

Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended September 30, 2021

<Under Japanese GAAP>

NTT FINANCE CORPORATION

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NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Balance Sheets
September 30, 2021 as compared with March 31, 2021—Unaudited

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, 2021	March 31, 2021	September 30, 2021		September 30, 2021	March 31, 2021	September 30, 2021
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 445,758	¥ 408,851	\$ 3,982,829	Short-term bank loans	¥ 536,611	¥ 2,006,041	\$ 4,794,601
Trade accounts receivable:				Current portion of long-term borrowings	50,730	22,099	453,277
Loans	7,705,900	7,369,961	68,851,867	Current portion of bonds	40,077	108,508	358,091
Other loans	947	965	8,464	Commercial papers	973,739	536,495	8,700,316
Credit cards	58,950	61,096	526,715	Accounts payable - other	415,632	415,480	3,713,658
Billing	88,018	85,682	786,442	Accrued income taxes	635	1,023	5,675
Allowance for doubtful receivables	(13,952)	(15,811)	(124,660)	Deposits received	1,712,923	1,332,072	15,304,889
Investments in venture businesses	8,051	4,901	71,936	Deposits received from shareholders, directors or employees	39	91	354
Other	48,768	40,143	435,743	Asset retirement obligations	3	63	27
				Other	12,737	6,747	113,812
Total current assets	8,342,442	7,955,791	74,539,337	Total current liabilities	3,743,131	4,428,623	33,444,705
PROPERTY AND EQUIPMENT, NET:	6,256	5,346	55,899				
INTANGIBLE ASSETS—Assets held for own use	12,431	5,443	111,075	LONG-TERM LIABILITIES:			
INVESTMENTS AND OTHER ASSETS:				Bonds	2,481,346	2,351,736	22,170,713
Investment securities	16,433	15,956	146,830	Long-term borrowings	2,072,386	1,126,029	18,516,675
Other	18,033	18,515	161,125	Provision for loss on system use agreements	541	541	4,833
Allowance for doubtful receivables	(423)	(447)	(3,783)	Defined benefit liability	25,036	23,127	223,699
				Asset retirement obligations	1,460	1,444	13,046
Total investments and other assets	34,043	34,024	304,172	Other	2,987	411	26,696
DEFERRED ASSETS				Total long-term liabilities	4,583,758	3,503,290	40,955,664
Deferred charges	6,434	7,066	57,495	Total liabilities	8,326,889	7,931,914	74,400,370
Total deferred assets	6,434	7,066	57,495	NET ASSETS:			
				Shareholders' equity (Note 5):			
				Common stock—authorized, 80,000 shares;			
				issued, 51,960 shares as of September 30 and March 31, 2021	16,770	16,770	149,847
				Capital surplus	15,950	15,950	142,516
				Retained earnings	38,093	41,239	340,363
				Treasury stock; 595 shares as of September 30 and March 31, 2021	(1,126)	(1,126)	(10,069)
				Total shareholders' equity	69,687	72,833	622,658
				Accumulated other comprehensive income/(loss):			
				Unrealized gain/(loss) on available-for-sale securities	4,306	2,458	38,477
				Foreign currency translation adjustments	253	12	2,268
				Remeasurements of defined benefit plans	470	453	4,205
				Total accumulated other comprehensive income/(loss)	5,030	2,924	44,951
				Total net assets	74,718	75,758	667,609
TOTAL ASSETS	¥ 8,401,608	¥ 8,007,672	\$ 75,067,980	TOTAL LIABILITIES AND NET ASSETS	¥ 8,401,608	¥ 8,007,672	\$ 75,067,980

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income

Six-Month Periods Ended September 30, 2021 and 2020—Unaudited

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2021	2020	2021
REVENUE	¥ 93,589	¥ 159,470	\$ 836,219
COST OF SALES	46,508	102,189	415,552
Gross profit/(loss)	47,081	57,280	420,666
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	40,905	48,633	365,489
Operating income/(loss)	6,175	8,647	55,177
OTHER INCOME:			
Interest income	0	0	0
Dividend income	21	48	195
Gain on bad debts recovered	282	334	2,526
Earnings on equity method investments	760	908	6,791
Other	139	13	1,250
Total other income	1,204	1,306	10,763
OTHER EXPENSES:			
Interest expense	11	99	102
Foreign exchange loss	-	566	-
Loss on retirement of long-lived assets held for own use	91	93	819
Other	1	103	17
Total other expenses	105	863	939
EXTRAORDINARY INCOME:			
Gain on sales of shares of subsidiaries	-	614	-
Total extraordinary income	-	614	-
EXTRAORDINARY LOSSES:			
Restructuring expenses	156	348	1,398
Total extraordinary losses	156	348	1,398
PROFIT/(LOSS) BEFORE INCOME TAXES	7,118	9,354	63,603
INCOME TAXES	2,215	3,729	19,797
PROFIT/(LOSS)	4,902	5,625	43,806
PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	7	-
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥ 4,902	¥ 5,618	\$ 43,806

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income

Six-Month Periods Ended September 30, 2021 and 2020—Unaudited

	Yen		U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2021	2020	2021
PER SHARE OF COMMON STOCK:			
Weighted average number of shares outstanding	51,365	51,365	51,365
Basic earnings per share	¥ 95,449.86	¥ 109,377.02	\$ 852.84

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, 2021 and 2020—Unaudited**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2021	2020	2021
PROFIT/(LOSS)	¥ 4,902	¥ 5,625	\$ 43,806
OTHER COMPREHENSIVE INCOME/(LOSS):			
Unrealized gain/(loss) on available-for-sale securities	1,826	2,374	16,321
Foreign currency translation adjustments	50	(27)	447
Remeasurements of defined benefit plans	16	67	150
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	212	59	1,897
Total other comprehensive income/(loss)	2,106	2,472	18,817
COMPREHENSIVE INCOME/(LOSS)	¥ 7,008	¥ 8,098	\$ 62,623
Comprehensive income/(loss) attributable to:			
Owners of parent	¥ 7,008	¥ 8,090	\$ 62,623
Non-controlling interests	-	7	-

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, 2021 and 2020—Unaudited

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2021	2020	2021
OPERATING ACTIVITIES:			
Profit before income taxes	¥ 7,118	¥ 9,354	\$ 63,603
Adjustments to reconcile profit before income taxes to net cash provided by/(used in) operating activities:			
Depreciation of leased assets and assets held for own use	2,255	1,921	20,149
(Gain)/loss on retirement of leased assets and assets held for own use	85	95	764
(Increase)/decrease in defined benefit asset	(81)	(59)	(725)
Increase/(decrease) in defined benefit liability	2,005	712	17,919
Increase/(decrease) in allowance for doubtful receivables	(1,882)	(1,386)	(16,823)
Increase/(decrease) in provision for loss on system use agreements	-	(14)	-
Interest and dividend income	(21)	(49)	(195)
Financing costs and interest expense	8,871	4,803	79,268
Foreign exchange (gain)/loss	7,731	(7,186)	69,081
Equity in (earnings)/losses of affiliates	(760)	(908)	(6,791)
(Gain)/loss on sales of shares of affiliates	-	(611)	-
Bond issuance costs	690	72	6,165
(Increase)/decrease in trade accounts receivable - installment sales	-	(52)	-
(Increase)/decrease in lease receivables and investments in leases	(2,739)	597	(24,473)
(Increase)/decrease in trade accounts receivable - loans	(334,323)	(38,408)	(2,987,160)
(Increase)/decrease in trade accounts receivable - other loans	18	(811)	162
(Increase)/decrease in trade accounts receivable - rents	-	820	-
(Increase)/decrease in trade accounts receivable - credit cards	2,146	564	19,175
(Increase)/decrease in trade accounts receivable - billing	(2,336)	(3,225)	(20,872)
(Increase)/decrease in investments in venture businesses	(634)	262	(5,670)
(Increase)/decrease in other securities to earn financial income for operating purpose	-	2,770	-
Purchases of leased assets	-	(6,655)	-
Increase/(decrease) in trade notes and accounts payable	(45)	(7,051)	(410)
Increase/(decrease) in accounts payable - other	(2,593)	1,905	(23,175)
Increase/(decrease) in deposits received - billing	(13,854)	(16,458)	(123,787)
Other—net	(7,911)	(6,147)	(70,692)
Subtotal	(336,262)	(65,147)	(3,004,488)
Interest and dividend income received	369	84	3,302
Interest expense paid	(4,028)	(4,457)	(35,990)
Income taxes refund/(paid)	(3,661)	(5,088)	(32,711)
Net cash provided by/(used in) operating activities	¥ (343,581)	¥ (74,609)	\$ (3,069,888)

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Cash Flows

Six-Month Periods Ended September 30, 2021 and 2020—Unaudited

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2021	2020	2021
Net cash provided by/(used in) operating activities	¥ (343,581)	¥ (74,609)	\$ (3,069,888)
INVESTING ACTIVITIES:			
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	57,126	-
Payments for purchases of investments in affiliates	-	(550)	-
Proceeds from sales of shares of affiliates	-	9	-
Payments for purchases of assets held for own use	(2,921)	(1,313)	(26,105)
Other—net	(311)	(102)	(2,782)
Net cash provided by/(used in) investing activities	(3,233)	55,169	(28,887)
FINANCING ACTIVITIES:			
Increase/(decrease) in short-term bank loans	(1,472,405)	(280,903)	(13,155,873)
Increase/(decrease) in commercial papers	435,523	202,870	3,891,378
Increase in long-term borrowings	982,695	140,523	8,780,335
Repayments of long-term borrowings	(10,634)	(5,689)	(95,019)
Proceeds from issuance of bonds	149,941	39,927	1,339,723
Redemption of bonds	(88,467)	(71,087)	(790,453)
Cash dividends paid	(8,048)	(12,740)	(71,915)
Increase/(decrease) in deposits received	394,996	(62,261)	3,529,278
Other—net	(10)	(14)	(93)
Net cash provided by/(used in) financing activities	383,590	(49,374)	3,427,360
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(5)	(502)	(44)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36,770	(69,316)	328,539
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	408,851	452,674	3,653,066
INCREASE IN CASH AND CASH EQUIVALENTS DUE TO ABSORPTION-TYPE COMPANY SPLIT	136	-	1,223
CASH AND CASH EQUIVALENTS, END OF PERIOD	¥ 445,758	¥ 383,357	\$ 3,982,829

See notes to interim consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Notes to Interim Consolidated Financial Statements—Unaudited

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 quarterly financial statements requires companies to prepare a set of interim consolidated financial statements for each quarter comprised of the consolidated balance sheet as of the current quarter-end and the consolidated statements of income, comprehensive income and cash flows for the year-to-date period. Consolidated statements of changes in net assets are not required.

Effective April 1, 2011, under the revised accounting standard for quarterly financial statements, the year-to-date consolidated statements of cash flows for the first quarter and the third quarter are not required but may be prepared at the company’s option. In addition, the consolidated statements of income and comprehensive income for the current quarter are not required but may be prepared at the company’s option.

The consolidated statements of changes in net assets are not presented herein.

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 ¥111.92 to \$1.00, the approximate rate of exchange at September 30, 2021, 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, 2021.

From the first quarter of the year ending March 31, 2022, NTT Finance Israel L.P. was included in the scope of consolidation due to its establishment.

From the beginning of the first quarter of the year ending March 31, 2022, the Company has applied the “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (ASBJ) Statement No. 30, July 4, 2019) and relevant ASBJ regulations. New accounting policies set forth by the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations are applied prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no effect of this application on the interim consolidated financial statements.

From the beginning of the first quarter of the year ending March 31, 2022, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations.

Revenue is recognized when control of the promised goods or services is transferred to the customer in the amount expected to be received in exchange for those goods or services.

Application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition.

The Company calculated the cumulative effect of applying the new accounting policies prior to the beginning of the first quarter of the year ending March 31, 2022. There is no cumulative effect and also no effect on profit or loss for the six-month period ended September 30, 2021.

In accordance with the transitional treatment prescribed in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), the Company did not provide information of disaggregated revenue from contracts with customers for the six-month period ended September 30, 2020.

3. LOANS AND OTHERS

Loans and others as of September 30 and March 31, 2021 include claims to borrowers in bankruptcy and past due loans as follows. The amounts below are based on the non-consolidated financial statements of the Company:

	Millions of Yen		Thousands of
	September 30, 2021	March 31, 2021	U.S. Dollars September 30, 2021
Claims to borrowers in bankruptcy (Note a)	¥ 11	¥ 8	\$ 103
Past due loans (Note b)	673	688	6,018
Delinquent loans contractually past due three months or more (Note c)	-	-	-
Restructured loans (Note d)	26	23	241

- Notes:
- Claims to borrowers in bankruptcy represent non-accrual loans which are defined in Article 96, Paragraph (1) (iii) of the Enforcement Order of the Corporation Tax Act of Japan.
 - Past due loans are non-accrual loans other than “claims to borrowers in bankruptcy” and loans for which interest payments are deferred in order to assist the financial recovery of borrowers in financial difficulty.
 - 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 “claims to borrowers in bankruptcy” and “past due 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 “claims to borrowers in bankruptcy,” “past due loans” and “delinquent loans contractually past due three months or more” mentioned above.

4. 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 do not change significantly compared to those as of March 31, 2021.

5. EQUITY

Dividends

The following dividends are paid during the six-month periods ended September 30, 2021 and 2020:

Six-Month Period Ended September 30, 2021								
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 18, 2021	Common stock	¥ 8,048	\$ 71,915	¥156,698.00	\$ 1,400.08	March 31, 2021	June 21, 2021	Retained earnings

Six-Month Period Ended September 30, 2020								
Resolution	Class of Shares	Total Dividends (Millions of Yen)	Dividends per Share (Yen)	Record Date	Effective Date	Source of Dividends		
Annual shareholders' meeting held on June 19, 2020	Common stock	¥ 12,740	¥248,031.00	March 31, 2020	June 22, 2020	Retained earnings		

6. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The amounts of financial instruments including carrying amounts on the accompanying interim consolidated balance sheets as of September 30, 2021 do not change significantly compared to those as of March 31, 2021.

7. DERIVATIVES

The amounts of derivatives including contract amounts as of September 30, 2021 do not change significantly compared to those as of March 31, 2021.

8. COMMITMENTS AND CONTINGENCIES

Contingent liabilities as of September 30, 2021 are as follows:

Guarantees in the ordinary course of business	<u>Millions of Yen</u> ¥ 54,230	<u>Thousands of U.S. Dollars</u> \$ 484,544
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9. REVENUE RECOGNITION

The information on disaggregated revenue from contracts with customers is presented in Note 10 on segment information.

10. 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, 2021 and 2020. Information on disaggregated revenue from contracts with customers is provided only for the six-month period ended September 30, 2021.

	Millions of Yen					
	Six-Month Period Ended September 30, 2021					
	Reportable Segment					Total
Billing	Credit Card	Accounting/ Finance	Total	Other (Note)		
Revenue:						
Revenue from contracts with customers	¥ 18,735	¥ 488	¥ 2,616	¥ 21,839	¥ 1,120	¥ 22,961
Other revenue	56,591	2,076	11,960	70,627	-	70,627
Revenue from external customers	75,327	2,564	14,577	92,469	1,120	93,589
Intersegment revenue or transfers	-	22,822	2	22,825	-	22,825
Total	¥ 75,327	¥ 25,387	¥ 14,579	¥ 115,294	¥ 1,120	¥ 116,414
Segment profit	¥ 4,697	¥ 1,773	¥ 1,821	¥ 8,292	¥ 11	¥ 8,303
	Thousands of U.S. Dollars					
	Six-Month Period Ended September 30, 2021					
	Reportable Segment					Total
	Billing	Credit Card	Accounting/ Finance	Total	Other (Note)	
Revenue:						
Revenue from contracts with customers	\$ 167,402	\$ 4,365	\$ 23,381	\$ 195,149	\$ 10,011	\$ 205,161
Other revenue	505,644	18,548	106,864	631,057	-	631,057
Revenue from external customers	673,046	22,914	130,245	826,207	10,011	836,219
Intersegment revenue or transfers	-	203,919	22	203,942	-	203,942
Total	\$ 673,046	\$ 226,834	\$ 130,268	\$1,030,149	\$ 10,011	\$1,040,161
Segment profit	\$ 41,969	\$ 15,850	\$ 16,271	\$ 74,091	\$ 99	\$ 74,190

Note: “Other” mainly includes revenue and profit arising from services based on the “Outsourcing agreement for common operations” and “System service agreement” concluded between the Company and NTT TC Leasing Co., Ltd. other than reportable segments.

		Millions of Yen						
		Six-Month Period Ended September 30, 2020						
		Reportable Segment					Other	Total
	Billing	Credit Card	Finance	Leasing	Inter-national	Total	(Note)	Total
Revenue from external customers	¥ 79,323	¥ 2,547	¥ 5,628	¥ 68,552	¥ 2,807	¥ 158,859	¥ 610	¥ 159,470
Intersegment revenue or transfers	54	21,516	-	-	-	21,571	-	21,571
Total	¥ 79,378	¥ 24,064	¥ 5,628	¥ 68,552	¥ 2,807	¥ 180,431	¥ 610	¥ 181,041
Segment profit	¥ 4,758	¥ 1,647	¥ 998	¥ 3,355	¥ 859	¥ 11,619	¥ 32	¥ 11,651

Note: “Other” mainly includes revenue and profit arising from services based on the “Outsourcing agreement for common operations” and “System service agreement” concluded between the Company and NTT TC Leasing Co., Ltd. other than reportable segments.

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
	2021	2020	2021
Segment profit:			
Reportable segments total	¥ 8,292	¥ 11,651	\$ 74,091
Profit in “Other”	11	-	99
Corporate expenses (Note)	(2,127)	(3,004)	(19,012)
Operating income in the interim consolidated statements of income	¥ 6,175	¥ 8,647	\$ 55,177

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

Information regarding changes in reportable segments

The absorption-type company split was conducted during the second quarter of the year ended March 31, 2021, under which the rights and obligations of the leasing business and part of the international business of the Company were transferred to NTT TC Leasing Co., Ltd. Accordingly, the Company changed its business segments from the previous five segments (“Billing business,” “Credit card business,” “Finance business,” “Leasing business,” and “International business”) to the new three segments (“Billing business,” “Credit card business,” and “Finance business”), effective April 1, 2021.

The Company received the accounting business of NTT BUSINESS ASSOCIE Corporation during the second quarter of the year ending March 31, 2022. Accordingly, the previous “Finance business” segment was renamed “Accounting/Finance business,” effective July 1, 2021.

Information regarding assets by reportable segment

As of September 30, 2020, segment assets in the leasing business and the international business had decreased by ¥1,031,494 million and ¥280,890 million, respectively, compared to the respective amounts as of March 31, 2020, which was mainly the result of the absorption-type company split conducted during the second quarter of the year ended March 31, 2021, under which the rights and obligations of the leasing business and part of the international business of the Company were transferred to NTT TC Leasing Co., Ltd.

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

For the six-month periods ended September 30, 2021 and 2020, 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, 2021 and 2020, there is no applicable information to disclose.

Significant gain on bargain purchase by reportable segment

For the six-month periods ended September 30, 2021 and 2020, there is no applicable information to disclose.

11. SUBSEQUENT EVENTS

There are no significant subsequent events to disclose.

12. SUPPLEMENTAL INFORMATION

Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

With respect to items subject to the review of the non-consolidated taxation system conducted to coincide with transition from the consolidated taxation system to the group tax sharing system, which was created under the “Act Partially Amending the Income Tax Act” (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) in accordance with the treatment prescribed in Paragraph 3 of “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (Practical Issues Task Force (PITF) No. 39, March 31, 2020) and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of tax laws before the revision.

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