwater images from above the sea, even in narrow areas with reefs and other structures that are difficult to navigate using wire-controlled remotely operated vehicles
- Plan to conduct field testing of this technology in Shizuoka City, Shizuoka Prefecture
- Future goal is to use this technology in the fisheries industry, such as in infrastructure inspections of ports and other facilities, and for marine environment surveys in the aquaculture industry



(1) A technology that eliminates the degradation of communications quality caused by wave reflection from the sea surface, by eliminating part of the reflected waves in the spatial domain from the sea surface and seabed by using array technology that utilizes multiple wave receivers
(2) Suppresses the deterioration caused by environmental noise that is frequently measured in shallow water areas with depths of several tens of meters, such as the explosive sounds made by pistol shrimp, the sailing sounds of ships and the operation sounds of heavy machinery used in port facilities

④ Overview of Medium-Term Management Strategy Initiatives

Progress since August 2022



<p>Growth and Strengthening of the Newly Formed DOCOMO Group</p>	<ul style="list-style-type: none"> • “NTT QONOQ, INC.” a new company to promote XR business, launched business (NTT DOCOMO, from October) • Announced market entry as a Web3 Enabler (NTT DOCOMO, November) • Announced the construction of a new data center in the Kansai region (Keihanna Data Center (provisional name)) (NTT GDC, NTT Com, NTT, September) • Launched the offering of “5G SA,” an optional service for customers subscribed to 5G-supporting billing plans that supports smartphones using a standalone system (NTT DOCOMO, from August) • NEC and NTT DOCOMO reduce power consumption for 5G SA Core by 70% using AWS, followed by a successful onboarding of 5G SA Core on hybrid cloud (NTT DOCOMO, September)
<p>Promotion of the IOWN Development/Rollout Plan</p>	<ul style="list-style-type: none"> • Developed a digital coherent signal processing circuit and optical device that achieves the world’s largest-capacity optical transmission of 1.2 Tbit/s per wavelength (NTT, September) • Succeeded in the world’s fastest optical transmission experiment of digital coherent optical signals, exceeding 2 Tbit/s per wavelength (NTT, September)
<p>Enhancement of Competitiveness in Global Business</p>	<ul style="list-style-type: none"> • Established “NTT DATA, Inc.,” an overseas business company (NTT DATA, October) • Agreed to acquire the U.S. company Apisero, a leading global MuleSoft consulting firm (NTT DATA, September) • Agreed to acquire the U.S. company Aspirent, a leading data, analytics and advisory firm (NTT DATA, October)
<p>Strengthening of New Businesses</p>	<ul style="list-style-type: none"> • Formed a business alliance with Shinkin Central Bank to promote DX amongst SMEs throughout Japan (NTT East, NTT West, August) • Began joint research with JAMSTEC to advance “Research of Ultra-wide-area Ocean-Atmosphere Observations” (NTT, September) • Began demonstration experiments of autonomous and efficient “food delivery using robots” that can predict factors such as crowd conditions within buildings (NTT Urban Solutions, NTT Urban Development, NTT Com, NTT, October)
<p>Transformation to a New Management Style</p>	<ul style="list-style-type: none"> • Signed statement of support for the “Women’s Empowerment Principles (WEPs)” and joined the “30% Club Japan” (NTT, September)
<p>Enhancement of Corporate Value</p>	<ul style="list-style-type: none"> • Plan to lower wholesale fees for wholesale Hikari services in order to further increase Hikari demand (NTT East, NTT West, during FY2023) • Together with Euglena Co., Ltd., started demonstration experiments of algal breeding technology to help solve climate change issues (NTT, September) • Together with the University of Tokyo, successfully produced the world’s first communication signal using a battery and circuit free of precious metals and hazardous substances (NTT, October)

⑤ Share Buybacks



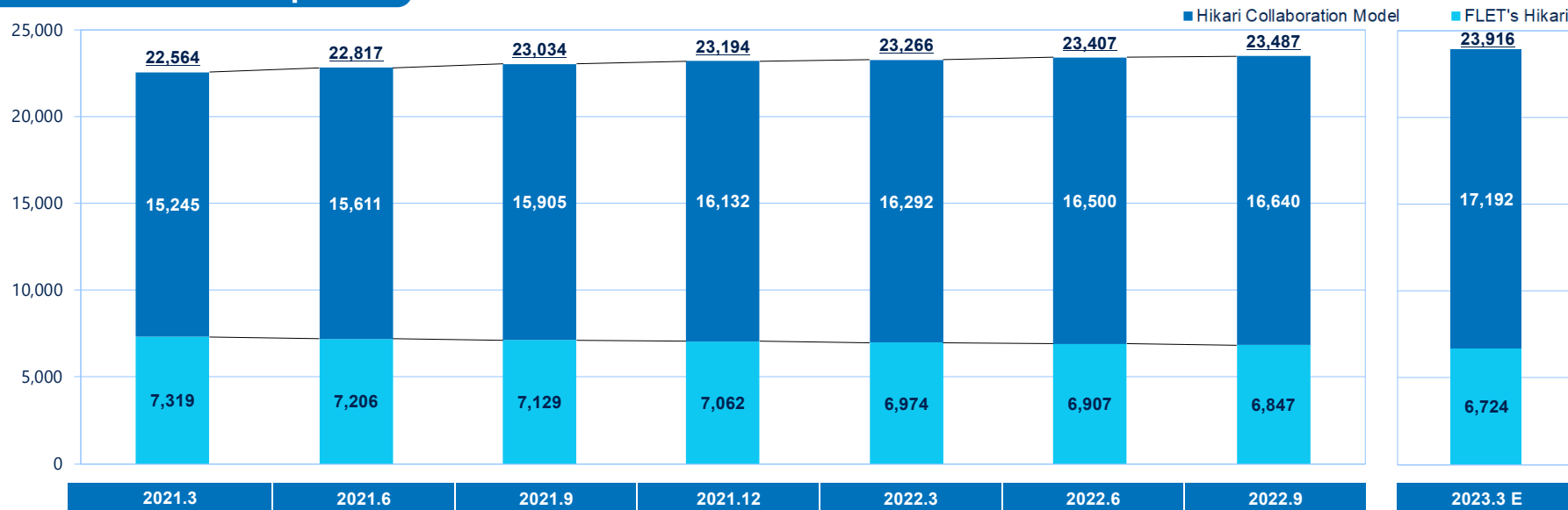
- **Resolved to buy back shares in order to improve capital efficiency and enhance shareholder returns**
- **Details of Share Buybacks**
 - **Aggregate Amount: Up to ¥150.0 billion**
 - **Aggregate Number of Shares: Up to 41,000,000 shares**
 - **Buyback Period: From November 9, 2022 to March 31, 2023**

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 7-9	2022 4 - 2023 3 E
Total	+253	+217	+160	+72	+140	+80	+650
Hikari Collaboration Model	+366	+294	+227	+160	+208	+140	+900
FLET'S Hikari	(113)	(78)	(67)	(88)	(67)	(59)	(250)
		(345)			(127)		

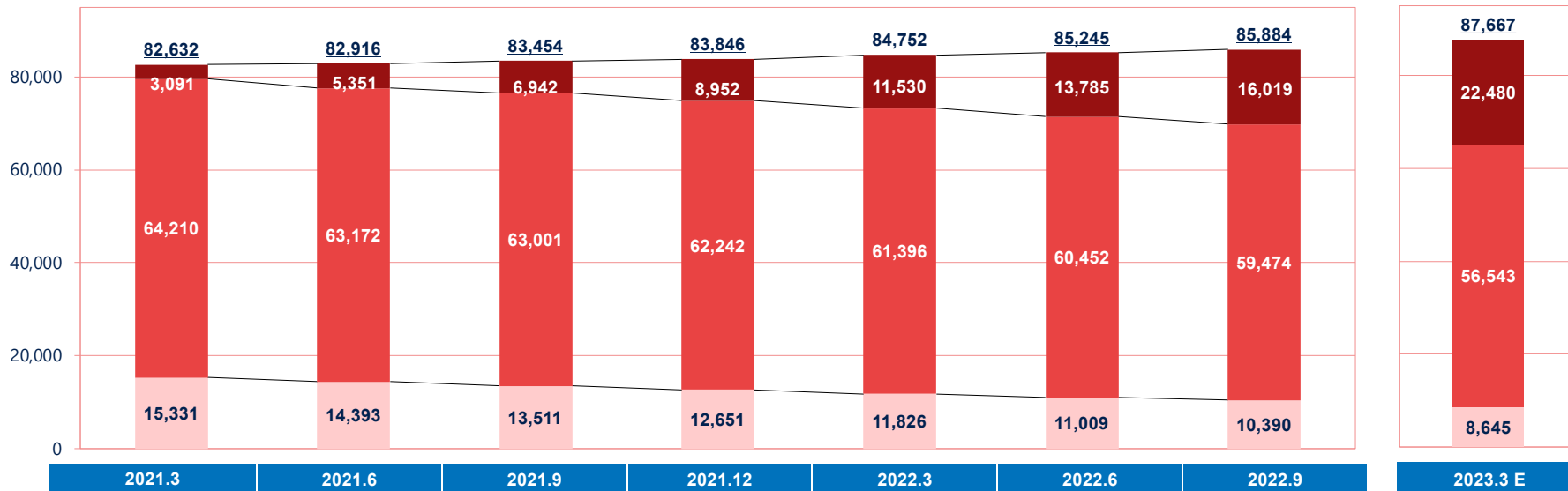
Mobile Communications Services Subscriptions



(Thousands)

■ 5G ■ LTE (Xi) ■ FOMA

Number of Subscriptions



Net Increase

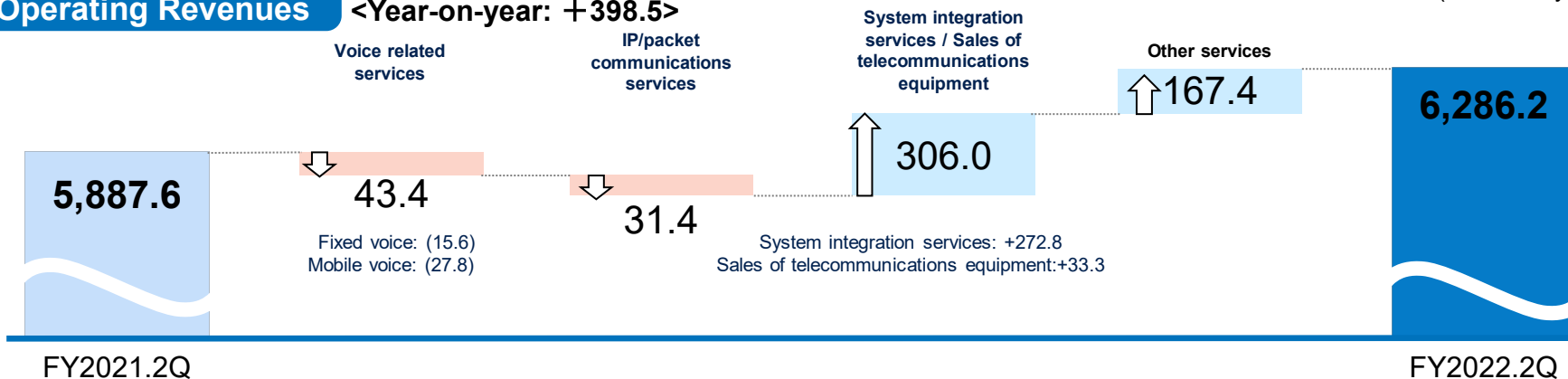
	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 7-9	2022 4 - 2023 3 E
5G+LTE(Xi)+ FOMA	+284	+537	+392	+907	+493	+639	+2,915
		+2,120			+1,131		

Financial Information

Details of Consolidated Statement of Income

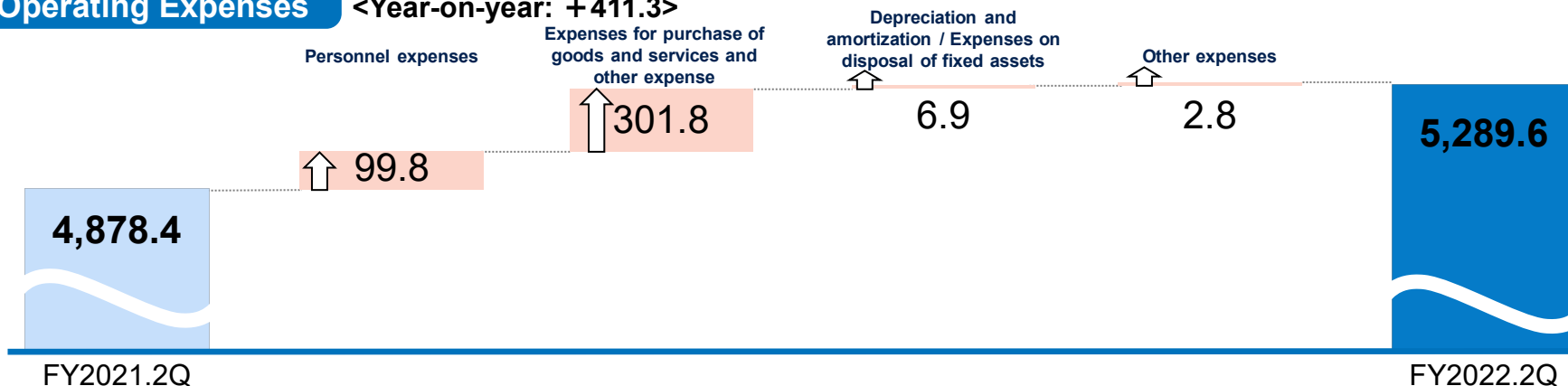
Operating Revenues

<Year-on-year: +398.5>



Operating Expenses

<Year-on-year: +411.3>

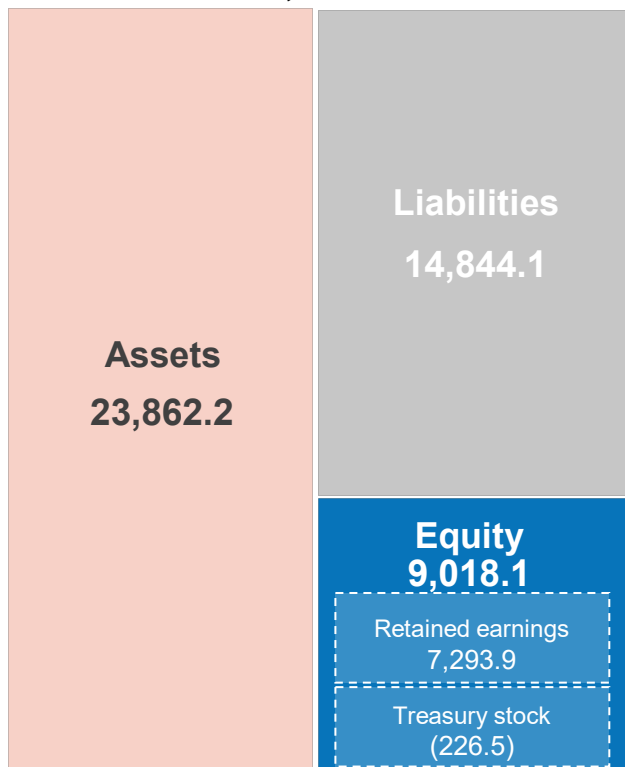


Details of Consolidated Balance Sheet

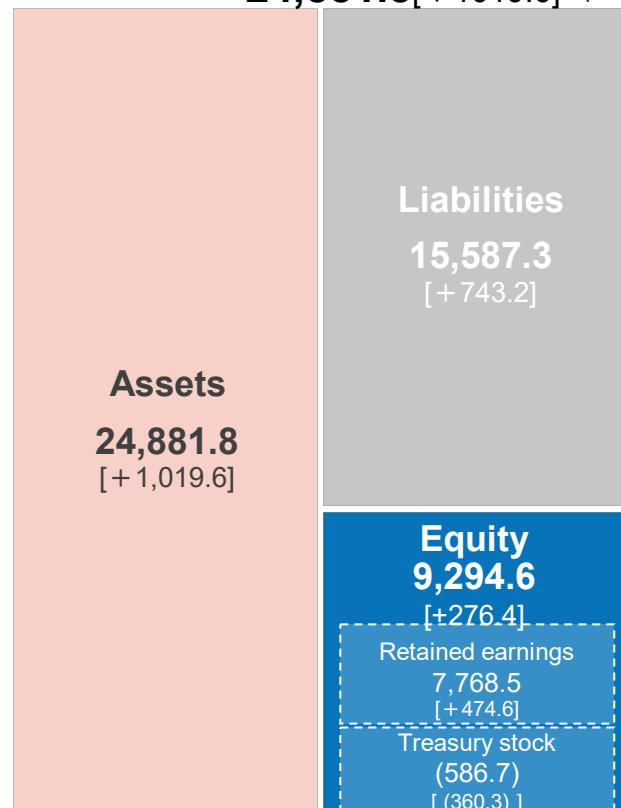


24,881.8 [+ 1019.6] (Billions of yen)

23,862.2

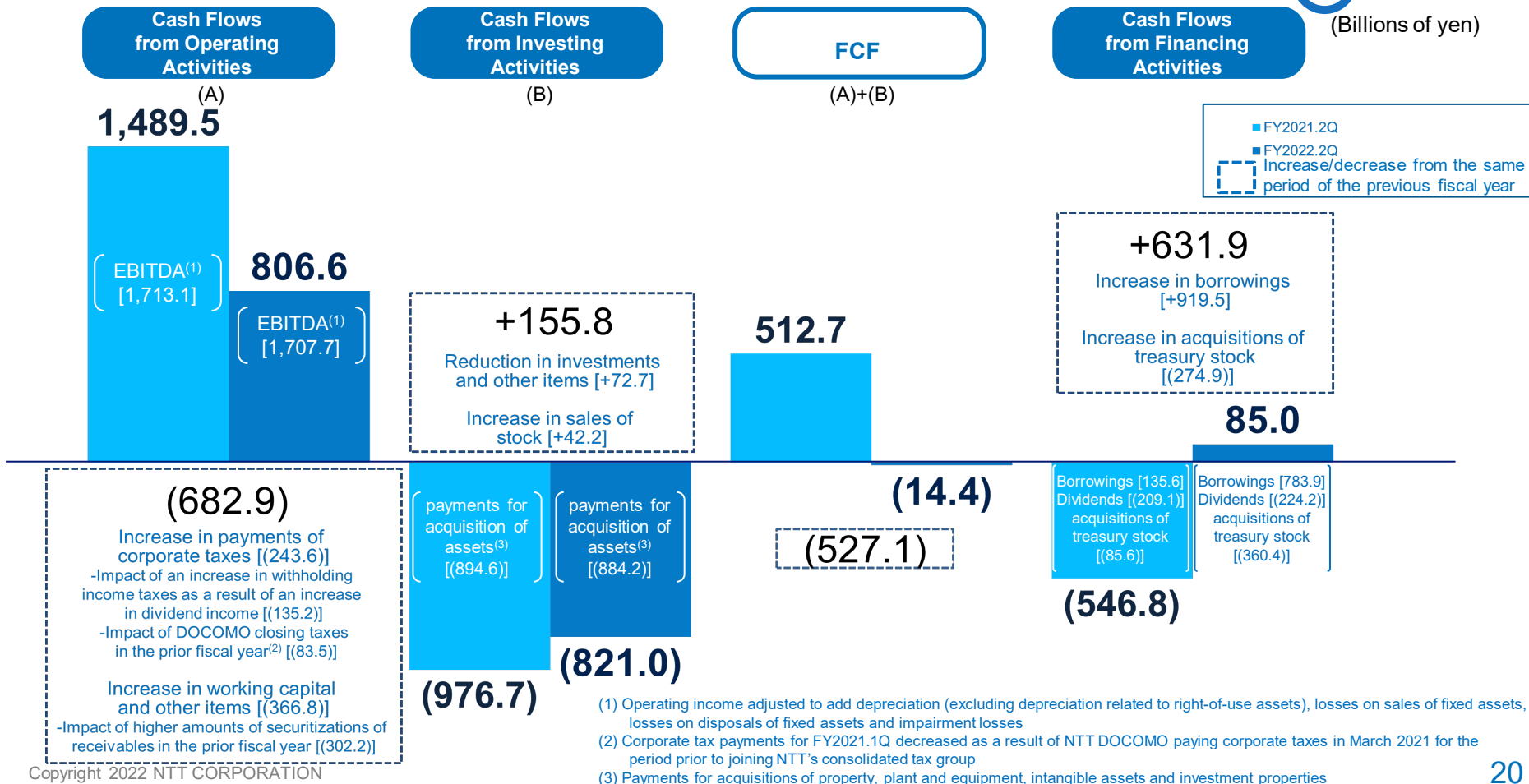


March 31, 2022

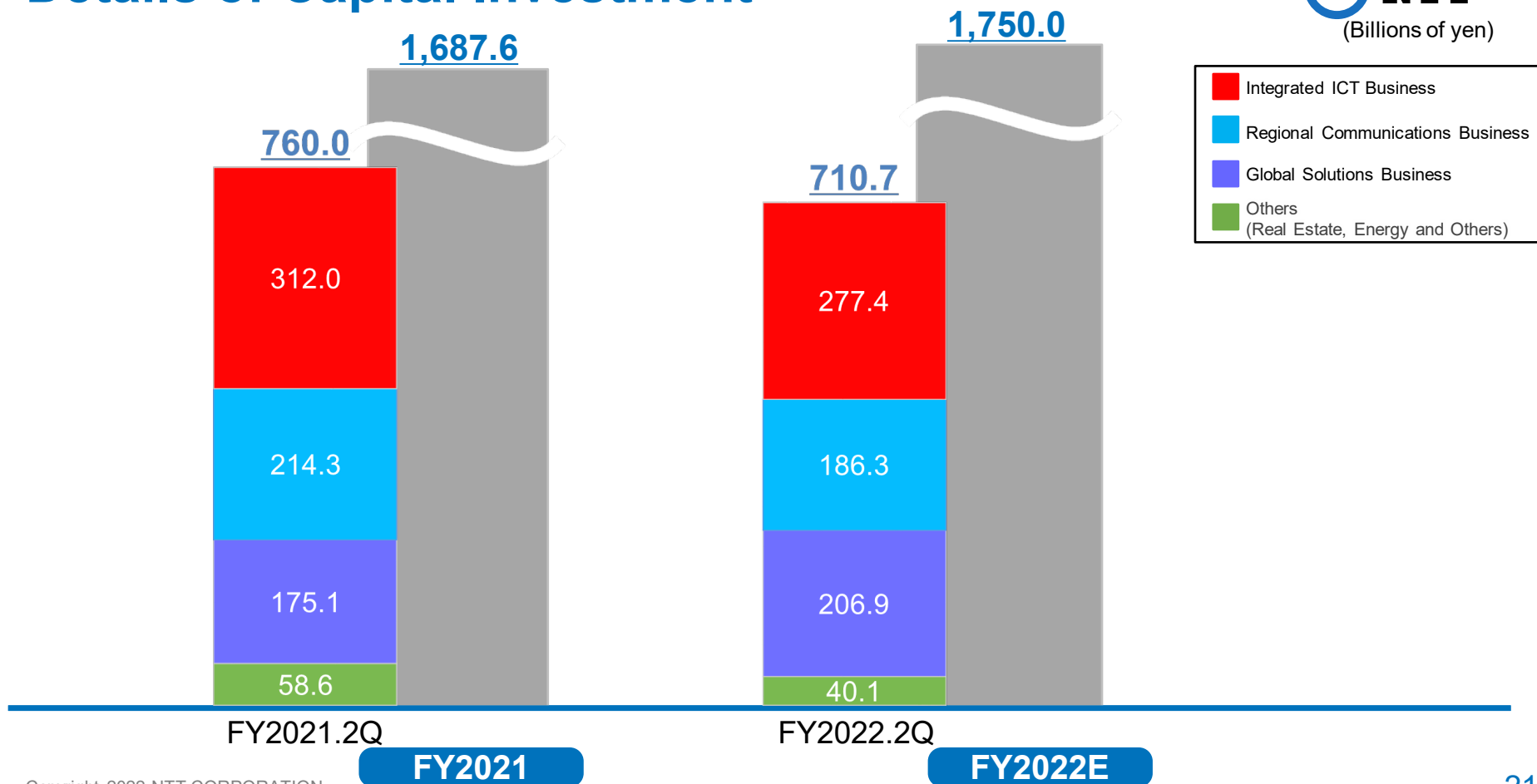


September 30, 2022

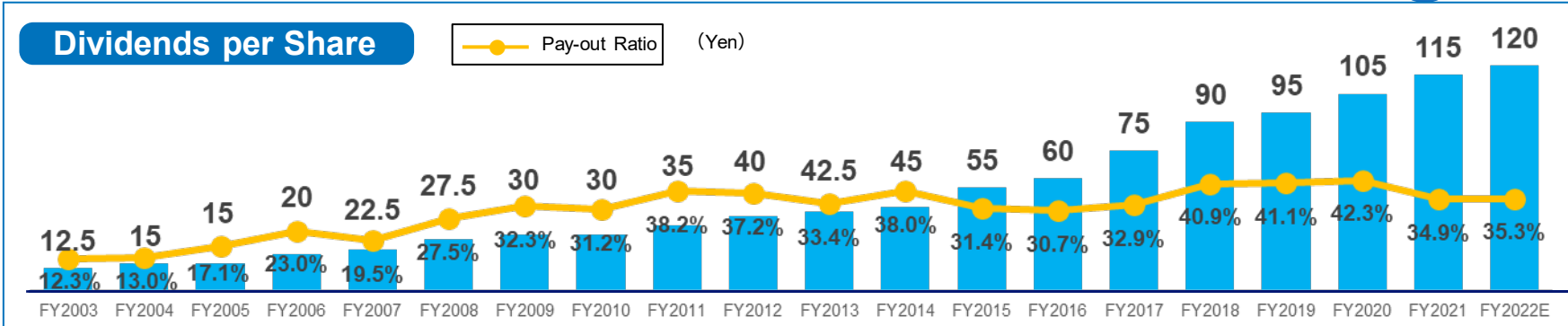
Details of Consolidated Cash Flows



Details of Capital Investment

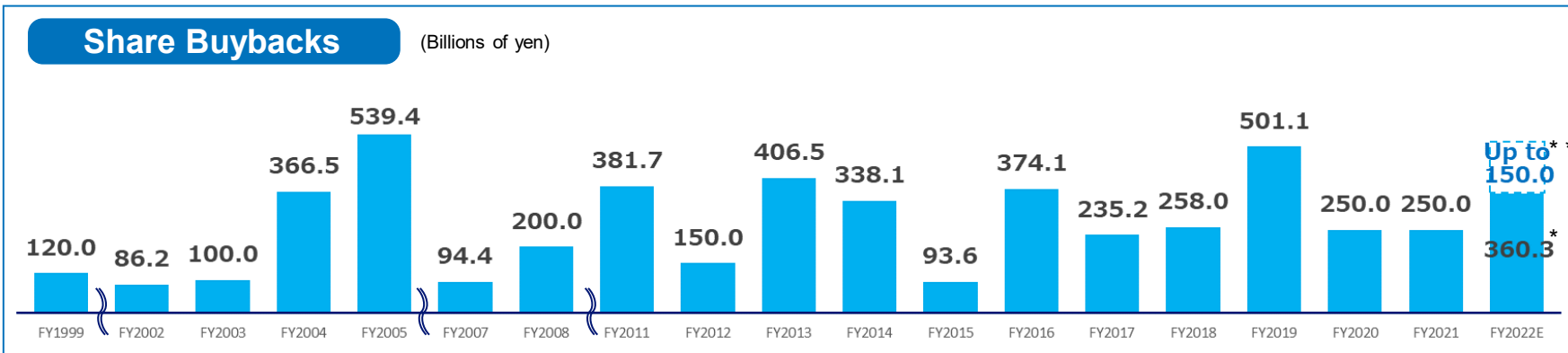


Shareholder Returns



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.



*We repurchased shares of its common stock through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) on September 15, 2022.

** On November 8, 2022, the Board of Directors of NTT resolved to buy back shares in an amount up to ¥150.0 billion. Buyback Period: November 9, 2022 to March 31, 2023.

Your Value Partner