

# Interim Consolidated Financial Statements

For the Six Months Ended September 30, 2024

<Under Japanese GAAP>

NTT FINANCE CORPORATION

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NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Balance Sheets  
September 30, 2024 as compared with March 31, 2024

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)	LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30, 2024	March 31, 2024	September 30, 2024		September 30, 2024	March 31, 2024	September 30, 2024
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES:</b>			
Cash and cash equivalents	¥ 373,694	¥ 203,247	\$ 2,618,193	Short-term bank loans	¥ 164,131	¥ 341,721	\$ 1,149,945
Trade accounts receivable:				Current portion of long-term borrowings	615,181	403,972	4,310,105
Loans (Note 3)	8,899,559	9,157,878	62,352,413	Current portion of bonds (Note 7)	311,039	336,172	2,179,215
Credit cards	50,910	52,870	356,688	Commercial papers	1,263,118	1,037,428	8,849,704
Billing	115,706	264,771	810,667	Lease obligations	3	4	21
Allowance for doubtful receivables	(40,227)	(40,027)	(281,844)	Accounts payable - other	442,302	431,972	3,098,875
Investments in venture businesses (Note 5)	8,858	8,698	62,061	Accrued income taxes	1,620	5,966	11,354
Others	69,653	62,997	488,008	Deposits received	547,709	1,294,173	3,837,383
				Deposits received from shareholders, directors or employees	16	118	116
<b>Total current assets</b>	<b>9,478,155</b>	<b>9,710,435</b>	<b>66,406,188</b>	Asset retirement obligations	34	-	243
				Others	26,372	21,257	184,770
PROPERTY AND EQUIPMENT, NET:	5,923	5,707	41,504	<b>Total current liabilities</b>	<b>3,371,530</b>	<b>3,872,786</b>	<b>23,621,735</b>
INTANGIBLE ASSETS—Assets held for own use	6,267	6,419	43,911				
				<b>LONG-TERM LIABILITIES:</b>			
<b>INVESTMENTS AND OTHER ASSETS:</b>				Bonds (Note 7)	3,649,841	3,079,876	25,571,648
Investment securities (Note 5)	17,818	17,681	124,838	Long-term borrowings	2,373,795	2,699,677	16,631,370
Others	22,421	21,843	157,087	Lease obligations	1	2	10
Allowance for doubtful receivables	(514)	(475)	(3,602)	Provision for loss on system use agreements	1,173	1,577	8,218
<b>Total investments and other assets</b>	<b>39,725</b>	<b>39,049</b>	<b>278,323</b>	Defined benefit liability	11,747	15,434	82,306
				Asset retirement obligations	1,297	1,323	9,090
<b>DEFERRED ASSETS</b>				Others	34,783	510	243,701
Deferred charges	8,100	6,509	56,751	<b>Total long-term liabilities</b>	<b>6,072,640</b>	<b>5,798,401</b>	<b>42,546,347</b>
<b>Total deferred assets</b>	<b>8,100</b>	<b>6,509</b>	<b>56,751</b>	<b>Total liabilities</b>	<b>9,444,170</b>	<b>9,671,188</b>	<b>66,168,083</b>
				<b>NET ASSETS:</b>			
				Shareholders' equity (Note 6):			
				Common stock—authorized, 80,000 shares;			
				issued, 51,960 shares as of September 30 and March 31, 2024	16,770	16,770	117,501
				Capital surplus	15,950	15,950	111,752
				Retained earnings	51,407	52,891	360,171
				Treasury stock; 595 shares as of September 30 and March 31, 2024	(1,126)	(1,126)	(7,895)
				<b>Total shareholders' equity</b>	<b>83,001</b>	<b>84,486</b>	<b>581,529</b>
				Accumulated other comprehensive income:			
				Unrealized gain/(loss) on available-for-sale securities	2,301	2,803	16,124
				Deferred gain/(loss) on hedges	(235)	(120)	(1,651)
				Foreign currency translation adjustments	3,816	4,406	26,736
				Remeasurements of defined benefit plans	5,117	5,355	35,857
				<b>Total accumulated other comprehensive income</b>	<b>10,999</b>	<b>12,445</b>	<b>77,066</b>
				<b>Total net assets</b>	<b>94,001</b>	<b>96,931</b>	<b>658,595</b>
<b>TOTAL ASSETS</b>	<b>¥ 9,538,171</b>	<b>¥ 9,768,120</b>	<b>\$ 66,826,679</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 9,538,171</b>	<b>¥ 9,768,120</b>	<b>\$ 66,826,679</b>

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income  
Six-Month Periods Ended September 30, 2024 and 2023

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
REVENUE (Notes 10 and 11):	¥ 169,846	¥ 145,307	\$ 1,189,982
COST OF SALES	103,386	84,775	724,349
Gross profit/(loss)	66,459	60,532	465,633
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	55,825	49,723	391,129
Operating income/(loss) (Note 11)	10,633	10,808	74,503
OTHER INCOME:			
Dividend income	16	21	118
Foreign exchange gain	-	2,153	-
Share of profit of equity-accounted investees	709	808	4,967
Others	11	13	83
Total other income	737	2,996	5,169
OTHER EXPENSES:			
Interest expense	385	25	2,698
Foreign exchange loss	1,602	-	11,228
Others	55	32	389
Total other expenses	2,043	58	14,316
EXTRAORDINARY LOSSES:			
Loss on termination of card business service (Note 4)	90	66	633
Loss on valuation of investment securities	145	-	1,017
Total extraordinary losses	235	66	1,650
PROFIT/(LOSS) BEFORE INCOME TAXES	9,092	13,680	63,706
INCOME TAXES	2,726	4,340	19,100
PROFIT/(LOSS)	6,366	9,339	44,606
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥ 6,366	¥ 9,339	\$ 44,606
	Yen		U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
PER SHARE OF COMMON STOCK (Note 12):			
Weighted average number of shares outstanding	51,365	51,365	
Basic earnings per share	¥ 123,950.40	¥ 181,822.50	\$ 868.43

See notes to interim consolidated financial statements.

**NTT FINANCE CORPORATION and Consolidated Subsidiaries**

**Interim Consolidated Statements of Comprehensive Income  
Six-Month Periods Ended September 30, 2024 and 2023**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)	
	Six-Month Period Ended September 30		Six-Month Period Ended September 30	
	2024	2023	2024	
PROFIT/(LOSS)	¥ 6,366	¥ 9,339	\$ 44,606	
OTHER COMPREHENSIVE INCOME:				
Unrealized gain/(loss) on available-for-sale securities	(497)	(18)	(3,486)	
Deferred gain/(loss) on hedges	(115)	(15)	(809)	
Foreign currency translation adjustments	(904)	1,595	(6,336)	
Remeasurements of defined benefit plans	(237)	(190)	(1,662)	
Share of other comprehensive income of affiliates accounted for using equity method	308	219	2,164	
Total other comprehensive income	(1,445)	1,591	(10,130)	
COMPREHENSIVE INCOME	¥ 4,920	¥ 10,930	\$ 34,476	
Comprehensive income attributable to:				
Owners of parent	¥ 4,920	¥ 10,930	\$ 34,476	
Non-controlling interests	-	-	-	

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Cash Flows  
Six-Month Periods Ended September 30, 2024 and 2023

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
<b>OPERATING ACTIVITIES:</b>			
Profit/(loss) before income taxes	¥ 9,092	¥ 13,680	\$ 63,706
Adjustments to reconcile profit before income taxes to net cash provided by/(used in) operating activities:			
Depreciation of assets held for own use	1,560	2,144	10,936
(Gain)/loss on retirement of assets held for own use	41	26	289
(Increase)/decrease in defined benefit asset	(180)	(114)	(1,267)
Increase/(decrease) in defined benefit liability	(3,868)	454	(27,103)
Increase/(decrease) in allowance for doubtful receivables	239	7,304	1,675
Increase/(decrease) in provision for loss on system use agreements	(404)	(337)	(2,830)
Interest and dividend income	(16)	(21)	(118)
Financing costs and interest expense	54,966	34,905	385,109
Foreign exchange (gain)/loss	(99,042)	46,808	(693,914)
Share of (profit)/loss of equity-accounted investees	(709)	(808)	(4,967)
(Gain)/loss on valuation of investment securities	145	-	1,017
(Gain)/loss on sales of investment securities	-	(6)	-
Bond issuance costs	1,069	915	7,494
(Increase)/decrease in lease receivables and investments in leases	331	254	2,321
(Increase)/decrease in trade accounts receivable - loans	245,482	28,268	1,719,908
(Increase)/decrease in trade accounts receivable - credit cards	1,960	2,025	13,734
(Increase)/decrease in trade accounts receivable - billing	149,064	(175,756)	1,044,381
(Increase)/decrease in investments in venture businesses	(906)	(910)	(6,353)
Increase/(decrease) in accounts payable - other	10,754	14,424	75,348
Increase/(decrease) in deposits received - billing	77,178	(90,428)	540,731
Others—net	(30,894)	(12,074)	(216,454)
Subtotal	415,864	(129,244)	2,913,646
Interest and dividend income received	770	659	5,397
Interest expense paid	(29,306)	(18,032)	(205,326)
Income taxes refund/(paid)	(6,923)	(567)	(48,510)
Net cash provided by/(used in) operating activities	¥ 380,404	¥ (147,185)	\$ 2,665,206

**NTT FINANCE CORPORATION and Consolidated Subsidiaries**

**Interim Consolidated Statements of Cash Flows**  
**Six-Month Periods Ended September 30, 2024 and 2023**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale and redemption of investment securities	-	6	-
Payments for purchases of shares of affiliates	(420)	-	(2,942)
Payments for purchases of assets held for own use	(1,971)	(1,365)	(13,810)
Others—net	(57)	(259)	(403)
Net cash provided by/(used in) investing activities	(2,448)	(1,619)	(17,156)
<b>FINANCING ACTIVITIES:</b>			
Increase/(decrease) in short-term bank loans	(170,365)	(28,641)	(1,193,618)
Increase/(decrease) in commercial papers	287,801	167,387	2,016,408
Increase in long-term borrowings	119,830	189,461	839,557
Repayments of long-term borrowings	(208,646)	(600)	(1,461,825)
Proceeds from issuance of bonds	664,378	379,063	4,654,789
Redemption of bonds	(94,357)	(124,028)	(661,091)
Cash dividends paid	(7,851)	(7,299)	(55,008)
Increase/(decrease) in deposits received	(821,276)	(592,545)	(5,754,053)
Proceeds from long-term deposits received	34,400	-	241,014
Others—net	(2)	(2)	(14)
Net cash provided by/(used in) financing activities	(196,088)	(17,203)	(1,373,842)
<b>EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>			
	(11,419)	(168)	(80,010)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	170,447	(166,175)	1,194,196
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>			
	203,247	290,025	1,423,996
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>			
	<u>¥ 373,694</u>	<u>¥ 123,849</u>	<u>\$ 2,618,193</u>

See notes to interim consolidated financial statements.

# NTT FINANCE CORPORATION and Consolidated Subsidiaries

## Notes to Interim Consolidated Financial Statements

### 1. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NTT FINANCE CORPORATION (the “Company”) maintains its books of account in accordance with the provisions set forth in the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accompanying interim consolidated financial statements have been compiled from the interim consolidated financial statements that were filed with the Director of the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying interim consolidated financial statements, certain reclassifications and rearrangements have been made to the interim consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

The accounting standard for interim financial reporting requires companies to prepare a set of interim consolidated financial statements for the first six months of a fiscal year comprised of the consolidated balance sheet as of the current six-month period-end and the consolidated statements of income, comprehensive income and cash flows for the year-to-date period.

The accompanying interim consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying interim consolidated financial statements in yen do not necessarily agree with the sums of the individual amounts.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, as a matter of arithmetic computation only, and has been made at the rate of ¥142.73 to \$1.00, the approximate rate of exchange at September 30, 2024, and then the translated amounts have been rounded down to the nearest thousand. As a result, the totals shown in the accompanying interim consolidated financial statements in U.S. dollar do not necessarily agree with the sums of the individual amounts. Such translation should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

### 2. SIGNIFICANT ACCOUNTING POLICIES

Substantially the same accounting policies have been followed in these interim consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended March 31, 2024.

From the beginning of the first half of the year ending March 31, 2025, the Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard 2022”).

Revisions of classification of income taxes (when taxes are imposed on other comprehensive income) have been made in accordance with the transitional treatments prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and in the proviso (2) of Paragraph 65-2 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance 2022”). This change has no impact on the interim consolidated financial statements.

For revisions related to changes in the accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries and affiliates resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first half of the year ending March 31, 2025. This change in accounting policies was applied retrospectively and has no impact on the interim consolidated financial statements for the six months ended September 30, 2023 and the consolidated financial statements for the year ended March 31, 2024.

### Change in presentation

#### Interim Consolidated Statements of Income

Loss on retirement of assets held for own use, which was presented separately under other expenses for the six-month period ended September 30, 2023, is included in others under other expenses from the six-month period ended September 30, 2024 as it is no longer considered individually material. To reflect this change in presentation, the interim consolidated statements of income for the six-month period ended September 30, 2023 have been reclassified.

As a result, loss on retirement of assets held for own use of ¥26 million for the six-month period ended September 30, 2023, has been included in others.

### 3. LOANS AND OTHERS

Non-performing loans based on the classification provided in Article 9 of the “Cabinet Office Order on Account Management of Specified Finance Companies” (Order of the Prime Minister’s Office and the Ministry of Finance No. 32, May 19, 1991) as of September 30 and March 31, 2024 are as follows. The amounts below are based on the non-consolidated financial statements of the Company:

	Millions of Yen		Thousands of
	September 30, 2024	March 31, 2024	U.S. Dollars September 30, 2024
Bankrupt or de facto bankrupt loans (Note a)	¥ 9	¥ 8	\$ 67
Doubtful loans (Note b)	97	125	682
Delinquent loans contractually past due three months or more (Note c)	-	-	-
Restructured loans (Note d)	48	52	342
Normal loans (Note e)	9,691,993	9,641,551	67,904,391

- Notes:
- Bankrupt or de facto bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.
  - Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial position and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding “bankrupt or de facto bankrupt loans.”
  - Delinquent loans contractually past due three months or more are loans for which the payment of principal and/or interest was contractually past due three months or more, excluding “bankrupt or de facto bankrupt loans” and “doubtful loans.”
  - Restructured loans are loans for which the terms are restructured, such as a reduction of the original interest rate, forbearance of interest and/or principal payments, an extension of the maturity date or debt forgiveness in order to support borrowers in their financial recovery or restructuring, excluding “bankrupt or de facto bankrupt loans,” “doubtful loans” and “delinquent loans contractually past due three months or more.”
  - Normal loans are claims to borrowers who have no financial or business performance problems, excluding “bankrupt or de facto bankrupt loans,” “doubtful loans,” “delinquent loans contractually past due three months or more” and “restructured loans.”

### 4. LOSS ON TERMINATION OF CARD BUSINESS SERVICE

Expenses incurred due to termination of the NTT Group Card service were recorded as loss on termination of card business service under extraordinary losses.

### 5. SECURITIES, INVESTMENT SECURITIES AND INVESTMENTS IN VENTURE BUSINESSES

The amounts of securities, investment securities and investments in venture businesses including carrying amounts on the accompanying interim consolidated balance sheet as of September 30, 2024 do not change significantly compared to those as of March 31, 2024.



## 6. EQUITY

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

### *a. Dividends*

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as: (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation.

Interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

### *b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus*

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

### *c. Treasury Stock and Treasury Stock Acquisition Rights*

The Companies Act also permits companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of net assets. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Treasury stock acquisition rights are presented as a separate component of net assets or deducted directly from stock acquisition rights.

The following dividends were paid during the six-month periods ended September 30, 2024 and 2023:

(1) Dividends paid in cash

Six-Month Period Ended September 30, 2024								
Resolution	Class of Shares	Total Dividends (Millions of Yen)	Total Dividends (Thousands of U.S. Dollars)	Dividends per Share (Yen)	Dividends per Share (U.S. Dollars)	Record Date	Effective Date	Source of Dividends
Annual shareholders' meeting held on June 14, 2024	Common stock	¥ 7,851	\$ 55,008	¥152,855	\$ 1,070.94	March 31, 2024	June 17, 2024	Retained earnings

Six-Month Period Ended September 30, 2023								
Resolution	Class of Shares	Total Dividends (Millions of Yen)	Total Dividends (Thousands of U.S. Dollars)	Dividends per Share (Yen)	Dividends per Share (U.S. Dollars)	Record Date	Effective Date	Source of Dividends
Annual shareholders' meeting held on June 16, 2023	Common stock	¥ 7,299	\$ 51,140	¥142,106	\$ 995.63	March 31, 2023	June 19, 2023	Retained earnings

(2) Dividends paid other than in cash

Six-Month Period Ended September 30, 2023									
Resolution	Class of Shares	Class of Dividend Property	Carrying Amount of Dividend Property (Millions of Yen)	Carrying Amount of Dividend Property (Thousands of U.S. Dollars)	Dividends per Share (Yen)	Dividends per Share (U.S. Dollars)	Record Date	Effective Date	Source of Dividends
Extraordinary shareholders' meeting held on April 21, 2023	Common stock	Available-for-sale securities	¥ 24	\$ 168	¥ -	\$ -	April 21, 2023	May 12, 2023	Retained earnings

## 7. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments as of September 30, 2024 which are critical to the business operation of the Company and its subsidiaries (the “Group”) and do change significantly compared to those as of March 31, 2024 are as follows:

<u>September 30, 2024</u>	<u>Millions of Yen</u>		
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Difference</u>
Bonds payable	¥ 3,960,880	¥ 4,143,722	¥ 182,841
	<u>Thousands of U.S. Dollars</u>		
<u>September 30, 2024</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Difference</u>
Bonds payable	\$ 27,750,864	\$29,031,893	\$ 1,281,028
	<u>Millions of Yen</u>		
<u>March 31, 2024</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Difference</u>
Bonds payable	¥ 3,416,049	¥ 3,635,941	¥ 219,891

## 8. DERIVATIVES

Disclosures are omitted since hedge accounting has been applied to all derivative transactions as of September 30, 2024.

## 9. COMMITMENTS AND CONTINGENCIES

As of September 30 and March 31, 2024, the Group had the following contingent liabilities:

	<u>Millions of Yen</u>		<u>Thousands of U.S. Dollars</u>
	<u>September 30, 2024</u>	<u>March 31, 2024</u>	<u>September 30, 2024</u>
Guarantees in the ordinary course of business	¥ 71,232	¥ 62,424	\$ 499,072

## 10. REVENUE ARISING FROM CONTRACTS WITH CUSTOMERS

The information on breakdown of revenue arising from contracts with customers is presented in Note 11. SEGMENT INFORMATION.

## 11. SEGMENT INFORMATION

### *Information about revenue and profit by reportable segment*

The following tables represent information about revenue and profit by reportable segment for the six-month periods ended September 30, 2024 and 2023.

	Millions of Yen				
	Six-Month Period Ended September 30, 2024				
	Reportable Segment				Total
Billing	Credit Card	Accounting and Finance	Other (Note)		
Revenue:					
Revenue arising from contracts with customers	¥ 18,602	¥ 253	¥ 8,306	¥ 975	¥ 28,138
Other revenue	75,445	2,857	63,404	-	141,707
Revenue from external customers	94,047	3,110	71,711	975	169,846
Intersegment revenue or transfers	-	29,685	2	41	29,730
Total	¥ 94,047	¥ 32,796	¥ 71,714	¥ 1,017	¥ 199,576
Segment profit	¥ 4,385	¥ 2,291	¥ 8,030	¥ 45	¥ 14,752

  

	Thousands of U.S. Dollars				
	Six-Month Period Ended September 30, 2024				
	Reportable Segment				Total
Billing	Credit Card	Accounting and Finance	Other (Note)		
Revenue:					
Revenue arising from contracts with customers	\$ 130,333	\$ 1,777	\$ 58,200	\$ 6,837	\$ 197,148
Other revenue	528,588	20,017	444,228	-	992,834
Revenue from external customers	658,921	21,794	502,428	6,837	1,189,982
Intersegment revenue or transfers	-	207,986	20	289	208,296
Total	\$ 658,921	\$ 229,781	\$ 502,449	\$ 7,126	\$ 1,398,278
Segment profit	\$ 30,724	\$ 16,055	\$ 56,261	\$ 317	\$ 103,358

Note: The segment "Other" represents the business segment not attributable to reportable segments and mainly includes revenue and profit arising from services under "Common operation service agreement" and "System service agreement" concluded between the Company and NTT TC Leasing Co., Ltd.

	Millions of Yen				
	Six-Month Period Ended September 30, 2023				
	Reportable Segment				Total
Billing	Credit Card	Accounting and Finance	Other (Note)		
Revenue:					
Revenue arising from contracts with customers	¥ 18,753	¥ 286	¥ 9,658	¥ 1,273	¥ 29,972
Other revenue	67,313	3,016	45,005	-	115,335
Revenue from external customers	86,067	3,303	54,664	1,273	145,307
Intersegment revenue or transfers	-	27,402	7	-	27,410
Total	¥ 86,067	¥ 30,705	¥ 54,672	¥ 1,273	¥ 172,718
Segment profit	¥ 4,039	¥ 2,218	¥ 7,891	¥ 28	¥ 14,178

Note: The segment “Other” represents the business segment not attributable to reportable segments and mainly includes revenue and profit arising from services under “Common operation service agreement” and “System service agreement” concluded between the Company and NTT TC Leasing Co., Ltd.

***Differences between total amounts for reportable segments and amounts in the interim consolidated statements of income and main details of these differences***

	Millions of Yen		Thousands of U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
Segment profit:			
Reportable segments total	¥ 14,707	¥ 14,149	\$ 103,040
Segment “Other”	45	28	317
Corporate expenses (Note)	(4,118)	(3,369)	(28,854)
Operating income in the interim consolidated statements of income	¥ 10,633	¥ 10,808	\$ 74,503

Note: Corporate expenses mainly represent general and administrative expenses not attributable to reportable segments.

***Significant loss on impairment of long-lived assets by reportable segment***

For the six-month periods ended September 30, 2024 and 2023, there is no applicable information to disclose.

***Significant change in the amount of goodwill by reportable segment***

For the six-month periods ended September 30, 2024 and 2023, there is no applicable information to disclose.

***Significant gain on bargain purchase by reportable segment***

For the six-month periods ended September 30, 2024 and 2023, there is no applicable information to disclose.

## 12. PER SHARE INFORMATION

Earnings per share and its basis for the calculation are as follows:

	Yen		U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
Basic earnings per share	¥ 123,950.40	¥ 181,822.50	\$ 868.43
	Millions of Yen		Thousands of U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2024	2023	2024
Basis for calculation:			
Profit/(loss) attributable to owners of parent	¥ 6,366	¥ 9,339	\$ 44,606
Amount not attributable to common shareholders	-	-	-
Profit/(loss) attributable to owners of parent related to common stock	6,366	9,339	44,606
Weighted-average number of shares outstanding	51,365	51,365	

Diluted earnings per share is not disclosed because no potentially dilutive securities are outstanding.

## 13. SUBSEQUENT EVENTS

There are no significant subsequent events to disclose.

\* \* \* \* \*

## **Independent Auditor’s Report on Review of Interim Consolidated Financial Statements**

To the Board of Directors of NTT FINANCE CORPORATION:

### **Conclusion**

We have reviewed the accompanying interim consolidated financial statements of NTT FINANCE CORPORATION (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the interim consolidated balance sheet as at September 30, 2024 the interim consolidated statements of income, comprehensive income and cash flows for the six-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Conclusion**

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Review of the Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the interim consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Responsibilities of Management and Corporate Auditors for the Interim Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Group’s financial reporting process.

### **Auditor’s Responsibilities for the Review of the Interim Consolidated Financial Statements**

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review in our report on the review of interim consolidated financial statements.

As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to

believe that the interim consolidated financial statements do not present fairly in accordance with accounting principles generally accepted in Japan, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of interim consolidated financial statements to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of interim consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the interim consolidated financial statements are not in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and that nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the interim consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the interim consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with corporate auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Convenience Translation**

The U.S. dollar amounts in the accompanying interim consolidated financial statements with respect to the period ended September 30, 2024 are presented solely for convenience. Our review included the translation of yen amounts into U.S. dollar amounts and, based on our review, nothing has come to our attention that causes us to believe that such translation has not been made on the basis described in Note 1 to the interim consolidated financial statements.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.



Atsunori Sadahiro  
Designated Engagement Partner  
Certified Public Accountant

Tozuka Shinichiro  
Designated Engagement Partner  
Certified Public Accountant

KPMG AZSA LLC  
Tokyo Office, Japan  
December 5, 2024