



Financial Results for the Nine Months Ended December 31, 2022

February 9, 2023

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, 2022

Status of Consolidated Results for FY2022.3Q



- 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: **¥9,572.6B** <+¥649.4B [+7.3%] year-on-year>
- Operating Income: **¥1,520.8B** < (¥18.8B) [(1.2%)] year-on-year>
- Profit⁽¹⁾: **¥1,032.5B** < +¥2.2B [+0.2%] year-on-year>

- Overseas Operating Income Margin⁽²⁾: **6.4%** < +1.0pt 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.

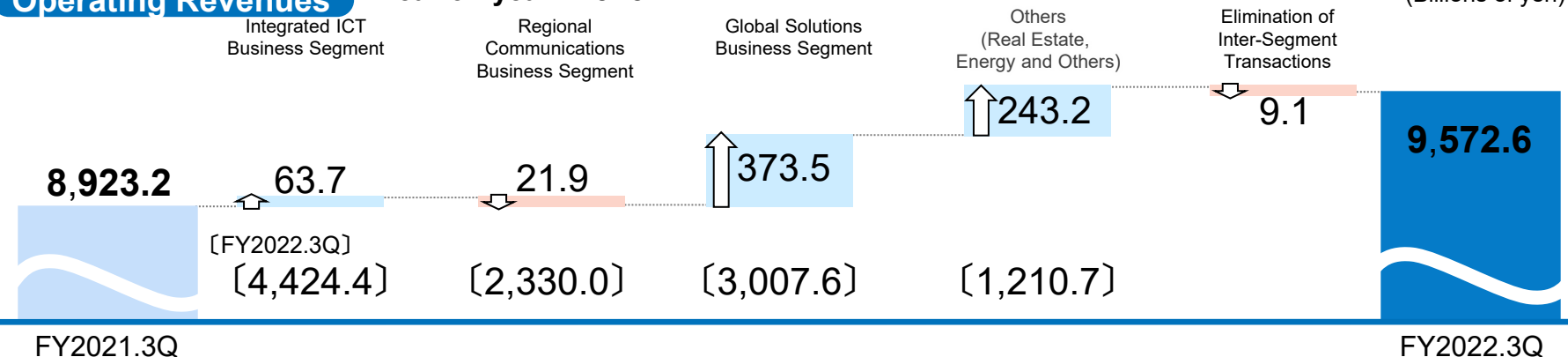
Contributing Factors by Segment for FY2022.3Q



(Billions of yen)

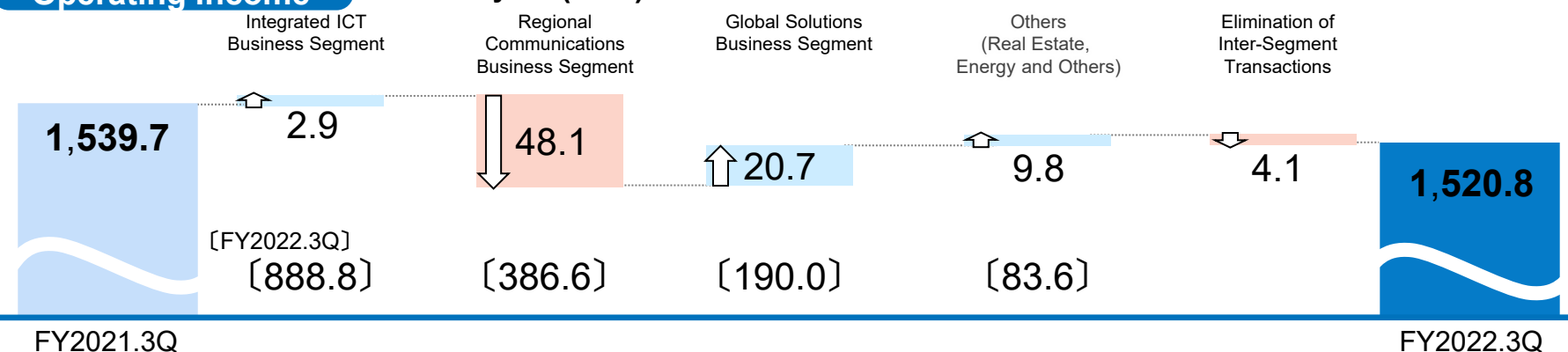
Operating Revenues

<Year-on-year: +649.4>



Operating Income

<Year-on-year:(18.8)>

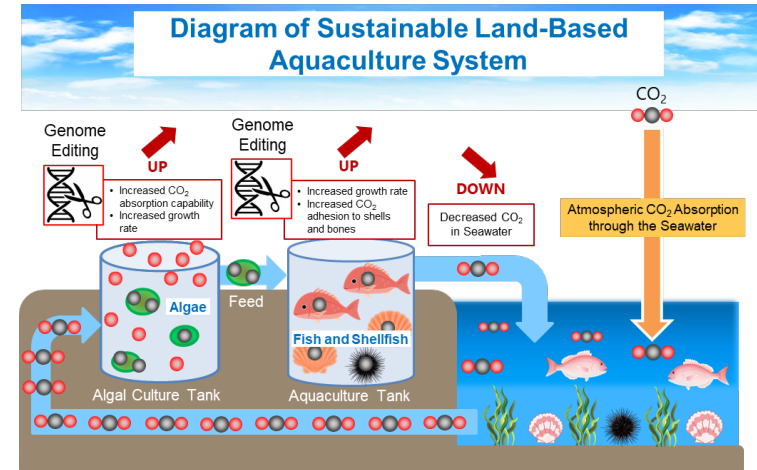


Topics

① Initiatives to Resolve Food and Environmental Issues

■ Formed a planning company in furtherance of establishing a green food business with Regional Fish Institute, Ltd.

- Will aim to cultivate and sell algae, fish and shellfish, and develop and offer sustainable land-based aquaculture systems
- Will utilize species enhancement technologies*, increase the growth rate of algae, fish and shellfish and contribute to the reduction of CO₂
- Plan to establish a joint venture between the planning company and Regional Fish Institute, Ltd. in the first half of FY2023



Resolution of Social Issues

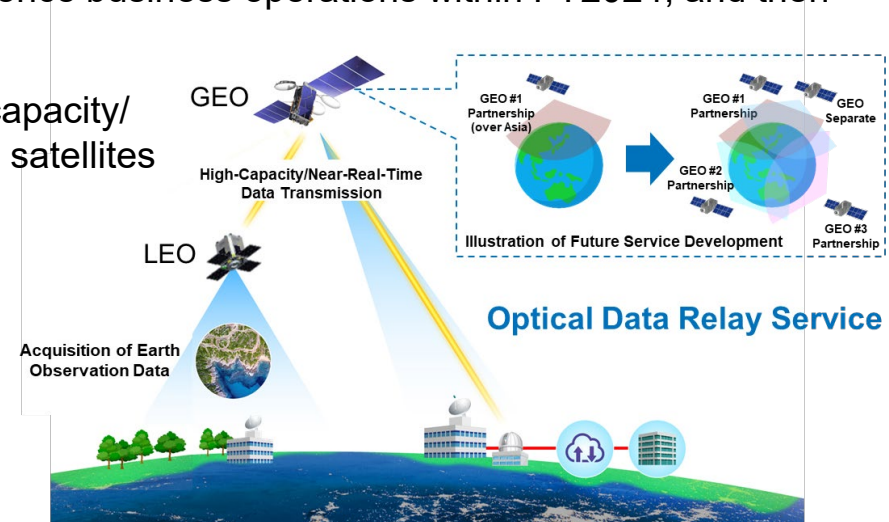
Reduction of global environmental impact, Rejuvenation Japan's fishing industry, Response to food shortages around the world, etc.

② Initiatives in the Space Business



■ Space Compass Corporation has finalized a partnership with Skyloom Global Corporation⁽¹⁾ to boost global expansion (January 30, 2023)

- In order to start an optical data relay service business that offers high-speed transmission for the earth observation LEOs⁽²⁾, will jointly launch three GEOs⁽³⁾ with Skyloom and one GEO as a stand-alone and provide global coverage
- Will initially launch one GEO over Asia and commence business operations within FY2024, and then gradually expand the coverage area
- Compared to existing services, will achieve high-capacity/near-real-time data transmission from observation satellites to ground stations



(1) Skyloom, a maker of space-based optical communications terminals (OCTs), is a U.S. start-up venture that has also been engaged by the U.S. Space Development Agency (headquarters: Colorado, United States)

(2) LEO: Low Earth Orbit Satellite

(3) GEO: Geostationary Orbit Satellite

③ Status for remote-working



■ In July 2022, we introduced a work system with working remotely as standard, allowing employees to work with no limit set on places of residence.

✓ The number of employees eligible for the system increased by ~10,000 (~30%)

Eligible Employees⁽¹⁾	At the time of introduction of the system: ~30,000/190,000 people Currently: ~40,000 / 190,000 people	+ ~10,000 people (~30% increase)
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(1) Number of hybrid-working (working both remotely and in-office) employees who work from home by default.

✓ The system has reduced the number of employees posted away from their families.

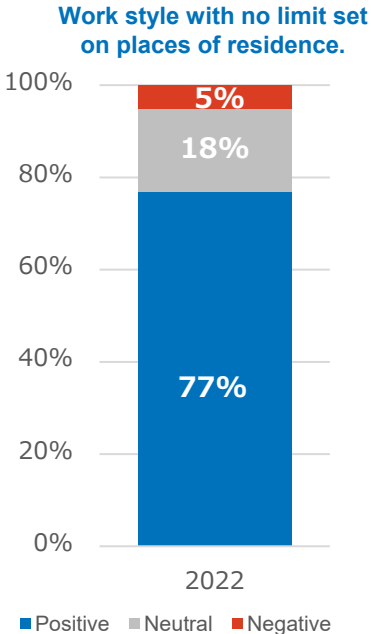
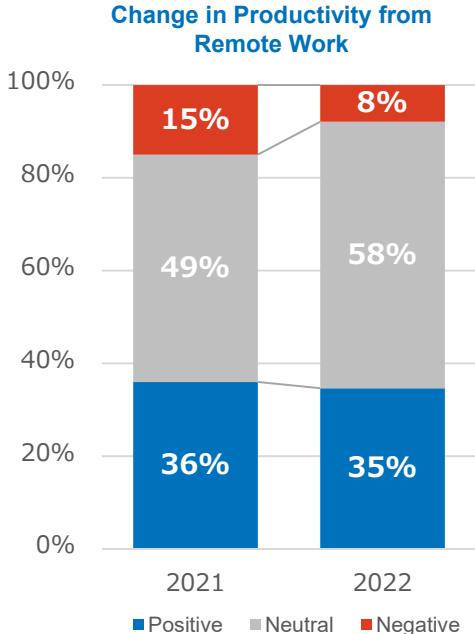
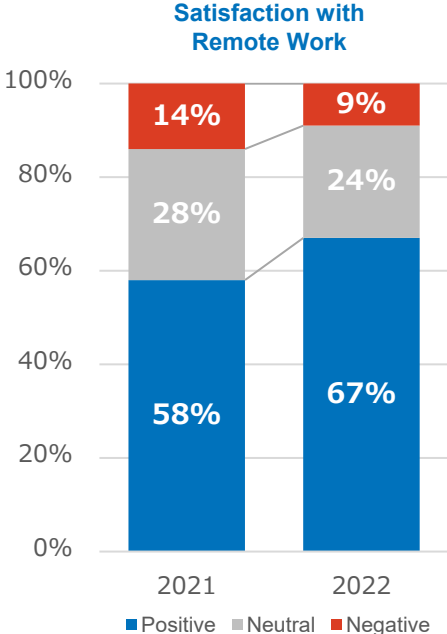
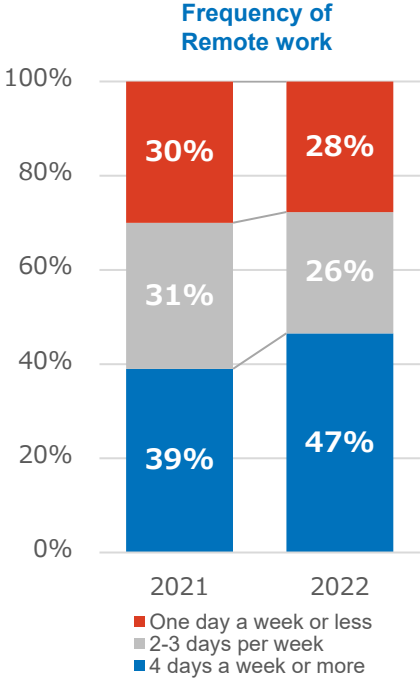
Employees posted away from their family	Before introduction of the system: 4,900 / 190,000 people Currently: 4,500 / 190,000 people	- ~400 people⁽²⁾ (~10% reduction)
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(2) Total of ~900 people posted away from their family are now living with their families under the system, and ~500 people have been newly posted away from their families.

Reference: Results of Survey for working remotely



- Conducted a survey among employees of domestic companies. Of ~120,000 respondents, ~75,000 people responded that they could work remotely
- Among employees who responded that they could work remotely, their frequency of working remotely and satisfaction levels have both increased
- With respect to productivity, 90% of employees responded that “productivity has increased” or “no change”
- ~80% of employees responded positively to a work style that allows them to work with no limit set on places of residence.



④ Overview of Medium-Term Management Strategy Initiatives



Progress since November 2022

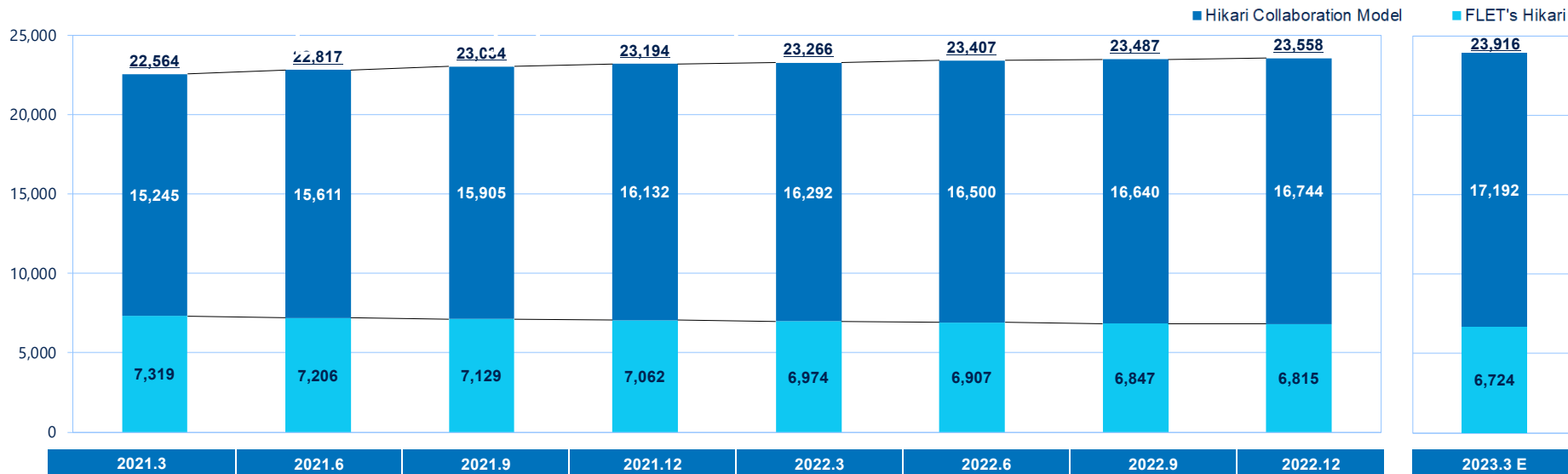
Growth and Strengthening of the Newly Formed DOCOMO Group	<ul style="list-style-type: none">• Launched the “d smartbank” digital account service (NTT DOCOMO, December)• Launched docomo Seishun Wari for customers who are 22 and under (NTT DOCOMO, December)• Added TOKAI Communications to serve as a new DOCOMO's Economy MVNO (NTT DOCOMO, TOKAI Communications, December)
Promotion of the IOWN Development/Rollout Plan	<ul style="list-style-type: none">• Carried out a real-time remote chorus demonstration using IOWN All Photonics Network related technology at “SUNTORY Presents Beethoven’s 9th with a Cast of 10,000” (NTT, NTT West, NTT Communications, December)• Succeeded in developing the world’s fastest wireless communication area estimation technology (NTT, December)• Started joint research with Yokohama National University on improving the accuracy of typhoon predictions (NTT, January)• Prof. Masataka Nakazawa and Mr. Kazuo Hagimoto, formerly of NTT R&D, were awarded the Japan Prize (January)
Strengthening of New Businesses	<ul style="list-style-type: none">• Developed earphone design technology that only the user can hear without blocking the ear, and launched sales of open-ear earphones utilizing that technology (NTT, NTT Sonology, November)• Entered into a partnership agreement with TOKYO GAS NETWORK and TEPCO Power Grid for the purpose of furthering initiatives that will contribute to infrastructure projects’ “sustainability and stabilization” and “regional value improvement” (NTT East, November)• Launched support for the achievement of “sustainable and well-being-focused” urban development, utilizing the “SUGATAMI” platform that acts as a mirror that reflects the “now” of the town (NTT, NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, November)• Commenced demonstration testing of traffic prediction modeling at the “Yumeshima” site planned for Expo 2025 Osaka, Kansai, Japan (NTT West, November)• Together with Gryllus Inc., commenced demonstration testing to develop “smart rearing of edible crickets” in furtherance of resolving food issues (NTT East, January)
Enhancement of Corporate Value	<ul style="list-style-type: none">• Received the “IR Grand Prix” at the 2022 IR Awards (NTT, November)• Hosted the "NTT Art Contest 'Enlightening the Power of Diversity through Art'" 2022, and create jobs for people with disabilities (NTT, November)• Donated US \$1 million to help support an online educational environment for displaced children in Ukraine (NTT Group, December)• Joined U.S. Government Public-Private Cybersecurity Initiative JCDC (NTT, January)

Appendix

Broadband Services

Fixed-Line Broadband Services Subscriptions

Number of Subscriptions

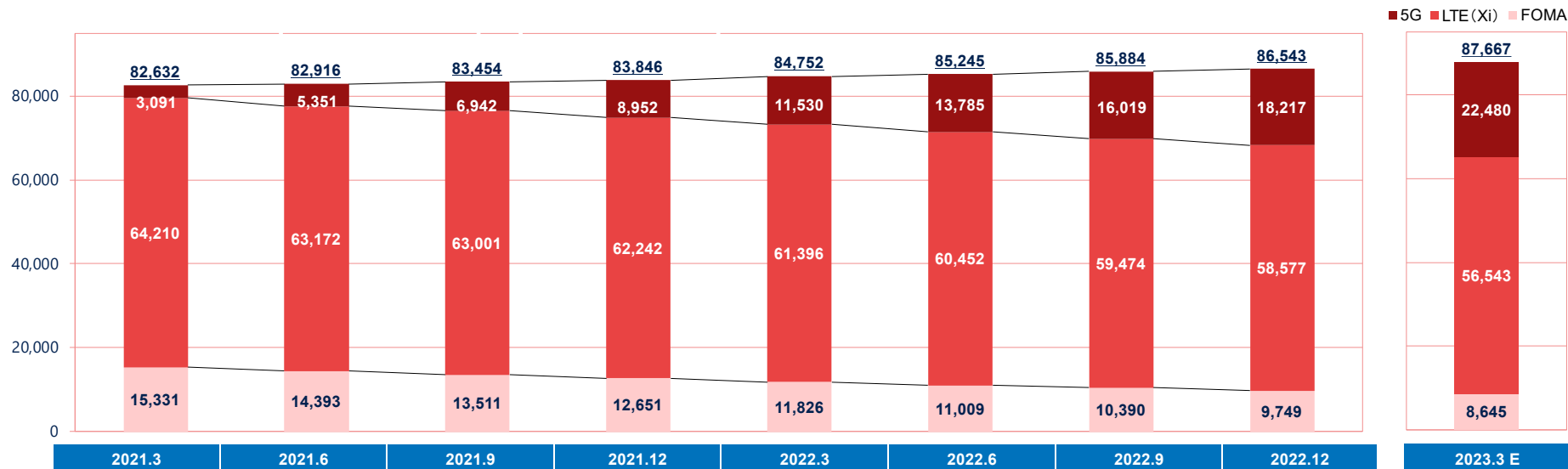


Net Increase

	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 7-9	2022 10-12	2022 4 - 2023 3 E
Total	+253	+217	+160	+72	+140	+80	+72	+650
		+702				+292		+900
Hikari Collaboration Model	+366	+294	+227	+160	+208	+140	+104	(250)
FLET'S Hikari	(113)	(78)	(67)	(88)	(67)	(59)	(32)	
		(345)				(159)		

Mobile Communications Services Subscriptions

Number of Subscriptions



Net Increase

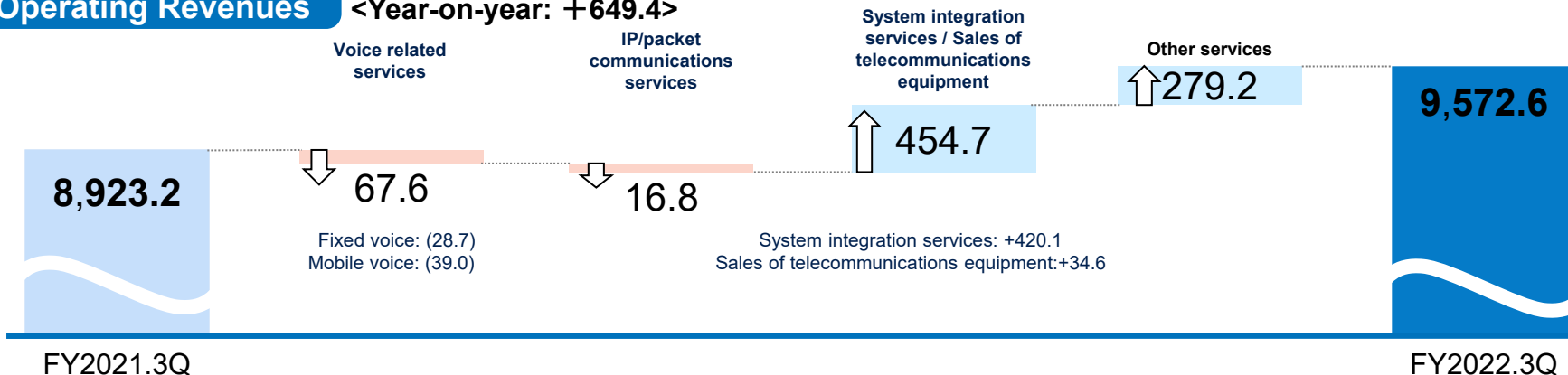
	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 7-9	2022 10-12	2022 4 - 2023 3 E
5G+LTE(Xi)+ FOMA	+284	+537	+392	+907	+493	+639	+659	+2,915
		+2,120				+1,790		

Financial Information

Details of Consolidated Statement of Income

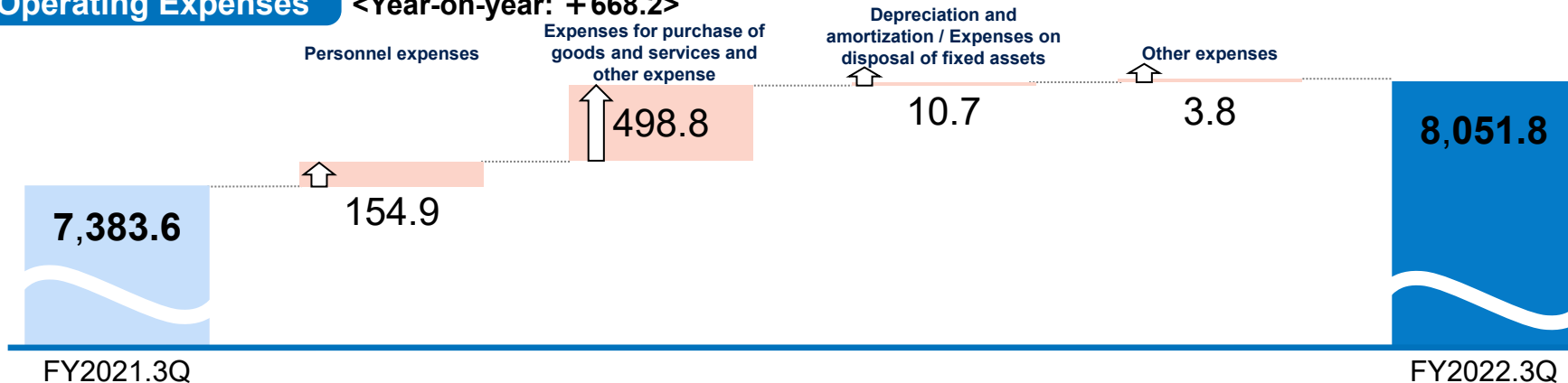
Operating Revenues

<Year-on-year: +649.4>



Operating Expenses

<Year-on-year: +668.2>

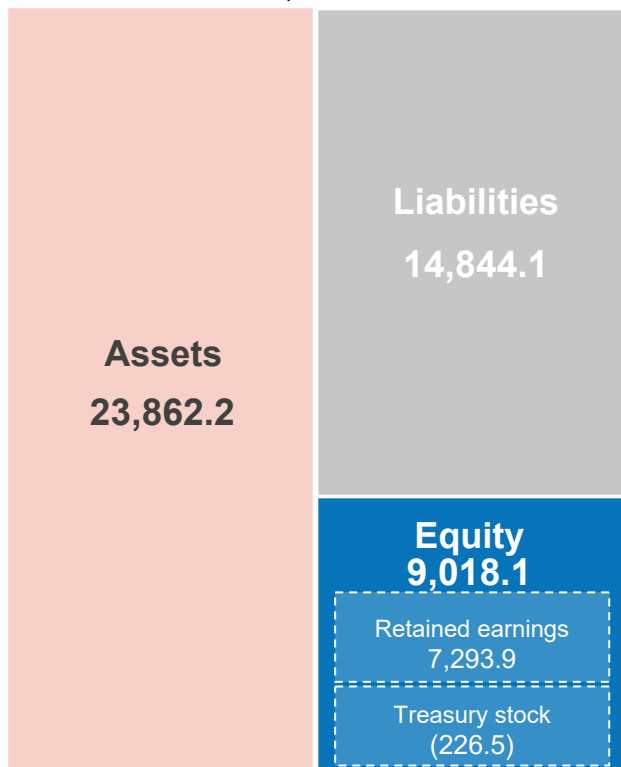


Details of Consolidated Balance Sheet

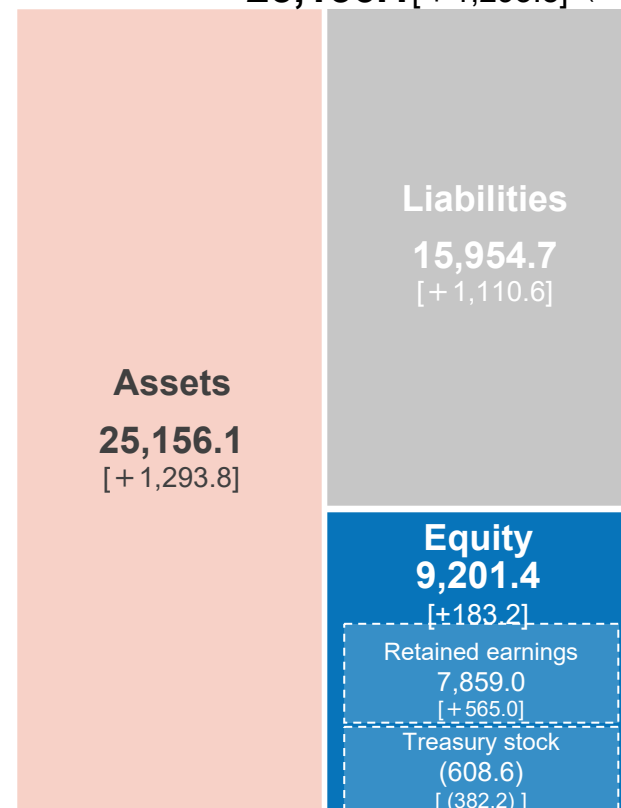


25,156.1 [+ 1,293.8] (Billions of yen)

23,862.2

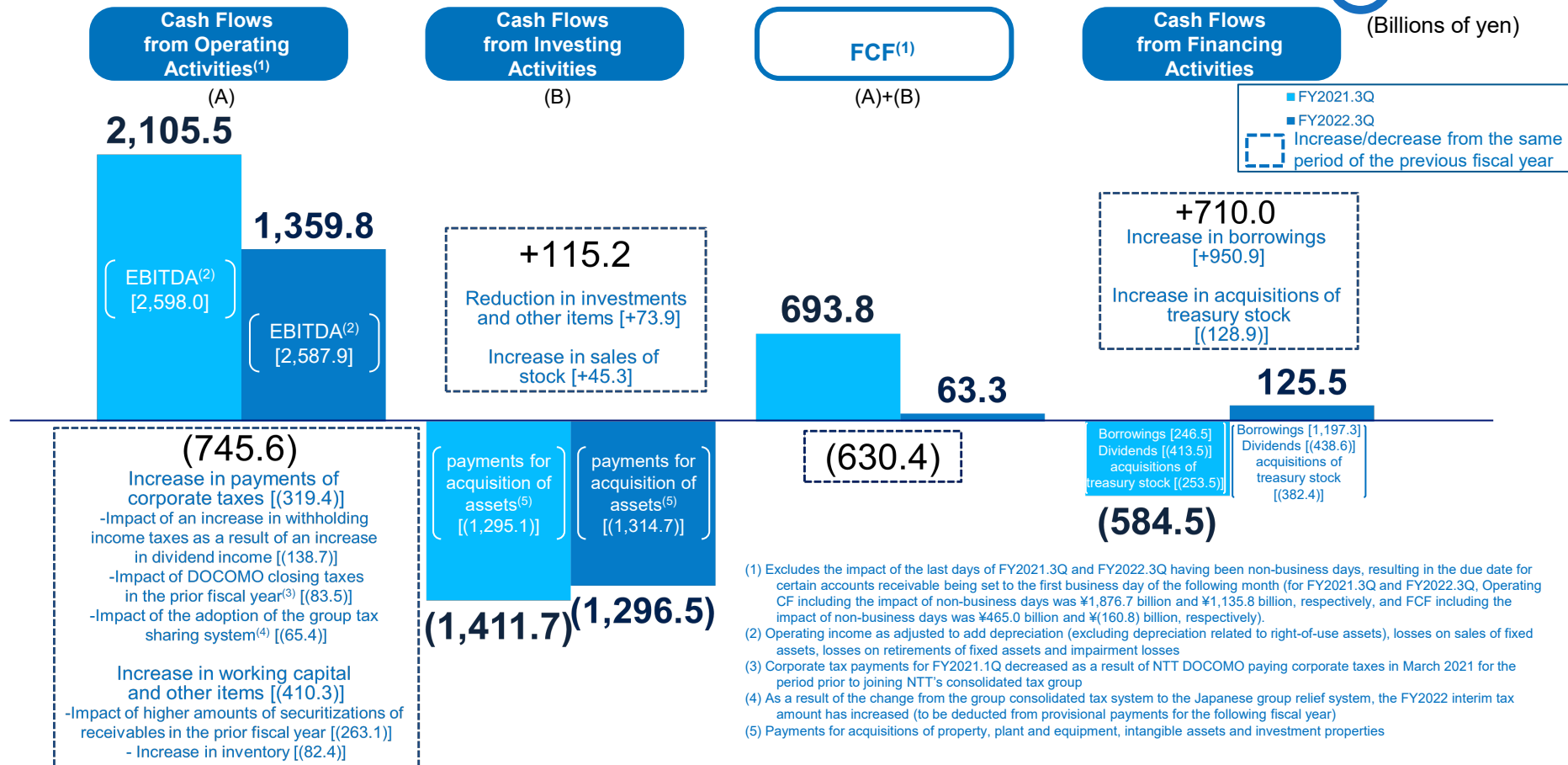


March 31, 2022



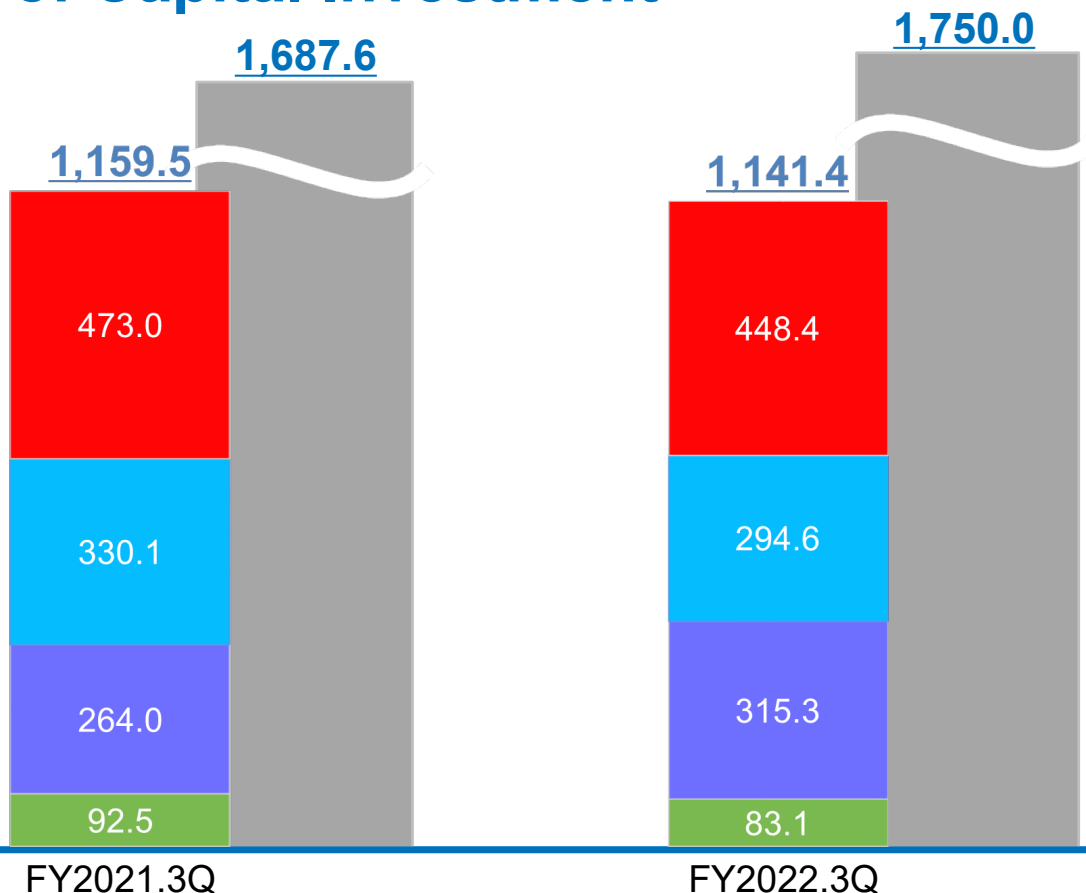
December 31, 2022

Details of Consolidated Cash Flows



- (1) Excludes the impact of the last days of FY2021.3Q and FY2022.3Q 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 FY2021.3Q and FY2022.3Q, Operating CF including the impact of non-business days was ¥1,876.7 billion and ¥1,135.8 billion, respectively, and FCF including the impact of non-business days was ¥465.0 billion and ¥(160.8) billion, respectively).
- (2) Operating income as adjusted to add depreciation (excluding depreciation related to right-of-use assets), losses on sales of fixed assets, losses on retirements of fixed assets and impairment losses
- (3) Corporate tax payments for FY2021.1Q decreased as a result of NTT DOCOMO paying corporate taxes in March 2021 for the period prior to joining NTT's consolidated tax group
- (4) As a result of the change from the group consolidated tax system to the Japanese group relief system, the FY2022 interim tax amount has increased (to be deducted from provisional payments for the following fiscal year)
- (5) Payments for acquisitions of property, plant and equipment, intangible assets and investment properties

Details of Capital Investment



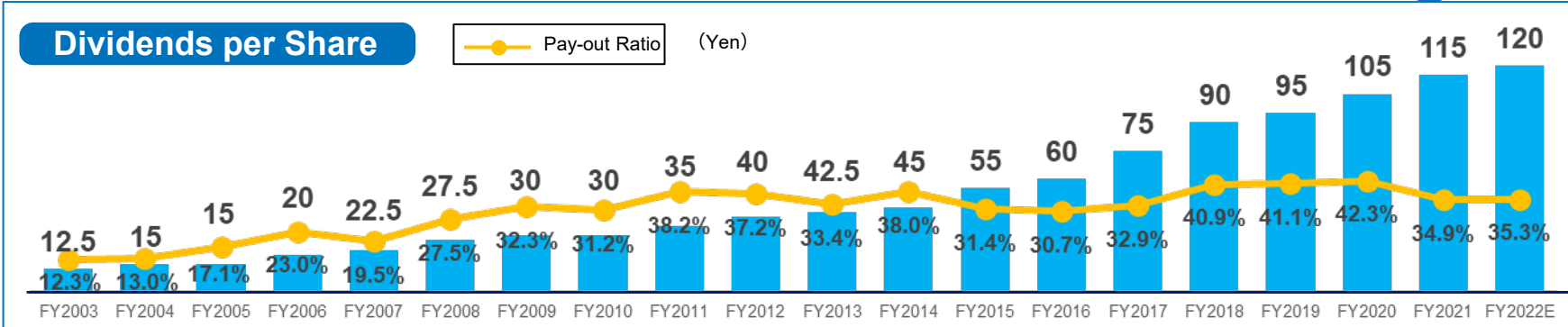
FY2021.3Q

FY2022.3Q

FY2021

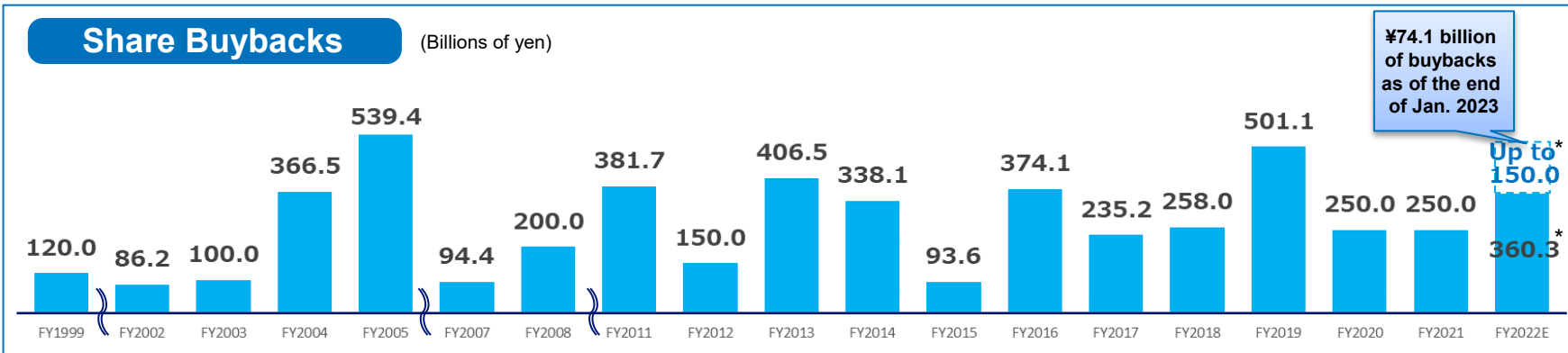
FY2022E

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