

[Translation]

# Semi-annual Securities Report

(The first half of the 40<sup>th</sup> Business Term)  
From April 1, 2024 to September 30, 2024

NIPPON TELEGRAPH AND TELEPHONE CORPORATION

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[Note]

This document is an English translation of certain items that were disclosed in NTT's Semi-annual Securities Report for the six-month period ended September 30, 2024, which NTT filed on November 8, 2024 with the Financial Services Agency of Japan.

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.

[Cover]

|   |   |
|---|---|
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| [Fiscal Year]                                 | The first half of the 40 <sup>th</sup> Business Term (From April 1, 2024 to September 30, 2024) |
| [Company Name]                                | Nippon Denshin Denwa Kabushiki Kaisha   |
| [Company Name in English]                     | NIPPON TELEGRAPH AND TELEPHONE CORPORATION  |
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| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc.<br>(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)                       |

## Item 1. Overview of the Company

### 1. Selected Financial Data

IFRS

|   |                    | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Fiscal year ended<br>March 31, 2024 |
|---|--------------------|--|--|-------------------------------------|
| Operating revenues  | Millions<br>of yen | 6,364,570                                    | 6,590,625                                    | 13,374,569                          |
| Profit before taxes   | Millions<br>of yen | 1,039,103                                    | 878,845                                      | 1,980,457                           |
| Profit attributable to NTT  | Millions<br>of yen | 670,844                                      | 554,792                                      | 1,279,521                           |
| Comprehensive income (loss) attributable to NTT                     | Millions<br>of yen | 994,129                                      | 407,449                                      | 1,962,087                           |
| NTT shareholders' equity  | Millions<br>of yen | 9,316,905                                    | 9,990,849                                    | 9,844,160                           |
| Total assets  | Millions<br>of yen | 26,813,578                                   | 29,045,759                                   | 29,604,223                          |
| Basic earnings per share attributable to NTT                        | Yen                | 7.87   | 6.60   | 15.09                               |
| Diluted earnings per share attributable to NTT                      | Yen                | —  | —  | —                                   |
| Equity ratio<br>(Ratio of NTT Shareholders' Equity to Total Assets) | %                  | 34.7   | 34.4   | 33.3                                |
| Net cash provided by operating activities                           | Millions<br>of yen | 825,910                                      | 1,121,366                                    | 2,374,159                           |
| Net cash provided by investing activities                           | Millions<br>of yen | (1,076,720)                                  | (943,536)                                    | (1,989,235)                         |
| Net cash provided by financing activities                           | Millions<br>of yen | 137,854                                      | 63,628                                       | (234,454)                           |
| Cash and cash equivalents at end of period                          | Millions<br>of yen | 715,008                                      | 1,207,863                                    | 982,874                             |

Notes: (1) NTT's condensed semi-annual consolidated financial statements and consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

(2) As NTT prepares condensed semi-annual consolidated financial statements, changes in the non-consolidated financial data, are not provided.

(3) Diluted earnings per share attributable to NTT is not stated because NTT did not have potentially dilutive common shares that were outstanding during the period.

(4) Basic earnings per share attributable to NTT is calculated based on the average number of shares outstanding during the six months ended September 30, 2024, excluding treasury stock. In addition, NTT adopted a BIP (Board Incentive Plan) trust stock compensation system for Members of the Board and Executive Officers. As a result, in calculating Basic earnings per share attributable to NTT, shares held by such trust are included in the amount of treasury stock to be deducted from the calculation.

(5) 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 for the six months ended September 30, 2023, the fiscal year ended March 31, 2024 have been adjusted to reflect the impact of the stock split.

## **2. Description of Business**

The principal business segments of NTT Group (NTT and its affiliated companies) are its Integrated ICT Business, Regional Communications Business, and Global Solutions Business.

There were no material changes in NTT Group's business during the six months ended September 30, 2024, nor were there any material changes in its subsidiaries and affiliated companies.

## Item 2. Business Overview

### 1. Risk Factors

There were no risks newly identified during the six months ended September 30, 2024. There was no material change in risk factors which were described in NTT's Annual Securities Report for the fiscal year ended March 31, 2024.

### 2. Management's Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flows

#### (1) Consolidated Results

Six-Month Period Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Billions of yen)

|   | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Change  | Percent<br>Change |
|---|--|--|---------|-------------------|
| Operating revenues  | 6,364.6                                      | 6,590.6                                      | 226.1   | 3.6%              |
| Fixed voice related services                                      | 404.3  | 375.4  | (28.9)  | (7.2)%            |
| Mobile voice related services                                     | 495.2  | 478.2  | (16.9)  | (3.4)%            |
| IP/packet communications services                                 | 1,726.5                                      | 1,697.2                                      | (29.3)  | (1.7)%            |
| Sales of telecommunications equipment                             | 370.9  | 382.0  | 11.1    | 3.0%              |
| System integration services                                       | 2,278.0                                      | 2,464.2                                      | 186.2   | 8.2%              |
| Other   | 1,089.7                                      | 1,193.6                                      | 103.9   | 9.5%              |
| Operating expenses  | 5,413.6                                      | 5,670.4                                      | 256.7   | 4.7%              |
| Personnel expenses  | 1,432.3                                      | 1,538.8                                      | 106.5   | 7.4%              |
| Expenses for purchase of goods and<br>services and other expenses | 3,063.7                                      | 3,162.0                                      | 98.3    | 3.2%              |
| Depreciation and amortization                                     | 794.8  | 850.8  | 56.0    | 7.0%              |
| Others  | 122.8  | 118.8  | (4.0)   | (3.2)%            |
| Operating profit  | 950.9  | 920.3  | (30.7)  | (3.2)%            |
| Profit before taxes   | 1,039.1                                      | 878.8  | (160.3) | (15.4)%           |
| Profit attributable to NTT  | 670.8  | 554.8  | (116.1) | (17.3)%           |

During the six months ended September 30, 2024, pursuant to the NTT Group Medium-Term Management Strategy “New Value Creation & Sustainability 2027 Powered by IOWN” announced in May 2023, NTT Group promoted initiatives to become a supporter of global sustainability by providing new value to customers and society and by shifting NTT's business activities themselves toward the achievement of a sustainable society. As a result of these efforts, NTT Group's consolidated operating revenues for the six-month period ended September 30, 2024 were ¥6,590.6 billion (an increase of 3.6% from the same period of the previous fiscal year), consolidated operating expenses were ¥5,670.4 billion (an increase of 4.7% from the same period of the previous fiscal year), consolidated operating profit was ¥920.3 billion (a decrease of 3.2% from the same period of the previous fiscal year), profit before taxes was ¥878.8 billion (a decrease of 15.4% from the same period of the previous fiscal year), and profit

attributable to NTT was ¥554.8 billion (a decrease of 17.3% from the same period of the previous fiscal year).

## **(2) Segment Results**

The Integrated ICT Business Segment comprises fixed voice related services, mobile voice related services, IP/packet communications services, sales of telecommunications equipment, system integration services and other services.

The Regional Communications Business Segment comprises fixed voice related services, IP/packet communications services, sales of telecommunications equipment, system integration services and other services.

The Global Solutions Business Segment principally comprises system integration services.

Others (Real Estate, Energy and Others) principally comprises building maintenance, real estate rentals, sales of energy and other services related to research and development.

Results by business segment are as follows (intersegment transactions are included in the operating revenues, operating expenses and operating profit of operational results for each business segment).



## Integrated ICT Business Segment

Six-Month Period Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Billions of yen)

|  | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Change | Percent<br>Change |
|--|--|--|--------|-------------------|
| Operating revenues   | 2,946.4                                      | 2,993.8                                      | 47.4   | 1.6%              |
| Fixed voice related services                                   | 74.1   | 54.7   | (19.4) | (26.2)%           |
| Mobile voice related services                                  | 498.9  | 481.9  | (16.9) | (3.4)%            |
| IP/packet communications services                              | 1,154.3                                      | 1,128.9                                      | (25.5) | (2.2)%            |
| Sales of telecommunications equipment                          | 335.3  | 348.2  | 12.9   | 3.8%              |
| System integration services                                    | 291.9  | 306.1  | 14.2   | 4.9%              |
| Other  | 591.8  | 673.9  | 82.1   | 13.9%             |
| Operating expenses   | 2,365.6                                      | 2,440.5                                      | 74.9   | 3.2%              |
| Personnel expenses   | 245.9  | 271.9  | 26.0   | 10.6%             |
| Expenses for purchase of goods and services and other expenses | 1,687.2                                      | 1,722.2                                      | 34.9   | 2.1%              |
| Depreciation and amortization                                  | 398.9  | 415.4  | 16.5   | 4.1%              |
| Others   | 33.6   | 31.0   | (2.6)  | (7.7)%            |
| Operating profit   | 580.8  | 553.3  | (27.4) | (4.7)%            |

Operating revenues for the Integrated ICT Business Segment for the six-month period ended September 30, 2024 increased 1.6% from the same period of the previous fiscal year to ¥2,993.8 billion. This increase was due to, among other factors, revenues from sales of telecommunications equipment, from system integration services and from other.

On the other hand, operating expenses for the six-month period ended September 30, 2024 increased 3.2% from the same period of the previous fiscal year to ¥2,440.5 billion due to an increase in personnel expenses and expenses for purchase of goods and services and other expenses, among other factors.

As a result, segment operating profit for the six-month period ended September 30, 2024 decreased 4.7% from the same period of the previous fiscal year to ¥553.3 billion.

## Number of Subscriptions

(Thousands of subscriptions)

| Service                                 | As of March<br>31, 2024 | As of<br>September<br>30, 2024 | Change  | Percent<br>Change |
|---|-------------------------|--------------------------------|---------|-------------------|
| Mobile Telecommunications Services      | 89,940                  | 90,190                         | 250     | 0.3%              |
| Telecommunications Services (5G)        | 29,740                  | 33,405                         | 3,665   | 12.3%             |
| Telecommunications Services (LTE (Xi))  | 53,041                  | 50,810                         | (2,231) | (4.2)%            |
| Telecommunications Services (FOMA (3G)) | 7,159                   | 5,975                          | (1,184) | (16.5)%           |
| Plala (ISP)                             | 2,797                   | 2,683                          | (114)   | (4.1)%            |
| OCN (ISP)                               | 7,030                   | 6,888                          | (142)   | (2.0)%            |
| Hikari TV                               | 764                     | 727                            | (37)    | (4.8)%            |

Note: The number of Mobile Telecommunications Services includes mobile line subscriptions of MVNOs and Communication Module subscriptions.

## Regional Communications Business Segment

Six-Month Period Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Billions of yen)

|   | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Change | Percent<br>Change |
|---|--|--|--------|-------------------|
| Operating revenues  | 1,527.0                                      | 1,500.8                                      | (26.2) | (1.7)%            |
| Fixed voice related services                                      | 420.5  | 402.8  | (17.7) | (4.2)%            |
| IP/packet communications services                                 | 792.5  | 786.2  | (6.3)  | (0.8)%            |
| Sales of telecommunications equipment                             | 36.1   | 34.7   | (1.5)  | (4.1)%            |
| System integration services                                       | 87.4   | 90.3   | 3.0    | 3.4%              |
| Other   | 190.5  | 186.9  | (3.6)  | (1.9)%            |
| Operating expenses  | 1,310.9                                      | 1,309.5                                      | (1.3)  | (0.1)%            |
| Personnel expenses  | 320.8  | 318.3  | (2.4)  | (0.8)%            |
| Expenses for purchase of goods and<br>services and other expenses | 720.6  | 709.7  | (10.8) | (1.5)%            |
| Depreciation and amortization                                     | 200.9  | 213.2  | 12.2   | 6.1%              |
| Others  | 68.6   | 68.3   | (0.3)  | (0.4)%            |
| Operating profit  | 216.2  | 191.3  | (24.9) | (11.5)%           |

Operating revenues in the Regional Communications Business Segment for the six-month period ended September 30, 2024 decreased 1.7% from the same period of the previous fiscal year to ¥1,500.8 billion due to, among other factors, a decrease in fixed voice related services revenues.

On the other hand, operating expenses for the six-month period ended September 30, 2024 decreased 0.1% from the same period of the previous fiscal year to ¥1,309.5 billion due to a decrease in expenses for purchase of goods and services and other expenses, among other factors.

As a result, segment operating profit for the six-month period ended September 30, 2024 decreased 11.5% from the same period of the previous fiscal year to ¥191.3 billion.

# Number of Subscriptions

(Thousands of subscriber lines/subscriptions)

| Service   | As of March<br>31, 2024 | As of<br>September<br>30, 2024 | Change | Percent<br>Change |
|---|-------------------------|--------------------------------|--------|-------------------|
| <b>(NIPPON TELEGRAPH AND<br/>TELEPHONE EAST CORPORATION<br/>("NTT East"))</b> |                         |                                |        |                   |
| Telephone Subscriber Lines  | 5,736                   | 5,557                          | (179)  | (3.1)%            |
| INS-Net   | 617                     | 579                            | (38)   | (6.2)%            |
| FLET'S Hikari (including Hikari Collaboration<br>Model)                       | 13,368                  | 13,408                         | 41     | 0.3%              |
| FLET'S ADSL   | 3                       | 3                              | (0)    | (15.5)%           |
| Hikari Denwa (thousand channels)  | 9,786                   | 9,685                          | (101)  | (1.0)%            |
| FLET'S TV Transmission Services   | 1,205                   | 1,221                          | 16     | 1.3%              |
| <b>(NIPPON TELEGRAPH AND<br/>TELEPHONE WEST CORPORATION<br/>("NTT West"))</b> |                         |                                |        |                   |
| Telephone Subscriber Lines  | 5,470                   | 5,258                          | (212)  | (3.9)%            |
| INS-Net   | 612                     | 578                            | (34)   | (5.6)%            |
| FLET'S Hikari (including Hikari Collaboration<br>Model)                       | 10,286                  | 10,313                         | 27     | 0.3%              |
| FLET'S ADSL   | 43                      | 39                             | (3)    | (8.1)%            |
| Hikari Denwa (thousand channels)  | 8,518                   | 8,424                          | (94)   | (1.1)%            |
| FLET'S TV Transmission Services   | 932                     | 957                            | 25     | 2.7%              |

Notes: (1) "INS-Net" includes "INS-Net 64" and "INS-Net 1500." In terms of the number of channels, transmission rate, and line use rate (base rate), "INS-Net 1500" is in all cases approximately ten times greater than "INS-Net 64." For this reason, one "INS-Net 1500" subscription is calculated as ten "INS-Net 64" subscriptions (including subscriptions to the "INS-Net 64 Lite Plan").

(2) The number of "FLET'S Hikari (including Hikari Collaboration Model)" subscriptions includes subscriptions to "FLET'S Hikari Cross," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" "FLET'S Hikari WiFi Access" and "Hikari Denwa Next (Hikari IP Phone)" provided by NTT East, subscriptions to "FLET'S Hikari Cross," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari Light" and "Hikari Denwa Next (IP Phone Services)" provided by NTT West and subscriptions to the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(3) Numbers of subscribers for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

## Global Solutions Business Segment

Six-Month Period Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Billions of yen)

|  | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Change | Percent<br>Change |
|--|--|--|--------|-------------------|
| Operating revenues   | 2,078.5                                      | 2,240.1                                      | 161.6  | 7.8%              |
| System integration services                                    | 2,078.5                                      | 2,240.1                                      | 161.6  | 7.8%              |
| Operating expenses   | 1,956.6                                      | 2,091.1                                      | 134.4  | 6.9%              |
| Personnel expenses   | 770.4  | 843.7  | 73.3   | 9.5%              |
| Expenses for purchase of goods and services and other expenses | 1,009.3                                      | 1,055.5                                      | 46.1   | 4.6%              |
| Depreciation and amortization                                  | 164.6  | 182.5  | 17.9   | 10.9%             |
| Others   | 12.3   | 9.4  | (2.9)  | (23.3)%           |
| Operating profit   | 121.9  | 149.0  | 27.1   | 22.3%             |

Operating revenues in the Global Solutions Business Segment for the six-month period ended September 30, 2024 increased 7.8% from the same period of the previous fiscal year to ¥2,240.1 billion. This increase was due to, among other factors, increased capture of the demand for digitalization, in addition to an increase from the effects of exchange rate fluctuations.

On the other hand, operating expenses for the six-month period ended September 30, 2024 increased 6.9% from the same period of the previous fiscal year to ¥2,091.1 billion due to, among other factors, an increase in revenue-linked expenses and the effects of exchange rate fluctuations.

As a result, segment operating profit for the six-month period ended September 30, 2024 increased 22.3% from the same period of the previous fiscal year to ¥149.0 billion.

Others (Real Estate, Energy and Others)

Six-Month Period Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Billions of yen)

|   | Six Months<br>Ended<br>September 30,<br>2023 | Six Months<br>Ended<br>September 30,<br>2024 | Change | Percent<br>Change |
|---|--|--|--------|-------------------|
| Operating revenues  | 748.1  | 790.8  | 42.7   | 5.7%              |
| System integration services                                       | 29.8   | 32.0   | 2.2    | 7.2%              |
| Other   | 718.3  | 758.8  | 40.6   | 5.6%              |
| Operating expenses  | 713.9  | 753.3  | 39.4   | 5.5%              |
| Personnel expenses  | 130.9  | 138.2  | 7.4    | 5.6%              |
| Expenses for purchase of goods and<br>services and other expenses | 507.9  | 528.8  | 20.9   | 4.1%              |
| Depreciation and amortization                                     | 62.8   | 72.8   | 10.0   | 15.9%             |
| Others  | 12.3   | 13.4   | 1.1    | 9.1%              |
| Operating profit  | 34.2   | 37.5   | 3.3    | 9.7%              |

Operating revenues in Others (Real Estate, Energy and Others) for the six-month period ended September 30, 2024 increased 5.7% from the same period of the previous fiscal year to ¥790.8 billion due to, among other factors, the expansion of data center engineering business.

On the other hand, operating expenses for the six-month period ended September 30, 2024 increased 5.5% from the same period of the previous fiscal year to ¥753.3 billion due to, among other factors, an increase in revenue-linked expenses.

As a result, segment operating profit for the six-month period ended September 30, 2024 increased 9.7% from the same period of the previous fiscal year to ¥37.5 billion.

### **(3) Analysis of Cash Flows and Financial Position**

#### **Cash Flows**

|  | (Billions of yen)                                      |  |               |                           |
|--|--|--|---------------|---------------------------|
|  | <b>Six Months<br/>Ended<br/>September 30,<br/>2023</b> | <b>Six Months<br/>Ended<br/>September 30,<br/>2024</b> | <b>Change</b> | <b>Percent<br/>Change</b> |
| Cash flows provided by operating activities  | 825.9  | 1,121.4  | 295.5         | 35.8%                     |
| Cash flows provided by operating activities<br>(excluding the impact of non-business days) | 1,025.8  | 928.5  | (97.3)        | (9.5)%                    |
| Cash flows used in investing activities  | (1,076.7)  | (943.5)  | 133.2         | 12.4%                     |
| Cash flows provided by financing activities  | 137.9  | 63.6   | (74.2)        | (53.8)%                   |
| Cash and cash equivalents  | 715.0  | 1,207.9  | 492.9         | 68.9%                     |
| Cash and cash equivalents<br>(excluding the impact of non-business days)                   | 914.9  | 1,207.9  | 292.9         | 32.0%                     |

Note: Impact in the amounts of ¥199.9 billion and ¥192.8 billion, caused by the last days of six months ended September 30, 2023 and the fiscal year ended March 31, 2024 falling on a nonbusiness day, resulting in the due date for certain bills, including telecommunication services bills, being set to the first business day of the following month.

Cash flows provided by operating activities, excluding the impact of non-business days, for the six-month period ended September 30, 2024 was ¥928.5 billion. This was primarily due to profit (loss) as adjusted for non-cash items (profit for the period, plus profit (loss) for non-cash items such as depreciation and losses on retirement of fixed assets) reaching ¥1,436.0 billion. In addition, this represented a decrease of ¥97.3 billion (9.5%) from the same period of the previous fiscal year, primarily due to an increase in working capital, among other factors. Cash flows provided by operating activities for the six-month period ended September 30, 2024 was ¥1,121.4 billion.

Cash flows used in investing activities for the six-month period ended September 30, 2024 was ¥943.5 billion. This was primarily due to payments for acquisitions of property, plant and equipment, intangible assets and investment properties reaching ¥1,004.5 billion. In addition, this represented a decrease of ¥133.2 billion (12.4%) in payments from the same period of the previous fiscal year, primarily as a result of decreased payments for investments and other items.

Cash flows provided by financing activities, for the six-month period ended September 30, 2024 was ¥63.6 billion, which included dividend payments of ¥231.8 billion and income from borrowings of ¥451.2 billion. This represented a decrease of ¥74.2 billion (53.8%) in income from the same period of the previous fiscal year.

As a result of the above, NTT Group's consolidated cash and cash equivalents for the six-month period ended September 30, 2024 was ¥1,207.9 billion, an increase of ¥32.2 billion (2.7%) from the end of the previous fiscal years, excluding the impact of non-business days.

## **Financial Position**

(Billions of yen)

|  | <b>March 31, 2024</b> | <b>September 30, 2024</b> | <b>Change</b> |
|--|-----------------------|---------------------------|---------------|
| Assets                                 | 29,604.2              | 29,045.8                  | (558.5)       |
| Liabilities                            | 18,711.2              | 17,990.4                  | (720.8)       |
| (incl.) Interest-bearing debt          | 9,591.0               | 9,806.4                   | 215.4         |
| Equity                                 | 10,893.1              | 11,055.4                  | 162.3         |
| (incl.) Total NTT shareholders' equity | 9,844.2               | 9,990.8                   | 146.7         |

Assets as of September 30, 2024 decreased by ¥558.5 billion from the end of the previous fiscal year to ¥29,045.8 billion, due to, among other factors, a decrease in Trade and other receivables and other financial assets.

Liabilities as of September 30, 2024 decreased by ¥720.8 billion from the end of the previous fiscal year to ¥17,990.4 billion, due to a decrease in Trade and other payables. The balance of interest-bearing debt was ¥9,806.4 billion, an increase of ¥215.4 billion from ¥9,591.0 billion as of the end of the previous fiscal year.

Shareholders' equity as of September 30, 2024 increased by ¥146.7 billion from the end of the previous fiscal year to ¥9,990.8 billion, due to an increase in profit for the six months. The ratio of interest-bearing debt to shareholders' equity was 98.2% (compared to 97.4% at the end of the previous fiscal year). In addition, equity, which consists of the sum of shareholders' equity and non-controlling interests, increased by ¥162.3 billion from the end of the previous fiscal year to ¥11,055.4 billion.



#### **(4) Urgent Operational and Finance Issues Facing the Corporate Group**

There were no material changes in urgent operational and finance issues facing the corporate group for the six months ended September 30, 2024, and no new additional issues arose during the period. In addition, during the six months ended September 30, 2024, there were no material changes in NTT Group's management policies or strategies.

#### **(5) Research and Development**

NTT's group-wide research and development expenses for the six months ended September 30, 2024 were ¥119.3 billion. There were no material changes in NTT's research and development activities during the six months ended September 30, 2024.

### **3. Material Contracts**

There were no material contracts relating to NTT's operations that were agreed upon or entered into during the six months ended September 30, 2024.

### Item 3. Information on NTT

#### 1. Information on NTT's Shares

##### (1) Total Number of Shares

Total Number of Shares

| Class        | Total Number of Shares Authorized to be Issued<br>(shares) |
|--------------|--|
| Common stock | 154,823,022,500  |
| Total        | 154,823,022,500  |

Issued Shares

| Class        | Number of Shares<br>Issued as of September<br>30, 2024 (shares) | Number of Shares<br>Issued as of the Filing<br>Date (shares)<br>(November 8, 2024) | Stock Exchange on<br>which the Company is<br>Listed | Description  |
|--------------|---|--|---|--|
| Common Stock | 90,550,316,400  | 90,550,316,400   | Tokyo Stock Exchange<br>(Prime Market)              | The number of<br>shares per one<br>unit of shares is<br>100 shares |
| Total        | 90,550,316,400  | 90,550,316,400   | —   | —  |

##### (2) Information on Share Acquisition Rights

###### (i) Description of Stock Option System

Not applicable.

###### (ii) Information on Shareholder Rights Plans

Not applicable.

##### (3) Information on Moving Strike Convertible Bonds

Not applicable.

(4) Changes in the Total Number of Issued Shares, the Amount of Common Stock, and Other

| Date                               | Changes in the total number of issued shares (shares) | Balance of the total number of issued shares (shares) | Changes in Common Stock (millions of yen) | Balance of Common Stock (millions of yen) | Change in Capital Reserve (millions of yen) | Balance of Capital Reserve (millions of yen) |
|------------------------------------|---|---|---|---|---|--|
| April 1, 2024 - September 30, 2024 | —   | 90,550,316,400  | —   | 937,950                                   | —   | 2,672,826                                    |

## (5) Major Shareholders

As of September 30, 2024

| Name   | Address   | Number of Shares Held<br>(thousands of shares) | Ownership<br>Percentage of the<br>Total Number of<br>Issued Shares |
|--|---|--|--|
| The Minister of Finance  | 1-1, Kasumigaseki 3-chome,<br>Chiyoda-ku, Tokyo   | 29,199,372                                     | 34.81  |
| The Master Trust Bank of Japan,<br>Ltd. (Trust Account)                                    | 8-1, Akasaka 1-chome, Minato-ku,<br>Tokyo   | 9,086,686                                      | 10.83  |
| Custody Bank of Japan, Ltd.<br>(Trust Account)   | 8-12, Harumi 1-chome, Chuo-ku,<br>Tokyo   | 3,994,199                                      | 4.76   |
| Toyota Motor Corporation   | 1 Toyota-Cho, Toyota City,<br>Aichi   | 2,019,385                                      | 2.41   |
| State Street Bank and Trust<br>Company 505001<br>(Standing proxy: Mizuho Bank,<br>Ltd.)    | ONE CONGRESS STREET, SUITE 1,<br>BOSTON, MASSACHUSETTS<br>(15-1, Konan 2-chome, Minato-ku,<br>Tokyo)            | 824,206  | 0.98   |
| State Street Bank West Client –<br>Treaty 505234<br>(Standing proxy: Mizuho Bank,<br>Ltd.) | 1776 HERITAGE DRIVE, NORTH<br>QUINCY, MA 02171 U.S.A.<br>(15-1, Konan 2-chome, Minato-ku,<br>Tokyo)             | 705,209  | 0.84   |
| Nippon Life Insurance Company<br>(Standing proxy: The Master Trust<br>Bank of Japan, Ltd.) | 6-6, Marunouchi 1-chome,<br>Chiyoda-ku, Tokyo<br>(8-1, Akasaka 1-chome, Minato-ku,<br>Tokyo)                    | 584,126  | 0.70   |
| NTT Employee Share-Holding<br>Association  | 5-1 Otemachi 1-chome,<br>Chiyoda-ku, Tokyo  | 580,572  | 0.69   |
| Moxley & Co. LLC<br>(Standing proxy: MUFG Bank,<br>Ltd.)                                   | 4 NEW YORK PLAZA, 13TH<br>FLOOR, NEW YORK, NY 10004<br>U.S.A<br>(4-5, Marunouchi 1-chome,<br>Chiyoda-ku, Tokyo) | 574,813  | 0.69   |
| JPMorgan Securities Japan Co.,<br>Ltd.   | 7-3 Marunouchi 2-chome,<br>Chiyoda-ku, Tokyo  | 546,917  | 0.65   |
| Total  | —   | 48,115,489                                     | 57.36  |

Note: Ownership Percentage of the Total Number of Issued Shares does not include treasury stock.

(6) Information on Voting Rights

Issued Shares

As of September 30, 2024

| Classification  | Number of Shares<br>(shares)          | Number of Voting Rights | Description |
|---|---------------------------------------|-------------------------|-------------|
| Shares without Voting Rights                                | —                                     | —                       | —           |
| Shares with Restricted Voting Rights (Treasury Stock, etc.) | —                                     | —                       | —           |
| Shares with Restricted Voting Rights (Others)               | —                                     | —                       | —           |
| Shares with Full Voting Rights (Treasury Stock, etc.)       | 6,668,296,400 shares of common stock  | —                       | —           |
| Shares with Full Voting Rights (Others)                     | 83,875,028,900 shares of common stock | 838,749,989             | —           |
| Shares Representing Less than One Unit                      | 6,991,100 shares of common stock      | —                       | —           |
| Number of Issued Shares                                     | 90,550,316,400 shares of common stock | —                       | —           |
| Total Number of Voting Rights                               | —                                     | 838,749,989             | —           |

Notes: (1) The total number of shares in “Shares with Full Voting Rights (Others)” includes 1,437,200 shares held in the name of the Japan Securities Depository Center. “Number of Voting Rights” includes 14,372 voting rights associated with “Shares with Full Voting Rights” held in the name of the Japan Securities Depository Center, and does not include 300 voting rights associated with “Shares with Full Voting Rights” recorded on the shareholder register under NTT, but not actually owned by NTT.

(2) The total number of shares in “Shares with Full Voting Rights (Others)” includes 34,782,500 shares owned by BIP (Board Incentive Plan) Trust. “Number of Voting Rights” includes 347,825 voting rights associated with “Shares with Full Voting Rights” owned by BIP (Board Incentive Plan) Trust.

## Treasury Stock

As of September 30, 2024

| Name of Shareholder                        | Address                                     | Number of Shares Held Under Own Name (shares) | Number of Shares Held Under the Names of Others (shares) | Total Shares Held (shares) | Ownership Percentage to the Total Number of Issued Shares |
|--|---|---|--|----------------------------|---|
| Nippon Telegraph and Telephone Corporation | 5-1, Otemachi 1-chome,<br>Chiyoda-ku, Tokyo | 6,668,296,400                                 | —  | 6,668,296,400              | 7.4%  |
| Total                                      | —   | 6,668,296,400                                 | —  | 6,668,296,400              | 7.4%  |

Notes: (1) In addition to the above, there are 30,000 shares that are recorded on the shareholder register under NTT, but not actually owned by NTT. Such shares are included in “Shares with Full Voting Rights (Others)” under “Issued Shares”.

(2) Pursuant to the Board of Directors' resolution on August 7, 2024, NTT acquired 222,829,900 shares of its outstanding common stock between September 2, 2024 and September 20, 2024.

(3) Treasury Stock does not include shares owned by BIP (Board Incentive Plan) Trust.

## 2. Changes in Directors and Senior Management

Not applicable.

## **Item 4. Financial Information**

### **1. Basis of Preparation of Condensed Semi-annual Consolidated Financial Statements**

In accordance with Article 312 of the “Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28,1976) (the “Ordinance on Consolidated Financial Statements”), NTT Group prepares condensed semi-annual consolidated financial statements pursuant to International Accounting Standard (“IAS”) No. 34, “Interim Financial Reporting.” NTT Group falls under the category of companies listed in the upper column of the Article 24-5-1, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, and prepares Type 1 semi-annual consolidated financial statements in accordance with Part 1 and Part 5 of the “Ordinance on Consolidated Financial Statements”.

### **2. Auditor’s Report**

In accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, NTT Group’s condensed semi-annual consolidated financial statements for the interim consolidated accounting period (from April 1, 2024 to September 30, 2024) have been reviewed by KPMG AZSA LLC.

### **3. Special Measures to Ensure the Appropriateness of the Consolidated Financial Statements**

NTT Group undertakes special measures to ensure the appropriateness of its consolidated financial statements and put in place a structure to properly disclose consolidated financial statements in accordance with IFRS. The details of such measures are below:

(1) NTT Group participates in organizations such as the Financial Accounting Standards Foundation in order to put in place a system in which NTT Group can ensure it has an appropriate grasp on the contents of accounting standards and can accurately respond to changes in accounting standards. In addition, NTT Group periodically undertakes reviews of accounting standards, and maintains internal regulations.

(2) With respect to the application of IFRS, NTT Group obtains press releases and statements of accounting principles published by the International Accounting Standards Board from time to time in order to gain an understanding of most recent standards. Furthermore, in order to prepare appropriate consolidated financial statements in accordance with IFRS, NTT Group developed group accounting policies and accounting guidelines in compliance with IFRS, and conducts its accounting in accordance with those policies and guidelines.

1. 【Condensed Semi-annual Consolidated Financial Statements 】

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

|   | Millions of yen |                         |                             |
|---|-----------------|-------------------------|-----------------------------|
|   | Notes           | As of March 31,<br>2024 | As of September 30,<br>2024 |
| ASSETS  |                 |                         |                             |
| Current assets                                    |                 |                         |                             |
| Cash and cash equivalents                         | 7               | ¥ 982,874               | ¥ 1,207,863                 |
| Trade and other receivables                       | 7,13            | 4,816,951               | 4,313,945                   |
| Other financial assets                            | 13              | 972,278                 | 938,471                     |
| Inventories                                       |                 | 524,166                 | 581,171                     |
| Other current assets                              |                 | 985,960                 | 905,523                     |
| Subtotal  |                 | 8,282,229               | 7,946,973                   |
| Assets held for sale                              |                 | 41,858                  | 27,673                      |
| Total current assets                              |                 | 8,324,087               | 7,974,646                   |
| Non-current assets                                |                 |                         |                             |
| Property, plant and equipment                     | 8               | 10,421,986              | 10,393,336                  |
| Right-of-use assets                               |                 | 914,911                 | 921,657                     |
| Goodwill  |                 | 1,698,851               | 1,675,209                   |
| Intangible assets                                 |                 | 2,510,723               | 2,469,544                   |
| Investment property                               |                 | 1,305,219               | 1,337,586                   |
| Investments accounted for using the equity method |                 | 410,782                 | 428,208                     |
| Other financial assets                            | 13              | 2,251,793               | 2,020,526                   |
| Deferred tax assets                               |                 | 714,276                 | 722,431                     |
| Other non-current assets                          |                 | 1,051,595               | 1,102,616                   |
| Total non-current assets                          |                 | 21,280,136              | 21,071,113                  |
| Total assets                                      |                 | ¥ 29,604,223            | ¥ 29,045,759                |



Millions of yen

|   | Notes | As of March 31,<br>2024 | As of September 30,<br>2024 |
|---|-------|-------------------------|-----------------------------|
| <b>LIABILITIES AND EQUITY</b>   |       |                         |                             |
| <b>Current liabilities</b>  |       |                         |                             |
| Short-term borrowings   | 9,13  | ¥ 2,542,999             | ¥ 2,674,304                 |
| Trade and other payables  |       | 2,940,928               | 2,385,408                   |
| Lease liabilities   |       | 223,473                 | 214,975                     |
| Other financial liabilities   | 13    | 895,063                 | 858,815                     |
| Accrued payroll   |       | 614,976                 | 507,930                     |
| Income taxes payables   |       | 354,859                 | 306,607                     |
| Other current liabilities   |       | 1,272,371               | 1,085,018                   |
| Subtotal  |       | 8,844,669               | 8,033,057                   |
| Liabilities directly associated with assets held for sale               |       | 976                     | —                           |
| Total current liabilities   |       | 8,845,645               | 8,033,057                   |
| <b>Non-current liabilities</b>  |       |                         |                             |
| Long-term borrowings  | 9,13  | 7,048,015               | 7,132,145                   |
| Lease liabilities   |       | 899,524                 | 905,705                     |
| Other financial liabilities   | 13    | 162,765                 | 175,386                     |
| Defined benefit liabilities   |       | 1,156,394               | 1,165,211                   |
| Deferred tax liabilities  |       | 222,331                 | 210,583                     |
| Other non-current liabilities   |       | 376,490                 | 368,280                     |
| Total non-current liabilities   |       | 9,865,519               | 9,957,310                   |
| Total liabilities   |       | 18,711,164              | 17,990,367                  |
| <b>Equity</b>   |       |                         |                             |
| Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity |       |                         |                             |
| Common stock  | 10    | 937,950                 | 937,950                     |
| Retained earnings   | 10    | 9,078,084               | 9,446,222                   |
| Treasury stock  | 10    | (937,291)               | (972,918)                   |
| Other components of equity  | 10    | 765,417                 | 579,595                     |
| Total NTT shareholders’ equity  |       | 9,844,160               | 9,990,849                   |
| Non-controlling interests   |       | 1,048,899               | 1,064,543                   |
| Total equity  |       | 10,893,059              | 11,055,392                  |
| Total liabilities and equity  |       | ¥ 29,604,223            | ¥ 29,045,759                |

**(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                                    |       |  |  |
|--|-------|--|--|
|  | Notes | Six Months Ended September 30,<br>2023 | Six Months Ended September 30,<br>2024 |
| <b>Operating revenues</b>  | 6, 11 | ¥ 6,364,570                            | ¥ 6,590,625                            |
| <b>Operating expenses</b>  |       |  |  |
| Personnel expenses   |       | 1,432,289                              | 1,538,753                              |
| Expenses for purchase of goods and services and other expenses           |       | 3,063,696                              | 3,161,984                              |
| Depreciation and amortization  |       | 794,807                                | 850,786                                |
| Loss on disposal of property, plant and equipment and intangible assets  |       | 52,361                                 | 43,191                                 |
| Impairment losses  |       | 391                                    | 1                                      |
| Taxes and dues   |       | 70,080                                 | 75,655                                 |
| Total operating expenses   |       | 5,413,624                              | 5,670,370                              |
| <b>Operating profit</b>  | 6     | 950,946                                | 920,255                                |
| Finance income   | 12    | 132,553                                | 32,399                                 |
| Finance costs  |       | 58,655                                 | 91,447                                 |
| Share of profit (loss) of entities accounted for using the equity method |       | 14,259                                 | 17,638                                 |
| <b>Profit before taxes</b>   |       | 1,039,103                              | 878,845                                |
| Income taxes   |       | 341,633                                | 289,288                                |
| <b>Profit</b>  |       | ¥ 697,470                              | ¥ 589,557                              |
| <b>Profit attributable to NTT</b>  |       | 670,844                                | 554,792                                |
| Profit attributable to Non-controlling interests                         |       | 26,626                                 | 34,765                                 |
| 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  |       |  |  |
|--|-------|--|--|
|  | Notes | Six Months Ended September 30,<br>2023 | Six Months Ended September 30,<br>2024 |
| <b>Profit</b>  |       | ¥697,470                               | ¥589,557                               |
| <b>Other comprehensive income (net of tax)</b>   | 10    |  |  |
| <b>Items that will not be reclassified to profit or loss</b>   |       |  |  |
| Change in the fair value of financial assets measured at fair value through other comprehensive income |       | 144,325                                | (112,400)                              |
| Share of other comprehensive income of entities accounted for using the equity method                  |       | (406)                                  | (1,289)                                |
| Remeasurements of defined benefit plans  |       | 468                                    | 906                                    |
| Total of items that will not be reclassified to profit or loss   |       | 144,387                                | (112,783)                              |
| <b>Items that may be reclassified to profit or loss</b>  |       |  |  |
| Cash flow hedges   |       | (12,661)                               | 45,761                                 |
| Hedges cost  |       | (1,150)                                | (5,396)                                |
| Foreign currency translation adjustments   |       | 231,050                                | (99,110)                               |
| Share of other comprehensive income of entities accounted for using the equity method                  |       | 15,731                                 | 8,523                                  |
| Total of items that may be reclassified to profit or loss  |       | 232,970                                | (50,222)                               |
| <b>Total other comprehensive income (net of tax)</b>   |       | 377,357                                | (163,005)                              |
| <b>Total comprehensive income</b>  |       | ¥1,074,827                             | ¥426,552                               |
| <b>Comprehensive income attributable to NTT</b>  | 10    | 994,129                                | 407,449                                |
| Comprehensive income attributable to Non-controlling interests   | 10    | 80,698                                 | 19,103                                 |

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

【Six Months Ended September 30, 2023】

Millions of yen

|   | Notes | 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  | 10    | —                        | —                          | —                 | —              | 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  | 10    | —                        | —                          | (204,629)         | —              | —                          | (204,629)  | (11,522)                  | (216,151)    |
| Transfer to retained earnings   | 10    | —                        | 9,581                      | (5,012)           | —              | (4,569)                    | —          | —                         | —            |
| Purchase and disposal of treasury stock                               | 10    | —                        | 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                      | 10    | —                        | (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   |       |                          |                            |                   |                |                            |                           |              |
|---|-------|--------------------------|----------------------------|-------------------|----------------|----------------------------|---------------------------|--------------|
|   | Notes | NTT Shareholders' Equity |                            |                   |                |                            | 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   |
| Comprehensive income  |       |                          |                            |                   |                |                            |                           |              |
| Profit  |       | —                        | —                          | 554,792           | —              | —                          | 554,792                   | 34,765       |
| Other comprehensive income  | 10    | —                        | —                          | —                 | —              | (147,343)                  | (147,343)                 | (15,662)     |
| Total comprehensive income  |       | —                        | —                          | 554,792           | —              | (147,343)                  | 407,449                   | 19,103       |
| Transactions with owners and other transactions                       |       |                          |                            |                   |                |                            |                           |              |
| Dividends of surplus  | 10    | —                        | —                          | (218,673)         | —              | —                          | (218,673)                 | (13,118)     |
| Transfer to retained earnings   | 10    | —                        | 6,025                      | 32,454            | —              | (38,479)                   | —                         | —            |
| Purchase and disposal of treasury stock                               | 10    | —                        | —                          | —                 | (35,627)       | —                          | (35,627)                  | —            |
| Changes in ownership interest in subsidiaries without loss of control |       | —                        | (675)                      | —                 | —              | —                          | (675)                     | 10,744       |
| Share-based compensation transactions                                 |       | —                        | (3,742)                    | —                 | —              | —                          | (3,742)                   | (1,104)      |
| Put options granted to non-controlling interests                      | 10    | —                        | (1,717)                    | —                 | —              | —                          | (1,717)                   | (529)        |
| Other   |       | —                        | 109                        | (435)             | —              | —                          | (326)                     | 548          |
| Total transactions with owners and other transactions                 |       | —                        | —                          | (186,654)         | (35,627)       | (38,479)                   | (260,760)                 | (3,459)      |
| As of September 30, 2024  |       | ¥937,950                 | ¥—                         | ¥9,446,222        | ¥(972,918)     | ¥579,595                   | ¥9,990,849                | ¥1,064,543   |

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

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

| Millions of yen  |       |  |  |
|--|-------|--|--|
|  | Notes | Six Months Ended September 30,<br>2023 | Six Months Ended September 30,<br>2024 |
| Cash flows from financing activities   |       |  |  |
| Net increase (decrease) in short-term borrowings                                     |       | 120,308                                | 68,152                                 |
| Proceeds from increases in long-term borrowings                                      | 9     | 590,240                                | 856,031                                |
| Repayment of long-term borrowings  | 9     | (269,174)                              | (473,019)                              |
| Repayment of lease liabilities   |       | (115,100)                              | (129,987)                              |
| Payments for acquisition of interests in subsidiaries from non-controlling interests |       | (6,224)                                | (4,808)                                |
| Dividends paid   |       | (204,629)                              | (218,673)                              |
| Dividends paid to non-controlling interests  |       | (11,512)                               | (13,140)                               |
| Purchase of treasury stock   |       | (24,392)                               | (36,123)                               |
| Other, net   |       | 58,337                                 | 15,195                                 |
| Net cash provided by (used in) financing activities                                  |       | 137,854                                | 63,628                                 |
| Effect of exchange rate change on cash and cash equivalents                          |       | 34,044                                 | (16,469)                               |
| Net increase (decrease) in cash and cash equivalents                                 |       | (78,912)                               | 224,989                                |
| Cash and cash equivalents at the beginning of the year                               | 7     | 793,920                                | 982,874                                |
| Cash and cash equivalents at the end of the period                                   | 7     | ¥ 715,008                              | ¥ 1,207,863                            |

Notes:

- (1) “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.”
- (2) “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.”

## 【Notes to Condensed Semi-annual Consolidated Financial Statements】

### 1. Reporting Entity

NIPPON TELEGRAPH AND TELEPHONE CORPORATION (“NTT”) is a corporation domiciled in Japan. The address of NTT’s registered headquarters is disclosed on its website (<https://group.ntt/>). The condensed semi-annual consolidated financial statements comprise NTT and its subsidiaries (“NTT Group” or “the Group”).

NTT Group’s business segments and major subsidiaries are as follows:

#### Integrated ICT Business

The principal services in the Integrated ICT Business are mobile phone services, domestic inter-prefectural communications services, international communications services, solutions services, and system development services and related services.

- NTT DOCOMO Corporation (“NTT DOCOMO”)
- NTT Communications Corporation (“NTT Communications”)

#### Regional Communications Business

The principal services in the Regional Communications Business are domestic intra-prefectural communications services and related ancillary services.

- NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT East”)
- NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT West”)

#### Global Solutions Business

The principal services in the Global Solutions Business are system integration services, network system services, cloud services, global data center services, and related services.

- NTT DATA Group Corporation (“NTT DATA Group”)
- NTT DATA Corporation (“NTT DATA”)
- NTT DATA, Inc.

### 2. Basis of Preparation

#### (1) Matters Regarding Compliance with IFRS

NTT Group meets the requirements of the “Specified Company complying with Designated International Accounting Standards” pursuant to Article 1-2 of the “Order on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (the Ministry of Finance Order No. 28,1976) (the “Order on Consolidated Financial Statements”). Consequently, in accordance with Article 312 of the Order on Consolidated Financial Statements, NTT Group prepares condensed Semi-annual consolidated financial statements pursuant to International Accounting Standard (“IAS”) No. 34, “Interim Financial Reporting.” The condensed semi-annual consolidated financial statements were approved by the President and Chief Executive Officer Akira Shimada and Senior Executive Vice President and Chief Financial Officer Takashi Hiroi on November 7, 2024.

Since the statements do not include all the information and disclosures required for a complete set of financial statements, it should be read in conjunction with the consolidated financial statements for the year ended March 31, 2024.

#### (2) Functional Currency and Presentation Currency

The currency used to present the condensed semi-annual consolidated financial statements is the Japanese yen, which is the currency used in the primary economic environment where NTT conducts its business activities (hereinafter referred to as the “functional currency”). Amounts are rounded to the nearest million yen.



### **3. Material Accounting Policies**

The accounting policies applied on the condensed semi-annual consolidated financial statements are consistent with those applied on the consolidated financial statements for the year ended March 31, 2024.

### **4. Significant Accounting Estimates and Judgments Involving Estimates**

In preparing the condensed semi-annual consolidated financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies as well as the amounts reported for assets, liabilities, revenue and expenses. These estimates and assumptions are based on management's best judgments taking into account various factors that are considered reasonable as of the period end, based on past experience and currently available information. However, due to the nature of such judgments, the actual results in the future may differ from these estimates or assumptions.

Estimates and their underlying assumptions are continuously reviewed. The effect of revisions to accounting estimates is recognized in the consolidated accounting period when the estimates were adjusted and in future consolidated accounting periods.

The significant accounting judgements, estimates, and assumptions made in preparing the condensed consolidated financial statements are consistent with those made in preparing the consolidated financial statements for the year ended March 31, 2024.

### **5. New Standards Not Yet Applied**

#### IFRS 18 (Presentation and Disclosure in Financial Statements)

IFRS 18, which was issued in April 2024, will be adopted for fiscal years that begin from and after January 1, 2027. IFRS 18 will replace IAS 1 (Presentation of Financial Statements), and IAS 1 will be discontinued. IFRS 18 sets out new requirements for the presentation and disclosure of information, particularly in statements of profit or loss. In addition, in connection with the announcement of IFRS 18, IAS 7 (Statement of Cash Flows) has also been amended. The impact of adopting these standards on the consolidated financial statements is currently under review.

## 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<br>September 30, 2023<br>(April 1, 2023<br>- September 30, 2023) | Six Months Ended<br>September 30, 2024<br>(April 1, 2024<br>- 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<br>September 30, 2023<br>(April 1, 2023<br>- September 30, 2023) | Six Months Ended<br>September 30, 2024<br>(April 1, 2024<br>- 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. Impact on the condensed Semi-annual consolidated financial statements due to the non-business day for the second quarter ended September 30, 2023 and fiscal year ended March 31, 2024.**

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.

|  | (Millions of yen)       |                             |
|--|-------------------------|-----------------------------|
|  | As of<br>March 31, 2024 | As of<br>September 30, 2024 |
| (Condensed Semi-annual Consolidated Statement of Financial Position) |                         |                             |
| Cash and cash equivalents  | ¥ (192,820)             | -                           |
| Trade and other receivables  | 192,820                 | -                           |

|  | (Millions of yen)   |   |
|--|---|---|
|  | Six Months Ended<br>September 30, 2023<br>(April 1, 2023 - September 30,<br>2023) | Six Months Ended<br>September 30, 2024<br>(April 1, 2024 - September 30,<br>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)   | -   |

## 8. Property, Plant and Equipment

### Component of Property, plant and equipment

|  | Millions of yen         |                             |
|--|-------------------------|-----------------------------|
|  | As of<br>March 31, 2024 | As of<br>September 30, 2024 |
| Telecommunications equipment                   | ¥11,194,957             | ¥11,253,194                 |
| Telecommunications service lines               | 17,103,905              | 17,169,540                  |
| Buildings and structures                       | 6,069,227               | 6,122,254                   |
| Machinery, tools and fixtures                  | 3,368,925               | 3,447,825                   |
| Land   | 862,583                 | 852,845                     |
| Construction in progress                       | 851,580                 | 859,777                     |
| Subtotal                                       | 39,451,177              | 39,705,435                  |
| Accumulated depreciation and impairment losses | (29,029,191)            | (29,312,099)                |
| Property, plant and equipment - total          | ¥10,421,986             | ¥10,393,336                 |

## 9. Corporate Bonds

### Details of corporate bonds transactions

| Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023) |                         |  |                  |               |                   |                    |
|---|-------------------------|--|------------------|---------------|-------------------|--------------------|
| Transaction   | Entity                  | Description  | Principal Amount | Interest rate | Issuance date     | Maturity date      |
| Redemption  | NTT DATA Corporation    | 27th series of bonds   | ¥25,000 million  | 0.900%        | June 14, 2013     | June 20, 2023      |
| Redemption  | NTT Finance Corporation | 14th series of bonds (Green Bond)  | ¥40,000 million  | 0.001%        | June 25, 2020     | June 20, 2023      |
| Redemption  | NTT Finance Corporation | 13th series of Euro-denominated bonds  | € 100 million    | 0.260%        | June 25, 2019     | June 26, 2023      |
| Redemption  | NTT Finance Corporation | 12th series of Euro-denominated bonds  | € 60 million     | 0.631%        | August 9, 2018    | August 9, 2023     |
| Redemption  | NTT Finance Corporation | 10th series of bonds (Former NTT Urban Development Corporation Corporation 14th series of bonds) | ¥10,000 million  | 0.750%        | October 31, 2013  | September 20, 2023 |
| Redemption  | NTT Finance Corporation | 19th series of bonds (Former NTT DOCOMO 20th series of bonds)                                    | ¥50,000 million  | 0.730%        | November 21, 2013 | September 20, 2023 |
| Issuance  | minacolor, Inc.         | 3rd series of convertible-bonds (Subordinated bond)  | ¥217 million     | –             | June 16, 2023     | October 29, 2031   |
| Issuance  | NTT Finance Corporation | 23rd series of bonds (Green Bond)  | ¥30,000 million  | 0.230%        | July 21, 2023     | June 19, 2026      |
| Issuance  | NTT Finance Corporation | 24th series of bonds (Green Bond)  | ¥110,000 million | 0.395%        | July 21, 2023     | June 20, 2028      |
| Issuance  | NTT Finance Corporation | 25th series of bonds (Green Bond)  | ¥50,000 million  | 0.648%        | July 21, 2023     | June 20, 2030      |
| Issuance  | NTT Finance Corporation | 26th series of bonds (Green Bond)  | ¥190,000 million | 0.838%        | July 21, 2023     | June 20, 2033      |

| Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024) |                         |  |                  |               |                |                    |
|---|-------------------------|--|------------------|---------------|----------------|--------------------|
| Transaction   | Entity                  | Description  | Principal Amount | Interest rate | Issuance date  | Maturity date      |
| Redemption  | NTT Finance Corporation | 14th series of Euro-denominated bonds  | € 25 million     | 0.332%        | June 25, 2019  | June 25, 2024      |
| Redemption  | NTT Finance Corporation | 24th series of USD bonds (Green Bond)  | USD 500 million  | 4.142%        | July 27, 2022  | July 26, 2024      |
| Redemption  | NTT Finance Corporation | 8th series of Euro-denominated bonds   | € 35 million     | 0.857%        | July 27, 2017  | July 27, 2024      |
| Redemption  | NTT Finance Corporation | 12th series of bonds (Former NTT Urban Development Corporation 17th series of bonds) | ¥15,000 million  | 0.610%        | March 31, 2020 | September 20, 2024 |
| Issuance  | NTT Finance Corporation | 31st series of bonds   | ¥25,000 million  | 0.668%        | June 5, 2024   | June 18, 2027      |
| Issuance  | NTT Finance Corporation | 32nd series of bonds   | ¥150,000 million | 0.967%        | June 5, 2024   | June 20, 2029      |
| Issuance  | NTT Finance Corporation | 33rd series of bonds   | ¥15,000 million  | 1.112%        | June 5, 2024   | June 20, 2031      |
| Issuance  | NTT Finance Corporation | 34th series of bonds   | ¥100,000 million | 1.476%        | June 5, 2024   | March 17, 2034     |
| Issuance  | NTT Finance Corporation | 28th series of USD bonds   | USD 600 million  | 5.104%        | July 2, 2024   | July 2, 2027       |
| Issuance  | NTT Finance Corporation | 29th series of USD bonds   | USD 900 million  | 5.110%        | July 2, 2024   | July 2, 2029       |
| Issuance  | NTT Finance Corporation | 30th series of USD bonds   | USD 850 million  | 5.136%        | July 2, 2024   | July 2, 2031       |



## 10. Equity and Other Equity Items

### (1) Issued Shares and Treasury Stock

#### Reconciliation of the number of issued shares and treasury stock

|   | Issued Shares  | Treasury Stock |
|---|----------------|----------------|
| As of April 1, 2023   | 3,622,012,656  | 211,524,308    |
| Purchase of treasury stock under resolution of the board of directors                   | —              | 1,155,601,000  |
| Repurchase of treasury stock based on less-than-one-unit share purchase demand          | —              | 87,659         |
| Disposal of treasury stock based on additional less-than-one-unit share purchase demand | —              | (14,928)       |
| Increase by stock split   | 86,928,303,744 | 5,078,267,808  |
| As of March 31, 2024  | 90,550,316,400 | 6,445,465,847  |
| Purchase of treasury stock under resolution of the board of directors                   | —              | 222,829,900    |
| Repurchase of treasury stock based on less-than-one-unit share purchase demand          | —              | 800            |
| Disposal of treasury stock based on additional less-than-one-unit share purchase demand | —              | (100)          |
| As of September 30, 2024  | 90,550,316,400 | 6,668,296,447  |

In addition to the above, 34,782,500 shares held by the BIP trust are recorded as “treasury stock” in Condensed Consolidated Financial Statements.

#### Stock Split

NTT conducted a 25-for-1 stock split of its common stock, with a record date of June 30, 2023 and an effective date of July 1, 2023 based on the resolution at a meeting of board of directors on May 12, 2023.

The resolution of repurchasing its outstanding common stock by NTT's Board of Directors and status

| The date of resolution | Plan                                   |   |   | Result                            |   |   |                      |
|------------------------|--|---|---|-----------------------------------|---|---|----------------------|
|                        | Period of repurchases                  | Total number of shares to be repurchased (million shares) | Aggregate repurchase amount (million yen) | Period for repurchases            | Total number of shares repurchased (shares) | Aggregate repurchase amount (million yen) | Status of repurchase |
| August 9, 2023         | From August 10, 2023 to March 29, 2024 | 1,400   | 200,000                                   | From September 2023 to March 2024 | 1,155,601,000                               | 200,000                                   | Concluded            |
| August 7, 2024         | From August 8, 2024 to March 31, 2025  | 1,400   | 200,000                                   | September 2024 (October 2024)     | 222,829,900 (398,357,000)                   | 33,748 (58,714)                           | —                    |

## **(2) Put Options Granted to Non-Controlling Interests**

With regard to written put options for subsidiary shares granted by NTT Group to the owners of non-controlling interests, the amounts deducted from additional paid-in capital were ¥73,280 million and ¥73,723 million, respectively, as at the end of the fiscal year ended March 31, 2024 and the six months ended September 30, 2024.

## **(3) Other Components of Equity**

### The details and changes in other components of equity

#### Six Months Ended September 30, 2023

(Millions of yen)

|                               | Change in the fair value of financial assets measured at fair value through other comprehensive income | Cash Flow Hedges | Hedges cost | Remeasurements of Defined Benefit Plans | Foreign Currency Translation Adjustments | Total    |
|-------------------------------|--|------------------|-------------|---|--|----------|
| As of March 31, 2023          | ¥52,832  | ¥(94,019)        | ¥(10,339)   | ¥—                                      | ¥262,102                                 | ¥210,576 |
| Other comprehensive income    | 142,678  | (13,537)         | (844)       | (1,637)                                 | 196,625                                  | 323,285  |
| Transfer to retained earnings | (6,206)  | —                | —           | 1,637                                   | —  | (4,569)  |
| As of September 30, 2023      | ¥189,304   | ¥(107,556)       | ¥(11,183)   | ¥—                                      | ¥458,727                                 | ¥529,292 |

#### Six Months Ended September 30, 2024

(Millions of yen)

|                               | Change in the fair value of financial assets measured at fair value through other comprehensive income | Cash Flow Hedges | Hedges cost | Remeasurements of Defined Benefit Plans | Foreign Currency Translation Adjustments | Total     |
|-------------------------------|--|------------------|-------------|---|--|-----------|
| As of March 31, 2024          | ¥361,002   | ¥(79,330)        | ¥(6,345)    | ¥—                                      | ¥490,090                                 | ¥765,417  |
| Other comprehensive income    | (118,089)  | 44,517           | (5,365)     | (848)                                   | (67,558)                                 | (147,343) |
| Transfer to retained earnings | (39,327)   | —                | —           | 848                                     | —  | (38,479)  |
| As of September 30, 2024      | ¥203,586   | ¥(34,813)        | ¥(11,710)   | ¥—                                      | ¥422,532                                 | ¥579,595  |

#### **(4) Dividends**

The amount of dividends paid out in the six months ended September 30, 2023 and 2024

| Resolution  | Class of Shares | Source of Dividends | Total Dividend (Millions of yen) | Dividend per Share (Yen) | Record Date    | Effective Date |
|---|-----------------|---------------------|----------------------------------|--------------------------|----------------|----------------|
| June 22, 2023<br>Ordinary General Meeting of Shareholders <sup>*1,2</sup> | Common shares   | Retained earnings   | ¥204,629                         | ¥60                      | March 31, 2023 | June 23, 2023  |
| June 20, 2024<br>Ordinary General Meeting of Shareholders <sup>*3,4</sup> | Common shares   | Retained earnings   | ¥218,673                         | ¥2.6                     | March 31, 2024 | June 21, 2024  |

\*1 Total dividend includes the dividend of ¥62 million for the Company's shares held by the BIP trust.

\*2 The 25-for-1 stock split (hereinafter referred to as the "Stock Split") was conducted with the effective date of July 1, 2023, and the Dividend per Share resolved at Ordinary General Meeting of Shareholders on June 22, 2023 is shown by the amount before the Stock Split.

\*3 Total dividend includes the dividend of ¥61 million for the Company's shares held by the BIP trust.

\*4 Dividends per Share resolved at Ordinary General Meeting of Shareholders on June 20, 2024 reflects the impact of the Stock Split.

Amount of dividends declared with a record date during the six months ended September 30, 2024 and an effective date after the six months ended September 30, 2024

| Resolution   | Class of Shares | Source of Dividends | Total Dividend (Millions of yen) | Dividend per Share (Yen) | Record Date        | Effective Date    |
|--|-----------------|---------------------|----------------------------------|--------------------------|--------------------|-------------------|
| November 7, 2024<br>Board of Directors <sup>※1</sup> | Common shares   | Retained earnings   | ¥218,093                         | ¥2.6                     | September 30, 2024 | November 29, 2024 |

\*1 Total dividend includes the dividend of ¥90 million for the Company's shares held by the BIP trust.

#### **(5) Other**

The "Act to Partially Amend the Nippon Telegraph and Telephone Corporation Act" was promulgated and went into effect in April 2024, and although the requirement for NTT to receive approvals for resolutions related to distributions of surplus has been repealed, NTT must still obtain authorization from the Minister of Internal Affairs and Communications for certain financial matters, including the issuance of new shares.

## 11. Operating Revenues

### Relationship between Components of Revenues and Segment Revenues

For the Six Months Ended September 30, 2023

(Millions of yen)

|               |                                       | Segment                         |                                  |                                   | Others (Real Estate, Energy and Others) | Total      |
|---------------|---------------------------------------|---------------------------------|----------------------------------|-----------------------------------|---|------------|
|               |                                       | Integrated ICT Business Segment | Regional Communications Business | Global Solutions Business Segment |   |            |
| Main Services | Fixed voice related services          | ¥62,056                         | ¥342,262                         | ¥—                                | ¥—                                      | ¥404,318   |
|               | Mobile voice related services         | 495,163                         | —                                | —                                 | —                                       | 495,163    |
|               | IP/packet communications services     | 1,149,430                       | 577,070                          | —                                 | —                                       | 1,726,500  |
|               | Sales of telecommunications equipment | 334,771                         | 36,112                           | —                                 | —                                       | 370,883    |
|               | System integration services           | 197,908                         | 78,814                           | 1,983,427                         | 17,866                                  | 2,278,015  |
|               | Other services                        | 570,873                         | 159,095                          | —                                 | 359,723                                 | 1,089,691  |
|               | Total                                 | ¥2,810,201                      | ¥1,193,353                       | ¥1,983,427                        | ¥377,589                                | ¥6,364,570 |

For the Six Months Ended September 30, 2024

(Millions of yen)

|               |                                       | Segment                         |                                  |                                   | Others (Real Estate, Energy and Others) | Total      |
|---------------|---------------------------------------|---------------------------------|----------------------------------|-----------------------------------|---|------------|
|               |                                       | Integrated ICT Business Segment | Regional Communications Business | Global Solutions Business Segment |   |            |
| Main Services | Fixed voice related services          | ¥43,980                         | ¥331,392                         | ¥—                                | ¥—                                      | ¥375,372   |
|               | Mobile voice related services         | 478,219                         | —                                | —                                 | —                                       | 478,219    |
|               | IP/packet communications services     | 1,123,357                       | 573,862                          | —                                 | —                                       | 1,697,219  |
|               | Sales of telecommunications equipment | 347,367                         | 34,637                           | —                                 | —                                       | 382,004    |
|               | System integration services           | 218,396                         | 80,675                           | 2,144,096                         | 21,028                                  | 2,464,195  |
|               | Other services                        | 653,898                         | 154,141                          | —                                 | 385,577                                 | 1,193,616  |
|               | Total                                 | ¥2,865,217                      | ¥1,174,707                       | ¥2,144,096                        | ¥406,605                                | ¥6,590,625 |

In its four-segment structure of Integrated ICT Business, Regional communications business, Global Solutions Business, and Others (Real Estate, Energy and Others), NTT Group provides the following six services: fixed voice-related services, mobile voice-related services, IP/packet communications services, sales of telecommunications terminal equipment, system integration services, and other services.

## 12. Finance Income

### Sale of a Portion of Internet Initiative Japan Inc. Common Stock

NTT sold a portion of its Internet Initiative Japan Inc. common stock for a total amount of ¥77.2 billion during the six months ended September 30, 2023. During the six months ended September 30, 2023, NTT Group recorded ¥55.2 billion of finance income as a result of this sale, and also recorded ¥43.9 billion of finance income as the fair value assessment of its remaining interest in the company due to the discontinuation of the application of the equity method for the company.

## 13. Financial Instruments

### (1) Continuing Involvement in Derecognized Financial Asset

#### Credit card receivables

NTT Group concluded an agreement for the transfer to third parties of the rights to receive cash flows from credit card receivables (trade and other receivables) for a period until March 31, 2025, and transferred such rights on June 27, 2024, and September 27, 2024 during the six months ended September 30, 2024.

The credit card receivables subject to the transfer are classified into senior, mezzanine and subordinated portions based on the risk of default. For the mezzanine portion, NTT Group deposits cash for third parties and bears the credit risk.

Although NTT Group bears the credit risk for the mezzanine portion as stated above, the credit risk assumed by the NTT Group is insignificant because the default risk is highly likely to be absorbed by the subordinated portion.

NTT Group is also properly monitoring the default risk by tracking that actual collections of the transferred receivables are adequate.

Claim rights against the third parties for the cash deposit portions are recognized as “Trade and other receivables” in the condensed semi-annual consolidated statement of financial position.

In the fiscal year ended March 31, 2024 and the six months ended September 30, 2024, NTT Group derecognized the transferred assets because substantially all the risks and rewards of ownership had been transferred to third parties. Of the transferred assets, the total amount of cash deposits provided by NTT Group to third parties as of March 31, 2024 and September 30, 2024 was ¥69,080 million and ¥76,422 million, respectively.

The fair value of the derecognized assets as of March 31, 2024 and September 30, 2024 is same as its book value.

The maximum amount of exposure to losses pertaining to this matter as of March 31, 2024 and September 30, 2024 was ¥69,080 million and ¥76,422 million, respectively, which represents the total amount of cash deposits provided by NTT Group to the third parties.

The losses recognized in these transfer transactions during the the six months ended September 30, 2023 and the six months ended September 30, 2024 were immaterial.

The largest transfer transactions during the six months ended September 30, 2023 and the six months ended September 30, 2024 occurred on September 29, 2023 and September 27, 2024, respectively. The amounts of credit card receivables that were derecognized are ¥677,900 million and ¥771,940 million, respectively, and the consideration received for transferred assets was ¥610,099 million and ¥694,532 million.

No credit losses were incurred in the six months ended September 30, 2023 or in the six months ended September 30, 2024.

#### Telecommunications terminal equipment installment sales receivables

In the fiscal year ended March 31, 2024, NTT Group concluded an agreement for the transfer to third parties of financial assets related to telecommunications terminal equipment installment sales receivables (trade and other receivables), and transferred such assets on March 28, 2024.

The telecommunications terminal equipment installment sales receivables subject to the transfer are classified into senior, mezzanine and subordinated portions based on the risk of default. For the mezzanine portion, NTT Group holds the rights to receive cash flows and bears the credit risk.

Although NTT Group bears the credit risk for the mezzanine portion as stated above, the credit risk assumed by the NTT Group is insignificant because the default risk is highly likely to be absorbed by the subordinated portion.

NTT Group is also properly monitoring the default risk by tracking that actual collections of the transferred receivables are adequate.

The rights to receive cash flows for the mezzanine portion are recognized as “Trade and other receivables” and “Other financial assets” in the condensed semi-annual consolidated statement of financial position.

In the fiscal year ended March 31 2024, NTT Group derecognized the transferred assets because substantially all the risks and rewards of ownership had been transferred to third parties.

Of the transferred assets, the total amounts of the rights to receive cash flows for the mezzanine portion as of March 31, 2024 and September 30, 2024 were ¥39,832 million and ¥31,420 million, respectively. The fair value of the derecognized assets as of March 31, 2024 and September 30, 2024 is same as its book value.

The maximum amount of exposure to losses pertaining to this matter as of March 31, 2024 and September 30, 2024 was ¥39,832 million and ¥31,420 million, respectively, which represents the total amount of the rights to receive cash flows for the mezzanine portion.

There were no transfers of financial assets to third parties during the six months ended September 30, 2023 or the six months ended September 30, 2024.

No credit losses were incurred in the six months ended September 30, 2023 or in the six months ended September 30, 2024.

## (2) Fair Value of Financial Instruments

(i) The fair value of financial instruments not measured at fair value

The carrying amount and estimated fair value of financial instruments not measured at a fair value

(Millions of yen)

|   | Year Ended<br>March 31, 2024 |            | Six Months Ended<br>September 30, 2024 |            |
|---|------------------------------|------------|--|------------|
|   | Carrying amount              | Fair Value | Carrying amount                        | Fair value |
| Long-term borrowings (including current portion or balance due within 1 year) | 8,001,322                    | 7,760,073  | 8,227,222                              | 8,053,171  |

With regard to the above-mentioned items, the assumptions (inputs) used to measure fair value are classified as Level 2.

With the exception of the above-mentioned items, the financial instruments not measured at fair value are not included in the table, because their carrying amounts approximate their fair values. The measurement methods of fair value are consistent with those applied in the consolidated financial statements for the fiscal year ended March 31, 2024.



## (ii) Fair Value Measurement

Assets and liabilities measured at fair value

As of March 31, 2024

(Millions of yen)

| Classification   | Fair Value |          |          |            |
|--|------------|----------|----------|------------|
|  | Level 1    | Level 2  | Level 3  | Total      |
| Financial assets:  |            |          |          |            |
| Financial assets measured at fair value through profit or loss             |            |          |          |            |
| Investments in capital   | ¥126       | ¥23,263  | ¥59,747  | ¥83,136    |
| Derivatives financial assets   |            |          |          |            |
| Applied hedge accounting   | —          | 316,181  | —        | 316,181    |
| Not applied hedge accounting   | —          | 20,691   | —        | 20,691     |
| Financial assets measured at fair value through other comprehensive income |            |          |          |            |
| Equity securities  | 1,186,373  | —        | 119,385  | 1,305,758  |
| Money held in trust  | 374,657    | —        | —        | 374,657    |
| Total  | ¥1,561,156 | ¥360,135 | ¥179,132 | ¥2,100,423 |
| Financial liabilities:   |            |          |          |            |
| Financial liabilities measured at fair value through profit or loss        |            |          |          |            |
| Derivatives financial liabilities  |            |          |          |            |
| Applied hedge accounting   | —          | 528      | —        | 528        |
| Not applied hedge accounting   | —          | 18,461   | —        | 18,461     |
| Total  | ¥—         | ¥18,989  | ¥—       | ¥18,989    |

As of September 30, 2024

(Millions of yen)

| Classification   | Fair Value |          |          |            |
|--|------------|----------|----------|------------|
|  | Level 1    | Level 2  | Level 3  | Total      |
| Financial assets:  |            |          |          |            |
| Financial assets measured at fair value through profit/loss                |            |          |          |            |
| Investments in capital   | ¥120       | ¥25,401  | ¥61,462  | ¥86,983    |
| Derivatives financial assets   |            |          |          |            |
| Applied hedge accounting   | —          | 286,168  | —        | 286,168    |
| Not applied hedge accounting   | —          | 18,608   | —        | 18,608     |
| Financial assets measured at fair value through other comprehensive income |            |          |          |            |
| Equity securities  | 917,570    | —        | 116,635  | 1,034,205  |
| Money held in trust  | 349,917    | —        | —        | 349,917    |
| Total  | ¥1,267,607 | ¥330,177 | ¥178,097 | ¥1,775,881 |
| Financial liabilities:   |            |          |          |            |
| Financial liabilities measured at fair value through profit/loss           |            |          |          |            |
| Derivatives financial liabilities  |            |          |          |            |
| Applied hedge accounting   | —          | 12,156   | —        | 12,156     |
| Not applied hedge accounting   | —          | 24,408   | —        | 24,408     |
| Total  | ¥—         | ¥36,564  | ¥—       | ¥36,564    |

1. In the six months ended September 30, 2024, there was no material switching between levels.
2. Level 3 reconciliation is not disclosed, as there was no material fluctuation among financial instruments classified as Level 3 in the six months ended September 30, 2024.

The valuation techniques to measure fair value of financial instruments are consistent with those applied on the consolidated financial statements for the year ended March 31, 2024.

Financial instruments classified as Assets held for sale are not included in the tables above.

## 14. Subsequent Events

### Issuance of corporate bonds

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

## 2. 【Other Information】

At a meeting of the Board of Directors held on November 7, 2024, NTT resolved to pay interim dividends for the 40th business term to shareholders listed in the shareholders' register as of September 30, 2024, as follows:

(1) Total interim dividend:

¥218,093 million

(2) Interim Dividend per share:

¥2.6

(3) Payment date:

November 29, 2024